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PROCEEDINGS AND DEBATES OF THE 87th CONGRESS, SECOND SESSION

SENATE

FRIDAY, JULY 20, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou who art from everlasting to everlasting, we would for this hallowed moment subdue to silence the day's noisy claims, as we listen for the divine voice which guides and blesses and reassures.

We would submit ourselves to the tests of Thy white, searching purity, with which nothing unclean can live. By the judgment of that purity, deliver us, we pray, from the dangerous sophistries which afflict our day and which elevate cleverness above goodness, and humor above honor.

Give us to see what the long travail of the ages makes clear: that where there is no vision, the people perish, as idealism goes down and the false gods of selfish force ascend the throne. Set our eyes on far-off goals, many of which cannot be reached in our brief day, as we pray for Thy kingdom's coming. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 19, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries, and he announced that on July 18, 1962, the President had approved and signed the following act and joint resolution:

S. 1264. An act for the relief of Capt. Dale Frazier; and

S.J. Res. 68. Joint resolution providing for the designation of the week commencing October 14, 1962, as National Public Works Week.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Permanent Subcommittee on Investigations, of the Committee on Government Operations, was authorized to meet during the session of the Senate today.

On request of Mr. HUMPHREY, and by unanimous consent, the Committee on Finance was authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. ROBERTSON, from the Committee on Banking and Currency:

H. Gardner Ackley, of Michigan, to be a member of the Council of Economic Advisers.

By Mr. CHAVEZ, from the Committee on Public Works:

Frank E. Smith, of Mississippi, to be a member of the Board of Directors of the Tennessee Valley Authority.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

ASSISTANT SECRETARY OF DEFENSE

The Chief Clerk read the nomination of Norman S. Paul, of the District of Columbia, to be an Assistant Secretary of Defense.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

U.S. ARMY

The Chief Clerk proceeded to read sundry nominations in the U.S. Army.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

SECRETARY OF HEALTH, EDUCATION, AND WELFARE

The Chief Clerk read the nomination of Anthony J. Celebrezze, of Ohio, to be Secretary of Health, Education, and Welfare.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

The VICE PRESIDENT. Morning business is in order.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILLIAMS of New Jersey, from the Committee on Banking and Currency, with an amendment:

S. 3066. A bill to authorize a study of methods of helping to provide financial assistance to victims of future flood disasters (Rept. No. 1747).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with an amendment:

S. 3153. A bill to guarantee electric consumers in the Pacific Northwest first call on electric energy generated in Federal plants in that region and to guarantee electric consumers in other regions reciprocal priority, and for other purposes (Rept. No. 1748).

AMENDMENT OF SECTION 601 OF TITLE 38, UNITED STATES CODE—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 1746)

Mr. YARBOROUGH. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (S. 801) to amend section 601 of title 38, United States Code, with respect to the definition of the term "Veterans' Administration facilities," and I submit a report thereon. I ask unanimous consent that the report be printed, together with the minority views of the Senator from Arizona [Mr. Goldwater] and the Senator from Texas [Mr. Tower.]

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Texas.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH of Massachusetts:

S. 3562. A bill for the relief of Rosaria Gurciullo; to the Committee on the Judiciary.

By Mr. BIBLE:

S. 3563. A bill for the relief of Daniel Sheahan; to the Committee on the Judiciary.

CONCURRENT RESOLUTION

STRIKES AFFECTING ESSENTIAL DEFENSE INDUSTRIES

Mr. STENNIS (for himself and Mr. Bush) submitted a concurrent resolution (S. Con. Res. 85) expressing the sense of Congress concerning strikes affecting essential defense industries, which was referred to the Committee on Labor and Public Welfare.

(See the above concurrent resolution printed in full when submitted by Mr. Stennis, which appears under a separate heading.)

AMENDMENT OF PROVISIONS OF TITLE 18, UNITED STATES CODE, RELATING TO OFFENSES COMMITTED IN INDIAN COUNTRY—AMENDMENT

Mr. ANDERSON submitted an amendment intended to be proposed by him, to the bill (H.R. 11846) to amend the provisions of title 18 of the United States Code relating to offenses committed in Indian country, which was referred to the Committee on the Judiciary, and ordered to be printed.

NOTICE OF HEARING ON NOMINATION OF HAROLD R. TYLER, JR., TO BE U.S. DISTRICT JUDGE, SOUTHERN DISTRICT OF NEW YORK

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, July 27, 1962, at 10:30 a.m., in room 2300, New Senate Office Building, on the nomination of Harold R. Tyler, Jr., of New York, to be U.S. district judge, southern district of New York, a new position.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Missouri [Mr. Long], chairman, the Senator from Michigan [Mr. Hart], and the Senator from New York [Mr. Keating].

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 20, 1962, he presented to the President of the United States the enrolled bill (S. 46) to provide for the establishment and administration of basic public recreation facilities at the Elephant Butte Caballo Reservoir Areas, N. Mex., and for other purposes.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Record, as follows:

By Mr. RANDOLPH:

Remarks by S. W. Bobskill, and himself, at ground-breaking ceremonies held at the Morgantown Municipal Airport, Morgantown, W. Va., July 14, 1962.

WHAT'S RIGHT WITH AMERICA? SERMON BY DR. ALLEN MONTGOMERY

Mr. SPARKMAN. Mr. President, on the Sunday prior to July 4, Dr. Allen Montgomery, pastor of the Canterbury Methodist Church, at Mountain Brook, Ala.—Mountain Brook is in the metropolitan area of Birmingham—preached a very fine sermon. A friend of mine in Birmingham sent me a copy of it, and said he thought I would enjoy reading it, and also commented that more sermons of this kind should be delivered throughout the country, and many speeches on this theme should be delivered from public platforms.

The subject of Dr. Montgomery's sermon was, "What's Right With America?" His theme was that there is too much negativism in the country and in the world, today; people pick out particular points and criticize. Dr. Montgomery urged that we stop to count our blessings and consider the things that are good in all the various aspects of American life.

Mr. President, I commend a careful reading of this powerful sermon to all Senators; and, therefore, I ask unanimous consent that the sermon be printed at this point in the Record.

There being no objection, the sermon was ordered to be printed in the Record, as follows:

What's Right With America?

On Wednesday next, we will mark the 186th anniversary of the signing of the Declaration of Independence. Independence Day, as a national holiday, is noted for its sense of levity but mixed with quiet reflection and, I hope, some thanksgiving for the freedom that we have experienced through these 186 years.

For many years it was customary for the day to be celebrated with bands and flags and orators who told us how great our country was or could become. However, in more recent years, a debunking process set in which found favorable response in many areas. This included a polite ridicule of our Founding Fathers and a belittling of any oratory that attempted to suggest that we ought to be proud of our heritage. This, I think, is beginning to give way to a reversion to the use of this day as a kind of rare opportunity for self-analysis.

Today, a great number of voices are blending to tell us what is wrong with America. I want to look at the other side of the ledger and say, "What's Right With America." Now, I do not object to anyone saying what's wrong with America as long as they look at both sides of the ledger. I certainly do not want to ignore the things that are wrong with America, but some people, I fear, have so concentrated on what's wrong with America that they have forgotten the things that are right with America. You know, I feel about my country like I feel about my child. I know that my child is not perfect and I don't resent someone telling me about a fault my child may have as long as he recognizes that my child also has some virtues. I feel the same way about my church. I don't mind someone criticizing my church, a little bit; I don't object to being reminded that my church has faults—as long as the reminder remembers that my church also has virtues.

I know America has her faults and weaknesses but she also has her virtues and I, for one, think the virtues far outweigh the faults. What is right with America? For one thing, she is still the same sun-kissed, God-blessed land of unlimited beauty and unbounded physical resources. This is the same land of beauty and abundance that it was in 1776. Oh, we have cut down some of the trees, leveled some of the hills, dammed some of the rivers, and designed the land with ribbons of highways and railroads. But all of this has been for the purpose of making it a better country and to the end of serving her people well. I believe God intended the land should serve the people and that the fruits of the land should be used for their comfort and pleasure. The earth was made for man—not man for the earth.

America is a good place to live. I have traveled over a good part of the world and one of the best and most lasting results of my travels has been to impress upon me the depth of my love for my native land. This doesn't mean that I have anything in particular against any other country. They just don't measure up to America. There are some places where I wouldn't mind lingering for a few weeks or a month maybe, but I wouldn't want to live there. America's the place for me. I like it. I love it. "This is my own, my native land." As a place to live, America may not be perfect. There are areas where it is too cold in the winter and too hot in the summer. Some areas have mosquitoes and others have gnats. But on the whole, I do not know of a better place to live in all the world. Here is one area where I am completely satisfied.

America is not only a good place to live. It is also a good place to work. America is the best place in the world to earn a living. I have a friend who lives in a small town who is fond of saying about his town that it is the finest place in the world to live but the worst place to make a living. He is, of course, being facetious. The worst place in America to make a living, no matter where that may be, is good compared with most places in the world. I was frankly surprised to note in the newspapers that our community of Mountain Brook is 1 of only 10 in America where the household income exceeds $20,000 per year. Do you realize that only 15 percent of the people of the world earn more than $450 per year? The annual average per capita income in the United States in 1960 was more than $2,000, whereas one-third of the world's population has an income of less than $100 per year.

America is also a good place to express one's God-given abilities and use these to achieve greatness. Whenever I hear someone saying that some person has no opportunity for self-expression, I always think of

George Washington Carver. Here was a man of real genius. He was born a slave but even that did not prohibit his genius from finding ways of expressing itself. He was recognized the world over as a man of humble greatness. If the America of the turn of the century enabled a Negro slave to develop and express his God-given abilities, no man of today could justifiably complain of restrictions.

One of the most delightful stories I have read in a long time is "The Hunchbacked Genius of Liberty Hall." It is the story of Charles P. Steinmetz. Who was Charles P. Steinmetz? Well, first of all he was an immigrant. In the second place, he was a dwarf—less than 5 feet tall, a frail body capped by an overlarge head. Only by a coincidence had he gained entrance into the United States. He had fled from Germany because of political activities offensive to the government of Bismarck. He came to America as Karl August Rudolf Steinmetz but soon he was Charles Proteus Steinmetz and General Electric was buying an entire company to secure the services of a single man—a hunchbacked genius who had found in America an atmosphere and an opportunity to express his genius.

What's right with America? I think her Government is right. Now I do not like some of the things our Government does. I realize our Government has some imperfections—that there is room for improvement in a good many places. I didn't like the Supreme Court's decision last week regarding prayer in the schoolroom. I dislike the Court's tendency to rule in favor of a small minority against the wishes of the vast majority. I'm concerned at what appears to be a "bent" of the Court to rule against traditional recognition of the importance of religion in every facet of life, including our schools. I think Congress and the President, as well as the Court, make some blundering mistakes, but with all this I still think our Government is the best in the world. It is built on a solid basis that will stand the test of all time. If one rejects our system of government, he must accept some alternative. What would it be? A monarchy? I seem to recall that we left England to get away from that. A dictatorship? The people of America have known freedom too long ever to submit to that form of government. Would you have some new experiment in government? Not I. No, democracy—"government of the people, by the people, and for the people"—is the government that I pray will never perish from the face of the earth.

Now I do not say that God blesses our country and our Government in any exclusive sense. But I do believe God will bless us and our Government as long as we continue to acknowledge Him as did our Founding Fathers. This is a good time to look at the Declaration of Independence and remember how firmly its framers were relying on the Almighty. The last paragraph breathes the spirit of the whole. There an appeal is made to the Supreme Judge of the world and closed with their pledge of firm reliance on the protection of divine providence. Ninety years after the Founding Fathers placed the whole of their future under the providence of God another great American leader prayed that "this Nation, under God, should have a new birth of freedom." Now, another 90 years have passed and we need to reaffirm that this Nation wishes to remain under the protection of divine providence. Instead of saying you cannot say prayers in a schoolroom, we need to be saying to all the world that we believe every American ought to call upon God in every area and occasion of life to give thanks to God for His providence.

We are a nation blessed by a provident God. The basic strength of this Nation depends upon this system of government, under God. Humble and penitent people will show their praise to Him who has been our guide and stay. He who has been our help in ages past must be our hope for years to come.

The late Cordell Hull, one of the truly great statesmen of this century, said a thing that is worth remembering: "The Government of the United States is never far ahead of the American public; nor is it very far behind." Isn't this a way of saying that people have the kind of government they want—the kind of government they are willing to pay for—in vigilance, dedication, and service.

In 1958, Gene Burdick and Bill Lederer collaborated to write "The Ugly American." This is a book about Americans in southeast Asia. It is largely concerned with ambassadors and consuls and other American officials in the land of southeast Asia. Some of these officials are bought cheap, according to Burdick and Lederer, with champagne and cavair. Here is an ambassador who refuses to learn the language or the personality of the country to which he is assigned. But, there is a Catholic priest who wages a lonely victorious battle against communism on its own ground. And here is the Ugly American—an engineer who works productive miracles with lengths of bamboo and an old bicycle.

This is the concluding thought of these authors: "All over Asia we have found that the basic American ethic is revered, honored, and imitated when possible. We must show, by example, that America is still the America of freedom and hope, knowledge and law. If we succeed, we cannot lose the struggle."

What's right with America? Her economics are right. Her government is right. Her religion is right. America is the great stronghold of the Christian faith. Outside the Jewish faith, there are very few people in America who claim any religious allegiance other than Christian. To be sure, we are far from being as Christian as we ought to be but there is a predominant reverence among us that entitles us to the label—a Christian Nation.

Not long ago I saw an ad in a magazine that displayed what was obviously a Russian church and written across it were the words: "Closed to Worship." Underneath the picture were these words, "Is this church in America? In 1960 we built 4,915 new churches in the United States. The one above is St. Basil's Cathedral in Red Square, Moscow—once one of Russia's greatest churches; now, a museum." That ad is a mute reminder that freedom and the Christian faith are hand-in-glove partners. If we want a strong democratic government, we must have a strong Christian faith. When one goes, the other stands precariously weak. Freedom is Christendom's child.

About a month ago, J. Edgar Hoover wrote an article entitled "Guidelines for a Civilization in Peril." I'd like to share with you the concluding statement in that article: "There are spiritual foundations from which free people draw their strength. The guidelines leading to those fountains must be made available to our children if the spiritual ropes which find men's souls in strength and courage and dignity are to hold fast when these same children become men and women."

But, you know, it isn't enough to simply say, "What's right with America"; we must determine that we will pledge to ourselves to see to it that the things that are right remain while we put to flight the things that are wrong.

THE CONFERENCE REPORT ON THE FOREIGN AID BILL

Mr. STENNIS. Mr. President, on yesterday, following the debate in regard to the Lausche-Cotton amendment to the foreign aid bill, I was engaged in making a short speech on strikes in defense plants, and did not participate in the debate on the foreign aid bill conference report.

I support the remarks made by the Senator from Oregon [Mr. MORSE] because I think time is running out, and I believe that without further delay we should pass on this matter. Certainly we should do so soon. So I supported the Lausche proposal to have the conferees further consider this matter; and I believe that should have been adopted.

In particular, I hoped there would be more debate on the merits of this matter, particularly on the question of aid to Communist countries. This matter does not require that experts pass on certain persons in certain places; instead, it is a commonsense proposition, and I believe it should be passed on directly, again, by the Congress. I express that sentiment at this particular time merely in order to keep the record straight.

Mr. President, for that reason, today I shall vote against adoption of the conference report. I wish there could have been at least 1 more day's debate on it.

Mr. PROXMIRE. Mr. President, in a few minutes the Senate will take final action on the conference report on the foreign aid bill. With great reluctance, I shall vote against adoption of the conference report, although I have always voted for foreign aid bills, and I intend to do so in the future.

I shall vote against adoption of this conference report because of my very vigorous and vehement protest against the action taken by the Senate conferees in giving up the victory which had been won in the Senate on suspending aid to Yugoslavia for 1 year.

Yesterday it was reported that the President of the United States has suspended aid to Peru, because of a revolt by a military dictatorship which has wiped out democracy there; and in this morning's Washington Post we find a very telling cartoon by Herblock, which shows a member of the Peruvian military junta holding a sword held aloft, and shouting, crying, "Dollars si, democracy, no."

Mr. President, I agree with the President's action in regard to Peru, which admittedly is now a military dictatorship, and think it wise, and think it should be supported, and if it is proper to take action it seems to me that similar action should be applied with far greater strength to Yugoslavia, where there is not only a military dictatorship, but also a Communist dictatorship, and where for years the Government has been doing its best to line up other countries against the United States.

NEWSMAN IVAN KAYE REVIEWS PESTICIDE PROBLEM

Mr. PROXMIRE. Mr. President, on two occasions I have called attention to the alarming situation involving the excessive use of powerful pesticides, described in three recent articles in the New Yorker magazine by the famous author, Rachel Carson. Miss Carson is a distinguished writer on nature; her book, "The Sea Around Us," is well known.

In view of the national concern aroused by her articles, it would be appropriate for the Departments of Agriculture and Interior, as well as other concerned Federal agencies, to prepare a detailed commentary on the specific episodes described by Miss Carson, in which the use of pesticides had unfortunate results, as well as on the broader generalizations and comments which she makes. Accordingly, I am writing to the heads of these two Departments, requesting that they undertake such a report.

On Monday, July 16, the Capital Times, of Madison, Wis., carried an excellent article discussing this situation. Written by the paper's Washington correspondent, Ivan Kaye, it provides a useful summary of this complex problem. I ask unanimous consent that Mr. Kaye's article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A SILENT SPRING—POISONS HURTING BIRDS; WILL MEN BE NEXT?

(By Ivan Kaye)

WASHINGTON.—When the facts of life are explained to the children of the future, the story may have to be told without mention of the birds and the bees.

For the birds, the bees, the fish, the soil, and man himself are being contaminated not only by the well-known fallout from nuclear explosions, but also by the much less publicized residues from indiscriminately used insect and weed poisons.

The destruction of wildlife has been so widespread that it has led the renowned biologist and author Rachel Carson to envision a "Silent Spring"—a time in the American land when nothing will be heard, not even the song of a bird.

It has not come to that everywhere yet, but in communities like Whitefish Bay, Wis., Miss Carson writes, the birds are all but gone, victims of the poisons used in an attempt to eradicate dutch elm disease.

In a series of articles in three recent issues of the New Yorker magazine, Miss Carson presents the strongest indictment yet written of the careless use of pesticides—insect and weed killing poisons.

Her massively documented story has been the subject of continuing discussion here in the Agriculture and Interior Departments, the Food and Drug Administration, and the U.S. Public Health Service.

The problem has been brought into the Hall of Congress by Senator WILLIAM PROXMIRE, Democrat, of Wisconsin, who praised the articles highly, and called for congressional passage of bills that would make it mandatory for a Government department to consult fully with the Public Health Service before embarking upon any program of insect or weed killing.

There is a Federal Pest Control Review Board which is supposed to pass on all insect and weed destruction plans to make sure that they do not get out of hand.

It is one of the points of Miss Carson's indictment, however, that there has been painfully little regard on the part of the Agriculture Department's Pest Control Division for the overall welfare of men and animals who happen to get in the way of their spraying programs, and the Review Board has generally gone along with the programs.

Miss Carson, a Johns Hopkins trained biologist and author of the now classic "The Sea Around Us," points out that there is an enormous, and as yet largely unexplored, danger to humans in the rapidly proceeding contamination of the land and water by chemical pesticides.

It is not just a matter of birds being decimated and their song stilled, painful as that is to nature lovers. It is a matter of man fouling his own nest, and, even more ominously, wreaking genetic damage upon unborn generations, she argues.

Some Agriculture Department officials have been critical of the Carson study, saying that it generalizes too much, and that it tries to make a case for great damage to humans, when little has actually occurred.

To Miss Carson's lament that man is interfering with the balance of nature by using so vast an arsenal of chemical pesticides, one Agriculture Department scientist said that it was man's right to change nature to suit his own needs.

The problem highlighted by the study involves two opposing views of insect and weed control. One, taken by the Agriculture Department's pest control specialists and reinforced by a $250 million a year pesticide industry, advocates the use of more and deadlier poisons.

The other, held by many naturalists and biologists in addition to Miss Carson, abhors the widespread destruction of beneficial animals and insects in the attempt to destroy pests.

This view stresses the fact that the best method of controlling insects is through their natural enemies—other insects and birds, and adds that if poisons must be used, they should be used with care.

It also condemns the contamination of the soil and water which results from the application of the insect and weed killers.

Until the Carson study, there had not been a popular presentation of this side of the argument. But with the New Yorker series, and its expected publication in book form this October under the title "Silent Spring," the naturalists' view is expected to gain a much wider audience.

One of the ironies of the campaign against insects is that the poisons kill the weaker ones, leaving the hardier ones alive to breed resistant offspring. The poisons, however, usually kill many other insects in addition to the ones intended, and sometimes this unleashes new and undreamed-of forces that further upset the balance of nature.

Ladybugs, for example, are killed unintentionally, and this results in a proliferation of the plant-destroying aphids which had formerly been held in check by the beneficial ladybug.

To the insects' demonstration of the Darwinian law of survival of the fittest, the Government's answer has been to use ever more powerful poisons. Some 600 new chemicals have been created during the past 15 years to kill insects.

Since it takes men and animals thousands of years to adjust to dangerous chemicals in an environment, many biologists now feel that this rush of new poisons into the human system cannot help but have a bad effect. Man might adjust to them in time, but not to so many chemicals in just one generation.

The two main types of insecticides are the chlorinated hydrocarbons, of which DDT is the best known, and the organic phosphates, of which malathion and parathion are widely used by gardeners.

People who remember how DDT was used during World War II as a delouser cannot understand how it could be harmful to humans. The catch is that it was dusted on in powder form then, and did not work its way into the system. Now, though, as a component of sprays, it is dissolved in oil and gets absorbed into the human digestive tract.

DDT and the other chlorinated hydrocarbons accumulate in the body's fatty tissues and glands. They are also thought to injure the liver and may disrupt the energy producing process in the body's individual cells.

Like radiation, the DDT-type insecticides may affect the genetic material and possibly be responsible for deformations in future generations. Chemicals as well as radiation have been known to induce such changes in laboratory experiments.

The organic phosphates seem to attack the nervous system, impeding the work of a necessary chemical. Miss Carson writes that there are some 200 causes of poisoning each year among California fruit pickers who come in repeated contact with one organic phosphate.

Birds are particularly susceptible to poisons used to kill insects. In Whitefish Bay, the spraying of elm tres resulted in the death of warblers which fed on insects living on the leaves.

An insect might pick up only a very small dose of poison, not even enough to kill it, but when a bird eats hundreds of insects in one day, it gets such a cumulative amount that it dies.

This has been observed with the robins on the Michigan State University campus in East Lansing. The robins ate earthworms which had picked up small doses of poison from eating fallen elm leaves that had been sprayed.

Wisconsin birds that are suffering from the unthinking application of poisons, according to the Carson study, include the swallow, cardinal, wren, catbird, screech owl, and robin. Pigeons, starlings, and English sparrows, birds considered much more troublesome, have not been so badly hit.

If birds can pick up lethal doses of stored DDT from the bodies of insects, people may also get cumulative amounts from eating foods that contain a residue. This applies to animal as well as plant food, and even to milk.

The Agriculture Department, according to Miss Carson, tells farmers to keep milk cows out of pastures that have been treated with weed killers for between 30 to 90 days. But the Department does not have enough inspectors to make sure that its advice is followed.

Wisconsin cranberry growers have not forgotten the bleak Thanksgiving of 1959, when the Food and Drug Administration took thousands of cans of their product off grocers' shelves. A powerful weed killer, aminotriozole, which was used to protect the crop in the bogs, was found to cause cancer of the thyroid gland in laboratory experiments on rats. Some of the growers followed instructions about spraying, but others did not, and the crop was ruled contaminated.

The Food and Drug Administration caught the product in time in that case, but it is badly understaffed and has nowhere near the budget necessary to properly monitor the Nation's toxic intake.

The Food and Drug Administration sets health limits on the amount of insecticide residue in a given food, but the drawback, as the Carson study observes, is that people get poison residues from several foods at each meal, and the effect is cumulative.

If Rachel Carson's impassioned report causes those in control of the pesticides to act with greater care, many will consider her study a monumental success. If nothing else, it proves that even though the birds may be silent, the biologists are not.

BRILLIANT RECORD OF SATELLITE TELSTAR

Mrs. SMITH of Maine. Mr. President, the brilliant success of the Telstar communications satellite was a great thrill not only to millions of Americans—very proud Americans—but to millions of Europeans as well.

As a former employee of the telephone company—as a native of Maine from where the successful operation was projected—and as a member of the Senate Aeronautical and Space Sciences Committee—I had a very deep interest in this operation. I made reference to these interests in the Senate the day following the initial broadcast.

I have a fourth interest—that as one of the two Senate representatives to the United Nations Committee on Peaceful Uses of Outer Space.

In that connection, I invite the attention of the Senators to an editorial entitled "Telestar: Sign of the Times," in the July 13, 1962, issue of the Christian Science Monitor, and ask unanimous consent to have it printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TELSTAR: SIGN OF THE TIMES

The exuberance with which the international experimenters have leaped to demonstrate the capability of their new Telstar satellite is a sign of our times.

One can forgive the French for not waiting a week or more as planned to send their first program.

Satellites promise to break a communications bottleneck and to tie the world together more tightly than ever. With the first experimental Telstar performing superbly, the urge to show it off is irresistible.

The scientists and engineers who have made this possible are justly proud of their achievement. We all can share in this pride of positive accomplishment.

Some, aghast at the rapid pace of technological change, understandably may wish it could be controlled to allow society to adapt to it gracefully. But to regret the swift approach of international TV because national systems have not yet worked out the best use of the medium is to miss the triumph inherent in the nature of the Telstar experiment.

The marvel of transatlantic TV has been made possible by a confluence of scientific knowledge that spans a gamut beginning with the mechanical laws Newton formulated in the 17th century, and by which orbits are calculated. It stretches to the supersensitive maser amplifier which picks up the satellite's faint signal and which was developed only within the past few years.

Thus the Telstar project typifies one of the grandest achievements of the human race—the rational uncovering of natural law and its application to serve mankind.

No wonder the Telstar team is excited. And no wonder the scheduling went by the board as officials and experts alike saw their dream of transatlantic TV emerge as at least an experimental reality.

We hope the officials of Eurovision and of member countries will take this into consideration as they investigate the British complaint that France broke an international agreement in sending a program so early, a charge France denies.

Certainly the political implications of communications satellites are of paramount importance.

In the United States, the question of who should own and operate such a system still bulks large.

Internationally, the ominous question of how wisely to introduce this powerful new medium into a politically divided world has yet to be seriously tackled. Involved in this is the crucial subsidiary question in regard to television of what to show to whom and when.

Those who pose such questions merely to resist the pace of technical progress do not help society to meet its responsibilities. These questions must be faced and answered by citizens and their leaders in many fields today.

Scientific discovery and engineering application are breaking old limitations in many directions. They put enormous power in human hands with the challenge to choose between good and evil uses.

The creative thinking that is dissolving limitations demonstrates what men can accomplish as talented, often dedicated, individuals. The political and social questions to which their achievements give rise are a challenge to all men to demonstrate the mature judgment that will control their use to benefit mankind.

The Telstar satellite is a dramatic symbol of this challenge.

NATIONAL MARITIME DAY ADDRESS BY ALVIN SHAPIRO

Mr. BUTLER. Mr. President, we are now engaged in an important debate regarding the liberalization of the trade policy between the United States and the nations of the free world. In a recent speech before the Rotary Club of Baltimore, Mr. Alvin Shapiro, vice president of the American Merchant Marine Institute, declared:

> I urge our leadership in and out of Government, in highlighting the significance of modernizing our trade policy, to consider our commercial fleet as a vital ingredient thereof.

Mr. Shapiro, a man of great experience in maritime affairs, stresses, rightly I believe, the importance of our merchant marine in any reevaluation of our trade policy and I recommend to my colleagues their study of his speech which points out that there is no better way to transport the additional goods which we hope will follow from increased trade with Western Europe than in vessels of the American merchant marine.

I ask unanimous consent to have this speech printed in the RECORD following my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF ALVIN SHAPIRO, VICE PRESIDENT, AMERICAN MERCHANT MARINE INSTITUTE, INC., BEFORE THE ROTARY CLUB, BALTIMORE, MD., NATIONAL MARITIME DAY, MAY 22, 1962

First, may I indicate my great pleasure at being in Baltimore once again. Unlike Preakness Day, I shall return home this time better fed, thanks to your hospitality, and certainly much more solvent.

I am given to understand that this is somewhat of a "first," meaning the initial occasion on which the Rotary anywhere has celebrated National Maritime Day. To have been chosen as your speaker on this occasion will, I hope, prove about half as gratifying to you as it is complimentary to me. At the very minimum, let's hope that this doesn't become the first and last of such occasions.

It is of course not surprising that a distinguished organization like the Rotary in Baltimore, almost surrounded by navigable water, should be keenly aware of world trade, the American maritime industry and its role in the community. I will be even more pleased if the Rotary in perhaps Albuquerque, N. Mex., or Des Moines, Iowa, pays recognition to the American merchant marine on future Maritime Days.

I would like to talk to you briefly on one of the hotter items in the news these days because I believe it portends a trend of grave consequence to you as alert citizens, to your community and to the role of ships.

This is the issue of fundamental trade policy of the United States. I would like to make it clear that because I am not a legislator I can afford the luxury of certain abstractions and leave to others the task of converting ideas into clearly defined language.

Because we were not forced to face up to it, we have not, in my opinion, carefully examined in the last 20 years, the real ingredients of a sound, modern international trade program. We had the war and its economic consequences to deal with, and then the long and apparently perpetual problems of our political international relationships. Somewhat suddenly, however, although the basic ingredients should have been, I believe, readily seen, we became shockingly aware of grave international marketing competition from our friends and allies, and a dangerous balance-of-payments deficit threatening our gold supply and the sanctity of the dollar. Today, therefore, we find the greatest luxury, and one we can least afford, is a step back into international economic isolation. Now, I would like to make it crystal clear that I am not here advocating any specific legislative measure embodying the basic realities of international trade with which we must as a free enterprise nation live. But I do advocate that these realities must be recognized so that new policies and practices may emerge.

Almost 10 percent of our production of movable goods is exported. This figure is even more impressive in certain industries and is most notable of all in our farm production. Our export business and in fact our import potential is a vital source of our economy's health. This in turn is doubtless the greatest weapon civilization, as we know it, has in these monumentally troublesome times.

And we dare not imperil our national strength by leaving our international economic policy to chance. Certainly not with the reality of an existing European Economic Community or Common Market, which, in fact, extends beyond Europe. And this Economic Community will grow in worldwide significance, and particularly in its significance to us.

Western Europe represents over $6 billion or one-third of our total export market. Existing Common Market countries alone already absorb 20 percent of our total oversea sales.

Some may even say it is un-American and perhaps a little dangerous for me but I must caution that we cannot, with national smugness, hide the fact that the European Market encompasses some 300 million people and a tremendous productive machine that can give us more than a little run for our money.

To reconcile ourselves to two big and separate free world markets, one, the United States and one in Europe, would be unwise. Economic separation, as we have surely learned by now, breeds misunderstanding, and cultural and communications disintegration which we cannot afford today. And I have not yet even mentioned the growing economic-political trade pressure on us in many areas of the world from the Soviet Union. You Rotarians hardly need be reminded of Khrushchev's threat, and it was not an idle one, when he said:

"We declare war upon you * * * in the peaceful field of trade * * * we will win over the United States. The threat to the United States is not the ICBM but in the field of peaceful production. We are relentless in this and it will prove the superiority of our system."

Thus, there is involved in our decision on trade policy—do we go forward in reasonable, self-protective harmony with Western Europe or stand pat, which may well be the equivalent of stepping backward. In the former case, we will have set the pace for the free democratic world and, I earnestly believe, promote what historians will one day label "economic unity" (as distinguished from the military) as the ultimate weapon in the struggle against world communism.

You are wondering what relationship all of this has to our merchant marine. The burden of international trade will fall upon the undramatic surface ships that ply the seas. As we equip ourselves by statute to participate in a growing volume of international trade, we must also equip ourselves with a better, more balanced merchant marine to service these international undertakings. I know that we of the maritime industry, and you as our customers, are not willing to yield the very instruments of this trade, namely, merchant shipping, entirely to foreign-flag vessels. It thus becomes incumbent upon the industry itself, and the labor force employed therein, to devise constructive ways and means by which our maritime stature can be improved—to tailor ships to trading requirements, to improve productivity, and to endeavor to lower costs. And in this entire process our Government must be highly interested and must be an active party.

With Russia's growing interest in world trade, it was only logical that they should have strived for and achieved almost a 50-percent increase in the size of their merchant fleet in the past 3 years. And they are not slowing down their pace. They have on order, today, over 200 merchant vessels. This will represent an increase of approximately another 32 percent to their existing fleet. We on the other hand are making far less dramatic progress, if we are making progress at all. Therefore, I urge our leadership in and out of Government, in highlighting the significance of modernizing our trade policy, to consider our commercial fleet as a vital ingredient thereof. Our maritime policy and program must keep reasonable pace with our trading ambitions.

And finally, one note to the citizen user of merchant ships. Unfortunately, he has made use of American-flag ships only to an incidental extent. While we do somewhat better and somewhat worse in particular types of services, overall American-flag ships carry but 10 percent of our total international waterborne commerce. There is something you can do about this. Be conscious of the American merchant marine, its importance to you and to our national policy. I cannot fairly ask you to use American vessels out of pure chauvinism, nor can I ask you to do that in spite of your own convenience. But I can ask you to be cognizant of our merchant marine, its vital role in national policy, and to use our ships when you reasonably can. With this amount of assistance from you, from our Government, and from ourselves, we will build a better merchant marine and leave a maritime heritage superior to that which was left to us.

WHAT OLD GLORY MEANS

Mr. BUTLER. Mr. President, it seems to me that too often we ridicule Fourth of July speeches as though patriotism were something about which we should be apologetic. It seems to me that too often we fall into the error of overcompensating for our love of country, that in some quarters the word "patriot" has not only become old fashioned, but uncommon. Therefore, I am delighted to call to the attention of my colleagues an inspiring editorial broadcast over WBAL radio in Baltimore on Flag Day and the Fourth of July.

"What Old Glory Means" was written by Al Quinn, a veteran reporter, but more important an unapologetic American. I recommend his brief, eloquent testimony to America and our flag to those who still thrill to the strains of the national anthem or stand a bit straighter when they see the Stars and Stripes.

I ask unanimous consent to have this editorial printed in the Record following my remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

What Old Glory Means

"Why fly the flag?" the young man asked. "Long ago, when it was young, well, it was different then; it was novel, the thing to do. But now the flag is old, and the custom long outmoded."

The old man smiled. "Yes," he said, "the flag is old now; but then it always has been old. Remember? It was 'Old Glory' 'way back there on Cowpens Field, where Howard's men endowed it with that name of love. And it was old, and tattered, too, the day it flew over Brooklyn's stubborn stand by Smallwood's bold command. It was older still, of course, at Fort McHenry when, waving in the morning breeze, it inspired a hymn of noble destiny. Yes, son, that banner of beauty was even old when its stars and stripes were stitched with loving care by Betsy Ross. As old as man's hatred of tyranny, his yearning for freedom, and his love of liberty won. Its origins indeed go back to civilization's very dawn. But, in its ageless beauty, it still is young. Young enough to quicken the beat of the soldier's heart at its morning rising and moisten his eyes with sentiment at its vesper-time descent. And to symbolize the sailor's love for the ship on which he sails. It is so beautiful in its lasting youth that men still would die to keep it from the dust. Yes, the flag is young enough to bear new stars and mark the new additions to the family of the States. And, at least to these old eyes, its youth takes on new bloom as new nations emerge in pattern after that for which it proudly stands. Why fly the flag? Well, perhaps the answer's there. You need not fly the flag, for there is none to say you must. The choice is freely yours. That is what Old Glory means."

From its dusty box the youth unfurled the flag and placed it in its holder on the porch. He looked through misty eyes and said: "I think I never saw the flag before."

TOOLS FOR FREEDOM

Mr. PELL. Mr. President, last June, I joined with the distinguished senior Senator from Minnesota in paying tribute to the work of Technico, a nonprofit, nonsectarian, nonsalaried organization, established by Mr. Robert Morrow of Providence, R.I., which makes available surplus American machinery and equipment to carefully certified vocational training schools in Africa, Asia, and Latin America.

I was very pleased to note that the July edition of World contained an article on the "Tools for Freedom" program of Technico. When I referred to Technico last June, I noted that they had sent 100 tons of surplus machinery overseas to carefully chosen vocational training schools. I see from the article in World that now, 1 year later, Technico has shipped a total of 200 tons of machinery overseas.

Mr. President, this is, indeed, a worthy project which has deservedly received warm support from American industry. The World article points out that plans are now under way to enlist industry participation in all 50 States. I am confident that once this program is better known, the response from industry throughout our country will be most positive.

Mr. President, the success which Mr. Morrow has already had is an excellent illustration of what one person with ingenuity can do. Mr. Morrow's work in Technico is one of the finest examples I know of private enterprise rising to the challenge with which the developing world presents us.

I ask unanimous consent that the article in the July edition of World, entitled "Private Foreign Aid Plan Bubbles with Success" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Private Foreign Aid Plan Bubbles With Success

"Tools for Freedom" is the new slogan of a 2-year-old private, nonprofit experiment in foreign aid, whose voluntary appropriations to date have sent 200 tons of American machinery and equipment "for technical education in Africa, Asia, and Latin America."

Legally incorporated as the Technico Foundation, the venture vividly demonstrates that U.S. businessmen can be as resourceful with their idle and outdated tools as they are in capitalizing new industrial plants. Technico's purpose is to divert such tools from regular disposal channels and make them private gifts for oversea schools.

Technico Executive Director and Founder Robert Morrow, president of the Frank Morrow Co. in Providence, R.I., and an international relations graduate of Colby College, reports that the 200 tons of machinery shipped thus far have benefited 30 vocational training centers in 14 countries.

But 143 other schools' requests are waiting to be filled in the foundation's New York offices, 345 East 47th Street, New York City. Morrow's response: "The Tools for Freedom office is now seeking funds and trustees that will enable it to enlist industry participation in all 50 States."

Two States, Rhode Island and Massachusetts, played major roles in Technico's first phase of operations—a "Providence-Worcester pilot project" spearheaded by Morrow and Dr. Arthur Bronwell, president of Worcester Polytechnic Institute. Its early task was one of informing the industry and public and of centrally soliciting tool contributions.

SECOND PHASE ADDS TOUCH OF PERSONALITY

Now, in a second phase, "Tools for Freedom" has added touches of personality and continuity by providing for the "adoption" of overseas training centers by donating firms. American Machine & Foundry, for instance, plays industrial godfather to the Pakistan Technical Institute. Brown & Sharpe Manufacturing has taken the Yaba Trades Center in Lagos, Nigeria, as a school of special interest.

Statistics from a year of Technico operation ending last August indicate that the spirit of this private foreign aid venture embraces more than tonnage shipped. Some 500 U.S. businessmen, educators, and other volunteers pitched in on ladings which ranged from 7,600 pounds of woodworking equipment for the Don Bosco Trade School in Quito, Ecuador, to 18 tons of machine tools for the Village Institute in Naogaon, East Pakistan.

But the enthusiasm of all workers—longshoremen unloading trucks, an electric company moving powerlines and a company president operating a fork lift truck after hours—enabled some $110,000 worth of equipment to be processed for an outlay of only $129.

This kind of eagerness could not arise merely from the fact that contributed machinery is tax deductible at fair market value, nor because giving makes for good public relations. In a letter to World, Morrow said this of motivations behind "Tools for Freedom":

"It is a tangible, personal, and lasting contribution to the education of the youth of these countries.

"The shipments stimulate demand for American products by making future technicians, managers, and purchasing agents familiar with our equipment.

"Tools for Freedom makes possible training of skilled workers and technicians needed to expand free enterprise in the countries.

"The tools train young men to help themselves."

TYPICAL EXAMPLE OF OUTSIDE HELP

Typical of the boost which preexisting industrial associations have given to the Technico venture is the Associated Industries of Massachusetts' quick adoption of the freedom tools enterprise. Under its collective efforts, 15 tons of machinery and handtools—the first to be boldly labeled "Tools for Freedom" left Boston's Commonwealth Pier, June 3, 1962, for four vocational centers in the Philippines.

Most, if not all, of Technico's shipments go to areas generally classified as "underdeveloped." A better description for the foundation's beneficiaries, however, would be developing, for all recipients must show promise and progress.

The tool needs of oversea centers, and their capacity to use equipment ranging from awls and ammeters to lathes and drill presses, are partially determined by such cooperating private agencies as CARE and the International YMCA and by Government entities like the Pan-American Union.

RECORD OF FUTURE NEEDS, PAST AND PRESENT PROGRESS

In addition, Technico's New York headquarters keeps a detailed descriptive file on schools to be aided which includes a summary of past achievements and present curriculum.

If Associated Industries of Massachusetts practice is any guide, recipients are bound to get serviceable machinery and bound to know where it comes from. From AIM's shipping instructions:

"Please remember the equipment must be in working condition.

"Standard AIM Tool for Freedom nameplates are enclosed. Please inscribe them with your company and attach to each machine of sufficient size."

THE FEDERAL GOVERNMENT AND THE ARTS

Mr. JAVITS. Mr. President, the place of the arts on the international scene and in our society, how they serve the public and how they are supported presents a matter of serious concern for our country. The emergence of arts councils on the community and State levels is an encouraging reflection of this concern. But until the Federal Government develops a program for the arts our Government will not have come abreast of modern times in the development of our culture. I have repeatedly stressed the urgency of wise Federal assistance for the arts and have sponsored legislation to establish a U.S. Arts Foundation to encourage, stimulate, and promote the dissemination of the arts throughout the country.

In this connection we should also recognize the importance of libraries and museums and the role they play in our cultural life. I ask unanimous consent to have printed in the Record an address entitled "The Libraries and the Nation's Cultural Life" which was delivered by August Heckscher, Special Consultant on the Arts to President Kennedy, before the 81st Annual Convention of the American Library Association in Miami, June 17, 1962.

There being no objection, the address was ordered to be printed in the Record, as follows:

The Libraries and the Nation's Cultural Life

(By August Heckscher)

On an occasion such as this it is tempting to go beyond the ordinary preoccupations of the day and to look at some of the underlying considerations which will ultimately shape the relationship between Government and the arts. The President has asked me to take account of what is now being done in the agencies and departments of the Federal Government which affects, directly, or indirectly, the progress of the arts in the United States. He has asked me to think in somewhat long-range terms of the development of policy in this field. But beyond all this lies the large question: How can Government act in regard to the arts so as to sustain and stimulate them, without falling into the danger of laying a heavy, official hand upon the creative spirit?

When all is said and done, the best chance seems to be in the relationship which the Government establishes between itself and the major institutions of art. In saying this, I am not forgetting the individual artist. Upon his genius depends the quality of a nation's culture. Indeed the artist himself is so distinctive a being that we sometimes come close to forgetting that institutions play any part at all. But without the theater as a going concern, alive and prosperous, the actor is deprived of his stage. Without galleries and museums the modern painter would be lost. Without the organization of publishing, and without libraries where his works are gathered and consulted, the writer is only half fulfilled.

There are services which society can render to its artists. It can give them space and time—space, so as to separate them a little from the fierce pressures of the age; time, so that they may grow and become more fully themselves. Government, through scholarships and awards, may have some part in thus dealing with the individual artist. It does so in connection with the scientist under the National Science Foundation and the National Institutes of Health. That is all to the good. But in the field of the arts we may for the time being at least think of this as the task of the foundations, as it once was the task and privilege of the private patron. What Government can do most effectively, it seems to me, is to deal with other bodies that are essentially like itself—not the wayward and intractable individual, but the organizations and institutions which are a part of the multitudinous groupings of which the great society is composed.

There are some who profess a sort of horror at giving attention and support to these institutions of the arts. They see the artist as being crushed in a bureaucracy, public or private. But in fact these people are not aware of the complex infrastructure of organization upon which the life of art depends for its expression. The artist is not stultified if he is in a healthy relationship to institutional life. On the contrary, he is never so confident or so free as when he is working within a context which gives him opportunities to perform and be heard, to have his work seen and be enjoyed. He is at his most productive when he is assured of conditions which give continuity to his career, stabilize his efforts toward achieving his highest potentialities, and assure him of a living appropriate to his services to society.

Now my first point is that Government can naturally and without any radical innovations work with institutions. Indeed the main function of modern government, if you examine it with the eye of the philospher and the political scientist, is to intertwine itself with institutions of all kinds—supporting them here, setting limits to their activities there, compromising and adjusting opposing claims between them. Half the laws passed by our legislatures are nothing less than the rules and procedures of organizations, given form and sanction by the State. Groupings of free citizens, organized as professional societies, as trade unions, as pressure groups and as voluntary associations, shape the conduct of Government, form its policies, and very often enforce its laws. The institutions of the arts play a significant role in the community. It is time they recognized their role and saw themselves as interwoven complexly with the common life.

The libraries, you will note, are the prime examples of functioning and deep-rooted institutions of art. They and the museums have the longest history, the closest connection with the public authorities, the most striking record for continuity and stability. We sometimes have difficulty in recognizing the theater or the opera company as institutions; indeed these companies are often short lived among us, depending for their survival upon the brilliance of individual stars and producers. Yet there are in Europe companies of this kind that have had hundreds of years of existence—and are as solid as a bank, or as one of our great libraries. There is no reason why there should be an essential difference between the museum as an institution and the repertory theater. Whether you show the works of man's spirit and imagination in the form of pictures hung upon a wall, or as plays enacted before an audience, or as books made accessible upon the shelves, does not really matter; the important thing is the degree to which the organization involved is larger than any individual and has the capacity to outlive change and serve the needs of the time.

My own inclination is to generalize the institutions of art, seeing them so far as possible as related in their basic needs and problems. Each branch of the arts will, to be sure, have its special characteristics, its skilled servitors and practitioners. But the modern tendency is to associate them, as in cultural centers, each drawing support and inspiration from the others. Often it is difficult to draw sharp lines of function and character. A museum will have a fine library in its field—as, for example, the library of the Corning Museum of Glass. Or again, the museum will have a first-rate theater attached to it—as does the beautiful museum at Richmond. A library, like the Morgan Library, will hardly know where its role as a collection of books ends and its role as a repository of works of art begins. The Library of Congress has long been distinguished for its print collection, and not only for its collections of music but for its distinguished concerts. Next fall it is holding what promises to be a notable poetry festival.

In regard to the arts, indeed, the libraries have of late taken a farsighted and hospitable attitude. Testifying for the American Library Association in 1958, Miss Germaine Kretteck supported the creation of the National Cultural Center in Washington, saying that "a long-cherished American tradition" links "libraries and such cultural activities as music, opera, drama, and poetry. * * * We are keenly aware of the importance of the arts in our civilization and of the vital necessity to do everything possible to encourage and nurture them in every way consistent with the national interest." This conviction has been reinforced by the activities of libraries in connection with art books, slides, poetry recordings—as well as in diverse exhibitions and performances.

If all the institutions of art tend to relate themselves to one another, even more conspicuously they relate themselves to the educational institutions of our society. I hardly need argue in this company that a library is a heart of any university; or that even where it exists apart, it shares directly and immediately in the education of the public. Less noticed, perhaps, is the way the symphony orchestras today put themselves at the service of schools and colleges, or the way the theater becomes a direct extension of undergraduate courses. At least two great universities today support a repertory theater as part of their educational services, as naturally as they have previously supported a library. Many have their own string quartets. The museums, meanwhile, become less and less distinguishable from educational institutions, with their lectures, their art classes, their ready acceptance of the role which the new hunger for adult education imposes.

Having argued the importance of institutions in the field of the arts, and having sketched the overlappings and similarities that exist between those in seemingly different fields, I would now look a little more closely at the libraries. These are prototypes and exemplars; within this field we should be able to find illumination for all; we should be able to find suggestions which light the problems and the opportunities of our orchestras, our museums, our theaters. As I have thought about this occasion and what I might usefully say here,, I have been impressed more and more by the thought that all the institutions of the arts should profit from your achievements—yes, and also learn from your shortcomings.

The first point I discern is the degree to which the libraries in this country early and boldly accepted their public role. Libraries were one private, as museums were—the collections of nobles and princes, or of rich citizens who occasionally opened them to the public. Andrew Carnegie has told us in his autobiography of the unmatched joy and inspiration he received when a wealthy individual gave him access to his books each Saturday; from that experience was derived the ambition, so richly satisfied in his later years, of making books available to all through libraries belonging to the public entirely. Actually there had been established in the first half of the 19th century the start of the public library movement. In 1833 in Salisbury, Conn., and Peterborough, N.H., the first fully tax-supported municipal libraries in the world were created; and in 1853 the Boston Public Library was founded. The first public appropriations, it should be noted, were modest. The sum of $66.84 was given for the purchase of books in Peterborough; Boston attained the munificence of a $5,000 grant.

Yet the precedent had been set; and thereafter it was difficult to think of any large library as a wholly private affair. In the field of museums, the process has been less open and dramatic. Here, too, there was a change from collections of art kept for the pleasure and satisfaction of individual owners to collections in which the public had an acknowledged interest. Here, too, there was established the precedent of municipal, State, and Federal support. Thus today the museum in Richmond is supported by the State almost wholly; the St. Louis museum, almost wholly by the city. The National Gallery is the result of a combination of private benefactions and Federal maintenance. The combinations and varieties of institutional structure seem infinite. Yet we still hesitate to use frankly the phrase "a public museum," in the same way that we speak of public libraries. Where opera and theater companies or symphony orchestras are concerned, we hesitate even longer before recognizing their essentially public character.

Yet the museums almost from the beginning of this country have revealed the characteristics—if we but look at them discerningly—of public institutions. They did not pass into the keeping of the state, as was the case in Europe after the revolutions which broke the hold of the princes and the nobility; nevertheless they are shaped to the needs of the community, made answerable to its challenges and governed by citizens who accepted a very wide responsibility. In a multitude of subtle and complex ways they were woven into the fabric of the community, depending for their welfare upon laws and institutional arrangements. Today, I suggest, we must take account of these relationships with the body politic. We must affirm the public nature of the museums—and no less so of those other institutions, such as symphony orchestras and nonprofit theater groups—which are often treated as if they were the outgrowth of purely individual and private impulses. Only then will we be in a position to devise proper measures of support.

Now institutions are, by their nature, measurable and solid bodies; there is nothing mysterious about them, nothing evanescent and unutterable. Yet from the degree of our knowledge about them, you would suppose that they defied the methods of modern research. In the 1959 report of the Federal Relations Committee of the American Library Association, Mr. John T. Eastlick asserted: "The most striking thing learned is that there are no statistics to show the present conditions of libraries and librarians." The same might be said about our museums, despite the heroic efforts being made to remedy the situation by the American Association of Museums. But if there is ignorance in these fields, it is a dazzling illumination in comparison to our knowledge about the economic conditions of the performing arts in the United States. I consider it vital to the working out of effective relationships between government and the arts that responsible and deep-probing research be carried out and that the facts about their institutional life be made known.

In the library world you have the problem, too, of setting up and maintaining adequate standards. The other day I was remarking somewhat ruefully upon the fact that museums are mixed up in this regard, setting under one head the great collections of art with alligator and ostrich farms. So far as I know, the libraries do not go in for wild life, at least to the same degree; but there is among them a wide disparity of quality. Of the approximately 8,000 public libraries in the United States, your own association has informed us, "fewer than 100 are providing a high quality of service and meeting the increased demands of their patrons." Through the world of music and the performing arts we find a similar discrepancy between the comparatively few institutions that are first rate and those that qualify more by courtesy than by excellence. Thousands of theatrical groups are said to exist across the country; more than a dozen cannot claim to be professional. Of the 1,100 or 1,200 symphony orchestras usually cited, something over 40 maintain seasons adequate to support the musical careers of their performers. It is important, I suggest, that through the field of the arts we recognize things for what they are, distinguishing between the enormous varieties of institutions that confront us.

It is not for theoretical reasons only that I urge this—not merely because I have a liking to see a line drawn between the real thing and its false imitation. There are very practical considerations which should encourage the kind of factfinding and evaluation which I have urged. The libraries are anxious to claim the 30 percent tax deductibility which is now given to hospitals and educational institutions; they—and institutions in the other fields—can legitimately ask that they be included in legislation providing for public works, or that they be made eligible to receive Federal surplus property, as educational institutions now are. I do not say that these institutions will get, this year or next, all that they ask. But their chances will certainly be improved as they put their house in order and speed the process of self-knowledge and internal self-discipline. The libraries have set an example, being the oldest and most respectable of our cultural institutions.

When I consider the role that Government will play in the next stage of our cultural development as a Nation, I find a most suggestive precedent in the Library Services Act of 1956. Here, for the support of a cultural institution, was invoked a long-established American practice, the giving of grants in aid. Since 1862, we have found this an effective and satisfactory way of encouraging and stimulating activities deemed important to the national interest. We have used this principle to stimulate qualified applicants both public and private; we have used it to help set standards and to improve administration as well as to give substantial financial support on the basis of matching funds. The Library Services Act aimed particularly to help libraries in communities under 10,000 population. It might have had a severe defect in that it spread the available funds thin, but in its administration the act was wisely used to strengthen State library agencies and to organize and coordinate services rather than merely to scatter them. As the act got under way, the amount of the Federal contribution increased from $2 million the first year to over $7 million in recent years, with the States and localities more than doubling this amount.

No one has talked about the libraries being subverted—nor, for that matter, has it appeared that the Nation was going through dangerous fiscal waters as a result of these expenditures. The experience is sobering to the alarmists, and encouraging to those who would like to believe that the Government can act in the field of culture without harming the ends it seeks to serve. It was right that we should have recognized the development of libraries as demonstrably related to the broad national interest. One day, not too far off, we may come to recognize that the development of certain other institutions is also a matter for national concern. We may decide that the growth of theater groups in States across the country is connected with our capacity as a people to perceive the deeper issues of man's fate, to realize the strange admixture of good and evil in the world, and in general to become more confident and mature as individuals. The theater, or poetry, or music, may seem as significant as libraries were recognized to be in 1956—or as educational television was recognized through similar legislation in the current session of Congress. I hardly want to predict that so wonderful a thing will happen. But I think we can argue, on the basis of experience derived from the libraries, that when such a day comes we shall have methods and precedents which will permit us to put the Government safely in the service of these new cultural goals.

I say I cannot predict when the day will come which will see the American people consciously affirming that the institutions of the arts represent a significant national interest—that they embody resources which we waste at our peril and answer to needs which cannot safely be ignored. Yet I will predict, after all. I believe such a day will come sooner than many now think—especially those who have been disheartened and wearied by a long struggle for the arts which has seemed to face insurmountable obstacles. When things begin to change in this country, they sometimes change very rapidly. And there has been a change in the way people look upon the resources of their cultural life.

Why there should be this fresh burgeoning of hope and desire it would be complex to analyze. When we are in a position to look back upon these times we shall see, I believe, that the development of the arts was linked with all the principal developments—political, economic and social—taking place within the great modern community. The growth of science has brought a new emphasis on education—and education will always seem incomplete except as it leads men and women out into those areas of awareness and sensibility where the arts have their birth. Technology has brought new leisure; and the people are coming to know that leisure will be a debasing force except as it is animated by the pursuit of beauty and excellence.

Finally I suggest that in the development of our civilization as a whole a new determination has been formed: the determination not to be a lopsided people, excelling only in material benefits. For the individual we want the fullness of life which comes from enjoyment of the arts in all their guises. For the nation as a whole we want the richness and diversity of cultural activities, combined with an outward scene—a landscape both natural and man-made—which reflects the inner qualities we strive to attain.

This past April in a contest run by the National Book Committee in connection with Library Week, young people were asked why the books seemed important to them. I particularly like the reply of one 15-year-old girl. "Opening the cover of a book," she said, "is like opening a new door in your life. You are never quite sure of what lies behind it, but you know that some kind of life is going to bloom out in front of you."

That is the world of books. It is also, I like to think, an image of the total world in which we live. All around us new doors are being opened. We do not know what lies behind them, but each fresh vista fills us with a sense that life is more than the gathering of material acquisitions. You have long been the openers of doors, ladies and gentlemen. As custodians of the libraries of our land you have been making it possible for countless individuals to step into a more spacious existence. It must be an imensely rewarding day to you now, when so many millions of your fellow countrymen seem prepared to walk with you through the doors that lead to a new epoch of progress for the arts.

ADDRESS BY REV. DR. MARTIN LUTHER KING, JR., TO NATIONAL PRESS CLUB

Mr. HART. Mr. President, yesterday, before the National Press Club, a most significant address was delivered by the Reverend Dr. Martin Luther King, Jr. I believe this a message which all of us in the Senate ought to read and consider most carefully. I believe that in time it will become a most historic expression. Certainly it is a voice to be listened to both here and elsewhere.

Mr. President, I ask unanimous consent that Dr. King's address be printed at this point in the Record.

The VICE PRESIDENT. Is there objection to the request of the Senator from Michigan?

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. WILLIAMS of New Jersey. Mr. President, I was impressed by the address of Dr. Martin Luther King before the National Press Club and I had intended to ask that it be printed in the Record. However, since the Senator from Michigan had heretofore made the request that it be printed, I shall not duplicate the request.

Mr. President, the conscience of a Nation can be stirred often by the single example of an individual citizen. In the last decade Dr. Martin Luther King has caused much soul searching among his fellow citizens; he has also showed us the way to find peaceful, but affirmative, solutions of problems that have perplexed us for too long.

Yesterday, Dr. King told us about his hopes for the future and his plans for the future. It was an inspiring address. Other Americans should share in Dr. King's wisdom and in Dr. King's faith.

There being no objection, the address was ordered to be printed in the Record, as follows:

An Address by the Reverend Dr. Martin Luther King, Jr., President of the Southern Christian Leadership Conference, to the National Press Club, Washington, D.C., Thursday, July 19, 1962

Mr. Chairman, distinguished dais guests, members of the National Press Club, ladies and gentlemen, I warmly welcome the opportunity to address such a distinguished group of journalists. For a period I felt that circumstance would make it impossible for me to occupy this significant platform at this particular time. Just last week I was convicted in the city court of Albany, Ga., for participating in a peaceful march protesting segregated conditions in that community. I decided, on the basis of conscience, not to pay the fine of $178, but to serve the jail sentence of 45 days. Just as I was about to get adjusted to my new home for 45 days, Rev. Ralph D. Abernathy and I were notified that some unknown donor had paid our fines and that we had to leave the jail. As the Atlanta Constitution suggested the other day, we have now reached a new landmark in race relations. We have witnessed persons being ejected from lunch counters during the sit-ins, and thrown into jails during the freedom rides. But for the first time, we witnessed persons being kicked out of jail.

Victor Hugo once said that there is nothing more powerful in all the world than an idea whose time has come.

Anyone sensitive to the present moods, morals, and trends in our Nation, must know that the time for racial justice has come. The issue is not whether segregation and discrimination will be eliminated but how they will pass from the American scene.

During the past decade some intelligent leadership in the South recognized inevitability. Others, however, vainly tried to stop the wind from blowing and the tides from flowing. The recalcitrant forces authored such concepts as nullification and interposition, along with uglier evils such as bombings, mob violence, and economic reprisals. But the idea whose time had come moved on, and over the rubble left by the violence of the mobsters, many communities resumed their normal activities and moved out on a new basis of partial integration. To be sure, the changes have been unevently distributed and in some communities even a small beginning is barely perceptible. Yet, enough has been accomplished to make the pattern of the future sharply clear. The illusions of the diehards have been shattered, and, in most instances, they have made a hurried retreat from the reckless notions of ending public education and closing parks, lunch counters, and other public facilities.

But in the tradition of the old guard which dies but does not surrender, a new hastily constructed roadblock has appeared in the form of planned and institutionalized tokenism. Many areas of the South are retreating to a position which will permit a handful of Negroes to attend all-white schools or the employment in lily-white factories of one Negro to a thousand white employees. Thus, we have advanced in some areas from all-out unrestrained resistance to a sophisticated form of delay embodied in tokenism. In a sense, this is one of the most difficult problems that our movement confronts. But I am confident that this tactic will prove to be as vain a hope as the earlier quest to utilize massive resistance to inhibit even a scintilla of change.

Now, what of the future? Will it be marked by the same types of action as the past periods? This question is not easy to answer with precision. Certainly there will continue to be resistance. But in spite of this, I am convinced that the opponents of desegregation are fighting a losing battle. The old South has gone, never to return again. Many of the problems that we are confronting in the South today grow out of the futile attempt of the white South to maintain a system of human values that came into being under a feudalistic plantation system and which cannot survive in a day of democratic equalitarianism.

First, if the South is to grow economically it must continue to industrialize. We see signs of this vigorous industrialization, with a concomitant urbanization, throughout every southern State. Day after day, the South is receiving new multimillion-dollar industries. With the growth of industry the folkways of white supremacy will gradually pass away.

This growth of industry will also increase the purchasing power of the Negro, and this augmented purchasing power will result in improved medical care, greater educational opportunities, and more adequate housing. Each of these developments will result in a further weakening of segregation.

In spite of screams of "over my dead body will any change come," one must not overlook the changes that have come to the South as a result of Federal action. There are always those individuals who argue that legislation, court orders, and executive decrees from the Federal Government are ineffective because they cannot change the heart. They contend that you cannot legislate morals. It may be true that morality cannot be legislated, but behavior can be regulated. The law may not change the heart, but it can restrain the heartless. It will take education and religion to change bad internal attitudes, but legislation and court orders can control the external effects of bad internal attitudes. Federal court decrees have altered transportation patterns and changed educational mores. The habits, if not the hearts, of people have been, and are being, altered every day by Federal action. These major social changes have a cumulative force conditioning other segments of life.

More and more the voice of the church is being heard. It is still true that the church is the most segregated major institution in America. As a minister of the gospel I am ashamed to have to affirm that 11 o'clock on Sunday morning, when we stand to sing "In Christ There Is No East nor West," is the most segregated hour of America, and the Sunday school is the most segregated school of the week. But in spite of this appalling fact, we are beginning to shake the lethragy from our souls. Here and there churches are courageously making attacks on segregation, and actually integrating their congregation. Several parochial and church-related schools of the South are throwing off the traditional yoke of segregation. As the church continues to take a forthright stand on this issue, the transition from a segregated to an integrated society will be infinitely smoother.

Probably the most powerful force that is breaking down the barriers of segregation is the new determination of the Negro himself. For many years the Negro tacitly accepted segregation. He was often the victim of stagnant passivity and deadening complacency. While there were always solo voices in the Negro community crying out against segregation, conditions of fear and apathy made in difficult to develop a mass chorus. But through the forces of history something happened to the Negro. The social upheavals of two world wars, the great depression, and the spread of the automobile have made it both possible and necessary for the Negro to move away from his former isolation on the rural plantation. The decline of agriculture and parallel growth of industry have drawn large numbers of Negroes to urban centers and brought about a gradual improvement in their economic status. New contacts have led to a broadened outlook and new possibilities for educational advance. Once plagued with a tragic sense of inferiority resulting from the crippling effects of slavery and segregation, the Negro has now been driven to reevaluate himself. He has come to feel that he is somebody. With this new sense of somebodiness and self-respect, a new Negro has emerged with a new determination to achieve freedom and human dignity whatever the cost may be.

This is the true meaning of the struggle that is taking place in the South today. One cannot understand the Montgomery bus boycott, the sit-ins, and the Albany, Ga., movement without understanding that there is a new Negro on the scene with a new sense of dignity and destiny. Thousands of Negroes have come to see that it is ultimately more honorable to suffer indignity than accept segregation in humiliation.

A special feature of our struggle is its universal quality. Every social strata is involved—lower, middle, and upper class. Every age—children, teenagers, adults, and senior citizens. The whole Nation was startled by the Montgomery bus protest in 1956—chiefly because every Negro allied himself in the cause with firm discipline. The same universal involvement is now appearing in Albany, Ga. Last December more than 700 Negroes from this community willingly went to jail to create an effective protest. I shall never forget this experience in which elderly women over 70, young teenagers and middle-aged adults crowded the jail cells—some with professional degrees in medicine, law and education; some simple housekeepers and laborers; others from business—all differences of age and social status, but all united around one objective. This is a powerful growing force which no society may wisely ignore.

Fortunately, the Negro has been willing to grapple with a creative and powerful force in his struggle for racial justice, namely, nonviolent resistance. This does not mean that a new method has come into being to serve as a substitute for litigation and legislation. Certainly we must continue to work through the courts and legislative channels. But those who adhere to the method of nonviolent direct action recognize that legislation and court orders tend only to declare rights; they can never thoroughly deliver them. Only when the people themselves begin to act are rights on paper given life blood. A catalyst is needed to breathe life experience into a judicial decision by the persistent exercise of the rights until they become usual and ordinary in human conduct.

The method of nonviolent resistance is effective in that it has a way of disarming the opponent, it exposes his moral defenses, it weakens his morale and at the same time it works on his conscience.

It also makes it possible for the individual to struggle to secure moral ends through moral means. One of the most persistent philosophical debates of the centuries has been over the question of ends and means. There have been those from Machiavelli on down who have argued that the end justifies the means. This, I feel, is one of the greatest tragedies of communism. Read Lenin as he says, "lying, deceit, and violence are justifiable means to bring about the end of a classless society." This is where nonviolence breaks with communism and any other method which contends that the end justifies the means. In a real sense, the means represent the ideal in the making and the end in process. So in the long run destructive means cannot bring about constructive ends, because the end is preexistent in the means.

Nonviolent resistance also provides a creative force through which men can channelize their discontent. It does not require that they abandon their discontent. This discontent is sound and healthy. Nonviolence saves it from degenerating into morbid bitterness and hatred. Hate is always tragic. It is as injurious to the hater as it is to the hated. It distorts the personality and scars the soul. Psychiatrists are telling us now that many of the inner conflicts and strange things that happen in the subconscious are rooted in hate. So they are now saying, "love or perish." This is the beauty of nonviolence. It says you can struggle without hating; you can fight war without violence.

It is my great hope that as the Negro plunges deeper into the quest for freedom, he will plunge even deeper into the philosophy of nonviolence. As a race we must work passionately and unrelentingly for first-class citizenship, but we must never use second-class methods to gain it. We must never succumb to the temptation of using violence in the struggle, for if this happens, unborn generations will be the recipients of a long and desolate night of bitterness and our chief legacy to the future will be an endless reign of meaningless chaos.

I feel that this way of nonviolence is vital because it is the only way to reestablish the broken community. It is the method which seeks to implement the just law by appealing to the conscience of the great decent majority who through blindness, fear, pride, or irrationality have allowed their consciences to sleep.

The nonviolent resistors can summarize their message in the following simple terms: We will take direct action against injustice without waiting for other agencies to act. We will not obey unjust laws or submit to unjust practices. We will do this peacefully, openly, cheerfully because our aim is to persuade. We adopt the means of nonviolence because our end is a community at peace with itself. We will try to persuade with our words, but if our words fail, we will try to persuade with our acts. We will always be willing to talk and seek fair compromise, but we are ready to suffer when necessary and even risk our lives to become witnesses to the truth as we see it.

This approach to the problem is not without successful precedent. We have the magnificent example of Gandhi who challenged the might of the British Empire and won independence for his people by using only the weapons of truth, noninjury, courage, and soul force. Today we have the noble example of thousands of Negro students who have nonviolently challenged the principalities of segregation. Their courageous and disciplined activities have come as a refreshing oasis in a desert sweltering with the heat of injustice. They have taken the whole Nation back to those great wells of democracy which were dug deep by the Founding Fathers in the formulation of the Constitution and the Declaration of Independence. One day all of America will be proud of their achievements.

Along with our continued efforts in nonviolent direct action, we are determined to extend our exercise of constitutional privileges to areas heretofore neglected, particularly in the exercise of the ballot. We are embarked upon a campaign to involve millions of Negroes in the use of the franchise. Some of our workers have already suffered violence and arrests for these efforts, but we will continue. We believe that with our intensified actions a correspondingly expanded Federal Government program of vigorous law enforcement is indispensable. A number of administrative initiatives have been useful, and the present Justice Department has certainly moved with forthrightness and concern in the sensitive area of voter registration. But the coming period will undoubtedly require that the Justice Department utilize the Civil Rights Act of 1960 extensively and seek court appointed referees in thousands of communities in which the right to vote is flagrantly and brutally denied to Negroes. The majesty of Federal law must assert its supremacy over the reign of evil and illegality dominating defiant southern communities.

I have spent most of my time talking about the problem as it exists in the South. But I hope this is not interpreted as my feeling that the problem is merely southern. Indeed no section of our country can boast of clean hands in the area of brotherhood. Segregation may exist in the South in overt and glaring forms, but it exists in the North in hidden and subtle forms. Housing and employment discrimination are often as prominent in the North as they are in the South. In short, the racial issue that we confront in America is not a sectional but a national problem.

I must also clear up another impression which may have been conveyed. I have talked about the emerging new order of integration, and the forces that are at work to assure its realization. From this one may conclude that I am laboring under the impression that the problem is about solved now, and that man can sit complacently by the wayside and wait on the coming of the inevitable. Nothing could be further from the truth. Human progress is neither automatic nor inevitable. The Darwinian theory of evolution is valid in the biological realm, but when a Hubert Spencer seeks to apply it to the whole of society there is very little evidence for it. Even a superficial look at history reveals that no social advance rolls in on the wheels of inevitability; it comes through the tireless efforts and persistent work of dedicated individuals. Without this hard work, time itself becomes an ally of the primitive forces of irrational emotionalism and social stagnation. We have already suffered unnecessary delays in the civil rights struggle because of this lack of vigorous and positive action.

To outline the problem is to chart the course of the Negro freedom movement. We have come to the day when a piece of freedom is not enough for us as human beings nor for the Nation of which we are part. We have been given pieces, but unlike bread, a slice of which does diminish hunger, a piece of liberty no longer suffices. Freedom is like life. You cannot be given life in installments. You cannot be given breath but no body, nor a heart but no blood vessels.

Freedom is one thing—you have it all, or you are not free.

Our goal is freedom. I believe we will win it because the goal of the Nation is freedom. Yet we are not passively waiting for a deliverance to come from others moved by their pity for us. Our destiny is bound up with the destiny of America—we built it for two centuries without wages, we made cotton king, we built our homes and homes for our masters and suffered injustice and humiliation—but out of a bottomless vitality continued to live and grow. If the inexpressible cruelties of slavery could not extinguish our existence, the opposition we now face will surely fail. We feel that we are the conscience of America—we are its troubled soul—we will continue to insist that right be done because both God's will and the heritage of our Nation speak through our echoing demands.

We are simply seeking to bring into full realization the American dream—a dream yet unfulfilled. A dream of equality of opportunity, of privilege and property widely distributed; a dream of a land where men no longer argue that the color of a man's skin determines the content of his character; the dream of a land where every man will respect the dignity and worth of human personality—this is the dream. When it is realized, the jangling discords of our Nation will be transformed into a beautiful symphony of brotherhood, and men everywhere will know that America is truly the land of the free and the home of the brave.

CONTINUED AIRLINE STRIKE CAUSES CRITICAL SITUATION IN WEST VIRGINIA

SENATE WILL HOLD HEARINGS ON MEASURE TO RESTORE SERVICE

Mr. RANDOLPH. Mr. President, the continued strike, affecting the operation of Eastern Air Lines, has become a protracted shutdown. It has caused, as I have earlier stated in this forum, not only the vital flights of this scheduled carrier but it has injured the economy of many areas of the country.

In West Virginia there is a real concern by the traveling public and by shippers. Illustrative of this problem of a lack of service by Eastern at Charleston, in our State, is a letter received July 15 from a businessman. He states that—

> The industry of this valley and adjacent communities is in no position to be forced into shutdowns and piecemeal operation because they cannot get critical material and supplies in by air.
>
> Of the 31 trunkline flights serving Charleston, 15 were maintained by Eastern Air Lines.
>
> Yesterday, I had firsthand knowledge of a plant having to send some 400 employees back home because they did not get an anticipated airfreight shipment. The airlines now operating are doing everything possible to load every flight to capacity but as I said it is just a pure physical impossibility for them to fill the gap. If 16 trunkline flights were all that is needed in Charleston there would never have been more operating in the first place.
>
> The above cited instance has been repeated many times by different industries to a more or lesser degree, probably in practically every city affected by this strike, all because a handful of flight engineers choose this method of settling their differences with their employer.
>
> Actually, more than half of West Virginia's entire population is affected to some degree by this situation while this strike is allowed to go on.
>
> In view of the above facts, I plead for you to do everything in your power to relieve this situation and have this strike brought to abeyance as soon as possible, thus allowing our economy to return to normalcy.

I am encouraged that the Senate Labor Subcommittee, of which I am a member can begin hearings on legislation to bring settlement to such a strike in the air transport industry. I have been assured by the chairman [Mr. McNamara] that we will meet very soon on this issue.

And, it is a fact that action should come as quickly as possible. I cosponsor the bill presented by Senator Monroney. The Washington Post accurately evaluated the situation in an editorial of July 18, 1962.

Mr. President, I ask unanimous consent to insert the editorial in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

IN THE LAP OF CONGRESS

Senator Monroney acted none too soon in introducing a bill to compel settlement of the flight engineers strike against Eastern Air Lines. The administration has been very lenient in dealing with this inexcusable walkout. Secretary of Labor Goldberg went to great pains to work out a satisfactory settlement of the dispute in the Trans World Airlines case. That settlement was entirely fair to the flight engineers, and it should have ended their dispute with all the airlines. It appears, however, that special legislation will be necessary to avoid a protracted and costly interruption of airline service to the public.

As chairman of the Senate's Aviation Subcommittee, Mr. Monroney has tailored his bill to the existing emergency. He would authorize the President to submit disputes such as that involving the flight engineers to a jurisdictional disputes board, which would have authority to work out a final settlement. The award would be final and binding and could be enforced in the courts. In the interest of getting quick action in Congress, the Senator has limited the scope of the bill to air carriers and to specifically designated types of jurisdictional disputes.

The situation confronting Congress is this: The flight engineers are trying to perpetuate a costly piece of featherbedding which the industry cannot afford. They have rejected a reasonable compromise worked out with great care. The time has come for the public interest to prevail. As Senator Monroney has pointed out, "The American people cannot tolerate selfish and irresponsible conduct by a small minority of workers which will affect adversely thousands of their fellow workers, our transportation system, and our balance of payments."

Several other Members of the Senate have indicated deep interest in the Monroney bill. We think it should be enacted both as a means of ending the present strike and as a precedent for dealing with similar disputes which deprive the public of essential service or threaten the public health and safety. It will need, of course, a strong boost from the President.

THE ENEMY IS INTERNATIONAL COMMUNISM

Mr. MUNDT. Mr. President, on occasion the American people are subjected to the nonsense of what can best be described as a mish-mash of misunderstanding concerning the motives and objectives of international communism.

We have on one hand those who refuse to recognize international communism for what it is—a deadly conspiracy dedicating its every effort to the stifling of our freedoms and our way of life; a deadly conspiracy relentlessly pursuing its goal of domination of all the world.

And, Mr. President, we have those who are so blind that they look to many non-Communist areas of the world to determine who may be opposed to our way of life, yet ignore the grave danger of this ever-present Communist threat—these are the people who would have you believe, for example, that a handful of Portuguese on a tiny spot of land represent a deadly menace to world peace and must therefore be shackled with the subjugation that comes with the march of an "army of liberation".

I might interject at this point, Mr. President, that those of this latter viewpoint remind me of the individual who launches off on a crusade against the inoffensive prairie dog while ignoring the neighboring rattlesnake which lies coiled waiting to strike at an opportune moment.

Mr. President, in these times when we are confronted with not only the propaganda onslaughts of the Communists designed to confuse us but likewise the parroting of this nonsense by people in the free world who should know better; clear heads and clear voices are needed to prevent our losing the way in the jungle of misunderstanding and misrepresentation that is about us.

One such pathfinder is the distinguished Director of the Federal Bureau of Investigation, J. Edgar Hoover.

At a time when uncertainties may be developing in the minds of American concerning the struggle in which we are engaged, Mr. Hoover has come forth again—as he has so often in the past—with a stirring statement which not only sets forth the mighty hallmarks of liberty for which we stand but which clearly and concisely outlines for all the citizens of this country and the free world what is the most paramount issue of our times.

Mr. Hoover spoke on the National Broadcasting Co. program "Monitor" on July 15. His address is worthy of the attention of every citizen, and in particular of every father and mother in this land who cherish the freedoms which have been theirs and who desire the same opportunities of liberty and happiness for their sons and daughters.

Mr. President, J. Edgar Hoover states in this speech—and he has said it time and again before—that the "enemy is international communism."

This is a simple fact of life, but how often have we found Americans afraid or reluctant to acknowledge this truth?

Too frequently, in my opinion, there have been those who, literally are so afraid of their own shadows that they have searched and searched for just one word or one phrase to be substituted for another so as not to "offend" some imaginary friend.

The times call for proper identification, the calling of the spade when it is a spade, or an enemy when it is an enemy, the recognition of friend from foe.

J. Edgar Hoover has done this in his excellent address and I commend it to my colleagues and to the people of America. And I would commend it to those who serve in the Soviet Embassy downtown. They need not transmit the address of Mr. Hoover to Moscow, but they might well pass along the message that Mr. Hoover's thoughts reflect the thinking of most Americans.

We recognize who are our friends and who are our enemies.

J. Edgar Hoover tells why.

Mr. President, I ask unanimous consent that this address of the Honorable J. Edgar Hoover, Director of the Federal Bureau of Investigation, be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Statement on Communism by J. Edgar Hoover, Director, Federal Bureau of Investigation, National Broadcasting Co., July 15, 1962

We in America are today facing a grave danger—that of international communism—and you, as citizens, or potential citizens, play an increasingly important part in protecting our Nation.

Not long ago a student came to my office. He was an intelligent young man, well versed in the affairs of the world. I still remember one of his remarks. "I feel that most Americans," he said, "young and old alike, simply are not aware of the terrible danger which communism poses for us. We need to know more about this enemy."

These words reflect great practical wisdom. They recalled for me a statement made by Edward Gibbon, the English historian, in his book, "The Decline and Fall of the Roman Empire." "The Romans," Gibbon wrote, "were ignorant of the extent of their danger and the number of their enemies."

Do Americans today realize the dangers they face? Do they realize the number of their enemies? Are we willing to do our share to keep our Nation from going the way of the Roman Empire?

These are serious questions, questions which affect us as citizens.

Today our Nation is faced with an enemy as deadly, as dangerous, as ruthless as any enemy who pounded at the gates of the Roman Empire. This enemy is international communism. At this moment the Communists, spearheaded by Moscow, are attempting to destroy America and make us a province of a vast Communist empire. No barbarian tribe of old was as fiendishly led, as cruelly motivated, as cynically inclined as these barbarians of the 20th century.

Today a vast ideological battle is underway for the minds of men, women and young people. Nothing less is at stake than the very existence of our Judaic-Christian civilization—the values which have given meaning to our democratic way of life over the years. For this reason, we in America simply cannot afford to have a future historian, like Edward Gibbon, write that America was ignorant of its dangers and the number of its enemies.

We must know the dangers. We must know the enemy. Most of all, we must know the values of American life we are defending.

Just what do the Communists desire? Communism dates back over 100 years when two German exiles in England, Karl Marx and Friedrich Engels, propounded the principles of what they called scientific socialism or communism. They viewed society in terms of classes and felt that a Communist society could come about only by means of class warfare. "The Communists disdain to conceal their views and aims. They openly declare that their ends can be attained only by the forcible overthrow of all existing social conditions," proclaimed the Communist manifesto of 1848.

This meant that Marx and Engels rejected any reform of society by democratic methods. To them, democratic reforms merely slowed the revolution, and hence should be opposed. Harx and Engels had no faith in free elections, in a democratic court system, in a free press, free speech—all the rights which symbolize our way of life. Communism, despite its high-sounding doubletalk phrases, is a system designed to enslave mankind.

Marx and Engels rejected God. Religion is the "opium of the people," Marx said. Hence, man, in their view, was merely a piece of living matter to be manipulated at the will of the state. He was not a child of God, capable of creative accomplishment under divine guidance. Man, to the Communists, must be controlled and directed. The ideas of Marx and Engels have cost the world untold misery, and remain today as the major threat to the very existence of our democratic way of life.

V. I. Lenin, a shrewd, crafty, sly Russian, took up the ideas of Marx and Engels. Lenin was a master organizer, propagandist and agitator. He took the philosophical concepts of Marx and Engels and gave them organizational form, creating the Communist Party. The party, under his influence, became a group of select, well-trained hard-core members. They are the individuals upon whom the party depends to bring about the revolution. They are the bitter enemies of America.

We know the results. In November 1917, Lenin and his small group of henchmen seized state power in Russia. Since that date, communism has been an extremely aggressive force. Today the Communists control one out of every three human beings in the world and one-quarter of the earth's land surface. Fifty years ago Lenin was living as an exile in Western Europe, in old boarding houses, eating cheap food, wearing shoddy clothes. Today he is hailed as the guiding genius of millions. Communism has been on the march. Its progress must be stopped or else we cannot live as a free nation.

The outcome will depend, in large measure, upon you—the citizen. Today the Communists are directing tremendous pressure to influence your thinking. The Communist Party of the United States is an integral arm of the international Communist movement. It is not a legitimate political party, but a conspiracy completely loyal to a foreign power, Russia.

The Communists in this country desire to overthrow our Government and establish a Soviet dictatorship. They scoff at the ideals of George Washington and Abraham Lincoln. To them, Thomas Jefferson was a misguided individual whose writings on liberty and freedom are archaic documents. If the Communists were in control today in America, we would be studying such Communist organizations as the Third International and such individuals as John Reed, one of the first Communists in America, and William Z. Foster, former chairman emeritus of the Communist Party, U.S.A., who died in Moscow. The whole history of our country would be written from a Communist point of view.

Why are the Communists today appealing so strongly to young people? Why are they encouraging high level party officials to speak to student groups? Why are they organizing Communist youth organizations? Why do they publish periodicals designed for youth?

The Communists realize that the young people will be the leaders of tomorrow. They want to influence their thinking now, to convince them that communism is superior to free government. Many of the top officials of the Communist Party of the United States became party members in their teens or their early twenties. Gus Hall, General Secretary of the Communist Party of the United States, was only 16 years of age when he became a party member. He is now the most powerful Communist in the United States.

When the young person is a teenager is the time he is forming his basic convictions in life—and the Communists know this. For that reason, they want to touch his thinking, to expose him to the deceitful double talk of their program. The Communists talk glibly of "peace," "justice" and "brotherhood." They claim that their system will bring a Utopia where struggle, pain and unhappiness will be abolished. These glittering promises are disproven by the harsh facts of reality. No nation has ever freely elected a Communist government. Millions of men, women and children have fled the Iron Curtain—risking their lives that they might reach freedom. The Communist world is a world of walls, searchlights and guards—a prison for the heart, mind and soul. Communist theory and practice have both been exposed as fraudulent.

The very intensity of this Communist effort to reach young people, however, shows how the enemy can be defeated.

One of our best defenses against communism is the strong moral character of our young people. They are the young men and women who know the real meaning of our American heritage. They know the trials and tribulations of our forefathers in bringing forth a nation conceived in liberty. They know that freedom is a precious commodity which must be rewon every day. They stand willing to do their share.

In this fight against communism, what are some of the qualities America expects from its young people? Let me mention a few:

1. High ideals: America was founded by men and women with high ideals, men and women whose daily lives were imbued with the vision of a great nation yet to come. Young people should have lofty ideals. They are the guideposts to the future.

2. Courage: This is the courage to get a job done, to persevere despite adversity. Too often there is the temptation to do a job halfway, to give up, to let others carry on. Such an attitude is wrong. We need young people who say, "Count on me all the way. I will do my job for America."

3. Self discipline: Young people must learn to discipline themselves, to make themselves useful to society. A mark of maturity is teaching ourselves the disciplines of hard work, loyalty, and dedication. Self-discipline is not an easy task. There are many storms and stresses along life's way. Self-discipline requires personal sacrifice and determination. But it is most essential.

4. Enthusiasm: Nothing injures a great cause more quickly than a "wet blanket." Be willing to volunteer to do a job, and do it enthusiastically. Enthusiasm is highly infectious. If you are enthusiastic for America, others will be also.

5. Integrity: To my mind, integrity is one of the most important words in our language. It sums up the quality of a man's character. Be honest in all of your dealings; be fair; be uncompromising in the pursuit of what is right. Stay loyal to your high ideals. Never sully them by dishonor, compromise or expediency.

Nikita Khrushchev, the world's No. 1 Communist, has characterized the United States as a "worn out runner running on its past reputation." Mr. Khrushchev views the United States as a dying nation, a country which will fall of its own weight.

Mr. Khrushchev, however, does not understand the citizens of this great Nation. He does not realize that they will take up the banner of freedom, that they will hold aloft the torch of freedom given them by their forefathers. You represent America's answer to this atheistic menace stemming from the perverted minds of Karl Marx and Friedrich Engels and voiced today by the blatant Khrushchev.

In this worldwide ideological struggle, how can you now best aid your country?

1. Seek to know more about the evils of communism, its strategy and tactics, its false claims. Nothing can take the place of responsible knowledge. For too long the Communists have thrived on our lack of knowledge about their affairs.

2. Take the time to learn more about the values which have made this Nation great. Do you know how our Constitution was written? What was the role of Benjamin Franklin and James Madison? What is the Bill of Rights? How did Thomas Jefferson contribute to American political thinking? These are questions about which you should be thinking.

3. Take every opportunity to visit the historic shrines of America. We in this Nation can be proud of the efforts made by the Government and private groups to commemorate historic events. When you travel, make the effort to see them. Each shrine has a story of America to tell—Bunker Hill, Independence Hall, Valley Forge. The visits of Americans, especially young people, to Washington, D.C., are an excellent way to know your country better. We appreciate very much your coming to see our FBI headquarters.

4. Contrast what communism has to offer with our way of life. Think of the blessings we have and count them one by one: freedom of speech, freedom of the press, the right to worship God as we wish, free elections, trial by jury. Do these rights exist under communism? The answer is "no." Communism means slavery of mind, body and soul.

5. Keep abreast of the news of the day, through your newspapers and on radio and television. What is occurring in your country, what are Communist nations doing? Ask yourself. Could you give a brief résumé today about the troubled areas of the world? America needs informed citizens.

6. Stand firm for your convictions. Today the Communists are trying to convince you that freedom is old-fashionsd and that their way of life is superior. Know the strength of our institutions of Government. Be ready to defend them. Be able, if you were arguing with a hard core Communist, to stand by your ground. That is the challenge.

Nothing will take the place of responsible knowledge in our fight against communism—a knowledge anchored in faith in God. We can defeat communism because we have the superior values, the superior way of life. The task will not be easy. But we can win if each of us is willing to do his share. We must meet communism with facts, not hysteria. Never must we be guilty of witch hunts or vigilantism. Truth is our best weapon of attack.

Not long ago I talked with a special agent of the FBI who was facing a very difficult problem. I can still remember the intensity of his eyes and the determination in his face. "I can meet this problem," he said, "because I am not going to give up."

Yes, we in America are not going to give up. We are going to win this battle—and in winning it, we are protecting liberty for all the generations yet to come.

THE IMPENDING MISSILE FACILITIES STRIKE

Mr. MUNDT. Mr. President, I should like to associate myself with the very forceful statements made yesterday by Senator McCLELLAN, Senator STENNIS, Senator CURTIS and others, expressing profound concern with the fact that work in our great missile and aerospace industry may come to a halt on Monday due to a nationwide strike. Six of our Nation's major defense contractors involved in the production and development of missiles and space vehicles are currently conducting last minute negotiations with the United Auto Workers and the International Association of Machinists in an effort to reach agreement on new contracts. The deadline date on these contract negotiations is just 3 days away on Monday, July 23, after which the UAW and the IAM have threatened to take their members out on strike if an agreement is not reached.

Mr. President, if this strike threat becomes a reality, and there are growing indications that it will, it has the potential to take 350,000 workers off the job and to bring our entire missile and aerospace production program to a standstill. It goes without saying that the economic and strategic consequences of such a national work stoppage would be catastrophic. Should such a strike eventuate the President has the present power under the Taft-Hartley Act to seek to enjoin this work stoppage for 80 days.

I trust that the President and his key legal advisers are already prepared to move under the Taft-Hartley emergency powers should the necessity for action arise. But, Mr. President, if a strike should occur and if a settlement is not reached during the 80-day "cooling-off period", neither the President nor any other officer or agency of the Federal Government will have the power to avert a strike in the most critical and strategic area of our national defense program. In my opinion this is an intolerable situation which demands forthright and prompt action by the Congress and the executive branch.

Mr. President, legislation has been before the Congress since September 23 of last year which is specifically designed to deal with circumstances just such as those which currently confront us. I refer to S. 2631 a bill authored by Senator JOHN McCLELLAN and cosponsored by Senators ERVIN, CURTIS, HOLLAND, and myself. The provisions of this bill are limited in their application to labor-management relations in strategic defense facilities, which would include all of the missile and aerospace production companies involved in the present labor dispute with the United Auto Workers and the International Association of Machinists. Under the terms of the McClellan bill strikes in strategic defense facilities would be outlawed and where parties involved in contract negotiations in such a facility are unable to reach an agreement by the free and voluntary processes of collective bargaining the Secretary of Defense would be empowered to appoint an emergency arbitration board, representing the public and the parties to the dispute, which would be charged with the responsibility of working out a settlement agreement. Such an agreement would be binding on all parties for a period of 1 year, except to the extent modified by mutual consent or agreement of the parties.

This legislation was prepared after the extensive hearings on work stoppages and strikes at our missile sites and other defense facilities conducted by the Senate Permanent Investigations Subcommittee. It will be recalled by my colleagues that our investigation and hearings produced evidence that our manned space program was put 6 months behind schedule as a partial consequence of 327 work stoppages occuring over a 5-year period, which resulted in a total loss of 162,872 man-days of labor. Mr. President, the impending strike in our aerospace industry would immediately involve over 100,000 employees who are directly subject to the employment contracts in dispute. One has only to look to the damaging effects stemming from the loss of 162,872 man-days of labor to comprehend the extent and magnitude of the damage to our missile and space program which would flow from a national strike involving over 100,000 workers in its initial stage.

Mr. President, immediately following our investigations of the missile site work stoppages we were told by the President and the Secretary of Labor, Mr. Goldberg, that legislation was not needed to deal with this most distressing national problem. Instead the administration established a Missile Sites Labor Commission, composed of Government, labor, and management representatives, and empowered with the responsibility of trying to resolve voluntary settlements of the contract and jurisdictional disputes which give rise to these deplorable work stoppages in our defense program. We were told that such a program of voluntary mediation would solve the problem. I acknowledge that in the immediate aftermath of the establishment of the Missile Sites Labor Commission there occurred a sharp and encouraging reduction in work stoppages. However, beginning late last year and continuing through the early months of this year there has been a significant and disturbing increase in strikes and work stoppages at our missile sites.

While I do not want to deprecate the dedicated efforts of those serving on the Missile Sites Labor Commission, I am, nevertheless, becoming increasingly convinced that it was the congressional investigation and public exposure of these often senseless labor disputes which had the greatest impact in reducing the number of man-days of work lost rather than the voluntary mediation of the Commission. My convictions in this matter are based on the fact that the further away we have gotten from the public exposure of the hearings the more we have seen an outcropping of those elements and frictions which gave rise to the extensive work stoppages which resulted in slowing down our manned space program.

Now we see voluntary mediation and conciliation stymied in a series of contract disputes with two of the Nation's most powerful unions with the result that we could have a national strike which would make our past work-stoppage experiences look like the proverbial Sunday school picnic. Involved in these current disputes are such controversial but little-publicized issues as the union shop and supplemental unemployment benefits. It would be grimly ironic if those industries so critically involved in producing the weaponry with which American freedom is being protected were to be shut down by a strike arising out of the intransigent demands of the UAW and the IAM that employees desiring to work as skilled craftsmen in our aerospace industries be compelled to join one of these two powerful unions.

I earnestly hope that responsible individuals on both sides on these current labor disputes will recognize the critical and vital importance of avoiding a major work stoppage in our key defense industries. I hope also that those in Congress and the executive branch who have key roles in the area of labor-management relations will learn from our present dilemma and will hesitate no longer in coming to grips with the intolerable problem of a Government being powerless to protect its citizenry against the devastating threat to national security which would flow from a national work stoppage in our air defense production program. Mr. President, let us wait no longer; let us get on with consideration of the McClellan bill directed at strikes in strategic defense facilities.

ACTION BY FINANCE COMMITTEE ON REVENUE ACT OF 1962

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD an announcement issued today of the action of the Finance Committee on the Revenue Act of 1962.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

ANNOUNCEMENT OF THE SENATE FINANCE COMMITTEE, FRIDAY, JULY 20, 1962

The Senate Finance Committee today announced the following action after its executive session on the Revenue Act of 1962, H.R. 10650:

Entertainment expenses, etc., section 4: The Senate Finance Committee today agreed to modify the definition of "gift" for purposes of the $25 limitation in the following manner: (2) gifts designed to be used primarily on the business premises of the taxpayer, such as display racks and signs, are not to be subject to the $25 limitation on gifts; (b) articles with a value of $4 or less and with the name of the donor prominently and permanently imprinted thereon are not to be taken into account for the $25 limitation; (c) gifts with a value of $100 to an employee are not to be taken into account for purposes of the gift limitation if they are for length of service or for safety achievement.

In the case of meals and lodging expenses incurred in connection with traveling expenses, the committee modified the House bill to provide for the deduction of amounts expended for meals and lodging other than amounts which are lavish or extravagant under the circumstances.

The committee also agreed to provide for the allocation of traveling expenses where the journey involves both business and pleasure. Under this amendment, if the trip has a business purpose and is for less than 1 week, the entire amount would be deductible under the rules of existing law; if the journey is for a period longer than 1 week, the traveling expense is to be prorated between the business portion of the trip and the personal portion only if the personal portion of the period is more than 25 percent of the entire period.

The committee agreed to extend the exception of the House bill in the case of business meeting of employees or stockholders to also include business meetings of agents and directors and amended the provision further to make it clear that the expenses covered by the exception are those of the business with respect to meetings of its employees.

Effective date changed from June 30, 1962, to December 31, 1962.

Mutual savings banks, etc., section 8: The committee agreed to the bad debt reserve provisions of the House bill (i.e., deductions of 60 percent of taxable income, or deductions of amounts to bring the reserve up to 3 percent of qualifying real property loans, etc.) but amended the House bill to provide that privately owned (capital stock) building and loan associations are not to qualify for these bad debt reserves but are to be treated, taxwise, in the same manner as privately owned commercial banks.

It also provided that there are to be no additions to the reserve for losses on qualifying real property loans which bring the balance to more than 6 percent of such loans.

The committee also agreed to provide that deductions for additions to bad debt reserves shall in no event exceed the deduction which would have been allowed the institution had existing law continued to apply. Thus deductions would be limited to 12 percent of deposits.

The committee also adopted amendment 7-9-62—F, which provides that in allocating "pre-1963 reserves", reserves accumulated prior to 1952 are also to be taken into account in order to bring the balance of the reserve for losses on qualifying real property loans to 3 percent of such loans outstanding as of December 31, 1962. Under this amendment pre-1952 reserves are taken into account only for the purpose of measuring future deductible additions to the reserve for losses on qualifying real property loans but not for purposes of charging losses unless the institution so elects.

The committee also agreed to the provision of the House bill repealing the exemption from certain excise taxes but broadened the draft of the House bill to eliminate exemption from all excise taxes in the case of federally chartered savings and loan associations.

Mutual Fire and Casualty Insurance Companies, section 10: The committee agreed to a technical amendment which permits certain flood insurance companies to be taxed in the same manner as perpetual fire insurance companies.

Earned income from sources outside the United States, section 12: The committee provided that the exclusion for bona fide residents is not to include a U.S. citizen who has made representations to a foreign government that he is not a resident of that country and therefore not subject to its income taxes.

It also made a technical amendment to amendment 7-9-62—G previously agreed to.

Ordinary income on certain gains from depreciable property, section 14: The committee agreed to the House provision.

Foreign investment companies, section 15: The committee agreed to a technical amendment which will permit foreign investment companies to reincorporate as a domestic investment company (in a tax-free reorganization) if the reincorporation occurs prior to January 1, 1964.

Tax treatment of cooperatives and patrons, section 17: The committee tentatively agreed to require that in order for a cooperative to receive a deduction for qualified script, at least 20 percent of the value of the patronage dividend (including qualified script) must be paid in cash. The staffs were instructed to review the consent provisions of the bill and report to the committee whether additional amendments should be made.

Distributions by foreign trusts, section 9: The committee amended the House bill so that amounts distributed by foreign trusts to U.S. beneficiary and taxed to him is to represent only that portion of the accumulated income which is attributable to property contributed to the foreign trust by U.S. persons.

The effective date of this provision was modified so that the new rules will apply to distributions made by foreign trusts after the date of enactment of this bill (rather than applying to distributions made in taxable years of trusts beginning after the date of enactment).

Inclusion of foreign real property in estate, section 18: The committee changed the effective date of this section from July 1, 1964, to January 1, 1963 (7-9-62—K).

Information with respect to foreign corporations, section 20: The committee adopted an amendment (7-9-62—L) liberalizing the rules with respect to giving of information as to foreign corporations.

Treaties, section 21: The committee adopted a new version of the section to read as follows: "No provision of this act shall apply in any case where its application would be contrary to any treaty obligation of the United States."

Foreign tax credit: The committee adopted a new amendment (7-13-62—F) providing for a special limitation on the foreign tax credit with respect to interest income earned in foreign countries. The effect of this amendment is to provide that the limitations on the foreign tax credit are to be separately computed as to interest income and as to income other than income.

CELEBREZZE RECOMMENDED

Mr. HARTKE. Mr. President, the Calument Chapter of the American-Italian Societies has passed a resolution commending President Kennedy for his nomination of Cleveland, Ohio, Mayor Anthony J. Celebrezze, for the Cabinet position of Secretary of Health, Education, and Welfare.

Because of the nature of this resolution and because the members of this chapter of American-Italian Societies are, in the main, residents of northern Indiana, my home State, I think it worthwhile that it be called to the attention of all Members of the U.S. Senate, and I, therefore, seek unanimous consent to have it inserted in the body of the RECORD at this time.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas there has never been an Italian-American appointed to the National Cabinet of the United States; and

Whereas President John F. Kennedy recently has nominated Cleveland Mayor Anthony J. Celebrezze as Secretary of Health, Education, and Welfare; and

Whereas five-time elected Mayor Celebrezze has done such an outstanding job in Cleveland that his confirmation by the U.S. Senate is now regarded as a certainty and imminent; and

Whereas this appointment will add to the great number of fine Italian-Americans already in public service, and will add greatly to the prestige of our colony in the United States; Now, therefore, be it

Resolved, That the Calumet Chapter, American-Italian Societies, hereby commend President Kennedy for this appointment of a man who will serve well all the people and will add a great deal to the already high caliber of the Cabinet; and be it further

Resolved, That copies of this resolution be sent to President John F. Kennedy, U.S. Senator Homer Capehart, U.S. Senator Vance Hartke; and the Honorable Anthony J. Celebrezze.

Submitted by Sam Bushemi, Lake County assessor, and cochairman, Calumet chapter, American-Italian Societies.

Attested to: Louis Ferrini, chairman, Calumet chapter, American-Italian Societies.

THE RESERVE CALL-UP

Mr. SYMINGTON. Mr. President, much has been said and written about the great contribution to our national security by the 145,000 reservists and National Guardsmen who were called to active duty a year ago.

One of the best summaries of the reasons for and benefits of the mobilization appeared in an editorial in the Kansas City Star on July 11, 1962.

Mr. President, I ask unanimous consent for insertion of that editorial at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Kansas City (Mo.) Star, July 11, 1962]

RESERVE CALL-UP GAVE THE UNITED STATES A WIDER CHOICE

American history will have a special niche for the 145,000 reservists and National Guardsmen who have started back to civilian life after serving nearly a year in the Berlin crisis military buildup. A single fact places these men in a class by themselves. Their call-up last fall marked the first time that a President had ever depended on trained citizen Reserves to support his foreign policy objectives.

The service of the reservists was extremely important in another way. It gave the understrength Active Forces the time and backlog to expand by more than 200,000 men. The Army has made the largest gain. It now has 90,000 more men and 16 combat-ready divisions compared to a year ago. The United States today is in infinitely better shape to engage in a limited war if necessary.

What has happened is that this country has rounded out its military capabilities. Last July 25, President Kennedy explained: "We intend to have a wider choice than humiliation or all-out nuclear war." The buildup for a defense flexibility seems to have provided this wider choice.

FOUR PRESCRIPTIONS FOR OUR TIME

Mr. HUMPHREY. Mr. President, the July 1962 issue of the Journal of the American Pharmaceutical Association reprints an address which I was happy to deliver before the 109th annual meeting of one of the great professional organizations of our country, the American Pharmaceutical Association.

This meeting, in March 1962, was attended by the largest paid registration ever to attend an American Pharmaceutical Association convention. It was my privilege to address the largest audience of pharmacists ever to assemble under one roof in the United States.

The theme of my comments was "Four Prescriptions for Our Time"—that is, a prescription for peace, for prosperity, for freedom everywhere, and for the pharmaceutical profession, itself.

It is a pleasure to note that each issue of the journal of the association reflects the continuing interest of my fellow pharmacists in each and every one of these four challenges.

I ask unanimous consent that the prepared text of my address, as published in the current issue of the journal, be printed at this point in the RECORD.

There being on objection, the address was ordered to be printed in the RECORD, as follows:

FOUR PRESCRIPTIONS FOR OUR TIME

(By Senator HUBERT H. HUMPHREY)

The four great prescriptions for our time are—a prescription for peace, for prosperity, for freedom everywhere, and for our own proud profession.

The pharmacist is more than just a professional man; he is a leader in his community. Leadership involves responsibility. We, ourselves, have the task, therefore, of helping to devise for our Nation the best possible formulas against war, against economic stagnation or depression, against the spread of communism throughout the globe and, here at home, against a variety of influences harmful to our profession.

As a nation, I believe, we are making significant progress toward all three of the initial objectives. And on the fourth goal, we, as a profession, under the American Pharmaceutical Association's leadership, are going to raise still higher our own standards rather than permit any source to undermine those standards.

PRESCRIPTION FOR PEACE

The formula for peace must be written against every possible contingency. Atomic war, conventional war, brush-fire war are all to be avoided—but through strength not weakness, resourcefulness not rigidity.

Berlin, Laos, Guantanamo—no one can predict the scene of tomorrow's possible conflagration. Of one thing we can be certain. Danger will always lurk somewhere. I would like to make one particular suggestion now. It is directed against a danger which is not sufficiently discussed—the danger of accidental war.

I mention this hazard because war by Soviet design seems infinitely less likely. And war by U.S. design is impossible.

I mention accidental war, too, because every pharmacist knows the meaning of precautions. Training against accidents is built into the very fiber of his work habits. But laymen tend to be less wary.

For the rest of our lives we will have to live with the chance of war by accident, by miscalculation, by uncontrolled escalation. The U.S. Government has taken every possible precaution against these hazards. We know that the North American Air Defense Command, the Strategic Air Command, and other defense arms have built elaborate safeguards into their systems.

I'd like to propose that the United Nations consider convening a conference on accidental war. The assembly could have an even broader representation than the present 18-nation conference on disarmament in Geneva, because accidental brush-fire war is always a possibility anywhere on the globe.

Much of the purpose of the Geneva discussion is to head off the danger of accidental war. But avoidance of war by miscalculation involves a whole set of specific political-military decisions and procedures which could be profitably studied in their own right, not merely as a part of arms reduction or a test ban.

We, in our open society, have little to lose from such a discussion. We have a world—and peace—to gain.

PRESCRIPTION FOR PROSPERITY

Let us meanwhile carry forward our effort for fullest prosperity here at home. That means assuring a satisfactory rate of economic growth, full employment, eliminating the pockets of distress in various areas of our country. It means girding ourselves to meet the growing competition from the Common Market. It requires, also, genuine tax reform.

PRESCRIPTION FOR FREEDOM IN EMERGING AREAS

On the world scene, let us advise the best medication for combating the virus of communism. Let us do so by providing the social and economic vitamins necessary to build strong, healthy nations, capable of resisting the contagions of Khrushchevism, Castroism, or Maoism.

As the American Pharmaceutical Association has well pointed out, pharmacy has an important role to play in this process. An American mortar and pestle means more to the billion people in the emerging areas than an American mortar or pistol. These billion people—in Asia, Africa, the Middle East, as well as Latin America—want the hope of health not the despair of sickness, the prospect of peace not constant reminder of war.

That is why we need to double and triple the role of what I call health for peace. I have been working with our profession toward this end in my capacity as chairman of a Senate international health study. Since August 1958, when we began our efforts, we have published 11 prints, 4 hearing exhibit volumes and a report. We have pointed out the critical shortage of pharmacists and of other skilled health professionals throughout the world. We have cited the significant activity of the World Health Organization in standardization of drugs.

In my personal view, a principal fault with the U.S. health programs abroad is a mistake no good physician or pharmacist would commit—the dosage is too small.

For example, in the last 4 fiscal years the Agency for International Development has brought over a grand total of only 29 foreign participants for professional pharmacy training for an average stay of about 12 months each. Fortunately, there are other federally sponsored international exchange programs. But this fact indicates how inadequate the dosage is on the part of our foreign aid agency.

Last year, for a world plagued by sickness, a world to which the U.S. taxpayer contributed $4 billion, AID bought a grand total of only $1.2 billion in pharmaceuticals for direct health purposes. In addition, it bought and distributed $29 million more in pharmaceuticals for what is called nonproject purposes; i.e., for resale by foreign governments for development purposes through domestic channels.

You will understand, then, why I want stronger doses of U.S. health aid. This includes—

More international exchange of personnel including undergraduate and postgraduate education of more foreign nationals at American colleges of pharmacy;

Expanded international cooperation in pharmacological and other research;

Expanded technical assistance through U.S. dollars and U.S.-owned or controlled soft currencies abroad, including distribution of more pharmaceuticals;

Encouragement of more nongovernmental action. This means fostering of more of the splendid people-to-people activities by the pharmaceutical profession and by the pharmaceutical industry.

In our next report, the subcommittee addresses itself to still another problem of particular interest to the American Pharmaceutical Association on the homefront. I refer to better communications between the healing arts professions, including physicians and pharmacists; between researcher and researcher; between researcher and medical practitioner; between the healing arts and the public.

PRESCRIPTION FOR OUR OWN PROFESSION

The American Pharmaceutical Association faces, in my judgment, the finest opportunities and some of the most stimulating challenges in its 109 years of history. What you decide on many important issues will reflect the ideas and feelings of pharmacists everywhere in the United States because the American Pharmaceutical Association, through its house of delegates, represents pharmacy. The American Pharmaceutical Association's committees, its labor in the scientific, legal, research, and communications fields, all contribute to a better, more satisfying profession for all of us.

As we are all aware, the American Pharmaceutical Association is called upon to testify in the Halls of Congress on many pharmaceutical matters. It is asked by State and local governments to assist in pharmaceutical service programs. Such requests are living praise of the significance of the American Pharmaceutical Association membership and of your work and devotion.

No citizen is more than a few minutes away from pharmaceutical services and help. That is why the civil defense authorities rightly make pharmacists a vital, integral part of emergency plans. The Public Health Service and Defense Department likewise count on pharmacists and are conducting manpower and location studies on our profession.

Being in daily, intimate contact with your fellow citizens and health associates, you appreciate and understand the changes that are taking place today. The pharmacist's role in the public health of the Nation is an ever-expanding one. Newer, more effective chemotherapeutic agents are being made available, new approaches to the mitigation and cure of disease are being developed.

An excellent example of planning for the future is the American Pharmaceutical Association Foundation's prepaid prescription service study. I understand that we are on the verge of pilot programs in several States. This is the kind of constructive programing that makes pharmacy a truly progressive profession and demonstrates its concern with public welfare.

Now American Pharmaceutical Association is exploring better methods for pharmaceutical services in nursing homes. Nursing home personnel need and want such help. Our senior citizens can be profoundly served by your boards and associations working ever more actively with nursing home personnel.

As a pharmacist, a Senator and an American, I am proud of the thousands of daily practitioners of pharmacy who form the backbone of our medical care system. The pharmacist must, in my judgment, be enabled to continue to provide the highest degree of pharmaceutical service. That is why I stress in all legislation, touching on health care, that the patient have freedom of choice in selecting his pharmacist, physician and hospital.

I have sought at every opportunity to inform Congress, the Federal agencies and the public of the professionalism and self-discipline of pharmacy's practitioners. You and I know that when a person obtains prescribed medication he is not obtaining just a commodity—he is obtaining the services of a highly trained professional.

Each prescription order is as unique as the person for whom it is written. The very nature of the multitude of professional considerations involved renders each prescription a unique document. The medication is only dispensed by a pharmacist pursuant to a particular order of a particular prescriber. The medication is for a particular use in a particular quantity for a particular patient. It is for a particular condition, for a specific period of time and for use according to particular instructions.

A pharmacist does not sell a commodity—he is performing professional services in dispensing prescriptions. That is why he is so justified in seeking a professional fee for his services.

An indispensable element of professional service is the direct, personal relationship between the pharmacist, patient and prescriber. During my formative years in my dad's pharmacy, in Huron, S. Dak., I saw—unfogettably—the qualities of neighborliness and friendship between pharmacist, physician and patients.

This pharmacist-patient-prescriber relationship must be maintained. The pharmacist must be able to determine that the prescription document itself is valid, is for legitimate medical purposes and may be dispensed in good faith. If the slightest uncertainty exists, the pharmacist must be able to contact the prescriber personally. The physician, of course, carries the responsibility for proper prescribing but a corresponding liability rests with the pharmacist who dispenses the prescription.

Next, the pharmacist must be in a position personally to provide information about and determine whether the dosage and method of the medication's use—or the collateral measures necessary to the medication's use—are personally understood by the patient or a responsible member of his household.

Extremely important also is the fact that the prescription document is immediately available locally to the patient or prescriber.

The pharmacist must also be able to consult with prescriber and patient in instances where the individual may be undergoing treatment simultaneously by more than one prescriber and if the medications prescribed by each are incompatible.

But the key to an effective pharmacist-patient-prescriber relationship is the ability of the pharmacist to dispense immediately any medication which any pharmacy can be reasonably expected to provide.

It is for these reasons that objection is rightly made to a phantom pharmacist who never has personal contract with the patient or to those occasional pharmacists who use their education and professional privileges essentially for monetary gain rather than public service.

Another area to which we should give attention is the commercial promotion of narcotic and prescription legend drugs to the public. Articles such as the amphetamines, barbiturates, corticosteroids, narcotics, and others should not be the subject of intensive promotion and aggressive merchandising to the public. These articles should not be mere objects of commercial competition. Prescription drug use must be sane, sensible, and supervised—not pushed through public promotion.

Prescribers of prescription medication should not be subjected to pressures designed to stimulate the prescribing or sale of medication in bulk quantities. The quantity of amphetamines, barbiturates, corticosteroids, narcotics and other such drugs in a person's possession must be considered in relation to possible diversion into channels which lack adequate professional controls. Prescription drug use should be professionally determined, carefully controlled, and continuously supervised to discourage increased or excessive use and to prevent delayed recognition of possible adverse drug reactions.

As the sponsor of the Senate bill which established the prescription legend drug category by an amendment to the Federal Food, Drug, and Cosmetic Act in 1951, I have had a continuing and intimate interest in the problems associated with the effective supervision of the distribution of these drugs. The purpose of the Durham-Humphrey amendment to the Food, Drug, and Cosmetic Act was to tighten up the Federal law as it pertains to drugs containing habit-forming or dangerous ingredients and to foster control over these drugs.

You and I are trustees for America. We pharmacists have been given special training; we are accorded, as professionals, special privileges. As citizens, in the broadest sense, it is our task to help write and dispense sound prescriptions for a healthier America and a healthier world. I know that we will succeed in this great task.

COLLEGE GROUPS AID USO

Mr. KEATING. Mr. President, I have recently learned that the United Service Organizations have once again chosen several American college music and drama groups for entertainment tours to our troops overseas.

Since February 1941, USO has been providing many services to our young men and women abroad in the Armed Forces. The greatest service of all—that which is the sum total of all of their innumerable contributions—has been the preservation of high morale in the armed services a very real need in peacetime as well as in war. Groups such as those recently chosen from our colleges and universities have succeeded in extending the boundaries of their home communities to our most remote bases, and have thus helped to preserve the qualities of character which were instilled in these young people before they left their homes in the States. By their continuing concern with the welfare and morale of the man in uniform, USO and all of those who have volunteered their services in response to our finest traditions, have made a vital contribution both to our military security and to the continued leadership of these young men and women in our local, national, and international communities.

I am very happy to learn that groups from Alfred University and from my own alma mater, the University of Rochester, are among those which have been chosen. Each of these participating students will benefit greatly from this experience and will always cherish the opportunities being given them as volunteers in this program.

Mr. President, I ask unanimous consent to have the following release from USO printed in the RECORD:

There being no objection, the release was ordered to be printed in the RECORD, as follows:

TWENTY-NINE AMERICAN COLLEGE DRAMA AND MUSIC GROUPS PICKED TO AUGMENT USO ENTERTAINMENT FOR TROOPS

NEW YORK.—Edwin E. Bond, national executive director of USO, the private nonprofit organization providing morale services to the American Armed Forces, today announced that USO would sponsor tours overseas by collegiate groups from 29 American colleges and universities during the next academic year beginning in September.

Over 400 college students are to travel overseas to Army, Navy and Air Force installations in a year-long schedule presenting opera, dramatic plays, musical comedies, variety shows, choral, and instrumental programs as free entertainment for servicemen and their families. The commands to be visited are located in the Pacific, the Caribbean, the frozen areas in the North Atlantic, Europe, and the Mediterranean, he stated.

College officials, Mr. Bond said, are making provision for the students to avoid loss of classroom time, and none of the students are expected to be away from their campus for more than 8 weeks. These are in groups scheduled to tour in either the Pacific or the European commands. Generally, the tours in the other areas will be of 4 or 5 weeks duration.

Where and when appropriate, the college companies will give additional performances for foreign nationals under sponsorship of the U.S. Department of State under the cultural exchange program, USO indicated. It was explained that in the past such additional performances for State have been over and above the commitments to the military, and the State Department reimbursed USO for the extra costs involved. Frequently, on request of school authorities, an additional week is granted to the students to make stopovers on their own expense, to gain a maximum educational value during their foreign travel.

The college groups to go overseas are representative of every geographical section of the United States by drawing from men's and women's schools, coeducational institutions, State, private, and sectarian colleges. The program of college productions augments the vast network of paid professional USO shows, which carry the bulk of live entertainment for isolated and remote troop stations, the USO officer declared. Last year USO entertainers traveled more than 1 million miles overseas to bring shows to the Armed Forces.

Officials for USO shows said that selection of the performing groups were made by two committees representing dramatic and music departments of American colleges. Membership on one oversea touring committee was appointed by the American Educational Theater Association headed by Dr. Campton Bell, director of the School of Communications at the University of Denver, Colo., while membership on the other was appointed by the National Music Council, under Dr. Archie Jones, dean of the Conservatory of Music for the University of Kansas City, Mo. For their respective selections the AETA and the NMC will cosponsor the college tours with USO shows.

Screening of more than 150 college applications by process of auditions, performance reports, program proposals, tape recordings and photographs narrowed the selection to the 29 groups, it was explained. The Department of Defense, which will provide the oversea transportation and travel subsistence to the college performers, has confirmed the selections and the dates of the respective tours, a USO officer stated. USO will insure each and every student during the periods of their travel as well as provide all necessary administration services.

EXTENSION OF APPLICATION OF CERTAIN LAWS TO AMERICAN SAMOA

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 10062) to extend the application of certain laws to American Samoa, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HUMPHREY. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. JACKSON, Mr. GRUENING, Mr. LONG of Hawaii, Mr. KUCHEL, and Mr. MILLER conferees on the part of the Senate.

The VICE PRESIDENT. Is there further morning business?

Mr. MANSFIELD. Mr. President, is there further morning business?

Mr. SYMINGTON. Mr. President——

The VICE PRESIDENT. The Senator from Missouri.

Mr. SPARKMAN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Senator from Missouri has been recognized.

Mr. SYMINGTON. Mr. President, I withdraw my request for recognition as a result of the suggestion which has been made by the Senator from Alabama.

Mr. SPARKMAN. Then, Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If there is no further morning business, the Chair lays before the Senate the conference report on the Foreign Assistance Act of 1962.

FOREIGN ASSISTANCE ACT OF 1962—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President——

The VICE PRESIDENT. The Senator from Wisconsin.

Mr. PROXMIRE. I ask unanimous consent that I may yield to the Senator from Missouri [Mr. SYMINGTON] without losing my right to the floor.

The VICE PRESIDENT. Without objection, the Senator from Missouri is recognized.

Mr. SYMINGTON. Mr. President, I understand that the agreement to reduce the requested aid for India was withdrawn in the conference yesterday. Inasmuch as the distinguished majority whip, the Senator from Minnesota [Mr. HUMPHREY], was a member of the conference, I would ask for clarification in this matter.

Mr. HUMPHREY. Mr. President, I am happy to respond to the Senator from Missouri, if I may do so under the unanimous consent request.

The language which was included in the Senate bill that had been offered as an amendment by the Senator from Missouri was dropped in the conference committee primarily because we do not like in the foreign aid appropriations to mention country by country. That practice was dropped back in 1953. However, the objective of the Senator's amendment, which was voted upon in the Senate and voted upon in the Committee on Foreign Relations at the time of the consideration of the bill by the Senate, will be fulfilled by the administration. It can be done administratively. We have been assured that it will be carried out administratively, on the basis of the understanding arrived at with the administration during the conference.

Mr. SYMINGTON. In other words, as I understand the distinguished Senator from Minnesota, the reduction in the originally requested aid for India of 10 percent as agreed in the Senate will be carried out.

Mr. HUMPHREY. The amount is approximately 10 percent, as I recall. It will be at levels not to exceed obligations for the fiscal 1962.

Mr. SYMINGTON. This year?

Mr. HUMPHREY. This year.

Mr. SYMINGTON. I thank the Senator for clarifying the matter, and am glad to understand the reduction will stand.

FARM LEGISLATION

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Virginia [Mr. ROBERTSON] under the same conditions.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBERTSON. Mr. President, shortly the Senate will receive from the House the new farm bill, a measure which gives us all concern because of the tremendous sums involved in the present farm program. A major defect, which was not cured either in the present law or the farm bill passed by the House, is that we have enough wheat for another whole year if we did not raise another bushel. When the acreage was fixed at 55 million bushels, it was at a time when the average per acre production was only half of what it is now.

I hope the farm bill will be sent to our committee and that we will take out the 55 million acreage provision and leave it to the discretion of the Secretary of Agriculture to cut wheat production in line with our need for wheat.

FOREIGN ASSISTANCE ACT OF 1962—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. PROXMIRE. Mr. President, I yield to the Senator from Connecticut [Mr. DODD] under the same conditions.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. DODD. Mr. President, a year ago I offered an amendment to the foreign aid bill which would clearly and specifically forbid foreign aid to Communist regimes. After long and spirited debate, that amendment was defeated by a wide margin—61 to 34—through the adoption of a substitute which left existing law virtually unchanged. But the other body did adopt a strong prohibition against aid to Communist nations. In conference, however, the House yielded and the weak Senate provision was adopted.

This year the able junior Senator from Wisconsin [Mr. PROXMIRE] forcefully brought forward an amendment to stop aid to Yugoslavia. I shall never forget his brilliant and eloquent presentation.

The Senator from Ohio [Mr. LAUSCHE] then offered an ironclad prohibition against aid to any Communist regime. Once again the debate was long and spirited, but this time the Lausche amendment was adopted by a very great margin. That vote was a tribute to the masterful argument made by the Senator from Ohio [Mr. LAUSCHE]. But more than that, it reflected a dramatic change in opinion in the Senate and it indicated to me that the mounting protests on the part of the American people against the use of their tax dollars to finance Communist regimes had at last been heard by the Congress.

The following day the Senate altered the Lausche amendment in some respects by adopting an amendment put forth by the combined majority and minority leadership. This was a retreat, but it was still a far stronger ban on aid to Red regimes than had previously been in effect and those of us who had fought for this cause for years could well take some satisfaction out of the resolution of this matter as it left the Senate.

This year it was the other body that adopted the weaker position, and in conference the Senate conferees abandoned abjectly the position taken by the Senate in two lopsided record votes.

So, after years of battle on this issue, we once again came out where we went in. But there is one great change, and that is the temper of the American people.

This is the last time the will of the people will be thwarted on this issue; of that I am sure. This is the last time that what has been won out in the open will be lost behind closed doors. The American people are fed up with a policy that has spent $4 billion of their money—$4 billion dollars which has had no other result but to strengthen our avowed enemies.

Having failed for many years to produce any tangible results from the program of aid to Communist regimes, its advocates have but 1 year left in which to justify this program.

Those of us who oppose this program must continue to lay our views before our colleagues and before the American people—and in that cause I do not wish to let this occasion pass without once again pointing out why this program has never worked and why it never will work.

First, the Communist philosophy, which Tito and Gomulka and Castro all accept, is directed at the destruction of Western civilization, the prerequisite of the building of world communism. Each Red regime has developed the concept of the total state as far as it can go and therefore, within the limitations of bungling and inefficiency characteristics of dictatorships, every resource, important or insignificant, is directed and coordinated toward the eventual Communist world triumph.

Every dollar that we send behind the Iron Curtain, every grain of wheat, every parcel of clothing, every piece of equipment and machinery, every particle of technical knowledge and industrial know-how, is promptly melded into the cold-war machine of our enemies to be used against us. Nothing should be plainer or clearer than this.

Second, when we help Communist regimes in any way, we help them to conceal their inability to satisfy the needs and aspirations of people everywhere.

When we help Communist regimes to obscure their basic failures, when we give them food to hide their famines, when we give them trade to overcome their shortages, when we help to relieve the pressure for consumer goods, thus permitting them more leeway in devoting their resources to weapons of war, we only postpone the day when communism will be totally discredited beyond the Iron Curtain and completely unbearable within it.

Third, the historic lesson is that aid to Communist regimes does not wean them away from basic Communist revolutionary philosophy or draw them closer to us. Our long and costly programs of aid to Communist Yugoslavia and Poland ought to have proved this much to us.

After spending billions of dollars to prop up the Tito regime, the net gain to the free world has been zero. Yugoslavia remains a Red dictatorship, strengthened and made more tyrannical by American aid, brutally oppressing its people, persistently allied with Moscow on every major issue dividing the Communist world from the free world. With the aid we have given him, Tito has been able to set up foreign aid programs of his own in Asia and Africa, and he has used these programs and the respectability in which we have clothed him, to dissuade the Asians and Africans from lining up with the free world.

Poland, too, while receiving aid from us, has been giving aid to Castro's Communist, anti-American regime in Cuba. Poland is a Red satellite, clear, and simple. Our aid to that country was intended to encourage the Polish regime to be more independent of Moscow. Yet the longer our aid has continued, the more subservient to Moscow the Gomulka regime has become, and the more venal and repressive toward its people, its press, its churches, its schools, its academic world, and all elements of its society.

Therefore, on the record of the acts, words, and U.N. votes of Yugoslavia and Poland, this type of aid has been a gigantic failure and should be stopped.

Fourth, we must measure the cost of aid to Communist regimes, not only in dollars and in lost time and effort, but in what we might have accomplished had we used these resources for other means. Our experiment in giving the money and goods of the American people to Communist tyrannies has already cost us $4 billion. If this policy is now to be made permanent and perhaps expanded to other Communist regimes, none can tell where it will end or how much it will cost.

Thus, our aid to the Reds not only strengthens them; it weakens us by denying us the resources needed to achieve those objectives necessary to our survival.

Fifth, I raise this final point. Even if I did not oppose aid to Communist dictatorships on the grounds I have described, I would oppose it for yet another reason.

During the past year, the dawning recognition of the crisis in the world has caused the United States to revise its spending plans upward by several billion dollars in the fields of space and military affairs. Since we obviously cannot do everything, this forces upon us a system of priorities. Some things will have to go.

And what could be lower on our list of priorities than handouts to Red governments?

Mr. President, even if we have no philosophic aversion to this kind of aid, even if we do not think it aids our enemies, even if we do not think it deprives ourselves and our friends, we should be against it on the simple ground that newer and more urgent demands must be met, that to meet these demands we must dispense with other programs, and that financial aid to communism should be the first thing dispensed with.

Again and again we have tried and failed; but we shall not fail again. Where those who have opposed this aid were once on the defensive, it is now the proponents of this aid who are on the defensive. The vague, mystical, wishy-washy generalities of the past with which they have justified this aid will no longer suffice.

A year ago I voted "present" on final passage of the foreign aid program. I could not vote against it because I believed the program as a whole was essential to the defense of freedom in the world and to the carrying out of our moral responsibilities to aid less fortunate people. Yet, I could not vote for it because, among other reasons, it contained provision for aid to Communist regimes. This seemed to me a negation of all we were trying to accomplish.

My "present" vote was intended as a protest and as a symbol of the dissatisfaction with our foreign aid policies which could well bring down the whole program unless reforms were made.

I believe that the unmistakable growth of this sentiment, so eloquently described by the senior Senator from Oregon in his speech yesterday, makes it clear to almost everyone that in our foreign aid policy the administration has a bear by the tail. Symbols of protest are no longer needed because protest itself is coming from all sides.

I therefore intend to vote for this conference report because I believe that the aspect of the bill to which I strongly object is foredoomed and will pass away, while the essential principle of foreign aid must be preserved.

Mr. PROXMIRE. Mr. President, briefly, on another matter——

Mr. MAGNUSON. Mr. President, will the Senator yield to me for 1 minute?

Mr. PROXMIRE. I yield to the Senator from Washington for 1 minute.

Mr. MAGNUSON. Mr. President, I wish to direct a question to the Senator from Alabama in regard to the conference report.

For about 2 days now, as for many weeks, we have been discussing in general aid to so-called Communist countries. I think the average person in the United States has received some impression that we have been giving aid to Communist countries. We have discussed Poland, Yugoslavia, Communist China, Red Russia.

I think it would serve a good purpose if the Senator from Alabama would put into the RECORD the exact amounts of aid we have given to Yugoslavia, to Poland, to Red China, to Czechoslovakia, to Communist Russia, to all the countries involved, because I think the public is getting the impression that we have been arguing about whether we should cut off aid or not give aid to these Communist countries.

It is my understanding that there have been only rare exceptions when any President—Eisenhower, Truman, Kennedy, or anyone else—has given aid, because it was thought to be in the best interests of the United States not to.

I think the record ought to be very clear as to what aid we have given to Yugoslavia, what aid we have given to Poland, what aid we have given to Communist China, what aid we have given to Czechoslovakia, what aid we have given to Russia, what aid we have given to all the Communist countries. Everyone seems to be getting the impression that we are arguing about whether we should continue aid to these countries. It is my understanding we have not been giving aid to them.

Mr. HRUSKA. Mr. President, will the Senator yield for a question as to his question?

Mr. MAGNUSON. I yield.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that without losing my right to the floor I may yield to the Senator from Nebraska so that he may ask a question.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and the Senator from Nebraska may proceed.

Mr. HRUSKA. Would the Senator from Washington wish to have included in the tabulation the shipments under Public Law 480?

Mr. MAGNUSON. Yes. I think we should include that. The Senator from Nebraska, the Senator from Alabama, the Senator from Washington, and other Senators are against this. We should like to be as sensible about it as possible. I think the people are getting the impression throughout the country that the Senate has spent hours and days arguing about whether we should continue aid to Communist countries. That is not correct.

Mr. SPARKMAN. Mr. President, will the Senator from Wisconsin yield to me to answer?

Mr. PROXMIRE. I yield to the Senator from Alabama, with the same understanding.

Mr. SPARKMAN. I am glad that the Senator from Washington has asked that question. I touched upon it yesterday.

Mr. MAGNUSON. But only slightly.

Mr. SPARKMAN. I was giving the figures from memory. This morning I have the figures from the RECORD.

As I stated yesterday, the only two countries to which we have furnished any aid have been Yugoslavia and Poland. I have a table which shows aid for fiscal years 1961 and 1962 to each of those two countries. The Senator did not designate any specific period of time, but I believe those 2 years are indicative.

Mr. MAGNUSON. I think those 2 years would be good, yes.

Mr. SPARKMAN. It is not a question of continuing aid or of giving aid. It is a question of leaving the law written in such a way that the President can exercise the same kind of discretion he exercised in regard to Peru.

Mr. MAGNUSON. Today.

Mr. SPARKMAN. Yesterday.

Mr. MAGNUSON. Yesterday; that is correct.

Mr. SPARKMAN. No one objects to the President exercising that same discretion to cut off aid to Peru. All we ask is that the President have that discretion in connection with the Communist countries under the terms—rather strict terms—laid down in the conference report.

I am not sure the Senator from Washington was present when I brought out the fact that this provision was largely written with the aid of perhaps as good authority on anticommunism as there is in the country, FRANCIS WALTER, the chairman of the House Committee on Un-American Activities.

Mr. MAGNUSON. And Dr. Judd.

Mr. SPARKMAN. I placed in the RECORD, near the end of yesterday's proceedings, the statement FRANCIS WALTER made on the floor of the House July 12 in support of the exact language to which the conferees agreed.

I said yesterday that we gave Yugoslavia a small amount of aid last year. I did not remember the exact figure. I was inaccurate. We gave them $800,000. That was in the form of technical assistance. Under Public Law 480 Yugoslavia got $69.6 million worth of surplus commodities.

Mr. MAGNUSON. Wheat, primarily.

Mr. SPARKMAN. That is shown in the table. Yugoslavia got $16.7 million under title III and $11.7 million under title IV.

In regard to Poland, in fiscal year 1962 there was $1.5 million by way of development grants. Offhand, I do not know exactly for what that was provided. I know that we worked out an arrangement to help in the building of a children's hospital in Poland.

Mr. MAGNUSON. The children's hospital, yes.

Mr. SPARKMAN. Under the language adopted by the Senate that was accepted. That was in our language. That was the principal help which went to Poland.

Several years ago we sold to Poland, as the Senator will remember, $60 million worth of wheat, $90 million worth, or whatever the figure was.

Anything which might be called aid has been in a minimal amount, and has been given under the discretion the President had. Both President Eisenhower and President Kennedy have acted quite discreetly in regard to this problem.

Mr. MAGNUSON. I thank the Senator.

Mr. SPARKMAN. I thank the Senator from Wisconsin for yielding.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I will yield to the Senator in a minute. I have only a very short statement to make myself, and then I shall be through.

The distinguished Senator from Alabama said, if my ears did not betray me, that we had given $69 million worth of aid to Yugoslavia last year in the form of Public Law 480 assistance, and a very small amount, $800,000, of technical assistance. I should like to invite attention to the fact that it is also my understanding that we have given over $2 billion worth of aid to Yugoslavia in the past 12 or 14 years, and we would have given a relatively modest amount, $10 million in development loan funds for Yugoslavia, in the coming year, which would have been stricken if the Proxmire amendment, which was in the bill when the bill passed the Senate, had remained in the bill in conference. It did not.

I wish to say to my distinguished friend from Alabama, with regard to Peru, that I have commended the President for cutting off aid to a country which has lost its democracy. The democracy has been succeeded by a military junta, a military dictatorship.

It is perfectly clear that throughout the coming year, unless the situation changes with great and unforeseen developments, there will be a Communist dictatorship in Yugoslavia. On the basis of all our past experience, the power of that dictatorship will be turned against us.

All the Proxmire amendment would have done, and all the bill which went to conference would have done, would have been to provide for a suspension of aid to Yugoslavia for 1 year. It would not have cut off aid forever. It would have cut off aid for only 1 year.

CONDITIONS IN PERU

Mr. MANSFIELD. Mr. President, I wish to join the Senator from Wisconsin, the Senator from Alabama, and other Senators who have spoken today and to discuss briefly the situation in the Republic of Peru.

The President of the United States, by stopping aid to Peru in the wake of the military takeover of that country, has in effect served notice that mere lipservice to democratic ideals will not suffice to maintain U.S. aid and support. There is too much at stake for the entire hemisphere for this type of subversion of freedom to be ignored. This Nation and those of Latin America, under the Alliance for Progress, are committed to the principle of social change and the support of free institutions throughout the hemisphere.

The action which the President took in this situation makes clear to the minorities of privilege in this hemisphere something which they, as inhabitants of the Americas, should know—that financial aid which comes from the labor of citizens of this Nation, who are in most cases less privileged than they, is not an open tap.

Mr. President, I ask unanimous consent that a selection of editorials on the military coup in Latin America be included at this point in the RECORD. I believe they reflect very accurately the sense of national repugnance which these events in Peru have kindled.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 19, 1962]

COUP IN PERU

The sword that was hanging over Lima has fallen, and a self-appointed military junta is now ruling Peru. The circumstances fully warrant the suspension of diplomatic relations that has swiftly followed in the United States and a group of Latin American countries. What the military of Peru have done is arbitrary, irresponsible and wholly at odds with the political premises of the Alliance for Progress.

As in Argentina, an election did not come out the way the armed forces wanted. The result was, as in Argentina, that Peru's President, Manuel Prado, was summarily ejected from office with the flimsy pretext that the army was acting to "preserve" the constitution. But unlike Argentina, there was nothing equivalent to the threat of Peronism that might have lent a faint shadow of pragmatic justification to the military intervention.

The winner in the June 10 election, according to the civilian board certifying the results, was Victor Raul Haya de la Torre, leader of the moderately leftist Apra Party. It is quite true that Haya lacked the decisive plurality required by the constitution, and as a result the choice of President was up to Congress. When the army took over, a compromise solution was already being worked out—but apparently the military were determined to veto any government in which Haya de la Torre had a part.

Peru now affords a test case in which the United States can demonstrate the earnestness of its intent concerning the broad political goals of the Alliance. Acting in concert with its neighbors this country can and surely will manifest its displeasure with government-by-bayonet. By multilateral accord, the hemisphere is pledged to fostering democratic methods; multilateral pressure should help to restore civilian—and elective—rule to Peru.

[From the Baltimore Sun, July 19, 1962]

HAPLESS PERU

For a time in the middle of President Prado's term of office (late 1959 and 1960) the Government of Peru seemed to have pulled itself together. A new finance minister, Pedro Beltrán, applying classical economic ideas, halted inflation and stabilized the currency, made a successful drive for delinquent taxes, encouraged new investment in industry and public works, and launched a plan for setting up some peons on land of their own.

But it didn't last, and Beltrán didn't last; and anyway it was a superficial thing. It made barely a dent on Peru's real problem: the terrible danger of a situation in which a tight little oligarchy owns practically everything and a submerged and illiterate Indian population lives in serfdom but is beginning to stir.

The election of June 10 promised, and yielded, nothing better. The three leading candidates—Haya de la Torre, Belaunde, and Odria—were all tied in their different ways to the status quo, which is to say the oligarchy—even Haya, the longtime bad boy of Peruvian politics and onetime champion of the Indians. As things turned out, none of the three was able to summon even the one-third of the vote cast which would have given him a clear title to the presidency. Six weeks of backroom maneuvering yielded no solution.

So now the military, which is only the oligarchy in another guise, steps in, denouncing the election as a fraud (which no doubt it was), suspending constitutional guarantees and installing its own government; and in a matter of hours our own Government expresses disapproval of this strong-arm solution by suspending relations.

The episode fits into the political history of Peru with sad precision. Somehow the thing will be patched up, and the form if not the substance of constitutional government will be satisfied. But how long must it be before the real rulers of Peru come to their senses? Can they? If they can, will they do so in time?

[From the New York Times, July 19, 1962]

PERU TURNS THE CLOCK BACK

The seizure of power in Peru by military leaders, the arrest of President Prado, who refused to bow to their demands, and the annulling of an election which the official national electoral board pronounced honest after the most careful investigation, are in the worst tradition of Latin America's unstable and violent political history. It had been hoped that Peru had outgrown the garrison revolt.

The State Department could do no less than it did yesterday in suspending diplomatic relations with Lima and in cutting off any further Alliance for Progress aid. Every government in Latin America that respects constitutionality and democracy will surely also make its condemnation clear.

When the Argentine military forces seized control last March, annulled the election of March 18, arrested President Frondizi and confined him on an island, the U.S. Government went along with it because a fiction of constitutionality was maintained. The Peruvians copied the Argentines to the extent of annulling a fair election, arresting the President and confining him on an island, but they could not cloak their acts in any semblance of constitutionality. The courage and patriotism of President Prado and the civilians of the national electoral board prevented this.

If the United States had gone along with this naked seizure of power, even to the extent of keeping quiet, the effects in Latin America would have been grave. At best, the Alliance for Progress has been seriously maimed by the events in Argentina and Peru, and the crisis in Brazil. It can only survive if its basic aims are kept in view and honored. It commits us to support a Latin American program for social reform and economic development achieved through the institutions of "representative democracy," to which the Latin American nations are pledged.

The real tragedy of a political crime of this nature is that it solves nothing. The victims are Peru and the Peruvian people, who were faced with the gravest sort of social and political problems and who now have the additional incubus of an old-fashioned, reactionary military junta to get off their backs.

[From the New York Herald Tribune,
July 19, 1962]

PERU: A BLOW TO ALL FREE AMERICANS

Peruvian militarists, inspired by the example of their Argentine colleagues on the other side of the Andes, seized the government yesterday morning and imprisoned the nation's freely elected, constitutional civilian president, Manuel Prado. This was a blow not just to the people of Peru but to all freedom-loving Americans in all twenty-one republics of this hemisphere.

It is ironical that President Kennedy's Alliance for Progress program, dedicated to reforms and free institutions, should be followed by the reemergence of military dictatorships in Latin America—first in Argentina, ruling through a civilian puppet regime, and now in Peru, where the military at least had the courage and honestly to come out into the open.

President Kennedy unfortunately must share in the blame for this unhappy development, not because of his Alliance program but because of his failure to conduct it wisely; because of his failure to provide continental leadership in terms of action rather than words; and because of his vacillation in the face of the rising military tide in Latin America.

If Mr. Kennedy and his Secretary of State had taken a courageous stand against the military coup in Argentina 4 mouths ago; if they had suspended diplomatic relations and economic aid to Argentina at that time, it would not have been necessary for them to have done so yesterday in the case of Peru. The Peruvian militarists would not have dared to repeat the Argentine example.

They moved yesterday because they regarded Washington's inaction in Buenos Aires as a green light for them to go ahead in Lima. They were convinced that our policy of continuing economic aid and of granting Argentina a slice of our subsidized sugar quota would also be extended to them.

Fortunately, they have been sadly mistaken. Fortunately, the President reacted. He reacted late, it is true, but better late than never.

Had he failed to stop the false assumption that military dictatorships as well as elected civilian governments were entitled to our political, moral and economic assistance, the green light would have been flashed from one capital to another, from Lima, to Bogotá, to Caracas, to Rio, until the entire continent had fallen once more under the military boot.

We hope that the action in Peru is now made retroactive to Argentina. The Argentine Minister of Economy is on his way to Washington with his hand out for more of our taxpayers' money. We trust he will be advised to return to Buenos Aires and to work for a free, democratic government before he again asks for more hundreds of millions of our dollars.

Once our position becomes crystal clear, militarists will have no reason to miscalculate; the hemisphere ground will be made more secure for democratic institutions and the outlook for the Alliance program will become brighter.

THE PERUVIAN COUP: A BODY BLOW TO THE ALLIANCE FOR PROGRESS

Mr. HUMPHREY. Mr. President, Wednesday's military takeover in Peru was one of the saddest and most futile acts of violence which the Western Hemisphere has known. President Kennedy was eminently correct to call the overthrow of the "democratically constituted government" of Peru an action which "has contravened the common purposes inherent in the inter-American system and most recently restated in the Charter of Punta del Este." The President reminded the world that the signatories of this historic document "agreed to work together for the social and economic welfare of the Hemisphere within a framework of developing democratic institutions."

The United States has pledged itself to supply $10 billion toward these lofty goals in the next decade. The foreign-aid bill which was assented to by the Senate today was a formal ratification of spirit of Punta del Este and the earlier Act of Bogotá; it seeks to put the Alliance for Progress on a long-term, self-sustaining basis, with a guaranteed contribution from the United States for the years 1963 to 1966. In view of our wholehearted commitment to the Alliance, the President was compelled—more in sorrow than in anger—to suspend diplomatic relations and to cut off all but certain types of humanitarian aid to the Republic of Peru. Our action was a painful, regrettable necessity. At the very least it entails the loss of $81 million worth of Alliance for Progress aid already committed to Peru. It means that about 200 Peace Corps volunteers who have completed their training and were about to depart for Peru will not leave for their assignments until constitutional government has been restored. In all likelihood Peru will also be deprived of about $18 million worth of foreign exchange which would have been earned by the sale of 190,000 tons of sugar to the United States under the recently allocated foreign quotas. The major category of aid which is being continued is the $2 million school lunch program, a program which is justified by humanitarian considerations and which has no bearing on relations between the United States and the military junta.

Mr. President, I have no doubt that the Peruvian military junta thought it was acting in the best interests of their country. But how distorted was their conception of the national interest?

Following my visit to Peru almost a year ago, I reported back to my constituents that Lima, the capital city, was a study in sharp contrast:

> Here one sees magnificent boulevards—

I wrote—

> gardens, handsome residences of the wealthy class; and here one also sees hundreds of thousands of people living in degrading poverty in slum dwellings literally without electricity, sewage disposal, or even running water. And yet, despite such miserable living conditions, Indians continue to pour into the city from the Andes, where living conditions are even more primitive.

Of all the nations which affixed their signatures to the Charter of Punta del Este, Mr. President, none stood to gain more from it than did Peru. Certainly few countries had greater need of the social and economic benefits which lay at the heart of the Alliance. If any country had reason to abide by the democratic and progressive commitments that were solemnly entered into at Punta del Este, it was the Republic of Peru.

Imagine, then, what a blow it was to read in Wednesday's newspapers of the military coup in Lima. Apparently even the prospect of social reform was too much for the Peruvian armed forces. At four in the morning President Manuel Prado, a sincere patriot whose only crime was that he refused to annul the democratic elections of June 10, was dragged out of the Presidential Palace and carted off to a convict island near the coast. President Prado is the same man whom President Kennedy honored at the White House last year. He understands the meaning of the Alliance for Progress, and he understands the meaning of democracy in this hemisphere. Now he and other progressive citizens are in jail or in hiding, and blood has flowed in the streets of Lima.

The Peruvian military have ignored the lessons of the French and Russian revolutions; namely, that attempts to dam up the tide of reform will only make that much more certain the flood of violent social revolution. It appears that the military took power not so much to save their country from anarchy and internal collapse as to thwart the due process of constitutional procedure.

The Peruvian military leaders cannot claim that they did not have fair warning as to the possible consequences of their ill-considered action. They had whole weeks to ponder the consequences. Public figures throughout the hemisphere advised them that violence would be the worst disservice to their cause.

A few days before the elections, a group of Peruvians told me that they could not stomach the thought of Señor Haya de la Torre taking office if he were elected. Haya de la Torre, leader of the Aprista Party, subsequently amassed a plurality of the popular vote. I said frankly that the United States would react with equal distaste to either a Communist or a rightwing reactionary government installed by force. I made it perfectly clear that I was not favoring one presidential candidate over another. As far as the United States was concerned, any of the three most prominent candidates was wholly acceptable. What was not acceptable was illegal and unjustified interference in the electoral process. It was my duty to point out, therefore, that the United States would have a difficult, if not impossible, task justifying any aid to a regime similar to the one which has just seized power. I indicated that if the military deposed a duly elected constitutional government which was anti-Communist and pro-Alliance for Progress, the result would be a serious and wholly unnecessary deterioration of U.S.-Peruvian relations. We had no business interfering in the internal affairs of another country, but we had a sacred obligation to ensure that U.S. aid funds were being spent for the intended purpose.

Mr. President, knowing the honorable traditions of the Peruvian military, I thought that the men who talked to me understood my message and sincerely wanted to keep hands off politics. I believed this even though the rightwing press of their country filled the air with denunciations of my "intolerable intervention" in Peru's internal affairs and printed cartoons showing me in league with Haya de la Torre against the Peruvian people. But my confidence in the military leadership was misplaced. On June 28, the armed forces announced that the elections, which were just beginning to go against their handpicked candidate, were fraudulent. From that moment on the coup seemed inevitable, although desperate attempts were made to settle upon a satisfactory political coalition. These efforts foundered on the army's determination to prevent the Congress from electing a president, for Congress was dominated by the hated Apra Party—anathema to the military.

The worst effect of this naked military intervention in politics would have been a feeling on the part of some members of the Latin American military that they could do what they like and still get all the economic and other assistance they wanted from the United States. Until this year Latin American politics had shown a heartening trend toward the elimination of military dictatorships. Now, in the first half of 1962, we have already had major disruptions of the constitutional order in Argentina and Peru, along with ominous rumblings in the barracks of Brazil, Venezuela, and the Dominican Republic. In view of this situation, the United States and other good neighbors in this hemisphere had to register their disapproval in terms that would stick. Whatever else is done—including the possible imposition of collective sanctions—is for the President and other hemispheric leaders to decide.

My personal hope is that further measures will not be necessary and that the Peruvian armed forces will accommodate themselves to civilian rule and due process of law. Their first act should be to release the many fine individuals who have been imprisoned through no fault of their own. Until this happens, United States-Peruvian relations will remain at their lowest ebb in history. Considering the multitude of common interests binding our two countries, such an outcome would be tragic. I repeat that it is wholly unnecessary.

Mr. President, in conclusion I ask unanimous consent that certain press items bearing on the events in Peru be printed in the RECORD at this point.

There being no objection, the editorials and articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 19, 1962]

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The real tragedy of a political crime of this nature is that it solves nothing. The victims are Peru and the Peruvian people, who were faced with the gravest sort of social and political problems and who now have the additional incubus of an old-fashioned, reactionary military junta to get off their backs.

[From the Washington Post, July 19, 1962]

Coup in Peru

The sword that was hanging over Lima has fallen, and a self-appointed military junta is now ruling Peru. The circumstances fully warrant the suspension of diplomatic relations that has swiftly followed in the United States and a group of Latin American countries. What the military of Peru have done is arbitrary, irresponsible, and wholly at odds with the political premises of the Alliance for Progress.

As in Argentina, an election did not come out the way the armed forces wanted. The result was, as in Argentina, that Peru's President, Manuel Prado, was summarily ejected from office with the flimsy pretext that the army was acting to "preserve" the constitution. But unlike Argentina, there was nothing equivalent to the threat of Peronism that might have lent a faint shadow of pragmatic justification to the military intervention.

The winner in the June 10 election, according to the civilian board certifying the results, was Victor Raul Haya de la Torre, leader of the moderately leftist Apra Party. It is quite true that Haya lacked the decisive plurality required by the constitution, and as a result the choice of President was up to Congress. When the army took over, a compromise solution was already being worked out—but apparently the military were determined to veto any government in which Haya de la Torre had a part.

Peru now affords a test case in which the United States can demonstrate the earnestness of its intent concerning the broad political goals of the Alliance. Acting in concert with its neighbors this country can and surely will manifest its displeasure with government-by-bayonet. By multilateral accord, the hemisphere is pledged to fostering democratic methods; multilateral pressure should help to restore civilian—and elective—rule to Peru.

[From the New York Times, July 20, 1962]

United States Scores Coup in Peru and Halts Its Aid Program

(By Tad Szulc)

Washington, July 19.—The White House charged in President Kennedy's name today that the military coup d'etat in Peru was a serious setback for the Alliance for Progress in Latin America.

An hour after the White House issued its unusual and stern statement, the State Department announced that all U.S. aid to Peru was being suspended except for minor humanitarian programs.

It was also understood that U.S. technicians working on Alliance for Progress projects with Peruvian authorities were being ordered to stay away from their jobs and that the administration was preparing to deprive Peru of premium payments for her sugar imported here under the quota system.

PERU'S PRESENT QUOTA

The present Peruvian quota is 190,000 tons, of total U.S. yearly sugar imports of 1,840,000 tons. The price is about $100 a ton.

(In Lima the new military regime formally asked the United States and other non-Communist governments for diplomatic recognition. It was confronted with an attempt by the Apra party to organize a general strike against the junta's voiding of the June 10 presidential election.)

Today's moves by the United States, in effect penalizing the Peruvian military junta for the ouster of the constitutional government in its country, followed yesterday's action by Washington suspending diplomatic relations with Peru.

Acting according to a previously prepared contingency plan, the administration wasted no time in going to unparalleled lengths to show in practice its dismay over the overthrow of a democratic government in Latin America.

Last November the United States ordered a Navy task force to anchor outside the territorial waters of the Dominican Republic to discourage plans for a dictatorial takeover there, in an action similarly designed to protect Latin-American democracy.

But officials said today that in the sense of applying actual punitive measures against a dictatorship, there was no parallel in the history of the United States relations with Latin America to today's action.

The White House statement went to the extreme of quoting President Kennedy as accusing the Peruvian military of having "contravened" the common purposes of the inter-American system.

In the past, administration statements on Latin American internal upheavals were limited to expressions of regret or concern over precipitous changes of governments or other difficulties.

CHARTER PLEDGE RECALLED

Today, however, the President in the White House statment declared that the "common purposes" violated by the Peruvian military were those that the hemisphere governments had pledged themselves to support in the Punta del Este charter, which established the Alliance for Progress programs.

"At that historic meeting," the statement said, "the signatories agreed to work together for the social and economic welfare of the hemisphere within a framework of developing democratic institutions."

"The declaration to the peoples of America adopted at Punta del Este sets forth the aim 'to improve and strengthen democratic institutions through the application of the principle of self-determination by the people,'" the White House said. "In the case of Peru this great cause has suffered a serious setback."

The statement also emphasized that "the President has noted the developments in Peru with great concern."

The State Department announcement on the suspension of aid to Peru spoke of the "unfortunate developments."

"Diplomatic contact between the two countries has ceased," the Department said. "We are as of today suspending our various assistance programs, with certain relatively minor exceptions where important humanitarian factors are involved."

AID AUTHORIZED: $90 MILLION

Since the Alliance for Progress was launched March 13, 1961, nearly $90 million in aid to Peru has been authorized and appropriated, but only $9 million has been actually disbursed.

Under the suspension of aid ordered today, all further disbursements are being halted. Exempt from the suspension are the school lunch programs, which have cost $2 million in the last 18 months. It was also understood that U.S. funds already in the hands of contractors engaged in building housing or roads would not be recalled.

If the payment of premiums on Peruvian sugar is likewise curtailed, it could mean an annual loss of about $18 million to Peru on the basis of the new 190,000-ton quota.

While there were no indications how long the administration proposed to maintain its sanctions against the Peruvian military junta, the steps taken yesterday and today reflected the determination by the United States not to tolerate the emerging trend toward the resurgence of outright or thinly veiled military dictatorships in the hemisphere.

The current policy is designed not only to impress upon the Peruvian military the degree of Washington's displeasure over their behavior but also to serve notice on the military in other Latin American countries that the United States has decided to draw a line when antidemocratic conspiracies develop in the hemisphere.

The threat of military takeovers exists in Venezuela, the Dominican Republic, Ecuador and several other republics.

CONSULTATIONS UNDERWAY

The Peruvian coup has already set in motion a process of diplomatic consultations to determine the feasibility of calling a conference of foreign ministers of the Americas to review the fate of democracy in the hemisphere and to propose antidictatorial measures.

The suggestion for such conference was made by Venezuela yesterday and it received the immediate backing of the Dominican Republic and several other Latin American governments.

Lincoln White, State Department press officer, said this morning that the United States was carefully studying the Venezuelan proposal as well as informal suggestions that the Inter-American Peace Committee look into the ramifications of the Peruvian situation.

The committee could be called into action if it were agreed that, under the provisions of the 1959 Declaration of Santiago, the nonexercise of representative democracy in Peru poses a threat to the peace and security of the Americas.

It was reported that if a ministerial conference was held Venezeula would propose the approval of a convention that would limit the recognition of new governments in Latin America to regimes resulting from free elections.

It was believed tonight that at least 11 votes—a simple majority—were available for calling a conference. But diplomats were attempting to present a formula that could receive wider support and circumvent the fears of many governments that a conference of this nature might violate the principle of nonintervention.

[From the New York Times, July 20, 1962]

Coup Scored by Caracas

(By Richard Eder)

Caracas, Venezuela, July 19.—Foreign Minister Marcos Falcon Briceno said today that the military takeover in Peru was scandalous and that the other American States should not recognize the new regime.

Dr. Falcon, whose country is taking the initiative in seeking a conference of the hemisphere's foreign ministers on the matter, said that a series of measures should be taken.

He did not specify what these measures should be, saying that his country wanted to sound out sentiment among the other members of the Organization of American States before framing specific proposals.

The Foreign Minister declared in an interview that the events in Peru, although basically similar to the action earlier this year by the armed forces in Argentina, were even more scandalous. The situation in Argentina resulted in the ouster and arrest of President Arturo Frondizi and his replacement by a regime picked by the military.

At that time Venezuela tried unsuccessfully to prevent recognition of the new regime by the other American Republics.

Dr. Falcon said that Peruvian developments, coming after those in Argentina, had created a threat to democracy serious enough to warrant a hemispheric conference.

THE VENEZUELAN CAMPAIGN

Venezuela's move for a conference fits in with the campaign she has been waging in the hemisphere since the government of President Romulo Betancourt took office in 1959. The object of the campaign is to empower the hemispheric system to pass upon the legitimacy of new governments and to furnish criteria for doing so.

The Venezuelan thesis, which has received varying degrees of support from a number of countries, is that no recognition should be given to regimes set up through the violent overthrow of democratically elected predecessors.

Dr. Falcon said today that such regimes should be excluded from the hemispheric system, an action similar to that taken against Cuba at the beginning of the year.

"It is a democratic club and to belong you need democratic credentials," the Foreign Minister said.

[From the New York Times, July 20, 1962]

Peru's Junta Seeks Ties to United States and Requests Aid Be Continued

(By Juan de Onis)

Lima, Peru, July 19.—The military junta that seized power in Peru yesterday formally requested diplomatic recognition today from the United States and other non-Communist countries.

The junta's Foreign Minister, Vice Adm. Luis Edgardo Llosa, sent identical notes to all diplomatic missions here asking that relations be restored.

Several Latin American countries, led by Venezuela, have announced a diplomatic boycott of the junta that overthrew and arrested President Manuel Prado y Ugarteche.

The junta faced an attempt by the American Popular Revolutionary Alliance (Apra Party) to organize a general strike against opposing the junta's annulment of the elections.

Radio reports to the headquarters of sugar companies here said that sugar workers had walked out this morning at big plantations in the La Libertad and Lambayeque Departments.

CAPITAL IS QUIET

Nevertheless, except for a continuing strike of telephone workers, the situation in this capital was normal.

Demonstrations by Apra followers were dispersed last night without casualties and stores, offices, banks, restaurants, and public services all were normal today.

The junta said that the deposed 72-year-old President was being held aboard a navy transport at the Callao Naval Base.

In reply to a formal request from the Papal Nuncio, Msgr. Romulo Carbone, that President Prado be allowed to leave the country, General Nicolas Lindley, commander in chief of the army, said:

"That will have to be decided in a meeting of the Cabinet."

TERM EXPIRES JULY 28

President Prado's legal term expires July 28, when Congress was to have been installed to elect his successor.

The military junta suspended Congress and issued a decree annulling the June 10 elections. It announced that new elections would be held in the second week of June 1963.

Gen. Ricardo Perez Godoy, head of the military junta, outlined in a message to the nation the reasons for the military overthrow of President Prado and the objectives of the junta.

In his message, Gen. Perez Godoy asked the United States to continue Alliance for Progress aid. He called on Peruvians to make "an unprecedented effort to solve our national problems and bring about the well-being of all.

"This effort, carried out with technique and spirit," he said, "should attract the promised aid of the Alliance for Progress, which is the most positive measure of social and economic justice and, therefore, of effective combat against Communist infiltration."

The military seized control after a political crisis that began June 28. The armed national elections for a successor to President Prado and a new Congress were fraudulent.

Opposition to the election was based on the military's long feud with the Apra party and its candidate, Dr. Victor Raul Haya de la Torre.

The Apra candidate received the highest popular vote in the election but failed to achieve one-third of the votes cast, a constitutional requirement for the Presidency. His party, however, won the largest single bloc of legislators in the Congress that was scheduled to elect the next president when it convened July 28.

Relations between the military and Apra have been strained since Apra attacked the government of Gen. Luis Sanchez Cerro 30 years ago. Apra, then radically Leftist and now Socialist, overran an army garrison and killed many men.

When the army recovered the area many members of the Apra party were summarily executed.

Dr. Haya de la Torre and other Apra leaders remained in hiding here today. Gen. Manuel A. Odria, also a presidential candidate, was not at his home. General Odria and the Apra party had agreed before the coup to elect General Odria President in the congressional session that was to have been held July 28.

General Odria was placed third in the elections after Fernando Belaunde Terry of the Popular Action party.

Editorial reaction to the takeover in the major Peruvian newspapers was mixed today.

The police continued to occupy the offices of the Apra party newspaper La Tribuna and it did not appear for the second day.

El Comercio, which is violently anti-Apra, blamed President Prado and the national electoral board for having created the crisis that culminated in the coup. The paper said the President and the board had favored Apra candidates in the June 10 elections.

La Prensa, published by Pedro G. Beltran, who was Premier under President Prado for 2 years, said the overthrow of the constitutional and democratic government of President Prado could be received only with pain and protest.

"The country requires above all the reestablishment of constitutional order," La Prensa said. "We hope that the armed forces understand this."

Expreso, which supported the presidential campaign of Fernando Belaunde Terry, said that the military coup "was not desirable although it may have been inevitable." The editorial said the Prado regime had "acted with an exquisite, but ultimately negative."

[From the Washington Post, July 20, 1962]

President Chides Peru; $81 Million Aid Cut Off

(By Carroll Kilpatrick)

President Kennedy yesterday expressed great concern over the military seizure of power in Peru and said that democracy has suffered a serious setback.

The President's statement was followed immediately by a State Department announcement suspending all aid to Peru with the exception of certain minor programs where humanitarian factors are involved.

The double action underlined the seriousness with which the administration views the Peruvian coup as a threat to the Alliance for Progress and a boost to Castroism in the hemisphere.

The Presidential criticism of the Peruvian junta that deposed President Manuel Prado, followed by 24 hours the suspension of diplomatic relations between Washington and Lima.

In announcing suspension of relations Wednesday, the State Department said we must deplore the overthrow of the constitutional government in Peru.

EIGHTY-ONE MILLION DOLLARS INVOLVED

The President's reaction was stronger. The decision to cut off aid to Peru will deny the new regime about $81 million which had been committed under the Alliance for Progress.

Moreover, it threatens Peru with denial of even larger aid sums which the administration had planned within the next year. State Department legal experts were considering the possibility of cutting out U.S. sugar purchases from Peru.

Some 200 Peace Corps volunteers have completed training and are ready to depart for Peru, but they will not leave the country until there has been a restoration of constitutional government, officials said.

The administration's aim is to try to bring enough pressure on the militarists to force them to back down in favor of some plan that would give Peru a democratic and constitutional regime.

White House Press Secretary Pierre Salinger read a statement to reporters which said that "the President has noted the developments in Peru with great concern."

The statement said it was the President's belief that the action of the Peruvian military leaders "to depose a democratically constituted government has contravened the common purposes inherent in the inter-American system and most recently restated in the Charter of Punta del Este."

The White House noted that Peru was one of the countries that pledged its support to the declaration.

"At the historic meeting, the signatories agreed to work together for the social and economic welfare of the hemisphere within a framework of developing democratic institutions," the statement said.

"The Declaration to the Peoples of America adopted at Punta del Este sets forth the aim 'to improve and strengthen democratic institutions through the application of the principle of self-determination by the people.'

"In the case of Peru, this great cause has suffered a serious setback."

The State Department said the United States is considering two suggestions for dealing with the delicate and serious situation in Peru.

SUGGESTIONS STUDIED

These are Venezuela's proposal for a meeting of hemispheric Foreign Ministers to consider possible collective measures and a proposal made by some other members of the

Organization of American States for a meeting of the Inter-American Peace Committee to study the situation.

The State Department emphasized that although Ambassador Loeb remains at his post he is not empowered to conduct diplomatic relations with the junta.

Experts here believed that if the right-wing dictatorship retained power there would be serious repercussions. Castroites would be quick to charge that the United States is secretly aligned with the militarists and is against democratic institutions.

[From the Washington Post, July 20, 1962]

PURGE GOVERNMENT OFFICIALS IN PERU

LIMA, July 19.—Peru's new military junta today purged government officials loyal to the ousted Prado regime and appeared to be planning to drive the big Apra people's party underground once again.

The party has enjoyed legal status only a dozen of its some 38 years of existence. It has been a target of the armed forces for more than 30 years.

The armed forces shut down the Apra party's newspaper, La Tribuna, and arrested whatever Apra leaders could be found. Most, however, including party president Raul Victor Haya de la Torre, appeared to be in hiding, perhaps in the Venezuelan Embassy.

Police with tear gas bombs and rubber truncheons scattered a crowd of demonstrators shouting "Liberty, liberty" in the downtown streets of Lima tonight. It was the second night in a row of crowd protests against the junta's seizure of power.

Hundreds of Peruvians cried "Down with military dictatorship" and "We want freedom." They set fire to an automobile and hurled stones at oncoming officers.

Merchants put steel shutters over their store fronts, but some windows were broken.

The junta arrested all members of the national electional board who certified Haya as the winner in the inconclusive June 10 elections.

The junta seemed determined to hold board members and ousted President Manuel Prado responsible for what it termed the "fixed and fraudulent" pro-Haya election outcome. The junta used the alleged frauds to justify its seizure of power.

A junta member confirmed that the 72-year-old President was being held aboard a warship at the nearby port of Callao. He said Prado was "in good health and very well attended," but gave no indication of what his fate would be.

Others reported under house arrest were Jose Enrique Bustamente Corzo, president of the national electoral board; Minister of Government Ricardo Elias Aparicio; and radio commentator Juan Ramirez Lazo, who was seized after he went on the air to speak against the military takeover.

The junta ignored a U.S. Embassy offer to make a plane available to Prado to fly him into exile if the government wishes. The president's wife was with her parents.

The newspaper El Comercio Grafico said that the foreign diplomatic corps has asked Msgr. Romulo Carboni, the Papal Nuncio who is dean of the corps, to demand the President's freedom.

Mariano Prado, the President's nephew and head of the Prado financial empire, also was reported to be a prisoner aboard a warship.

Meantime, the commanders of Peru's five military regions announced that they supported the junta.

In Arequipa, Peru's second city, business interests declared a 48-hour work stoppage to protest the military coup.

Junta president, Gen. Ricardo Perez Godoy, in a television report to the nation, appealed for social justice for labor in an obvious bid for the support of the masses. He said the military coup was carried out to keep the "poor and the forgotten worker" from being deprived "of progress and social justice" through a fraudulent election.

Perez Godoy called on Peru's well-to-do for "an unprecedented effort" to aid in solving national social problems. He stressed the need for national development, teamed with Alliance for Progress aid, to bring social and economic justice to Peru "contributing to the (continental) fight against communism."

TAX CUT IRRESPONSIBLE WITH BIG BUDGET DEFICIT

Mr. PROXMIRE. Mr. President, I wish to speak briefly on another subject.

This morning the newspapers have reported the fact that the Federal budget wound up fiscal year 1962 with a deficit of $6.3 billion.

The estimate is that the deficit for the coming fiscal year, even if there is no tax cut, will be $4.9 billion.

If there were a tax cut in the neighborhood of $7½ to $10 billion, even allowing for an increase in revenues which that tax cut might develop, there would still be a deficit which would rival the alltime record in a period of peace of from $12 to $13 billion in the fiscal year 1959. That would come at a time when the economy seems to be expanding. It would come at a time when we have enjoyed the greatest increase dollarwise in our gross national product in peacetime in our history. It would come at a time when, as Fortune magazine—which is careful and conservative in its estimates—has said, we shall probably have an equally large increase in the gross national product in the coming year.

MARTIN WOULD TAKE ECONOMIC STEAM OUT OF TAX CUT

It seems to me that under those circumstances a tax cut makes no sense. William McChesney Martin, Chairman of the Federal Reserve Board, testified before the House Committee on Banking and Currency a couple of days ago that in the event there should be a tax cut, most of the steam of such a tax cut would be taken out because the Federal Reserve would follow a policy of making sure that Treasury deficits would be financed by selling bonds to the public rather than to commercial banks.

As a writer in the Washington Post properly observed this morning—

> Mr. Martin has in effect proposed that the Federal Reserve Board should pursue a tight money policy at a time when the Government is attempting to stimulate economic activity by incurring a fiscal deficit. Clearly the two policies are sharply at variance: aggregate demand would be increased by the fiscal deficit while the supply of money would be tightened and interest rates raised.

I submit that a tight money policy following a tax cut makes no sense at all. Certainly a tax cut under those circumstances would be very contradictory, and would be unprecedented at a time when the head of the Federal Reserve Board has taken the attitude he has expressed.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. JAVITS. On the question of a proposed tax cut, the Senator will remember that this morning the Committee on Banking and Currency considered the prospective nomination of a member of the Council of Economic Advisers. Possibly by this time the nomination has been approved.

Personally I believe in an incentive tax cut. I agree with the Senator that such a cut should not be negated by other agencies of the Government. Does not the Senator accept what Dr. Ackerly defined as a difference between an across-the-board tax cut which would increase the deficit, and a change in the fundamental structure of the tax system which could give incentive to new investment as well as incentive to the consumption of hard goods and the purchase of housing? Is that not really what we ought to do in view of past experience? We cannot wait until it happens. That is the danger in the present situation. We are edging over into a position in which our past experience indicates that we are likely to have a downturn rather than an upturn.

Mr. PROXMIRE. First let me say to the Senator from New York that I am delighted that he agrees that at a time when we are trying to move the economy ahead with a deficit or a proposed tax cut, other agencies should not be canceling out that effect with a tight money policy.

With respect to the question of whether we should or can have an incentive tax cut, that is an especially pertinent question. The Finance Committee has been considering a so-called tax reform bill which would have some effect on the tax structure. The so-called investment credit is designed to do that. I do not believe the proposed measure would do it very well. Many people in the business community do not think so. An announcement was made by the President that corporation income taxes will be reduced by $1½ billion because depreciation allowances will be increased. It will be far easier for business to depreciate a plant and use those depreciation funds to acquire machinery and equipment.

That, too, should provide an incentive tax cut in that sense. But I think the kind of tax cut that has been generally discussed—a tax cut of 4 percentage points for individuals and 4 percentage points for corporations—would not, in my judgment, be the kind of incentive tax cut to which the Senator from New York is referring. It would certainly have the effect of reducing overall revenues and increasing the deficit.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. JAVITS. Businessmen do not want that kind of tax cut. Perhaps they are wrong. I agree with the Senator from Wisconsin that they do not want such a cut. A change in depreciation schedule is good, but it is not a fundamental change, in the sense that the formula in the law remains. We can bring about a materially greater increase in Government buying if we change the fundamental formula by which depreciation is ascertained, which, incidentally, would also have a tendency to bring taxes down by perhaps another $1 billion in a very good area.

The other point I had in mind is that provision would be made for corporations. Perhaps it would be as little as two points. The other point is that a measure should eliminate all taxes on people who are earning less than $2,000. It is fantastic that people earning less than $2,000 still pay a tax, which results in an income to the Government of about $500 million. Also, we should do something about those in the very high brackets. There should be a reduction from a rate of 91 percent to 65 percent.

It seems to me that what we are shooting for—and I think it would be wonderful if we could get it—is a measure of agreement between thoughtful people like the Senator from Wisconsin, perhaps myself, and others who have spoken on the subject on an incentive tax cut which would be accepted as an incentive. That is the trouble with an equipment credit.

It is not accepted as an incentive. Very clearly, the business community would not use it for that purpose. I hope very much that the Senator will continue what he is doing. I will continue what I am doing along those two lines.

First, there should be a tax cut of an incentive character. I feel strongly on that subject. I think now is the time. We should be vigilant to see that it is not washed out by a high interest rate police or other monkey business on the part of some Government agency.

I am delighted to join in the colloquy with the Senator from Wisconsin in order to develop our ideas together.

Mr. PROXMIRE. I thank the Senator from New York very much. While I concur heartily in much of what he has said, I feel that a very serious problem confronts the President, the Finance Committee, the responsible agencies in the Government, and Congress to arrive at a tax cut that will be acceptable. Many people favor a tax cut. But when we come to specifying the details to determine the kind of tax cut it should be, it is difficult to obtain a consensus. It is difficult to get a majority of the Finance Committee or a majority of the Senate to go along with such a proposal.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Alabama.

Mr. SPARKMAN. I commend the Senator for bringing up the subject for discussion at this time, even though the time is limited. I am in substantial agreement with what the Senator from Wisconsin has said and what the Senator from New York has said.

However, I differ with what the Senator from New York has said with reference to an incentive tax allowance or equipment credit not being utilized by business. I think it would be utilized. It is true that some segments of business express their displeasure with it because they are expressing a preference for a better depreciation schedule. But such expression would not mean that they would not use the investment credit. I predict that they would use it. In 1954 we provided an allowance to some extent on new equipment. I am of the impression that full advantage of the provision has been taken since that time.

Mr. PROXMIRE. The Wall Street Journal made a careful survey of approximately 67 firms, to the best of my recollection, to find out whether they would use the investment credit proposed by the administration to change their investment policy and whether they would buy more equipment. Of the 67 firms, 66 replied that they would not change their policies. It would not have much effect. One—I believe RCA—said that it would.

Furthermore, another distinguished business group has made a careful investigation. They estimated that the impact on the economy would be an increase in the gross national product of $300 million—one-third of a billion dollars—with a tax cut of more than $1 billion. That would not seem to add up to approval of the most responsible and informed business people.

Mr. SPARKMAN. I admit that if if the proposal were measured at short range, there would be that kind of effect. I am thinking about its reach into years to come. In the first year the effect would be rather small. This proposal was devised within the framework of a desire expressed by men in business for a better depreciation arrangement. The President has now come through with a better depreciation schedule. I do not believe it is good enough. It is good enough to start.

Many years ago, when we still had the excess profits tax, on the floor of the Senate I said I hoped the time would come when we might have a rather free depreciation. Of course, there would have to be certain reasonable limitations on it. But I believe it would be to the advantage of the economy of our country and to the advantage of government in the long run to have a much freer depreciation arrangement than is provided for even under the new arrangement.

Mr. PROXMIRE. Mr. President, I should like to add one point in respect to the criticism of investment credit. I feel deeply the significance of the point. It would be the first time that business would be enabled to depreciate more than 100 percent. That would be true even with the Long amendment, which would decrease the proportion of assets that could be depreciated from 100 percent to 93 percent. That would be the first loophole, the first opening to enable a business to depreciate not 100 percent, but more than 100 percent. I think that this would be a serious technical mistake for us to make. Once we drive that kind of loophole into the tax laws, it could begin to spread out, as the depletion allowance has done. We would diminish the force of our revenue system and make mandatory the very high rates which are a drag on economy.

Mr. SPARKMAN. I agree with the Senator that safeguards must be thrown around it. When I said what I did about freer depreciation, I meant it would have to be within the framework of reasonable limitations on both ends. We ought to work toward that kind of situation. I should like to call to the attention of the Senator from Wisconsin the fact that for several years the Small Business Committee of the Senate has recommended a deductibility for income tax purposes of sums reinvested in equipment. As far as that is concerned, we even recommended that it might go to increased inventories.

Mr. PROXMIRE. Yes.

Mr. SPARKMAN. In other words, if they could plow back into their business some of their earnings, we would see a stimulation of small business. It seems to me that sort of situation goes across the board for all business. I believe that here is a great opportunity toward achieving that end. I hope it will be taken care of.

Mr. PROXMIRE. Mr. President, I ask unanimous consent to have printed in the Record at this point an editorial published in the Washington Post entitled "Martin on Monetary Policy"; an article published in the New York Times entitled "Loans to Business Drop $173 Million"; and an excerpt from an article published in the Wall Street Journal dealing with the Federal budget.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Washington Post]

Martin on Monetary Policy

Chairman William McChesney Martin of the Federal Reserve Board in his testimony before the House Banking and Currency Committee raised an issue that goes to the very heart of an effective fiscal-monetary policy when he declared that future Treasury deficits should be financed by selling Government bonds to the public rather than to the commercial banks or the Federal Reserve Banks. Since selling bonds to the public lowers commercial bank reserves, Mr. Martin has in effect proposed that the Federal Reserve Board should pursue a tight money policy at a time when the Government is attempting to stimulate economic activity by incurring a fiscal deficit. Clearly the two policies are sharply at variance: aggregate demand would be increased by the fiscal deficit while the supply of money would be tightened and interest rates raised.

Doubtless Mr. Martin was discomfited by Representative Wright Patman's hypothetical questions, and he was troubled, as any responsible central banker must be, over the country's balance-of-payments deficit. Nevertheless his strictures on the financing of a deficit will not withstand critical scrutiny. A compensatory fiscal policy cannot succeed unless the central banking authorities move in the direction of monetary ease or, at least maintain a neutral position. And while it is true that account must be taken of the balance-of-payments position, concern on the score should not be permitted to paralyze efforts to bolster the national economy.

[From the New York Times, July 20, 1962]

Loans to Business Drop $173 Million

Business loans at major New York City commercial banks declined $173 million in the week ended Wednesday, the Federal Reserve Bank of New York reported yesterday.

During midsummer, business loans usually reach their low point of the year. During the like week a year earlier, the decline was $11 million. The latest week's drop, however, was the biggest weekly decline since October 5, 1960.

The U.S. Treasury gold stock remained unchanged in the week.

CURRENCY DEALS MADE

The Federal Reserve Bank of New York said yesterday that it had concluded two more exchanges of currency with foreign financing agencies abroad. The latest exchanges, amounting to $100 million each, were with Banque National Suisse and with the Bank for International Settlements.

The arrangements, which include forward cover for both parties to the agreement, are similar to those concluded recently with the Bank of France, the Bank of England, the Netherlands Bank, the National Bank of Belgium, and the Bank of Canada. In all, $650 million in U.S. dollars now have been exchanged for equivalent amounts of foreign currencies.

The Federal Reserve Bank of New York, acting in behalf of the Federal Reserve System, is building a store of foreign currencies for possible intervention in foreign exchange markets to counter speculation abroad that might weaken the U.S. dollar.

The Reserve System moved to tighten free reserves of the Nation's commercial banking system during the week ended Wednesday. Through open market operations—selling U.S. Government securities, which absorbs the banks' reserves—the System lowered the level of net free reserves of $377 million from the previous week's adjusted level of $491 million on daily average.

Last week and the preceding week, the level of free reserves had increased but it was not attributable to any conscious effort on the part of the monetary authorities. Rather it reflected in part a huge flow of currency and checks in and out of the banking system in unanticipated volume.

The commercial banks' pool of net free reserves reflects their credit extension capacity. For the last year and a half, the banks have had ample free reserves to extend as loans and investments. Since June, however, the monetary authorities have reduced somewhat the banks' supply of lendable funds. The new reserve target is thought to be a level of $300 to $400 million down from the $400 to $500 million level the central banking system had been aiming at in controlling the free reserve levels since last December.

[From the Wall Street Journal]

BUSINESS AND FINANCE

The Federal budget wound up fiscal 1962 with a deficit of $6.3 billion, somewhat less than the $7 billion estimated earlier. The red ink showing for the year ended June 30 followed a $3.9 billion deficit in fiscal 1961, and congressional sources have projected a fiscal 1963 deficit of $4.9 billion at present tax rates.

The Kennedy administration has been pondering income tax cuts of $5 to $7 billion this summer as an antirecession device. If such a program is recommended and approved by Congress, the fiscal 1963 deficit could approach the record peacetime total of $12.4 billion in fiscal 1959.

FOREIGN ASSISTANCE ACT OF 1962—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. CLARK. Mr. President, I should like to turn the attention of my colleagues to the pending business, the conference report on the mutual security bill. I shall support the conference report with my vote. I commend the Senator from Alabama for the fine work he did in bringing the bill back to about where the President would like to see it.

I am particularly pleased that the prohibition against the loan to the United Nations, imposed by the House, was stricken. I am delighted that the Proxmire amendment was stricken. I am glad that no vestige of the Lausche amendment remains except with respect to certain language. I am confident that the overwhelming majority of the American people, including the overwhelming majority of the people of Pennsylvania, are not much interested in flag waving against communism. They would like to see hungry people fed. They would like to see the President with adequate flexible authority to utilize the power of the United States where he believes it can best be utilized in order to diminish Russian power through helping the nations of Eastern Europe in their efforts—and the people of those nations are almost unanimous in those efforts—to free themselves from the Communist yoke. The action we took in the Senate 2 or 3 weeks ago was immature. I do not believe it was in the national interest. I am happy to vote in favor of the conference report.

Mr. HRUSKA. Mr. President, I should like to direct a question to the Senator from Alabama with respect to section 251, subparagraph (c), for the information of the Senate. The language I refer to is contained on page 14131 of the CONGRESSIONAL RECORD. That paragraph starts:

> No assistance shall be provided under this act to the government of any country which is indebted to any United States citizen or person for goods or services furnished or ordered—

And so forth. There are other places later in that section where the words "or person" are found.

The question I should like to ask the Senator from Alabama is why the words "or person" were inserted in that paragraph where they did not exist before.

Mr. SPARKMAN. I shall be very glad to respond to the Senator's question. Upon examining the language that was in the bill, in both the Senate and House versions, we realized, after some discussion, that the word "citizen," which was used in both versions, might not and probably did not cover as broad a ground as the term "person."

The Senator knows that under the 14th amendment to the Constitution the word "person" has been construed to include corporations. We felt that the word "citizen" did not include corporations. I call the Senator's attention to the fact that in another place we use the word "entity." We felt that we wanted the individual, the corporation, and the partnership covered. It is our intention to use language that legally will accomplish our objective.

Mr. HRUSKA. Therefore, by using the word "person," we intend to include a corporation, a partnership, and an association that is substantially owned by U.S. citizens?

Mr. SPARKMAN. That is correct. As I said, in another place we also use the term "entity," because we felt that term should be used.

Mr. HRUSKA. The same intention prevails in that regard?

Mr. SPARKMAN. Yes.

Mr. HRUSKA. I thank the Senator.

Mr. HUMPHREY. Mr. President will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. HUMPHREY. I merely wish to associate myself with the interpretation stated by the Senator from Alabama. I was the author of this particular amendment. At the time the amendment was offered, it was my view, obtained from legal counsel, that the word "citizen" would be adequate. However, on careful examination and after we had a discussion of the matter in the conference committee, it was felt that in order to remove any doubt, any ambiguity, any uncertainty, the word "person," which as a legal base in the courts of the United States and in international courts——

Mr. HRUSKA. And in the statutes.

Mr. HUMPHREY. We felt it should be used so that there would be no doubt that it includes corporations, partnerships, and individuals.

Mr. HRUSKA. I thank the Senator from Minnesota.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2147) for the relief of Felipe O. Pagdilao.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 7727) to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAHON, Mr. SHEPPARD, Mr. CANNON, Mr. FORD, and Mr. TABER were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 46) to provide for the establishment and administration

of basic public recreation facilities at the Elephant Butte and Caballo Reservoir Areas, N. Mex., and for other purposes, and it was signed by the Vice President.

FOOD AND AGRICULTURAL ACT OF 1962

The **VICE PRESIDENT.** The Chair lays before the Senate the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

The bill (H.R. 12391) was read the first time.

The **VICE PRESIDENT.** Is there objection to the second reading?

Mr. AIKEN. Yes.

Mr. DIRKSEN. I object.

The **VICE PRESIDENT.** Objection is heard. Under the rule the bill will go over for a day.

FOREIGN ASSISTANCE ACT OF 1962—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. AIKEN. Mr. President, I am not fully satisfied with the conference report on the foreign aid program. There are some provisions in it which I believe could be improved and some things that could be left out. There are undoubtedly some things that could be added. However, I do want to say that we cannot run the risk of suddenly cutting ourselves off from the rest of the world in these programs. I can express the hope that the administration of these programs will be better than it has been for the last 2 or 3 years. It appears now that this is the best agreement that we can reach between the House and the Senate.

On some points we were quite wide apart. For instance, the House, by a vote of 277 to 4, approved giving the President authority to deal with Yugoslavia. The Senate was not as tolerant or as lenient as that. However, I believe we have reached the best arrangement that we can reach, and whether it is satisfactory or not, it is better than to discard the entire program at this stage of the game.

Mr. MANSFIELD. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield to the Senator from Montana.

Mr. MANSFIELD. I associate myself with the statement of the distinguished Senator from Vermont. He and the distinguished Senator from Indiana [Mr. CAPEHART] and the distinguished Senator from Iowa [Mr. HICKENLOOPER] were the Republican members of the Senate committee attending the conference on the foreign aid authorization bill.

Since the foreign aid program has been in operation, I have never been fully satisfied with it. As a matter of fact, I have been perhaps dissatisfied on more occasions than I have been satisfied. It is an impossibility to develop a perfect program. It is impossible to meet the objections or criticisms of every Member of the Senate. But I assure the Senate that this conference committee submitted as good, as fair, and as reasonable a report as possible. It was done on the basis of our own contact with the House committee. There was no outside pressure, from the administration or elsewhere. What we have brought back to this body is the best which we, in good conscience, could report.

Mr. JAVITS. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield to the Senator from New York.

Mr. JAVITS. I, too, wish to associate myself with the statement of the Senator from Vermont and to add two points.

First, the bill is a landmark in its recognition of private enterprise participation in foreign aid. It makes provision for participation by the Committee on Commerce in the Alliance for Progress. This is the first such recognition that this type of activity has had.

Second, with respect to the much-debated question of Yugoslavia and Poland, it is my firm opinion that the country does not want to tie the hands of the President in dealing with those countries while there still remains some chance of their becoming independent. Whether Gomulka is Khrushchev's personal slave or not—and we all believe he is—I believe, because I have been in Poland, as have other people from this country, that there is some residual spark of independence. When we consider that the cost of this program is minor, as compared with what it would cost, if there were a blowup of this situation, to beat the Soviet Union, except by this means of undermining support in its own satellite country, one day, it seems to me the conferees had no other choice.

I know how the Senator from Vermont feels about the report. I pay tribute to him for subordinating even his own strong views in order to give the President the freedom of action which I think is indispensable to our success in the cold war.

Mr. AIKEN. Mr. President, this is probably the best arrangement that can be reached for this year. Even though we are not completely satisfied with it, the report should be approved. The debate that has taken place on the floor of the Senate probably has not been too damaging. I think the people of the United States will be assured that we are each year giving more careful scrutiny to the foreign aid program. Also, we may give a warning to many other countries in the world, which have been looking to us for aid, some of them for the purpose of using their own funds to generate revolutions, that we will be much more careful in the future in dealing with them, too.

Mr. HOLLAND. Mr. President, I intend to vote, although with some reluctance, for this conference report. I wish to put the conference report on the basis of a clearer statement of its meaning than I have heard, at least up to this time.

The conference report deals with a fresh authorization, for this year, fiscal 1963, for economic aid only. Last year we authorized military aid for this year in the amount of $1.5 billion. Last year we authorized a Development Loan Fund to extend over a period of years. This year there is a budget request of $1.25 billion for this objective making a total of $2.75 billion of 1963 authorizations which are not before us at this time.

However, there is before us now a request for economic aid for this year in the amount of $1.8 billion, as I understand, which includes $600 million for the Alliance for Progress to which we are committed. The other $1.2 billion is for aid outside this hemisphere, plus our contributions to international organizations, and the like. In other words, we are considering now only a fraction and, at that, not a huge fraction of our total aid program for this year. This makes it easier to swallow some of the provisions in the conference report, which to me, at least, are not what they should be.

I particularly object to the elimination from the conference report of the provision voted very deliberately on the floor of the Senate, that, except for grants of food, subject to reasonable conditions, aid should not be given to Communist nations. I refer to economic aid of any sort other than what I have mentioned in connection with Public Law 480.

It seems to me that we must consider these proposals from the standpoint of their overall implications. I should say that last year we authorized roughly two-thirds of the proposed programs for this year. That part of the program which is now before the Senate is all that really concerns us in this particular authorization. Because of that fact, and because we voted for this and larger authorizations last year, and because the Committee on Appropriations, of which I am a member, will still have the duty of passing upon the appropriations bill for this year, I shall, very reluctantly, vote for the conference report. I shall do so not only for the reasons cited, but because it has been made completely clear by the attitude of the Presidents coming from both parties in recent years—namely, President Truman, President Eisenhower, and President Kennedy—who formulate and announce our foreign policy, that foreign aid is an important and a necessary part of our foreign policy. It has been made clear to us by those who fix our defense policies, namely, the President, the Secretary of Defense, and the Joint Chiefs of Staff, that the whole program includes a very important part of our defense security structure.

For the reasons stated, I shall vote for the conference report. However, I serve notice that this year I will be tougher to deal with in the Committee on Appropriations than I have been heretofore, because I believe too much has been surrendered in the conference report as compared with the bill passed by the Senate.

Mr. COTTON. Mr. President, despite the fact that I am a supporter of the foreign aid policy, I shall vote against the conference report. I shall do so because I know that if this report is rejected, another conference would be held on the foreign aid authorization bill and it would come back to us for passage.

If this conference report is agreed to, we shall have relinquished for at least 1 full year the opportunity to implement the overwhelming wishes of the Senate and what I believe to be the wishes of the people of the country that there be an ironclad, safe, secure provision against aid to Tito's Yugoslavia and other Communist countries.

Mr. SPARKMAN subsequently said: Mr. President, I ask unanimous consent that there be printed in the Record at a point just prior to the yea-and-nay vote on the conference report an editorial from the Huntsville Times, of Huntsville, Ala., for July 10, 1962, entitled "Aid for Yugoslavia?"

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Aid for Yugoslavia?

A man of considerable prestige and expertise on Communist affairs has been thrown into the administration's foreign-aid battle in Congress.

In an unprecedented use of an ambassador, George F. Kennan has been enlisted to explain to Members of the House the facts about U.S. aid to Yugoslavia, the country to which he is assigned as chief of mission.

Kennan, the former Ambassador to Russia and famed as the author of the Government's containment policy in the late 1940's, has quietly made appointments with key Congressmen and briefed them on Yugoslavia policy and aims, as he sees them. He has not asked any of them for commitments to vote against what the administration regards as crippling amendments that would force the President to deny aid to Yugoslavia and other Communist countries attempting to assert their independence of Moscow.

Kennan, according to administration officials as well as congressional sources, has simply outlined what the Yugoslavs are trying to do, the degree of independence they have shown toward Moscow, and the degree of freedom they have.

We would ask the reader to consider that—

Yugoslavia is not a member of the Soviet-inspired Warsaw pact.

It has no restrictions against Western radio broadcasts and movie imports.

Its people can subscribe to the Western press.

It allows three U.S. Information Agency libraries to flourish in major cities.

The United States knew Yugoslavia was a Communist country in 1949–50 when Washington made the decision to help Marshal Tito maintain his independence from the Soviet bloc. That nothing has happened to cause a change now.

In short, it would seem that it is in the interests of the United States, and the West to permit the President to decide whether Yugoslavia should continue to be aided through loans involving American surplus foodstuffs and through trade arrangements that do not discriminate against it.

The VICE PRESIDENT. The hour of 1 o'clock having arrived the Senate will now proceed, under the provisions of the unanimous-consent agreement previously entered into, to take a yea-and-nay vote on the question of agreeing to the conference report on Senate bill 2996, the Foreign Assistance Act of 1962. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HART (when his name was called). On this vote, I have a live pair with the senior Senator from Oregon [Mr. Morse]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Tennessee [Mr. Gore], the Senator from North Carolina [Mr. Jordan], the Senator from Louisiana [Mr. Long], the Senator from Oklahoma [Mr. Monroney], and the Senator from Oregon [Mr. Morse] are absent on official business.

I further announce that the Senator from Arkansas [Mr. Fulbright] is necessarily absent.

On this vote, the Senator from Arkansas [Mr. Fulbright] is paired with the Senator from Utah [Mr. Bennett]. If present and voting, the Senator from Arkansas would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Oklahoma [Mr. Monroney] is paired with the Senator from Kansas [Mr. Pearson]. If present and voting, the Senator from Oklahoma would vote "yea," and the Senator from Kansas would vote "nay."

On this vote, the Senator from Louisiana [Mr. Long] is paired with the Senator from Tennessee [Mr. Gore]. If present and voting, the Senator from Louisiana would vote "nay," and the Senator from Tennessee would vote "yea."

I further announce that, if present and voting, the Senator from North Carolina [Mr. Jordan] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. Allott] is absent on official business.

The Senator from Utah [Mr. Bennett], the Senator from Indiana [Mr. Capehart], the Senator from Arizona [Mr. Goldwater], the Senators from Iowa [Mr. Hickenlooper and Mr. Miller], the Senator from Kentucky [Mr. Morton], the Senator from New Hampshire [Mr. Murphy], the Senator from Kansas [Mr. Pearson], and the Senator from Pennsylvania [Mr. Scott] are necessarily absent.

If present and voting, the Senator from Colorado [Mr. Allott] and the Senator from Arizona [Mr. Goldwater] would each vote "nay."

On this vote, the Senator from Kentucky [Mr. Morton] is paired with the Senator from Indiana [Mr. Capehart]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from Indiana would vote "nay."

On this vote, the Senator from Pennsylvania [Mr. Scott] is paired with the Senator from New Hampshire [Mr. Murphy]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from New Hampshire would vote "nay."

On this vote, the Senator from Arkansas [Mr. Fulbright] is paired with the Senator from Utah [Mr. Bennett]. If present and voting, the Senator from Arkansas would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Oklahoma [Mr. Monroney] is paired with the Senator from Kansas [Mr. Pearson]. If present and voting, the Senator from Oklahoma would vote "yea," and the Senator from Kansas would vote "nay."

The result was announced—yeas 56, nays 27, as follows:

[No. 123 Leg.]

YEAS—56

Aiken
Anderson
Bartlett
Beall
Boggs
Burdick
Bush
Butler
Byrd, W. Va.
Cannon
Carlson
Carroll
Case
Church
Clark
Cooper
Dirksen
Dodd
Douglas
Engle
Hartke
Hayden
Hickey
Hill
Holland
Humphrey
Jackson
Javits
Keating
Kefauver
Kerr
Kuchel
Long, Mo.
Long, Hawaii
Magnuson
Mansfield
McCarthy
McGee
McNamara
Metcalf
Moss
Muskie
Neuberger
Pastore
Pell
Prouty
Randolph
Saltonstall
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Symington
Williams, N.J.
Yarborough
Young, Ohio

NAYS—27

Bible
Bottum
Byrd, Va.
Chavez
Cotton
Curtis
Dworshak
Eastland
Ellender
Ervin
Fong
Gruening
Hruska
Johnston
Lausche
McClellan
Mundt
Proxmire
Robertson
Russell
Stennis
Talmadge
Thurmond
Tower
Wiley
Williams, Del.
Young, N. Dak.

NOT VOTING—17

Allott
Bennett
Capehart
Fulbright
Goldwater
Gore
Hart
Hickenlooper
Jordan
Long, La.
Miller
Monroney
Morse
Morton
Murphy
Pearson
Scott

So the report was agreed to.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1963

Mr. PROXMIRE obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wisconsin yield?

Mr. PROXMIRE. I ask unanimous consent that I may yield to the Senator from Montana.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate and made the pending business.

The VICE PRESIDENT. Without objection, it is so ordered.

The Senate resumed the consideration of the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1963, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the Proxmire amendment to H.R. 10904, the Labor and Health, Education, and Welfare appropriation bill.

HOLDING BY INTERNATIONAL COURT OF JUSTICE THAT ASSESSMENTS VOTED BY UNITED NATIONS FOR CONGO AND MIDDLE EAST OPERATIONS ARE BINDING

Mr. MANSFIELD. Mr. President, the International Court of Justice has today affirmed that the assessments voted by the General Assembly of the United Nations to finance peacekeeping operations of the organization in the Congo and the Middle East are legally binding on the member states. This historic opinion is of fundamental importance to international law and to the present and future capacity of the United Nations to maintain peace.

The U.S. Government consistently has been of the view that the assessments in question are "expenses of the organization" within the meaning of the United Nations Charter, and thus binding upon the members. The Legal Adviser of the Department of State so argued before the International Court of Justice during its consideration of this issue.

The Court's opinion will strengthen the effort of the Secretary General to collect arrearages on assessments to finance the U.N. peacekeeping missions in the Congo and the Middle East. Some members have not paid these assessments, claiming that they were not legally binding. In view of the Court's opinion, this claim is plainly not tenable.

Collection of outstanding arrearages on these two accounts would help the United Nations to pay accumulated bills for these two missions through the period ending June 30 of this year. Financing the Congo and Middle East operations beyond June 30, however, depends upon the success of the United Nations proposal to borrow $200 million. No assessments have been voted for these operations after June 30. Expenses for the Congo and Middle East missions are now running at approximately $11.5 million per month. Forty-four nations have purchased or pledged $72.4 million toward the $200 million so far. The U.S. Senate has passed a bill authorizing the President to lend up to $100 million to the United Nations, and the House Foreign Affairs Committee is currently holding hearings on this legislation.

I thank the Senator from Wisconsin.

ORDER OF BUSINESS

Several Senators addressed the Chair.

The VICE PRESIDENT. The Senator from Wisconsin has the floor.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield 1 minute to the Senator from Kansas [Mr. CARLSON] without losing my right to the floor.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin? The Chair hears none; and, without objection, the Senator from Kansas is recognized for 1 minute.

ADMISSION OF RED CHINA INTO THE UNITED NATIONS

Mr. CARLSON. Mr. President, at a general convention of the Churches of God—Holiness—which met in annual business session recently in Overland Park, Kans., the convention unanimously adopted a resolution opposing the admission of Red China into the United Nations.

As we are considering the adoption of the conference report on foreign aid authorization, I ask unanimous consent that the resolution be made a part of these remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolved, That we continue to oppose the seating of Communist China in the United Nations, thus upholding international morality and keeping faith with the thousands of American youths who gave their lives fighting Communist aggression in Korea. To seat Communist China which defies, by word and deed, the principles of the United Nations Charter would be to betray the letter, violate the spirit, and subvert the purposes of the charter. We further continue to oppose U.S. diplomatic recognition or any other steps which would build the power and prestige of the Chinese Communist regime, to the detriment of our friends and allies in Asia and of our national security. Any such action would break faith with our dead and the unfortunate Americans still wrongfully imprisoned by Communist China, and would dishearten our friends and allies in Asia whose continued will to resist Communist China's pressures and blandishments is so vital to our own security interests in that part of the world.

GREAT EXAMPLE AT WEST POINT

Mr. CARLSON. Mr. President, in 1961 it was my pleasure to appoint the first Negro boy from Kansas to ever enter the Military Academy at West Point. His name is Joseph B. Anderson, Jr., of Topeka. Joe Anderson is on the dean's list for the second term at West Point. He is in the upper 30 percent of his class. Personally I am proud of the record he is making. I would like to call attention to the fine editorial that recently appeared in the Wellington Daily News of Wellington, Kans. So I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GREAT EXAMPLE AT WEST POINT

Joseph B. Anderson, Jr., of Topeka, may not know it, but he has personally kicked the dickens out of reported malicious rumors that Kansas is a State loaded with race prejudice and discrimination.

The young West Point [U.S. Military Academy] cadet had help, of course, but his splendid achievements were gained for the most part through his own ability and hard work.

Joe Anderson is on the dean's list for the second term at West Point. He is in the upper 30 percent of his class, a member of the cadet choir and glee club at the academy and has been a soloist in several programs of the choir and glee club.

Joe, incidentally, is a Negro.

"We hope this knowledge will serve as an incentive to other young persons that there is recognition for ability and perseverance, there is a payoff for hard work in study, in wholesome living," the Kansas Commission on Civil Rights said. "Of course, not everyone can go to West Point, but there are now other career goals for which the human ingredients of ability, self-improvement through persevering hard work and study, and character reflecting wholesome living are the only qualifications."

The commission added, "Maybe this information may serve to squelch the persistent, stereotyped rumor that Kansas is a State loaded with prejudice and discrimination. For whoever the Kansas Congressman was who appointed Joe Anderson to West Point, he merely reflected the predominant attitude of Kansas citizens who would find this wholly acceptable."

Kansas has made an admirable example for other States to follow. Joe Anderson has done the same for young boys from all walks of life.

ORDER OF BUSINESS

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield 1 minute to the Senator from Tennessee [Mr. KEFAUVER] without losing my right to the floor.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin? The Chair hears none; and, without objection, the Senator from Tennessee is recognized for 1 minute.

REPORT OF THE U.S. CITIZENS COMMISSION ON NATO

Mr. KEFAUVER. Mr. President, the U.S. Citizens Commission on NATO recently made a very provocative report to Congress on the recommendations of the Atlantic Convention of NATO Nations. This Convention recommended that we must form a "true Atlantic Community" within the next decade, and made specific recommendations as to how that might be achieved.

These recommendations included: the creation of a Permanent High Council to prepare and concert policies on political, economic, cultural, and military matters; the development of a consultative Atlantic Assembly to review and debate questions of concern to the Atlantic community; and the establishment of a high court of justice to settle legal differences.

To facilitate the suggested reforms, the appointment of a special governmental commission was recommended. Its purpose would be to study the organization of the Atlantic community and to propose such reforms and simplifications of existing institutions and such new institutions as may be deemed necessary.

The report of the Commission has aroused widespread editorial comment throughout the United States. Mr. President, I ask unanimous consent to place a series of these editorials, which have come to my attention from various parts of the Nation, in the RECORD at this point in my remarks.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Elizabeth (N.J.) Journal, June 20, 1962]

Notice to France on Atomic Arms

Secretary Rusk has departed on the NATO circuit, hopeful that he can strengthen the Atlantic compact, that he can convince all members of the expediency of unity on nuclear arms, and particularly that France can be kept in line. A few factors are encouraging: Mr. Khrushchev at the moment says war over Berlin is not necessary, and saber rattling generally is at the ebb.

The attitude of the intransigent President de Gaulle ranks all the other impediments. He simultaneously is the stanchest of the Western leaders and the most worrisome. His emerging success in Africa will have exalted his hold upon his country and given him fresh boldness in demanding atomic status.

The general's career, when even briefly recalled, accounts for the forthrightness of Secretary of Defense McNamara in cautioning the West to keep its nuclear potential gathered under NATO on the Continent. That, of course, does not foreclose the independent and constantly related management of their own atomic weapons by the United States and Great Britain.

NATO has fabricated a pattern for arms control that should not be breached, which probably would happen if President de Gaulle took his country out of that compact. A single nation conceivably might be more willing to unleash atomic warheads than would a council of heads of state.

Secretary McNamara also presented a code for the retaliatory fire if nuclear war began. That expressed the official opinion of Washington—and probably London—and was devised to lessen the prospect that another country might fire first. Our targets would be military objectives; attack on civilian centers would be only in return for similar tactics by the aggressor.

The effect of this policy could be deteriorated if France—or Spain—were free to make war at will. The iron-willed De Gaulle would put his own opinion foremost.

Almost simultaneously—perhaps by design and perhaps by happenstance—the U.S. Citizens Commission on NATO called for more unity within the Atlantic community, in economics, in arms, and in aid to other nations.

These utterances, which Secretary Rusk will repeat to President de Gaulle, should be sufficient notice that Washington does not propose NATO should be disrupted. NATO bears too much importance to the United States, as well as its members and their neighbors on the Continent, to be invalidated by any rash of extreme nationalism.

[From the Lafayette (Ind.) Journal and Courier]

Strengthening the West

Anything which concerns the security of the free world holds universal interest. The report to Congress by the bipartisan U.S. Citizen's Commission on NATO has additional and special local interest because Burr S. Swezey, Lafayette banker, is a member of this distinguished group.

The Commission participated last January at Paris in the Atlantic Convention, an unprecedented gathering of 90 outstanding citizens appointed by the legislative bodies of the NATO countries. It is noteworthy that the conferees had no instructions of any kind from their respective countries and took part as individuals.

In its report, the U.S. Commission stressed the urgency of early steps to make the Atlantic Community a reality and to strengthen the ties which bind it together. Stressing the strength of union, the report challenged the Atlantic countries to "gird ourselves and find ways to create a unity more intimate and enduring than we have known before."

The point also was cited that the economies of the Atlantic nations and their common heritage in ideas make expansion within this great neighborhood singularly appropriate.

Great significance must be attached to the conclusions in view of the fact that they were arrived at after free discussion, removed from government interference or dictation, by leading citizens of the West. It must be evident that the conferees brought to their task a keen awareness and understanding of the problems involved. Everything considered, their recommendations must carry special weight, deserving the most serious consideration on the part of all nations involved. Greater Lafayette and the Hoosier State are signally honored to have furnished a member of the Commission.

The U.S. Commission earned posies in another respect, returning to the Treasury nearly $100,000 of the $250,000 appropriated for it. In these days when figures in the millions and billions have become commonplace for government, this was a modest appropriation. To have nearly half of it returned will surely lead to the Commission being read out of the spenders' union. But, its fine work completed, it is about to be disbanded anyway.

[From the New York Times, June 21, 1962]

For an Atlantic Community

At the start of his swing around five European capitals, Secretary Rusk declared that, while the West was united on common goals and commitments, it was nevertheless entering upon a new chapter, and that the question he would discuss with European statesmen was, "where do we go from here?"

The new chapter is dictated by the history of our times—times that have seen not only the rise of the Communist challenge but also a complete transformation of the world, including the fall of empires and their realinement in new power blocs, the emergence of a multitude of new nations and an incredible advance in science and technology that promises a more abundant life but also threatens total annihilation. Taking all this into account, one of the best and boldest replies to the Secretary's query is that supplied in a report to Congress by the congressionally appointed Commission of 20 prominent Americans who attended the Atlantic Convention in Paris last January.

This Commission fully endorses the Declaration of Paris, which proclaims that "our survival as free men and the possibility of progress for all men demand the creation of a true Atlantic community within the next decade." To this end the Commission urges Congress to take steps, and take them soon, to make such a community a reality, even if they involve delegation of a measure of national sovereignty to the community. It proposes a permanent high council as a joint executive to concert political, military, economic, and cultural policies; a consultative Atlantic assembly, governed by a weighted majority vote, to represent the Atlantic peoples; and a high court of justice to settle legal differences. It endorses President Kennedy's proposed trade partnership with the European Economic Community as the nucleus of an Atlantic economic community open to all qualified nations.

The political, emotional, and practical difficulties of this plan are self-evident. It involves the progressive unification of a score of free nations on a voluntary basis—a unification in which the United States can lead but cannot coerce. History is demonstrably moving in this direction. That fact should provide Mr. Rusk with a ready answer to President de Gaulle's idea of an independent Europe as a third force. It should spur Congress to action not only on the recommended appointment of a special governmental commission to study the details of the plan but also on the trade expansion bill, which, with its most-favored-nation provision, offers the opportunity for both the Commonwealth and all free countries to join in its benefits. This would be the most effective reply to Premier Khrushchev's now ritualistic boast that the Red flag will fly over the United States tomorrow.

[From the Meadville (Pa.) Tribune, June 19, 1962]

An Atlantic Community

Coming as it does from the U.S. Citizens Commission on NATO, the case for establishment soon of an operating Atlantic community assumes new significance. The integration of policies and programs beyond the military unity, which now exists, conceivably would call for yielding of some sovereignty, and this recognition by leading American citizens constitutes a step toward building a community structure.

A working Atlantic community would have none of the pitfalls of the old "one world" federation which envisioned all nations, including those under communism, working together as good neighbors. The Atlantic nations are bound by common traditions and principles and they are in full accord on cold war goals. It would be unrealistic, however, to ignore existing differences, based mostly on national interests.

But the tempo for unity appears to be quickening. The iron, steel, and coal community of a few years ago has blossomed into the European Economic Community and has brought European political unity nearer. The United States aims at trade cooperation with EEC. A unified political structure linking the United States and Western Europe would appear to be the next logical move.

The New York Times sees the differences of "European realities" not as barriers to unity but as "building stones for the future." An Atlantic community, united in methods as well as in aims, not only would form an impregnable bulwark against communism but also would further the well-being of its people.

[From the Easton (Pa.) Express, June 23, 1962]

Form an Atlantic Community

Compelling advice has been given to the U.S. Congress by the Citizens Commission on NATO. The Commission has warned U.S. political and economic leaders in a special report, to which Hugh Moore, Lower Nazareth Township, is a cosigner, that the Atlantic community must be organized soon if democracies are to be a match for dictatorships.

Mr. Moore and his fellow signers of the report were members of the delegation that represented the United States last January in the historymaking Atlantic convention. A massive document of recommendations was compiled from the deliberations of the 90 NATO state delegates to this meeting. But their representations to the various NATO governments boils down to this: We must yield up a substantial degree of national sovereignty in order to create a military, cultural, economic, and political alliance of unprecedented vitality capable of securing the cause of Western ideals and freedom against aggression or erosion.

The fear with which the Communist world regards the possibility of such a Western federation has been made evident in many ways by Sino-Soviet and satellite political leadership. Soviet Chairman Khrushchev's assault on the Common Market, which in itself will create a commercial superstate in Europe—to the serious economic disadvantage of the United States if we fail to become part of the trade complex—reflects communism's deep concern with soaring Western prosperity in the face of continuing and increasing economic distress for the Marxist-Leninist ideal.

American citizens who want to gain broader understanding of the principles involved in the Atlantic community concept might examine a State Department pamphlet published this week, covering remarks made by President Kennedy and Secretary Rusk at the Conference on Trade Policy in Washington on May 17.

"I am confident," said the President, "that Atlantic unity represents the true course of history—that Europe and the United States have not joined forces for more than a decade to be divided now by limited visions and suspicions. The direction of our destiny is toward community and confidence, and the United States is determined to fulfill that destiny."

Each generation indeed must build a road for the next.

[From the Carroll (Iowa) Times-Herald, June 20, 1962]

Foreign Policy Focus

The focus of U.S. foreign policy tends to veer from one part of the world to another. For some years after World War II, the focus was primarily on European nations struggling to come back from the brink of disaster. Later there was pressure for more attention to the Middle East and the Far East.

Even more recently, much has been said about the need to offer more help to Latin America and strengthen our ties with those countries. Now there is growing talk of the importance of creating a much stronger Atlantic community, talk given further impetus by the recent report of the bipartisan Citizen's Commission on NATO.

This Commission, set up by Congress in March 1961, has concluded its study by supporting the idea of a U.S. trade alinement with the Common Market countries, and essentially endorsing the recommendations made in Paris last January by the Atlantic convention. These include the creation of a permanent high council to formulate policy on economic, political, military, and cultural matters, establishment of a high court of justice to settle disputes arising among Atlantic community nations, and development of an assembly for discussion of questions involving these nations.

Adherence to these recommendations would develop a strong Atlantic community; there is little doubt of that. And there are persuasive arguments in favor of such a political and economic entity. As we move toward that, however, it would be well to bear in mind that other parts of the world must not be neglected. This will be high among the concerns of our friends in parts of the world far from the Atlantic. We, too, must be conscious that in building a stronger Atlantic community we should not turn away from other areas.

[From the Milwaukee (Wis.) Journal, June 27, 1962]

An Atlantic Community

"Steps must be taken to make the Atlantic community a reality and they must be taken soon," even if it involves some yielding of national sovereignty.

This recommendation does not come from a band of dewy eyed dreamers but from a commission of 22 outstanding Americans. The Commission was named by Congress more than a year ago to study how greater political and economic unity might be achieved among members of NATO (North Atlantic Treaty Organization)—the United States and Canada in North America and the major nations of Western Europe on the other side of the Atlantic. Christian Herter, former Secretary of State, and William L. Clayton, a former Under Secretary of State, directed the body.

The Commission urged creation of a high court of justice to "settle legal differences between members of the Atlantic community" and of a permanent high council to "prepare * * * policies on political, economic, cultural, and military matters and, in certain cases, decide them on a majority vote weighted to reflect population differences among the member countries."

The Commission voiced enthusiasm for President Kennedy's proposed trade partnership with the European Common Market. "The comparable economies of the Atlantic nations and their common heritage in ideas make expansion within this great neighborhood singularly appropriate," it said.

No tightly knit superstate is going to come into being tomorrow around the Atlantic basin. The American Congress and President are not going to hand over authority to an international body. Yet it seems inevitable and wholly desirable that there be increased unity and merging of interests in the Atlantic community. Time will tell whether this necessitates the surrender of some degree of sovereignty.

[From the Providence (R.I.) Bulletin, June 21, 1962]

The Trade Bill: A First Step to Atlantic Unity

A distinguished Citizens Commission on NATO has reported to Congress its conclusion that "steps must be taken to make the Atlantic community a reality and they must be taken soon"—even if this involves some yielding of national sovereignty.

There can be no denying the logic and the urgency of this recommendation. The fiasco over Berlin negotiations, the fast-changing military picture, the problems of decolonialization, the impact of the Common Market, and permeating these and other problems, continuing pressures from the Soviet bloc—all point to the inadequacy of the North Atlantic Treaty Organization as the source and instrument of allied policy.

De Gaulle, Adenauer, Macmillan and even Kennedy notwithstanding, the time has come when the leaders of the Western alliance must yield something of national pride and prerogative to some supra-authority, competent to speak and act for all.

It is easy to say, as many are saying, that the Western World is not ready for any such sacrifice of national autonomy, that a true Atlantic community must evolve slowly with the growth of the Common Market and the gradual evolution of NATO. But if we are not ready, unfortunately our opponents are. If we cannot achieve voluntarily the advantage of unity which the Kremlin already commands by compulsion, the free world is not likely to survive the next decade.

"Each new Communist thrust brings home again the lesson that democracies must unite to be a match for dictatorship," the Citizens Commission declared. "But, as history has also taught us, democracies united and aroused are a formidable force. We must then gird ourselves and find ways to create a unity more intimate and enduring than we have known before."

As practical first steps toward this end, the Commission recommends creation of a permanent high council and a high court of justice for the nations of NATO. It also expresses the hope that President Kennedy's plan for trade relations between the United States and the European Economic Community will be realized and will become the nucleus of an Atlantic economic community "open to all qualified nations."

It is encouraging that the commission was created by Congress, where we are likely to hear the most vociferous objections to any yielding of national sovereignty, and that it had respected, bipartisan leadership. Cochairmen were former Secretary of State Christian A. Herter, a Republican, and former Under Secretary of State William L. Clayton, a Democrat.

While the list of 20 members is one to instill confidence, it is surprising and regrettable that only one of the group comes from west of the Mississippi. While an Atlantic alliance may naturally generate more immediate enthusiasm in the East, the sacrifices that will be called for require a national commitment.

The Citizens Commission has performed a useful service. As the commission urged, we should act promptly to make its recommendations for the Atlantic community a reality. A practical first step would be speedy enactment of the new trade bill.

[From the New Orleans Times-Picayune, June 19, 1962]

Atlantic Unity

The recommendation submitted to Congress by the U.S. Citizens' Commission on NATO that a permanent high council and court be created for the NATO nations and enough sovereignty be ceded to them by the members to make them operative deserves serious, but careful, study. The Commission, headed by former Secretary of State Christian A. Herter and Under Secretary of State William L. Clayton, was appointed by Congress in March 1961, to study means of achieving greater political and economic unity within the Atlantic community.

The logic behind the trend of current Western development toward formation of larger political units and integration of these into strong alliances makes such a suggestion natural. The mere mention of cessation of national sovereignty is usually enough to provoke popular opposition, but the elastic 10-year (more or less) timetable for implementing the plan shows that it is not intended to be either thrown together in haste or forced onto reluctant member states.

Should it prove impossible it will be because the facts of political life are not as easily agreed upon as those of economic life. The unity of Europe (and its possible extension to the Atlantic community) would no doubt still be a statesman's recurring daydream if experiments in economic integration had not been so spectacularly successful. The success of the limited European Coal and Steel Community led to the bolder try at the European Economic Community, and its rapid success produced the current momentum toward full political integration. Similarly, the prerequisite for a supranational Atlantic organization may be a successful economic accommodation between the United States and the Common Market.

In the case of the Atlantic Community, the decision on whether even limited political integration must be considered an inevitable development from economic union will be a difficult one to make. The final shape assumed by the Common Market and the concrete changes its presence works in the structure of the West as a whole will be crucial factors, and while they can be hypothesized, they are not yet evident, much less compelling. As things now stand, a supranational Atlantic community organization is only one of many possible means of strengthening the West.

[From the San Francisco Chronicle, June 20, 1962]

A Bold Idea for Union of West

The idea of an Atlantic community with common economic as well as defense policies has attracted the interest and support of many influential people on both sides of the Atlantic—not the least of them being, it is suspected, John F. Kennedy.

Powerful backing for the Atlantic community concept has now come from the

Citizens Commission on NATO, a bipartisan group headed by former Secretary of State Christian A. Herter and by William L. Clayton, a former Under Secretary of State.

Herter and Clayton had much to do with building support in Congress and the country for the Trade Expansion Act, which apparently will pass Congress and carry the United States into an open partnership, as President Kennedy has called it, with the European Common Market countries.

The current Herter-Clayton report goes much farther; it would create nothing less than a free world union. Member nations would yield a measure of their sovereignty to an Atlantic high council charged with laying down policy on political, economic, cultural, and military matters of common interest. This bold idea was originally given voice by delegates from 14 of the 15 NATO governments who met last January in Paris. It has the potent theme that democracies when united can match the power of dictatorships.

The proposition for a delegation of sovereignty was accepted by all 92 delegates who met at Paris. It is significant that 20 Americans, chosen on a bipartisan basis, would join in support of such a proposition and put their influence behind a recommendation to Congress that a measure of delegated sovereignty should be transferred to an Atlantic community.

An unofficial report of this landmark meeting says: "The delegates were well aware of the fact that they were proposing institutions that most of them would never have accepted before the advent of the nuclear age and the rise of world communism * * * They concluded that since the day had come when none of their governments could guarantee the security of themselves, their fellow citizens, and their descendants, another step had become inevitable—the creation of a formal Atlantic community—if freemen were to survive anywhere on earth."

The basic plan is to build the new Atlantic community structure on the NATO base. There are, however, some disadvantages to this that cannot be overlooked. An Atlantic community resting on NATO would exclude some nations that ought to be in it but could not join because its NATO character would conflict with their neutralist commitments. Austria, Finland, Sweden, and Switzerland, are among these. The Council of Europe, which is non-NATO, could well be a sounder base.

[From the Owensboro (Ky.) Messenger & Inquirer, July 2, 1962]

High Court

The U.S. Citizens Commission on NATO urged Congress to approve the creation of a high court of justice, a permanent high council, and a trade partnership of the Atlantic community, open to all qualified nations, even if it meant giving up some national sovereignty. It stressed a mass trading area required for the efficient use of modern technology that would allow for the common military defense and common planning of assistance to developing nations, with an appropriate division of the costs. It would be a step toward political and economic unity of the Atlantic community, which is increasingly necessary to develop and defend the free world.

[From the Portland (Oreg.) Oregonian, June 24, 1962]

Atlantic Community

How far should the United States go toward merging itself with the European bloc of free nations?

Congress will be confronted with that question in the report of the U.S. Citizens Commission on NATO. Under authority of a congressional act signed by President Eisenhower and in amended form by President Kennedy, a group of distinguished U.S. citizens met with similar groups of 13 other NATO countries in Paris in January.

This Atlantic Citizens Convention recommended, on the basis of its security and economic findings, that this Nation and its Western allies go all the way.

The key proposal is the formation of an Atlantic community governed by a permanent high council at the highest political level which would not only plan but decide policy. This means, of course, the forfeiture of a degree of sovereignty by the nations joining the Atlantic community. The vote for these proposals was unanimous. Additional proposals:

Establishment of an Atlantic High Court of Justice to decide specified legal controversies.

Development of the NATO Parliamentarians Conference into a consultative assembly.

Formation of a trade partnership between the United States and the European Economic Community (Common Market) as the basis of an Atlantic Economic Community open to other nations of the free world.

Cooperation of Atlantic nations in guiding and assisting developing nations.

Immediate measures to meet the population problem as reflected by hundreds of millions of hungry people now and the expected increase of 3 billion people in the next generation.

Participating in this Atlantic Citizens Convention and report were such distinguished Americans as Christian A. Herter, former Secretary of State; William L. Clayton, former Under Secretary of State; Eric Johnston, ex-president of the U.S. Chamber of Commerce; Hugh Moore, industrialist, and others of high standing in business and the professions. These are no crackpot internationalists, but men of solid means and views.

The imperative motivation for an Atlantic community, they found, was the inadequacy of the NATO structure from a policy and decisionmaking standpoint and the realization that no single member of the North Atlantic Treaty Organization is powerful enough to stand alone.

Although Atlantic military power is as great or greater than that of the Communist bloc, the West is crippled in an emergency. While a dictator may act instantaneously, the West must obtain time-consuming unanimity among 15 governments. But, the conferees reported:

"The convention found that the opportunities were bright if the West exercised the resolution to take advantage of them. Total annual gross product of the Alliance was more than twice that of the Soviet bloc—its share in world trade five times as large.

"The new European Common Market, including Britain and other countries which have applied for membership, will represent in population, resources, and military potential a force rivaling that of the United States. A trade partnership between the Common Market and the United States as recommended by President Kennedy would create an economic colossus which would dwarf the Soviet bloc. Unification of the foreign policy and defense facilities of the Allies vis-a-vis the Soviet bloc would create such an assertion of spirit and power that the cold war could subside."

NATO was formed as a military alliance to restrain the Communist empire from aggression. The proposed Atlantic community would go far beyond the NATO concept in the grouping of economic with military power and the assignment of policy and command functions to a high council. Are the free nations ready for this movement into part-world government? We do not know. But certainly the report merits reasoned debate rather than demagogic speeches in Congress.

Mr. KEFAUVER. Mr. President, I think it is significant that these editorials have grasped the importance and timeliness of the vital issue to which the bipartisan groups of Americans, headed by former Secretary of State Christian A. Herter and former Under Secretary of State William L. Clayton, addressed themselves. We cannot fail to recognize their contribution of challenging concepts and a meaningful call to action for closer cooperation among the free nations.

This report represents the culmination of a thoroughgoing search for solutions to one of the major problems of our time. As such it deserves the thoughtful attention not only of the Congress and executive branches of our Government, but also of Americans everywhere.

ORDER OF BUSINESS

Mr. JAVITS. Mr. President, will the Senator from Wisconsin yield me 1 minute?

The VICE PRESIDENT. The Senator from Wisconsin has the floor.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield 1 minute to the Senator from New York without losing my right to the floor.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin? The Chair hears none; and, without objection, the Senator from New York is recognized for 1 minute.

TRIBUTE TO LAURIS NORSTAD

Mr. JAVITS. Mr. President, the news that Lauris Norstad has resigned as the Supreme Commander of the NATO Forces, in SHAPE, and is seeking retirement will be greeted with the greatest of regret I think by all mankind, in view of the fact that NATO is so critically an important element of the peacekeeping machinery for all mankind.

Though I join with the President and others in deeply deprecating the fact that he is leaving this high office, graced by such outstanding American proconsuls as General Eisenhower, General Vandenberg, General Gruenther, and now General Norstad himself, a man who has given all he has given certainly is entitled to his own life and his own future.

We would be remiss in our duty if we did not pay a tribute to this noble American, this great soldier, this outstanding statesman who has rendered such unusual service, far beyond the line of duty, to the United States—but also, Mr. President, to all mankind and to the interests of peace.

I hope very much in the days ahead that his example may be emulated by American youth, to demonstrate to the world the courage, the skill, the patriotism, and the dedication which reside in the young people of our country.

I thank my colleague very much for yielding.

UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE ON PROXMIRE AMENDMENTS

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield 10 minutes to the Senator from Delaware without losing my right to the floor.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin?

Mr. HUMPHREY. Mr. President, before that consent is granted and before the Senator from Delaware speaks, I should like to make a unanimous-consent request.

Mr. PROXMIRE. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, after the remarks of the Senator from Delaware [Mr. WILLIAMS], I understand the Senator from New York [Mr. KEATING] wishes to speak. Then the Proxmire amendments will be considered. I ask unanimous consent that there be a limitation of time on both of the Proxmire amendments. I understand the Senator has two separate amendments. Is that correct?

Mr. PROXMIRE. I have two separate printed amendments.

Mr. HUMPHREY. I ask unanimous consent that there be 30 minutes to a side on the first amendment, and that there be 15 minutes to a side on the second amendment.

Mr. PROXMIRE. It would be understood, of course, that the time would not begin until later.

Mr. HILL. I would suggest there be 30 minutes to a side.

Mr. HUMPHREY. The Senator from Alabama suggests that there be 30 minutes on each side on each of the Proxmire amendments.

Mr. President, I make the unanimous-consent request that when the Proxmire amendments are called up for consideration and debate, there be a limitation of 30 minutes to a side on each of the two amendments.

Mr. PROXMIRE. Mr. President, if the Senator will yield to me at that point, it is my understanding that my first amendments are before the Senate now.

Mr. HUMPHREY. Yes.

Mr. PROXMIRE. I hope that the unanimous-consent request to limit debate will not take effect until after the remarks of the Senator from Delaware [Mr. WILLIAMS] and of the Senator from New York [Mr. KEATING].

Mr. HUMPHREY. That is the understanding. Following the remarks by the Senator from Delaware [Mr. WILLIAMS], and the Senator from New York [Mr. KEATING], there would be 30 minutes on each side on the pending Proxmire amendments, and 30 minutes on each side on the second Proxmire amendment. Is that agreeable to the Senator from Alabama?

Mr. HILL. Yes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Minnesota?

Mr. WILLIAMS of Delaware. Mr. President, I have no objection, though it may take me 15 minutes rather than 10 minutes.

Mr. HUMPHREY. That would be immaterial. The time would begin after the conclusion of the remarks by the two Senators.

The VICE PRESIDENT. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

The Senator from Delaware may proceed.

GRAIN STORAGE SHORTAGE IN THE ESTES WAREHOUSES

Mr. WILLIAMS of Delaware. Mr. President, it has been found that there is a shortage of over 68,000 bushels in the grain which the U.S. Government had on storage in the warehouses owned by Mr. Billie Sol Estes. There has also been a shortage discovered in other elevators in which Mr. Estes had an interest.

While it appears that the Government may be protected through withheld storage payments and warehousemen's bonds, this does not alter the fact that shortages have been discovered in Mr. Estes' grain storage accounts.

Early in April I placed with the Secretary of Agriculture an inquiry concerning the status of the Government-owned grain which it had stored in elevators owned or controlled by Mr. Billie Sol Estes, of Texas. I requested a list of the storage facilities and the amount and type of grain stored therein, and in particular I inquired as to the condition of the grain and whether or not the Department of Agriculture had discovered any shortages of grain that had been stored in any of these facilities.

Under date of May 14, 1962, I received a reply from the Department of Agriculture signed by Mr. John P. Duncan, Jr., Assistant Secretary, in which he said that they had found no evidence of any shortages. I quote from the letter:

> This is in further reply to your letter of April 5, 1962, in which you request certain information concerning grain elevators owned or controlled by Mr. Billie Sol Estes of Texas.
>
> With respect to your inquiry as to whether or not the Department has experienced any difficulty in prior years from the standpoint of either shortage or downgrading of grain stored in these facilities, we wish to advise that no such difficulties have been experienced.

At this point I ask unanimous consent to have incorporated in the RECORD the full text of the letter from the Department of Agriculture to which I have just referred.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 14, 1962.

Hon. JOHN J. WILLIAMS,
U.S. Senate.

DEAR SENATOR WILLIAMS: This is in further reply to your letter of April 5, 1962, in which you request certain information concerning grain elevators owned or controlled by Mr. Billie Sol Estes of Texas.

In accordance with your request, please find listed below the grain storage facilities in Texas which are owned by Mr. Estes and approved under the Uniform Grain Storage Agreement for the storage of Government-owned grain:

Code	Name of warehouse	Location
*8-7858	United Elevators	Kress, Tex.
8-8048	do	Lamesa, Tex.
*9-7663	do	Plainview, Tex.
*8-7883	do	Silverton, Tex.
*8-8021	do	South Plains, Tex.
8-7425	South Plains Grain, Inc.	Levelland, Tex.

The following grain storage facilities are managed by the same individual that manages all of the grain storage facilities for Mr. Estes. At this time, we have no positive information that the facilities are actually controlled by Mr. Estes. However, because of the common management, we are listing these additional facilities in which Mr. Estes may have some interest.

Code No.	Name of warehouse	Location
8-8073	Hale County Grain Co.	Plainview, Tex.
*9-8068	Palo Duro Grain Co.	Tulia, Tex.
*9-8126	Allied Elevator	Hereford, Tex.

Those facilities which have the code number prefixed by an (*) are licensed under the U.S. Warehouse Act. Examination of these facilities, including the condition and verification of the stocks on hand, is performed by examiners of the U.S. Warehouse Act Branch, Agricultural Marketing Service of the Department. Commodity Credit Corporation accepts such examinations in lieu of those examinations which would ordinarily be made by its own examiners.

There follows a tabulation showing the approximate amount and kind of grain stored in each of the facilities which are owned by Mr. Estes or in which he may have some interest. Also shown is the amount of storage charges paid by the Department for the period January 1 through December 31, 1961, for these facilities.

Code No.	CCC-owned grain (in thousand bushels)	Kind of grain stored	Storage charges paid
*8-7858	4,821	Milo	$550,940.21
8-8048	536	do	56,864.39
*9-7663	3,100	Wheat	2,469,106.87
	19,643	Milo	
	38	Barley	
	28	Soybeans	
*8-7883	3,086	Milo	302,658.24
*8-8021	829	do	112,147.98
8-7425	1,075	do	29,598.19
8-8073	3,229	do	224,442.33
*9-8068	1,732	Wheat	987,503.48
	6,071	Milo	
	103	Barley	
*9-8126	1,602	Milo	46,064.85
Total	45,843		4,779,316.54

With respect to your inquiry as to whether or not the Department has experienced any difficulty in prior years from the standpoint of either shortage or downgrading of grain stored in these facilities, we wish to advise that no such difficulties have been experienced.

The Department has just concluded a reexamination and inventory of the grain on hand in the warehouses owned and operated by Billie Sol Estes. A press release dated April 16, 1962, setting forth additional information was issued in this connection. A copy of this release is enclosed for your information.

Sincerely yours,

JOHN P. DUNCAN, Jr.,
Assistant Secretary.

Mr. WILLIAMS of Delaware. Mr. President, on May 7, 1962, in his press conference Secretary Freeman commented upon this same subject. I quote the question which was asked and Mr. Freeman's reply:

> Question. Mr. Secretary, what is the legal status of the storage contracts themselves? Are they under attack?
>
> Secretary FREEMAN. Might I say at this point, as long as we are on storage, just as an aside, that despite some of the suggestions, my own very frank criticism of some of our administrative procedures that need to be improved—and this is nothing new—we tried to do it and will continue to do it, and bonding is one, and more expeditious handling of the allotment business is another—may I say that the Government has not lost a dime. Every bit of grain is there. Billie Sol Estes has not gotten a dime of the taxpayer's money. But there are some financial companies that lost as much as $30 million.

I emphasize one sentence in this statement by Mr. Freeman on May 7:

> Every bit of grain is there.

Furthermore, on April 28, 1962, Mr. C. H. Moseley, Director of the Dallas ASCS Commodity Office in Dallas, Tex., made a speech before the Texas Grain and Feed Association Convention at Fort Worth, Tex. During this speech he discussed the Estes case. He said:

> All the grain is where it is supposed to be, and the quality is satisfactory.

Mr. Moseley was telling the people in Dallas that as of that time "all the grain is where it is supposed to be." Yet at the same time these statements were being made there had been discovered a shortage of over 68,000 bushels, and this shortage was known by their own investigators.

Here we have emphatic denials on the part of the Department of Agriculture in their letter of May 14, at the May 7 press conference held by the Secretary of Agriculture, and in Mr. Moseley's statement in Dallas that all the grain was in the warehouses and that no shortages had been experienced.

An inquiry had also been directed to the Comptroller General of the United States, and he too was asked for a report as to whether or not any shortages had been found in the grain stored by the Department of Agriculture in the elevators owned or controlled by Mr. Estes and his affiliated companies and whether or not the grain was in good condition.

I have just received a reply from the Comptroller General, and his report does not coincide with the report of the Department of Agriculture. The Comptroller General states that his examination shows that shortages had been discovered in the Estes' elevators and in those of his affiliated companies.

The Comptroller General's report does state that the Department of Agriculture appears to be protected against loss resulting from this shortage in that they have withheld storage payments and can collect some from the bonding companies; however, this does not alter the fact that the Department of Agriculture was wrong when they claimed in their May 14 letter that there had been no shortages of grain. The fact is that a shortage of over 68,000 bushels had been discovered by their own investigators prior to the date of their letter.

Mr. AIKEN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from Vermont?

Mr. WILLIAMS of Delaware. I yield to the Senator from Vermont.

Mr. AIKEN. Was the grain which was in short supply grain which had been acquired at the old support price or the new support price?

Mr. WILLIAMS of Delaware. I do not know.

Mr. AIKEN. The Senator does not know whether it was acquired at $1.80 a bushel or $2 a bushel?

Mr. WILLIAMS of Delaware. I do not know. The Comptroller General estimated the market value of the 63,721 bushels of wheat which were short at $127,400. He listed 2,883 bushels of barley, which he valued at $2,900, as not being in the elevators. He listed 2,844 bushels of soybeans, upon which he placed a value of $6,300. The grain sorghum account showed an overage of 1,328 bushels, for which he subtracted $800 from the account.

Mr. AIKEN. The loss due to the shortage was estimated on the basis of—

Mr. WILLIAMS of Delaware. Market value.

Mr. AIKEN. Market value?

Mr. WILLIAMS of Delaware. Estimated market value.

Mr. AIKEN. Or on the increased support level which was put into effect by Secretary Freeman a year ago, since the old support level for soybeans was $1.85 and it was raised to $2.30.

Mr. WILLIAMS of Delaware. The estimate would be based upon the market level.

Mr. AIKEN. Two dollars and thirty cents.

Mr. WILLIAMS of Delaware. I assume $2.30, yes. He has summarized the shortages and overages by commodities for the six warehouses. I shall later ask to have the summary printed in the RECORD. The summary shows a net shortage of 68,120 bushels, with an estimated market value of $135,800.

Mr. AIKEN. It is difficult to understand a shortage in soybeans, because there was no Government ownership of soybeans until the past year or so. Soybeans were in short supply most of the time. There would be no reason why the Government should be paying Billie Sol Estes to store soybeans that it did not have. Apparently he was paid for storing some that he did not give up.

Mr. WILLIAMS of Delaware. It was not in the inventory; that point is established.

Mr. AIKEN. It must have been last year's beans.

Mr. WILLIAMS of Delaware. It must have been last year's beans. The investigation to which I refer was conducted early in April of this year.

Sixty-eight thousand bushels of grain is not an insignificant item. It represents around 50 carloads, and a shortage of this amount certainly cannot be reconciled with their statement that "from the standpoint of either shortage or downgrading of grain stored in these facilities. No such difficulties have been experienced."

Nor can this report of the Comptroller General be reconciled with the statement of the Secretary of Agriculture at his press conference on May 7, 1962, when he said "Every bit of grain was there."

The grain was not there.

I shall now outline these shortages as they were reported by the examiners of the General Accounting Office.

The complete report which I have received from the Comptroller General is being forwarded to the McClellan committee.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. McCLELLAN. I have not seen the copy that went to my office. I have seen a copy that was in the hands of the press. Of course, the subcommittee will be interested in the contents of the report submitted by the distinguished Senator from Delaware. We all know that the House committee which is investigating this subject is centering its attention at present on the grain storage program, particularly as it applies to Mr. Estes. I do not know whether it has the information to which the Senator refers or whether it intends to go into that aspect of the question.

Am I correct in my understanding that there is a shortage of approximately 60,000 bushels?

Mr. WILLIAMS of Delaware. That is correct according to the Comptroller General.

Mr. McCLELLAN. Can the Senator tell us whether that shortage is based upon a calculation contained in records or whether it is actually a physical shortage of grain? In other words, can the Senator state whether the grain ever entered storage? Do we know?

Mr. WILLIAMS of Delaware. The Comptroller General calls it a shortage. The point he has made is that the grain was not in the elevators at the time it was checked. I shall quote the statement of the Comptroller General in that connection.

Mr. McCLELLAN. As I said, I glanced at it a while ago. According to the records, there should be a certain amount of grain there.

Mr. WILLIAMS of Delaware. That is correct.

Mr. McCLELLAN. According to the measurement it is not there. The shortage is approximately 60,000 bushels.

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. McCLELLAN. At the moment we do not know whether the grain actually entered the warehouses, other than what is shown in figures on the books and in documents that represent the storing of the grain. We do not know whether the grain was actually stored and later disappeared. At the moment we do not know what the shortage represents.

Mr. WILLIAMS of Delaware. No; we do not. We do know that the Government is claiming title to 68,000 bushels more than is in the elevators. Presumably it was sent to his warehouses. Whether it was ever put in his elevators or whether it was diverted prior to the time it was unloaded in the elevators is not clear. The Comptroller General is very clear upon one point, and that is that the grain was not there at the time of the audit.

Mr. McCLELLAN. The Government has been paying storage on grain that was not there, or once was there and has since disappeared. Is that correct?

Mr. WILLIAMS of Delaware. That is correct. In the instance of one of Estes' associates it was stated that all of the grain in that man's warehouse has been shipped out, but what was shipped out was not enough to fill the quantities for which the Government had paid storage. There was a 5,000-bushel shortage, or about a 23½-percent shortage there.

Mr. McCLELLAN. What was the amount in bushels?

Mr. WILLIAMS of Delaware. The actual quantity short was 5,560 bushels of wheat. The Government is calling on the bonding company to put up the money for that amount. This involves the grain that was stored at Tucumcari, N. Mex. There were 23,698 bushels of CCC grain stored in that warehouse. When they shipped it out they found that there were only 18,138 bushels. There was a shortage of 5,560 bushels. The Government is filing a claim in that instance with the bonding company. They have a bond for $60,000, which will take care of it.

Mr. McCLELLAN. Do we have any further information with respect to shortages that may exist in grain stored in other warehouses besides those of Estes and those in which Estes has an interest? Does the Senator have any figures on that situation?

Mr. WILLIAMS of Delaware. No, I do not.

Mr. McCLELLAN. If I recall correctly, there were some 45 million bushels of grain stored with Estes in his warehouses. Am I correct?

Mr. WILLIAMS of Delaware. That is my understanding.

Mr. McCLELLAN. In round numbers.

Mr. WILLIAMS of Delaware. Yes.

Mr. McCLELLAN. So this would be a shortage of something a little less than 70,000 bushels.

Mr. WILLIAMS of Delaware. That is correct.

Mr. McCLELLAN. I am not minimizing that point. Apparently there was not, at least, a wholesale raiding of grain in storage in his elevators.

Mr. WILLIAMS of Delaware. Oh, no. The Comptroller General makes that same point.

Mr. McCLELLAN. Whether this represents a discrepancy in the figures or calculations or records with respect to the amount put in there, or whether the grain actually went in there and was accounted for, and then disappeared, we do not know.

Mr. WILLIAMS of Delaware. We have only the Comptroller General's statement. I believe I do have some figures that will answer the Senator's question. In the six warehouses which are reported as wholly owned by Mr. Estes the Government had 24,996,820 bushels in storage. Out of that storage of 24 million bushels there was reported 68,120 bushels shortage.

Mr. McCLELLAN. I am not raising any question that this is an insignificant amount. In view of the disclosure, I wonder if a check was being made on the grain in storage in other places as well. I can understand, in such a tremendous program, that some discrepancy might occur. However, if this is the only instance in which discrepancies have occurred, then that lends some credence, at least, to the assumption that perhaps something is actually wrong here, and that it is not a matter of an error in calculation or an inadvertence or an error in bookkeeping.

Mr. WILLIAMS of Delaware. The assumption is not altogether wrong. This shortage is evidenced by the fact that in one instance the Government is calling on the bonding company to make good, and in other instances they filed claims, and those claims are recognized as being made against shortages. The Comptroller General in his report does point out that this was not wholesale raiding. That is also in my statement. The actual percentages are all included.

Mr. McCLELLAN. In the instance where the Government is making a claim on the bonding company, I assume that the Government feels—and certainly it would have to establish the fact—that the grain was physically there, was delivered, and there was a responsibility there. So I assume that there at least the grain has disappeared.

Mr. WILLIAMS of Delaware. Yes.

Mr. McCLELLAN. It may be true in the other instance as well. I wonder whether we have anything to show that the grain was actually delivered and if the General Accounting Office did find that the grain was missing, rather than it was an error in calculation.

Mr. WILLIAMS of Delaware. The grain is missing.

The VICE PRESIDENT. Did the Senator from Wisconsin yield a specific amount of time to the Senator from Delaware?

Mr. PROXMIRE. I yielded 10 minutes.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. PROXMIRE. I yield 5 additional minutes to the Senator from Delaware.

Mr. McCLELLAN. I apologize; I did not know I was using the Senator's time.

Mr. WILLIAMS of Delaware. I was glad to yield to the distinguished Senator from Arkansas.

Early in April 1962, upon the widespread public disclosure of certain aspects of the operations of Mr. Estes, the Department of Agriculture undertook and completed examinations of 12 warehouses. According to the records and officials of the Department, six of the warehouses are owned by Billie Sol Estes, there are indications of an interest by Billie Sol Estes in three of the warehouses, and the other three warehouses are owned by Coleman D. McSpadden who is considered an associate of Billie Sol Estes.

I ask unanimous consent that the names and locations of the warehouses be included in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Warehouses owned by Billie Sol Estes: United Elevators, Kress, Tex.; United Elevators, Lamesa, Tex.; United Elevators, Plainview, Tex.; United Elevators, Silverton, Tex.; United Elevators, South Plains, Tex.; and South Plains Grain, Inc., Levelland, Tex.

Warehouses in which there are indications of an interest by Billie Sol Estes: Allied Elevators, Hereford, Tex.; Hale County Grain Co., Plainview, Tex.; and Palo Duro Grain Co., Tulia, Tex.

Warehouses owned by Coleman D. McSpadden, an associate of Billie Sol Estes: Associated Growers of Wildorado, Wildorado and Westway, Tex.; McSpadden Grain Co., Burris Switch, Tex.; and Tucumcari Grain Co., Tucumcari, N. Mex.

Mr. WILLIAMS of Delaware. Mr. President, the Comptroller General noted that at the time of his audit it had not been definitely established from information then available to his auditors that Mr. Estes had an interest in the last six warehouses listed above.

WAREHOUSES OWNED BY BILLIE SOL ESTES

With regard to the six warehouses owned by Billie Sol Estes, the Agriculture Department's warehouse examination reports disclosed both shortages and overages between the physical inventories and the recorded storage liabilities. There was a net shortage in these six warehouses of 68,120 bushels of grain. The estimated market value of the total shortage is about $135,800.

I ask that a summary of the shortages and overages by commodities for the six warehouses as determined by the Comptroller General's audit be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Commodity	Quantity over (+) or short (−)	Estimated market value
	Bushels	
Wheat	−63,721	$127,400
Barley	−2,883	2,900
Soybeans	−2,844	6,300
Grain sorghum	+1,328	[1] 800
Net shortage, quantity and market value	−68,120	135,800

[1] Deduction.

Mr. WILLIAMS of Delaware. Mr. President, after considering shrinkage adjustments the commodity office recorded a total of about $360,600 as due from the six warehousemen. This amount supersedes the estimated market value of the net shortages shown in the foregoing tabulation.

According to CCC records, amounts withheld from storage and handling charges otherwise payable to these six warehousemen at May 31, 1962, total about $1,276,900. The Department of Agriculture claims that the amount due from the warehousemen will be offset against the amount withheld and that the amount withheld from each of the six warehousemen exceeds in all cases the amount due from the respective warehouseman.

I ask unanimous consent that a report of the storage activities of the six warehouses owned by Mr. Estes be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Summary of results of warehouse examinations conducted by Department of Agriculture regarding grain stored in warehouses owned by Billie Sol Estes

Name	Location	Commodity	Inventories recorded in CCC accounts at Mar. 31, 1962 [1]	Total storage liability per USDA warehouse examiners [2]	Physical inventory per USDA warehouse examiners [3]	Quantity over (+) or short (−) [4]	Percent over (+) or short (−)
			Bushels	*Bushels*	*Bushels*	*Bushels*	
United Elevators	Kress, Tex	Grain sorghum	4, 193, 331	4, 833, 568	4, 784, 901	−48, 667	−1. 0
Do	Lamesa, Tex	do	433, 131	544, 824	545, 078	+254	Nil
Do	Plainview, Tex	do	14, 035, 631	19, 733, 349	19, 788, 849	+55, 500	+. 3
		Wheat	3, 060, 025	3, 450, 136	3, 386, 415	−63, 721	−1. 8
		Barley		271, 840	268, 957	−2, 883	−1. 1
		Soybeans		28, 550	25, 706	−2, 844	−10. 0
Do	Silverton, Tex	Grain sorghum	2, 154, 767	3, 101, 260	3, 079, 988	−21, 272	−. 7
Do	South Plains, Tex	do	757, 437	830, 433	851, 454	+21, 021	+2. 5
		Wheat		25	25		
South Plains Grain, Inc	Levelland, Tex	Grain sorghum	362, 498	1, 110, 628	1, 105, 120	−5, 508	−. 5
Total			24, 996, 820	33, 904, 613	33, 836, 493	−68, 120	−. 2

[1] Excludes grain stored by producers as collateral for CCC price-support loans.

[2] Comprises liability as of the dates of examinations (Apr. 2–3, 1962) for grain owned by CCC and by the warehouseman and other non-Government depositors, and for grain stored as collateral for price-support loans.

[3] Quantities of all grain stored as of the dates of examinations as estimated by the warehouse examiners on the basis of measurements.

[4] Quantities over (+) represent grain in warehouse in excess of recorded storage liabilities; quantities short (−) represent excess of storage liabilities over physical inventories.

WAREHOUSES IN WHICH THERE ARE INDICATIONS OF AN INTEREST BY BILLIE SOL ESTES

Mr. WILLIAMS of Delaware. Mr. President, with regard to the three warehouses in which there are indications of an interest by Billie Sol Estes, the Agriculture Department's warehouse examination reports again disclosed both overages and shortages between the physical inventories and the recorded storage liabilities of the warehousemen. Their records showed that there was a net overage on these three warehouses of 39,663 bushels of grain with an estimated market value of about $35,400. A summary of the overages and shortages by commodities follows.

Commodity	Quantity over (+) or short (−)	Estimated market value
	Bushels	
Grain sorghum	+55, 542	$72, 200
Wheat	−15, 508	[1] 36, 300
Barley	−371	[1] 500
Net overage, quantity and market value	+39, 663	35, 400

[1] Deduction.

After considering shrinkage adjustments, the commodity office has determined that, instead of the indicated net overage with an estimated market value of $35,400, there is about $98,500 due in total from the three warehousemen.

According to CCC records, amounts withheld from storage and handling charges otherwise payable to these three warehousemen at May 31, 1962, total about $483,700 and they claim that the amount due from the warehousemen will be offset against the amount withheld.

I ask unanimous consent at this point to have incorporated in the RECORD a breakdown of the storage activities of these three warehouses in which both the Comptroller General and the Department of Agriculture claim there are indications of a financial interest by Mr. Billie Sol Estes.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Summary of results of warehouse examinations conducted by Department of Agriculture regarding grain stored in warehouses in which there are indications of an interest by Billie Sol Estes

Name	Location	Commodity	Inventories recorded in CCC accounts at Mar. 31, 1962 [1]	Total storage liability per USDA warehouse examiners [2]	Physical inventory per USDA warehouse examiners [3]	Quantity over (+) or short (−) [4]	Percent over (+) or short (−)
			Bushels	*Bushels*	*Bushels*	*Bushels*	
Allied Elevators	Hereford, Tex	Grain sorghum	404, 464	1, 605, 343	1, 613, 180	+7, 837	+0. 5
Hale County Grain Co	Plainview, Tex	do	1, 728, 832	3, 266, 154	3, 239, 701	−26, 453	−. 8
Palo Duro Grain Co	Tulia, Tex	do	4, 985, 998	6, 134, 250	6, 208, 408	+74, 158	+1. 2
		Wheat	1, 530, 295	1, 574, 602	1, 559, 094	−15, 508	−1. 0
		Barley		48, 340	47, 969	−371	−. 8
Total			8, 649, 589	12, 628, 689	12, 668, 352	+39, 663	+. 3

[1] Excludes grain stored by producers as collateral for CCC price-support loans.

[2] Comprises liability as of the dates of examinations (Apr. 2–7, 1962) for grain owned by CCC and by the warehouseman and other non-Government depositors, and for grain stored as collateral for price-support loans.

[3] Quantities of all grain stored as of the dates of examinations as estimated by the warehouse examiners on the basis of measurements.

[4] Quantities over (+) represent grain in warehouse in excess of recorded storage liabilities; quantities short (−) represent excess of storage liabilities over physical inventories.

WAREHOUSES OWNED BY COLEMAN D. M'SPADDEN, AN ASSOCIATE OF BILLIE SOL ESTES

Mr. WILLIAMS of Delaware. Mr. President, the Comptroller General said that the Agriculture Department's examinations of the three warehouses owned by Mr. Coleman D. McSpadden, an associate of Mr. Estes, had disclosed both overages and shortages in the various commodities as compared with the recorded storage liabilities of the warehousemen. There was a net overage of 7,150 bushels of grain with an estimated market value of about $2,500; however, some of the warehouses in this group have a considerably worse record. A summary of the overages and shortages by commodities for the McSpadden warehouses follows:

Commodity	Quantity over (+) or short (−)	Estimated market value
	Bushels	
Grain sorghum	+10, 524	$9, 700
Barley	+476	500
Wheat	−3, 850	[1] 7, 700
Net overage, quantity, and market value	+7, 150	2, 500

[1] Deduction.

After considering shrinkage adjustments, the commodity office has determined that, instead of the indicated net overage with an estimated market value of $2,500, there is about $103,300 due in total from the three warehousemen.

According to CCC records, amounts withheld from storage and handling charges otherwise payable to the three warehousemen as of June 8, 1962, total about $126,800, against which the amounts due will be offset.

The amounts withheld from the Associated Growers of Wildorado and the McSpadden Grain Co. exceeded the amounts determined to be due from those warehousemen and, as discussed in the following paragraph, the amount withheld from the Tucumcari Grain Co. is less than the amount due from the company.

Subsequent to the warehouse examination, all CCC-owned grain stored in the Tucumcari facility was loaded out. Shortages and other deficiencies in the grain, as determined by the commodity office on loadout, had an aggregate value of about $33,000. As of June 8, 1962, the commodity office had, for partial application against the deficiency, about $10,400 withheld from storage and handling charges due the warehouseman, leaving a balance due CCC of about $22,600.

In this regard the commodity office on May 29, 1962, notified the surety on the warehouseman's $60,000 bond that CCC was making a claim against the surety for losses estimated at not less than $45,000, sustained with respect to grain stored in the Tucumcari warehouse. A commodity office official of the Department of Agriculture informed the auditors of the Comptroller General that the amount of $45,000 was an estimate prepared before the actual net amount of the loss had been computed.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a breakdown of the storage activities of the McSpadden warehouses.

There being no objection, the breakdown was ordered to be printed in the RECORD, as follows:

Summary of results of warehouse examinations conducted by Department of Agriculture regarding grain stored in warehouses owned by Coleman D. McSpadden, an associate of Billie Sol Estes

Name	Location	Commodity	Inventories recorded in CCC accounts at Mar. 31, 1962 [1]	Total storage liability per USDA warehouse examiners [2]	Physical inventory per USDA warehouse examiners [3]	Quantity over (+) or short (−) [4]	Percent over (+) or short (−)
			Bushels	*Bushels*	*Bushels*	*Bushels*	
Associated Growers of Wildorado	Wildorado and Westway, Tex	Grain sorghum	646,958	1,128,092	1,138,936	+10,844	+1.0
McSpadden Grain Co	Burris Switch, Tex	do	331,231	1,423,596	1,422,135	−1,461	−.1
		Wheat	44,764	298,425	300,135	+1,710	+.6
Tucumcari Grain Co	Tucumcari, N. Mex	Grain sorghum		79,635	80,776	+1,141	+1.4
		Wheat	23,208	23,698	18,138	−5,560	−23.5
		Barley		51,360	51,836	+476	+.9
Total			1,046,161	3,004,806	3,011,956	+7,150	+.2

[1] Excludes grain stored by producers as collateral for CCC price-support loans.

[2] Comprises liability as of the dates of examinations (Apr. 3-7, 1962) for grain owned by CCC and by the warehouseman and other non-Government depositors, and for grain stored as collateral for price-support loans.

[3] Quantities of all grain stored as of the dates of examinations as estimated by the warehouse examiners on the basis of measurements.

[4] Quantities over (+) represent grain in warehouse in excess of recorded storage liabilities; quantities short (−) represent excess of storage liabilities over physical inventories.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter dated June 29, 1962, which I received from the Comptroller General accompanying this report, which I am now turning over to the McClellan committee.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., June 29, 1962.

Hon. JOHN J. WILLIAMS,
U.S. Senate.

DEAR SENATOR WILLIAMS: Reference is made to your letter dated May 8, 1962, requesting any information that we may have developed as to whether or not the substantial quantities of grain stored by the Department of Agriculture with Mr. Billie Sol Estes and his affiliated companies have been accounted for and are in good condition.

Early in April 1962, upon the widespread public disclosure of certain aspects of the operations of Mr. Estes, the Department of Agriculture undertook and completed examinations of 12 warehouses that, according to the records and officials of the Department, either (1) are owned by Billie Sol Estes, (2) are those in which there are indications of an interest by Billie Sol Estes, or (3) are owned by Coleman D. McSpadden who is considered by the Department to be an associate of Billie Sol Estes. Reports on the warehouse examinations were prepared by the Department's warehouse examiners.

We have made a review that was primarily concerned with verification of these reports and which included visits to 7 of the 12 warehouses where the Department's examinations were made. Our review showed that the Department's examiners had reasonably determined, for the 12 warehouses here involved, the total storage liabilities—about 49.5 million bushels of grain—and the amounts of grain in storage. While certain shortages were noted by the examiners, as shown by the differences between the storage liabilities and the physical inventories, we found that the Government had withheld amounts otherwise due the warehousemen for grain storage and handling charges, which, when considered together with warehousemen's bonds, appear to be sufficient to cover the shortages noted. Such qualitative deficiencies as were disclosed by the examiners were corrected where required.

In addition, we observed during visits to two warehouses that commodity office warehouse examiners had been stationed there. Subsequently we were informed by commodity office officials and a Department official in Washington that an examiner had been assigned on a full-time basis to each of the 12 warehouses to protect the interests of the Government.

The results of the Department's physical inventories and of our review thereof are discussed more fully in the accompanying report.

We wish to call to your attention the fact that officials of the Department of Agriculture and the warehousemen mentioned in our report have not been given an opportunity to examine and comment on the report.

With regard to the alleged shipping of grain out of regular route for storage in the Estes warehouses, as mentioned in your letter, this subject is being specifically inquired into by the Permanent Subcommittee on Investigations on Government Operations. Therefore, as representatives of this office advised you in a meeting in your office on May 17, 1962, we are not initiating an independent investigation of this subject.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

Enclosure.

Mr. WILLIAMS of Delaware. Mr. President, in line with the questions asked by the Senator from Arizona, I am not clear from this report whether the grain was ever stored in the warehouse, moved out after it had been stored, or diverted prior thereto. I do not know. However, it seems to me, as the Senator has pointed out, that that is a secondary point. The fact is that there was some shortage. The Comptroller General stated that as of the date of this examination the Department had stationed men at all the warehouses to protect the interests of the Government and presumably as safeguards against further loss. Nevertheless, that does not alter the fact that, as the Comptroller General said in connection with warehouses owned by Billie Sol Estes, there was a shortage in these six warehouses. The estimated market value of the total shortage is placed at about $135,800.

I point out again that this cannot be reconciled with Secretary Freeman's statement of May 7 that "every bit of grain is there"; nor can it be reconciled with the statement of Mr. Moseley, Director of the Dallas ASCS Commodity Office in Dallas, on April 28 when he said that "all the grain is where it is supposed to be, and the quality is satisfactory."

The grain that is stored in those warehouses was supposed to be in the warehouses where it was sent and supposed to have remained in those warehouses until removed by the Government. I am very much disappointed by the failure of the Department to recognize the shortage. They should have checked their own records before answering me on May 14, when they said:

> With respect to your inquiry as to whether or not the Department has experienced any difficulty in prior years from the standpoint of either shortage or downgrading of grain stored in these facilities, we wish to advise that no such difficulties have been experienced.

The VICE PRESIDENT. The time of the Senator from Delaware has expired.

Mr. PROXMIRE. I yield 2 additional minutes to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I think the whole situation concerning Mr. Estes' activities would be cleared up much better through frank discussions and admissions of conditions as they exist. The more the condition is swept under the rug the worse it seems when it is found.

Mr. President, I ask unanimous consent to have incorporated in the RECORD, immediately following my remarks on the Estes storage operations, certain correspondence which I had with the Treasury Department in which they point out that some of the warehousemen associated with Mr. Estes have failed to forward to the Treasury Department some of these taxes which they withheld from their employees.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

APRIL 30, 1962.

Hon. MORTIMER M. CAPLIN,
Commissioner of Internal Revenue,
Department of the Treasury,
Washington, D.C.

DEAR MR. CAPLIN: It would be appreciated if you would furnish me the following information in connection with Mr. Billie Sol Estes, of El Paso, Tex., and any of his wholly owned or affiliated companies:

1. Has Mr. Estes been filing timely tax returns for himself and his companies along with the payments during each of the past 5 years?

(a) If not, please note the exceptions along with any outstanding balances.

2. Have Mr. Estes and his affiliated companies been forwarding to the Government the withheld employment taxes.

(a) If not, please furnish a report of his delinquencies.

3. Have there been any compromise settlements during the past 10 years with either Mr. Estes or his companies?

(a) If so, please furnish a report on the amounts involved in the compromise.

With this report I would want a record of all outstanding delinquencies against either Mr. Estes personally or his companies. I am not asking for any classified information in connection with his tax returns, but it is my understanding that failure to file tax returns or outstanding delinquencies are matters of public record.

Yours sincerely,

JOHN J. WILLIAMS.

JUNE 14, 1962.

Hon. JOHN J. WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: This is in further reference to your letter of April 30, 1962, requesting information about the internal revenue tax filing and paying record of Mr. Billie Sol Estes, of El Paso, Tex., and any of his wholly owned or affiliated companies for the last 5 years.

As recognized in the last paragraph of your letter, we are prohibited from disclosing information from tax returns and payment records except as provided by law. However, any information of public record can be disclosed and we will give you as much of the data requested as we can.

We have obtained reports indicating that Billie Sol and Patsy Estes filed individual income tax returns for 1957 through 1960 as follows:

In 1957: form 1040; extension granted to September 15, 1958; return received, September 17, 1958.

In 1958: form 1040; return received, September 17, 1959.

In 1959: form 1040; extension granted to June 15, 1960; return received, July 7, 1960.

In 1960: form 1040; extension granted to June 15, 1961; returned received, June 26, 1961.

An extension to June 15, 1962, was granted for filing their individual income tax return for 1961. There are no unpaid assessments on these returns.

As to affiliated enterprises, our information indicates that we may have, at best, an incomplete list of Mr. Estes' business activities and associations. While our districts have records of returns filed by the Estes activities identified to date, it may develop that some were due for periods not now covered by returns and from yet unidentified affiliated enterprises.

We are unable to advise you as to any specific failures to file because liability for returns, where not now of record, can be established only by field investigation. Our district offices are conducting delinquency investigations where indication of failure to file is uncovered.

You asked whether Mr. Estes and affiliated companies have been forwarding to the Government the withheld employment taxes and, if not, for a report of his delinquencies. Of the quarterly employment tax returns filed by known or suspected Estes business activities, there were only a very few on which the withheld tax was not paid with the return. Covered by lien and therefore of public record are the following delinquent employment tax accounts:

Coleman D. McSpadden, doing business as Lune County Fertilizer, Wildorado, Tex.: first quarter 1961, $223.09; second quarter 1961, $201.42; third quarter 1961, $125.

Charles J. Gibbs and John W. Simmons, Gibbs Bros., Amarillo, Tex.: first quarter 1960, $2,260.18.

There is one other small delinquent quarterly employment tax account not covered by lien. Also, there were 11 other delinquent quarterly employment tax accounts involving 4 taxpayers in the last 5 years that are now fully paid.

There have been no offer-in-compromise settlements during the last 10 years with Mr. Estes or any of his companies or affiliates identified to date.

In response to your request for a record of all outstanding delinquencies against Mr. Estes or his companies, I have given you above the assessed amounts of employment tax accounts on which liens have been filed. When a notice of tax lien is filed on a delinquent account, the amount of the delinquency at the time the lien is recorded becomes a matter of public record and can be disclosed. We do not record information as to subsequent payments and therefore the balance outstanding at any particular time is not a matter of public record.

Notice of tax lien has been filed covering 1959 income tax liability of $6,636.95 of John W. and Sara Simmons, Wildorado, Tex., believed to have been closely associated with Mr. Estes. One other outstanding account of less than $50, not covered by lien, is on a joint individual income tax return of a taxpayer also believed to have been associated with Estes enterprises.

With kind regards.

Sincerely,

MORTIMER CAPLIN,
Commissioner.

DEPARTMENT OF AGRICULTURE PLAYS POLITICS TOO MUCH

Mr. KEATING. Mr. President, will the Senator from Wisconsin yield me 3 minutes?

Mr. PROXMIRE. Mr. President, I yield 3 minutes to the Senator from New York, with the understanding that I will not lose my right to the floor.

Mr. KEATING. Mr. President, I shall speak today about something that I ordinarily would not consider an appropriate subject to discuss on the floor of the Senate. It concerns what I consider a grevious and unfortunate action by the Department of Agriculture with reference to the serious drought conditions confronting over 20 counties in central New York State.

When these conditions first became severe, many people in New York and surrounding States urged that action be taken. Governor Rockefeller responded almost immediately to these pleas. He designated several of the hardest hit New York counties as "disaster areas." Thereupon, he requested that the Department of Agriculture, on the basis of this designation, permit farmers to graze and harvest lands held in reserve under various Federal programs, particularly the soil bank, the feed grain program and the wheat stabilization program. I joined in this emergency request. Once the official application had been transmitted to the Department, I wired the Secretary with my colleague [Mr. JAVITS], urging Secretary Freeman that these applications be processed as quickly as possible. Our message was dated Monday, July 16. Two days later, on Wednesday, July 18, my office called the responsible officials of the Department of Agriculture requesting information as to what, if any, action had been taken. I was told that no action had been taken, and that furthermore it was very unlikely that any action could or would be done before today, Friday.

The official with whom my office discussed this situation was evasive. He indicated that we would be lucky if a decision was made by the end of this week, and he stressed that a great deal of paperwork had to be done on the applications. To say the very least, I was most disappointed.

That morning, at approximately 12:30, I spoke on the Senate floor urging that the Department act promptly and expressing my disappointment that from this contact with the person, whom my office was told was in charge of this case, it appeared that the Department was dragging its heels. I shall not name the official in question, but if the Secretary of Agriculture would like to answer this statement, I will be happy to give him the name.

Mr. President, not more than 5 hours, I stress that it was 5 hours after my office called the Department of Agriculture, the Department announced that it was taking favorable action on our request for drought relief. This announcement was made by a Democratic candidate for Governor, a Member of the Congress in whose congressional district there are no counties out of the group of 10 counties for which relief was granted. My office was not even notified, nor was the Governor of the State of New York notified until after a public announcement had been made. I still have not been notified up to this very minute.

Mr. President, drought is bipartisan. I would not be as disturbed were it not for the fact that this official of the Department was deliberately misleading in his direct answers to questions asked of him. This is not the first time that this has happened to me with the Department of Agriculture.

Several months ago, I requested that Suffolk County, Long Island, be designated a disaster area because of the tremendous problems they were having with their potato and cauliflower crops. I made several requests. My office made several phone calls, and I asked to be kept advised. I was not told about action when it was taken, until a letter arrived 3 days after it had been taken and announced again by a Democratic Congressman who was also interested.

Mr. President, I am not concerned about who makes the actual announcement, but I point out that other departments of Government do not play the game quite this way. I am generally kept informed about matters in which I am interested in a polite, courteous, and prompt way. I have been in Congress long enough to know something about the political facts of life. But, the action of the Department of Agriculture in this case involved an out-and-out misstatement of facts. I cannot countenance such actions, and I rather expect that one of the reasons the Secretary of Agriculture has had such a terrific problem with the Congress is because of his insistence upon being viciously partisan about everything which his Department does.

What we are here for, all of us, is not necessarily to advance the Democratic Party or the Republican Party. We are here to advance the national interest. We are here to deal with problems and develop solutions, and act intelligently in the best interest of the country.

Political parties are important and I do not mean to downplay these allegiances. Nevertheless, I think there has been altogether too much of this in recent months. In fact, I seriously believe that one principal reason that the medical care bill failed in the Senate is because the administration waited too long and was too late in its efforts to work and cooperate with sympathetic Republicans who share the administration's desire to do something about the health care needs of the aged.

Mr. President, I ask unanimous consent to have the text of our wire appear at the end of these remarks. I hope the Secretary of Agriculture will read this and will answer it. I will be glad to give him the name of the person in his Department who gave me this information. I will be glad to review with him in full detail the circumstances in this case and in the case involving Suffolk County several months ago.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

Hon. ORVILLE L. FREEMAN,
Secretary of Agriculture,
Department of Agriculture,
Washington, D.C.:

We have just read in the newspapers that your Department granted relief yesterday to the 10 counties in New York State originally declared drought areas by Governor Rockefeller. We sent you a wire Monday, July 16, urging that this be done. We are glad it has been done, but we cannot understand why we were not notified.

We are not concerned about who made the public announcement, so long as our drought-stricken counties in New York get the Federal aid to which they are entitled. But we are deeply concerned about any shadow of politics which might be cast on aid; for a catastrophe, like drought, or that the administration of such aid in New York may take on such a coloration. We earnestly hope that the Agriculture Department will not play politics with the administration of this relief and with the counties in which assistance is to be granted. We would appreciate a word of reassurance from you that this will not be done and is not forecast by the political way in which the news of your action was released.

JACOB K. JAVITS,
U.S. Senator.
KENNETH B. KEATING,
U.S. Senator.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1963, and for other purposes.

Mr. PROXMIRE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Wisconsin will state it.

Mr. PROXMIRE. Does the time now begin to run on my amendment, with 30 minutes available to me and 30 minutes available to the Senator from Alabama?

The VICE PRESIDENT. That is correct.

Mr. PROXMIRE. Mr. President, I yield myself such part of the 30 minutes as I may require.

The VICE PRESIDENT. The Senator from Wisconsin may proceed.

Mr. PROXMIRE. Mr. President, the pending amendment would reduce the Labor-HEW appropriation by $247,105,000. There is no question that this is an economy amendment. This reduction in spending would be accomplished by reducing the amounts included in the bill as reported by the Senate Appropriations Committee to the level originally requested by the Kennedy administration.

I wish to emphasize that the reduction to be made by this amendment is not a reduction of any kind below the amount the administration said is needed, or below what the Secretary of Health, Education, and Welfare said he needed, or below what the head of the National Institutes of Health said he needed. This amendment will simply make a reduction sufficient to return to the original level requested by the administration in the budget.

Mr. President, certainly few persons have said that this administration is tightfisted and refuses to spend funds; and, similarly, I do not know of anyone who says that President Kennedy is not both expert and sympathetic in the fields of health, education, and welfare. It is a fact that when President John F. Kennedy was a Member of the Senate, he served for a number of years on the Committee on Labor and Public Welfare, of which the Senator from Alabama [Mr. HILL] is chairman; and Senator Kennedy was a great champion of medical research and of health, education, and welfare. He is both expert and sympathetic in regard to these fields.

BUDGET FIGURES ARE INCREASES

Mr. President, in the third place, I wish to emphasize that the administration requests in general represent substantial increases over the amounts spent last year—in fact, very substantial increases, with a few exceptions.

Mr. President, if economy makes any sense at all, at any time, it seems to me that where the national defense is not involved, and where the appropriations requested by the administration are already substantially greater than those made for this purpose a year ago, and where the administration is both sympathetic and expert in regard to the fields involved, we should not appropriate more than the administration requests.

It is true that already, this year, there have been some exceptions, when the Senate appropriated more than the amounts requested by the administration. The one exception I particularly recall is the appropriation made for the RS-70 manned bomber program. In that case, General LeMay, the Chief of Staff of the Air Force, made a fervent fight for more funds, and pleaded for them, and said he had to have them, and carried his fight to the Appropriations Committee, and won.

But we are not now confronted with such a situation. The head of the National Institutes of Health and the Secretary of Health, Education, and Welfare have said the amount in the budget is sufficient; and of course the President has said the same. They have said that the very large amounts which would be appropriated if we meet the budget requests is sufficient, and they say that is the amount that can be used efficiently and effectively.

However, our Appropriations Committee is saying that it insists that an additional $247,105,000 be spent.

Mr. President, these reductions would very largely apply to three specific areas.

In the first place, the Appropriations Committee voted for the appropriation of $58,600,000 more than the administration requested, in providing funds for impacted school areas.

In the second place, the Appropriations Committee voted for the appropriation of $50 million more than the administration requested, in providing funds for hospital construction.

In the third place, the Appropriations Committee asks the Senate to vote the appropriation of $120 million more than the administration requested, in providing funds for the National Institutes of Health.

I wish to point out specifically why I think in each of these areas the administration was correct and that the Appropriations Committee voted for additional funds which cannot be justified.

First of all, in the area of impacted school districts, I wish to concede that this is by far the most vulnerable part of my argument from a political standpoint. A number of very outstanding and very fine Senators have said to me, "If you will knock that part out of your amendment, we will go along with it."

The pressure for this appropriation is great in many States.

Mr. President, such a situation exists in Wisconsin; and there are a number of impacted school districts there.

One of the customs which has developed in the Senate is that a Member fights for his State and for every legitimate opportunity his State can have to benefit from appropriated funds.

Unfortunately, this has been translated into a tendency on the part of Members to request, in the case of impacted school districts, larger appropriations than those which can be justified.

EXPERTS SUPPORT 81-PERCENT FIGURE

Two days ago, when this amendment was pending, I called the Office of Education, and talked to the top experts in the administration who are responsible for administering the impacted school district program. I asked, "Why did you request only 81 percent of the money which the school districts would be expected to get under the formula—only 81 percent of the entitlements? Why is this fair?"

I was told by the top people in the Office of Education that 81 percent is all that can be justified on the basis of the views of those who administer the program, and are with it day after day and year after year, and thoroughly understand it. Certainly no one can accuse these expert civil servants of being disinterested in education or of being prejudiced or unfair. They are objective, competent, fairminded administrators who are trying to make the best possible estimates. They say that all that can be justified is 81 percent of the entitlements. And, Mr. President, if we appropriate that amount—which the administration says is sufficient—we shall save $58 million.

I would like to ask Senators to consider the justice and equity of providing a greater amount to impacted areas than the impact would require. Obviously, it does relieve the property taxes in a particular area. Obviously, it is a bonanza to the areas involved. We know that in all school districts throughout the country property taxes have become excessive and burdensome. With rising teachers' salaries, the increasing number of schoolchildren, the increased cost of construction, this is a very burdensome cost, and anything we can do to relieve it is gratefully received. But the experts say that if we are going to do it under a just and equitable plan, we should provide 81 percent of the formula, and not 100 percent.

Mr. President, what are we doing if we provide 100 percent, as the Appropriations Committee has requested? We are taxing the school districts that do not receive the benefits, taking the money from them, and giving it to the school districts that receive the benefits. On the basis of the expert testimony, the school districts that are not impacted have to pay more taxes and the school districts that are impacted pay substantially less in taxes.

I submit it makes sense, on the basis of the expert, competent, professional testimony, that we should provide only the amount requested by the administration.

I realize that the Moss amendment which was accepted by the committee, making up the entitlements from 93 to 100 percent, was directed in precisely the opposite direction. Nevertheless, because the action was taken with only a few Senators on the floor and with little debate, I feel, on the basis of the competent, professional testimony, we should go back to the amount requested by the administration.

HOSPITAL CONSTRUCTION APPROPRIATION IGNORES $159 MILLION STILL AVAILABLE FOR SPENDING

In the second place, we have a situation in which the amount provided for hospital construction cost has been increased from $100 million to $150 million. In doing this, the administration says the Appropriations Committee ignores certain facts. The Appropriations Committee has said that the increased $100 million of additional spending for hospital construction will not make an inroad on the 160,000 bed deficit in general hospitals that there is in the country. They argue that it will scarcely keep pace with the increase in population and the increased need which will result. They overlook the following facts:

First, there is a 75,000 bed additional availability that has been ignored by the Appropriations Committee in veterans' hospitals.

Second, their basis for figuring a 160,000-bed shortage is that there should be 4½ beds per 1,000 population. This formula was arrived at 15 years ago. Fifteen years ago the situation was quite different. It was at a time before the enormous advances which have been made that greatly reduced the length of stay in hospitals, and have tremendously changed the situation in hospital care.

The administration says that, in their judgment, this estimate is no longer valid and that a new estimate should be made. As a matter of fact, the administration is now working on a study to determine what should be available and what the shortage actually is.

In the third place, the fact is that the main shortage is not in the small towns and cities. Because of the way the Hill-Burton Act has been written, the small communities are taken care of. It is mainly an urban shortage now, and a new formula has been under study to take care of the situation. In the meanwhile, the administration feels it would be foolish to approve the funds provided.

Finally, the fact is that last year $209 million was appropriated, but of this figure, only $59 million was made available, leaving $159 million available to be used in fiscal 1963, along with whatever Congress appropriates this year.

Year after year Congress has appropriated more funds than have been committed. On the basis of the enormous funds available, it seems difficult to justify going $50 million over what the administration requested for hospital construction.

NIH REQUESTS $120 MILLION EXCESSIVE

The final comment is in the area of the National Institutes of Health. Not only the President, not only the Secretary of Health, Education, and Welfare, not only Dr. Shannon, Director of the National Institutes of Health, agree that this amount is enough and that more should not be given, but Representative FOUNTAIN, chairman of the Intergovernmental Relations Subcommittee, who has completed an exhaustive study and made unanimous reports on mandatory improvements before NIH should have an increased amount of funds, said this on July 13. He wrote this to Dr. Terry, Surgeon General of Public Health:

> I sincerely believe it would be a disservice to your agency, to the cause of medical research, and to the taxpaying public if appropriations for the National Institutes of Health were increased beyond the amount the President has recommended before you have developed the ability to manage effectively these large and complex programs. I greatly appreciate your desire to keep me fully informed of the steps that are taken to achieve this objective.

Mr. President, everybody wants to vote against disease. Cancer is not popular in the United States of America. Heart disease is not popular. Mental illness is something we are all against. Nothing is easier than to go back home and to say that, "Although the President of the United States is also against it, and although the Director of the National Institutes of Health is also against it, for my money, we have not appropriated enough. I want more money to be appropriated."

This is wasteful, Mr. President. It does not improve medical research. It does not work. It is inefficient. Politically, it can be understood very easily, but it does not make for an effective battle against disease.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Ohio.

Mr. LAUSCHE. Am I to understand that the officials in charge of the National Institutes of Health have said the moneys recommended in the budget are the moneys that can be prudently and efficiently spent in doing the work that is needed in research?

Mr. PROXMIRE. It is my understanding that that is the position of Dr. Shannon. Dr. Shannon has not made any explicit statement in funds. He feels it would be a political action for him to say the amount should be reduced or that NIH should not have more, but he has asserted that this is the amount they want, this is what they need, this is what they can use efficiently.

Mr. LAUSCHE. If he has not made a statement concurring in what I have said, his officials have, in substance, taken that position?

Mr. PROXMIRE. That is correct.

Mr. LAUSCHE. The Senator from Wisconsin is asking that the amounts recommended be reduced to the level conforming to what has been the advice of the experts as that which can be intelligently and efficiently spent?

Mr. PROXMIRE. The Senator from Ohio is absolutely correct.

Mr. HILL. Mr. President, will the Senator yield with reference to the question asked by the distinguished Senator from Ohio?

Mr. PROXMIRE. I shall be very happy to have the Senator take it up on his own time.

Mr. HILL. If the Senator will yield on that point, I want to get the record straight, if the Senator wants the record to state the truth.

Mr. PROXMIRE. I do. I simply asked the Senator to do it on his time; but I yield.

Mr. HILL. I wanted to tell the Senator that the heads of the Institutes themselves asked for $1,029,945,000, which is $129,945,000 more than the Senate Committee on Appropriations approved.

So far as Dr. Shannon is concerned, not including the funds for training, he urged a minimum of $885 million plus the funds needed for training, which would run the amount well over the $900 million now recommended by the Committee on Appropriations.

That is all in the hearings before the Senate Committee on Appropriations.

Mr. PROXMIRE. I understand. I am familiar with that.

The heads of the Institutes of Health indicated how much money could be spent if they were given an unlimited amount of money, but the fact is that the Department of Health, Education, and Welfare, which has responsibility, and Dr. Shannon, who has responsibility, had to decide on priorities. The recommendations made were substantially smaller. The recommendations were far less than those of the Senate Committee on Appropriations.

Mr. HILL. Mr. President, will the Senator yield?

Mr. PROXMIRE. At no time did Dr. Shannon indicate dissatisfaction with the amount recommended by the President.

Mr. HILL. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield.

Mr. HILL. Dr. Shannon's recommendations were for $885,314,000, not including some $60 million extra for training funds.

Mr. PROXMIRE. I understand that.

Mr. HILL. Dr. Shannon's recommendations were higher than the funds now recommended by the Senate Committee on Appropriations.

Mr. PROXMIRE. I understand that. Obviously, it is impossible to give any agency everything it can spend. It is my understanding that each of the departments under the Defense Department asked for 25 or 30 percent more money than was recommended. Every agency individually asks for a large amount.

However, when the requests were all reconciled and determination was made by the President, the Secretary of Health, Education, and Welfare, and Dr. Shannon, the head of the National Institutes of Health, with regard to how much to ask for, they arrived at a figure of $120 million below what the Senate Committee on Appropriations has recommended.

I should like to point out the great increases which the National Institutes of Health have spent for research. In 1961 the sum was $383 million. In 1962 it was $558 million.

For the next year, if the Proxmire amendments should be agreed to, $679 million would be spent. That would be an exceedingly great increase.

I am not asking that research be stopped, cut back, or reduced. I am asking that it increase rapidly, but at a prudent rate—at the rate recommended by the responsible authorities who are in charge.

A table which I placed in the RECORD the other day shows that if the Proxmire amendments were agreed to in the case of general research there would be an increase of 16 percent. For the Cancer Institute the increase would be 20 percent, even if the Proxmire amendments were agreed to, compared to last year. In the Institute for Mental Health the increase would be 18 percent. In the Heart Institute the increase would be 18 percent.

The overall increase would be 20 percent in the budget, if my amendments were agreed to. It is true that the Senate committee would go higher than this, but the fact is that the Proxmire amendments would provide for the availability of $134 million more than the National Institutes of Health spent last year.

As I say, the National Institutes of Health have been growing at a very rapid rate.

QUALITY OF FUNDED PROJECTS DECLINING

Mr. President, the essence of this situation has been stated in my colloquy with the distinguished chairman of the subcommittee of the Appropriations Committee [Mr. HILL], as to what kind of research is to be provided. It should be noted that the proportion of applications rated in the highest priority class has been steadily decreasing. New research applications receiving such a superior rating have declined from 4 out of 10 in 1956 to fewer than 1 out of 4 in 1960. Therefore, a far smaller proportion has gone into this higher rated, high-priority class.

Furthermore, according to the NIH criteria for rating grant projects, the average quality of such projects has been steadily declining in recent years, because so much money has been made available. The proportion of the best projects has declined while there has been a corresponding increase in the lowest priority class. The latter increased from 1 percent in 1956 to nearly 4 percent in 1961. It is probable that the large annual increases in the NIH appropriations made in the past few years have contributed to the increasing support of lower quality research.

Dr. Shannon said in his testimony before the Fountain subcommittee:

> I think the things we propose to do this coming year to shore up our administrative devices will be made somewhat more difficult by the increased funds which we apparently are going to have available.

There is no question that the Fountain subcommittee found, over and over again, that one of the really great difficulties in regard to an efficient and competent operation, in regard to providing for high-quality research which is effective, is the fact that the Appropriations Committee has insisted on forcing more money on these agencies than they can efficiently spend.

Mr. President, the crux of my argument is that by providing more money we would not be buying better research. We would be buying more research, but it would be of a lower quality. Some of the manpower which ought to be used for saving lives, for medicine directly, for high priority research projects, would be diverted into low priority research projects.

PROXMIRE AMENDMENT RELIEVES PRESSURE ON LIMITED PROFESSIONAL PERSONNEL

The fact is that at the present time there is a serious shortage of medical personnel. Early this year—I think in May—the President of the United States said:

> We now have 92 medical and 47 dental schools. These graduate only 7,500 physicians and 3,200 dentists each year. If during the next 10 years the capacity of our medical schools is increased 50 percent, and that of our dental schools by 100 percent, the output will still be sufficient only to maintain the present ratio of physicians and dentists to population.
>
> To do this we must have within the next 10 years substantial increases in enrollment in existing schools, plus 20 new medical schools and 20 new dental schools.

The President went on to appeal for a bill which is now pending before the Committee on Education and Labor of the House and the Committee on Labor and Public Welfare of the Senate, which would provide for additional loan funds—originally scholarship funds—and also for additional construction funds for medical schools. The proposal is now pending in the Congress. Even if this proposal should be enacted this year, there still would be a very serious shortage of trained medical personnel for years to come.

The difficulty in what is happening is that we are training professional personnel who already have graduated, who already have their M.D. and Ph. D. degrees. These people have been used for research projects. Of course, they should be used in an increasing number, but the excessive number being engaged means that these people are being diverted from their vital role as doctors, and especially as professors at medical schools.

They are being diverted into an area in which only the lowest priority research projects are considered. On the basis of all the evidence, that is what would be approved if the additional money were provided.

The real need is for programs at a lower level of education. The difficulty is that the training funds, which have been increased, as I understand, by almost $55 million by the Appropriations Committee—over the increases already recommended by the administration—would be used for the training of people for work at the post-post-graduate level. These people already have their Ph. D. degrees and their M.D. degrees, and are in very short supply for essential work.

This program would not provide the funds needed at the undergraduate levels.

I wish to report to the Senate the comments made by the Bureau of the Budget about this bill in relation to the NIH training grants.

The Bureau of the Budget said:

> The $55 million that the House and Senate added for training grants does not in any way replace the President's request for this medical bill. First, most NIH training grants are to students already possessing an M.D. degree, while this bill devotes exclusive aid to medical students who do not possess an M.D. degree.
>
> The President's bill calls for aid to medical schools and for the construction of 25 new ones to give us the needed facilities to maintain our physician-patient level. NIH training grants are used for research. In brief, the philosophy of the two programs is quite different. One is to give us practicing M.D.'s to meet our growing needs in this area; the other is to give us increased research capacity.

PROXMIRE AMENDMENT PERMITS $134 MILLION RESEARCH INCREASE

We are moving ahead at a rapid pace in research.

If the Proxmire amendments are agreed to, there will be $134 million more for research than was provided last year. There will be an increase all along the line, for virtually every one of the Institutes. We shall be proceeding at the prudent and sensible pace which the President of the United States recommends. The President is a convinced liberal, who is deeply devoted to medical research.

The Secretary of Health, Education, and Welfare also says that this is the way to proceed.

Mr. President, I reserve the remainder of my time.

The **PRESIDING OFFICER** (Mr. PELL in the chair). The Senator from Wisconsin has 3 minutes remaining. The Senator from Alabama is recognized.

Mr. **HILL**. Mr. President, the bill as reported to the Senate provides for $53,279,100 under the overall budget estimates for 1963.

The amendments of the Senator from Wisconsin would strike from the bill some $44,000 needed to meet the full entitlements under the statute for vocational education.

Today there is that much of a deficit in the entitlements for vocational education which go to the States for distribution to the high schools and vocational schools throughout the States.

The amendment of the Senator from Wisconsin would also strike from the bill funds for the payment of the full entitlements in defense-impacted areas. Since the enactment of the legislation during World War II, the Congress has not failed in any instance to provide for the full entitlements. The school districts back home in the various States employ their teachers and make plans for the maintenance and operation of their schools on the basis of commitments in the Federal statutes. We have honored such obligations by providing the necessary funds to pay them. The funds recommended by the Senate Committee on Appropriations would continue to do so. Not one dollar more is appropriated than what is necessary to meet the obligations of entitlements under the act.

The distinguished Senator from Wisconsin has said much about experts. The Office of Education of the Department of Health, Education, and Welfare, which Office has responsibility for the administration of the funds, requested funds in the amount now shown in the bill before the Senate. The amount is exactly in line with the funds requested by the Office of Education of the Department of Health, Education, and Welfare. The reduction made in the funds was made by someone outside the Office of Education in the Budget Bureau. I cannot understand the argument of the Senator from Wisconsin. Is the Senator from Wisconsin willing to abolish the Congress and permit someone in the Budget Bureau to decide questions involving the various programs of Congress and the question whether we should meet our obligations and pay the entitlements

Everyone knows that, with all due regard and respect for the President of the United States, busy as he is with the many problems he has and the many burdens he must carry in respect to foreign as well as domestic issues, he cannot possibly go into all details of the various appropriations.

Mr. **PROXMIRE**. Mr. President, will the Senator yield on that point?

Mr. **HILL**. I yield to the Senator from Wisconsin.

Mr. **PROXMIRE**. Tuesday afternoon I called Mr. McMurrin, head of the Office of Education, and asked him about the item. Mr. McMurrin has supported the administration 100 percent. He said, "That is all that can be justified. The people who work in the field say that 81-percent entitlement is just, fair, and proper."

He did not hesitate 1 minute on that question. He was perfectly free to give me another viewpoint, but he told me that was his position.

Mr. **HILL**. I have been a member of the Committee on Appropriations for 13 years. Regardless of who the President may be, whether Republican or Democratic, after the budget is once sent to the Congress, the heads of the department must support that budget. They cannot come here and say, "We want more money."

The Office of Education made a request to the Budget Bureau for the fund to meet the full entitlements. In making their requests they were free to express their own honest opinions as to what the needs were. After the budget is sent to the Congress, they are then bound by the budget. Any member of the Appropriations Committee knows that.

For the first time since Public Laws 874 and 815 were passed following World War II, the amendment of the Senator from Wisconsin would deny to States and their school districts the entitlements and commitments written into those statutes.

The amendment of the Senator from Wisconsin would also strike from the bill funds for vocational rehabilitation. The testimony before the Senate committee shows that no funds appropriated by Congress bring greater results, more profit, or bigger dividends than do the funds for vocational rehabilitation. A person who is crippled and disabled is not only a burden to himself, but also to his family and the Nation's economy. When such a person is rehabilitated, he finds a useful job, becomes a productive person, and pays his fair share of taxes.

The amendment of the Senator from Wisconsin would strike from the bill funds upon which the Senate Appropriations Committee agreed a year ago. The Senate and the House ratified the measure, and the President also ratified it when he signed the bill. The provision made available funds for the construction of a water laboratory at Athens, Ga. The question was threshed out a year ago when the money was appropriated for planning and the acquisition of a site. We are merely carrying out the plans and the program on which the Congress and the President agreed a year ago.

The amendment of the Senator from Wisconsin would strike from the bill grants to States totaling $1 million for the control of tuberculosis. Those funds are to be spent by the State health departments and the county health units in the battle waged against the dread disease of tuberculosis.

The amendment of the Senator from Wisconsin would also strike from the bill approximately $500,000 for dental services, and better dental care in the prevention and control of dental diseases. We are coming more and more to realize, and our scientists and doctors are bringing to our attention, the fact that many diseases have an oral origin. They have their beginning in the mouth. The infections from germs and viruses start in the mouth and proceed to other parts of the body. The $500,000 would be devoted to the purpose of combating dental disease.

The Senator's amendment would strike from the bill approximately $50 million of funds for the construction of hospitals. Year after year we have provided the full $150 million for the construction of hospitals. The amount which the Senate Committee on Appropriations has recommended and has placed in the bill is exactly the amount which the Department of Health, Education, and Welfare requested. The Department asked for the funds. It said they were needed. The Department said the funds should be provided because it is known that at the present time a need exists for an additional 1,653,781 beds. The funds recommended by the Appropriations Committee would carry out the recommendations of the Department of Health, Education, and Welfare and would provide approximately 57,076 beds together with construction apart from the Hill-Burton program. To replace obsolescent beds for the present fiscal year and to provide beds for the increasing population for this fiscal year, approximately 69,070 beds would be required. In other words, even with the number of beds recommended by the Department and provided in the bill reported by the Senate Committee on Appropriations, we would still be approximately 12,000 beds short in meeting the problem created by beds becoming obsolete and the need for additional beds because of increased population. Nevertheless, as I have said, there has been a deficit of approximately 1,153,000 hospital beds in our country. The Senator would make the deficit even greater.

Today States are ready to put up their share of the $1,620,405,000. The Federal Government would put up a third of that amount, or $570 million. In other words, the States would continue to do as they are now doing and would put up far more than would the Federal Government. The record shows the number of applications on file with the U.S. Public Health Service to go forward with building desperately needed hospitals under the program.

We have a letter from the State and territorial health officers. They are the health officers in charge of our health departments. They call attention to the fact that the States and local communities, through levying local taxes, put up about $3 for every $1 contributed by the Federal Government. The States are prepared to go forward with a great program calling for the expenditure by the States of $1.6 billion and $579 million by the Federal Government. We are recommending in the bill an appropriation of only $220 million. Yet the Senator from Wisconsin would eliminate a substantial part of the $220 million.

The amendment of the Senator from Wisconsin would also take $1 million from the funds proposed to be devoted to air pollution control. Today, with the exhausts of automobiles, fallout, and other elements that contaminate and pollute our air, we know that nothing is more important than the control of air pollution.

The respiratory diseases and the diseases of the chest and the lung have been increasing because, in the opinion of doctors and scientists, they are caused by air pollution. Yet the Senator from Wisconsin would strike a million dollars out of that program.

We are all familiar with the epidemic of infectious hepatitis in the last 2 or 3 years. The Senator from Wisconsin would strike out funds for the construction of a shellfish laboratory to study the matter of hepatitis, because it is the opinion of doctors and scientists that much of the hepatitis comes from shellfish. The Senator from Washington [Mr. MAGNUSON] reminds that it comes from water. Yes, it comes from water through the shellfish, which carry hepatitis.

Then the Senator from Wisconsin would strike out funds that I am sure he did not realize would be stricken, dealing with foreign quarantine fees. These are fees that the Quarantine Service collects in foreign quarantine locations. We provide for the fees to come into the Treasury and then to have them appropriated out of the Treasury. That is the only way we can know how these funds are being used. The Committee on Appropriations recommended that we would better know what the fees are, and how much they are, and what is coming in and how they are being used by the method we recommend.

On the National Institutes of Health, as I have previously called attention, the Senator from Wisconsin has stated that the experts wanted the budget amount, and therefore he was proposing to reduce the bill to that amount.

The truth is that the experts at the National Institutes of Health—in cancer and in arthritis and in allergies and in neurology and in blindness, and in all the other fields—asked for $1,029,945,000. That recommendation went to the head of the Institutes, Dr. Shannon, into whose mouth the Senator from Wisconsin has put a good many words today. I say that with all due respect to the Senator. Dr. Shannon reduced that amount to $885,314,000. Before they had finished the study with respect to the amount of training that was required, they found that they would need an additional $60 million.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. MAGNUSON. How much would the Senator strike out from the appropriation for mental health?

Mr. HILL. He would strike out $21,700,000.

Mr. MAGNUSON. I merely wish to point out, as I did on the floor the other day, that we run into error in trying to evaluate these things dollarwise as to what one can do and what one cannot do with research. This is one place where we cannot talk about dollars, although I know that all of us are trying to save money, and I am sure the Senator from Wisconsin seriously has that in mind. I am about to have a bill come from the House in which there will be slightly over $1 billion for the Veterans' Administration for hospital care—inpatient and outpatient care. Every other bed, as the Senator from Alabama knows, in the 180-some-odd veterans hospitals, is a mental case. If that is true, then there is close to $500 million that we are spending to take care of veterans only in the mental health field. So far as $21 or $30 million is concerned, or whatever the amount might be, if we can make a breakthrough in this field, it will save us in 1 year the whole amount.

Mr. HILL. It would indeed. The Senator knows that as a result of medical research in the last several years we have saved $1.5 billion in construction facilities alone, because after nearly 180 years, for the first time, a few years ago, we turned the tide. Instead of the number of mentally ill people getting larger and larger each year, we let some 32,000 out of the hospital, reducing the costs to our States and reducing the costs to families. Many of these people have been able to become productive citizens and to make a living and to pay their fair share of the taxes.

Mr. MAGNUSON. I think that would be a very reasonable amount for mental health. I am using that figure as an illustration. It seems to me to be reasonable when we spend a half billion dollars a year alone for veterans only. The Senator from Alabama remembers that he and I a few years ago had the same kind of argument made with respect to TB research.

Mr. HILL. And we had the opposition then just as we have now.

Mr. MAGNUSON. Yes. We now find that the veterans' hospitals are about to close up their TB wards, because we have had that breakthrough.

Mr. HILL. Yes. The Senator was speaking about the mental health situation. I should like to call attention to the testimony of Dr. Jack Ewalt. He is a former mental health commissioner of the State of Massachusetts, and is now a professor of psychiatry at Harvard University Medical School, and Director of the Joint Commission on Mental Illness and Health. This is what Dr. Ewalt testified:

> One hospital that has not had a good public relations man, has not been heard of as much as some, is a State mental hospital in Worcester, Mass. In 1950, it had 2,900 patients, which was 30 percent over its capacity. Twelve years later that hospital has 1,800 patients, which is under its capacity. Obviously it is no longer overcrowded.
>
> Now, this was achieved not by any magic but by the plain commonsense application of hiring new personnel, many of whom were trained in the programs instituted by the Institutes of Health, by applying new methods developed in research by the National Institute of Mental Health.

Then Dr. Ewalt goes on to say:

> In an NIH-financed grant in New York, they were able to show that by instituting proper rehabilitation techniques that the particular sample of patients they had, had been running at a relapse rate of 35 percent—is currently running at 10 percent. This is a substantial saving in human misery, saving in money.

Then Dr. Ewalt goes on to tell how in the hospital which he runs in Massachusetts they had been able to cut down the mental illness cases to such an extent that today 62 percent of those cases can be taken care of at home during most of their illness.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HILL. I yield to the distinguished Senator from Ohio.

Mr. LAUSCHE. The amendment of the Senator from Wisconsin would cut the appropriation bill by $247 million. Is that correct?

Mr. HILL. That is correct.

Mr. LAUSCHE. He states that that sum reflects the increases granted in the several subjects covered by the amendment. The bill as reported by the committee calls for $53 million, as I understand it, below the budget estimate.

Mr. HILL. Below the overall budget. The Senator is correct.

Mr. LAUSCHE. My question is, How was the whole appropriation kept below the budget estimate, if the items mentioned by the Senator from Wisconsin were increased $247 million?

Mr. HILL. We made reductions in some other items. The Bureau of the Budget recommended for the social security item $2,688,300,000. The Senate followed the House in reducing that amount to $2,538 million. In other words, we reduced it $150 million.

The Senator from West Virginia [Mr. BYRD] is chairman of the Subcommittee on District of Columbia Appropriations. We knew of his disclosures concerning waste in the welfare program in the District of Columbia. We asked the Senator from West Virginia if he would not write the language for this part of our report. I shall read it to the Senate, because it shows why we made a reduction in this instance and increases in other places, as I have tried to explain.

This is the language written by the Senator from West Virginia:

> The recent investigation into the welfare programs in the District of Columbia has been followed with great interest by the committee. The final result of the investigation of the 5-percent sample of the aid to dependent children program disclosed that 66 percent of the cases were ineligible, thus leaving only 34 percent of the cases as eligible. This, in the committee's opinion, constitutes a shocking waste of Federal and local funds. The committee has previously been advised by the Federal agency that ineligibility in the caseload throughout the country is estimated to be less than 2 percent. If the situation found to exist in the District is common to other large cities, it is estimated that the waste of public funds would run into the hundreds of millions of dollars.
>
> The committee will expect the Department to make an all-out effort to carefully review eligibility under the ADC program throughout the country. This review should include local, State, and Federal personnel organized into a concerted effort to eliminate any abuses of the program. A full report of the Department's findings will be expected when the Department appears before the committee next year. It is incumbent upon the committee to insist upon a thorough check in view of the seeming complacency exhibited by Federal, State, and local community officials, particularly in light of the results disclosed through the special investigation in the Nation's Capital.

Mr. LAUSCHE. The committee proceeded to determine priorities, and it felt that the items in which it made increases were entitled to priority, while others were not entitled to the amounts which were asked for; and therefore they were reduced.

Mr. HILL. The Senator is exactly correct. The committee, as an agent of the U.S. Senate, felt that it was exercising a constitutional responsibility and a constitutional duty to the Senate and to Congress. We are the legislative representatives. We are the appropriations representatives. As the Senator from Ohio well knows, not one dollar can come out of the Federal Treasury, under the Constitution, except by an act of Congress. It was not the intention of the Founding Fathers of the Republic to leave to some civil service employee the determination of what should be done with the people's money. That is the duty, the obligation, and the responsibility of Congress.

Mr. LAUSCHE. By how much has the Senate increased the recommendation of the committee in the amendments that have thus far been accepted? I know that $25 million is provided in the retraining program. How much has the amount been increased on the Senate floor?

Mr. HILL. The committee has a budget estimate for $100 million for manpower training activities. The Senate has provided $75 million, which is $25 million below the budget estimate.

Mr. LAUSCHE. But $25 million more than the committee recommended?

Mr. HILL. That is correct.

Mr. LAUSCHE. Was any other item increased on the Senate floor?

Mr. HILL. Under Public Law 874, we have provided $15 million for impacted areas. So far as that $15 million is concerned, it was agreed to by a conference committee on the supplemental appropriation bill and will be dropped out of this bill. It was agreed to today in the conference committee which considered the supplemental appropriation bill.

Something has been said by the Senator from Wisconsin about the quality and priority of the applications. The Senate ought to understand that when an application comes to the NIH from a research investigator, it is first processed by the Division of Research Grants. On the basis of the scientific specialty into which it falls, it is then referred to one of the 42 technical study sections which conduct the initial review of all applications. The study sections are composed of some of the most distinguished nongovernmental scientists in the country. They are taxpayers, as well. Those scientists are charged with the task of accepting or rejecting the applications, without regard to the position of the National Institutes of Health.

In reviewing applications, a typical study section, composed of 19 or 20 scientists, gives most careful attention to the professional competence of the investigators, to the importance of the research problem, and to the amount of money requested in relation to research knowledge which may eventuate from such a project. In a significant percentage of cases, the study section reduces both the amount of money to be awarded and the length of time to be consumed in an individual line of inquiry. Furthermore, the study sections turn down an average of one out of every two projects and, in the case of many study sections, the rejection rate is as high as two out of every three projects.

Mr. President, I yield 2 minutes to the Senator from West Virginia.

Mr. BYRD of West Virginia. Mr. President, the committee approved the House allowance of $5,810,000 for juvenile delinquency and youth offenses. This is the amount which the Department indicated would be spent this year. This is an extremely worthwhile item. An application has been submitted by the Charleston, W. Va., Youth Community, Inc., for a few thousand dollars to establish and operate a demonstration project aimed at reducing the increasing delinquency and crime rate among our young people. I believe that rendering financial assistance to that organization would help serve the purposes of the President's Committee on Juvenile Delinquency and Youth Crime.

The need for such a demonstration project in West Virginia, as proposed by Charleston Youth Community, Inc., a nonprofit organization, is underlined by the economic distress prevalent in many of the State's communities—distress which contributes to school dropouts and compounds the difficulties faced by young people when they apply for the limited job opportunities that are available.

Such a youth demonstration project in Kanawha County, which contains one-seventh of the State's population, would have permeating benefits throughout West Virginia, and would serve as a useful guide for other economically distressed Appalachian region areas that are likewise faced with youth problems.

The sponsors of Charleston Youth Community, Inc., are among the finest people to be found in the businesses and professions, and the social, political, and labor organizations in West Virginia. They are people whose advice and counsel can be counted on to provide the demonstration project with the kind of self-evaluation and leadership that may be needed from time to time to maintain the vitality of its program.

I urge the Senate to go along with the committee's recommendation in regard to this item.

Mr. President, the Labor and HEW appropriations bill which we are considering today carries two other items of particular significance to the States of West Virginia, Virginia, Ohio, Pennsylvania, and Kentucky, as well as to some fringe areas of several adjacent States. Both items are amendments which I submitted to the subcommittee when it was considering this bill, and which were adopted and subsequently approved by the full Appropriations Committee.

One of my amendments is for $520,000 for the establishment of a U.S. Public Health Service pneumoconiosis research, study, and rehabilitation program, which the Agency advises it would center in Beckley, W. Va., because of that city's central location in the bituminous coal fields of the Appalachian region.

According to the medical specialists in the U.S. Public Health Service, pneumoconiosis, a lung disease found among coal miners, may be on the increase because modern methods of mining coal often tend to enhance the dust problem. In a 1961 X-ray survey of over 5,000 coal miners, evidence of pneumoconiosis and massive fibrosis was found in substantial number.

Thus, one can readily see that the establishment of this pneumoconiosis project is of vital importance to our coal miners, to our coal industry, and to the unimpaired production of coal for the Nation's energy needs. As the U.S. Public Health Service develops further knowledge about pneumoconiosis, much good work can be done to prevent unnecessary lung diseases and resulting disabilities among our coal miners.

The pneumoconiosis project in Beckley, W. Va., would be assisted by the use of several mobile laboratories. These would make critical tests and X-rays right at mine pits anywhere in the Appalachian bituminous coal fields. Thus, miners who are found to show preliminary evidence of the disease could be treated before a serious advancement takes place and before costly, extended medical care and possible rehabilitation become necessary. This project is highly commendable and worthy of support by all Senators.

My other amendment concerns an appropriation of $500,000 for the establishment of an Ohio River Basin water pollution control project, possibly to be located at Wheeling, W. Va., because that city is preferred by the U.S. Public Health Service from an operational standpoint.

While the Ohio River is one of the Nation's important water highways for commercial traffic, it also has the dubious distinction of being the main drainage stem for many polluted tributaries. This pollution situation, if left to be corrected by means other than a massive attack on the problem, would militate to an increasing extent against the economic and social growth of the entire basin.

My amendment would enable the U.S. Public Health Service to concentrate a concerted effort to reduce and abate pollution in the entire Ohio River Basin, and provide this industrial heartland of America with the kind of water quality required for industrial growth and expansion.

The initial $500,000 appropriation for this project would enable the U.S. Public Health Service to collect data, make projects of municipal and industrial water demands and waste discharges. It would also enable the Agency to provide a basis upon which public officials can make policy decisions involving waste control at the source, stream flow regulation, water supply and reuse, and attending financial and legal problems.

Mr. President, the health of our coal miners, and water of good quality, are essential to the economic and social wellbeing of America. And while my amendments may seem regional in their application, their long-range effects would be wholesome for the country as a whole.

Mr. HILL. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Alabama has 4 minutes remaining.

Mr. HILL. I reserve those 4 minutes. How much time remains to the Senator from Wisconsin?

The PRESIDING OFFICER. The Senator from Wisconsin has 3 minutes remaining.

Mr. HILL. Mr. President, in the 4 minutes remaining to me, it would not be possible to tell the story of what has been accomplished through medical research. However, all that is necessary is to turn to some of the leading periodicals. On July 8, 1962, the Washington Sunday Star published an article by Dr. Jonas Salk, the father of the polio vaccine. In his article, Dr. Salk emphasizes the importance of and the need for medical research. He looks to the day, not too far distant, when there will be a vaccine not only for one virus, but for as many as 100 viruses. Think of it—one vaccine to give protection from 100 viruses.

In the Ladies Home Journal for June 1962—less than 30 days ago—is an article which tells the story of the great advances which have been made in the battle against cancer. Great progress has been made in that field through medical research.

Look magazine for July 17, 1962—only 3 days ago—tells the story of the remarkable progress being made in the battle against Parkinson's disease, a disease which is commonly known as shaking palsy. At long last a cure is in sight for that disease, from which mankind has suffered through the centuries.

If I had the time, I could cite story after story, telling what has been accomplished in the field of medical research.

Mr. MAGNUSON. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. MAGNUSON. Cannot the story be summed up quickly by saying that in the past 17 years the longevity of Americans has increased 6.7 years?

Mr. HILL. That is correct. As the Senator from Washington has said, that is due to medical research.

Mr. MAGNUSON. And not all of it Federal research.

Mr. HILL. Oh, no. While medical research is being conducted by the Government, it is also being financed by private foundations, such as the Rockefeller Foundation, the Ford Foundation, the American Cancer Society, and other voluntary nonprofit organizations. But all of those engaged in research are working together in the interest of the health and lives of the people of the United States. Today, the average life expectancy of a child born in this country is now a full threescore years and ten. This has been accomplished almost entirely by medical research.

Mr. RANDOLPH. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield to the Senator from West Virginia.

Mr. RANDOLPH. The Senator has expressed appreciation for medical research, both private and governmental. I remember that, while on a visit to Pittsburgh, I noted that a popular singer had received $15,000 for appearing for 1 week in a night club in that area. I recall the fact that only that day I had been told that Dr. Jonas Salk received $15,000, not for a week, but for 1 year, in the creative labor of mind and body which has so characterized his vital contributions. I embrace this occasion to say that perhaps we need to have a better sense of values as we weigh the dedication of these scientists and researchers, who give of their talents so completely for the benefit of humanity.

Mr. HILL. Mr. President, I join the Senator from West Virginia in his tribute to our dedicated scientists and research workers who day after day, week after week, and year after year, carry on this work in medical research, although with very little financial return so far as they, themselves, are concerned.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. PROXMIRE. Mr. President, to listen to the remarks of the distinguished Senator from Alabama, who is so eloquent and so deeply convinced on this subject, one would think the Senator from Wisconsin was in favor of cancer and heart disease and illnesses of other kinds and was opposed to research.

First, I wish to say that my amendment simply will reduce the appropriation to the level requested by the Kennedy administration—not as requested by the Coolidge administration or the McKinley administration, but as requested by the Kennedy administration, which is devoted to all these programs.

Because my amendment deals with impacted school districts, and reduces appropriations in this politically sensitive area I am sure I will lose Senate support. Those who work and have responsibility in this field say that only 81 percent of the entitlements can be justified.

In the area of hospital construction, there is no question that the administration has recommended an increase of $100 million; and $150 million is still available in this fund, not obligated. An additional $50 million over this amount simply cannot be justified.

There is also no question that a very careful analysis and study should be made of the charge that there is a shortage of 1 million hospital beds, before the increase which has been proposed is accepted.

Finally, Mr. President, I stress the point that I am not opposed to research or improvements in medical science any more than President Kennedy or Secretary Ribicoff or any of the others who joined in making this recommendation to Congress.

My amendment would allow a $134 million increase—a 20-percent increase over the amount available last year—for research in cancer, mental health, heart disease, and so forth. As a result of my amendment, in all these areas, far more money would be available than the amount which has been available before.

The gist of the argument of the Senator from Alabama and the Senator from Washington is that we have made great progress in the past. I agree 100 percent as to that, and I say we should do better in the future. That is why I favor providing $134 million more—20 percent more than these agencies have ever had. It seems to me that should be adequate.

Mr. LAUSCHE. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. LAUSCHE. Mr. President, I shall vote for these amendments. I shall do so because I believe that for every mistake made in requesting too little for the Washington operations, 100 mistakes are made in requesting too much; and under those circumstances, if I am going to err, I am going to err in voting for the appropriation of too little, because I think such a course is the best one to follow in connection with the greatly desired solution of the problems confronting us.

Mr. President——

The PRESIDING OFFICER. All time available on the amendments has expired.

Mr. PROXMIRE. Mr. President, on the question of agreeing to these amendments, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. HILL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HILL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendments of the Senator from Wisconsin [Mr. Proxmire]. On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Tennessee [Mr. Gore], the Senator from North Carolina [Mr. Jordan], the Senator from Louisiana [Mr. Long], the Senator from Oklahoma [Mr. Monroney], the Senator from Oregon [Mr. Morse], and the Senator from Alaska [Mr. Gruening] are absent on official business.

I further announce that the Senator from Arkansas [Mr. Fulbright] is necessarily absent.

On this vote, the Senator from Oregon [Mr. Morse] is paired with the Senator from Iowa [Mr. Miller]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from Iowa would vote "yea."

On this vote, the Senator from Oklahoma [Mr. Monroney] is paired with the Senator from Arizona [Mr. Goldwater]. If present and voting, the Senator from Oklahoma would vote "nay," and the Senator from Arizona would vote "yea."

On this vote, the Senator from Tennessee [Mr. Gore] is paired with the Senator from Colorado [Mr. Allott]. If present and voting, the Senator from Tennessee would vote "nay," and the Senator from Colorado would vote "yea."

I further announce that, if present and voting, the Senator from Alaska [Mr. Gruening], the Senator from North Carolina [Mr. Jordan], and the Senator from Louisiana [Mr. Long] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. Allott] is absent on official business.

The Senator from Utah [Mr. Bennett], the Senator from Indiana [Mr. Capehart], the Senator from Arizona [Mr. Goldwater], the Senators from Iowa [Mr. Hickenlooper and Mr. Miller], the Senator from Kentucky [Mr. Morton], the Senator from New Hampshire [Mr. Murphy], the Senator from Kansas [Mr. Pearson], and the Senator from Pennsylvania [Mr. Scott] are necessarily absent.

On this vote the Senator from Arizona [Mr. Goldwater] is paired with the Senator from Oklahoma [Mr. Monroney]. If present and voting, the Senator from Arizona would vote "yea" and the Senator from Oklahoma would vote "nay."

On this vote the Senator from Utah [Mr. Bennett] is paired with the Senator from New Hampshire [Mr. Murphy]. If present and voting, the Senator from Utah would vote "yea" and the Senator from New Hampshire would vote "nay."

On this vote the Senator from Indiana [Mr. Capehart] is paired with the Senator from Kansas [Mr. Pearson]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from Kansas would vote "nay."

On this vote the Senator from Kentucky [Mr. Morton] is paired with the Senator from Pennsylvania [Mr. Scott]. If present and voting, the Senator from Kentucky would vote "yea" and the Senator from Pennsylvania would vote "nay."

On this vote the Senator from Colorado [Mr. Allott] is paired with the Senator from Tennessee [Mr. Gore]. If present and voting, the Senator from Colorado would vote "yea" and the Senator from Tennessee would vote "nay."

On this vote the Senator from Iowa [Mr. Miller] is paired with the Senator from Oregon [Mr. Morse]. If present and voting, the Senator from Iowa would vote "yea" and the Senator from Oregon would vote "nay."

The result was announced—yeas 24, nays 59, as follows:

[No. 124 Leg.]

YEAS—24

Aiken
Beall
Boggs
Bottum
Bush
Butler
Byrd, Va.
Clark
Cooper
Curtis
Dirksen
Dworshak
Fong
Hruska
Lausche
Mundt
Prouty
Proxmire
Robertson
Talmadge
Thurmond
Tower
Wiley
Williams, Del.

NAYS—59

Anderson
Bartlett
Bible
Burdick
Byrd, W. Va.
Cannon
Carlson
Carroll
Case
Chavez
Church
Cotton
Dodd
Douglas
Eastland
Ellender
Engle
Ervin
Hart
Hartke
Hayden
Hickey
Hill
Holland
Humphrey
Jackson
Javits
Johnston
Keating
Kefauver
Kerr
Kuchel
Long, Mo.
Long, Hawaii
Magnuson
Mansfield
McCarthy
McClellan
McGee
McNamara
Metcalf
Moss
Muskie
Neuberger
Pastore
Pell
Randolph
Russell
Saltonstall
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Williams, N.J.
Yarborough
Young, N. Dak.
Young, Ohio

NOT VOTING—17

Allott
Bennett
Capehart
Fulbright
Goldwater
Gore
Gruening
Hickenlooper
Jordan
Long, La.
Miller
Monroney
Morse
Morton
Murphy
Pearson
Scott

So Mr. Proxmire's amendments were rejected.

Mr. HILL. Mr. President, I move to reconsider the vote by which the amendments were rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I call up my amendments designated "7–18–62—A," and ask unanimous consent that the reading of the amendments may be dispensed with.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none; and, without objection, the amendments will be printed in the Record without reading.

The amendments ordered to be printed in the Record, are as follows:

On page 32, line 2, strike out "$161,826,000" and insert in lieu thereof "$147,826,000".

On page 33, line 3, strike out "$158,409,000" and insert in lieu thereof "$139,109,000".

On page 33, lines 7 and 8, strike out "$148,599,000" and insert in lieu thereof "$126,899,000".

On page 33, line 11, strike out "$149,398,000" and insert in lieu thereof "$126,898,000".

On page 33, line 16, strike out "$22,199,000" and insert in lieu thereof "$17,199,000".

On page 33, line 20, strike out "$105,721,000" and insert in lieu thereof "$91,921,000".

On page 33, line 24, strike out "$68,142,000" and insert in lieu thereof "$59,342,000".

On page 34, line 12, strike out "$86,506,000" and insert in lieu thereof "$71,206,000".

Mr. PROXMIRE. Mr. President, I shall briefly explain the amendments, but first I wish to yield 1 minute, on a personal matter, to the Senator from Washington.

Mr. President, before that is done I ask for the yeas and nays on my amendments, before Senators leave the Chamber.

The yeas and nays were ordered.

Mr. KUCHEL. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. PROXMIRE. I yield for a parliamentary inquiry.

Mr. KUCHEL. Does any Senator have the right, if he desires, to have the amendments divided, so that we can work on them one at a time if we so wish?

The PRESIDING OFFICER. Any Senator is entitled to a division of any measure which contains more than one question.

Mr. KUCHEL. I thank the Presiding Officer.

I wish to say to the Senator from Wisconsin that part of the amendments just rejected I would have supported, and other parts I would not have supported.

I will listen to what the new amendments purport to do. A hurried reading of them convinces me that some things in the amendments previously considered are also in these amendments. I would appreciate it if my friend in his discussion would indicate what he purports to cover.

Mr. PROXMIRE. I thank the Senator from California.

I now yield to the Senator from Washington.

TRIBUTES TO SENATOR JOHN MARSHALL BUTLER, OF MARYLAND

Mr. MAGNUSON. Mr. President, the Senate may not be in session tomorrow. Were it in session tomorrow I would say what I am going to say now at that more appropriate time.

I am reminded that tomorrow is the 65th anniversary of the birth of our distinguished friend, the Senator from Maryland, Mr. John Marshall Butler. I do not know whether I shall have the opportunity to say much about him before he leaves the Senate, so I wish to tell him now that on his birthday I wish him well.

We are sorry to see him leave the Senate. He has been a pillar of strength, influence, energy, and integrity in my committee. I know the business world, the transportation world, the merchant marine world, the communications world, and all others, will sorely miss his sound advice. We wish him well on his 65th birthday.

By the looks of him, we need not pass any medicare bill for him. [Laughter.]

Mr. BEALL. Mr. President, I join the Senator from Washington in paying tribute to my colleague, JOHN MARSHALL BUTLER on his 65th birthday.

JOHN BUTLER has lived an active and full life. He is a veteran of World War I and as an attorney has been associated with one of the finest law firms in the country—Venable, Baetjer, and Howard.

In 1950, the people of Maryland sent him to the Senate. It has been my pleasure to know him and work with him during these past 12 years.

It is my personal regret that he is retiring from the Senate. I am sure his decision is also disappointing to the people of Maryland who admire his honesty, integrity, and statesmanlike decisions.

In retirement, I wish him, his lovely wife, and his fine children health and happiness.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, I should like to yield, but my time is limited. I fear I must proceed, although I join in congratulations to the Senator from Maryland on his 65th birthday.

Mr. BUTLER. I thank the Senator.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that Senators may be permitted to proceed for 5 minutes to discuss the birthday of the distinguished Senator, and that the time not be taken from the time of the Senator from Wisconsin or the time of the other side.

The PRESIDING OFFICER (Mr. HICKEY in the chair). Is there objection to the request of the Senator from Washington? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. Mr. President, was the unanimous-consent request granted, that 5 minutes be allowed, not chargeable to either side?

The PRESIDING OFFICER. The unanimous-consent request was granted.

Mr. DIRKSEN. Mr. President, I wish to make note of the fact that tomorrow is also the anniversary of the birth of the distinguished Senator from Iowa [Mr. HICKENLOOPER]. Whether he and the Senator from Maryland are of the same age I do not know, but both came into the world on the same day of the year. What a great day it was.

Mr. COTTON. Mr. President, the time is short, but I wish to join my distinguished chairman of the Committee on Commerce, the able Senator from Washington [Mr. MAGNUSON], in expressing congratulations to my colleague the senior Senator from Maryland. We have served with him for many years. It has been my privilege to serve under him on the minority side of the committee. We all appreciate his forthrightness, his courage, and his ability. May he live to celebrate his 80th and 90th birthdays. That is the wish of all his colleagues, who regard him so highly and love him so much.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The junior Senator from New York is recognized.

Mr. KEATING. Mr. President, we who serve on the Committee on Commerce salute our senior colleague and ranking minority member, and wish him a long life and continued prosperity. The same goes for our colleague from Iowa [Mr. HICKENLOOPER.]

Mr. JAVITS. Mr. President, I also wish to join in the very happy birthday greeting to our colleague. I do it because in New York we love sports. I know of no greater devotee of sports than the Senator from Maryland.

I can only wish for all of us that on our 65th birthday anniversaries we will look as well as does the Senator from Maryland.

Mr. ENGLE. Mr. President, I wish to join in the congratulations extended to the distinguished Senator from Maryland on the 65th anniversary of his birth. I wish to say to him also that there is no member of the committee whom I shall miss more than my dear friend from Maryland. We stood side by side in trying to work for the merchant marine of America, and to sustain a merchant marine necessary for this country both in war and in peace. I am perfectly sure that as he leaves the Senate, he will continue his vital interest in the affairs of our great Nation.

I join Senators in wishing him many happy returns of the day.

Mr. BUTLER. I thank my dear friend from California.

Mr. KUCHEL. Mr. President, I would be recreant to my duty if I did not join in the salute to a fine Senator and a great man. I have had the pleasure of calling JOHN BUTLER my friend for the 10 years I have been privileged to serve in the Senate. That privilege has been shared by Senators on both sides of the aisle. I salute the distinguished Senator from Maryland and his family, and wish him Godspeed and happiness for many years in the future.

Mr. BUTLER. I thank the Senator from California for his lovely remarks.

Mr. President, I thank the chairman of the Committee on Commerce and my other friends on the committee and my friends in the Senate on this occasion for wishing me a happy birthday. While I shall not be here, I hope that I may be of some service to them and to my country in years to come.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1963, and for other purposes.

The PRESIDING OFFICER. Is there objection to the consideration of the Proxmire amendments en bloc?

Mr. KUCHEL. Mr. President, I ask the Senator from Wisconsin to state to the Senate the burden of what the rather lengthy list of proposed amendments consists.

Mr. PROXMIRE. Mr. President, the amendments would apply only to the National Institutes of Health. They would reduce the appropriation amount to the level requested by the administration. The amendments contain no provision that would affect impacted areas or school construction. They deal only with general research and services, National Cancer Institute, Mental Health activities, National Heart Institute, National Institute of Dental Research, arthritis and metabolic disease activities, allergy and infectious disease activities, neurology and blindness activities, all of which are relevant, pertinent, and related. Therefore, I feel very strongly that amendments relating to those activities should be considered en bloc as one amendment rather than separately, which would take a great deal of time and prevent debate on some of the activities.

Mr. KUCHEL. Mr. President, I interpose no objection.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

Mr. PROXMIRE. Mr. President, I yield myself 2 minutes.

The amendments would merely reduce the amounts contained in the bill to the level requested by the administration. In every single case the amount requested by the administration is substantially above the amount that was spent last year. The amount proposed for general research and services is 16 percent above; cancer is 20 percent above; mental health, 18 percent; Heart Institute, 18 percent. The increase proposed is more than $134 million. As a dollar increase it is one of the greatest increases for which the Congress will ever have voted in our history for the National Institutes of Health.

I have a great deal more to say on this subject, but the heart of my argument is that the administration is liberal. It is an administration which is deeply concerned with health research. It is an administration which is expert and competent in the field. It is an administration which I believe cannot be criticized as being too much concerned with thriftiness and not enough concerned with human compassion. Therefore, I think the amendments which would reduce spending to the level the administration requested make sense.

I yield 3 minutes to the distinguished Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, in the committee I reserved my right to bring my point of view to the Senate. I did so after proposing an amendment, which was defeated.

The budget estimate is $780,400,000. The House allowance is $840,800,000, $60 million over the amount proposed by the Bureau of the Budget. The Senate increased the amount to $900,800,000. If the Senate and the House adopt the total of $900 million now recommended in the bill, the total will be $120,400,000 over the amount proposed in the budget. The increase over the budgets requested by Presidents Truman, Eisenhower, and Kennedy in a period of 10 years amounts to $739,169,000.

The percentage of increase in medical research from 1950 to 1961 has been 827 percent. Institutional care has increased 303 percent. Hospital and medical care has increased 106 percent.

I mention those figures because on July 2 of this year the House Committee on Government Operations issued a report which was extremely critical of the National Institutes of Health for poor management of medical research grants amounting to $434 million a year. The committee said it expects the National Institutes of Health "to give high priority at this time to the task of correcting its management deficiencies and strengthening its capacity for the effective and efficient operation of these vital health programs."

We all want these programs. We want to proceed in a sensible and reasonable way and not jump too high in the figures.

I point out to the Senate that in 1950 the budget estimate was $41,246,000, and in 1963 it was $780,400,000. We can see the increase in the past 12 years.

For those reasons I hope that the amendment of the Senator from Wisconsin will be agreed to. I reserved my rights in the committee to vote differently from the committee on the subject we are discussing, because I believe the increase is unwarranted in view of the very generous recommendation of the President of the United States.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield 1 minute to the Senator from Pennsylvania.

Mr. CLARK. For the record I should like to state why I supported the Senator from Wisconsin on the previous amendments and why I shall support him on the present amendments.

In my opinion the President of the United States submitted budget requests for adequate amounts for appropriations in the pending bill. Those amounts were substantially in excess of what previous administrations had requested. I am most interested in the progress of science, health, education, and all related subjects which would be governed by the program, including the Hill-Burton program. But I think the Appropriations Committee went too far in increasing the amounts in the budget. For that reason I will support the Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator from Pennsylvania.

Mr. President, I yield 15 minutes to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I rise with a real sense of reluctance and with a twinge of sorrow to support the amendments of the Senator from Wisconsin. We are all deeply interested in the question of public health. We know that further research in that field is needed. We all have a deep affection and admiration for the Senator from Alabama [Mr. HILL], who has been the moving spirit in both the authorizing legislation and appropriations in that field. If his godfather, Joseph Lister, the great surgeon, were here on earth, he would look with great pride on the Senator from Alabama.

Mr. HILL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HILL. I hope the Senator will not kill me with kindness.

Mr. DOUGLAS. No, I will not kill the Senator with kindness. I am merely showing that there is nothing personal in what I am about to say. Nevertheless, I think it is true that in past years Congress, and particularly the Senate, has appropriated excessive amounts of money to the National Institutes of Health and has encouraged practices which are wasteful and not in the public interest.

I am very sorry that I must make that statement. The Senator from Massachusetts [Mr. SALTONSTALL] has read a passage from the Fountain committee report, which showed that the Institutes were warned last year that they were carrying out unsystematic practices. That did not affect what they did in the slightest. While they have given a pledge of good behavior for the coming year, there is no assurance that their pledge will have any effect.

I know something of what happens in the field. I may say that the presence of this enormous amount of money has on the one hand undoubtedly fostered gang research at Bethesda, namely, the idea that merely by hiring a great many people one can solve problems, and also has encouraged the application for funds for projects which are not really very important. These funds are very often granted. At the same time, the Institutes have been largely under the control of either the American Medical Association or certain special groups, so that they have been able to shut off research in many fields that are new and needed.

It is sometimes unfair to list the titles of projects which have been fostered. There may be some value in some of these which the title may not show. However, I have here a list of a few of the projects which have been carried out during the last year. I should like to read the titles of these projects, and the amounts that were granted to them:

Assistants use on dental student performance	$36,800
Instrument to study tooth mobility	7,647
The oral health of Icelandic peoples	14,030
Investigation of information contained in echoes	13,837
Health and social characteristics of the Pima Indians	22,504
Studies of a disease in a giant snail	20,092
Role of behavior of frontal monkeys	15,998
Indian caste cohesiveness and personality development	7,820
Student culture and intellectual development	43,613
Travel of synthetic detergents with percolating water	20,991
Empirical tests of a theory of interpersonal behavior	17,250
Alcohol use in a changing Navaho community	1,998
Effect of child training methods on adjustment	36,539
Emergent leadership among the New Guinea Tolai	1,251
Mental age, IQ, sex and divergent thinking	2,227
Parent participation in a hospital pediatrics program	33,243
The establishment and maintenance of a monkey colony	13,816
Juvenile delinquency in Japanese-American population	50,180
Studies of silent thinking	26,565
Effects of housing on health and social adjustment	19,339
A suicide referral demonstration project	100,215
Red tuna and yellow fat disease in the cat	19,965
Premarriage counseling	14,403
Behavioral and physiological concomitants of dreaming	20,700
The social role of the aging wild ungulate	8,205

I must confess that I did not know what an ungulate was. I am informed, however, that ungulata is the classification for hooved animals.

A developmental study of chronic tube-fed fowl	$10,292
The skilled clinicians assessment of personality	94,587
Research project on law and psychiatry	29,095
The ontogeny of English phrase structure	2,100
Social space as biocommunication	21,616
Hermann Rorschach—his life and work	7,803
Garbage and wastes as mushroom nutrients	14,045
Parasites of Penaeus duorarum, the pink shrimp	7,820
Social and economic differentials in mortality (1960–63)	623,967
Longitudinal growth studies on anomalies of the head	23,712
A stereotactic atlas of the beagle brain	9,775
Problems in organization of public health units	18,339
Congenital malformations in northern New England	42,062
Feeding caesarian and natural born germ-free rodents	40,020
A study of the role of the nurse in the clinic	42,728
Blood groups in the rabbit	20,470
Appointment breaking in a pediatric clinic	18,000
Growth and differentiation of the chick embryo eye	3,973
Career choice determinants in psychiatric nursing	18,400
Play interviews for hospitalized preschool children	19,976
Initiation and support of a colony of baboons	61,985

Baboons and monkeys seem to have a great fascination to the National Institutes of Health.

Blood group genetics of Southampton Island Eskimos	$11,500
Tooth development in sheep	2,300

There may be some meaning connected with these, but it is difficult to believe that they are worth so much of the taxpayers' money.

REFUSAL TO TEST KREBIOZEN

At the same time that the Institutes are pouring money into these research projects, they have refused to carry out an important test in the field of cancer; namely, the test as to whether or not krebiozen has a curative effect. I have been interested in this matter because Dr. Ivy, one of the great physiologists, is a friend of mine, and I had watched his work for many years before asking the National Institutes of Health to make a test. I am not competent to pass on whether or not this is a cure for cancer, but I merely say it is worth a test. Dr. Ivy and his associates have been able to secure the cooperation of 3,000 doctors, who have tried krebiozen on 4,200 cases. I will introduce later some statistics which indicate that in 35 percent of the cases the tumor was decreased; in 51 percent, it was arrested; in 14 percent the tumor was unaffected or increased.

Therefore there seems to be statistical evidence to indicate that this is at least worthy of further investigation. We have tried for years to get the National Institutes of Health to institute such an objective test. They have consistently and persistently refused. I believe they have refused in large part because at the beginning of this work Dr. Ivy got into a dispute with the American Medical Association, and the American Medical Association has refused to grant it any credence and on the contrary has attacked it bitterly.

Let me say that I am not saying that the process is correct. I simply submit that there is now sufficient statistical evidence to indicate that it should be given a test. That is all we want.

While the National Institutes of Health spend hundreds of thousands of dollars which go down the drain on projects like those which I have recited, they have refused to make this test. Incidentally, if I could understand the words describing some of the biological and chemical research projects, I believe some of them would seem to be as foolish as these that I have recited.

I have become more and more convinced that the National Institutes of Mental Health are dominated by Freudians, who refuse to carry out experimentation in any field that differs from the Freudian field. Freud was a great man, without question, and was the father of psychiatry. No one can really say, however, that Freud is the be-all and know-all of psychiatry.

I believe that the National Institutes of Health have become bureaucratic, because of the great amount of money that has been poured into them, and have fallen under the control largely of the pundits of the American Medical Association and are ruled by the prejudices of organized medicine. The prejudices of medicine go far, Mr. President.

We know that Dr. Semmelweis was virtually driven out of medicine. We know that Lord Lister, for whom the Senator from Alabama was named, was nearly driven out of medicine. The great German Dr. Robert Koch was likewise nearly driven out of the practice of medicine. The great Jenner was persecuted, and only rose, over many objections, to become a leader in the medical profession.

I had hoped that the National Institutes of Health would at least be open minded with respect to these subjects.

Senators will remember that the Senator from Tennessee [Mr. KEFAUVER] in his investigation into the drug industry, testified that the National Institutes of Health had been very uncooperative in the investigation he was carrying on and that they were not helping him find the contents of drugs. While he was very guarded in what he said—and I have available quotations from the CONGRESSIONAL RECORD—I believe that the import of his statement is clear.

A cut in the appropriation would not only save money for the taxpayers but it might also give the directors of the National Institutes of Health a greater degree of humility, or at least it should give them some humility, which would aid rather than hinder medical research.

It pains me to have to say this, but I think we have gone altogether too far and that the National Institutes of Health has in part abused the trust and the money which have been given it.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table entitled "Improvement, Objective and Subjective, in 35 Tumor Types (Organ Groups) Treated With Krebiozen"; a letter written by Dr. Ivy and his associates to Dr. Kenneth M. Endicott, Director, National Cancer Institute, Public Health Service, at Bethesda, Md.; a summary entitled "The Hypothesis and Theory on Which the Production and Study of Krebiozen Is Based," including a statement on the production and chemistry of krebiozen. I hope this will be carefully studied. It will be seen that the molecular content of the preparation and the method of producing it are stated. This should remove one of the previous objections which have been made to testing the preparation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Improvement, objective and subjective, in 35 tumor types (organ groups) treated with krebiozen

[Total patients: 4,194]

Type of tumor	Number of cases	Objective improvement			Subjective improvement	
		Tumor affected		Tumor unaffected, increased	Pain improved [1]	Narcotics decreased or stopped [2]
		Decreased	Arrested			
		Percent	*Percent*	*Percent*	*Percent*	*Percent*
Brain and cord, primary	65	61	16	23	88	78
Brain metastases	113	70	18	12	80	82
Breast	870	48	44	8	67	55
Cervix uteri	147	30	67	3	65	45
Colon	463	38	47	15	65	48
Duodenum and small intestine	19	36	43	21	60	30
Esophagus	44	6	76	18	33	22
Fallopian tubes	4	25	75	0	100	66
Gallbladder	49	20	75	5	52	31
Head and neck	40	51	46	3	67	46
Kidney	116	36	58	6	65	60
Larynx	26	19	65	16	44	60
Liver and bile ducts	62	30	61	9	54	26
Nasopharynx	48	19	70	11	55	50
Ovary	228	50	25	25	64	54
Pancreas	177	23	71	6	65	52
Prostate	130	27	68	5	74	61
Rectum	237	35	54	11	67	42
Salivary glands	21	41	59	0	38	31
Stomach	286	29	62	9	56	55
Testis	31	45	20	35	57	60
Thyroid	18	37	26	37	36	33
Tongue	31	42	42	16	63	29
Urinary bladder	107	35	49	16	61	52
Uterus	71	41	45	14	69	42
Vagina, vulva	10	33	55	12	100	100
Undetermined site	102	30	61	9	57	35
Fibrosarcoma	18	27	60	13	50	43
Hodgkin's	35	40	53	7	60	37
Lymphesarcoma	44	35	62	3	43	36
Melanoma	115	22	59	19	44	50
Myeloma	22	75	0	25	77	54
Osteogenic sarcoma	23	27	60	13	32	29
Sarcomas	115	27	58	15	61	50
Lung	340	27	48	25	64	46
Average		35	51			
		86		14	62.6	48

[1] 82.5 percent of all patients were reported to have pain at the time krebiozen was started.

[2] 54.5 percent of all patients with pain were reported to be receiving narcotics at the time Krebiozen was started.

NOTE.—In 80 percent of patients observations extend over period of 1st 3 months after start of krebiozen; in 20 percent over periods of 1 to 10 years.

JULY 17, 1962.

DR. KENNETH M. ENDICOTT,
Director, National Cancer Institute, Public Health Service, Bethesda, Md.

DEAR DR. ENDICOTT: This letter is in reply to your letter to Drs. Andrew C. Ivy and Stevan Durovic, dated March 7, 1962, and to Dr. Durovic, dated March 8, 1962. We are also taking into consideration the letter from H. B. Andervont to Dr. Andrew C. Ivy, dated December 1, 1961.

We are struck by the determined and laborious efforts of the National Cancer Institute to seek every possible reason to delay, if not prevent, a scientific resolution of the controversy over krebiozen—rather than expend every possible effort to expedite a clinical investigation of our claims for the activity of this substance. If this were a case of an unknown investigator with an unproven scientific record supporting an untried substance, there might be some justification for the negative attitude of the National Cancer Institute. However, we are dealing with the work, findings, and recommendations of a well-published scientist concerning a substance that has been under clinical study for 12 years and which is concerned with a dreaded and devastating disease.

In our previous discussions, beginning in Baltimore on October 22, 1960, and our subsequent correspondence, you have acknowledged an understanding of the prejudices and antikrebiozen pressure which exist and which would seek to sabotage and perhaps to prevent the performance of a test by the National Cancer Institute. Since 1952 it has become more and more apparent that the opponents are fearful that a fair test will validate our claims. And, they are so fearful of a test which even could prove our claims to be wrong that they exert their powerful influence so as to impose irrelevant and impossible conditions in order to prevent the performance of a fair test. Indeed, the concluding statement in your letter of March 7, 1962, is, "We will not sponsor a clinical trial until such conditions are met." Preceding this final statement are misinterpretations of our data, and a combination of conditions remarkable for their difficulty of fulfillment when contrasted with the standards and procedures followed in relation to other scientists, substances, and pharmaceutical proprietors.

The basic facts relating to krebiozen and the National Cancer Institute are simple:

1. The American Medical Association published a wholly premature, unscientific and partially falsified critical report on krebiozen in October 1951. Its prematurity, lack of scientific validation and partial falsification has already been demonstrated under oath and can be so demonstrated today. This American Medical Association report was and is the only unfavorable report on krebiozen ever issued that was allegedly based on direct clinical study.

2. Because of the nature of this report a controversy ensued which has continued until now. For a controversy to last so many years there must be strong opposing forces. The strength of the krebiozen proponents, since 1951, has been sustained and is represented by the day-to-day, month-to-month, year-to-year beneficial effects krebiozen has been found to have on cancer patients. These effects have been confirmed by recognized cancer research institutions as well as by hundreds of physicians throughout the United States. Not all of the approximately 3,000 reporting physicians reported beneficial effects and our study makes no such claim.

3. The data accumulated by Dr. Andrew C. Ivy—and regularly reported by him to the scientific community since March 1951—culminating in the summary submitted to you on September 29, 1961, has not been accepted by those who apparently are in the position of control over cancer research in the United States. Concomitantly, Dr. Ivy has been denied publication on krebiozen in the established scientific and medical journals although he is the author or coauthor of over 1,500 medical papers, on other subjects, in such journals.

4. Since the krebiozen hypothesis, relating to cellular and tissue resistance, natural immunity and hormonal growth regulation against cancer was promulgated in 1951, other researchers have continued to provide evidence supporting this hypothesis and their findings are published or announced regularly. The most recent example was the report made by Dr. Jorgen Fogh of Sloan-Kettering Cancer Institute at Atlantic City concerning an "inhibiting substance present in normal cells."

5. Because of the AMA report, the resulting controversy, and the failure of the controlling individuals in cancer research to accept the findings of Dr. Ivy (or allow their normal publication), there exists an overwhelming necessity to obtain new data by means of new, objective, unprejudiced clinical tests under the sponsorship of an independent agency such as the National Cancer Institute is considered to be. This requirement is supported by innumerable physicians and other members of the scientific community.

In the face of these simple facts, what was the course of events, what is the scientific issue, and what is the present situation?

As a result of mounting public interest on the subject, expressed especially in the stand of the Honorable Paul Douglas, Senator from Illinois, and crystallized by a series of articles in the New York Post, shortly after you assumed directorship of the National Cancer Institute, we met in Baltimore on October 22, 1960. At this meeting you agreed to the principle that independent clinical tests by the National Cancer Institute were in the interests of the public and science and the most logical basis for a satisfactory resolution of the controversy. It was agreed that in order for these tests to proceed we would provide you with a statistical compilation as well as an analysis of our results with krebiozen during the past 12 years. This information was to be supplied so that you would have a concrete departure point from which clinical tests could be designed and conducted, as for example: Classification and condition of cases providing the best basis for study, dose regimen, time and material requirements, etc. Furthermore, you agreed with the suggestion that publication of a brief medical paper by Dr. Ivy in the Journal of the National Cancer Institute would be helpful to you in overcoming the pressure and opposition to testing which we all anticipated and which you acknowledged.

It was also understood that the single issue to be resolved at the outset is whether or not krebiozen is active against cancer.

Subsequently, when we met with you on September 29, 1961, at your office in Bethesda, Md. (after clearly establishing with you in advance that our data was being submitted, not for evaluation as to krebiozen's activity, but only as a basis for the design and conduct of clinical tests), we:

1. Submitted the suggested article for publication in the Journal of the National Cancer Institute.

2. Submitted a study of 820 pages analyzing our findings on over 4,000 patients treated during the past 12 years, together with unasked for, but extensive, technical data on the hypothesis, toxicology, pharmacology, etc., on krebiozen to the extent then known; as well as detailed histories of patients who survived 4 years or more since the start of krebiozen treatment.

3. Delivered to you approximately 10 milligrams of krebiozen in powder and crystalline form and supplied to you the empirical chemical formula and molecular weight of the substance.

4. Agreed, in response to your request, that Dr. Durovic would supply cost information for production of krebiozen for use by the National Cancer Institute to conduct chemical studies. In this discussion you described to Dr. Durovic the various types of contracts which the National Cancer Institute provided for such purposes.

5. Joined with you and Dr. Sessoms in affixing our signatures on a press release to the public that all of this material and data was submitted for "the design and conduct of clinical tests."

What has happened since September 29, 1961? You wrote to us on October 11, 1961, requesting some additional chemical information which we supplied (October 25, 1961) to the extent of our ability at that time. In this letter you also repeated your verbal request of September 29, 1961, for the cost of supplying 1 kilogram of krebiozen to the National Cancer Institute. On November 6, 1961, you again wrote to Dr. Durovic, thanking him for his letter of October 30, regarding costs, which you stated "was in response to my request for an estimate of costs for the kilogram." You further stated that it was not possible to confirm at that time "the precise quantity which the National Cancer Institute might require." However, this very same letter brings the first indication that the probability of clinical trials diminished in your mind because of what you called the highly controversial history of krebiozen.

On December 1, 1961, H. B. Andervont wrote to Dr. Ivy declining the publication of his article in the Journal of the National Cancer Institute. This was followed 3 months later by your own letters (March 7 and 8) which criticize our report of September 29, 1961. Thus, despite the obvious fact that there would be no need for National Cancer Institute clinical testing if our data had heretofore been accepted, the National Cancer Institute now places itself in the incomprehensible position of demanding that this data become acceptable and prove the activity of krebiozen to the satisfaction of the National Cancer Institute before clinical testing can proceed. The National Cancer Institute, contrary to its stated intention, has evaluated the data itself for the purposes of determining krebiozen's activity after having agreed in advance that this determination, if it was to end the controversy, could only be made by clinical tests. This is a vicious circle which, apparently, no amount of scientific argument over the existing data can break.

The only way for anyone to determine if sufficient information has been provided in our report is to repeat our experiment as we performed it. The history of medicine is replete with committees who criticized new discoveries, but did not experiment. This criticism is destructive and barren in nature. On the contrary, we constructively propose that the Committee of the National Cancer Institute conduct a scientific experiment to ascertain the truth.

The net effect of your letters of March 7 and 8, 1962, and that less of H. B. Andervont of December 1, 1961, is not only to refute all of our data, but also to deny our previous agreement that the submitted data were to be used only as a basis for the design and conduct of clinical tests.

The refutation is based upon the opinions of anonymous reviewers of our work who take issue with selected parts of our data while ignoring, or superficially commenting upon, the overwhelming evidence we have provided in support of our claims. In the first instance, we feel entitled to know the names of all of the individuals who have reviewed our work and herewith request a list of these names with all of their professional affiliations. Indicative of the second procedure is the comment on our study of pain in cancer patients. While it embraces many pages of text, tables, and charts, your letter arbitrarily dismisses this phase of our report in 33 words. Such arbitrariness cannot be justified on any scientific or humanitarian basis in view of the quality and quantity of the evidence submitted by us.

It appears that a continuation of an exchange of lengthy letters in which we dispute your interpretations and you dispute ours, on each scientific point, can only result in the prolongation of controversy and acrimony, which we have assumed you are as anxious to eliminate as are we. Some of the criticisms are constructive, but most are arbitrary, obstructive and barren. Nevertheless, certain statements in your letter of March 7, 1962, cannot go unanswered at this time. Accordingly, we repeat below those of your statements which we believe worthy of comment, followed by our answer to them.

"1. The information provided does not show what results, if any, may be attributable to krebiozen therapy."

Answer. This is seriously in error. Only one of many instances will be cited. We outline in detail our method for the bioassay of krebiozen on the patient with breast cancer and we present the impressive results obtained. If the committee would like to perform an experiment on the bioassay method we describe in our report, we shall be pleased to meet with them to answer any questions which they may consider necessary for the design and conduct of the test. We pointed out that approximately 98 percent of all patients comprising the clinical investigation of krebiozen were in a far advanced or terminal stage of cancer and considered to be, by the reporting physician, in a hopeless condition with a completely unfavorable prognosis at the time krebiozen therapy was initiated. These physicians undertook experimentation with krebiozen because the patient had not responded favorably to any previous therapy including surgery, radiation, hormones or toxic chemical agents. This "last resort" use of krebiozen is quite understandable in the face of controversy and it is obvious that if previous therapy had been successful or showed progress in these cases, krebiozen would not have been used. Consequently, the results provided in our study are attributable either to krebiozen or to autogenous causes. The autogenous disappearance of cancer occurs in only 1 out of 50,000 to 100,000 patients and hence cannot account for our numerous cases.

The rule of our study was and is that all other therapy, except for analgesics, be discontinued when krebiozen is started. The medical literature does not reveal scientific evidence of the long-term improvement and disappearance and arrest of cancer with the frequency observed in our study. Such improvement cannot be scientifically explained or accounted for by the barren assumption that they were due to autogenous causes or the "delayed effect" of prior therapy. This was established by analytical tabular evidence.

Furthermore, our report contains 120 statistical tables and charts which show that krebiozen is clinically active on the basis of objective and subjective observations. The following table is a condensation of the observations on different types of cancer. (a) Krebiozen manifested some favorable action in 86 percent of 4,194 patients which could be accounted for by a decrease or arrest of the tumor size in half of the patients showing some improvement. (b) Krebiozen caused a decrease in pain in 62.6 percent of the patients with a correlated decrease or discontinuance of narcotics in 48 percent of the patients who used narcotics. (See enclosed statistical table.)

"2. The report does not indicate a total number of patients who received krebiozen and with what results, or number of cases on which physicians have not filed follow-up reports."

Answer: All cases, totaling 4,194, which fulfilled a minimum scientific standard of evaluation, are included. The number of cases which died or discontinued the use of the drug after one to three injections was not considered adequate for scientific reporting and was not included in the total number of cases reported upon. Such data are useless, except to show how close to death many patients were. Our report is based on the view that it is inaccurate and unscientific to assume "the mortality experience of patients, after loss to follow-up, to be the same as for all patients who remained under active follow-up" as does the NCI. (Monograph No. 6, NCI, September 1961, "End Results and Mortality Trends in Cancer.") Our report takes the more scientific and conservative position of providing information only to the extent directly observable by us and by attending physicians, and no claim is made beyond that which was observed. Since a later statement in your letter also raises the question of the survival rates of the 4,194 patients, we would like to remind you once again that the basic reason for our report is to provide our experience with the substance as a basis for the design and conduct of clinical studies. It is clearly stated (chapter III, General Survey, page 4) "The observations refer to changes observed within the first 3 months after the start of krebiozen therapy." Our data on long-term survivals was provided as supplementary and not primary data because of the reasons and nature of this particular report.

"3. There is incomplete information on how many of the 4,000 patients are dead or living with continuing evidence of cancer or how many you consider to be improved or cured."

Answer: This depends on what is meant by "incomplete." Much information is presented on longevity on the 4,000 patients. (See table 1 in the chapter on "General Survey" of results, the tables in the chapter on brain tumors and breast cancer.) The purpose of our report was to provide the basis for the design and conduct of new clinical tests. We have never made a claim that krebiozen cures cancer. However, our report clearly provides statistics on the patients in whom there was subjective and/or objective improvement. Furthermore, we presented in our report a number of cases, all with histological diagnosis, in which all clinical symptoms of cancer disappeared and which remained clinically free of cancer for from 5 to 12 years. And, our report contains the history of several patients who survived 4 to 12 years after the start of krebiozen therapy and in time we can present the history of at least 200 such patients which represents approximately 10 percent of the patients who received krebiozen prior to 4 years ago. We can also present to any responsible person at least 100 patients who have survived over 4 years. In chapter VI, pages 21 and 22, it is stated that "The total 4- to 10-year survivals in the 230 patients with advanced cancer of the breast amounts to 24, or 10.5 percent.

"4. Several statistically significant tests provided are incorrect or inappropriate. * * * The 'statistically significant' difference merely says that those patients that were adjudged by the observers as improved lived longer than those adjudged as not improving."

Answer: This statement implies that if all patients do not respond to a specific remedy, regardless of how many patients do respond, then the remedy has no effect. If the progress of a disease cannot be altered with a remedy, and if this remedy is nontoxic, then the patient remained in the same condition as he would be if the remedy had not been administered. Consequently, those cases which do not respond to krebiozen can be equated with cases not receiving krebiozen, providing a basis of comparison with those cases which do respond. Since the unresponsive cases survived an average of 6.5 months as compared with an average survival, among the responsive cases, of 21.9 months, a most significant statistical difference is established. Not all cases respond to 5 FU or Methotrexate or Thio Tepa, yet you do not question the activity of these substances because there are nonresponders except for toxicological response. We made this type of comparison first in 1956. Since then two reports by a committee of the AMA contain a similar comparison to indicate the merit of the use of sex hormones, adrenalectomy and hypophysectomy in the treatment of cancer of the breast (see J.A.M.A. vol. 172: p. 1271, and vol. 175: p. 787, 1961.)

"5. The report does not include an explanation of what criteria were used to accept or reject patients for experimental administration of krebiozen. The open end type of questionnaire that you used does not elicit accurate and reliable information on the status of the patient before therapy was started, including pretreatment observations of the course of the disease to rule out the effects of previous therapy."

Answer: As previously noted, approximately 98 percent of all cases used for clinical trial with krebiozen were in a terminal or advanced, or disseminated stage. This was the criteria for selection; a self-imposing criteria because krebiozen was not requested until after all other therapy had failed. Our history form provides for a complete description of the status of the patient at the time krebiozen therapy was commenced, including prekrebiozen observation of the course of the disease and the effects of previous therapy. A number of tables are presented in our report showing that the data were accurate and did rule out the effects of previous therapy. We analyzed our data in great detail to ascertain its accuracy and found it to be statistically accurate.

"6. Many patients were receiving other forms of treatment in addition to krebiozen, and your report does not contain full information on the other types of therapy."

Answer: This is incorrect. The terms "many" and "full" are ambiguous. Only very few patients received X-ray or hormone therapy along with krebiozen. It is in these patients that we observed that X-ray impairs the effect of krebiozen. Therefore we declined to give krebiozen to physicians who were using radiation at the same time or had used it within 2 or 3 months. Krebiozen was never given with cancer suppressives, except with sex hormones when they had failed. The data were adequately analyzed in this respect and the results presented in tables and discussed in the text. The results show that neither prior radiation nor prior sex hormones had a significant effect on the response to krebiozen, except when X-ray was given shortly before krebiozen.

"7. The report contains no control groups of patients not treated with krebiozen with which to compare the results attributed to krebiozen."

Answer: This is an arbitrary point of view. As pointed out before, since these patients were far advanced and since krebiozen is nontoxic, those patients who did not respond were used as a control group. Clinically this has been considered to be valid (vide infra). Scientifically, the nonresponders to krebiozen either may not have received a large enough dose of krebiozen or their cancer may have been too cancerous to respond. Fortunately, krebiozen which is nontoxic can be used in larger doses but all other cancer therapies cannot be because they are too toxic or too mutilating. Krebiozen has only recently been used in larger doses because the supply has been short and very expensive.

This statement assumes the possibility of obtaining a group of patients in identical clinical condition and separating them into a group which receives krebiozen, and a group which receives other therapy or no therapy. Some 90 percent of our patients had received a "sentence of death" from some cancer specialist of from a few weeks to 6 months and had been "written-off" insofar as further therapy was concerned, except for symptomatic therapy for pain, etc. We had no facilities to divide them into a "placebo" group and a krebiozen group. The best that could be done was to use that procedure which was also employed by the committee of the AMA when they sought to evaluate the merit of sex hormones, adrenalectomy, and hypophysectomy in the treatment of cancer.

To divide deliberately patients into a nontreated and treated group has rarely been done in the evaluation of a therapy. It was not done in the case of the establishment of the merit of surgery and X-ray therapy. It has not been done in the evaluation of most of the so-called suppressives of cancer growth. It was not done by the committees of the American Medical Association in the evaluation of sex hormones, adrenalectomy and hypophysectomy in the treatment of advanced breast cancer. If the committee of the NCI can supply the means for a "placebo" control test, we shall be pleased to cooperate by supplying the krebiozen required and the experience and knowledge regarding krebiozen gained during 12 years of clinical study.

Why should we be criticized for making the same type of comparison which the committee of the AMA made and on which is based the justification of removing the adrenals, the pituitary gland and the use of sex hormones in treating advanced cancer?

"8. The report does not present criteria and definitions that were used by the reporting physicians for measuring therapeutic effects such as tumor size."

Answer. It is irrational to assume that 3,000 physicians reported statistically consistent results by accident. Even if there were differences in the measurement technique among the physicians, the consistency of data obtained and provided in table 16 and discussed in chapter VI, page 19, eliminates this factor as pertinent when one is dealing with a mathematical sampling of the size involved in our study. This statement also infers that 3,000 U.S. physicians are incompetent, which is not true because, regardless of the measurement technique of a physician, he used the same procedure to measure the original size as he did to measure any decrease.

"9. The assessment of pain is perhaps the most difficult area of experimental therapeutics and is not significant without scrupulous adherence to a technique involving a control group; such is lacking in your study."

Answer. There was a control group in our study for pain and the results are shown in our report. Furthermore, a good correlation was shown to exist between decreases in pain and the size of the tumor.

Pain is an individual reaction and two individuals never react identically because of varying thresholds either to the cause of the pain or the treatment of it. Therefore, the individual must provide the only realistic basis for the measurement of pain in that individual. By determining the decrease in the pain reported by the individual coincident with the administration of krebiozen, and if this decrease brings a concomitant reduction or abolition in the need for opiates, available only by a registered physician's order, a true determination of pain response is obtained. A more objective criterion for the reduction in pain does not exist. The question of psychogenic factors has been ruled out in our study by the results on a control group. It was shown that among those patients who knew they were receiving krebiozen, as compared with those who did not know, those who knew actually required more narcotics (to the extent of 9 percent of cases) than those who did not know they were receiving krebiozen. We have seen no report of the study of cancer-caused pain which maintained a control group of patients who were denied narcotics or analgesics.

10. Mortality and length of survival remain among the most important points of therapeutic studies on cancer. A long statement follows questioning our data on breast cancer and brain tumor cases.

Answer. The burden of this statement in its total context is to attribute by assumption only the results we report for the activity of krebiozen, in breast cancer and brain tumor cases, to causes other than krebiozen such as other therapy or a normally expected survival rate of similar cases. This attitude is maintained throughout the NCI letter of March 7, 1962, which equates the condition of the cases treated with krebiozen (and their survival time) with the survival rates of cases in earlier stages of the disease than prevailed in our patients at the time of the initiation of krebiozen therapy. Since our data covers cases of which 98 percent were far advanced or terminal, the NCI Committee does not have any basis for comparison unless statistics on equally advanced cases are provided.

11. Throughout the report, reference is made to the bioassay of krebiozen. After reviewing the section on bioassay, we do not find information which indicates that you have a bioassay for measuring the amount of a material in terms of quantitative activity of the preparation being tested on the basis of the response of a biological organism.

Answer. This is not a competent, tenable, or justifiable criticism; it could be offered as a criticism of the cure of cancer, if it were nontoxic. It is well known that the same type of tumor varies in regard to its susceptibility to radiation therapy. Some cancers of the breast respond to X-ray, others do not. There is no single quantitative dose of any therapeutic agent used in cancer therapy.

A curve of quantitative activity is found in toxic substances. This is not always the case with nontoxic substances such as krebiozen. The dose of all drugs basically is that amount which produces a desirable clinical response. In the case of vitamin B_{12}, which is nontoxic and used in the treatment of pernicious anemia, the dose is that amount by weight which produces a favorable response in the patient. Our bioassay procedure is the same? There can be no better criterion of the response to a drug than a desirable response in a patient whether it takes 0.01 or 10 milligrams of the drug. We found a decrease of breast cancer or one of its metastases in at least 50 percent of cases. The relation between the amount of krebiozen administered and the degree of decrease is apparently dependent upon as yet scientifically unknown factors of tumor resistance and tumor sensitivity to krebiozen in individual patients. You can only determine the sensitivity of a tumor to a therapy by giving it a trial in an individual patient. However, larger doses of krebiozen calls for further clinical investigation.

The desperate need for anticancer agents having the ability to decrease the size of tumors without causing toxicity problems is so pressing that any substance alleged by an honest scientist and many physicians to possess such properties is adequate qualification for intensive serious research and a fair scientific test. In this connection it is appropriate to remind the NCI committee once again, that our bioassay procedure can be easily and quickly proved or disproved, and this validation is—precisely—what we have asked and are asking the NCI to undertake.

"12. The pharmacology studies involved comparatively few animals * * * the statements as to chemical structure are not supported by scientific evidence. Statements as to the chemical nature of krebiozen have changed."

Answer. Concerning the pharmacology studies, we used enough animals to show that krebiozen was not toxic and did not affect reproduction and growth of offspring. How many animals is enough is a matter of opinion. Why sacrifice animals unnecessarily? That enough animals were used is witnessed by the fact that krebiozen has been used on over 4,000 human subjects for periods up to 12 years, without evidence of toxicity being reported by 3,000 physicians. After it was used on dogs it was tried by three physicians on themselves before it was given to patients with the consent of the patient.

Those observations have established the substance to be nontoxic clinically and to produce no pathological changes upon histological examination in animals under conditions of repeated use. We realize that krebiozen is the first "anticancer" agent reported which is nontoxic, but we cannot understand why the NCI committee apparently assumes that any "anticancer" substance must, per se, be toxic. While quantitative toxicity can be measured in toxic substances, nontoxic substances cannot be so measured. However, the above notwithstanding, and despite the fact that your predecessor (Dr. John R. Heller) wrote in November 1959 that the question of toxicity was no problem, we would be happy to provide a reasonable supply of krebiozen, ready for administration, for the NCI to conduct its own toxicological tests on animals.

As for the chemical nature of krebiozen, we have provided you with much information on this subject: its source, its anticarcinogenic activity, its elemental constitution and empirical formula, its molecular weight, its melting point, and its unique solubility properties. We have certainly supplied sufficient information to distinguish krebiozen from any other compound. If this is not the case we would like to know what other substance has the chemical and physical properties and characteristics possessed by krebiozen? This is a matter to be discussed by our chemist and the chemist at the NCI.

Despite what is not yet known about krebiozen, more knowledge exists than existed for insulin, cortisone, sex hormone, pituitary hormones, or penicillin during their corresponding stages of development and early administration to patients. But, no one at that time wished to ignore any of these remedies, or to forgo their testing and use, until everything possible to be learned about their chemistry had been learned.

The first chemical analysis of krebiozen was made from material extracted from a mineral oil solution. It was then reported that the material showed many CO groups, some sulfur but no nitrogen. When a new batch of krebiozen was produced in Illinois in 1960, the crude material was analyzed and the chemical reported that in this material nitrogen was present. He said the difference in his two reports was due to the fact that in the spectroanalysis of very small amounts of a substance, as was the case with the extracted material, the CO group can sometimes be mistaken for the NH_2 group. There was not enough material to determine nitrogen by microanalysis. The presence of sulfur in the analysis of the extracted material may have been due to organic or inorganic sulfur. There was not enough material to make this analysis. On the basis of early analysis and infrared readings, krebiozen was tentatively classified as a lipopolysaccharide. It was emphasized that this was a tentative classification, just as the classification of "amino-lipopolysaccharide" is tentatively designated as a result of the finding of nitrogen in the second analysis of the pure material. There is nothing unusual, until the structure of a molecule is established, in making a tentative classification and to add corrections as further research provides additional information. Chemical errors of this sort have been made frequently in the chemical study of hormones, such as thyroxin, sex hormones, adrenal hormones, pituitary hormones, etc. Furthermore, regarding the difference between your chemical analysis of the percentage of elements and ours, neither is this unusual in experimental work with small quantities. We retained a quantity of the precise material supplied to you, under escrow conditions, and an independent laboratory has fully confirmed the chemical analysis we quoted to you of the identical batch we supplied to you.

The NCI Committee would certainly not make the mistake of declining a test on the basis of lack of more chemical knowledge. This would not be in harmony with established scientific history of the discovery and development of new discoveries, particularly in the case of natural hormones. The therapeutic and physiological activity of most hormones and drugs when first discovered were "soups" compared to the status of krebiozen. However, we have offered, and offer again, to supply the NCI with whatever quantity of krebiozen may be necessary so that additional scientists may work on the problem of krebiozen's chemistry. To know more about the chemistry of krebiozen was one of the reasons why you desired to know the cost of production of krebiozen. Dr. Durovic wrote you about the cost, and at the same time offered a reasonable amount without compensation. As we obtain more chemical and physical knowledge of the substance we shall make it available to you. Some additional information has been gained since September 29, 1961, and we shall be pleased to present it to you.

"13. We would be glad to review in detail (1) the breast cancer cases; (2) what you term the 'twice-opened' cases. The clinical data (in order to make such a review) must include the entire medical record of each treated patient, including prior history, pathology (with biopsy slides), and hospital and private physicians records covering all periods of treatment for the malignancy involved, and all other medication administered both before and after krebiozen was administered."

Answer: Your offer to further study our breast cancer cases as well as those cases which were opened, then closed as inoperable and who then received krebiozen, and who were later reopened and found free of cancer appears—at first—to be a cooperative gesture. However, the conditions for this have the effect of immediately withdrawing the offer. We have made a very great effort to obtain the type of case data you have requested, although the period of time covered by your request is most unusual. We found that because of the AMA-induced controversy, which has impeded our study of the past 12 years, much of the original prekrebiozen treatment data we requested has been refused to us by hospitals and by physicians fearful of AMA reprisals for identifying with krebiozen even to the extent of cooperating in a scientific study. The patients, or their records, are scattered throughout the United States.

These records extend for periods up to 15 years. Many of the patients moved from place to place and from hospital to hospital. Many are dead. This request of the NCI Committee represents a financial and time requirement of an indeterminable amount and period. Consequently, if you believe this information is important in order to conduct new clinical tests in order to obtain new clinical data (and despite the extensive data we have available now) we suggest that the NCI obtain the services of other Federal agencies with the legal authority and power to secure this information from hospitals and physicians who have refused it to us. Our case reports include a histological study of the case prior to krebiozen treatment. This information was attested to by licensed physicians. In this connection, we shall be pleased to present to a group of your leading clinicians a number of krebiozen-treated patients (together with their records and their physicians), who have survived 4 years or more on krebiozen, for interviewing and laboratory and physical examination. We believe this will serve the interests of science and is a classical procedure. We further suggest, as a part of this meeting, or in a separate meeting, that we meet with a group of your leading chemists, pharmacologists and statisticians so that we may have the opportunity to discuss further and answer every single question raised in your letters and in the letter signed by H. B. Andervont.

In conclusion, we readily admit that if we are denied knowledge of the individuals who have refuted our work; are denied publication of our findings in your scientific journal; and are denied an opportunity to demonstrate and discuss our findings with your scientists, we are frustrated in the face of the exercise of such arbitrary power.

Krebiozen has been under clinical study since 1949. The leader of this investigation had been himself Executive Director of the National Advisory Cancer Council of the U.S. Public Health Service. We have provided extensive, and perhaps unequaled, research material on an "anticancer" agent in the hands of physicians whose duty it becomes to take care of advanced cancer patients. We have complied with every demand, possible of fulfillment, which the National Cancer Institute has made upon us. We believe the record will show this to be the case and we feel confident that the responsibility for a statement in resolving this issue will not lie with the proponents of krebiozen.

In your letter to Dr. Durovic dated December 29, 1961 you stated that "I think it will be important to get together with you after you have had an opportunity to study our comments." This letter was then followed by your letters dated March 7, 1962 and March 8, 1962. We believe that the meeting referred to in your letter of December 29 is now in order. And, we therefore request such a meeting and await your suggestion as to time and date.

Sincerely yours,

A. C. IVY, Ph. D., M.D.
STEVAN DUROVIC, M.D.
JOHN F. PICK, M.D.

THE HYPOTHESIS AND THEORY ON WHICH THE PRODUCTION AND STUDY OF KREBIOZEN IS BASED

INTRODUCTION

The hypothesis and information, on which the production and study of Krebiozen is based, will be very briefly presented. A large book could be written on this subject. Instead, only a brief summary of our ideology will be presented. Reference will be omitted, but will be provided on request.

OUTLINE OF HYPOTHESIS

1. Since the human body and the rodent body occasionally cures itself of advanced cancer, a substance or substances which induce remissions and regressions of cancer should be found in the body.

2. The susceptibility and resistance of different species and organs must be explicable on the basis of the presence or lack of substances which prevent the development and spread of cancer cells.

3. The evidence for the existence of substances, which stimulate and inhibit and even eliminate organ structures, is found in the study of the development of the embryo.

4. The evidence for the existence of substances, which stimulate and inhibit the multiplication of cells and which lead to saturation of the cell and reduplication of normal structure is observed in the reaction to and repair of injury.

5. The reticulo-endothelial (RE) cells or system (RES), because of the numerous defensive and repair functions it manifests, has been suspected as playing an important role in increasing the resistance to the development, invasion, and metastasis of cancer.

6. Extracts of blood serum and tissues (spleen) have been made and reported to inhibit the multiplication of cells and cancer growth.

7. (A) It was hypothesized that all cells, especially the RES, contain a complex of two substances, the function of which is to control the growth and multiplication of the cell, one stimulating and the other inhibiting. In cancer, the growth stimulating substance is no longer counterbalanced by the growth inhibiting substance. The cancer cell has lost the restraining portion of its growth and multiplying regulatory complex.

(B) Can the restraining substance be replaced in the cell, or can an external restraining substance from other cells be brought to bear on the cancer cells so that they cease multiplying and are destroyed? It was believed that the answer to this question is "Yes," on the basis of item 1 in this outline. Attention was directed to the RE cells as the most probable source of the restraining substance, since it is well established that it synthesizes and secretes substances concerned with the defense and repair of the body.

(C) Since the mold Actinomyces bovis (Hartz), called AB, causes a tumor in cattle and horses to develop which consists of much connective tissue and RE cells, it was assumed that an extract of this mold when injected into an animal would serve as a strong stimulus to the RE cells throughout the body to produce and secrete into the blood their growth-controlling substance, or more likely the cell-growth inhibiting portion which probably exists in the area of an injury during the terminal portion of the reparative stage, when the multiplication of cells ceases and the maturation of cells occurs.

(D) The horse was chosen for injection because of its size and because of the low fat content of the serum and was injected with an extract of AB, enough to cause a mild reaction. Three or 4 weeks later, after the reactive stage of response of the RE cells had cleared and the late reparative stage was underway, the horse was bled. This should yield a nontoxic substance.

(E) To render the hypothetical substance permeable to all cells it was hypothesized that it should be soluble in fat and in water. So, the serum was extracted with a fat solvent, the solvent evaporated, the residue extracted with water. When the water was evaporated a light yellowish brown substance remained.

(F) This is a new approach and has no relation to the antigen-antibody-approach of Ehrlich, which has more recently been reactivated in relation to transplantable cancers. According to the krebiozen theory, Actinomycin D is of value in the treatment of some cancer patients because it stimulates the RE cells to produce krebiozen, which in turn favorably affects the cancer patient.

DISCUSSION

The foregoing outline will be discussed briefly.

First. The only observed fact on which a hope that a "cure" of advanced cancer can be found is that, in 1 out of 50,000 to 100,000 patients with advanced cancer, the body cures itself of cancer. This shows that the body possesses the mechanism for the cure or arrest of cancer, if the essential part or parts of the mechanism can be ascertained and adequately mobilized. This observation indicates that a chemical substance or substances exist in the body which may prevent the cancer cell from multiplying and hence cause an arrest and remission of the disease.

Second. It may be considered as established that a species and even a family susceptibility to cancer exists and that this susceptibility extends to certain organ sites, as the skin, lung, stomach, or colon, for example, and that this obtains for mice, rats, and man. Furthermore, the results of certain experiments show that the susceptibility to cancer may be manipulated so as to render a mouse or rat more or less susceptible. One of us (A.C.I.) and many others have submitted supporting evidence. A variation in chemical substances or enzyme systems is undoubtedly concerned in determining the different degrees of susceptibility. This indicates that a search should be made in the body for the chemical substance or substances, which increase the resistance of specifically or nonspecifically irritated (metabolically or otherwise) areas in the body to malignant changes. Such a substance or substances, in adequate amounts, may be concerned not only with the prevention of cancer but also its complete remission in the remote cases referred to above.

Third. During the embryological development of multicellular animals and before the appearance of special organs for the secretion of "organ hormones," such as the gonade, thyroid, and pitutary gland, evidence is seen of the effects of local hormones which are concerned, not only in stimulating cell growth but also in inhibiting it; and finally causing the complete disappearance of certain cells and even organs. What could be responsible for such fascinating phenomenon other than chemical substances?

Fourth. In the process of the reaction to injury and the repair of injury there is evidence of the operation of chemical substances which stimulate and inhibit (at the appropriate time for normal repair) cell multiplication. In fact, in most cases during the first stage of the reaction to injury, the multiplication of cells is so remarkable that the following question arises: Why does not a cancer develop every time we are injured? The injurious agent may vary from that which causes the metabolically engendered hyperplasia of the thyroid gland to that caused by methylcholanthrene and by radiant energy, including perhaps cosmic rays. It has been hypothesized by others that normal development and repair depend on a dynamic balance of positive and negative growth factors, or of local antacids or self-remedial factors of which there are two types, hormones (excitatory) and chalones (inhibitory) which stimulate and inhibit the growth of cells during repair. In the case of a neoplastic tumor the balance is upset. It is difficult to conceive how normal repair might occur, unless such a mechanism were involved in the regulation of the repair process. The withdrawal of the stimuli does not account for all of the observed facts in repair.

The autacoids concerned in embryological development and the repair of injury, are probably more general in their action than the growth promoting action of the thyroid hormone, the anterior-pituitary hormone, and these sex hormones concerned in the development of the anatomic sex characteristics and the control of the reproductive processes. These autacoids appear and were necessary during the process of evolution considerably before the thyroid and anterior-pituitary and most of the known sex organs, which are highly specific in regard to the target tissues on which they act to stimulate growth. Even the thyroid and anterior-pituitary hormones are quite specific, and some of the autacoids involved in the process of embryological development are very specific. On the contrary the autacoids, concerned in the control of multiplication and maturation of cells and the maintenance of normal structure during devlopment and repair at the cellular and local tissue level, may be of a general chemical character or chemically quite similar.

Primitive autacoids, inside and outside the epithelial and connective tissue cells and the cells of the reticuloendothelial (RE) system (RES), must be concerned in the growth and multiplication of cells, the secretion of basement membranes, intracellular cement and its degree of polymerization, and in the control of mutual interrelationships for the formation and maintenance of normal structure. In view of the well-established synthetic and secretory activity of the cells of the RES for defensive purposes, and its distant humorally stimulated responses during the reactive stage of a local injury (infectious or noninfectious), it is reasonable to assume that the RES, especially in the spleen, bone marrow and liver, may, during the late reparative stage, (a) secrete into the blood or lymph a chalone for the inhibition of growth and the maturation of cells, or (b) an autacoid which will in some way antagonize the growth stimulating substances responsible for the multiplication of cells during the reactive stage of the repair of an injury.

Such a theory is supported by several very striking observations. Only two will be mentioned here. The first pertains to several articles in the literature showing that normal fibroblasts or epithelial cells in tissue culture are frequently transformed into cancer cells. This suggests that RE cells form a chalone which inhibits the multiplication of cells and favors the maturation of cells or in some other way maintain the multiplication of cells within the range of normality. In the absence of the restraining or controlling influence of the RE cells or its counterpart in early embryonic life, multiplying cells tend to become malignant or autochthonous.

The second striking observation, which reveals the importance of the RE cells in the regulation of the multiplication of cells, pertains to the fact that ACTH and cortisone depresses the local and general functions of the RES and facilitates the transplantation and metastasis of cancer cells. X-radiation in doses which depress the RES do likewise. These latter effects can be antagonized by the intravenous injection of living cells from the spleen or bone marrow, and possibly by appropriately made extracts of such cells. Cortisone and X-radiation cause a lymphocytolysis, and lymphocytes have been suggested as possessing some "anticancer" effect (Murphy).

Fifth. The RES, because of the numerous defensive and repair functions it manifests, might be suspected to play a role in determining the resistance of the body to the development, invasion, and metastasis of neoplastic growth.

Numerous articles have been reviewed in "The Biochemistry of Cancer" by Drs. K. Stern and R. Willheim. More recent articles have been reviewed by Dr. K. Stern in "Reticule-Endothelial Structure and Function" edited by Dr. H. J. Heller. In general this literature, though controversial, indicates that an increased activity of the RES increases the resistance to tumor transplantation and production by carcinogens, and delays and prevents the development of spontaneous tumors and decreases the rate of growth and development of metastases.

Sixth. Substances have been extracted from the blood serum and tissues which have been reported to inhibit the multiplication of cells and the growth of cancer. It has been observed by at least three different groups of investigators that the spleen has an "anticancer" substance. One group has suggested that the spleen, which is rich in RE cells, secrets an "antiblastic" hormone which was called "nesenchymin."

A substance, which inhibits the growth or destroys fibroblasts in tissue culture, has been found in the ether-soluble fraction of blood serum. A substance which cytolyses cancer cells in vitro has been found in the ether-soluble fraction of the blood serum of a cancer-free patient, but not in a cancer patient. One of us—A. C. I.—found that the blood serum of a young cancer-free adult human contains a thermolabile substance which cytolyses Ehrlich's ascites carcinoma cells. A second heat resistant substance was also detected. Five different groups of investigators have found that animal body fat from different sources, when used as a vehicle for hydrocarbon carcinogen, inhibited the action of carcinogen.

Those observations may not be related and may have no therapeutic merit or promise. But a review of this literature, in the light of modern tissue extraction chemistry, shows that this subject has neither been adequately nor intensively investigated. One of us (A.C.I.) has had two candidates for the Ph. D. degree extract the liver of dogs and pigs for an "antiblastic" substance for malignant tumors in mice and rats. The results were essentially negative, and favorable results could not be reported, as has been true of the reports in the literature. But, this does not mean that no "antiblastic" substance of therapeutic value in tissues exists. Historically the road to the discovery of a "hormone" or a specifically active substance in tissues, is strewn with many failures and much litter. One has only to recall the controversy and barren criticism which accompanied the isolation of active substances from the cortex of the adrenal, or the lapse of 20 years between the initial report of the presence of a hypoglycemic agent in the pancreas and the final acceptance of insulin. There was also an almost 20-year lapse between the initial discovery of penicillin and its application. The problem of producing repeatedly a tissue extract effective in cancer may be similar to the difficulty which has been experienced in the case of the extraction of other autacoids, or hormone and chalones, where success has followed many failures.

HORMONE FUNCTION OF RETICULOENDOTHELIAL SYSTEM

Seventh. A portion of our hypothesis maintains that the cells of the RES may secrete locally a hormone or autacoid, which is concerned in the inhibition of the malignant multiplication of cells, and that on appropriate stimulation the rate of production of the substance may be increased and released into the blood in amounts greater than normal. Krebiozen is not a substance which arises de novo as the result of injecting a horse, for example, with something foreign to his body.

This is quite different from the antigen-antibody immune substances which Ehrlich studied in relation to cancer and which have been studied recently in relation to transplantable cancer. It is also quite different from the properdin system of immunity by which cytolysis of certain foreign cells and bacteria occurs, because properdin is chemically different from krebiozen and has neither in fact nor by hypothesis a regulating or inhibiting action on the process of the cell multiplication of body cells.

On the contrary, krebiozen by hypothesis and in fact is of the nature of what is termed a "tissue hormone" or "tissue autacoid" because it is produced in tissues throughout the body. It is not an organ hormone produced by specialized organs, such as the thyroid and pituitary glands.

To make ourselves clear it should be pointed out that we have adopted the terminology of E. A. Schaefer, Longmann's Green (London). The subject of the classification of autacoids must be considered at some length to avoid confusing krebiozen with immune bodies.

An autacoid regulates the metabolism of cells; they are self-remedial substances which act to maintain a relatively steady state (homeostasis) of the metabolism of the organs and parts of the organs of the body. There are two types of autacoids. One is a hormone which stimulates ,or excites or speeds up processes, and the other is a chalone which inhibits or slows down processes. They exist in the body before any foreign substance is injected into the body, though their rate of production may be increased by injecting certain things into the body.

An endocrine organ is an organ or aggregate of many cells with a specialized function; namely, to manufacture and to separate or secrete within the body, or more specifically to secrete into the blood or lymph, a substance which has a specific effect on some distant tissue or target cells.

A classification of the autacoids, loosely called hormones, will be provided, which indicates the different methods of production of the special agents which regulate metabolism. (To obtain this broader view the reader is referred to "General Endocrinology" by C. D. Turner and to "Polypeptides Which Stimulate Smoothe Muscle," J. H. Gaddne, published by Livingstone, Ltd., London, 1955.)

1. Endocrine organ hormones: These autacoids or hormones are produced in specialized organs, the physiological function of which is concerned only with the production of such autacoids or hormones. These autacoids pass into the blood and lymph and have a specific effect on a target tissue usually at some distant place in the body.

2. Tissue or local hormones produced normally: These autacoids are produced in the cells of organs or general tissues of the body which perform other functions than to manufacture and secrete autacoids. There are three general types of tissue hormones.

(a) Those which are formed by some tissue such as the gastric or intestinal mucosa and have a specific effect on one or several target organs. Examples are: secretin, pancraczymin, cholecystokinin, gastria.

(b) Those which act locally where produced and where as excess passes into the circulation to have an effect on distant organs, under conditions where the excess is not totally destroyed in the blood, such as heparin and histamine.

(c) Those which act only locally where produced, none or very little passing into the blood, such as substances released by nerve endings, acetylcholine and norepinephrine; and specialized substances which exercise local control over the growth, multiplication and maturation of cells and the maintenance of structural and functional relations between connective and epithelial tissues. Krebiozen hypothetically is an example of this. Seratonin may be, although it may belong under (b).

3. Tissue hormones produced by abnormal conditions: (a) Those produced locally in inflammation and the action of which is specific and local only, such as leukotaxia, necrosia, leukocidia, bradykinin.

(b) Those produced locally in inflammation and which pass into the blood to affect distant tissues specifically, such as leukopenin, leukocytocin, pyroxin, histamine. Krebiozen hypothetically is produced in the late reparative stage following injury.

Eighth. The view that the RES is a physiological entity though scattered throughout the body, is gaining wide acceptance. Its better known functions are: (a) phagocytosis; (b) clearance from the blood of large particles (Xer function) and their storage for metabolism or slow excretion; (c) humoral defense mechanism in which it forms white blood cells in larger numbers and synthesizes antibodies and secretes them into the blood and lymph; (d) concerned with the metabolism of carbohydrates, vitamin A and cholesterol; (e) hormone production.

The hormone or autacoid production by the RES and spleen will be briefly discussed because the krebiozen hypothesis maintains that the substance is a local hormone which finds its way into the bloodstream when its production is increased.

The older literature on the production of "antiblastic" or "anticancer" substances (mesenchymin) by the RES has been reviewed by Stern and Willheim "The Biochemistry of Cancer." More recently Ungar has described the extraction of Splenin A and B from the spleen and their role as hormones. (G. Ungar: Endocrinology 37: 329, 1945.) Quite recently it has been reported that a "blockade" of the RES renders animals more susceptible to the lethal effects of various stresses.

Furthermore, it has been found that boiled extracts of spleen or plasma of rats which have been made resistant to trauma by repeated exposure, protect normal rats against traumatic shock (A. S. Gordon et al. in "RE Structure and Function" by J. H. Heller, Ronald Press, New York, 1958). Finally, considerable evidence indicates the spleen secretes hypoxylionin and an hemopoietic substance. The secretion of an inhibitory growth substance—a chalone—is evident in splenonegalic inhibition of the bone marrow.

Another type of evidence which indicates that the RE cells can manufacture and secrete other substances than antibodies is derived from information concerning the storare diseases of these cells. For example, kerasin accumulates in the RE cells in Gaucher's disease, and sphingonylein accumulates in the RE cells in Niemann-Pick disease. Kerasin and sphingonylein are glycolipide, thus the RE cells can synthesize a sugar-fat compound. Some investigators believe that the RE cells secrete amyloid found in intercellular spaces in a disease called amyloidosis. Amyloid is a polysaccharide and consists of N-acetyl glucocamine, glucuronic acid and sulfate, a neuraminic acid perhaps, a form of which is found in the blood.

POSSIBLE HYPOTHETICAL DIFFICULTIES CONFRONTING THE THEORY

There are two hypothetical possibilities which might interfere with the effectiveness of an agent extracted from normal tissues, which stop the over multiplication of cells in response to injury or prevent the multiplication of cancer cells.

First. In many cases the cancer cells may become so modified, or so foreign to, or independent of the controlling chemicals in the normal body (other than a food supply and a waste disposal system), that it has become completely nonresponsive to substances which act under normal conditions.

Second. The cancer cells may at first manifest some response to an inhibitory agent and then become nonresponsive or refractory. This has been observed in the case of tumors of the thyroid, prostate, and breast. In these cases, in some patients, the cancer cells have lost their physiological property of being inhibited by iodine, female, and male sex hormone, respectively. In other cases, a patient's cancer cells may show a remission for several weeks or months, and then become nonresponsive. So, the development of a nonresponsiveness or refractoriness may be expected in the case of a normal agent in the tissues.

Since refractoriness does not develop under normal conditions to such a product as the one we have postulated, the problem is to find why it develops in the cancer patient or in the case of cancer cells. A dosage factor only may be involved. Or, the postulated anticancer substance may operate in combination with other substances or systems, such as the properdin system, or a substance which induces naturation, or a substance which causes cells to secrete the material which forms the intercellular cement or ground substance and basement membranes.

It would appear that substances, which regulate growth and prevent abnormal multiplication and invasion, exist inside all cells and around and in contact with the surface of cells or in the connective tissue cellular elements such as fibroblasts and RE cells. This suggests a mutual relationship between epithelial cells and the soft tissue skeleton which would have to be maintained in an equilibrium by chemical compounds.

For example, the hyperplasia of epithelial cells in response to an irritant remains only a "reactive hyperplasia" until some change occurs either in the cells or in the basement membrane, or both, as a result of which the proliferating cells penetrate the basement membrane and invade surrounding tissue. Then the hyperplasia becomes "invasive" or "cancerous." When the malignant or invasive cell is trapped in a capillary in the lung or bone marrow, or when they invade a muscle, they move in the stroma between the cells.

More mature carcinoma cells form or secrete some stroma and attract arteries and veins, but the younger and more active cells at the periphery have no stroma and form no basement membrane. Some agent which would stimulate the maturity of the invasive and rapidly multiplying cell, which would cause it to secrete a basement membrane or cement substance should exercise an anticancer effect. Does the maturity or differentiation of a cell just happen? Or is it due to a substance or to the lack of a substance?

B. PRODUCTION AND CHEMISTRY OF KREBIOZEN

Production of krebiozen can be divided in two steps, production of stimulant and extraction of krebiozen.

1. Production of stimulant: Actinomyces bovis (Hartz) is produced anaerobically in glyceronated broth, or by any other method of cultivation. The culture is removed by filtration and washed in normal saline solution, the culture is then macerated in normal saline solution to which is added one percent of bile acids salts (sodium glycocholate and sodium taurocholate). After thorough masceration the emulsion is brought to concentration which corresponds to 10 grams of fresh culture in 100 cc of liquid. The macerate is then sterilized by filtration through Berkefeld filter, and sterilly divided and sealed in ampules of 5 cc each.

2. Extraction of krebiozen: The horse is used as the most appropriate animal for krebiozen production. The animal is injected intravenously with sterile emulsion of actinomyces bevis prepared as above described. The animal is given four to eight injections within a month, starting with a quantity of 2 cc and increasing it to 15 cc, according to the weight of the animal and the way of its reaction to the inoculation. One month after injection, the animal is bled to death. To prevent coagulation of the blood, sodium citrate is added in the amount of 0.3 percent final concentration, and the serum is separated by centrifugation. Serum is then extracted by an equal quantity of benzene (bensol), diethyl ether or petroleum ether for 1 hour in a hermetically closed container, with an electric mixer installed inside. Solvent is decanted and evaporated at the vacuum of 40° C. Greasy residue is extracted now with double amount of triple distilled water, and dried in vacuum at 40° C. Reextraction with triple distilled water has to be repeated several times to obtain pure krebiozen.

First, krebiozen was extracted only from the blood serum. Later extractions were enlarged and krebiozen was obtained from the other tissue of animals.

Krebiozen is obtained in the form of white yellowish powder. Later it was crystallized. The recent chemical study indicates molecular weight for krebiozen to be 923.9 and molecular formula to be $C_{25}H_{67}N_{15}O_{18}$. From the chemical data available up to now it seems that krebiozen may be classified as an aminolipopolysaccharide; however, since the structural formula of the drug is not yet completed this should be regarded as a tentative classification.

Mr. JAVITS. Mr. President, will the Senator from Wisconsin permit me to ask a question of the Senator from Illinois?

Mr. PROXMIRE. I yield to the Senator from New York.

Mr. JAVITS. Some of us are puzzled by the escalation between the Senate and the House after the escalation of the budget figures.

Mr. DOUGLAS. We all know that the lovable and distinguished Senator from Alabama is chairman of the Subcommittee on Appropriations which deals with these matters, and that he is deeply bound up with the question of medical research. In this field, he has done outstanding work. It pains me to have to oppose him. I have served on the committee with him. I love him. It pains me to have to criticize one of his sacred cows. He is so persuasive, so charming, so public spirited, so quietly indispensable and personally self-effacing, that we want to give him everything that it is possible to give him.

Mr. BUSH. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. Mr. President, I yield 3 minutes to the Senator from Connecticut.

Mr. BUSH. I am happy to join in support of the amendment offered by the Senator from Wisconsin. I commend him for the thorough work which he has done in analyzing this item. Last year I had the pleasure to join with him in a similar endeavor respecting the same phases of the budget. I supported his amendment, and he supported mine, all of which were designed to reduce the appropriations to the figures which the Department itself thought could be effectively used.

Despite our efforts, the Senate last year appropriated considerably more than was sought by the Department.

Last year, the Government had a deficit of $6,700 million. Now, in this very fiscal year, in which we are about to vote to exceed the NIH budget estimate by $120 million, the Nation is facing a Federal deficit of $4.5 billion.

The Senator from Wisconsin is quite correct in saying that we have a liberal President. He is not unmindful of the needs of the people in the field of health. Certainly those who are charged with responsibility in the National Institutes of Health are persons of compassion and understanding; but they know what they can do with money, or they should not be there. They say that the amount for which they have asked is all that they can effectively spend.

In view of the national budgetary situation, and the fact that the administration itself does not want the $120 million which the Senator from Wisconsin seeks to remove from the budget at this time, I hope the Senate will support the amendment of the Senator from Wisconsin. I certainly intend to do so. I thank him for giving me the opportunity to do so.

Mr. PROXMIRE. I thank the Senator from Connecticut.

Mr. President, I reserve the remainder of my time.

Mr. HILL. Mr. President, I am sorry the distinguished Senator from Illinois [Mr. DOUGLAS], with whom I served for many years in close, warm friendship on the Committee on Labor and Public Welfare, has been disappointed in his efforts in behalf of krebiozen. I know that the Senator from Illinois has been diligent, persistent, and almost indefatigable in his efforts to have the National Cancer Institute accept this particular product.

Mr. DOUGLAS. Oh, no, not at all; merely to make a test.

Mr. HILL. Dr. Ivy has been unwilling to have the test conducted in accordance with the procedures and regulations of the National Cancer Institute. Any time he will go there and submit his product to a test, as everyone else does, the Institute will test it.

Mr. DOUGLAS. Dr. Ivy has made a full statement of the process by which krebiozen is manufactured, together with a statement of the molecular content of krebiozen. That is in the material I am submitting. It will be printed. Also, he has filed the statistical experience of 4,200 cases of 3,000 physicians.

Mr. HILL. But that in itself does not meet the requirements of the test. The National Institutes of Health, in spite of what the Senator has inferred in his statement this afternoon, is a very careful, meticulous agency, one which has certain definite and specific requirements for the meeting of a test. Whenever Dr. Ivy takes his product to the Institute, if it meets the requirements or meets the test, his product will receive the approval of the National Cancer Institute.

Mr. DOUGLAS. In my judgment, even though Dr. Ivy could meet every requirement of the National Institute of Cancer Research, the National Institutes of Health would still refuse to make the test on one ground or another.

Mr. HILL. If Dr. Ivy will take his product out there and meet the requirements of the test, I am sure he will have his product approved. As an illustration, consider the test made for Dr. Sabin of his oral vaccine for polio. It was some 6 to 8 months after Dr. Sabin said it was a good product that it received a clearance.

Mr. DOUGLAS. All I ask is that the test be made. For years, the Institute has been refusing to make the test.

Mr. HILL. I am sure the Senator will continue to have something done about this matter. The door is wide open. If Dr. Ivy will follow the proper procedure laid down, not only for his product, but for all products, and if his product passes the test, it will receive the approval of the National Cancer Institute.

Mr. DOUGLAS. The complaint has been made that the content of krebiozen has not been stated. I think this was a proper criticism in the early years. But it has been removed in the claims which Dr. Ivy has stated. Not only is the molecular content given, but also the process by which krebiozen is manufactured is given. We have offered to have a double blind test made—500 persons to be given krebiozen, and 500 not to be given it. No one would know which persons received it except the statisticians. Then the results could be compared.

Mr. HILL. Dr. Ivy has not offered to take his product out to the Institute and submit it to the conditions laid down by the National Cancer Institute, not only for his product but for all other products, as well.

Mr. DOUGLAS. The National Cancer Institute has never clearly said what the conditions are. I am sure Dr. Ivy would be ready to meet them if the Institute will state them.

Mr. HILL. If he will meet the test which everyone else must meet—and many others meet it—he will have his test made. If his product passes the test, it will receive the approval of the Institute.

Of course, it is easy for the Senator from Illinois to read off citations of experiments and deride the use of monkeys. Everyone knows that a monkey comes nearer to being like a human being than does any other animal in the animal kingdom. That is why the monkey is so important. That is why monkeys are used so largely in experiments.

Mr. DOUGLAS. The studies of monkeys are not biological; they are behavioral.

Mr. HILL. The behavior records of monkeys are studied just exactly as other factors might be studied in connection with the life and biology of a monkey. To stand on the floor of the Senate and to deride the use of monkeys for biological tests is just as logical as to stand on the floor of the Senate and deride the spending of billions of dollars to send a monkey out in space. A monkey named Ham was sent into space before our first astronaut was sent into space. Why? Because before risking the life of a human being, a man, we wanted to know what the risk would be to an animal which is more like man in its biology than any other animal. So Ham was sent into space first.

Mr. PASTORE. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. PASTORE. In that circumstance, it was absolutely necessary to learn the behavior of a monkey.

Mr. HILL. Of course, it was absolutely necessary, because unless the behavior of a monkey is known, it cannot be known what the reactions of a human being—a man or a woman—will be.

Mr. DOUGLAS. Does the Senator from Alabama believe it is important to find out how a colony of baboons is initiated?

Mr. HILL. One of the important things is a study of perinatal conditions, to learn what happens in the womb before a child is born and what might be done to prevent mental retardation, blindness, deafness, and all the other maladies from which children suffer when they are in the womb of the mother. Many children are born with terrible disabilities. Studies of these conditions is sought in spite of the fact that the Senator from Illinois has not been able to have a cancer drug approved.

Mrs. NEUBERGER. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mrs. NEUBERGER. I think it may be of interest to our good friend, the Senator from Illinois, to go to the National Institutes of Health and visit the monkey colony and the monkey house there. One of the most remarkable Sunday afternoons I have ever spent was when I went there and studied the case histories of those monkeys; and generations of them are kept. It was in that way that polio vaccine was developed.

I was amused and interested in the recitation of the projects. I was also concerned with the request by a Cabinet member of great importance, "Why is it necessary to find out why fried potatoes are brown and why grass is green?" But those things are very important in connection with the developments in science.

Mr. HILL. Yes, indeed. As we know, Mr. President, many different avenues must be explored and many different tests must be made in order to obtain the needed answers, particularly in the fields of health and biology.

Mr. President, I have already stated some of the figures involved; but I think I should state now that this year the National Institutes of Health originally requested $1,029,945,000; that was reduced by the Budget to $780,400,000; the House voted to increase that amount by $60 million, to $840,800,000; and the Senate Committee on Appropriations, after hearing many witnesses, and after a number of days of hearings—and some of the witnesses were among the most distinguished scientists, research investigators, doctors, and biologists in this country—recommended an appropriation of $900,800,000, which is $60 million more than the amount voted by the House of Representatives.

However, Mr. President, that is $129 million less than the original requests of the National Institutes of Health.

Mr. President, in referring to the National Institutes of Health and their work, let me say that I hold in my hand a copy of one of the leading medical publications in the United States—the Medical World News. I may say to the Senator from Louisiana that one of the men actively associated with this magazine and one of the most famous doctors in the United States is Dr. Alton Oschner, of New Orleans. I know that the Senator from Louisiana [Mr. ELLENDER] knows him well. Other very distinguished doctors are very active in this work and are on the editorial board of this magazine.

The April 27, 1962, issue of Medical World News carries an article which describes an outstanding award which has been conferred upon Dr. James A. Shannon, of the National Institutes of Health. The article states that several weeks ago Dr. Shannon received recognition by means of an award from the National Academy of Sciences. The distinguished Senator from Illinois has referred to the American Medical Association, but now I call attention to this award by the National Academy of Sciences.

The article states:

> A great scientist may be a rare phenomenon, but a great administrator of scientists is even more rare. Largely unsung, sometimes stubbornly opposed by the very men he serves, the administrator must be able to understand the nature of research and shape its direction while handling the practical problems of managing and financing it.
>
> This week the National Academy of Sciences recognized this rare talent by awarding its highest honor to the research director of the National Institutes of Health, Dr. James A. Shannon, who presides over the Government's vast investment in medical research and whose decisions largely influence the content of that research.
>
> Even as Dr. Shannon received the Public Welfare Medal, Congress was preparing to give him a record new budget of nearly $1 billion to finance thousands of projects at NIH and other institutions across the country.

So, Mr. President, Dr. Shannon has received from the National Academy of Sciences its highest honor, its Public Welfare Medal, for his great work and his fine administration and for the fine discernment and judgment he has exercised as the Director of these Institutes.

Mr. PASTORE. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. PASTORE. Did I correctly understand the Senator from Alabama to say that the amount recommended by the Senate Appropriations Committee for the National Institutes of Health is larger or smaller than the amount requested by the Institutes themselves?

Mr. HILL. It is $129 million smaller than the amount the Institutes have requested.

Mr. PASTORE. So when it is said that this amount is more than what was requested, that is not the case?

Mr. HILL. Yes, that is not the case. The amount recommended by the Senate Appropriations Committee is $129 million less than the amount requested by the Institutes themselves, and thus the amount we recommend will be $129 million less than the amount of funds requested by the outstandingly distinguished research scientists, biochemists, doctors, and biologists to whom we look to carry on this research work for us. The men who came before our committee, representing these outstanding research scientists, the dedicated men and women who are doing this work, and who have made such marvelous progress in the development of medical science in America, requested $129 million more than the amount the Senate committee has recommended.

Mr. KEATING. Mr. President, will the Senator from Alabama yield to me?

Mr. HILL. I yield.

Mr. KEATING. Last year, we were confronted with a similar situation; and the administration told us that the amount it recommended was all that could profitably be spent.

I wish to ask the Senator from Alabama, who has done such magnificent work in this field, whether during the last year the Institutes of Health have, in fact, spent more than they originally told us was all that they could spend.

Mr. HILL. They have, indeed. As the Senator from New York knows, they held back a reserve; and in the last quarter they have released the reserve and have proceeded with that program, as Congress had contemplated and provided.

Mr. KEATING. So they actually used the funds which Congress had voted?

Mr. HILL. That is correct.

Mr. KEATING. As the Senator from Alabama knows, in many matters I consider myself on the conservative side. But in this situation I find myself rather on the other side, if there is real and substantial doubt about how much could be effectively spent.

If the Senator from Alabama will yield 1 minute to me, I should like to relate a personal experience which explains why I take this position.

Mr. HILL. I yield.

Mr. KEATING. One of my friends was struck on the head by a pistol, and incurred a trauma which resulted in a growth on the brain. He was in his early forties. He developed an epileptic seizure as a result of that brain injury. He went all over the country, seeking medical help.

He entered a private hospital in New York City, which is a very fine hospital, and he stayed there for quite a considerable period of time. He made progress and we were all encouraged. He is a man of only modest means, and when he left this private hospital, we all hoped and prayed that he would be forever spared from these epileptic seizures that he had. The terrible thing of it is that very soon after he left the hospital he had another seizure. It was clear that his condition was still serious.

Finally, we were able to get him into the Institutes of Health. They shot air through his spine, into his brain. In the course of that treatment he went through tortures. They cut a hole in his head, found a tumor, but were so worried about the great danger involved in an operation that they did not dare operate to remove the tumor. They tested it for malignancy, and found that there was none; so they left it there, because they explained that if it were removed by an operation, he might be paralyzed for life.

When he returned to consciousness, they explained the situation to him, and said, "In any case, you will be paralyzed at least on one side if the operation is not performed."

A few weeks later the operation was performed. Another, larger hole was cut in the top of his head. A few days ago he walked out of there, a well man.

He had been to leading doctors all over the United States, for treatment of this kind. But the National Institutes of Health were the only place where he finally obtained treatment that forever cured his very grave and unique condition.

As we know, they do not charge anything to the richest patient or to the poorest patient. They will take only cases in which something can be done to advance medical science.

So, I feel that we should give the Institutes of Health the benefit of the doubt. I am not sure that the amounts the Senator from Alabama is suggesting are necessarily the correct ones. I would rather have seen the House figures accepted.

Mr. PASTORE. Mr. President, will the Senator from Alabama yield, so that I may make an observation in connection with the very dramatic example the Senator from New York has given to us?

Mr. HILL. I yield.

Mr. PASTORE. The caliber of those engaged in the work at the National Institutes of Health is remarkable and outstanding. I hope more Members of the Senate will visit these Institutes. I understand that the Senator from Oregon [Mrs. NEUBERGER] has already visited them; and I hope many more Members of the Senate will go there and will see what is being done and will visit some of the hospitals and institutions where these research programs are being conducted. If Senators will do that, I think they will take an entirely different view.

To return to the observation made by the Senator from New York, let me say that any of those who are engaged in that work at the National Institutes of Health could earn four times or five times as much if they were engaged in private practice.

Mrs. NEUBERGER. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from Oregon.

Mrs. NEUBERGER. I cannot let this opportunity go by without paying tribute to the National Institutes of Health for the work they are doing in connection with the relationship between smoking and lung cancer. As the Senate knows, the President is in the process of appointing an advisory committee to go into this question, once and for all, with respect to regulations in the way of advertising, and whatever other steps may be necessary. The doctors in the National Institutes of Health are exploring the question in the most scientific and thorough way. They have given us a great deal of support and time. This is a new burden being put upon them.

I would like to call the attention of the Senate to the report of the committee in reference to the National Cancer Institute. The report states:

> In order to further this vital program, the committee has allowed an additional $2 million over the House allowance for the support of categorical clinical research centers and broad program grants designed to meet the physical costs and the research costs of regional units engaged in comprehensive attacks on cancer.

On page 451 of the hearings we find the following statement by Dr. Terry:

> A combined increase of about $12 million in our environmental health programs is intended primarily to increase research and training grants in air and water pollution, milk and food sanitation, and radiology.

As we know, there is concern over whether radiation may perhaps be affecting our food supply. We need a study of this subject through the National Institutes of Health.

When the question arises as to whether the National Institutes of Health can use the money, I merely suggest that a Senator go out there and talk to them about requests for grants. My own experience with the medical school in the University of Oregon tells me how difficult it is to get money for these grants. They are in demand at all times.

As one who has had a personal experience and a very direct effect from the work on research by the National Institutes of Health, I say if they can use the money, this is one field in which we should certainly give it to them.

Mr. HILL. I thank the Senator from Oregon. As I have said, they asked for a great deal more money than the committee recommended.

Earlier I said, when an application for funds for grants for research was made, how thoroughly that application was examined, how they first had to go through what is known as the study section, composed of 19 or 20 scientists, not in the Government, but out of the Government, composed of men from some of the most distinguished colleges, universities, biological institutions. The record shows that the service section ordinarily rejects at least half of them, and sometimes as many as two out of three of the applications. The rejections run as high as 66⅔ percent of the applications.

After the service section reviews an application, it goes to the council. That council is made up of people not from the Government, but out of the Government, men who are in the scientific, biological, biochemical, and biophysical fields, as well as lay people. Then they take the result of the study section and study it themselves and go through it. Unless the application is approved by the council, the Surgeon General cannot make a grant of $1 asked for in the application.

Mr. President, may I ask how much time I have remaining?

The PRESIDING OFFICER. The Senator from Alabama has 12 minutes remaining.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from New York.

Mr. JAVITS. I hope the Senator will bear with me while I mention the name of another hero in this field, like the Senator from Alabama, and I refer to Representative Keefe, of Wisconsin, who served in the House while I was a Member there. He was very conservative, but in this issue he was a great believer. I had the honor to cosponsor the National Heart Institute bill, and we would never have had success with it without the help of Representative Keefe. I equate him with my distinguished colleague from Alabama. I think it is worthy at this time to mention that fact.

Mr. HILL. I certainly join the Senator in paying tribute to the great work of Representative Keefe, because he was a hero in this fight in the House of Representatives.

Mr. President, 2 years ago we had a committee of consultants who studied the whole matter of NIH, its operation, its administration, its award of grants, the results from these grants. They brought 100 different witnesses before that committee, representatives from the medical profession, representatives from the biological and science organizations, representatives from the American Cancer Society, the American Heart Association, the Mental Health Association, and such organizations as the Rockefeller Foundation and its committee for health, and the Ford Foundation and its committee for health. They studied this question for 10 months. They came through with a report. One of the members of the committee was Gen. David E. Sarnoff. I do not have to tell Members of the Senate who he is. He is perhaps the leading person in the field of scientific management. He is head of RCA. He has done much to bring forth the great inventions through the electronics and communications field. Here is what he said at that time:

> Now, as a businessman, my approach was to find the answers to the specific question, Mr. Chairman, that you asked when you assigned the mission to the committee of consultants: "Was efficient use made of the funds provided?"
>
> Well, I subscribe wholeheartedly to the conclusion of this committee as stated in this report, a conclusion based on exhaustive study, exhaustive examination, testimony from expert witnesses, and so on, not an off-the-cuff conclusion, and that conclusion is as follows:
>
> "Considering the Federal research program as a whole, the funds appropriated by the Congress for the support of research on major disease problems have been expended by Federal agencies with remarkable efficiency."

The other members of that committee testified to the same effect—the remarkable efficiency of the expenditure of these funds for the National Institutes of Health.

Mr. President, I wish time permitted me this afternoon to narrate some of the things that have come to us through our programs of medical research. It was just 25 years ago that all 96 Members of the U.S. Senate joined in sponsoring the legislation to create the National Cancer Institute. A year later the Federal Government supported research in medical research beyond the confines of its own laboratories.

A few months ago in an article in the distinguished publication, Science, Dr. Lindsay and Dr. Allen, of the National Institutes of Health, pointed out that the death rate from all diseases stands at only 44 percent of the death rate at the turn of the century.

When these 96 Senators signed that resolution for the beginning of the National Cancer Institute——

Mr. DOUGLAS. Mr. President, if the Senator will yield, does the Senator say the National Cancer Institute is responsible for that?

Mr. HILL. I would not claim all the credit for the National Cancer Institute. I said earlier that we had research going on through private research, through benevolent organizations like the Rockefeller Foundation, the Ford Foundation, and other benevolent organizations. But the National Institutes of Health has done much to provide the leadership and inspiration for the team that has carried on this great research work that has been of particular benefit to the American people and, for that matter, to people all over this earth.

The very fact that the Government of the United States has increased its funds for medical research has been a challenge and an inspiration to private individuals.

In 1960, $333 million went into medical research from private funds, given by private individuals.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from Louisiana.

Mr. ELLENDER. I wonder if the Senator could tell us what percentage of the amount that the committee is now asking us to appropriate would be used to train researchers. I mean for basic educational facilities as well as the cost of training these persons so that they could do any type of research.

Mr. HILL. I will check that.

Mr. ELLENDER. The point I wish to make is that, in my opinion, the amount of money we are asked to appropriate is far beyond the amount which could actually be used by those now available to do this vitally important work.

Mr. HILL. We went into that question very thoroughly in the hearings before the committee. The researchers are available. My good friend the Senator from Rhode Island, who sat by my side during the hearings, confirms what the hearings show.

Out of the $900 million in the Senate allowance, for training programs for researchers there would be used $159 million.

Mr. ELLENDER. How many people would be involved? Does the Senator have that information?

Mr. HILL. I cannot say. I do not have the number of people involved. That much money is involved.

Mr. ELLENDER. Are those researchers trained at colleges, and do those colleges receive a portion of this money to expand their facilities and pay for some of their administrative costs?

Mr. HILL. They are trained at some of the colleges receiving this money, and at some other institutions, including some great research institutions such as Sloan-Kettering in New York.

I do not wish to cut my friend off, but I have only a few minutes remaining, and I should like to reserve the remainder of my time.

Mr. President, how much time is there remaining?

The **PRESIDING OFFICER.** The Senator from Alabama has 5 minutes remaining, and the Senator from Wisconsin has 10 minutes remaining.

Mr. HILL. I will let the Senator from Wisconsin use some of his time.

Mr. PROXMIRE. Mr. President, I yield 1 minute to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, I thank the Senator from Wisconsin. My purpose in asking the Senator to yield was to ask unanimous consent to have printed in the RECORD the history of appropriations for the National Institutes of Health from 1950 to 1963.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

History of appropriations, National Institutes of Health, 1950–63

Fiscal year	Budget estimate	House allowance	Senate allowance	Appropriation
1950	$41,246,000	$46,371,000	$60,563,000	$52,146,000
1951	62,570,000	61,970,000	66,326,000	[1] 60,059,750
1952	59,034,000	57,301,885	58,431,058	57,675,291
1953	55,005,000	53,833,500	58,982,000	[2] 59,030,750
1954	56,340,000	61,586,200	72,153,000	71,153,000
1955	71,128,000	77,393,000	83,143,000	81,268,000
1956	90,314,800	89,773,000	113,416,800	98,458,000
1957	126,525,000	135,525,000	183,007,000	183,007,000
1958	190,183,000	190,183,000	[3] 226,783,000	211,183,000
1959	211,183,000	219,383,000	320,577,000	294,383,000
1960	294,279,000	344,279,000	480,604,000	400,000,000
1961	400,000,000	455,000,000	664,000,000	560,000,000
1962	583,000,000	641,000,000	835,670,000	738,335,000
1963	780,400,000	840,800,000	900,800,000	------------

[1] Excludes $3,216,250 rescinded by the Supplemental Appropriation Act, 1952, Public Law 253, 82d Cong., which amount was reserved in accordance with sec. 1214 of the General Appropriation Act, 1951.

[2] Includes $48,750 allowed in the Supplemental Appropriation Act, 1953, for which the budget estimate was $178,000, the House allowance was $133,500, and the Senate allowance was nothing.

[3] Includes $4,573,000 reappropriation.

Mr. PROXMIRE. Mr. President, the Senator from Alabama is a very fine man and an eloquent debater, but much of what has been said on the other side is utterly irrelevant.

Nobody is against research. Nobody is against increasing research. We all recognize the great value of medical research and we favor it enthusiastically. I am not criticizing NIH. I simply say that the huge increase requested by the administration is enough.

My argument is that the budget estimates would increase the spending for medical research by $134 million, which would be almost a record increase. The Senate proposal would make that $254 million, which would shatter all records. We have never had such a mammoth increase in the history of this country.

The position taken by competent people in the administration is that such a large amount of money cannot be efficiently expended. Furthermore, the fact is that the administration was not able to spend $72 million of the money which was appropriated to NIH for the last fiscal year. It is true that the administration put a $46 million "stop" on it, but in spite of that there was $26 million which could not be spent.

I have talked to the people at the Cancer Institute. They said that in addition to the amount reserved by the administration they were unable to allocate $10 million in grants. They were able to allocate only $117 million.

The Heart Institute had the same kind of problem. They were unable to spend $5 million, in addition to the amount that the administration reserved, of the amount which was made available to them.

The general research and services people were also unable to spend a large proportion of the amount of money still available.

The fact is that the Institutes cannot spend the amount of money it is suggested we provide.

I do not say that the research program should be cut back. The research program should be increased, but it should be increased at a modest rate.

The Senator from Louisiana made a very excellent point when he implied that this additional money is not likely to return much by way of research, because there is a limited amount of research personnel available.

This is a point of major difference between my amendment and the recommendation by the Senate Committee on Appropriations. What my amendment would do is to reduce by $55 million the training amount. It would do that for a very important reason. It would do that because Dr. Shannon recommended that we do so. Dr. Shannon said:

> It is my view that there should now be a moratorium of at least a year in this rate of growth to permit the schools to adjust to these programs and to give us an opportunity to reexamine our training policies and reassess future needs.

Under these circumstances, if we provide the additional training money, it merely means the research people will not be able to do an efficient or appropriate job.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. PROXMIRE. Furthermore, it will mean, as I stressed before, that people would be taken out of medicine and put into research not in the rapid but orderly way recommended by the President but in a far greater proportion than they should be.

Mr. HILL. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield briefly. I do not have much time remaining.

Mr. HILL. The quotation from Dr. Shannon was not of this year, but of last year.

Mr. PROXMIRE. August of 1961; the Senator is correct.

Mr. HILL. Since then the study on manpower has been made. I hold the study in my hand. It shows that we must increase the funds for more training, for turning out more manpower. That is what the Senate committee would provide. That is what is in the report.

Mr. PROXMIRE. The recommendation by Dr. Shannon this year is exactly the same.

Mr. HILL. No.

Mr. PROXMIRE. It is exactly the same.

Mr. HILL. I have the report in my hand. It is here. It deals with manpower. I was surprised that the Senator went back to the old report.

Mr. PROXMIRE. That "old report" is only 10 months old.

Mr. HILL. It was a report of last year.

Mr. PROXMIRE. August of 1961.

Mr. HILL. We had the moratorium until the study could be finished. The study has been finished. They have asked for money to carry out the recommendations of the study, since the report of last year.

Mr. PROXMIRE. The Bane report made exactly the same recommendation.

Mr. HILL. The Bane report is 3 or 4 years old. That is about 4 years old.

Mr. PROXMIRE. It makes exactly the same recommendation as the latest manpower report.

Mr. HILL. The Bane report is 4 or 5 years old.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Louisiana.

Mr. ELLENDER. I wanted to discuss a little more at length with my good friend from Alabama my contention that too much money is being provided for these programs than can be economically spent. Unfortunately, we did not have the time to go into this at any length. But my point is this: No one can contend that these are not good programs. Unfortunately, even a good program can be overdone. This puts me in the unenviable position of having to oppose my good friend from Alabama, although I do support these types of medical research programs.

As was pointed out before the Committee on Appropriations in regard to research for the armed services, too much of this money is used to bear the administrative costs of colleges where this research is conducted. As I recall, it was brought out that at Princeton University, for example, the percentage of Federal funds being used to defray administrative costs was over 70 percent. In fact, we were told that in many instances that without this high percentage of Federal funds being used to pay administrative costs, several of these colleges would have had to close. Now I am in favor of higher education and would not like to see some of our great institutions close their doors. I do not believe they should be subsidized through an overextended research program financed by the Federal Government. I return to my point that there are today not enough researchers to economically spend all this money that the committee now asks. I think these types of research programs will be of untold benefit to our Nation, but, as I said earlier, we must not be wasteful, therefore I regretfully oppose the action of the committee.

Mr. PROXMIRE. Mr. President, the Senator from Louisiana makes an extremely important point.

The underlying point which I wish to stress is that even more important than the money involved is the question of the impact on a very limited personnel of a very specialized kind. The impact would be devastating. It would be inefficient to follow this procedure, and not in accord with the overall recommendations by those who have studied the problem. It seems to me we must recognize this fact when considering this kind of appropriation.

Mr. President, 2 years ago the amount involved was only $400 million, about half the amount of which is now involved, and President Eisenhower had exactly the same reluctance. I wish to quote what President Eisenhower said on August 14, 1959, which is relatively old but exactly as pertinent now as it was then. He said:

> This increase—

It was an increase then of $106 million—

> This increase gives me cause for concern on three grounds. I am concerned lest it should:
>
> 1. Lower the quality of the projects supported by increasing the flow of grant applications more rapidly than the procedure for their careful appraisal can be effectively adapted.

I point out that the quality of research grants dropped sharply. Only 1 out of 10 are at the highest priority level, and 4 times as many are at the lowest level.

The President further said:

> 2. Cause too great a diversion into research of the manpower and other resources needed for equally vital teaching and medical practice.
>
> 3. Substitute Federal funds for non-Federal support of medical research and training and discourage further expansion of such support.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield to the Senator from Pennsylvania.

Mr. CLARK. As this debate proceeds, I find myself in a dilemma, which perhaps the Senator can explain for me. I am unable to determine why the subcommittee of the Committee on Appropriations was unwilling to grant to the President the amount of money he wanted to help train the unemployed, yet wishes to give him many millions of dollars more than he wants in this particular area, covered by the Senator's amendments. Is the Senator able to resolve this dilemma for me?

Mr. PROXMIRE. I am certainly not able to resolve the dilemma for the Senator. The amendments offered yesterday, supported by the Senator from Pennsylvania, made a great deal of sense. Of course we should provide training for the unemployed. That training is needed. There is not a scarcity of manpower in that field. There is a great abundance of men who need to be trained.

In this instance, there is a very severe scarcity of personnel. We would be robbing medical faculties, taking away people who should be in teaching and should be in other areas, for low-priority research, on the basis of all the evidence we have been able to obtain.

Mr. CLARK. Mr. President, will the Senator yield for a further question?

Mr. PROXMIRE. I yield further to the Senator from Pennsylvania.

Mr. CLARK. Does the Senator have the impression that the unemployed workers of the United States of America have a powerful lobby in Washington, D.C., attempting to get money which they need for their training?

Mr. PROXMIRE. I think it is abundantly apparent that they have virtually no lobby. Politically they have very little potency.

Mr. CLARK. I thank my friend.

Mr. PROXMIRE. Mr. President, as the Bureau of the Budget has reported, most NIH training grants are made to students who already possess M.D. degrees. The effect of the measure, would be to take people who are desperately needed for medical practice in our country, many of whom are already on faculties and busy teaching, and break them into projects which, on the basis of the wisdom of the Secretary of Health, Education, and Welfare, have low priority and cannot be justified.

The point I wish to emphasize as strongly as I can is that I have never questioned the ability or efficiency of the NIH. I think the Fountain study is important, and that we should pay attention to it. But whether we agree with it or not—even if we disregard it completely—I think we must recognize that if we should make the excessive appropriation requested, we would not only waste the taxpayers' money by spending $120 million more than the President has said could be justified, but we would also greatly change the allocation of precious and limited manpower resources.

We would throw those professional highly trained men into an area which those who are responsible for the program, and who devote their time and attention to it, say is wrong. It is not the way to do it.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HILL. Mr. President, I yield 2 minutes to the distinguished Senator from Minnesota.

Mr. HUMPHREY. Mr. President, first, NIH grants have been the subject of 5 years of exhaustive study by the Senate Subcommittee on Reorganization and a special panel on scientific research. More than nine documents have been published on the subject. We have made more than 50 recommendations to the NIH, and the NIH has followed the recommendations. The most recent study resulted in commendation of the NIH for what it had done.

My second point is that had it not been for the Senator from Alabama and the subcommittee of which he is chairman, and the Appropriations Committee, which has supported him, the research field in medicine, which this Senator has sponsored would today be years behind. The Bureau of the Budget never recommended the money that was supposed to be appropriated.

I remember what the late Matthew Neely told me as he sat in the chair next to the chair occupied by the Senator from Nevada [Mr. BIBLE]. At the time there was no Bureau of the Budget recommendation for cancer research. He looked around the Senate and said, "Senator, one out of every three Members of this body will die of cancer." As we know, he was one who did.

The basic stimulus for every one of the NIH projects has had to come and the momentum to keep it going has had to come from Senators or from Members of the other body.

I should like to take the last second or two allotted to me to pay tribute to the Senator from Alabama [Mr. HILL]. Perhaps he has erred in generosity. But let me point out that if we are to err, we had better do so on the side of health.

In the defense bill there was a provision for a $7 billion research fund. The Senator from Minnesota conducted 2 years' study on defense research. We published reports. Not one nickel was cut from that appropriation. No Senator rose and said, "Let us cut that item."

Now we consider item for projects recommended by competent scientists, chemists, doctors, and biologists, and we are asked to cut back the amount requested. Every year it has been the same.

I remind Senators that if we had followed the limitation recommendations that have been made year in and year out, the NIH establishments would not be where they are now.

Without this program there would not be research grants for colleges and universities all over the country. I do not apologize for the fact that our colleges and universities have received grants and, as a result, have kept their medical schools going. Thank God, we have made grants. We have needed more help for our medical schools. I do not apologize for the fact that doctors are engaged in research. Of course they are. What good would medicine be without research? We would be back in the days of witchcraft. Modern medicine in America is where it is because the Congress of the United States has taken the lead.

GENERAL OBSERVATIONS ON REPORT BY HOUSE GOVERNMENT OPERATIONS COMMITTEE

I should like to comment with regard to the most recent report filed by the Intergovernmental Relations Subcommittee of the House Committee on Government Operations.

The report is entitled "Administration of Grants by the National Institutes of Health." It is House Report No. 1958, 87th Congress, 2d session. It is an important and conscientiously prepared document.

The House committee's critique commands careful attention. The House committee has held extensive hearings; the staff has made an analysis in depth.

Prudence requires that every effort be made to avoid laxity in administration. Every dollar which can be saved should be saved, as the House stresses.

But, here I offer two principal points:

First. The House report's 13 specific recommendations for stronger NIH management policies—merit careful attention, item by item.

Second. However, the report's concluding observations on pages 25 and 26 go much further; they should, therefore, be viewed with reserve.

In the final paragraphs, the report states that Congress has allegedly been "overzealous in appropriating money for health research."

With deepest respect for my friends of the House, I submit that it is one thing to submit documented criticisms of a few specific management weaknesses; it is another thing to offer the most sweeping conclusions on congressional policy, which go far beyond specific improvements.

DEFENSE INFORMATION WEAKNESSES DID NOT CAUSE CONGRESS TO SLASH RESEARCH

For Congress to make an arbitrary slash in crucial research because of some management shortcomings would, I feel, set a very adverse precedent.

Management weaknesses are not unique in the U.S. Government.

I can cite a half-dozen reports by Senate and House committees or other expert sources, indicating room for improvement in research and other programs.

Hardly a month goes by in which the General Accounting Office, or a Senate or House committee or subcommittee does not find fault with some program in the Department of Defense, for example. I, personally, filed a 26-page report with both Appropriations Committees in which I strongly criticized the management of information in Defense research.

But neither I nor any other Member of the Congress offered an amendment to cut that research fund—$7 billion—by a nickel.

Why not? Because there is no reason to believe that Secretary McNamara and his assistants are not just as determined as we are to improve the management of research. To slash a crucial research program because its administration is not perfect is like "cutting off one's nose to spite one's face." To cut back NIH funds because it has not administered all of its grant programs in as perfect a manner as we would wish—would do poor service to our overall goal.

ONE GRANT IN 14,000

It should be noted that the House committee has focused on NIH's handling of 1 particular grant—out of over 14,000 extramural grants—and to but 1 profitmaking organization.

That is hardly a basis for sweeping conclusions on a $900 million program.

Shall the Congress, I ask, cripple this vast program because of poor handling of one particular grant?

I mention, too, for proper perspective, that the grand total of all NIH grants to profitmaking institutions represented but one-third of 1 percent of all NIH grants. And, this was prior to the Public Health Service's decision to discontinue such grants.

Remedial action is well underway in the Public Health Service.

REMEDIAL ACTIONS BY PUBLIC HEALTH SERVICE

Under date of July 9, Dr. Luther L. Terry, Surgeon General of the U.S. Public Health Service, forwarded a copy of a letter which he sent to Congressman L. H. FOUNTAIN, the distinguished chairman of the Intergovernmental Relations Subcommittee. With the letter, Dr. Terry enclosed a 31-page report entitled "Administrative Changes in the Public Health Service Research Grants Program." The report had been prepared by an Interbureau Directing Committee headed by Dr. David E. Price, Chairman, Deputy Surgeon General.

This extensive report—item by item—indicates the extremely careful consideration which the Public Health Service has given, is giving, and will give to each of the Fountain subcommittee's recommendations.

I do not believe that anyone reading this Public Health Service response can fail to appreciate the desire of the Public Health Service to do everything possible to fulfill the objectives expressed by the House subcommittee.

NIH HAS ACKNOWLEDGED WEAKNESSES

Specific weakness evidenced in the poorly supervised grant to the commercial company was long since acknowledged by NIH.

In the Senate appropriation hearings on April 9, Dr. Shannon acknowledged on page 1113:

> I am satisfied that the [House] committee study illustrates the need for some corrective action.

He continued, page 1114:

> We are in full agreement with Congressman FOUNTAIN's premise that * * * a trust relationship [on the part of a grantee] does not relieve NIH of its clear and fundamental responsibility for the proper stewardship of Federal funds.

He pledged, page 1115:

> All feasible steps will be taken to remedy the weakness in our system.

I am sure Dr. Shannon means what he says.

AVOIDING DANGER OF OVERMANAGEMENT

Without question, NIH management, including auditing and field review of projects, can and should be strengthened.

But in the desire to avoid the excess of undermanagement, I urge caution lest there be overmanagement.

The House committee report takes note of this possible danger.

If we do go to an extreme, we may end up strangling scientists in redtape. We may end up requiring them to sign forms in triplicate for every item of expenditure; we may end up converting them—part of the time—into glorified clerks.

I know that the House committee has no such intention.

But, I stress that the taxpayers investment in scientific research pays off—not when mountains of report forms pour into Washington or Bethesda—but when the cure for cancer or some other disease is found.

In other words, scientific results are what count. Whatever may detract from or interfere with or reduce scientific efficiency, is to be deplored.

What I am urging, therefore, is a sense of balance. Let NIH assure the most prudent administration. Let NIH officials and staff work with the House committee to satisfy the most careful criteria and safeguards.

But, let us not ignore the fact that NIH-sponsored research has succeeded thus far because, in part, NIH has been an unbureaucratic-type agency. It has been action oriented. It has sought to avoid imposing excessive paperwork requirements on investigators.

SCIENTISTS PLEADED FOR FREEDOM FROM PAPERWORK

When I spoke to European scientists in 1958 in Paris, Stockholm, and elsewhere, what did they say? They urged—not with respect to NIH, but as to all sponsors—that continued trust be given to scientists and the sponsoring institutions. They pleaded that a minimum of paperwork, of form filling out and report writing, be imposed upon them.

These men and their colleagues are dedicated workers. We are dealing here not with irresponsibles—but with the cream of the Nation's and the world's medical and biological talent. The overwhelming proportion of grants go to universities. Shall we question the good faith of our university system?

There is, I believe, no reason to do so.

NIH AND PHS RESPONSIVENESS TO SENATE GOVERNMENT OPERATIONS SUBCOMMITTEE

I can attest, from personal experience, that NIH and the Public Health Service as a whole are responsive to the views of a committee of the Congress.

Sometimes, the Service or NIH may not act as rapidly as we may wish, or as completely.

But, after all, PHS faces a vast number of complex problems.

Moreover, its scientific administrators and laboratory scientists are entitled to make the most careful technical appraisal of Congress' suggestions from the standpoint of their professional competence and experience.

Let me cite now a few of the many suggestions which have been made by the Senate Reorganization Subcommittee and which have been favorably acted upon by the Institutes and/or by the Public Health Service, as a whole.

These are but a few of the examples which could be usefully cited.

SUGGESTIONS OFTEN SENT INFORMALLY

The suggestions which are listed below have been made by us in many forms and on many occasions. I have sent some of these suggestions in personal letters; others in drafts of staff analyses; still others have been made in staff conferences with Institute officials.

The Senate Reorganization Subcommittee has preferred, insofar as possible, to secure a meeting of minds with agency officials through informal means. We have never wished to rush into print. Our objective has been constructive agency action. If we could foster action administratively without publishing a formal report, we have felt that to be the preferable procedure.

ACTIONS DUE TO MANY FACTORS AND SOURCES

It should, of course, be clearly noted that the Senate Reorganization Subcommittee is not always the only source responsible for the actions which will be listed. Some of the actions may have been long planned by the Institutes, themselves—although they might not have taken the action when they did if it had not been for our subcommittee's stimulus. In addition, other sources have, likewise, recommended improvements of the types which are listed, including the Jones' Consultative Committee to the Senate Appropriations Committee.

ILLUSTRATIONS OF NIH ACTIONS TAKEN

Here are a few of the illustrations of actions. Cited first is the suggestion from the subcommittee; second, the NIH action.

First. Suggestion: The Institutes should register all of their intramural research with the Science Information Exchange.

Action: The Institutes now do register all of their inhouse research—aggregating over $55 million with the Exchange.

Second. Suggestion: The Institutes should publish and distribute an up-to-date inventory of all current research which they support.

Action: The Institutes have just published a pioneering report on over 13,500 current grants, indexed under over 7,000 headings, and representing $280 million in expenditures.

Third. Suggestion: The Public Health Service should convene a communications conference in which leading medical and other experts consider action proposals to deal with the communications problem.

Action: Surgeon General Terry announced at the Senate Appropriations Committee hearing that there will, indeed, be such a conference or series of conferences, possibly starting in October. In making the announcement, Dr. Terry referred very specifically to the suggestions which had been made by the Senate Government Operations Subcommittee.

Fourth. Suggestion: The Public Health Service should utilize individuals with specialized competence for the technical problems of medical information and communication.

Action: Partial action has resulted. The National Heart Institute has transferred resources to the expert National Library of Medicine. The latter will support cardiovascular information—among other—programs, subject to approval by National Heart Council.

Fifth. Suggestion: The Public Health Service should increase support for communications research—which aggregated only one-six hundred and ninety-eighth of total research support in fiscal year 1962.

Action: Administrative action is being taken to increase the level of communication research by the Public Health Service.

Sixth. Suggestion: The National Institutes of Health should strengthen intramural and extramural use of the most advanced electronic data processing methodology through analog and digital computers.

Action: The Institutes have strengthened to some extent their electronic data processing programs—extramurally, for example, through support of increased numbers of research projects, as well as support of special resource centers through special funds made available by the Congress.

Seventh. Suggestion: An international medical audiovisual exchange program should be established.

Action: The Communicable Disease Center—a part of PHS's Bureau of State Services—took commendable action on a study proposal which I had personally made as the first step toward such a program. The study was made by a distinguished consultative group. The latest result has been indicated earlier in the Senate committee's allocation of funds to begin this program.

Mr. President, I ask unanimous consent that there be printed at this point in the Record a memorandum which elaborates on the relationship between the studies on NIH research information, as conducted respectively by the Senate and House Government Operations subcommittees.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

MEMORANDUM ON RELATIONSHIP BETWEEN SENATE AND HOUSE SUBCOMMITTEE STUDIES

The Senate Government Operations Subcommittee study of NIH medical research began in August 1958, with the enactment of Senate Resolution 347, 85th Congress.

As chairman of the subcommittee which has carried out the study, I have, naturally, followed closely all related studies by committees of the Senate and the House.

I have followed, particularly, the study by the House Committee on Government Operations which is, of course, the counterpart of our Senate group.

Each committee has the overall mission of strengthening "interagency economy and efficiency."

Inevitably, the Senate committee has studied some of the phases of the medical information problem which the House committee has examined.

HOUSE COMMITTEE REPRINTED PART OF SENATE COMMITTEE'S TESTIMONY

Because of this sharing of interest, the staff and I have carefully consulted the House committee's hearings and two important reports on NIH.

In May, I publicly referred to the first House report in my own memorandum [1] to the Senate Appropriations Committee.

In turn, the House committee, in its first report on NIH, cited our Senate subcommittee hearings.[2] In addition, it reprinted seven pages of the testimony by Dr. Shannon, NIH Director, before our Senate committee in August 1960.[3]

DEMARCATION BETWEEN WORK OF SENATE AND HOUSE COMMITTEES

The House subcommittee and its staff have concentrated attention on one broad phase of medical research information—administrative-type information, necessary for the review of grants. The House committee has studied, therefore, various types of grants, duration of grants, auditing of grants, overhead costs on grants, equipment expenditures and grants, etc.

Knowing that the House committee has concentrated on this area, i.e., administrative and auditing-type information and communication, our own Senate subcommittee has focused on a different type of information—notably scientist-to-scientist communication.

We have felt that the soundness of a taxpayer's investment in a grant is, in the final analysis, determined by results, i.e., by the yield from the research itself. If NIH-supported research contributes to a cure for cancer, for example, the fundamental wisdom of the expenditure will be amply justified. Even if a cancer cure is not found—in a year—10 years or longer—the soundness of that research may be validated by the body of basic or applied information discovered—by positive, as well as by useful, so-called negative results.

In any event, our Senate subcommittee has sought to answer what we regard as a crucial question: "How can we strengthen the efficiency of scientific research, i.e., how can we increase scientific productivity and creativity?"

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[1] Reprinted by Senate Appropriations Committee, hearings on appropriation for the Department of Health, Education, and Welfare, for the 1963 fiscal year, p. 1888.

[2] See "Health Research and Training," "The Administration of Grants and Awards by the National Institutes of Health," H. Rept. 321, 87th Cong., 1st sess., p. 48.

[3] Ibid., pp. 101-108.

The answer, we have felt, is by strengthening scientific communication programs.

There is clearly a considerable difference between an auditing-type analysis of how dollars are spent and an end-result-type analysis of how scientific findings are or are not communicated and applied. Each analysis serves necessary and useful ends.

TWO TYPES OF RESEARCH INFORMATION

Generally speaking, administrative-type information is needed for the one and detailed scientific information for the other. There are differences as well as overlap between the two types of information.

An administrator essentially needs resource-type information—i.e., on who is investigating what, where, with how much money, with what type of equipment and facilities, etc. Dollar income and dollar outgo loom large to an administrator.

A bench scientist, by contrast, is far less concerned, if at all, with resources assigned elsewhere; instead, he wants detailed, technical information on the experiment itself—on what is being studied, with what hypotheses and working techniques, etc.

Hard and fast lines between the two types of information tend, however, to fade on closer examination. Often an administrator (especially one who is located at or close to the laboratory himself), will want to know the fullest technical details of experiments, so that he can better appraise them or even perhaps pitch in, himself.

A bench scientist, in turn, may wish at some time to survey a whole field—who is doing what and where. For that reason, he may—on occasion—seek a panoramic view, such as an administrator maintains—over large numbers of projects.

NEED FOR TOTAL, COORDINATED SYSTEM

The point I wish to emphasize is that the Senate subcommittee has stressed the advisability of setting up integrated systems of information—not an endless proliferation of ad hoc systems. We do not believe in NIH developing an intramural system in relative isolation from an extramural system, or an administrative-type system, in relative isolation from a scientific-oriented system, a patent-reporting system in isolation from other systems, etc.

We do believe in coordinating systems, in arranging for an integrated flow of information—from the very inception of an application onward. Input and output to and from the integrated systems should be geared to serve as many needs as possible and as continuously as possible.

This multipurpose objective for integrated systems is not as difficult to achieve as it may appear, in view of the capacity of modern electronic data processing facilities.

The fundamental fact is that if NIH's total information system were improved (as both the Senate and House Government Operations Committees have urged) the needs of both administrators and bench scientists could be more satisfactorily fulfilled.

That is why I shall continue to stress the need for the most modern methods to handle all types of information within NIH and within the Public Health Service, as a whole.

This is not a problem unique to NIH—it is a Government-wide problem.

FOURTH OF 13 HOUSE RECOMMENDATIONS

With regard to the House committee's 13 recommendations, I should like to mention in particular the fourth.

FULL AGREEMENT ON AVOIDANCE OF UNDESIRABLE DUPLICATION

This fourth House recommendation goes to the very heart of an issue which has been of concern to the Senate Government Operations Subcommittee. The House committee recommended that NIH: "* * * seek to further improve its methods for coordinating research activities with other Government and private agencies so as to minimize unnecessary or unintended duplication of research in the health field." [4]

The House committee observed: "The committee recognizes that NIH has developed workable arrangements for avoiding undesirable duplication of project support. However, certain gaps exist which should be remedied." [5]

With this conclusion I heartily agree. As a matter of fact, I believe that the Senate Government Operations Subcommittee has continuously demonstrated that gaps continue to exist and should be remedied. That is primarily why we have recommended an HEW-wide information system as part of a Government-wide information system. It is why we have recommended strengthening the Science Information Exchange, as well as subject-type usage of the Exchange.

I want these systems to do more than help avoid undesirable duplication. I want them to be positive in their approach—i.e., to foster cross-fertilization of ideas between disciplines, between missions, between agencies.

Mr. HUMPHREY. I think the Senate should support the recommendation of the subcommittee and the committee. Will Senators do so, or will they oppose their individual judgments against the collective judgment of witness after witness and committee member after committee member at the conclusion of months of hearings and study by the most competent scientists and doctors in America?

Mr. President, that is my case. I shall support those who have led me in the right way for 13 years.

Mr. HILL. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. HILL. Mr. President, I close by saying that many Senators knew Representative Miller of Nebraska. He retired last year. He appeared before our committee. When he did so, he had 3 feet of plastic in his body as a substitute for blood vessels.

A marvelous surgeon had found, through medical research, that a surgeon could remove a blood vessel and insert plastic tubing made by Du Pont, Chemstrand, or some other company in lieu of the blood vessel. The surgeon was present and had with him former Representative Miller of Nebraska.

Dr. Ravdin of Philadelphia, president of the American College of Surgeons and one of the most distinguished surgeons in the world today, has reminded us that in 1937 when the National Cancer Institute was established only one in every seven Americans survived the onset of cancer. Today, one in every three Americans is saved, and the American Cancer Society has repeatedly pointed out that this could be raised to one in every two saved if the American people would submit to recently developed detection examinations which pinpoint the early manifestations of cancer.

The other day a great doctor financed by the National Institutes of Health, after mankind had suffered for centuries, discovered a way to bring relief to one suffering from Parkinson's disease, which is otherwise known as shaking palsy. The doctor's procedure involves going into the brain to bring relief for victims of that dread disease.

The PRESIDING OFFICER. The time of the Senator has expired.

The question is on agreeing to the Proxmire amendments. On that question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. Byrd], the Senator from Tennessee [Mr. Gore], the Senator from Alaska [Mr. Gruening], the Senator from North Carolina [Mr. Jordan], the Senator from Louisiana [Mr. Long], the Senator from Oklahoma [Mr. Monroney], and the Senator from Oregon [Mr. Morse] are absent on official business.

I further announce that the Senator from Arkansas [Mr. Fulbright] is necessarily absent.

On this vote, the Senator from Virginia [Mr. Byrd] is paired with the Senator from Tennessee [Mr. Gore]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Tennessee would vote "nay."

On this vote, the Senator from Alaska [Mr. Gruening] is paired with the Senator from Texas [Mr. Tower]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from Texas would vote "yea."

On this vote, the Senator from North Carolina [Mr. Jordan] is paired with the Senator from Iowa [Mr. Miller]. If present and voting, the Senator from North Carolina would vote "nay," and the Senator from Iowa would vote "yea."

On this vote, the Senator from Oklahoma [Mr. Monroney] is paired with the Senator from Colorado [Mr. Allott]. If present and voting, the Senator from Oklahoma would vote "nay," and the Senator from Colorado would vote "yea."

On this vote, the Senator from Oregon [Mr. Morse] is paired with the Senator from Arizona [Mr. Goldwater]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from Arizona would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. Allott] is absent on official business

The Senator from Utah [Mr. Bennett], the Senator from Maryland [Mr. Butler], the Senator from Indiana [Mr. Capehart], the Senator from Arizona [Mr. Goldwater], the Senators from Iowa [Mr. Hickenlooper and Mr. Miller], the Senator from Kentucky [Mr. Morton], the Senator from New Hampshire [Mr. Murphy], the Senator from Kansas [Mr. Pearson], the Senator from Pennsylvania [Mr. Scott], and the Senator from Texas [Mr. Tower] are necessarily absent.

On this vote the Senator from Utah [Mr. Bennett] is paired with the Senator from New Hampshire [Mr. Murphy]. If present and voting, the Senator from Utah would vote "yea," and the Senator from New Hampshire would vote "nay."

On this vote the Senator from Indiana [Mr. Capehart] is paired with the Senator from Kansas [Mr. Pearson]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Kansas would vote "nay."

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[4] H. Rept. 1958, 87th Cong., 2d sess., p. 5.

[5] Ibid.

On this vote the Senator from Kentucky [Mr. Morton] is paired with the Senator from Pennsylvania [Mr. Scott]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from Pennsylvania would vote "nay."

On this vote the Senator from Colorado [Mr. Allott] is paired with the Senator from Oklahoma [Mr. Monroney]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Oklahoma would vote "nay."

On this vote the Senator from Arizona [Mr. Goldwater] is paired with the Senator from Oregon [Mr. Morse]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from Oregon would vote "nay."

On this vote, the Senator from Iowa [Mr. Miller] is paired with the Senator from North Carolina [Mr. Jordan]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from North Carolina would vote "nay."

On this vote, the Senator from Texas [Mr. Tower] is paired with the Senator from Alaska [Mr. Gruening]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Alaska would vote "nay."

The result was announced—yeas 32, nays 48, as follows:

[No. 125 Leg.]

YEAS—32

Beall
Boggs
Bottum
Bush
Carlson
Case
Clark
Cooper
Curtis
Dirksen
Douglas
Dworshak
Eastland
Ellender
Fong
Holland
Hruska
Kuchel
Lausche
McClellan
Mundt
Prouty
Proxmire
Robertson
Saltonstall
Smathers
Symington
Talmadge
Thurmond
Wiley
Williams, Del.
Young, Ohio

NAYS—48

Aiken
Anderson
Bartlett
Bible
Burdick
Byrd, W. Va.
Cannon
Carroll
Chavez
Church
Cotton
Dodd
Engle
Ervin
Hart
Hartke
Hayden
Hickey
Hill
Humphrey
Jackson
Javits
Johnston
Keating
Kefauver
Kerr
Long, Mo.
Long, Hawaii
Magnuson
Mansfield
McCarthy
McGee
McNamara
Metcalf
Moss
Muskie
Neuberger
Pastore
Pell
Randolph
Russell
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Williams, N.J.
Yarborough
Young, N. Dak.

NOT VOTING—20

Allott
Bennett
Butler
Byrd, Va.
Capehart
Fulbright
Goldwater
Gore
Gruening
Hickenlooper
Jordan
Long, La.
Miller
Monroney
Morse
Morton
Murphy
Pearson
Scott
Tower

So Mr. Proxmire's amendment was rejected.

Mr. HILL. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SALTONSTALL. Mr. President, I offer my amendments which are at the desk and ask that they be read.

The PRESIDING OFFICER. The amendments will be stated.

The Legislative Clerk. On page 32, line 2, it is proposed to strike out "$161,826,000" and insert in lieu thereof "$155,826,000."

On page 33, line 3, strike out "$158,409,000" and insert in lieu thereof "$150,409,000."

On page 33, line 7, strike out "$148,599,000" and insert in lieu thereof "$133,599,000."

On page 33, line 11, strike out "$149,398,000" and insert in lieu thereof "$143,398,000."

On page 33, line 16, strike out "$22,199,000" and insert in lieu thereof "$19,199,000."

On page 33, line 20, strike out "$105,721,000" and insert in lieu thereof "$98,721,000."

On page 33, line 24, strike out "$68,142,000" and insert in lieu thereof "$62,142,000."

On page 34, line 12, strike out "$86,506,000" and insert in lieu thereof "$77,506,000."

Mr. SALTONSTALL. Mr. President, these are, in effect, the same amendments that were offered by the Senator from Wisconsin a few minutes ago, except that my amendments will restore the amounts for the National Institutes of Health to the House allowances.

Mr. HUMPHREY. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that on the Saltonstall amendments, which will be considered en bloc, 5 minutes be allocated to each side, the time to be controlled by the Senator from Massachusetts and the Senator from Alabama [Mr. Hill].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SALTONSTALL. Mr. President, on my amendments, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there objection to the consideration of the amendments en bloc? The Chair hears none, and it is so ordered.

Mr. SALTONSTALL. Mr. President, the budget estimate for the National Institutes of Health was $780,400,000. The House allowed $840,800,000. The Senate committee has reported $900,800,000.

In 1950, the budget estimate for the National Institutes of Health was $41,200,000. In every year since then—with one exception, I think—under President Truman, President Eisenhower, and President Kennedy, Congress has increased the budget estimate for the National Institutes of Health. Whereas, in 1950 the budget estimate was $41,200,00, in 1963 the budget estimate is $780,400,000. The Senate allowance is $900,800,000. In substance, my amendments increase the budget estimate by $60 million, and reduce the Senate allowance by the same amount.

If my amendments are adopted en bloc, they will restore the figure to the amount of the House appropriation, which was $60 million over the President's budget request of $780,400,000, or a total of $840 million for the National Institutes of Health.

That is the sum and substance of my amendments. I hope they will be adopted en bloc.

Mr. JAVITS. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield to the Senator from New York.

Mr. JAVITS. I shall support the Senator's amendment, although I have never before voted for reductions in this budget, because I think it is time that we stopped escalating. With all respect and deference, I wish to leave Congress free to act. I voted against confining the appropriation to the Budget figure; but the business of the Senate escalating the House figure must end somewhere. I think the Senator from Massachusetts has provided us with an excellent opportunity to do so.

Mr. SALTONSTALL. I thank the Senator from New York.

Mr. HILL. Mr. President, I yield 2 minutes to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I urge the Senate to reject the amendments offered by the Senator from Massachusetts. No committee of the Senate investigates a subject matter more exhaustively than does the Subcommittee on Department of Labor, Health, Education, and Welfare, of which the distinguished Senator from Alabama [Mr. Hill] is the chairman. At the beginning of the year, he started the hearings. The Senate has 2,100 pages of hearings before it. He did not make wholesale restorations. He took up the appropriation line item by line item. He heard many hundreds of witnesses.

What does the amendment mean? What are we saying? "Yes, the House raised the amount by $60 million. They were wise in doing so. Let us retain their $60 million. But, Mr. Hill, you may not raise the amount by $60 million. You would be unwise to do so."

In other words, we are saying that the action of the House in raising the amount is satisfactory, but that the action of the Senate in raising the amount is unsatisfactory. I say that the amendments of the Senator from Massachusetts are a reflection upon the hard work which was done by the subcommittee. I hope the Senate will reject the amendments. That is all I have to say.

Mr. SALTONSTALL. Mr. President, I agree that the committee worked hard. Yet I think that in providing this amount they were somewhat excessive. I believe the House was more accurate in providing $60 million over the budget figure.

Mr. President, I am willing to yield back the remainder of my time.

Mr. HILL. Mr. President, when the bill has passed the Senate, it will go to conference. The Senate conferees will meet with the House conferees. The House has raised the amount by $60 million. The Senate committee worked long and hard. The Senator from Rhode Island was generous in his remarks about the Senator from Alabama; but what he said about the Senator from Alabama applies to every member of the subcommittee, especially the lady member of the subcommittee, the distinguished senior Senator from Maine [Mrs. SMITH]. No member of the subcommittee worked harder than did the Senator from Maine.

We worked hard to get the figures down—away down below the amount the National Institutes of Health asked for. We have followed the recommendations of the distinguished researchers and doctors who conduct the research work at the National Institutes of Health.

Mr. President, I urge the Senate to stand by its committee and to reject the amendments.

Mr. HUMPHREY. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. HUMPHREY. A vote for the Saltonstall amendments is a vote to tie the hands of the chairman to negotiate on many items. These amendments, if adopted, would not leave any room for maneuverability at all. Items for research are provided for. Some items may be considerably higher in the House bill than similar items in the Senate bill, while others may be lower. It seems to me that there ought to be some room for negotiation.

Mr. SALTONSTALL. Mr. President, I yield back the remainder of my time.

Mr. HILL. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendments, en bloc, offered by the Senator from Massachusetts [Mr. SALTONSTALL]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Connecticut [Mr. DODD], The Senator from Alaska [Mr. GRUENING], the Senator from North Carolina [Mr. JORDAN], the Senator from Louisiana [Mr. LONG], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Oregon [Mr. MORSE], and the Senator from Tennessee [Mr. GORE] are absent on official business.

I further announce that the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Arkansas [Mr. FULBRIGHT] are necessarily absent.

On this vote, the Senator from Virgina [Mr. BYRD] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting the Senator from Virginia would vote "yea," and the Senator from Connecticut would vote "nay."

On this vote, the Senator from Tennessee [Mr. GORE] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Tennessee would vote "nay," and the Senator from Colorado would vote "yea."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from Utah would vote "yea."

On this vote, the Senator from North Carolina [Mr. JORDAN] is paired with the Senator from Iowa [Mr. MILLER]. If present and voting, the Senator from North Carolina would vote "nay," and the Senator from Iowa would vote "yea."

On this vote, the Senator from Oklahoma [Mr. MONRONEY] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from Oklahoma would vote "nay," and the Senator from Arizona would vote "yea."

On this vote, the Senator from Oregon [Mr. MORSE] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from Texas would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business.

The Senator from Utah [Mr. BENNETT], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Arizona [Mr. GOLDWATER], the Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER], the Senator from Kentucky [Mr. MORTON], the Senator from New Hampshire [Mr. MURPHY], the Senator from Kansas [Mr. PEARSON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] are necessarily absent.

On this vote the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from New Hampshire [Mr. MURPHY]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from New Hampshire would vote "nay."

On this vote the Senator from Kentucky [Mr. MORTON] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from Pennsylvania would vote "nay."

On this vote the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Tennessee [Mr. GORE]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Tennessee would vote "nay."

On this vote the Senator from Utah [Mr. BENNETT] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Utah would vote "yea" and the Senator from Alaska would vote "nay."

On this vote the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Oklahoma [Mr. MONRONEY]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from Oklahoma would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Oregon [Mr. MORSE]. If present and voting the Senator from Texas would vote "yea," and the Senator from Oregon would vote "nay."

On this vote, the Senator from Iowa [Mr. MILLER] is paired with the Senator from North Carolina [Mr. JORDAN]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from North Carolina would vote "nay."

The result was announced—yeas 36, nays 42, as follows:

[No. 126 Leg.]

YEAS—36

Anderson
Beall
Boggs
Bottum
Bush
Cannon
Carlson
Case
Clark
Cooper
Curtis
Dirksen
Douglas
Dworshak
Ellender
Fong
Holland
Hruska
Javits
Keating
Kuchel
Lausche
McClellan
Mundt
Prouty
Proxmire
Robertson
Saltonstall
Smathers
Symington
Talmadge
Thurmond
Wiley
Williams, Del.
Young, N. Dak.
Young, Ohio

NAYS—42

Aiken
Bartlett
Bible
Burdick
Byrd, W. Va.
Carroll
Church
Cotton
Eastland
Engle
Ervin
Hart
Hartke
Hayden
Hickey
Hill
Humphrey
Jackson
Johnston
Kefauver
Kerr
Long, Mo.
Long, Hawaii
Magnuson
Mansfield
McCarthy
McGee
McNamara
Metcalf
Moss
Muskie
Neuberger
Pastore
Pell
Randolph
Russell
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Williams, N.J.
Yarborough

NOT VOTING—22

Allott
Bennett
Butler
Byrd, Va.
Capehart
Chavez
Dodd
Fulbright
Goldwater
Gore
Gruening
Hickenlooper
Jordan
Long, La.
Miller
Monroney
Morse
Morton
Murphy
Pearson
Scott
Tower

So the amendments were rejected.

Mr. HILL. Mr. President, I move that the vote by which the amendments were rejected be reconsidered.

Mr. HUMPHREY. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

H.R. 1811. An act to amend chapter 35 of title 38, United States Code, relating to war orphans' educational assistance, in order to permit eligible persons thereunder to attend foreign educational institutions under certain circumstances;

H.R. 3383. An act for the relief of Joseph Starker;

H.R. 5061. An act for the relief of James L. Merrill;

H.R. 6655. An act for the relief of Lecil A. Sims;

H.R. 8282. An act to amend section 3203(d) of title 38, United States Code, to provide that there shall be no reduction of pension otherwise payable during hospitalization of certain veterans with a wife or child;

H.R. 8415. An act to change the classes of persons eligible to receive payments of benefits withheld during the lifetime of deceased veterans while being furnished hospital or domiciliary care;

H.R. 8484. An act to authorize establishment of the Theodore Roosevelt Birthplace and Sagamore Hill National Historic Sites, N.Y., and for other purposes;

H.R. 9844. An act to waive section 142, title 28, United States Code, with respect to the U.S. District Court for the District of Connecticut for holding court at Bridgeport;

H.R. 9599. An act for the relief of Solomon Annenberg;

H.R. 10012. An act to waive section 142, of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Tennessee holding court at Winchester, Tenn.;

H.R. 10016. An act to waive section 142 of title 28, United States Code, with respect to the holding of court at Decatur, Ala., by the U.S. District Court for the Northern District of Alabama;

H.R. 10068. An act to amend section 742 of title 38, United States Code, to permit the exchange of 5-year term policies of U.S. Government life insurance to a special endowment at age 96 plan;

H.R. 10389. An act to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Texas, Marshall Division, holding court at Marshall, Tex.;

H.R. 10669. An act to liberalize the provisions of title 38, United States Code, relating to the assignment of national service life insurance;

H.R. 11670. An act to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes; and

H.J. Res. 714. Joint Resolution authorizing the acquisition of certain property in the District of Columbia and its conveyance to the International Monetary Fund, on a full reimbursement basis, for use in expansion of its headquarters.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1963, and for other purposes.

The PRESIDING OFFICER (Mr. Smith of Massachusetts in the chair). The bill is open to further amendment.

Mr. McNAMARA. Mr. President, I wish to comment briefly on one matter in connection with appropriations for the Department of Labor and the Department of Health, Education, and Welfare. It is a matter which I hope will be of interest and concern to the distinguished Senator from Alabama [Mr. Hill], who is so thoroughly familiar with matters concerning these Departments.

I refer to the fact that we have been advised that the so-called President's Council on Aging is to be provided with a budget, for the fiscal year 1963, of $103,000, one-half of which is to be taken from the budget of the Department of Health, Education, and Welfare.

So far as I know, Mr. President, such an expenditure for such a purpose has never been specifically considered by either the legislative or the appropriations committees of either the House or the Senate.

It is my belief that such an expenditure should not be allowed, since it would represent a waste of funds, and a deception, as well.

The addition of a small staff to the Council and the exclusion of any new specific authority or power make this a ridiculous exercise. Changing the Council's name is meaningless.

The answer to this problem does not lie in the continuance of procedures found ineffectual throughout the past.

The answer is to be found in the creation of a new and effective mechanism which will be able to coordinate Federal activities in the field of aging, develop new and sound policies, stimulate widespread and meaningful action, and serve as a central focal point in the Federal Government for action in the field of aging.

Just such a mechanism is proposed in House bill 10014 and Senate bill 2779, now pending in the Congress. These measures would create an effective Commission on Aging, with definite responsibilities and authority.

The Congress has not approved the expenditure of $100,000 to increase the staff of a Council on Aging.

I cannot find in the bill before us any item or identifiable group of items granting $50,000 to the Department of Health, Education, and Welfare for its share in such an expenditure. If I could, I would move to strike it out.

Since I cannot, Mr. President, I appeal to the distinguished Senator from Alabama—who I know shares both my interest in the problems of aging and my dislike for pretense—to do what he can in conference with Members of the House to see that none of the funds herewith appropriated to either the Department of Labor or the Department of Health, Education, and Welfare is spent on so demonstrable an exercise in futility.

Mr. HILL. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. HILL. There was nothing in the budget as to the expenditure of the funds. There was nothing in the hearings about it, or in the justification on the bill. As a member of the conference, I shall certainly stand by the position of the Senate, which is that there shall continue to be nothing.

Mr. McNAMARA. I thank the Senator. There has been no enabling legislation. This proposal has been before neither body of Congress; and I appreciate that statement.

Mrs. NEUBERGER. Mr. President, I call up my amendment, which I offer for myself, the Senator from Vermont [Mr. Aiken], and the Senator from Michigan [Mr. Hart].

The PRESIDING OFFICER. The amendment offered by the Senator from Oregon, for herself and other Senators, will be stated.

The Legislative Clerk. It is proposed on page 13, line 2, in lieu of "$893,000" to insert "$968,000".

Mr. BARTLETT. Mr. President, will the Senator yield?

Mrs. NEUBERGER. I yield to the Senator from Alaska.

Mr. BARTLETT. Mr. President, I thank the members of the committee for increasing by $75,000 the budget request for the Arctic Health Research Center at Anchorage, Alaska.

We are still far behind the Soviet Union and other northern countries in making scientific investigations of civilian health problems in low temperature areas. The Anchorage Center is the only institution of its kind in the Western Hemisphere, and the scientists there are finding answers to many of our problems. Although the rewards have already been highly useful, much remains to be done. On March 13 I appeared before the Senate committee seeking the increase of $75,000 to provide a $757,000 budget, and I ask unanimous consent that my testimony be included in my remarks.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Statement of Senator E. L. (Bob) Bartlett Before the Labor-Health, Education, and Welfare Subcommittee, Committee on Appropriations, U.S. Senate, 1963 Fiscal Year, March 13, 1962

Mr. Bartlett. Mr. Chairman, as you know from my many past appearances before you on the subject, I believe the work being performed by the Public Health Service's Arctic Health Research Center at Anchorage, Alaska, is vitally important. The Center, which investigates many sub-Arctic and Arctic problems such as water supply, waste disposal, insect control, general health, medical and sanitation services, is world renowned, and the benefits of its work are adding immeasurably to our all too limited knowledge of cold weather areas. Without the Center we would be still further behind than we are in comparison with the work being done in the Soviet Union, Denmark and Norway. As it is, these countries are strides ahead of us in research in this field.

Mr. Chairman, last year it was gratifying, indeed, when your subcommittee added funds above the 1962 fiscal year budget. That budget had included $500,300 for the Center but when the appropriation bill left Congress that figure had been increased to $722,300. Unfortunately, an administrative reserve of $48,000 reduced the available funds to $674,300. The 1963 fiscal year budget includes an estimated $682,000.

With the additional funds available in the 1962 fiscal year, the Center, according to information given me by Dr. A. B. Colyar, medical officer in charge, was able to get a good start on the study to develop reservoirs for overwinter storage of water for householders, schools and other small institutions where surface waters freeze solid during winter months. Investigation of existing septic tank seepage systems is underway in Anchorage and will be expanded to Fairbanks, the problem being to devise systems and operations of maximum efficiency under cold conditions. Laboratories have been expanded for further epidemiological study of diseases. Field investigations of selected outbreaks are being broadened to ascertain the sources and the methods by which certain diseases affect population groups.

It is my hope, Mr. Chairman, that the budget request for $682,000 can be increased by $75,000 to provide $757,000 for the coming year.

The investment in this Center will continue to pay rewarding dividends in knowledge gained for the benefit of many thousands of people. The results of the Center's work are available to scientists from all over the United States and foreign countries who visit the Center and participate in valuable meetings. With the increase I am asking, the Center would be able to add technical competence to its laboratories to cover serology and fluorescent antibody techniques, both of which are important modern tools for epidemiological work. In addition, the Center could extend physiological studies on adaptation to cold conditions.

I urge that this modest increase be allowed.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mrs. NEUBERGER. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by me with reference to the cancer research program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

A MESSAGE TODAY TO MOSCOW CONGRESS: LET US DECLARE WAR AGAINST CANCER

Over this coming weekend, there is meeting in Moscow, the Eighth International Cancer Congress. It will hold meetings during the period July 22 to July 28.

I should like to suggest that the U.S. Senate send a message to this Congress—a message which, I know, will have the warm approval of the distinguished senior Senator from Alabama.

The message should be in the form of resounding approval of the pending appropriations for the National Institutes of Health and, in particular, for the National Cancer Institute.

I propose that we enable the press association wires to report to the thousands of delegates now gathering in Moscow: "United States urges world war against cancer."

That is, the U.S. Senate suggests to the International Union Against Cancer, sponsor of the conference, that the nations represented at the meeting declare unlimited war against cancer.

This means devising a high command, a long-range strategy, a set of battle tactics to wipe this scourge off the planet, once and for all.

MY PREVIOUS CONTACTS

A distinguished American delegation is attending the conference.

Over the past few months, I have been in contact with many of them, as well as with foreign delegates.

I have, moreover, had many contacts with the National Cancer Institute and with the State Department—toward facilitating U.S. support for the international union.

I have done so in my capacity as chairman of the Senate Government Operations Subcommittee which has conducted an international health study since August 1958.

NEED FOR MORE CANCER FUNDS

I can say that this Government Operations Subcommittee has received masses of information confirming the need for a greatly expanded international collaborative effort against cancer.

Yet, my distinguished colleagues who today urge a cut in NIH appropriations would, instead, have us go backward—i.e., reduce present domestic and international efforts.

They would cut back cancer appropriations, for example, by $19.3 million—to the sum originally requested by the administration—$142.8 million.

CITIZENS' COMMITTEE URGED MORE FUNDS

A distinguished citizens' committee recommended that $200 million be made available to the National Cancer Institute. The House allowed $150.4 million. The Senate committee added $8 million, so that we are asked today to approve $158.4 million, or $41.6 million less than the citizens' committee proposed.

The able spokesman for the citizens' committee, Dr. Sidney Farber, professor of pathology, Harvard Medical School, told the Senate Appropriations Committee of the need for a master plan for U.S. medical research.

He might have added that this country has a 10-year space plan, but it does not have a 10-year medical research plan.

We have a national goal to land a man on the moon, but no plan to find the answer for the critical medical problems facing our 190 million citizens. Dr. Farber stated (hearings, pp. 1469-1470): "I would suggest that the time has come for an additional kind of planning. Do we not now have enough experience with the capacity of the research potential of the country to make a master blueprint of our resources in manpower, buildings, equipment, and private financial support of research, which could give us a clear picture of the deficiencies which must be met? I believe that the time has come for decisions to be made, not on the basis of requests from investigators for research support, which must be tailored to the restrictions of the environment in which they work. I would like to recommend that a vigorous, aggressive program of health research be constructed by determining, on the advice of experts exactly what resources are required by those who have the ability and the courage to accept the challenge of accelerating medical progress."

He added: "There are two steps in this plan: (1) The definition of the goals and the identification of the most promising directions which will lead to their achievement; and (2) the correction of deficiencies in our research resources by the provision of the necessary funds for the support of research, training, and the creation of research facilities. Such a professional attack on the problems of disease by using in a voluntary fashion the full resources of the country, does not require new technics for the National Institutes of Health. Repeatedly, programs have been mounted as cooperative studies initiated and contracts awarded for the achievement of carefully identified objectives. In the main, however, the system we have followed heretofore has imposed a permissive kind of thinking in the National Institutes of Health, based too much upon the number and amount of applications for research and other grants which come in naturally. This is an artificial figure based not on a true evaluation of the enormity of the problems of disease, nor upon the true capacity of the country in terms of talent, skill, knowledge, and deep interest which could be called upon if only truly adequate support were available."

NEED FOR NATIONAL GOALS

I strongly support Dr. Farber's pioneering concept.

For years, I have compiled information on national goals, national purposes, national plans, or the lack of them.

I have urged that this Nation not drift, but rather that it steer.

This applies to medical research as much as to any other field.

Let us not sit back and wait for cancer plans. Let the medical profession and its "sister" disciplines take the initiative of developing long-range plans to provide long-range resources and long-range answers, and let the U.S. Government do its part to help implement these programs.

ANTIMISSILE MISSILE AGAINST CANCER

Let the International Cancer Congress devise worldwide goals toward which each nation will play its proper part.

Let the United States and the U.S.S.R. take the lead, along with the United Kingdom, France, Germany, and other powers with strong resources.

Let Chairman Khrushchev announce to the Congress his government's support for plans to find an antimissile missile against cancer agents (whether they are viruses or any other cause).

Chairman Khrushchev says he has such a military missile capable of hitting as small an object as a fly in space. But neither he nor we have a magic bullet against the tiny agents which cause or trigger cancer.

Over one-quarter of a million Soviet citizens will die this year from cancer and so will over one-quarter of a million Americans.

Each nation needs to move ahead in the anticancer fight, and to help other nations move ahead. Thanks to the leadership of the senior Senator from Alabama, we have moved ahead.

But, let us not pause at a plateau.

TREMENDOUS NEED FOR MORE RESOURCES

There is virtually no major basic or applied field of interest to cancer investigators in which we have adequate resources today—whether it be the field of virology, immunology, biology of the cancer cell, cancer chemotherapy or others.

Cancer detection, cancer control lag seriously as well. We are simply not applying even the knowledge we already possess.

TWENTY-FOUR THOUSAND WOMEN TO DIE OF UTERINE CANCER

Americans in Moscow will find that many more millions of Russian women than American women have taken the Pap smear test, devised by the great Greek-born American physician, the late Dr. George Papanicolaou. As a matter of fact, the Senate Appropriations Committee notes in its report that 23 million American women have never even heard of the test. Forty thousand American women will develop uterine cancer this year, and we will be able to save only 60 percent of them.

How much is a woman's life worth—the life of a wife or mother—or daughter? Is it worth the $3 or $5 for a routine test?

How much, as I asked in the Senate Wednesday, are the lives worth—of the million Americans, now living, who have been enabled to survive cancer for 5 years?

We will save many—9 out of 10 in some types of cancer, 1 out of 5 in other types, 1 out of 20 in still other types.

Let the Senate proceed today to help raise that ratio of saved lives.

NEED FOR BETTER COMMUNICATIONS

Let me refer to but one phase of this battle—the communications front. I refer to researcher-to-researcher communication, as well as researcher-to-medical educator, researcher-to-physician, and researcher-to-layman. NIH needs more, not less, funds for this purpose, and so does the National Library of Medicine and other units of the U.S. Public Health Service.

For years I have urged greater effort to collect, index, abstract, retrieve, and disseminate cancer and other information. I have pointed up the valuable role played by the Excerpta Medica publication on cancer abstracts. Now, I am glad to report that in at least two subareas of cancer—cancer immunology and cancer chemotherapy, new abstract journals are making more effective use of literature in these specialized fields than ever before.

FINDING HUNDREDS OF LOST CITATIONS

One author has written that Cancer Chemotherapy Abstracts uncovered in its first year of publication "more than 6 times the number of references to the total of (chemical) agents and more than 11 times the number of citations to chemotherapy of the tumors than the closest service."[1]

The question can logically be asked: "In how many other subareas and fields would more speedy and comprehensive service uncover hundreds and literally thousands of citations which are now escaping, relatively unnoticed?"

NEED TO FIND OUT ABOUT UNSUCCESSFUL EXPERIMENTS

For years, I have pointed out that medical research literature does not contain enough references to negative results.

The result of this omission is that successive investigators tend to repeat others' mistakes, instead of profiting from earlier mistakes.

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[1] Most, S. and Kesler, S. Sim, "An Abstract Service for Specific Research Areas of High Current Interest—A Preliminary Report," American Documentation, January 1962, p. 89.

I am delighted to point out that the current issue of the Journal of the American Medical Association[2] has inaugurated a new "Negative Results Section." This section can play an important role in cancer and all other research.

CONCLUSION

There will be lots of negative results in time to come. But there will be positive results, as well.

Let the Senate give a mandate for a goal for the conquest of this scourge.

This should be our message to Moscow today.

Mr. HART. Mr. President, will the Senator yield?

Mrs. NEUBERGER. I yield to the Senator from Michigan.

Mr. HART. Mr. President, I wish to speak in support of the amendment to the appropriation for the Labor Department, so that it will include the full $257,500 approved by the Bureau of the Budget for the President's Commission on the Status of Women. The committee cut this item to $175,000.

The Commission on the Status of Women was created by Executive order of President Kennedy on December 14, 1961. It is to submit a final report of its recommendations to the President by October 1, 1963. Its purpose is to take a penetrating and comprehensive look at the duties, rights, responsibilities, and problems of women in today's society in the United States. Rapid change, which has transformed so many areas of our lives in the modern world, has also presented new and not clearly recognized alterations in the role of women.

To illustrate how such matters do change with the passage of time, I ask my colleagues to look back 47 years—a short time even in the life of a nation as young as ours. I ask them to share with me an editorial from the New York Times of February 7, 1915. On that date the Times, which surely then as now was a symbol of responsible thinking in public affairs, carried a lead editorial of 2½ columns in opposition to woman suffrage. Said the New York Times:

> The Legislature of New York State has seen fit to place the question of woman suffrage squarely before the present electorate. Every man of voting age must meet the issue courageously, intelligently, with clear vision. The answer of New York State to this long pending query should be forcible and definite. The proposed amendment to the State constitution should be voted down by such a majority of the voters as to deprive the advocates of an objectionable and unreasonable derangement of the political and social structure of any further hope of success in this State. The question involved is not new, all the arguments of the suffragists are old and were long ago refuted and sent to limbo. Their ceaseless and noisy agitation has not developed a single new idea. Woman suffrage would result either in a needless political muddle or in a social and political turmoil which would tend to weaken the State, to stir up discord in society and in the home, and would put obstacles in the way of progress which the wisest statesmanship might fail to overcome.
>
> The grant of suffrage to women is repugnant to instincts that strike their roots deep in the order of nature. It runs counter to human reason, it flouts the teachings of experience and the admonitions of commonsense. Although women have other capacities without number, held in equal distinction and some in higher honor, they have never possessed or developed the political faculty. Without the counsel and guidance of men no woman ever ruled a state wisely and well. The defect is innate and one for which a cure is both impossible and not to be desired.

Thus, Mr. President, it is clear that we have all come a long way in our thinking since 1915. We no longer believe that participation of women in public affairs constitutes a grave crisis. On the contrary, we applaud their invaluable efforts in countless voluntary organizations. And most particularly we welcome them in the ranks of our political parties.

But these changes have not come about painlessly, and the advances have not been by any means universal. We are a long way yet from that equality of opportunity which is the fundamental concept of our Nation. As President Kennedy said in establishing the Commission:

> It is appropriate to set forth before the world the story of women's progress in a free, democratic society, to review recent accomplishments, and to acknowledge frankly the further steps that must be taken.

In supporting this effort as I do, I am not being altogether altruistic. Man's existence both in the home and in his occupation depends for its effectiveness on a social structure in which both men and women live and work in harmony, each contributing his and her best abilities to the home, the job, and the community—including now our larger world community.

So it would seem to me particularly unfortunate for the Congress to fail to supply the budgeted item for the work of this Commission.

The Appropriations Committee report indicates that the staff of the Commission could easily be cut in half. I am not sure the committee was aware that the staff assists 96 unpaid Commission and committee members.

The members of the Commission and its committees are outstanding men and women from all over the country. The technical staff is necessary to reap maximum benefit from the efforts of these citizens. Included among the distinguished Commission and committee members are: Mrs. Eleanor Roosevelt, chairman; Dr. Richard A. Lester, professor of economics, Princeton University, vice chairman; Dr. Mary Bunting, president, Radcliffe College; Mrs. Margaret Hickey, contributing editor, Ladies Home Journal; Edgar F. Kaiser, industrialist; Frank Pace, General Dynamics; Mrs. Ogden Reid; and representatives of the major women's organizations of the Nation.

Mr. President, I think it would be shortsighted and wasteful, now that the Commission is very successfully underway, has held three meetings, has set up and staffed its seven committees which in turn have begun their deliberations, to hamstring its efforts for the sake of cutting $82,500 from the appropriation.

I certainly believe the amendment to restore this sum is important, and I hope the Senate will approve it.

I ask unanimous consent that the New York Times editorial—which I think has unusual historical interest—be printed in full at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 7, 1915]

THE WOMAN SUFFRAGE CRISIS

The Legislature of New York State has seen fit to place the question of woman suffrage squarely before the present electorate. Every man of voting age must meet the issue courageously, intelligently, with clear vision. The answer of New York State to this long pending query should be forcible and definite. The proposed amendment to the State constitution should be voted down by such a majority of the voters as to deprive the advocates of an objectionable and unreasonable derangement of the political and social structure of any further hope of success in this State. The question involved is not new, all the arguments of the suffragists are old and were long ago refuted and sent to limbo. Their ceaseless and noisy agitation has not developed a single new idea. Woman suffrage would result either in a needless political muddle or in a social and political turmoil which would tend to weaken the State, to stir up discord in society and in the home, and would put obstacles in the way of progress which the wisest statesmanship might fail to overcome.

The grant of suffrage to women is repugnant to instincts that strike their roots deep in the order of nature. It runs counter to human reason, it flouts the teachings of experience and the admonitions of commonsense. Although women have other capacities without number, held in equal distinction and some in higher honor, they have never possessed or developed the political faculty. Without the counsel and guidance of men no woman ever ruled a State wisely and well. The defect is innate and one for which a cure is both impossible and not to be desired. That they lack the genius for politics is no more to their discredit than man's unhandiness in housewifery and in the care of infants and his small endowment of those finer qualities of charm and tenderness that steal away half of life's sharpness are a reproach to him. There are two human estates, the man's and the woman's. Their boundaries are traced by no imaginary or effaceable lines. Nature has marked them by metes and bounds that no human being ever yet overlooked save with the conscious intent to transgress her laws.

For the intelligent use of the ballot men in their daily callings undergo a ceaseless training. The hand of the law has within its reach every man and every woman, but in their business affairs men are in such immediate touch with controlling authority that they find themselves all the time forced to take thought about the laws that help or hinder them, whether they be good or bad, and in what way they may be bettered. The merchant and the manufacturer, men engaged in the business of banking, insurance, real estate, foreign trade, the lawyer, the doctor, the blacksmith, the farmer, men in all the thousand branches of male affairs, habitually and necessarily form reasoned opinions of the efficiency of government, the virtue of laws, the policies and the promises of parties, the character and the pledges of candidates, and they go to the polls prepared to cast a ballot that will, so far as it may, give effect to their convictions and their desires. Some men, many men, reason foolishly, vote foolishly, but their motives and their decisions have at least some discoverable relation to the public aspects of the questions at issue. When that relation is not discoverable men have to admit that they vote in a feminine way, for women's reasons, not men's. The voter must help to decide the gravest public questions relating to labor, international disputes, measures of national defense, race problems, public morality, monetary plans, tariffs, and taxation. On such questions men vote according to judgments founded on observation and knowledge acquired in the pursuit of their daily business. Women would inevitably attempt to decide such matters empirically or emotionally.

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[2] Editorial, Journal of the American Medical Association, "Negative Results Section," July 7, 1962, pp. 130–131.

But, say the suffragists, women as well as men may equip themselves for the intelligent use of the ballot. Individual women may and do, the mass of women will not and cannot, save by spending their lives in the hard school where men learn how to vote. If women are to forsake the home for the counting room, the law office, the wheatfields, and the smithy, then indeed, barring temperamental differences that only the hand of God can efface, they may in time be able to cast a ballot which they can explain and justify by reasons which men can understand. Is it worth while? Let the agitators for woman suffrage answer that one question. Is it worth while to subvert the whole order of human society by putting women to do men's work? Is it worth while to take woman out of the school where she fits herself for her high natural duties to put her under a tuition against which her body and mind and soul would be in perpetual revolt? Of course, the most fanatical advocate of votes for women would never preach a doctrine so monstrous. Yet that is the only way. Either women must work as men work, or they will never be qualified to vote as men vote.

Let there be no mistake as to the import of this argument. It is not in the remotest manner based upon the assumption or the belief that woman is man's inferior, either intellectually or in any other way. It rests upon the established fact that man's work is different from woman's work, and that it is his work and his striving in his own particular field that give man the qualifying knowledge essential to intelligent voting. We are as far as possible from insisting that woman is incapable of acquiring that knowledge; we do insist that she can acquire it only through a radical reorganization of society which would condemn her to do men's tasks, to bear men's burdens. But if the women were to take up man's duties, who is to assume the women's duties? Both are honorable, both bring their rewards, one is as necessary as the other, for both are indispensable to society. And women would be profoundly affected by taking up man's labors, it would inevitably be a roughening process, women would be changed, and not for the better. If there be those who would contend that women must become less womanly, that they should become masculine in thought and feeling and temperament, they will not admit the force of this argument; neither will they openly admit that they would like to see women become more like men. But without that transformation women cannot qualify for the vote as men qualify, and there is no other way to acquire the qualification. The effect upon women is one of the consequences most to be dreaded.

No upright and decent man desires to withhold from woman any privilege which will benefit her. The growth of what is vaguely called the feminist movement has already had alarming results. Moral laxities which used to be regarded with abhorrence are too frequently extenuated. The hackneyed cry that "what is right for the man is also right for the woman" is heard continually. It is specious, shameless, unrighteous. Nothing was every right in a man's conduct which was not moral and consistent with the laws of God and man. There is no good word to say for loose living by either sex. It is the feeblest and wickedest argument for an "increased freedom" for women (the phrase is common property) that some men are immoral. But it is one heard too often, and one, we are constrained to predict, which will be heard more frequently, uttered more vociferously, if the right to vote is extended to women.

At present, in spite of the incessant activities of the advocates of greater license for women, of the iteration of many arguments against the bonds of marriage and the tyranny of the home, there is a strong and wholesome barrier which serves to keep women apart from men in the hurly-burly of life, to insure them courtesies from the opposite sex, to give them many precious privileges. Women already exert a constant and powerful influence in our public affairs. We are firmly convinced that the breaking down of the barrier would bring upon them a burden of new evils, that it would tend to coarsen women, to deprive them of natural rights and privileges without due compensation. That the proposed large extension of the suffrage could in any circumstances act as a triumphant regenerative force in our politics we cannot for a moment admit. The right to vote has been possessed for many years by the women of Wyoming, Colorado, Utah, and Idaho, and has been granted more recently to those of Washington, California, Arizona, Kansas, Oregon, Illinois, Montana, and Nevada. The moral effect of woman suffrage in these States has been negative. The records are extant.

It has been said too often that "woman suffrage will come in spite of everything." If that is true, every high-minded, responsible man who knows it will bring affliction with it if it does come must do his best to postpone the evil day. Many men have taken the matter too lightly. With the great increase of women of social distinction and personal charm in the ranks of the suffragists public support of the cause in a polite way has become a sort of agreeable "function," associated with the animated talk of bright women who have found something to talk about. Men of this kind have done much more than they realize, to encourage and strengthen the movement, to give it form and force. Associating with well-bred, intelligent, and witty women, many of whom have taken up suffrage agitation as a mere pastime, they have not taken pains to look closely enough into the matter to comprehend how deeply rooted in the basic ideals of our civilization are the true objections to turning woman out into the everlasting scrimmage of life, depriving her of the respect and protection she needs in return for a privilege which would surely fail of effect.

If women suffer wrongs, it is the duty of men to right them. If bad laws hamper and afflict them, men should bestir themselves to have those laws repealed. It is the privilege of men to care for the women. Are they prepared to resign that privilege? Let them take note of the social heresies, the dalliance with "advanced" theories, that amaze them in current literature and the pronouncements of certain feminine leaders of thought. If they are convinced that comparatively few of the suffragists they meet are now inclined to extol the husbandless mother, the trial marriage, and the more extravagant vagaries of the seekers for a new freedom, they cannot blind themselves to the obnoxious growth in the last few years of theories of living which no longer shock the women who fancy their sex needs more liberty. The "heelers" and the manipulators of votes will all support woman suffrage. It is worth bearing in mind that the threatened extension of the ballot has no terrors for the practitioners of corrupt politics. The disposition of politicians, not of true statesmen, to adapt themselves quickly to what they regard, often mistakenly, as public sentiment, has led to much of the success of the suffragists thus far; was, in fact, the cause of the recent foolish action of our own legislature. But it is just as well that the matter should be decided now by all the men of the State. They are facing a grave crisis.

Mr. AIKEN. Mr. President, will the Senator yield?

Mrs. NEUBERGER. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I hope the chairman of the subcommittee will accept the amendment. I think it is a worthy amendment.

Mr. HILL. Mr. President, will the Senator yield?

Mrs. NEUBERGER. I yield to the Senator from Alabama.

Mr. HILL. I will accept the Senator's amendment and take it to conference.

Mrs. NEUBERGER. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon, offered for herself and other Senators.

The amendment was agreed to.

Mr. DIRKSEN. Mr. President, I offer an amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 47, after line 15, to insert the following:

> SEC. 204. None of the funds contained in this title available for salary and expenses shall be used to pay the compensation for any position in excess of the number of positions as of June 30, 1962.

Mr. DIRKSEN. Mr. President, I shall take only 2 minutes. From fiscal 1958 to fiscal 1959 the number of persons employed in HEW increased by 4,000 persons. The next year it increased by 3,000. Next year it increased by 8,300. The following year it increased by 6,000.

In this bill are 5,193 new positions. Why do we give this load to an absolutely new Secretary of Health, Education, and Welfare?

In view of the actions of the House committee in so particularly criticizing the Department, and in view of the statement by Mr. Ribicoff that it ought to be divided into 3 departments because he was wearing 20 hats at a time, let us resolve a little of this confusion and not add 5,193 positions to the Department.

All this amendment does is to provide that there shall be no money for salaries and expenses for any positions in excess of those provided for the fiscal year 1962.

If Senators want to keep bureaucracy from advancing a little, this is a good opportunity to do so.

I ask for the yeas and nays.

Mr. HILL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The yeas and nays have been requested.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, with the concurrence of the distinguished minority leader, I ask unanimous consent that the debate be closed in 10 minutes, 5 minutes to a side, on the amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HILL. Mr. President, will the Senator yield for a question?

Mr. DIRKSEN. I yield.

Mr. HILL. We have recently passed two acts, namely, the public welfare amendments of 1962, the conference report on which was agreed to last night, and the Manpower Development and Training Act. I wonder if those two acts may not require additional personnel. As I understand the Senator's amendment, no matter what might be the requirements of those two acts, this limitation would apply.

Mr. DIRKSEN. First, it applies only to HEW, and not to the Labor Department.

Mr. HILL. The HEW and the agencies and bureaus under the HEW have responsibilities and functions under the Manpower Development and Training Act.

Mr. DIRKSEN. But they do not have that many.

Mr. HILL. So far as the public welfare amendments of 1962 is concerned, all the social security function comes under the Department of Health, Education, and Welfare.

Mr. DIRKSEN. Yes; I know.

Mr. HILL. I am wondering how many new employees may be needed under the bill which the Senate approved last night when it acted on the conference report.

Mr. DIRKSEN. Whenever a case for the need for new employees can be made, the Department can come to Congress with a supplemental request.

Three years ago, when 4,000 new employees were provided for in the bill, there was a meeting with Secretary Flemming. I asked him, "How are you going to get them?" He said, "I have not the slightest idea. We shall have to raid universities, doctors' offices, and laboratories to find them, but personally I do not know where we are going to get them."

An increase of about 25,000 employees in that period of time is pretty fantastic. I think it ought to stop, and this is a good time to stop it.

That is my case.

Mr. HILL. Mr. President, I do not know what additional personnel may be required to implement and administer the act which the Senate approved last night when it agreed to the conference report on the public welfare amendments, but the department may need some additional personnel.

Two days ago, the Senate was insistent about the appropriations to go forward with the Manpower Development and Training Act. Some of the duties and responsibilities under that act will come under the Health, Education, and Welfare Department, making it necessary for the proper and efficient administration of the act, to have additional personnel.

I do not believe the Senate would be wise in accepting the amendment at this late hour. I think the amendment should be voted down.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. YARBOROUGH. What department did the lady work for who stopped the distribution of the drug that was causing malformed babies?

Mr. HILL. She worked for the Food and Drug Administration under the Health, Education, and Welfare Department. Dr. Kelsey is in the Food and Drug Administration.

Mr. YARBOROUGH. Is that division included in this bill?

Mr. HILL. All the various agencies and sections under the Department of Health, Education, and Welfare would be under the limitations of this amendment. It may be necessary to hire additional personnel because of the legislation enacted, but under the amendment nobody could be put on the payroll, no matter how great the need might be.

The Senator from Illinois has said that if the Department needs more personnel, it can come before the Congress. That is not as easy as it may sound, because it must go through the whole legislative process.

It is necessary to have hearings before the House subcommittee of the Appropriations Committee, and then before the full Committee on Appropriations. Then the bill must pass the House. It must follow the same procedure in the Senate. Then it must be agreed to in conference, the conference report must be agreed to by both Houses, and then it will go to the President.

That takes time. We have had an example of a certain delay in regard to appropriation bills in the past few weeks. Furthermore, I hope that we will not be here until Christmas. We might not be here when the need for the personnel develops.

Mr. YARBOROUGH. Mr. President, I thank the Senator from Alabama for that clarification, and I commend the Senator for the careful work he has done. I serve as a member of the Subcommittee on Health of the Committee on Labor and Public Welfare, and I have seen the Senator's careful work over the past 5 years. I think the service of this one lady in the Food and Drug Administration, to keep thousands of American babies from being malformed at birth, shows how far a little money can go in that Department. That is one of the great services which has been rendered to this Government and to our people by a civil servant.

I commend the Senator from Alabama for his leadership in getting money in order to protect the American people.

Mr. HILL. As the Senator knows, undoubtedly there will be a need for additional personnel in this very agency to which the Senator from Texas has addressed himself, the Food and Drug Administration. These problems are greater year after year. The Senate Committee on the Judiciary has spent a long time on the question of food and drug legislation. I am sure there will be a need for more personnel. I do not think the Senate would be acting wisely to agree to the amendment.

Mr. DIRKSEN. Mr. President, I have only two observations. There were 529 new positions requested in the Labor Department for retraining and manpower. We would not touch those at all.

If my memory serves me correctly, within the past 2 or 3 weeks the very distinguished Secretary of Commerce, Luther Hodges, said he thought he could run his Department as efficiently as ever and do it with 10 percent fewer people. I trust I do him no injustice and that my observation is based on an accurate memory. I am sure it is.

Mr. HILL. I agree with the Senator in expressing the hope in that regard, but his amendment does not relate to the Department of Commerce.

Mr. DIRKSEN. The Senator is correct.

Mr. HILL. I hope that the Secretary of Commerce can make that reduction in personnel. I would applaud him as vigorously as the Senator from Illinois.

However, without further information, not knowing what the requirements and needs may be under the acts which have been passed, I do not think we would be wise to accept the Senator's amendment.

Mr. DIRKSEN. Mr. President, a 26,500 increase in personnel since fiscal year 1958 is pretty phenomenal, in my book.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. I believe when we passed the appropriation bill for the Department of the Interior it was pointed out that there were approximately 5,895 new employees in that Department.

It would give strength to the argument of the Senator from Alabama if it were not for the fact that we have witnessed a repetition of an increase in the employees in each Department. I have had experience concerning the natural law of employees being increased year by year. This increase has been inordinate. I am not going to be a party to it.

I shall support the amendment of the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I yield back my remaining time.

Mr. HILL. Mr. President, I yield back my remaining time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the negative). I have a pair with the distinguished Senator from Alabama [Mr. SPARKMAN]. If he were present and voting he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

I announce that the Senator from Virginia [Mr. BYRD], the Senator from Connecticut [Mr. DODD], the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Minnesota [Mr. HUMPHREY], the Senator from North Carolina [Mr. JORDAN], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Oklahoma [Mr. MONRONEY], the

Senator from Oregon [Mr. MORSE], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Alabama [Mr. SPARKMAN], are absent on official business.

I further announce that the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Arkansas [Mr. FULBRIGHT], are necessarily absent.

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from New Hampshire [Mr. MURPHY].

If present and voting, the Senator from New Mexico would vote "nay" and the Senator from New Hampshire would vote "yea."

On this vote, the Senator from Connecticut [Mr. DODD] is paired with the Senator from Utah [Mr. BENNETT].

If present and voting, the Senator from Connecticut would vote "nay" and the Senator from Utah would vote "yea."

On this vote, the Senator from Tennessee [Mr. GORE] is paired with the Senator from Indiana [Mr. CAPEHART].

If present and voting, the Senator from Tennessee would vote "nay" and the Senator from Indiana would vote "yea."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Iowa [Mr. MILLER].

If present and voting, the Senator from Alaska would vote "nay" and the Senator from Iowa would vote "yea."

I further announce that, if present and voting, the Senator from Louisiana [Mr. ELLENDER], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Alabama [Mr. SPARKMAN], would each vote "nay."

On this vote, the Senator from Minnesota [Mr. HUMPHREY] is paired with the Senator from Arizona [Mr. GOLDWATER].

If present and voting, the Senator from Minnesota would vote "nay" and the Senator from Arizona would vote "yea."

On this vote, the Senator from North Carolina [Mr. JORDAN] is paired with the Senator from Colorado [Mr. ALLOTT].

If present and voting, the Senator from North Carolina would vote "nay" and the Senator from Colorado would vote "yea."

On this vote, the Senator from Minnesota [Mr. MCCARTHY] is paired with the Senator from Kentucky [Mr. MORTON].

If present and voting, the Senator from Minnesota would vote "nay" and the Senator from Kentucky would vote "yea."

On this vote, the Senator from Oklahoma [Mr. MONRONEY] is paired with the Senator from Pennsylvania [Mr. SCOTT].

If present and voting, the Senator from Oklahoma would vote "nay" and the Senator from Pennsylvania would vote "yea."

On this vote, the Senator from Oregon [Mr. MORSE] is paired with the Senator from Texas [Mr. TOWER].

If present and voting, the Senator from Oregon would vote "nay" and the Senator from Texas would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business.

The Senator from Utah [Mr. BENNETT], the Senator from Maryland [Mr. BUTLER], and the Senator from Indiana [Mr. CAPEHART], the Senator from Arizona [Mr. GOLDWATER], the Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER], the Senator from Kentucky [Mr. MORTON], the Senator from New Hampshire [Mr. MURPHY], the Senator from Kansas [Mr. PEARSON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER], are necessarily absent.

On this vote the Senator from Utah [Mr. BENNETT] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting, the Senator from Utah would vote "yea" and the Senator from Connecticut would vote "nay."

On this vote the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Tennessee [Mr. GORE]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from Tennessee would vote "nay."

On this vote the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting the Senator from Arizona would vote "yea" and the Senator from Minnesota would vote "nay."

On this vote the Senator from Iowa [Mr. MILLER] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Iowa would vote "yea" and the Senator from Alaska would vote "nay."

On this vote the Senator from Kentucky [Mr. MORTON] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Kentucky would vote "yea" and the Senator from Minnesota would vote "nay."

On this vote the Senator from Pennsylvania [Mr. SCOTT] is paired with the Senator from Oklahoma [Mr. MONRONEY]. If present and voting, the Senator from Pennsylvania would vote "yea" and the Senator from Oklahoma would vote "nay."

On this vote the Senator from Texas [Mr. TOWER] is paired with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from Texas would vote "yea" and the Senator from Oregon would vote "nay."

On this vote the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from New Mexico would vote "nay."

The result was announced—yeas 33, nays 39, as follows:

[No. 127 Leg.]

YEAS—33

Beall
Boggs
Bottum
Bush
Cannon
Carlson
Church
Clark
Cooper
Cotton
Curtis
Dirksen
Douglas
Dworshak
Engle
Fong
Hruska
Keating
Kuchel
Lausche
McClellan
Mundt
Prouty
Proxmire
Saltonstall
Smathers
Symington
Talmadge
Thurmond
Wiley
Williams, Del.
Young, N.Dak.
Young, Ohio

NAYS—39

Aiken
Anderson
Bartlett
Bible
Burdick
Byrd, W. Va.
Carroll
Case
Eastland
Ervin
Hart
Hartke
Hayden
Hickey
Hill
Holland
Jackson
Javits
Johnston
Kefauver
Kerr
Long, Mo.
Long, Hawaii
Magnuson
McGee
McNamara
Metcalf
Moss
Muskie
Neuberger
Pastore
Pell
Randolph
Russell
Smith, Mass.
Smith, Maine
Stennis
Williams, N.J.
Yarborough

NOT VOTING—28

Allott
Bennett
Butler
Byrd, Va.
Capehart
Chavez
Dodd
Ellender
Fulbright
Goldwater
Gore
Gruening
Hickenlooper
Humphrey
Jordan
Long, La.
Mansfield
McCarthy
Miller
Monroney
Morse
Morton
Murphy
Pearson
Robertson
Scott
Sparkman
Tower

So Mr. DIRKSEN's amendment was rejected.

Mr. HILL. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 5144) to provide for the acquisition of and the payment for individual Indian and tribal lands of the Lower Brule Sioux Reservation in South Dakota, required by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and for the rehabilitation, social, and economic development of the members of the tribe, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HALEY, Mr. EDMONDSON, Mr. MORRIS, Mr. BERRY, and Mr. LANGEN were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 5165) to provide for the acquisition of and payment for individual Indian and tribal lands of the Crow Creek Sioux Reservation in South Dakota, required by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and for the rehabilitation, social, and economic development of the members of the tribe, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HALEY, Mr. EDMONDSON, Mr. MORRIS, Mr. BERRY, and Mr. LANGEN were appointed managers on the part of the House at the conference.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1963, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JAVITS. Mr. President, I call up my amendment 7-18-62-B, offered on behalf of myself, the Senator from Connecticut [Mr. Bush], the Senator from New York [Mr. Keating], the Senator from Pennsylvania [Mr. Scott], and the Senator from Illinois [Mr. Douglas], and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated.

The Legislative Clerk. On page 28, line 10, it is proposed to delete the period and insert the following:

> *Provided further, however,* That no part of the amounts appropriated in this paragraph shall be used for hospitals or related facilities which are segregated on account of race, creed, or color.

Mr. JAVITS. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. I appreciate the Senator's yielding to me. I should like at this time to present a unanimous consent request, that an hour be allotted to the amendment offered by the Senator from New York, with 30 minutes on each side.

Mr. JAVITS. Mr. President, will the Senator make as a part of his request the fact that the yeas and nays may apply also to the motion to table which I understand the Senator from Montana will make?

Mr. MANSFIELD. Yes; I should make that clear. I assume that the yeas and nays will apply also to the motion to table the amendment of the Senator from New York. I make that request.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. BUSH. Mr. President, I should like to inform the Senate that I shall offer an amendment, and I would like to ask unanimous consent that 10 minutes be allowed to each side, and that a yea and nay vote be had on it.

Mr. MANSFIELD. I make the same request at this time with regard to the amendment of the Senator from Connecticut, with the same proviso, that it is my intention to move to table his amendment; and that 10 minutes be allowed on each side on his amendment.

Mr. STENNIS. Mr. President, reserving the right to object, what is the amendment of the Senator from Connecticut?

Mr. MANSFIELD. Mr. President, will the Senator read the amendment?

Mr. BUSH. The amendment provides:

> On page 16, insert the following before the period on line 14: "*Provided further,* That no part of the amounts appropriated in this paragraph may be used for payments to a local educational agency which operates and maintains segregated public schools".
>
> On page 16, insert the following before the period on line 25: "*Provided further,* That no part of the amounts appropriated in this paragraph may be used for providing school facilities or for grants to a local educational agency which operates and maintains segregated public schools".

The amendment applies to the Federal assistance programs to public schools in the so-called impacted areas where the Federal Government has military bases, is operating defense plants, or has defense contracts. It applies only to those areas.

Mr. MANSFIELD. I renew my request on the Bush amendment.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HOLLAND. Does the Senator from Montana intend to make a motion to lay on the table the amendment of the Senator from Connecticut?

Mr. MANSFIELD. I have so stated.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. BUSH. Mr. President, have the yeas and nays been ordered on my amendment?

The PRESIDING OFFICER. The yeas and nays are ordered.

Mr. JAVITS. Mr. President, I should like to have the attention of the Senate for a brief time, if I may. This is not the ordinary antisegregation, antidiscrimination amendment. There have been many of that type of amendment. This is not the ordinary type of antidiscrimination and antisegregation amendment. What we are seeking here, for the first time, is to attack a strange anomaly in the law. That anomaly is that, notwithstanding the fact that the Supreme Court has held that separate and equal facilities are not equal, and that it is impossible to have separate facilities for whites and Negroes and have them equal, there is embodied in the Hill-Burton Act, having to do with the construction of hospitals, to which my amendment applies, a provision exactly to that effect. This is indeed a strange anomaly in the law considering the decision of the Supreme Court in the Brown case in 1954. Nonetheless, it exists.

Even if it existed and nothing were done about it, one could say, "This is academic. Who cares?" The fact is that of all the cruel aspects of segregation on the ground of race, I cannot think of one which is more cruel, or more directly violative of every humanitarian instinct than the one with respect to hospitals.

Negroes are actually barred from certain hospitals. We have heard some lurid stories about the fact that they have been barred even in emergencies. I happened to tell some friends about this amendment last night, and they reminded me that a few years ago there was a play in New York called "The Death of Bessie Smith," by Edward Albee. Bessie Smith was a very great jazz singer in the 1920's and 1930's. She was from Memphis, Tenn. She was the victim of an accident and, it is alleged, she died because a white hospital would not admit her for treatment. They told her, "You will have to go to a hospital for Negroes." In the course of that transition she died. That is what the play was about.

This is a very serious and vital situation, quite apart from whatever one thinks about segregation and discrimination and the so-called social order of the South.

A survey of the situation was made before I took on this cause.

I feel about this situation as I feel about segregation in international air transportation, where I also started an effort to attach restrictions to an appropriation bill. We fought for 2 or 3 years, and finally the Interstate Commerce Commission forbade discrimination, notwithstanding the fact that it was allowed, under some strange doctrine of construction, in railroad terminals, and in the FAA in air terminals.

Whatever the Senate may do about tabling the amendment—and I hope it will not be tabled, because it does not deserve to be—this will happen eventually. We cannot continue a situation of this character once the light of day shines upon it.

We made a survey of the situation. We found that 90 out of 4,000 hospitals which were constructed with Hill-Burton money actually bar Negroes. They are all lily-white hospitals.

We found that out of 4,514 beds which are concerned, there are 19 hospitals constructed with Hill-Burton money, with 1,221 beds, which are for Negroes only, and that the other hospitals practice in a more or less open way an absolute segregationist policy.

There have been some very lurid statements made to the effect that this kind of thing happens in some hospitals in New York and in other places in the North. My amendment would apply across the board, to all such situations. However, as I said before, in the North or in the West or in the Midwest, when this happens, the whole conscience of the community is against it. When we find it, however, in the South, in many cases—not by any means universally—we find that the community supports it, on the theory that that is part of the existing social order.

That is the pattern of discrimination and segregation which is fairly general in the Southern States with respect to hospitals.

Mr. President, this involves a considerable amount of money. About $225 million is included in the bill for Hill-Burton Act aid. In the 11 Southern States we have spent roughly one-third, or $562,921,000 of the $1,550,214,000 which up until last year we had spent under the Hill-Burton Act.

I said a survey had been made of the situation. In that survey we found that discrimination against Negro patients is quite prevalent in many Southern States. There are many strictly Negro hospitals, which are generally poorly equipped and inadequately manned. Many of them are "hand-me-down" institutions, which had been turned over to the Negroes when a better hospital had been constructed for the whites.

The "separate but equal" system in hospitals has spawned the same evils that exist in other areas of our society where it may be found. As Dr. Edward C. Mazique of the Medico-Chirurgical Society of the District of Columbia has stated, the system is unduly wasteful, expensive, and has meant second-class treatment for many Negro Americans. The system has relegated Negro patients to basement and attic wards and in the halls of some hospitals. Severe overcrowding is a rule common in institutions maintaining separate facilities. Often when Negro wards are filled, no additional Negro patients are admitted even though there may be empty beds elsewhere in the hospital.

Let us remember that this involves Federal funds. That is the essential thrust of the amendment.

Also, we find widespread discrimination against Negro doctors. Although American Negroes make up about 10 percent of the national population, Negro doctors comprise only about 2 percent of the total number of physicians in the United States. In stressing the shortage of Negro doctors, it has been pointed out that the shortage is created largely because there is inadequate opportunity to get hospital and other internship training, which good doctors require.

Also medical societies, on the whole, maintain discriminatory policies against the admission of Negroes. It is necessary, in many communities, to belong to medical societies in order to practice in an agreeable way in company with one's fellow physicians.

The fourth area of segregation and discrimination is in specialist training. There, too, restrictions are maintained against Negro physicians in the field. There are, today, only approximately 381 certified Negro specialists in the United States. That number remains very small when compared with the 60,644 specialists in the entire Nation.

Finally, there is a long-standing and most difficult problem of Negro admissions to medical schools, a subject which I detailed at considerable length in the CONGRESSIONAL RECORD of September 23, 1961. This situation applies broadly and across the board to a number of southern medical schools.

Quite recently, the NAACP started suits in Greensboro, N.C., with relation to Wesley Long Hospital and the Cohen Memorial Hospital, and in Orangeburg, S.C., with relation to a hospital there. It is significant that in the Greensboro case $2 million of Federal money under the Hill-Burton Act is involved. In the Orangeburg case, $300,000 of Federal money is involved.

I received an interesting letter from a woman in Atlanta, Ga., when I first brought this situation to the attention of the Senate. Incidentally, the letter is a copy of a letter which she wrote to the Secretary of Health, Education, and Welfare. She said:

> We have noticed with interest the recent announcement of a grant by the Department of Health, Education, and Welfare to Crawford Long Hospital in Atlanta of $232,500 for a diagnostic and treatment center. This raises two questions in our minds:
>
> 1. The matter of U.S. Government grants to private institutions.
>
> 2. The matter of U.S. Government grants to racially segregated institutions.
>
> We have just checked again with the admissions office at Crawford Long Hospital and been informed—again—that they do not admit any Negro patients.

How long can such invidious, elementary discrimination as this be continued in terms of hospitals and health and the saving of life? How long can we continue to tolerate such a practice being embedded in our law, without protesting against it in every way which is open to us—and this amendment is fully open to us.

Mr. President, how much time remains to me?

The PRESIDING OFFICER. The Senator from New York has 9 minutes remaining.

Mr. JAVITS. Mr. President, I yield myself another 2 minutes.

I point out another interesting feature. The law which provides for the separate but equal facilities—the public health law—gives the Surgeon General the power to issue regulations on this subject, but provides that where a regulation is issued, assurance must be given that the hospital will be made available to all persons, without discrimination on account of race, creed, or color. The law further provides:

> But an exception shall be made in cases where separate hospital facilities are provided for separate population groups, if the plan makes equitable provision on the basis of need for facilities and services of like quality for each such group.

I invite the attention of Senators to the subject of regulations for the reason that we have an opportunity to act—and I hope very much that the Senate will act. The Surgeon General himself may be able to act.

I think this is a serious question for the administration itself. It is somewhat analogous to the problem of segregation in airline terminals. By taking up the cudgels itself, the administration makes a great play of the fact that it wishes to have nonsegregation and nondiscrimination as its fundamental policy.

In this instance, the policy is written into the law. Moreover, I believe that perhaps some State administration could even find a way to deal with the problem on a regulatory basis under the Public Health Act.

I sincerely hope that the Senate will find moral as well as legal justification for what I recommend. Federal funds are being utilized to perpetuate segregation in an anomalous way; to perpetuate the standard of separate but equal facilities, a practice which has been stricken down by the Supreme Court in respect of schools.

That ruling is now the law of the land, and I hope very much that we will affirm the supreme law of the land when we give large sums of money as Federal grants for hospitals.

Mr. President, I reserve the remainder of my time. I yield 10 minutes to my distinguished colleague from New York.

Mr. KEATING. Mr. President, it should not be necessary to offer this amendment at all. The entire problem can be handled by a stroke of the pen. There is no reason why the Senate should have to argue over such a question if there is a sincere attempt to comply with the provisions of the law.

This is another of the many illustrations of Federal practices which continue to be based on the discredited and unlawful separate but equal doctrine, declared by the Supreme Court to be illegal.

The Hill-Burton Act has been on the books for 15 years. Since its inception, the Federal Government has contributed more than a billion and a half dollars to the construction of hospitals and related facilities. A substantial portion of these funds has been knowingly contributed to hospitals to be operated on a discriminatory basis—institutions from which the sick may be barred because of the color of their skins.

The excuse given for these grants is that the Hill-Burton Act expressly sanctions the construction of separate but equal facilities. This is a flimsy argument. There were many statutes before the Supreme Court's Brown decision, both State and Federal, which permitted separate but equal facilities. The Morrill Act, under which land-grant colleges were established—an act whose anniversary the Senate recently commemorated—is a case in point. We cannot pretend that these statutes are unaffected by the rejection of the separate but equal doctrine without doing violence to constitutional principles. Federal laws inconsistent with equal protection have no more sanction or justification than State laws of this character. The Federal Government is not acting with clean hands in attacking such State laws at the same time it persists in following to the letter the same kind of obsolete Federal laws.

In my judgment, no legislation at all should be required to do away completely with Federal grants for discriminatory practices. The Constitution is part of every one of our enactments. A Government official who says he must obey a statute which is inconsistent with the Constitution is ignoring, not enforcing, the law. There are no exceptions in the Bill of Rights for the Department of Health, Education, and Welfare or any other Federal agency.

The officials of these agencies can no more hide behind the archaic and now unlawful provisions of Federal laws than can State officials. I do not want to charge the Federal Government with massive resistance to the law of the land, but it is no exaggeration to say that there has been massive inertia in conforming Federal grant-in-aid programs to the requirements of the equal protection clause.

Recently, former Secretary Ribicoff supported legislation to strike the "separate but equal" provisions from the Hill-Burton Act. His support for such legislation certainly is welcome; and, therefore, it is to be assumed that he would support the amendment which we are offering now. But since there will be no occasion to consider the Hill-Burton Act during this session, that offers no immediate prospect for changing the present practices of the Department. However, it does serve to confirm the view which I entertain; namely, that unless we approve these amendments, the Department of Health, Education, and Welfare will continue to follow the letter of the present law, despite the repudiation of the separate but equal doctrine by the Supreme Court more than 8 years ago.

Mr. President, this situation has continued for too many years. This is no time for delay, in light of the statements by Secretary Ribicoff and in light of the decision, 8 years ago, by the U.S. Supreme Court. In this field we have been following a course of expediency which has no support whatever in the Constitution, and which should be repudiated.

I hope very much this amendment will be approved; and I also hope very much that any motion—whether made by the majority leader or by any other Senator—to lay the amendment on the table will also be defeated.

Mr. JAVITS. Madam President, how much time remains available to me?

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Thirteen minutes.

Mr. JAVITS. Madam President, I yield 2 minutes to the Senator from Connecticut [Mr. BUSH]; and then I shall yield 2 minutes to the Senator from Michigan [Mr. HART].

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 2 minutes.

Mr. BUSH. Madam President, I thank the Senator from New York for yielding this time to me.

First, I wish to congratulate him, not only for bringing up this amendment today, but also for his long, arduous, and faithful sponsorship of amendments of this type. In my judgment, this is one of the milder amendments the Senator from New York has submitted in his long career in behalf of civil rights, because this amendment is confined strictly to hospitals which receive Federal-aid funds. The amendment does not provide that the States cannot have segregation in their hospitals. The amendment only provides that if Federal funds are used, the hospital must not be segregated.

Madam President, what could be fairer than that? Those who are being deprived of hospitalization because of segregation are also taxpayers of the United States, and the Federal funds which go into the hospitals are partly theirs; their salaries are docked at the factory pay windows. But that money is used for such things as this. Yet they are told, "No, you cannot come in."

So I certainly think that this amendment is not a broad, sweeping civil-rights amendment. Instead, I would say it is a mild step in the long march toward the correction of this glaring evil, which we are making some headway in correcting, year by year. But certainly the step the Senator from New York is asking the Senate to take today is a very mild one.

Madam President, I yield back the remainder of the time which has been made available to me.

Mr. HART. Madam President——

Mr. JAVITS. Madam President, I yield 2 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 2 minutes.

Mr. HART. Madam President, the amendment of the Senator from New York has been described as a civil rights amendment. However, it is an amendment to right a wrong which has existed far too long.

I do not think it is fair to say that these funds, taken from the taxpayers, for use for these purposes, are contributed by them. Such taxes cannot properly be described as contributions. These taxes are imposed upon all Americans; and logic requires that the same facilities be made available to all Americans. Anything less than that is not proper.

Madam President, does that description of this situation oversimplify it? I do not think so.

For these reasons, I support the amendment of the Senator from New York, and I would oppose any motion to lay it on the table.

Mr. JAVITS. Madam President, I thank these distinguished Senators for their comments, and particularly for their support.

Mr. DOUGLAS. Madam President——

Mr. JAVITS. I yield 3 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 3 minutes.

Mr. DOUGLAS. Madam President, the proceedings which have occurred this afternoon in connection with this amendment and those which have occurred in connection with previous amendments or motions of a similar nature remind me very strongly of the experience which John Quincy Adams had when he was a Member of the House of Representatives, to which he was elected some years after the completion of his service as President of the United States. For years, he would present petitions asking for the abolition of slavery in the District of Columbia; but each time he was shouted down, and the petition would not be received; and all others who advocated constructive steps to deal with slavery, prior to the Civil War, met with approximately the same treatment. The result was that Congress was unable to do anything constructive about slavery, and the Civil War followed as an inevitable result.

Madam President, I do not think we are going to have another Civil War; but it is obvious that justice is being denied to well over 20 million of our citizens, because this bad treatment is applied not only to Negroes, but also in some places to Latin Americans, and to Indians, as well; there are grave injustices in the country. But every time we in Congress make an effort to deal with these matters, our efforts are deflected by one means or another. The result is that there is a great strengthening of the extremist elements among the Negro population; and black nationalism and the black Muslims are gaining ground very rapidly.

It is a great tribute to the Negro race that it has been able to follow the policy of nonviolence for as long as it has; but I do not think we can presume forever on their patience; and it really pains me that a motion is being made to sweep this situation under the rug, by means of a motion to lay the amendment on the table—much as the opponents of slavery had their constructive attempts swept under the rug in the years prior to the terrible Civil War.

Mr. JAVITS. Madam President, I am most grateful to these distinguished Senators for their support in connection with the struggle to deal with this field.

Mr. KUCHEL. Madam President——

Mr. JAVITS. I yield 2 minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized for 2 minutes.

Mr. KUCHEL. Madam President, the issue before the Senate in this amendment is simple. I read the language of the amendment:

> *Provided further, however,* That the funds herein appropriated shall be used only for hospitals and related facilities which are made available to all persons without discrimination in any respect whatever on account of race, creed, or color.

Madam President, there is, regrettably, discrimination in America; but the discrimination, which has been continuing, in the use of Federal funds in supplying money for the construction of hospitals is an unconstitutional, indefensible discrimination which they prevent and eliminate by adopting this simple, unequivocal proposal.

I deeply regret that a motion to lay this amendment on the table will be made by the Democratic majority leader. His motion ought to be defeated.

Funds come into the Treasury of the United States from all taxpaying citizens—from white citizens, from black citizens, from citizens who trace their ancestry to every part of the globe. And when these moneys are expended, they ought to be spent under our Constitution, for the benefit of all the people in our land.

How is it, then, that when my friend, the Senator from New York, attempts by this amendment to assure that Federal moneys will be spent for the benefit of all the people, in the allocation of funds for the construction of hospitals, some Members of this body cry out in opposition?

Madam President, I hope this amendment will be adopted. I hope the majority leader's motion to lay the amendment on the table, will be rejected. We ought to write this provision into the bill, and can make progress in this country with respect to equal treatment under the law.

Madam President, I am grateful to my friend, the Senator from New York, for yielding this time to me.

Mr. JAVITS. I thank the Senator from California.

Madam President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 3 minutes.

Mr. JAVITS. Madam President, these amendments have been debated here before. However, I think rarely have we previously had as humanitarian a cause as this hospital cause, which I think will bear on the conscience of our country.

Madam President, in these few minutes I should like to comment on the apparent carelessness with which we begin to regard this subject. It becomes a matter of policy not to ask Congress for legislation. The executive department depends upon itself because, apparently, it feels it cannot get anywhere in the Congress without invoking sanctions upon other legislation.

When a question of this character is brought up, as I have done before, the Chamber clears out, Members know exactly what they are going to do, and it does not seem to be a critical matter with them.

As the Senator from Illinois has said, will we wake up only when the tempers, the minds, and the souls of 18 million Americans—which "ain't hay" anywhere—are so driven that they will move more forcibly than they have? Then will Members rise on the floor and decry lawlessness, as they have done with reference to sit-ins and movements of resistance which we see in the South?

Congress has an opportunity, upon such a mild matter as this, as my colleagues from California, Connecticut, and New York have said, to give some basis of elemental justice in a case in which the Federal Government itself provides the money.

If the Congress disregards that opportunity, if the Congress averts its eye, I fear we are doing nothing but encouraging a situation which will rise to harm our Nation. That is in addition to the powerful repercussions all over the world from the way we deal with our racial problems. With the whole world in ferment and revolt, and most of it composed of colored people, it seems to me we are stoneblind when we deny satisfaction in so elemental a demand for justice as is represented by this amendment.

In all conscience and responsibility, the Senate should vote down the motion to table and should adopt the mild and moderate amendment, which will yet be a small measure of justice in the situation.

Mr. MANSFIELD. Madam President, how much time remains on the other side?

The PRESIDING OFFICER. Two minutes remain.

Mr. MANSFIELD. Does the Senator wish to use the time? I would like to use 1 minute, and I would like to close the debate.

Mr. JAVITS. I am willing to yield back the remainder of my time.

Mr. MANSFIELD. Madam President, I yield back 29 minutes of my time. The Senator from New York and his colleagues have previously used the same argument as they have used today relative to facilities for airports. There is a great deal of merit to it, but I think this is not the place for this type of amendment. I hope the situation will be corrected through correction of the basic law.

Therefore, I move to table the amendment of the Senator from New York.

The PRESIDING OFFICER. All time has been yielded back, and the question is on the motion of the Senator from Montana to lay on the table the amendment of the Senator from New York.

Mr. JAVITS. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Have the yeas and nays been ordered on the motion to table?

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Arizona [Mr. HAYDEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from North Carolina [Mr. JORDAN], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Oregon [Mr. MORSE], the Senator from Maine [Mr. MUSKIE], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Arkansas [Mr. FULBRIGHT] are necessarily absent.

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Connecticut would vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from Arizona [Mr. HAYDEN] is paired with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from Oregon would vote "nay."

On this vote, the Senator from Minnesota [Mr. HUMPHREY] is paired with the Senator from Louisiana [Mr. LONG]. If present and voting, the Senator from Minnesota would vote "nay," and the Senator from Louisiana would vote "yea."

On this vote, the Senator from Oklahoma [Mr. MONRONEY] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Oklahoma would vote "yea," and the Senator from Minnesota would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business.

The Senator from Utah [Mr. BENNETT], the Senator from Maryland [Mr. BUTLER], the Senator from from Indiana [Mr. CAPEHART], the Senator from Arizona [Mr. GOLDWATER], the Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER], the Senator from Kentucky [Mr. MORTON], the Senator from New Hampshire [Mr. MURPHY], the Senator from Kansas [Mr. PEARSON], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Texas [Mr. TOWER], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

If present and voting, the Senator from Colorado [Mr. ALLOTT] would vote "nay."

On this vote the Senator from Iowa [Mr. MILLER] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from Kentucky would vote "nay."

On this vote the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from Kansas [Mr. PEARSON]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Kansas would vote "nay."

On this vote the Senator from Texas [Mr. TOWER] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Pennsylvania would vote "nay."

Mr. BURDICK (when his name was called). On this vote I have a pair with the Senator from North Carolina [Mr. JORDAN]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. LONG of Hawaii (when his name was called). On this vote I have a pair with the Senator from Florida [Mr. SMATHERS]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

The result was announced—yeas 37, nays 33, as follows:

[No. 128 Leg.]

YEAS—37

Aiken
Anderson
Bartlett
Bible
Byrd, W. Va.
Church
Cotton
Curtis
Dworshak
Eastland
Ellender
Ervin
Hickey
Hill
Holland
Hruska
Jackson
Johnston
Kefauver
Kerr
Magnuson
Mansfield
McClellan
McGee
McNamara
Metcalf
Pastore
Pell
Robertson
Russell
Sparkman
Stennis
Talmadge
Thurmond
Williams, Del.
Yarborough
Young, N. Dak.

NAYS—33

Beall
Boggs
Bottum
Bush
Cannon
Carlson
Carroll
Case
Clark
Cooper
Dirksen
Douglas
Engle
Fong
Hart
Hartke
Javits
Keating
Kuchel
Lausche
Long, Mo.
Moss
Mundt
Neuberger
Prouty
Proxmire
Randolph
Smith, Mass.
Smith, Maine
Symington
Wiley
Williams, N.J.
Young, Ohio

NOT VOTING—30

Allott
Bennett
Burdick
Butler
Byrd, Va.
Capehart
Chavez
Dodd
Fulbright
Goldwater
Gore
Gruening
Hayden
Hickenlooper
Humphrey
Jordan
Long, Hawaii
Long, La.
McCarthy
Miller
Monroney
Morse
Morton
Murphy
Muskie
Pearson
Saltonstall
Scott
Smathers
Tower

So Mr. MANSFIELD's motion to lay on the table Mr. JAVITS' amendment was agreed to.

Mr. MANSFIELD. Madam President, I move to reconsider the vote by which the motion was agreed to.

Mr. HILL. Madam President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. BUSH. Madam President, for myself and Senators JAVITS, KEATING, DOUGLAS, and SCOTT, I call up my amendments designated "7-3-62—A," and ask that they be stated.

The LEGISLATIVE CLERK. On page 16, it is proposed to insert the following before the period on line 14:

> *Provided further,* That no part of the amounts appropriated in this paragraph may be used for payments to a local educational agency which operates and maintains segregated public schools.

On page 16, it is proposed to insert the following before the period on line 25:

> *Provided further,* That no part of the amounts appropriated in this paragraph may be used for providing school facilities or for grants to a local educational agency which operates and maintains segregated public schools.

Mr. BUSH. Madam President, I yield myself 4 minutes.

The amendment is very simple. It has to do only with Federal aid to schools in impacted areas. For the most part, the impacted areas are caused by the presence of military bases or of plants that are making defense materials for the Government of the United States. These establishments of the defense effort bring into the areas in which they are located people from miles around—sometimes from hundreds of miles away. Many such people come with their families and settle in the impacted areas. The children must go to school. So the schools in such areas have been overwhelmed in many cases.

Of course, the Federal Government is not a taxpayer. So special payments are made under two separate public laws, one for the maintenance and operation of the schools, and another for the building of school facilities.

Many of the families that come into these areas are colored people. They move their families into the area, but then are told that their children are denied admission to local public schools because the schools are segregated.

When they receive their paychecks at the factory window, they are docked 20 percent for taxes withheld by the Federal Government in order to secure that contribution from the employees in the defense plants for the defense of the United States, and also for their contribution to schools which are built and operated in the impacted areas. But in many cases those people are told, "Your children cannot go to certain schools because they are colored." Therefore, there is no opportunity for their children to receive a good education in such areas.

Madam President, it is manifestly unfair to tax people who work in defense plants to make defense products for the U.S. Government, and yet say to them that their tax money can go to schools which forbid the enrollment of their children. It is manifestly unfair, discriminatory, and, in my view, immoral. My amendment would be a step forward in the long march toward the abolition of discrimination of that kind.

The amendment is very mild. It does not provide that all schools in the United States must be integrated. It provides only that Federal funds for aid to schools in the impacted areas may not be given any schools which practice segregation, and forbids the enrollment of children of color. As I termed the amendment of the Senator from New York, which was previously acted upon, my amendment is also a very mild one. It is not a sweeping amendment. It is so mild and fair that I think the Senate should agree to it. It is only fair to taxpayers of the United States who are citizens of the United States and whose children must be educated to see that they can grow up and be decent and responsible citizens and take their places in making our Republic a safe place in which to live.

So, Madam President, I urge the adoption of the amendment.

I yield 2 minutes to the senior Senator from New York.

Mr. JAVITS. Madam President, I rise to support the amendment of the distinguished Senator from Connecticut. Generally, my argument would be the same as the one I made previously, except for a peculiar anomaly in the law with respect to my amendment relating to hospitals. People come into an area under a national program. Nonetheless, we deny them the measure of justice to which every citizen, let alone every patriotic citizen, is entitled.

I should like to emphasize two points in the time I have available. First, the administration can act. Let us never forget that point. As my colleague from New York [Mr. KEATING] has said, by the stroke of a pen the administration can act on the question of impacted schools and segregated hospitals, just as the administration could act with respect to airline terminals.

There is nowhere available an opportunity for a litigant to mandate the administration to give money to an impacted school or to a segregated hospital.

Second, there is always a reason. The Senator from Montana [Mr. MANSFIELD] has stated the reason, namely, that we cannot hold up an appropriation bill. There is the reason that we are approaching the end of the session. At the beginning of a session there is the reason that we have not yet gotten started, and we would interfere with the whole program. There is always a reason to deny justice.

Let those who have studied the evidence know that had it not been for certain Senators on the other side of the aisle and some on my side who normally would vote against the motion to table, the motion to table would have failed.

Let that serve notice that discrimination cannot continue. It will not be tolerated in our country forever. There will be a day—and it will come soon—when such motions will fail and amendments of the kind before the Senate will be agreed to. The Congress will take the bit in its teeth and at last enforce the Constitution of the United States, whether the President does so or not. I thank the distinguished Senator from Connecticut for yielding to me.

Mr. BUSH. I thank the distinguished Senator from New York. I yield 4 minutes to the junior Senator from New York.

Mr. KEATING. Madam President, there are two laws under which the Federal Government contributes aid directly to State public schools: Public Law 874, which authorizes direct assistance for current operating expenses in so-called federally impacted areas, and Public Law 815, which provides assistance for construction of school facilities in the same areas.

Since the inception of these programs in 1951, almost $2 billion has been appropriated by the Federal Government for the construction and maintenance of school facilities under these laws. The present bill includes $282,322,000 for maintenance and $63,686,000 for school construction for the new fiscal year. I have always supported Public Laws 874 and 815.

I do object most strongly, however, to the use of 1 cent of Federal tax funds to support school systems operating in open defiance of the law of the land. In my judgment, the Federal Government can no more participate in the financing of segregated school systems than can the States. It is ridiculous for one agency of the executive department—the Department of Health, Education, and Welfare—to be engaged in practices which another agency of the executive department—the Department of Justice—is called upon to combat.

This is not justice blindfolded, but justice bound and gagged. It is a classic case of the right hand not knowing what the left hand is doing. It reveals either an incredible lack of coordination within the executive departments—or a deliberate refusal to abide by the letter and spirit of controlling constitutional principles.

Since 1954, the year in which the Supreme Court outlawed segregation in the public schools, tens of millions of dollars have been knowingly paid by unconcerned administrative officials to hundreds of school districts maintaining completely segregated school systems. Open defiance by the States of the Supreme Court is bad enough. The cooperation of the Federal Government in such schemes is unpardonable.

It destroys respect for the law. It implies an unwarranted double standard. It compounds the difficulties of achieving compliance with the desegregation decisions. It makes the Federal Government a party to school segregation. It demonstrates a lack of positive interest in desegregation which no amount of pious declarations can redeem.

Administration officials have spoken eloquently on many occasions about the evils of segregated schools, but they have shunned many measures which could alleviate the present intolerable situation. This is an excellent case in point.

> The Constitution of the United States forbids governmental action that discriminates against any person by reason of his race, creed, or color. This is a rule of law. More than that, it is a principle of morality.

Those are the words of former Secretary of HEW Ribicoff in recent committee testimony on a bill similar to this amendment. These words were followed, however, by a negation of any administrative authority "to end discriminations" and a rejection of riders and amendments to existing laws to bar Federal funds for Jim Crow schools.

What this adds up to is a hollow plea for principle and a strong caution against action. Later even Secretary Ribicoff recanted and in subsequent testimony before the same committee he dramatically announced that he had found a way to deny funds to segregated schools—but 8 years after the Brown case he suggested another year's delay before putting his newly discovered authority into effect.

This is the most confused, inconsistent and unreasonable testimony on this subject I can imagine. The Supreme Court may have intended some elasticity in ordering compliance with its school desegregation decree "with all deliberate speed," but no one could possibly justify the 8-year stretchout which resulted as a reflection of this concept. The Secretary's position is not an accommodation, but a surrender to the forces which have been defying the law of the land for almost a decade. I agree with the Secretary's moral principles, but I most emphatically disagree with the uncertain and dilatory reaction to proposals to put these principles into practice.

I have never approached civil rights on a partisan basis and I am frank to admit that the problem with which this amendment deals has been with us for many years. This does not, however, minimize my keen disappointment with the attitude of the administration on civil rights legislation. I remember the hectic days of the 1960 campaign when promises were thrown about freely. We were not warned of halting compromises then, but were treated to ringing promises of bold strokes of the pen and strong executive action. This is a problem which could be dealt with by executive action, but none has been forthcoming. It could be dealt with by direct legislation, but bills for this purpose have not had the determined support needed for enactment. We are left with no alternative now but to present these riders to the pending appropriation bill. We can expect the usual complaints about not following orderly procedures—complaints which serve as a coverup for inaction.

We are trying to redeem the pledges of both parties to the American people. More than that, we are trying to redeem the promises of the Constitution and specifically the concept of equal protection.

No excuses, no oratory, no eloquent pleas for orderly procedure can change this fact: unless this amendment is approved the Federal Government will continue for another year to donate Federal tax moneys collected from all our citizens of every color, race and national origin to unlawfully segregated schools.

If the Senate wants to permit such practices they should vote against this amendment. If, on the other hand, a majority of the Senate believes with me that Federal support of segregation is unlawful and immoral, then a vote should be cast for this amendment in order to put an immediate end to this intolerable situation.

Mr. BUSH. Will the Senator from Montana yield me 1 minute of his time?

Mr. MANSFIELD. Certainly.

Mr. BUSH. I yield that minute to the Senator from California [Mr. Kuchel].

Mr. KUCHEL. Madam President, what a miserable commentary on American Government does this good amendment disclose. Segregation in public schools is unconstitutional in our country. That is what the Supreme Court has ruled. How cruel, then, to continue the practice in schools built by America to serve the children of people in uniform ordered to go to those locations for the defense of the Nation.

The Senator from Connecticut has performed a good service in offering his amendment today. This amendment would do no more and no less than carry out the law of the land. There ought not to be any segregated American dollars going into any area of this country to build segregated schools for children of American military personnel.

Mr. BUSH. Mr. President, I am ready to yield back the remainder of my time.

Mr. MANSFIELD. I yield back the remainder of my time with the exception of 1 minute.

This is in effect a continuation of the proposals which had been made, but which, in my opinion, belong on other bills rather than on appropriation bills. This proposal and the proposal previously offered could well be considered to be legislation on an appropriation bill, and, therefore, subject to a point of order. No point of order has been raised.

The Senator from New York [Mr. Keating] pointed out that former Secretary of the Department of Health, Education, and Welfare, Mr. Ribicoff, had certain things to say at a hearing. I believe if the Senator will go back to the hearing record, he will find that the former Secretary of HEW announced at that time that the Department plans to move in this area administratively.

The Department of Health, Education, and Welfare and the Justice Department are considering legal action in the field. It seems far wiser to await the result of these moves in the executive branch, than to proceed to legislate on an appropriation bill.

Madam President, I move to lay on the table the amendment of the Senator from Connecticut.

The **PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from Montana. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Hawaii (when his name was called). On this vote I have a pair with the junior Senator from Florida [Mr. Smathers]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore I withhold my vote.

Mr. RANDOLPH (when his name was called). On this vote I have a pair with the senior Senator from Virginia [Mr. Byrd]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. Byrd], the Senator from Connecticut [Mr. Dodd], the Senator from Tennessee [Mr. Gore], the Senator from Alaska [Mr. Gruening], the Senator from Minnesota [Mr. Humphrey], the Senator from North Carolina [Mr. Jordan], the Senator from Louisiana [Mr. Long], the Senator from Minnesota [Mr. McCarthy], the Senator from Oklahoma [Mr. Monroney], the Senator from Oregon [Mr. Morse], and the Senator from Maine [Mr. Muskie], are absent on official business.

I further announce that the Senator from New Mexico [Mr. Chavez], and the Senator from Arkansas [Mr. Fulbright] are necessarily absent.

On this vote, the Senator from New Mexico [Mr. Chavez] is paired with the Senator from Connecticut [Mr. Dodd]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Connecticut would vote "nay."

On this vote, the Senator from Tennessee [Mr. Gore] is paired with the Senator from Alaska [Mr. Gruening]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from Minnesota [Mr. Humphrey] is paired with the Senator from North Carolina [Mr. Jordan]. If present and voting, the Senator from Minnesota would vote "nay" and the Senator from North Carolina would vote "yea."

On this vote, the Senator from Louisiana [Mr. Long] is paired with the Senator from Minnesota [Mr. McCarthy] If present and voting, the Senator from Louisiana would vote "yea," and the Senator from Minnesota would vote "nay."

I further announce that, if present and voting, the Senator from Maine [Mr. Muskie] would vote "nay."

On this vote, the Senator from Oklahoma [Mr. Monroney] is paired with the Senator from Oregon [Mr. Morse]. If present and voting, the Senator from Oklahoma would vote "yea," and the Senator from Oregon would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. Allott] is absent on official business.

The Senator from Utah [Mr. Bennett], the Senator from Maryland [Mr. Butler], the Senator from Indiana [Mr. Capehart], the Senator from Arizona [Mr. Goldwater], the Senators from Iowa [Mr. Hickenlooper and Mr. Miller], the Senator from Kentucky [Mr. Morton], the Senator from New Hampshire [Mr. Murphy], the Senator from Kansas [Mr. Pearson], the Senator from Pennsylvania [Mr. Scott], the Senator from Texas [Mr. Tower], and the Senator from Massachusetts [Mr. Saltonstall] are necessarily absent.

If present and voting the Senator from Colorado [Mr. Allott] would vote "nay."

On this vote, the Senator from Iowa [Mr. Miller] is paired with the Senator from Kentucky [Mr. Morton]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from Kentucky would vote "nay."

On this vote, the Senator from Texas [Mr. Tower] is paired with the Senator from Kansas [Mr. Pearson]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Kansas would vote "nay."

On this vote, the Senator from New Hampshire [Mr. Murphy] is paired with the Senator from Pennsylvania [Mr. Scott]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Pennsylvania would vote "nay."

The result was announced—yeas 37, nays 34, as follows:

[No. 129 Leg.]

YEAS—37

Aiken
Anderson
Bartlett
Bible
Byrd, W. Va.
Cannon
Church
Cotton
Curtis
Eastland
Ellender
Ervin
Hayden
Hickey
Hill
Holland
Hruska
Jackson
Johnston
Kefauver
Kerr
Magnuson
Mansfield
McClellan
McGee
McNamara
Metcalf
Pastore
Robertson
Russell
Sparkman
Stennis
Talmadge
Thurmond
Williams, Del.
Yarborough
Young, N. Dak.

NAYS—34

Beall
Boggs
Bottum
Burdick
Bush
Carlson
Carroll
Case
Clark
Cooper
Dirksen
Douglas
Dworshak
Engle
Fong
Hart
Hartke
Javits
Keating
Kuchel
Lausche
Long, Mo.
Moss
Mundt
Neuberger
Pell
Prouty
Proxmire
Smith, Mass.
Smith, Maine
Symington
Wiley
Williams, N.J.
Young, Ohio

NOT VOTING—29

Allott
Bennett
Butler
Byrd, Va.
Capehart
Chavez
Dodd
Fulbright
Goldwater
Gore
Gruening
Hickenlooper
Humphrey
Jordan
Long, Hawaii
Long, La.
McCarthy
Miller
Monroney
Morse
Morton
Murphy
Muskie
Pearson
Randolph
Saltonstall
Scott
Smathers
Tower

So the motion to lay Mr. Bush's amendment on the table was agreed to.

Mr. MANSFIELD. Madam President, I move that the Senate reconsider the vote by which the motion to lay on the table was agreed to.

Mr. HILL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COOPER. Mr. President, for myself and the junior Senator from New York [Mr. Keating], the senior Senator from New York [Mr. Javits], the senior Senator from Connecticut [Mr. Bush], and the junior Senator from Vermont [Mr. Prouty], I offer an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The Legislative Clerk. On page 51, between lines 18 and 19, it is proposed to insert the following:

Title X—Reduction in Appropriations

Sec. 1001. Each appropriation made by this Act is hereby reduced by 5 per centum, except the sections—

(1) for unemployment compensation for Federal employees and ex-servicemen;

(2) for employees' compensation claims and expenses; and

(3) for grants to States for public assistance under the Social Security Administration.

Mr. MANSFIELD. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. MANSFIELD. I have discussed the proposal I am about to make with the leadership on the Republican side, as well as with the author of the amendment and several Senators on the Democratic side. I ask unanimous consent that there be allotted to the Cooper amendment, now pending, 30 minutes, 15 minutes to a side.

Mr. COOPER. Madam President, I agree.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. COOPER. Madam President, on my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. COOPER. Madam President, the amendment which I have offered for myself and for the Senators from New York, the Senator from Connecticut, and the Senator from Vermont speaks for itself.

First, its purpose is to reduce each appropriation item in the bill by 5 percent, with three exclusions: Unemployment compensation for Federal employees and ex-service men; employees' compensation claims and expenses; and grants to States for public assistance. These three items are excluded because Congress is bound by statute to provide for these claims.

The monetary effect of the amendment would be to apply a 5-percent reduction to $2,603,713,000. If adopted, the amendment would reduce the bill as reported to the Senate by $130,185,650.

Efforts have been made to recommit appropriations bills to committee with directions to report to the Senate either the House amount of the bill, or the total of the budget estimates. Other efforts have been made in the Senate to amend appropriations bills to reduce certain items to the House amount, or to the budget estimate. These efforts have been defeated.

I believe my proposal is fair to the Senate because it does not deny to the Senate Appropriations Committee the power to increase appropriations in any field it desires. The amendment does not eliminate any program; but it provides for a 5-percent reduction in each item.

It may be asked why I have offered the amendment. I have offered it because I assume that many Senators, as well as people throughout the country, believe that a situation obtains today in the administration and in the Congress under which appropriations are running much higher than they should—and they are higher than they ever have been. I have offered the amendment because of the economic situation today.

A widespread movement is in progress today in Congress and throughout the country for a tax reduction. While I do not know what will happen—I am not an expert in tax matters—it appears likely that within 2 or 3 weeks the administration may propose a tax reduction. If it does, such a reduction might involve $5 billion or more. I do not know what will be proposed, but if that occurs, certainly a tax reduction should be accompanied by an effort on the part of Congress to reduce appropriation bills.

It seems to me that the only way we will ever agree upon reductions is through a method such as I have proposed, in which we will not attempt to strike all of a specific item or a great part of it, or an item in which some Senator may have an interest—but by way of a general 5-percent reduction.

I believe in all conscience and judgment that there is today a great desire on the part of the people of the country to reduce Government spending. In past years, I have received letters urging that spending be increased for specific projects. Today I am receiving none. People are asking that appropriations be reduced.

This small reduction could not seriously or adversely affect any agency of Government, and we know it. I hope the Senate will adopt the amendment. It would simply reduce this large bill of $5,333 million by $130 million. If such an amendment were applied to every appropriation bill, several billion dollars would be saved this year.

Mr. BUSH. Madam President, if the Senator from Kentucky will yield——

Mr. COOPER. I yield.

Mr. BUSH. I should like to point out that the $130 million reduction proposed by the Senator's amendment is a far cry from the cut called for earlier today by the amendment of the Senator from Wisconsin.

We have pointed out that the bill as it now is before us calls for appropriations of $270 million more than those the administration requested in its own budget. So even after adoption of the amendment of the Senator from Kentucky, the appropriations provided by the bill would still exceed the budget requests of this administration.

I think this amendment is a very modest one, Madam President; and I hope the Senate will support the Senator from Kentucky in it.

Mr. KEATING. Madam President——

Mr. COOPER. I yield to the Senator from New York.

Mr. KEATING. I hope the Senate will accept this amendment. As the Senator from Connecticut has said, the amendment does not go nearly as far as some of the other amendments which have proposed cuts in these funds.

All of us must be worried about the tremendous increases in appropriations. We must exercise prudence and good judgment. We must draw the line somewhere. We must avoid spending Federal funds except in those cases in which expenditures are absolutely necessary.

We are likely to be confronted shortly with a proposal for a tax cut; and certainly we cannot justify making a tax cut and yet continue to approve so many extremely large appropriations.

This amendment calls for a very modest cut in the appropriations. Even if it is agreed to, we shall be appropriating far more than the amounts requested by the President. If tax cuts are to be made, we must be willing to make some reductions in expenditures too.

Mr. JAVITS. Madam President——

Mr. COOPER. I yield to the senior Senator from New York.

Mr. JAVITS. Madam President, I favor an incentive tax cut, and that is why I favor the adoption of this amendment. If we are to have an incentive tax cut—and we have already looked toward following that route—we must proceed at this time in a responsible fashion to lay the necessary groundwork for the making of such a tax cut. Since we have already anticipated the making of a tax cut in order that the funds thus made available will be fed into the economy, therefore we must make some retrenchment in these expenditures.

I voted against cuts in these items, except in the item for the National Institutes of Health. I am sure that if this amendment is adopted, when it comes from conference it will come in such a form that the Secretary will have power to exercise discretion in applying this reduction as between the various appropriation items. Such a provision could not be included in this amendment, because then it would be subject to a point of order. But I know that is what the Senator from Kentucky has in mind.

If we believe that the economy needs the incentive of a tax cut, certainly this amendment should be agreed to; and I join the Senator from Kentucky in supporting it.

Mr. COOPER. I thank the Senator from New York.

Madam President, if this amendment is agreed to, perhaps in the conference between the House and the Senate arrangement can be made with regard to the transfer of funds, as referred to by the Senator from New York [Mr. JAVITS].

I repeat that I see no way to obtain the necessary reductions in these appropriations except by a method such as this one—because otherwise we are always confronted with arguments against cutting one appropriation item or another item, or against making specific items either larger or smaller than the amounts which the House has voted or the Senate committee has recommended. Therefore, I certainly think an amendment of this kind I have proposed today should be adopted.

The signs indicate that in a few weeks a request for a tax cut will be made. I have said I would support such a tax cut, when it is recommended, if an effort is made by the administration and by the Congress to reduce spending. I think my amendment is a modest step in that direction. If such an amendment were applied to every appropriation bill, it might save a billion dollars, and yet no program or agency of the Government would be hurt.

Madam President, I ask that the amendment be adopted.

Mr. AIKEN. Madam President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. AIKEN. Would the Senator's amendment apply to the appropriation for manpower development and training activities, under the Manpower Development and Training Act of 1962? That is a $50 million item.

Mr. COOPER. It would apply to every item except the three specifically excluded, which I have mentioned.

Mr. AIKEN. Is the Senator from Kentucky satisfied that even though 5 percent were deducted from the $50 million appropriation for the manpower development and training activities, the remaining appropriation—$48,500,000—would be sufficient to make it possible to carry on that program during the coming season?

Mr. COOPER. Yes I think any agency could get by with 5 percent less.

Mr. HILL. Madam President, the appropriations now provided by this bill are less than those called for by the overall budget, and less than those called for by the President's budget.

With all respect to the distinguished Senator from Kentucky [Mr. COOPER], I point out that this amendment is more of a meat-ax approach than I have ever before seen in connection with an appropriation bill. The amendment just slashes, right and left; it slashes here and there; it slashes up and down; it slashes to one side; it slashes to the other side; it slashes everywhere—slash, slash, slash—without regard to what is slashed. It slashes without any regard to the merits of the various items which would be affected.

It would slash the appropriations for the Food and Drug Administration.

It would slash the appropriation for the vocational educational fund.

It would slash the appropriation for the land-grant colleges.

It would slash the appropriation for unemployment compensation for veterans.

It would slash the funds for the teachers of the mentally retarded.

It would slash the funds available for the teachers of the deaf.

It would slash the funds for vocational rehabilitation.

It would slash the Public Health Service funds.

It would slash the funds for the activities for the prevention of contagious and communicable diseases of all kinds.

It would slash the OASI funds, although those funds do not come from the Treasury, but come from the tax imposed on both employers and employees.

It would slash the funds for St. Elizabeths Hospital.

It would slash the funds for Freedmen's Hospital.

It would slash here, slash there, slash everywhere—slash all of them—slash, slash, slash.

Mr. COOPER. Madam President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. COOPER. The Senator from Alabama said that the funds for the unemployment compensation of veterans would be slashed. But they are specifically excluded from my amendment. All we ask is a little 5 percent slash offsetting some of the increases which have been made.

Mr. HILL. But the Senator from Kentucky wants to slash the funds available for vocational education, and he wants to slash the funds to be made available for the Soldiers' Home.

Mr. COOPER. Yes, the amendment would apply to every item except the three specifically excluded, which represent claims we are bound by statute to meet.

Mr. HILL. And the Senator's amendment would slash the appropriation for Gallaudet College. The amendment would slash the funds for all these items.

Mr. KEATING. Madam President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. KEATING. The Senator from Alabama is a great scholar, but he is misusing the word "slash." This amendment would not slash anything except the big amounts over and above the budget amounts. It is simply a decrease in the increase. Even with the adoption of this amendment, the bill would provide more than the budget amounts.

Mr. HILL. Oh, no; not at all. The bill as it now stands is already under the amounts of the overall budget. But this amendment would slash the appropriations for all these items.

Mr. BUSH. Madam President, will the Senator yield?

Mr. HILL. I yield.

Mr. BUSH. I think the Senator from Alabama may be in error, because provision is made that the programs considered most essential could be assigned up to 100 percent of the amounts stated in the body of the bill; and the Secretary could therefore make adjustments, by making comparable reductions in the amounts of the items which he considered less essential at the time.

Mr. HILL. No, Madam President, for I understand that the Senator from Kentucky struck out that provision, inasmuch as it would constitute legislation on an appropriation bill, and thus would make the amendments subject to a point of order.

Mr. BUSH. But the amendment as it is now worded, as I understand, would leave the heads of the divisions in the Department of Health, Education, and Welfare with ample leeway, and still with more funds than they requested in their budgets.

Mr. HILL. Madam President, the amendment provides that "each appropriation made by this act is hereby reduced 5 percent." So, as I have said, the amendment would slash the appropriations for the hospitals, and would slash the appropriations for the schools, and would slash the appropriations for preventive medicine, and would slash the health activity appropriations, and would slash the appropriation for vocational education, and would slash the appropriation for Gallaudet College for the deaf, and would slash the appropriation for the Soldiers' Home—it would slash every appropriation.

Mr. DOUGLAS. Madam President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. DOUGLAS. The Senator from Alabama has already made one appeal for the full amount of the item for the Soldiers' Home. I ask him not to make two.

Mr. HILL. Madam President, certainly the old soldiers also deserve every consideration, and I do not want them to be forgotten.

As I have stated, this amendment would slash the appropriation for Gallaudet College for the deaf, and it would slash the appropriation of funds for the teachers of the mentally retarded, and it would slash the appropriation of funds for activities to deal with juvenile delinquency. In fact, this amendment would slash so much that, Madam President, in the short time available here, it is not possible to list all the agencies, divisions, departments, and activities of Government whose activities would be seriously curtailed as a result of having their appropriation items slashed by this amendment. In short, the amendment would slash all the appropriations, right down the line.

I am quite certain that the Senate will wish to reject this amendment.

Several Senators. Vote! Vote!

Mr. HILL. Madam President, I am willing to yield back the remainder of the time available to me, if the Senator from Kentucky will do likewise.

Mr. COOPER. Madam President, I yield back the remainder of the time under my control, after saying that I certainly think this little bitty old "slash" of 5 percent should not be too disturbing to the Senator from Alabama, or to any other Senator.

The PRESIDING OFFICER. All remaining time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Kentucky.

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. Byrd], the Senator from Connecticut [Mr. Dodd], the Senator from Tennessee [Mr. Gore], the Senator from Alaska [Mr. Gruening], the Senator from Minnesota [Mr. Humphrey], the Senator from Louisiana [Mr. Long], the Senator from Minnesota [Mr. McCarthy], the Senator from Oregon [Mr. Morse], the Senator from Maine [Mr. Muskie], the Senator from Florida [Mr. Smathers], and the Senator from Oklahoma [Mr. Monroney] are absent on official business.

I further announce that the Senator from New Mexico [Mr. Chavez] and the Senator from Arkansas [Mr. Fulbright] are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. Gore], the Senator from Alaska [Mr. Gruening], and the Senator from Minnesota [Mr. McCarthy] would each vote "nay."

On this vote, the Senator from Pennsylvania [Mr. Scott] is paired with the Senator from New Mexico [Mr. Chavez]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Connecticut [Mr. Dodd] is paired with the Senator from Colorado [Mr. Allott]. If present and voting, the Senator from Connecticut would vote "nay," and the Senator from Colorado would vote "yea."

On this vote, the Senator from Minnesota [Mr. Humphrey] is paired with the Senator from Utah [Mr. Bennett]. If present and voting, the Senator from Minnesota would vote "nay," and the Senator from Utah would vote "yea."

On this vote, the Senator from Louisiana [Mr. Long] is paired with the Senator from Iowa [Mr. Miller]. If present and voting, the Senator from Louisiana would vote "nay," and the Senator from Iowa would vote "yea."

On this vote, the Senator from Oregon [Mr. Morse] is paired with the Senator from Texas [Mr. Tower]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from Texas would vote "yea."

On this vote, the Senator from Maine [Mr. Muskie] is paired with the Senator from Arizona [Mr. Goldwater]. If present and voting, the Senator from Maine would vote "nay," and the Senator from Arizona would vote "yea."

On this vote, the Senator from Florida [Mr. Smathers] is paired with the Senator from Indiana [Mr. Capehart]. If present and voting, the Senator from Florida would vote "nay," and the Senator from Indiana would vote "yea."

On this vote, the Senator from Virginia [Mr. Byrd] is paired with the Senator from Oklahoma [Mr. Monroney]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Oklahoma would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. Allott] is absent on official business.

The Senator from Utah [Mr. Bennett], the Senator from Maryland [Mr. Butler], the Senator from Indiana [Mr. Capehart], the Senator from Arizona [Mr. Goldwater], the Senators from Iowa [Mr. Hickenlooper and Mr. Miller], the Senator from Kentucky [Mr. Morton], the Senator from New Hampshire [Mr. Murphy], the Senator from Kansas [Mr. Pearson], the Senator from Pennsylvania [Mr. Scott], the Senator from Texas [Mr. Tower], and the Senator from Massachusetts [Mr. Saltonstall], are necessarily absent.

On this vote the Senator from Colorado [Mr. Allott] is paired with the Senator from Connecticut [Mr. Dodd]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Connecticut would vote "nay."

On this vote the Senator from Kentucky [Mr. Morton] is paired with the Senator from New Hampshire [Mr. Murphy]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from New Hampshire would vote "nay."

On this vote the Senator from Utah [Mr. Bennett] is paired with the Senator from Minnesota [Mr. Humphrey]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Minnesota would vote "nay."

On this vote the Senator from Indiana [Mr. Capehart] is paired with the Senator from Florida [Mr. Smathers]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Florida would vote "nay."

On this vote the Senator from Arizona [Mr. Goldwater] is paired with the Senator from Maine [Mr. Muskie]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from Maine would vote "nay."

On this vote the Senator from Iowa [Mr. Miller] is paired with the Senator from Louisiana [Mr. Long]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from Louisiana would vote "nay."

On this vote the Senator from Pennsylvania [Mr. Scott] is paired with the Senator from New Mexico [Mr. Chavez]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from New Mexico would vote "nay."

On this vote the Senator from Texas [Mr. Tower] is paired with the Senator from Oregon [Mr. Morse]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Oregon would vote "nay."

The result was announced—yeas 30, nays 43, as follows:

[No. 130 Leg.]

YEAS—30

Aiken
Beall
Boggs
Bottum
Bush
Cannon
Carlson
Carroll
Case
Clark
Cooper
Curtis
Dirksen
Douglas
Dworshak
Fong
Hruska
Javits
Keating
Kuchel
Lausche
Mansfield
Mundt
Prouty
Proxmire
Thurmond
Wiley
Williams, Del.
Young, N. Dak.
Young, Ohio

NAYS—43

Anderson
Bartlett
Bible
Burdick
Byrd, W. Va.
Church
Cotton
Eastland
Ellender
Engle
Ervin
Hart
Hartke
Hayden
Hickey
Hill
Holland
Jackson
Johnston
Kefauver
Kerr
Long, Mo.
Long, Hawaii
Magnuson
McClellan
McGee
McNamara
Metcalf
Moss
Neuberger
Pastore
Pell
Randolph
Robertson
Russell
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Williams, N.J.
Yarborough

NOT VOTING—27

Allott
Bennett
Butler
Byrd, Va.
Capehart
Chavez
Dodd
Fulbright
Goldwater
Gore
Gruening
Hickenlooper
Humphrey
Jordan
Long, La.
McCarthy
Miller
Monroney
Morse
Morton
Murphy
Muskie
Pearson
Saltonstall
Scott
Smathers
Tower

So Mr. Cooper's amendment was rejected.

Mr. HILL. Madam President, I move to reconsider the vote by which the amendment was rejected.

Mr. MANSFIELD. Madam President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. HART. Mr. President, I want to note the comments in the report on the HEW Appropriations with respect to the Mexican farm labor program. Last year, a proposal was before the Committee on Agriculture, and the Congress to extend this program for an additional period. There was much discussion with regard to subverting the initial purpose of this program—that of supplementing domestic farm labor supplies with Mexican farm labor for seasonal activity.

In Michigan, in our fruit industry and our pickle industry among others, an available supply of Mexican labor for these highly seasonal crops is extremely important. I am convinced that with proper supervision of the program, proper protection to domestic and foreign labor in terms of wage scales, and continued careful supervision by the U.S. Employment Service to see that every effort is made to seek out first sources of domestic labor, the Mexican labor program has a place in the immediate years ahead in our agriculture economy.

It is my hope that the U.S. Employment Service will improve its techniques for surveying potential supplies of domestic farm labor which can meet these needs.

The comments on the program, in the Senate report, urge extension of the Mexican labor program for certain regions of the country for what would in effect be year-round use of these laborers. This disturbs me because I believe that if this practice is not carefully policed and limited, the overall program will not long survive; it will be terminated by the Congress. This would be a serious blow to certain commodity groups in Michigan, since our State uses the third largest number of seasonal laborers in the United States. But it seems to me the handwriting is on the wall for the Mexican labor program if it is turned into a year-round farm labor program. Let this happen and the entire program will collapse.

Mr. KUCHEL subsequently said: Madam President, I wish to associate myself with those Senators who have indicated their support for strengthening and improving the employment service in order more effectively to utilize our manpower resources and to reduce unemployment.

I have been somewhat concerned with the language in the report of the committee, which reads as follows:

> The committee is concerned with the mounting cost of the employment security program, and in the interest of economy and efficiency it is essential that administration of the unemployment compensation and employment services be directed and coordinated, geared to local conditions, at all levels. Separation of the services would greatly increase administrative costs and should under no conditions be thrust upon State officials. Separation would result in less exposure of claimants to job openings, and through less effective application of the work test cause the payment of benefits to claimants neither seeking work nor willing to work.

I completely and most respectfully dissociate myself from that language in the committee report. I am proud to say that in my State, California, we have made very considerable progress in providing more effective job market services to both employers and workers through a greatly strengthened public employment service system. In each of the major metropolitan areas of our State we have provided through the organization of the employment service a means for concentrating activity on the job-finding process. We believe that in this way the employment offices are in a better position to make certain that unemployment compensation claimants are offered job opportunities. When suitable offers of employment are provided to these claimants and they refuse to accept them, they are then subject to disqualification of receipt of unemployment compensation benefits.

In my view the separation of employment service and unemployment insurance operations and the conduct of these operations in separate physical facilities is to the mutual benefit of both unemployment insurance and the employment service. It must be obvious to anyone that an employment office which is crowded with claimants seeking unemployment insurance benefits will inevitably be identified as an unemployment office. Employers come to think of such offices as centers for processing unemployment compensation claims. They are not likely to place orders for job openings with such offices.

As a consequence, claimants for unemployment benefits are not likely to have job openings made available to them. If, on the other hand, the employment office is located in the appropriate section of the labor market and its staff is exclusively engaged in job market services, employers and workers alike recognize it as a community manpower center. It is then possible for the local office to participate to a greater degree in all of the labor market transactions. Surely we are all convinced that wage income derived from employment is preferable to unemployment benefits resulting from involuntary unemployment. This objective is not likely to be achieved when the employment service operations in the major complex labor markets are separated from unemployment insurance activities.

Madam President, it seems to me that what California has done in this regard, administratively, is completely in the public interest. Thus, I regret the language in the report which indicates otherwise.

In that connection, I have received a letter from Mr. Irving H. Perluss, director of the department of employment in the government of the State of California. Mr. Perluss is an excellent public servant. I ask unanimous consent that the text of his letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF CALIFORNIA,
DEPARTMENT OF EMPLOYMENT,
Sacramento, Calif., July 10, 1962.

Hon. THOMAS H. KUCHEL,
Senator from California,
Senate Office Building,
Washington, D.C.

DEAR SENATOR KUCHEL: On Friday, June 29, the Senate Appropriations Committee reported the Labor-HEW appropriation bill (H.R. 10904) for fiscal year 1963. Their report (No. 1672) contains the following paragraph:

"The committee is concerned with the mounting cost of the employment security program, and in the interest of economy and efficiency it is essential that administration of the unemployment compensation and employment services be directed and coordinated, geared to local conditions, at all levels. Separation of the services would greatly increase administrative costs and should under no conditions be thrust upon State officials. Separation would result in less exposure of claimants to job openings, and through less effective application of the work test cause the payment of benefits to claimants neither seeking work nor willing to work."

I share, as I know does Governor Brown, the concern of the committee over the mounting costs of administration in employment security. Those of us who are administratively responsible for the program are constantly seeking newer, better, and less costly means of achieving any economy in operation which is compatible with the public interest.

But I cannot share or concur in the position expressed in the last two sentences of the quoted paragraph, those relating to the separation of certain employment service operations from the claims payment processes. In fact, I believe the opposite result—less exposure of claimants to job opportunities and a rise in improper benefit payments—would occur.

The overwhelming consideration in effective exposure of claimants to job opportunities is the building of a strong employment service. Unless that is done, the alleged exposure of claimants is a futile gesture, a pro forma act which has little meaning or reality.

In the larger metropolitan areas where such separation is being considered, our analysis and operating experience has led us to the firm conclusion that an effective placement service cannot be conducted under conditions where the sheer weight of claimant traffic overwhelms the placement operation. Employers who have the kinds of jobs characteristically involved in the placement of claimants turn their backs on us when they see our placement operation in such a light.

We are convinced that such separation of functions in our major metropolitan offices will substantially improve rather than detract from our services to the claimant population. We base our selection and referral of applicants on well documented records of each applicant's experience and capability, not upon a procession of claimants at the claims counters each week. The mere presence of the claimant in a claims office each week does not improve his chance for referral; in fact, if the presence of hundreds or thousands in an office impedes the placement operation, the opposite can result.

We believe that millions of trust fund dollars can be saved here in California if we can continue to improve the operation of our placement services by removing some of the obstacles to better public acceptance. I urge you to accept and support our views. They are, we submit, in the best interests of effective service to the people of California, and will best insure that trust funds are not dissipated.

Warmest personal regards.
Respectfully,
IRVING H. PERLUSS,
Director.

The **PRESIDING OFFICER**. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 10904) was read the third time and passed.

Mr. KERR. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. HILL. Madam President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. HILL. Madam President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives on the disagreeing votes of the two Houses, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Hill, Mr. Russell, Mr. Magnuson, Mr. Stennis, Mr. Pastore, Mr. Monroney, Mr. Cotton, Mrs. Smith of Maine, and Mr. Allott conferees on the part of the Senate.

EMPLOYMENT OF MEXICAN NATIONALS ON FARMS

Mr. HAYDEN. Madam President, since the committee issued its June 29 report on the bill just passed, officials of the Department of Labor have communicated with me regarding the language on page 6 having to do with the 210-day, 35-week limitation on employment of Mexican nationals on farms. This language indicates that the Department of Labor should apply the "seasonal occupation" requirement of Public Law 87-345 "to the growing season for a single crop in a specific locale, and it should bear a definite relationship to the agricultural practices of the local area in which the crop is grown." The committee report further states:

> A farmer should not be denied needed foreign labor if the U.S. Employment Service certifies that domestic labor is not available, that the crop for which foreign labor is sought is a seasonal one, and if the employer complies with all legal requirements.

In my section of the United States it is not unusual for a single farmer to grow crops 365 days of the year. However, these are different crops, as many as four a year, which require different farming practices, and frequently labor crews with differing abilities.

Even with a yearlong need for labor which is not available domestically, a farmer is unable to employ a foreign labor force on a yearlong basis. Public Law 78 limits the period an individual bracero can be brought into the United States to 6 months, except that a maximum of 15 percent can have their contracts extended for a period of 3 months.

Actually, the 210-day limitation may have little practical effect this year, because it will not become operative until the latter part of October. For growers who need workers beyond that date, the Secretary of Labor has stated that he can provide relief in specific cases to avoid undue hardship as provided in last year's amendment to Public Law 78. But next year, in 1963, if the 210-day limitation is applied in accordance with the present departmental interpretation, a farm employer might be without a sufficient labor force for 5 months, in spite of his efforts to recruit workers in this country.

I want to say here that there is no argument on my part or on the part of farm employers in my State that all available domestic farmworkers should be employed before braceros are provided to a farmer. Even those unemployed who are not farmworkers but who are willing to take jobs in agriculture should be hired before Mexican nationals are imported. Past experience, in my part of the country, however, has shown that even with this labor possibility there is a lack of workers at the time they are needed. Therefore, the Mexican farm labor program is a real necessity.

Although departmental objection has been expressed to the language of the committee report, I do think that the language is sound for the reasons indicated in the report; and also I think that when the 210-day limitation was placed into effect, definite criteria for estabishing a hardship situation should have been announced. As it is now, a farm employer who has had Mexican farm labor for a period of 210 days but who still needs labor and is unable to secure it domestically, does not know what he has to do or how he has to prove that he suffers a hardship.

The Senator from Louisiana [Mr. Ellender], who is the chairman of the Senate Committee on Agriculture and Forestry, has views very similar to those contained in the committee report and those which I have expressed today. I ask that a letter written by the Senator to the Secretary of Labor on June 26, 1962, and Secretary Goldberg's acknowledgment of July 12, 1962, be included in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HAYDEN. Madam President, I strongly urge that the Department abide by the language of the committee report and that it immediately define "undue hardship" and promulgate criteria for establishing this situation so that farm employers will know how to proceed. I can see no objection to a requirement that farmers exert strong efforts to secure necessary farm labor domestically and that the farm employer offer the same recruitment incentives to domestic workers that he makes available to labor imported from Mexico. These criteria should be clear and reasonable and such that an employer can comply with them.

Madam President, I ask unanimous consent that there be incorporated at the conclusion of my remarks an article printed in the Arizona Farmer Stockman of July 14, 1962, entitled "Convulsion in Arizona Agriculture Brought On by Labor Department Rules on Bracero Employment and Pay."

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

EXHIBIT 1

U.S. SENATE, COMMITTEE ON
AGRICULTURE AND FORESTRY,
June 26, 1962.

Hon. Arthur J. Goldberg,
The Secretary of Labor,
Department of Labor,
Washington, D.C.

My Dear Mr. Secretary: We believe that recent rulings by the Department of Labor with respect to the meaning of "temporary or seasonal occupations" evidence a misunderstanding of the intent of Congress when it amended and extended Public Law 78. The limitation of 210 days in 35 calendar weeks on the employment of Mexican farm contract workers is, in our opinion, erroneous.

We therefore thought it desirable to give you our views concerning the express meaning of the statutory language and of the language contained in Senate Report 619, 87th Congress, 1st session, on page 5.

In section 504(1) it was provided that no Mexican farm contract workers should be made available "for employment in other than temporary or seasonal occupations." Senate Report 619, 87th Congress, 1st session, on page 5, in explanation of the meaning of this provision, stated that the purpose of the program "is to supplement the domestic labor force in peak periods, such as harvesttime, when crops may be lost through a lack of sufficient workers. It is not intended to provide Mexican workers for year-round jobs which might well be filled by domestic workers. Nor is it intended to provide Mexican workers for higher skilled jobs for which domestic workers can be found."

It was clear to us during the hearings on H.R. 2010 and in the debates on that measure that the explicit intention of this "temporary or seasonal" limitation was merely to prevent utilization of supplemental Mexican farm contract workers in full year-round or longer employment. We certainly had no idea that such workers would be denied farm employers for a period of less than 1 year. We thought then and still are of the view that the language referred to above in the statute and on page 5 of our report would be applied by the U.S. Department of Labor on a crop and/or area basis. In other words, our intent was that temporary or seasonal occupations be construed as any occupation necessary in the preparation, cultivation, and harvesting of particular crops or of multicrops, if such the case may be, in any given area.

Certainly there are variations with respect to various areas and with respect to various crops because of differences in weather conditions, soil conditions, growth rates, crop practices, and other natural factors which affect the growing and harvesting of the many crops produced in the United States. It was never our intention to frustrate the basic purpose for which Public Law 78 was first enacted; namely, to assure an adequate supplemental farm labor supply to prevent the loss of crops by the growers of such crops. In our opinion, any construction of the statutory language contrary to that given above would have such an effect.

In fact, when you testified before the Congress on H.R. 2010, you expressly said in relation to this amendment:

"We are not now even considering the question of stoop labor but of employing braceros to operate costly machinery and in year-round occupations. In my opinion, there is no question but that domestic workers will accept such employment provided that the wages and conditions of work are reasonable. Whenever there is a need for additional workers for year-round employment which cannot be met from our domestic labor force, they should be admitted under the provisions of the Immigration and Nationality Act which deals with the permanent admission of workers for employment in the United States." (CONGRESSIONAL RECORD, vol. 107, pt. 14, p. 18786.)

Yet the current interpretation of the Department with respect to seasonal or temporary employment would prohibit the employment of braceros on many stoop labor activities, and is therefore in conflict with your explanation of the meaning of this term to the committee. The references on page 5 of Senate Report 619 to "peak periods such as at harvesttime" were merely illustrative of the legislative intent that supplemental Mexican contract farmworkers should not be utilized as permanent or year-round employees. In no sense can that language be construed as any further limitation on the right of farm employers to obtain supplemental Mexican farm contract workers for any period up to 1 year.

Where a farmer raises one or several crops, there can be no question but that each occupation performed in the preparation, cultivation, and harvesting of such crops would be temporary or seasonal. Operations with respect to each separate crop are temporary or seasonal activities. This was the intent of section 504(1). There is no other valid construction of the amendment.

The construction which we have set forth of the statutory language in our opinion is not only the correct meaning of same, but has the practical effect of carrying out the basic intent of Public Law 78.

I would appreciate it if you would advise the committee of any change you may make in your regulations in the light of this letter.

With kindest personal regards, I am,

Sincerely yours,

ALLEN J. ELLENDER,
Chairman.

JULY 12, 1962.

Hon. ALLEN J. ELLENDER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ELLENDER: I am replying further to your letter of June 26 regarding the meaning of "temporary or seasonal occupations" as that phrase is employed in the recent amendment to Public Law 78.

I appreciate very much receiving your views and those of your committee concerning the meaning of this statutory language and I assure you of my serious concern with the problem involved. I am likewise mindful of a similar expression of views contained in the report of the Senate Appropriations Committee. We view both your letter and the language of the report with the greatest respect, and we have begun an intensive review of the matter with which they are concerned.

I shall reply further when our review has been completed.

Yours sincerely,

ARTHUR J. GOLDBERG,
Secretary of Labor.

EXHIBIT 2

CONVULSION IN ARIZONA AGRICULTURE BROUGHT ON BY LABOR DEPARTMENT RULES ON BRACERO EMPLOYMENT AND PAY

To say that Arizona horticulture is demoralized by the U.S. Labor Department rule that braceros may not be employed by one farm operator for more than 210 days in a year, is putting it mildly.

Every employer who has to depend on Mexicans, in the absence of domestic farmworkers that grow scarcer and less reliable every season, is in a quandary. He just doesn't know which way to turn. This includes all the large grower-shippers of vegetables and melons, and many others who grow crops that cannot be fully mechanized.

A typical grower-shipper produces a crop of lettuce in the spring, cantaloups in summer, and another lettuce crop in the fall. Chances are he also grows some carrots, cabbage, celery, or onions. There is not a day in the year when he is not planting, cultivating, irrigating, harvesting, and packing. To limit him to 210 days forces him to cut down somewhere, and leave expensive land and equipment idle part of the year—or else make some other shift equally unprofitable.

Right now is not too soon to start preparing land for the planting of fall lettuce in late August. But why should anyone plant if he is going to run out of bracero time before the lettuce matures in November? Of course he is in the same dilemma with regard to other vegetables that are planted in the fall.

He must remember that he may not have any braceros this year after November 24. He must remember that in all of 1963 he will not, if the Labor Department continues its inflexible stand, have braceros more than 210 days and those days must be within 35 weeks. He is remembering, with painful acuteness, that if the Labor Department attains its avowed objective, there will be no braceros at all after next year.

As of now, some growers have tentatively decided to reduce their lettuce acreage 50 percent. One told this paper that he customarily plants 800 acres but this time he will seed something between 400 and 500, if the labor stringency does not become more severe in the next few weeks. Or, if there is any indication that the 210-day regulation may be modified or revoked, he may take a chance and carry on his normal program. "But it would be a big chance," he added.

LEASES LAPSING

One thing sure, few vegetable leases are being renewed. Few of the growers own all the land they farm, and they just aren't interested in extending leases that have expired or are close to expiration date. To that extent, a heavy curtailment of vegetable acreage is already assured. And the owners of that leased ground are wondering where they are going to find the labor to farm it on their own account.

It isn't any use to ask any grower what he is going to do for he's in a very uncharacteristic state of indecision. Men who will bet hundreds of thousands of dollars on a produce market 6 months in the future are not reckless enough to bet on bureaucracy. Quite a few are returning their braceros to Mexico for 5 weeks in midsummer, in order to have a stub end of the 210-day period at shipping time toward the end of the year. In fact the Yuma Producers Co-op Association, which contracts braceros for its members, has strongly urged this course. But that will leave some of them in a terrific summer bind for irrigators and other help.

It takes 16,000 braceros a year to piece out Arizona's skimpy supply of agricultural labor. Most of them are employed by the larger operators. But now, with the 210-day limitation in effect, those large operators will be forced to compete more aggressively than ever for what local labor there is. Even if the "big fellows" swing partly to cattle feeding and field crops, as some are doing already, they'll need the domestics that the smaller farmers have been hiring.

No Arizona farmer, no matter how small, will be unaffected by the labor difficulties of the large operators. Everybody's in trouble.

TOUGHER THAN THAT

The days-weeks limitation on bracero employment is even more stringent than was outlined in Arizona Farmer-Ranchman for June 30. Some employers told this paper that they could get by all right in 1962 because the rule did not go into effect until March 25 and a new year would start January 1. But they are in more of a bind than they supposed.

After several trips to Washington, an interpretation of the rule was written by William Larson, manager of Agricultural Commodities, Inc., principal labor recruitment organization in central Arizona. The 210 days, he stated, must occur within not more than 35 calendar weeks. And 35 consecutive weeks, after March 25, will expire November 24.

"It actually means," Mr. Larson continued, "that a user of Mexican nationals would have to eliminate the use of all such workers for 5 weeks between March 24 and November 24 so he would be eligible to have nationals through the fall lettuce season. These 5 weeks do not have to be consecutive but could be staggered.

"Under the 210-day limitation beginning March 25, if an employer used nationals for 210 consecutive days from that date, his limitation would be reached by October 21, even though 35 weeks had not elapsed. This indicates how complicated this thing is.

"The Department has ruled that if an employer has even one national assigned to him for one day of any week, it will count as a full week so far as the 35-week limitation is concerned. If a grower uses nationals 5 days a week for 35 weeks, he has used the men only 175 days but that would be his limit because the 35 weeks have been used up. Sundays and holidays count as work days * * * regardless of whether they do or do not work on those days."

ONE EMPLOYER OR MANY?

No angle of the 210-day controversy has created so much uncertainty as "multi-farm operations." Is an employer of braceros one employer even though he grow-packs in Salinas, Imperial, Yuma County, Maricopa County and Cochise, and maybe districts between?

The first word was yes. That threw consternation into the producers who purposely spread themselves as widely as possible, losing on one deal here but hoping to make it up on another deal there that hits a better market spot.

But later the Labor Department supplied the farm labor offices with amended directions that are still not too clear. It says that operations under the same ownership in different "labor markets" are different farms and therefore each one is entitled to use braceros 210 days. In general, one country seems to be a labor market. A Phoenix grower who has another unit at Aguila is one employer. But if he has farms in two counties, more than 50 miles apart, he is two employers.

This gives quite an advantage to the "spread-out" operator and handicaps the man who confines himself to one locality. Nobody defends it as equitable. Both Agricultural Commodities, at Phoenix, and Yuma Producers Co-op Association, are protesting. For that matter, they are protesting the whole 210-day rule and the minimum wage scheduled for braceros, as usurpations of power that Congress never granted to the U.S. Labor Department.

Mr. KUCHEL. Madam President, will the Senator yield?

Mr. HAYDEN. I yield to the Senator from California.

Mr. KUCHEL. The distinguished dean of the Senate speaks precisely the feelings of the people of California and this Senator from that State. The Senator from Arizona has performed a service in indicating directly what, in our view, the intention of the Congress was in extending the Mexican farm labor program. I am glad that some of our colleagues here who were interested in offering an amendment to the appropriate sections of the labor appropriations bill have been dissuaded from so doing. The simple fact of the matter is that we use fewer braceros today than we used to do. I underline the importance of the comment which our able dean of the Senate made. We want American labor to be employed upon American farms, but when American labor is unavailable, then the provisions of the law come into force to help the farm economy of the country. How else would crops be harvested?

Through the letter which the chairman of the Senate Committee on Agriculture and Forestry wrote to the able Secretary of Labor, which the Senator has placed in the Record, we find once again another distinguished U.S. Senator indicating specifically the intention by which we passed the bill last year. I congratulate the Senator from Arizona for the service which he has performed. I urge my friend, the Secretary of Labor, to give the most careful consideration to our views and our reasons for those views.

Mr. HAYDEN. I thank the distinguished Senator from California.

ORDER FOR ADJOURNMENT UNTIL MONDAY

Mr. DIRKSEN. Madam President, unless there is further comment, I should like to ask the majority leader about the order for tomorrow, if any, and what measure will be laid before the Senate on Monday.

Mr. MANSFIELD. Madam President, in response to the question raised by the distinguished Senator from Illinois, I ask unanimous consent that when the Senate adjourns tonight, it adjourn to meet at 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

PAYMENT OF EXPENSES OF ATTENDANCE OF GOVERNMENT EMPLOYEES AT CERTAIN MEETINGS

Mr. MANSFIELD. Madam President, I move that the Senate proceed to the consideration of Calendar No. 1697, H.R. 6374.

The PRESIDING OFFICER. The bill will be stated by title.

The Legislative Clerk. A bill (H.R. 6374) to clarify the application of Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

STRIKES IN DEFENSE INDUSTRIES

Mr. STENNIS. Madam President, on Wednesday and Thursday of this week I called to the attention of the Senate the grave and imminent peril to the national security arising from existing and threatened strikes and work stoppages at key defense plants and industries throughout the Nation.

Even as I warned on Wednesday of the grave consequences that would stem from the shutdowns in the aircraft and missiles industry scheduled for next Monday, July 23, some 8,700 production workers at General Dynamics' Electric Boat Division at Groton, Conn., were preparing to strike. At 12:01 a.m., Thursday, they did so, bringing to a halt work on seven Polaris submarines, one of the prime weapons in our strategic deterrent arsenal.

Mr. Simken, Director of the Federal Mediation and Conciliation Service, has announced that North American, General Dynamics, and Lockheed are deadlocked. There is no likelihood of a settlement or an extension of the contracts. Picketing is expected when the strike commences on Monday.

Even as the 8,700 workers went out on strike the country had hovering over it an even greater threat to our national security. Because of a still unresolved labor dispute approximately 125,000 workers in our vital aircraft and missiles industries are scheduled to stop work next Monday. I am convinced that, at this critical time, we simply cannot afford such a disastrous blow to our national defense effort.

It is unnecessary for me to enumerate again the essential weapons which will be involved in the work stoppages. They include the most powerful and devastating weapons in our armament of warfare. I need mention only that these strikes would halt production of all of our strategic ballistic missiles—Atlas, Titan, Minuteman, and Polaris. These are the weapons that make Khrushchev shudder when he contemplates an attack on the United States and the rest of the free world. The essentiality of having the greatest number of these missiles operational at the earliest possible time has been repeatedly emphasized by the high-ranking military officers appearing before the Preparedness Investigating Subcommittee of which I am chairman.

All of us in this Chamber, I am sure, hope and pray that all concerned—unions, workers, management, and Government officials, including the President—will exert every effort to achieve a speedy resolution of this grave crisis. We simply cannot afford delay. It is difficult for me to believe that those who have the responsibility for these strikes are entirely insensitive to the chaos and the danger they are helping to foment and create.

Perhaps the Congress will be called upon for legislative action in the near future to avert a continuation of these strikes and prevent the calamitous results that must ensue. At best, however, the passage of a law is a time consuming process. In the meantime, awaiting the decisions of labor and management, awaiting the possible invocation of existing legislation to end one strike and avert others, it behooves the Congress to express its apprehension and concern over the deplorable events of the past few days.

For this purpose I am introducing at this time a concurrent resolution which calls upon all parties concerned to act immediately in the national interest to end and curtail the existing and threatened strikes. If this fails the proposed resolution calls upon administration officials to invoke the resources of existing legislation to terminate the strikes, and to call upon us in Congress for additional legislation if the laws on the books are not adequate to insure uninterrupted production in these essential industries. I hope that this resolution will be speedily adopted.

Madam President, I feel very strongly that under the particular facts of this case there should be a strong, affirmative, official legislative expression of some kind upon this grave subject. We in Congress impose the taxes to bring into the Treasury the necessary money to build the vast system that we think is essential for our protection and that of the free world. We appropriate the money, once it is in the Treasury, to build, create, and maintain a vast and powerful striking power. We make the decision as to its need, and we realize the peril involved. We know how the vital safety of our Nation can and will be imperiled unless the great instruments which we pray we never will have to use are brought on to completion and are actually in operation. These items must be placed where they can be operative as necessary.

The senior Senator from Connecticut [Mr. Bush] has authorized me to place his name on the resolution. It is in his State that we have now the strike involving 8,700 people. The junior Senator from Connecticut [Mr. Dodd], with whom I talked about this subject earlier today, is deeply concerned. He did not authorize me to place his name on the resolution. The point was not discussed with him. I thought he would be here, but he was compelled to leave earlier.

He is deeply concerned, and I am sure he shares the sentiments that I am expressing here.

The vital part of the resolution is as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States hereby declares that continued and uninterrupted work and production in vital and essential defense industries is essential and vital to the welfare of the country and that strikes and work stoppages in such industries cannot be tolerated or permitted.

Sec. 2. All parties concerned, including labor, management, and Government, should take heed of the threat to the security and survival of this country which is posed by the existing and threatened strikes and should, in the interest of security and welfare of the Nation, act immediately to end the strike now in progress at the General Dynamics' plant at Groton, Connecticut, and to avert and prevent any strike or work stoppages at other essential defense industries.

Sec. 3. The President and the Secretary of Labor are requested, if voluntary agreement is not forthcoming without delay, to move vigorously and promptly, under existing statutes, to initiate and take such action as may be necessary to reopen the shipbuilding plant at Groton, Connecticut, and forestall even the loss of one day's work in the missile and aircraft industry and to call upon the Congress, if necessary, to enact such additional legislation as may be necessary to safeguard the country's welfare in this vital area.

The Senator from Arkansas [Mr. McClellan] has introduced a bill for supplemental legislation in this highly important and very difficult field. He addressed the Senate on it yesterday, particularly with reference to its immediate consideration by the committee. It is something in which I will join him. Assuming such legislation is going to be passed, nevertheless I think that the demand of the occasion is that the legislative branch of the Government express itself on this vital and essential matter.

Madam President, to that end this resolution is submitted. I ask that I may submit it out of order. I ask that the text of the resolution be printed in the Record at this point.

The PRESIDING OFFICER. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con Res. 85) expressing the sense of Congress concerning strikes affecting essential defense industries was referred to the Committee on Labor and Public Welfare, as follows:

Whereas this country is engaged in a struggle for national survival which requires the maximum, undivided and complete support of all citizens to build the national strength and Defense Establishment, and to resist the forces that would destroy our system of government; and

Whereas our national survival can be assured and guaranteed only if all segments of our society, including labor and management, make the maximum contribution to the common effort without diminution thereof by strikes, work stoppages, or other actions which interrupt or slow production in our vital defense industries; and

Whereas a strike is now in progress at the Electric Boat Division of General Dynamics Corporation, at Groton, Connecticut, which has idled approximately eight thousand and seven hundred workers and has resulted in the suspension of construction on eleven nuclear submarines, seven of which are Polaris submarines; and

Whereas a strike has been scheduled for July 23, 1962, which will result in the shutting down of the bulk of the Nation's missile and aircraft industry and will interrupt and suspend the production of intercontinental ballistic missiles, aircraft, and other vital and essential weapons and defense programs; and

Whereas the existing and threatened strikes pose a grave threat to our country's strategic defense capabilities and to our national security and this threat and peril will increase with each day that work and production is suspended or curtailed; and

Whereas the President of the United States, in Executive Order 10946, has declared that the uninterrupted and economical operation of missiles and space programs is imperative; and

Whereas the Government has not yet taken action under existing statutes to prevent or avert the threatened strikes or to insure the resumption of work at the struck plant of General Dynamics Corporation, at Groton, Connecticut: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States hereby declares that continued and uninterrupted work and production in vital and essential defense industries is essential and vital to the welfare of the country and that strikes and work stoppages in such industries cannot be tolerated or permitted.

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Mr. STENNIS. I urge that the Senate consider the resolution at the earliest possible time. I pledge a continued interest in the subject, and to bring this important matter to the special attention of the Senate as the facts may develop. I wish to point out again, as I did yesterday, that Secretary Goldberg has been very prompt in acting on the emergency, and I know that he is giving his utmost attention to it, as is the President.

I think, too, that we have existing law that will go to the vitals of the question of 80 days' time, but 80 days is not enough. We will have to have additional legislation developed on the books, anyway, even if we do not have these strikes.

If we are not able to deal with a situation like this and avoid strikes in these vital areas where essential weapons that are needed, not in the future, but now, are being made, we will totally fail to meet our obligation to the people of the United States and, in fact, of the entire free world.

Madam President, I urge special attention to this difficult matter, and I trust that the Senate will act on it favorably.

I ask unanimous consent that the resolution be allowed to lie on the table for 5 days so that other Senators who may wish to join as cosponsors may do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

CAPTIVE NATIONS WEEK

Mr. CURTIS. Madam President, it is proper that we observe Captive Nations Week in the month during which we observe the anniversary of our national independence.

Our observance helps to keep the light of liberty kindled—it helps to regenerate man's unquenchable desire to live in freedom, in dignity, in pursuit of his spiritual needs.

It is noteworthy that there are no walls west of the Iron Curtain to prevent migration to the East. The wall of Berlin exists today to keep people in subjugation. They have no freedom of choice. Escape to freedom is halted by the rattle of machineguns, and yet many make the greatest sacrifice to escape their bondage.

Civilization has been turned back a thousand years by the Russian imperialists. Their cruel oppression, their blandishments to free nations fool only those who want to be beguiled. There is no ground on which to compromise with cruel, godless oppression.

The might of the free world is the instrument to halt aggression. We must never compromise our strength. We must never rely on others to preserve the integrity of free people. The leadership assumed by this Nation was not accepted lightly. Nor is it a force to be dealt away casually, in a spirit of compromise with folly.

We regret this terrible imposition of oppression. We regret that its yoke cannot be lifted today. History records many periods of oppression. They were ended by freedom's greater force. They will be again.

BILLIE SOL ESTES SCANDALS

Mr. CURTIS. Madam President, apologists for the Department of Agriculture would have the Congress and the public believe that the fraudulent transfers of cotton allotments to Billie Sol Estes were unintentional mistakes. They would have us believe that because the Department of Agriculture is a large, sprawling department with many agencies that these offenses took place, and that the organizational complexities grown up over the years made it impossible to prevent such happenings.

Madam President, that is not the case. The transfers of the cotton allotments were clearly illegal and fraudulent. They were branded as such by dozens of honest citizens in the Department of Agriculture and out of the Department of Agriculture. The Estes scandals occurred as a result of politics, favoritism, and action in high places.

Many witnesses have presented forthright statements and have been helpful to the committee investigating these charges. One of these witnesses was the past president of the Oklahoma Bar Association, Mr. Walter J. Arnote, of McAlester, Okla. I wish to read his testimony:

Mr. O'Donnell. Mr. Arnote.

The Chairman. Do you solemnly swear the evidence you shall give before this Senate subcommittee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. Arnote. I do.

TESTIMONY OF WALTER J. ARNOTE, SENIOR PARTNER, ARNOTE, BRATTON & ALLFORD, PAST PRESIDENT OF THE OKLAHOMA STATE BAR ASSOCIATION

The Chairman. Identify yourself for the record.

Mr. Arnote. My name is Walter Arnote, 610 East South, McAlester, Okla.

The Chairman. What is your business or profession?

Mr. Arnote. I am a lawyer in private practice.

The Chairman. Thank you very much. Mr. Counsel, you may proceed.

Mr. O'Donnell. Can you tell us the name of your law firm?

Mr. Arnote. Arnote, Bratton & Allford.

Mr. O'Donnell. Where is that located?

Mr. Arnote. 303 Arnote Building.

Senator Curtis. What city?

Mr. Arnote. McAlester, Okla.

Mr. O'Donnell. Can you give us your street address, please?

Mr. Arnote. 610 East South.

Mr. O'Donnell. Last year, were you president of the Oklahoma Bar Association?

Mr. Arnote. Yes, sir.

Mr. O'Donnell. I understand, and I might be a little wrong in what I am going to state, that you are deemed to be an authority in the field of cotton allotment transfers?

Mr. Arnote. I didn't make that statement.

Mr. O'Donnell. You did not?

The Chairman. Do you want to qualify it?

Mr. Arnote. No, sir.

Mr. O'Donnell. Did anything come to your attention regarding pool cotton allotment transfers?

Mr. Arnote. Yes, sir. I represent a number of owners of land that are being condemned by the Eufaula—for the Eufaula Reservoir. A number of my clients kept coming to my office and said there was a team of three men working the area that had contacted them to purchase their cotton allotments and asked me if I thought it was legal.

Mr. O'Donnell. This was when?

Mr. Arnote. This was along the latter part of January and the first part of February 1961.

Mr. O'Donnell. What documents were exhibited to you by these displaced farmers?

Mr. Arnote. They didn't exhibit any documents to me, but I asked them to bring these men to my office with the documents that they purportedly wanted them to sign, which they did.

Mr. O'Donnell. The men that you are stating are those that were selling land or trying to sell land to the displaced farmers?

Mr. Arnote. Yes, sir.

Mr. O'Donnell. What then happened after they were brought to your office?

Mr. Arnote. I took the contracts and the leases, and they also had a financial statement from the man that was buying the land. They wanted me to call the banker in Pecos, Tex., to find out about his financial standing.

I told them that—as I remember, it was late one afternoon—and I told them I wanted to take the documents home with me and I would give them an answer the next day.

So I did go over the documents and the next day they came back and I told them that I couldn't recommend that any of my clients sign any papers that were as blatantly fraudulent as those were.

The Chairman. As what?

Mr. Arnote. Fraudulent.

The Chairman. You gave some kind of an adjective.

Mr. Arnote. Blatantly.

The Chairman. Very well.

Mr. O'Donnell. What were some of the documents that were presented to you for study in connection with these possible transfers?

Mr. Arnote. There was a contract of sale for land, there was a lease agreement.

Mr. O'Donnell. I show you a document which is exhibit 3 in the hearings, and ask you if this is the type of contract that was presented to you?

(The document referred to was handed to the witness.)

Mr. Arnote. I have a copy of the contract that was presented to me. I couldn't say that this was or wasn't without further study of the matter.

Mr. O'Donnell. The contract which you have in your possession, I believe, is slightly at variance with the exhibit that is in the record because it mentions different dates insofar as the time of payment.

Instead of December 1, 1961, I believe it is January 1, 1961. I believe that is it.

Mr. Arnote. Yes, sir.

Mr. O'Donnell. But it is basically the same type of contract?

Mr. Arnote. It is the same type of document, but it is not identical with the one I have in my file.

Mr. O'Donnell. Did you have in your possession at the time you studied this contract any documents of the Department of Agriculture?

Mr. Arnote. There was presented to me a letter that they allowed me to keep overnight.

Mr. O'Donnell. Let me show you this letter.

The Chairman. What the counsel is referring to is exhibit No. 1.

Mr. O'Donnell. It is the Bridgforth memorandum.

(The document referred to was handed to the witness.)

Mr. Arnote. Yes, they had this Bridgforth memorandum with them and allowed me to keep it and examine it.

I kept it overnight.

Mr. O'Donnell. I show you another exhibit, exhibit 2 in the hearing, the Mainwaring memorandum. Did you have that in front of you?

(The document referred to was handed to the witness.)

Mr. Arnote. I did not. I didn't see this letter at that time.

Mr. O'Donnell. Had you seen the Mainwaring memo up to the time you talked to me in my office about 3 days ago?

Mr. Arnote. No, sir, I had not, until Tuesday.

Mr. O'Donnell. What was the decision that you made, based on these documents that you had studied?

Mr. Arnote. It was that it was a device to sell cotton allotments.

Mr. O'Donnell. And you would not recommend that any of your clients who were displaced farmers should participate in this particular transaction?

Mr. Arnote. No, sir. I did not.

Mr. O'Donnell. And you were running a great risk insofar as losing clients, insofar as potential money that might come into your pocket?

Mr. Arnote. Well, of course, it puts you on very much the horns of a dilemma because there are people here who are selling their allotments. They say they have letters that say it is all right and you are telling your clients that they can't take $2 or $3,000 which their neighbors are getting.

Senator Curtis. Who did they have letters from that said it was all right?

Mr. Arnote. The letter didn't say it was all right. They were exhibited to the farmers, this Bridgforth letter, which is marked "Committee Exhibit No. 1," and they were showing this to the farmers as authority for what they were doing.

But the letter does not carry out what they were saying. There is nothing the matter with the letter.

The Chairman. The letter doesn't conform to their interpretation of it?

Mr. Arnote. You show this to a farmer and say, "Now, this says it is all right," and he thinks he has a letter that says it is all right. But he didn't read the letter intelligently.

Senator Curtis. Did you get the information that these farmers were led to believe that the transaction to which they were invited to participate in had been approved, then, at the Washington level?

Mr. Arnote. These men that came to my office told me that this matter had been going on in several other places, that there had been some technical difficulties, but under this contract and lease that was submitted to me they said this conforms with the Government regulations and the statutes.

Senator Curtis. One more question before I turn this back to the staff.

Did these clients of yours recognize that they were being approached to sell their cotton allotment?

Mr. Arnote. Certainly. That is what they were doing. They came in and said, "I want to sell my cotton allotment."

Senator Curtis. They weren't fooled into thinking they were buying some land?

Mr. Arnote. No.

Senator Curtis. That is all.

Mr. O'Donnell. Actually, in effect, you had in front of you the Bridgforth memorandum, you had in front of you the contract, and the decision you arrived at, after a study of both, is actually the Mainwaring memo which states this is a scheme and device?

Mr. Arnote. Yes.

Mr. O'Donnell. Can you identify the individual salesman that came into your office with the displaced farmers?

Mr. Arnote. No, I cannot. I only saw them twice for about 15 or 20 minutes at each time. During the hearing this morning the name Blake was mentioned and that kind of rings a bell, but I wouldn't say yes or no.

Mr. O'Donnell. Did you know whether or not in fact they were representing Billie Sol Estes?

Mr. Arnote. Later I found out through the newspapers they couldn't have been representing anybody else, and they mentioned the man's name in my office. But to say I consciously remembered the name Billie Sol Estes, I did not.

Mr. O'Donnell. I hand you a letter dated February 17, 1961, which is directed to Carl Albert, Congressman of the United States, signed by you, and ask if you can identify this letter. That is a copy of it.

(The document referred to was handed to the witness.)

Mr. Arnote. Yes. This is a letter I wrote to him.

Mr. O'Donnell. What, in essence, did this letter state?

Mr. Arnote. It stated that there were people purchasing cotton allotments in Pittsburg and McIntosh Counties, and that I had taken it up with the—I don't know whether I stated in this I did or not—I had taken it up with the assistant U.S. attorney that was in charge of condemnation. He referred me to the regional attorney at Stillwater, Mr. Tom Smith. I talked to him, had a personal conference with him. I didn't seem to be getting anywhere on a ruling one way or the other on this matter. So I decided it was time to write my Congressman.

The Chairman. What is the date of that letter?

Mr. Arnote. February 17, 1961. Actually, it was February 16.

The Chairman. Did you enclose copies of contracts?

Mr. Arnote. No, sir, I did not.

The Chairman. Later, he had copies of contracts?

Mr. Arnote. They didn't come through my office.

The Chairman. This letter may be made exhibit No. 59.

(The document referred to was marked "Exhibit No. 59" for reference.)

Mr. O'Donnell. I show you a letter dated March 13, 1961, from Carl Albert and ask you if you will identify it, please, this photostatic copy?

(The document referred to was handed to the witness.)

Mr. Arnote. Yes.

Mr. O'Donnell. This is a letter to you from him.

What does this letter state, in essence?

Mr. Arnote. It mainly states that, "I agree with you that we do not want this acreage lost to Oklahoma. The only way to prevent it is to have an effective means of detecting schemes which have this purpose. I have written the Secretary about the matter and shall let you know when I have had his reply."

Then there is a note on here, "I have talked to Howard Rooney in the Solicitors Office, Department of Agriculture, and he thinks their new regulations will take care of future deals if really devious. He does not believe we can do anything about cases already finished."

The Chairman. Why couldn't they? I just don't understand that. Why couldn't they cancel them?

If a fellow got an illegal allotment over here, planting cotton on an allotment secured by devious means and the transaction was invalid so far as the cotton allotment was concerned, if it constituted a scheme and device to procure that which he was not legally entitled to under such a device, why wouldn't it be canceled?

Mr. Arnote. Are you asking me?

The Chairman. Well, I am asking anybody that can give an intelligent answer. I can't understand why it couldn't be.

Senator Curtis. There is always a remedy when fraud exists, isn't there?

Mr. Arnote. Yes, sir.

The Chairman. I mean to say for somebody to say, "Well, there is nothing we can do about it now," I don't understand that. Do you?

Mr. Arnote. No, sir.

Mr. O'Donnell. I hand you a letter dated February 28, 1961, addressed to the Honorable Carl Albert, signed by Orville L. Freeman, Secretary of Agriculture, and ask you if this was an enclosure to the letter which came to your attention?

Mr. Arnote. It was.

(The document referred to was handed to the witness.)

Mr. O'Donnell. Describe what is in that letter.

Mr. Arnote. In this letter, he sets out the statute under which a displaced owner may require other property or move his cotton allotment to other land. He also sets out the regulations.

Briefly, in summary, he states, "Upon the advice of the Office of General Counsel, the law and regulations permit the transfer of pooled allotments only in cases where there is a bona fide acquisition of a farm by the displaced owner, either before or after eminent domain.

"In other words, the purpose and intent was not to afford a convenient means of selling allotments. It is extremely difficult to determine at what point the displaced owner who has pooled allotments transferred to another farm should be considered to be merely selling his pooled allotment to another person."

Then he goes on to say that the regulations have been recently amended where it is necessary for the people to appear before the Board, and he thinks this will take care of the situation.

Then he quotes, I believe, this form 178, in which the people certify there are no side agreements.

Then he states, "If a county committee were to approve an application for transfer without having all the pertinent facts and it is determined at a later date there was a side agreement which had the effect of a purchase, the county committee would then move to reclaim the allotment and return it to the pool."

That is mainly the context of the letter, without reading it in detail.

Mr. O'Donnell. I ask that the letter of March 13, together with the enclosure from Freeman to Carl Albert, be made an exhibit.

The Chairman. They may be made exhibit No. 60, the March 13 letter to Mr. Arnote being made No. 60 and the letter of February 28, to Mr. Albert from the Secretary, to be made exhibit No. 60–A.

(The documents referred to were marked exhibits Nos. 60 and 60–A for reference.)

Mr. O'Donnell. About a week after your first meeting in which you made your decision, did you, in fact, meet with Tom Smith, who is the regional attorney for Agriculture in Stillwater, Okla.?

Mr. Arnote. I talked with Mr. Smith once or twice on the phone from McAllister and Stillwater and we tried to set up an appointment. Finally we set up one in Oklahoma City where we had a conference for some time.

Mr. O'Donnell. What was the import of your discussion with him?

Mr. Arnote. I explained to him what had been going on in that particular area, and he said this was nothing new particularly, that he had had it up in New Mexico, and that he was trying to do something about it.

Mr. O'Donnell. Let me show you two letters, one dated March 23 and one dated March 22 and ask you to identify them.

(The documents referred to were handed to the witness.)

Mr. O'Donnell. Look at the one dated March 23 first, if you will.

That is a copy of that letter.

Mr. Arnote. This is the letter I received from Congressman Albert.

Mr. O'Donnell. What does it say?

Mr. Arnote. It says, "The Secretary of Agriculture has replied to my further letter concerning the transfer of cotton allotments. It appears that they do not intend to do anything at this time in the hope that the amended regulations will take care of the problem. If it develops to the contrary, let me know and I will try again to get some action."

Senator Curtis. What is the date of that letter?

Mr. O'Donnell. March 23, 1961.

You also have in front of you a letter dated March 22, to Congressman Albert, from Secretary Freeman, which was an enclosure to the letter you have just read, directed to you, is that correct?

Mr. Arnote. That is correct.

Mr. O'Donnell. Will you tell us what the import of that letter is?

Mr. Arnote. They acknowledge receipt of the letter, and then it states, "Your letter is appreciated. We feel the amended regulations covering this subject will go toward reducing the abuses——"

The Chairman. Go far, isn't it?

Mr. Arnote. Yes, sir.

"Go far in reducing the abuses complained of by Mr. Arnote in his letter to you with respect to transfer of pooled allotments. We assure you that we shall be watchful in this area and, if need be, further corrective action will be taken."

Mr. O'Donnell. May those be made exhibits, Mr. Chairman?

The Chairman. They may be made exhibit No. 61, the letter of March 23 to Mr. Arnote to be made exhibit 61 and the letter of March 22 from the Secretary to Congressman Albert to be made 61–A.

(The documents referred to were marked exhibits No. 61 and 61–A for reference.)

Mr. O'Donnell. I show you a copy of a letter dated May 31, 1961, a thermofax copy, to you, from Congressman Albert, and ask you if you can identify it?

(The document referred to was handed to the witness.)

Mr. Arnote. Yes, I received the letter.

Mr. O'Donnell. Will you please tell us what it states?

Mr. Arnote. It states, "We had the General Counsel for the Department of Agriculture examine the copies of the contracts between Billie Sol Estes and Jimmy Work and Estes and Max Brandt. They are going to check to see if these transfers were approved by the Texas committee and we will be advised further. Estes is well known to the Department of Agriculture. He evidently has operated a variety of schemes in eminent domain areas, from South Carolina to Texas. There is considerable difficulty in nailing these things down, according to the Department. In the first place, the farmer involved is subject to penalties. In the second, there is the question of intent, which may not be clear for some time the way this gimmick has been devised.

"However, where no money changes hands, it would seem to me there would be some question immediately whether you have a bona fide sale. I will let you know when the Department has reported further on this matter."

The Chairman. This letter may be made exhibit No. 61–B.

(The document referred was marked exhibit No. 61–B for reference.)

Mr. O'Donnell. You did not, did you, furnish to Congressman Albert the contracts referred to in that letter?

Mr. Arnote. No, I did not.

Mr. O'Donnell. Did you have any conference with the Assistant U.S. Attorney, Paul Brewer?

Mr. Arnote. Yes, I did.

Mr. O'Donnell. Will you relate when that occurred and what transpired?

Mr. Arnote. That occurred along in the latter part of January and February when these clients were coming in to see me, and I went over in detail the scheme or device they had for selling these cotton allotments with him. He told me that he would look into the matter and advise me.

Mr. O'Donnell. In other words, what you had done was made a decision to your clients. You then attempted to find out whether it was proper operation by the Department of Agriculture.

You talked to Tom Smith, who was the regional attorney from Agriculture, you talked with Paul Brewer, you wrote to Congressman Carl Albert, and you did everything conceivable within your limits to see and find out what the situation was. Am I correct?

Mr. Arnote. That is correct.

Mr. O'Donnell. Did you ever find out?

Mr. Arnote. No.

Mr. O'Donnell. No further questions.

The Chairman. Mr. Arnote, did you ever receive any further communication from Congressman Albert after this last letter of May 31?

Mr. Arnote. I did not.

The Chairman. You never learned, then, whether the Department was able to find out what had happened to these particular contracts down in Texas?

Mr. Arnote. No, sir.

The Chairman. I want to commend you before you depart. I want to commend you for having done your best as a citizen and as a member of your profession when you saw a scheme like this was being practiced not only to advise your clients not to participate in it, but you even went further than that and tried to alert your Government to the fact that such a scheme was in process and give them the information on which they could take action and do something about it.

Mr. Arnote. Thank you, sir.

Senator Curtis. I wish to share in the statement of the chairman. Your action here and the information you have given us is most commendable.

Mr. Arnote. Thank you.

May I be excused?

The Chairman. Yes.

Call the next witness.

Mr. CURTIS. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CURTIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. KUCHEL. Madam President, if there is no further business to be transacted, I have the honor to move, in accordance with the previous order, that the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 7 o'clock and 53 minutes p.m.) the Senate adjourned, under the order previously entered, until Monday, July 23, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 20, 1962:

IN THE NAVY

The following-named officers of the line of the Navy for temporary promotion to the grade of rear admiral, subject to qualification therefor as provided by law:

Levering Smith
David Lambert
Horace V. Bird
Frank L. Pinney, Jr.
Lester R. Schulz
Lester S. Chambers
Donald G. Irvine
Marshall W. White
Paul S. Savidge, Jr.
Francis D. Boyle
John H. McQuilkin
Mason B. Freeman
William F. Petrovic
Norvell G. Ward
Constantine A. Karaberis
William S. Guest
Edward C. Outlaw
Russell Kefauver
James A. Brown
Allan F. Fleming
John M. Alford
James W. O'Grady
William F. Bringle

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of major general, subject to qualification therefor as provided by law:

William P. Battell
George H. Cloud
Frank C. Tharin
Lewis J. Fields
Raymond L. Murray
Frederick E. Leek

IN THE NAVY

William R. Walker (Naval Reserve officer) to be a permanent lieutenant commander in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law.

The following named (Naval Reserve officers) to be permanent lieutenants and temporary lieutenant commanders in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

Walter D. Gable.
Robert E. Grunawalt.

The following named (Naval Reserve officers) to be permanent lieutenants in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

Fred R. Amsler, Jr.
Walter F. Miner.

The following named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

Ernest Atlas
Edward J. Garvin
Gerald F. Geiger
John C. Hall
Burton A. Sandok
Wilbur L. Secrist
William W. Spore
Stanley "D" Stier

The following named (Naval Reserve officers) to be permanent lieutenants and temporary lieutenant commanders in the Dental Corps of the Navy, subject to the qualifications therefor as provided by law:

Zitsuo Kawashima.
James F. Kelly.

The following named (Navy enlisted scientific education program) to be permanent lieutenants (junior grade) in the line of the Navy in lieu of ensigns as previously nominated and confirmed, subject to the qualifications therefor as provided by law:

Robert J. Jones.
Roger A. Nichols.

John C. Reiche (Navy enlisted scientific education program) to be a permanent ensign in the restricted line of the Navy (engineering duty) in lieu of ensign in the line of the Navy as previously nominated and confirmed, subject to the qualifications therefor as provided by law.

Robert A. Keeling (Navy enlisted scientific education program) to be a permanent ensign in the line of the Navy, subject to the qualifications therefor as provided by law.

The following-named line officers of the Navy for transfer to and appointment in the Supply Corps of the Navy in the permanent grade of lieutenant (junior grade) and in the temporary grade of lieutenant:

Jeremiah Fraher
Bernard L. Guss

Anthony E. Hudalla, U.S. Navy, for transfer to and appointment in the Supply Corps in the permanent grade of lieutenant (junior grade).

David A. Gill, U.S. Navy, for transfer to and appointment in the Civil Engineer Corps in the permanent grade of lieutenant (junior grade).

Warren D. J. Hoppe, Civil Engineer Corps, U.S. Navy, for transfer to and appointment in the U.S. Navy in the permanent grade of ensign.

The following-named line officers of the Navy for transfer to and appointment in the Supply Corps of the Navy in the permanent grade of ensign:

Richard C. Antolini
Joseph D. Jaap
William D. Kee, Jr.
William S. Muenster
Selwyn S. Paskowitz
Richard J. Pryce
Bill B. Stevenson

The following-named line officers of the Navy for transfer to and appointment in the Civil Engineer Corps of the Navy in the permanent grade of ensign:

Gerald S. Jackson
Michael J. McShea
John P. Moran
Jerry C. Seyb

Lt. (jg.) Sonny J. Wachter, U.S. Navy, for temporary promotion to the grade of lieutenant in the Supply Corps, subject to qualification therefor as provided by law.

The following-named officers of the U.S. Navy for temporary promotion to the grade of chief warrant officer, W-4, subject to qualification therefor as provided by law:

Baker, Encell T.
Barbarick, Lewis V., Jr.
Bateman, William L.
Blanchard, Ernest J., III
Buchanan, Oscar M.
Carlson, John A.
Clemens, Samuel
Collins, Paul N.
Cook, William E., Jr.
Creed, Euly C., Jr.
Cwikla, Michael W.
Daniels, Lowell E.
Fischer, George J.
Hardison, Jeffrey J.
Hewell, Robert A.
Hirte, Richard E.
Huddleston, Louis H.
Hudson, Gerald W.
Jacovetti, Raynold R.
Jermier, Jack R.
Johnson, Charles G.
Jones, Vincent Y.
McKinney, Byron C.
Parker, Robert L.
Potter, Albern M., Jr.
Prestwood, Robert M. Jr.
Reeder, James L.
Roy, Clyde R.
Tibbs, Robert W.
Watson, Roy D.
Wilson, Raymond M., Jr.

The following-named officers of the U.S. Navy for temporary promotion to the grade of chief warrant officer, W-3, subject to qualification therefor as provided by law:

Adams, George C.
Adkins, Wilbur L.
Anderson, Gene A.
Austin, Ellis E.
Ballinger, Robert C.
Berglund, William A.
Bittle, Opie H.
Carpenter, Charles P.
Carruthers, Morris E.
Carter, Arthur L.
Carter, Charles S.
Chastain, Curtis L.
Chastain, George V.
Childers, Virgil R.
Collier, Burling J.
Conway, Lonnie E.
Copeland, Robert L.
Corsiglia, Madeline F.
Coslett, Audrey G.
Cox, Harold E., Jr.
Cutcomb, Jack E.
Davis, George R.
Dean, Glenn A.
DeAngelo, Alice G.
Dedering, Kenneth C.
DeLea, Frank W.
Diekmann, Kenneth W.
Doherty, Richard A.
Droddy, Donald F.
Flanigan, Ellis B.
Foust, Frank R.
Franch, Buster
Gamble, Billy T.
Gimmel, Daniel G.
Glover, Fred "B"
Goodson, Raymond T.
Guthrie, William C.
Hansen, Keith
Hernandez, John B.
Hogg, Robert N.
Holland, Muscoe C., Jr.
House, Thomas E.
Jablonske, Donald K.
Jacobs, Donald F.
Jeffra, Arthur J.
Jones, John C.
Jung, Martin L.
Keim, Harold B.
Konopa, Frank J.
Lang, Earl W.
LeGrande, Frederick O
Leone, Theresa
Lorange, Henry G.
Lord, Eugene R.
Lyon, Jennings L.
Martinez, Norman L.
Mason, Paul B.
McLaughlin, Robert B.
Meeler, William F., Jr.
Mekula, John
Miner, Harold F.
Moore, James A.
Morgan, Ottis N.
Ogliaro, Renzo J.
Raley, Clifford N.
Reed, Abner D.
Riley, Joseph F.
Rouse, Leo G.
Scalise, Raymond A.
Scharschan, Stephen J.
Schiavone, Anthony J.
Schroeder, Philip W.
Sharpe, Virgil G.
Shaw, Norman R.
Shipman, Dan B., Jr.
Shish, Julian
Shuhart, Charles
Slaughter, Arthur R.
Sloan, Wallace V.
Spain, John H.
Staton, Donald T.
Stoughton, Rich M., Jr.
Tancredi, Domenic N.
Tarver, Carroll L.
Uhlhorn, Elmer C.
VanHorn, Gerald M.
Waller, George E.
Webster, John A.
Werts, Glenn E.
Whaley, William A.
White, James A.
White, Theodore L.
Whyte, George L.
Williams, Richard A.
Witherow, Elmer H.
Woodard, George R.
Wooten, Hobart

The following-named officers of the U.S. Navy for temporary promotion to the grade of chief warrant officer, W-2, subject to qualification therefor as provided by law:

Esparza, Raymond F.
Nelson, Warren K.

The following-named officers of the U.S. Navy for permanent promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

LINE

Barnes, John O.
Bibler, Douglas R.
Blubaugh, John G.
Fantasia, Biagio E.
Gomez, Alvaro R.
Israelson, Leroy D.
Jones, George B.
Linsley, Richard G.
McGlynn, Gerald J.
Patterson, Larry L.
Phelps, Byron D.
Rickover, Robert J.
Rottgering, Charles D.
Savio, Leo J.
Stokoe, James H.
VanAllen, William M.D.

SUPPLY CORPS

Ditmore, Carl A., Jr.
Murphy, Henry T., Jr.
Thiss, Hoyt B., Jr.

CIVIL ENGINEER CORPS

McGee, George D.

MEDICAL SERVICE CORPS

Scott, Jimmie D.

Lts. (jg.) Harley H. Hall and Preston H. Lineberger, U.S. Navy, for temporary promotion to the grade of lieutenant in the line, subject to qualification therefor as provided by law.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary promotion to the grade of first lieutenant, subject to the qualifications therefor as provided by law:

Elie M. Asanovich
Donald W. Dadisman
Roger E. Ferris
Nelson P. Hendricks

The following-named (Naval Reserve Officers' Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Roger D. Groot

The following-named (Army Reserve Officers' Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

John G. Matlack

CONFIRMATIONS

Executive nominations confirmed by the Senate July 20, 1962:

ASSISTANT SECRETARY OF DEFENSE

Norman S. Paul, of the District of Columbia, to be an Assistant Secretary of Defense.

U.S. ARMY

The following-named officer to be placed on the retired list, in the grade indicated, under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. David William Traub, O17110, Army of the United States (major general, U.S. Army).

The following-named officer, under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in the grade indicated:

To be lieutenant general

Maj. Gen. Charles Breckenridge Duff, O18438, U.S. Army.

To be Chief of Chaplains, U.S. Army, as major general in the Regular Army of the United States, and as major general in the Army of the United States

Chaplain (Col.) Charles Edwin Brown, Jr., O25845, U.S. Army, for appointment as indicated under the provisions of title 10, United States Code, sections 3036, 3284, 3307, 3442, and 3447.

The following-named officers to be placed on the retired list, in the grades indicated, under the provisions of title 10, United States Code, section 3962:

To be general

Gen. Clark Louis Ruffner, O15968, Army of the United States (major general, U.S. Army).

To be lieutenant general

Lt. Gen. William Peirce Ennis, Jr., O16436, Army of the United States (major general, U.S. Army).

The officers named herein for promotion as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3384:

To be major generals

Brig. Gen. Frederick Henry Garber, O385526.

Brig. Gen. Beryel Jacob Pace, O287041.

To be brigadier generals

Col. Edward Ferdinand Baumer, O323662, Infantry.

Col. Lowell Joseph Bradford, O357923, Army Intelligence.

Col. James Rieser Bright, O376675, Ordnance Corps.

Col. Allan Robert Greene, O294164, Artillery.

Col. August Herman Groeschel, O345922, Medical Corps.

Col. Oscar Perry Hampton, Jr., O403301, Medical Corps.

Col. Hatsel Lester Harris, O306806, Infantry.

Col. David Canfield Hastings, O352481, Transportation Corps.

Col. Raymond Edward Mason, Jr., O409410, Artillery.

Col. Walter Gordon Moran, O296649, Corps of Engineers.

Col. Edwin Fay Smith, O325548, Infantry.

The Army National Guard of the United States officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3385:

To be major generals

Brig. Gen. Clarence Birnie Johnson, Jr., O268791.

Brig. Gen. Wendell Crane Phillippi, O1288114.

Brig. Gen. Everett Selden Simpson, O405521.

To be brigadier generals

Col. Robert Maddock Backes, O374057, Artillery.

Col. Marvin Theron Ball, Jr., O403935, Artillery.

Col. Robert Aye Ballard, O342774, Infantry.

Col. Harold Raymond Bauer, O298149, Artillery.

Col. Robert Clarke Dunnington, O300413, Artillery.

Col. Donald Charles Grant, O360644, Artillery.

Col. Kermit Lafayette Guthrie, O346619, Artillery.

Col. Ivan Hardesty, O399704, Infantry.

Col. Ralph Maurice Krieger, O405796, Infantry.

Col. Edwin Leroy Shull, O335061, Infantry.

Col. Edwin Anson Simpson, O358764, Infantry.

Col. Thomas Graham Wells, Jr., O366471, Artillery.

The Army National Guard of the United States officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major generals

Brig. Gen. Thomas Sams Bishop, O403542.

Col. Junior Franklin Miller, O385454, Infantry.

To be brigadier general

Col. Bernard Joseph Kitt, O330803, Infantry.

The Army National Guard of the United States officer named herein for appointment as a Reserve commissioned officer of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be brigadier general

Col. William David McCain, O288111, Adjutant General's Corps.

SECRETARY OF HEALTH, EDUCATION, AND WELFARE

Anthony J. Celebrezze, of Ohio, to be Secretary of Health, Education, and Welfare.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 20, 1962

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

II Corinthians 13: 11: *Be of one mind, live in peace and the God of love and peace shall be with you.*

Almighty God, grant that through the mediation and ministry of this moment of prayer our aspirations and ambitions shall be inspired to remain elevated and exalted during all the hours of this new day.

We beseech Thee that the lofty conception of our high vocation may never allow us to shirk our responsibilities or shrink cowardly from any appointed tasks no matter how difficult and distasteful they may be.

Wilt Thou graciously widen the circle of our service and sympathies and may it include the last man living in the very farthest corner of the earth who also is entitled and eager to enjoy the blessings of the more abundant life.

Show us how we may cooperate with one another in fulfilling that glorious promise when the hearts of men and nations everywhere shall be established in the ways of righteousness and peace.

In Christ's name we offer our prayer. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 46. An act to provide for the establishment and administration of basic public recreation facilities at the Elephant Butte and Caballo Reservoir Areas, N. Mex., and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10606) entitled "An act to extend and improve the public assistance and child welfare services program of the Social Security Act, and for other purposes."

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1963

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

The Chair hears none, and appoints the following conferees: Messrs. MAHON, SHEPPARD, CANNON, FORD, and TABER.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1963

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations have until midnight to file a report on the bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1963.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JENSEN reserved all points of order on the bill.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

THE LATE ERNEST TRUMAN HOWELL

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPRINGER. Mr. Speaker, I much regret to announce to the House the death of Ernest Truman Howell, the father of one of our former colleagues, Judge Evan Howell.

Ernest Howell would have been 87 on August 25, 1962. He was the grand old man of the county board of supervisors in my home county of Champaign, Ill.

Ernest was born in Williamson County, Ill., and taught school there. It was there that he met and married his wife in 1904.

The family moved to Villa Grove, Ill., in 1911, and Ernest Howell played an important part in the life of Villa Grove, Ill., for many years. He served as a member of the board of education there. He was an organizer and served many years on the board of directors of the Villa Grove State Bank.

He came to Champaign in 1923 and has lived there since. He was a longtime member of the railway mail service and retired after 33 consecutive years of service.

He has been a most valuable member of the Board of Supervisors of Champaign County for more than 25 years, and he was still a member of the board at the time of his death this week. Ernest Howell was a kindly man and there was never too much that could be done for his friends. He will be long remembered in Champaign County by those who have known him for his good works as well as his thoughtful actions and honest public service.

He is survived by his wife and also by his sons, Evan and William H., and his daughter, Mrs. Edward Sanford, of Champaign. He also has seven grandchildren and two great-grandchildren.

I know that the sympathy of all people who knew Ernest Howell goes out to the Howell family.

He will be buried in Mt. Hope Cemetery, in the shadow of the University of Illinois stadium, and near the school he loved so much.

FELIPE O. PAGDILAO

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2147) for the relief of Felipe O. Pagdilao.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GROSS. Reserving the right to object, Mr. Speaker, will the gentleman briefly explain the bill?

Mr. WALTER. This bill will enable a discharged American veteran to become eligible for citizenship. He is a Filipino who served in the U.S. Army honorably and was decorated for bravery. At the end of 6 years' service he was discharged as a staff sergeant. If he can become a citizen it will be possible for him to have his wife and children, who are now in the Philippines, join him in Hawaii, where he was taken after the completion of his military service and discharged.

Mr. GROSS. I am glad to have that assurance from the gentleman. As the gentleman from Pennsylvania knows, I joined in objecting to this bill on the Private Calendar. One of the reasons for the objection, and the principal reason as far as I am concerned and I believe on the part of the gentleman from Illinois [Mr. ANDERSON], was that this ex-serviceman's wife and five children were in the Philippines. We had no way of knowing whether this family would be reunited by the granting of citizenship to this man. In other words, we had no way of knowing whether this man, now living in Hawaii, had deserted his family. If so, this seemed to us to make quite a difference in regard to the passage of this bill granting this man the right of citizenship. With the gentleman's assurance that this family will be reunited, I withdraw my reservation of objection.

Mr. WALTER. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Felipe O. Pagdilao shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

POLARIS SUBMARINES

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS of South Carolina. Mr. Speaker, on this day, 2 years ago, one of the most historic feats in the history of the world, of freemen, and the history of war, was performed. A submarine bearing the name of the father of our country, *George Washington*, fired from beneath the surface a Polaris ballistic missile. This was the greatest act in the operation of warfare in the history of this Nation or of any nation, or in the history of mankind's fight to be free. On this day, today, we have at least six of these submarines on station or patroling in the interest of deterring warfare and keeping freemen free.

NORTH CAROLINA TERCENTENARY CELEBRATION

The SPEAKER. Pursuant to the provisions of section 1, Public Law 87-437, the Chair appoints as members of the North Carolina Tercentenary Celebration Commission the following Members on the part of the House: Messrs. WHITENER, RAINS, KITCHIN, and JONAS.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ROONEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 167]

Alford
Alger
Anfuso
Ashbrook
Ashley
Bass, N.H.
Becker
Blitch
Boggs
Bolling
Bolton
Boykin
Breeding
Bromwell
Carey
Celler
Cramer
Curtis, Mass.
Dague
Davis, James C.
Davis, Tenn.
Dawson
Devine
Diggs
Dole
Dominick
Dulski
Ellsworth
Farbstein
Findley
Fino
Flood
Frazier
Fulton
Garland
Giaimo
Gubser
Halleck
Hansen
Hardy
Harrison, Va.
Harsha
Harvey, Mich.
Hays
Hébert
Hoffman, Mich.
Karth
Kearns
Kee
Kelly
King, Utah
Latta
Loser
McSween
Macdonald
Mailliard
Martin, Mass.
May
Merrow
Moeller
Montoya
Moulder
Multer
Norblad
Nygaard
Peterson
Pilcher
Powell
Roberts, Ala.
Roudebush
Roush
St. Germain
Santangelo
Saund
Scherer
Scranton
Shelley
Smith, Miss.
Spence
Steed
Taber
Teague, Tex.
Thompson, La.
Utt
Vanik
Van Zandt
Westland
Willis
Winstead
Yates
Zelenko

The SPEAKER. On this rollcall 341 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOREIGN ASSISTANCE ACT OF 1962

Mr. MORGAN submitted a conference report and statement on the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

TO PERMIT MEMBERS OF THE ARMED FORCES TO ACCEPT FELLOWSHIPS, SCHOLARSHIPS, OR GRANTS

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 7727) to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 8, strike out " 'Notwithstanding" and insert " '(a) Notwithstanding".

Page 2, strike out lines 11, 12, and 13 and insert:

" 'However, the benefits of such a fellowship, scholarship, or grant may be accepted by the member in addition to his pay and allowances only to the extent that those benefits would be conferred upon him if the education or training contemplated by that fellowship, scholarship, or grant were provided at the expense of the United States. In addition, if such a benefit, in cash or in kind, is for travel, subsistence, or other expenses, an appropriate reduction shall be made from any payment that is made for the same purpose to the member by the United States incident to his acceptance of the fellowship, scholarship, or grant.

" '(b) Each member of the Armed Forces who accepts a fellowship, scholarship, or grant in accordance with subsection (a) shall, before he is permitted to undertake the education or training contemplated by that fellowship, scholarship, or grant, agree in writing that, after he completes the education or training, he will serve on active duty for a period at least three times the length of the period of the education or training.'; and".

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, do I understand this bill will increase the number of servicemen or those eligible for service who may accept educational grants, grants by foundations of one kind or another?

Mr. PHILBIN. It may to some extent, but not very much. There are only a very small number of these men being assigned under the program at the present time. This bill will not increase the number very much.

Mr. GROSS. Specifically, what is the purpose of the bill?

Mr. PHILBIN. The purpose of this bill is to authorize members of the armed services to do just what civilian employees of the Government are entitled to do now by law; that is, take higher training in universities, here and abroad, under various programs, foundation plans, and the like.

Mr. GROSS. That is, to accept Rhodes scholarships, Ford Foundation grants for scholarships, et cetera?

Mr. PHILBIN. That is right.

Mr. GROSS. Mr. Speaker, I am going to ask the gentleman the $64 question. Is Pete Dawkins still playing rugby over in England instead of doing his obligated service? He was a graduate of the U.S. Military Academy. Is he still over in London, living high on the hog, under one of these scholarships? Why is he not down at Fort Benning doing his military service, as he ought to be?

Mr. PHILBIN. I cannot answer the gentleman's question. I do not know whether he is there or not; I think he may be there. He is a very fine young man and is serving his country faithfully and well.

Mr. GROSS. I have no doubt that he is a fine young man. But it seems to me it would be well for these graduates of the U.S. Military Academy or any other service academy to get busy and do their service and then go to these foreign educational institutions for higher learning. I am opposed to this business of Military Academy graduates spending 2 years or 4 years at Oxford or some other educational institution in a foreign land before meeting at least some of their service obligation. I hope the House Committee on Armed Services will give some attention to this matter. There is no hesitancy in taking the 18- or 20-year-olds who graduate from high schools and universities and putting them in military service. Let us get some service from these people before sending them to institutions of high learning, or whatever they are.

Mr. Speaker, I withdraw my reservation of objection.

Mr. PHILBIN. I thank the distinguished gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

GENERAL OF THE ARMY DOUGLAS MacARTHUR

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 347) tendering the thanks of Congress to General of the Army Douglas MacArthur.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the thanks and appreciation of the Congress and the American people are hereby tendered to General of the Army Douglas MacArthur, in recognition of his outstanding devotion to the American people, his brilliant leadership during and following World War II, and the unsurpassed affection held for him by the people of the Republic of the Philippines which has done so much to strengthen the ties of friendship between the people of that nation and the people of the United States.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. ARENDS. Reserving the right to object, Mr. Speaker, and I shall not object, I want to commend the gentleman from South Carolina on submitting this resolution. This resolution was reported out by unanimous action of the Committee on Armed Services. I think this is a recognition of the services of General MacArthur that is long overdue. I hope this concurrent resolution will be agreed to unanimously.

Mr. DORN. Mr. Speaker, of course this resolution will be adopted unanimously. Douglas MacArthur is one of the greatest military captains of all history. His superlative strategy during World War II and in Korea saved this Nation and the free world many thousands of lives.

The genius of a truly great general is marked by his ability to accomplish the objective with a minimum loss of lives and resources—also by his ability to prevent war altogether. Douglas MacArthur possessed to a maximum degree this genius. General MacArthur could foresee the coming of World War II and desperately, as Chief of Staff, provided for a bare nucleus around which our magnificent armies of World War II were built.

If we had listened to MacArthur in the 1930's on preparedness, we might have prevented war through strength. Had we listened to MacArthur's warnings in the Pacific, we would not have been caught unprepared and might have prevented war with Japan through strength.

General MacArthur could see in the 1920's and 1930's the advantage of controlling the air in the next war. I have always believed that General MacArthur was a great admirer of Gen. Billy Mitchell. They were beneath the surface kindred spirits in that they had the ability to look ahead and the courage to point the way.

If General MacArthur's recommendations had been followed during the early stages of the Korean war, the world would not be in such critical condition today. If General MacArthur had been permitted to win the Korean war conclusively, Red China would have been destroyed in a matter of months and the balance of world power would have been tipped heavily today in favor of the cause of freedom. The North Korean attack and the subsequent entrance of Red China into the war was a God-given opportunity for the United States to correct with little cost the tragic mistakes of Yalta and Potsdam. Red China's only armies were ground to pieces in North Korea. The Russians were recuperating from World War II and did not have nuclear weapons in mass production.

MacArthur noted with regret and much sadness the passing of this unbelievable opportunity.

Someday we will have to fight Red China on her terms at a time of her choosing. She will have atomic power backed by the entire Eurasian land mass. This issue could have been resolved forever in our favor in 1951 had those of us in Washington had the foresight to give MacArthur the green light in Asia. This great general could have secured the peace and could have assured the ascendancy of the Western democratic world. MacArthur was right and many of us here in Washington, in London, and in the United Nations were wrong.

The committee report speaks eloquently of MacArthur's magnificent career. We can add little to the report. The least we can do now is to adopt this resolution unanimously expressing the appreciation of the Congress and the American people to General of the Army Douglas MacArthur.

Mr. FLYNT. Mr. Speaker, I support the concurrent resolution expressing the thanks of Congress and the American people to General of the Army Douglas MacArthur.

General MacArthur has devoted a lifetime of service to our country. He has distinguished himself as a leader of three wars and in the intervening years. It is very appropriate that this resolution be adopted in recognition of a lifetime of devotion and brilliant leadership to this country.

His honors and decorations are manifold and in each instance, greatly deserved. His military achievements are unsurpassed in the history of our country. His qualities of leadership are of the very highest order. He is the exemplar of the highest tradition of the military service and of American leadership.

I believe that the action of this resolution will be unanimous and I am privileged to have a part in the adoption of the resolution which expresses and tenders the thanks of Congress and of the American people to General of the Army Douglas MacArthur.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the Record in regard to General MacArthur.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, FISCAL YEAR 1963

Mr. ROONEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to 2 hours, the time to be equally divided between the distinguished gentleman from Ohio [Mr. Bow] and myself.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. GROSS. Reserving the right to object, Mr. Speaker, this bill, as I understand, is about $140 million above the expenditures for much the same purpose last year.

Mr. ROONEY. No; the gentleman must have in mind the $118,636,500 increase in appropriations for the Small Business Administration and $21,062,064 in other items. But the bill itself is $102,112,300 less than the amounts of the fiscal year 1963 budget estimates.

Mr. GROSS. Another facet of it is that there is well above $1 million in it for entertainment. We will discuss that later.

Mr. ROONEY. I expect that we will.

Mr. GROSS. Does the gentleman think that in the short period of 2 hours we will have ample time to discuss the entertainment features and the antics of the troupe of so-called entertainers that has been touring Asia, and a number of other things?

Mr. ROONEY. I think that with 2 hours of general debate and under the 5-minute rule there will be ample time for discussion. The committee expects to be unusually liberal with regard to time on this bill. I think we shall be able to cover this situation.

Mr. GROSS. I am glad to have the assurance that the committee is going to be liberal in the matter of time.

Mr. ROONEY. I think the gentleman is entitled to speak freely, and I shall cooperate.

Mr. GROSS. With that assurance and that comment from the gentleman from New York, I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12580, with Mr. Thornberry in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from New York [Mr. Rooney] will be recognized for 1 hour and the gentleman from Ohio [Mr. Bow] will be recognized for 1 hour.

The Chair recognizes the gentleman from New York [Mr. Rooney].

Mr. ROONEY. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, as indicated in the title of the pending bill, H.R. 12580, it covers the appropriations for the present fiscal year, to wit, fiscal year 1963, which began on July 1 for the Departments of State, Justice, and Commerce, and for the Federal judiciary. It also includes the 1963 appropriations for a number of related agencies as follows: The American Battle Monuments Commission, the Commission on Civil Rights, the Federal Maritime Commission, the Foreign Claims Settlement Commission, the Small Business Administration, the Subversive Activities Control Board, the Tariff Commission, the U.S. Arms Control and Disarmament Agency, and the U.S. Information Agency.

The total carried in the bill is $1,902,065,700, which is a reduction to the extent of $102,112,300 below the amount of the budget estimates presented to the committee.

I should at the outset thank my distinguished colleagues on the subcommittee who labored assiduously and long in connection with the important bill which is before you. The amounts included therein represent the considered judgment of all the members of the subcommittee. I doubt there will be very much controversy with regard to any of the items in this bill so far as the members of the subcommittee are concerned. I refer to the distinguished gentleman from Florida [Mr. Sikes], the distinguished gentleman from Washington [Mr. Magnuson], the distinguished gentleman from Minnesota [Mr. Marshall], the distinguished gentleman from Ohio [Mr. Bow], the distinguished gentleman from California [Mr. Lipscomb], and the distinguished gentleman from Michigan [Mr. Cederberg].

I should also pay our sincere respects and extend our thanks to the hard-working staff assistant to our subcommittee who has been with the subcommittee for the past 15 years, Mr. Jay B. Howe, who is here seated alongside me.

I should point out that the printed volumes of the hearings of this subcommittee constitute over 4,400 pages of testimony. The committee heard in connection with the various items in this bill almost 300 witnesses. We feel that when we recommend the amount of $284,330,000 for the Department of State, $305,727,000 for the Department of Justice, $781,695,000 for the Department of Commerce, $60,270,700 for the Federal judiciary, and $470,043,000 for the related agencies that I previously mentioned we have allowed sufficient funds to support the proper and legal activities of all these areas of Government in the present.

With regard to the Department of State, while the amount is a $5,130,850 increase over the appropriation in the fiscal year 1962 which ended just this past June 30, it is $50,734,000 below the amount of the budget estimates presented to the committee. I should point out that there was not requested, nor has there been allowed any increase in the number of positions in the item for salaries and expenses of the Department of State. We hope and trust that the example and policy set by the Department of State in this regard will be followed by other departments and agencies of the Government in the future.

The following table summarizes the amounts recommended in the bill in comparison with the corresponding budget estimates and the 1962 appropriations:

Department or agency	Appropriations, 1962	Estimates, 1963	Recommended in bill for 1963	Bill compared with—	
				1962 appropriations	1963 estimates
Department of State	$279, 199, 150	$335, 064, 000	$284, 330, 000	+$5, 130, 850	−$50, 734, 000
Department of Justice	295, 474, 900	309, 300, 000	305, 727, 000	+10, 252, 100	−3, 573, 000
Department of Commerce	794, 405, 936	703, 049, 000	781, 695, 000	−12, 710, 936	+78, 646, 000
The judiciary	57, 795, 650	61, 235, 000	60, 270, 000	+2, 475, 050	−964, 300
Related agencies	335, 491, 500	480, 050, 000	470, 043, 000	+134, 551, 500	−10, 007, 000
Total	1, 762, 367, 136	1, 888, 698, 000	1, 902, 065, 700	+139, 698, 564	+13, 367, 700
Adjustment for borrowing authority replaced in bill by appropriations		115, 480, 000			−115, 480, 000
Grand total including above adjustment for comparability	1, 762, 367, 136	2, 004, 178, 000	1, 902, 065, 700	+139, 698, 564	−102, 112, 300

With regard to the subject of State Department representation allowances, which is a favorite subject of discussion between the gentleman from Iowa and myself, the committee has included a modest increase of $25,000. This would cover the allowances on the opening of a number of new posts, including three in Africa. It would provide for three new consulates in the Far East and for two new consulates in the European area, as well as necessary price increases. The gentleman understands that the prices of commodities have risen in practically all countries as the years have rolled by.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. GROSS. First of all I want to commend the gentleman and the members of his subcommittee for the excellent hearings. I will say to the gentleman that as far as the operation of the State Department and the diplomatic service over the world is concerned I can get more out of these hearings by accident than I can on purpose out of the hearings of the Foreign Affairs Committee, and this is not to speak disparagingly of a very few members of the Foreign Affairs Committee, notably to the gentlewoman from Illinois [Mrs. CHURCH] and the gentleman from Indiana [Mr. ADAIR]. I cannot, however, pay the same compliment to a majority of the Foreign Affairs Committee. I am speaking of information that gives us some enlightenment as to what is going on.

I would like to point out to the Members of the House that the gentleman and his colleagues both on the majority and minority sides of this Appropriations subcommittee have done an excellent job this year in their hearings. However, they did not cut deep enough. I will go into this later if I can get some time.

The gentleman spoke of the emerging nations. These African nations, I seem to recall from reading the hearings with respect to the increased need for money for entertainment, that one of the State Department officials testified that these emerging African nations have adopted our habits as to what is required and expected in this respect, which, of course, includes the booze fund. We have helped them develop some of their appetites in certain departments, according to the hearings on the bill.

Mr. ROONEY. The gentleman from Iowa realizes, of course, does he not, that the committee saw fit to cut the amount for representation allowances from $1,100,000 to $950,000? I might further point out that there were 15 instances in this pending bill where increases in entertainment and representation were requested. In only one instance, the one to which I have presently referred, was an increase allowed. Of the other 14, in a number of instances reductions were made.

Mr. GROSS. I am glad to hear that, but it is still well above $1 million in this bill, is it not?

Mr. ROONEY. I have to admit that that is the fact.

Mr. GROSS. I thank the gentleman.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman.

Mr. TEAGUE of California. I am sure the gentleman from New York remembers that in years past I have offered to pour lemonade on the troubled waters. If it is thought desirable I can supply good California lemonade.

Mr. ROONEY. I thank the gentleman from California for his contribution but I must say I have never cared for lemonade.

In connection with the Department of Justice the bill includes the necessary funds for the Federal Bureau of Investigation. The committee has seen fit to allow $130,700,000, the full amount requested. It has allowed practically the full amount requested for the Immigration and Naturalization Service, to wit: $64,050,000.

The committee has practically gone along, with one notable exception, a new psychiatric institution—and the present speaker disagreed with the action of the majority of the committee with regard thereto—concerning the Federal prison system. There has been allowed the amount of $55,109,000 for carrying out the functions and responsibilities of the Federal prison system in the coming fiscal year.

With regard to the Bureau of the Census in the Department of Commerce, the committee has allowed the amount of $21 million, which would be a cut of $1,444,000 in the amount of the budget estimates.

The committee has allowed the amount of $35,900,000 for the Coast and Geodetic Survey, which is merely a cut for this important agency of $1,100,000.

For the Maritime Administration the committee has seen fit to allow $298,175,000. Of this, $225 million is for the operating differential subsidies for the American merchant marine. Admittedly, the committee could have made this bill look a bit better by reducing the substantial amount included for these subsidies, but I should like to call the attention of the members of the Committee of the Whole to the fact that any such reduction would be spurious and would merely defer the payment of these subsidies. If they are not paid promptly on their contracts the maritime operators can go to the Court of Claims and obtain their money, possibly with interest. These subsidies are provided in order to maintain a U.S.-flag merchant marine in support of U.S. foreign commerce with the capacity of serving as a naval auxiliary in time of war or national emergency. To be eligible for subsidy an operator must provide regular berth services on an essential trade route, show that Government aid is necessary to place the operation on a parity with its foreign competition, and employ vessels constructed in the United States and manned by U.S. citizens.

The bill includes $3,550,000 for "Research and development," which is a reduction of $1,950,000 below the amount of the budget estimate and $2,950,000 below the appropriation for the past fiscal year. The decrease of $1,950,000 is due to the elimination of the funds for studies of automation.

Included in the bill is a total of $3,289,700,000 for the Bureau of Public Roads, of which $38,500,000 is to be derived from the general fund of the Treasury and $3,251,200,000 from the highway trust fund. This means the committee was presented with a check for the amount requested, and merely signed it. This is what the action of the committee amounted to insofar as appropriations for the Bureau of Public Roads are concerned.

For the National Bureau of Standards there is included $60,500,000, which would be a reduction of $9 million below the amounts appropriated in the past fiscal year.

For the U.S. Weather Bureau there has been included the amount of $112,250,000. In connection with the appropriations for the Weather Bureau, the committee has seen fit, if the Committee will bear with me for a second, to include funds as indicated at page 19 of the committee report for additional weather information for the extreme northwest part of Arkansas, for the distribution of agricultural weather services to southeast Georgia, and to provide 24-hour weather service at Grand Island, Nebr.

Included in the bill are funds, as I have previously mentioned, for the Federal judiciary in the amount of $60,270,700, which is a reduction of $964,300 in the total amount requested for the courts.

There is included $1,523,000 for the American Battle Monuments Commission, which maintains the cemeteries for our war dead all over the world and $950,000 for the Commission on Civil Rights. I for one did not vote to reduce the amount requested, to wit, $995,000 for the latter Commission. There is also included $2,100,000 for the Federal Maritime Commission, which is a very substantial increase over the amount they had last year because of certain additional activities which have been given to them as the result of legislative action on the part of the Committee on the Judiciary of the House.

For the Foreign Claims Settlement Commission the committee has allowed $700,000, and a transfer in the amount of $30,000 from the war claims fund.

For the activities of the Small Business Administration, the committee has allowed $305,750,000, of which $300 million is for the revolving fund.

There is included in the bill $395,000 for the Subversive Activities Control Board, $2,900,000 for the Tariff Commission, $6,500,000 for the U.S. Arms Control and Disarmament Agency, the full amount requested, and $149,225,000 for the U.S. Information Agency, including $10,750,000 for the acquisition and construction of important radio facilities and $1,500,000 for the informational media guarantee fund. The amount for the U.S. Information Agency is a reduction of $8,835,000 in the amount of the budget estimates.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from Florida.

Mr. HALEY. First, I want to say that I commend the gentleman and his subcommittee for the excellent job they did in this particular field. I would like to ask the gentleman, however, this question. This budget is approximately $140 million above the 1962 appropriation for these same services, is it not?

Mr. ROONEY. The substantial increase to which the gentleman refers, and as I have previously stated, is principally in connection with the funds for the Small Business Administration. There is included in this bill $118,636,500 in appropriations for that Administration over the amount in fiscal 1962. That is the reason our total figures do not look as good as we would like them to look.

Mr. HALEY. I thank the gentleman. The figures look very well. And, again I would like to commend the gentleman for the thoroughness with which he and his subcommittee go into these matters. I think the taxpayers of this Nation owe him a debt of gratitude, because by his thoroughness and willingness to do the work that is necessary to appropriate this money he has saved the taxpayers of this country millions and millions and hundreds of millions of dollars. I want to compliment you on the fine job you have done.

Mr. ROONEY. I thank the distinguished gentleman from Florida.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I will be glad to yield to the distinguished gentleman from Iowa.

Mr. GROSS. I have looked at the figure with respect to the Department of Justice, and I cannot find any entertainment allowance for the Attorney General. I find $20,000 for the collection of evidence, but I do not find any representation allowance.

Mr. ROONEY. While I, as one member of the committee, favored the inclusion of a small amount for that purpose, the majority of my subcommittee decided that the Department of Justice could do without that allowance.

Mr. GROSS. Well, I am glad to hear that. There is no money in this bill for the Secret Service, is there?

Mr. ROONEY. There is no money in it for the Secret Service.

Mr. GROSS. I ask the question because I noted in the paper the other day that the Secret Service was operating a jet propelled speedboat for the Attorney General's water skiing. In another bill Congress added more Secret Service employees and provided more money, and I wonder if it is now becoming fashionable to use the Secret Service to tow bigwigs of Government around in speedboats for water skiing.

Mr. ROONEY. There is nothing included in this bill for those purposes.

Mr. GROSS. I am glad to hear that.

Mr. BOW. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. LIPSCOMB].

Mr. LIPSCOMB. Mr. Chairman, the chairman of this committee, the distinguished gentleman from New York [Mr. ROONEY], has done his usual fine job of explaining the details of this particular bill. I consider it an honor and a privilege to serve on this committee under his leadership and under the leadership of the minority member of the committee, the distinguished gentleman from Ohio [Mr. BOW].

Mr. Chairman, the bill now before the House, H.R. 12580, proposes an appropriation of $1,902,065,000 for fiscal 1963 for the Departments of State, Justice, including the FBI, Commerce, the Judiciary, and related agencies.

The related agencies include the U.S. Information Agency, the U.S. Arms Control and Disarmament Agency, the Subversive Activities Control Board, the Small Business Administration, and others.

As such, the funds provided under this bill affect many vital functions and programs of our Government involving the conduct of our foreign relations, our economy, and Federal judicial and investigative activities. How the money is spent and for what purposes is therefore of great significance to all of us.

The subcommittee, as in the past, held detailed and comprehensive hearings on most of the items in the bill. Yet, I would venture to guess that no one of us on the subcommittee would attempt to completely justify each item or attempt to guarantee that the money that may be appropriated under the bill will necessarily be applied in the fashion we understand from the hearings held on these items.

Most of us, I believe, find ourselves in conflict with certain of the budget requests. Some may be too high, some too low. We may not agree with the philosophy behind a program, we may believe a particular program is poorly administered, or we may find ourselves in the position that we must support an appropriation which we may not agree with, but which must be included in the bill because the program is authorized by a law voted by a majority of the Congress.

From working on and studying this bill, I personally have serious questions on various of the amounts contained in the bill, and certain of the budgetary and management practices and procedures followed by the agencies. We can be thankful Congress does possess a measure of control through its power over the purse. It is necessary, however, that this control be exercised meaningfully and effectively.

The amount included in H.R. 12580 for the Department of State totals $248,330,000. This is an increase of $5.1 million over fiscal year 1962 though it represents a reduction of $50.7 million below budget estimates. Over half of the reduction of $27.79 million is attributable to a request for funds to acquire and maintain buildings abroad which was denied since there is no legal authority for such appropriation.

I am confident you will hear cries of anguish that $284 million is not sufficient for the State Department. On the other hand, undoubtedly some will say, and with merit, that it is far too much.

Certainly no Member of the House or citizen of the United States has any doubt of the purpose, need for, or the requirement for an adequately financed Department of State.

It is recognized that the Department, through the Secretary of State, is the chief adviser to the President on foreign affairs and has awesome responsibilities for initiating and implementing foreign policies. It is recognized that the difficult and broad areas of responsibility of the Department of State require tools to do a job.

I believe, too, that there are many dedicated people in the Department of State attempting to do a job in the best interests of our Nation and for our welfare and security. It is known that improvements in administration have and are being made, and that more are contemplated.

At the same time, I sincerely believe there are grounds for complaint about the job being done by the Department and the manner in which it is performing some of its tasks.

Aside from strictly policy matters, which in essence may fall outside the purview of budget considerations, there are many other matters closely affecting policy which in my view can and must come under strict scrutiny. Questions must be raised on such matters as to the emphasis placed by the Department on various activities, type of projects undertaken with the money provided, the management job done by the Department, and others.

Apparently there is also a belief held in certain quarters in the State Department that it should be able to operate under complete flexibility. A good example of how flexibility can be accomplished is to arbitrarily classify something they wish to do as an emergency and proceed to spend funds on that basis. This approach is followed for many types of activities, ranging from far-reaching matters to personal brainstorms and pet ideas.

My remarks are not, of course, limited to the Department of State. As the House knows, large amounts are included in the bill for a number of other departments and agencies. Many of these comments apply equally to these sections of the bill.

As the committee studies these budget requests and unearths problems, and these problems often come to light only after persistent questioning, all-important considerations arise.

Does Congress grant complete budget requests, or do we cut? If we cut, the cry goes up that we are adversely affecting our foreign policy or necessary domestic programs. It is often quite difficult to know whether this is true, so in my opinion, we generally have erred on the side of appropriating too much.

I would like to discuss various specific examples of some of the matters discussed during the course of the hearings which give cause for concern.

UNBUDGETED EXPENDITURES

There are instances of where funds budgeted for fiscal 1962 and appropriated by the Congress were diverted to other nonbudgeted purposes by the State Department. One item affected was the State Department Office of Security and Consular Affairs, where money was budgeted and appropriated for new equipment. The equipment was not procured, however. Home leave was curtailed because the funds were used for other purposes. Of the unbudgeted items, $600,000 was spent for the Under Secretary's conferences, the conferences by the then Under Secretary Bowles.

Under our appropriation process system, and particularly in the bill before us, we generally do not delete on a line item basis. It is an exception when our committee feels that it can attempt to direct an agency specifically to do or not to do something. It should be clearly noted, however, that the amounts we appropriate, once they are in the hands of an agency, can and are spent in ways not justified to the Congress.

As a practical matter our only means of control is to review such expenditures the next time the Department comes before the Congress with a request, and then sometimes it is too late. Programs or activities are started, however, and the Department is in then up to its neck. The plea then is that if we do not give them the money to carry on dire results will follow, with of course, grave consequences to our foreign relations.

Mr. WESTLAND. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting]. One hundred and ten Members are present, a quorum.

Mr. LIPSCOMB. Mr. Chairman, the use of unbudgeted money is indeed a poor procedure in the conduct of our business and the committee very significantly took note of this, and I sincerely hope that the administration takes note of it, also. I shall read from the report on page 3:

> The use of funds heretofore appropriated for specific purposes such as security of the Department and home leave and transfer travel to finance other activities for which funds had not even been budgeted or requested such as the regional conferences last year is inexcusable. The Department is expected to use the funds provided in the bill for the purposes for which they were justified and appropriated.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. LIPSCOMB. I yield to the gentleman.

Mr. CURTIS of Missouri. What are the provisions for discipline when such a thing occurs, does the gentleman know?

Mr. LIPSCOMB. I believe the committee has taken note of it, and I am sure that the chairman and others on the committee have properly informed the administrators. The Subcommittee on Appropriations for the Department of State does not appropriate on a line item basis. The committee appropriates a lump sum for a particular classification. We do not administer the policy of the Department. All we can do is to take their word as to their justification and then when they get the money, they spend it in any way they see fit within that particular appropriation.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. LIPSCOMB. I yield to the chairman.

Mr. ROONEY. Mr. Chairman, I think I bespeak the thoughts of every member of this subcommittee when I say that if the sort of thing to which the gentleman has referred, the use of funds for purposes other than those justified, is continued, this subcommittee will certainly get around to appropriating on a line item basis, and we have so stated to officials of the State Department. We are not going to continue with this sort of operation because it is a wasteful expenditure of the taxpayers' funds.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield further?

Mr. LIPSCOMB. I yield further to the gentleman.

Mr. CURTIS of Missouri. Mr. Chairman, I certainly thank the chairman of the subcommittee for that comment, because I think that is the kind of discipline that is needed. May I ask one other question? Has the General Accounting Office made any comments on this, or has the matter been referred to them?

Mr. LIPSCOMB. Not to my knowledge.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield to me?

Mr. LIPSCOMB. I yield to the gentleman.

Mr. ROONEY. The General Accounting Office, which is a fine organization, generally comes along after this subcommittee has discovered the facts and reports to a certain other committee of the House. They could read the testimony before our committee long before and generally find it all there.

Mr. CURTIS of Missouri. Mr. Chairman, I thank the gentleman; and I commend the gentleman, too.

Mr. LIPSCOMB. Mr. Chairman, included in this item in the State Department for "Salaries and expenses" are all kinds of expenses of speakers traveling across the Nation, public affairs officers in great numbers, money for pamphlets, news releases, and a great many other things. It would be practically impossible, in my opinion, to pull all of these items out to see how much these activities are going to cost the taxpayers. But there is one thing sure, the public is paying plenty of their own money to be propagandized. I would just like to point out to you just one of the items to show you how these things grow up over a period of a year.

The State Department in a bulletin entitled "Work Improvement Plans for June of 1961" had a little item contained in it which said that the State Department planned to redesign the Foreign Service Newsletter to include material covered in the employee bulletin and the communique.

In July of 1961, in a report by the State Department of actions taken to improve the effectiveness of administration, they came out with an item entitled "Internal Communications," and told about a communication entitled "The State Department Newsletter" which was going to contain 60 or 70 photographs and 30,000 words, and they were going to send it to approximately 8,000 people.

This particular bulletin started out in rather modest size. It had 44 pages and a cover. On June 25 of 1962, into our offices came a notice from the Superintendent of Documents, Government Printing Office. It said that they wanted to notify as many persons as possible of the availability of the worthwhile publication mentioned on the enclosed announcement.' In this announcement was an advertisement advertising the State Department Newsletter to be available to the public. This State Department Newsletter was originally intended to be an internal document to bolster the morale of the State Department and was to contain items to help them administer their affairs. Now in June of 1962, 1 year later, we find that they are putting the State Department publication on public sale. It has grown now from a small 44-page-and-cover article to a slick-cover magazine containing 64 pages and cover, and contains all kinds of articles.

A summary of progress that was contained in a bulletin put out by the Department states that the newsletter has been very successful, that they are sending it now to college students, to help recruitment, and has assisted the Department's public relations and public affairs programs by facilitating an understanding of foreign policy.

This particular bulletin has grown in size in just a short period of time from a $375-plus mailing charge monthly newsletter to employees, of 3,800 employees, to an annual cost now of $68,845-plus, with a mailing list of 10,000 a month, a cost of $5,700 per month or 57 cents per copy. I think it is interesting to know that the Government Printing Office has placed these on sale at 40 cents a copy. In other words, the taxpayers are subsidizing the public sale of this bulletin.

In the work-improvement plan for 1962 they have done it again, and they are beginning a new project. Now they have to have a newsletter for the administrators, and have a study to determine the feasibility of developing an administrative publication to cover the professional aspects of the administrative functions of the Department of State. So they are on their way again to spend more of the taxpayers' money.

Over and above this they have another bulletin which they are issuing. This particular bulletin should receive plenty of attention by the House of Representatives. The Department of State publishes this publication which is entitled "Bulletin," which is supposed to provide the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service.

This publication is increasingly carrying articles which are questionable to the intent of the magazine. At the present time this particular bulletin is sent to 2,700 people, and is also on public sale. About 2,700 copies are distributed within the Department of State and other officials. Their cost is roughly $2.97 each. The Bulletin is supposed to contain speeches by administration officials, the Secretary of State, the Under Secretary, and Assistant Secretaries and other official actions. One of the speeches which was given recently and is now carried in the State Department Bulletin says that to slash the budget is an item which indicates that cold war battle fatigue is setting in among those who are active anti-Communists.

In the July 9 issue of this particular bulletin, which costs $2.97 each to send out, there are at least nine instances by quick count where the speakers who have been out on the road published speeches in this bulletin which were critical of the Congress as to their actions regarding the cutoff or limiting of aid to Yugoslavia, Poland, and Communist countries. I would like to read you one paragraph to show you exactly what kind of material is getting into this bulletin:

> The recent vote on the aid bill indicates to me that a President or a Secretary of State can hardly be expected to wage a war of intellect and diplomacy that goes far beyond the intellect and diplomatic skills of Congress and the public. But this is democracy. And this is sometimes referred to as our country's great weakness. The Communists clearly—like tyrants of past eras—regard it as our weakness.

This was a speech made by a bureaucrat of the Department of State at a high school graduation and they take the time to publish it in the State Department publication at $2.97 a copy to put out this kind of information.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. LIPSCOMB. I yield to the gentleman.

Mr. RHODES of Arizona. I want to compliment the gentleman on the very fine and lucid statement he is making. The work that has gone into it certainly indicates once again that he is one of the more able and industrious Members of the House. I want to ask the gentleman this question. As he knows because of some other work he has done, there is a law against any Department of Government using appropriated funds for the purpose of influencing Members of the Congress. I do not know whether any of the situations the gentleman has indicated are specifically intended to influence Members of Congress—possibly to influence members of the public instead, but does the gentleman know of any law which would prohibit such a thing? I think he would agree with me that there should be such a law.

Mr. LIPSCOMB. I am not in a position to itemize for the gentleman from Arizona many items, but I do say, in my own opinion, and I am not an attorney, there have been such instances that have happened and which should be looked into. There was one instance in particular which I referred to the Attorney General. He ruled that the Constitution said that the administration officials below the Secretary of State level and others had the right to lobby Members of the House. I disagree and I have introduced a bill in this regard which is before the Committee on the Judiciary, but I have not been able to solicit a report from the Committee on the Judiciary. I believe this must be looked into, where pressure is put on the individual Members of the Congress to pass legislation.

Mr. RHODES of Arizona. I would like to call the attention of the gentleman and of the Members of the House to section 701 of the bill which is now before us which reads thusly:

> No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

I would assume, if the bill passes with this provision in it, that the type of publication the gentleman has brought to the attention of the House might well be prohibited.

Mr. LIPSCOMB. I hope you are right. I believe I would interpret that section as strictly as the gentleman interprets it.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. LIPSCOMB. I yield to the gentleman.

Mr. COLLIER. Does the gentleman have the name of the author of that speech to which he referred?

Mr. LIPSCOMB. Yes, the author of that speech was the Deputy Assistant Secretary for Public Affairs, Carl T. Rowan.

Mr. COLLIER. Carl T. Rowan?

Mr. LIPSCOMB. That is correct.

One of the most fantastic programs and requests contained in the State Department budget which is before us is for the mutual education and cultural exchange activities. The request presented to the subcommittee was $56.7 million, an increase of over $26 million. The committee reduced the amount to $40 million. It may seem inconceivable to Members of the House, but the preliminary estimate of the needs for this program arrived at after a survey by the agency was a whopping $142.6 million, which the agency felt "was well in excess of the feasible levels." This figure was then reviewed by the agency and was submitted to the Bureau of the Budget in the amount of $91.7 million. The Bureau of the Budget before submitting it to the Congress reduced it $56.7 million and we have now reduced it to the $40 million.

Mr. CAHILL. Mr. Chairman, will the gentleman yield?

Mr. LIPSCOMB. I yield to the gentleman.

Mr. CAHILL. I wonder if the gentleman could tell me and the other Members of the Committee how the Department of State determines the eligibility and the qualifications of the recipients of this aid. I note, for example, that the Joey Adams show was awarded, I believe, about $256,000 last year to make a tour of the Near East.

On the other hand, I had in my district a local American Legion band which has won a national contest and was asked to participate in a world music contest in Holland representing the United States. They were not able to get any money whatsoever to aid them. I have been trying to find out what it is that qualifies one of these recipients and I have been told that actually it is not the State Department that determines the qualifications, but some organization in New York City. I wonder if the gentleman could tell us the name of it.

Mr. LIPSCOMB. This is an organization in New York City entitled "ANTA." This organization, ANTA, is on a contract basis. There is $110,000 for this in this budget. This association has a panel of so-called experts that evaluate both the artistic ability and the quality of the performance of these people.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. LIPSCOMB. In just a moment.

It is a closed shop and I feel there should be some analysis of this agency by the Government to find out how they can get better entertainment, more qualified entertainment, more representative people to send overseas if we are going to put millions into this program.

The committee has taken specific notice of it in the report.

Mr. CAHILL. I thank the gentleman and agree wholeheartedly with him.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and that they may appear immediately following those of the gentleman from California [Mr. LIPSCOMB].

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Chiarman, will the gentleman yield?

Mr. LIPSCOMB. I yield.

Mr. THOMPSON of New Jersey. The organization, the American National Theater and Academy is a congressionally chartered organization. It has various panels made up of persons recognized as expert in the various fields. They have had, in answer to a reference by my friend from New Jersey [Mr. CAHILL], a policy, which I consider to be somewhat questionable, of sending abroad almost exclusively professionals rather than younger people. I think they should reconsider this policy.

The Adams thing according to the newspaper reports was something of a fiasco. I discussed it with the distinguished gentleman from New York. I think perhaps the quality of selection is excellent. I think some of these problems are overemphasized. The Adams incident was an isolated instance. The others have been notable for their great success.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. LIPSCOMB. I yield to the gentleman from New York.

Mr. ROONEY. Mr. Chairman, I am a bit reluctant to get into this, but it seems to me that they always have a couple of deadheads or eggheads over in the State Department to handle this program who do not know the difference between Corse Peyton and Joe Cook, as to which one was the comedian, and put them in charge of negotiations with ANTA. Now, most everybody in show business knows that Joey Adams is a low-grade comedian but because of the fact that he was president of AGVA which is the union of which we have been hearing and to which strippers and B-girls must pay substantial dues, instead of sending a real comedian of A-1 quality like Buddy Hackett they have to send Adams at $1,200 a week with his wife who wrote a series of newspaper articles which knocked the block off the foreign people whose friendship we were trying to court.

Mr. LIPSCOMB. Mr. Chairman, the items I have mentioned today bear on only a small portion of the programs represented in the bill before the House.

Appropriations requests are constantly expanding, which in turn sets the stage for still larger appropriations in the years to come.

Though in large part, Congress must rely on the integrity and best judgment of those in the executive branch to operate programs and carry out policy in the best interest of our Nation and its citizens, Congress must appraise these requests with the knowledge that the American taxpayers do not want, nor can our Nation afford, unrestricted spending, whether it results from lack of control over expenditures, mismanagement, overzealous promotion of activities or any of the many other factors which have contributed toward pushing the national budget to its present peacetime high.

My support of this bill before us is a qualified support. I do not think the cuts that have been made will adversely affect the operations of these agencies in any way or the security and welfare of our Nation, and in fact believe further reductions may have been made.

Mr. ROONEY. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, once again our subcommittee brings before the House an appropriation bill that in our best estimates will meet the needs of the Departments of State, Justice, and Commerce, the Federal judiciary, and related agencies. We have tried to bring you a lean bill and a bill that is adequate for the purposes of programs and services involved.

TRIBUTE TO CHAIRMAN

To the extent that we have succeeded in this intention, much credit is due to our chairman, the gentleman from New York, JOHN ROONEY. During the years of my service on the Committee on Appropriations, it has been my good fortune to work with chairmen who are among the ablest men in the House. None is more capable or conscientious than JOHN ROONEY. A bill that involves so many controversial functions of the Government is bound to cause disagreements. With great diplomacy and tact, our chairman helps to iron out differences and compromise varying viewpoints in order to bring a bill before the House that has the support of his committee. Anyone who has read our hearings cannot help but respect his intimate knowledge of the detailed operations of these agencies and his determination to have all of the facts on the record.

During my service on the Committee on Appropriations, I have found all of the members with whom I have served to be dedicated and hard-working men who placed nothing above the welfare of their country. Although we have had differences of opinion, I have never had cause to doubt their sincerity of purpose or their dedication to public service. This subcommittee is no exception to this experience. The gentleman from Florida [Mr. SIKES], the gentleman from Washington [Mr. MAGNUSON], the gentleman from Ohio [Mr. BOW], the gentleman from California [Mr. LIPSCOMB], and the gentleman from Michigan [Mr. CEDERBERG] are all capable and conscientious members. The Congress and the country are fortunate in having men of their ability and judgment serving on this committee. During our long and tedious hearings, I have learned to appreciate each of them and I hope they are aware of the high personal regard in which I hold them.

PAST CONTRIBUTIONS

Perhaps I might be excused if I take this opportunity to reminisce a bit today. My first experience on this subcommittee sat me next to one of the finest gentlemen it has been my privilege to know, the late Prince Preston, of Georgia. His name was appropriate since he was in every way a prince among men. It means a great deal to a new Member to have the friendship and help of an experienced Member. I wish all Members could be as helpful to new Members as Prince Preston was to me.

The ranking Republican member at that time was Karl Stefan, of Nebraska, who was determined that the United States should have the strongest foreign service possible. At that time, there was a tendency among some groups in Government to bypass our Ambassadors in dealing with other nations. While I am happy to say that this situation was corrected in large part due to his efforts, I regret to say that in some instances we still find ambitious and thoughtless people making the same mistake. This must not be permitted to happen again. The Department of State must be the strong arm of Government in our relationships with other nations of the world.

DEBT TO STATE DEPARTMENT

During my service on the subcommittee, I have been impressed by the persons of real ability representing us in the State Department. The work is always arduous and sometimes thankless, and I am sure that many of these dedicated people feel a sense of frustration at times. But in my opinion, based on observations through the years, I think we in the Congress and the country owe the State Department an immeasurable debt of gratitude. In the main, we can well be proud of their efforts. I say to the House that the work of the State Department is in capable hands.

Allowing for an adjustment made in the bill before us today to substitute a direct appropriation for back-door spending, the amount recommended by the committee is $102,112,300 below the budget request. The reductions were carefully selected and will not impair vital functions of the Government. These reductions made it possible for us to recommend a direct appropriation of $115,480,000 for the Area Redevelopment Administration rather than authorizing Treasury borrowing.

TRIBUTE TO SECRETARY

This bill includes funds for carrying out some of the most important activities of our Government. The Department of State is charged with the primary role in the conduct of our country's foreign relations. As head of the Department of State and the principal adviser to the President in the determination and execution of the foreign policy of the United States, the Secretary of State carries a heavy responsibility not only in policymaking but in the administration of his Department. In my remarks last year, I complimented the Secretary on his genuine interest in the day-to-day operations of his Department.

Secretary Rusk's testimony this year is an excellent presentation of the problems of the Department and the steps that have been taken, or are contemplated, in the effort to find workable solutions. Our report on this bill commends the Secretary and the other officials of the Department of State responsible for the decision not to request additional personnel in their budget estimates for fiscal year 1963.

NO PERSONNEL ASKED

To the best of my recollection, this is the first time that a Cabinet member has come before a subcommittee on which I have served and did not ask for more personnel. As our report says:

> The committee recognizes that such a stand is highly unpopular especially among

the so-called empire builders. It is to be hoped that not only will the Department of State continue to advocate such a policy but that the officials of other departments and agencies will adopt it as well.

In his testimony before our subcommittee, Secretary Rusk has ably highlighted a problem all too prevalent throughout the Government:

> For years the Department has allocated too much of its available funds for salaries of people and too little for their support.
>
> In this new budget the Department proposes to strike down this imbalance in resources—to have enough but not too many people, and to support them with the funds they must have to perform to the best of their abilities.

This is a purpose all of us can applaud and we wish the Secretary well in the worthwhile effort he has undertaken to reorganize and modernize this important Department of Government. Although we realize that tradition and custom continue to play an important role in the conduct of foreign affairs, we cannot expect a 19th-century State Department to cope with complexities of a 20th-century world.

RESPECT FOR FBI

At least one valid measure of an agency's work is public support and public approval. An immediate example of this is the Federal Bureau of Investigation which has won the respect of the American people through efficient and dedicated service. The committee's recommendation that the Bureau be granted the full amount of its budget estimate, $130,700,000, reflects this confidence in the Bureau and in its able Director, J. Edgar Hoover. The amount allowed will provide for 218 additional employees, 145 special agents, and 73 clerks, all of whom will be assigned to the field.

Another measure of an agency's effectiveness is its ability to retain experienced employees. The record of the Federal Bureau of Investigation in this regard is an enviable one: 46 percent of its employees have served for more than 10 years and an impressive 76 percent of its investigative staff has served from 10 to 40 years. The turnover rate of the special agent staff during a test month was three-tenths of 1 percent, as compared to 2 percent for Government employees as a whole.

An experienced staff has enabled the Bureau to absorb many of the new responsibilities imposed upon it by law. In addition, the investigative staff worked a total of 3,668,416 hours of overtime. This voluntary overtime service represents the equivalent of 1,764 agents on a full-year basis, which would have cost an estimated $18,702,387.

Mr. Hoover requested the new employees for next year to meet the manpower needs of the Government's stepped-up program directed against organized crime and racketeering. All of us, I am sure, are in support of the Attorney General's intention to press a coordinated drive by all Federal agencies against organized crime in this country. I recommend that Members of the House read Mr. Hoover's highly informative testimony on this subject. Crime continues to increase rapidly and to rise four times faster than the population.

CITIZEN MUST FIGHT CRIME

In analyzing this trend, Mr. Hoover reminded us that "the ultimate weapon in the fight against crime is the American citizen."

He said:

> The overlords of organized crime could be dealt, I believe, a death blow if citizens would stop trading with the bookie, the prostitute, the drugpusher, and other salesmen of the criminal empire. The pennies, nickels, dimes, and dollars funneled into the underworld bankrolls provide the means for the hoodlums and racketeers to spread graft and corruption throughout the Nation. Too, the customers of organized crime, desperate for funds, often turn to robbery, burglary, or other such crimes.

One of the most disheartening problems is the great increase in the frequency and viciousness of criminal acts by young people. Mr. Hoover correctly characterizes this as "a damning indictment of some parents." Crime by juveniles has increased twice as fast as the adult crime rate and the trend is continuing. Law enforcement officers alone, at whatever level of government cannot hope to solve this problem. It is clearly the most important challenge facing parents who have the high moral responsibility of guiding their children to proper development as good, law-abiding citizens.

IMPORTANT SECURITY RESPONSIBILITIES

Most Americans are well aware of the important work of the FBI in investigating communism, espionage, sabotage, treason, and subversion. It is imperative that the FBI continue to have the best possible coverage of the activities and plans of individuals and groups which threaten our internal security. Although much of our discussion in this area was necessarily off the record, the Director's testimony on these subjects will give Members an accurate estimate of the current state of the problem.

BUREAU OF PRISONS

In discussing Department of Justice items, I again want to compliment the capable and experienced director of the Bureau of Prisons, James V. Bennett, for the efficient and determined manner in which he and his associates are coping with the ever-increasing problems of our Federal prison system. The increase in prison population and the longer sentences resulting from the increase in serious crimes continue to complicate these problems. To help meet the need for buildings and facilities, the committee included funds for the advance planning, replacement for the National Training School; chapel facilities, El Reno, Okla.; additional facilities, Texarkana, Tex.; an open youth institution; general repairs and improvements; and $75,000 for commencement of construction of an activities building at Sandstone, Minn.

FEDERAL PRISON INDUSTRIES

Members will also be interested in the state of the Federal Prison Industries, Inc., a wholly owned Government corporation. A board of six directors appointed by the President controls its policies. Supervision is by the Director of the Bureau of Prisons who has jurisdiction over all industrial enterprises and vocational training programs in all Federal penal and correctional institutions. Products manufactured by inmates are sold only to penal institutions and to other Government agencies. Earnings, in excess of operating revenues, are paid as dividends to the U.S. Treasury.

The corporation is authorized, under the Attorney General, to establish and operate industries in Federal penal and correctional institutions and disciplinary barracks. Its objectives are to provide employment for physically fit inmates; to provide maximum vocational training for qualified inmates in connection with regular institutional and industrial activities; and to operate a placement service to assist released inmates to secure jobs. Earnings from the sale of these products pay the expenses of the corporation and have permitted payment of $43 million in dividends into the Treasury since January 1, 1935. Although no dividend was paid during 1961, it is anticipated that a dividend of $4 million will be paid both in 1962 and 1963.

SMALL BUSINESS ADMINISTRATION

Mr. Chairman, the committee has included the full $300 million requested in the budget for the revolving fund to carry out the activities of the Small Business Administration. This includes loans to small businesses, loans to disaster victims, loans to small business investment companies for organizational growth and operating purposes, and to State and local development companies.

Since questions sometimes arise in this area, I would like to briefly discuss the repayment record of this agency. Through the close of business on December 31, 1961, the agency had charged off $4.8 million on 396 loans. In addition, 813 loans were in liquidation and were handled in a special manner prior to or during foreclosure and 843 loans were delinquent over 60 days. It is estimated that probable losses on these loans will amount to $7.1 million. Losses, therefore, will probably total $11.9, which is only 1.3 percent of total disbursements to this point of $909 million. Considering the great benefits to many communities as a result of new and expanded business activities, this is a good record of repayment.

U.S. INFORMATION AGENCY

Now, Mr. Chairman, I wish to discuss briefly the work of the U.S. Information Agency and the Voice of America in particular. Last year we wished Mr. Edward R. Murrow, its Director, well in his undertaking. This year we can compliment him on an excellent job and offer him continued support in his further efforts to make this Agency an efficient and effective arm of Government in our dealings with the world. Mr. Murrow has worked tirelessly to improve USIA's projection to the world of a strong, democratic, and dynamic America which is serving the interests of all free peoples. He assures us that these efforts will continue in all of the communications techniques—personal contacts, libraries, press, radio, motion pictures, television, book publishing, and distribution.

In our report last year, we urged greater emphasis on information programs in Latin America and Africa. Mr. Murrow has increased our broadcasts to Latin America from a total of 3 hours in Spanish to 9 hours in Spanish and 3 hours in Portuguese. The placement of package programs on local medium-wave transmitters has increased substantially.

LATIN AMERICAN EMPHASIS

USIA conducts informational and cultural programs in every Latin American country except Cuba, and in the British West Indies, French West Indies, and British Guiana. This is a time of great change in Latin America and it is more important than ever to promote understanding and acceptance of democratic processes by demonstrating them at work in the United States.

During the past year, radio, television, and local motion picture production has been expanded in order to reach a greater audience and to provide programs of special interest to rural, student, and labor groups. Included in the 9 hours of Spanish broadcast daily are 3 hours of news, commentaries, and features especially aimed at Cuba. The committee has expressed interest in increasing the 3 hours of Portuguese broadcasts for audiences in Brazil. I have seen pictures showing antennas on the houses in the low-income sections of Brazil and learned that our programs are being received and welcomed.

CONTRIBUTIONS TO PEACE

In dealing with programs of this kind, our problem is always one of making choices in the use of limited funds. We can point to many accomplishments; we also know that there have been failures. For the greater part, however, it is my opinion that we are getting a real return on our investments in many of these programs. The future may yet prove to us that the pennies we have spent on some of these efforts may well bring us closer to the goal of peace in the world than the dollars spent on hydrogen bombs and long-range missiles.

Mr. Chairman, our report is the result of many weeks of hearings and deliberation and presents our best estimate of the funds needed to carry on essential activities in the departments concerned. With proper husbanding and better utilization of men and materials, these amounts should be ample for efficient and effective administration of the programs assigned by law.

Mr. MacGREGOR. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Minnesota.

Mr. MacGREGOR. In speaking of the rural development program, is the gentleman from Minnesota referring to the funding of the area redevelopment program?

Mr. MARSHALL. That is exactly right.

Mr. MacGREGOR. I commend the committee for funding this by direct appropriation instead of by borrowing through the back door of the Treasury.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the distinguished gentleman from Minnesota.

Mr. NELSEN. Mr. Chairman, I wish to thank the gentleman for his fine statement. I would further like to make the observation that it is my understanding the gentleman from Minnesota, Congressman MARSHALL, intends to retire after this session. He being my neighbor for a long time and having been associated with the work that the gentleman has done and observing what the gentleman has done, I want to say that all of us owe a vote of gratitude to the gentleman for his fine and conscientious work. We have appreciated his companionship and his fine attitude in this body over a period of many years. Certainly I must say that has been true during the time I have served in this body.

Mr. Chairman, I think the gentleman's statement today has been one that shows a profound study of the work of our Government. The gentleman has made a very distinct contribution to better execution of the affairs of the Congress of the United States.

Mr. MARSHALL. I am very happy, Mr. Chairman, to yield to my distinguished colleague from Minnesota for that purpose. I regret that I am retiring, because I could use the gentleman's comments in a political campaign if I were to run again. They would be, I am sure, a great help to me. I do appreciate the gentleman's statement. Although the gentleman used the word "retiring" I do not feel in that sense of the word that I am retiring. I am looking forward to having the time to do a lot of things which I have wanted to do for a good many years.

Mr. ROONEY. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I was most certainly remiss a while ago in not reminding the Members of the Committee of the Whole of the voluntary retirement of the distinguished gentleman from Minnesota [Mr. MARSHALL]. I do want to say that his leaving the House of Representatives is a distinct loss to this subcommittee, to the full House Committee on Appropriations and to the entire House of Representatives. In the years that the gentleman from Minnesota has served on this subcommittee, for a man who is not a lawyer, he has always had the reputation of being the best cross-examiner on the subcommittee. The gentleman always knows exactly what he starts out to prove and is capable of proving exactly what he has in mind. I say, to repeat, that it is a great loss that the distinguished gentleman from Minnesota is leaving the House of Representatives.

Mr. MacGREGOR. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I am delighted to yield to my colleague, the gentleman from Minnesota.

Mr. MacGREGOR. Mr. Chairman, I should like to express the hope to my colleague that his promise of further hard work in central Minnesota when he leaves this body will not bode ill for the efforts of those who sit on this side of the aisle.

Mr. Chairman, the gentleman from Minnesota referred to the help given him when he was a first-term Member of this body. I should like at this time, although we are of differing political parties, to express to the gentleman from Minnesota [Mr. MARSHALL], and so that the Members of the House might know, my appreciation for the guidance and counsel given to this first-term Member from Minnesota by the gentleman now in the well. I appreciate it a great deal.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, I want to join my colleagues who are paying tribute to the congressional career of the gentleman from Minnesota [Mr. MARSHALL]. When I first came to Congress our offices were adjacent. I spent many pleasant hours with the gentleman from Minnesota and received much beneficial advice and assistance from the gentleman.

I shall never forget one time when I offered an amendment to the Mutual Security Act which I thought was a very meritorious one, and I was able to get only one on the majority side of the aisle to support that amendment; that was the gentleman from Minnesota. I have never forgotten his kindness in that regard.

Mr. Chairman, as the gentleman completes his service in the House of Representatives, I wish him well.

Mr. ROONEY. Mr. Chairman, I yield to my distinguished friend from Indiana [Mr. HARVEY].

Mr. HARVEY of Indiana. Mr. Chairman, I should like to join my colleagues on this side of the aisle in paying tribute to the gentleman from Minnesota [Mr. MARSHALL] and to the service he has rendered the Congress and the country. From my observation, he has been a great statesman. I regret very much that he is leaving our body.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I should like to join in these richly deserved compliments that are being paid to my friend, the gentleman from Minnesota [Mr. MARSHALL]. When we came to Congress together, in the 81st Congress, our offices were across the hall from each other. I met the gentleman immediately. We had many conversations at that time and came to know each other well. I have the highest respect for the gentleman; I shall miss him greatly, and it is my hope that if ever this Congress adjourns in reasonable time, say in August, I may join the gentleman up in Minnesota in something we both like to do, and that is to get out in a boat and do a little fishing in the lakes of Minnesota.

Mr. ROONEY. Would the gentleman bring any of the tools of the trade with him?

Mr. GROSS. Mr. Chairman, I will say to the gentleman that when the gentleman from Minnesota and the gentleman from Iowa go fishing, we do not need any tools of the trade.

Mr. ROONEY. Mr. Chairman, I yield to the distinguished chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. Cannon].

Mr. CANNON. Mr. Chairman, it has been my good fortune to be associated with the distinguished gentleman from Minnesota [Mr. Marshall], not only on the floor but in committee and at close range. He is and he has been one of the most valuable Members of the House and has rendered special service not only on this committee, but particularly on the Subcommittee on Agriculture, on which subject he is one of the best informed Members in Congress today.

His decision to retire is a distinct loss to the Congress and the country. He is intimately acquainted with every phase of agriculture—both as a prominent administrator in the Department of Agriculture and as the owner and operator of a farm where he has engaged in diverse farming and put into practice the various improvements of agencies of the Department.

He is a scholarly man and able to appraise and report on the research studies and specialization activities of the greatest decade of progress in the history of American agriculture in a very practical way. Consequently his loss to the House and the farmers of the Nation is far greater than the average layman can visualize.

He is retiring over the vigorous protest of the Department and the committee but he is entitled to this well-earned vacation and we trust we can still call on him in time of special need. We wish him Godspeed and the special rewards which come to the man engaged in the work nearest to his heart.

Mr. ROONEY. Mr. Chairman, I yield to the distinguished gentleman from Florida [Mr. Sikes].

Mr. SIKES. Mr. Chairman, certainly I do not want this opportunity to pass without expressing my great personal admiration for the outstanding work which has been done in the Congress by our distinguished colleague, the gentleman from Minnesota [Mr. Marshall]. I deeply regret that he has decided to leave the House. He is the type of sound, solid, rugged American that this Nation needs in Government. So it is with genuine sorrow that I see him give up his work here. He is a hard worker, a patient and careful worker who has rendered such valuable service to this committee and to the Congress. We need him and we need more like him. There are not enough Fred Marshalls in Government.

Mr. ROONEY. Mr. Chairman, I yield to the distinguished gentleman from Washington [Mr. Magnuson].

Mr. MAGNUSON. Mr. Chairman, I have had the pleasure of sitting alongside the gentleman from Minnesota [Mr. Marshall] on this subcommittee for a number of years now. I want to join the chorus of admiration which has been expressed here. It has been a distinct pleasure to serve with him. We are all sorry to see him go. The Congress and the country are going to be the losers.

Mr. ROONEY. Mr. Chairman, I yield to the distinguished gentleman from Indiana [Mr. Denton].

Mr. DENTON. Mr. Chairman, I join the other Members in paying my tribute to Fred Marshall. He and I came to the Congress at the same time, the 81st Congress. I served with him on the Subcommittee of Appropriations for the Department of Labor, and Health, Education, and Welfare. I was impressed with his remarkable knowledge of the programs in that Agency. I think we all remember the work he did about the health of the Indians. He was dedicated to that service. The Indians had had a very, very high mortality rate. He made it a point to see that this was corrected. The health of the Indians has improved tremendously because of his effort, especially insofar as tuberculosis is concerned. I think we can all be proud of the work he did in that respect. I am very, very sorry he is leaving Congress.

Mr. ROONEY. Mr. Chairman, I yield to the distinguished majority leader, the gentleman from Oklahoma [Mr. Albert].

Mr. ALBERT. Mr. Chairman, I am very happy that the members of this great committee are taking the time to pay deserved tribute to a great Member of this House and a great American. I am very sad that this distinguished gentleman is departing from the Congress. I have had the privilege of watching him on the floor for many years. He has been one of the most conscientious Members that I have known during my service here in the House. His attendance record, I am sure, is one of the finest. He is a man of independent judgment. He makes his mind up, but he does not make it up without thought and consideration. He is fair. He can disagree without ever being disagreeable. I join the members of this great and distinguished committee in wishing him many happy and useful years back in his home State of Minnesota.

Mr. BENNETT of Florida. Mr. Chairman, Fred Marshall and I came to Congress at the same time, in 1949. This has given me the opportunity to know him and his attractive wife more closely than would otherwise be possible. I know of no one in Congress who has better expressed in our deliberations independence of thought, careful judgment and a feeling of good will toward all. It has been a pleasure to serve with him. He has set a standard of excellence in service here that we could all use as a goal toward which to strive.

Mr. ROONEY. Mr. Chairman, I yield to the distinguished gentleman from Minnesota [Mr. Marshall] who is blushing to such an extent that it is very apparent to all of us, because he has always been a really modest gentleman.

Mr. MARSHALL. Mr. Chairman, my heart is overfilling with gratitude for the fine things the Members have said about me today. If I had known the Members would have had these fine things to say I would have had Mrs. Marshall sitting in the gallery so that I could convince her that my work and effort have been a little worthwhile.

It has been a privilege to serve as a Member of this body. The people of the country ought to appreciate more than they do the fine men and women that are representing them in this great body. This is the greatest legislative body in the world. It is a privilege to be a participant in the activities that take place. I say to all of you that this country is in good hands in our system of Government, when we have the representatives that come from all over the country and serve the people of this country and the world as well as they do here.

It is a wonderful privilege to have been with you. I am going to take with me many fine memories of my acquaintanceship with you. I am sure that I appreciate the friends that I have on both sides of the aisle. If any of you at any time are up in our section of the country, we would be most happy to have you stop in and visit some of our 10,000 lakes in order to enjoy our fine State and if you fish I hope you will have the usual good luck of those who fish in our waters.

Mr. BOW. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. Cederberg].

Mr. LINDSAY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-three Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 168]

Alford
Anfuso
Auchincloss
Ayres
Bass, N.H.
Becker
Blitch
Boggs
Bolling
Bolton
Boykin
Breeding
Brewster
Bromwell
Buckley
Carey
Celler
Cramer
Curtis, Mass.
Dague
Davis, James C.
Davis, Tenn.
Dawson
Devine
Diggs
Dole
Dominick
Dulski
Ellsworth
Farbstein
Findley
Fino
Flood
Flynt
Fogarty
Frazier
Fulton
Garland
Giaimo
Gilbert
Green, Oreg.
Green, Pa.
Gubser
Halleck
Hardy
Harrison, Va.
Harsha
Harvey, Mich.
Hays
Hébert
Hoffman, Mich.
Karth
Kearns
Kee
Kelly
Keogh
Kilburn
King, Utah
Kirwan
Lane
Lankford
Latta
Loser
McSween
Macdonald
Mailliard
Martin, Mass.
May
Merrow
Moeller
Montoya
Moulder
Multer
Norblad
Peterson
Pilcher
Powell
Roberts, Ala.
Roush
Santangelo
Saund
Scherer
Scranton
Shelley
Slack
Spence
Taber
Thompson, La.
Utt
Vanik
Van Zandt
Waggonner
Willis
Winstead
Yates
Zelenko

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Thornberry, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 12580, and finding itself without a quorum, he had directed the roll to be called, when 336 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. BOW. Mr. Chairman, at the time of the call for a quorum I had yielded 5 minutes to the gentleman from Michigan [Mr. CEDERBERG].

Mr. CEDERBERG. Mr. Chairman, just prior to the quorum call my colleague from Minnesota [Mr. MARSHALL] was explaining the bill now pending before us in his usual able manner. We on our side of the aisle also want to extend our regrets, FRED, that you are going to be leaving us. We are going to miss you a great deal.

Mr. Chairman, I might say in this connection that immediately following the passage of this bill we are going to have some comments for our colleague, the gentleman from Michigan [Mr. HOFFMAN] who is also going to retire and who is going to be honored by an affair in his district on tomorrow, which affair a number of us hope to be able to attend.

Mr. Chairman, I want to associate myself with the remarks of others on our subcommittee who have spoken on this legislation.

This is a bill which covers very many important agencies of our Government. The State Department, of course, is charged with the responsibility of carrying on foreign affairs for our Nation throughout the world. I want to say this: I believe that there are many areas in this bill where the amounts allowed are too high. But we all recognize, as we sit down and discuss these things, that we have to reach some kind of negotiation. What we have come up with is this as the best negotiated judgment of the entire subcommittee. We never get everything we want one way or the other. As has been stated before, there are no new positions for the State Department. This is true in spite of the fact with the emerging nations of Africa there is a requirement for the opening of new posts. But there is going to be a shift of personnel from other areas in an effort to try to take up this requirement for new personnel for these new areas.

Mr. Chairman, I want to say personally in passing that I thought last year the State Department had a wonderful team—administrative team—in Assistant Secretary Roger Jones and William Crockett. Mr. Jones has left. I happen to be one who believes that he is going to be missed in the State Department. I trust that his successor will do an excellent job. In my opinion the shoes of Roger Jones will be difficult to fill.

Mr. Chairman, I would also like to state that we recall that some time ago—and while this has nothing to do with the appropriation itself, it does have something to do with the State Department—we heard a great deal about the appointment of noncareer Ambassadors and how this was going to be changed by this administration. Well, I have a review of the number of Ambassadors that have been appointed. As of May 1 there were 72 new appointments; 29 of these are noncareer appointments. I for one happen to believe that there is a real place for noncareer Ambassadors. I think it is excellent that they are appointed. This was true under the old administration. It was my understanding that this was not going to take place under the new administration. There is a place for both career and noncareer Ambassadors. I am glad the administration has realized this.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. Yes, I yield to the gentleman from Iowa.

Mr. GROSS. Can the gentleman tell me what has happened to Ambassador Chester Bowles?

Mr. LAIRD. He was out at SAC the other day.

Mr. GROSS. I seldom see his name in the newspapers these days.

Mr. CEDERBERG. Let me say this: He, as the gentleman knows, was the Under Secretary of State. Then, for some reason or other, he left that job and is now a special adviser to the President on foreign affairs.

Mr. Chairman, I might say that this appears from the record to be rather expensive advice, because if one will check in the hearings on page 47 one will find that these conferences which Mr. Bowles is holding around the world already have cost us something like $600,000, which is a rather large and expensive sum.

Mr. Chairman, we heard a great deal of criticism in the past about the travels of Secretary Dulles and many others, but there has not been any reduction in travel in recent years, from looking at the record. Mr. Bowles is still on, he is still advising on foreign policy and, in my opinion, I think it is rather expensive advice.

Mr. GROSS. Making his contribution to the detriment of the taxpayers by running up bills of $600,000 for travel; is that correct?

Mr. CEDERBERG. I leave it to the gentleman's own conclusion whether or not these $600,000 of conferences were necessary.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Mr. Chairman, in reply to the question asked by the gentleman from Iowa, I would like to state that Ambassador Bowles was out at the Offutt Air Force Base in Omaha this last week, being briefed on the strategic strike capabilities of SAC. The Ambassador is trying to learn what happened to the missile gap which he talked about as chairman of the Democratic national platform committee in 1960. I think it is well that he went to the SAC headquarters so that he could see that the United States is a strong Nation and does have the power to carry out a positive foreign policy. It is too bad he did not make this visit earlier.

Mr. CEDERBERG. Mr. Chairman, I appreciate the remarks of the gentleman from Wisconsin, a member of the Subcommittee on Appropriations for the Department of Defense. I always said that this was more of a yap-gap than a missile gap, because we just did not have a missile gap.

Mr. Chairman, I should like to go on and discuss the Disarmament Agency, which is an agency we hope will succeed, but it does not seem that we are going to make too much progress with it in the very near future. This is another one of the growing agencies. For 1961 they had 413 actual positions; in 1962 897, and the estimate for 1963 is 1699. I hope that we will get some results, and we should like to give them a chance to produce.

Mr. Chairman, I should like to say something on an item that is of interest to me in my own area. We have had reports of the great success with the lamprey eel. Many of the Members who have been here for some years recognize that this has been of concern to many of us from the Great Lakes area. We are told that the lampreycide is making real progress and we are getting results from the electric weirs and that the lampreycide program is going along very well. When we go back into the House I shall ask unanimous consent to insert an article from my hometown paper on that matter. The Bay City Times, of June 17, 1962. The article follows:

LAMPREY CONTROL DEFINITE

(By Woodie Jarvis)

DETOUR.—Nearly 90 percent of all sea lampreys in Lake Superior have been destroyed by the chemical stream treatment program of the past 4 years, according to the most recent figures.

The long-sought turning point in the struggle against the vampires was reached this spring when the count of lampreys captured in electric weirs dropped to one-tenth of what it has been in recent years.

The beneficial effect of destroying 9 out of 10 lampreys already is showing on Lake Superior's trout population. Commercial fishermen in recent months have reported heavy catches of 4-year-old trout in perfect condition, unmarked by lamprey scars. In past seasons, this year class would have been virtually wiped out by lamprey attacks.

The dramatic destruction of adult lampreys, anticipated by both United States and Canadian authorities for this year, was disclosed by the count of spawning lampreys taken in electric weirs on 29 Lake Superior spawning streams.

On June 1, at the halfway point in the spawning season, only 3,630 lampreys had been captured as compared to 28,981 taken in the same weirs during the same period last year.

These figures are for the United States side of Lake Superior, ranging from the Waiska River near Sault Ste. Marie to Wisconsin's Amnicon River near Duluth, and officials say the Canadian catch has shown a similar dramatic drop.

The missing lampreys are the ones that have been killed as larvae in the streambeds during the past 4 years and never reached the point where they could mature and enter Lake Superior to prey on fish.

This means that attacks on fish have been reduced 90 percent during the past year. This reduced predation began to show up last fall, when the scarring rate on trout dropped suddenly toward the zero point.

With continued treatment and retreatment of Superior streams going on each year, the lamprey population is expected to show a further decline in the years ahead.

Authorities in charge of the program cautiously refuse to predict complete victory over the vampires. They say the most they hope for is to reduce attacks to the levels of 10 years ago.

The two largest lamprey spawning streams on the south Superior shore continue to be the Big Two Hearted River in Michigan and Wisconsin's Brule River.

Mr. Chairman, with regard to the Department of Commerce, they requested something like 2,200 new jobs. I believe that this bill will allow them about 900 of those. I do not think we can state exactly how many, but I will say as a member of the subcommittee that I believe this is still too many new jobs. It might be of some interest to you to know that the total of travel expense for the Department of Commerce is reported to be about $10 million a year. We hear a great deal of talk about the expense of travel of Members of Congress of the United States, but the agencies in the executive department are far ahead of us; do not forget that. So in the Department of Commerce $10 million is asked for travel expenses, both foreign and domestic.

Mr. Chairman, I should like to make a statement about the ship construction subsidy program. The administration reduced that this year to $50 million from $98 million last year. That is a phony reduction. Contracts are going to have to be made next year, so you may have to look forward to this amount being increased. I think every member of the subcommittee is in agreement that this $50 million figure is just a figure that was put in here to make it look a little better in the budget. Really it ought to be a little higher than that.

Another agency that you are going to see growing by leaps and bounds is that of the Area Redevelopment Administration. I do not believe there will be any distressed area as far as the paper industry is concerned, because I do not know an agency—and you are getting them in your office—that can issue more press releases than this one. Here are press releases for less than a month. On the 3d of July they issued eight in 1 day. On the 7th of July they issued nine in 1 day. They are really undistressing the paper industry if it is distressed. They are requesting increases in personnel and getting into the very area where I believe the Small Business Administration is doing a better job than the Area Redevelopment people. Nevertheless, they are authorized by law, and we have to do what we can to provide the appropriations, although in my personal opinion they are not doing the job that they are stating in their propaganda.

They have a formula that every time they make a loan it means the creation of X thousand new jobs. You will find nothing in the justifications that will bear out that that is the case. I suppose there is no more disappointed group of Members of Congress than those from say the State of Pennsylvania. When the hearings were held, not one loan from the Area Redevelopment Administration was made in the State of Pennsylvania. West Virginia was distressed, and I think one loan had been made there. I believe they are getting ready to pour out more money, but I do not believe the record indicates that this is a successful operation. We hope that it will be, but I have serious misgivings about it.

The U.S. Information Agency I believe in this appropriation is adequately funded. If we have some criticisms about these activities here, mine would be this, that they are not hard-hitting enough in their propaganda, they are not selling the American way the way they should. I hope this will be corrected. The best commodity we have to export is the free enterprise system. We should do better in this area. I regret the lack of time makes it impossible to go more into detail in regard to this appropriation.

Mr. ROONEY. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. BONNER], the chairman of the Committee on Merchant Marine and Fisheries.

Mr. BONNER. Mr. Chairman, I have the highest regard and respect for this subcommittee of the Appropriations Committee of the House of Representatives, led by the able gentleman from New York [Mr. ROONEY] and the ranking minority member, the gentleman from Ohio [Mr. Bow].

I was surprised to some extent when I noticed a reduction in the budgeted item for the Federal Maritime Commission of $800,000. Reorganization Plan No. 7 provided for the establishment of the Federal Maritime Commission as a separate agency on August 12, 1961. Its primary purpose was to insure a more vigorous enforcement of the shipping statutes. Immediately following the reorganization, two major shipping bills were enacted after intensive congressional investigation. The first of these bills related to the dual-rate contract structure of the steamship conferences and foreign carriers in commerce with the United States, and the second provided for the licensing and regulating of foreign freight forwarders. Both, enacted after intensive and exhaustive hearings, represent major revisions of statutes and require the Commission to greatly expand its activities to insure enforcement.

In addition, the Antitrust Subcommittee completed a 3-year investigation into the shipping laws, conference agreements, and other practices detrimental to our foreign commerce. Its report included numerous recommendations calling for the Commission to assume new responsibilities and increase its enforcement to more effectively administer the statute for the protection of the American public against unreasonable rates and shipping practices.

These actions by this Congress, namely, establishing a new agency to provide more vigorous enforcement of the law; enactment of new legislation placing greater regulatory authority in the Commission; and committee recommendations for the Commission to expand its activities for the protection of the American shipper, exporter, and importer were made in fiscal 1962.

This was the first year of operation of the Commission as a separate agency. Funds were made available on the basis of business as usual under conditions existing prior to the reorganization and made no provision for a staff required to accommodate the aforementioned actions by this Congress.

The Federal Maritime Commission has presented a budget request for $2,900,000 which provides for a staff of approximately 300 employees in 1963. The need for a staff of this size was urged as far back as last October upon enactment of the new legislation. Efforts to obtain a supplemental appropriation for 1962 were unsuccessful, and, if staffing permitted in 1963 should be insufficient, the years of study, investigation, and hearings in Congress will have resulted in establishing statutes on the books without providing adequate means of enforcement.

The appropriation proposed in H.R. 12580 in the amount of $2,100,000 which, I understand, covers funds for all expenses, including the additional requirement for rental of commercial office space since sufficient Government-owned space is unavailable, will only permit 200 man-years of employment. This is approximately 100 less than the number the Federal Maritime Commission urged as the minimum necessary to meet its responsibilities. Congress created this new agency, gave it additional duties, and recommended expanded regulatory effort. The degree of effectiveness of the Commission in implementing these actions is largely dependent upon adequate staffing.

Now, Mr. Speaker, when I noticed that the budgeted item for the Federal Maritime Administration to carry out the enforcement of existing laws prior to the reorganization and the other requirement brought on them by the reorganization plan, I notice the item of $800,000, a reduction from the recommended budget. Naturally, I was concerned for from time to time, the Merchant Marine Committee has had the Maritime Board and the new Maritime Commission before it questioning them about carrying out their responsibilities for the protection of the American importer and exporter and particularly vigorously with respect to freight forwarding and the enforcement of the regulatory laws applicable the steamship conferences. So with my respect for this subcommittee, naturally, I wanted to rise here today and ask for the comments of this subcommittee, for I am certain they went into this matter pretty thoroughly before they reduced this amount from the budgeted recommendation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOW. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. I would like for the subcommittee to explain to the House why this tremendous reduction was made in this budgeted item which is for the protection of importers and exporters and the general public who depend on water borne commerce—not only American flag vessels but foreign vessels that have to be supervised under the laws already on the books.

Mr. MARSHALL. I would say to the distinguished gentleman from North Carolina that the committee did go into this matter very thoroughly. This agency asked for a 100-percent increase in personnel or an increase of 153 new positions. The committee felt that was too much and we reduced that by 50 percent. We think they can do a good job and do what they are required to do with this 50-percent increase in personnel.

Mr. BONNER. I thank the gentleman for his explanation. I am sure that the subcommittee did examine the situation fully and fairly. I am sure too that the gentleman understands my concern lest this new agency not be able to carry out its functions due to lack of adequate staffing. As I explained, the work of this commission was the subject of 3 years of intensive study by the Committee on Merchant Marine and Fisheries and others. We found that the regulatory responsibilities of the old Federal Maritime Board, and the predecessor Maritime Commission, had not been properly carried out and that the work of the regulatory portion of the agency suffered from neglect in relation to the overall activities of the agency as a whole. Thus, we felt and could understand that to carry out its responsibilities under previously existing law the new Commission had to have a greatly enlarged staff over that previously assigned to regulatory work.

Then, of course, with the added burdens of new responsibilities stemming from the enactment of the Steamship Conference and freight forwarder legislation last year it seemed that the budget request for a still further increase in qualified staff was not unreasonable. I greatly appreciate the assurances of the chairman of this subcommittee that he and the subcommittee will follow the activities of the Maritime Commission closely. The distinguished chairman of the subcommittee knows the problems of the American shipping industry as well as any man in this House and I am sure that if it appears that the responsibilities of the Federal Maritime Commission cannot be carried out under the appropriation contained in this bill, he will be the first to move to remedy the situation.

I will say to the gentleman that the Merchant Marine Committee will continue to keep in close touch with the Maritime Commission in order to see whether it is adequately staffed to carry out its responsibilities under Reorganization Plan No. 7 and under the important regulatory laws dealing with both international and domestic waterborne transportation which it is obligated to administer.

Mr. BOW. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. Gross].

Mr. GROSS. Mr. Chairman, I think this is the first time I will have only one or two amendments to offer to this bill. I have tried repeatedly in the past to cut the liquor and entertainment funds. I think I will let someone else offer the amendments this year, if they so desire. Nevertheless, I am opposed to more than a million dollars being appropriated in this bill for that purpose.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. ROONEY. I assure my colleague that I shall be glad to recompense him for the time I now take.

My attention has been called to a letter written by the late Abigail Adams to Mary Cranch, dated September 5, 1784, on this very subject. Her husband, John Quincy Adams, was then the U.S. Ambassador to France. She said:

> I have become steward and bookkeeper determining to know with accuracy what our expenses are, and to prevail with Mr. Adams to return to America if he finds himself straitened as I think he must be. Mr. Jay went home because he could not support his family here, with the whole salary. Mr. Adams is determined to keep as little company as he possibly can, but some entertainments we must make and it is no unusual thing for them to amount from 50 to 60 guineas at a time. More is to be performed by way of negotiation many times at one of these entertainments, than at 20 serious conversations, but the policy of our country has been, and still is, to be a pennywise, and a pound foolish.
>
> We stand on sufficient need of economy, and in the curtailment of salaries. I suppose they thought it absolutely necessary to cut off their foreign ministers. But my own interest apart, the system is bad, for that nation which degrades their own ministers by obliging them to live in narrow circumstances cannot expect to be held in high estimation themselves. We spend no evenings abroad, make no suppers, attend very few public entertainments or spectacles as they are called, and avoid every expense that is not held indispensable. Yet I cannot but think it hard, that a gentlemen who has devoted so great a part of his life to the public service, who has been the means in a great measure, of procuring such extensive territories to this country, who saved their fisheries, and who is still laboring to procure them further advantages, should find it necessary so cautiously to calculate his pence for fear of overrunning them.

Do we not have just about the same situation today? And do not all the Members of the House of Representatives and of the Congress of the United States want our diplomats to have sufficient funds? We want them to have enough, but we do not want them to have so much that they become wasteful, intemperate, and extravagant. That, generally, has always been the position of the subcommittee.

I thank the gentleman from Iowa.

Mr. GROSS. Just a minute, was there not a little bargain to compensate me for time you have taken?

Mr. ROONEY. Mr. Chairman, I am pleased to yield the gentleman from Iowa 1 additional minute.

Mr. GROSS. Oh, Mr. Chairman, I protest.

Mr. ROONEY. Mr. Chairman, in view of that I yield the gentleman 2 additional minutes.

Mr. GROSS. I thank the gentleman, but I think he used the better part of 3 or 4 minutes.

I suppose the problem of entertainment has been with us since the beginning of the Republic, but I will say to the gentleman from New York that I live in a place where I can see the New State Department Building, and there is scarcely a night that the lights do not burn brightly at the "Top of the Mark" on that building.

Mr. ROONEY. In this connection I should like to say to the gentleman from Iowa that it has come to my attention, that this committee should inquire whether the taxpayers are being reimbursed for the electric light, janitorial service, wear and tear, and other such things at the new building when used by outsiders. In my town of Brooklyn when an affair is held in a public school or other public building, somebody must pay the cost of the electric light, janitorial and cleaning service, and so forth. I do not see any reason why the State Department should not insist upon the same thing for all the nonofficial functions being held there.

Mr. GROSS. The gentleman from New York consumed another minute of my time with that speech.

I do not know whether it is State Department officials or who that is using it, but the fact is that plush setup on top of the State Department Building is being operated almost every night.

There are a great many questions that ought to be asked about this bill. Not so long ago I read that the State Department is hiring only girls five feet in height to go down to Ecuador.

Mr. ROONEY. Mr. Chairman, will the gentleman yield? I will try to be very brief.

Mr. GROSS. I yield, but I am curious to know why they have to be just 5 feet, and not 5 feet 2 with eyes of blue.

Mr. ROONEY. The gentleman in the State Department here in Washington in charge of personnel thinks that because a girl is more than 5 feet tall she should not be assigned to Guayaquil, Ecuador, because she cannot get male dates. He apparently does not take into consideration the question of whether or not she is a capable code clerk. His paramount criterion is whether she may be invited out to dinner.

The following is from pages 571 and 572 of the State Department hearings:

> Mr. Rooney. My attention has been called to an interesting article also in this morning's newspaper. Mr. Jerry Kluttz reports that:
>
> "For reasons of romance, State is giving preference for its jobs in Ecuador to single girls who are shorties, no more than 5 feet tall.
>
> "The Department for years had been assigning G-girls to that country routinely and without regard to their height. Many were lonesome and dissatisfied because they were rarely asked out socially by Ecuadorian men. A diplomatic sleuth went to work and came up with this happy solution:
>
> "Send short girls with low heels to the South American country. Ecuadorian men are small and short by our standards and they wouldn't be caught dead taking out girls who are taller than they are.
>
> "Preliminary evidence indicates the plan is a success. The 5-foot G-girls are breaking into the country's social life; they're happier, and they do better work."
>
> Is that accurate reporting?
>
> Mr. Pollack. Mr. Chairman, may I have permission to go off the record a moment.
>
> Mr. Rooney. No, we are on the record.
>
> Mr. Pollack. Mr. Chairman, that is—let me take a second to think of my answer.
>
> Mr. Rooney. You can take 5 minutes to figure out the answer to this, if you need to.
>
> Mr. Pollack. Mr. Chairman, I am afraid I am the "diplomatic sleuth" that is referred to in that article.
>
> Mr. Rooney. That was my next question.
>
> Mr. Pollack. That is Mr. Kluttz' choice of language, not mine. I was in Guayaquil for a very brief visit last fall and did have an opportunity to talk to every employee at that post, and a minor point was made of the problem in Ecuador posed by a single

American girl of unusual height finding suitable male companionship, and I did bring back to Washington, among many other notes, the suggestion that this be taken into account in making assignments to a post like Guayaquil. I think this illustrates the variety of problems we are confronted with at our posts abroad. This is just one of the many things that have to be taken into account.

Mr. Rooney. I assume the article Mr. Kluttz wrote is correct, then?

Mr. Pollack. In essence; yes, sir.

Mr. Rooney. I thought you were too busy, Mr. Pollack, to be engaged in looking after the love life of your people in any post?

Mr. Pollack. Mr. Chairman, if to keep one of our valued staff employees happy and content it is necessary to provide an assignment according to height, we hope to do that; if it means providing a place for rest and recuperation, we hope to do that. It is important that we try to have people who stick to their jobs instead of moving them and reassigning them, which would mean additional costs.

Mr. Cederberg. Off the record.

(Discussion off the record.)

Mr. Rooney. I assume you gave that to Mr. Kluttz, did you, Mr. Pollack?

Mr. Pollack. Are we off the record, sir?

Mr. Rooney. No. We are on the record. This is the kind of nonsense that gets your Department in trouble.

Mr. GROSS. This is an absurdity. Screening out girls over 5 feet high. In other words, the State Department now attempts to regulate the love life of its employees in terms of stature.

There are many questions I would like to ask.

For instance, this cultural setup in Hawaii, and the reception center out there. I have some information about that, and I have written the State Department, but I am having a tough time getting information.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. BOW. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, I should like to join with others who have paid tribute to a great Member of this body, the gentleman from Minnesota [Fred Marshall]. We shall miss him.

I would like to incorporate in what I have to say all of the things that have been said about him. He has been an excellent Member of this committee, and it has been a great pleasure to serve with him on it.

Mr. Chairman, I take up a duty formerly taken over by the chairman of the committee in reference to discussions of these bills. We always listened very carefully to the chairman when he would get into the question of the judiciary, when he explained to the committee how the bankruptcies were increasing, when he would point out they are the largest in the history of the Republic, and tell us about the great increase.

But strangely enough, during this administration he has been silent.

May I point out what our record shows.

It is estimated that the number of bankruptcy cases filed in 1962 will approach 170,000. In 1963, the total filings will be in the vicinity of 185,000, or 40,000 in excess of the number of cases filed in 1961.

So the bankruptcies have increased this year, they increased last year, and this is in all areas, including business, individuals, and agriculture.

In order to keep the record in sequence year after year, we ought to point out this year's figures so that we can see what the situation is.

Mr. CEDERBERG. This is the way we are getting the country moving ahead again.

Mr. BOW. Mr. Chairman, I should like to discuss several other matters. May I first discuss very briefly some matters in Commerce. The gentleman from Iowa has been pointing to the representation allowances, and so has this committee.

You will find this on page 305 of the hearings of the committee. I should like to point out that we have now in the Commerce Department a Travel Bureau. We voted for it. I did not.

We have a Travel Bureau that is all over the world trying to induce people to come to the United States, to travel over here. They had some pretty good gimmicks in this.

You will find in here one of the gimmicks that was used over in London. There was a double-decker bus with a combo band and Indians on it. They drove through the streets of London, England, with the combo band and the Indians. This is to attract people to visit the United States of America.

In addition to that, there was also on that double-decker bus a port receptionist. This comes up in another bill involving immigration and naturalization. But it is very interesting, when we talk about the Indians, when we talk about the cowboys and Indians going through the streets of London with a port receptionist aboard who has in her possession letters from the President of the United States inviting people to visit our country.

During the investigation I turned to my chairman and I said, "Did you know about this?" The gentleman from New York [Mr. Rooney] replied, "I am blushing. It is all news to me." But, we were made to feel much better about it, because the next thing that the head of this agency told us was, "Well, they are locked up every night at 7 o'clock. The combo band and the Indians and the port receptionists are locked up at 7 o'clock. They can't do much damage from 7 on."

Now, there is another matter I wish to refer to. I do not have the page number here, but I can point out to you what they had to say about it. This is on the question of the representation allowances. We asked them why they needed as much money as they had, and he pointed out that again, in London, the only justification for the thousands of dollars they wanted for representation allowance and the only specific case they could give us was the case of where one of their representatives proceeded to a seashore resort in England and took six people—took them to tea. I think we should all feel very happy that at least this agency is now taking our English cousins to tea at seashore resorts in Great Britain. But, I hope that the Members will read the statement of this travel agency and then determine in your own minds whether or not you feel these are justifiable expenditures.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from California.

Mr. LIPSCOMB. I would like to tell the gentleman that the director of this agency has been speaking across the country on this subject, and I notice in the Los Angeles Times of July 19 that he was telling about the accomplishments of the agency. He said that the statistics prove that they have been doing a great good. He said:

> Already Gilmore emphasized, with the 16-percent increase experienced in the first 4 months of this year—and they are our poorest for tourists—we've attracted 147,000 visitors spending an average of $540 each.

Mr. BOW. Of course, what is happening is that the economy of Europe has increased and the people are traveling, but I still have confidence in the free enterprise of our own people, the airlines, the steamship companies, and others, to put out the proper travel information.

Mr. LIPSCOMB. That is exactly what I wanted to point out. Mr. Gilmore is taking credit for this accomplishment the agency had nothing to do with. He said in the hearings, which you are quoting from, that their advertising was not even going to start until February or March of this year, and they were not going to open offices until June or July of this year. They have not even been in operation long enough to take credit for the first 4 months of this year.

Mr. BOW. That is right. I thank the gentleman.

I should like now to call your attention to the State Department. I join in what has been said by the gentlemen who have preceded me, particularly the gentleman from Minnesota [Mr. Marshall]. There are some fine people in the State Department; many of them fine, dedicated Americans, trying to do a good job. Too many times, I think, perhaps, we point at the ills in this Department rather than some of the good, and I want to at least pay tribute to those who are dedicated. But, there are things that disturb me, and I should like to call the attention of the committee to something that disturbs me and I think will disturb you. We have a Bureau of Research and Intelligence in the State Department headed by a gentleman by the name of Mr. Hilsman. When he was before the committee he brought with him some secret reports which we had an opportunity to read. And, after I had read these reports I said to Mr. Hilsman, "Do these frighten you as they do me?" And then we discussed some things which were in them, which I cannot repeat on the floor.

But, I said, "Who gets these reports?" He said, "Well, the President gets them, and the Secretary of State." I said, "I think we are in bad shape." He said, "Well, we certainly can improve, and I think we are."

Mr. Chairman, I followed through on these documents. When he started talking about them I said, "Are we off the record or are we now reading from a secret document? Are you opening this document up so I may use it publicly?" He said, "May I supply you with an unclassified, sanitized version of this?" I asked him, "What does sanitized mean? Do you have one that is sane, and this is not sane?" He said, "Sanitary." I said, "Cleaned up?" I said, "You have been reading from these documents which are presented to the President and the Secretary of State that had to be cleaned up?"

Then, listen to this: I shall not read all of this because time will not permit. He said:

> The point I wanted to make here is that there is some utility in having a person write documents that are not fully cleared and do not have to go through the whole clearance process. Of course, some of these statements you have read are not completely valid. On the other hand, there may be half-truths and partial truths which will make people sit up and think.

Mr. Chairman, the secret, highly informed, the intelligence reports that go to the President and to the Secretary of State of the United States upon which our foreign policy is based, by the language of the head of that Department, on the one hand may be half-truths here and partial truths which will make people sit up and think—to make the President of the United States and the Secretary of State—to make them sit up and think, they submit partial truths and half-truths.

Mr. Chairman, I think that it is time we take a long, hard look at situations of this kind. I regret the necessity that I feel in bringing this to the attention of the Congress. But it would seem to me that this is a very dangerous practice.

Mr. Chairman, we have in the Public Affairs Department many things being done for which there is no necessity. We could have reduced this bill last year I feel by more than $1 million if we had taken out the publicity and propaganda that was being circulated in behalf of the reciprocal trade program. Why, there were divisions of the State Department in publication after publication where people were assigned to the White House from the State Department for the sole purpose of propagandizing for the reciprocal trade program. I asked the Director of Public Affairs this: "Now, you have been printing the speeches made by Under Secretary Ball. Will you print mine?" I had been speaking against it. Oh, no; "we will only print the one side." I pointed out and I said "That is for the purpose of getting to the people to influence the Congress," and he admitted it. You will find that in the record of the hearings of the Deficiencies Subcommittee.

Mr. Chairman, it seems to me that they are in complete violation of title 218, section 1913, when they are using public funds in departments of Government for the purpose of propagandizing the American public so that they may make their wishes known to the Members of Congress in an attempt to influence legislation.

Mr. Chairman, something has been said about the numbers of employees. I might say with reference to the State Department that I give them credit for this: Under "Salaries and expenses" there were no new employees. There were 12 in their entire bill and they were in the cultural exchange program. However, the thing that concerned me was the Commerce Department. The Depart of Commerce was asking for 2,200 new employees. They had built it up last year. We, actually, under the bill granted appropriations for 1,377 employees, the total of new employees under this bill. I have not the time to list them, but I will put them in the RECORD.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from North Carolina.

Mr. JONAS. Did I understand the gentleman to say that the Department of Commerce asked for 2,200 jobs in addition to those they had last year?

Mr. BOW. That is correct.

Mr. JONAS. If the gentleman will yield further, 2 or 3 weeks ago the Secretary of the Department of Commerce was quoted in the press as saying that all agencies and departments of Government could do a more efficient job with a substantial reduction in employment. I applauded that statement and thought he should be commended for it. I had been led to believe from that statement that, certainly, substantial reductions in employees would be recommended by the Department in this bill and in the estimate that came before the committee. I am amazed at the statement that the Department of Commerce requested more than 2,000 additional employees above the number they had last year.

Mr. BOW. The committee reduced that number by 896. I do not think we went far enough. I think we could have reduced it some more. But, as I say, for the gentleman from New York, there are some areas where he wanted to go one way and we wanted to go another; but we are in agreement on this bill. I believe there are some areas where greater reductions could have been made.

Mr. JONAS. Mr. Chairman, I congratulate the committee on the reductions. The point that I am making is that the Department asked an increase of 2,200 jobs above those they had last year.

Mr. BOW. That is correct. I will say that during the course of the hearings and in some of our executive sessions, the gentleman from California [Mr. LIPSCOMB] and the gentleman from Michigan [Mr. CEDERBERG] raised the same question that the gentleman from North Carolina is now raising. That is the question of the Secretary's statement which he made over the country that they would be more efficient with far less employees, that there were people he would like to get rid of. We thought that it was an excellent time and place to accommodate the gentleman. Unfortunately he was not accommodated to the degree that I felt he should have been accommodated.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. BOW. I am happy to yield to my colleague from Ohio.

Mr. McCULLOCH. Mr. Chairman, in view of the fact we are discussing the number of employees in the Federal Establishment of the departments in question, I think it proper to note here that the total number of permanent employees on the Federal payroll as of May 31, 1962, was 2,478,791. On January 1, 1961, the number of permanent employees on the Federal payroll was 2,372,580. In other words Federal civilian employees increased more than 106,000 in the 17-month period, ending May 31, 1962. These figures were given to me by the Civil Service Commission. I made a computation of the increased payroll resulting from such increased number of employees some time ago. Such increased payroll amounts to almost $600 million per year. In view of the fact that we are considering a tax reduction when we have a deficit such as we had at the end of this fiscal year, I think we should take a long, hard look at the alleged justification for any additional Federal employees.

Mr. BOW. I thank the gentleman for his contribution.

Mr. Chairman, I might point out that these figures I am giving you as to the number of employees are rounded out by the committee staff.

They are not exact positions but are accurate to the best of our ability to estimate. The increase under this bill will be 3,201 employees. But we reduced the number from the request that was made by 1,960. I should also point out that the gentleman from North Carolina [Mr. JONAS] asked some questions about the bill and what we did with the Maritime Commission. I think we were very fair to the Maritime Commission. We gave them 76 new employees. This is an agency just getting underway. I remember very well when the reorganization plan was on the floor we were told that this was going to save us money. Like so many other things, when you separate an organization and have new organizations you end up so that it costs more money than if you had just not bothered with it in the first place. I think we were very generous in providing these additional employees and I would suggest to that Commission that they take a good, hard look at their budget in the future. If you will read the justifications I do not think you will find any justification anywhere for any additional employees above those which we approved.

Small Business had an increase of 430. That is one of the larger ones. They made a good case before the committee. But I think that was a proper allowance, although we reduced them by 48 positions.

Mr. Chairman, I think this bill overall is a good bill. As I have said, there are some areas in which I would have favored further reductions. But we have an agreement and I should hope that next year these agencies will recognize the fact that the gentleman from Ohio [Mr. McCULLOCH] has just brought out, that we are in a serious situation, that we are talking about a tax reduction to prevent a recession. If we are going to have to reduce taxes we are going to have to reduce costs, and we are going to have to reduce these big bills. I hope when they bring up the budgets next year they will keep that in mind because I, for one, will fight against any increase in these budgets if there is any effort to reduce taxes.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I take this opportunity to compliment the gentleman from Ohio for the fine presentation he has made, for the way he has thoroughly gone into this budget for the Departments of State, Justice, and Commerce.

I have read the hearings. He has continually throughout the hearings dug into the agency budget to cut out every bit of waste and fat in these agencies.

I should like to ask the gentleman: Several years ago, in fact, in September of 1960, the 86th Congress passed a resolution, Public Law 86-796. At that time, I was joined by the U.S. Senator, now President, Mr. Kennedy, in getting that resolution through, inviting certain foreign countries to send representatives to the United States this summer to participate in an international parachute jumping contest. It will take place in Massachusetts next month. I am informed that 28 nations have accepted, including Russia, Italy, Britain, France, Yugoslavia, Japan, Korea, and many other countries. I requested under Public Law 87-256, the Cultural Exchange Act, funds to finance this international contest. I was turned down by the State Department and informed that this particular international contest did not have priority.

Mr. BOW. May I ask the gentleman if all the parachute jumpers are all Communists?

Mr. CONTE. No, they are not.

Mr. BOW. That is probably the gentleman's problem, because recently they paid the expenses of a Communist Soviet Union track team to go to California to compete. I can say to the gentleman in all seriousness, however, that this committee does not allocate for specific projects. In other words, they do not come before us and ask for specific projects, they give the overall picture of what they expect to do. But we do not have line items. I hope perhaps some day we can have line items in this bill so we can begin to do some of that.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. BOW. I yield to the gentleman from New York.

Mr. ROONEY. The gentleman has called our attention to the cultural program. It has come to my attention that the State Department brought to this country at considerable taxpayers' expense from Poland a hot jazz combination without knowing that they were a jazz combination. They thought they were bringing to the United States at Government expense four separate exchangees. Lo and behold, they arrived in Washington and participated in the Washington Jazz Festival, then went up to the Newport Jazz Festival. They were on television. This indicates how little the people in the State Department know about the background of those they bring here from behind the Iron Curtain.

Mr. BOW. I think the gentleman from Massachusetts should go back and point out to the people from all these other countries coming in that the distinguished Senator from Massachusetts, now President of the United States, was one of those who helped get through this project to invite these people here. It seems to me that fact should have some influence on getting some of these funds released for the gentleman's parachute exhibitions up there. I do not know whether the experience a young lady had the other day of jumping 2,000 feet into a lake has dampened their spirits, but this committee has nothing to do with that. If it did, I am sure many of these activities would be cut out.

Mr. ROONEY. Mr. Chairman, I yield 9 minutes to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, I should like to call to the attention of the committee an exchange which appears on page 94 of the hearings on the judiciary, in which the gentleman from Minnesota [Mr. MARSHALL] asked this question:

> What is the reason for that increase in the bankruptcy cases?

This of course has to do with the comment of the gentleman from Ohio [Mr. Bow] on the increase in bankruptcy cases. Mr. Jackson, who was testifying, said this:

> Sir, I do not believe I can tell you the reason for it. The only thing I can tell you is the character and kind of cases coming before the courts. The majority are filed by salaried people. The proportion runs now about 90 percent employees or salaried people and 10 percent business firms. I think Mr. Covey would say, if he were here, that primarily the reason for the salaried person going into bankruptcy is overextended credit.

Thus, it would appear, may I say to the Committee, that the increasing number of bankruptcies is pretty largely a matter of people who are in debt for something they should not have bought in the first place.

Mr. Chairman, this bill covers a wide area of important subjects. Other than independent offices, the work of this subcommittee embraces the widest field in the jurisdiction of the Committee on Appropriations. Our work extends from the complexities of the State Department which through the U.S. Information Agency, which to all intensive purposes is an arm of the State Department. From there, however, we branch out to completely unrelated activities. We take in Justice and the judiciary. This brings in the Supreme Court which is against prayer in the schools—and sometimes I think is against the United States. It also takes in the Civil Rights Commission. This one, I shall vote to do without and have done so on a number of occasions since I think it represents a waste of money and a public nuisance. Then we go over to the broad field of the Department of Commerce which includes highways, maritime, Census, ARA, Small Business, and heaven knows what else. And, if that is not enough, we throw in some "related agencies" which extend all the way to the Rama Road in Nicaragua. Altogether, this bill embraces 100 separate appropriations items. Corralling all these under one heading is about like achieving unification in the Armed Forces.

These are highly important agencies of Government. It would be well if we were to direct much more time to discussing them here. I can assure you, however, that considerable time was taken in the considerations of the Appropriation recommendations which are before you. The members of this subcommittee are old hands at their job. I believe the recommendations that are made are, with one or two exceptions, sound ones which merit the endorsement of the House.

Initially I want to comment on the efforts of the chairman to keep nonessential expenditures to a minimum. With him the work of this subcommittee is just about a full time enterprise. He knows more about the work of the agencies of Government represented here than does any other person in Congress—and, I suspect, more than any other person in Government. Because he tries to hold spending down, he rubs some people the wrong way; particularly those people who do not want spending held down. There has been a furor in some quarters about criticisms he has directed toward some of the shows which are hired to travel abroad at ridiculous prices to represent culture in America. Much of this program has been a ridiculous waste of money, and the chairman is right in what he has done. I do not think there is any doubt about that in the Congress.

Let us talk for a moment about ARA. It is a new agency. It is just getting a feel for the work which has been assigned to it. It enjoys the services of topflight personnel. With these considerations in mind, I feel that the agency is doing a good job and, that it will make an increasingly valuable contribution to the economy of the Nation.

There have been delays in this program which are regrettable. Because of the delays there are some who are disappointed in the program. I do not feel this is a fair evaluation. Ground rules had to be established and the cooperation of the various State and local agencies had to be achieved. I am confident that more substantial progress will be made in the future. This agency fills a long existing need. There are areas in our country whose economy is stagnant. For one reason or another, the growth and progress which are characteristic of so many communities have passed them by. This is not necessarily the fault of the people in those areas whose economy is standing still. But, whether or not it is their fault, the fresh ideas and inspiration and the monetary wherewithal which are available through ARA can trigger new activity, new growth, and a new revitalization of the economy in many such areas.

In its broader field, the SBA has one of the ablest administrators in Government in John Horne. This agency has rendered very material service nationwide, and my contacts indicate this service is constantly improving. That does not mean everyone can get a loan who wants it. The Government must have some rules of procedure and a reasonable certainty of getting its money back when a loan is made. Even so, I believe that SBA in most cases makes every effort within reason to grant loans and that the agency has filled a very definite need—and filled it successfully.

Moving to another area, I consider that USIA has made one of the most significant improvements that has been shown by any agency of Government in the past year. Edward R. Murrow as Administrator has obviously devoted his very special talents to the fullest in behalf of USIA. He has accepted his appointment as Administrator as a working assignment and by his example, he has been an inspiration to the personnel of this important Agency.

It is an extremely important Agency. We have not been too successful at tooting our own horn. As propagandists, we are a poor second to the Russians. For instance, we seem largely unable to convince India that democracy is good for the world, and good for India. We have no trouble getting that nation to take our money, but her leaders persist in carrying on a love affair with Communist Russia. We pay the bills. The Communists enjoy her favors. In Latin America, despite all our efforts and all our dollars, the Communists have made a great many people feel that the United States is a friend of the ruling elements and not a friend of the masses which oftentimes are oppressed by those same ruling elements.

Important changes have been made in the approach of USIA to foreign audiences. Under the present administration, a far greater effort is made to talk to people in their own language and in language which carries a meaning we want them to receive. I am certain we still have far to go, but I am equally certain progress is being made—and this is the important thing.

I want to talk principally about the State Department. I speak of it with disappointment and with some sense of frustration. Now, let me hasten to say that I consider there has been improvement in some areas of foreign policy. If this had not been true, we would have been out of Berlin and out of southeast Asia by now. In these instances, the United States has reacted to pressure as a proud and powerful nation should react. We have rejected efforts to push us around. This is not the picture everywhere. In many parts of the world, we still are looked upon as a pushover in a conference. We give the impression of wanting to give away our money, asking nothing in return. In too many cases we give the impression that we are trying to get along with everybody. We baby the neutrals. We nurse the immature foundling nations which we helped bring into the world prematurely and for which we have now been saddled with major responsibility.

I am not proud of the State Department. I know that it includes many dedicated and patriotic individuals. But there is still too much of business as usual—not enough of the recognition of the sobering responsibility which is ours; a responsibility which requires realism and toughness. We are a powerful nation. We have the power to enforce a peaceful world. Failure to exert that power results in a foreign policy which leads nowhere. Let me give one illustration. A few American warships in the waters off New Guinea would have been enough to stop any talk about war over that territory. Instead, we have attempted to negotiate and currently we are credited with negotiating New Guinea away from the Dutch and into Indonesian hands. The Dutch are our friends. The Indonesians are Communist dominated. The fallacy of our policy—or the weakness of our efforts, as the case may be—is clear enough.

A short time ago, the State Department informed Senate investigators that it had censored the word "victory" from anti-Communist speeches of Defense leaders because this implies an all or nothing approach leaving no reason for accommodation. To me, it is a shocking thing that our principal agency for foreign policy can consider that we have any policy in mind but victory. When America's leaders at any level think in terms of compromise, we have entered upon a dangerous stage in our Nation's history. When victory is eliminated, only compromise or defeat is left.

A short time ago, I saw a listing of aid to the nations which voted against the United States at Punta del Este. It was twice as substantial as the aid given to the people who voted with us. It is frequently said that the United States treats its enemies better than its friends. Certainly the neutrals have the inside track on America's largesse, and nothing is required or expected in return. This makes no sense in my book. I learned a long time ago to help the people who help me. A touch of realism in dealing with the nations of the world who look to us for help will bring many of those who now work both sides of the street around to evidence of support for democracy.

It is easier to try to get along with everybody than it is to provide vigorous and positive leadership, but we cannot afford that kind of policy. We are the prime target of the Communists. We are fighting for our lives—for the life of America. But, we are not fighting very hard. I remember the case of a young man, a patriotic young American only 21 years of age who was captured behind enemy lines during the American Revolution. He was tried as a spy and sentenced to be hanged. And then, with a rope already knotted around his bared throat, he broke his steadfast silence with words which echo down the corridors of time. He said:

> I regret that I have but one life to give for my country.

Not long ago another young American went on trial for his life in Soviet Russia. Here is what he said:

> I didn't know what I was doing—I know now I was risking world peace. My superiors were responsible.

I hope there are not too many like that. I hope there are not too many who are looking for an easy way out. Now, I know the American State Department is not just looking for an easy way out in its dealings with the nations of the world, but I do not think the world knows it. And only the State Department can convince the world this Nation has a firm foreign policy; that we intend to lead to freedom those nations which want freedom.

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read as follows:

TITLE I—DEPARTMENT OF STATE

Administration of foreign affairs

Salaries and Expenses

For necessary expenses of the Department of State, not otherwise provided for, including expenses authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158), not otherwise provided for; expenses necessary to meet the responsibilities and obligations of the United States in Germany (including those arising under the supreme authority assumed by the United States on June 5, 1945, and under contractual arrangements with the Federal Republic of Germany); salary of the United States member of the Board for the Validation of German bonds in the United States at the rate of $17,100 per annum; expenses of the National Commission on Educational, Scientific, and Cultural Cooperation as authorized by sections 3, 5, and 6 of the Act of July 30, 1946 (22 U.S.C. 287o, 287q, 287r); purchase (not to exceed sixteen, of which four are for replacement only) or hire of passenger motor vehicles; printing and binding outside the continental United States without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111); services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); purchase of uniforms; payment of tort claims, in the manner authorized in the first paragraph of section 2672, as amended, of title 28 of the United States Code when such claims arise in foreign countries; dues for library membership in organizations which issue publications to members only, or to members at a price lower than to others; employment of aliens by contract for services abroad; refund of fees erroneously charged and paid for passports; radio communications; payment in advance for subscriptions to commercial information, telephone and similar services abroad; care and transportation of prisoners and persons declared insane; expenses, as authorized by law (18 U.S.C. 3192), of bringing to the United States from foreign countries persons charged with crime; and procurement by contract or otherwise, of services, supplies, and facilities, as follows: (1) translating, (2) analysis and tabulation of technical information, and (3) preparation of special maps, globes, and geographic aids; $140,710,000, of which not less than $12,000,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States: *Provided*, That passenger motor vehicles in possession of the Foreign Service abroad may be replaced in accordance with section 7 of the Act of August 1, 1956 (70 Stat. 891), and the cost, including the exchange allowance, of each such replacement shall not exceed $3,800 in the case of the chief of mission automobile at each diplomatic mission (except that eight such vehicles may be purchased at not to exceed $7,800 each) and $1,500 in the case of all other such vehicles except station wagons.

Mr. CONTE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when the gentleman from Ohio [Mr. Bow] had the floor he ran out of time. I was asking certain questions about Public Law 87-256. I would like to pursue this subject a bit further. As I understand the law—I am reading here, it says:

> U.S. representation in international artistic, dramatic, musical, sports, and other cultural festivals, competitions, meetings and like exhibitions and assemblies.

Is there any doubt in the gentleman's mind that this international parachuting championship is included within this law and that funds could be provided for it by the State Department if they saw fit?

Mr. BOW. I think the very broad language of this bill takes in most anything. We have included the World's Fair in New York, and other items of that kind, and I think, yes, it would undoubtedly cover that.

Mr. CONTE. I must say I regret, and I am somewhat distressed to learn some of the things that have happened under this law. The State Department brings a jazz band from Warsaw to the United States under the auspices of this law. Mr. Chairman, we asked the State Department to bring these 24 nations here to the United States to compete in this international contest, and we requested $100,000. We were not asking the Department to pay their airplane fare over here. We were only asking for money to conduct this meet itself.

This is ridiculous. Very soon the representatives of these countries are coming over here. Let me read some of them: Australia, Belgium, France, Germany, Great Britain, Hungary, India, Poland, Rumania, Russia, South Africa, Spain, Sweden, Switzerland, Venezuela, Yugoslavia, and the United States will participate in this meet.

When I could not get money for that, then I went to the Defense Department to try to obtain some tents and bedding. I was promised by the Defense Department that they would cooperate, but only yesterday I learned we cannot get the tents and cots unless we get enabling legislation through the Congress. Time is of the essence.

It is disgraceful to think of all these people coming over here, these teams of five men from each country and we do not have tents and bedding to accommodate them. We spend billions of dollars to try to win the hearts and minds of men all over the world, yet in this case we are asking for only $100,000 from the State Department and they will not give it to us. The Defense Department will not give us even tents or cots or communications systems to take care of this important world competition.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. ROONEY. I should like to say that I know of the strenuous efforts the distinguished gentleman from Massachusetts has made in trying to get the State Department to cooperate insofar as this parachuting contest which is to take place up at Orange, Mass., is concerned. He discussed this matter with me some time back. The State Department or those in control did not see fit to send a budget estimate to the committee, so that the committee is now and has been in the position where we do not have a budget estimate or a request for funds for this parachute contest. Again I say I know how hard and how long the distinguished gentleman from Massachusetts worked on this project.

Mr. CONTE. I want the record to show that I certainly appreciate everything the gentleman from New York and the gentleman from Ohio tried to do for me. They realize the predicament we are in.

On this matter there has been a resolution passed by the U.S. Congress, signed by President Eisenhower and pushed through the Senate by the then Senator Kennedy, inviting the nations over here. It is ridiculous, it is a shame for them to come at all when we do not have a tent or a cot for the participants to use. We are using a school building, yet we do not have cots to put in the school, so that they can sleep there. At the same time we are bringing these jazz bands from Warsaw to kick up their heels and spend the taxpayers' hard-earned money. We send abroad comedians, who put on a disgraceful performance that hurts the image of the United States with other countries—the very countries we are trying to win over to our side.

I hope the President of the United States will read the RECORD tomorrow morning and answer my appeal for help in this situation.

Mr. SIKES. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I feel I should bring to the attention of the committee some additional information on the subject discussed by the gentleman from Ohio [Mr. BOW] a little while ago, with reference to Roger Hilsman.

I do so because I know Mr. Hilsman. I have a high regard for him, and I know that he is making a significant contribution to our knowledge of an important area, southeast Asia. I was not present at the discussion in the committee to which the gentleman from Ohio [Mr. BOW] referred, and I do not attempt to discuss what happened there with authority. But I do feel that it will be well if I read into the RECORD a letter which Mr. Hilsman sent to me after I had asked him for some explanation of the misunderstanding between the gentleman from Ohio [Mr. BOW] and himself, both of whom I regard very highly.

Here is what he said:

JULY 20, 1962.

HON. ROBERT L. F. SIKES,
House of Representatives.

DEAR MR. SIKES: This is in response to your request for an explanation of the misunderstanding between Mr. Bow and me.

Mr. Bow and I were discussing the "external research" program. In this program the State Department signs contracts with experts in a university or private business to do a study that the State Department needs but cannot do itself, usually because the study requires special skills.

Mr. Bow and I were discussing off the record one particular study, on the Communists' use of guerrilla warfare as a means of aggression. Mr. Bow, as he said in the report, did not have time to read the study, since it was the size of a small book, but in glancing at it, saw one statement with which he did not agree.

This was a statement of judgment not of facts which as I recall characterized a foreign government as "highly unstable" and therefore vulnerable to Communist guerrilla warfare.

I agreed with Mr. Bow that this judgment might have gone too far. He asked me if the statement was not therefore a "half-truth" and I said that if you prefer that language it could be used.

Our further discussion on the record, used this unfortunate phrase "half-truth." But what I was trying to say is as follows:

An outside contractor offers his best judgments, as he is hired to do, and this is good. I might not agree with every single judgment that every one of our contractors makes, but it would destroy the value of getting outside research and judgments if we forced outside contractors to clear their work in advance with all the Bureaus of the State Department and modify them accordingly before submitting the final study.

This particular study, in fact, has been enormously useful. It shows how the Communists are trying to use guerrilla warfare to conquer nations friendly to the United States. It has helped to alert our Government to a Communist threat. It has furnished some valuable ideas on how we should meet this threat. Some of the suggestions in this study are being used today with good effect against the Communists in South Vietnam. The study is used today by our Armed Forces to alert our soldiers to the Communist threat of guerrilla warfare and how to fight it.

After the misunderstanding with Mr. Bow developed I tried several times to get to see him to explain all this. I am sure that once he has heard the full story he would agree that both this particular study and the external research program that made it possible are valuable assets in the struggle our country faces.

Sincerely,

ROGER HILSMAN.

Mr. BOW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I appreciate the gentleman from Florida reading that letter into the RECORD, and I am glad to know the extent to which Mr. Hilsman has gone to try to create a personal feeling on my part against him or that we had some point of disagreement. That is as far from the truth as it can be. I was objecting because he, in his own testimony, said that his secret reports to the President and the Secretary of State contained half-truths and partial half-truths, probably from people who said it to them. There is no disagreement about whether that is in the record or out of the record. When we go back into the House I am going to ask permission to include that testimony following the letter that has been read so that you can see exactly what the testimony was and that this is a matter that there is no disagreement on. I am not trying to attack Mr. Hilsman. I undersand he has a magnificent war record. He was a guerrilla fighter and probably a great patriot. My objection is the fact that he invited these people in from the outside, using money to get experts. Why do they not have them in the State Department? That is where they are supposed to have experts on intelligence, on things of this kind. But they are bringing in these people from the outside saying they do not have to be cleared and putting in half-truths and partial-truths and are not valid in some respects. If that is the position upon which our foreign policy is decided, no wonder we are in the position we are in now in this particular area with which this report had to do, southeast Asia. What is the situation there today as compared to what it used to be? Are we in worse shape now because of the half-truths and partial-truths and invalid statements upon which our policy has been made by the Department of State? Now, we have not cleared up any situation in southeast Asia, and that is the question of this guerrilla warfare.

The same things are in here. Mr. Hilsman has tried his best. He has had distinguished Members on the other side of the aisle and distinguished Members on this side of the aisle trying to arrange for him to come in and get this straightened up. But you cannot change this record. The record is here, and I ask every Member who is interested in the question of foreign policy to read the RECORD tomorrow with this testimony in it and determine for himself what kind of language this is and whether this is a personal feud or not.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Florida.

Mr. SIKES. I feel that I must comment on the gentleman's reference to conditions in southeast Asia. I feel very strongly that there has been improvement in that area, that for the first time since trouble began in South Vietnam, the forces of that country are beginning to push back the Viet Cong. Over a period of years the Viet Cong had been steadily expanding their operations—and their control of territory. They were rapidly increasing their numbers, doubling in strength about every 9 months. Now as the result of a stronger policy on the part of this Nation in foreign affairs, and a more realistic policy on the part of the Vietnamese Government that picture has begun to change. For the first time the Viet Cong forces in South Vietnam are being pushed back. They are finding it harder and harder to obtain supplies. The villagers are being encouraged to resist the Viet Cong, and they are doing so in more and more instances.

Mr. BOW. I would like to remind the gentleman from Florida [Mr. SIKES] now that for the first time in the last few weeks the casualty list of American boys are beginning to come in from southeast Asia and that there is a change. There is a change in casualty lists.

Mr. SIKES. Because the Vietnamese forces are fighting more realistically and more aggressively than at any time heretofore. Our forces are there as advisers. Their presence at this time is essential to victory. If we pull them out, the gentleman knows very well South Vietnam is going down the drain and that would be another victory for communism. Our forces are exposed to danger, and I deplore the fact that it is necessary that they be exposed to danger, but we are now beginning to win that conflict. There is no other course for victory. But as a result the forces of democracy are winning in the world for a change.

Mr. BOW. I am sure that the gentleman will agree with me that it is not proper to establish our foreign policy on reports of half-truths and partial-truths and some which cannot be valid.

Mr. SIKES. I am not defending the passage in the hearings to which the gentleman referred. I simply read into the RECORD a letter addressed to me from Mr. Hilsman which showed that he felt there had been a misunderstanding and that he wanted an opportunity to try to clear up that misunderstanding.

Mr. BOW. There could be no misunderstanding because of the language used, and it can be read in the RECORD, for the benefit of those who are interested:

POLICY RESEARCH STUDIES

Mr. Bow. Who reads these policy research studies, one of which I am holding in my hand marked "secret"?

Mr. HILSMAN. That particular one the President has seen.

Mr. Bow. Did it frighten him?

Mr. HILSMAN. I am not guaranteeing he read it. I know he is aware of the contents.

Mr. Bow. But who in your Department reads these?

Mr. HILSMAN. The Secretary of State has read it.

Mr. Bow. Was he frightened after he read it?

Mr. HILSMAN. In what way, sir?

Mr. Bow. The way I am frightened when I read it. We are in awful bad shape.

Mr. HILSMAN. Let us say we certainly can improve, sir, and I think we are.

(Off the record.)

Mr. Bow. Hurriedly going through the policy research study, I can find nothing of any real substance which I believe contributes to the peace of the world or to a sound foreign policy for this country. I would like to tell you, if we can, on the record, just how much good this has done.

Mr. HILSMAN. Sir, I think it has done a lot of good.

Mr. Bow. Where?

Mr. HILSMAN. If you will look on the first page past the letter where it says, "Major conclusions and findings," the first one is that "the key to fighting guerrillas is to adopt the tactics of the guerrillas themselves."

Mr. Bow. Now we are reading from a secret document. Are you opening this document up so I may use it publicly?

Mr. HILSMAN. May I supply you with an unclassified, sanitized version of this?

Mr. Bow. What does sanitized mean? Do you have one that is sane and this is not sane?

Mr. HILSMAN. Sanitary.

Mr. Bow. Cleaned up?

Mr. HILSMAN. Cleaned up, meaning removing——

Mr. Bow I did not know whether you were puting sanity or sanitation into it.

Mr. HILSMAN. Sanitation in the sense of cleaning it up.

Mr. Bow. It is a rather remarkable thing that you want to submit to us something which has been cleaned up. You mean by that, something classified should be taken out?

Mr. HILSMAN. Yes, information which was acquired through sensitive sources.

Mr. Bow. Were the things I just read to you, do you think, classified?

Mr. HILSMAN. Some of them may have been, sir. I would have to check.

Mr. Bow. Go ahead.

Mr. HILSMAN. Sir, let us take this one, the first one, "The key to fighting guerrillas is to adopt the tactics of the guerrillas themselves."

First of all, I think this is fundamentally true. Perhaps I could make this point by telling you an anecdote. I was in Burma during World War II, and a guerrilla myself, operating behind the enemy lines. At one stage we had blown up bridges and ambushed trucks. During the middle of a rather large battle, the Japanese took 3,000 men out of the line of combat to chase this guerrilla unit.

Mr. Bow. This was where?

Mr. HILSMAN. In Burma, in World War II, an OSS guerrilla unit I commanded. The point was that this Japanese unit fought as regiments and battalions against guerrillas. They were the trained soldiers and we were not. I remember once they moved their battalions into a U-shaped trap, and then tried to chivvy my OSS group up into this trap. We just went off into the jungle and faded away. They closed the trap on air. At the end of a month of this, the Japanese had suffered over 100 casualties and the OSS guerrilla group had suffered only 1. It was not because they were not better soldiers than we were. They were, in fact, much better soldiers than we were. But they did did not adopt tactics which were suitable to fighting guerrillas.

Mr. Bow. Do you think this document has to do with fighting guerrillas?

Mr. HILSMAN. Yes, sir; it certainly does.

Mr. CEDERBERG. Then it is a defense paper.

Mr. HILSMAN. It is not a defense paper precisely because the key to fighting guerrillas is basically political. If you do not adapt your military tactics to political measures or measures of civic action, you will fail. In this particular instance, for example, which I mentioned, if the Japanese had adopted the correct military tactics and coupled them with certain civic actions, they would not have failed. This, I think, is the fundamental point about fighting guerrillas, and it is why we moved into this field, because no one that we could tell, and we checked this out——

Mr. Bow. With your experience and background in this, why did you not write the memorandum, instead of having this outsider come in and write these things about our country?

Mr. HILSMAN. I helped write it, sir.

Mr. Bow. You did not write the things I read to you.

Mr. HILSMAN. No, sir. There are a couple of points to this. One is that we want to do this as a supplement. This particular man used some expertise inside the Department, including some of my own and some of my own experiences. The second thing about it——

Mr. ROONEY. Expertise is one of your favorite words, is it not?

Mr. HILSMAN. Yes, sir; I am sorry. It is a bad word, too. I agree with you. I cut it out of all the written things, but I fell into it, here.

Mr. ROONEY. You overlooked one here.

Mr. HILSMAN. I apologize. I will not use it any more.

The point I wanted to make here was that there is some utility in having a person write a document that is not fully cleared and does not have to go through the whole clearance process. Of course, some of the statements you have read are not completely valid. On the other hand, there may be a half-truth here or a partial truth which will make people sit up and think.

Mr. Bow. If I am sitting down in the State Department and this is given to me as a research study from the Bureau of Intelligence and Research, I should think I would have a right to believe this is not half-truth or partial truth and to be able to rely upon it. Is our foreign policy made on reports with "half-truths" or "partial truths"; that is pretty dangerous.

Mr. HILSMAN. It should make you think and it should have some findings which are useful if, in your judgment and in your own experience——

Mr. Bow. Do you mean to tell me in order to get the people in the State Department to think, we have to feed them half-truths? I do not agree with that. I would hope they are much more intelligent that that down there.

Mr. Hilsman. May I point out in the letter of transmittal of this, I stated that it was done by a consultant working full time with the help of specialists within the Bureau of Intelligence and Research. "Our intention was to provide research that would be a useful input," but it was not necessarily to be the last word.

Mr. Bow. Where does it say that?

Mr. Hilsman. I am sorry sir, in the letter of transmittal.

Mr. Bow. It does not say it is not to be the last word.

Mr. Hilsman. No.

Mr. Bow. You started to quote from the letter. You did not have a chance to put your quotation marks where they should be. You read some pretty good language but it is not in that letter. You probably should have put that into the original letter. It is not there. If I were in the Department of State and read your original letter, I would take it this is something I could rely upon as being factual, not half-truth.

Mr. PELLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, earlier in the consideration of this bill during the general debate the distinguished chairman of the subcommittee, the gentleman from New York [Mr. Rooney] mentioned and read into the Record a letter from a Mrs. Adams which was dated in 1784 describing the difficulties of John Quincy Adams as Ambassador to France. In that recitation she indicated the debt that this country owed to him because of the fact that he had saved our fisheries.

Mr. Chairman, may I say that as far as I know he is the only Ambassador or anyone who followed the policies of our State Department who saved any of our fisheries.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. PELLY. I yield to the gentleman from New York.

Mr. ROONEY. Mr. Chairman, I should like to say to the distinguished gentleman from Washington, on behalf of the gentleman from Ohio and myself, the gentleman from Washington [Mr. Magnuson], and all the members of this subcommittee, that we have done plenty to save the fisheries. There is plenty of fish money right now in this bill.

Mr. PELLY. I was referring in the policies of our State Department and our Ambassadors. I would particularly refer to the fact that no Ambassador who ever represented this country in Japan was able to save our fisheries, because all we have done is build up and help the fisheries of foreign governments while these foreign nations, in turn, competed with us and through imports ruined our own industry and the fishermen who were earning a livelihood through that means.

Mr. Chairman, I might add that this year in Alaska the salmon pack, for example, is only about half what is was last year.

All during recent years the Japanese have fished in the North Pacific with nets, taking immature salmon while our own American fishermen could not use such nets. I point this up because of the fact that I have had a conservation bill which I introduced 6 months ago on which the Merchant Marine Committee has not yet had reports from the Department of State or the other agencies concerned. Thus there has been a delay in holding a hearing and the Congress could not consider a means by which the United States might protect our own American fishermen and our own fishery resources.

Mr. CORMAN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the entertainment industry has come in for some adverse comment today. I could not say that there were not isolated instances where it was justified.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from California yield?

Mr. CORMAN. I yield to the gentleman.

Mr. ROONEY. Mr. Chairman, I should not like the distinguished gentleman from California to think that I have any animus toward the entertainment industry. I am one who has known something about it through the years. I worked in my college days as a union musician. If I were looking for a top-flight comedian, as I mentioned awhile ago, I would pick Buddy Hackett. In days gone by we had Joe Cook and his four Hawaiians; we had Fred Allen; we had Joe Penner and his duck; we had Eddie Cantor; we had many really top-notch comedians. If we must have a comedian to send abroad at the taxpayers' expense on a good will tour, for goodness sake, let us get a good one and not a ham to go abroad and make a "damphool" of himself and all of us.

Mr. CORMAN. Mr. Chairman, I certainly concur in what the gentleman has said. I do not pretend to be qualified to select individual performers nor comment on the specific instances criticized here. But the Record should show that the American entertainment industry has contributed substantially during both the hot wars of yesterday and the cold war of today to the strength of this Nation and to an understanding of democracy in many parts of the world.

The selfless contributions over the years of top stars such as Danny Kaye, Bob Hope, Benny Goodman, Carole Lombard, Ella Fitzgerald, Betty Hutton, and Glenn Miller should be remembered by those who indict the profession as selfish.

It seems elementary to me that American artists and entertainers provide a necessary ingredient of the American picture we are intent on presenting to the developing and contested parts of the world. Our form of government and economy is well known for its high productivity and high living standards and is sometimes charged with being too preoccupied with gadgetry and creature comforts. Yet, this free society of ours has been equally productive in the creative arts, the theater, and music. We can be proud of artists of the caliber of Isaac Stern, Igor Stravinsky, and Helen Hayes, and groups such as the University of Michigan Symphonic Band and the Alvin Ailey Dance Group who have let millions of people around the world see this side of our Nation.

In addition to the words of criticism directed on this floor today toward many of the personalities involved, I am hopeful my colleagues and the public will read the comments of newspapers around the world evidencing the goodwill created by this program.

The athletic feats of our young men and women participating in this program are a forceful answer to anti-American propaganda abroad that we are "a soft people living in a decadent society."

It has been implied that entertainers, unlike all other professional people hired by the Government, should work without compensation. This hardly seems more logical than to contend that doctors, dentists, and engineers should serve their country without compensation because they are professionals. The record discloses that in most instances professional artists, like all other professional people, sacrifice a part of their salary when they work for the Government. Further, I doubt that any profession has contributed as much in free talent over the years as have star performers.

As to the total cost of the program, $2½ million is a lot of money. But on a comparative basis, it is to be noted that it is about as much as this Government spends annually on maintenance of the Senate Office Building and about one-fiftieth—not fifth—of the cost of maintaining one B-52 bomber wing for 1 year.

I respectfully submit that we would be denying ourselves of an important weapon in this crucial competition should we neglect this program.

I, for one, salute the artists who have contributed to it.

Mr. ADAIR. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, if I may have the attention of the chairman of the subcommittee, with respect to several remarks that have been made on the floor this afternoon relative to the cultural exchange activities. About a year ago this House and the Congress rewrote the law providing for cultural exchange programs. It is my purpose this afternoon to try to discover a little more specifically, if I can, how much money is in this bill for these exchange programs and for what purposes it is available.

Mr. ROONEY. There is included $40 million. That is the exact amount, as I recall, and I was Chairman of the Committee of the Whole in this Chamber at the time that the gentleman from Indiana assured the Committee of the Whole would be the overall cost of the consolidated cultural exchange programs.

Mr. ADAIR. The gentleman is correct; that was the figure that was given by representatives of the State Department to the subcommittee of the Foreign Affairs Committee.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield further at that point?

Mr. ADAIR. Yes, I yield.

Mr. ROONEY. Is the gentleman from Indiana familiar wth the fact that at the very time that that figure of $40 million was given to the gentleman and to the members of his Foreign Affairs Committee there was in the works, in the Department of State, a request that would have brought the program up to about $91 million a year?

Mr. ADAIR. The gentleman from Indiana is now familiar with that; he was not at the time the hearings were being held. I would like to ask the gentleman from New York further if the evidence before his subcommittee indicated that this sum of $40 million would do an adequate job in the field of exchange of persons and educational and cultural activities.

Mr. ROONEY. I should fairly say in reply that when it came to the markup with regard to this item I suggested a figure in excess of $40 million; but this figure of $40 million represents the considered judgment of all the members of the subcommittee during the course of the markup, during which all the pros and cons were discussed. In other words, representing the subcommittee, I should say to the distinguished gentleman from Indiana that the committee feels that this will furnish an ample program in fiscal year 1963.

Mr. ADAIR. As I read the record of the hearings and the report, I gather that the request was more in the neighborhood of $56 million.

Mr. ROONEY. I am sure the gentleman realizes that, as pointed out at page 8 of the committee report, in addition to the funds that are in this item, to wit, $40 million, the Department plans to utilize an additional $8,043,798, which is available from the unexpended balance of prior-year appropriations for "International Educational Exchange activities—special foreign currency program."

Mr. ADAIR. So there is in effect $48 million-plus available?

Mr. ROONEY. That is correct.

Mr. ADAIR. For the sake of the record, what was the budget request for this item?

Mr. ROONEY. The budget request was in the amount of $56,657,000.

Mr. ADAIR. I thank the gentleman.

Mr. GROSS. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, when my time expired in general debate I had started to ask a question concerning the cultural setup in Hawaii. I should like to know from one side of the aisle or the other whether we are going to continue to spend millions of dollars out there, some of it in construction of new buildings, and not have title to the buildings or to the land on which the buildings are erected. Has this situation, which was discussed to some extent last year, been resolved?

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. BOW. The gentleman will perhaps recall that the gentleman from Ohio a year ago raised the question about the lack of title. The grants provided that we could be put out within 30 days. This has now been changed. This grant has been entered into and the title of the property has been properly researched, and we have an unlimited tenure of occupancy. So far as the gentleman from Ohio is concerned, the changes were made that now give us protection.

Mr. GROSS. Then the gentleman is satisfied now that whatever expenditures are made there the U.S. Government will be protected?

Mr. BOW. We will be protected, I am satisfied of that.

Mr. GROSS. I thank the gentleman. I understand there is a reception center in Hawaii. There is also a reception center somewhere in California. I do not know whether it is in San Francisco or Los Angeles. For the life of me, I cannot understand why we maintain a reception center in California and another in Hawaii.

Mr. ROONEY. Mr. Chairman, will the gentleman from Iowa yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. ROONEY. I should like to say that in both November and December of last year I inspected that reception center in Honolulu. There is a director, an assistant director, and just a few employees. The space used for the center could very well fit into just a corner of this Chamber. They were busy meeting foreign students, foreigners coming to Honolulu and the mainland under the exchange program, putting them up in private homes in Honolulu, and generally seeing that they were properly taken care of so that they might have a good impression of us.

Mr. GROSS. Recently it was brought to my attention—and I cannot get a complete fill-in on this for some reason or another from the State Department—that a gentleman by the name of Pershing Boswell, a Negro, was sent out to Hawaii as director of the reception center. Boswell, I am informed, has long years of experience. He is a career officer in the State Department.

Mr. ROONEY. A fine gentleman, a good Foreign Service officer, who has a charming wife. I have known him for years.

Mr. GROSS. Now I understand a gentleman by the name of Goemans has been sent out to head up this reception center.

Mr. ROONEY. He is a very competent young gentleman.

Mr. GROSS. And he is a friend of Teddy Kennedy.

Mr. ROONEY. And he is a friend of mine, too.

Mr. GROSS. Just a minute now. And I understand he has displaced Mr. Boswell as the director of the reception center, but both are paid the same salaries. This is the information I get. I have not confirmed it yet. Do you know whether or not we are paying two persons out there the same salaries and whether this friend of Teddy Kennedy has displaced this career officer as director of the reception center in Hawaii?

Mr. ROONEY. I believe they are not paying salaries as the gentleman suggests. But, having been there both in November and December, and having been in the company of Mr. Goemans and Mr. and Mrs. Boswell, I can report to you that everybody seemed happy. They were doing a good job insofar as running the reception center is concerned, and there was no apparent acrimony or trouble at all.

Mr. GROSS. Can the gentleman answer the question, Why did Mr. Goemans take his own secretary out there—if he did?

Mr. ROONEY. Well, that is a problem I suppose for personnel to decide.

Mr. GROSS. Are there no stenographers in Hawaii instead of having to ship one from this country? And does this conform to civil service procedure?

Mr. ROONEY. Again we are with that gentleman over in the State Department who says girls shall be no taller than 5 feet for Guayaquil, Ecuador. This is in his area. This is a personnel matter and belongs to Mr. Pollack over at the State Department.

Mr. GROSS. I hope the State Department will fill me in. I am trying to find out, I will say to the gentleman, about these cases.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Now, I would like to know something about the contributions to international organizations. There was supposed to have been a financial crisis, you know, in the United Nations beginning last November, and they said they had to have a bond issue. The bond issue still has not been approved.

What I want to know is how they are financing the United Nations operation, if there was a deficit of $100 to $200 million last November. Where are they getting the money to operate without the bond issue?

Mr. ROONEY. I understand they hope to obtain in this bill from the United States $26,739,279. This sum has nothing whatever to do with UNEF, the United Nations Emergency Force operations in the Congo or the operation in the Middle East. This $26,739,279 is in effect to pay for the dues of the United States to the United Nations. I might advise the distinguished gentleman and the House that just today, the International Court of Justice announced their decision with regard to the United Nations matter. They have held that any nation which has refused to pay their assessments with regard to the Congo is technically in arrears, and I would expect that our American representatives to the United Nations will very shortly make objection that unless the Soviet Union, the Communist satellites and those nations which have refused to pay the Congo assessment and other assessments pay them up, they must be disqualified when it comes to the right to any vote in the United Nations.

Mr. GROSS. Is it true or is it not true that they have been raiding other funds? This bill today makes funds available to UNESCO, to UNICEF and various subsidiary agencies.

Mr. ROONEY. Yes, they are all listed on page 5 of the committee report.

Mr. GROSS. Just a minute. Is it true that they have been raiding other funds to keep this polyglot organization going?

Mr. ROONEY. It is pretty hard to agree to the gentleman's suggestion when he uses the word "raiding."

If they have been transferring some funds from one account to another because of this emergency and in order to keep the United Nations' activities going, and I believe everybody is interested in keeping the United Nations and its activities going, I find no fault with the transfers.

Mr. GROSS. Call it raiding or whatever you want, they have been manipulating funds as when they took $10 million from the U.N. Children's Fund.

Mr. ROONEY. I did not say that. I said that if they did I would not object to their transfer.

Mr. GROSS. Where have they been getting the money to run this organization?

Mr. ROONEY. Is the gentleman aware of the fact that a certain amount of the bonds has already been sold?

Mr. GROSS. Already sold? There are pledges to take a certain amount of them. We have agreed, according to Under Secretary Ball, to reimburse the British for taking $12 million of these bonds, and we will find means of reimbursing the British. But I still do not have an answer to the question of where they are getting the money to run this organization.

Let me ask the gentleman another question.

Mr. ROONEY. I shall say to the gentleman that we are merely paying our dues to the U.N. under the terms of this bill—trying to do it, and I expect we are going to do it.

Mr. GROSS. Yes, and by keeping our assessments paid to all these various subsidiary organizations we are in turn financing the deficit if the U.N. is raiding these funds as they did a year or so ago from UNICEF, the U.N. Children's Fund; they took $10 million out of that fund to keep the organization going. I hope it has been paid back. When we pay our regular assessments and they raid these funds then we are certainly putting up the money for the deficits, irrespective of the bond issues, and I do not like it.

Mr. ROONEY. I think the gentleman is correct in understanding that the $10 million has been paid back.

Mr. GROSS. I hope so.

With respect to the pay of the United Nations employees, do I understand they are paid salaries that in effect reimburse them for their Federal and municipal taxes; that they are paid salaries that give a cost-of-living differential, in other words, a hardship differential in the city of New York? I did not know until recently that New York was a hardship post.

Mr. ROONEY. The gentleman is using the wrong word. It is a cost-of-living differential rather than hardship. We generally use "hardship" to indicate a place like Ouagadougou.

Mr. GROSS. But they are reimbursed for their taxes paid. Is that correct?

Mr. ROONEY. That is my understanding.

Mr. CAHILL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I trust the comments I am about to make will not be construed as being critical of the distinguished chairman or any member of his committee. Also I trust they may not be construed as being critical of the entertainment industry in general. I wish to continue the colloquy I had with the gentleman from California [Mr. LIPSCOMB] in regard to this cultural program that is being administered by the State Department. I therefore hope that what I am about to say will be considered as being extremely critical of the administration of this cultural program by the State Department.

Before generalizing and making my criticism of this program I would like to bring to the attention of the committee an incident that occurred in the State of New Jersey, where the American Legion band was the State champion of New Jersey for 9 consecutive years, recommended by the National American Legion band to participate in the world music contest in Holland.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. CAHILL. I yield.

Mr. ROONEY. I wonder if the gentleman would be kind enough to tell the Committee of the Whole whether it was a band in the true sense of the word or a fife, drum, and bugle corps?

Mr. CAHILL. No, it was a band in the true sense of the word. It is my understanding that there were 150 bands and orchestras invited to this forthcoming music festival.

Mr. ROONEY. If the gentleman will further yield, the reason I asked that question is because of my having been an oldtime band and orchestra musician, and a member of the musicians union in New York. I have an aversion to fife, drum, and bugle corps, which make a lot of noise.

Strange to say, being Irish I am also against the bagpipe bands. They make too much noise, too.

Mr. CAHILL. I may say to the gentleman, being Irish myself, I am agreed as far as the Scotch bands are concerned, but not the Irish bugle corps.

Having heard this band, Mr. Chairman, I can assure you they would have made America proud. However, the point is not quality of the music. The point is this organization had to raise some $35,000 to attend. They raised $28,000. Then they made application, after having written to Mr. and Mrs. Kennedy, to somebody and to somebody. They finally got to the Cultural Division of the State Department there. They asked for $15,000 in order to let these people go to represent the United States and they were turned down.

Here is my objection—not to their turn down, Mr. Chairman—and I would like to ask this question: Why is it that in addition to the Joey Adams show, which cost us $250,000, why do we pay professional entertainers who could through the medium of their own booking agents be booked in the finest theaters, the finest restaurants, the finest cafes in Europe, and make money out of it? Why do we pay these people?

Mr. ROONEY. My answer has to be, I do not know, to be honest with the gentleman. His is the very question I have been asking the State Department ever since they started this program.

Mr. CAHILL. Let me say to the chairman, we paid Benny Goodman's Band $109,000, we paid Louis Armstrong $20,000, we paid the Holiday on Ice $53,000. I know myself that every one of these organizations could have been booked into the best hotels in Europe and could have gone anywhere and been paid for it.

I have come to the conclusion, Mr. Chairman, they have perverted the admonition of our distinguished President. They have said in effect, it is not what you can do for your country but what your country can do for you that counts.

The State Department should listen more to the admonitions of the distinguished chairman and cut out this nonsense.

Mr. ROONEY. Before the gentleman leaves this subject, this colloquy reminds me of the fact that Helen Hayes of stage fame made a great sacrifice by playing at the rate of $1,500 a week of the taxpayers' money, as did June Havoc on the same trip at $1,300 a week. When the stage company was playing in English and touring in Latin America Miss June Havoc, who was getting $1,000 a week, threatened to quit the tour unless she was raised to $1,300 a week.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CAHILL. I yield to the gentleman from Iowa.

Mr. GROSS. Speaking of nonsense, I would suggest to the Members, if they want to really read some nonsense, read Cindy Adams' articles that she wrote to the newspapers while she was on tour with her husband in this Asian territory. I have never read more hogwash than that.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(By unanimous consent (at the request of Mr. ROONEY), Mr. CAHILL was allowed to proceed for 3 additional minutes.)

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. CAHILL. I yield to the gentleman from New York.

Mr. ROONEY. In connection with the subject mentioned by the distinguished gentleman from Iowa [Mr. GROSS] about the newspaper articles written by Cindy Adams, there will be found in the printed hearings every article that she wrote which was handed to the committee, having been clipped by the State Department. There is no testimony in these printed hearings with regard to Joey or Cindy Adams which was put in the mouth of any witness. Everything in this regard was read directly from documents produced by the State Department on demand of the subcommittee.

Mr. GROSS. But it took hours and I suspect a few days.

Mr. ROONEY. It not only took hours, but the committee encountered deliberate lies. We were first told there were no derogatory reports made. I believe it was Dorothy Kilgallen who wrote a column which came to the attention of the distinguished gentleman from California [Mr. Lipscomb] and the gentleman from California brought up the matter in the subcommittee. When we first inquired as to whether or not there were any troubles on the trip, we were told "Oh, no." Were there any derogatory reports back from the posts that the troupe visited? "Oh, no." Then we said, "Please bring all the wires on the troupe up here at 2 o'clock this afternoon and we shall see." Well, we then went through them and they were full of derogatory reports in regard to the conduct of Adams on the tour.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. CAHILL. I yield to the gentleman from Michigan.

Mr. MEADER. Could I ask the gentleman where in the record this testimony occurs? I would like to read it.

Mr. ROONEY. It is in the Department of State hearings.

Mr. CAHILL. May I conclude my remarks by saying there is one other matter I would like to bring to the attention of the committee that was brought to my attention by the distinguished gentleman from California [Mr. Lipscomb].

Now, we have all of these professional organizations who are being paid by the State Department to go to Europe and yet, according to the information given to me by the State Department, whoever or whatever organization is to go must first be auditioned, and it is my understanding that the State Department is paying an organization in New York, ANTA, over $100,000 to arrange these tours. It seems to me a bit ridiculous that Benny Goodman and Louis Armstrong and Helen Hayes have to be auditioned before they can be sent to Europe at American expense.

I sincerely trust, Mr. Chairman, that you will continue your vigilant and very effective fight to straighten out the State Department.

Mr. ROONEY. Mr. Chairman, here is the Joey Adams troupe testimony, which I shall read to you, beginning at page 755 of the printed hearings:

Mr. Rooney. Mr. Bow?

Mr. Bow. Mr. Chairman, Mr. Lipscomb will have to leave. May I yield to him?

Mr. Rooney. Surely.

Mr. Lipscomb. Thank you, Mr. Bow.

JOEY ADAMS SHOW

Could you tell us something about this Joey Adams show listed on page 356 of the justifications?

Mr. Coombs. I would like to ask Mr. Isenbergh to reply to that. I can only say personally that I had a meeting some weeks ago in Bangkok of all our Asian people who had experienced the Joey Adams show and as far as the public reaction was concerned it was reported uniformly good. The show went beyond the big cities. It fascinated people who had never seen anything of this sort. It was much better in quality than the kind of vaudeville and trained bear acts the Soviet Union had been putting on in this area.

Perhaps Mr. Isenbergh could add to that.

Mr. Lipscomb. We spent $256,000 on this show?

Mr. Isenbergh. Yes, Mr. Lipscomb.

Mr. Lipscomb. How many entertainers?

Mr. Isenbergh. There were 25 in the company. They gave 97 performances in 122 days. In addition to that, they made over 40 special appearances at hospitals, orphanages, schools, and foreign military installations.

May I add to what Mr. Coombs has said that both the Russians and the Chinese have been sending variety shows to south Asia and the Near East with a great deal of success. Our posts have repeatedly requested a variety show and it was in response to those requests and the Communist competition that we started on this.

Mr. Lipscomb. Mrs. Adams was the mistress of ceremonies of this show?

Mr. Isenbergh. Mrs. Adams was along and began each show with an introduction in the language of each new country. She was paid only for her transportation.

Mr. Lipscomb. Is she also a newspaper writer? Did she send columns back to the United States?

Mr. Isenbergh. She is a writer and I believe she did do that, sir.

Mr. Lipscomb. Has your Department had an opportunity to read her columns or see what she was writing and sending home?

Mr. Isenbergh. Yes, sir. They have come to our attention.

Mr. Lipscomb. Do you have them available so that the committee could look at them?

Mr. Isenbergh. I do not have them here but I can supply a file of those columns for you.

Mr. Lipscomb. Was she inclined to be critical of the presentation or the problems the group encountered?

Mr. Isenbergh. On the contrary, I think her columns were a verification of the success of the show.

Mr. Lipscomb. I do not mean of the show, naturally, as she was a part of it, but of the countries and some of the things that were going on?

Mr. Isenbergh. I do not recall that that was the general tone of her comment.

Mr. Lipscomb. I understand she said in one column they had been playing nothing but palaces, to the heads of state of the elite of various foreign lands at the taxpayers' expense. Do you recall anything of that sort?

Mr. Isenbergh. No, I do not. The experience is very much to the contrary and I would be surprised if she described her experience in exactly those terms. I do not know whether I pointed out that the total attendance at the performances of the variety show was 222,400, an average of about 2,500 per performance. I also pointed out that in addition to this there were special appearances in hospitals, schools, and orphanages, as well as at the military installation of the countries. This would hardly be consistent with merely playing to the heads of state, although they did that as well.

Mr. Lipscomb. How much was Mr. Joey Adams paid?

Mr. Isenbergh. The whole troupe was paid for on a package basis. The cost was $10,000 per week. This figure was arrived at as a result of long negotiation.

Mr. Rooney. Mr. Isenbergh, surely you know how much Adams got a week, do you not?

Mr. Isenbergh. No, sir; I do not.

Mr. Rooney. Is there any secret about this? Excuse me, Mr. Lipscomb.

Mr. Lipscomb. Surely.

Mr. Rooney. You mean in the negotiations you did not learn from ANTA how much he was paid?

Mr. Isenbergh. Do you want me to tell you how the negotiations were conducted?

Mr. Rooney. I do not care how the negotiations were conducted. Mr. Adams was paid every week. You should know how much.

Mr. Isenbergh. Payment was made as a package to the agent for the company. The show was full of headliners who had played Las Vegas and like spots and their original demand was for exactly three times the final figure. The average pay per performer comes out at $450 a week, out of which they had to pay all their food and lodging. The result is that the total cost was much lower than a comparable show could be gotten for in the United States, and I do not know how much of this went to Joey Adams.

Mr. Lipscomb. Will you submit for the committee to observe the columns that Mrs. Adams wrote so that we can take a look at them?

Mr. Isenbergh. Yes, I will.

Mr. Lipscomb. Mr. Chairman, on last Tuesday we discussed some newspaper columns which were written during the tour of Joey Adams. The articles have been submitted and I have had an opportunity to look at some of them very quickly. These articles were written, as I understand it, by Mrs. Cindy Adams, who is Mr. Joey Adams' wife and who was on the tour. Is that correct?

Mr. Isenbergh. That is correct, sir.

Mr. Lipscomb. And what was her responsibility on the tour?

Mr. Isenbergh. She gave an introductory talk at every performance in the language of the particular country.

Mr. Lipscomb. Did she speak the language of all these countries?

Mr. Isenbergh. She learned it phonetically for the purpose of doing this.

Mr. Lipscomb. And she was briefed on what to say in each country they visited and given the phonetic introduction she would give at each performance?

Mr. Isenbergh. This must have been so, sir.

Mr. Lipscomb. Is this the way it was done?

Mr. Isenbergh. I do not know but I assume that she had competent guidance.

I have just had this verified, that she was briefed on what should be said.

Mr. Lipscomb. Is this an accurate quote from an article written by Dorothy Kilgallen and appeared in the press:

"She does not know the language of the countries being entertained.

"I ascertained from Mr. Bowman that someone in the State Department at each stop along the line whips up a phonetic introduction for her and she memorizes it. Mr. Bowman said she is very good at it."

Mr. Isenbergh. Mr. Bowman has just confirmed that this is the case.

Mr. Lipscomb. In my questioning I do not want in any way to imply that these people who go on these tours are not doing it at some personal sacrifice. Traveling in some of the underdeveloped countries; I realize it is difficult. What is the purpose of sending a unit such as the Joey Adams troupe to these countries in the Far East? What is our objective as a country?

Mr. Isenbergh. Our objective is to have an American presence there that reaches the people in an effective, affirmative way, which is precisely what this tour achieved.

I have here a clipping from the New York Times of December 10, 1961, headed "U.S. Variety Show Is Charming India—Audiences and Critics Like Joey Adams Troupe." This is typical of the reactions throughout his tour.

I also, to repeat what I said yesterday, point out that this particular show was designed to respond to the heavy saturation in this area of variety shows by the Communist countries.

Mr. Lipscomb. Did Mrs. Adams have any arrangements with the State Department in regard to sending a column back to the Town and Village newspaper in New York?

Mr. Isenbergh. No, sir. We were not aware of these columns until after the event. The Town and Country newspaper is, as you know, a community newspaper which does not come to the attention of people outside of the community. It did not come to our attention until after the columns had appeared.

Mr. Lipscomb. Did the columns come to your attention while the troupe was on tour?

Mr. Isenbergh. My recollection is that the first that I heard of this was after the tour was over, but I am not absolutely certain.

Mr. Lipscomb. Has there been any opportunity for you to evaluate these articles that have appeared in the press and to determine whether or not they did any harm to the tour or to our relations with the people we were trying to reach in an effective affirmative way?

Mr. Isenbergh. As I pointed out, the audience for these columns is a very limited audience.

Mr. Rooney. He did not ask you that. He asked you what the consequences of the published articles were.

Mr. Isenbergh. I feel they did not do any harm to the purposes of the tour. In any event, what we know about the reaction is overwhelmingly favorable.

Mr. Lipscomb. In other words, you feel the contents of these articles have not in any way been funneled back to the countries she discussed in the articles?

Mr. Isenbergh. I have no way of knowing that, but I would be surprised if they have been communicated to any significant extent to the other countries.

Mr. Lipscomb. There was a young lady in the Peace Corps who dropped a post card accidentally before it was mailed and it created considerable turmoil because she spoke of the poverty in the country in which she was stationed. Is that right?

Mr. Isenbergh. That is true, sir.

Mr. Lipscomb. How do you think Mrs. Adams can write about this kind of thing in this country and not have any objection from the State Department?

Mr. Isenbergh. The State Department, as I said, had no opportunity to object because the columns did not come to our attention until after they had appeared. But the proof of the pudding is in the eating and we have had no indication of any adverse effects in any of the countries. On the contrary, we have letters from officials of the other countries commenting upon the success of the Joey Adams show there.

Mr. Lipscomb. Do you think the kind of articles written by Mrs. Cindy Adams is the type of thing that should accompany a tour or cultural presentation? Do you think that this was a good thing?

NEWSPAPER ARTICLES BY CINDY ADAMS

Mr. Rooney. The difficulty with this interrogation, Mr. Lipscomb, is that we do not presently have in the record the articles to which you are making reference, so I suggest that we insert all the columns in this regard in the record and then the reader of the record can decide for himself whether they are good or bad.

Cindy Say: Kabul—A City of Contrasts

(By Cindy Adams)

(Editor's Note.—Cindy Adams is currently on a good will tour of the Near and Far East with her comedian husband, Joey Adams, and a troupe of entertainers. The tour is sponsored by the U.S. State Department.)

Kabul, Afghanistan.—Well, as we clever writers say, here we are in Afghanistan. It's 12,000 miles away from the United States. It's 250 miles away from the U.S.S.R. It's 10 days away from anything by airmail and if Rand McNally himself quizzed me, I still dont know where we are. I only know we had breakfast in New York, lunch in London, a snack in Paris, tea in Geneva and heartburn in Cairo before changing planes in Bombay and Delhi where we inherited a barefoot pilot. Nice and early Friday we grabbed an Air India jet and nice and late Monday, 4 days later, we landed in Kabul. So, if your travel agent claims it's a keen place for a weekend—forget it.

Desert area surrounded by mountains, Kabul's hot and dry daytime, cool and dusty come night and the altitude is very high. It's the home of karakul or what we call persian lamb. It's where you order postage stamps in advance 'cause they're printed as needed. It's where the Army's trained by Soviets and uniformed by Germans. It's where Moslem ladies in modern knee-length skirts trot alongside women in centuries-old "Chadari" which means "curtain" and is the veil which covers from head to foot. It's where transportation is divided betwixt American made autos and garden variety mules. It's where main boulevards are shared by sheep, oxen, 1961 Ford station wagons, bearded men in turbans, horse-drawn carts, and high-heeled women in angle-length veils. And it's where you have to guzzle bottled water even to brush your teeth.

Our troupe of 24, traveling on behalf of President Kennedy's cultural exchange program, is appearing here at the Jeshyn Fair. This is their annual week-long independence celebration which really falls in May but gets celebrated come August cause the weather is better. It's outdoors with booths and pavilions. Sort of like the World's Fair only turban style. Every country is represented by an exhibit.

I wouldn't say the admission is commensurate with Joey's talent, but to see us it's roughly two Afghanis or, when you smooth it out, a hot nickel. We did a command performance for the royal family and the King sent us his compliments. The Crown Prince came back four times to see Buddy Rich and his great jazz group. An amateur guitarist, he's asked permission to sit in. Joey said "Sure" if His Highness could arrange for him to do a split week at the palace. Poor Joey's always wanted to work at the palace.

Cindy Says: A Responsible Press?

(By Cindy Adams, written while airborne from Bangkok to Chiengmai, Thailand)

"The American press has become superficial," snapped our Ambassador of Afghanistan, Henry A. Byroade, who was the youngest general in the Army and a once-upon-a-time Assistant Secretary of State before brightening the Foreign Service. He told this to me in an exclusive interview just before we left Kabul. "Their anxiety to sell newspapers and sensationalism at the risk of inaccuracy and misleading statements about foreign relations makes our job more difficult.

"Such sloppy reporting is particularly true in underdeveloped areas where they figure nobody reads it anyhow."

Warming to his pet conversational peeve, His Excellency refuted this by illustrating that President Nasser fathoms the depth of U.S. sentiment against him by devouring seven major U.S. dailies every night.

In 1955 Nasser spoke these words: "No Arab is now speaking in terms of the fact that Israel should be destroyed." Three days later a New York newspaper featured the headline, "Israel should be destroyed," says Nasser.

"He was furious," related the Ambassador, his powder-blue eyes narrowing with disgust. "As Ambassador to Egypt, I could only try to explain how America's press is really free. How there's no Government control. I played the incident down. But he's no fool. This worsened our relations. Made him distrust us."

Our interview has been staged in the back of the busy Ambassador's official limousine as, with flags flying, he whisked about Afghanistan's capital. En route to a conference with the Prime Minister, he continued with underdeveloped areas of the world getting underdeveloped coverage in the news. "They figure nobody else knows anything more about these out-of-the-way places than they do anyhow. But what's out of the way today isn't out of the way tomorrow. Take Korea, Laos, the Congo, and other spots Americans knew previously only through fiction."

One top magazine immortalized Afghanistan without explaining it's but 250 miles from Khrushchev's boardinghouse reach or that there's 400 miles of Russian border at that point, or that Russia has a greater concentrated effort on this country in proportion to its size than anyplace in the world. Instead, the article was sexed up to create the impression the King had a harem. "Wasn't true, but it was more interesting," commented the Ambassador dryly. "The Government was very upset and protested officially to Washington at this vile treatment of their country. This particular magazine was barred here, which in turn hurts our spread of democracy through the printed word."

Another newspaperman wrote that the Pathans, the warring tribe of nomads on both sides of the Pakistan-Afghanistan border, quote—"Love to fight even more than they love to lust." "Just so happens lusting is not an outstanding occupation among these people," commented Byroade, "but what's he care? It's a catchy phrase. Any news about the Khyber Pass is exciting. So what if he doesn't know the people? So what if he's never seen any of them? This is an unknown part of the world anyway."

The chauffeur, at that point, had swerved to avoid an unescorted sheep who was sauntering down the dirt road which is to Kabul what the Champs Elysees is to gay Paree. Without dropping a comma, the Right Honorable "Hank" Byroade continued.

"These people begin to doubt us. They feel such irresponsibility, such misinformation, sways public opinion in a government where public opinion determines the government.

"When I was Ambassador to South Africa 2½ years ago, one reporter spent weeks looking for a sign saying, 'Natives and animals aren't allowed.' I roamed the whole country. Never saw it. He claims he did. And that was the story he sent home. Hell, there's no problem without two sides. But he didn't want to study the issues. He traveled 5,000 miles with one object: To find a dramatic example of how bad something is.

"Our editors must realize this fault and redouble efforts to insure accurate reporting. It's worth any cost to cover the world more competently than we do. It is our responsibility as leaders of the free world that our public be as fully and accurately informed as possible. We cannot afford the luxury of misinformation just to sell newspapers."

Cindy Says: Rags at a Premium

(By Cindy Adams)

Katmandu, Nepal.—Beginning of our fourth week—80 miles south of the Red China border, ringed by the Himalayan Mountains, is Nepal. Considered by Government academicians to be the most underdeveloped country on this planet, it's the farthest point from central United States of America. From here on in, wherever you wander, you're nearer home.

A country of 9 million, this kingdom has no sanitation whatever but zillions of gilt encrusted Buddhist temples all over. It has but 80 miles of railroad and but 300 miles of "navigable" dirt road. Navigable, meaning just barely "jeepable." Barring occasional bicycles, jeeps are the mode of transportation for foreigners. The locals make it on foot.

The primitive Nepalese live in the equivalent of the 1500's. There's practically no sign of the wheel. There are no cars except official ones. No wheelbarrows. Brick and wood are toted on one's back with the straps around the forehead. No wagons. Water is carried in pails connected by a pole balanced across the shoulders. No carriages. Babies are carried either papoose style or on the hip. Not even a revolving wheel in the wells. Water buckets are lowered manually.

The tail end of their monsoon season, Katmandu is steamy afternoons and rainy come night. There's only one road out of Nepal and come monsoon season that's closed off, so the only exit and entrance is by air. And in bad weather, the DC-3—only aircraft that can set down here—can't land, thereby virtually isolating Nepal. There are no phones. There are no cable offices except one and that's in the Indian Embassy. Airmail in this out-of-the-way stop is slow, as planes do not arrive or leave more than a few times a week. The only contact you feel closely in this part of the world is the hot breath of Red China.

To describe the poverty of the Nepalese is to cite what happened when our troupe did an outside show. Joey wanted to scrape the mud from his shoes and asked for a rag. Answered an English-speaking Nepalese, "Mr. Adams, we have no rags in Nepal. We're all wearing them here."

Average day in the life of Joey and I, as heads of President Kennedy's cultural exchange program, was one day last week. Up 5:30 a.m. in Delhi, India, the overnight stopover from Kabul to Katmandu. As usual, the 8 a.m. Indian Airlines flight was hours late taking off. After sitting around the airport like displaced persons, all 24 of us plus 3,000 pounds of equipment, arrived in Katmandu midday. Posed for pictures (Life magazine sent a crew to photograph the troupe during our 5 days here), had an official lunch, an hour briefing on local do's and don'ts, 2 hours with our Ambassador in an official visit, a press conference with the Minister of Public Affairs, then rehearsal, then an impromptu appearance at a hospital, then finally unpacking.

Had 1 hour to press clothes and bathe, before the official Embassy reception, where Joey and I stood 2 hours on the receiving line. In our 1 hour, we discovered the water was off (naturally) so no bath, and the electricity suffered a power failure (figures) so no pressing. After the reception came the 2-hour show, then an official state dinner with the royal family to welcome us on behalf of the Royal Nepalese Government.

Natch, us commoners couldn't amscray before their highnesses and their fantasticnesses were having a ball * * * so-o-o, with a song in my heart and a pain in my passport, I finally laid me down to sleep at 2 a.m.—21½ hours later.

Come to think of it, this was an easy day—only one show.

Cindy Says: "Prince—Anyone?"

(By Cindy Adams)

Bangkok, Thailand.—As we left Katmandu, Nepal, in some kind of twin-engine kite for Calcutta, India, I discovered the Red Chinese Ambassador was aboard. I mean, I had no choice. I had to wish the old boy Godspeed. After all, we were on the same plane.

Whilst changing for a jet to Bangkok, we experienced a great kick. In a window was a copy of Joey's 1954 bestseller, "Cindy and I." We didn't price it though cause, let's face it, we'd both read it before.

Our troupe had been briefed that in Moslem and Buddhist countries, we shouldn't whack anyone on the back Yankee-style or in any way touch them. The more orthodox scrub their persons and houses top to bottom if a westerner even crosses their threshold let alone has physical contact. Unfortunately, our briefings came just a couple of physical contacts too late.

One of our group was relating a pleasant little joke to a bunch of pleasant little listeners. One of them didn't laugh. Our hero thumped him on the shoulder with a "Doncha get it, Mac?" "Mac" turned out to be the Crown Prince.

In India, another of our boys was standing behind a nice, unassuming seated gentleman. Our boy was weary, the chair was backless, so he leaned his paws on the shoulder of the nice, unassuming seated gentleman who stiffened slightly. When rigor mortis set in everybody wondered why, till we found out he was the Indian Ambassador.

Then, of course, there was the time I personally kept calling a certain Prime Minister "honey." I don't know what a prime example of a Prime Minister is. I only know that whatever he should look like, this dear soul didn't.

In Kabul, Afghanistan, one of us, when introduced to another Prince, said, "Pleasure to meet you, Your Highness. I hope we can play your country sometime." Muttered Joey quietly, "This is his country."

In these smaller places, there's almost more royalty than commoners. Sometimes you can't tell the princess from the peasants without a scoreboard. * * * In one country even our well-oriented Ambassador made a class A goof. Sitting outdoors, in the semidarkness, amongst the 20,000 people in our audience, our Ambassador saved one empty seat for his wife. Engrossed in conversation, he barely noticed somebody lowering himself into the seat. He only said quickly, "Sorry, this is reserved." Even in the blackout he thought he detected a surprised look blanket the face of the seat stealer. Something made him do a double take. When he did, he looked smack into the wounded eyes of the King's brother. Many apologies and scrapings and bowing later, he and the King's kin were gabbing away whilst Mrs. Ambassador was craning her neck from behind the SRO sign.

Everywhere, admissions for our show equaled admissions to a show their country would have. In Bangkok, prices are 5, 10, and 15 baht. A baht's 5 cents. In Kabul we worked the Jeshyn Fair. It's held annually. Every few years there's the International Jeshyn, like this year, where all countries participate in pavilions, exhibits, and/or shows. I won't tell you what it cost to see us. I can only tell you that admission to the whole fair was the equivalent of 2 cents.

I don't care what my mother says, this is an underprivileged area and it had nothing whatever to do with Joey's talent.

Cindy Says: U.S. "Don't" List Is Long

(By Cindy Adams)

Phnom Penh, Cambodia.—I'd always heard the cheapest commodity in Asia was human life. However, when trouping for our country's cultural exchange program, you soon discover that even more plentiful than rice bowls are your lists of do's and don'ts issued by the State Department.

For females, high on the list are low necklines. They're verboten, forbidden, and you positively dassn't feature them in Moslem countries. And you don't wear slacks or shorts. And, for men, you don't trot about with sportshirts, no jackets, and 5 o'clock shadow.

The biggest don't is don't discuss politics. Second, don't boast how wonderful our wonderful United States of America is. Third, biggest don't being don't call the locals natives. Do call them, nationals. (Anybody ever hear that old saw, "The nationals are restless tonight?")

In Afghanistan, if you buy karacul hats, turbans, their embroidered national dress, or other indigenous garb, don't wear it locally. It's felt you're trying too hard. In Hindu India, don't whack anybody on the back in palsy-walsy Yankee style. And, so's we don't look too openhanded, don't overtip; don't feed the beggars. In Buddhist Nepal, don't dare touch or even graze a lady. Don't even shake hands unless she offers first. It's an unpardonable offense punishable by the unwritten law, the written law, and any other laws the menfolks got laying around. And don't step on orange or yellow rocks; they're considered gods.

But, like the gentleman says, you ain't heard nothin yet til Bangkok. Here, they got two No. 1 don'ts. First No. 1 don't concerns "The King and I." Just don't mention it. They're sensitive about this, deem it fiction not truth, consider it demeaned he who was Thailand's father of education and reduced His Majesty to an ordinary mortal rather than a supreme being.

Second No. 1 don't regards the worst word in Thai language which is the bottom of your foot. Because of this, even shoeshine parlors are taboo hereabouts. So, don't point your feet at anybody; don't sit with your legs crossed; don't expose the soles of your shoes.

Comes next the bunch of make sures. Make sure you don't mention President Kennedy more than once in your official speeches. Sounds like we're pressing. Make sure you throw in a kind word for our ambassador but make sure you don't lay it on too thick. Sounds like logrolling.

Then there's the second-string don'ts: Don't touch Thai on the head or shoulders. That's the sacred part of their being. Don't point or shake your finger. In Thailand it's a gesture of accusation. Don't stand over a seated Thai when conversing. Nobody knows why, unless maybe that it's just plain rude. For females, don't touch orange-robed monks. For everybody, don't raise your voice or shout to anyone. And don't kiss or display affection publicly.

Cindy Says: Tourist-Teachers in Laos

(By Cindy Adams)

Singapore.—Teachers who teach readin', writin', and whateveritis in a little red schoolhouse in Maine may have difficult moments, but tourists who double at cramming it into 700 Lao in a little bombed schoolhouse in Vientiane are really put to the test.

The Lao-American Association opened its doors September 1959. They nearly shut them August 1960. State Department sponsored, it was staffed by wives of the menfolk stationed hereabouts. Come August 19 all 500 were ordered to amscray and take to the high ground for protection. This left our American men femaleless, our Lao pupils teacherless, and it's a draw as to who was hardest hit.

Anybody who spoke English was pressed into service. If you could say, "How are you?" without faltering, you taught advanced classes. The substitutes—Army officers, Embassy staffers, an odd missionary or two—were aided by shanghaiing anybody passing through. Photographers in town for National Geographic took a class, some Yale fellow rattling around the world took a class and though today tourist rate doesn't reach that of Siberia, anybody, who made a wrong left and landed just long enough to get out—took a class.

Joey Adams' show, touring for President Kennedy's cultural exchange program, arrived on a Thursday. Friday, one of our dancers, our pantomimist's wife, and myself were smoked out, given ricksha service to the school, handed the lessons and pointed toward a blackboard. Lao-American's slogan is, "Have books will travel." This was 2 weeks ago. I'm reminded of it today because a thank you letter from the school just reached me here in Singapore.

Pupils, age 10 to 50, pay 600 kip ($7.50) per 3-month course. They have 8 classrooms. Come emergencies the auditorium is sectioned. This expedites pandemonium since their method is choral mimicry. The instructor recites; the class repeats. This having been French Indochina, many speak French. We were cautioned to employ "direct" methods, meaning only English.

My class, 2-C, had 180 hours of English. At times it felt they'd had more than I. "Janet Taylor was ready 10:30 on the dot," I recited. They repeated it beautifully. Everything's going to be fine, I thought. "What means 'on the dot'?" somebody asked. Utilizing my wristwatch I explained it meant "exactly." Feeling proud of myself I commenced forging onward but something stopped me. "How would you use 'on the dot?'" I asked. Grinning, one lady announced brightly, "I want a dress on the dot like yours."

I continued, but with less bravado, till Janet Taylor, my nemesis, opened a can of fruit. They couldn't understand "can." I started explaining in French. Then I recalled that's taboo. Then I realized I could not remember the French word for "can" anyway. Immediately I thought: The most important thing is not to panic. I clawed at the 26 pictorial charts lining the wall. Nothing. I pantomimed. Nothing. I squawked, "Tin—metal—." Nothing. I drew a picture. It looked like a square with a yo-yo on either end. Eventually I grabbed an interpreter who announced dolefully that the stupid teacher would bring one next day to show the class.

It was a broiling hot day. Drenched with perspiration and failure, I emerged a sodden mass. Before I killed myself, all I wanted out of life was an iced tea. Nobody understood. I used sign language, drew sketches. Nothing.

Frankly, I'd love to take another class. If only to bring them a can and teach them two words: "iced tea."

Cindy Says: Command Performance Problem

(By Cindy Adams)

DJAKARTA, INDONESIA.—Since the Joey Adams Variety Show amscrayed New York on August 18 for the Java-Sumatra-Indonesia circuit, which is the southeast Asian version of New York, New Haven, and Hartford, we've played the Palace more times than Nora Bayes. Traveling as good will ambassadors on behalf of President Kennedy's cultural exchange program, our troupe of 23 has entertained the King and Queen of Thailand, the King and Queen of Afghanistan, the King and Queen of Nepal, the Queen and a stray princess or two in Cambodia and one of those three cranky princes from Laos.

So, although another command performance was routine, sharing a rice bowl with Sukarno wasn't. To do it, we flew in from Laos via Bangkok the night before with no sleep. We'd hoisted ourselves at 7 a.m. to make a 10 o'clock Royal Air Lao flight to Bangkok which didn't leave until noon. For reasons, known to absolutely nobody, we always have to decorate the bloody airports an hour and a half ahead of even the pilot. "Hurry up and wait" is our slogan.

In Bangkok, seems our 3,800 pounds of equipment plus hand luggage couldn't fit our Garuda Indonesian airplane. They removed some seats. Then there weren't enough seats so they replaced them and removed the luggage. Finally they replaced them and bumped some extra passenger. We left 3 hours late.

Only one problem upon arrival. Nothing serious. Just seems someone mislaid 17 pieces of luggage. "Don't worry," they chorused. "Fear not," they said. "It'll come manana." So, they bowed, we bowed, and next day there was only one problem. The sole plane due from Thailand arrived luggageless. We were scheduled for Sukarno's country palace in Bogor, 5 p.m. Djakarta's 6 hours from Bangkok. Bogor's an hour drive from Djakarta. Noontime everyone was in a funk. Except Joey. He was calm and cool and numb from panic. I mean, lets face it, who stands up a president? We could find our next stop would be Loew's firing squad.

A priority cable was sent from our Indonesian Ambassador to our Thailand Ambassador. Couched in diplomatic talk, the gist was "H-E-L-P." Sukarno had requested an American show for years. He'd looked forward to this for months. He'd invited 500 of the top 400 of Indonesia. And we hadn't one shred of stage equipment and half our girls had no personal luggage whatever.

The Thailand Embassy chartered a Royal Thai Airforce plane and cabled back, "Keep your tuxedo on, luggage arriving 7 p.m." The plane was an hour late. President Sukarno stationed his army at the airport to unload, had his aides whisk it through customs and Government trucks and a police escort stood by to careen it to Bogor.

Meanwhile, back at the Palace, the natives were getting restless. It was 9:30. The calmest and most gracious of everyone was the President himself. Like any good host, he mixed, mingled, soothed, joked, even sang songs to pass the hours and told us that although his invitees sported silks, satins, and brocades, we girls looked lovely in our 2-day-old crumpled, perspired drip-dry flight outfits.

The show was a big hit, the President was delighted and said it accomplished much in bringing the love, friendship, and joy of America to Indonesia.

But there was just one thing. I still think that extra delay at the Palace could've been avoided if Joey hadn't asked the guard for backstage.

Cindy Says: Marriage in Cambodia

(By Cindy Adams)

PHNOM PENH, CAMBODIA.—In Cambodia, a gent may have seven wives. And, seems to me, if he can withstand the Cambodian courtship—which is like an endurance test—he's entitled.

Firstly, ladies hereabout never go out alone even in daylight. They're always chaperoned by parents, relatives, or someone as incorruptible as a Canadian Mountie. Instantly, this lowers the odds on a sneak meeting betwixt the Cambodian Romeo and his Juliet.

If a boy wants to set his beret for a girl, he must be a longtime family friend, have attended the same schools, have the same type home and background, and his father must know her father.

For the first date, he needs permission from her father. Being there's no telephones, a week ahead he makes an appointment with the girl, who must be 18, for an appointment to see the old man. She gives him the address; he gives her the time and day he'll call. This whole date is merely an OK for the date.

Once past the reviewing stand, they may got out the first time—but only to a public party—and only if her parents know the party throwers. And there's no pulling the wool over Mr. and Mrs. Cambodia either. The party throwers must personally call for you and your shiek in their own car. It's ixnay on hand holding and first name calling. Even the impersonal French pronoun "vous" instead of the familiar "tu" is used.

Date No. 2 must include a group of friends, all known to mummy and daddy. The friends must come to be reviewed personally and officially request the parents' permission and guarantee the offspring's safety. The witching hour is midnight or Cinderella turns into a juvenile delinquent according to local standards. With afternoon dates, her deadline is dusk.

If he's this far through the obstacle course, third date may be a movie. Even at that pop might drag along. But no dinner. Dinner and movie is only if you're engaged. Phnom Penh being very small, she can't share a rice bowl with a man without the proper jewelry on the proper finger.

Later, dinner's permissible. But only if their kin are well acquainted. And then no movies. For some reason, the eats and picture combination spells danger in these parts.

Like the United States of America, boys play the field. Unlike it, girls can only date one suitor at a time. And only if there's some intention of marriage. If there's mutual affection but not enough for marriage, he's welcome at her house but not welcome to take her out.

With French, Chinese, and Vietnamese "strangers" who've lived side by side for centuries here in what was French Indochina, there's additional preventives. With Americans it's worse. Wary, their main theme regarding us is, "You take the highroad and we'll etc., etc."

No matter who he is, she sees him only twice a week. No matter what it is, any gift must be presented in front of mama. When it's getting serious and his mama's looking to give her the onceover, it's at her house. Going to the home of the boy, who mustn't be over 5 years riper than the girl, is 100 percent disallowed.

When he's ready for husbandhood, he pops the question—but to his parents. Next her parents. Last, the lucky girl. She'll accept because Cambodian daughters obey Cambodian mamas. Then his parents and the soon-to-be in-laws arrange details.

Continuation of Hearings on Joey Adams Tour

Mr. LIPSCOMB. I would like to ask if the State Department has set up any regulations that this type of thing can go on or should not go on?

Mr. ISENBERGH. We always try to profit from experience, sir, and we in the future shall attempt to make it certain that no unfavorable description of the countries in question is publicly made by anybody on a tour of ours.

Incidentally, Mr. Chairman, may I, out of fairness to this company, ask that there be inserted in the RECORD two articles from the New York press, one from the New York Times and one from the New York World-Telegram, which describe the tour and puts quite the contrary stamp on it, a stamp of complete approval.

I offer you these, Mr. Chairman, and request that they be put in the RECORD as well.

Mr. ROONEY. Each member of the committee will have an opportunity to inspect these articles.

Mr. ISENBERGH. Thank you.

Mr. ROONEY. I still do not understand your position. At the outset you said there was nothing wrong in the articles by Cindy Adams and now it appears you are trying to offset such unfavorable effects as may have resulted therefrom. That is the way I sum it up.

(Discussion off the record.)

COST OF JOEY ADAMS TOUR

Mr. LIPSCOMB. Is the cost of this presentation as listed on your justification sheets $256,000?

Mr. ISENBERGH. That is correct, sir; $256,000, although this is subject to final accounting.

Mr. LIPSCOMB. And Mrs. Cindy Adams was a member of the troupe and participated in the cost?

Mr. COOMBS. Her travel only was paid.

Mr. ISENBERGH. Only her travel.

Mr. ROONEY. We certainly still want to know what he got out of it.

Mr. ISENBERGH. As I explained, this is not known to the Department.

Mr. ROONEY. You shall find out about it. There are a number of Government agencies that would have this information.

Mr. ISENBERGH. Yes, sir.

* * * * *

JOEY ADAMS TROUPE

Mr. Rooney. I should like to thank Mr. Isenbergh for calling our attention to these clips from the New York Times and Herald Tribune. I should particularly express our thanks for bringing to our attention the following, which is in the item in the New York Times of Sunday, December 10, 1961:

"Whatever internal wrangling the troupe—"

Referring to the Joey Adams troupe of 24–25—

"Whatever internal wrangling the troupe suffered earlier in the tour appears to have ended. It culminated in the dismissal of the tour manager, Harry Hirsch, in Bangkok in September."

I guess you forgot to tell us about that, did you not, Mr. Isenbergh?

Mr. Isenbergh. This was an internal matter which did not have any effects on the success of the tour with its audiences.

Mr. Rooney. What was the trouble?

Mr. Isenbergh. I do not know, sir. I think it was a personality difference within the company.

Mr. Rooney. Did you have anything to do with Mr. Hirsch being fired?

Mr. Isenbergh. No, sir.

Mr. Rooney. How much did Mr. Hirsch get out of it?

Mr. Isenbergh. As I told you, sir, the only arrangement we made was a package deal for the entire show.

Mr. Rooney. Will you be so good as to find out how much Mr. Hirsch got out of it?

Mr. Isenbergh. We will certainly make every effort to do it.

(The following information was supplied:)

"1. Mr. Adams received $1,200 a week for the duration of the tour.

"2. Mr. Hirsch received $300 a week for a total of 6 weeks (including a period of services abroad in advance of the arrival of the company).

"3. The Buddy Rich Sextet was paid $2,050 a week as a unit. Neither ANTA nor Associated Bookings Corp. can advise how this sum was distributed among the six members, including Mr. Rich. Final payment for the entire show has not yet been made by ANTA to Associated Bookings Corp. In the final settlement an equitable adjustment will be made to reflect the fact that Mr. Rich withdrew from the show on November 18."

Mr. Rooney. If you do not know what happened, how would you know it did not have any effect on the success of the tours?

Mr. Isenbergh. Because we have reports on the impact from every country.

Mr. Rooney. I see some of them. I am referring to Mrs. Adams' reports on the impact. I am going to refer to the item of October 5, 1961, from the paper to which reference was previously made. She says:

"I won't tell you what it cost to see us. I can only tell you that admission to the whole fair was the equivalent of 2 cents."

PERFORMANCES IN THAILAND

This is from Bangkok, Thailand. How much did it cost the American taxpayer to put on this troupe in Bangkok, Thailand?

First, I should ask: How many performances did they give in Thailand?

Mr. Isenbergh. This company gave 15 performances in Thailand.

Mr. Rooney. And those performances, 97 at a cost of $256,000, cost $2,742 for each performance; is that right?

Mr. Isenbergh. I think this is correct, sir.

Mr. Rooney. Just make sure now. Sometimes my arithmetic is wrong.

Mr. Isenbergh. I will have to do the arithmetic. Would you repeat your figure again, sir?

Mr. Rooney. $2,742. I have divided 97 performances into $256,000. That is the net, is it not?

Mr. Isenbergh. Our figure is $2,640 per performance.

Mr. Rooney. Let us say it is $2,640. Is it the fact that the admission to the whole fair, of which this was just a part, was 2 cents a person?

Mr. Isenbergh. I believe this is so. May I add, sir, with your permission, that the purpose was to reach the large audience that comes to the fair, which is a great event in the area.

Mr. Rooney. I am glad you told us that because you are leading me into my next question.

It appears from her column in this newspaper of Thursday, November 23, 1961, that, quoting her:

"Our troupe of 23 has entertained the King and Queen of Thailand, the King and Queen of Afghanistan, the King and Queen of Nepal, the Queen and a stray princess or two in Cambodia, and one of those three cranky princes from Laos."

How much did they pay to see this extravaganza?

Mr. Isenbergh. I do not know. I believe, sir, that there were some preview performances to which notables were invited, but I am not sure that they are counted among the total of performances because, in addition to the scheduled performances, there were 40 extra ones which we did not take account of in the calculation of the average price.

PERFORMANCE IN KABUL, AFGHANISTAN

Mr. Rooney. Can you tell us if you gave away any free tickets at that fair to which I made reference where the admission fee was 2 cents?

Mr. Isenbergh. The answer is "No, sir." May I say that a hundred thousand Afghans from every social class and practically every region of the country did visit the U.S. exhibit at the fair where the Adams troupe was performing, and another 20,000 watched from outside the fence.

This show was seen by more people, revisited more often, left a more memorable impression than any other single attraction, Afghan or foreign. The Soviet Union brought in a variety troupe of which a high official said that the American troupe beat it all hollow. The King and Queen, Prime Minister, and Crown Prince and several ministers who had seen——

Mr. Rooney. What are you reading from?

Mr. Isenbergh. I am reading excerpts from a Post report.

Mr. Rooney. Is there anything derogatory in that Post report?

Mr. Isenbergh. No, sir.

Mr. Rooney. Is there anything derogatory in any of the Post reports on any of the performances?

Mr. Isenbergh. I find nothing, sir.

Mr. Rooney. I did not expect that you would.

Mr. Isenbergh. Except an indication that——

DIFFICULTIES BETWEEN PERFORMERS

Mr. Rooney. By the way, was there any trouble between some other performers in this entourage, other personnel in the entourage, I mean?

Mr. Isenbergh. I think there was some difficulty between Mr. Adams and one of the other performers.

Mr. Rooney. Would this quotation from a column of Miss Dorothy Kilgallen be correct:

"Buddy was the only famous name in the whole Adams safari. He quit because he couldn't get along with Joey. The State Department might elicit quite a story from him. (The same Department also would do well to read Cindy Adams' columns on the tour. She makes it clear that, far from communication through entertainment to the 'little people of the faraway nations,' they have been playing nothing but palaces, amusing the heads of State, and the elite of the various foreign lands at the U.S. taxpayers' expense.)"

You would not agree to that, would you?

Mr. Isenbergh. I certainly would not. The facts are wrong.

PERFORMANCE IN INDONESIA

Mr. Rooney. Did they play, as Cindy Adams says in the column of November 23, 1961, "before Mr. Sukarno in Indonesia at his place."

Mr. Isenbergh. They did, sir.

Mr. Rooney. Had he invited, as she says, "500 of the top 400 of Indonesia"?

Mr. Isenbergh. That imaginative language is probably a good indication of the kind of audience there was.

VERIFICATION OF REPORTS OF TROUBLE BETWEEN PERFORMERS

Mr. Rooney. Did you get in touch with Buddy Rich to find out, when it was suggested by Dorothy Kilgallen, what trouble there was, so that in the future you might avoid such troubles? If so, when and where did you speak to him and what did you say to him and what did he say to you?

Mr. Isenbergh. I have not personally talked to him.

Mr. Rooney. Do you not think you should have?

Mr. Isenbergh. No; I am informed Mr. Bowman did.

Mr. Rooney. Mr. Bowman, what did you say to him and what did he say to you?

Mr. Bowman. I did not personally speak to him.

Mr. Rooney. Who did?

Mr. Bowman. The people up at ANTA. Miss Macy actually spoke to him after he came back.

Mr. Rooney. When did they come back?

Mr. Bowman. They came back just 2 days before Christmas, I believe, sir.

Mr. Rooney. This column was written, the one to which I referred, before they came back; is that right?

Mr. Bowman. Yes, sir.

Mr. Rooney. What was the trouble between Buddy Rich and Joey Adams?

Mr. Bowman. I think it was a clash of personalities, sir.

Mr. Rooney. How much did Buddy Rich get out of it?

Mr. Bowman. Again, sir, it is the same answer. We do not know. We bought it as a package.

Mr. Rooney. Evidently you do not know at all what is going on. You never told us here during this presentation about trouble with Buddy Rich, you did not tell us about the trouble with this man Hirsch, the stage manager or producer, whatever his title was. You do not know how much anyone got out of the taxpayers' money. Do you think this is a good way to run this program? You are the gentleman who said this was a great program, according to one of the quotes in the newspapers I have here.

Mr. Bowman. Yes, sir, we believe it is.

Mr. Rooney. Pretty expensive business, is it not?

Mr. Bowman. For 23 people for that many weeks?

Mr. Rooney. $2,640 a performance. Did you notice a statement in another of these columns—I think it was one of those that Mr. Isenbergh so kindly passed across the table:

"The tour is sponsored by President Kennedy's international cultural program and administered by the American National Theatre and Academy."

* * *

Friday, March 9, 1962.

Mr. Rooney. The committee will please come to order.

DEROGATORY REPORTS FROM POSTS REGARDING JOEY ADAMS TOUR

On yesterday we were told that there were no derogatory reports from the posts with regard to either the Joey Adams trip or any other trip. Since then we have asked for certain communications from the posts that were visited during the course of Joey Adams' trip. I certainly think a number of them are derogatory.

I do not know, Mr. Isenbergh, whether or not you are familiar with these. In a hasty run-through I do not find your name on them but I do recall yesterday Mr. Bowman sat there and let you answer certain questions and I find his name on practically all of these.

Joey Adams advised the Department, did he not, that he had fired Hirsch for causing dissension and trouble and that Horner was a suitable replacement who would take orders from him, is that right?

Mr. ISENBERGH. We first received——

Mr. ROONEY. Is what I read right? Either it is right or it is wrong.

Mr. ISENBERGH. That is right, sir.

Mr. ROONEY. Was it reported that the position of the post was neither for nor against dismissal of Hirsch?

Mr. ISENBERGH. This is correct, sir.

Mr. ROONEY. And that if Adams decided it was impossible to work with any member of the team, the Embassy was not in a position to tell him otherwise?

Mr. ISENBERGH. This is correct, sir.

Mr. ROONEY. And that neither the post nor any member of the USIS staff has agreed that Adams was justified in dismissing Hirsch. Was that reported?

Mr. ISENBERGH. I believe it was, sir.

Mr. ROONEY. And was it the view of the post that this internal matter in the variety show did make clear that Adams and Hirsch both enlisted the Ambassador's support for their positions?

Mr. ISENBERGH. This is correct, sir.

Mr. ROONEY. Was it reported that the Embassy had considerable difficulty programing this Joey Adams show due primarily to the demanding personality of Adams and his open feud with Manager Hirsch?

Mr. ISENBERGH. This report was made, sir.

Mr. ROONEY. And is it a fact that it was reported that Adams dismissed Hirsch for insubordination and intended to run the show personally?

Mr. ISENBERGH. This was reported, sir.

Mr. ROONEY. And was it reported that members of the team resented $1,200-a-week Adams speaking for the group on matters they were not consulted on?

Mr. ISENBERGH. This was reported.

Mr. ROONEY. And was it reported that members of the group resented the attitude of Adams' wife, particularly her role in the dismissal of Hirsch?

Mr. ISENBERGH. This was reported.

Mr. ROONEY. And was it reported, in the early part of the trip, September, that Adams maintained close ties with Buddy Rich, who controlled the band, thus insuring Adams' control of the show?

Mr. ISENBERGH. This was reported.

Mr. ROONEY. That was as of September. We will see what happened later on.

Mr. ISENBERGH. As of September 15.

Mr. ROONEY. And is it the fact that Adams while in Bangkok made many demands, including a personal car, a photographer, and special treatment from the Ambassador on down? Was that reported?

Mr. ISENBERGH. Such was reported to us, sir.

Mr. ROONEY. And was it reported he usually refused any commitments before noon, especially on days after a performance?

Mr. ISENBERGH. This also was reported.

Mr. ROONEY. And was it reported that members of the team resented this and told Adams so?

Mr. ISENBERGH. This was reported, sir.

Mr. ROONEY. And then subsequently at another post on this trip, to wit, in Saigon, was it reported that in the final minutes of the troupe's stay there in Saigon, and just prior to departure for Bangkok en route to Bangalore, the much-heralded feud between Adams and Buddy Rich broke out into a near fist fight at the airport?

Mr. ISENBERGH. That was reported.

Mr. ROONEY. And was it reported that the immediate trigger this time, though by no means the root of the trouble, was the unpaid hotel bills run up by three members of Rich's band?

Mr. ISENBERGH. This was reported.

Mr. ROONEY. And was it reported that although Adams flashed a roll of bills he signed an I O U and authorized Horner, the troupe manager, to withhold certain pay in order to defray these bills amounting to $308.60?

Mr. ISENBERGH. That was reported, sir.

Mr. ROONEY. And was it reported this was the only means of avoiding public embarrassment to the United States?

Mr. ISENBERGH. That was reported also.

Mr. ROONEY. And was it reported that if this were not the fact with regard to public embarrassment in the United States that Joey Adams would have let Rich stew in his own juice until the hotel bills were dishwashed away?

Mr. ISENBERGH. Yes, sir; that was reported.

Mr. ROONEY. And was it reported that this last-minute incident, which I assume referred to the near fist fight at the airport, although reflecting basic mismanagement on Adams' part which might warrant the Department's consideration, that the incident did not really mar the overall effects of the show?

Mr. ISENBERGH. This was reported.

Mr. ROONEY. But was it reported, however, that the price came dangerously close to being too high?

Mr. ISENBERGH. Yes, sir; it was so reported.

Mr. ROONEY. Was it reported subsequently from Calcutta that when the Joey Adams Variety Show passed through Calcutta he told the cultural affairs officer that Band Leader Rich had been a major problem at virtually all functions and was a discredit to the U.S. program, and he was requesting the recall of Rich by ANTA? Was that reported?

Mr. ISENBERGH. That was reported.

Mr. ROONEY. Did Adams claim that Rich had publicly used foul and abusive language at Saigon in the presence of the Ambassador, the press, and Embassy staff?

Mr. ISENBERGH. That was reported, sir.

Mr. ROONEY. I believe that the Ambassador subsequently denied that the foul and abusive language was used in his presence.

Mr. ISENBERGH. This is correct, sir.

Mr. ROONEY. And did Adams ask the cultural affairs officers to relay a message through the Department to ANTA for the recall of Rich but for the remaining band members to stay with the show, even paying Rich the full amount if necessary?

Mr. ISENBERGH. This was reported, sir.

Mr. ROONEY. Did the Ambassador refer the Department to the cultural affairs officer with regard to the behavior at the airport which we previously discussed?

Mr. ISENBERGH. That is correct, sir.

Mr. ROONEY. Was there a time when the Department advised the post that unless a lot of the difficulties were overcome that Adams at $1,200 a week must be warned by the Embassy that he must control the situation or the tour would have to be canceled?

Mr. ISENBERGH. There was such a warning from the Department.

Mr. ROONEY. And did the Department say he had caused trouble since the inception of the tour?

Mr. ISENBERGH. I do not recall that language, sir.

Yes, I find that there is an indication that he had caused trouble since the inception of the tour, although the post still reported excellent reception of the performance.

Mr. ROONEY. And did the Department report that the conduct of many of the troupe, including Adams, had been damaging?

Mr. ISENBERGH. The Department did make that reference. The Department referred to reports concerning the conduct which may have been damaging.

Mr. ROONEY. Do you want to change your answer given yesterday that there was nothing derogatory in post reports with regard to the Joey Adams show and the tour they took?

Mr. ISENBERGH. Sir. I was talking at that time of the audience reactions. May I say that throughout this there is an indication that the feuding was kept offstage and that the audience reaction was excellent throughout.

Mr. ROONEY. Would you say the incident at the airport just before leaving for Calcutta was offstage?

Mr. ISENBERGH. That was the only incident.

Mr. ROONEY. And would you say the use of the foul and abusive language was offstage too?

Mr. ISENBERGH. This is not clear, sir, because it was later denied by the Ambassador, but I would certainly say if it occurred that it was offstage.

* * * * *

Mr. ISENBERGH. There were some indications in some of the cities of Latin America—I cannot recall which—that the audience was lukewarm to "The Skin of Our Teeth," although in the same city it is my recollection they were enthusiastic about "Glass Menagerie." It is inevitable in this kind of program that not every attraction could be a smash hit everywhere, and while I cannot cite instances to you, there were some reports that the audiences were less than ravingly enthusiastic about some of the shows. I do not recall any reported incidents of personal misconduct.

Mr. BOWMAN. Nor can I, sir.

(Discussion off the record.)

PAUL WINTER SEXTET

Mr. ROONEY. At page 355 of your justifications you set forth an item in fiscal year 1962 of $72,457 for the Paul Winter Sextet. They are on the road right now, are they?

Mr. ISENBERGH. They are, sir.

Mr. ROONEY. Where are they?

Mr. ISENBERGH. In Latin America.

Mr. ROONEY. What are the details with regard to that?

Mr. ISENBERGH. The Paul Winter Sextet is a jazz group which won a national competition held at Georgetown University last year as the best of its kind in the United States.

Mr. ROONEY. These are all college students, are they?

Mr. ISENBERGH. They are not now college students.

Mr. ROONEY. Some of them have master's degrees, do they not?

Mr. ISENBERGH. That, I understand, is correct.

Mr. BOWMAN. They are all working for their graduate degrees; yes, sir.

Mr. ROONEY. Go ahead.

Mr. ISENBERGH. As I have said, it is a prize-winning group.

Mr. ROONEY. Just give us the facts.

Mr. ISENBERGH. The facts are it is on a tour in Latin America and its itinerary is scheduled as follows:

It opened at Port au Prince in Haiti, February 8 and 9. It proceeded to Mexico, where it played in four cities until the 21st of February. It then went to El Salvador where it played in two cities until the 27th of February. It then went to El Salvador where it played in San Salvador on March 1 and 2. It then went to Honduras where it played in two cities on March 3 and 5.

The next stop is Nicaragua where it will play in one further city. It has already played in Managua. Thereafter it is scheduled to go to Panama where it will play in two cities.

Mr. Rooney. What is the date of their last performance?

Mr. Isenbergh. The date of the last performance is July 8.

Mr. Rooney. It will be on the road from February 8 to July 8 and then return?

Mr. Isenbergh. That is right.

Mr. Rooney. How many performances?

Mr. Isenbergh. I cannot tell from this itinerary. The number of performances scheduled and the dates are subject to change. I would estimate that there would be at least 60 performances.

Mr. KEARNS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I probably can speak quite authoritatively. As the distinguished chairman knows, and also the ranking minority member, I probably hold the only degree of doctor of music in the House of Representatives. Now, I want to say this: I think we can criticize the State Department in many ways, but let me say this, that the few dollars that we spend on cultural relations in countries abroad are well worth it. In 1950, Mr. Chairman, Mr. Dulles called me and asked me if I would be guest conductor for the Air Force Band and go to Iceland. At that time we had negotiated for that base for 1 year. Russia was moving in there with their symphonies, artists, painters, sculptors. We were considered an army of occupation there. There were 6,000 men in Iceland. We were a military force. At that time the Parliament of Iceland, which is the oldest parliament in the world, established in the year 930, consisted of 21 Conservatives, 16 members of the Democratic Labor group, and 14 members of the Communist Party. The balance of power rested with the Democratic Labor group who voted with the Conservatives.

Now, here we were. Russia could not use Iceland, but they wanted us out. And I would like to call the attention of the House to this, because I think it is very important: I took the 100-piece Air Force symphony orchestra over there and I learned one thing. I learned that despite all that Russia had done they had not taken a harp to Iceland. So, on our airplane, with that complement of 114 men that we took out of Andrews Field, we put two harps, so that if one were destroyed we would still have one to play during the symphony concerts.

All right, what happened? We had four concerts there. Let me tell you that the people of Iceland are highly cultured people. They hold culture and the arts in great esteem. They go to their concerts in black tie, which we do not do lots of times for such events in Washington. They get dressed and they listen. It might be said of the people of Iceland that they "know the score."

Mr. Chairman, I want to say this: All over the continent of Europe and the Far East people pay great tribute to our service bands. The few dollars that it costs us to send the Air Force Band, the Navy Band, the Army Band, and the Marine Band, all around the world, is well worth the money spent. The behavior of our boys in uniform is excellent. I want to tell you that the best dollar investment we make is in that boy in uniform going abroad in our great service bands. He can play his fiddle, his cornet, or anything else. At the same time he can drop a bomb, he can go out in the field and fight. But we can win victories with music, because it is the most universal language in the whole world. Why not use it when we can.

Mr. Chairman, I yield back the balance of my time.

Mr. COLLIER. Mr. Chairman, I move to strike the requisite number or words.

Mr. Chairman, I take this time to attempt to get information in connection with the appropriation for the Arms Control and Disarmament Agency. I might say that in supporting the establishment of this Agency and voting for the original appropriation, my position drew a certain amount of criticism from many of my constituents.

Mr. Chairman, I would like to know at this time how many employees are presently in the Agency. I would like to have that information from anyone who can answer the question.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. Yes, I would be happy to yield to the gentleman from Ohio.

Mr. BOW. The record that I have here shows that at the present time there are 126 employees in this bill, taking round figures. Again I must say that these are round figures and not figures of the Department. But their best estimate would be an increase of 94 in this bill.

Mr. COLLIER. Bringing the total roll to what number?

Mr. BOW. Well, 126 plus 94 would be 220.

Mr. COLLIER. Were there any reports given to the committee on the work which this Agency has done thus far?

Mr. BOW. If the gentleman will yield further, yes. The gentleman will find in the hearings that there is a very full report by the Agency of not only what they had done up to this time but their anticipation of what they will do in the following year.

Mr. COLLIER. It would seem to me, based upon the functions which are outlined here and which were presented to this House at the time the Agency was established, that we could reach a saturation point in the number of employees required to perform these functions.

Is this going to be another one of those agencies which will grow and grow and grow like Topsy?

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. I would be happy to yield further to the gentleman.

Mr. BOW. The gentleman, perhaps, is stating the fact but may I say to the gentleman that the committee allowed the entire amount requested in this case. I might also say to the gentleman that there was a great deal of effort made outside this Agency by people throughout the country that we increase it well over the budget. But in the budget there is a justification, although I will say to the gentleman that this may be an empire-building Agency and we may see it skyrocketing in the future.

I will say to the gentleman as one member of the committee I shall watch it very carefully, but I would feel at this time that they did present justification for their full budget request at this time.

Mr. COLLIER. As I understand it, originally there were 90 people in the State Department who, prior to the establishment of this Agency, performed what are basically the present functions of this Agency. But they did so as a part of an assignment within the Department; is that correct?

Mr. BOW. That is correct. Then when the separation came under the act of Congress setting up this Agency, many of those people were transferred into the new function, doing the same work they had done in the State Department.

Mr. COLLIER. Of course, I presume this made it possible to reduce the number of employees in the other areas of the Department of State by reason of the transfer.

Mr. BOW. I might say there is no increase in employment under the item, "Salaries and expenses" in the appropriation bill.

Mr. COLLIER. The figure of $6,500,000 for this appropriation actually is in excess of what we in the House were told the annual operating expense of this Agency would be, at the time the bill was brought to the floor establishing the Agency; is that correct?

Mr. BOW. I cannot answer the question; I do not recall what the amount was that was mentioned at that time.

Mr. COLLIER. As I recall it is some $2,200,000 more than we were told the annual operating cost of the Agency would be.

Mr. BOW. I can say to the gentleman that this is the budget request that is contained in this bill.

Mr. COLLIER. I thank the gentleman.

Mr. BROWN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, several days ago I read with a great deal of interest some of the newspaper stories my fellow newspapermen had written as to some of the things which had been found and learned during the hearings on this particular legislation as conducted by the chairman of this subcommittee, my good friend, the able gentleman from New York [Mr. Rooney]. And I noticed that the reporters realized the great news value of the information they had evidently obtained from the gentleman from New York. I was happy to see that they did not have any difficulty in spelling his name correctly, with the two "o's" and the "ey."

I have listened with a great deal of interest to the debate and the discussion on the floor as to the expenditure of these various funds. I listened a moment ago to the gentleman from Pennsylvania [Mr. Kearns] discussing, as he did in his wisdom and his knowledge of the various arts and of the musical world, and as to his opinion of the great value that we receive from the visits of some of the Russian musical organizations, symphony orchestras, and so forth coming to the United States. And yet I find myself unconvinced that any of these Russian musical organizations have been able to convert any Americans to communism, or that when we sent the famous "Satchmo" and Benny Goodman to Moscow, and his fellow Joey Adams down into southeast Asia, that any Communists were converted to our way of life or to our belief in the God we all worship.

And then I began to thing about all these costly things that we have been discussing, and have been doing, all over the world I realize, being just a common, ordinary newspaperman from Ohio, that we have been doing all these things on borrowed money; and that we are asking our children and our grandchildren yet unborn to pay all the cost for sending a lot of these peculiar people all over the world, supposedly to spread Americanism and tell the people of other countries as to the values of our way of life, without any really beneficial effect whatsoever.

That makes me wonder, I will say to the ladies and gentlemen of the House, just how silly, how asinine, and how stupid our Government and our Congress can get at times.

The day will come, and I want to predict it as I stand here in the House today, the time will come, and not too far off, when the force of circumstances will compel us to stop a lot of these wild, extravagant, silly, and stupid expenditures that do no one any good except a few people who engage in them more or less as a racket, only as a benefit to themselves, and not as a benefit either to this country, this Government, or the peace of the world. So I am just a little bit surprised, and just a little bit ashamed of the fact, that we are wasting our time and wasting the substance of the people we represent on some of these costly activities that have been discussed here on the floor of the House today.

Mr. INOUYE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I join my colleagues in complimenting the distinguished gentleman from New York [Mr. Rooney], the chairman of the subcommittee, and the ranking minority member of the subcommittee, the gentleman from Ohio [Mr. Bow], for their most excellent presentation of this important appropriation measure before the House. I wish also to compliment the subcommittee for its wise and reasonable handling of the appropriations requested by the Center for Cultural and Technical Interchange Between East and West. May I assure my colleagues that this money will be wisely and prudently expended by the Center.

Mr. Chairman, may I invite my colleagues to visit the State of Hawaii and personally inspect the facilities and operation of the Center. I am certain that my colleagues will be favorably impressed.

In closing may I express my personal gratitude to the distinguished gentleman from New York [Mr. Rooney] for his great and abiding interest in the Center. May I, in behalf of the people of Hawaii, assure Chairman Rooney and his subcommittee that we will do our utmost to live up to the confidence the subcommittee has expressed in our East-West Center.

Mr. ASHBROOK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time simply for the purpose of recounting some statements that were made on the floor of the House 10 years ago, rather 10 B.S. or 10 B.H.; that is, before Schlesinger or before Heller.

If the Members will refer to volume 96, part 4, page 5467 of the Congressional Record, there is this very interesting colloquy between a Congressman by the name of John F. Kennedy and Congressman Rooney, of New York. One of the nice things about the Congressional Record is that although the views of the Congressmen may change, their words do not change.

I would like you to listen and think about today's events and where we find ourselves as far as financial condition is concerned, and the concern voiced at that time by Congressman John F. Kennedy. There was a colloquy between the gentleman from New York, the distinguished chairman of the subcommittee [Mr. Rooney], wherein Mr. Kennedy said the following:

> Mr. Kennedy. I would like to ask the gentleman whether or not he feels that it is more dangerous to carry a deficit of $6 billion in a prosperous year like today, or cut some of these appropriations by 10 percent? I do not see how we can go on carrying a deficit every year?

Imagine that.

> I should think it would be much more preferable to cut some of these appropriations by that figure.

I am saying this is the exact bill 12 years ago, 12 years B.S., before Schlesinger and Heller, that we are discussing here.

> Mr. Rooney. I do not believe in further cutting this appropriation, which is for a vital service, in one of our most important departments, the Department of State.

Congressman Kennedy went on to say:

> How are we going to bring that deficit of $6 billion down to a reasonable figure unless we make some of these cuts?

He went on later, on page 5467, to say this:

> Does not the gentleman think that a very important item in the cold war is the economic stability of our country so that we will have resources in case of war?

I simply call this to the attention of the Members of Congress. It seems rather strange that 12 years later we are discussing the same bill. The man who was Congressman then is President now, and does not seem to be concerned about the deficit as he was in those years. In fact, he would make the deficit 10 years ago of $6 billion seem rather trivial.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. ASHBROOK. I yield to the gentleman.

Mr. ROONEY. I would like to compliment the distinguished gentleman for calling this colloquy to the attention of the House. I guess it is unfortunate that I am still here in the House of Representatives 12 years later——

Mr. ASHBROOK. The gentleman from Ohio certainly did not mean to infer that, as I am sure the gentleman realizes.

Mrs. CHURCH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at this moment in particular I would be the last to admit that the gentleman from New York [Mr. Rooney] has been in the House too long because on the subject on which I hope to speak briefly, he has been a devoted friend. He has always given strong support to our efforts to eliminate the lamprey eel.

I have been disturbed by the colloquy between the gentleman and the gentleman from Washington [Mr. Magnuson] and Dr. Moffett as recounted on pages 1172 and 1173 of the hearings. As the gentleman remembers, the interest in my district and in the neighboring districts of Illinois and Michigan in this subject has been almost historic. From the very beginning, we have aided all efforts and sought help to eradicate the lamprey eel which went so far toward destroying the great fishing industry of Lake Michigan. I was interested in reading and, in fact, somewhat disturbed to read, on page 1172 of the hearings, that Dr. Moffett now claims a loss of faith in the method of eliminating eels by the utilization of the electrical barrier; and that, apparently, the only attempt that will be made to obtain appropriations in the future along such lines will be for the maintenance and operation of electrical barriers already in being. The good doctor is willing to rely on a substitute or alternate method, namely the use of larvicide.

I wonder if the chairman of the subcommittee could assure me that the apparent loss of faith in the electrical barrier and the turn toward the use of larvicide will not indicate any loss of realization as to the importance of this problem to the fishermen of the Great Lakes?

Mr. ROONEY. I will say this, in answer to the distinguished gentlewoman from Illinois, that the experts contend the larvicide method is far superior to the electrical barrier method. It is expected that it will eventually all be done by way of the larvicide method and we will then not need even to keep in repair the electrical barriers presently erected up there in the Great Lakes area.

Mrs. CHURCH. Would the gentleman assure me that there is in this bill, despite the reduction in the appropriation for fisheries, an adequate sum to give a real test to the larvicide method?

Mr. ROONEY. Most certainly, the distinguished gentleman from Michigan [Mr. Cederberg] saw to that.

Mrs. CHURCH. I can remember even before the days here of Mr. Cederberg that Michigan was a great help to Illinois in this matter, and I am, indeed, very glad to have him on the appropriations subcommittee, to protect the need for continued action.

Mr. BOW. Mr. Chairman, will the gentlewoman yield?

Mrs. CHURCH. I yield to the gentleman.

Mr. BOW. I should like to call your attention to an article which the gentleman from Michigan [Mr. Cederberg] has inserted in the Record.

I was in Michigan not long ago checking on this same thing. The article says, "Nearly 90 percent of all sea lamprey in Lake Superior have been destroyed by the chemical stream treatment program of the past 4 years, according to the most recent figures."

This is by the experts. With this new chemical being used in the Lake Superior region, about 90 percent of the eels have been destroyed and people are back again fishing for trout in Lake Superior. I believe from our investigation, this is a proper method and we will eventually win this war against the lamprey eel.

Mrs. CHURCH. I thank the gentleman very much for his contribution.

Mr. Chairman, I would add that my interest in this problem has been greatly heightened at this time because there actually has been a decrease in the number of fish in Lake Michigan and not an increase as occurred for so many years during the time when we first started the use of the electrical barrier.

Will the gentleman also assure me that there is provision in the bill for a sufficient appropriation to deal with the problem?

Mr. BOW. Certainly, I am glad to assure the gentlewoman and the people in the region of Lake Erie and the people around the Great Lakes that this committee is very much concerned about this problem.

Mrs. CHURCH. I thank the gentleman very much.

The Clerk read as follows:

INTERNATIONAL FISHERIES COMMISSIONS

For expenses, not otherwise provided for, necessary to enable the United States to meet obligations in connection with participation in international fisheries commissions pursuant to treaties or conventions, and implementing Acts of Congress, $1,910,000: *Provided*, That the United States share of such expenses may be advanced to the respective commissions.

Mr. WILLIAMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS: On page 12, line 3, immediately before the period, insert the following: "*Provided further*, That none of the funds appropriated herein shall be used to pay the salary, or to enter into any contract providing for the payment thereof, to any individual in excess of $22,500 per annum."

Mr. WILLIAMS. Mr. Chairman, this is the section under which funds are made available for entering into contracts with these entertainers.

There has been quite a bit of discussion today about our having paid Joey Adams at the rate of $1,200 a week and having paid Helen Hayes at the rate of some $1,500 a week to go overseas for the State Department's cultural exchange program.

The chairman of the committee has said that he could not understand where there was any justification for paying this kind of money to these people for their services. I cannot either. If these people are sincere in their desire to make a contribution to international good will for the United States, surely they should be willing to serve over there at least at the same rate of pay that a U.S. Senator or a Member of the U.S. House of Representatives receives.

This amendment speaks for itself. I am not yet ready to say that Joey Adams or Helen Hayes or any of these entertainers can contribute more to the interest of their country than the majority leader of the House or the majority leader of the other body, or perhaps any Member of this body or the other body.

Mr. Chairman, I submit that this amendment should be adopted.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment.

Even though in my own mind I may feel tempted to accept the amendment I am afraid of its consequences. I do not want to pay any of these people more than $22,500, but they do not go away on these tours on an annual basis. For instance, Helen Hays might be away 15 or 16 weeks on a tour entertaining our diplomats and the American colonies abroad.

I do not think this amendment gets at the problem. Like the amendment with regard to the United Nations which I unsuccessfully fought here many years ago, also introduced by my good friend the gentleman from Mississippi, and when I said: "What you are doing here today is to approve the United States paying one-third of the U.N. expenses," and that is the way it turned out. The State Department regarded one-third as the authorized amount.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. WILLIAMS. If the gentleman will note, the language is exactly the language of the bill. I took it from the next section of the bill. It was written in there by the committee.

Mr. ROONEY. I know, but this is a different sort of program. The program the gentleman picked out has to do with an annual salary for the Director of the East-West Center.

I know we are talking about people who have obtained large sums of the taxpayers' money, but I do not think it is good judgment to adopt the pending amendment.

Mr. Chairman, I ask for a negative vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WILLIAMS].

The question was taken; and on a division (demanded by Mr. WILLIAMS) there were ayes—49, noes 65.

So the amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 11, line 21, strike the figure $40,000,000 and insert $34,000,000.

Mr. ROONEY. Mr. Chairman, I make the point of order that we have already passed that and are over on page 12.

The CHAIRMAN. The Chair will say to the gentleman that we are still on the same paragraph. The point of order is overruled.

Mr. GROSS. Mr. Chairman, in view of all we have heard about the alleged comedians and others that have been running around over the world and how they have been performing, I think this appropriation ought to be cut somewhat below the funds for last year. If I understand the figures correctly, and I think I do, the $34 million contained in my amendment will return it to what it was last year, minus $2 million. That also leaves $8 million in foreign currencies that would be available, or a total of approximately $42 million for this purpose. Surely that is enough to spend on this sort of nonsense. I urge the adoption of my amendment and this modest saving to the taxpayers.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa [Mr. GROSS].

Mr. Chairman, I do not know how the distinguished gentleman from Iowa arrived at the amount $34 million. He might as well make it $30 million or, if he really wants to thoroughly wreck the program, make it $20 million.

The amount appropriated for this program in the fiscal year just closed was $36,970,800. When this committee cut the amount $56,657,000 to $40 million it went far enough. The subcommittee found itself in unanimous agreement with regard to this reduced amount. It was considered and discussed for a considerable period of time between the majority and minority members of the committee.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Iowa.

Mr. GROSS. Now, was not that figure a cut from the budget request?

Mr. ROONEY. Of course it is a cut from the budget request—from $56,657,000 to $40 million.

Mr. GROSS. All right, but that is like the horse trader who is trying to get rid of an old broken down spavin horse.

Mr. ROONEY. We must exercise mature judgment here, and this $40 million is the judgment of all the members of the subcommittee, both majority and minority. We are not in the business of horse trading.

Mr. GROSS. This is a cut of only $2 million.

Mr. ROONEY. No; it is a cut of $4 million.

Mr. GROSS. No; it is not.

Mr. ROONEY. You are correct, it is not $4 million; it is a cut of $2.9 million from last year. That is exactly what it amounts to.

Mr. Chairman, I ask that the pending amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 52, noes 61.

So the amendment was rejected.

The Clerk read as follows:

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

To enable the Secretary of State to provide for carrying out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960, by grant to any appropriate agency of the

State of Hawaii, $8,340,000: *Provided*, That none of the funds appropriated herein shall be used to pay the salary, or to enter into any contract providing for the payment thereof, to any individual in excess of $20,000 per annum.

RAMA ROAD, NICARAGUA

For an additional amount for necessary expenses for the survey and construction of the Rama Road, Nicaragua, in accordance with the provisions of title 23, United States Code, section 213, and the Act of September 2, 1958 (72 Stat. 1709), $2,350,000, to remain available until expended: *Provided*, That transfer of funds may be made from this appropriation to the Department of Commerce for the performance of work for which the appropriation is made.

Mr. MEADER. Mr. Chairman, I make a point of order against the language contained on lines 14 through 22 of page 12 of the bill on the ground that the appropriation made in that paragraph is not yet authorized.

Mr. ROONEY. Mr. Chairman, I am constrained to concede the gentleman's point of order. We thought, perhaps, we could save some money for the taxpayers. But in view of this point of order made by the distinguished gentleman from Michigan, we have no alternative. We must concede it.

The CHAIRMAN. The gentleman concedes the point of order.

Mr. MEADER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to draw the attention of the committee to lines 14 through 22 on page 12 relating to the Rama Road, Nicaragua. This item is discussed on page 8 of the committee report, and the details concerning the Rama Road are set forth commencing on page 1232 of the committee hearings.

Mr. Chairman, the Rama Road in Nicaragua runs 155 miles from the head of the Escondido River on the Atlantic side to a point on the Inter-American Highway on the Pacific side of Nicaragua.

The committee report refers to an agreement to construct this road. Well, the agreement was made in this fashion:

Dictator Somoza, of Nicaragua, came to Washington to visit President Roosevelt in 1939 and complained that the Corps of Engineers had recommended against the construction of a canal across Nicaragua. In the most offhand way the President, to mollify Dictator Somoza, said: "I will give you $2 million out of my emergency fund to build a road from one side of Nicaragua to the other." And, that was the agreement.

Mr. Chairman, we have been for 20 years completing 155 miles of road. Now, the appropriation here is for $2,350,000. Of that $2,350,000, $1.5 million only is authorized; $850,000 has not yet been authorized by the Public Works Committee or the Congress, and it is my intention to make a point of order against this language.

Now, they will say this, because this road has been built piecemeal and the Senate agreed to only $1 million out of the last authorization, leaving $1.5 million authorized but unappropriated, that it has been more costly to complete this highway.

Mr. Chairman, I do not have the records here, but through the years I say to you that they have come in time after time and said: "If you will give us the money, we will finish the road," a road which was supposed to have cost $2 million over 20 years ago has cost $16 million already, and the end has not yet been reached.

Mr. Chairman, I think it is about time that the Congress should look into this matter and find out what is going on and finally get this road finished and get it off the books.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I am glad to yield to the gentleman from Ohio.

Mr. BOW. I am wondering if the gentleman is not referring to the Inter-American Highway, where we came in and said "If you will give us the money, we will finish the road"? Not to my knowledge, since I have been on the committee, have we ever come in and said that the amount that has been appropriated would finish the Rama Road. We did at one time come in and ask for enough money to finish the Inter-American Highway.

Mr. MEADER. The record will speak for itself. But there has been before this House authorization bills and appropriation bills ever since I have been down here. I rode on this road in 1946 and there is not any reason why they could not have finished a decent road based upon the commitment that President Roosevelt made to President Somoza long before this.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. MEADER. I yield to the gentleman from New York.

Mr. ROONEY. Unfortunately, it seems that our fine Michiganites get all mixed up with regard to the Rama Road in Nicaragua. I have in mind the distinguished present judge who formerly was a Member of the other body from the State of Michigan to whom this Rama Road was a favorite whipping boy.

Mr. MEADER. Yes; because he was down there at the same time I was, and knew what he was talking about.

Mr. ROONEY. Would the distinguished gentleman let me finish my remarks?

In the 1960 fiscal year this subcommittee—the gentleman from Ohio, myself, and the rest of the members of the committee—came before the House and recommended that the House vote $4.5 million which would have completed the road; would have finished it completely, kaput. The U.S. Bureau of Public Roads definitely assured us of this. So, what happened? The House approved and the bill went over to the other body and in order to make the bill look good they cut the $4.5 million down to $1 million and added the difference elsewhere in the bill. You will find in the present testimony, if you will read it, that that reduction by the other body has cost the American taxpayers $850,000. You are now going to do about the same here in the alleged interest of economy. I am interested in saving taxpayers' money. It is my judgment and the judgment of the subcommittee that if you will appropriate this $2,350,000 the road will be finished, kaput, and that will be the end of it, and there will not have to be further discussions on it between Michiganites and New Yorkers.

Mr. MEADER. All I say is wait until the full amount has been studied by the Public Works Committee and the authorization made, the same as we do with public works projects in this country, and then appropriate the full amount and be sure that is going to be the end of it.

Mr. ROONEY. If the gentleman will yield further, does not the gentleman realize that this is the money for the completion of it?

Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROONEY: On page 12, line 14, insert:

"RAMA ROAD, NICARAGUA

"For an additional amount for necessary expenses for the survey and construction of the Rama Road, Nicaragua, in accordance with the provisions of title 23, United States Code, section 213, and the Act of September 2, 1958 (72 Stat. 1709), $1,500,000, to remain available until expended: *Provided*, That transfer of funds may be made from this appropriation to the Department of Commerce for the performance of work for which the appropriation is made."

Mr. ROONEY. Mr. Chairman, this is the identical language which appeared at page 12 of the pending bill, from lines 14 through 22 inclusive, except for the fact that the amount in line 19 is reduced from $2.35 million to $1.5 million. This is not presently subject to a point of order, and I urge the adoption of this amendment as one step in order to get this Rama Road completed so that we may be finished talking about it.

Mr. Chairman, I urge the adoption of my pending amendment.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman.

Mr. WILLIAMS. As I understood the amendment as it was read, the use of these funds would be limited to surveys, is that correct?

Mr. ROONEY. No.

Mr. WILLIAMS. Surveys and planning?

Mr. ROONEY. This money is to be transferred to the U.S. Bureau of Public Roads and it would do all the construction work necessary to complete the Rama Road if we appropriated the amount $2,350,000. We had had the assurance, if we appropriated that amount, that this long project would be completed. This will now cover $1.5 million of the required road work.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The Clerk read as follows:

BOOKS FOR THE SUPREME COURT

For books and periodicals for the Supreme Court, to be purchased by the Librarian of the Supreme Court, under the direction of the Chief Justice, $35,000.

Mr. HALEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALEY: On page 43, line 11, after "$35,000", strike out the period and insert a comma and the words "of which such sums as may be necessary may be used to purchase, for the personal use of each justice a copy of the Holy Bible."

Mr. HALEY. Will you accept it?

Mr. ROONEY. If the gentleman does not want to debate his amendment, I am placed in the perplexing situation of having to oppose it, and I oppose it for the reason that I happen to quite well know one of the distinguished members of the Supreme Court who was a former Attorney General of the United States, who is continually in possession of his dear mother's Bible. I think he would feel this action to be an insult. I have already and succinctly expressed my displeasure with regard to the decision of the Supreme Court regarding the New York school prayer, but I think this present proposal goes a bit too far. I am sure my distinguished friend from Florida has made his point and that he will now withdraw his amendment.

Mr. HALEY. No, I do not withdraw the amendment, Mr. Chairman. I just want to say this. We are buying $35,000 worth of books for the Supreme Court for the use of the Justices of the Supreme Court. I merely want to buy nine Bibles, because I think that they need to read the Bible, the Holy Bible, over there. I certainly will not withdraw my amendment, and I ask for a vote on it.

Mr. JOELSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to know what assurance the gentleman would have that the nine members of the Court would read it if they were provided with it.

Mr. HALEY. At least they will be available over there and we will know that they could if they wanted to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. HALEY].

The question was taken; and the Chairman being in doubt, the committee divided, and there were—ayes 47, noes 66.

Mr. HALEY. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was rejected.

The Clerk read as follows:

COMMISSION ON CIVIL RIGHTS

Salaries and expenses

For expenses necessary for the Commission on Civil Rights, including hire of passenger motor vehicles, $950,000: *Provided*, That the compensation of any employee paid from funds provided under this head shall not exceed $20,500 per annum.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the gentleman from New York [Mr. ROONEY] if, in appropriating $950,000 to the Civil Rights Commission, the committee took into consideration the Equal Job Opportunities Commission that is also costing the taxpayers a lot of money and, perhaps, explain why there is need for a Civil Rights Commission and an Equal Job Opportunities Commission.

Mr. ROONEY. Of course, I am not thoroughly familiar with the budget in the other commissions to which the gentleman refers. I am quite familiar with the Civil Rights Commission. I think that the Civil Rights Commission is composed of some of the most distinguished, capable, and finest men in America.

Mr. GROSS. I would not know about that, but I do know that we are supporting two organizations which must duplicate functions.

Mr. ROONEY. The gentleman from New York is somewhat at a disadvantage on this because he does not know too much about the details of this other organization to which the gentleman from Iowa refers, but I do know the facts with regard to the operations of the Civil Rights Commission.

Mr. GROSS. The Equal Job Opportunities Commission is spending at least a half million dollars and, perhaps, more each year.

Mr. ROONEY. I do not know the first thing about the details of the budget item to which the gentleman refers, and I am trying to tell him so.

Mr. GROSS. The Chairman of this Commission is the Vice President of the United States, Mr. LYNDON JOHNSON. Let me tell you what this organization is doing among other things. Last year they called upon the Department of Defense to run a nose count of all Negroes employed by the Department of Defense. Applications for civil service employment carry no notation as to race or color. So this Equal Job Opportunities Commission told the Navy Department—it started, apparently, with the Navy Department—that it must have in a matter of 4 days all of the Negroes—not American Indians and not Jews and not Caucasians—just Negroes—all the Negroes in every military installation in this country and throughout the world. Of course, they had to resort to the most expensive means of communication known to mankind to get this information in 4 days from all quarters of the earth, and you may have some idea of the bill of expense. Now what I am saying is just this——

Mr. ROONEY. That is the difficulty—I have no idea of the bill of expense, but I am familiar with the bill of expense so far as the Civil Rights Commission is concerned.

Mr. GROSS. Yes, it gets $950,000 in this bill. So they made this nose count or this line-of-sight count—call it whatever you want—and I do not know how they could tell merely by looking at a person just what the individual's racial antecedents were. But the count was later made in every branch of the military service and then spread out over the Government. I do not understand why we are maintaining both these organizations and spending at least $1,500,000 plus all of the expenses that go with this kind of nonsense on the part of the Equal Job Opportunities Commission in obtaining this information on a forced-draft basis.

Mr. ROONEY. Would the gentleman from Iowa kindly take off after my distinguished friend, the Vice President of the United States, and leave the distinguished gentleman from New York alone.

I am primarily concerned with the Civil Rights Commission. If he wants to express his ideas as to the organization that the Vice President of the United States heads, that is his privilege.

Mr. GROSS. Help me put a stop to this waste. Let us have the Equal Jobs Opportunity Commission, or the Civil Rights Commission, one or the other, but not both.

Mr. ROONEY. I am sure if the distinguished Vice President of the United States, and former Senator from Texas, had anything to do with it, it must make good sense.

Mr. GROSS. It must what? I just said he is the Chairman of the Commission that authorized this expensive line-of-sight nose count all over the world, the results to be reported back in 4 days. If this kind of information is important let it be put on form 57 when application is made for Government employment.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Certainly.

Mr. ROONEY. Has the gentleman not inquired as to the Commission the gentleman refers to?

Mr. GROSS. Yes, the Appropriations Committee appropriates money for it.

Mr. ROONEY. Which subcommittee?

Mr. GROSS. I wish the gentleman would help me find out.

Mr. ROONEY. I am sure if you turn to the gentleman from California [Mr. LIPSCOMB] he will find out for you by just looking up the budget.

Mr. TOLLEFSON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, starting with the Hoover Commission recommendations, the Congress has adopted a number of reorganization plans. As I understood it, the reorganization plans were designated to bring about more efficient administration of Government in the various agencies and departments at less cost and with fewer employees. I am sure that under the reorganization plans that have been adopted there have been some good results, but in connection with some I am sure the reverse has been true.

Last year Congress approved Reorganization Plan No. 7 which created an independent agency called the Maritime Commission. Reading the report and the bill I find that the Maritime Commission has requested an additional 153 employees over what the committee has approved for the Commission. This is just another illustration of what often happens under reorganization plans: Instead of spending less money, instead of employing fewer people we are going to spend more money than ever before, at least in this instance.

I was one of those who opposed Reorganization Plan No. 7, and I am not taking this time just to say "I told you so." I just want some assurance from the committee with respect to the Maritime Commission. I say if we have adopted the reorganization plan let us make the plan work. I have considerable confidence in this subcommittee. I have worked with it with respect to maritime matters over the years. I would like some assurance from the committee that they have supplied adequate money for the Maritime Commission to function under the reorganization plan.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. MARSHALL. In the first place I want to compliment the gentleman on the statement he made about reorganization plans. Unfortunately that seems to be the thing that happens as far as increased expense is concerned when reorganization plans have been approved.

As far as the Maritime Commission is concerned, we went into it very carefully. They asked for 306 personnel for 1 year. We cut down 50 percent of the increased personnel because we felt that gave them all the personnel they could use to do a good job this coming year out of these funds, and we feel the amount is sufficient to do the job.

We have found as the gentleman said about these reorganization plans. Our experience has been that when you start a new agency like this unless you hold them in line the chances are they will get out of balance and employ more personnel and spend more money than they should. Personally, I think we were overly generous in giving them the increase we did. We will watch them very closely, I am sure, and see just how well they do their work, and see that they are provided with ample personnel.

Mr. TOLLEFSON. I thank the gentleman for his explanation. From what he says I can assume that the subcommittee will watch the functionings of the Maritime Commission and make adequate provision for staffing the same to make sure that it will be able to perform the functions assigned to it by law. The Commission, as I understand the present situation, says that it requires more than the 153 employees approved by this bill. Despite my opposition to the Reorganization Plan No. 7, I say that if more employees are actually needed they should be approved.

Mr. MORSE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MORSE. Mr. Speaker, I rise to support the position taken by my honorable colleague, the gentleman from Washington [Mr. Tollefson], to the effect that every effort must be made to insure that the Federal Maritime Commission be kept at maximum strength and efficiency.

Those of us representing the Commonwealth of Massachusetts know how important a progressive and effective merchant marine is. Well known as our fourth arm of defense, the Federal Maritime Commission's long-range plans, in keeping with the tenor of the President's message on transportation, are such that it must be allocated the necessary funds to do the proper job.

The Clerk read as follows:

UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY

Arms control and disarmament activities

For necessary expenses, not otherwise provided for, for arms control and disarmament activities authorized by the Act of September 26, 1961 (75 Stat. 631), $6,500,000.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask a question of someone concerning the accomplishments of this new, super-duper disarmament setup that was established last year. Can anyone on the committee give me any information as to what has been accomplished? The spending for this purpose has gone from $1 million last year to $6 million this year. What have been the accomplishments of this new and plush outfit?

Mr. ROONEY. In answer to the distinguished gentleman from Iowa, I must say I cannot agree with him that it is a plush outfit. I know it is being very capably handled when it is in the hands of Mr. William C. Foster. Bill Foster is highly respected, he is the former head of the Olin-Mathiesen Chemical Co. He was Under Secretary of Commerce under Averell Harriman; he was Under Secretary of Defense under President Eisenhower. We all have great confidence in him. But when the gentleman from Iowa pertinently and most properly asks about the accomplishments of this agency in the past year, I must confess that I am unable to advise him at this time. The agency has barely gotten started. The money included in this bill, this proposed budget of $6.5 million, will carry out the functions that are described, beginning at page 1008 of the printed hearings.

Mr. GROSS. Yes, I know that. Last year, when the bill creating this new outfit came before the House I opposed it and asked the question of what this super-duper organization could do that was not already being done in the field of disarmament. Who is disarming? Whom do they expect to disarm?

Mr. ROONEY. Mr. Foster advised the committee that having been in the business but 6 months at the time he appeared before the subcommittee, they were building and staffing a committee, they backstopped the United Nations debates.

Mr. GROSS. Were they very helpful in backstopping the United Nations?

Mr. ROONEY. He advised that they were backstopping the nuclear test meeting at Geneva, prepared for the general Disarmament Conference in Geneva, and were presently backstopping and instructing that delegation.

Mr. GROSS. So we have to spend $5 million more for someone to backstop the Tower of Babel in New York?

Mr. ROONEY. This proposal is the judgment of a unanimous committee. The committee felt that if the expenditure of $6,500,000 would help prevent nuclear war, would do some good, that we should do so, that it is worth the chance.

Mr. GROSS. You know, we got along pretty well this afternoon until right now when nuclear testing and Khrushchev came into the picture. Khrushchev did not come up in connection with consideration of the farm bill yesterday, and I do not know how that happened.

Mr. ROONEY. I did not mention Khrushchev. I was about to get to him.

Mr. GROSS. Who is going to start a nuclear war, if it is not Khrushchev?

Mr. ROONEY. I hope my splendid relationship with the gentleman from Iowa continues. It is always good to get along with the distinguished gentleman from Iowa.

Mr. GROSS. I do not know what we would do without Khrushchev.

Mr. ROONEY. I must say that the distinguished gentleman from Iowa is one Member of this House who reads every page of the printed hearings on this appropriation bill, and when this committee gets to the floor, he is one Member who knows as much, if not more, in regard to some items, than the committee itself. However, on this one I believe he is in error.

Mr. GROSS. Mr. Chairman, I do not know what I am in error about, because I have not yet gotten very much information on the accomplishments of this plush disarmament setup.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

The Clerk concluded the reading of the bill.

Mr. ROONEY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Thornberry, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. ROONEY. Mr. Speaker, I move the previous question on the bill and the amendment thereto to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. GROSS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GROSS. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Gross moves to recommit the bill, H.R. 12580, to the House Committee on Appropriations.

Mr. ROONEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 266, nays 56, not voting 113, as follows:

[Roll No. 169]

YEAS—266

Adair
Addabbo
Albert
Alexander
Arends
Ashley
Aspinall
Auchincloss
Avery
Baker
Baldwin
Baring
Barrett
Bass, Tenn.
Bates
Battin
Beckworth
Bell
Bennett, Mich.
Berry
Betts
Blatnik
Boland
Bonner
Bow
Boykin
Brademas
Bray
Brewster
Brooks, Tex.
Broyhill
Burke, Ky.
Burke, Mass.
Byrne, Pa.
Cahill
Cannon
Cederberg
Chamberlain
Chelf
Chenoweth
Chiperfield
Church
Clancy
Clark
Coad
Cohelan
Collier
Conte
Cook
Cooley
Corbett
Corman
Cunningham
Curtin
Daddario
Daniels
Dawson
Delaney
Dent
Denton
Derounian
Diggs
Donohue
Dooley
Doyle
Durno
Dwyer
Edmondson
Elliott
Evins
Fascell
Fenton
Finnegan
Fisher
Fogarty
Ford
Fountain
Friedel
Garmatz
Gary
Gavin
Glenn
Gonzalez
Goodling
Granahan
Gray
Green, Oreg.
Griffin
Griffiths
Hagen, Calif.
Halpern
Hansen
Harding
Harris
Harvey, Ind.
Hechler
Henderson
Hoeven
Holifield
Holland
Horan
Hosmer
Hull
Inouye
Jarman
Jennings
Jensen
Joelson
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jones, Ala.
Jones, Mo.
Judd
Karsten
Kastenmeier
Kearns
Keith
Kilburn
Kilgore
King, Calif.
Kirwan
Kitchin
Kluczynski
Knox
Kornegay
Kowalski
Kunkel
Kyl
Laird
Langen
Lankford
Lennon
Lesinski
Libonati
Lindsay
Lipscomb
McCulloch
McDonough
McDowell
McFall
McIntire
Macdonald
Mack
Magnuson
Mahon
Marshall
Martin, Nebr.
Mathias
Meader
Michel
Miller, Clem
Miller, George P.
Miller, N.Y.
Milliken
Mills
Minshall
Monagan
Moore
Morgan
Morris
Morse
Mosher
Moss
Murphy
Murray
Natcher
Nedzi
Nelsen
Nix
Norrell
Nygaard
O'Brien, Ill.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Osmers
Ostertag
Passman
Patman
Pelly
Perkins
Peterson
Pfost
Philbin
Pike
Pillion
Pirnie
Poage
Price
Pucinski
Quie
Randall
Reece
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Rivers, Alaska
Roberts, Tex.
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Roosevelt
Rosenthal
Rostenkowski
Roudebush
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. George
St. Germain
Schenck
Schneebeli
Schweiker
Schwengel
Scott
Seely-Brown
Sheppard
Shipley
Shriver
Sibal
Sikes
Sisk
Smith, Iowa
Smith, Va.
Springer
Stafford
Staggers
Stratton
Stubblefield
Sullivan
Taylor
Teague, Calif.
Teague, Tex.
Thomas
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Thornberry
Toll
Tollefson
Trimble
Tupper
Udall, Morris K.
Ullman
Vinson
Wallhauser
Walter
Watts
Weaver
Weis
Whalley
Wharton
Whitener
Wickersham
Widnall
Wilson, Calif.
Wilson, Ind.
Wright
Young
Younger
Zablocki

NAYS—56

Abbitt
Abernethy
Anderson, Ill.
Andrews
Ashbrook
Ashmore
Beermann
Bennett, Fla.
Brown
Bruce
Burleson
Casey
Colmer
Curtis, Mo.
Davis, John W.
Derwinski
Dorn
Dowdy
Everett
Forrester
Garland
Gathings
Goodell
Grant
Gross
Hagan, Ga.
Haley
Hall
Harrison, Wyo.
Hemphill
Herlong
Hiestand
Hoffman, Ill.
Huddleston
Johansen
King, N.Y.
Landrum
McMillan
McVey
Matthews
O'Konski
Poff
Ray
Riley
Rogers, Tex.
Rousselot
Saylor
Schadeberg
Selden
Short
Siler
Smith, Calif.
Stephens
Tuck
Whitten
Williams

NOT VOTING—113

Alford
Alger
Andersen, Minn.
Anfuso
Ayres
Bailey
Barry
Bass, N.H.
Becker
Belcher
Blitch
Boggs
Bolling
Bolton
Breeding
Bromwell
Broomfield
Buckley
Byrnes, Wis.
Carey
Celler
Cramer
Curtis, Mass.
Dague
Davis, James C.
Davis, Tenn.
Devine
Dingell
Dole
Dominick
Downing
Dulski
Ellsworth
Fallon
Farbstein
Feighan
Findley
Fino
Flood
Flynt
Frazier
Frelinghuysen
Fulton
Gallagher
Giaimo
Gilbert
Green, Pa.
Gubser
Halleck
Hardy
Harrison, Va.
Harsha
Harvey, Mich.
Hays
Healey
Hébert
Hoffman, Mich.
Ichord, Mo.
Jonas
Karth
Kee
Kelly
Keogh
King, Utah
Lane
Latta
Loser
McSween
MacGregor
Madden
Mailliard
Martin, Mass.
Mason
May
Merrow
Moeller
Montoya
Moorehead, Ohio
Moorhead, Pa.
Morrison
Moulder
Multer
Norblad
O'Brien, N.Y.
Pilcher
Powell
Purcell
Rains
Reifel
Rivers, S.C.
Roberts, Ala.
Roush
Santangelo
Saund
Scherer
Scranton
Shelley
Slack
Smith, Miss.
Spence
Steed
Taber
Thompson, La.
Utt
Vanik
Van Pelt
Van Zandt
Waggonner
Westland
Willis
Winstead
Yates
Zelenko

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Cramer for, with Mr. Alger against.

Mr. Breeding for, with Mr. Alford against.

Mr. Downing for, with Mr. Winstead against.

Mr. Giaimo for, with Mr. Rivers of South Carolina against.

Mr. King of Utah for, with Mr. Waggonner against.

Mr. Halleck for, with Mr. Van Pelt against.

Mr. Frelinghuysen for, with Mr. Hoffman of Michigan against.

Until further notice:

Mr. Buckley with Mr. Andersen of Minnesota.

Mr. Hébert with Mr. Scherer.

Mr. Keogh with Mr. Martin of Massachusetts.

Mr. Morrison with Mr. Anderson of Illinois.

Mr. Zelenko with Mr. Dague.

Mr. Thompson of Louisiana with Mr. Westland.

Mr. Farbstein with Mr. Byrnes of Wisconsin.

Mr. Willis with Mr. Dominick.

Mr. Anfuso with Mr. Utt.

Mr. McSween with Mr. Merrow.

Mr. Dulski with Mr. Bass of New Hampshire.

Mr. Roberts of Alabama with Mr. Fino.

Mr. Healey with Mr. Ayres.

Mr. Boggs with Mr. Gubser.

Mr. Bailey with Mr. Harsha.

Mr. Powell with Mr. Reifel.

Mr. Multer with Mrs. May.

Mr. Green of Pennsylvania with Mr. Becker.

Mr. Santangelo with Mr. Curtis of Massachusetts

Mr. Loser with Mr. Fulton.

Mr. Carey with Mr. Van Zandt.

Mr. Spence with Mrs. Bolton.

Mrs. Kelly with Mr. Moorehead of Ohio.

Mr. Davis of Tennessee with Mr. Jonas.

Mr. Frazier with Mr. Belcher.

Mr. Moorhead of Pennsylvania with Mr. Dole.

Mr. Gallagher with Mr. Ellsworth.

Mr. Celler with Mr. Scranton.

Mr. Fallon with Mr. MacGregor.

Mr. Feighan with Mr Broomfield.

Mr. Hardy with Mr. Norblad.

Mr. Harrison of Virginia, with Mr. Latta.

Mr. Hays with Mr. Findley.

Mr. Lane with Mr. Mason.

Mr. Moeller with Mr. Bromwell.

Mr. O'Brien of New York with Mr. Barry.

Mr. Slack with Mr. Mailliard.

Mr. Shelley with Mr. Harvey of Indiana.

Mr. Dingell with Mr. Devine.

Mr. Moulder with Mr. Taber.

Mr. EVERETT and Mr. SHORT changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

GENERAL LEAVE TO EXTEND

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed, H.R. 12580.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate insists upon its amendment to the bill (H.R. 10062) entitled "An act to extend the application of certain laws to American Samoa," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON, Mr. GRUENING, Mr. LONG of Hawaii, Mr. KUCHEL, and Mr. MILLER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2996) entitled "An act to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes."

SECOND SUPPLEMENTAL APPROPRIATION BILL, 1962

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the Second Supplemental Appropriation Act, 1962, H.R. 11038, and also to consider on Monday next a concurrent resolution in connection with the said bill, H.R. 11038.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROGRAM FOR WEEK OF JULY 23

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to ask the majority leader to advise as to the program for next week.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield.

Mr. ALBERT. Monday is District day. There are two bills: H.R. 6967, nonprofit corporation—accept Senate amendments—and S. 2321, develop medicine and surgery.

Also on Monday there will be the conference report on the bill H.R. 11038, the second supplemental appropriation bill; and

S. 476, California, Point Reyes National Seashore.

On Tuesday there will be the conference report on the bill S. 2996, the Foreign Aid Assistance Act of 1962.

And also H.R. 12648, the Department of Agriculture and related agencies appropriation bill for 1963 will be taken up.

For Wednesday and the balance of the week:

H.R. 11677, Equal Pay Act of 1962, and H.R. 529, construct Mann Creek Federal reclamation project.

I would like to advise the Members of the House that any record votes except on rules or procedural matters on Saturday next, if the House is in session, will go over until Wednesday because of the Louisiana primary.

This announcement is made subject to the usual reservation that conference reports may be brought up at any time and any further program will be announced later.

ADJOURNMENT FROM TODAY UNTIL MONDAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

LOWER BRULE SIOUX RESERVATION, S. DAK.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill—H.R. 5144—to provide for the payment for individual Indian and tribal lands of the Lower Brule Sioux Reservation in South Dakota, required by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and for the rehabilitation, social and economic development of the members of the tribe, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

The Chair hears none, and appoints the following conferees: Messrs. HALEY, EDMONDSON, MORRIS, BERRY, and LANGEN.

CROW CREEK SIOUX RESERVATION, S. DAK.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill—H.R. 5165—to provide for the payment for individual Indian and tribal lands of the Crow Creek Sioux Reservation in South Dakota, required by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and for the rehabilitation, social and economic development of the members of the tribe, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

The Chair hears none, and appoints the following conferees: Messrs. HALEY, EDMONDSON, MORRIS, BERRY, and LANGEN.

SUBCOMMITTEE ON ELECTIONS OF THE COMMITTEE ON HOUSE ADMINISTRATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration may be permitted to sit on Tuesday, July 24, during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

ASSESSMENTS VOTED BY GENERAL ASSEMBLY OF THE UNITED NATIONS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, the International Court of Justice has today affirmed that the assessments voted by the General Assembly of the United Nations to finance peacekeeping operations of the organization in the Congo and the Middle East are legally binding on the member states. This historic opinion is of fundamental importance to international law and to the present and future capacity of the United Nations to maintain peace.

The U.S. Government consistently has been of the view that the assessments in question are expenses of the organization within the meaning of the United Nations Charter and thus binding upon the members. The Legal Adviser of the Department of State so argued before the International Court of Justice during its consideration of this issue.

The Court's opinion will strengthen the efforts of the Secretary General to collect arrearages on assessments to finance the United Nations peacekeeping missions in the Congo and Middle East. Some members have not paid these assessments, claiming that they were not legally binding. In view of the Court's opinion this claim is plainly not tenable.

Collection of outstanding arrearages on these two accounts would help the United States to pay accumulated bills for these two missions through the period ending June 30 of this year. Financing the Congo and Middle East operations beyond June 30, however, depends upon the success of the United Nations proposal to borrow $200 million. No assessments have been voted for these operations after June 30. Expenses for the Congo and Middle East missions are now running at approximately $11.5 million per month; 44 nations have purchased or pledged $72.4 million toward the $200 million so far. The U.S. Senate has passed a bill authorizing the President to lend up to $100 million to the U.N. and the House Committee on Foreign Affairs is currently holding hearings on this legislation. This action further emphasizes the importance of our immediate and affirmative action on this legislation.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from California.

Mr. TEAGUE of California. Can the distinguished majority leader tell us what effect this decision will have upon the voting rights of the members of the U.N. if they do not pay their assessment?

Mr. ALBERT. I am not in a position to answer the gentleman.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Very recently I had the opportunity to question our Ambassador to the United Nations on a television program on this point, and it was the position of our Ambassador to the United Nations that a ruling to this effect by the International Court would put us in a legal position to press for denial of the right to vote for all member nations who have not paid up their assessments.

Mr. MORGAN. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the distinguished chairman of the Committee on Foreign Affairs, who can give a specific answer to the question raised by the gentleman from California.

Mr. MORGAN. Under article 19 of the charter, when a country's arrears equals or exceeds the amount of its contributions due to the 2 preceding years, it loses its vote in the General Assembly.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Iowa.

Mr. GROSS. Now that the court has ordered these deficiency nations to pay up, do you suppose we can get the $82 million that is owed to the taxpayers of this country for the airlift and various other expenses in the Congo and elsewhere, all of which is owed to us by the United Nations?

Mr. ALBERT. I would hope that we might make progress in that direction. The opinion of the Court is not yet available in this country, and I would want to withhold a judgment until I can study it.

VOTING RESPONSIBILITY

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, a little earlier today in the course of debate on the bill just passed, one of our colleagues, the distinguished gentleman from Ohio [Mr. Ashbrook] quoted from a 1950 statement of a former Member of this body who is now President of the United States on the subject of need to cut down on spending and to get our budget in balance at the earliest possible date.

Mr. Speaker, I think two things are interesting in connection with that statement by the distinguished gentleman who was then known as Congressman Kennedy. In the first place, he proceeded in the course of that bill, during the several weeks of debate which followed the colloquy read from by the gentleman from Ohio, to vote for amendments which did have the effect of making substantial cuts, where cuts were feasible in the bill. However, when he got to the point of a final vote on this important bill at that time—and, incidentally, this was the $29 billion general appropriation bill at that time—he did the responsible thing which most of us in the House did today, and voted for the final approval of that appropriation bill. Thus did Congressman Kennedy demonstrate even at that time in his career in public service that he was being responsible in his leadership and in recognition of his responsibility to the people, just as he continues to demonstrate the same responsible qualities in the Nation's highest office today.

HAPPY BIRTHDAY, FISHBAIT

Mr. SISK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SISK. Mr. Speaker, I take this opportunity to wish a happy birthday to a very distinguished employee of the House, our Doorkeeper, Mr. Fishbait Miller, who, I understand, is celebrating his 53d anniversary today. I want to join other Members of the House in wishing Fishbait a happy birthday.

HOORAY! HOORAY! HOORAY!

Mr. WILSON of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WILSON of Indiana. Mr. Speaker, $560,000 may be peanuts to the Government, but it is big money to the rest of us. That is what has been wasted in the past by the purchase of just one radar set, but I am elated to report today that the taxpayers have won a victory in this case and will soon see some money saved.

June 12, 1962, I detailed eight cases of military procurement waste for the House and the Armed Services Committee. Case No. 5 was a report on purchase of a radar set known as the APS-88. It was purchased in the past by sole source or negotiated bid and my study showed these tactics overcharged the taxpayer by over a half million dollars. It also appeared that a new planned procurement, in which only two firms were asked to bid, was going to result in a higher price for the equipment. I promised to study the new action closely.

Yesterday, Comptroller General Joseph Campbell advised me that the Navy has now delayed this procurement and will probably buy at least part of the set through open, competitive bidding. The Navy is going to open the door. Regardless of how it rationalizes this action, here is what happened. When bids were opened, they were, indeed, higher and the Navy had to get off the spot. It will do so shortly by buying the set competitively. The how and why of this are not really as important as the fact that much money will now be saved. Just how much will be saved will be known when a contract is let and I shall follow this procurement closely until that time.

Yesterday, the taxpayers lost a battle when the Navy awarded a contract for production of the PRC-41 radio set on a sole source basis. The taxpayers pockets were picked and the Navy said, in effect, "Damn the dollars, full speed ahead," even though a subcommittee of the House said the radio could have been bought by competitive bidding.

Good news about the APS-88 is the important thing today. The APS-88, the arrests last week in New Jersey and the progress of the amendment which will do away with much sole source buying by the military are all evidences of progress. If American industry gets a fair chance, the taxpayers will get a break, and that is what I am fighting for.

STRATTON COMPENSATORY PAYMENTS AMENDMENT TO THE FARM BILL

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, on yesterday the amendment which I offered to the administration farm bill during debate in the Committee of the Whole, an amendment to provide a legal basis for the compensatory payments feature of the New York-New Jersey milk-marketing order which was invalidated by a decision of the Supreme Court on June 4, was ruled out of order by the Chairman of the Committee of the Whole House on the State of the Union, the gentleman from Pennsylvania [Mr. Walter]. A point of order was made against my amendment by the gentleman from Wisconsin [Mr. Laird] and the pertinent discussion appears on page 14192 of the Congressional Record for July 19. The gentleman from Wisconsin is quoted as follows:

> The gentleman's amendment amends the Agricultural Marketing Agreement Act of 1937. The legislation which is before us does not amend that act in any way in any section. This particular amendment amending the Agricultural Marketing Agreement Act of 1937 is not germane to this bill.

Mr. Speaker, I regret that the gentleman from Wisconsin did not advise me in advance of his intention to raise a point of order against this amendment, which, of course, he strongly opposed. I had assumed that there was no question as to the germaneness of the amendment, since it had been offered to the previous farm bill several weeks ago with no point of order raised against it.

While I pointed out in speaking to the point of order that title III of the farm bill dealt with dairying, a subject also covered by the Agricultural Marketing Agreement Act of 1937, I neglected to point out that section 326 of the legislation, which appears on page 36 beginning with line 12, specifically does refer to the Agricultural Marketing Agreement Act of 1937 and does, in fact, undertake to write statutory law with respect to pricing agreements on milk "notwithstanding any provision" of this act. In fact the whole program outlined in subtitle C of title III of the bill, relating to dairy products, in effect establishes a new pricing arrangement for milk, and therefore necessarily relates directly to the

Agricultural Marketing Agreement Act of 1937 in areas such as the New York-New Jersey area where the price of milk is fixed by milk orders issued by the Secretary of Agriculture directly pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937. Therefore substitle C of title III is in effect an amendment to this act, and this fact is specifically recognized in the provisions of section 326.

Mr. Speaker, in ruling on the point of order offered by the gentleman from Wisconsin [Mr. LAIRD], the Chairman of the Committee, the gentleman from Pennsylvania [Mr. WALTER], said:

> The amendment offered by the gentleman from New York contains a matter which is in nowise related to the subject matter of the several sections under consideration.

Inasmuch as my amendment did relate to the very same act discussed in section 326 of the bill, I respectfully suggest that the amendment was in order and that the Chair should have overruled the point of order.

DONALD WINE

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, the opposition which has developed to the confirmation of my constituent, Attorney Donald Wine, of Davenport, Iowa, who has been appointed U.S. district attorney for southern Iowa by President Kennedy, prompts me to take the floor in behalf of Mr. Wine. I realize that this has been an intraparty fight where one Democrat opposed another but since Mr. Wine has no one to come to his defense at this level, I feel it incumbent upon me as his Congressman, to step across party lines and rise in his behalf. I do this knowing that a Democratic Congressman from Iowa has withdrawn his objections. I am disappointed that he has not come out forthrightly in support of Mr. Wine.

A point of contention has been raised about Mr. Wine's competency for this position on the basis of the speed with which he handled one of the first cases to come to his attention right after he was sworn in. It happens that this is one of those smelly grain storage cases with which the Department of Agriculture has been plagued and where dispatch has not always been the hallmark of its action.

In fact, the attention which District Attorney Wine gave this case might well serve as a pattern for a harried Secretary of Agriculture and an uncertain Attorney General to follow in dealing with such distinguished members of their party as an appointee to the President's Cotton Advisory Committee, Billie Sol Estes, and his henchmen when such nefarious machinations as theirs are brought to light.

U.S. District Attorney Wine has voluntarily documented the immediate action which his office took to close the Alex Barbour warehouse and take court action to bar any further illegal disposition of grain. This is in strong contrast to the confusion, the whitewash jobs, and the coverup which went on in the Department of Agriculture when the Billie Sol Estes stew started to boil.

I have personally known Don Wine for a long time. He is a Democrat and I am a Republican but we have always had a healthy respect for the honest difference of political philosophy which puts us on opposite sides of the political fence and this has never interfered with our friendship and our cooperation on matters of community and civic interest.

He is well respected not only in Davenport and Scott County but in Iowa and Illinois where he is widely known as a rising young attorney and as a member of his political party.

He has earned the right to be elevated to this position of U.S. district attorney and I call upon the Senate Judiciary Committee to judge Donald Wine solely on the basis of his qualifications for the position. He has been tested and has already shown that he can take over a difficult assignment and handle it well. He has the background; he has the experience.

There should be no question about his confirmation. Personal animosity, petty likes and dislikes, should not enter into this picture. Any comparison to the speed with which the U.S. district attorney's office in Iowa handles a grain storage case and the way the same type of case is handled in the U.S. Department of Agriculture under the present leadership is so farfetched as to be ridiculous.

Despite the manufactured opposition, I trust that it will be dismissed for what it is and that Senate confirmation of Donald Wine as U.S. district attorney for southern Iowa will be forthcoming just as confirmation for the two new Federal judges in Iowa was forthcoming in spite of the same type of manufactured opposition.

PERSONAL EXPLANATION

Mr. BARRY. Mr. Speaker, I am not recorded on rollcall No. 169, which has just been completed. Had I been here, I would have voted "aye."

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 60 minutes.

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that my special order be temporarily vacated in favor of the special order of the gentleman from Michigan [Mr. BENNETT] and that I may succeed him in his remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

TRIBUTE TO THE HONORABLE CLARE E. HOFFMAN

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. BENNETT] is recognized for 60 minutes.

Mr. BENNETT of Michigan. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter, and I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the subject matter of this special order.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BENNETT of Michigan. Mr. Speaker, on tomorrow, the Fourth District of Michigan is having an all-day celebration to pay special tribute to our colleague, CLARE HOFFMAN, who is retiring from the House of Representatives at the end of this session after 28 years of continuous service.

I have asked for this time so his colleagues here could join in extending their congratulations and best wishes to CLARE simultaneously with the people of Michigan.

Someone recently said about CLARE that he is one of the last of a breed of men that "they don't hardly make them like any more." Those who know him will well recognize how perfectly this comment applies to CLARE and gives the reason why he has always stood apart as a Member of this body. His limitless energy and vigor at 80 years plus surpasses that of many men 35 years his junior. If there has been a more fearless and courageous Member of the House of Representatives than CLARE HOFFMAN, I have never seen one during my many years of service here.

There are many who disagree with his views and perhaps his philosophy of government, but none that I know of have ever questioned the honesty of his motives or the forthright courage with which he pursues an objective which he believes to be right. He will stand alone against tremendous odds as he has done many times in this House if he believes his cause to be just. A fighter by nature CLARE has always loved to participate in congressional debates and he never lacked for attention once he took the floor. Most Members are reluctant to engage him in an argument on the floor of the House. His quick mind and his subtle wit together with his knowledge of the subject under discussion along with unexcelled parliamentary skill have always made him a feared adversary in House debates.

I think I can say without fear of contradiction that his presence here during the past few months has been sincerely missed by all Members of this body on either side of the aisle. I am sure that all of my colleagues join with me in wishing CLARE a restoration of his good health and a welcome return to the floor of this House before his term expires at the end of this year.

In conclusion, Mr. Speaker, I would like to include the following biographical sketch of CLARE HOFFMAN:

CLARE E. HOFFMAN

CLARE E. HOFFMAN was born at Vicksburg, Pa., on September 10, 1875, the only son of Samuel D. and Mary V. (Ritter) Hoffman. He has one sister, Elizabeth, who resides at Terra Bella, Calif.

He received his public school education at Constantine, Mich., to which place his parents had moved when he was 1 year old.

Following his graduation from Constantine High School, he studied medicine for a year, then transferred to Northwestern University Law School, where he received his bachelor of law degree. During the year following, he attended Valparaiso University at Valparaiso, Ind.

He then went to Otsego, Mich., where he lived a short time and then moved to Allegan, where he was employed in the law office of Charles Wilkes.

He was married to Miss Florence M. Wason, of Otsego, on November 21, 1899. They have two sons, Carl E. and Leo W.—both attorneys practicing at Allegan, Mich.; five grandchildren; nine great-grandchildren.

He remained in Allegan 6 years; then went to Muskegon, Mich., where he was employed by Clarence Sessions, later a U.S. district judge at Grand Rapids.

Following the Muskegon association, he returned to Allegan, set up his own law office and practiced law in that city until 1935.

During that period he was elected and served as prosecuting attorney of Allegan for two terms of 2 years each.

He was always interested in the betterment of his city. He handled all the proceedings connected with the acquiring of the municipal dam and powerplant of the city of Allegan, including all court proceedings, involving land condemnation and procuring rights-of-way in not only circuit court, but the State supreme court, district court, and finally the circuit court of appeals of the United States.

In November 1934, he was elected to the Congress of the United States, representing the Fourth Congressional District of Michigan, and has, on the expiration of each of his terms, been reelected to that office, the last time in November 1960. He is the dean of the Michigan delegation.

During his service in Congress, he has been a member of the House Committee on Merchant Marine and Fisheries, the Committee on Agriculture; is presently second ranking Republican member of the Committee on Education and Labor, and the ranking minority member on the Committee on Government Operations (the latter formerly having been known as the House Committee on Expenditures in the Executive Departments). He was chairman of the latter committee in the 80th and 83d Congresses.

He also served as a member of a number of special House committees, including the so-called Townsend committee and the Committee To Investigate Acts of Executive Agencies Which Exceed Their Authority, generally known as the Smith committee.

He has been a consistent advocate of fair treatment of the workingman; the exposure of racketeering in the labor movement; efficiency and economy in Government.

As long ago as 1947 and 1948 he was chairman of subcommittees investigating racketeering in labor unions and in 1953 supervised and directed investigations of the misuse of welfare and pension funds in labor unions, the fields later explored by the Senate Labor Racketeering Investigating Committee.

Mr. Speaker, I yield to the gentleman from Michigan [Mr. Ford].

Mr. FORD. Mr. Speaker, the gentleman from Michigan, Clare Hoffman's, district adjoins mine to the south. He has most ably represented the Fourth Congressional District for 14 terms. Clare has made an invaluable contribution to his district, his State, and his country.

The gentleman from Michigan, Clare Hoffman, had a most successful career as a lawyer in the State of Michigan for many, many years prior to his election to the Congress. It has been said that the gentleman from Michigan, Clare Hoffman, was more successful before the Michigan Supreme Court than any lawyer in the history of the legal profession in our State. Those of us who have seen him operate so effectively in the House of Representatives can well appreciate how Clare could have been so successful as a lawyer in Michigan.

The gentleman from Michigan, Clare Hoffman's, contributions in the Congress are almost unlimited. His knowledge of parliamentary procedure, his desire to see that the House of Representatives proceeded properly was a fetish; and his contribution in making the Members of the House proceed in an orderly way was one that all of us should seek to emulate in the years ahead.

All of us are familiar with his very strong, dedicated views on such matters as economy in government, constitutional government, and his total and complete dedication to the American way of life.

There are many who have said that Clare was disagreeable and difficult to get along with, but may I say from my own personal experience of some 14 years in the House that I have never found an instance where you could not go to Clare prior to the discussion of a matter on the floor of the House and reason with him. If your case was good, if you were right and had sound reasons for your position, he would be as helpful and cooperative as possible.

His stanch adherence to his views was something that we all might follow. No one ever fought harder, regardless of the odds against him. I never saw him compromise a principle, even though on some occasions he has stood absolutely alone. Of course, over the years, he has been an ardent, adamant Republican, but aside from that no person who knew him could ever say that he was anything but a great American.

We all hope that Clare will regain his health and we all trust he will return to the House prior to our adjournment.

Mr. BENNETT of Michigan. I thank the gentleman.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, I am glad the distinguished gentleman from Michigan and his colleagues have taken this time to pay tribute to a distinguished Member of this House and a great American. The gentleman from Michigan, Clare Hoffman, is a man whose heart is as strong as steel and sharp as an arrow. He is one of the most articulate men I have ever known. He is one of the finest parliamentarians to have served in this House in this generation. He is a man who has to be recognized by all who know him among other men as an extraordinary man. I join the distinguished gentleman from Michigan in hoping that the gentleman from Michigan, Clare Hoffman, may be back with us before we adjourn. We here in the House of Representatives miss him.

Mr. BENNETT of Michigan. I thank the gentleman.

Mr. BROWN. Mr. Speaker, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from Ohio.

Mr. BROWN. I wish to join with the Michigan delegation and other Members of the House in this tribute that is being paid to a truly great American, the gentleman from Michigan, Clare Hoffman. For 24 of the 28 years that Clare Hoffman has served in the House of Representatives we have been companions in arms, as it were, and have served together on the same committees.

When the good Lord made Clare Hoffman he then broke the mold, because there has only been one individual, one man in all history, like Clare Hoffman.

He is a complex man, he is an able man, he is a courageous man. Sometimes there were those who thought he had a gruff and a rough exterior, but down inside he has a heart of gold. He will always do everything that he can to help his fellow men and his neighbors.

As has been said on this floor, Clare Hoffman is not only a great parliamentarian but a great debater as well. He is the type of debater, as many Members of the House learned rather quickly, that we in southern Ohio describe as being hard to curry around the hind legs. You do not want to get into a dispute or an argument with Clare unless you know whereof you speak, because he will cut the sand out from under your feet so quickly you will not realize you are sinking into a morass until after it happens. Yet he is a kindly man, and after the debate is over he will come around and visit and talk with you and explain why he takes the position he does.

This Congress, this country, and certainly the State of Michigan are all better off for Clare Hoffman's having served so long in this great Capitol of ours. We all owe him a debt of gratitude for that which he has given to us, to his State, and to his Nation. It is my hope and my prayer that he may soon be restored to health and that he may have the opportunity to come back before this session of Congress adjourns and take his place here in this House. But if not, I am sure that when he comes later he will find a warm welcome among friends who appreciate the many good qualities that he has.

Mr. BENNETT of Michigan. I thank the gentleman.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. BENNETT of Michigan. I yield.

Mr. O'HARA of Illinois. Mr. Speaker, in that prayer I join, that before we adjourn the gentleman from Michigan, Clare Hoffman, will be able to return to the floor of this House and experience, as we gather around to greet him, the warmth of our affection.

Clare Hoffman represented in 13 Congresses the district in Michigan where I was born. When I was a young man, attending the high school at Benton Harbor, the Fourth Congressional District of Michigan was represented by Edward La Rue Hamilton, of Niles. Mr. Hamilton served in the House from March 4, 1897, to March 3, 1921, a Member of 12 Congresses. Clare Hoffman on his retirement on the adjournment of the 87th Congress will have served the Fourth Michigan District 2 years longer, his tenure in the congressional office thus being the longest in its history. It is a tribute to these two men, and an index of their popularity, that together they represented in this body the Fourth Michigan District a total of 50 years out of the last 86 years.

There is not a warmer personal friendship in this Chamber than that of Clare Hoffman and Barratt O'Hara. We are of different political parties, of different philosophies, but on the personal side we had so much in common. I have missed him every day that he has been away since illness struck one whom we had come to think of as impervious to age and human frailties. I have missed the dropping in at his office, his cheery words of greetings, and so much I have missed the life and labor he gave to the daily sessions of the Congress. Often I did not agree with what he said, but I know that what he said he believed and that no power on earth could silence him in the expression of his convictions.

Certainly, Clare Hoffman is a fighter, a rough and tough scrapper, not an easygoing man for anyone to tangle with. He fights with wit at times, humor and sarcasm, and at other times with the rapier of acid words. But even if he stands alone, he never retreats. He can be outvoted, but never does he admit to being vanquished.

More often than not Clare and I have been on different sides of issues. Our differences on partisan and philosophical approaches he did not hold against me, or I against him. His personal friendship, true and unwavering during all the years of my service here, has been one of the richest experiences of my life.

I have never known a kinder heart. That is the side of Clare Hoffman that is known only to those who know him best.

Mr. Speaker, I am very happy for this opportunity to join with my colleagues from my native State of Michigan in paying homage to Clare Hoffman.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman.

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, I, too, commend the gentleman from Michigan, my colleague [Mr. Bennett], for taking this occasion to pay tribute to the gentleman from Michigan, Clare Hoffman, just prior to the celebration of Clare Hoffman's service and career in the House of Representatives by his constituents back home. Some of us hope to bring this message from his colleagues to Clare at that celebration.

I should like to refer not so much to his work on the floor of the House, which was outstanding, but to his work on the committee now known as the Committee on Government Operations of which he is the ranking minority member and on which I have served with him in the 12 years I have been in the Congress.

We all know of Clare Hoffman's diligent attendance in this Chamber and his active participation in debate. We know of his mastery of parliamentary procedure and his willingness to employ that knowledge to protect the rights of his colleagues whenever he believed those rights were being infringed upon.

His committee achievements may not be as widely known.

There are three particular matters which in my mind were outstanding in Clare's service on the Committee on Government Operations.

First of all, the Hoover Commission was created when Congressman Hoffman was chairman of the Committee on Government Operations, then known as the Committee on Expenditures in the Executive Departments in the 80th Congress; and he was chairman of that committee both in the 80th and 83d Congresses.

I would like to include at this point in my remarks a letter written to a constituent of Clare Hoffman's dated August 26, 1950, and signed by our former colleague, Carter Manasco, then a member of the Commission on Reorganization of the Executive Branch of the Government, testifying to Clare's activities as chairman of the Expenditures Committee—later renamed Government Operations Committee—in creating the Hoover Commission:

August 26, 1950.

Mr. F. L. Granger,
Benton Harbor, Mich.

Dear Mr. Granger: Your query as to what part, if any, your Congressman, Clare E. Hoffman, had in the attempt to reorganize and bring about economy and efficiency in executive departments, received.

Prior to the 80th Congress, when I was chairman of the House Committee on Expenditures in the Executive Departments, your Congressman was for several years a member of that committee. He made a point of being present at and participating in all meetings of the committee. Other members of the committee listened to him with respect, for he not only was capable, possessed of ability, but we all knew he had the interests of the country as his first objective.

When the Republicans took over in the 80th Congress, he became chairman of that committee. I then became the ranking Democratic member of the committee. Your Congressman not only continued his constructive service, but saw to it that the new members took an active part in committee work. In fact, he went out of his way to assist Democratic as well as Republican freshmen Members of Congress who served on his committee.

Your Congressman, Clare E. Hoffman, was chairman of the House Committee on Expenditures in the Executive Departments when it wrote the reorganization bill authorizing the creation and activities of the Hoover Commission.

I was one of the two Members of the House to be named to the Hoover Commission by President Truman. The recommendations of that Commission, tending to give us efficiency and economy, have been consistently and with ability supported by your Congressman.

You and your friends will make no mistake in returning him to Congress.

Sincerely yours,

Carter Manasco,
Member of the Commission on Reorganization of the Executive Branch of the Government

Alexandria, Va.

Mr. Speaker, I include a similar tribute by the gentleman from Ohio [Mr. Brown] with respect to the work of the gentleman from Michigan, Clare Hoffman, in connection with the Hoover Commission from the Congressional Record of May 9, 1949:

> The work of several committees of the House was extremely important and of benefit to the commission, and it would be unfair for me to conclude my remarks without paying tribute to the House Committee on Expenditures also—not only to the present committee but to the former committee under the leadership of the gentleman from Michigan [Mr. Hoffman] which reported unanimously the legislation creating the commission. It subsequently passed the House of Representatives. I think full credit is due for that committee of the 80th Congress for its very good work.

Mr. Speaker, a further aspect of the work of the gentleman from Michigan, Clare Hoffman, on the Committee on Government Operations in connection with the Hoover Commission was his effort to carry out the recommendations of the Hoover Commission and its task forces in bringing about greater economy and efficiency in the executive branch of the Government.

Another important piece of legislation to be enacted during Clare Hoffman's chairmanship of the Expenditures Committee in the 80th Congress was the act unifying the armed services of the United States and establishing the Department of Defense.

In this connection, Mr. Speaker, I include an excerpt from page 8261, volume 93, of the Congressional Record of July 3, 1947, containing a tribute by the gentleman from Massachusetts [Mr. McCormack], now Speaker of the House of Representatives; relating to the armed services unification bill:

> Mr. McCormack. Mr. Speaker, I am a member of the committee that my friend is chairman of, and I have sat through all of the consideration of the merger or unification legislation. I can testify, and I now testify as emphatically as it is possible for me to do so, that at no time has the gentleman from Michigan [Mr. Hoffman] done anything to try to hinder the early consideration of the bill, either in hearings or in executive session. I say that as one who watched closely to see, because I wanted action taken on the bill by the committee. I state to the House now, and I hereby testify, that the evidence has been directly to the contrary. The gentleman from Michigan, as chairman of the committee and as a member of the committee, has done everything he possibly could to expedite action on the bill.

Perhaps one of the most outstanding efforts over the years as a member of the Government Operations Committee was Clare's opposition to the Reorganization Act. I think from the very beginning Clare thought that that legislation was unconstitutional because it granted our legislative power and authority to the President.

In that connection there was an interesting episode when he was chairman of the Government Operations Committee in the 83d Congress. President Eisenhower had just taken office and Reorganization Plan No. 1 of 1953 was sent down to create a Department of Health, Education, and Welfare.

Clare showed his legal skill and also his parliamentary ability in proving that a reorganization plan can be amended in effect, because he introduced a resolution not to disapprove the plan but to advance its effective date. We passed it and it was approved April 1, 1953, a resolution which became Public Law 13 of the 83d Congress. It can thus be said that the Department of Health, Education, and Welfare was created by law, rather than reorganization plan, since the effect of his resolution, adopted by both houses and signed by the President was to incorporate the provisions of the reorganization plan by reference and advance the date for taking effect.

Mr. Speaker, I wish to insert in the Record an article from the South Haven (Mich.) Daily Tribune of Monday, November 23, 1959, which is a profile sketch of Clare Hoffman on the occasion of his 60th wedding anniversary:

Hoffman Legend Grows With 60th Anniversary Fete

Allegan, November 22.—November has been a month of anniversaries for Clare E. Hoffman, just turned 84 and dean of Michigan's 18-member congressional delegation.

It was just 25 years ago last week that voters in the six counties in the Fourth Congressional District (Allegan, Barry, Berrien, Cass, St. Joseph, and Van Buren) gave Hoffman a majority of 13,000 votes to defeat the Democratic incumbent, George Foulkes, of Hartford, and send him to Washington for the first time.

And yesterday four generations of Hoffmans gathered in their Washington apartment to observe the 60th anniversary of the marriage of a Constantine blacksmith's son and an Otsego hotelkeeper's daughter.

They were wed November 22, 1899, in the parlor of the bride's home in Otsego where her father, LaFayette Wasson, operated the town's leading hotel. Whether Hoffman realized it at the time is not known but his new wife, Florence, had an invaluable political asset * * * she was born in a Trowbridge township (Allegan County) log cabin.

But that was about the only asset the newlyweds did have. The groom had graduated from Northwestern University Law School 3 years before, too young by a year to take his bar examination. He had spent the year of waiting at Valparaiso University studying shorthand and other business subjects. After being admitted to practice law in Michigan, he had hoped to work in the offices of Charles Wilkes, then Allegan's leading attorney.

Wilkes had no vacancy on his staff at the time, so Hoffman decided to start his own practice in the lawyerless village of Otsego. But business was none too good and when Wilkes offered him a post as clerk at $6 a week, less than a year later, Hoffman didn't hesitate to accept. He was working as a stenographer at $1 for an 11-hour workday which started at 7 a.m. when he arrived to build fires in the office's heating stoves, when he returned to Otsego to claim Florence Wasson as his bride.

He worked for Wilkes for 4 years, receiving pay increases of $2 a week each year until early in 1903 when he was made a partner in the firm. The next year he left Allegan to gain wider experience by working for a Muskegon firm of attorneys for a year, then returned to open his own offices in Allegan.

Although he had been unsuccessful as a candidate for prosecuting attorney in 1900 (when Michigan was holding its first primary elections) Allegan County voters were more kind to him upon his return here in 1904. They elected him to the first of two terms as prosecutor.

BOLTED PARTY

Completing his second term in 1912, the young country lawyer was among the thousands of Michigan Republicans who bolted the party to follow the banner of ex-President T. R. Roosevelt's Progressive Party. Running for reelection to the prosecutor's office as a "Bull Moose," Hoffman's candidacy suffered the same fate as T.R.'s, probably marking the last time that a Hoffman and a Roosevelt ever had anything in common.

HAND IN POT

During the next 22 years, Hoffman kept his hand in local politics, serving many times as city and county Republican chairman, but was far too busy building a statewide reputation as a sharp-witted and sharp-tongued trial lawyer. In an era when doctors were without X-ray and other modern diagnostic aids, Hoffman became the courtroom nemesis for many a general practitioner being sued for malpractice. His reputation for winning large judgments in such cases extended beyond State lines.

But the period also saw him in the customary wide variety of criminal and civil cases that make up a country lawyer's practice. By 1934, he had defended and prosecuted murderers, horsethieves, wife beaters, rapists, bank robbers and even the operator of a nudist colony.

Running for Congress was furthest from his mind in 1934 although he had been a most vocal and vituperative critic of Franklin Delano Roosevelt's New Deal ever since the Democratic landslide of 1932. He was actually drafted as a candidate and was in Muskegon trying a malpractice case when his nominating petitions were circulated and filed. He was a reluctant but hard-working candidate and immediately began stumping the district to defeat two State senators, George Barnhard and Earl Burhans, and a widely respected Paw Paw physician, Dr. F. A. Racette, in the Republican primary of 1934.

In other primary campaigns, two other State senators, Theodore Harmons, of Hastings, and G. Elwood Bonine, of Vandalia, failed to unseat the hard-hitting Hoffman who learned his infighting techniques from a vanishing generation of circuit-riding trial lawyers.

DEFEATED INCUMBENT

But after he defeated the Democratic incumbent in the November 1934 election, Hoffman was not so sure he wanted to go to Washington after all. His son, Leo, recalls the consternation shared by his father's family and friends as the day for his swearing in came closer and closer and Hoffman seemed to be making no preparations to leave for Washington. A few days before the 74th Congress was to convene, Leo finally asked his father when he was leaving and the elder Hoffman blurted out that he wasn't going. It took the combined efforts of his family, friends, and political affiliates to convince him he had to go to Washington.

That probably was the last time anyone had the least difficulty getting him to the Capital. It has been his favorite battleground ever since. In fact plans had been made for a family celebration in Allegan to mark Mr. and Mrs. Hoffman's 60th wedding anniversary, but the program was hastily switched to Washington when he received a call to attend labor subcommittee sessions late in the week.

Although he relished his congressional role, Hoffman never was afflicted with Potomac fever. Old acquaintances in the District agree that Clare Hoffman has gone through 25 years in Washington without changing his habits or his mind. He's never attended a Capital cocktail party or gone off on a freeloading congressional tour to inspect something or other in some faroff country. His workday still starts at the same hour that he used to build the fires in Charlie Wilke's law office when he was a $6 a week legal stenographer.

NO PARTY LINE

Never one to follow a party line or go along with political bossism, Michigan's senior Congressman hasn't changed much from the young lawyer who bolted the Republican Party back in 1912 to cast his lot with T. R. Roosevelt's ill-fated "Bull Moose" movement. Friends are certain that he enjoys being in the minority even if it is often a minority of one—himself.

"I'm proud to say I'm still a Taft man, never was an Eisenhower man," he said the other day. Even so, he takes a lot of pride from the fact that the Eisenhower administration has called on him more frequently than any other Republican in the House to get needed legislation through the legal entanglements of the congressional maze.

Hoffman has made a career of turning political liabilities into assets. In 12 election campaigns he has never sought, nor had the support of a political machine or organization of any kind. But he recalls with pleasure the year that one county Republican organization passed the word that no one should either support Hoffman or contribute to his campaign. It was the year he received his largest majority from that particular county.

In an era when school pupils are graded on their ability to submerge themselves in group activities, and "togetherness" it is an unofficial motto and millions of people strive for the anonymity and security of "averageness" Hoffman stands out like an eagle in a tree full of starlings.

INDIVIDUALISM

A man to whom rugged individualism is almost a religion, Hoffman takes pride in such things as having the briefest (five lines) biographical sketch in the Congressional Directory; wearing suits without pockets (a throwback to his trial-lawyer days when he had his suits made that way to cure himself of putting his hands in his pockets); and the unsuccessful efforts of big labor and leftist organizations to defeat him at the polls (one union organization spent $40,000 in a single campaign against him).

He attributes his political success to being a "fundamental Republican" and never ignoring an individual's request for help, regardless of his political affiliations.

But he admits that these qualities barred him from any higher office or position of leadership in the House.

Hoffman ranks the Armed Forces Unification Act and Taft-Hartley labor laws as his most important accomplishments in Congress, although he admits that both acts fell short of what was needed. He's resigned to the fact that, because of his role as a "lone wolf," no piece of important legislation probably will ever carry his name as a sponsor.

Nor is he bitter because the McClellan committee's recent investigations into labor union racketeers * * * covering virtually the same ground as a Hoffman chairmaned subcommittee did in 1934–44 got more headlines and more results than he did. "The public wasn't ready for it in 1944 * * * not enough individuals had been hurt by union racketeering," he said, recalling that his subcommittee's probing had been halted by a coalition of both Democrats and Republicans.

The Fourth District's "ornery octogenarian" has had his share of criticism from the Nation's press, but the two accolades he prizes most, even more than personal tributes from Presidents Eisenhower and Hoover, came from two publications which represented conservative and radical extremes. The leftist weekly PM, now defunct, and the ultraconservative Detroit Athletic Club News both summed up stories on HOFFMAN with virtually the same comment: "You don't hear CLARE E. HOFFMAN when he speaks in Congress * * * you hear the voice of his people."

Before returning to Washington for subcommittee sessions, the 84-year-old Congressman kept two secretaries busy answering mail, hunted ducks and geese in the bayous near New Richmond, buzzed stovewood with a chain saw for his hunting cabin and got acquainted with his first great-grandson, 9-month-old John William Hoffman, son of Mr. and Mrs. John Hoffman. The senior Hoffmans also have two sons, five grandchildren and five great-grandchildren.

But he wouldn't give a yes or no answer to queries on whether he would be a candidate for a 14th term in Congress in the 1960 elections.

I also include an interesting editorial entitled "The Splendid Gadfly," from the Grand Rapids Press, which was reprinted in the Chicago Tribune of February 16, 1962.

THE SPLENDID GADFLY

If Representative CLARE E. HOFFMAN, of Allegan, retires from Congress at the end of this year, as he is expected to do, he will have served 28 years. No man, no matter how unobtrusive, can serve in a legislative body that long without having made his presence felt. And CLARE HOFFMAN has been anything but unobtrusive.

In fact, he has made a career of intruding on the rosy dreams of many a fellow Member. Spendthrifts have been the special objects of his scorn, but others who, in his opinion, have sought to depart from the basic philosophy of the Republic also have been taking verbal lashings from him. HOFFMAN has feared none, and least of all has he feared speaking his mind.

It may be argued that the times have left HOFFMAN behind, but we should dispute that. The impulsive, in and out of Congress, need the corrective influences of a CLARE HOFFMAN. We have disagreed with him many times, but always have been ready to concede that his views have supplied the counterweight needed to maintain a reasonable balance in spending and other governmental activities. At times, too, we have felt that HOFFMAN was far more conservative than the Fourth Michigan District he represented. But every 2 years a handsome majority of voters returned him to the House. Part of this support, we suspect, was in the nature of personal loyalty to a man who had the courage to row against the current.

Mr. Speaker, I also include a profile feature article from the Kalamazoo Gazette of Sunday, March 18, 1962, entitled "Hoffman's Career Long and Colorful":

HOFFMAN'S CAREER LONG AND COLORFUL

(By Joe Armstrong)

CLARE E. HOFFMAN, Allegan County's colorful entry in the field of national politics, has decided to retire.

The Republican Congressman's son, Leo, made the announcement to the press last week. In Washington, Saturday, the younger Hoffman said his father has improved after having suffered a second stroke in his Capital City home.

Leo Hoffman, an attorney, plans to bring his father back to Allegan after he recovers enough to leave the Bethesda, Md., Naval Hospital.

Representative HOFFMAN, 86, suffered a stroke last November while driving to a favorite duck-hunting spot near Allegan. Since then he has been unable to resume his duties in the House, where he has represented the Fourth District of Allegan, Barry, Berrien, Cass, St. Joseph, and Van Buren Counties since 1935.

HOFFMAN plans to go fishing, he said, when he gets back home with his wife, the former Florence Wasson, daughter of an Otsego hotelkeeper. It's a cinch he'll be a hard man to keep down—he always has been.

He was born September 10, 1875, in Vicksburg, Pa., the son of Mr. and Mrs. Samuel Hoffman. His father was a wagonmaker and blacksmith and, in the 1880's, moved his family to Constantine in St. Joseph County.

In his early teens HOFFMAN was apprenticed to a country doctor and after graduating from Constantine High School, enrolled in Northwestern University's Medical School. He soon transferred to law school, but neglected to tell his parents about the change until he returned home for Christmas.

He was 20 when he was graduated from Northwestern, too young by a year to be admitted to the bar to practice law. He spent the year at Valparaiso University, studying shorthand and other business subjects.

After being admitted to practice in Michigan, HOFFMAN opened his own offices in Otsego, which had no attorney. His lack of success in Otsego is indicated by the fact that when Charles Wilkes, Allegan's leading attorney, offered him a job as clerk at $6 a week, HOFFMAN accepted without hesitation.

HOFFMAN was making $12 a week in 1903 when he was invited to join the firm as a full partner. He left Allegan a year later to spend a year with a Muskegon firm to gain wider experience then returned to open his own offices.

HOFFMAN was unsuccessful in his first bid for political office. It was in 1900 when Michigan was holding its first primary elections and he was defeated in the primary as a candidate for prosecuting attorney. He had better luck on his return in 1904 when county voters elected him to the first of two terms as prosecutor.

In 1912 the young country lawyer was among the Republicans who left the party to follow the banner of Teddy Roosevelt's Progressives. Running as a "Bull Moose" candidate for reelection as prosecutor, HOFFMAN'S candidacy shared the same fate as T.R.'s.

In the next 22 years, HOFFMAN kept his hand in local politics as city and county Republican chairman, but was too busy building a statewide reputation as a sharp-witted, sharp-tongued trial lawyer to seek office again.

His legal career seemed to have been divided into a series of campaigns. As a young lawyer, he won a name for himself for bringing fraud cases against unethical horse traders.

The young attorney next concentrated on local real estate dealers, then busy selling worthless burned-over timberland west of Allegan to unwary Chicagoans who thought they were buying valuable farmland. HOFFMAN once recalled that, at one time or another, he had sued every real estate dealer in Allegan County.

HOFFMAN became a specialist in malpractice suits against physicians. Imperfectly set fractures were common in those days and HOFFMAN'S practice became statewide.

Many of his real estate and medical cases were appealed to the State supreme court and, at one time, HOFFMAN was considered to have "made as much law as any lawyer in Michigan," that is to say that decisions in his cases established precedents still in use today.

The Nation first heard of HOFFMAN in October 1933, when he defended Fred and Ophelia Ring, Kalamazoo dancing teachers, arrested for operating one of the country's first nudist colonies, on Swan Creek, west of Allegan.

An outspoken critic of the Roosevelt New Deal ever since the 1932 landslide, HOFFMAN still was more interested in his practice than in politics. In 1934 he was actually drafted as a Fourth District Republican congressional candidate.

He was in Muskegon, trying a malpractice case, when his nomination petitions were circulated and filed. He was a reluctant, but hard-working candidate and he defeated two State senators, George Barnhard and Earl Burhans, and a widely respected Paw Paw physician, Dr. F. A. Racette of Paw Paw, to win the GOP nomination. A scandal over solicitation of campaign funds from Federal employees in the district helped HOFFMAN defeat the Democratic incumbent in November 1934.

Even after his election, HOFFMAN wasn't so sure he wanted to go to Washington. His son, Leo, recalls the consternation shared by his family and friends as the day for his swearing in came closer and his father showed no indication that he would be in Washington for the ceremony.

A few days before the 74th Congress was to convene, Leo finally asked his father when he was leaving and the elder HOFFMAN said flatly, "I'm not going." It took the combined efforts of his family and political supporters to get him to the Capital for the opening of the session.

Washington was his favorite battleground from then on. Even so, no one ever accused him of contracting "Potomac fever." He never attended a Capital cocktail party or took advantage of congressional inspection tours to far-off countries. Friends say he spent 28 years in Washington without changing his old habits or his mind.

Until he suffered his first stroke, driving alone to a favorite duck hunting spot near New Richmond last November, HOFFMAN'S working day usually started at about the same hour he used to start the fires in Charlie Wilke's law offices as a dollar-a-day legal stenographer.

On his arrival in Washington, HOFFMAN had announced that he was there for the sole purpose of denouncing the New Deal and he soon found an effective weapon in a little-known House rule which permitted Members to talk for 1 minute on any subject, before each day's session. Virtually every day that Congress was in session during the Roosevelt era, HOFFMAN made a 1-minute speech against the New Deal.

Within 5 years, HOFFMAN had House Democrats so mad they tried to link him with an alleged home-grown Fascist conspiracy.

Feuds with Walter Winchell and Drew Pearson, the columnists, and the Washington Post helped to make him famous and, at one time or another, he sued all three for libel.

Without question, HOFFMAN was a Taft man, is proud of the part he played in helping draft the Taft-Hartley labor law. Although he frequently has stated, "I never was an Eisenhower man," he put in some of his longest hours under Eisenhower.

In 1959 he said, "I do not have so much to do with the passage of legislation desired by the administration as I do with defending some of those in the executive departments who are put on the hot seat by Democratic committees and subcommittees."

Elected to 14 terms in Congress by pluralities which ran as high as 78 percent of the total vote, HOFFMAN had a knack of turning political liabilities into assets. Never supported by a "machine" or organization of any kind, he frequently recalled the campaign year in which a county GOP organization passed the word forbidding members to either support HOFFMAN or contribute to his campaign. That was the year he received his largest majority from that particular county.

> Rugged individualism is HOFFMAN's creed and he boasted of such things as having the shortest biographical sketch in the Congressional Directory—just five lines—wearing suits without jacket pockets, and the unsuccessful attempts of large labor organizations to defeat him at the polls.
>
> As a "lone wolf" he realized no important piece of legislation would ever bear his name as author, but he played a large part in drafting the Armed Forces Unification Act and Taft-Hartley labor law, tempering his pride in those accomplishments with the frequent comment that "both acts fell far short of what was needed."
>
> He received personal citations from ex-Presidents Eisenhower and Herbert Hoover for his work in drafting and supporting government reorganization bills which resulted from the work of the Hoover Commission.
>
> In 1943–44 as chairman of a labor subcommittee, he dug into labor union racketeering. He was senior Republican member of the Government Operations Committee—which he headed for 2 years in 1952–53 when it was the committee on expenditures in executive departments—and second-ranking Republican on the Education and Labor Committee.
>
> Unknown to anyone but his immediate family, HOFFMAN has been a diabetic most of his adult life. But no one ever noticed that the disease handicapped him in any way.

In conclusion, Mr. Speaker, I join those colleagues who expressed the hope that we can have him back here before the end of this session, for I am sure he would receive a rousing welcome.

I look forward to participating tomorrow in the celebration in his hometown of Allegan, honoring the gentleman from Michigan, CLARE HOFFMAN, for his long and distinguished career as a great legislator.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. BENNETT of Michigan. I yield.

Mr. CEDERBERG. Mr. Speaker, I want to join today in saying to CLARE HOFFMAN that we miss him and that we hope he will be back with us before the session is ended, and that after he retires he will have many good years in which to enjoy fishing, which he loves so well.

When CLARE was able to be with us he really always held our feet right up close to the fire. We could not get very far away because he would call a quorum. If I were to give him a nickname I would call him Quorum Call HOFFMAN.

CLARE HOFFMAN was always present and followed legislation very keenly. He was always ready with a motion to strike out the enacting clause. If other means failed for getting time he was always ready with his motion to strike out the enacting clause.

We of the Michigan delegation always used to have an 8:30 breakfast once a week. It used to be 8 o'clock but 8 o'clock was too early for some of us young fellows like myself, so we made it 8:30, but CLARE was always there at 8 o'clock and sometimes he came in with a catch of fish. He had been up at 5 o'clock in the morning and gone fishing—this vigorous young man of 85 years of age.

I will never forget the first speech I made in the House. I was standing right down there where the gentleman from Michigan [Mr. BENNETT] is standing at the present time. I was making a great speech—at least I thought it was a great speech. CLARE had always said: "You young men get up there and make your views known." So I did.

So I took his advice. I stood down there, I got going along real good, when CLARE HOFFMAN asked me to yield to tell me in as polite a way as I ever heard anyone express it that I did not know what I was talking about.

We all accepted CLARE and enjoyed him. We miss him around here. It has not been the same since CLARE left. I do not think he ever spent over 10 minutes sitting in a chair unless he was working on something with the gentleman from Iowa [Mr. GROSS]. He was always around seeing everybody. He was a man of great integrity and great ability.

One of the stories I remember he always told us in the lobby or in the cloakroom, and I am going to remind him if I see him tomorrow, was when he was a young lawyer. One of his first cases was to defend a chicken thief down in his area. CLARE said he got as far as the circuit court trial. The jury was there, CLARE was there making a real plea for the jury, working real hard, trying to do his best to defend this chicken thief. He said he was a young lawyer, still green behind the ears, and in the midst of all this the defendant leaned over and said to him: "Don't get so excited young man, the fellow who stole the chicken with me is on the jury."

These are the kind of stories CLARE used to have. We miss him a great deal, and we are going to tell him so tomorrow.

Mr. KEARNS. Mr. Speaker, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from Pennsylvania.

Mr. KEARNS. Mr. Speaker, men come and go in the Halls of Congress. Some are soon forgotten; some are never forgotten. Certainly CLARE HOFFMAN will never be forgotten.

No man has ever served in either House who has had the wit and ability to use words more effectively than CLARE. He was one of the best informed persons on parliamentary procedure and tactics in the Congress, and he used this skill to the fullest extent possible.

It was my privilege to serve with CLARE on the Committee on Education and Labor when I first came to Congress 16 years ago. CLARE played an important role that year in the enactment of the Taft-Hartley law.

He was off the committee for 4 years but went on again in 1953 and it has been my privilege to serve with him for the last 10 years. His long experience, wise counsel, and strong support have been invaluable to me, especially in my years as ranking minority member of the Education and Labor Committee.

We will all miss CLARE and the great contribution he always made, not only to our committee, but to the Congress as a whole. We wish him well as he retires from the national scene.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from California.

Mr. HIESTAND. Mr. Speaker, I join with the citizens of the Fourth District of Michigan in paying tribute to a great man, one of the greatest I have ever known, CLARE HOFFMAN.

I join my colleagues in paying tribute to his integrity, to his keen mind, his fearlessness, his forthrightness, his ideals, his principles, and, above all, his humor. Sometimes we do not properly pay tribute to those qualities which make effective these other qualities. A never-failing humor was a quality of CLARE HOFFMAN. CLARE merits respect of friend and foe alike.

He was sharp on the uptake, he always had that twinkle in his eye, and you knew that he saw the other side while he was espousing his own side.

To me he is and will always be an inspiration.

I join with my colleagues in wishing him a speedy return.

Mr. BENNETT of Michigan. Mr. Speaker, I yield to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Speaker, I would be inclined to say "Amen" to everything that has been said in honoring our colleague, the gentleman from Michigan, CLARE HOFFMAN. I have known CLARE HOFFMAN for many, many years. Back in his early days in the Congress he made great contributions to his party and to his fellow man. I remember the days back in the 1930's when CLARE HOFFMAN toured the State of Michigan in behalf of the principles which he stood for. He never hesitated when he was invited to come into a congressional district in behalf of the members of that district. He always came through and left the people with a message that gave them words of wisdom; at least, words that they could weigh very easily and gain knowledge therefrom.

Mr. Speaker, CLARE HOFFMAN, of course, spent many days in my congressional district because he had a summer home at Grand Marais. The gentleman from Michigan [Mr. CEDERBERG] referred to the fact that CLARE used to get up early in the morning and go fishing.

That is true, because CLARE HOFFMAN is an ardent fisherman. He still retains his summer home at Grand Marais and still goes up there to enjoy lake fishing as well as fishing in the streams in that area.

CLARE HOFFMAN's contribution to the State of Michigan, his congressional district especially, and the Nation as a whole, will be very difficult to match. The pathway that we all travel has alongside of it many pitfalls, and his objective was one that sought to guide those that travel the pathway against pitfalls which they might fall into. His period of service here in the House has alerted many Members to this pathway with its pitfalls, and from it we have all gained great admiration for CLARE HOFFMAN and we have all been able to travel this pathway without becoming involved in so-called pitfalls.

Mr. Speaker, tomorrow I am leaving to go to Michigan for one purpose, and that is to be one of the thousands of people that will gather at Allegan to honor this great statesman. I wish the entire membership of the House of Representatives could be present on this occasion. I commend the people of Allegan County for making this ox roast rally an honor dinner to Clare Hoffman. I believe it speaks for itself, because if he had not been such a great, outstanding citizen, this honor tomorrow possibly would not be bestowed upon him.

Mr. Speaker, it is my hope, along with the rest of the Members of the House, that Clare Hoffman will, before this session ends, when his name is called, vote "present," and if he does, as the gentleman from Michigan [Mr. Meader] has said, I believe there will be a rousing welcome for this man who has made such great contributions to the welfare of this great Nation of ours.

Mr. BENNETT of Michigan. Mr. Speaker, I would like to recall just one experience which came to mind when I first became a Member of the House and Clare, I suppose, was in his superprime at that time. There was a distinguished Member here from Mississippi by the name of John Rankin, a Democrat from that State, who was in many respects a good deal like Clare. He was keen minded. He was a sharp parliamentarian. He was an excellent debater. He was always well informed on the issues that were pending before the House. He was like our distinguished friend, the gentleman from Iowa [Mr. Gross]. He read the Record. He read the debates. He read the hearings. He knew the rules. So did Clare. It was a sight to behold, at least for me—and I think it was for every Member of the House during those years—to see those two—Clare Hoffman and John Rankin—skirmish with one another, whether they were on the same side of the issue or whether they were on opposite sides—you could always depend upon an interesting parliamentary discussion. You could always be sure of a keen, intelligent, interesting, and most of the time fiery discussion of the issues involved.

Mr. Speaker, I shall never forget those years. I think Clare himself, if he reads this Record—and I hope he will—will recall, himself, the pleasure of the years that he spent here trying to outmaneuver his good friend, John Rankin, from Mississippi.

Mr. JOHANSEN. Mr. Speaker, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from Michigan [Mr. Johansen].

Mr. JOHANSEN. Mr. Speaker, I thank the gentleman for yielding. I join wholeheartedly in this tribute to the gentleman from Michigan [Mr. Hoffman]. I will say that I share the hope of the gentleman from Michigan that the gentleman from Michigan [Mr. Hoffman] will read the Record of this special order. I am glad that he may not be able to read it before tomorrow, because some of us expect to be with him on this occasion tomorrow and I am not sure as to the nature of the rebuttal that the gentleman from Michigan [Mr. Hoffman] might make.

Mr. Speaker, I am happy and honored to share this tribute, both as a colleague from Michigan and as a neighbor, in a very special sense. The gentleman from Michigan [Mr. Ford] mentioned that his district is bounded by the gentleman from Michigan, Congressman Hoffman's Fourth District on the south. My Third District is bounded by the district of the gentleman from Michigan [Mr. Hoffman] on the south, the west, the north, and the northeast. Therefore, I consider myself to have a particular claim as a neighbor.

Mr. Speaker, there is no question in his 28 years of service as a Member of Congress that the gentleman from Michigan [Mr. Hoffman] has proved himself a rugged individualist in the best sense of the term, a courageous and skillful battler for his convictions, a devoted servant of his constituents, an adherent to fiscal prudence, and an ever-faithful supporter of the Constitution.

Mr. Speaker, to be sure, his comments and even his wit have sometimes had a bit of astringent and caustic quality, but I wonder if there is any one of us on either side of the aisle who will doubt the need for this sort of therapy on the part of us all from time to time. I shall presume, along with my colleagues from Michigan and with the special resolution, to convey the greetings of the House to the gentleman from Michigan, Congressman Hoffman, when we see him tomorrow.

Mr. Speaker, his announced retirement, as the gentleman from Michigan [Mr. Meader] has mentioned, evoked a great deal of newspaper and editorial comment. I ask unanimous consent to include in the Record at this point an editorial from the June 24, 1962, Kalamazoo Gazette in my own district with the appropriate title applied to the gentleman from Michigan [Mr. Hoffman]: "Political Counterweight."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The editorial referred to follows:

Political Counterweight

There's going to be an ox roast over at the Allegan County Fairgrounds July 21.

It's billed as a political rally, being sponsored by the Allegan County Republican Committee. And it will be a political rally because the principal speaker will be George Romney, the Republican candidate for Governor.

But we suspect there'll be some Democrats and independents there, too. Of course they'll be wanting to hear what Mr. Romney has to say about the way he'll run the executive branch of the State government if he is elected as Governor. But the Democrats and independents, as well as a great many of the Republicans, will be there for another purpose, also.

That will be to pay tribute to Representative Clare Hoffman who is retiring after 28 years as Representative from the Fourth District to Congress.

Representative Hoffman is a Republican. Make no mistake about that. He is as Republican as they come.

But in the years that he has represented the Fourth District in Washington he has become an institution: A man who has won the respect of both political friend and political foe for not fearing to speak his mind when he thought something should be said. And it has mattered not what the subject might be nor what individual might be concerned.

One of our editorial colleagues elsewhere in Michigan summed it up well some time ago when the venerable Congressman announced that he would not run again.

"It may be argued that the times have left Hoffman behind, but we should dispute that. The impulsive, in and out of Congress, need the corrective influences of a Clare Hoffman. We have disagreed with him many times, but always have been ready to concede that his views have supplied the counterweight needed to maintain a reasonable balance in spending and other government activities.

"At times, too, we have felt that Hoffman was far more conservative than the district he represented. But every 2 years a handsome majority of voters returned him to the House. Part of the support, we suspect, was in the nature of personal loyalty to a man who had the courage to row against the current."

Mr. BENNETT of Michigan. Mr. Speaker, I yield to the distinguished gentleman from Kansas [Mr. Avery].

Mr. AVERY. Mr. Speaker, it is always a pleasure to be associated with anybody from Michigan, and it is a particular pleasure to be associated with my colleagues this evening to pay a tribute to our mutual friend and colleague, the gentleman from Michigan, Clare Hoffman. Knowing the gentleman from Michigan [Mr. Hoffman] as well as I do, I think he would want me to do this, Mr. Speaker. I am going to ask unanimous consent, Mr. Speaker, that the gentleman from Michigan [Mr. Hoffman] be granted the opportunity to disavow or disclaim any of these compliments that have been paid to him this afternoon. Just on the basis of my personal relationship with him I know that he is somewhat reluctant to accept without challenge any compliment, no matter whence it might come. So, Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. Hoffman] may reply to us in any way he cares to, in the Record, as a Member of the House, on the day of his choosing, to this tribute being paid to him here this afternoon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. AVERY. Mr. Speaker, I would like to make only one further observation. I can remember the first morning I came into this Chamber when the House was about to convene. I sat down beside a senior Member of the House from Kansas and just watched as the Members came onto the floor. That senior Member was Clifford Hope and he said, "Well, there's Clare Hoffman." I said, "Who is Clare Hoffman?" And he said, "You just wait a while and you will find out." And I did. Although I do say that my association with him was always very pleasant. I was not so unfortunate as to find out the hard way.

Mr. Speaker, the only other observation I want to make is that I think one of the most delightful opportunities I had, serving with the gentleman from Michigan [Mr. Hoffman], was to observe the relationship that he enjoyed, mutually I am sure, with the former beloved Speaker of the House, Mr. Rayburn. It always fascinated me to watch the expression that appeared on Mr. Rayburn's face when the gentleman from Michigan [Mr. Hoffman] asked to be recognized. I thought there was always a sense of apprehension in Mr. Rayburn's countenance about something that was going to be said by the gentleman from Michigan [Mr. Hoffman], or that he was going to make a certain point, and he was not just sure in which direction the point was going to be made. It may have been my imagination, but I thought I saw a little reflection of relief when Speaker Rayburn finally dropped the gavel and said, "The time of the gentleman from Michigan has expired."

Mr. Speaker, I appreciate the gentleman from Michigan [Mr. Bennett] yielding to me, and if any of the Members present today are going to Michigan tomorrow for the special Clare Hoffman Day, I sincerely hope they will convey my personal best wishes to him.

Mr. BENNETT of Michigan. Mr. Speaker, I thank the gentleman from Kansas. At this time I yield to the gentleman from Michigan [Mr. Griffin].

Mr. GRIFFIN. Mr. Speaker, I rise to join my colleagues in this tribute to the dean of our Michigan delegation, Clare Hoffman. During my service in the Congress I have enjoyed the rare and unique privilege of serving with the gentleman from Michigan, Clare Hoffman, on both the Committee on Education and Labor, and the Committee on Government Operations. For me, as a younger student of the legislative process, this has been a great experience, and needless to say, a real education.

Certainly no one would deny, and least of all those whom he often criticized in the labor movement, such as Walter Reuther, for example, that the gentleman from Michigan, Clare Hoffman, has attained the stature of a giant in the field of labor-management affairs. If he were here today, I think he would probably rise to a point of personal privilege if anyone were to suggest that he is, or ever has been a progressive Republican—or, indeed, progressive in any way. But I should like to suggest, that although his tactics often seemed to be those of obstructionism and reaction, in many interesting ways he was actually progressive, in the field of labor law, for example.

Incidentally, those of his colleagues who may not be familiar with his biography, will be interested to know that Clare was a rugged individualist as far back as 1912, when he broke away from the regular Republican Party and ran for reelection as county prosecutor on the progressive Bull Moose ticket of Teddy Roosevelt.

As early as 1937, the gentleman from Michigan, Clare Hoffman, introduced important bills in the field of labor reform in the Congress. In fact, during his 28 years of service, he introduced some 135 different legislative proposals in this field. He has been consistently ahead of his colleagues in their thinking on this subject. Throughout his career he has been a trail blazer for labor-management reform legislation. In that sense, surely he has been, and is, truly progressive and constructive in the finest sense of those words.

Although he has enjoyed the privileges of high seniority, he did not attach his own name to legislation. When his proposals finally became law, he was usually working ahead on other problems.

Although there is no labor law that actually bears his name, he has made great, monumental contributions to each and every piece of major legislation in this field.

For example, his work on the Taft-Hartley Act was particularly significant. In this connection, it is interesting to read a letter written in 1948 to the gentleman from Michigan, Clare Hoffman, by Fred A. Hartley, Jr., who was at that time chairman of the House Committee on Education and Labor. It is as follows:

> August 9, 1948.
>
> Hon. Clare E. Hoffman,
> *House of Representatives,*
> *Washington, D.C.*
>
> My Dear Clare: As the 80th Congress nears the end, I desire to express my heartfelt appreciation for the cooperation you have given me during this Congress.
>
> I know of no one in the Congress with greater zeal, intelligence, and the capacity for work than you. No one that I know has made a greater study of labor-management relations than you have. Your counsel and advice in our committee's deliberations has been most vital.
>
> Because we happen to have been chairmen of these House and Senate Labor Committees, the names of Taft and Hartley have been applied to the new Labor-Management Relations Act. The name of Hoffman might easily have been applied to the law because much of your thinking on this subject is embodied in it.
>
> I appreciate the spirit in which you have accepted the many assignments I have given you, and I am grateful for the cooperation you have given to the problems confronting the committee during this Congress.
>
> Thanking you again, and with expressions of highest esteem, I am,
>
> Sincerely,
>
> Fred A. Hartley, Jr.,
> *Chairman.*

Mr. Speaker, the so-called Landrum-Griffin Act which was enacted in 1959 embodied much of the thinking and many of the ideas which were advocated by the gentleman from Michigan, Clare Hoffman, many years earlier.

Very early in his service in the Congress he proposed that union officials be elected by a secret ballot of union members. He strongly advocated that union finances and dues be accounted for, and that union members be afforded an opportunity to find out what happens to their union funds. So, some of the most important ideas embodied in the Landrum-Griffin Act in 1959 were not new at all but were ideas that had long been advocated by the gentleman from Michigan, Clare Hoffman.

I am pleased to join in this salute to a great champion of labor reform—a great and distinguished American—and to wish him a very speedy recovery.

Mr. BENNETT of Michigan. I thank the gentleman.

Mr. Speaker, one of Clare's best friends in the House, particularly in recent years, is the gentleman from Iowa [Mr. Gross]. I know that there is a mutual admiration between them, a feeling of respect and of mutual interest in legislation before the House. In fact, for several years Clare and the gentleman from Iowa [Mr. Gross] have been referred to as the "minority minority party" here. I must say that in my judgment the minority minority party has been right more often than it has been wrong.

It will be a pleasure for me, and I know it will be a pleasure for Clare in reading this Record, to hear the remarks of his distinguished friend from Iowa [Mr. Gross], to whom I now yield.

Mr. GROSS. I thank the gentleman for yielding, and for his kind words.

It is not particularly easy for me to speak on this subject, but I do appreciate the opportunity to join with the Michigan delegation and others in this tribute to the gentleman from Michigan, Clare Hoffman.

At this time I should like to say something which, perhaps, I ought to have said long ago and that is to thank all the Members of the House who signed the huge card that was presented to Clare earlier this year at the time he was in Washington and seriously ill. No one will know how much he appreciated the thoughtfulness of his colleagues and the sentiments that some of them appended to this huge card. My friend, the gentleman from Ohio [Mr. Brown], said something that I would like to say, that when the gentleman from Michigan, Clare Hoffman, was made, the mold was thrown away. He has no peer in Congress for ability and sheer courage. Our party, the party of Hoffman and Gross, will never be the same as long as he is absent for he was the leader. I know of no man I hold in greater esteem or deeper affection.

Mr. BENNETT of Michigan. I thank the gentleman very much.

Mr. WALLHAUSER. Mr. Speaker, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from New Jersey.

Mr. WALLHAUSER. Mr. Speaker, I appreciate very much the courtesy of the gentleman from Michigan in yielding to me. I would just like to say that the tributes that have been spoken here today are certainly well deserved. I would personally like to express my admiration and appreciation to the gentleman from Michigan, Clare Hoffman, for the many instances of friendliness and instruction that he gave to me as a newer Member of the House. It was my privilege to serve on a committee with him, and further on a select committee with him. There were occasions when I was in doubt and I would go to him, and he with his keen mind and his ready wit and his stout adherence to his principles would advise me. I want to say there is no one in the House of Representatives that I ever admired to a higher degree than the gentleman from Michigan, Clare Hoffman. Just this afternoon as the gentleman from Iowa, H. R. Gross, was speaking, I turned to a colleague sitting next to me and suggested to him that we certainly missed the gentleman from Michigan [Mr. Hoffman] and how well the gentleman from Michigan [Mr. Hoffman] and the gentleman from Iowa [Mr. Gross] worked together for the good of the Congress and the good of the United States.

Mr. Speaker, I ask unanimous consent when I conclude that the gentleman from Minnesota [Mr. Langen] may have his remarks inserted in the Record directly following mine.

The SPEAKER pro tempore (Mr. Blatnik). Without objection, it is so ordered.

There was no objection.

Mr. WALLHAUSER. Mr. Speaker, I would like to say it is our hope and it is my hope that he will return to us. He has been sorely missed and he will be sorely missed.

Mr. LANGEN. Mr. Speaker, I remember well the days when I first trod these Halls, taking those first, unsure steps as a freshman Congressman. Those steps, however, soon became much more sure through the efforts of the gentleman from Michigan, Clare E. Hoffman, who extended a hand not only as a fellow colleague here in the House but on one of my committee assignments as well. I will be forever grateful for his help and advice that will benefit me throughout my service here.

Certainly I know of no man who possesses to a greater degree the rare combination of dedication, alertness, and sound principle. He is a Member who has always been willing to express himself on all matters at any time. His very example has been an inspiration to every new man who has entered this room.

The gentleman from Michigan, Clare Hoffman's, dedication is exemplified by his attendance on the floor of this House. If at all possible, he was here, carefully watching the details of every matter that came before this body. We miss that dedication during these days when illness keeps him away.

We also miss his sense of humor. Certainly all of us recall fondly the spice he regularly added to business that might otherwise have been routine.

Men may disagree with the gentleman from Michigan, Clare Hoffman, but all respect him. It is my fond hope that he will find his way back to these hallowed Halls before this session of Congress ends, to resume his distinguished role of statesman, friend, and national defender.

Mr. BRUCE. Mr. Speaker, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman.

Mr. BRUCE. Mr Speaker, I know many Members, and the freshman class of the 87th Congress, I think, would unanimously want to thank the gentleman from Michigan, Clare Hoffman, for just being Clare Hoffman. I think many of us are here because of the interest aroused in us by the gentleman from Michigan, Clare Hoffman, and men like him who stood as giants in the legislative field and who had the courage to express their convictions in forthright terms, reaching down into the grassroots and into the hearts and minds of young men across the country inspiring us to try at least to do what we could. So without going any further on behalf of myself and many other Members of the 87 Club, we can say sincerely—thank you, Clare Hoffman, for being Clare Hoffman.

Mr. BENNETT of Michigan. I thank my colleague very much.

Mr. HALLECK. Mr. Speaker, I wish it might have been possible for me to attend the event at Allegan, Mich., Clare Hoffman's friends and neighbors have planned in tribute to this stalwart American. I know of no Member of the Congress who has been more faithful to his convictions than my colleague from Michigan.

In an age when self reliance is too often downgraded as one of the great contributions to our success as a nation, Clare Hoffman has stood like a rock in support of those who still believe that the freedom of the individual is all important.

There was never any doubt in the minds of any one in this House of Representatives as to where Clare Hoffman would stand when the chips were down.

Nobody ever pushed Clare Hoffman. He made up his own mind as to what was right and what was wrong and that was as it should be. But his stern sense of personal discipline was tempered by a wonderful wit that all of us enjoyed, especially at times when situations might be tense.

Having known Clare for many years, it is not hard for me to understand why the people who sent him to Congress stuck with him time after time.

His is the type of indomitable spirit that we all admire.

There could only be one Clare Hoffman and I am proud that he was my friend.

I am truly sorry to see him leave our ranks and wish for him many happy years of well deserved respite, among his friends, from the burdens of office that he carried in a difficult age of our history.

Mr. LESINSKI. Mr. Speaker, I am glad to join in paying tribute to my esteemed colleague, the gentleman from Michigan, the Honorable Clare Hoffman, from the Fourth Congressional District.

While he and I did not often agree on many things, I must admit that he is one of those rare creatures whose outstanding feature is his individualism. And I must concur in the statement that someone once made, "they don't hardly make 'em like that any more."

As he retires at the end of this session of the 87th Congress after 28 years of service in the House of Representatives, I want to wish him full and happy days ahead, and lots of good fishing.

Mr. HOEVEN. Mr. Speaker, the gentleman from Michigan, Clare Hoffman, is a unique individual. By "unique" I mean unequaled and matchless. It has been my rare privilege and pleasure to have been associated with Mr. Hoffman throughout my service in Congress. We acquired a warm friendship, which I cherish very much.

I deeply regret that Clare Hoffman is retiring from Congress. He has been one of our most competent Members, always alert and ever active in the service of his constituents and his country. A man of keen mind and intellect, he had no peer in debate and his knowledge of parliamentary procedure in the House was often made evident. I know of no one who is a more dedicated public servant than is Clare Hoffman.

Clare Hoffman is a great American. Firm in his convictions he has no fear of man or devil. He stood for what he considered to be right, honest, and just. What more can be expected of any man? Clare Hoffman has well served his day and generation.

I wish for Clare Hoffman everything that is still best in life for him—improved health and the privilege of living out a well-rounded life with his loved ones and his friends and neighbors.

Mr. FRELINGHUYSEN. Mr. Speaker, I join with pleasure in this tribute to my friend, the gentleman from Michigan, Clare Hoffman. In a body of this size, there are men and women from all walks of life, many with tremendous ability and talent. Despite this great variety, the gentleman from Michigan, Clare Hoffman, in many ways is a unique individual. He has made invaluable contributions over the years to the strengthening of this body. Perhaps even more important, Clare also has injected much zest, yes, sometimes even controversy, into matters which otherwise might have been routine and humdrum. His keen mind, his sharp tongue and his wit have been coupled with a devotion to his job which have made him a truly formidable figure.

As a member of the House Education and Labor Committee for almost 10 years now, I have come to know Clare Hoffman well. He is a man with convictions, and an ability to express himself which commands respect. He is, furthermore, a man of understanding and humanity. By that I do not mean he does not become impatient or frustrated, but he never lets these feelings get out of hand. We have missed him this year in committee, and regret that he has decided not to run for reelection. This body will be the poorer next year without him. I should like to join in sending him my warm good wishes.

Mr. JENSEN. Mr. Speaker, the Honorable Clare Hoffman is one of America's greats in the annals of United States of America legislative history. Every inch a man.

Mr. ARENDS. Mr. Speaker, there will always be a Congress, but there will never be a Member of Congress like our beloved colleague, the gentleman from Michigan, Clare Hoffman. He will be greatly missed by all of us.

He and I entered Congress at the same time. We were able to win our seats against a strong political tide. On our side of the aisle we were little more than a corporal's guard in number, but we were an entire army in our courage of convictions. And Clare was then, as he was throughout his entire career in Congress, an inspiration to all associated with him.

Clare was an individualist but he was not a maverick. He was a born leader, not a follower. He demonstrated time and time again his capacity for leadership. In the many legislative battles he was always in the front lines.

The accomplishments of the gentleman from Michigan, Clare Hoffman, are innumerable. They stand as a lasting monument to him. His contribution to the deliberations of Congress are beyond measure.

We shall miss him not only as a man of great ability. We shall miss him as a man of sterling character. I shall miss him also as a very fine personal friend.

Mr. CHAMBERLAIN. Mr. Speaker, I am grateful indeed for this opportunity to join the Michigan delegation and other Members of the House in paying tribute to our revered colleague, CLARE HOFFMAN, who has represented Michigan's Fourth District in the House of Representatives so ably since 1935.

As the citizens of his district are gathering to honor CLARE HOFFMAN as his 28th and final year in the Congress draws to a close, I think it is well that we, who have had the opportunity of years of close association with him, join in expressing our respect and appreciation for his devoted years of service to his country. In a sense it is altogether fitting that CLARE HOFFMAN is not here with us today as we speak these words of appreciation, admiration, and above all, lamentation at the thought that he will not be returning to the 88th Congress, for his avoidance of such demonstration is well known, his distaste for personal publicity is long acknowledged as genuine. While it is not my purpose to attempt to sum up such a long and colorful career as has been his, I do hope that our warm words of praise and affection can in some way convey to him the depth of our actual sentiments that we cherish for this man.

CLARE HOFFMAN has not been a man of gaudy altruism, but a man of deeply rooted convictions, passionately held. His congressional life has been a relentless effort to live by and up to those convictions. The tenacity with which he has adhered to his beliefs and principles is legendary. The vigor and rigor with which he carried out his legislative tasks, and particularly the agility of his leadership and participation in floor debate, will be, indeed has been, sorely missed. The pages of the RECORD will be less lively, less interesting for his departure.

Having served in the Congress with CLARE HOFFMAN and having had the opportunity of knowing him as I have is an experience for which I shall always be grateful. I join his legions of friends that extend their warmest wishes for his retirement.

Mr. QUIE. Mr. Speaker, it gives me a great deal of satisfaction to join with other Members of Congress from both sides of the aisle to show my respect and appreciation to our esteemed colleague, the Honorable CLARE E. HOFFMAN, who has represented the Fourth District of Michigan so ably since the 74th Congress and during each succeeding Congress since then.

It has been my privilege to work with CLARE HOFFMAN on the House Committee on Education and Labor, and I have never known a more devoted or conscientious public servant. He has always displayed great courage and unquestioned integrity and his colleagues have never been doubtful as to where he stood on an issue when it was presented to the House for consideration. I am sorry that he finds it necessary to retire, thus ending an illustrious career as an outstanding legislator.

It is fitting that his neighbors and friends are joining together on Saturday, July 21, to express their gratitude for the wonderful contributions he has made to his district, the State of Michigan, and our Nation. The recognition he will receive is well deserved, and I am happy to join my colleagues in showing our respect and appreciation as his 28th and final year in the Congress draws to a close.

Mrs. DWYER. Mr. Speaker, much of the substance as well as the style and flavor of the Congress is accounted for by the personality and character of its Members. The legislative process is not an automatic one. It is shaped and directed by people, and one of the most vivid and colorful and unforgettable of these people is our friend and colleague, the distinguished gentleman from Michigan, CLARE E. HOFFMAN.

It is especially fitting that the House should take this time to pay tribute to a man who has left a deep imprint upon this institution during his 14 terms of service. As former chairman of the Government Operations Committee, and now its ranking minority member, CLARE HOFFMAN has influenced an enormous volume of important legislation—sometimes as a proponent, often as the skillful and determined and outspoken opponent, deeply conscious of the fact that good legislation demands that a bill's weaknesses and inconsistencies be revealed and revised.

I consider myself especially fortunate, Mr. Speaker, to have served on this committee under his leadership throughout my 6 years in the House, and to have shared some of the memorable moments he brought about in committeee and on the floor of the House. To me, he has been an unfailing friend and counselor—helpful, tolerant, and understanding.

In an age which some have characterized as conformist, CLARE HOFFMAN will always stand apart, firmly, and ruggedly independent. He has a mind of his own and he has put it to the service of an active conscience. And the Nation has been the beneficiary.

Mr. RIEHLMAN. Mr. Speaker, it is a privilege for me to join in this tribute today to our esteemed colleague from Michigan, CLARE HOFFMAN. It is a fine thing that we are paying tribute here to the gentleman's many years of devoted and conscientious service just as his friends and admirers back in Michigan will honor his service tomorrow.

The gentleman was chairman of the Committee on Expenditures in the Executive Departments when I came to the House 16 years ago and I have worked with him on that committee and its successor, the Government Operations Committee, ever since. It is with regret, therefore, that I note his decision not to seek reelection. CLARE HOFFMAN is a man of firm convictions and his presence here will be sorely missed.

I join my colleagues in wishing the gentleman many, many years of eventful and satisfying retirement. They are richly deserved.

Mr. AUCHINCLOSS. Mr. Speaker, any organization or group of people who can boast that CLARE HOFFMAN is one of its members is bound to be a live one. Here is a man fearless and consistent, never a demagog, who says what he thinks and means what he says. With his unusual personality he makes friends of those who disagree with him and commands the admiration of all he comes in contact with. There is never a dull moment when he is around.

CLARE HOFFMAN has no sophisticated air, nor does he preach his philosophy. Like the able lawyer he is, he argues his case with facts and force interspersed with a brand of keen but gentle humor which charms his hearers and convinces them that he knows what he is taking about.

CLARE HOFFMAN is missed in this session of Congress, and it is a great loss to all of us that his health has prevented his attendance. So it is indeed a privilege to do him honor and together with his host of friends I wish him serenity and contentment in the knowledge that he has worked faithfully and well for the people he has represented for such a long time. There can be no doubt that although he is retiring from active duty in this great legislative body, his capacity for friendship and his devotion to our country will always be an inspiration.

May I add my personal good wishes to him and assurance that I am very proud of his friendship, and hope I may always be worthy of it.

Mr. BAILEY. Mr. Speaker, as a partisan of long standing, CLARE HOFFMAN probably had little sympathy with what I was doing, but as a partisan he understands why I could not be here.

We shall miss CLARE HOFFMAN. The number of times CLARE HOFFMAN and I have voted together probably could be enumerated with the fingers of one hand. In the Committee on Education and Labor if we ever cast a single identical vote—unless it had to do with impacted-area legislation—it escapes me.

Although we differed—and still do—it was comforting to see him around. You knew where he stood. He made it clear and consistent. He has not, nor does he now, talk one way and vote another.

CLARE HOFFMAN and I have one thing in common. We love to fish. Dipping a line in a clear stream provides us both with relaxation from the strains of legislation. His forays on worms on the Capitol grounds have been nationally noted. For my part, I fish in West Virginia streams. I would not think of trying to feed those fish any flatland foreign worms.

I wish CLARE many days of good fishing when he closes his office for the last time.

Mr. WILLIAMS. Mr. Speaker, during the 16 years which I have served in the House, it has been my privilege to observe the many contributions made by our colleague, the gentleman from Michigan [Mr. HOFFMAN]. He is an extremely valuable Member of Congress; and it was with regret that I learned that he will not be with us after this session.

Mr. HOFFMAN is a sincere and dedicated patriot. His devotion to duty, his courage, and his energy know no bounds, and they have been an inspiration to all of us.

I will miss CLARE HOFFMAN. I will miss his engaging personality, his willingness to debate any Member of the House. But, above all, I shall miss his intense concern for the future of our Republic.

It is my hope that he will spend many happy years in retirement from the Washington political arena.

Mr. FISHER. Mr. Speaker, it has been my privilege to serve in the House of Representatives with the distinguished gentleman from Michigan, CLARE HOFFMAN, for nearly 20 years. We were both members of the House Committee on Labor back in the old days when the Taft-Hartley Act was being drafted. I have had many pleasant dealings with the gentleman from Michigan [Mr. HOFFMAN] and have had an opportunity to observe him and his activities throughout the years.

The gentleman from Michigan, CLARE HOFFMAN, has made a legislative record which reflects untiring energy, unquestioned courage, and a dedicated desire to serve the public interest. I can hardly think of a Member I have known since I have been here whose conduct has been quite as free of demagoguery. The gentleman from Michigan, CLARE HOFFMAN, asks for no quarter and gives none. He is in every sense a rugged individualist. He is a patriot who has never failed to speak up in behalf of what he considered best for America.

In my judgment, the gentleman from Michigan, CLARE HOFFMAN, has been a valuable balance wheel, a most useful advocate, and a public servant who has never faltered in his devotion to the cause of good government.

RURAL ELECTRIFICATION ADMINISTRATION

The SPEAKER pro tempore (Mr. BLATNIK). Under previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 60 minutes.

Mr. MICHEL. Mr. Speaker, I have asked for this time this afternoon to lay the groundwork for one of the amendments which I will offer to the agriculture appropriation bill when it comes before this House next Tuesday.

During the past year or more we have seen a major change come about in the Rural Electrification Administration. This change has brought concern and uneasiness from all sides. Even REA's most devoted defenders have wondered whether that program is perhaps getting out of hand. But so sacred has it become that we tend to let it get by with just about anything it does. That is not right and it is not good.

Today that agency is getting tremendous sums of money for a program we all thought was completed. It has adopted criteria for making loans which tell the Congress nothing except that the Administrator can interpret loan justifications just about any way he wants to. And, it has made some loans which give rise to the most serious doubts about the intentions and plans of that agency.

The situation I am concerned about is clearly demonstrated this year in the budget requests for the rural electrification loan program.

When the President submitted his budget for fiscal 1963 in January, he proposed a loan authorization program of $345 million. This was $100 million more than Congress voted in new funds for the fiscal year 1962. We were given no indication of why this tremendous increase in REA funds was justified. We never are.

Sure, there was some generalized comment to the effect that the recommended sum includes a substantial increase in loan funds to permit financing of additional generation and transmission facilities, but this is not adequate justification. And the President's budget message also stated that the adequacy of the funds would depend on the willingness of other power suppliers to meet the requirements of the rural electrification cooperatives on a reasonable basis.

Then late last June, notwithstanding this already large request for electrification loans, the administration asked us to transfer another $55 million to this program from the 1963 telephone program. Again, this request is merely accompanied by generalities such as that there is greatly increasing need for electric loan funds over previous estimates. There is no clue, no concrete hint as to why what was adequate in January is inadequate in June.

This situation to my mind borders on the ridiculous. Why stop at $400 million, I say. Why do we not just take it up to $1 billion. After all, it is only the taxpayer's money.

Let me point out again that we in the Congress do not know and cannot find out how this money is going to be used. True, we know it is going to be for rural electrification, but that is not enough. The United States, we know from every available record, has adequate supplies of power. We know that there is not a single rural electric cooperative that does not have adequate supplies of power. Why then, I ask, is there need for this tremendous increase in loan funds? Ask the administrator that question, and he virtually takes the 5th amendment. Try and get any details whatsoever out of him and it is a lost cause.

I say again that this program is changing drastically and changing right under our eyes. It is the responsibility of us here in Congress to stop and take a good hard look at what is happening. For too many years now we have been appropriating blindly for this rural electrification program in the belief that it can do no wrong. Here is how it is changing and why it is changing. And it is for these reasons that we in Congress need to know in advance how, why, and when the Administrator plans to make his loans.

In 1936, when the House Committee on Interstate and Foreign Commerce was considering the original Rural Electrification Act, the first Administrator of the program, Morris L. Cooke, told that committee:

> In 99 instances out of 100 they [the REA cooperatives] are going to buy current from existing plants.

When that bill was before the House for enactment in 1936, Representative Moran, of Maine, told the House:

> With probably very few exceptions power will be purchased from present generating plants, increasing the revenues of the utilities.

Speaking in consideration of that bill at that time our former beloved Speaker, Sam Rayburn, who was very active, had this to say:

> We are not, in this bill, intending to go out and compete with anybody. By this bill we hope to bring electrification to people who do not now have it. This bill was not written on the theory that we were going to punish somebody or parallel their lines and go into competition with them.

In that period through 1941, loans for generation and transmission purposes constituted only about 3 percent of all funds loaned. By 1950, this had risen to 18 percent. From its inception through 1961, the percentage had increased to 25 percent.

Speaking before the 20th annual meeting of the National Rural Electric Cooperative Association at Atlantic City on March 6, 1962, Norman M. Clapp, the present Administrator, said:

> Calendar year 1961 set a new record for REA generation and transmission loans; more than 56 percent of all REA electric loans for the year was approved for G. & T. facilities.

The rural electrification program was intended to bring electricity to people on farms in rural areas that did not have central station service. Now it is becoming a program to make independent businesses of rural electric cooperatives regardless of whether they serve industry, city, or rural customers.

This tremendous rise in volume of loans for generation and transmission purposes is spectacular. But even more significant is the change in the policy of the REA concerning such loans.

Mr. Claude Wickard, for many years Administrator of REA, and before that Secretary of Agriculture, wrote in March 1951 in an article in a magazine entitled, "The Nation's Agriculture":

> The Congress, by expressing endorsement of the REA policy, indicated that G. & T. loans shall be used to help the farmers of America get electric power in the most reliable manner at the lowest possible cost. For REA to deviate from this policy—either by refusing to make loans or by making those that do not meet the requirements—would obviously be contrary to the will of the people as expressed through the Congress.

It should be noted that he stressed the purpose of generation and transmission loans was to help the farmers of America to get electric power in the most reliable manner at the lowest possible cost.

At that time it was the REA policy to make generation and transmission loans in only two situations: First, where the REA borrower did not have an adequate supply of electricity available from existing sources; or second, where the price charged by existing suppliers would be greater than the cost of electricity from facilities financed by an REA loan.

On May 31, 1961, Administrator Clapp stated a new third criterion on the basis of which generation and transmission loans could be made. This new third criterion provides that in addition to the other two criteria previously mentioned such loans can be made to protect the security and effectiveness of REA-financed systems.

In addition, Mr. Clapp has said that it is not enough to judge the desirability of generating and transmitting loans in terms of adequacy, dependability, and the low cost of the source of available power.

> We must be certain—

He has said—

> that cooperatives enjoy a supply of power which will guarantee the cooperative device a permanent place in the American power industry. (Speech made on April 21, 1961, before the Louisiana Electric Cooperative Association at Jennings, La.)

This, my friends, is the crux of the matter but I ask in all seriousness whether this is what we should be using Federal funds for. Is this what the Congress intended in 1936 when it passed the REA Act?

Under this new philosophy, this new policy, let's look at some of the recent loans that have been made.

The largest loan in the history of the REA was made June 15, 1961, to the Hoosier Cooperative Energy, Inc., in Indiana. This was for over $60 million to build a 198,000-kilowatt steamplant. All the cooperative members of Hoosier are now receiving adequate supplies of power from existing sources and it has been clearly indicated that all their future needs can be met from the same sources. When it became evident that the Indiana Public Service Commission might question the need for this plant, the cooperatives switched the loan to the Indiana Statewide Cooperative Association in a clear and blatant effort to circumvent the State commission.

Last November a loan of over $20 million was made to the Alabama Electric Cooperative to build a 660,000-kilowatt steamplant. Again, this co-op has access to all the power it needs now or will need in the future. Another large loan—nearly $20 million—was made to the Arizona Electric Power Cooperative. This time it was for a 75,000-kilowatt steam-generating plant, which is not needed by the co-op.

Last March a loan of over $15 million was approved for the Colorado-Ute Electric Association and an additional $6 million was switched from the Arkansas Valley Co-op to Colorado-Ute to start construction of a 150,000-kilowatt steam-generating plant which is planned to go to 600,000 kilowatts ultimately. This loan is one of the most questionable the Administrator has made to date. This borrower had contracted to sell a large portion of the output of the plant to the Salt River district in Arizona, more than 600 miles away. The power will be wheeled to Salt River over Bureau of Reclamation transmission facilities which are part of the Colorado River storage project. The power will be delivered to the Salt River district by displacement from a power house of the Bureau.

Equally questionable is the $36 million loan made in May to the Basin Electric Power Cooperative in South Dakota. This will finance a 200,000-kilowatt steamplant and the output will be sold to the Bureau of Reclamation to firm up the hydropower produced in the Missouri River Basin. This loan was made in the face of an offer by 14 local electric suppliers in the area to supply the Bureau from their existing facilities with all the energy the Bureau needed to firm up the Federal hydropower.

Finally, last month, REA loaned $18 million to the Big Rivers Rural Electric Cooperative in Kentucky to build a 66,000-kilowatt steamplant. Again, existing supplies of power were adequate.

What can we learn from these six large loans totaling over $175 million? First, they were not needed because of any power shortage. In other words, over $175 million of taxpayer funds was loaned out at a losing interest rate which need not have been loaned out. Second, there is nothing, absolutely nothing in the record to establish that the loaning of this money is going to make cheaper power available to the borrowers. Third, there is emerging a most dangerous and disturbing alliance between the Bureau of Reclamation and the REA which, in effect, is circumventing the will of Congress. Congress has never authorized the Federal construction of steam powerplants except in the case of TVA which is a different proposition. Now, through REA, we are getting what are to all intents and purposes Federal steam powerplants. In two of the loans I mentioned previously—Colorado-Ute and Basin Electric—the steamplants are going to be tied in with Federal hydrosystems.

This is why Congress needs to have more control over this program. We need to know what is going on—before it happens, not after. We need to get more information from the Administrator when he comes to ask us for money. We have got to realize we are dealing with a changed REA. There is a new philosophy operating in that agency today and I do not think it is a philosophy the American people care too much about. Our responsibility is to all the people but as long as we appropriate blindly for this REA program every year we are not exercising that responsibility.

When some of us here in Congress began to see which way this REA program was going we began to complain a little. And then some of our constituents began to complain. And then the papers found out about that rural electric loan for a ski jump, and with all of this the Administrator began to jump a little. So in April he made a big announcement and issued a long statement all of which was supposed to be a new policy of giving out information and throwing secrecy out the window.

After I took a good hard look at that policy statement I realized it qualified for the neatest-trick-of-the-week department because it said a lot but gave away very little.

At that time I requested that REA supply informaion to me on pending generation and transmission loans. But the list they gave me was incomplete. It contained no reference to an application from the Associated Electric Cooperative of Springfield, Mo. REA loaned them $8 million in July, less than 3 months after I received the list. Also, it did not contain any information concerning the loan application of the Big Rivers Rural Electric Cooperative of Kentucky. This co-op was given $18 million, also in July.

I can only suppose information on these loans was not included in the list because these borrowers wanted the information on their applications held in confidence. This is a strange situation where a borrower can restrict a lending agency from telling a member of the Committee on Appropriations of the House of Representatives that the borrower has requested an $18 million loan. This is not defensible.

This refusal of the Rural Electrification Administration to tell Congress about such loan applications means that Congress is being denied the information that it needs in order to act intelligently upon REA's request for funds.

It cannot even act intelligently on the test set forth by the President in the budget when he said:

> The adequacy of the recommended funds will depend on the willingness of other power suppliers to meet the requirements of the rural electric cooperatives on a reasonable basis.

If we in Congress do not even know what loans for generation purposes the REA is contemplating, we certainly are not in a position to determine whether electric power suppliers are willing to meet the requirements of co-ops on a reasonable basis. To apply the President's test, Congress must know which major loans the REA is planning to make.

It is quite evident that the Congress is becoming increasingly aware of the change in REA policy. I remind my colleagues of the action taken by both bodies in connection with farm legislation earlier this year. There was a provision in that bill to establish a rural electrification loan account under the Electrification Act. When the House Agriculture Committee reported out the bill, they had this to say in part about the program:

> It is evident that REA borrowers have done a good job; but it is equally apparent that widespread controversy has been evoked by administrative policy, particularly as relates to the secrecy surrounding loan applications and to industrial loans.
>
> Testimony revealed a growing public concern over the failure of the REA to disclose information on various phases of its operation. The public is entitled to know how public funds are being used, and the REA should approach the consideration of loans for generating facilities in a manner designed to provide as full public information as possible. The ultimate consumer is entitled to the most advantageous source of power, determined by bringing together all pertinent facts in an objective manner. Public hearings appear to be a reasonable means of accomplishing that end. Certainly, interested parties should be notified and their views obtained before such loans are approved. Secrecy tends to kindle doubt, whereas public knowledge of the reasons for and justification of loans would go far toward dispelling criticism which threatens to bring the program into disrepute.

> The committee heard testimony that loans under section 5 of the act, which was intended to help farm and other rural people to utilize the electricity that the REA program was bringing to them, are now used to finance industry. The committee feels that REA's present interpretation of section 5 of the 1936 act is inconsistent with the original intent of Congress.
>
> It is the opinion of the committee that loans for generation and transmission facilities should be made only when it is shown conclusively that: (1) energy is not available on reasonable terms from any existing source, (2) the proposed generating plant can produce energy at a lower cost than it could be obtained from any other source, and (3) the output of such plant will be used mainly for supplying energy for use in rural areas. Decisions on all generation loan applications should take into account fully the willingness of other power suppliers to meet the requirements of the rural electric cooperatives on a reasonable basis.
>
> Congress, of course, is charged with the responsibility of assuring that public funds are handled in accordance with the original intent of the Rural Electrification Act. Since it appears that the rural electrification program will be requiring continuing large amounts of Federal funds, it will be necessary to devote careful consideration to the need for such funds.

The other body had even more to say about the REA program. Again, I would like to quote pertinent sections from the report of the Senate Committee on Agriculture.

> It is evident that REA borrowers have done a tremendous job in providing power to rural areas in furtherance of the purposes outlined in the act.
>
> However, this has not occurred in the absence of controversy between private power and the REA system, particularly regarding loans by REA for the construction of generating and transmitting facilities in direct competition with private power.
>
> The committee is of the opinion that these controversies could be minimized if not eliminated entirely. Clearly the REA system, under the act, has the authority and the responsibility to provide power to its users at fair and reasonable rates. On the other hand, the committee feels a responsibility that the operation and expansion of private power utilities not be impaired by arbitrary and adverse government action. * * *
>
> The act was intended not only as a direct means of bringing service to rural residents, but also as a lever to encourage the investor-owner utilities to serve all prospective customers within their service areas. REA financing may not be used to extend service to any person who already has service from an investor-owned company. To the extent that investor-owned companies provide service to all who desire it within their area, the need for Government loans is reduced. And to the extent that investor-owned companies make power available to REA borrowers at fair and reasonable rates, and on terms which permit them to serve all eligible customers within their service areas, the need and justification for loans for generating facilities disappears. * * *
>
> Government loans should not be made unnecessarily. They should not be made to give cooperatives an unfair competitive advantage over investor-owned companies. REA borrowers should restrict themselves to the areas they were intended to serve, and should seek to use available investor-owned power to the maximum extent possible, rather than to supplant it unnecessarily. On the other hand, investor-owned companies should seek to furnish REA borrowers with power on a completely fair and equitable basis without delay or harassment or conditions which will force the cooperative to turn to the REA for loans for generating facilities needed not because of a lack of facilities, but because of a lack of fairness on one side or the other of the bargaining table.
>
> The REA for its part has a responsibility to see that Government funds are not loaned unnecessarily. In making a loan for generating facilities, it should investigate very carefully the need therefor. Public hearings may not be the way to do this, but interested parties should be notified and their views obtained in a reasonable period of time. The Rural Electrification Administration should approach the consideration of such loans in a manner designed to provide as full public information as possible. Open and aboveboard consideration of loans, bringing together all pertinent facts in an objective manner, would preclude the possibility of charges that such loans were unjustified. Secrecy, on the other hand, might well tend to induce doubt that responsible action was taken. Public knowledge of the reasons for and the justification of loans might well go far in mitigating unjust criticism.

I think the concern of Congress is very evident in the report language just mentioned. But let me assure my colleagues that the concern does not end with us. It is pretty widespread throughout the country. I have numerous newspaper editorials to establish this point. For example, here is a quotation from the Indianapolis Star, October 13, 1961, in connection with the Hoosier loan.

> Might not a generating plant in southern Indiana be the opening wedge for a giant Government authority covering both the Tennessee and the Ohio River valleys?
>
> The point is that the Federal Government wants to set up a power business in Indiana complete with its own generating plants and distribution system.

On November 6, 1961, the Chicago Sun-Times in my home State had the following to say.

> What has happened to the REA? * * * The agency has moved into activities far removed from those envisioned when it was created.

Another paper in my State, the Granite City Press-Record, in October 1961, editorialized as follows:

> Not content with fulfilling its original purpose, REA in some areas now seeks to expand its role, to crawl to new heights of subsidized expansion over the bodies of the taxpayers.

Over In Missouri the St. Louis Globe-Democrat in November made this comment in an editorial:

> Obviously, the co-ops have overstepped the bounds set for them in the REA Act. Namely, to provide electric energy to persons in rural areas who are not receiving it from private utilities.

In South Dakota, the Valley Irrigator of Newell, also in November 1961, had this to say:

> The questions that now arise, with respect to reappraisal of REA are (1) whether the program is going beyond its purpose of making power and telephone services available to all farms and ranches, (2) whether the REA cooperatives are no longer to be operated on a nonprofit basis, and (3) whether the farm and ranch priority for electric power as expressed in original signup of members is to be subordinated to other uses.

These are just a few comments taken at random. But they are indicative of the growing concern over this program. It seems clear to me we have two choices. First, we can continue as we have in the past making blind appropriations, giving the REA the increasing amounts of money it asks for each year—and I am predicting now that it would not be long before they are over the billion-dollar-a-year figure in their loan requests—or; two, we can take such action as will return to the Congress, the necessary control to keep this program in line.

Mr. Speaker, I would simply close by informing the Members of the House that this morning, when our Subcommittee on Agricultural Appropriations reported to the full committee, I offered an amendment containing some strengthening language, which was narrowly defeated, by three votes. But I should like at this point to have included in my remarks the text of that amendment, which reads as follows:

> The committee desires to make the necessary funds available to REA for pursuing its program with the utmost expediency. The agency justifications, submitted to the committee by the Department do not contain the necessary detail to make informed decisions. The committee, therefore instructs the Department in presenting REA's program for its fiscal year 1964 to itemize and justify in detail all projects over $5 million for which funds are to be loaned.

Mr. Speaker, I think that was good amending language to the bill, because in my judgment we in the Congress ought to know more about what is involved in all of these loans of $5 million. There are not really too many. As a matter of fact, I asked the specific question in the hearings as to what the 10 largest loan requests were. The answer came back, ranging from some $5 million to $34 million. Probably all we would have to have before our committee then would be detailed information on 7 to 10 applications a year that are in that magnitude. But I think it would be certainly well for us to have that information. Finally, again, Mr. Speaker, as I said, I offered another amendment. This is a limiting amendment which would limit the $400 million appropriation for rural electrification to no more than $100 million for the purposes of generation and transmission lines. This amendment was likewise defeated by a narrow vote in the committee. But I intend to offer it when the bill is considered by the House on next Tuesday. I would hope that the Members of the House would support me as I give the arguments in support of that amendment at that time.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I would be glad to yield to my friend, the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. COLLIER. Mr. Speaker, I rise to compliment my colleague from Illinois and would like to be associated with his remarks and his efforts in this important matter.

It seems to me that scrutiny of the activities and appropriation of the REA is long overdue. This is probably because the REA has assumed the role of a sacred cow in the eyes of many Members of this body, particularly from the rural areas. Yet going back to the original act of 1936 which created the REA and reviewing its action over the years, one can hardly recognize it for its original purpose. I hasten to say at this time, should there be any doubts regarding these opening statements, that I wholeheartedly endorse the original purpose of this program and lauded its achievements in accomplishing this purpose, but it seems to me that many of its functions go far beyond its purposeful intent—to a point where it stands to alienate many of its friends on both sides of the aisle who have supported REA appropriations for many years.

Mr. Speaker, in reading through the Department of Agriculture appropriations hearings for fiscal 1963 before the House subcommittee, I found bits of testimony regarding REA which were most disturbing. I request permission to have reprinted at this point the line of questioning conducted by the gentleman from Illinois [Mr. MICHEL] beginning on page 2040 of part 4 of the hearings:

> Mr. MICHEL. Are there provisions that would preclude one from doing a sizable business with the co-op while serving on the board of directors of that cooperative?
>
> Mr. DELL. Some of them do.
>
> Mr. MICHEL. Has there been any general policy by REA on that?
>
> Mr. DELL. As far as REA is concerned, our policy has been that directors and officers of a co-op should not be doing business with the co-op. I believe that is correct, is it not, Mr. Koebel?
>
> Mr. KOEBEL. I believe that is right. There may also be State laws bearing on the subject.
>
> Mr. DELL. Let me add one thing which has been called to my attention here. If they come to us for advice on making up their bylaws, we have a standard provision which prevents that.
>
> Mr. MICHEL. If a situation existed where a member of the board or the president of the co-op is doing better than, say $60,000 a year business with the co-op; with that cooperative operating under your set of bylaws, is there any machinery that you have at all to bring any kind of pressure to bear upon this co-op to change this hypothetical situation?
>
> Mr. DELL. I do not know that we would go in. I do not know whether we could or not. It may be Mr. Koebel or Mr. Gorrin should answer this question from the legal standpoint. Administratively, I do not know that we would do it. When charges are made—I suspect I know now the system you are talking about—if it is the one I think you are talking about, we have had an investigation down there. We sent our own Department of Agriculture investigators in there. We have gone into it thoroughly. We have not been able to find anything criminally wrong.
>
> Mr. MICHEL. I am not suggesting that there is, but I am suggesting that administratively there should be some tightening within the REA to prevent a situation such as this from developing.
>
> Mr. DELL. I am not sure you and I are talking about the same situation.
>
> Mr. MICHEL. It may not be. There is really no need to cite a specific case here. Evidently these figures start falling in line as far as you folks are concerned.
>
> Mr. KOEBEL. I think I could make this comment, Mr. Michel: We did have the situation of a cooperative where apparently a member of the board of directors was an officer of a company doing business with the cooperative. We could not find that there had been any collusion or chicanery. Apparently even the officer was at some time unaware of this business. It apparently was a routinized operation and the company of which he was an officer was a large supplier in the area. So it was a logical organization with which to do business.
>
> However, after consultation with the board of directors, we were given assurances that the cooperative would see that this connection was dissolved. We would certainly have authority under the loan contract to bring such irregularities to the attention of the board, or perhaps what type of practice they have, good or bad, for the board's correction. Normally, we get good cooperation from the boards.
>
> Mr. DELL. If this is the same case, we had our people meet with the board.
>
> Mr. KOEBEL. Yes. This was all done in complete agreement.
>
> Mr. MICHEL. When an REA co-op has some maintenance work to be performed, it is not unique at all for them to farm out that maintenance work to a contractor, is it?
>
> Mr. KOEBEL. Sometimes it is done.
>
> Mr. MICHEL. Is it a generally accepted practice?
>
> Mr. DELL. No. I would say it is not a generally accepted practice to farm it out to contractors. Usually the cooperative has its own maintenance crew.
>
> Mr. MICHEL. Is there a case where an REA co-op ever farmed out this kind of work, without a contract, at cost-plus, and the "plus" was something like 40 percent?
>
> Mr. DELL. If I may interrupt you there, that statement has been made on several occasions. We did not find the plus to be 40 percent.
>
> Mr. MICHEL. What did you find it to be?
>
> Mr. DELL. Considerably less than that. In the one I am talking about—and I am sure now it is the same one—that system has had costwise one of the best operating conditions of any system in that area, and has been commended in a letter from its power supplier on its good operating condition. I am willing to go into that system to any extent that you want to. It is the cooperative at Jefferson City, Tenn., that I am talking about, and I think it is the same one you are talking about.
>
> Mr. MICHEL. Thank you for that information, Mr. Dell. I guess that is about all, Mr. Chairman.

This interrogation and replies seems to me, substantiate the reason for the following statement which appeared in House Report 1691, and I quote:

> Testimony revealed a growing public concern over the failure of the REA to disclose information on various phases of its operation. The public is entitled to know how public funds are being used.

The gentleman from North Carolina, Chairman COOLEY, and the Agriculture Committee are to be congratulated for this forthright statement. The time has come for an open hearing, for, as President Kennedy once stated:

> In America, the people, if they are armed with the truth, can be trusted to make the right decision.

In the case of the REA, their commercial activities are supported by the tax payments of the very, private, investor-owned enterprises with which they compete. Mr. Speaker, if there are those in REA who think that the American people would approve the nationalization of electric power, let them in all candor submit that issue to a clear-cut choice by voters.

Mr. MICHEL. Mr. Speaker, I desire to thank the gentleman from Illinois for his contribution.

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. SLACK] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SLACK. Mr. Speaker, as a supplement to the comments being made regarding the rural electrification program which is in prospect for fiscal year 1963, I would like to bring some special emphasis to a few points which have troubled me considerably, and which were explored in some detail during the hearings before the Agricultural Appropriations Subcommittee.

Let it be understood, first of all, that I am not opposed to the REA program in principle or in application where it clearly conforms to the original intent of Congress. In fulfilling its assigned task of distributing electric power to residents of rural areas who cannot obtain power from commercial sources, the REA has clearly met a well-defined need and has played an important role in the economic upgrading of many rural areas.

Occasionally, however, the very success of an enterprise leads to complications not previously foreseen. In the business world we find many examples of firms which have reached an economic peak in certain narrow ranges of manufacture, and have earned large surpluses; they have determined that the most profitable course lay in diversification of their interests by investing in other, completely different, kinds of businesses.

This discussion today arises out of an apparent tendency for REA to diversify and to thereby begin a journey down a road not previously mapped out by the Congress. The REA estimates that for fiscal 1963, there will be 301 applications for a total of $200 million in loans for funds to be used for distribution facilities.

During that same year, the REA estimates there will be 50 applications for a total of $508 million for funds to be used for generation and transmission facilities.

Out of these loan requests, only two will be requests for new borrowers interested in distribution—less than 1 percent of the total. Yet, out of the 50 anticipated generation and transmission loan requests, 10 will be new borrowers, or 20 percent of the total. These figures demonstrate quite clearly that the emphasis of the REA program is changing drastically.

It has been established that REA, from its inception up to January 31, 1962, has approved loans totaling over $1,180 million for generation and transmission purposes. Present trends indicate that cooperative power loads are doubling about every seven years.

While we cannot completely anticipate the future, there appears to be every possibility that REA will require for generation and transmission loans some $3 billion within the next 10 years.

The most disturbing feature of this development is contained in the newly established criterion for REA generation and transmission loans. This criterion states that REA will approve loans for generation and transmission where such REA-financed facilities are necessary to protect the security and effectiveness of REA-financed distribution systems.

When REA adopts this approach, it is treading on dangerous ground. This is the philosophy of every monopolist in the history of American industry, and these very tactics—a planned program to control more than one level of an industry in a particular area of operations—have brought congressional criticism and prosecution to the oil, aluminum, railroad, and private power industries in years past.

And REA is given two gilt-edge privileges not open to private power companies—the right to use 2-percent Federal money, and immunity from taxation.

The request to transfer $55 million in telephone funds to increase loan capacity for generation and transmission systems is another indication of the same tendency. Private power companies must carry on many activities which are not of themselves profitable, and must often sequester funds for anticipated developments which have not yet materialized. But REA, since the demand for telephone funds is below expectations, does not choose to explore what might be done to make telephone distribution more attractive. Instead, REA asks for the right to transfer the telephone funds into a loan program which represents diversification.

If this process continues for 10 or 15 years, and generation and transmission commitments will outstrip both transmission and telephone interests. Under those conditions, there would simply be no incentive for REA to adhere to its original mission and explore means and methods of seeking the best possible arrangements to render the best possible transmission service.

It would be easier to simply diversify, enter heavily into another level of the industry, and soon monopolize, since no competitor could match its tax-free status and 2-percent fund source.

Since the issue has been raised by REA through the medium of this request, it seems that this is the time for us to make a decision as to just what mission the Congress has assigned to this agency. If we are to approve a program which will result in a basic change in the scope and character of REA, then let us do so with our eyes open, and understand clearly that we are so doing, with full realization of the consequences. Those of us, including myself, who support the original mission of REA, and who feel that it has performed well in that assignment, should give very serious thought to the question of whether or not we want that mission to be fundamentally altered.

That is the real question before us today, and our decision will have far-reaching consequences for the electric power industry of the entire country during the years ahead.

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. TEAGUE] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. TEAGUE of California. Mr. Speaker, I have been listening to the comments of the gentleman from Illinois with interest. From everything he has said I can see that there would be advantages in treating REA loans in the same manner we now treat the funds sought by the Bureau of Reclamation and the Corps of Engineers.

I have been puzzled by the comments that I have seen from time to time in the present hearings that the Administrator cannot provide in advance, information about loans he might be planning to make for large generating plants. The reason I am puzzled is that it has always been my understanding that a powerplant takes considerable advance planning. I have the impression that any utility, whether it is a cooperative or investor owned, will know at least 3 to 5 years in advance of construction whether or not it is going to need additional capacity. I have been informed that the science or the art of forecasting power needs is perhaps more accurate today than any other type of forecasting.

On top of this, it takes at least a year and a half to two and a half years to build a plant and obviously under those circumstances you have to plan in advance so that the project comes on the line when you need it.

This being the case, I fail to understand why the Administrator cannot tell the Congress a year in advance what generating plants will be needed for which he may be making loan applications.

Also, in this connection I find myself greatly puzzled by REA's unwillingness to disclose plans for financing generating plants. The argument is made that the release of such information would impair the legitimate interests of the person requesting the loan. And I ask what possible legitimate interests can be impaired in a powerplant. This is not the same as the grocery business, or the dry cleaning business, or the corner drugstore, where advance information might enable a competitor to jump in and grab the site. A cooperative, just as a municipality or an investor owned electric utility, is tied to its territory and nobody is going to come in and build a competing powerplant. It just is not practical. So this argument of impairing legitimate interests does not impress me very much.

If REA is afraid that by disclosing its plans to finance a powerplant it will invite some counteraction by an existing power supplier, let us for a moment be realistic and analyze what the possible end result of such action can be. The power supplier would probably do one of two things, lower its rates to the cooperative or if power were unavailable build a powerplant itself. The cooperative and its members certainly will not lose under the first possibility and under the second possibility we could avoid an unnecessary expenditure of Federal funds. And I remind my colleagues that the REA Act wanted it this way. Up until the present Administrator changed the criteria for G. & T. loans it was distinctly and clearly the intention that cooperatives should only build their own generating plants when existing supplies of power were not adequate or available at reasonable prices.

There is one important aspect that none of us should lose sight of and that is that the utility business whether it be cooperatively owned, publicly owned, or investor owned is in effect a public business and there can be no excuse for any concealment of any of the operations of this agency that relates to providing people with an essential service. The power companies have to operate in a goldfish bowl under both State and Federal regulations. Their construction plans, their financing, their bookkeeping are all a matter of open record. There is no reason why this should not also be possible for rural electric co-ops. They have nothing to hide. So why all this unnecessary secrecy from REA.

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, today I introduced a proposal to amend the Federal Property and Administrative Services Act of 1949 to broaden the construction of the word educational, which is otherwise undelineated in the statute. Under the present title donations of property can be made to "States, territories, and other possessions for educational, public health, or civil defense purposes."

As it is, many programs are presently denied land because of this interpretation that are in a broader sense educational. This seems especially pertinent in those areas of education that are concerned with handicapped children. In these areas there are programs that greatly augment the experience and knowledge of handicapped children that cannot be classified as educational in the strictest sense of that word. There are areas of experience that are taken for granted by the unhandicapped that are a rare treat and delight for the less fortunate. Such programs do not fall into the classroom instruction area. Experiences such as hearing, feeling, seeing, and participating in an outdoor or rural atmosphere can go a long way toward filling in the educational experiences of people who cannot enjoy the benefits of normal sight, hearing, or mental faculties. For the Congress to fail to keep pace with the educational changes in this area would be a grave oversight.

The amendment purports to broaden the interpretation of the word educational to include programs designed to provide physically and mentally handicapped persons an opportunity to experience and develop an ability to participate in outdoor and rural activities.

INTEROCEANIC CANALS COMMISSION

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. Bow] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOW. Mr. Speaker, over the past few years I have watched with considerable concern the evolving situation at Panama, with special reference to the needs for a steadily increasing volume of interoceanic commerce.

It is pertinent here to remark that the historic policies under which the Panama Canal was constructed and has since been maintained and operated were evolved by such eminent statesmen as Theodore Roosevelt, John Hay, John Bassett Moore, Elihu Root, and Charles Evans Hughes.

Since 1957, it has indeed been refreshing to hear and study many scholarly addresses on interoceanic canal problems by my distinguished colleague from Pennsylvania [Mr. Flood], whose notable contributions on this subject are unique in the history of the United States.

The Isthmian question is not a mere routine matter to be handled by harassed routine administrators, but a challenge to the Congress that transcends all questions of party or professional considerations. The Congress should have the benefit of information that can be supplied only by an independent body composed of the best qualified men available. Toward this end, I wish to associate myself with my distinguished colleague [Mr. Flood] in urging the creation under congressional authorization of the Interoceanic Canals Commission to delve into the entire canal question.

I have introduced a bill to create such a Commission and include it at this point in my remarks:

H.R. 6296

A bill to create the Interoceanic Canals Commission, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Interoceanic Canals Commission Act of 1961".

Sec. 2. (a) A commission is hereby created, to be known as the "Interoceanic Canals Commission" (hereinafter referred to as the "Commission"), and to be composed of eleven members to be appointed by the President, by and with the advice and consent of the Senate, as follows: One member shall be a commissioned officer of the line (active or retired) of the United States Army; one member shall be a commissioned officer of the line (active or retired) of the United States Navy; one member shall be a commissioned officer of the line (active or retired) of the United States Air Force; and eight members from civil life, four of whom shall be persons learned and skilled in the science of engineering. The President shall designate one of the members from civil life as Chairman, and shall fill all vacancies on the Commission in the same manner as are made the original appointments. The Commission shall cease to exist upon the completion of its work hereunder.

(b) The Chairman of the Commission shall receive compensation at the rate of $20,000 per annum, and the other members shall receive compensation at the rate of $18,000 per annum, each; but the members appointed from the Army, Navy, and Air Force shall receive only such compensation, in addition to their pay and allowances, as will make their total compensation from the United States $18,000 each.

Sec. 3. The Commission is authorized and directed to make and conduct a comprehensive investigation and study of all problems involved or arising in connection with plans or proposals for—

(a) an increase in the capacity and operational efficiency of the present Panama Canal through the adaptation of the Third Locks Project (53 Stat. 1409) to provide a summit-level terminal lake anchorage in the Pacific end of the canal to correspond with that in the Atlantic end, or by other modification or design of the existing facilities;

(b) the construction of a new Panama Canal of sea-level design, or any modification thereof;

(c) the construction and ownership, by the United States, of another canal or canals connecting the Atlantic and Pacific Oceans;

(d) the operation, maintenance, and protection of the Panama Canal, and of any other canal or canals which may be recommended by the Commission;

(e) treaty and territorial rights which may be deemed essential hereunder; and

(f) estimates of the respective costs of the undertakings herein enumerated.

Sec. 4. For the purpose of conducting all inquiries and investigations deemed necessary by the Commission in carrying out the provisions of this Act, the Commission is authorized to utilize any official reports, documents, data, and papers in the possession of the United States Government and its officials; and the Commission is given power to designate and authorized any member, or other officer, of the Commission, to administer oaths and affirmations, subpena witnesses, take evidence, procure information and data, and require the production of any books, papers, or other documents and records which the Commission may deem relevant or material for the purposes herein named. Such attendance of witnesses, and the production of documentary evidence, may be required from any place in the United States, or any territory, or any other area under the control or jurisdiction of the United States, including the Canal Zone.

Sec. 5. The Commission shall submit to the President and the Congress, not later than two years after the date of the enactment hereof, a final report containing the results and conclusions of its investigations and studies hereunder, with recommendations; and may, in its discretion, submit interim reports to the President and the Congress concerning the progress of its work. Such final report shall contain—

(a) the recommendations of the Commission with respect to the Panama Canal, and to any new interoceanic canal or canals which the Commission may consider feasible or desirable for the United States to construct, own, maintain, and operate;

(b) the estimates of the Commission as regards the approximate cost of carrying out its recommendations; and like estimates of cost as to the respective proposals and plans considered by the Commission and embraced in its final report; and

(c) such information as the Commission may have been able to obtain with respect to the necessity for the acquisition, by the United States, of new, or additional, rights, privileges, and concessions, by means of treaties or agreements with foreign nations, before there may be made the execution of any plans or projects recommended by the Commission.

Sec. 6. The Commission shall appoint a secretary, who shall receive compensation fixed in accordance with the Classification Act of 1949, as amended, and shall serve at the pleasure of the Commission.

Sec. 7. The Commission is hereby authorized to appoint and fix the compensation of such engineers, surveyors, experts or advisers deemed by the Commission necessary hereunder, as limited by the provisions in title 5, United States Code, section 55a (1946 edition); and may make such expenditures—including those for actual travel and subsistence of members of the Commission and its employees—not exceeding $13 for subsistence expense for any one person for any calendar day; for rent of quarters at the seat of government, or elsewhere; for personal services at the seat of government, or elsewhere; and for printing and binding necessary for the efficient and adequate functions of the Commission hereunder. All expenses of the Commission shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the Chairman of the Commission, or such other official of the Commission as the Commission may designate.

Sec. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions and purposes of this Act.

THE STATE DEPARTMENT

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. Keith] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEITH. Mr. Speaker, last week I had the privilege to include in the Record a number of articles on the State Department by political writer Everett S. Allen. All but the first of these eight articles were reprinted in the body of House proceedings. Now, to make the entire series a matter of permanent record, I have requested unanimous permission to extend my remarks at this point to include that first article, which was originally reprinted in the Appendix of the daily Record.

The article by Everett S. Allen follows:

Washington, June 25.—By accident or design, this is where the cold war is being lost. No matter how fastidiously the State Department may censor speeches containing nasty truths about the Russians, the untidy fact remains that in the last 43 years—during both Republican and Democratic administrations—Soviet-led Communists have taken control of one-third of the world's population.

Officially, one does not talk about this.

Last February 11, Gen. George H. Decker addressed the 111th Infantry of the Pennsylvania National Guard. He was talking to men who may be called upon to fight and die for this Nation's security.

General Decker wanted to say: "Aggression and subversion in Africa, Asia, and Latin America are timely examples of the means used to pursue their (i.e., Communist) aims of world domination."

The State Department forced General Decker to say instead: "Intervention and subversion in Africa, Asia, and Latin America are timely examples of the means used by others to pursue their aim of world domination."

Thus, even our fighting men are not permitted to know the enemy's name, presumably lest the latter be affronted.

In "explaining" to Congress this and other State Department censorship, Under Secretary George Ball referred eloquently but not informatively to "conditioning factors" and "the kaleidoscopic pattern" of foreign affairs. There were those who came away feeling the State Department, in general, believes Congress and the general public are too dumb to understand policy.

This is not a new attitude.

In any event, it is impressive, in a chilling sort of way, that the Communist conference in December 1960 included representatives from 81 countries. It also is a fact that although Presidents of both parties have given periodic peptalks, the United States world position is each year less enviable.

This is not so much a reflection upon our fighting strength because we do not allow ourselves to fight much. It is instead the direct result of a foreign policy so inadequate or unrealistic, or anti-American in concept, as to permit the steady crumbling of the free world's frontiers.

Thus, in the present moment of history, both Republicans and Democrats question whether the State Department, charged with the shaping of this policy, is performing its job properly. It is neither pertinent nor reasonable for Secretary of State Rusk, in an uncharacteristic burst of petulance, to snarl at his critics: "If you think we're losing, what would you do?" It is his job, not theirs, and if we are not, in fact, off the track somewhere, how does one account for the following:

In the summer of 1961, Secretary of State Rusk wrote to Chairman Howard W. Smith of the House Rules Committee, opposing creation of a Special House Committee on Captive Nations "at this time." Rusk expressed concern that Moscow would not like it, and said governmental and private sources long have been studying this subject anyway.

Have they?

Dr. Lev E. Dobriansky, professor of economics at Georgetown University, has publicly challenged Rusk to produce any comprehensive study dealing, for example, with Soviet Russian economic colonialism within the Soviet Union.

NO ANSWER YET

This was last December, and Dobriansky hasn't had an answer yet.

Rusk's letter to Smith said the U.S. Government's position is "weakened by any action which confuses the rights of formerly independent peoples or nations with the status of areas, such as the Ukraine, Armenia, or Georgia, which are traditional parts of the Soviet Union. Reference to these latter areas places the U.S. Government in the undesirable position of seeming to advocate the dismemberment of a historical state."

This is a classic of how to lose the cold war.

Each of the countries mentioned was independent in the post-World War I period, was recognized by Soviet Russia and other countries at that time as being independent, and has fought valiantly to this day to regain its independence.

The Soviet Union has scarcely been in existence 45 years, but Rusk, presumably reflecting the State Department's policy, deems this traditional enough to seal the fate of the first victims of Soviet imperialism.

FOR TWO-CHINA POLICY

This attitude, Dr. Dobriansky commented with considerable restraint, "suggests a poor state of knowledge, interpretation, and vision which is appalling at this perilous juncture of our history."

Or consider China.

A brandnew 286-page State Department document entitled, of all things, "Basic National Security Policy," recommends that:

The United States adopt a "two China" policy under which the Chinese Communist government would be admitted to the United Nations.

Peiping be given a seat in the U.N. General Assembly, while the Chinese Nationalist Government on Formosa retains its seat on the U.N. Security Council.

New diplomatic pressures be brought on the Chinese Nationalists to take their troops off the offshore islands of Quemoy and Matsu.

This master plan was prepared by Dr. Walt W. Rostow, counselor and Chairman of the Policy Planning Council of the State Department; it now is being reviewed by the National Security Council. It represents a complete reversal of present U.S. policy, certainly would be strongly opposed by the Joint Chiefs of Staff (who actually are responsible for our national security) and probably would mark the end of amicable United States-Nationalist China relations.

This plan is hailed as something new, but it's not new for Rostow. As early as 1955, in his book "An American Policy in Asia," he advocated virtually the same thing, declaring, "The entrance of Peiping into the U.N. is a limited political movement, the importance of which can be easily overestimated * * * the United States should sharply reduce its exhortation and pressures for anti-Communist action in southeast Asia."

U.S. support for Peiping in the U.N. certainly would reduce such action in southeast Asia; it probably would so discourage anti-Communist Asians that they would discard their guns and throw in with Mao Tse-tung.

Some already are doing it, and we are helping them along the Red route; consider Cambodia, where the U.S.-financed commodities were used in connection with the construction and operation of the Russian-sponsored hospital in Phnom Penh, the capital.

SOVIETS USE U.S. AID

Jerry Jackis, a former ICA "end-use investigator," in June 1958 reported to his superior in the U.S. foreign aid mission in Cambodia that he had observed a tractor and bags of cement, both with ICA markings, being used on the Russian project. This hospital, it is worth remembering, was a major Russian propaganda showcase, designed to seduce Cambodia into communism.

Jackis also reported he observed other materials being used, such as reinforcing steel and barrels of asphalt, which probably were ICA financed. According to Jackis, he made this report with the expectation that the matter would be promptly investigated.

Instead, his superior, Marlin F. Haas, former controller of the Cambodia mission, reprimanded him and within hours thereafter Jackis found himself relegated to a job in a mission storage warehouse with the duties of a caretaker or janitor. Although Haas has testified to the contrary, the files of his agency show that he instituted this transfer and shortly thereafter approved an unsatisfactory efficiency rating for Jackis, the only such Jackis ever received either before or since.

The documents in Jackis' personnel file indicate that this unsatisfactory rating either caused or stimulated a series of actions which apparently led to his dismissal from the agency on January 15, 1962. It might be added parenthetically that Haas since has been promoted.

UNITED STATES GOT NO THANKS

ICA, now called AID (Agency for International Development), is basically a State Department responsibility.

The latest development is this: I sat in on a recent hearing in Washington at which it was revealed that when the Russian hospital in Phnom Penh wouldn't work, because of the inadequacy of Soviet electrical equipment, U.S.-manufactured items—a transformer and cable—were provided, so that it now operates. By way of thanks, the Ministry of Information of Cambodia (this country is leaning to the left a little more each day) publicly denied that any U.S. help was involved in creating the hospital.

In my presence, State Department officials concerned with AID in Cambodia also conceded, with great reluctance, that it was "possible" that American-manufactured vehicles made available to Cambodia could, for all they knew, be in use by Chinese Communists in transporting troops to South Vietnam to fight Vietnamese—and Americans.

Relate this sort of thing to one more item, an address before the New School for Social Research in New York City by Assistant Secretary of State Harlan Cleveland. Cleveland attacked the "illusion that foreign policy issues are comfortably two sided, that we're either up or we're down and that something called victory can be something called total." Having reiterated therefore his well-worn theme that no one is going to win and no one is going to lose this cold war—having implied, in essence, that we should forget the idea of victory—he declared, "We see new leaders of communism facing with realism the fact that their old dream of a Communist one world is an obsolete and perilous delusion."

THEORY IS SURPRISE

This theory is bound to surprise a lot of people, not excluding Mao Tse-tung and Khrushchev. It prompted Senator Mundt, Republican, of South Dakota, to comment, "Unless Mr. Cleveland is in the confidence of the Red leaders, I do not know how he could have made this statement.

"Everything that the Communist leaders have said and done for 45 long years make clear their persistent drive to complete world revolution.

"If Mr. Cleveland's is the sort of thinking that is going on in high places in the Government, it is no wonder this year we are defending Thailand instead of holding Laos, and trying to meet Communist threats in Latin America emanating from Cuba, instead of eliminating communism inside Cuba."

The big question behind all of this State Department policy, which seems determined to alienate our friends, help our enemies, and reduce our own position, is: Why? Who creates U.S. foreign policy?

A former Assistant Secretary of State said to me bluntly, "When you experience failure after failure like this, it has to be the result of inefficiency or design."

This series of articles will endeavor to show the several major forces that influence this policy and the weaknesses within the structure of the State Department which foster it.

CAPTIVE NATIONS WEEK

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. Derwinski] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, as we conclude Captive Nations Week, 1962, with larger, more effective nationwide observances than in any previous year, I deem it helpful to have the RECORD show the tremendous interest with which this issue has been received by the American public.

As a sample of this nationwide grassroots interest, I submit for the RECORD an editorial which appeared in the Cameron County Press-Emporium Independent, of Emporium, Pa., on July 12, entitled "Prayer Can Win Cold War." This is an effective commentary reflecting good, sound American horsesense:

PRAYER CAN WIN COLD WAR

Since our Nation was "founded under God" it is essential that the first thing we should do when in trouble is to take our problem to God. Surely we have not forgotten that during times when our Nation was in most trouble and victory seemed impossible our leaders went to God in prayer and we won. If you doubt this, reread the stories of Franklin and delegates at the Constitutional Convention, Washington at Valley Forge, and Lincoln during the Civil War. The story is told, too, that during World War II, at the time of the evacuation of Dunkirk, the British people, knowing that they needed more strength and courage than they alone had, prayed unceasingly that God make the mission successful against all odds. After the war was over German officers reported that during the time of Dunkirk they felt that some strange, unexplainable power beyond their control was interfering with their well made plans.

Operation Freedom Builders have organized prayer groups and ask all of you who will to join them or organize your own groups. Each group has selected a definite time when each person, in her or his own home or place of business, will pray to God the prayer which we will print in this paper for you. Most groups have their prayer time at 9:15 a.m. just after the religious radio time.

What must the prayer be is the question. It is not enough to just pray for peace. There can be no peace as long as 900 million people are in slavery. Operation Freedom Builders believe the prayer should help in depriving the slave masters of their power and give hope and courage to the people in slavery. Dr. Dobriansky, professor at Georgetown University and chairman of National Captive Nations Week, tells us that the resolution passed by Congress 3 years ago to aid the captive nations hurt Khrushchev more than anything we have done. It was the cause of Russia's mistreatment of Nixon and it is the Achilles' heel of the Soviet Socialist Republic. How better can we attack communism than to play up the captive nations? Also we are told by people who defect from communism that the thing Russia would hate most to have happen would be the breaking of diplomatic relations with the United States. She knows how many trained enemy we could boot out of the country. Also, we know that we must never try to make judgment, but leave that up to God. With these thoughts in mind we offer you the following prayer:

"Dear God, we know that is not Thy will that 900 million of Thy people be held in slavery under communism, but that You want them to be free even as we are free. We believe that You are waiting for us to call upon You to help us. Give judgment for us, O God, and decide our cause against an unholy people; from which the wisdom to know that their nations cannot live in peace with communism, and the courage to break off diplomatic relations and economic exchange with Russia and her satellite nations until they prove by word and deed that they are willing to live by the laws of God and free nations. Give all enslaved people everywhere the power to break their chains and help them to establish governments that will recognize their inalienable rights. We ask this in Christ's name. Amen."

Mr. Speaker, many groups throughout the country have expressed their basic interest and concern with this issue, including groups representing the people of Yugoslavia, which I personally feel is as much a captive nation as any other Communist country. I submit for the RECORD at this point a statement issued by the United American Croats on the subject of relations with Yugoslavia's Red dictator, Tito:

We have many unsolved problems in our own country, which should be helped:

1. Scientific research field of medicine, technology, sociology, etc.

2. Thousands of young and talented Americans, who are hungry to study at universities, who look for progress in education, but who are sentenced to give up this idea of higher education because they do not have financial possibility. This youth is sent all over the world as American soldiers to protect freedom and democracy, and they were ready to make any contribution to protect the freedom and liberty. This youth deserves to be helped by all of us.

3. We have our problem in securing better relations between the capital and the labor, what will enable us to promote American production and export, too.

What Tito has contributed to or helped American efforts in defending freedom?

1. Tito was and is still now the purest Communist. The struggle in 1948 between Tito and Russia was only the play, well planned by the Communists who are doing everything to conquer the world. Tito was chosen to be Trojan horse of communism in the Western World, who blindly and naively accepted that struggle as a true one.

2. In 1946, in peacetime, Tito shot down in western Yugoslavia an American plane and murdered American fliers. He has not since apologized to the President of the United States, nor to the American Government, nor to the parents of the murdered fliers, nor to the American Nation. We still train his pilots in this free country, and Tito is training the pilots of Castro in Yugoslavia.

3. The arms given to Tito he uses for training of soldiers and agitators and saboteurs to fight against freedom. Partially he has sold some arms to the countries in the Near and Middle East.

4. The help Tito received in cash he used partially as contributions to the central committee of Communist party in Moscow, which uses that money for Communist propaganda in free countries, including America. On the end it looks like the American taxpayers pay with their own money for the Communist propaganda here.

5. No one ruler in Yugoslavia before Tito has traveled so extensively as Tito. He has traveled and made many trips to the countries in the Near and Middle East. He never flies. He sails on ships and usually as his escort he has a few destroyers. How expensive is traveling with destroyers, our Navy Department knows. During such trips he is making propaganda—propaganda for Communists and against freedom and democracy. He is organizing at least the "neutralism" in the countries, who do not show much interest for his Red system of government.

6. All information over the world confirms that Tito has never separated himself and Yugoslavia from communism and Russia. He is going closer and closer to Russia, taking the same stand as Russia more openly today than ever.

7. At the Belgrade Conference he has not condemned Russia's breaking of the nuclear test ban, because he is a Communist and a good Communist will never make any gesture against other Communists.

In the U.N. Tito never supported any U.S. resolution or proposition. All the time he supported Russia in one way or another.

8. Tito claims economic help because his economy is in a bad situation; hunger, poverty, etc. The whole economy of all Communist-dominated lands and countries, including Russia, is in collapse.

Tito and his Communist diplomats complain that failure of their economy is to be blamed on a bad year, drought, flood, free world, and on God. Let us tell to Tito and other of his comrades that we believe in God, in freedom, in free enterprise, and that our country is based on those fundamentals, and because of that our economy is highly developed and productive, and that we have enough production to supply the world, and that we are ready to help the people all over the world—the peoples—but not Communist oppressors.

I have also received correspondence from the Supreme Cossack Representation in Exile, with headquarters in New York City, which is an effective statement on Captive Nations Week, and I submit it for the RECORD at this point:

MEANING OF THE CAPTIVE NATIONS WEEK RESOLUTION

The passage of the Captive Nations Week resolution by the U.S. Congress and the subsequent proclamation of the same by the President of the United States have evoked great acclaim and enthusiasm among the freedom-loving nations and individuals the world over. They also made a powerful impact upon the nations enslaved by Communist Russia, as well as upon political emigrees hailing from the countries behind the Iron Curtain. Both the Captive Nations Week resolution and the Presidential proclamations have confirmed the traditional principles of the American people and the U.S. Government in expressing support and sympathy for the enslaved nations.

As expected, these historical acts of the U.S. Congress and the President of the United States provoked extremely bitter attacks against the United States and its Government on the part of Moscow and Nikita Khrushchev himself. No decision or move of the Congress or the Government of the United States has ever evoked such violent reactions from the Kremlin tyrants as the Captive Nations Week resolution and the Presidential proclamation of the same. These reactions, as far as the Soviet press was concerned, lasted for over 17 weeks (from July 22 to November 29, 1959; of Novoye Vremia Nr. 47, Moscow).

By its reactions Moscow openly conceded that the resolution and the proclamation touched the most vulnerable and sorest spot of the Russian totalitarian empire. It demonstrated beyond any doubt that the weakness of the Soviet Union is engendered by the enslaved non-Russian nations, whose national aspirations provoke constant concern for the Kremlin and heighten its fears as to the inevitable fall of Communist tyranny and enslavement.

During the visit of Vice President Richard Nixon to the U.S.S.R. both Khrushchev and the Soviet press demonstrated that the most dangerous and most fearful questions for Soviet Russia are above all the enslaved nations, while the American military bases, which the United States is maintaining for the purpose of deterring further aggressions on the part of Moscow, are relegated to second place.

What disturbed the Kremlin most is the circumstance that for the first time in the history of the United States a congressional resolution enumerated among the victims of Russian communism and Russian imperialism the non-Russian nations in the U.S.S.R., such as Ukraine, Byelorussia, Cossackia.

Armenia, Azerbaijan, Georgia, Turkestan, Idel-Ural.

Khrushchev endeavored in vain to mislead the world by his article in Foreign Affairs (October 1959) by suggesting a false interpretation of the Captive Nations Week resolution and erroneously comparing the status of the non-Russian countries, such as Ukraine, Byelorussia, and others, to the status of the American States of Texas, Arizona, and California. By such a comparison he was pursuing a clearly propagandist line. In spite of all the declarations and in spite of the Soviet Constitution itself, he wanted to strengthen in the opinion of the West the old Russian propaganda slogan of the "one and indivisible Russia." Moscow sought the same propaganda objective by the visit of Soviet Premiers, who arrived in the United States on January 29, 1960, to repay the visit of nine U.S. Governors, who toured the Soviet Union in June and July 1959.

Nikita Khrushchev, in stubbornly demanding a summit conference, wants to compel the West to grant a series of concessions for Moscow, not only in the matter of disarmament, Berlin, and other matters, but also in the matter of liberation of the nations enslaved by Moscow, and in trying to persuade the West to discontinue any anti-Communist propaganda, while maintaining for himself freedom in spreading Communist propaganda and subversion in the countries of the free world, conditioning them for eventual conquest by Moscow.

Khrushchev wants at all cost to prove to the enslaved nations that their hopes for liberation are baseless and that the free world will not support them in the struggle against Moscow and that they must become reconciled to their present fate and recognize the Soviet Russian Communist domination over them as final.

It is exactly in the light of these objectives of Khrushchev that the significance of the congressional resolution expressing official sympathy and support by the American people to the enslaved nations is most fully demonstrated.

Mr. Speaker, last Saturday morning, the Washington, D.C., Captive Nations Committee held a breakfast in the Dodge House, which was attended by representatives of scores of civic, patriotic, and fraternal organizations in the Washington area. At that breakfast a song, "The Captive People," which was composed by Sgt. Anthony Lucarelli, U.S. Army, immediately after the erection of the Berlin wall, was played publicly and dedicated to Captive Nations Week. I submit this song at this time for the Record:

THE CAPTIVE PEOPLE

Oh hear those captive people!
Cut off from precious freedom;
They're there but you can't see them
Behind a wall so high.
Oh hear those captive people!
Cut off from friends and loved ones;
Oh how they try to break from
The chains of tyranny
But through all of history
Man has fought this tyranny,
And the day will soon be here
When the one thing man holds dear—
Liberty! Liberty!
Oh hear those captive people!
Oh hear their cry for freedom!
They are there but you can't see them,
They cry for liberty.
Liberty! Liberty!

THE MARKET SPEAKS ON STEEL PRICES

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. Curtis] may extend his remarks at this point in the Record and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, if President Kennedy had shown more faith in our marketplace economy, much of the unfortunate repercussions which resulted from his use of governmental powers in clamping down on the attempt of some of the steel companies to raise prices in order to maintain profits they deemed necessary to run an up-to-date industry might have been avoided.

Although the bad effects resulting from the excessive use of governmental power would have been avoided, we still would have, as we do have, the serious question of what we are to do about diminishing corporate profits. Corporate profits are a primary source of economic growth and employment, not to mention a major source of Federal revenues.

I include an editorial from the July 17, 1962, New York Times, commenting upon recent events in steel pricing:

THE MARKET SPEAKS

Last April's much controverted price rise in steel was rescinded before there was an opportunity for the marketplace to pronounce definitive judgment on whether higher prices were supportable. Now the market is speaking, softly but firmly. The nature of its conclusion is indicated by United States Steel's quiet announcement last week of a 5-percent cut in line pipe. This followed an even more circumspect downward revision on prices of secondary steel sheet. Meanwhile, Allegheny Ludlum cut the price of stainless steel and plate, and Republic Steel reduced charges on some other steel products.

No sure answer can be given on what would have happened to steel prices if the major producers had refused to back down after President Kennedy's intervention. But the verdict now rendered by the most neutral and dispassionate arbiter of all—the indisputable action of the market itself—lends support to those who felt a general increase in prices could not have been sustained.

INDUSTRIAL DEMOCRACY IN ACTION

The **SPEAKER** pro tempore. Under previous order of the House, the gentleman from New York [Mr. Halpern] is recognized for 5 minutes.

Mr. HALPERN. Mr. Speaker, one of the finest examples of American trade unionism at its best came to my attention recently. I am so impressed by this exemplary action that I would like to call it to the attention of the representatives of the American public through this great forum of the Congress of the United States.

I refer to the significant action of the Amalgamated Meat Cutters and Butcher Workmen's Union of North America, AFL–CIO, against one of its own locals.

This 350,000-member organization, under the able leadership of Jack Lloyd, its president, Patrick E. Gorman, its longtime secretary-treasurer, and Joseph Belsky, its vice president, boldly placed one of its locals, namely local No. 474 of New York, in trusteeship and suspended its officers for instigating and staging a wildcat strike against First National Safeway Stores. This strike was in direct violation of the international union's own constitution.

The irresponsible act of the local impaired the rights and security of its 2,200 members. The failure of the office of this local to hold a secret ballot strike vote was contrary to the true democratic principles of trade unionism and violated other procedures consistent with the best interests of organized labor.

The forthright and courageous action taken by the international union is most refreshing and heartening to the cause of labor everywhere and to all the American people.

Mr. Speaker, I feel that Mr. Lloyd, Mr. Gorman, Mr. Belsky, and the international are to be commended by this House for their action. They have demonstrated organized labor's adherence to the principles of industrial democracy and they have proved that labor is responsible and reliable.

PERSONAL EXPLANATION

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. Shelley] may extend his remarks at this point in the Record.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SHELLEY. Mr. Speaker, yesterday morning I was busy with an appointment downtown in an office of one of the Federal agencies on business concerning my district and the city of San Francisco. My office notified me that a rollcall had just started on the adoption of the conference report on H.R. 10606, extending the public assistance and child welfare program. By the time I could get a cab and get to the floor of the House, the rollcall had been completed. If I had been present at the time of rollcall No. 165, I would have voted "aye."

FOREIGN OIL IMPORTS

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from Oklahoma [Mr. Steed] may extend his remarks at this point in the Record and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. STEED. Mr. Speaker, it lies within the power of the President of the United States at any time to take effective action to moderate the rampant flood of foreign oil imports and provide for our domestic oil industry the room it needs to breathe and survive.

For 7 years two national administrations have etched a remarkable record of persistent promises to deal with this problem, but of effective action there has been none.

While this procrastination continues, the curve of our domestic oil exploration continues to swerve ominously downward. Drilling companies are going out of business; the geology schools at great State universities are largely empty; the economy of many States is stricken; thousands of workers have been displaced from their jobs. And even more important, every day brings closer the time when we will be dependent in the event of war upon foreign oil sources because our own are not being developed under the scourge of the inflow of cheap supplies from abroad.

I am convinced that the minimum action to avert this catastrophe is the reorganization of our oil imports program to limit the imports to a fixed percentage of domestic demand. The President would, as long as the national security is at stake, establish the base year. Despite claims to the contrary, this would not deprive the President of flexibility. He would have the power to select the year on which the import quotas would be based. He would still have the power to kill the whole program if at any time he found that the national security is not threatened.

It was for these reasons that I sponsored, together with 47 other Members of the House, an amendment to the trade agreements bill that would write this guarantee into law. This effort has failed in the House. But the White House still can take action under existing law that would institute provisions to keep the domestic oil industry alive. Time after time have come promises to do so. Now is the time to act.

The domestic oil industry, particularly the thousands of independent producers who have historically discovered more than 75 percent of our oil, and the coal industry whose plight is so well known to all of us, have been led to believe that a reduction in the level of oil imports was imminent. In a speech to oil producers at Kansas City, Mo., April 30, 1962, the Secretary of the Interior, Mr. Udall, stated:

> I am hopeful that before Congress acts on the trade bill, that we can announce and will announce new steps have been taken to provide new stability and to provide a larger share—a much substantially larger share—of the growth market in this country for the domestic industry. This has been an objective of our Department, because in terms of the national security—in terms of what we see of the whole broad picture—it has been our opinion that this is the best solution for the country, and I think this must be the final test.

This promise of fairness and equity to the oil-producing branch of the petroleum industry raised the hopes of producers in all of the 33 States where oil has been found. The promise was made in good faith by the Secretary in charge of the Government department that is the most informed and knowledgeable in this area. The Department of Interior has the oil specialists including engineers, geologists, economists, and statisticians whose function it is to keep informed and recommend policies in the energy field. But here we are 2½ months later and nothing has happened—nothing except the oil import quotas for the second half of 1962 have been announced, and they are found to be 85,000 barrels a day higher than for the comparable period of 1961.

What happened? Why this interminable delay in coming to grips with the problem of excessive oil imports? We are told that it is because a committee is studying the matter. The committee, incidentally, was directed by the President originally to finish its assignment by the middle of 1962. But do we really need still another committee poking around amid the long-established facts in this matter? Time has moved relentlessly on for 7 years while the problem has been studied and restudied by eminently qualified committees. As long ago as 1955 the executive branch of Government instituted voluntary import controls. For 3½ years, various voluntary methods were tried while time moved on accompanied by ever-increasing oil imports. Special committees composed of members of the President's Cabinet studied the problem and reached the same conclusions as previous committees—imports of oil must be controlled or our security would be threatened. Public hearings were held by the Office of Defense Mobilization. The Director of ODM in April 1957 certified to the President of the United States the fact that oil imports constituted a threat to our national security. On July 11, 1957, the then majority leader of the Senate, now the distinguished Vice President of the United States, went to the core of the question in a speech in the Senate, when he said:

> Mr. President, it is vitally necessary that we keep the American oil industry healthy enough to meet all foreseeable defense needs, in addition to our normal nondefense needs. We cannot afford to run out of oil—oil produced in our own country.
>
> Crude-oil imports have been increasing ever since the defense amendment to the Trade Agreements Extension Act was approved more than 2 years ago. Up to now, action by the administration has been limited to study and consultation.
>
> The time for study has passed. Congress gave the administration authority to curb excessive imports of oil.
>
> Mr. President, that authority should be exercised now.

Five years later, with imports still mounting, this warning is more valid than ever.

A special committee was appointed by the President to study the matter and report to him. Their conclusion was the same as the ODM's. Time moved on and imports rose. A mandatory import program was instituted in April 1959. Within a month, special exemptions were made to overland imports that materially reduced the effectiveness of the plan. Time moved on, the vigor of the domestic industry continued to wane and oil imports continued to climb.

Now a review of the supply and requirements made by the Petroleum Study Committee established by the President 8 months ago—December 2, 1961—is still underway. Two administrations have apparently followed too long the policy attributed to a 19th-century Secretary of State, William H. Evarts:

> If you don't do anything long enough, you'll be surprised at how many of these problems will go away.

But this one will not evaporate. It will have to be dealt with.

July 1 has come and gone and now talk of September 1 is in the air. As Mr. Clyde LaMotte, Washington editor of the Oil and Gas Journal, observed in the July 16 issue of that publication, the administration seems to have no clear-cut oil policy. He stated:

> The administration not only has failed to solve any of the major oil problems during its 18 months in office, but has managed to create some new ones to add to the list.
>
> The net effect has been to leave the oil industry up in the air, waiting for some semblance of a recognizable pattern on oil policy to emerge.
>
> This uncertainty was understandable at the outset. But as the months have rolled by with no break in the fog, many have begun to wonder if there is reason to hope the situation will ever improve * * *.
>
> As the administration gets bogged down on oil problems, its communication with industry tends to worsen. This intensifies the guessing-game atmosphere in Washington and leaves the door open to rumor peddling.
>
> The snafu on communications was demonstrated at the time the trade bill was nearing a showdown vote in the House recently. The official White House position on the crude-oil import-control program was that this issue was under study by OEP and that a White House stand would have to be delayed until after that report was made—around September 1.
>
> However, White House aids were quietly circulating a memorandum to key oil-producer-State Congressmen. The intent was to show there was no need for congressional action on oil imports because the administration was planning to take action to help producers. Some hints were dropped as to what this action would be.
>
> This sort of procedure indicates the administration has already decided what it plans to do and is simply using the OEP study as a stalling device. Otherwise, how could the administration make any promises when it hadn't yet seen a report from OEP?
>
> At this stage, the administration technique appears to be to try to placate all factions as much as possible until the time arises when it is ready to take a position on a given oil issue—or until it is forced to do so by political or other considerations.

This is a sobering and accurate picture of the oil industry and Government today. What is needed is followup action in the spirit of the President of the United States, when as a candidate for that office, he told the people of the Southwest at Wichita Falls, Tex., November 3, 1960:

> They [the Eisenhower administration] must think the memories of the people of Texas and the United States are pretty short. Here in this old community Sam Gray, who sells shoes, in 1955 to 1960 sold 60 pairs of oil safety shoes a month. Do you know how many he sold last month? Two. Mr. Nixon talks about unexampled prosperity. I want him to tell me how a man can work 8 days a month and have unexampled prosperity? I don't want that example. I don't want that prosperity. Eight days an oil well works in the State of Texas. Eight years ago it worked 20 days. [Applause.]

What kind of counsel has the President been getting that keeps postponing the implementation of these intentions? The President's advisers seem to be playing a form of Ivy League peekaboo with the future of the oil-producing States. Now you see them; now you do not.

When they are advising the President against the use of his appropriate powers to contribute to the solution of the oil imports problem, for example, you can see them, complete with cap, gown, horn rims, pipe and tassel. When the Congress is considering legislation which would solve the problem, they are behind the barriers and out of sight, but their influence is there, subtle and effective. One sometimes gets an impression from them of government by Univac, by group-think, by closeted advisers not representative of the voter and never responsible directly to him.

There is a sharp contrast between the button-down collar and the tin helmet of the oilfield, and it does not reflect, I want to emphasize, a contrast in quality of intellect. I would like to persuade the President's advisers to join in saving the life of a vital and traditional American industry. This life is well worth saving. It may be our own. It is not a frivolous effort. I believe that sound thinking now will result in more intelligent advice to the President and the effective use of his power to solve this problem.

When Mr. Kennedy became President, Texas was operating on a 9-day-a-month basis, and he said that was too small. Oklahoma was operating on a 13-barrel-a-day basis and he said that was too small.

More than a year after he became President, Texas is down to an 8-day-a-month program and Oklahoma is down to an 8-barrel-a-day program.

Did the President mean what he said during the campaign? Did the Vice President mean what he said in the U.S. Senate? If they did, why then the delay in using existing power of law to improve the situation?

Does not America's domestic oil security command any regard in high places?

MEXICAN FARM CONTRACT WORKERS

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. Cooley] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COOLEY. Mr. Speaker, some controversy has arisen over the ruling by the Department of Labor with respect to the meaning of "temporary or seasonal occupations" in Public Law 78, relating to the employment of Mexican farm contract workers in this country.

In an effort to clarify the intent of Congress, when it amended Public Law 78, several members of the House Committee on Agriculture joined with me in addressing a letter to the Honorable Arthur J. Goldberg, Secretary of Labor. I desire to make this letter a matter of record, and with the permission of the House I submit the letter to be published in the Record.

The letter follows:

House of Representatives,
Committee on Agriculture,
Washington, D.C., June 25, 1962.

The Honorable Arthur J. Goldberg,
Secretary of Labor,
U.S. Department of Labor,
Washington, D.C.

Dear Secretary Goldberg: We believe that recent rulings by the Department of Labor with respect to the meaning of "temporary or seasonal occupations" evidence a misunderstanding of the intent of Congress when it amended and extended Public Law 78. The limitation of 210 days in 35 calendar weeks on the employment of Mexican farm contract workers is, in our opinion, erroneous.

We therefore thought it desirable to give you our views concerning the express meaning of the statutory language and of the language contained in section 3 of the statement of the managers on the part of the House of Representatives.

In section 504(1) it was provided that no Mexican farm contract workers should be made available "for employment in other than temporary or seasonal occupations." Section 3 of the statement of the managers on the part of the House, in explanation of the meaning of this provision, stated that the purpose of the program "is to supplement the domestic labor force in peak periods, such as harvest time, when crops may be lost through a lack of sufficient workers. It is not intended to provide Mexican workers for year-round jobs which might well be filled by domestic workers. Nor is it intended to provide Mexican workers for higher skilled jobs for which domestic workers can be found."

It was clear to us during the hearings on H.R. 2010 and in the debates on that measure that the explicit intention of this temporary or seasonal limitation was merely to prevent utilization of supplemental Mexican farm contract workers in full year-round or longer employment. We certainly had no idea that such workers would be denied farm employers for a period of less than 1 year. We thought then and still are of the view that the language referred to above in the statute and in section 3 of our statement would be applied by the U.S. Department of Labor on a crop and/or area basis. In other words, our intent was that temporary or seasonal occupations be construed as any occupation necessary in the preparation, cultivation, and harvesting of particular crops or of multicrops, if such the case may be, in any given area.

Certainly there are variations with respect to various areas and with respect to various crops because of differences in weather conditions, soil conditions, growth rates, crop practices, and other natural factors which affect the growing and harvesting of the many crops produced in the United States. It was never our intention to frustrate the basic purpose for which Public Law 78 was first enacted; namely, to assure an adequate supplemental farm labor supply to prevent the loss of crops by the growers of such crops. In our opinion, any construction of the statutory language contrary to that given above would have such an effect.

In fact, when you testified before the Congress on H.R. 2010, you expressly said in relation to this amendment:

"We are not now even considering the question of stoop labor but of employing braceros to operate costly machinery and in year-round occupations. In my opinion, there is no question but that domestic workers will accept such employment provided that the wages and conditions of work are reasonable. Whenever there is a need for additional workers for year-round employment which cannot be met from our domestic labor force, they could be admitted under the provisions of the Immigration and Nationality Act which deals with the permanent admission of workers for employment in the United States." (Congressional Record, vol. 107, pt. 14, p. 18785.)

Yet the current interpretation of the Department with respect to seasonal or temporary employment would prohibit the employment of braceros on many stoop labor activities, and is, therefore, in conflict with your explanation of the meaning of this term to the committee. The references in section 3 of the statement of the managers on the part of the House to "peak periods such as at harvest time" were merely illustrative of the legislative intent that supplemental Mexican contract farmworkers should not be utilized as permanent or year-round employees. In no sense can that language be construed as any further limitation on the right of farm employers to obtain supplemental Mexican farm contract workers for any period up to 1 year.

Where a farmer raises one or several crops, there can be no question but that each occupation performed in the preparation, cultivation, and harvesting of such crops would be temporary or seasonal. Operations with respect to each separate crop are temporary or seasonal activities. This was the intent of section 504(1). There is no other valid construction of the amendment.

The construction in which we have set forth the statutory language in our opinions is not only the correct meaning of same, but has the practical effect of carrying out the basic intent of Public Law 78.

Yours sincerely,

Harold D. Cooley.
Charles B. Hoeven.
W. R. Poage.
E. C. Gathings.
Page Belcher.
Watkins M. Abbitt.
Charles M. Teague.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Shelley (at the request of Mr. Corman), on account of official business.

Mr. Anfuso (at the request of Mr. Rodino), for an indefinite period, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. Halpern, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Burke of Massachusetts and to include extraneous material.

Mr. Rooney, to revise and extend the remarks he made in the Committee of the Whole today and include tables, testimony, and other pertinent matter.

Mr. Bow, to revise and extend the remarks he made in the Committee of the Whole and include extraneous matter.

Mr. Cederberg (at the request of Mr. Bow), to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mr. McCulloch (at the request of Mr. Bow), to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

(The following Members (at the request to Mr. Goodell) and to include extraneous matter:)

Mr. Fino.

Mr. Ashbrook.

(The following Members (at the request of Mr. Gonzalez) and to include extraneous matter:)

Mr. Multer in three instances.

Mr. Herlong.

Mr. Boykin.

Mr. Henderson.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1811. An act to amend chapter 35 of title 38, United States Code, relating to war orphans' educational assistance, in order to permit eligible persons thereunder to attend foreign educational institutions under certain circumstances;

H.R. 3383. An act for the relief of Joseph Starker;

H.R. 5061. An act for the relief of James L. Merrill;

H.R. 6655. An act for the relief of Lecil A. Sims;

H.R. 8282. An act to amend section 3203 (d) of title 38, United States Code, to provide that there shall be no reduction of pension otherwise payable during hospitalization of certain veterans with a wife or child;

H.R. 8415. An act to change the classes of persons eligible to receive payments of benefits withheld during the lifetime of deceased veterans while being furnished hospital or domiciliary care;

H.R. 8484. An act to authorize establishment of the Theodore Roosevelt Birthplace and Sagamore Hill National Historic Sites, N.Y., and for other purposes;

H.R. 9509. An act for the relief of Solomon Annenberg;

H.R. 9844. An act to waive section 142, title 28, United States Code, with respect to the U.S. District Court for the District of Connecticut for holding court at Bridgeport;

H.R. 10012. An act to waive section 142, of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Tennessee holding court at Winchester, Tenn.;

H.R. 10016. An act to waive section 142 of title 28, United States Code, with respect to the holding of court at Decatur, Ala., by the U.S. District Court for the Northern District of Alabama;

H.R. 10068. An act to amend section 742 of title 38, United States Code, to permit the exchange of 5-year term policies of U.S. Government life insurance to a special endowment at age 96 plan;

H.R. 10389. An act to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Texas, Marshall Division, holding court at Marshall, Tex.

H.R. 10669. An act to liberalize the provisions of title 38, United States Code, relating to the assignment of national service life insurance;

H.R. 11670. An act to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes; and

H.J. Res. 714. Joint resolution authorizing the acquisition of certain property in the District of Columbia and its conveyance to the International Monetary Fund, on a full reimbursement basis, for use in expansion of its headquarters.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 46. An act to provide for the establishment and administration of basic public recreation facilities at the Elephant Butte and Caballo Reservoir Areas, N. Mex., and for other purposes.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 2 minutes p.m.), under its previous order, the House adjourned until Monday, July 23, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2330. A letter from the Secretary of State, transmitting a draft of a proposed bill entitled "A bill to authorize the appointment of certain officers by the President, and for other purposes"; to the Committee on Foreign Affairs.

2331. A letter from the Comptroller General of the United States, transmitting a report on the examination of selected aspects of the pricing and administration of certain Department of the Navy contracts awarded to Douglas Aircraft Co., Inc., El Segundo, Calif.; to the Committee on Government Operations.

2332. A letter from the Assistant Secretary of the Air Force, transmitting a draft of a proposed bill entitled "A bill to provide for the withdrawal and reservation for the use of the Department of the Air Force of certain public lands of the United States at Cuddeback Lake Air Force Range, Calif., for defense purposes"; to the Committee on Interior and Insular Affairs.

2333. A letter from the Acting Secretary of the Interior, transmitting a report relating to the administration and development of a program for the public lands and resources coming under the care of the Department of the Interior's Bureau of Land Management; to the Committee on Interior and Insular Affairs.

2334. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill entitled "A bill to extend the International Wheat Agreement Act of 1949"; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORGAN: Committee of conference. S. 2996. An act to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes. (Rept. No. 2008). Ordered to be printed.

Mr. McMILLAN: Committee on the District of Columbia. S. 3086. An act to provide for reduction in the workweek of the Fire Department of the District of Columbia, and for other purposes; with amendment (Rept. No. 2018). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee on Appropriations. H.R. 12648. A bill making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963, and for other purposes; without amendment (Rept. No. 2024). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS: Committee of conference. H.R. 11038. A bill making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes; without amendment (Rept. No. 2025). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H.R. 6940. A bill for the relief of Henry Armstrong, administrator of the estate of Ella Armstrong; without amendment (Rept. No. 2009). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 1450. A bill for the relief of Maria Odelia Campos; with amendment (Rept. No. 2010). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 2659. A bill for the relief of Mrs. Jane R. Moore; with amendment (Rept. No. 2011). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 3125. A bill for the relief of Joao de Freitas Ferreira de Vasconcelos; with amendment (Rept. No. 2012). Referred to the Committee of the Whole Houses.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 6653. A bill for the relief of Maurizio Placidi; with amendment (Rept. No. 2013). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 7437. A bill for the relief of Stella Rosa Merello; with amendment (Rept. No. 2014). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 10796. A bill for the relief of Kazimierz Krupinski; without amendment (Rept. No. 2015). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1174. An act for the relief of Dr. Kwan Ho Lee; without amendment (Rept. No. 2016). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1849. An act for the relief of Stephen S. Chang; with amendment (Rept. No. 2017). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2208. An act for the relief of Su-Fen Chen; with amendment (Rept. No. 2019).

Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2455. An act for the relief of Mrs. Elizabeth Lovic; without amendment (Rept. No. 2020). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2614. An act for the relief of Mr. and Mrs. Alfredo Hua-Sing Ang; without amendment (Rept. No. 2021). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2769. An act for the relief of Renato Granduc and Grazia Granduc; without amendment (Rept. No. 2022). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 76. Concurrent resolution withdrawing suspension of deportation of Ioannis Constantelias; without amendment (Rept. No. 2023). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HERLONG:

H.R. 12632. A bill to amend the Internal Revenue Code of 1954 so as to provide for reform of personal and corporate income tax rates and for other purposes; to the Committee on Ways and Means.

By Mr. BAKER:

H.R. 12633. A bill to amend the Internal Revenue Code of 1954 so as to provide for reform of personal and corporate income tax rates and for other purposes; to the Committee on Ways and Means.

By Mr. FOGARTY:

H.R. 12634. A bill to facilitate the entry of alien skilled specialists and certain relatives of U.S. citizens, and for other purposes; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:

H.R. 12635. A bill to amend section 311 of the Tariff Act of 1930 to permit the manufacture in bonded manufacturing warehouses of cigars made of tobacco imported from more than one foreign country; to the Committee on Ways and Means.

By Mr. THOMSON of Wisconsin:

H.R. 12636. A bill to amend the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. BARRY:

H.R. 12637. A bill to amend title 18 of the United States Code to prohibit contingent fees for lobbying; to the Committee on the Judiciary.

By Mr. BOW:

H.R. 12638. A bill to create the Interoceanic Canals Commission, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HALPERN:

H.R. 12639. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. HENDERSON:

H.R. 12640. A bill to amend the provisions of the Agricultural Adjustment Act of 1938 relating to tobacco to permit increased allotments to compensate producers of flue-cured tobacco for production losses sustained through natural disasters; to the Committee on Agriculture.

By Mr. MACDONALD:

H.R. 12641. A bill to amend the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. COOLEY:

H.R. 12642. A bill to authorize the Secretary of Agriculture to install a system of small and intermediate-size reservoirs in the Cape Fear River Basin, N.C.; to the Committee on Agriculture.

By Mr. CURTIS of Missouri:

H.R. 12643. A bill to amend section 203 (k) of the Federal Property and Administrative Services Act of 1949 to permit the transfer of surplus property for certain uses by educational institutions; to the Committee on Government Operations.

By Mr. MACDONALD:

H.R. 12644. A bill to amend section 304(a) (3) of the Tariff Act of 1930 with respect to the marking requirements in the case of imported woven labels; to the Committee on Ways and Means.

By Mr. OSMERS:

H.R. 12645. A bill to amend title 38, United States Code, to provide vocational rehabilitation, education, and training, and loan guarantee benefits to persons who served in the Armed Forces on or after January 1, 1962, in combat zones, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. FISHER:

H.R. 12646. A bill to change the name of San Angelo Federal reclamation project, Texas, to the "M. D. Bryant Federal reclamation project, Texas"; to the Committee on Interior and Insular Affairs.

By Mr. WHARTON:

H.R. 12647. A bill to authorize the donation by Commodity Credit Corporation of surplus feeds to State agencies to provide feed for livestock in areas determined to be emergency areas, and for other purposes; to the Committee on Agriculture.

By Mr. WHITTEN:

H.R. 12648. A bill making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

By Mr. WAGGONNER:

H.J. Res. 827. Joint resolution requesting the President to enter into negotiations with Canada with respect to imports of softwood and authorizing the establishment of temporary import quotas for softwood; to the Committee on Ways and Means.

By Mr. McMILLAN:

H.J. Res. 828. Joint resolution designating the bridge constructed over the Washington Channel of the Potomac River, in the District of Columbia, as the "Francis Case Memorial Bridge"; to the Committee on the District of Columbia.

By Mr. FULTON:

H. Res. 734. Resolution amending the rules of the House of Representatives relating to the appointment of professional and clerical staffs of the committees of the House; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. O'KONSKI:

H.R. 12649. A bill for the relief of Witold A. Lanowski; to the Committee on the Judiciary.

By Mr. SHRIVER:

H.R. 12650. A bill for the relief of Luella O. Babb; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Speaker John W. McCormack Receives Award for Efforts in Behalf of Captive Nations

EXTENSION OF REMARKS

OF

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1962

Mr. BURKE of Massachusetts. Mr. Speaker, on Thursday, July 19, our beloved Speaker, the Honorable JOHN W. MCCORMACK, was presented with a most significant and important award. The Assembly of Captive European Nations presented a plaque to the Speaker which read:

> Presented to JOHN W. MCCORMACK, Speaker of the U.S. House of Representatives, uncompromising foe of totalitarianism, faithful friend of the captive peoples, in grateful recognition of his undaunted support of the Soviet-subjugated nations in their struggle for liberty.

Our Speaker rightly deserves this award for the strong support that he has always given to the captive nations. In 1959, the Speaker, then majority leader, introduced in the U.S. House of Representatives the resolution known as the Captive Nations Week resolution. This resolution was very significant and gave much hope to the tens of millions of people residing behind the Iron Curtain in Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania. This resolution was an indication to these people that America had not forgotten them and that we were still hoping and working for their emancipation from Soviet domination and that we support them in their efforts to regain, as soon as possible, their liberty and independence.

The President has just signed a resolution designating this week as Captive Nations Week. It is well and good that we do this. In marking Captive Nations Week we bring to light the fact that Communist Soviet dictatorship has caused more suffering to more millions of innocent and helpless peoples than all other dictatorships known in human history. The curse of Soviet dictatorship extends today from the Baltics to Vladivostok, to the isles of northern Japan and to North Korea.

Since the end of the last war at least 100 million peoples have been placed, directly or indirectly, under the Soviet dictatorship, the preponderant majority of them being in central, eastern, and southeastern Europe. The industrious, stouthearted and liberty-loving peoples in these countries were relatively free from dictatorships in their homelands. Many of them had regained their freedom at the end of the First World War, and they all were content with their lot. And then came the war, which was bad enough, and in which they all suffered immeasurably, in a degree beyond our imagination. But what followed after the war proved even worse. Since the end of the war these countries have been drawn tightly within the Soviet domain, behind a veritable Iron Curtain, and there these people, in tens of millions, are captives of their Communist dictatorships. Thus all of them constitute the captive nations.

The designation of this week as the Captive Nations Week is the wish of the people of this country, as enacted by Congress and as proclaimed by the President. We shall continue to observe the third week of July each year until the last of these captive nations are free and are masters of their own destiny. I consider it both an honor and a duty to raise my voice once more in behalf of these captive nations, lending support to their struggle to free themselves from Communist totalitarian dictatorship.

Assistance to the Captive Nations

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1962

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the following statement that I presented to the Subcommittee on Europe of the House Foreign Affairs Committee:

STATEMENT OF HON. ABRAHAM J. MULTER, OF NEW YORK, BEFORE THE HOUSE FOREIGN AFFAIRS SUBCOMMITTEE ON EUROPE IN SUPPORT OF ASSISTANCE TO CAPTIVE NATIONS, JULY 20, 1962

Madam Chairman, I appreciate the opportunity to present my views before the subcommittee on this vital subject. As once again we commemorate Captive Nations Week the question arises: What are we doing and what more can we do to assist the peoples behind the Iron Curtain? Are our expressions of hope for their liberation meaningless cliches? Have we in reality already written off Eastern and Central Europe—the Baltic States, the Balkans, Poland, and Czechoslovakia, and even East Germany—as irrevocably lost to the Soviet Union? Is our commemoration of Captive Nations Week simply a vacuous attempt to convince the rest of the world of our support for the liberation of Communist countries, and does our inaction belie our intentions?

If liberation is interpreted as physical deliverance through military intervention, then surely we can be accused of inaction, for direct interference in eastern and central Europe, I think all will admit, would be folly. Soviet suppressions of the revolts in East Germany in 1953 and in Poland in 1956, the blood bath in Hungary, and the raising of the concrete wall in East Berlin in the summer of 1961 are convincing examples of the Soviet determination to squelch by whatever means necessary any attempts to shake off Communist rule within the satellites. Unquestionably, direct military attempts by the United States to free eastern and central Europe—aside from the fact that they would be severely criticized by world public opinion as interference in domestic affairs, as great power meddling—would bring into play the full force of Soviet recriminatory power. Most likely such action not only would accomplish nothing in the heart of Europe, but might even provoke Soviet missiles into zooming toward New York and Washington.

But military intervention is not the only means of assisting the captive nations. In this epoch of cold war there are subtler and less futile methods. For the current battle between the Communist and the Western World is less a physical war of territorial expansion than a psychological duel for the minds of men, and the most effective weapons are words rather than guns. Thus, a very important factor in the mid-20th-century labyrinth of international politics is communication, and it is by keeping the channels of communication open between the free world and the satellite states of Eastern and central Europe, I submit, that we can best assist the captive nations toward liberations. For, in communicating with them we can remind them of what life in the free world is like so that they do not forget any way of life but communism, so they do not lose sight of the goal of eventual liberation. In communicating with them we can constantly reassure them of our dedication to our own way of life, of our humanitarian motives, of our support for their right to freedom.

And in spite of Soviet restrictions on relations between the satellites and the Western World, there is one thing the Iron Curtain cannot keep out—a radio beam. The Voice of America is the most effective single weapon of the United States behind the Iron Curtain. Its efficacy is twofold: It offers contact with the outside world to the captive nations behind the Iron Curtain, it reassures them that the West has not forgotten them; and, at the same time, by presenting an undistorted picture of how the West lives and of what U.S. objectives are, it is a most effective weapon of U.S. foreign policy. In these times of cold war its penetration into the satellites has become such a piercing thorn in the side of the Soviet Union that it has been estimated the Kremlin spends more money in jamming Voice broadcasts than the United States spends in producing them.

With the establishment of the U.S. Information Agency in 1953 as an independent Agency responsible for the Government's oversea information program the Voice of America became the radio network of the USIA. The objectives of the Agency are: (1) to explain U.S. policy and goals; (2) to counter hostile propaganda; (3) to demonstrate the harmony of U.S. policies with the legitimate aspirations of other peoples; and (4) to promote understanding of the life and culture of the United States. Over 200 hours of programs weekly, consisting primarily of factual news and commentary, are directed toward the Iron Curtain countries. In order to overcome Soviet jamming, programs originating in Washington or in Munich, Germany, are recorded at oversea relay bases and then repeated over short, medium, and long wave. Many programs are repeated at peak listening periods throughout the day on various wavelengths. And in spite of extensive Soviet attempts at jamming, reports of defectors and letters from behind the Iron Curtain indicate that the Voice of America does nonetheless get through.

But are we doing enough? Could our program be more effective? The report of the President's Committee on Information Activities Abroad contained some telling conclusions.[1] The report revealed that the total of U.S. information activities abroad constituted about 1 percent of the approximate total of $50 billion spent annually for national security. The committee, not surprisingly, recommended that our oversea information efforts be increased. It pointed out that our period of history has seen a marked shift in the mission and style of diplomacy, resulting from technological developments in transportation and communications, the growing role of public opinion in world affairs, and the persistence of the ideological, economic, and strategic struggle with the Communist world. These changes pose a challenge we must meet.

How do our efforts compare with those of the Soviet Union? It is here that the seriousness of the challenge comes into sharpest focus. A conservative estimate of the amount spent by the Soviet Union and its satellites in 1957 on propaganda has been listed as somewhere between $500 and $750 million—with an additional $100 million or so devoted to jamming free world broadcasts.[2] The USIA appropriations for 1962, on the other hand, were a mere $111.5 million, and the requested budget for 1963 is slightly over $141,200,000. Obviously, in order to counter Soviet propaganda, our efforts must be of commensurate proportions. In the war of ideas we must have the financial resources to make our ideas effectively heard.

As just one instance of the means at our disposal for countering Soviet propaganda or for presenting information withheld from the public by the Kremlin, in November 1961 the Voice of America broadcast to the Iron Curtain countries a program called "Have You Been Told?" Presented in Russian, English, Ukrainian, Georgian, Armenian, and the Baltic languages, the program told about the Soviet breach of the nuclear test moratorium while negotiations were still in progress, the magnitude of the tests, the possible consequences of fallout for future generations, and the worldwide protests against the Soviet breach of the moratorium.[3] Fifty-two transmitters were used for the purpose, and the broadcast was carried during 8 hours of prime listening time. The program was repeated later to the satellite countries on regular broadcast hours. USIA monitors reported that in spite of intense efforts, the Soviet Union was unable to jam the broadcasts adequately, and that even in some areas of Moscow itself, which is heavily jammed, the broadcast came through.

This is one very good example of how the United States can seize the political offensive in eastern and central Europe. Our policy must adapt itself to the reality of political conditions and must meet the challenge posed by the new means of direct contact with the people of foreign countries offered by modern communications. The reality of political conditions behind the Iron Curtain—the firm control of Communist totalitarianism over the populace and the determination of Moscow to hold on to its satellites—dictate the futility and rashness of a Western military offensive behind the Iron Curtain.

The possibility of direct contact with the people of these countries offers an alternative means of taking the political offensive. Programs such as "Have You Been Told?" present facts about Soviet policy and its implications which would otherwise never have reached the peoples behind the Iron Curtain. Regular news programs keep these peoples informed of what is really happening in the world and act as an antidote to Soviet distortion. Explanations of our policies and information about the life and culture of the United States enhance their understanding of our country and uncover the falsity of Soviet propaganda.

Most important of all, the broadcasts in themselves are a means of communication inside the Iron Curtain. They are an arm of the free world reaching to the Communist bloc. They reassure the peoples of the captive nations that the West has not abandoned them. The Voice of America is a very important weapon in the cold war of words, and it is our single most effective means of seizing the offensive in the psychological war over eastern and central Europe.

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[1] See the Department of State Bulletin, Feb. 6, 1961, pp. 185–194.

[2] George V. Allen, "Information Is a Two-Way Street," "Challenge," February 1958, p. 48.

[3] U.S. Information Agency, 17th Review of Operations, July 1 to Dec. 31, 1961.

But any weapon, military or political, is expensive. To be more effective, to counter more completely the challenge of Soviet propaganda, USIA's budget appropriation should be increased so that the Voice of America can hammer at the Iron Curtain from still more directions, so that its broadcasting hours can be extended, and so that its power can be intensified in order better to combat Soviet jamming.

In conclusion, the importance of the Voice of America for the captive nations of Eastern and central Europe cannot be better summed up than in the words of the Director of the U.S. Information Agency, Mr. Edward R. Murrow:

"The truth may not alone make us free. But we shall never be free without knowing the truth." [4]

Morgantown, W. Va., Municipal Airport Will Provide for Modern Facilities; Aviation and Civic Leaders Gather To Hear FAA Official Praise Community Progressiveness

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, July 20, 1962

Mr. RANDOLPH. Mr. President, on July 14, 1962, groundbreaking ceremonies were held at the Morgantown, W. Va., Municipal Airport, for the construction of a Federal aviation flight service station, a new terminal, and a West Virginia University classroom-hangar building. The construction of these spacious and modern facilities on the historic grounds of that area is ample testimony to the desire and determination of West Virginians to keep abreast of latest developments in aviation, and to secure for our citizens the broadened blessings which air travel and transport provide.

In 1960, progressive leaders and city officials in Morgantown sponsored a $790,000 bond issue, which when combined with Federal matching funds, is being used to finance the construction and expansion of the municipal airport. In the heaviest turnout in their history 70 percent of these responsive West Virginians voted in favor of the bond issue, and thereby laid the groundwork for modernization now being carried forward.

A new runway has been constructed increasing the field capacity from 3,600 feet to 5,400 feet, and opening it to service from an increased variety of larger aircraft. A longer runway coupled with the new terminal, flight service station, and classroom-hangar makes the Morgantown airport among the most modern in the State, and certainly presages additional expansion in the future.

Before proceeding to the airport for the ground-breaking ceremonies, some 200 officials and guests gathered at the Morgan Hotel for a congenial luncheon presided over by E. C. Arkwright, chairman of the chamber of commerce airport committee.

Moving to the airfield the group heard words of welcome from Dean Chester A. Arents, president of the Morgantown Chamber of Commerce, who presided at the ground breaking. Also addressing the gathering were: U.S. Representative Harley O. Staggers; Hon. William Moreland, majority leader of the West Virginia State Senate; S. W. Bobskill, special assistant for community relations from the Federal Aviation Agency eastern region; James A. Swadley, president of the board of governors of West Virginia University; the newly elected mayor of Morgantown, Hon. Charles Blissett; and myself.

Mr. President, in speaking to an attentive audience of 500 civic-minded citizens and friends of West Virginia aviation, including the radio listeners, S. W. Bobskill, an expert in community relations, commented on the progressive attitude and high degree of community interest exhibited in support of the new construction. He likewise pointed out the numerous advantages which would accrue to business and industry in the Morgantown area as a result of increased airport capability. Mr. Bobskill stated that:

> A modern airport often makes the difference between a community that wins new industry and one that loses its chances for attracting industry.

I am certain that these words have real meaning for the Morgantown Chamber of Commerce and for its managing director, James McCartney, who planned the recent ceremonies.

Also representing the Federal Aviation Agency were: Allen Taylor, Air Traffic Control Area Supervisor, Washington, D.C.; Laverne Dettinger, chief, systems maintenance district office, Pittsburgh, Pa.; Timothy Hartnett, Assistant Chief, Establishment Branch, and A. J. Narciso, chief, communication and radar unit, New York, N.Y.; Don Schoeder, Estol Gans, Vincent L. Kish, Fred S. Hinson, Russell Leeper, and John E. Jennings, all of Morgantown, W. Va.

Air carrier service into Morgantown is provided by the well regarded Lake Central Airlines, an organization that has enjoyed steady growth in recent years. Representing that air carrier were: James W. E. Humphrey, vice president for merchandising; M. Blaney, director of State and community relations, and P. Holliday, district manager. Local personnel include Resident Manager W. Zablotsky, A. LaMarche, M. Cortez, P. Crotty, and M. Balles.

Immediately following the groundbreaking a Lake Central aircraft was available to fly interested spectators aloft for a scenic aerial view of airfield facilities and the surrounding area. The plane was piloted by Capt. Zander Koop, with Lee Eckerd acting as flight officer, and Miss Marian Makin serving as stewardess.

Mr. President, it was truly inspiring to witness the enthusiastic cooperation that was so evident in Morgantown. Leaders in industry, community, education, and government have combined their efforts, and are significantly contributing to the prosperity and promise of our State.

I ask unanimous consent that the text of Mr. Bobskill's address, and my own remarks at these groundbreaking ceremonies be printed in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

REMARKS BY S. W. BOBSKILL, SPECIAL ASSISTANT FOR COMMUNITY RELATIONS, FEDERAL AVIATION AGENCY, EASTERN REGION, AT MORGANTOWN MUNICIPAL AIRPORT GROUNDBREAKING CEREMONIES, MORGANTOWN, W. VA., JULY 14, 1962

Senator RANDOLPH, Congressman STAGGERS, representatives of the chamber of commerce and of the University of West Virginia, honored guests, and ladies and gentlemen of this wonderful city of Morgantown, W. Va., it is a great pleasure for me to appear here in behalf of the Federal Aviation Agency and help the city in its groundbreaking ceremony.

I take particular pleasure in giving you a short résumé about the new flight service station which we are breaking ground for today. It is to be a two-level structure, housing electronic equipment and pilot-briefing capabilities, and will provide for the safe and efficient conduct of flight and give radio coverage within an area of 400 square miles. The building and its equipment will be manned by specialists who know the entire area—its navigation aids, its airways, its routes, and its weather. There were three local bidders for the construction of this new building, and award was made to the low bidder, the Liston Construction Co. of Morgantown. The cost of the building itself is $165,638 and of the electronic equipment about $75,000. It will cover approximately 4,700 square feet, and actual construction will begin this July 16, with completion date set for January 16, 1963. Commissioning is scheduled for May 30, 1963.

At the time the flight service station was established here in January 1945, seven men were employed. Today there are 22 employees, which clearly shows you the growth potential.

Senator RANDOLPH has already so eloquently covered the responsibilities and the value and importance of this ground breaking that I can only say, "Me, too." But I would like to say that we are indeed pleased by the progressive action of your community and of your leaders. You have been striving for this goal that you have reached today. Now, with your airport's further development, you will be able to reach into space as a vital part of the Nation's aviation program and help your community toward greater economic benefits.

I believe you have shown clearly your awareness of the fact that a modern airport often makes the difference between a community that wins new industry and one that loses its chances for attracting industry. Before a firm will plan to build a new plant or branch office within an area, thus bringing in commercial and industrial livelihood, a prime consideration is that the area must have adequate air facilities. Surveys indicate that in about 70 percent of the cases lack of such facilities will rule out any consideration.

Aviation has improved our modern way of life. The impact of the jet age has been felt in all areas, public and private, business and pleasure. It once took 80 days to travel around the world; now it can take 1 day; or even literally, as our astronauts have shown, only a few hours. It is aviation that has profited the businessman in cutting time and travel costs; that has provided in its jetplanes the most comfortable mode of travel ever developed; that enables people to see loved ones whom, only 50 years ago, they might never have expected to see again in a lifetime; that speeds precious medicines to the critically ill, or the sick to healing specialists and clinics; and that brings previously unobtainable delicacies to our table. The progress of aviation has aided in our betterment economically, culturally, and physically.

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[4] U.S. Information Agency, Voice of America, 20th anniversary commemoration, Monday, Feb. 26, 1962.

During the ride from the hotel to the airport, Senator RANDOLPH told me that you people have not only contributed money and time to help build this wonderful airport, but you all have contributed of yourselves. He feels that each of you have a personal interest of participation in this airport, which I think is a highly commendable situation. You people have opened a gate to the world and joined the great aviation community of the world—as a matter of fact, of other worlds in space.

Your wonderful cooperation and great endeavor enhances the nationwide effort in which you are joined by all the cities of the United States and which has resulted in the Federal airport aid program. It is through this program that the FAA has been able to invest over $1,700,000 in helping to develop this airport. This, together with the considerable moneys your community has invested, has made this venture an outstanding success.

The future offers us many advantages. Communities must strive to provide better and more efficient service. And this will be obtained through your cooperation and the cooperation of State officials such as Senator RANDOLPH and Congressman STAGGERS and of your local government officials who are willing to benefit from the air age.

Again, I wish to compliment and congratulate you and your government officials on the progressive and forward thinking of your entire community, and particularly the chamber of commerce and the leaders of the University of West Virginia, and the action of all of you in the establishment of this modern facility in the fine city of Morgantown, W. Va. God bless you.

REMARKS OF SENATOR JENNINGS RANDOLPH, DEMOCRAT, OF WEST VIRGINIA, AT GROUNDBREAKING CEREMONIES, MUNICIPAL AIRPORT, MORGANTOWN, W. VA., JULY 14, 1962

We gather today in recognition of another significant event in the history of aviation in West Virginia. I recall the vision and vigor of such leaders as Elmer Prince and Bill Hart, both of whom are active now as in the earlier days. I also remember the effort of the late Col. W. C. Greer.

As we break ground for the construction of a Federal aviation flight service station structure, a new terminal, and a West Virginia University classroom-hangar building, we realize the far-reaching changes which flight has brought to our environment, and concept of living.

Among recent developments, the most amazing is the man-in-space program which has captured the imagination and attention of the entire world. Our astronauts are traveling over 5,000 miles an hour, over 100 miles above the earth, and experiencing the weird sensation of weightlessness as the fingers of gravity begrudgingly loosen their grip. A decade ago we would have looked upon these feats as perhaps the supreme accomplishment. Today, while thrilled and challenged with each new achievement, we nevertheless regard each as a sort of proving run for something even more spectacular.

The greatness of aviation, however, is not confined to the spectacular alone. It flourishes, rather, on its ability to satisfy man's yearning for a better way of life, and ultimately as an instrumentality for world understanding among nations and peoples.

Thus, we have in America today a vast national air carrier system that this year will transport some 60 million passengers—men, women, teenagers, small children, and babies—at speeds approaching the speed of sound. How fantastic it would have seemed just a few years back to consider an aged couple, or a mother with babe in arms traveling over 600 miles an hour, 5 to 6 miles above the earth's surface. Today it is not fantastic, it is commonplace, it is our way of life.

West Virginians are attuned to this dynamic force which has so altered the globe, and which holds sway over its commerce, its pleasures, and its military might.

The construction of fine new facilities on these historic grounds is ample testimony to Morgantown's desire, and determination to keep abreast of latest developments in aviation, and to secure for her citizens the broadened blessings which air travel and transport provide.

The new terminal building which will soon stand on this landmark of progress will do much to encourage and promote air travel to and from this progressive city and area and will facilitate the growth of passenger traffic. I predict the time, not too far distant, when Morgantown will generate a daily average of 100 passengers, and 2,100 each month.

Traffic increases will naturally promote faster handling of the mails (1,800 pounds are now processed monthly), and likewise expand all commercial shipping of air freight (now averaging 7,000 pounds a month) and air express (at the rate of 3,000 pounds a month).

In providing a classroom-hangar capability under the auspices of our fine State university, we further the aims of education in an industry where constant research and change are the only insurances against obsolescence. Students will benefit immeasurably from the opportunity to study and work in the modern laboratory situation which is physically begun today.

The Federal Aviation Agency flight service station which is to be constructed here will also make lasting contributions to the convenience and safety of aircraft operation in the Morgantown complex. One of over 400 such stations in the United States, it will offer a full range of aids to air carriers, private aircraft, and military planes. Among these will be briefing and flight planning assistance, weather surveillance and information service, orientation of lost aircraft, and search and rescue operations in the event that such become necessary.

Another feature, which will be especially valuable here at Morgantown, is the aircraft advisory service. Acting as an efficient substitute for the control tower at smaller airfields, the aircraft advisory unit provides pilots with local runway, weather, and traffic information, and contributes to the overall safety of airport operations.

In their new facilities, the FAA flight service station will be a boon to air travel at Morgantown, and throughout West Virginia and, yes, adjacent States.

It is with justifiable pride, therefore, that we witness and participate in ceremonies of progress. We know that this growth brings convenience, knowledge, and safety to our citizens—and more than that—it is tangible evidence of the rapid and ever-increasing strides which man is making in his quest for peace.

Fruits of Foreign Aid

EXTENSION OF REMARKS

OF

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1962

Mr. ASHBROOK. Mr. Speaker, the big tendency is to forget all about the day-to-day operation of foreign aid once it has cleared its legislative hurdles and outside of a reluctant groan here and there, we settle down to another year of complacency while the bureaucratic spenders bestow our largesse all over the world. A close study of the operation of this program gives little cause for this tranquil attitude. We not only waste great amounts of the taxpayers' money but we also fail in our effort to promote freedom throughout the world in all too many cases.

On July 19, 1962, the Washington Post carried a three-column, two-line heading which proclaimed "Iran Premier Resigns—Calling United States Unfair for Not Giving Enough Aid." Premier Ali Amini resigned in a huff, according to the article, and we were to blame. He told a news conference that U.S. aid to Iran was far less than that given other countries of comparable size and need. No thanks for what we had done—just blame us for not giving enough. By what right do any of these recipients question the aid we give to them? What has happened to old-fashioned gratitude?

Indonesia shows constantly that it does not deserve our foreign aid by its actions in establishing a totalitarian regime and repression of free thought. Recently, President Sukarno announced the outlawing of all political and social organizations which refuse to accept his "guided democracy" doctrine. Included were three worldwide organizations, the Masonic Lodge, Rotary, and the Rosicrucians.

One of the best examples of how well we are winning friends was indicated by an announcement which the Government made on the day after the $4.6 billion giveaway program was passed by the Congress. It should lead the avid foreign-aid worshippers to wonder a little. Some background is necessary to put the story in its proper perspective.

Under Public Law 480 which provides for disposal of surplus agricultural commodities abroad, the United States has accumulated foreign currencies through sales of these products. The public is lulled into undeserved complacency when it reads that we sell 10 million tons of our wheat to India because they think of this in the normal business transaction sense. What happens is something entirely different. We accept their currencies in payment and then agree not to use them except for specific purposes such as defraying the costs of U.S. embassies in their countries. We accumulate these currencies and do not convert them to dollars which could ease our balance-of-payments plight. Thus, a country gets foreign aid by the front door and foreign aid by the back door although the latter transaction is carried on the "plus" side of the books and counted in our "favorable" balance of trade.

What is more, a major portion of these local currencies thus held are loaned to the purchasing country to pay local costs of development projects. No matter how hard we try to give the money away and spend it for the limited legitimate purposes, we still accumulate these foreign currencies by the billions.

Now enters the picture the strange story I started to tell. The United States is in more trouble than its leaders will admit. We have been in the position for several months of literally begging on bended knee that foreign nations—past and present beneficiaries of our largesse—help us out. "Please do not draw out any more gold. Please repay us something on our billion-dollar loans. Please help us get over our gold, dollar, and balance-of-payments crisis," we plead. One such request was a trivial one which had to do with these local currencies we hold. In September of last year, the Congress amended the law to permit the sale of these currencies for dollars to the American tourists. Thus we would stop a small, minute trickle of our dollars overseas and their resulting return to this country as a demand for gold, and so forth.

In nine countries we have built up huge holdings of currencies. We asked them to help us out and let us sell a small part of our holdings to American nationals who will be traveling to their country. What was the answer? You guessed it, a resounding "No." The countries refusing were Burma, India, Indonesia, Israel, Pakistan, Poland, and Yugoslavia. Syria and the United Arab Republic "permitted" the favor. The following table gives the value in dollars of the foreign currency of the nine countries held by the United States and the amount of foreign aid given up to June 30, 1961:

[Value in dollars]

	Local currency held	Foreign aid received
Burma	32, 730, 000	93, 900, 000
India	1, 005, 496, 000	2, 383, 900, 000
Indonesia	88, 643, 000	558, 000, 000
Israel	42, 632, 000	709, 100, 000
Pakistan	172, 715, 000	1, 255, 700, 000
Poland	3, 860, 000	509, 400, 000
Yugoslavia	171, 433, 000	2, 132, 400, 000

You can see that we are not talking about inconsequential amounts. These countries will continue to get our dollars by new foreign aid and in addition will have the advantage of not having to use any dollars to purchase the agricultural commodities since we accept their currency and then, for all intents and purposes, take it out of circulation and give them an indirect loan for that exact amount. Such nonsense as this must stop. We hold their currencies far beyond any foreseeable need in the future. We should either demand they allow this convertibility or deduct the amount from their direct dollar aid.

The point to remember is that we are supposed to be helping them and then we get little reciprocity. If we were asking for anything that seemed unfair, it would be one thing, but this is not the case. Many of these countries think they have us where they want us. As in Latin America, we find the ironic twist that the countries who receive the least aid are usually the most willing to help when asked.

Statement of Representative A. S. Herlong, Jr., Democrat, of Florida, Upon Introduction of New Bills for Reform of Personal and Corporate Income Tax Rates

EXTENSION OF REMARKS

OF

HON. A. S. HERLONG, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1962

Mr. HERLONG. Mr. Speaker, under leave to extend my remarks, I want to incorporate in the RECORD the following statement in connection with my bill, H.R. 12632, for the reduction of corporate and individual income tax rates which I introduced today.

STATEMENT OF REPRESENTATIVE A. S. HERLONG, JR., DEMOCRAT, OF FLORIDA, UPON INTRODUCTION OF NEW BILLS FOR REFORM OF PERSONAL AND CORPORATE INCOME TAX RATES

Because of the growing belief that Congress should enact net income tax reduction this year, we have today introduced identical new tax rate reform bills, H.R. 12632 and H.R. 12633. These are confined to reform of individual and corporate income tax rates, over a 5-year period beginning January 1, 1963. These bills do not deal with depreciation reform, or the taxation of capital gains and estates and gifts, as provided in our bills H.R. 2030 and H.R. 2031, introduced in January 1961. If tax rate reform is not enacted during this session of Congress, we will decide in January 1963 whether to confine the bills we would expect to introduce at that time to the income tax rate area, or to reencompass one or more of the other three areas.

Enactment of H.R. 12632 and H.R. 12633 would improve the business climate and the public psychology, creating optimism for the future. It would induce forward business planning in anticipation of the reform of growth-retarding income tax rates over the 5-year period. We believe enactment of this orderly plan would usher in a new era of well-being for the American people and strength for our Nation. In improving the hopes and attitudes for the future, we believe that enactment of this plan would have a more favorable effect on the economy in the short-range than a large, immediate one-bite tax reduction.

Our economy is one of the more tax-oppressed among major producing nations of the world. H.R. 12632 and H.R. 12633 would establish a rule of reasonableness minimizing the income tax factor as a deterrent to investing in our Nation's future.

This would create confidence abroad, as well as at home, that the American economy will throw off its indecision, and move upward toward strong, sustained economic growth. Such confidence, and improvement in the productivity and growth of our economy, might go a long way toward resolving the twin problems of the balance of international payments and the gold outflow.

This legislation places the greatest emphasis on stringent compression of the steeply graduated rates of individual tax. These rates, which go to a top of 91 percent, and reach 50 percent at the $16,000 bracket of taxable income, choke off venture capital at its source, retard capital mobility, discourage risk taking, suppress incentives, limit the starting and development of new businesses, and thus seriously curtail job creation. Ruthless graduation is the bane of small business, and of the man on the ladder. In placing stiff penalties on hard work and long hours, the graduated rates are in direct conflict with the universal principle of more compensation for extra effort and achievement.

Over a 5-year period, under H.R. 12632 and H.R. 12633, the top rate of individual tax would be reduced to 42 percent, and the 50-percent rate to 23 percent, with other graduated rates lowered in a consistent pattern. (See apps. A and B.) In addition, the first bracket rate of 20 percent would be lowered to 15 percent, assuring a minimum reduction of 25 percent to every personal taxpayer.

The combined top rate of corporate tax would be reduced 2 percentage points a year, or from 52 to 42 percent, over the 5-year period. (See app. C.) The new top rate of 42 percent would still be over 10 percent higher than the 38-percent top rate of corporate tax between World War II and the Korean war.

In setting these rate reductions, we have been particularly mindful of the need to restore to our economy the benefits of mobile venture capital in the hands of individuals. The top individual rate is set at the same level as the top corporate rate because there is no reason why an unincorporated business, a professional person or other individual should have to pay a higher top rate of tax than a corporate taxpayer. Furthermore, the lower the top rate of individual tax, the greater will be the protection for all middle bracket taxpayers. Proposals for higher top rates of tax inevitably carry with them higher rates through the critical middle brackets.

Based on current income levels, and for a full year of tax liability, the revenue effect of each year's reductions under our legislation would be approximately $3.7 billion. However, the revenue effect in the current fiscal year, from the first cuts effective January 1, 1963, would be only somewhat in excess of $1 billion, with the remainder being carried over into fiscal year 1964. In the 1964 year, the revenue effect from the January 1, 1963, cuts, plus 6 months' effect of January 1, 1964, cuts, would be something over $4.7 billion—not taking into account any influence exerted on economic activity and hence revenues.

Of the annual $3.7 billion revenue effect, approximately $2.7 billion would result from reduction in the individual tax, and $1 billion from reduction in the corporate income tax. At the end of the 5-year period, the revenue effect—or tax savings—computed from current income levels, would be approximately $13.5 billion from the individual tax cuts, and $5 billion from the corporate tax cuts or a total of $18.5 billion.

Of the individual tax savings, about half, or $6.7 billion, would come from the reduction in the first rate from 20 to 15 percent in the 0 to $2,000 taxable income bracket, with the remainder resulting from the compression of the graduated rates; about 40 percent, or $5.4 billion, from reducing the middle-bracket rates from their current range of 22–43 percent to a new range of 16–21 percent; and the remainder, or a little over 10 percent, or $1.4 billion, from reducing the high-bracket rates from 47–91 percent to a new range of 22–42 percent. (See app. D.)

A valid question is: What would happen to revenues while these reductions were being put into effect? The answer is that economic growth will enlarge the tax base and thus provide the revenues to finance the reductions. However, until after all of the reductions have been put into effect, the revenue increase probably would not be sufficient to finance the reductions, and provide margin for any further significant increase in Federal spending. More specifically, for each 1 percent annual increase in gross national product, Federal revenues are increased by about $1 billion. Thus, an average annual increase in GNP of approximately 4 percent would reimburse the Treasury for the revenue effects of the annual rate reductions. Our legislation in effect gives priority to using this revenue increase for tax rate reform instead of for increased spending. As in our earlier bills, we have included a provision contemplating the postponement of rate reductions, after the initial cuts, if increased spending threatens budget unbalance. This provision will provide the public and the Government a clear choice each year as to the benefits to be expected from another step in tax rate reform, as compared with greater spending.

The objective as well as the form of the legislation we offer is in sharp contrast with other proposals calling for tax reduction as an emergency measure to improve the immediate economic situation. The evidence does seem to indicate the possibility of an economic downturn in the near future. However, when our economic situation is viewed in longer perspective, we find that the problem is not one of ups and downs in the business cycle. Instead, it is a problem of chronic and fundamental inability of the economy to realize its full potential and to move ahead at a satisfactory, average annual growth rate. The sluggish state of growth has persisted through the ups as well as the downs going back to the mid-1950's. Each upswing seems to fall a little bit shorter of getting back to an adequate growth trend. We can hardly blame this on the absence of Federal deficits, and hence it does not seem that a one-shot tax cut designed to inject greater demand in the current economy would deal with the fundamental chronic problem.

Growth comes from capital formation. The greater the capital supply, the greater will be the growth of any economy. An authoritative study became available last December which demonstrates the fact that Government spending and taxing policies are a basic cause of our inadequate economic growth. Dr. Simon Kuznets, of the National Bureau of Economic Research, is the author of this study.

Although the data used in his study did not extend beyond 1955, he found a persistent trend of net capital formation (new capital investment over and above that required for replacement of preexisting assets) as a consistenly declining percentage of gross national product. It is clear from his analysis that the principal cause of this trend of too little net new capital formation is the combination of public spending and taxing policies which takes so much capital away from the private economy. After extensive analysis, Dr. Kuznets dismisses the claim that there has been a decline in investment opportunities, and gives support to the opposite theory that the basic problem is an inadequate rate of new savings. While noting the contribution of scientific knowledge and technological skill to improvement of our economic productivity, Dr. Kuznets corroborates the view that training and technological advance create the need for more rather than less capital, stating: "One persistent bottleneck in the use of knowledge in economic production has been the scarcity of the resources for the production of capital goods needed for the application of new knowledge."

As we look abroad, we find that higher growth rates in every case are based on a higher input of new capital. When we look back on the development of our own tax system over the past 30 years, we find that there has been but limited realization of the strangling effects of excessive tax rates on capital formation, economic growth and job creation. These effects are compounded by the intense competitiveness of the American economy. The most encouraging aspect of the current situation is the increasing recognition of the tax rate drag on economic growth.

In view of the need for a much higher rate of economic growth than the average over recent years, we believe that our program is a moderate one; that, while the projected totals of tax savings are large in comparison with proposals for immediate, one-shot reductions, the total is not large in relation to the great need for more capital for more growth; and that spacing out the tax reductions over a period of years is the only practical approach for achieving the needed rate reform within the framework of a balanced budget.

APPENDIX A.—*Reform of individual tax rates*

Taxable income bracket [1] (thousands)	Present rates	Jan. 1, 1963	Jan. 1, 1964	Jan. 1, 1965	Jan. 1, 1966	Jan. 1, 1967
0 to $2	20	19.0	18.0	17.0	16.0	15
$2 to $4	22	20.5	19.5	18.5	17.5	16
$4 to $6	26	24.5	23.0	21.5	20.0	17
$6 to $8	30	28.0	26.0	24.0	21.0	18
$8 to $10	34	31.0	28.0	25.0	22.0	19
$10 to $12	38	35.0	32.0	28.0	24.0	20
$12 to $14	43	39.0	35.0	31.0	26.0	21
$14 to $16	47	42.0	37.0	32.0	27.0	22
$16 to $18	50	45.0	40.0	35.0	29.0	23
$18 to $20	53	48.0	42.0	36.0	30.0	24
$20 to $22	56	50.0	44.0	38.0	32.0	25
$22 to $26	59	53.0	47.0	40.0	33.0	26
$26 to $32	62	55.0	48.0	41.0	34.0	27
$32 to $38	65	58.0	51.0	43.0	36.0	28
$38 to $44	69	61.0	53.0	45.0	37.0	29
$44 to $50	72	64.0	56.0	47.0	38.0	30
$50 to $60	75	66.0	57.0	48.0	39.0	31
$60 to $70	78	69.0	60.0	51.0	40.0	32
$70 to $80	81	71.0	62.0	52.0	41.0	33
$80 to $90	84	74.0	64.0	54.0	44.0	34
$90 to $100	87	76.0	66.0	56.0	46.0	36
$100 to $150	89	78.0	68.0	58.0	48.0	38
$150 to $200	90	80.0	70.0	60.0	50.0	40
$200 and over	91	82.0	72.0	62.0	52.0	42

[1] After deductions and exemptions. Applies to single persons, married persons filing separate returns, and "split incomes" of husbands and wives filing joint returns.

APPENDIX B.—*Tax computation tables—Individuals*

If the taxable income [1] is—	The tax—	
	Is: Present law	Would be: Year 1967
Not over $2,000	20 percent of the taxable income	15 percent of the taxable income.
Over $2,000 but not over $4,000	$400, plus 22 percent of excess over $2,000	$300, plus 16 percent of excess over $2,000.
Over $4,000 but not over $6,000	$880, plus 26 percent of excess over $4,000	$620, plus 17 percent of excess over $4,000.
Over $6,000 but not over $8,000	$1,360, plus 30 percent of excess over $6,000	$960, plus 18 percent of excess over $6,000.
Over $8,000 but not over $10,000	$1,960, plus 34 percent of excess over $8,000	$1,320, plus 19 percent of excess over $8,000.
Over $10,000 but not over $12,000	$2,640, plus 38 percent of excess over $10,000	$1,700, plus 20 percent of excess over $10,000.
Over $12,000 but not over $14,000	$3,400, plus 43 percent of excess over $12,000	$2,100, plus 21 percent of excess over $12,000.
Over $14,000 but not over $16,000	$4,260, plus 47 percent of excess over $14,000	$2,520, plus 22 percent of excess over $14,000.
Over $16,000 but not over $18,000	$5,200, plus 50 percent of excess over $16,000	$2,960, plus 23 percent of excess over $16,000.
Over $18,000 but not over $20,000	$6,200, plus 53 percent of excess over $18,000	$3,420, plus 24 percent of excess over $18,000.
Over $20,000 but not over $22,000	$7,260, plus 56 percent of excess over $20,000	$3,900, plus 25 percent of excess over $20,000.
Over $22,000 but not over $26,000	$8,380, plus 59 percent of excess over $22,000	$4,400, plus 26 percent of excess over $22,000.
Over $26,000 but not over $32,000	$10,740, plus 62 percent of excess over $26,000	$5,440, plus 27 percent of excess over $26,000.
Over $32,000 but not over $38,000	$14,460, plus 65 percent of excess over $32,000	$7,060, plus 28 percent of excess over $32,000.
Over $38,000 but not over $44,000	$18,360, plus 69 percent of excess over $38,000	$8,740, plus 29 percent of excess over $38,000.
Over $44,000 but not over $50,000	$22,500, plus 72 percent of excess over $44,000	$10,480, plus 30 percent of excess over $44,000.
Over $50,000 but not over $60,000	$26,820, plus 75 percent of excess over $50,000	$12,280, plus 31 percent of excess over $50,000.
Over $60,000 but not over $70,000	$34,320, plus 78 percent of excess over $60,000	$15,380, plus 32 percent of excess over $60,000.
Over $70,000 but not over $80,000	$42,120, plus 81 percent of excess over $70,000	$18,580, plus 33 percent of excess over $70,000.
Over $80,000 but not over $90,000	$50,220, plus 84 percent of excess over $80,000	$21,880, plus 34 percent of excess over $80,000.
Over $90,000 but not over $100,000	$58,620, plus 87 percent of excess over $90,000	$25,280, plus 36 percent of excess over $90,000.
Over $100,000 but not over $150,000	$67,320, plus 89 percent of excess over $100,000	$28,880, plus 38 percent of excess over $100,000.
Over $150,000 but not over $200,000	$111,820, plus 90 percent of excess over $150,000	$47,880, plus 40 percent of excess over $150,000.
Over $200,000	$156,820, plus 91 percent of excess over $200,000	$67,880, plus 42 percent of excess over $200,000.

[1] After deductions and exemptions. Applies to single persons, and married persons filing separate returns. Joint-return taxpayers can find their tax savings by taking the tax on half their taxable income and mutiplying by 2.

APPENDIX C.—*Corporate tax rate reductions*

	Present	Jan. 1, 1963	Jan. 1, 1964	Jan. 1, 1965	Jan. 1, 1966	Jan. 1, 1967
Normal tax [1]	30	28	26	24	23	22
Surtax [2]	22	22	22	22	21	20
Combined tax rate [2]	52	50	48	46	44	42

[1] On all net income.

[2] On net income exceeding $25,000.

APPENDIX D.—*Tax savings by taxable income brackets based on 1962 income levels*

Taxable income brackets	Taxable income	Present rates	Under H.R. 12632 and H.R. 12633, end of 5 years	Tax savings
	Millions	*Percent*	*Percent*	*Millions*
0 to $2,000	$135,075	20	15	$6,754
$2,000 to $4,000	40,836	22	16	2,450
$4,000 to $6,000	11,996	26	17	1,079
$6,000 to $8,000	5,494	30	18	659
$8,000 to $10,000	3,301	34	19	495
$10,000 to $12,000	2,194	38	20	305
$12,000 to $14,000	1,517	43	21	334
$14,000 to $16,000	1,066	47	22	267
$16,000 to $18,000	738	50	23	190
$18,000 to $20,000	523	53	24	154
$20,000 to $22,000	390	56	25	121
$22,000 to $26,000	554	59	26	183
$26,000 to $32,000	431	62	27	151
$32,000 to $38,000	246	65	28	91
$38,000 to $44,000	164	69	29	66
$44,000 to $50,000	102	72	30	43
$50,000 to $60,000	102	75	31	45
$60,000 to $70,000	61	78	32	28
$70,000 to $80,000	41	81	33	19
$80,000 to $90,000	20	84	34	10
$90,000 to $100,000	20	87	36	10
$100,000 to $150,000	41	89	38	20
$150,000 to $200,000	20	90	40	10
$200,000 and over	61	91	42	30
Total	205,000			13,613

Tax savings by tax rate groups

Taxable income brackets	Present rates	H.R. 12632 and H.R. 12633 rates	Tax savings	Percent of total
	Percent	*Percent*	*Millions*	
$14,000 to $200,000 and over	47–91	22–42	$1,443	10.6
$2,000 to $14,000	22–43	16–21	5,412	39.8
0 to $2,000	20	15	6,754	49.6

Source: Taxable income by brackets taken from table 16, p. 195, "The Federal Revenue System: Facts and Problems, 1961." (Estimates were required in all brackets above $10,000 to $12,000.)

Statement in Support of Federal Employee Salary Increases

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1962

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the following statement I presented to the Post Office and Civil Service Committee in support of increased salaries for Federal employees on June 28, 1962:

STATEMENT OF HON. ABRAHAM J. MULTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. MULTER. Mr. Chairman, I am grateful to this committee for the opportunity to express my strong support of pending proposals to raise the salaries of Federal employees. In those European countries from which this country derives the predominant part of its heritage, as well as in most countries throughout the world, government employees from upper to lower echelons are highly respected members of their communities simply because they represent the government. In some countries, to represent the government is to be feared. This latter relationship, of course, abominates the raison d'etre of government. The tendency in this country has been toward the other extreme—to underevaluate the importance and worth of Government service.

Respect for a given profession or vocation is expressed in terms of "public image" and financial remuneration. The attitude that less ability and competence is required for Government service than for other types of employment has been a regrettable attribute of the received notion of our national character. The levels of income of governmental employees have not consistently reflected the extent of their responsibilities and the success of their performance.

That these observations are not idle and empty generalizations has been abundantly borne out by such studies made of the problem by the Bureau of Labor Statistics, the Civil Service Commission, the Advisory Panel on Federal Pay Systems, and by McKinsey & Co., Inc.—a private firm retained by Governor Rockefeller in 1961. Last year the Bureau of Labor Statistics extended its annual survey of blue-collar and clerical pay rates in private enterprise to include such professional positions as chemists, lawyers, and such administrative positions as managers and directors up to grade GS–15 equivalents. Soon after, the Civil Service Commission made case studies in 21 large firms of salaries for such job categories as plant management, personnel-industrial relations, finance, law, and science-engineering at levels equivalent to Federal grades GS–16, GS–17, and GS–18. The results of both these studies provide overwhelming evidence that (1) a discrepancy exists between private and Federal pay scales above the first four Federal grades, and (2) that the higher the grades compared, the greater that discrepancy becomes. To be more specific, in the business firms studied, men doing work equivalent to GS–12 received on the average 14 percent more pay than Federal employees; to GS–13, 18, the gap jumps to 60, 90, and 115 percent more; to GS–15, 37 percent more. At levels of work corresponding to GS–16, GS–17, GS–18, the gap jumps to 60, 90, and 115 percent more pay on the average, respectively. The findings of the Advisory Panel on Federal Pay Systems confirmed these results, and it concluded from them that the Federal pay scales should be adjusted upward on a basis of comparability with private industry and that this principle should be applied on a continuing basis.

Interestingly enough, the comparison made by McKinsey & Co., Inc., of the pay of nongovernmental employees doing work and assuming responsibilities similar to work done and responsibility assumed by employees of the State of New York over a range of positions and levels showed essentially the same relationships as those revealed by the aforementioned studies at the Federal level.

The causes producing this situation are not difficult to discover and, in fact, are commonly known. By law, Congress alone bears the power and responsibility to set Federal pay scales. Traditionally, Congress has tended to set them below comparable pay levels in industry for a variety of reasons and beliefs such as: lower salaries meet with less voter resistance; lower salaries mean lower cost of Government, hence lower taxes; Government employment is less demanding of skill and yields greater job security than private employment.

Each of the justifications is invalid in the context of modern developments and problems. The American public is becoming increasingly better informed of the need for the best possible Government during these times of unprecedented peacetime challenges, crises, and competition, and expects and demands the best of Government, and rightly so. Not only are expanded Government services necessary as a result of the postwar population explosion and defense demands, but higher general levels of income and problems of increasingly greater complexity and scope have exerted strong pressures for expanded and improved governmental services.

The prejudices and customs that created inequalities in pay for Federal workers represent a margin of error in our actual way of life that we can no longer afford to tolerate. The pace of the sixties is such that the resultant inefficiencies and losses of human talent will substantially reduce our ability to compete successfully with friendly nations, will seriously jeopardize our efforts to maintain our strength in relation to antagonistic nations, and will dangerously undermine our chances of survival in time of war. Current efforts to fulfill these obligations are continually being frustrated because of existing Government pay scales. Government officials who are responsible for recruiting highly skilled men for critical Government posts are painfully aware of the truth and importance of that fact. To fulfill its obligations, the Government today needs an amazing range and variety of special skills. The men possessing these skills are scarce, and the demand both in Government and private industry is very great, hence the competition is keen. Under existing pay legislation, the Federal Government almost invariably comes out second best. Thus, the prospective Federal employee far too commonly is making personal sacrifices, sometimes of heroic proportions. Under such circumstances, to pay less than the going wage is to be penny wise and pound foolish.

The result is that important positions remain vacant or filled for a very short time as businesses siphon off the most competent with offers the Government cannot approach. This means that critical problems remain unsolved, Government employees must work extra hours without compensation, or crucial assignments are contracted to private firms at high fees, decisions are made on less than expert advice, and vast sums of money are spent in very inefficient ways.

The plight of the National Institutes of Health dramatically illustrates the irony and contradictions that result from the Government's attempt to meet the growing demands made on it under existing pay scales as well as provides eloquent testimony to the serious shortage of highly skilled personnel, in this case research scientists. In the June 2, 1962, issue of the Saturday Evening Post in an article by Don Oberdorfer entitled "Help Wanted in Washington," Dr. James A. Shannon, now in his seventh year as Director of the National Institutes of Health, is cited as one of a number of Federal officials who are having great difficulty in recruiting qualified men for important governmental posts. [Reads:]

"Most of the Institutes' money is granted to laboratories and investigators outside the Government. But Shannon relies on a staff corps of some 130 top professional men for leadership, research direction and technical advice on the whole program. During the past 2 years Shannon has lost one in every five of this group. He has found it difficult, and sometimes impossible, to replace them.

"The National Cancer Institute carries with it the hopes and fears of millions of Americans. Yet a top leadership job in cancer research was vacant for more than a year while Shannon sought a replacement. Eight skilled cancer surgeons are needed; only two were available at the end of last year. Research suffers. The quest for a qualified research pediatrician has continued unsuccessfully for 7 years. A senior scientific post in the Drug Research Section has gone begging for a year; 10 qualified scientists turned it down. All were earning at least $5,000 a year more than Shannon could pay.

* * * * *

"Pay is Dr. Shannon's greatest problem. 'The men we want are often fascinated by the program and say they want to come. Then they add they just can't afford it,' he reports.

Sharply in contrast to this, the House Committee on Government Operations stated in a recent report, based on a study made by the Intergovernmental Relations Subcommittee, that Congress has been overzealous in appropriating money for health research, that NIH, in effect, is appropriating more money than it can effectively use. Here then, is a Government agency being charged with receiving excessive appropriations that cannot attract the men it needs in critical posts because of existing pay legislation.

Obviously, the situation cannot be allowed to continue. Legislation must be enacted as soon as possible that will enable the Federal Government to compete reasonably with business and State and local governments for a fair share of the Nation's talent. It is both logical and necessary that the principle of comparability be applied to both pay scales and pay policy if pay legislation is to be truly effective. The pay scales must not only be adjusted upward to more nearly approximate salaries for corresponding levels and descriptions of work in private industry, but Government officials should also be authorized to offer appropriate starting salaries to applicants with superior training and experience and to reward exceptional service and performance with extraordinary pay raises. Both these policies constitute standard practice in business.

The CHAIRMAN. Thank you, Mr. MULTER.

Program for Relief of Tobacco Farmers Sustaining Disaster Losses From Natural Causes

EXTENSION OF REMARKS

OF

HON. DAVID N. HENDERSON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1962

Mr. HENDERSON. Mr. Speaker, I have today introduced a bill (H.R. 12640) to amend the provisions of the Agricultural Adjustment Act of 1938 relating to tobacco to permit increased allotments to compensate producers of flue-cured tobacco for production losses sustained through natural disaster.

This bill should be of particular interest to all of the Members of the House who represent districts in which flue-cured tobacco is grown. For this reason, I take this opportunity to present my views regarding the need for this type of legislation, the basic principle of the bill and my views in regard to the stabilizing influence the bill would have on the tobacco program if enacted.

NEED FOR THIS TYPE OF LEGISLATION

Many tobacco producers throughout the Flue-cured Tobacco Belt are "family farmers." They have relatively small allotments of 5 acres or less. Their tobacco crop is their chief source of livelihood.

When these producers incur a sizable crop loss due to natural disaster, they are in serious financial difficulty. Such losses often occur when the crop is ready for harvesting and the producer already has a maximum investment in it.

Certain farms are located in such positions—along river bottoms, and so forth—that it is not at all unusual for the same farm to incur a severe loss for 2—or even more—successive years.

At the present time, there are only two Federal programs to help alleviate these losses. They are first, Federal all-risk crop insurance; and, second, emergency loans made through the Farmers Home Administration in counties which have been declared emergency disaster areas.

All-risk crop insurance on tobacco is limited by law to approximately $375 to $710 per acre. Reliable figures show that these figures will not even cover the farmer's cash investment if he has a severe loss late in the crop season.

FHA emergency loans, at best, only afford the farmer an opportunity to spread his loss over a longer period, leaving him no opportunity to recoup any part of it.

Commercial insurance on unharvested tobacco is available to protect the producer only against loss from hail. No commercial insurance is available to protect him against loss from drought, wind, flood, fire, or any natural disaster other than hail.

PRINCIPLE OF THE BILL

H.R. 12640 is primarily designed to enable the farmer to help himself. It does not provide for any new Federal subsidy: direct or indirect.

Simply stated, the bill provides for the Secretary of Agriculture to create a national emergency reserve allotment equal to 5 percent of the regular national allotment. A producer incurring a loss of 20 percent or more from natural disaster can apply for an emergency allotment for the next ensuing year.

By limiting an emergency reserve allotment to those farmers who incurred a loss of 20 percent or more based on their average production for the preceding 5-year period, we will prevent abuses of the program and special allotments based on normal variations and fluctuations in production.

By limiting the total emergency allotment reserve to 5 percent of the national allotment, we are assured that under no circumstances could the operation of this bill result in serious overproduction.

The bill provides for an extremely accurate system of measuring the producer's loss, as it uses his actual production based on sales for the preceding 5-year period as the basis for determining his normal production.

STABILIZING INFLUENCE OF THE BILL

All agriculture is necessarily a hit-or-miss proposition and the farmer recognizes that he must assume a certain amount of risk. At times, he may be greatly helped by natural disaster in another area which results in a shortage in the supply of a particular crop, thus increasing the price.

Flue-cured tobacco, however, unlike many other crops, can only be produced in a limited geographical area and as mentioned above, disaster losses in tobacco do not tend to balance themselves with gains as do many other crops.

While this bill does not guarantee a farmer 80 percent of his normal production, it does assure him that if his production falls below 80 percent of his 5-year average because of natural disaster that he, rather than someone else will receive the benefit of the short crop caused by his loss by obtaining an increase the following year.

Statement in Support of H.R. 11948

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1962

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the following statement I presented to the House Education and Labor Subcommittee on General Education on June 29, 1962, in support of my bill H.R. 11948 to provide for an extension of library services:

STATEMENT OF HON. ABRAHAM J. MULTER IN SUPPORT OF H.R. 11948, TO EXPAND LIBRARY SERVICES THROUGH AN AMENDMENT OF THE RURAL LIBRARY SERVICES ACT, BEFORE THE HOUSE EDUCATION AND LABOR SUBCOMMITTEE ON GENERAL EDUCATION, JUNE 29, 1962

Mr. Chairman, it is my pleasure to appear before this subcommittee to support a legislative measure which I have introduced to further extend the scope of Federal financial assistance to the States for library services. My bill, H.R. 11948, would amend the present Library Services Act to include areas of our Nation lacking public libraries or with inadequate public libraries, and to help expand public elementary and secondary school libraries and certain college and university libraries. The bill would also stimulate education programs for the training of persons in the field of library science.

The declaration of policy as stated in the bill is a summation of my feelings about the need for an expanded program of Federal financial assistance for library services. As the declaration points out there is a growing need for information and education for all our people. Today's rapidly expanding body of knowledge makes good libraries essential at all levels of education from elementary school through adult education in order to provide maximum opportunities for study and research and to produce well-informed citizens who are capable of exercising sound judgment and engaging in profitable employment. I might also call attention to the fact that the modernization of our society and current technological developments have reduced the work hours of the day and week and given the average worker considerable leisure. It is reasonable to assume that citizens will read good books as an important phase of wise leisure and recreation. There is evidence, therefore, of an increasing demand and need for adequate library services for the public and for our schools.

As every member of this subcommittee knows the present deficiencies of public libraries, school libraries, and college and university libraries are critical. In my opinion there is an undisputable need for a coordinated program of library development to help bring about maximum availability and utilization of library resources and services.

The legislation I propose would help the States accomplish this purpose through several programs of financial assistance. Title I of the bill is concerned with public libraries. Under this title an appropriation of $20 million would be authorized for each of 5 years beginning with the fiscal year ending June 30, 1963 to be used for payments to States which have an approved plan for the further extension of public library services to areas within the State without such services, or with inadequate services. The title authorizes the appropriation of specific sums for the Virgin Islands, Guam, American Samoa, and the Canal Zone and provides that the remainder of the appropriations for the title to be divided among the States according to the population of the State to the population of the United States. A provision is made for State matching funds in accordance with the ability of the State to match Federal funds, as determined by per capita income within the State.

Title II of the bill provides assistance to library programs in public elementary and secondary schools through an authorized appropriation of $30 million for 5 years beginning with the fiscal year ending June 30, 1963. Funds under this title are to be allotted to the States according to their ratio of the State's school-age population—5 to 17—to the school-age population of all the States. The title also contains a matching provision which is based upon State per capita income.

Mr. Chairman, it is appalling to me to note that in many elementary and secondary schools the "library" is only a table in the back of the classroom where some few children of high motivation might wish to sit and read. All too often the classroom teacher has had little or no training in the selection of reading materials for elementary and secondary age children. Thus at an early age when they are developing an appreciation for books and the world of knowledge to be found therein, many of our schoolchildren are left out of this important adventure. Current statistics report that more than 10 million children go to public schools where there are no school libraries and more than 40,000 or nearly half of all our public schools have no libraries. There is certainly a need for a forceful echo of the ideas of Leslie W. Dunlap who, in a discussion of the history of libraries, has pointed out:

"* * * As the objectives of the schools broadened to include training for living in a democracy in addition to instruction in traditional subjects, the role of school libraries became increasingly more important. Libraries now are widely recognized as an integral part of schools, and the future of school library services depends directly on the place of the school in contemporary society."[1]

The third title of my proposal to amend the Library Services Act is concerned with the library services of our colleges and universities.

Title III authorizes library grants to institutions of higher education to assist and encourage such institutions in the acquisition for library purposes of books—other than textbooks—periodicals, documents and other related materials. The grants authorized under this title are graduated in amount according to the level of higher education offered by the school. For example, the grant would be $1,000 for schools offering a 2-year educational program; $2,500 for an institution offering an educational program for which it awards a bachelor's degree or a more advanced degree or $5,000 if the institution provides an educational program for which it awards both bachelors' and advanced degrees.

I hardly need mention to this subcommittee the importance of library services to our institutions of higher education which have the responsibility for the education and training of our most qualified students. To envision higher education without adequate accompanying library facilities for research and study is to propose a race without a course: you may well have people going somewhere but the starting place would have been missed. I say this because the thoughts and theories of past scholars as recorded in books provides a starting place for newer directions, interpretations and, in fact, contradictions by those of this era who would seek true understanding and knowledge. It has been said by many people in many different ways:

"More than any other instrument of society the library is custodian and disseminator of the world's knowledge. Libraries preserve and make available the results of previous human experience; they are the instruments which make possible the enrichment and extension of that experience."[2]

The challenges to higher education in these special times are tremendous; they relate to the basics of human sufferings and hunger; of freedom and self-government; of progress and more abundant life; of free thought and expanding horizons. If it still holds that from research comes the truth then we must be concerned indeed that those who are true seekers of the truth through the academic disciplines of higher education have available to them adequate facilities for research of which the library is a fundamental part.

A fourth title of the bill also relates to institutions of higher education. It would make available to participating institutions funds for the operation by them of short-term or regular session institutes for training to improve the qualifications of librarians or individuals engaged in library work. The institute participant would be entitled to receive a stipend of $75 per week plus $15 for each dependent for the duration of the institute.

I believe that the value of institute training programs has been firmly established as a sound educational method. The institute training program has certainly been effectively promoted by the National Defense Education Act which was enacted by the 85th Congress. That same act, as you perhaps know, provided some assistance to libraries. However, the assistance was restricted to an emphasis upon books and materials related to the study of science, mathematics, and modern foreign languages. I believe that the current Rural Library Services Act is the appropriate measure to incorporate the purposes embraced by my bill.

I should like to conclude with these thoughts: Ours is a free society. Our children may read according to their own dictates and are limited only by their abilities. We hope that the exposures which books afford will broaden their perspectives and stimulate thought. We hope that they will read even those works with which we are not in agreement, for this is a part of the challenge of the quest for truth.

We know that many societies are not free. The youth of one generation may well not know the events of yesterday or the thoughts of others if those ideas are not in keeping with the current "party line." All too often the records of the past are closed—thereby offering little guidance for a better tomorrow.

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[1] Dunlap, Leslie W., "The Story of Our Libraries," prepared for Collier's Encyclopedia; Library and Education Division, Collier's Encyclopedia, New York, N.Y.

[2] U.S. Office of Education, "The State and Publicly Supported Libraries," Introduction; Washington, U.S. Government Printing Office, 1956.

Let us maintain our compassion for those who are not free and encourage them to seek liberty. Let us take care to guard our own freedoms and our democratic way of life. In so doing, let us promote the expansion of those institutions which are important parts of our free society—let us assist in the expansion of the scope and services of the library.

Robinson Versus California

EXTENSION OF REMARKS
OF
HON. FRANK W. BOYKIN
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 20, 1962

Mr. BOYKIN. Mr. Speaker, I address myself to the recent decision of the Supreme Court concerning a certain narcotic law in the State of California.

In its decision of June 25, the Court held to be unconstitutional section 11721 of the California Health and Safety Code as it had been construed by the California courts.

Section 11721 provides as follows:

> No person shall use, or be under the influence of, or be addicted to the use of narcotics, excepting when administered by or under the direction of a person licensed by the State to prescribe and administer narcotics. It shall be the burden of the defense to show that it comes within the exception. Any person convicted of violating any provision of this section is guilty of a misdemeanor and shall be sentenced to serve a term of not less than 90 days nor more than 1 year in the county jail. The court may place a person convicted hereunder on probation for a period not to exceed 5 years and shall in all cases in which probation is granted require as a condition thereof that such person be confined in the county jail for at least 90 days. In no event does the court have the power to absolve a person who violates this section from the obligation of spending at least 90 days in confinement in the county jail.

The Court's opinion, as delivered by Mr. Justice Stewart, was directed specifically to the phrase:

> No person shall * * * be addicted to the use of narcotics.

The Court pointed out that—

> It would be possible to construe the statute under which the appellant was convicted as one which is operative only upon proof of the actual use of narcotics within the State's jurisdiction.

But, according to the Court, the law has not been so construed by the California courts. Justice Stewart writes:

> Although there was evidence in the present case that the appellant (i.e., Robinson) had used narcotics in Los Angeles, the jury were instructed that they could convict him even if they disbelieved that evidence. The appellant could be convicted, they were told, if they found simply that the appellant's "status" or "chronic condition" was that of being "addicted to the use of narcotics." And it is impossible to know from the jury's verdict that the defendant was not convicted upon precisely such a finding.

In light of this construction by the California courts of the statute in question, the majority held, a constitutional question arose, stemming from the 8th and 14th amendments. Their summarizing opinion was:

> A State law which imprisons a person thus afflicted (i.e., by the State of being addicted to narcotics) as a criminal, even though he has never touched any narcotic drug within the State or been guilty of any irregular behavior here, inflicts a cruel and unusual punishment in violation of the 14th amendment.

The Supreme Court, then, has handed down a ruling which apparently has a very limited effect. The right of California to exercise its police power to regulate the use of dangerous and habit-forming drugs was not, as Mr. Justice Stewart pointed out, in issue. What was in issue—as I read the opinion—was the right of California, or any State, to punish, as a criminal offense, the state of being addicted to narcotics, whether or not the actual use of those narcotics within the State can be proved.

Now, theoretically, I take it, the California law does not have to be changed; it merely has to be reinterpreted by the courts as operative only upon proof of the actual use of narcotics within the State's jurisdiction. Thus, a man who has taken narcotics outside the State and still bears evidence of such—for example, hypodermic marks—need not fear the same penalty as one who can be proved to have used narcotics within the State. Indeed, the California law, under this interpretation, would have no application to him whatsoever.

Now, this appears a reasonable decision, Mr. Speaker. An eminently sane and humane opinion rendered by the High Court. Who, we wonder, could be so perverse as to quarrel with this mild and limited ruling?

Of course, some obstinate—and, no doubt, ornery—fellow might ask if it is not the case that a State has the responsibility for seeing to the health and safety of its citizens. "Why, certainly," we would answer him.

"In that event," our inquisitor might well continue, "should not the State take preventive action, as well as curative and retributive action, when the situation so demands?"

We must surely all agree that this is a rational interpretation of the responsibilities of a State.

"And is it not so," our persistent friend may proceed, "that an individual in the condition of narcotic addiction poses a threat to the safety of the community?"

We are constrained to acknowledge that Mr. Justice Clark, in his dissent to the decision in question, has so stated. "But why is this so," we ask, "if the addict is not using those narcotics in the community?"

"Because," answers our gadfly, "once the condition of addiction is attained, there is no telling when the individual will give in to his habit, within the community in question; and there is no telling what injurious acts he will then commit."

We press him: "Do you mean that we must liken the addict to one with a contagious disease, to one who carries within him the seeds of a pestilence which can contaminate the whole of the community?"

Our relentless instructor is forced to point out that such is the lesson of all our experience with narcotic addiction. Who is not acquainted with the by now familiar pattern which sees the addict, pressed for funds to satisfy his habit, turn to the actual selling of dope or some other lucrative crime to procure them?

"But what is your point, in respect to this opinion of the Court?" we ask this insistent critic.

"Just this," he may answer us: "If the State of California, in the discharge of its responsibilities for the health and safety of its citizens, sees fit to discourage the entry of addicts from other States by maintaining in its statute books a punitive instrument which would prevent their corruptive influence from infecting the State, how could the State now do it?"

The answer, Mr. Speaker, is that it is, of course, now impossible. The State has been enjoined by the Supreme Court from taking such preventive action.

Are we to interpret this decision to mean, Mr. Speaker, that a State cannot have any control whatsoever over who shall enter within its borders?

The Court has already, in *Edwards* v. *California* (314 U.S. 160), denied the States the right to refuse entrance. Is it now also saying that a State cannot even protect itself from undesirables by at least warning them that their condition is subject to control?

That is exactly, I fear, what the Court is saying.

California had a law which said, in effect, to outside narcotic addicts: "We don't want you here. We consider your presence here a hazard to the health and safety to our citizens, whom it is our responsibility to protect. We cannot turn you back at our borders, but be warned that we have means by which we can control your actions here and thus insure that our people will not suffer by your presence."

The Supreme Court of this Nation of sovereign States had said that this law is unconstitutional. It is unconstitutional in allowing the State to protect its citizens from the advent of undesirables. California, Ohio, Mississippi, Alabama—all must stand helplessly by in watching the good Lord knows who pour into their citadels. They must stand and wait until the explosion has happened. Then, they can try to do something about it.

Because of this decision, Mr. Speaker, a State cannot take steps to prevent or discourage the entrance of a man with virulent tuberculosis within its borders. The fact that he may initiate a raging epidemic while there is of no consequence.

Such, Mr. Speaker, is the seemingly mild and innocuous ruling which the Court served up on June 25 of this 186th year of our Republic.

We must congratulate the majority. By the time the bicentennial rolls around, they should have effectively reworked the Constitution altogether. They can then celebrate their success in having steadily and surely chipped away at the old, "imperfect" document forged by our Founding Fathers until it has been totally replaced.

But let us not anticipate that unhappy day. We are witness to scandal enough in 1962.

There are additional aspects of the Court's decision in this instance which bear examination.

The statute under which the appellant was convicted by the California court contains a criminal provision; that is, it makes infraction of the statute a criminal offense. California has another statute—a civil one—enabling it to deal with narcotic addiction, in its welfare and institutions code—section 5355.

According to Mr. Justice Clark, these two statutes are well-considered parts of a program resulting from long study and experience in the problem of narcotic traffic and addiction by responsible officials of the State of California. The division of labor between the two statutes reflects a desire by the State to deal with the problem in realistic stages. Justice Clark describes the stages as follows:

> At its incipiency narcotic addiction is handled under section 11721 of the health and safety code which is at issue here. * * * [This] criminal provision applies to the incipient narcotic addict who retains self-control, requiring confinement of 3 months to 1 year and parole with frequent tests to detect renewed use of drugs. Its overriding purpose is to cure the less seriously addicted person by preventing further use. On the other hand, the civil commitment provision deals with addicts who have lost the power of self-control, requiring hospitalization up to 2 years.

As Justice Clark, in his distinguished dissent, pointed out:

> The majority strikes down the conviction [of appellant] primarily on the grounds that [he] was denied due process by the imposition of criminal penalties for nothing more than being in an involuntary status.

The Justice goes on to say:

> The viewpoint is premised upon the theme that section 11721 is a criminal provision authorizing a punishment, for the majority admits that a State might establish a program of compulsory treatment for those addicted to narcotics which might require periods of involuntary confinement.

Justice Clark comments—and I most certainly agree—that California has done exactly that. He maintains further:

> The majority's error is in instructing the California legislature that hospitalization is the only treatment for narcotics addiction—that anything less is a punishment denying due process. California has found otherwise after a study which I suggest was more extensive than that conducted by the Court. Even in California's program for hospital commitment of nonvolitional narcotic addicts—which the majority approves—it is recognized that some addicts will not respond to or do not need hospital treatment. As to these persons its provisions are identical to those of section 11721—confinement for a period of not less than 90 days. * * * The fact that section 11721 might be labeled criminal seems irrelevant, not only to the majority's own treatment test but to the concept of ordered liberty to which the States must attain under the 14th amendment.

As the Justice noted in an incisive footnote:

> Any reliance upon the stigma of a misdemeanor conviction in this context is misplaced, as it would hardly be different from the stigma of a civil commitment for narcotics addiction.

The Court, as Justice Clark has stated, deems it necessary to instruct the State of California on the nature of a proper treatment for narcotic addiction. We should not be too surprised, however, as we do not have to stretch our memories too far to be reminded that this Court is enamored of its wisdom in regard to psychological and psychomedical phenomena. They are only too anxious to infuse the Constitution with the fruits of this wisdom.

The State of California thought it had not only taken steps to discourage the entrance of undesirables into the State, but also that it had developed an intelligent and sane approach to the problem of making a distinction between the volitional and nonvolitional addict. Now, the Supreme Court tells them, if they wish to have some control over the individual whose addiction is proven but whose use within the State is not, they must do it under the so-called civil code. Their distinctions between volitional and nonvolitional addicts must be tossed out, in this case, and they must revamp their theories of proper treatment.

It is reassuring to know that our Justices are so learned—not only in legal matters, but in medical lore as well.

Mr. Speaker, how much longer must we suffer the abridgment of the rights and privileges of our States? Will this erosion never be stopped? Must the Congress stand helplessly by while the Court—in its majority—makes continual mockery of the word "sovereign" in respect to the States?

If that is the case, Mr. Speaker, then let us once and for all renounce the fiction of division of powers. Let us plainly state that it is the Court which legislates as well as adjudicates.

And let us also renounce the fiction of State borders. If the State of Alabama is not to be permitted the right of protecting her citizens from the evil and pestilence arising from societies alien to her, then the intent and purpose of the framers and signers of the Constitution of this Republic have been repudiated.

National Lottery of the Philippines

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1962

Mr. FINO. Mr. Speaker, I should like to point out to the Members of this House about the national lottery of the Philippines.

Last year, the gross receipts of this lottery amounted to over $3 million. The Government profit came by way of a stamp tax and 1.5 percent tax in lieu of income tax. The net income of over $1 million was alloted to a special charity fund.

Mr. Speaker, the Filipinos are not the only people who have had the wisdom to see that gambling revenues can be used to further charitable and other beneficial endeavors. Indeed, the United States is one of the few Western nations that has yet come to its senses.

A national lottery in this country can easily produce over $10 billion a year in new income which can be used to cut taxes and reduce our national debt.

HOUSE OF REPRESENTATIVES

MONDAY, JULY 23, 1962

The House met at 12 o'clock noon.

Dr. Daniel P. Parker, rabbi, Temple Zion, Philadelphia, Pa., offered the following prayer:

Sovereign of the universe, we thank Thee for Thy bountiful kindness unto us, for life and its blessings, for health of body and happiness of home, for the welfare of our people, and the peace of our beloved Nation.

Even in thanksgiving, though, we beseech Thee to put to nought the counsel of those that devise evil against us. Strengthen our cherished land of freedom, that it might send forth the light of liberty unto those who still struggle in darkness.

May Thy blessings rest upon our lawmakers. Let them unite in concord that the commonweal may be advanced. Guide them to work with the righteous of all nations and creeds, so that hatred among men shall cease, the walls of prejudice separating peoples shall crumble and fall, and men and states will dwell together in amity. Amen.

THE JOURNAL

The Journal of Friday, July 20, 1962, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

> H.R. 10904. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1963, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Hill, Mr. Russell, Mr. Magnuson, Mr. Stennis, Mr. Pastore, Mr. Monroney, Mr. Cotton, Mrs. Smith of Maine, and Mr. Allott to be the conferees on the part of the Senate.

WATERSHED PROTECTION AND FLOOD PREVENTION

The SPEAKER laid before the House the following communication, which was read and referred to the Committee on Appropriations:

JULY 20, 1962.

Hon. John W. McCormack,
The Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Public Works has approved the work plans transmitted to you which were referred to this committee. The work plans involved are:

State	Watershed	Executive communication No.	Committee approval
Alabama	Hurricane Creek	2065	July 16, 1962
Arizona	Florence area	1902	July 16, 1962
Georgia	Marbury Creek	2065	July 16, 1962
Georgia	Middle Fork Broad River	2065	July 16, 1962
Montana	Box Elder Creek	1332	July 16, 1962
North Dakota	North Branch Forest River (supplemental)	1902	July 16, 1962

Sincerely yours,

CHARLES A. BUCKLEY,
Chairman, Committee on Public Works.

DANIEL J. FLOOD

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, this morning I had the great pleasure of greeting our esteemed colleague, who has recovered from a long illness and has been away from us too long. I am referring to the gentleman from Pennsylvania, Congressman FLOOD, from my State. We have missed his great contributions to the various security measures brought to us. I am sure I voice the sentiments of every Member of this body when I say we have missed him greatly and are very happy because of his return.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, I also had the privilege this morning of greeting our fighting comrade, one of the most able and beloved Members of this House, when he came by my office. Soldier that he is, he has fought his way back to us. He is here in full armor, ready for the impending legislative battles. Welcome, DAN.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Texas.

Mr. THOMAS. May I, too, welcome back to the Chamber our beloved, learned, and distinguished friend, the gentleman from Pennsylvania, Congressman FLOOD. Congressman FLOOD, we have said some prayers for you and it looks as if they have been answered. You look grand. You have a wonderful color. You have always had that color. We wish you a speedy and more and more substantial recovery. I repeat, it is really a privilege and a pleasure to see you back on this floor. I know of few men that have as many friends on the floor on both sides of the aisle.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to my colleague from Iowa.

Mr. JENSEN. Mr. Speaker, I wish to join my colleagues in welcoming our colleague and friend, the gentleman from Pennsylvania, DAN FLOOD, back to the House. DAN, we have missed you in the Appropriations Committee meetings. We have missed that fine countenance of yours. At times, you know, you give us a little bad time, but nevertheless we like it. So I wish you every bit of health the good Lord may shower on you. May your health improve each day. You have lost 20 pounds, you told me; I am willing to donate 10 of my pounds to you and I think there are one or two other Members who would be glad to donate 10 of their pounds to you.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to our distinguished Speaker.

Mr. McCORMACK. Mr. Speaker, I am very glad to see our friend, the gentleman from Pennsylvania, DAN FLOOD, back with us again. He has been through a very trying ordeal. Each and every Member of the House of Representatives was constantly thinking of him during his days of pain. We are so happy to see him back. There is no Member who enjoys the respect, friendship, and affection of all of his colleagues without regard to party more than our dear friend, the gentleman from Pennsylvania, DAN FLOOD.

I might say that DAN came to see me this morning—and his call was in the line of duty, showing the people of his district how well he represents them. On his first day back after his serious illness, he called to see me about a bill in which he is very much interested, and I might say I am supporting him very strongly on that bill. I know when the bill comes up, perhaps next week or at any time at his convenience, his personality, his logic, and the power of his eloquence will convince Members on both sides of the House that the bill should pass.

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Speaker, it was indeed a pleasant surprise to come onto the floor and see our distinguished colleague, the gentleman from Pennsylvania, DANIEL J. FLOOD, in attendance. Personally, I have missed DAN very much while he has been convalescing.

It was my pleasure to serve on the Committee on Appropriations with him for a number of years. He has done well in serving his constituents and his constituents in turn have rendered a real service to the country by sending DAN FLOOD here to represent them. He is a great American, a hard worker, and a fighter for those things in which he believes. It is good to see him looking so well and judging by his appearance he will soon be exhibiting the fighting spirit for which he is noted.

I am sure I join with all his colleagues in wishing him happiness and good health and all of the good things for which he is entitled in the years to come.

DEFENSE DEPARTMENT SAYS "DAMN THE DOLLARS; FULL SPEED AHEAD"

Mr. WILSON of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WILSON of Indiana. Mr. Speaker, again, I call the attention of the House to the attitude of our Defense Department in what I describe as "damn the dollars; full speed ahead." Only this time, it is of such urgent nature that his expenditure of dollars is via airmail. We have now arrived at the point where the squandering of the taxpayers' dollars seems to be adequately justified by use of the word "emergency."

I hold here in my hand a quantity of material addressed to the Progress Examiner, Orleans, Ind., and sent to that paper by airmail. It cost the taxpayers $1.15 to mail it airmail from Washington, D.C., to Orleans, Ind. Upon examining the contents of this package I find it contains three full-page publicity reprints, seven large newspaper mats, a reprint from the Reader's Digest, reprints from the CONGRESSIONAL RECORD, two press releases, a fact sheet, a pamphlet on the National Guard, and a covering letter.

Although it deals with an outstanding service, the National Guard, I cannot for the life of me discover an emergency which would justify the expense of sending this boilerplate or filler material by way of air mail to this newspaper, nor did the publisher of the paper, Mr. Busick, of the Orleans Progress Examiner, Orleans, Ind., for it was he who alerted me to this and mailed me the package.

I would like my colleague, the gentleman from Georgia, Congressman VINSON, chairman of the Armed Services Committee, and the gentleman from Texas, Congressman MAHON, chairman of the Subcommittee on Appropriations for Armed Services, to look into this matter. I would like to know how many such pieces were mailed and how they justified the expense of mailing this undated material by way of air mail. No doubt many thousands of pieces were mailed out in the same fashion, and although only a small number of thousands of dollars were expended, I do not accept this as an excuse for such gross waste of the taxpayers' money.

TREASURY-POST OFFICE APPROPRIATION BILL, 1963

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tomorrow, July 24, to file a conference report on the bill H.R. 10526, making appropriations for the Treasury and Post Office Departments, and the Executive Office of the President, for the fiscal year 1963, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

SPECIAL SUBCOMMITTEE ON TRAFFIC, STREETS, AND HIGHWAYS

Mr. WHITENER. Mr. Speaker, I ask unanimous consent that the Special Subcommittee on Traffic, Streets, and Highways may be permitted to sit during the legislative deliberations today.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

SECOND SUPPLEMENTAL APPROPRIATION BILL, 1962

Mr. THOMAS. Mr. Speaker, pursuant to the unanimous agreement of last Friday, I call up for consideration a House concurrent resolution.

The Clerk read as follows:

H. Con. Res. 505

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives be authorized and directed in the enrollment of the bill H.R. 11038 to make the following changes in the engrossed House bill:

(1) Page 2, strike out lines 13 to 16, inclusive.

(2) Page 2, line 20, strike out "$37,000,000" and insert "$34,500,000".

(3) Page 4, line 12, strike out "$134,000" and insert "$103,000".

(4) Page 5, line 2, strike out "$355,000" and insert "$310,000".

(5) Page 5, line 5, strike out "$225,000" and all that follows in that paragraph through line 7 and insert "$94,000".

(6) Page 5, strike out lines 11 to 16, inclusive.

(7) Page 6, strike out lines 10 to 13, inclusive.

(8) Page 6, line 16, change the period to a comma and insert "to remain available until expended."

(9) Page 6, strike out lines 18 to 20, inclusive.

(10) Page 6, strike out lines 21 to 24, inclusive.

(11) Page 7, strike out lines 1 to 5, inclusive.

(12) Page 7, line 10, strike out "$40,000" and insert "$15,000".

(13) Page 7, strike out lines 15 to 18, inclusive.

(14) Page 7, strike out lines 19 to 23, inclusive, and page 8, strike out lines 1 and 2.

(15) Page 8, line 9, strike out "$2,250,000" and insert "$2,120,000".

(16) Page 8, strike out lines 14 to 16, inclusive.

(17) Page 8, strike out lines 19 and 20 and insert "In addition to the amount heretofore made available for travel expenses of employees, not to exceed $70,000 shall be available for such expenses from the appropriation to the Interstate Commerce Commission for the current fiscal year for 'Salaries and expenses'."

(18) Page 9, strike out lines 1 to 4, inclusive.

(19) Page 9, strike out lines 12 to 19, inclusive.

(20) Page 10, line 14, strike out "including" and lines 15 and 16, and insert "$2,200,000".

(21) Page 10, strike out lines 17 to 19, inclusive.

(22) Page 11, strike out lines 13 to 19, inclusive.

(23) Page 12, line 2, strike out "$4,880,000" and insert "$4,690,000".

(24) Page 12, strike out lines 13 to 15, inclusive.

(25) Page 12, line 20, strike out "$230,000" and insert "$110,000".

(26) Page 13, strike out lines 20 to 24, inclusive.

(27) Page 14, strike out lines 1 to 3, inclusive.

(28) Page 14, strike out lines 4 to 7, inclusive.

(29) Page 14, strike out lines 17 to 21, inclusive.

Mr. THOMAS (interrupting reading of the House concurrent resolution). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with. I shall attempt to explain what it is.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Speaker, it will be recalled this deals with what we call the second supplemental appropriation bill for 1962. When the supplemental left the House it had 55 items carrying about $447 million, which was a reduction, in round figures, of $100 million under the budget, a reduction of about 20 percent.

It went to the other body and that body added some 29 items, increasing the amount over the House by $112 million, which made a round figure of about $560 million.

We bring to you two items, one a concurrent resolution and the other a conference report. First, why the concurrent resolution? We put in the concurrent resolution some 29 items which were originally in the supplemental, but those 29 items are a reduction—follow me now—below the figure that was in the supplemental when it left the House and the figure when it left the Senate.

It is a complete reduction and a change. It is in the concurrent resolution because it could not be in the conference report, and the reason it could not be in the conference report is because it is a reduction in those amounts.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I will be glad to yield to the gentleman from Iowa.

Mr. GROSS. How much of the reduction is attributable to the fact that the fiscal year passed several days making some items unnecessary, and how much of it is attributable to an outright reduction in spending?

Mr. THOMAS. Well, let me answer the gentleman by this statement. We had a continuing resolution that left the House. That continuing resolution was, to be perfectly frank about it, pretty rough and pretty tough. It only included 22 items at a total cost of $133 million. The other body for the first time—so our brain trusters tell us—amended that item. A continuing resolution is not usually amended, but they did amend it, and they doubled it in numbers and amounts—not quite in numbers but some 12 or 15, but in dollars, yes, about $144 million. That was never enacted into law. Does that answer the gentleman's question?

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Kansas.

Mr. AVERY. I had not intended to interrupt the gentleman, but since he has been interrupted, perhaps I could propound a question at this time. Further it is in context with what the gentleman from Iowa [Mr. Gross] mentioned I was interested, and I am sure many other Members are, in the entitlements under Public Law 815, that were slightly deficient in fiscal 1962.

Mr. THOMAS. May I say to my genial friend from Kansas, he put his finger on perhaps the most popular item in the whole thing. What we did was this. Your conferees of the other body and the House left the operating money of $15 million intact and your construction money, $7 million, so I am advised, is in the regular Senate bill, and you know what will happen to that. It will be approved.

Mr. AVERY. I think I understand, but to make sure that those of us not on the committee are entirely in tune with the language of the Committee on Appropriations, it is my understanding that that item was deleted from this supplemental bill, but the appropriation bill for fiscal 1963, for Department of Health, Education, and Welfare supplemental money has been included, with authorizing language, whereby this deficiency, particularly in Public Law 815, may be picked up, shall we say, in 1963.

Mr. THOMAS. That is my understanding.

Mr. AVERY. Well, I would hope that we are both not in error.

Mr. THOMAS. Well, I am sure we are not.

Mr. BROWN. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to our beloved friend whom we lovingly call the gentleman from Ohio [Mr. Brown].

Mr. BROWN. A few days ago I raised a question that I thought rather a serious one at the time when we had before us a resolution from the Committee on Rules providing that upon the adoption of the resolution there would be taken from the Speaker's table a Senate amendment, and the amendment be agreed to by adoption of the resolution.

Mr. Speaker, that amendment was an entirely different bill dealing with sugar which had been attached to a previously House-approved honey bee bill by the Senate. The Rules Committee had reported out that rule or resolution without ever seeing this so-called sugar amendment. It was brought onto the floor of the House without that amendment being available. We had to send and get an engrossed copy of the amendment from the Senate in order to try to find out what was in it.

Mr. Speaker, I notice today we are called on to adopt this concurrent resolution, agreeing to this conference report on this particular bill, and the only bill we have available with which to check these amendments is House Resolution 11038, as ordered printed on April 16, 1962. Of course, none of the amendments provided for in the House concurrent resolution of July 23 as furnished to us here fits in with the bill, and this resolution, to show the Members of the House just what these amendments will do.

I want to say this is a perfect illustration as to why the House is so often confused, and I can understand why the people think we are confused. I am sure I am confused, because we cannot find out around here what is going on in the way of legislation about half the time.

Mr. Speaker, it does seem to me that sooner or later a job is going to have to be done here on correcting the rules of the House so as to make it necessary that all legislation be printed before it is considered on the floor of the House in order that Members may at least have the opportunity to know what they are voting on. I know the gentleman can explain this conference report because the gentleman sat in at the conference. But I doubt if any of the rest of us know what is in it. I have great faith in the gentleman from Texas [Mr. Thomas] but I am getting tired of taking everything on faith.

Mr. THOMAS. I cannot seriously disagree with what my friend, the gentleman from Ohio [Mr. Brown] says.

The concurrent resolution carrying the reduction of $117 million of the $200 million as handled by the other body—perhaps the Committee on Printing, of which the Appropriations Committee is not involved, could perhaps change its rules. I am not sure about that, and I am not criticizing the committee. But there is a copy here of the resolution 11038 to which I have referred, and as far as the concurrent resolution is concerned it is available and you can call the Document Room and get it now.

Mr. BROWN. Why is it not made available to Members on the floor of the House as it should be, and as the gentleman knows it should be, and as I know it should be, because we have both been here for a long time?

Mr. THOMAS. The concurrent resolution is available; yes. The gentleman can get it by going back here to the House Document Room.

Mr. BROWN. Yes; by going back to the House Document Room and looking for it.

Mr. THOMAS. I mean it is available here on the floor of the House.

Mr. BROWN. I tried to get it at the usual place here with the other prints.

Mr. JENSEN. If the gentleman will yield, it is available now.

Mr. THOMAS. Yes; it is here, I think.

Mr. BROWN. Then we must get some additional assistance around here in order to know where to find it.

Mr. THOMAS. I think it is available. We have tried to do everything we could to make it available.

Mr. BROWN. Let me say one other word, please: It is very good to be able to say, as the gentleman has said, that this bill carries a reduction totaling so much. But it is rather good to be able to say to your constituents just where and what this reduction is. That is the information I think we ought to have the Record furnish.

Mr. THOMAS. The amendments are here, and the gentleman can see them. We beg the gentleman's pardon if the gentleman did not see them.

Mr. BROWN. I would appreciate it if the gentleman would go to the Document Room and get those documents about which the gentleman talks.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the distinguished gentleman from Iowa.

Mr. JENSEN. Mr. Speaker, I can understand the position of some of the Members with reference to this concurrent resolution. It is rather an unusual condition under which we were called upon to operate. We had, as you know, quite a hassle with the other body on whether or not Members of the House should chair part of the conference committee meetings. That took considerable time. In fact, the House passed this deficiency bill more than 90 days ago and during the interim we had this hassle to which I have just referred.

The House committee has worked diligently in an effort to save the taxpayers some money; and we have done that. We cut below the budget the tidy sum of $193,318,240. When you make a reduction such as that you may imagine that it takes long hours of effort to find the places to reduce the President's budget. Most of the items in this bill are emergency items, so to speak; I should say they come in the category of deficiencies. There are a few on which we have possibly stretched a point and allowed some funds that were not strictly deficiencies. But let us not forget that we appropriated in this bill $2,750,000 for pest control. There is quite a problem confronting us today in the eradication of the screw-worm, for instance, and many other pests. We simply have to take hold of it now before it spreads too far.

Then there is a $10 million direct loan for farm housing which we consider quite important.

There are a number of other items in here such $40 million for small business loans. The Small Business Administration has committed itself to much more than that, possibly four times more than $40 million; but we decided that they should have some money to make loans to business concerns that are on the verge of collapse unless they get some help and get it now.

There are other items in here, of course, that one can criticize. But we did the very best we could in conference. I must say that the other body was quite cooperative in doing, I think, the best job I have seen done in the many years I have been on the Deficiency Subcommittee with reference to a deficiency bill.

Mr. THOMAS. Mr. Speaker, I want to compliment our able and distinguished colleague from Iowa [Mr. Jensen] on his very fine statement. I intend to yield to the gentleman from Tennessee [Mr. Evins] and then move the previous question.

At this time, Mr. Speaker, I ask unanimous consent to put in the Record at this point a complete explanation of the bill.

The **SPEAKER.** Is there objection to the request of the gentleman from Texas?

There was no objection.

The matter referred to follows:

EXPLANATION OF BILL

There are a number of items in the bill H.R. 11038 which are no longer necessary. The House concurrent resolution authorizes the Clerk of the House of Representatives in the enrollment of the bill to make the following changes in the engrossed House bill:

1. Deletes language for an appropriation of $425,000 for the Department of Agriculture, Agricultural Marketing Service, for poultry inspection.
2. Reduces the appropriation for the Department of Agriculture, Forest Service, from $37 million to $34,500,000 for firefighting costs.
3. Reduces the limitation for the U.S. Soldiers' Home on operation and maintenance and capital outlay from $134,000 to $103,000.
4. Reduces the appropriation from District of Columbia funds for Public Safety from $355,000 to $310,000.
5. Reduces the appropriation from District of Columbia funds for wage-board employees from $225,000 to $94,000 and deletes language earmarking funds from the highway and water funds.
6. Deletes language earmarking $60,000 of funds heretofore appropriated for "Capital outlay," District of Columbia, to repair and reconstruct the laundry at the Lorton Reformatory.
7. Deletes language for an appropriation of $16,155,000 for the Department of Health, Education, and Welfare for contributions to student loan funds.
8. Inserts language making the item for the Department of Health, Education, and Welfare for payments to school districts available until expended.
9. Deletes language for an appropriation of $250,000 for the Department of Health, Education, and Welfare for Indian health activities of the Public Health Service, for added costs of wage-board employees pay increases.
10. Deletes language for an appropriation of $135,000 for the Department of Health, Education, and Welfare for St. Elizabeths Hospital for added costs of wage board employee pay increases.
11. Deletes language for an appropriation of $80 million for the Social Security Administration for grants to States for public assistance.
12. Reduces the limitation for the Civil Aeronautics Board on travel expenses from $40,000 to $15,000.
13. Deletes language for an appropriation of $18,000 for the Delaware River Basin Commission for expenses of the U.S. member of the commission.
14. Deletes language for the General Accounting Office to increase the limitation on travel expenses by $375,000.
15. Reduces the appropriation for the General Services Administration for operating expenses of the "Public buildings service" from $2,250,000 to $2,120,000.
16. Deletes language for an appropriation of $350,000 for the General Services Administration for supply distribution expenses of the Federal Supply Service.
17. Deletes language for an appropriation of $100,000 for the Interstate Commerce Commission and inserts limitation language to authorize $70,000 for travel expenses.

18. Deletes language for an appropriation of $50,000 for the National Mediation Board.

19. Deletes language for an appropriation of $13,000 for the Selective Service System and an increase of $6,500 for expenses of travel.

20. Reduces the appropriation for the Veterans' Administration, medical care, from $4 million to $2,200,000 for added costs of wage board pay increases.

21. Deletes language for an appropriation of $15 million for the Veterans' Administration for "Compensation and pensions."

22. Deletes language to increase the limitation for the Department of the Interior on the amount of annual payments that the Government shall be obligated to make under contracts and agreements for the purchase of helium from $47,500,000 to $63 million.

23. Reduces the appropriation for the Department of the Interior for expenses of the lead and zinc stabilization program of the Office of Minerals Exploration from $4,880,000 to $4,690,000.

24. Deletes language for an appropriation of $3,000 for care of the building and grounds of the Supreme Court.

25. Reduces the appropriation for the judiciary for travel and miscellaneous expenses of courts of appeal, district courts, and other judicial services from $230,000 to $110,000.

26, 27, and 28. Delete language for the Architect of the Capitol to appropriate $7,500 for Capitol Buildings and Grounds, $7,500 for House office buildings and $6,000 for Library buildings and grounds to cover added costs of wage board employee pay increases.

29. Deletes language for an appropriation of $210,000 for the Treasury Department for salaries and expenses of the U.S. Secret Service.

Mr. THOMAS. Mr. Speaker, I find that in my colloquy with our able and distinguished friend from Ohio [Mr. Brown] I stated that the concurrent resolution was available and had been for some time. I understand that it has just been brought up from the document room, and the gentleman from Ohio was right, as usual. I was somewhat premature. But it is now available.

Mr. BROWN. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Ohio.

Mr. BROWN. The resolution that was available was a House concurrent resolution which did not fit with the bill. The resolution to which the gentleman had reference was House Joint Resolution 745, which was brought from the Document Room and delivered to me after our discussion on the floor of the House.

Mr. THOMAS. I repeat, the gentleman is right, as he always is.

Mr. BROWN. It was not available before our discussion.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Tennessee.

Mr. EVINS. We are all anxious that this appropriation bill be passed as rapidly as possible, as it has been somewhat delayed. The deficiency appropriation has been the concern of a large number of the departments. I understand the Deficiency Subcommittee approved earlier for the small business revolving fund the sum of $85 million and the Senate approved $90 million. Now we are appropriating in this bill only $40 million for the SBA. My question is, Why the reduction beyond the amounts which both Houses have earlier approved for this purpose?

Mr. THOMAS. We understand that the item is well taken care of in the regular 1963 appropriation bill. My able friend from Tennessee will like what the committee has done. That is my understanding.

Mr. EVINS. I thank my friend, the gentleman from Texas, for this assurance.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to my genial friend from Illinois.

Mr. O'HARA of Illinois. May I ask if there is an appropriation here to cover claims?

Mr. THOMAS. Yes, that is taken care of, too. The gentleman is talking about the retirement pay?

Mr. O'HARA of Illinois. No, the payment of recorded claims.

Mr. THOMAS. Oh, judgments? Yes. I thought the gentleman was talking about the Court of Claims. Judgments. The gentleman is right. It is in there.

Mr. O'HARA of Illinois. I want to be sure. The gentleman knows I spoke to him sometime ago about this item.

Mr. THOMAS. The gentleman may wire or write his people and tell them they will get their money.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from West Virginia.

Mr. BAILEY. The distinguished gentleman, I understand, has already spoken about an item that was written in on the floor when the second supplemental appropriation bill was approved. I refer to what is generally called the Fogarty amendment to Public Laws 815 and 874. I would like to have a clarification of what happened, and whether the House conferees made any concessions whatever in this matter.

Mr. THOMAS. May I say to our able and genial friend from West Virginia that for all practical purposes the bill we are bringing here today is just exactly like it was when it left the Senate. It is agreed that the other body will put into the regular 1963 bill the item in which the gentleman is interested; namely, construction, with language that will make the fund available until expended. That takes care of the gentleman.

Mr. BAILEY. Now, what about the situation where they paid the 3,567 school boards 91 cents on the dollar instead of 100 cents on the dollar? I am being flooded with requests about that.

Mr. THOMAS. The gentleman means under operation? The full budget estimate of $15 million is in this bill you are about to vote on.

Mr. BAILEY. There is no reduction in the amount we wrote into the House bill?

Mr. THOMAS. That is correct.

Mr. BAILEY. I thank the gentleman.

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. Morse] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MORSE. Mr. Speaker, since coming to Congress I have fought for and supported full appropriations to meet our Federal obligation under Public Laws 815 and 874, the acts which provide for an in-lieu-of-taxes type arrangement with public schools in federally impacted areas. Until a year ago there was virtually no controversy over the absolute justice of this program, wherein the Federal Government quite rightly assumes the role of local taxpayer and bears its fair share of the school costs to which it has added a burden. Last year the fate of these funds was in jeopardy; the Congress eventually righted the situation. This year our school officials have again been concerned lest they be limited to only 92 percent of their rightful Federal contribution. I am pleased today to urge the House to vote for the full Federal share of the costs of running schools which have had a substantial increase in enrollment because of new or expanded Federal activities.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. GROSS. As I recall, this bill originally passed the House on April 4. Is that correct?

Mr. THOMAS. I think the gentleman's memory is correct?

Mr. GROSS. I hope it will be a long, cold, or hot day before we have a repetition of this sort of procedure whereby the House passes a deficiency appropriation bill on April 4 and then finally gets around to final consideration of it in the latter part of July. It is not much tion bill on April 4 and then finally gets that basis, and certainly when it breaks through for final approval in a new fiscal year.

I would like to ask the gentleman this question. There is an increase in the deficiency appropriation for the Secret Service; is there not?

Mr. THOMAS. It is out altogether. There is not any appropriation for it.

Mr. GROSS. That is because of the end of the previous fiscal year?

Mr. THOMAS. They absorbed it from other funds.

Mr. GROSS. They absorbed it from other funds? Then there is no increased appropriation to take care of the Secret Service men who are operating speedboats to tow members of the Kennedy family, when they are water skiing?

Mr. THOMAS. I do not know about that. But let us put it on the basis that there are no funds here for that purpose.

Mr. GROSS. But the personnel of the Secret Service has been increased and their appropriations increased in other bills, if not in this bill; is that not correct?

Mr. THOMAS. I think the gentleman is correct. That was not sent to this committee but I think that is a fair statement and I am not trying to hedge.

Mr. GROSS. I would hope the Appropriations Committee, when the Secret Service comes in for additional funds, would find out whether it is one of the functions of the Secret Service to operate motorboats to tow people around on water skis.

Mr. THOMAS. Well, now that is a matter of taste and judgment.

Mr. GROSS. It is a matter of taste; did the gentleman say?

Mr. THOMAS. Some people like to walk and some people like to swim—who am I to criticize?

Mr. GROSS. Do you suppose I could get some Secret Service men to tow me around, if I wanted to water ski?

Mr. THOMAS. If you ever get yourself elected President of the United States, I would say, yes—and I might be inclined to vote for you some time.

Mr. GROSS. How many other citizens now get the same treatment who are not President of the United States?

Mr. THOMAS. Please, now you are carrying it a little too far.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR ENDING JUNE 30, 1962

Mr. THOMAS. Mr. Speaker, I call up the conference report on the bill (H.R. 11038) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas.

There was no objection.

The Clerk read the statement.

Mr. THOMAS (during the reading of the statement.) Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2025)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11038) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 5, 8, 9, 14, 15, 18, 20, 27, 30, 34, 40, 45, 50, and 52.

That the House recede from its disagreement to the amendments of the Senate numbered 6, 11, 13, 24, 26, 31, 33, 35, 37, 38, 39, 41, 44, 46, 49, and 51, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,750,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,500,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$1,000,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$82,500,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$1,250,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,800,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$100,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 4, 7, 10, 12, 16, 22, 23, 25, 28, 42, 43, 47, 48 and 53.

ALBERT THOMAS,
MICHAEL J. KIRWAN,
CLARENCE CANNON,
BEN F. JENSEN,
Managers on the Part of the House.

SPESSARD L. HOLLAND,
CARL HAYDEN,
RICHARD B. RUSSELL,
JOHN L. MCCLELLAN,
LISTER HILL,
WARREN G. MAGNUSON,
MILTON R. YOUNG,
LEVERETT H. SALTONSTALL,
KARL E. MUNDT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11038) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF AGRICULTURE

Amendment No. 1—Appropriates $2,750,000 for the Agricultural Research Service instead of $2,500,000 as proposed by the House and $3,000,000 as proposed by the Senate.

Amendment No. 2—Reported in disagreement.

DEPARTMENT OF COMMERCE

Amendment No. 3—Appropriates $200,000 for salaries and expenses of the Coast and Geodetic Survey as proposed by the House instead of $625,000 as proposed by the Senate.

Amendment No. 4—Reported in disagreement.

Amendment No. 5—Appropriates $17,000,000 for participation in the New York World's Fair as proposed by the House instead of $15,000,000 as proposed by the Senate.

DEPARTMENT OF DEFENSE—CIVIL

Amendment No. 6—Appropriates $3,900,000 for the Department of the Army for the Corps of Engineers, civil, for operation and maintenance, general, as proposed by the Senate instead of $1,500,000 as proposed by the House.

DISTRICT OF COLUMBIA

Amendment No. 7—Reported in disagreement.

EXECUTIVE OFFICE OF THE PRESIDENT

Amendment No. 8—Deletes the Senate provision relating to review of requests for additional personnel by the Bureau of the Budget. The conferees are agreed on the objectives of the language and that its purposes can be achieved under present law.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Amendment No. 9—Deletes language proposed by the Senate for an appropriation of $7,092,000 for assistance for school construction.

Amendment No. 10—Reported in disagreement.

Amendment No. 11—Appropriates $174,000 for hospitals and medical care as proposed by the Senate.

Amendment No. 12—Reported in disagreement.

INDEPENDENT OFFICES

Amendment No. 13—Appropriates $20,000 for contribution to Delaware River Basin Commission as proposed by the Senate.

Amendment No. 14—Deletes appropriation of $175,000 for the Federal Maritime Commission proposed by the Senate.

Amendment No. 15—Deletes appropriation of $150,000 for the Federal Power Commission proposed by the Senate.

Amendment No. 16—Reported in disagreement.

Amendment No. 17—Appropriates $7,500,000 for the General Services Administration to increase the general supply fund instead of $5,000,000 as proposed by the House and $10,000,000 as proposed by the Senate.

Amendment No. 18—Appropriates $350,000 as proposed by the House instead of $488,000 as proposed by the Senate for expenses, supply distribution.

Amendment No. 19—Appropriates $1,000,000 to the Housing and Home Finance Agency for an additional amount for the public works planning fund instead of $2,000,000 as proposed by the Senate.

Amendment No. 20—Appropriates $100,000 as proposed by the House instead of $125,000 as proposed by the Senate for the Interstate Commerce Commission.

Amendment No. 21—Appropriates $82,500,000 for the National Aeronautics and Space Administration for research and development instead of $80,000,000 as proposed by the House and $85,000,000 as proposed by the Senate.

Amendment No. 22—Reported in disagreement.

Amendment No. 23—Reported in disagreement.

Amendment No. 24—Inserts language proposed by the Senate earmarking $15,000,000 for disaster loans by the Small Business Administration.

DEPARTMENT OF THE INTERIOR

Amendment No. 25—Reported in disagreement.

Amendment No. 26—Appropriates $200,000 for the Bureau of Land Management for construction as proposed by the Senate.

Amendment No. 27—Appropriates $775,000 for the National Park Service for management and protection as proposed by the House instead of $875,000 as proposed by the Senate.

Amendment No. 28—Reported in disagreement.

Amendment No. 29—Appropriates $1,250,000 for the National Park Service for construction instead of $1,850,000 as proposed by the Senate.

Amendment No. 30—Appropriates $720,000 for the Bureau of Indian Affairs for resources management as proposed by the House instead of $820,000 as proposed by the Senate.

Amendment No. 31—Appropriates $220,000 for Menominee educational grants as proposed by the Senate.

Development and operation of helium properties: The budget request for an increase of $17,500,000 in the annual limitation on the amount of payments that the Government may be obligated to make under contracts executed for the purchase of helium has been passed over without prejudice. The existing contracts, executed under the present annual obligation limitation of $47,500,000, provide for the procurement of 62,500,000,000 cubic feet of helium over a period of 22 years at a cost of about $1,000,000,000. It is believed desirable to postpone action on this new request, which would authorize additional helium purchase contracts at a cost of up to $300,000,000 over the next 22 years, pending completion of the program review being conducted by the General Accounting Office.

Amendment No. 32—Appropriates $1,800,000 for the Fish and Wildlife Service for construction by the Bureau of Sport Fisheries and Wildlife instead of $300,000 as proposed by the House and $1,990,000 as proposed by the Senate.

THE JUDICIARY

Amendment No. 33—Appropriates $300,000 for the courts of appeal, district courts, and other judicial services as proposed by the Senate.

Amendment No. 34—Deletes appropriation of $11,250 for the Administrative Office of the United States Courts proposed by the Senate.

DEPARTMENT OF JUSTICE

Amendment No. 35—Inserts heading as proposed by the Senate.

Amendment No. 36—Appropriates $100,000 for salaries and expenses, United States attorneys and marshals, instead of $200,000 as proposed by the Senate.

Amendment No. 37—Appropriates $400,000 for fees and expenses of witnesses as proposed by the Senate.

Amendment No. 38—Appropriates $300,000 for the Federal Prison System for buildings and facilities as proposed by the Senate.

Amendment No. 39—Appropriates $800,000 for support of United States prisoners as proposed by the Senate instead of $600,000 as proposed by the House.

DEPARTMENT OF LABOR

Amendment No. 40—Deletes $2,850,000 appropriation proposed by the Senate for manpower development and training activities.

LEGISLATIVE BRANCH

Amendment No. 41—Inserts heading as proposed by the Senate.

Amendment No. 42—Reported in disagreement.

Amendment No. 43—Reported in disagreement.

Amendment No. 44—Inserts heading as proposed by the Senate.

Amendment No. 45—Deletes item proposed by the Senate appropriating $1,185 for the Office of the Vice President.

Amendment No. 46—Inserts heading as proposed by the Senate.

Amendments Nos. 47 and 48—Reported in disagreement.

Amendment No. 49—Inserts heading as proposed by the Senate.

Amendment No. 50—Deletes item proposed by the Senate appropriating $20,000 for the Joint Economic Committee.

Amendment No. 51—Appropriates $286,000 for miscellaneous items, Senate, as proposed by the Senate.

Amendment No. 52—Deletes item proposed by the Senate appropriating $15,000 to the Architect of the Capitol for the Senate office buildings.

Amendment No. 58—Reported in disagreement.

The conferees note that since the bill was passed by both bodies the fiscal year has ended and some items are no longer necessary. The managers on the part of the House will propose a concurrent resolution to change the engrossed House bill to eliminate those items which are now found unnecessary due to the lapse of time.

ALBERT THOMAS,
MICHAEL J. KIRWAN,
CLARENCE CANNON,
BEN F. JENSEN,
Managers on the Part of the House.

Mr. THOMAS. Mr. Speaker, we have discussed virtually everything that is involved here in answer to questions raised by our colleagues and in the absence of any further questions, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: Page 2, line 17, insert:

"FARMERS HOME ADMINISTRATION

"*Direct loan account*

"Direct loans and advances not to exceed $50,000,000 may be made from funds available in the Farmers Home Administration direct loan account for operating loans under subtitle B and section 335(a), for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961."

Mr. THOMAS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and concur therein with an amendment, as follows: In lieu of the sum of $50,000,000 named therein, insert "$10,000,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 3, line 20, insert: "including compensation of a United States Commissioner, who shall be appointed by the President, at the rate of $19,500 per annum,".

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 4, line 22, strike out "$63,000" and insert "$77,500".

Mr. THOMAS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 7 and concur therein with an amendment, as follows: In lieu of the amounts stricken out and inserted, insert: "$60,000".

The motion was agreed to.

Mr. ROONEY. Mr. Speaker, will the distinguished gentleman from Texas yield?

Mr. THOMAS. I yield to my able friend, the gentleman from New York.

Mr. ROONEY. Mr. Speaker, as a member of the New York City delegation here in the House of Representatives as well as a member of the board of directors of the New York World's Fair 1964–65 Corp., I should like to thank the distinguished gentleman from Texas and the House conferees for their action with regard to amendments to H.R. 11038 numbered 4 and 5 which have just now been resolved by the House in connection with the appropriation to commence Federal participation in the New York World's Fair. Amendment No. 4 provides compensation of a U.S. Commissioner, who shall be appointed by the President, while amendment No. 5 appropriates $17 million toward participation in the New York World's Fair as proposed by the House instead of $15 million as proposed by the Senate.

Mr. Speaker, on Friday last, shortly after the House-Senate conferees agreed on the conference report just now adopted, the junior Senator from New York, who was not a member of that conference or of the Appropriations Committee of the other body, released to the press the action just now taken here in the House of Representatives. As far as I am concerned, I am going to leave newspaper reporting to the accredited members of the press and stick to my knitting as a member of the House Committee on Appropriations.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 10: Page 7, line 2, insert:

"GRANTS FOR WASTE TREATMENT WORKS CONSTRUCTION

"For an additional amount for 'Grants for waste treatment works construction', fiscal year 1961, $5,000,000."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 10 and concur therein with an amendment, as follows: In lieu of the sum of $5,000,000 named in said amendment, insert: "$645,260, to remain available until expended".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 12: Page 7, line 14, insert:

"GENERAL PROVISION

"The amounts made available for fiscal year 1962, for planning or construction of buildings or facilities under the headings, 'Foreign quarantine activities', 'National Cancer Institute', 'National Heart Institute', and 'Allergy and infectious disease activities', shall remain available until June 30, 1963."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 12 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 16: Page 10, line 16, insert:

"ACQUISITION OF LAND AND BUILDINGS, CHICAGO, ILLINOIS

"For an additional amount for 'Acquisition of land and building, Chicago, Illinois', $2,703,000."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 16 and concur therein with an amendment as follows: In lieu of the sum proposed, insert: "$2,715,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 22: Page 11, line 19, insert:

"CONSTRUCTION OF FACILITIES

"For an additional amount for 'Construction of facilities', $71,000,000, to remain available until expended: *Provided*, That this paragraph shall be effective only upon enactment of authorizing legislation into law to cover such amount."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 22 and concur therein.

Mr. GROSS. Mr. Speaker, I reserve a point of order pending an explanation of the amendment.

The SPEAKER. The gentleman from Iowa reserves a point of order on the amendment.

Mr. THOMAS. Mr. Speaker, this was stricken from the original bill, as you recall, by reason of the fact that the legislative committee had not approved it. I think both legislative committees, that of the other body and that of the House, are in agreement on this item. It has not been signed yet, but the gentleman will notice the language reads: "subject to enactment into law."

Mr. GROSS. Will the gentleman explain what this $71 million is for, the purpose of it?

Mr. THOMAS. It is construction.

Mr. GROSS. Of what?

Mr. THOMAS. For facilities for the Space Agency; and it is in two places: one is Florida at Canaveral, the test center, and the other is in Mississippi, also a test center.

Mr. GROSS. Mississippi and Florida. Could not this have waited until the regular appropriation bill rather than put it in this deficiency bill?

Mr. THOMAS. They claim that they would like to have it to get started. You will recall that funds are available until expended; therefore, it comes out of the pot. They thought they needed it, and both committees concurred in their thinking on the matter.

Mr. GROSS. I do not know that I am going to object too strongly to this, but I think it is always better legislative procedure to provide for appropriations through regular bills unless there is some compelling emergency.

Mr. THOMAS. The gentleman will recall we reduced their appropriations by about this amount of money last year. They complained that we were slowing them down; so, after they enlarged the program we put it in the deficiency bill. It was stricken out. We did not object to that, for under the rules of the House it was in order, but now I hope the gentleman will not object. The bill will be signed by the President, we are told, in another week.

Mr. GROSS. This money is going into two States, Florida and Mississippi. Is that correct?

Mr. THOMAS. That is our understanding.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. JENSEN. I may say that when the committee held its hearings several months ago, it came to our attention that the Space Administration was purchasing a considerable amount of land in Florida and Mississippi and perhaps a little in Louisiana for the new facilities for the Space Administration which are to be established there.

During the Easter recess I, with one of our clerks, went down to take a look at this area. The Space Administration had $25 million in the 1962 appropriation bill which they could spend at will for things they felt were necessary. They had spent some of that money in purchasing land and in starting the rehabilitation of a large plant that we built during the war for airplanes. So we took this look and came back and reported to the committee that we felt for what was needed, if it was necessary for the Space Administration to do all these things, there was no other way to handle the situation. The authorization bill has not gone through, as the gentleman knows. We recommend this appropriation contingent on the passage of the authorization bill. There was nothing else we could do. But I can assure the gentleman this matter was looked into quite thoroughly; it is justified as much as we can justify appropriations for the Space Administration.

Mr. GROSS. I thank the gentleman, and withdraw my reservation.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 23: Page 12, line 13, strike out "$85,000,000" and insert "$90,000,000".

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 23 and concur therein with an amendment, as follows: In lieu of the amounts stricken out and inserted, insert "$40,000,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 25:

On page 13, line 13, strike out "$1,250,000" and insert "$1,760,000".

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 25 and concur therein with an amendment, as follows: In lieu of the amounts stricken out and inserted, insert "$825,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 28: On page 14, line 4, strike out "$400,000" and insert "$455,000".

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 28 and concur therein with an amendment, as follows: In lieu of the amounts stricken out and inserted, insert "$225,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 42. Page 18, after line 2, insert the following:

"For payment to Doloris T. Bridges, widow of Henry Styles Bridges, late a Senator from the State of New Hampshire, $22,500."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 42 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 43: On page 18, after line 5, insert:

"For payment to Marie T. Schoeppel, widow of Andrew F. Schoeppel, late a Senator from the State of Kansas, $22,500."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Thomas moves that the House recede from its disagreement to the amendment of the Senate numbered 43 and concur therein with an amendment, as follows: At the end of said amendment, add the following:

"For payment to Myrle G. Case, widow of Francis Case, late a Senator from the State of South Dakota, $22,500."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 47: On page 18, after line 14, insert:

"For an additional amount for 'Administrative and Clerical Assistance to Senators', $118,250: *Provided*, That the basic clerk hire allowance of each Senator is increased by $3,000."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Thomas moves that the House recede from its disagreement to the amendment of the Senate numbered 47 and concur therein with an amendment, as follows: In lieu of the matter inserted, insert the following:

"The basic clerk hire allowance of each Senator is hereby increased by $3,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 48: Page 18, line 19, insert:

"For an additional amount for 'Administrative and Clerical Assistance to Senators', $4,730: *Provided*, That the clerk hire allowances of the Senators from the States of New York and Virginia are hereby increased so that the allowances of Senators from the State of New York will be equal to that allowed Senators from States having a population of over seventeen million, the population of said State having exceeded seventeen million inhabitants, and so that allowances of Senators from the State of Virginia will be equal to that allowed Senators from States having a population of four million, the population of said State having exceeded four million inhabitants.

"For an additional amount for 'Administrative and Clerical Assistance to Senators', $4,730: *Provided*, That the clerk hire allowances of the Senators from the States of New York and Virginia are hereby increased so that the allowances of Senators from the State of New York will be equal to that allowed Senators from States having a population of over seventeen million, the population of said State having exceeded seventeen million inhabitants, and so that the allowances of Senators from the State of Virginia will be equal to that allowed Senators from States having a population of four million, the population of said State having exceeded four million inhabitants."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Thomas moves that the House recede from its disagreement to the amendment of the Senate numbered 48 and concur therein with an amendment, as follows: In lieu of the matter inserted, insert the following:

"The clerk hire allowances of the Senators from the States of New York and Virginia are hereby increased so that the allowances of the Senators from the State of New York will be equal to that allowed Senators from States having a population of over seventeen million, the population of said State having exceeded seventeen million inhabitants, and so that allowances of Senators from the State of Virginia will be equal to that allowed Senators from States having a population of four million, the population of said State having exceeded four million inhabitants."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 53: Page 21, line 15, insert:

"CLAIMS AND JUDGMENTS

"For payment of claims as settled and determined by departments in accord with law and judgments rendered against the United States by the United States Court of Claims and United States district courts, as set forth in Senate Document Numbered 84, Eighty-seventh Congress, $1,065,929, together with such amounts as may be necessary to pay interest (as and when specified in such judgments or provided by law) and such additional sums due to increases in rates of exchange as may be necessary to pay claims in foreign currency: *Provided*, That no judgment herein appropriated for shall be paid until it shall have become final and conclusive against the United States by failure of the parties to appeal or otherwise: *Provided further*, That, unless otherwise specifically required by law or by the judgment, payment of interest whenever appropriated for herein shall not continue for more than thirty days after the date of approval of this Act."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Thomas moves that the House recede from its disagreement to the amendment of the Senate numbered 53 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days in which to revise and extend their remarks on the conference report just adopted.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISTRICT OF COLUMBIA BUSINESS

The SPEAKER. This is District of Columbia Day. The Chair recognizes the gentleman from South Carolina [Mr. McMillan], chairman of the Committee on the District of Columbia.

AUTHORIZE LICENSING OF TISSUE BANKS IN DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I call up the bill S. 2321 and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. GROSS. Mr. Speaker, reserving the right to object, will the gentleman give us just a few words of explanation and particularly if this is going to cost the taxpayers of the country anything?

Mr. McMILLAN. It will not cost the taxpayers anything.

Mr. Speaker, the purpose of S. 2321 is to license and regulate a tissue bank in the District of Columbia which would have the same status as the blood bank.

The leading physicians in the District of Columbia have advised my committee that a bank of this nature would prove to be of great assistance in connection with research work in the hospitals in the District of Columbia.

I hope there will be no opposition to this bill as no opposition developed at the hearings before my committee.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. SPRINGER. This bill is substantially as the chairman has reported. There is no money involved. There is no cost to the Federal Government or the District of Columbia. In view of the hearings on the bill, I hope it will pass.

Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. Broyhill] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BROYHILL. Mr. Speaker, I wish to express my support of S. 2321, and to urge its passage. The purpose of this proposed legislation is to aid the development of reconstructive surgery and medico-surgical research through the licensing and regulation of human tissue banks in the District of Columbia. My interest in this matter is evidenced by the fact that I introduced H.R. 8913, a companion bill to S. 2321, during the first session of this Congress.

In recent years, progress in reconstructive surgery involving the transplantation of tissue from dead human bodies has produced dramatic, even miraculous results in many cases such as accidental injuries which would otherwise have been crippling or disfiguring, blindness, severe burns, and certain abnormalities of the bones or blood vessels; and there is no doubt that this great science will develop much further in the years to come, and achieve even greater miracles in the relief of human suffering.

At present, the laws of the District of Columbia seriously inhibit the use of such human tissue even when the decedent, while still alive, wills such disposition of his body after death. For example, it is forbidden to make any disposition whatever of any part of a dead body until a permit has been issued by the Director of Public Health, or to take any steps to preserve any portion of a body until 4 hours after death has occurred. These lapses of time frequently preclude the utilization of the body tissues for medical purposes.

Hence, while this type of surgery and surgical research is being performed in the District of Columbia at the present time, it is seriously handicapped and limited by reason of such statutory restrictions.

S. 2321 will greatly facilitate the development of this vital humanitarian work, by authorizing the licensing of human tissue banks in the District, and by providing for practical regulations and procedures regarding the obtaining of proper consent and authorization for the removal of tissue after death and for its transportation to a processing center or place of use. At the same time, the rights of the deceased and his survivors in this regard are adequately protected.

Legislation similar to this has been adopted in recent years in many States, and it is my sincere conviction that it is vitally important to medical progress in the District of Columbia.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "District of Columbia Tissue Bank Act".

SEC. 2. STATEMENT OF POLICY AND PURPOSE.—Because of the rapid medical progress in the field of tissue preservation, tissue transplantation, and tissue culture, and because it is in the public interest to aid the development of this field of medicine, it is the policy and purpose of Congress in enacting this Act to encourage and aid the development of reconstructive medicine and surgery and the development of medico-surgical research by providing for the licensing and regulation of tissue banks, and by facilitating antemortem and postmortem authorizations for donations of tissue.

SEC. 3. DEFINITIONS.—For the purposes of this Act, except where the context indicates a different meaning—

"Commissioners" means the Commissioners of the District of Columbia or their designated agent.

"Donor" means any person who, in accordance with the provisions of this Act, bequeaths or donates his tissue for removal after death in furtherance of the purposes of this Act, and also means any deceased person whose tissue is donated or disposed of for the purposes of this Act.

"Tissue" means any portion of the body of a dead human.

"Tissue bank" means a facility for procuring, removing, and disposing of portions of bodies of dead humans for the purposes of reconstructive medicine and surgery, and research and teaching in reconstructive medicine and surgery.

SEC. 4. TISSUE BANK LICENSES AND REGULATIONS.—(a) No person shall operate any tissue bank in the District of Columbia without a valid license issued pursuant to this Act. No such license shall be issued except to persons duly licensed or duly registered as physicians under the Healing Arts Practice Act of the District of Columbia (45 Stat. 1326; title 2, ch. 1, D.C. Code, 1951 ed.) or to persons holding valid licenses to operate and maintain hospitals for humans pursuant to the Act entitled "An Act to regulate the establishment and maintenance of private hospitals and asylums in the District Columbia", approved April 20, 1908 (35 Stat. 64; D.C. Code, 1951 ed., title 32, ch. 3).

(b) The Commissioners are authorized, after public hearing, to adopt and promulgate rules and regulations prescribing, without limitation, (1) the terms and conditions under which a tissue bank license may be issued and renewed; (2) the fees to be paid for the issuance and renewal of such licenses; (3) the duration of such licenses; (4) the grounds of suspension and revocation of such licenses; (5) the operation of tissue banks; (6) the conditions under which tissue may be processed, preserved, stored, and transported; and (7) the making, keeping, and disposition of records by tissue banks or by other persons processing, preserving, storing, or transporting tissue.

(c) The Commissioners may, after notice and hearing, deny, suspend, or revoke any tissue bank license issued or applied for pursuant to this Act.

(d) Any person aggrieved by any final decision or final order of the Commissioners denying, suspending, or revoking any tissue bank license or renewal thereof, issued or applied for under this Act, may obtain a review of such decision or order in the municipal court of appeals for the District of Columbia, and may seek review by the United States Court of Appeals for the District of Columbia of any judgment of the municipal court of appeals entered pursuant to its review of any such decision or order, all in accordance with subsection (f) of section 7 of the Act approved April 1, 1942, as added by the Act approved August 31, 1954 (68 Stat. 1048; sec. 11–772, D.C. Code, 1951 ed.).

(e) Except with respect to the provisions as to licensing, the provisions of this Act, and the regulations made pursuant thereto, shall apply to Federal agencies situated in the District of Columbia, and to District of Columbia agencies.

SEC. 5. PENALTIES.—Any person violating any provision of this Act, or any regulation made pursuant to this Act, shall be fined not more than $300, or be imprisoned for not more than ninety days. Prosecution for violations of this Act and regulations made pursuant thereto shall be brought in the name of the District of Columbia.

SEC. 6. DONATION OF TISSUE.—(a) Any person who, under the law of the District of Columbia, has capacity to make a valid will, may by will, codicil, or any written statement donate his tissue for the purposes of this Act. Any person who, in accordance with this Act, donates his tissue may, but shall not be required to, designate the purpose for which his tissue is to be used. Any physician or hospital validly operating a tissue bank shall have full authority to take the tissue so donated and use the same for the purposes enumerated in this Act.

(b) No particular words shall be required for such person to donate his tissue, but any will, codicil, or written statement shall be liberally construed to effectuate the intent and purpose of the person desiring to donate his tissue for any purpose authorized by this Act. If, pursuant to this section or section a person donates tissue by a written statement other than by a will or codicil, such statement shall be signed by him and be witnessed by two persons of legal age.

(c) A provision in any will, codicil, or written statement which donates tissue as provided by this Act shall become effective immediately upon the death of the testator or donor, and shall constitute the authority for any physician or hospital validly operating a tissue bank to remove said tissue.

SEC. 7. TISSUE DONATIONS BY THOSE HAVING RIGHT TO BODY.—Any person having the right to a body for the purpose of burial may by a written statement donate any tissue from such body to any tissue bank, and in such written statement may designate the purpose or purposes for which such tissue is to be used. Such writing shall constitute full authority for the tissue bank to use such tissue for the purposes of this Act.

SEC. 8. PERSONS ENTITLED TO THE BODY.—For the purposes of this Act, the order of priority in which persons are entitled to the body for burial and who may donate tissue therefrom shall be the following:

(a) The surviving spouse.

(b) If there be no surviving spouse, or if the surviving spouse is incompetent, unavailable, or does not claim the body for burial, then an adult child, a parent, an adult brother, or an adult sister of the decedent. Any one of such persons may make such donation: *Provided,* That tissue shall not be removed pursuant to a donation made by any one of such persons designated in this subsection if, before such tissue is removed, any one of such persons shall, in writing, notify the tissue bank which is to remove the tissue that he objects to such removal.

(c) Any person whom the deceased during his lifetime designated by written instrument to take charge of his body for burial.

(d) The person or agency who or which assumes custody of the body for burial, in any case in which the person designated as provided in paragraph (c) or all of the persons mentioned in paragraph (a) or (b) of this section have failed to claim the body.

SEC. 9. OFFICE OF THE CORONER.—(a) The Commissioners are authorized to appoint such number of licensed physicians as they deem appropriate to perform such of the functions of the Coroner of the District of Columbia as the Commissioners shall prescribe. The Commissioners are authorized to fix the compensation of such physicians at a rate or rates not in excess of the per diem equivalent of the maximum rate for grade 18 of the General Schedule of the Classification Act of 1949, as amended. The Commissioners are further authorized, in their discretion, to accept the services of such physicians without compensation.

(b) The Coroner of the District of Columbia may, in his discretion, allow tissue to be removed from any dead human body in his custody or under his jurisdiction: *Provided,* That such tissue removal shall not interfere with other functions of the Office of the Coroner: *Provided further,* That the person who, in accordance with section 8 of this Act, is entitled to the body for burial, shall first authorize such tissue removal.

SEC. 10. MOVEMENT AND DISPOSITION OF TISSUE BY TISSUE BANKS.—Sections 675 and 676 of the Act entitled "An Act to establish a code of laws for the District of Columbia", approved March 3, 1901 (31 Stat. 1296), as amended by the first section of the Act approved September 22, 1950 (64 Stat. 904; sec. 27–119a, D.C. Code, 1951 ed.), are amended (a) by striking, in the first sentence of such sections, the words "remove, transport,"; (b) by inserting immediately after "designate," in such first sentence the following: "or to remove from place to place, or transport, the dead body, or any part thereof, of a human being, except"; and (c) by inserting immediately after such first sentence of such sections the following: "Notwithstanding the provisions of the preceding sentence, the Commissioners may, in their discretion, by regulation authorize (a) tissue banks operating pursuant to the District of Columbia Tissue Bank Act or (b) other persons subject to regulations made pursuant to such Act, or both, to remove, transport, and dispose of tissue taken from such dead body without such permit."

Sec. 11. Removal of Tissue Immediately After Death.—Section 683 of the Act entitled "An Act to establish a code of laws for the District of Columbia," approved March 3, 1901 (31 U.S.C. 1298; sec. 27–125, D.C. Code, 1951 ed.), is amended by adding at the end thereof the following: "Notwithstanding the provisions of this section, whenever any person is pronounced dead by a physician duly licensed or duly registered under the Healing Arts Practice Act of the District of Columbia (45 Stat. 1326; title 2, ch. 1, D.C. Code, 1951 ed.), tissue donated in accordance with the provisions of the District of Columbia Tissue Bank Act may be removed by or under the supervision of a person licensed under the authority of section 4 of such Act for preservation in a tissue bank operating pursuant to such Act, without regard for any time limitation, or for any permit or certificate requirement, established by this section: *Provided*, That with respect to a dead human body in the custody of the Coroner or under his jurisdiction, no tissue shall be removed therefrom for preservation except with the specific approval of the Coroner in each case."

Sec. 12. Exemption of Licensed Undertakers From Act.—Nothing in this Act shall be construed (1) to prohibit undertakers licensed pursuant to paragraph 44A of section 7 of the Act entitled "An Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes", approved July 1, 1902, as amended (61 Stat. 711; sec. 47–2344a, D.C. Code, 1951 ed.), from discharging their duties, or (2) to prohibit or affect in any way the authority, duties, rights, or obligations vested, imposed, or granted by the Act entitled "An Act for the promotion of anatomical science and to prevent the desecration of graves in the District of Columbia", approved April 29, 1902 (32 Stat. 173, D.C. Code, 1951 ed., title 2, ch. 2).

Sec. 13. Coordination of Act With Reorganization Plan No. 5.—Nothing in this Act shall be construed so as to affect the authority vested in the Board of Commissioners of the District of Columbia by Reorganization Plan Numbered 5 of 1952 (66 Stat. 824). The performance of any function vested by this Act in the Board of Commissioners or in any office or agency under the jurisdiction and control of said Board of Commissioners may be delegated by said Board of Commissioners in accordance with section 3 of such plan.

Sec. 14. Effective Date.—This Act, except section 4, shall take effect upon approval. Section 4 shall take effect sixty days after the Commissioners have initially promulgated regulations pursuant to such section.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA NONPROFIT CORPORATION ACT

Mr. McMILLAN. Mr. Speaker, by direction of the Committee on the District of Columbia, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 6967) to provide for the incorporation of certain nonprofit corporations in the District of Columbia, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, after line 47, insert:

"107. Act Not To Affect Internal Revenue Code of 1954."

Page 3, strike out "107, 108, 109, and 110" and renumber as follows: "108, 109, 110, and 111".

Page 4, line 14, strike out all after "or" down to and including "income" in line 18 and insert "officers; except nothing in this Act shall be construed as prohibiting the payment of reasonable compensation for services rendered and the making of distribution upon dissolution of final liquidation as permitted in this Act".

Page 27, line 17, strike out all after "Act" down to and including "income" in line 19.

Page 55, line 18, after "registered" insert "or certified".

Page 105, after line 5, insert:

"ACT NOT TO AFFECT INTERNAL REVENUE CODE OF 1954

"Sec. 107. Nothing in this Act shall be construed as repealing or affecting any provision of the Internal Revenue Code of 1954."

Page 105, line 7, strike out "107" and insert "108".

Page 105, line 15, strike out "108" and insert "109".

Page 105, line 22, strike out "109" and insert "110".

Page 106, line 2, strike out "110" and insert "111".

Mr. McMILLAN. Mr. Speaker, the Senate amendments to H.R. 6967 which my committee unanimously approved at our regular meeting on July 11 are self-explanatory.

All the Senate amendments are clarifying amendments and do not vitally affect the original bill which passed the House.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA HOSPITAL CENTER

Mr. McMILLAN. Mr. Speaker, on behalf of the Committee on the District of Columbia, I ask unanimous consent for the immediate consideration of the bill (H.R. 12547) to amend the act of August 7, 1946, relating to the District of Columbia Hospital Center, to extend the time during which appropriations may be made for the purposes of that act.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act entitled "An Act to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia, to authorize the making of grants for hospital facilities to private agencies in the District of Columbia, to provide a basis for repayment to the Government by the Commissioners of the District of Columbia, and for other purposes", approved August 7, 1946 (60 Stat. 896), as amended, is amended by striking out "on the last day of the second session of the Eighty-seventh Congress" and inserting in lieu thereof "June 30, 1963".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

POINT REYES NATIONAL SEASHORE, CALIF.

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 732 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 476) to establish the Point Reyes National Seashore in the State of California, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from California and, pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 732 makes in order the consideration of S. 476, which is a bill to establish the Point Reyes National Seashore in the State of California.

Mr. Speaker, this is the second bill which has come before the Congress during the past 2 years making in order the establishment of seashore national parks. We have in this country over 60,000 miles of seashore. Yet only something like one-third of it is suitable for public use and recreational use. Yet at the same time only a few hundred miles of the seashore of our country are actually today in use and open and available to the public.

Mr. Speaker, in line with recent policies which have been established to try to preserve and to conserve these areas for the American people of today as well as future generations, this will be another step in preserving a great area for public use, and make it possible for people not only in the area, but people from throughout the 50 States of our Union to go to and enjoy the scenic wonders, the beauties, as well as to engage in recreation at the Point Reyes, Calif., seashore.

Mr. Speaker, this will represent the first establishment of a national seashore park on the Pacific Ocean. I believe this is a good piece of legislation. It has received much consideration by the Committee on Interior and Insular Affairs and I think a very able case was made for the legislation at the time it was presented before our Committee on Rules.

Mr. Speaker, I urge the adoption of House Resolution 732.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as stated by the gentleman from California [Mr. SISK], House Resolution 732 makes in order the consideration of the bill S. 476 with 2 hours of general debate and an open rule.

This will create another national seashore. The area is located 35 miles north and west of San Francisco on the Marin County coast.

The national seashore park that this will encompass is about 53,000 acres. Of this total, at least 26,000 acres are now in dairy and beef cattle ranches and it could not be acquired; I believe that under section 4 of the legislation it could not be acquired for public use as long as it continues to be used for ranching purposes, its present purposes. If some time subsequent the purpose for which that land is being used is changed so as to upset the pastoral scenic effect of this particular area, then the Government will have the right under condemnation to proceed to obtain those parcels of land which have changed their operation. But 23,000 acres, including some of the peninsula's spectacular shoreline would be acquired for public recreational use as soon as funds are appropriated.

It is reported that subdivision interests are also competing for this particular area at the present time. That is one of the reasons why the committee and the Commissioner saw fit to start early on projects like this, because it may be less costly at this time than it would be in the future.

About $14 million is the estimate for the cost of the land that they anticipate acquiring at this time. The National Park Service also has estimated that development of this land over the next 6 years or so would be at a cost of about $8.5 million additional. Included in the development cost is a proposed marina and fishing center similar to that already in operation at Cape Hatteras National Seashore in North Carolina.

The attitude of the House in connection with this Point Reyes proposal will probably be a significant step as to what our future action may be. We have had Cape Cod; we have had Cape Hatteras, and the Senate has already passed a bill which is now pending in the House Committee on Interior and Insular Affairs to establish the Padre Island National Island Seashore in Texas. There are other proposed projects which are less advanced, but they are under consideration as seashore and lakeshore or recreational area proposals. Some of those would be the Oregon Dunes in Oregon, the Ozark Rivers in Missouri, Pictured Rocks and Sleeping Bear Dunes in Michigan, Allagash River in Maine, Between-the-Lakes in Kentucky and Tennessee, and Tocks Island in New Jersey and Pennsylvania.

The reason I bring those to your attention is that if there is any controversy on this particular measure I would suggest that they may arise in these areas.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from Michigan.

Mr. FORD. I notice the gentleman mentioned two such projects in Michigan. I have read the committee report on the legislation before us and I want it on record today that there is absolutely no comparison between this proposed project and the Sleeping Bear project in Michigan. They should not be mentioned in the same breath. The circumstances, the facts, are entirely different. I can assure the gentleman that if the Sleeping Bear legislation as presently proposed by Members of the other body should come to the House there would be considerable—and I emphasize considerable—opposition.

Mr. SMITH of California. I thank the gentleman. I simply wanted to mention these because if we approve this, we may start a pattern.

Mr. Speaker, as far as I am concerned personally, I would be perfectly willing to give away much less money by way of foreign aid and do some of these things such as this project will call for for our own deserving U.S. citizens. If we do not preserve some of these areas, as time goes on our citizens are going to be compelled to go to high-class motels or hotels or other points to get to these recreational areas such as this bill will establish.

There may be some discussion on the matter of the money. In my own opinion $14 million probably will not take care of the entire cost of acquiring the land. It may cost more than that. But we are not talking about billions of dollars in this bill; we are talking about millions of dollars. This is a start. It may cost more than $8.5 million to develop the area as time goes on. But these are the best estimates the committee has given us at this particular time. Our decision will be as to whether to proceed with this project which I think is a good project and then from that point determine what we want to do with subsequent projects which will undoubtedly be brought to the attention of the Congress.

Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. AVERY].

CALL OF THE HOUSE

Mr. SPRINGER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. ALBERT). Evidently a quorum is not present.

Mr. HALEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 170]

Alexander
Alford
Anfuso
Bass, N.H.
Blitch
Boggs
Bolling
Bolton
Bow
Boykin
Brademas
Brewster
Buckley
Celler
Chamberlain
Coad
Cook
Corbett
Cramer
Curtis, Mass.
Curtis, Mo.
Daddario
Daniels
Davis, James C.
Davis, Tenn.
Dent
Diggs
Dominick
Edmondson
Ellsworth
Farbstein
Fenton
Findley
Finnegan
Fino
Fogarty
Frazier
Gallagher
Garland
Glenn
Granahan
Gray
Gubser
Halleck
Hansen
Hardy
Harrison, Va.
Healey
Hébert
Hemphill
Hoffman, Mich.
Holland
Ichord, Mo.
Kee
Kelly
Kilburn
King, Utah
Kluczynski
Lesinski
Lipscomb
Loser
McDowell
McSween
McVey
Macdonald
Martin, Mass.
Merrow
Miller, N.Y.
Minshall
Montoya
Moorehead, Ohio
Moorhead, Pa.
Morse
Moulder
Multer
Nedzi
Nix
Norblad
Osmers
Pilcher
Pillion
Powell
Purcell
Roberts, Ala.
Robison
Rogers, Tex.
Rostenkowski
St. Germain
Santangelo
Saund
Scherer
Scranton
Selden
Shriver
Sibal
Slack
Spence
Steed
Stratton
Taber
Thompson, La.
Thompson, N.J.
Weaver
Weis
Whalley
Willis
Winstead
Yates
Zelenko

The SPEAKER pro tempore (Mr. ALBERT). On this rollcall 323 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

POINT REYES NATIONAL SEASHORE, CALIF.

Mr. AVERY. Mr. Speaker, this is a very important bill. It will cost $14 million. In addition to that, it dislocates a substantial number of people, and whenever there is a dislocation of a number of people and land and property is taken from them against their will, it always is extremely important to them and important to the Congress of the United States. But, I do not think that is the most important issue here today.

Mr. Speaker, I would like mostly to reiterate a few remarks made by my colleague, the gentleman from California [Mr. SMITH]. In my judgment, Mr. Speaker, the issue today is not simply authorizing Point Reyes as such. I think actually the House is passing judgment on a package of recreational and conservation areas that was submitted to the Congress by the President of the United States on March 1 of this year in a Presidential message. You will recall that message. It was a rather lengthy one, and it encompassed quite a number of different points. But, the crux of it, in my judgment, is this: There are nine national park areas that were recommended in this Presidential message. By coincidence, or otherwise, I am not sure, the Point Reyes National Seashore Park in California was first on that list. There are eight other park areas that will follow.

Now, I asked the distinguished chairman of the Committee on Interior and Insular Affairs if the list submitted by the President signified any particular list of priorities. I recall—and I do not want to misquote him—I think he replied that it did not necessarily suggest priorities; that the committee of the House would consider them; there were other factors that would be considered by the committee but that the committee, of course, would take into consideration the recommendation of the administration.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I will be very happy to yield to the chairman of the committee in order that this point might be clarified.

Mr. ASPINALL. The gentleman's statement is substantially correct. The folks downtown recommended to the Congress at least eight new additions to the national park system. As far as I know they did not attempt to establish any priorities. In any event, the House Committee on Interior and Insular Affairs will take care of its own plans in these particulars and will establish the priorities as they appear to be justified. Congress approved the Cape Cod installation last year. Today we have the second authorization, the legislation for Point Reyes. The next will be—and we hope in this session—the legislation for Padre Island. Others will follow in line with the wishes of Congress.

Mr. AVERY. Would the gentleman agree with me that by and large we are, in effect, passing judgment on this concept of preserving these areas that were designated for public use?

Mr. ASPINALL. We are following through with a policy that was established several years ago when we authorized the inclusion of Cape Hatteras as a national park unit, and then we went to Cape Cod, and now we are at Point Reyes on the other side of the continent.

Mr. AVERY. The other point I wish to make is this: In the Presidential message it was suggested that a user fee be attached for the use of these public areas and that the fees, in turn, should create a revolving fund which could be used to acquire other public use areas. Now, I do not think anybody has been any more critical of the fiscal policies of this administration than I, but I want to stand here in this well today and say that I certainly endorse the approach on financing recreational areas. I think it is entirely sound that a user fee be attached for the use of these public recreational areas.

Mr. Speaker, it is quite appropriate then that this fee should go into a fund which would, in turn, be used to acquire such additional areas as Congress might deem in the public interest and for the upkeep and so-called "housekeeping expenses" of the areas that are now under custody. I might just refresh the memory of the House in this respect: These were the user fees which were suggested by the President. I am not saying that these are the right ones, but I am saying that I think the principle is right.

Mr. Speaker, the President proposed that the proceeds come from entrance, admission and user fees and charges for the Federal recreational areas. That is category No. 1. Category No. 2—and this is highly controversial—annual user charges on recreational boats. No. 3, a diversion from highway trust funds of refundable but unclaimed taxes paid on gasoline used in motorboats. Fourth, the receipts from the sale of surplus Federal nonmilitary land.

Mr. Speaker, perhaps that is the right source of revenue. I do not know. But certainly I do endorse the principle that the persons using these areas should pay for their upkeep and should also substantially provide the funds that will, in turn, be used to acquire supplemental areas.

Mr. SMITH of California. Mr. Speaker, I yield 10 minutes to the gentleman from Iowa [Mr. KYL].

Mr. KYL. Mr. Speaker, with this resolution and this bill comes an opportunity to discuss the principles, philosophies and trends in our national park and recreational programs. This is a legitimate subject for floor discussion because it is not a simple matter as it might seem to one who has not had to deal intimately with the problem, nor is it insignificant financially, because we are spending much money and we are going to spend more. Philosophically, it is important because it is at the heart of conservation, not only conservation of the natural wonders and historical items, but conservation of people as well. I am confident that every Member of this House will be directly concerned in the near future, because this subject will most certainly touch on his own congressional district.

Mr. Speaker, early national parks were created mostly through the philanthropies of individuals and from areas of public domain. The purpose of these national parks was to preserve forever some archeological, geographical, or other natural wonder for all future generations of Americans. This designated use was very restrictive.

Then came the addition of national monuments and historical sites to be preserved as a stimulus for national appreciation and for education in history. All of these preserved areas were of national significance. They were national in character. Their administration was logically national. Now, however, we enter a new phase in which we seek to preserve areas of regional significance and areas where the Nation can seek recognition of a more active kind. Included now are areas to be used for mass recreation.

Mr. Speaker, our outlook, therefore, is different. Our procedures are different, and there are new and different problems. I think we should be aware of those problems.

This problem might be demonstrated, I believe, by a comment made by the gentleman from California [Mr. SISK], a very knowledgeable individual in this field, a man who has served on the committee, when he referred to these seashore areas as seashore national parks. Actually, because we are embarking upon a program in new areas, we have to designate which is a national park and which is a seashore area, and so on. One might say, "What's in a name?" Legally, there is a very great difference.

I noted that most of the early parks were created out of public domain or by private philanthropy. Today most of the land included in these new preservations is held by individuals and by industries. This land must be purchased. In many instances the price is high and in some instances acquisition of the land is very difficult. Always there must be in our consideration a weighing of the public good and individual rights. This becomes a serious question in this deliberation. Today we are discussing a specific area, Point Reyes. It is an unusual area. It is beset by many problems which are typical in these new concepts of national preservations. The land here is privately held in large measure. The use suggested is a multiple use. A major argument in favor of the bill is that this area is close to a city with burgeoning population, with great new needs for recreation and relief from the carbon monoxide canyons of the metropolitan center. However, this argument also indicates that the maximum use of this area will be by the region rather than by the Nation. It will, of course, be a tourist attraction for all Americans to a degree, but certainly not to the degree demonstrated by thousands of acres in other similar reservations in the same State and in neighboring States.

This is not Yosemite; it is not the Grand Canyon; it is not the Carlsbad Caverns. I am not here deprecating the island. I am merely suggesting that perhaps this preservation might be better included in a concept of regional preserves with more local contribution and with considerably more local administration.

Now, with this new program, this new trend, comes the problem of property acquisition. In the first place, what will this cost? Perhaps it is worth 10 times what it is going to cost. The figure set here is $14 million. I personally do not think that this land can be bought for double or triple that amount and there are reasons, valid reasons for suggesting that the cost might be greater. Remember, I said that the value might be three times what we are paying for it. But we have to be a little honest with ourselves in these things. I do not intend to belabor this point. But I do think it is significant that we heed the basic problems involved in this new concept and problems of financing.

There is another matter here of the inholdings. In many national parks there are areas still owned privately. These at least are the problem for the administrators of the Park Service. The inholdings make administration more costly. Furthermore, the inholding always poses the threat of establishing commercial developments or of unsightliness which detract from the value of the preservation. In the Nation's Capital we are aware of the problem which exists at Gettysburg where inholdings almost destroy the value of the area. In this bill we actually create more of these inholdings which we admit are problems. It is the intent of the Department of the Interior and apparently of the Congress that some day these inholdings will become part of the preservation.

I should like to point out that the Committee on Appropriations of the House has been miserly in providing funds for such acquisition of inholdings. I am not arguing that there is no wisdom in their decisions. I simply point to this as a fact. We must work out better methods of purchase than we now have.

Section 4 of this bill illustrates the desire of the Interior Committee to protect individual property rights. This is actually a compromise of convenience. We say here that we are restricting the authority of the Secretary in section 4. However, we imply a restriction on the landowner. The man who owns one of these excepted dairy farms can hold his land so long as he uses it for present purposes. Oh, yes, he can subdivide, and build, and sell. But as a matter of hard, cold fact how free is he to do this when he knows that the moment he starts to subdivide or build or use this land for any other purpose, then the land becomes subject to condemnation? After all, it is the purpose of this bill to prevent construction of any residences or commercial development which will detract from the area to be owned by the Government. So there is very little freedom for the landowner, even though we ostensibly write in a restriction on the Secretary.

Mr. Speaker, we might turn to the experience in the Cape Cod area where there are people who own property who are ready to sell the property. The Government is not ready to buy. The property owner must continue to pay local taxes on the property, but he cannot use his own property and he cannot sell his own property. I suggest that this kind of arrangement, if it does not violate traditional American property rights, is at least grossly unfair to the property owners in these areas.

These are the factors I would ask you to ponder, because I think this is the time you ought to think about these problems you are going to face in this particular area on bills that are coming to you.

The Committee on the Interior and Insular Affairs, under the very able leadership of the gentleman from Colorado [Mr. Aspinall], the gentleman from Texas [Mr. Rutherford], and the ranking member, the gentleman from Pennsylvania [Mr. Saylor], in trying to implement the recommendations of the Outdoor Recreation and Resources Commission Report, is trying to coordinate this effort so that there is no piecemeal planning, so that we can have an orderly arrangement. With this Commission report as a background there is a new stimulus to the acquisition of additional land. The idea is good. I think the process is a necessity. But in our enthusiasm we must not gloss over the intricate difficulties which may come back to haunt us when general pride of accomplishment wanes. Indeed, failure to consider the problems adequately now might soon cause the entire program to slow to a halt before the worthwhile goals are accomplished.

Mr. CLEM MILLER. Mr. Speaker, will the gentleman yield?

Mr. KYL. I yield to the gentleman from California.

Mr. CLEM MILLER. Those of us who have been working since the very beginning with the House author of this legislation have certainly tried in every way possible to find compromises so that it would be satisfactory. I for one would certainly like to see the ranchers of the area be paid promptly when they are prepared to sell. We have tried in every way possible to accommodate the ranchers so that when they are ready to sell the Government will buy. We ran up against the objection that we cannot make prospective appropriations. Is there any possible answer to this question that the gentleman will regard as satisfactory?

Mr. KYL. I would say to the gentleman from California that when the appropriate time arrives I intend to offer an amendment which I do not think is an answer to the entire problem, but I think it is an improvement over what we have and should serve as a point of departure for future consideration.

Mr. CLEM MILLER. I would be very happy to accept that proposal. We are very earnestly seeking to have the problem solved.

Mr. KYL. The problem we have here is accommodating those with property rights and yet having an orderly establishment of these areas. I think this entire area is something we must look into now because of the vast amount of this type of legislation that will be coming to us in the near future.

Mr. SISK. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

Mr. RUTHERFORD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 476) to establish the Point Reyes National Seashore in the State of California, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 476, with Mr. Watts in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. Rutherford] will be recognized for 1 hour, and the gentleman from Pennsylvania [Mr. Saylor] will be recognized for 1 hour.

The Chair recognizes the gentleman from Texas [Mr. Rutherford].

Mr. RUTHERFORD. Mr. Chairman, I yield 5 minutes to the able and distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Colorado [Mr. Aspinall].

Mr. ASPINALL. Mr. Chairman, this bill, S. 476, to establish the Point Reyes National Seashore is as has been stated the second of three bills to establish new major units of the national park system to which our Subcommittee on National Parks has devoted a substantial part of its time during the present 87th Congress.

Taken together, these three bills, one dealing with the national seashore, as stated, on the eastern shore, Cape Cod; one on the west shore, Point Reyes; and one on the southern shores, Padre Island, situated in Texas on the Gulf of Mexico, pretty well reflect, I think, the thinking of the people of the United States as of this time as to their wishes where recreational facilities should be placed now. Certainly, they reflect the thinking of the Committee on Interior and Insular Affairs.

There was a suggestion made a while ago by the gentleman from Kansas [Mr. Avery] as to the amount of legislation that is before our committee. May I say that it is an enormous amount of legislation and we have had to choose priorities. We have chosen priorities not only because of the thinking of the people, but we have chosen priorities because of the necessity of getting facilities near those areas that we think are in need of attention as of this time.

The emphasis, as one can readily see, has been threefold: First, these additions should be readily accessible to large population centers; second, they should provide not only for conservation of the resources of the area involved but also for their use and enjoyment by the people; and, third, they should be near or on the water.

To none of these elements have we paid sufficient attention in the past. There has been too strong a tendency to concentrate attention on preservation rather than on active use of our park resources. There has been too strong a tendency to keep far away from the population centers. And there has been too strong a tendency to let shorelines of our country slip into almost completely private ownership.

Enactment of S. 476 will, in a small degree, help to correct this. The 53,000 acres proposed for inclusion in the Point Reyes National Seashore lie within 30 to 35 miles of downtown San Francisco. A population of 5 million people already live within 100 miles of this seashore, and population experts tell us that this figure will more than double before the end of the century. In addition, San Francisco is itself a tourist mecca which attracts visitors from all parts of the country. Many of these will undoubtedly take advantage of the existence of the national seashore and include it in their travels as they do the other great units of the national park system in California with which we are blessed.

Point Reyes, moreover, gives us an almost unparalleled opportunity to save a long and unspoiled stretch of our seashore for the people of this country. It includes 25 miles on the Pacific Ocean, 25 miles on Drakes Bay, 10 miles on Tomales Bay, and 12 miles on Drakes Estero—a total of about 72 miles, almost all of which is still in its original condition. The wonder is that so much unbroken shoreline could still exist so near the great metropolitan area of San Francisco, that the subdividers have not gone a lot further than they have. That is the wonder. The challenge is to provide a means of keeping it this way for the benefit of all the people. There are too few opportunities to let this one slip by.

I do not intend at this time to go into any more details on the subject. These will be handled by the chairman of our Subcommittee on National Parks, the gentleman from Texas [Mr. RUTHERFORD], and by the Members from the area. Let me merely close by expressing my appreciation to all of them for the fine work they have done and my hope that the House will see fit to pass the bill.

Mr. SAYLOR. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, Congress today has before it a bill which will determine in large measure whether or not we have the courage and the foresight to attack a problem which has existed for many years and which our predecessors have seen fit to ignore; that is the problem of providing the growing American public with areas of our national seashore to which they can go.

Of the 60,000 miles of seashore in the United States approximately 2 percent or 2,100 usable miles are suitable for recreational use. Nearly all of this is in private ownership, and one of the difficult problems the families of America find is that they cannot take their children and themselves and go where there is water.

In California at a place that is near and dear to the hearts of every history-loving American student, the place where Sir Francis Drake beached his boat when he was making his trip around the world, is Point Reyes. It is a beautiful spot.

The beach is in substantially the same condition it was when Sir Francis Drake first saw it.

The purpose of this legislation is to make sure that the people of these United States can have this seashore area for their use and enjoyment.

One of the growing areas of the United States is metropolitan San Francisco. There are about 4 million in that area right now. It has only been because the property at Point Reyes has been in the hands of a few families that this delightful area has not fallen under the rule of subdivisionists. Some of the property owners who live in this area are descendants of third, fourth, and fifth generations. They are interested in the dairy business and interested in carrying on their own business.

The committee made sure that those who are engaged in the dairy business may be permitted to carry on.

One of the interesting things that happened in the history of this bill before our committee is that the testimony disclosed that these people who have been in the dairying business were worried. They came here with their attorney. The principal thing they wanted to make sure of was that they could continue the same kind of operation they had inherited. When they received the assurance of the committee we would take care of them and grant them this permission, it seems that the attorney lost his case.

Immediately thereafter we began to be besieged by telegrams and letters from the owners of a few small tracts of land telling us they were violently opposed to what was going to happen at Point Reyes.

One of the newspapers early this spring—the exact date was the 14th of April—carried an advertisement which stated that Congress was about to adjourn, that while there had been a great deal of talk of establishing the Point Reyes National Seashore, in all probability Congress would not do it, and stating that people should immediately contact certain developers.

It so happens I have a relative who visited California. He went out to this area. He saw one of the prospectors and told him he was interested. The man said, "In all probability you will not be able to keep it, but if you want to make a fast buck here is the place to do it. You can get it, I know it sounds like a high price, but when Uncle Sam condemns it you will be able to double your money."

I am sure that when the Secretary and those whom he will designate appear in the area to make arrangements for the acquisition of this property, a lot of these washout sales will be found to be fictitious and the property will be acquired at its real value.

I certainly hope that with the establishment of the Point Reyes National Seashore this will be but the beginning of a program of establishing seashores in other areas of this country.

It is remarkable, if you were to ask people today whether or not they considered our national forests an asset to our country, I doubt if you could find one person in these United States that would challenge that statement, and yet it was only because of the foresight of President Theodore Roosevelt and Gifford Pinchot, who saw what certain timber barons had done in the eastern part of the United States, that we today have our national forests. They were about to rape the West of its timber as they had done in the East. President Theodore Roosevelt, by Executive order, set aside most of the area that is now in our national forests. Unfortunately, we have not yet had anyone who has been foresighted enough up to now to set aside sufficient areas for recreation of the people in the areas where people are. It is true that we have a grand national park system, but unfortunately most of our national parks are in areas where we have very few people. In the great metropolitan areas we have hardly any national parks or monuments. So, this, I believe, is the beginning, following the establishment of Cape Cod National Seashore in Massachusetts, the establishment of Point Reyes National Seashore in California, and the acquisition of other seashore areas where people may go to enjoy the leisure time that they will have.

Mr. Chairman, I know of no opposition to this bill. It has bipartisan support in the State of California. Both Senators introduced legislation that passed over there. All of the California delegation have indicated their hearty support to our committee.

I would like to take this opportunity to commend the gentleman from California [Mr. CLEM MILLER] in whose district this area is situated. The gentleman has been a strong advocate of this legislation. He has devoted untold hours in the hearings to work out many of the difficult problems that exist, and it is to him and to the other members of the California delegation from that area that a great deal of credit is to be given.

Mr. BRAY. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Indiana.

Mr. BRAY. Are the people, generally, in that community in favor of this legislation?

Mr. SAYLOR. Well, I might say that most of the people in California that have appeared before our committee are in favor of it.

Mr. BRAY. Both Senators are in favor of it?

Mr. SAYLOR. Both Senators are in favor of it.

Mr. BRAY. And the members of the congressional delegation?

Mr. SAYLOR. The members of the congressional delegation are in favor of it.

Mr. BRAY. There is a considerable difference between that and the attitude toward the Indiana Dunes National Park, then, is there not?

Mr. SAYLOR. Well, that is correct.

Mr. BRAY. That is fine. You are not trying to force that upon the State of California.

Mr. SAYLOR. We are not trying to force that upon the State of California, that is correct.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Colorado.

Mr. ASPINALL. That was a situation that caused us to bring up at this time this particular project, along with some other reasons, was it not?

Mr. SAYLOR. That is correct.

I might say that we will be perfectly willing to say to my colleague, the gentleman from Indiana [Mr. BRAY] when the time comes and we receive a request from downtown for the creation of the Indiana Dunes National Seashore, I am sure we will consider it before our committee and we will give the Senators and all the Members of the congressional delegation from that great State an opportunity to appear and testify.

Mr. BRAY. Mr. Chairman, will the gentleman yield further?

Mr. SAYLOR. I would be delighted to yield further to the gentleman from Indiana.

Mr. BRAY. The gentleman talks about "downtown." Does the gentleman mean when the Secretary of Interior wants to put a park in a State that does not want it, then it will be brought up?

Mr. SAYLOR. No; I did not say that at all. I introduced that bill because I have been to the Indiana dunes. I think they are grand enough that they should be preserved. I regret a great deal that the people of Indiana have not been farsighted enough to set this unusual area aside themselves. I commend them for establishing the park which they did establish, but this park is wholly inadequate.

Mr. BRAY. If the gentleman will yield further, the gentleman is aware that Indiana is the only one of the States adjoining the Great Lakes which did preserve its dunes?

Mr. SAYLOR. No, sir, the State of Indiana is not the only State that preserved a portion of it. New York, Pennsylvania, Wisconsin, Michigan, Minnesota, and Illinois have all helped, too.

Mr. BRAY. If the gentleman will yield further, the State that is most interested apparently now in establishing a park—a Federal dunes park—in Indiana, is the same State that destroyed their dunes?

Mr. SAYLOR. That is right.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I am happy to yield to the gentlewoman from Illinois.

Mrs. CHURCH. I would say to the gentleman that the State of Illinois has within recent years established a State park to protect for public use that part of its shoreline which was still available. We only wish that we had had the foresight to preserve more of such area, as many wish the State of Indiana to do now.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from California.

Mr. ROOSEVELT. I also would like to say to the gentleman from Indiana that speaking for some of us from southern California, we are heartily in favor of this measure and we want to commend the committee, its chairman, and subcommittee chairman, the gentleman from Texas [Mr. RUTHERFORD], for its foresight and overall policy in developing and preserving this fine seashore area. My esteemed colleague, the gentleman from California, CLEM MILLER, deserves great credit for the patient and constructive efforts he has exerted resulting in this workable compromise measure.

Mr. RUTHERFORD. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, Members of the House will recall that the last time I brought to the floor a bill to establish a new and a major unit of the national park system it was in connection with the Cape Cod National Seashore in the State of Massachusetts. That was on July 10, 1961, when the bill passed by a vote of the House of 278 to 82. Today I am pleased to be able to present to the floor and to give my support to a bill which would establish another national seashore, this time at the opposite end of our Nation, the Point Reyes Seashore in California.

Mr. Chairman, the two areas are similar in many respects, and the benefits which the Nation will derive from them are quite comparable. Cape Cod lies near the Boston metropolitan area. Point Reyes lies near the San Francisco metropolitan area. Cape Cod will serve not only the population of 2.5 million people who reside in the Boston area, but the tens of thousands of visitors who come there every year from all parts of the country. Point Reyes will serve the San Francisco Bay area of 2.8 million, plus the tens of thousands of tourists who visit the area every year. Cape Cod gives us an unspoiled shoreline of about 40 miles on the Atlantic. Point Reyes will give us an unspoiled shoreline of about 25 miles on the Pacific, plus another 45 miles of the Drake bay area. The boundaries of Cape Cod include about 27,000 acres. The boundaries of Point Reyes include about 53,000 acres. The public investment in Cape Cod was estimated at $16 million. The public investment at Point Reyes would be approximately $14 million.

Mr. Chairman, as the Cape Cod project had the blessings of the Commonwealth of Massachusetts, a large number of the Massachusetts congressional delegation, Point Reyes has the backing of the State officials—I might say a great number of the officials—as well as the individual people of California, and I am told a major portion and possibly all of the congressional delegation from that State.

Mr. Chairman, there are differences, of course, between the two areas, but for the most part these go toward making the Point Reyes proposition a much simpler one to handle than was Cape Cod. Cape Cod has long been a settled area; Point Reyes has thus far largely, though not completely, escaped the subdivider and is notable for its open space. In Cape Cod there were many hundreds, perhaps thousands, of individual owners to be considered; in Point Reyes, six parties own 48 percent of the land and 25 own 99 percent of it. All in all, I anticipate far fewer problems on Point Reyes than on Cape Cod.

Mr. Chairman, the ranking minority member of our Committee on Interior and Insular Affairs [Mr. SAYLOR] and I visited Point Reyes last year and inspected it. Let me say at this point that I extend to the distinguished gentleman from Pennsylvania [Mr. SAYLOR], many happy returns of the day, this being his birthday; I extend to him my congratulations.

It is my practice to make such a visit before I bring any major park service proposal to the floor. I can report unequivocally that I consider Point Reyes a worthy, even an outstanding, addition to our national park system—one that should have been made long since. I can report firsthand that Point Reyes has a wide variety of attractions that will make it enjoyable. It has beaches, it has towering bluffs along the ocean, it has mountains, it has small lakes, it has forests, and it has pastureland. One would have to go far before he found such variety in so small a compass elsewhere.

In marking up the bill in committee, we tried to take full account of all reasonable requests. The big ones were handled easily. A.T. & T. and RCA between them own about 4,000 acres within the boundary of the national seashore which they use for their international transmitting stations. They did not ask to be excluded from the seashore and they have not been excluded, but they and the Department of the Interior have an understanding that their ownership will not be disturbed as long as their lands continue to be used as they are being used at present and that, if they decide to sell, they will first offer them to the Government. There is a similar understanding between the Department of the Interior and the Vedanta Society, a religious organization which has a large holding on Point Reyes.

Witnesses appeared before our committee on behalf of certain of the dairy ranchers and assured us that their sole concern is with being able to continue their ranching operations. The bill, as we bring it to you, will permit them to do so. All of these ranches are upwards of 500 acres in size and, as long as they are maintained as ranches, will contribute to the beauty of the area. The proposal in the original bill would have permitted the Secretary of the Interior to acquire these ranches immediately and, in effect, to lease them back to the ranchers. There was a good deal of merit to this provision but it has been changed, out of deference to the representations of the ranchers, to provide that ranches of this size will not be subject to condemnation as long as they are used for ranching purposes. If they wish to sell at a fair price, of course, the Secretary is authorized to acquire, but the bill specifically prohibits his using the Government's eminent domain powers in this connection.

I understand that a few of the ranchers are not yet fully satisfied, that they now think they may want to go out of the dairying business, and that they want assurance that the cash will be available when they decide to do so.

However, this is not on the record as far as the committee or the subcommittee is concerned.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield at that point?

Mr. RUTHERFORD. I am glad to yield to my able Chairman.

Mr. ASPINALL. The gentleman says that this is not on the record. The gentleman means that this particular evidence has not been brought before our committee as a part of the hearings; that to which the gentleman makes reference is information that supposedly is coming to us since the hearings were closed; is that correct?

Mr. RUTHERFORD. The gentleman is correct. The statement that was made on the record as far as the testimony is concerned was contrary to their expressions. These are statements made outside the hearings and are individual rather than organized testimony.

I can sympathize with their desires but I can only point out that the Committee on Interior and Insular Affairs has no desire to trespass on the jurisdiction of the Committee on Appropriations and therefore has not attempted to include in this bill, directly or indirectly, an appropriation to take care of such people as this. We have, however, included a provision stating the intent of Congress that lands included in the national seashore shall be acquired as rapidly as funds become available for this purpose. This will assure, as far as our committee can assure, against undue delay and, with good will on the part of all parties, ought to satisfy all reasonable men who understand our governmental processes. If the House wishes to go further than this, it will, of course, be free to do so, but no provision along the lines proposed is before you in the reported bill.

I want to point out, also, the provisions of section 6 of the bill under which the owners of property improved before September 1, 1959, will be permitted to retain a right to continue to use and occupy their property after it is acquired by the Government, the right expiring at the owner's death or the death of his spouse or on the date his youngest surviving child reaches the age of 30. This is very similar to, but somewhat more generous than, the comparable provisions in the Cape Cod legislation.

In the Cape Cod legislation the provisions are the same except that when the youngest surviving child reaches the age of 45 the rights expire.

Our committee amendments include one striking from the bill section 4(b) which would have given property owners in the Duck Cove area privileges not enjoyed by property owners in other parts of the seashore. If we had accepted this subsection we would, in good conscience, have had to extend it to other parts of the seashore and, in so doing, we would have multiplied the inholding problem and left no way for the Secretary of the Interior, now or in the future, to overcome it except at holdup prices.

Mr. Chairman, I believe that this will give the House an outline of the merits of the bill and of the more controversial provisions that we had to deal with in committee. I want, however, to say a word about the $14 million we have authorized to be appropriated for land acquisition. This is the best reasonable estimate we could find. There have been more recent transactions, I realize, at fantastically high prices which, if they were applied across the board, would result in a much higher figure than this. But these, fortunately, are isolated cases in the most favored areas and involved small parcels of land. They are not, I believe it safe to say, representative of the Point Reyes area, or even a substantial part of the Point Reyes area, considered as a whole.

Nevertheless, I am frank to say that the $14 million may turn out to be too conservative a figure and that it will so turn out if the assumptions on which it is based fail. If they do, we will come back to the House and ask for more. This is substantially the way it should be. We in the Congress, we in the Government, deal with real estate in a fish bowl. Everyone knows our intentions of taking and the result is that prices change.

These assumptions are, among others, that the land that is acquired will be acquired within a relatively few years before mounting prices destroy present values, that a substantial portion of it can be acquired by exchange for other Federal lands, and that the so-called ranching area will continue to be devoted to this purpose. At present, all of these appear to be reasonable assumptions, but there is no way in this or any other bill to stop the clock and to freeze present conditions. With this understanding, I believe the amount we authorize is a reasonable figure to use and I recommend it to the House accordingly.

Mr. Chairman, I hope Members will support S. 476 and I urge its passage.

Mr. CLEM MILLER. Mr. Chairman, will the gentleman yield?

Mr. RUTHERFORD. I yield to the gentleman from California.

Mr. CLEM MILLER. I would like to say to the chairman of this subcommittee that the conscientious and careful scrutiny that has been given this bill is a credit to the committee on both the minority and the majority sides.

May I ask a question of the gentleman. Is it not true with reference to the problems raised on this bill that we have sought in every way possible to meet the natural requirements of the homeowners and the ranchers of that area? Have we not sought in every way to accommodate to the demands that they have made upon us in order that their right to live there is untrammeled? Have we not sought to make it possible to enjoy their rights, to be preserved; is that not correct?

Mr. RUTHERFORD. The gentleman is correct. We have done everything in the world to agree with the residents on that point, I would say in a majority of the cases; and sometimes we have acceded to their position in toto and in other cases we have gone more than a reasonable distance in agreeing to what they even requested.

As I pointed out earlier, the big problems were the easiest ones to resolve such as the A.T. & T., the Vedanta Society, the RCA who own the largest area—some 4,000 acres. But we did have problems sometimes with the small half-acre lot owners who have no real investment on the point, but even on this point we have tried to be more than fair and reasonable to meet objections, I will say, on most points. There was an overwhelming acceptance of our procedures in Point Reyes in the taking of the land.

Mr. CLEM MILLER. Mr. Chairman, will the gentleman yield further?

Mr. RUTHERFORD. I yield to the gentleman from California.

Mr. CLEM MILLER. What the gentleman says is correct and is attested to by the fact that whatever opposition there was in the beginning, and there was substantial opposition, in every single instance that opposition has swung around either to acceptance or to outright approval. I might say, for example, that the Marin County Farm Bureau which was opposed to this project in its present form 2 years ago, now accepts it and the board of supervisors who were opposed to it, 4 to 1, now accept it and approve it. The four school boards in the area that believed the local tax base would be interfered with now accept the proposal wholeheartedly because they realize it will improve their tax base. Therefore, I would say the efforts of the gentleman and the other members of his committee in making conciliations have made this bill acceptable to the people of Marin County, and of California, and the people of the entire area. I thank the gentleman very much.

Mr. RUTHERFORD. I would like to clarify one thing. While there have been compromises, and that is the basis of any legislation, we have compromised and I think we have received the approval not only of the Farm Bureau in Marin County and the ranchers and farmers as well as the local governing bodies, but at no time while we have acceded to their requests and have been fair and reasonable with them have we violated the basic purpose and objective of maintaining this as a national seashore area. This is no new concept. We have had the same or a similar concept called the hole-in-the-donut concept in the Everglades which has proved to be very successful.

We feel this is a fair and reasonable compromise to the extent that from the very real opposition which existed in the beginning, there is almost wholehearted acceptance by all those concerned.

I think we have a very good bill and a very splendid bill for the people of Marin County in the State of California, and I will say a great asset to the Nation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. WESTLAND].

Mr. WESTLAND. Mr. Chairman, first of all, I would like to pay my compliments to the gentleman from Texas [Mr. RUTHERFORD], the chairman of the subcommittee, for his diligence in pursuing this legislation and actually going out and seeing the property himself and for all the hearings that were held before the subcommittee. I think this matter was gone into very thoroughly and, perhaps, they have come up with a bill that is agreeable to most people. But just so that the House does not get the idea that all is love and kisses on this matter, I think, perhaps, there ought to be one or two things gone into. I would be the first one to say that the gentleman from California [Mr. CLEM MILLER] and the gentleman from Texas [Mr. RUTHERFORD] have done their best to try to resolve some of these problems, and there have been quite a few. But, first of all, with reference to this little matter of Duck Cove which has been mentioned, I think it consists of about 14 or 15 or 16 acres or something like that. It abuts on a presently existing State park. Those people have been going out there for quite a few years. Some of them are veterans. They built some homes and they wanted to enjoy this property.

If this area is included in the park, as the gentleman from Texas said, this would create an inholding within the park. During the committee sessions I thought it was rather simple to eliminate that problem just by excluding Duck Cove from the park to begin with so that they would not be within the park boundary, and instead of the park area being 53,000 acres it would be 52,984 acres, and these people could have their way.

When I first heard of Duck Cove I thought it was a place where they shot ducks, but that is not so at all; it is a secluded area. So in that respect I am in disagreement with the members of the committee, and I am certainly in disagreement with the way the Park Service operates on some of these propositions. They want to take the whole hog and want to take the land most particularly where some individuals are concerned in wanting to retain their property.

One other matter, the gentleman from Pennsylvania mentioned recent sales of property. I have a letter from the law firm of Freitas, Allen, McCarthy & Bettini from San Rafael, Calif., dated March 31 of this year. These people indicate that if the prices at which sales have recently been made are continued this park will cost somewhere, according to their figures, between $38 and $78 million. That is quite a jump from $14 million. The gentleman from Pennsylvania indicated that these were phony sales. I think these people, at least to my satisfaction, documented the sales. Waterfront runs anywhere from $100 to $150 per foot. Prices indicate that beach front lots cost from $7,500 to a top of $15,000, whereas lots—and there are three pages of documented sales for cash—not a $10 downpayment and catch me if you can, but either for cash or very substantial downpayments—three pages of these; and the prices range from $3,500 to a high of $4,500.

I think the House should know what at least some people think this land is going to cost: not $14 million, not $20 million, but somewhere between $38 and $78 million.

Maybe people are taking advantage of the fact that this is a proposed national seashore. We in the committee have tried—I know the gentleman from Texas [Mr. RUTHERFORD] and the other members—to figure out how this could be avoided; nevertheless it is a fact and I think the House should know just what this situation is that affects the property owners of West Marin County.

Mr. RUTHERFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. COHELAN].

Mr. COHELAN. Mr. Chairman, I take this time to congratulate my friend and able colleague from the First California District [Mr. CLEM MILLER] for the tremendous effort he has put in on this bill. As a coauthor it has been a great privilege to be associated with him on this measure which is of such great importance to California and to the Nation. At this time I want to compliment the chairman of the committee, the gentleman from Colorado [Mr. ASPINALL] for his many courtesies, my good friend, the chairman of the subcommittee, the gentleman from Texas [Mr. RUTHERFORD], and the ranking minority member of the committee, the gentleman from Pennsylvania [Mr. SAYLOR] for the excellent work they have done on this bill.

Mr. Chairman, I rise in support of this constructive, forward-looking proposal to create a national seashore on the Point Reyes Peninsula.

Mr. Chairman, in very blunt terms, the problem of providing an adequate resource of usable outdoor recreation facilities for the people of this country is acute. Supply has not kept pace with demand and I am sure that many of us have experienced this problem in a very personal sense.

The Outdoor Recreation Resources Review Commission—a Commission created 4 years ago by Congress—reported in January of this year that our 15-percent increase in population from 1951 to 1959 was accompanied by an 86-percent increase in the number of visits to national parks and a 143-percent increase in the number of visits to all State and Federal recreation centers combined. The Commission further reported that this is only a foretaste of things to come—that by the year 2000 our population is expected to double but the demand for recreational lands is expected to triple.

In its comprehensive report the Commission has also pointed out that the most pressing aspect of the supply problem is acquiring adequate shoreline for public use. Today less than 2 percent of our total shoreline is in public ownership for recreation—an amount which the Commission has described as inadequate and which must be increased.

Despite this great need, adequate resources are not always available, and this is particularly true in the case of shoreline area. A Pacific coast survey, conducted in 1957–58 by the National Park Service, revealed that of the 1,700 miles of shoreline extending from Washington to southern California, four areas possessed scenic, natural, and recreational attractions of possible national significance. Point Reyes was one of these areas.

Point Reyes, however, is unique. It is unique for its outstanding natural attributes are in close proximity to one of our Nation's most heavily populated and fastest growing areas. The National Park Service, in fact, has stated that Point Reyes provides a combination of scenic, recreation, and scientific interests found nowhere else in this country so near a large center of population.

According to Department of Commerce and Interior statistics 4½ million people live within a 100-mile radius of this proposed national seashore—a figure which is expected to increase to more than 7 million by 1980 and to nearly 12 million by the year 2000.

This immediate population center, however, is not the only source of users for a national seashore at Point Reyes. At the present time more than 2 million tourists and visitors come to the San Francisco Bay region annually, and with our rapidly growing population, increased travel and leisure time, this figure will continue to grow.

These conditions, combined with the fact that use of our public recreation areas has been growing at a rate of 8 to 10 percent or more a year, clearly indicate that a seashore at Point Reyes would receive extensive use, and that it would be truly national in nature. The National Park Service, furthermore, has estimated that by 1980 Point Reyes would receive at least 2,350,000 visitors a year—a number greater than recorded at all but one of our 29 national parks in 1961.

This proposed national seashore has received overwhelming local support, both from local governments and from individual citizens. I have received a steady stream of correspondence from the residents of my district—an area approximately 40 miles from Point Reyes—urging its creation, and more than 64 percent of my constituents who responded to a recent questionnaire expressed approval.

Mr. Chairman, Point Reyes offers us an opportunity to move ahead in one of the great areas of our Nation's unmet needs—the need to provide adequate recreational and undisturbed scenic areas for this and future generations. It is a thoroughly investigated, carefully considered plan which takes into account both individual and personal interests. It is a plan which if enacted promptly will enable us to minimize our costs, but which if further delayed would add expense not only in dollars, but even more important, in opportunities possibly lost forever.

Mr. Chairman, I urge that we approve this legislation today.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. Johnson].

Mr. JOHNSON of California. Mr. Chairman, I rise in support of S. 476 which would establish Point Reyes National Seashore. In so doing, I would like to assure you that I am personally quite familiar with the beauty of this area and its suitability for national preservation as a vital addition to our park system.

To anyone familiar with this part of the Pacific coast, the most remarkable fact about Point Reyes is that it is still available for preservation and development for public use. Because of a series of fortunate historical and geographical circumstances the tremendous urban development of recent years in the San Francisco Bay area has bypassed the Point Reyes Peninsula. Although the situation today is changing rapidly, it still remains today much as it did before the first white man saw it 345 years ago. Only about 160 people live within the area of consideration and the principal development of ranching has effectively preserved the natural scene. The Director of the National Park Service has told us that he knows of "no other large area in the United States near population centers that has been left so unaltered by the hand of man."

The Park Service reports tell us that the recreational potential here is of the first magnitude. They estimate that if the national seashore is established as they recommend, it will attract 2.3 million visitors a year by 1980. This is more than visited all but one of our national parks last year; it is more than the total number who visited nine of our national parks last year.

The variety of the scenic, recreational, and scientific resources of the peninsula is most remarkable. After inventorying the remaining outdoor recreational opportunities along the entire Pacific coast the Park Service's 1959 "Pacific Coast Recreation Area Survey" report found that the Point Reyes Peninsula "provides a combination of scenic, recreation, and biologic interests which can be found nowhere else in this country as near to a large center of population."

I would like to make one observation on the uniquely national quality of our ocean shorelines. Our Pacific Ocean shorelines are the seashores of the inland States of our continental Nation just as they are of our coastal States. Our Pacific shoreline is the seashore of Idaho and Nevada, of Colorado and Oklahoma, Utah, Nebraska, Missouri, Wyoming, Iowa, and the Dakotas, just as it is the seashore of Alaska and Hawaii, Washington, Oregon, and California. The same holds true for our inland States which are near but do not touch our Atlantic and gulf coasts. Our ocean shorelines are truly national seashores. And, as the Park Service reports thoroughly document, they are limited national resources that today are vanishing fast as far as availability for public recreational use near centers of population is concerned.

Now I would like to turn to the question of the appropriate unit for the proposed national seashore at Point Reyes, 30 miles north of San Francisco.

To understand fully why the boundaries recommended by the Committee on Interior and Insular Affairs should be preserved, one must understand the topography of the northern part of the peninsula. The area involved is bounded by the Inverness Ridge, the eastern boundary of the peninsula; Drake's Bay and the Pacific Ocean. When one stands at Point Reyes itself or practically on any other point of the northern peninsula, the eye sweeps across the entire peninsula. The ridge acts as a visual barrier, the eye stops there—just as it does at the Tetons when one looks across Jackson Lake. If Inverness Ridge were closer to the coastline, there would be no need to control the use of 53,000 acres.

When a visitor enters a unit of our national park system, he wants to see and enjoy the natural scene. He doesn't want to see the natural scene spoiled by subdivisions or shopping centers, hotdog stands, or honky-tonks. Certainly I think that it is no more logical to spoil the beauty of this magnificent seashore by this type of development than it would be to have billboards on the Washington Monument.

If we are going to commit the Federal Government to a sizable investment at Point Reyes, for the benefit of all the people of this country, we should insist that the national seashore there be well planned. We want to be proud of our national park system. Visitors to this national seashore should have an opportunity to enjoy the natural scene rather than the asphalt and concrete and neon signs they came to Point Reyes to escape. We should have assurance that the heartland of the peninsula will remain about as it is today.

I would like to emphasize that the northern portion of the peninsula is one visual, scenic unit. There is no logical way to cut it up into sectors. The only reasonable boundary is the natural barrier formed by Inverness Ridge. A national seashore should be more than a piece of beach to sit on.

The natural scenic character of Point Reyes is made up of many elements; ocean, beach, cliff, offshore rocks, marsh, ponds, dunes, rolling grass-covered downs, and chaparral and forest of several types. The unusual geological features and the plant and animal life—including a wide range of marine animals, including sea lions and seals, and waterfowl and upland game—are different in the north and south. Spectacular Point Reyes itself is in the northern portion.

The indicated natural-harbor site—which could be a sport fishing center comparable to Oregon Inlet at the Cape Hatteras National Seashore Recreation Area—is in the lee of the sheltering cliffs at the west end of Drake's Bay, near the existing Coast Guard station in the northern portion.

To this variety of natural features can be added the additional feature of historical interest—the probable landing of Sir Francis Drake in 1579 is at Drake's Cove—in the northern portion. This was the first English landing in what is now the United States. It preceded Roanoke, 1585; Jamestown, 1607; and Plymouth and Provincetown, 1620. This circumstance of history alone makes the northern part of the peninsula a national historic site of significance. The Indian villages were largely in the north. It is this rare combination of natural and historical values that gives national significance to Point Reyes.

Mr. Chairman, in conclusion, may I say that Point Reyes is one of the finest natural seashore areas still available to us for preservation for the enjoyment of not only our own generation but of the generations to come. The time has come to act since if we do not preserve the acreage now available to us and which we can obtain at a minimum cost, this area will develop rapidly and this will be lost forever. I urge my colleagues to support this vital legislation.

May I say that the chairman of the subcommittee, the chairman of the full committee, the ranking minority member, and the balance of the committee worked very hard to bring about a very satisfactory bill to the floor of the House, and I hope today the House sees fit to pass this bill.

Mr. RUTHERFORD. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. Clem Miller] may extend his remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas.

There was no objection.

Mr. CLEM MILLER. Mr. Chairman, as the Representative of the district in which Point Reyes is located, I first want to express our appreciation for the close and thorough consideration the members of the Committee on Interior and Insular Affairs have given to this bill.

We are grateful, particularly, for the work of the chairman of the committee, the gentleman from Colorado [Mr. Aspinall], the chairman of the Subcommittee on National Parks, the gentleman from Texas [Mr. Rutherford], and the ranking minority member of the committee and of the subcommittee, the gentleman from Pennsylvania [Mr. Saylor].

I also wish to commend the strong support and contribution made by my colleague from the San Francisco Bay area. The gentleman from California [Mr. Cohelan] has introduced a companion bill on which he has worked very hard, demonstrating his great interest for the legislation. I also wish to pay tribute to the gentleman from California, Congressman Harold Johnson, member of the committee, who has helped with the bill.

During the 3 years since the Point Reyes national seashore bill was first introduced, the committee has given every aspect of this proposal the most careful and diligent scrutiny—from the standpoints of both the local and the national interests.

Members of the committee have visited Port Reyes to see for themselves this magnificent unspoiled seashore area and to talk with the landowners and the other keenly interested local citizens. The committee's hearings were extensive. The committee's amendments minimize both hardships to the landowners and costs to the Government.

The committee's own penetrating studies, coupled with the comprehensive surveys and reports of the National Park Service over the years, have caused this to be one of the most thoroughly considered proposed additions to our national park system ever to come before this body for decision.

Mr. Chairman, our ocean shorelines are a uniquely national recreational resource. They are the seashores of the residents of our landlocked States as well as of our coastal States.

Twenty-seven years ago, in 1935, the National Park Service first identified the Point Reyes Peninsula as a national recreational resource of the first magnitude and recommended that 53,000 acres of the peninsula be acquired for the inspiration, education, and enjoyment of all Americans. It could have been acquired for $45 an acre at that time. The 1935 report also recommended that a dozen other outstanding shoreline areas be acquired for public use. In the intervening years, Congress has protected only two of these areas by authorizing the Cape Hatteras National Seashore Recreation Area in North Carolina and the Cape Cod National Seashore in Massachusetts.

Today, most of the other areas recommended in 1935 as national seashores have been, in effect, declared "off limits" to the great majority of our citizens. These areas have been encroached upon by urban or industrial development and their once great outdoor recreation value has been destroyed.

Last January, in its report to the Congress, the Outdoor Recreation Resources Review Commission reported that less than 2 percent of our ocean shoreline is in public ownership for recreation use. Looking to our fast growing and more mobile population, the Commission recommended that we acquire as soon as possible the few "remaining magnificent stretches of unspoiled shoreline" such as Point Reyes.

The fact that Point Reyes today is still in a relatively unspoiled natural condition approaches the miraculous. But since introduction of this legislation, subdividers and land speculators have been active on the peninsula. As a result the opportunity now before us will soon be lost unless prompt action is taken.

For example, there is now pending before the Marin County Board of Supervisors—the local governing body of the county in which Point Reyes is located—an application to build a road which would open up 13,000 acres of the peninsula to subdivision. The county supervisors, who support the national seashore proposal, have postponed action until July 31—a week from tomorrow—in the hope that this body will have passed this bill by then. Once the proposed road is built, costs of acquiring the affected acreage will immediately increase substantially.

I have been interested to note that the only remaining organized opposition to this bill is coming from some of the subdividers and land speculators now active in the area.

In fact, some of their representatives have been here in Washington lobbying against this bill right up to these last few days. They have been calling on Members and asking that passage of the bill be delayed and that some of the recent subdivisions be excluded from the national seashore. I am confident that this body will vote for the interests of all our people, as the committee recommends, and not for the self-interests of a few.

Mr. Chairman, I would like to express appreciation for the interest and efforts of the thousands of conservationists from many parts of the Nation—both in the Congress and private citizens—who have played key roles in the long battle to save Point Reyes.

Many have been members of such private conservation organizations as the Izaak Walton League, the Audubon Society, National Wildlife Federation, Sport Fishing Institute, Wildlife Management Institute, National Parks Association and the Sierra Club.

I cannot begin to mention all the dedicated citizens of Marin County who have worked so long and so hard in the local area. Members of the Point Reyes National Seashore Foundation—people like Dr. Joel Gustafson, Kenneth Davis, George L. Collins, Doris Leonard, Lothar Salin, Margaret Azevedo, Mr. and Mrs. Bertram Dunshee, Mr. and Mrs. William Eastman, Harold Gilliam, Mrs. Norman Livermore, Donald Patterson, Mrs. William Newman, Luella Sawyer, and Vera Schultz. They have been in the forefront of the battle from the beginning.

Members of the Marin County Board of Supervisors—the Honorable Walter Castro, the Honorable William Gnoss, and the Honorable Peter Behr—and the Honorable Edmund G. Brown, the Governor of California, have been among the bill's most effective supporters.

In the other body, the strong supporters of Point Reyes National Seashore have included the junior Senator from New Mexico [Mr. ANDERSON], the senior Senator from Nevada [Mr. BIBLE], the junior Senator from Utah [Mr Moss], and of course the Senators from California—Senator ENGLE, with whom I introduced the first Point Reyes bill in the Congress 3 years ago, and Senator KUCHEL, cosponsor of S. 476 in the other body.

Mr. Chairman, Point Reyes is before us today as a Pacific coast counterpart to the Cape Cod and Cape Hatteras national seashores on our Atlantic coast and, prospectively, the proposed Padre Island National Seashore on the gulf coast.

At a time when so much of the Pacific coast is being engulfed by urban expansion, Point Reyes yet has unique scenic beauty, scientific wonder and historical significance that should be protected for all our citizens and the generations to come.

The bill before us is sound. It is thoroughly justified. It is farsighted. I urge its approval.

In conclusion, Mr. Chairman, I include at this point in the RECORD a summary of facts on the Point Reyes bill:

FACT SHEET—POINT REYES NATIONAL SEASHORE, S. 476

Point Reyes is a triangular-shaped peninsula which juts into the Pacific 30 miles northwest of San Francisco. The peninsula is set apart from the mainland by a forested ridge and bay.

The bill would authorize a new unit of the national park system on 53,000 of the peninsula's 64,000 acres. The bill was first introduced in July 1959, passed the Senate without opposition last September and was reported by the House Interior Committee April 19, 1962 (H. Rept. 1628).

Resources: Point Reyes is one of the finest remaining natural seashore areas in the country. The National Park Service has found that it "provides a combination of scenic, recreation, and biologic interests which can be found nowhere else in the country near a large center of population." Point Reyes has 45 miles of beaches, sand dunes, sheltered coves, wind-swept caves, coastal bluffs, fresh-water lakes and marshes. Upland, there are rolling grass-covered downs, virgin pine and fir forest. There is an extraordinary diversity of fish and wildlife, including herds of sea lions on spectacular offshore rocks; deer, shore birds and migratory waterfowl. One of the world's major earthquake faults, which has caused Point Reyes to be nearly separated from the mainland, also is a source of scientific interest.

Bipartisan support: The proposal has bipartisan support at local, State and National levels. All Members of Congress from the region support the bill. Both California Senators—Senator ENGLE and Senator KUCHEL—are the Senate sponsors. Similar legislation before the 86th Congress was endorsed by former Interior Secretary Seaton. Secretary Udall and President Kennedy have requested favorable action by this Congress. The bill is supported by the Marin County Board of Supervisors, governing body of the county in which Point Reyes is located, and by the Governor of California. House sponsors are CLEM MILLER (H.R. 2775) and JEFFERY COHELAN (H.R. 3244).

Present use and ownership: Urban development of the San Francisco Bay area has bypassed Point Reyes to a remarkable degree. Present use is largely dairy and beef cattle ranching. About 160 persons live within the proposed national seashore boundaries. Two years ago 25 parties owned 99 percent of the land within the proposed boundaries. The remaining 1 percent was held by 37 parties. But during the last 2 years, and particularly during the last year, subdividers and land speculators have been active in the area and the number of ownerships has tripled.

Proposed development and use: Basic objective is to preserve the natural scene for public inspiration and enjoyment. Park Service plans call for a marine sport fishing center, hiking and riding trails, scenic roads and overlooks, campgrounds, picnic areas, and a nature center. Nearby communities would be encouraged to provide overnight accommodations and related services.

Acreage breakdown: Of the total 53,000 acres, 23,000 would be acquired and developed for recreational use as appropriations are made available. The remaining 30,000 acres could not be acquired without owners' consent so long as the present compatible uses continue. At least 26,000 acres now in ranches could not be acquired while they continue to be used for ranching purposes. This "ranching area" provision (sec. 4) means that all 18 dairy ranches on the peninsula can remain in operation as long as present or future owners desire. This provision is modeled after a similar provision in the act governing Everglades National Park. Another 4,000 acres could not be acquired so long as present uses—for oversea radio communications and for a religious retreat—continue. This 4,000 acres, like much of the ranching area, may never need to be acquired.

Residential property: Owners of residential property improved prior to September 1, 1959 (3 months after the bill was first introduced) would have rights of continued use and occupancy. This section (sec. 6) of the bill is patterned after a similar provision in the act authorizing Cape Cod National Seashore. About 20 small parcels at Point Reyes are eligible under this provision.

Costs: The bill sets a $14-million ceiling on appropriations for land acquisition. This figure is based on a National Park Service August 1961 estimate that the total 53,000 acres is worth $25 million. It assumes that about $9 million worth of Point Reyes lands can be acquired by voluntary exchange for Federal lands elsewhere, and that there will be no need to acquire the communications and religious retreat properties valued at $2 million. Land exchange negotiations are underway. About 2 years ago, the local county assessor estimated market value of lands and improvements within the proposed boundaries at $10,300,000. But land values within the area have been increasing and must be expected to continue to increase. As in the case of Cape Cod (for which the land-acquisition ceiling was $16 million), the appropriation request for the first year following authorization is expected to be on the order of $1½ to $2 million. In addition to land acquisition, appropriations would be required for development of the area; development costs are estimated at $8½ million, spread over at least 6 years.

Outdoor Recreation Commission views: The Outdoor Recreation Resources Review Commission, created by Congress 4 years ago to study national needs and resources for outdoor recreation, reported to Congress last January. The report does not discuss specific sites, but it gives the Point Reyes proposal the strongest possible endorsement. The Commission recommended that "immediate action should be taken by Federal, State, and local governments to reserve or acquire additional water, beach and shoreline areas." Highest priority, the Commission said, "should be given to acquisition of areas located closest to major population centers * * * that are immediately threatened. The need is critical—opportunity to place these areas in public ownership is fading each year as other uses encroach." The Commission also recommended that top priority be given to "the remaining magnificent stretches of unspoiled shorelines." Point Reyes meets each of these criteria.

Nearby population: Five million persons now live within 100 miles of Point Reyes; by the year 2000 there are expected to be 12 million. More than 2 million out-of-State visitors and tourists now visit the nearby area annually. The National Park Service estimates that a national seashore park at Point Reyes would attract 2,350,000 visitors a year.

Subdivision encroachment problem: During the last 2 years subdivision maps (calling for 665 lots) have been approved within the proposed boundaries. During the same period, 135 subdivision lots have been reported sold and 10 subdivision houses have been built. In addition, a use permit was approved in May 1962 for a 24-unit apartment house on the beach at Drakes Bay, in the heart of the proposed public use area. Subdividers recently have applied to the county to build a road to open up an additional 13,000 acres of the peninsula to subdivision development. Virtually all of the 13,000 acres is within the proposed national seashore boundaries. If this road is built, costs of acquiring this area will immediately increase substantially.

Historical significance: Most historians who have studied the subject believe that Drakes Bay at Point Reyes is the site of the first English landing in what is now the United States—by Francis Drake in 1579.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. Durno].

Mr. DURNO. Mr. Chairman, first of all I want to express my appreciation for the very hard work and the conscientious effort that the chairman of the full committee, the gentleman from Colorado [Mr. Aspinall], the chairman of the subcommittee, the gentleman from Texas [Mr. Rutherford], and the ranking minority member, the gentleman from Pennsylvania [Mr. Saylor] have put in on this bill.

This is one of nine proposals that the administration has made in requests for the overall acquisition of land of this character.

Last year we passed the Cape Cod National Seashore bill, which was the first bill. I opposed that bill because it did not meet the criteria which I had established in my own mind for propositions of this kind. I opposed the Cape Cod bill because I felt it invaded property rights further than this Congress had any right to go.

Second. I felt that the expected cost involved far outweighed the benefits that would be received.

This year we are going to consider perhaps a couple of other measures. One of them we are considering today, the Point Reyes seashore. I am heartily in favor of this measure. I think everything that has been humanly possible to be done has been done to treat all parties involved fairly and squarely.

I would point out to you that in contrast with the Cape Cod bill property rights in the main are not violated in this bill. Second, the cost is not prohibitive. I would certainly agree with my colleague from the State of Washington that this is going to cost much more than the $14 million that is now considered as being the cost of acquisition. In my opinion, it is going to be two or three times that. But still I think it is a good bill, a worthwhile acquisition, and will be worth what it costs many times over, because in the final analysis it will provide entertainment and recreation for more than 5 million people. It follows the recommendations of our committee.

So I do favor it, because it does not violate property rights, and the cost I do not think will be prohibitive.

There are certain salient facts I would like to bring to your attention. Some of them, at least, have not been brought to your attention up to this time.

One concerns private inholdings. Originally this started out as a 54,000-acre tract, but 26,000 acres were permitted to be retained as inholdings.

Now, the point I want to make to you is that it is economic and it is essential if this is to be a worthwhile park that that area be retained as inholdings, because, as has been previously mentioned here, these people went out there more than 100 years ago and they pulled up, probably with their own hands, the chaparral and the weeds and the grasses, and they planted good grass, and they put dairy herds and beef cattle on that land. The end result has been that it has been kept in that condition by fertilizing and by utilizing and by cropping those acres. If that condition did not continue to exist today, we, the Congress and your Government, would be compelled to keep up that same rolling green, verdant area which makes it such an attractive place. The very people that own the inholdings are going to do that free of charge, and on top of that, they can retain those lands. They can continue to own those lands as long as they are used for dairying and cattle raising. This is rightly so.

Mr. Chairman, I have no truck for those who are exploiting or promoting or subdividing this land after this area was considered for a national park; such a position, does not violate private property rights, and if somebody gets stuck for the excessive cost of this acreage, I think they do it with their eyes open. That is one thing that I do not think this Congress should stand for.

Mr. Chairman, I cannot conclude my remarks without mentioning one other item that is going to come up. I will not be here when it does come up; the Oregon dunes. The Oregon dunes project was mysteriously left out of the nine projects as listed in the administration program last March. I want you to know just as in Indiana, the Oregon dunes is not like Point Reyes nor is it like Padre Island. No. 1: The State of Oregon owns and is one of the few States that does own all of its seashore acquired some 30 or 40 years ago. The area of the proposed Oregon dunes is owned basically by the National Forest Service and by our most handsome and most used State park, Honeymoon State Park. So, the great majority of the land which would constitute the Oregon dunes is already in Federal ownership or in State ownership. I would bring to your attention that the two candidates from the opposite side of the aisle who opposed each other in the primaries for the seat which I now hold have finally reached an agreement that my program for the development of Oregon dunes was proper and that all of the land on the west side of Highway 101, from the highway to the seashore, and the lakes west of the highway and the State park is the area that should comprise the Oregon dunes. And, I would want my committee to know that as I go back to my State as a citizen, I shall support that concept, along with the candidates who will be seeking my seat in Congress. That is the way the Oregon dunes should be supported. That is the type of bill which should be enacted, and I hope that in following the concept as we have in this bill and as I hope we will in the Padre Island area, that the same situation will exist with respect to Oregon dunes.

Mr. RUTHERFORD. Mr. Chairman, I have no further requests for time.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. Kyl].

Mr. KYL. Mr. Chairman, I would like to take just a few moments of time during this general debate to talk about a problem which is with us in this bill and which will be with us in any similar bill to come before us in the future. I would call your attention, Mr. Chairman, to this map which is labeled "A Proposed Point Reyes National Seashore Possible Development Layout, U.S. Department of the Interior, Park Service."

On this map, Mr. Chairman, you will notice a light green area which is designated on the map as "ranching area." This is the area which will not be included in this national preservation.

Now, put yourself in the position of one of the ranchers who owns a 500-acre tract in that area. You are a dairy farmer. You sell your milk to the San Francisco milkshed.

You have no guaranteed permanent market. Perhaps the day arrives when that market is taken from you. Perhaps you become ill; you can no longer operate your ranch. Perhaps this will be a matter for your heirs to worry about. At any rate, you are a landowner operating a dairy farm in this area of the park development. Under section 4 of this bill you are permitted to retain that land and use it in its present uses for an indefinite period in the future. However, if you want to sell it, to subdivide it, to build homes on it, to put a commercial development on this land, then that land immediately becomes the subject of condemnation.

Mr. Chairman, let us look at this matter in this light: I am not opposing this bill at all, or any similar bill, and I am not speaking in opposition to the general principle or the general philosophy—but I think there is involved here the matter of property rights, of individual rights, which we have to consider. Now, granted these people on the committee have worked very hard, they have compromised, they have developed additional plans, they have done a tremendous job—but it behooves us to continue to carry on to find what is right now and what will be right in the future.

Mr. Chairman, the committee wrote into this bill a proposed limitation on the Secretary. The Secretary cannot take this land so long as it is used for its present purposes. But there is implied here a very strong restriction on the individual property owner. Referring to this in the personal sense again, suppose you want to dispose of this land or you want to sell part of it or you want to develop it? What chance do you have of doing these things when you know, and any possible purchaser or developers know, that the moment you change the character of the land it becomes subject to condemnation.

Suppose you get ready to sell it or develop it. Suppose the Government does not want to buy it? A few moments ago I referred to another seashore park area, the Cape Cod area. I have had personal correspondence with some people there who bought a piece of property hoping to develop it for residential purposes. It was a valuable piece of property, very desirable, as all property on Cape Cod is. Now, they cannot develop this land. The individual says, "I would like to build a home sooner or later. I have taken an option on another piece of property. But I will have to have my money out of my property before I can proceed with those plans. I have said to the Federal Government that I would like to sell it. The Government has said, 'If you will talk all of the other property owners into selling, we will buy it, but we are not going to buy yours alone.'" So, he continues to pay taxes without use.

In other words, Mr. Chairman, he cannot use it for any purpose and will have to sell it to the Government.

In a few minutes, when we go under the 5-minute rule, it is my purpose to introduce an amendment. I do not know that this is the best answer, but I think it is definitely worth considering.

Mr. SAYLOR. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. Becker].

Mr. BECKER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

BRUTAL STABBING OF ADMINISTRATIVE ASSISTANT WHILE PRAYING IN CHURCH

Mr. BECKER. Mr. Chairman, I had one of the most horrifying experiences of my life within the past hour. I have had an administrative assistant for the past 10 years, a very fine lady who has been dedicated to her service here on Capitol Hill. About 2:45 p.m. I received a call from the pastor of St. Peter's Roman Catholic Church, located Second and C Streets SE. He informed me that my administrative assistant was in the church praying when a man walked up behind her, attempted to seize her pocketbook, and unconsciously she pulled away. With this action he proceeded to stab her in the back some 10 or 11 times. I immediately went to the church and was able to talk to the detectives and then went in the ambulance to Casualty Hospital. The doctors took charge of her immediately and at this time all I can say is that she is under examination, both physical and X-ray. No doubt it will be an hour or two before I will know just what her condition will be.

Mr. Chairman, it is a sad state of affairs, indeed, that in this great Capital City of ours, Washington, D.C., within three blocks of the Capitol itself, a citizen cannot even go into a church and pray in safety.

I am not blaming the police of this city because I firmly believe it is more the fault of the judicial system which permits and forces the release of criminal suspects so soon after they have been arrested. Even if they are convicted, the sentences are usually too lenient and many times sentence is suspended. It is my humble opinion that these criminals must be dealt with severely and make the punishment more nearly fit the crime. The time was long since past, because of the conditions in Washington that presently prevail, that we can overlook the crimes and lay the reason to other causes. Severe punishment is always a deterrent to crime.

We are all involved here, not only as citizens but as Members of the Congress, for we have our own families living in this Capital City. Conditions such as this are a disgrace to our Nation.

It is my fervent prayer that this young lady will recover. I do not know at this moment what her condition is but I am in constant touch with the hospital and will do everything humanly possible to assist her recovery. I certainly hope and pray, and I am sure the House joins me in prayer, for her recovery of this dastardly attempt on her life.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. Baldwin].

Mr. BALDWIN. Mr. Chairman, I rise in support of the bill S. 476, creating the Point Reyes National Seashore. It has been my privilege to represent during the past 8 years one of the congressional districts which adjoins the district in which this area is located.

This spring I sent a questionnaire to every family of registered voters in my district and asked them the question: "Would you be in favor of legislation to establish the Point Reyes National Seashore in Marin County?"

The replies to this questionnaire indicated that by a 3 to 1 margin the citizens of my district were in favor of this national seashore.

The gentleman from Iowa [Mr. Kyl] has mentioned that one of the sections in the bill deals with the acquisition of property owned today by farmers, by dairymen, and that it might be unfair to them in its present form. However, basically the way the bill is worded, it is worded according to their request. One of the proposals at various times during the consideration of this bill was for the absolute acquisition of that property. These dairymen were the ones who requested that the committee give them the right to continue to utilize this property in its present form and the committee modified the bill to make it possible for them to do this. It was the committee's effort to satisfy the request of these dairymen that resulted in the present wording of the bill dealing with their property.

Mr. Chairman, it has been mentioned that we have been rather slow to acquire national seashore areas. I think this is true. At the time the national park system was first proposed many years ago people were aware that if we did not acquire inland areas they would be prevented from seeing those areas because of fencing and cattle grazing and things of that kind. At that time they were not aware that this would be true with seashores. At that time most of the seashores were still open to the public and almost anyone could go to the seashore and explore and enjoy it and have a picnic upon it without too much interference. Today this has been changed. I think anyone who has had the privilege of going to the seashore anywhere where it is still open, and taking small children and seeing their tremendous interest and excitement in watching the waves come in and go out and finding all of those interesting things that are a part of the seashore area, will realize the great attraction this kind of area has to the people of our country and the importance of preserving a sufficient part of these areas for use by the general public so that people of all ages can continue to enjoy them in the years to come.

I am glad Congress is now realizing that legislative action will be necessary to preserve certain of these areas. I am glad we have a seashore in the San Francisco Bay area that meets the qualifications so well. I hope this House by an overwhelming majority supports and passes this bill today.

The **CHAIRMAN**. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to save and preserve, for purposes of public recreation, benefit, and inspiration, a portion of the diminishing seashore of the United States that remains undeveloped, the Secretary of the Interior (hereinafter referred to as the "Secretary") is hereby authorized to take appropriate action in the public interest toward the establishment of the national seashore set forth in section 2 of this Act.

Mr. GEORGE P. MILLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of S. 476, a bill to create the Point Reyes National Seashore, because I feel that green spaces in or around huge metropolitan areas are essential for the future of this country.

The Department of Commerce at the request of the Army Engineers in 1959 and 1960 made a survey of the potential growth of the San Francisco Bay metropolitan area based on a projection of 60 years. Marin County, in which Point Reyes is located, is in this area. Where there are now approximately 3,700,000 people, they predict there will be 14,400,000 people by 2020. This is not peculiar to the bay area alone. It merely happens that this was the first metropolitan area that had such a survey made for it. However, it indicates the pressure for outdoor recreational facilities and the need for the preservation of some of the things that we in America look upon as part of our national heritage.

There have been songs written about the Vienna Woods. They have the Vienna Woods because some man with vision a couple of hundred years ago decreed that a band of green about 5 miles wide be kept around the city of Vienna, not denied to agriculture but denied for industry or for intensive homesites. These woods were established, and they are one of the things that make Vienna a great and livable city. I think any of you who have had the opportunity of going there and seeing the recreational use to which the woods are put will readily see the type of use contemplated in a park such as we are talking about. The word "metropolis" is becoming obsolescent; it is being replaced by the word "megalopolis." When you can contemplate strip cities and intensive concentrations of people, then surely we must act if we are going to provide for those who come after us the light of the open spaces that has been so good, so beneficial, to the people of this country.

I am happy to have voted for the creation of other national parks and will continue to vote for open spaces in our country in order to preserve its happy character.

Mr. DOYLE. Mr. Chairman, with pleasure I commend the gentleman from California [Mr. Clem Miller], the author of this important legislation. Also, I likewise commend committee members on both sides. This legislation is destinymaking in the history of this Congress on this subject. My interest in it dates back many years when I had the pleasure and benefit of being chairman of the Beach Acquisition Committee of the city of Long Beach, Calif., the program of which committee was the acquirement of ocean beach frontage, to be kept forever open and exclusively used by the public for recreation. The county of Los Angeles and city of Long Beach cooperated financially in this program, to the everlasting good health and happiness, not only to the citizens of Long Beach, but to the millions of residents coming to Long Beach expressly to use that free and open public beach, several miles in length, from areas away from this beach and from States as far away as Arizona, Colorado, Nevada, New Mexico, and even farther away.

Increasingly, the stresses and strains of modern living make it essential that humankind have adequate opportunities for participating in recreational activities. I do not mean entertainment activities, Mr. Chairman. I do not mean amusement as such. I mean creative games, hobbies, crafts, programs which call for the creative resourcefulness of participants. Participation is what is rapidly becoming more and more essential. The bleacher population needs to become less and less. Thus will tax money spent to purchase this, or any other lands and facilities have the most beneficial and enduring results.

I cordially adopt as and for my own all the arguments heretofore made on this floor, this day, in support of this bill.

Mr. Chairman, in closing these few words may I respectfully state, very briefly so, two basic propositions, as follows:

First, that what a man does when he has nothing to do, contributes mightily to his health and happiness, or it detracts from it.

Secondly, with the assured lessening from time to time of the length of the work hours, and even days, will come more and more leisure time; time which will either become an asset or a liability to an individual and the community. Mr. Chairman, I am certain this cannot be successfully controverted.

Mr. Chairman, with the oncoming of this additional leisure time for workers, craftsmen, professional men and their families along with them, comes an increasing necessity for such open spaces and areas as this beach area in California and for other similar areas in other parts of our beloved Nation.

Mr. SHELLEY. Mr. Chairman, I cannot too strongly urge the House of Representatives to establish the Point Reyes National Seashore, not only for the enrichment of the bay area and the State of California, but for the enrichment of the entire United States.

This unbelievably beautiful area, almost redundantly endowed with natural loveliness, must be assured of protection against the sterile developments that have wasted so much of our Nation's original landscape.

I have worked for the preservation of this unspoiled area with proposed legislation of my own since 1950. But I am happy to salute the efforts of the gentleman from California, Congressman Clem Miller who made the project one of his own when he came to Congress in 1959 and has devoted so much time and energy to this great work since that time.

There is no doubt that the Point Reyes Seashore will enrich both the rapidly expanding bay area population and the entire State of California. But there is more meaning to this legislation than the enrichment of a single area or a single State.

The preservation of this unspoiled coastal area will be a guarantee that the encroachment of modern-day life will be halted at the boundaries of this masterpiece of nature. My children and their children will be the beneficiaries of what we do here today. And so will future generations of all America.

Americans will applaud the establishment of the Point Reyes Seashore for generations to come. From throughout this wide continent and the entire world, future generations of visitors to the Point Reyes Seashore will know that this Congress made an invaluable contribution to recreation and conservation.

The creation of this Federal preserve will make one of America's most beautiful areas easily accessible to all, to the great and the famous, to the ordinary citizens and the men whose lives go unremarked. This beauty is yours to bequeath equally to the wealthy and to the millions who cannot afford country clubs or other expensive retreats from the growing barrenness of many cities.

The House of Representatives will do a great thing in joining the U.S. Senate in authorizing the permanent preservation of the idyllic Point Reyes Seashore.

Mr. BARRY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BARRY. Mr. Chairman, I would like to add my voice to those who have already spoken today in favor of the Point Reyes National Seashore in California. The increasing urbanization of our population is a well-known fact, and, in years to come, we can expect this trend to continue. What is less known to many is that very few portions of land bordering the ocean have been set aside for enjoyment by the public at large. On the west coast, for example, only one such tract—Olympic National Park in Washington—is presently in existence. In addition, it should be clear to all concerned that the longer we wait to establish additional park areas, the more difficult will be the appropriation of property, and the more severe will be the hardships worked on those from whom the land is acquired.

The selection of Point Reyes is a particularly happy one, situated as it is in scenic country just 30 miles northwest of downtown San Francisco. Nor is scenery its only advantage: excellent opportunities for boating, hiking, and camping abound. Thus, when we consider that by 1980 San Francisco alone will have a population of 7½ million people, and by the year 2000, an expected 12 million, the proximity of Point Reyes to this metropolitan area becomes an important consideration.

For city dwellers across the Nation have an urgent need to escape, from time to time, the tense, quick pace of city life and to renew their energies in the peaceful and leisurely surroundings of the sea.

Finally, on the matter of cost, may I say that the sum which we are discussing today will appear negligible to those who, a generation from now, will still be reaping the benefits of this national park. And second, the sacrifice made by the Nation's taxpayers, among whom the financial burden will be spread, is also small indeed in comparison with that made by those property holders who must relinquish their land in order that the project may go forward. Included in this group are personal friends of mine, the William Tevises, whose ranch is located within the boundaries of the new park. They and their neighbors in particular are to be saluted for the cooperation they have given under what must be for them difficult circumstances.

Mr. Chairman, I hope the bill is passed, and I look forward to someday visiting our newest national seashore.

The Clerk read as follows:

Sec. 2. (a) The area comprising that portion of the land and waters located on Point Reyes Peninsula, Marin County, California, which shall be known as the Point Reyes National Seashore, is described as follows by reference to that certain boundary map, designated NS–PR–7001, dated June 1, 1960, on file with the Director, National Park Service, Washington, District of Columbia.

Beginning at a point, not monumented, where the boundary line common to Rancho Punta de los Reyes (Sobrante) and Rancho Las Baulines meets the average high tide line of the Pacific Ocean as shown on said boundary map;

Thence southwesterly from said point 1,320 feet offshore on a prolongation of said boundary line common to Rancho Punta de los Reyes (Sobrante) and Rancho Las Baulines;

Thence in a northerly and westerly direction paralleling the average high tide line of the shore of the Pacific Ocean; along Drakes Bay, and around Point Reyes;

Thence generally northerly and around Tomales Point, offshore a distance of 1,320 feet from average high tide line;

Thence southeasterly along a line 1,320 feet offshore and parallel to the average high tide line along the west shore of Bodega Bay and Tomales Bay to the intersection of this line with a prolongation of the most northerly tangent of the boundary of Tomales Bay State Park;

Thence south 54 degrees 32 minutes west 1,320 feet along the prolongation of said tangent of Tomales Bay State Park boundary to the average high tide line on the shore of Tomales Bay;

Thence following the boundary of Tomales Bay State Park in a southerly direction to a point lying 105.4 feet north 41 degrees east of an unimproved road heading westerly and northerly from Pierce Point Road;

Thence south 41 degrees west 105.4 feet to a point on the north right-of-way of said unimproved road;

Thence southeasterly along the north right-of-way of said unimproved road and Pierce Point Road to a point at the southwest corner of Tomales Bay State Park at the junction of the Pierce Point Road and Sir Francis Drake Boulevard;

Thence due south to a point on the south right-of-way of said Sir Francis Drake Boulevard;

Thence southeasterly along said south right-of-way approximately 3,100 feet to a point;

Thence approximately south 19 degrees west approximately 300 feet;

Thence south approximately 400 feet;

Thence southwest to the most northerly corner of the Inverness watershed area;

Thence southerly and easterly along the west property line of the Inverness watershed area approximately 9,040 feet to a point near the intersection of this property line with an uninmproved road as shown on said boundary map;

Thence southerly along existing property lines that roughly follow said unimproved road to its intersection with Drakes Summit Road and to a point on the north right-of-way of Drakes Summit Road;

Thence easterly approximately 1,000 feet along the north right-of-way of said Drakes Summit Road to a point which is a property line corner at the intersection with an unimproved road to the south;

Thence southerly and easterly and then northerly, as shown approximately on said boundary map, along existing property lines to a point on the south right-of-way of the Bear Valley Road, approximately 1,500 feet southeast of its intersection with Sir Francis Drake Boulevard;

Thence easterly and southerly along said south right-of-way of Bear Valley Road to a point on a property line approximately 1,000 feet west of the intersection of Bear Valley Road and Sir Francis Drake Boulevard in the village of Olema;

Thence south approximately 1,700 feet to the northwest corner of property now owned by Helen U. and Mary S. Shafter;

Thence southwest and southeast along the west boundary of said Shafter property to the southwest corner of said Shafter property;

Thence approximately south 30 degrees east on a course approximately 1,700 feet to a point;

Thence approximately south 10 degrees east on a course to the centerline of Olema Creek;

Thence generally southeasterly up the centerline of Olema Creek to a point on the west right-of-way line of State Route Numbered 1;

Thence southeasterly along westerly right-of-way line to State Highway Numbered 1 to a point where a prolongation of the boundary line common to Rancho Punta de los Reyes (Sobrante) and Rancho Las Baulines would intersect right-of-way line of State Highway Numbered 1;

Thence southwesterly to and along said south boundary line of Rancho Punta de los Reyes (Sobrante) approximately 2,900 feet to a property corner;

Thence approximately south 38 degrees east approximately 1,500 feet to the centerline of Pine Gulch Creek;

Thence down the centerline of Pine Gulch Creek approximately 400 feet to the intersection with a side creek flowing from the west;

Thence up said side creek to its intersection with said south boundary line of Rancho Punta de los Reyes (Sobrante);

Thence southwest along said south boundary line of Rancho Punta de los Reyes to the point of beginning, containing approximately 53,000 acres. Notwithstanding the foregoing description, the Secretary is authorized to include within the Point Reyes National Seashore the entire tract of land owned by the Vedanta Society of Northern California west of the centerline of Olema Creek, in order to avoid a severance of said tract.

(b) The area referred to in subsection (a) shall include also a right-of-way, to be selected by the Secretary, of not more than 400 feet in width to the aforesaid tract from the intersection of Sir Francis Drake Boulevard and Haggerty Gulch.

Sec. 3. (a) Except as provided in section 4, the Secretary is authorized to acquire by donation, purchase with donated or appropriated funds, condemnation, transfer from any Federal agency, exchange, or otherwise, the land, waters, and other property, and improvements thereon and any interest therein, within the areas described in section 2 of this Act or which lie within the boundaries of the seashore as established under section 5 of this Act (hereinafter referred to as "such area"). Any property, or interest therein, owned by a State or political subdivision thereof may be acquired only with the concurrence of such owner. Notwithstanding any other provision of law, any Federal property located within such area may, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary for use by him in carrying out the provisions of this Act.

(b) The Secretary is authorized to pay for any acquisitions which he makes by purchase under this Act their far market value, as determined by the Secretary, who may in his discretion base his determination on an independent appraisal obtained by him.

(c) In exercising his authority to acquire property by exchange, the Secretary may accept title to any non-Federal property located within such area and convey to the grantor of such property any federally owned property under the jurisdiction of the Secretary within California and adjacent States, notwithstanding any other provision of law. The properties so exchanged shall be approximately equal in fair market value, provided that the Secretary may accept cash from or pay cash to the grantor in such an exchange in order to equalize the values of the properties exchanged.

Sec. 4. Within such area the Secretary shall designate approximately twenty-six thousand acres of ranch or dairy land as a pastoral zone in which the existing open space and pastoral scene shall be preserved, the zone being generally depicted on map numbered NS–PR–7002, dated August 15, 1961, on file with the Director, National Park Service, Washington, District of Columbia. No parcel within the designated pastoral zone, exclusive of that land required to provide access for purposes of the national seashore, shall be acquired without the consent of the owner so long as it remains in its natural state or is used exclusively for ranching and dairying purposes, including housing directly incident thereto.

(a) In acquiring access roads within the pastoral zone, the Secretary shall give due consideration to existing ranching and dairying uses and shall not unnecessarily interfere with or damage such use.

(b) So long as that tract of land generally known as Duck Cove, situated on the west side of Tomales Bay and containing approximately sixteen acres, is held by Duck Cove, Incorporated, and is devoted to the sole purpose of noncommercial, residential uses, the Secretary shall not acquire said land by condemnation.

Sec. 5. (a) As soon as practicable after the date of enactment of this Act and following the acquisition by the Secretary of an acreage in the area described in section 2 of this Act, that is in the opinion of the Secretary efficiently administrable to carry out the purposes of this Act, the Secretary shall establish Point Reyes National Seashore by the publication of notice thereof in the Federal Register.

(b) Such notice referred to in subsection (a) of this section shall contain a detailed description of the boundaries of the seashore which shall encompass an area as nearly as practicable identical to the area described in section 2 of this Act. The Secretary shall forthwith after the date of publication of such notice in the Federal Register (1) send a copy of such notice, together with a map showing such boundaries, by registered or certified mail to the Governor of the State and to the governing body of each of the political subdivisions involved; (2) cause a copy of such notice and map to be published in one or more newspapers which circulate in each of the localities; and (3) cause a certified copy of such notice, a copy of such map, and a copy of this Act to be recorded at the registry of deeds for the county involved.

Sec. 6. (a) Any owner or owners (hereinafter in this subsection referred to as "owner") of improved property on the date of its acquisition by the Secretary may, as a condition to such acquisition, retain the right of use and occupancy of the improved property for noncommercial residential purposes for a term ending at the death of such owner, the death of his spouse, or the day his last surviving child reaches the age of thirty, whichever is the latest. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition less the fair market value on such date of the right retained by the owner.

(b) As used in this Act, the term "improved property" shall mean a private noncommercial dwelling, including the land on which it is situated, whose construction was begun before September 1, 1959, and structures accessory thereto (hereinafter in this subsection referred to as "dwelling"), together with such amount and locus of the property adjoining and in the same ownership as such dwelling as the Secretary designates to be reasonably necessary for the enjoyment of such dwelling for the sole purpose of noncommercial residential use and occupancy. In making such designation the Secretary shall take into account the manner of noncommercial residential use and occupancy in which the dwelling and such adjoining property has usually been enjoyed by its owner or occupant.

Sec. 7. (a) Except as otherwise provided in this Act, the property acquired by the Secretary under this Act shall be administered by the Secretary, subject to the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535), as amended and supplemented, and in accordance with other laws of general application relating to the national park system as defined by the Act of August 8, 1953 (67 Stat. 496), except that authority otherwise available to the Secretary for the conservation and management of natural resources may be utilized to the extent he finds such authority will further the purposes of this Act.

(b) The Secretary may permit hunting and fishing on lands and waters under his jurisdiction within the seashore in such areas and under such regulations as he may prescribe during open seasons prescribed by applicable local, State, and Federal law. The Secretary shall consult with officials of the State of California and any political subdivision thereof who have jurisdiction of hunting and fishing prior to the issuance of any such regulations, and the Secretary is authorized to enter into cooperative agreements with such officials regarding such hunting and fishing as he may deem desirable.

Sec. 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, except that no more than $14,000,000 shall be appropriated for the acquistion of land and waters and improvements thereon, and interests therein, and incidental costs relating thereto, in accordance with the provisions of this Act.

Sec. 9. If any provision of this Act or the application of such provision to any person or circumstances is held invalid, the remainder of this Act or the application of such provision to person or circumstances other than those to which it is held invalid, shall not be affected thereby.

Mr. ASPINALL (during the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and be printed in the Record and be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 6, strike out all of lines 16, 17, 18, and 19, and insert in lieu thereof the following:

"Sec. 3. (a) Except as provided in section 4, the Secretary is authorized to acquire, and it is the intent of Congress that he shall acquire as rapidly as appropriated funds become available for this purpose or as such acquisition can be accomplished by donation or with donated funds or by transfer, exchange, or otherwise, the lands,"

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, line 3, strike out everything through line 15, and insert in lieu thereof the following:

"Sec. 4. No parcel of more than 500 acres within the zone of approximately 26,000 acres depicted on map number NS–PR–7002, dated August 15, 1961, on file with the Director, National Park Service, Washington, D.C., exclusive of that land required to provide access for purposes of the National Seashore, shall be acquired without the consent of the owner so long as it remains in its natural state, or is used exclusively for ranching and dairying purposes including housing directly incident thereto."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 9, line 1, strike out the subsection designation "(a)".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 9, lines 5 through 10 inclusive, strike out all of subsection (b).

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 12, lines 12 through 16, strike out all of section 9.

The committee amendment was agreed to.

Mr. KYL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Kyl: Page 7, line 12, insert "In exercising his authority to acquire property in accordance with the provisions of this subsection, the Secretary may enter into contracts requiring the expenditure, when appropriated, of funds authorized by section 8 of this Act, but the liability of the United States under any such contract shall be contingent on the appropriation of funds sufficient to fulfill the obligations thereby incurred;"

Mr. KYL. Mr. Chairman, the amendment which I have offered is intended to amplify the authority of the Secretary of the Interior to acquire inholdings within the Point Reyes National Seashore and to give to owners of such inholdings all the assurance that we can give them that the Government will be ready to buy whenever they are ready to sell at a just and reasonable price.

In any situation like this one, Mr. Chairman, one of the real problems that we run into is the inability of any Government officer to commit the United States to buy in advance of appropriations. Landowners who wish to sell—perhaps because of death in the family, perhaps for business reasons, perhaps because of age, or for any number of other good reasons—can neither be assured that the Government will buy nor find other ready buyers because of the overhanging possibility of condemnation.

My amendment recognizes the necessity for appropriations—it does not in any way interfere with the usual appropriation process—but allows the Secretary of the Interior to commit the Government to buy if and when appropriations become available. It is, in short, an authorization for contracts with a "contingent on appropriations" clause in them. Such contracts are familiar and accepted practice with our construction agencies. The Bureau of Reclamation, for instance, under section 12 of the Reclamation Project Act of 1939, is authorized to enter into such contracts when it constructs dams and reservoirs.

I believe, moreover, Mr. Chairman, that my amendment will result in savings to the Government. We all know that real estate prices are advancing. If the Secretary is authorized to enter into purchase contracts in advance of appropriations, he may well be able to acquire land at a better price than if he has to wait 2, 3, or 4 years. The amendment, in other words, will be a protection both to landowners and to the Government. I urge that it be adopted.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. KYL. I yield to the gentleman from California.

Mr. ROOSEVELT. Mr. Chairman, I just want to make sure that we are in agreement and that the gentleman's amendment really reinforces the first committee amendment which has just been adopted, which includes therein the statement that it is the intent of the Congress that the Secretary shall acquire the lands as rapidly as appropriated funds become available.

Mr. KYL. I think that intent was explicit in each of seashore bills that we have considered in the committee, and it is certainly stated in this one.

Mr. ROOSEVELT. I thank the gentleman.

Mr. RUTHERFORD. Mr. Chairman, will the gentleman yield?

Mr. KYL. I yield to the gentleman.

Mr. RUTHERFORD. I can appreciate the concern of the gentleman for the property owners who remain on the national seashore. I do not find that the amendment the gentleman proposes is in conflict with the regular procedures of appropriations. The contract authority the gentleman sets forth here is dependent upon the Congress appropriating the funds and is related thereto.

I would, therefore, say to the gentleman that on behalf of the majority side we accept the gentleman's amendment.

Mr. KYL. I thank the gentleman from Texas. I am sure he realizes that the gentleman from Iowa would never try to bypass the Appropriations Committee.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. KYL. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I would like to concur in the statement made by the chairman of the subcommittee. We on the minority side accept the amendment.

Mr. MacGREGOR. Mr. Chairman, will the gentleman yield?

Mr. KYL. I yield to the gentleman from Minnesota.

Mr. MacGREGOR. I should like to commend my colleague from Iowa for his excellent forethought in the preparation of this amendment. It seems to me there is an analogy between the situation that he sets forth and the way we handle our foreign aid authorizations and appropriations. There we provide for a long-range program that can be implemented by the Appropriations Committee, and it seems to me this is a good idea in this case. I congratulate the gentleman.

Mr. KYL. I thank the gentleman from Minnesota.

I do not want to overlook the men who serve as counsel to these committees, and I want to pay proper tribute to the members of the staff of the Interior Committee for their diligent and helpful work to the committee.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. KYL. I yield to the gentleman from Michigan.

Mr. GRIFFIN. Mr. Chairman, I wish to commend the gentleman from Iowa for his work on this bill and as a member of the committee. He has demonstrated that he is acutely aware of the difficult problems with which a property owner is confronted under this legislation if his property happens to be within the area designated for a national park. I thank the gentleman from Iowa for his diligent and devoted study of this and other related bills, and I wish to associate myself with the remarks he has made on the floor today.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

Mr. RUTHERFORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Rutherford: Page 8, line 25, insert "the term 'ranching and dairying purposes', as used herein, means such ranching and dairying, primarily for the production of food, as is presently practiced in the area."

Mr. RUTHERFORD. Mr. Chairman, this is an amendment that was worked out and agreed to by the subcommittee and by the full committee. The purpose of the amendment is strictly one of clarification. I move its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

Mr. BONNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to voice my approval of this bill and to compliment the gentleman from California [Mr. Clem Miller] for the introduction of the bill, also compliment the committee on its farsighted view in the creation and development of these national seashore parks for the pleasure of generations yet to come.

I think passage of the Cape Cod Seashore Park bill, and evidently the passage of this park bill, is quite a compliment to my own State of North Carolina, for it was there the first national seashore park was created. Since its inception it has been extremely successful and enjoyed by people throughout the length and breadth of the States, and it has been an inspiration and an example to Members having coastlines in other States to create such parks as the Cape Hatteras Seashore Park.

So I hope that the Congress, wherever possible, will preserve for future generations, for those yet unborn, coastal areas so that the rank and file of the people will have access to the shore and not be barred by high-priced hotels and privately owned property.

I strongly support this bill and hope the membership will support this bill and similar bills of this nature.

Mr. MAILLIARD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> On page 10 beginning on line 13 after the word "term," strike the remainder of line 13, all of line 14, and line 15 to the end of the sentence and substitute therefor "of fifty years."

Mr. MAILLIARD. Mr. Chairman, quite a few people have mentioned the property rights that are involved here, and while I join in the compliments that have been paid to this committee for the way they have resolved the many problems that were involved in trying to acquire this property, I still feel that we could simplify this section 6(a). I realize the language is taken from the Cape Cod bill. It seems administrators find it easier to administer a bill that copies the language that is already on the books, but I submit in trying to establish the procedures for acquisition of this property, the administration of language involving the day that a last surviving child perhaps yet unborn, acquires a certain age, makes for difficulty, particularly in view of the final language of the paragraph that refers to the setting of a fair market value, when the owner may have a child that is not born yet, which would extend the time he would be permitted to occupy the property.

I submit it will be much easier to administer and the people involved in these properties will know what their rights are instead of this vague term. We give them the right to remain in residential occupation for a period of 50 years rather than some unknown future date.

Mr. **RUTHERFORD.** Mr. Chairman, will the gentleman yield?

Mr. **MAILLIARD.** I yield to the gentleman from Texas.

Mr. **RUTHERFORD.** I can understand the gentleman's position on this. I do not just see what the gentleman's point is. He may be reducing the ownership to 10 or 15 years, but I may say to the gentleman I understand his objective. He has a formula that I do not think is basically any different than ours. We are not wedded particularly to ours. We do not think one is any better than the other. But on behalf of the majority we accept the amendment.

Mr. **MAILLIARD.** I appreciate the gentleman's remarks. I think it will simplify the administration of this bill.

Mr. **SAYLOR.** Mr. Chairman, will the gentleman yield?

Mr. **MAILLIARD.** I yield to the gentleman from Pennsylvania.

Mr. **SAYLOR.** I want to say I am perfectly willing to accept the amendment. In some cases it will mean the property owner will have a few years longer, in some other cases it will be shorter. The only thing this will do is to give them all the same terms.

The **CHAIRMAN.** The question is on the amendment offered by the gentleman from California [Mr. MAILLIARD].

The amendment was agreed to.

Mr. **MAILLIARD.** Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. MAILLIARD: Page 10, lines 17 and 18, strike all after the word "acquiescence" and substitute a period.

Mr. **ASPINALL.** Mr. Chairman, I do not find the word "acquiescence" in there.

Mr. **MAILLIARD.** It is supposed to be "acquisition."

Mr. Chairman, I ask unanimous consent that the word "acquiescence" in the amendment I offered to be changed to "acquisition".

The **CHAIRMAN.** Is there objection to the request of the gentleman from California?

There was no objection.

Mr. **MAILLIARD.** Mr. Chairman, let me say I do not expect quite as much acquiescence in this amendment as I received in the last one, but I still think the House ought to pass judgment on this.

We have heard a good bit in the discussion here that sometimes in these areas people are ready to sell their property but the Government is not ready to buy. This creates sort of an impasse. It seems to me it would be much more equitable rather than the formula in here to have the Secretary determine at what time he has the money available to acquire the property and to pay its market value.

It seems to me when you try to assign a value to future occupation of a property you are on extremely nebulous ground. Not only that, but I do not think anyone would deny that the people who have their property acquired against their own wishes by the Government are giving up a future property right of substantial value.

The gentleman from California [Mr. GEORGE P. MILLER] spoke a moment ago saying that he anticipated the population in this area is going to go from 4 to 14 million in the matter of another 50 years. So, I think nobody can question it. Anybody that owns property in this area and has owned it has a real future appreciation almost built into his property, so it seems to me that when you take it from him willy-nilly that we ought not to completely deny his foresight in acquiring this, mind you, entirely for recreational purposes. We are not talking about commercial property; we are talking about property used for recreational purposes; that it is not at all unfair to allow him to use the property and yet to let him have what would be at least the current market price of the property, because I am sure that if you attempted to figure the occupant value of a property for 50 years hence and subtract that from the current market value of the property, the chances are the property owner would get exactly nothing for his having been willing to develop the property. His net would be nothing. All he would be acquiring would be future use; no money at all. I submit this would be very much fairer to these relatively few people who have gone in here long before there was any talk about there being a national park or seashore, to pay him a fair market value for the property and permit him tenancy for this limited period without penalty.

Mr. **RUTHERFORD.** Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as the gentleman has stated, we have gone as far as we possibly can in satisfying all of the requests of the landowners. I want the House to understand and the Committee to understand precisely what this amendment does. This amendment directs the Government to purchase the land of the landowners, and this is the unimproved property. They would then have 50 years of rent free, and under the laws of California, they are also tax free for 50 years. Now, the statement was made that this is fair and equitable. This is the point where I think the committee has certainly been fair and certainly has been reasonable, but I think this is a point that has not been requested by the landowners. I do not think it is fair to the Federal Government nor to the other property owners, and I must, as strongly as I possibly can, recommend that the Committee reject this amendment.

Mr. **SAYLOR.** Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment which has been proposed and which we have before us is completely in conflict with the amendment which we just adopted. We have changed the formula to allow the property owners to have 50 years occupancy after title has passed to the Federal Government, if they so desire it. If we adopt this amendment, they will have over 50 years free of charge, and ceratinly this is not the intention of the members of the committee. It is inequitable and it should be defeated.

Mr. **ASPINALL.** Mr. Chairman, will the gentleman yield?

Mr. **SAYLOR.** I yield to the gentleman from Colorado.

Mr. **ASPINALL.** This is the area of discussion on which the committee spent a great deal of time, and this problem resolved itself to this, that we either purchase this property at the present time, when we can purchase it at a known reasonable value and we pay a reasonable price for it, or we permit the increased cost of the establishment of a national park facility in this area and then permit the owners at that time, when they wish to give it up, or at the end of 50 years, to get the increased value that goes with the area itself; is that not right?

Mr. **SAYLOR.** That is absolutely correct.

The **CHAIRMAN.** The question is on the amendment offered by the gentleman from California [Mr. MAILLIARD].

The amendment was rejected.

The **CHAIRMAN.** Under the rule, the Committee rises. Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WATTS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 476) to establish the Point Reyes National Seashore in the State of California, and for other purposes, pursuant to House Resolution 732, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The **SPEAKER.** Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

If not, the Chair will put them en gros.

The amendments were agreed to.

The **SPEAKER.** The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

CALL OF THE HOUSE

Mr. **SISK.** Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER.** Evidently a quorum is not present.

Mr. **ALBERT.** Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 171]

Addabbo
Alford
Andersen, Minn.
Anfuso
Bailey
Barrett
Bass, N.H.
Betts
Blitch
Boggs
Bolling
Bow
Boykin
Buckley
Celler
Chamberlain
Chiperfield
Coad
Cook
Cramer
Curtis, Mass.
Curtis, Mo.
Daddario
Daniels
Davis, James C.
Davis, Tenn.
Delaney
Dent
Derwinski
Diggs
Dominick
Donohue
Farbstein
Fenton
Findley
Finnegan
Fino
Flood
Fogarty
Frazier
Gallagher
Garland
Garmatz
Gilbert
Glenn
Granahan
Gubser
Halleck
Harrison, Va.
Healey
Hébert
Hemphill
Hoffman, Mich.
Holland
Ichord, Mo.
Johnson, Calif.
Kearns
Kee
Keogh
Kilburn
King, Utah
Kluczynski
Lane
Lesinski
Lipscomb
Loser
McDowell
McSween
McVey
Macdonald
Martin, Mass.
Meader
Merrow
Miller, N.Y.
Minshall
Montoya
Moorehead, Ohio
Morrison
Morse
Moulder
Multer
Nedzi
Nix
Norblad
O'Neill
Osmers
Ostertag
Pelly
Philbin
Pilcher
Pillion
Powell
Purcell
Rains
Roberts, Ala.
Rogers, Tex.
Rosenthal
Rostenkowski
St. Germain
Santangelo
Saund
Scherer
Scranton
Shriver
Slack
Smith, Miss.
Spence
Staggers
Steed
Stratton
Taber
Thompson, La.
Thompson, N.J.
Van Zandt
Vinson
Weis
Whalley
Willis
Winstead
Yates
Zelenko

The SPEAKER. Three hundred and thirteen Members are present, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

POINT REYES NATIONAL SEASHORE, CALIF.

Mr. GROSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I regret that I am impelled to vote against two bills that have been considered in the House today, the deficiency appropriation bill, H.R. 11038, and the Point Reyes National Seashore bill, S. 476, now under consideration.

In the first instance, Mr. Speaker, I cannot approve an increase of $3,000 in the basic clerk hire allowance for all Members of the Senate. In this day of huge Federal deficits, and with the total Federal payroll already calling for an expenditure of more than $1 billion per month, it seems to me that Congress ought to practice the utmost frugality in its own housekeeping.

As for the establishment of the Point Reyes National Seashore area in the State of California, I am impressed with the statement of my colleague from Iowa [Mr. KYL] that the estimated $14 million cost for land acquisition may well be doubled or tripled before the area is acquired. In addition, it is estimated that costs of development will be at least $7 million in the next 5 years and thereafter $1,500,000 per year.

Moreover, this bill, if approved, sets the stage for the passage of legislation establishing other seashore areas and this at a time when the Federal Government is borrowing billions of dollars each year. There is undoubtedly some merit in most of these projects, but the question that confronts all of us is how much deeper is it proposed to dig the grave of debt to finance projects that should be delayed?

The time is long past due when we give attention only to essentials; balance the budget and start retiring the staggering Federal debt.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. CLEM MILLER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 505. Concurrent resolution authorizing the Clerk of the House of Representatives to make changes in the enrollment of H.R. 11038, an engrossed House bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11038) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes."

FELIPE O. PAGDILAO

Mr. ANDERSON of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ANDERSON of Illinois. Mr. Speaker, I take this opportunity to advise the House that when the bill—S. 2147—for the relief of Felipe O. Pagdilao was called for immediate consideration under a unanimous-consent request made by the gentleman from Pennsylvania [Mr. WALTER] on Friday last, I was not in the Chamber at the time. Had I been here I would have been constrained to object. I realize this is not a bill of weighty general public interest; however, it does involve the right of a Philippine citizen to remain as a permanent resident in the United States while he has a wife and six minor children living in the Philippines.

I had hoped to be advised prior to the calling up of this private bill so that I could be on the floor to state my objection to the use of unanimous-consent procedure at that time.

This bill which was introduced in the Senate by the Senator from Hawaii was first called on the Private Calendar on June 5, 1962. At that time I asked unanimous consent that it be passed over without prejudice. Thereafter I was called by Mr. Akinaka, an employee in the office of the Senate sponsor. I informed him that my objections to the bill were predicated on the fact that the report which accompanied it failed to indicate the manner in which the beneficiary of the bill was discharging his obligation to support his wife and six minor children in the Philippines.

Since the beneficiary of the bill was seeking the right to remain in Hawaii, I thought that it was of the utmost importance to know what his intentions were with respect to his family, and also what his record was with respect to their support. Thereafter, I heard nothing further from the Senate sponsor of this bill. Accordingly, on June 19, 1962, on July 2, 1962, and on July 17, 1962, I made the same unanimous-consent request; namely, that the bill be passed over without prejudice. On July 17, 1962, the gentleman from Pennsylvania [Mr. WALTER] objected. The Chair then inquired as to whether or not there were any objections to the immediate consideration of the bill. The gentleman from Iowa [Mr. GROSS] and I both entered our objections, and the bill was recommitted to the Committee on the Judiciary. Thereafter, the gentleman from Pennsylvania, at least I am so informed, went to the Committee on Rules and obtained a rule to make in order the consideration of this bill. I learned of the actions of the gentleman from Pennsylvania on the next day and then made a request that the bill be restored to the Private Calendar in order to obviate the necessity for its discussion pursuant to a rule. Pursuant to the leave granted to include extraneous material I wish to set forth at this point the letter which I then addressed to the gentleman from Pennsylvania on July 18, 1962, explaining the reason for my action.

JULY 18, 1962.

Hon. FRANCIS WALTER,
House of Representatives,
Washington, D.C.

DEAR COLLEAGUE: I was apprised of the fact this afternoon that you had obtained a rule yesterday which would make an order the further consideration of S. 2147, "An act for the relief of Felipe O. Pagdilao." The minority leader and House Parliamentarian came to me and expressed grave concern over the establishment of a precedent of granting rules for the consideration of this kind of legislation. I was, therefore, only too glad to ask for and obtain unanimous consent that this bill be restored to the Private Calendar notwithstanding the action taken in the House of Representatives, July 17, 1962.

I am writing this letter to you because I wanted to assure you that my action in asking that this bill be passed over without prejudice was not because of any personal animus toward you or the Senate sponsor, Senator LONG. As a former county prosecutor in a metropolitan area, I have long been concerned with the problem of nonsupport. According to the report that I received on this bill the beneficiary had a wife and five small children who were still in the Philippines, and his only income was a $103 pension from the U.S. Government. I was afraid that he was enjoying the balmy climate of Hawaii while his wife and five children were starving in the Philippines. Therefore, I have asked Senator LONG's office to ascertain any and all further facts that can be obtained with respect to the manner in which this man is discharging his obligation to care for his family.

I am very hopeful that all of this information will arrive in time so that we can make an intelligent decision prior to the next call of the Private Calendar. It goes without saying that now that I am aware of your deep interest in this matter I shall certainly keep you advised as to any information that I receive concerning the facts in this case.

Respectfully yours,

JOHN B. ANDERSON,
Member of Congress.

On the same day, the office of the minority leader, at my request, called the office of the Senator from Hawaii and asked for the following information with respect to the beneficiary of this bill.

What are the ages of his five children?

Is the wife employed and if so, what is the income?

Is this man estranged from his family or does he plan, if allowed to remain in Hawaii, to promptly petition for the admission of his wife and five children?

Any facts relative to this man's record or history of support or nonsupport to his family in the Philippines will be of interest.

It was then on July 20, 1962, as I previously stated, that the gentleman from Pennsylvania asked unanimous consent for the immediate consideration of the bill, S. 2147.

I regret very much that the gentleman from Pennsylvania did not notify me of his intention to bring this matter before the House on July 20, 1962. Certainly I had no reason to believe that since this matter had been restored to the Private Calendar that it would be considered in other than due course. I am also particularly sorry for the reason that since the passage of this bill the office of the Senate sponsor has furnished me with the following information:

Following information regarding Felipe Pagdilao furnished by Bernaldo Bicoy. Wife Zoila Rondan, housewife, age 33; son, Felipe R., Jr., 12; daughter, Myrna R., 10; son, Dante R., 8; daughters, Armita R., 6; Nana Merlita R., 3; Emelina R., 1. Mr. Pagdilao depends on $111.84 monthly Army pension as World War II veteran and also partially supported by brother-in-law, Pantaleon Oasay. Occasionally sends wife $100.

This information only serves to reinforce my fears that the beneficiary of this bill is not actually maintaining his family in an adequate manner, and therefore is scarcely entitled to the special kind of consideration afforded him by this bill. I would further point out in answer to the statement in the RECORD that this man was brought to Hawaii after the completion of his military service and discharged, that the report states otherwise. House Report No. 1734, the report accompanying this bill, discloses that the beneficiary was last admitted to the United States on March 19, 1961, as a visitor for pleasure until September 18, 1961. Deportation proceedings were to be instituted because of his violation of the terms of his visitor's visa. I would also point out that all organized forces of the Philippines were ordered into the services of the Armed Forces of the United States by an Executive order of the President dated July 26, 1941. Therefore, this man's status was no different from that of thousands of other Philippine nationals who fought in defense of their own homeland as well as on the side of the United States.

Mr. Speaker, I have taken the time to present the record in this case not because it is a matter of broad public interest, but because I feel that under the circumstances set forth this bill should have been considered at the next regular call of the Private Calendar.

FRIENDSHIP 90

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, a project international in scope and entirely local in origin, Friendship 90, displays such community spirit and American good will that I would like to take this opportunity to call it to the attention of the Members of Congress, and all those who read the CONGRESSIONAL RECORD.

Friendship 90 is the name given to a group of 90 young people from the Palm Beach High School Choir who will undertake a visit to South America to entertain the peoples of our sister republics. The itinerary is expected to include Venezuela, Brazil, Uruguay, Argentina, Chile, Peru, Ecuador, and Colombia.

The feature that makes this program different from many others is that it is entirely local in origin and financial support.

The trip is being sponsored by a local committee of civic leaders, who have worked long hours to raise enough money to pay the costs of the trip. The entire program will be paid for through local contributions, without any financial assistance from the Federal Government.

To understand the scope of this effort, the committee set out to achieve a goal of $50,000. As soon as this was reached, all efforts were halted, but money continues to come in, and at last count the community had supported this program by giving over $56,000 to pay the way of the choir.

One of the reasons for this success is of course the efforts of the citizens who gave so freely of their time, efforts, and money. Another is certainly the high regard the community holds for the Palm Beach High School Choir.

The choir is under the able supervision of Miss Virginia Carpenter. She has built a truly outstanding choral group. Its members are boys and girls from Palm Beach High School.

The trip is scheduled in August. I know my colleagues join me in wishing these young people well. Their trip will build good will for our country and reach the young people of the lands they visit on a level of understanding difficult if not impossible at other levels. The fact that this program is being sponsored and paid for by the local community adds great merit to their efforts, and should indicate to the people they visit the real interest we have in them, and the honest desire of the citizens of the United States to better know, and better understand, all the other citizens of the Americas.

This entire undertaking is an example of the people-to-people program that our country is trying to promote. It epitomizes the willingness of our people to take part in such worthwhile work in bettering understanding between all the republics in this hemisphere.

CONSTITUTIONAL AMENDMENT REGARDING REPRESENTATION

Mr. JOHANSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JOHANSEN. Mr. Speaker, I have today introduced in the House a joint resolution calling for submission to the States of the following proposed amendment to the Constitution:

ARTICLE —

Nothing in the Constitution of the United States shall be deemed to prohibit any State from establishing, through its own constitution, representation in one house of its legislature based on factors other than population exclusively.

My action is in direct response to a 4-to-3 decision handed down last Wednesday by the Michigan Supreme Court.

This State supreme court decision holds unconstitutional an amendment to the Michigan constitution, establishing State senatorial districts, adopted in 1952 by initiatory petition and referendum of the people.

The court ruling, which holds the Michigan State Senate as presently constituted to be unconstitutional, is accompanied by a court order requiring the Michigan Legislature to reapportion the State senatorial districts by August 20 and, failing that, to nominate the State senators at large in a special primary election September 11.

The majority members of the State supreme court based their decision on the alleged grounds that the present provision of the Michigan constitution, and the present apportionment of State senatorial districts provided therein, constitute a violation of the "equal protection" provision of the 14th amendment to the U.S. Constitution.

It seems entirely obvious to me that if this decision of the Michigan Supreme Court is permitted to stand, the only possible recourse for its correction lies in an amendment to the Constitution of the United States limiting judicial interpretation and application of this "equal protection" clause in the manner provided by my proposed amendment.

I propose to discuss the constitutional issues involved in the Michigan Supreme Court decision in greater detail at a later date. However I do wish to emphasize, at this time, what my proposed amendment to the U.S. Constitution does not undertake to do.

It does not seek to prevent or in any way modify the right of a State to establish, through its own constitution, representation in both houses of its legislature based on the factor of population exclusively.

What my proposed amendment does seek to do is to restore to the States their heretofore well-established right, through their own constitutions, to base representation in one house of the State legislatures on factors other than population exclusively.

What my proposed amendment does seek to do is to deny the judiciary—either Federal or State—the power to veto the decision and authority of the sovereign people of a State through a tortured invocation of the "equal protection" clause of the 14th amendment to the U.S. Constitution.

TO LOWER OR NOT TO LOWER TAXES

Mr. GOODLING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a letter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GOODLING. Mr. Speaker, economists appear to be wearing dark glasses when projecting their thinking into the months ahead. Economic storm clouds may be gathering. To lower or not to lower taxes to avoid a recession is today's $64 question. Ideas and suggestions are a dime a dozen.

This speaker lays no claims to being an economist or financier. One thing, however, appears to be crystal clear. If we continue to lose contracts to foreign competition our taxing power diminishes. Legitimate competition creates a healthy economy. What we are experiencing today is unfair competition. Labor and industry cannot compete with some of our foreign competition.

Within the last few months the turbine division of Allis-Chalmers has lost contracts totaling more than $20 million. In one case 49 percent of labor and material was foreign. In another it is about to lose, 100 percent will be foreign labor and material. When Government contracts are involved, it would appear the logical course should be to practice rather than preach "Buy American."

What the potential take on personal and corporate taxes involving a $20 million contract would be, I do not know. This I do know—wage checks stimulate our economy far more than unemployment compensation checks.

This letter was sent to the White House recently:

JULY 18, 1962.

THE PRESIDENT,
The White House.

MR. PRESIDENT: It would be safe to assume each of us has a sense of loyalty and a sense of responsibility toward our neighbors, whether separated by a garden fence or an ocean. Neither can be ignored, but our first duty is to those with whom we have daily contacts.

This is my introduction to a serious problem that gives me great concern.

The hydraulic turbine division of Allis-Chalmers Corp. is located in York, Pa. Just recently this division lost a contract to a competitor which specified 49 percent of the labor and material to be used in completing the contract would be foreign. This was a project amounting to approximately $20 million.

A recent letter from the general sales manager of the hydraulic division, Allis-Chalmers Co., states the company will probably lose another contract, and this is the alarming factor—100 percent of the labor and materials will be foreign for the companies representing the first and second low bidders of the contract. This involves turbines for the Yellowtail Dam in Montana, under invitations DS-5783, under the Bureau of Reclamation, U.S. Department of the Interior. A check with the Bureau of Reclamation indicates the fears of the company are well founded. The amount involved is approximately $1.5 million. Additional bids are pending and unless serious consideration is given to the economic impact produced by this trend, we can only look for similar results.

The people in my area want work, not doles. Taxwise I do not know what the loss of a $20 million contract by an American firm using 100 percent American labor and material might be. In both corporate and personal taxes it would be sizable.

I pledge my assistance in every way possible to "Get America moving again." In these instances it would appear we are moving in reverse and we must become alert lest this reversal crush us economically.

Respectfully,

——— ———.

THE IMPACT UPON SMALL BUSINESS OF THE ACTIVITIES AND THE CONDUCT OF TAX-EXEMPT FOUNDATIONS AND CHARITABLE TRUSTS

The **SPEAKER.** Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 2 hours.

Mr. PATMAN. Mr. Speaker, in connection with the remarks which I am privileged to make under special order heretofore entered, I ask unanimous consent to include any tables, explanatory information, and columns that may be necessary.

The **SPEAKER.** Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that any questions and answers commence immediately after my prepared statement.

The **SPEAKER.** The gentleman has control over that.

Mr. PATMAN. I have a prepared statement, and I ask unanimous consent that questions and answers immediately follow the prepared statement.

The **SPEAKER.** Is there objection to the request of the gentleman from Texas?

There was no objection.

AN IMMEDIATE MORATORIUM ON FOUNDATION TAX EXEMPTION WOULD SERVE THE BEST INTERESTS OF THE NATION

Mr. PATMAN. Mr. Speaker, this is the first section of an interim report on the Small Business Committee's study of "the impact upon small business of the activities and conduct of tax exempt foundations and charitable trusts."

This part of our study establishes the fact that there is a pressing need for an immediate moratorium on the granting of tax exemptions to foundations, for the following reasons:

First. Laxness and irresponsibility on the part of the Internal Revenue Service.

Second. Violations of law and Treasury regulations by far too many of the foundations encompassed in our study.

Third. The withdrawal of over $7 billion from the reach of the tax collectors for taxable years 1951 through 1960. This amount represents the total receipts of only 522 out of an estimated 45,124 tax exempt foundations.

Fourth. The rapidly increasing concentration of economic power in foundations which—in my view—is far more dangerous than anything that has happened in the past in the way of concentration of economic power.

Fifth. Foundation-controlled enterprises possess the money and competitive advantages to eliminate the small businessman.

But first, I should like to detail the background, purposes, and procedures of our study.

The rapid growth in the number and size of tax exempt foundations has been readily apparent for some years. The Internal Revenue Service reports an increase in numbers from 12,295 at the close of 1952 to a total of 45,124 at the end of 1960—nearly a fourfold increase in 9 years. These figures may be incomplete. We do not know how many hundreds—or thousands—of foundations are in operation without the knowledge of the Treasury—but are nevertheless exempt from Federal income taxation and significant to our study.

This study is an immediate outgrowth of a special survey which I initiated as an individual Member in August 1961 when I directed an inquiry to over 500 foundations requesting certain information. Shortly before the end of the 1st session of the 87th Congress last fall, the Small Business Committee agreed to make the study a committee function, and at the first meeting of the committee this year an authorizing resolution was passed—full text of the committee resolution appears in the CONGRESSIONAL RECORD, January 22, 1962, page 612.

EARLIER STUDIES AND EFFORTS

I am sure many of you recall that when the Revenue Act of 1950 was passed there were high hopes that it would prevent foundation abuses, such as those that took place in the 1940's. The Ways and Means Committee hearings of 1948–49 revealed that educational institutions and private charitable foundations had moved into commercial and industrial fields. Some had inherited substantial interests in business, as was the case with the Ford Foundation. Others had bought control of businesses. A tax exempt cancer research organization, for example, had acquired a variety of industrial firms. Mr. Royal Little and the operations of his Textron trusts were given due attention. In fact, the record lists about 40 different types of businesses controlled by educational and charitable organizations.

President Truman's tax message to Congress on January 23, 1950, was highly critical of tax exemption for charitable foundations that are "used as a cloak for business ventures."

Many of you will also recall the courageous and successful fight waged in 1958 by Representative JOHN E. MOSS, of the Government Information Subcommittee, to open up exemption applications to the public. According to press reports, Mr. Moss asked Secretary of the Treasury Anderson to keep the subcommittee "informed, on a continuing basis, of the organizations which request that their applications for tax exemption be withheld from public inspection."

As far back as 1916 we were amply warned by the Walsh committee of the abuses which might well flow from the creation of these privileged, tax exempt entities, and the record over the years has not been such as to put the minds of responsible people to rest.

THE NATURE OF THE INVESTIGATION REQUIRED

Any adequate study of the impact of tax exempt foundations on our economy and on small business must include a study of their income, the sources of that income, and trends; it must include a record of the expenditures and the purposes for which they are made, including a record of stock manipulations and intercorporate dealings to assure the Congress and the public that the end is charitable and not mercenary; it must include a study of the assets of these organizations both as to size and kind, including the holding or acquisition of assets for other than charitable purposes, not excluding the temptation to use foundations for purposes of corporate control, securing special favors, endowing relatives, and contriving to utilize economic power of foundations to create unfair competitive conditions; it must include a study of the extent, if any, to which large corporations are using foundations to evade taxes, however legally, to the detriment of their smaller competitors; and, in the process of securing some or all of the answers to these questions, we have and will inevitably reveal the gaps in laws and regulations or the failure to enforce the laws or regulations which have caused or may cause damage to the economy and small business.

The study revolves around the possible exploitation of the people's respect and admiration for charitable acts and gifts. Are foundations being used as a cloak and a vehicle for crippling competition and accelerating concentration of economic power? Are foundations being used to facilitate the use of economic power, disguised as charity, to attain ends never intended by the people or the Congress—ends such as taking control of commercial enterprises?

PURPOSE OF THE STUDY AND PERIOD COVERED

The purpose of our study is to determine what the facts are, and to ascertain whether new regulations, or legislation, or better enforcement are needed to protect small business and to serve the public interest.

The period covered begins with taxable year 1951 and ends with taxable year 1960—for which tax returns were filed in 1952 and 1961, respectively. However, all the foundations do not have a 10-year history, in which case the period covered will be shorter. Some foundations, even though they have a history of 10 years or longer, failed to furnish complete information for the full period.

We have attempted to put down accurately income data for the period under study. There is no thought of partisanship.

PROCEDURES

We have secured information from 522 tax-exempt foundations. Our inquiries were sent to a cross section of such organizations. They are not the 522 largest foundations. A number of smaller ones was selected for sampling purposes. Indeed, there is no way of telling which are the 500 largest foundations in the country without examining the annual tax reports of all of them.

We went directly to the foundations because that was the only way to secure information adequate for our purposes. The information available in the files of the Internal Revenue Service was inadequate.

So we directed our inquiries to the recipients of this tax-exemption privilege. We asked the foundations for copies of exemption applications, Internal Revenue Service letters granting exemption, tax returns—form 990-A or form 1041-A, if applicable—accountants' financial statements, investment portfolios, information on directors, trustees, and officers, as well as other financial and legal information for the years 1951 through 1960. After several months, we have most of the material on 522 organizations for this 10-year period, or some portion thereof, if the foundation was created after 1951.

The income report, which I am submitting as schedule 1, contains a listing of the 522 foundations under study and their income wherever available. We have also ranked the 522 foundations based on their total receipts for the 10-year period.

The income report was compiled from documents gathered from those organizations. The material was gathered, recorded, and evaluated under the direction of Mr. H. A. Olsher, our able and tireless director of the Small Business Committee's Foundation Study. The data were recorded by professional men—attorneys and accountants—and was tabulated by the General Accounting Office.

We shall report other findings—assets, and so forth—at a later date.

RELUCTANT FOUNDATIONS

Obtaining the information from the foundations has been a struggle. In many cases, it has taken four or five letters and a reminder of the committee's subpena power to obtain the information needed for this study. Many foundations have taken from 30 to 60 days to reply to a letter. We have been compelled to issue subpenas to 17 of them who failed to furnish information requested—a list of the 17 appears as schedule 4 attached hereto. These 17 foundations had been given ample opportunity to furnish the information voluntarily—in many instances, several months. In the case of the five members of the Ford family of Detroit, the Pew Memorial Trust of Philadelphia, and the Allen-Bradley Foundation of Milwaukee, the committee first asked for the information in October 1961. When followup letters did not produce the documents and data, we issued subpenas in February and March of this year.

The attitudes of far too many of the foundations under study suggest an unmatched arrogance and contempt for the Congress and the people whom we represent. They appear to have adopted the attitude that tax exemption is their birthright—rather than a privilege granted to them by the people, through the Congress, for a public purpose.

The reluctance to cooperate takes many forms. Some only furnished information under subpena, demonstrating something less than a charitable attitude toward public knowledge and democratic processes. Others have sent us incomplete, or partially, or wholly illegible documents. Frequently, principal officers seemed to be in Europe when our letters arrived, leaving no one in the office with access to the records.

A MORATORIUM IS NEEDED

Our committee has produced the first penetrating, meaningful insight into the income of a substantial number of tax-exempt foundations—522 out of an estimated 45,124. Many of you will recall that the Reece committee found it impossible to arrive at any accurate estimate of the number of foundations, their income, expenditures, and assets. Foundations give wide publicity to their disbursements—contributions, gifts, grants, and so forth—but they seem reluctant to advertise their income.

On the basis of our discoveries thus far, and in view of the rapidly increasing number of tax-exempt foundations, I strongly urge the Secretary of the Treasury to declare an immediate moratorium on granting exemptions to foundations and charitable trusts until such time as the Congress has an opportunity to consider and develop new laws and procedures to fit present-day economic circumstances and needs.

This recommendation is not made lightly. It is not made casually. It is made in the interest of the taxpaying public, and in the interest of good administration and orderly procedures.

It is also made in the interests of equal justice.

How can the Treasury Department possibly justify continuing to wring heavy taxes out of the farmer, the worker, and the small businessman, knowing that people of large means are building one foundation after another, and—for all the Treasury knows—for the purpose of decreasing their taxes, eliminating competition and small business, subsidizing antidemocratic propaganda and otherwise working a hardship on the Nation. This "mess"—and it is a mess—cannot be cleaned up overnight, and many of the people who are now faced with the cleaning job are by no means responsible for this sorry state of affairs—but, in the interim, good faith requires that we put an end to the spiraling number of these tax-free entities until we can bring some degree of order into these matters—and assure the people that their taxes are not higher because of special privileges flowing from inadequate laws, inadequate regulations, and lax administration.

REASONS FOR THE RECOMMENDED MORATORIUM

Let me outline five of the many justifications for an immediate moratorium on the granting of exemptions:

First, there is every indication that there have been laxness and irresponsibility in the supervision of foundations by the Internal Revenue Service, with respect to taxable years 1951 through 1960. There is little doubt that the tremendous increase in the number and size of foundations has outrun the machinery for control. Moreover, a moratorium would give the Treasury Department an opportunity to tighten its exemption requirements, its supervisory procedure and control, and step up its disciplinary actions for violations of its regulations.

The scarcity of information on foundations and the lack of supervision has made it impossible for the Treasury to determine the extent of loss to the Federal Treasury on foundation operations. Commissioner Mortimer M. Caplin has advised me that he recognizes that his department's "audit activity in the area of exempt organizations was inadequate in the past." Out of a total of 570,000 exempt organization tax returns of all types filed during the period of January 1, 1958, through June 30, 1960, 13,024 were classified for audit, of which only 5,300 were actually audited. Those 5,300 audits resulted "in recommended additional taxes and penalties of $2.7 million and 203 instances in which the exempt status has been recommended for revocation."

The lack of statistics is appalling: Approximately 111,000 out of the total of 570,000 returns were filed on form 990–A during the 2½-year period. The balance were filed on other exempt organization return forms 990, 990–C, 990–P, 990–T, and 1041–A. The Internal Revenue Service has no separate figures showing the number of form 990–A returns which were classified for audit during that period; nor can it supply figures on how many of this group were actually audited.

The dearth of data without which neither the public nor the Congress, nor the executive branch can properly evaluate the impact of the rapidly growing foundation industry is partially due to the deficiencies in administrative forms and procedures.

The law requires tax-exempt foundations to make a report of their operations on a tax return known as form 990–A. This return is composed of 4 pages. It gives information concerning receipts, disbursements, and balance sheets. But form 990–A omits vitally important facts. No report is required as to the date of contributions received or as to the type of contributions received—that is, whether it is cash, securities, real estate, and so forth. No information is required as to selling dates of assets. Notes receivable and accounts receivable are not separated. Mortgage holdings—a big foundation business—are not treated separately. Although a foundation is required to report 10 percent or more stock ownership, it is not required to report the date or manner of acquisiton of the stock. No detail is required as to accounts payable, such as the nature of the accounts payable, name of the creditor, and so forth. Little detail is required as to the character of the items making up miscellaneous expenses. No description of the foundation's business activities is required. Names of the officers, directors, or trustees are not required.

Certainly, the stockholders of any business corporation would wish to have such information. And, in the case of tax-exempt foundations, the taxpayers are the stockholders since they provide the subsidy.

My second justification for urging a moratorium is that there appears to have been widespread disregard of Treasury regulations, despite penalties provided by law, including fines up to $10,000 and jail terms. Uneducated sharecroppers are presumed to know the law, but many of the foundations under study and their well-paid, well-educated advisers are apparently exempt from this ancient presumption, in practice, if not as a matter of strict law. Singling out the shortcomings of each individual foundation would fill countless pages so I shall only recite a few:

First. The Treasury Department requires every foundation to file the following information if it owns 10 percent or more of any class of stock of any corporation at the beginning or close of each reporting period: First, name of the corporation; second, number of shares of each type of stock owned, including identification as to voting or nonvoting; and, third, the value of the stock as recorded on the foundation's books. We have already found 68 foundations, owning 10 percent or more of at least 1 class of stock in 1 or more of 170 different corporations during the years 1951 through 1960, who failed to report such information to the Internal Revenue Service for at least 1 year. The foundations that failed to file such data are listed in schedule 2 which I am submitting with this statement.

Second. The Longwood Foundation, of Wilmington, Del., had total receipts of $32,952,885 for the years 1951 through 1960. This foundation failed to file its form 990–A tax returns for the years 1955 through 1958. Mr. Henry B. du Pont, president of the foundation, says that the failure to file was brought to light by my inquiry of last August, and that the tax returns for the 4 years were not filed until September 7–8, 1961.

Third. The Parsons Blewett Memorial Fund, of St. Louis, had total receipts of $1,600,314 for the years 1951 through 1961. It admits that no requests had been received for submission of tax returns prior to 1961, and "consequently none were filed," despite the fact that the organization has been operating on an exempt basis for many years. In fact, this fund did not file an exemption application until October 1959, although it was organized in 1916.

Fourth. The Rutherford B. Hayes and Lucy W. Hayes Foundation, of Spiegel Grove, Ohio, had total receipts of $336,445 for the years 1951 through 1960. Although it has been operating on a tax-exempt basis since 1926, it did not file an application for tax exemption until June 10, 1960, and filed its first form 990–A in 1961—just about 35 years after it started operations.

Fifth. The Isaac W. Bernheim Foundation, of Louisville, had total receipts of $1,205,108 for the years 1955 through 1960. It failed to file form 990–A for all years prior to 1955, despite the fact that it has been exempt since 1930. This foundation also contends that no one had ever advised it that form 990–A was required. Mr. Robert Paul, executive director of the foundation says:

I remember making inquiries at the Federal Building, Department of Revenue, Louisville, Ky., and it was only after considerable difficulty I could find someone who could tell me in what manner this form should be made out to meet our particular situation, combining the two entities: I. W. Bernheim Trust and I. W. Bernheim Foundation.

Sixth. The Howard Heinz Endowment, of Pittsburgh, had total receipts of $6,174,717 for the years 1951 through 1960. No tax return was filed for the year 1955 and no reason given.

Seventh. The Inland Steel-Ryerson Foundation, of Chicago, had total receipts of $10,189,864 for the years 1951 through 1960. It is among a number of foundations that failed to file form 990-A for at least 1 year. For the years 1958 through 1960, it filed form 990 which is closed to public inspection.

Eighth. The Zachary Smith Reynolds Trust, of Winston-Salem, N.C., had total receipts of $8,067,757 for the years 1951 through 1960. It has not filed a proper information return since it was established in 1936. It has filed a form 1041 instead of a form 990-A, the former being closed to public inspection. The Mercantile-Safe Deposit & Trust Co., of Baltimore, the trustee, says that the Internal Revenue Service has never requested that it file a form 990-A for the Zachary Smith Reynolds Trust.

Ninth. Many of the foundations we have examined omit important information required by the Treasury Department. Little or no attention is paid to filing the portions of the tax return which must be made available to the public. This is particularly true of information relating to disbursements made by the foundation such as contributions, gifts, grants, and so forth.

The Olin Mathieson Chemical Corporation Charitable Trust, of East Alton, Ill., had total receipts of $9,615,630 for the years 1951 through 1960. It says that schedules itemizing capital gains—or losses—were not filed for any year from 1951 through 1957, despite the fact that it had gains or losses in each year.

The Donner Foundation, of Philadelphia—whose financial statements are prepared by Price Waterhouse Co.—had total receipts of $24,760,043, including capital gains of $12,947,827, for the years 1951 through 1960. This foundation did not file a capital gain schedule showing details of assets sold for any of those years.

The Monarch Machine Tool Company Foundation, of Sidney, Ohio, had total receipts of $153,404 for the years 1953 through 1960. It also failed to file capital gain schedules for 1955 and 1957; nor did it file schedules for miscellaneous expenses during the years 1954 and 1959.

Any Member of this body will recognize that infractions such as these by ordinary citizens would have the Internal Revenue Service pursuing them in force.

The third justification for urging a moratorium relates to that provision of the Revenue Act of 1950 which prohibits unreasonable accumulations of income by foundations. The group of foundations we examined had accumulated income of $884,841,049 at the close of the last accounting period for which they submitted data to the committee—usually 1960—as against $262,310,396 at the close of the first accounting period—usually 1951—for which they provided information. The reasons for this huge increase in accumulated income will require further study. One of the problems is the failure of many foundations to report any information regarding their accumulated income. For example, the Lillia Babbitt Hyde Foundation, of New York City, had aggregate total receipts of $10,295,632, including capital gains, contributions, gifts, grants, and so forth, for the years 1951 through 1960. Its accumulation of income at the end of 1960 was $4,405,762. The foundation's tax returns for the years 1951 through 1958 offer no explanation of its accumulated income; its returns of 1959 and 1960 hint that capital gains are included in accumulations of income during the earlier years.

The fourth justification for urging a moratorium is that tax exemption for foundations needs reassessment in the light of the present times. There is every indication that many tax exempt, charitable foundations are being used for purposes not related to charity. The laws of the past are no longer effective. Congress could not envision the gigantic proportions that the foundation business would reach. During the last accounting period—usually 1960—for which the foundations submitted data to the committee, they had total receipts of $1,011,247,936, as against total receipts of $533,022,823 during the first accounting period—usually 1951.

In 1960 there were 7,213,000 families, including unattached individuals, in the United States who had income of less than $2,000 before taxes. Their aggregate income was $8,040 million. Thus, the $1,011,247,936 received by the 522 tax exempt foundations in 1960 was about 12½ percent of the income of 7,213,000 American families. In other words, the aggregate receipts of these 522 foundations were equal to that of 907,000 American families in 1960.

Moreover, the $1,011,247,936 received by the 522 tax exempt foundations in 1960 was substantially more—in fact, 16 percent more—than the $864,435,000 combined net operating earnings, after taxes, of the 50 largest banks in the United States.

The following is a breakdown of the receipts of the 522 foundations from whom we gathered data for the taxable years 1951 through 1960:

Gross sales or receipts from business activities	$58,318,422
Gross profit from business activities	19,406,469
Interest received	477,425,135
Dividends received	2,161,246,458
Rents and royalties received	241,268,958
Total gain from sale of assets	1,448,529,763
Other income	215,353,922
Total gross income, excluding contributions, gifts, grants, etc., received	$4,563,230,705
Total contributions, gifts, grants, etc., received	2,451,837,219
Total receipts, including contributions, gifts, grants, etc., received	7,015,067,924

What is the significance of the huge amounts accruing in the form of capital gains? The $1,448,529,763 income figure from capital gains suggests that many foundations have become a vehicle for trading in securities and dodging the capital gain tax. Foundation capital gains are not only tax exempt, but the foundations are permitted to place them in the principal account instead of the income account.

Note the following example of the capital gains of the Lillia Babbitt Hyde Foundation, of New York City, from activity in the stock market:

Year	Gross sales price of securities	Capital gains
1951	(1)	$221,800.72
1952	(1)	364,607.88
1953	$611,352.38	170,899.33
1954	7,486,033.95	479,588.40
1955	2,417,302.26	604,363.67
1956	3,161,747.67	353,536.74
1957	5,360,313.63	350,995.88
1958	824,573.29	304,852.84
1959	9,698,571.25	944,960.59
1960	12,530,931.90	1,992,681.29
Total	42,090,826.33	5,788,377.34

[1] No such information was filed on the tax return.

As indicated above, proceeds were not shown on the Hyde Foundation's tax returns for 1951 and 1952. Moreover, its returns for the years 1956 and 1960 do not show acquisition dates, although Treasury regulations require such information. Additionally, Treasury regulations require a description of the manner in which the securities were acquired by the foundation—by gift or purchase, and so forth. This foundation did not file any such information for the years 1951 through 1960. It did, however, furnish both dates of acquisition and dates of sale of securities for the years 1953, 1957, 1958, and 1959. Examination of these returns indicates that there was speculation in securities—with stocks and bonds being bought and sold during the same year and sometimes within a matter of a few days.

This type of activity by foundations—with huge, untaxed funds at their disposal—poses some big questions in the light of the recent sharp breaks in the market. In my view, tax exempt foundations—all of whom are supported by the taxpayers—should not be permitted to use public funds for speculation in the stock market. Their mistakes or misfortunes are too likely to have a disastrous effect on millions of our citizens.

The fifth justification for urging a moratorium is the need for achieving a more equitable distribution of the tax burden—one of the most pressing problems facing the Congress. In fairness to all taxpayers, the Congress should explore the foundation business as a possible new source of revenue.

Today funds are being put into foundations which yield no taxable income. Since the money lost to the Public Treasury must be found somewhere, the burden is shifted to people who are obliged to work for a living—to the widow with a cottage instead of a palace, to businessmen, and to the farmer.

In my view, it is extremely unfair for the taxpayers of the First District of Texas and the rest of the country to be compelled to pay for the maintenance of tax exempt foundations. They mainly lighten the burden of wealthy people who do not require Government subsidy. This is not backed by justice, equity, or sound American principles.

These five points are merely a summary statement of the justifications for urging an immediate moratorium on the creation of any more of these tax-exempt foundations until the Congress has taken appropriate action; but let me proceed with the report in more detail on the difficulties we have encountered, the evidences of the need for changes in the law, in the regulations, and in the administration of these organizations.

PROBLEMS RESULTING FROM THE SHORTCOMINGS OF FOUNDATIONS IN ACCOUNTING

Now, I should like to tell you a little about the committee's problems resulting from the shortcomings of the foundations in their accounting.

The accounting data furnished by far too many of the foundations is defective in many ways. This has posed problems in the preparation of our report.

The lack of uniformity in accounting procedures, and the accounting practices generally in the foundation industry, should be a matter of concern to the certified public accountant profession.

There are far too many departures from recognized bookkeeping procedures. Some annual reports, for instance, identify the source of certain income as "various transactions."

The list of defects includes the following:

First. The biggest problem encountered has been the illegible copies of form 990-A furnished by certain foundations. Some copies, though adequately reproduced, are prepared with such poor penmanship that they are still unreadable. This required computation of numerous items manually.

Second. Far too many foundations failed to furnish annual reports financial statements. Many of those that were submitted leave much to be desired. They are among the poorest I have ever seen. They generally say nothing about officers, directors, or trustees. Oddly enough, a few individuals, whose names have been submitted to us as directors, subsequently denied such affiliations.

Many of the statements offer little detail about contributions received, and, when they show their portfolios, they frequently list only the security, the number of shares, and the foundation's carrying values. Others simply list the securities and the number of shares. Market values are omitted more often than not. Some include little more than a brief income statement and balance sheet. The 1960 accountant's statement of the Richardson Foundation, of New York City and Greensboro, N.C., prepared by Price Waterhouse & Co., shows no list of securities, although the foundation held securities valued at about $50 million.

Still other foundations failed to show schedules of capital gains.

The 1960 statement of the Buhl Foundation of Pittsburgh, prepared by Price Waterhouse & Co., failed to show individual securities held. Also, this foundation deleted certain portions of its auditor's statement for the year ending June 30, 1956. The foundation's reasons for its failure to submit the entire statement to us were as follows:

> In the year ended June 30, 1956, the auditors submitted as a supplement to their audit report certain detailed statistical and financial information which they had extracted from the records of the foundation at our request. This material was not a part of the audit report. These attachments, therefore, were not included for that reason and also for the reason that substantially all of the information contained therein was submitted to you for that particular year in other documents.

The following foundations were among those submitting statements that did not show individual securities held for the year 1960:

B. F. Goodrich Fund, Inc., of Akron, statement prepared by Ernst & Ernst.

The Presser Foundation, of Philadelphia, and the Fund for the Republic, of Santa Barbara, Calif., statements prepared by Lybrand, Ross Bros. & Montgomery.

And the following foundations were among those that showed investment portfolios but failed to list market values of individual securities held at the close of the year 1960:

William Volker Fund, of Burlingame, Calif., statement prepared by Arthur Young & Co.

John Simon Guggenheim Memorial Foundation, of New York City, statement prepared by Haskins & Sells.

Third. Many of the foundations under study did not bother to use the official form 990-A. They adopted their own form and attached a schedule with their own breakdowns without regard for even the order of arrangement on form 990-A. This has made our task of compilation very difficult.

In this regard, the banks and trust companies are the worst offenders. Many prepared their own schedules, which were used in lieu of form 990-A, on a day-to-day journal basis—so much received and so much disbursed without regard to classification. Under this system of reporting, the variance is so great that little can be gleaned from the information furnished. A case in point is the First Trust Co., of St. Paul, fiscal agent for the Tozer Foundation, of Stillwater, Minn., whose total receipts were $1,243,116 for the 10-year period. Our staff spent many man-hours trying to make the contents of the bank's annual reports conform with the information required in form 990-A. We found it to be an impossible task and therefore required the trust company to fill out the income and balance sheets—pages 1 and 2—of form 990-A for the period of 1951 through 1960. About 3 weeks after our request was made, the trust company advised us that they had been working on these returns for some time and found that the breaking down of their own accounting statements was taking a somewhat longer time than they expected.

Fourth. In some cases outdated forms 990-A, in use prior to 1956, were used by the foundations in subsequent years.

Fifth. Certain foundations filed their information on form 990 instead of form 990-A, despite the fact that the latter is required by law. Form 990 is not open to public inspection.

Sixth. Few of the foundations filed all the information on form 990-A in the manner prescribed by Treasury regulations. Many did not file classifications of the disbursements they made in the form of contributions, gifts, and so forth. Such information is open to public inspection.

Seventh. In some instances, current income was not separated from principal.

Eighth. At times, figures were entered in the wrong line.

Ninth. Sometimes, supporting schedules were not attached. In other cases, they were attached but did not always jibe with the parent return.

Tenth. In certain instances, photocopies failed to differentiate between red ink and black ink. This required computation of numerous items.

Eleventh. Some totals were omitted or incorrectly stated and required time-consuming calculation by us.

Twelfth. In some cases, identical items were inserted under different headings each year.

Thirteenth. Another problem was that certain foundations use a calendar year for the tax return and a fiscal year financial statement. For example, the Benwood Foundation, of Chattanooga, filed its tax return for 1960 on a calendar year basis, but its financial statement was prepared by Arthur Andersen & Co. using a fiscal year ending April 30.

Fourteenth. There is a lack of uniformity in the accounting periods—some report on a fiscal year basis, others on a calendar year.

Fifteenth. Certain foundations switch from one accounting year end to another.

Sixteenth. Information furnished on the tax returns does not always agree with the data in the foundation's financial statements.

Seventeenth. Other foundations reported capital gains on their tax returns as contributions received instead of as income earned. And, in some instances, the gain was not reported on the return either as income earned or as a contribution because, according to the foundation, all the proceeds were reinvested.

In our computations, we have classified all capital gains—that is, all we could locate—as income earned.

Eighteenth. At times, detailed statements with respect to assets sold were not filed. Treasury regulations require that the following information be filed on form 990-A respecting assets sold: First, date and manner of acquisition; second, gross sales price; and third, cost or other basis—value at time of acquisition, if donated. However, many of the foundations under study failed to furnish all of this information on their tax returns.

Nineteenth. With respect to contributions received, instruction 3, page 4 of form 990-A, requires that, where a foundation receives money or property from a donor in the amount of $100 or more, it must attach an itemized schedule showing the amount received and the name and address of the donor. When such information was furnished, many foundations showed only the amount received and the name of the donor; the address was omitted.

Twentieth. Incomplete data was sometimes submitted respecting accumulation of income.

Twenty-first. Sometimes items of an unusual nature were not explained or clarified.

Twenty-second. Most of the foundations maintain their financial records on the basis of the historic cost or value of securities as of date of receipt.

Twenty-third. In other instances, balance sheets on the form 990-A frequently do not reconcile the ending figures for 1 year and the opening figures for the following year. In some cases, the riders bearing balance sheet information do not agree with the balance sheet entries on the form. In still other cases, the balance sheets do not agree with the accountant's annual financial statement.

Twenty-fourth. In a number of cases, investments were not segregated in the manner required on the form—that is, investments were grouped under captions that did not correspond to the form. Some foundations failed to separate their assets of U.S. obligations from assets of non-U.S. obligations.

Twenty-fifth. In certain cases, capital assets were shown as net without indicating the cost and the amount of reserve for depreciation, and in some cases, land and depreciable assets were lumped together. Also, breakdowns in the net worth section of form 990-A were sometimes not submitted.

Twenty-sixth. Some foundations appraise valuable assets at nominal amounts, bearing no relationship to financial reality.

Twenty-seventh. In some cases, stock is valued on the basis of the foundation's equity in the net assets of the corporation, whose accounting yearend may differ from the foundation's by months or as much as a year.

Twenty-eighth. Where a foundation reported ownership of 10 percent or more stock of a corporation—beginning with the year 1956—such ownership was usually shown as of the beginning or as of the end of the year, whereas the regulations require both beginning and end of the year figures unless there was no change in such holdings.

OTHER TYPES OF ABUSES

Now, I should like to deal with some other types of abuses.

One example of practices that require close examination involves the establishment—during 1961—of so-called charitable foundations by two of the Nation's largest banks: Morgan Guaranty Trust Co., of New York, and Chemical Bank New York Trust Co. The details are as follows:

On August 31, 1961, four of the Nation's largest banks sold control—60 percent—of the Discount Corp. of New York, a primary dealer in U.S. Government securities, bankers acceptances, and negotiable time certificates of deposit. The banks disposed of their stock by private placement to institutional investors, including a number of foundations. The number of shares owned and sold by each selling stockholder was as follows:

	Shares
International Banking Corp. (a wholly owned subsidiary of the First National City Bank of New York)	9,998
Bankers Trust Co.	4,999
Morgan Guaranty Trust Co. of New York Charitable Trust	9,739
The Chemical Bank New York Trust Foundation	4,998
Total	29,734

The 9,739 shares owned by the Morgan Guaranty Trust Co. Charitable Trust and the 4,998 shares owned by the Chemical Bank New York Trust Foundation had been acquired by the present Morgan Guaranty Trust Co. of New York and the present Chemical Bank New York Trust Co., respectively—through mergers and acquisitions—during the years 1918 through 1959.

The Morgan Guaranty Trust Co.'s cost basis for the 9,739 shares was $1,548,179.12. On January 4, 1961, the market value of the 9,739 shares was $2,493,184; so, on that date, the bank had a gain of $945,005. Whereupon, the same date, January 4, 1961, the Morgan Guaranty Trust Co. of New York established the Morgan Guaranty Trust Co. of New York Charitable Trust and contributed the 9,739 shares of Discount Corp. to said trust. Those shares were the charitable trust's sole assets on January 4, 1961. Eight months later, on August 31, 1961, the charitable trust sold the 9,739 shares to institutional investors, including a number of foundations. The net proceeds to the charitable trust was $2,515,735.47. On March 12, 1962, the charitable trust filed its application for Federal income tax exemption. Since an organization must be in existence for at least 12 months before applying for Federal tax exemption, the charitable trust did not become eligible for exemption until January 4, 1962. If the charitable trust is granted Federal tax exemption, its exemption will, of course, be retroactive.

The Chemical Bank New York Trust Co.'s adjusted cost basis for its 4,998 shares of Discount Corp. was $299,880. On August 11, 1961, the market value of the 4,998 shares was $1,386,945. As of August 11, 1961, the bank had a gain of $1,087,065. Whereupon, on the same date, August 11, 1961, the Chemical Bank established the Chemical Bank New York Trust Foundation and contributed its 4,998 shares of Discount Corp. to said foundation. Those shares were the foundation's sole assets on August 11, 1961. On August 31, 1961, the foundation sold the 4,998 shares to the same institutional investors who had purchased the Morgan Guaranty's shares of Discount Corp. The net price received by the Chemical Bank New York Trust Foundation was $1,291,061.31. If the foundation is granted Federal tax exemption when it becomes eligible after August 11, 1962, its exemption will also be retroactive.

Thus, if the Morgan Guaranty Trust Co. and the Chemical Bank have sold the aforementioned securities on January 4, 1961, and August 11, 1961, instead of contributing them to their respective foundations, the two banks would have had to pay capital gains tax on gains of over $2 million.

The Chase Manhattan Bank has engaged in similar transactions. On November 14, 1958, the bank established a trust known as the Chase Manhattan Bank Foundation. Seven months later, on May 6, 1959, the bank contributed the following securities to its foundation:

Two thousand shares Philip Morris, Inc., common $5 par—acquired by the bank on January 10, 1955, upon liquidation of a former subsidiary.

Five thousand shares Imperial Bank of Canada capital stock—acquired by the bank in 1930.

Five thousand rights Imperial Bank of Canada.

The bank's cost basis on these securities was $116,292. The market value on May 5, 1959, the last date of the bank's ownership, was $542,631. As of May 5, 1959, the bank's gain on the securities was $426,339. On May 13, 14, and 18, 1959, and June 5, 1959, shortly after the bank contributed the stock to its foundation, the latter sold the stock for a total of $542,817.

Seven months later, in January 1960, the Chase Manhattan Bank Foundation filed an application for Federal income tax exemption. A few months thereafter, on April 12, 1960, the Internal Revenue Service granted the exemption, and such exemption was retroactive.

On March 31, 1960, the Chase Bank had contributed another 6,776 shares of Philip Morris common $5 par stock to its foundation. These shares had also been acquired by the bank on January 10, 1955. The bank's cost basis was $32,125. The market value on March 30, 1960, the last date of the bank's ownership, was $417,571. As of March 30, 1960, the bank had a gain on this stock of $385,446. On April 11, 1960, 1 day prior to the date of the Internal Revenue Service letter granting exemption, the Chase Bank Foundation sold the stock for a total of $403,257.

Then, on May 2, 1961, the Chase Bank contributed 207,753 shares of H. & B. American Machine Co., Inc., capital stock which it had acquired on May 2, 1954, as a workout of a bad loan. The bank's cost basis was $348,440. The market value on May 1, 1960, the last date of the bank's ownership, was $947,873. As of May 1, 1961, the bank had a gain on this stock of $599,433. On May 9 and May 10, 1961, a week after the bank contributed the stock to the foundation, the latter sold the stock for a total of $805,758.

Hence, if the Chase Manhattan Bank had sold the aforementioned securities on May 5, 1959, March 30, 1960, and May 1, 1961, instead of contributing them to its foundation, the bank would have had to pay capital gain tax on gains of about $1,400,000.

The net result of this legalized tax dodging is that the public's Treasury suffers and the bill must be picked up by the taxpayers, including small businessmen.

FOUNDATIONS AS AGENTS OF CONCENTRATION

In the past two decades numerous business organizations have become affiliated with or merged into so-called charitable foundations. As we all know, true charity has always been most favored in this great land of ours, and has been fostered by tax exemptions freely granted by our National, State, and local governments. However, when business organizations operate in the guise or cloak of charity primarily to evade taxes and to gain advantages over other business enterprises, it is time to carefully examine this field. Each tax exemption naturally increases the tax burden of the remainder of our citizens and businesses. If the burden of small business becomes too great, small businesses will fail and disappear, and our economy and system must likewise fail.

To date, our records disclose some 106 foundations that owned 10 percent or more of at least 1 class of stock in 1 or more of 252 different corporations on December 31, 1960. They are shown on schedules 2 and 3 which are part of this statement. The companies are in a wide variety of industries: rock and gravel, lime and cement, aluminum, textiles, railroads, broadcasting, real estate, retailing, including chainstores and department stores, soft drinks, railway equipment, chemicals, paper and paper products, stoves, oil and minerals, drugs, baking, cereal and other breakfast foods, sugar, banks, theaters, utilities, film and TV production, dies, arms, explosives, chemical research, ammunition, insurance, perfumes and cosmetics, shoes, refrigerators, construction, glass, tavern leasing, parking lots, heavy machinery, brewing, lead, coal, meatpacking, dress manufacturing, drugstores, hotels and motels, shopping centers, building materials and lumber, newspaper and other publishing, trucking, and parcel delivery, wholesale plumbing and heating services, gasoline engines, compressors, refrigeration systems, manufacturing furriers, fiber cord, wooden barrels, and vulcanized fiber, among others.

The stockownership of certain foundations under study ranges from 10 to 100 percent and includes the following well-known companies—among others—which are listed in my schedules 2 and 3. It should be remembered that where a foundation does not own 51 percent of a corporation's common voting stock, control may be exercised through a combination of the foundation's holdings and the holdings of the owner. Also, nonvoting stock may sometimes be converted into voting shares. For example, the class A nonvoting stock of the Ford Motor Co.—which is held by the Ford Foundation—can be converted or exchanged on a share-for-share basis under certain conditions into the company's common voting stock with the same dividend rate.

Kaiser Industries Corp.—15.4 percent of the common nonvoting stock owned by the Henry J. Kaiser Family Foundation, Oakland, Calif.

Callaway Mills Co.—100 percent of the capital common voting stock owned by the Callaway Community Foundation, La Grange, Ga.

Coca-Cola International—15.21 percent of the common voting stock owned by Emily and Ernest Woodruff Foundation, Atlanta.

George D. Roper Corp.—11.77 percent of the common voting stock owned by Sears, Roebuck Foundation, Chicago.

Midwest Oil Corp.—18.34 percent of the common voting stock owned by Standard Oil Foundation, Inc., Chicago.

Eli Lilly & Co.—45.26 percent of the common class A voting stock and 10.40 percent of the class B common nonvoting stock owned by Lilly Endowment, Inc., Indianapolis.

Kellogg Co.—58 percent of the preferred nonvoting stock owned by W. K. Kellogg Foundation and 51 percent of the common voting stock owned by W. K. Kellogg Foundation Trust, Battle Creek, Mich.

S. S. Kresge Co.—34 percent of the capital voting stock owned by Kresge Foundation, Detroit.

United States Sugar Corp.—48.2 percent of the common stock owned by Charles Stewart Mott Foundation, Flint, Mich.

B. Altman & Co., New York City—84.59 percent of the capital voting stock owned by Altman Foundation, New York City.

Connecticut Railway & Lighting Co.—99.25 percent of the 5-percent cumulative preferred voting stock and 51.07 percent of the common voting stock owned by Charles Ulrick & Josephine Bay Foundation, Inc., New York City.

Duke Power Co.—57.24 percent of the common voting stock and 82.02 percent of the 7-percent preferred voting stock owned by Duke Endowment, New York City.

Ford Motor Co.—100 percent of the class A nonvoting stock owned by the Ford Foundation, New York City.

W. T. Grant Co.—10.7 percent of the common voting stock owned by the Grant Foundation, Inc., New York City.

Great Atlantic & Pacific Tea Co., Inc.—33.98 percent of the common voting stock owned by John A. Hartford Foundation, Inc., New York City.

S. H. Kress & Co.—41.9 percent of the common voting stock owned by Samuel H. Kress Foundation, New York City.

American Chain & Cable Co., Inc.—17.8 percent of the capital voting stock owned by Wm. T. Morris Foundation, New York City.

Federal Cartridge Corp.—100 percent of the preferred nonvoting stock owned by Olin Foundation, Inc., New York City and Chicago.

Reinsurance Corp. of New York—14 percent of the common voting stock owned by Richardson Foundation, Inc., New York City and Greensboro, N.C.

Faberge, Inc.—100 percent of the common voting stock, 100 percent of the first preferred nonvoting stock, and 70 percent of the second preferred nonvoting stock owned by Samuel Rubin Foundation, New York City.

Electrolux Corp.—24.2 percent of the capital voting stock owned by Wenner-Gren Foundation for Anthropological Research, New York City.

Enna Jettick Corp.—100 percent of the capital voting stock owned by Fred L. Emerson Foundation, Inc., Auburn, N.Y.

Pittsburgh Steel Co.—10 percent of the 5-percent preferred A voting stock owned by Donner Foundation, Inc., Philadelphia.

Sun Oil Co.—21.29 percent of the common voting stock owned by the Pew Memorial Trust, Philadelphia.

National Bank of Commerce, Houston—23.4 percent of the common voting stock owned by Houston Endowment, Inc.

Allen-Bradley Co.—64.62 percent of the nonvoting participating prior preferred stock owned by Allen-Bradley Foundation, Inc., Milwaukee.

Miller Brewing Co.—29 percent of the common voting stock owned by DeRance, Inc., Milwaukee.

National Lead Co. of South America—100 percent of the 5-percent cumulative preferred nonvoting stock owned by National Lead Foundation, Inc., New York City.

James S. Kemper & Co—34.2 percent of the 4½-percent cumulative preferred nonvoting stock owned by James S. Kemper Foundation, Chicago.

Wieboldt Stores, Inc.—90.6 percent of the 6-percent cumulative convertible preferred voting stock owned by Wieboldt Foundation, Chicago.

Sahara Coal Co., Inc.—20.7 percent of the preferred nonvoting stock owned by Woods Charitable Fund, Inc., Chicago and Lincoln, Nebr.

Tecumseh Products—23 percent of the common voting stock owned by Herrick Foundation, Detroit.

Hormel, Inc.—11.69 percent of the common voting stock owned by Hormel Foundation, Austin, Minn.

Ralston Purina Co.—23.4 percent of the common stock owned by the Danforth Foundation, St. Louis.

American National Insurance Co.—34.55 percent of the common stock owned by the Moody Foundation, Galveston.

Beaunit Mills, Inc.—24.5 percent of the common voting stock owned by Rogosin Foundation, New York City.

Jonathan Logan, Inc.—15 percent of the common class A stock owned by David Schwartz Foundation, Inc., New York City.

Patrick Cudahy, Inc.—86.66 percent of the common B nonvoting stock owned by Patrick and Anna M. Cudahy Fund, Milwaukee.

Springmaid of the West, Inc.—100 percent of the common voting stock owned by Springs Foundation, Inc., Lancaster, S.C.

UNFAIR COMPETITIVE ADVANTAGES

In recent months, my mail has brought renewed criticism of the commercial activities of tax-exempt foundations. The American Council of Independent Laboratories, composed of about 150 independent, taxpaying research and testing laboratories, states that their competitors—tax-exempt research institutes—operate multimillion-dollar commercial businesses at a profit, and that they have grown tremendously at the expense of the taxpayer. It is alleged that seven of these tax-exempt organizations did over $100 million in research and testing business during 1959.

Mr. Raymond W. Hermanson, of Los Angeles, writes that his company has been operating under extremely difficult competition with the Research-Cottrell Co., a wholly owned subsidiary of the tax-exempt Research Corp. of New York City. Mr. Hermanson says:

> The Research-Cottrell Co. is able, in many instances, to bid for business at a break-even or loss figure which its competitors cannot possibly match. Because of the ability of Research-Cottrell to price their equipment at or below cost, competition has been effectively forced into the position of operating at a loss. This is true of almost every company now engaged in this business.

Mrs. Ethel M. Clark, president, California Test Bureau, of Monterey, writes as follows:

> As president of one of the oldest nationwide educational test publishers in the country, I feel compelled to advise you of an increasing problem this company is encountering and to solicit your aid in solving this problem.
>
> In recent years there has been great growth in the number of publicly and privately supported tax-exempt organizations who have entered into direct competition with those who still survive as taxpaying members of our industry. The development and growth of a considerable number of organizations who create and publish educational materials for solicitation of and sale to the public and parochial schools of this country is increasing. * * * These organizations * * * frequently operate in direct competition with taxpaying publishers of educational books and tests.
>
> An example of such direct competition with this company is Educational Testing Service, of Princeton, N.J., which functions as a nonprofit organization. Educational Testing Service operates a division called cooperative test service which engages in what we consider commercial activity by active solicitation of business by use of catalogs, advertising circulars, sales representatives who contact public and parochial school systems, and the like. Their current annual report shows gross revenues in excess of $10 million from sales.
>
> In recent years Educational Testing Service reports gross sales or receipts from business activities (educational test activities) as follows:

1960–61	$10, 662, 324
1959–60	8, 380, 388
1958–59	6, 932, 803
1957–58	5, 974, 127

> It is my opinion that the enigma of the "nonprofit" or "tax-exempt" label, and its attendant cloak of public purpose is being violated as to original purpose and intent by these organizations which are in reality "for profit" yet at the same time, tax exempt. This problem poses a serious threat to this country's free enterprise system which provides tax support for our Government.
>
> An additional serious problem presented by the Educational Testing Service operation, is that their nonprofit status enables them to solicit funds from tax-exempt foundations and contributions by corporations and individuals and at the same time compete with taxpaying publishers.

The taxpaying California Test Bureau had 106 employees at the end of its fiscal year 1961. Its gross income was $2,223,602 for fiscal year ending June 30, 1961, compared with $2,386,318 during 1960.

The tax-exempt Educational Testing Service, of Princeton, had 630 salaried employees at June 30, 1961, as against 535 employees at July 1, 1960. In addition, it employed as many as 473 hourly paid temporary workers during peak periods of fiscal year 1961.

It is hardly necessary to prove by statistical facts that business is becoming more and more concentrated—and, without a doubt, tax-exempt foundations are helping to push us in that direction.

There is every indication that foundation-controlled enterprises have unfair competitive advantages. This is so despite provisions of the present tax laws which deal with unrelated business income, sale and leaseback transactions, prohibited transactions, and so forth.

Some of these competitive advantages are as follows:

First. The owner of the foundation usually controls both the foundation and its business subsidiaries.

Second. Readily available cash. It is quite an advantage to have a ready source for cash without having to assume a responsibility to banks or stockholders. On May 12, 1954, the Sears, Roebuck Foundation made a short-term loan in the amount of $1,200,000 at 3-percent interest to Sears, Roebuck & Co.

Third. Foundation control of businesses puts taxpaying businessmen—particularly small businessmen—at the mercy of giants with tax umbrellas. A foundation-controlled business—with no stockholders to worry about—could conceivably operate at a loss for some time in order to eliminate a competitor. It is suggested that in periods of recession destructive competition could result from foundation-controlled enterprises since making a profit, paying dividends, and maintaining equity credit are of little concern to a privately controlled, tax-exempt foundation.

The Scholler Foundation of Philadelphia, an alleged charitable foundation, created under a deed of trust in 1939, is frequently cited as an example of a foundation being used to perpetuate control of businesses and to assure that the business managements get substantial private benefits out of the companies. Its assets consist of all or controlling shares of several businesses—including a chemical manufacturing company, and a restaurant and bar-leasing venture. The foundation is also a substantial stockholder in the Atlantic City racetrack.

It is alleged that the Scholler Foundation's deed of trust, as amended, permits the foundation to make loans to the business corporations, which it controls, at such rates of interest as the trustees see fit. This permits funds earmarked for charity to be used as venture capital. The foundation's business corporations are thus given a great advantage over other private business corporations by being able to make tax-free contributions to the foundation, and thus build up a large reserve which they may tap at will. How can private business—especially small business—compete with such an arrangement?

Allegedly, the provisions of the Scholler Trust also include the right to use the foundation as a conduit for employee benefits. When a foundation-controlled company is able to use tax-free funds for the benefit of its employees, the inherent competitive advantages to the company are obvious.

Advantages accrue to both the foundation and the donor:

First. The foundation pays no Federal income tax.

Second. The donor neither pays gift tax nor estate tax on contributions to the foundation.

Third. For income tax purposes, an individual donor is granted a deduction up to 20 percent of his net income; a corporate donor is allowed to deduct up to 5 percent.

Fourth. The donor's contributions constitute capital to the foundation—not income—so they need not be distributed.

The Internal Revenue Code contains no provision to prevent large funds from being built up by foundations from contributions received by them. Since a corporation's annual contribution to its foundation is capital in the hands of the foundation and only the income from these contributions need be distributed, the Internal Revenue Service cannot prevent large funds from being built up by corporation-created foundations. And, since contributions are not subject to the provisions for distribution annually, the prohibition against unreasonable accumulations does not apply.

Apparently, private individuals may even receive annuities from a foundation's income. The position of the Internal Revenue Service is that private individuals may not receive annuities from a foundation's income, but there are, however, court decisions which hold under the "predominant purpose" doctrine that the payment of annuities from a foundation's income does not preclude exemption—(*Francis Edward McGillick Foundation* v. *Commissioner*, 278 Fed. (2d) 643 affirming 30 T.C. 1130; *Commissioner of Internal Revenue* v. *Orton*, 173 Fed. (2d) 483, affirming 9 T.C. 533.

INQUIRY INTO THE ACQUISITION AND USE OF FOUNDATION FUNDS

The following are among the subjects that need careful examination. They relate to the acquisition and use of foundation funds.

First. Foundations' business activities.

Second. Foundations interlocked with a business through stockownership and common control by the donor.

Third. Foundations' moneylending activities. At present, the only restraint on moneylending of foundations appears to be that loans must carry a reasonable rate of interest. Commissioner Mortimer Caplin has advised me that a foundation or family trust may make a loan of corpus or income to the following persons, among others: "Its creator, (2) his family, (3) the businesses under his control, or (4) a donor who has made a substantial contribution to the foundation. Generally, such a transaction would not constitute a basis for revocation of exemption."

Indeed, one of the tax returns of the Lansing Foundation of New York City shows other income of $3,000 which is described as the value of stock of General Appliance Corp. received by the foundation as a premium for making a loan available to that corporation. There is no indication of the amount of the loan. In another year, the same foundation's tax return shows other income of $55,500 which is described as having been received by the foundation for the guarantee of bank loans.

The following is a partial list of notes receivable appearing on the balance sheet of the Albert A. List Foundation, Inc., of Byram, Conn., as of June 30, 1961:

The Crescent Co	$167,000
Webb & Knapp, Inc	750,000
Webb & Knapp, Inc., Flushing Co	110,000
Deerfield Associates, Inc	100,000
15 E. 86th St. Corp	194,500
Total	1,321,500

On October 1, 1957, this foundation loaned $300,000 at 6 percent interest to Mr. Albert A. List, chairman of its board of trustees. One-half of the loan was repaid one week later, on October 8, 1957, and the balance was repaid on December 17, 1957, together with interest of $2,071.24.

Fourth. Instances where donors or associates obtained capital from foundations whenever needed at reasonable rates, thus eliminating the need for equity credit and concern over dividend payments.

Fifth. Instances where donors—by loans, exchanges or purchase—obtain a return of certain assets from the foundation whenever needed.

Sixth. Mortgage holdings of foundations.

Seventh. Possible conflict of interest between the duties of a foundation's directors and trustees and their interests as officers, stockholders, and employees of business corporations whose stock is controlled by the foundation.

Eighth. Extent of foundation favoritism in investments. Common action on the part of foundations and associates in the purchase and sale of securities could limit opportunities for certain companies. This could hinder stock financing of small businesses and slowdown their expansion plans.

Ninth. The use of foundation money and other assets to carry on proxy fights. There were a number of such cases during 1960 and 1961.

Tenth. Foundation transactions which channel income and corpus in a direction that may hurt competitors and their investors.

Eleventh. Availability of a foundation's services, such as research, market studies, and so forth, to businesses on a preferential basis.

Twelfth. Contributions to foundations from persons or organizations that supply goods and services to companies interlocked with the foundation.

Thirteenth. Excessive payment for assets purchased by foundations.

Fourteenth. Foundations' sale of assets for inadequate consideration.

Fifteenth. Instances where foundation moneys are being used to grant benefits to a company's employees.

LACK OF STATE AND FEDERAL SUPERVISION

I am informed that, at the present time, so-called charitable foundations in certain States are created merely by a deed of trust. There is little adequate State or Federal regulation or supervision for the creation and administration of such organizations. In some States, foundations operate in secret since they do not register as nonprofit organizations under the provisions of applicable nonprofit codes. On the one hand, State authorities rely on the Internal Revenue Service to determine who is entitled to tax-exempt status. On the other hand, when an organization receives a nonprofit charter from the State, it carries considerable weight with the Internal Revenue Service. As a result, foundations are seldom properly scrutinized by any public authority.

Our investigation should help get to the root of some enforcement problems that the Internal Revenue Service has been unable to cope with.

Already our inquiry has, to a large degree, sparked the Treasury Department's decision to make more information on foundations available to the public. Much information that was formerly classified as confidential, or was not easily obtainable, is now being made readily available.

STOCKOWNERSHIP TO BE AVAILABLE TO THE PUBLIC

Foundations owning 10 percent or more stock in a corporation are required to attach a list to page 2 of form 990-A showing, first, the name of the corporation; second, the number of shares of each type of stock owned—including information indicating whether the stock is voting or nonvoting; and, third, the value of the stock as recorded in the foundation's books. In the past, the Treasury Department has followed a policy of nondisclosure of such information. Now it is my pleasure to advise the Members that, in keeping with President Kennedy's desire for full disclosure of information, the Treasury Department has informed me that ownership of corporate stock by exempt organizations will be made available to the public on future annual returns filed by foundations.

In addition, the Treasury Department will amend its regulations to provide for the furnishing of photocopies of pages 1 and 2 of form 990-A, including attachments to those pages. Pages 1 and 2 and attachments have not previously been open to public inspection; those pages contain itemization of certain foundation disbursements and other information not shown on pages 3 and 4, such as ownership of 10 percent or more stock in a corporation. In my speech of August 7, 1961, I advised the Members that the Treasury Department had agreed to permit photocopies of pages 3 and 4 of form 990-A. Now, the Treasury has concluded that, on future returns, it will also adopt my recommendation to permit photocopies of pages 1 and 2 and attachments, in addition to pages 3 and 4. To this end, form 990-A will be redesigned in order to shed more light on foundation transactions, and thus provide a measure of supervision comparable to that which exists for stock corporations in the Securities Exchange Commission. With more information available to the Members as well as the public, a more intelligent appraisal of foundation operations will be possible.

The foundation device has been the subject of many articles, pamphlets, books, and newsletters. I should like to read part of one to you—an excerpt from an article in the Cleveland-Marshall Law Review—written by Berman & Berman, tax attorneys. It points up the refinements of controlling property without ownership—a rather unique economic theory. It reads and I quote:

> What can be accomplished by creating a foundation?
>
> 1. Keep control of wealth.
>
> 2. Can keep for the donor many attributes of wealth by many means:
>
> (a) Designating the administrative management of the foundation.
>
> (b) Control over its investments.
>
> (c) Appointing relatives as directors of foundation.
>
> (d) Foundation's assets can be used to borrow money to buy other property that does not jeopardize its purposes. Thus, foundation funds can be enhanced from the capitalization of its tax exemption.

3. The foundation can keep income in the family.

4. Family foundations can aid employees of the donor's business.

5. Foundations may be the method of insuring that funds will be available for use in new ventures in business.

6. We can avoid income from property while it is slowly being given to a foundation by a combination of a trust and the charitable foundation.

7. We can get the 20-percent charity deduction in other ways:

(a) By giving away appreciated property to the foundation, we escape a tax on the realization of a gain.

(b) We can give funds to a foundation to get charitable deduction currently in our most advantageous tax year.

(c) Very often local, personal, and real property taxes can be avoided.

(d) We can avoid speculative profits.

(e) We can give away valuable frozen assets, white elephant estates, residences, valuable works of art, and collections of all arts.

I shall not attempt to judge the soundness of this tax advice, but, judging from the enormous increase in foundations, it has unquestionably taken hold.

Apparently, some of our wealthier families are not content with just one tax exempt foundation, and hence their foundations proliferate. So the owners have their main foundations, and then they have their subsidiary foundations.

For example, the Ford family has the Ford Foundation and then they have subsidiary foundations which include Benson and Edith Ford Fund, Eleanor Clay Ford Fund, Henry and Anne Ford Fund, Walter and Josephine Ford Fund, William and Martha Ford Fund, and the Ford Motor Co. Fund. The total receipts, including contributions received, of the seven Ford foundations were $1,737,216,789 for the years 1951 through 1960; $1,670,207,470 of this amount applies to the Ford Foundation.

The Mellon family has the A. W. Mellon Educational and Charitable Trust as well as a number of subsidiaries which include the Richard King Mellon Foundation, Avalon Foundation, Bollingen Foundation, and the Old Dominion Foundation. The total receipts, including contributions received, of the five Mellon foundations were $178,584,954 for the years 1951 through 1960.

The Rockefeller family has the Rockefeller Foundation as well as a number of subsidiary foundations which include China Medical Board of New York, Council on Economic and Cultural Affairs, American International Association for Economic and Social Development, Government Affairs Foundation of Albany, New York, Rockefeller Brothers Fund, Esso Education Foundation, General Education Board, Sealantic Fund, Inc., Colonial Williamsburg, the Rockefeller Institute, and Sleepy Hollow Restorations, Inc. The total receipts, including contributions received, of the 12 Rockefeller foundations were $660,706,900 for the years 1951 through 1960; $238,688,318 of this amount applies to the Rockefeller Foundation.

I am attaching hereto—as schedule 5—an interesting compilation of the annual receipts, including contributions, gifts, grants, and so forth, received, of the Rockefeller Foundation for the entire period of May 14, 1913, through December 31, 1960. This compilation includes the receipts of the Laura Spelman Rockefeller Memorial for the years 1918–29. The latter was merged with the Rockefeller Foundation on January 3, 1929. The Rockefeller Foundation's total receipts for these 48 years were $876,243,679. The foundation's actual net expenditures after refunds, excluding appropriations in force and unpaid at December 31, 1960, were $688,674,867 for the years 1913 through 1960—which is $187,568,812 less than their receipts for the same years.

Also, there are a number of Carnegie foundations. They include Carnegie Corp., of New York, Carnegie Endowment for International Peace, New York City, Carnegie Foundation for the Advancement of Teaching, New York City, Carnegie Institution of Washington, and Carnegie Hero Fund Commission, Pittsburgh. The total receipts, including contributions received, of these five Carnegie foundations were $214,577,621 for the years 1951 through 1960.

Attached hereto—as schedule 6—is a compilation of the annual receipts of the Carnegie Corp. of New York for the period of September 30, 1912, through September 30, 1960. This foundation's total receipts for these 49 years were $400,673,832. The foundation's actual net expenditures after refunds, excluding appropriations in force and unpaid at September 30, 1960, were $293,014,567 for the years 1912 through 1960—which is $107,659,265 less than their receipts for the same years.

Obviously, tax exempt foundations have been and are being used, in part, to avoid Federal estate taxes. Thus huge fortunes are kept from being returned to public use for channeling into our economy without limitations.

The late Secretary of the Treasury Mellon used a charitable foundation to avoid estate taxes on a multi-million-dollar estate. Of more recent date, the Ford Foundation was used to reduce the taxable estates of Henry and Edsel Ford and to avoid having to sell Ford Motor Co. stock to the public in order to meet large estate taxes. Thus the Ford Foundation was given over 90 percent of the equity in the Ford Motor Co.

So substantial parts of the great fortunes of those who have profited by the enormous expansion of American industry have found their way into tax-exempt foundations. These foundations have already passed and will continue to pass—by right of inheritance—to the control of heirs or their trustees. This enables a few individuals to control ever-increasing tax-exempt wealth.

FOUNDATIONS VERSUS HOLDING COMPANIES

Foundations today bear a frightening resemblance to the bank holding companies that were invented by the champions of monopoly and combination in the early 1900's. They characterized interlocking directorates and consolidations as cooperation. At that time, some of our national banks were inseparably tied together with security holding companies in both ownership and management. These holding companies had unlimited powers—just as foundations do—to buy, sell, and speculate in stocks, just as if they were private investment corporations of boundless powers, with no public duties or responsibilities and not dependent on public confidence.

Back in those days, the whole arrangement was merely a pretext behind which the bank's officers were merely shielding themselves in making money for the bank's stockholders through the prestige, resources, and organization of the bank—and by means that were forbidden to the bank.

The holding companies were so organized that their stock was always owned by the same persons who owned the stock of the bank—and in the same proportions—while no person who was not a director of the bank could be a director of the holding company and, finally, the stock of the holding company had to be held by the officers of the bank as trustees. The bank and the holding company were thus one with the same association of persons—just as foundations and their "owners" and managers are one and inseparable.

Are we, in fact, witnessing today developments as destructive of genuine, healthy private enterprise as our predecessors were then?

It is evident that control of our industrial and commercial enterprises is to an ever-increasing degree passing into the hands of tax-exempt foundations through stockownership. In my view, this is a dangerous situation with its boundless temptations and opportunities. I do not agree with the cheerful philosophy that the situation will right itself. The law must properly safeguard the community against possible abuses of the tax exemption privilege by the owners of foundations or their successors.

Subpenas were issued to the following foundations:

SCHEDULE 4

ALABAMA

S. H. Black, secretary, David Warner Foundation, Post Office Box 3199, Tuscaloosa, Ala.

MICHIGAN

J. H. Besser, president, Besser Foundation, care of Besser Co., Alpena, Mich.

Benson Ford, president, Benson and Edith Ford Fund, 2600 Buhl Building, Detroit, Mich.

Eleanor Clay Ford, president, Eleanor Clay Ford Fund, 2600 Buhl Building, Detroit, Mich.

George C. Gibbs, president, Henry and Anne Ford Fund, 2600 Buhl Building, Detroit, Mich.

Josephine Ford, president, Walter and Josephine Ford Fund, 2600 Buhl Building, Detroit, Mich.

William Clay Ford, president, William and Martha Ford Fund, 2600 Buhl Building, Detroit, Mich.

Donald S. Castle, executive director, Hudson-Webber Foundation, 1206 Woodward Avenue, Detroit, Mich.

NEBRASKA

Elton C. Loucks, president, Eugene C. Eppley Foundation, Inc., Kiewit Plaza, Omaha, Nebr.

NEW JERSEY

Theodore D. Carlson, vice president, Helene Fuld Health Foundation, 93 Fuld Street, Trenton, N.J.

NEW YORK

Chauncy Belknap, secretary and treasurer, John B. Pierce Foundation, 50 West 44th Street, New York, N.Y.

Helen A. Benedict, president, Surdna Foundation, Inc., care of Kelley, Drye, Newhall, Maginnes & Warren, 350 Park Avenue, New York, N.Y.

PENNSYLVANIA

Charlotte G. Kisseleff, secretary, Addison H. Gibson Foundation, 1702 Commonwealth Building, Pittsburgh, Pa.

A. R. Bell, Jr., president, the Clenmede Trust Co., trustee for the Pew Memorial Trust (formerly the Pew Memorial Foundation), 1608 Walnut Street, Philadelphia, Pa.

SOUTH CAROLINA

Andrew J. Cothran, secretary, Gregg Foundation and Gregg-Graniteville Foundation, Inc., Graniteville, S.C.

WISCONSIN

Harry L. Bradley, chairman, Allen-Bradley Foundation, Inc., 136 West Greenfield Avenue, Milwaukee, Wis.

M. F. Cudahy, president, Patrick and Anna M. Cudahy Foundation, 920 East Mason Street, Milwaukee, Wis.

Schedule 5: Annual receipts of Rockefeller Foundation for May 14, 1913, through Dec. 31, 1960, including receipts of the Laura Spelman Rockefeller Memorial for the years 1918–29

Year	Annual income excluding contributions received, capital gains and losses	Annual net capital gains or (losses)	Annual contributions, gifts, grants, etc., received	Total annual receipts
1913	$14, 47, 243	$148, 920	$34, 430, 431	$36, 026, 594
1914	5, 568, 653	171, 160	65, 569, 919	71, 309, 732
1915	4, 183, 084	1, 004, 497		5, 187, 581
1916	6, 226, 710	432, 970		6, 659, 680
1917	7, 153, 852	(554, 502)	31, 265, 506	37, 864, 856
1918	7, 617, 151	42, 123	7, 713, 067	15, 372, 341
1919	8, 737, 812	1, 457, 005	106, 571, 150	116, 765, 976
1920	12, 480, 258	454, 566	11, 030, 000	23, 964, 824
1921	12, 895, 482	261, 194		13, 156, 676
1922	12, 841, 768	6, 935, 749		19, 777, 517
1923	12, 962, 047	1, 988, 063		14, 950, 110
1924	12, 359, 130	1, 712, 522		14, 071, 652
1925	12, 333, 743	(848, 315)		11, 485, 428
1926	13, 390, 071	1, 589, 558	37, 000	15, 016, 629
1927	13, 898, 938	2, 368, 621	159, 856	16, 427, 415
1928	13, 868, 619	5, 154, 937		19, 023, 556
1929	15, 012, 875	1, 359, 406		16, 372, 281
1930	12, 433, 779	2, 027, 288		14, 461, 067
1931	11, 072, 772	296, 769		11, 369, 541
1932	10, 323, 979	78, 209		10, 402, 188
1933	8, 248, 674	(22, 618)		8, 226, 056
1934	8, 111, 972	187, 015		8, 298, 987
1935	7, 895, 855	375, 072		8, 270, 927
1936	9, 497, 683	430, 222		9, 927, 905
1937	9, 923, 666	874, 274		10, 797, 940
1938	7, 087, 107	367, 133		7, 454, 240
1939	$6, 627, 433	$13, 573		$6, 641, 006
1940	7, 605, 328	(604, 903)		7, 000, 425
1941	8, 734, 992	70, 599		8, 805, 591
1942	8, 271, 037	(518, 761)		7, 752, 276
1943	8, 079, 164	(1, 140, 149)		6, 939, 015
1944	8, 209, 807	(4, 749, 826)		3, 459, 981
1945	7, 700, 530	(1, 374, 927)		6, 325, 603
1946	8, 529, 497	(279, 521)	$484, 980	8, 734, 956
1947	10, 011, 756	(8, 852, 514)	12, 180	1, 171, 431
1948	8, 861, 149	1, 541, 067	17, 913	10, 420, 129
1949	10, 984, 524	772, 688	423	11, 757, 635
1950	12, 822, 195	3, 046, 723		15, 868, 918
1951	16, 972, 414	9, 582, 187	12, 500	26, 567, 101
1952	16, 893, 520	(2, 000, 916)	12, 520	14, 905, 124
1953	17, 586, 117	(1, 329, 478)	12, 018	16, 268, 657
1954	17, 820, 373	14, 317, 944	24, 500	32, 162, 817
1955	19, 633, 245	6, 463, 672	19, 957	26, 116, 874
1956	22, 390, 261	2, 302, 552	1, 323, 308	26, 016, 121
1957	23, 318, 626	(39, 808)	15, 000	23, 293, 818
1958	22, 705, 246	167, 518	25, 712	22, 898, 476
1959	23, 143, 630	859, 207	15, 000	24, 017, 837
1960	23, 778, 369	600, 774	2, 062, 350	26, 441, 493
Miscellaneous	36, 696			36, 696
Total	568, 288, 832	47, 139, 539	260, 815, 308	876, 243, 679

Schedule 6: Annual receipts of Carnegie Corporation of New York for year ended Sept. 30, 1912, through Sept. 30, 1960

Year	Annual income excluding contributions received, capital gains and losses	Annual net capital gains or (losses)	Annual contributions, gifts, grants, etc., received	Total annual receipts
1912	$2, 253, 000			$2, 253, 000
1913	6, 018, 000			6, 018, 000
1914	6, 152, 000	$2, 080		6, 154, 080
1915	6, 195, 000	730		6, 195, 730
1916	6, 253, 000	27, 514		6, 280, 514
1917	6, 357, 000	570		6, 357, 570
1918	6, 418, 000	383		6, 418, 383
1919	6, 302, 000	(7, 286)		6, 294, 714
1920	6, 296, 000	2, 258		6, 298, 258
1921	6, 373, 000	(77, 810)		6, 295, 190
1922	6, 466, 000	2, 437		6, 468, 437
1923	6, 934, 000	(14, 600)		6, 919, 400
1924	7, 353, 000	5, 105	$10, 336, 868	17, 694, 973
1925	6, 769, 000	(27, 040)		6, 741, 960
1926	6, 744, 000	10, 951		6, 754, 951
1927	6, 771, 000	(8, 080)		6, 762, 920
1928	6, 776, 000	1, 613, 365		8, 389, 365
1929	7, 201, 000	13, 664, 942		20, 865, 942
1930	7, 317, 000	757, 805		8, 074, 805
1931	7, 326, 000	58, 184		7, 384, 184
1932	7, 373, 000	(690, 188)		6, 682, 812
1933	7, 105, 000	(4, 468, 000)		2, 637, 000
1934	7, 043, 000	(2, 335, 000)		4, 708, 000
1935	6, 674, 000	(612, 000)		6, 062, 000
1936	6, 117, 000	529, 000		6, 646, 000
1937	6, 400, 000	6, 303, 000		12, 703, 000
1938	$5, 200, 000	$523, 000		$5, 723, 000
1939	4, 900, 000	2, 014, 000		6, 914, 000
1940	5, 488, 000	446, 000		5, 934, 000
1941	4, 814, 000	53, 000		4, 867, 000
1942	4, 623, 000	(1, 107, 000)		3, 516, 000
1943	4, 655, 000	353, 789		5, 008, 789
1944	7, 488, 000	883, 809		8, 371, 809
1945	2, 847, 000	1, 347, 093		4, 194, 093
1946	3, 433, 000	2, 469, 924	$1	5, 902, 925
1947	5, 232, 000	791, 482		6, 023, 482
1948	5, 700, 190	386, 320		6, 086, 510
1949	7, 681, 252	176, 640		7, 857, 892
1950	6, 564, 846	1, 287, 059		7, 851, 905
1951	7, 244, 514	(349, 824)		6, 894, 690
1952	7, 210, 715	678, 578		7, 889, 293
1953	7, 572, 173	756, 042		8, 328, 215
1954	7, 826, 486	876, 099		8, 702, 585
1955	8, 319, 929	3, 799, 236		12, 119, 165
1956	9, 380, 221	7, 565, 249		16, 945, 470
1957	9, 729, 388	7, 962, 886		17, 692, 274
1958	9, 603, 628	3, 636, 788		13, 240, 416
1959	9, 849, 808	4, 601, 784		14, 451, 592
1960	10, 646, 490	11, 451, 049		22, 097, 539
Total	324, 995, 640	65, 341, 323	10, 336, 869	400, 673, 832

SCHEDULE 1.—*Gross receipts: 522 foundations*

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(1) Gross sales or receipts from business activities	(2) Gross profit from business activities	(3) Interest received	(4) Dividends received	(5) Rents and royalties received	(6) Total gain (or loss) from sale of assets
ALABAMA						
Avondale Educational & Charitable Foundation, Inc. Care of Avondale Mills, Sylacauga, Ala.			$220, 575	$614, 593	$2, 387	$396, 939
Ingalls Foundation, Inc. Exchange Security Bank Bldg., Birmingham 3, Ala.			136, 706	338, 838	110, 714	63, 779
Robert I. Ingalls, Jr., Foundation Post Office Box 1004, Birmingham, Ala.			34, 595	255, 172		85, 593
Meyer, Robert R., Foundation Care of First National Bank of Birmingham, Birmingham 2, Ala.			691, 322	1, 259, 401	117	177, 822
Warner, David, Foundation Post Office Box 933, Tuscaloosa, Ala.			207, 135	157, 316	18, 312	61, 002
CALIFORNIA						
Bank of America-Giannini Foundation 300 Montgomery St., San Francisco 4, Calif.	$4	$4	28, 818	812, 644		96, 846
Bechtel Foundation 220 Bush St., San Francisco 4, Calif.			63, 157			
Bing Fund, Inc. 9700 West Pico Blvd., Los Angeles 35, Calif.			291, 913	1, 301, 575		31, 356
Boswell, James G., Foundation 510 South Spring St., Los Angeles 13, Calif.				3, 002, 949		5, 600
Carnation Foundation 5045 Wilshire Blvd., Los Angeles 36, Calif.			19, 388	257, 438		31, 384
Connell, Michael J., Charities, Ltd. 3350 Wilshire Blvd., Los Angeles 5, Calif.			451, 721	869, 594	2, 206, 960	1, 592, 876
Cowell, S. H., Foundation 111 Suter St., San Francisco 4, Calif.			458, 148	155, 734	2, 914, 319	2, 762, 004
Crown Zellerbach Foundation 343 Sansome St., San Francisco 19, Calif.			222, 669	954, 550	431, 846	134, 922
Fund for the Republic, Inc. Post Office Box 4068, Santa Barbara, Calif.			1, 299, 315	55, 380	66, 450	23, 037
Goldwyn, Samuel, Foundation 1041 North Formosa Ave., Los Angeles 46, Calif.			131, 371	514, 062	49, 497	672, 141
Haynes, John Randolph and Dora, Foundation 916 Consolidated Bldg., 607 South Hill St., Los Angeles 14, Calif.			242, 563	663, 721	2, 214, 892	243, 291
Hilton, Conrad N., Foundation 9990 Santa Monica Blvd., Beverly Hills, Calif.			125, 895	567, 540		881, 507
Hunt Foods Charitable Foundation 3440 Wilshire Blvd., suite 1201, Los Angeles 5, Calif.			9, 996	39, 463	172, 018	(152, 035)
Hunt Foods & Industries Foundation 3440 Wilshire Blvd., suite 1201, Los Angeles 5, Calif.			31, 210	125, 654	32, 110	(56, 416)
Henry J. Kaiser Family Foundation Kaiser Bldg., Oakland 12, Calif.			9, 797	573, 553		2, 547, 516
Lakeside Foundation 155 Sansome St., San Francisco 4, Calif.			518	69, 575		(5, 119)
Lockheed Leadership Fund 2555 North Holywood Way, Burbank, Calif.			186, 841			1, 661
Mayer, Louis B., Foundation 197 North Canon Dr., Beverly Hills, Calif.			87, 500	7, 983	167, 960	118, 976
Mayr, George Henry, Trust Care of Beverly Hills National Bank & Trust Co., Post Office Box 711, Beverly Hills, Calif.			18, 325	112	2, 019, 841	(184, 677)
Ohio Match Charitable Foundation 3440 Wilshire Blvd., suite 1201, Los Angeles 5, Calif.			12, 848	45, 584	10, 613	(96, 468)
Rosenberg Foundation 210 Post St., San Francisco 8, Calif.			1, 201, 969	2, 170, 450		1, 445, 324
Simon, Norton, Foundation 3440 Wilshire Blvd., suite 1201, Los Angeles 5, Calif.			1, 661	67, 869		(18, 985)
Smith, Ralph L. and Harriet T., Foundation Care of Ralph L. Smith Lumber Co., Anderson, Calif.				158, 657		
Stein & Golden Foundation Care of John M. Segal & Co., 5455 Wilshire Blvd., Los Angeles 36, Calif.			7, 294	5, 164		(5, 515)
United Can & Glass Co. Charitable Foundation 3440 Wilshire Blvd., suite 1201, Los Angeles 5, Calif.			3, 096	106, 569		(6, 095)
Volker, William, Fund Post Office Box 113, Burlingame, Calif.			3, 037, 966	4, 293, 007	402, 216	2, 544, 444
COLORADO						
Boettcher Foundation 818 17th St., Denver 2, Colo.			142, 347	4, 269, 273	7, 036, 551	662, 681
El Pomar Foundation Broadmoor Hotel, Colorado Springs, Colo.			552, 460	9, 988, 785	5, 965	183, 137
CONNECTICUT						
Dana, Charles A., Foundation, Inc. Smith Bldg., Greenwich, Conn.			77, 118	5, 639, 858		21, 412
Albert A. List Foundation Byram Shore Rd., Byram, Conn.			612, 177	344, 952	441, 982	266, 468
Noble, Edward John, Foundation Round Hill Rd., Greenwich, Conn.			232, 863	2, 937, 774		397, 579
DELAWARE						
Longwood Foundation, Inc. 2024 Dupont Bldg., Wilmington 98, Del.			2, 057, 136	22, 412, 041	36, 693	
Public Welfare Foundation, Inc. 100 West 10th St., Wilmington, Del. See District of Columbia listing for data.						
Raskob Foundation for Catholic Activities 1205 Hotel DuPont, Wilmington 98, Del.			2, 190, 716	4, 762, 565		1, 388, 161
Winterthur Corp. 1070 Dupont Bldg., Wilmington 98, Del.			438, 495	4, 612, 364	330, 535	(97, 681)

SCHEDULE 1.—*Gross receipts: 522 foundations* —Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(7) Other income	(8) Total gross income excluding contributions, gifts, grants, etc., received	(9) Total contributions, gifts, grants, etc., received	(10) Total receipts including contributions, gifts, grants, etc., received	(11) Income rank based on total receipts (col. 10) contributions, gifts, grants, etc., received	(12) Period
ALABAMA						
Avondale Educational & Charitable Foundation, Inc. Care of Avondale Mills, Sylacauga, Ala.	$3,784	$1,238,278	$433,000	$1,671,278	350	1951 through 1960
Ingalls Foundation, Inc. Exchange Security Bank Bldg., Birmingham 3, Ala.		650,037		650,037	467	1951 through 1960
Robert I. Ingalls, Jr., Foundation Post Office Box 1004, Birmingham, Ala.		375,360	1,072,538	1,447,898	379	1954 through 1960
Meyer, Robert R., Foundation Care of First National Bank of Birmingham, Birmingham 2, Ala.	625,697	2,754,359	2,983,900	5,738,259	180	1951 through 1960
Warner, David, Foundation Post Office Box 933, Tuscaloosa, Ala.		444,365	625,793	1,070,158	419	1952 through 1961
CALIFORNIA						
Bank of America-Giannini Foundation 300 Montgomery St., San Francisco 4, Calif.	5,378	853,690	155,451	1,009,141	418	1951 through 1960
Bechtel Foundation 220 Bush St., San Francisco 4, Calif.		63,157	1,260,000	1,323,157	395	1954 through 1960
Bing Fund, Inc. 9700 West Pico Blvd., Los Angeles 35, Calif.	50	1,624,894	733,751	2,358,645	312	1951 through 1960
Boswell, James G., Foundation 510 South Spring St., Los Angeles 13, Calif.	541	3,009,090	25,000	3,034,090	279	1951 through 1960
Carnation Foundation 5045 Wilshire Blvd., Los Angeles 36, Calif.	5,900	314,110	806,100	1,120,210	413	1953 through 1960
Connell, Michael J., Charities, Ltd. 3350 Wilshire Blvd., Los Angeles 5, Calif.	217	5,121,368		5,121,368	202	1951 through 1960
Cowell, S. H., Foundation 111 Suter St., San Francisco 4, Calif.	18,840	6,309,045		6,309,045	179	1958 through 1961
Crown Zellerbach Foundation 343 Sansome St., San Francisco 19, Calif.		1,743,987	13,716,171	15,460,158	83	1953 through 1960
Fund for the Republic, Inc. Post Office Box 4068, Santa Barbara, Calif.	19,942	1,464,124	12,101,519	13,565,643	89	1954 through 1960
Goldwyn, Samuel, Foundation 1041 North Formosa Ave., Los Angeles 46, Calif.	100	1,367,171	1,712,050	3,079,221	276	1951 through 1960
Haynes, John Randolph and Dora, Foundation 916 Consolidated Bldg., 607 South Hill St., Los Angeles 14, Calif.		3,364,467	21,010	3,385,477	258	1951 through 1960
Hilton, Conrad N., Foundation 9990 Santa Monica Blvd., Beverly Hills, Calif.	126,500	1,701,442	418,161	2,119,603	321	1952 through 1960
Hunt Foods Charitable Foundation 3440 Wilshire Blvd., suite 1201, Los Angeles 5, Calif.	1,367	70,809	1,263,571	1,334,380	392	1954 through 1960
Hunt Foods & Industries Foundation 3440 Wilshire Blvd., suite 1201, Los Angeles 5, Calif.	147	132,705		132,705	510	1959 through 1960
Henry J. Kaiser Family Foundation Kaiser Bldg., Oakland 12, Calif.		3,130,866	17,123,587	20,254,453	64	1951 through 1960
Lakeside Foundation 155 Sansome St., San Francisco 4, Calif.		64,974	646,152	711,126	456	1954 through 1960
Lockheed Leadership Fund 2555 North Hollywood Way, Burbank, Calif.		188,502	1,217,500	1,406,002	383	1954 through 1960
Mayer, Louis B., Foundation 197 North Canon Dr., Beverly Hills, Calif.		382,419	350,479	732,898	454	1951 through 1960
Mayr, George Henry, Trust Care of Beverly Hills National Bank & Trust Co., Post Office Box 711, Beverly Hills, Calif.	1,064	1,854,665	169,625	2,024,290	331	1951 through 1960
Ohio Match Charitable Foundation 3440 Wilshire Blvd., Suite 1201, Los Angeles 5, Calif.	45	(27,378)	585,548	558,170	478	1954 through 1960
Rosenberg Foundation 210 Post St., San Francisco 8, Calif.	86,664	4,904,427		4,904,427	215	1951 through 1960
Simon, Norton, Foundation 3440 Wilshire Blvd., Suite 1201, Los Angeles 5, Calif.		50,545	827,262	877,807	441	1953 through 1960
Smith, Ralph L. and Harriet T., Foundation Care of Ralph L. Smith Lumber Co., Anderson, Calif.		158,657	723,966	882,623	440	1952 through 1960
Stein & Golden Foundation Care of John M. Segal & Co., 4555 Wilshire Blvd., Los Angeles 36, Calif.		6,943	145,029	151,972	509	1956 through 1960
United Can & Glass Co., Charitable Foundation 3440 Wilshire Blvd., Suite 1201, Los Angeles 5, Calif.		103,570	459,000	562,570	475	1955 through 1960
Volker, William, Fund Post Office Box 113, Burlingame, Calif.	52,556	10,330,189	20,000	10,350,189	116	1951 through 1960
COLORADO						
Boettcher Foundation 818 17th St., Denver 2, Colo.	494,105	12,604,957	6,325,543	18,930,500	69	1951 through 1960
El Pomar Foundation Broadmoor Hotel, Colorado Springs, Colo.	18,929	10,749,216	8,693,911	19,443,127	66	1951 through 1960
CONNECTICUT						
Dana, Charles A., Foundation, Inc. Smith Bldg., Greenwich, Conn.	101,530	5,839,918	11,136,125	16,976,043	78	1951 through 1960
Albert A. List Foundation Byram Shore Rd., Byram, Conn.	3,954	1,669,533	5,078,371	6,747,904	172	1954 through 1960
Noble, Edward John, Foundation Round Hill Rd., Greenwich, Conn.	18,135	3,586,351	8,033,839	11,620,190	103	1951 through 1960
DELAWARE						
Longwood Foundation, Inc. 2024 Dupont Bldg., Wilmington 98, Del.	1,823,971	26,329,841	6,623,044	32,952,885	31	1951 through 1960
Public Welfare Foundation, Inc. 100 West 10th St., Wilmington, Del. See District of Columbia listing for data.						
Raskob Foundation for Catholic Activities 1205 Hotel DuPont, Wilmington 98, Del.		8,350,442	157,363,828	165,714,270	5	1951 through 1960
Winterthur Corp. 1070 Dupont Bldg., Wilmington 98, Del.	3,072,003	8,355,716	12,341,319	20,697,035	60	1951 through 1960

SCHEDULE 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(1) Gross sales or receipts from business activities	(2) Gross profit from business activities	(3) Interest received	(4) Dividends received	(5) Rents and royalties received	(6) Total gain (or loss) from sale of assets
DISTRICT OF COLUMBIA						
Brookings Institution 1775 Massachusetts Ave. NW., Washington, D.C.	$747, 338	($486, 289)	$1, 192, 024	$2, 190, 548	$778, 223	$4, 505, 824
Carnegie Institution of Washington 1530 P St. NW., Washington, D.C.			8, 814, 828	13, 766, 594	38, 655	18, 700, 492
Public Welfare Foundation, Inc 3242 Woodland Dr. NW., Washington 8, D.C.			246, 454	370, 592	6, 883, 026	159, 840
Resources for the Future, Inc 1775 Massachusetts Ave. NW., Washington, D.C.			183, 418			
Stewart, Alexander and Margaret, Trust Care of Union Trust Co. of the District of Columbia, Washington 5, D.C.	20	20	711, 157	2, 182, 922	12	
FLORIDA						
Crane, Raymond E. and Ellen F., Foundation 1205 First National Bank Bldg., Miami, Fla.			308, 413	662, 308	19, 212	2, 620, 001
Public Health Foundation for Cancer and Blood Pressure Research, Inc 308 Cardinal Way, R.R. 1, Box 170-A, Stuart, Fla.			69, 957	1, 091, 964	320, 507	8, 407, 062
Winn-Dixie Stores Foundation Box B, West Bay Station, Jacksonville, Fla.			192, 286	14, 235	875	67, 243
GEORGIA						
Callaway Community Foundation 209 Broome St., La Grange, Ga.			246, 748	3, 256, 551	17, 391, 703	407, 273
Callaway, Fuller E., Foundation Post Office Box 477, La Grange, Ga.			941, 111	109, 273	381, 597	388, 392
Callaway, Ida Cason, Foundation Pine Mountain, Ga.		14, 492	383, 074	482, 855	439, 382	1, 642, 996
Campbell, John Bulow, Foundation 315 Trust Co. of Georgia Bldg., Atlanta 3, Ga.			1, 051, 613	3, 389, 975	641, 388	2, 140, 815
Colonial Stores Foundation Post Office Box 4358, Atlanta 2, Ga.			824	66, 269		(157)
Evans, Lettie Pate, Foundation, Inc 205 Whitehead Bldg., Atlanta 3, Ga.			225, 703	3, 997, 910	924	(9, 620)
Reynolds, Z. Smith, Foundation, Inc. Sapelo Island, Ga. See North Carolina listing for data.						
Joseph B. Whitehead Foundation Whitehead Bldg., Atlanta 3, Ga.			62, 500	3, 837, 395	6, 821	
Woodruff, Emily and Ernest, Foundation Care of Trust Co. of Georgia, Atlanta 2, Ga.			296, 393	10, 607, 804		408, 984
HAWAII						
Castle, Samuel N. and Nellie, Foundation Care of Hawaiian Trust Co., Ltd., Post Office Box 3170, Honolulu 2, Hawaii.			221, 563	1, 573, 035		136, 920
Wilcox, G. N., Trust Care of Bishop Trust Co., Ltd., Post Office Box 2390, Honolulu 4, Hawaii.			123, 477	716, 000		302, 862
ILLINOIS						
Abbott Laboratories Fund 1400 Sheridan Rd., North Chicago, Ill.			4, 713	9, 168		
The Allstate Foundation 7447 Skokie Blvd., Skokie, Ill.			8, 799	381, 798		55, 587
Amsted Industries Foundation Prudential Plaza, Chicago 1, Ill.			49, 747	18, 900		(639)
Baumgarten, Joseph and Gertrude, Foundation In care of Katz, Wagner & Co., 105 West Adams St., Chicago 3, Ill.			20, 296	64, 366	67, 116	187, 326
Beidler, Francis, Charitable Trust 140 South Dearborn St., Chicago 3, Ill.			157, 018	318, 137	687, 182	91, 638
Bell & Howell Foundation 7100 McCormick Rd., Chicago 45, Ill.			11, 474			
Borg-Warner Foundation, Inc 200 South Michigan Ave., Chicago 4, Ill.			155, 291			
Burroughs Foundation Care of Northern Trust Co., 50 South LaSalle St., Chicago 90, Ill.			91, 872	45, 162		41, 190
Caterpillar Foundation 600 West Washington St., East Peoria, Ill.			100, 445			490
Concora Foundation 38 South Dearborn St., Chicago 3, Ill.			100, 636	332, 408		29, 463
Cummings Foundation 135 South LaSalle St., room 1625, Chicago 3, Ill.			2, 234	164, 606		159, 113
D & R Fund 77 West Washington St., 19th floor, Chicago 2, Ill.			61, 888	284, 903		389, 100
Deere, John, Foundation 1323 3d Ave., Moline, Ill.			136, 211	167, 978		22, 579
Dick, A. B., Foundation 5700 West Touhy Ave., Chicago 31, Ill.			33, 441	21, 861		1, 887
Dickinson, Theodore G., Foundation Care of Frank Moyle, Marquette Cement Manufacturing Co., Oglesby, Ill.	52, 271	52, 971				
Dillon Foundation Avenue B and Wallace St., Sterling, Ill.			1, 633	98, 293		
Ehlco Foundation 200 South Michigan Ave., Chicago 4. Ill.			17, 664		609	(50, 903)

SCHEDULE 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(7) Other income	(8) Total gross income excluding contributions, gifts, grants, etc., received	(9) Total contributions, gifts, grants, etc., received	(10) Total receipts including contributions, gifts, grants, etc., received	(11) Income rank based on total receipts (column 10) contributions, gifts, grants, etc., received	(12) Period
DISTRICT OF COLUMBIA						
Brookings Institution 1775 Massachusetts Ave. NW., Washington, D.C.	$5,705,299	$13,885,629	$2,667,628	$16,553,257	81	1951 through 1960
Carnegie Institution of Washington 1530 P St. NW., Washington, D.C.	1,703,434	43,024,003	701,602	43,725,605	22	1951 through 1960
Public Welfare Foundation, Inc 3242 Woodland Dr. NW., Washington 8, D.C.	609	7,660,521	2,014,298	9,674,819	128	1951 through 1960
Resources for the Future, Inc 1775 Massachusetts Ave. NW., Washington, D.C.		183,418	6,926,040	7,109,458	168	1953 through 1960
Stewart, Alexander and Margaret, Trust Care of Union Trust Co. of the District of Columbia, Washington 5, D.C.	1,242	2,805,353		2,805,353	287	1951 through 1960
FLORIDA						
Crane, Raymond E. and Ellen F., Foundation 1205 First National Bank Bldg., in Miami, Fla.	242	3,610,176	1,085,012	4,695,188	223	1951 through 1960
Public Health Foundation for Cancer and Blood Pressure Research, Inc 308 Cardinal Way, R.R. 1, Box 170-A, Stuart, Fla.	1,156,312	11,045,802	317,541	11,363,343	107	1951 through 1960
Winn-Dixie Stores Foundation Box B, West Bay Station, Jacksonville, Fla.	541,540	816,179	981,500	1,797,679	353	1951 through 1960
GEORGIA						
Callaway Community Foundation 209 Broome St., La Grange, Ga.	6,046	21,308,321	71,850	21,380,171	57	1951 through 1960
Callaway, Fuller E., Foundation Post Office Box 477, La Grange, Ga.	1,323	1,821,696	202,516	2,024,212	332	1951 through 1960
Callaway, Ida Cason, Foundation Pine Mountain, Ga.	236,774	3,199,573	5,398,542	8,598,115	145	1951 through 1960
Campbell, John Bulow, Foundation 315 Trust Co. of Georgia Bldg., Atlanta 3, Ga.	46,396	7,270,187	10,282	7,280,469	102	1951 through 1960
Colonial Stores Foundation Post Office Box 4358, Atlanta 2, Ga.	505	67,441	817,862	885,303	439	1954 through 1960
Evans, Lettie Pate, Foundation, Inc 205 Whitehead Bldg., Atlanta 3, Ga.		4,214,917	1,803,615	6,018.532	184	1951 through 1960
Reynolds, Z. Smith, Foundation, Inc. Sapelo Island, Ga. See North Carolina listing for data.						
Joseph B. Whitehead Foundation Whitehead Bldg., Atlanta 3, Ga.	374,181	4,280,897		4,280,897	233	1951 through 1960
Woodruff, Emily and Ernest, Foundation Care of Trust Co. of Georgia, Atlanta 2, Ga.	60,070	11,373,251	19,917	11,393,168	106	1951 through 1960
HAWAII						
Castle, Samuel N. and Nellie, Foundation Care of Hawaiian Trust Co., Ltd., Post Office Box 3170, Honolulu 2, Hawaii.	1,234	1,932,752	113,000	2,045,752	329	1951 through 1960
Wilcox, G. N., Trust Care of Bishop Trust Co., Ltd., Post Office Box 2390, Honolulu 4, Hawaii.	264,477	1,406,816	43	1,406,859	382	1951 through 1960
ILLINOIS						
Abbott Laboratories Fund 1400 Sheridan Rd., North Chicago, Ill.		13,881	449,577	463,458	482	1952 through 1960
The Allstate Foundation 7447 Skokie Blvd., Skokie, Ill.	549,111	995,295	4,080,666	5,075,961	204	953 through 1960
Amsted Industries Foundation Prudential Plaza, Chicago 1, Ill.		68,008	826,400	894,408	438	1954 through 1960
Baumgarten, Joseph and Gertrude, Foundation In care of Katz, Wagner & Co., 105 West Adams St., Chicago 3, Ill.	787	339,891	1,176,882	1,516,773	375	1953 through 1960
Beidler, Francis, Charitable Trust 140 South Dearborn St., Chicago 3, Ill.	200	1,254,235		1,254,235	400	1951 through 1960
Bell & Howell Foundation 7100 McCormick Rd., Chicago 45, Ill.		11,474	249,431	260,905	500	1952 through 1960
Borg-Warner Foundation, Inc 200 South Michigan Ave., Chicago 4, Ill.		155,291	2,780,935	2,936,226	285	1954 through 19 0
Burroughs Foundation Care of Northern Trust Co., 50 South LaSalle St., Chicago 90, Ill.		178,524	488,100	666,624	463	1952 through 1960
Caterpillar Foundation 600 West Washington St., East Peoria, Ill.		100,935	2,900,000	3,000,935	282	1953 through 1960
Concora Foundation 38 South Dearborn St., Chicago 3, Ill.		522,507	3,195,020	3,717,527	248	1953 through 1960
Cummings Foundation 135 South LaSalle St., room 1625, Chicago 3, Ill.	1,500	327,453	872,074	1,199,527	404	1951 through 1960
D & R Fund 77 West Washington St., 19th floor, Chicago 2, Ill.	86,380	822,280	1,249,401	2,071,681	326	1951 through 1960
Deere, John, Foundation 1323 3d Ave., Moline, Ill.	106	326,964	4,331,104	4,658,068	225	1951 through 1960
Dick, A. B., Foundation 5700 West Touhy Ave., Chicago 31, Ill.	110,000	167,180	658,800	825,980	447	1951 through 1960
Dickinson, Theodore G., Foundation Care of Frank Moyle, Marquette Cement Manufacturing Co., Oglesby, Ill.		52,971	240,607	293,578	497	1952 through 1960
Dillon Foundation Avenue B and Wallace St., Sterling, Ill.		99,926	664,274	764,200	452	1954 through 1960
Ehico Foundation 200 South Michigan Ave., Chicago 4, Ill.	159	(32,471)	670,000	637,529	470	1952 through 1960

SCHEDULE 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(1) Gross sales or receipts from business activities	(2) Gross profit from business activities	(3) Interest received	(4) Dividends received	(5) Rents and royalties received	(6) Total gain (or loss) from sale of assets
ILLINOIS—continued						
Ekco Foundation, Inc. 1949 North Cicero Ave., Chicago 39, Ill.			$56,642	$195,850	$352,618	$103,033
Field, Marshall & Co. Foundation 24 East Washington St., Chicago 2, Ill.			56,206	24,342		(547)
The Forest Fund 135 South La Salle St., room 3400, Chicago 3, Ill.			413	144,482		1,613
Gardner-Denver Foundation South Front St., Quincy, Ill.			41,744	204,557		24,632
Illinois Health Foundation, Inc. 6 North Michigan Ave., room 1315, Chicago 2, Ill.			188,254	931,005		255,360
Illinois Philanthropic and Educational Foundation Elsah, Ill.			133,887	468,958	7,125	183,746
Illinois Tool Works Foundation 2501 North Keeler Ave., Chicago 39, Ill.			23,945			
Ingersoll Foundation 707 Fulton Ave., Rockford, Ill.			40,291	67,139	3,518	26,368
Inland Steel-Ryerson Foundation, Inc. 30 West Monroe St., Chicago 3, Ill.			445,118	23,065		79,659
International Harvester Foundation 180 North Michigan Ave., Chicago 1, Ill.			510,836			11,118
Jewel T. Foundation 1955 West North Ave., Melrose Park, Ill.			67,118		100	(22,740)
W. K. Kellogg Foundation Trust. In care of Harris Trust & Savings Bank, 111 West Monroe St., Chicago 90, Ill. See Michigan listing for data.						
Kemper, James S., Foundation Mutual Insurance Bldg., Chicago 40, Ill.			325,764	285,331		267,798
Kettering, Charles F., Foundation 40 South Clay St., Hinsdale, Ill.			617,547	15,228,800	4,102	3,350,647
McGraw Foundation 1200 St. Charles Rd., Elgin, Ill.			157,213	467,019		515,977
Mayer, Oscar, Foundation 1241 North Sedgwick St., Chicago 10, Ill.			78,834	25,796	293,297	77,632
Meyer-Ceco Foundation 5601 West 26th St., Cicero 50, Ill.			98,510	299,249		5,158
The William H. Miner Foundation 667 the Rookery, Chicago 4, Ill.			934,607	7,144,300	1,755,502	5,573,848
The Morton Fund 110 North Wacker Dr., room 510, Chicago 6, Ill.			50,859	123,382	14,088	93,679
Morton, Mark, Foundation 110 North Wacker Dr., Chicago, Ill.			452,445	2,542,798		531,641
National Merit Scholarship Corp. 1580 Sherman Ave., Evanston, Ill.			916,514			
Olin Foundation, Inc. 333 North Michigan Ave., Chicago 1, Ill. (See New York City listing for data.)						
Olin Mathieson Chemical Corp. Charitable Trust East Alton, Ill.			618,148	392,037		(304,645)
Pullman, George M., Educational Foundation 168 North Michigan Ave., Chicago 1, Ill.			570,549	2,012,250		1,180,952
Pullman, Inc., Foundation 200 South Michigan Ave., Chicago 4, Ill.			115,071	175,024		77,967
Pure Oil Foundation, Inc. 35 East Wacker Dr., Chicago 1, Ill.			59,124	6,311		(1,331)
Quaker Oats Foundation Merchandise Mart Plaza, Chicago 54, Ill.			157,241			125
Regenstein, Joseph and Helen, Foundation 330 East Grand Ave., Chicago 11, Ill.				987,324		
The Seabury Foundation Care of Northern Trust Co., 50 South LaSalle St. Chicago 90, Ill.			19,597	619,722		1,255,250
Sears-Roebuck Foundation 3333 Arthington St., Chicago 7, Ill.			135,309	6,230,367		1,875,183
Staley, A. E., Jr., Foundation Care of Citizens National Bank of Decatur, Decatur, Ill.				49,431		(270)
Standard Oil Foundation, Inc. 910 South Michigan Ave., Chicago 80, Ill.			10,365	5,551,397		1,013,606
Swift & Co. Foundation 4114 South Packers Ave., Chicago 9, Ill.			269,886			2,619
Wieboldt Foundation 1580 Sherman Ave., Evanston, Ill.			495,136	1,562,747	2,707,173	591,879
Wilkie Foundation 254 North Laurel Ave., Des Plaines, Ill.			85,899	210,597		153,095
Woods Charitable Fund, Inc. 59 East Van Buren St., Chicago 5, Ill.			127,299	2,738,179		120,779
INDIANA						
The EPH Foundation. 1601 Wall St., Fort Wayne, Ind. See Michigan listing for data.						
Honeywell Foundation, Inc. 119 West Canal St., Wabash, Ind.			577,620	595,266	208,117	633,086
Jordan, Arthur, Foundation 1204 North Delaware St., Indianapolis 2, Ind.			1,058,744	224,865	1,347,156	570,146
Lilly Endowment, Inc. 914 Merchants Bank Bldg., Indianapolis 4, Ind.			71,951	29,675,524		
KENTUCKY						
Bernheim, Isaac W., Foundation 517 Starks Bldg., Louisville, Ky.			572,545	629,003	2,792	
MAINE						
Bath Iron Works Charitable Trust 700 Washington St., Bath, Maine.			38,185	75		
Davenport, George P., Trust Fund Post Office Box 284, Bath, Maine.			162,528	189,959		561,677

SCHEDULE 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(7) Other income	(8) Total gross income excluding contributions, gifts, grants, etc., received	(9) Total contributions, gifts, grants, etc., received	(10) Total receipts including contributions, gifts, grants, etc., received	(11) Income rank based on total receipts (column 10), contributions, gifts, grants, etc., received	(12) Period
ILLINOIS—continued						
Ekco Foundation, Inc. 1949 North Cicero Ave., Chicago 39, Ill.		$708,143	$1,274,614	$1,982,757	337	1951 through 1960
Field, Marshall & Co. Foundation 25 East Washington St., Chicago 2, Ill.		80,001	716,722	796,723	450	1956 through 1960
The Forest Fund 135 South La Salle St., room 3400, Chicago 3, Ill.		146,508	1,541,088	1,687,596	358	1956 through 1960
Gardner-Denver Foundation South Front St., Quincy, Ill.	$914	271,847	830,000	1,101,847	417	1952 through 1960
Illinois Health Foundation, Inc. 6 North Michigan Ave., room 1315, Chicago 2, Ill.	7,500	1,382,209	514,547	1,896,756	345	1951 through 1960
Illinois Philanthropic and Educational Foundation Elsah, Ill.	6,237	799,953	2,222,793	3,022,746	281	1961 through 1960
Illinois Tool Works Foundation 2501 North Keeler Ave., Chicago 39, Ill.		23,945	400,000	423,945	485	1955 through 1960
Ingersoll Foundation 707 Fulton Ave., Rockford, Ill.	15	137,331	1,495,112	1,632,443	363	1951 through 1960
Inland Steel-Ryerson Foundation, Inc. 30 West Monroe St., Chicago 3, Ill.	862,337	1,410,179	8,779,685	10,189,864	120	1951 through 1960
International Harvester Foundation 180 North Michigan Ave., Chicago 1, Ill.		521,954	10,000,000	10,521,954	115	1951 through 1960
Jewel T Foundation 1955 West North Ave., Melrose Park, Ill.	13,000	57,478	932,309	989,787	426	1953 through 1960
W. K. Kellogg Foundation Trust In care of Harris Trust & Savings Bank, 111 West Monroe St., Chicago 90, Ill. See Michigan listing for data.						
Kemper, James S., Foundation Mutual Insurance Bldg., Chicago 40, Ill.		878,893	1,376,309	2,255,202	314	1951 through 1960
Kettering, Charles F., Foundation 40 South Clay St., Hinsdale, Ill.	5,909	19,207,065	1,407,771	20,614,836	62	1951 through 1960
McGraw Foundation 1200 St. Charles Rd., Elgin, Ill.		1,140,209	1,992,712	3,132,921	273	1951 through 1960
Mayer, Oscar, Foundation 1241 North Sedgwick St., Chicago 10, Ill.		475,559	3,066,670	3,542,229	252	1951 through 1960
Meyer-Ceco Foundation 5601 West 26th St., Cicero 50, Ill.		402,917	1,244,191	1,647,108	361	1951 through 1960
The William H. Miner Foundation 667 the Rookery, Chicago 4, Ill.	6,404	15,414,751	1,324,655	16,739,406	80	1951 through 1960
The Morton Fund 110 North Wacker Dr., room 510, Chicago 6, Ill.		282,008	1,832,997	2,115,005	323	1951 through 1960
Morton, Mark, Foundation 110 North Wacker Dr., Chicago, Ill.		3,526,884	4,363,579	7,890,463	151	1951 through 1960
National Merit Scholarship Corp. 1580 Sherman Ave., Evanston, Ill.	12,406	928,920	19,479,241	20,408,161	63	1956 through 1960
Olin Foundation, Inc. 333 North Michigan Ave., Chicago 1, Ill. (See New York City listing for data.)						
Olin Mathieson Chemical Corp. Charitable Trust East Alton, Ill.	47,447	752,987	8,862,643	9,615,630	130	1951 through 1960
Pullman, George M., Educational Foundation 168 North Michigan Ave., Chicago 1, Ill.	16,581	3,780,332		3,780,332	245	1951 through 1960
Pullman, Inc., Foundation 200 South Michigan Ave., Chicago 4, Ill.		368,062	2,053,397	2,421,459	310	1953 through 1960
Pure Oil Foundation, Inc. 35 East Wacker Dr., Chicago 1, Ill.	4,411	68,515	1,071,138	1,139,653	411	1953 through 1960
Quaker Oats Foundation Merchandise Mart Plaza, Chicago 54, Ill.		157,366	1,750,000	1,907,366	343	1951 through 1960
Regenstein, Joseph and Helen, Foundation 320 East Grand Ave., Chicago 11, Ill.		987,324	2,209,045	3,196,369	270	1951 through 1960
The Seabury Foundation Care of Northern Trust Co., 50 South La Salle St., Chicago 90, Ill.	929	1,895,498	175,012	2,070,510	327	1951 through 1960
Sears-Roebuck Foundation 3333 Arthington St., Chicago 7, Ill.	301,125	8,541,984	13,006,630	21,548,614	55	1951 through 1960
Staley, A. E., Jr., Foundation Care of Citizens National Bank of Decatur, Decatur, Ill.	10,755	59,916	258,562	318,478	495	1956 through 1960
Standard Oil Foundation, Inc. 910 South Michigan Ave., Chicago 80, Ill.	5,990	6,581,367	22,730,914	29,312,281	37	1952 through 1960
Swift & Co. Foundation 4114 South Packers Ave., Chicago 9, Ill.		272,505	2,500,000	2,772,505	291	1953 through 1960
Wieboldt Foundation 1580 Sherman Ave., Evanston, Ill.	37,985	5,484,920		5,484,920	193	1951 through 1960
Wilkie Foundation 254 North Laurel Ave., Des Plaines, Ill.	1,132	450,723	1,022,066	2,072,789	325	1951 through 1960
Woods Charitable Fund, Inc. 59 East Van Buren St., Chicago 5, Ill.	254	2,986,511	2,906,739	5,893,250	188	1951 through 1960
INDIANA						
The EPH Foundation. 1601 Wall St., Fort Wayne, Ind. See Michigan listing for data.						
Honeywell Foundation, Inc. 119 West Canal St., Wabash, Ind.	55,327	2,069,416	165,065	2,234,481	315	1953 through 1960
Jordan, Arthur, Foundation 1204 North Delaware St., Indianapolis 2, Ind.	3,912	3,204,763		3,204,763	269	1952 through 1960
Lilly Endowment, Inc. 914 Merchants Bank Bldg., Indianapolis 4, Ind.	1,147	29,748,622	3,723,434	33,472,056	29	1951 through 1960
KENTUCKY						
Bernheim, Isaac W., Foundation 517 Starks Bldg., Louisville, Ky.	768	1,205,108		1,205,108	403	1955 through 1960
MAINE						
Bath Iron Works Charitable Trust 700 Washington St., Bath, Maine.		38,260	476,573	514,833	479	1954 through 1960
Davenport, George P., Trust Fund Post Office Box 284, Bath, Maine.		914,164		914,164	436	1957 through 1960

SCHEDULE 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(1) Gross sales or receipts from business activities	(2) Gross profit from business activities	(3) Interest received	(4) Dividends received	(5) Rents and royalties received	(6) Total gain (or loss) from sale of assets
MARYLAND						
Reynolds, Zachary Smith, Trust. Care of Mercantile Safe Deposit & Trust Co., 13 South St., Baltimore 2, Md. See North Carolina listing for data.						
Straus, Aaron and Lillie, Foundation, Inc. 1 South Howard St., Baltimore 1, Md.			$344, 628	$1, 243, 702	$1, 041, 392	$102, 726
MASSACHUSETTS						
Boston Foundation 400 Commonwealth Ave., Boston, Mass.			1, 191, 182	5, 647	3, 971, 409	854, 088
Hyams, Godfrey M., Trust 294 Washington St., room 1105, Boston 8, Mass.			1, 161, 875	6, 555, 835	1, 370	3, 802, 176
Hyams, Sarah A., Fund, Inc. 294 Washington St., room 1105, Boston 8, Mass.			217, 519	397, 741		1, 143, 065
Spaulding-Potter Charitable Trusts. Spaulding, Huntley N., Charitable Trust. **Spaulding, Harriet M., Charitable Trust.** Care of Fiduciary Trust Co., 10 Post Office Square, Boston 5, Mass. See New Hampshire listing for data.						
MICHIGAN						
American Box Board Co. Foundation Old Kent Bank & Trust Co., Grand Rapids 2, Mich.			5, 562		308, 946	
Besser Foundation Care of Besser Co., Alpena, Mich.			52, 983	82, 082	235, 360	(4, 501)
Breech, Ernest & Thelma, Foundation The American Rd., Dearborn, Mich.			5, 484	43, 269		25, 966
Burroughs Foundation. 6071 2d Ave., Detroit 32, Mich. See Illinois listing for data.						
Chrysler Fund 341 Massachusetts Ave., Detroit 31, Mich.			529, 620			975
The Cranbrook Foundation Lone Pine Rd., Bloomfield Hills, Mich.	$546, 138	$21, 546	250, 907	3, 992, 352	243, 726	(6, 485)
Cunningham Drug Co. Foundation 1927 12th St., Detroit 16, Mich.			43, 795	56, 395		11, 441
Detroit Steel Corp. Charitable Trust Care of National Bank of Detroit, 660 Woodward Ave., Detroit 26, Mich.			11, 189	7, 327		41, 536
Dow, Herbert H. and Grace A., Foundation 315 Post St., Midland, Mich.				5, 401, 773		520
The EPH Foundation 6233 Concord Ave., Detroit, Mich.			323, 297	119, 842		681, 627
Earhart Foundation 902 First National Bldg., Ann Arbor, Mich.			33, 955	1, 611, 355		
Federal-Mogul-Bower Bearings, Inc., Charitable Trust Fund Care of National Bank of Detroit, Detroit 32, Mich.			33, 441			(427)
Ferry, D. M., Jr., Trustee Corp. 2124 Guardian Bldg., Detroit 26, Mich.			297, 895	1, 042, 737		780, 738
Fink, George R. and Elise M., Foundation 3945 Penobscot Bldg., Detroit 26, Mich.			4, 022	150, 349		13, 297
Ford Motor Co. Fund The American Rd., Dearborn, Mich.			3, 135, 762	36, 450	1, 320	138, 595
Ford, Benson and Edith, Fund 1400 Buhl Bldg., Detroit 26, Mich.			95, 860	249, 002	136	688, 042
Ford, Eleanor Clay, Fund 1400 Buhl Bldg., Detroit, Mich.			130, 125	720, 968	136	2, 814, 161
Ford, Henry and Anne, Fund 1400 Buhl Bldg., Detroit 26, Mich.			13, 622	149, 169	136	26, 045
Ford, Walter and Josephine, Fund 1400 Buhl Bldg., Detroit 26, Mich.			72, 133	182, 521		474, 633
Ford, William and Martha, Fund 1400 Buhl Bldg., Detroit 26, Mich.			23, 720	75, 500		60, 621
Fruehauf, Roy, Foundation, Inc. 10940 Harper Ave., Detroit 32, Mich.			46, 072	319, 231	548	836, 438
Gerber Baby Foods Fund 405 State St., Fremont, Mich.			15, 077	354, 752		91
Gordon, Josephine E., Foundation 154 Taylor Ave., Detroit 2, Mich.				695, 090		
Herrick Foundation 3456 Penobscot Bldg., Detroit 26, Mich.			1, 947	3, 338, 600		
Hudson-Webber Foundation 1206 Woodward Ave., Detroit 26, Mich.			147, 534	1, 040, 093		751, 441
Joy, Helen Newberry, Fund 2506 Penobscot Bldg., Detroit 26, Mich.			10, 994	546, 529		105, 973
The Kanzler Fund 1700 United Artists Bldg., Detroit 26, Mich.				144, 506		125, 545
Kellogg, W. K., Foundation 250 Champion St., Battle Creek, Mich.			6, 217, 164	7, 938, 183	536, 293	9, 391, 944
W. K. Kellogg Foundation Trust 250 Champion St., Battle Creek, Mich.			328	41, 676, 033		
The Kresge Foundation 2727 2d Ave., Detroit 32, Mich.			3, 286, 386	35, 024, 566	8, 943, 917	2, 682, 692
McCarthy, Jerry, Foundation 6250 Woodward Ave., Detroit 2, Mich.	90, 657	51, 718	325, 456	208, 438	444, 204	226, 342
McGregor Fund 2486 National Bank Bldg., Detroit 26, Mich.			1, 973, 748	3, 607, 652	70	3, 289, 218
Mott, Charles Stewart, Foundation 1401 East Court St., Flint 2, Mich.		949, 083	245, 800	14, 429, 972	1, 215, 720	941, 785
Mueller Brass Foundation 1925 Lapeer Ave., Port Huron, Mich.			43, 821	30, 358		12, 739
National Foundation of Rochester, Mich. Care of National Twist Drill & Tool Co., Administration Bldg., Rochester, Mich.			53, 068	2, 001		318

SCHEDULE 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(7) Other income	(8) Total gross income excluding contributions, gifts, grants, etc., received	(9) Total contributions, gifts, grants, etc., received	(10) Total receipts including contributions, gifts, grants, etc., received	(11) Income rank based on total receipts (column 10), contributions, gifts, grants, etc., received	(12) Period
MARYLAND						
Reynolds, Zachary Smith, Trust. Care of Mercantile Safe Deposit & Trust Co., 13 South St., Baltimore 2, Md. See North Carolina listing for data.						
Straus, Aaron and Lillie, Foundation, Inc. 1 South Howard St., Baltimore 1, Md.	$8,628	$2,741,076	$4,974,296	$7,715,372	155	1951 through 1960
MASSACHUSETTS						
Boston Foundation 400 Commonwealth Ave., Boston, Mass.	83,987	6,106,313		6,106,313	183	1951 through 1960
Hyams, Godfrey M., Trust 294 Washington St., room 1105, Boston 8, Mass.	507,579	12,028,835		12,028,835	97	1951 through 1960
Hyams, Sarah A., Fund, Inc 294 Washington St., room 1105, Boston 8, Mass.	58,866	1,817,191		1,817,191	352	1951 through 1960
Spaulding-Potter Charitable Trusts. Spaulding, Huntley N., Charitable Trust. Spaulding, Harriet M., Charitable Trust. Care of Fiduciary Trust Co., 10 Post Office Square, Boston 5, Mass. See New Hampshire listing for data.						
MICHIGAN						
American Box Board Co. Foundation Old Kent Bank & Trust Co., Grand Rapids 2, Mich.		404,508	512,500	917,008	434	1952 through 1960
Besser Foundation Care of Besser Co., Alpena, Mich.	3,081,657	3,447,611	200,200	3,647,811	251	1951 through 1960
Breech, Ernest & Thelma Foundation The American Rd., Dearborn, Mich.		74,719	585,903	660,622	464	1951 through 1960
Burroughs Foundation. 6071 2d Ave., Detroit 32, Mich. See Illinois listing for data.						
Chrysler Fund 341 Massachusetts Ave., Detroit 31, Mich.		530,595	9,750,000	10,280,595	119	1953 through 1960
The Cranbrook Foundation Lone Pine Rd., Bloomfield Hills, Mich.	496,355	5,007,491		5,007,491	207	1951 through 1960
Cunningham Drug Co., Foundation 1927 12th St., Detroit 16, Mich.		111,631	757,322	868,953	442	1952 through 1960
Detroit Steel Corp., Charitable Trust Care of National Bank of Detroit, 660 Woodward Ave., Detroit 26, Mich.		150,052	459,014	609,066	471	1954 through 1960
Dow, Herbert H. and Grace A., Foundation 315 Post St., Midland, Mich.	627,956	6,030,249	5,619,113	11,649,362	102	1951 through 1960
The EPH Foundation 6233 Concord Ave., Detroit, Mich.		1,124,766	3,822,060	4,946,826	211	1952 through 1960
Earhart Foundation 902 First National Bldg., Ann Arbor, Mich.	950	1,646,260	201,926	1,848,186	350	1951 through 1960
Federal-Mogul-Bower Bearings, Inc., Charitable Trust Fund Care of National Bank of Detroit, Detroit 32, Mich.	642,074	675,088		675,088	462	1953 through 1960
Ferry, D. M., Jr., Trustee Corp 2124 Guardian Bldg., Detroit 26, Mich.		2,121,370	425,000	2,546,370	305	1951 through 1960
Fink, George R. and Elise M., Foundation 3945 Penobscot Bldg., Detroit 26, Mich.	78	167,746	659,942	827,688	446	1955 through 1960
Ford Motor Co. Fund The American Rd., Dearborn, Mich.	5,336	3,317,463	49,325,431	52,642,894	16	1951 through 1960
Ford, Benson and Edith, Fund 1400 Buhl Bldg., Detroit 26, Mich.	1,077,541	2,110,581	1,428,651	3,539,232	253	1951 through 1960
Ford, Eleanor Clay, Fund 1400 Buhl Bldg., Detroit, Mich.	1,511,068	5,176,458	255,118	5,431,576	194	1951 through 1960
Ford, Henry and Anne, Fund 1400 Buhl Bldg., Detroit 26, Mich.	1,429,383	1,618,355	781,777	2,400,132	311	1953 through 1960
Ford, Walter and Josephine, Fund 1400 Buhl Bldg., Detroit 26, Mich.	152,122	881,409	1,212,912	2,094,321	324	1951 through 1960
Ford, William and Martha, Fund 1400 Buhl Bldg., Detroit 26, Mich.	121,655	281,496	619,668	901,164	437	1953 through 1960
Fruehauf, Roy, Foundation, Inc 10940 Harper Ave., Detroit 32, Mich.	2,118	1,204,407	379,930	1,584,337	366	1951 through 1960
Gerber Baby Foods Fund 405 State St., Fremont, Mich.	9,744	379,664	966,200	1,345,864	391	1953 through 1960
Gordon, Josephine E., Foundation 154 Taylor Ave., Detroit 2, Mich.		695,090		695,090	459	1951 through 1960
Herrick Foundation 3456 Penobscot Bldg., Detroit 26, Mich.		3,340,547	13,410,350	16,750,897	79	1951 through 1960
Hudson-Webber Foundation 1206 Woodward Ave., Detroit 26, Mich.	44,442	1,984,110	1,324,448	3,308,558	264	1951 through 1960
Joy, Helen Newberry, Fund 2056 Penobscot Bldg., Detroit 26, Mich.		663,496	734,476	1,397,972	385	1951 through 1960
The Kanzler Fund 1700 United Artists Bldg., Detroit 26, Mich.	233,000	503,051	283,179	786,230	451	1951 through 1960
Kellogg, W. K., Foundation 250 Chamption St., Battle Creek, Mich.	36,532,236	60,615,820	22,096,399	82,712,219	9	1951 through 1960
W. K. Kellogg Foundation Trust 250 Champion St., Battle Creek, Mich.	250,300	41,926,661	7,502,947	49,429,608	18	1951 through 1960
The Kresge Foundation 2727 2d Ave., Detroit 32, Mich.	68	49,937,629	110,048	50,047,677	17	1951 through 1960
McCarthy, Jerry, Foundation 6250 Woodward Ave., Detroit 2, Mich.	3,287,858	4,544,016		4,544,016	230	1951 through 1960
McGregor Fund 2486 National Bank Bldg., Detroit 26, Mich.	227,240	9,097,928	2,667,881	11,765,809	100	1951 through 1960
Mott, Charles Stewart, Foundation 1401 East Court St., Flint 2, Mich.	29,115	17,811,475	14,468,789	32,280,264	33	1951 through 1960
Mueller Brass Foundation 1925 Lapeer Ave., Port Huron, Mich.	351	87,269	395,100	482,369	480	1954 through 1960
National Foundation of Rochester, Mich Care of National Twist Drill & Tool Co., Administration Bldg., Rochester, Mich.	1	55,388	119,000	174,388	506	1951 through 1960

Schedule 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(1) Gross sales or receipts from business activities	(2) Gross profit from business activities	(3) Interest received	(4) Dividends received	(5) Rents and royalties received	(6) Total gain (or loss) from sale of assets
MICHIGAN—continued						
Pardee, Elsa U., Foundation 923 West Park Dr., Midland, Mich.			$7,132	$1,289,654		$53,469
Relm Foundation 902 First National Bldg., Ann Arbor, Mich.			301,435	972,235		270,039
Sackner, Wade E. and Viola, Foundation Care of Warner-Norcross & Judd, 300 Michigan Trust Bldg., Grand Rapids 2, Mich.	$16,714	$11,773	82,754	482,511	$145,736	809
Upjohn, W. E., Unemployment Trustee Corp 301 Henrietta St., Kalamazoo, Mich.		98,274	397,408	1,079,055	44,741	5,540,618
Webber, Eloise and Richard, Foundation 1206 Woodward Ave., 11th floor, Detroit 26, Mich.			15,349	2,256,686		29,898
Whirlpool Foundation St. Joseph, Mich.			61,224	131,373		22,301
The Whiting Foundation 906 Citizens Bank Bldg., Flint 2, Mich.			25,595	164,497	26,875	5,424
MINNESOTA						
Hill, Louis W. and Maud, Family Foundation West 500 First National Bank Bldg., St. Paul 1, Minn.			1,408,498	6,243,585	350,710	1,128,478
Hormel Foundation Austin, Minn.			22,454	1,047,504	76,875	2,204
Ordean, Albert and Louise, Charity 312 West Superior St., Duluth 2, Minn.			1,060,537	900,542	71,106	1,050,700
Tozer Foundation Care of First Trust Co. of St. Paul, St. Paul 1, Minn.			208,617	819,537	103,155	609
Walker, T. B., Foundation, Inc 1121 Hennepin Ave., Minneapolis 3, Minn.			984,168	1,708,294	201,191	4,378,396
Weyerhaeuser Foundation, Inc W-2191, First National Bank Bldg., St. Paul 1, Minn.			58,520	129,362		(23,312)
Wilder, Amherst H., Foundation 355 Washington St., St. Paul 2, Minn.		832,179	494,276	5,811,255		14,897
MISSOURI						
Anheuser-Busch Charitable Trust Care of St. Louis Union Trust Co., 510 Locust St., St. Louis 1, Mo.			393,635	304,717		81,683
Blewett, Parsons, Memorial Fund 911 Locust St., St. Louis 1, Mo.			255,294	1,022,882		320,644
Brown Shoe Co., Charitable Trust Care of St. Louis Union Trust Co., 510 Locust St., St. Louis 1, Mo.			167,864	17,010		(5,037)
Danforth Foundation 835 South 8th St., St. Louis 2, Mo			2,209,731	17,102,098	281,027	10,185,718
Falstaff Foundation 5050 Oakland Ave., St. Louis 10, Mo.			20,970		332,250	8,793
Gaylord, Clifford Willard, Foundation 111 North 4th St., St. Louis 2, Mo.				1,500,782		
Hallmark Educational Foundation 25th and McGee Trafficway, Kansas City 8, Mo.			305,629	436,945		31,735
Loose, Carrie J., Fund 1002 Insurance Exchange Bldg., Kansas City 5, Mo.			774,899	393,225		(4,461)
Loose, Ella C., Fund 1002 Insurance Exchange Bldg., Kansas City 5, Mo.			228,377	1,178,386		283,488
Loose, Jacob L., Million Dollar Charity Fund Trust 1002 Insurance Exchange Bldg., Kansas City 5, Mo.			214,965	117,977		798
May Stores Foundation, Inc 601 Olive St., St. Louis 1, Mo.			112,267	551,967		204,557
McDonnell Aircraft Corp., Foundation Care of St. Louis Union Trust Co., 510 Locust St., St. Louis 1, Mo.			260,527	158,417		125,375
McDonnell Foundation, Inc Post Office Box 516, St. Louis 3, Mo.			10,502	648,614		108,175
Monsanto Charitable Trust Care of Monsanto Chemical Co., 800 North Lindbergh Blvd., St. Louis 66, Mo.			224,432	35,122		(9,514)
William Rockhill Nelson Trust 1114 Bryant Bldg., Kansas City, Mo.			2,480,348	7,287	2,738,101	480,556
Olin, John M., Trust Care of St. Louis Union Trust Co., 510 Locust St., St. Louis 1, Mo.			30,052	252,420		789,400
Olin, Spencer T., Trust Care of St. Louis Union Trust Co., 510 Locust St., St. Louis 1, Mo.			28,700	181,668		705,304
Ralston Purina Charitable Fund Care of St. Louis Union Trust Co., 510 Locust St., St. Louis 1, Mo.			157,681	117,630		2,840
Speas, John W. and Effie, Memorial Fund Trust Care of First National Bank of Kansas City, Mo., 14 West 10th St., Kansas City 6, Mo.			149,999	9,180		(5,551)
Speas, Victor E., Foundation Trust Care of First National Bank of Kansas City, Mo., 14 West 10th St., Kansas City 6, Mo.			34,640	53,658		(1,239)
Swinney, Edward F., Fund 1002 Insurance Exchange Bldg., Kansas City 5, Mo.			260,924	568,361		176,261
Wohl Foundation 1601 Washington Ave., St. Louis 3, Mo.			74,583	947,740		1,658,193
NEBRASKA						
Cooper Foundation 325 Stuart Bldg., Lincoln 8, Nebr.			93,523	484,123	4,643,949	12,025
Eppley, Eugene C., Foundation, Inc 2635 West 2d St., Hastings, Nebr.			4,536,247	56,607		143,617
J. M. McDonald Foundation, Inc 2635 West 2d St., Post Office Box 722, Hastings, Nebr.			3,816	1,026,519		274,813

SCHEDULE 1.—*Gross receipts 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(7) Other income	(8) Total gross income excluding contributions, gifts, grants, etc., received	(9) Total contributions, gifts, grants, etc., received	(10) Total receipts including contributions, gifts, grants, etc., received	(11) Income rank based on total receipts (column 10) contributions, gifts, grants, etc., received	(12) Period
MICHIGAN—continued						
Pardee, Elsa U., Foundation 923 West Park Dr., Midland, Mich.	$18,492	$1,368,747		$1,368,747	386	1951 through 1960
Relm Foundation 902 First National Bldg., Ann Arbor, Mich.		1,543,709	$5,895,016	7,438,725	150	1951 through 1960
Sackner, Wade E. and Viola, Foundation Care of Warner-Norcross & Judd, 300 Michigan Trust Bldg., Grand Rapids 2, Mich.	275	723,858	1,465,269	189,,127	317	1953 through 1960
Upjohn, W. E., Unemployment Trustee Corp 301 Henrietta St., Kalamazoo, Mich.	85,503	7,245,599		7,245,599	163	1951 through 1960
Webber, Eloise and Richard, Foundation 1206 Woodward Ave., 11th floor, Detroit 26, Mich.	483,530	2,785,463	63,701	2,849,164	288	1951 through 1960
Whirlpool Foundation St. Joseph, Mich.	336,953	551,851	2,709,251	3,261,102	265	1953 through 1960
The Whiting Foundation 906 Citizens Bank Bldg., Flint 2, Mich.	4,906	227,297	1,500,852	1,728,149	355	1952 through 1960
MINNESOTA						
Hill, Louis W. and Maud, Family Foundation West 500 First National Bank Bldg., St. Paul 1, Minn.	642,670	9,773,950	11,227,429	21,001,379	58	1952 through 1960
Hormel Foundation Austin, Minn.	779,020	1,928,057	1,123,007	3,051,064	277	1951 through 1960
Ordean, Albert and Louise, Charity 312 West Superior St., Duluth 2, Minn.	13,296	3,125,181	113,906	3,239,087	267	1951 through 1960
Tozer Foundation Care of First Trust Co. of St. Paul, St. Paul 1, Minn.	21,198	1,243,116		1,243,116	401	1951 through 1960
Walker, T. B., Foundation, Inc 1121 Hennepin Ave., Minneapolis 3, Minn.	286,449	7,658,498	72,017	7,730,515	154	1951 through 1960
Weyerhaeuser Foundation, Inc W-2191, First National Bank Bldg., St. Paul 1, Minn.	201	164,771	1,677,828	1,842,599	351	1951 through 1960
Wilder, Amherst H., Foundation 355 Washington St., St. Paul 2, Minn.	8,258	7,160,865		7,160,865	166	1951 through 1960
MISSOURI						
Anheuser-Busch Charitable Trust Care of St. Louis Union Trust Co., 510 Locust St., St. Louis 1, Mo.	2,523	782,558	4,216,529	4,999,087	208	1953 through 1960
Blewett, Parsons, Memorial Fund 911 Locust St., St. Louis 1, Mo.	3	1,599,823	491	1,600,314	365	1951 through 1961
Brown Shoe Co., Charitable Trust Care of St. Louis Union Trust Co., 510 Locust St., St. Louis 1, Mo.	18,902	198,739	1,675,000	1,873,739	349	1953 through 1960
Danforth Foundation 835 South Eighth St., St. Louis 2, Mo.	182,496	29,961,070	8,327,086	38,288,156	27	1951 through 1960
Falstaff Foundation 5050 Oakland Ave., St. Louis 10, Mo.		368,013	1,166,455	1,534,468	373	1954 through 1960
Gaylord, Clifford Willard, Foundation 111 North Fourth St., St. Louis 2, Mo.	23,070	1,523,852	2,208,736	3,732,588	246	1951 through 1960
Hallmark Educational Foundation 25th and McGee Trafficway, Kansas City 8, Mo.		774,309	4,490,200	5,264,509	199	1951 through 1960
Loose, Carrie J., Fund 1002 Insurance Exchange Bldg., Kansas City 5, Mo.	164,994	1,328,657		1,328,657	393	1951 through 1960
Loose, Ella C., Fund 1002 Insurance Exchange Bldg., Kansas City 5, Mo.	830	1,691,081	3,265	1,694,346	357	1951 through 1960
Loose, Jacob L., Million Dollar Charity Fund Trust 1002 Insurance Exchange Bldg., Kansas City 5, Mo.		333,740		333,740	492	1951 through 1960
May Stores Foundation, Inc 601 Olive St., St. Louis 1, Mo.		868,791	1,827,366	2,696,157	297	1951 through 1960
McDonnell Aircraft Corp., Foundation Care of St. Louis Union Trust Co., 510 Locust St., St. Louis 1, Mo.	42,070	586,389	2,868,000	3,454,389	256	1951 through 1960
McDonnell Foundation, Inc Post Office Box 516, St. Louis 3, Mo.		767,291	760,675	1,527,966	374	1951 through 1960
Monsanto Charitable Trust Care of Monsanto Chemical Co., 800 North Lindbergh Blvd., St. Louis 66, Mo.	28,638	278,678	4,364,865	4,643,543	228	1951 through 1960
William Rockhill Nelson Trust 1114 Bryant Bldg., Kansas City, Mo.	173,360	5,888,661	46,736	5,935,397	186	1951 through 1960
Olin, John M., Trust Care of St. Louis Union Trust Co., 510 Locust St., St. Louis 1, Mo.		1,071,872	113,339	1,185,211	406	1951 through 1960
Olin, Spencer T., Trust Care of St. Louis Union Trust Co., 510 Locust St., St. Louis 1, Mo.		915,672	66,878	982,550	427	1951 through 1960
Ralston Purina Charitable Fund Care of St. Louis Union Trust Co., 510 Locust St., St. Louis 1, Mo.	36,217	314,368	1,801,800	2,116,168	322	1953 through 1960
Speas, John W. and Effie, Memorial Fund Trust Care of First National Bank of Kansas City, Mo., 14 West 10th St., Kansas City 6, Mo.	2,533	156,161	575,055	731,216	455	1951 through 1960
Speas, Victor E., Foundation Trust Care of First National Bank of Kansas City, Mo., 14 West 10th St., Kansas City 6, Mo.	269	87,328	235,500	322,828	494	1952 through 1960
Swinney, Edward F., Fund 1002 Insurance Exchange Bldg., Kansas City 5, Mo.		1,005,566		1,005,566	422	1951 through 1960
Wohl Foundation 1601 Washington Ave., St. Louis 3, Mo.		2,680,516		2,680,516	298	1951 through 1960
NEBRASKA						
Cooper Foundation 325 Stuart Bldg., Lincoln 8, Nebr.	41,604	5,275,224		5,275,224	197	1952 through 1960
Eppley, Eugene C., Foundation, Inc 2635 West 2d St., Hastings, Nebr.	7,583	4,744,054	5,601,456	10,345,510	117	1951 through 1960
J. M. McDonald Foundation, Inc 2635 West 2d St., Post Office Box 722, Hastings, Nebr.	302,390	1,607,538	4,074,833	5,682,731	190	1952 through 1960

SCHEDULE 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(1) Gross sales or receipts from business activities	(2) Gross profit from business activities	(3) Interest received	(4) Dividends received	(5) Rents and royalties received	(6) Total gain (or loss) from sale of assets
NEBRASKA—continued						
Swanson, Carl and Caroline, Foundation, Inc. 1201 Douglas St., Omaha 8, Nebr.			$139,655	$156,917	$184,244	$392,838
Woods Charitable Fund, Inc. Telephone Bldg., Lincoln 1, Nebr. See Illinois listing for data.						
NEVADA						
Fleischmann, Max C., Foundation of Nevada 15 East 1st St., Reno, Nev.			3,415,960	7,583,292		806,754
NEW HAMPSHIRE						
Spaulding, Potter, Charitable Trusts 95 North Main St., Concord, N.H.			59,068	399,844		
Spaulding, Huntley N., Charitable Trust Concord, N.H., and Boston, Mass.			55,475	457,933		(2,422)
Spaulding, Harriet M., Charitable Trust Concord, N.H., and Boston, Mass.			76,115	351,500	100	547
NEW JERSEY						
Borden, Mary Owen, Memorial Foundation Rumson, N.J.			177,535	757,656		762,954
Fuld, Helene, Health Foundation 93 Fuld St., Trenton, N.J.			50,408	2,586,120		3,810,056
Ladd, Kate Macy, Fund 744 Broad St., room 901, Newark 2, N.J.	$38,128	($30,745)	2,515,940	3,954,922	200	16,273
Ripple, Fannie E., Foundation 744 Broad St., Newark 2, N.J.			1,570,755	2,939,905	17,073	1,468,307
Turrell Fund 100 North Arlington Ave., East Orange, N.J.			1,049,775	3,855,556	582	3,771,854
Victoria Foundation, Inc. 253 Ridgewood Ave., Glen Ridge, N.J.			114,802	2,200,808		(390)
NEW YORK CITY						
Allen, Vivian B., Foundation, Inc. 680 Madison Ave., New York 21, N.Y.			3,119	1,284,030		17,085
Altman Foundation 361 5th Ave., New York 16, N.Y.			192,985	3,464,420	958	164,737
American International Association for Economic & Social Development 30 Rockefeller Plaza, New York 20, N.Y.			149,617			22,334
Astor, Vincent, Foundation 405 Park Ave., New York 22, N.Y.	70,222	32,868	269,451	1,668,020	571,241	(1,086,928)
Avalon Foundation 713 Park Ave., New York 21, N.Y.			2,814,379	11,210,758	38,853	1,854,395
Baird, David, Josephine, and Winfield, Foundation, Inc. 65 Broadway, New York 6, N.Y.			1,012,505	761,411	150,159	1,124,582
Baird, Winfield, Foundation 65 Broadway, New York 6, N.Y.			2,905,180	2,179,029	281,178	15,650,002
Baker, George F., Trust 2 Wall St., New York 5, N.Y.			1,509,490	3,534,097		842
Bay, Charles, Ulrick, and Josephine, Foundation, Inc. 1 Wall St., New York 5, N.Y.			71,595	2,245,385		711,090
Benenson, Robert and Nettie, Foundation 11 West 42d St., New York 36, N.Y.						
The Bodman Foundation In care of Morris & McVeigh, 60 Wall St., New York 5, N.Y.			632,016	1,247,070		556,450
Bollingen Foundation, Inc. 140 East 52d St., New York 21, N.Y.			316,359	665,073	33,236	488,827
Booth Ferris Foundation 149 Broadway, New York 6, N.Y.			206,204	1,159,682		4,252,259
Borden Co. Foundation, Inc. 350 Madison Ave., New York 17, N.Y.			163,188			(691)
Brez Foundation 488 Madison Ave., New York 22, N.Y.			225,561	464,869		300,848
Bronfman, Samuel, Foundation, Inc. 375 Park Ave., New York 22, N.Y.			23,207	550,413		496,176
The Brookdale Foundation 30 East 40th St., 12th floor, New York 16, N.Y.			31,622	148,026	1,950,514	122,618
Calder, Louis, Foundation 589 5th Ave., New York 17, N.Y.			1,102,857	2,012,794	368,708	2,266,317
Carnegie Corp. of New York 589 5th Ave., New York 17, N.Y.			35,897,188	50,508,811		40,977,887
Carnegie Endowment for International Peace United Nations Plaza and 49th St., New York 17, N.Y.	23,715			6,209,710	3,167,446	3,867,597
Carnegie Foundation for the Advancement of Teaching 589 5th Ave., New York 17, N.Y.			2,055,145	3,653,722		4,862,986
The Chase Manhattan Bank Foundation 1 Chase Manhattan Plaza, New York 15, N.Y.			18,913			(14,127)
Cheatham, Owen, Foundation 375 Park Ave., New York 22, N.Y.			2,799	12,780		40,888
China Medical Board of New York, Inc. 30 East 60th St., New York 22, N.Y.			4,776,771	7,891,880		3,550,040
Clark Foundation 149 Broadway, New York 6, N.Y.			1,203,887	2,412,186	12,221	1,466,812
Commonwealth Fund 1 East 75th St., New York 21, N.Y.			11,275,669	27,958,296		8,946,450
Council on Economic & Cultural Affairs, Inc. 630 5th Ave., New York 20, N.Y.			153,474	318,930		226,656
Dodge, Cleveland H., Foundation, Inc. 300 Park Ave., New York 22, N.Y.			397,270	3,903,328		684,084
The Duke Endowment 30 Rockefeller Plaza, New York 20, N.Y.			7,620,623	70,950,413		(12,277)

SCHEDULE 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(7) Other income	(8) Total gross income excluding contributions, gifts, grants, etc., received	(9) Total contributions, gifts, grants, etc., received	(10) Total receipts including contributions, gifts, grants, etc., received	(11) Income rank based on total receipts (column 10) contributions, gifts, grants, etc., received	(12) Period
NEBRASKA—continued						
Swanson, Carl and Caroline, Foundation, Inc. 1201 Douglas St., Omaha 8, Nebr.	....	$873,654	$1,768,829	$2,642,483	299	1953 through 1960
Woods Charitable Fund, Inc. Telephone Bldg, Lincoln 1, Nebr. See Illinois listing for data.						
NEVADA						
Fleischmann, Max C., Foundation of Nevada 15 East 1st St., Reno, Nev.	$5,617,927	17,423,942	9,820,999	27,244,941	40	1951 through 1960
NEW HAMPSHIRE						
Spaulding, Potter, Charitable Trusts 95 North Main St., Concord, N.H.	101,676	560,588	....	560,588	477	1958 through 1960
Spaulding, Huntley N., Charitable Trust Concord, N.H., and Boston, Mass.	335,345	846,331	1,105,254	1,951,585	339	1956 through 1960
Spaulding, Harriet M., Charitable Trust Concord, N.H., and Boston, Mass.	188,828	617,090	30,979	648,069	468	1955 through 1960
NEW JERSEY						
Borden, Mary Owen, Memorial Foundation Rumson, N.J.	218,574	1,916,719	10,000	1,926,719	341	1951 through 1960
Fuld, Helene, Health Foundation 93 Fuld St., Trenton, N.J.	7,822	6,454,406	4,384,831	10,839,237	112	1951 through 1960
Ladd, Kate Macy, Fund 744 Broad St., room 901, Newark 2, N.J.	6,208	6,462,807	22,652	6,485,459	175	1951 through 1960
Ripple, Fannie E., Foundation 744 Broad St., Newark 2, N.J.	75	6,005,115	20,077,963	26,083,078	41	1954 through 1960
Turrell Fund 100 North Arlington Ave., East Orange, N.J.	14,088	8,691,855	....	8,691,855	144	1951 through 1960
Victoria Foundation, Inc. 253 Ridgewood Ave., Glen Ridge, N.J.	293	2,315,603	9,698,120	12,013,723	98	1951 through 1960
NEW YORK CITY						
Allen, Vivian B., Foundation, Inc. 680 Madison Ave., New York 21, N.Y.	....	1,304,234	334,188	1,638,422	362	1951 through 1960
Altman Foundation 361 5th Ave., New York 16, N.Y.	....	3,823,100	....	3,823,100	243	1951 through 1960
American International Association for Economic & Social Development 30 Rockefeller Plaza, New York 20, N.Y.	15,347	187,298	6,988,284	7,175,582	165	1951 through 1960
Astor, Vincent, Foundation 405 Park Ave., New York 22, N.Y.	3,450,270	4,904,922	38,106,808	43,011,730	23	1951 through 1960
Avalon Foundation 713 Park Ave., New York 21, N.Y.	481,259	16,399,644	30,364,308	46,763,952	21	1951 through 1960
Baird, David, Josephine, and Winfield, Foundation, Inc. 65 Broadway, New York 6, N.Y.	6,193	3,054,940	6,973,301	10,028,241	124	1951 through 1960
Baird, Winfield, Foundation 65 Broadway, New York, 6, N.Y.	312,837	21,427,325	4,100,346	25,527,671	43	1951 through 1960
Baker, George F., Trust 2 Wall St., New York 5, N.Y.	2,095	5,046,524	....	5,046,524	206	1951 through 1960
Bay, Charles, Ulrick, and Josephine, Foundation, Inc. 1 Wall St., New York 5, N.Y.	....	3,028,070	7,725,799	10,753,869	113	1951 through 1960
Benenson, Robert and Nettie, Foundation 11 West 42d St., New York 36, N.Y.	....	....	120,250	120,250	511	1956 through 1960
The Bodman Foundation In care of Morris & McVeigh, 60 Wall St., New York 5, N.Y.	1,255,646	3,691,782	7,588,199	11,279,981	108	1951 through 1960
Bollingen Foundation, Inc. 140 East 52d St., New York 21, N.Y.	920,132	2,423,627	9,878,529	12,302,156	95	1951 through 1960
Booth Ferris Foundation 149 Broadway, New York 6, N. Y.	125,493	5,743,638	5,212,500	10,956,138	111	1957 through 1960
Borden Co. Foundation, Inc. 350 Madison Ave., New York 17, N.Y.	400	162,897	764,000	926,897	433	1951 through 1960
Brez Foundation 488 Madison Ave., New York 22, N.Y.	....	991,278	....	991,278	425	1951 through 1960
Bronfman, Samuel, Foundation, Inc. 375 Park Ave., New York 22, N.Y.	5	1,069,801	1,000,000	2,069,801	328	1951 through 1960
The Brookdale Foundation 30 East 40th St., 12th floor, New York 16, N.Y.	29,887	2,282,667	2,328,400	4,611,067	229	1951 through 1960
Calder, Louis, Foundation 589 5th Ave., New York 17, N.Y.	....	5,750,676	26,658,993	32,409,669	32	1952 through 1960
Carnegie Corp. of New York 589 5th Ave., New York 17, N.Y.	977,353	128,361,239	....	128,361,239	7	1951 through 1960
Carnegie Endowment for International Peace United Nations Plaza and 49th St., New York 17, N.Y.	1,137,556	14,382,309	4,391,209	18,773,518	70	1951 through 1960
Carnegie Foundation for the Advancement of Teaching 589 5th Ave., New York 17, N.Y.	10,201,622	20,773,475	....	20,773,475	59	1951 through 1960
The Chase Manhattan Bank Foundation 1 Chase Manhattan Plaza, New York 15, N.Y.	....	4,786	1,359,966	1,364,752	387	1959 through 1960
Cheatham, Owen, Foundation 375 Park Ave., New York 22, N.Y.	14,178	70,645	207,246	277,891	498	1958 through 1960
China Medical Board of New York, Inc. 30 East 60th St., New York 22, N.Y.	2,460	16,221,160	33	16,221,193	82	1951 through 1960
Clark Foundation 149 Broadway, New York 6, N.Y.	12,772	5,107,878	1,966,709	7,074,587	169	1951 through 1960
Commonwealth Fund 1 East 75th St., New York 21, N.Y.	849,446	49,029,861	22,578,328	71,608,189	10	1951 through 1960
Council on Economic & Cultural Affairs, Inc. 630 5th Ave., New York 20, N.Y.	....	699,060	5,575,445	6,274,505	180	1954 through 1960
Dodge, Cleveland H., Foundation, Inc. 300 Park Ave., New York 22, N.Y.	194,753	5,179,435	2,025	5,181,460	201	1951 through 1960
The Duke Endowment 30 Rockefeller Plaza, New York 20, N.Y.	....	87,558,759	554,636	88,113,395	8	1951 through 1960

SCHEDULE 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(1) Gross sales or receipts from business activities	(2) Gross profit from business activities	(3) Interest received	(4) Dividends received	(5) Rents and royalties received	(6) Total gain (or loss) from sale of assets
NEW YORK CITY—continued						
Educational Facilities Laboratories, Inc. 477 Madison Ave., New York 22, N.Y.			$184,984			
Esso Education Foundation 30 Rockefeller Plaza, New York 20, N.Y.			378,156	$57,070		$23,444
Field Foundation 250 Park Ave., New York 17, N.Y.			2,368,726	504,577	$50,546,128	(5,760)
The Ford Foundation 477 Madison Ave., New York 22, N.Y.			88,633,063	748,646,156	36	829,566,118
Frueauff, Charles A., Foundation, Inc. 70 Pine St., New York 5, N.Y.			329,484	3,516,567	1,502,241	2,691,317
Fund for the Advancement of Education 477 Madison Ave., New York 22, N.Y.			1,107,714			(30,223)
General Education Board 111 West 50th St., New York 20, N.Y.			2,951,802	282,713	15	741,967
General Foods Fund, Inc. 250 Park Ave., New York 17, N.Y.			156,679			3,172
General Telephone & Electronics Foundation 730 3d Ave., New York 17, N.Y.			71,412		267,132	
The Grant Foundation, Inc. 130 East 59th St., New York 22, N.Y.			415,010	4,822,429		1,696
Guggenheim, Daniel and Florence, Foundation 120 Broadway, New York 5, N.Y.			776,248	1,536,614		842,781
Guggenheim, Murry and Leonie, Foundation 161 East 42d St., New York 17, N.Y.			772,112	2,839,131		5,331
Guggenheim, John Simon, Memorial Foundation 551 5th Ave., New York 17, N.Y.			5,733,257	9,389,240		6,782,200
Guggenheim, Solomon R., Foundation 120 Broadway, New York 5, N.Y.		$162,502	1,246,550	4,534,351		742,043
Haggin, Margaret Voorhies, Trust Care of Bank of New York, 48 Wall St., New York 17, N.Y.			802,104	1,342,594		558,437
Hartford, John A., Foundation, Inc. 420 Lexington Ave., New York 17, N.Y.			3,224,250	19,002,499		3,609,722
Hayden, Charles, Foundation 25 Broad St., New York 4, N.Y.			12,090,581	10,957,161		8,609,587
Heyden Newport Chemical Corp. Foundation, Inc. 342 Madison Ave., New York 17, N.Y.				60,750		
Hyde, Lillia Babbitt, Foundation 535 5th Ave., New York 17, N.Y.			1,413,106	2,809,443	5,691	5,788,377
Ingersoll-Rand Fund Care of Morgan Guaranty Trust Co. of New York, 140 Broadway, New York 15, N.Y.			142,324	195,895		91,909
International Paper Co. Foundation 220 East 42d St., New York 17, N.Y.			495,572	1,113,549		298,152
Ittleson Family Foundation 654 Madison Ave., New York 21, N.Y.			488,482	2,530,506		4,483,663
James Foundation of New York, Inc. 375 Park Ave., New York 22, N.Y			4,644,100	17,376,337	219,994	24,208,418
Jones, W. Alton, Foundation, Inc. 70 Pine St., New York 5, N.Y.			389,105	4,961,306		5,008,592
Kaplan, J. M., Fund, Inc 55 5th Ave., New York 3, N.Y.			1,234,206	1,383,774	953,804	11,894,146
Kaufmann, Henry, Foundation 300 Park Ave., New York 22, N.Y.			473,195	1,564,895	34,485	2,514,215
Kress, Samuel H., Foundation 221 West 57th St., New York 19, N.Y.			75,915	25,156,560	232,500	(82,423)
The Lansing Foundation, Inc. 65 Broadway, New York City.			492,181	391,588	1,186,368	4,269,802
Levy, Adele R., Fund, Inc. 100 Park Ave., New York 17, N.Y.			206,108	476,711		1,385,369
Macy, Josiah, Jr., Foundation 16 West 46th St., New York 36, N.Y.			4,827,908	4,522,656		7,996,357
Markle, John and Mary R., Foundation 511 5th Ave., New York 17, N.Y.			3,695,684	6,615,637		7,508,354
Merrill, Charles E., Trust 70 Pine St., New York 5, N.Y.			413,892	337,370		(33,295)
Merrill Foundation for Advancement of Financial Knowledge, Inc. 70 Pine St., room 3700, New York 5, N.Y.			157,201	3,212		(61,366)
Partners of Merrill, Lynch, Pierce, Fenner & Smith Foundation, Inc. 70 Pine St., New York 5, N.Y.			244,828		641	(97,070)
Milbank, Dunlevy, Foundation, Inc. 41 East 42d St., New York 17, N.Y.			42,347	1,062,599		(24,952)
Milbank Memorial Fund 41 Wall St., New York 5, N.Y.			2,235,717	5,278,360	8,068	6,948,021
Morehead, John Motley, Foundation 270 Park Ave., New York City.			45,884	1,262,640		14,508
Morgan Guaranty Trust Co. of New York Foundation 140 Broadway, New York 15, N.Y.			17,226	662,244		1,312,794
Morris, William T., Foundation, Inc. 230 Park Ave., room 620, New York 17, N.Y.			99,245	2,795,287		210,007
National Biscuit Co. Foundation 425 Park Ave., New York 22, N.Y.			156,468	155,314		4,967
National Lead Foundation, Inc 111 Broadway, New York 6, N.Y.			52,814	1,510,517		2,660
New World Foundation 475 Riverside Dr., New York 27, N.Y.			840,381	448,275		129,060
New York Foundation 61 Broadway, New York 6, N.Y.			1,909,374	4,582,932		3,227,534
Nias, Henry, Foundation, Inc. 122 East 42d St., New York 17, N.Y.			8,231	324,001	49,253	
1907 Foundation, Inc. 331 East 38th St., room 400, New York 16, N.Y.			172,823	174,541	232,500	350,802
Noble, Edward John, Foundation. 680 5th Ave., New York 19, N.Y. (See Connecticut listing for data).						

SCHEDULE 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(7) Other income	(8) Total gross income excluding contributions, gifts, grants, etc., received	(9) Total contributions, gifts, grants, etc., received	(10) Total receipts including contributions, gifts, grants, etc., received	(11) Income rank based on total receipts (column 10) contributions, gifts, grants, etc., received	(12) Period
NEW YORK CITY—continued						
Educational Facilities Laboratories, Inc 477 Madison Ave., New York 22, N.Y.		$184,984	$4,500,100	$4,685,084	224	1958 through 1960
Esso Education Foundation 30 Rockefeller Plaza, New York 20, N.Y.		458,670	10,717,320	11,175,990	100	1955 through 1960
Field Foundation 250 Park Ave., New York 17, N.Y.	$190,660	53,604,322	14,582,986	68,187,308	11	1951 through 1960
The Ford Foundation 477 Madison Ave., New York 22, N.Y.	577,814	1,667,423,187	2,784,283	1,670,207,470	1	1951 through 1960
Frueauff, Charles A., Foundation, Inc 70 Pine St., New York 5, N.Y.	(1,267)	8,038,342	4,339,221	12,377,563	94	1951 through 1960
Fund for the Advancement of Education 477 Madison Ave., New York 22, N.Y.		1,077,491	57,847,266	58,924,757	13	1951 through 1960
General Education Board 111 West 50th St., New York 20, N.Y.	17,356	3,993,853	9,503,850	13,497,703	91	1951 through 1960
General Foods Fund, Inc 250 Park Ave., New York 17, N.Y.		159,851	4,565,000	4,724,851	222	1953 through 1960
General Telephone & Electronics Foundation 730 3d Ave., New York 17, N.Y.	37,127	375,671	2,134,000	2,509,671	308	1953 through 1960
The Grant Foundation, Inc 130 East 59th St., New York 22, N.Y.	5,394,779	10,633,914	1,037,919	11,671,833	101	1951 through 1960
Guggenheim, Daniel and Florence, Foundation 120 Broadway, New York 5, N.Y.	55	3,155,698		3,155,698	271	1952 through 1960
Guggenheim, Murry and Leonie, Foundation 161 East 42d St., New York 17, N.Y.	4,110,842	7,727,416	1,903,024	9,630,440	129	1951 through 1960
Guggenheim, John Simon, Memorial Foundation 551 5th Ave., New York 17, N.Y.	13,940	21,918,637	200,490	22,119,127	53	1951 through 1960
Guggenheim, Solomon R., Foundation 120 Broadway, New York 5, N.Y.	308,690	6,994,136	439,354	7,433,490	160	1951 through 1960
Haggin, Margaret Voorhies, Trust Care of Bank of New York, 48 Wall St., New York 17, N.Y.		2,703,135		2,703,135	296	1951 through 1960
Hartford, John A., Foundation, Inc 420 Lexington Ave., New York 17, N.Y.	15,900,683	41,737,154	160,679,050	202,416,204	3	1951 through 1960
Hayden, Charles, Foundation 25 Broad St., New York 4, N.Y.	10,506	31,667,835	1,671,898	33,339,733	30	1951 through 1960
Heyden Newport Chemical Corp. Foundation, Inc 342 Madison Ave., New York 17, N.Y.		60,750		60,750	517	1952 through 1960
Hyde, Lillia Babbitt, Foundation 535 5th Ave., New York 17, N.Y.	2,942	10,019,559	276,073	10,295,632	118	1951 through 1960
Ingersoll-Rand Fund Care of Morgan Guaranty Trust Co. of New York, 140 Broadway, New York 15, N.Y.		394,128	800,000	1,194,128	405	1954 through 1960
International Paper Co. Foundation 220 East 42d St., New York 17, N.Y.	659	1,907,932	7,429,029	9,336,961	135	1952 through 1960
Ittleson Family Foundation 654 Madison Ave., New York 21, N.Y.		7,457,651	352,139	7,809,790	152	1951 through 1960
James Foundation of New York, Inc 375 Park Ave., New York 22, N.Y.	817,083	47,265,932	20,684,135	67,950,067	12	1951 through 1960
Jones, W. Alton, Foundation, Inc 70 Pine St., New York 5, N.Y.		10,359,003	3,550,211	13,909,214	88	1951 through 1960
Kaplan, J. M., Fund, Inc 55 5th Ave., New York 3, N.Y.	7,163	15,473,153	1,626,986	17,100,139	76	1951 through 1960
Kaufmann, Henry, Foundation 300 Park Ave., New York 22, N.Y.	67,870	4,654,660	6,452,536	11,107,196	110	1951 through 1960
Kress, Samuel H., Foundation 221 West 57th St., New York 19, N.Y.	13,784	25,396,336	16,459,793	41,856,129	24	1951 through 1960
The Lansing Foundation, Inc 65 Broadway, New York City.	969,029	7,308,968	1,089,863	8,398,831	147	1951 through 1960
Levy, Adele R., Fund, Inc 100 Park Ave., New York 17, N.Y.	116,423	2,184,611	3,723,190	5,907,801	187	1951 through 1960
Macy, Josiah, Jr., Foundation 16 West 46th St., New York 36, N.Y.	483,340	17,830,261	15,031	17,845,292	73	1951 through 1960
Markle, John and Mary R., Foundation 511 5th Ave., New York 17, N.Y.	64,361	17,884,036	183,248	18,067,284	72	1951 through 1960
Merrill, Charles E., Trust 70 Pine St., New York 5, N.Y.	7,164,589	7,882,556	13,822,894	21,705,450	54	1959 through 1960
Merrill Foundation for Advancement of Financial Knowledge, Inc 70 Pine St., room 3700, New York 5, N.Y.		99,047	966,644	1,065,691	420	1951 through 1960
Partners of Merrill, Lynch, Pierce, Fenner & Smith Foundation, Inc 70 Pine St., New York 5, N.Y.		148,399	7,050,182	7,198,581	164	1951 through 1960
Milbank, Dunlevy, Foundation, Inc 41 East 42d St., New York 17, N.Y.	183	1,080,177	496,580	1,576,757	367	1951 through 1960
Milbank Memorial Fund 41 Wall St., New York 5, N.Y.	230,562	14,700,748	627,861	15,328,609	84	1951 through 1960
Morehead, John Motley, Foundation 270 Park Ave., New York City.	569,991	1,893,023	2,600,897	4,493,920	231	1951 through 1960
Morgan Guaranty Trust Co. of New York Foundation 140 Broadway, New York 15, N.Y.		1,992,264		1,992,264	336	1954 through 1960
Morris, William T., Foundation, Inc 230 Park Ave., room 620, New York 17, N.Y.	521,873	3,626,412	13,567,209	17,193,621	75	1951 through 1960
National Biscuit Co. Foundation 425 Park Ave., New York 22, N.Y.	1,466	318,215	360,000	678,215	461	1954 through 1960
National Lead Foundation, Inc 111 Broadway, New York 6, N.Y.		1,565,991	4,451,700	6,017,691	185	1953 through 1960
New World Foundation 475 Riverside Dr., New York 27, N.Y.	1,080	1,418,796	8,714,996	10,133,792	121	1955 through 1960
New York Foundation 61 Broadway, New York 6, N.Y.	1,666	9,271,506	380,858	10,102,364	122	1951 through 1960
Nias, Henry, Foundation, Inc 122 East 42d St., New York 17, N.Y.	301,399	682,884	2,531,387	3,214,271	268	1956 through 1960
1907 Foundation, Inc 331 East 38th St., room 400, New York 16, N.Y.		930,666	2,416,076	3,346,742	260	1952 through 1960
Noble, Edward John, Foundation. 680 5th Ave., New York 19, N.Y. (See Connecticut listing for data.)						

SCHEDULE 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(1) Gross sales or receipts from business activities	(2) Gross profit from business activities	(3) Interest received	(4) Dividends received	(5) Rents and royalties received	(6) Total gain (or loss) from sale of assets
NEW YORK CITY—continued						
Norman Aaron E., Fund, Inc. 380 Madison Ave., New York 17, N.Y.	$17,000	$95,745	$200,120	$1,268,798	$45,548	$1,784,480
Noyes, Jessie Smith, Foundation, Inc. 16 East 34th St., New York 16, N.Y.			723,305	1,818,199		(544,697)
Nutrition Foundation, Inc. 99 Park Ave., New York 16, N.Y.			191,748	31,363		13,010
Old Dominion Foundation 140 East 62d St., New York 21, N.Y.			1,203,603	8,345,756		(1,502,252)
Olin Foundation, Inc. 1 East 44th St., New York 17, N.Y.			6,299,463	14,964,106	838	5,244,419
Penney, James C., Foundation 330 West 34th St., New York 1, N.Y.				81,768		2,267
Pfeiffer, Gustavus and Louise, Research Foundation 20 Broad St., New York 5, N.Y.			1,067,810	1,662,209		19,463
The Pfizer Foundation, Inc. Care of Charles Pfizer Co., 11 Bartlett St., Brooklyn 6, N.Y.			15,744	80,198	302,629	399,863
Pforzheimer, Carl and Lilly, Foundation, Inc. 25 Broad St., New York 4, N.Y.			101,133	372,249	1,400	445,603
Phelps Dodge Foundation 300 Park Ave., New York 22, N.Y.			523,710	551,107		144,085
Trustees of the Phelps-Stokes Fund 297 Park Ave. South, New York 10, N.Y.			307,917	491,982		913,025
Pierce, John B., Foundation 50 West 44th St., New York 36, N.Y.			493,099	2,303,602	102,109	(180,997)
Plant, Henry B., Memorial Fund, Inc. Care of United States Trust Co. of New York, 45 Wall St., New York 5, N.Y.			57,867	96,985		87,893
The Population Council, Inc. 230 Park Ave., New York 17, N.Y.			137,203	235,521		145,236
The Rayonier Foundation 161 East 42d St., New York 17, N.Y.			107,394	147,961		207,860
Reeves Bros. Foundation, Inc. 54 Worth St., New York 13, N.Y.			25,088	485,453		3,661
Research Corp. 405 Lexington Ave., New York 17, N.Y.	39,446,976	10,309,457	1,037,284	443,043	10,325,841	413,837
Richardson Foundation, Inc. 122 East 42d St., New York 17, N.Y.		(8,224)	291,329	5,176,083		2,325,797
Rockefeller Bros. Fund 30 Rockefeller Plaza, New York 20, N.Y.			1,556,619	5,727,019		3,273,610
Rockefeller Foundation 111 West 50th St., New York 20, N.Y.			20,142,240	183,930,405		30,923,652
The Rogosin Foundation 261 5th Ave., New York 16, N.Y.			8,673	3,788,102		(129,869)
Rosenstiel, Dorothy H. and Lewis, Foundation 350 5th Ave., room 1820, New York 1, N.Y.			15,216	4,715,668		62,853
Rosenthal, Benjamin, Foundation, Inc. 350 5th Ave., New York 1, N.Y.				2,154		4,030
Rubicon Foundation, Inc. 740 Park Ave., New York 21, N.Y.			128,345	1,009,227		(193,667)
Rubin, Samuel, Foundation, Inc. 5 West 54th St., New York 19, N.Y.			84,029	1,859,612	6,935	40,667
Sage, Russell, Foundation 505 Park Ave., New York 22, N.Y.	439,977	(207,871)	2,482,958	4,676,356	80,614	1,839,675
Sams, Earl C., Foundation, Inc. 666 5th Avenue, 23d floor, New York 19, N.Y.			155,196	3,345,368		57,593
Schepp, Leopold, Foundation 551 5th Ave , New York 17, N.Y.			695,349	847,790	107,152	268,215
Scheuer, S. H. and Helen R., Family Foundation, Inc. 39 Broadway, room 2210 New York 6, N.Y.			117,935	307,387		896,340
Schwartz David, Foundation, Inc. 1407 Broadway, New York 18, N.Y.			66,966	40,930	165,847	20,898
Schwarzhaupt, Emil, Foundation, Inc. 350 5th Ave., New York 1, N Y.		13,280	97,190	232,123	585	858,150
Scriven, Foundation, Inc. 149 Broadway, New York 6, N.Y.			517,726	2,447,173	49,607	886,460
Sealantic Fund, Inc. 50 West 50th St., New York 20, N.Y.			2,490,838	739,328	(362)	(638,968)
Shell Companies Foundation, Inc. 50 West 50th St., New York 20, N.Y.			540,637	55,007		10,002
Shubert, Sam S., Foundation, Inc. 234 West 44th St., New York 36, N.Y.			286,948	75,553		162,044
Sloan, Alfred P., Foundation 630 5th Ave., New York 20, N.Y.			8,024,200	34,551,472		33,422,374
Smithers, Christopher D., Foundation, Inc. 60 East 42d St., room 1202, New York 17, N.Y.			548,787	247,038		1,273,186
Sprague, Seth, Educational & Charitable Foundation Care of United States Trust Co. of New York, 45 Wall St., New York 15, N.Y.			609,201	4,176,757		7,184,523
Standard Brands Charitable, Scientific & Educational Foundation Care of the Hanover Bank, 70 Broadway, New York 15, N.Y.			35,462	302,482		(1,019)
Statler Foundation 230 Park Ave., New York 17, N.Y.			1,027,715	2,782,060		9,364,416
Summerfield, Solon E., Foundation, Inc. 270 Madison Ave., New York 16, N.Y.			64,190	2,027,034	136	203,725
Surdna Foundation, Inc. Care of Mr. Albert B. Maginnes, secretary, 350 Park Ave., New York 22, N.Y. See New York State listing for data.						
Teagle Foundation, Inc. 30 Rockefeller Plaza, room 1539, New York 20, N.Y.			197,687	1,129,299		2,258,311
Twentieth Century Fund, Inc. 41 East 70th St., New York 21, N.Y.				5,972,065		
Union Bag Charitable Trust Care of Morgan Guaranty Trust Co. of New York, 140 Broadway, New York 7, N.Y.			72,625	243,082		17,298

SCHEDULE 1.—*Gross receipts: 522 foundations*—**Continued**

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(7) Other income	(8) Total gross income excluding contributions, gifts, grants, etc., received	(9) Total contributions, gifts, grants, etc., received	(10) Total receipts including contributions, gifts, grants, etc., received	(11) Income rank based on total receipts (column 10) contributions, gifts, grants, etc., received	(12) Period
NEW YORK CITY—continued						
Norman, Aaron E., Fund, Inc 380 Madison Ave., New York 17, N.Y.	$1,251,546	$4,646,237		$4,646,237	227	1951 through 1960
Noyes, Jessie Smith, Foundation, Inc 16 East 34th St., New York 16, N.Y.	71,347	2,068,154	$1,245,224	3,313,378	262	1951 through 1960
Nutrition Foundation, Inc 99 Park Ave., New York 16, N.Y.	19	236,140	4,524,404	4,760,544	221	1951 through 1960
Old Dominion Foundation 140 East 62d St., New York 21, N.Y.	484,010	8,531,117	40,633,468	49,164,585	19	1951 through 1960
Olin Foundation, Inc 1 East 44th St., New York 17, N.Y.	7,803	26,516,629	5,146,795	31,663,424	35	1951 through 1960
Penney, James C., Foundation 330 West 34th St., New York 1, N.Y.		84,035	748,038	832,073	445	1955 through 1960
Pfeiffer, Gustavus and Louise, Research Foundation 20 Broad St., New York 5, N.Y.	770,070	3,519,552	9,675,614	13,195,166	92	1951 through 1960
The Pfizer Foundation, Inc Care of Charles Pfizer Co., 11 Bartlett St., Brooklyn 6, N.Y.	491	798,925	1,228,893	2,027,818	330	1955 through 1960
Pforzheimer, Carl and Lilly, Foundation, Inc 25 Broad St., New York 4, N.Y.	(185,754)	734,631	3,135,236	3,869,867	240	1951 through 1960
Phelps Dodge Foundation 300 Park Ave., New York 22, N.Y.		1,218,902	2,775,000	3,993,902	238	1954 through 1960
Trustees of the Phelps-Stokes Fund 297 Park Ave. South, New York 10, N.Y.	32,033	1,744,957		1,744,957	354	1951 through 1960
Pierce, John B., Foundation 50 West 44th St., New York 36, N.Y.	310,398	3,028,211		3,028,211	280	1951 through 1960
Plant, Henry B., Memorial Fund, Inc Care of United States Trust Co. of New York, 45 Wall St., New York 5, N.Y.		242,745	1,114,177	1,356,922	389	1951 through 1960
The Population Council, Inc 230 Park Ave., New York 17, N.Y.		517,960	7,174,678	7,692,638	156	1953 through 1960
The Rayonier Foundation 161 East 42d St., New York 17, N.Y.		463,215	1,084,000	1,547,215	372	1953 through 1960
Reeves Bros. Foundation, Inc 54 Worth St., New York 13, N.Y.		514,202	632,050	1,146,252	410	1951 through 1960
Research Corp 405 Lexington Ave., New York 17, N.Y.	224,368	22,753,830	397,921	23,151,751	49	1951 through 1960
Richardson Foundation, Inc 122 East 42d St., New York 17, N.Y.	51,633	7,836,618	1,937,420	9,774,038	126	1951 through 1960
Rockefeller Bros. Fund 30 Rockefeller Plaza, New York 20, N.Y.		10,557,248	129,993,224	140,550,472	6	1951 through 1960
Rockefeller Foundation 111 West 50th St., New York 20, N.Y.	169,156	235,165,453	3,522,865	238,688,318	2	1951 through 1960
The Rogosin Foundation 261 5th Ave., New York 16, N.Y.		3,666,906	5,862,465	9,529,371	132	1951 through 1960
Rosenstiel, Dorothy H. and Lewis, Foundation 350 5th Ave., room 1820, New York 1, N.Y.	100	4,793,837	115,472	4,909,309	214	1951 through 1960
Rosenthal, Benjamin, Foundation, Inc 350 5th Ave., New York 1, N.Y.		7,184	2,008,083	2,015,267	333	1951 through 1960
Rubicon Foundation, Inc 740 Park Ave., New York 21, N.Y.	90	1,003,995	870,723	1,874,718	348	1951 through 1960
Rubin, Samuel, Foundation, Inc 5 West 54th St., New York 19, N.Y.		1,991,243	9,450,202	11,441,445	105	1951 through 1960
Sage, Russell, Foundation 505 Park Ave., New York 22, N.Y.	1,057,417	9,929,149	10,000	9,939,149	125	1951 through 1960
Sams, Earl C., Foundation, Inc 666 5th Ave., 23d floor, New York 19, N.Y.	428,840	3,986,997	4,818,989	8,805,986	142	1951 through 1960
Schepp, Leopold, Foundation 551 5th Ave., New York 17, N.Y.		1,918,506	1,005	1,919,511	342	1951 through 1960
Scheuer, S. H. and Helen R., Family Foundation, Inc 39 Broadway, room 2210, New York 6, N.Y.	2,952	1,324,614	1,210,194	2,534,808	307	1951 through 1960
Schwartz, David, Foundation, Inc 1407 Broadway, New York 18, N.Y.	30,101	324,742	2,754,806	3,079,548	275	1951 through 1960
Schwarzhaupt, Emil, Foundation, Inc 350 5th Ave., New York 1, N.Y.	2,269,767	3,471,104		3,471,104	254	1951 through 1960
Scriven, Foundation, Inc 149 Broadway, New York 6, N.Y.	176,782	4,077,748	5,000	4,082,748	237	1951 through 1960
Sealantic Fund, Inc 50 West 50th St., New York 20, N.Y.	7,787	2,598,623	31,473,050	34,071,673	28	1951 through 1960
Shell Companies Foundation, Inc 50 West 50th St., New York 20, N.Y.		605,646	8,500,000	9,105,646	139	1954 through 1960
Shubert, Sam S., Foundation, Inc 234 West 44th St., New York 36, N.Y.		524,545	2,072,459	2,597,004	301	1951 through 1960
Sloan, Alfred P., Foundation 630 5th Ave., New York 20, N.Y.	926,289	76,924,335	110,777,810	187,702,145	4	1951 through 1960
Smithers, Christopher D., Foundation, Inc 60 East 42d St., room 1202, New York 17, N.Y.	16	2,069,027	4,380,387	6,449,414	176	1953 through 1960
Sprague, Seth, Educational & Charitable Foundation Care of United States Trust Co. of New York, 45 Wall St., New York 15, N.Y.	6,131	12,066,612	165	12,066,777	96	1951 through 1960
Standard Brands Charitable, Scientific & Educational Foundation Care of the Hanover Bank, 70 Broadway, New York 15, N.Y.		336,925		336,925	490	1951 through 1960
Statler Foundation 230 Park Ave., New York 17, N.Y.		13,174,191		13,174,191	93	1951 through 1960
Summerfield, Solon E., Foundation, Inc 270 Madison Ave., New York 16, N.Y.	75,000	2,370,085	6,085,111	8,455,196	146	1951 through 1960
Surdna Foundation, Inc. Care of Mr. Albert B. Maginnes, secretary, 350 Park Ave., New York 22, N.Y. See New York State listing for data.						
Teagle Foundation, Inc 30 Rockefeller Plaza, room 1539, New York 20, N.Y.		3,585,297	1,211,837	4,797,134	219	1951 through 1960
Twentieth Century Fund, Inc 41 East 70th St., New York 21, N.Y.	583,185	6,555,250		6,555,250	174	1951 through 1960
Union Bag Charitable Trust Care of Morgan Guaranty Trust Co. of New York, 140 Broadway, New York 7, N.Y.		333,005	1,380,269	1,713,274	356	1953 through 1960

SCHEDULE 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(1) Gross sales or receipts from business activities	(2) Gross profit from business activities	(3) Interest received	(4) Dividends received	(5) Rents and royalties received	(6) Total gain (or loss) from sale of assets
NEW YORK CITY—continued						
Union Carbide Educational Foundation 30 East 42d St., New York 17, N.Y.			$328, 615			($4, 735)
United States Steel Foundation, Inc 71 Broadway, New York 6, N.Y.			3, 189, 855			
Victoria Foundation, Inc. 90 John St., New York 38, N.Y. See New Jersey listing for data.						
Warburg, Felix and Frieda A. Schiff, Foundation 30 Wall St., New York 5, N.Y.			95, 667	$340, 807	($706)	324, 282
Watson, John Jay and Eliza Jane, Foundation Bankers Trust Co., 16 Wall St., New York 5, N.Y.			101, 755	587, 231		649, 531
Wenner-Gren Foundation for Anthropological Research, Inc 14 East 71st St., New York 21, N.Y.			119, 297	3, 647, 587		(71, 427)
West Virginia Pulp & Paper Foundation Care of Irving Trust Co., 1 Wall St., New York 15, N.Y.			75, 427	16, 012		(14, 676)
Western Electric Fund 195 Broadway, New York 7, N.Y.			403, 302			15, 549
Whitehall Foundation 20 Exchange Pl., New York 5, N.Y.			298, 622	1, 900, 700		(266, 692)
Whitney, Helen Hay, Foundation 525 East 68th St., New York 21, N.Y.			823, 780	1, 952, 110		1, 706, 868
Woodward Foundation 30 Broad St., New York 4, N.Y.			341	457, 137	9, 430	288, 263
Wurzweiler, Gustav, Foundation, Inc 1239 Broadway, New York 1, N.Y.			454, 061	990, 554		462, 980
NEW YORK STATE						
Winifred Masterson Burke Relief White Plains, N.Y.			777, 127	2, 733, 192	130	2, 613, 152
Burroughs Wellcome Fund 1 Scarsdale Rd., Tuckahoe, N.Y.			53, 192	4, 320		4, 500
Carrier Foundation, Inc Carrier Pkwy., Syracuse 1, N.Y.			145, 040	190, 217	450	48, 663
Corning Glass Works Foundation Corning, N.Y.			525, 240	310, 812		1, 217
Dent, Harry, Family Foundation, Inc 906 Genesee Bldg., Buffalo 2, N.Y.			90	92, 630		
Emerson, Fred L., Foundation, Inc 96 Genesee St., Auburn, N.Y.			1, 608, 264	1, 952, 504	558	9, 182, 808
Fund for Adult Education 200 Bloomingdale Rd., White Plains, N.Y.			1, 172, 483		7, 744	
General Electric Foundation Crotonville, Post Office Box 791, Ossining, N.Y.			2, 742, 770	2, 772, 477		(401, 157)
Gifford, Rosamond, Charitable Corp 532 Onondaga County Savings Bank Bldg., Syracuse 2, N.Y.			307, 886	1, 020, 739		614, 688
Government Affairs Foundation, Inc 75 State St., Albany, N.Y.						(14, 004)
Knox, Seymour H., Foundation, Inc 1608 Marine Trust Bldg., Buffalo 3, N.Y.			49, 688	900, 652	36, 075	1, 075, 438
Merrill, Charles E., Trust. Post Office Box 392, Ithaca, N.Y. (See New York City listing for data.)						
Ogden, Ralph E., Foundation, Inc Post Office Box 108, Mountainville, N.Y.			119, 466	385, 413	107, 281	(724)
Surdna Foundation, Inc 1156 North Broadway, Yonkers, N.Y.			1, 495, 609	14, 474, 577		1, 054, 598
NORTH CAROLINA						
Babcock, Mary Reynolds, Foundation, Inc Post Office Box 199, Reynolds Station, Winston-Salem, N.C.			697, 235	3, 566, 288	114, 044	2, 042, 270
Burlington Industries Foundation 301 North Eugene St., Greensboro, N.C.			315, 472	1, 966, 290	271, 965	237, 188
Cannon Foundation, Inc Post Office Box 1192, Concord, N.C.			1, 514, 563	3, 761, 060	1, 506, 229	374, 342
Cannon, Martin, Family Foundation, Inc 220 West 4th St., Charlotte, N.C.			11, 399	164, 568		343, 161
Hanes, John Wesley and Anna Hodgin, Foundation Care of Wachovia Bank & Trust Co., Post Office Box 3099, Winston-Salem, N.C.			15, 512	463, 282		159, 790
Morehead, John Motley, Foundation. Post Office Box 1027, Charlotte, N.C. (See New York City listing for data.)						
Reynolds, Kate B., Charitable Trust Care of Wachovia Bank & Trust Co., Post Office Box 3099, Winston-Salem, N.C.			263, 202	3, 044, 922	834	94
Reynolds, Z. Smith, Foundation, Inc 1206 Reynolds Bldg., Winston-Salem, N.C.			301, 513			36, 788
Reynolds, Zachary Smith, Trust Winston-Salem, N.C.			2, 075, 349	5, 992, 408		
Reynolds, W. N., Trust Care of Wachovia Bank & Trust Co., Winston-Salem, N.C.		$31, 846	1, 122, 106	5, 246, 670	681, 002	728, 786
Richardson Foundation, Inc. Greensboro, N.C. (See New York City listing for data.)						
OHIO						
Allyn Foundation Main and K Sts., Dayton 9, Ohio.			10, 279	27, 286		131, 190
Alms, Eleanora C. U., Trust Care of the 5th Third Union Trust Co., 4th and Walnut Sts., Cincinnati, Ohio.			189, 245	145, 746	14, 732	43, 747
The American Foundation 1164 Union Commerce Bldg., Cleveland 14, Ohio.			15, 800	738, 395		922, 101

SCHEDULE 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(7) Other income	(8) Total gross income excluding contributions, gifts, grants, etc., received	(9) Total contributions, gifts, grants, etc., received	(10) Total receipts including contributions, gifts, grants, etc., received	(11) Income rank based on total receipts (column 10) contributions, gifts, grants, etc., received	(12) Period
NEW YORK CITY—continued						
Union Carbide Educational Foundation 30 East 42d St., New York 17, N.Y.		$323,880	$4,487,222	$4,811,102	218	1952 through 1960
United States Steel Foundation, Inc 71 Broadway, New York 6, N.Y.		3,189,855	38,000,000	41,189,855	26	1954 through 1960
Victoria Foundation, Inc. 90 John St., New York 38, N.Y. See New Jersey listing for data.						
Warburg, Felix and Frieda A. Schiff, Foundation 30 Wall St., New York 5, N.Y.	$99,241	859,291	2,926,800	3,786,091	244	1952 through 1960
Watson, John Jay and Eliza Jane, Foundation Bankers Trust Co., 16 Wall St., New York 5, N.Y.	323	1,338,840	6,461,172	7,800,012	153	1951 through 1960
Wenner-Gren Foundation for Anthropological Research, Inc. 14 East 71st St., New York 21, N.Y.	500	3,695,957	35,963	3,731,920	247	1951 through 1960
West Virginia Pulp & Paper Foundation Care of Irving Trust Co., 1 Wall St., New York 15, N.Y.	9,451	86,214	873,180	959,394	429	1952 through 1960
Western Electric Fund 195 Broadway, New York 7, N.Y.		418,851	5,900,000	6,318,851	178	1954 through 1960
Whitehall Foundation 20 Exchange Pl., New York 5, N.Y.	1,088,824	3,021,514	16,502,718	19,524,232	65	1951 through 1960
Whitney, Helen Hay, Foundation 525 East 68th St., New York 21, N.Y.		4.572,758	7,041,053	11,613,811	104	1952 through 1960
Woodward Foundation 30 Broad St., New York 4, N.Y.	1,363	756,534	246,125	1,002,659	423	1954 through 1960
Wurzweiler, Gustav, Foundation, Inc 1239 Broadway, New York 1, N.Y.	212,061	2,119,656	4,028,020	6,147,685	182	1951 through 1960
NEW YORK STATE						
Winifred Masterson Burke Relief White Plains, N.Y.	3,384,236	9,507,837		9,507,837	133	1951 through 1960
Burroughs Wellcome Fund 1 Scarsdale Rd., Tuckahoe, N.Y.		62,012	870,000	932,012	431	1956 through 1960
Carrier Foundation, Inc Carrier Pkwy., Syracuse 1, N.Y.	17,945	402,315	2,551,939	2,954,254	283	1953 through 1960
Corning Glass Works Foundation Corning, N.Y.		835,269	8,481,781	9,317,050	137	1953 through 1960
Dent, Harry, Family Foundation, Inc 906 Genesee Bldg., Buffalo 2, N.Y.		92,720	1,081,803	1,174,523	407	1955 through 1960
Emerson, Fred L., Foundation, Inc 96 Genesee St., Auburn, N.Y.		12,744,134	4,314,061	17,058,195	77	1951 through 1960
Fund for Adult Education 200 Bloomingdale Rd., White Plains, N.Y.	8,882	1,180,109	47,400,573	48,580,682	20	1954 through 1960
General Electric Foundation Crotonville, Post Office Box 791, Ossining, N.Y.	7,621	5,121,711	18,094,040	23,215,751	48	1953 through 1960
Gifford, Rosamond, Charitable Corp 532 Onondaga County Savings Bank Bldg., Syracuse 2, N.Y.	826,926	2,770,239	6,910,187	9,680,426	127	1955 through 1960
Government Affairs Foundation, Inc 75 State St., Albany, N.Y.		(14,004)	818,872	804,868	449	1954 through 1960
Knox, Seymour H., Foundation, Inc 1608 Marine Trust Bldg., Buffalo 3, N.Y.		2,061,853	2,847,771	4,909,624	213	1951 through 1960
Merrill, Charles E., Trust. Post Office Box 392, Ithaca, N.Y. (See New York City listing for data.)						
Ogden, Ralph E., Foundation, Inc Post Office Box 108, Mountainville, N.Y.	31,570	643,006	2,758,683	3,401,689	257	1951 through 1960
Surdna Foundation, Inc 1156 North Broadway, Yonkers, N.Y.	877	17,025,661	11,325,967	28,351,628	39	1951 through 1960
NORTH CAROLINA						
Babcock, Mary Reynolds, Foundation, Inc Post Office Box 199, Reynolds Station, Winston-Salem, N.C.	884	6,420,721	14,241,126	20,661,847	61	1954 through 1960
Burlington Industries Foundation 301 North Eugene St., Greensboro, N.C.	234,178	3,025,093	3,899,205	6,924,298	170	1951 through 1960
Cannon Foundation, Inc Post Office Box 1192, Concord, N.C.	66,471	7,222,665	7,025,428	14,248,093	86	1951 through 1960
Cannon, Martin, Family Foundation, Inc 220 West 4th St., Charlotte, N.C.	(22,088)	497,040	677,466	1,174,506	408	1951 through 1960
Hanes, John Wesley and Anna Hodgin, Foundation Care of Wachovia Bank & Trust Co., Post Office Box 3099, Winston-Salem, N.C.	4,282	642,866	2,182,767	2,825,633	280	1951 through 1960
Morehead, John Motley, Foundation. Post Office Box 1027, Charlotte, N.C. (See New York City listing for data.)						
Reynolds, Kate B., Charitable Trust Care of Wachovia Bank & Trust Co., Post Office Box 3099, Winston-Salem, N.C.		3,309,052		3,309,052	263	1951 through 1960
Reynolds, Z. Smith, Foundation, Inc 1206 Reynolds Bldg., Winston-Salem, N.C.	13,175,039	13,513,340		13,513,340	90	1951 through 1960
Reynolds, Zachary Smith, Trust Winston-Salem, N.C.		8,067,757		8,067,757	148	1951 through 1960
Reynolds, W. N., Trust Care of Wachovia Bank & Trust Co., Winston-Salem, N.C.	1,228,529	9,039,029		9,039,029	140	1951 through 1960
Richardson Foundation, Inc. Greensboro, N.C. (See New York City listing for data.)						
OHIO						
Allyn Foundation Main and K Sts., Dayton 9, Ohio.		168,755	431,505	600,260	472	1955 through 1960
Alms, Eleanora C. U., Trust Care of the 5th Third Union Trust Co., 4th and Walnut Sts., Cincinnati, Ohio.	97	393,567		393,567	496	1951 through 1960
The American Foundation 1164 Union Commerce Bldg., Cleveland 14, Ohio.	242	1,676,538	2,183,704	3,860,242	241	1951 through 1960

SCHEDULE 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(1) Gross sales or receipts from business activities	(2) Gross profit from business activities	(3) Interest received	(4) Dividends received	(5) Rents and royalties received	(6) Total gain (or loss) from sale of assets
OHIO—continued						
Armco Foundation 703 Curtis St., Middletown, Ohio.			$569,921	$513,548	$37,748	$132,019
Austin Co. Foundation 16112 Euclid Ave., Cleveland 2, Ohio.			181,277	24,113		78,829
Beaumont, Louis D., Foundation, Inc 800 National City Bank Bldg., Cleveland 14, Ohio.			1,978,311	8,624,554		4,128,252
Beeghly, Leon A., Fund Care of Union National Bank of Youngstown, 6 West Federal St., Youngstown, Ohio.			5,108,012	1,008,933	780,094	(81,682)
Bentz Foundation 384 Wrexham Ave., Columbus 4, Ohio.			83,135	56,775		
Bingham, William, Foundation 1280 Union Commerce Bldg., Cleveland 14, Ohio.			5,571	467,150		80,188
Bliss, W. E., Foundation Care of Union National Bank of Youngstown, 6 West Federal St., Youngstown, Ohio.				75,579		(153)
Champion Paper Foundation 601 North B St., Hamilton, Ohio.			292,092	792,163		1,123,878
Charities Foundation Owens-Illinois Bldg., Post Office Box 1035, Toledo 1, Ohio.			219,531	492,759		786,543
Cincinnati Milling Machine Foundation 4701 Marburg Ave., Cincinnati 9, Ohio.			143,255		54,414	2,154
Cleveland Pneumatic Foundation 3781 East 77th St., Cleveland 5, Ohio.			53,637			
Cleveland Twist Drill Foundation 1242 East 49th St., Cleveland 14, Ohio.			20,940			781
Clevite Foundation 17000 St. Clair Ave., Cleveland 10, Ohio.			47,161			(52,818)
Commercial Shearing & Stamping Foundation 1775 Logan Ave., Youngstown, Ohio.			16,099			
Dana Corp. Foundation 4100 Bennett Rd., Toledo 1, Ohio.			17,932	2,000	2,005	40,756
Dayton Malleable Foundation Post Office Box 980, Dayton, Ohio.			8,112	5,090	50,000	(2,949)
Eagle Picher Foundation The American Bldg., Cincinnati 1, Ohio.			8,406	19,165		16,459
Emery, Thomas J., Memorial 414 Walnut St., Cincinnati 2, Ohio.	$4,559,669	$3,072,719	117,700	309,050	1,139,642	(461,057)
Erie Railroad Charitable Education & Trust In care of Union Commerce Bank, 917 Euclid Ave., Cleveland 1, Ohio.			24,523			1,837
Firestone Foundation 1200 Firestone Pkwy., Akron 17, Ohio.			307,220	2,585,988		
Firestone Trust Fund In care of Cleveland Trust Co., 916 Euclid Ave., Cleveland 1, Ohio.			717,095	684,628		377,541
General Tire Foundation In care of First National Bank of Akron, Akron, Ohio.			77,863	225,014		577,874
Goodrich, B. F., Fund, Inc 500 South Main St., Akron 18, Ohio.			629,102	634,887		334,027
Goodyear Foundation, Inc 1144 East Market St., Akron 16, Ohio.			51,534			
Hanna, Leonard C., Jr., Fund 1300 Leader Bldg., Cleveland 14, Ohio.			460,732	8,350,675		21,699,952
Hayes, Rutherford B. Hayes and Lucy Webb, Foundation 1337 Hayes Ave., Spiegel Grove, Fremont, Ohio.			68,081	188,604	32,760	47,000
Hoover Co., Charitable Trust 101 East Maple St., North Canton, Ohio.			118,774	79,142		9,027
Humphrey, George M. and Pamela S., Fund 1300 Leader Bldg., Cleveland 14, Ohio.				185,820		
Ingalls, Louise H. and David S., Foundation, Inc 1562 Union Commerce Bldg., Cleveland 14, Ohio.				190,485		9,006
Kroger Co. Charitable Trust 35 East 7th St., Cincinnati 2, Ohio.			177,000			(66,070)
Kulas Foundation 1750 Union Commerce Bldg., Cleveland 14, Ohio.			234,177	323,222	1,885	(39,679)
Libbey, Edmund Drummond, Trustees National Bank Bldg., Toledo, Ohio.			2,273,930	3,356,214	15,966	2,851
Libbey-Owens-Ford Philanthropic Foundation Care of the Toledo Trust Co., 245 Summit St., Toledo 3, Ohio.			230,145	7,553	1,060	(2,108)
Lincoln Electric Foundation Care of Central National Bank of Cleveland, Post Office Box 6179, Cleveland 1, Ohio.			101,730			(3,160)
The Louise Foundation 1300 Leader Bldg., Cleveland 14, Ohio.				60,611		
Lubrizol Foundation 29400 Lakeland Blvd., Wickliffe, Ohio.			68,345	189,792		83,425
Medusa Foundation Post Office Box 5668, Cleveland 1, Ohio.			32,951			(31)
Monarch Machine Tool Co. Foundation 615 North Oak St., Sidney, Ohio.			18,588			(555)
NCR Foundation Care of National Cash Register Co., Main and K Sts., Dayton 9, Ohio.			332,929	33,291		(7,385)
National Acme Foundation 170 East 131st St., Cleveland 8, Ohio.			48,527	22,674		
National Machinery Foundation, Inc Tiffin 15, Ohio.			221,581	377,410	364,169	
Ogelbay Norton Foundation 1200 Hanna Bldg., Cleveland 15, Ohio.			2,000			
Ohio Match Charitable Foundation. Wadsworth, Ohio. See California listing for data.						
Ohio Oil Co. Foundation, Inc 539 South Main St., Findlay, Ohio.			94,380	182,968		311,669
Owens-Illinois Paper Products Foundation Post Office Box 1035, Toledo, Ohio.			37,275	17,725		70,133

Schedule 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(7) Other income	(8) Total gross income excluding contributions, gifts, grants, etc., received	(9) Total contributions, gifts, grants, etc., received	(10) Total receipts including contributions, gifts, grants, etc., received	(11) Income rank based on total receipts (column 10) contributions, gifts, grants, etc., received	(12) Period
OHIO—continued						
Armco Foundation 703 Curtis St., Middletown, Ohio.	$4	$1,253,240	$7,954,900	$9,208,140	138	1952 through 1960
Austin Co. Foundation 16112 Euclid Ave., Cleveland 2, Ohio.		284,219	1,920,000	2,204,219	316	1952 through 1960
Beaumont, Louis D., Foundation, Inc 800 National City Bank Bldg., Cleveland 14, Ohio.	2	14,731,119	3,855,955	18,587,074	71	1951 through 1960
Beeghly, Leon A., Fund Care of Union National Bank of Youngstown, 6 West Federal St., Youngstown, Ohio.	1,206,899	8,022,256	24,162,353	32,184,609	34	1951 through 1960
Bentz Foundation 384 Wrexham Ave., Columbus 4, Ohio.	1,821,168	1,961,078	608,311	2,569,389	303	1951 through 1960
Bingham, William, Foundation 1280 Union Commerce Bldg., Cleveland 14, Ohio.		552,909	1,453,123	2,006,032	334	1956 through 1960
Bliss, W. E., Foundation Care of Union National Bank of Youngstown, 6 West Federal St., Youngstown, Ohio.		75,426	294,134	369,560	488	1955 through 1960
Champion Paper Foundation 601 North B St., Hamilton, Ohio.	100,000	2,308,133	2,787,500	5,095,633	203	1952 through 1961
Charities Foundation Owens-Illinois Bldg., Post Office Box 1035, Toledo 1, Ohio.	(3,929)	1,494,904	6,068,905	7,563,809	157	1951 through 1960
Cincinnati Milling Machine Foundation 4701 Marburg Ave., Cincinnati 9, Ohio.		199,823	903,750	1,103,573	416	1953 through 1960
Cleveland Pneumatic Foundation 3781 East 77th St., Cleveland 5, Ohio.		53,637	279,500	333,137	493	1954 through 1960
Cleveland Twist Drill Foundation 1242 East 49th St., Cleveland 14, Ohio.		21,721	835,000	856,721	443	1953 through 1961
Clevite Foundation 17000 St. Clair Ave., Cleveland 10, Ohio.		(5,657)	1,897,920	1,892,263	346	1951 through 1960
Commercial Shearing & Stamping Foundation 1775 Logan Ave., Youngstown, Ohio.		16,099	230,000	246,099	501	1954 through 1960
Dana Corp. Foundation 4100 Bennett Rd., Toledo 1, Ohio.		62,693	883,200	945,893	430	1956 through 1960
Dayton Malleable Foundation Post Office Box 980, Dayton, Ohio.		60,253	595,191	655,444	466	1952 through 1960
Eagle Picher Foundation The American Bldg., Cincinnati 1, Ohio.		44,030	229,000	273,030	499	1954 through 1960
Emery, Thomas J., Memorial 414 Walnut St., Cincinnati 2, Ohio.	21,630	4,199,684	8,348	4,208,032	234	1951 through 1960
Erie Railroad Charitable Education & Trust In care of Union Commerce Bank, 917 Euclid Ave., Cleveland 1, Ohio.		26,360	535,000	561,360	476	1953 through 1960
Firestone Foundation 1200 Firestone Pkwy., Akron 17, Ohio.		2,893,208	5,952,756	8,845,964	141	1951 through 1960
Firestone Trust Fund In care of Cleveland Trust Co., 916 Euclid Ave., Cleveland, 1, Ohio.		1,779,264	3,192,944	4,972,208	209	1954 through 1960
General Tire Foundation In care of First National Bank of Akron, Akron, Ohio.		880,751	2,230,345	3,111,096	274	1951 through 1960
Goodrich, B. F., Fund, Inc 500 South Main St., Akron 18, Ohio.		1,598,016	5,920,000	7,518,016	158	1952 through 1960
Goodyear Foundation, Inc 1144 East Market St., Akron 16, Ohio.		51,534	188,000	239,534	502	1954 through 1960
Hanna, Leonard C., Jr., Fund 1300 Leader Bldg., Cleveland 14, Ohio.		30,511,359	898,811	31,410,170	36	1951 through 1960
Hayes, Rutherford B. Hayes and Lucy Webb, Foundation 1337 Hayes Ave., Spiegel Grove, Fremont, Ohio.		336,445		336,445	491	1951 through 1960
Hoover Co., Charitable Trust 101 East Maple St., North Canton, Ohio.		207,123	1,975,000	2,182,123	318	1951 through 1960
Humphrey, George M. and Pamela S., Fund 1300 Leader Bldg., Cleveland 14, Ohio.		185,820	1,295,870	1,481,690	377	1952 through 1960
Ingalls, Louise H. and David S., Foundation, Inc 1562 Union Commerce Bldg., Cleveland 14, Ohio.		199,491	1,199,156	1,398,647	384	1954 through 1960
Kroger Co. Charitable Trust 35 East 7th St., Cincinnati 2, Ohio.		110,930	1,845,000	1,955,930	338	1953 through 1960
Kulas Foundation 1759 Union Commerce Bldg., Cleveland 14, Ohio.	699,052	1,218,657	5,225,075	6,443,732	177	1951 through 1960
Libbey, Edmund Drummond, Trustees National Bank Bldg., Toledo, Ohio.		5,648,961		5,648,961	192	1953 through 1960
Libbey-Owens-Ford Philanthropic Foundation Care of the Toledo Trust Co., 245 Summit St., Toledo 3, Ohio.	3,172	239,822	2,488,159	2,727,981	295	1952 through 1960
Lincoln Electric Foundation Care of Central National Bank of Cleveland, Post Office Box 6179, Cleveland 1, Ohio.		98,570	1,165,000	1,263,570	399	1953 through 1960
The Louise Foundation 1300 Leader Bldg., Cleveland 14, Ohio.		60,611	506,735	567,346	474	1951 through 1960
Lubrizol Foundation 29400 Lakeland Blvd., Wickliffe, Ohio.		341,562	1,805,883	2,147,445	319	1952 through 1960
Medusa Foundation Post Office Box 5668, Cleveland 1, Ohio.		32,920	350,000	382,920	487	1954 through 1960
Monarch Machine Tool Co. Foundation 615 North Oak St., Sidney, Ohio.	371	18,404	135,000	153,404	508	1953 through 1960
NCR Foundation Care of National Cash Register Co., Main and K Sts., Dayton 9, Ohio.		358,835	4,050,000	4,408,835	232	1954 through 1960
National Acme Foundation 170 East 131st St., Cleveland 8, Ohio.		71,201	410,000	481,201	481	1954 through 1960
National Machinery Foundation, Inc Tiffin 15, Ohio.		963,160	1,648,130	2,611,290	300	1951 through 1960
Ogelbay Norton Foundation 1200 Hanna Bldg., Cleveland 15, Ohio.		2,000	93,539	95,539	514	1959 through 1960
Ohio Match Charitable Foundation. Wadsworth, Ohio. See California listing for data.						
Ohio Oil Co. Foundation, Inc 539 South Main St., Findlay, Ohio.		589,017	2,221,570	2,810,587	290	1952 through 1960
Owens-Illinois Paper Products Foundation Post Office Box 1035, Toledo, Ohio.		125,133	910,027	1,035,160	421	1956 through 1960

Schedule 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(1) Gross sales or receipts from business activities	(2) Gross profit from business activities	(3) Interest received	(4) Dividends received	(5) Rents and royalties received	(6) Total gain (or loss) from sale of assets
OHIO—continued						
Prentiss, Elisabeth Severance, Foundation Care of National City Bank of Cleveland, Post Office Box 5756, Cleveland 1, Ohio.			$597,055	$3,627,792	$489,468	$(3,693)
Procter & Gamble Fund 301 East 6th St., Cincinnati 1, Ohio.			548,984	622,132		65,589
Republic Steel Corp. Educational & Charitable Trust Care of Cleveland Trust Co., 916 Euclid Ave., Cleveland 1, Ohio.			307,189	4,824,375		15,760
Ritchie, Charles and Mabel M., Memorial Foundation Care of 1st National Bank of Akron, Akron 8, Ohio.			66,989	198,809	21,658	81,165
Schmidlapp, Charlotte R., Fund Care of the 5th Third Union Trust Co., 4th and Walnut Sts., Cincinnati, Ohio.			126,434	601,348		10,709
Schmidlapp, J. G., Trust No. 2 Care of the 5th Third Union Trust Co., 4th and Walnut Sts., Cincinnati, Ohio.			44,877	126,668		4,139
Schmidlapp, Jacob G., Trust Care of the 5th Third Union Trust Co., 4th and Walnut Sts., Cincinnati, Ohio.			132,578	726,197	64,434	65,833
Sohio Foundation Care of Standard Oil Co., Midland Bldg., Cleveland 15, Ohio.			89,260	4,687		(79,810)
Stranahan Foundation 900 Upton Ave., Toledo 1, Ohio.			609,648	952,619		513,822
Thompson Products Foundation 23555 Euclid Ave., Cleveland 17, Ohio.			57,533		35,206	(92,550)
Timken Foundation of Canton 1835 Dueber Ave. SW., Canton 6, Ohio.			166,737	5,040,613		152,681
Timken Roller Bearing Co. Charitable Trust Care of 1st National Bank of Canton, Ohio, 101 Market St., Canton 2, Ohio.			295,502			27,576
Warner Swasey Foundation 5701 Carnegie Ave., Cleveland 3, Ohio.			68,197			
Wean, Raymond John, Foundation Care of 2d National Bank of Warren, Warren, Ohio.			55,075	1,121,810		(384)
White Motor Co. Charitable Trust 842 East 79th St., Cleveland 1, Ohio.				22,945		
OKLAHOMA						
Bartlett, H. U. and Eva Maud, Foundation Care of Bartlett-Collins Co., Sapulpa, Okla.			22,138	13,430		
Broadhurst Foundation 1701 1st National Bldg., Tulsa 3, Okla.			956,975	45,320	3,656	372,469
Champlin, H. H., Foundation 302 1st National Bank Bldg., Enid, Okla.	$85,748	($4,967)	68,376			
Kirkpatrick Foundation, Inc 1300 North Broadway, Oklahoma City, Okla.			50,634	45,290	15,521	69,402
Mabee, J. E. and L. E., Foundation, Inc 1916 1st National Bank Bldg., Tulsa 3, Okla.			794,620	163,033	6,642,287	138,772
The McMahon Foundation 714-716 C Ave., Lawton, Okla.			199,427	719,234	1,825,554	707,502
Noble, Samuel Roberts, Foundation, Inc Post Office Box 870, Ardmore, Okla.	1,717,871	837,555	518,255	6,587,155	6,702,941	2,684,200
Philipps, Frank, Foundation, Inc 208 1st National Bank Bldg., Bartlesville, Okla.	356,910	(1,137,520)	8,392	1,943,082		1,268,525
The Pioneer Foundation Post Office Box 8518, Oklahoma City 14, Okla.			7,493	38,147	60,551	12,029
Young, R. A., Foundation 3815 North Santa Fe, Oklahoma City, Okla.			84,348	47,637		168,905
PENNSYLVANIA						
The Alcoa Foundation Care of Mellon National Bank & Trust Co., Mellon Sq., Pittsburgh 30, Pa.			95,520	5,916,086		427,831
Allegheny Foundation 525 William Penn Pl., Pittsburgh 19, Pa.			36,742	49,036	1,357	76,439
American Foundation, Inc 1718 Philadelphia National Bank Bldg., Philadelphia 7, Pa.			537,731	1,831,641	300	4,201,329
Benedum, Claude Worthington, Foundation 223 4th Ave., Pittsburgh 22, Pa.			240,568	3,579,843	8,506	
Bok, Mary Louise Curtis, Foundation 1726 Locust St., Philadelphia 3, Pa.			939,145	3,189,109	19,059	
Buhl Foundation 1 Gateway Center, suite 373, Pittsburgh 22, Pa.			1,837,217	2,604,337	2,757,560	1,414,510
Carnegie Hero Fund Commission 2307 Oliver Bldg., Pittsburgh 22, Pa.			2,324,207	908,630		(234,437)
Davis, Arthur Vining, Foundation Care of Mellon National Bank & Trust Co., Mellon Sq., Pittsburgh 30, Pa.			178,748	482,041		2,263,575
Donner Foundation, Inc 2500 Philadelphia National Bank Bldg., Philadelphia 7, Pa.			1,759,883	10,052,333		
Falk, Maurice and Laura, Foundation 3315 Grant Bldg., Pittsburgh 19, Pa.			232,937	6,284,120		5,285,057
Fels, Samuel S., Fund 2 Penn Center Plaza, Philadelphia 2, Pa.			1,182,916	3,895,283	82,371	3,398,555
Food Fair Stores Foundation 2223 East Allegheny Ave., Philadelphia 34, Pa.			329,764	19,281		(3,098)
Frick, Childs, Corp In care of Mellon National Bank & Trust Co., Mellon Sq., Pittsburgh 30, Pa.			354,664	324,816		(657)
Addison H. Gibson Foundation 1702 Commonwealth Bldg., Pittsburgh 22, Pa.			274,342	1,088,231	1,592,763	705,700
Glencairn Foundation 2d St. Pike, Bryn Athyn, Pa.			4,910	1,334,660		5,278

SCHEDULE 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(7) Other income	(8) Total gross income excluding contributions, gifts, grants, etc., received	(9) Total contributions, gifts, grants, etc., received	(10) Total receipts including contributions, gifts, grants, etc., received	(11) Income rank based on total receipts (column 10) contributions, gifts, grants, etc., received	(12) Period
OHIO—continued						
Prestiss, Elisabeth Severance, Foundation Care of National City Bank of Cleveland, Post Office Box 5756, Cleveland 1, Ohio.	$61, 916	$4, 772, 538	$284, 407	$5, 056, 945	205	1951 through 1960
Procter & Gamble Fund 301 East 6th St., Cincinnati 1, Ohio.		1, 236, 705	13, 025, 632	14, 262, 337	85	1953 through 1960
Republic Steel Corp Educational & Charitable Trust Care of Cleveland Trust Co., 916 Euclid Ave., Cleveland 1, Ohio.	664	5, 237, 988	14, 034, 590	19, 272, 578	67	1951 through 1960
Ritchie, Charles and Mabel M., Memorial Foundation Care of 1st National Bank of Akron, Akron 8, Ohio.	30, 477	399, 098	1, 060. 494	1, 459, 592	378	1955 through 1960
Schmidlapp, Charlotte R., Fund Care of the 5th Third Union Trust Co., 4th and Walnut Sts., Cincinnati, Ohio.	9, 901	748. 392		748, 392	453	1952 through 1960
Schmidlapp, J. G., Trust No. 2 Care of the 5th Third Union Trust Co., 4th and Walnut Sts., Cincinnati, Ohio.	4. 870	180, 554		180, 554	505	1952 through 1960
Schmidlapp, Jacob G., Trust Care of the 5th Third Union Trust Co., 4th and Walnut Sts., Cincinnati, Ohio.	9, 624	998, 666		998, 666	424	1952 through 1960
Sohio Foundation Care of Standard Oil Co., Midland Bldg., Cleveland 15, Ohio.	308	14, 445	2, 293, 295	2, 307, 740	313	1954 through 1960
Stranahan Foundation 900 Upton Ave., Toledo 1, Ohio.	939	2, 077, 028	3, 189, 472	5, 266, 500	198	1951 through 1960
Thompson Products Foundation 23555 Euclid Ave., Cleveland 17, Ohio.		189	1, 564, 500	1, 564, 689	370	1955 through 1960
Timken Foundation of Canton 1835 Dueber Ave. SW., Canton 6, Ohio.	460, 000	5, 820, 031	18, 381, 881	24, 201, 912	46	1951 through 1960
Timken Roller Bearing Co. Charitable Trust Care of 1st National Bank of Canton, Ohio, 101 Market St., Canton 2, Ohio.		323, 078	3, 600, 000	3, 923, 078	239	1951 through 1960
Warner Swasey Foundation 5701 Carnegie Ave., Cleveland 3, Ohio.		$68, 197	1, 355, 000	1, 423, 197	381	1952 through 1960
Wean, Raymond John, Foundation Care of 2d National Bank of Warren, Warren, Ohio.		1, 176, 501	3, 701, 026	4, 877, 527	216	1951 through 1960
White Motor Co. Charitable Trus 842 East 79th St., Cleveland 1, Ohio.		22, 945	683, 102	706, 047	457	1955 through 1960
OKLAHOMA						
Bartlett, H. U. and Eva Maud, Foundation Care of Bartlett-Collins Co., Sapulpa, Okla.		35, 568	400, 198	435, 766	483	1951 through 1960
Broadhurst Foundation 1701 1st National Bldg., Tulsa 3, Okla.	28, 965	1, 407, 385	1, 942, 308	3, 349, 693	259	1951 through 1960
Champlin, H. H., Foundation 302 1st National Bank Bldg., Enid, Okla.		63, 409		63, 409	516	1952 through 1960
Kirkpatrick Foundation, Inc 1300 North Broadway, Oklahoma City, Okla.		180, 847	247, 576	428, 423	484	1957 through 1960
Mabee, J. E. and L. E., Foundation, Inc 1916 1st National Bank Bldg., Tulsa 3, Okla.	96, 200	7, 834, 912	62, 519	7, 897, 431	150	1952 through 1960
The McMahon Foundation 714-716 C Ave., Lawton, Okla.	1, 345	3, 453, 062	16, 162	3, 469, 224	255	1951 through 1960
Noble, Samuel Roberts, Foundation, Inc Post Office Box 870, Ardmore, Okla.	41, 846	17, 371, 952	8, 643, 168	26, 015, 120	42	1951 through 1960
Phillips, Frank, Foundation, Inc 208 1st National Bank Bldg., Bartlesville, Okla.	3, 212, 367	5, 294, 846		5, 294, 846	196	1951 through 1960
The Pioneer Foundation Post Office Box 8518, Oklahoma City 14, Okla.		118, 220	564, 211	682, 431	460	1953 through 1961
Young, R. A., Foundation 3815 North Santa Fe, Oklahoma City, Okla.		300, 980	968, 979	1, 269, 959	398	1954 through 1960
PENNSYLVANIA						
The Alcoa Foundation Care of Mellon National Bank & Trust Co., Mellon Sq., Pittsburgh 30, Pa.	6, 504	6, 445, 941	16, 551, 736	22, 997, 677	50	1953 through 1960
Allegheny Foundation 525 William Penn Pl., Pittsburgh 19, Pa.		163, 574	987, 976	1, 151, 550	409	1953 through 1960
American Foundation, Inc 1718 Philadelphia National Bank Bldg., Philadelphia 7, Pa.	237, 749	6, 808, 750		6, 808, 750	171	1951 through 1961
Benedum, Claude Worthington, Foundation 223 4th Ave., Pittsburgh 22, Pa.	1, 505, 572	5, 334, 489	17, 044, 477	22, 378, 966	51	1951 through 1960
Bok, Mary Louise Curtis, Foundation 1726 Locust St., Philadelphia 3, Pa.	2, 666	4, 149, 979	1, 227, 713	5, 377, 692	195	1951 through 1960
Buhl Foundation 1 Gateway Center, suite 373, Pittsburgh 22, Pa.		8, 613, 624	128, 535	8, 742, 159	143	1951 through 1960
Carnegie Hero Fund Commission 2307 Oliver Bldg., Pittsburgh 22, Pa.	($54, 616)	2, 943, 784		2, 943, 784	284	1951 through 1960
Davis, Arthur Vining, Foundation Care of Mellon National Bank & Trust Co., Mellon Sq., Pittsburgh 30, Pa.	8, 041	2, 932, 405	1, 923, 400	4, 855, 805	217	1953 through 1960
Donner Foundation, Inc 2500 Philadelphia National Bank Bldg., Philadelphia 7, Pa.		11, 812, 216	12, 947, 827	24, 760, 043	44	1951 through 1960
Falk, Maurice and Laura, Foundation 3315 Grant Bldg., Pittsburgh 19, Pa.	38, 836	11, 840, 950	74, 663	11, 915, 613	99	1951 through 1960
Fels, Samuel S., Fund 2 Penn Center Plaza, Philadelphia 2, Pa.	654	8, 559, 779	9, 061, 874	17, 621, 653	74	1951 through 1960
Food Fair Stores Foundation 2223 East Allegheny Ave., Philadelphia 34, Pa.		345, 947	2, 414, 000	2, 759, 947	292	1953 through 1960
Frick, Childs, Corp In care of Mellon National Bank & Trust Co., Mellon Sq., Pittsburgh 30, Pa.	2, 901, 150	3, 669, 982	27, 265	3, 697, 247	249	1951 through 1960
Addison H. Gibson Foundation 1702 Commonwealth Bldg., Pittsburgh 22, Pa.	9, 566	3, 670, 602	150	3, 670, 752	250	1951 through 1960
Glencairn Foundation 2d St. Pike, Bryn Athyn, Pa.		1, 344, 848	6, 046, 202	7, 391, 050	161	1951 through 1960

SCHEDULE 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(1) Gross sales or receipts from business activities	(2) Gross profit from business activities	(3) Interest received	(4) Dividends received	(5) Rents and royalties received	(6) Total gain (or loss) from sale of assets
PENNSYLVANIA—continued						
The Hammermill Foundation Post Office Box 1440, Erie 6, Pa.			$13,131	$44,295	$371,513	$(74,675)
Heinz, Howard, Endowment Post Office Box 926, Pittsburgh 30, Pa.			136,340	5,737,713	385	183,962
Heinz, H. J., Co. Foundation Post Office Box 57, Pittsburgh 30, Pa.			27,823	12,413	293	19,469
The Hunt Foundation Post Office Box 926, Pittsburgh 30, Pa.			60,950	472,153		760,301
Jackson, William R. and Lucilla S., Charitable Trust Care of Mellon National Bank & Trust Co., Mellon Sq., Pittsburgh 30, Pa.			1,982	32,079		42
Janssen, Henry, Foundation, Inc Post Office Box 462, Reading, Pa.			294,390	512,638		132,082
The Koppers Foundation Care of Koppers Co., Inc., Pittsburgh 19, Pa.			168,131	43,801		(5,129)
Laurel Foundation 525 William Penn Pl., Pittsburgh 19, Pa.			17,785	173,904		215
Mack, J. S., Foundation 531 5th Ave., McKeesport, Pa.			23,369	1,020,839	20,877	20,273
Mellon, A. W., Educational & Charitable Trust 525 William Penn Pl., Pittsburgh 19, Pa.			5,000,448	7,985,054	188,331	14,796,424
Mellon, Richard King, Foundation 525 William Penn Pl., Pittsburgh 19, Pa.			776,117	8,829,378	1,241,203	(336,847)
Moore, Hugh, Fund 24th St. and Dixie Ave., Easton, Pa.			53,872	103,633		205,252
Murphy, G. C., Co., Foundation 531 5th Ave., McKeesport, Pa.			48,127	274,229		155,744
National Forge Co., Foundation Care of Pittsburgh National Bank, 414 Wood St., Pittsburgh 22, Pa.			6,898	53,423		3,585
National Steel Charitable Trust Care of Pittsburgh National Bank, Pittsburgh 30, Pa.			66,300			(14,846)
Penn Fruit Foundation Post Office Box 6122, Grant Ave. and Bluegrass Rd., Philadelphia 15, Pa.			3,201	127,439		
The Pew Memorial Trust Care of Glenmeade Trust Co., 1608 Walnut St., Philadelphia 3, Pa.			60,999	21,878,169		141
Pitcairn, Theodore, Foundation Creek Rd., Bryn Athyn, Pa.				281,112		
Pittsburgh Forgings Co. Foundation Care of Mellon National Bank & Trust Co., 747 Union Trust Bldg., Pittsburgh 19, Pa.			57,005	36,576		(6,683)
Pittsburgh Plate Glass Foundation 1 Gateway Center, Pittsburgh 22, Pa.			1,538,393	1,350,752	2,039	(4,454)
Presser Foundation 1717 Sanson St., Pittsburgh 3, Pa.			213,512	212,793	297,706	70,930
Publicker, Harry and Rose, Trust 1400 South Penn Sq., Philadelphia 2, Pa.			32,581	100,428	59,025	
Rittenhouse Foundation 1530 Spruce St., Philadelphia 2, Pa.	$33,703	$33,703	121,525	167,500	363,233	1,776,862
Rockwell CharitableTrust 400 North Lexington Ave., Pittsburgh 8, Pa.			14,396	8,286	133,600	63,849
Scaife, Sarah Mellon, Foundation 525 William Penn Pl., Pittsburgh 30, Pa.			1,025,568	5,002,822		4,613,012
Scholler Foundation Collins and Westmoreland Sts., Philadelphia 34, Pa.			15,750	394,986	95	(600)
Smith Kline & French Foundation 1500 Spring Garden St., Philadelphia 1, Pa.			266,024			
Thomson, John Edgar, Foundation 3818 Chestnut St., Philadelphia 4, Pa.			268,762	455,363		41,231
Trexler Foundation 1227 Hamilton St., Allentown, Pa.	10,003,146	4,624,972	2,295,669	1,500,647	252,076	578,136
Waterman, Phoebe, Foundation, Inc 1702 Arch St., room 422, Philadelphia 3, Pa.			23,045	1,822,866		(17)
Westinghouse Air Brake Foundation Care of Mellon National Bank & Trust Co., Mellon Sq., Pittsburgh 30, Pa.			96,664	3,641		(303)
Westinghouse Educational Foundation Post Office Box 2278, 401 Liberty Ave., Pittsburgh 30, Pa.			823,286			(17,182)
Westinghouse Electric Fund Post Office Box 2278, 3 Gateway Center, Pittsburgh 30, Pa.			344,029			(24,610)
Wyomissing Foundation, Inc Post Office Box 1382, Reading, Pa.			562,854	465,830		394,210
SOUTH CAROLINA						
Arkwright Foundation Post Office Box 1086, Spartanburg, S.C.			170,966	373,537	8,533	163,718
Burgiss, W. W., Charities, Inc Care of The 1st National Bank, 102 South Main St., Greenville, S.C.			164,756	40,151	357,239	95,958
Gregg Foundation Graniteville, S.C.			77,562	14,093		13,112
Gregg-Graniteville Foundation, Inc Graniteville, S.C.			128,935	417,850	8,024	230,822
Self Foundation Greenwood, S.C.			1,192,104	456,826	3,595	18,898
The Springs Foundation, Inc Care of Mr. J. C. Hubbard, Lancaster, S.C.			507,490	681,189		1,341,798
TENNESSEE						
Benwood Foundation, Inc 521-523 Chattanooga Bank Bldg., Chattanooga, Tenn.			20,892	10,702,558		
Carrier, Robert M. and Lenore W., Foundation Care of Union Planters National Bank, Memphis, Tenn.			1,858	159,655		24,438

Schedule 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(7) Other income	(8) Total gross income excluding contributions, gifts, grants, etc., received	(9) Total contributions, gifts, grants, etc., received	(10) Total receipts including contributions, gifts, grants, etc., received	(11) Income rank based on total receipts (column 10) contributions, gifts, grants, etc., received	(12) Period
PENNSYLVANIA—continued						
The Hammermill Foundation Post Office Box 1440, Erie 6, Pa.		$354,264	$924,895	$1,279,159	397	1955 through 1960
Heinz, Howard, Endowment Post Office Box 926, Pittsburgh 30, Pa.	$113,993	6,172,393	2,324	6,174,717	181	1951 through 1960
Heinz, H. J., Co. Foundation Post Office Box 57, Pittsburgh 30, Pa.	142	60,140	1,943,667	2,003,807	335	1951 through 1960
The Hunt Foundation Post Office Box 926, Pittsburgh 30, Pa.	2,586	1,295,990	2,027,653	3,323,643	261	1952 through 1960
Jackson, William R. and Lucilla S., Charitable Trust Care of Mellon National Bank & Trust Co., Mellon Sq., Pittsburgh 30, Pa.		34,103	124,564	158,667	507	1951 through 1960
Janssen, Henry, Foundation, Inc Post Office Box 462, Reading, Pa.		939,110	619,260	1,558,370	371	1951 through 1960
The Koppers Foundation Care of Koppers Co., Inc., Pittsburgh 19, Pa.		206,803	1,150,000	1,356,803	390	1953 through 1960
Laurel Foundation 525 William Penn Pl., Pittsburgh 19, Pa.		191,994	1,378,124	1,570,118	369	1951 through 1960
Mack, J. S., Foundation 531 5th Ave., McKeesport, Pa.	24,138	1,109,496	546,804	1,656,300	360	1951 through 1960
Mellon, A. W., Educational & Charitable Trust 525 William Penn Pl., Pittsburgh 19, Pa.	13,275,752	41,246,009	181,719	41,427,728	25	1951 through 1960
Mellon, Richard King, Foundation 525 William Penn Pl., Pittsburgh 19, Pa.	49,448	10,559,299	18,367,234	28,926,533	38	1951 through 1960
Moore, Hugh, Fund 24th St. and Dixie Ave., Easton, Pa.		362,757	997,493	1,360,250	388	1956 through 1960
Murphy, G. C., Co., Foundation 531 5th Ave., McKeesport, Pa.		478,100	1,005,000	1,483,100	376	1953 through 1960
National Forge Co. Foundation Care of Pittsburgh National Bank, 414 Wood St., Pittsburgh 22, Pa.		63,906	32,500	96,406	513	1955 through 1960
National Steel Charitable Trust Care of Pittsburgh National Bank, Pittsburgh 30, Pa.		51,454	1,085,237	1,136,691	412	1953 through 1960
Penn Fruit Foundation Post Office Box 6122, Grant Ave. and Bluegrass Rd., Philadelphia 15, Pa.		130,640	785,279	915,919	435	1953 through 1960
The Pew Memorial Trust Care of Glenmeade Trust Co., 1606 Walnut St., Philadelphia 3, Pa.	(26,154)	21,913,155	1,623,967	23,537,122	47	1951 through 1960
Pitcairn, Theodore, Foundation Creek Rd., Bryn Athyn, Pa.		281,112	1,851,456	2,132,568	320	1953 through 1960
Pittsburgh Forgings Co. Foundation Care of Mellon National Bank & Trust Co., 747 Union Trust Bldg., Pittsburgh 19, Pa.		86,898	228,176	315,074	496	1952 through 1960
Pittsburgh Plate Glass Foundation 1 Gateway Center, Pittsburgh 22, Pa.	300	2,887,030	11,100,419	13,987,449	87	1953 through 1960
Presser Foundation 1717 Sanson St., Pittsburgh 3, Pa.	2,448,822	3,252,763		3,252,763	266	1951 through 1960
Publicker, Harry and Rose, Trust 1400 South Penn Sq., Philadelphia 2, Pa.	6	201,040		201,040	504	1951 through 1960
Rittenhouse Foundation 1530 Spruce St., Philadelphia 2, Pa.	11,448	2,474,271	102,932	2,577,203	302	1951 through 1960
Rockwell Charitable Trust 400 North Lexington Ave., Pittsburgh 8, Pa.	1,296	221,427		221,427	503	1956 through 1960
Scaife, Sarah Mellon, Foundation 525 William Penn Pl., Pittsburgh 30, Pa.	13,535	10,744,937	10,671,059	21,415,996	56	1951 through 1960
Scholler Foundation Collins and Westmoreland Sts., Philadelphia 34, Pa.	661	410,892	884,024	1,294,916	398	1952 through 1960
Smith Kline & French Foundation 1500 Spring Garden St., Philadelphia 1, Pa.		266,024	4,497,000	4,763,024	220	1953 through 1960
Thomson, John Edgar, Foundation 3818 Chestnut St., Philadelphia 4, Pa.	90,116	855,472		855,472	444	1951 through 1960
Trexler Foundation 1227 Hamilton St., Allentown, Pa.	103,961	9,355,461		9,355,461	134	1952 through 1960
Waterman, Phoebe, Foundation, Inc 1701 Arch St., room 422, Philadelphia 3, Pa.	361,254	2,207,148	7,119,787	9,326,935	136	1951 through 1960
Westinghouse Air Brake Foundation Care of Mellon National Bank & Trust Co., Mellon Sq., Pittsburgh 30, Pa.		99,822	1,850,000	1,949,822	340	1953 through 1960
Westinghouse Educational Foundation Post Office Box 2278, 401 Liberty Ave., Pittsburgh 30, Pa.	18	806,122	6,350,000	7,156,122	167	1951 through 1960
Westinghouse Electric Fund Post Office Box 2278, 3 Gateway Center, Pittsburgh 30, Pa.		319,419	9,751,000	10,070,419	123	1953 through 1960
Wyomissing Foundation, Inc Post Office Box 1382, Reading, Pa.		1,422,894	3,490,833	4,913,727	212	1951 through 1960
SOUTH CAROLINA						
Arkwright Foundation Post Office Box 1086, Spartanburg, S.C.	(62,417)	654,337	672,043	1,326,380	394	1951 through 1960
Burgiss, W. W., Charities, Inc Care of The 1st National Bank, 102 South Main St., Greenville, S.C.	80	658,184		658,184	465	1951 through 1960
Gregg Foundation Graniteville, S.C.	3,922	108,680	6,500	115,180	512	1951 through 1960
Gregg-Graniteville Foundation, Inc Graniteville, S.C.	124	785,755	787,901	1,573,656	368	1952 through 1960
Self Foundation Greenwood, S.C.	64,203	1,735,626	2,918,369	4,653,995	226	1951 through 1960
The Springs Foundation, Inc Care of Mr. J. C. Hubbard, Lancaster, S.C.	1,849	2,022,326	413,792	3,036,118	278	1951 through 1960
TENNESSEE						
Benwood Foundation, Inc 521-523 Chattanooga Bank Bldg., Chattanooga, Tenn.	9,667	10,733,107	1,211	10,734,318	114	1951 through 1960
Carrier, Robert M. and Lenore W., Foundation Care of Union Planters National Bank, Memphis, Tenn.		185,961	931,083	1,117,044	414	1953 through 1960

SCHEDULE 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(1) Gross sales or receipts from business activities	(2) Gross profit from business activities	(3) Interest received	(4) Dividends received	(5) Rents and royalties received	(6) Total gain (or loss) from sale of assets
TENNESSEE—continued						
Evans Foundation, Inc. 540 McCallie Ave., Chattanooga, Tenn.			$37,882	$45,297		($529)
Jarman Foundation 119 7th Ave. North, Nashville 3, Tenn.				1,812,211		
Memorial Welfare Foundation, Inc. Care of American National Bank & Trust Co., Chattanooga, Tenn.			667,156	1,152,936		444,330
TEXAS						
Anderson, M. D., Foundation Post Office Box 2557, Houston 1, Tex.			5,156,999	6,442,952	$1,687,658	1,668,501
Carter, Amon G., Foundation Post Office Box 1036, Fort Worth, Tex.			951,211	966,712	9,036,900	2,301,199
Clayton Foundation for Research 706 Bank of the Southwest, Houston 2, Tex.			166,890	1,581,312	190,760	1,530,093
The Cullen Foundation 1710 1st National Bank Bldg., Houston 2, Tex.			111,799		9,343,953	
Hoblitzelle Foundation 501 Majestic Theatre Bldg., Dallas 1, Tex.		($19,301)	387,957	2,785,354	368,109	1,590,947
Houston Endowment, Inc. Post Office Box 1414, Houston 1, Tex.			1,234,532	10,909,668	23,895,290	14,888,373
The Moody Foundation Post Office Box 904, Galveston, Tex.			90	1,405,776	101,498	2,615
Welch, Robert A., Foundation 2010 Bank of the Southwest Bldg., Houston 2, Tex.			344,215	5,587,746	13,175,107	3,128,288
WASHINGTON						
Boeing Airplane Co. Charitable Trust Post Office Box 3707, Seattle, Wash.			169,453			(277)
Comstock Foundation Spokane and Eastern Bldg., Spokane, Wash.			103,951	570,065	627	13,652
Medina Foundation 2101 Exchange Bldg., Seattle 4, Wash.			84,945	203,272		186,489
Weyerhaeuser Co. Foundation Tacoma Bldg., Tacoma 1, Wash.			136,365	316,348		997,171
WISCONSIN						
Allis Chalmers Foundation 1126 South 70th St., West Allis 14, Wis.			242,412	188,960		35
Briggs & Stratton Corp. Foundation, Inc. 2711 North 13th St., Milwaukee 6, Wis.			17,224	212,670		
Bucyrus-Erie Foundation, Inc. 11th and Milwaukee Aves., South Milwaukee, Wis.			44,511			1,332
Chain Belt Foundation, Inc. 4701 West Greenfield Ave., Milwaukee, Wis.			5,450	132,577		(100)
Cudahy, Patrick and Anna M., Fund 920 East Mason St., Milwaukee 2, Wis.			54,248	980,282		63,924
Cutler-Hammer Foundation 315 North 12th St., Milwaukee 1, Wis.			103,168	897		
De Rance, Inc. 735 North Water St., room 1225, Milwaukee 2, Wis.			1,631	1,437,684		
Froedtert Foundation Post Office Box 712, Milwaukee 1, Wis.			$42,418	166,444	31,941	198,836
Hamilton Memorial Foundation Care of Hamilton Manufacturing Co., Two Rivers, Wis.			89,764	107,305		58,673
Harnischfeger Foundation, Inc. 4400 West National Ave., Milwaukee 14, Wis.			7,145	675,416		25,600
Johnson Foundation, Inc. Racine, Wis.						
Kimberly-Clark Foundation, Inc. 128 North Commercial St., Neenah, Wis.			2,601	75,265		95,903
Nekoosa-Edwards Foundation, Inc. Port Edwards, Wis.			21,791	5,515	126,489	666
Phillips, L. E., Charities, Inc. 314 Grand Ave. East, Eau Claire, Wis.			20,698	1,530,713	13,767	(19,580)
Rutledge, Edward, Charity 404 Bridge St., Chippewa Falls, Wis.			353,853	192,580		88,556
Schlitz Foundation, Inc. 235 West Galena St., Milwaukee 1, Wis.			319,319		7	940
Smith, A. O., Foundation, Inc. Post Office Box 584, Milwaukee 1, Wis.			55,444	1,365		(2,081)
Trostel, Albert O., Foundation, Inc. 1776 North Commerce St., Milwaukee 8, Wis.			64,737		20,662	(446)
Western Printing & Lithographing Co. Foundation 1220 Mound Ave., Racine, Wis.			25,119	119,713		6,597
WYOMING						
Whitney Benefits Bank of Commerce Bldg., room 218, Sheridan, Wyo.	$71,519	54,679	439,747	181,503	3,193	22,838
Total	58,318,426	19,406,469	445,528,867	2,096,793,038	239,235,246	1,407,720,018
ADDENDA						
Total brought forward	58,318,426	19,406,469	445,528,867	2,096,793,038	239,235,246	1,407,720,018
Eugene Higgins Trust United States Trust Co. of New York, 45 Wall St., New York, N.Y.			8,232,065	5,089,135		
The Rockefeller Institute York Ave. and East 66th St., New York 21, N.Y.			15,835,442	41,308,775	4,054	12,579,579
Sleepy Hollow Restorations, Inc. 42 Main St., Irvington, N.Y.			324,955	1,591,294		461,657
Colonial Williamsburg, Inc. Williamsburg, Va.			7,142,912	16,153,099	1,930,929	27,752,878
Rockwell Charitable Trust Pittsburgh National Bank, Pittsburgh 30, Pa.			12,178	5,012	27,479	(439)
The Moody Foundation Post Office Box 904, Galveston, Tex.						
Allen-Bradley Foundation, Inc. 136 West Greenfield Ave., Milwaukee 4, Wis.			348,716	306,105	71,280	16,070
Total	58,318,422	19,406,469	477,425,135	2,161,246,458	241,268,958	1,448,529,763

SCHEDULE 1.—*Gross receipts: 522 foundations*—Continued

[Source: Documents submitted to the Select Committee on Small Business]

Foundation	(7) Other income	(8) Total gross income excluding contributions, gifts, grants, etc., received	(9) Total contributions, gifts, grants, etc., received	(10) Total receipts including contributions, gifts, grants, etc., received	(11) Income rank based on total receipts (column 10) contributions, gifts, grants, etc., received	(12) Period
TENNESSEE—continued						
Evans Foundation, Inc. 540 McCallie Ave., Chattanooga, Tenn.	$194,689	$277,339	$73,765	$351,104	480	1957 through 1960
Jarman Foundation 119 7th Ave. North, Nashville 3, Tenn.		1,812,211	73,745	1,885,956	347	1952 through 1960
Memorial Welfare Foundation, Inc. Care of American National Bank & Trust Co., Chattanooga, Tenn.		2,264,422	2,961,414	5,225,836	200	1951 through 1960
TEXAS						
Anderson, M. D., Foundation Post Office Box 2557, Houston 1, Tex.	4,214,901	19,171,011	100,008	19,271,019	68	1951 through 1960
Carter, Amon G., Foundation Post Office Box 1036, Fort Worth, Tex.	433,886	13,689,908	10,672,440	24,362,348	45	1951 through 1960
Clayton Foundation for Research 706 Bank of the Southwest, Houston 2, Tex.	1,155,069	4,633,124	336,759	4,969,883	210	1951 through 1960
The Cullen Foundation 1710 1st National Bank Bldg., Houston 2, Tex.		9,455,752	97,500	9,553,252	131	1951 through 1960
Hoblitzelle Foundation 501 Majestic Theatre Bldg., Dallas 1, Tex.	53,340	5,166,406	484,301	5,650,707	191	1951 through 1960
Houston Endowment, Inc. Post Office Box 1414, Houston 1, Tex.	346,367	51,274,230	5,058,981	56,333,211	15	1951 through 1960
The Moody Foundation Post Office Box 904, Galveston, Tex.	895,217	2,405,196	53,954,974	56,360,170	14	1951 through 1960
Welch, Robert A., Foundation 2010 Bank of the Southwest Bldg., Houston 2, Tex.	408	22,235,824		22,235,824	52	1955 through 1960
WASHINGTON						
Boeing Airplane Co. Charitable Trust Post Office Box 3707, Seattle, Wash.		169,176	3,683,097	3,852,273	242	1952 through 1960
Comstock Foundation Spokane and Eastern Bldg., Spokane, Wash.		688,295	1,849,177	2,537,472	306	1952 through 1960
Medina Foundation 2101 Exchange Bldg., Seattle 4, Wash.	192	474,898	2,004,503	2,479,401	309	1951 through 1960
Weyerhaeuser Co. Foundation Tacoma Bldg., Tacoma 1, Wash.		1,449,884	2,647,437	4,097,321	235	1951 through 1960
WISCONSIN						
Allis Chalmers Foundation 1126 South 70th St., West Allis 14, Wis.		431,407	7,476,199	7,907,606	149	1951 through 1960
Briggs & Stratton Corp. Foundation, Inc. 2711 North 13th St., Milwaukee 6, Wis.		229,894	991,372	1,221,266	402	1954 through 1960
Bucyrus-Erie Foundation, Inc. 11th and Milwaukee Aves., South Milwaukee, Wis.		45,843	930,611	976,454	428	1951 through 1960
Chain Belt Foundation, Inc. 4701 West Greenfield Ave., Milwaukee, Wis.	602,500	830,427	775,900	1,606,327	364	1953 through 1960
Cudahy, Patrick and Anna M., Fund 920 East Mason St., Milwaukee 2, Wis.		1,008,454	2,991,691	4,000,145	236	1951 through 1960
Cutler-Hammer Foundation 315 North 12th St., Milwaukee 1, Wis.		104,065	1,800,000	1,904,065	344	1952 through 1960
De Rance, Inc. 735 North Water St., room 1225, Milwaukee 2, Wis.	104,668	1,543,983	5,180,000	6,723,983	173	1952 through 1960
Froedtert Foundation Post Office Box 712, Milwaukee 1, Wis.		439,639	491,910	931,549	432	1951 through 1960
Hamilton Memorial Foundation Care of Hamilton Manufacturing Co., Two Rivers, Wis.	93	255,835	860,300	1,116,135	415	1952 through 1960
Harnischfeger Foundation, Inc. 4400 West National Ave., Milwaukee 14, Wis.		708,161	100,500	808,661	448	1952 through 1960
Johnson Foundation, Inc. Racine, Wis.			600,000	600,000	473	1959 through 1960
Kimberly-Clark Foundation, Inc. 128 North Commercial St., Neenah, Wis.		173,769	1,257,076	1,430,845	380	1953 through 1960
Nekoosa-Edwards Foundation, Inc. Port Edwards, Wis.	683	155,144	2,405,748	2,560,892	304	1951 through 1960
Phillips, L. E., Charities, Inc. 314 Grand Ave. East, Eau Claire, Wis.	3,410	1,549,008	1,192,705	2,741,713	293	1951 through 1961
Rutledge, Edward, Charity 404 Bridge St., Chippewa Falls, Wis.	6,456	641,445		641,445	469	1951 through 1960
Schlitz Foundation, Inc. 235 West Galena St., Milwaukee 1, Wis.	127	320,393	2,830,289	3,150,682	272	1951 through 1960
Smith, A. O., Foundation, Inc. Post Office Box 584, Milwaukee 1, Wis.		54,728	2,685,617	2,740,345	294	1952 through 1960
Trostel, Albert O., Foundation, Inc. 1776 North Commerce St., Milwaukee 8, Wis.		84,953		84,953	515	1951 through 1960
Western Printing & Lithographing Co. Foundation 1220 Mound Ave., Racine, Wis.	656,160	807,598	2,100,548	2,908,146	286	1952 through 1960
WYOMING						
Whitney Benefits Bank of Commerce Bldg., room 218, Sheridan, Wyo.	271	702,231		702,231	458	1952 through 1960
Total	204,269,444	4,412,953,082	2,390,330,878	6,803,283,960		
ADDENDA						
Total brought forward	204,269,444	4,412,953,082	2,390,330,878	6,803,283,960		
Eugene Higgins Trust United States Trust Co. of New York, 45 Wall St., New York, N.Y.		13,321,200		13,321,200		1951 through 1960
The Rockefeller Institute York Ave. and East 66th St., New York 21, N.Y.	887,412	70,615,262	20,331,370	90,946,632		1951 through 1961
Sleepy Hollow Restorations, Inc. 42 Main St., Irvington, N.Y.	298,315	2,676,221	12,175,117	14,851,338		1952 through 1960
Colonial Williamsburg, Inc. Williamsburg, Va.	9,523,828	62,503,646	23,944,981	86,448,627		1951 through 1900
Rockwell Charitable Trust Pittsburgh National Bank, Pittsburgh 30, Pa.		44,230	91,522	135,752		1951 through 1955
The Moody Foundation Post Office Box 904, Galveston, Tex.			134,000 532,818 (Adjustments)	134,000 532,818		1954 1960
Allen-Bradley Foundation, Inc. 136 West Greenfield Ave., Milwaukee 4, Wis.	374,923	1,117,064	4,296,533	5,413,597		1951 through 1960
Total	215,353,922	4,563,230,705	2,451,837,219	7,015,067,924		

SCHEDULE 2

Subject: Data regarding corporations in which certain foundations failed to report their ownership of 10 percent or more of each class of the corporation's stock.

The Internal Revenue Service requires such ownership to be recorded on form 990-A (per instruction 7, p. 4, form 990-A). The following foundations failed to report such stock ownership in the manner prescribed by Treasury Department regulations during the accounting periods indicated in col. 3.

Source: Documents submitted to the Select Committee on Small Business by the foundations.

(1) Foundation	(2) Corporation in which the foundation failed to report its ownership of 10 percent or more stock	(3) Accounting period for which the foundation failed to report such ownership, year ending—	(4) Number of shares of each class of the corporation's stock which the foundation failed to report [1]	(5) Foundation's book value of the shares of the corporation [1]	(6) Market value, if any, of the corporation's shares owned by the foundation [1]	(7) Percentage of outstanding shares of the corporation owned by the foundation (based on ownership shown in col. 4) [1]
CALIFORNIA						
James G. Boswell Foundation, 510 South Spring St., Los Angeles 13, Calif.	J. G. Boswell Co., 510 South Spring St., Los Angeles 13, Calif.	Dec. 31, 1951	10,000 capital voting	$3,537,442	$2,600,000 [2]	21.8
		Dec. 31, 1952, through Dec. 31, 1954.	17,519 capital voting	3,381,167	$6,114,131 (Jan. 1, 1954).[3]	38.3
		Dec. 31, 1955	17,517 capital voting	3,381,167	$6,622,182 [3]	38.3
		Dec. 31, 1956	17,519 capital voting	3,381,167	$7,498,132 [2]	38.3
		Dec. 31, 1957	do	3,381,167	$7,971,145 [2]	35.6
Louis B. Mayer Foundation, 197 North Canon Dr., Beverly Hills, Calif.	San Francisco Holding Co.	Dec. 31, 1952, through Dec. 31, 1960.	26½ common voting	10,850	$10,850 (Dec. 31, 1960).[3]	10.57
COLORADO						
El Pomar Foundation, Broadmoor, Colorado Springs, Colo.	El Pomar Investment Co.	Dec. 31, 1957, through Dec. 31, 1960.	100,000 common voting	8,470,839	$39,482,370 (Dec. 31, 1960).	100
		do	45,100 preferred voting	4,499,381	$4,510,000 (Dec. 31, 1960).	85.7
	Broadmoor Drug Co.	do	5,000 common voting	61,941	$61,941 (Dec. 31, 1960) [3].	100
CONNECTICUT						
Albert A. List Foundation, Inc., Byram Shore Rd., Byram, Conn.	Cleveland Arcade Co.	June 30, 1956	585 4-percent cumulative preferred nonvoting.	58,500	$58,500 [3]	100
	Alberton Corp	June 30, 1961	137 common voting	124,396	$124,396 [3]	19.76
			976 6-percent noncumulative preferred nonvoting.	97,600	$97,600 [3]	23.77
	Gera Corp	June 30, 1956	4,128 $6 cumulative preferred voting.	334,368	$334,368 [3]	10.68
		June 30, 1957	do	371,520	$371,520 [3]	13.35
		June 30, 1958	do	371,520	$371,520 [3]	13.91
		June 30, 1959	do	371,520	$371,520 [3]	14.24
		June 30, 1960	do	371,520	$371,520 [3]	16.83
		June 30, 1961	do	371,520	$371,520 [3]	16.89
DISTRICT OF COLUMBIA						
Public Welfare Foundation, Inc., 3242 Woodland Dr. NW., Washington 8, D.C.	General Newspapers, Inc.	Oct. 31, 1955, through Oct. 31, 1956.	200,000 preferred	1,487,265	$1,487,265 (Oct. 31, 1956).[3]	100
			70,200 common			100
		Oct 31, 1957, through Oct. 31, 1960.	250 common	6,090	$6,090 (Oct. 31, 1960)	100
	Jamaica Inn, Ltd., Ocho Rios, Jamaica, West Indies.	Oct. 31, 1955, through Oct. 31, 1960.	20,000 6-percent preferred	90,000	$90,000 (Oct. 31, 1960) [3].	100
			3,993 common			80
	Gadsden Building, Inc., Gadsden, Ala.	Oct. 31, 1957, through Oct. 31, 1960.	100 common	14,819	$20,000 (Oct. 31, 1960)	100
	Southgate Shopping Center, Inc. (Ohio).	Oct. 31, 1959, through Oct. 31, 1960.	5 capital	2,000	$2,000 (Oct. 31, 1960) [3].	20
Alexander and Margaret Stewart Trust, care of Union Trust Co. of District of Columbia, Washington 5, D.C.	Midland Building Industries, Inc., Indianapolis, Ind.	Dec. 31, 1951, through Dec. 31, 1959.	6,512 common voting	787,475	$1,296,474 (Dec. 31, 1959).[3]	43.4
		Dec. 31, 1960	6,615 common voting	807,981	$1,058,400 (Dec. 31, 1960).[2]	44.1
			2,500 preferred	250,000	$250,000 (Dec. 31, 1960).[2]	50
	Schultze Lumber Co., Inc., Evansville, Ind.	Dec. 31, 1951, through Dec. 31, 1960.	1,250 common voting	125,000	$156,250 (Dec. 31, 1960).[3]	50
	Alexander Yawkey Lumber Co., Wausau, Wis.	Dec. 31, 1951	9,299 common voting	92,993	$237,403 [3]	10.94
	Alexander Stewart Lumber Co., Aurora, Ill.	Dec. 31, 1952, through Dec. 31, 1958.	2,500 common voting	250,000	$1,195,500 (Oct. 31, 1958).[3]	25
FLORIDA						
Public Health Foundation for Cancer and Blood Pressure Research, Inc., 308 Cardinal Way, Rural Route 1, Box 170-A, Stuart, Fla.	Marnel, Inc	June 30, 1951, through June 30, 1953.	1,020 common voting	141	$141 (July 1, 1952) [2]	51
		June 30, 1954	1,800 common voting	297	$297 (July 1, 1953) [2]	90
		June 30, 1956	2,000 common voting	50,108	$50,108 (July 1, 1955) [3].	100
	Leeford Advertising Agency, Inc.	June 30, 1951, through June 30, 1954.	1,000 common voting	10,000	$10,000 (July 1, 1953) [3].	100
		June 30, 1956	do	10,000	$10,000 (July 1, 1955) [2].	100
	Tuscbay Properties, Inc.	June 30, 1951, through June 30, 1952.	do	10,000	$10,000 (July 1, 1951) [2].	100
GEORGIA						
Callaway Community Foundation, La Grange, Ga.	Callaway Mills Co., La Grange, Ga.	Sept. 30, 1951 through Sept. 30, 1953.	80,000 common voting	8,000,000	$18,556,800 (Oct. 1, 1952).[3]	100
	Milstead Railroad Co., Milstead, Ga.	do	120 common voting	26,602	$35,037 (Oct. 1, 1952.)[2]	100
	Deep South Lumber Co., La Grange, Ga.	do	10 common voting	1,000	$915 (Oct. 1, 1952).[3]	100
	Midwest Service, Inc., Cleveland, Ohio.	Sept. 30, 1951	600 common voting	2,133	$2,133 (Sept. 30, 1951)[3].	100
	Tisco, Inc., Toledo, Ohio	Sept. 30, 1951 through Sept. 30, 1952.	300 common voting	4,025	$4,025 (Oct. 1, 1951) [3]	100
Fuller E. Callaway Foundation, La Grange, Ga.	Hutchinson-Traylor Insurance Agency.	Dec. 31, 1951 through Dec. 31, 1953.	35 common voting	3,500	$8,198 (Jan. 1, 1953) [2]	10.94
		Dec. 31, 1954 through Dec. 31, 1960.	do	3,500	$10,556 (Dec. 31, 1959) [2].	10
Ida Cason Callaway Foundation, Pine Mountain, Ga.	Hutchinson-Traylor Insurance Co., La Grange, Ga.	Dec. 31, 1951, through Sept. 30, 1960.	35 common voting	3,500	$10,815 (Dec. 31, 1959)[2]	10
	Manchester Development Co., Manchester, Ga.	do	100 common voting	10,000	$10,187 (Dec. 31, 1959)[2]	50
Lettie Pate Evans Foundation, Inc., 205 Whitehead Bldg., Atlanta 3, Ga.	Whitehead Holding Co., Atlanta, Ga.	Dec. 31, 1955, through Dec. 31, 1960.	125 common voting	7,260,920	$7,513,650 (Dec. 31, 1960).	41.67
	Whitehead Realty Co., Atlanta, Ga.	Dec. 31, 1951, through Dec. 31, 1960.	2,500 common voting	260,225	$614,138 (Dec. 31, 1960).	33¼

See footnotes at end of table.

SCHEDULE 2—Continued

Subject: Data regarding corporations in which certain foundations failed to report their ownership of 10 percent or more of each class of the corporation's stock.

The Internal Revenue Service requires such ownership to be recorded on form 990-A (per instruction 7, p. 4, form 990-A). The following foundations failed to report such stock ownership in the manner prescribed by Treasury Department regulations during the accounting periods indicated in col. 3.

Source: Documents submitted to the Select Committee on Small Business by the foundations.

(1) Foundation	(2) Corporation in which the foundation failed to report its ownership of 10 percent or more stock	(3) Accounting period for which the foundation failed to report such ownership, year ending—	(4) Number of shares of each class of the corporation's stock which the foundation failed to report [1]	(5) Foundation's book value of the shares of the corporation [1]	(6) Market value, if any, of the corporation's shares owned by the foundation [1]	(7) Percentage of outstanding shares of the corporation owned by the foundation (based on ownership shown in col. 4) [1]
GEORGIA—continued						
Jos. B. Whitehead Foundation, 205 Whitehead Bldg., Atlanta 3, Ga.	Whitehead Holding Co., Atlanta, Ga.	Dec. 31, 1951, through Dec. 31, 1960.	100 common voting	$5,039,062	$6,010,920 (Dec. 31, 1960).	33⅓
	Whitehead Realty Co., Atlanta, Ga.	do	2,500 common voting	166,786	$614,138 (Dec. 31, 1960).	33⅓
ILLINOIS						
Joseph and Gertrude Baumgarten Foundation, care of Robert L. Baumgarten, 11 South LaSalle St., Chicago 3, Ill.	Baumgarten Building Corp.	Aug. 31, 1956	86 common voting	107,170	$107,170 [3]	17.2
	Joseph Baumgarten & Co.	Aug. 31, 1959	1,000 common voting	34,380	$34,380 [3]	50
		Aug. 31, 1960, through Aug. 31, 1961.	2,000 common voting	77,422	$77,422 (Aug. 31, 1961)[3].	100
James S. Kemper Foundation, Mutual Insurance Bldg., Chicago 40, Ill.	James S. Kemper & Co.	Sept. 30, 1954	925 4½-percent cumulative preferred nonvoting.	92,500	$92,500 [3]	10.8
		Sept. 30, 1955	1,911 4½-percent cumulative preferred nonvoting.	191,100	$191,100 [3]	22.5
		Sept. 30, 1956	2,511 4½-percent cumulative preferred nonvoting.	251,100	$251,100 [3]	29.5
		Sept. 30, 1957, through Sept. 30, 1960.	2,911 4½-percent cumulative preferred nonvoting.	291,100	$291,100 (Sept. 30, 1960).[3]	34.2
Charles F. Kettering Foundation, 40 South Clay St., Hinsdale, Ill.	C. F. Kettering Inc., care of the Winters National Bank & Trust Co., 40 North Main St., Dayton 2, Ohio.	Dec. 31, 1951, through Dec. 31, 1953.	2,000 capital voting	782,231	$16,976,000 (Jan. 1, 1953).[2]	20
William H. Miner Foundation, 667 The Rookery, Chicago 4, Ill.	W. H. Miner, Inc	Dec. 31, 1951	844 common voting	1,772,400	$1,772,400 [3]	84.8
		Dec. 31, 1952, through Dec. 31, 1953.	854 common voting	1,793,400	$1,793,400 (Jan. 1, 1953).[3]	85.4
	Enterprise Ry. Equipment Co.	Dec. 31, 1951, through Dec. 31, 1953.	2,000 common voting	275,000	$275,000 (Jan 1, 1953).[3]	100
Standard Oil Foundation, 910 South Michigan Ave., Chicago 80, Ill.	Midwest Oil Corp., Denver, Colo.	Dec. 31, 1956	290,000 common voting	8,798,750	$9,425,000	11.36
		Dec. 31, 1957	390,000 common voting	12,680,000	$10,530,000	15.37
Wieboldt Foundation, 38 South Dearborn St., Chicago, Ill.	Wieboldt Stores, Inc	Nov. 30, 1951, through Dec. 31, 1958.	17,724 6 percent cumulative convertible preferred voting, $50 par.	886,200	$886,200 (Dec. 31, 1958).[3]	88.6
		Dec. 31, 1959, through Dec. 31, 1960.	16,036 6 percent cumulative convertible preferred voting, $50 par.	801,800	$801,800 (Dec. 31, 1960).[3]	90.6
Wilkie Bros. Foundation, 254 North Laurel St., Des Plaines, Ill.	DoAll Baltimore Co	do	175 capital	4,066	$4,066 (Dec. 31, 1960) [3]	43.75
	DoAll Syracuse Co	do	do	4,015	$4,015 (Dec. 31, 1960) [3]	43.75
	DoAll Toledo Co	do	do	4,667	$4,667 (Dec. 31, 1960) [3]	43.75
	DoAll Twin Cities Co	do	do	5,010	$5,010 (Dec. 31, 1960) [3]	43.75
Woods Charitable Fund, Inc., 59 East Van Buren St., Chicago 5, Ill.	Sahara Coal Co., Inc	Dec. 31, 1953, through Dec. 31, 1960.	15,000 common voting	2,625,000	$6,000,000 (estimated, Dec. 31, 1960).	24.5
		Dec. 31, 1956	3,805 preferred nonvoting	380,500	$380,500 [3]	12.2
		Dec. 31, 1957	4,317 preferred nonvoting	431,700	$431,700 [3]	13.4
		Dec. 31, 1958	4,987 preferred nonvoting	498,700	$498,700 [3]	15.5
		Dec. 31, 1959	5,817 preferred nonvoting	581,700	$581,700 [3]	18.1
		Dec. 31, 1960	6,317 preferred nonvoting	684,830	$696,700 (estimated)	20.7
MARYLAND						
The Aaron Straus & Lillie Straus Foundation, Inc., 3002 Druid Dr., Baltimore 15, Md.	Reliable Stores Corp	Dec. 31, 1956	123,042 common voting	(4)	(4)	20.6
		Dec. 31, 1957	126,042 common voting	1,710,037	(4)	21.4
		Dec. 31, 1958, through Dec. 31, 1960.	do	1,710,037	$2,016,672 (Dec. 31, 1960).	21.5
MASSACHUSETTS						
The Boston Foundation, care of Hotel Corp. of America, 464 Commonwealth Ave., Boston 15, Mass.	Edgewater Beach Drug Co., Inc., 5300 Sheridan Rd., Chicago, Ill.	Aug. 31, 1958, through Aug. 31, 1961.	100 common voting	96,437	$96,437 (Aug. 31, 1961).[3]	100
	Berwyn Beach Parking Co., 5300 Sheridan Rd., Chicago, Ill.	do	1,000 common voting	23,064	$23,064 (Aug. 31, 1961).[3]	100
	5300 Sheridan Road Co. (formerly Edgewater Beach Hotel Co.), Chicago, Ill.	Aug. 31, 1956, through Aug. 31, 1957.	$19,500 common voting; $4,200 preferred nonvoting	530,456	$530,456 (Aug. 31, 1957).[3]	100 100
MICHIGAN						
Besser Foundation, Post Office Box 515, Alpena, Mich.	Besser Manufacturing Co.	Dec. 31, 1953	6,000 common	1,200,000	$1,200,000 [3]	20
		Dec. 31, 1954, through Dec. 31, 1960.	12,000 common	2,400,000	$2,400,000 (Dec. 31, 1960).[3]	40
	Light Weight Aggregate Corp.	Dec. 31, 1954, through Dec. 31, 1957.	80,000 common	80,000	$80,000 (Dec. 31, 1957).[3]	50.4
	Elasticrete Construction Co.	Dec. 31, 1955	100 common	10,000	$10,000 [3]	100
		Dec. 31, 1956	500 common	50,000	$50,000 [3]	100
		Dec. 31, 1957	1,000 common	100,000	$100,000 [3]	100
	Besser Overseas Corp	Dec. 31, 1955, through Dec. 31, 1960.	10 common	1,000	$1,000 (Dec. 31, 1960).[3]	100
Cranbrook Foundation, 500 Lone Pine Rd., Bloomfield Hills, Mich.	George G. Booth Corp., 615 Lafayette, Detroit 31, Mich.	June 30, 1951, through June 30, 1960.	2,900 class A no par nonvoting.	2,030,000	$2,030,000 (June 30, 1960).[3]	100
		do	30,000 second preferred 6-percent noncumulative $100 par nonvoting.	3,000,000	$3,000,000 (June 30, 1960).[3]	100
		June 30, 1957	300 class C nonvoting	60,000	$60,000 [3]	10.34
		June 30, 1958	400 class C nonvoting	80,000	$80,000 [3]	13.79
		June 30, 1959	500 class C nonvoting	100,000	$100,000 [3]	17.24
		June 30, 1960	1,112 class C nonvoting	222,400	$222,400 [3]	38.34

See footnotes at end of table.

SCHEDULE 2—Continued

Subject: Data regarding corporations in which certain foundations failed to report their ownership of 10 percent or more of each class of the corporation's stock.

The Internal Revenue Service requires such ownership to be recorded on form 990-A (per instruction 7, p. 4, form 990-A). The following foundations failed to report such stock ownership in the manner prescribed by Treasury Department regulations during the accounting periods indicated in col. 3.

Source: Documents submitted to the Select Committee on Small Business by the foundations.

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Foundation	Corporation in which the foundation failed to report its ownership of 10 percent or more stock	Accounting period for which the foundation failed to report such ownership, year ending—	Number of shares of each class of the corporation's stock which the foundation failed to report [1]	Foundation's book value of the shares of the corporation [1]	Market value, if any, of the corporation's shares owned by the foundation [1]	Percentage of outstanding shares of the corporation owned by the foundation (based on ownership shown in col. 4) [1]
MICHIGAN—continued						
Herrick Foundation, 3456 Penobscot Bldg., Detroit 26, Mich.	Tecumseh Products Co.	**Sept. 30, 1956**	**70,000 common $1 par voting.**	**$5,428,000**	**$8,400,000**	11.66
		Sept. 30, 1957	**190,000 common $1 par voting.**	8,591,700	**$23,750,000**	15.83
		Sept. 30, 1958	**240,000 common $1 par voting.**	11,341,700	**$14,400,000**	20
		Sept. 30, 1959	**265,000 common $1 par voting.**	13,191,700	**$19,885,000**	22
		Sept. 30, 1960	**403,500 common $1 par voting.**	13,595,700	**$25,824,000**	23
Hudson-Webber Foundation, 1206 Woodward Ave., Detroit 26, Mich.	William H. Miller & Co., 230 East Grand River, Detroit 26, Mich.	Dec. 31, 1955	4,850 common voting	127,190	$127,190 [3]	48.5
		Dec. 31, 1956	5,450 common voting	143,966	$143,966 [3]	54.5
		Dec. 31, 1957, through Dec. 31, 1960.	**5,550 common voting**	146,762	**$146,762 (Dec. 31, 1960).** [3]	55.5
Wade E. & Viola Sackner Foundation, care of Warner Norcross & Judd, Michigan Trust Bldg., Grand Rapids 2, Mich.	**Sackner Products, Inc., 901 Ottawa NW., Grand Rapids, Mich.**	**Nov. 30, 1954, through Nov. 30, 1955.**	**2,468 common voting**	383,872	**$383,872 (Dec. 1, 1954).** [3]	32
		Nov. 30, 1956, through Nov. 30, 1959.	**6,011 common voting**	1,013,782	$1,255,878 (Nov. 30, 1959).	70
		Nov. 30, 1960	**6,069 common voting**	1,025,263	$1,316,426	72
MINNESOTA						
Hormel Foundation, Austin, Minn.	Hormel, Inc.	Nov. 30, 1951	46.05 common voting	645,611	**$1,099,887** [2]	11.51
		Nov. 30, 1952, through Nov. 30, 1960.	46.75 common voting	659,162	**$1,816,003 (Nov. 30, 1960)** [2].	11.69
Ordean Foundation, 312 West Superior St., Duluth 2, Minn.	St. Mary Parish Land Co.	**Dec. 31, 1957, through Dec. 31, 1960.**	**60 common voting**	4,170	$51,789 (Dec. 31, 1959) [2].	12.12
MISSOURI						
The Danforth Foundation, 835 South 8th St., St. Louis 2, Mo.	Ralston-Purina Co.	Dec. 31, 1951, through Dec. 31, 1953.	292,671 common	(4)	(4)	23.8
		Dec. 31, 1954	**292,711 common**	(4)	(4)	23.8
		Dec. 31, 1955	291,246 **common**	(4)	(4)	23.6
		Dec. 31, 1956	**304,286** common	4,434,485	$42,600,040	23.9
		Dec. 31, 1957	**1,521,430 common**	4,434,485	$41,839,325	23.8
		Dec. 31, 1958	do	4,434,485	$79,494,718	23.6
		Dec. 31, 1959, through Dec. 31, 1960.	do	4,434,485	$69,225,065 (Dec. 31, 1960).	23.4
NEBRASKA						
Cooper Foundation, 325 Stewart Building, Lincoln 8, Nebr.	**Cooper Foundation Theaters of Colorado, Inc.**	Dec. 31, 1953, through Dec. 31, 1957.	**100 common voting**	10,000	$10,000 (Dec. 31, 1957). [3]	100
	Cooper Foundation Theaters of Colorado Springs, Inc.	do	do	10,000	do. [3]	100
	Cooper Foundation Theaters of Nebraska, Inc.	do	**do**	10,000	do. [3]	100
	Cooper Foundation Theaters of Oklahoma, Inc.	do	**do**	10,000	do. [3]	100
	Cooper Foundation Theaters of Omaha, Inc.	Dec. 31, 1958	**do**	30,000	$30,000 [3]	100
	Cooper Foundation Co., Inc.	Dec. 31, 1953, through Dec. **31, 1957.**	do	10,000	$10,000 (Dec. 31, 1957). [3]	100
	Cooper Foundation Co. of Omaha, Inc.	**Dec. 31, 1958**	do	25,000	$25,000 [3]	100
J. M. McDonald Foundation, Inc., 2635 West 2d St., Hastings, Nebr.	J. M. McDonald Co	Dec. 31, 1953	76,675 **common** voting $5 par.	946,170	$946,170 [3]	23.3
		Dec. 31, 1954	77,333 **common voting** $5 par.	956,609	$956,609 [3]	23.5
		Dec. 31, 1955	98,498 common voting $5 par.	1,244,030	$1,244,030 [3]	26.3
		Dec. 31, 1956	do	1,298,204	$1,298,204 [3]	23.6
		Dec. 31, 1957	**102,679 common voting $5 par.**	1,362,550	$1,362,550 [3]	24.6
		Dec. 31, 1958	**100,000 common voting $5 par.**	**1,380,000**	**$1,380,000** [3]	23.9
		Dec. 31, 1959	176,925 common voting $5 par.	**2,498,167**	**$2,498,167** [3]	35.8
		Dec. 31, 1960	**180,000 common voting $5 par.**	**2,441,597**	**$2,500,200**	36.7
NEW HAMPSHIRE						
Marion Spaulding Potter Charitable Trust, 95 North Main St., Concord, N.H.	Spaulding & Frost Co	do	121⅖ common voting	88,208	$88,208 [3] (Dec. 31, 1960).	40.56
NEW JERSEY						
Victoria Foundation, Inc., 253 Ridgewood, Glen Ridge, N.J.	Federal Insurance Co.	Dec. 31, 1951	(4)	(4)	(4)	11.8
		Dec. 31, 1952, through Dec. 31, 1953.	**48,000 capital voting (Jan. 1, 1953).**	(4)	(4)	12
		Dec. 31, 1955	**265,750 capital voting**	**9,001,125**	**$10,287,125**	10.58
NEW YORK CITY						
American International Association for Economic and Social Development, **30 Rockefeller Plaza, New York 20, N.Y.**	**Blade-Tribune Publishing Co., Inc., 401-3 1st St., Oceanside, Calif.**	**Dec. 31, 1956, through Dec.** 31, 1960.	**500 preferred capital, $100 par nonvoting.**	**50,000**	**$50,000 [3] (Dec. 31, 1960).**	**100**
Avalon Foundation, 713 Park Ave., New York 21, N.Y.	**1st National Bank, Ligonier, Pa.**	**Dec. 31, 1955**	**215 common voting**	**1**	**$1** [3]	**21.5**

See footnotes at end of table.

SCHEDULE 2—Continued

Subject: Data regarding corporations in which certain foundations failed to report their ownership of 10 percent or more of each class of the corporation's stock.

The Internal Revenue Service requires such ownership to be recorded on form 990-A (per instruction 7, p. 4, form 990-A). The following foundations failed to report such stock ownership in the manner prescribed by Treasury Department regulations during the accounting periods indicated in col. 3.

Source: Documents submitted to the Select Committee on Small Business by the foundations.

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Foundation	Corporation in which the foundation failed to report its ownership of 10 percent or more stock	Accounting period for which the foundation failed to report such ownership, year ending—	Number of shares of each class of the corporation's stock which the foundation failed to report [1]	Foundation's book value of the shares of the corporation [1]	Market value, if any, of the corporation's shares owned by the foundation [1]	Percentage of outstanding shares of the corporation owned by the foundation (based on ownership shown in col. 4) [1]
NEW YORK CITY—continued						
The Duke Endowment, 30 Rockefeller Plaza, New York 20, N.Y.	Duke Power Co., Power Bldg., Charlotte 1, N.C.	Dec. 31, 1957	5,480,079 common voting	$85,442,109	$172,622,488	57.36
			2,179 7-percent preferred voting.	339,987	$359,535	76.81
	Piedmont & Northern Railway Co., 422 South Church St., Charlotte 1. N,C.	do	19,031 common voting	(5)	$2,188,565	2.17
The Field Foundation, Inc., 250 Park Ave., New York 17, N.Y.	North American Accident Insurance Co.	Sept. 30 1951, through Sept. 30, 1955.	30,000 capital voting	753,750	$753,750 (Oct. 1, 1954)[3].	30
	Field Enterprises, Inc	Sept. 30, 1958	184,800 3½-percent noncumulative preferred nonvoting. 192,000 class A $2 noncumulative nonvoting.	7,051,785	$7,051,785 [3]	100
	American Houses, Inc	Sept. 30, 1958	37,170 common voting	55,755	$55,755	27.6
	Southern Farmer, Inc	Sept. 30, 1959, through Sept. 30, 1960.	1,200 $4 nonvoting preferred	(4)	(4)	100
			330 common voting	(4)	(5)	55
John A. Hartford Foundation, Inc., 420 Lexington Ave., New York 17, N.Y.	The New York Great Atlantic & Pacific Tea Co., 420 Lexington Ave., New York 17, N.Y.	Dec. 31, 1954, through Dec. 31, 1957.	13,100 7 percent preferred nonvoting.	1,310,000	$1,310,000 (Dec. 31, 1957).[3]	14.8
W. Alton Jones Foundation, Inc., 60 Wall Tower, New York 5, N.Y.	Surface Combustion Corp	Dec. 31, 1951, through Dec. 31, 1954.	40,990 common voting	204,950	$2,387,667 (Jan. 1, 1954).[3]	20.49
	Real Property Owners, Inc	Dec. 31, 1951, through Dec. 31, 1953.	1,000 common	100,000	$100,000 (Jan. 1, 1953) [3]	15.94
National Lead Foundation, Inc., 111 Broadway, New York 6, N.Y.	National Lead Co., S.A	Dec. 31, 1955	127,000 5 percent cumulative preferred nonvoting.	(4)	(4)	66.84
		Dec. 31, 1956, through Dec. 31, 1960.	190,000 5 percent cumulative preferred nonvoting.	3,530,275	$3,530,275 (Dec. 31, 1960).[3]	100
1907 Foundation, Inc., 331 East 38th St., room 400, New York 16, N.Y.	Parmac Corp	Dec. 31, 1959	2,000 5-percent cumulative preferred $100 nonvoting.	200,000	$200,000 [3]	60.61
		Dec. 31, 1960	3,500 5-percent cumulative preferred $100 nonvoting.	350,000	$350,000 [3]	60.34
Olin Foundation, Inc., 1 East 44th St., New York 17, N.Y.	Federal Cartridge Corp., Foshay Tower, Minneapolis, Minn.	Dec. 31, 1953, through Dec. 31, 1954.	10 common voting	1,023,512	$1,023,512 (Jan. 1, 1954).[3]	100
			1,723 preferred nonvoting	172,300	$172,300 (Jan. 1, 1954) [3]	100
Carl & Lily Pforzheimer Foundation, Inc., room 2010, 25 Broad St., New York 4, N.Y.	Petroleum & Trading Corp., 25 Broad St., New York 4, N.Y.	Dec. 31, 1958	11,008 class A $1 cumulative participating preferred nonvoting.	338,833	$495,360 (estimated)	13.92
		Dec. 31, 1959	do	338,833	$462,336 (estimated)	14.01
		Dec. 31, 1960	do	338,833	$445,824 (estimated)	14.57
The Richardson Foundation, Inc., 122 East 42d St., New York 17, N.Y.	The Reinsurance Corp. of New York, 99 John St., New York, N.Y.	Dec. 31, 1959	180,000 common voting	1,297,048	$2,299,320	14
	The Richardson Corp. of Greensboro, Piedmont Bldg., Greensboro, N.C.	do	1,607 common voting	453,776	$517,454	18
Rogosin Foundation, 261 5th Ave., New York 16, N.Y.	Beaunit Mills, Inc	Dec. 31, 1954	158,652 common voting	3,586,708	$2,340,117	12
		Dec. 31, 1955	257,657 common voting	5,168,570	$9,146,823	19
		Dec. 31, 1956, through Dec. 31, 1958.	437,269 common voting	8,002,401	$8,690,721 (Dec. 31, 1958).	22
		Dec. 31, 1959	471,752 common voting	8,934,229	$9,906,792 (Dec. 31, 1959).	24
		Dec. 31, 1960	480,252 common voting	9,108,241	$8,704,568	24.5
Samuel Rubin Foundation, Care of Lord, Day & Lord, 25 Broadway, New York 4, N.Y.	Faberge, Inc., 395 South Broad St., Ridgefield, N.J.	Dec. 31, 1954	2,250 preferred	(4)	(4)	50
		Dec. 31, 1955	4,500 preferred	(4)	(4)	100
David Schwartz Foundation, Inc., 1407 Broadway, New York 18, N.Y.	Jonathan Logan, Inc	May 31, 1960 [6]	250,000 common class A	1,735,068	$1,735,068 [3]	15
NEW YORK STATE						
Fred L. Emerson Foundation, Inc., Auburn, N.Y.	Duncar Corp	Dec. 31, 1952	500 capital voting	125,000	$125,000 [3]	50
		Dec. 31, 1953, through Dec. 31, 1954.	1,000 capital voting	275,000	$275,000 (Jan. 1, 1954) [3]	100
	Enna Jettick Corp	Dec. 31, 1951, through Dec. 31, 1954.	2,000 capital voting	200,000	$200,000 (Jan. 1, 1954) [3]	100
	Springs Mills, Inc	do	10,000 common voting	300,000	$300,000 (Jan. 1, 1954) [3]	14.28
Ralph E. Ogden, Foundation, Inc., Post Office Box 108, Mountainville, N.Y.	Star Expansion Exports, Inc.	Dec. 31, 1956	500 common voting	59,163	$82,149	100
			200 preferred nonvoting	20,000	$20,000	26.7
	Star Expansion Realty Corp.	Dec. 31, 1956, through Dec. 31, 1957.	5,000 common voting	25,000	$158,958 (Dec. 31, 1957)	100
	Star Expansion Industries Corp.	Dec. 31, 1956	8,020 common voting	367,147	$460,132	16.04
		Dec. 31, 1957	43,600 class A common nonvoting.	517,968	$504,452	17.44
			4,360 class B common voting	51,796	$50,445	17.44
		Dec. 31, 1958	90,000 class A common nonvoting.	1,065,488	$1,139,400	36
		Dec. 31, 1959	99,754 class A common nonvoting.	821,296	$1,042,529	28.8
		Dec. 31, 1960	87,977 class A common nonvoting.	740,598	$960,532	25.4
	Star Expansion Midwest, Inc.	Dec. 31, 1956, through Dec. 31, 1957.	1,250 common voting	64,163	$290,454 (Dec. 31, 1957)	100

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SCHEDULE 2—Continued

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(1) Foundation	(2) Corporation in which the foundation failed to report its ownership of 10 percent or more stock	(3) Accounting period for which the foundation failed to report such ownership, year ending—	(4) Number of shares of each class of the corporation's stock which the foundation failed to report [1]	(5) Foundation's book value of the shares of the corporation [1]	(6) Market value, if any, of the corporation's shares owned by the foundation [1]	(7) Percentage of outstanding shares of the corporation owned by the foundation (based on ownership shown in col. 4) [1]
NEW YORK STATE—continued						
Ralph E. Ogden Foundation—Continued	Star Expansion New York	Dec. 31, 1957	430 preferred nonvoting	$43,000	$43,000	43
	Liberty-Cedar Corp	Dec. 31, 1956, through Dec. 31, 1957.	1,200 common voting	44,767	$124,015 (Dec. 31, 1957)	100
	Newhall Estate Corp	Dec. 31, 1956, through Dec. 31, 1958.	1,656 common voting	200,000	$200,000 (Dec. 31, 1958)	25
	Diamond Expansion Bolt Co.	Dec. 31, 1956, through Dec. 31, 1958.	117 preferred nonvoting	11,700	$11,700 (Dec. 31, 1958)	10.4
	Star Boston Corp	Dec. 31, 1957	50 common voting	5,000	$5,712	100
	Star Seattle Corp	do	do	5,000	$4,984	100
	Star Chicago Corp	do	do	5,000	$5,426	100
	F-P Trading Corp	Dec. 31, 1957, through Dec. 31, 1958.	do	5,000	$5,346 (Dec. 31, 1958)	100
	Sebco Mountainville Corp	Dec. 31, 1958 through Dec. 31, 1960.	1,000 common voting	100,000	$323,264 (Dec. 31, 1960)	100
	Engineers' Oil Shale Co	Dec. 31, 1959 through Dec. 31, 1960.	2,000 common voting	1	$1 (Dec. 31, 1960)	51.9
			252 preferred voting	1	do	66.5
	Star Precision Devices, Inc	Dec. 31, 1960	225 preferred nonvoting	22,500	$22,500	22.5
OHIO						
The Bentz Foundation, 384 Wrexham Ave., Columbus 23, Ohio.	Integrity Supply, Inc	Oct. 31, 1953 through Oct. 31, 1960.	22,280 common voting	316,282	$839,898 (Oct. 31, 31, 1959).[2]	62.6
	Fizzit System, Inc	Oct. 31, 1953 through Oct. 31, 1960.	200 common voting	87,808	$351,251 (Oct. 31, 1959).[2]	100
	National Plumbing Stores Corp.	Oct. 31, 1953 through Oct. 31, 1960.	6,000 common voting	199,603	$616,157 (Oct. 31, 1959).[2]	100
	Home Essentials Corp	Oct. 31, 1953, through Oct. 31, 1960.	20 common votting	67,327	$107,364 (Oct. 31, 1959)[2]	100
	Standard Artware Corp	do	100 common voting	53,795	$97,195 (Oct. 31, 1959)[2]	100
	National Plumbing Fixtures Corp.	do	10,000 common voting	267,713	$386,379 (Oct. 31, 1959)[2]	100
	Merchandising Trucking Service.	Oct. 31, 1953, through Oct. 31, 1958.	100 common voting	11,704	$28,362 (Oct. 31, 1958)[2]	66.6
		Oct. 31, 1959, through Oct. 31, 1960.	150 common voting	16,704	$35,721 (Oct. 31, 1960)[2]	100
	National Plumbing Pottery, Inc.	Oct. 31, 1953, through Oct. 31, 1960.	1,000 common voting	200,450	$407,781 (Oct. 31, 1959)[2]	100
	United States Plumbing Fixtures Corp.	Oct. 31, 1953, through Oct. 31, 1957.	250 common voting	146,906	$227,647 (Oct. 31, 1957)[2]	100
		Oct. 31, 1958, through Oct. 31, 1960.	257½ common voting	147,656	$236,030 (Oct. 31, 1959)[2]	100
	Bentz Estate, Inc	Oct. 31, 1956, through Oct. 31, 1959.	200 common voting	2,200	$24,373 (Oct. 31, 1959)[2]	100
		Oct. 31, 1960	1,100 common voting	2,200	do[2]	50
	American Plumbing Fixtures Corp.	Oct. 31, 1956, through Oct. 31, 1960.	10 common voting	1,000	$267 (Oct. 31, 1959)[2]	100
	American Home Stores	do	50 common voting	5,000	$5,000 (Oct. 31, 1959)[2]	100
Thomas J. Emery Memorial, 315 Mercantile Library Bldg., Cincinnati, Ohio.	Mariemont Builders, Inc	Dec. 31, 1951	300 common voting	30,000	$30,000[3]	100
		Dec. 31, 1953	do	30,000	$30,000[3]	100
	Westover Coal Co	Dec. 31, 1951	50 common voting	5,000	$5,000[3]	100
		Dec. 31, 1953, through Dec. 31, 1954.	do	5,000	$5,000 (Jan. 1, 1954)[3]	100
	Queen City Plumbing & Heating Co.	Dec. 31, 1951	125 common voting	12,500	$12,500[3]	25
		Dec. 31, 1953	do	12,500	$12,500[3]	25
		Dec. 31, 1954	497 common voting	(1)	(1)	100
Kroger Co. Charitable Trust, Care of the Kroger Co., 1014 Vine St., Cincinnati 1, Ohio.	Gromarco, Inc., 1014 Vine St., Cincinnati, Ohio.	Dec. 31, 1956, through Dec. 31, 1960.	150 6-percent cumulative preferred voting.	1,500	$1,500 (Dec. 31, 1960)[3]	100
Estate of Edward Drummond Libbey, National Bank Bldg., Toledo 4, Ohio.	Scott Properties Corp., Toledo, Ohio.	Dec. 31, 1951, through Dec. 31, 1959.	1,000 common voting	5,398,537	$5,398,537 (Dec. 31, 1959).[3]	100
		Dec. 31, 1960	500 common voting	2,220,930	$2,220,930[3]	100
	Ojai Valley Co., Toledo, Ohio.	Dec. 31, 1951, through Dec. 31, 1958.	1,500 common voting	(7)		100
			2,535 preferred voting	(7)		100
	Ojai Mutual Water Co., Ojai, Calif.	Dec. 31, 1958	1,111 common voting	50,584	$50,584[3]	55
		Dec. 31, 1959	1,109 common voting	50,762	$50,762[3]	55
PENNSYLVANIA						
Addison H. Gibson Foundation, 1702 Commonwealth Bldg., Pittsburgh 22, Pa.	Galvez Oil Corp., First State Bank Bldg., Gladewater, Tex.	Dec. 31, 1951, through Dec. 31, 1960.	4,746 common voting	320,241	$320,241 (Dec. 31, 1960).[3]	99.92
Pittsburgh Plate Glass, Foundation, 1 Gateway Center, Pittsburgh 22, Pa.	Cavanaugh Co., Youngstown, Ohio	Dec. 31, 1955, through Dec. 31, 1958.	202.92 common	213,419	$273,536 (Dec. 31, 1958).[2]	45
		Dec. 31, 1959, through Dec. 31, 1960.	405.84 common	213,419	$365,661 (Dec. 31, 1959).[2]	45
TENNESSEE						
Benwood Foundation, Inc., 521-23 Chattanooga, Bank Bldg., Chattanooga, Tenn.	Coca-Cola Bottling Co. (Thomas), Inc., Chattanooga, Tenn.	Dec. 31, 1951, through Dec. 31, 1960.	5,425 common voting	1,289,468	$7,142,555 (estimated Dec. 31, 1960).	77.5
	Coca-Cola Bottling Works (Thomas), Inc., Chattanooga, Tenn.	do	1,650 common voting	194,271	$1,285,993 (estimated Dec. 31, 1960).	55
	Coca-Cola Bottling Works, 3d, Ind., Chattanooga, Tenn.	do	293⅓ common voting	26,437	$129,792 (estimated Dec. 31, 1960).	29⅓
TEXAS						
The Moody Foundation, National Hotel Bldg., Galveston, Tex.	American National Ins. Co., Galveston, Tex.	July 31, 1960	11,401,018 common	43,769,391	$95,483,525	34.55
		July 31, 1961	11,406,518 common	43,818,792	$146,117,496	34.57
	East Boulevard Co. of Galveston.	July 31, 1960, through July 31, 1961.	50 common	50,003	$50,003[3]	50
	Edgewater Cabanas	do	100 common	13,556	$13,556[3]	25

See footnotes at end of table.

SCHEDULE 2—Continued

Subject: Data regarding corporations in which certain foundations failed to report their ownership of 10 percent or more of each class of the corporation's stock.
The Internal Revenue Service requires such ownership to be recorded on form 990-A (per instruction 7, p. 4, form 990-A). The following foundations failed to report such stock ownership in the manner prescribed by Treasury Department regulations during the accounting periods indicated in col. 3.
Source: Documents submitted to the Select Committee on Small Business by the foundations.

(1) Foundation	(2) Corporation in which the foundation failed to report its ownership of 10 percent or more stock	(3) Accounting period for which the foundation failed to report such ownership, year ending—	(4) Number of shares of each class of the corporation's stock which the foundation failed to report [1]	(5) Foundation's book value of the shares of the corporation [1]	(6) Market value, if any, of the corporation's shares owned by the foundation [1]	(7) Percentage of outstanding shares of the corporation owned by the foundation (based on ownership shown in col. 4) [1]
TEXAS—continued						
The Moody Foundation—Continued	Galveston Courts, Inc.	July 31, 1960, through July 31, 1961.	1,200 common	$123,112	$123,112 [3]	25
	Gulf Hotel Corp.	July 31, 1961	175 common	146,822	$146,822 [3]	25
	W. L. Moody Cotton Co., Inc.	July 31, 1960	1,510 common	406,750	$406,750 [3]	50.33
		July 31, 1961	503¼ common	61,604	$61,604 [3]	50.33
	Hotel Wade Hampton	July 31, 1960, through July 31, 1961.	4,444½ common	252,138	$252,138 [3]	44.44
	Little Theatre Company	July 30, 1960	50 common	250	$250 [3]	50
	Moody Compress & Warehouse Co.	July 31, 1960, through July 31, 1961.	do	60,000	$60,000 [3]	20
	Moody National Bank of Galveston, Tex.	July 31, 1960	1,930 common	386,115	$386,115 [3]	38.60
		July 31, 1961	19,300 common	386,115	$386,115 [3]	38.60
	National Hotel Co.	July 31, 1960, through July 31, 1961.	7,075 common	3,833,739	$3,833,739 [3]	35.38
	San Angelo Courts, Inc.	do	250 common	32,225	$32,225 [3]	25
	San Antonio Courts, Inc.	July 31, 1961	do	32,225	$32,225 [3]	25
	Seabord Realty Co.	July 31, 1960	100 common	157,447	$157,447 [3]	50
	Silver Lake Ranches, Inc.	July 31, 1960, through July 31, 1961.	500 common	832,280	$832,280 [3]	50
	Sunset Camp, Inc.	July 31, 1960	50 common	1,001	$1,001 [3]	50
	Texas National Hotel Co.	do	250 common	1,125,015	$1,125,015 [3]	100
		July 31, 1961	do	1,183,268	$1,183,268 [3]	100
	Texwash Corp	July 31, 1960, through July 31, 1961.	5,000 common	778,118	$778,118	50
Robert A. Welch Foundation, Bank of the Southwest Bldg., 20th floor, Houston 2, Tex.	Mound Co	Aug. 31, 1955	1,708 ½ common voting	938,666	$1,509,118 [2]	69.76
			1,181 ½ preferred voting	591,333	$1,043,619 [2]	63.56
		Aug. 31, 1956, through Aug. 31, 1960.	1,709 common voting	1,221,885	$2,803,666 (Aug. 31, 1960).[2]	69.78
			1,182 preferred voting	845,096	$1,939,106 (Aug. 31, 1960).[2]	63.58
	Ashbel Smith Land Corp	Aug. 31, 1955	26.35 common voting	18,445	$12,993 [2]	12.55
		Aug. 31, 1956, through Aug. 31, 1960.	29 common voting	21,098	$77,771 (Aug. 31, 1960).[3]	13.80
	Goose Creek Oil Co	Aug. 31, 1955	109.84 common voting	13,729	$11,886 [2]	10.98
		Aug. 31, 1956, through Aug. 31, 1960.	129.22 common voting	3,243	$13,979 (Dec. 31, 1960) [3]	12.92
	Fidelity Oil & Royalty Co	Aug. 31, 1955	382½ common voting	1,530,000	$2,050,999 [3]	63.75
VIRGINIA						
Colonial Williamsburg, Post Office Box 516, Williamsburg, Va.	Williamsburg Restoration, Inc., Williamsburg, Va.	Dec. 31, 1951, through Dec. 31, 1954.	100 common voting	1	$1 (Jan. 1, 1954) [3]	100
		Dec. 31, 1955	31,100 common voting	3,100,001	$3,100,001 [3]	100
		Dec. 31, 1956	80,000 common voting	7,990,001	$7,990,001 [3]	100
		Dec. 31, 1957	115,000 common voting	11,490,001	$11,490,001 [3]	100
		Dec. 31, 1958	140,000 common voting	13,990,001	$13,990,001 [3]	100
		Dec. 31, 1959, through Dec. 31, 1960.	165 000 common voting	16,500,000	$16,500,000 (Dec. 31, 1960).[3]	100
WASHINGTON						
Comstock Foundation, care of Paine, Lowe, Coffin, Herman & O'Kelly, 602 Spokane and Eastern Bldg., Spokane 1, Wash.	Spokane Dry Goods Co., 708 Riverside Ave., Spokane, Wash.	Dec. 31, 1955	2,000 common voting	(4)	(4)	20
		Dec. 31, 1956, through Dec. 31, 1960.	3,566 common voting	884,730	$1,300,740 (estimated Dec. 31, 1960).	35.66
	Dry Goods Realty, Inc	Dec. 31, 1955	1,000 common voting	(4)	(4)	12.5
		Dec. 31, 1956, through Dec. 31, 1960.	2,169 common voting	516,635	$433,800 (estimated Dec. 31, 1960).	27.11
Medina Foundation, Norton Bldg., Seattle 4, Wash.	Westward Realty Corp., Anchorage, Alaska.	Dec. 31, 1952, through Dec. 31, 1954.	7,731 preferred $1 par	7,731	$7,731 (Jan. 1, 1954) [3]	15.46
		Dec. 31, 1955, through Dec. 31, 1960.	12,731 preferred $1 par	12,731	$12,731 (Dec. 31, 1960) [3]	25.46
WISCONSIN						
Patrick and Anna M. Cudahy Fund, 920 East Mason St., Milwaukee 2, Wis.	Patrick Cudahy, Inc., Cudahy, Wis.	Dec. 31, 1955	30,509 common B nonvoting	251,986	$289,835 (estimated)	12.67
		Dec. 31, 1956, through Dec. 31, 1960.	200,016 common B nonvoting.	1,947,056	$2,000,160 (Dec. 31, 1960).	86.66
L. E. Phillips Charities, Inc., Eau Claire, Wis.	Ed. Phillips & Sons Co	Feb. 28, 1953, through Feb. 28, 1957.	58,500 common voting	1,082,250	$1,082,250 (Feb. 28, 1957).[3]	23.49
		Feb. 28, 1958, through Feb. 28, 1960.	117,000 common voting	1,082,250	$1,082,250 (Feb. 28, 1960).[3]	21.35

ADDENDA

(1) Foundation	(2) Corporation	(3) Accounting period	(4) Number of shares	(5) Book value	(6) Market value	(7) Percentage
COLORADO						
El Pomar Foundation, Broadmoor, Colorado Springs, Colo.	Broadmoor Hotel, Inc	Dec. 31, 1957, through Dec. 31, 1960.	1,100 preferred nonvoting	$82,500	$82,500 [3]	13.75
NEW YORK CITY						
Brookdale Foundation, 30 East 40th St., New York 16, N.Y.	Pontiac Refining Corp., Corpus Christi, Tex.	Dec. 31, 1955, through Dec. 31, 1959.	440 6-percent 1st preferred $100 par nonvoting.	41,800	$41,800	44.90
		Dec. 31, 1958, through Dec. 31, 1959.	5,450 5-percent 2d preferred $100 par nonvoting.	54,500	$54,500	10.95
	Pontiac Pipe Line & Export Co., Corpus Christi, Tex.	Dec. 31, 1955, through Dec. 31, 1960.	548 6-percent 1st preferred nonvoting.	52,000	$50,458	44.55
	21-10 49th Ave. Corp	Dec. 31, 1957, through Dec. 31, 1960.	1 common voting	131,000	$131,000	100

See footnotes at end of table.

SCHEDULE 2—Continued

Subject: Data regarding corporations in which certain foundations failed to report their ownership of 10 percent or more of each class of the corporation's stock.

The Internal Revenue Service requires such ownership to be recorded on form 990-A (per instruction 7, p. 4, form 990-A). The following foundations failed to report such stock ownership in the manner prescribed by Treasury Department regulations during the accounting periods indicated in col. 3.

Source: Documents submitted to the Select Committee on Small Business by the foundations.

(1) Foundation	(2) Corporation in which the foundation failed to report its ownership of 10 percent or more stock	(3) Accounting period for which the foundation failed to report such ownership, year ending—	(4) Number of shares of each class of the corporation's stock which the foundation failed to report [1]	(5) Foundation's book value of the shares of the corporation [1]	(6) Market value, if any, of the corporation's shares owned by the foundation [1]	(7) Percentage of outstanding shares of the corporation owned by the foundation (based on ownership shown in col. 4) [1]
NEW YORK CITY—continued						
J. M. Kaplan Fund, Inc., 55 5th Ave., New York 3, N.Y.	Navajo Corp., 55 5th Ave., New York, N.Y.	Dec. 31, 1954 through Dec. 31, 1957.	567.51 common voting	$1	$1 (Dec. 31, 1957) [3]	100
		Dec. 31, 1960	do	1	$1 [3]	100
	Old Welch Co., Westfield, N.Y.	Dec. 31, 1955	244,681 common voting	5,138,483	$5,138,483 [3]	61
Richardson Foundation, Inc., 122 East 42d St., New York 17, N.Y.	Muniseco Corp	do	1,200 class A common nonvoting.	120,000	$120,000	48
			258 class B common voting	225,480	$1,190,046	10.3
Rogosin Foundation, 261 5th Ave., New York 16, N.Y.	Beaunit Mills, Inc	Dec. 31, 1953	30,000 5-percent preferred nonvoting.	2,700,000	$2,700,000	33⅓
		Dec. 31, 1954	25,555 5-percent preferred nonvoting.	2,299,000	$2,299,000	38½
		Dec. 31, 1955	15,795 5-percent preferred nonvoting.	1,413,749	$1,413,749	22.7
David Schwartz Foundation, 1407 Broadway, New York 18, N.Y.	Jonathan Logan, Inc., 3901 Liberty Ave., North Bergen, N.J.	May 31, 1956	600 class A 8-percent preferred.	60,000	$60,000 [3]	11.10
NORTH CAROLINA						
Cannon Foundation, Inc., Post Office Box 1192, Concord, N.C.	Concord Telephone Co., Concord, N.C.	Sept. 30, 1954, through Sept. 30, 1955.	2,211 5-percent preferred nonvoting.	216,678	$216,678 [3]	61.42
	Albermarle Telephone Co., Albermarle, N.C.	Sept. 30, 1955	3,240 5-percent preferred nonvoting.	317,520	$317,520	83.70
	Cannon Mills Co., Kannapolis, N.C.	Sept. 30, 1959	108,140 common no par voting.	5,383,108	$6,542,470	10.43
		Sept. 30, 1960	121,204 common no par voting.	6,139,322	$6,787,424	11.69
OHIO						
Leon A. Beeghly Fund, care of Union National Bank, Youngstown, Ohio.	Cold Metal Products Co., Youngstown, Ohio.	Dec. 31, 1951, through Dec. 31, 1952.	694 common voting	233,801	$233,801 [3] (Jan. 1, 1952)	34.7
		Dec. 31, 1953, through Dec. 31, 1954.	658 common voting	198,253	$198,253 [3] (Jan. 1, 1954)	32.9
TEXAS						
Amon G. Carter Foundation, Post Office Box 1036, Fort Worth, Tex.	Basin Brine Co., care of Sid Richardson Gasoline Co., Fort Worth National Bank Bldg., Fort Worth, Tex.	Dec. 31, 1958, through Dec. 31, 1960.	1,616 common voting	324	$324 [3]	16.16
	Carter Voting Trust, 400 West Seventh St., Fort Worth, Tex.	Dec. 31, 1960	21,000 common	1,325,616	$1,325,616 [3]	20
	Carter Foundation Production Co., Post Office Box 1036, Fort Worth, Tex.	Dec. 31, 1954, through Dec. 31, 1960.	1,000 $100 par common voting.	1,325,000	$1,325,000 [3]	100
	Citizens Hotel Corp., Hotel Texas, Main at 8th St., Fort Worth, Tex.	Dec. 31, 1960	6,878 common voting	516,038	$516,038 [3]	49.45
	Fort Worth Air Terminal, Inc., Commercial Standard Bldg., Fort Worth, Tex.	do	500 common voting	25,001	$25,001 [3]	10
	Tarrant Land Co., 400 West 7th St., Fort Worth, Tex.	do	60 class B common voting 240 nonvoting retirable	30,000	$30,000 [3]	12 12
	Texas Bowl, 400 West 7th St., Fort Worth, Tex.	do	500 common voting	743	$743 [3]	50
	Winkler Housing Corp., care of Sid Richardson Carbon & Gasoline Co., Fort Worth National Bank Bldg., Fort Worth, Tex.	Dec. 31, 1958, through Dec. 31, 1960.	19.39 common voting	3,344	$3,344 [3]	16.61
	Sid Richardson Carbon Co., Fort Worth Club Bldg., Fort Worth, Tex.	Dec. 31, 1954, through Dec. 31, 1957.	73.86 common voting	7,386	$7,386 [3]	14.77
	Sid Richardson Gasoline Co., Fort Worth Club Bldg., Fort Worth, Tex.	do	161.61 common voting	7,366	$7,366 [6]	16.61
WISCONSIN						
Allen-Bradley Foundation, Inc., 136 West Greenfield Ave., Milwaukee 4, Wis.	Allen-Bradley Co., 136 West Greenfield Ave., Milwaukee 4, Wis.	July 31, 1951, through July 31, 1954.	14,280 participating prior preferred, nonvoting.	267,750	$267,750 [3]	64.62

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[1] For the period 1951–55, the Internal Revenue Service required foundations to file balance sheets which set forth pertinent information as of the beginning of the year. Beginning with 1955, the Internal Revenue Service rules were changed so that balance sheet reporting was required as of both the beginning and end of the year; however, for the year 1955, many foundations nevertheless continued to report such information as of only the beginning of the year.

Thus, wherever the dates in col. 3 pertain solely to any part of the 1951–55 period, the figures shown in cols. 4, 5, 6, and 7 usually relate to the beginning of the calendar or fiscal year unless otherwise indicated.

Wherever there is a grouping of acccounting periods in col. 3—for example, 1951 through 1954—the figures shown in cols. 4, 5, 6, and 7 relate to the last year (1954) of the col. 3 grouping. Frequently, however, the figures for the last year of a grouping may be the same as those for the earlier years.

[2] Foundation's equity in the net assets of the corporation.

[3] The foundation's book value is used wherever there is no stated market value.

[4] Such data has not been submitted by the foundation.

[5] Carried on foundation's books at no value.

[6] Data for earlier years has not as yet been submitted by the foundation.

[7] Deficit.

SCHEDULE 3

Subject: Data regarding foundations' ownership of 10 percent or more of any class of stock of any corporation, as reported on the Internal Revenue Service Form 990-A (per instruction 7, p. 4, form 990-A).
Source: Documents submitted to the Select Committee on Small Business by the foundations.

(1) Foundation	(2) Corporation in which foundation reported 10 percent or more stockownership at the close of calendar or fiscal year 1960	(3) Number of shares of each class of the corporation's stock owned by the foundation at the close of calendar or fiscal year 1960	(4) Percentage of outstanding shares of the corporation owned by the foundation at the close of calendar or fiscal year 1960	(5) Foundation's book value of shares of the corporation owned at the close of calendar or fiscal year 1960	(6) Market value, if any, of the corporation's shares owned by the foundation at the close of calendar or fiscal year 1960
CALIFORNIA					
James G. Boswell Foundation, 510 South Spring St., Los Angeles, Calif.	J. G. Boswell Co.	17,519 capital voting	27	$3, 381, 167	[1] $3, 381, 167
S. H. Cowell Foundation, care of Thelen, Marrin, Johnson & Bridges, 111 Sutter St., San Francisco 4, Calif.	California Rock & Gravel Co.	500 common	30. 3	192, 425	[1] 192, 425
	Roche Harbor Lime & Cement Corp.	309 common	30	77, 250	[1] 77, 250
Henry J. Kaiser Family Foundation, Kaiser Bldg., Oakland 12, Calif.	Kaiser Industries Corp.	3,513,663 common voting	15. 4	14, 376, 407	31, 183, 493
William Volker Fund, Post Office Box 113, Burlingame, Calif.	William Volker & Co. of Colorado, Inc.	857½ common voting	10. 7	81, 620	[1] 81, 620
	William Volker & Co. of El Paso, Inc.	234 common voting	11. 7	15, 580	[1] 15, 580
	William Volker & Co. of Kansas, Inc.	661½ common voting	16. 5	51, 317	[1] 51, 317
	William Volker & Co. of Los Angeles, Inc.	5,712 common voting	19. 7	561, 211	[1] 561, 211
	William Volker & Co. of Louisiana, Inc.	286 common voting	11. 9	16, 242	[1] 16, 242
	William Volker & Co. of Missouri	2,583 common voting	12. 9	206, 898	[1] 206, 898
	William Volker & Co. of Nebraska, Inc.	1,101½ common voting	22	130, 489	[1] 130, 489
	William Volker & Co. of Oklahoma, Inc.	343½ common voting	11. 4	39, 681	[1] 39, 681
	William Volker & Co. of Oregon, Inc.	477½ common voting	11. 9	54, 864	[1] 54, 864
	William Volker & Co. of San Francisco, Inc.	4,118⅝ common voting	17. 1	362, 440	[1] 362, 440
	William Volker & Co. of Texas, Inc., Dallas.	3,556 common voting	14. 8	303, 147	[1] 303, 147
	William Volker & Co. of Utah, Inc.	2,319½ common voting	33. 1	254, 946	[1] 254, 946
	Joanna Western Mills Co.	1,904½ common	22. 9	1, 457, 701	[1] 1, 457, 701
COLORADO					
Boettcher Foundation, 818 17th St., Denver 2, Colo.	Cement Investors, Inc.	674 common voting	13	527, 733	904, 945
	do	4,169 6-percent preferred nonvoting	24. 2	426, 395	416, 900
CONNECTICUT					
Albert A. List Foundation, Inc., Byram Shore Rd., Byram, Conn.	Alberton Corp.	137 common voting	19. 76	104. 257	[1] 104, 257
	do	976 6-percent noncumulative preferred nonvoting.	23. 77	97, 600	[1] 97, 600
GEORGIA					
Callaway Community Foundation, La Grange, Ga.	Callaway Mills Co.	12,000 capital common voting	100	12, 000, 000	[2] 34, 156, 800
	Milstead RR. Co.	120 capital common voting	100	26, 692	[2] 34, 400
Fuller E. Callaway Foundation, Post Office Box 477, La Grange, Ga.	La Grange Broadcasting Co.	33⅓ common voting	33⅓	3, 333	[2] 21, 456
Ida Cason Callaway Foundation, Pine Mountain, Ga.	The Gardens Industries, Inc.	2,000 common voting	100	200, 000	[1] 200, 000
	Gardens Services, Inc.	400 common voting	100	40, 000	[1] 40, 000
Emily and Ernest Woodruff Foundation, care of Trust Co. of Georgia, Atlanta 2, Ga.	Coca-Cola International	21,811 common voting	15. 21	21, 573, 173	42, 073, 419
ILLINOIS					
Charles F. Kettering Foundation, 40 South Clay St., Hinsdale, Ill.	C. F. Kettering, Inc., care of the Winters National Bank & Trust Co., 40 North Main St., Dayton 2, Ohio.	3,000 capital voting	30	1, 173, 347	44, 640, 000
Wm. H. Miner Foundation 667 the Rookery, Chicago 4, Ill.	W. H. Miner, Inc.	927 common voting	93. 1	1, 946, 700	[1] 1, 946, 700
	Enterprise Railway Equipment Co.	2,000 common voting	100	275, 000	[1] 275, 000
Joseph and Helen Regenstein Foundation, 330 East Grand Ave., Chicago 11, Ill.	Arvey Corp.	104,000 common voting	[3] 15. 44	731, 053	[4, 5] 1, 873, 040
	Velsicol Chemical Corp.	202,500 common voting	[3] 30. 6	1, 750, 061	[4, 6] 5, 317, 650
Sears, Roebuck Foundation, 333 West Arthington St., Chicago 24, Ill.	Geo. D. Roper Corp.	31,400 common voting	11. 77	742, 650	525, 950
	De Soto Chemical Coatings, Inc.	9,000 4¾ percent cumulative preferred $100 par voting.	17. 65	900, 000	[7] 900, 000
Standard Oil Foundation, Inc., 910 South Michigan Ave., Chicago 80, Ill.	Midwest Oil Corp., Denver, Colo.	451,000 common voting	18. 34	15, 150, 500	17, 814, 500
Wilkie Bros. Foundation (formerly Wilkie Foundation), 254 North Laurel Ave., Des Plaines. Ill.	DoAll Grand Rapids Co.	301 common	24	10, 787	[1] 10, 787
	DoAll Carolina Co., Charlotte, N.C.	265 common	26. 5	7, 714	[1] 7, 714
	DoAll Cleveland Co.	900 preferred	90	90, 000	[1] 90, 000
	DoAll Central Co., Inc., Indianapolis, Ind.	750 preferred	75	75, 000	[1] 75, 000
	DoAll Philadelphia Co.	900 preferred	90	90, 000	[1] 90, 000
Do	DoAll Western Co., Los Angeles, Calif.	760 preferred	76	76, 000	[1] 76, 000
INDIANA					
Lilly Endowment, Inc., 914 Merchants Bank Bldg., Indianapolis 4, Ind.	Eli Lilly & Co.	1,355,510 common class A voting	45. 26	18, 135, 832	90, 819, 170
	do	527,175 common class B nonvoting	10. 40	10, 319, 692	35, 320, 725
MICHIGAN					
Josephine E. Gordon Foundation, 2303 East Vernor Highway, Detroit 7, Mich.	Gordon Baking Co.	28,499 capital voting	99. 99	9, 034, 183	[4] 11, 431, 115
W. K. Kellogg Foundation, Battle Creek, Mich.	Kellogg Co., Battle Creek	77,928 preferred nonvoting	88	7, 006, 395	6, 078, 384
	Atlas Properties, Inc.	500 capital voting	100	5, 000	[1] 5, 000
W. K. Kellogg Foundation Trust, care of W. K. Kellogg Foundation, Battle Creek, Mich.	Kellogg Co., Battle Creek, Mich.	4,522,000 common voting	51	33, 105, 417	208, 014, 760
Kresge Foundation, 2727 2d Blvd., Detroit 1, Mich.	S. S. Kresge Co.	1,900,000 capital $10 par	34	58, 545, 976	53, 200, 000
	Kresge-Newark, Inc.	30,000 common voting	100	3, 000, 000	[1] 3, 000, 000
McGregor Fund, 2486 First National Bldg., Detroit 26, Mich.	La Salle Land Co.	958 common voting	100	8, 120	[1] 8, 120

See footnotes at end of table.

SCHEDULE 3—Continued

Subject: Data regarding foundations' ownership of 10 percent or more of any class of stock of any corporation, as reported on the Internal Revenue Service Form 990-A (per instruction 7, p. 4, form 990-A).
Source: Documents submitted to the Select Committee on Small Business by the foundations.

(1) Foundation	(2) Corporation in which foundation reported 10 percent or more stockownership at the close of calendar or fiscal year 1960	(3) Number of shares of each class of the corporation's stock owned by the foundation at the close of calendar or fiscal year 1960	(4) Percentage of outstanding shares of the corporation owned by the foundation at the close of calendar or fiscal year 1960	(5) Foundation's book value of shares of the corporation owned at the close of calendar or fiscal year 1960	(6) Market value, if any, of the corporation's shares owned by the foundation at the close of calendar or fiscal year 1960
MICHIGAN—continued					
Charles Stewart Mott Foundation, 500 Mott Foundation Bldg., Flint 2, Mich.	D. M. Christian Co.	839 common voting	100	$445,197	[4] $437,223
	Everglades Corp	500 common voting	100	3,687	[4] 36,319
	J. W. Knapp Co.	800 common voting	100	1,393,350	[4] 4,454,551
	L. W. Robinson Co.	1,000 common voting	100		[4] 968,157
	Smith Bridgman & Co.	2,115 common voting	100		[4] 3,354,947
	American Industries Corp.	18,000 common	13.2	90,000	48,780
	United States Sugar Corp.	737,317 common	48.2	7,932,652	26,543,412
	The Wayne Oakland Bank	85,311 common	60.9	669,664	6,568,947
NEBRASKA					
Cooper Foundation, 325 Stuart Bldg., Lincoln 8, Nebr.	Cooper Foundation Theatres of Nebraska, Inc.	100 common voting	100	10,000	[1] 10,000
	Cooper Foundation Theatres of Colorado, Inc.	do	100	10,000	[1] 10,000
	Cooper Foundation Theatres of Colorado Springs, Inc.	do	100	10,000	[1] 10,000
	Cooper Foundation Theatres of Oklahoma, Inc.	do	100	10,000	10,000
	Cooper Foundation Theatres of Omaha, Inc.	do	100	30,000	[1] 30,000
	Cooper Foundation Co., Inc.	do	100	10,000	[1] 10,000
	Cooper Foundation Co. of Omaha, Inc.	do	100	25,000	[1] 25,000
NEW HAMPSHIRE					
Huntley N. Spaulding, Charitable Trust, 95 North Main St., Concord, N.H.	Spaulding Fibre Co., Inc.	83,332 common class A	17.36	2,458,294	[1] 2,458,294
Marion Spaulding Potter, Charitable Trust, 95 North Main St., Concord, N.H.	do	123,336 common class A	25.69	3,083,400	[1] 3,083,400
NEW YORK CITY					
Altman Foundation, 361 5th Ave., New York 16, N.Y.	B. Altman & Co.	921,600 capital voting	84.59	9,091,870	[1] 9,091,870
David, Josephine and Winfield Baird Foundation, Inc., 65 Broadway, New York, N.Y.	Atlas Utilities & Investments Co., Ltd.	100 common voting	100	806,666	[1] 806,666
	Beeship Corp.	do	100	394	[1] 394
	Coordinated Services, Inc.	25,500 common A voting	100	2,550	[1] 2,550
	do	7,426 common B voting	100	742	[1] 742
	do	294 1st preferred	100	29,400	[1] 29,400
	do	1,275 2d preferred	100	171,835	[1] 171,835
	Hugh Lyons Co.	4,500 common voting	50	75,000	[1] 75,000
	Lansall Corp.	5,000 common B voting	100	555,000	[1] 555,000
	Sebastian Lathe Co.	100 common voting	100	10,000	[1] 10,000
Winfield Baird Foundation, 65 Broadway, New York 6, N.Y.	C & C Pan Atlantic TV	49 common voting	49	49	[1] 49
	C & C International Film Corp.	124 common voting	10	124	[1] 124
	Margate Utilities Corp.	50 common voting	20	50,000	[1] 50,000
	Lansall Corp.	5,000 common A	100	791,350	[1] 791,350
	Skyline Oil Co.	246,037 common voting	24	1,760,329	2,214,333
	O'Henry Productions	210 common voting	100	210	[1] 210
	Coordinated Services, Inc.	225 1st preferred voting	100	43,210	[1] 43,210
	do	980 2d preferred voting	100		
	do	19,600 common A voting	99		
	do	5,355 common B voting	99		
	Standard Die Set Manufacturing Co., Michigan.	157 common voting	50	1,570	[1] 1,570
	Standard Die Set Manufacturing Co., Rhode Island.	280 common voting	50	280	[1] 280
	Standard Die Supply Co., Pennsylvania.	940 common voting	50	9,400	[1] 9,400
Charles Ulrick and Josephine Bay Foundation, Inc., 1 Wall St., New York 5, N.Y.	Connecticut Railway & Lighting Co.	72,849 5-percent cumulative preferred voting par value $50.	99.25	6,920,655	[4] 14,030,762
	do	45,848 common voting par value $5	51.07	89,635	[4] 91,696
Louis Calder Foundation, 1 Rockefeller Plaza, New York, N.Y.	Perkins-Goodwin Co.	2,043 common voting	29	3,573,581	5,107,500
	Top Side Realty Co., Inc.	2,500 common voting	100	25,000	[1] 25,000
Duke Endowment, 30 Rockefeller Plaza, New York 20, N.Y.	Duke Power Co.	6,306,991 common voting	57.24	85,665,408	337,424,018
	do	2,327 7 percent preferred voting	82.02	362,295	351,377
	Piedmont & Northern Railway	19,031 common voting	22.17	(7)	2,188,565
The Ford Foundation, 477 Madison Ave., New York 22, N.Y.	Ford Motor Co.	31,910,296 class A nonvoting	100	1,499,783,912	2,050,236,518
The Grant Foundation, Inc., 130 East 50th St., New York 22, N.Y.	W. T. Grant Co.	616,768 common voting	10.7	9,841,291	17,500,792
John A. Hartford Foundation, Inc., 420 Lexington Ave., New York 17, N.Y.	Great Atlantic & Pacific Tea Co., Inc.	7,572,640 common voting	33.98	133,478,975	268,828,720
Samuel H. Kress Foundation, 221 West 57th St., New York 19, N.Y.	S. H. Kress & Co.	995,064 common voting no par	41.9	4,975,320	26,493,000
Wm. T. Morris Foundation, 230 Park Ave., New York 17, N.Y.	Sormir Petroleum Corp. 230 Park Ave., New York 17, N.Y.	62,122 capital voting	75.8	90,494	[1] 90,494
	American Chain & Cable Co., Inc., Bridgeport 2, Conn.	203,749 capital voting	17.8	7,556,777	9,678,070
Jessie Smith Noyes Foundation, Inc., 42 Broadway, New York 4, N.Y.	16 East 34th St., Inc.	10 common voting	100	1,503,703	[1] 1,503,703
	Jesmith Corp.	do	100	157,337	[1] 157,337
Olin Foundation, Inc., 1 East 44th St., New York 17, N.Y.	Federal Cartridge Corp., Foshay Tower, Minneapolis, Minn.	1,723 preferred nonvoting	100	172,300	[1] 172,300
	do	10 common voting	100	1,023,512	[4] 11,955,483
John B. Pierce Foundation, 50 West 44th St., New York 36, N.Y.	International Liquid Heat, Ltd.	625 common voting	(8)	36,227	[1] 36,227
	Thermo Chemicals Co., Inc.	500 common voting	(8)	5,000	[1] 5,000
Research Corp., 405 Lexington Ave., New York 17, N.Y.	Research-Cottrell, Inc., 405 Lexington Ave., New York 17, N.Y.	17,485 capital	99.9	2,959,394	[1] 2,959,394
Richardson Foundation, Inc., 122 East 42d St., New York 17, N.Y.	The Reinsurance Corp. of New York	108,000 common voting	14	1,297,048	2,358,720
	The Richardson Corp. of Greensboro, Greensboro, N.C.	1,607 common voting	18	453,776	528,896

See footnotes at end of table.

SCHEDULE 3—Continued

Subject: Data regarding foundations' ownership of 10 percent or more of any class of stock of any corporation, as reported on the Internal Revenue Service Form 990-A (per instruction 7, p. 4, form 990-A).
Source: Documents submitted to the Select Committee on Small Business by the foundations.

(1) Foundation	(2) Corporation in which foundation reported 10 percent or more stockownership at the close of calendar or fiscal year 1960	(3) Number of shares of each class of the corporation's stock owned by the foundation at the close of calendar or fiscal year 1960	(4) Percentage of outstanding shares of the corporation owned by the foundation at the close of calendar or fiscal year 1960	(5) Foundation's book value of shares of the corporation owned at the close of calendar or fiscal year 1960	(6) Market value, if any, of the corporation's shares owned by the foundation at the close of calendar or fiscal year 1960
NEW YORK CITY—continued					
Samuel Rubin Foundation, 5 West 54th St., New York 19, N.Y.	Fabergé Inc	4,500 1st preferred nonvoting	100	$450,000	[1] $450,000
	do	21,025 2d preferred nonvoting	70	2,102,500	[1] 2,102,500
	do	2,500 common voting	100	6,000,000	[1] 6,000,000
Scriven Foundation, 149 Broadway, 25th floor, New York 6, N.Y.	Leatherstocking Corp	20,000 capital	100	1,708,100	2,700,000
Wenner-Gren Foundation for Anthropological Research, 14 East 71st St., New York 21, N.Y.	Electrolux Corp	300,000 capital voting	24.2	1,875,000	5,737,500
NEW YORK STATE					
Fred L. Emerson Foundation, Inc., Post Office Box 87, Auburn, N.Y.	Duncar Corp	1,000 capital voting	100	275,000	989,000
	The Enna Jettick Corp	2,000 capital voting	100	200,000	450,000
NORTH CAROLINA					
The Cannon Foundation, Inc., Post Office Box 1192, Concord, N.C.	Amazon Cotton Mills Co	24,169 common voting	46.04	1,036,555	[1] 1,036,555
	Cannon Insurance Agency	3 common voting	100	300	[1] 300
	Concord Telephone Co	7,655 5-percent preferred nonvoting	66.91	750,190	[1] 750,190
	do	4,979 common class B nonvoting	35.56	208,740	[1] 208,740
	Imperial Cotton Mills	1,172 common voting	39.07	550,840	[1] 550,840
	Social Circle Cotton Mills Co	421 common voting	42.10	566,260	[1] 566,260
OKLAHOMA					
The Samuel Roberts Noble Foundation, Post Office Box 870, Ardmore, Okla.	Samedan Oil Corp., Ardmore, Okla	970 common voting	100	8,413,253	[1] 8,413,253
	Noble Drilling Corp., Tulsa, Okla	468,000 common voting	100	2,437,490	[1] 2,437,490
	Lenox Square, Inc., Atlanta, Ga	500 common A voting	50	5,000	[1] 5,000
	do	7,500 preferred nonvoting	75	750,000	[1] 750,000
	Lenox Construction Corp., Atlanta, Ga.	5,000 common A voting	100	50,000	[1] 50,000
	B. F. Walker, Inc., Denver, Colo	1,667 common voting	100	525,000	[1] 525,000
	Advance Glass Co., Atlanta, Ga	700 common voting	100	7,000	[1] 7,000
	Chief Motor Co., Santa Rosa, N. Mex	2,000 common voting	66⅔	20,000	[1] 20,000
PENNSYLVANIA					
Donner Foundation, Inc., 2500 Philadelphia National Bank Bldg., Philadelphia 7, Pa.	Pittsburgh Steel Co	4,500 5-percent preferred A voting	10	199,806	270,250
The Pew Memorial Trust, care of the Glenmede Trust Co., 1608 Walnut St., Philadelphia 3, Pa.	Sun Oil Co	2,782,694 common voting	21.29	1,481,544	132,525,801
	Minerals Development Co	124,000 capital voting	100	1,545,774	[1] 1,545,774
The Presser Foundation, 1717 Sansom St., Philadelphia 3, Pa.	Theodore Presser Co., Bryn Mawr, Pa	1,100 common voting	22	122,591	[1] 122,591
Scholler Foundation, Collins & Westmoreland Sts., Philadelphia 34, Pa.	Scholler Bros., Inc	9,990 common	100	999,000	[1] 999,000
	Scholler Bros., Ltd	3,995 common	100	399,500	[1] 399,500
	Beck's Seafood, Inc	1,533 common	100	273,365	[1] 273,365
SOUTH CAROLINA					
Springs Foundation, Inc., Post Office Box 111, Lancaster, S.C.	Lancaster Broadcasting & Utility Co., Lancaster, S.C.	12,500 common voting	100	125,000	[1] 125,000
	Springmaid of the West, Inc., Lancaster, S.C.	1,500 common voting	100	150,000	[1] 150,000
TEXAS					
Clayton Foundation for Research, 706 Bank of the Southwest Bldg., Houston 2, Tex.	Alabama-Shepherd Co	(8)	100	498,493	[1] 498,493
	Arcadia Parking, Inc	(8)	100	546,268	[1] 546,268
	Cedar Realty Co	(8)	100	1,299	[1] 1,299
	Clayton Foundation Co	(8)	100	1,894,953	[1] 1,894,953
	Department Realty Corp	(8)	100	827,741	[1] 827,741
	Duarte Corp	(8)	100	203,788	[1] 203,788
	Elrovia Co	(8)	100	238,595	[1] 238,595
	Main & Elgin Corp	(8)	100	920,579	[1] 920,579
	Milam & Gray Corp	(8)	100	505,669	[1] 505,669
	Naomi Realty Co	(8)	100	826,322	[1] 826,322
	Peck Realty Corp	(8)	100	161,409	[1] 161,409
	Sartartia Plantation, Inc	(8)	100	225,000	[1] 225,000
	Tyler Property, Inc	(8)	100	208,053	[1] 208,053
	Winton Properties, Inc	(8)	100	787,751	[1] 787,751
	Weingarten Markets Realty Co	37,507 common	(8)	9,963	[1] 9,963
	Weingarten Main-Rosalie Co	4,050 common	(8)	162	[1] 162
Houston Endowment, Inc., Post Office Box 1414, Houston 1, Tex.	Airline State Bank	7,730 common voting	51.5	257,664	[2] 421,285
	Belfort State Bank	1,750 common voting	11.6	58,333	[2] 70,000
	Block Fifty Seven Inc	2,500 common voting	100	25,000	[2] 24,202
	Commercial & Industrial Life Insurance Co.	150,000 common voting	100	500,000	[2] 1,500,000
	Commerce Co	29,900 common voting	99.7	12,610,315	[2] 18,000,000
	do	27,660 preferred nonvoting	92.2		
	National Bank of Commerce, Houston	135,285 common voting	23.4	3,658,806	[2] 18,939,900
	Park Ave.-65th St. Corp	10 common voting	100	771,000	[2] 5,000,000
	Reagan State Bank	4,918 common voting	28.1	168,682	[2] 491,800
WISCONSIN					
Allen-Bradley Foundation, Inc., 136 West Greenfield Ave., Milwaukee 4, Wis.	Allen-Bradley Co	14,280 prior preferred nonvoting	64.62	267,750	[1] 267,750
	Zita, Inc	66 common voting	100	108,760	[1] 108,760
DeRance, Inc., 324 North 76th St., Milwaukee 13, Wis.	Miller Brewing Co	2,900 common voting	29	5,180,000	[9] 11,600,000

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[1] The foundation's book value is used wherever there is no stated market value.
[2] Estimated.
[3] The foundation owned 37.77 percent of Arvey Corp. common and 49.23 percent of Velsicol Chemical Corp. common as of Dec. 31, 1961.
[4] Foundation's equity in the net assets of the corporation.
[5] Aug. 31, 1959.
[6] Dec. 31, 1959.
[7] Carried on the foundation's books at no value.
[8] Such data has not been submitted by the foundation.
[9] Estimated, Dec. 31, 1960.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Kansas.

Mr. AVERY. Mr. Speaker, we on this side of the aisle know that the gentleman from Texas has a very important speech to make on the floor of the House this afternoon. I asked the gentleman to yield so that I might ask him, as he progresses with his speech would he prefer not to be interrupted until his whole speech is completed, or would he prefer to reply to certain parts of it from time to time?

Mr. PATMAN. I shall be glad to respond to pertinent parts of the speech from time to time. I have permission that all questions and answers appear after my prepared text. That will not interfere at all.

Mr. AVERY. I understand that, but it might be helpful to those present if we could discuss some of these various points while the gentleman is touching upon them rather than having to refer back to them after the gentleman has completed his speech.

Mr. PATMAN. Brief questions in particular will be welcome.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Ohio.

EXTENSION OF REMARKS

Mr. McCULLOCH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks at the end of the speech made by my colleague from Texas [Mr. PATMAN], chairman of the Committee on Small Business.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. PATMAN. Mr. Speaker, this is the first section of an interim report on the Small Business Committee's study of "The Impact Upon Small Business of the Activities and the Conduct of Tax-Exempt Foundations and Charitable Trusts."

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Ohio.

Mr. McCULLOCH. At this point I should like to inquire whether or not the interim report which is about to be presented by the chairman of the committee is an interim report of the gentleman from Texas as an individual?

Mr. PATMAN. It is an interim report by the gentleman from Texas as an individual, but I do not want to deprive the staff and other members of the committee of the advice, cooperation, and help that they have given to me, although I must confess that this report is my own personal evaluation.

Mr. McCULLOCH. I may say properly that this is an individual report. It is not a staff report and it is not a committee report as such?

Mr. PATMAN. Officially, the gentleman is correct. Unofficially, the staff assisted, and members of the committee.

Mr. McCULLOCH. One further question, so that there will be no misunderstanding about your report. This report was not officially considered by the committee, and for that reason it is not and has not been officially authorized by the committee.

Mr. PATMAN. It is not an official report of the committee.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Kansas.

Mr. AVERY. At this point I would like to submit an academic question. I have been asked I suppose 25 or 30 times in the last 48 hours upon which basis these particular 500 trusts and funds were selected for this scrutiny out of the 45,124 the gentleman mentioned.

Mr. PATMAN. I shall be very glad to explain to the gentleman. First, there was an effort made to select about 500 just across the board for a sampling. That was ascertained first by determining the number in each State and trying to have about 1 percent in each State sampled. Some States do not have any, hardly, and I think a few States none. Naturally, 1 percent would mean a large number in some States and none in other States, and a small number in others. After getting approximately 500 that way, we found they were interlocking. So in taking up one, you necessarily wanted to explore the activities of the other one that was connected with it from the standpoint of an interlocking relationship and interlocking directorships and in other ways. In that way the number ran up to 522, or over 500, which was really the object at the time.

Mr. AVERY. As I understand the gentleman, then he reviewed these, or the staff reviewed them by States?

Mr. PATMAN. That is right.

Mr. AVERY. And an effort was made to select about 1 percent of those trusts that were officially identified in each of the 50 States?

Mr. PATMAN. That is right.

Mr. AVERY. Then that would really not be a reflection, would it?

Mr. PATMAN. Not necessarily.

Mr. AVERY. May I ask the gentleman from Texas this: In a Midwestern State like my own State of Kansas, or a similar State, 1 percent of the trusts there might be as many as you could put on one hand, I do not know, but moving over into a State like New York or the gentleman's State of Texas, I would assume that 1 percent of the trusts or foundations in those particular States would not even encompass maybe 100 or 1 percent of the trusts that might be there?

I just want to understand it from this standpoint: There was no particular effort to balance this up geographically? It was done strictly on a State-by-State analysis?

Mr. PATMAN. That was the original purpose. But in doing that, by reason of these interlocking directorships, we had to bring others in and thus enlarged the number of them.

Mr. AVERY. I understand that. But permit me to go one step further: Was there any effort made by the staff to establish categorically the size or value or earnings or any other criteria that would denote size on the part of these trusts?

Mr. PATMAN. No; except some of the large ones were selected. Of course, we are not sure that we have the largest ones. We are not at all sure. That would require an examination of all the 45,000 in order to determine that. I am sure we did not consider all the large ones. I am sure of that. We tried to have a cross-section across the board.

Mr. AVERY. If the gentleman will yield further, in view of the gentleman's intense interest in this field and the tremendous number of staff people that have been working on this for a year, if the gentleman attempted to identify the larger ones, I am sure the gentleman was rather successful in that particular effort, even though it might not be a true reflection of the problem as related to small business.

In my judgment it would seem that some of the large trusts might not have the adverse effect on small business, which is really the only justification our committee has for getting into this investigation, as would a very modest trust that might be more directly in competition with the conventional small businessman as we identify him.

Mr. Speaker, I thank the gentleman for yielding.

Mr. PATMAN. Small business has another reason than just the reason outlined by the distinguished gentleman from Kansas. Even a large business, if it is allowed to escape taxation, then places additional burdens upon the small businessman and to that extent the small businessman is concerned and the Small Business Committee would be concerned. There are many reasons why the Small Business Committee is concerned about this. The principal ones have already been mentioned.

Mr. AVERY. If I might return to that just briefly—and I do not want to belabor this point—I think it is important that we establish some of the ground rules, so to speak, when we proceed into this, because we might be here quite a while.

The 1 percent, as I say, in Kansas, 1 percent might be all of them. I do not know. One percent of the total amount might be all the trusts there are in Kansas. But in such a State as the State of New York, could the gentleman enlighten us a little bit as to what criteria he applied in selecting the 1 percent in the State of New York, and in the State of Texas?

Mr. PATMAN. No. 1, it was the decision immediately at the beginning that we could not consider over 500; that it would be impossible to go into 45,000. We wanted to pick out about 500, or about 1 percent. In doing that, of course, we looked over the States and I tried to have a ratio that would have some connection with about 500. I would not like to be held to just 1 percent, because it would not work in some cases at all, such as, for instance, in Arkansas, where I do not think there is a single foundation listed in the books that we have.

Some States do not have any; some none. Therefore we took a figure, 500, deciding that we could not go into more than 500. We tried to take them across the board so that they would be representative of all businesses, all classes and all groups, big and small. There are many small ones here.

Mr. AVERY. It was the gentleman's judgment as to what would be representative?

Mr. PATMAN. That is right; it was an arbitrary decision.

Mr. AVERY. Yes; it is important.

Mr. PATMAN. I can see that.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Ohio.

Mr. McCULLOCH. I should like to inquire of our colleague if those conditions have been in existence, has there not been prostitution of the spirit if not the intent and letter of the law? And is there not a remedy presently available which would prevent that prostitution of the tax-exemption laws for purposes not contemplated in the law itself?

Mr. PATMAN. If we had adequate supervision the gentleman would be correct. But that is one of the points that is made here, that there has not been adequate supervision; in fact, very, very little supervision of any kind whatsoever.

Mr. McCULLOCH. One further question: That lack of supervision, if it be in existence, has been there for three or four or more decades, possibly ever since the income tax and the Federal estate tax and the corporation tax became so burdensome.

Mr. PATMAN. The gentleman is correct—since 1951. Mr. Truman, the President of the United States, complained in 1950 that these charitable foundations "are used as a cloak for business ventures." That was his statement in 1950. The big growth in foundations has taken place since 1951.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. ROOSEVELT. I have in my hand an editorial from the Washington Daily News of this date which, Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The editorial follows:

TAX-EXEMPT FOUNDATIONS

For 9 months, a House committee has been combing the records of tax-exempt foundations and the first results of this tedious work have been summed up by the committee chairman, Representative WRIGHT PATMAN, of Texas.

The Congressman said there are 45,124 such foundations—4 times as many as there were 10 years ago. The committee so far has checked the records of only 522, and this fraction of the total had receipts of $7 billion in 10 years—all out of reach of Federal taxation.

The total of tax-exempt funds held by all 45,124 obviously would be enormous.

Mr. PATMAN said only a little more than a third of the income of the 522 foundations came from gifts—the rest from dividends, sale of assets, interest, rents and royalties, profits from business activities.

Foundations are big business. Their influence on the economy is substantial. They compete, in some cases, against taxpaying business.

Mr. PATMAN said the information dug out by his committee largely was gained from the foundations themselves, because files at the Internal Revenue Service were inadequate. He said only 5,300 of 570,000 foundation reports filed at IRS between January 1958 and June 1960 had been audited.

The Congressman has asked the Treasury to declare a "moratorium" on granting more tax exemptions to foundations until Congress can overhaul the law. Whether there is a moratorium, the law should be overhauled. It patently is loose and only nominally respected.

Many foundations serve useful purposes. Some are merely frivolous and wasteful. They are not all charitable or devoted to research. The size of some of them, and their heavy engagements in business, suggest a basis for Mr. PATMAN's charge that many "have become a vehicle for trading in securities and dodging the capital gains tax."

What the foundations—or any other tax-exempt groups—don't pay in taxes, the public does. Tax exemption is the same as a subsidy. Those who do pay taxes have a right to know, in detail, why others don't. The Patman inquiry is important and timely, and it should have the full support of Congress.

Mr. ROOSEVELT. It points out, I think, the general background of which the gentleman is speaking and the importance of the inquiry which he has initiated. It concludes:

> The Patman inquiry is important and timely, and it should have the full support of Congress.

I should like to emphasize that anyone who has had familiarity with the work of foundations and nonprofit corporations in this field can cite many examples, perhaps going further than the inquiry of the distinguished gentleman from Texas has already gone.

For instance, I was a member of a nonprofit hospital corporation which invested some of its funds in a so-called supermarket area and actually owns the area where that supermarket is in operation and is in competition with supermarkets in a relatively close location.

It simply happens that the law perhaps does today allow this, but the question must arise, Is that the kind of competition, the kind of investment, which the American people and the Government should allow nonprofit corporations to get into? Naturally, being a nonprofit corporation, it is going to run that business on a slightly different basis than will a private corporation which may be in competition with it.

I think the gentleman has done a tremendous service to the country, to small business, and, yes, perhaps to big business, too, in pointing out this matter, not only in areas where there are violations of the law that exist today but where there needs to be a study of exactly the kind of operation and investment which these nonprofit corporations can properly make. I certainly would like to commend my chairman for a most interesting and instructive statement.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Kansas.

Mr. AVERY. I was going to make this observation just a little bit later, but in view of the remarks of the gentleman from California I think they should be made at this point.

The minority have had a rather nebulous position on this subject. I think it should be spread on the RECORD as well as it is possible to do it. Generally speaking, the minority recognize the desirability of making an investigation of these tax-exempt institutions, these foundations. Very seriously, the minority, if we include ourselves in this investigation, have some reservations, very serious reservations, as to whether or not the Committee on Small Business has the talent on the committee and the men on the staff to make a very sensitive and a highly specialized investigation such as the one we are discussing here this afternoon.

I see on the floor the distinguished chairman of the Committee on Ways and Means. Perhaps he will recall that last August or September I had a conference with him on this very matter. I was hopeful that the Committee on Ways and Means, with a very competent staff, a staff that has spent a lifetime in dealing with tax matters, would undertake this. Every committee, of course, has a certain amount of pride in its jurisdiction. But, Mr. Speaker, I repeat this is dealing with an extremely sensitive area. Billions of dollars are involved. I think the whole investment community—it does not make any difference whether you are an investor or whether you are paying the investors, but every interest attached to the investment community is going to be affected directly or indirectly by what may come out of this investigation.

This is just the beginning today. I mean this is not a complete investigation nor a complete report. This is just an interim or preliminary report. So I would hope that if this exploration goes to considerably greater depths at least we may be assisted and we may have the counsel not only of our very capable chairman of the Committee on Ways and Means but also of his very capable staff because I think we need guidance. There is not one member of the Committee on Ways and Means on the Select Committee on Small Business.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. ROOSEVELT. May I just add to what our fried, the gentleman from Kansas, just said. I think, perhaps it is the duty of the Small Business Committee, particularly in relationship to small business, to develop sufficient facts that can be presented to the distinguished chairman of the Committee on Ways and Means, who is already overburdened, for him to decide what his committee may do. Certainly, we are not a legislative committee. And based upon such facts as our committee can develop, I am sure the gentleman from Arkansas would be delighted and interested in receiving such information as this committee may develop, as he always has been, and as his committee always has been in the past, in proper matters coming from our committee. Similarly, however, Mr. Chairman, is it not an important fact here that the Internal Revenue Service itself, the Treasury Department, has a function to perform here and it is, perhaps, incumbent upon them to make certain studies and then propose some recommendations for action in this area?

Mr. PATMAN. The gentleman is correct.

Mr. AVERY. I would just like to say to my friend, the gentleman from California, who mentioned the fact that the distinguished chairman of the Committee on Ways and Means was overburdened, we observed that the other body made quite a contribution toward unburdening the chairman of the Committee on Ways and Means just last week.

Mr. ROOSEVELT. I would have to say, unfortunately so.

Mr. EVINS. Mr. Speaker, will the gentleman yield at that point?

Mr. PATMAN. I yield.

Mr. EVINS. The gentleman has indicated that the 522 foundations which the committee has studied have been ranked according to income received. An examination of the gentleman's schedule 1, to which the gentleman referred, lists as No. 1, the largest foundation studied, the Ford Foundation, which, for the 10-year period in interest, received $88,633,063. Dividends received for the same period were $748,646,156.

The total gross income for this one Ford Foundation, and I understand there are about seven or more of them, was $1,167,423,189.

The total receipts, including contributions, gifts, and grants for this one Ford Foundation for the 10-year period was $1,670,207,497.

Looking further on the schedule, I notice that the second largest foundation listed in order of rank is the Rockefeller Foundation. The tabulations will show the amounts of income. It is recognized that the Ford Foundations and the Rockefeller Foundations, and there are 13 of them, do a great deal of charitable work, make wonderful gifts for education and other charitable purposes.

The gentleman's inquiry, I believe, is properly directed to the matter of the escape of taxes and the need for the plugging of loopholes in this field.

Mr. PATMAN. I thank the gentleman.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Ohio.

Mr. McCULLOCH. I should like to say again that the unbearable burden of individual income taxes, corporate income taxes, and Federal estate taxes have made it impossible for individuals or families, in many instances, to carry on their educational and their charitable contributions, without the use of tax exempt foundations. Until there is evidence on the record that the income which has just been mentioned by my distinguished colleague from Tennessee is improperly escaping taxation or that the money would be available for education if it came into the till of the National Government, where we have been so extravagant all through the last 20 or 30 years—this includes all administrations—then I do not think we should come to any final conclusions thereon. I repeat, the trend of the times, the insatiable desire for tax money, particularly at the national level, would, without the foundation, leave many people who have been public benefactors for generations without the money with which to do that which they have been doing for so long.

Do I understand the gentleman from Texas to say that he recommends the Congress now take appropriate legislative action to prohibit the further tax exemption of incomes by foundations that are now organized and now acting in accordance with the law?

Mr. PATMAN. No, the gentleman misunderstood me. I am personally advocating a moratorium to give us an opportunity to take a look at this matter. We have already discovered enough things to indicate that there is something wrong, badly wrong, and we should not permit more of these tax-free foundations at this time—not to interfere with the existing ones at all, but just not to grant any new ones until Congress has an opportunity to look into it.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield further?

Mr. PATMAN. I yield.

Mr. McCULLOCH. I am very glad to have that explanation of my colleague, the gentleman from Texas. I would like to repeat it, because the news story which I read very carefully two or three times in the Washington Post yesterday morning left the impression that the recommendation of the chairman of our committee was that there be an end to exemptions of income under existing foundations. Such an end would result in a shambles. I am sure the gentleman from Texas did not intend the story to carry that implication, and I am now glad to hear him say that it should not have carried that implication.

And, if the gentleman will yield further, I would like to say that section 503 of title 26 of the Internal Revenue Code provides the conditions under which exemptions of newly created foundations may be granted by the Internal Revenue Department. If the foundation does not proceed in accordance with the definite and particular descriptions in that section of the code, then it is not entitled to exemption, and it should be forthwith denied by the Internal Revenue Service. As I recall, there are at least five paragraphs describing the organizations to which the exemption section applies, and there are some six paragraphs which describe the transactions which are prohibited. So, I think there is a present duty and there has been a past duty upon the Internal Revenue Service to implement the law in accordance with this very language of the law and in accordance with the legislative history thereof.

Mr. PATMAN. The principal reason I am making this recommendation is because the Internal Revenue Service has not adequately supervised these foundations. In my view we should have a moratorium on granting any more until we have at least enough supervision to service and supervise the existing ones and any new ones. And, we should not have any new ones until we can supervise the present ones. That is the basis for the recommendation of the moratorium; that is the principal basis for the recommendation of the moratorium.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. ROOSEVELT. While I certainly concur with the gentleman's recommendation, would it not also be in line to urge the Internal Revenue Service to redouble its efforts to secure compliance with the law, which the gentleman's investigation clearly shows has in many instances been ignored, and take away, as the law provides and as the distinguished ranking minority member has stated, from those organizations which do not comply with the law their continued exemption, and do that now or, at least, give them reasonable notice that if they do not rectify their faults, that that will be done?

Mr. PATMAN. Why, certainly. The 1950 act gave us lots of hope. We thought that was the answer. But with less enforcement and no enforcement it has been almost meaningless. Therefore, we should not continue to go ahead and charter and grant more and more tax-exempt foundations every day when we are not properly supervising under the existing law the foundations already having the privilege.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield further?

Mr. PATMAN. I would be glad to yield to the gentleman from Ohio.

Mr. McCULLOCH. Does the gentleman from Texas know whether or not the Internal Revenue Service has asked for additional personnel with which to carry on its investigations and to enforce compliance with the law?

Mr. PATMAN. I am not familiar with that. I do not know. The Internal Revenue Service will have to speak for itself on that point.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Referring to the gentleman's suggestion for a moratorium on exemptions, does the gentleman believe that in view of the way the law is written there is any discretion on the part of the Commissioner of the Internal Revenue Service to deny an application for exemption if the facts set forth in the application are in accordance with the law?

Mr. PATMAN. If there is not, of course, the Congress could correct that very easily by the passage of a resolution. Besides, I do not see how the Director of the Internal Revenue Service could be derelict in the performance of his duties were he to say "I am going to devote my time to looking over all these tax-exempt foundations that are now in existence and have also been granted permits before I will have time to take on any additional applications.' I would not want him to violate the law, and I am not advocating that. But I think the supervision of the existing ones is more important now than authorizing more to go into business and do the things which we know are in violation of the spirit, at least, of the law.

Mr. McCULLOCH. Would the gentleman yield for one further comment?

Mr. PATMAN. I yield to the gentleman.

Mr. McCULLOCH. Mr. Speaker, while I would be the last to condone the granting of an exemption to an applicant that was not entitled to it, I would be extremely reluctant to urge the Commissioner to refuse an application by an organization that was clearly entitled to the exemption under the law. As the gentleman from Texas knows, I come from a small community and there we have had over a period of half a century, or ever since this law was passed, public-spirited citizens who have from time to time created foundations. The good which has resulted therefrom has been well nigh incalculable in that small area in the Great Miami Valley. So, I would not wish at this time to deny such public-spirited citizens the right to make an application for and be granted an exemption for a foundation which was conceived and organized in accordance with the law of the land.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. EVINS. I believe the gentleman would also agree with the gentleman from Ohio [Mr. McCULLOCH] as would I, that we certainly do not want to impede the work of charitable foundations to carry out the objectives of the law, as intended. However, the enormous growth in the number of foundations and the tremendous amounts of money that have been put into them, as the gentleman's report shows, and the fact that they are engaged in business operations, is what the gentleman is concerned about in this report.

Mr. Speaker, I think the gentleman is to be congratulated for digging into all the details and for the enormous amount of work he has done in bringing this report to the attention of the Congress. I certainly concur that the Internal Revenue Service and the Treasury Department should take a further look at the gentleman's report and give us some further suggestions in this field.

Mr. Speaker, I commend the gentleman in the action he has taken.

Mr. PATMAN. I thank the gentleman.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. SISK. Mr. Speaker, I have enjoyed a great deal the statement of the distinguished gentleman from Texas regarding this whole problem of foundations and his statement of these organizations that are unfairly escaping their just share of the tax burden, in many cases. I should like to say this on behalf of the Internal Revenue Service; and the record is there to show exactly what their requests were just this year. Because of my own particular personal interest in this situation I asked members of the Committee on Appropriations at the time that the Department of the Treasury appropriation bill was discussed on the floor what the situation was. The Department had asked for a substantial increase in personnel. It is my belief that we are being penny wise and pound foolish, and I said so at that time, in cutting back continually on appropriations to the Internal Revenue Service with which to do its job in policing such organizations as the distinguished gentleman from Texas is talking about here. I certainly would like to call to the attention of the gentleman from Texas and other Members of the House that we in the Congress have an obligation and a responsibility, if we are going to continue to permit the setting up of this type of organization, to see to it that the Treasury Department and the Internal Revenue Service are given sufficient people and money to do the policing job which is necessary, which is essential in this field, and which, unfortunately, they have been unable to do, not because they have not requested the people to do it and the money to do it, in many instances, but because we have denied them the authority to hire the personnel to do the job.

Mr. Speaker, I want to commend the gentleman from Texas on the outstanding work he has done. I am going to read with considerable interest his report because I know of the great work he has done in this field. I am sympathetic with it. And, Mr. Speaker, I would like to close with this one further comment, and that is in connection with the comment by the distinguished gentleman from Ohio [Mr. McCULLOCH] a little bit ago, that high taxes had caused some of these families and groups to engage in this type of activity. The facts are that while some of these families and groups who are ducking in many cases, and in my opinion doing it illegally, their just share of the tax burden continue to do so, taxes are certainly going to remain high. Billions upon billions, in my opinion, are unjustly escaping taxation and continuing to flow into this type of operation to the benefit of some particular desire of some of these groups to have other people beholden to them because of the charity and other work which they are doing.

I am not against the charitable work that they are doing but when they begin to carry their just share of the burden of taxes, then, in my opinion, we might be able to reduce taxes for the balance of this country. We might be in a position where there would not be a necessity for so many scholarships and so much charitable need.

I thank the gentleman for yielding.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Of course, I would be forced to agree with the comments of my good friend from California where they apply to people who improperly sought to create a great public image or where they improperly sought to evade taxes or where they were remiss in their public duties or responsibilities. Since there may be 50,000 or more foundations in this country I run the risk of missing thousands that should be named. I am sure those who read know the great good that the Sloan-Kettering Foundation has done in so many fields, particularly in the field of cancer research and its dreaded effects.

I again wish to refer to the foundations in the vicinity of my home. More than half a century ago the Troy Foundation was created in Troy, Ohio. Within a year or two a citizen of Troy left some $300,000 to that foundation. The foundation is administered by the officials of the city of Troy. Let us see who gets the benefits from that foundation: Needy children of Troy; the Girl Scouts; the Boy Scouts; Lincoln Community Center; the United Givers Fund; the Troy Library; the Stouder Memorial Hospital, and similar organizations for the public good.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. ROOSEVELT. I think it is important that all of us who have spoken on this matter be clearly placed on record as understanding the excellent purposes and contributions of many of the foundations in this country but that, I submit to the gentleman from Texas, is no excuse for allowing various indiscretions and violations of law to grow up under the protection and aura of the tremendous amount of good which has been accomplished. Unless I am mistaken, I believe the inquiry of the gentleman from Texas in no way is meant to reflect on the tremendous good which is being done and which will be done in the future.

But, on the other hand, it is really done to protect their good name for fear that the whole purpose for which they are established will be tarnished by the few who, unfortunately, take advantage of the law and take advantage of the laxity in the enforcement of the law.

Mr. PATMAN. The gentleman is correct.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. SISK. I would like to make it perfectly clear particularly to my good friend, the gentleman from Ohio, that I am not against these foundations. I agree there are many instances where they do a great deal of good. I am certainly one who is favorably impressed by the things that many of them do. On the other hand, I think there are many cases where these things have been twisted and distorted and used strictly as tax dodges, and this is one that I am so happy the gentleman from Texas is digging into and taking this opportunity to spread upon the RECORD some of the problems we are concerned with here.

Mr. PATMAN. I will have to ask my colleagues not to ask me to yield for the present because I must get this statement in the RECORD. I think it is important. I do not think there is any special order following my special order and if anyone here desires to be recognized by the Speaker to ask for permission to address the House after I have finished, I will be very glad to yield to him for that purpose because I certainly do not want to deny anybody the opportunity to say anything he wants to regarding this subject.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Tennessee.

Mr. EVINS. Your report points out that the amount received by these 522 tax foundations for the 10-year period was 16 percent more after taxes than by 50 of the largest banks in the United States. I think that statement alone is significant of the growth of these foundations.

Mr. PATMAN. Yes.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Tennessee.

Mr. EVINS. Mr. Speaker, I certainly do not wish to delay the gentleman in his excellent report, but sometimes a brief discussion points up the facts. As I understand it, form 990 is not open to the public, and form 990-A is open to the public. As the gentleman from Texas pointed out, could the Internal Revenue Service require the use of a certain form or is the foundation given the option to elect which one it wants to use? Certainly, if they are given an option they are going to file the form that is not open to the public unless there is some supervision and regulation.

Mr. PATMAN. They are not given the option. They just assume the privilege.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Does the Small Business Committee have in its files any information on the charitable and educational expenditures of those foundations in question?

Mr. PATMAN. I think we have. It will be made known later, any information we have along that line.

Mr. McCULLOCH. It will be made a part of the record some time later?

Mr. PATMAN. Yes. The next report we will have is on the assets of these foundations.

Mr. McCULLOCH. The reason I ask that question is that there will be such great interest in this most interesting report of the chairman that the public should know who benefits from the funds in question.

Mr. PATMAN. I thank the gentleman.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Tennessee.

Mr. EVINS. Mr. Speaker, I notice one of the examples cited by the distinguished chairman of the committee is Faberge, Inc., which is a perfume importing concern. This perfume company owns 100 percent of the stock of the foundation. Does the gentleman know or has his committee found out what charitable activities this particular company has engaged in?

Mr. PATMAN. I do not have it right here, but I assure the gentleman it will be placed in the RECORD in the future, if we have it.

Mr. EVINS. Wieboldt Stores, Inc., Chicago, has a large department store and they own 96 percent of the voting stock of the Wieboldt Foundation. Has the committee found out what charitable activities the Wieboldt Stores engage in?

Mr. PATMAN. That will be placed in the RECORD.

Mr. EVINS. The Ford family controls both the Ford Motor Co. and the Ford Foundation. Of course, we know that the Ford Foundation has engaged in many worthwhile charitable activities, but the fact that the company owns 100 percent of the foundation certainly is evidence that they control the foundation.

Mr. PATMAN. Yes, sir. I am not sure that we have the information, but all the information we have will be placed in the RECORD.

Mr. EVINS. Does the gentleman have information about the Pew Oil Co.? Sun Oil Co. owns the voting stock of the Pew Memorial Trust of Philadelphia. What charitable activities have they engaged in?

Mr. PATMAN. Whatever information we have will be disclosed.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Tennessee.

Mr. EVINS. The gentleman would agree and, I assume, the gentleman's committee would agree that when the Congress authorized the establishment of foundations, it did not do so for the purpose of allowing these tax-exempt foundations to go into the lease-borrower venture business.

Mr. PATMAN. That is right.

Mr. EVINS. Or racetrack operations such as your report indicates some foundations are presently engaged in.

Mr. PATMAN. That is right.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Tennessee.

Mr. EVINS. It is well known and recognized that some utility holding companies have had an odious image in the minds of the public, but are we developing a situation now where foundations are serving the same purpose as the previous holding companies? In other words, holding companies did not have a good image, but a foundation is accepted as something charitable and well worthwhile when, in fact, in truth and in reality in many instances they are used for tax avoidance and to escape the payment of taxes into the Treasury.

Mr. PATMAN. The gentleman's statement is certainly worthy of consideration.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Ohio.

Mr. McCULLOCH. I note on page 11 of the statement from which my distinguished colleague is reading a paragraph referring to the Monarch Tribune Tool Foundation of Sidney, Ohio, Sidney being located in the Fourth Congressional District of Ohio. I know the Monarch Machine Co. and most of the officers of the company as well. I have talked with one on the phone since we have been discussing this matter on the floor this afternoon, and I was advised that total contributions to that fund were $175,000. In 1954 they had a capital loss on their transactions of $70.09. In 1955 they had a capital gain of $453. In 1956 they had a minor capital loss. In 1957 they had a capital gain of $46.47. All the net income from that fund goes for public charity, and if there be no abuse of the laws by foundations any place in America worse than in Sidney, Ohio, just no one will be injured.

I wanted to make the record clear because of the fact that that company is located and operates in my own area.

Mr. PATMAN. The gentleman does not deny the statement that is made here, I am sure, about the failure to file returns. You know, the law requires these things?

Mr. McCULLOCH. That statement is true.

Mr. PATMAN. And, we are just bringing out the small ones as well as the big ones. We are not discriminating between the two. We show that there are violations by both big and little. On balance, it seems small.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Tennessee.

Mr. EVINS. On pages 12 and 13 of the gentleman's statement he makes reference to the Lillia Babbitt Hyde Foundation and indicates a tremendous amount of these foundations are being used for trading in securities and dodging the capital gains tax. In view of the recent enormous disposal of stocks on the market in blocks and the heavy trading in stocks in the securities market, I would suggest in addition to the Internal Revenue Service and the Treasury Department, that the gentleman's report should be called also to the attention of the Securities and Exchange Commission. This Commission is presently investigating why the recent break in the stock market and what effect the disposal of large blocks of shares may have had on the market. I think the gentleman's report may well be of interest to the Securities and Exchange Commission.

Mr. PATMAN. Please keep in mind that this report involves 522 foundations out of over 45,000. Even the Treasury Department could not tell us how many they have. We just do not know. My guess is that the figure is possibly 100,000. I would not be surprised if we had 250,000, and I doubt that the Treasury Department would. I do not know. They do not know, either. It just shows that it has been handled in a very loose, careless way, and something should be done about it. This involves $7 billion when only 1 percent of the foundations have been scrutinized—$7 billion tax exempt.

Mr. EVINS. If the gentleman will yield further, in view of the needs of our Treasury and in view of the discussion of possible tax legislation at this time and the overall conditions of the economy, I think the gentleman should call his report to the attention of all three of the enforcement agencies and suggest recommendations to the Congress.

Mr. PATMAN. I thank the gentleman.

Mr. HARVEY of Indiana. Mr. Speaker, during the past year and a half, we have heard and seen repeated attacks upon business. These attacks have not merely taken the form of pointing out abuses, but they have sought to challenge the very existence and strength of our Nation's free-enterprise system. I need not tell you what these attacks and challenges have done to the country's present-day economic climate.

This apparently is no longer adequate. Now we are faced with a condemnation of the many worthwhile and esteemed foundations that have been established throughout the country. Admittedly, the preliminary report that has been given on this floor speaks in terms of questions to be answered and issues to be resolved.

Can there be shown where one word of respect or appreciation or even recognition of an honest motive has been uttered in the foundations' favor? The general theme of the report was in an unfavorable attitude toward the many families of this country who placed their money in foundations allegedly in order to cheat the taxpayers, avoid taxes, and retain power. Not one word was uttered concerning the humanitarian interests and charitable intentions of these families. Not one iota of recognition has been given that these families, having lived well by this country, wished to contribute to its further advancement. This, to my mind, is an injustice.

I, for one, recognize that man is not infallible nor free of sin, but I do believe that he should not be condemned out of hand. In the case of the foundations I believe that the greatest majority of them have been established by men and women of honor in order to render humanitarian services to the peoples of our Nation. And, until the record has been well documented otherwise, I consider it a great disservice to present the unsupportable charges being made.

Unfortunately, this is not all. Not only are charges made without support and accusations hurled without foundation, but we are asked to impose a moratorium on the tax-exempt status of all foundations. The imposition of a moratorium is the harshest sort of punishment, short of total prohibition, that could be recommended. When it is realized that foundations attempt to support and advance every type of worthwhile human endeavor in our society—medicine, science, the arts, economics, social reforms, and many others—a curtailment of their tax-free status should be made only after the most exacting deliberation. It should not be forgotten that only a few short years ago, the National Foundation for Infantile Paralysis led the way in developing a vaccine against that dreadful disease. The Ford Foundation has assisted many bright but needy students to engage in advanced educational studies, including Russian, Chinese, and Middle Eastern, which are vitally required today.

It seems necessary to point out that there are over 45,000 foundations operating in this country today. This, in itself, seems to refute the notion of some that power is being accumulated in a few hands. The total receipts of the 522 foundations studied thus far range from a few hundred thousand dollars to a few million dollars, with the average falling somewhere in the neighborhood of a few million dollars. Certainly, from these facts it is difficult to conclude that undue concentration exists.

It is necessary to point out also that the number of foundations in existence has risen from approximately 13,000 in 1951 to over 45,000 in 1960. In addition, the annual receipts have increased from $533 million in 1951 to $1 billion in 1960. There would seem ample explanation, both from a fiscal and monetary standpoint, why accumulations have increased over this 10-year period—explanations which negate a theory of premeditated abuse of power.

A charge has been made that 106 of the 522 foundations surveyed owned 10 percent or more of the stock of a particular corporation and that this conclusively proves that concentration is rampant. I am compelled to express amazement, not at the large number of foundations owning these percentages of stock, but at the relatively low ratio of those who do. The initial financing of a foundation, whether done by an individual or corporation, is generally accomplished through the donation of stock, usually of one corporation. There is nothing sinister about a practice of this nature.

Another charge has been made that foundation enterprises purposefully operate at a loss in order to drive out competing businesses. There is no evidence of this. I may say, however, that most foundations do not own sufficient stock in any one corporation to impose such business practices. In those that do, however, such as the Ford Foundation, there is every indication that the trustees and officers would last but a short time if they sought to compel the Ford Motor Co. to sell automobiles at a loss.

There is little or no evidence which has been offered to support the charges of concentration and unfair competition among foundations. The tax exemption granted foundations has more than justified itself in recent years through the benefits afforded the citizens of the country. If large business is continually attacked and harassed today, the result will be Government ownership and control—certainly no benefit to the small businessman. And if foundations are now to be condemned and undermined, the result will be governmental succession—certainly no benefit to the citizens of the country.

It is my hope that this investigation will not proceed in an arbitrary or punitive fashion. If there is proven wrongdoing, then the culprits should be punished.

OUR INTERSTATE HIGHWAY PROGRAM, HEADLINES VERSUS FACTS

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL], may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, during our consideration of Federal aid highway legislation, my attention was called to an excellent editorial in the June issue of Right of Way magazine, "Our Interstate Highway Program, Headlines Versus Facts."

This editorial agrees with many of the same things which I have been saying as a member of the Special Subcommittee on the Federal Aid Highway Program. In fact, I emphasized many of these same points in a letter to the chairman of the subcommittee, the Honorable JOHN BLATNIK, before the Easter recess. In this letter I reviewed my proposal for an on-the-spot congressional inspection team which would travel to the different States and make firsthand inspections of the many interstate highway projects. These inspections would not only help us ferret out wrong-doing, but would also permit us to see if wrong-doing which we have already exposed is being properly corrected.

In my letter I also said:

> This would also serve to point up some of the outstanding work that has been and is being done by the various highway departments and by the honest, progressive, and forward-looking contractors. We may find that this kind of policy investigation could save many millions, if not billions, of dollars.

It is my feeling, Mr. Speaker, that until we follow this type of suggestion, we will not be serving the public interest as we are obligated to do. I urge the chairman of the special subcommittee to give heed to this editorial and to also give further consideration to the contents of my letter so that we will not only uncover and expose graft and corruption more effectively, but we will also be in a position to recognize and appraise the much good work which is being carried out in many of the States with respect to the completion of the Interstate Highway System.

Under leave to extend my remarks, the editorial follows:

> OUR INTERSTATE HIGHWAY PROGRAM: HEADLINES VERSUS FACTS
>
> We have waited patiently for our top highway administrators and the civil engineering profession to come to the defense of the majority of State highway organizations within the United States which have maintained and established professionally competent, efficient, and ethical organizations. Surely, they are entitled to a sound defense.
>
> Unfortunately, however, and with rare exceptions, certain of the exposures of the Special Subcommittee on the Federal Aid Highway Program, of the House Committee on Public Works, under the leadership of the Honorable JOHN A. BLATNIK, as chairman, have brought about headlines in newspapers, periodicals, and magazines of nationwide circulation.
>
> We do not for 1 minute question the ability and integrity, nor the sincerity of purpose of this special investigating committee. Their desire to render constructive service to the citizens and taxpayers of our Nation is commendable but we know that the headlines publicizing what are purported to be quotes from the members of the Blatnik committee and their staff have substantially lowered the morale of the members of the majority of the State highway right-of-way organizations who are competent, efficient, and honest workmen. Perhaps this condition may be explained by the fact that this important congressional committee has concentrated on those several States where there has been a breakdown in maintenance

of the ethics of the engineering or right-of-way profession, or those limited cases where there has been plain dishonesty.

Let us review a few of the glaring and sensational headlines that have appeared in magazines and in nationwide news service releases:

"OUR GREAT BIG HIGHWAY BUNGLE

"Haste, waste, mismanagement and outright graft are making a multibillion-dollar rathole out of the Federal highway program. If you want honest value for your tax dollars that are going into this 40,000 mile muddle, now is the time to make yourself heard."

"THE GREAT HIGHWAY ROBBERY

"Graft in the new road program is stealing your money, and may endanger your life.

"Investigators are finding graft and fraud, thievery and bribery around every curve. They are learning that the broad new highways are paved with waste, inefficiency and boondoggling.

"More pathetically, they are discovering that many property owners have been cruelly victimized and virtually robbed of their homes by ruthless and unfair condemnation procedures."

A House investigator claims: "Half the country's State highway officials ought to be in jail. They have pocketed bribes, winked at shoddy work and thumbed their noses at the taxpayers in appalling fashion."

Counsel for the Blatnik committee adds: "Throw a dart at a map of the United States. Wherever it sticks, we can find something wrong with the new highways."

From the daily press: "Waste, bribery probed"; "Scandals Hit U.S. Road Program"; "U.S. Highway Program Travels Fast Expressway to Corruption."

By this sort of innuendo, the public can quite well assume that there is incompetency, inefficiency, or downright dishonesty which has been uncovered in every State. Possibly, there has been, and perhaps justifiably so, criticism of the right-of-way valuation procedures carried on by independent appraisers and, in several cases, considerable criticism of the competency of right-of-way personnel over the documentary records prepared of the right-of-way proceedings and other important papers of completed transactions.

We find that the hearings of this congressional committee have exposed broad violations of the code of ethics of the engineering profession in New Mexico, Oklahoma, and Florida, with the criminal indictment of one engineer in Oklahoma and serious implications relative to one or two in New Mexico and several engineers in Florida.

With regard to the right-of-way side of the picture, it has been clearly shown that due to very low salary ranges, thoroughly trained, competent, and experienced professional right-of-way acquisition specialists are conspicuous by their absence in some States. It has also been shown that right-of-way personnel in some of the States have been employed strictly on the basis of political patronage and the fulfillment of political obligations rather than having been employed on the basis of competence, efficiency, and experience.

Certainly, no citizen in his right mind could or would attempt to condone some of the inefficient right-of-way operations that were exposed in connection with the Florida investigation, or the sickening situation that has been brought to light in the Commonwealth of Massachusetts where three or four of the right-of-way employees, notwithstanding a merit system requiring civil service examinations to qualify for the position they have filled, have been carried on the payroll of the State for 9 to 13 years on consecutive, temporary appointments. These are the individuals from within the Massachusetts State Highway Right of Way Department, along with three or four independent appraisers, three or four members of the bar in private practice, and two or three highway officials who stand indicted on criminal counts.

We firmly believe that when temptation is permitted to fall into the path of employees, because of weak policies and procedures within a State organization, that inadequate training and experience plus the lack of proper policies and procedures create the underlying reasons for these irregularities. The blame for this type of situation must be placed squarely on the shoulders of the top administrative officers of the highway department.

It is equally as important that top highway administrative officials recognize that "haste makes waste" and face up to the fact that, in fairness to affected property owners, it is vitally important to properly coordinate the overall highway construction program to the end that adequate leadtime is allowed for the right-of-way acquisition function so that proper consideration is afforded every tenant in possession of affected properties. Our chief highway administrative officers must quit hiding behind their "legal rights" to dispossess tenants in possession forthwith, under this legal right of immediate possession of required right-of-way so that construction operations may be carried on. The taxpayers of our Nation are entitled to this consideration.

While this is a painful situation for the honest, competent, and efficient employees in the highway engineering and right-of-way professions, and while not one of us would attempt to condone this situation, we should urge the citizens of our Nation to also look at the other side of the picture:

We plead with the members of the Blatnik committee to carry on investigations in those States where highway departments are operated in true competency and efficiency, where proper consideration in the right-of-way function is extended to citizens of our country who are affected by the improvement, and where, through sound policies and procedures, there is no shade of suspicion of incompetency, inefficiency, or dishonesty, giving equal publicity to these findings.

The Federal interstate highway construction program is the largest, single public improvement program in the history of man.

Immediately upon enactment of the Federal Interstate Highway Act by the Congress in 1956, maximum pressure was exerted on the State highway departments, from all political and civic directions, to get construction moving full speed ahead.

Some of the highway departments did not have sufficient trained and experienced engineering and right-of-way personnel and the required, established policies and procedures to meet the impact of this heavy increase in workload.

Legal and political practices in some States prevented highway administrative officers from recruiting the necessary additional engineering and right-of-way personnel because of their inability to offer salaries comparable to those paid in other States and in private enterprise, with the result that trained, experienced, and competent professional engineering and right-of-way personnel could not be secured. Therefore, those administrators had to accept the help they could get. (In this day and age, you do not get anything you are not willing to pay for.)

The Federal Highway Administrator and his aids in the Bureau of Public Roads, the American Association of State Highway Officials and the American Right-of-Way Association are fully cooperating in an all-out program to assist all State highway organizations to secure trained, experienced, and competent engineering and right-of-way manpower. State highway administrators want to establish sound, safe, and practical policies and procedures and to provide for educational intraining programs for engineering and right-of-way personnel to the end that the overall highway construction program in every one of the States can be carried on in an efficient manner. All highway construction programs should allow for ample leadtime for the right-of-way acquisition function, thereby eliminating, insofar as possible, any lack of consideration or inconvenience to affected tenants in possession.

We concede that corrective measures, competent staffing and sound policies and procedures are critically needed in several of the State highway organizations. We also believe that the law of averages proves that, as a whole, the interstate highway construction program is being carried on by honest and sincere employees of the State highway departments, the highway construction fraternity, the equipment and the material people.

We respectfully refer to the statement of the Honorable GEORGE H. FALLON, chairman of the Subcommittee on Roads of the House Committee on Public Works:

"The national highway program is being built on a high plane and reports to the Congress of shady dealings, shoddy workmanship and slipshod inspection are the exception rather than the rule."

We believe that with the assistance of the national real estate appraisal organizations, we can improve the right-of-way valuation functions by independent right-of-way valuation experts to the end that the most competent independent appraisers are assigned this function in all of the States, and that the practice of employing real estate appraisers for the right-of-way valuation function, on a political patronage basis, can be eliminated.

Our experience, over 40 years of close association with the highway engineering fraternity, convinces us that our highway engineers and our professional right-of-way acquisition experts are, collectively, as sincere, honest, and conscientious a group of professional men as can be found in the world.

Unfortunately, so long as we are involved with the competency, efficiency, and integrity of human beings, we must always be on our guard against the weakling who succumbs to temptation. We must take every possible step available to us to control dishonesty and be ready and willing to expose the offenders.

We should remember that our national banks and the employees of these institutions are under extremely tight, competent Federal supervision and yet, a very few of the over 2 million human beings employed in our financial institutions succumb to temptation. The percentage of national bank employees who are accused of dishonest acts is much higher than the percentage of those involved in the highway construction program who have been accused. We do not rush down to the bank and withdraw our deposits because of these occasional dishonest acts of bank employees.

We are told that there are approximately 250,000 State highway employees in the 50 States and that there are close to a total of 2½ million people employed in the entire highway construction program; that there are 2½ million citizens in the State of Oregon; that the State of Oregon has one of the lowest crime rates of any State in the Union.

There are 1,876 convicted felons in the two Oregon State penitentiaries at Salem. From information available to us, some 24 people involved in the overall highway construction program have been convicted or stand indicted for criminal actions since the inception of the expanded Federal highway construction program in 1956.

We dare not stand on this record. We, in the right-of-way profession, must fulfill our obligations to our profession and our country by taking every step humanly possible to eliminate incompetency, inefficiency, and, above all, even a shade of dishonesty in the nationwide State highway right-of-way acquisition program.

The American Right-of-Way Association, as a nonprofit and nonpolitical, professional, educational organization, together with the many other honorable attributes of its code of ethics, continuously seeks to render constructive public service at local, State, or National levels.

It is on this basis that the American Right-of-Way Association pledges its wholehearted support to assist State highway organizations in developing sound and practical right-of-way acquisition procedures; to further assist State highway right-of-way organizations in developing a sound educational intraining program for the benefit of the presently employed right-of-way staff and, equally as important, to properly educate and assist in guiding the training of new employees who are brought into the right-of-way organization, providing the States that need help will, at the administrative level, adopt a policy of employing right-of-way personnel on the basis of competency, efficiency, and integrity and not on the basis of political patronage.

We cannot and will not, under any circumstances, attempt to condone incompetency and inefficiency and our association, under its code of ethics, must condemn those misguided individuals who in their highway right-of-way acquisition functions have committed dishonest acts for which they have been indicted and will be tried under the laws of our Nation. While our sympathies go to the families of these individuals, we must stand on the principle that the most sacred trust that can be imposed upon a man is the trust of the citizens of our Nation that such individuals will, above all other factors, operate with maximum integrity. We cannot too strongly condemn a public employee who has accepted this trust and has been found wanting.

We must recognize that in the haste to get the huge Federal interstate highway construction program underway, there has been some incompetency and inefficiency. There has been some dishonesty. All of us should remember that a few bad apples do not destroy the entire barrel.

OUR FOREIGN AFFAIRS

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. Derwinski] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, we certainly should not be surprised if the average citizen is completely confused over the inconsistent and weird policies which seem to govern our foreign affairs.

For example, the conference committee on the foreign aid authorization bill completely disregarding the obvious sentiment in both the House and Senate, has produced a weakened, watered-down language dealing with aid to Communist countries; similarly weak, watered-down language in dealing with expropriation, and permits unrestricted aid to India and other neutrals whose position on major issues is often deliberately anti-United States.

Then to compound the inconsistencies, which are becoming increasingly questioned by the public, we find in the case of Peru and other Latin American countries, immediate violent reaction from our State Department and administration officials, and the President, whenever an internal governmental crisis develops. This interest and eagerness to second guess and criticize any and all Latin American developments is not the policy that is followed in dealing with Eastern European lands which, under Communist domination, have perpetual crises. The silence over internal problems in Albania, Yugoslavia, and other lands is in direct contrast to our untimely meddling in Latin America.

My suggestion, Mr. Speaker, is that we reverse these contradictory policies and stress all Communist internal abuses that the Eastern European dictators perpetuate upon their people by emphasizing our interest in the restitution of freedom to those lands and to the peoples within the Soviet Union proper. In turn, we ought to at least wait for developments in the periodic upheavals in Latin American countries until all the facts of the case are clear, and our comments could not be interpreted as direct meddling in those lands.

The inconsistencies continue when we find aid to Communist countries without any strings attached, without any suggestion to the Communist government that it abandon its tyrannical police-state tactics, and restore personal independence and liberties to its people. However, the slightest development in Latin American countries produces an immediate State Department tirade, claiming another setback for democracy, along with an immediate threat to withhold Alliance for Progress funds.

If it is logical to demand certain preliminary conditions before the granting of aid through the Alliance for Progress, then it is equally consistent to demand certain preliminary conditions from all countries receiving aid, including neutrals and Communists.

In dealing with left-leaning neutralists and outright Communist countries, the preliminary condition should consist of their abandoning all pro-Soviet foreign policy position, and instituting internal reforms that will bring freedom to the citizens in those countries, rather than to blindly perpetuate their socialistic or totalitarian practices.

Mr. Speaker, I suppose Members of Congress and the American public, are asking too much to expect logic and elementary commonsense from our State Department policymakers, but we have for too long tolerated these unfortunate inconsistencies, which have become greater in recent months.

Mr. Speaker, the world is crying for political leadership and only the United States has the power to provide it. This leadership has been lacking on our part, and can only be provided with a basic about-face in the administration's conduct of foreign policy.

UNPAID U.S. ASSESSMENTS

Mr. LIBONATI. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. Monagan] may extend his remarks at this point in the Record and include extraneous matter and tables.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MONAGAN. Mr. Speaker, my attention has been called to an article by Mr. Thomas J. Hamilton, entitled "U.N. Crisis on Debt Hinges on Ruling by World Court," which appeared in the July 16 edition of the New York Times.

To an extent, Mr. Hamilton was right. I am pleased, therefore, that the World Court last Friday handed down a decision which should be of considerable help to the United Nations in straightening out its financial affairs. By stating that special U.N. assessments come within the penalty provision of Article 19 of the U.N. Charter, the World Court gave the United Nations what may prove to be an effective weapon for collecting arrearages.

At the same time, Mr. Hamilton's story contains a number of inaccuracies and, judging from the reaction it has produced, it has left many readers with erroneous impressions about the status of unpaid U.N. assessments. For this reason, under permission previously granted, I am placing Mr. Hamilton's story at this point in the Record, and I would like to comment on it.

U.N. Crisis on Debt Hinges on Ruling by World Court—Decision Due This Week on Whether Balking Nations Must Pay Assessments

(By Thomas J. Hamilton)

United Nations, N.Y., July 15.—The International Court of Justice is expected to hand down this week an opinion with far-reaching effects on the future of the United Nations.

The question before the Court is a technical one—whether the assessments for the United Nations Congo Force and the United Nations Emergency Force in Egypt constitute "expenses of the organization" within the meaning of the charter.

However, the decision will have wider ramifications in view of the financial crisis produced by the refusal of the Soviet Union, France and other members to pay their assessments for the Congo force, which costs $120 million a year.

This crisis has been aggravated by the accompanying failure of many members, including the Arab countries, to pay for their share of the Emergency Force, the annual cost of which is $19,500,000.

VOTING RIGHTS IN QUESTION

Under the charter, a member nation that is more than 2 years in arrears on its assessments for "the expenses of the organization" loses its right to vote in the General Assembly. Expenses of both the Congo force and the Emergency Force, however, are met from special accounts, not from the regular United Nations budget.

Until now no attempt has been made to deny voting rights to those who have failed to pay these assessments.

The way will be opened for such action if the World Court agrees with the United States and some other members and holds that assessments for the Congo force and the Emergency Force are on the same mandatory basis as those for the regular budget.

On the other hand, the United Nations financial position will become very difficult if the Court agrees with the Soviet position that payment of such assessments is voluntary.

A compilation by the New York Times, based on United Nations reports on payments through June 30, show that 18 of the 104 members have paid all their assessments for the regular budget, the Congo force, and the Emergency Force.

These are Burma, Cameroon, Canada, the Central African Republic, Ceylon, Cyprus, Denmark, Finland, Iceland, Ireland, Ivory Coast, Liberia, the Netherlands, New Zealand, Norway, Sweden, Tunisia, and Turkey. Of these, only Canada, Sweden, and the Netherlands are assessed as much as 1 percent of United Nations expenditures.

The Soviet Union, together with the Ukraine and Byelorussia, which have separate membership although they are part of the Soviet Union, is the largest debtor. As of June 30 the three owed the United Nations a total of $65,205,699 on the regular budget, the Congo force, and the Emergency Force.

Since then, however, the Soviet Union has paid part of its assessments for the 1962 budget, reducing total indebtedness to about $60 million.

The United States is the second largest debtor, since Congress does not provide the money for the calendar year until after the start of the fiscal year July 1. As of June 30, the United States owed $52,355,279. This was reduced a few days ago to about $33 million by the payment of an installment on the regular budget.

The next largest debtors are: Nationalist China, $15,865,355; France, $14,186,015; Britain, $5,459,877.50. France, however, has paid her entire assessments for the regular budget and for the Emergency Force. Britain has paid her entire assessment for the Emergency Force and owes a little more than $1 million on the regular budget.

As these payments indicate, there have been no difficulties about collecting assessments on the regular budget. The United Nations collected 99.99 percent of assessments for the 1959 budget, 99.28 percent for 1960, and 92.68 for 1961.

BONDS TO COVER DEFICITS

However, arrears on the Emergency Force, which was established in 1956, now total more than $25 million. Arrears on the Congo force, which is 2 years old, total more than $116 million.

These deficits will absorb most of the $175 million in bonds that the United Nations expects to sell out of an authorized issue of $200 million. In addition, the General Assembly still has to vote assessments for the Congo force and the Emergency Force for the period that began July 1.

If the World Court put assessments for the two forces on the same basis as those for the regular budget, a further complication would arise.

The United States, to induce the General Assembly to impose assessments for the Congo force and the Emergency Force, agreed last year to pay either 50 or 80 percent (depending on a member's financial position) of the assessments of most members.

Thus the United States, in addition to its assessment of $25,616,000 for this year's expenses of the Congo force, pledged $11,400,800 to reduce payment by other members.

If assessments for the two forces are merged with those for the regular budget, the question will arise whether the United States will make a similar extra donation. The same problem exists with the payment of interest and principal on the United Nations bonds.

Of the 104 U.N. members, the following, in addition to the United States, have not benefited from the extra U.S. contributions this year: Australia, Austria, Belgium, Byelorussia, Canada, Czechoslovakia, Denmark, Finland, France, Hungary, Italy, the Netherlands, New Zealand, Norway, Rumania, South Africa, Sweden, the Ukraine, the Soviet Union, and Britain.

UNPAID U.N. ASSESSMENTS

UNITED NATIONS, N.Y., July 13.—The following table showing the extent member nations are behind in paying their assessments for the regular United Nations budget and the Congo and Middle East operations was prepared from data in the United Nations statement on collection of contributions as of June 30:

[In U.S. dollars]

Member states	Percent of U.N. budget	Arrears U.N. budget[1]	Arrears Congo[2]	Arrears UNEF[2]	Total
Afghanistan	0.05		34,365.50	39,322.50	73,688.00
Albania	.04	29,668.00	33,644.00	34,108.00	97,420.00
Argentina	1.01	1,347,411.10	649,372.00	856,376.00	2,853,159.00
Australia	1.66	510,355.00			510,355.00
Austria	.45	150,622.00	993,847.00	43,390.00	1,187,859.00
Belgium	1.20	798,899.00	2,876,284.00	158,778.00	3,833,961.00
Bolivia	.04	55,050.00	33,664.00	38,059.00	126,773.00
Brazil	1.03	672,421.00	413,022.50	18,934.00	1,104,377.50
Britain	7.58	1,196,363.00	4,263,514.50		5,459,877.50
Bulgaria	.20	130,632.00	141,055.00	129,306.00	400,993.00
Burma	.07				
Byelorussia	.52	339,552.00	1,108,811.00	443,761.00	1,892,124.00
Cambodia	.04	24,746.00	27,298.00		52,044.00
Cameroun	.04				
Canada	3.12				
Central African Republic	.04				
Ceylon	.09				
Chad	.04	26,175.00	13,035.98	777.00	39,987.98
Chile	.26	160,340.00	160,247.00	91,802.00	412,389.00
China	4.57	5,923,775.00	5,751,743.50	4,180,836.50	15,865,355.00
Colombia	.26	180,645.27	177,825.50	41,732.91	400,203.68
Congo (Brazzaville)	.04	53,273.00	16,452.00	8,745.00	78,470.00
Congo (Leopoldville)	.07	27,736.50	11,196.00	1,362.00	40,294.50
Costa Rica	.04	37,231.12	23,977.50	15,628.09	76,836.71
Cuba	.22	404,464.00	205,598.00	191,001.00	801,063.00
Cyprus	.04				
Czechoslovakia	1.17	723,740.00	2,218,437.00	822,122.00	3,764,299.00
Dahomey	.04	27,108.94	6,246.06	1,158.93	34,513.93
Denmark	.58				
Dominican Republic	.05	31,916.00	42,079.00	10,275.00	84,270.00
Ecuador	.06	27,073.91	34,534.62		61,608.53
El Salvador	.04	23,022.00	28,371.00	17,874.00	69,267.00
Ethiopia	.05		34,365.50	65,084.50	99,450.00
Federation of Malaya	.13	75,230.00		2,343.00	77,573.00
Finland	.37				
France	5.94		14,186,015.00		14,186,015.00
Gabon	.04	25,744.00	14,321.00	777.00	40,842.00
Ghana	.09	63,574.00	14,341.00	1,676.00	79,591.00
Greece	.23	143,400.00	137,869.50	160,116.00	441,385.50
Guatemala	.05	91,084.00	29,971.00	18,053.00	139,108.00
Guinea	.04	25,682.00	33,664.00	8,219.00	67,565.00
Haiti	.04	69,634.00	23,977.50	14,470.00	108,081.50
Honduras	.04	71,014.00	23,977.50	8,408.00	103,399.50
Hungary	.56	742,102.00	734,270.00	402,928.00	1,879,300.00
Iceland	.04				
India	2.03	139,999.50	809,925.00		949,924.50
Indonesia	.45	288,950.00	278,534.00	8,245.00	575,729.00
Iran	.20	124,392.00	99,281.50	3,663.00	227,336.50
Iraq	.09	56,999.00	75,744.00	76,598.00	209,341.00
Ireland	.14				
Israel	.15	184,554.00	23,882.00	2,767.00	211,203.00
Italy	2.24	1,459,906.00	5,108,646.00	215,861.00	6,784,413.00
Ivory Coast	.04				
Japan	2.27		906,153.00	108,190.00	1,014,343.00
Jordan	.04	26,113.00	33,664.00	34,108.00	93,885.00
Laos	.04	50,859.00	23,977.50	4,457.00	79,293.50
Lebanon	.05		22,013.00	20,764.00	42,777.00
Liberia	.04				
Libya	.04	50,859.00	33,664.00	34,108.00	118,631.00
Luxembourg	.05		7,949.00		7,949.00
Madagascar	.04		18,141.25		
Mali	.04	25,744.00	14,321.00	777.00	40,842.00
Mauritania[3]					
Mexico	.74	479,015.00	602,331.00	527,028.00	1,608,374.00
Mongolia[3]					
Morocco	.14	250,122.00	117,823.00	29,451.00	397,397.00
Nepal	.04	29,702.00	23,977.50	26,346.00	80,025.50
Netherlands	1.01				
New Zealand	.41				
Nicaragua	.04	47,864.50	23,977.50	4,628.75	76,470.75
Niger	.04	40,100.00	15,386.50	4,983.00	60,469.50
Nigeria	.21	135,151.00	33,580.00	4,082.00	172,813.00
Norway	.45				
Pakistan	.42	414,218.00	66,863.00	7,739.00	488,820.00
Panama	.04	24,734.00	23,977.50	28,241.00	76,952.50
Paraguay	.04	65,959.00	23,977.50	30,346.00	120,282.50
Peru	.10	60,661.00	64,337.50	94,408.00	219,406.50
Philippines	.40	253,899.00	148,828.00	47,329.00	450,056.00
Poland	1.28	784,920.00	1,852,915.00	1,269,004.00	3,906,839.00
Portugal	.16		161,919.00		161,919.00
Rumania	.32	144,083.00	757,181.00	375,230.00	1,276,494.00
Saudi Arabia	.07	45,715.00	52,095.00	55,309.00	153,119.00
Senegal	.05	32,717.00	7,994.00	971.00	41,682.00
Sierra Leone[3]					
Somalia	.04	25,744.00	14,321.00	777.00	40,842.00
South Africa	.53		1,249,477.00	51,043.00	1,300,520.00
Soviet Union	14.97	[4] 9,769,176.00	32,052,762.00	14,218,288.00	56,040,226.00
Spain	.86		771,483.00	867,164.00	1,638,647.00
Sudan	.07	45,713.92	37,565.50	71,118.00	154,397.42
Sweden	1.30				
Syria[5]					
Tanganyika[3]					
Thailand	.16	96,256.00	25,465.00	2,940.00	124,661.00
Togo	.04		15,386.50	4,983.00	20,369.50
Tunisia	.05				
Turkey	.40				
Ukraine	1.98	1,335,928.38	4,237,317.00	1,700,104.00	7,273,349.38
United Arab Republic[5]	.30	342,671.96	266,110.00	317,409.00	926,190.96
United States	32.02	[4] 23,617,329.00	25,616,000.00	3,121,950.00	52,355,279.00
Upper Volta	.04	25,744.00	16,452.00	8,745.00	50,941.00
Uruguay	.11	125,655.00	70,332.00	24,983.00	220,970.00
Venezuela	.52	336,063.00	302,916.00	56,104.00	695,083.00
Yemen	.04	71,459.00	33,664.00	34,108.00	139,231.00
Yugoslavia	.38	129,846.00	299,358.00	7,015.00	436,219.00

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[1] New members in recent years have been assigned a percentage of this budget without modifying the percentages previously assigned to other countries. Thus, the total percentage is now more than 100 percent.

[2] Voluntary contributions by various nations, mainly the United States, have reduced the amounts payable to the Congo and Middle East operation by all nations except Australia, Austria, Belgium, Britain, Byelorussia, Canada, Czechoslovakia, Denmark, Finland, France, Hungary, Italy, Mauritania, Mongolia, the Netherlands, New Zealand, Norway, Rumania, Sierra Leone, South Africa, the Soviet Union, Sweden, Syria, Tanganyika, Ukraine and the United States.

[3] These countries were admitted to the United Nations during the last session of the General Assembly and they have not yet been assessed for the United Nations budget.

[4] Since this report was issued the Soviet Union has paid $5,041,000 and the United States $19,217,320 as installments to the United Nations budget.

[5] The allocation between Syria and the United Arab Republic has yet to be determined.

I want to begin by addressing myself to Mr. Hamilton's comments about assessments of U.N. members, and arrearages.

In paragraph 9 of his article, Mr. Hamilton indicates that only 18 of the 104 members have paid all their assessments on the 3 U.N. budgets. Later he goes on to say that, as of June 30, 1962, the United States alone was $52,355,279 in arrears. The pertinent column headings in his table refer specifically to arrearages.

Now these statements and column headings tend to create a very strong but decidedly erroneous impression; namely, that the amounts owed by the 86 countries, including the United States, should have been paid by now.

The fact is that this is not the case. Mr. Hamilton has confused current dues with bona fide arrears. Under the column labeled "Arrears, U.N. Budget," for instance, he has included 1962 assessments as well as prior year assessments. But the 1962 assessments will not become arrears until next year. They can be paid any time during the current calendar year—and still be paid on time. It is not only misleading, therefore, but downright erroneous to refer to them as "arrears."

In order to clarify the status of U.N. assessments and arrearages of member states, I wish to place at this point in the RECORD a table containing a summary of 1961 and prior year arrearages owed the United Nations:

Summary of 1961 and prior year arrearages owed the United Nations

[In U.S. dollars]

	1961 and prior year arrearages owed Dec. 31, 1961				1961 and prior year arrearages paid Jan. 1, 1962–June 30, 1962				1961 and prior year arrearages owed June 30, 1962			
	Regular budget	UNEF	UNOC	Total	Regular budget	UNEF	UNOC	Total	Regular budget	UNEF	UNOC	Total
Communist bloc:												
Albania	14, 535	33, 373	27, 298	75, 206	11, 000			11, 000	3, 535	33, 373	27, 298	64, 206
Bulgaria	24, 986	125, 586	109, 190	259, 762	24, 986			24, 986		125, 586	109, 190	234, 776
Byelorussian S.S.R.	290, 782	393, 591	693, 207	1, 377, 580	290, 782			290, 782		393, 591	693, 207	1, 086, 798
Czechoslovakia		709, 019	1, 283, 171	1, 992, 190						709, 019	1, 283, 171	1, 992, 190
Hungary	476, 283	348, 802	286, 624	1, 111, 709	100, 000			100, 000	376, 283	348, 802	286, 624	1, 001, 709
Poland	618, 569	1, 208, 150	1, 342, 070	3, 168, 789	618, 569			618, 569		1, 208, 150	1, 352, 070	2, 550, 220
Rumania	70, 347	344, 414	501, 468	916, 229	70, 347			70, 347		344, 414	501, 468	845, 882
Ukrainian S.S.R	1, 113, 582	1, 509, 085	2, 654, 835	5, 277, 502	1, 070, 546			1, 070, 546	43, 036	1, 509, 085	2, 654, 835	4, 206, 956
U.S.S.R	1, 568, 843	12, 774, 084	20, 088, 253	34, 431, 180	1, 568, 843			1, 568, 843		12, 774, 084	20, 088, 253	32, 862, 337
Subtotal	4, 177, 927	17, 446, 104	26, 986, 116	48, 610, 147	3, 755, 073			3, 755, 073	422, 854	17, 446, 104	26, 986, 116	44, 855, 074
Cuba	271, 551	186, 993	170, 609	629, 153	75, 000			75, 000	196, 551	186, 993	170, 609	554, 153
France			9, 439, 414	9, 439, 414							9, 439, 414	9, 439, 414
Belgium	57, 212	43, 245	1, 917, 381	2, 017, 838					57, 212	43, 245	1, 917, 381	2, 017, 838
Arab States	437, 238	662, 193	556, 516	1, 655, 947	55, 680	5, 572	17, 864	79, 116	381, 558	656, 621	538, 652	1, 576, 831
China	5, 624, 484	4, 022, 703	3, 927, 969	13, 575, 156	2, 551, 523	50, 000		2, 601, 523	3, 072, 961	3, 972, 703	3, 927, 969	10, 973, 633
All others	2, 465, 468	4, 058, 061	11, 359, 295	17, 882, 824	1, 092, 378	1, 030, 830	2, 858, 826	4, 982, 034	1, 373, 090	3, 027, 231	8, 500, 469	12, 900, 790
Total arrearages	13, 033, 880	26, 419, 299	54, 357, 300	93, 810, 479	7, 529, 654	1, 086, 402	2, 876, 690	11, 492, 746	5, 504, 226	25, 332, 807	51, 480, 610	82, 317, 733

Mr. Speaker, I would like to comment on three other issues raised in Mr. Hamilton's article.

First, regarding the deficits in the financing of the United Nations Emergency Force and of the United Nations Operation in the Congo.

Paragraph 17 of the story states:

> These deficits will absorb most of the $175 million in bonds that the United Nations expects to sell out of an authorized issue of $200 million.

I am advised that the U.N. has not conceded that only $175 million of bonds will be sold. It is my understanding that the U.N. is aiming at raising funds to the full extent of the authorization voted by the General Assembly, and that it expects to achieve that goal.

Further, the deficit is not expected to absorb most of the $200 million bond issue. According to testimony presented before the Committee on Foreign Affairs, only about 25 percent of the bond issue is expected to be used initially to pay back debts.

The same paragraph of Mr. Hamilton's story states, "In addition, the General Assembly still has to vote assessments for the Congo Force and the Emergency Force for the period that began July 1." This is not true. The bond issue proceeds are to cover the expenses of these peacekeeping operations beyond July 1: No assessment remains to be voted for 1962.

Second, regarding Mr. Hamilton's statements about possible effect on U.S. contributions to the U.N. of the advisory opinion handed down by the World Court:

In paragraph 18, the story states:

> If the World Court put assessments for the two forces [UNEF and U.N. operation in the Congo] on the same basis as those for the regular budget, a further complication would arise.

Mr. Hamilton defines this "further complication" as involving the question of special U.S. contributions which, in the past, have made it possible for the U.N. to reduce the assessments of certain other countries for the financing of the two peacekeeping programs. He feels that if the World Court hands down a favorable decision—as it did this morning—the United States may end up continuing its special contribution.

There is no reason why this should happen. Under the terms of the bond issue resolution adopted by the U.N. Generaly Assembly, the costs of the two programs will be financed from the proceeds of the bond issues. There is to be no extra donation on the part of the United States for this purpose.

Further down, the article states:

> The same problem exists with the payment of interest and principal on the U.N. bonds.

Here again this is not true: the U.S. percentage is to be 32 percent with no extra donation. This is clearly specified in the General Assembly resolution.

The third and final point relates again to UNEF operations.

Paragraph 4 of Mr. Hamilton's story indicates that the financial crisis of the U.N. has been aggravated by the "accompanying failure of many countries, including the Arab countries, to pay their share of the Emergency Force." While this statement is in the main true, the Arab States should not all be lumped together: Tunisia has fully paid these assessments through 1961 and Iraq, Lebanon, and Morocco have partially paid their 1957–67 assessments.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mrs. BOLTON (at the request of Mr. BETTS), for the remainder of the week, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. GEORGE P. MILLER for 20 minutes, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

(The following Members (at the request of Mr. HALPERN) and to include extraneous matter:)

Mr. FINO.

Mr. ALGER.

Mr. JENSEN.

(The following Members (at the request of Mr. LIBONATI) and to include extraneous matter:)

Mrs. SULLIVAN.

Mr. ADDABBO.

Mr. CLEM MILLER, to include extraneous matter in his remarks made during consideration of the Point Reyes Park bill today.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 7727. An act to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants;

H.R. 9273. An act to repeal obsolete laws relating to military bounty land warrants and to provide for cancellation of recorded warrants; and

H.R. 10618. An act granting the consent of Congress to the Southern Interstate Nuclear Compact, and for related purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2147. An act for the relief of Felipe O. Pagdilao.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 1811. An act to amend chapter 85 of title 38, United States Code, relating to war orphans' educational assistance, in order to permit eligible persons thereunder to attend foreign educational institutions under certain circumstances;

H.R. 3383. An act for the relief of Joseph Starker;

H.R. 5061. An act for the relief of James L. Merrill;

H.R. 6655. An act for the relief of Lecil A. Sims;

H.R. 7727. An act to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants;

H.R. 8282. An act to amend section 3203 (d) of title 38, United States Code, to provide that there shall be no reduction of pension otherwise payable during hospitalization of certain veterans with a wife or child;

H.R. 8415. An act to change the classes of persons eligible to receive payments of benefits withheld during the lifetime of deceased veterans while being furnished hospital or domiciliary care;

H.R. 8484. An act to authorize establishment of the Theodore Roosevelt Birthplace and Sagamore Hill National Historic Sites, N.Y., and for other purposes;

H.R. 9273. An act to repeal obsolete laws relating to military bounty land warrants and to provide for cancellation of recorded warrants;

H.R. 9599. An act for the relief of Solomon Annenberg;

H.R. 9844. An act to waive section 142, title 28, United States Code, with respect to the U.S. District Court for the District of Connecticut for holding court at Bridgeport;

H.R. 10012. An act to waive section 142, of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Tennessee, holding court at Winchester, Tenn.;

H.R. 10016. An act to waive section 142 of title 28, United States Code, with respect to the holding of court at Decatur, Ala., by the U.S. District Court for the Northern District of Alabama;

H.R. 10068. An act to amend section 742 of title 38, United States Code, to permit the exchange of 5-year term policies of U.S. Government life insurance to a special endowment at age 96 plan;

H.R. 10389. An act to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Texas, Marshall division, holding court at Marshall, Tex.;

H.R. 10618. An act granting the consent of Congress to the Southern Interstate Nuclear compact, and for related purposes;

H.R. 10669. An act to liberalize the provisions of title 38, United States Code, relating to the assignment of national service life insurance;

H.R. 11670. An act to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes; and

H.J. Res. 714. Joint resolution authorizing the acquisition of certain property in the District of Columbia and its conveyance to the International Monetary Fund, on a full reimbursement basis, for use in expansion of its headquarters.

ADJOURNMENT

Mr. LIBONATI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 46 minutes p.m.), the House adjourned until tomorrow, Tuesday, July 24, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2335. A communication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1963 involving an increase in the amount of $196,000 for the Panama Canal-Canal Zone Government, operating expenses (H. Doc. No. 486); to the Committee on Appropriations and ordered to be printed.

2336. A letter from the Assistant Secretary of the Interior, transmitting a report on the Bostwick Park project, Colorado, pursuant to section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) (H. Doc. No. 487); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

2337. A letter from the Secretary of the Air Force, relative to the number of officers assigned or detailed to permanent duty in the executive element of the Air Force at the seat of government, pursuant to section 8031 (c), title 10, United States Code; to the Committee on Armed Services.

2338. A letter from the Comptroller General of the United States; transmitting a report on the review of selected activities of the Communicable Disease Center (CDC), Public Health Service, Department of Health, Education, and Welfare (HEW); to the Committee on Government Operations.

2339. A letter from the Comptroller General of the United States, transmitting a report on the examination into the pricing of a subcontract for nuclear components awarded by the Plant Apparatus Department of Westinghouse Electric Corp. to another department of Westinghouse and charged to the Navy under a cost-plus-a-fixed-fee contract; to the Committee on Government Operations.

2340. A letter from the Acting Secretary of the Interior, relative to an application for a loan of $4,620,000 to the Roosevelt Irrigation District in Maricopa County, Ariz., pursuant to 71 Stat. 48; to the Committee on Interior and Insular Affairs.

2341. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the annual report of the Federal Deposit Insurance Corporation for the year ended December 31, 1961, pursuant to the Federal Deposit Insurance Act; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JONES of Alabama: Committee on Public Works. H.R. 12398. A bill to authorize the Administrator of General Services, in connection with the construction and maintenance of a Federal office building, to use the public space under and over 10th Street S.W. in the District of Columbia, and for other purposes; without amendment (Report No. 2026). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DEROUNIAN:

H.R. 12651. A bill to amend section 4142 (relating to the definition of radio and television components) of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. JOHNSON of Maryland:

H.R. 12652. A bill to amend the Library Services Act in order to make areas lacking public libaries or with inadequate public libraries, public elementary and secondary school libraries, and certain college and university libraries, eligible for benefits under that act, and for other purposes; to the Committee on Education and Labor.

By Mr. JOHNSON of Wisconsin:

H.R. 12653. A bill to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase the limitation on the amount of loans which may be insured under subtitle A of such act; to the Committee on Agriculture.

By Mr. MONAGAN:

H.R. 12654. A bill to amend title 38, United States Code, to permit, for 1 year, the granting of national service life insurance to veterans heretofore eligible for such insurance; to the Committee on Veterans' Affairs.

By Mr. O'BRIEN of Illinois:

H.R. 12655. A bill to amend the Internal Revenue Code of 1954 to insure that the communications taxes will not apply to certain private communication services furnished to common carriers; to the Committee on Ways and Means.

By Mr. SCHWEIKER:

H.R. 12656. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for expenses incurred for the higher education of himself, his spouse, and his dependents; to the Committee on Ways and Means.

By Mr. SCOTT:

H.R. 12657. A bill to amend section 8 of the National Labor Relations Act, as it relates to picketing; to the Committee on Education and Labor.

By Mr. DEROUNIAN:

H.R. 12658. A bill relating to the marking requirements for imported cigar labels and bands and for other imported labels; to the Committee on Ways and Means.

By Mr. JOHNSON of Maryland:

H.R. 12659. A bill to amend the Internal Revenue Code of 1954 to provide a 10-percent reduction in the individual and corporate income tax for the taxable year 1963; to the Committee on Ways and Means.

By Mr. SPENCE:

H.R. 12660. A bill to extend the International Wheat Agreement Act of 1949; to the Committee on Banking and Currency.

By Mr. ASHMORE:

H.R. 12661. A bill to amend section 9(b) of the act entitled "An act to prevent pernicious political activities" (the Hatch Political Activities Act) to eliminate the requirement that the Civil Service Commission impose no penalty less than 90 days' suspension for any violation of section 9 of the act; to the Committee on House Administration.

By Mr. CELLER:

H.R. 12662. A bill to amend the Immigration and Nationality Act of June 27, 1952, regarding nationals born of American Samoan parents; to the Committee on the Judiciary.

By Mr. JOHANSEN:

H.J. Res. 829. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of any State to establish, through its own constitution, representation in one house of its legislature based on factors other than population exclusively; to the Committee on the Judiciary.

By Mr. KEARNS:

H.J. Res. 830. Joint resolution authorizing the placing of a statue to Dr. Harvey W. Wiley, author and champion of the original pure food and drug law, in the Statuary Hall collection in the U.S. Capitol Building, and for other purposes; to the Committee on House Administration.

By Mr. FRIEDEL:

H. Res. 735. Resolution providing an additional allowance for telephone and telegraph service for certain Members of the House of Representatives; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of Mississippi, memorializing the President and the Congress of the United States to amend the Federal Copyright laws (title 17, USCA) relative to regulating and alleviating certain abuses being practiced by certain music licensing associations, which was referred to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUCHINCLOSS:

H.R. 12663. A bill for the relief of Mrs. Mei Lee Wong; to the Committee on the Judiciary.

By Mr. GUBSER:

H.R. 12664. A bill for the relief of Surender Lal Berry; to the Committee on the Judiciary.

By Mr. JUDD:

H.R. 12665. A bill for the relief of David Yang (serial No. US52522721); to the Committee on the Judiciary.

By Mr. KING of California:

H.R. 12666. A bill for the relief of Ugo Voce; to the Committee on the Judiciary.

By Mr. RIEHLMAN:

H.R. 12667. A bill for the relief of Peter Gerhard Kubetschek; to the Committee on the Judiciary.

By Mr. WALTER (by request):

H.R. 12668. A bill for the relief of Jose Jesus Hernandez Miramontes; to the Committee on the Judiciary.

SENATE

Monday, July 23, 1962

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou kindly light of our pilgrim way,
New mercies each returning day,
Hover around us while we pray.

We come confessing that we live too much in the shallowness and shabbiness about us, and that in the rush and clash of busy hours, too often we forget the heavenly vision that lifts us above mediocrity and lifts our eyes to far horizons.

Whatever this new day or the days ahead may hold for us as they commandeer our strength of mind and body and heart, may their appeals lay hold of our wider sympathy and harness our ability to respond to the needs of Thy children, our brethren.

Put upon the lips of those who here speak for a free people the promise of a brightening future. Send us forth girded with Thy might, until by patience, persistence, and enduring courage we become sufficient for the tasks that in Thy name and in Thy strength we must accomplish for the world's redemption.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. Humphrey, and by unanimous consent, the reading of the Journal of the proceedings of Friday, July 20, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 19, 1962, the President had approved and signed the act (S. 2775) to amend the act of June 30, 1954, providing for a continuation of civil government for the Trust Territory of the Pacific Islands.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, notified the Senate that, pursuant to the provisions of section 1, Public Law 87–437, the Speaker had appointed Mr. Whitener, Mr. Rains, Mr. Kitchin, and Mr. Jonas, as members of the North Carolina Tercentenary Celebration Commission, on the part of the House.

The message announced that the House had passed a bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 347) tendering the thanks of Congress to General of the Army Douglas MacArthur, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 2147. An act for the relief of Felipe O. Pagdilao;

H.R. 7727. An act to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants;

H.R. 9273. An act to repeal obsolete laws relating to military bounty land warrants and to provide for cancellation of recorded warrants; and

H.R. 10618. An act granting the consent of Congress to the Southern Interstate Nuclear Compact, and for related purposes.

HOUSE BILL REFERRED

The bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

CALL OF THE LEGISLATIVE CALENDAR DISPENSED WITH

On request of Mr. Humphrey, and by unanimous consent, the call of the Legislative Calendar was dispensed with.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. Humphrey, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. Humphrey, and by unanimous consent, the Committee on Finance was authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. HART, from the Committee on the Judiciary:

Noel P. Fox, of Michigan, to be U.S. district judge for the western district of Michigan.

By Mr. EASTLAND, from the Committee on the Judiciary:

Donald A. Wine, of Iowa, to be U.S. attorney for the southern district of Iowa.

The PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

TENNESSEE VALLEY AUTHORITY

The Chief Clerk read the nomination of Frank E. Smith, of Mississippi, to be a member of the Board of Directors of the Tennessee Valley Authority for the remainder of the term expiring May 18, 1963.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COUNCIL OF ECONOMIC ADVISERS

The Chief Clerk read the nomination of H. Gardner Ackley, of Michigan, to be a member of the Council of Economic Advisers.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communications and letters, which were referred as indicated:

Proposed Amendments to the Budget, 1963, for Department of Commerce (S. Doc. No. 110)

A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1963, in the amount of $17,570,000, for the Department of Commerce (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

Proposed Amendment to the Budget, 1963, for the Judiciary (S. Doc. No. 111)

A communication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1963, in the amount of $1,500,000 for the judiciary (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

Extension of International Wheat Agreement Act of 1949

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to extend the International Wheat Agreement Act of 1949 (with an accompanying paper); to the Committee on Agriculture and Forestry.

Clarification of Reemployment Provisions of Universal Military Training and Service Act

A letter from the Secretary of Labor, transmitting a draft of proposed legislation to amend and clarify the reemployment provisions of the Universal Military Training and Service Act, and for other purposes (with accompanying papers); to the Committee on Armed Services.

Appointment of Certain Officers by the President

A letter from the Secretary of State, transmitting a draft of proposed legislation to authorize the appointment of certain officers by the President, and for other purposes (with accompanying papers); to the Committee on Foreign Relations.

Report on Review of Air Travel Authorized by the Washington Office, Bureau of Public Roads

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of air travel authorized by the Washington office, Bureau of Public Roads, Department of Commerce, June 1962 (with an accompanying report); to the Committee on Government Operations.

Report on Examination of Selected Aspects of Pricing and Administration of Certain Department of the Navy Contracts

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of selected aspects of the pricing and administration of certain Department of the Navy contracts awarded to Douglas Aircraft Co., Inc., El Segundo, Calif., dated July 1962 (with an accompanying report); to the Committee on Government Operations.

Report on Program for the Public Lands and Resources

A letter from the Acting Secretary of the Interior, transmitting, for the information of the Senate, a program for the public lands and resources, dated May 1962 (with an accompanying document); to the Committee on Interior and Insular Affairs.

Report on Application for Loan Under Small Reclamation Projects Act of 1956

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, an application for a loan under the Small Reclamation Projects Act of 1956, to the Roosevelt Irrigation District in Maricopa County, Ariz., in the amount of $4,620,000 (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report on Bostwick Park Project, Colorado

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report on the Bostwick Park project, Colorado (with an accompanying report); to the Committee on Interior and Insular Affairs.

Reservation of Certain Public Lands at Cuddeback Lake Air Force Range, Calif.

A letter from the Assistant Secretary of the Air Force, transmitting a draft of proposed legislation to provide for the withdrawal and reservation for the use of the Department of the Air Force of certain public lands of the United States at Cuddeback Lake Air Force Range, Calif., for defense purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

Amendment of Immigration and Nationality Act Relating to Nationals Born of American Samoan Parents

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Immigration and Nationality Act of June 27, 1952, regarding nationals born of American Samoan parents (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Mississippi; to the Committee on the Judiciary:

"House Concurrent Resolution 102

"Concurrent resolution memorializing the Congress of the United States to amend the Federal copyright laws (title 17 of United States Code Annotated) relative to regulating and alleviating certain abuses being practiced by certain music licensing associations

"Whereas by virtue of section 8 of the Constitution of the United States, the regulation of copyrights is in the exclusive jurisdiction of the Congress of the United States; and

"Whereas the Congress of the United States has enacted the Federal copyright laws (title 17, United States Code Annotated), and has thus preempted this field; and

"Whereas certain music licensing associations are in the nature of monopolies, and are using the Federal copyright laws to exact from radio and television stations throughout the United States exorbitant fees and charges for the performance of copyrighted musical compositions; and

"Whereas radio and television stations are dependent upon copyright owners and their licensing agencies for licenses to the performance rights of musical compositions; and

"Whereas radio and television stations desire to pay reasonable fees to copyright owners and their licensing agents for all copyrighted compositions used in the operation of their businesses; but at the present time certain music licensing associations, by virtue of their monopolistic character, are able to exact fees based on the gross revenue of radio and television stations, when a large proportion of this revenue is derived from programs not containing copyrighted musical compositions, such as religious programs, farm reports and news, sporting events, news programs, weather reports, interviews, and many other nonmusic programs; and

"Whereas the radio and television stations are of necessity compelled to contract with these monopolistic music licensing associations due to the fact that said commercial users are, in many instances, unable to determine the owners, or agents of the owners, of copyrighted compositions, and should said radio and television stations publicly perform a copyrighted musical composition because they are unable to determine the owner of its performance rights the station would be liable for damages under the Federal copyright law, even though said performance was not intended as an infringement; and

"Whereas some copyright owners, authors, composers, publishers, and licensing agents do not give notice of ownership in accordance with the provisions of the Federal Copyright Laws (secs. 10 and 19, title 17, USCA), and therefore the commercial users are unable to determine the ownership of performing rights: Now, therefore, be it

"*Resolved by the Mississippi State House of Representatives* (*the State Senate concurring therein*), that we respectfully urge and memorialize the Congress of the United States to amend the Federal copyright laws so as to provide for the following:

"1. A provision prohibiting copyright owners, authors, composers, publishers, and their licensing associations from combining in restraint of trade and commerce when the purpose of such combination is to fix fees or charges.

"2. A provision requiring the copyright owners, authors, composers, publishers, and their licensing associations to clearly identify ownership of the performing rights of all copyrighted musical compositions by notice thereon, and providing that failure to comply would extinguish said parties' right to recover damages for infringements.

"3. A provision requiring music licensing associations to publish and make available to commercial users a continuously current list of all musical compositions in their repertories.

"4. A provision prohibiting any copyright owner, author, composer, publisher, licensing association, or combination thereof, from charging fees not based upon the copyrighted musical compositions actually performed by a commercial user, or not fixed in reasonable relationship thereto.

"5. A provision allowing commercial radio and television users a recourse and relief in addition to that now administered by the Federal District Court for the Southern District of New York; and be it further

"*Resolved*, That a certified copy of this resolution be forwarded by the secretary of state of the State of Mississippi to the President of the United States, the Speaker of the U.S. House of Representatives, the President of the U.S. Senate, and to each Member of the U.S. House of Representatives and the U.S. Senate.

"Adopted by the house of representatives May 16, 1962.

"———— ————,

"*Speaker of the House of Representatives.*

"Adopted by the senate May 18, 1962.

"———— ————,

"*President of the Senate.*"

A petition signed by 35 Governors in attendance at the National Governors' Conference in Hershey, Pa., favoring the enactment of a constitutional amendment to permit the continuance of recognition to an abiding faith in God in the public schools; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on the Judiciary, without amendment:

S. 2256. A bill to amend section 5 of the War Claims Act of 1948 to provide detention and other benefits thereunder to certain Guamanians killed or captured by the Japanese at Wake Island (Rept. No. 1749).

By Mr. KEATING, from the Committee on the Judiciary, with an amendment:

S. 2978. A bill to authorize the Foreign Claims Settlement Commission of the United States to investigate the claims of citizens of the United States who suffered property damage in 1951 and 1952 as the result of the artificial raising of the water level of Lake Ontario (Rept. No. 1750).

By Mr. WILEY, from the Committee on the Judiciary, without amendment:

H.R. 10184. An act to amend section 130 (a) of title 28, United States Code, so as to reconstitute the Eastern Judicial District of Wisconsin to include Menominee County, Wis. (Rept. No. 1751).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 3295. A bill for the relief of Mathew Lengyel (also known as Brother Paul, S.V.D.) (Rept. No. 1754);

H.R. 2129. An act for the relief of John Calvin Taylor (Rept. No. 1758);

H.R. 2664. An act for the relief of Mrs. Irena Ratajczak (Rept. 1759);

H.R. 3000. An act for the relief of Lea Min Wong (Rept. No. 1760);

H.R. 3372. An act for the relief of Barbara W. Trousil, Edward G. Trousil, and Robert E. Trousil (Rept. No. 1761);

H.R. 3501. An act for the relief of Mrs. Hasmik Arzoo (Rept. No. 1762);

H.R. 3821. An act for the relief of Ivy Gwendolyn Myers (Rept. No. 1763);

H.R. 3822. An act for the relief of Ahsabet Oyunciyan (Rept. No. 1764);

H.R. 4718. An act for the relief of Bogdan Kusulja (Rept. No. 1765);

H.R. 6833. An act for the relief of Frantisek Tisler (Rept. No. 1766);

H.R. 9186. An act for the relief of Eladio Aris (also known as Eladio Aris Carvallo) (Rept. No. 1767);

H.R. 9522. An act for the relief of certain members of the U.S. Marine Corps, who incurred losses pursuant to the cancellation of a permanent change of station movement (Rept. No. 1768);

H.R. 10525. An act for the relief of Francis L. Quinn (Rept. No. 1769); and

H.R. 11127. An act for the relief of Ernst Haeusserman (Rept. No. 1770).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 1781. A bill for the relief of the heirs of Lt. Col. James Murray Bate (deceased) and Maj. Billie Harold Lynch (deceased) (Rept. No. 1753);

S. 3198. A bill for the relief of Renata Lattanzi (Rept. No. 1755);

S. 3215. A bill for the relief of Kim Chong Koo (Rept. No. 1756); and

S. 3228. A bill for the relief of Panagiota Makris (Rept. No. 1757).

By Mr. CHAVEZ, from the Committee on Public Works, without amendment:

S. 2546. A bill to authorize the naming of the Old River, La., structures in honor of the late Capt. A. A. Humphreys and Lt. H. L. Abbot (Rept. No. 1771);

S. 2660. A bill to designate the lake to be formed by the waters impounded by the Clark Canyon Dam in the State of Montana as Hap Hawkins Lake (Rept. No. 1772);

S. 2988. A bill to change the name of the Big Bend Reservoir in the State of South Dakota to Lake Sharpe (Rept. No. 1773);

S. 3441. A bill to provide for the acquisition of certain property in square 758 in the District of Columbia, as an addition to the grounds of the U.S. Supreme Court Building (Rept. No. 1774);

S. 3476. A bill to change the name of Fort Randall Reservoir in the State of South Dakota to Lake Francis Case (Rept. No. 1775);

S. 3525. A bill to authorize the Administrator of General Services, in connection with the construction and maintenance of a Federal office building, to use the public space under and over 10th Street SW. in the District of Columbia, and for other purposes (Rept No. 1776);

S. 3544. A bill authorizing modification of the project for Gloucester Harbor, Mass. (Rept. No. 1777);

S.J. Res. 169. Joint resolution designating the bridge across the Tennessee River on the Natchez Trace Parkway as the John Coffee Memorial Bridge (Rept No. 1778);

H.R. 8214. An act to permit the use of certain construction tools actuated by explosive charges in construction activity on the U.S. Capitol grounds (Rept. No. 1780);

H.R. 11735. An act authorizing the change in name of the Beardstown, Ill., flood control project, to the Sid Simpson flood control project (Rept. No. 1781); and

H.J. Res. 417. Joint resolution to designate the lake formed by Terminus Dam on the Kaweah River in California as Lake Kaweah (Rept. No. 1779).

By Mr. CHAVEZ, from the Committee on Public Works, with amendments:

H.R. 8181. An act to authorize the construction of a National Fisheries Center and Aquarium in the District of Columbia and to provide for its operation (Rept. No. 1782).

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS—REPORT OF A COMMITTEE

Mr. EASTLAND, from the Committee on the Judiciary, reported an original concurrent resolution (S. Con. Res. 86), and submitted a report (No. 1752) thereon, which concurrent resolution was placed on the calendar, as follows:

Resolved by the Senate (*the House of Representatives concurring*), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244(a)(4) of the Immigration and Nationality Act (66 Stat. 214; 8 U.S.C. 1254):

A–12269388, June, Wong Way;
A–10758754, Dai, Chew Sin;
A–12586379, Lum, Bak-Min;
AA–28009, Lee, Kai Suen;
A–11925176, Teng, James Wong;
A–12261123, Kwan, Chan Chew;
A–11721429, Fong, Chin Hoy;
A–11948980, Ginn, Annie;
A–7841723, Nurmeta, Nikolai;
A–11596987, Lee, Gar Way;
A–11596986, Lee, Won Wah;
A–7876042, Lee, Sin Ha;
A–8027478, Wiwczar, Michael;
A–8091415, Soter, Gus;
A–11433474, Gin, Win Gon;
A–11170722, Huey, Thick Chu;
A–12642507, Jew, Ming Wai;
A–12249576, Kim, Duck Lee;
A–7898650, Martino, Vincenzo;
A–11629250, Quan Bing Kwong;
A–11629274, Quan, Dong Guay You;
A–11814222, Wong, Ngoon Fow;
A–12671644, Yau, Chong Lew;
A–10767929, Yee, Yat Hung;
A–12648341, Keong, Leong;
A–11598045, Moy, Pay Yen;
A–12082442, Youn, Yin Yu;
A–10772062, Chinn, Gwai Bun;
A–11407947, Yee, Miu Lee;
A–11407955, Yee, Moo Tuk;
A–11407951, Yee, Mun Moy;
A–12086307, Chung, Pak Jow;
A–12671828, Wong, Gain Yuey;
A–6017938, Edwards, George Eugene;
A–12682571, Tom, Wai Yin;
A–11805098, Wong, Doo Yen.

SEC. 2. That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244(a) (5) of the Immigration and Nationality Act (66 Stat. 214; 8 U.S.C. 1254):

A-11909555, Marquez-Paez, Raul;
A-2395556, Pond, James Leo;
A-2302786, Ochoa, Gilbert;
A-2610759, Alvanos, Elias;
A-10728848, Prieto-Guzman, Jesus;
A-4386589, Contreras, Domingo;
A-12640925, Wong, Sik Tong;
A-2305713, Norrito, Mario;
A-5420979, Gomez, Margarito;
A-4049513, Jubera-Martinez, Alvaro;
A-1087969, Tobar-Medina, Manuel;
A-3599256, Mota, Augustine;
A-5782421, Wedwick, William Anton;
A-2652678, Gigliotti, Emilio;
A-12336155, Hinterberg, Kurt;
A-3820408, Mosqueda, Rutilio;
A-5616730, Sestan, Giordano Bruno;
A-2627998, Wong, Rose Chan;
A-11596573, Yee, Soon Hing;
A-12655608, De La Cerda-Sarmento, Manuel;
A-10940563, Shen, Shih Fang;
A-10135562, Shen, Wei Fan;
A-5479179, Veloz-Reyes, Ygnacio;
A-12652444, Wong, Pon;
A-4329804, Porras Andres;
A-12647207, Lew, Kim Yee;
A-2443221, Romero-Madrigal, Juan;
A-8538601, Wittenber, Jan Peter;
A-12652388, Won, You Hong.

SEC. 3. That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than six months:

A-8039129, Tsangaris, Constantinos;
A-7189102, Kee, Mon.

BILL INTRODUCED

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BOTTUM (for himself and Mr. MUNDT):

S. 3564. A bill to provide relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. BOTTUM when he introduced the above bill, which appear under a separate heading.)

CONCURRENT RESOLUTION

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Mr. EASTLAND, from the Committee on the Judiciary, reported an original concurrent resolution (S. Con. Res. 86) favoring the suspension of deportation of certain aliens, which was placed on the calendar.

(See the above concurrent resolution printed in full when reported by Mr. EASTLAND, which appears under the heading "Reports of Committees.")

RELIEF FOR RESIDENTIAL OCCUPANTS OF CERTAIN UNPATENTED MINING CLAIMS

Mr. BOTTUM. Mr. President, I introduce, for appropriate reference, a bill designed to protect certain property interests of individuals holding unpatented mining claims, which are determined by the Secretary of the Interior to be null and void.

In cases where unpatented mining claims are determined to be invalid this bill proposes to empower the Secretary of the Interior to convey by purchase to the holder of the unpatented claim land within the claim upon which valuable improvements have been made, providing that the area of the parcel does not exceed 5 acres. Under the terms of this bill only claimants who are seasonal or year-round residential occupant-owners could qualify as purchasers of these improved tracts. The bill also requires that the claimant must have been an occupant-owner as of January 10, 1962.

Mr. President, this bill represents one of the final legislative endeavors of my long-time friend and distinguished predecessor, Francis Case. This bill was introduced by Senator Case as S. 3458 on June 21—just 1 day before his sudden and tragic passing. Senator Case had introduced this measure to provide an equitable basis for dealing with mining claimants, who have lost their mining claims through administrative determination and who stand to suffer still greater losses by reason of the physical impossibility of moving valuable improvements which they have placed on these lands during the years they have developed their claims. Throughout the Black Hills area of South Dakota we have had a good many mining claims declared null and void during the past year or so. The former holders of these claims stand to suffer substantial losses, because of the impossibility of moving cabins and other valuable improvements located on this mining property.

I feel that this proposed legislation developed by Senator Case provides a reasonable method for protecting the very legitimate property interests of mining claimants when the Department of the Interior determines that a claim is no longer valid.

Because of my belief in the soundness of this proposal and so that this proposed legislation will have an active sponsor in the remaining term of the 87th Congress I am reintroducing the Case bill with my colleague, the senior Senator from South Dakota [Mr. MUNDT], as a cosponsor, in the hope that the Committee on Interior and Insular Affairs, on which I am privileged to serve as a member, will take action prior to adjournment.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3564) to provide relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed, and for other purposes, introduced by Mr. BOTTUM [for himself and Mr. MUNDT], was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

FOOD AND AGRICULTURAL ACT OF 1962—AMENDMENT

Mr. ROBERTSON. Mr. President, I submit, for appropriate reference, an amendment to House bill 12391, to improve and protect farm income, to reduce costs of farm programs to the Federal Goverment, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, to eliminate from the permanent law the requirement for 55 million acres of wheat.

We have a normal annual need of 600 or 700 million bushels. We now have in storage 1,090 million bushels of wheat, which cost us $2,146 million. We are spending on it $147,200,000 a year, and I say we cannot go before the taxpayers and justify that kind of program any longer. So, regardless of whether the farm bill is acted on immediately here on the floor, or whether it is referred to the Committee on Agriculture and Forestry—as I think should be done—for appropriate amendment, I think this amendment should be included.

The PRESIDENT pro tempore. The amendment will be received, printed, and referred to the Committee on Agriculture and Forestry.

PROMOTION OF FLOW OF DOMESTICALLY PRODUCED LUMBER IN COMMERCE—ADDITIONAL COSPONSORS OF BILL

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the names of Senators CHURCH and MORSE may be added to the bill (S. 3517) to authorize the Secretary of Commerce to establish and carry out a program to promote the flow of domestically produced lumber in commerce. This is the bill which would segregate tariffs and duties on lumber imports to be used for production and marketing research.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 23, 1962, he presented to the President of the United States the enrolled bill (S. 2147) for the relief of Felipe O. Pagdilao.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Excerpts from address prepared by him for delivery over Wisconsin radio stations on July 21, 1962, on the need for family farm study.

Text of weekly broadcast over Wisconsin radio stations on July 23, 1962, on the subject of disarmament.

REMARKS MADE AT GOLDEN ROSE AWARD TO SENATOR MARGARET CHASE SMITH, OF MAINE

Mr. AIKEN. Mr. President, on July 19, the Florists' Telegraph Delivery Association presented its first annual Golden Rose Award to Senator MARGARET CHASE SMITH, of Maine. I ask unanimous consent to have printed in the body of the RECORD the remarks made on that occasion by the majority leader, the Senator from Montana, Mr. Mansfield; the minority leader, the Senator from Illinois, Mr. Dirksen; Senator Margaret Chase Smith, of Maine; and Mrs. Doris H. Remis, president of the Florists' Delivery Association at the time when she presented the award.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Comments of Senators Made at Golden Rose Award Ceremonies at Capitol on July 19, 1962, in Honor of Senator Margaret Chase Smith

SENATOR MANSFIELD'S COMMENTS

I can think of no person more deserving of the honor accorded her today than the distinguished Senator from Maine. I have known Margaret for over 20 years, since she first served in the House. I have learned much from this gracious lady, who possesses all the New England virtues that a lady should possess.

SENATOR DIRKSEN'S COMMENTS

In recent months we have heard a great deal about culture. The essence of culture is appreciation. We think of culture in terms of the dramatic arts, painting, sculpture, and so forth. Too often we stop there. I like to include horticulture and floriculture. Culture is appreciation of beauty and there is nobody who has excelled Senator Smith in that field. Ever since I can remember, back to House days, Margaret has always exemplified the rose and given it a real symbolism in our national life. She always wears a flower—a rose—and by it, contributes to our appreciation of beauty. Margaret, I salute you.

SENATOR MARGARET CHASE SMITH'S COMMENTS

I am indeed honored by this award and deeply appreciative of this beautiful golden flower. Roses have always meant a great deal to me. This beautiful trophy will have a very special place in my office. President Remis, I do appreciate this, and thank you and your associates for your generosity.

Remarks of Mrs. Doris H. Remis, President, Florists' Telegraph Delivery Association on Presentation of Golden Rose Award to Senator Margaret Chase Smith of Maine

Mr. Vice President, distinguished Senators and Representatives, honored guests, ladies and gentlemen, I am most privileged to greet you today on behalf of the 11,000 members of Florists' Telegraph Delivery Association and to do honor to one of the most prominent women in the United States, the Honorable Margaret Chase Smith, U.S. Senator from the great State of Maine.

Senator Smith has been justly lauded for her achievements in the field of government by great leaders and renowned organizations. Her brilliant service in the Congress has gained for her the universal respect and admiration of the colleagues, as shown by the tributes tendered to her on the floor of the Senate yesterday by no less than 10 Members of that body and by the respect and devotion of the people of her State who have chosen her 3 times to represent them in the Senate.

We as Americans appreciate Senator Smith's great work in fashioning the laws of the Nation. We as florists have long saluted her for ornamenting the laws of the Nation with flowers. The quiet beauty of a single rose has been her graceful symbol for more than 22 years. The simple elegance of this single bloom moved one of the distinguished Senators present to say, in response to my invitation for today's ceremony, that "through her tasteful use of flowers to complement her wardrobe, Senator Smith daily lends a touch of beauty and cheer to Senate deliberations."

When the board of directors of FTD considered whom to publicly acclaim for their tasteful use of flowers, the charming Senator Smith was, of course, our unanimous choice.

This will mark the first award of the FTD Golden Rose, a trophy designed and dedicated by our association to honor a citizen who has contributed significantly to public understanding of flowers as objects of beauty, usefulness, and ornamentation in our daily lives.

Madam Senator, you have educated the fashionable women of America. You have inspired the florists who serve her.

This award, from the men and women who devote their careers to arranging flowers to solemnize and beautify life's great and tender occasions, is presented with sincerity, with pride, and with gladness.

Senator Smith, I am privileged to present to you the beautiful FTD Golden Rose with our sincere good wishes.

THE FREE ENTERPRISE SYSTEM—ADDRESS BY SENATOR TOWER

Mr. HRUSKA. Mr. President, on June 13, Senator John Tower, of Texas, addressed the National Association of Plumbing Contractors, assembled for their 80th annual convention, in Kiel Auditorium, in St. Louis. On that occasion, Senator Tower discussed the free enterprise system under which the United States has developed and prospered, the fundamental need for economic democracy and political democracy to go hand in hand in our great country, and the duty of citizens to act responsibly to preserve the freedom and opportunity which is our grand heritage.

Mr. President, I ask unanimous consent that Senator Tower's remarks be printed in the Record, together with his introduction by G. Allen Briggs, president of the host association.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

The Free Enterprise System

INTRODUCTION BY MR. G. ALLEN BRIGGS

Senator John G. Tower is a key Republican member of the two most influential committees of the United States Senate, the Senate Banking and Currency Committee, and the Senate Labor and Public Welfare Committee. In addition, Senator Tower has had the distinction of being the first Senator ever to be named in the powerful Senate Republican Policy Committee during his first term of office. Those of you who read your daily newspapers know that his name has become synonymous with good government and responsibility in fiscal matters.

Speaking personally, I can only comment that, it is my sincere hope that the American people will long have the benefits which accrue from the outstanding leadership of a man of his caliber.

It is therefore a great honor and privilege for me to present the Honorable John G. Tower, U.S. Senator from Texas.

ADDRESS BY THE HONORABLE JOHN G. TOWER

Thank you, Mr. President, ladies and gentlemen, it is a great honor to be asked to address this great association. I feel I am among like-minded people because I am a great believer in the free enterprise system, and you are the people who make it work.

I should tell you that I am standing on a box and that the Chamber of Commerce of the State of Texas wants me to inform you that I am precisely one foot shorter than the legal minimum size for Texans. As a matter of fact it is contended by some that the only reason I was elected was so that they could get me out of the State before the tourists got there and saw me. But everything else you read about Texas is true.

I see that there are some stares of disbelief as far as the last statement is concerned, but we Texans are great believers in individual liberty and freedom of choice. I don't feel that we are alone on that. I believe that the majority of the people of the United States prefer to plot their own lives and destinies. They don't want to be told what to do.

Now this is basic to the American tradition. The free enterprise economy has made us the most comfortable people in the world, the most productive people in the world, and at the same time the most self-reliant and resourceful people in the world. There are those who think that the free enterprise system or capitalism, as it is called, or the market-regulated economy, however you want to call it, there are some who believe that it is inadequate to meet the challenge of the cold war and the space age, that modern times demand some new kind of system. But I would challenge those people to show me one regimented or planned economy any place on earth that has provided for its people what the American free enterprise system has provided for its people.

We could cite some rather dramatic examples of what our system has done for our people. For example, the group that is lowest on the socioeconomic scale in this country, the American Negroes who haven't enjoyed a lot of the economic opportunities and benefits that others in this country have enjoyed, there are 18 million of them, and yet they own more automobiles, more television sets, more refrigerators, more homes than all of the 200-million-plus people in the Soviet Union put together. And it is not likely that the people of the Soviet Union are going to get much in the way of consumer goods in the years to come.

What is wrong with a system that produces a relatively high standard of living even for people who are relatively low on the socioeconomic scale?

In 1776 we declared our independence from the country and the Government that was trying to subjugate us economically and we set our own course. The American Revolution was fought primarily against the mercantilism of the British Government, and we established the capitalist or free enterprise system in this country. And look at the great progress we have made.

We might note that our mother country, Great Britain, decided it was a pretty good idea, and they became a capitalist economy eventually. Indeed, all of the great powers in this world, with one notable exception, are capitalistic in their economy.

In the United States it is my belief that economic democracy and political democracy go hand in hand. I don't believe that you can divorce economic democracy from political democracy. I don't think you can have one without the other. There is no democracy like the democracy of the marketplace, and just as a vote cast in an election influences public policy decisions so, too, a dollar spent in the marketplace influences economic decisions. When you spend a dollar you are casting a vote to determine what goods and services American business is going to produce.

Actually all of you who are businessmen are really employees; you are employees of the general public. You do the business that you do because the public elects to buy goods and services from you.

There are those who say that we who advocate the free enterprise economy think more in terms of property rights than in terms of human rights. But isn't the right to own and to exploit property for personal gain a basic human right? If we did not possess this right then we would be dependent on somebody, wouldn't we? We would be dependent on a strong national government; and it would not be our servant, it would be our master. So the maintenance of the capitalist system is vital to the operation of a democracy. It is vital to the creation of a climate of freedom. A capitalist economy, I think, makes our people better and strengthens their moral fiber because it challenges them.

In our Judeo-Christian system of ethics and theology we have always recognized the value of challenge. Remember that St. Paul said, "We glory in tribulation, knowing that tribulation worketh patience; and patience experience; and experience hope." The free enterprise economy makes us work. It makes us discipline ourselves, to do for ourselves the things that should and must be done.

We have no class structure in the United States. We recognize no classes. Any man in this country can aspire to be whatever his intellect, his drive, his energy, his ability will allow him to be, and can reasonably hope to realize that aspiration. I always get a litle mad when I hear people use the term "the common man." I don't believe there are any common men in the United States. I may be common but at least I like to think I can aspire to be, and hope to succeed to be, something greater. But there are those in this country who would like to foment class war for political purposes, and I am not doing any name calling now because such people exist all the way across the political spectrum.

There are those who hold that in your political and economic views you must take one side or the other: You must either be probusiness and antilabor, or prolabor and antibusiness. Politicians, I think, have done a pretty fair job of convincing a lot of workingmen in this country, men who work for wages, who work with their hands, that what is good for business is bad for labor. What could be more preposterous than that? When does the working man earn more and enjoy more of the comforts of life? It is when business is prosperous. And if Government creates a climate that is unfavorable to the conduct of business, everybody suffers including the workingman, and he usually suffers more than anybody else.

This is a lesson in economics that we, those of us who believe in this capitalist system, must get across. I can assure you that in the socialistic countries the workingman is certainly not nearly as well off as he is in the United States.

I personally believe that the only system that can meet the challenge of the cold war and the space age is the free enterprise system. How can we presume to be leaders of the free world if we are not prepared both to preserve and to expand on our free institutions? I think that the free enterprise system has proven that it is adequate in any crisis, in any emergency, just like constitutional means have always been adequate to meet crises. We have never had to resort to dictatorship in this country. And don't let anybody kid you into thinking that we need to resort to dictatorship now. The free enterprise system can and will meet the challenge.

Let us not be misled into thinking that the Government can spend us into prosperity. Government spending is so often static spending; it is not dynamic spending. And let us reject forcefully the notion that economic growth is something to be regarded as the function and the duty of the Government of the United States, rather than something to be achieved by a free people.

Now, what happens when the Government spends more than it earns? The dollar is debased, interest rates go up, so the Government is competing with private business for capital and makes capital harder to get.

What happens when we embark on profligate Government spending and taxes remain high and taxation takes away sources of capital? Of course taxation does even more; it is an encroachment on that democracy of the marketplace we have talked about, because the more of the dollar that the Government takes from you, the less free choice you have in determining how that money is going to be spent.

There are those who come back with the answer, "Well, the Government is the people." That is not true. The Government is responsible to the people, but you as an individual don't make a decision about how a government dollar is going to be spent. I have been in the Senate a year now and I have found that I don't make a decision about how it is going to be spent either. I am always voting on the losing side. They are up there now trying to think up new ways to spend your money. I thought they had thought of everything, but they haven't, they'll come up with some more things yet. I know you are overjoyed to hear that.

I think, too, that we are facing a crisis today. Now, I am not going to be partisan here. I am trying to explain a political and economic philosophy or to propound it and advocate it, but I must be critical of a political proposal that is current that taxes be cut without a commensurate cut in spending. I think we desperately need tax relief, and I might sound a little contradictory here because a moment ago I was saying we should have less taxation, but we must have less spending to go along with it. If we are going to spend money for public purposes we must have the revenues to cover it. If this proposal, cutting taxes without cutting expenditures, is implemented, what is going to happen? Further debasement of the dollar, your dollar will not go as far; costs will continue to go up; it is going to be harder for you to get capital; and, too, there is another ominous threat that looms, and that is that foreigners holding American currency will lose confidence in the American dollar, and there might be a run on our currency which would reek an economic havoc in this country and indeed throughout the free world that would curl your hair. So we have got to insist on responsibility.

Of course cutting taxes is popular. I think we would all like to have a tax cut, but we must never be irresponsible. I submit to you that it is not only economically unsound, but it is immoral for us to mortgage the future of generations yet unborn to finance some cradle-to-the-grave security or public works or whatever we want now ourselves today.

Do you realize what our debt is? Some three hundred billions. If we retired that at the rate of a billion dollars a year, paid the principal back at the rate of a billion a year it would take us only 300 years to get rid of the debt, and I don't see any billion dollar surpluses in sight that we can use to retire the debt. Is it right, now, for us to saddle our grandchildren's grandchildren's grandchildren with this massive public debt?

If the free enterprise system is going to continue then we as citizens must be responsible. Because what does the free enterprise system call for? It calls for self-discipline. You see, in a planned economy, or a regimented society there is an external force that disciplines people, but in a system where we are allowed a maximum amount of individual liberty and freedom of choice we are compelled to discipline ourselves. We must have due regard for the future.

Traditionally we have been a responsible people, we have been a courageous people. I think responsibility and courage go hand in hand. We need to have the strength of will and the courage to deny ourselves something if we need to for the sake of passing on to generations yet unborn the same type of wonderful society that has been so good to us, that previous generations passed on to us.

We must have the courage to defend this system against its enemies, both internal and external. We are involved in a cold war, and the contemplation of a thermonuclear holocaust is something that might horrify and terrify all of us. Certainly we don't want to be destroyed by a nuclear bomb, but traditionally Americans have been willing to shed their blood and their treasure in defense of their liberties. We have never flinched.

My generation left the classrooms and went to war. Probably most of you have been to war, but you are not soldiers professionally. But we can be pretty belligerent when our liberties are threatened. We are not basically a warlike people but we are a people who are not afraid. I hope that we don't lost this quality because this threat is so ominous and horrible. But let's remember one thing, the man who died at the Alamo with a bayonet wound or a musket ball in his chest was just as dead as those people who were killed by the atom bomb—just as dead. Like one old fellow said, "It's not dying I mind so much; it is just staying dead so long."

The threat of death has never caused the American people to flinch in a crisis. We must possess great military power. We must have the willingness to use that power if we have to. And when Mr. Khrushchev rattles the saber at us in an effort to shatter our nerves, we must have the courage to rattle the saber right back at him. We are the strongest nation on earth. We have the greatest military capability. But it will not mean a thing to us if we don't have courage. We must draw a line and say, "You shall not cross this line or we will fight you." We must show our determination to fight for the right of men to determine their own destinies to all the world, because if we fail to do this they will not have the courage to stand up to the Communist threat.

The free enterprise system is not just an economic way of life, it is a concept that is basic to our belief in the dignity of the individual and our belief that man is by nature and ought to be free. If we are determined to preserve it, Western civilization will not just survive, it will prosper, and the forces of evil atheistic communism will ultimately be overcome. And then we will be free, I think, unto the thousandth generation.

I thank you for asking me to come to St. Louis to talk to you.

PARTICIPATING IN POLITICS

Mr. MUNDT. Mr. President, to those of us who have been in the political front lines so to speak, it is always gratifying to note an effort by others to encourage political interest and political activity among the people.

I have always felt, and I am certain my colleagues would agree with me, that good government does not come by accident but through the dedicated efforts of many, many citizens through their own activities in politics.

And it is through the extensive participation of many people that our foundation of sound government is further strengthened.

So it is with pleasure that I call to the attention of the Senate an address delivered by Mr. William C. Stolk, chairman of the American Can Co. At the conclusion of the address Mr. Stolk responded to a number of questions and these are included with the remarks.

Mr. Stolk details the effort his company has made in encouraging its employees to take a more active part in community affairs. What this company is doing is an activity which I would recommend for business concerns throughout America.

Mr. President, I ask unanimous consent that Mr. Stolk's excellent address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE NEGLECTED AREA OF MANAGEMENT RESPONSIBILITY

(Remarks by William C. Stolk, chairman, American Can Co., and summary of discussion at the general management course, American Management Association, Hotel Sheraton-Astor, New York City, May 23, 1962)

It is a pleasure to be here today, as any meeting or discussion pertaining to management is one in which I am tremendously interested. I hope that the few remarks I make will stimulate your thinking about this important subject and that during the question and answer period we may pursue it further.

Recently I read the synopsis of a newly published book entitled "What Makes a Good Manager?" (I have not read the book—the synopsis says it is 937 pages long.) It outlined 12 requisites of good management—from "the art of delegation" to "knowing how to budget."

But missing from the summary of 937 pages on how to be a good manager was any reference at all to what I have chosen to call "the neglected area of management responsibility."

What I am really troubled about is that too many managers are limiting the application of the basic and sound principles of leadership to their own business operations.

For the past 30 years American business has been on the defensive and business management, particularly top management, has been almost apologetic about its performance and leadership in helping to build the greatest industrial nation in the world. I think one of the reasons for this defensive attitude has been the aggressive tactics of the Government. The results indicate very clearly that while we have been "sticking to our knitting" and thinking only of our own business, the politicians have been wooing and winning the loyalty of the man on the street—the voters—many of whom, unfortunately, still look on business with suspicion and distrust.

We have been too willing to believe that politics is for the politician, which is almost as naive and unrealistic as saying that our country is protected from enemy attack by the Atlantic and Pacific Oceans. Let's face it; the politicians and the union bosses have done a better selling job, and what makes it worse is that we are losing the sale by default.

A PROBLEM STILL UNSOLVED

I do not want to get involved in the steel issue, but, for the sake of emphasis, I want to call your attention to the first paragraph of an editorial entitled "Steel: A Problem That Is Still Unsolved," which appeared in the April 21 issue of Business Week:

"When the chairman of United States Steel Corp. told his press conference last week, 'I do not know anything about politics,' he made one of the classic understatements of all time. But he was only reflecting an attitude that has been voiced, often with pride, by a great many American businessmen."

In my opinion, this attitude has to change because industry's only hope is to educate the voter to the true nature of our free market economy, the system of competitive enterprise. We can't win him by printing high-sounding phrases on economics, which even some economists don't understand.

Nor do we make the right impression by having the voter believe that management is selfish, is only interested in personal gain, is out to destroy unionism, and lives in an ivory tower which is very exclusive and expensive. We can win him by encouraging management at all levels to become interested in and take an active part in public affairs at the community, county, and State levels.

In the past several years hundreds of companies have instituted programs in public affairs; our company is one of those. We have clearly stated the responsibility for public affairs as part of the job of managers at all levels. More than 3,000 of our people have taken courses, which we and others have made available, in the art of practical politics and many of them are now working actively in the parties of their own choice.

NEEDED: CREATIVE LEADERSHIP

These things are necessary and good, but the job cannot stop there. In discharging his public affairs responsibility, a manager must initiate constructive change, just as he must in managing his own business operations. The failure has been, in too many cases, reacting to events instead of exercising creative leadership in the improvement of our way of life. By reacting instead of leading, too many business managers have been creating a negative image of business as being against everything except the status quo.

I would not want to give you the impression that we think we have completely solved this problem in our own company. We have not, and we know we still have a long way to go in both learning how to do it and then motivating all managers to want to do it. But two specific examples will help demonstrate the opportunity to do the job better.

A COMMUNITY SUCCESS STORY

We are proud of the success story recently demonstrated by the managers and employees of our large papermill in Alabama. In order to have access to the essential raw materials—trees and water—it was necessary to locate this mill in an area where there were not any large modern schools. To operate the mill, it was necessary to transfer skilled technicians and managers to the Alabama woodlands from other parts of the country. The educational opportunity for their children was severely limited. So, on their own initiative they joined with local people in a political campaign which won the election necessary to increase their own taxes to pay for better school facilities and teachers. Result: all local people benefited.

To get such problems solved requires willingness to devote time and leadership in areas outside the manager's direct business responsibility both at the local and national level.

AN INDUSTRY SUCCESS STORY

The story of "Keep America Beautiful" is, I believe, an example of how businessmen can take constructive action in these areas when it is required.

All of us agree that litter along the highways of America is a serious problem brought about, of course, by the millions of cars carrying Americans on wheels in all sections of the country. The solution, in our opinion, is education of the public. To this end, industry established the Keep America Beautiful organization, financed by industry and dedicated to the proposition that the public must be educated not to throw litter and deface our beautiful countryside.

When the service clubs of America realized that industry was serious about their willingness to finance this venture, they undertook the job of educating the communities and were instrumental in having every State in the Union pass laws against litter and fine people who get caught carelessly distributing it. The momentum and interest of the public has been a tribute to America. Walt Disney has recently prepared a film called "The Litterbug," which will be shown in theaters throughout the United States and, beginning with the fall semester, will be shown, I hope, in all the schools in America. Industry will finance such distribution.

On most of the political issues on which Americans are divided today, the difference of opinion concerns not the goals, but the best means of achieving them.

Business and industrial managers should be qualified by their knowledge and experience to help make the right choice.

LEAPFROG INTO THE FUTURE

The technologies developed in business and industry have made it possible for us to leapfrog into the future. We have the opportunity to solve our own domestic problems and to assist in the less developed areas of the world in all of the essentials of modern living.

What took decades to accomplish by the pioneers of America can now be done in a matter of years. In place of covered wagons and railways carved through the wilderness, we have airplanes and soon may have rockets. The occasional little red schoolhouse has been replaced by radio and television. Instead of having to string power cables over hundreds of miles to remote areas, we can now place atomic reactors for electric power in the midst of jungles and deserts. Instead of the letter and newspaper by packet ship, we will soon have round-the-world instantaneous communications by space satellites.

Advances in agriculture, food processing, and packaging have made it possible to insure not only adequate nutrition but a high standard of living all over the world.

These are opportunities on a national and global scale. But the same leadership qualities are requisite in every community in which we live and work. Don't you agree this is a golden opportunity for management? I hope that you will seriously consider the application of the basic principles of management to this so far neglected area of management responsibility.

SUMMARY OF DISCUSSION

Question. Mr. Stolk, you stated that participation in public affairs should be a part of management responsibility at all levels. How much time can your executives take away from their direct responsibilities to spend in this political area?

Answer. Well, our plan is to have the individual make that decision himself. Our experience has been that the time an individual spends on this work is not at corporate expense or sacrifice. Usually the time they put in on this is after hours, or weekends, or at lunchtime. I doubt very much if many would take time off their jobs. Their good judgment is the best insurance that the interest of the company will not suffer.

Question. Mine is a followup question on that. Would you give a leave of absence if a man were elected to Congress?

Answer. I sure would. We couldn't pay him, but he would not lose any of his service years if he did. I wouldn't be at all surprised if one of our enthusiastic young men would be running for Congress one of these days and we would welcome the fact. I think it would be proof positive that our program is sound.

Question. I understand that you are associated with the Committee for Economic Development. Could you tell me what kind of acceptance you have had on the CED's school education program and what are your plans for the future with respect to economic education?

Answer. Well, the acceptance has been, in my opinion, very favorable. For example, there are only five newspapers across the United States who came out against the program. I believe that we have got to have better economic education. And I think we will have to start in the high school. We cannot wait and start in college. This, of course, means that we have a tremendous need to educate teachers because there are not enough teachers in the United States to do the kind of job that needs to be done. It is surprising to me how many schools do not have any semblance of economic education in their curriculum. Incidentally, I heard a president of a college talk on this subject last week and he said that trying to change the curriculum in a school or college was about as practical and emotional as moving a cemetery.

Question. I understand the point that you are making that management has this responsibility to the community. You are saying community participation is in reality part of their job and you encourage them in that direction. Do you provide them any recognition if they do that portion of their job well?

Answer. Yes, sir. We do consider it part of their job. If they do that portion of their job well, it is recognized. In one case I am thinking of, it gave an individual an opportunity to show how good he was outside of the plant. He moved from a plant managership to an assistant general manager of his particular division. Nobody in the company knew that he had the talent for creating enthusiasm in people. He had never before had the opportunity. This fellow had been doing an excellent job of running a plant. Nobody ever dreamed that he had the talent of going outside of the plant and organizing people to become interested in political campaigns.

It is an educational job. I know some people are still reluctant. They don't understand how we in the general office can be quite as enthusiastic as we appear to be. But we are not asking them to follow any set pattern. We just ask that they take an interest in the community and do what they think is right for the community. We will be satisfied with that. It is people in the field who have demonstrated how effective this can be.

Question. Would you add that in employing people for executive positions you would consider an aptitude for activities political and otherwise as a prerequisite?

Answer. I am going to have to answer your question in two ways. First of all so far we have not, as a company, gone outside for executive talent. We have been very fortunate in building from within so that that question has not been asked yet. I for one would be in favor of asking such a person—especially if he were going to be a top executive of the company—how he felt about this. I think it is very important that the American Can Co. continue this policy.

Question. Should there not be more effort in each of our respective companies to educate the employees, to point out the mutual interests that management and labor have in their particular own bailiwick? The profit motive—in other words—when the stockholders of a corporation earn a profit on their investment, this also is an advantage to the individual employees. Isn't it a case of starting the job at home?

Answer. You have to start it at home. Of course, I am assuming that the job is underway. We have in our company, for example, a very serious problem, in that most of the can factories have contracts with the steelworkers union which is the same union the steel industry and the aluminum industry have. We have been trying for the last 3 years to educate all employees through our supervisors, and in group meetings, that you can't compare the steel industry with the can industry. That's like comparing pineapples with bananas. The problems of the industries are different. The competitive conditions are different. We have been conducting educational programs so that all employees can understand the competitive problems that we are facing. But that's a job that has to be going on at all times.

Question. In line with your policy of encouraging management to take leadership in community and political affairs, do you also advocate that individual companies take a position on issues as a company?

Answer. We do. Of course, we point out why a position we take is good for the country. And, if it is good for the country, it is good for the company. If we stick to the areas of public welfare, we don't think we can be wrong. If we get people to believe the facts that are in the public interest, the American Can Co.'s interests will be taken care of.

Question. Can you give us an example of what you consider a noncontroversial problem?

Answer. Well, the cost of government. We think that the cost of government is entirely too high. We think that the tax strucure is too high as a result of the high cost of government. We think the expansion of business is retarded by the high cost of government and the high taxes. We also think that depreciation policies should be changed because this, too, would be in the public interest.

Question. Do you care to comment on the present method of reporting profits? What can we do so that the unions cannot misconstrue and point out the millions of dollars you have made?

Answer. I think the area that needs lots of explaining is the amount of investment that is needed to produce a profit. Now we have been talking for the last few years about the tremendous amount of money that we have been putting into our business to enable us to stay in business. I don't think the problem is so much explaining the profits but explaining what it takes in the way of investment to make the profits.

UNIVERSITY OF CALIFORNIA PLANS ITS FUTURE

Mr. ENGLE. Mr. President, master plans for higher education was charted several years ago by the State of California. I want to commend the University of California on the aggressive interest it has taken to implement the plan. Recently it published a progress report, entitled "A University Plans Its Future." In its report it outlines the steps it has taken to be ready for the great enrollment increases anticipated in the years ahead. By 1975, the university expects that there will be nine University of California campuses, serving the varied needs of the largest State in the Nation for teaching, research, and expert public service.

The university's great vision and drive are clearly reflected in its report, and I take pleasure in calling the following excerpts to the attention of my colleagues:

> A great university has a duty to the future as great as its duty to the present. It must do more than serve the society that is its context and that provides its support. It must maintain the heritage of the past; it must try to open new doors. Intellectually it must be both more conservative and more innovative than may be fashionable at any given moment. It must maintain scholars in fields a layman might consider fossils. It must support novel explorations that most people would call speculative. In the interests of future generations, it must take the long view and it may often have to defend the unpopular.
>
> The university, in planning its future, has been concerned to meet the needs as efficiently and economically as possible, while still upholding the high standards of performance that the people and the State of California have come to expect from their university. Growth in itself is not enough. Growth in quality and in variety, as well as in size, will enable the university to make the same important contribution to California's future development as it has made to the great accomplishments of the past 94 years.

I congratulate the University of California on the leadership it has taken in recognizing that the university cannot escape change; that it must change if it is to meet the demands, to solve the problems, and to take advantage of the opportunities of our time.

RESTORATION OF HISTORIC BUILDINGS IN THE WEST

Mr. McGEE. Mr. President, the history of the settling of the West is a fascinating subject, as every television fan knows. One of the names that frequently pops up on the celluloid dramas is Fort Laramie.

I would like to assure this body that this is a real location with a real and extremely interesting history that can more than match any dreamed up by television writers. And I am pleased to note that this history, of old Fort Laramie, will be preserved for the future generations as an example of "how the West was won."

Yesterday ceremonies were held at the fort for the opening of two more buildings which have been refurnished and restored by the National Park Service. These buildings bring to three the number of structures that have been restored at the national historic site. And I should especially like to commend the generosity of Mrs. Charles S. Hill, of Denver, Colo., who very generously provided the funds for the restoration.

A description of the two buildings restored—the officers' quarters and sutler's store—was printed in the July 19 edition of the Lingle (Wyo.) Guide-Review. I ask unanimous consent that the descriptions be printed in the Record.

There being no objection, the descriptions were ordered to be printed in the Record, as follows:

Refurnished Buildings at Fort Laramie National Historic Site Opened July 22

(By Jack McDermott)

The National Park Service will open two more refurnished buildings in a special ceremony at Fort Laramie National Historic Site on July 22. The sutler's store and officers' quarters A are the second and third buildings to be completely refurnished through funds provided by Mrs. Charles S. Hill of Denver, Colo.

The public is invited to attend formal ceremonies which will begin at 1:30 p.m. and feature an address by Roy E. Appleman, National Park Service Historian, of Washington, D.C. Mr. Appleman is the author of a book on the Korean war recently published.

An added attraction will be the appearance of one of the finest military bands in the United States. The Strategic Air Command Band of Offutt Air Force Base will fly out from Omaha to participate in the ceremony. The 50-piece band will give an abbreviated concert before the formal program gets underway and play several numbers during the ceremony.

Guest of honor will be Mrs. Charles S. Hill, Fort Laramie's benefactor. In 1959, Mrs. Hill endowed the National Park Service with funds to refurnish nine restored historic buildings. Mrs. Hill's interest stems from the fact that her grandmother, Mrs. Seymour Ellis, crossed the plains in 1859–60, stopped at Fort Laramie and enjoyed the protection and comfort the post offered to settlers traveling westward. Her husband, the late Charles S. Hill, was prominent in early Wyoming political life and had extensive oil interests in the State.

The sutler's store is divided into five main sections. Visitors will see the trading post, the business office, the post office, the officer's club, and the enlisted men's bar. The front left portion of the store appeared on the scene in late 1849 or early 1850 and is believed to be the oldest building in the State of Wyoming. The furnishings represent the period 1876 to 1888.

Completed in 1870, officers' quarters A was originally intended for the post commander but always used as a duplex for lower ranking officers. After the Army left Fort Laramie in 1890, the widow of a former post engineer, Mrs. Thomas A. Sandercock, moved her family into the house and occupied it for many years. Tom and Meade Sandercock will be present to dedicate their former home which will be refurnished as of 1871.

The Rebekah Lodge, Platte Valley, No. 3 will serve a lunch beginning at 11:30 a.m. The lunch will cost $1 per plate and the public is cordially invited to attend. The ladies will also serve sandwiches and pop throughout the afternoon.

WYOMING'S OLDEST BUILDING REFURNISHED

(By Donald B. Feser)

Would you be interested in a washboard? A beartrap? Some castor oil? A curry comb or a parasol? You can find such items in John Collins' store at Fort Laramie on Sunday, July 22. For the first time since 1890 the atmosphere will be business-as-usual in the Army post-trader's establishment 3 miles from the present town of Fort Laramie, Wyo. The adobe building, possibly the oldest structure in Wyoming, has been restored by the National Park Service under its Mission 66 program. Some of the original equipment is still in evidence, and other furnishings have been purchased with funds contributed by Mrs. Charles S. Hill of Denver, Colo.

Although the store was the center of interest at Fort Laramie for over four decades, the middle seventies were unusually exciting years. Discovery of gold in the Black Hills in 1874 resulted in the invasion of the hills by gold seekers the following year. Soldiers at Fort Laramie were given the unpleasant and difficult task of chasing them out. In 1876 General Crook and a thousand men left the fort in an unsuccessful attempt to help Custer handle the irate Indians. Afterward the fort was an important stop on the Cheyenne and Black Hills Stage Line. Everyone who passed by the fort, including all the famous personalities, stopped at John Collins' store, and many became personal friends of his.

Collins' father had been a business partner of Jesse R. Grant, the father of Ulysses S. Grant. In 1872, Collins applied to President Grant for the post tradership at Fort Laramie, an appointment worth $8,000 to $15,000 a year. Grant recommended Collins to the Secretary of War: "The family I have known from my infancy. They have always been Democrats. But I have no stronger supporter than E. A. Collins and his two sons."

From the beginning John Collins was active in all the family ventures. With his father's backing and with his own considerable experience he did well financially. At the age of 24 he was an expert in judging the value of gold dust taken from the various gulches around Virginia City, Mont. When he was buying gold dust for a bank in Helena, he was paid $500 a month in gold (or $1,250 in U.S. currency). His father's fortune came from the marketing of pig lead and from the manufacture of leather goods used in the cattle industry. John proudly stated that any leather products "with the name 'Collins' from Cheyenne, Omaha, or from our stores along the Northern Pacific in Montana, would always pass as current as gold coins on the range at more than their cost." Theodore Roosevelt was one of his more appreciative and valued customers.

REFURNISHED POST OFFICE AND SUTLER'S STORE OPENS AT FORT LARAMIE JULY 22

(By Jere Krakow)

One of the most interesting buildings to be refurnished at Fort Laramie National Historic Site is the sutler's store complex.

Two of the rooms to be refurnished in the store are the post office and the sutler's office. The two rooms are in the stone section of the store constructed in 1852.

In these two rooms, Jim Bridger spent the winter of 1867–68. Upon visiting this section one can always say "Jim Bridger slept here."

In the post office, refurnished to the year 1883, one will see an old desk, postal scales, guide, salary schedule, ledger, canceling stamp and box. The post office had the distinction of having a number of postmarks. At various times these read "Oregon Route," "Idaho Territory," "Dakota Territory," "Nebraska Territory," and "Wyoming Territory."

The meteoric pony express and Cheyenne-Black Hills stage stopped to deliver and pick up mail at the post office, and many a letter from home was received by soldier and civilian here. Unclaimed letters and newspapers were advertised by placing manuscript lists of the names of persons, arranged alphabetically, in the conspicuous places. The most accessible location for these lists was the lobby of the post office.

The sutler's office contains a safe that post trader John London purchased in 1883 from Lieutenant Eaton. The safe was securely fastened to the wall of the office and is one of the original furnishings in the room. It was in this room that orders for merchandise were made as well as posting of ledgers in regard to the many business transactions conducted in the store. This room will also reflect the year of 1883 and will be formally opened July 22 at 1:30 p.m.

THE CHANGING FACES OF SUTLER'S STORE

(By Tom White)

The sutler's store, one of the most historic structures at Fort Laramie National Historic Site, was constantly remodeled and renovated to suit the immediate needs of the sutler during the entire 41-year military history of Fort Laramie. The newly refurnished sutler's store will be opened to the public during dedication ceremonies on Sunday, July 22.

As this building stands today, it is an architectural conglomerate. The actual details of the construction of the various parts of this building are quite obscure because it was not a military building. Although it was always shown on official and semiofficial ground plans, the official military correspondence and reports are almost completely void of any detail. We depend, therefore, on contemporary diaries kept by those who were either stationed at Fort Laramie or were passing through on one of the numerous emigrant routes.

The adobe portion of this structure, which houses the trading post, has a very valid claim to being "one of the three oldest standing buildings in Wyoming." This section was erected in 1849 but perhaps was not completed until early spring of 1850. Construction was under the direction of John S. Tutt, who along with Lewis Dougherty was appointed Fort Laramie's first sutler.

As the activity at the post increased, so did the activity around the sutler's store. They found it necessary to expand and about 1852 a sandstone addition was placed on the north end of the building. Apparently the exterior was completely covered with adobe plaster at this time.

By 1863, the sutler had added enough shops and storage rooms to give the sutler's complex a U shape with a courtyard in the center. During the 1850's it housed the post office and the sutler's residence part of the time. Although the post office was retained in the building, the sutler completed a separate residence located about 100 feet north of the store. Because it was a private building, it did not conform to the usual military architecture and therefore was unique among the buildings at Fort Laramie. The building had a steep gabled roof featuring three ornate dormers and an abundance of decorative scroll-work trim which gave it the appearance of a Swiss chalet.

During the 1860's and 1870's, the sutler's complex maintained the familiar U shape. At first the secondary buildings were of rough framing and slabs, but late in the 1870's they were replaced by more substantial buildings of logs and more refined frame construction.

The main section of adobe and stone had a sod roof during this time; however, it was replaced with a gable roof sometime in the 1880's.

Finally sometime between 1881 and 1885, all the adjoining temporary buildings to the adobe and stone section disappeared to make room for the erecting of a new one-family officer's quarters next door to the south. To accommodate such things as the officers' billiard club and storage for the sutler, a new "grout" or lime-concrete addition was constructed on the west side of the original section about 1883 by sutler John London. These three parts—the 1849 adobe, the 1852 stone, and the 1883 grout—are those which a visitor will see today at Fort Laramie National Historic Site.

TONAWANDA, N.Y., MINISTER TO HAVE PULPIT IN MOSCOW

Mr. KEATING. Mr. President, a young couple from upstate New York is embarking on a mission which I believe deserves national recognition and support.

At the present time, our American colony in Moscow numbers 280, of which 235 are with the U.S. Embassy. About 10,000 American tourists and other visitors pass through Moscow annually. In the past, the only Protestant services held in Moscow in English have been at the British Embassy under the monthly leadership of a visiting Anglican priest.

The Reverend Donald V. Roberts, minister of Tonawanda's First Presbyterian Church, was appointed on Sunday, July 15, by the National Council of Churches to fill a new interdenominational post in Moscow as chaplain to American residents. Mr. and Mrs. Roberts will leave for Moscow in October. The establishment of this post has great significance for the worldwide Christian community, and I am sure that Mr. and Mrs. Roberts will provide true inspiration and gratifying spiritual leadership amidst all of the great tensions and pressures of the cold war.

I ask unanimous consent to have an editorial from the Buffalo Evening News on Reverend Roberts' mission to Moscow printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PULPIT IN MOSCOW

> A Buffalo area clergyman, the Reverend Donald V. Roberts, has been given a most unusual assignment by the National Council of Churches. At 35, he has been named the first Protestant chaplain for American residents in Moscow since the Bolshevik revolution in 1917.
>
> Since 1957 Mr. Roberts has been minister of the First Presbyterian Church in Tonawanda. He and his family deserve good wishes as they prepare for their historic mission. Being a clergyman is a challenging career anywhere; being one in the heart of the Communist empire must surely add a special dimension to that challenge.

CALL OF THE ROLL

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

[No. 131 Leg.]

Aiken
Allott
Anderson
Bartlett
Beall
Bible
Boggs
Bottum
Burdick
Bush
Butler
Byrd, Va.
Byrd, W. Va.
Cannon
Carlson
Case
Chavez
Church
Clark
Cooper
Curtis
Dirksen
Dodd
Douglas
Dworshak
Eastland
Ellender
Engle
Ervin
Fong
Goldwater
Gruening
Hart
Hartke
Hayden
Hickenlooper
Hickey
Hill
Holland
Hruska
Humphrey
Jackson
Johnston
Jordan
Keating
Kefauver
Kerr
Kuchel
Lausche
Long, Mo.
Long, Hawaii
Magnuson
Mansfield
McCarthy
McClellan
McGee
McNamara
Metcalf
Miller
Monroney
Morse
Moss
Mundt
Muskie
Neuberger
Pell
Prouty
Proxmire
Randolph
Robertson
Russell
Scott
Smathers
Smith, Mass.
Smith, Maine
Stennis
Symington
Talmadge
Thurmond
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

Mr. HUMPHREY. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Louisiana [Mr. LONG], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

I further announce that the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Colorado [Mr. CARROLL] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Indiana [Mr. CAPEHART], the Senators from New Hampshire [Mr. COTTON and Mr. MURPHY], the Senator from New York [Mr. JAVITS], the Senator from Kentucky [Mr. MORTON], the Senator from Kansas [Mr. PEARSON], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The PRESIDING OFFICER (Mr. BURDICK in the chair). A quorum is present. Morning business is in order.

Mr. HUMPHREY. Mr. President, is a quorum present?

The PRESIDING OFFICER. A quorum is present.

Mr. HUMPHREY. Mr. President, is the Senate in the morning hour?

The PRESIDING OFFICER. It is.

CONGRATULATIONS, LABOR AND MANAGEMENT

Mr. HUMPHREY. Mr. President, I wish to call the attention of the Senate to a matter of grave importance for our national defense. For the past several months, labor negotiations have been going on between many of our major manufacturers in the aerospace industry and the principal unions in this industry. This week, I am happy to report, a settlement was reached between the Douglas Aircraft Co. and the two unions, International Association of Machinists and the United Auto Workers.

This agreement at Douglas demonstrates that the issues in dispute in this vital industry are not insoluble. It demonstrates that responsible and competent management and responsible and competent union leadership can arrive at a peaceful settlement of differences without interrupting production in this all-important industry.

Secretary of Labor Goldberg has told us that this settlement is noninflationary and in the public interest.

The New York Times has commented editorially on the Douglas settlement, as follows:

LABOR PEACE IN SPACE

> The wage agreement reached by the Douglas Aircraft Co. and two major unions should help set a noninflationary pattern for the entire missile, plane, and spacecraft industry. This is a welcome development after the union muscle flexing, which had led to threats of a strike against the major weapons producers next Monday. Of special significance was the unions' decision to be content with pay increases of slightly less than 3 percent a year, in line with President Kennedy's productivity formula.
>
> At the convention of Walter P. Reuther's United Automobile Workers in Atlantic City last May there had been much talk of catchup increases well in excess of the normal annual rise in industrial productivity. Apparently the auto union and the International Association of Machinists, the other principal union in the missile and aerospace field, finally recognized the truth of the President's warning that "no financial sleight-of-hand can raise real wages and profits faster than productivity without defeating their own purpose through inflation." This maxim, of course, had double pertinency in an industry in which the Government purchases 90 percent of the product and thus would have to pay the lion's share of the bill for inflationary wage increases. The administration, the company and the unions all have served the Nation well by the moderation of the settlement.

Also, it may be said that the Douglas settlement sets no new precedents or establishes no new standards that have not already been accorded to employees of other major industries.

I would like to point out that the issues between the Douglas Co. and its unions are virtually identical with the issues between the other producers and these same unions.

There is no valid reason, no excuse at all, why responsible and competent management and responsible and competent union leadership cannot find a way to avoid interruption of the production which is so vital to this Nation.

May I point out that it takes two to keep the peace in labor relations just as in anything else. The time is short; the peril is great. I call on management and labor in this crucial industry to be realistic and to find some way to settle their differences so that our missile, space, and manned aircraft production can continue.

Mr. GOLDWATER. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. I yield.

Mr. GOLDWATER. I believe the Senator is aware that proposed legislation has been introduced in this body to outlaw strikes in the defense industry. Is that correct?

Mr. HUMPHREY. I believe legislation has been introduced by the Senator from Mississippi [Mr. STENNIS].

Mr. GOLDWATER. And the Senator from Arkansas [Mr. MCCLELLAN].

Mr. HUMPHREY. Yes; the Senator from Arkansas.

Mr. GOLDWATER. The Senator understands enough about labor law, I am sure, to know that the measure would require compulsory arbitration.

Mr. HUMPHREY. Yes.

Mr. GOLDWATER. Compulsory arbitration is in complete contradiction to what the leaders of labor believe in and what the leaders of management believe in. I wonder if the Senator has some comment as to any knowledge he may have with respect to the position of the Secretary of Labor relative to proposed legislation of a type which would call for compulsory arbitration.

Mr. HUMPHREY. I have not. I know that the Secretary has been very concerned over some of the disputes that have taken place, particularly in the missile and aircraft industries, because of their effect upon national security. The burden of responsibility is upon the trade unions and management to find a way to settle disputes in normal negotiations. If they do not, they will have to face up to the possibility of some type of congressional action.

I should like to see the processes of free collective bargaining followed. With proper encouragement from the Government I believe it can be done. But the public becomes a little short tempered over constant interruptions and disputes between labor and management in the vital field of which we have spoken.

Mr. GOLDWATER. As the Senator knows, on the Pacific coast the big argument in the aircraft and missile industries is the fact that, with the exception of Douglas, I believe, which has now recognized the agency shop, the major industries do not have the union shop.

Mr. HUMPHREY. The Senator is correct.

Mr. GOLDWATER. That result has been achieved by proper collective bargaining between labor and management. Down through the years, with one or two minor exceptions, industries on the west coast have done remarkably well without interference of Government. My concern in that field is that the Secretary of Labor dissociate himself with any desire on the part of the unions to have a union shop installed in such industries by compulsory arbitration. I would hope that the leadership on the other side of the aisle, being perfectly aware of the ramifications of compulsion, would dissociate themselves from any attempt to create compulsion in bargaining that so far has been working very well.

Mr. HUMPHREY. I am sympathetic toward the statement of the Senator from Arizona. I believe he knows that from our previous discussions. In the main I do not subscribe to compulsory arbitration or compulsion in any form. The Government ought not to take sides on such issues. It would be better to try to encourage a pattern such as we see in the Douglas Aircraft Co., which I have mentioned today, and to encourage free collective bargaining.

Mr. GOLDWATER. As I understand, the Douglas agreement came about with the agency shop.

Mr. HUMPHREY. Yes. The Senator is correct. There is a difference.

Mr. GOLDWATER. There is a difference. But the difference is that an employee does not have to join a union. He merely must pay his dues.

Mr. HUMPHREY. The Senator is correct.

Mr. GOLDWATER. There is some question as to whether that is freedom of expression. I hope the leadership on the other side will keep that in mind.

Mr. HUMPHREY. I thank the Senator.

DEGREE OF FREEDOM IN YUGOSLAVIA

Mr. PROXMIRE. Mr. President, in today's New York Times there was published an article entitled "Yugoslav Liberals Warned To Heed Party Line," by Paul Underwood. During our recent foreign assistance debate those who opposed the Proxmire amendment, which would have suspended our aid to Yugoslavia for 1 year, argued that Yugoslavia now enjoyed liberalization, the new outlook, more freedoms than ever.

If there was such a tendency, it is obviously being reversed very rapidly since the Senate conferees folded and acted to permit another $10 million of economic aid to Yugoslavia.

In the course of the article, Mr. Underwood stated:

> The speech was part of a drive started by the leadership 3 months ago to tighten discipline within the party's ranks.

I ask unanimous consent that the article published in the New York Times to which I have referred be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Yugoslav Liberals Warned To Heed Party Line—Tito Aid Tells Communists Deviation Is Barred; Rankovic Presses Campaign To Enforce Discipline

(By Paul Underwood)

Belgrade, Yugoslavia, July 22.—A top Yugoslav Communist warned today that ideological deviations and "liberalist conceptions" would no longer be tolerated in the Yugoslav party organization.

Speaking at the opening session of a 2-day meeting of the party's executive committee, Aleksander Rankovic, the party's secretary and one of Yugoslavia's four vice presidents, emphasized that complete adherence to party doctrine would be demanded of every member.

For members to have "different conceptions and different political attitudes on a single important field of activity or on a big social problem and to put them forward and defend them publicly without harmonizing them in the forums to which they belong" is absolutely impermissible, he declared.

The speech was part of a drive started by the leadership 3 months ago to tighten discipline within the party's ranks. Today's session was called to analyse the results of this effort and to study what could be done to inject new vigor in the nation's limping economy.

Three reports on economic questions, representing the most important part of the committee's work, will be given tomorrow by top officials of the regime of President Tito. The decisions reached will determine the line the party and the Government will take in the coming months.

M. Rankovic's report was concerned solely with party matters. In addition to his demand for tight discipline, he complained that some members were resisting implementation of the idea of rotation of jobs.

The Tito regime recently in the party and Government adopted the idea that jobs should be held only for a definite term and then passed on to someone else. The leaders view this as a way to give younger party members a chance at jobs and administrative training while at the same time keeping older members from getting in a rut.

Asserting that the principle of rotation must be adopted "more widely and in all fields of our social life," M. Rankovic said putting older officials with revolutionary experience together with promising younger men would insure continuity of work and would rejuvenate "the leading bodies in a democratic way from top to bottom."

He also declared that recent discussions in basic party organizations has disclosed many errors by members, including neglect of criticism and ideological orientation, lack of discipline and a tolerant attitude toward the faults of other members.

Misunderstanding of the nature of the party's leading role had been reflected in "liberalist conceptions and a tolerant attitude toward various deviations," he added.

THE PRUDENT MAN TEST FOR INCOME TAX DEDUCTIONS

Mr. PROXMIRE. Mr. President, in Sunday's New York Times appears a delightful and devastating indictment of the amendment which was adopted by the Finance Committee on business expense accounts. The article, entitled "On the Artful Tax Dodger, or Prudent Man," was written by the head of the Times bureau, Mr. James Reston. Mr. Reston shows how the prudent-man doctrine can have a devastating effect in trying to collect taxes. He said:

> This obviously has possibilities. Suppose a citizen of the Great Republic absolutely has to go to Paris on business or to New York or anywhere else where the women are recklessly beautiful. In the situation a prudent man, in the exercise of his sound judgment, would obviously take along his wife and write her off as a prudent deduction.

There are many other examples, some of them frivolous, but many of them serious.

I ask unanimous consent that the column may be printed in the Record, at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

On the Artful Tax-Dodger or Prudent Man

(By James Reston)

Washington, July 21.—Gentle reader, get the prudence. For the Senate Finance Committee has just proclaimed a new doctrine for the new expense account age. It is the doctrine of "the prudent man," and it lets you deduct from your income taxes any business or entertainment expense that might be incurred by "a prudent man in the exercise of his sound judgment."

This obviously has possibilities. Suppose a citizen of the Great Republic absolutely has to go to Paris on business, or to New York, or anywhere else where the women are recklessly beautiful. In this situation a prudent man, in the exercise of his sound judgment, would obviously take along his wife and write her off as a prudent deduction.

Webster's New International Dictionary defines prudence as "practical wisdom * * * the wisdom that conduces to moral virtue." No doubt this is precisely what the Senate Finance Committee had in mind, for nothing conduces to moral virtue in a traveling salesman more than having his wife along on his travels.

APPLIED SELF-INTEREST

The same dictionary also defines prudence as "skill or sagacity in the management of practical, especially business affairs—sometimes with an implication of self-interest."

This opens up to the artful taxdodger golden opportunities for legitimate chiseling. It shifts the emphasis from the tax collector's interest to the taxpayer's self-interest, and provides a means of solving many modern problems heretofore regarded as insoluble.

Consider the agony of living in the same world with both Nikita Khrushchev and Mortimer M. Caplin, the new Commissioner of Internal Revenue. No less an authority than President Kennedy has told us that this is a dangerous time. Khrushchev has said that he now has an intercontinental ballistic missile that can hit a "fly in the sky" and cannot be brought down by anything in the arsenal of democracy.

In such a world, equipped with such ghastly flyswatters, a prudent man would surely provide some means of escape for his family—say a yacht well stocked and lubricated with provisions capable of maintaining life for a considerable period of time. Or a hideaway in the mountains equipped with a large deep pool of water for protection against radiation. And these would, of course, have to be maintained and kept in running order by periodic use, say on the weekends.

President Kennedy does not favor the prudent-man doctrine. He prefers the doctrine of the honest man. His tax bill would have ruled out all general business deductions and then permitted, maybe, some specific exceptions. The Ways and Means Committee of the House of Representatives was a little more lenient, but it insisted that deductions had to be demonstrably related to the business activity of the taxpayer. It was then that the Senate Finance Committee came along with this lovely loophole of the prudent man.

Every age has its fashions in men. There was, for example, the forgotten man of Herbert Hoover's time, whose "chief business in life is to pay." Then there was the common man, so dear to the heart of Franklin Roosevelt, but these are now out of style, and the coming thing is clearly the prudent man.

AN OUNCE OF PRUDENCE

If he has business associates who love good wine and food (and who doesn't), he will be prudent about having an adequate supply of same always on hand.

If he has a lovely wife, and especially if he doesn't, he will certainly be prudent enough to see that she does not go out with him on what the Finance Committee calls "business-oriented occasions" looking as if she had been slipcovered, but will instead fit her out like Jackie, and care for her gently as a prudent man should, and see that she gets a good, long, business-oriented rest both winter and summer.

Finally, if "an ounce of prudence is worth a pound of gold," no prudent man will kill himself with work at the office or imagine that the country has a brain tumor every time the stock market develops a little fever—not when, "in the exercise of his sound judgment," he can take a good, long, prudently deductible rest with a couple of agreeable business associates and their wives.

Of course, the Congress has to approve the doctrine and somebody has to make the provision for the prudent woman, and President Kennedy, if the bill passes, must not veto it. But he wouldn't dare. He's in enough trouble already.

THE EASY MONEY POLICY

Mr. PROXMIRE. Mr. President, Bernard D. Nossiter, the staff financial expert of the Washington Post, has a comment and analysis this morning on the Federal Reserve Board's tight money policy. I should like to quote briefly the four arguments which he makes against the tight money policy at this time:

> Another reason for the tighter money might be the paradoxical argument that easy money will discourage, not encourage borrowers. This odd line of reasoning runs that if money were easier, potential borrowers, seeing interest rates go down, would expect more of the same and so hold off a little.
>
> Few economists would accept this reasoning. They would argue that Europe's central bankers have as much stake in the dollar as this country because they hold some portion of their reserves in the very dollars that might be devalued.
>
> Secondly, the experts would point to the improvement that has taken place this year in the Nation's balance of payments.
>
> Thirdly, they would contend that private European "bears" should not be an overwhelming prey for the consortium of European central banks, if the consortium wants to act.
>
> Fourthly, there is a variety of ways of shrinking the deficit in the Nation's balance of payments without turning the credit screw.

I ask unanimous consent that this excellent analysis by Mr. Nossiter, which is one of the first that I have seen appear in daily newspapers critical of this paradoxical and destructive policy of the Federal Reserve, may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RESERVE SOFT-PEDALS EASY MONEY POLICY

(By Bernard D. Nossiter)

The Federal Reserve System has quietly shifted its emphasis away from easy money and thereby has taken a calculated economic and political risk.

The central bank has moved to a stance of less easy credit at the very time that the economy is sluggish.

The monetary authorities can make out an ingenious case for their new position. But if the current level of output and income persists or tails off into a decline in the next 6 months the Fed's shift could touch off a barrage from Democrats and professional economists that might drastically reshape the way the central bank does business.

Chairman William McChesney Martin of the Fed's Board is a man of deep conviction who is not unused to fire. There is no sign that he is flinching, and it is a safe bet that he fully appreciates the risks he is running.

For the past 6 weeks the Fed has let the supply of money decline a little. Interest rates, the price of money, have been moving up slowly. From the beginning of June to mid-July, the price that the Government has had to pay for 90-day loans has advanced from 2.656 to 2.974 percent; the yield on long-term Government bonds has moved up from 3.89 to 4.02 percent.

When business is slow, conventional theory calls for increasing the money supply and pushing interest rates down to bring out more borrowing, which in turn means more spending.

The monetary authorities can argue that they are doing the reverse in a very modest way for several reasons.

The most important, they argue, is the outflow of gold. Some qualified persons insist that European bankers are showing increased fear that the dollar will be devalued and that some speculators are mounting small raids in an effort to force devaluation.

The Fed's actions could be taken as a warning to Europeans that the central bank here will resist this outflow vigorously. Martin's remarkable public threat to prevent any antirecession tax cut from enlarging the money supply could be another such message to Europe.

Another reason for tighter money might be the paradoxical argument that easy money will discourage, not encourage borrowers. This odd line of reasoning runs that if money were easier, potential borrowers, seeing interest rates go down, would expect more of the same and so hold off a little.

Few economists would accept this reasoning. They would argue that Europe's central bankers have as much stake in the dollar as this country because they hold some portion of their reserves in the very dollars that might be devalued.

Secondly, the experts would point to the improvement that has taken place this year in the Nation's balance of payments.

Thirdly, they would contend that private European "bears" should not be an overwhelming prey for the consortium of European central banks, if the consortium wants to act.

Fourthly, there is a variety of ways of shrinking the deficit in the Nation's balance of payments without turning the credit screw.

The argument that easier money might postpone borrowing also would carry little weight with economists. They would retort that the cheaper the price of money, the more of it will be "bought" in the form of loans.

If the economy turns up again later this year—and apparently the Fed is betting that it will—the central bank and Martin will look very wise indeed. In recent years, the Fed has batted .500, late in easing money for the 1957–58 recession but well in advance of the 1960 downturn.

If the Fed is wrong this time, it will be blasted not only by such perennial foes as Representative WRIGHT PATMAN, Democrat, of Texas, and the other persistent, cheap-money Democrats. Many economists as well as less dogmatic politicians will raise serious questions about the desirability of curbing the central bank's powers.

THE LATE LLOYD WHITEBROOK

Mr. HARTKE. Mr. President, a great and dedicated leader in the field of political communications was lost to us over the weekend. I refer to Mr. Lloyd Whitebrook, of New York, who is well known to many of us and who had worked closely with several of us on this side of the aisle.

Mr. Whitebrook had only recently been retained by the Democratic National Committee, the Democratic Congressional Campaign Committee and the Democratic Senatorial Campaign Committee, which it is my pleasure to chair, for the campaign ahead. Mr. Whitebrook had worked with the candidates from our party for election to the Senate last week and collapsed on Friday while working at this task. He died Saturday night in George Washington University Hospital.

Warm, friendly, competent, dedicated, and always willing to lend a helping hand, Lloyd Whitebrook won allies wherever he went and wherever he worked. There are a few in this body whose success was partly due to Mr. Whitebrook. Men with talent are rare. Those who use their talent in accord with the highest ethics and for noble purpose are even more rare. Lloyd Whitebrook was such a man.

THE ASSIGNMENT OF DEFENSE CONTRACTS

Mr. LAUSCHE. Mr. President, several days ago a group of Ohio Members of Congress met with the Secretary of Defense, Mr. McNamara, to inquire why research and development contracts are all being awarded on the east and west coasts. It was pointed out to the Secretary that Ohio is receiving 2.3 percent of the defense research contracts.

After some discussion, the Secretary of Defense made the sweeping indictment—and I call this to the attention of Senators from the Midwestern States—that the Defense Department is sending its contracts to the States where the brains are located. The Midwest does not have the brains to do the job, and therefore, he said, the assignments go to the east and west coasts. The Secretary of Defense then went on to say to the Ohio Members of Congress that Ohio stands 42d among the States in the percentage of total State expenditures devoted to State colleges and universities.

He took his figures from a statistical compilation issued by the National Education Association.

What Mr. McNamara did not know when he made that statement was that Ohio has 47 institutions of higher learning not financed by the State. In Ohio there are 53 institutions of higher learning. Six of them are financed by the State government, and 47 by private endowments. Of the 47, 3 are financed by municipal governments.

If Mr. McNamara had examined the compilation from which he read, he would have found this interesting information. Ohio is 42d on the basis of the money that it spends to finance colleges and institutions of higher learning, but private contributions and municipal contributions finance 47 colleges. He did not look into that report very carefully.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LAUSCHE. May I have 3 additional minutes?

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. LAUSCHE. If he had examined the report he would have found that New York is last on the list. If he had looked further, he would have found that Massachusetts is second to last on the list. The question might be asked why is Massachusetts second to last and New York last on that list. The answer is that in Massachusetts and in New York there are similarly privately endowed institutions not financed by taxpayers' money. I do not know whether the Senators from the Midwest are familiar with the statement that was made, that research and development contracts are not going to Illinois, Michigan, Indiana, and Ohio and other States in the Midwest because we do not have the brains.

The Secretary also forgets that there has been a migration of scientists and a pirating of them from the Midwestern States by the States to which these grants have been made, and that with the grants they have the money and equipment, and with that start on the Midwestern States they of course keep snowballing along at the expense of the Midwestern States.

I respectfully call to the attention of the Secretary of Defense a very interesting editorial published in the Post and Times Star of Cincinnati, Ohio, in its issue of Wednesday, July 18.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield to the Senator from California. I was looking at him and speaking to him while I was making my statement.

Mr. KUCHEL. The Senator from Ohio used words like "pirating." I wonder whether the Senator from Ohio is accusing the Secretary of Defense and the Government of the United States of any fraud or chicanery or favoritism in the awarding of research and development contracts for the defense of the American people.

Mr. LAUSCHE. I ask the Senator from California what the population of his State is.

Mr. KUCHEL. The Senator may answer the question or not, as he chooses.

Mr. LAUSCHE. I submit that it is prima facie wrong to have California, with perhaps 10 percent of the population of the country, getting 24 percent of the procurement contracts. I say those facts do not go hand in hand.

Mr. KUCHEL. The Senator may answer the question or not.

Mr. LAUSCHE. Perhaps the warm climate is some inducement or a partial explanation of why the contracts are awarded in California. However, it cannot be the basic reason. I ask the Senator to explain how it is that California gets 23 percent of the contracts, when it has a population of only 10 percent of the entire country.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. I ask that we may proceed for 2 more minutes.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. KUCHEL. I asked the Senator a question, and he has not answered it. He has a right to refuse to answer. However, let the RECORD be clear and let it show that the Senator has not answered the question. I will repeat the question. Does the Senator from Ohio accuse the Secretary of Defense and the Government of the United States of any fraud or chicanery or favoritism in awarding research and development contracts?

Mr. LAUSCHE. I take the position that the National Science Foundation and the Defense Department have not utilized to the fullest advantage the potentiality by way of the brains and equipment which exists in the Midwestern States of our country. I take the position that the matter of climate has been given too much consideration.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. I doubt very much that any useful purpose would be served in my attempting to make further comment on what has been uttered on the floor by the Senator from Ohio. We deal, when we discuss research and development contracts, with a matter of deep concern to the defense and security of the American people.

The PRESIDING OFFICER (Mr. PELL in the chair). The Senator from California has 2½ minutes remaining.

Mr. KUCHEL. Mr. President, the Senator from Ohio goes through paroxysms of great fear. He has a duty to defend the gallant people of the State of Ohio and to point with such pride as he deems appropriate to the interests of the people of his State in the processes of education.

He speaks glibly of piracy taking place. I do not know by whom, because he did not say who, in his opinion, was pirating. But the point is that he has failed to answer my question whether Secretary of Defense Robert S. McNamara, in the awarding of research and development contracts, is in the Senator's opinion, guilty of any fraud or chicanery. The obvious answer is that he is not.

The Secretary of Defense is an able, patriotic American. I have stood on the floor of the Senate before when other Senators have undermined him and his integrity. The fact is that the Secretary of Defense is doing that which he ought to do and which, in his own best judgment, he has determined to do with respect to the defense needs of the people of the United States, any comments by the distinguished Senator from Ohio to the contrary notwithstanding.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senator from Ohio be permitted to speak for not to exceed 3 minutes, if he wishes to reply to the Senator from California.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LAUSCHE. If Ohio were getting some semblance of 23 percent of the assignments——

Mr. KUCHEL. The Senator from Ohio cries and whines.

Mr. LAUSCHE. I would be here defending Ohio, just as the Senator from California is now defending his State. It is not necessary to prove fraud. It is not necessary to prove chicanery. The fact is that contracts began going to California early. Money and equipment went there early. The Middle West has an immense background which the Far West is taking from her. California has taken scientists trained in the Midwestern States.

Mr. KUCHEL. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. Certainly; I yield.

Mr. KUCHEL. What does the Senator from Ohio quarrel with? Does he quarrel with the decisions the Secretary of Defense has made simply because those decisions happen to result in research and developments contracts being awarded to a part of the country other than Ohio? Is that the burden of his comment?

Mr. LAUSCHE. No, that is not the burden of the argument of the Senator from Ohio. I am of the opinion, as I have already stated, that it is rather odd that, allegedly, as stated by the Secretary of Defense, all the brains are in California, Massachusetts, and New York. I do not believe it. [Laughter.]

Mr. HUMPHREY. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. HUMPHREY. I do not desire to make any accusations; but some 2 or 3 weeks ago I spoke on this subject in the Senate. I spoke on it with respect to my State of Minnesota. I said I believed the Department of Defense had not utilized the research talent of the country as it could throughout the entire Nation. I am not complaining because the East or the West may get a disproportionate share of research and development contracts. I am complaining, however, because there has been such a paucity, such a small amount of research and development work done in the Midwest particularly. I believe something ought to be done about that. It seems to me that the burden of proof is upon the Department of Defense. Senators cannot tell me that the great universities and technical laboratories in States such as Ohio, Minnesota, Wisconsin, and Indiana—we could name them all—have not something more to contribute than the Department of Defense has asked them to contribute thus far.

Mr. McCARTHY. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. McCARTHY. The Senator from Ohio has made a real contribution to this discussion. If the Secretary of Defense is using the table of statistics published by the National Education Association to justify his awarding of contracts to Massachusetts and California, then certainly his position should be challenged.

Mr. BUTLER. Mr. President, will the Senator from Ohio yield?

Mr. KUCHEL. I believe the Senator from California has the floor.

The PRESIDING OFFICER. The Senator from Ohio has the floor. He has 1 minute remaining.

Mr. LAUSCHE. I yield to the Senator from Maryland.

Mr. BUTLER. I express my gratification to the number of supporters who are now taking up a question which I raised on the floor of the Senate 3 years ago, when I submitted a resolution to the Committee on Armed Services to have this subject looked into. I agree wholeheartedly with the Senator from Ohio and other Senators that there are some brains in places other than Massachusetts, New York, and California. I also say, from the standpoint of dispersal alone, that something should be done about California.

Mr. LAUSCHE. I thank the Senator from Maryland.

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may proceed for the next 5 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KUCHEL. First, I wish to speak to my able friend, the Democratic whip.

Mr. HUMPHREY. I am listening.

Mr. KUCHEL. In the Cabinet of the President, no one has distinguished himself as a great American more than the Secretary of Defense, Bob McNamara. I might, if I wished, recall that he is a member of my party; but that is irrelevant to these comments. We are all in the same boat together so far as the perpetuation of our country is concerned. I should imagine, however, that the Secretary of Defense ought to look to the members of the party represented by the President of the United States in the U.S. Senate and House of Representatives to defend him against some of the rather loose comment of the Senator from Ohio.

Here are the facts: Only a few weeks ago the U.S. Senate once again, as it has done for several years, passed a defense appropriation bill which specifically included a provision against using defense moneys to cure the problem of unemployment which has regrettably plagued some of the depressed areas of our land. Why did the Senate do that? It did so because the defense of the country is paramount to any other problem which we have. It did so because in its wisdom, urged to do so by the Secretary of Defense himself, it refused to saddle upon the Secretary of Defense any other responsibility than to determine how best the defense moneys may be utilized, most efficiently and most economically, for the defense and security of the American people.

What are the results? Every time any contract is awarded anywhere in the country, it is awarded on the basis of the judgment exercised by the Secretary of Defense and the people who aid him as to where the cheapest and most efficient hardware and weapons systems may be purchased, or may be developed, for the defense of the Nation. If, in the absence of fraud or favoritism or political chicanery the Secretary of Defense makes his decision to place anywhere in the United States research and development contracts or any other kind of contracts, no Senator ought to be heard in the Senate to denounce it.

I said some time ago to the Senator from Ohio that if the Secretary of Defense saw fit to spend every single nickel with people living in Ohio, and if he did so because his good judgment dictated that, that was what he ought to do in the defense and security of the American people, then no Member of the Senate ought to be heard to criticize or to carp at the Secretary of Defense.

I am one Senator who believes that every U.S. Senator ought to be guided by one basic truth: That all he has a right to ask of the Government of the United States in the expenditure of public moneys is that the law be followed and that the Secretary of Defense and the other members of the President's Cabinet, in awarding contracts of any kind, be guided in their judgment by fair play and fair treatment of what is in the best interests of the United States. The Senator from Ohio should not try to rule California out of the Union.

I salute the good people of Ohio. Ohio is a great State. So is Minnesota. So is Maryland. So is every one of the 50 States. But the Senator from Ohio should not denounce my State, because he comes perilously close to abusing the very rules under which the Senate conducts its business.

Mr. GOLDWATER. Mr. President, will the Senator from California yield?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Arizona yield to the Senator from Arizona?

Mr. KUCHEL. I yield.

Mr. GOLDWATER. Mr. President, it is very rare that an Arizonian rises to defend California. We, ourselves, have been trying for many, many years to abuse California, but we have been quite unsuccessful about it.

I think there are some things that Members of this body overlook when they rise to complain about the amount of Department of Defense contracts which are awarded to California firms. After all, California has been outstanding in its work in connection with the development and production of aircraft. That began many years ago. I can remember, for example, when the Douglas Co. had only one hangar and employed just a few men. Similarly, I can remember when stock in the Lockheed Co. could be bought for 15 cents a share. Likewise, I can remember when Convair was in its very beginning.

If other States want some of that business, let them find men with the courage and the foresight to invest their funds in those developments.

The only other place in the United States outside of California where aircraft were manufactured in large quantities was Maryland; I refer to the old Martin plant, in Baltimore.

California's outstanding position in connection with the aircraft industry has not been because California was favored; it was because it was the only place in the United States where men had the fortitude and the courage and the foresight to invest their funds in such developments at a time when most people in the United States did not think there was any particular future in the airplane.

The development of that industry in California has been accompanied by the development of many fine institutions of learning there—some of them outstanding among all such institutions in this country. Among them is the California Institute of Technology. Also located in California is the world's largest telescope, which is extremely valuable in connection with research allied with the development of aircraft and in connection with astronomical observations, which are most important in connection with the operation of aircraft. In California are also located the Air Force Test Center and the Palmdale Test Center.

These developments have occurred in California because Californians had the courage and the fortitude to invest their funds in the construction of aircraft and the development of the aircraft industry at a time when no one else in the country seemed very much interested in that field.

So I rise to defend California, as I defend my own State and the rest of the West, when representatives of other States see the goose laying the golden eggs and want to get some of those for their own States. I stress the point that Californians ventured courageously into that field at a time when no one else in the country had the foresightedness to do anything about it.

Mr. KUCHEL. Mr. President, I am grateful to the Senator from Arizona for his comments, because they represent a complete statement of the truth with respect to this problem.

Mr. LAUSCHE. Mr. President, will the Senator from California yield?

Mr. KUCHEL. I yield now to my beloved friend, the Senator from Ohio.

Mr. LAUSCHE. Mr. President, the Senator from Ohio did not intend to cast any reflections upon California. The Senator from Ohio has been meticulous in his observance of the rule that he does not ask for Ohio anything that he would not be willing to have granted to another State. The fact is that on the floor of the Senate this Senator has opposed assignments to Ohio when he believed they were economically wrong.

But I do want to ask for Ohio what Ohio is justly entitled to; and I say Ohio is entitled to have its potentials by way of brains and equipment used when that will be in the interest of the economy and the taxpayers of the United States and will be in furtherance of justice.

The PRESIDING OFFICER. Under the 3-minute limitation, the time available to the Senator from California has expired.

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may proceed for 3 additional minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, I yield further to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I have listened to the Senator from California protest; and, in the words which Shakespeare put into the mouth of one of his players, the Senator from California "doth protest too much" about the injustice that supposedly is done to his State.

Mr. KUCHEL. Mr. President, all I wish to say is that the Department of Defense spends the funds available to it under standards which have been approved by the Congress. The Senator from Ohio simply dislikes those standards and the honest judgment of the Secretary of Defense in applying those standards.

Let me ask the Senator from Ohio how he would change the standards. Would he want the standards changed in such a way that the people of Ohio would participate in this program, if that cost the people of the United States more money?

Mr. LAUSCHE. No. The Senator from Ohio only wants the abilities and the potentialities of Midwest to be recognized. I am not speaking alone of Ohio. In my judgment it is wrong to say that sufficient brains are not to be found in the Midwest. If the Senator from California wishes to arrogate to himself the vanity that California alone has the brains in the United States, I shall not object to his taking that position.

Mr. KUCHEL. Mr. President, I close simply by indicating again in this record that the Senator from Ohio has not—to his credit—charged the Secretary of Defense with any fraud or chicanery or favoritism. All that the Senator from Ohio is doing is crying and whining and raising cain on this floor because he feels that the people of his State have been aggrieved.

Mr. President, that is all I have to say on this occasion.

Mr. HART. Mr. President, we have just now listened to one of the series of incidents which occur periodically in this Chamber in regard to who should get what, and under what rule.

I hope we shall always follow the rule which will best serve our country's cause in connection with the various developments which occur under the stars. I believe it would be well that all of us ask ourselves whether it would be wise for the Senate Committee on Rules and Administration to give serious and favorable consideration to taking action on a resolution which I and a number of other Senators have submitted. I refer to a resolution which calls for the establishment of a Senate select committee to evaluate the economic impact of defense procurement and to ascertain whether in 1962 the guidelines are as precise as we would like to have them be.

I hope this situation will serve to remind us that whenever a particular State fails to obtain some Department of Defense contract which it would like to have obtained, the Senators from that State often—out of a spirit of sectionalism and political survival—immediately rise and make speeches about the matter; but thereafter everything is forgotten until the next sorry incident occurs.

I suggest that we develop a series of blueprints which will enable us intelligently to evaluate the action of the Department of Defense. I believe that the proposal which I have had pending for a long, long time might be the answer.

RESEARCH FOR NEW INDUSTRIAL USES FOR AGRICULTURAL COMMODITIES

Mr. MILLER. Mr. President, during the last few minutes so much attention has been focused on a special kind of research and development, that I believe it would be well to point out that there is another kind which is of great importance to the country. I speak of research and development for the purpose of ascertaining new industrial uses for agricultural commodities.

Yesterday there was published in the Omaha World-Herald an article, written by Dale Ohrtman, the World-Herald farm editor, under the caption "USDA Dragging Feet on Products Research." In the article, Mr. Ohrtman recounts a conversation with Mr. J. Leroy Welsh, an Omaha grainman who served on President Eisenhower's committee to find additional uses for agricultural products. Mr. Welsh makes a very strong indictment of the Department of Agriculture for failing to carry out the policies which he says Congress has long established for conducting research and development to find new industrial uses for agricultural products; and Mr. Welsh adds that he would like to see a congressional investigation, to find out who is and who has been for many years stopping agricultural utilization and research.

Mr. President, there is no question but that the future of agricultural surpluses can be decided favorably by this type of program. It may not take effect immediately, but in the long run the finding of additional industrial uses for agricultural commodities may be the best answer to the agricultural-commodity-surplus problem.

Coming from Iowa, I must say that I am very much interested in these statements by Mr. Welsh; and although at this moment I am not calling for a congressional investigation, I believe it would be well for the Department of Agriculture to make clear just what its policies and programs with respect to this subject have been and are.

I ask unanimous consent that an excerpt from the article to which I have referred be printed at this point in the Record.

There being no objection, the excerpt from the article was ordered to be printed in the Record, as follows:

USDA Dragging Feet on Products Research

(By Dale Ohrtman)

Someone in the Department of Agriculture is, and has been for several years, dragging his feet in seeking new uses for farm products.

That is the opinion of J. Leroy Welsh, Omaha grainman who headed President Eisenhower's committee to find additional uses for agricultural products.

"The situation is getting desperate now," Mr. Welsh said.

He said this is not a political thing, adding that both major political parties are equally guilty.

* * * * *

The use of the Department of Agriculture's laboratory at Peoria, Ill., is one of the most serious offenses against farmers in the Nation, Mr. Welsh said.

"That laboratory was created in the mid-1930's by the Congress of the United States to, and I quote from the bill which authorized it, 'find new uses for farm products.'

CITES AN EXAMPLE

"Somebody has been diverting the actions of the people employed there to other purposes. They have not spent 10 percent of their funds on finding new uses for farm products," Mr. Welsh charged.

The Omaha grain dealer cited an example of how agricultural utilization research has been curbed.

During a visit to the Peoria laboratory in 1956, Mr. Welsh was told grain starch could be added to paper to improve its quality.

Mr. Welsh carried the idea back to Washington, got the approval of the Secretary of Agriculture to go ahead with the research, a committee chairman was appointed to be in charge of the work and the research supposedly was started, the Omahan said.

BIG ANNOUNCEMENT

"They told me at the lab that the work could be completed in 6 months to 2 years at a maximum cost of $2 million," he said.

"But 7 months after the work was supposed to have started, the man who was supposed to be in charge of the project asked me casually, 'Whatever became of that research'?"

This spring the Department of Agriculture came out with a big announcement it has found a means of improving the quality of paper by adding grain starches to it, he added.

"This is the same process they were talking about back in 1956," Mr. Welsh said.

And what can be done about the situation?

THIRTY-YEAR SITUATION

"I would like to see a congressional investigation to find out who is, and who has been for many years, stopping agricultural utilization research," Mr. Welsh said. "I would like to know who has been diverting funds for finding new uses for farm products from that purpose for 30 years."

The utilization research program started in Nebraska is commendable and should have some influence on the national research, Mr. Welsh said.

But, to be fully effective, such research should be conducted on a national level, he said. If other farm States join and coordinate their efforts with those of Nebraska, a great deal of progress can be made, the grainman added.

TAXPAYERS, SWEAT ON

Mr. YOUNG of Ohio. Mr. President, American taxpayers may have to sweat considerably more, even though to date the summer has not been quite as hot as usual. The reason is that unless we in Congress are able to muster enough votes to clobber some of the excessive demands coming upon the American taxpayers, they may find that the financial demands made upon them will become much heavier. For example, unless we are careful, the taxpayers will find that they will be paying $70,000 for the construction, in Kampala, Uganda, for a house for the U.S. Ambassador. Mr. President, until recently I had never heard of Kampala. I have never been there, and I never expect to be there. But I am told that it is an African city with a population of approximately 55,000; and I am told that the U.S. Ambassador there—the personal representative of the President of the United States—should have a handsome residence. It is proposed to spend $70,000, to be taken from the pockets of U.S. taxpayers, for the initial construction of that residence; and I am informed that the total cost will be much more than that.

Also, Mr. President, our taxpayers will be expected to sweat somewhat more, and they will, when they know that in Ouagadougou, capital of Upper Volta, in Africa, it is proposed that 30 relaxed Americans, feeding at the public trough, and living "high on the hog," as we say in Ohio, will occupy 10 buildings as offices or residences. In other words, 10 buildings are being constructed to house all of 30 Americans, and they will be very relaxed Americans, because—oh, yes—these buildings will be air conditioned.

Mr. President, one more piece of information: an appropriation of $622,000 is being asked to house and "adequately" furnish residences for 10 Americans in Libreville, capital of Gabon in Africa—$62,200 for each American is proposed to be spent. It seems to me this is more than keeping up with the Joneses. I assert it is an excellent circumstance that we are in session, and will probably continue to be in session, so that we can scrutinize with great care such requests as this. I think it is high time that we used the meat cleaver on some of these matters.

DEFEAT FOR ALL AMERICANS

Mr. YOUNG of Ohio. Mr. President, it is unfortunate that medical care for the elderly under social security was defeated in the Senate, and that this meritorious legislative proposal is on the committee shelf in the House of Representatives. Years ago I served as a member of the Committee on Ways and Means of the House of Representatives, and I regret very much indeed that this legislation has not been voted out of that committee, and will not be voted out during the present session of the Congress, so that the other body may have an opportunity, as we had last week, to vote upon it.

The defeat last week of the proposed hospital care for the elderly amendments was a serious defeat for every American family. There are more than 17 million Americans over 65 years of age. Of course, of these millions, there are many millions who are less able to pay hospital bills than they were in their younger years, when they had higher earnings, or at least some earnings.

Furthermore, all Americans, regardless of age, who have parents likely to be ill—I refer to young Americans who have growing children—suffered a serious setback when these amendments were defeated. These families desire—in fact, they find it necessary—to save for their children's education and for other necessary future expenditures. If prolonged illness afflicts a parent, father-in-law, mother-in-law, or other elderly relative, average American families should not be compelled to incur colossal debt or pay out from savings accumulated for other purposes.

The vote last week in the Senate, to be sure, was a victory for the American Medical Association. It was a defeat for many, many American families. The need for hospital and medical care for our elderly will continue to exist.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. YOUNG of Ohio. I ask unanimous consent to proceed for a few more minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. YOUNG of Ohio. The need for hospital and medical care is presently unsatisfactorily met with, and has been over the past few years.

Reference has been made recently to the Kerr-Mills bill which was signed by President Eisenhower. It is a personal, happy recollection that my vote was cast against the enactment of that bill in 1960. The fact is that not one elderly individual in Ohio has been aided by the operation of the Kerr-Mills Act.

However, under that law, the Kerr-Mills Act, taxpayers in 50 States, regardless of whether any elderly person within a State is aided, must bear the total cost. The administration medical care bill on which we voted in the Senate last week provided that the cost would be paid from social security premiums. No additional tax burden would have been imposed had the administration's hospital care for the elderly proposal been enacted into law.

Defeat of this meritorious legislative proposal, I assert, Mr. President, was an affront to the conscience of the country. Unfortunately, our needy elderly now have a political issue instead of a response—a needed response—to their legitimate claims. I regret this very much indeed. A new Congress will meet next January, for the welfare of the Nation, and I hope for the peace of the world. Powerful though the American Medical Association lobby is, has been, and will be, hospital and medical care for the elderly within social security may be a reality by July 1963, at the latest.

SENATOR RANDOLPH SAYS LEGISLATIVE BRIBERY CHARGES ARE INACCURATE

Mr. HUMPHREY. Mr. President, the Senator from West Virginia [Mr. Randolph] wishes to speak beyond the time limitation of 3 minutes. I ask unanimous consent that the Senator from West Virginia may be given 25 minutes.

The PRESIDING OFFICER (Mr. Hickey in the chair). Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

The Senator from West Virginia is recognized.

Mr. RANDOLPH. Mr. President, a column by Drew Pearson, first brought to my attention by newspaper friends in West Virginia last Saturday, appeared in print this morning in the Washington Post and Times Herald and other newspapers under the headings, "Medicare Versus Windfall." Mr. Pearson wrote as follows:

Medicare Versus Windfall

A smart little piece of legislative "bribery" was what really caused the defeat of the medicare bill. The bribery was put across by Bible-pounding Senator Bob Kerr, the Oklahoma oil millionaire and the richest man in the Senate, who sits on the strategic Senate Finance Committee.

Inside that committee he tried to put across an amendment to the public welfare bill which would give the State of West Virginia $11 million and might eventually add up to $21 million, due to the fact that West Virginia had illegally used Federal funds for dependent children.

Secretary of HEW Ribicoff discovered this illegal expenditure by West Virginia and was in the process of cracking down on it. But Bob Kerr came to the rescue. In a secret deal with West Virginia's Senator Jennings Randolph, he agreed to get the money voted for West Virginia retroactively, all the way back to July 1, 1961, on condition Randolph would vote against medicare.

A retroactive vote of this kind is almost unheard of, and the Senate Finance Committee turned it down. So the sly Senator from Oklahoma waited until July 3, when many Senators were away for the Fourth of July holiday, then took the amendment up on the Senate floor. Describing it as an unimportant little amendment, Kerr slipped it by a sleepy Senate.

Having done this favor for Senator Randolph, Kerr held him to the deal. That was why, despite phone calls from President Kennedy, Vice President Johnson, Gov. William Barron of West Virginia, Gov. Dave Lawrence of Pennsylvania, plus various others, Randolph stuck to his deal. His vote killed medicare; for Senator Carl Hayden, of Arizona, was ready to vote for medicare if it had a chance of passing.

Note.—Two years ago, Senator Kerr persuaded Senator Allen Frear, of Delaware, to go along with him in opposing the first medical care bill. That blind act of friendship caused Frear's defeat at the following election, and the politicians are watching to see whether Senator Randolph also committed hara-kiri. The old folks, the politicians say, never forget and the doctors never remember.

Mr. President, Mr. Pearson's references to the so-called West Virginia amendment are inaccurate and his accusations against both the senior Senator from Oklahoma [Mr. Kerr] and the Senator from West Virginia now speaking are equally inaccurate. His story does not square with the facts.

There was no "legislative bribery." The amendment to which Mr. Pearson refers originated in the Department of Health, Education, and Welfare—not with Senator Robert S. Kerr, of Oklahoma, and not with the Senator from West Virginia. In agreeing to offer the amendment, the Senator from Oklahoma [Mr. Kerr] made no demands on me and I made no pledge to him concerning how I would vote on his July 17 motion to table the Anderson health care amendments to H.R. 10606, a general welfare reform measure.

Mr. Pearson evidently did not read, or misread, page 12668 of the Record for July 3, 1962. The amendment was not rejected in the Finance Committee and it was not "slipped by a sleepy Senate." It was cleared by the senior Senator from Oklahoma with the majority leader, the minority leader, the chairman of the Finance Committee, and the ranking minority member of the committee. The other Democratic members of the Finance Committee also cleared the amendment, the Senator from Oklahoma [Mr. Kerr] reported.

As will be pointed out, HEW Secretary Ribicoff had approved the plan under which West Virginia administered the ADCU program during fiscal year 1962. It was HEW auditors who filed a so-called "audit exception" against the Federal fund expenditures in West Virginia. In essence, the exception was more an intra-HEW controversy than one between HEW and the State of West Virginia.

There was no secret deal between the Senator from Oklahoma [Mr. KERR] and Senator JENNINGS RANDOLPH, as Mr. Pearson inaccurately wrote. The Senator from Oklahoma [Mr. KERR] agreed to sponsor the amendment at a meeting attended by both Senators from West Virginia in company with the welfare commissioner from our State, W. Bernard Smith. Also present at the same conference were Dr. Wilbur J. Cohen, Assistant Secretary of HEW for Legislative Affairs, and Commissioner Robert M. Ball of the Social Security Administration. Subsequently, I shall discuss this meeting in more detail.

Following the vote on the Anderson amendment, I stated in this forum the reasons why I voted to table it. Those reasons are printed on pages 13871 and 13872 of the RECORD for Tuesday, July 17, 1962. Drew Pearson's inaccurate column will not change them.

Certainly I was interested in having the Congress as a whole act favorably on the amendment to which Mr. Pearson referred. I did not wish to have the State I represent penalized $11 million or more simply because auditors in the Department of Health, Education, and Welfare seemed to be in disagreement with the then Secretary of that Department or others who had approved the West Virginia ADCU program.

But I did not vote solely to settle a controversy within HEW and a potential controversy between HEW and the State of West Virginia—and I underscore the word "potential," because no actual claim or statement of exception had been filed with or against the State of West Virginia, but we were alerted that it was in the offing.

The amendment under discussion, which made the community work provisions of the act retroactive to July 1, 1961, was considered to be a technical corrective-type amendment because there never was any question concerning the eligibility of the individuals for whom ADCU benefit payments were made in West Virginia.

Acceptance of the amendment by the Senate Finance Committee, by the Senate in formal action on H.R. 10606, by the Senate-House conference committee, and finally by each House of the Congress in adopting the conference report, indicates quite clearly that it did not move through that many steps of the laborious legislative process under a subterfuge. Neither was it, by any stretch of one's imagination, a windfall for West Virginia.

I repeat that I did wish to see this amendment become a part of public law for reasons which will be expanded as I discuss its history and its background in more detail. But it was not my principal reason for voting to table the Anderson amendment.

It was my considered opinion that the whole group of welfare amendments in the measure faced indefinite delay—really, in my judgment, total defeat—if the Anderson health care amendment remained a burning controversy in the Congress this session. I felt with deep conviction that there would not be a social security type health care for the aged plan adopted by the 87th Congress because of known powerful opposition in the other body. Thus, I believed a welfare law extending ADCU, and providing other significant improvements in the public assistance programs under the Social Security Act, was much to be preferred and much more in the public interest than a stalemate under which no American would benefit. I have been and continue to be a believer in the need for a program of health care for the aged within the framework of the social security system. But I am a realist. I worked for an attainable law—not for an empty gesture to our senior citizens, and not for a political issue while dependent children and their unemployed parents suffer.

Now, Mr. President, I shall turn again to the subject of the inaccurate charges against the senior Senator from Oklahoma [Mr. KERR] and the Senator from West Virginia who now speaks in this forum.

A staff writer for the Charleston, W. Va., Gazette, Thomas F. Stafford, was in Washington last week. He is perhaps as conversant as is any West Virginia citizen with the evolution of the ADCU program in our State. His dispatch from Washington last Wednesday was published in the July 19, 1962, issue of the Gazette.

Mr. President, I quote from the article and request consent to have printed in the RECORD as part of my remarks pertinent and important explanatory paragraphs from Mr. Stafford's dispatch, as follows:

> A Senate-House conference committee agreed Wednesday, July 18, on a report that promises early resumption of West Virginia's emergency public works program and solves an $11 million headache for the State. This agreement will clear the way for passage of the program of aid to dependent children of unemployed parents (ADCU). Approximately 12,500 have been employed by the State under ADCU.
>
> By agreeing to an amendment in the conference report, Congress will further make the community work and training provisions of the bill retroactive to July 1, last year, when West Virginia turned ADCU into a work program for its unemployed.
>
> This clears up a possible conflict between the Federal and State Governments over the legality of $11 million in Federal ADCU matching grants that were spent in West Virginia between July 1 last year and June 30 this year.

At this point, Mr. President, I invite the attention of my colleagues to the following background explanation Mr. Stafford included in the dispatch to his newspaper—and he wrote authoritatively because he was on the scene when the events he described took place:

> The public works plan as developed in West Virginia was approved by former HEW Secretary Abraham Ribicoff and had the support of the Kennedy administration. But in spite of this authorization, the Department's [HEW] auditors held that the expenditure was illegal.
>
> Ribicoff, Governor Barron (of West Virginia), Senator Randolph, Senator Robert C. Byrd, State Welfare Director W. Bernard Smith, and House Speaker Julius Singleton (of the West Virginia House of Delegates) came to an agreement on the works program at a meeting last year (1961) at Mont Chateau State Park.

The meeting to which Mr. Stafford referred was held near Morgantown, W. Va., on May 22, 1961, when former Secretary Ribicoff was in that area to address the Elkins Chamber of Commerce annual dinner meeting. I verify the fact that there was such a meeting and that I attended and that a basic understanding was reached whereby West Virginia could integrate its ADCU participation into its State emergency employment program in a manner within the spirit and intent of existing law.

Following that meeting with Secretary Ribicoff these developments occurred, as Mr. Stafford wrote for last Thursday's Gazette:

> Governor Barron called the (West Virginia) legislature into special session and got authority for matching State funds with the Federal grants.
>
> ADCU as a works program is an outgrowth of the emergency employment program, which was authorized by the legislature in January 1961, as a totally State-financed makework device. By making the shift, and getting 70 percent Federal financing, the works force was increased from fewer than 2,000 to 12,500.

So, Mr. President, the fact is that the ADCU community work program in West Virginia was approved by the Secretary of Health, Education, and Welfare and was likewise helpful in a very real way because it first, provided useful work for 10,500 more unemployed fathers than the State had been able to take care of under its prior program; and second, it provided a pilot plan experience under the type of community work program which Congress has approved through passage of H.R. 10606. I repeat: It provides useful work on constructive community projects for unemployed parents of dependent children—not a dole.

Every participant in the ADCU program in West Virginia was an eligible participant under the law. Thus, it is wrong to charge that the benefits were paid illegally by the State for two reasons: First, the participants were eligible; and second, the State administrative plan for the ADCU program had been approved by the Department of Health, Education, and Welfare within a framework which I am informed the legal division of HEW must have considered to be a grant of administrative authority to the Secretary.

It is important to emphasize, Mr. President, that West Virginia did not participate in ADCU under a subterfuge. The program authorized by the State legislature was of the type agreed to between appropriate State and Federal officials.

And the State of West Virginia was not granted a "windfall." The amendment making the community work authorization retroactive to July 1, 1961, did not award an extra penny to West Virginia beyond that for which the State qualified under the law and administrative interpretation during fiscal year 1962. The amendment, in fact, said that community work programs since July 1, 1961, in West Virginia and elsewhere, including parts of California and New York, met the basic requirements established by Congress in H.R. 10606 for community work activities in the future under the ADCU provisions.

Meanwhile, I believe Members of Congress are entitled to a further explanation of the evolution of the so-called retroactive community work authorization amendment. In reciting these facts I invite a thorough investigation of their validity by any committee or subcommittee of either House of the Congress or by the Comptroller General.

The report of the Senate Finance Committee on H.R. 10606—Public Welfare Amendments of 1962—was ordered printed June 14, 1962, and a copy of the printed report was brought to my attention a day later. In reading the report, I was disturbed to find on page 3, subsection C–4, under the title "Community Work and Training Programs," the interpretation that—

> The bill H.R. 10606 would provide that beginning October 1, 1962, for a period of 5 years, Federal matching funds would be available in cases where payments are made under work programs which are a part of the ADC program and meet certain standards.

It disturbed me especially that authority for ADCU work programs would not be effective until October 1, 1962, and then I read the next sentence of the report which declared:

> Under interpretation of existing law there can be no matching as to payments made for work by a welfare agency.

I had earlier noted that the ADCU extension for 5 years was to be effective July 1, 1962. This was gratifying because I had visions of the ADCU work program in West Virginia being continuous on the assumption that Congress would consider and pass H.R. 10606 before the June 30, 1962, expiration date of the original temporary ADCU program. I hoped there would not be any interruption of benefits to needy unemployed families.

But I could not understand why the work program authority of the administration bill would be deferred until October 1, 1962, and why the report should state that under existing law there can be no matching as to payments made for work in connection with the ADCU program. This was in direct conflict with the fact that the administration had approved the West Virginia ADCU community work program and that, as of June 15, 1962, it had been in operation successfully and helpfully for 11½ months. I caused these problems to be called to the attention of the West Virginia Commissioner of Welfare, W. Bernard Smith, and requested that he study them and make a report of findings and recommendations to me.

Thereafter, developments began occurring with more rapidity and with obvious overtones of urgency.

At 9:20 a.m., Monday, June 18, 1962, I received a telephone call from Dr. Wilbur J. Cohen, Assistant Secretary of HEW for Legislative Affairs, who informed me that "an audit exception" had been lodged by HEW auditors against fiscal 1962 payments to West Virginia under the ADCU program of its community work features.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that I may proceed for an additional 5 minutes.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. RANDOLPH. Mr. President, my colleague, Senator ROBERT C. BYRD, was apprised and we agreed to a conference in my office at 4 p.m. that same day. Immediately, we contacted State Welfare Commissioner Smith and urged him to come to Washington from Charleston in time for that meeting. It was held as scheduled, with Senator Byrd, State Welfare Commissioner Smith, and I representing West Virginia and Assistant Secretary Cohen and Commissioner Ball of the Social Security Administration representing the Department of Health, Education, and Welfare.

There was agreement that West Virginia had conducted its program under a plan of administration which had been agreed to by the HEW Department. But it was recognized that the auditors had questioned the legal status of the HEW approval. We agreed, too, that the House of Representatives, by passing H.R. 10606 with its community work authorizations and provisions, already was on record approving the type of program which HEW auditors questioned. And the Senate Finance Committee had recommended favorably these provisions to the Senate. We came to mutual agreement that it would be the part of wisdom to discuss the problem with the Senator who had reported H.R. 10606 to the Senate from the Committee on Finance—namely, Senator KERR—who would be manager of the bill in its course through the Senate. While the conference group was still assembled in my office, I made an engagement with Senator Kerr's appointment secretary for the same group—Dr. Cohen and Commissioner Ball for HEW, Senator Byrd, Welfare Commissioner Smith, and I—to meet with Senator Kerr in his office the following morning, June 19, for a discussion of the subject.

The conference with Senator KERR was held as scheduled. Dr. Cohen and Commissioner Ball presented a copy of a proposed amendment to H.R. 10606 which they believed would be appropriate and adequate. This amendment did not originate with the Senators from West Virginia. After much discussion of the situation, Senator KERR said he would offer the amendment, when the measure would come before the Senate for action. He also requested that HEW provide a more detailed explanation of the proposed amendment. On June 20 or 21, HEW Assistant Secretary Cohen sent the new explanatory memorandum to Senator KERR and forwarded a copy to my office on June 21.

Subsequently, Senator KERR informed us that he had cleared the proposed retroactive community work authorization amendment with the chairman and most members of the Senate Finance Committee and that they had no objection to it being considered a committee amendment.

I had no agreements with the Senator from Oklahoma [Mr. KERR] that others in the conference group did not have. He had consented to handle the amendment because, as I construed his views, he believed it was an agreed amendment between the administration and the Senators from West Virginia. It was, he indicated, a proper amendment because of prior-plan approval by HEW, not only for West Virginia, but for other localities or States, as well, and because the House and the Senate Finance Committee already had approved the community work concept under the ADCU extension provisions.

The Senator from Oklahoma [Mr. KERR] did not, as Mr. Pearson inaccurately wrote, extract a pledge from me. In fact, he made no demands on me, and I made no promises to him. He presented the amendment under discussion on July 3, and it was adopted without any opposition.

There followed days of debate on the Anderson health care amendment and the substitutes which were offered. The debate on this controversial subject dominated the consideration of H.R. 10606, and, with the 1-year temporary ADCU program not legally extended beyond June 30, it was a matter of much concern to me and to West Virginia officials and citizens that the program in our State had to be permitted to lapse for 7,500 unemployed fathers on July 1, and for the other 5,000 participants on July 9. State funds were inadequate without Federal matching.

My concern for the welfare of the more than 12,500 families in West Virginia—approximately 50,000 persons relying on the ADCU program—increased with each additional day that H.R. 10606 failed to make any substantial progress toward becoming a public law. Distress was deepening among our dependent children and their unemployed parents.

Yes, I discussed these problems from time to time with the manager of the bill, the Senator from Oklahoma [Mr. KERR] and, I should add, with the Senator from New Mexico [Mr. ANDERSON] the chief sponsor of the health care amendment. Both knew of my concern. The Senator from New Mexico introduced a bill (S. 3521) to extend for an emergency 60-day period the ADCU program and others covered by H.R. 10606 which had expired on June 30. I cosponsored this measure with my West Virginia colleague Senator ROBERT C. BYRD, the senior Senator from Illinois [Mr. DOUGLAS], and the senior Senator from New York [Mr. JAVITS]. But this temporary extended bill was not acted on by the Finance Committee.

Finally, when the hour arrived on July 17 to vote on the Kerr motion to table the Anderson health care amendment, I recorded my vote on the basis of my own decision as to the proper course for me to take in the light of all facts as I understood them. I had made the personal evaluation that the Anderson amendment attached to H.R. 10606 would delay or defeat the whole measure. I chose the course that led to the speedy passage of a vitally needed bill rather than the course that seemed to me to lead only to stalemate and probably chaos and much misery in the State I represent, in part, in this body.

I repeat in conclusion, Mr. President, that the article writen by Mr. Pearson is inaccurate as to the so-called West Virginia amendment. It is equally inaccurate in reference to a "secret deal" between the senior Senator from Oklahoma [Mr. KERR] and the senior Senator from West Virginia.

FOOD AND AGRICULTURAL ACT OF 1962

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

The Chair lays before the Senate, for a second reading, the bill (H.R. 12391), the so-called farm bill. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. ELLENDER. Mr. President, I object to any further proceedings on H.R. 12391.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. Is it mandatory under the rule when objection has been made to further proceedings on the bill now laid before the Senate, and on which there has been the second reading, that the Chair refer the bill to the calendar?

The PRESIDING OFFICER. It is mandatory under rule XIV unless a point of order is raised on the effect that that has in this particular situation.

Mr. DIRKSEN. Mr. President, a further parliamentary inquiry?

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. In my judgment, the objection that has been made by the chairman of the Committee on Agriculture and Forestry, the distinguished Senator from Louisiana [Mr. ELLENDER], does not require a unanimous-consent request to make it, but at least I think I should ask the question in order to round out the record.

The PRESIDING OFFICER. Unanimous consent is not required to make such an objection.

Mr. DIRKSEN. Further in the parliamentary field, has the Chair actually, in view of the objection by the distinguished Senator from Louisiana, made a commitment of the bill to the calendar?

The PRESIDING OFFICER. The Chair has not made that decision. The Chair is awaiting a point of order which would delay further proceedings.

Mr. DIRKSEN. While I am quite familiar with the last paragraph of rule XIV, with particular reference to a House bill or resolution which is sent to the Senate, and on which there has been a second reading, that on objection to the further consideration of the measure it should go to the calendar upon action by the Chair. But I direct the Chair's attention to the fact that in the Legislative Reorganization Act of 1946, in which we prescribed the standing committees of the Senate and set forth in great detail the jurisdiction of those committees, it is also recited that bills and resolutions shall be referred or committed to the committees where the jurisdiction has been defined.

In my judgment, in the instant case the bill should be referred to the Committee on Agriculture and Forestry rather than to have it placed on the calendar. I point out that there is a conflict as between Rule XIV and the jurisdictions which are set forth in rule XXV. One who would protest is at something of a disadvantage if his protest and a point of order were considered as an appeal from a ruling of the Chair.

I wish to make a point of order, and I shall make it after the Chair has made his ruling, which I think that would be the appropriate time, so that the Senate itself may take action on the matter and determine whether the bill should be placed on the calendar or should be referred to the Committee on Agriculture and Forestry.

I make one other point: that this question is debatable and that a point of order would be debatable also.

The PRESIDING OFFICER. In accordance with the decisions made on two separate occasions, one in 1948 and one in 1957, and following that precedent, it would be the Chair's intention to submit the point of order of the Senator from Illinois to the Senate.

Mr. DIRKSEN. I am familiar, of course, with the proceedings had in 1948. That was the celebrated Oleomargarine case. The issue there was simple. I can readily understand the Senate's action.

The 1957 case was the Civil Rights case. I am aware of the fact that the measure in that case was the civil rights bill, under which the Civil Rights Commission was created. The Senate also considered other matters.

I am aware also that awkward and sometimes embarrassing moments come. But, as has been so often said, a foolish consistency is the hobgoblin of little minds. At that time the Senate was confronted with an emotional issue; and over a long period of years we had encountered filibusters or, shall I say, extended periods of expression which somehow made it difficult to secure action on a bill in the civil rights field. I think I can comfort myself with the fact that while that measure, particularly, was limited in scope, the measure which is now before us actually touches and vitally touches every State of the Union. For that reason, it ought to have committee consideration.

Not the least of the items referred to in the recent debate on the medicare proposal was the fact that it was a broadgage problem which the Department of Health, Education, and Welfare contended would cost probably $1,100 million, but which the experts contended would cost perhaps twice that much, and which would affect millions of wage earners all over the country.

The PRESIDING OFFICER. Let the Chair call attention to the fact that the point of order must be made before 2 o'clock.

Mr. DIRKSEN. Mr. President, I make the point of order.

Mr. HUMPHREY. Mr. President, let me call attention to the fact that it is now 2 o'clock.

PAYMENT OF EXPENSES OF ATTENDANCE OF GOVERNMENT EMPLOYEES AT CERTAIN MEETINGS

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (H.R. 6374) to clarify the application of the Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings, and for other purposes.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. The Senator from Illinois has asked unanimous consent that further proceedings under the call be suspended. Is there objection? The Chair hears none, and it is so ordered.

FOOD AND AGRICULTURAL ACT OF 1962

Mr. DIRKSEN. Mr. President, with respect to the question that was before the Senate before the absence of a quorum was noted, I had lodged a point of order with respect to procedure after the second reading of the farm bill. I am now prepared to withdraw the point of order. I defer to the distinguished chairman of the committee, the Senator from Louisiana [Mr. ELLENDER], for a statement on the subject.

Mr. ELLENDER. Mr. President, after consultation with many Senators, I am now prepared to move that H.R. 12391 be referred to the Committee on Agriculture and Forestry with instructions that the bill be reported to the Senate not later than Monday, July 30.

The VICE PRESIDENT. As the Chair understands, the Senator from Illinois has withdrawn his point of order.

Mr. DIRKSEN. That is correct.

The VICE PRESIDENT. Under the rule, the bill would then go to the calendar. The Senator from Louisiana has moved that the bill be referred to the Committee on Agriculture and Forestry with instructions to report the bill to the Senate not later than July 30.

The question is on the motion of the Senator from Louisiana.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DIRKSEN. As I understand, there must first be a motion to consider the bill before the bill can actually be referred.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCLELLAN. If a motion to consider were made and agreed to, would not such action set a precedent by bypassing a committee?

The VICE PRESIDENT. The Parliamentarian has answered that inquiry by saying that such action would not prevent the making of a motion to refer the bill to a committee.

Mr. McCLELLAN. The question is, Would not the action set a precedent of bypassing a committee, unless a motion were made to refer the measure to a committee and that motion were agreed to?

The VICE PRESIDENT. The Parliamentarian has informed the Chair that in his opinion the inquiry is not a proper parliamentary inquiry.

Mr. McCLELLAN. Mr. President, am I to understand the Chair to rule that it is not a proper parliamentary inquiry for me to ask whether a motion to consider a bill that is in the status of the bill about which we are speaking at present would not be tantamount to bypassing the committee to which the bill would normally be referred?

The VICE PRESIDENT. The Parliamentarian has informed the Chair that the question is one of interpretation.

Mr. McCLELLAN. I am asking for an interpretation.

The VICE PRESIDENT. The question is one that the Senate has reserved to itself. Normally the Presiding Officer does not pass on such questions.

Mr. McCLELLAN. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCLELLAN. I preface my inquiry by making the statement that in agreeing to the arrangement which I understand has been arrived at, a motion will be made immediately to refer the bill to a committee, to which I have no objection. With that understanding and with that arrangement, I shall not object. But I want the RECORD clearly to show that in agreeing to the arrangement under these circumstances, I am not, so far as I am personally concerned, agreeing to set any precedent to permit such action to become a practice. I would not agree to the action except that I understand that some satisfactory arrangement has been made.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry——

Mr. DIRKSEN. Mr. President, I believe I have the floor.

The VICE PRESIDENT. The Chair recognizes the Senator from Illinois.

Mr. DIRKSEN. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DIRKSEN. Is it in order to move to consider and at the same time couple in that motion a second provision to refer the measure to committee? Under the rule, then, the motion would be in the first part a motion to consider and, in the second part, a motion to refer to a committee. Such action would be on the basis, of course, of the understanding that the measure would be referred to the committee.

The VICE PRESIDENT. The Senator from Illinois has correctly stated the situation.

Is there objection to the present consideration of the bill?

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HICKENLOOPER. I believe that the question asked by the Senator from Illinois, which, as I understand, he changed slightly before the Chair answered, was as follows: Is it proper to make a motion consisting of two provisions: First, to consider and, in the same motion and as an integral part of it, to refer the measure to a committee?

The VICE PRESIDENT. The Parliamentarian advises the Chair that under the precedents it is not.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HUMPHREY. When a point of order is withdrawn after the second reading of a bill has taken place, does not the Chair automatically place the bill on the calendar?

The VICE PRESIDENT. The Senator is correct.

Mr. HUMPHREY. When the bill is on the calendar, a motion to consider the bill is then in order, and a motion to refer to a committee with instructions would likewise be in order.

The VICE PRESIDENT. After the bill is before the Senate.

Mr. HUMPHREY. After the bill is before the Senate.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. RUSSELL. Mr. President, I do not like to prolong the controversy, but there have been a great many statements in the Senate with respect to bypassing committees. In my viewpoint the present action is not in any sense a bypassing procedure.

Rule XIV, subsection (3), which appears on page 14 of the Standing Rules of the Senate, specifically provides the procedure. As I understand, at present the bill is on the table. It has been read twice. Objection was made to proceeding further on the bill.

Then a point of order was made by the Senator from Illinois. That did not put the bill on the calendar. I understood that the bill had been taken off the table and brought before the Senate. Now the Senator from Illinois has withdrawn his point of order. The Senator from Louisiana [Mr. ELLENDER] then moved to refer the bill to the Committee on Agriculture and Forestry with instructions.

I do not wish to belabor the point, but I wish to read the portion of the rule to which I have referred:

> No bill or joint resolution shall be committed or amended until it shall have been twice read, after which it may be referred to a committee; bills and joint resolutions introduced on leave—

I interpolate here to call the attention of the Senate to the following language—

> and bills and joint resolutions introduced on leave, and bills and joint resolutions from the House of Representatives, shall be read once, and may be read twice, on the same day, if not objected to, for reference—

Objection was made to reference—

> but shall not be considered on that day nor debated, except for reference, unless by unanimous consent.

I insist that if the English language means anything, the motion to refer made by the Senator from Louisiana, would be in order, even though the bill had not gone to the calendar.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. ELLENDER. Mr. President——

The VICE PRESIDENT. The Senator from Louisiana is recognized.

Mr. ELLENDER. Mr. President, I renew my motion.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Louisiana to refer the bill to the Committee on Agriculture and Forestry with instructions to report the bill to the Senate not later than Monday, July 30.

Mr. AIKEN. Mr. President, I should like to address a question to the distinguished Senator from Louisiana [Mr. ELLENDER].

If the bill is reported to the Senate not later than Monday, July 30, when does the Senator contemplate bringing the bill before the Senate for action?

Mr. ELLENDER. Not earlier than Wednesday of next week.

Mr. AIKEN. Not earlier than Wednesday of next week?

Mr. ELLENDER. That is correct.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Louisiana.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. PROXMIRE. If the bill is referred to the committee, does the Senator from Louisiana have any idea when the committee would consider the bill?

Mr. ELLENDER. The day after tomorrow, if we can, since that is our regular meeting day.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

THE ACHIEVEMENTS OF THE AIR NATIONAL GUARD IN THE BERLIN CALLUP

Mr. KEFAUVER. Mr. President, much has already been said concerning the Berlin callup and especially the magnificent achievements of the Air National Guard last October in deploying over 200 jet aircraft across the Atlantic Ocean without an accident. Two squadrons, whose aircraft, the F-104 Starfighter, had to be dismantled and flown across the ocean in transport planes because of its short range, are doing a magnificent job for the 86th Air Division at Ramstein Airbase, Germany.

These men, from the 197th Fighter Interceptor Squadron, of Phoenix, Ariz., and from the 151st, of Knoxville, Tenn., have been getting their aircraft into the air and blasting their way to the Iron Curtain border on training missions so fast that Communist jets are at times barely off the ground when the F-104's are already on the way back to home bases.

Maj. Gen. H. R. Spicer, commander of the 17th Air Force, has said:

> The 197th Fighter Interceptor Squadron from Phoenix and the 151st from Knoxville have strengthened my command tremendously. They are not only well trained but they have a wonderful attitude toward being called to active duty.

I am confident that the senior Senator from Arizona [Mr. HAYDEN] joins me in this tribute. The commanding officer of the 197th from Phoenix is Lt. Col. Thomas H. Barnard. The commanding officer of the 151st from Knoxville is Lt. Col. Robert W. Akin.

The men of the 151st from Knoxville, Tenn., have dramatically demonstrated that they deserve the praise given them by General Spicer. This unit has only 18 aircraft compared to the 25 assigned to most units of this type. Despite this fact, during the month of May, these men flew their F-104's more than 836 hours, exceeding the Air Force record number of hours for 1 month flown by the temperamental Starfighters by more than 100 hours, and also that of all types of aircraft in the 86th Air Division. This is a tremendous achievement of maintenance and operation. Yet, at no time did they forget the need to observe all types of safety precautions.

The greatest danger to safety was fatigue and hurry. Starting slowly at the beginning of the month, the squadron upped the number of missions when it was discovered that its morale and maintenance was better than it had ever been. Even at the height of their activity they permitted their pilots to make only two flights per day and maintenance and support personnel agreed that they had worked less during this record month than any previous month since they had deployed to Europe. The easy success of this record-breaking achievement is attributed to the excellent quality of the maintenance performed on the Starfighters and the extremely high morale of the men of the squadron.

On May 31, the 151st was released from alert in order that they might make a fly over with all 18 aircraft. And to show how well pleased the division is with both the men of the 151st and 197th, the division has recommended both squadrons for a Distinguished Unit Citation. I hope that this well-deserved recommendation will be approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2321) to encourage and aid the development of reconstructive medicine and surgery and the development of medico-surgical research by authorizing the licensing of tissue banks in the District of Columbia, by facilitating antemortem and postmorten donations of human tissue for tissue bank purposes, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 6967) to provide for the incorporation of certain nonprofit corporations in the District of Columbia, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11038) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 4, 12, 22, 42, and 53 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 2, 7, 10, 16, 23, 25, 28, 43, 47, and 48 to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 505) authorizing the Clerk of the House of Representatives to make changes in the enrollment of H.R. 11038, an engrossed House bill, in which it requested the concurrence of the Senate.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1962 — CONFERENCE REPORT

Mr. HOLLAND. Mr. President, before Senators leave the Chamber, I should like to announce that the conference report the Senate is about to consider involves some very unusual procedures, and perhaps Senators who have some interest in it may wish to remain, because we do not want to bring up anything in the absence of a Senator who has an interest.

Briefly, the situation is this: Because of the long lapse of time, there were a great number of items in the second supplemental for 1962 which are now out of date, because fiscal year 1962 has now ceased to exist.

Even though items were in the same amount in both versions of the bill, a device which is unusual in the Senate had to be used to eliminate such items. There are other items in which one House allowed a certain amount and the other a lesser amount, and the final amount was less than either.

This situation called for unusual treatment, which will be described.

Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11038) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes. I ask unanimous consent for the present consideration of the report.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The Chief Clerk read the report.

(For conference report, see House proceedings of today.)

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HOLLAND. Mr. President, I note that the distinguished Senator from North Dakota [Mr. YOUNG] is present. He is the ranking minority member of the subcommittee and also on the conference committee. After making a preliminary statement I shall yield to him, unless he wishes to have me yield to him now.

Mr. YOUNG of North Dakota. I merely desire to say that the report was signed by all the conferees, both Democratic and Republican, and the agreements reached were quite satisfactory.

Mr. HOLLAND. I thank the distinguished Senator.

I think it will be helpful to the Members of the Senate if I make a few preliminary remarks with respects to the procedure that will be followed in connection with H.R. 11038, the second supplemental appropriation bill for fiscal year 1962.

This bill passed the Senate on April 16, and the committee of conference did not meet until July 20—a lapse of 3 months. The cause of this delay is well known and there is no necessity for a discussion of that matter at this time.

However, this lapse of 3 months has resulted in a situation whereby some of the funds included in the bill are no longer required. In those instances where such funds were included in a Senate amendment, the matter is treated in the report of the conference committee and amendments in disagreement. This is in accord with the usual procedure of conferences.

However, in those instances where there were no differences in the House and Senate bills and there is no longer a requirement for such funds or a portion thereof, the committee of conference could not in its report make changes in the bill. Therefore, it was determined by the committee of conference that a concurrent resolution would be offered to authorize and direct the Clerk of the House of Representatives to make the necessary changes in the enrollment of the bill. The House of Representatives has passed such a resolution—House Concurrent Resolution 505—a copy of which is on each Member's desk.

Mr. President, in view of this unique procedural situation, I ask unanimous consent that when the report of the conference committee and amendments in disagreement are disposed of the Senate immediately proceed with the consideration of House Concurrent Resolution 505.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HOLLAND. Mr. President, I will turn now to some of the major items in the second supplemental appropriation bill.

The first amendment was $3 million recommended by the Senate for the Agricultural Research Service, including funds for the screwworm eradication program in the Southwest. The House had recommended $2½ million for this purpose and the conference committee agreed upon a figure of $2,750,000. Although the fiscal year expired June 30, 1962, the second supplemental appropriation bill had provided for these funds to remain available until June 30, 1963.

In the hearing it was shown that the livestock industry of the affected areas had put up matching funds in a very commendable effort to come to grips with that problem.

The next item in the bill was $425,000 for marketing research and service. The House and Senate had each allowed $425,000 for this purpose and, consequently, there was no Senate amendment under this heading. However, since the fiscal year had expired and these funds were for use during fiscal year 1962, there was absolutely no need to appropriate this amount. Consequently, this entire amendment has been included in the concurrent resolution to which I have previously referred and, accordingly, no funds for this purpose will be included in the bill as it is written into law.

I believe that clearly explains the difficulties occurring in this particular conference. Several other items have also been dealt with in this manner.

The Senate had provided $50 million for the direct loan account of the Farmers Home Administration. The conference committee agreed that $10 million would be sufficient for this purpose, inasmuch as additional funds will be made available in the very near future in the regular Agricultural Appropriation Act for fiscal year 1963.

The Senate had provided $15 million for U.S. participation in the New York World's Fair, which was a reduction of $2 million under the $17 million recommended by the House. The conference committee agreed on the figure of $17 million recommended by the House in the first instance. The conference committee also adopted the Senate amendment providing for a U.S. Commissioner for the fair to be appointed by the President at a salary of $19,500 per annum.

The purposes of having such a Commissioner, to safeguard the Federal Government's investment, is clearly evident to all.

The bill includes $20 million for operating differential subsidies as in the House-Senate versions. That is in the maritime field. These subsidies were due in fiscal 1962, and they are still due; so the amount remains in the bill.

The Senate had included under the appropriation heading "Corps of Engineers," $3.9 million, an increase of $2 million over the House bill, for needed emergency restoration of navigational facilities damaged by the storms which battered the Atlantic coast from North Carolina to New York in the period from March 6 through March 10, 1962. The Corps of Engineers had borrowed funds from its regular maintenance accounts to proceed with this work, and the sums included in this bill will enable the Corps of Engineers to repay these accounts.

The conference committee approved the $25 million which had been included in the bill by the Senate and the House for disaster relief.

Incidentally, we were advised by the Office of Emergency Planning that some $16 million of that amount was already allocated to the storm-hit States along the Atlantic.

The conference committee likewise approved the $15,707,000 for payments to school districts. However, it deleted the sum of $7,092,000 for school construction, since this amount can be included in the regular 1963 appropriation for the Department of Health, Education, and Welfare.

The Senate will recall that only a few days ago, in considering the regular appropriation bill for the Department of Health, Education, and Welfare, both of these items affecting impacted area schools were placed in that bill. The operational item was past due because it had to do with past entitlements. That is included in this bill; whereas the facilities item will appear, as we understand, in the annual appropriation bill soon to be enacted.

For the National Aeronautics and Space Administration for research and development, the conference committee approved the sum of $82,500,000. These funds are to remain available until expended.

The conference committee also approved the $71 million previously inserted in the bill by the Senate for the construction of facilities for the Space Administration.

For the Small Business Administration, the Senate had earlier recommended an appropriation of $90 million, an increase of $5 million over the House figure. After considerable discussion, the conference committee agreed upon a figure of $40 million. The Senate conferees were of the opinion that in view of the backlog of applications in the Small Business Administration, the sum should be larger. However, this was about the best that we could do under the circumstances.

Under the legislative establishment, the conference committee agreed on language providing for an increase in the basic clerk hire for each Senator of $3,000. On the date that this bill is signed into law, this basic $3,000 increase will be available to all Senators.

This item called for some change in the original bill, which would have called for payment in fiscal 1962; but the committee has adequately provided for the future by this needed change.

The conference committee also included the necessary funds to make payments to the widows of Senators Bridges, Schoeppel, and Case.

The bill in its final form includes $2½ million for salaries and expenses, Department of State, and $25,616,000 for the U.S. share of the assessment for the estimated expense of the U.N. operation in the Congo through June 30, 1962, as in the House and Senate versions of the bill.

There are many appropriation items in this bill to which I have not referred. I have complete details with me, and it is my intention to ask unanimous consent to include in the RECORD a table which will show the House and Senate versions of the second supplemental appropriation bill and the final amounts agreed upon, taking into consideration the concurrent resolution. Should any of the Members of the Senate have any desire for additional information, I shall be glad to explain any of the items.

Mr. PROXMIRE. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Was the provision for funds to construct a Federal building at the New York World's Fair included in the supplemental bill? How was that item handled?

Mr. HOLLAND. It was included. The Senator will remember that the House provided $17 million. The Senate reduced that amount to $15 million, but added a provision requested by the administration to allow the appointment of the U.S. Commissioner, at a stated salary, to supervise the use of the Federal funds.

In conference the $17 million, which was in the House bill, was agreed to, and the provision placed in the Senate bill with reference to the U.S. Commissioner was accepted. So those two provisions, from the two bills, are included in the final conference agreements.

Mr. PROXMIRE. Obviously, it is too impossible to amend the conference report; and there are provisions in the report which I think are very good. But I simply wish to register my emphatic opposition to anything like $15 million for a Federal building at the New York World's Fair, let alone $17 million. I think it is already obvious in the RECORD, to those who opposed this provision, that there was a firm commitment on the part of New York that it would not ask for this sum. But to increase it by $2 million, and to request $17 million for this project, is away out of line.

Milwaukee has one of the most beautiful athletic stadiums in the country, the huge County Stadium. It is a permanent stadium. Its cost was in the neighborhood of $8 or $10 million. I understand the magnificent stadium recently built in Washington, D.C., was constructed at a cost of $20 million. It is a permanent stadium. But the request before us is to have the Federal Government construct a temporary building, which can last for only 2 years. Moreover, as I understand, its use will be confined to the New York World's Fair, and then title in the building will be given up by the Federal Government to New York City. It will be built at a cost of $17 million. It seems to me that this is an extravagant proposal. I deeply regret that the conference committee had to go as high as the House figure.

Mr. HOLLAND. I appreciate the statement of the Senator from Wisconsin. He will recall that this item was debated vigorously by the Senate, and the Senate agreed upon an amount of $15 million. We also agreed to an amendment with respect to the U.S. Commissioner, which I have mentioned. Nothing will preclude the Senator from Wisconsin or any other Senator from objecting if requests are made for additional funds, as was indicated during the debate. My understanding is that the amount provided by this bill is to cover not only the construction of the building, but also the operation of the exhibit for 2 years by our Government. I also understand that the amount of the appropriation for the building seems to be less than that which some other nations have provided, particularly the Soviet Union. So it seemed to the conference committee that we were charged with retaining this item in the bill. The only question was whether $15 or $17 million should remain, and also whether the Senate should prevail on the item with reference to the Commissioner to supervise the building and the expenditure of Federal funds for the operation of our exhibit during the period of the fair. I do not feel that the conference committee went astray in any particular; but I fully recognize the position of the distinguished Senator from Wisconsin. As I recall, he took that position rather vigorously when this question was debated by the Senate at an earlier date.

Mr. PROXMIRE. That is correct. I have further questions, but they do not relate to this item.

Mr. KEATING. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. KEATING. It seems to me that an equitable adjustment was made. The Senate yielded to the House on the amount involved, and the House yielded to the Senate on the provision for a Commissioner.

Mr. HOLLAND. Both of those situations are not disagreeable to the Senator from New York, I take it.

Mr. KEATING. No; I find them both entirely acceptable. I am particularly pleased about the amount provided, but I agree that both items constitute a real victory for commonsense.

The time is already late. The world's fair authorities indicated to me some weeks ago that they would have to get started with their work on a U.S. pavilion by the 15th of July in order to be ready when the fair opens. We all know that a tremendous Russian pavilion is planned for the fair. Many other countries will have exhibits. On behalf of the fair authorities, other persons interested in the fair, and the residents of the State of New York, I wish to express our deep gratitude for the indefatigable effort and highly constructive work which has been done by the distinguished senior Senator from Florida to see to it that the United States is appropriately represented at the New York World's Fair in 1964–65. He will be entitled to be feted at the fair as one who has made a distinct and definite contribution to what we all hope will be a truly wonderful exposition, one which will show the United States in its proper light to visitors from all over the world.

Mr. HOLLAND. I thank the distinguished Senator from New York. I believe most Members of the Senate agreed that regardless of some argument as to the amount involved, it would be unthinkable to have an international fair of the scale proposed to be held at our great city, which is the site of the United Nations, without participation by the United States in a formal way, particularly in view of the fact, as I recall, that some 50 other nations will participate, including the Soviet Union, and they on a very ambitious scale.

Mr. PROXMIRE. Mr. President, will the Senator from Florida yield?

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Florida yield to the Senator from Wisconsin?

Mr. HOLLAND. I yield.

Mr. PROXMIRE. I wish to say that this is a New York trade fair, which is quite different from the Century of Progress Fair in Chicago or, for that matter, quite different from the fair held in New York City in 1939–40.

Trade fairs are constantly being held in this country, and the U.S. Government does not participate in them. Of course the Soviet Union will, as a government, construct the building referred to, because the Soviet Union does not have private industry, and thus there could not be participation by the Russians in any other way in a trade fair.

Now I wish to ask about the provision for funds for the Joint Economic Committee. As I understand, there was an item of $20,000 for a study. That provision was knocked out in conference. It may be that the study was to take place in the fiscal year 1962.

Mr. HOLLAND. That is correct; and that item could not be justified at this time, in view of the fact that we are now in the fiscal year 1963. There are a number of items of that sort. However, they do not present the difficulties that some other items, included in both the House version and the Senate version of the bill, presented.

That item was not in both the House and the Senate versions of the bill. We included it in the Senate version. It was needed in the fiscal year 1962. But, as in the case of several other items needed in 1962, the fiscal year 1962 had ended by the time the conference committee met.

Mr. PROXMIRE. The Senator from Florida referred to funds for the Small Business Administration, did he not?

Mr. HOLLAND. Yes.

Mr. PROXMIRE. How large is that sum?

Mr. HOLLAND. Forty million dollars.

Mr. PROXMIRE. As the Senator has pointed out—the Small Business Administration has been crippled for lack of sufficient funds.

I am wondering about the additional funds which the Senator from Florida has said are still needed by the Small Business Administration. Is it likely that in the reasonably near future action can be taken on further appropriations?

Mr. HOLLAND. I understand that $300 million is proposed in the annual appropriation bill for this year, and that it will soon be available, and that it will be late in this fiscal year before a need for further funds will arise, if indeed such a need arises. My own feeling was that we should have provided entirely for the backlog of cases which developed in 1962, and the Senate conferees very graciously supported that point of view. But, as sometimes happens in connection with such matters, we had to arrive at a settlement.

We believe the $40 million will be sufficient to care for the most serious situations in the Small Business Administration until the funds provided in the annual appropriation bill become available, at which time the Small Business Administration can become current in its work.

Mr. PROXMIRE. At any rate, not enough is here appropriated to provide for taking care of its backlog of cases from 1962; is that correct?

Mr. HOLLAND. That is correct; and that point was made at the hearing held this morning downstairs.

However, I believe I am correct when I say that the testimony is that the $40 million cannot be spent overnight, and that the availability of the $300 million in the annual appropriation bill will be in time to piece out the $40 million and thus permit the process to go ahead regularly, thus postponing until later in the year, or perhaps postponing indefinitely, the need for additional funds.

At any rate, I believe the critical nature of the problem has been largely met by providing this $40 million immediately.

Mr. PROXMIRE. I thank the Senator from Florida.

Mr. HOLLAND. Mr. President, unless there are other questions, I ask that the Senate agree to the report.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

Mr. HOLLAND. Mr. President, certain amendments were reported in disagreement. I ask that they be laid before the Senate.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 11038, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
July 23, 1962.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 4, 12, 22, 42 and 53 to the bill (H.R. 11038) entitled "An Act making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes", and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2, and concur therein with an amendment, as follows:

In lieu of the sum of $50,000,000 named therein, insert: "$10,000,000".

That the House recede from its disagreement to the amendment of the Senate numbered 7, and concur therein with an amendment, as follows:

In lieu of the amounts stricken out and inserted, insert: "$60,000".

That the House recede from its disagreement to the amendment of the Senate numbered 10, and concur therein with an amendment, as follows:

In lieu of the sum of $5,000,000 named in said amendment, insert: "$645,260, to remain available until expended".

That the House recede from its disagreement to the amendment of the Senate numbered 16, and concur therein with an amendment, as follows:

In lieu of the sum proposed, insert: "$2,715,000".

That the House recede from its disagreement to the amendment of the Senate numbered 23, and concur therein with an amendment, as follows:

In lieu of the amounts stricken out and inserted, insert: "$40,000,000".

That the House recede from its disagreement to the amendment of the Senate numbered 25, and concur therein with an amendment, as follows:

In lieu of the amounts stricken out and inserted, insert: "$825,000".

That the House recede from its disagreement to the amendment of the Senate numbered 28, and concur therein with an amendment, as follows:

In lieu of the amounts stricken out and inserted, insert: "$225,000".

That the House recede from its disagreement to the amendment of the Senate numbered 43, and concur therein with an amendment, as follows:

At the end of said amendment, add the following:

"For payment to Myrie O. Case, widow of Francis Case, late a Senator from the State of South Dakota, $22,500".

That the House recede from its disagreement to the amendment of the Senate numbered 47, and concur therein with an amendment, as follows:

In lieu of the matter inserted, insert the following: "The basic clerk hire allowance of each Senator is hereby increased by $3,000".

That the House recede from its disagreement to the amendment of the Senate numbered 48, and concur therein with an amendment, as follows:

In lieu of the matter inserted, insert the following:

"The clerk hire allowances of the Senators from the States of New York and Virginia are hereby increased so that the allowances of the Senators from the State of New York will be equal to that allowed Senators from States having a population of over seventeen million, the population of said State having exceeded seventeen million inhabitants, and so that allowances of Senators from the State of Virginia will be equal to that allowed Senators from States having a population of four million, the population of said State having exceeded four million inhabitants".

Mr. HOLLAND. Mr. President, I move that these amendments be concurred in en bloc.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to.

CHANGES IN ENROLLMENT OF HOUSE BILL 11038

Mr. HOLLAND. Mr. President, pursuant to the action previously taken by the Senate, I ask that the Chair lay before the Senate House Concurrent Resolution 505, already adopted by the House of Representatives. If the concurrent resolution is adopted by the Senate, it will regularize this entire proceeding by taking care of the items which have lapsed, due to the lapse of fiscal year 1962 before the time of the holding of the conference.

The PRESIDING OFFICER. The Chair lays before the Senate House Concurrent Resolution 505, which will be read.

The concurrent resolution (H. Con. Res. 505) authorizing the Clerk of the House of Representatives to make changes in the enrollment of House bill 11038, an engrossed House bill, was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives be authorized and directed in the enrollment of the bill H.R. 11038 to make the following changes in the engrossed House bill:

(1) Page 2, strike out lines 13 to 16, inclusive.

(2) Page 2, line 20, strike out "$37,000,000" and insert "$34,500,000".

(3) Page 4, line 12, strike out "$134,000" and insert "$103,000".

(4) Page 5, line 2, strike out "$355,000" and insert "$310,000".

(5) Page 5, line 5, strike out "$225,000" and all that follows in that paragraph through line 7 and insert "$94,000".

(6) Page 5, strike out lines 11 to 16, inclusive.

(7) Page 6, strike out lines 10 to 13, inclusive.

(8) Page 6, line 16, change the period to a comma and insert "to remain available until expended."

(9) Page 6, strike out lines 18 to 20, inclusive.

(10) Page 6, strike out lines 21 to 24, inclusive.

(11) Page 7, strike out lines 1 to 5, inclusive.

(12) Page 7, line 10, strike out "$40,000" and insert "$15,000".

(13) Page 7, strike out lines 15 to 18, inclusive.

(14) Page 7, strike out lines 19 to 23, inclusive, and page 8, strike out lines 1 and 2.

(15) Page 8, line 9, strike out "$2,250,000" and insert "$2,120,000".

(16) Page 8, strike out lines 14 to 16, inclusive.

(17) Page 8, strike out lines 19 and 20 and insert "In addition to the amount heretofore made available for travel expenses of employees, not to exceed $70,000 shall be available for such expenses from the appropriation to the Interstate Commerce Commission for the current fiscal year for 'Salaries and expenses'."

(18) Page 9, strike out lines 1 to 4, inclusive.

(19) Page 9, strike out lines 12 to 19, inclusive.

(20) Page 10, line 14, strike out "including" and lines 15 and 16, and insert "$2,200,000".

(21) Page 10, strike out lines 17 to 19, inclusive.

(22) Page 11, strike out lines 13 to 19, inclusive.

(23) Page 12, line 2, strike out "$4,880,000" and insert "$4,690,000".

(24) Page 12, strike out lines 13 to 15, inclusive.

(25) Page 12, line 20, strike out "$230,000" and insert "$110,000".

(26) Page 13, strike out lines 20 to 24, inclusive.

(27) Page 14, strike out lines 1 to 3, inclusive.

(28) Page 14, strike out lines 4 to 7, inclusive.

(29) Page 14, strike out lines 17 to 21, inclusive.

Mr. HOLLAND. Mr. President, I shall be glad, with the help of the distinguished Senator from North Dakota [Mr. YOUNG], to explain any feature of this unusual concurrent resolution; but I believe it has been explained adequately.

So, Mr. President, unless further information is desired, I ask that the concurrent resolution be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 505) was agreed to.

Mr. HOLLAND. Mr. President, I move that the vote by which the concurrent resolution was agreed to be reconsidered.

Mr. SMATHERS. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. HOLLAND. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a summary tabulation showing the budget estimates, the amounts carried in the House version of the bill, the amounts carried in the Senate version of the bill, and the amounts agreed to in the conference on House bill 11038, the second supplemental appropriation bill for 1962—in other words, the amounts finally agreed upon, having in mind the fact that the concurrent resolution just now adopted has stricken out some of the items which appeared in both the House version and the Senate version of the bill.

There being no objection, the tabulation was ordered to be printed in the RECORD.

2d supplemental appropriation bill, 1962 (H.R. 11038)

H. Doc. No.	Department or activity	Budget estimates	Bill		Conference agreement
			House version	Senate version	
	TITLE I				
	DEPARTMENT OF AGRICULTURE				
333	Agricultural Research Service: Salaries and expenses	$3,000,000	$2,500,000	$3,000,000	$2,750,000
333	Agricultural Marketing Service: Marketing research and service	450,000	425,000	425,000	
	Farmers Home Administration: Direct loan account			*(50,000,000)*	*(10,000,000)*
333	Forest Service: Forest protection and utilization	37,000,000	37,000,000	37,000,000	34,500,000
	Total, Department of Agriculture	40,450,000	39,925,000	40,425,000	37,250,000
	DEPARTMENT OF COMMERCE				
333 and S. Doc. 83	Coast and Geodetic Survey: Salaries and expenses	633,000	200,000	625,000	200,000
333	Maritime Administration: Operating-differential subsidies (liquidation of contract authorization)	25,000,000	20,000,000	20,000,000	20,000,000
363	General administration: Participation in New York World's Fair	25,000,000	17,000,000	15,000,000	17,000,000
	Total, Department of Commerce	50,633,000	37,200,000	35,625,000	37,200,000
	DEPARTMENT OF DEFENSE—CIVIL				
333 and S. Doc. 83	Department of the Army: Corps of Engineers—Civil: Operation and maintenance, general	3,900,000	1,500,000	3,900,000	3,900,000
333	U.S. Soldiers' Home: Limitation on operation and maintenance and capital outlay	*(144,000)*	*(134,000)*	*(134,000)*	*(108,000)*
	DISTRICT OF COLUMBIA				
	District of Columbia funds:				
	Operating expenses:				
333	General operating expenses	*(86,000)*	*(63,000)*	*(77,500)*	*(60,000)*
333	Public safety	*(377,600)*	*(355,000)*	*(355,000)*	*(310,000)*
333	Personal services, wage-board employees	*(231,000)*	*(225,000)*	*(225,000)*	*(94,000)*
333	Settlement of claims and suits	*(7,347)*	*(7,347)*	*(7,347)*	*(7,347)*
333	Capital outlay (language)	*(194,000)*	*(60,000)*	*(60,000)*	
	Total, District of Columbia	*(701,847)*	*(650,347)*	*(664,847)*	*(471,347)*
	FUNDS APPROPRIATED TO THE PRESIDENT				
365	Disaster relief	25,000,000	25,000,000	25,000,000	25,000,000
	DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE				
	Office of Education:				
333	Defense educational activities	16,155,000	16,155,000	16,155,000	
	Payments to school districts		15,707,000	15,707,000	15,707,000
	Assistance for school construction			7,092,000	
	Public Health Service:				
S. Doc. 83	Grants for waste treatment works construction	5,000,000		5,000,000	645,260
S. Doc. 83	Hospitals and medical care	174,000		174,000	174,000
333	Indian health activities	267,000	250,000	250,000	
333	St. Elizabeths Hospital: Salaries and expenses	146,000	135,000	135,000	
333	Social Security Administration, Bureau of Public Assistance: Grants to States for public assistance	85,000,000	80,000,000	80,000,000	
	Total, Department of Health, Education, and Welfare	106,742,000	112,247,000	124,513,000	16,526,260
	INDEPENDENT OFFICES				
333	Civil Aeronautics Board: Salaries and expenses	*(40,000)*	*(40,000)*	*(40,000)*	*(15,000)*
	Delaware River Basin Commission:				
333	Salaries and expenses	18,000	18,000	18,000	
S. Doc. 83	Contributions to Delaware River Basin Commission	20,000		20,000	20,000
	Federal Home Loan Bank Board:				
333	Limitation on administrative and nonadministrative expenses	*(200,000)*			
333	Limitation on administrative expenses, Federal Savings and Loan Insurance Corporation	*(20,000)*			
333	Federal Maritime Commission: Salaries and expenses	330,000		175,000	
333	Federal Power Commission: Salaries and expenses	325,000		150,000	
333	General Accounting Office: Salaries and expenses	*(375,000)*	*(375,000)*	*(375,000)*	
	General Services Administration:				
333	Additional court facilities	2,500,000	2,000,000	2,000,000	2,000,000
333	Operating expenses, Public Buildings Service	2,650,000	2,250,000	2,250,000	2,120,000
S. Doc. 83	Acquisition of land and building, Chicago, Ill	2,703,000		2,703,000	2,715,000
333	General supply fund	10,000,000	5,000,000	10,000,000	7,500,000
333	Expenses supply distribution	488,000	350,000	488,000	
	Total, General Services Administration	18,341,000	9,600,000	17,441,000	14,335,000
	Housing and Home Finance Agency:				
S. Doc. 83	Office of the Administrator: Public works planning fund	2,000,000		2,000,000	1,000,000
	Public Housing Administration:				
333	Administrative expenses	80,000			
333	Limitation on administrative and nonadministrative expenses	*(18,000)*			
333	Interstate Commerce Commission: Salaries and expenses	125,000	100,000	125,000	*(70,000)*
	National Aeronautics and Space Administration:				
333	Research and development	85,000,000	80,000,000	85,000,000	82,500,000
333	Construction of facilities	71,000,000		71,000,000	71,000,000
	Total, National Aeronautics and Space Administration	156,000,000	80,000,000	156,000,000	153,500,000
333	National Mediation Board: Salaries and expenses	60,000	50,000	50,000	
333	Securities and Exchange Commission: Salaries and expenses	*(64,000)*	*(64,000)*	*(64,000)*	*(64,000)*

2d supplemental appropriation bill, 1962 (H.R. 11038)—Continued

H. Doc. No.	Department or activity	Budget estimates	Bill		Conference agreement
			House version	Senate version	
	TITLE I—Continued				
	INDEPENDENT OFFICES—Continued				
333	Selective Service System: Salaries and expenses	*($13,000)*	*($13,000)*	*($13,000)*	
333, 365	Small Business Administration: Revolving fund	90,000,000	85,000,000	90,000,000	$40,000,000
333	Tax Court of the United States: Salaries and expenses	*(20,000)*	*(20,000)*	*(20,000)*	*(20,000)*
	Veterans' Administration:				
333	Medical care	5,360,000	4,000,000	4,000,000	2,200,000
333	Compensation and pensions	21,000,000	15,000,000	15,000,000	
	Total, Veterans' Administration	26,360,000	19,000,000	19,000,000	2,200,000
	Total, independent offices	293,659,000	193,768,000	284,979,000	211,055,000
	DEPARTMENT OF THE INTERIOR				
	Bureau of Land Management:				
333	Management of lands and resources	1,760,000	1,250,000	1,760,000	825,000
S. Doc. 83	Construction	200,000		200,000	200,000
333	National Park Service: Management and protection	875,000	775,000	875,000	775,000
	National Park Service:				
333	Maintenance and rehabilitation of physical facilities	455,000	400,000	455,000	225,000
S. Doc. 83	Construction	1,850,000		1,850,000	1,250,000
	Bureau of Indian Affairs:				
333	Resources management	820,000	720,000	820,000	720,000
S. Doc. 83	Menominee educational grants	220,000		220,000	220,000
333	Bureau of Mines: Development and operation of helium properties	*(17,500,000)*	*(15,500,000)*	*(15,500,000)*	
333	Office of Minerals Exploration: Lead and zinc stabilization program	4,880,000	4,880,000	4,880,000	4,690,000
333 and S. Doc. 83	Fish and Wildlife Service, Bureau of Sport Fisheries and Wildlife: Construction	1,990,000	300,000	1,990,000	1,800,000
	Total, Department of the Interior	13,050,000	8,325,000	13,050,000	10,705,000
	THE JUDICIARY				
	Supreme Court of the United States:				
333	Printing and binding Supreme Court reports	16,000	13,000	13,000	13,000
333	Care of the buildings and grounds	3,000	3,000	3,000	
	Court of appeals, district courts, and other judicial services::				
S. Doc. 83	Fees of jurors and commissioners	300,000		300,000	300,000
333	Travel and miscellaneous expenses	314,000	230,000	230,000	110,000
333	Administrative Office of the U.S. Courts	17,000		11,250	
333	Expenses of referees (special account)	*(195,000)*	*(100,000)*	*(100,000)*	*(100,000)*
	Total, the judiciary	650,000	246,000	557,250	423,000
	DEPARTMENT OF JUSTICE				
S Doc. 83	Legal activities and general administration: Salaries and expenses, U.S. attorneys and marshals	200,000		200,000	100,000
S. Doc. 83	Fees and expenses of witnesses	400,000		400,000	400,000
	Federal Prison System:				
333	Salaries and expenses, Bureau of Prisons	176,000	176,000	176,000	176,000
S. Doc. 83	Buildings and facilities, Bureau of Prisons	300,000		300,000	300,000
333 and S. Doc. 83	Support of U.S. prisoners	800,000	600,000	800,000	800,000
	Total, Department of Justice	1,876,000	776,000	1,876,000	1,776,000
	DEPARTMENT OF LABOR				
S. Doc. 83	Manpower development and training activities	*(2,850,000)*		*(2,850,000)*	
	LEGISLATIVE BRANCH				
	Senate:				
	Payments to beneficiaries of deceased Senators			45,000	67,500
	Salaries, officers and employees:				
	Office of the Vice President			1,185	
	Administrative and clerical assistance to Senators			122,980	
	Contingent expenses of the Senate:				
	Joint Economic Committee			20,000	
333	Miscellaneous items	286,000		286,000	286,000
	House of Representatives: Payments to beneficiaries of deceased Members		80,000	80,000	80,000
	Architect of the Capitol:				
	Capitol buildings and grounds:				
355	Capitol buildings	7,500	7,500	7,500	
355	Senate office buildings	15,000		15,000	
355	House office buildings	7,500	7,500	7,500	
355	Library buildings and grounds	6,000	6,000	6,000	
	Total, legislative branch	322,000	101,000	591,165	433,500
	DEPARTMENT OF STATE				
333	Administration of foreign affairs; Salaries and expenses	3,500,000	2,500,000	2,500,000	2,500,000
333	International organizations and conferences: Contributions to international organizations	25,616,000	25,616,000	25,616,000	25,616,000
	Total, Department of State	29,116,000	28,116,000	28,116,000	28,116,000
	TREASURY DEPARTMENT				
333	U.S. Secret Service: Salaries and expenses	210,000	210,000	210,000	
S. Doc. 84	Claims and judgments	1,065,929		1,065,929	1,065,929
	Total, definite appropriations	566,673,929	447,414,000	559,908,344	373,450,689
	Total, special account appropriations	195,000	100,000	100,000	100,000
	Total in bill	566,868,929	447,514,000	560,008,344	373,550,689

PAYMENT OF EXPENSES OF ATTENDANCE OF GOVERNMENT EMPLOYEES AT CERTAIN MEETINGS

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate resume the consideration of House bill 6374.

The **PRESIDING OFFICER.** Is there objection?

There being no objection, the Senate resumed the consideration of the bill (H.R. 6374) to clarify the application of the Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings, and for other purposes.

THE FARM BILL

Mr. AIKEN. Mr. President, let me say that I am very glad that the Senate saw fit to refer the agricultural bill, received from the House of Representatives, to the Committee on Agriculture and Forestry, for its consideration, with instructions to report it to the Senate by next Monday. To have bypassed the Senate committee would have been, I feel, rather disastrous to our legislative processes and also to our emotions.

The agricultural program, existing and proposed, seems to have become an emotional and political issue rather than an economic one. As a matter of fact, the farm situation in this country has changed materially since the Senate considered the administration's proposed farm program last spring. It seems pertinent to me to put into the RECORD some facts concerning the operation of the farm program under the present administration and the changing situation as it relates to certain commodities.

I mention first the commodity, cotton. In 1958, the cotton program was dragging. We had to cut acreage allotments back, and it seemed essential that we enact legislation. We did so. We enacted legislation in 1958 relating to the cotton program in this country.

The situation began to improve almost immediately. In 1960 our exports were 6½ million bales. In 1961 our exports lacked only 17,000 bales of being 7 million. With this increase in exports and in domestic use of cotton, it was found possible to increase acreage allotments to our farmers.

In 1960 the acreage allotments were increased to 17½ million acres. In 1961 they were increased still further by Secretary Benson to 18,456,000 acres.

In 1962 Secretary Freeman cut the acreage allotments back about 345,000 acres, but the resulting national allotment of 18,101,000 acres was far above the minimum allowed by law. Thus the cotton industry became generally healthy, both domestically and in relation to our exports, during the first 2 years' operation under the 1958 legislation.

In 1961, however, Secretary Freeman increased the support price 2½ cents a pound. This was not requested by the farmers, so far as I know. At least, I heard from none of them requesting an increase in the support price.

After increasing the support price for cotton two and a half cents a pound, it was necessary to increase the export subsidy accordingly. So the Secretary fixed an export subsidy of 8½ cents a pound, or about $42.50 for a 500-pound bale. This increase in the export subsidy, making it possible to sell to foreign users at far less than cotton was sold to domestic users, naturally upset the domestic cotton manufacturers. It did not work so far as increasing our foreign trade was concerned, because exports this year have fallen off approximately 2 million bales from last year, when the lower subsidy for exports was in effect.

The effect on the taxpayer has been that in 1961, with the export subsidy at 6 cents a pound, the total subsidy amounted to something like $210 million. That was at approximately $30 a bale. In 1962, with export subsidies at 8½ cents a pound, by the same figuring, the total export subsidy or cost to the taxpayer came to $210 million on 2 million fewer bales exported.

So the result of the cotton program which the administration has undertaken to establish in the past 2 years has been a loss of markets to U.S. farmers, and U.S. textile manufacturers have been placed at a still greater disadvantage in competition with foreign manufacturers.

Let us look for a moment at what the New Frontier has done to the wheat program during the past 2 years. In 1961 the support price for wheat was $1.79 a bushel, or 75 percent of parity. This was announced on May 19, 1961, by the present administration. The final announcement, as it was called, was made on July 6 in the same year. In making the final announcement the Department said:

> Legislation requires that the final wheat support rate be determined on the basis of the wheat parity price as of the beginning of the marketing year and of wheat supply relationship of the same date.

The supply relationship estimated for the 1961–62 year at that time was 196.2 percent. In other words, there was almost a year's supply of wheat available in excess of our needs for domestic use and export.

But on August 9 of the same year, 1961, the Secretary announced that wheat supports would be $2 a bushel, or 84.5 percent of parity for the 1962 crop. But the supply percentage was practically the same as the year before, 192.2 percent.

On June 26, 1962, the Secretary announced that wheat support prices would have to be set at 75 percent of parity again, because of the supply percentage, which had been reduced to 166.5 percent. He said this was necessary because action had to be taken on pre-1961 legislation. But the 1961 act made no change in the calculation of the wheat support price level. Congress provided, in section 123 of the 1961 act, that—

> Price support for the 1962 crop of wheat shall be made available, as provided in section 101 of the Agricultural Act of 1949, as amended. * * *

Section 101 is the same section that the Secretary referred to as pre-1961 legislation, which he again says requires wheat price supports to be placed at the minimum of 75 percent of parity.

So what is the net effect of the handling, or mishandling, of the wheat program?

A year ago the supply percentage for wheat was 192.2 percent, or almost a year's supply in excess of our requirements. Today, the supply percentage is 166.5 percent; and if the disappearance holds up, the supply percentage will drop much lower between now and next spring.

My question is, "How much wheat do we need to carry over in the interest of national security, maintaining good relations and farm prosperity?"

The next item I would like to consider is soybeans. On June 15, 1961, a year ago, the average price received by farmers for soybeans was $2.60 a bushel. The support price at that time was $1.85 a bushel, so the support price hardly came into play at all.

Last year, 1961, the Secretary announced the support price for the 1961 crop year as $2.30 a bushel. The farm price for the 1961 crop of soybeans is now $2.34 a bushel, with the support at $2.30, whereas a year ago it was $2.60 a bushel with the support at $1.85.

Production has also gone up. This year it is estimated that there will be almost 29 million acres of soybeans planted, an increase of 2.4 percent from 1961. But the big increase came last year under higher supports when 693 million bushels were produced, an increase of 25 percent over 1960.

What were the results? On June 31, 1961, the Commodity Credit Corporation inventory of soybeans was 1,077,000 bushels, acquired at a cost of $1.85 a bushel. On July 13, 1962, the Commodity Credit Corporation inventory of soybeans amounted to 44.7 million bushels, acquired at a cost of $2.30 a bushel.

That is not all there is to the story. Not only was there an encouragement of production of a large surplus of soybeans, but also there now is a very large surplus of soybean oil, an embarrassing surplus which is being sold at very low prices. Some attempt has been made, according to the news reports, to convert much of this surplus into salad oil for contribution to foreign countries. If we are to believe some of the reports which have appeared lately, there is man-sized trouble brewing in that field, with salad oil being lost through contamination and spoilage, because it isn't being used.

But that is not the whole story. With the price of soybean oil dropping so low, it was natural that the processors wanted to recover the full price for the beans, so soy meal prices have been raised in the last week to $70 per ton f.o.b., Decatur, Ill., which brings the soy meal to well over $100 a ton in the cattle feeding area of the Great Plains and the Rocky Mountains. The administration has succeeded, while it was dropping the price of soybeans to the producers, in increasing the price of soy meal to the livestock feeders of this country. The price of soy meal now, f.o.b., Decatur, Ill., is 40 percent higher than it was 2 years ago.

Cattle on feed this month is 4 percent more than the number on feed last year but this increase is largely in the Mountain States of the West. The States which are most affected by the increase in the price of soy meal, which provides the protein for fattening livestock, are the following:

New Mexico, with an increase of 142 percent.

Arizona, with an increase of 135 percent.

California, with an increase of 123 percent.

Oregon, with an increase of 114 percent.

Idaho, with an increase of 109 percent.

Colorado, with an increase of 108 percent.

Texas, with an increase of 112 percent.

The situation is that the livestock feeders of this country are being called upon to pay a greatly increased price for protein feed to make up for the folly of the administration in raising the support price for soybeans from $1.85 to $2.30 a bushel at a time when it was not needed and not requested by the farmers themselves.

MILK

The next item I should like to consider is milk, the most widely produced farm commodity, being produced in every State of the Union.

When the present administration took over in January 1961, and for 2 or 3 months thereafter, the production of milk had been in balance with consumption for at least a year. The price paid to the farmer was fair but not exorbitant. It probably was not enough. The price of milk at retail to consumers was reasonable. The Commodity Credit Corporation did not own a pound of butter or a pound of cheese. The Commodity Credit Corporation was not buying any cheese or butter, and it was not likely it would have had to do so if the program then in effect had been continued.

However, as soon as he took office the Secretary began to talk about imposing quotas on the dairy people of this country and requiring them to cut down their production. When he started this talk, every substantial dairyman in the country started to increase his production so that when the cut came he would not be put back to a disastrous level.

To further encourage this overproduction, on March 10, 1961, the Secretary raised the support price for milk from $3.22 to $3.40 a hundred pounds. Almost immediately thereafter the Commodity Credit Corporation had to start buying cheese and butter.

The per capita consumption of milk started falling off. Consumption fell for various reasons. There was great propaganda. The pacifists felt that by attacking milk they could force the United States to become a pacifist country. Some people felt they would get fat if they drank milk. Some people were told they would die if they drank milk. The faddists worked overtime. So the per capita consumption of milk fell off last year.

The administration did nothing to counteract this false propaganda about milk until February of 1962, when President Kennedy advised the country to drink more milk. I understand that the President drinks milk every day, and I presume he does so on the advice of his physician—or it may be merely because he likes milk. At any rate, the situation has changed, and I wish to give the President full credit for undertaking to counteract the vicious propaganda which was carried on against the dairymen for almost a year.

The price of milk to the consumer last year went up about six-tenths of a cent a quart. In June this year the farm price was about 17 cents per hundred pounds less than it was the year before.

The Government has not stopped buying cheese and has not stopped buying butter, but is buying much less than it did before. Whereas on the 1st of April 1961, the Government owned no cheese and no butter, by April 1, 1962, the Commodity Credit Corporation owned 271 million pounds of butter and 67 million pounds of cheese. It was natural that the Government should continue to buy during the surplus producing season of April, May and June; so, on July 18, 1962, the date of the latest report we have, the Government owned 361 million pounds of butter and 101 million pounds of cheese.

I believe the situation is going to improve. The Senate committee killed the Secretary's quota plan for dairy farmers, and production began to fall off. The House refused to continue high supports for manufacturing milk. Accordingly, the Secretary reduced support prices. Farm prices have dropped temporarily. As I said, the farm price is 17 cents a hundred pounds less for the country as a whole during June than it was a year ago.

But Government purchases have also started to fall off. Production of milk has started down. During June it showed virtually no increase over a year ago.

The per capita consumption of fluid milk has gone up rather markedly. It has increased from 1½ to 4 percent each month ever since last winter.

Farm prices are slowly recovering, and Government purchases are declining. In July 1962 the butter production of this country dropped 5 percent. It dropped 5 percent in the past 2 weeks.

Cheese production is down. Government purchases of cheese are now 6 percent less than they were a year ago. As I have said, the consumption of milk has risen from 1½ to 4 percent a month and is still rising. If the administration will drop its almost fanatical grab for controls, the milk business will get much better.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. PROXMIRE. Is the drop in butter production in July compared with July 1961 or June of this year?

Mr. AIKEN. The drop has been 5 percent in the last 2 weeks.

Mr. PROXMIRE. My question is whether it is a seasonal drop or is a drop compared with the production in the same month of last year?

Mr. AIKEN. I have the July 20 report of the National Milk Producers Federation. In the week ending July 12 the production of butter was 29,400,000 pounds as compared with 30,700,000 pounds last year, a drop of about 1,300,000 pounds.

The production of cheese was 24,600,000 pounds as compared with 26,200,000 pounds, or a drop of about 1,600,000 pounds.

We are producing less milk. That is particularly true in the northeastern part of the United States, and I think it is also true in the North Central States, which is the other great producing area.

Mr. PROXMIRE. Does the Senator from Vermont have any information with respect to whether part of that decrease may be the result of drought conditions?

Mr. AIKEN. Absolutely. There has been a severe drought. The increase in production last year was due to the fact that there were good pastures from the Atlantic to the Pacific. I am not saying that the Secretary is to blame for all of what happened, and neither do I say that his increasing the support price last year was to blame for all of that. It was contributory in the areas where there was production for manufacturing only. But in the fluid milk areas, and particularly in the northeastern part of the United States, it was the threat of quotas that prompted dairymen to increase their production.

Mr. PROXMIRE. As I recall, the increase in Wisconsin, where we produce so much milk, was about 1 percent, or less than the national average, whereas the increase in New York was 4 percent.

Mr. AIKEN. The Senator is correct. New York was an offender. My State of Vermont was an offender last year. We increased production more than was contemplated. But in our area the principal factor, I am sure, was the threat of quotas being imposed. I do not think that that situation was true in the northern part of the State of Wisconsin. It might have been true in the southern part. I realize that the Senator from Wisconsin has two areas with which to deal. First, there is the manufacturing area and, second, the Chicago-Milwaukee-Madison market.

Mr. PROXMIRE. As the Senator knows, in both areas, including the fluid milk area in the southern part of the State, the price is relatively the lowest price in the country.

Mr. AIKEN. The industry is recovering in part of the country, particularly in the northeastern part of the country. Normally, the price for class I milk would have increased 44 cents per hundred pounds from June to July. Because of unusual conditions, this year the lower production and higher per capita sales will result in July in an increase of 22 cents a hundred, in addition to the normal seasonal change, which will provide a bonus. I believe the prices will be about where they were last year.

On the 1st of July the blend price of milk was only about 7 cents less than last year, which indicates that we are now down.

Another point which I believe is very interesting is that the milk going to market this year contains a slightly lower percentage of butterfat, which indicates that the farmers are undertaking to produce milk of slightly lower butterfat content than they have been producing up to this time.

Mr. PROXMIRE. Of course, in much of our area, unfortunately, the price is down the full 29 cents. Since the price was already low, the proportionate drop was drastic, the present situation is particularly damaging to Wisconsin farmers.

Mr. AIKEN. The average for the country during June was 17 cents below last year. I doubt that the average for the year will be less than that, because I think in the fluid milk area in which the market for fluid milk exists we will see prices coming up to where they were last year. They probably should remain up there for the rest of this year.

But in the manufacturing areas we have a different proposition. I think we must devise some different marketing system for milk before we recover.

The Senator from Wisconsin knows that a live hog is worth around 18 cents a pound. He also knows that the lard from that hog will sell for about 9 cents a pound. But in order to produce enough pork chops and ham, the farmer must produce an excess of lard. We are not as badly off as we used to be when farmers raised fat hogs. But we still produce an excess of lard, and the loss on the lard must be made up by a charge on pork chops.

In order to produce enough milk to supply the country what it needs to drink, we must produce a surplus of powdered skim milk. During the last year we produced a surplus of butter, too. I do not think we can continually expect the consumers of our country to pay 70 cents a pound for butter at retail. We cannot expect them to pay the full statistical price for powdered skim milk. It may be that we will have to add a half a cent a quart to the price of fluid milk and let butter find a more reasonable price on the market. That would compound the problem for the Senator from Wisconsin, I expect.

Mr. PROXMIRE. It would.

Mr. AIKEN. I do not know an easy way out of that problem.

Mr. PROXMIRE. I am sure the Senator from Vermont, who is a true expert in the field of agriculture, understands our great difficulty is that, with a nationally high fluid-milk price and a relatively high national blend price, there is an incentive for the farmers who are fortunate enough to be located near a big fluid market to continue to produce quite heavily, and even though we feel that our Wisconsin farmers are extraordinarily efficient and able to get along with the low price, the competition is devastating for Wisconsin farmers. I feel it is an unfair kind of competition. Our farmers are able to produce low-cost products and do a fine job. But they are unfairly disadvantaged because the blend price is so much higher now. The differential is worse now than it was a year or 2 years ago.

Mr. AIKEN. The dairy farmers of Wisconsin who produce for the fluid milk market might be able to make a recovery and get along very well. But as that happens, the problem for the farmers producing for the manufacturing plants alone is likely to be compounded.

Mr. PROXMIRE. There is a surplus in the Federal orders that causes the problem.

Mr. AIKEN. Yes. But that surplus is dropping. That is one of the encouraging signs. It is something that has happened since we considered the farm legislation last winter. Now nature is helping. Last year we had perhaps the best season for growing hay and pasture that we have ever known. This year we have one of the worst all through the eastern part of the country, including New Jersey, Pennsylvania, New York and New England. That situation is materially affecting conditions. Even though the price rise is higher from now until the end of the year in the New England-New York-Pennsylvania area, I doubt whether the income to the dairyman will be as much because of the decreased production.

Mr. PROXMIRE. What that emphasizes is the fact that over the years the cost of the dairy support program has been really very modest as compared with the cost of the cotton program or the wheat program.

Mr. AIKEN. Yes.

Mr. PROXMIRE. In fact, our statistics would show that if cost is related to the value of the marketings, the cost of dairy products is about half the cost of wheat during the 1953–61 period, and in the 1959–61 period it was half the cost of wheat and far less than half the cost of cotton.

Mr. AIKEN. The Senator is correct. Furthermore, dairy products are by far the most important of all agricultural products produced in the United States—just under $5 billion worth. Dairying gives employment to more people on and off the farm than any other commodity or any two other commodities combined.

Mr. PROXMIRE. Yet in the Senate bill as it was passed, no provision was made for the very difficult situation that confronts dairy farmers, except a provision which would aggravate that problem, because it would increase the cost of feed and limit the amount of feed Wisconsin farmers could grow on their farms.

Mr. AIKEN. Yes; and the problem is compounded by the fact that a dairyman must have a large capital investment today in comparison with what he had to have 20 or 25 years ago. Also, a dairyman is required to meet public health requirements which did not enter into the picture 20 or 25 years ago. A change has been forced in the dairy situation. I see in the Chamber the Senator from Connecticut. I happen to know that some of his dairymen have complained that they are being taxed out of dairying because of the great industrial expansion in the State of Connecticut. Their land has become so valuable that they cannot afford to keep cows on it. It is as simple as that.

That has been good for us in Vermont, because the source of supply has been moving steadily northward. Not so long ago Rhode Island produced all the milk it needed, and Connecticut produced all the milk it needed. The situation is changing. Industrialization has taken over. Area competition for dairy products and other farm products has changed also.

Mr. PROXMIRE. Will the Senator yield for me to put in the RECORD at this point a chart bearing on cost of various commodity programs and support prices? I can do so later if the Senator prefers me to do it that way.

Mr. AIKEN. If the Senator will put the chart in at the end of my remarks, I would appreciate it. I have almost completed my statement.

The cost of dairy rations is approximately $20 less in the Senator's area than it is in the Northeast. So Wisconsin gets an advantage there.

I believe it has been said by Department officials that the cost of the dairy program last year was $400 million or so. These figures, as the Senator knows, were padded. They included $100 million for the school milk program, and $35 million for milk for the armed services; as well as the cost of dairy products which have been contributed to foreign relief and to the foreign aid program. So the price support program did not cost the taxpayers $400 million.

On the whole, it seems to me we have had about enough experience with the type of recommended program which the administration is trying to persuade us to accept.

I have one further item, and that deals with feed grain. I will not say much about it, because Senators, from feed-grain-producing States, can explain the effect of this program better than I can.

So far as corn is concerned, the support for corn for the 1960 crop was $1.06 a bushel. The takeover and reseal of the 1960 crop amounted to 521.9 million bushels. The Secretary, in 1961, raised the support price for corn to $1.20 cents a bushel. The takeover from the 1961 crop is now estimated at 592 million bushels, or 70 million bushels more than the Government had to buy the year before when the support price was only $1.06.

The Commodity Credit Corporation investment in the 1960 crop was $552.2 million. The Commodity Credit Corporation investment in the 1961 crop will be $710.4 million, or roughly $150 million more than it was under the earlier program which the administration undertook to discard. By this fall it would appear that in the United States we shall probably have approximately a 3-month supply of feed grains carried over to the next marketing year.

In my opinion, a carryover equal to 3 months' supply of feed grain is no more excessive than it is to have a 6 months' supply of wheat carried over to the next year.

There is one thing more about the corn program that I should like to say. Senators can follow this if they can, or explain it if they can. In March of 1960 farmers' intention to plant was 85.7 million acres of corn, according to the Department of Agriculture. They actually planted 81.7 million acres, or a reduction of 1 million acres from the year before.

In March 1961 the farmers' intention to plant came to 82.4 million acres of corn, a 3.3-million reduction from the year before, as reported by the Department of Agriculture. A few days later the special 1961 feed-grain program was approved by the President. Under that law, farmers planted 67 million acres of corn for all purposes, and were paid for not planting 19.1 million acres. This accounts for 86.1 million acres of corn production, either actual or potential.

Under the 1962 feed-grain program—and I find these figures very interesting—the Department reports 65.9 million acres planted, and it is paying for 22.9 million acres not planted, to corn. So the tab has gone up, because this year we are accounting for 88.8 million acres of corn, as compared with 86.1 million acres of corn last year.

It seems to me that is about the most ridiculous statistic that I have read for a long time. While trying to reduce the planting of corn, we are actually supporting the price and paying for not planting on 2,700,000 acres more of corn than was the case in 1961.

Mr. President, I thought it important to put these figures in the RECORD before the Senate proceeds to consider the farm legislation next week.

While we are complaining about our farm programs in the United States, it was very interesting to read an Associated Press report from Moscow under date of Sunday, July 1, 1962, in which Mr. Khrushchev recommends that the farmers of Russia copy the farmers of the United States. He said that farmers in America have learned, because of stiff competition, to keep track of costs and profits and use good management practices.

I conclude by saying that whatever we do, I hope we do not swap programs with Mr. Khrushchev. I am perfectly willing to let them learn our methods and adopt our methods, but for Heaven's sake let us keep what we have here.

It is not the price of fertilizer, or things like that, which has made American farmers the best in the world. It is the fact that they have been kept free to expand and to run their own business. So long as American agriculture is kept free and is run by the farmers of the country, it will be the envy of the whole world.

PAYMENT OF EXPENSES OF ATTENDANCE OF GOVERNMENT EMPLOYEES AT CERTAIN MEETINGS

The Senate resumed the consideration of the bill (H.R. 6374), to clarify the application of the Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings, and for other purposes.

Mr. SMATHERS. Mr. President, on behalf of the author of the bill, the distinguished junior Senator from Texas [Mr. YARBOROUGH], I should like to make an explanation of its purposes.

Section 19(b) of the Government Employees Training Act provided that any appropriation available to any department for expenses of travel should be available for expenses of attendance at meetings concerned with functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities.

Section 4 excludes Foreign Service employees, Tennessee Valley Authority employees, and Presidential appointees from the Government Employees Training Act. After the Government Employees Training Act was passed, the customary appropriation language providing travel authority for these three groups of employees to attend such meetings was deleted from existing laws. Therefore, at the present time, there is no clear legal basis for these groups of employees to attend such meetings at Government expense.

The bill, as approved in the House, continues the present exclusion of the Tennessee Valley Authority from all parts of the Training Act since it does not need and does not desire the authority embodied in subsections (a), (b), and (c) of section 19 which under the bill are made applicable to Foreign Service employees and Presidential appointees.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 6374) was ordered to a third reading, was read the third time, and passed.

AMENDMENT TO HATCH POLITICAL ACTIVITIES ACT

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1247, Senate bill 919.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 919) to amend section 9(b) of the act entitled "An act to prevent pernicious political activities" (the Hatch Political Activities Act) to eliminate the requirement that the Civil Service Commission impose no penalty less than 90 days' suspension for any violation of section 9 of the act.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

There being no objection, the Senate proceeded to consider the bill.

Mr. CANNON. Mr. President, section 9 of the Hatch Political Activities Act of August 2, 1939, as amended, prohibits, with certain exceptions, any officer or employee in the executive department of the Federal Government from active participation in election activities.

Any person who violates the provisions of section 9 is subject to immediate removal from office except that the U.S. Civil Service Commission, by unanimous vote, may impose a lesser penalty.

However, in no case may the penalty be less than 90 days' suspension without pay.

The minimum penalty has caused considerable hardship and injustice in many cases involving unintentional or minor infractions of the act.

The Civil Service Commission has supplied the Senate with lists of such minor cases wherein employees were suspended for 90 days without pay.

The cases appear in Report No. 1278 of the Committee on Rules and Administration to accompany the bill, S. 919.

The bill would amend the Hatch Act by striking out in section 9(b) of the act the proviso that in no case shall the penalty be less than 90 days' suspension without pay.

Enactment of the bill would permit the Civil Service Commission, in cases involving minor technicalities and violations of the act and Civil Service Rule IV, to impose a penalty far less drastic than the existing minimum penalty.

The bill has the approval of the Civil Service Commission and the Department of Justice. The bill was also unanimously approved by the Subcommittee on Privileges and Elections and reported to the Senate with the unanimous approval of the Committee on Rules and Administration.

It does not affect the major principles and objectives of the Hatch Act and will not, if enacted, relieve any officers or employees from the prohibitions of the act, but it will prevent an unnecessary and excessive hardship caused by a heavy penalty for inadvertent and minor infractions.

I urge the favorable consideration of S. 919 by this body and its passage so that it may be enacted this year.

Mr. CLARK. Mr. President, will the Senator from Nevada yield?

Mr. CANNON. I am happy to yield to the Senator from Pennsylvania.

Mr. CLARK. I commend the distinguished Senator from Nevada for reporting the bill from his committee to the Senate. I am happy to have been the principal sponsor of the bill. It was introduced as a result of having had called to my attention by a number of Government employees and also by the Civil Service Commission a great many real injustices and inequities involving far too severe penalties having been imposed for very minor violations of the Hatch Act.

I should like to make it clear that I am a strong supporter of the principal provisions of the Hatch Act. I think Government employees, by and large, particularly those in the civil service, should stay out of partisan politics. But in many instances minor violations have been punished in the past within penalties all out of proportion to the seriousness of the offense. Therefore, I am happy to support the Senator from Nevada in reporting the bill to the Senate. I again congratulate the Senator from Nevada for the action he has taken.

Mr. CANNON. I thank the distinguished Senator from Pennsylvania.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 919) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9(b) of the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended (5 U.S.C. 1181(b)), is amended by striking out *Provided further,* That in no case shall the penalty be less than ninety days' suspension without pay:".

LABOR, BUSINESS VIEWS ON TAX REDUCTION

Mrs. NEUBERGER. Mr. President, proposals for immediate tax reductions have been advanced by our Nation's leading business and labor organizations—the Chamber of Commerce of the United States and the American Federation of Labor and Congress of Industrial Organizations.

Although expressing somewhat divergent viewpoints, spokesmen for the two groups are agreed on the need for a tax cut as a stimulus to a lagging economy. They raise the question: Is it better to forgo some Federal revenue temporarily and have a moderate increase in Treasury deficits than it is to face prospects of massive Government expenditures which might be necessary later to lift our economy out of deep recession?

I am neither an economist nor a tax expert, but if the need for tax reduction is as urgent as indicated by both the AFL–CIO and chamber of commerce, the question should be decided one way or the other before the adjournment of this session of Congress. Indecision on this issue can only have further unsettling and disturbing effect on business.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of the statement of Ladd Plumley, president, Chamber of Commerce of the United States, at a news conference in his office in the chamber building on June 29, and a press release from the AFL–CIO based on remarks of Stanley H. Ruttenberg, chief economist of the AFL–CIO, delivered July 17 at the convention of the National Federation of Business and Professional Women's Clubs.

There being no objection, the statement and press release were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM STATEMENT BY MR. LADD PLUMLEY

The committee on taxation recommends that the national chamber of commerce announce its support for an immediate reduction in corporate and individual income tax rates. Specifically, the committee recommends:

(a) That the top bracket rate for individuals be reduced from 91 percent to 65 percent.

(b) That the lowest individual bracket be split and a 15-percent rate imposed on the lower portion.

(c) That individual rates between the 65-percent maximum and the 15-percent minimum be adjusted proportionately.

(d) That the combined corporate tax rate be reduced from the present 52-percent rate to 47 percent.

The committee is not unmindful of the immediate impact of rate reduction on the imbalance in the budget; but the committee is convinced that the best hope and prospect for future balanced budgets and fiscal sanity lies in removing immediately these tax rate deterrents to economic growth.

Additionally, the committee recommends that the chamber prepare and sponsor a longer range tax reform program designed to remove all tax barriers to economic growth. Such a program should put its principal emphasis on tax rate and depreciation rate revision with specific attention also being given to other areas in which revision is both desirable and feasible.

As part of this program new potential tax sources should be thoroughly considered, with the utmost care being exercised to make certain (1) that these new sources would not be deterrents to industrial expansion or the development of the Nation's resources; (2) that their availability and utilization would not furnish any basis for the continuation of excessive Government expenditures; and (3) the chamber has previously submitted recommendations of cuts of over $5 billion that could be made in the fiscal 1963 budget without harm to any essential program or service. This tax revision reemphasizes the need for prudence and thrift in Government.

* * * * *

In developing these recommendations the taxation committee is well aware that the job of tax reform is not going to be accomplished in one all-encompassing, perfectly written tax law. Rather this complex job must be worked at in manageable and politically possible portions over the years.

Right now certain important proposals for tax reform are very much in the news and another more fundamental set of proposals is being prepared by the administration. Other proposals are also receiving more than usual attention.

Half a dozen general guidelines could be set up:

1. One requirement is that the system produce the necessary revenue.

2. Equity is unquestionably another prime requirement. No tax system can succeed if it is irrationally discriminatory or offends the taxpayers' belief that they are being treated reasonably, fairly, and equitably.

3. A third basic objective is, all other things being equal, simplicity. Simplicity in the tax system is greatly to be desired. With tax rates as high as they are, some complexities are inevitable in the interests of equity. But the high rates have caused so many complexities and special provisions so many inequities that the administration of our tax laws is becoming too burdensome.

4. Consistency over time is a fourth general objective of importance. Here I have in mind particularly the problems in business decisionmaking which may be posed whenever there exists a situation in which the tax rules-of-the-game are susceptible to change from year to year. Both business and individuals need reasonably stable guideposts to steer by.

5. Fifth, a good tax system should be generally as neutral as possible in its effects on economic decisionmaking. This is crucial in an economy such as ours which is governed primarily according to the individual decisions of millions of separate consumers and producers, operating in a competitive market. The tax system should be so devised as to allow maximum play of the market in allocating resources. When business and economic decisions are based on narrow tax calculations, the effective functioning of the market system is impaired.

6. An additional objective of tax policy is that it ought to support the general fiscal requirements of the Government. By this I do not mean to suggest that the tax structure should be constantly revised or juggled to accomplish specific short-term aims; this would do obvious violence to several other objectives I have already mentioned. But it is important that the tax system generally promote long-range, continuing goals such as economic growth—or at least deter growth as little as possible.

* * * * *

The issue is how to unleash business investment so as to modernize generally the industrial plant of America.

* * * * *

Rate reduction is really the fundamental problem. I believe there is nearly universal agreement on this point; differences arise only on questions of timing and especially on whether the high rates should be attacked separately or in combination with other revisions designed to broaden the tax base.

The high and continuing necessary Federal spending commitments, many of them dictated by the international politics of our age, make a continuing flow of Federal revenue absolutely indispensable. To argue that we should lighten the taxload on anyone regardless of revenue effects would be irresponsible at the least.

The fact is, however, that the present steepness of personal income tax rates—up to 91 percent and reaching 50 percent as low as $16,000 of taxable income—has very little merit in a revenue-raising way. Such rates discourage far more economic activity than the revenue they raise could possibly justify. I believe that it has been convincingly argued, that properly directed, reduction of the steep progression in middle and upper brackets could bring about an increase in capital formation, thus enlarging the economy and providing a larger tax base so that any short-run revenue loss would be promptly made up.

Another implication of the problem of high tax rates is that every needless public expenditure should be eliminated. As of now approximately 20 percent of our gross national product is required to keep the Federal Government running. Since we must continue to meet every demand which the cold war imposes, all other types of expenditure must be scrutinized rigorously to meet the highest standards of the public interest.

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With heavy national security expenditures facing us indefinitely in the period ahead, the total tax load will inevitably continue to be heavy. Whether this load will constitute a continuing drain on the vitality and growth of the economy, however, depends on what kind of tax system raises the needed revenue.

The challenge which this kind of a future poses calls for an important mutual understanding between the business community and the Government. Business must recognize the revenue demands which the cold war of necessity imposes on Government. Government must recognize that how the revenue is raised and how well its expenditures are controlled will have a significant impact on the very sources of economic growth and tax resources with which public policy must be vitally concerned.

* * * * *

Our recommendation, which has a solid backing among business economists, is based upon these premises, among others.

1. The cut must be prompt. A delay now not only courts the disaster of a recession in the United States but its spread to Canada, already under pressure and thence to Europe. The free world cannot look with complacency upon such a catastrophe.

2. The cut must be substantial. Halfway measures are futile. Further, all is not lost for with higher taxable income much is recouped. It is to be remembered that recessions cost money too. The 1957–58 recession resulted in a deficit of $12.5 billion. If successful this could be, by far, the least costly way to combat this problem.

3. The cut as recommended will stimulate investment spending. This will improve our profit picture, make our products more competitive and accent once again the growth element in our economy.

4. Reduction of personal income taxes will increase take-home pay and hopefully reduce the pressure for wage increases.

5. Foreign bankers recognizing the energizing effects of this program will be less concerned about the stability of the dollar than they are at present.

NEWS FROM THE AFL-CIO

The chief economist of the AFL-CIO vigorously favors a tax cut "now—not next year" in the lowest personal income tax bracket but with equal fervor opposes tax relief for corporations and higher bracket incomes.

Stanley H. Ruttenberg, director of the AFL-CIO department of research, told a Los Angeles audience last night (Monday) that only a tax cut concentrated in the first individual income tax bracket will provide the increased consumer buying power that is an urgent need.

"Talk is no longer cheap in America," Ruttenberg said. "The failure to translate talk into positive action is a most expensive threat to America's health. Talk will not move America forward. Action will."

At the same time, Ruttenberg assailed proposals to cut corporation taxes and to reduce the rates on higher incomes. He particularly scorned the argument that the President should propose such cuts to prove he is not antibusiness.

"The Nation cannot afford a tax cut to appease some supposed slights to American business from a President whose record to date has been one that business should support, not oppose," Ruttenberg said.

"We cannot as a nation afford the luxury of talk without action, or action based on the silly talk of many businessmen that a President who is antibusiness must prove his mettle to a sullen business community by recommending the wrong kind of a tax cut, at the wrong time, for the benefit of the wrong group of taxpayers."

EXCERPTS OF REMARKS BY STANLEY H. RUTTENBERG BEFORE NATIONAL FEDERATION OF PROFESSIONAL AND BUSINESS WOMEN'S CLUBS, INC.

Right now the state of the American economy is one of the most overriding domestic issues. No longer are people talking about whether a tax cut is needed. They are now discussing what kind of tax cut is needed and when it should be applied.

Talk is no longer cheap in America. The failure to translate talk into positive action is a most expensive threat to America's health. Talk will not move America forward. Action will.

* * * * *

Industry has been operating 10 to 15 percent below capacity, retail sales have fallen off in June, installment credit expansion has slowed. The steel industry's operations have gone to half capacity—down from 80 percent in March.

For the past few months, therefore, there has been talk of tax cuts. Too often this talk has been misdirected away from economic to political considerations. Too often the question is raised, "Will the President give business the kind of tax cut it wants in order to prove he is not antibusiness?"

Action responsive to such talk is as bad as no action at all. No sensible person in this country, least of all its President, is antibusiness. If business needs reassurance on this question, it should reexamine American history and American thought—a history of diversity and variety of ideas, with no one set view as the only possible American way. In fact, it sometimes has been a series of actions falsely dubbed antibusiness which turned out to be the salvation of American capitalism.

America needs a tax cut now for economic reasons. * * * The Nation cannot afford a tax cut to appease some supposed slights to American business from a President whose record to date has been one that business should support, not oppose.

Why cannot we afford a tax cut designed to cut taxes for high and upper income individuals and corporations? The figures are very simple and very obvious. This is not the kind we need. American business corporations need no tax cuts to expand. They have spent almost $150 billion in plant and equipment over the past 5 years, almost all of which was available from depreciation allowances and retained earnings. They have failed to use the capacity they have. They will not expand very much from a tax cut. They will expand on the basis of potential markets as business always has.

* * * * *

We cannot afford an across-the-board individual income tax cut, such as has been proposed, either, for essentially the same reasons. It is not needed nor is it fair. What has been proposed is to reduce all individual income taxes from the current 20-to-91-percent range to a proposed 15-to-65-percent range. That is pretty fair, according to its proponents. But is it? What it means, in oversimplified hypothetical terms is that if taxes on a taxable income of $5,000 were reduced 5 percentage points or $250 and a taxable income of $500,000, 26 percentage points or a $130,000 reduction in taxes, the person with 100 times as much income could get more than 500 times the decrease in taxes. If that is consistent with progressive income taxes, based on ability to pay, the world in my judgment has turned completely upside down.

But even if it were considered fair by those who believe that upper income taxes should really be reduced it is not sensible from an economic point of view. The purpose of a tax cut is to spur the American economy—to push money into the spending stream. The low- and middle-income groups can be counted on to spend the money from a tax cut. Spending is an urgent need in a sluggish economy, where demand is not using the ability of the national capacity to produce.

This is not to suggest that tax cuts alone are enough. I am not suggesting that the Nation does not need to act in all the areas where America's needs have not been met. But I do mean to say quite positively that only a tax cut concentrated in the first individual income tax bracket will reach those Americans who will spend it. It is not only reasonable but necessary to have such a tax cut now—not next year. Any other kind will not meet the purpose for which it was designed.

We cannot as a nation afford the luxury of talk without action or action based on the silly talk of many businessmen that a President who is antibusiness must prove his mettle to a sullen business community by recommending the wrong kind of a tax cut, at the wrong time, for the benefit of the wrong group of taxpayers.

HOUSE FARM BILL SHOULD BE MODIFIED IN COMMITTEE

Mr. PROXMIRE. Mr. President, it was wise for the Senate to refer the House farm bill to the Senate Committee on Agriculture and Forestry, of which I am a member. I think it would have been most unfortunate if the bill had not been so referred but had to be considered by the Senate without reference to committee. The committee system in the Senate serves a most useful purpose. In this particular kind of case, in which a bill is highly complex, has come over from the House with language far, far different from the bill which left the Senate 3 long months ago, and has been drastically modified in many respects, it seems to me that it would have been most unfortunate if we who serve on the Committee on Agriculture and Forestry had not been afforded a chance to consider the new farm bill thoroughly and make our views known in the public interest.

The Senate acted wisely in referring the farm bill to the Committee on Agriculture and Forestry, because the bill can be improved in certain specific ways. I should like to give a few examples: First, by striking the last sentence in title II of the House bill, which provides that the school lunch program outside the United States shall not extend beyond June 30, 1964. The school lunch program outside the United States has been an excellent program. It makes sense in terms of our foreign policy and certainly in terms of our agricultural policy and in terms of our economic policy, since we produce more than enough food, and hunger stalks the world. The program has been operated by the food-for-peace agency and has been a great success.

Second, we can improve the House bill by changing section 301(a) of title III, which provides that after 1963 the Secretary will have no discretion with respect to feed grains but must set price supports at 80 percent of the previous 3-year market average. Surely this provision can be improved by committee study and action. The present language is unsatisfactory because it fixes the price support required by law, and gives the Secretary no discretion. Also, it is an unreasonable law: 52 percent of parity, or about 84 cents a bushel, versus the present level of $1.20 of the price support dollar, market price.

FARM INCOME MUST BE INCREASED, NOT REDUCED

I have talked with a number of Senators about this matter and many of them, who have always voted for farm legislation, have told me that under no circumstances could they support any bill which provided this kind of deep, drastic cut in farm income. Of course, it would cut the income of those farmers who represent the backbone of agriculture, the farmers who produce feed grains. In doing so, it will also cut sharply and drastically the income received by farmers who produce beef, milk, and hogs. The consequences of the House bill, if it became effective, would be extremely serious.

In the third place, the Secretary should be authorized to specify conditions before offering any price support after 1963, since acreage adjustments will be diverse, such as for acreage adjustment or diversion. The House version of the bill does not authorize this.

Also, I feel strongly that extension of the feed grain plan can be strengthened by the amendments I propose. These amendments provide that if farmers do not comply with the feed grain plan and if they do not agree voluntarily to retire some of their acreage, they shall be deprived of some of the subsidies they now receive.

In talking to farmers, I find that this is the kind of provision they can understand. Those amendments would greatly reduce the farm surplus, it would increase compliance, and it would reduce the size of the farm program.

I have heard a number of Senators say that they believe the conferees will knock out the section which provides for voluntary reduction of dairy production. They say such a provision is unenforcible in the absence of mandatory controls. I agree that a serious problem of administration is involved here. But it is difficult to handle this complex problem on the floor of the Senate. The logical place to handle it is in the committee, where we can obtain expert testimony and can proceed in an orderly way. We now have a week to act on the bill, and I believe we can improve it all along the line.

However, I wish to make clear that we should adopt the provision which the Senate Committee on Agriculture recommended when the bill was reported by it. That provision was rejected by the Senate, but was adopted by the House. I refer to the provision to renew for another year the emergency feed grain provisions which now are in the law. These have worked very, very well. It is a fact that the farmers find them practical. They have increased farm income and have reduced the cost of the farm program.

It is argued that this provision is too expensive. But the facts show that the cost of the farm program is estimated at $780 million for this year. However, that estimate is based on total payments in kind, out of the surplus, with feed valued at $1.20 a bushel—the bookkeeping value. In fact, much of the surplus has no genuine cash value, and would be given away if it were not used for payments.

Therefore, the real new cost of the program is far less—being the cost of taking into storage the 1960–61 crop, or about $550 million.

Of course, the saving on interest and storage costs is also significant.

The estimated saving over the Benson program, the 1958 program, is $500 million, according to the Department of Agriculture; and the emergency bill which I think we should reenact has increased farm income by about $450 million.

On June 15, I received the following letter from Francis A. Kutish, a distinguished economist at Iowa State College. In the letter he estimates the effect of the present emergency feed-grains program on the farmers and on costs.

His letter reads as follows:

Iowa State College,
Ames, Iowa, June 15, 1962.

Senator William Proxmire,
Senate Office Building,
Washington, D.C.

Dear Senator Proxmire: The most recent Government figures on feed disappearance indicate that we will reduce feed grain stocks about 10 million tons this year. When compared with what we probably would have produced had the old Benson program been in effect, this represents an estimated 26-million-ton reduction from the estimated production in the absence of the 1961 program. That is the equivalent of 932 million bushels of corn. If you figure the eventual recovery value of corn at $0.992 a bushel, this results in a net savings to the Government of $241 million, if the eventual recovery value is $0.53 a bushel (what the USDA calculated), the eventual savings is $622 million. If you use no recovery value—

Incidentally, I think that might be the most realistic—

the eventual savings is $1,059 million.

This has been a successful program. It has reduced stocks; it has maintained farm income and it has not raised consumer prices. When measured on a basis of net costs, it will have reduced Government expenditures.

Sincerely yours,
Francis A. Kutish,
Extension Economist.

CURRENT FOOD GRAIN PROGRAM FAR MORE ECONOMICAL THAN MANDATORY WHEAT AND COTTON PROGRAMS

Madam President (Mrs. Neuberger in the chair), when I was discussing the farm program with the distinguished senior Senator from Vermont [Mr. Aiken], the ranking Republican member of the Senate Committee on Agriculture and Forestry, I pointed out that the dairy price-support program has been far less expensive than some of the other programs. I wish to emphasize that not only has the dairy price-support program been relatively low in cost, but the feed-grains program has been low in cost, too.

The big objection to the feed-grains program is that, as compared with the cotton program and the programs for other commodities, there has been no effective limitation on production. The distinguished chairman of the Committee on Agriculture and Forestry has called corn the "little, blue-eyed sweetheart of the Congress." But the fact is that in terms of cost, the program for feed grains has been far less costly, if we relate the cost, as I think should be done, to the value of the marketings. On that basis, the feed-grains program has been far less costly than the programs for cotton or wheat; and the feed-grains program has been about as economical as the program for dairy products.

I hold in my hand a chart which shows the losses on Government price-support operations for cotton, dairy products, feed grains, and wheat for the fiscal years 1953–1961. It shows that whereas during that period cotton has had losses of 8 percent on its marketings, dairy products have had losses of 6 percent; feed grains, 5 percent; and wheat, 12 percent; and for the period 1959 through 1961 cotton has had losses of 12 percent; wheat, 12 percent; feed grains, only 8 percent; and dairy products, 5 percent.

I think the chart is significant in several ways. First, it shows that the loss from the program for dairy products and the loss from the program for feed grains have been less than the losses on the other programs. Second, it shows that the total cost to the farm program has been a relatively small proportion of the value of the marketings—for feed grains, 8 percent. Furthermore, it has been pointed out that if we relate the cost of the feed grains price-support program to the value of the marketings for beef and hogs and the other end products of the feed grains, the cost has been only 2 percent of the total, ultimate value of marketings.

Madam President, in view of the fact that food is an excellent bargain in this country—that the cost of food, in terms of the number of hours of work necessary to buy food, is far less in the United States than in any country in the world, and a great deal less than in the countries of Europe, and far less than it has ever before been in this country—we can recognize that the so-called expensive farm program is really not very expensive, after all. The fact is the American consumer-taxpayer is getting a first-class bargain from the American farmer and we ought to say so.

Even if we add the full cost of the farm program to the cost of food, we are getting a terrific bargain.

It can truly be said the farmer is subsidizing the consumer. This is a fact. Our legislation should reflect it. Thirty years ago it took 12 minutes of work for an average factory worker to earn enough to buy a quart of milk. Today, it takes 6 minutes of work. And what is true of milk is also true of a loaf of bread and of all the other articles of food that consumers buy. So, although it is true that food costs have risen over the years—as have all other costs—yet they have gone up far less than have other costs; and in terms of real income, the cost of food has dropped.

Last year the cost of living went up but only slightly why? Because the cost of food went down. The farmer is the real hero of price stability in this country.

I ask unanimous consent that the chart to which I have referred, which shows how relatively low is the cost of the dairy products price-support program, and the feed grain price-support program, be printed at this point in the Record.

There being no objection, the chart was ordered to be printed in the Record, as follows:

Losses on Government price support operations for cotton, dairy products, feed grains, and wheat; fiscal years 1953–61 [1] [2]

	Annual average losses or costs		Losses as percentage of value of marketings [3]	
	1953–61	1959–61	1953–61	1959–61
	Millions	*Millions*		
Cotton	$195	$315	8	12
Dairy products	285	232	6	5
Feed grains	296	439	5	8
Wheat	283	290	12	12

[1] Realized losses on CCC inventory transactions, including resealing and interest expenses (under accounting procedures adopted June 30, 1961) plus export subsidies and sec. 32 funds used for price support operations.

[2] These data from Legislative Reference Service were put in the Congressional Record, Mar. 1, 1962 (p. 3229), in a speech by Senator Carlson.

[3] Value of crops produced, in case of feed grains.

TAX CUT DOES USE UP AMMUNITION AT WRONG TIME

Mr. PROXMIRE. Madam President, yesterday, an article by one of the clearest analysts of our troublesome economic problems, Miss Sylvia Porter, was published in the Washington Star. Miss Porter favors a tax cut. I do not. In the article she discussed the proposed tax cut and some of the arguments which have been made against making a tax cut at this time. However, her arguments and particularly her final contention in contradiction of what some of us have been saying in favor of making such a tax cut really do not add up.

She says this:

> The argument that a tax cut should be held off until we're in a recession invites the retort, "Why wait for the suffering? Why not try to prevent it?" There is no stimulant on the horizon to perk up the economy. Business spending is not going to rise because of the new depreciation schedules or the tax incentive in the present tax bill; consumer spending already is high and is unlikely to accelerate much without additional help. Between higher Government spending and a tax cut, financial conservatives overwhelmingly prefer the tax cut, and so do most liberals at this stage.

ECONOMIC FORECASTING UNRELIABLE

The difficulty with this argument is that it presupposes that we are able to predict the economic future, that the economists can look forward and say: "If we have a tax cut now, or early next year, 18 months or 2 years from now, when economists tell us the effects of this tax cut will be felt, there will be a deflationary situation or unemployment situation which should be corrected."

Unfortunately, economists cannot look into a crystal ball and predict the future. Before the Joint Economic Committee this year appeared the head of the Council of Economic Advisers, Walter Heller. I think he is recognized as one of the best economists in the country. He certainly has impressed me as being a very able and competent economist. Dr. Heller predicted at that time that we would have a gross national product of $570 billion for this whole year. This was only 5 months ago. It is perfectly obvious that Dr. Heller is going to be wrong. We shall not have anywhere near a $570 billion gross national product for the whole year.

This prediction was made by Dr. Heller on the basis of all the resources available to our Government. It was made by a competent economist. He looked into the crystal ball and made this prediction. He was wrong. But his prediction was supported by other competent and able economists in our Government, and they were wrong.

Five or six months ago every investment analyst I had a chance to talk to and every investment analyst who had written on the subject predicted that the stock market would go up during the coming year. They predicted it would continue to rise, perhaps at an irregular rate, but that there was very little likelihood that it would drop very much. It was difficult to find any economist, investment analyst, or stock market expert who thought the market would drop. They were wrong. The stock market went down.

We can wish that economics were an exact science and that we could consult a person who had an extensive education and training in economics and had had practice in working on economic predictions, and that we could ask such an expert what is going to happen in the future. The fact is that, while we might wish that were so, economists cannot make that kind of prediction. Economics do not permit one to be able to make accurate predictions.

Therefore, if we follow the advice of making a tax cut, when the gross national product has during the fiscal year ending 3 weeks ago risen by $40 billion, when personal income is at a record high, when business is good except for certain economic forecasts, I see no reason why we should not keep on reducing taxes.

I argue that the only time a tax cut can be justified is when there is a surplus and taxes can be reduced without unbalancing the budget, or when the Nation is at war and therefore we have to spend as much as possible in order to defend our country, or when we are in a recession or depression which is so severe that there are many millions out of work, businesses are failing, and drastic action is needed to right the economy.

We do not have that kind of situation now.

If we are going to follow a policy of reducing taxes now, on the basis of very mixed economic predictions, then it is hard to see any situation in which a tax cut cannot be justified. What is more, the argument which has been made by those of us who oppose a tax cut that we would use up our one-shot ammunition, is a perfectly proper and valid argument. A tax cut should be made at a time when there is a serious economic crisis, because it is a one-shot affair. Once we have the kind of tax cut the Washington Post recommended, $11.5 billion, it is exceedingly difficult to see how we could possibly justify having such a tax cut, or a bigger one in the future. No matter what would happen, it would be extraordinarily hard to justify. Under those circumstances, we would be in a situation where, if we were in an economic crisis, and had serious unemployment, we would be unable to cope with the situation because we had already used up our ammunition.

PER JACOBSON ON RECORD AGAINST A TAX CUT THIS YEAR

The second argument used by Sylvia Porter against the opposition to the tax cut is that the international bankers argue that a tax cut makes sense for the American Government; that under those circumstances we should increase interest and reduce our taxes and run a deficit and stimulate our economy by a tax cut. Mrs. Porter quotes from a report of the International Bank for Settlements at Basel, Switzerland. It has been alleged, and has not been denied, in Business Week, that this report by the International Bank for Settlements at Basel was a plant; that it was a suggestion by U.S. officials who were at Basel and who recommended that the international bankers recommend a tax cut in the United States.

What concerns me is that the outstanding international banker, the great Swedish economist who is head of the International Monetary Fund, and who certainly is a world-renowned economist, does not recommend a tax cut. He appeared on "Meet the Press" some 2 weeks ago, and in the course of his appearance he was asked whether he would recommend a tax cut now. He said no, he would not. He said he would recommend a tax cut next year, but it was clear from the language in which he phrased his recommendation that he would recommend a tax cut only if it were accomplished without a deficit.

There are many Members of the Senate, and also of the public, who would be in favor of a tax cut if it could be done without running a deficit; but the fact is that this year we have had a deficit of $6 billion. Even without a tax cut, we will have a deficit of over $4 billion next year; and with a tax cut of the kind recommended by the Washington Post this morning, we would probably have as heavily unbalanced a budget as we have had in our entire peacetime history.

TAX CUT COULD BE INFLATIONARY

The final argument that Miss Porter makes against the proposition is that a tax cut would result in an inflationary spiral. Of course, it would depend upon the nature and the time when the tax cut would be set. Professor Friedman, of the University of Chicago, and Professor Mayer, formerly of the University of Michigan, have argued that fiscal policy has its full consequential effect about 18 months after action is taken by the Government. So if we should have a tax cut acted upon by the Congress this year, and if that tax cut should take effect, as is recommended by the assistant majority leader, on January 1, the consequences of that tax cut would not be felt until 2 years from now, until the summer of 1964.

No economist looking into a crystal ball can tell whether in the summer of 1964 we will have an inflationary situation or a deflationary situation, or what kind of a situation we will have. Therefore, the argument of Miss Porter that such a tax cut would not result in another inflationary round overlooks the lag and the inability of economists to predict the future. So that under those circumstances it seems to me that none of the arguments advanced by Miss Porter stands up.

I ask unanimous consent that the article by Sylvia Porter be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

Tax Cut Pleas Get Argument

(By Sylvia Porter)

Opponents of a tax cut for individuals and corporations this fall offer three major arguments.

The tax cut, they argue first, would create a huge deficit in the 1963 Federal budget and immediately revive the threat of another inflation spiral. This point was made by Senator Byrd, Democrat, of Virginia, in his letter to the chamber of commerce denouncing the chamber's call for a tax reduction now.

The tax cut, they argue second, would, by swelling the budget deficit, undermine the budget deficit, undermine the confidence of Europe's bankers in the U.S. dollar and could set off a disastrous run on our gold reserves.

This was another point made by Senator Byrd.

The tax cut, they argue third, would be premature now and we should have this great antislump weapon until we are in the next recession and need to use it. This is a point made by Senator Douglas, Democrat, of Illinois, who is also an economics professor.

What is the validity of each of these arguments?

(1) That a tax cut of substantial size—and it must be substantial if it is to give the economy the spur it requires—would swell the deficit in the 1963 budget is indisputable. But this tax cut would set off another inflation spiral now is decidedly disputable. We are in a slack economy; in many industries there is excess capacity, supplies of most goods are abundant; the unemployment rate remains high; competition at home and from producers abroad is the fiercest in decades.

Against this type of background, inflation simply does not thrive.

(2) The argument that Europe's bankers and financiers would lose confidence in the dollar because of a big budget deficit caused by a tax cut is not backed by the facts. Over and over, the world's central bankers have been telling U.S. officials that we should cut taxes now to stimulate the economy. They ask only that as the deficit balloons, we follow orthodox monetary policies—specifically, let interest rates rise and finance the budget deficit primarily in noninflationary ways.

The headquarters of financial conservatism in Europe—the International Bank for Settlements at Basel, Switzerland—actually put this in writing a few weeks ago. Said the BIS: Unless the United States cuts taxes or increases Government spending, "it will risk continuing to have a rate of growth well below that of Europe, east and west."

(3) The argument that a tax cut should be held off until we're in a recession invites the retort, "Why wait for the suffering? Why not try to prevent it?" There is no stimulant on the horizon to perk up the economy. Business spending is not going to rise because of the new depreciation schedules or the tax incentive in the present tax bill; consumer spending already is high and is unlikely to accelerate much without additional help. Between higher Government spending and a tax cut, financial conservatives overwhelmingly prefer the tax cut, and so do most liberals at this stage.

On the basis of economics and finance, a tax cut this fall makes sense. If the political obstacles can be cleared away, we can prove that we've finally learned that we don't have to wait for recessions to take obviously desirable steps to benefit all Americans.

Mr. PROXMIRE. I also ask unanimous consent that an editorial from the Washington Post, which I have discussed in some detail, and the proposals of which I oppose strongly, also be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

For a Tax Cut Now

When the postwar record of the economy is viewed in retrospect there is much of which to be proud. It has conferred upon the American people the highest living standard in the world and at the same time it has provided a substantive stimulus to the economic recovery and growth of the free world. But in recent years our rate of economic growth has been declining and at this time the economy is listlessly balanced on a high plateau. A stimulus is required to restore a healthy and vigorous rate of growth, and there is a remarkable unanimity of opinion among businessmen, labor leaders, and economists that the best stimulus available is a tax cut.

The compelling argument for a tax cut rests upon sound principles of economic analysis. If personal income taxes are cut while the current level of Government expenditures is maintained, the economy will be stimulated by the ensuing increase in the total expanditures for goods and services. It is important to bear in mind that the effects of a tax cut will be multiplied by successive rounds of expenditures so that a $1 tax reduction will, after about 6 months, result in a $2.50 increase in expenditures. In addition to this "multiplier" effect on the consumption side, there will be a powerful but not readily calculable stimulus to investment as the rising volume of sales presses upon productive capacity.

A token tax cut will not sufficiently stimulate the $550 billion American economy. What is required is a substantial reduction. The tax rates for all income brackets except the highest one should be reduced by 5 percentage points to increase after-tax income by $10 billion. The nearly confiscatory 91-percent rate for the highest bracket should be reduced to 65 percent, thus reducing tax revenues by an additional $650 million. This reduction for the highest income bracket, which has long been recommended by proponents of tax reform, will increase investment and diminish the efforts to establish tax shelters. In addition to the reduction in personal income taxes an across-the-board reduction in corporate income taxes by 2 percentage points would add $1 billion to business income which would be useful in financing the anticipated rise in the volume of investment.

In total these tax cuts would result in an $11.6 billion loss in Treasury revenues, but the personal income tax reduction alone will increase the volume of total expenditures by $26.5 billion and the dynamic effects of these increases upon the volume of investment should add much more to the gross national product. Thus the fiscal deficit that is incurred will be sharply reduced as a rising level of economic activity generates greater tax revenues.

The administration, it will be recalled, planned a tax reduction for 1963 as a part of a broad program of fiscal reform. But it is now clearly evident that the stimulation of the economy must take precedence over reform. In any case, there is nothing in this proposal that should preclude tax reform in the future.

On countless occasions during the campaign of 1960 President Kennedy reiterated the necessity for "getting America moving again." The time has come for injecting new vigor into the economy. The administration should advocate, with all the force that it can muster, an immediate tax cut.

AMERICAN AND PHILIPPINE WAR CLAIMS

Mr. KEATING. Madam President, while a great deal of attention has been given in the press and throughout the country to the problem of settling the Philippine war claims program, virtually no notice has been given to the abysmal failure of the Congress to deal with American war claims growing out of World War II. I should like to say a few words about these claims. Incredible as it may appear, we have not yet enacted any legislation to compensate American citizens for the hundreds of millions they suffered in war losses in German, Japan, and other major battle areas.

I am sympathetic to proposals to pay the balance of funds for Philippine war claims. But the clamor for immediate action on the Philippine bill sharply contrasts with the dead silence with which the public has reacted to the 17-year delay in dealing with the American war claims problem.

Let it be recognized that approximately $389 million already has been paid on Philippine war claims, that many small claims have been paid in full and that a substantial percentage has been paid on all the others. In comparison, nothing at all has been paid to Americans who suffered war losses similar to those covered in the Philippine program in such areas as Germany and Japan. There have been some World War II programs for Americans, such as the payment to American prisoners of war, but the total of all sums paid under these various programs does not begin to approach that already paid out under the Philippine program.

The situation is even more ironic when we consider that funds for the payment of the American claims have been available since the end of the war, while funds for the Philippine claims must be appropriated. We must, of course, deal fairly with our friends in other countries. I favor completing the payment of the balance of the Philippine war claims, but in any list of priorities, our fellow Americans must stand higher than foreign nationals.

The American claimants might do better if some foreign lobby could be put to work in their interests. The effectiveness of these lobbies has been demonstrated more than once. Perhaps we need an American lobby to make sure that the interests of our own citizens get at least equal treatment with those of foreign nationals.

The longer we wait the more difficult it will be to process these claims. Moreover, many of the claimants are old and sick and are people of modest means. This is particularly true of the so-called later nationals, who frequently had to leave their former countries with only the clothing on their backs and a few meager possessions. I have heard from many of these poor souls, and I know that everyone—every Senator and every other American—would be deeply moved by the hardships they have been suffering as a result of the long delay in acting on an American claims program.

We cannot allow this situation to continue indefinitely. Legislation must be enacted which would redeem obligations we have to our own people. Then we can complete the Philippine program not as a payment for good will, but in fulfillment of a moral obligation to all those who suffered war losses.

At the end of the last session of Congress, the Senate Committee on the Judiciary reported an American war claims bill, S. 2618, but this bill has languished on the Senate Calendar. It is inadequate in many respects, but amendments already have been presented which, if adopted, would make it a fair and effective measure. The bill says nothing about paying the claims; only that they shall be adjudicated. Briefly, these amendments sponsored by the Senator from Michigan [Mr. Hart], by me, and by other Senators, would provide for the payment of claims out of vested enemy assets which are now being held in limbo; would permit the sale of vested assets, such as the General Aniline & Film Co., which are still being run by the Government; would permit the lump-sum settlement of heirless property claims; and would allow claims to be filed by all persons who are nationals of the United States at the time the bill is enacted.

Attempts to bring these measures to the Senate have been blocked for years by a few diehard opponents. It is axiomatic that it is much easier to stop a bill in this Chamber than to have one passed. But last week the House Interstate and Foreign Commerce Committe reported several bills incorporating most of these amendments cosponsored by the Senator from Michigan [Mr. HART], by me, and by other Senators, and they are expected to be approved in the House without difficulty. It should be possible to bring these issues to a head in the Senate this session either by eventual action on the House-passed bills or by a motion to consider S. 2618. I cannot believe that the Senate will permit this subject to be neglected for another year. Under no circumstances, can I conceive of a request for favorable action on the Philippine war claims bill this session without assurances that the American war claims bill will be given similar consideration.

If, despite these considerations an effort is made to push the Philippine claims bill through the Senate without firm assurances that the American claims bill will be acted upon, simple justice would require that the provisions of the American claims bill be offered as amendments to the Philippine bill. This would permit both issues to be resolved at the same time and assure at least equal treatment to the American claimants. I intend to watch this situation very closely, and want to serve notice now of my determination to take whatever steps are necessary to achieve a final settlement of the American war claims problem at this session of the Congress.

Mr. SMATHERS. Madam President, I wish to associate myself with the fine remarks of the able Senator from New York with respect to the Philippine war claims and the priorities they should have with respect to the demands and the needs of American citizens who feel that they are entitled to consideration in this same matter. I am certain there are many other Senators who share the sentiments so ably expressed by the Senator from New York.

Mr. KEATING. Madam President, will the Senator yield?

Mr. SMATHERS. I am happy to yield.

Mr. KEATING. Madam President, I know of the longtime interest of the distinguished Senator from Florida [Mr. SMATHERS] and the Senator from Michigan [Mr. HART] in the problem. I felt sure that he would share with me the view that before we even talk about considering the Philippine war claims, we should deal with the problems of the claims of American citizens. I know that the powerful support of the Senator from Florida will be very helpful in trying to come to grips with the issue at the present session of the Congress.

Mr. SMATHERS. I thank the Senator from New York and commend him for his statement.

Mr. HART. Madam President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. HART. I heard my name mentioned as I came into the Chamber. I had previously been called from the Senate on other necessary business. I understand that the distinguished secretary of the majority has indicated his willingness to assist.

Mr. KEATING. The Senator from Florida is in agreement with the Senator from New York that before we start talking about the Philippine war claims, we should talk about American claimants who have been waiting for 17 years without any consideration of their problems. The Senator from New York has indicated that their claims should have priority; and has outlined the amendments in general which the Senator from Michigan and he have offered and which, as the Senator knows, have now been incorporated, all but one of them, in a House-reported measure, which I understand that the House will take up shortly.

Mr. HART. I returned to the Chamber at the happiest moment of the day apparently, because I am delighted to receive the news that the distinguished Senator from Florida has broken that ground for us.

STUDY OF HIGHWAY PROGRAM FOR ALASKA

Mr. SMATHERS. Madam President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1332, Senate Joint Resolution 137.

The **PRESIDING OFFICER.** The joint resolution will be stated by title.

The LEGISLATIVE CLERK. A joint resolution (S.J. Res. 137) to authorize the Secretary of Commerce, in cooperation with the State of Alaska, to undertake studies and surveys relative to a highway construction program for Alaska, and for other purposes.

The **PRESIDING OFFICER.** Is there objection to the request of the Senator from Florida?

There being no objection, the Senate proceeded to consider the joint resolution which was read, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Commerce, in cooperation with the State of Alaska, is hereby authorized to make engineering studies and estimates and planning surveys relative to a highway construction program for the State of Alaska, and, in accordance with treaties or other agreements to be negotiated with Canada by the Secretary of State in consultation with the Secretary of Commerce, engineering studies, estimates, and planning surveys relative to roads in Canada to connect with Alaska.

SEC. 2. On or before May 15, 1963, the Secretary of Commerce shall submit a report to the Congress which shall include—

(1) an analysis of the adequacy of the Federal-aid highway program to provide for a satisfactory program in both the populated and the undeveloped areas in Alaska;

(2) specific recommendations as to the construction of roads through undeveloped areas of Alaska and to connect them with roads in Canada; and

(3) a feasible program for implementing such specific recommendations, including cost estimates, recommendations as to the sharing of cost responsibilities, and other pertinent matters.

SEC. 3. From time to time, either before or after submission of the report provided for in section 2 of this Act, the Secretary of Commerce may submit recommendations to the Congress with respect to the construction of particular highways to carry out the purposes of this Act.

SEC. 4. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be available until expended, the sum of $800,000 for the purpose of making the studies, surveys, and report authorized by sections 1 and 2 hereof.

The **PRESIDING OFFICER.** The amendment of the Senator from Florida will be stated.

The LEGISLATIVE CLERK. On page 2, line 22, it is proposed to insert a new section 4, as follows:

Sec. 4. Nothing in this act shall be construed as creating any obligation in the Congress, express or implied, to carry out the recommendations referred to in sections 2 and 3

The **PRESIDING OFFICER.** The question is on agreeing to the amendment of the Senator from Florida.

The amendment was agreed to.

Mr. GRUENING. Madam President, I offer an amendment to change the date on page 2, line 3, from May 15, 1963, to 1964, which would defer by 1 year the date upon which the Secretary of Commerce shall submit a report to the Congress. This I consider desirable so that the study of these much-needed additional highways may be thorough and sufficiently detailed. Considering the seasonal factors in Alaska, the date originally proposed—namely, next May 15—is too close at hand. Hence my amendment.

The **PRESIDING OFFICER.** The amendment of the Senator from Alaska will be stated.

The LEGISLATIVE CLERK. On page 2, line 3, it is proposed to change the date "1963" to "1964".

The **PRESIDING OFFICER.** The question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

The **PRESIDING OFFICER.** Without objection, the old section 4 will be renumbered.

Mr. BARTLETT. Madam President, I wish to commend my colleague [Mr. GRUENING] for having introduced Senate Joint Resolution 137. The resolution will provide adequate opportunity to make the kind of study of the road system in Alaska and determine the future road needs of Alaska that long ago should have been made. It is my understanding that the joint resolution is similar to the bill—S. 2976—introduced by my colleague [Mr. GRUENING] in the previous Congress. The bill would have made an outright authorization, beginning with the fiscal year 1962 and concluding with the fiscal year 1976, of $20 million in each fiscal year to bring about a program of equalization. The study will afford an opportunity for an adequate determination of what the road needs of Alaska are. We know that they are vast. There are 5,000 miles of road in an area one-fifth as large as the earlier 48 States put together. I know that the people of Alaska will be very appreciative of my colleague having brought the proposed legislation to the attention of the Senate.

Mr. GRUENING. I thank my able colleague from Alaska.

The measure is a highly important piece of proposed legislation for the simple reason that Alaska entered the Union in a situation unique among the States. As a result of the continual exclusion of Alaska from Federal aid to highway legislation from the time such legislation was first introduced in 1916, to 1956, Alaska was totally denied from Federal highway aid under the Federal-Aid Highway Act. In 1956, for the first time, the late Senator Richard Neuberger, understanding the plight in which Alaska found itself, offered an amendment to the Highway Act of that year.

I am happy to see the Senator from Oregon [Mrs. NEUBERGER] in the chair as the joint resolution is considered.

His amendment provided that Alaska be included in the previous Federal aid highway program from which it had been excluded for 40 years. He did not attempt to include Alaska in the new throughway legislation sponsored that year by President Eisenhower, because he had good reason to believe that such a measure would not pass. Knowing the mind of Congress at that time—the bill already having passed the House in the discriminatory form with Alaska completely omitted, he believed it would be necessary to reduce the formula so that, instead of calculating all of Alaska's area, only one-half of the area would be calculated. Even at that time Alaska was still treated as a stepchild in Washington, and the measure even in its reduced form was considered too generous. So Senator Neuberger's amendment was further amended to provide that one-third of Alaska's area should be used in calculating the amount Alaska would receive. So for the first time, from 1956 until statehood in 1959, Alaska received a small amount of Federal highway aid. The result of that 40-year discrimination is that Alaska has entered the Union in the unique situation of having not merely a few but a majority of its communities unconnected with each other by highway or railway. Such a situation would be unthinkable in the other 48 States. For example, I cannot imagine any community in the State of my good friend, the Senator from Florida, including its capital, into which it would not be possible to enter or leave by highway or railway. Yet such is the situation in Alaska.

During the 2 years that I was in the Senate during the Eisenhower administration I sought to obtain support for proposed legislation that would begin a long-range rectification of that longstanding discrimination. I was unable to secure that aid from the executive branch. But under the present administration, the administration of President Kennedy has come up with a formula under which the Secretary of Commerce will make actual detailed studies of roads which are not included in the present State road program, with the understanding that when the study is completed, the proposed roads will be presented to Congress for authorization and appropriation. That will be a start.

I am happy that the bill has come before the Senate. I highly commend the Kennedy administration and its Department of Commerce for its support of the measure and its understanding of Alaska's needs, and my colleague, BOB BARTLETT for his warm support. I know that the measure will have warm support in the House by Representative RALPH RIVERS.

Mr. SMATHERS. Madam President, may I compliment the very able Senator from Alaska [Mr. GRUENING] for his energy and efforts in getting the joint resolution before the Senate and obtaining its passage by the Senate. That is typical of his exemplary vigilant work in behalf of the people of the new State of Alaska. He is to be complimented and congratulated on the work he has done in connection with the program.

The PRESIDING OFFICER. The question is on agreeing to the Senate joint resolution.

The resolution was agreed to.

AUTHORIZATION FOR FINANCE COMMITTEE TO SIT DURING THE REMAINDER OF THE SESSION

Mr. MANSFIELD. Madam President, I ask unanimous consent that the Committee on Finance may be permitted to meet while the Senate is in session during the remainder of this session of Congress.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

PROTECTION OF AUTHORS OF ORIGINAL ORNAMENTAL DESIGNS OF USEFUL ARTICLES

Mr. SMATHERS. Madam President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1684, S. 1884.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1884) to encourage the creation of original ornamental designs of useful articles by protecting the authors of such designs for a limited time against unauthorized copying.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 4, after the word "original", to strike out "design" and insert "ornamental design of a useful article"; after line 7, to strike out:

> (b) (1) For the purposes of this Act, an original "design" consists of those original elements of a useful article that are intended to give the article an ornamental appearance. Such elements may be two-dimensional or three-dimensional.
>
> (2) A useful article, hereinafter referred to as an "article", is an article normally having an intrinsic utilitarian function and not normally having an intrinsic function merely to portray its own appearance or to convey information. An article which is normally a part of a useful article shall be deemed to be a useful article.
>
> DESIGNS NOT SUBJECT TO PROTECTION
>
> SEC. 2. (a) Protection under this Act shall not be available for, and registration shall not be made with respect to—
>
> (1) designs lacking originality;
>
> (2) designs that are staple or commonly known, such as standard geometric figures, familiar symbols, emblems and motifs, and other shapes, patterns, and configurations which have become common, prevalent, or ordinary;
>
> (3) designs which differ from a design excluded from protection under subparagraph (2) above only in immaterial details or in features which are variants commonly used in the trade;
>
> (4) designs copied from the public domain, or, without authority, from a design protected by the common law, titles 17 or 35 of the United States Code, or this Act; or
>
> (5) designs that are dictated solely by the function or purposes of the articles embodying the design.
>
> (b) As used in this Act, "originality" means independent creation without knowledge of, and copying from, another source.

And, in lieu thereof, to insert:

> (b) For the purposes of this Act—
>
> (1) A "useful article" is an article which in normal use has an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information. An article which normally is a part of a useful article shall be deemed to be a useful article.
>
> (2) The "design of a useful article", hereinafter referred to as a "design", consists of those aspects or elements of the article, including its two-dimensional or three-dimensional features of shape and surface, which make up the appearance of the article.
>
> (3) A design is "ornamental" if it tends to make the article attractive or distinctive in appearance.
>
> (4) A design is "original" if it is the independent creation of an author who did not copy it from another source.
>
> DESIGNS NOT SUBJECT TO PROTECTION
>
> SEC. 2. Protection under this Act shall not be available for a design that is—
>
> (a) not original;
>
> (b) staple or commonplace, such as a standard geometric figure, familiar symbol, emblem, or motif, or other shape, pattern, or configuration which has become common, prevalent, or ordinary;
>
> (c) different from a design excluded from protection under subparagraph (b) above only in insignificant details or in elements which are variants commonly used in the relevant trade; or
>
> (d) dictated solely by a utilitarian function of the article that embodies it.

On page 4, line 17, after the word "employment", to insert "in the design"; in line 22, after "titles 17", to strike out "and" and insert "or"; on page 5, line 1, after the word "if", to strike out "produced with the consent of the proprietor of such protected subject matter" and insert "such protected subject matter is employed with the consent of the proprietor thereof"; in line 12, after the word "made", to strike out "known" and insert "public"; in line 13, after the word "made", to strike out "known" and insert "public"; in line 14, after the word "an", to insert "existing useful"; on page 6, line 8, after "(c)", to strike out "A design utilized in substantially identical form in a numer of different articles" and insert "Where the distinguishing elements of a design are in substantially the same form in a number of different useful articles, the design"; in line 21, after the word "made", to strike out "known" and insert "public"; on page 7, line 4, after the word "made", to strike out "known" and insert "public"; in line 11, after the word "made", to strike out "known" and insert "public"; in line 15, after the word "the", to strike out "article" and insert "useful article embodying the design"; in line 21, after the word "at", to strike out "regular" and insert "reasonably frequent"; in line 22, after the word "at", to strike out "regular" and insert "such"; on page 8, at the beginning of line 2, to strike out "of the design notice on an article by others" and insert "by others of the design notice on an article"; in line 5, after the word "notice", to strike out "as provided" and insert "prescribed"; on page 9, line 3, after the word "sell", to insert "or distribute for sale or for use in trade"; at the beginning of line 21, to strike out "sell, or import" and insert "import, sell, or distribute,"; after line 23, to strike out:

(c) A manufacturer who incorporates into his own product an infringing article acquired from others in the ordinary course of business shall not be deemed an infringer except under the conditions of clauses (i) and (ii) of paragraph (a)(2) of this section.

(d) An "infringing article" as used herein is any article, the design of which has been copied from the protected design, without the consent of the proprietor. An article embodying only a feature of the protected design which is solely dictated by the function or purpose of the article, or which is in the public domain is not an infringing article. The presence of an illustration or picture of a protected design in a book, periodical, newspaper, photograph, broadcast, motion picture, or similar medium does not make it an infringing article.

(e) The plaintiff in an infringement action shall have the burden of affirmatively establishing the originality of the registered design whenever the defendant introduces a work in the public domain which is identical to such design or so similar as to make a prima facie showing that the plaintiff's design was copied from such work.

And, in lieu thereof, to insert:

(c) A person who incorporates into his own product of manufacture an infringing article acquired from others in the ordinary course of business, or who, without knowledge of the protected design, makes or processes an infringing article for the account of another person in the ordinary course of business, shall not be deemed an infringer except under the conditions of clauses (i) and (ii) of paragraph (a)(2) of this section. Accepting an order or reorder from the source of the infringing article shall be deemed ordering or reordering within the meaning of clause (ii) of paragraph (a)(2) of this section.

(d) An "infringing article" as used herein is any article, the design of which has been copied from the protected design, without the consent of the proprietor: *Provided, however,* That an illustration or picture of a protected design in an advertisement, book, periodical, newspaper, photograph, broadcast, motion picture, or similar medium shall not be deemed to be an infringing article. An article is not an infringing article if it embodies, in common with the protected design, only elements described in subsections (a) through (d) of section 2.

(e) The party in an action alleging the validity of a registered design shall have the burden of affirmatively establishing its originality whenever the opposing party introduces an earlier work which is identical to such design, or so similar as to make a prima facie showing that the registered design was copied from such work.

On page 12, at the beginning of line 2, to strike out "known" and insert "public"; at the beginning of line 4, to strike out "author of the design, the legal representative of a deceased author or of one under legal incapacity, or the proprietor of the design in the event the rights thereto have been acquired by such proprietor" and insert "proprietor of the design, whether the author, the legal representative of a deceased author or of one under legal incapacity, or a person to whom the property right in the design has been transferred"; in line 16, after the word "made", to strike out "known" and insert "public"; in line 25, after the word "design", to insert "is original and"; on page 13, line 2, after the word "design", to strike out "is original,"; in line 4, after the word "made", to strike out "known" and insert "public"; in line 7, after the word "made", to strike out "known" and insert "public"; in the same line, after the word "notice", to strike out "provided" and insert "prescribed"; in line 25, after the word "the", to insert "useful"; on page 14, line 4, after the word "Related", to insert "useful"; on page 15, line 10, after the word "whether", to strike out "on its face, the application relates to a design subject to protection under this Act. If, in his judgment, the design appears on its face to be subject to protection under this Act, the Administrator" and insert "or not the application relates to a design which on its face appears to be subject to protection under this Act, and if so, he"; in line 19, after the word "design", to insert "which on its face is"; in line 25, after the word "either", to strike out "proceed as provided in subsection (a) of this section, or shall" and insert "register the design or"; on page 16, after line 2, to strike out:

(c) Any person who believes he is or will be damaged may, upon payment of a prescribed fee, apply to the Administrator at any time to cancel any registration on the ground that the design is not subject to protection under the provisions of this Act. If the Administrator determines that the said applicant has established that the design does not meet the requirements of this Act, he shall order the registration stricken from the record. Cancellation under this subsection shall be announced by publication.

And, in lieu thereof, to insert:

(c) Any person who believes he is or will be damaged by a registration under this Act may, upon payment of a prescribed fee, apply to the Administrator at any time to cancel any registration on the ground that the design is not subject to protection under the provisions of this Act, stating the reasons therefor. Upon receipt of an application for cancellation, the Administrator shall send the proprietor of the design, as shown in the records of the Office of the Administrator, a notice of said application, and the proprietor shall have a period of three months from the date such notice was mailed in which to present arguments in support of the validity of the registration. It shall also be within the authority of the Administrator to establish, by regulation, conditions under which the opposing parties may appear and be heard in support of their arguments. If, after the periods provided for the presentation of arguments have expired, the Administrator determines that the applicant for cancellation has established that the design is not subject to protection under the provisions of this Act, he shall order the registration stricken from the record. Cancellation under this subsection shall be announced by publication, and notice of the Administrator's final determination with respect to any application for cancellation shall be sent to the applicant and to the proprietor of record. Remedy against such a final determination may be had by means of a civil action against the Administrator in the United States District Court for the District of Columbia, if commenced within such time after such decision, not less than sixty days, as the Administrator appoints.

On page 17, after line 14, to insert:

(d) When a design has been registered under this section, the lack of utility of any article in which it has been embodied shall be no defense to an infringement action under section 20, and no ground for cancellation under subsection (c) of this section or under section 23.

On page 18, at the beginning of line 1, to insert "useful"; in line 25, after the word "registration", to strike out "of a design, including renewals, $——." and insert "or for renewal of registration of a design, $15."; in line 4, after the dollar sign, to insert "10"; in line 5, after the dollar sign, to insert "3 for the first six pages, and for each additional two pages or less, $1"; in line 8, after the dollar sign, to insert "10"; in line 9, after the dollar sign, to insert "1"; after line 9, to insert:

(6) For cancellation, $15.

On page 21, line 14, after the word "damages", to strike out "up to three times the amount found or assessed" and insert "to such amount, not exceeding $5,000 or $1 per copy, whichever is greater, as to the court shall appear to be just"; in line 23, after "(c)", to strike out "In exceptional cases the" and insert "The"; on page 23, line 21, after the word "in", to strike out "the" and insert "an original ornamental"; in line 23, after the word "the", to strike out "resulting ornamental design of a useful article" and insert "design"; on page 24, line 12, after the word "made", to strike out "known" and insert "public"; on page 25, line 8, after the word "title", to strike out "a useful article shall not be accepted for deposit in the Copyright Office" and insert "the Copyright Office shall in no case be required to accept for deposit a useful article"; in line 17, after the word "in", to strike out "the" and insert "an original ornamental"; in line 20, after the word "the", where it appears the first time, to strike out "resulting"; in line 21, after the word "of", where it appears the second time, to strike out "1961" and insert "1962"; on page 26, line 4, after the word "of", to strike out "1961" and insert "1962"; in line 14, after the word "of", to strike out "1961" and insert "1962"; in line 18, after the word "article", to strike out "normally having an intrinsic utilitarian function and not normally having an intrinsic function merely to portray its own appearance or to convey information" and insert "which in normal use has an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information"; on page 27, line 3, after the numerals "1898", to insert "as amended"; after line 15, to strike out:

(5) by adding at the end of section 1498 a new paragraph as follows:

"This section shall also apply to the ease of designs registered under the laws of the United States."

And, in lieu thereof, to insert:

(5) by revising section 1498(a) to read as follows:

"(a) Whenever a registered design or invention is used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, the owner's remedy shall be by action against the United States in the Court of Claims for the recovery of his reasonable and entire compensation for such use and manufacture.

"For the purposes of this section, the use or manufacture of a registered design or an invention described in and covered by a patent of the United States by a contractor, a subcontractor, or any person, firm, or corporation for the Government and with the authorization or consent of the Government, shall be construed as use or manufacture for the United States.

"The court shall not award compensation under this section if the claim is based on the use or manufacture by or for the United States of any article owned, leased, used by, or in the possession of the United States prior to July 1, 1918. In the case of a registered design, the applicable date shall be January 1, 1964.

"A Government employee shall have the right to bring suit against the Government under this section except where he was in a position to order, influence, or induce use of the registered design or invention by the Government. This section shall not confer a right of action on any registrant or patentee or any assignee of such registrant or patentee with respect to any design created by or invention discovered or invented by a person while in the employment or service of the United States, where the design or invention was related to the official functions of the employee, in cases in which such functions included research and development, or in the making of which Government time, materials, or facilities were used."

On page 29, line 11, after the word "made", to strike out "known" and insert "public"; and in line 15, after the word "of", to strike out "1961" and insert "1962", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DESIGNS PROTECTED

Section 1. (a) The author of an original ornamental design of a useful article, or his legal representatives or assigns, may secure the protection provided by this Act upon complying with and subject to the provisions hereof.

(b) For the purposes of this Act—

(1) A "useful article" is an article which in normal use has an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information. An article which normally is a part of a useful article shall be deemed to be a useful article.

(2) The "design of a useful article", hereinafter referred to as a "design", consists of those aspects or elements of the article, including its two-dimensional or three-dimensional features of shape and surface, which make up the appearance of the article.

(3) A design is "ornamental" if it tends to make the article attractive or distinctive in appearance.

(4) A design is "original" if it is the independent creation of an author who did not copy it from another source.

DESIGNS NOT SUBJECT TO PROTECTION

Sec. 2. Protection under this Act shall not be available for a design that is—

(a) not original;

(b) staple or commonplace, such as a standard geometric figure, familiar symbol, emblem, or motif, or other shape, pattern, or configuration which has become common, prevalent, or ordinary;

(c) different from a design excluded from protection under subparagraph (b) above only in insignificant details or in elements which are variants commonly used in the relevant trade; or

(d) dictated solely by a utilitarian function of the article that embodies it.

REVISIONS, ADAPTATIONS, AND REARRANGEMENTS

Sec. 3. Protection for a design under this Act shall be available notwithstanding the employment in the design of subject matter excluded from protection under section 2, if the design is a substantial revision, adaptation, or rearrangement of said subject matter: *Provided,* That such protection shall be available to a design employing subject matter protected under titles 17 or 35 of the United States Code or under this Act, only if such protected subject matter is employed with the consent of the proprietor thereof. Such protection shall be independent of any subsisting protection in subject matter employed in the design, and shall not be construed as securing any right to subject matter excluded from protection or as extending any subsisting protection.

COMMENCEMENT OF PROTECTION

Sec. 4. (a) The protection provided for a design under this Act shall commence upon the date when the design is first made public.

(b) A design is made public when, by the proprietor of the design or with his consent, an existing useful article embodying the design is anywhere publicly exhibited, publicly distributed, or offered for sale or sold to the public.

TERM OF PROTECTION

Sec. 5. (a) Subject to the provisions of this Act, the protection herein provided for a design shall continue for a term of five years from the date of the commencement of protection as provided in section 4(a), but if an application for renewal is received by the Administrator during the year prior to the expiration of the five-year term, the protection herein provided shall be extended for an additional period of five years from the date of expiration of the first five years.

(b) If the design notice actually applied shows a date earlier than the date of the commencement of protection as provided in section 4(a), protection shall terminate as though the term had commenced at the earlier date.

(c) Where the distinguishing elements of a design are in substantially the same form in a number of different useful articles, the design shall be protected as to all such articles when protected as to one of them, but no more than one registration shall be required. Upon expiration or termination of protection in a particular design as provided in this Act all rights under this Act in said design shall terminate, regardless of the number of different articles in which the design may have been utilized during the term of its protection.

THE DESIGN NOTICE

Sec. 6. (a) Whenever any design for which protection is sought under this Act is made public as provided in section 4(b), the proprietor shall, subject to the provisions of section 7, mark it or have it marked legibly with a design notice consisting of the following three elements:

(1) The words "Protected Design", the abbreviation "Prot'd Des." or the letter "D" within a circle, thus Ⓓ;

(2) The year of the date on which the design was first made public; and

(3) The name of the proprietor, an abbreviation by which the name can be recognized, or a generally accepted alternative designation of the proprietor; any distinctive identification of the proprietor may be used if it has been approved and recorded by the Administrator before the design marked with such identification is made public.

After registration the registration number may be used instead of the elements specified in (2) and (3) hereof.

(b) The notice shall be so located and applied as to give reasonable notice of design protection while the useful article embodying the design is passing through its normal channels of commerce. This requirement may be fulfilled, in the case of sheetlike or strip materials bearing repetitive or continuous designs, by application of the notice to each repetition, or to the margin, selvage, or reverse side of the material at reasonably frequent intervals, or to tags or labels affixed to the material at such intervals. .

(c) When the proprietor of a design has complied with the provisions of this section, protection under this Act shall not be affected by the removal, destruction, or obliteration by others of the design notice on an article.

EFFECT OF OMISSION OF NOTICE

Sec. 7. The omission of the notice prescribed in section 6 shall not cause loss of the protection or prevent recovery for infringement against any person who, after written notice of the design protection, begins an undertaking leading to infringement: *Provided,* That such omission shall prevent any recovery under section 22 against a person who began an undertaking leading to infringement before receiving written notice of the design protection, and no injunction shall be had unless the proprietor of the design shall reimburse said person for any reasonable expenditure or contractual obligation in connection with such undertaking incurred before written notice of design protection, as the court in its discretion shall direct. The burden of proving written notice shall be on the proprietor.

INFRINGEMENT

Sec. 8. (a) It shall be infringement of a design protected under this Act for any person, without the consent of the proprietor of the design, within the United States or its territories or possessions and during the term of such protection, to—

(1) make, have made, or import, for sale or for use in trade, any infringing article as defined in subsection (d) hereof; or

(2) sell or distribute for sale or for use in trade any such infringing article: *Provided, however,* That a seller or distributor of any such article who did not make or import the same shall be deemed to be an infringer only if—

(i) he induced or acted in collusion with a manufacturer to make, or an importer to import such article (merely purchasing or giving an order to purchase in the ordinary course of business shall not of itself constitute such inducement or collusion), or

(ii) he refuses or fails upon the request of the proprietor of the design to make a prompt and full disclosure of his source of such article, and he orders or reorders such article after having received a personal written notice of the protection subsisting in the design.

(b) It shall not be infringement to make, have made, import, sell, or distribute, any article embodying a design created without knowledge of, and copying from, a protected design.

(c) A person who incorporates into his own product of manufacture an infringing article acquired from others in the ordinary course of business, or who, without knowledge of the protected design, makes or processes an infringing article for the account of another person in the ordinary course of business, shall not be deemed an infringer except under the conditions of clauses (i) and (ii) of paragraph (a)(2) of this section. Accepting an order or reorder from the source of the infringing article shall be deemed ordering or reordering within the meaning of clause (ii) of paragraph (a)(2) of this section.

(d) An "infringing article" as used herein is any article, the design of which has been copied from the protected design, without the consent of the proprietor: *Provided, however,* That an illustration or picture of a protected design in an advertisement, book, periodical, newspaper, photograph, broadcast, motion picture, or similar medium shall not be deemed to be an infringing article. An article is not an infringing article if it embodies, in common with the protected design, only elements described in subsections (a) through (d) of section 2.

(e) The party in an action alleging the validity of a registered design shall have the burden of affirmatively establishing its originality whenever the opposing party introduces an earlier work which is identical to such design, or so similar as to make a prima facie showing that the registered design was copied from such work.

APPLICATION FOR REGISTRATION

SEC. 9. (a) Protection under this Act shall be lost if application for registration of the design is not made within six months after the date on which the design was first made public as provided in section 4(b).

(b) Application for registration may be made by the proprietor of the design, whether the author, the legal representative of a deceased author or of one under legal incapacity, or a person to whom the property right in the design has been transferred.

(c) The application for registration shall be made to the Administrator and shall state: (1) the name and address of the author of the design; (2) the name and address of the proprietor if different from the author; (3) the specific name of the article, indicating its utility; (4) the date when the design was first made public as provided in section 4(b); and (5) such other information as may be required by the Administrator. The application for registration may include a description setting forth the salient features of the design, but the absence of such a description shall not prevent registration under this Act.

(d) The application shall be accompanied by a statement under oath by the applicant or his duly authorized agent or representative, setting forth that, to the best of his knowledge and belief: (1) the design is original and was created by the author named in the application; (2) the design has not previously been registered on behalf of the applicant or his predecessor in title; (3) the design has been made public as provided in section 4(b); and (4) the applicant is the person entitled to protection and to registration under this Act. If the design has been made public with the design notice prescribed in section 6, the statement shall also describe the exact form and position of the design notice.

(e) Error in any statement or assertion as to the utility of the article named in the application, the design of which is sought to be registered, shall not affect the protection secured under this Act.

(f) Errors in omitting a joint author or in naming an alleged joint author shall not affect the validity of the registration, or the actual ownership or the protection of the design: *Provided,* That the name of one individual who was in fact an author is stated in the application. Where the design was made for hire and individual authorship of the design is difficult or impossible to ascribe and the application so states, the name and address of the employer for whom the design was made may be stated instead of that of the individual author.

(g) The application shall be accompanied by two copies of a drawing or other pictorial representation of the useful article having one or more views adequate to show the design, in a prescribed form and style suitable for reproduction, which shall be deemed a part of the application.

(h) Related useful articles having common design features may be included in the same application under such conditions as may be prescribed by the Administrator.

BENEFIT OF EARLIER FILING DATE IN FOREIGN COUNTRY

SEC. 10. An application for registration of a design filed in this country by any person who has, or whose legal representative or predecessor or successor in title has previously regularly filed an application for registration of the same design in a foreign country which affords similar privileges in the case of applications filed in the United States or to citizens of the United States shall have the same effect as if filed in this country on the date on which the application was first filed in any such foreign country, if the application in this country is filed within six months from the earliest date on which any such foreign application was filed.

OATHS AND ACKNOWLEDGMENTS

SEC. 11. Oaths and acknowledgments required by this Act may be made before any person in the United States authorized by law to administer oaths or, when made in a foreign country, before any diplomatic or consular officer of the United States authorized to administer oaths or before any official authorized to administer oaths in the foreign country concerned whose authority shall be proved by a certificate of a diplomatic or consular officer of the United States, and shall be valid if they comply with the laws of the State or county where made.

EXAMINATION OF APPLICATION AND ISSUE OR REFUSAL OF REGISTRATION

SEC. 12. (a) Upon the filing of an application in proper form as provided in section 9, and upon payment of the fee provided in section 15, the Administrator shall determine whether or not the application relates to a design which on its face appears to be subject to protection under this Act, and if so, he shall register the design. Registration under this subsection shall be announced by publication.

(b) If, in his judgment, the application on its face relates to a design which on its face is not subject to protection under this Act, the Administrator shall send the applicant a notice of his refusal to register and the grounds therefor. Within three months from the date the notice of refusal is sent, the applicant may request, in writing, reconsideration of his application. After consideration of such a request, the Administrator shall either register the design or send the applicant a notice of his final refusal to register.

(c) Any person who believes he is or will be damaged by a registration under this Act may, upon payment of a prescribed fee, apply to the Administrator at any time to cancel any registration on the ground that the design is not subject to protection under the provisions of this Act, stating the reasons therefor. Upon receipt of an application for cancellation, the Administrator shall send the proprietor of the design, as shown in the records of the Office of the Administrator, a notice of said application, and the proprietor shall have a period of three months from the date such notice was mailed in which to present arguments in support of the validity of the registration. It shall also be within the authority of the Administrator to establish, by regulation, conditions under which the opposing parties may appear and be heard in support of their arguments. If, after the periods provided for the presentation of arguments have expired, the Administrator determines that the applicant for cancellation has established that the design is not subject to protection under the provisions of this Act, he shall order the registration stricken from the record. Cancellation under this subsection shall be announced by publication, and notice of the Administrator's final determination with respect to any application for cancellation shall be sent to the applicant and to the proprietor of record. Remedy against such a final determination may be had by means of a civil action against the Administrator in the United States District Court for the District of Columbia, if commenced within such time after such decision, not less than sixty days, as the Administrator appoints.

(d) When a design has been registered under this section, the lack of utility of any article in which it has been embodied shall be no defense to an infringement action under section 20, and no ground for cancellation under subsection (c) of this section or under section 23.

CERTIFICATE OF REGISTRATION

SEC. 13. Certificates of registration shall be issued in the name of the United States under the seal of the Office of the Administrator and shall be recorded in the official records of that Office. The certificate shall state the name of the useful article, the date of filing of the initial application, the date on which the design was first made known as provided in section 4(b) or any earlier date as set forth in section 5(b), and shall contain a reproduction of the drawing or other pictorial representation showing the design. Where a description of the salient features of the design appears in the application, this description shall also appear in the certificate. A renewal certificate shall contain the date of renewal registration in addition to the foregoing. A certificate of initial or renewal registration shall be admitted in any court as prima facie evidence of the facts stated therein.

PUBLICATION OF ANNOUNCEMENTS AND INDEXES

SEC. 14. (a) The Administrator shall publish lists and indexes of registered designs and may also publish the drawings or other pictorial representations of registered designs for sale or other distribution.

(b) The Administrator shall establish and maintain a file of the drawings or other pictorial representations of registered designs, which file shall be available for use by the public under such conditions as the Administrator may prescribe.

FEES

SEC. 15. (a) There shall be paid to the Administrator the following fees:

(1) On filing each application for registration or for renewal of registration of a design, $15.

(2) For each additional related article included in one application, $10.

(3) For recording assignments, $3 for the first six pages, and for each additional two pages or less, $1.

(4) For a certificate of correction of an error not the fault of the Office, $10.

(5) For certification of copies of records, $1.

(6) For cancellation, $15.

(b) The Administrator may establish charges for materials or services furnished by the Office, not specified above, reasonably related to the cost thereof.

REGULATIONS

SEC. 16. The Administrator may establish regulations not inconsistent with law for the administration of this Act.

COPIES OF RECORDS

SEC. 17. Upon payment of the prescribed fee, any person may obtain a certified copy of any official record of the Office of the Administrator, which copy shall be admissible in evidence with the same effect as the original.

CORRECTION OF ERRORS IN CERTIFICATES

SEC. 18. The Administrator may correct any error in a registration incurred through the fault of the Office, or, upon payment of the required fee, any error of a clerical or typographical nature not the fault of the Office occurring in good faith, by a certificate of correction under seal. Such registration, together with the certificate, shall thereafter have the same effect as if the same had been originally issued in such corrected form.

TRANSFER OF OWNERSHIP

SEC. 19. (a) The property right in a registered design, or a design for which an application for registration has been or may be filed, may be assigned, granted, or mortgaged by an instrument in writing, signed by the proprietor, or may be bequeathed by will.

(b) An acknowledgment as provided in section 11 shall be prima facie evidence of the execution of an assignment, grant, or conveyance.

(c) An assignment, grant, or conveyance shall be void as against any subsequent purchaser or mortgagee for a valuable consideration without notice, unless it is recorded in the Office of the Administrator within three months from its date of execution or prior to the date of such subsequent purchase or mortgage.

REMEDY FOR INFRINGEMENT

SEC. 20. The proprietor of a design registered under this Act shall have remedy for infringement by civil action instituted after the issuance of a certificate of registration of the design.

INJUNCTION

SEC. 21. The several courts having jurisdiction of actions under this Act may grant injunctions in accordance with the principles of equity to prevent infringement, including in their discretion, prompt relief by temporary restraining orders and preliminary injunction.

RECOVERY FOR INFRINGEMENT, AND SO FORTH

SEC. 22. (a) Upon finding for the claimant the court shall award him damages adequate to compensate for the infringement, but in no event less than the reasonable value of the use made of the design by the infringer, and the costs of the action. When the damages are not found by a jury, the court shall assess them. In either event the court may increase the damages to such amount, not exceeding $5,000 or $1 per copy, whichever is greater, as to the court shall appear to be just. Such sum in any of the above circumstances shall constitute compensation and not a penalty. The court may receive expert testimony as an aid to the determination of damages.

(b) No recovery under paragraph (a) shall be had for any infringement committed more than three years prior to the filing of the complaint.

(c) The court may award reasonable attorney fees to the prevailing party.

(d) The court may order that all infringing articles, and any plates, molds, patterns, models, or other means specifically adapted for making the same be delivered up for destruction or other disposition as the court may direct.

POWER OF COURT OVER REGISTRATION

SEC. 23. In any action involving a registered design the court when appropriate may order the cancellation of the registration. Any such order shall be certified by the court to the Administrator, who shall make appropriate entry upon the records of his Office.

LIABILITY FOR ACTION ON REGISTRATION FRAUDULENTLY OBTAINED

SEC. 24. Any person who shall bring an action for infringement knowing that registration of the design was obtained by a false or fraudulent representation materially affecting the rights under this Act, shall be liable in the sum of $1,000, or such part thereof as the court may determine, as compensation to the defendant, to be charged against the plaintiff and paid to the defendant, in addition to such costs and attorney fees of the defendant as may be assessed by the court.

PENALTY FOR FALSE MARKING

SEC. 25. (a) Whoever, for the purpose of deceiving the public, marks upon, or applies to, or uses in advertising in connection with any article made, used, distributed, or sold by him, the design of which is not protected under this Act, a design notice as specified in section 6 or any other words or symbols importing that the design is protected under this Act, knowing that the design is not so protected, shall be fined not more than $500 for every such offense.

(b) Any person may sue for the penalty, in which event one-half shall go to the person suing and the other to the use of the United States.

PENALTY FOR FALSE REPRESENTATION

SEC. 26. Whoever knowingly makes a false representation materially affecting the rights obtainable under this Act for the purpose of obtaining or preventing registration of a design under this Act shall be fined not less than $500 and not more than $1,000, and any rights or privileges he may have in the design under this Act shall be forfeited.

RELATION TO COPYRIGHT LAW

SEC. 27. (a) Nothing in this Act shall affect any right or remedy now or hereafter held by any person under title 17 of the United States Code.

(b) When a pictorial, graphic, or sculptural work in which copyright subsists under title 17 of the United States Code is utilized in an original ornamental design of a useful article, by the copyright proprietor or under an express license from him, the design shall be eligible for protection under the provisions of this Act."

RELATION TO PATENT LAW

SEC. 28. (a) Nothing in this Act shall affect any right or remedy available to or held by any person under title 35 of the United States Code.

(b) The issuance of a design patent for an ornamental design under said title 35 shall terminate any protection of the design under this Act.

COMMON LAW AND OTHER RIGHTS UNAFFECTED

SEC. 29. Nothing in this Act shall annul or limit (1) common law or other rights or remedies, if any, available to or held by any person with respect to a design which has not been made public as provided in section 4(b), or (2) any trademark right or right to be protected against unfair competition.

ADMINISTRATOR

SEC. 30. The Administrator and Office of the Administrator referred to in this Act shall be such officer and office as the President may designate.

SEVERABILITY CLAUSE

SEC. 31. If any provision of this Act or the application of such provision to any person or circumstance is held invalid, the remainder of the Act or the application to other persons or circumstances shall not be affected thereby.

AMENDMENT OF COPYRIGHT LAW

SEC. 32. Chapter I of title 17, United States Code, is amended by adding the following:

"§ 33. Ornamental design of useful article not subject to deposit; effect of utilization of copyrighted work in design of useful article

"(a) For purposes of deposit under sections 12 and 13 of this title, the Copyright Office shall in no case be required to accept for deposit a useful article even if it embodies a pictorial, graphic, or sculptural work, but nothing in this subsection shall preclude deposit and registration of pictorial, graphic, or sculptural works that portray useful articles or that are intended for utilization in the designs of useful articles.

"(b) When a pictorial, graphic, or sculptural work in which copyright subsists under this title is utilized in an original ornamental design of a useful article, by the copyright proprietor or under an express license from him, the design shall be eligible for protection under the provisions of the Design Protection Act of 1962.

"(c) Protection under this title of a work in which copyright subsists shall terminate with respect to its utilization in useful articles whenever the copyright proprietor has obtained registration of an ornamental design of a useful article embodying said work under the provisions of the Design Protection Act of 1962. Unless and until the copyright proprietor has obtained such registration, the copyrighted pictorial, graphic, or sculptural work shall continue in all respects to be covered by and subject to the protection afforded by the copyright subsisting under this title. Nothing in this section shall be deemed to create any additional rights or protection under this title.

"(d) Nothing in this section shall affect any right or remedy held by any person under this title in a work in which copyright was subsisting on the effective date of the Design Protection Act of 1962, or with respect to any utilization of a copyrighted work other than in the design of a useful article.

"(e) A 'useful article' as used in this section is an article which in normal use has an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information. An article which is normally a part of a useful article shall be deemed to be a useful article."

AMENDMENT OF OTHER STATUTES

SEC. 33. (a) Subdivision a(2) of section 70 of the Bankruptcy Act of July 1, 1898, as amended (11 U.S.C. 110(a)), is amended by inserting "designs," after "patent rights," and "design registration," after "application for patent,".

(b) Title 28 of the United States Code is amended—

(1) by inserting "designs," after "patents," in the first sentence of section 1338(a);

(2) by inserting ", design," after "patent" in the second sentence of section 1338(a);

(3) by inserting "design," after "copyright," in section 1338(b):

(4) by inserting "and registered designs" after "copyrights" in section 1400; and

"(5) by revising section 1498(a) to read as follows:

"(a) Whenever a registered design or invention is used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, the owner's remedy shall be by action against the United States in the Court of Claims for the recovery of his reasonable and entire compensation for such use and manufacture.

"For the purposes of this section, the use or manufacture of a registered design or an invention described in and covered by a patent of the United States by a contractor, a subcontractor, or any person, firm, or corporation for the Government and with the authorization or consent of the Government, shall be construed as use or manufacture for the United States.

"The court shall not award compensation under this section if the claim is based on the use or manufacture by or for the United States of any article owned, leased, used by, or in the possession of the United States prior to July 1, 1918. In the case of a registered design, the applicable date shall be January 1, 1964.

"A Government employee shall have the right to bring suit against the Government under this section except where he was in a position to order, influence, or induce use of the registered design or invention by the Government. This section shall not confer a right of action on any registrant or patentee or any assignee of such registrant or patentee with respect to any design created by or invention discovered or invented by a person while in the employment or service of the United States, where the design or invention was related to the official functions of the employee, in cases in which such functions included research and development, or in the making of which Government time, materials, or facilities were used."

TIME OF TAKING EFFECT

Sec. 34. This Act shall take effect one year after its enactment.

NO RETROACTIVE EFFECT

Sec. 35. Protection under this Act shall not be available for any design that has been made public as provided in section 4(b) prior to the effective date of this Act.

SHORT TITLE

Sec. 36. This Act may be cited as "The Design Protection Act of 1962."

Mr. HART. Madam President, the bill we are considering was introduced by me for myself and the Senator from Wisconsin [Mr. WILEY] and the Senator from Georgia [Mr. TALMADGE]. It was the subject of hearings held by the Patent Subcommittee of the Committee on the Judiciary for 3 days. A very full record was made, following which, as is reflected in the report on the bill, being Report No. 1725, certain amendments were suggested and agreed to in committee.

The purpose of the bill—and I believe the purpose is achieved by it—is to grant moderate but effective protection against the copying of the appearance of useful articles. Certainly the need for this protection was well established by the hearings to which I have referred. This confirmed the complaint and concern that today some designs are potentially subject to protection under the design patent and copyright laws. It is agreed, however, by those who have worked in this field that the present sources of protection leave a gap which can be properly filled by S. 1884. This was the position taken, among others, by the Patent Office and the Copyright Office. The reason that we find these gaps prevailing flow from the nature of existing requirements with respect to patents, design patents, and copyrights.

For a design to be patented it must be proved that the presentation is novel; that is to say, it must be established that it is something that the world has never seen. Second, it must show "invention"; that is, it cannot be obvious in the field. Parenthetically it should be noted that this is a standard which is both too high and too subjective for most valuable "appearance" designs.

It is also required, in seeking a design patent protection that a search be made by the Patent Office for novelty. This can take months, during which time there is no protection.

Lastly, among the principal reasons is that this involves expenses which can be prohibitive to a designer or manufacturer who must protect all designs in production, because it is very unlikely that any designer or manufacturer will always be able to predict which of the designs in production or development will appeal to the public.

It appears that design patents are extremely difficult to obtain. Often they are too slow and too expensive to obtain. When the question is presented in court with respect to whether there is novelty and whether there is invention, the enforcement problem is a serious one.

So far as copyrights are concerned, I believe it is generally true that these are easier to obtain than patents. However, in this area, too, there are drawbacks.

First, at its present state of development, the copyright law protects only those designs which can be separately identified as "works of art" and excludes many esthetically superior designs of useful articles.

The second limitation or drawback results from the formal requirements of the copyright law. For example, the notice provisions create innumerable problems, and protection ordinarily is not lost even if there has been no registration in the copyright office.

The third effect which has been cited as a limitation is the sweeping inclusive protection that the copyright is given when it is obtained. Ordinary copyright protection is too broad in scope. An innocent nonmanufacturing retail vendor can be held liable for copyright infringement.

The last, of course, is the fact that 56 years' protection is much too long for designs from all points of view.

Thus, the copyright law covers a small and somewhat uncertain area of industrial design, and it covers even this limited area in a fashion not suited to the needs of this type of design.

It was in the light of this experience, which had developed over a period of years, that S. 1884 was introduced. It is to resolve in part some of these problems that we now recommend the adoption of S. 1884.

Very briefly, as will be seen in detail from a reading of the report, the bill undertakes to protect the ornamental design of a useful article, under the following conditions:

A design can be protected if its author created it; that is, if the design is one which has not been copied from someone else's work or from a design in the public domain. That designer can obtain protection under this bill. It is not required that this design meet any test of novelty or inventiveness, and it is provided that there must be an element of creativity apparent. However, any design that is staple or commonly known and which lacks a minimum of creativity would not be eligible for the protection provided by the bill.

The original designer, under the bill, is protected only against unauthorized copying of the substance of his protected design. For example, if the author of a similar design proves that he created it independently, rather than through copying, no infringement has taken place.

The question can be asked, what about the duration of the protection that is afforded by the bill? The bill provides for a 5-year period, with an optional second 5-year term.

Protection begins upon the public exhibition or sale or offering of an article embodying the design. At this point it is said that the design is made known.

It is required that a claim to protection must be registered in a Government office within 6 months after the design is made. There is no requirement of a search or comparison with earlier designs, but a proper party is given an opportunity to petition the Administrator for the cancellation or registration of a design not subject to protection.

A provision is included in the bill with respect to notice of infringement, and the remedies are spelled out.

Madam President, I ask unanimous consent that the portions of the committee report which I have designated, and which explain in further detail the provisions of the bill, be printed at this point in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS OF LEGISLATION

An analysis of the provisions of S. 1884 follows:

Section 1(a) provides that the author of an original ornamental design of a useful article may secure the protection provided by this bill upon complying with certain provisions. Section 1(b) defines the terms "useful article," "design of a useful article," "ornamental," and "original."

Section 2 of the bill specifies that protection under this bill shall not be available for a design that is not original; staple or commonplace; different from a design that is staple or commonplace only in insignificant details; or dictated solely by a utilitarian function of the article that embodies it.

Section 3 provides that protection for a design shall be available notwithstanding the employment in the design of subject matter excluded from protection under section 2 if the design is a substantial revision, adaptation, or rearrangement of said subject matter provided that such protection shall be available to a design employing subject matter protected under titles 17 or 35 of the United States Code or under this legislation only if such protected subject matter is employed with the consent of the proprietor thereof. It is futher provided that such protection shall be independent of any subsisting protection in subject matter employed in the design, and shall not be construed as securing any right to subject matter excluded from protection or as extending any subsisting protection.

Section 4(a) provides that the protection provided for a design shall commence upon the date when the design is first made public. It is provided in section 4(b) that a design is first made public when an article embodying the design is anywhere publicly exhibited, publicly distributed, or offered for sale to the public.

Section 5(a) provides that the protection provided for a design by this legislation shall continue for a term of 5 years from the date of the commencement of protection but if an application for renewal is received during the year prior to the expiration of the 5-year term, the protection shall be extended for an additional period of 5 years from the date of expiration of the first 5 years. It is provided in section 5(b) that when the design notice actually applied shows a date earlier than the date of commencement of protection, protection shall terminate as though the term had commenced at the earlier date.

Section 5(c) declares that where the distinguishing elements of a design are not substantially the same form in a number of useful articles, the design shall be protected as to all such articles when protected as to one of them, but no more than one registration will be required.

Section 6(a) provides that whenever any design for which protection is sought is made public, the proprietor shall mark it or have it marked with a design notice consisting of the three specified elements.

Section 6(b) requires that the notice shall be so located as to give reasonable notice of design protection while the useful article embodying the design is passing through its normal channels of commerce.

Section 6(c) specifies that the removal, destruction, or obliteration by others of the design notice shall not affect protection under this bill when the proprietor of a design has complied with the provisions of this section.

Section 7 declares that the omission of the notice prescribed in section 6 shall not cause loss of the protection or preventive recovery for infringement against persons who, after written notice of the design protection, begins an undertaking leading to infringement. However, such omission shall prevent recovery against a person who began an undertaking leading to infringement before receiving notice, and no injunction shall be issued unless the proprietor of the design shall reimburse for any reasonable expenditure or obligation in connection with undertakings incurred before written notice of design protection.

Section 8(a) provides that it shall be infringement of a design for any person without the consent of the proprietor of a design to make, have made, or import, for sale or for use in trade, any infringing article or sell or distribute for sale or for use in trade any such infringing article. It is provided that a seller or distributor of any article who did not make or import the same shall be deemed to be an infringer only if he induced or acted in collusion with a manufacturer to make or an importer to import such article or if he refuses or fails to make a prompt disclosure of his source of such article, and he orders or reorders such article after having received a personal written notice of the protection subsisting in the design.

Section 8(b) provides that it shall not be infringement to make, have made, import, sell, or distribute any article embodying a design created without knowledge of, and copying from, a protected design.

Section 8(c) specifies that a person who incorporates into his own product of manufacture an infringing article acquired from others in the ordinary course of business or who, without knowledge of the protected design, makes or processes an infringing article for the account of another person in the ordinary course of business shall not be deemed an infringer except under the conditions set forth in this section.

Section 8(d) defines what constitutes an "infringing article."

Section 8(e) requires that the party in an action alleging the validity of a registered design shall have the burden of affirmatively establishing its originality whenever the opposing party introduces an earlier work which is identical to such design or so similar as to make a prima facie showing that the registered design was copied from such work.

Section 9 provides that protection shall be lost if application for registration of the design is not made within 6 months after the date on which the design was first made public.

Section 9(b) specifies those persons who qualify to make application for registration.

Section 9(c) requires that the application for registration shall be made to the Administrator and states the matters which shall be included in the application.

Section 9(d) requires that the application shall be accompanied by a statement under oath and sets forth the matter that must be sworn to by the applicant.

Section 9(e) guarantees that error in any statement or assertion as to the utility of the article shall not affect protection under the act.

Section 9(f) provides that errors in omitting a joint author or in naming an alleged joint author shall not affect the validity of the registration, or the actual ownership for the protection of the design, provided that the name of one individual who was in fact an author is stated in the application.

Section 9(g) provides that the application shall be accompanied by two copies of a drawing or other pictorial representation of the useful article.

Section 9(h) permits related articles having common design features to be included in the same application under prescribed conditions.

Section 10 provides that an application for registration of a design in this country by a person who has previously filed an application for registration of the same design in a foreign country which affords similar privileges to U.S. citizens, shall have the same effect as if filed in this country on the date on which the application was first filed in any such foreign country, if the application in this country is filed within 6 months from the earliest date on which any such foreign application was filed.

Section 11 prescribes the procedures for the administering of the oaths and acknowledgments required by this act.

Section 12(a) provides that upon the filing of an appliaction and upon payment of the fee, the Administrator shall determine whether or not the application relates to a design which, on its face, appears to be subject to protection and if so, shall register the design. It is further provided in section 12(b) that if the Administrator determines that the application on its face relates to a design which is not subject to protection, the Administrator shall notify the applicant, who shall have 3 months in which to request reconsideration of his application. After consideration of such a request, the Administrator shall either register the design or send the applicant a notice of final refusal to register.

Section 12(c) provides that any person who believes he is or may be damaged by a registration may, upon payment of a fee, apply to the Administrator at any time to cancel any registration on the ground that the design is not subject to protection. This section further provides for the procedures to be followed in such cancellation proceedings.

Section 12(d) provides that when a design has been registered, the lack of utility of any article in which it has been embodied shall be no defense to an infringement action and no ground for cancellation.

Section 13 authorizes the issuance of certificates of registration and provides for the contents thereof.

Section 14(a) instructs the Administrator to publish lists and indexes of registered designs and authorizes him to publish the drawings or other pictorial representations of registered designs.

Section 14(b) instructs the Administrator to establish and maintaintain a file of the drawings or other pictorial representations of registered designs.

Section 15(a) specifies the fees which shall be paid to the Administrator.

Section 15(b) authorizes the Administrator to establish charges for materials or services furnished by the Office.

Section 16 authorizes the Administrator to establish regulations for the administration of this legislation.

Section 17 provides for the obtaining of certified copies of official records of the Office of the Administrator.

Section 18 authorizes the Administrator to correct errors in registration incurred through the fault of the Office of the Administrator.

Section 19(a) provides for the transfer of ownership of the property right in a registered design or a design for which an application for registration has been or may be filed.

Section 19(b) specifies that an acknowledgement, as provided in section 11, shall be prima facie evidence of the execution of an assignment, grant, or conveyance.

Section 19(c) provides than an assignment, grant, or conveyance shall be void as against any subsequent purchaser or mortgagee for a valuable consideration without notice, unless it is recorded in the Office of the Administrator within 3 months from its date of execution or prior to the date of such subsequent purchase or mortgage.

Section 20 provides for civil actions for infringement of a registered design.

Section 21 authorizes the granting of injunctions for the prevention of infringements.

Section 22(a) provides that the court, upon finding for the claimant, shall award damages adequate to compensate for the infringement, but in no event less than the reasonable value of the use made of the design by the infringer, and the costs of the action. It is further provided that the court may increase the damages to such amount, not exceeding $5,000 or $1 per copy, whichever is greater, as to the court shall appear to be just.

Section 22(b) excludes recovery from any infringement committed more than 3 years prior to the filing of the complaint.

Section 22(c) permits the court to award reasonable attorney fees.

Section 22(d) authorizes the court to order the destruction or other disposition of all infringing articles and devices employed in the making of the same.

Section 23 authorizes the court to order a cancellation of a registration.

Section 24 provides a penalty for any person bringing an action for infringement knowing that registration of the design was obtained by a false representation.

Section 25(a) provides a penalty for the false marking of a design which is not protected under this legislation.

Section 25(b) specifies as to who shall have a right of action to sue for the penalty.

Section 26 provides a penalty for whoever knowingly makes a false representation materially affecting rights obtainable under this legislation.

Section 27(a) makes clear that nothing in this legislation shall affect any right or remedy now or hereafter held by any person under title 17 of the United States Code.

Section 27(b) specifies that when a work in which copyright subsists under title 17 of the United States Code is utilized in an original ornamental design of a useful article, the design shall be eligible for protection under the provisions of this legislation.

Section 28(a) provides that nothing in this legislation shall affect any right or remedy available to any person under title 35 of the United States Code.

Section 28(b) provides that the issuance of a design patent for an ornamental design under title 35 shall terminate any protection of the design under this legislation.

Section 29 specifies that nothing in this legislation shall restrict (1) common law or other rights or remedies available with respect to a design which has not been made public as provided in section 4(b), or (2) any trademark right or right to be protected against unfair competition.

Section 30 provides that the Administrator and Office of the Administrator shall be such officer and office as the President may designate.

Section 31 guarantees that if any provision of this bill or the application of such provision is held invalid, the remainder of the legislation or application shall not be affected.

Section 32 provides that chapter I of title 17 of the United States Code is amended by adding a section 33 pertaining to the "ornamental design of useful article not subject to deposit; effect of utilization of copyrighted work in design of useful article."

Subsection (a) would provide that the Copyright Office shall in no case be required to accept for deposit a useful article even if it embodies a pictorial, graphic or sculptural work, but it is further provided that nothing in this subsection shall preclude deposit and registration of such works that portray useful articles or that are intended for utilization in the designs of useful articles.

Subsection (b) would provide that when a work in which copyright subsists under this title is utilized in an original ornamental design of a useful article, the design shall be eligible for protection under this legislation.

Subsection (c) provides that protection under this title of a work in which copyright subsists would terminate with respect to the design of a useful article in which the work has been utilized whenever the copyright proprietor has obtained registration of an ornamental design of a useful article embodying such works under the provisions of this legislation. It is further provided that unless and until the copyright proprietor has obtained such registration, the copyrighted work shall continue in all respects to be covered by the protection afforded by the copyright subsisting under title 17 of the United States Code.

Subsection (d) would provide that nothing in this section shall affect any right or remedy held by any person under this title in a work in which copyright was subsisting on the effective date of this legislation, or with respect to any utilization of a copyrighted work other than in the design of a useful article.

Subsection (e) would define "useful article" as used in this section.

Section 33 makes minor amendments to the Bankruptcy Act of July 1, 1898 (11 U.S.C. 110(a)); and title 28 of the United States Code.

Section 34 specifies that this legislation shall take effect 1 year after its enactment.

Section 35 provides that this legislation shall have no retroactive effect.

Section 36 states that this legislation may be cited as the Design Protection Act of 1962.

Mr. HART. Madam President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments will be considered en bloc.

Without objection, the committee amendments are agreed to.

Mr. HART. Madam President, what we are talking about relates to the design of a decorative lamp base. We are talking about the design of furniture. We are talking about that great variety of men and women who contribute beauty to useful articles.

I think it is the sentiment of this Congress, as it was the sentiment of our predecessors, that when a person can establish that it was his mind, his time, and his talent which produced the article, that man or woman is entitled to a measure of protection. It is the belief of the committee that the bill, if enacted, will substantially advance the interests of the designers of this country. It surely is a safeguard for the operation of smaller entrepreneurs and, in our judgment, represents a significant advance in developing further patent and trademark protections in the United States.

If there are no further questions, I hope the bill will be passed.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1884) was ordered to be engrossed for a third reading, read the third time, and passed.

THE THANKS OF CONGRESS TO GENERAL OF THE ARMY DOUGLAS MacARTHUR

Mr. SMATHERS. Madam President, on July 20, the House passed House Concurrent Resolution 347. The concurrent resolution is for the purpose of tendering the thanks and appreciation of the Congress and the American people to General of the Army Douglas MacArthur, in recognition of his outstanding devotion to the American people.

The resolution compliments General MacArthur for his brilliant leadership during and following World War II.

The resolution comments upon the unsurpassed affection held for General MacArthur by the people of the Republic of the Philippines which has done so much to strengthen the ties of friendship between the people of that nation and the people of the United States.

I am privileged, while acting in the absence of the majority leader, to ask unanimous consent—and I know it will be happily given by every Member of the Senate—that the Senate immediately proceed to the consideration of House Concurrent Resolution 347.

The PRESIDING OFFICER. The Chair lays before the Senate a message from the House of Representatives, which will be stated.

The legislative clerk read as follows:

> *Resolved by the House of Representatives (the Senate concurring)*, That the thanks and appreciation of the Congress and the American people are hereby tendered to General of the Army Douglas MacArthur, in recognition of his outstanding devotion to the American people, his brilliant leadership during and following World War II, and the unsurpassed affection held for him by the people of the Republic of the Philippines which has done so much to strengthen the ties of friendship between the people of that nation and the people of the United States.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (H. Con. Res. 347) was considered and agreed to.

ADDRESS BY SENATOR DODD AT GOVERNORS' CONFERENCE ON EDUCATION FOR FREEDOM

Mr. SMATHERS. Madam President, I ask unanimous consent that a very excellent and inspiring speech delivered by our colleague, the able and distinguished Senator from Connecticut, Thomas J. Dodd, at the Governors' Conference on Education for Freedom held in Miami, Fla., on July 18, be printed in the body of the Record.

The remarks of the Senator from Connecticut relate to the problem of educating the young people of our Nation so that they will survive and triumph in the battle in which we are today engaged against the Communist forces of tyranny and oppression.

Senator Dodd is one of the most respected, knowledgeable, and outstanding authorities on this subject. He continually renders invaluable public service in keeping the American people and the peoples of the free world alert to the dangers of atheistic communism.

I highly commend the reading of Senator Dodd's remarks to every Member of Congress.

There being no objection, the address was ordered to be printed in the Record, as follows:

Remarks by Senator Thomas J. Dodd

Governor Bryant, distinguished guests, it is a privilege to be with you at this pioneering conference on what may very well be the most critical problem that confronts our society—the problem of how we can educate our young people so that our Nation will survive and triumph in the mortal struggle with world communism.

I have said that this is a pioneering conference. But the movement which this conference represents is now sweeping irresistibly across the Nation. Among veterans' groups and trade unions and service organizations, among business leaders and community leaders and religious leaders, there is a growing awareness that our educational system has somehow failed to impart to our young people an understanding of the nature of communism, of the meaning of freedom and the significance of the American heritage.

The evidence of this failure is apparent in the long list of defeats we have suffered at the hand of international communism since the close of World War II.

It is evident in the confused and divided state of American public opinion on issues that call imperatively for comprehension and courage and unity.

It is evident in the continued successes achieved by the Communist practitioners of psychological warfare, in the ease with which they bemuse and bewilder us, rob us of our judgment and of our ability to react to their aggressions.

It is evident in the weakening of the fabric of family life and social discipline, in the appalling increases in crime and juvenile delinquency, and in the ever-increasing emphasis on material comforts as the prime goal in life.

But the inadequacy of our educational system for the world of today was never more apparent than it was at the time of the Korean war—our only major military engagement with the forces of world communism.

The story of the 7,000 young Americans who became prisoners of war in the hands of the Communists is one that cannot be told without a deep sense of shame. The overwhelming majority of these POW's succumbed to Communist pressures and became collaborators in one degree or another. So general were the phenomena of defeatism and "give-up-itis," that we cannot write them off to individual weakness. The fault lay not with the individual, but with our society.

A survey conducted by George Washington University in collaboration with the Department of the Army should cause all of us to do some soul searching.

According to this survey 70 percent of our prisoners of war in Korea collaborated in some significant degree with the Communists; 39 percent signed fraudulent Communist petitions; 34 percent showed no concern over the illness or suffering or the fate of fellow prisoners, and only 13 percent showed any considerable concern; 22 percent made tape recordings which were used for Red propaganda around the world; 15 percent became full-time propagandists for the Communists; 10 percent of our men became informers; 21 Americans refused repatriation; and, of the 4,000 who came back, it was later discovered that some 75 had agreed to serve as Communist agents.

The report stated that one out of every six Americans had collaborated with the enemy in a manner so shameful that general court-martial was recommended. Only a handful were ever brought before military courts because of the obvious political repercussions that a mass court-martial would have had.

The American POW's who succumbed did not succumb because of physical torture. While the physical treatment was far from good, American POW's in previous wars have survived and triumphed over much harsher treatment. And while things were made tough for those American POW's who resisted indoctrination, they were not made unbearable. The resisters got the poorest food, the hardest work, the worst medical care, the most abuse. They were separated from the other prisoners. But that was all.

It is an interesting commentary that, while the resisters, on their release, were in somewhat poorer physical condition than the collaborators who had received preferred treatment, the resisters were in far better condition mentally and emotionally.

The Communists are not irresistible. They do not have magic powers. This was demonstrated by the many Americans who did resist—and resisted successfully until the end. It was demonstrated even more dramatically by the fact that, of several hundred Turkish soldiers who became prisoners of war in Korea, not a single one collaborated with the enemy.

Why then did so many young Americans succumb to Communist pressures? Or, to put the question more accurately, why did the Communists find it so easy to break so many American POW's—to twist their minds and crush their spirits?

If these Americans in captivity abandoned their American heritage readily, it was because they never really understood its meaning.

If they collaborated with the Communists, it was because they had never been taught to understand the true nature of communism; they had not been prepared to endure the systematic assault of Communist technicians on the human mind.

If they took orders from the Communists more readily than other POW's, it was because the slackening discipline of our society has inevitably produced a slackening discipline within our Armed Forces.

The techniques used by the Communists in breaking the spirits of our POW's were simple enough.

There were indoctrination lectures, followed by discussion periods.

There were voluntary athletics—preceded by compulsory partipication in a Communist propaganda parade.

Our men were encouraged to inform on each other about little things like stealing turnips. And the act of informing was made easy because the informer was always rewarded, while his victim received no punishment more severe than a lecture concerning his "antisocial activities."

Family ties were weakened through the censorship of mail. Mail was censored so that the good news and the warm affectionate letters from home did not get through. What got through was the bad news—the divorce notices, letters from bill collectors, letters of complaint, letters reporting on family illnesses.

Prisoners who showed that they could be easily intimidated, soon found themselves pressed into service as full-time propagandists and as informers about important matters.

One group of prisoners was encouraged to inform on another group. Among 1 group of 21 American POW's, there were at least 5 separate subgroups or control cells, each of which contained at least 1 informer from 2 other groups, and each of which sent out at least 2 other men to infiltrate and report upon the other groups. But primarily the assault was on the human mind. Prisoners were told that the American capitalists and munition makers were responsible for the war and for their personal plight. The Communist indoctrinators pointed up all the real weaknesses of American institutions. They led their captives to doubt the values and traditions of American life—those values and traditions which our POW's understood only imperfectly. They eroded their national pride.

Between the brutality of communism and the brutality of nazism there is nothing to choose. The Nazis practiced physical abuse on their prisoners of war; to such abuse, our men demonstrated that they were able to stand up. I believe that our men in Korea would not have cracked had they simply been subjected to the kind of physical maltreatment that characterized the Nazi POW camps. But what distinguishes communism and makes it infinitely more insidious is the fact that it practices total assault on the human mind.

The fact is that, to a certain degree, all of us have been subject to this total assault on the human mind, and none of us, from ordinary citizen to President, is completely impervious to it.

Communist propaganda, when it is labeled Communist propaganda, has no impact on the American people. But the Communists are rarely obliging enough to thus label their propaganda. Ninety-nine times out of a hundred, the position which they want to get across is conveyed by means of what the Communists call "transmission belts," that is, by front organizations, or non-Communist organizations which have fallen under Communist influence, or even by people of anti-Communist reputation who have had their thinking befuddled in a manner so subtle that they would indignantly deny their views were anything but personal.

This Communist assault on the minds of the West has scored many notable triumphs.

Perhaps their greatest psychological warfare success was when they succeeded in persuading so many Western writers, editors, and political leaders that the Chinese Communists were not Communists at all, but simply agrarian reformers. This paved the way for the Communist victory in China.

Ten years later, they achieved a distressingly similar success when they induced some of our most respected newspapers and certain State Department experts to believe that Castro was not really a Communist, but a mixture of Robin Hood and Thomas Jefferson.

I could go on and on with this list. But surely, at this late date, no one can deny that, in situation after situation, the Communists have succeeded in deceiving us, misleading us, confusing us, inactivating us.

If the American people, in the full enjoyment of their liberties, can thus be influenced by the Communist assault on the minds of men, we cannot too easily condemn those Americans, who, as prisoners of war, deprived of their freedoms and under complete control of their Communist captors, succumbed abjectly to this assault.

I believe that the Communist assault on our minds can be met. I believe that American soldiers can stand up to the hardships of Communist captivity. I believe that freemen with free minds can triumph over Communist robots just as well as Turkish soldiers. But, if we are to meet this assault, and if we are to prepare our young people for the mortal battle which confronts our generation, it is essential that our schools throughout the Nation embark on a program of education such as the citizens of Florida are now in the process of establishing.

Such a program of education must serve a threefold purpose. First, it must teach our students to understand—far better than our POW's in Korea understood—the meaning of freedom and of the values on which our society is founded. Second, we must teach them the essential facts about communism. And, finally, we must reinculcate in them the sense of discipline without which no ordered society can exist. We must achieve the delicate balance of teaching them to think independently, while we teach them, simultaneously, the virtue of obedience to their superiors, to their officers, to their flag, to their nation; of obedience to their own sense of right and wrong; of obedience to God.

In reality, these three objectives really blend into one transcendent objective: the education of our people for freedom.

Communism represents the total negation of freedom. It cannot be understood unless we first understand, with all of our powers of comprehension, the priceless meaning of freedom.

Conversely, freedom can best be understood and best appreciated if we take the time to study what the total denial of freedom does to human beings and does to society.

And, if in our schools our young people learn the meaning of communism and learn the meaning of freedom, this knowledge, in my opinion, will of itself inculcate in them a greater sense of discipline.

This process of education must start with our schools. Primarily, I believe, it is a task that can most effectively be performed by the secondary schools across the country. The level of understanding in the elementary schools is hardly adequate for a serious program of instruction. The universities frequently tend to be overspecialized. But most important, we must face up to the fact that ours is still primarily a nation of high school graduates rather than university graduates. It is our high school graduates who, by and large, will be our citizens, our soldiers and frequently our community leaders of tomorrow.

The need for devoting a portion of the school curriculum to the comparative study of communism and freedom, is now generally accepted. Several years from now, I believe, States that do not have such programs will be the exception rather than the rule. The problem that confronts us now is the practical problem of finding the most effective methods and instruments of instruction.

There are some educators who accept the need for education on communism, but who argue for what they call an "objective" presentation. They say that we must present what is good as well as what is evil about communism; that if we fail to do so, our teachers will be contributing to the warping of young intellects through the presentation of partial truth; that we shall, in effect, be creating a "thought directorate" of our own in attempting to combat the Communist thought directorate. I do not accept this reasoning.

Just as we teach our children that murder and theft and lying are evil things, we much teach them that communism is evil, that it is all evil, and that it has no redeeming features.

Hitler eliminated unemployment. Mussolini made the trains run on time. Both dictators kept their streets clean and boasted sundry other material accomplishments. But I do not recall that those who today argue that we must look at the good as well as the bad in communism, ever made the argument that we must look at the good as well as the bad in nazism. The fact is, that any material benefits which the Nazi regime of yesterday or the Communist regimes of today have achieved for their peoples, are intrinsically evil for the simple reason that these benefits have been used to bolster regimes that are intrinsically evil.

Let us teach our young people the facts about communism. Let us teach them about the mass murders and mass deportations, the blood purges, the ruthless persecution of religion and of minorities. Let us tell them the story of the Hungarian Revolution and of its brutal suppression by Soviet tanks. Let us tell them the stories of Posnan and East Berlin and Tibet.

Let us alert them to the techniques the Communist employ in their unceasing assault on human minds in the free world. Let us set forth to them the facts about the Fair Play for Cuba Committee and other crypto-Communist front organizations that solicit the support of American youth. Let us tell them, without any censorship of content, the shameful story of our POW's in Korea, of the techniques the Communists employed there, and of how so many of our boys succumbed because they were not adequately prepared.

Having thus instructed them and thus prepared them, let us then bring them back to the study of the Declaration of Independence and the American Constitution and of the hallowed documents and statements from which we derive our freedoms, and which have served, and I am confident will continue to serve, as a torch for men who love freedom the world over.

DUTY ON CERTAIN ALUMINA AND BAUXITE

Mr. SMATHERS. Madam President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1677, H.R. 9520.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 9520) to continue for 2 years the suspension of duty on certain alumina and bauxite.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

RELIEF OF JAMIE ABEJURO

Mr. SMATHERS. Madam President, I ask unanimous consent that the Senate temporarily lay aside the consideration of Calendar No. 1677, H.R. 9520, and proceed to the consideration of Calendar No. 1433, H.R. 1700.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 1700) for the relief of Jamie Abejuro.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SMATHERS. Madam President, it is my understanding that the bill has been cleared with the leadership on the other side. There is no objection.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 1700) was ordered to a third reading, was read the third time, and passed.

AUGUSTIN RAMIREZ-TREJO

Mr. SMATHERS. Madam President, I ask unanimous consent that the Senate lay aside temporarily H.R. 9520 and proceed to the consideration of Calendar No. 1464, H.R. 2187.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 2187) for the relief of Augustin Ramirez-Trejo.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H.R. 2187) was considered, ordered to a third reading, was read the third time, and passed.

CARLOS SEPULVEDA ABARCA

Mr. SMATHERS. Madam President, I ask unanimous consent that the Senate temporarily lay aside H.R. 9520 and proceed to the consideration of Calendar No. 1465, H.R. 2198.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 2198) for the relief of Carlos Sepulveda Abarca.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, was read the third time, and passed.

ADJOURNMENT

Mr. SMATHERS. Madam President, if there is no further business to be transacted, I move that the Senate adjourn.

The motion was agreed to; and (at 4 o'clock and 57 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, July 24, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 23, 1962:

Civil Aeronautics Board

Alan S. Boyd, of Florida, to be a member of the Civil Aeronautics Board for the term of 6 years expiring December 31, 1968. (Reappointment.)

Department of Agriculture

John A. Baker, of Virginia, to be an Assistant Secretary of Agriculture.

In the Marine Corps

The following-named officers of the Marine Corps for temporary appointment to the grade of brigadier general, subject to qualification therefor as provided by law:

Joseph L. Stewart
John P. Coursey
Joseph S. Reynaud
William K. Jones
Hugh M. Elwood
Raymond G. Davis
Edward H. Hurst

CONFIRMATIONS

Executive nominations confirmed by the Senate July 23, 1962:

Tennessee Valley Authority

Frank E. Smith, of Mississippi, to be a member of the Board of Directors of the Tennessee Valley Authority for the remainder of the term expiring May 18, 1963.

Council of Economic Advisers

H. Gardner Ackley, of Michigan, to be a member of the Council of Economic Advisers.

EXTENSIONS OF REMARKS

Disarmament

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, July 23, 1962

Mr. WILEY. Mr. President, currently, the Disarmament Conference is underway in Geneva.

Over the years, the Soviets have refused in over 70 negotiations, to reach agreement in detail.

Unfortunately, the Communists still refuse the right of inspection, to assure that nations abide by agreements.

Because of the dangers of a continued arms race—including, now, further nuclear testing by the Soviets—I again stress that it is important not only for the United States to take realistic leadership, but also to encourage, as possible, more pressures from the people of the world upon the need for realistic agreements.

Over the weekend, I was privileged to discuss the matter further in a broadcast over Wisconsin radio stations. The address, I believe, included some recommendations which, if adopted, would, first, strengthen the U.S. negotiators' hand in Geneva; second, encourage greater support for the position of the West; and third, draw a sharp contrast between United States and Soviet policies on disarmament.

I ask unanimous consent to have this address printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Around the globe, there is a general recognition that war is a tragic waste, and—as demonstrated twice in our lifetimes—it is not successful in ending all wars.

The existence of nuclear weapons—of unbelievable destructive power—makes the threat of either triggered or accidental war even more dangerous—perhaps suicidal.

Despite this realization, however, humanity finds it extremely difficult to find ways to stop the arms race; to beat our conventional nuclear weapons into plowshares, and to channel more of our great resources—human and natural—away from weaponry and toward peaceful purposes, for bettering, not threatening to destroy, human life.

As of now, the nations of the globe—Communist and non-Communist—spend roughly about $120 billion annually for armaments. For comparison, this exceeds the combined gross national product, that is, the value of all goods and services, of over 79 lower income nations of the world.

The Communists—dedicated to conquest of the world—of course, constitute the major reason for the threat of war, and the continued arms race.

Despite lipservice to disarmament and peace, the Reds have stubbornly refused—in over 70 consultations on disarmament—to accept realistic safeguarded agreements.

Now, what can be done? Realistically, we cannot disarm unilaterally—exposing ourselves to sneak attack. Dedicated to peace, then, we need to (1) Maintain an adequately strong jet-missile-nuclear-space defense force to discourage aggression; (2) provide leadership in further efforts toward disarmament and peace; (3) mobilize more people and nations in support of safeguarded proposals on disarmament—and to put more pressure on the Communists.

In the past, we, as a nation, have demonstrated a willingness to utilize our manpower and resources not only in protecting freedom, but for creating an improved climate for peace.

For the future, I believe we could well restate our willingness to invest in peace—as we have invested in military forces for protection of freedom.

Specifically, this could include a willingness to dedicate a significant percentage of savings from disarmament toward creating a better economic life for our people—abroad, as well as at home—and promoting peace in the world.

Would this be a practical investment? In my judgment, yes. Why? For the following reasons: (1) If this served to further progress on arms control, the threat of war—with its terrible destruction of life, property, or, perhaps civilization—would be diminished; and (2) the cost of armaments for the U.S. taxpayer—now at about $52 billion a year, then, could be substantially reduced; (3) the economic machinery—now producing defense materials—rather than grinding to a standstill, with unpredictable impacts on the economy—would be utilized for consumer goods.

If realistic safeguarded agreements on arms reduction and control can be reached, and if weaponry production plants can be changed over to turning out consumer goods, this pumping of economic life into the world would: (1) Eliminate many of the breeding grounds of strife, controversy, and war; (2) brighten the outlook for lasting peace; (3) improve the standards of living for more people; and (4) economically provide more markets for U.S. products, for industrially advanced nations—despite the fact that they compete with us in some fields—also are the best markets for U.S. products.

A redeclaration of our willingness to invest in peace would, I believe, create a sharp contrast to the constantly war-threatening policies of the Kremlin, encourage more nations to enthusiastically support progress on reduction of armaments, and be a constructive step toward peace.

The 50th Anniversary of Radio Station WHLI

EXTENSION OF REMARKS

OF

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1962

Mr. ADDABBO. Mr. Speaker, today, July 23, 1962, is the 15th anniversary of radio station WHLI, located in Hempstead, Long Island, N.Y.

WHLI has long had a fine record of broadcasting programs of community interest to its listeners. An important program, particularly in these days of international tension, is the weekly "Report From Washington," on which I have had the privilege of appearing regularly. This public service of WHLI gives local Representatives an opportunity to report directly to Long Islanders on the issues under consideration in the Congress.

It gives me pleasure to congratulate WHLI on this 15th anniversary and to wish for this enterprise a long and successful future.

Requiring Feasible Plans for Relocation of Families Displaced by Highway Projects

EXTENSION OF REMARKS

OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1962

Mrs. SULLIVAN. Mr. Speaker, the House last Wednesday voted 236 to 159 to amend the Federal-aid highway bill to water down a provision which would have required that the States furnish assurances of having one or more "feasible" plans for relocation of families displaced by acquisition or clearance of rights-of-way. As amended, the bill now merely requires in this connection that the States provide relocation advisory assistance. I voted against the change, even though the only correspondence I received on this consisted of pleas from both the Missouri Highway Commission and the Missouri Automobile Association to vote the other way and support the amendment.

I belong to the automobile association and have belonged for many years and I have always tried to help our Missouri Highway Commission on legislative objectives. Highways for fast travel and communication are, of course, essential, and we in the Congress have voted billions upon billions of dollars for such improvements. But people count, too—and that is often lost sight of.

Mr. Speaker, because of the questions which will undoubtedly arise as to why we had a rollcall vote over what appear to be minor language differences in the legislation, I submit for inclusion in the Congressional Record a letter I have written to the chief engineer of the Missouri State Highway Commission, Mr. J. J. Corbett, as follows:

Congress of the United States,
House of Representatives,
Washington, D.C., July 20, 1962.

Mr. J. J. Corbett,
Chief Engineer, Missouri State Highway Commission, Jefferson City, Mo.

Dear Mr. Corbett: I received your letter urging support for H.R. 12135 except for one provision you wanted changed—as proposed in the Baldwin amendment. I read the material you sent me, and listened to the debate but could not vote for the Baldwin amendment. As you know, it passed anyway. But I think you are entitled to an explanation for my vote, since you indicated that the Baldwin amendment was important to the Missouri highway program.

My feeling is this: we are dislocating thousands of settled and contented property owners and tenants and businesses all over this country for a variety of worthwhile programs which I strongly support—not only better highways, but urban renewal and other programs to improve the physical plant of America. Under urban renewal and also under the interstate highway program, we require effective programs for the relocation of the displaced families and businesses. Even so, many hardships occur, and it is a sad thing when a family is forced to pull up roots extending back many years and is literally pushed out to find another place, often on very little notice. In other cases they are told it will be years before they can sell their properties.

I am constantly being asked by constituents to help them qualify for hardship treatment so that they can obtain a prompt sale of their property in order to purchase other quarters. Under urban renewal programs, which I have helped to write as a member of the Housing Subcommittee of the Committee on Banking and Currency, I have joined in increasing the relocation allowances, in urging better procedures for acquiring the property to be cleared, and in assuring the former owners or tenants of comparable quarters elsewhere.

It seems to me the requirements of the bill as reported would not have provided any serious hardships to the States in the expenditure of Federal-aid highway funds but the people affected—the homeowners and tenants and the businesses forced to move—would be greatly benefited. It is easy enough to say that Missouri already does a good job in this respect, but I can assure you the record is full of instances of other States not doing a good job and of all kinds of hardships occurring in Missouri too. We need feasible plans for relocation.

This is all water over the dam, perhaps, since the Baldwin amendment did carry despite my negative vote, but in view of the fact that I have always come to the help of the Missouri State Highway Commission on legislation here, and have done my best to support you where I thought you were right, I felt I should make it very clear why I voted opposite to your request on this matter.

Building roads is a most important function of both the Federal and State Governments. But people who are adversely affected—as so many are—are entitled to more than a superficial "sorry" for the inconvenience and often hardship to which they are put. That is why I voted to require feasible plans for relocation.

Sincerely yours,
LEONOR K. (MRS. JOHN B.) SULLIVAN,
Member of Congress, Third District, Missouri.

The National Lottery of Poland

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, July 23, 1962

Mr. FINO. Mr. Speaker, I would like to point out to the Members of this House the national lottery of Poland. This lottery was not established by the Communists, for lotteries in Poland are traditional—they date back to 1808.

The Communist government of Poland operates the national lottery in much the same way as do the governments of other nations. In 1961, gross receipts came to almost $53 million. The government profit was over $18 million.

Actually, most Communist governments are not prone toward lotteries. Only a few of the Communist nations utilize them. Of those European nations not operating lotteries, the overwhelming majority are Communist. The reason is quite simple—the Communists frown on gambling as being frivolous and undesirable in what they call the new socialist man. This is just another manifestation of human individualism that the Communists refuse to recognize—we are in rare company.

Mr. Speaker, a national lottery in the United States could pump into our Treasury over $10 billion which can be used for tax cuts and reduction of our national debt.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, July 23, 1962

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of July 21, 1962:

WHAT IS CONSTITUTIONAL GOVERNMENT TODAY?

(By Congressman BRUCE ALGER, of Texas)

The Constitution has been reinterpreted in intent and violated in practice until its use today resembles little its original content and spirit. Indeed, it is appropriate to ask of what significance is the congressional oath of office, to swear to uphold and defend the Constitution. Yet since the original underlying concepts are so sound as they relate to freedom for individuals from domination, surely it is not old-fashioned and foolish to ask at any time, including today's events, is this the constitutional role of Federal Government, remembering that the Constitution preserves freedom by a form of limited government of checks and balances, a republic within a democracy?

"The destruction of a mighty nation may well be approaching because of the activities of one person. He has encouraged leaders to tranquilize the populace with half-truths. He has lured the press into inattention and has assisted the people in duping themselves. He has persuaded his fellow citizens to concentrate on life's comic strips and mindless entertainments and to avoid the bruises of reality. The culprit is the person whose eyes scan these words, and whose hands—at this moment—hold this book. The country is the United States of America" ("A Nation of Sheep," by William J. Lederer).

Have we become a nation of sheep? Of course not. Do we care little about constitutional government, a tough instrument for freedom-loving, tough, and self-disciplined people? No, we do care. Then why doesn't our Government represent us as we are?

NEW FRONTIER DEFEATS

House and Senate Members are rebelling. Americans are awakening to what is happening under the New Frontier concepts of "democratic socialism." Views from home are influencing Representatives and Senators. As usual, while Members reflect grassroots sentiment they lag considerably behind the people. The arm twisting and political bribery by President Kennedy and his aids are being overbalanced by pressure from home as people finally recognize the fallacious programs and fallacious reasoning of the President and his New Frontier architects—including as right hand aids 36 members of ADA, the American Democratic socialists.

Defeats of Kennedy legislation this week:

(1) The tax bill: In the Senate some of the unconstitutional carrot-and-stick punitive taxes passed by the House have been amended.

(a) Automatic withholding of interest and dividends was deleted, thus eliminating overwithholding, taxing nontaxpayers, and administrative chaos.

(b) Investment credit was reduced, approaching liberalized depreciation which is what is really needed.

(c) Foreign tax grossup or double taxation eliminated.

(d) Business expense deductions made less stringent.

(2) The Hanford atomic public power development was defeated in the House by a vote of 232 to 163 (Government power development has no constitutional basis).

(3) An antitrust civil process amendment was defeated, 202 to 200, an amendment which would have permitted Attorney General Bobby Kennedy to demand and get the books and records of any business without due process of law—unconstitutional.

(4) A transfer of States rights to the Secretary of Commerce pertaining to relocation of displaced families because of highway right-of-way was defeated, 236 to 159, and the authority left in the States. States rights violation and Federal dictation is unconstitutional.

(5) Farm bill rejected earlier by the House resulted in a substitute, reducing regimentation and control for the farmers reluctantly passed by many, 229 to 163, only after solemn warning that the Kennedy-Freeman controls will not be tolerated and a better bill next year must be forthcoming. Farm bills as now constituted are totally unconstitutional.

(6) Medicare: Medical care for the aged was forced to a vote by the President and defeated, 52 to 48. This compulsory tax, plus gratuitous coverage, jeopardizing our fine medical services, is a part of socialism and is totally unconstitutional. Federal Government is not constitutionally empowered to permit it to feed, clothe, house, provide jobs, medical care or basic necessities of our people. These defeats of the Kennedy program each in turn involve unconstitutional grants of power and were rejected by the Congress.

OTHER DEVELOPMENTS—CHECK CONSTITUTIONALITY

(1) Foreign aid: House-Senate conference; as expected, the conferees struck out (a) House demand that no U.S. funds beyond our percentage assessment, already paid, go to support the member nations of the United Nations who are delinquent until they pay up; (b) the Senate limitations on aid to Communist countries were replaced by the House revision which gives the President authority to give money, food, and gifts to Yugoslavia, Poland, Red China, Cuba or whomever he wants. Constitution calls aid to enemies treason, and no one questions that Communists are our enemies.

(2) Conference report on social security's Public Welfare Amendments of 1962 was passed, 357 to 34, providing (a) $140 million of unbudgeted expenditures; (b) increased

authority to Secretary of HEW to determine on repayment by trainees. Constitutional? No, this is government by men, not law; (c) subsidizing countless chiselers and goldbricks who are freeloading in the ADC (aid to dependent children) and other programs. Hardly constitutional.

DALLAS FEDERAL BUILDING

An interesting new development arose as a group of Dallas citizens visited the President requesting money for the Dallas building. Of course, it is the right of citizens to petition their government, the elected officials. Some interesting questions now arise:

1. Should new communication lines be set up, as requested, between Dallas and the President beyond or replacing the customary government legislative procedures all of which have resulted in formal approval of the building?

2. What new information is needed inasmuch as complete data is in House and Senate committee and Government agencies?

3. Should Federal buildings be built when the Government is deficit financing, increasing the danger of inflation, devaluating the purchasing power of money? I believe in each case the question gives the answer. Now try the Constitution on each of these.

Back to the basic question: why not constitutional government? Why are we not militant constitutionalists? Because constituents have grown careless in their choice of public officials for reasons other than constitutional, many times a selfish interest, or just as significant a failure through ignorance, not apathy, of what the elected officials were doing. The citizen voters will soon have a chance to correct both, inasmuch as the President has chosen an issue, medicare, which through compulsory tax and bureaucratic dictation is unconstitutional. Obviously those who expect victory for this issue are assuming the people's ignorance of the facts. So the battle is joined; Constitution and facts on the one hand, bureaucratic control and ignorance on the other. Which will it be?

Let's Keep the Record Straight on Hanford

EXTENSION OF REMARKS

OF

HON. BEN F. JENSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1962

Mr. JENSEN. Mr. Speaker, during the recent debate on the Hanford power proposal, I felt obligated to speak out against an article that had been placed in the CONGRESSIONAL RECORD of July 16, 1962, which purported to answer the "Fact Sheets on Hanford New Production Reactor Electric Generating Plant" which I had inserted in the CONGRESSIONAL RECORD of July 13, 1962. The short time at my disposal limited me to pointing out just a few of the questionable statements made in the so-called analysis of my fact sheets.

Even though we, who opposed this project last year, were successful in defeating this latest attempt to circumvent the will of the House, the record should be kept straight. I am, therefore, presenting herewith a full rebuttal to the attempt to cast doubt on my fact sheets:

I said in that fact statement, "objective same as last year." The proponents say it is not the same. Last year's objective was the construction of electric generating facilities at Hanford and the delivery of such power to the Bonneville system. That is exactly what would happen under the present proposal and nothing can change it. Even Washington Public Power Supply System admitted in a letter to AEC and Bonneville that the objective was the same.

I said, the "Federal Government would be de facto guarantor for Washington Public Power Supply System revenue bonds."

The proponents disagree. I said black on white in my fact sheets, the Bonneville Power Administration, an agency of the U.S. Government, freely admitted that Bonneville would deliver power of a value equal to all Washington Public Power Supply System costs and "in that sense the terms of the contract would be security for the revenue bonds which would be issued to finance the plant."

How much clearer does it need to be spelled out?

I said in the fact sheet, the "Washington Public Power Supply System proposal provides for Federal takeover of new production reactor powerplant."

The proponents claim that this takeover can be done only after congressional authorization. There is no such provision anywhere in the proposed contract on which facts can be based. There were provisions in the contract under which the contract could be terminated with an obligation for the Government to reimburse the Washington Public Power Supply System for all costs, bond redemption, and so forth.

I said, "New production reactor costs have skyrocketed."

The proponents said I had overlooked the fact that every nuclear project in the United States has exceeded its original cost estimate. I did not overlook this failing of AEC to make realistic cost estimates. It is something the Congress should recognize in the future in evaluating all proposed projects. The public power proponents on the Joint Committee on Atomic Energy who insisted on AEC starting out on a convertible-type production reactor before the proper research and designing was completed should hereafter think twice before making such a recommendation.

The fact remains that "new production reactor costs have skyrocketed." How else can you describe a $20-million increase in October 1961 and a $23 million additional increase in March 1962? No one knows just what the actual end cost may be. This in the face of assurances presented to the Congress by the AEC in September 1960, 2 years after the project was started, that the new production reactor would be completed within the original $145 million cost estimate and on time as scheduled.

I said: "generating plant costs have increased."

The proponents claim I said "generating facilities of the new production reactor have increased in cost from $95 to $130 million." This is not true. I said:

> Last year the estimated cost of constructing generating facilities at Hanford new production reactor was $95 million. Now we are told that Washington Public Power Supply System will have to issue $130 million in bonds to finance the project.

My statement is true. Testimony was given before our subcommittee earlier this year that the new production reactor generating plant construction cost increase was $5 or $10 million, with other items accounting for the balance of the increase to $130 million.

I said, "new production reactor power nonfirm." The proponents have to admit that this is true, but attempt to minimize how unreliable such power would be. The fact remains that the new production reactor is of a new and untried design. Numerous and serious design and construction problems have developed, the cost has increased by $50 million, and there is no assurance that operational problems may well prevent the optimum production now estimated.

There are to be numerous scheduled outages during dual-purpose operation to permit refueling in connection with plutonium production. The number is apparently classified, as no mention is made of the number in any public report. I have been informed that other nuclear experts feel that the scheduled and unscheduled outages of the new production reactor might result in a maximum plant factor of not more than one-half that estimated by AEC and its engineers.

In contrast, hydroelectric plants with sufficient water supply are extremely reliable and fossil-fueled steam electric generating units have often operated a full year or more without a shutdown.

I said, "new production reactor power would be costly." The proponents attempt to refute this by breaking the item into five segments. Their first segment relates to two of the six items I listed as being necessary to a proper evaluating of the real cost of new production reactor power. They inferred that I had a "complete misunderstanding of the proposed arrangements."

The proponents claim that the proposed payments for steam would provide some reimbursement to the Government and that such amount could be over $125 million. Actually, the proposed payments for steam in the first 4 years, for instance, will total only $600,000 or less than one-twelfth the interest cost on the convertibility feature alone. It is also possible and so admitted by the proponents that the total payments for steam over the life of the project could be a minimum of $3 million.

I indicated that a "reasonable portion of the fuel costs and operating and maintenance costs of new production reactor" should be included in the new production reactor power costs, "so as to help realize the reduction in plutonium as reported to Congress." The proponents again accuse me of a lack of understanding of the proposed arrangements. I understand full well the intent in the proposed arrangements to ignore this proper charge against new production reactor power. The proponents also claim that only through the proposed contract can the Government reduce the cost of plutonium. Actually, the contract would result in increased hidden costs or losses to the taxpayers.

I said there should be a charge for the Bonneville Power Administration reserve capacity that must be provided, in order to back up the new production reactor power during the numerous times the new production reactor will be out of service. The proponents infer that in the early years of new production reactor power operations, Bonneville Power Administration would have a surplus of reserve electric generating capacity, so no charge should be made for the reserve capacity necessary to back up new production reactor power. This is a proper charge regardless of whether Bonneville has surplus capacity or not.

I said that a proper charge should be made for transmission costs. Again, the proponents claim that Bonneville Power Administration feasibility studies made a proper allowance for this. Here, again, there is no assurance that a proper charge will be made, as the $4 per kilowatt-year mentioned is totally unrealistic.

I said there should be a charge against new production reactor power for lost revenue to Bonneville Power Administration due to use of new production reactor power when Bonneville Power Administration had surplus power going to waste. The record is clear and Bonneville has testified that under both median and adverse streamflow conditions there will be a varying number of months of each year for many years in the future when Bonneville will have up to 3 million or more kilowatts of continuous power going to waste over its hydroelectric dams. During those periods, if power is produced at new production reactor, it can only replace power that would otherwise be generated by these hydroplants. It is just that simple.

I said, "Bonneville to exchange low-priced firm power for high cost nonfirm power," and that "use of new production reactor power would require Bonneville Power Administration to waste more hydropower in certain months."

The proponents did not make specific reference to the above facts, but went into a long dissertation on why they claim new production reactor nonfirm power will be turned into firm power.

There can be no denying that Bonneville power is low-priced power. The Bonneville estimate of a $18 million deficit for this year—fiscal year 1962—is ample testimony to that fact. With a more proper interest cost in keeping with those now being paid on long-term U.S. bonds, this deficit would be nearer $30 million annually.

That new production reactor power would be nonfirm power is well established. That it would be high cost is equally easy to establish by taking all the proper cost that should be charged up to such power production. For instance, under power-only operation, the Washington Public Power Supply System debt service, the fuel cost, and the operation and maintenance costs total nearly $25 million annually. This does not include any charge for interest or amortization on the new production reactor itself. Using the Bonneville firm power rate of $17.50 per kilowatt-year, Bonneville would have to furnish, during the power-only period, 1,430,000 kilowatts of firm power and in return would get 800,000 kilowatts of nonfirm power. Even if we concede—which we do not—that new production reactor power production would permit Bonneville to generate 905,000 kilowatts of firm power, it would still be a losing proposition.

With respect to the Bonneville hydropower that would have to be wasted in certain months if new production reactor power is to be utilized, the facts are so irrefutable as to make the proponents' arguments fantastic.

I said: "claim of enhancement to coal burning steamplant is absurd," and "coal burning steamplant would provide more desirable power for Pacific Northwest."

The proponents refer to the argument that "the Washington Public Power Supply System proposal would damage the coal industry." In thus paraphrasing my statements, the proponents ignore the reference to the absurdity of their claims that new production reactor would enhance future coal burning steamplants in the region. Nor do I understand why they make reference to eastern coal interests when my statement contained no such reference.

The proponents also purposely ignored my statement that a coal-burning steamplant would provide far more desirable power for the Pacific Northwest. There can be no question on that score, that the coal-burning steamplant would be much more reliable and would produce more energy per kilowatt of installed capacity. Also, it could be shut down or power production curtailed when excess hydroenergy was available.

I said: "financial infeasibility alone should preclude Bonneville Power Administration from executing proposed Washington Public Power Supply System contract."

The proponents say that the Bonneville Power Administration Administrator testified that Bonneville and Washington Public Power Supply System had found the proposed arrangements economically and technically feasible.

My answer to this is that the record is clear that to arrive at any such conclusion there had to be highly questionable assumptions as to the operating schedules together with unwarranted writeoff or ignoring of proper costs.

It is understood that the Bonneville staff made a 50-year operational study which showed a deficit of over $200 million with new production reactor power, as compared to operation over the same period without new production reactor power. When questioned on this, the Bonneville Administrator was very evasive and never gave a responsive answer to the question, but he did not deny that such a study had been made.

Facts are the entire proposal was absurd to say the least, which the majority of the House Members could plainly see, after free and full debate.

Need for Family Farm Study

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, July 23, 1962

Mr. WILEY. Mr. President, the diminishing of the family farm in U.S. agriculture has been one of the great human and economic changes in the rural life of America.

Unfortunately, the dim outlook for a livelihood on the farm creates serious far-reaching challenges and problems of the 15½ million people now living on U.S. farms.

Recently, the Secretary of Agriculture appointed a special committee for studying the impact of existing policies and programs on the family farm.

The study, I would hope, will come up with some worthwhile recommendations on what can and should be done to better enable the farm family to adjust to these changes in economic-agricultural life.

Over the weekend, I was privileged to discuss this matter over Wisconsin radio stations.

I ask unanimous consent to have excerpts from my remarks printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

> In our fast progressing, technological age, farming—as other major segments of our economic life—is undergoing dramatic, far-reaching changes. In agriculture, these include—
>
> 1. A tremendous shift in population from rural to urban living. In 1850, only 15 percent of the people lived in urban areas. In 1950—100 years later—this had raised to 65 percent. By 2000, the proportion, it is predicted, will increase to 73 percent.
>
> 2. The technological revolution also has resulted in trends toward larger farms, including the development of "corporation farming."
>
> 3. The lack of bargaining power—comparable to the economic influence of either big business or labor—too, has not provided the farmer a strong voice in determining prices for commodities.
>
> In agriculture, also, there is a whole complex of additional problems, including housing, health, and education; opening of new opportunities for rural industries and on-farm recreational programs; retirement of low productive land; and broadening of natural resources conservation programs.
>
> All of these and other trends in agriculture are having a far-reaching effect upon, and creating special problems for, the Wisconsin and American farms.
>
> Because of the changing conditions, I proposed in 1961 legislation for establishing a Country Life Commission. The purposes included (1) evaluating the long-range problems in agriculture; (2) developing recommendations for meeting the challenges; for adjusting to changing conditions; for improving the economic outlook; and for establishing a set of guidelines, particularly in production and consumption, for a more favorable long range supply-demand balance in agriculture.
>
> As yet, the Congress, regrettably, has failed to take action for establishing such a commission.

Recently, however, the Secretary of Agriculture—recognizing the need for action in the field—appointed a 34-member Public Advisory Committee. The purpose: To make a study of impacts and effects of existing policies and progress on the family farm.

According to a recent analysis by the Committee on Economic Development, the existing policies, since 1947, have resulted in the following consequences:

1. The farm policies may have moderated a decline of farm income—more than if there had been no farm program; however, it has not prevented an ever-widening gap between farmer and nonfarmer earning.

2. The programs have not helped most the farmers who are most in need of help; that is, the small farmers who market less; and who do not receive large amounts from price support programs.

3. The existing program, though costly to the taxpayer, has not provided a permanent solution to the supply-demand imbalance of farm commodities.

Traditionally, the family farm has served as a "way of life" for rural America; as a source of our vital food supply; and as a cornerstone of our economy.

The family farm study—covering, as I believe it could, and should, many of the objectives of my proposed Country Life Commission—can, I believe, contribute to better understanding of, and solutions for, the difficult, complex problems confronting us in agriculture.

SENATE

TUESDAY, JULY 24, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou eternal God, before whose face the generations rise and pass away, and to whom a thousand years are but as yesterday when it is past: As we come to this session, our hearts again are made heavy by the sudden passing into the unseen of a dedicated public servant, who but yesterday was a part of all the busy affairs of the Senate. Here, across the years, his voice was raised in passionate defense of the causes his conscience told him were right and just. Here, in all his concerns, he manifested loyalty to the fundamental tenets of the Republic which he loved, and for whose defense in his young manhood he marched with the battalions of freedom.

And now, on the very day when from a manmade star out in space the views and voices from this planet are flung back to all the earth, as untold millions look and listen, HENRY DWORSHAK has finished his course here, and has fared forth beyond this bourne of time and space, to know the mystery which one day will come to us all as this mortal puts on immortality.

In the spirit of the fluttering flags at half-mast, we pray especially for Thy consoling grace upon the companion who shared the dedication of his life, and upon the stalwart sons they have given to the world.

In Thy mercy we pray that at last Thou wilt bring us all to the homeland of Thine eternal love.

We ask it in the name of the One who is the resurrection and the life. Amen.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 476) to establish the Point Reyes National Seashore in the State of California, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H.R. 12547) to amend the act of August 7, 1946, relating to the District of Columbia Hospital Center, to extend the time during which appropriations may be made for the purposes of that act, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 12547) to amend the act of August 7, 1946, relating to the District of Columbia Hospital Center, to extend the time during which appropriations may be made for the purposes of that act, was read twice by its title and referred to the Committee on the District of Columbia.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 23, 1962, was dispensed with.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. CHURCH:

Statement by him regarding 115th anniversary of arrival of Mormon pioneers in the valley of the Great Salt Lake.

DEATH OF SENATOR HENRY C. DWORSHAK

Mr. CHURCH. Mr. President, I deeply regret to inform the Senate of the sudden death of my friend and colleague, the Honorable HENRY C. DWORSHAK, the senior Senator from Idaho.

Senator DWORSHAK was stricken at his home last evening. He was taken, unconscious, to the Georgetown Hospital, and there was pronounced dead.

The sad news is a shock to us all. Only yesterday I lunched with Senator DWORSHAK. He seemed well and hearty and in fine spirits. His unexpected death is a most unfortunate loss to Idaho and to the Nation.

Born in Duluth, Minn., nearly 68 years ago, Senator DWORSHAK learned the printing trade. He interrupted his early career as a journalist to serve with the American Army in France during World War I. Afterward, from 1924 to 1944, he was editor and publisher of the Burley Bulletin, and Burley, Idaho, always remained his residence.

Senator DWORSHAK was widely known among the newspaper people of Idaho. As a newspaperman himself, he appreciated their problems and knew what made news. He was always welcome in the editorial rooms, and often wrote his own copy.

"You just write the lead," he once said to a reporter. "Find me a typewriter, and I'll do my own quotes."

Senator DWORSHAK was elected to the House of Representatives in 1938. He came to the Senate for the first time in 1946. Altogether, he devoted nearly 24 years of service to the people of Idaho in the Congress of the United States.

A sincere and honest man who never betrayed his convictions, HENRY DWORSHAK ever upheld the standard:

> This above all: to thine own self be true,
> And it must follow, as the night the day,
> Thou canst not then be false to any man.

Senator DWORSHAK's long tenure in Washington is a fine example of public service honorably rendered. Few, indeed, are the men, throughout the whole history of my State, who have dedicated so many years to so faithful a discharge of the public trust.

Mrs. Church and I express our sorrow and extend our deepest sympathy to Mrs. Dworshak, their sons, Henry, Charles, Ward, and Calvin, their respective wives, to the grandchildren, and to all other members of the family.

Mr. President, it has been arranged with the leadership of the Senate to set aside a time at a later date when Senators may deliver their eulogies in memory of our late colleague, Senator HENRY DWORSHAK, of Idaho.

At this time, I send to the desk a resolution relating to the death of Senator DWORSHAK. Inasmuch as both the majority leader and the minority leader desire to speak at this time, I ask that action on the resolution be deferred until they have spoken.

Mr. MANSFIELD. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I yield.

Mr. MANSFIELD. Mr. President, I wish to join the distinguished Senator from Idaho [Mr. CHURCH] in expressing the sincere regret and the deep sadness of Mrs. Mansfield and myself at the passing of our old friend, HENRY DWORSHAK.

Within a matter of several weeks, two of my friends from neighboring States—South Dakota and Idaho—have passed on. I served with these two men in both the House of Representatives and the Senate, and I considered both of them my personal friends.

Mr. President, I find it hard to put into words my feelings about HENRY DWORSHAK, because in 1943, when I first came to the House of Representatives, he gave me freely of his advice and his counsel, even though I represented another party.

He was to me always a good friend, a kind friend, and a patient friend. He was always considerate of the feelings of others; and I know something of the handicap under which he suffered.

One of the finest experiences of my life was the trip which Mrs. Mansfield and I took with the Dworshaks, the Hruskas, the McClellans, the Bibles, Senator Margaret Chase Smith of Maine, and others, through Latin America, last fall. Although I had known Henry Dworshak intimately, I thought, before that trip, I got to know him better during the course of the trip. My admiration and respect for him and for Mrs. Dworshak grew, and we returned from Latin America with a feeling of closer friendship, with a closer bond between us, and with a better understanding of the problems which mutually we have had to confront in that part of the world.

Henry Dworshak was a dear friend, a personal friend; and I will miss him deeply.

Mrs. Mansfield and I extend to Mrs. Dworshak and her family our deepest regrets and our most sincere condolences; and we know that the Senate will be far poorer because of the passing of Henry Dworshak.

May his soul rest in peace.

Mr. CHURCH. Mr. President, let me express, on behalf of Senator Dworshak's family, profound appreciation for the fine and fitting tribute which has just now been paid to him.

I know that the majority leader will be pleased to know that whenever Senator Dworshak spoke of him to me, he invariably did so in terms of genuine friendship and affection.

Mr. DIRKSEN. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I am glad to yield to the distinguished minority leader.

Mr. DIRKSEN. Mr. President, this morning I have been troubled in spirit. The moving finger has written, and written heavily, upon the Senate of the United States.

Only some 7 months ago we lost a very distinguished Member of the Senate, the Senator from New Hampshire, Styles Bridges. There followed the passing of a great Senator from Kansas, Andrew Schoeppel. Only a few weeks ago there passed the shy, penetrating, and beloved Francis Case, of South Dakota; and the word which came this morning brought distress to my spirit, particularly so because I served for 8 years in the House of Representatives with Henry Dworshak, and served with him for nearly 12 years in the U.S. Senate.

In most of that time we served on the Appropriations Committees of both bodies. I came to know him well. I thought I knew what made him "tick." And, Mr. President, I loved him. And so it is not another Senator, not another colleague—it is a friend, a close friend, who has passed away.

I thought of him this morning early as an "old frontiersman" of the first magnitude. His character was like the mineral-bearing rocks of his own great State. His fidelity to his country was fairly a passion, and he served his country in uniform, and served also as the commander of the American Legion of his State.

There was something gentle about him, despite that big body and that bluff and hearty attitude, a gentility, which, we often found, was as soft as the morning breeze that caresses the pines in his own great State.

He was uncompromising toward evil wherever he found it. His chuckling laugh was as hearty and as contagious as that of an Idaho lumberjack as he was coming out of the timber after a long stay there. He had the courage of a crusader and the determination of a missionary.

Of such men as Henry Dworshak are nations made and freedom safeguarded and morality preserved.

We shall all miss him. Mrs. Dirksen joins me in extending our sympathy to his family.

Mr. CHURCH. I thank the Senator for his moving words in memory of our beloved colleague.

Mr. GORE. Mr. President, will the Senator yield?

Mr. CHURCH. I yield to the Senator from Tennessee.

Mr. GORE. I wish to join in the expression of shock and regret at the passing of our distinguished colleague. It was my pleasure to know him and to serve with him in both Houses and on the same committees in both Houses. Henry Dworshak was a man of honor, a man of his word. He was a friend—a personal friend in my case.

I join in the expression of deep sorrow at his passing.

Mr. CHURCH. I thank the Senator for his kind remarks, and I now call up the resolution I have sent to the desk.

The VICE PRESIDENT. The clerk will state the resolution.

The resolution (S. Res. 364) was read by the legislative clerk as follows:

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. Henry C. Dworshak, late a Senator from the State of Idaho; and be it further

Resolved, That a committee of Senators be appointed by the Vice President to attend the funeral of the deceased; and be it further

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was unanimously agreed to.

The Chair will later announce the committee.

EXPENSES OF COMMITTEE APPOINTED TO ATTEND FUNERAL OF THE LATE SENATOR HENRY C. DWORSHAK

Mr. CHURCH. Mr. President, I send a resolution to the desk pertaining to funeral arrangements.

The VICE PRESIDENT. The resolution will be stated by the clerk.

The resolution (S. Res. 365), was read and referred to the Committee on Rules and Administration, as follows:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed to arrange for and attend the funeral of the Honorable Henry C. Dworshak, late a Senator from the State of Idaho, on vouchers to be approved by the chairman of the Committee on Rules and Administration.

ADJOURNMENT

Mr. CHURCH. Mr. President, as a further mark of respect to the memory of the deceased Senator, I now move that the Senate stand in adjournment until the hour of 12 o'clock noon tomorrow.

The motion was unanimously agreed to; and (at 12 o'clock and 15 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, July 25, 1962, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

I John 5: 4: *This is the victory that overcometh the world, even our faith.*

Almighty God, grant that, as we daily grapple with the perplexing problems of life, we may lay hold of those spiritual resources which Thou hast placed at our disposal and appropriate them by faith.

Enlarge our capacity for growth in a faith which can never be eclipsed or extinguished by those dark clouds of atheism and agnosticism, of cynicism and confusion, which sometimes hover over us and haunt us.

May the solemn oath of office, which we have taken, be a vow of dedication and devotion, inspiring us to realize that we never read the meaning of our high calling aright until we pursue it faithfully and without fear.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and a concurrent resolution of the House of the following titles:

H.R. 1700. An act for the relief of Jaime Abejuro;

H.R. 2187. An act for the relief of Augustin Ramirez-Trejo;

H.R. 2198. An act for the relief of Carlos Sepulveda Abarca;

H.R. 6374. An act to clarify the application of the Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings, and for other purposes; and

H. Con. Res. 347. Concurrent resolution tendering the thanks of Congress to General of the Army Douglas MacArthur.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 919. An act to amend section 9(b) of the act entitled "An act to prevent pernicious political activities" (the Hatch Political Activities Act) to eliminate the requirement that the Civil Service Commission impose no penalty less than 90 days' suspension for any violation of section 9 of the act;

S. 1884. An act to encourage the creation or original ornamental designs of useful articles by protecting the authors of such designs for a limited time against unauthorized copying; and

S.J. Res. 137. Joint resolution to authorize the Secretary of Commerce, in cooperation with the State of Alaska, to undertake studies and surveys relative to a highway construction program for Alaska, and for other purposes.

THE LATE BRYANT THOMAS CASTELLOW

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

Mr. SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. FORRESTER. Mr. Speaker, last night a magnificent American, a great constitutionalist, a rugged individualist, and a most respected Member of this great body, dropped the working tools of this life and passed on to meet his Maker.

The one I refer to was Hon. Bryant Thomas Castellow. Mr. Castellow was born on a farm in Quitman County, Ga., July 29, 1876. He attended the local schools, Mercer University, and graduated from the Law School of the University of Georgia in 1897. He commenced the practice of law that year in Fort Gaines, Ga., and, endowed with a splendid mind and being a tireless worker, he met with one success after another.

Mr. Castellow was solicitor of the Clay County court in 1900 and 1901 and judge of that court from 1901 to 1905. He was solicitor general of the Pataula circuit from January 1, 1913, until his resignation on October 7, 1932, occasioned by his election to the U.S. Congress to fill the vacancy caused by the resignation of that distinguished former Congressman, Hon. Charles R. Crisp.

Congressman Castellow served with distinction until January 3, 1937, when he voluntarily retired to private life.

Mr. Speaker, Congressman Castellow was one of the great men of this age. He was far ahead of his time, as reference to his speeches made on this floor will vividly demonstrate. Congressman Castellow eloquently warned against many of our foreign entanglements, the danger arising from a centralized government, and particularly he warned against excessive Federal spending.

All the predictions that were made by this learned and devoted man have certainly come to pass. Mr. Speaker, the remains of this great public servant are being interred in his hometown, the fine little city of Cuthbert, Ga., tomorrow.

The people of the Third District of Georgia, which I now have the honor to represent, will long remember with gratitude the service of this devoted man to mankind. I am immensely proud of his record. I grieve with his devoted wife and splendid daughter, Mrs. Aaron Ford, over the loss of this noble husband and father.

Mr. Speaker, I am certain that this great legislative body has been enriched by his service here, and I want his fine wife and daughter to know that his name will always be recalled in the Halls of Congress with affection and pride.

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, service, and character of our late colleague, Hon. Bryant Thomas Castellow.

The **SPEAKER.** Without objection, it is so ordered.

There was no objection.

POLITICAL ACTIVITIES OF VETERANS OF WORLD WAR I

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

Mr. SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, in 1958, the Congress voted to approve a congressional charter for the Veterans of World War I. When the legislation providing for that charter was before the Committee on the Judiciary, representatives of this organization testified that there was a need for a veterans organization which would be more sympathetic to the veteran of World War I.

Over 4 years have gone by since this organization was granted a charter. Its one apparent act of understanding for the problems of the World War I veteran has been an intensive campaign of political intimidation directed at obtaining a pension for every such veteran.

The activities of this organization have not been limited to lobbying for a pension. It has been brought to my attention that officers of this organization have, in fact, gone so far as to intervene in political campaigns against those Members who believe that an across-the-board veterans' pension would be contrary to the best interests of the Nation. These activities are directly contrary to section 11 of the organization's charter which prohibits the corporation or its officers and agents from supporting or assisting any political party or candidate for public office.

Election years often produce an Alice-in-Wonderland atmosphere but I fear that the action of some Members of this House in respect to the World War I veterans' pension would make them uncomfortable even in the world of Alice-in-Wonderland. It is passing strange that 45 of the most aggressive proponents of this $11 billion pension grab were among those who voted against an increase in the debt ceiling.

Consistency may be the hobgoblin of little minds, but an inconsistency of this magnitude is sheer demagoguery.

POLITICAL ASPECTS OF JUDGESHIP APPOINTMENTS

Mr. HALEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

Mr. SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HALEY. Mr. Speaker, several days ago there was quite a discussion on the floor of this House as to the appointments of Federal judges made by the various Presidents. I have with me today a list of the appointments made by the last several Presidents of the United States.

Mr. Speaker, I ask unanimous consent to include this schedule of appointments with the percentages of Democrats and Republicans, made by the various Presidents, beginning with Warren G. Harding.

The **SPEAKER.** Is there objection to the request of the gentleman from Florida?

There was no objection.

The matter referred to follows:

PATRONAGE BOX SCORE

The following list gives the number of Federal judges appointed by President Kennedy's six immediate predecessors during their entire terms of office, and by President Kennedy as of July 5:

President	Democrats	Republicans	Percentage from own party
Harding	3	57	95.0
Coolidge	8	92	92.0
Hoover	14	67	87.2
Roosevelt	220	12	95.0
Truman	143	14	91.0
Eisenhower	15	186	92.5
Kennedy	[1] 105	[1] 10	91.3

[1] 1 Liberal and 1 unaffiliated not included.

THE WEIRTON VARSITY HIGH SCHOOL BAND

Mr. MOORE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

Mr. SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. MOORE. Mr. Speaker, the Weir Varsity High School Band from Weirton, W. Va., participating in the Fourth World Music Festival at Kerkrade, in the Netherlands, stole the show, said Dutch newspapers today at the opening of the music festival.

The 116-member red-and-white-uniformed band and its 8 pretty majorettes won the first prize when 21 bands marched yesterday into Kerkrade Stadium to mark the opening of the festival. More than 20,000 fans acclaimed the show by the young American band, which was telecast by the West German TV network.

The jury awarded the Weir High Band the day's highest score of 109 points.

I am informed that a Dutch music critic, D. J. Odijk, said that the American teenagers were "outstanding, charming, and glamorous," and that "the band showed imaginative rhythm which contrasted with the conventional strong rhythms of the European bands."

Mr. Speaker, these young Americans are residents of my congressional district. They have spread their musical reputation from the Rose Bowl parade in Pasadena, Calif., to the Macy Thanksgiving parade in New York, and now to the World Music Festival in the Netherlands.

It is interesting to note that these young people put together the necessary finances to make this trip possible. I know that their accomplishments have brought to the United States and to their hometown great appreciation for their hard work.

THE CRIME SITUATION IN THE DISTRICT OF COLUMBIA

Mr. BECKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

Mr. SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Speaker, I take this time now to inform the Members of the House, because of the great concern they have evidenced in the stabbing of my administrative assistant yesterday in St. Peter's Roman Catholic Church two blocks from the Capitol.

I am pleased, after my visit last night and this morning, to tell you she is improving this morning. Of the nine stab wounds only one of them was what could be called a critical wound. The doctors tell me this morning her condition looks very good and she is in fair condition.

Mr. Speaker, yesterday when I spoke I was rather emotional perhaps because this good lady has been with me for some 10 years. She is well known up here on the Hill. I said yesterday, and I repeat today, it is time we do something with our judicial system in the city of Washington, the District of Columbia.

The great number of telephone calls that have come to my office this morning, taken by my secretaries, seems to indicate that many people have the same identical feeling. The penalties are not severe enough, the sentences are not severe enough, the fact that the police are not able to hold alleged criminals in order to investigate.

These and many other things could be done here in the District of Columbia, and we might be able to eliminate a disgrace in this great Capital of ours that today might be termed a tragedy in our Nation.

You and I, the Committee on the District of Columbia, and the Members of the House, have a great responsibility to make this Capital of ours safe for the millions of tourists who come here and the people who live here, to make it a place where they would not only be welcome here, as they are in their own cities and towns, and villages, but where they might be safe when walking on the streets of the District of Columbia as they would in their own hometowns.

I beg the Members of Congress to take this into consideration, assume their responsibility, and either enact legislation or call upon our judicial system through our President to bring this about.

One final remark, Mr. Speaker. While this sort of thing has been happening to citizens in Washington, let the day come that it should happen, God forbid, to the wife or daughter of one of the Members of the Congress, then you will see some fast action in this House. But why wait for that? Let us take the necessary action now.

CALL OF THE HOUSE

Mr. MASON. Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER.** Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 172]

Alexander
Alford
Bass, N.H.
Blitch
Boggs
Bolton
Chelf
Coad
Cramer
Curtis, Mass.
Davis, Tenn.
Diggs,
Dominick
Frazier
Gray
Green, Oreg.
Gubser
Harrison, Va.
Hébert
Hoffman, Mich.
Holifield
Ichord, Mo.
Jennings
Kilburn
King, Utah
Lipscomb
Loser
McSween
McVey
Merrow
Moorehead, Ohio
Moulder
Nedzi
Norblad
Pilcher
Powell
Purcell
Rogers, Colo.
Rogers, Tex.
St. Germain
Saund
Scherer
Scranton
Shelley
Sheppard
Sibal
Smith, Miss.
Stratton
Taber
Teague, Calif.
Thompson, La.
Thompson, N.J.
Willis
Winstead
Yates

The **SPEAKER.** On this rollcall, 380 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOREIGN ASSISTANCE ACT OF 1962

Mr. MORGAN. Mr. Speaker, I call up the conference report on the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The **SPEAKER.** Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (REPT. No. 2008)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Foreign Assistance Act of 1962'.

"PART I—ACT FOR INTERNATIONAL DEVELOPMENT OF 1961

"Chapter 1—Short title and policy

"SEC. 101. (a) The fifth paragraph of section 102 of the Foreign Assistance Act of 1961, as amended, containing a statement of policy, is amended by inserting in the fifth paragraph, immediately after 'religion.', the following: 'The Congress further declares that any distinction made by foreign nations between American citizens because of race, color, or religion in the granting of, or the exercise of, personal or other rights available to American citizens is repugnant to our principles.'

"(b) Such section is further amended by inserting after the seventh paragraph the following:

" 'It is the sense of Congress that in the administration of these funds great attention and consideration should be given to those countries which share the view of the United States on the world crisis and which do not, as a result of United States assistance, divert their own economic resources to military or propaganda efforts, supported by the Soviet Union or Communist China, and directed against the United States or against other countries receiving aid under this Act.'

" 'The Congress further declares that in the administration of programs of assistance under this Act, the highest practicable emphasis should be given to: programs providing for loans or loan guarantees for use by institutions and organizations in making repayable low-interest rate loans to individuals in friendly foreign countries for the purchase of small farms, the purchase of homes, the establishment, equipment and strengthening of small independent business concerns, purchase of tools or equipment needed by individuals for carrying on an occupation or a trade, or financing the opportunity for individuals to obtain practical education in vocational and occupational skills, and to those programs of technical assistance and development which will assist in carrying out and in preparing a favorable environment for such programs. While recognizing that special requirements, differing development needs and political conditions in various assisted countries will affect the priority of such programs and of each country's relative ability to implement them, it is further the sense of Congress that each such assisted country should be encouraged to give adequate recognition to such needs of the people in the preparation of national development programs.'

"(c) Such section is further amended by inserting at the end of the last paragraph the following new sentence: 'It is the sense of Congress that, where feasible, the United States Government invite friendly nations to join in missions to consult with countries which are recipients of assistance under this part on the possibilities for joint action to assure the effective development of plans for the economic development of such recipient countries and the effective use of assistance provided them; and that the President may request the assistance of international financial institutions in bringing about the establishment of such missions.'

"Chapter 2—Development assistance

"Title I—Development Loan Fund

"SEC. 102. Section 201 of the Foreign Assistance Act of 1961, as amended, which relates to general authority with respect to development loans, is amended by adding at the end thereof the following:

" '(e) In carrying out this title, the President shall not allocate, reserve, earmark, commit, or otherwise set aside, funds aggregating in excess of $100,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country together with sufficient information and assurances to indicate reasonably that the funds will be used in an economically and technically sound manner, or (2) the President determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans.'

"Title II—Development Grants and Technical Cooperation

"Sec. 103. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to development grants and technical cooperation, is amended as follows:

"(a) In section 211, which relates to general authority, add a new subsection (c) as follows:

" '(c) Not to exceed $1,000,000 of the funds made available for the purposes of this section in any fiscal year may be used for programs designed to promote the peaceful uses of atomic energy outside the United States and such programs may be carried out only in accordance with the requirements of this section.'

"(b) In section 212, which relates to authorization, strike out '1962' and '$380,000,000' and substitute '1963' and '$300,000,000', respectively.

"(c) Strike out section 213, which relates to atoms for peace.

"Title III—Investment Guaranties

"Sec. 104. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to investment guaranties, is amended as follows:

"(a) Amend section 221(b) which relates to general authority, as follows:

"(1) In paragraph (1) strike out '$1,000,000,000' in the proviso and substitute '$1,300,000,000'.

"(2) In paragraph (2) strike out the words preceding the first proviso and insert in lieu thereof the following: 'where the President determines such action to be important to the furtherance of the purposes of this title, assuring against loss of any loan investment for housing projects with appropriate participation by the private investor in the loan risk and in accordance with the foreign and financial policies of the United States, or assuring against loss of not to exceed 75 per centum of any other investment due to such risks as the President may determine, upon such terms and conditions as the President may determine'.

"(3) In paragraph (2) strike out '$90,000,000' in the third proviso and substitute '$180,000,000', and after the word 'guaranty' insert the following: 'in the case of a loan shall exceed $25,000,000 and no other such guaranty'.

"(b) Amend section 222, which relates to general provisions, as follows:

"(1) In subsection (d) insert ', and out of funds made available pursuant to this title' before the period.

"(2) Add the following new subsection (f):

" '(f) There is hereby authorized to be appropriated to the President such amounts, to remain available until expended, as may be necessary from time to time to carry out the purposes of this title.'

"(c) Amend section 224, which relates to housing projects in Latin American countries, as follows:

"(1) In subsection (b) strike out '$10,000,000' in the second sentence and substitute '$60,000,000.'

"(2) In subsection (c) strike out 'and (e)' and substitute '(e), and (f)'.

"Title IV—Surveys of Investment Opportunities

"Sec. 105. Section 232 of the Foreign Assistance Act of 1961, as amended, which relates to surveys of investment opportunities, is amended by striking out '1962' and '$5,000,000' and substituting '1963' and '$2,000,000', respectively.

"Alliance for Progress

"Sec. 106. Chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to development assistance, is amended by adding at the end a new title VI, as follows:

" 'Title VI—Alliance for Progress

" 'Sec. 251. General Authority.—(a) It is the sense of the Congress that the historic, economic, political, and geographic relationships among the American peoples and Republics are unique and of special significance and that the Alliance for Progress offers great hope for the advancement of the welfare of the peoples of the Americas and the strengthening of the relationships among them. It is further the sense of Congress that vigorous measures by the countries and areas of Latin America to mobilize their own resources for economic development and to adopt reform measures to spread the benefits of economic progress among the people are essential to the success of the Alliance for Progress and to continued significant United States assistance thereunder. The President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the economic development of countries and areas in Latin America.

" '(b) Assistance furnished under this title shall be directed toward the development of human as well as economic resources. In furnishing assistance under this title, the President shall take into account (1) the principles of the Act of Bogotá and the Charter of Punta del Este, and in particular the extent to which the recipient country or area is showing a responsiveness to the vital economic, political, and social concerns of its people and demonstrating a clear determination to take effective self-help measures; (2) the economic and technical soundness of the activity to be financed; (3) the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-range objectives; and (4) the possible effects upon the United States economy, with special reference to areas of substantial labor surplus, of the assistance involved. In making loans under this title from funds which are required to be used for loans payable as to principal and interest in United States dollars, the President shall take into account, in addition to the considerations named in the preceding sentence, whether financing could be obtained in whole or in part from other free world sources on reasonable terms and the efforts made by recipient nations to repatriate capital invested in other countries by their own citizens. The provisions of sections 201(d), 202(b), 202(c), and 204 shall be applicable to such loans, and they shall be made only upon a finding of reasonable prospects of repayment.

" '(c) The authority of section 614(a) may not be used to waive the requirements of this title with respect to funds made available for this title which are required to be used for loans payable as to principal and interest in United States dollars, and the authority of section 610 may be used to transfer such funds only to funds made available for title I of chapter 2 of part I.

" '(d) In order to carry out the policies of this Act and the purpose of this title, the President shall, when requested by a friendly country and when appropriate, assist in fostering measures of agrarian reform, including colonization and redistribution of land, with a view to insuring a wider and more equitable distribution of the ownership of land.

" '(e) The President shall not allocate, reserve, earmark, commit, or otherwise set aside, funds aggregating in excess of $100,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country together with sufficient information and assurances to indicate reasonably that the funds will be used in an economical and technically sound manner, or (2) the President determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans.

" '(f) In furnishing assistance under this title, consistently with and for the purposes of section 601(b)(4) of this Act, the Agency for International Development or any other departments and agencies designated by the President shall provide such assistance as may be determined by the President to be necessary from time to time in order to make effective the efforts of the Commerce Committee for the Alliance for Progress, established under the Department of Commerce.

" 'Sec. 252. Authorization.—There is hereby authorized to be appropriated to the President for the purposes of this title, in addition to other funds available for such purposes, for use beginning in each of the fiscal years 1963 through 1966, not to exceed $600,000,000 for each such fiscal year which sums are authorized to remain available until expended and which, except for not to exceed $100,000,000 of the funds appropriated pursuant to this section for use beginning in fiscal year 1963, shall be available only for loans payable as to principal and interest in United States dollars. In presenting requests to the Congress for authorizations for appropriations for fiscal years 1964 through 1966 to carry out other programs under this Act, the President shall also present the program proposed to be carried out from funds appropriated pursuant to the authorization contained in this section for the respective fiscal year.

" 'Sec. 253. Fiscal Provisions.—All receipts in United States dollars from loans made under this title and from loans made for the benefit of countries and areas of Latin America under title I of chapter 2 of part I of this Act, notwithstanding section 203, shall be available for use for loans payable as to principal and interest in United States dollars in furtherance of the purposes of this title. Such receipts and other funds made available under this title for use for the purposes of this title shall remain available until expended.'

"Chapter 3—International organizations and programs

"Sec. 107. Section 302 of the Foreign Assistance Act of 1961, as amended, which relates to international organizations and programs, is amended by striking out '1962' and '$153,500,000' and substituting '1963' and '$148,900,000', respectively.

"Chapter 4—Supporting assistance

"Sec. 108. Section 402 of the Foreign Assistance Act of 1961, as amended, which relates to supporting assistance, is amended by striking out '1962' and '$465,000,000' and substituting '1963' and '$415,000,000', respectively.

"Chapter 5—Contingency fund

"Sec. 109. Section 451 of the Foreign Assistance Act of 1961, as amended, which relates to the contingency fund, is amended as follows:

"(a) Amend subsection (a) by striking out '1962' and substituting '1963'.

"(b) Amend subsection (b) by striking out 'keep' and substituting 'provide quarterly reports to' and by striking out 'currently informed of the use' and substituting 'on the programing and the obligation'.

"Chapter 6—Assistance to agrarian economies

"SEC. 110. Section 461 of the Foreign Assistance Act of 1961, as amended, which relates to assistance to countries having agrarian economies, is amended by adding at the end thereof the following: 'In such country emphasis shall be placed also upon programs of community development which will promote stable and responsible governmental institutions at the local level.'

"PART II—INTERNATIONAL PEACE AND SECURITY ACT OF 1961

Chapter 1—Military assistance

"SEC. 201. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended, which relates to military assistance, is amended as follows:

"(a) In section 506, which relates to conditions of eligibility, add the following new subsections:

" '(c) The President shall regularly reduce and, with such deliberate speed as orderly procedure and other relevant considerations, including prior commitments, will permit, shall terminate all further grants of military equipment and supplies to any country having sufficient wealth to enable it, in the judgment of the President, to maintain and equip its own military forces at adequate strength, without undue burden to its economy.

" '(d) Any country which hereafter uses defense articles or defense services furnished such country under this Act, the Mutual Security Act of 1954, as amended, or any predecessor foreign assistance Act, in substantial violation of the provisions of this chapter or any agreements entered into pursuant to any of such Acts shall be immediately ineligible for further assistance.'

"(b) In section 507(a), which relates to sales, insert 'not less than' before 'the value' in the first sentence.

"(c) In section 507(b), add a new sentence to read as follows: 'No sales of unclassified defense articles shall be made to the government of any economically developed nation under the provisions of this subsection unless such articles are not generally available for purchase by such nations from commercial sources in the United States: *Provided, however,* That the Secretary of Defense may waive the provisions of this sentence when he determines that the waiver of such provisions is in the national interest.'

"(d) In section 510(a), which relates to special authority, strike out '1962' in the first and second sentences and substitute '1963'.

"PART III

"Chapter 1—General provisions

"SEC. 301. Chapter 1 of part III of the Foreign Assistance Act of 1961, as amended, which relates to general provisions, is amended as follows:

"(a) In section 610, which relates to transfers between accounts, designate the present language as subsection (a) and add the following new subsection:

" '(b) The authority contained in this section and in sections 451, 510, and 614 shall not be used to augment appropriations made available pursuant to sections 636(g)(1) and 637 or used otherwise to finance activities which normally would be financed from appropriations for administrative expenses.'

"(b) In section 611(a), which relates to completion of plans and cost estimates, strike out 'and II' and substitute ', II, and VI'.

"(c) Strike out section 618, which relates to economic assistance to Latin America, and substitute a new section 618 as follows:

" 'SEC. 618. USE OF SETTLEMENT RECEIPTS.—United States dollars directly paid to the United States under the Agreement Between the United States of America and Japan Regarding the Settlement of Postwar Economic Assistance to Japan may be appropriated or otherwise made available to the President in any appropriation Act, within the limitations of part I of this Act, to carry out the provisions of that part.'

"(d) Amend section 620, which relates to restrictions on assistance to certain countries, as follows:

"(1) Amend the first sentence of subsection (a) to read as follows: 'No assistance shall be furnished under this Act to the present government of Cuba; nor shall any such assistance be furnished to any country which furnishes assistance to the present government of Cuba unless the President determines that such assistance is in the national interest of the United States.'

"(2) Amend subsection (c) to read as follows:

" '(c) No assistance shall be provided under this Act to the government of any country which is indebted to any United States citizen or person for goods or services furnished or ordered where (i) such citizen or person has exhausted available legal remedies, which shall include arbitration, or (ii) the debt is not denied or contested by such government, or (iii) such indebtedness arises under an unconditional guaranty of payment given by such government, or any predecessor government, directly or indirectly, through any controlled entity: *Provided,* That the President does not find such action contrary to the national security.'

"(3) Add the following new subsections:

" '(e) The President shall suspend assistance to the government of any country to which assistance is provided under this Act when the government of such country or any governmental agency or subdivision within such country on or after January 1, 1962—

" '(1) has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

" '(2) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned,

and such country, government agency or government subdivision fails within a reasonable time (not more than six months after such action or after the date of enactment of this subsection, whichever is later) to take appropriate steps, which may include arbitration, to discharge its obligations under international law toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be, and such suspension shall continue until he is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

" '(f) No assistance shall be furnished under this Act, as amended (except section 214(b), to any Communist country. This restriction may not be waived pursuant to any authority contained in this Act unless the President finds and promptly reports to Congress that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism. For the purposes of this subsection, the phrase "Communist country" shall include specifically, but not be limited to, the following countries:

" 'Peoples Republic of Albania,
" 'Peoples Republic of Bulgaria,
" 'Peoples Republic of China,
" 'Czechoslovak Socialist Republic,
" 'German Democratic Republic (East Germany),
" 'Estonia,
" 'Hungarian Peoples Republic,
" 'Latvia,
" 'Lithuania,
" 'North Korean Peoples Republic,
" 'North Vietnam,
" 'Outer Mongolia-Mongolian Peoples Republic,
" 'Polish Peoples Republic,
" 'Rumanian Peoples Republic,
" 'Tibet,
" 'Federal Peoples Republic of Yugoslavia,
" 'Cuba, and
" 'Union of Soviet Socialist Republics.

" '(g) Notwithstanding any other provision of law, no monetary assistance shall be made available under this Act to any government or political subdivision or agency of such government which will be used to compensate owners for expropriated or nationalized property and, upon finding by the President that such assistance has been used by any government for such purpose, no further assistance under this Act shall be furnished to such government until appropriate reimbursement is made to the United States for sums so diverted.

" '(h) The President shall adopt regulations and establish procedures to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries.'

"Chapter 2—Administrative provisions

"SEC. 302. Chapter 2 of part III of the Foreign Assistance Act of 1961, as amended, which relates to administrative provisions, is amended as follows:

"(a) In section 621, which relates to exercise of functions, delete '(a)' and strike out subsections (b), (c), (d), and (e).

"(b) Amend section 624, which relates to statutory officers, by striking out subsection (d) and redesignating subsection (e) as subsection '(d)', inserting in paragraph 2(A) of redesignated subsection (d) ', and programs being conducted by United States Government agencies under Public Law 86-735,' after 'Peace Corps', and inserting in paragraphs (5) and (7) of redesignated subsection (d) ', and Public Law 86-735' after 'part II of this Act'.

"(c) Amend section 625, which relates to employment of personnel, as follows:

"(1) In subsection (b) strike out 'seventy-six' in the first sentence and substitute 'one hundred and ten'.

"(2) In subsection (d) add the following proviso before the period at the end of paragraph (2): ': *Provided further,* That, whenever the President determines it to be important for the purposes of this Act, the President may initially assign personnel under this paragraph for duty within the United States for a period not to exceed two years for the purpose of preparation for assignment outside the United States; however, the authority contained in this proviso may not be exercised with respect to more than thirty persons in the aggregate.'

"(3) Amend subsection (f) to read as follows:

" '(f) Funds provided for in agreements with foreign countries for the furnishing of services under this Act with respect to specific projects shall be deemed to be obligated for the services of personnel employed by agencies of the United States Government (other than the agencies primarily responsible for administering part I or part II of this Act) as well as personnel not employed by the United States Government.'

"(d) In section 629(b), which relates to status of personnel detailed, strike out '624 (e)' in the first sentence and substitute '624(d)'.

"(e) In section 634(a), which relates to reports and information, insert the following before the period at the end of the second sentence: 'and on progress under the freedom of navigation and nondiscrimination declaration contained in section 102'.

"(f) (1) In section 634(d), which relates to reports and information, strike out 'In January of each year' and 'preceding twelve months' in the first sentence and substitute 'At the end of each fiscal year' and 'fiscal year', respectively.

"(2) After the first sentence of such section 634(d) insert the following: 'There shall also be included in the presentation material submitted to the Congress during its consideration of amendments to this Act, or of any Act appropriating funds pursuant to authorizations contained in this Act, a comparison of the current fiscal year programs and activities with those presented to the Congress in the previous year and an explanation of any substantial changes.'

"(g) In section 635(h), which relates to general authorities, strike out 'and V' and substitute ', V, and VI' and strike out 'made'.

"(h) Amend section 637, which relates to administrative expenses, as follows:

"(1) In subsection (a) strike out '1962' and '$50,000,000' and substitute '1963' and '$53,000,000', respectively.

"(2) In subsection (b) strike out 'to the Secretary of State'.

"Chapter 3—Miscellaneous provisions

"SEC. 303. Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended, which relates to miscellaneous provisions, is amended as follows:

"(a) Section 643, which relates to saving provisions, is amended by striking out subsection (d).

"(b) Section 644(m), which relates to definitions, is amended by striking out 'as grant assistance' in subparagraphs (2) and (3).

"(c) Section 645, which relates to unexpended balances is amended by inserting 'this Act or' after 'pursuant to'.

"PART IV—AMENDMENTS TO OTHER LAWS

"SEC. 401. Part IV of the Foreign Assistance Act of 1961, as amended, is repealed, which repeal shall not be deemed to affect amendments contained in such part.

"SEC. 402. Section 2 of the Act of August 1, 1956 (70 Stat. 890), as amended, is further amended by adding after paragraph (a) the following new paragraph:

"'(b) for the purpose of promoting and maintaining friendly relations with foreign countries through the prompt settlement of certain claims, settle and pay any meritorious claim against the United States which is presented by a government of a foreign country for damage to or loss of real or personal property of, or personal injury to or death of, any national of such foreign country: *Provided,* That such claim is not cognizable under any other statute or international agreement of the United States and can be settled for not more than $15,000 or the foreign currency equivalent thereof.'

"SEC. 403. Section 102(a)(3) of the Mutual Educational and Cultural Exchange Act of 1961 (Public Law 87-256, approved September 21, 1961) is hereby amended by inserting the word 'abroad' after the word 'expositions'. The amendment made by this section shall not be applicable with respect to any fair or exposition within the United States for which an appropriation has been provided.

"SEC. 404. The first section of the Act authorizing participation in the Interparliamentary Union (22 U.S.C. 276) is amended to read as follows:

"'An appropriation of $48,000 annually is authorized, $21,000 of which shall be for the annual contributions of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the promotion of international arbitration; and $27,000, or so much thereof as may be necessary, to assist in meeting the expenses of the American group of the Interparliamentary Union for each fiscal year for which an appropriation is made, such appropriation to be disbursed on vouchers to be approved by the President and the executive secretary of the American group'."

And the House agree to the same.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WAYNE L. HAYS,
ROBERT B. CHIPERFIELD,
WALTER H. JUDD,
Managers on the Part of the House.

J. W. FULBRIGHT,
JOHN SPARKMAN,
H. H. HUMPHREY,
MIKE MANSFIELD,
B. B. HICKENLOOPER,
GEORGE AIKEN,
HOMER E. CAPEHART,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference of the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the Senate bill and the House amendment. Except for clarifying, clerical, and necessary conforming changes, the differences are noted below.

INTRODUCTION

The House amendment to the bill (S. 2996) contained an authorization of $1,815,400,000 for fiscal year 1963, plus $600 million for each of fiscal years 1964, 1965, and 1966 for the Alliance for Progress.

The Senate bill provided an authorization for an appropriation of $1,908,900,000 for fiscal year 1963, plus $800 million for each of fiscal years 1964, 1965, and 1966 for the Alliance for Progress.

The committee of conference adjusted the differences in amounts as shown in the following table and agreed on a total authorization for fiscal year 1963 of $1,818,900,000 plus $600 million for each of fiscal years 1964, 1965, and 1966 for the Alliance for Progress.

Foreign assistance funds, fiscal year 1963

Activity	Senate bill	House amendment	Conference agreement	Adjustment against Senate bill	Adjustment against House amendment
Development grants, sec. 212	$300,000,000	$300,000,000	$300,000,000		
Reserve for investment guarantees, sec. 222(f)	100,000,000	(1)	(2)	2 −$100,000,000	(2)
Investment surveys, sec. 232	5,000,000	1,500,000	2,000,000	−3,000,000	+$500,000
Alliance for Progress, sec. 252:					
For fiscal year 1963	600,000,000	600,000,000	600,000,000		
For fiscal years 1964-66	2,400,000,000	1,800,000,000	1,800,000,000	−600,000,000	
International organizations, sec. 302	148,900,000	148,900,000	148,900,000		
Supporting assistance, sec. 402	400,000,000	440,000,000	415,000,000	+15,000,000	−25,000,000
Contingency fund, sec. 451(a)	300,000,000	275,000,000	300,000,000		+25,000,000
Administrative expenses, sec. 637(a)	55,000,000	50,000,000	53,000,000	−2,000,000	+3,000,000
Total	4,308,900,000	3 3,615,400,000	3,618,900,000	−690,000,000	+3,500,000
Total for fiscal year 1963 only (excludes Alliance for Progress for fiscal years 1964-66)	1,908,900,000	3 1,815,400,000	1,818,900,000	−90,000,000	+3,500,000

[1] The Committee on Foreign Affairs reported $100,000,000. This was amended on the floor to provide continuing authorization with no amount specified.

[2] The committee of conference accepted the text of the House amendment that provides a continuing authorization with no amount specified.

[3] Totals do not include sums authorized for reserve for investment guarantees. Senate provided $100,000,000; House authorized such amounts as may be necessary.

DISCRIMINATION BASED ON RACE, COLOR, OR RELIGION (SEC. 101(a))

Section 101(a) of the House amendment contained an addition to the fifth paragraph of the statement of policy in section 102 of the act which declared that any attempt by foreign nations to make distinctions between American citizens because of race, color, or religion in the granting of personal or commercial access or in the exercise of any other rights available to American citizens, or the use by any such nation of U.S. assistance to carry out any program or activity in the course of which discrimination was practiced against any U.S. citizen by reason of his race, color, or religion, was repugnant to our principles. It also provided that these principles should be applied in all negotiations with any foreign nation with respect to any funds appropriated under authority of the act and that the Secretary of State should report annually on the measures taken to apply these principles.

The Senate bill contained no corresponding provision.

The managers on the part of the House accepted a revision of the provision of the House amendment which constitutes a clear and strong declaration of the attitude of the United States toward distinctions made by foreign nations between American citizens because of race, color, or religion in the granting of or the exercise of rights to which all American citizens are entitled.

The change in the language agreed to should not be interpreted as an indication that the Congress is reconciled to the present state of affairs or that it is opposed to the administration of U.S. assistance programs in such a way as to discourage the violation of the rights of all American citizens. Strong and continuous action must be taken to end the present discriminations practiced by certain countries against Americans with respect to personal and commercial access, and the availability of U.S. assistance must be influenced by the attitudes and policies of its recipients.

Section 302(e) of the bill requires an annual report from the President on progress in the elimination of such discriminations.

INTERNATIONAL DEVELOPMENT AND ASSISTANCE MISSIONS (SEC. 101(C))

Section 101(c) of the Senate bill added a new provision at the end of the statement of policy in section 102 of the act which declared that it was the sense of the Congress that, where feasible, the U.S. Government should invite friendly nations to join in missions to consult with countries which were recipients of assistance under part I on the possibilities for joint action to assure the effective development of plans for the economic development of such recipient countries and the effective use of assistance provided them, and that the President might request the assistance of the International Bank for Reconstruction and Development (World Bank) in bringing about the establishment of such missions.

The House amendment contained no corresponding provision.

The House receded with an amendment that deleted the specific reference to the International Bank for Reconstruction and Development and substituted therefor the reference to "international financial institutions." This phrase is not intended to be limited solely to banking type institutions. There are a number of institutions that may be equally helpful in assisting in the establishment of the missions envisioned in the new language. Included among these are the Development Assistance Committee of the Organization for Economic Cooperation and Development, the Inter-American Development Bank and the panel of experts under the auspices of the Organization of American States working in the Latin American area.

RESERVATION OF DEVELOPMENT LOAN AND ALLIANCE FOR PROGRESS FUNDS (SEC. 102 AND SEC. 106)

Sections 102 and 105 of the House amendment prohibited committing or setting aside more than $50,000 in development loan or Alliance for Progress funds for use in any country unless an application for such funds had been received with sufficient assurances to indicate that the funds would be used in a sound manner or the President determined that it was in the national interest to use such funds pursuant to multilateral plans.

The Senate bill contained no comparable provisions.

The committee of conference accepted the provision contained in the House amendment, except that the ceiling limitation on the funds which might be allocated, reserved, earmarked or committed was increased from $50,000 to $100,000.

The managers on the part of the House believe that this increase of the ceiling is not sufficiently large to diminish the effectiveness of this provision.

HOUSING GUARANTIES (SEC. 104(A)(2))

Section 103(a)(2) of the House amendment authorized extended risk guaranties against loss "in whole or in part" of loan investments for housing projects.

Section 103(a)(2) of the Senate bill authorized extended risk guaranties for loan investment for housing projects "with appropriate participation by the private investor in the loan risk."

The managers on the part of the House accepted the Senate language in the belief that the requirement of "appropriate participation by the private investor" provided a desirable safeguard while permitting the loan risk insured in the case of housing projects to approach 100 percent only when necessary.

The managers on the part of the House concurred in the view of the committee of conference that it should be possible in most instances to attract loan investment in housing projects without a 100-percent guaranty, while recognizing that flexibility was necessary to deal with special situations. It is understood that the investor may seek other security for the portion of his investment not guaranteed under the program.

CEILING ON EXTENDED RISK GUARANTIES OF LOAN INVESTMENTS (SEC. 104(A)(3))

Section 103(a)(3) of the Senate bill raised the present $10 million ceiling on the face value of any guaranty on a loan investment which might be covered by extended risk guaranties to $25 million.

The House amendment contained no comparable provision.

The managers on the part of the House accepted the Senate provision. They were persuaded that the limitation of $10 million on individual guaranties, which is in existing law, has the effect of retarding private investment in less developed countries.

Since the Government guaranties only part of each investment and the private investor takes the risk on the balance, this amendment, raising the ceiling from $10 to $25 million on individual guaranties, can be expected to promote private development loans that are bigger than the $25 million limit now set on the amount of any Government guaranty.

SURVEYS OF INVESTMENT OPPORTUNITIES (SEC. 105)

Section 104 of the Senate bill authorized an appropriation of $5 million for fiscal year 1963 for investment surveys.

The House amendment authorized an appropriation of $1.5 million for this purpose.

The committee of conference agreed to an authorization of $2 million.

The 1961 act authorized the President to encourage the undertaking by private enterprise of surveys of investment opportunities in less developed friendly countries by agreeing to share up to 50 percent of the cost of these surveys. While the establishment of the program has been slow, inquiries already total more than 100. The first contract was signed recently. Policy guidance for the program has been revised and simplified forms have been developed. The committee of conference recognized that activities in the private sector under the foreign aid program are difficult to establish. The managers on the part of the House believe that the amount authorized will be adequate to move this program forward.

REPATRIATION OF CAPITAL UNDER ALLIANCE FOR PROGRESS (SEC. 106)

Section 105 of the Senate bill required the President, in making loans under the Alliance for Progress, to take into account the efforts made by recipient countries to repatriate capital invested in other countries by their own citizens.

The House amendment contained no comparable provision.

The managers on the part of the House accepted the Senate language. In self-help measures this consideration should be given a high priority.

COMMERCE COMMITTEE FOR ALLIANCE FOR PROGRESS (SEC. 106)

Section 105 of the Senate bill provided that in furnishing assistance under the Alliance for Progress title, the Agency for International Development, or any other departments and agencies designated by the President, shall provide such assistance as may be determined by the President to be necessary to make effective the efforts of the Commerce Committee for the Alliance for Progress.

The House version contained no corresponding provision.

The managers on the part of the House accepted the Senate version. Within the Department of Commerce there has been established a Commerce Committee for the Alliance for Progress. Its members include prominent citizens in the business community who are particularly interested in the Latin American area. Their functions are advisory in character. The committee of conference commends the Department of Commerce for this initiative. The Commerce Committee can be an important catalyst in stimulating greater efforts by private business in contributing to the success of the Alliance for Progress.

ALLIANCE FOR PROGRESS AUTHORIZATION (SEC. 106)

Section 105 of the Senate bill authorized an appropriation of $600 million for fiscal year 1963 and $800 million for each of the fiscal years 1964 through 1966 for the Alliance for Progress.

The House amendment authorized an appropriation of $600 million for each of the fiscal years 1963 through 1966 for the Alliance for Progress.

The committee of conference accepted the House figure of $600 million for each of the fiscal years 1964, 1965, and 1966. This action by the committee of conference does not indicate any lack of approval of or support for the Alliance for Progress. The acceptance of the lower figure reflects the absence of factual justification for the $800 million figure for future years. Consideration will be given to increasing the authorization when there is tangible evidence that progress in the program makes additional funds necessary.

PROHIBITION OF SUPPORT TO UNITED NATIONS

Section 106(b) of the House amendment prohibited the use of funds appropriated pursuant to the International Organizations chapter of the Foreign Assistance Act or pursuant to any other law for loans or grants to the United Nations or to purchase United Nations bonds until all U.N. members had paid in full their share of United Nations expenses. An exception to this limitation was made, permitting U.S. payment of its assessed share of United Nations expenses.

The Senate bill contained no comparable provision.

The committee of conference agreed to the elimination of the House provision. The managers on the part of the House were convinced that this provision was more far reaching in its effects than was apparent at the time of its consideration by the House. Although it would be possible for the United States to continue to pay its regular assessment to meet United Nations expenses, the United States, under the language approved by the House, could not make voluntary contributions to the Children's Fund, the U.N. technical assistance programs, and other U.N. operations which are entirely dependent on voluntary contributions from U.N. members, as long as any U.N. member was in arrears in its payments.

Any effectiveness which the House provision might have had in encouraging U.N. members friendly to the United States to meet their arrearages would be more than offset by the incentive which the provision would give to Communist countries to refuse to meet their payments in order to prevent U.S. participation in United Nations activities of which the Communist nations disapprove. The amendment would thus have the effect of enhancing the power and influence of obstructionist Communist countries in the United Nations and correspondingly weakening the influence of the United States.

The five permanent members of the United Nations Security Council have the right to veto a proposed Security Council resolution.

In effect, the provision of the House amendment would give to each of the more than 100 U.N. members a power to veto the conduct of U.S. foreign policy through the United Nations and its agencies.

AUTHORIZATIONS FOR SUPPORTING ASSISTANCE (SEC. 108) AND FOR CONTINGENCY FUND (SEC. 109)

Section 107 of the Senate bill authorized an appropriation of $400 million for supporting assistance and section 108 of the Senate bill authorized an appropriation of $300 million for the contingency fund.

The House amendment authorized an appropriation of $440 million for supporting assistance and an appropriation of $275 million for the contingency fund.

The managers on the part of the House, rather than splitting the difference between the Senate and the House figures in each case, accepted a compromise by which the authorization for supporting assistance was reduced by $25 million (from $440 million in the House amendment to $415 million) and the authorization for the contingency fund contained in the House amendment was increased by $25 million (from $275 million to $300 million).

The managers on the part of the House accepted the argument that this compromise, which does not increase the total authorization approved by the House, by placing in the contingency fund a greater proportion of the total funds authorized, gives greater assurance that such funds will be effectively used if unforeseen developments occur.

PROVISION ON GRANTS OF MILITARY EQUIPMENT AND SUPPLIES (SEC. 201(A))

Section 201(a) of the Senate bill required the President to reduce and terminate with deliberate speed grants of military equipment and supplies to any country having sufficient wealth to enable it in the judgment of the President to maintain its own military forces without undue burden to its economy.

The House amendment contained no comparable provision.

The managers on the part of the House accepted the Senate provision. They concurred in the position taken by the managers on the part of the Senate that a more vigorous effort should be made to encourage those foreign governments which have attained a high level of prosperity to assume larger responsibility for the maintenance and equipment of their own military forces. They do not consider the provision to be inconsistent with the statement of policy contained in section 502 of the act, which urges the expansion of multilateral programs of coordinated procurement, research, production, and development, particularly to further the defense of the North Atlantic area.

CONDITIONS OF ELIGIBILITY (SEC. 201(A))

Section 201(a) of the House amendment provided that any country which hereinafter used defense articles or defense services furnished such country under this act, the Mutual Security Act of 1954, as amended, or any predecessor foreign assistance act, where such use was in violation of the provisions of the military assistance chapter or any agreements entered into pursuant to any of such acts, should be immediately ineligible for further assistance.

The Senate bill contained no comparable provision.

The committee of conference accepted the House provision with an amendment which provided that in order for the section to become operative there must be a "substantial" violation of the provisions of the military assistance chapter or applicable agreements. The purpose of this amendment is to make clear that minor instances of diversion or improper uses would not work to make countries ineligible for further military assistance.

PROHIBITION ON INCREASING FUNDS FOR ADMINISTRATIVE EXPENSES (SEC. 301(A))

Section 301(b) of the Senate bill prohibited the use of the President's special authorities to increase funds made available for administrative expenses under the act.

The House amendment contained no comparable provision.

Starting in 1955, there has been a tendency to use the transfer authority to increase administrative funds. In 1959 Congress adopted a prohibition on such transfers. When the act was rewritten last year, this prohibition was omitted at the request of the executive branch, owing to the extensive reorganization that was in process. During the last fiscal year, the transfer and special discretionary authorities of the act (secs. 610 and 614) have been used to transfer $5 million from the contingency fund to the administrative funds.

The committee of conference regards this transfer authority to increase administrative funds as no longer necessary. Therefore, the managers on the part of the House accepted the language of the Senate bill.

At the same time the managers on the part of the House agreed to an authorization of $53 million for administrative expenses, an increase of $3 million over that contained in the House amendment and $2 million less than that in the House bill.

ASSISTANCE TO COUNTRIES ASSISTING CUBA (SEC. 301(D)(1))

Section 301(c) of the House amendment prohibited assistance under the act to any country which assisted the present Government of Cuba unless the President determined that such assistance was in the national and hemispheric interest of the United States.

The Senate bill contained no comparable provision.

The committee of conference accepted the House provision with two clarifying amendments. The first makes clear that the President has discretion when he determines it to be in the national interest to give assistance to countries furnishing assistance to Cuba but that this section does not grant such discretion with respect to giving aid to Cuba.

The phrase "and hemispheric interest" was eliminated because the President might find that assistance to a country outside the Western Hemisphere was in the national interest but would not necessarily affect the hemispheric interest of the United States.

COLLECTION OF PRIVATE DEBTS (SEC. 301(D)(2))

Section 301(e)(1) of the Senate bill amended section 620(c) of the act to prohibit assistance to any country which was indebted to a U.S. citizen for goods or services furnished or ordered where (1) the citizen had exhausted legal remedies including arbitration, or (2) the debt was not denied by the government, or (3) the debt arose under an unconditional guaranty of payment by the government or any predecessor government, provided the President did not find such action contrary to the national security.

The House amendment (sec. 301(d)) amended section 620(c) of the act to prohibit assistance to any country which was indebted to a U.S. citizen for goods or services furnished or ordered where the citizen had exhausted legal remedies and either the government did not deny the debt or the debt arose under an unconditional guaranty of payment by the government or any predecessor government.

The managers on the part of the House accepted the Senate provision with a clarifying amendment. The words "or person" were added to the words "United States citizen" when it occurs in order to make clear that corporations and other business entities were included.

The Senate language included a reference to arbitration not contained in the House amendment which the managers on the part of the House believe will give added protection to the American businessman.

ASSISTANCE TO COUNTRIES WHICH EXPROPRIATE AMERICAN PROPERTY (SEC. 301(D)(3))

Section 301(e)(2) of the Senate bill prohibited assistance under the act to any country which expropriated American property after January 1, 1962, or had imposed discriminatory conditions on such property and had failed within 6 months to take appropriate steps to discharge its obligations under international law to the owner including payment in foreign exchange. No waiver of the provision was permitted.

The House amendment (sec. 302(e)) prohibited assistance under the act to any country which had expropriated American property after January 1, 1962, or had imposed discriminatory conditions which had the effect of expropriating such property and had failed within 6 months to take appropriate steps to discharge its obligations as required by international law. No waiver of the provision was permitted.

The committee of conference agreed to the House language with two minor amendments. The first specifies that the appropriate steps to be taken "may include arbitration". The second qualifies the "obligations" of the expropriating country toward U.S. citizens or entities as obligations "under international law."

ASSISTANCE TO COMMUNIST COUNTRIES (SEC. 301(D)(3))

The Senate bill (sec. 301(e)) prohibited assistance under the act and sales and gifts of commodities under Public Law 480 to countries known to be dominated by communism and Marxism, and denied authority to waive this prohibition. It further stated that this prohibition should not be deemed to prohibit assistance under Public Law 480 if the President made certain enumerated findings.

The House amendment prohibited assistance under the act to Communist countries and provided that the prohibition might not be waived unless the President made certain enumerated findings. It also included a specific listing of Communist countries.

The committee of conference agreed to the House provision with an amendment which permits the continuation of the use of foreign currencies to assist the American Research Hospital for Children in Krakow, Poland, being constructed under the authority of section 214(b) of the Foreign Assistance Act of 1961.

PROHIBITION OF ASSISTANCE TO PAY COMPENSATION FOR EXPROPRIATED PROPERTY (SEC. 301(D)(3))

Section 301(e) of the House amendment prohibited use of monetary assistance under the act to compensate owners for expropriated or nationalized property, and, on a finding that such funds had been diverted for this purpose, prohibited assistance to the country until reimbursement was made to the United States.

The Senate bill contained no corresponding provision.

The committee of conference agreed to the House provision with a clarifying amendment which substituted "the President" for "the Administrator," which made reference to "such assistance" rather than "such funds" and substituted the word "used" for the word "diverted".

EXPECTED POSITIONS (302(C)(1))

Section 302(c)(1) of the Senate bill increased to 125 the number of persons employed to administer part I or coordinate part I and part II of the act, who might be appointed or removed without regard to any law.

The House amendment increased the number of such persons to 100.

The managers on the part of the House accepted a compromise figure of 110, an increase of 10 above the number authorized by the House amendment and a decrease of 15 below the number authorized by the Senate bill.

REPORTS ON DEPARTURES FROM ILLUSTRATIVE PROGRAMS (SEC. 302(f))

Section 302(f) of the House amendment amended section 634(d) of the act in two respects:

(1) it changed the present requirement of that section for a report to Congress in January of each year on assistance furnished during the preceding twelve months which differed substantially from the presentation to Congress to a requirement for such a report at the end of each fiscal year covering that fiscal year; and

(2) it required that there be included in the annual presentation to the Congress a comparison of current fiscal year programs and activities with those presented in the previous year and an explanation of any changes.

The Senate bill contained no comparable provisions.

The committee of conference accepted the language of the House amendment with one modification. The word "substantial" was inserted before "changes" to indicate that minor adjustments in particular programs need not be reported. It is the understanding of the committee of conference that program changes in excess of $50,000 are to be included in the scope of the new language.

ADMINISTRATIVE EXPENSE AUTHORIZATION (SEC. 203(h))

Section 302(g)(1) of the Senate bill authorized an appropriation of $55 million for Agency for International Development (AID) expenses for fiscal year 1963.

The House amendment (sec. 302(h)) authorized an appropriation of $50 million for this purpose.

The managers on the part of the House agreed to an authorization of $53 million. The increase over the amount contained in the House amendment must be considered in conjunction with the prohibition upon transfer of funds from other sections of the law into the administrative funds provided in section 301(b) of the bill.

INTERNATIONAL FAIRS IN THE UNITED STATES (SEC. 403)

Section 403 of the Senate bill amended the Mutual Educational and Cultural Exchange Act of 1961 so as to confine the authority of that act for U.S. participation in international fairs to those held abroad.

The House amendment contained no corresponding language.

The managers on the part of the House accepted the Senate language. This makes clear that U.S. participation in fairs is limited to fairs held abroad. This conforms to the long-established practice by which Congress authorizes on an individual basis U.S. participation in major fairs held in this country.

INTERPARLIAMENTARY UNION (404)

Section 404 of the Senate bill amended the act authorizing U.S. participation in the Interparliamentary Union to increase from $18,000 to $21,000 the amount of funds available for contributions to the Bureau of the Union and to decrease correspondingly the amount available for expenses of the American group in the Union from $30,000 to $27,000.

The House amendment contained no corresponding provision.

For the past 3 years and for fiscal year 1963, the amount required for contributions to the Bureau of the Interparliamentary Union has been $21,000, not $18,000. The contribution amount is raised by this amendment to the amount actually required to meet the U.S. obligation.

Thomas E. Morgan,
Clement J. Zablocki,
Wayne L. Hays,
Robert B. Chiperfield,
Walter H. Judd,
Managers on the Part of the House.

The SPEAKER. The gentleman from Pennsylvania [Mr. Morgan] is recognized for 1 hour.

Mr. MORGAN. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, the conference report which I bring back to the House this morning provides ample evidence that the managers on the part of the House have done a good job in defending the House bill.

The total authorization in the Senate bill was $4,308,900,000. The total authorization in the House bill was $3,615,400,000, plus a continuing authorization without a dollar limit for an appropriation for the reserve for investment guarantees. The bill we bring back from conference authorizes $3,618,900,000—a figure which is only $3,500,000 higher than the authorization approved by the House.

The table on page 12 of the conference report gives a detailed statement of the figures contained in the bill as agreed upon. We have not been able to devise any way by which it is possible to get an accurate impression without reading the footnotes to the table. The problem arises from the fact that the Senate bill included an authorization for an appropriation for the reserve for investment guarantees of $100 million. The House bill contained a continuing authorization of such amounts as may be necessary from time to time to carry out the purposes of this title. The Senate receded and accepted the House provision. For this reason, a specific authorization of $100 million has been eliminated from the Senate bill. It is not correct, however, to regard this elimination of the $100 million figure as a reduction of the authorization contained in the Senate bill by this amount since the bill now authorizes an appropriation which could substantially exceed the $100 million figure.

With respect to the funds authorized, the House made only two concessions to the Senate:

The House approved an authorization of $1,500,000 for investment surveys, while the Senate approved an authorization of $5 million for this purpose. The conference agreed to a figure of $2 million—an increase of $500,000 above the House figure and a decrease of $3 million below the Senate figure.

The other concession made by the House conferees with respect to money involved administrative expenses. The House bill authorized $50 million for administrative expenses and the Senate bill authorized $55 million for this purpose. The figure finally agreed upon was $53 million—an increase of $3 million above the House bill and a decrease of $2 million from the Senate bill.

Let me call your attention, however, to the fact that the Senate bill contained language prohibiting the use of the transfer authority which is in the Foreign Assistance Act to increase the funds available for administrative expenses. The House bill did not contain such a provision. The House receded and accepted the Senate language. The result is that although we agreed to an increase of $3 million in the funds available for administrative expenses, we eliminated authority contained in existing law to increase that amount by transfer. This transfer authority had been used during fiscal 1962 to increase the funds available for administrative expenses by $5 million.

The managers for the House agreed to a shifting of funds from supporting assistance to the contingency fund which did not affect the total authorization contained in the House bill. The House had approved an authorization for supporting assistance of $440 million while the Senate figure was $400 million. With respect to the contingency fund, however, the House had approved an authorization of $275 million while the Senate figure was $300 million. The conferees agreed to increase the contingency fund authorization by $25 million and to reduce the authorization for supporting assistance contained in the House bill by $25 million—an equivalent amount. The result was that supporting assistance was cut from $440 million to $415 million while the contingency fund was increased from $275 million to $300 million. There was no difference in the total authorization of the House bill, however.

The only major provision of the House bill on which the managers on the part of the House receded was the prohibition of support to the United Nations adopted on the floor of the House as a result of an amendment offered by the gentleman from Iowa [Mr. Gross]. The Senate conferees stood very firmly against this provision and were less insistent in their demands for modification of the Casey amendment relating to assistance to Poland and Yugoslavia and for modification of the House language relating to expropriation than would have been the case had the House managers not made this concession.

The language of the Casey amendment prohibiting aid to Communist countries has been brought back unchanged, except for authority to utilize foreign currencies owned by the United States for hospitals outside the United States founded or sponsored by U.S. citizens and serving as centers for medical treatment, education, and research. This exception was made in order that a children's hospital now under construction in Krakow, Poland, could be completed. The United States has a substantial surplus of Polish zlotys which it is unable to use under present conditions. The United States has already contributed $1,550,000 worth of zlotys for this hospital, and the steel frame for the building has already been erected. A fund of $3 million to equip the hospital is being raised by private contributions in the United States. There is strong support for this hospital in the Senate as there is in the House. I believe there will be general agreement that it would hurt the United States and help Khrushchev if this hospital for the children of Poland is left unfinished.

The provision contained in the House bill relating to expropriation was accepted by the conference with the addition of two phrases. The first includes the words "may include arbitration" among the appropriate steps to be taken, and the second qualifies the "obligations" of the expropriating country toward U.S. citizens or entitles as obligations "under international law." The addition of these phrases was suggested by advocates of a tough U.S. policy toward expropriation as strengthening the language of the House provision.

An examination of the conference report will show that while it was necessary for the managers on the part of the House to accept compromises in a number of positions, these compromises have retained the spirit and the effectiveness of the language. For instance, the amendment proposed by the gentleman from Virginia [Mr. HARDY], which was adopted on the House floor, prohibiting the committing or setting aside of more than $50,000 of Development Loan Fund or Alliance for Progress funds unless an application for such funds had been received, together with sufficient assurances to indicate that the funds would be used in a sound manner, was agreed to by the conference although the ceiling of $50,000 was increased to $100,000. Since most loan transactions involve magnitudes of more than $1 million rather than sums of $50,000, this modification accepted by the House conferees should not diminish the effectiveness of the House provision.

It is necessary in any conference to make concessions and to compromise. I am sure that a careful examination of the conference report will indicate that the managers on the part of the House have effectively defended the House bill and that the bill we have brought back preserves in most instances the bill approved by the House.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield.

Mr. GROSS. How firm did the House conferees stand on this matter of allowing the President to purchase U.N. bonds?

Mr. MORGAN. They stood very firm on the gentleman's amendment.

Mr. GROSS. The conference was over in a matter of a couple of hours, was it not?

Mr. MORGAN. No. It was a long conference. The conference lasted all day.

Mr. GROSS. All day?

Mr. MORGAN. All day, until 7:30 in the evening.

Mr. GROSS. But the House conferees did not stand firm enough; the Senate prevailed.

Mr. MORGAN. The House conferees took a firm stand on the gentleman's amendment, I assure the gentleman.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield.

Mr. HALEY. Under the language now contained in the authorization is it possible for a President of the United States to purchase $100 million of U.N. bonds? Is there any such authority in the bill?

Mr. MORGAN. No, there is no such authority in this bill. As the gentleman knows, the Committee on Foreign Affairs is now holding hearings on the U.N. bond purchase. The hearings will be completed in a couple of days, and the committee will start marking up the bill. It is the intention of the Committee on Foreign Affairs to bring up separate legislation on the purchase of U.N. bonds.

Mr. HALEY. But is the authority in the language of this authorization broad enough to permit the President to purchase $100 million of U.N. bonds? Is there any authority in this bill under which the President could do that?

Mr. MORGAN. Well, it might be possible to stretch the authority under the contingency fund, but there is not enough money to operate the contingency fund to take care of the emergencies that may occur all around the world and to finance the U.N. bond issue.

Mr. HALEY. I thank the gentleman. I hope there is not. The House should clearly pass on that kind of a situation and this should not be done by some back-door method of approach.

Mr. ALGER. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Texas.

Mr. ALGER. I would like to ask the chairman in reference to page 16 of the conference report where it speaks of the Senate bill containing no comparable provision in the position of the support of the United Nations. The report says:

> The managers on the part of the House were convinced that this provision was more far reaching in its effects than was apparent at the time of its consideration by the House.

Am I correct in construing that to mean that the conferees felt that we did not know what we were doing in the House at that time?

Mr. MORGAN. The gentleman will remember that during the debate the vote on the amendment came quick. Those of us at the committee table, and I am including myself, had no opportunity to oppose or to debate the amendment. This is what we had in mind in the report.

Mr. ALGER. I have read the report, and it makes me feel that our House conferees have no defense at all when the House yielded in conference. I recognize the gentleman shared a different viewpoint, as did all the conferees, yet the House voted the other way.

Mr. MORGAN. I think the gentleman is incorrect. One of the conferees voted for the amendment of the floor.

Mr. ALGER. One of our conferees did?

Mr. MORGAN. Yes.

Mr. ALGER. But the others did not.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman from Pennsylvania says my amendment came quick. Did the amendment come any quicker than any other amendment to the bill?

Mr. MORGAN. The vote came quicker than on some of the other amendments.

Mr. GROSS. What does the gentleman mean by the statement that the amendment came too quick? I am sure a majority of the Members of the House were not taken off their feet by the amendment. I do not know exactly what the gentleman means when he says the amendment came quick.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. MORGAN. Mr. Speaker, I yield myself 2 minutes.

What I mean is this: The majority did not have time to examine the amendment nor to speak on it before it was called to a vote. That is why I used the term "quick."

Mr. ALGER. Mr. Speaker, will the gentleman yield further?

Mr. MORGAN. I yield to the gentleman from Texas.

Mr. ALGER. I do not, of course, understand the definition of "far reaching," more far reaching in its effect, on page 16, as I quoted before. Let me refer now to page 18 under the heading: "Assistance to Countries Assisting Cuba." In the last paragraph there seems to be a difference in language in that furnishing of assistance to Cuba was changed to giving aid to Cuba. Can the gentleman explain the difference? What are those two clarifying amendments that are mentioned?

Mr. MORGAN. The amendment referred to by the gentleman from Texas was offered by the gentleman from Florida [Mr. ROGERS] and contained the words "and hemispheric interest." The clarifying amendment eliminates the words "and in hemispheric interest." That strengthens the amendment, in the opinion of the conferees.

There was also a question whether the language adopted by the House gave the President discretion not provided under existing law to give aid to Cuba. The conference adopted clarifying language to make clear that the existing law, denying aid to Cuba, was not altered by the Rogers amendment.

Mr. ALGER. Does the gentleman think you have strengthened the amendment?

Mr. MORGAN. Yes.

Mr. ALGER. By permitting the President to go outside of the hemisphere and permit other countries to trade with Cuba. I cannot see that that strengthens it at all. It seems to me like it is broadening the discretion.

Mr. MORGAN. As the gentleman knows, there has to be a Presidential determination. We feel that with the Presidential determination the elimination of the words "and hemispheric interest" would strengthen the amendment.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Florida.

Mr. FASCELL. As a matter of fact, under the amendment now the President would have to find it is in the national interest.

Mr. MORGAN. Yes.

Mr. FASCELL. So it does strengthen the amendment.

Mr. MORGAN. Mr. Speaker, it is necessary in any conference to make concessions and compromises. There were 46 points of difference in this bill, even though the bill was short, the Senate receded to the House on 17 points and the House receded to the Senate on 11. The rest were compromised. I think this is a very good conference report, and I urge the House to adopt it.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Speaker, I think the gentleman from Pennsylvania has made a very good presentation of this conference report. However, one thing might be spelled out a little more definitely. He gave the figure that the conferees finally came out with, and he pointed out it was $3.5 million higher than the House figure but also $690 million lower than the Senate figure.

Mr. ALGER. Mr. Speaker, I am opposed to the conference report because I believe that our House conferees capitulated to the Senate conferees and both bodies' conferees lost to the President. The President succeeded in getting just what he wanted and the House and Senate lost out in the conference. The House lost the prohibition of support of U.N. bonds. The Senate lost any control over aid to Communist countries as the House amendment was taken. In like manner the assistance to Cuba, to countries which expropriate American property, the assistance to Communist nations under 214(b), counterpart money. The House and Senate conferees weakened the guidelines on spending. For these reasons I am opposed to this conference report.

Mr. GROSS. Mr. Speaker, the gentleman from Pennsylvania [Mr. MORGAN] says the House of Representatives was subjected to some kind of quick action and the gentleman from Minnesota [Mr. JUDD] says the Members were under some kind of misapprehension or spell when my amendment dealing with the financing of the United Nations was adopted.

The CONGRESSIONAL RECORD for July 11, 1962, when the foreign handout bill was before the House, clearly refutes both these statements. The RECORD shows that there was an aye-and-nay vote; then a division vote which I requested and which showed the amendment adopted 90 to 78. Thereupon, the gentleman from Pennsylvania demanded and obtained tellers and that vote was 124 to 112, again in favor of the amendment.

These three votes demonstrate beyond the slightest doubt that a majority of the Members present were neither the victims of quick action nor were they under any misapprehension about what they were doing. If either the gentleman from Pennsylvania [Mr. MORGAN] or the gentleman from Minnesota [Mr. JUDD] was convinced this was the case either or both of them could have requested a rollcall vote on the amendment. Neither of them did. What they did do was take the bill to conference and there they joined in scuttling my amendment.

The parliamentary situation today is such that it is impossible to offer the amendment to this conference report. But I can assure those who may be interested that it will be offered when the United Nations bond bill comes to the House floor unless that measure is considered under a gag rule.

Mr. MORGAN. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Speaker, during my 24 years of service in Congress I believe the most notable change in our Government is the tremendous expansion of our Federal Government both in manpower and in expenditures. This is particularly true in the foreign field.

In the 73d Congress—1934–35—the Foreign Affairs Committee of the House got around to legislation only in the second session when it passed nine minor public bills. None of these even remotely resembled a controversial issue. The money involved was a mere $102,000.

In 1938, the year I was first elected to Congress, the personnel strength of the State Department in Washington was 963 and the appropriation for that Department in Washington, for the Foreign Service, and for international organizations in which the United States participated was approximately $20 million. Now the State Department employs 21,800 people and the appropriation request for fiscal 1963 is $144,210,000. This does not include 12,350 AID employees, or the request this year for $4,800 million for foreign aid. The total foreign assistance under mutual security from 1946 to 1961 amounts to $90,510 million.

The last calendar of the Foreign Affairs Committee required 199 pages just to list the measures pending before it. The particular reason I mention this gargantuan increase of both personnel and Federal expenditures in the foreign field is that it reflects the role of worldwide leadership upon which this country has embarked. This in turn points out the tremendous responsibilities which have been placed not only upon the executive branch of our Government but upon the Congress as well.

While under the Constitution the President and the Secretary of State have the authority and the responsibility of carrying out our foreign policy, the Congress has had a corresponding responsibility because of its appropriating authority and providing guidelines for such expenditures.

If I were to commend my Foreign Affairs Committee it would be for its bipartisan or nonpartisan approach in solving our international problems. It is conceded that while we can afford to differ on our domestic problems, when we leave our shores we must present as unified a policy as possible. While individuals in the committee always have the right to their individual views, I believe the Foreign Affairs Committee has been particularly successful in not allowing partisan politics to influence their viewpoint. While at times the committee may have seemed to go off on a tangent, on the whole I believe it has kept the objectives of our foreign policy predominant and free from prejudice and uninformed propaganda of the moment.

There is an absolute need for closer cooperation and liaison between the Congress and the executive branch. During Secretary Acheson's tenure as Secretary of State he recognized the need and formalized a closer liaison which was followed by the Eisenhower administration and continues under the present one.

As I have pointed out, we have embarked upon a course of worldwide leadership in order to bring about peace and security not only for the United States but for the free world. I do not believe we can withdraw from this policy. It is for that reason I supported H.R. 11921 to implement our foreign assistance program, and now support the conference report.

In money amounts your House conferees were able to reduce the Senate bill by $690 million while the net adjustment against the House bill was an addition of only $3,500,000. This was accomplished mainly by cutting the Senate figure of $800 million for each of the fiscal years 1964, 1965, and 1966 for the Alliance for Progress to $600 million for each of these years.

One of the main issues before the Congress was the question of assistance to Communist countries. The Senate had a flat prohibition against such aid. The conferees agreed on an amendment which only permitted such aid when the President made certain enumerated finding; namely, first, such assistance is vital to the security of the United States; second, the recipient country is not controlled by the international Communist conspiracy; and third, such assistance will further promote the independence of the recipient country from international communism.

Another controversial issue was prohibition of support to the United Nations until all the members paid in full their share of expenses. Although this limitation permitted the United States to make payment of its assessed share of United Nations expenses, it prevented voluntary contributions to the Children's Fund, the United Nations technical assistance program and a number of other operations as long as any United Nations member was in arrears in its payments. The Senate conferees were adamant against this provision and the House conferees felt it would be an incentive to the Communist countries to refuse to meet their payments in order to prevent U.S. participation in United Nations activities which the Communist nations disapprove. The amendment seemed to go too far and to tend to destroy the effectiveness of the United Nations, so the House conferees receded on this point.

The House conferees did insist on a strong statement of policy against discrimination against U.S. citizens because of race, color, or religion.

I believe on the whole the conference report strengthened the Foreign Assistance Act and a study of the report will indicate the House receded 11 times and the Senate receded 17 times. Therefore, it is evident the House substantially maintained its position and I favor the adoption of the conference report.

Mr. MORGAN. Mr. Speaker, I yield such time as he may desire to the gentleman from Wisconsin [Mr. Zablocki].

Mr. ZABLOCKI. Mr. Speaker, I rise to urge the adoption of the conference report on the Foreign Assistance Act of 1962.

The managers on the part of the House have worked hard to bring from the conference a report which would approximate as closely as possible the House-approved version of this legislation. I believe that we have succeeded in this task. I wish, therefore, to take this opportunity to commend the chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. Morgan] and the other House conferees for their dedicated and effective efforts.

Mr. Speaker, there are three main reasons why I believe this conference report should be adopted overwhelmingly by the House:

First, of the 47 provisions of this legislation in which the disagreements between the two Houses was resolved by the conference committee, the version supported by the House conferees prevailed in 32 instances. This is an outstanding record. The conference report is very close to the contents of the House-approved bill.

Second, the conference report—insofar as the authorization of funds is concerned—is only $3.5 million higher than the House-approved bill, but close to $700 million less than the Senate version of this legislation. The proposed authorization for fiscal 1963, and for the Alliance for Progress through fiscal 1966, has been cut to the bone.

And, third, the provision of the House bill, placing more stringent restrictions on U.S. assistance to Communist-dominated countries, has been retained in the conference report in its entirety.

I would like to say a word on this last point. Because of quite a few inaccurate press reports, the impression seems to have been created that the House—and now the conference committee—have weakened existing restrictions on aid to Communist-dominated countries. To mention but one example, after the House voted on this legislation, one newspaper ran a headline which stated "House Votes Aid for Communist Countries."

These reports are simply not true. On the contrary, the amendment approved on the floor of the House—and accepted by the conference committee—tightened the existing law dealing with U.S. aid to Communist-dominated countries. It provided specifically that such aid can only be extended if the President finds that three carefully spelled-out requirements are met. This is an improvement over the existing law. It strengthens the law. It further restricts the President's latitude or discretion in providing any foreign aid to Communist-dominated countries. At the same time, however, it does not close the door entirely. Under the House amendment—accepted by the conference—the President retains some measure of authority which he must have to fulfill his constitutional responsibility for the conduct of our Nation's foreign affairs.

Mr. Speaker, because of the facts which I have outlined, I again wish to urge the membership of the House to overwhelmingly accept the conference report.

Mr. MORGAN. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. Alger].

Mr. ALGER. Mr. Speaker, I am opposed to the conference report, and I ask unanimous consent to extend my remarks at that point in the Record following my questioning of the chairman.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MORGAN. Mr. Speaker, I yield such time as he may desire to the gentleman from Florida [Mr. Fascell].

Mr. FASCELL. Mr. Speaker, I rise in support of the conference report on the Foreign Assistance Act of 1962.

The conferees have worked diligently and I am sure that they have brought back to us the best compromise obtainable with the other body. The House conferees should be commended on their talent and ability in holding the House position on the authorization amounts. Page 12 of the conference report shows in tabular form that the conference agreement is within $3,500,000 of the House version of the bill. The House having originally authorized $3,615,400,000 and the Senate $4,308,900,000. The adjustment by way of reduction is in the amount of $690 million. Holding of this reduction on the part of the House is no small accomplishment, and I commend our distinguished chairman and the members of the conference for their efforts.

I join, Mr. Speaker, in the declaration that aid under this act to any Communist country should be terminated. Although a policy of assistance has lasted through two prior administrations, one Republican and one Democratic, I have always doubted the wisdom and the alleged benefits of this aid. I am pleased that under this administration the aid has been tremendously curtailed. I trust that it can be discontinued completely. I have supported amendments to this act which would bar all aid to any Communist country.

I would rather see it that way, but I must say in all fairness that the present provisions held in the law this year as a criteria for Presidential determination are an improvement in that they are more definite and restrictive than the language contained in the present law.

However, the action of the two bodies of the Congress in the consideration of the Foreign Assistance Act of 1962 together with the voluminous legislative history made on this subject of aid to Communist countries in my judgment clearly indicates the strong opposition and declaration of the Congress to any further assistance under this act to any Communist country.

Mr. MORGAN. Mr. Speaker, I yield such time as he may desire to the gentleman from Iowa [Mr. Gross].

Mr. GROSS. Mr. Speaker, I am opposed to this conference report, and I ask unanimous consent to revise and extend my remarks following the colloquy with the gentleman from Pennsylvania [Mr. Morgan].

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. MORGAN. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. Barry].

Mr. BARRY. Mr. Speaker, I rise in support of the conference report. I wish to say that I have examined every point of difference that occurred between the Senate and the House versions, and I feel that the conference report agrees substantially with the House version which was adopted and that it further strengthens the general philosophy expressed by the House of Representatives in adopting the Foreign Assistance Act.

Mr. MORGAN. Mr. Speaker, I yield such time as he may desire to the gentleman from Missouri [Mr. Jones].

Mr. JONES of Missouri. Mr. Speaker, I take this time to inquire of the chairman relative to a matter of great importance. You will recall that I offered an amendment which would have limited the amount of the U.S. contributions to special U.N. programs to not more than 50 percent. This amendment was rejected by the House on a voice vote. There was at least some reason to vote for the Gross amendment which was adopted by the House which went much further than that. I talked to one of the members of the committee of conference, and it was indicated that somewhere in this report there would be some effort made or some indication that the United States would try to get other countries to make greater contributions and not leave us in the same position that we have been in of contributing 70 to 75 or 90 percent to a fund that was administered in a way that was not in the best interests of the United States. Now, I cannot find that in the report.

Mr. ZABLOCKI. Mr. Speaker, if the gentleman will yield, I wish to apologize. I was not in the city over the weekend, and I did not have an opportunity to put reference to that amendment in the report as I promised the gentleman. But I wish to advise the gentleman from Missouri that I did bring up his suggestion, and that the conferees would not consider it because the language was not contained in either version. But, I do apologize because this was not mentioned in the report.

Mr. JONES of Missouri. Will you not agree, though, that the amendment that was adopted by this House went much further than that? There are a lot of us that are not inclined to go along with the conference report, because it seems to me like the conferees abandoned the instructions that were given and did not bring us back anything to retain even a part of what we were trying to obtain.

Mr. ZABLOCKI. I want to assure the gentleman from Missouri [Mr. JONES] that the conferees tried to save at least a portion of the gentleman's amendment, but the Senate conferees were adamant.

Mr. JONES of Missouri. In other words, under the circumstances the way they exist, I am inclined to vote against the conference report. I have never voted against the foreign aid bill, but I can state at this time that I am strongly influenced to vote against it and try to get some language written into law to bring about some sanity with reference to the special funds of the United Nations.

Mr. MORGAN. If the gentleman will yield, I can assure the gentleman that next year during the markup of the bill, I will be glad to consult with the gentleman. I agree with the gentleman that the U.S. share of contributions to a number of U.N. organizations should be reduced.

Mr. JONES of Missouri. I thank the distinguished chairman for this assurance, and under the circumstances may reluctantly vote to support the conference report.

Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, your conferees have come back with a bill that has all of the essentials of the House bill, except one, the Gross amendment, which placed a ban on the use of funds for the purchase of U.N. bonds or support of other U.N. activities, except assessments for our share of regular U.N. expenses, until all members have paid their full share of all U.N. expenses, including operations in the Congo and the Gaza Strip. The conferees agreed to the Senate position that since we have separate legislation on that whole subject before the Congress, it should not be dealt with in this bill with only a brief discussion in the House.

Mr. Speaker, on every other major point the Senate yielded to the House position. As the chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN], has suggested, the agreement on amounts authorized was one horse, one rabbit, so to speak. The other body came down $90 million in authorizations for this year's appropriation; down $690 million in authorizations for the next 4 years. Whereas, the House went up only $3.5 million for increases in administrative expenses and investment surveys.

Mr. Speaker, the one thing I would like to do here is to try to correct, if possible, an impression which went out all over the country that the House of Representatives when we considered the bill 2 weeks ago, took a weaker position than previously existed on the question of aid to Communist-dominated countries. I will dare to say there was not a single person in the House of Representatives who thought that we were relaxing the restrictions on the President's authority to give aid to Communist countries. Every Member of the House of Representatives knew we were tightening those restrictions. Yet almost all of the stories and headlines that I saw in the newspapers or reports I heard over the radio—were to the effect that the House of Representatives had weakened our position. One headline read "President Given Power To Aid Reds." Another headline read "House Grants Option To Aid Reds," as if the House of Representatives were removing or relaxing or at least reducing the restrictions on the President's authority to give aid and assistance to Communist countries.

Mr. Speaker, this was completely untrue. The President has had the option all along; the House tightened the restrictions on his option. The result of this unfortunate impression could be, and I fear has been, damaging; damaging, first, to our country because that impression spread around the world may give some countries the notion that our Congress and the country are softening up on aid to Communists, and they can therefore play footsie with Moscow or Peiping or even tie up with the Communist bloc and still get aid from the United States, when the facts are the very opposite. The impression has also been damaging to congressional support for the whole foreign-aid bill, and it needs all the support it can get, millions of Americans are properly opposed to any increase in power to use their dollars for aid to Communist countries, and they react strongly against anything they think might do that. If the language adopted had actually meant a relaxing of existing restrictions on such assistance, I, too, would have voted against the foreign-aid bill.

The fact is that the bill passed by the House, and the conference report has exactly the same language, does not reduce or loosen or relax existing restrictions on the President's authority to waive the ban on aid. It tightens the ban. It makes it more restrictive. It makes it tougher and more difficult than does existing law for him to justify giving such aid.

It is, of course, true that the House bill was not as restrictive as the Senate bill. The Senate bill put an absolute ban on such aid with no waiver possible, except for surplus agricultural products. The House took a middle position between existing law which had a moderately stringent prohibition and the Senate's absolute ban. I thought ours was the right and sound position because, as I said during the debate, I believe in the division of powers and functions prescribed in the Constitution of the United States and I do not think we should try completely to control the President's conduct of our foreign affairs, within guidelines which the Congress has the right and duty to lay down.

Mr. Speaker, let me make clear what we actually did. Existing law reads:

> No assistance shall be furnished under this Act to the government of any country unless the President determines that such country is not dominated or controlled by the international Communist movement.

That is the one determination the President has had to make in order to waive the restrictions. These are the new requirements:

> No assistance shall be furnished under this Act, as amended (except sec. 214(b)) to any Communist country. This restriction may not be waived pursuant to any authority contained in this Act unless the President finds and promptly reports to Congress that—

Which he did not have to do before—

> (1) such assistance is vital to the security of the United States—

Not just important to the United States; not just useful, not just helpful, to the United States. Before he can waive the ban, he has got to find and report that giving aid to a certain Communist country is vital to the security of the United States; not to our commerce or trade; not to our exchange of persons program; not even to the benefit of people in that country; but vital to the security of the United States. Also that—

> (2) the recipient country is not controlled by the international Communist conspiracy—

Which is similar to the language in existing law—

> and (3) such assistance will further promote the independence of the recipient country from international communism.

Mr. Speaker, I want the record this time to be perfectly clear and incapable of misunderstanding by anybody in our country, that the House of Representatives does not look with favor upon the kind and the amount of aid that has been given to some of these countries in the past, and the overwhelming majority does not approve such aid in the present or the foreseeable future.

I think the Members will recall that when the vote was taken on the Casey amendment, as amended by the Morgan amendment, I asked for a division and my words were:

> Mr. Speaker, to make clear to everyone how strong is the feeling of the House against aid to Communist countries, I ask for a division.

And the Members stood up, 277 to 4. This was the evidence of the House's opposition to aid to Communist countries. Adoption of the Morgan amendment was evidence of our desire to act responsibly and within the proper division of powers prescribed in our Constitution.

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Washington.

Mr. PELLY. Mr. Speaker, I am distressed indeed that the conferees on the $4.6 billion foreign aid bill agreed to the watered-down House language with regard to curbing aid to Communist countries. I favored the Senate language which would have barred all aid except agriculture products under Public Law 480, as against the House version which gives the President discretion to act under certain circumstances.

Mr. Speaker, I have read the Senate debate on the conference report, especially with regard to dropping the bar on aid to Red countries. Great stress was made by the Senate conferees in presenting the conference report that the vote in the House on the House language had been 277 to 4. Reference was made to the fact that in conference the House conferees had insisted on the House language and had used, as an argument, this vote of 277 to 4, whereas when the Senate adopted their stronger language the vote had been 57 to 24.

Now, Mr. Speaker, I have great respect, individually and as a group, for the House conferees and I know that they would not intentionally cite figures which were not quite correct. But it seems to me that more properly the vote of the House on the differences between the two versions came on earlier votes. The vote, 277 to 4, was a vote for or against language in the Foreign Assistance Act to put any restraint at all on aid to the Communists.

Mr. Speaker, it seems to me that as I recall the votes in the House were as follows: First, there was the vote on the amendment offered by the gentleman from Pennsylvania [Mr. Morgan] to the amendment offered by the gentleman from Texas [Mr. Casey]. The amendment of the gentleman from Pennsylvania was the one that watered down the Casey amendment; it was the one that gave the President discretion to aid Communist countries.

Mr. Speaker, on this particular amendment there was no count, the Chair announced that the amendment was agreed to. Certainly, the vote was close; it was not a question of only four Members of the House opposing the amendment to give the President the authority to aid the Communists.

A similar vote was taken on the amendment by the gentleman from New Jersey [Mr. Frelinghuysen] to the substitute offered by the gentleman from Ohio [Mr. Feighan]. Here again there was a voice vote on the amendment to water down the Feighan amendment and no count was taken as to the number of Members who voted "no."

Impression has been given to the Members of the other body that only four Members of the House were opposed to giving the President authority to aid the Communist nations. That vote of 277 ayes and 4 noes was on the amendment offered by the gentleman from Texas, as amended—in other words, as watered down. I think that the House conferees in citing this latter vote were citing figures to back up their argument in favor of the House language which were not representative of the sentiments of the House. I base this on the statements made last week in the other body by a distinguished Senator which is on page 14093 of the Record, and I quote:

> The item about which we are speaking was one of the very last items agreed to. As each item was reached, a preliminary statement was made by each side. The House conferees gave us to understand that they would insist upon the provision. The conferees said that they had most carefully worked it out, and that the vote in the House had been 277 to 4. The Members of the House stood up and were counted on the question.

Mr. Speaker, it is obvious from the debate that in the Senate many distinguished Members of that body were favorable to a strong provision banning aid to Communist countries. I think it unfortunate that this particular vote was cited to give the impression that only four Members of the House agreed with them.

Furthermore, I think that the wording agreed to in the conference report, as adopted by this House, is not unlike the law as it has existed in the past and which has been such as to allow aid which to me is a waste of the taxpayers' money. It is worse than that because it has strengthened our enemies. Here is the grand total of foreign assistance to Communist countries or countries with Communist leaders which I think is worse than a waste of money:

[In millions]

Poland	$514
Yugoslavia	2, 279
Indonesia	598
Ceylon	74
Cuba	51
British Guiana	2
Ghana	26

These are only a few; there are many other countries with Communist leanings that we assist which should be added.

Mr. Speaker, I want to make it clear that I oppose aid to the Communist countries. I have strong faith in our President but I do not have any such faith in many of his liberal advisers nor do I have confidence in the policies of State Department officials such as Dr. Rostow and Under Secretary of State Ball.

Mr. Speaker, I have long believed that by giving aid to the people of the Soviet Union in the early days of the Communist regime the United States did much to make communism in Russia succeed; we helped it to succeed by feeding the people who were hungry and suffering because of the very failures of communism and agricultural collectivism.

I am convinced also, Mr. Speaker, that we may well repeat that mistake by giving grain to Red China. I am told there are highly placed officials in this administration who favor feeding the Red Chinese and that thereby the Chinese Communist leaders will be helped out of the tough spot in which they may well be overthrown. As American grain made the Russian revolution succeed in the Soviet Union originally I do not want to see history repeat itself and our aid go to Mao and the Peiping leadership and thus save them from the results of their Communist collectivism. Accordingly, Mr. Speaker, I shall vote against the conference report.

A constituent of mine has tabulated polls taken by Members of Congress and printed in the Congressional Record during the period January through June 23, 1962, having to do with aid to Communist countries. Mr. Speaker, under leave to extend my remarks, I include at this point a tabulation of these congressional polls:

NORTH DAKOTA, SENATOR MILTON R. YOUNG

[Answers in total votes]

Do you believe the foreign aid program should be:

Continued	842
Abolished	893
Less and limited to ant-Communist nations	5, 043

WASHINGTON, FOURTH DISTRICT, REPRESENTATIVE CATHERINE MAY

Should the United States stop shipping strategic goods to Communist countries?

	Percent
Yes	90
No	5
No opinion	5

PENNSYLVANIA, 29TH DISTRICT, REPRESENTATIVE ROBERT J. CORBETT

Do you favor foreign aid for countries behind the Iron Curtain like Poland and Yugoslavia that show some independence from Russia?

	Percent
Yes	32
No	68

CALIFORNIA, SIXTH DISTRICT, REPRESENTATIVE JOHN F. BALDWIN

Do you think this country should sell surplus military planes to Communist Yugoslavia?

	Percent
Yes	11. 52
No	80. 51
Undecided	7. 97

Do you think that U.S. foreign aid to neutral countries should be reduced if they repeatedly vote against us in the United Nations?

	Percent
Yes	75. 46
No	17. 37
Undecided	7. 17

OHIO, 12TH DISTRICT, REPRESENTATIVE SAMUEL L. DEVINE

Foreign aid to Communist controlled or satellite countries?

	Percent
Yes	3. 0
No	94. 2
Undecided	2. 8

Neutral countries?

	Percent
Yes	30. 9
No	56. 6
Undecided	12. 6

NATO countries?

	Percent
Yes	62. 5
No	25. 2
Undecided	12. 3

Shipping exports such as surplus foods, ball bearings, jet aircraft, locomotives, etc., to Communist-controlled or satellite countries?

	Percent
Yes	3. 3
No	94. 7
Undecided	2. 0

VIRGINIA, 10TH DISTRICT, REPRESENTATIVE JOEL T. BROYHILL

Do you favor aid to Poland and Yugoslavia?

	Percent
Favor	26. 2
Oppose	61. 3
No opinion	12. 5

To so-called neutralist countries such as India and Indonesia?

	Percent
Favor	41. 6
Oppose	46. 9
No opinion	11. 4

NATO, SEATO and other pro-Western nations?

	Percent
Favor	83. 0
Oppose	8. 8
No opinion	7. 9

WASHINGTON, FIRST DISTRICT, REPRESENTATIVE THOMAS M. PELLY

Should the United States give military aid to Yugoslavia?

	Percent
Yes	11.9
No	75.1
No opinion	13.0

Should the United States give economic aid to Poland?

	Percent
Yes	20.9
No	63.8
No opinion	15.3

Should the United States sell surplus grain to Red China?

	Percent
Yes	21.4
No	72.4
No opinion	6.2

MICHIGAN, SIXTH DISTRICT, REPRESENTATIVE CHARLES E. CHAMBERLAIN

Should we continue foreign aid to Tito's Yugoslavia?

	Percent
Yes	16
No	61
Not sure	23

TEXAS, 21ST DISTRICT, REPRESENTATIVE O. C. FISHER

Should foreign aid be confined to friendly countries?

	Percent
Yes	85.76
No	7.07
No opinion	7.16

Should foreign aid be reduced?

	Percent
Yes	78.59
No	10.90
No opinion	10.50

MARYLAND, SENATOR J. GLENN BEALL

Do you think we should give aid to nations which call themselves neutral but vote against us in the United Nations?

	Percent
Yes	9
No	81
Uncertain	10

Do you think this country should give financial aid to sell surplus military planes to Communist Yugoslavia?

	Percent
Yes	6
No	84
Uncertain	10

ILLINOIS, FOURTH DISTRICT, REPRESENTATIVE EDWARD J. DERWINSKI

Should Communist countries receive foreign aid funds?

	Percent
Yes	3
No	92
Not sure	5

ILLINOIS, 13TH DISTRICT, REPRESENTATIVE MARGUERITE STITT CHURCH

Do you favor U.S. aid to Communist satellite countries?

	Percent
Yes	7.8
No	85.7
No opinion	6.5

OHIO, 15TH DISTRICT, REPRESENTATIVE TOM V. MOOREHEAD

Should U.S. foreign aid funds and surplus food be made available to the Communist governments of Poland and Yugoslavia?

	Percent
Yes	11.5
No	82.2
No opinion	6.3

MASSACHUSETTS, FIRST DISTRICT, REPRESENTATIVE SILVIO O. CONTE

Continued economic aid under the foreign aid program to nations committed to our allies?

	Percent
Yes	75
No	14
Undecided	6
No opinion	5

Continued military aid to nations committed as our allies?

	Percent
Yes	73
No	11
Undecided	7
No opinion	9

Economic aid to:

Yugoslavia:	
Yes	19
No	50
Undecided	18
No opinion	13
Poland:	
Yes	22
No	48
Undecided	17
No opinion	13
Egypt:	
Yes	22
No	45
Undecided	20
No opinion	13
Indonesia:	
Yes	26
No	33
Undecided	22
No opinion	19
India:	
Yes	38
No	32
Undecided	18
No opinion	12
Newly independent but neutral nations?	
Yes	55
No	17
Undecided	16
No opinion	12

MICHIGAN, EIGHTH DISTRICT, REPRESENTATIVE JAMES HARVEY

Continuing aid to Communist Yugoslavia?

	Percent
Yes	8.9
No	83.2
No response	8.0

Mr. JUDD. Mr. Speaker, I am glad the gentleman has taken the trouble to assemble these polls. They say essentially what the House said when it voted. No matter what anyone may have said in the Senate, the 277 to 4 vote meant the House is overwhelmingly for tightening the restrictions on the President's authority to give assistance to Communist countries. The misunderstanding or misrepresentation of our position which has gone far and wide has been mischievous from the standpoint of the well-being of our country. It did not portray to the people and to the world what was unquestionably the overwhelming sentiment of the Members of the House against aid to Communist countries, reflecting in my opinion the overwhelming sentiment of the people of our country.

Mr. ALGER. Mr. Speaker, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Texas.

Mr. ALGER. Mr. Speaker, I want the gentleman to know that while I do not question his zeal or the intent of the firm language he has used today, I do gravely question the interpretation that the gentleman has placed on what some of us Members thought we were doing. The difference I think would revolve around the fact that some of us feel that we have dignified aid to communism with a formal debate, and then having indeed voted that we would allow the President to give aid to Communist countries, that we are here going on record as relaxing our attitude, which traditionally is against international communism. I would further say that some of us do not feel the word "international" makes the difference. We are against aid to Communists whether they are international or not. I simply wanted the RECORD to note, without debating with the gentleman at this time, because of the limitation of time, that this Member is not among those the gentleman referred to as saying that he thought all of us felt we were strengthening the law. This gentleman did not and does not.

Mr. JUDD. I do not see how we can adopt tighter restrictions than are in existing law and then say we are weakening the restrictions. The comparison is between existing law and the bill we are now acting on. The language in this conference report is stronger, tougher, and tighter in several points than existing law. I do not see how anybody can interpret that as weaker or as loosening the restrictions.

Mr. ALGER. I do not question the gentleman's interpretation as he sees it. I disagree.

Mr. Speaker, I have asked permission to add additional remarks since time was limited for debate on the conference—yet I must repeat my adamant disapproval of aid to communist countries—whether part of the international conspiracy or not.

The people of the satellite countries did not accept Communist domination by popular vote in a free election of choice. They are not free—they are not in democratic societies. The money we give them is used by their Communist governments to tighten the noose about the necks of the people—to strengthen the dictatorship, respectively, and reduce the people's opportunity or possibility to revolt and throw out the oppressors—the Communist Party and its dictatorial leaders. Shame on us for aiding the dictators and communism—our deadly enemies.

It has been said that constitutionally the Congress must not legislate to tie the President's hands in giving aid to whomever he chooses, including the Communist countries. I say, on the contrary, the Constitution is the reason we must deny this money to the Chief Executive. We, in Congress, constitutionally authorize and appropriate the money. Further, the Constitution defines treason as aid to the enemy and prohibits treason. How tragic that some Members of Congress do not correctly construe the Constitution. We are aiding the enemy in giving aid to Communists.

Constitutionally and morally, it is wrong to give one penny to the Communist dictators. There is no assurance, first, that the people will benefit, second, that the people know the help came from the United States, and third, that our aid will not be transshipped to another nation in barter. Finally, what right have we to borrow in order to give it away. Even if aid to the enemy were a legitimate expenditure for us, it should be made only when the money is available. We are mortgaging the future, undermining our economic strength, and sabotaging the heritage of future generations, as we strengthen the alien philosophy of communism and the enemy dictators who subjugate human beings with our money.

The House was wrong to vote aid to the Communists at the President's discretion, and more wrong in capitulating to the House-Senate conferees who substituted the House amendment for the Senate's; the latter at least restricted aid to Communist governments to surplus foods. No aid should go to Communist dominated countries, whether international communism or local communism.

Nor should the conferees have highhandedly deleted the House amendment prohibiting support of the U.N. when member nations are delinquent in payment.

Therefore, I am opposed to the conference report our conferees capitulated to the Senate conferees.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. JUDD. I yield.

Mr. CURTIS of Missouri. I must say I agree with the interpretation the gentleman from Minnesota has of this provision. What disturbs me is what the gentleman said about the reporting by the press. I noticed it myself. It seems that the press is determined to make this appear as a Presidential victory over the Congress in a way that completely disregards what I regard as the actual facts. Would the gentleman comment on that? Also, this seems to be prevalent these days with the press here in Washington, D.C. I wonder if the gentleman would comment on that particular thought.

Mr. JUDD. I am equally disturbed. So often when something happens here, the interpreters say the President won a victory or suffered a defeat. My sole concern is whether the country wins a victory or suffers a defeat. It is not a contest between President and Congress. I do not vote for or against a bill just because President Kennedy is for or against it, or President Eisenhower. I vote for or against it on the basis of whether I think it is good or bad for the country. I am as interested in the well-being of this country as the President, or anyone else. When a President sends up his suggestions, I pay careful attention to them, of course. If I think his proposal is sound, I vote for it, but not because I am trying to support him. If I think it unsound, I oppose it, but not because I am trying to go against him. Some people seem to think that if, in our honest judgment, we do not agree with the President, we do not belong to the same team—the American team. But we have our responsibilities just as he has his. He was not elected to be the Representative of the Fifth District of Minnesota; I was, for 2 years at a time. When it comes to dealing with other countries, the President is the representative of the United States; not I. I do not think any President ought to try to control what we do within the limitations of the constitutional powers assigned to the Congress. I do not think we ought to try to interfere with or completely control what he does within the limitations of the constitutional powers clearly assigned to him.

Hence I support this language. The key thing is not whether it is stronger or weaker, but whether it is wiser and better for our peace and security.

Mr. MORGAN. Mr. Speaker, I yield such time as he may desire to the gentleman from Connecticut [Mr. MONAGAN].

Mr. MONAGAN. Mr. Speaker, I support the report of the conference committee and I want particularly to commend the conferees on the part of the House, led by the gentleman from Pennsylvania [Mr. MORGAN], for maintaining so well the position of the House in this conference.

Although the prohibition of support to the United Nations does not appear in the recommendations of the conference in the same form in which it passed the House, I believe that the elimination of this prohibition is in the best interest of our national foreign policy.

We shall in the near future have a separate bill on the question of financing the operation of the United Nations. There will be full and ample opportunity at that time to debate this whole question and the House will then be able to work its will on this subject. To include this matter in the Foreign Assistance Act without adequate notice and with no opportunity for debate was not calculated to provide the House with an opportunity to express its mature judgment on this matter.

In other provisions, the position of the House was maintained and the final result involved a reduction of $90 million under the Senate bill.

The House, to some extent, adopted a wait-and-see attitude on the question of long-term financing for the Alliance for Progress, and it is my earnest hope that the administrators of this program and of the foreign assistance program, generally, will take cognizance of this attitude and make every effort to guarantee that personnel and administration under this law will conform to the necessary standard of excellence.

Certainly, the Congress has provided the Executive with the most modern and most elaborate legislative machinery for the administration of this great program. It is a necessary program and one which provides the Executive with a vital weapon in the contest with the Communist world.

Unless the administration is adequate, however, the objectives of this program will not be attained. I sincerely hope that efficient and sensible operation of this program will be forthcoming so that it will justify the support which has been given to it by the Congress.

Mr. MORGAN. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Speaker, I rise in support of the conference report.

I want to point out that in the colloquy that just preceded, with the gentleman from Minnesota in the well, a great deal was said about the interpretations being placed on the recent action by this Congress. I submit that a vast area of our information media for years has been misinterpreting the facts as they actually exist. What we did here in this Congress in approving the foreign aid bill and what we hope to do in this conference report is give the President a free hand to continue giving aid to the people of the captive nations whenever he believes it will help strengthen them in their desire for democracy and help restore freedom to these unfortunate victims of communism. When press headlines stated "Congress Votes Aid to Reds," it was apparent to me that the copyreader who wrote the head on that story did not know the facts. No one in this Congress voted any aid to the Communists. What we did here was vote aid to the victims of the Reds. I want to emphasize the distinction. This provision of the foreign aid bill is designed to help the victims of communism and the bill clearly and emphatically provides that the President may give these unfortunate victims of communism aid only if he can demonstrate to Congress that such aid will actually help these people free themselves from Communist rule. This certainly is a far cry from the completely erroneous press reports that Congress voted any aid to the Reds themselves. Just the opposite is true in this bill. The victims of communism are the people we are trying to help by this program. Nobody in this Congress on either side wants to help Gomulka or Tito or any of the other Communist rulers. This whole program is designed to help free these people from Communist rule. I hope sooner or later, and the sooner the better, the information media in this country will start drawing distinctions between Communist countries and Communist-dominated countries. Poland never has been and never will be a Communist country. Those 30 million people in Poland would never accept communism voluntarily, yet day after day I read in the press references made to Poland as a Communist country.

Poland is a Communist-dominated country, and the same holds true for all the captive nations of Europe—Lithuania, Estonia, Latvia, Czechoslovakia, the Ukraine, Bulgaria, Rumania, Hungary, East Germany, and others. They are being illegally dominated by Communist regimes but the people of these captive nations are not Communists and I submit, Mr. Speaker, that the press and other information media are doing the 180 million people in these Communist-dominated countries a tragic and brutal injustice by constantly referring to their nations as Communist. After 17 years, I believe we have a right to expect from our information media a more accurate description of these Communist-dominated nations. As a matter of fact, Mr. Speaker, those who refer to these captive nations as Communist countries instead of Communist-dominated countries may, inadvertently, be doing Mr. Khrushchev a great service.

Mr. Khrushchev would want the free world to believe that the Communists have succeeded in converting their victims to communism. Nothing could be further from the truth. It is for this reason that I hope hereafter we will properly refer to these nations as Communist dominated.

The **SPEAKER** pro tempore. The time of the gentleman has expired.

Mr. **MORGAN.** Mr. Speaker, I yield such time as he may require to the gentleman from New York [Mr. CAREY].

Mr. **CAREY.** Mr. Speaker, I rise in support of the conference report.

Mr. Speaker, I commend the distinguished gentleman from Illinois on his clear and firm statement. That point needs to be stressed and underlined. No Member of this House favors aid or comfort to Communist leaders or communist government, national or international. But we would belie our greatness as a nation and our wisdom as a body if we were to force the President to say to those living under domination in Poland, "We leave you to your captors; we close the hand of friendship; we abandon hope for your survival; we abdicate our responsibilities as leaders and we repudiate our old alliance." No one who recalls that alliance could question that the Polish people will long tolerate their present incapacity. I had the honor to serve during World War II in an infantry division which had a unit of the Free Polish Legion on its flank. Our security was then at stake and I well remember the fire of their fierce courage and the valor with which they fought. I am sure that that fire and valor still lives in Poland and always will. It is our task now to animate and encourage it.

The language of the act is clear:

> No assistance shall be furnished under the act as amended (except section 214(b) to any Communist country).

This last section is subject to a waiver only for our own benefit to promote our vital security. Even here the language clearly specifies that the President must find and report to the Congress that the recipient is not controlled by the international Communist conspiracy and affirmatively that our assistance promotes the independence of the beneficiary from international communism.

I fail to see how this language could be any more stringent and binding without handcuffing and hobbling the one who can do more to advance freedom and repel communism than any other in the world—the President of the United States. The President will be contending with communism around the world and around the clock long after we have adjourned and gone home. We have to give him the cards to deal and the chips to play or he cannot sit in the same game with Khrushchev who has no Congress to worry about.

There is no better informed, more ardent and able foe of communism anywhere than our distinguished colleague from Minnesota [Mr. JUDD]. I hold with him in his previous statement that under separation and delegation of powers in the Constitution the conduct of our foreign policy is the duty and responsibility of the President. And I agree with him that the conference report is clear and unequivocal enough to fulfill our commitment against Communist aid as a body and still leave the President elbowroom to lift the yoke of communism from its victims.

Finally, I am pleased that the conferees stood firm for the provision which requires the adoption of such regulations and procedures as are necessary to insure that foreign aid is not used in a manner which promotes or assists the foreign aid projects or activities of communist-bloc countries. This should end the practice of American-built roads to Soviet-sponsored stadiums where we get the bill and they get the glory.

Mr. **MORGAN.** Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. ROUSSELOT].

Mr. **ROUSSELOT.** Mr. Speaker, I rise in opposition to the conference report on S. 2996, the Foreign Assistance Act of 1962. I am not able to support the present foreign aid programs because I do not believe they are carried out in the best interests of the United States and/or the free world.

I oppose this bill for the following reasons:

First. As has been shown in testimony before the Foreign Affairs Committee and as has been pointed out here on the floor today, much of our foreign aid is used to advance socialistic governments and so-called neutralist governments who are not in sympathy with the general purposes of the free world nations. We cannot continue to give outright gifts and loans of money to countries which are working to destroy constitutional and parliamentary governments around the world. A good deal of this money goes for that purpose.

Second. There has been a great deal of talk in the House and in the Senate concerning discretionary power for the President to give aid to Communist countries. I am absolutely opposed to this concept. I do not believe we can buy the friendship of Communist countries or make them less Communist by giving them money. The argument that our foreign aid dollars will help the people in such Communist nations as Poland and Yugoslavia is absolutely false. This money is used only to promote the policies of ruthless Communist bosses. Furthermore, all the foreign aid money that we have poured into Yugoslavia and Poland has not made those countries any less dependent on the Communist motherland, Russia, or drawn them any closer to the free world, especially the United States.

It has been pointed out in the debate by the distinguished Congressman from Indiana [Mr. ADAIR] that the State Department and the Agency for International Development already anticipate giving some $10 million to Yugoslavia. Thus, the discretionary power that S. 2996 gives to the executive branch will probably be misused.

Third. America must soon learn the lesson that we cannot buy good will. While it is true that there are many ways that we can assist our friends, this cannot be accomplished by overinflating their economies with tremendous amounts of dollars. We know this from past experience. I believe the American taxpayers have a right to demand better use of the some $4.6 billion in this bill. I do not believe our foreign aid programs have been carefully and adequately planned, and I do not believe the objectives so well stated in this bill will be properly executed.

Fourth. Foreign giveaway programs are absolutely unnecessary. There are many international lending organizations which can make funds available to foreign countries and foreign industries; for example, International Bank for Reconstruction and Development, Inter-American Development Bank, International Finance Corporation.

At this point in today's proceedings I wish to bring to the attention of my colleagues some timely remarks relative to foreign aid and how it aids the Communist cause made by Gen. Bonner Fellers on the July 15, 1962, broadcast of the Manion Forum, a weekly radio program. He said:

> The primary goal of the Communist plot for world domination is to collapse the capitalistic system. Since most of the free world economy is tied to the dollar, to wreck the economy of the United States has long been the Kremlin's primary target.
>
> Should the Communists succeed in collapsing our economy they will have won their struggle without dropping a single bomb. Once their goal is achieved, all power will be centrally concentrated—far more so than now.
>
> Price fixing of goods and services, Governernment-owned and operated industries, businesses and farms, will be the inevitable consequence. Before we are aware of what is happening we will find ourselves living under a dictator. This would be the end of freemen everywhere. Our very destiny, therefore, rests on the survival of a free economy.
>
> During the past 4 years, representatives of the Citizens Foreign Aid Committee have made 51 appearances before the four congressional committees which act on foreign aid. From the start, our representatives have spelled out the consequences of excessive oversea spending, principally for foreign aid and military assistance.
>
> Despite statesmanlike opposition of a minority in the Congress, that body continues to vote unwarranted appropriations in ever-increasing amounts. And this foreign handout habit leads to vast domestic boondoggling. Once a Congressman votes for foreign aid he finds it difficult not to vote for domestic welfare and various other unnecessary expenditures.
>
> Those responsible for our foreign policy no doubt correctly assess the Communist menace, but they are obsessed with a delusion that we can spend our way out of the danger. The aid program already has cost American taxpayers more than $90 billion.
>
> Based on the most recent assessed value of property, $90 billion in foreign aid is the equivalent of giving our 42 largest cities to foreign governments. Including interest on the money which we have borrowed to give away, the total aid handout is on the order of $110 billion. This is more than one-third of our national debt. Or, to relate foreign aid more closely to each of us, aid consumes the equivalent of 22 percent of our personal income tax payments.
>
> Largely because of multibillion-dollar gifts and equipment from Washington, foreign countries have been able to establish industries which undersell ours. Our industry pays high wages and taxes; industry abroad pays low wages and enjoys benefits from its

government subsidies or favorable tax treatment. We have given most of the world our latest technology. Low tariffs or free trade permit dumping of low-cost products on our market. Depressed areas with widespread unemployment result.

The U.S. Government's annual net oversea spending is in excess of $6 billion. By far the major portion of this amount is for foreign aid and the spending by and for our oversea forces. Our exports are insufficient to pay for our annual $16 billion worth of imports plus our $6 billion oversea spending.

At his March 8 press conference the President has frankly conceded the cause of our unfavorable balance of payments: "It is," he said, "the combination of the $3 billion that we spend keeping our defense forces overseas, and combined with assistance we give in other ways, which provides for our dollar drain."

This unfavorable balance in our international payments has enabled foreign central banks to amass nearly $23 billion in short-term credits. By Government edict, Americans are forbidden either to buy or to own gold. The defeated Germans and the war-shattered French manage better. Any German or Frenchman can buy, sell or hold gold, just as he chooses. We, supposedly the richest people in the world, are compelled to do business in irredeemable paper dollars. But dollars held by foreign central banks are redeemable in gold. And foreign holders of dollar credits have been busy buying our gold.

When foreign aid began, our gold reserve stood at $24.5 billion; today it stands at $16.4 billion. Of this $16.4 billion gold reserve, $11.5 billion must be retained by law to back up our currency. Consequently, less than $5 billion in free gold is available to meet potential foreign demands of nearly $23 billion.

Thus the threat to our dollar arises from this sinister, impending overhang of nearly $23 billion foreign-held demand claims on our gold, amassed principally from our foreign handouts. Were these foreign claims on our gold pressed, we could not meet the demand. And the free world economy, which rests on the dollar, would be wrecked.

Gold is precious because there isn't nearly enough to go around. Foreign governments eagerly seek gold to harden their currencies. This foreign hunger for our gold will cease only when our dollar is once more as good as gold. And our dollar cannot again be so considered unless and until we put our economy in order.

At the beginning of this broadcast I mentioned that the Kremlin's primary objective is to collapse our economy. Let us suppose that after World War II, the Kremlin had been able to place its agents in our Government so as to plan our economy. These Reds could have done no better job of depleting our gold and undermining our economy than we ourselves have been doing.

Foreigners with dollar credits hold the American economy at their mercy. Like a Shylock, they watch our economy. At Vienna last year and in Rome this year, foreign economists warned Treasury Secretary Dillon that we must put our economy in order without delay.

Despite these warnings, our economy is worsening:

Foreign aid threatens our dollar, is an added tax to our producers, subsidizes foreign competition that is daily growing more formidable, and it is responsible for our unfavorable balance of payments.

Our 1962 gold loss already totals nearly half a billion dollars.

A galaxy of stratagems, employed in a vain effort to hide our unfavorable balance of payments, omits entirely the only sure cure—drastic cuts in foreign aid and military assistance.

We extend 50-year loans to foreigners at little or no rate of interest and borrow short-term at high interest rates.

Only six times in the last 31 years has our budget been balanced; fiscal 1962 and fiscal 1963 budgets will be deep in the red.

During the past year the debt limit has been raised three times by a total of $15 billion, and now stands at $308 billion.

The administration seeks legislation to eliminate the debt limit and to remove the legal requirement for a gold reserve.

This last item is a revealing one.

The shape of things to come in the President's spending program is reflected in his January 1962 Economic Report to the Congress. His letter of transmittal quotes from recommendations of the Commission on Money and Credit ("Money and Credit," pp. 113, 234; Prentice-Hall, Inc. 1961)—a nongovernmental organization:

"The Commission concludes that the following financial restrictions * * * unnecessarily complicate or obstruct other Government policies: the ceiling on the public debt * * * and the required gold reserve."

These conclusions, if followed, are a blueprint for unbridled spending with printing press money.

Meantime, European economists eagerly await the trend of our economy. If we return to a sound economy, profitable European dollar investments in the United States will preclude the drawing down of our gold. On the other hand, as our profligate spending continues and the dollar depreciates accordingly, the best bargain in the world will be an ounce of gold for 35 paper dollars. And this bargain the Europeans will not miss.

In view of our obvious economic vulnerability, one has the right to assume that remedial action would be an imperative. Even if the White House continues its unsound economic policies, the Congress should be expected to save the situation. But a majority of the Congress has so far failed to appreciate the seriousness of the situation.

A piece of sophistry which has guided some Congressmen is that foreign aid strengthens our economy and that some two-thirds of aid dollars are allocated to our industry, thereby creating jobs and wealth. However, if two-thirds of aid funds are spent in the United States, then one-third must be spent overseas and thereby increase foreign dollar holdings.

It is, of course, true that foreign aid contracts have brought profit to some favored U.S. industries. However, when any product of our industry is given away, it siphons off U.S. wealth. Money spent for goods and services to be given away creates consumer buying power but not consumer goods for Americans. By its very nature such aid is inflationary.

There are those who hold that if we do not bankroll the world the Russians will. Well, the answer to that one is, let the Russians do it. The Kremlin has never yet been able adequately to feed or clothe or house its people. The more the Soviets give away the more internal unrest they are certain to create.

Another phony argument in support of foreign aid is that the United States has a moral, economic, and political obligation to strengthen the free world with vast handouts.

This giveaway argument makes no mention of the primary obligation of the Congress to the American people. Taxpayers have a right to demand by what constitutional authority can the Congress rob Peter to pay Paul. With the immediate threat to our economy, with an enemy able to launch nuclear strikes against our heartland, should not the Congress primary objective be a sound economy and superior aerospace striking power?

Here, however, I want to make it clear that it is a well-known American trait to help others. Former President Hoover estimates that during and following World Wars I and II American food, clothes, and medical care saved the lives of 1,400 million war victims, mostly women and children. Of this all Americans are proud.

Possibly the emergence of the Philippine Republic is the most successful foreign aid achievement of all time. As an initial step toward independence the Philippines asked for American specialists—dietitians, doctors, sanitary engineers, schoolteachers, and missionaries. In less than half a century, the Philippines emerged as a republic with a stable government responsive to the will of the people. The Filipino people asked for this assistance and they themselves paid for it.

The theory of our present foreign aid bears little resemblance to that followed in our aid to the Philippines. Today our aid is so lavish in dollars that it ignores the hardship factor. Among human beings seldom is there achievement without hardship. The same is true with the emerging countries. Give them much for nothing, and corruption, inflation, lack of purpose, and inadequate leadership result. Help peoples to earn that which they seek and achievement results.

Then there is the argument that we must continue aid so that in war we shall have allies fighting for us. Our Korean war experience exploded this assumption. In that war we contributed 450,000 troops and paid all the bills. All other U.N. forces contributed a total of 45,000 troops—a mere 10 percent of the American strength. If the next war comes, we must be prepared to defend ourselves alone.

The Presidency is surrounded by intellectual elite advisers. Foreign aid is the keystone of their program. On this they are unyielding. The elite dream contemplates a welfare state at home and lavish aid abroad. To effect this entails enormous expenditures which result in deficit spending. Through foreign aid, international socialism is already becoming a reality.

The elite will readily sacrifice U.S. sovereignty to a world order. Disarmament is part of the program. The cancellation of the RS-70—pleasing to Moscow—is the first major step in disarmament.

With the world order an international police force is to be established. This would relegate our forces to those necessary for internal security. We would be disarmed and helpless to protect any injustice imposed upon us by the world order.

The American people have never accepted the welfare state, or deficit spending, or foreign handouts, or the yielding of sovereignty, or disarmament or a world order.

Our Constitution put the power in the people. Under the Constitution government officials are the servants, not the masters, of the people. But unless we the people exercise the power the Constitution gives us, we shall soon cease to be freemen.

Make your will known to your Senators and Representative now. If they do not heed your voice, defeat them in the November election. This action is the one last hope of freemen.

Mr. MORGAN. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. DEROUNIAN].

Mr. DEROUNIAN. Mr. Speaker, the signing of the Laos Accord is a black day for the United States. It is one step in the erosion of our determination to fight international tyranny.

I think history will prove President Kennedy wrong when he said, yesterday:

> It is a heartening indication that difficult, and at times seemingly insoluble, international problems can in fact be solved by patient diplomacy.

This agreement, which need not be confirmed by the Senate, is the work of our "Rover Boy" Assistant Secretary of State, W. Averell Harriman, who has for some time, now, been pushing for this kind of abject surrender. The most disturbing part of the accord is that any member of the Commission can veto any action the United States may find it necessary to take. In view of the fact that the Commission consists of Poland, India, and Canada, vetoes are clearly indicated. No wonder Khrushchev described it as giving international recognition of the just cause fought for by the national patriotic forces, and that it represented a major victory for the policy of peaceful coexistence.

Are we to assume, now, that the Berlin problem is going to be settled in this same manner? Have we succumbed to the Communist program of neutralizing the world? What encouragement will this defeatist action of ours give to those in the world who look to America for leadership?

The sneaky method which led to the signing of this agreement, which can be described only as surrender via the back door, is an insult to every patriotic American. The fruition of the efforts of Mr. Rostow, who feels we should abandon the concept of nationhood, has hastened the time when the Communists will be able to take over South Vietnam.

With the signing of this accord, we have agreed to remove our troops and military advisers from Laos. Is this to be the pattern for Berlin?

Another item in today's New York Times, while not seemingly connected with yesterday's agreement, is nevertheless one more step in our progress toward coexistence with communism. According to the report, Dictator Tito stated that his "regime has gone too far in allowing writers freedom of expression." This is the tyrant to whom the President will give American taxpayers' money, as authorized by the Congress and at his request, under the foreign aid authorization bill. Thus the Kennedy administration puts its stamp of approval on aid to international communism which, while being financed by us, kicks in the teeth our anti-Communist friends in the Congo.

Because of the foregoing I must vote against the conference report on the Foreign Aid Authorization Act.

Mr. MORGAN. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. Devine].

Mr. DEVINE. Mr. Speaker, the conference report on this foreign aid authorization is a far cry from the bill as adopted by the House. The chairman states the Senate conferees yielded to the House position on most of the items of contention, but it appears to me the major concessions made gave us a much weaker bill.

Although the gentleman from Minnesota [Mr. Judd] claims the discretionary power granted to the President relative to granting aid to Communists and Communist-dominated countries is strengthened, I am sure we all agree this bill is much weaker than the original Senate version containing the so-called Lausche amendment, as modified.

Many people in my district just cannot tolerate or justify rendering financial, military, economic, technical, or any other assistance to Red or Red-dominated countries. The legislation would get more support if this policy of aid to our enemies were prohibited. I, therefore, shall vote in opposition to adopting the conference report.

Mr. MORGAN. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. Feighan].

Mr. FEIGHAN. Mr. Speaker, there are several questions pertaining to this conference report which I believe require clarification. I have asked for this time in order that I may propose questions to the chairman of the committee. My simple purpose is to seek clarity and clarification on the conference report. I do this because I believe that Congress has the duty to express its clear intent with respect to laws authorized by this body.

I do not seek to cause difficulties in the consideration of the conference report. I do not seek to further encumber the already complicated record of debate on the Foreign Assistance Act of 1962. I seek only to have a clear statement of congressional intent with respect to certain provisions of the law so that the administrators thereof will be guided as to the clear intent of the Congress.

My first question refers to section 618, subsection 3(f), which establishes special conditions in connection with extending aid to any Communist country. My specific question is, "Are the three conditions set forth to govern Presidential determination on such aid conjunctive, that is, must all three conditions as set forth be met for every Communist country before aid in any form can be extended to such Communist country?"

Mr. MORGAN. I am very glad to have the gentleman from Ohio raise these questions, and I will do my best to answer them. My answer to the gentleman's question would be "Yes."

Mr. FEIGHAN. I thank the chairman.

My second question may appear repetitious, but I assure my colleagues, I seek only to clear the record of doubts that may exist on this important question. Is it the intent of Congress that any Communist country declared by the President to be eligible for assistance under this subsection must be entirely free of any and all controls—economic, ideological, military, or diplomatic by the international Communist conspiracy?

Mr. MORGAN. Again, it is my belief that the answer is "Yes."

I should point out that the legislation refers to domination rather than control and that the test is whether a country is dominated or not. The fact that a country has officials who are Communists, or that it has collectivized its agriculture or has followed the Communist line in some respect would not necessarily indicate that it was Communist dominated.

Mr. FEIGHAN. I thank the gentleman.

Mr. Speaker, a significant change is made in the basic statutes governing the foreign assistance program under section 618, 3(f), in the conference report in that the term "Communist country" is specifically applied to a number of known Communist countries. This revision is known to the Members as the Casey amendment. I note that the requirements of Presidential determination apply to the countries enumerated, but are not limited to the countries so enumerated.

My question is, Is it the intent of Congress by so enumerating the Communist countries, that such countries shall be subject to automatic Presidential review under the three conditions set forth in the amendment, imposing upon the President of the United States an official requirement which hitherto the language of the law has not required?

Mr. MORGAN. My answer, of course, would be "No, only if and when the question of aid to that particular country should arise."

Mr. FEIGHAN. I thank the gentleman.

I have in mind the case of Red China which is now spelled out as one of the Communist countries to be excluded from receiving U.S. assistance unless the President makes an exception under the conditions set forth in the conference report. This is a question of extreme importance because some administrators of the law may feel authorized to force a Presidential determination on the question of assistance to Red China because Red China is not specifically set forth as one of the Communist countries that may receive assistance under the amendment if the President makes a favorable determination.

The point of my question is: What change, if any, does the Casey amendment make or anticipate with regard to the question of assistance to Red China?

Mr. MORGAN. It makes no change. The same situation applies to all of the Communist countries listed.

Mr. FEIGHAN. My final question is: Under section 618, 3(h) the President is required to adopt regulations and establist procedures to insure that the U.S. foreign aid is not used in a manner which, "contrary to the best interests of the United States, promotes or assists the foreign-aid projects or activities of the Communist-bloc countries."

My question is whether the members of the Foreign Affairs Committee can conceive of any situation in which the use of U.S. foreign aid would promote or assist the foreign-aid projects or activities of the Communist-bloc countries, and which would not be contrary to the best interests of the United States?

In other words, do the members feel that it is possible to defend the security of the United States by lending our support and assistance to Communist economic warfare programs?

Mr. MORGAN. The House expressed itself very clearly in the adoption of the language appearing in section (h) on page 8 of the report:

> (h) The President shall adopt regulations and establish procedures to insure that U.S. foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign-aid projects or activities of the Communist-bloc countries.

I am sure that every member of the committee is opposed to aiding Communist governments to conduct economic warfare.

Mr. FEIGHAN. I thank the gentleman.

Mr. MORGAN. Mr. Speaker, I yield 4 minutes to the gentleman from Texas [Mr. CASEY].

Mr. CASEY. Mr. Speaker, they say a rose by any other name smells the same. The Casey amendment bears my name, but I do not care for the odor. The chairman, as you well recall, very adroitly modified it. I disagree with the gentleman from Minnesota that we have made it stronger. If you recall, last year the act stated that no assistance shall be furnished under this act to any country unless the President determines that such country is not dominated or controlled by the international Communist movement. The language of this amendment has been so modified, however, as to say that the President must find in addition to what I have stated, that it is not dominated by the Communist international movement, but that it must be vital to the security of the United States.

They have been determining that for 16 years. The conferees claim to have gotten together, that the House receded from those that the Senate did not like, and vice versa. They could have written this report last week, and we could have stopped the debate, or all the time we spent in debate, because they got exactly what they wanted. They talk about a free conference. Well, they got it. They have a blank check. As to the report to Congress on the three items in the so-called Casey amendment, we might have gotten that yesterday in the President's press conference when one of the reporters asked: "What is the difference between cutting off aid to Peru when you are still giving aid to Yugoslavia?" If you saw that conference, the answer was that we did not like the fact that Peru is not following democratic ideals. Yet we say it is in the best interest of the Nation to give aid to Yugoslavia.

The conferees put in here another little matter. I am not astute enough to know whether it was in either bill. I do not recall its being in our bill. But you still can give aid under section 214 to a member of the international Communist conspiracy. That is what the conferees say.

I would like to ask the gentleman, Was it in the Senate bill?

Mr. MORGAN. No, this provision making specific reference to section 214(b) was not in the Senate bill.

Mr. CASEY. It was not in the House bill?

Mr. MORGAN. That is correct.

Mr. CASEY. How can you put it in this conference report if it was not in either bill?

Mr. ZABLOCKI. The Senate during the debate on this bill, made clear its intent that the prohibition should not apply to the use of Public Law 480 funds for projects of health under section 214.

Mr. CASEY. Public Law 480 has nothing to do with it.

Mr. ZABLOCKI. It gives the President the authority to use funds accrued from sales under Public Law 480 for health and other projects abroad.

Mr. CASEY. Section 214 deals with educational institutions, hospitals, and so forth. At least that is my recollection.

Mr. ZABLOCKI. That is true. Section 214(b) authorizes the President to use foreign currency accruing to the U.S. Government for the purpose of building schools and hospitals.

Mr. CASEY. It was not in either bill?

Mr. ZABLOCKI. The Senate intent to establish this interpretation was made clear during the debate on the Mansfield-Dirksen amendment. The use of Public Law 480 funds was clearly covered by the Lausche amendment and by the Mansfield-Dirksen amendments which were included in the Senate bill.

Mr. CASEY. I would like to ask the gentleman to find it for me. I am not as well versed as he is, and I would appreciate his help.

Needless to say, I am against the conference report.

Mr. MORGAN. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Speaker, I am certain that the conferees did the best they could to bring an acceptable conference report to us. I am equally certain that what they have brought here today is an unacceptable conference report.

In the time I have I will try to point out some of the reasons why this report should not be adopted today.

In the first place, let me express appreciation for the fact that the so-called expropriation amendment was left in the report with a minimum of change.

There are one or two points about the provisions for suspending aid in cases of expropriation and other mistreatment of U.S. investment I would like to clarify. While we have all worked for a provision that would have certain flexibility, I would not want the plain language of the provision ignored or misinterpreted by the foreign nations to which it might apply. The provision calls on these nations to take steps to discharge their obligations to U.S. investors. I can conceive that a good faith willingness to negotiate or to take other preliminary steps to settle a dispute could for a time meet the requirements of the provision. But these negotiations must not be indefinitely prolonged. The provision calls for compensation in accordance with certain standards, not endless talk. And if the negotiations must be with a governmental authority that has admittedly no means to compensate as is true in one case in Latin America or with a government whose proposals show no intent to compensate as is true of Cuba, even a willingness to negotiate would not, in my opinion, meet the requirements of the statute. I suggest that the provision means what it says: the obligation is to compensate and such obligation cannot be long deferred without risking the suspension of aid. One further point: In the conference committee provision arbitration is included as one way of settling a compensation dispute. Of course, this requires fair and expeditious arbitration and not that which is dilatory or capricious. Rules and procedures comparable to those of the American Arbitration Association or the rules proposed by the International Law Commission suggest what is required.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Ohio.

Mr. HAYS. I would say to the gentleman, as he knows I supported his amendment and I supported it in the House. I think it is fair to say that we would expect any negotiations to be reasonable and not dilatory, and I think it is pretty obvious when people are negotiating in good faith and when they are just stalling. We would expect these negotiations to be made in good faith and I might say further that we put in the phase "under international law" to pin down the very thing the gentleman is talking about now.

Mr. ADAIR. I thank the gentleman.

There are two or three other points that I think ought to be in the minds of the Members of this House as we vote on this conference report. Mention has been made of the fact that on certain points the House receded and on others the Senate receded, but let me point out to you that on the crucial, on the critical points, always, it seems to me, there was a receding which would make the bill weaker.

For example, on the matter of aid to Communist countries, which has been the subject of some discussion here today, the conferees chose the weaker of the two alternatives they had before them. In other words, here were two choices. The conferees chose the weaker one. If you vote for this conference report, therefore, you are to that extent voting for the weaker provision with respect to aid to Communist countries.

Furthermore, with respect to the amount of money involved, the figure $690 million in the Senate bill was mentioned here. It ought to be restated and reclarified that in the bill for this fiscal year the Senate bill had only $90 million more than the House bill. The conference report contains money in an amount greater than the House originally voted by $3.5 million. And, more important than that is the fact that we have increased the contingency fund from the $275 million voted in the House to $300 million. This is money which can be spent almost any way the President desires.

It can be spent for aid to the United Nations, it can be spent within the limitation of existing law for aid to Communist nations, it can be spent almost without limitation.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Ohio.

Mr. HAYS. Taking this year's figure which the gentleman is talking about, does not the gentleman think when you go into a conference you have got to have an area of agreement somewhere? We went up $3.5 million and they came down $90 million. I do not think you could get a much better deal than that. Does not the gentleman think likewise?

Mr. ADAIR. I would say with respect to the figures themselves the conferees did very well. I am objecting particularly to the fact that $25 million was added to the contingency fund.

Mr. HAYS. If the gentleman will yield further, I understand the gentleman's objection, but taking the overall figure of $600 million which the House cut out for the 3-year appropriation or authorization for the Alliance for Progress program, we actually took $690 million out of the Senate version. In order to get that much out we had to give something. So we gave an additional $3.5 million plus an additional $25 million, which was a transfer around into another fund. I submit to the gentleman from Indiana that any time you can trade $3.5 million actually for $690 million you have made a pretty good deal.

Mr. ADAIR. But, as the gentleman has implied, $600 million of that was for subsequent years.

Mr. Speaker, there are two other points in which the conference report now pending before us is a very great deal weaker than the bill which we sent to conference. One is upon the matter of aid to India. The Senate had a ceiling upon such aid. We did not. So our conferees agreed to accept the weaker, that is, the House version of this provision.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. The fact is that the House conferees had to support the House version.

Mr. JUDD. The Senate accepted our version.

Mr. ADAIR. Yes; which was the weaker of the two versions. That is the point I am making. What I am trying to say to the House is that on these crucial points it seems that the conferees always accepted the weaker.

Mr. Speaker, finally, upon the so-called Gross amendment the conferees again accepted the weaker alternative. They accepted the approach of the Senate bill which did not have such a provision in it. In other words, the conferees on this point did not take the position of the House which would have greatly strengthened the bill.

Mr. Speaker, I think it ought to be kept in mind that if we vote for this conference report, we are voting, upon most of these crucial points, for a report which is vastly weaker than the bill which we sent to conference.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Earlier in the discussion on this conference report we heard some criticism of the press in the coverage of the House version of this bill. I do not happen to share this criticism that was made of the press, because I do believe that the House action on the Casey amendment, as amended by the Morgan amendment, was a victory for the executive branch of our Government and not a victory for the Congress.

Mr. ADAIR. As I pointed out, the conferees accepted the weaker of the two alternatives which they had before them.

Mr. LAIRD. If the gentleman will yield further, at the time we were considering this amendment there was the strong language of the Senate-passed bill prohibiting aid to Yugoslavia. In the House action we freed the hands of the President to continue to give aid to this Communist-dominated country. The press fairly reported this House action.

Mr. Speaker, I do not believe that the criticism made of the press earlier today was justified.

IS LAOS AGREEMENT ANOTHER YALTA?

Mr. Speaker, this morning I sent the following letter to Secretary Rusk. As a member of the Defense Appropriations Subcommittee I am deeply troubled over the present Lao situation and believe the American people share my concern. The letter follows:

JULY 24, 1962.

Hon. DEAN RUSK,
Secretary of State,
Washington, D.C.

MY DEAR MR. SECRETARY: It is, of course, no secret that grave doubts and deep concern are being expressed in many quarters over the present Lao situation. I too, as a member of the Defense Appropriations Subcommittee, am deeply troubled. I have been for many, many months.

On the basis of information recently made public concerning this declaration and protocol on neutrality in Laos, the only possible conclusion one could draw is that Laos is being surrendered to the Communists, as Poland was at Yalta 17 years ago.

The oft-expressed fear, now apparently a fact, that Communist forces are being released in Laos to carry on the fight in South Vietnam in which 8,000 American troops are now deeply involved should be sufficient to shake administration complacency. Obviously, it is not.

I strongly believe that the net effect of this agreement on Laos will be the intensification of war in southeast Asia and a weakening of the confidence of free Asians in the value of close cooperation with the United States.

The provisions of article 14 of the declaration and protocol appear to confer a veto power on Communist Poland over the policies of the United States and all other signatory powers in relation to Laos. This I regard as a nullification of the promises of the agreement.

I gravely disapprove of the procedure, presently being followed, which fails to submit the declaration and protocol to the U.S. Senate for ratification as a treaty.

The Congress and the country deserve a full and frank report from you on future American policy toward Laos. You will recall that President Kennedy, on March 23, 1961, told the American people, "If the Communists were to move in and dominate this country, it would endanger the security of all, and the peace of all, southeast Asia * * * that quite obviously affects the security of the United States."

I would be interested in receiving from you a plausible explanation of what makes today any different from March 23, 1961.

Other specific questions to which I would respectfully request detailed replies would include the following:

1. On what tangible facts do you base the expectation, expressed in the declaration and protocol, that this agreement will "assist peaceful democratic development of the kingdom of Laos" and "the strengthening of peace and security in southeast Asia"?

2. What provisions, contained in the declaration, prevent complete domination of Laos by the Communists?

3. Does the treaty specially prohibit Communist troops presently in Laos from moving into South Vietnam?

4. How would the United States regard a veto by Poland? Would it be looked upon as a barrier to action by the non-Communist signatories of the declaration? Would it be a barrier to action in the event of a Communist takeover in Laos? Would it prevent action if the practice of dispatching Communist troops through Laos to Vietnam were continued?

5. What action would the Government of the United States take in the event of a violation of the treaty and in the face of a Polish veto on action?

It is my profound hope that you will draft an early reply to this letter, a reply that I and the American people can only hope will allay our fears about the present direction of administration policy in southeast Asia.

Sincerely yours,

MELVIN R. LAIRD.

Mr. MORGAN. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. JOHNSON].

Mr. JOHNSON of Maryland. Mr. Speaker, I rise in support of this conference report. I want to commend the conferees for their efforts in working out an acceptable foreign assistance authorization bill.

Our conferees were confronted with the U.N. bond issue provision which had already been passed by the Senate. It appears to me the Senate refused to accept the House point of view and that our conferees acted judiciously in reaching an agreement in regard to this part of the bill.

I also feel our conferees garnered quite a victory, as the conference report contained $690 million less than what the Senate had voted. The cuts included $600 million in future authorization for the Alliance for Progress aid to Latin America. It is also important to note the final restriction on aid to Poland and Yugoslavia is much stronger than the present law.

In the measure before us we have $1.5 billion for military assistance, $1.9 billion for economic aid, and $600 million for our aid program in Latin America. I would like to point out to the Members that our economic aid program is less than the amount the Soviets are spending for propaganda. It is my understanding that the U.S.S.R. spent more than $2 billion last year in propagandizing their program and their ideology. I would be happy, indeed, if we could do more in this area ourselves. Personally, I feel we should explode the Soviet myth that their people are living under ideal conditions. I feel the American public should know, and particularly the countries we term as underdeveloped countries, that living in Soviet Russia is not good.

We are constantly fed a diet about unity and ideal conditions in the U.S.S.R. This is an illusion. Their agricultural system is inadequate to meet the needs of the people. Dissension prevails in their way of life. We do not hear of work stoppage in the Soviet Union. We are not apprised of the fact that there is a great shortage of consumer goods. Their people, in many instances, stand in the queue complaining and demanding food and other items which make our standard of living the best in the world. I say all this talk of unity and harmony in Russia is a myth.

I believe we now have the Soviet Union on the defensive in the cold war.

Mr. Speaker, I know we did not obtain all the things we wanted in the conference report. But I do wish to praise the conferees for a job well done and that the conference report be adopted.

Mr. MORGAN. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. Hays].

Mr. HAYS. Mr. Speaker, I think anybody who voted for the authorization bill as it passed the House may very well feel perfectly satisfied in voting for the conference report. I realize that there are differences of opinion on the bill itself, and I respect them. My good friend from Indiana [Mr. Adair], who serves with me on my subcommittee, spoke of his opposition to the bill and to the conference report and I respect his views. But I want you to know that the chairman of the committee, Dr. Morgan, stood fast for the House position on every occasion. But in a conference, in order to get something you have to give something. That is why we have conferences. And I can safely say to you, having sat through those negotiations from 10 o'clock in the morning, with time out for lunch, until 7:30 in the evening, that the House stood firm and that the House got about 75 percent of the House bill.

You talk about the money factor. The fact remains that the Senate bill authorized $690 million more than we finally came back with. We came back with a bill $3.5 million above what we went out of here with, and they went back to the Senate with $680,500,000 less than they left the Senate with. I submit that that is a pretty fair trade.

As far as the Gross amendment is concerned, it is no secret that I voted for it. But we might have been over there yet, because the Senate was not going to accept it. We had to give ground on some amendments in order to get ground on some of the others.

As far as this report being weaker on communism, as far as the matter of a weaker version of aid to Communist countries is concerned, I do not buy that at all. I say that the present law has been tightened and restricted a great deal. The three findings that the President must make are very restrictive, indeed. And as the chairman said in an answer to a question by the gentleman from Ohio [Mr. Feighan], he must make all of those findings in any case where aid is given to a Communist-dominated country.

Mr. Speaker, I hope the House will support the conference report. I think it is a good one.

Mr. MORGAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. ADAIR. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 221, nays 162, not voting 52, as follows:

[Roll No. 173]

YEAS—221

Addabbo
Albert
Anfuso
Arends
Ashley
Aspinall
Auchincloss
Avery
Ayres
Bailey
Baldwin
Barrett
Barry
Bass, Tenn.
Bates
Beckworth
Bennett, Fla.
Boland
Bolling
Boykin
Brademas
Breeding
Brewster
Brooks, Tex.
Broomfield
Buckley
Burke, Ky.
Burke, Mass.
Byrne, Pa.
Byrnes, Wis.
Cahill
Carey
Chelf
Chiperfield
Clark
Cohelan
Conte
Cook
Cooley
Corbett
Corman
Curtin
Daddario
Daniels
Dawson
Delaney
Dent
Denton
Dingell
Donohue
Dooley
Downing
Doyle
Dulski
Dwyer
Edmondson
Elliott
Ellsworth
Everett
Evins
Fallon
Farbstein
Fascell
Feighan
Finnegan
Fino
Flood
Fogarty
Ford
Frelinghuysen
Friedel
Fulton
Garmatz
Gary
Giaimo
Gilbert
Glenn
Gonzalez
Granahan
Gray
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Hagen, Calif.
Halleck
Halpern
Hansen
Harding
Hardy
Hays
Healey
Hechler
Holifield
Holland
Huddleston
Inouye
Joelson
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jones, Ala.
Jones, Mo.
Judd
Karsten
Karth
Kastenmeier
Kearns
Kee
Keith
Kelly
Keogh
King, Calif.
Kirwan
Kluczynski
Kowalski
Kunkel
Lane
Lankford
Lesinski
Libonati
Lindsay
McDowell
McFall
Macdonald
MacGregor
Madden
Magnuson
Mahon
Mailliard
Marshall
Martin, Mass.
Mathias
Matthews
Meader
Miller, Clem
Miller, George P.
Miller, N.Y.
Milliken
Mills
Monagan
Montoya
Moorhead, Pa.
Morgan
Morrison
Morse
Mosher
Moss
Multer
Murphy
Natcher
Nelsen
Nix
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Osmers
Ostertag
Patman
Perkins
Philbin
Pike
Pirnie
Price
Pucinski
Quie
Rains
Randall
Reuss
Rhodes, Pa.
Riehlman
Rivers, Alaska
Roberts, Ala.
Robison
Rodino
Rooney
Roosevelt
Rosenthal
Rostenkowski
Ryan, Mich.
Ryan, N.Y.
Santangelo
Schweiker
Schwengel
Seely-Brown
Selden
Shelley
Sheppard
Sisk
Slack
Smith, Iowa
Spence
Springer
Stafford
Staggers
Stubblefield
Sullivan
Thompson, N.J.
Thompson, Tex.
Thornberry
Toll
Trimble
Tupper
Udall, Morris K.
Ullman
Vanik
Van Zandt
Vinson
Wallhauser
Walter
Watts
Weis
Westland
Whalley
Widnall
Wright
Zablocki
Zelenko

NAYS—162

Abbitt
Abernethy
Adair
Alger
Andersen, Minn.
Anderson, Ill.
Andrews
Ashbrook
Ashmore
Baker
Baring
Battin
Becker
Beermann
Belcher
Bell
Bennett, Mich.
Berry
Betts
Bonner
Bow
Bray
Bromwell
Brown
Broyhill
Bruce
Burleson
Cannon
Casey
Cederberg
Chamberlain
Chenoweth
Church
Clancy
Collier
Colmer
Cunningham
Curtis, Mo.
Dague
Davis, James C.
Davis, John W.
Derounian
Derwinski
Devine
Dole
Dorn
Dowdy
Durno
Fenton
Findley
Fisher
Flynt
Forrester
Fountain
Garland
Gathings
Gavin
Goodell
Goodling
Grant
Gross
Hagan, Ga.
Haley
Hall
Harris
Harrison, Wyo.
Harsha
Harvey, Ind.
Harvey, Mich.
Hemphill
Henderson
Herlong
Hiestand
Hoeven
Hoffman, Ill.
Horan
Hosmer
Hull
Jarman
Jennings
Jensen
Johansen
Jonas
Kilgore
King, N.Y.
Kitchin
Knox
Kornegay
Kyl
Laird
Landrum
Langen
Latta
Lennon
McCulloch
McDonough
McIntire
McMillan
Mack
Martin, Nebr.
Mason
May
Michel
Minshall
Moeller
Moore
Morris
Murray
Norrell
Nygaard
O'Konski
Passman
Pelly
Pfost
Pillion
Poage
Poff
Ray
Reece
Reifel
Rhodes, Ariz.
Riley
Rivers, S.C.
Roberts, Tex.
Rogers, Fla.
Roudebush
Roush
Rousselot
Rutherford
St. George
Saylor
Schadeberg
Schenck
Schneebeli
Scott
Shipley
Short
Shriver
Sikes
Siler
Smith, Calif.
Smith, Va.
Steed
Stephens
Taylor
Teague, Tex.
Thomas
Thomson, Wis.
Tollefson
Tuck
Utt
Van Pelt
Waggonner
Weaver
Wharton
Whitener
Whitten
Wickersham
Williams
Wilson, Ind.
Young
Younger

NOT VOTING—52

Alexander
Alford
Bass, N.H.
Blatnik
Blitch
Boggs
Bolton
Celler
Coad
Cramer
Curtis, Mass.
Davis, Tenn.
Diggs
Dominick
Frazier
Gallagher
Gubser
Harrison, Va.
Hébert
Hoffman, Mich.
Ichord, Mo.
Kilburn
King, Utah
Lipscomb
Loser
McSween
McVey
Merrow
Moorehead, Ohio
Moulder
Nedzi
Norblad
Peterson
Pilcher
Powell
Purcell
Rogers, Colo.
Rogers, Tex.
St. Germain
Saund
Scherer
Scranton
Sibal
Smith, Miss.
Stratton
Taber
Teague, Calif.
Thompson, La.
Willis
Wilson, Calif.
Winstead
Yates

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Rogers of Texas against.

Mr. Davis of Tennessee for, with Mr. Willis against.

Mr. Frazier for, with Mr. McSween against.

Mr. Nedzi for, with Mr. Alford against.

Mrs. Bolton for, with Mr. Alexander against.

Mr. Kilburn for, with Mr. McVey against.

Mr. Bass of New Hampshire for, with Mr. Lipscomb against.

Mr. Scranton for, with Mr. Teague of California against.

Mr. Merrow for, with Mr. Cramer against.

Mr. Curtis of Massachusetts for, with Mr. Wilson of California against.

Mr. Powell for, with Mr. Taber against.

Mr. Diggs for, with Mr. Hoffman of Michigan against.

Mr. Gallagher for, with Mr. Gubser against.

Mr. Blatnik for, with Mr. Thompson of Louisiana against.

Mr. Boggs for, with Mr. Harrison of Virginia against.

Mr. Stratton for, with Mr. Moulder against.

Mr. Peterson for, with Mr. Winstead against.

Mr. Rogers of Colorado for, with Mrs. Blitch against.

Mr. Sibal for, with Mr. Pilcher against.

Until further notice:

Mr. St. Germain with Mr. Dominick.

Mr. Loser with Mr. Norblad.

Mr. King of Utah with Mr. Scherer.

Mr. Yates with Mr. Moorehead of Ohio.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a resolution, as follows:

S. Res. 364

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of the Honorable Henry C. Dworshak, late a Senator from the State of Idaho;

Resolved, That a committee of Senators be appointed by the Vice President to attend the funeral of the deceased;

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased;

Resolved, That as a further mark of respect to the memory of the deceased, the Senate do now adjourn.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1963

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12648) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited not to exceed 2 hours, one-half of the time to be controlled by the gentleman from Minnesota [Mr. Andersen] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12648), with Mr. Harris in the chair.

The clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WHITTEN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this is the 12th or 13th time that it has been my privilege to bring to the House of Representatives the bill making appropriations for the Department of Agriculture.

Mr. Chairman, I have taken great pleasure in representing the American people, I might say, in presenting this bill each year, because whatever we may think, food, clothing, and shelter remain basic. They are just as basic today as they were in the beginning of time. Not only that, but the well-being of those that provide them continues essential to the overall welfare. It makes no difference how many or how few are engaged in any nation in the actual production of food, clothing, and shelter, the well-being of that nation will be dependent upon the well-being of the group which has that assignment.

ONE HUNDRED YEARS OF PROGRESS

In the past 100 years, since the U.S. Department of Agriculture was created by President Lincoln on May 15, 1862, our Nation has developed the highest standard of living of any nation in history. To this American agriculture has made a significant contribution.

As we observe the Department's centennial anniversary this year it is appropriate to call attention to the fact that the achievements of American agriculture are the envy of the rest of the world. American agriculture has met every need for food and fiber at home and abroad, in war or in peace. For the first time in the history of man, the terror of famine has been replaced by the problems of feast.

It is well to compare the situation in 1862 with 1962.

In 1862, one American out of five was working directly on the farm, leaving only four persons to do the other things essential to the Nation's economy. In 1962, only 1 out of 27 persons is directly engaged in growing our food and fiber, leaving the other 26 available to produce and provide all those things which make for the highest standard of living ever enjoyed by any nation.

Not only that, but the system of agriculture built up in this country during the past century has made American farm products of superior quality. Their wholesomeness and variety are without limit. In much of the rest of the world, what we consider to be essential foods are not to be had at any price.

Further, the past 100 years of agricultural advancement has made food the American consumer's best bargain, costing only one-fifth of his take-home pay. One hour of work today will buy from three to four times as much food as it would only half a century ago. During this period, consumer income has increased elevenfold, from $33.7 billion in 1912 to $416 billion in 1961, while the cost of food has gone up only threefold, approximately 200 percent.

It is the normal thing for people in most areas of the world to spend one-half or more of their total income for food. The latest United Nations figures show the percentage of income spent for food in certain areas as follows: Italy, 45 percent; Japan, 46 percent; Ceylon, 52 percent; Nigeria, 70 percent. In the United States, food costs take only 20 percent or less of the disposable income, as compared to over 50 percent in Russia.

This is the success story of our Nation.

It did not just happen, nor was it an accident. It has been the result of our various agricultural programs—plus the hard work, ingenuity, and ability of the American farmer. To this the Department of Agriculture has contributed tremendously through research, education, technical help, economic aid, and other services.

The health and welfare of the American people and the growth of our Nation during the past century is largely the result of the creation of the most efficient and productive agricultural enterprise ever known to man.

MANY AGRICULTURAL PROBLEMS FACE THE NATION

Despite this outstanding record of performance, the farmers of the Nation are still faced with many difficult problems. These problems have a direct effect on all of the American people.

The cost-price squeeze is becoming more acute year after year. During the past 10 years, the farmer's share of the retail food dollar declined from 49 cents in 1951 to 38 cents in 1961, a reduction of nearly one-fourth. During this same period, cash receipts from farming remained constant while production costs went up each year. As a result, net income to farmers decreased from a high of $15.3 billion in 1951 to $11.6 billion in 1960, a reduction of over 25 percent. It recovered slightly to $12.7 million in 1961. This reduction in rural purchasing power has had a depressing effect on industry and labor during these years.

Also, as our farm population has declined and the number of farm units has decreased, the size of farms and financial risk has increased substantially. The average investment required to farm increased nearly 600 percent in 20 years, from $6,094 in 1949 to $34,648 in 1960 and $35,425 in 1961. During this same period, the farm debt increased from $9.6 billion in 1940 to $22.9 billion in 1960 and $24.1 billion in 1961.

Further, the vagaries of weather and the threats to crops and livestock from insects and diseases continue to cost the Nation billions of dollars annually and continue to increase the financial risk to the farmer. Half a century ago, a farmer could survive as many as seven crop failures in a row. With the tremendous financial risks involved in present-day farming, the loss of a crop for a single year can result in bankruptcy for many farmers.

Cash returns to the farmer must include a proper return for first, investment; second, management; third, labor; and fourth, risk. Unless cash returns are sufficient to provide for all four, the land will be depleted, farm purchases will decline, and, judging by history, the general economy will suffer.

Perhaps the most serious problem facing agriculture today is the failure of the American consumer to fully understand the farmer's problems and to realize that the economic strength of the entire Nation is dependent upon a healthy agriculture, with its tremendous purchasing power, constituting by far the biggest market for labor and industry.

AGRICULTURE—KEY TO HIGH STANDARD OF LIVING

In recent years the United States has been spending large sums of money to maintain its position in the world and support its defense and defense-related activities at home and abroad. For the coming fiscal year, we will use an estimated 69 percent of our Federal budget for national defense, international programs, space activities, and the care of war veterans. Some 4 million persons will be in active or reserve military status. In addition, millions of people will be employed in supporting this vast army, producing planes, submarines, ships, missiles, and other defense requirements.

The public debt has been increasing year by year as a result of these and other Federal expenditures. The public debt of $257 billion in 1950 increased to $286 billion in 1960. It is expected to increase further to $295 billion by June 30, 1963. A total debt ceiling of $308 billion was recently adopted by the House.

Though we have been and are now suffering some inflation as a result of these pressures on our economy, our standard of living has continued to be the highest ever enjoyed by the people of any nation in history.

We have been able to carry such a heavy financial burden and the resulting inflation, without decreasing our standard of living, because fewer and fewer people are producing more and more food and fiber, which releases more and more of our population for other purposes.

When this country was young, 90 percent of the people lived on the farm. Most of them had to produce their own food and fiber with the plow and the hoe. Today, about 10 percent of our people live on the farm, with less than 4 percent working in the fields to produce enough to feed our entire population.

It now takes so few of us to produce the food, clothing, and shelter for the rest of us, that the rest of us can provide the highest standard of living ever known for all of us.

HEALTHY AGRICULTURE ESSENTIAL TO ENTIRE ECONOMY

The economic welfare of each segment of the Nation's economy is dependent on the economic strength of each of the others. Our history demonstrates that labor and industry are prosperous only when the agricultural economy is strong and healthy.

Agriculture is the principal source of new wealth. It is the main provider of basic raw materials which support all segments of business and industry. Reliable estimates indicate that each dollar of wealth taken from the soil generates $7 of income throughout the rest of our economy.

Agriculture is our largest industry. It employs 12 times the number of people in the steel industry, 9 times the number in the automobile industry, and twice the number in the transportation and public utility industries. In addition, it supports directly another 10 percent of our nonfarm population which supplies the farmer with his needs and processes and markets his products.

Agriculture is one of the major markets for the products of industry. Agriculture uses more steel in a year than is used for a year's output of passenger cars. It uses more petroleum products than any other industry in the country. It uses more rubber each year than is required to produce tires for 6 million automobiles. Its inventory of machinery and equipment exceeds the assets of the steel industry, and is five times that of the automobile industry.

Urban workers benefit directly from this rural demand for machinery, equipment, supplies and the other items used on the Nation's farms. Significant changes in this demand, therefore, have a direct effect on business and employment in urban areas. Every major business recession in this country has been preceded by the loss of income and purchasing power at the farm level.

It is estimated by the Department of Agriculture that, while over 78 percent of the farms produce only 28 percent of the farm products, such farms incur about 50 percent of the total production expenses. Production changes on this large number of smaller farms, therefore, can affect as much as half the agricultural market—with major consequences for labor and industry in urban areas.

This important rural market must be protected by the assurance of adequate income to the producers of farm commodities and maintenance of farm purchasing power. Business prosperity and full employment in the cities is dependent on a strong and dependable agricultural market, including both large and small farms.

AGRICULTURAL PROGRAMS HAVE BROAD BENEFITS

Critics of agriculture who are not aware of the true facts frequently charge the entire cost of the Department of Agriculture to the American farmer.

These people overlook the fact that research, insect and pest control, meat and poultry inspection, school lunch and special milk programs, market inspection, fruit and vegetable inspection, soil conservation, flood prevention, watershed protection, and many other programs of the Department have direct benefits to every person living in the United States and to future generations. They disregard the fact that many segments of our economy other than the farmer are important beneficiaries of our farm programs—in fact they receive more than 50 percent of each consumer dollar spent for food.

Several years ago, in cooperation with officials of the Department, a special analysis was made of the benefits received by the general public from Federal funds spent for agriculture. It was determined that, of the funds expended by the Department of Agriculture for fiscal year 1960, over 54 percent had benefits to the general public of equal importance to those for the farmer. A similar study made this year shows the same to be true for the funds appropriated to the Department for fiscal year 1962.

It is important, therefore, that everything possible be done during this centennial year for agriculture to fully inform every person in the Nation of the problems facing the American farmer and the value of agricultural programs to all Americans. It is essential that everyone work together for sound legislation and adequate funds to conduct our agricultural programs for the maximum benefit of all segments of our population.

In no other nation in the world's history have less than 10 percent of the people been able to feed and clothe the entire population. In no other nation have the consumers enjoyed such a plentiful supply of wholesome and nutritious food at such a low cost. In few other nations in history have the terrors of famine been replaced by problems of surplus.

Unless all groups interested in agriculture work together to make it possible for our rural population to earn a satisfactory living, it is conceivable that the time could come when some of the 90 percent nonfarm population will again have to return to the soil to obtain their food supply.

THE EUROPEAN COMMON MARKET

Another important development facing American agriculture in the coming years, as well as other segments of our economy, is the growth of the Common Market in Europe. The Common Market countries—France, Germany, Italy, Belgium, the Netherlands, and Luxembourg—with a population of 170 to 180 million people, represent one of the world's largest trading communities. In 1960, the Common Market share of total U.S. farm exports amounted to $1.1 billion, about 22 percent of the total.

Considerable progress has been made by the six member nations in removing tariffs and trade restrictions on industrial goods among themselves. Progress in the area of agricultural trade has been slower, however, since barriers are much greater and differences are much more difficult to resolve. This holds some hope for continued markets in Europe for U.S. agriculture.

The most significant recent development has been the application of the United Kingdom, Denmark, and Ireland for membership in the Common Market. The United Kingdom has long been the No. 1 foreign market for U.S. agricultural commodities. In 1960 U.S. exports to the United Kingdom totaled around $500 million, some 10 percent of total U.S. agricultural exports that year.

It is impossible to foresee the ultimate effect of the Common Market on American agriculture. Its importance is obvious when it is realized that about 32 percent—$1.6 billion—of all U.S. agricultural exports in 1961 went to the United Kingdom-Common Market area.

The Department of Agriculture estimates that the production from 1 out of every 6 acres harvested in the United States goes into export trade. The possible exclusion of the United States from the European market for certain commodities, or even a decrease in U.S. imports into the area, could force a serious reduction in U.S. production, with its many economic problems for this country.

It is essential, therefore, that American agriculture be kept economically strong during this period when it must adjust to meet developments of the Common Market. It is important that our legislative and appropriation bills be designed to keep our farm industry in a strong economic position. It is necessary that the Congress, the executive branch, and representatives of agriculture work together to keep U.S. commodities in the European market on a competitive basis. It is of primary importance that U.S. agricultural interests be actively represented in Common Market negotiations and that they continue their market development and sales promotion activities in this important market.

PERSONNEL REQUIREMENTS

Average annual employment in the Department of Agriculture—exclusive of the Forest Service which is no longer financed from funds carried in this bill—has increased from 47,793 in fiscal year 1954 to an estimated 63,428 in fiscal year 1962. This is a total increase of 15,635 full-time positions, nearly 33 percent.

Recognizing the need to limit further personnel expansion in the Department, funds recommended in the bill for additional employees in the next fiscal year have been held to an absolute minimum. Further, in several instances, agencies are being required to provide a large part of the funds needed to finance additional personnel by making offsetting reductions in other expenditures.

The committee is aware that continued personnel expansion is not the answer to the problems facing American agriculture. It feels that most of the agencies of the Department should meet their new and additional program requirements next year within existing funds and personnel.

The 1963 budget, as amended by estimates in House Document No. 447 and screwworm eradication estimates, would provide a net increase of 1,940 man-years of employment for the next fiscal year. The committee has reduced that number by 826—43 percent—and recommends funds for only 1,114 additional positions—some of which will be only temporary—for the following purposes deemed to be most essential to the health and welfare of the American people:

Agricultural Research Service:	
To staff new research laboratories previously authorized by Congress and now ready for operation	215
To strengthen the control of plant and animal diseases, including hog cholera and screwworm eradication	421
To increase meat inspection	113
Total	749
Soil Conservation Service:	
To provide technical assistance to new soil conservation districts	69
To expand the small watershed protection program (Public Law 566)	299
To increase the Great Plains conservation work	24
Total	392
Statistical reporting service: To continue the long-range program for improvement of crop and livestock estimates	108
Agricultural Marketing Service:	
To extend and modernize market news service and studies	5
To strengthen grain grading	18
To increase poultry inspection	65
To strengthen administration of Packers and Stockyards Act	15
To increase warehouse inspection	6
Total	109
Foreign Agricultural Service: To strengthen representation on trade groups and European Common Market	10
General administration:	
To increase assistance to Secretary, Under Secretary, and Assistant Secretaries	7
To establish new audit and investigation unit and increase examination and control of budgets	29
Total	36
Total increase	1, 404
Less: Personnel reductions proposed for CCC and other agencies	290
Net increase	1, 114

These figures do not include an additional seven positions needed for rural areas development work.

REQUESTS FOR ADDITIONAL PROJECTS

Numerous Members of Congress and others appeared before the committee again this year on behalf of projects and programs of importance to their areas. Most of these proposals have real merit and would make a valuable contribution to agriculture and the American consumer. However, they would increase the budget by nearly $300 million in total.

The committee is aware of the needs represented by these proposals and would like to be in a position to provide the necessary additional funds requested. As pointed out earlier, however, a special effort has been made this year to hold down personnel expansion in the Department. Increases have been allowed only in those areas where additional funds and personnel are absolutely necessary to staff new laboratories already constructed and meet other program commitments which cannot be deferred or eliminated.

The Department is requested to review the testimony presented to the committee and make a thorough study of the need for and importance of the various proposals made. To the maximum possible extent the Department should give attention to these needs within the funds and personnel allowed for the next year. In most of these areas, the Department is already spending large sums. The committee feels that redirection and change of emphasis would meet many of these additional needs.

The Administrator of the Agricultural Research Service should take the additional research proposals totaling nearly $5 million into consideration in allocating funds from his contingency research fund, which is authorized again this year. Also, the Department should consider these various projects in connection with the preparation of future budgets. Most of these proposals are the result of urgent needs felt at the local level and, therefore, should be given high priority in planning and conducting future operations. An example of this is the great need in the Southwest for additional research on the recharging of underground water supplies. Other examples include research on dogfly control along the gulf coast and tick eradication in Arkansas.

AGRICULTURAL RESEARCH SERVICE

The Agricultural Research Service was established by the Secretary of Agriculture on November 2, 1953, under the authority of the Reorganization Act of 1949—5 U.S.C. 133z-15—the Reorganization Plan No. 2 of 1953, and other authorities. It conducts farm, utilization, nutrition, and consumer use research, plant and animal disease and pest control and eradication activities, and operates the meat inspection service. The Administrator of this Service is also responsible for the coordination of all research of the Department.

For "Salaries and expenses," the committee recommends $159,764,500 for fiscal year 1963, an increase of $3,250,000 over appropriations for fiscal years 1962 and a reduction of $2,461,000 in the budget request.

The committee approves program increases of $6,500,000 for the coming year, including $900,000 for staffing and operating new research laboratories, $100,000 to develop a process for removing strontium 90 from milk, $4,500,000 for various plant and animal disease and pest control programs, and $1 million for meat inspection.

The committee recommends, however, that half of these increases be financed from existing funds. Since 1954, this appropriation has increased 143 percent, while expenditures for travel, transportation, communications, rents, supplies and equipment have increased an average of 210 percent. A reduction of these "Other object" expenses to bring them in line with the rest of the appropriation should provide the balance of funds needed to finance the total increases approved for the coming year.

The additional $4,500,000 for animal disease and pest control programs includes $300,000 for additional plant and animal inspection at ports of entry to prevent introduction of diseases and pests from abroad, $200,000 to increase registration and enforcement under the Federal Insecticide, Fungicide and Rodenticide Act; $1,500,000 for hog cholera eradication, and $2,500,000 for screwworm eradication in the Southwest. Since reporting our bill, funds for screwworm eradication have been provided in the second supplemental adopted yesterday. Therefore, I will offer an amendment later to eliminate these funds from this bill.

Of the amount provided for hog cholera eradication, $100,000 should be used to determine more effective methods of identifying and combating the disease. In carrying out the eradication work, the Department should coordinate it as far as possible with similar activities for control of brucellosis and tuberculosis in animals, making use of trained and experienced personnel. The Department is urged to make certain that the indemnities are paid only after compliance with all applicable laws and regulations of both the State and Federal Governments.

The committee wishes to express again its concern that, though meat has already been officially inspected and passed for wholesomeness, public funds are also being expended for inspecting processed food products which contain portions of such inspected meat. This inspection deals primarily with such things as composition and ingredients of prepared meat products and is of primary value to the trade in the form of "Government inspected" labels. The committee points this up since the cost of meat inspection has increased from $9 million in 1947 to over $24 million in 1962, an increase of nearly 170 percent in 15 years. Unless some changes in inspection procedures and coverage are made, the potential cost of meat inspection will soon expand far beyond reason. In this connection, the Department is requested to make a special study to determine to what extent it can certify State meat inspection services and license them to inspect meat which moves in interstate commerce.

For the "Special foreign currency program," the full budget estimate of $5,265,000 is recommended for the coming year, the same amount as was provided for fiscal year 1962. No additional employees are provided for.

Oversea research carried out under sections 104(a) and 104(k) of Public Law 480 is financed by foreign currencies in amounts authorized in this bill. It supplements and complements that financed by regular dollar appropriations elsewhere. It is not intended to duplicate or displace other research conducted by the Department or its cooperators.

With funds available for this program, particular attention should be given to dietary utilization research designed to improve the quality of wheat and wheat products for both the domestic and export markets.

For "Construction of facilities," the committee recommends an appropriation of $760,000 for fiscal year 1963, which is $40,000 less than was provided for 1962 and is a decrease of $920,000 in the budget request.

The amount provided includes $450,000 for the replacement of outmoded poultry research facilities at East Lansing, Mich., $150,000 for modernization of three livestock import inspection stations along the Canadian border, and $160,000 for renovation and improvement of the heating, water, and electrical systems at the Agricultural Research Center at Beltsville.

Due to the need to curtail appropriations and personnel in this bill, no funds have been included for the planning or construction of any new facilities in the next year.

Facilities provided in 1939 at East Lansing, Mich., for research on avian leukosis, consisting largely of temporary wooden buildings, are wholly inadequate to effectively investigate the disease as it is known today. This disorder continues to be the most destructive disease of poultry in the Nation. Annual losses to the poultry industry approximate $65 million.

Between July and December 1961, 408,000 head of livestock were inspected at ports of entry along the Canadian border. A major problem at ports of entry is the provision of facilities which will permit adequate inspection despite inclement weather. At Portal, N. Dak., where a greater number of animals is being inspected than at any other single port along the Canadian border, the facilities consist of open, unprotected stock pens. At Blaine, Wash., and Houlton, Maine, the present facilities are equally inadequate and there is an urgent need for modern facilities. Blaine, Wash., is expected to become a major terminal point for traffic along the Alcan Highway as it becomes more frequently traveled.

Most of the facilities at the Agricultural Research Center were provided 20 or more years ago. The staff at the Center has increased considerably since then. More and more equipment with greater power, water, and heating demands has been installed. Depreciation and obsolescence have taken their toll. As a result there is critical need for modernization and improvement of facilities at that location.

COOPERATIVE STATE EXPERIMENT STATION SERVICE

The Cooperative State Experiment Station Service was established by Secretary's Memorandum No. 1462 dated July 19, 1961, and Supplement 1, dated August 30, 1961, under Reorganization Plan No. 2 of 1953. The Service carries out first, administration of the Agricultural Experiment Stations Act of August 11, 1955—Hatch Act of 1887, as amended, 7 U.S.C. 361a–361i; second, payments under section 204(b) of the Agricultural Marketing Act of 1946—7 U.S.C. 1623—to State agricultural experiment stations; and third, grants to nonprofit institutions for support of basic scientific research under the act approved September 6, 1958—42 U.S.C. 1891–1893.

The full budget estimate of $38,207,000 is provided for this program for fiscal year 1963. The increase of $2 million over fiscal year 1962 is approved to meet the increasing costs of the research programs of the State institutions, which are going up at a rate of 6 percent per year. Salaries of scientists and supporting personnel are one of the major items of increased cost which must be provided for. No increase in Federal employment is involved.

Through the years the land-grant colleges have played a major role in the Nation's total agricultural research effort. The tremendous advances in agricultural technology during the past century are due in large measure to the outstanding research accomplishments of this program. For every dollar of Federal funds appropriated, States and local institutions have provided between $3 and $4 of financial support. In addition the land-grant colleges provide the physical plant and assume the major maintenance and administrative costs.

EXTENSION SERVICE

Cooperative agricultural extension work was established by the act of May 8, 1914, as amended by the act of June 26, 1953—7 U.S.C. 341–348—and the act of August 11, 1955—7 U.S.C. 347a. The legislation authorizes the Department of Agriculture to give, through the land-grant colleges, instruction and practical demonstrations in agriculture and home economics and related subjects and to encourage the application of such information by means of demonstrations, publications, and otherwise to persons not attending or resident in the colleges. Extension educational work is also authorized under the Agricultural Marketing Act of 1946—7 U.S.C. 1621–1627.

Through the years, the Cooperative Extension Service, in cooperation with the land-grant colleges, has made a significant contribution to the advancement of agriculture throughout the Nation. The county extension agent and other extension personnel are generally recognized as the primary source of information and assistance to the farmer in meeting his farm, home, and community problems.

State and county extension work is financed from Federal, State, county, and local sources. These funds are used within the States for the employment of county agents, home demonstration agents, 4–H Club agents, State specialists and others who conduct the joint educational programs adapted to local problems and conditions.

The committee recommends the full budget request of $60,590,000 for the coming fiscal year for payments to States. The increase of $1 million over the 1962 appropriation will be allocated to the States under section 3(c) of the Smith-Lever Act to meet increased salary costs of personnel engaged in the program. No increase in Federal personnel is involved.

As in previous years, the committee recommends that these funds be used primarily to maintain competitive salary levels for county extension agents and home demonstration workers. The increased complexities of present-day agriculture make well-trained and highly qualified extension personnel more essential than ever.

The Federal Extension Service provides for leadership counsel and assistance to the 50 States and Puerto Rico. As of May 31, 1962, there were 239 employees in this organization, 230 of whom were headquartered in Washington.

The committee recommends the 1962 appropriation level of $2,464,500 for the coming fiscal year, a reduction of $260,000 in the budget estimate. This will keep Federal employment at current levels. The committee does not object to the employment of additional experts to provide leadership in such areas as 4–H Club programs, farm management, farm housing, and marketing, provided the necessary funds are obtained by not filling other positions as they become vacant.

FARMER COOPERATIVE SERVICE

The Farmer Cooperative Service was established following the enactment of the Farm Credit Act of 1953—Public Law 202, August 6, 1953—which transferred the research and technical assistance work for farmers' marketing, purchasing and service cooperatives, under the Cooperative Marketing Act of 1926 from the Farm Credit Administration to the Secretary of Agriculture.

The Service conducts research, advisory, and educational work with cooperatives on problems of organization, financing, management policies, merchandising, costs, efficiency, and membership to help farmers who are members of such organizations improve the operations of their businesses. It cooperates with the extension service, land-grant colleges, banks for cooperatives, State departments of agriculture, and other agencies to bring about better understanding and application of sound cooperative principles and practices. It also advises other Federal agencies on problems relating to agricultural cooperatives.

The sum of $657,000 is provided for fiscal year 1963, a reduction of $100,000 in the budget estimate. This is the same amount as was provided for 1962, which will permit no increases in personnel. This action does not deny funds for the additional work proposed for 1963. It merely requires that new positions established for these purposes be financed by not filling other positions as they become vacant during the year.

SOIL CONSERVATION SERVICE

The Soil Conservation Service was established by the act of April 27, 1935—16 U.S.C. 590a–590f. It assists soil conservation districts and other cooperators, watershed groups, and Federal and State agencies having related responsibilities in bringing about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce damage by floods and sedimentation.

Soil conservation assistance has been provided for 20 new districts organized during the 1962 fiscal year. It is expected that an additional 23 districts will be created during fiscal year 1963, which will bring the total number of districts to 2,943 by June 30, 1963.

The committee recommends an appropriation of $90,280,000 for the next fiscal year for conservation operations, an increase of $644,000 over the 1962 appropriation, and a reduction of $445,000 in the budget request. This increase will provide additional technicians to provide assistance to the 23 new districts expected to be organized during the coming year. The majority of the members of the committee feel that this need is much more urgent than those proposed in the budget request.

The bill carries the full budget request of $60,585,000 for the coming fiscal year, an increase of $6,839,000 over funds provided for 1962 for watershed protection.

At the beginning of the fiscal year 1963, it is estimated that installation of works of improvement will be underway in 384 Public Law 566 projects. Another 120 are expected to be approved for operations during the year. It is estimated that about 30 of these will not require funds during the year because of late approval or having no work scheduled. This will leave a total of 474 projects requiring funds. About 198 of these will be receiving advance engineering and technical assistance only, at a cost of $5,260,000. This involves preparation of plans, designs, and specifications for structural measures and the installation of land treatment measures required before construction starts. The remaining 276 projects will be under construction. An estimated 60 of these will be new construction starts requiring about $18,200,000 during the year. About 181 projects begun in prior years will require an estimated $23,342,000. All work will be completed on an estimated 35 projects during the year at a cost of $2 million in 1963, making a total of 83 projects which will be completed by the end of the fiscal year 1963.

The amount provided includes $5,500,000 for investigations and planning. In view of the many requests which have been received for planning of specific watershed projects, the committee recommends the use of additional funds for these purposes if necessary to meet the urgent demands in many areas.

In addition, the recommended appropriation includes a total of $2,283,000 for surveys and investigations of water resources. This amount will permit the establishment of eight additional survey parties in fiscal year 1963 to initiate cooperative surveys in eight river basins, including the Genessee River in New York; the Elkhorn and Big Blue Rivers in Nebraska; the Meramec River in Missouri; the Poteau River in Oklahoma and Arkansas; the Willamette River in Oregon; Florida west coast tributaries in Florida; the Ohio River in Pennsylvania, New York, West Virginia, Virginia, Tennessee, Kentucky, Ohio, Indiana, and Illinois; and the Red River in Louisiana, Arkansas, Oklahoma, and Texas.

In order that such studies may serve their maximum usefulness, the resources and talents of the various agencies of the Department, including the Soil Conservation Service, the Economic Research Service, the Farmers Home Administration, and the Forest Service should be utilized under the general direction of the Assistant Secretary for Federal-State Relations. Further, these efforts should be coordinated fully with the work of the Corps of Engineers and other Federal, State, local, and private agencies to develop a comprehensive plan which will give full recognition to all economic potentialities as well as economic interests in the areas concerned.

For "Flood prevention," the committee recommends an appropriation of $25 million for the next fiscal year, the same amount as was provided for fiscal year 1962. The personnel requirements will also remain the same.

As has been pointed out in previous years, the progress on the 11 major watersheds financed by this appropriation is far behind the program authorized in 1944. It was originally estimated that these projects would be completed in about 15 years. The overall program is still less than half finished some 18 years later. Local sponsors of these projects are meeting their part of the responsibility at increasing rates, and greater progress can be made in the future, provided adequate Federal appropriations are available. In view of constantly rising costs, it is important that these projects be completed at the earliest possible date.

The bill includes $12 million for fiscal year 1963, for "Great Plains conservation program," a decrease of $1 million in the budget request. The increase of $1,833,000 over 1962 will provide for 450 cost-sharing contracts in addition to the approximately 1,900 covered by the 1962 appropriation.

By December 31, 1960, a total of 365 counties had been designated for assistance under this program. There are 57 remaining counties which may be proposed for designation, of which 8 to 10 are expected in fiscal year 1963.

ECONOMIC RESEARCH SERVICE

The Economic Research Service was established by Secretary's Memorandum No. 1446, Supplement No. 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953, and other authorities. The Service develops and carries out a program of economic research designed to benefit farmers and the general public. The findings of this research are made available to farmers and others through research reports and through economic outlook and situation reports on major commodities, the national economy, and the international economy.

An appropriation of $9,410,000 is recommended for the next fiscal year, the same amount as was provided for 1962 and a decrease of $1,030,000 in the budget estimate. In view of the need to keep personnel at present levels, no additional funds or personnel are recommended for this agency at the present time.

STATISTICAL REPORTING SERVICE

The Statistical Reporting Service was established by Secretary's Memorandum No. 1446, Supplement 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953, and other authorities. The Service was created to give coordinated leadership to the statistical reporting research and service programs of the Department. It provides a channel for the orderly flow of statistical intelligence about the agricultural economy of this country. The primary responsibilities of this Service are the nationwide crop and livestock estimates, coordination and improvement in the Department's statistical requirements, and special surveys of market potentials for agricultural products.

The committee recommends an appropriation of $9,518,000 for the next fiscal year, a reduction of $175,000 in the budget request. The increase of $760,000 is provided to continue the long-range program for improvement of crop and livestock estimates, including the establishment of quarterly pig crop reports in the Midwest and including forecasting services for grapes and lemons in California on a matching basis.

In 1961, $750,000 was provided to inaugurate a 3- to 4-year program to improve the accuracy of crop and livestock estimates. The program was started in 15 Southern and North Central States that year. With an additional $500,000 appropriated for fiscal year 1962, the program has been extended to five additional Corn Belt States—a total of 20 States. It is hoped that the increase recommended for next year will permit expansion to a total of 24 States, covering most of the cotton and corn producing areas.

AGRICULTURAL MARKETING SERVICE

The Agricultural Marketing Service was established November 2, 1953, under authority of section 161, Revised Statutes—5 U.S.C. 22—Reorganization Plan No. 2 of 1953, and other authorities.

The bill for fiscal year 1963 includes $38,857,000 for "Marketing research and service," a decrease of $1,628,000 in the budget estimate and an increase of $587,500 over the 1962 appropriation.

The committee approves program increases of $1,175,000 for the coming year, including $250,000 for market studies and expansion of the market news service, $165,000 to strengthen supervision of grading under the Grain Standards Act, $500,000 for increased poultry inspection, $200,000 for more effective administration of the Packers and Stockyards Act, and $60,000 for increased inspections of licensed warehouses.

It recommends, however, that half of this increase be financed within existing funds. Since 1954, expenditures for travel have increased at twice the rate of other items covered by this appropriation, from $898,000 to $2,633,000. A reduction in travel expenses to bring them in line with other expenditures covered by this appropriation should provide the additional funds needed to finance the total increases approved for the next year.

The increase recommended for market studies and the market news service includes funds for food marketing improvements, modernization of the leased wire service, and extension of market news coverage to areas where States will have matching funds available in the coming year. The need for additional grain marketing news in Illinois and the Western States, for an additional livestock marketing news in North Dakota, and for a study of food marketing facilities in Chicago, have been brought to the committee's attention. In this connection, attention should be given to the possible need to change the reporting base for pork products from Chicago to a point farther west in view of changes in marketing of hogs and movement of hog population.

The United States is competing in a world grain market which is becoming increasingly quality conscious. U.S. competitors, by emphasizing the quality of grain they deliver, are steadily improving their relative position. Increased surveillance by the Department is imperative if U.S. grain is to continue to meet competition in the world markets. The increase of $165,000 is provided to assure as far as possible that future U.S. grain exports are of the quality required to preserve our export markets.

Based on trends in recent years, poultry production can be expected to continue to increase. Present estimates are that production in 1963 will be about 17 percent above 1961. An increase of $500,000 for the next fiscal year is provided to meet this additional workload.

The additional $200,000 recommended for administration of the Packers and Stockyards Act is provided for supervision and investigation of operations and business practices of the meat industry. In the use of these funds the Department should give attention to differences in operating practices of markets of different types and sizes, especially the small country yards which must have the right to provide a market for their suppliers by buying the livestock which fails to sell through the regular auction procedures. This and other differences creates special financial and operating problems which require special rules and regulations.

The committee's attention has been called to some recent instances where convenience of the private business operators is ignored in the simplest investigation. On one occasion, a dealer was required to travel several hundred miles for an interview which could have been conducted much more satisfactorily at his place of business. While close supervision of operations under this act is necessary, such actions can result in unnecessary harassment and agitation of livestock dealers and others. The Department is requested to insist that personnel engaged in this work keep in mind at all times that they are public servants as well as enforcement agents.

The increase of $60,000 for warehouse inspections will be applied principally to grain storage facilities. It would make it possible to examine existing licensed grain warehouses more frequently, to respond more promptly to requests for examination of new warehouses coming into the program, and to make special examinations which require immediate attention.

An appropriation of $1,600,000 was requested for the construction of a peanut marketing research facility at Dawson, Ga. Subsequent to the submission of the budget estimates for this item, representatives of many of the major peanut production, processing, and marketing organizations in the country appeared before the committee. Apparently wide differences of opinion have developed within the industry as to the need for a centralized research facility and where it should be located. The committee feels that further action on this request should be deferred until leaders of the peanut industry can come to some agreement on the type of research program needed and the proper location for additional facilities proposed.

Further, it should be noted that approximately $806,000 is now being spent each year for research on peanuts at 16 Department of Agriculture facilities and 7 State experiment stations. Approximately $300,000 of this amount is being used for utilization and marketing research, the same general area of research proposed for the new facility. The Department should make certain that existing peanut research facilities are being used fully and effectively before funds for an additional research laboratory are requested.

For "Payments to States and possessions," the budget estimate of $1,325,000 is recommended for fiscal year 1963, the same amount as was appropriated for fiscal year 1962. No expansion of Federal personnel is provided for. Additional funds provided last year to enable several States such as Missouri to participate in the program on a matched-funds basis are continued available in the 1963 bill.

Federal payments, authorized by section 204(b) of the Agricultural Marketing Act of 1946, are made under cooperative agreements between the U.S. Department of Agriculture, State departments of agriculture, bureau of markets, and similar State agencies for the conduct of eligible marketing service activities on a matching fund basis. The States contribute at least half of the costs and perform the work with State personnel. In formulating the 1963 program, consideration should be given to the need to develop grades and standards for Kona coffee in Hawaii.

For the "Special milk program," the budget estimate of $105 million is included in the bill for fiscal year 1963. Since its inception in 1955, the special milk program has been financed through advances from Commodity Credit Corporation funds. During this time, the authorization has been amended several times to extend the period, broaden the coverage, and increase the level of funds authorized. Public Law 87-67, enacted June 30, 1960, authorized $105 million for fiscal year 1962.

The Agricultural Act of 1961—Public Law 87-128—approved August 8, 1961, changed the financing of the program to a direct appropriation beginning July 1, 1962, and each of the 4 fiscal years thereafter. This appropriation, which is included as a separate item under this Service for the first time, will provide for continuation of the program in fiscal year 1963 at the same level as was authorized for 1962. There will be a corresponding decrease in the budget for the Commodity Credit Corporation for next year. No additional personnel is required.

For "School lunch program," the committee recommends the full budget request for an appropriation of $125 million, plus a transfer of $45 million from section 32 funds for the purchase of meats and other foods needed to provide balanced school lunches. This is a continuation of amounts approved for fiscal year 1962. No change in employment is contemplated.

The sum of $10 million has been earmarked by language in the bill to provide special commodity assistance to schools in depressed areas serving meals to needy children. The language also authorizes the Secretary to prescribe standards for distribution and administration of such commodities.

The recent change in the formula which bases the distribution of funds to the States on the number of meals served rather than schoolage population, should also help to meet the needs in those areas with low income and heavy program participation.

FOREIGN AGRICULTURAL SERVICE

The Foreign Agricultural Service promotes the export of U.S. farm products and represents the Department and U.S. agriculture abroad. It conducts foreign market development programs and collects and disseminates to U.S. agriculture the basic information essential to aggressive foreign marketing of U.S. agricultural products and to making necessary adjustments to meet changing situations abroad.

The bill for the next fiscal year includes a total of $19,262,000 for "Salaries and expenses," $16,145,000 by direct appropriation and $3,117,000 by transfer from section 32 funds. This is a net decrease of $2,579,000 in the budget request for fiscal year 1963, and an increase of $3,100,000 over funds provided for fiscal year 1962.

The increase recommended includes $100,000 to strengthen the Department's representation on various interdepartmental trade groups, including GATT—General Agreement on Tariffs and Trade—and the European Common Market. It also includes an additional $3 million to finance market development programs abroad.

Continued success of the U.S. program for expanding agricultural exports depends on ability to cope with protectionist trade policies of other countries. Each year sees more rapid progress in the creation of numerous foreign trading units such as the European Common Market. Expansion of U.S. exports requires increased efforts to obtain liberalization of trade in foreign markets and to keep U.S. agriculture well represented in other countries.

A sizable part of the Public Law 480 market development work abroad is carried out in countries where foreign currencies are no longer available. In these countries, it is necessary to finance market development work through regular funds carried in this appropriation. An additional $3 million is included here for next year to keep the market development program at the 1962 level of operation. This is necessary, since an unobligated carryover of $3,554,229 from 1961 into 1962 will not be available in 1963.

The budget estimate of $4 million is proposed for next year for market development abroad using excess local currencies, an increase of $1,144,000 over the 1962 appropriation. Dollar funds provided by this appropriation are available for the purchase of foreign currencies generated under Public Law 480 in countries where available balances are in excess of normal U.S. requirements. The projects proposed to be financed from those funds in fiscal year 1963 will be in nine countries, including Burma, India, Indonesia, Israel, Pakistan, Poland, Egypt, Syria, and Yugoslavia. No personnel changes are contemplated.

COMMODITY EXCHANGE AUTHORITY

The Commodity Exchange Authority administers the Commodity Exchange Act of September 21, 1922, as amended. The objectives are to prevent commodity price manipulation and market corners; prevent dissemination of false and misleading crop and market information affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges and contract markets to cooperative associations of producers; insure trust fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

The bill carries the full budget request of $1,022,000 for fiscal year 1963, an increase of $15,000 over 1962. No increase in personnel is provided for.

The Commodity Exchange Authority is a small agency with an average of only 126 employees. Because of the low personnel turnover, the increase of $15,000 for 1963 is required for mandatory within-grade salary advancements which cannot be met otherwise.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The Agricultural Stabilization and Conservation Service was established by the Secretary of Agriculture on June 5, 1961, under the authority of Reorganization Plan No. 2 of 1953, in accordance with the Reorganization Act of 1949, as amended—5 U.S.C. 133z.

For "Acreage allotments and marketing quotas," an appropriation of $44,098,000 is included in the bill for fiscal year 1963, the same amount as was provided for fiscal year 1962. Personnel will remain at present levels.

Acreage allotment and marketing quota programs have been announced for the 1962 crops of Flue-cured tobacco, peanuts, wheat, upland cotton, extra long staple cotton, and rice. Quotas were proclaimed on February 1, 1962, for burley, Fire-cured, Dark Air cured, Virginia Sun-cured, Cigar binder, Cigar filler and binder, and Maryland tobaccos.

The Agricultural Act of 1961 provides for a mandatory reduction of 10 percent in individual farm allotments for the 1962 crop of wheat. The act also provides for payments to producers who increase their acreage of soil-conserving crops by a definite minimum amount. In addition to the mandatory 10-percent reduction, producers may divert additional wheat acreage to soil-conserving uses.

For "Sugar Act program," the committee recommends the full budget estimate of $80 million for the next year. No personnel changes are involved. The increase of $2 million over 1962 is provided to meet increased payments to domestic producers due to an estimated increased production in 1962. Total sugar production from the 1962 crops in the domestic areas is estimated at 6,115,000 short tons, an increase of 567,000 tons over 1961 production.

Payments are made to domestic producers of sugarbeets and sugarcane who comply with certain special requirements. To finance these payments, a tax of 50 cents per hundred pounds is imposed on all beet and cane sugar processed in or imported into the United States for direct consumption. During the period 1938–61, collections of $2,226 million from excise taxes and imports have exceeded payments under the program by $448.2 million.

An appropriation of $242 million is recommended for fiscal year 1963 to make payments earned under the "Agricultural conservation program," authorized in the 1962 Appropriation Act. This is an increase of $4 million over the funds appropriated in fiscal year 1962 to finance the 1961 program. This does not provide for any personnel increases.

The committee also restored the 1963 program authorization contained in this bill to the usual $250 million operating level. In 6 of the past 9 years, the Congress has been called upon to restore budget cuts proposed in this authorization.

Through the years, the agricultural conservation program has been the Federal Government's principal economic stimulus to farmers and ranchers to voluntarily apply needed conservation measures. It has stimulated twice as much economic activity as the amount of Federal funds spent, since the farmer puts up about half the cost of practices, plus his labor.

Conservation practices were carried out under this program in 1961 on over a million farms and ranches, covering nearly 400 million acres. The program has over 1 million participants each year, which represents nearly 25 percent of all farming units in the United States. The per capita annual cost is about $1.50 and the investment per acre of farmland is 54 cents.

An appropriation of $300 million is proposed for next year to pay off obligations incurred under 1960 and prior year conservation reserve contracts. This is $12 million below the 1962 appropriation and $23 million below the budget request. A small decrease in employment is contemplated.

Past experience indicates that actual fund requirements for this program are usually less than amounts projected in the annual budget requests. For example, expenditures for 1962 were $13 million less than the original estimates. Further, this program is beginning to decrease in size as shorter term contracts expire.

It is is recognized that the Government is obligated to meet its commitments under these contracts. Additional funds can be provided if and when they become necessary.

Public Law 87–5, approved March 22, 1961, authorized a special agricultural conservation program for the 1961 crop of corn and grain sorghums. The Agricultural Act of 1961, Public Law 87–128, approved August 8, 1961, continued the program for the 1962 crop of these commodities and broadened the program to include barley. The act also provided for a special program on the 1962 crop of wheat contingent upon the approval of marketing quotas for the 1962 crop of wheat. Marketing quotas were approved in a referendum held August 24, 1961.

This appropriation provides funds for administering the program, including performance checking, computing advance and final payments to producers, and handling violations involving failure to meet conservation requirements.

The bill includes an appropriation of $15 million for this purpose in the coming fiscal year. This is a reduction of $3,500,000 in the budget request and the 1962 operating level. This reduction, together with discontinuance of CCC financing, will result in a net decrease of 226 positions. Future personnel requirements will depend on the nature of legislation in effect for the 1963 crop year.

OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel, originally known as the Office of the Solicitor, was established in 1910—5 U.S.C. 518—as the law office of the Department of Agriculture, and performs all of the legal work arising from the activities of the Department. The General Counsel represents the Department in administrative proceedings for the promulgation of rules having the force and effect of law; in quasi-judicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities, including appeals from the decisions of the Commission to the courts. He serves as General Counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation.

The committee recommends $3,645,000 for the next fiscal year, a decrease of $155,000 in the budget request. This amount will permit continuation of the 1962 level of operation with no change in personnel requirements.

OFFICE OF INFORMATION

The Office of Information was established under its present name in 1925 as a consolidation of functions formally organized as early as 1889, to coordinate in the Department the dissemination of information useful to agriculture as directed by the act establishing the Department of Agriculture in 1862.

The Office has general direction and supervision of all publications and other information policies and activities of the Department, including the final review, illustrating, printing and distribution of publications; clearance and release of press, radio, television, and magazine materials; maintenance of central files of news and general illustration-type photographs; and the preparation and distributing farmers bulletins alloted to tures. The Office publishes the Yearbook of Agriculture, the Annual Report of the Secretary of Agriculture, the Department Directory, and the Department List of Publications; handles the details of distributing farmers' bulletins allotted to Members of Congress; and services letter and telephone requests for general information received in the Department.

The full budget estimate of $1,610,000 is included in the bill for the next fiscal year, an increase of $19,500 over 1962. The increase is provided for two nonrecurring items of equipment needed to modernize the filing system and mailing lists and to increase radio tape duplication to meet the demand from radio stations throughout the country. No additional personnel is involved.

NATIONAL AGRICULTURAL LIBRARY

The library, pursuant to the Department's Organic Act of 1862 and under delegation from the Secretary, procures and preserves all information concerning agriculture which can be obtained by means of books. Under the act establishing the Department, the library also serves as the National Agricultural Library.

The library makes available to the research workers of the Department and the State agricultural colleges, as well as to the general public, the agricultural knowledge of the world that is contained in published literature.

The 1962 appropriation of $1,028,500 is proposed again for fiscal year 1963, a decrease of $191,500 in the budget request. The library has received increases in each of the past 3 years, which should meet its needs for the present. No additional personnel is provided for.

GENERAL ADMINISTRATION

The Secretary of Agriculture, assisted by the Under Secretary, the Assistant Secretaries, and members of their immediate staff, directs and coordinates the work of the Department; formulates and develops policy; maintains relationships with agricultural organizations and others in the development of farm programs; and maintains liaison with the Executive Office of the President and Members of Congress on all matters pertaining to legislation and policy to insure effective performance of the agricultural programs of the Department.

The committee proposes an appropriation of $3,506,000 for fiscal year 1963, an increase of $410,000 over 1962 and a reduction of $192,000 in the budget request.

The increase will provide $110,000 for additional assistance to the Secretary, Under Secretary, and Assistant Secretaries. The committee believes that sufficient skilled personnel should be provided at the top level to manage an enterprise with the scope and responsibility of the Department of Agriculture. An increase of $50,000 is included to permit more comprehensive and detailed examination and control of budgets and financial programs and an additional $250,000 is recommended to create an audit unit directly under the Secretary to conduct special audits and investigations of all programs and activities of the Department.

Area redevelopment is a major program in the Federal budget. While the funds are not provided in this bill, more than $119 million was recently approved for loans and technical assistance for the next year under this program. The Department of Agriculture is responsible for the program as it affects rural areas of the Nation.

The committee intends, therefore, that the Department use $125,000 of the funds allowed under this heading for the supervision and coordination of this work in the coming year, $90,000 under "General administration" and $35,000 under the "Federal Extension Service." The full $250,000 can be provided for the audit and investigation unit by the transfer of one-half of the amount needed from the agencies from which the work will be transferred, as suggested by the Department.

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive Order No. 7037 of May 11, 1935, to make loans for extension of central station electric service to unserved rural people. It was continued by the Rural Electrification Act of May 20, 1936, and became part of the Department of Agriculture on July 1, 1939, under Reorganization Plan 2. On October 28, 1949, Public Law 423 amended the act to authorize loans for furnishing and improving rural telephone service.

The original 1963 budget proposed $345 million for electrification loans and $135 million for telephone loans. This was amended by House Document No. 447, dated June 25, 1962, to increase electrification loans to $400 million and reduce telephone loans to $80 million due to a change in volume of loan applications for the two programs.

The committee has included these amended amounts in the bill for fiscal year 1963. However, it has placed $100 million of the amount for electrification loans in a contingency reserve, in accord with the practice followed for a number of years, for the use of both programs.

The repayment record of REA continues to be excellent. Since the inception of the program in 1935, loans approved have totaled over $4.5 billion and loans advanced have reached nearly $4 billion. As of last June 30, $875 million of principal and $422 million of interest had been repaid on these loans. Over $176 million had been repaid ahead of schedule. Only one out of 1,091 REA borrowers was behind schedule at the end of 1961 and less than $95,000 of repayments was overdue more than 30 days.

In last year's report, the committee urged the Department to establish standards to be used to determine what should be regarded as adequate reserves in considering applications for additional loans. This request was made in response to criticism of the use of such financial reserves by REA cooperatives. In response a bulletin was issued on February 12, 1962, defining and establishing standards and criteria for this purpose. The committee believes this is a fine step forward and will benefit REA in years to come.

Testimony presented in support of the 1963 budget request indicates that a larger part is requested for generation and transmission loans next year. In this connection, the committee urges that standards and criteria be developed for use in considering and approving such loans, to make certain that they are essential under the requirements of the law.

For "Salaries and expenses," the 1962 appropriation of $10,024,000 is recommended again for fiscal year 1963. This is a reduction of $300,000 in the budget estimate.

The committee believes that this well-established organization of nearly 1,000 people should be able to meet its expected workload next year with existing funds and personnel.

FARMERS HOME ADMINISTRATION

The Farmers Home Administration, established November 1, 1946, makes: First, direct, and insured farm ownership loans; second, direct and insured soil and water conservation loans; third, direct operating loans; fourth, direct emergency loans in designated areas where a natural disaster has caused a general need for agricultural credit which cannot be met for temporary periods of time by other responsible sources; fifth, rural housing loans and grants for building purposes pursuant to title V of the Housing Act of 1949, as amended; and sixth, watershed and flood prevention loans from funds appropriated under "Watershed protection, Soil Conservation Service" and under "Flood prevention, Soil Conservation Service."

The 1963 budget proposed a total program of $85 million for "Rural housing grants and loans" next year. Of this amount, $75 million for building loans is to be financed from funds made available—through the back door—in the Housing Act of 1949, as amended. The balance of $10 million was requested as a direct appropriation to finance a new program approved last year, including $9,500,000 for enlargement and development loans, and $500,000 for repair and improvement grants.

At the time of his appearance before the committee on the 1963 budget, the Administrator of the Farmers Home Administration stated that only one loan had been made under this new loan program. The committee has eliminated the appropriation for next year, since sufficient money will be available during the next fiscal year from unused 1962 funds.

Pursuant to the Consolidated Farmers Home Administration Act of 1961, a direct loan account was established in fiscal year 1962. Collections of principal and interest on loans outstanding were deposited in the direct loan account and are available for principal and interest payments on borrowings from the Secretary of the Treasury and for making additional loans for: First, farm ownership; second, soil and water conservation; and, third, operating purposes. Such loans may be made only in such amounts as may be authorized in annual appropriation acts.

As of the end of fiscal year 1962, the account had a balance of $245 million. Collections during the next year of $275 million will make a total of $520 million available for the year.

The bill includes authority to use up to $325 million of this amount for loans, $40 million for farm ownership loans, $10 million for soil and water conservation loans, and $275 million for operating loans. These are the same amounts as provided for fiscal year 1962 for farm ownership and operating loans. The amount for soil and water conservation loans is $1 million less than 1962.

The bill for the next year includes a total of $35,432,000 for the administrative expenses of this agency, $34,382,000 of which is provided by direct appropriation and $1,050,000 is provided as a transfer from the agricultural credit insurance fund. This is the same amount as was provided for fiscal year 1962 and is a reduction of $618,000 in the appropriation request.

The Farmers Home Administration has 1,475 county offices serving all agricultural counties. As of May 1961 it had 4,987 full-time employees, plus 5,164 State and county committeemen on a part-time basis. It seems reasonable to believe that this large agency can meet its responsibilities in the next year with existing funds and personnel.

FEDERAL CROP INSURANCE CORPORATION

The Federal Crop Insurance Corporation is a wholly owned Government corporation created February 16, 1938—7 U.S.C. 1501—to carry out the Federal Crop Insurance Act. Its purpose is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for research and experience helpful in devising and establishing such insurance.

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The committee recommends a total of $9,879,000 for the operating and administrative expenses for the fiscal year 1963, $6,549,000 by direct appropriation and $3,330,000 from premium income. This is an increase of $500,000 over funds provided for fiscal year 1962 and is a net reduction of $451,000 in the budget request. No additional personnel are allowed since it is expected that new contracts will be written by private agencies on a commission basis.

The 1963 appropriation contemplates the continuation of the Corporation's current policy of more rapid expansion of the crop insurance program. Beginning in 1962 the rate of expansion was accelerated. One hundred new counties were included in the program, and insurance was offered on additional crops in many old counties. For 1963, insurance will again be offered in 100 new counties, the maximum permitted by law, and insurance on additional crops will be offered in 100 to 150 of the 1962 insurance counties.

The program will operate in 999 counties in the next year, furnishing insurance coverage of approximately $343 million on barley, beans, citrus, combined crops, corn, cotton, flax, grain sorghum, oats, peaches, peanuts, raisins, rice, soybeans, tobacco, and wheat. It is estimated that 370,000 crops will be insured for the 1962 crop year, as compared to 320,292 for the 1961 crop year.

COMMODITY CREDIT CORPORATION

The Corporation was organized October 17, 1933, under the laws of the State of Delaware, as an agency of the United States, and was managed and operated in close affiliation with the Reconstruction Finance Corporation. On July 1, 1939, it was transferred to the Department of Agriculture by the President's Reorganization Plan No. 1. On July 1, 1948, it was established as an agency and instrumentality of the United States under a permanent Federal charter by Public Law 80-806, as amended. Its operations are conducted pursuant to this charter and other specific legislation.

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds, and fibers. Its purposes include stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balanced and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

The Corporation is managed by a board of directors appointed by the President and confirmed by the Senate, subject to the general supervision and direction of the Secretary of Agriculture, who is, ex officio, a Director and Chairman of the Board. In addition, it has a bipartisan Advisory Board of five members appointed by the President to survey the general policies of the Corporation and advise the Secretary with respect thereto.

The Corporation has an authorized capital stock of $100 million held by the United States and authority to borrow up to $14.5 billion. Funds are borrowed from the Federal Treasury and may also be borrowed from private lending agencies. In connection with loan guarantees, the Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by lending agencies or certificates of interest issued in connection with the financing of price-support operations. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the act of March 8, 1939—15 U.S.C. 713a-4.

An appropriation of $2,278,455,000 is included in the bill to restore capital impairment of the Corporation for the fiscal year 1961—through June 30, 1961. This amount includes $2,066,955,000 for net realized losses on price-support activities in 1961, plus $211,500,000 to reimburse a part of realized losses due to revaluation of inventory to reflect acquisition value.

It has been Commodity Credit Corporation's practice for a number of years to treat as additions to the book value of commodity inventories the costs incurred for storage, handling, and transportation of such inventories. This procedure was designed to show the full accumulated costs of the commodity inventories held by the Corporation. In recent years the book values of these inventories have increased to such large totals that there has been considerable misunderstanding as to the true value of Commodity Credit Corporation's price-support inventories.

To reflect inventory values on a more realistic basis and to provide for current recognition of carrying charges as program costs, the Corporation adopted last year the policy of recording inventory carrying charges as expenses. Accordingly, it has adjusted the book values of inventories as of June 30, 1961, to the acquisition cost of the commodities on hand.

The sum of $211,500,000 is included in the 1963 appropriation to restore to the Corporation's operating funds over a 6-year period the $1,269 million involved in the inventory adjustment described in the preceding paragraph. The budget proposed restoration in 3 years.

It is interesting to note that in 1960 over 58 percent of all expenditures under this program went to groups other than farm producers—to whom the full cost of the program is frequently charged in the public mind. In 1961, the ratio was approximately 50–50. However, the 1961 figure includes $333 million for payments under the 1961 feed grain program, which are not a part of the regular price support program. If this amount is excluded from the 1961 figures, payments to nonfarm groups also exceeds 58 percent of the total in 1961.

Up to and including the fiscal year 1960 program, the Commodity Credit Corporation included in its annual appropriation for reimbursement of net realized losses the costs of the special milk program. Public Law 86–446, approved April 29, 1960, provided that the Corporation be reimbursed for advances under this program during the fiscal year 1961 by an appropriation separate from any other appropriation or fund available to the Corporation. This separate appropriation was included in the Department of Agriculture and Related Agencies Appropriation Act, 1962, in the amount of $90 million.

The Agricultural Act of 1961—Public Law 87–128—approved August 8, 1961, provides for direct appropriations for the fiscal year 1962, and for each of the 4 fiscal years thereafter. To reimburse the Corporation for the cost of this program for fiscal year 1962, the bill for next year carries this appropriation of $105 million, which is the full budget estimate and is an increase of $15 million over the 1962 appropriation.

For fiscal year 1963 and thereafter, it is proposed to appropriate funds in the regular manner under the Agricultural Marketing Service, which administers this program.

The committee recommends $47,116,000 for the next year for administrative expenses of the Corporation. This is $800,000 less than was provided for fiscal year 1962 and is $884,000 less than the budget request. Of this reduction, $800,000 is due to transfer of administrative costs of the special milk program to the direct appropriation requested for fiscal year 1963 under the Agricultural Marketing Service. A reduction of 31 positions is expected during the next year.

FOREIGN ASSISTANCE PROGRAMS

A number of statutes provide for the facilities of the Commodity Credit Corporation to be used in carrying out programs for the exportation of surplus agricultural commodities and authorize appropriations to reimburse the Corporation for costs incurred in connection with such programs.

Prior to fiscal year 1962, the Corporation was reimbursed for the costs of these activities by appropriations subsequent to incurrence of the costs. Beginning in the fiscal year 1962, the Congress added funds to place these activities on a pay-as-you-go basis, appropriating for estimated costs in fiscal year 1962. This year's bill includes funds for fiscal year 1963. Subsequent bills will include funds for each ensuing fiscal year on the same basis as for other programs of the Department. No personnel increases are included in any of these appropriations.

The appropriations requested and included in the bill for next year are as follows:

	1963 budget request	Recommended in bill	Reduction
Public Law 480:			
Sales for foreign currencies	$1,293,000,000	$1,080,632,000	−$212,368,000
Emergency famine relief	364,000,000	250,000,000	−114,000,000
Long-term supply contracts	90,000,000	40,000,000	−50,000,000
Total, Public Law 480	1,747,000,000	1,370,632,000	−376,368,000
International Wheat Agreement	96,868,000	81,218,000	−15,650,000
Bartered materials for supplemental stockpile	343,067,000	125,000,000	−218,067,000
Total	2,186,935,000	1,576,850,000	−610,085,000

The amounts provided for the Public Law 480 programs are believed to be adequate to meet the needs of these programs in fiscal year 1963. The $1,080,632,000 recommended for sales for foreign currencies is the exact amount estimated to be needed for next year's operations. The $212,368,000 eliminated from the bill is the amount included for prior year expenditures which the committee has not allowed. As pointed out last year when these programs were put on a pay-as-you-go basis, the amounts appropriated each year should serve as general guides in the conduct of these programs.

The appropriation of $81,218,000 for the International Wheat Agreement will cover estimated costs for the full fiscal year 1963. The reduction of $15,650,000 is based on the same factors as discussed in the preceding paragraph for Public Law 480 programs.

For the bartered materials program, the committee recommends the same amount as was provided for fiscal year 1962, a reduction of $218,067,000. The need for the materials acquired under this program is diminishing. Only a few of the items acquired in 1961 are still needed for defense stockpiling purposes. The committee feels, therefore, that this program should be held to the present level for the next year and the overall program should be thoroughly reviewed for the future.

FARM CREDIT ADMINISTRATION

The Administration supervises, examines, and provides facilities and services to a coordinated system of farm credit banks and associations making loans to farmers and their cooperatives. Services and facilities furnished by the Administration facilitate the operations of the several agencies and their progress toward farmer ownership. All expenses of these activities are paid by assessments collected from the banks and associations of the farm credit system.

Since December 4, 1953, the Administration has been an independent agency under the direction of a Federal Farm Credit Board—12 U.S.C. 636. The Administration, originally created by Executive Order No. 6084 on May 27, 1933, was transferred to the Department of Agriculture on July 1, 1939, by Reorganization Plan No. 1.

On December 31, 1961, the Administration had 222 full-time employees of whom 105 were in Washington. The 117 field employees are farm loan registrars, reviewing appraisers, and farm credit examiners.

The full budget limitation of $2,565,000 is provided for fiscal year 1963, a reduction of $25,000 below the limitation established for 1962. A decrease of 3 man-years of employment is proposed for next year.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, there are only 2 hours of general debate on this bill before we get into the amending process, which does not give us a lot of time. There are several items I would like to spend my 10 minutes on, if I may, principally on the two amendments I will be offering, but before getting specifically to that subject, there are several other items here which might be worthy of mention.

The chairman, of course, has made a point of our having reduced the appropriation under the budget request and I would simply say that all members of the committee worked diligently, recognizing full well that this was a sensitive area this year and that we wanted to come in with a bill reduced under the budget figure. In good conscience, I can say I think we have done that.

There is an item, however, for example, on the restoration of capital impairment of CCC stocks which, in effect, is somewhat of a phony figure because I think the testimony will show actually some of the commodities stored by the Commodity Credit Corporation are overvalued to the extent of $1.2 billion. The Department came up and said, Since this is a fact, we should like to have an additional $411 million this year and the same figure for the next 2 successive years to bring this value of CCC stocks more in line. Actually, the committee cut that figure down to $211 million and we feel it may be that over 6 years that this value can be brought more into line. So, in effect, we have here a kind of phony figure of what is really involved in the value of the CCC stocks.

Then, too, since we considered the trade bill some time ago and we were talking about this favorable balance of trade of exports and imports, we also have a matter here of agricultural products that are exported abroad and sold for local currencies, for which we do not get the bill until we consider this measure here for the restoration of the capital impairment of the CCC of something like $1,293 million reimbursement for foreign sales. That is found on page 44 of the report.

So actually when we talk about a dollar sale abroad, this is not a dollar sale at all but one for local currencies and for which taxpayers in the end have to ante up money to restore the CCC capital impairment.

Mr. Chairman, last Friday I announced on the floor that I intended to offer an amendment today to the agricultural appropriations bill relative to the appropriations requested for the Rural Electrification Administration. I would like my colleagues to understand very clearly what the purpose is for this amendment and what effect it would have.

First and foremost, let me state categorically that this amendment will not deprive one single cooperative of any power. It will not create a power shortage amongst cooperatives.

Second, it will not result in increased cost of power to cooperatives.

Third, it does not in any way reduce the total amount of loan funds available to rural electric cooperatives.

Fourth, it will not impair the security of one single cooperative.

This amendment is intended to do only one thing, and that is to bring the REA program close into line with the intent and purpose of the Rural Electrification Act and to give Congress some semblance of control over this agency.

As I pointed out last Friday, this REA program has changed radically. If the Members believe they are still providing Federal funds every year for a program that is helping the farmer they are mistaken—badly mistaken. Today we see the good name of the old REA program being used to underwrite cheap, subsidized electricity for people who have absolutely no claim to it, nor legitimate reason for expecting it.

We are providing millions of dollars every year to subsidize the electricity of industrial concerns, of businesses, of suburban residents—not farmers.

It is a matter of record that six out of every seven of the new customers added by the electric co-ops are not farm customers. They are those industries, businesses, and nonfarm residential customers I mentioned before. They are the suburbs pushing out into the country from exploding cities. They are the businesses and industries that follow the suburbs or the businesses and industries that are trying to escape city taxes. These are the majority of all new REA customers and these are the people whose power we are subsidizing.

Now, on top of this there is something else you have to understand. We have in the office of the Administrator a man who wants to make something new out of the REA program. He wants to, as he puts it, "guarantee the cooperative device a permanent place in the American power industry." Well, I never suspected before that the co-ops were not pretty solid and permanent. From what I can find out they are doing mighty well financially; they should, since we only charge them 2 percent for the money we lend them. In fact, I hear it has been quite a problem to the Administrator to find ways of making the co-ops salt their money away so that they do not earn too much interest, because then, heaven forbid, the question of taxing them might be raised.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. HOSMER. I am happy to hear the gentleman say it is his intent and purpose to offer this amendment to give Congress some semblance of control over this agency. I doubt if we realize the magnitude of the operation and how much money it has taken out of the Federal Treasury. It amounts to $3,419 million, upon which the Government must pay interest, because it borrowed that money. It is on an order of magnitude of about 2 percent of the entire national debt. This $3,419 million exceeds the $2 billion that has been invested in TVA. All the Corps of Engineers dams amount to $1.9 billion, and all the Bureau of Reclamation work amounts to $2.2 billion, and so on down the line.

This REA is one of the largest drains on the Federal Treasury over the years that we have, and I am happy to see that the gentleman is going to enforce some of the discipline that long ago should have been enforced upon this agency.

Mr. MICHEL. I thank the gentleman. He has made a very good point. Time and time again we hear what REA is doing on repaying and keeping current with their repayments. It is true that they are repaying some interest due, but the point is that if you drew a graph the amount of repayments would follow a line of that inclination, whereas the additional amounts being loaned to the agency would follow a line of this inclination. We will never in our lifetime see a point where repayments exceed new funds being put into the system or where it reaches a plateau and the program levels out financially.

Mr. HOSMER. Mr. Chairman, will the gentleman yield further?

Mr. MICHEL. I yield.

Mr. HOSMER. As a matter of fact, if the program had been kept within the limits contemplated by the legislative intention of Congress we would by now have reached the point where loans to REA would be diminishing rather than, as the gentleman states, constantly going up and up to a fantastic, astronomical figure.

Mr. MICHEL. That is precisely so.

And so, we find Mr. Clapp trying to give every co-op he can its own generating plant. In March of this year he boasted that for 1961 there had been a new record established in G. & T. loans: they had reached 56 percent of all REA loans made, the highest percentage used for this purpose in the history of the program.

And let me tell the Members this: According to the information that has been presented to us on the Appropriations Committee, 1963 will see another new record. We have been told that 65 to 68 percent of the $400 million the REA wants is going for generating and transmission loans.

There is no doubt that Mr. Clapp means what he says. There is no doubt that he is backing up what he says. So, to Mr. Norman Clapp, we may someday be indebted for a new economic order in the power business: the cooperative device. Farfetched? Not by any means. How can any taxpaying business compete with this thing. The co-ops can use Federal funds to subsidize industry on their lines; then on the other side, they are given privileged status under which they get first call on all federally generated power which in practically every instance I know of is also subsidized. It is a mighty powerful combination to fight.

Back in 1936 Congress must have known that this could happen because the legislative history of the Rural Electrification Act is replete with statements guarding against exactly the kind of picture I have just drawn. The father of the REA, our former respected colleague Sam Rayburn said it best:

> We are not, in this bill, intending to go out and compete with anybody. By this bill we hope to bring electrification to people who do not now have it. This bill was not written on the theory that we were going to punish somebody or parallel their lines and enter into competition with them.

That is what our former Speaker, Sam Rayburn, had to say when this bill was originally conceived. My point is we are getting far afield from that original intent, now getting over into the generation and transmission. I say let us give the REA funds for distribution. Give it to the farmer. I am not against that. We are giving them $155 million more this year than they had last year. My amendment makes only a difference of $5 million in what they have been spending this year on generation and transmission and what they can spend next year for generation and transmission.

I am only trying to save money by my amendment. For heaven's sake, let us get back to the original intent. Get the electricity to the farmers. They are using more electricity for milking machines, for pumping, for everything on the farm. They need the lines beefed up. Give it to them, but let us not get the Federal Government with both feet, body, and everything into the generating power business.

That is the real nub of the amendment I shall offer when we consider the bill under the 5-minute rule.

Coming back to my prepared remarks, you will find that quotation in the debate on the REA Act in 1936.

Here we have two diametrically opposed concepts. There is the concept expressed in the original act as endorsed by Mr. Rayburn, and the concept that is now quite evident in what Mr. Clapp is doing. Using the REA program, Mr. Clapp is trying to make an independent, Federal-public power system out of the cooperatives. He is making them competitive with existing business. He is tying them into Federal systems so that co-op steampower can supplement Federal hydropower. And worst of all, Mr. Clapp is doing this behind a cloak of secrecy that is as tight as anything surrounding any of our defense programs.

There is no need for secrecy in the power business. Nobody is going to steal an idea and grab the market with an imitation product. This simply is not in the nature of the power business. Yet, Mr. Clapp handles his annual REA program as if it would be the worst possible crime against the Nation to disclose in advance for what powerplants he proposes to lend money and on what basis he is going to make his decisions.

If this program is in line with the intent of the original REA Act, if loans are being made in accordance with the purposes for which this program was founded, Mr. Clapp should have nothing to hide and there certainly would be no basis for criticizing him.

My colleagues here today might think that we on the Appropriations Committee have all the answers when we come to you and say REA should have so many millions of dollars. We have approved it in the committee, we are satisfied that this is reasonable. You can take our word for it. Well, my friends, let me tell you something. We on the committee give this money blindly. We do not know why REA asks for any given figure. We do not know whether REA is asking for too much or too little. We do not know what REA is going to do with it. We do not know because we cannot find out. When we try to find out, the Administrator pleads ignorance because of the nature of the business. He tells us it is impossible for co-ops to know in advance when they might need a loan, or for what purpose they might need it. And this, Mr. Chairman, in the power business where advanced planning is an absolute prerequisite. I am no power engineer, but from what I know of the business I would say that if any utility, whether it is investor-owned, cooperative, or a public body, does not have a pretty clear idea at least 2 to 3 years in advance what its expansion needs are going to be, then that utility does not deserve to be in business.

Mr. Clapp last April issued a policy statement which purported to be a new policy with respect to disclosing information. That policy is not worth the paper it was written on because it still protects Mr. Clapp's actions in the very area where this program has gone off the rails.

Let me give you an example. Back in March, Mr. Clapp approved a loan of over $15 million to the Colorado-Ute Electric Association in Colorado. This G. & T. loan is to finance the construction of a generating plant which will ultimately be 150,000 kilowatts. This entire loan—and there have been some others like it—has the smell of public power conspiracy about it.

In the first place, to make it economically practical, the co-op has made a deal with the Salt River project, 800 miles away, to sell them one-third the output of the plant. Next, the plant will be tied into the Bureau of Reclamation transmission system for the upper Colorado River storage project. Third, the Colorado-Ute co-op members have available, or have access to, all the power they can use now or in the future from existing suppliers.

Now Mr. Clapp has been so secretive about making this loan and about how he justified it that an electric company which is concerned about what it will do to their business wanted to see his records. They want to find out if there is any justification for the plant, and on what basis Mr. Clapp decided to lend over $15 million of the taxpayers' money. To do this, they had to go to court and get a subpena on Mr. Clapp. The Administrator attempted to quash the service of summons, but I am happy to say that on July 19, Judge David A. Pine, of the U.S. District Court for the District of Columbia, ordered Mr. Clapp to submit to examination by the company and to produce all documents related to the Colorado-Ute loan.

However, here comes the clincher. On July 20, when the Administrator was questioned by counsel for the company—the Western Colorado Power Co.—he refused to give any information. I would like to read to you from a statement issued by the law firm of Reid & Priest here in Washington about that session with Mr. Clapp. Talking about Mr. Clapp they say:

> He produced for examination two documents, one a letter from the REA to Colorado-Ute Electric Association acknowledging its receipt of the application of Colorado-Ute for a loan and, two, a telegram to Colorado-Ute announcing the granting of the loan. Mr. Clapp refused to produce any other documents. He based his refusal on a letter which he had received from the Secretary of Agriculture directing him not to produce any documents in response to the court's order and the subpena. In the course of his answers to questions, he revealed that much of the information that he was at liberty to give was in the hands of subordinates and not within his personal knowledge.
>
> He refused to answer a substantial number of the questions and further refused to make the documents requested available for examination following the direction of the Secretary of Agriculture. He advised that the Secretary of Agriculture would study the documents requested and the questions which he had refused to answer and would make a determination as to whether or not the Administrator should later furnish the documents and answer the questions.
>
> Further proceedings under the depositions were postponed until August 20, 1962, at which time the Administrator advised that he would either answer or renew his refusal to answer the questions and either deliver or continue to withhold the documents depending upon the instructions that he received from the Secretary of Agriculture.

Now, Mr. Chairman, when Mr. Clapp tells you there is no secrecy surrounding REA's loan operations, just remember the Colorado-Ute case. Here is an instance where even when the court has ordered the REA to produce its records on a loan case, it refuses to do so. And this is the same attitude we on the Appropriations Committee encounter when we try to find out what the justification might be behind a request for $300 million, or $400 million—whatever it is REA might be seeking.

Well, we will see what happens August 20. But I think that the time has come for Congress to take this situation in hand. If the court's authority is not going to be enough to produce the desired information, then it is up to Congress to do something about this matter. But we have to do it so that we know in advance what REA is planning, not after the fact as in this Colorado-Ute case.

This year I know it is probably too late to do anything about it and it is for this reason that I have proposed my amendment. I know of no other way of curbing Mr. Clapp's freewheeling with Federal funds. And because it is in this area of making loans for steamplants where he is most blatantly perverting the original intent of the REA Act, that I have proposed my amendment.

All this amendment does is limit his G. & T. loaning authority to $150 million out of the $400 million he wants for his program this year. This still gives Mr. Clapp a lot of latitude, much more latitude than I like to see him have. On the other hand, my amendment in no way curtails his authority to grant distribution loans, which type of loan is much closer to the original intent and purpose of the Electrification Act. So this is the purpose of my amendment. It will, I hope, slow Mr. Clapp down before he brings the whole REA program into disrepute. It will give my colleagues a little more time to realize the extent to which we have lost sight of the real purpose of this program.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the gentleman from California [Mr. HOSMER] made the statement, and correctly so, that approximately $3,400 million of REA authorizations have been drawn down by the approximately 1,000 REA associations nationwide. I think the House should know that for each of these dollars placed with REA $4 of business has been generated nationwide because of bringing electrification to the rural areas. In other words, $12 billion of business has been generated for private industry, for electric appliance manufacturing of every type, television, everything of that nature. The U.S. Government upon that $12 billion of business certainly has collected in income tax at least a billion or a billion and a half dollars from those particular corporations.

Mr. Chairman, REA to me is good not only for the farmers of America but for private business all over the Nation.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Illinois.

Mr. COLLIER. Are there not instances, however, where the REA is in direct competition with private business, and would not this same area of prosperity in dollar turnover be available through permitting some of these operations by private industry with which the REA was never intended to compete?

Mr. ANDERSEN of Minnesota. In western Minnesota, which I have represented for 24 years, we have working agreements through the Northern States Power, Interstate Power, and Ottertail Power, three great private utilities, and 12 or 14 REA associations under which no duplication of lines are permitted. The private utilities have advanced their interests, the REA has been fully satisfied, and in my mind we have proven in western Minnesota there is room for both private and public power.

Mr. COLLIER. Outside of western Minnesota, is this true?

Mr. WHITTEN. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, the Subcommittee on Agriculture of the Appropriations Committee once again brings to the floor of the House for your approval the annual appropriations bill for the Department of Agriculture.

This bill provides the necessary funds for the operation of the Agriculture Department's activities, such as research, school-lunch program, Extension Service, meat inspection, Soil Conservation Service, and disease and pest control. The total sum of $5,477,092,500 is recommended for fiscal year 1963. The amount requested was $6,354,783,000.

The reduction amounts to nearly 14 percent and this action is unprecedented. For a number of years the amounts requested for agriculture have been approved with only minor reductions and this was expected by the people in this country. This is not the situation today.

I know full well that $5,477,092,500 is a tremendous amount of money and the amounts expended during the past 15 years for agriculture have been large amounts.

We all know that we are in a race with the Soviet Union in outer space and in certain other fields, but this does not apply to agriculture. Our country today is the strongest, most productive, and wealthiest nation on earth, and in the field of agriculture we have unquestioned superiority.

The amounts expended for agriculture during the past 15 years of course, have been important to our farmer and at the same time have produced many benefits to the consumer.

A century ago President Lincoln described the Department of Agriculture as "precisely the people's Department." This is true today, and no other department of our Federal Government has an equal number of consumer protection activities.

Some people think of the present-day farm problem in terms of subsidy, surplus, and control. They overlook the fact that agriculture is at the crossroads, and that we are facing a choice between a sound program for managed abundance or eventual abandonment of all farm programs.

The time has arrived for us to clear our vision and to get matters in proper perspective. We must not forget that American agriculture and the Department of Agriculture are vitally important to every American every day.

As the direct result of the many consumer services of the Department of Agriculture, we can buy food with confidence, knowing that it is among the safest, cleanest, and most wholesome food in the world.

Research provided by the Department of Agriculture protects crops and livestock from pests and diseases that could impair food. Food safety and wholesomeness begins with our farmer. As the direct result of research, and marketing research in particular, food safety continues from the farm through marketing right to the corner grocery and the supermarket.

The meat and poultry inspection systems of the Department are the envy and models of nearly every country in the world. Last year our inspectors certified as wholesome more than 5½ billion pounds of poultry and 25 billion pounds of red meat. These same inspectors condemn and destroy nearly a million pounds of meat and meat products every working day because of disease, contamination, and spoilage.

Food graded by the Department or according to standards developed by it, enables us to know the quality of the food we buy. Meat, poultry, fresh fruits, vegetables, eggs, butter, and milk are only a few of the foods graded.

Just what happens to the housewife's food dollar? Today the typical market carries 5,000 items from which to choose. Twenty years ago only about 1,000 items were carried. The 4,000 new ones are largely specialty goods of one sort or another, or out-of-season items which at one time you could not purchase.

Millions of dollars in food costs are saved due to improved shipping, storing, and processing methods developed by the Agriculture Department.

If our farmer were using the same methods used in 1940 his production of food, fiber, and tobacco would cost $15 billion more a year.

We are healthier because of the work of our Department of Agriculture. This is brought about not only from our food inspection processes and our ability to produce wholesome food, but is due to the results of our scientists who have determined the essentials of good diet. It is due also to research which has discovered ways of keeping essential nutrients and vitamins in food from the farm to the retail store. In speaking of health we must keep in mind that brucellosis is a disease that attacks both cattle and people.

A wash-and-wear cotton shirt and a wool suit which is today more resistant to wrinkle, are the results of research in the Department.

Water is one of our greatest resources. The city with no water problem is the exception rather than the rule. Our program in the Department to conserve and improve our soil, water, grass, forest, and wildlife resources, is of great importance to our urban dwellers.

From our abundance we are sharing with our children and our needy. Funds are provided in this bill for our school lunch, milk, food stamp, and direct distribution of foods to the needy programs. The school lunch program now reaches 14 million children in 64,000 schools. In 1961 some 7 million needy persons received food through the direct food distribution program of the Department. A hundred and fifty thousand people are receiving supplementary food purchasing power through the pilot food stamp program.

In considering the amount carried in this bill we must remember that the consumer benefits as well as the farmer.

We must remember that the net income of the American farmer was $12.7 billion in 1961, and in 1950 it was $13.2 billion. Today we have 3,704,000 farms and in 1954 we had 4,782,000. In 1961 farm operators spent $26,900 million for items associated with farm production, most of which came from nonfarm economy. The farmer today receives only 40 percent of the consumer's dollar for food purchased. In 1948 the total received was 51 percent.

Critics of agriculture are not aware of the true facts concerning the cost of the Department of Agriculture and just how much of this total cost applies directly to the American farmer.

The bill contains money both for agriculture and services for consumers. It will be expended by the people's Department.

Mr. Chairman, when our farmer is prospering, tractors, automobiles, milking machines, combines, trucks, and mechanical devices of every description are moving from the factory to the farm. Modern farm problems are tremendously complex, and there is no easy answer.

Our committee recommends this bill to the Members of the House.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to my distinguished friend, the gentleman from Minnesota [Mr. ANDERSEN], one of the outstanding members on this subcommittee.

Mr. ANDERSEN of Minnesota. I thank the gentleman.

I would like to call to the attention of the Committee the fine work that the gentleman from Kentucky [Mr. NATCHER] has done during the time he has been on this particular subcommittee in behalf of the humanitarian use of our surplus food for groups such as those participating in the school lunch program and the people abroad who have been hit by famine.

I want to compliment the gentleman from Kentucky [Mr. NATCHER] for his humanitarian approach to all of these problems.

Mr. NATCHER. I thank my good friend.

Mr. SLACK. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from West Virginia, one of the able members of our subcommittee.

Mr. SLACK. Mr. Chairman, the presentation of the agriculture appropriation bill for 1963 provides occasion for me to again pay public tribute to my colleagues on the Agriculture Appropriations Subcommittee—Chairman WHITTEN and Representatives NATCHER, SANTANGELO, ANDERSEN, HORAN, and MICHEL. As a relatively new member of the subcommittee and one without a strong background in agriculture, I have been in a position to profit from the diligent and careful attention to detail which has found its result in this bill.

The bill appropriates $5,477,092,500, a reduction of $877,690,500 from total budget requests amounting originally to $6,354,783,000. The reductions recommended, however, are not just the result of thoughtless slashing without due attention to the consequences. It can truthfully be said for the record that every item requested was weighed on its merits, very carefully measured against the public need as indicated by the best available information at the time. The final version of the bill, as offered today, represents a true compromise of many conflicting viewpoints.

Of all of the bills considered by this House during a session, this is one of the few which directly affects every American household because of its relationship to food commodity quantities, quality, and price. This factor suggests the strong necessity for us to pass a bill, therefore, in which the sum total is of much greater importance than the individual parts.

The general pattern of the bill, developed after extremely careful study of the many individual proposals, merits our support, and I strongly recommend its passage as an endorsement of a workmanlike approach to problems facing us today in agriculture.

As would be the case with any measure covering such a broad range of activity, there are elements in the bill which will arouse questions in the minds of some Members. I, myself, take exception to the provisions of that section which deals with the proposed 1963 program for the Rural Electrification Administration. In that connection I will support the proposed amendment being offered by the gentleman from Illinois [Mr. MICHEL], who is also a member of the subcommittee. From previous discussion in this Chamber, most of you are aware that the REA is requesting funds and authority of such a nature as to represent a general change in emphasis from its previous program, away from the distribution of power and toward more generation and transmission.

In 1962, REA received $245 million and spent $155 million of that sum on generation and transmission. The present bill appropriates for REA, $300 million and sets $100 million in reserve for use by REA if substantiation can be made to the satisfaction of the Bureau of the Budget. For all practical purposes, REA is to receive $400 million according to the terms of the bill as reported.

Recent activity and present indications of programing can lead to only one conclusion: REA will spend most of that $400 million on generation and transmission facilities and thereby play a stronger role in areas where this Government agency will come into direct competition with commercial power producers. The declining emphasis on distribution underlines this certainty. Such being the case, I believe we should give very careful consideration to the proposed amendment whereby REA would be limited to the use of a maximum of $150 million during 1963 for generation and transmission loans.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to my distinguished friend, the gentleman from New York City, one of the distinguished members of this committee.

Mr. SANTANGELO. I want to associate myself with the remarks uttered by the gentleman from Kentucky. I think that the gentleman has a knowledge of the subject which very few people in the country possess. The statement that the gentleman has made shows the benefits to the farmers as well as to consumers, and should be repeated time and again. This tremendous budget which we have in this appropriation bill affects not only the farmer by giving him the opportunity to produce, but also takes care of the consumers through the production of a better quality of food and also a cheaper price for such food in the long run.

Mr. NATCHER. I thank the gentleman for his statement.

Mr. JOHNSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to my distinguished friend, a member of the Committee on Agriculture, the gentleman from Wisconsin [Mr. JOHNSON].

Mr. JOHNSON of Wisconsin. Mr. Chairman, I would like to associate myself with the remarks which have been made by the gentleman from Kentucky [Mr. NATCHER] and the gentleman from New York [Mr. SANTANGELO]. I think it is very important that the people of the country know how much the consumer receives under this agricultural appropriation. There are many items listed in this bill which could be identified as a benefit to the city dweller. I want to call special attention to the fact that the committee has recommended the full amount which was authorized for school milk by the Committee on Agriculture a year ago, which was signed into law August 8, 1961.

Up until this time this money has been coming out of CCC funds, and it was the feeling of the members of the House Agriculture Committee that this should be in a separate appropriation where it could be identified. The gentleman's committee has given the full authorization.

Mr. Chairman, I thank the gentleman.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the distinguished gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I want to commend the gentleman from Kentucky for his excellent statement. As chairman of the General Subcommittee on Education I am very much concerned with the school lunch program. Also, being an ardent conservationist, I am concerned with what the committee has done on soil conservation. I believe the budget estimate this year provided for approximately a $100 million reduction in the soil conservation program. Can the gentleman inform me about that?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield to me?

Mr. NATCHER. I yield to the gentleman from Mississippi.

Mr. WHITTEN. The committee restored that amount. It is in the agricultural conservation program for next year. May I say with regard to the school lunch program, that we went along with the budget estimate with one exception, where they asked $10 million in cash to be distributed outside of the formula. The committee felt that that would in effect repeal the law, so we went along with this $10 million in commodities, which was as far as the committee felt we had authority to go.

Mr. BAILEY. The request for the additional $10 million was made thinking that we would create a new hot lunch school program, which is a different approach from the present distribution of those funds. Since it had not cleared the Congress, I presume the committee had no choice than to proceed the way they did.

Mr. WHITTEN. That was our understanding.

Mr. NATCHER. I thank the gentleman for his statement.

Mr. BREEDING. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to my distinguished friend from Kansas [Mr. BREEDING], one of the outstanding Members of the House, and one of the members of the Committee on Agriculture.

Mr. BREEDING. Mr. Chairman, I would like to join my colleagues in complimenting the gentleman from Kentucky [Mr. NATCHER] on his excellent statement here today. Having watched him over the years, I think he is one of the greatest leaders of American agriculture and American rural life. I want to thank the gentleman for his help to American agriculture and American rural life.

Mr. NATCHER. I thank my friend for his statement.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY of Indiana. Mr. Chairman, I want to thank first of all the gentleman who has yielded me this brief time. I also want to compliment the entire subcommittee. I know that their efforts have been long, laborious, and painstaking, and require a good deal of background, understanding, and patience. I believe they have come up with a good bill for our consideration.

I am going to devote just a little bit of time to one phase of agriculture that as far as I have been able to determine has received very little attention in the debate on the floor of the House. We all know that this is the 100th anniversary of our Department of Agriculture and the land-grant colleges. Through their work in research and experimentation and through their work in the field of extension, including the 4-H Club work, they have brought great benefits not only to the agricultural people themselves but all of our people. Today we are the best and, in terms of the cost of food of the average man's salary, we are the cheapest fed people in the world. Not only that but we have produced considerable surplus; and this, of course, I believe we are dealing with in a fairly commendable fashion.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. HARVEY of Indiana. I yield to the gentleman from Washington.

Mr. HORAN. I should like to go back to the centennial matter. If the gentleman will investigate, I think he will find that in the period of 3 weeks in 1862 we created a Department of Agriculture under a Commissioner, we passed the Homestead Act, and we also established the land-grant colleges. I submit in terms of our comfort today and our abundance of food that that was perhaps one of the most auspicious 3 weeks in the history of mankind. That all occurred during the period of a very, very bloody Civil War in the history of this society of ours.

Mr. HARVEY of Indiana. I thank the gentleman.

I want to touch very briefly on one phase of agriculture that, as I said, has received little attention, and that has to do with the Foreign Agricultural Service. A few years ago some of us, at least, realized we might have the problem of dealing with surpluses, or abundance, whichever you call it, for some time to come. We realized that we were not really trying to sell our products abroad, that we had here a great many fine products that the rest of the world could have and would buy if we would really get out and try to sell them. We also belatedly realized that surplus food could become a most effective weapon in the cold war. So we set up the Foreign Agricultural Attachés as a division in the Department of Agriculture and enjoined them to prosecute vigorously the sale of these commodities abroad.

It was brought out in the course of our discussion that about $1,200 million of surplus products are sold for foreign currencies, but what was not brought out was that nearly three times that much today is being sold for dollars abroad. That would not have come about had not this very fine Foreign Agricultural Service been brought into being, and had they not been given every encouragement. They have developed markets through and with the various trade associations, such as wheat and soybeans, just to mention two of the outstanding commodity organizations that have utilized our foreign services. We have great progress in selling commodities abroad. We can thank our lucky stars that this was initiated some time ago, because the Common Market, which is the subject of conversation today all over the world, would have had a much greater and less favorable impact upon our agricultural economy, I can assure you, had not our Foreign Agricultural Service been in being and on the job, providing for a better market in the rather troublesome days that lie ahead. I particularly want to pay my tribute to these officers, these dedicated people, who have made this great service to agriculture possible.

Mr. SANTANGELO. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, at the outset I want to thank the chairman of the subcommittee, the senior members and all the agricultural experts who have given an urban dweller like me an insight into the problems on the farm and the problems of agriculture generally.

Mr. Chairman, I am pleased to support this bill because I think these are appropriations for the development of the resources of our country. The problems of agriculture today are not problems of scarcity, but problems of abundance. Our Bible teaches us that there will be 7 years of plenty before an era of scarcity, but we have been blessed with even more than 7 years of plenty and yet with this great abundance there has come a waste and a corruption that is causing the American people great concern. We see that when there is so much money and so many subsidies and supports that there is always a so-called wise individual—a man who tries to cut corners and get benefits which the American people through their Congress do not intend for him to get. So we find the Billie Sol Estes type of individual—people buying allotments and taking advantage of the generosity of the American people.

Mr. Chairman, the members of this subcommittee have cut the budget request by $877,690,500. I know of no other appropriation bill where so great a cut has been made, keeping in mind that we must try to balance our budget and at the same time not to deny the farmers of America the support which they, as Americans and producers, are entitled to receive.

Mr. Chairman, I have been glad for the opportunity to stand in this well year after year for the last 5 years to speak in support of an agricultural bill. I do so, Mr. Chairman, because I believe that ours is a country where farmers and urban dwellers really live side by side, working together and with mutual respect one for the other. What our farmers produce, our people in the cities eat. What we in the cities manufacture either in textiles or machinery or any of the hundred and one appliances that the American worker produces, the farmer by reason of his prosperity is able to purchase. Thus, the purchasing power of the people on the farms keeps the wheels of industry in the cities turning. Our interests dovetail and we must work together and while sometimes we see the selfishness of the big farmer who does not want to try to eliminate these problems of control and surpluses, I recognize in the main that the farmers constitute one of the strong bulwarks of this country and without them, the United States could not succeed. So I support this measure because I think it is in the interest of our country. But, I do not want to spend one extra dime—I do not want to spend 1 cent for waste.

During the committee hearings, we recommended that we should have at least 25 additional auditors who would investigate into the mechanics of the operation of the farm program and of the agricultural program so that we could have sort of a watchdog check on the expenditures of the funds. We assigned these auditors to the Secretary of Agriculture who is charged with the administration of this tremendous, sprawling activity in agriculture. The Secretary of Agriculture must have these people who are trained to do this kind of work and who will go into these matters before the fact and not after the fact of some malfeasance or wrongdoing. So we are appropriating $250,000 for 25 auditors. I would recommend, too, to the Committee on Banking and Currency that has jurisdiction over the Commodity Credit Corporation that we should have a complete investigation of this mammoth corporation which has the authority and which could possibly borrow to the extent of $14½ billion. This agency has come to the U.S. Congress year after year and has received funds to reimburse the Commodity Credit Corporation for its expenditures.

During the hearings, we were shocked to find out that the actual cost of commodities in our bins and commercial warehouses is not $14 billion which the CCC is authorized to borrow, but is only about $7,183 million, consisting of actual acquisition costs and loans to farmers who do not pick up their commodities and convert their loan into a purchase.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to the gentleman from Minnesota.

Mr. MARSHALL. Mr. Chairman, I want to commend the gentleman from New York for his fine statement. It was my privilege to go with the gentleman from New York out into the country to see some of the work that was being done in the handling of these commodities. It is a great thing for the country when a Member from New York City will take the interest the gentleman from New York has taken in agriculture. The gentleman has brought about a fine feeling between farm people and city people throughout the country because of the efforts he has put forth. It is one of the finest examples of statesmanship I have observed during the time I have been in the Congress, and I commend again the gentleman from New York.

Mr. SANTANGELO. I thank the gentleman from Minnesota for his gracious and kind remarks.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield.

Mr. O'HARA of Michigan. Did I understand the gentleman to say that the Commodity Credit Corporation had borrowing authority to finance their operations?

Mr. SANTANGELO. The Commodity Credit Corporation has the power and authority to borrow up to $14 billion in order to carry out the program it has embarked upon of reimbursing on the foreign sales program and subsidies in the loan program. It has this authority to borrow up to $14 billion.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield further?

Mr. SANTANGELO. I yield.

Mr. O'HARA of Michigan. In recent years we have heard a great deal about back-door financing and the borrowing program under the Housing Act, and other programs. This seems to smack of back-door financing, but I cannot recall of having heard any complaints about it.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield.

Mr. WHITTEN. The statement about the borrowing authority of the Corporation is correct. It has that much borrowing authority. What it can borrow is limited to what is left beyond that which it has either invested in commodities to which it has title, or commodities on which it has loans. So, the remaining borrowing power that Commodity Credit Corporation has is the difference between what it has outstanding and $14½ billion.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield.

Mr. FINDLEY. I was glad to hear that an amount had been allowed in this bill to investigate the activities of the Commodity Credit Corporation, but I wonder how many investigators would be needed in view of the fact that the FBI has assigned over 500 different agents to investigate the Billie Sol Estes case. How many would be needed for a complete investigation?

Mr. WHITTEN. If the gentleman will yield, that is a special matter. What we have done is to provide auditors to check on the general activities of the Department. It was on that basis that the 25 accountants and investigators were authorized.

Also, if the gentleman will permit a further encroachment on his time, I wish to say that I do not know of anyone who has contributed more to the welfare of the American consumer and the American farmer than the gentleman from New York [Mr. SANTANGELO]. I do not know of anyone who has worked harder or shown a greater ability to understand agriculture and its operations and the necessity to maintain a supply of wholesome food and a great market for American industry than the gentleman from New York. Not only has he brought to the subcommittee and to the whole Committee on Appropriations a knowledge of the consumer problems, but he has also contributed greatly to worthwhile efforts to maintain meat inspection and other programs for the protection of the public health.

I want to say, as chairman of this subcommittee, that I never worked with anybody who devoted himself more intelligently and assiduously to the problems at hand than the gentleman from New York.

Mr. SANTANGELO. I thank my chairman.

Mr. Chairman, I would now like to direct my remarks to Members from the city and those who live in urban areas.

We are prone to consider this bill as something applying only to the farmers. There are so many facets to the bill which help the city and the consumer, that I would like to bring to your attention one phase which is very important to the youth of our country.

Our President, John Kennedy, has come forward with a program involving the fitness of youth. Statistics show that many of our boys who tried to go into service were rejected by reason of being unfit. The school lunch program which goes not only to the cities but to the rural areas is one of the greatest programs for the benefit of the posterity of our country and for the children of our country. Over 64,000 schools participate today. We have 14 million children throughout the United States who partake of the school lunch program. We are donating in cash $125 million this year. In addition, we are appropriating $45 million of section 32 funds, which are the funds we derive from customs receipts. We have donated commodities which exceed $168 million.

In addition to that, we have several milk programs amounting to $100 million. It is important to realize that the declining consumption of milk throughout the United States, which, in my opinion, is not brought about by reason of the scare involving strontium 90 or to the fear of cholesterol in the milk, but because of some of the high prices that are charged. Consequently, we are giving the dairy farmer an opportunity to sell his milk when we provide this special milk program to the children of our schools. We are thereby supporting the dairy farmer, we are supporting the economy, and we are supporting most of all the health of the children of our country.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I want to compliment the gentleman for the fine attitude he has shown in our subcommittee in being fair, as he has always been, in connection with problems relating to all parts of agriculture. The gentleman has been very fair, he has been of great assistance to us, and I feel from the consumer's viewpoint and from the general overall viewpoint, he has been a wonderful help in the Subcommittee on Agriculture.

Mr. SANTANGELO. I thank the gentleman.

For those who eat chops, meat, and hamburgers, may I say that approximately $25 million is provided for food and meat inspection. Thirteen and a half million dollars is provided for poultry inspection. We safeguard for you people who work in the cities through research of the U.S. Department of Agriculture, through examination of water supply, food supplies, and approving the quality of food, which is something we should be grateful for because we are being protected.

I ask the people from the cities when they vote for this budget of approximately $5½ billion, which we have cut down here by $877 million, we are doing this not for the farmer, not for the urban dweller, but we are doing this for all Americans who deserve our wholehearted concern and consideration.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota [Mr. NYGAARD].

Mr. NYGAARD. Mr. Chairman, I come from a State in which the economy of the State is agriculture by about 85 percent. We are dealing today with a bill that involves about $5½ billion. In this session of Congress we are going to be dealing with about $96 billion plus in appropriations. We have just heard it said on the floor of the House today that approximately 10 percent of the population of this country is engaged in agriculture.

Therefore, some may think that when you are speaking of $5.5 billion in an agricultural program, it is out of line. But, it is not, as it represents far less a percentage of the people involved in agriculture as compared to the people employed otherwise in this country.

Then again, when we look at this matter of $5.5 billion, what do we find? We find that there are a tremendous number of items involved in this appropriation bill that do not relate entirely to agriculture. We also find that a great portion of the appropriation involved in this $5.5 billion is in the form of loans. We have the farm operation loans, we have the farm disaster loans, we have the REA loans; we have all of those that are repaid to the General Treasury after the service of that money has been used by the various functions for which they were designed.

We have Public Law 480, which, of course, in a sense, does serve agriculture, but it also serves in the field of foreign relations. It serves in the disposal of products to other nations, and it serves in helping the general welfare of this country as well as of the world. We also have the question of soil conservation and the watershed program. There again some people will consider that that is something of a direct subsidy to the farmer. But, as was so ably stated some time ago on the floor, we are here conserving the resources of this country. The Soil Conservation Service is working directly and entirely in that field. Your watershed program likewise is working in that direction. Therefore, the money that is involved in these two programs is not a subsidy to the individual farmer that is tilling the particular ground on which this project is being produced; it is to conserve the resources of this Nations for the further use of the people of this country so that we may be able to assist conservation and in feeding the hungry populations throughout the world.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Chairman, I take this time to ask a question or two of the distinguished chairman of the committee, the gentleman from Mississippi [Mr. WHITTEN].

Last year after the Congress adjourned I received several calls from meatpackers in my district informing me that the Department of Agriculture was withdrawing several meat inspectors from plants in Ohio and that the Department was blaming this subcommittee that now has this bill before the House for reducing the appropriations for meat inspectors to such an extent that they could no longer keep them on the job.

I thereupon called the distinguished chairman of this committee and drew his attention to the matter. He was aware of it, as this was apparently being done in other parts of the United States, and he was making attempts to right the situation.

I would like to ask the distinguished gentleman from Mississippi whether or not the 113 additional meat inspectors provided for in this bill will take care of this need.

Mr. WHITTEN. About all the gentleman from Mississippi can say is that in the opinion of the committee it should. The amount authorized in this bill for meat inspection is $25,241,000. Involved in the overall situation is the fact that meat plants, slaughterhouses, quite frequently like to run at their convenience.

They like to run 8 hours a day, 5 days a week. We have a provision to the effect that if they care to work overtime, for their own convenience, that is billed back to the plant, with proper administration. It is the belief that we should have adequate inspectors in order to meet a normal workload if the slaughtering plant wishes to operate on a regular basis. But I do not believe it is possible to have enough inspectors for them to run to suit the convenience of the plant. We have gone along with the requested budget increase. It is my opinion, based upon the testimony presented before the committee, that it should take care of the situation to which the gentleman refers. On the other hand, there is no way for the committee to administer this program, as the gentleman knows.

Mr. LATTA. They did not testify or complain before the committee that 113 inspectors would not take care of their needs, did they?

Mr. WHITTEN. If the gentleman will yield further, my recollection is that the Department witnesses did not. As the gentleman knows, we have outside witnesses to appear before the subcommittee from time to time. These inspectors are organized, and we have others who are organized. It is pretty difficult to give them all they would like in any category. But it is my belief that we have given plenty of money to meet the problem that the gentleman describes.

Mr. HORAN. Mr. Chairman, will the gentleman yield further?

Mr. LATTA. Yes, I am glad to yield to the gentleman from Washington.

Mr. HORAN. Last year we allowed the full budget for this item. We recognized a change in the commercial pattern of America. All of the moneys that we allow now for highways has changed the whole economic pattern of America; the time was when meat inspection needs came almost exclusively from railroad centers. Today we have our packing houses located all over the landscape and they all demand meat inspection, which is their right.

The committee is fully aware of this situation. We have allowed almost the full amount of the budget. But we have also asked—if the gentleman will turn to the bottom of page 9 of our report, he will read this:

> In this connection the Department is requested to make a special study to determine to what extent it can certify State meat inspection services and license them to inspect meat which moves in interstate commerce.

I might say in this connection that we have evidence that while this is a troublesome problem there are adequate and able meat inspection services today supplied by the States. We are asking for every cooperation in order to meet this need.

When I first went on this Agricultural Subcommittee of the Committee on Appropriations the cost of meat inspection was in the neighborhood of, I believe, $10 million. Today it is $25 million, and it is rising. So we feel that we can use the abilities of everyone who can make a contribution to this necessary service. I might say, for one, the State of California has an excellent meat inspection service which we hope will be more adequately used in the future. The same is true of several other States. I might say further that I have attended conferences looking toward the attainment of this goal.

Mr. LATTA. I thank the gentleman.

I notice on page 7 of the report also that only 1,114 additional employees are requested for the Department of Agriculture. In checking back to January 1, 1961, when this administration came into power, I notice the Department had in excess of 87,000 employees. I just wonder if anyone could tell us how many employees they now have in the Department?

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I would be glad to yield to the gentleman from Illinois.

Mr. FINDLEY. The latest data I have indicates that on July 1 of this year the Department of Agriculture had 110,511 employees. I think it would be of interest in this centennial year to know that when the Department began operation it had a staff of 10 people. That is an 11,000-fold increase, I believe, if my arithmetic is correct, 11,000 times more employees today than there were 100 years ago. At that rate of increase we will have something like 121 million people on the Department payroll when we observe the 200th anniversary of the Department.

I want to add that since January 1, 1961, the payroll of the Department has increased 22,641 which, of course, is quite a sizable increase.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. LATTA. Mr. Chairman, before yielding to the gentleman from Washington I would like to say that I cannot quite understand how this administration can increase the size of the Department by 22,641 employees in a span of 17 or 18 months. In the authorization bill for the next fiscal year they call for an increase of only 1,114 employees. Additional employees over and above those specifically authorized are getting on the payroll and I would like to know how.

Mr. HORAN. Mr. Chairman, I might say, as our chairman pointed out, that we yielded to these requests with reluctance. We are convinced that the actions of the Congress made these services necessary, so we did allow an increase. In the unabridged budget which I hold in my hands, the forepart thereof, there are some interesting tables and I shall quote the personnel for the Department of Agriculture as found on page 41 of this volume. Department of Agriculture, 1961 actual, 102,557; 1962 estimated 110,934; 1963 estimated 116,388.

However, I should inform the gentleman that these figures are all inclusive. They include those temporarily employed for fighting forest fires. They include many who are in this category of people who are not under civil service and are employed temporarily for various projects necessary in the conduct of the Department of Agriculture.

Mr. LATTA. Mr. Chairman, if I may interrupt for just a moment to inquire further, if the gentleman can tell us without too much trouble how many additional employees were authorized last year for this Department?

Mr. HORAN. I do not have those figures.

Mr. LATTA. Can the distinguished gentleman from Mississippi answer that question?

Mr. HORAN. Those figures are available.

Mr. WHITTEN. I do not think we specified the personnel figures for last year. We tried to limit the funds. This year, we tried to limit both to those needs which are most essential. For example, the law provides for taking care of soil conservation districts. We felt we had to provide the personnel. When you create new districts you have the obligation to provide personnel for them.

Mr. LATTA. I thank the gentleman.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman, I appreciate a few minutes' time during this discussion on this bill. Each year it is my pleasure to appear before the subcommittee handling agriculture appropriations, and I deeply appreciate the courtesy which has been extended to me. I am sure we all are interested in various aspects of this appropriation bill. I am interested in a number of areas, but time does not permit going into each one of them. I would like to call to the attention of the House the appropriations in relation to the Federal Extension Service. In this regard the amount requested was $2,724,000, and recommended in this bill is an amount which is $260,000 below that figure. In regard to payments to the States and Puerto Rico, I did certainly want the RECORD to show that the request here, although there is an increase of $1 million, is substantially short of that which was recommended by the Association of Land Grant Colleges and Universities. I point out that the salary level of the folks employed in the Extension Service is somewhat lower than that of those employed in comparable classifications of work.

The national average salary level is about $6,393 per year. I think it is of interest also that the RECORD show that the Federal share of these expenses has declined from about 58 percent about 30 years ago to the present participation on the Federal level at 39 percent. This is a situation I know the committee has given real study to, but I do think that we should take notice of the fact that these salary levels are certainly not competitive with other levels. This is worthy of further study on the part of the Congress.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield.

Mr. ANDERSEN of Minnesota. I wish to compliment the gentleman on the remarks he is making. In the first place, we on the subcommittee had first to make a decision as to whether we would permit any increase in the budget to any extent. We came to the decision reluctantly that on several of the items here like extension, soil conservation operation, and such, for the good of agriculture we should hold this bill down as far as we reasonably could without injury. I join with the gentleman from Maine that we do need further emphasis on creating a kind of salary level for our extension workers that is comparable with that in industry. The gentleman might recall that back in 1946 this subcommittee did break the salary ceiling on extension workers. I should like to see that continued as soon as we possibly can do so through incentive to the States in helping them to raise the salary level for extension workers.

Mr. McINTIRE. I appreciate the gentleman's comments. I do want to say that I am sure the committee gave this their very careful consideration. The million-dollar increase is of course a step toward this objective.

There is one other point I should like to mention. I would appreciate directing this to the committee chairman, if I may. When I appeared before the committee and in the subsequent memorandum which was made available to the chairman and the committee, I pointed to some work we were doing in Maine in connection with specific pathogenic-free areas, a program of control of poultry diseases. We have a very good program which is at an experimental stage at this time, but which we feel offers some real possibilities in establishing disease-free poultry, not only for the development of strains of disease-resistant poultry but constantly providing disease-free eggs for laboratory and pharmaceutical use. May I ask the distinguished chairman a question: Could I be assured that the committee encourages the Department to make a comprehensive analysis of the proposals which I have made to the committee, with the idea that the Department then might be in a position to make a recommendation to the Bureau of the Budget for the next fiscal year in connection with the facilities we have in mind?

Mr. WHITTEN. May I say to the gentleman, I would certainly urge attention be given to a full study of the possibilities in this area. There is such a great economic loss each year as a result of poultry diseases that, certainly, if progress can be made in this area, it would be very much worthwhile. I would also point out that in the bill we do have $1 million available to the Administrator for use in special research projects, which could be used for studies in this area.

Mr. McINTIRE. I thank the gentleman very much.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. KYL].

Mr. KYL. Mr. Chairman, I would like to speak for at least 3 brief minutes to the gentleman from Mississippi [Mr. WHITTEN] constructively concerning the Federal crop insurance program. I think it is obvious, though the report indicates that this has been a successful program, that there have been many problems inherent in the Federal crop insurance program.

In the first place, I believe the law itself makes it impossible for the administrator of this program to act responsibly. Let me give you a couple of illustrations. Because there is a date, after which you cannot negate a first application for insurance, and because this is in the nature of a continuing insurance policy which you have to cancel, there is a lot of misunderstanding among farmers concerning the insurance policy itself. I do not think there is any question but what the people who sold this generally, especially at the beginning of the program, were not well acquainted with the law under which they were operating. Furthermore, we have some instances like this: A man buys Federal crop insurance. He pays his premium. Then he receives an indemnity. I am thinking of a case where the indemnity paid was about $1,700. Then 2 years later the Federal Government writes to this man and says, "We are sending back your premium payment. This land should not have been insured. You owe us $1,700." The man refuses to pay the money back so they simply deduct this amount from his Federal Government agricultural program checks. In other words, the question I would direct to the gentleman from Mississippi is this: Is there some way that we can write into this law which establishes, and under which the Federal crop insurance operates, some provision which would make the salesmen of the Federal crop insurance program as responsible for his actions, and which would make the program itself as responsible for its action, as we have responsibility in a private insurance program?

Mr. WHITTEN. I see no reason why that should not be done. Many contracts contain a provision that after a certain length of time the validity of the contract cannot be contested and the enforcement of the contract cannot in any way be contested. We have on this committee tried to cooperate in every way that we could to bring about the kind of protection that the gentleman is talking about.

This crop insurance has made so much more progress than I ever had any idea that it would. I was here when it failed. And it started out again on an experimental basis, may I say, with the greatest of misgivings. It reached the point last year that we said that, when it covers 900 counties it has gone beyond being an experimental program and it ought to be made available to everybody. Now that it has become big enough to be applied across the board, we ought to start seeing to it that it operates on the order of a regular insurance company. I am of the opinion that what the gentleman has mentioned would probably require legislation. I do not know whether this matter of deciding after 2 years or after 1 year that something was not insurable can be cured by an agency regulation merely saying that it will not be contested. But, certainly, if we are to fix it so that it cannot be contested after a reasonable length of time, I am sure that that would require legislation.

Mr. KYL. I think the agent of a Government body selling crop insurance should be responsible and the agency should be responsible for the salesman under this Government program to the same degree that the salesman is responsible in a private program.

Mr. WHITTEN. I think so too. However, most private contracts provide that a salesman cannot waive the terms of a written agreement, and if you read the written agreement, it may be a little different from the way it was construed. It should be operated on the same basis as a private insurance contract.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 3 minutes to the gentleman from Montana [Mr. BATTIN].

Mr. BATTIN. Mr. Chairman, I take these few minutes to ask the chairman a question.

In this agriculture appropriation bill there was originally included a request for funds for a soil and water research center at Sidney, Mont., which is in the northeastern part of the district I have the pleasure to represent. In the bill before us now this has been eliminated, and I wonder if the gentleman would tell me what prospect there is that it might be restored in the very near future?

Mr. WHITTEN. I may say to the gentleman that I can appreciate his interest in this project and its importance to his district. The gentleman realizes the committee was faced with many requests for new projects. The committee took into consideration all the factors concerned. Since there were $300 million in projects requested over and above the budget, the committee took the position that at this time we were not in position to enter into the construction of new projects. We felt that further study should be made to see how urgently the projects were required. I am sorry that the gentleman's project fell within the rule and could not be included in the bill by the committee. It has been approved by the Bureau of the Budget. I should think it would be among those to be first considered by the Congress as we follow up the subject in the future.

Mr. BATTIN. I thank the gentleman. I was very much impressed by your opening remark about the necessity of protecting our natural resources, including soil and water. I am sure the gentleman will find that this is a project along those lines and that its construction will substantiate what the gentleman says.

I do hope that should the other body in its wisdom seek to add this item to the bill that the conferees of the House will give consideration to its remaining there.

Mr. WHITTEN. I should think we must stand by the general rules of the committee. But it is my judgment that budgeted items usually have a little more standing than those not budgeted.

Mr. BATTIN. Mr. Chairman, I thank the gentleman and yield back the balance of my time.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I sincerely want to thank the committee for aiding me with the solution of a problem that has confronted me in my congressional district. We have in my district a great Naval Stores Research Center at Olustee, Fla., that for years has been doing excellent work in the field of naval stores research. This station was instituted by the U.S. Department of Agriculture in 1931, at Olustee, which is in Columbia County, Fla., and which is located adjacent to our Forest Research Laboratory. This location is an excellent one, because the research work of both laboratories complement each other. The structure used for housing the naval stores research was originally designed for use as a warehouse and was not fireproof. Notwithstanding, research of immense economic value to our State and region has been conducted there.

In the fall of 1960, a fire burned the experimental laboratory to the ground, and much of the valuable research records was destroyed.

Naval stores operations have long been regarded as basic to the economy of a large area of north Florida. Consequently, leading citizens of Columbia County contacted me when the building was burned to ask that I approach the U.S. Department of Agriculture with a view to obtaining an early replacement. This was done early in January 1961, when I conferred at length with officials of the Agricultural Research Service, Department of Agriculture, in regard to the matter. The U.S. Department of Agriculture thought that they could build a substantial concrete block building to replace the old building burned for an amount of $30,000. No appropriation would be involved, since agricultural research funds were available in fiscal 1962 for a project of this nature. We thought that this building could be immediately replaced, and I was so notified by the Department of Agriculture.

They had hoped to start construction in July of 1961, so the building would be ready for occupancy by January 1, 1962. However, the lowest bid for the building was $49,000. An effort was made to keep the building within the $30,000 limit, but the specifications would not meet the $30,000 maximum.

I requested this distinguished committee to include an item not to exceed $50,000 of funds appropriated under "Salaries and expenses" in the Department of Agriculture and Related Agencies Appropriation Act, 1963, for research, which would be available until expended for construction of a building for naval stores research at Olustee, Fla., to replace the one destroyed by fire.

It is my understanding that the language on page 3, lines 1 and 2, "and one building to be constructed at a cost not to exceed $50,000," will take care of my request. I have telephoned the Department of Agriculture and they have assured me that with this language in the bill, they can proceed to replace the building at Olustee, which was destroyed by fire. I am also pleased, Mr. Chairman, that the Department of Agriculture plans an expansion program at our Olustee Naval Stores Research Station. Many people have looked upon naval stores as a dying industry, but this is not so. Although it is a much smaller industry in my section of Florida than it formerly was, it is still a most valuable economic asset, and has made tremendous gains. I am hopeful that shortly the Department of Agriculture will be able to plan many improvements for this great Olustee Naval Stores Station, and I want to assure them of my desire to cooperate in every way possible in order that this facility might better serve the needs of our naval stores operators and thus contribute to the growing economy of our Nation.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, it was my privilege to serve on the Subcommittee on Agricultural Appropriations for 8 years. When I first became a member, my good friend, the gentleman from Minnesota, H. CARL ANDERSEN, was chairman. As a true friend, he was considerate of me in every way. During the next 6 years, the gentleman from Mississippi, JAMIE WHITTEN, was our chairman. His reputation as a friend of agriculture is so well established that nothing I could say would add to his prestige. However, I must say that he is a real student of agriculture and is, in my estimation, the best informed man in the agricultural field in the United States today.

During my service on the subcommittee, I was associated with four of the present members, the gentleman from Kentucky, WILLIAM NATCHER; the gentleman from New York, ALFRED SANTANGELO; the gentleman from Washington, WALT HORAN; and the gentleman from Illinois, ROBERT MICHEL. Each of these distinguished Americans shares a genuine interest in the welfare of American farmers. It was a great experience to work with them and to know how well informed and conscientious they are in the performance of their duties. Although I did not serve with the gentleman from West Virginia, JOHN SLACK, I do know that he is a valuable addition to the subcommittee.

During my 14 years in the Congress, there has been a revolutionary change in the pattern of agricultural production. The acreage yields of some of our major crops have approximately doubled. The consumers of this country buy their food at a remarkably low cost. In most countries of the world, people spend about one-half of their income for food. In the United States, only about one-fifth of the family income is spent for food. Only 9 out of every 100 people in our labor force are farmworkers. In the Soviet Union, about one-half of the people are engaged in agriculture. In these 14 years, our productive capacity has played a steadily greater role in strengthening the free world. It is the envy of the Soviet Union. Our agricultural production is clearly a victory in the cold war and a weapon that is being more effectively used.

It is not, however, my intention to speak today of the past, but of the future.

Many of my colleagues have expressed the thought that what we call the farm problem is hopelessly insolvable. I do not share this view. All of my life, I have heard the remarks of the defeatists, pessimists, and standpatters. I am not a blind optimist who sees no clouds on the horizon, but I am optimistic about the future of American agriculture. To be otherwise would be to admit that the United States is to become a second- or third-rate nation. This I will not admit.

Farmers and farm programs need to keep abreast of the times. Farmers have shown a readiness to respond to new ideas and to adjust their farming practices to meet market demands. In our economy, however, they do not have the tools to protect their income and security from the very abundance they produce.

What does the future hold? It seems to me that we ought to discuss this first from the viewpoint of the national advantages of a productive agriculture.

For the foreseeable future, the people of the United States need not fear a shortage of food. This prospect, however, is always dependent upon weather conditions—unfavorable weather can reduce our supplies in a comparatively short time. We must always be aware of this possibility and gear our farm programs so as to assure adequate supplies of essential foods and fibers.

We also need adequate production to protect and expand our foreign export trade. About 45 percent of our agricultural export trade is subsidized for the benefit of the low-income areas of the world. This is a powerful weapon in the cold war and must not be neglected. Even more important, this use of food is a great humanitarian contribution to international well-being. If we are to build and maintain peace in the world we must find ways to eliminate disease and poverty. Food will be an important part of that worthwhile effort.

Programs such as the special school milk and the school lunch programs are in the best interest of our own people. Our welfare costs would be considerably higher if it were not for our bountiful food supplies. We cannot overlook the millions who find employment in the handling and processing of food commodities. Our abundance has made it possible for consumers to spend a higher proportion of their dollars for products other than food. From the national standpoint, I am sure there is no disagreement about the need for a strong and dynamic agriculture.

A word about the farmer. His costs of production are great and the financial risk involved in producing his crops places him in an insecure position. He is harassed by rising costs and worried over the lack of income. The years immediately ahead indicate that he may continue to fall behind the rest of our economic groups. He will receive a smaller and smaller share of the national income. He may alleviate some of his problems by efficient management of his resources. The farmer is going to continue to be a good manager and is going to continue to produce to the best of his ability. It is possible that labor and industry will show the same accomplishment in reducing the cost per unit of capacity and will assist the farmer to expand his market, especially in world trade. I fear this is not apt to happen, however. For the farmer to make the adjustments that will be inevitable if world markets are to be maintained will be difficult unless other segments of the economy recognize their responsibilities in this regard.

The outlook for agriculture will depend to a great extent upon the kind of farm legislation we enact. We in the Congress will play a major role in determining whether the farmer will advance on the road to progress or be driven to disaster by chaotic markets. Farm legislation—or the lack of it—will be most important to him in the immediate future.

The administration of farm programs by the executive branch of the Government will also become more important.

To briefly sum up our agricultural problems from a national viewpoint, I am convinced that we will have agricultural abundance and I am hopeful that our consumers will become more aware of the importance of farm programs and better informed about them. I am certain that if they are so informed, we will have farm legislation beneficial not only to American agriculture but to the entire Nation.

The appropriation bill before us meets the yardstick of progress. It is true that more could be done. It is equally true that a more realistic farm program from the legislative committees would bring about considerable monetary savings. This Nation needs a realistic farm program badly.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. Rousselot].

Mr. ROUSSELOT. I thank the gentleman from Minnesota.

Mr. Chairman, I would like to ask the chairman of the committee about a statement that appears on page 29, paragraph 4, of the report, wherein the statement is made that insurance will again be offered in 100 new countries. Is it intended that crop insurance be offered in 100 new "countries" or "counties"?

Mr. WHITTEN. That should be "counties." I regret the typographical error.

Mr. ROUSSELOT. It says "countries" several times. I was a little bit concerned that this was also a foreign aid program.

Mr. WHITTEN. I am glad the gentleman brought out the error. It should be corrected to read "counties."

Mr. ROUSSELOT. I thank the gentleman.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield myself the balance of the time on this side.

Mr. WHITTEN. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. O'Hara].

Mr. O'HARA of Michigan. Mr. Chairman, I have taken this time to very briefly refer to the appropriation for the school lunch program. Members of the House will recall that a few weeks ago a bill amending the formula under which school lunch funds were to be apportioned among the States passed the House. That bill is now pending in the Senate. At the time the bill was considered by the House Committee on Education and Labor, the committee was of the opinion, after carefully studying lunch program needs of the various school systems that, depending upon the assistance need rate of the particular State, the Federal subsidy should vary between 5 and 9 cents per lunch.

Mr. Chairman, the Senate may very well change the formula adopted by the House and a conference committee will be necessary to resolve the differences and arrive at a final apportionment formula. For this reason, Mr. Chairman, I shall not offer an amendment to this bill to change the appropriation to the amount necessary to supply the 5 and 9 cents of which I have spoken.

However, I do hope after the Senate has finally acted upon the change in the school lunch formula either the Senate or the conferees, in considering this bill, can make the necessary changes to provide a subsidy of 5 to 9 cents per meal, depending upon the State's assistance need rate.

Mr. WHITTEN. Mr. Chairman, I have no further requests for time.

Mr. HALPERN. Mr. Chairman, I ask unanimous consent that the gentleman from Iowa [Mr. Jensen] may extend his remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JENSEN. Mr. Chairman, although there are a few items in this bill to which I cannot agree, I must say this committee is in mighty good, able, honest hands. They have a difficult assignment. There are no more dedicated Members of Congress than Whitten, Andersen, Natcher, Horan, Santangelo, Michel and Slack. Their report which accompanies this agriculture bill, should be must reading for every American young and old. Every member of the committee is an expert on soil and moisture conservation, and so forth, as this bill and report proves, for which every American should be proud and grateful.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Plant and animal disease and pest control: For operations and measures, not otherwise provided for, to control and eradicate pests and plant and animal diseases and for carrying out assigned inspection, quarantine, and regulatory activities, as authorized by law, including expenses pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b–c), $57,580,500, of which $1,500,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases to the extent necessary to meet emergency conditions: *Provided*, That, in addition, in emergencies which threaten the livestock or poultry industries of the country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonie, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for expenses in accordance with the Act of February 28, 1947, as amended, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts;

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Whitten: On page 3, line 21, strike out "$57,580,500" and insert "$56,330,500".

Mr. WHITTEN. Mr. Chairman, when the committee acted on this item the supplemental bill was still tied up in conference, so our committee made provision for funds for the eradication of the screwworm. Subsequent to our action the supplemental bill was agreed on in conference and this problem was met in that bill. We are reducing here the funds that were put in this bill for the eradication of the screwworm, since it was taken care of in the preceding bill. I hope the amendment will be adopted.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Michigan.

Mr. CEDERBERG. While this probably does not pertain to this particular amendment, the gentleman will recall I discussed with him the possibility of having earmarked in this bill funds for research on the sugarbeet problem. I understand the cane people are also interested. Is it correct that there is in the research funds in this legislation $1 million that can be used for this purpose if the Department is convinced it is necessary?

Mr. WHITTEN. Over $1 million is now being spent each year on research on sugarbeets and sugarcane. The million dollars covers research generally, and the work you have in mind could very well be included in that. It is an overall figure. The gentleman has discussed this with the subcommittee. It is certainly one of the problems that should be taken care of when possible.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was agreed to.

The Clerk read as follows:

COOPERATIVE STATE EXPERIMENT STATION SERVICE

PAYMENTS AND EXPENSES

For payments to agricultural experiment stations and other expenses, including $37,113,000 to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), including administration by the United States Department of Agriculture; $500,000 for payments authorized under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623); $250,000 for penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended; and $344,000 for necessary expenses of the Cooperative State Experiment Station Service, including administration of payments to State agricultural experiment stations, of which not more than $25,000 shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); $38,207,000.

Mr. LANGEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time in order to inquire of the ranking member of the subcommittee, my colleague, the gentleman from Minnesota [Mr. ANDERSEN], what consideration may have been given by the committee to the potato research project at East Grand Forks, Minn., that I had occasion to present to this committee.

Mr. ANDERSEN of Minnesota. I might say to my colleague that much consideration was given by the subcommittee to the proposal for this research laboratory, and also several other laboratories nationwide, but in the final analysis the subcommittee decided, as I have stated before on the floor of this House, that we must hold this bill down to as low a level as possible for the good of agriculture and everybody else concerned. I do hope that the laboratory to which the gentleman refers will receive proper consideration in the next fiscal year.

Mr. LANGEN. May I express my gratitude to the committee for the consideration given. I should like to identify further the unique manner in which this research project was presented to the committee. First of all, it was of such significance that the potato industry, as such, saw fit to appropriate moneys with which to provide a building. Secondly, the States of Minnesota and North Dakota had both already enacted legislation which would provide a partial distribution of funds for the maintenance of the research project once it was started. Consequently, the only request that was being made here was one of supplementing these funds both from the industry and from the States of Minnesota and North Dakota to the degree that the research project might have been able to progress in the interest particularly of the consumer in providing a variety of potato that would be more adaptable to the advances that have been made in the marketing of potatoes.

Mr. ANDERSEN of Minnesota. The gentleman from Minnesota [Mr. LANGEN] made a very splendid effort in connection with this new laboratory establishment.

What the gentleman said is absolutely correct. This is or should be one of the very first to be agreed to at this time. But again I say, the subcommittee did not want to even open the door. I will say this, that if the other body does put any laboratory whatsoever into this bill in conference, I will do my very best to take care of the situation represented so ably by my colleague from Minnesota.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I am glad to yield to my colleague.

Mr. GROSS. I am glad to see that this bill has been held $500 million below the spending of 1962. I cannot help but wonder how many projects such as the gentleman from Minnesota has mentioned went into the foreign giveaway bill for the benefit of foreigners. Would the gentleman have any idea how many research projects of that kind went into the multibillion-dollar giveaway bill?

Mr. LANGEN. I should say to the gentleman that it has gone far beyond my ability to be able to keep track mentally of the number of projects that are involved in the foreign aid bill. However, in this instance, this was a very minor amount of money and I think it is an amount of money that would have served the citizenry of this country very well and, consequently, might well have been considered in preference to a number of those contained in the foreign aid legislation.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I yield.

Mr. ANDERSEN of Minnesota. I agree with the gentleman from Iowa [Mr. GROSS] and I compliment him for calling our attention to this inequity.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if I may have the attention of the gentleman from Mississippi, the chairman of the subcommittee, I notice in Document No. 447 which was sent up by the President, there was a request that the Committee on Agriculture should set aside a certain amount of food for reserve purposes for civil defense. What was the attitude of the committee as to that particular request?

Mr. WHITTEN. The attitude of the committee was that, in view of the tremendous number of retail and wholesale outlets in every section of the United States, a cataloging of what was already available was much more practical. It was thought further that, with all the expense in relation to agriculture, if we added to that expense just to move things from one section of the country to another, we just could not see that it would be a sound investment. For that reason, we did not go along with the recommendation. We simply feel that, with the normal distribution that we have under present conditions coupled with the lack of knowledge as to where we might suffer from any attack, we might move such supplies to where they would be hit, instead of moving them away from where they might be hit.

Mr. HOLIFIELD. Of course, we have the same amount of retail distribution in the area of the school lunch program and, yet, we do set aside a certain amount of surplus foods for school lunches in the understanding that that is one of the beneficial ways of getting rid of our surpluses.

As I understand, it was a request to set aside some of the surplus foods and, as you say, to move some around to places that do not have those surpluses stored so that in the event of an attack on the United States those foods would be available.

Mr. WHITTEN. What I am trying to say is that under existing law the Federal Government has the right to requisition, take over, and pay later.

Mr. HOLIFIELD. I understand that.

Mr. WHITTEN. But it is a longtime position that I personally have taken that for us to set up Government storage with civil service employees taking care of these foods, so that they will be in separate places in sufficient quantities and in good condition is such a big program that you would just be adding expense unnecessarily.

Mr. HOLIFIELD. The gentleman is not against the proposition of having food all over the United States in case of attack, is he?

Mr. WHITTEN. I certainly am not.

Mr. HOLIFIELD. What the gentleman really objects to is that this might take some of the appropriations from the Department of Agriculture. Is that not the real reason?

Mr. WHITTEN. No, I do not think so. The Department of Agriculture has its storage now and in sufficient quantities. I think distributing it around the United States, as it would have to be in a pattern we cannot anticipate, would only lead to further expense of building warehouses and transporting these commodities.

Mr. HOLIFIELD. Of course our present distribution of food is not adequate to take care of emergencies.

Mr. WHITTEN. I would remind the gentleman that there is a constant distribution of foodstuffs as they are processed and move out of the area of production.

Mr. HOLIFIELD. Yes, when it is processed it goes into the regular channels of trade. I think this is a matter that ought to be taken care of, certainly, and I am sure it is going to be taken care of, but I do not know that the Subcommittee on Agriculture Appropriations is the proper place to take care of it or that it should be charged against the appropriation for the Department of Agriculture.

It seems to me what we are doing here in the United States is to absolutely ignore this civil defense problem. We are spending about $50 billion a year for a military program which cannot defend the United States against intercontinental ballistic missiles with nuclear warheads. We are not yet able even with the Nike-Zeus missile and that sort of thing to defend this country against incoming missiles with nuclear warheads, and since we cannot militarily defend this Nation against military attack it seems only prudent that we should be arranging our recuperative and sustaining resources to take care of an attack if it should occur. If it does not occur we have not lost anything. If it does not occur neither do we need to spend $50 billion a year on a military organization.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. HOLIFIELD was allowed to proceed for 5 additional minutes.)

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. WHITTEN. I formerly served on the Appropriations Subcommittee on this matter. I felt then and I still feel that we ought to have a catalog of what is available in the normal everyday life of the city of Washington, Baltimore, or any other large city, that we may know about the turnover and the quantity of supplies available and know what we had to work with in case we should need them. We should know what we have to work with. That is something to be faced.

That is a far better protection under an emergency than for us to set up special programs, build new warehouses, hire more civil service people. The gentleman is an expert in this field; I do not claim to be one. But I do say, to look to those places where we know the supplies are normally kept and where they are in use from day to day, and since the Government has the right to requisition them and pay later, it is much better and much more of a safety factor. It provides for our safety far more than we would with a special program, special warehouses, special caretakers to whom we have to give orders to move it out and move something else in.

Mr. HOLIFIELD. We have special warehouses, we have special caretakers watching them all over the United States to provide corn for hogs and wheat and food grains for chickens, cattle, and so forth. The gentleman is for that, I understand that, but he is not for doing the same thing to protect the people of the United States in the event of enemy attack.

Mr. WHITTEN. The gentleman is carrying me along a little too fast. I said we have these warehouses. I said we have these things scattered all over the United States.

Mr. HOLIFIELD. That is true, for the purpose of storage, but not necessarily near large centers of population.

Mr. WHITTEN. All you would have to do is to change the purpose.

Mr. HOLIFIELD. That is what I am talking about. I have not asked for additional warehouses, or additional civil service people. I am asking if the program can be adapted—and the President thought it could or he would not have sent up the request—some way, if it could be adapted to take care of human beings as well as hogs, cattle, and chickens.

Mr. WHITTEN. Of course, I am for human beings first.

Mr. HOLIFIELD. You would have to keep them alive so they can keep on consuming farm production.

Mr. WHITTEN. If we call on the Department as it moves ahead to do these things, instead of going back and picking them up, it would be much more economical.

Mr. HOLIFIELD. I feel as if the gentleman has made some concession. He is for doing the same as what the President requested.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Minnesota.

Mr. MARSHALL. The gentleman from California is a great student of this matter. Does he know of anywhere in the United States where we do not have these commodities distributed?

Mr. HOLIFIELD. Oh, yes.

Mr. MARSHALL. Where?

Mr. HOLIFIELD. Various commodities are not close to the city of Los Angeles. The city of Los Angeles is one that has very little storage in the city or near Los Angeles. We have 6½ million people in Los Angeles County. There may be some storage. I am talking about a balanced storage program, not just one item. There may be chicken feed out there, and probably is for the chickens, but I doubt if there is any processed food for the human being in case of an attack by an anemy.

Mr. MARSHALL. The gentleman's statement surprises me somewhat, because knowing how close Los Angeles is to a highly productive area, it would seem to me that there would not be any question there at all.

Mr HOLIFIELD. We do not raise much wheat or corn in Los Angeles County. We raise tomatoes. We used to raise a lot of oranges, but we do not raise them any more. We raise a little cotton up in the San Joaquin Valley, and a little garden stuff around Los Angeles, but we do not raise too many of the basic crops around Los Angeles. We have more bungalows and people out there than farms.

Mr. MARSHALL. Los Angeles has a great Representative here; Los Angeles is a great city; and certainly he would not want anything to happen to Los Angeles.

Mr. HOLIFIELD. I appreciate the gentleman's compliment. I have heard the gentlemen of the committee compliment each other all afternoon here for doing their duty. It seems to me when a committee comes to the floor and spends most of its time complimenting its members rather than discussing the merits of the bill under consideration, it seems desirable for some of us to inquire why this mutual admiration society goes on. You gentlemen are only doing your duty when you do your committee work on this bill, and I do not know why you should spend so many minutes on the floor complimenting each other for doing your duty.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am interested in this sudden concern as to what will happen if there is a nuclear attack upon the United States. I wonder what the Government is doing, if this situation is becoming more acute, constructing all of these new Federal office buildings in Washington. There are so many under construction it is difficult to get to work in the morning on some of the streets near the Capitol because of the equipment and workmen. I was under the impression that these Government facilities were to be dispersed and built at other places throughout the country. Can the gentleman from Mississippi help me out, since he has been taken to task on the distribution of food? Why is it that all these new buildings are being concentrated in Washington?

Mr. WHITTEN. As the gentleman from Iowa knows, there are a lot of things I do not know, and that is one of them. I really do not know except it is generally understood we should proceed with life and continue to live without being afraid of what will happen to us. I think that we should proceed with the American way of life in the normal order of things and not stick our heads in the sand.

Mr. GROSS. If it is essential to disperse food, is it not equally essential to disperse Government to a reasonable extent? Instead of that, we find it being massed here in Washington, D.C.

Mr. WHITTEN. There are many people who will agree with the gentleman.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, some time ago we were interested in the very subject that is now being discussed. We had people from the military Defense Department, the civilian Defense Department, and the Department of Agriculture before our committee for the purpose of discussing the very subject we are now considering. And, I asked questions of each one of the witnesses what program we had developed for the civilian population in the event of a military attack. And, after very exhaustive effort on our part, we were told "Operation Grandma's Pantry." Now, that is the only program we have to protect the civilian food supply: "Grandma's Pantry." What that means I have no way of knowing, except to fill up your own pantry as grandma did in years gone by.

I take this time, Mr. Chairman, to complain in a nice way; I do not want to be mean about it, but here is an appropriation bill carrying almost $6 billion, reported on Friday, and we start on it on Tuesday. It was only introduced on Friday, the 20th of July 1962. The 3-day rule is complied with only by counting Saturday and Sunday and for all practical purposes the bill was not available until yesterday morning. Nobody has had an opportunity to study the bill. I would like to have gone over it in our committee section by section, but time did not permit us to do so. This procedure has become the standard practice of the Appropriations Committee and I can conclude only that it is done intentionally.

Consequently, I am introducing a resolution providing for a change in the rules so as to provide that reports from the Appropriations Committee must be available to the membership 5 legislative days instead of the 3 calendar days now in the rules.

Mr. BROWN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Ohio.

Mr. BROWN. I wonder if the gentleman would amend that rule so as to provide that when the Committee on Agriculture brings in a bill dealing with sugar that has been attached to a honeybee bill over in the Senate, that the rules provide that we at least have a copy of the amendment available so the Committee on Rules may be informed as to what it contains, and even the House membership may be let in on the secret?

Mr. COOLEY. I am sure the gentleman would endorse the resolution.

Mr. BROWN. If the gentleman will amend it in that way, I might support the gentleman's resolution.

Mr. COOLEY. I agree with the gentleman. My committee as well as the gentleman's committee was handicapped by not having printed copies of the Senate amendment. We had to make our own. It is bad precedent, and I hope it does not happen again, that another distinguished legislative body takes up a honeybee bill or bumblebee bill and attaches something of great importance to it as it did the 150,000 tons of sugar.

Mr. Chairman, I am serious in offering this resolution, and I hope the Rules Committee will consider it and that it will be adopted. I am not wedded to the 5 legislative days. Perhaps it ought to be 3 legislative days. But it certainly ought to be legislative days instead of counting Saturdays and Sundays.

Mr. Chairman, I do want to complain about certain reductions made in this appropriation bill.

Beginning with the appropriation for the Department of Agriculture for the fiscal year 1962, the Appropriations Committee put Public Law 480 operations on what it calls a pay-as-you-go basis. Up to that time, operations under Public Law 480 had been carried out on the same basis as price support and other operations of the Commodity Credit Corporation, viz: Expenditures during a fiscal year were made out of the capital funds of the CCC and at the end of the fiscal year an appropriation was made to reimburse the Corporation. Beginning with 1962, however, the Appropriations Committee included in the appropriation bill items for the various operations under Public Law 480 and stated in its report that—

> The amounts appropriated each year should serve as general guides in the conduct of these programs.

The bill, as reported by the committee this year, has sharply reduced the budget requests for the various types of operations under Public Law 480 and the following is a hurried analysis of the effect of this action on these programs.

TITLE I

Public Law 480, as amended by the act of August 8, 1961, authorizes the expenditure of $4.5 billion in the 3 calendar years 1962, 1963, and 1964, for sales under title I of Public Law 480 with the provision that not to exceed $2.5 billion may be expended in any 1 calendar year—thus taking into account the probability that there will be more opportunity for sale of commodities under this title in some years than in other years.

In its appropriation for the fiscal year 1962, the Appropriations Committee provided $1.353 billion for title I for the fiscal year 1962. In the budget request for fiscal year 1963, the Department asked for $1.293 billion for title I, which included $212 million by which actual title I transactions in 1962 had exceeded the limitation set by the Committee on Appropriations in its bill.

In this bill, making appropriations for the fiscal year 1963, the committee has deducted the $212 million from the budget request and has appropriated only $1.08 billion for the fiscal year 1963, in spite of the fact that the legislative committee having jurisdiction over this matter and the Congress have approved an act which authorizes the commitment of up to $2.5 billion for the fiscal year 1963.

In its report the Committee on Appropriations says:

> The amounts appropriated each year should serve as general guides in conduct of these programs.

By this language the Committee on Appropriations adopts, again, the device of trying to make law by a committee report, instead of placing the provision in its bill, where it could be challenged by a point of order, and overriding the wisdom of the legislative committee and the Congress by attempting to limit operations under title I to about $1 billion in fiscal year 1963, when the act approved by the Congress provides that operations under title I may be as large as $2.5 billion in 1 year.

I am informed that, since the Committee on Appropriations has refused to appropriate the $212 million by which title I operations exceeded the budget established by the Appropriations Committee last year, this amount will probably have to be subtracted from the $1 billion authorized for these operations in fiscal year 1963, and that this will reduce the available funds below the level of the agreements which are now in negotiation and contemplated for execution during fiscal 1963.

TITLE II

The bill reduces the appropriation request of $364 million by $114 million to $250 million for title II operations during fiscal year 1963. This is in contravention of the authority contained in Public Law 480 as the result of action of the legislative committee and the Congress which authorizes the expenditure of $300 million per year for programs under this title, plus any unexpended balance up to this amount from previous years. The AID agency informs me that this reduction in the appropriation and the implied limitation on expenditures and programs for 1963, will seriously interfere with the developing program to use American agricultural surpluses in beneficial public works programs in many parts of the world. Under these programs, public works such as roads, sewers, water systems, and so forth, are undertaken with part of the payment to the workers being in surplus agricultural commodities and the other part of the payment being made in money by the local government.

In Morocco, for example, 600 schools have been built under this type of assistance from the United States. The workers were paid partly by the local government and partly in surplus commodities made available under title II of Public Law 480.

TITLE III

Barter is the one part of the Public Law 480 program where the United States is assured of getting full value received for the surplus agricultural commodities which are exported. Under this program, materials—mostly minerals but including an increasing quantity of offshore procurement for the defense agencies—are acquired from sellers in foreign countries in exchange for surplus agricultural commodities. The law provides the criteria that the materials obtained must not be produced in adequate quantities in the United States, must be inexpensive to store, and must not deteriorate in storage and furthermore, that materials may be obtained through barter only when they have been designated by the President. This has proved to be one of the most beneficial avenues to the American people of export of agricultural commodities. Materials which have been obtained in exchange for perishable agricultural commodities are worth more today than when they were obtained. The storage costs of these materials are about $2 million per year contrasted to more than $100 million for the agricultural commodities. Materials obtained under the barter program should be distinguished from materials which are obtained for the national stockpile. While some of the materials for the national stockpile—which was set up to provide a reserve of strategic materials in the event of war—have been obtained by barter, the basic purpose of the barter program is to dispose profitably of surplus agricultural commodities and to obtain, in return, materials, not necessarily of wartime or strategic value, but which are essential to American industry and not produced in sufficient quantity in the United States, for a permanent addition to our resources.

These go into the supplemental stockpile, which was established by the Agricultural Act of 1956. The only materials eligible for this program are those which are nondeteriorating in character, cost very little to store, and are not produced in adequate quantity in the United States. The materials involved are nonrenewable natural resources. To assume that we can have too much of these essential natural resources which are not produced in adequate quantity in the United States is to assume that we could have too much of any natural resource—such as oil, iron ore, or any other essential mineral.

The appropriation bill reduces the budget request for this program from $343 to $125 million, a reduction of $218 million. I am informed that this amount is barely sufficient to provide for transfer to the supplemental stockpile during the fiscal year 1963 of materials which are already under contract by the Department of Agriculture.

In view of the legislative language in the report of the Committee on Appropriations, this bill will seriously handicap efforts to exchange surplus agricultural commodities for foreign materials of lasting values.

TITLE IV

In 1959 the Committee on Agriculture reported a bill, which was approved by the Congress and the President, authorizing the sale of agricultural surpluses for long-term dollar credit—largely as a replacement for sales for foreign currencies under title I. For 2 years there was no implementation of this title by the executive branch of the Government, but in the fall of 1961 the first such agreement was entered into. Following are the title IV agreements which have been made, to sell our agricultural surpluses for dollars instead of for foreign currencies:

	Millions
August 1961, El Salvador	$2.8
November 1961, Portugal	21.0
March 1962, Peru	2.0
April 1962, Liberia	12.4
April 1962, Yugoslavia	25.5
May 1962, Venezuela	16.5

It is obvious that under the concerted efforts of the Department of Agriculture and the AID agency, these title IV agreements have begun to materialize in the last few months, as Congress intended. Since the first of this calendar year agreements for dollar credit sales of our surpluses under title IV have amounted to $56.4 million.

In this appropriation bill the committee cuts the budget request for title IV from $90 to $40 million. This appropriation covers only the difference between the cost of the commodities, plus storage and handling charges to CCC, and the dollars which are to be received in payment for these commodities under the long-term contracts. Nevertheless, I am informed that this limitation of $40 million on title IV in fiscal year 1963 will limit these agreements during that year to approximately $125 million, whereas the agencies who are working on these agreements informed me that they have in prospect for the fiscal year 1963 title IV agreements totaling at least $290 million. Most of these agreements will be contracts for the sale of our commodities for dollars, instead of for local currencies, and there could be no more shortsighted position taken by this Congress than to limit the amount and extent by which our exports of surpluses may be shifted from local currencies to dollar credits.

This action by the Appropriations Committee is also in direct contravention of the action which has been taken by the legislative committee and by the Congress in approving in the farm bill—H.R. 12391 and S. 3225—provisions substantially liberalizing the terms of agreements under title IV, so that even more commodities may be disposed of under this title, instead of under title I.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. GROSS. Would that be designed to take care of the T. & T. club?

Mr. COOLEY. What is the T. & T. club?

Mr. GROSS. Out on Thursday, back on Tuesday.

Mr. COOLEY. You mean the I.T.O.T. club? In on Tuesday, out on Thursday?

Mr. GROSS. Yes, something like that.

Mr. COOLEY. In this bill—and the chairman of the subcommittee probably has an explanation—I think they made some very drastic reductions in funds under Public Law 480 through which we are trying to dispose of these enormous surpluses which we have in our warehouses at the moment. I know last year they overspent the budget by the sum of $212 million. This year the appropriation bill fails to provide that $212 million, other than to deduct it from the appropriations we would only make this year.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Last year we tried to appropriate in advance. The funds that the gentleman sees there are provided in advance. It does not restrict the basic law in any way. The subcommittee felt, however, that under the present conditions, with all the questions about the $6-billion agricultural bill, and with all the pressure that the gentleman and the Congress has had on existing farm laws, it should hold this within line as best it could. However, may I say again that these funds, once advanced to the corporation, are available for the purposes of the corporation without restriction.

May I say the language quoted by the gentleman from North Carolina points up the problem our Committee on Appropriations has in obtaining adequate funds for agricultural programs. Believe me it takes some doing.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield further?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Let me point out this: As the gentleman further knows, if they sell these commodities for dollars, the dollars become available to meet the needs of the Corporation. We who are members of this subcommittee have a constant problem in trying to sell as much as possible for dollars, since the dollars are not only an asset to the Treasury, but help the Corporation meet its needs. We are constantly trying to push, and I think rightly so, for the sale of these surplus commodities for dollars. But I can assure the gentleman that there is no restriction insofar as this bill is concerned.

Mr. COOLEY. But the point is this: Our committee authorized an expenditure of $2.5 billion annually for operations under title I of Public Law 480. The net result of this bill will be to reduce that figure to $1 billion.

Mr. WHITTEN. If the gentleman will yield further, any bartering of what they have on hand, there is nothing here that limits it. Those commodities that they have belong to CCC. They can sell them all under Public Law 480, insofar as any limitation is concerned. The money involved here will go back to the Corporation for the purpose of future investment or replacement for commodities that may be sold one way or the other.

Mr. COOLEY. Does not the gentleman agree that this appropriation bill places a restriction, a limitation, upon the activities of those prosecuting their programs under Public Law 480?

Mr. WHITTEN. If the gentlemen will yield further, none whatever. It limits what they can do by reason of the amount of dollars they have.

Mr. COOLEY. The gentleman does admit that the gentleman's committee cut this item $212 million?

Mr. WHITTEN. I do. The committee recommended that we cut the amount of money by that amount. But I say again, any commodities CCC has on hand that are eligible for Public Law 480 can be sold under the law and there is nothing to restrict that operation.

Mr. COOLEY. Of course, our Committee on Agriculture wants to sell these commodities for dollars first, then for dollar short-term credit, and then for dollar long-term credit, and then for strategic materials and barter transactions, and then give away and sell for foreign currencies as a last resort. That is the way it should be. But our barter program has bogged down, it amounts to that, and now the dollar sales will be handicapped under this limitation.

Mr. WHITTEN. Might I say to the gentleman that there is no difference between us on this bill. Last year for the first time we tried to provide the funds for these purposes in advance. Because of the tight situation this year, we elected not to give them quite as much money in advance. But by reason of that fact, it does not keep them from carrying out every law that the gentleman has mentioned, having to do with the operation of the programs under Public Law 480.

Mr. COOLEY. I know, but they must have the money.

Mr. WHITTEN. We figured that if they can sell commodities they can get the money to carry out further loan and purchase programs. The funds were put in for future operations.

Mr. COOLEY. Then it is not the intention of the gentlemen's committee to further limit operations under the Public Law 480 program?

Mr. WHITTEN. It does not do that.

Mr. COOLEY. I am glad to have the gentleman's interpretation of his own bill, because the way I interpreted it, it seemed to me that you definitely limited operations under Public Law 480.

Mr. WHITTEN. These funds are advanced to the Corporation to help meet the Corporation's future obligations under the law. The commodities the Corporation now has can be sold under any authority it now has. Once it sells them, we would be faced thereafter with restoring the capital investment.

Mr. COOLEY. Is the committee advised as to why the barter transactions have bogged down?

Mr. WHITTEN. According to all the testimony we had before the committee it was that, what we were getting in return in these barter transactions, very few of the items were strategic, very few were needed.

Mr. COOLEY. The law does not limit it to strategic materials. It is just materials that are needed in our own economy.

Mr. WHITTEN. The testimony we had was that very few of them were really needed and that in effect the program was upsetting the normal channels of trade and really might be doing more injury than good.

The Clerk read as follows:

Page 18, line 23:

"AGRICULTURAL CONSERVATION PROGRAM

"For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g–590(o), 590p(a), and 590q), including not to exceed $6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, $242,000,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the programs of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Related Agencies Appropriations Acts, 1961 and 1962, carried out during the period July 1, 1960, to December 31, 1962, inclusive: *Provided*, That not to exceed $29,100,000 of the total sum provided under this head shall be available during the current fiscal year for administrative expenses for carrying out such program, the cost of aerial photographs, however, not to be charged to such limitation; but not more than $5,750,000 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938": *Provided further*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That such amounts shall be available for administrative expenses in connection with the formulation and administration of the 1963 program of soil-building and soil- and water-conserving practices, including related wildlife conserving practices, under the Act of February 29, 1936, as amended (amounting to $250,000,000, including administration, except that no participant shall receive more than $2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further*, That not to exceed 5 per centum of the allocation for the 1963 agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the 1963 program $2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels."

Mr. REUSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REUSS: on page 19, line 25, after the colon insert "*Provided further*, That no portion of the funds for the 1963 program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetland Types 3(III), 4(IV), and 5(V) in U.S. Department of the Interior, Fish, and Wildlife Service Circular 39, Wetlands of the United States, 1956:"

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the ranking minority member of the subcommittee.

Mr. ANDERSEN of Minnesota. I understand that the gentleman's amendment does not specifically spell out any certain areas or States.

Mr. REUSS. That is correct.

Mr. ANDERSEN of Minnesota. I have no objection to the amendment, now that it is not aimed solely at my area. Any legislation like this should apply nationwide.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I have discussed this with the gentleman from Wisconsin. We are familiar with it. We have worked this over carefully. Speaking for myself, I have no objection to this amendment. We can watch it and see how it works out.

Mr. REUSS. I appreciate the expressions from both the majority and minority sides. I will not take my full time, but so that all Members may know what is before them, let me say this amendment would eliminate that part of the subsidized drainage program which is particularly harmful to our supply of American waterfowl.

As we all know, our waterfowl population is now at an 11-year low. It is vitally necessary to save the few remaining nesting places. This amendment will not do the entire job. It merely stops the drainage of those potholes most vital to wildlife.

I call attention to the fact that the agreement of May 2, 1960, between the Department of Agriculture and the Department of the Interior will, after the adoption of this amendment, if it is adopted, still remain in effect and enable the Department of the Interior to register objections to certain wetland drainage practices not covered by the present amendment.

I also call attention to the fact that this is merely an amendment on an appropriation bill and does not solve the basic question of authorization. It is my hope that the other body will shortly join this body in enacting permanent legislation curbing wetland drainage harmful to wildlife.

I thank the majority and minority Members, and hope the House will unanimously adopt this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was agreed to.

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: on page 21, line 7, after the colon insert the following: "*Provided further*, that no part of any funds provided herein may be used for the purchase of materials or services involved in the application of any conservation measures on acreage which is diverted from production of agricultural crops for which any kind of payment is made under any other program administered by the Department."

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I wonder if I am correct in my interpretation of the gentleman's amendment. The funds in this bill are to pay for prior contracts which were entered into, the Government having contracted to pay for certain things. I just wonder if the gentleman realizes that his amendment, if I read it correctly, will be asking the Government to renege on contracts already entered into and on which money is due in this bill. I think the gentleman means to address himself to the future.

All funds provided herein are to pay for last year's program, where these things were permissible.

Mr. MICHEL. There probably would be an area of doubt here, but what I propose to do here is to eliminate a practice that is currently going on at least in my neck of the woods, and I am not singling out any other section of the country. But under the feed grains program where a farmer diverts his land from growing corn or feed grains and then is paid an arbitrary figure, whatever it may be, in some cases up to $55 an acre, he turns right around then, after getting that payment, and puts it in a conservation practice under the ACP program and has the Federal Government again pay for 50 percent of his conserving practices on land on which he has already been paid.

Now, to me this is just pressing the golden goose too far. The budget figure was $150 million. The committee saw fit to raise that to what has been the level for the past several years to a quarter of a billion dollars again. Through the life of this program, for example, we have had the Government participating in buying 422 million tons of lime alone to put on land. To me a good measure of this is a production stimulant rather than long-range conserving practices.

I had occasion the other day to run across a newspaper advertisement which reads something like this:

> Attention farmers. Free fertilizer and lime. Yes, get a ton free for every ton you buy through your local ASCS office. ACP initial signup now in progress. Will run through January 15.

You can see, of course, the real pitch, to come in easy at so many dollars, and if you do not get it, somebody else will, and we want to get you in here.

Then you read further down on this ASC sheet; this is from down South someplace, which says:

> We have 71 new farms that have participated in the agricultural conservation program this year. Community committeemen have been asked to find farmers that are not aware of cost-share assistance on practices and send them to the ASCS office.
>
> Community committeemen that have sent in five will receive a citation from the State ASC committee. Those that have sent in 10 or more will receive a citation from the Secretary of Agriculture for outstanding service.

Well, now, how crazy can we get? You have some good farmers who know conservation practices and they utilize it on their own land, but here we feel that the farmers generally do not know this and we have to go out and sell them, so we get some inefficient farmer, some farmer who has no good land whatsoever, just begging him to do something to increase the production of something we already have too much of. I can find no rhyme nor reason for this proposition.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman.

Mr. HORAN. I think a sad commentary is some of the political improvements we have made on some of our acres now seem to be worth more than the land itself.

Mr. MICHEL. I think the gentleman has made a good point.

The Chairman raises the question as to whether or not we would be reneging on our contracts. I am not so sure we are. I intend, of course, for this to be a practice in the future and not to be retroactive to what has already taken place. But it seems to me, unless we come to grips with it one day, we may never be able to come to grips with it. I do not see why we should condone a bad practice and compound the felony by saying, "Let us go on with it again this year." Frankly, I think we have a good case here. It is not easy for me to go to my farmers and say, "Look I am voting to cut $199 million out of the ACP participation." That is what the national average is. Many of the folks up in the New England area tell me that using lime is the only way they can get themselves into the agricultural program and get the 50-percent contribution on lime. So I recognize that I cannot get the support of the folks in that area, but I hope the Committee will support the amendment I have offered.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I dislike to find myself in disagreement with my genial friend from Illinois and fellow member on the subcommittee, but I do believe this amendment should be defeated. Under our present rules and regulations, land that has been withdrawn from cultivation under the soil bank or conservation program cannot be used to raise any marketable crops. Now keep that in mind—no marketable crops may be produced or sold from this land that has been placed in reserve. What does the gentleman's amendment really mean? It means this: This land that has been withdrawn from cultivation and is in the conservation reserve can receive no ACP funds for the purpose of either a permanent or a temporary cover crop. The farmer pays approximately half of his own money for such conservation. The farmer pays approximately half on this land that has been withdrawn and the balance comes from the ACP.

If the amendment offered by the gentleman from Illinois meant that crops could not be marketed and sold, I would be in agreement. Under present law no crops can be produced or marketed from this land, so what you would have on acres that have been withdrawn would be that they would go up in weeds and bushes and become an eyesore. You would not only disturb yourself but your neighbor as well, because you would have no marketable crops coming from the land.

As I said, the money that is used comes half from the farmer and half from the ACP fund. In addition to that, of course, in this country today we have about 187 million people. We must protect every acre of good cropland that we have, especially with so much land being removed for highways, airports, and subdivisions. This land should have a good cover crop on it to protect it so it can be placed back into production should it be required some time in the future.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I think it would be unfortunate indeed to accept the amendment offered by the gentleman from Illinois. Just recently we reenacted the voluntary feed grain program. The gentleman from Illinois does not, I am sure, want to diminish participation in that particular program. This amendment however, will decrease participation. We do not wish to give an incentive to farmers to break away from the program and increase production. We must have the program if we are to balance production as far as agriculture is concerned.

Mr. NATCHER. I hope the amendment is voted down.

Mr. WILSON of Indiana. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think all of us are interested in some of the things that our distinguished colleague from Illinois is trying to do, conservation, saving the taxpayers money, trying to balance the budget. But there is something much more important involved in this case than a few tax dollars. As the old Chinaman said, as his children inherited the acre of land: Keep it, because God is not going to make any more of it."

We must continue the tree-planting program that was entered into last year. It is true that such a program yields no immediate benefit, but it is a program of conservation. Let us in the Government keep faith with the contract we have made. These people who are reforesting this land are not doing it for themselves, they are not doing it for their personal gain. I put out 10,000 trees myself. I did not do it with any thought of recapturing any money from the Government. They will not mature in my lifetime. I bought that land at $10 an acre and replanted it in poplar and pine to pass something on to posterity and to help conserve this soil, to create some natural resource, timber. The same thing is true of the agricultural limestone program. This program is for soil that is taken out of grain production. It is a measure of conservation. One of the main factors is to get a good cover crop on it so that the soil will not wash away.

I want to go into a little detail about what lime does to the soil. Lime acts as a catalytic agent in the soil. It sweetens sour soil neutralizing acid. If the soil is sweet, the so-called nitrogen-fixing bacteria can live in that soil, and if nitrogen-fixing bacteria can live in the soil, then legumes can grow there. The nitrogen-fixing bacteria attaches itself to the roots, takes nitrogen out of the air and places it in the soil. It is very necessary for plants to grow and produce a cover crop.

In this conservation program a farmer is advised to plant fescue, alfalfa, clover, and timothy. It may be a piece of wasteland, badly eroded. The first year he will see a little bit of grass, not much; the second year it will begin to crowd out the weeds, and the third year the grass is heavy and high. I can show you land I bought for $10 an acre that you can hardly walk through because it is nothing but grass and clover. You can hardly get through it, and I doubt if a rabbit could get through. That is conserving the soil for posterity use. It is preventing the eroding of the land, the clogging up of streams, the silting up of reservoirs. We have a million tons a year of good soil going down the Ohio and Mississippi Rivers each year, and let me tell you, it will take many years to rebuild that soil on the land.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Indiana. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. I want to compliment the gentleman for his constant support of soil conservation. Is it not a fact that in this bill less than 10 percent is for the purpose of conserving our soil, when you take into consideration the operation of the Soil Conservation Service, watershed protection, and the large O.C.P. item. Can we afford not to expend this comparatively small sum of money, a half billion dollars, in conserving soil nationwide? I think it would be foolish not to do everything we can in this direction. Here we deal with the welfare of generations unborn. We must not become another China with our topsoil gone.

Mr. WILSON of Indiana. We cannot afford not to do this. We cannot be penny wise and pound foolish.

There are some other points I want to bring out. For instance, there is a process some of you people know about called the photosynthesis process.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. WILSON of Indiana. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WILSON of Indiana. In this photosynthesis process water of the ground and the carbon dioxide of the air is brought into the leaf of the plant and with the presence of sunlight and chlorophyll starch and sugar are manufactured.

Nitro-fixing bacteria enables nitrogen to be stored in the ground year after year, and the nitrogen enables this bare wasteland to grow plants. Commercially manufactured nitrogen when supplied, whether it is liquid or whether it is in the solid form, only lasts a few months at the most. But nitrogen put there on the roots of plants and legumes by the process of the nitrogen-fixing bacteria is there as long as the plant is there. It enables the cover crop to grow abundantly. It prevents rapid runoff of water and floods, it prevents erosion of the soil, the clogging of the streams and of reservoirs.

There is another point I want to make. In our radiation fallout you hear a lot about strontium 90. This results in a lethal sickness, and it may be a very serious thing to our habitat, to our livelihood. But if lime is present in the soil, the plant will absorb the lime in lieu of the strontium 90. In fact, the lime reduces the absorption of strontium 90 by 30 to 50 percent and provides calcium that we need for healthy bodies of men and animals; the animals that we eat.

I think it is very important that we keep faith with our farmers and provide this lime so that we can conserve this good earth for the immense population that we are going to have to supply with food in the next 40 or 50 years.

Mr. HORAN. Mr. Chairman, I rise in support of the original amendment, and in the interest of clarification, I ask unanimous consent that the original amendment be again read.

The CHAIRMAN. Without objection, the amendment will be again reported.

There was no objection.

The Clerk again reported the Michel amendment.

Mr. HORAN. Mr. Chairman, I rise in support of the amendment. I submit that all this amendment does is to try to put a limitation on the amount of different types of benefits that can be had out of Commodity Credit or out of agricultural production on 1 acre of land. We found considerable confusion among the wise men down at the Department when we interrogated them about these dual payments on 1 acre of land.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Illinois.

Mr. MICHEL. Actually, what we are trying to do is to eliminate double payment. When the Secretary of Agriculture was before our committee I raised this question and I said, "Do you know that this can happen?" And he said, "It can happen." However, on page 188 of the hearings, Secretary Freeman said, "I know of no circumstances where this would occur." And, I told him in response that it can happen and does happen. Then Mr. Beach, one of the underlings, said:

> Where the man who participates in the feed grain program puts the conservation practices on the land with ACP * * * it is certainly all right.

So, what we have here is a dual payment on the same land, by the same Government, and to me it is unconscionable to continue that kind of practice.

Mr. HORAN. Mr. Chairman, I feel that this amendment has great merit. I believe it clarifies the situation. I have listened here to all of the usual angles and speeches on soil conservation that I believe in myself, but I think we have something here that this body of men should give some consideration to, because if you can make two payments, why not three or four? That is one way to earn a living.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I said earlier that I thought this applied to funds in the bill and already committed. I have some doubts as to the correctness of that statement. May I point out that, under the bills that you passed here the other day, the purpose announced in the law in each instance was to get the farmers to take land out of production and to keep the land in condition. We said that if the farmer will reduce his production and take this acreage out, payment will be due. But, in the same act one purpose was to try to get this land in shape. I say to you that the amendment offered is very unsound. Those that felt that the ACP program has been a relief program or a payment to farmers back through the years are just against the program, which is their privilege. I think it would be very unsound to go back on this legislation I am talking about, and to get him to take his land out of production and through this amendment say we are not going to help him protect or improve this land, even though he cannot get anything from it in the way of crops. I say again that, as to the land removed from production, there is more reason to take care of it and have it under the agricultural conservation program than land that is in cultivation.

I think in each instance that it is to the national interest that, through leadership and contributions we try to get the farmers to put up their money and their time and effort in trying to protect this land for the future. I think that is spelled out in each agricultural act beginning with past administrations and is true under contracts now in existence.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I am glad to yield to the gentleman from West Virginia.

Mr. STAGGERS. I would like to say that I am opposed to the amendment. I say this: If there is any part of the farm program which helps the small farmers of America, it is the ACP program which gets down to the little farmers who need help and not to the big farmers on the land where we are spending all of these tremendous sums of money. If this does get to the small farmer, I am opposed to the amendment.

Mr. BREEDING. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Kansas.

Mr. BREEDING. I would like to take this opportunity to say that I am opposed to this amendment. I think this is a soil-building practice which we have in this law. I think it preserves conservation and the fertility of our soil for future generations. I think this amendment would certainly cripple the program. Therefore, I am opposed to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL].

The question was taken; and on a division (demanded by Mr. MICHEL) there were—ayes 58, noes 108.

So the amendment was rejected.

The Clerk read as follows:

OFFICE OF INFORMATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, $1,610,000, of which total appropriation not to exceed $537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417), and not less than two hundred and thirty-three thousand and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U.S.C. 241): *Provided*, That in the preparation of motion pictures or exhibits by the Department, not exceeding a total of $10,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

Mr. PELLY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PELLY: On page 24, immediately before the period in line 7, insert the following: ": *And provided further*, That no part of the amount appropriated by this paragraph shall be used for the printing or reprinting of any bulletin or other publication relating to sewing".

Mr. PELLY. Mr. Chairman, my amendment is self-explanatory, except I think that a word or two as to its purpose is in order.

As the Members know, it is customary for Members of Congress to send out lists of farm bulletins to constituents and in turn these constituents can order bulletins on subjects that are of interest to them.

A list of these publications that are available, as of March 1962, showed some 32 subjects are covered; a total of 441 different bulletins which can be ordered.

My amendment would eliminate the subject of sewing and prevent the reprinting of nine bulletins only. The fact that this one classification has nothing to do with agriculture or farming is one reason I would eliminate these nine bulletins from the list. But, I would be less than honest if I did not say that the purpose of my amendment is to make a start toward the eventual elimination of all of these bulletins. Looking through the list of titles I could name a great many more which seem to me to have no justification and I certainly think that in general it can be said that farm bulletins are a waste of the taxpayers' money. I favor cutting them out by degrees and especially I favor deleting titles that have no relationship to agriculture. As to sewing one would think that we do not have schools that teach home economics or one would think we do not have rural libraries with books on such subjects.

I will admit, Mr. Chairman, that the saving involved in this amendment would not be substantial in relation to the total amount of the appropriations bill being considered. However, as a matter of principle I offer it and I know there are many citizens who object to their money being spent for purposes such as farm bulletins and consider it an unwarranted expenditure of public funds. I urge adoption of the amendment. What possible use to agriculture is a bulletin entitled, "Mending Men's Suits" or "Pattern Alteration." Or, here are the other titles my amendment would cut out: "Fitting Coats and Suits," "How To Tailor a Woman's Suit," "Buying Your Home Sewing Machine," "Simplified Clothing Construction," "Child's Self-Help Overall," "Sewing Machines, Cleaning and Adjusting," and "Fitting Dresses." My amendment would not remove such titles as "Eat a Good Breakfast—To Start a Good Day." Or "Men's Suits—How To Judge Quality." I repeat, Mr. Chairman, this amendment should be adopted.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Did I understand the gentleman to say that he did not send out requests for farm bulletins?

Mr. PELLY. I have a city district which would probably explain one of the reasons my people are not interested. But I want to commend the gentleman from Missouri, because I know in the years gone by he has always tried to cut down the printing bill to the taxpayers, and I am sure he is going to support this amendment.

Mr. JONES of Missouri. Those sewing bulletins are among the most popular that are put out. I think they do probably more good to help the farm wife who is trying to live on a very meager budget. It would certainly be one of the last things I would cut out if I were going to cut anything out; and I am not in favor of cutting anything out.

Mr. PELLY. I am sure the gentleman remembers that when Members of Congress could send out seeds they were very popular, too.

Mr. MARSHALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment ought to be defeated. We brag about our 4-H Clubs. The 4-H Clubs make use of these bulletins. They make use of these bulletins because the girls taking 4-H training and they learn how to do things from these bulletins. I know in my community the women get a great deal of good out of these bulletins. The home demonstration agents of the Extension Service make a lot of use of these bulletins.

My wife has made use of these bulletins and I am not too proud to say that she has altered my clothes, she has made my clothes, and many of my neighbors have made clothes for their menfolk that were good clothes. I want to say to you that if some people had their way, the farmers would have no way to replace the clothes that they wore out. They want to do away with these farm programs that we are talking about.

Farm wives of this country are going to be in a position of making a lot of clothes. I think this money is money well spent. I hope that none of my colleagues have to go home, to their rural communities particularly, and have to say to their people that we have denied them the information that they always thought was so valuable in trying to keep their homes going.

Mr. Chairman, I urge the defeat of this amendment.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. ANDERSEN of Minnesota. Is it not true we have about $160 million in this bill for research? Would it not be rather farcical to appropriate that money for research and then not disseminate the knoweldge gained thereby to the people who can use it to better farm living?

Mr. MARSHALL. I am sure my colleague will agree with me we are carrying on very valuable research on apparel right here at Greenbelt.

Mr. ANDERSEN of Minnesota. I suggest to my friend, the gentleman from Washington [Mr. PELLY] that he go out and see the work they are doing out there. He would not offer such an amendment as this. I feel sure he will not push this to adoption.

Mr. MARSHALL. To deny the people an avenue of assistance from that information would be the height of foolishness, in my opinion.

Mr. Chairman, I urge the defeat of the amendment.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it had not been my thought to participate in this debate. Uniformly I have voted for farm legislation. But I do wish to take this opportunity to give some testimony as to the reception of those bulletins in my district. There are no farms in my district, but I send out a list of the available publications, and the response has been larger among the people in my district to this publication than to any other publication offered. So as a city fellow, I want to say that this is one of the programs that is building a greater understanding and community of interest between the farmers and the city people.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. PELLY].

The amendment was rejected.

The Clerk read as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said Act, as follows: Rural electrification program, $400,000,000, of which $100,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year 1963 under the then existing conditions for the expeditious and orderly development of the rural electrification and rural telephone programs; and rural telephone program, $80,000,000.

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: Page 25, line 20, before the period insert a colon and the following:

"*Provided*, That of the amounts authorized to be borrowed herein for electrification loans, not to exceed $150,000,000 may be used for generation and transmission loans."

Mr. MICHEL. Mr. Chairman, this amendment that I offer here today is one which all of you can support regardless of how enthusiastic a supporter of the Rural Electrification Administration you are or have been in the past. The only point I am trying to make here is that we turn this program back to its original purpose, that of providing electricity for the farmers by way of distribution. What we have seen by what I have tried to point out in my earlier remarks in general debate is that the program has taken a turn from distribution and gotten more and more into the field of generation and transmission.

What has happened in the last few years? This is not a sacrosanct organization. We found out that some of the REA's were borrowing money from the Federal Government at 2 percent and then reinvesting it in Government securities at 3 to 4 percent. We think that is wrong. We think the Government has corrected that to a degree by some of the new regulations.

Then I pointed out to the House that the REA loaned some $25,000 or more to a snowmaking operation for a ski resort in Illinois, which to my mind is stretching the REA Act pretty far.

We find indications and I have several instances brought to my attention where there has been a pirating of industry which comes into play where an industry will locate in a certain area because if the REA is granted a loan it can provide cheaper power as against another area across the river where they cannot get REA power. The magnitude of the G. & T. loans have gotten to this point. In 1961, 30 percent of all the funds that we appropriated for the REA went for one generation and transmission line. Indiana received $60 million. In 1962, there was six loans which aggregated over 40 percent of the amount appropriated here for the whole REA program. Then I bring to your attention this matter of the failure to get information.

I wanted to amend this report, but it was ruled out by a three-vote margin in our committee, to require every loan application in excess of $5 million to come before our committee so that we could take a look and see what it is actually for. That would have involved only seven loans that we would have taken a look at. Look at the Bureau of Reclamation, the Corps of Engineers. Look at what justification you gentlemen require before your committee to get to approve a loan. Do you think we got that kind of information in our committee? No. I am sorry to stand up here as a member of the Committee on Appropriations and tell you that your subcommittee does not have that information. Just the other day on the Colorado-Ute loan that came into play through a court process where the Western Colorado Power Co. went into court and asked Mr. Norman Clapp, the administrator, to bring out some information and he said, "No." The Department of Justice entered a motion to quash. The Western Colorado Power Co. came into the circuit court here in the District of Columbia and asked Mr. Norman Clapp to produce his records and what do you think he said, and I have it incorporated in my remarks that were made during general debate. Not even the court can get the information out of the administrator. He said, My underlings have it. I do not have it. I have to come back in August and tell you whether or not and this and that in answer to what you asked me to produce here in court. The court does not get the information. What am I actually doing? Last year we appropriated $245 million for the rural electrification program. This year they come in and asked for a $100 million increase plus a $55 million transfer from the telephone account. I say, We raised that figure to $400 million this year. I am not quarreling with that $400 million total figure. I am not moving to make it $100 or $150 million. I am for giving them everything they want. What I am doing is writing in a limitation that no more than $150 million can be used for generation and transmission purposes. What did they use last year? In this last year $98 million went for generation, $56 million for transmission and $103 million for distribution. So here is the total of the generation and transmission, $155 million. My limitation says $150 million. Why? Because of the total $400 million that we are going to give them in this bill, I am concerned that we get over into this area where they are appropriating nearly 60 to 65 percent for generation and transmission.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ARENDS. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. I am just saying, and I am recognizing full well that Members on both sides, who whenever we get into the area of rural electrification have a really sensitive problem. My own position is, I would personally like to cut $100 million out of the figure, but I do not want to stand up here only for my own purpose and demagogue the issue. I want to win on this one because I think it is an important issue and one that we have got to come to grips with. I say to get the rural electrification program back on the original track which Sam Rayburn said was never to compete with private utilities or private industry. We just want to get electricity to the farmers and when they are using more electricity on the farms and need lines beefed up, I say let us give it to them in distribution, but not in generation and transmission.

Mr. BATES. I agree with the amendment except I do not believe it goes far enough. As I understand the situation, the REA now borrows money at 2 percent and if they have a surplus they buy Government bonds that yield 3 percent.

Mr. MICHEL. This has happened in the past, and even in cases where the earnings are in excess of that amount.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. SANTANGELO. Is it true that when some of these REA cooperatives have the power—generate and transmit their own electricity—that the result is that through this operation rates in the area go down and the consumer gets a break?

Mr. MICHEL. So far as the rural electrification rates are concerned.

Mr. SANTANGELO. No, the private power company rates go down when they see the threat of an REA cooperative coming in to generate and transmit.

Mr. MICHEL. I will say frankly to the gentleman that when I am on the other side of the table from private utilities I take the position of the REA; when I am on the REA side of the table I take the position of the private utilities.

What I am saying, however, is that here is $150 million for these people downtown to use as a threat to build generation and transmission facilities to make the private power companies come down on their rates.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield further?

Mr. MICHEL. I yield.

Mr. SANTANGELO. Is it not true that this competition is taking place in the suburban areas which were farm areas at one time when the REA went in; that now the private utilities companies want to come in and take over the REA development?

Mr. MICHEL. There are some who would like the Federal Government to turn it over to them lock, stock, and barrel. I do not subscribe to that. We are not going to say that we will turn these REA developments over to private utilities lock, stock, and barrel. This is not the issue.

Mr. SANTANGELO. If the gentleman will yield further, I think the issue is whether the consumer is getting an even break on the rates from the private small power companies, whether the consumer gets the benefit. I think the REA is a great influence in the consumer getting a better rate.

Mr. MICHEL. Let me cite, if I may, some figures from both the private utilities and from the REA operations. According to the NRECA the cost of power from investor-owned electric companies declined from 1.24 cents per killowatt-hour in 1940 to 0.80 cents in 1958, or a decline of over 30 percent; whereas the cost of power produced by REA's from 1940 to 1958 dropped from 1.28 cents to 1.11, or a decline of a little over 9 percent for the users of the REA.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. SANTANGELO. I think the gentleman has made a good point. I think it requires a little more study. I do not think that up to this time we have made sufficient study as to the effect, if we should approve it at this point. I trust the gentleman will forgo this amendment at this time so that next year the committee can go further into the matter and possibly support the gentleman's amendment.

Mr. MICHEL. But in the meantime the gentleman must admit that we are being asked for $155 million more this year than last year, and we do not have the information on which to make a good sound judgment. Remember, this is the taxpayers' dollars we are dealing with.

Mr. SANTANGELO. I went into the setup of REA 2 years ago and they supplied me with all the information I asked them for, all the cost figures, the amount of loans and liquid assets. Frankly, I was surprised that the gentleman could not get the information he wanted from the REA.

Mr. MICHEL. If the gentleman could get all that information it seems to me strange that the U.S. Circuit Court could not get the same information. But this is not the information we are talking about, and there is no question but what we are being denied what is rightfully ours, and what is the American people's right to know.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. FORD. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. MICHEL] may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I gladly yield to the gentleman from Michigan.

Mr. FORD. I want to compliment the gentleman from Illinois. I think he has done a first-class job in raising this issue as well as several others, not only in the full Committee on Appropriations but also on the floor of the House. I can see no reason whatsoever for not requiring the REA to submit to the gentleman's committee or any other legislative, or executive, or judicial branch or its constituents the information which is essential and necessary for a sound judgment to be made.

I think his amendment is a proper approach and will be helpful in giving the Congress the kind of information which is essential for ourselves in making such judgment.

Mr. MICHEL. I thank the gentleman from Michigan for his contribution. I will say that the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY] in one of the bills that came before us recently, the one that was defeated, in an official report of that committee there was expressed some concern about our right to know and make an evalued judgment. I hope by the enactment of this limitation we can keep things in proper perspective until next year when the Committee on Agriculture can legislatively do something, if that is really what is required.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. COLLIER. The gentleman from New York mentioned that the consumers were getting a break under certain conditions. Actually, we are talking about a given number of consumers.

Does not the general taxpaying public pay for this so-called proposition?

Mr. MICHEL. You can say that again. Let us not get away from what the original purpose of the act was. It was to get electricity to the farms. We have now 97 or 98 percent of the farms electrified. That is good. I do not think that the private companies would have gotten the job done as quickly as we have done it through this kind of a program. But let us keep it on the original track.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I commend the gentleman for his amendment and urge its adoption. The REA's have performed some things that are completely outstanding and startling. For example, there is an REA up in Plymouth, N.H., that used the money given to them by the Federal Government to go right across the river and buy all of the stock of a private power company. They are borrowing the money at 2 percent from Uncle Sam, they are lending their wholly owned subsidiary this money and charging them between 4 and 5 percent on the money. They are under absolutely no control. This does not affect any new REA's. All the gentleman's amendment requires is that the REA's will come before congressional committees and give to these committees some kind of information with regard to the facilities they want to erect, as the Bureau of Reclamation or the Army Engineers do. This is a good amendment and should be adopted.

Mr. Chairman, for the past 25 years or more we have been giving REA a blank check. They come before the Congress every year asking for an authorization to call upon the Treasurer, which means the taxpayers, for hundreds of millions of dollars without one scintilla of justification or explanation of what they need it for.

I am going to give you a few reasons of why I think they should be required to tell the Congress in detail what they need these loan authorizations for.

The REA approved a loan to the Colorado-Ute Co-op, a generating and transmission cooperative in Colorado, in an amount of $15,602,000 to construct the first unit of a steam powerplant, the ultimate cost of which is to be about $120 million. This loan has nothing to do with the co-op's requirements. In fact, power presently available to the co-op members is far in excess of their requirements for the foreseeable future. The purpose of the steamplant is to supplement the Bureau of Reclamation's power. It would have been just as well for the Government to have permitted the Bureau to build the steamplant, in fact, better, because the Bureau would have been required to return interest on the investment at 2½ percent or better and the co-op will get Federal funds at an interest of 2 percent.

There was absolutely no necessity for this loan. The Bureau of Reclamation is under the jurisdiction of the Interior and Insular Affairs Committee, of which I am a member, and if it had been in the public interest for them to have a steam plant in connection with their hydroelectric developments on the upper Colorado River project, the Insular Affairs Committee is the proper place for that decision to be made. But they would have had to justify it before the committee. It seems they can accomplish the objective without the Congress having any say in the matter by using the blank check we give REA.

Another example is the Basin Electric Cooperative loan in South Dakota. Fourteen electric power producers in the Missouri River basin marketing area, including 12 electric companies, offered to supply all of the supplemental power the Bureau might require. That did not suit the Bureau and the public power zealots, both in and out of the Bureau. The Interior and Insular Affairs Committee was not consulted—it might have said "no"—so once again the REA with its blank check was used. This loan was in the amount of $36 million.

Once before I called your attention to the fact that Medina, a generating and transmission co-op in southwest Texas, obtained an REA loan to build a steamplant in an area where there was an abundance of low-cost power available to its members. Medina borrowed 2-percent money from REA and then loaned $675,000 of this money to a privately owned gas company, Coastal States Gas Producing Co., at 5 percent interest to construct a gas pipeline to deliver fuel to Medina's generating plant. The Comptroller General questioned this transaction in his fiscal year 1958 report.

Now, Mr. Chairman, I have received another piece of startling information in connection with REA and its loan shenanigans. Some years back, New Hampshire Electric Cooperative of Plymouth, N.H., bought the stock of White Mountain Power Co. in New Hampshire. That transaction alone should have been subject to censorship as it was completely outside the intended sphere of electric cooperative operations. The White Mountain Power Co., a private corporation, remained under the jurisdiction of the State public utility commission even though it was an entirely owned subsidiary of the New Hampshire Electric Cooperative. The New Hampshire Electric Cooperative has been borrowing funds from REA at an interest rate of 2 percent while at the same time lending money to its subsidiary, a private corporation, at 4 percent interest.

The cooperative borrowed $820,000 from REA in 1955, $100,000 in 1958, and $1,854,000 in 1959. During this time in 10 separate transactions it loaned a total of $1,024,013 to the White Mountain Power Co. Is the Congress so disinterested in the mismanagement of public funds that it is willing to wink its eye at such transactions as this? No wonder we are unable to balance the budget.

Mr. Chairman, I have only cited a few of the transgressions of REA and the cooperatives to which it so freely lends tax funds. With a little investigation, I am sure the ones I have mentioned would only scratch the surface. The ones to which I have called your attention are disgraceful. They show the abuses we can expect when the Congress is so negligent in supervising the handling of Federal funds. I was astounded when the gentleman from Illinois [Mr. MICHEL], the author of the pending amendment, told us that the great committee of which he is a member refused to direct the REA to submit to the Congress justifications for all of its contemplated loans in excess of $5 million. It should be required to justify in detail every loan it contemplates.

The pending amendment, which limits REA loans for G. & T.'s to $150 million, is just $150 million more than it has justified. I do not believe that the gentleman's amendment goes nearly far enough. We should deny all funds for REA until they have been justified before the proper committees of Congress. I am supporting the pending amendment because it is a small step in the right direction but I intend to vote against all funds for REA until we receive and have a chance to examine detailed justifications.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. May I ask the gentleman, Does not his amendment limit the amount that can be loaned for generating facilities in a rather arbitrary way? You have not been able to determine exactly what the need might be.

Mr. MICHEL. When the REA came before our committee the first of the year, they asked for an increase of from 245 to 345. They stated there was $700 million worth of applications on file, and they also asked for an additional transfer of $55 million from the telephone account. They did say, however, that in the productive year ahead they would like to get into generation and transmission to the tune of 60 or 65 percent of what we appropriated. This past year it was 56 percent. What I am saying is that this is too great a percentage for generation and transmission, and we are actually giving them within $5 million of what they had last year especially for transmission and generation purposes.

Mr. BATES. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BATES. Mr. Chairman, I rise in support of the REA amendment offered by the gentleman from Illinois. I think the proposal is eminently reasonable and, if anything, does not go far enough.

The reason I think the time has come for us to apply some restraint to this REA program was brought out during the appropriations hearings last year when Mr. Clapp was questioned about what the co-ops are doing with their reserve assets—and that is just another euphemism for profits. I do not have the figures updated to the end of fiscal year 1962, but I can tell you what Mr. Clapp told the Appropriations Committee the figures were as of the end of December 1959. At that date, rural electric cooperatives had reserve assets totaling $485 million. That is, they had $485 million that they did not quite know what to do with. And so the committee questioned Mr. Clapp about this money and it found out that some $250 million, that is, about 51.7 percent of this total, was invested in Government bonds which are paying considerably more interest than the 2 percent which REA now charges all borrowers. In other words, what this means is that we lend rural electric co-ops money at 2 percent to do business with and then when they accumulate some reserve, they reinvest it in Government bonds and make a profit off it.

Last year Mr. Clapp was asked the interest rate on these Government bonds. Mr. Clapp eventually presented the committee with a table showing the interest rates on the different types of bonds, and the table showed that the average for the Government's marketable obligations was 3.140 percent for 1961 and for the nonmarketable obligations, the average was 3.261 percent. The total for all public issues was 3.168 percent.

Now, the Members may recall that in the previous administration there was some concern about this situation where the co-ops were making a profit out of the Government with Government money. And so, the former Administrator, Mr. David Hamil, introduced the 2-percent Treasury bonds for the co-ops to invest in, and he went about encouraging them to do so. But Mr. Clapp informed us last year that there was only some $16 million invested in these 2-percent Treasury bonds by co-ops and this $16 million is not included in the $250 million I mentioned previously.

Now, to me, this is a pretty serious situation and I think it indicates to us that we are going to have to be much more careful about lending the taxpayers' money to REA in the future. This is the kind of situation the public does not like and which will have them down on our necks the moment they begin to grasp just exactly what is happening here. They would have every right in the world to ask us why we are lending $400 million when the co-ops have over $250 million lying around invested in Government bonds on which these co-ops are making a profit. And if I were asked that question, I don't think I would know how to answer it.

Last February, REA issued a bulletin on the control of general funds, but the Deputy Administrator recently admitted that REA actually had no means of enforcing such policy unless the borrower had a loan application before the agency. He said:

> We cannot make them do things they are not inclined to do, which are not within the requirements of the loan contract and mortgage, unless a loan application is before the agency.

In other words, nothing can be done, according to REA, about requiring borrowers to dispose of their high-interest-paying securities unless they need more money from the Government.

What the Deputy Administrator failed to tell the committee is that in cases of excesses the REA standard mortgage form provides that REA can accelerate the borrower's loan repayments. In such cases, the Administrator should apply this provision in an effort to reduce the amount of 2-percent money that borrowers have reinvested in Government bonds yielding a greater interest rate.

As some of the other speakers have already noted today, this REA program is getting out of hand. Some of these cooperatives now are big and powerful. They could stand on their own legs. But as long as they have the law on their side, and as long as there is an Administrator in office who will try to get from the Congress ever-larger amounts of loan funds every year, you cannot blame these co-ops too much. They will keep coming back for this cheap 2-percent money as long as there is any left in the kitty.

So the burden comes back to the Congress. It is our responsibility to put a stop to this situation, and I think the gentleman's proposed amendment is a step in the right direction. I hope my colleagues will join me in supporting his amendment.

Mr. ANDERSON of Illinois. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ANDERSON of Illinois. Mr. Chairman, I regard it as a privilege to rise in support of the amendment offered by our distinguished colleague, the gentleman from Illinois [Mr. MICHEL]. His amendment can only serve to shed some very sorely needed light on what has been a dark corner of the Federal Government.

We in the Congress have heard much about the problem of secrecy in the Government. The gentleman from California [Mr. MOSS] has done much to eradicate unnecessary Government secrecy through the work on his subcommittee of the Committee on Government Operations. But I am certain he would be appalled at the attitude taken by the Rural Electrification Administration and the Department of Agriculture with respect to a recent generation and transmission loan granted by the REA.

An electric power company in Colorado went to court last week and obtained an order directing the Rural Electrification Administrator, Mr. Norman Clapp, to submit to the taking of a deposition and to produce REA's files in the matter of a generation and transmission loan granted in March to a rural electric cooperative group in Colorado. In response to the Federal court order, Mr. Clapp made himself available to counsel for the company in his own office last Friday, July 20, but the company attorneys came away practically empty-handed because of the attitude taken by Mr. Clapp at the direction of the Secretary of Agriculture, Mr. Orville Freeman.

In the court earlier last week, counsel for the REA sought to prevent the taking of a deposition from Mr. Clapp and the production of documents by claiming that the documents in this Colorado loan case were confidential and privileged. When the court issued its order directing Mr. Clapp to appear in his own office for the taking of an oral deposition and for the production of his files, it obviously felt that the information in the case was not confidential and privileged at all.

It is not fair to say that Mr. Clapp gave counsel for the company nothing. He did give them two documents. One was REA's letter to the cooperative acknowledging receipt of an application for a loan of some $15 million. The other was REA's telegram to the cooperative informing the cooperative that the loan had been granted. Beyond these two documents Mr. Clapp produced nothing and said nothing, except to note that he was acting in accord with directions received in writing from Mr. Freeman.

Mr. Clapp did agree to a postponement of the proceedings under the Federal court order until August 20, at which time he would act in accord with any further instructions received from Mr. Freeman.

Mr. Chairman, in this situation we see that two responsible Government officials, appointed by this administration, Mr. Freeman and Mr. Clapp, have placed themselves above the court in a matter involving use of Federal funds provided by the taxpayers of this Nation. The loan of some $15 million was made with funds appropriated by this Congress and the REA never told anyone in advance of the appropriation that it contemplated loaning this much money for generating facilities of a rural electric cooperative in Colorado. Perhaps I should quarrel with this approach, but I will not at this time.

Subsequently, the REA never justified for the public record the grant of this loan to the Colorado cooperative. It has never said anything more than that $15 million was loaned to the cooperative for generation and transmission facilities. Yet when an electric power company which has a vital interest in this matter seeks information from the REA and comes armed with a court order directing the Administrator to comply with the company's reasonable request, the Secretary of Agriculture and the Rural Electrification Administrator simply refuse to cooperate at all. They take the position that they know more about these things than a mere Federal court and they assert that they will make available whatever information they desire, when and if they ever decide, in their wisdom and judgment, that it is proper to do so.

I sincerely question whether the REA is indeed as wise and as all knowing as it believes itself to be or as Mr. Freeman and Mr. Clapp believe themselves to be in this matter. It occurs to me that if the REA sincerely believes that it has acted in good faith in making this loan to the Colorado cooperative, it should have no objection to providing facts to the company for use in a contract matter with the rural cooperative. But perhaps its silence means that it realizes that it has made a bad loan, one that is not defensible at all.

I urge the Members to support the amendment offered by the gentleman from Illinois [Mr. MICHEL] as one step in placing the REA on record that we in the Congress intend to watch its operations more carefully in the future than we have in the past.

Mr. FORD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Chairman, Congress has acquired its power of the purse with difficulty and by trial and error over a great many years. In this process changes have been made, new procedures have been adopted, and various programs have had to be recast in terms that would permit the Congress to exercise its responsibilities adequately.

In the course of the years, as the programs of different agencies have changed and grown larger, Congress has had to take a different approach so that it could know more precisely what was happening to funds that it approved. Thus, for instance, we find that the Corps of Engineers and the Bureau of Reclamation were required to present a list of projects showing by line item and amount how the recommended appropriation was to be used. Prior to this, these agencies had received the same type of lump-sum appropriations which are now granted to the REA. Now, I do not think there is a Member of Congress today who can deny that the detailed justification submitted by these two agencies is not a vast improvement over the old procedure. Furthermore, it certainly has not harmed the work of those agencies and it has not interfered with their programs. Yet, at the same time, the Congress can say that it has complete control over the expenditure of funds by these agencies and that it knows precisely where every dollar is going.

In my mind, there should be no handicap to the REA Administrator in presenting to us the kind of detail we now receive from the Corps of Engineers and the Bureau of Reclamation. I think it is our responsibility to demand this kind of detail. More and more this REA program is being criticized and that criticism is a reflection on us, because we have it in our power to see that the program does not become the vehicle for abuses. Although the amendment proposed by the gentleman from Illinois does not come close to meeting my objections to the present procedure involving REA funds, I will support it, because there seems to be no alternative at this point.

Mr. Chairman, over the years I have studied the history of the congressional control over the expenditure of appropriated funds. I believe my analysis may be helpful to others.

Article I, section 8, of the Constitution, specifically assigned to the Congress responsibility for laying and collecting taxes and borrowing and coining money. Article I, section 9, clause 7, of the Constitution provides that "no money shall be drawn from the Treasury, but in consequence of appropriations made by law." I would like to demonstrate to the Congress, how, with respect to the REA program, we can and should exercise this responsibility.

The courts over the years have recognized that the Congress has wide discretion as to the extent to which it chooses to prescribe the requirements and particular purposes for which expenditure of appropriated funds can be made. It has in a number of cases made general appropriations of substantial amounts to be allotted and expended as directed by designated Federal agencies.

Experience has demonstrated, however, that relaxation of controls over Federal expenditures by the Congress has inevitably resulted in abuses. Commencing with the Treasury Act of 1789, which provided for an auditor and comptroller in the Department of the Treasury, the Congress has striven to provide better control and review of Federal expenditures. For the next 142 years various attempts were made to provide for the Congress effective exercise of the power of the Federal purse. In 1921, the Budget and Accounting Act made a number of significant changes in the financial management of the Federal Government. Many are still in existence. The most important development was the establishment of a national budget system by creation of a Bureau of the Budget in the Department of the Treasury, administered by a Director responsible only to the President, and secondly, a General Accounting Office under the administrative direction of a Comptroller General, responsible only to the Congress.

The purpose of the budget system was to provide in financial terms for proper planning, information, and control. With the objective of further improving and strengthening fiscal planning and control, the Bureau of the Budget by Executive Order No. 8248, dated September 8, 1939, was transferred from the Department of the Treasury to the Executive Office of the President.

At the end of World War II greater attention was given by both the Congress and the Executive Office to budget techniques and procedures. In 1946 the Congress enacted and the President approved the Legislative Reorganization Act—Public Law 79-601—which had the following objectives:

First. Streamlining and simplifying congressional committee structure;

Second. Improving congressional staff; and most important—

Third. Reinforcing the power of the purse.

Probably in no field of Government activity was there more progress in budget reform and modernization during the next few years than in the field of Federal public works. And, there were sound reasons for this to happen. The postwar Federal public works program not only was being rapidly enlarged but its base was being spread to unmanageable proportions. Up to the early 1950's the appropriations for the Corps of Engineers and the Bureau of Reclamation were largely of a lump-sum nature. The justifications included lists of the projects from which selections would be made. The Budget and the Congress did not restrict the appropriations to specific projects and the allocations of funds were left largely to the discretion of the construction agencies.

This situation permitted these programs to get beyond the control of the Bureau of the Budget and the Congress and steps had to be taken to correct the problem. In 1951, the Federal budget included a statement indicating the amount of funds to be used for continuing construction of projects and for completion of projects. It also included some financial data on a few of the larger projects. In fiscal year 1952 a new policy was adopted. For the first time the Federal budget presented a detailed list of projects showing by line item and amount how the recommended appropriation was to be used. In this way, the Chief Executive regained control over the formulation of the programs as contemplated in the Budget and Accounting Act of 1921.

Concurrent with these developments the Congress was taking steps to improve the policies, principles, and procedures used in its consideration and action on budget estimates. The special studies by the House Committees on Appropriations and Public Works in 1951 and 1952 highlighted the need for full program disclosure of exactly what was proposed in budget requests in order that the Congress, in the appropriation process, might make intelligent and wise decisions as to how and where Federal funds were to be applied. As a result of all of these things, the Congress now determines exactly what funds are to be used in the construction, maintenance, survey, and investigation of each project. The agencies are limited in the use of their funds to the stated amounts and to the specific purposes and projects set forth by the Congress. In this way Congress assumes the responsibility assigned to it in the Constitution.

Although the agencies strenuously opposed these changes when they were originally proposed, they now prefer the procedure because they are not now as exposed to pressures for projects as when they had the prime responsibility for making the decisions themselves.

Corresponding budget progress, modernization, and reform has not taken place with respect to Federal financing of non-Federal facilities provided by public bodies. The projects of these agencies are often similar in character and scope to those undertaken by the Federal construction agencies. Yet, at the present time, their proposals are not subject to the same scrutiny of the Bureau of the Budget and the Congress as that to which Federal projects are exposed in traveling through the tenuous authorization route, let alone the competition and review with which they are faced in securing appropriations for construction. Certainly, most people will agree that in the Corps of Engineers and the Bureau of Reclamation we have two of the most outstanding, respected, and reputable development agencies in the world. Yet, our Chief Executives, and the Congress, have through experience found it necessary to reserve to themselves the decisions on which projects should proceed and the rate at which they are to be constructed.

It is an anomaly when we arrogate to non-Federal entities and the REA Administrator greater trust and responsibility than we are willing to delegate to our own progeny over which we have inherent control. There need be no greater handicap in the administration of the REA program under congressional determinations as to use of appropriations than there is in the Corps of Engineers and Bureau of Reclamation programs. These programs have gained in stature and acceptance through budget and congressional review and decision. Our experience has been the reverse with respect to REA as shown by the reports of both House and Senate Agriculture Committees on the original 1962 farm bill. Both of these committees criticized existing procedures and emphasized the need for improvements.

Lastly, there are no legal or procedural impediments or barriers to adoption of budget procedures for the REA similar to those which experience proved necessary for the Corps of Engineers and the Bureau of Reclamation. The Budget and Accounting Act of 1950—Public Law 81-784—in section 102(a) makes specific provision for the Congress to secure such information as it needs in order to act upon budget requests. It states:

> That nothing in this act shall be construed to limit the authority of committees of Congress to request and receive such information in such form as they may desire in consideration of an action upon budget estimates.

Furthermore, do not forget that Congress has the basic power and responsibility to decide how Federal funds are to be used. It should assert itself with the REA programs as it has wisely done with the programs of the Federal construction agencies.

It is my sincere belief that the proposals I have presented are not only consistent with but would advance the principles and objectives of the joint Budget-Treasury-GAO accounting team and of the congressional committees. They also ultimately would be to the best long-range interests of the REA program.

Mr. SLACK. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am glad to yield to the coauthor of this amendment, the gentleman from West Virginia [Mr. SLACK].

Mr. SLACK. Mr. Chairman I support the amendment offered by the gentleman from Illinois [Mr. MICHEL].

On page 2038 of the subcommittee hearing, the REA estimates that for fiscal 1963, there will be 301 applications for a total of $200 million in loans for funds to be used for distribution facilities. The REA also estimates that for fiscal 1963, there will be 50 applications for a total of $508 million for funds to be used for generation and transmission facilities.

Of these loan requests, only two will be requests for new borrowers interested in distribution—less than 1 percent of the total. Yet, out of the 50 anticipated generation and transmission loan requests, 10 will be new borrowers, or 20 percent of the total. These figures demonstrate quite clearly that the emphasis of the REA program is changing.

This amendment simply places the emphasis on distribution rather than on generation and transmission, which was the original purpose of the legislation.

I urge the adoption of this amendment.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just want to call to the attention of the House that commendable or not commendable as this amendment may be, you are here changing the intent of the basic law. After all, REA is an independent agency. May I ask of my colleague from Minnesota [Mr. NELSEN], former Administrator of REA, whether I am not correct in that, that Mr. MICHEL is trying to change the intent of the basic law by this amendment.

Mr. NELSEN. In effect this would be a limitation by appropriation, but I would like to call the attention of the membership here to the fact that the points that have been brought out in debate are not corrected by the amendment as proposed. I would like to read to you from the committee report on page 26, where the committee makes this statement:

> Testimony presented in support of the 1963 budget request indicates that a larger part is requested for generation and transmission loans next year. In this connection, the committee urges that standards and criteria be developed for use in considering and approving such loans, to make certain that they are essential under the requirements of the law.

Now, I would like to point out to my colleagues that in my judgment this amendment does not get at the criticism that has been submitted in the debate, and it would be my suggestion that the committee's recommendation be gone into more carefully to determine what the criteria should be. By limiting the amount by a dollar figure we do not correct the problem. I believe there should be some flexibility in the dollar amount, but there needs to be some consideration given to criteria, and I intend to oppose the amendment. I agree with the committee statement, that criteria be set up to make certain that loans approved are in fact essential under the requirements of the law.

Mr. ANDERSEN of Minnesota. Mr. Chairman, it is my contention that this is a matter for the legislative Committee on Agriculture to take up, and I oppose the amendment. I sincerely hope that it will not prevail.

Mr. NATCHER. Mr. Chairman, I move to strike out the last word.

Mr. BREEDING. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Kansas.

Mr. BREEDING. Mr. Chairman, as a supporter of the REA program in Kansas for many years, I want to comment on this amendment. Briefly, I do not agree with the statements and recommendations contained in this amendment.

I believe that the amendment fails to recognize the consumer-member owner relationship of the rural electric cooperatives and programs for their customers. The electric cooperatives in the First Congressional District of Kansas are certainly seeking the best rates, terms, and conditions on their power supply, and I believe this is true of rural electrics all across the country.

In my view, the electric cooperatives are fully justified in insisting on their right to decide on their own power supply arrangements. They, more than anyone else, know what is best for them. They rightly object to being deprived of finances and loan funds for their customers.

The needs of rural America call for a vigorous REA program. Let us determine ways in which to help it do a better job, providing the rural electric cooperatives with the tools to serve farmers and rural people on a first-class basis.

Mr. Chairman, I am sure this is an amendment to tie the hands of REA. I am opposed to this amendment.

Mr. NATCHER. Mr. Chairman, REA is one of the great achievements of our present-day Government, and under no circumstances should we permit this organization to be destroyed. This program has operated successfully for 27 years. The adoption of this amendment would simply mean a death blow against REA.

Mr. Chairman, during the hearings on this particular bill we carefully considered this matter. REA and the Department of Agriculture believe that, where power is available from commercial companies at a fair and reasonable rate and at reasonable terms, then the power should be used by REA. Mr. Chairman, we ought to keep in mind that our REA co-ops today only have 3.3 customers per mile. The public utilities have 40 customers per mile.

The adoption of this amendment reminds me a whole lot, Mr. Chairman, of the little boy who went fishing. He said to the little fish, "Little fish, just hold still. I am just going to gut you. That is all I intend to do to you."

Now, Mr. Chairman, the Administrator of REA in May of this year issued a bulletin, and I would like to read it to the Members of the House.

This matter has been called up on a number of occasions concerning generation and transmission loans. On May 31 the Administrator of the REA issued a bulletin, and I quote:

> The purpose of this bulletin is to set forth Rural Electrification Administration loan policy concerning generation and transmission facilities. The Rural Electrification Administration will make loans to finance the construction of generation and transmission facilities under the following conditions: Where no adequate or dependable source of power is available to meet the consumer needs or where the rates offered by existing power sources would result in a higher cost of power for the consumer than the cost of facilities financed by REA, or where generation and transmission facilities are necessary to protect the security and effectiveness of REA-financed systems.

Mr. Chairman, the original authorizing legislation for REA grants the Administrator the right to make transmission loans. What does this mean? It simply means if you adopt this amendment and similar amendments you remove the protection we have to see that our REA co-ops can continue in existence and see that the American farmer, and especially his farm wife, will be benefited by this program.

I say to you, Mr. Chairman, that this is the first step in the death knell of REA if we adopt this amendment. This amendment should be defeated.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the distinguished gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. I would like to commend the gentleman for a very fine statement. I have no way in the world of knowing what the intention of the gentleman from Illinois [Mr. MICHEL] is in submitting this amendment. But I am quite certain of this: It is the view of the REA in Oklahoma that it would cripple them severely in their effective operation.

Mr. Chairman, I certainly hope the amendment will be defeated.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I am glad to yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. Is it not a fact that all REA administrators, regardless of political party, have agreed that REA shall always have the right to generate power, when and if a reasonable rate cannot be secured for the energy they must buy?

Mr. NATCHER. The gentleman is absolutely correct. I would like to say at this point, Mr. Chairman, since I have been a Member of this House the distinguished gentleman from Minnesota [Mr. ANDERSEN], on every occasion, has stood up and fought for the American farmer. I have always commended my friend on this.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Illinois.

Mr. MICHEL. Of course, I would question the gentleman's remark that this is gutting the program, because we are giving them a $155 million increase over this year for generation and transmission. I said they used probably $155 million this last year. My limit is $150 million. I think it is stretching the point a bit when one suggests that I am trying to gut the program when I am not opposing the increase of $155 million.

Mr. Chairman, what I am doing is simply wanting to write in a limitation on generation and transmission. That is $150 million worth of flexibility, and that is pretty much.

Mr. NATCHER. Mr. Chairman, I would like to say to my distinguished friend, the gentleman from Illinois [Mr. MICHEL], that in the full committee he offered an amendment to the committee report limiting projects to $5 million or more. I say to my distinguished friend, he is wrong, and this amendment should be defeated.

Mr. HORAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not want to take up too much time at this late hour of the day, but I want to remind the Members of the House that the whole subcommittee was troubled with this entire subject and that this is not new. The only new thing that has been injected here is a money limitation about which we have had some debate. I would like to read to the Members of the Committee a paragraph which appears on page 26 of the report:

> Testimony presented in support of the 1963 budget request indicates that a larger part is requested for generation and transmission loans next year. In this connection, the committee urges that standards and criteria be developed for use in considering and approving such loans, to make certain that they are essential under the requirements of the law.

In other words, our entire subcommittee is disturbed about this matter. We realize that it is 26 years since the founding of the REA. We can all review, I think with pride, its record. Today we have a changing world here in America and REA is serving that population.

We believe a complete review of this matter ought to be had at this time; and that is the position. There is no confusion in the subcommittee that I know of. I think the House ought to realize that an important issue has been raised here that we ought to clarify.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment. The REA Act gives the Administrator authority to make these power generation loans. That authority is much more vital and is much more important than actually making the loan. Having that right to make power generation loans enables the REA's to get reasonable contracts with the private companies. If we strike out or limit the authority to lend we thereby weaken the bargaining position of the REA associations. In the last year, because of this right to make these loans, the REA associations have worked out much better contracts for wholesale power with the Central Power & Light Co.; Chicago Electric Light Co.; Kansas Power Light Co.; Northern States Power Co.; Southwest Electric Service Co.; the Public Service Co. of Indiana; and others.

The point I am making is that when we limit the ability to make these loans we thereby put them at the mercy of the private companies in working out details of the contracts.

Because we recognized that more and more loans were being made in this area, your subcommittee wrote this provision adopted by the whole committee asking REA to set up certain criteria and standards in connection with future loans. But the act does not provide that we should pass on each individual application. We should not and are not qualified to do so.

Mr. Chairman, I urge the Members to defeat the amendment. It seriously jeopardizes the ability of the REA's to get reasonable contracts from the power companies.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, on that I demand tellers.

Tellers were ordered, the Chairman appointed as tellers Mr. MICHEL and Mr. WHITTEN.

The Committee divided, and the tellers reported that there were—ayes 94, noes 133.

So the amendment was rejected.

The Clerk read as follows:

> SEC. 606. Not less than $1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621–1629; 42 U.S.C. 1891–1893), shall be available for contracting in accordance with said Acts.

The CHAIRMAN. For what purpose does the gentleman from Kansas rise?

Mr. DOLE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman.

Mr. WHITTEN. I realize the gentleman has been recognized to offer his amendment. I have been asked to postpone further consideration of the bill until tomorrow, and I wonder if the gentleman would consent to speak on his amendment tomorrow.

Mr. DOLE. Yes.

Mr. WHITTEN. Mr. Chairman, in that case, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12648) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963, and for other purposes, had come to no resolution thereon.

TREASURY-POST OFFICE APPROPRIATION BILL, 1963

Mr. GARY submitted a conference report and statement on the bill (H.R. 10526) making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies for the fiscal year ending June 30, 1963, and for other purposes.

CLARE E. HOFFMAN

Mr. MEADER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection?

Mr. MEADER. Mr. Speaker, on last Saturday six Members of the House journeyed to Allegan, Mich., to participate in a community rally commemorating 28 years of service of the Representative from the Fourth Congressional District of Michigan, our beloved colleague, Clare E. Hoffman. The six Members who participated in that celebration were the gentlemen from Michigan, Congressmen Knox, Griffin, Cederberg, Johansen, and Meader; and the other member of the independent party, the gentleman from Iowa, H.R. Gross, also attended this celebration; and the gentlewoman from Michigan, Mrs. Martha W. Griffiths.

Remarks were made by the gentlewoman from Michigan [Mrs. Griffiths], bringing the good wishes of her Democratic colleagues to our friend, the gentleman from Michigan [Mr. Hoffman], and by the gentleman from Iowa, H.R. Gross, but the principal remarks were made by our colleague from the neighboring congressional district, the Third District of Michigan, Hon. August E. Johansen, whose remarks I will include under permission granted. We visited with Clare at his son's home on the screened porch. While he was somewhat feeble and thin, his spirit was certainly the same as it always was and his wit was even sharper than I recall it in the House. We visited a couple of hours with him and there was just one wisecrack after the other. His main complaint seems to be that he is kept in Allegan and is not permitted to come back and discharge his responsibilities here among his friends.

Mr. Speaker, the following remarks were made by the gentleman from Michigan, Congressman August E. Johansen, at the Republican rally honoring the gentleman from Michigan, Congressman Clare E. Hoffman, at Allegan, Mich., on Saturday, July 21, 1962:

Madam Chairman, my colleagues, other distinguished guests, fellow Republicans, fellow Americans, the invitation requested that I appear on the program with a few kind words for Mr. Hoffman.

I am honored to accept.

But let us be sure, at the outset, that we all understand each other.

Neither Clare Hoffman nor the citizens of the Fourth Congressional District have ever needed the endorsement of an "outsider"—even from across the line in the Third Congressional District—for Clare Hoffman.

We who are here from the U.S. House of Representatives, you who are here from throughout the State, and you who are here from Congressman Hoffman's own district, regardless of political affiliation, are here to discharge a debt we all owe.

It is a debt of gratitude and appreciation for the public services—especially during 28 years as a Member of Congress—of the Honorable Clare E. Hoffman.

And we who are from outside the Fourth District—particularly we who are privileged to be colleagues of Clare Hoffman in Congress—wish to acknowledge a debt of gratitude and appreciation to the voters of this congressional district who, for 14 consecutive terms, have given the Nation, the Congress, and his colleagues the inspiration and benefit of the wisdom and wit, the courage and parliamentary skill, the fiscal prudence, the loyalty to the Constitution, the astringent therapy, the stubborn independence, the dedication to principle, yes, and the sometimes seeming cantankerousness of this admirable American patriot and statesman.

It has been good for America. It has been good for the Congress. And, speaking for my colleagues on both sides of the aisle, it has been good for our souls.

I want to tell you that the House, late yesterday afternoon, devoted a full hour of its session to expressions of appreciation and tribute to your Representative in Congress. Thereby his colleagues have sought to anticipate and share in today's tribute here in his own hometown.

Before I go further, let me say that I wish also to speak a few kind words for some other people.

Heading the list, of course, is that grand and gracious lady—companion of more than threescore years—Mrs. Clare Hoffman. Let no one underrate, or fail to recognize and honor, the contribution, and sacrifice, which she has made incident to Congressman Hoffman's 28 years of service in the Congress. We salute her.

We of the congressional delegation privileged to be here today have a special word of appreciation and thanks for the hospitality and courtesies of their son, Leo. And our thanks, as well, to the welcoming committee which received us so graciously.

I have one further acknowledgment which seems to me particularly worthy of emphasis. Perhaps there is an element of personal bias, based on my own service of 4 years as a member of the staff of my distinguished predecessor, the late Congressman Paul W. Shafer.

I hope the constituents of Congressman Hoffman recognize—and, I am sure they do—the devoted service and immense contribution of the members of Congressman Hoffman's staff. And I single out, for a special word of appreciation, the longtime, faithful and capable member of his office and committee staff, Miss Helen Boyer.

Finally, I should like to convey a special greeting and "thank you" to a member of the House majority who appears here today as a member of the Michigan delegation's minority. We are honored by the presence and participation in this program of Congresswoman Martha Griffiths, of Michigan. It is characteristic alike of her own graciousness and of the respect and esteem which Congressman Hoffman enjoys on the Democratic side of the aisle that Mrs. Griffiths is with us today.

Returning to our principal honoree, I have only a few remaining comments.

And I shall speak bluntly.

There have been these tributes, editorial and otherwise, which have seemed to suggest that Clare Hoffman is an interesting, and even admirable, relic—but a relic nonetheless.

I venture to suggest that he is, instead, a prophet—a prophet ahead of his times—and, albeit, one prophet with honor in his own country.

It has been said that the punishment of those who will not learn and benefit from the mistakes of the past is that they are doomed to repeat the same tragic mistakes.

It has been the constant effort and purpose of Clare Hoffman to persuade his fellow Americans to learn from the mistakes of the past and thereby avoid their needless repetition.

It is a tragic fallacy to suggest that because we have jet airplanes the ancient law of gravity no longer prevails.

Clare Hoffman accepted and welcomed the jets.

His reactionary views consisted merely of the heresy of believing that the law of gravity still operates.

May we all learn to be equally wise.

The last time he spoke on the floor of the House was, appropriately, the final day of the 1st session of the 87th Congress—last September 26.

With typical frankness he raised the question—prompted by what he regarded (with good cause, I would add) as the then current legislative follies—"whether the Congress is mentally ill or whether we are only mentally and physically exhausted."

In this speech he questioned the fiscal policy of mounting deficits—citing the annual $9 billion interest payment on the national debt, for which he said, "we get nothing at all except a postponement of the payment date"—on the principal.

He cited the completely unauthorized commitment of this country to $20 billion of foreign aid to South American countries.

And then he posed this question:

"Inasmuch as to be successful in war a nation must be economically, financially sound, and highly productive, as well as being able to produce courageous, skilled, fighting men, is it not a sign of a mental disease or defect when the Congress, knowing however distant it may be, there is a limit to our natural resources, our manpower and our productive ability continues to spend public funds on enterprises which, however desirable and helpful, do not contribute to our war potential, our ability to make our future secure?"

Let those who seek to carry on be wise enough, courageous enough, to face, and answer that searching question.

As for Clare Hoffman, he could wish for no finer valedictory.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman.

Mr. BAILEY. I was absent from the House on Friday last when the House was paying our respects to the gentleman from Michigan, Congressman Hoffman. Would it be possible for me at this time to pay my respects to our colleague?

Mr. MEADER. I will answer the gentleman by saying that permission was obtained by the gentleman from Michigan, Congressman Bennett, for all Members to have 5 legislative days in which to extend their remarks.

Mr. BAILEY. That answers my question. I thank the gentleman.

Mr. MEADER. Mr. Speaker, we took a dozen copies of Friday's Congressional

Record to Clare and gave them to him and he was very much pleased to see it, I am sure.

CONFLICT OF INTEREST AND THE FEDERAL AVIATION AGENCY

Mr. FRIEDEL. Mr. Speaker, I ask unanimous consent to address the house for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. FRIEDEL. Mr. Speaker, I have time and again taken the floor to oppose the unnecessary construction of Dulles International Airport at Chantilly, Va., as a wasteful expenditure of the taxpayers' money. I have cited statistics to bear this out and have shown how the yet unfinished Dulles International Airport cannot adequately serve the Washington-Baltimore area, even though the cost has now risen from the original $14 million requested to $102 million which we have appropriated so far.

Everyone from Washington who has used the modern and excellent facilities of Friendship International Airport knows full well that it is more than adequately serving the passenger and cargo requirements for jetplane transportation of those in the Greater Washington-Baltimore area and it is easily accessible. Not only that, but Friendship International Airport has all the space and facilities needed for future growth. Quite often when New York's International Airport and air terminals are closed because of fog or other adverse weather conditions, flights have been diverted to Friendship with excellent results, which prove conclusively that Friendship is more than capable of handling Washington and Baltimore's future air terminal needs.

I have also repeatedly raised my voice in protest against the Federal Aviation Agency operating the Washington National Airport and the Dulles International Airport in competition with other air terminals. When a Government agency acts as owner, operator, and regulator it is obvious that a conflict of interest is involved.

The Subcommittee on Transportation and Aeronautics, of which I have the honor of being a member, has held hearings regarding H.R. 10471, a bill to transfer administrative responsibility for the operation of Washington National and Dulles International Airports from the Federal Aviation Agency to a separate airport board. At those hearings I expressed my views in favor of such a needed measure in the public interest.

Mr. Speaker, all of us have heard very much about conflict of interest lately. Proposals have been made to tighten the rules and regulations respecting this matter and Executive orders were issued which have been implemented by governmental agencies to raise ethical standards.

It is elementary that no man can properly serve two masters. Yet, here in the Federal Government this exact situation prevails respecting the Federal Aviation Agency. The Business Commercial Aviation, a trade magazine, directs attention to this situation which it correctly deplores. For a regulatory agency to operate a facility which it controls, when such facility is in direct competition with others, is the worst kind of conflict of interest.

Does this square with the Government's new conflict-of-interest policy and with its attempt to elevate ethical standards? To ask the question is to answer it. It states what I have long opposed.

In an excellent editorial in the Baltimore Sun, of July 22, 1962, the point is made that the administrative functions of the Federal Aviation Agency should be separated from its policing functions as soon as possible. I earnestly recommend that my colleagues in the Congress give heed to this advice and I hope our committee will approve H.R. 10471 to create a separate airport board to operate Washington National and Dulles International Airports. If this is not done, the public need will not be the ruling factor in deciding what service will be available from which airport. The decisions will continue to be based on getting more business into a Government facility—and not on what is best for the air traveler.

The articles from the Commercial Business Aviation and the Baltimore Sun are as follows:

[From the Baltimore Sun]

Airport Odds

Baltimoreans are not the only people to feel that the odds are stacked against our airport. As things are, the Federal Aviation Agency has two jobs. It is required to regulate the safety and efficiency of the airways, and so the safety and efficiency of Friendship Airport. It is also required to run commercial airports, National and Dulles, which are in direct competition with the airports it regulates, and with Friendship especially. This situation, long deplored by everyone who is concerned with Baltimore's airport, has once again been deplored, this time by Business Commercial Aviation, a trade magazine.

The publication compares the situation with that which would prevail if the Federal Communications Commission ran a television station or the Coast Guard a pleasure boat marina. Either would be unthinkable but by a historical accident an exactly parallel case actually exists in the aviation world. No doubt the officials of the FAA try to be as impartial as possible and separate the two functions as widely as they can. But they are bound to meet at the top, and in fact some recent remarks of the Agency's head, Najeeb Halaby, were generally interpreted as a threat to airlines which declined to move from Friendship and take up space at Dulles. Mr. Halaby disclaimed this interpretation, but the suspicion remains, and can only be removed by separating the administrative functions of the Agency from its policing functions as soon as possible.

[From Business Commercial Aviation, July 1962]

Dulles Shows FAA's Split Personality

The battle over airline service being waged between Baltimore's Friendship Airport and Washington's Dulles International has serious implications for all of us. Not that it matters to any but residents of the area which airport wins. But we're confronted here with a very basic issue.

Should a Government agency—or any agency—be responsible for the overall policy guidance of an entire industry, and at the same time operate an element of that industry? Should the FCC run a TV or radio station? Or the Coast Guard, a pleasure boat marina? Is it right for the FAA to operate two airports, just because they happen to serve the Nation's Capital?

The FAA is the agent of Congress, to develop our national airport system, with funds voted for Federal airport aid. How then can FAA keep its purely local interests—as landlord of Dulles, for example—from influencing its national interests, which affect all of us.

We don't think FAA can avoid this influence, no matter how sincere its intentions, or how great its efforts. The efficiency and impartiality of the FAA must ultimately be eroded by such a split personality. An airport operated by the FAA has a privileged status. Whenever that airport is in trouble, its managers are bound to use their privileged position, and all the resources of the Agency. To expect otherwise is wishful thinking.

Speaking bluntly, no agency—not even the FAA—can be expected to be impartial where its own airport is concerned. For the FAA, both the temptations and the pressures are bound to be greater. As landlord, the Agency has all the power over airlines that any other airport landlord does. But the FAA also monitors the airline operations and punishes the carriers for safety infractions. And, there's the CAB—also in the same Government—with power over which airport the carrier should use to serve a given community. FAA is subject to pressures ordinary airport operators don't face. The fact that the Washington area airport issue involves the congressional delegations of the affected States makes FAA's position unusually delicate.

It's high time this absurd situation was corrected. Let's free FAA from the operation of airports: let the Agency spend the time and energy on the problems of all airports. FAA's concern must be for the national system of airports. The Agency has no business—and we cannot afford the diversion of FAA energies—in the operation of a local aviation enterprise.

Logic would suggest a bistate airport authority combining the three airports: Friendship, Dulles, and National. If that's impractical, then a separate Government corporation or agency could be set up to run these airports. If FAA experts are essential to this corporation's success, transfer them. But by all means cut this agency clean away from FAA.

The only way to make such changes is to amend the Federal Aviation Act. So, it looks like the next move is up to the Congress.

Well, gentlemen, when do we start?

W. G. Osmun.

ECONOMIC AID TO YUGOSLAVIA

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, the wide repercussions in the public press, in this country and abroad, caused by the debate which occurred on the floor of the House in connection with the amendment to the bill under which the President was given the authority to extend economic aid to certain Communist countries, under specified conditions, prompts me, too.

Under unanimous consent, I include at this point in the RECORD the text of a letter I sent to an apparently well-meaning Yugoslav refugee now in this country. My letter reads as follows:

> JULY 24, 1962.
>
> Dr. MARKO ZUZIC,
> *Washington, D.C.*
>
> DEAR DR. ZUZIC: I appreciate having your views on the problem of economic aid to Yugoslavia and I note that you have written the President of the United States in a similar vein.
>
> The question you propound, sincerely, I assume, is: "Can a Communist dictatorship, and if so under what conditions, evolve in a peaceful way toward a parliamentary democracy?" (if economic aid is given the people who are forced to live under that dictatorship). That question must, in my opinion, be answered in emphatic negative. No serious student of the basic tenets of totalitarian rule generally, and Communist dictatorships, specifically, would agree that outside economic aid to the subjects of such regimes could in itself cause the overthrow of a dictatorship or its evolution into a government "of the people, by the people, for the people."
>
> Communist regimes are established by a forcible takeover from within, or by outside intervention, as is the case in all of the countries contiguous to the Soviet Union. Those regimes maintain themsleves in power by the application of sheer force and by continuous exercise of terror designed to suppress any expression of the people's will. There is no instance of Communist dictatorship being voluntarily established or accepted by the people. No Communist regime was ever established through free elections and as long as all of them derive their power from one or the other of the Communist centers of control—Moscow or Peiping—events other than contribution to the economic welfare of the enslaved peoples must occur before a Communist dictatorship is overthrown.
>
> In my interventions in the debate held on the floor of the House in connection with aid to Yugoslavia, I have made it abundantly clear that, in addition to humanitarian reasons, the principal long-range political considerations for our economic assistance to the people of Yugoslavia is to make them feel that they have not been written off by the free world, and to maintain their courage and their sentiment of solidarity with the free peoples. That, in effect, was the gist of my speeches.
>
> To go further than that and to assume that our economic aid would do what you imply in your question, would be an error based on a wrong evaluation of the true character and the source of power of Communist dictatorships. Mere rise of economic levels will not cause the evolution of Communist regimes into democracies (Lenin is my authority for that statement). To believe so would be just as fallacious as is the opposite theory of some of our "softheads" who maintain that low standards of living "drive people to communism."
>
> Sincerely yours,
> FRANCIS E. WALTER,
> *Member of Congress.*

FOREIGN AID AND DEMOCRATIC IDEALS

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. KITCHIN. My Speaker, in reading the debate recorded in the CONGRESSIONAL RECORD of July 20 pertaining to the conference report on the Foreign Assistance Act of 1962, I noted a highly significant comment made by the esteemed majority leader of the Senate, Senator MANSFIELD, with reference to the current situation in Peru, which I quote in part:

> The President of the United States in stopping aid to Peru in the wake of the military takeover of that country, has in effect served notice that mere lip service to democratic ideals will not suffice to maintain U.S. aid and support. There is too much at stake for the entire hemisphere for this type of subversion to be ignored.

I wholeheartedly agree with the President's action in stopping aid to Peru and certainly am in complete accord with the statement of Senator MANSFIELD.

The continuance of any aid and assistance to Yugoslavia and the discontinuance of aid to Peru create a paradox. Who could for one moment hold the view that Communist Yugoslavia has ever rendered even lip service to democratic ideals?

There has been much debate—supported by sound factual data—in this body as well as in the Senate, advocating complete discontinuance of any aid to any Communist country, including the totalitarian Communist Government of Yugoslavia. Some have contended—without sufficient supporting facts, in my opinion—that Yugoslavia is not a part of the international Communist conspiracy and is not under the domination of Moscow. Personally I have no doubt as to Yugoslavia's loyalty to the Communist cause—a world dominated by international communism.

The Casey amendment to the Foreign Assistance Act of 1962 would have precluded extending aid to any Communist country. This amendment was modified by the Morgan amendment which puts the onus on the President in extending aid in any form to Yugoslavia and other Communist countries. This, of course, was contrary to the original wishes of the Senate expressed in an amendment to extend no aid to Communist countries and later changed to extend no aid except agricultural products.

The Morgan amendment to the Casey amendment, adopted by the House and later by the Senate, expressly provides:

> Unless the President finds and promptly reports to Congress that (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism.

It is crystal clear to me that the Morgan amendment has already been implemented and there is an established pattern for a continuation of the policy of aid and assistance to Yugoslavia—the cloth has already been cut.

A State Department official, in response to an inquiry regarding the activity of the Yugoslav Military Purchasing Mission Office in this country, stated in part:

> We feel, however, that it is in our best interests to permit the Yugoslavs to purchase vital machine parts and spare parts for military equipment in this country.
>
> Our policy to Yugoslavia is a part of our overall policy to weaken the Soviet bloc. On the basis of all of the information available to this Government, three successive administrations have found that Yugoslavia, although governed by a Communist regime, is an independent country which does not participate in the international Communist movement controlled by the Soviet Union. It is our aim to assist the Yugoslavs to maintain this independent position by making possible a broad range of trade and contacts with the West as an alternative to reliance on the Soviet bloc. In this connection we permit them to purchase machinery and spare parts for military equipment which they have purchased from us or received under aid programs prior to 1957. If we were to deny them all machinery and spare parts, they might have no alternative but to rely on the Soviet bloc and to reequip their armed forces with Soviet arms. This would, in our view, seriously endanger their independent position.
>
> We do not, of course, permit military purchases by any other Communist state. Moreover, we would not continue to permit Yugoslavia to make such purchases if we obtained any evidence that these goods were being transshipped to other Communist countries, or if the President determined that Yugoslavia was no longer independent of the international Communist movement.

The continuation of our favored-nation treatment of Yugoslavia is graphically illustrated by the validation of licenses during the recent period June 1, 1962, through July 19, 1962, by the Department of Commerce for the export of electronic equipment, copper tubing, coaxial cable, construction machinery and parts, processing vessels, petroleum drilling and production equipment, generators, copper wire and bars, and numerous other items with a total value of approximately $1½ million.

I seriously doubt that the continuation of this pouring of the taxpayers' dollars and the approval of exports of strategic items through trade and/or aid to Yugoslavia or any other Communist country are in the best interest of our national security and welfare.

AMERICAN TAXPAYERS HAVE PAID TO DEVELOP TELSTAR AND SPACE COMMUNICATION

Mr. RYAN of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN of New York. Mr. Speaker, once again I rise to speak for the American taxpayer, who like the proverbial goose has laid a golden egg—the communications satellite.

Over the last decade the American taxpayer contributed some $25 billion to the space research and development that made possible launching of the Telstar satellite, forerunner of a complete communications system. In the words of Dr. Edward C. Welsh, Executive Secretary of the National Aeronautics and Space Council, the taxpayer has financed in excess of 90 percent of the space communications competence.

But nobody, as far as I know, has let the American taxpayer in on the secret. The launching of the Telstar satellite was his achievement—he paid for the golden egg.

According to Edward R. Murrow, Director of the USIA, the American taxpayer who paid for 90 percent of the cost of developing communications satellites cannot afford to use it. The people he gave it to are going to charge him too much.

Last night Mr. Murrow noted on a CBS program that the Voice of America will not even be able to afford to use the Telstar satellite to carry its message on behalf of the free world—Mr. Murrow also pointed out that the U.S. Government cannot afford to use transatlantic cables to avoid interference in its own transmission to European relay stations.

Some observers call the projected privately owned communications satellite system a government-business partnership, but apparently it is a strange partnership. The taxpayer or government—one partner—pays 90 percent of the cost. Business—the other partner—pays 10 percent of the cost, takes the profit, and sets the rates so high that the first partner cannot even be a consumer.

Somebody has made a goose out of one of the partners.

As I am sure we all realize, we are engaged in a life and death struggle with communism. Yet now we learn that not even a small part of the Government-developed satellite system, given away to free enterprise, can be used to carry messages directly selling democracy and free enterprise.

The Senate is still to decide the question of who shall own and operate the projected communications system. We can only hope that the Senate takes careful note of Mr. Murrow's warning. We can only hope that Americans realize that their golden egg is being given away—the golden egg that every American has paid to develop.

ITALO-AMERICANS IN THE NATIONAL GOVERNMENT

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] may extend his remarks at this point in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. FOGARTY. Mr. Speaker, under leave to extend my remarks I would like to include an editorial which appeared in the Italian Echo in Providence, R.I., in the Friday, July 21, 1962, issue:

ITALO-AMERICANS IN THE NATIONAL GOVERNMENT

The appointment this past week of Anthony J. Celebrezze as Secretary of Health, Education, and Welfare by President Kennedy has been most favorably received in all quarters. The first Italo-American ever appointed to the Cabinet, Cleveland's popular mayor is admittedly most admirably suited to discharge the duties which this most important position entails. His appointment came as a blow to the professional bookmakers, who had several other more widely known personalities pegged for the post. It came as a most pleasant surprise to almost everyone, including the mayor himself.

By his choice, President Kennedy has demonstrated that for this important post he wants an able Administrator, a person who is familiar with and well-versed in dealing with the many issues and problems which fall within the scope of this area, a person who has proven that he can get things done with the people who work with him. He wants a man who can strengthen the position at all levels. He wants a man who can get the job done, a competent and industrious public servant who enjoys the confidence of his constituents. Such a man he has found in Anthony J. Celebrezze.

We are confident that Mayor Celebrezze will justify the faith that President Kennedy has placed in him. The experiences that he has gained as mayor of Cleveland for five terms will suit him well to handle his new duties with the same vigor and thoroughness so characteristic of him. From his record he should do tremendously well, and we wish him well in his new position.

Mr. Celebrezze thus heads the growing list of Italo-Americans who have been tabbed by President Kennedy to serve our country in important Government positions. Much was made of the scarcity of Italo-Americans in key positions at the beginning of this administration. Leading organizations and personalities decried this scarcity, and made their feelings known. With the passing months, however, Italo-Americans have been recognized for their ability and qualifications. They have been named to serve in many important positions. The list grows gradually.

The most recent of these appointments, prior to the Celebrezze selection, was that of Henry Giordano as Narcotics Commissioner. Others who are serving with distinction, are: Dr. Edward Re, Chairman of the Foreign Claims Settlement Commission; Carmine Bellino, consultant in the Budget Bureau; Mario Noto, assistant commissioner of immigration; Salvatore Andretta, Assistant Attorney General, and Thomas D'Alessandro, a member of the Renegotiation Board. In our own State Raymond J. Pettine is distinguishing himself as U.S. district attorney. In several other States, Italo-Americans have been named to Federal posts by the President, including district judgeships.

We are naturally extremely pleased at this growing list of public servants who are of Italian lineage. We are pleased that they have been recognized for their ability and background by the President of the United States. We are proud that they are justifying his choices by the faithful performance of their duties. They are an answer to those who would characterize all Italo-Americans by the types glorified in Mr. Ness' dirt program.

MONTICELLO, UTAH

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the gentleman from Utah [Mr. PETERSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PETERSON. Mr. Speaker, 115 years ago today Brigham Young led his sturdy band of Mormon pioneers into the valley of the great Salt Lake and decided "This is the place."

With his chosen group of 147 leaders and 72 wagons, Brigham Young had set out from their winter quarters on the west bank of the Missouri River on April 5 that spring. The following more than 3½ months during which they blazed the westward trail was crowded with a succession of hardships and adversities which bespeak so eloquently their determination in pursuit of freedom and opportunity.

The establishment of Utah, and the civilization of that vast rugged and deserted territory makes one of the most extraordinary chapters in American history. But today I call attention also to the fact that the city of Monticello, in which I lived and practiced law for some years, and the citizens of which I am now privileged to represent here in the House of Representatives, today commemorates its 75th anniversary and diamond jubilee.

Monticello, Utah, was truly a part of America in the making. The colonization of San Juan County, of which Monticello is the county seat, is not the least impressive of the Mormon achievements. In fact, it has been said:

> In all the annals of the West, replete with examples of courage, tenacity and ingenuity, there is no better example of the indomitable pioneer spirit than that of the Hole-in-the-Rock expedition of the San Juan Mission. Today the feat seems well-nigh impossible.

Such expeditions, and the subsequent civilizations which grew as a result of them, serve to point up the fact that the Mormon effort in Utah, far from being an unusual phenomenon, was indeed the archetypal movement to the West. What all the pioneers possessed—bravery, perseverance, and the will to survive and to succeed—was possessed by the Mormons to the fullest degree. They exemplify "the highest type of pioneer endeavor that broke the wilderness and brought civilization to the West."

The San Juan County area is additionally famous because of the exploration of the Green and Colorado Rivers by James Wesley Powell. This amazing man sailed into the gorges and shot the rapids of these wild streams before anyone knew what lay in wait in their canyons. In fact, the entire area is memorable as one of the places where the American spirit established America, where nature was conquered but where her great beauty remains.

It is a tribute to the personal magnetism of Brigham Young, and typical of his success as a colonist, that the Hole-in-the-Rock expedition was undertaken after his death. The Mormon Church had established the very practical custom of dispatching colonization missions to territory they wished to be occupied. There were many reasons for the San Juan area's importance. It was on the fringe of Mormon sovereignty, and occupied by Indians and outlaws. In the interests of buffering themselves as well as in the interests of expansion, it served them well to colonize the wild and lawless frontier. When they were called, the families who made up the enterprise seemed unconcerned about the practical problems of leaving established homes and finding land and circumstances adequate to support them at their destination.

The plan was to move east to the southeastern portion of Utah, and the most imposing obstacle in their path was the Colorado River. It would have been possible to reach the area by tortuous circumventions of the river, through Moab in the north or from the south or east. But the pioneers decided to establish a new route, a shortcut of the other paths, by crossing the mighty Colorado and proceeding through totally unknown and unexplored country. The story of their trek is much too lengthy to relate here, but it included some of the most astonishing feats in the settlement of the West.

In particular, it was necessary to transport wagons, provisions, and wives and children through a narrow canyon in the cliffs above the river. This was the Hole-in-the-Rock, a passageway whose perils, if I may have recourse to a cliche, defy description. The gap through which cumbersome wagons were squeezed—seemingly by reducing them in size—is barely wide enough for a man to stretch his arms, and the way down the other side is little more than a jumble of gigantic boulders, resting one on top of another in a steep ravine. Down this treacherous scar in the cliff the Mormons took their wagons; they ferried them across the swirling river and then lugged them up the other side—scaling a cliff almost as imposing as the path down from the Hole-in-the-Rock.

The crossing of the Colorado, however, while it is the single most important obstacle encountered by the pioneers, was by no means the only one; they were also faced with passageways so difficult and so dangerous as to necessitate the building of roads which were "impossible" until the engineering advances which we have witnessed in our own day. With little more for support than a groove for one wagon wheel dug out of solid rock, the expedition brought its wagons across trails where the drop on the side away from the grooved wheels was 50 vertical feet. The preparation of these trails and the courage necessary to negotiate them are quite unbelievable until one sees the remains of the trek etched in the rock and scattered on the ground below.

But this is only one aspect of the beginning of San Juan County. The other is the remarkable trip of James Wesley Powell from Green River, Wyo., down the Green and Colorado Rivers through the Dinosaur National Monument and the Grand Canyon. The story of Powell's daring is as astounding in its way as the Mormon perseverance. He was an extraordinary man. To Powell belongs the credit for first exploring the fiercest river in America. He was one of the big men of the West, one of its foremost explorers, and in addition, the father of half the scientific Government bureaus. He fathered the Geological Survey and for years was its Director; he founded the Bureau of Ethnology which gave us our soundest studies of the western Indians; and he was an instigator of the Reclamation Service, to which thousands of western farmers owe their living. Those three Government departments have had an incalculable influence in shaping the intermountain West, and through his sponsorship of them, Powell affected more people's lives than all but our greatest Presidents have.

Mr. Speaker, there is not time here to detail these first great penetrations of San Juan County, but in this, the 75th year of Monticello, the county seat, I want to take the opportunity to bring them to the attention of the House as exemplary of the tradition of our American West. This is a tradition which is all too often distorted by the cliches of movie westerns, and all the familiar but inaccurate and superficial exploitations of our history. It behooves us, I think, to assure that the aspect of the American spirit which is represented by the Hole-in-the-Rock expedition and the Powell exploration be enshrined in the heart of every American for all time.

It is this tradition which has shaped each of us, and upon which we must work if we are to build a better country.

Consequently, I should like not only to congratulate the people of Monticello, but remind the House of H.R. 8574 as well. It is the purpose of the Canyon Lands National Park bill to "preserve an area in the State of Utah possessing superlative scenic, scientific, and archeologic features for the inspiration, benefit, and use of the public."

In the words of Robert Frost, Mr. Speaker, when we gave ourselves to this great land: "we gave ourselves outright." If we now refuse to preserve the lands in which that gift and so much of our history grows like a spreading tree, we retract our most important gift, and we uproot our history. The citizens of Monticello are the living embodiment of western America, living on the land that is America, giving themselves to the land. Let us not take them or ourselves back from America. Let every American in the future give himself to America. Let us insist that America shall endure so that other Monticellos may exist in other times.

STUDYING COMMUNISM IN LOUISIANA SCHOOLS

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. FLOOD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. FLOOD. Mr. Speaker, it is with the greatest measure of satisfaction that I have read of the movement in the high schools of Louisiana for teaching students in that State the difference between Americanism and communism.

The American Legion magazine of April 1962 contains a fine article on this subject by Shelby M. Jackson, superintendent of public education of Louisiana, under the title of "Studying Communism in Louisiana Schools."

In this article, which is a first year report of an adventure in public education, Superintendent Jackson describes the evolutionary processes by means of which a 6-week course, designated as "Americanism Versus Communism," was established, including the many difficulties that had to be overcome in launching it.

The State legislature adopted a resolution giving its approval of the effort; the Louisiana Bar Association and American Legion supported it; and school authorities fell in line and have given it practical effect. The results so far achieved have been of the highest order.

Certainly the basic differences between constitutional Americanism and revolutionary communism should be taught to the youth of our country. Only by this means can our people hope to survive the insidious attacks of the world revolutionary movement now seeking to bring about our destruction as a free nation.

In Louisiana, practical recognition of the grave menace involved has been fully realized and the basic steps are being taken to combat it through objective education. In Communist countries, their youth are brainwashed with bolshevist revolutionary doctrine and hatred of all peoples and governments that are not communistic.

Let us hope, Mr. Speaker, that the adventure in Louisiana marks the return in public schools throughout the country to the teaching of basic American history, and especially of the Constitution of the United States. The understanding and enforcement of the law, as already established, supplies the only key for the complete overthrow of the communistic revolutionary intrigue to overthrow our form of constitutional government.

The leaders for this splendid effort in Louisiana merit our highest commendation in the Congress as a notable example for other States to follow. Moreover, what is being accomplished there can be done elsewhere if the proper effort is made by those charged with authority and responsibility over our school system.

The indicated article follows:

STUDYING COMMUNISM IN LOUISIANA SCHOOLS

(By Shelby M. Jackson)

A revolution started in Louisiana classrooms last year, moved from teenagers to their parents and now is spreading to whole communities. It is not, however, the kind of revolution which is favored by the Communists as a step in their conquest of a free country.

This amazing chain reaction from youngsters to parents to the rest of the public is the result of the very successful first year's operation of the Louisiana public school course in "Americanism Versus Communism."

Although such Communist doctrines as dialectical materialism and the permanent revolution are knowingly discussed, there are no converts to Marxism.

So far, 30,000 high school students have taken the required 6-week course and we have no way of estimating the additional thousands of parents and others who have been affected in one way or another by the school program.

Frankly, I and others who are professional educators have been surprised at the immediate and far-reaching success of the course. We worked under the pressure of time and expected it would take at least 1 year's operation to solve the problems of such a new teaching assignment. The fact is that the students took to the course with enthusiasm and the teacher's problems were primarily those of finding the information and data to keep up with the students' questions and interest.

The hope expressed by Allen W. Dulles, former Director of the Central Intelligence Agency, that we have more education on the whole history of the Communist movement is being fulfilled in Louisiana.

Our youngsters are learning about the Communist blueprint for world conquest, and about the Communists' Marxian dream of the future that includes all of us living under their domination. I know it will be difficult, if not impossible, to brainwash these young people.

Such protection for our children has long been a personal desire of mine but the proposal of such a course 10 years ago would have brought down an avalanche of opposition from among the so-called liberals and parlor pinks. But in 1962 the course, "Americanism Versus Communism," has received praise throughout our State from people in every walk of life.

Our biggest problem today is how to improve the course on the basis of the first year's experience.

The course on Americanism versus communism in the public schools resulted from a joint resolution of both houses of the Louisiana Legislature in 1960. But behind this resolution were years of hard work by both the American Legion and the Louisiana Bar Association.

For example, Richard Cadwallader, Baton Rouge attorney and chairman of the Americanism Committee of the American Legion, Nicholson Post No. 38, had worked for about 5 years trying to find a way to get across to his fellow citizens a truly educated grasp of the dangers of communism as well as the advantages of the American way of life.

In the mid-1950's he developed a speaker's bureau on communism, but it is very difficult to get enough good speakers on the subject. People at that time were also a little afraid of the subject, some had the notion the best way to cope with the problem was to deny that it existed. When the American Legion backed the idea of teaching the facts about communism in public schools, Cadwallader made this his goal for Louisiana.

His personal interest in educating Americans about the ways of communism had come after the Korean war, when revelations of brainwashing by the Chinese Communists showed how ill prepared many Americans were when it came to understanding the enemy and the way he operates. In the intellectual wonderland of Marxist "philosophy" most Americans were lost. And the saddest part of all, Cadwallader thought, was that too many were also lost when it came to what their own country stood for.

When both the Louisiana Bar Association and the American Legion got behind the program of teaching "Americanism versus Communism," Cadwallader found many who felt just as he did. After this came several years of work contacting individual legislators.

One by one, support was lined up for legislative action which culminated in the unanimously approved concurrent resolution in 1960. This resolution stated that the course was to develop intelligent and aggressive opposition to communism and deep loyalty to our American political and economic system.

Now that we in the State Department of Education had been given the green light by the legislature, we worked day and night to get the program underway.

There was not the usual time available to work out a complete program for the course in which each part could be carefully tested and tried before being put into general classroom use. A comprehensive and detailed bulletin was developed for the use of teachers. It thoroughly outlined the objectives of the 6-week course and provided teachers with a great variety of ways they could go about accomplishing these goals.

Our bulletin clearly states the objective of the course and the philosophy behind it: "The central purpose of this unit on Americanism versus communism is to alert the high school youth of Louisiana to the dangers of the Communist conspiracy. If these dangers are identified and explained, it is believed that our youth will aggressively oppose all subversive attempts to destroy American democracy."

The rest was up to the teachers. It was felt that the teachers could be given a large degree of freedom in handling the course and then a later evaluation of their efforts would provide a good basis for improvements.

We hoped—and it proved to be true—that a great number of teachers would come up with some very ingenious methods of getting the material across to the students.

Some of the teachers brought in outside speakers. One speaker was a student's parent who was a refugee from Castro's Cuba. He was able to give the students an on-the-spot, eyewitness account of the revolution and Communist tactics in action. In another class, a student was himself a refugee from Cuba and was able to tell his classmates how the revolution looked to a high school student.

Essays, group research projects, debates, filmstrips, panel discussions, quiz programs, recordings of radio programs, book reports and current events reporting were some of the various methods used by teachers.

I told the teachers that they must each make a personal study of communism and be prepared to answer students' questions. For the instruction of teachers in the history of communism and the workings of the Communist Party, we suggested "Communism," by Alfred G. Meyer, "Masters of Deceit," by J. Edgar Hoover, and "A Primer on Communism," by George Cronyn.

School librarians were given the job of assembling as much material on communism as possible. This included books, magazine articles, newspaper clippings, pictures, filmstrips, recordings, and films.

The list of suggested materials for use in the course included many Government publications by the Committee on Un-American Activities of the House of Representatives, the Department of State, and the Committee on the Judiciary of the U.S. Senate. All classes used film material which included "Communism on the Map," a 35-millimeter filmstrip and tape recording on the history of communism, obtained from the national education program along with other material.

Though much material to help in teaching was available, the need for even more was one of our biggest problems in the course. One source of information on communism we used extensively was a series of speeches on the "Meaning of Communism" prepared by the Committee on American Citizenship of the Florida Bar Association. The text of these speeches got to the heart of the program by asking the question, "How are we going to defeat communism if we don't know what it is?"

From whatever direction our teachers approached the subject of communism during the 6-week course, the result was a tremendous increase in the students' knowledge. Although most entered the course with little factual knowledge, the subject matter was not watered down.

Some of the subjects used as topics for research papers by students were: "How To Recognize a Communist," "Propaganda Techniques," "The Hungarian Revolution," "Brainwashing of American Military Prisoners in Red China," "Communist-Front Organizations for Youth," "Infiltration Techniques Used by Communists," "Soviet Education," "The Effect of Russia's 5-Year Plans on Individual Freedom," etc.

One of the first hurdles for teachers was terminology. Words such as "democracy" and "freedom" meant one thing when used by the Communists and meant something entirely different when used by non-Communists. This was the small hole through which much brainwashing was accomplished by the Communists. The students learned the meaning of such terms as dialectical and historical materialism, peaceful coexistence, cold war, Browderism, etc. They learned about such men as V. I. Molotov, Marshal Tito, Leon Trotsky, Friedrich Engels, and Mao Tse-tung.

Anyone who thinks we did not get down to the bedrock of Communist doctrine should ask himself if he knows the difference between the Cominform and the Cominterm, or can handle such terms as the dictatorship of the proletariat, utopianism, collectivism or united front. It wasn't long before we heard reports of students surprising their parents with their knowledge of the intricacies and traps of Communist dogma.

The course is not all one-sided, however. To gain an understanding of the communistic conspiracy for world domination is only one of the three objectives in the course. Another is to compare America's form of government and political system with the communistic system. The third is to compare the free capitalistic economy of America with the collectivistic Communist economy.

When democracy and communism are compared, the students learn that political democracy has duties and responsibilities as well as rights and privileges. They learn that ignorance, selfishness, and complacency are the three most deadly enemies of democracy.

By contrasting the economic life of America and the Communist countries students learn that the basic differences of America's free capitalistic economy can never be compromised with the controlled collectivist economy of the Communist countries. America's economy is characterized by personal liberty, private property, and free enterprise. The Communist economy is under government control and management, government ownership, and government determination of all production. Our standard of living, the highest in the world, is the proof given for the obvious superiority of the economic aspects of the American way.

But America's economic system is not without its duties. Students learn that they have the duties of citizenship to pay taxes, support charitable institutions and churches, and also help the very needy.

One teacher discovered a problem she hadn't anticipated. Although the boys in the class were interested and kept up with everything in the course, the girls were bored. "They didn't care about theories or revolutions," she said. This problem was discovered early and solved quickly and effectively by having the girls study the Soviet marriage and divorce laws, living standards, and even cooking.

Another teacher said they could have used more material on what everyday life in Russia is like.

Even though the course eventually covered a lot of complicated ideological material, teachers found their students woefully ignorant of communism when they started. "We started out our course by having each of the students write down what he thought communism really meant and what it was like," said one teacher. "It was really quite a shock, until I remembered that a few months previously, I had known practically nothing myself."

We consider teachers' views of the reaction of students one of the most reliable indexes of the course's effectiveness.

"When we were able to bring communism down to earth and show it in operation around the world through the day-to-day news reports, the interest of the students climbed fast," a teacher claimed. "When we used some of Khrushchev's statements from the front pages of the daily paper as illustrations of points in the course, we could be almost certain that classroom discussion would continue automatically until the bell rang."

Another teacher commented that her students found it was the "most interesting part of the year's work."

A history teacher said that she had been teaching a long time but she couldn't "recall students getting in such heated discussions over anything except sports. When students get excited, you know you've done a good job."

Some of the sources of information on communism that we checked when preparing the course mentioned the possibility of opposition to teaching about communism. The text of the Florida Bar Association speeches warned that the subject was controversial and that "many people are afraid to talk about it publicly for fear that someone in the audience will misunderstand what they say and spread the word that they are Communists, or at least fellow travelers with the Communists because they were explaining about communism."

We in the department of education have been aware that American Communists might devise and disseminate plausible-sounding objections to the course in an attempt to inflame Louisiana citizens against it. That is one of the Communist tactics that students learn about. An organized Communist drive against this kind of course may almost surely be expected to develop, but one has not developed yet.

Instead, the course was so successfully brought into the schools that it immediately found organized support in every community. The various bar associations, veterans organizations, and other civic groups such as the chambers of commerce all backed the program.

The report of the American Bar Association's committee on the need for such an educational program said, "This committee is aware that this program will be beset with many obstacles. There are even those who deem it treasonable to mention communism in the classroom." This same report warned of "pressures and emotions" which will be brought to play in regard to textbooks and other educational aids. The possibility that such a program could itself be "infiltrated and perverted" was considered.

We found that instead of opposition, the course stimulated interest in learning about communism throughout the State and, either directly or indirectly, sparked community campaigns to provide parents with some of the same information their children were getting in school.

Backed by civic groups, students who were taking the course spoke publicly on communism and on the course and received favorable publicity in the State's press. Discussion groups and panels on Americanism versus communism were started in various parts of the State.

One parent of a high school youngster said that she had never thought about communism much until their 16-year-old son told them what he had been learning in the course. "My husband and I thought we were fairly well educated, yet we found that we knew practically nothing about communism or the Communist Party. Our son shamed us into taking some books out of the library and making our own study of communism."

Some of the same materials used in the Americanism versus Communism course were used for adult courses sponsored by various civic and religious groups.

"These courses in our schools have resulted in more interest in Americanism and communism than this State has ever seen before," commented a member of a religious group which sponsored a series of lectures on communism for adults.

A supervisor on the staff of a parish (county) department of education said that he had heard of no opposition to the course. "The only complaints are from the teachers. They want more materials to teach with and would like to have more time to learn about communism."

We have made a thorough study of the course which shows that in spite of several areas where there can be improvement, the course has been a surprising success for something so new.

Our future plans include trying to provide teachers with more of the tools they need to teach the course more effectively and doing some objective testing to determine precisely what the average student gets out of the course.

But these are details. What counts is that here in Louisiana we have successfully built a bulwark of 30,000 young people against the Communist conspiracy, who will not fall prey to the masters of deceit.

NEED TO SAVE WASHINGTON'S THEATERS

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. KEARNS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEARNS. Mr. Speaker, no civilized nation or its National Capital destroys its cultural facilities even in wartime except the United States and Washington, D.C., as the First and Second World Wars and the present shows.

President Kennedy has a great responsibility to save the fast disappearing theaters in the Nation's Capital. This responsibility for leading the way in saving our own cultural facilities is no less than the responsibility he assumed when he asked the Congress to appropriate $10 million to save the ancient artifacts of the Nile Valley. The Congress did appropriate this sum for this purpose.

Certainly, if the President were to show an equal interest in the art and culture of our Nation's Capital the citizens of this Nation would support him overwhelmingly. Even the members of the Board of Commissioners, D.C., whom he appointed, would follow his leadership in saving the city's theaters.

While the President has been concerned with saving the art and cultural treasures of other nations, while our foreign aid program has been helpful to other nations in keeping and even rebuilding their theaters and opera houses and in supporting their art programs, the picture in the Nation's Capital is quite different. It shows an almost total lack of official concern with the arts which make our civilization endure and flourish.

Here, because of a seeming lack of interest by President Kennedy, two theaters, the Shubert and the Columbia Theaters, have already been torn down for parking lots.

The Belasco Theater on Lafayette Square, which President Kennedy introduced legislation to save in 1960, is to be destroyed now that he occupies the single most powerful temporal office in the world, and is in a position to act, as well as make speeches.

Soon the Capitol Theater, and the Keith's Theater will be torn down to make way for other far less nationally important purposes.

The Nation's Capital must be encouraged and assisted by the President to become a great cultural center, and to save and use its theaters, as New York City saved Carnegie Hall.

President Eisenhower said it so well, in these words:

> In the advancement of the various activities which will make our civilization endure and flourish, the Federal Government should do more to give official recognition to the importance of the arts and other cultural activities.

If this simple but basic message, even though by a Republican President, were to get through to President Kennedy a whole new era of constructive works in the arts in our own country could be inaugurated.

There is no place that this vital effort could be launched with greater chances of successful accomplishment than right in the Nation's Capital. Let President Kennedy begin here in Washington, D.C.

President Kennedy could begin by saving the Capitol, Keith's, and Belasco Theaters. This would launch a real cultural boom.

Let the good work begin, and let it begin now.

We have had enough of speeches, press releases, and handouts. Please note that Governor Rockefeller, Mayor Wagner, Isaac Stern, and Mrs. Eleanor Roosevelt saved Carnegie Hall in New York City.

Good works are needed a great deal more than good speeches to give heart to the people of our great Nation; though good speeches about saving the fine theaters of Washington from destruction would certainly help.

I include as part of my remarks a recent broadcast by Patrick Hayes, the nationally known concert manager over radio station WGMS, Washington, D.C.

I include also my legislation to save the Belasco Theater and the Capitol Theater, on which hearings will be held soon by the Committee on the District of Columbia.

It is my hope that Members of this House on both sides of the aisle will join me in the introduction of legislation to save the cultural facilities of the Nation's Capital.

H.J. RES. 826

Joint resolution to amend the Act of April 29, 1942, establishing the District of Columbia Recreation Board, to provide for the restoration and use of the Belasco Theater on Lafayette Square in the Nation's Capital as a municipal theater as proposed by President Kennedy in 1960, to provide that such theater shall be used solely as a children's theater and art center so as to provide cultural fare superior to many of the movies and television programs seen by millions of children today, and to provide that such theater shall be known as the Caroline Kennedy Children's Theater and Art Center

Whereas President Kennedy introduced legislation in the Senate in 1960 to restore and use the Belasco Theater on Lafayette Square as a municipal theater; and

Whereas many of the movies and television programs available to children in the Nation's Capital and in other cities have been denounced by civic and religious leaders, parents, and teachers as contributing to the growing volume of juvenile delinquency and crime; and

Whereas all cities of any size and importance in Europe and the Soviet Union have several children's theaters to present the best of classical and contemporary fine arts for the benefit of children who are the leaders of tomorrow's world; and

Whereas the New York Times and other publications have often compared the Nation's Capital with cities in Europe and the Soviet Union and deplored the comparative backwardness of the Nation's Capital in the fine arts: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That article II of the Act entitled "An Act to create a Recreation Board of the District of Columbia, to define its duties, and for other purposes", approved April 29, 1942, as amended, is amended by adding at the end thereof the following section:

"SEC. 7. (a) The Administrator of General Services is authorized and directed to restore and renovate the Belasco Theater to a condition at least equal to its condition at the time it was acquired by the Federal Government. The District of Columbia Recreation Department shall advise and assist the Administrator of General Services in the restoration and renovation of the Belasco Theater. The District of Columbia Recreation Board shall manage the restored and renovated Belasco Theater as a children's theater and art center, and shall present the best of classical and contemporary fine arts for the benefit of children and, in so doing, shall follow the best practices of children's theaters and art centers in this and other nations.

"(b) The District of Columbia Recreation Board shall establish a Citizens' Advisory Committee, to be appointed by the Board of Commissioners of the District of Columbia, consisting of not more than fifty qualified persons of whom at least twenty-six shall be residents of the District of Columbia, to advise with regard to the art programs and activities carried out pursuant to this section.

"(c) The District of Columbia Recreation Board is hereby authorized to solicit and accept contributions from whatever source to supplement those funds which may be appropriated for the purposes of this section, and, when deemed necessary, may make nominal charges for admission.

"(d) When the Belasco Theater is restored and renovated as a municipal theater it shall be known as the 'Caroline Kennedy Children's Theater and Art Center', and shall be managed so as to honor and uplift all American children—which is definitely not the case with so many movies and television programs viewed by millions of children today—in order that other cities may be encouraged to establish children's theaters and art centers."

H.R. 12457

A bill to establish an Office of Cultural Affairs in the executive office of the Commissioners of the District of Columbia similar to the office of cultural affairs in the office of the mayor of the city of New York and to provide for the acquisition of Loew's Capitol Theater from the National Press Club in the District of Columbia for purposes of a much-needed municipal arts center, such as most other cities have

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "District of Columbia Office of Cultural Affairs Act".

ESTABLISHMENT OF OFFICE

SEC. 2. (a) There is hereby established in the executive office of the Board of Commissioners of the District of Columbia an Office of Cultural Affairs (hereafter in this Act referred to as the "Office") which shall be similar but not identical to the office of cultural affairs in the office of the mayor of the city of New York. The head of the Office shall be a Director who shall be appointed by the Board of Commissioners. The Office shall have such other officers and clerical assistance as the Board of Commissioners may determine.

(b) The Office, under the direction of the Director, shall prepare programs to recognize and stimulate the arts in the District of Columbia; assist nonprofit professional and amateur associations, societies, institutions of learning, and other nonprofit institutions and organizations concerned with the arts; encourage the exchange of performances and of loan exhibitions between eastern cities of the United States; promote utilization of the cultural resources in the District of Columbia; and stimulate travel between eastern cities for the appreciation of education and cultural arts programs and art collections maintained in such cities.

CITIZENS ADVISORY COMMITTEE

SEC. 3. The Board of Commissioners of the District of Columbia shall appoint a Citizens Advisory Committee consisting of not more than fifteen exceptionally qualified persons who are residents of the District of Columbia to advise the Director of the Office of Cultural Affairs with regard to his functions under this Act. Members of the Citizens Advisory Committee shall serve without compensation.

ACQUISITION OF THEATER

SEC. 4. For the purpose of carrying out the functions of the Office provided for in section 2 of this Act the Director of the Office shall acquire by purchase, gift, condemnation, lease or otherwise (as will best serve the purposes of this Act) that portion of the National Press Club Building which is located at 1326 F Street Northwest, District of Columbia, and which is now known as Loew's Capitol Theater. The programs and activities carried on in such theater shall include but not be limited to those which are similar to programs and activities carried on in the New York City Center of Music and Drama, and the New York City Center Art Gallery. The Director of the Office, in making the Capitol Theater available to nonprofit professional and amateur associations, societies, institutions of learning, and other nonprofit institutions and organizations concerned with the arts, shall follow the best practices of other cities as to rental and other charges and conditions of use.

BROADCAST BY PATRICK HAYES, WGMS, SUNDAY, JULY 22, 1962

Good afternoon. It was less than 2 years ago that plans to tear down most of the old buildings on Lafayette Square were announced, to make way on the one side for a big Federal office building, and on the other for a new courthouse. There was an outcry from the citizenry at the time, objecting to the destruction of historic and lovely old buildings, including the Lafayette Square Opera House, better known as the Belasco Theater. A protest meeting was called, and it was well attended by leaders and spokesmen for the artistic groups in the city, and at that one and only meeting a permanent committee was brought into being, the Committee to Save Lafayette Square. The committee did its homework well. The members were kept informed. The news was bad. The plans were very far along, the case for historic and esthetic values was not strong enough to stop them, and politics would prevail. Here was the irony: that for once the plans to destroy old landmarks were not in the hands of private real-estate developers, as was true with the Old Garrick Theater in Chicago and Carnegie Hall in New York City, but in the hands of our Government itself, through the Government's landlord agency, the General Services Administration. When we were told that politics would prevail it meant just that, that since these matters come before the Congress for approval and for appropriations of money to build Federal office buildings and courthouses, the people in favor of these new projects on Lafayette Square and nowhere else had the strength in Congress through their friends which the people, like those on the Citizens Committee To Save Lafayette Square, did not have. The old buildings on Lafayette Square were to come down.

Since those days almost 2 years ago, all of us have been waiting off and on to see the work signs go up on Madison Place and Jackson Place and the wrecking machines move in. We have seen the Brookings Institution move from Jackson Place to its new building on Massachusetts Avenue. We have observed the various buildings put to temporary use, especially by the new and burgeoning agency NASA, which is now housed on the corner where the Cosmos Club used to be. Early in 1961, soon after President Kennedy was inaugurated, there were stories published that he and his artistic adviser William Walton, were looking into the whole situation, and had taken several walks around Lafayette Park to look things over.

Then for almost a year, all was silence. People get busy. People forget. What's done is done. If Lafayette Square is doomed, doomed it is. I was away for 6 days, including last weekend, and did not see the papers of Saturday July 14. I happened to see an editorial commenting on the news that the old Lafayette Square houses were not going to be torn down after all. I then got a copy of the Saturday Washington (D.C.) Post, and there it was on page 1, upper right-hand fold: "Lafayette Square Houses Escape the Razing Crane." You could have knocked me over with something much less than a bulldozer. You rarely hope to win a victory long after the fighting has stopped. But here it is—a victory for historic and esthetic values, for tradition, for beauty.

In brief, plans drawn by two architectural firms, obviously working under instructions, have been scrapped, and their services terminated. A new firm has been put to work, obviously under instructions. The new approach to Lafayette Square calls for saving most of the historic houses to retain the town-park aura across from the White House. The two new buildings are still going up, but will be built behind the rows of historic houses. The large Federal office building on the west of the park will actually front on 17th Street, just up from the Court of Claims building on the corner and in back of Blair House. On the other side, the east side, the new courthouse will be set back from the park side and rise no higher than the Treasury Annex Building. To make room for it, the old Belasco Theater would be torn down.

And here we come to the sad part of the story. The campaign to save the Belasco Theater is what led to the larger campaign to save Lafayette Square. Bill after bill was introduced in Congress about the Belasco. Columns were written, and thousands upon thousands of words broadcast. Save the Belasco, was the cry. And now, the whole square is to be saved, except the Belasco. Ah, the irony of it.

But wait, I hear another shot being fired. Just last Wednesday, July 18, Congressman CARROLL KEARNS put in a bill designed to keep the Belasco spirit alive. It reads: "To provide for the restoration and use of the Belasco Theater on Lafayette Square in the Nation's Capital as a municipal theater as proposed by President Kennedy in 1960, to provide that such theater shall be used solely as a children's theater and art center so as to provide cultural fare superior to many of the movies and television programs seen by millions of children today, and to provide that such theater shall be known as the Caroline Kennedy Children's Theater and Art Center." Hearings are promised on this bill. There is merit in it, merit as solid as existed 2 and more years ago. The Belasco stands, with its history and tradition and its architectural suitability of the age in which it was built. The idea of establishing it as a children's theater exclusively is novel, and worth exploring. It could still be a live theater for general use nightly, with children's performances in the afternoon and on Saturday morning. The question to be asked in the hearings, and as early as possible before the new architects get too far along in plans for the courthouse on that general site, is why it must be the Belasco property that must disappear in connection with the new addition.

The marked photographs in the Post of Saturday a week ago showed a white cross on the third house down from the corner, now occupied by NASA temporarily, and one asks if this opening in the block might not serve whatever purpose the planners have in mind in tearing down the Belasco. I would continue to ask, as one member of the Committee to Save Lafayette Square, why the courthouse has to be built in that location at all. Why not move the courthouse elsewhere, as President Kennedy proposed 2 and 3 years ago in his bill, S. 3280—up near the Supreme Court or over into the southwest development? Then leave Lafayette Square alone, refurbish it as described in the new plans for its future, and restore the Belasco Theater as a live theater.

Preservation of theaters is not only a theme today, it is a crescendo. Turn to page E–12 in the Star, and read Irving Lowens article, "New Plan To Preserve the Capitol Theater," with a photo of the interior of the Capitol at the top of the column; then turn to page E–5 in the Post, and read the whole page about the Keith-Albee Building, and the probability that it is coming down to make way for a new office building. The Washington (D.C.) Post Keith-Albee story is by Wolf von Eckardt, a Washington architectural writer.

Mr. Lowens' article is based on still another bill introduced by Congressman KEARNS. The net result to this bill would find the Capitol Theater taken over by the city of Washington and used as a city center, like the New York City Center of Music, Dance, and Drama. A citizen's board of 15 qualified people would assist the director of the center, and the director would also become the head of a new office in the city government, Office of Cultural Affairs, serving under the D.C. Commissioners.

As Mr. Lowens says, the handwriting on the wall looms for the Capitol; Washington faces a genuine crisis in the performing arts for an indefinite period if the Capitol is allowed to disappear. Mr. Von Eckardt treats the performing arts side of the Keith Albee story more lightly. He says there is much doubt whether Washington could support another legitimate theater beyond the National, Arena Stage, and the proposed NCC. I am inclined to say, "Whoa, there, Mr. Von Eckardt, let's talk that one over a little bit." With the National Cultural Center still 5 or more years away, and no program yet announced for it once open except that it will not house Washington artistic organizations, are we to settle down and be confined to the National Theater, one Arena Stage, and even the Capitol with its occasional stage presentations of ballet and opera? As for the Keith's Theater, it is true that it has been a motion picture house exclusively for over 20 years now, but it is a theater and could be used for theatrical expansion any year now. And Mr. Von Eckardt is as wrong as he can be in declaring that the Keith stage is far from ideal. He doesn't say ideal for what.

The fact is, that for dramatic productions, musical comedy, light opera, small scale grand opera, ballet, such as American Ballet Theatre, the Keith's Theater has a stage with a 45-foot proscenium opening, measures 70 feet wall to wall backstage in width, 45 feet in depth from footlight to backwall and has 40 dressing rooms. Backstage needs refurbishing, and the orchestra pit needs restoring and enlarging. But in outline and construction, the Keith stage and auditorium is as ideal a place to play as many in the United States of America and Europe. If it goes, at a time when Washington is ready to expand onto such a stage in the performing arts, it will be a crime.

Lafayette Square is saved; long live Lafayette. Will we presently be able to say: "The Belasco is saved; long live CARROLL KEARNS." Will we presently be able to say: "The Capitol Theater Is Saved; long live the National Press Building Corp. and the city fathers." Will we presently be able to say, "The Keith Theater is saved; long live Morris Cafritz." Or will we hear the roar of the rhinoceroses as they take over these precious properties—I refer to the stirring play at the Olney Theater I saw just last night. The rhinoceroses would, of course, be the bulldozers, the wrecking machinery, the welding machines.

SMALL BUSINESS AND THE EXPORT MARKET

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. KEARNS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEARNS. Mr. Speaker, Mr. George Burger, vice president of the National Federation of Independent Business, recently commented on the steps being taken by the Department of Commerce to expand exports and to improve services to American exporters at home and abroad. He testified before the Senate Commerce Committee on the basis of a study he made in several major foreign countries.

Mr. Burger urged that emphasis be put on a real "selling job" by the Department of Commerce, and other Federal departments and agencies, and that sufficient manpower be provided American embassies to enable them to carry out the very important task of helping American small businessmen enter fully into our export markets. He pointed out that—

> The giant corporations operating on the international scene are well able to cover the waterfront in the markets throughout the world.

I include Mr. Burger's testimony in my remarks for the information of my colleagues from both major parties who are naturally concerned, in this election year, to see to it that our 4½ million small businessmen are given an opportunity to obtain their fair share of the developing export markets of the world.

STATEMENT OF GEORGE J. BURGER, VICE PRESIDENT, NATIONAL FEDERATION OF INDEPENDENT BUSINESS, WASHINGTON, D.C., BEFORE SENATE COMMERCE COMMITTEE, APRIL 4, 1962

I am George J. Burger, vice president and in charge of legislative activities through the Washington office of the National Federation of Independent Business. Our head office is located in San Mateo, Calif., and division offices located in Cincinnati, Ohio, Chicago, Ill., and New York City.

Our membership in the 50 States totals 177,051, all individual members comprised of independent business in the production and distribution field, and also professional men.

Mr. Chairman, I am more than pleased to be invited to attend and give my views on the objectives of the committee hearings to explore steps taken by the Department of Commerce to expand exports and improve services to American exporters both at home and abroad. The committee is to be complimented on this important undertaking, particularly at this time when proposals are pending before the Congress for more liberal trade agreements, etc., and the pending Common Market operations in the many European nations.

It goes without saying that independent business in the 50 States has a vital stake in this tremendous undertaking of the Government and furthermore, the action of the committee in exploring the overall.

The views that I will express are my personal views. I do believe, however, that the views I express may meet with concurrence of many in small business, particularly in the production field throughout the 50 States.

I need not tell you and the members of the committee that I was most impressed at the time, shortly before leaving on my annual vacation which planning was for a trip to certain European countries, which included visits to England, Belgium, Holland and parts of Western Germany, to receive the copy of the letter that the chairman directed to the Honorable Secretary of State, Mr. Dean Rusk, under date of September 11, 1961, in which he advised the Secretary:

"In addition, however, we have tried to enlist, wherever possible, the aid and support of private citizens. When U.S. citizens travel abroad they are in a position to gather much valuable information that is not always readily accessible to officials of our Government.

"I have, therefore, asked Mr. George J. Burger to serve as a consultant to this committee while he is abroad.

"I have asked Mr. Burger to confer with businessmen in Europe on problems of mutual interest and concern."

It is important to note that under date of September 19, 1961, a communication was addressed to Embassy officials at Bonn, Brussels, Dusseldorf, Frankfurt, London, Rotterdam, and The Hague by Mr. Bowles, acting for Secretary Rusk. A summary of this communication is as follows:

"The usual courtesies and appropriate assistance are requested for Mr. Burger when he calls at the addressee Foreign Service posts."

Believe me I was most pleased with this signal honor and it is my hope that the results of these visits with Embassy officials in London, Brussels, and Amsterdam will prove of value.

In my visits with these Embassy officials, immediately after the conclusion of these conferences a letter was directed to the chairman of the committee giving a full report of each visit. In this I had the exceptional cooperation of Embassy officials in the use of Embassy clerical personnel for preparation of the letter. It is to be understood that at the time such action was taken there was no attempt at censorship on the part of Embassy officials. They immediately received copies of my letter directed to the chairman, for their files. It must be stated that the Embassy officials I visited with in the respective countries extended to me all courtesies.

My first visit was with Mr. Sam Lincoln Yates, First Secretary of the Embassy, Grosvenor Square, London, England. The committee chairman has a report of that visit and if he deems it advisable such report could be made a part of the record of this hearing.

I will attempt to summarize the high spots of that visit with Mr. Yates:

"It would appear that in the commercial section of the U.S. Embassy here they are undermanned, and it is believed that if they had the necessary personnel their activities here would be of considerably more help to small business in increasing its share of the export market.

"One other important development that I overlooked in the forepart of this letter regarding my conference with Mr. Yates was the trade center, recently opened, which displays American-made merchandise."

It is significant to note that through this conference with Mr. Yates he gave me the lead as to the trade center activity of the Department of Commerce, St. James Street, London, England, in which he recommended that I personally visit the trade center and get the full information on its overall operations.

I followed through on his suggestion and conferred with the Government official, Mr. Clarence C. Pusey, and again received all courtesies, with full information extended to me as to the purpose of my visit.

I visited the Trade Center headquarters the day after they had just closed an exhibit and were getting ready for an exhibit of American merchandise of another product at a later date. A summary of the results of that conference follows:

"Of course, Mr. Pusey is very optimistic about this venture of our Government, with the hopes that it will encourage foreign buyers to take on various lines of American products.

"It is my opinion from the visits today that the feeling is greater publicity should be given to the planning of the Federal Government on this important move to increase exports. It would be my belief that extensive publicity should be utilized in the foreign press, acquainting them with the action of our Government. This publicity should be consistent, and if there is need for expenditures by the Federal Government on this phase it would be a good investment.

"It would appear from the store space that would be available to exhibitors there might be reasons to consider the space allocation so that some larger institutions would not gobble up all the space and eliminate the opportunities for efficient smaller producers to avail themselves of this opportunity.

"It would also appear, and it is my observation, that this trade center activity should be amply manned with competent help so it in turn would be able to do an effective job in following up on inquiries, etc.

"Finally, it looks to me like a selling job, and a real selling job by our Federal Government to make this important operation click."

It is interesting to note in both of these visits in the London area, requests were made to me to extend my stay and visit with other factors in that area on increasing imports of American merchandise. Unfortunately I was traveling on a schedule due to the fact that the schedule was made up prior to the appointment by the committee chairman, so I had no alternative but to proceed accordingly.

I did note in some spots in greater London, plant operation of one of America's big industries.

I was very much impressed as to the small business operations in many of the greater London areas—small stores. I found no evidence of discount houses or any great corporate merchandising chains. I did note in some of the stores, American merchandise well displayed. Nor did I see any evidence of the trading stamp gimmick.

At the same time in the visit in London I had the privilege to confer with a representative of American business trade press, namely the Fairchild Publications. The conference was very interesting and most helpful insofar as the overall small business picture was concerned.

My next visit was with Embassy officials at Brussels, Belgium, Mr. Stephen E. Schneider, Second Secretary of the Embassy of the United States of America.

It is to be noted that in this conference Mr. Schneider was unaware of the Trade Center activity of the Department of Commerce in London, at which time it gave me an ample opportunity to explain its operations in an attempt to increase exports for American businesses. A summary of this visit follows:

"From this point on it is my view that the information I gathered in my visit with the American Embassy in London, that the Trade Center venture now taking place in London in cooperation with the Department of Commerce and Agriculture would be helpful if it were duplicated in other important Embassy locations, or, on the other hand, that these various Embassies close to London could be placed in a position to notify interested people of the Trade Center activity and if necessary send on representatives from the various Embassies to review the exhibits. Such action being taken would open up the door, in my opinion, for small business in the States to gain a greater percentage of exports in the Continent. For example, during October and November, the Trade Center will feature an exhibition for adults' and children's clothing. The Embassies in various neighboring countries utilizing existing trade lists which they have prepared could circularize interested firms and perhaps enclose descriptive material about the Center's activities, thereby giving the Center wide coverage."

Again, at the discretion of the Chairman, he may desire to have this complete report included in the record of the hearings.

My third visit was with Mr. Frank S. Wile, Consul of the United States of America, American Consulate, Amsterdam, Holland.

It appears to me that Mr. Wile made a splendid observation to me in this conference as to the advisability of American producers desirous of increasing their business in that area (Holland) considering "trial orders," as he stated, due to the shrewdness of the Hollander, as he might be willing to gamble on the probability of the sale of American merchandise on a trial order of $1,000 which would look small to an American producer but to the Hollander that represented 3,000 or more guilders. I believe that observation is one that should be considered as after all, in substance, it's like the saying "Mighty oaks from little acorns grow."

A further summary of my conference with Mr. Wile is as follows:

"In my visit with Mr. Wile today, my observation due to the conference—again I repeat my observation—that the recent announcement of the trade center in London, sponsored by Department of Commerce and the State Department, there was not enough publicity given to this important overall operation. For example, the exhibits to take place in the trade center, that began in September and will terminate in June 1962, there should be more information of the type of exhibitors that will exhibit in these coming exhibits; for example, the names of companies, where they are located. If such action is instituted to bring about more information, I am sure that the embassies throughout Europe, through the commercial attachés, will be able to bring greater interest of potential buyers from the various companies to this trade center in London.

"It would appear that the opportunities abroad for small business are here, provided small business in the production field could come to some understanding in the selection of a representative to represent them abroad. This would overcome their having a personal representative by getting together with other smaller producers of different lines of merchandise, and he in turn would represent that group and would be in constant contact with potential buyers."

Again, it may be possible the chairman would desire to have this entire report made a part of the record of these hearings.

Due to my advance planning, traveling on schedule, it was impossible for me to personally confer with Embassy officials in Western Germany. I regret this because I believe that visit would have proved most important and helpful.

It is to be noted on my return trip to the States, traveling from Rotterdam by steamer, that I met a gentleman from the Northwest who stated, in criticism of our Government, their failure to enter the Common Market, and more important, to get busy on the common currency. I played mute and asked him the reasons for his recommendations on common currency. He stated that he was not able to have his bills paid in some foreign countries unless he accepted the currency of that country. I merely make mention of this due to the problem now before the Congress of the United States.

Since my return to the States, there has been a constant flow of communications between myself and the Embassy officials, keeping them advised of developments and they in turn advising me of developments as to trade center activities.

It is to be noted after my return to the States, many Members of Congress or congressional committees who were aware of my assignment during my European visits have expressed great interest in the results of those visits, including the Small Business Administration.

Shortly after my return to the States, in an effort to obtain more detailed information on the operations of trade center activities abroad, I contacted the Department of Commerce for more detailed information as to their operations. They have been most cooperative in answering all requests.

My interest was as to the knowledge that small business throughout the Nation had on the activities of this trade center movement, and the reason for my action was confirmed in visits in Eastern States, Middle West, and the Far West with small producers who were interested in the export field but who were unaware of the Department of Commerce trade center activities along this line.

It is interesting to note at this point, in further confirmation, that in a joint meeting with Small Business Administration officials covering the districts of St. Louis and Kansas City, such meeting being held at the St. Louis Ordnance Station in November 1961 out of a clear blue sky a Small Business Administration official asked me: "In what way could we increase the activities of small business in the export market?" He stated he had to get any and all information from outside sources. I was amazed at this because of my recent visit abroad, under instructions of the chairman of the committee as well as the cooperation from the Department of Commerce upon my return.

It so happened that a Commerce official was present at that gathering, at which time I called for a conference of all the interested parties, and the Commerce Department official explained the situation, as his activity at that time was to acquaint small toy manufacturers in that area who were interested in the export business, and strange as it may seem Small Business Administration officials were not aware of this.

A similar incident happened in San Francisco where the top staff members of the

Small Business Administration were present. Due to the incident in St. Louis, I mentioned my findings abroad. At that point the SBA official presented to me an advertisement appearing in the San Francisco paper of a trade center that was to be opened up by Japanese industry, and they had already requested a Small Business Administration loan to finance the exhibit, the loan to be guaranteed by a letter of credit, as it was impossible for the Japanese to release American dollars to pay for the expense, but they expected to sell enough merchandise to cover their obligation.

So, Mr. Chairman, if this was happening at that time in those areas, would it be possible that a repetition is taking place in other areas throughout the Nation? I am not making any charge as to where the fault rests, but it is self-evident that real publicity must appear in the press of a nature that industry would note. I state this because in my visit in London I believe the question did come up at that conference as to the failure to get the proper publicity as it was a dry issue for the average reader. So this could be overcome, I believe, with spot ads that surely would be noted in the press by the readers, similar to the ads being run by the Japanese.

On the other hand, talking to representatives of the alcoholic beverage industry, the larger factors—they were well aware of the exhibit that was to take place in late November at the trade center in London—very well aware of it, but when I mentioned this information to Members of Congress in States where small producers in such industry operated they lacked the knowledge of the trade center activity.

My action with the Department of Commerce after the visit abroad and the visits in the States upon my return was with reference to two items—one, the allocation of space for exhibitors, and two, in what way, manner, or form were public relations funds put together and expended? I believe the latter is the key to success or failure of the expected activities of these trade centers. It's a selling job, requiring real salesmanship approach to the overall proposition.

It was common knowledge in my visits with the various Embassy officials of the operations of many American giant industries abroad. In fact, I noted some of these in my various visits, so in view of the recent developments on the Common Market, due to a speech by Mr. Peter T. Jones, Deputy Assistant Secretary of Commerce for Trade Policy, I wrote Mr. Jones under date of January 30, 1962, for full information, and in part I said:

"In part of your remarks you state: 'In 1960, France bought about a million dollars' worth of American tires. West Germany, too, has a large tire industry. At present, American tires entering France are dutiable at 13 percent; the West German tires about 11 percent. By 1970 no duty will be imposed on the German tires, but the American tires will be subject to a duty between 19 percent and 22 percent, under present schedules.' "

"It was reported in the Wall Street Journal January 29: 'With 20 tire plants in foreign countries, Firestone is capable of serving the fastest growing tire sales areas abroad.' "

"Now, will those plants be affected, or will they be participants in the Common Market in Europe?"

It is to be noted, Mr. Chairman, the letter that I received in answer:

"Thank you for your letter of January 30, 1962, concerning your interest in the Common Market and its effects upon U.S. business operation.

"In regard to your question about U.S. firms operating abroad, any firm established in accordance with the laws and regulations of a member state of the Common Market generally becomes a national of the country in which it is located. Regardless of ownership it enjoys the same legal and practical advantages (including the reduction of tariffs and other trade restrictions within the Common Market) as any other firm located within that country.

"I am enclosing an article from the Foreign Commerce Weekly on U.S. investment in the Common Market region and also the text of a recent speech by Under Secretary of State Ball concerning the response of the United States to the challenge of new economic organization in Europe.

"Sincerely yours,

"PETER T. JONES,
"Deputy Assistant Secretary for Trade Policy."

Recently a conference was held at my office with a representative of the Office of Small Business, AID (State Department). The gentleman seems to be well posted on foreign trade, due to his longtime stay, as he advised, in the Middle East and the Far East. This gave me an opportunity to check and double check, due to his experience as he claimed with commercial attachés. Now note, Mr. Chairman, these were his views and not mine, but I am merely giving them to the committee for what they may be worth in the way of help. The report of this conference discloses in part:

"I went into the aspect of the operations of our commercial attachés—how effective their work is in increasing American exports. He was very definite that the present operation of commercial attachés of our Government is merely 'statistical collecting agencies,' and he added in very definite terms that we should take a page from the book of the Canadian commercial attachés who go out and drum up business. He was very definite on this and further remarked that this line of operation is also used, particularly by the German and Italian commercial attachés, some of whom even go so far as to carry a catalog. He was very emphatic that the commercial attachés of these countries do not conduct their business over a cup of coffee but act and speak most vehemently in the conduct of their business.

"He added that it might be advisable to even employ Germans and others among our own commercial attachés due to the fact that they are raised with this problem and trained from early childhood."

Mr. Chairman, it is my opinion that both small and large business owe you and the committee a vote of thanks for exploring the overall situation that I have covered in my statement. It is self-apparent that the committee's action was noted and has been productive. I state this in view of a letter received from Mr. Yates of the American Embassy in London under date of March 6, 1962. I must say this much, that the scene has shifted and now is far different than it was in late September 1961. He states in part as follows:

"I believe it will be useful for me to bring you up to date on our staff situation here so that you may be able to speak from current information. When I talked to you last fall, we had 4 officers and 13 local assistants allocated for commercial work. We were short one officer of that allocation. Since that time, our allocation has been changed to 7 officers and 18 local assistants. We now have five of the seven officers, another is due this spring, and the seventh will probably arrive by midsummer. We also now have 17 of the 18 local assistants allocated. This provides an adequate staff to support our trade center operations, and to provide minimum essential services for other aspects of commercial work. In fact, we are not now requesting additional personnel, although we could put them to good and profitable use if they were available. I believe that if congressional appropriations for commercial work overseas are substantially raised, we may review our staff level and ask for another small increase. However, considering the money now available, we believe that we have our share, and are, of course, able to do a much better job than when I talked to you. We shall do better still when the other officers now allocated actually arrive.

"Our experience at the trade center so far has been most impressive. Under the best of circumstances, the trade center does a job for American manufacturers which could not be done in any other practical way in placing their goods before the British distributive trade. Even for the trade shows which are not that successful, the trade center creates substantial American exports. We believe that the trade center program will prove a highly profitable one for American business."

It is possible before I make this statement I will have similar views from other Embassy officials.

It is my honest opinion that all emphasis should be put on a real selling job by the departments entrusted with these activities, and particularly the commercial attachés who must be well armed with the facts so that they can go out and do a real selling job, and that they have sufficient manpower in these embassies to carry out this very important assignment as a real help to American small producers because it was stated in one of my visits, and in fact in all my visits with embassy officials, as to their sincere interest in small business in the production field, and as one remarked: "The giant corporations operating on the international scene are well able to cover the waterfront in the markets throughout the world."

The responsibility now will have to rest with the Congress and the Government agencies in carrying out the will and intent of Congress to see that we follow a similar progressive pattern in the export field in which Germany and various other foreign countries have been most successful.

It would appear to me, up to this point, that the reported progress made in the activities of the trade center in London, and the optimism prevailing at the moment, that if the same situation would prevail where additional trade centers were established by the Federal Government, this could go a long way to increase exports of American producers on a strictly business basis, and thus reduce the giveaway program.

Further, it might be well to give the establishment of such a program an opportunity for development before taking drastic action as it relates to tariffs and the Common Market.

In conclusion, it is my hope, Mr. Chairman, that my assignment has been productive in developing the needed information for you and your committee.

PRESIDENT NEGLECTS ATOMIC ENERGY RESPONSIBILITIES

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HOSMER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOSMER. Mr. Speaker, under the law the U.S. Atomic Energy Commission shall be composed of five members. Since the first day of this month the Commission has been composed of only three members because of Presidential neglect. The former members of the Commission who left office on June 30 indicated their intents to do so well in advance. There was no timebind which prevented the administra-

tion from selecting replacements and obtaining necessary FBI security clearance in ample time to have filled these vacancies promptly by new appointments.

True, there is talk of abolishing the Atomic Energy Commission entirely next year. That is a factor in obtaining replacement Commissioners. But it is not a bar to obtaining them. There are over 180 million people in these United States. Amongst them surely there are at least two persons who are qualified, loyal and willing to take on the responsibilities of Atomic Energy Commissioners, even if for something less than the statutory 5-year term.

Until such time as the Commission may in fact be abolished and the Nation's atomic energy establishment and efforts placed under some other kind of management control, it is still the AEC which must carry on this important and vital function. Decisions which affect the entire gamut of atomic energy, both its peacetime and its military aspects, must continue to be made. These decisions must continue to be made wisely and according to the law. This necessitates a full Commission in full operation, calling on the best talents of five men of highly diversified experience, background and talents, not a three-man Commission which is contrary to the intent and spirit of the law and is starved of the inputs which two qualified and outstanding additional Commissioners could make in its deliberations and decisions.

In failing to seek out and appoint these persons the President is failing to carry out the law and one of the duties of his office, a vital duty because there are few matters of greater importance to the Nation than the operation of its nuclear scientific activities which, by tradition, law and necessity, are heavily in the hands of Government operating by and through the AEC.

The present situation is that the three-man Commission consists of two scientific members, each of which is relatively new to the job and relatively unskilled in the political nuances of AEC's nonscientific policy responsibilities, and one seasoned member, Dr. Wilson, a former industrialist. It is quite apparent that the Commission must deal not only with matters of science, but as well with matters of high policy and complicated administration which deeply affect the welfare and safety of the United States and the entire free world. There is great need that the Commission's deliberations be assisted by the contributions that additional nonscientific members, skilled in the resolution of political, administrative and other important nonscientific problems, can make. The legislative history of the AEC is replete with the necessity for just such leavening judgments to insure that the Commission carries on its functions in the wisest ways and in the highest public interest.

Mr. Kennedy ignores these considerations and necessities in his failure to fill out the Commission vacancies. Moreover, should he merely appoint nominal replacements to fill up chairs for whatever remaining life the Commission has, he also would be ignoring them. What the Commission requires and what the Nation needs is minds, not bodies in these positions. And, these minds must be honed by education, experience, discipline and skill in the exercise of authority to the sharpness required to pierce the manifold urgent problems yet remaining for the Commission while Congress studies and resolves the problem of successor management machinery, if any. If the difficulties involved in originally establishing the Commission concept are any indication, this task well may be a lengthy one and those appointed to the Commission, if the President sees fit to assume his responsibilities in that regard, may serve much longer than the brief year period some now predict.

THE BIG EARACHE

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. Moore] may extend his remarks at this point in the Record and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MOORE. Mr. Speaker, under unanimous consent, I include in the Record the editorial by William D. Evans, Jr., the distinguished editor of the Fairmont Times, Fairmont, W. Va., entitled "The Big Earache."

I think it is significant to draw to the attention of the House the last paragraph of this editorial wherein the editor states:

> Putting the best possible construction on McNamara's decision, West Virginia has suffered a serious economic blow. Just when things appeared to be as bad as they could possibly get, the situation took another turn for the worse.

The editorial follows:

The Big Earache

Few men, in or out of the Federal Government, are qualified to pass judgment on whether the radio telescope at Sugar Grove would have been rendered obsolete by sophisticated satellites before the Navy completed its construction. The ordinary layman is certainly in no position to second-guess Defense Secretary Robert McNamara's decision to suspend work on the $195 million project, commonly known as the Big Ear.

Here is a facility, started under the Republican administration, which was originally scheduled to cost on the order of $79 million. Some $42 million already has been spent, another $60 million has been contracted, and Congress has appropriated a total of $126,257,000.

McNamara asserts that it will cost the Government between $30 and $40 million to settle the unfinished contracts, which would bring the total outlay to the neighborhood of $72 to $82 million. The Defense Department Secretary contends, however, that the Government will save at least $115 to $125 million by not going on with the job, which the best estimates now indicate will cost $195 to $200 million or more.

These figures, every one of them, are beyond the comprehension of the average individual, yet they represent but a small part of the Nation's annual bill for defense. No one has explained why the estimated cost has more than doubled since the project was started if, at the same time, improvements and modifications were not being made in the plans to bring the intricate device up to date.

Discussing the situation with the West Virginia congressional delegation, McNamara said that the decision to "phase out" the project had been reached a month ago. Yet, as Senator Jennings Randolph pointed out, not one of them was given the courtesy of more than a few hours' advance notice of the Secretary's announcement.

Moreover, it now appears that the Defense Department already had reached its decision to close down the Sugar Grove project before the Area Redevelopment Administration approved a grant of $1.7 million for the development of a tourist center around the "Big Ear." McNamara said closing down the project had been under discussion since last April with the "appropriate committees" of the Senate and House, but apparently because no West Virginians were members of either, they were not advised.

Last November and again along about April, flat denials were made that the Navy intended to suspend work on the radio telescope because its financial load had become too big for the Department to carry. It was on this premise that the ARA presumably went ahead with its approval of the tourist center plans.

Much will be made of the "broken promises" of President Kennedy to do something about the economy of West Virginia. Oddly enough, a great deal of the criticism of McNamara's decision will come from the identical sources which never cease prating about overspending in Government.

In the light of McNamara's statement that the decision was reached a month ago, it seems hardly possible that the action was taken on orders of President Kennedy as retribution for Senator Randolph's antiadministration vote on the medicare amendment to the welfare bill, as some now suggest. There is no indication that Kennedy has ever acted in this fashion. On the contrary he remains on the best possible terms with such lawmakers as Senator Smathers, of Florida, who has been rather consistently found with the antiadministration side on several key issues recently.

At the risk of seeming to belabor a point, we must again express the opinion that the lack of communication between the various branches of the Federal Government, three separate examples of which have directly involved West Virginia within a week, is inexplicable.

Why ARA would approve a tourist development without first obtaining assurances that its center of attraction was going to be completed is a mystery locked somewhere in the unfathomable reaches of Government bureaucracy.

Putting the best possible construction on McNamara's decision, West Virginia has suffered a serious economic blow. Just when things appeared to be as bad as they could possibly get, the situation took another turn for the worse.

CONFIRMATION WITHOUT COMFORT

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. Moore] may extend his remarks at this point in the Record and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MOORE. Mr. Speaker, all West Virginians were disappointed by the action of the Defense Department in canceling the proposed defense installation at Sugar Grove, W. Va. The "big dish" held promise as West Virginia's only major defense installation, that while contributing to our national security, it would be a drawing card as a tourist center.

Even the Area Redevelopment Administration felt this was so, for they had approved a grant of $1,400,000 toward such a tourist center and recreation project.

Since the cancellation of the defense project, several assurances have been given by various individuals high in the administration's councils that better news would be forthcoming for our State. The latest comment upon this was by Secretary of Commerce Luther H. Hodges at a press conference in Charleston, W. Va.

Under unanimous consent, I include an editorial by William D. Evans, Jr., editor of the Fairmont Times commenting on that press conference, and may I also add in the words of the editorial "that the people of West Virginia are expecting more than verbal bouquets from the Kennedy administration." This is a unique editorial. Mr. Evans is a strong advocate of the Kennedy administration:

CONFIRMATION WITHOUT COMFORT

There was some satisfaction, if not a great deal of comfort, in the remarks of Secretary of Commerce Luther H. Hodges at a press conference in Charleston Saturday concerning the lack of liaison between various agencies of the Federal Government.

Commenting on a grant made by the Area Redevelopment Administration—which comes under his jurisdiction—for a tourist center at Sugar Grove after the Navy already had decided to abandon the radio telescope project there as obsolescent and too expensive, Hodges used almost exactly the same words as this newspaper had employed in calling attention to the matter.

"Too often this bureaucracy of ours," he said, "seems to make it a practice not to let the right hand know what the left hand is doing."

He made it plain he believed ARA should have made some effort to find out what the Defense Department's plans were relative to the "Big Ear" before approving the tourist center grant. Hodges shrugged as he spoke of the bureaucracy, which a dynamic executive like himself must find more frustrating every day.

The Secretary said that the Weather Bureau and the National Bureau of Standards, two other agencies under the Department of Commerce, would examine the possibilities of taking over the Sugar Grove project to see if any use can be made of the facility. He wasn't too hopeful in this respect, however.

Meanwhile, an effort to have the ARA grant transferred to the "Little Ear" at Greenbank will be made by the State. The attraction might not be as great, but from all present indications, this facility is going to be developed without a hitch by the National Science Foundation.

Even knowing that a member of the President's Cabinet is in accord with the statements voiced here last week relative to the inability of Government agencies, or even various levels within the same agency, to communicate with each other does not take away the sting of the cancellation.

Some hope can be taken, however, from the Secretary's assertion that ARA projects will begin rolling six times faster than in recent months. It has taken time to "get them into the pipeline," as he put it, and now they will begin receiving final approval in rapid-fire fashion.

Hodges is well acquainted with West Virginia and its problems, as he has demonstrated on many occasions. It is our impression that he is going to make an extraordinary effort to do what he can to overcome the blow to the State's general economy suffered by the loss of the "Big Ear."

Doubtless he heard many times while on his trip to Charleston that the people of West Virginia are expecting something more than verbal bouquets from the Kennedy administration. We have a feeling that he is going to pass that word to his boss, too.

FREE ENTERPRISE GOES ALOFT

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. KEITH] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEITH. Mr. Speaker, I was thrilled, along with all other Americans, at the dramatic success of the communications satellite Telstar. This was a demonstration not only of American superiority in space science and technology, but a vivid illustration for all the world to see of what may be accomplished under our system of free enterprise. Telstar was a pioneering space venture and one that was achieved by private industry and government, working hand in hand for a common goal.

An editorial in the Standard-Times, of New Bedford, Mass., comments on the importance of allowing this development by private industry to continue. I commend it to those respected Members of the Senate who are now considering legislation which would insure a constructive role for private industry in the exploration of space and space communications.

The editorial follows:

FREE ENTERPRISE GOES ALOFT

The successful launching of the communications satellite Telstar was a soaring rejoinder to Premier Khrushchev, who, at the time it went aloft, was charging, "never before have war preparations been carried out on such a gigantic scale."

Telstar, better than any statement, reaffirmed what the United States has maintained, that its exploration of space and rocketry has peaceful and utilitarian objectives as well as those concerned with defense.

It was also a triumph for free enterprise, the system that the Soviet Premier has predicted will be engulfed by the planned economy of state-dictated communism. The 34-inch ball contains some 16,000 parts and largely was assembled by engineers of the American Telephone & Telegraph Co.'s Bell Laboratories.

The cost of the launching, including the Thor-Delta rocket propulsion, came from A.T. & T.'s coffers. And the satellite's principal ground relay station is a $50 million project at Andover, Maine, developed and built by the huge telephone concern.

Congress is in a position to stamp "well done" on this first venture of private U.S. business into the space field, by approving a Kennedy administration bill that would put further development of communications satellites under private enterprise.

The legislation has been overwhelmingly approved by the House, but has languished in the Senate while a group led by Senators KEFAUVER and GORE, of Tennessee, and MORSE, of Oregon, all Democrats, have talked against it. They want control kept by a Federal corporation, such as the Tennessee Valley Authority, and claim that any other course would be a giveaway of Federal funds spent so far in development.

If the potentialities of Telstar are realized, and the Government maintained control of it and its more refined successors, Washington would be competitively occupied in the radio, television, and telephone business.

The legislation carries adequate safeguards against selfish profiteering. It prohibits ownership of more than half of the stock of the proposed commercial corporation by any one company, and a single individual can own no more than 10 percent. Its board of directors would have diversified representation, including members named by the President.

Telstar is a glowing achievement of a partnership of business and the National Aeronautics and Space Administration. The wise course now is to let private enterprise take over from here, while the Government concentrates on other urgent aspects of space exploration.

VICTOR MOORE

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. LINDSAY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LINDSAY. Victor Moore, one of the greatest comedians of the century, died yesterday at the age of 86.

Thousands of theatergoers were stirred for over 65 years to his inimitable comic genius in such alltime hits as "Funny Face," "Leave It to Me," and "Louisiana Purchase." To many he was "Shorty the Bootlegger" in Gershwin's "Oh, Kay" and "Public Enemy No. 13" in "Anything Goes," but to most of us he will always be remembered as the incarnation of Alexander Throttlebottom, the wistful Vice President in the 1932 Pulitzer Prize winning musical "Of Thee I Sing."

As the forgotten man in the smoke-filled, preconvention hotel-room negotiations, as the poor "neb" who staggers unrecognized behind the Capitol tour, and the hapless Presiding Officer of the Senate who is unable to complete the rollcall because he insists upon doing it in rhyme, he gladdened the hearts of all who were privileged to witness his magnificent portrayal and shed a large amount of satiric light on American politics.

He was one of our theater's immortals and left an imperishable comic legacy which even his passing cannot take from us.

PHILIPPINE WAR DAMAGE AWARDS

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. GEORGE P. MILLER] is recognized for 20 minutes.

Mr. GEORGE P. MILLER. Mr. Speaker, I have watched with considerable interest as well as surprise and regret the course of the legislation providing for the payment of the balance of Philippine war damage awards. As the

Members of this House must be aware I have been closely associated with this project since the passage of the Philippine Rehabilitation Act of 1946 and find it hard to believe that at this late date a supplemental law has not been enacted to complete the objectives of the 1946 act as all of us had a right to expect.

I fervently hope and confidently trust that the present Congress will witness the enactment of the long-deferred legislation. I wish to add at this point an observation pertinent to occasional suggestions that the balance of the awards made in favor of individual claimants be paid to the Philippine Government. Such an idea is repugnant to history, illogical, and unworthy of serious consideration. Prior to and during the war and specifically at the time of the enactment of the Philippine Rehabilitation Act the Philippines were still a part of the United States and the purpose of rehabilitating a war-torn portion of our national association was orderly and in due process. The Republic of the Philippines as an independent nation has been in existence for 16 years. The individual war damage claimants who have during all of this time expected from the U.S. Government the payment of the balance of war damage awards made respectively in their favor are the ones to whom the remainder of the obligations must be discharged.

In this connection I again call your attention, Mr. Speaker, to a sound and well-composed article by two well-known lawyers who were closely associated with the Philippine War Damage Commission and are perhaps as knowledgeable as any expert in this field. It is entitled "Unpaid Balance of Philippine War Damage Awards—Debt or Gift?" These gentlemen know the history and operation of the Philippine War Damage Commission from intimate experience with it and I commend their statement to you.

The article follows:

UNPAID BALANCE OF PHILIPPINE WAR DAMAGE AWARDS—DEBT OR GIFT?

(By John A. O'Donnell and Ernest Schein)

Widespread attention drawn to efforts of the Republic of the Philippines to tap sources of additional U.S. economic aid has obscured what actually amounts to an asset of the Philippines long frozen due to failure of Congress to provide funds necessary to liquidation. The credit consists of the unpaid balance of awards made by the U.S. Philippine War Damage Commission nearly a decade ago of more than $100 million which, if released, would have a substantial stabilizing effect on the Philippine economy.

It is true that the President of the Philippines during his recent state visit emphasized his purpose to obtain help which would not require immediate congressional action. According to the communique made public after official talks in Washington, "the Export-Import Bank informed the Philippine Government that it will establish a new line of credit of $75 million for financing private and public development projects" and the Development Loan Fund "would examine specific projects submitted to it to determine whether they would merit * * * financing in an amount not to exceed $50 million." Upon analysis, it becomes clear that the Export-Import Bank only added to resources in existence which had not yet been completely exhausted for the purpose of importing materials from the United States to maintain Philippine industrial projects on schedule. The amount which the Development Loan Fund financing, if approved, would require depends upon congressional action in the form of additional appropriations for this Fund.

President Garcia, in a speech before the National Press Club of Washington on June 19, 1958, mentioned claims among the avenues of potential financial assistance which he would explore, stating "we hope that at a propitious time a careful and definitive review shall be undertaken of a number of outstanding financial claims which the Philippine Government has pressed in the past. The sums involved in these subsisting claims are rather substantial and, if considered and granted in a spirit of mutual understanding and equal justice, would go a long way in strengthening our financial and economic position. Among these are our veterans' claims, and it is our confident hope that they can be met in a manner that is not piecemeal, but that a policy can be laid down that will decide once and for all this problem, the satisfactory solution of which is so vital to Philippine-American relations."

Presumably an undetermined volume of claims of almost infinite variety still unrecognized and undischarged by the Government and courts of the United States will require either legislation, judicial determination or the settlement of new policy by our executive agencies. These claims include not only those of veterans and their families but for procurement of money and supplies from Filipinos by the guerrilla forces, for compensation for property destroyed and reimbursement for requisition and confiscation. Whatever the amount and whatever the category unpredictable complications lie in the path of disposition of these items.

On the other hand, payment of the balance still owing upon the war damage awards made by the Philippine War Damage Commission involves none of the intricacies implicit in the presentation and processing of other types of claims. The Commission, a legally constituted body, has already examined and finally approved claims for war loss and damage. Allowances up to $500 have been paid. Moreover, approximately $250 million appropriated by Congress for the purpose has been paid upon the excess over $500 of larger claims. Remaining now are relatively simple procedures once Congress appropriates the funds necessary to discharge the unpaid balances.

This article is intended to throw light upon the whole Philippine war damage picture which may be fading in the memories of our citizens and public officials. Bringing the subject into clearer focus may assist us in reaching an answer to the all-important question of whether the payment of the balance of Philippine war damage awards constitutes an immediate obligation or is simply an act of grace dependent for execution upon discretion and political determination.

I. EARLY PROPOSALS FOR COMPENSATION OF WORLD WAR II DAMAGES

Congress became concerned very soon after the commencement of the war with the problem of compensating its victims. On March 27, 1942, Public Law 506 of the 77th Congress was enacted authorizing and directing the War Damage Corporation, then in existence, to provide premium insurance effective as of July 1, 1942, against certain losses. By September 30, 1944, the War Damage Corporation under these provisions was notified of prospective claims for losses alleged to have occurred in the Philippines aggregating more than $135 million. Coverage had not been extended to property in these far-off islands because of lack of control of the United States during the period of Japanese occupation. No payments, therefore, were made to Philippine claimants. An added consideration for withholding war loss compensation in the Philippines was the general sentiment in Congress that this subject should be dealt with on a special basis when the occasion should arise.

II. PROVISION FOR WAR DAMAGE PAYMENTS IN THE PHILIPPINES

Early in 1945, it was proposed to amend section 5(g) of the Reconstruction Finance Corporation Act relating to the War Damage Corporation by (1) broadening the definition of war damage; (2) extending automatic free insurance on property in the Philippine Islands (with designated exceptions) beyond the date of July 1, 1942. In connection with this proposal, the Senate Committee on Territories and Insular Affairs read the following from a letter of Jesse Jones, Chairman of the Reconstruction Finance Corporation:

"To summarize, it seems to me that Congress should enact legislation with respect to the overall Philippine situation and should provide for the payment of appropriate compensation for property damage due to combat operations in the islands throughout the period of enemy attack, enemy occupation, and our reoccupation. Since such compensation will have close connection with general relief and rehabilitation in the Philippines, it may be that Congress would want the whole Philippine problem handled by a Filipino Rehabilitation Commission, the members to be appointed by the President and approved by the Senate." (See report of proceedings, hearings before the Senate Committee on Territories and Insular Affairs on S. 104, 79th Cong., 1st sess., 1945.)

Hearings before the committee disclosed that the War Department proposed to pay out of customary appropriations any claims for private property taken for military uses in the Philippines according to common wartime practice. Such claims would not include those based upon property destroyed to prevent capture or seized or destroyed through enemy action. Naturally, therefore, the settlement of losses as a military measure fell short of what was proposed to be done in the direction of compensation for the vast war damage suffered in the Philippine Islands. Moreover, the payment of claims for such losses on the basis of insurance adjustments appeared to be woefully inadequate.

The Senate committee soon recognized that it could not act along traditional lines and at the same time provide fully for war damage compensation and the restoration of property under circumstances prevailing during the battle in the Philippines. It was decided to defer action on S. 104, the bill contemplated for this purpose, pending examination in detail of all of the requirements of the Philippines in connection with its war losses in the effort to develop a program constituting a constructive solution of the whole complicated problem.

Early in 1946 a bill, S. 1610, was introduced in the Senate for the purpose of implementing the proposals emanating from many sources not only to compensate war victims for specific losses but in general to restore the economy and rehabilitate the physical structure of the Philippine Islands. From this bill there emerged the Philippine Rehabilitation Act of 1946 (60 Stat. 128).

The Philippine War Damage Commission, consisting of three members, two from the United States and one from the Philippines, was created to administer the provisions of the law, which in effect had the following threefold purpose: (a) to restore in full the property of the very humble consisting usually of a nipa hut, carabao, and the simplest equipment; (b) to adjust more substantial war losses in a manner analogous to the payment of insurance benefits; and (c) to make available funds for the purpose of furthering the program of physical rehabilitation adopted by the Republic of the Philippines which came into existence on July 4, 1946.

III. SUMMARY OF THE PROVISIONS OF THE PHILIPPINE REHABILITATION ACT OF 1946

The War Damage Commission, under the terms of the law, was charged with the function of receiving, investigating, approving, or disapproving war damage claims covering property lost, destroyed, or damaged during and as a consequence of World War II in the Philippines, and make payment, replacement, or restitution for such losses in accordance with the provisions of the act. The time limit on the activities of the Commission was set at 2 years after the expiration of the period allowed for the filing of claims, in no event later than 5 years after April 30, 1946, the date of enactment.

Losses to be considered by the Commission must have resulted from (1) enemy attack; (2) action by or at the request of the forces of the United States to prevent property from coming into the possession of the enemy; (3) action by civilian or military representatives of enemy or governments cooperating with it; (4) action of the Armed Forces of the United States in opposing, resisting, or expelling the enemy; (5) looting, pillage, or other lawlessness or disorder accompanying the collapse of civilian authority determined by the Commission to have resulted from any of the other perils or from control by enemy forces.

Qualified claimants were (1) those who had an insurable interest in the property alleged to be lost, as owner, mortgagee, pledge, or lienholder; (2) any heir, devise, legatee, or distributee of a deceased person's interest; (3) executors or administrators of the estate of a deceased person for the benefit of such heir, devises, legatee, or distributee.

Furthermore, the claimants had to come under one of the following categories: (1) Citizens of the Philippines or the United States on December 7, 1941, and continuously to the date of the filing of the claim; (2) citizens of a nation not an enemy of the United States in World War II, if he had been a resident of the Philippines at least 5 years prior to December 7, 1941, provided that the country of which he was a citizen granted reciprocal war damage payments to the U.S. citizens resident therein; (3) persons who served honorably in the Armed Forces of the United States or Commonwealth of the Philippines or the merchant marine; (4) churches or religious organizations; (5) unincorporated associations, trusts, or corporations (or their successors if already dissolved) organized pursuant to the law of the several States of the United States or territories or possessions including those organized pursuant to the law in effect in the Philippines but excluding corporations wholly owned by the Philippines.

Specifically disqualified from receiving war damage compensation were (1) enemy aliens; (2) convicted collaborators and disloyal persons; (3) any unincorporated association, trust, corporation, or sociedad anonima owned by any such persons.

Payment was barred (1) if loss or damage to the property was insured except for the excess of the value over the face value of the insurance; (2) if the loss or damage was one for which the War Department or Navy Department was authorized to make payment; (3) if the loss or damage was payable or had been paid or authorized to be paid by the Government of the United States or the Government of the Philippines unless such payment was declined; (4) if the claimant did not file a claim in reasonable conformity with the law within 12 months after the opening date set by the Commission for filing.

The law provided for compensation of all property lost and damaged with the following general exceptions:

1. Accounts, bills, records, films, plans, drawings, formulas, currency, deeds, evidences of indebtedness, securities, money, bullion, furs, jewelry, stamps, precious and semiprecious stones, works of art, antiques, stamp and coin collections, manuscripts, books and publications more than 50 years old, models, curiosities, objects of historical or scientific interest and pleasure aircraft unless such were included in the inventories, supplies, or equipment of a regularly conducted business in the Philippines.
2. Vessels and watercraft, their cargoes and equipment with certain designated exceptions.
3. Intangible property.
4. Property diverted to the Philippines by the authority of the U.S. Government or otherwise as a result of war conditions.
5. Property in transit which was insured against war perils or with respect to which insurance was available.

The amount which was payable in compensation was based either on actual cash value at the time of loss, destruction, or damage, or the actual cost of repairing, rebuilding, or replacing with other property of like quality, whichever was less. In lieu of cash payments the Commission could at its option make payment in whole or in part of the amount payable by actually replacing lost, damaged, or destroyed property with any other property of like or similar kind; and the Commission was authorized to acquire such property, to have the necessary work done, to make contracts and to take such other action as might be necessary for the purpose; and surplus property of the United States was to be transferred to the Commission at a fair valuation for this purpose.

Before payment was made to claimants, the Commission might require that lost, destroyed, or damaged property be rebuilt, replaced or repaired, provided that in the event that the Commission determined that it was impracticable to do this, payment might be made subject to such further requirements as the Commission might impose to insure the application of the awards to the rehabilitation and economic development of the Philippines.

Claims up to $500 each, which would cover the cases of the great mass of war victims, were to be paid in full immediately upon allowance. On larger claims the amount above $500 was arbitrarily reduced under the act by 25 percent. A pro rata, not exceeding 80 percent applicable to all claims was authorized to be paid immediately upon allowance. Whatever funds remained available to the War Damage Commission were to be distributed pro rata among allowed claims. Upon notification of the approval or disapproval of claims and the amount of the allowance, the claimants were given the opportunity to appeal decisions and to have a hearing, but the decisions of the Commission after the claims were finally resolved were final and not reviewable by any court.

Penalties were provided for fraud and a 5-percent limit was placed upon fees for services in connection with the presentation and collection of claims.

Congress authorized the appropriation of the sum of $400 million for the payment of claims based upon property lost or damaged of which $12 million was earmarked for administrative expenses. As a matter of fact, all of the administrative expenses of the Commission were defrayed for a much less amount and ultimately $2,500,000 was returned to the Treasury of the United States.

The act further provided for the payment into the Treasury of money or bullion received by the United States from Japan for reimbursement of the sums appropriated for the payment of claims first to satisfy unpaid balances, then to make up the deficiency of 25 percent by which the claims were arbitrarily reduced. Recovery from Japan never took place.

There were provisions in the act concerning the disposal of surplus property, the restoration and improvement of public property and essential public services and the designation of appropriate agencies to assist within their respective jurisdictions in reaching the goal of complete physical rehabilitation of the Philippines. All of these items of the law as well as amendments subsequently adopted in furtherance of its objectives based on subsequent practical experience will be omitted from the present discussion which is limited to the disposition of claims for loss and damage of private property and the full payment of the awards made by the Philippine War Damage Commission.

IV. DISPOSITION OF PRIVATE PROPERTY CLAIMS UNDER THE PHILIPPINE REHABILITATION ACT OF 1946

The War Damage Commission immediately after organization adopted rules and procedures for the filing and processing of private claims. The period from March 1, 1947, to February 29, 1948, was set for the presentation of all claims. A staff of personnel recruited in the United States was installed in Manila early in 1947 and a working force of several hundred Filipinos and some Americans residing in the Philippines was added to the organization in order to handle the vast workload which was in prospect.

A claim not exceeding $2,500 received a thorough office examination and settlement was based on standard values of property lost which recurred frequently in this class of claims. When data in support of a claim was insufficient to justify determination or there was any indication of fraud or other irregularity, the claim was referred to a branch office in the locality of residence of the claimant for investigation. Moreover, about 10 percent of claims of this size received a field investigation or spot check in order to furnish an occasional reading as to overall validity.

Claims between the amounts of $2,500 and $25,000 were investigated by branch offices; and all claims in excess of $25,000 were checked by qualified personnel actually in the field. Obviously, in postwar Philippines the difficulties involved in considering and settling claims were many and complex. No records were expected from the vast number of claimants for small amounts. Industries with larger claims had lost their books during the fighting and occupation. The best that could be expected was an estimate of damage based on replacement charges which were not compensable in full under the law. Efforts to make a fair appraisal faced such obstacles as the destruction of many buildings and the age of others which had been built during the Spanish occupation. Items of personal property embraced an assortment much of which was foreign to the experience of the appraisers and absent from any known tables of valuation such as abaca, copra, and yautal, an indigenous vegetable.

In a project of the magnitude of war damage compensation there was bound to be an incidence of ignorance, mistake and even fraud which accounted for substantial disallowances. Many claimants who felt that they were entitled to recovery were actually ineligible according to the wording of the law; some property forming the basis of claims was acquired after December 7, 1941, and, therefore, not compensible. In many instances, property was overvalued on the basis of standards adopted by the Commission. As of June 30, 1950, the disallowance rate averaged about 56 percent and this proportion did not decrease substantially during the remainder of the operations of the

Commission. Total disallowances of about 91,000 claims were principally on the basis of the ineligibility of the claimants by reason of nationality. It was observed with some satisfaction that the cases of outright fraud were negligible in proportion to the total volume and dollar amount of claims.

V. PHILIPPINE WAR DAMAGE PAYMENTS

By December 31, 1950, the War Damage Commission had substantially completed its program. The following figures as of that date with respect to private claims were included in the report published by the Commission in March 1951:

Amount group	Number of claims	Amount approved	Amount paid	Unpaid balance
$500 or less	997,924	$132,091,620.40	$132,091,620.40	
$500 to $25,000	247,586	172,172,987.22	130,021,286.83	$42,151,700.39
$25,000 to $50,000	1,676	23,859,876.01	12,850,989.08	11,008,886.93
$50,000 to $250,000	1,374	55,481,604.90	29,344,266.63	26,137,338.27
Over $250,000	338	158,610,481.85	83,181,411.66	75,429,070.19
Total	1,248,898	542,216,570.38	387,489,574.60	154,726,995.73

The final computations of the Commission made in March 1951 do not vary appreciably from the foregoing. The Commission received in all 1,248,901 private claims valued at approximately $1,250 million. Total payments aggregated $388,150,000.

Complying with the provisions of the law and in accordance with a preconceived plan, the Commission, commencing in September 1947, paid up to $500 on all claims allowed. On the basis of an analysis of its resources and a projection of prospective claims requirements, the Commission began in May 1948 to pay 30 percent of the amounts of claims in excess of $500 each. In order to maintain a margin of safety, the Commission continued this conservative policy until August 1950 when it determined that the $400 million authorization of funds for the disposition of private claims would permit a second and final payment amounting to an additional 22.5 percent of each claim in excess of $500. The claimants, therefore, received payment in full up to $500 on each claim and 52.5 percent of each award in excess of that amount.

It will be recalled that the act provided that "in case the aggregate amount of the claims which would be payable to anyone * * * exceeds $500, the aggregate amount of claims approved in favor of such claimant shall be reduced by 25 percent of the excess of $500." In other words, each claimant was expected to receive 75 percent of the amount of his award above $500. The proportion of 52.5 percent paid by the Commission, therefore, still left unpaid an amount equal to 22½ percent.

Even taking into account the considerable disbursement and unpaid balance, the total does not measurably represent fair compensation for the war ravages suffered by the people, agriculture, business, physical structure, and industrial plant of the Philippines. Such damage has been variously estimated as from $800 million to $1,250 million and by some experts at $2 billion.

A voluntary report by 1,328 of the larger claimants of the use of their war damage payments as compared with overall expenditures for rehabilitation and reconstruction indicates that although the Commission had paid them about $137 million, they had actually expended $513 million for necessary repairs and reconstruction.

Much of the responsibility for the financial dislocation represented by the war damage awards as compared with actual losses lies in the provision of the law to the effect that "no claim shall be approved in an aggregate amount which exceeds whichever of the following amounts, as determined by the Commission, is less (a) the actual cash value, at the time of loss, of property lost or destroyed and the amount of the actual damage to other property of the claimant which was damaged as a direct result of the causes enumerated in this section; (b) the cost of repairing or rebuilding such lost or damaged property, or replacing the same with other property of like or similar quality."

Obviously, the cash value at the time of loss was always less than the cost of replacement at postwar prices in the Philippines. The Commission contributed to the further constriction of war damage payments by deciding that the value of a piece of property at the time of loss had to be measured in terms of age and depreciation according to tables adopted by the appraisal experts of the agency.

A fair analysis of the awards made by the Commission including both payments and the unpaid balances reveals that the total compensation did not represent much more than half and possibly no more than one-third of the destruction wrought by the war in the Philippines.

VI. STATUS OF UNPAID BALANCE OF WAR DAMAGE AWARDS

The complexity of the subject of war losses and war claims necessarily evokes careful scrutiny by interested governments of the method and amount of compensation. There is no definable rule under recognized principles of international law requiring a government to indemnify even its own nationals for the deprivations incident to armed conflict. Irrespective of any rigid requirements of foreign or domestic law, international agreements, treaties or conventions, the United States in a characteristic attitude of fair dealing has always studiously observed its obligations, moral if not legal, to make whole in some measure the victims of war loss and damage. In connection with the devastation of the Philippines during World War II, Congress extended its solicitude beyond legal and historical grounds for indemnification because of the peculiar circumstances surrounding our relations with the distant archipelago which not only had been for many years our political responsibility but during the war formed a glorious battlefield in the conflict with a common enemy.

The Philippine Rehabilitation Act of 1946, as we have observed, was a speedy and expedient answer to the pressures of our sense of legal obligation as well as a manifestation of our irrepressible emotions. The legislative history of the act shows unmistakably that the Congress contemplated further action permitting greater deliberation to fulfill the undertakings upon which we embarked through the provisions of the initial legislative step. The report (No. 1921) of the Committee on Insular Affairs of the House of Representatives states: "While the committee feels it is urgently necessary to provide through this legislation (S. 1610) for the rebuilding and restoration of the physical plant of the Philippines, it is generally realized that additional legislation will probably be necessary in the future to augment and supplement the benefits which will be accomplished through S. 1610. * * * It is expected that proposals for additional legislation will be made from time to time by the agencies of the U.S. Government, by the Government of the Philippines, and the Filipino Rehabilitation Commission to meet needs for legislation as they arise."

Since the purpose was clearly expressed "to augment and supplement the benefits" to be accomplished through the act, it may fairly be assumed that Congress intended that first of all, the benefits actually provided by the act should be completely dispensed.

Continuously since 1946 the subject of war claims has occupied the time of our lawmakers. A notable report was made to the President of the United States under the requirements of section 8 of the War Claims Act of 1948 broadly covering claims arising out of World War II. Additional laws have from time to time been enacted making provision for prisoners of war, internees in the Philippines as well as religious institutions not adequately compensated under the provisions of the Philippine Rehabilitation Act. While activities in the field of war claims have been sustained without abatement in interest, the operation of one of the earliest of the war damage compensation acts has been left half suspended.

In each Congress since 1953 bills have been introduced seeking to provide for the appropriation of sufficient funds to discharge the unpaid balance of 22½ percent of the awards in excess of $500 each made by the Philippine War Damage Commission. In the 1st session of the current 85th Congress, H.R. 8791 was submitted by Representative GEORGE P. MILLER of California providing in effect that the sum of $100 million be authorized to be appropriated for the payment of private claims shown by the records to have been approved by the Philippine War Damage Commission to complete the payment of a maximum of 75 percent of the full awards of these claims. No action has been taken upon any of the proposals.

VII. CONCLUSION

Whether or not there was any legal obligation for the reimbursement of World War II victims in the Philippines and whatever the motivation behind the adoption of the Philippine Rehabilitation Act of 1946, it is still true that certain forces were set in motion upon its enactment which may not at this late date be stemmed. War damage claimants were invited to file statements of their losses; administrative machinery was set up for the examination and investigation of their claims; funds to the extent of $400 million were authorized to be appropriated for the purpose of satisfying the claims based upon the loss of private property. More than an implication resulted that the awards made by the War Damage Commission under the act would be paid in full.

It would be idle for our purposes to explore through legal reasoning just what rights arose from the awards of the War Damage Commission. It may be asserted on one hand that the whole compensation program being in the nature of an act of grace, whatever was paid in fact under this program constituted the fulfillment of our undertaking. On the other hand, it may be argued that an award granted a right on the part of the claimant which was measured by not less than 75 percent of the total amount allowed under the law upon the claim by the Commission so that the payment of 52½ percent of the claim above the initial allowance of $500 comprised satisfaction only in part. From this viewpoint, a claimant stands in the position of a judgment creditor against the United States whose judgment has been only partially satisfied.

Considering the intensity of the Philippine war damage effort at its inception and early implementation and the nature of the individuals and corporate organizations receiving the awards, it is reasonable to conclude that the second attitude prevails among them, that is to say, the holder of an award which has not been paid in full feels that he possesses a valuable piece of property in the form of a judgment against the United States upon which a substantial portion of the face value remains owing and unexecuted. Under such an interpretation, Congress may well wish to make immediate provision for the full payment of Philippine war damage awards just as it never fails to appropriate funds for the satisfaction of judgments entered by the courts against the United States.

At least three cogent considerations weigh in favor of the enactment by Congress of legislation necessary to provide for the payment of the balance of the awards made by the Philippine War Damage Commission between the years 1948 and 1951:

1. The desire of the United States to extend aid on a reasonable and justifiable basis to the Republic of the Philippines to bolster its faltering economy;

2. The purpose of the United States expressed in the Philippine Rehabilitation Act of 1946 and in the legislative record behind its enactment, to compensate losses and damages incident to World War II in the Philippines at least to the full extent of the awards made under that act;

3. The necessity for maintaining the credit of the United States, even if moral rather than legal in concept, by paying in full awards of a Government agency which in the hands of the holders assume the character of judgments against the United States of America.

It has been observed that other claims of great volume and variety arising from the war in the Philippines still remain unsatisfied. These, however, are either controversial in nature, questionable as to validity against the United States, unliquidated in amount and often inestimable because of faulty records and other supporting evidence. At best, they require further legislation by Congress or the adoption of new administrative procedures for adjudication and settlement. On the other hand, the war damage claims contemplated and provided for in the act of 1946 have been presented, screened, pared down, and determined as to authenticity and amount. Substantial payments on account had been made. All that remains to be done is the appropriation by Congress of further funds required to liquidate the awards to the extent provided by law. Only in this way can we balance an account which according to a respectable body of opinion entertained not only in the Philippines but in our own country constitutes a valid obligation of the U.S. Government.

UNITED NATIONS: A RACIST INSTITUTION

The SPEAKER. Under previous order of the House, the gentleman from Mississippi [Mr. Williams] is recognized for 5 minutes.

Mr. WILLIAMS. Mr. Speaker, on May 15 I addressed the House, at which time I said that the United Nations had become a racist institution and that its activities constituted a liability to the United States.

In that regard, I would like to call to the attention of the House a speech in London on July 13 by Lord Home, British Foreign Secretary. The British Foreign Secretary warned, according to published reports, that "racialism and aggressive nationalism can kill the United Nations."

The story in the Washington Post, which relayed the Foreign Secretary's opinion, also said that this criticism followed a previous attack on the U.N. by R. A. Butler, British Minister for Central African Affairs, who assailed the intemperance of some U.N. states.

It seems apparent, therefore, that unless the U.N. changes its policies and becomes a constructive and temperate force in world affairs, it is doomed. As matters stand today, it is steadily losing prestige and is coming to be regarded as a mischievous and irresponsible agency.

I said in my previous remarks on this question that the United States must bear a large part of the responsibility for the decline of the U.N. I said also—and I repeat—that this Government seems to be backing the Afro-Asian bloc at the U.N. with an eye to the Negro vote at home. American Negroes have been encouraged by inflammatory propaganda to back the racist course of the U.N. and to identify themselves with ultranationalism and racism in Africa. They are urged to make heroes out of racist leaders like Nkrumah in Ghana and Mboya in Kenya.

Our American Negroes are being exploited. They cannot stand for equality at home while insisting on Negro domination of whites in the newly created African States.

The Washington Post article follows:

Home Says Racialism May Kill U.N.

(By Arthur Gavshon)

London, July 13.—Foreign Secretary Lord Home warned tonight that racialism and aggressive nationalism can kill the United Nations.

The British statesman left no doubt that he was addressing his warning to some newly independent African and Asian states, although he did not name them.

Home accused the Communist powers of letting loose "a tide of malice" in the U.N. Assembly with the sole aim of winning a cheap dividend in power. Discussing this tactic, as one of the factors that could rock and maybe wreck the world body, Home told the General Council of the U.N. Association:

"A small minority in the Assembly subscribe to what they know to be wrong and dangerous and ally themselves with the Communists to do us maximum harm, while altogether too many of their fellow members allow themselves to be swept along, reluctantly perhaps and somewhat shamefaced, on this tide of malice."

The Foreign Secretary emphasized, however, that the British Government unswervingly supports the United Nations and its charter and he said he had assured acting Secretary General U Thant of this privately last week.

Home's blast was the second by a senior British Minister since Tuesday. On that day R. A. Butler, Minister for Central African Affairs, assailed what he called the intemperance of some U.N. states which have been critical of Britain's colonial policies.

Home cited racialism and aggressive nationalism as two current international tendencies which, if imported into the United Nations, "will kill it."

Both influences, he said, are being aggravated by Red powers and both are beginning to show up in the world body.

The Foreign Secretary's prepared speech was circulated widely in advance by aids.

Asserting peace took a beating last year when the Security Council went some way to condone India's venture against Goa, Home said coldly:

"The fact is that if the U.N. Assembly compromises on essential principles and if it allows the use of force for expansionist national ends by certain nations in certain circumstances it is finished.

"The United Nations must make sure that this was a once-for-all error: for there are other claims which are backed by force.

"Who could agree to put an international force under the command of a U.N. Assembly inspired by bias and prejudice?

"There is a very real reason why member countries should ponder and take care the way they go."

Mr. Speaker, while African racists are undermining the United Nations, that organization has attempted to undermine the one stable government on that continent.

The Union of South Africa is a stanch friend of the United States and a bulwark against communism. It is tragic that the United Nations and the United States have not given the support and understanding to our ally that it deserves.

Earlier this year the 33d Annual Convention of the American Coalition of Patriotic Societies adopted a resolution commending the Union of South Africa for its adamant stand against communism.

The resolution follows:

Resolution Commending Republic of South Africa: Citadel of Western Defense

Whereas since World War II the world revolutionary movement known as the international Communist conspiracy, through expertly conducted operations of infiltration, corruption, and subversion, has aided in wresting control of many areas in Africa from Western nations and in perpetrating racist atrocities against unoffending Europeans, including helpless women and children, in anticipation of which in 1950 the then Union of South Africa severed diplomatic relations with the Soviet Union to prevent a similar development in its own territory; and

Whereas the Republic of South Africa, settled in the 17th century by able Dutch and English pioneers, has established the greatest industrial civilization that the continent of Africa has known and has become a citadel for Western defense with modern naval bases at strategic locations, essential for reforming Western forces in the event that Europe should be overrun by Asiatic hordes; and

Whereas the key to South Africa's greatness, evolved after three centuries of experience in a multiracial country, is its enlightened policy of recognizing the various ethnic traditions and cultural interests of its people and in providing for the separate constitutional development for the white and nonwhite races residing within its territory; and

Whereas the Department of State of the United States, in reckless disregard of realities, has presumed to represent the sovereign people of the United States in criticizing the far-visioned South African racial policy of separate constitutional development, thereby endangering the continued existence of remaining European communities and Western civilization itself on the African Continent:

Resolved by the American Coalition of Patriotic Societies:

1. That the American Coalition of Patriotic Societies deplores the presumptuous criticism aimed at the Republic of South Africa by unrepresentative United States officials for the legitimate exercise by that country of its police powers for the protection of the morals, education, health, safety and general welfare of its racial components through its enlightened policy of separate constitutional development; and

2. That it commends the Republic of South Africa for adopting its well-reasoned racial policy and for its heroic stand in defending that policy against subversive attacks; and

3. That it condemns the reprehensible failure of the major news media of the United States and their publicists to present to the people of our country a realistic picture of the racial situation in South Africa, as they have likewise failed to give a true picture of the racial situation in our own country; and

4. That it urges the Congress of the United States to investigate and ferret out the destructive or subversive forces in our Government and in control of the mass news media that have contributed toward the unauthorized meddling in the domestic affairs of South Africa, with the view of arriving at their due and proper repudiation.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. St. Germain (at the request of Mr. Fogarty), indefinitely, on account of illness in family.

Mr. Dominick (at the request of Mr. Arends), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Ryan of New York, for 10 minutes, tomorrow.

Mr. Dulski (at the request of Mr. Natcher), for 60 minutes, on Wednesday, July 25.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Pelly to revise and extend the remarks he made in the House today on the Foreign Assistance Act conference report and include a recapitulation.

(The following Members (at the request of Mr. Halpern) and to include extraneous matter:)

Mr. Short.

Mr. Schwengel.

Mr. Halpern.

Mr. Jensen to include extraneous matter in the remarks he made in the Committee of the Whole today.

Mr. Laird to include extraneous matter in the remarks he made today on the Foreign Assistance Act conference report.

Mr. Rousselot to include extraneous matter in his remarks on the Foreign Assistance Act conference report.

(The following Members (at the request of Mr. Natcher) and to include extraneous matter:)

Mr. Macdonald.

Mr. Corman.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 919. An act to amend section 9(b) of the act entitled "An act to prevent pernicious political activities" (the Hatch Political Activities Act) to eliminate the requirement that the Civil Service Commission impose no penalty less than 90 days' suspension for any violation of section 9 of the act; to the Committee on House Administration.

S. 1884. An act to encourage the creation of original ornamental designs of useful articles by protecting the authors of such designs for a limited time against unauthorized copying; to the Committee on the Judiciary.

S.J. Res. 137. Joint resolution to authorize the Secretary of Commerce, in cooperation with the State of Alaska, to undertake studies and surveys relative to a highway construction program for Alaska, and for other purposes; to the Committee on Public Works.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1700. An act for the relief of Jaime Abejuro;

H.R. 2187. An act for the relief of Augustin Ramirez-Trejo;

H.R. 2198. An act for the relief of Carlos Sepulveda Abarca;

H.R. 6374. An act to clarify the application of the Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings, and for other purposes;

H.R. 10606. An act to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes; and

H.R. 11038. An act making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes.

THE LATE SENATOR HENRY C. DWORSHAK

Mrs. PFOST. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection to the request of the gentlewoman from Idaho?

There was no objection.

Mrs. PFOST. Mr. Speaker, the people of Idaho and the Nation are today mourning the loss of Senator Henry Dworshak, whose unexpected death last night at the age of 67 came as a shock to us all.

Senator Dworshak passed away suddenly last evening, July 23.

Funeral services will be at Fort Myer Chapel, Thursday, July 26, at 3 p.m.

The remains may be viewed at the Chambers Funeral Parlor in Georgetown, 3072 M Street NW., up until 10 p.m. this evening, and from 8:45 a.m. to 10 p.m. tomorrow, and from 8:45 a.m. to 2 p.m. on Thursday.

This speech is a most unhappy occasion for me. It was just yesterday that Senator Church, Congressman Ralph Harding, and I had lunch with the senior Senator from Idaho. He was in a sparkling good mood. His witty and jesting remarks shone with the light of his years of experience on Capitol Hill. I recall telling him that I had never seen him in such fine fettle, and his answer was a warm and friendly laugh that I shall never forget. It was, in essence, the man—human, friendly, and charming, so much alive, with depth mellowed by the years.

I had known Senator Dworshak for many years. While we sat on the opposite sides of the political aisle, and we disagreed on many policies and issues, I always had the greatest respect for his integrity and energy as a legislator on the national scene.

He was a kind man, a dedicated man. As a newcomer to Washington, it remains a warm memory with me that the Senator extended the helpful hand of friendship from my first days in the House. There were times when I needed the advice of an old and experienced veteran on Capitol Hill, particularly when it came to helping a constituent through an unusually irksome problem, and I knew that I could always count on the Senator for a helping hand. In this respect, I came to appreciate his great gift in dealing with people. Always, from the bottom of his toes to the top of his silver mane, he was every inch a distinguished Senator, ever looking and acting the part. His was a friendly, humble, homey manner, yet always dignified, courteous and always businesslike.

His life, in more ways than one, spelled the American success story. He was a printer, a sergeant in a machinegun battalion in World War I, a newspaper editor and legislator. He served 4 terms in the House of Representatives before the people of Idaho elevated him to the U.S. Senate a few years later.

The Senator was a dedicated budget balancer, a lifelong opponent of Federal Government spending in all forms. As a member of three important Senate committees and nine subcommittees, his influence was felt in a profound way in every part of Washington. He always showed a genuine interest in all issues affecting his home State of Idaho. During all of his 22 years in the House and the Senate, he remained a devoted public servant who voted his conscience and his duty, as he saw it, for the American people.

To his wife, and to his four sons, I extend my sincere condolences. His sudden loss has touched us all. The people of Idaho and of the Nation mourn his passing.

Let me, in conclusion, read a brief quotation from one of the Senator's last public statements. He had joined other Senators in sponsoring a constitutional amendment aimed at the Supreme Court's recent ruling on prayer in the public schools, and he observed:

> Our forefathers founded this Government and drafted a Constitution to safeguard religious freedom. We must protect this heritage and amend our Constitution so there can be no question that in separating church and state we are not separating ourselves from God. All of the great traditions established since the Declaration of Independence have been developed and sustained by great Americans who believed in the efficacy of prayer.

That was the voice of Senator Dworshak. His words reflected his deep understanding of America and her history. While his voice has been stilled forever, his words on this and many other issues will not easily be forgotten here in the Halls of Congress.

Mr. HALLECK. Mr. Speaker, will the gentlewoman yield?

Mrs. PFOST. I yield to the minority leader, the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, in the death of HENRY DWORSHAK the Nation has lost another fine public servant and we on our side of the aisle have lost a truly stalwart champion of Republican principles of government.

It was my privilege to come to know HENRY DWORSHAK as a freshman in our ranks who won the admiration of all his colleagues for his diligence as a member of three committees—Irrigation and Reclamation, Pensions, and Public Lands.

His fine abilities were soon recognized and he came to be a valued member of the Committee on Appropriations before he moved to the other body.

From time to time it was my pleasure to take part in occasions out in Idaho at which HENRY DWORSHAK was also present, and it was at these affairs, meeting his friends and neighbors, that I came to appreciate the high esteem and deep affection in which he was held by the people he so ably represented here in the Congress of the United States.

HENRY DWORSHAK was a strong, courageous exponent of those things in which he believed.

But as firm as he was in his convictions, I never knew HENRY DWORSHAK to be anything but completely fair toward those with whom he differed on principle.

And above all, may I say that never, to my knowledge, did anyone ever question his sincerity or his honesty.

HENRY DWORSHAK was my good friend, as I was his, and the word of his death came as a shock to me.

I offer my deep sympathy to his fine family in their untimely bereavement.

Mr. HARDING. Mr. Speaker, will the gentlewoman yield?

Mrs. PFOST. I yield to the gentleman from Idaho.

Mr. HARDING. Mr. Speaker, I was shocked last night to receive a telephone call at 11 p.m. informing me of the passing of my good friend and beloved colleague, Senator HENRY DWORSHAK.

This came as a great shock. Only a few hours before, the entire Idaho congressional delegation had lunch with our two representatives to Boy's Nation. Senator DWORSHAK was in extremely good spirits and was the very picture of health.

I first met HENRY DWORSHAK some 24 years ago at St. Anthony, Idaho. It was on a Friday afternoon after a high school football game. HENRY DWORSHAK, who was then representing the Second District of Idaho in the U.S. House of Representatives, was being honored at a reception at the home of Marvin Briggs, the publisher of the local newspaper. I was about the same age as Billy and Jimmy Briggs, the two sons of the publisher, and they invited me into the home to meet Congressman DWORSHAK.

I am sure that we presented some sight—three little levi-clad boys, who had been playing and roughhousing at the football game, interjecting ourselves into a reception line with the community leaders. But when Congressman HENRY DWORSHAK found out that I was the grandson of Senator Ralph J. Harding, of Oneida County, he told me of his friendship for my grandfather, and I left the reception with great respect and admiration for the man who was to become Idaho's senior Senator.

HENRY DWORSHAK was a hard-working Member of the Congress. He prided himself on an outstanding attendance record in attending over 97 percent of all rollcalls in the Senate Chamber. He was well respected and beloved by those Members of both parties who served with him, both in the House and in the Senate. He was an intelligent, honest, and considerate legislator.

HENRY DWORSHAK was born in Duluth, Minn., on August 29, 1894. He was educated in the public schools of Minnesota and there he also learned the printing trade and entered newspaper work. Senator DWORSHAK served in France during the First World War with the American Expeditionary Force and was long a leader of veterans groups in Idaho, including service as Department Commander of the American Legion in 1932. He also served as governor of the Idaho-Utah district of Rotary International in 1937, was a Scottish Rite Mason and Shriner and a member of the BPOE and IOOF.

In 1917 Senator DWORSHAK was married to a lovely and charming lady by the name of Miss Georgia B. Lowe. Their marriage was blessed with four fine sons and several grandchildren. The Senator was telling us at luncheon yesterday about having the grandchildren over to dinner Sunday night and a prouder grandfather could not possibly have lived.

In addition to having 30 years' experience in the newspaper business, during which time he was publisher of the Burley Bulletin, in Burley, Idaho, from 1924 to 1934, Senator DWORSHAK spent 22 years on Capitol Hill—8 years as the Congressman from the Second District of Idaho and 14 years as a U.S. Senator.

His passing represents a great loss to the people of the State of Idaho and the Nation as a whole. I am grateful for the privilege I have had of knowing and associating with this great American.

Mr. CHENOWETH. Mr. Speaker, will the gentlewoman yield?

Mrs. PFOST. I yield to the gentleman from Colorado.

Mr. CHENOWETH. Mr. Speaker, I was deeply shocked and saddened this morning when I learned of the sudden and untimely passing of our colleague HENRY DWORSHAK. I want to extend my sincere sympathy to my colleagues from the State of Idaho in this great loss which they have sustained. This loss is not confined to the State of Idaho but is an irreparable loss to the entire Nation.

I met Senator DWORSHAK before I came to the House and formed a very favorable opinion of him. He made a most favorable impression upon everyone he met. He looked and acted like a statesman. When I came to the House we became close friends. I admired and respected him for his sterling qualities. Just last Friday I met Senator DWORSHAK in the corridor and we enjoyed a brief visit. We talked about getting together some evening with our families for a visit, which we had planned for some time.

Mr. Speaker, it was a distinct privilege to have Senator DWORSHAK as a friend. He was truly a great American. He was a man who believed in the fundamental principles of our Government and was willing to fight for them. I never heard anyone question his sincerity or his motives.

He was conscientious in everything he did. He was a diligent worker and was anxious to serve the people of his State. I greatly enjoyed the opportunity to serve with him in the House. I was indeed pleased when the people of Idaho rewarded his faithful service by sending him to the U.S. Senate.

HENRY DWORSHAK had the courage of his convictions. He never faltered or wavered after he took a stand. He never hesitated to express his opinion on pending issues, even though he knew he was on the losing side.

Mr. Speaker, words are utterly inadequate to express my feelings on this sad occasion. Truly in this critical period in world history we can ill afford to lose men of the stature of HENRY DWORSHAK.

Mr. Speaker, Mrs. Chenoweth joins me in extending our deep personal sympathy to Mrs. Dworshak and the other members of the family.

Mr. HOLIFIELD. Mr. Speaker, will the gentlewoman yield?

Mrs. PFOST. I would be glad to yield to the gentleman from California.

Mr. HOLIFIELD. Mr. Speaker, during the 4 years that Senator DWORSHAK served in the House of Representatives I had the privilege of serving here with him. It was during those 4 years that I became acquainted with him and learned to respect and like him as a friend. It was, therefore, a great pleasure to me when he was assigned to the Joint Committee on Atomic Energy on the Senate side.

Mr. Speaker, for the last several years we worked together on matters that are of great importance to our Nation. There was never a time when anyone doubted where Senator DWORSHAK stood on these vital questions that affect our Nation. Never to my knowledge did he take a position that was not in full accord with the greatest principles of Americanism. There were times, of course, when we disagreed on some legislative provision, but there was never any bitterness to the disagreement. There was a full and complete appreciation of the viewpoint of each other.

Mr. Speaker, Senator DWORSHAK was good in his attendance at the hearings of the committee. The life of a Member of the other body is, if anything, more trying than the life of a Member of the House of Representatives, because they have to serve on so many other committees and have so many other duties in order to represent the people of their States. However, Senator DWORSHAK was good in his attendance at the Joint Committee on Atomic Energy. It was a matter with which he was deeply concerned. He was a man who was dedicated to doing that which was necessary to preserve our Nation. But, at the same time, he was a man who wanted to keep the spread of these atomic weapons throughout the other nations of the world controlled. I certainly stood with him and he stood with me on that issue because, while we realized the necessity of creating these weapons in order to maintain the security of our own Nation and other nations of the free world, we were very fearful, let us say, of spreading these weapons to nations that might not have the same feeling of responsibility that we have. We fought this battle together. We fought many other battles together in the Joint Committee on Atomic Energy. In my opinion, he was a wonderful friend, he was a great representative of the people of his State. I want to express my own personal sorrow at his passing and join with my colleagues from Idaho in their thought that, indeed, the State of Idaho and the Nation has lost one of its most valuable sons.

Mrs. PFOST. I thank the gentleman from California.

Mr. PRICE. Mr. Speaker, will the gentlewoman yield?

Mrs. PFOST. I am glad to yield to the gentleman from Illinois.

Mr. PRICE. Mr. Speaker, I join my colleagues in paying this tribute to the memory of HENRY DWORSHAK. I became acquainted with him in my first term in Congress. I really did not get to know Senator DWORSHAK until our association on the Joint Committee on Atomic Energy. He was a man of deep conviction. He fought vigorously in support of the principles in which he believed and in his philosophy of government. I was shocked at hearing the word this morning of his death. Yesterday I talked to him in the corridors of the Capitol.

Mr. Speaker, I extend to his family my deepest sympathy.

Mr. HOSMER. Mr. Speaker, will the gentlewoman yield?

Mrs. PFOST. I yield to the gentleman from California.

Mr. HOSMER. Mr. Speaker, I wish to join my colleagues on the Joint Committee on Atomic Energy in paying tribute to the memory of Senator DWORSHAK, a man who engendered a great deal of inspiration in everybody who knew and worked with him. Although I did not have the privilege of long association that many others had had with him, during the few years I did serve with him on this committee I grew to know and respect him and do, therefore, share in the deep sense of personal loss that has been expressed by the gentlelady from Idaho and the others who have spoken today.

Mr. KIRWAN. Mr. Speaker, I wish to join my colleagues in paying tribute to the late beloved Senator HENRY DWORSHAK.

While he was serving in the House of Representatives, we were closely associated as members of the Committee on Appropriations—and later as conferees between the House and Senate. I found him to be a fine gentleman—industrious and fair. I am happy that I had the opportunity to work so closely with him. His handclasp was warm and friendly.

HENRY DWORSHAK was a great American. His life was dedicated to the preservation of our country and its resources. He served his State and Nation with distinction.

To his good wife and fine sons, I extend my deep heartfelt sympathy in their sad bereavement.

Mr. ROONEY. Mr. Speaker, I was shocked and deeply saddened when I learned of the sudden passing last night of my dear friend, the Honorable HENRY C. DWORSHAK, of Idaho.

Senator DWORSHAK first came to the Congress in 1938 as a Member of the House of Representatives, and my initial Appropriations Committee assignment in January 1945 was to the Subcommittee on Appropriations for the Department of the Interior, of which he was then a member. I came to know HENRY quite well while serving with him on this subcommittee and our friendship became greater during the course of a lengthy committee trip through the then territory of Alaska in the summer of 1945. Although we were on opposite sides of the aisle, I always admired his ability, courage, and integrity.

HENRY DWORSHAK's length of service in the U.S. Congress is clear evidence of the confidence and respect the people of the State of Idaho had in his ability to faithfully discharge the duties of his office, and his unexpected death is a great loss not only to me as a friend but to his constituents and the entire Nation.

To his dear wife, their sons, and all the members of his family, I extend my deepest sympathy in their great loss.

Mrs. PFOST. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the life and public service of the late senior Senator from Idaho, Senator DWORSHAK.

The SPEAKER. Is there objection to the request of the gentlewoman from Idaho?

There was no objection.

Mrs. PFOST. Mr. Speaker, I offer a resolution.

The Clerk read as follows:

H. RES. 737

Resolved, That the House has heard with profound sorrow of the death of the Honorable HENRY C. DWORSHAK, a Senator of the United States from the State of Idaho.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased Senator.

Resolved, That a committee of six Members be appointed on the part of the House to join the committee appointed on the part of the Senate to attend the funeral.

The resolution was agreed to.

The SPEAKER. The Chair appoints as members of the funeral committee the following Members on the part of the House: Mrs. PFOST, Mr. HARDING, Mr. HALLECK, Mr. PRICE, MR. HORAN, and Mr. CHENOWETH.

The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect to the memory of the deceased the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 6 o'clock and 23 minutes p.m.) the House adjourned until tomorrow, Wednesday, July 25, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2342. A letter from the Comptroller General of the United States, transmitting a report on the review of the use of proceeds from scrap, salvage, and surplus property sales for construction purposes by the Air Force Logistics Command (AFLC), Department of the Air Force; to the Committee on Government Operations.

2343. A letter from the Chairman, Federal Power Commission, transmitting a copy of each of the following: (1) list of units of property for use in connection with uniform system of accounts prescribed for public utilities and licensees, and (2) list of units of property for use in connection with uniform system of accounts prescribed for natural gas companies; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MACK: Committee on Interstate and Foreign Commerce. H.R. 5028. A bill to amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution, and for other purposes; without amendment (Rept. No. 2027). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARY: Committee of conference. H.R. 10526. A bill making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies for the fiscal year ending June 30, 1963, and for other purposes (Rept. No. 2028). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS of Texas:

H.R. 12669. A bill to authorize the construction of hurricane flood protection improvements at and in the vicinity of Port Arthur, Tex.; to the Committee on Public Works.

By Mr. BURKE of Massachusetts:

H.R. 12670. A bill to facilitate the entry of alien skilled specialists and certain relatives of U.S. citizens, and for other purposes; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 12671. A bill to provide a program of grants and scholarships to encourage education and training in the field of nursing, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KEARNS:

H.R. 12672. A bill to authorize assistance to States for the financial support of public elementary and secondary education; to the Committee on Education and Labor.

By Mr. O'KONSKI:

H.R. 12673. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from the highway use tax for certain vehicles which are used during only part of the year; to the Committee on Ways and Means.

By Mr. RODINO:

H.R. 12674. A bill to amend the Library Services Act in order to make areas lacking public libraries or with inadequate public libraries, public elementary and secondary school libraries, and certain college and university libraries, eligible for benefits under that act, and for other purposes; to the Committee on Education and Labor.

By Mr. WHITENER:

H.R. 12675. A bill to provide for the formation of partnerships in the District of Columbia and to make uniform the law with respect thereto; to the Committee on the District of Columbia.

By Mr. FLOOD:

H.R. 12676. A bill to provide that certain aircraft may travel between the United States and Canada without requiring the owners or operators thereof to reimburse the United States for extra compensation paid customs officers and employees; to the Committee on Ways and Means.

By Mr. KYL:

H.R. 12677. A bill to provide for an inventory of unpatented mining claims on lands under the jurisdiction of the Secretary of Agriculture and for the removal of unauthorized occupancies of unpatented mining claims, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MACDONALD:

H.R. 12678. A bill to provide for the issuance of a special postage stamp in honor of the memory of Amelia Earhart; to the Committee on Post Office and Civil Service.

By Mr. MORSE:

H.R. 12679. A bill to amend the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. SAYLOR (by request):

H.R. 12680. A bill to amend title 38, United States Code, to permit, for 1 year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance; to the committee on Veterans' Affairs.

By Mr. MACDONALD:

H.R. 12681. A bill to amend the Library Services Act in order to make areas lacking public libraries or with inadequate public libraries, public elementary and secondary school libraries, and certain college and university libraries, eligible for benefits under that act, and for other purposes; to the Committee on Education and Labor.

By Mr. FLOOD:

H.J. Res. 831. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. COOLEY:

H. Res. 736. Resolution to amend the Rules of the House of Representatives to increase the period for which printed committee hearings and reports on general appropriation bills must be available before such bills may be considered in the House; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 12682. A bill for the relief of Sime Guzabat; to the Committee on the Judiciary.

By Mr. PHILBIN:

H.R. 12683. A bill for the relief of Mrs. Heghine Tomassian; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

390. Mr. SHRIVER presented a petition of the Kansas Department of Disabled American Veterans urging the President of the United States, the Secretary of State, the Secretary of Defense, the Kansas Senators and Congressmen that no reduction be made in the strength of the Reserve Forces and the National Guard, which was referred to the Committee on Armed Services.

EXTENSIONS OF REMARKS

Amelia Earhart

EXTENSION OF REMARKS

OF

HON. TORBERT H. MACDONALD

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1962

Mr. MACDONALD. Mr. Speaker, today marks the 64th anniversary of Amelia Earhart, one of the most outstanding woman aviators of all time. Although Kansas is the legal birthplace of Miss Earhart, we in Massachusetts take great pride in the fact that Medford is her hometown. Members of the Earhart family are among Medford's most respected citizens. Amelia Earhart also spent a number of years working in Boston settlement houses and conducting English extension courses for the University of Massachusetts.

During the 1920's, few would have believed that a woman might fly the expanses of both the Atlantic and the Pacific, reach the height of 14,000 feet, or make a transcontinental nonstop flight. Yet Amelia Earhart did this and much more. She pioneered the autogiro, tested experimental planes and engines, gave hundreds of young enthusiasts their air instructions, boosted air travel with learned articles and thousands of lectures.

A commemorative stamp would be a highly appropriate memorial to Miss Earhart and to the pioneering spirit which has been instrumental in making our Nation great. The spirit, the personality, and the courage of Miss Earhart should be singled out as a model for future generations of Americans. It seems especially fitting in this age of space that we pay tribute to and renew in our national memory the courage and daring of the celebrated "Lady Lindy."

Remarks by Hon. John V. Lindsay at Stanley Isaacs Funeral, July 13, 1962

EXTENSION OF REMARKS

OF

HON. SEYMOUR HALPERN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1962

Mr. HALPERN. Mr. Speaker, recently I, like countless others, was saddened by the death of Stanley Isaacs—a great friend, a dedicated humanitarian, and a matchless public servant.

Stanley Isaacs was an inspiration not only to me, but to the legions who have benefited by his wisdom, his counsel, and his devotion to the principle that the best politics is good government.

Stanley Isaacs was truly the conscience of good government.

I first met him in 1933, when I was a 20-year-old recruit in the Fusion reform movement in New York City. He was a tower of strength in that historic cause to bring good government and genuine reform to the city. As a civic crusader, as borough president of Manhattan, as city councilman, as minority leader of the city council, he admiringly fulfilled the highest objectives of that cause.

Through all these years I maintained a cherished association with him and was privileged to support many of the causes he championed in my own service in city government, in the State legislature, and in the Congress of the United States.

Stanley Isaacs was a man of genuine warmth, humility, perseverance, and loyalty. His ability was unparalleled—his contribution unequaled.

There is no more appropriate or eloquent tribute to this great American than the deeply moving eulogy delivered at Stanley's funeral service, delivered by our distinguished colleague from New York, JOHN LINDSAY. I commend his words, which come directly from the heart, to the attention of our colleagues—many of whom have led far more meaningful and enriched lives by having had the privilege of knowing the late, beloved Stanley Isaacs.

REMARKS DELIVERED BY HON. JOHN V. LINDSAY AT STANLEY ISAACS FUNERAL JULY 13, 1962

This is the moment when we take our leave of Stanley for a little while. For surely we'll be with him again, and he with us, as it is ordained and governed.

And even in that brief time of physical separation is there any of us who walks alone when Stanley has been at his side?

He walked, he ran, and he climbed and he held all of us by the hand and showed us the way. He saw the North Star when the rest of us couldn't find it, and he followed it.

His love was so deep and so wide and so true that it left its imprint on every person, on every child, every man and every woman of our city. His legatees and beneficiaries are all the people of New York; and most of all the oppressed, the forgotten and the lonely.

Stanley was the happiest and the youngest man that I ever knew. He had Edith by his side and she smiled and walked with him and shared him with us.

A great newspaper today called him a "gentleman." Aye, that he was, in the true meaning of that word. He was gentle—his

hand and his heart was offered to every human being. Their misfortune was his misfortune. And he was a man—as straight and as tall and as strong as every father would want his son to grow to be. There was in him a toughness and a tensile strength and resiliency that swept away the roadblocks to progress and petty tyranny.

He fought for better schools, better housing, better playgrounds, better government—for day care centers and fair wages—and above all for basic freedoms, too often in need of champions like him—the right of every person to speak freely, to be defended and to have equal opportunity under law.

He gave of himself totally, unsparingly, to his city and his country. Self came last.

He was the conscience of his party, and he lifted and bettered that party and gave it standards.

Stanley Isaacs' contribution to our city and our country cannot be measured by words, but only by time and history, and the quiet thanks of millions and generations of New Yorkers who will not forget.

Our country and our city cannot long endure without men like Stanley Isaacs. There are very, very few of them.

We thank Edith for sharing him with us. And to Edith, to her children and to their children, we give our love and our comfort as they give theirs to us.

And we thank God he was among us, and will be among us always.

Tribute to the Mormon Pioneers

EXTENSION OF REMARKS

OF

HON. FRANK CHURCH

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Tuesday, July 24, 1962

Mr. CHURCH. Mr. President, today the people of my State join with those of our sister State to the south, Utah, to pay tribute to the Mormon pioneers on the occasion of the 115th anniversary of their arrival in the valley of the Great Salt Lake.

One hundred and fifteen years is a large portion of the lifetime of our Republic, but the lessons taught by the example of the Mormon pioneers and their descendants are still relevant today. In the beginning, the Mormons did not find the going easy; they suffered much for having the courage of their convictions. They were the victims of much unjust persecution which forced them from one city to another on the American frontier. Finally, after the tragic martyrdom of their prophet, Joseph Smith, they packed their wagons for the long trip across the desolate Great Plains and imposing Rocky Mountains to the uninhabited intermountain West.

Although they sought only the privacy to practice their beliefs, the Mormons were not left alone for long. Soon after their arrival in Utah, a swarm of men passed through on their way to the California Gold Rush. But the Mormons did not succumb to the temptation to get rich quick, and stayed to found their own empire in the mountain fastness. Ten years after the Mormons' arrival, the U.S. Government began its first major effort to punish the Mormons by sending Johnston's army to Utah. This tragic passage of persecution continued throughout most of the latter half of the 19th century; it is a sad chapter in the annals of our history.

Despite these persecutions, the Mormons managed to perform two highly impressive accomplishments in the latter half of the last century. They arranged to bring thousands of converts from various European countries to their intermountain empire. Some of these immigrants formed the valorous handcart companies, which, without the aid of horses or oxen, pulled their possessions across the plains. Many of these immigrants were Scandinavian; they quickly learned English and were assimilated into the community without the hardships endured by many non-English-speaking immigrants to other parts of our country. No immigration to America was better organized than that of these Mormon converts coming to their mountain Zion.

In addition to assimilating and arranging transportation for these immigrants, the Mormon Church directed one of the greatest colonizing efforts in American history. The Mormons settled much of the mountain West, bringing civilization to some places where few other men would have had the will to go. The Mormons were the first Anglo-Saxon people to practice extensive irrigation; they made many semiarid regions of the West green and lush with irrigated crops. The Mormons were the first settlers in my own State of Idaho; they founded Fort Lemhi in 1855. They founded the first permanent town in Idaho, Franklin, in 1860; there they also established the first school. The Mormons founded their second Idaho town, Weston, exactly 100 years ago.

Today, the position of the Latter-day Saints is one of great prestige. One of their members is considered a possible candidate for the Presidency of our country. Other Mormons have achieved titles in many different fields—from Miss America, to middleweight boxing champion of the world. In public life, Mormons have played a prominent role in Congress, and have held such important executive positions as Chairman of the Federal Reserve Board, Treasurer of the United States, Secretary of Agriculture, U.S. Commissioner of Education, and Secretary of the Interior, under Democratic and Republican Presidents alike. On the artistic side, the Mormon Tabernacle Choir is known and loved by people in all parts of our country, and, indeed, the whole world.

Why have the Mormons attained this position of recognition? The primary reason is, I think, that they have set such a good example of Christianity in action. The Mormons do not have a paid clergy, but rather, the members fill all the church positions themselves, without financial remuneration. And their church activities are grand in scale; their youth groups are the envy of all who know them; their charitable activities reach to every sector of their communities. No Mormon in need will suffer, either for material goods or for brotherly companionship.

Not only do Mormons give generously of their time to church activities, including working on church farms, but also they give generously of their money. Like the early Christians, every Mormon tithes, giving a tenth of his income before taxes to his church. Mormon families help maintain missionaries throughout the world; the Church of Jesus Christ of Latter-day Saints gives a fine example of missionary activity to the other Christian churches. Many young Mormon men and women give several years of their lives as missionaries for their church, both overseas and in the United States.

In addition to their worthwhile religious and social activities, the Mormons have gained the respect of the country by their extensive educational activities. Utah, the most Mormon State in the country, is also, on average, the most highly educated; the average citizen there has completed 12 years of schooling. The Mormon Church runs several excellent institutions of higher education, including Brigham Young University, and in my own State, Ricks College at Rexburg. Mormons believe wholeheartedly in the worth of education and devote a large portion of their resources to it.

Today, the people of my State pause to pay tribute to the Mormon pioneers. We admire their valor and the example of Christian community that they and their descendants have given us. In this troubled age, it is encouraging to see how well these good Christian people have ordered their lives.

A Novel Program for the Development of Young People for Careers in Science and Engineering

EXTENSION OF REMARKS

OF

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1962

Mr. CORMAN. Mr. Speaker, our Nation has seen in the last two decades a period of truly remarkable advances in human accomplishment. We have reached the point in our development where many of the basic needs of human society no longer give us serious concern. In his pursuit of a better, more comfortable life, man has broken through traditional barriers. And the road ahead looks bright indeed.

Whom may we thank for the strides we have made to date? I believe the major share of credit must go to our scientists, engineers, and technicians, who have given us the Aladdin's lamp of atomic energy, of faster, more reliable communication, of a capability to reach the stars and planets. If the gains made to date are to be exploited fully, we must again look to that area of society—scientists and engineers. The development of young people to carry on this great work is perhaps our greatest challenge. It is being met in a number of ways.

I would like to call attention to one method that was initiated with the help of an industry in my district. The firm is the Litton Systems Corp., with facilities in Woodland Hills and headquarters in Beverly Hills. In the spring of last year, in cooperation with the Los Angeles Board of Education and the California Department of Employment, Litton helped launch a program which is already paying substantial dividends in terms of scientific and technical growth.

I should like, at this time, to recount some of the background on this pilot program. For the details, I am indebted to Mr. George T. Scharffenberger, executive vice president of Litton, who was one of the prime movers in his corporation's role in the project.

On May 1, 1961, the Reseda, Calif., Adult School opened a course known as No. 590: Electronic Production Techniques. While the course was not new to the school or to the school system, it ordinarily was scheduled on a limited basis of 6 hours a week for 10 weeks. Electronics industries in the area, as well as the department of employment, called attention to the need for an accelerated program. Hence, No. 590.

The first major problem in the way of the acceleration was the lack of housing to provide around-the-clock training. Through the cooperation of Litton, a store building was located at 7215 Tampa Avenue, Reseda, and turned over to the adult school for use as a branch location. The building was equipped with salvage work benches and tables, with some new tablet armchairs, blackboards, storage cabinets, and so forth.

Because of some dexterities required for aspects of the work in the program, the department of employment provided a team of test technicians to screen applicants for training, to determine their chances of success. Since the program began, all candidates for the class have taken a battery of tests designed by the employment office. Fifty percent of those taking the tests have been rejected.

With the remaining students, the "cream," so to speak, of the crop of applicants, it was possible to move ahead much faster on all aspects of the training program. Teachers familiar with electronic theory and who had practical experience in the industry were recruited.

Finally, a compressed schedule of classes was organized, in which four different groups could be run through the course at one time. The prevailing pattern consisted of four classes a day, for 5 days a week, from 9 to 12 in the morning, from noon to 3 p.m., from 4 p.m. to 7 p.m., and from 7 p.m. to 10 p.m. Starting dates were staggered so that only one class was completed during any 1 week, enabling the employment office and industry to make interviewing an almost continual process. The classes ran on through the summer.

After graduation, students were sent out on employment interviews, through the cooperation of the Department of Employment and the personnel departments of Valley electronics firms. Many employeers found that the graduates were actually preferable in many instances to employees who had been hired with as much as 6 months' on-the-job experience. Records show that 96 percent of the graduates have been placed.

Through the early part of 1962, these were the estimated costs of the classes:

Teacher salaries paid	$10,456.18
Reimbursement from State to school district	11,289.60
Building rental	2,250.00
Total cost	23,995.78

Equipment and supplies not provided by the Board of Education have been purchased from a class fee of $3 paid by each student.

By early this year, 518 student-graduates had already been hired by industry. Computing the combined earnings of these students at the most conservative hourly rate, it is estimated that they will earn in the current year $1,616,160—or more than 6,000 percent more than the cost of the class to early this year.

The department of employment indicates that the majority of students had no previous employment, or had worked in nondemand occupations before taking the class. Most of the students were women, and a majority were over 40 years of age. Many of them now are in the process of taking additional electronics courses in order to switch to the next grade of skill.

I call attention to this brilliant record because I think it exemplifies manifestation of American enterprise—a teamwork operation between our schools, our Government, and private industry. Projects like this one spell even greater advances for America in the years to come. More clearly than all the speeches that could be delivered, the record of this course demonstrates what is meant when funds spent for schooling are called investments, not spending.

I will close this with a few lines from a letter I received last week from Scharffenberger at Litton. He says:

> From Litton's viewpoint, we have been delighted with [the class]. We have hired all of those from the school who wanted to come to us. This has varied from class to class, but I believe it may be up in the 90 percent category. In any event, we have found that all of these people from many walks of life have turned out to be excellent employees in our ever-growing electronics activities.

The Lincoln Concert at Watergate

EXTENSION OF REMARKS

OF

HON. FRED SCHWENGEL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1962

Mr. SCHWENGEL. Mr. Speaker, because of my deep interest in Abraham Lincoln, I have the privilege of participating in many worthwhile events in his honor. One of the most rewarding this year was the second annual Lincoln concert by the U.S. Marine Band led by the distinguished and able Lt. Col. Albert Schoepper at Watergate on Sunday, July 8.

Because of the significant remarks which were made there, and the magnificent music played there in tribute to Lincoln, I feel that this program of words and music should become a part of the permanent record of our times. Under leave to extend my remarks, I insert the program in the Record:

Lincoln Concert, the U.S. Marine Band, Lt. Col. Albert Schoepper, U.S. Marine Corps, Director, Watergate, Washington, D.C., Sunday, July 8, 1962

Capt. Dale Harpham (concert moderator). Ladies and gentleman, the U.S. Marine Band concert this evening is dedicated to Abraham Lincoln. It is the second in a series of what we hope will be annual concerts to honor the memory of the 16th President of the United States. The country, and especially those who are here tonight, owe the idea for these concerts, in memory of Lincoln, to Congressman Fred Schwengel, of Iowa. The National Park Service and the Lincoln group of the District of Columbia carried Representative Schwengel's idea into effect. This concert is being given under their auspices.

Tonight this second annual Lincoln concert was to have as its guest the distinguished Carl Sandburg, poet, biographer, and writer extraordinary. Mr. Sandburg is regarded the world over as the foremost American literary notable of our time. But this great American who is now 84 years of age, was unable to come himself. In his place the guest of honor tonight is his daughter, Miss Helga Sandburg. She is an authoress and lecturer of note in her own right. Later in this program she will be introduced to you for a brief talk by Congressman Schwengel who is responsible for her being with us tonight. Miss Helga Sandburg's presence, as the star of this program, representing her father, intensifies the Lincoln quality of this event because, as you all know, Mr. Sandburg is the greatest of all Lincoln biographers. Miss Helga Sandburg inherited many of his gifts as we shall see when she speaks to us tonight.

This Lincoln concert is not related to any special event in Lincoln's life—it is just a tribute to our greatest American. But it is part of the general national observance of the Civil War Centennial. Our concert is patriotic. It is almost all American. It is aimed to reflect largely the spirit of Lincoln's time both in the North and in the South.

Under the baton of Col. Albert Schoepper, the U.S. Marine Band opens this concert with the "Lincoln Centennial March" by Lee Sanford.

(Music: "Lincoln Centennial March.")

Captain Harpham. Now let us go more deeply into the Lincoln story.

Dennis Hanks was a cousin of Lincoln's mother, Nancy Hanks. Dennis was reported to have said this of Abe's childhood. I quote: "It didn't seem no time till Abe was runnin' round in buckskin moccasins an' breeches, a tow-linen shirt an' coonskin cap * * * Abe never give Nancy no trouble after he could walk except to keep him in clothes. Most o' the time we went b'arfoot. * * * An' Abe was right out in the woods, about as soon's he was weaned, fishin' in the crick * * * goin' on coon hunts with Tom an' me an' the dogs; follerin' up bees to find bee-trees, an' drappin' corn fur his pappy. Mighty interestin' life fur a boy, but thar was good many chances he wouldn't live to grow up."

The Nation was beginning to come into its own in the times of Abraham Lincoln: Sturdy, rugged, self-reliant. The people's independence expressed itself in their democratic beliefs.

Today we are the greatest Nation of all time—and still growing. This power and vigor is told brilliantly in the contemporary composition by Joseph Wilcox Jenkins:

(Music: "The American Overture for Band.")

(Music: "Prairie Legend"; 1. "Bullwhacker's Dance"; 2. "Harvest Evening"; 3. "County Fair."

(Music: "Echoes of the 1860's.")

Captain HARPHAM:

"If Nancy Hanks
Came back as a Ghost,
Seeking news
Of what she loved most,
She'd ask first
Where's my son?
What's happened to Abe?
What's he done?

"Poor little Abe,
Left all alone
Except for Tom
Who's a rolling stone:
He was only nine
The year I died
I remember still
How hard he cried.

"Scraping along
In a little shack,
With hardly a shirt
To cover his back,
And a prairie wind
To blow him down,
Or pinching times
If he went to town.

"You wouldn't know about my son?
Did he grow tall?
Did he have fun?
Did he learn to read?
Did he get to town?
Do you know his name?
Did he get on?"

"Nancy Hanks," by ROSEMARY BENET.

We now hear, in an arrangement by Luis Guzman, a retired member of the Marine Band, the music that Lincoln often heard, asked for, and loved. Probably the nearest approach to a Lincoln quality in American music is the literature of song left us by Stephen Foster. Lincoln could never really decide just which of Foster's songs he really loved most—but his dearest favorites are included in this medley presented now by Colonel Schoepper and the band—Stephen Foster Melodies.

(Music: "Stephen Foster Melodies.")

INTERMISSION

JULIAN BARBER. Good evening ladies and gentlemen, this is Julian Barber. Tonight, I not only have the honor of participating in this concert, but also the honor of presenting to you the father of these annual Lincoln concerts, Representative FRED SCHWENGEL, of Iowa. The music you hear tonight, keeps alive the Lincoln tradition in the language of sound. Congressman SCHWENGEL keeps alive the Lincoln tradition in his speeches on the floor of the House, and his resolutions calling for national observance of our debt to Lincoln and rededication to our priceless title-deeds of freedom.

Ladies and gentlemen, the Honorable FRED SCHWENGEL, of Iowa.

Representative FRED SCHWENGEL. Thank you, Julian. I have been stirred as I know all of you have, by the vivid recall, this music has given us, of the life and times of Abraham Lincoln. Colonel Schoepper, this so far has been an incomparable performance and I look forward—as we all do—to the performance yet to come. I am proud of these concerts, and thankful especially for the support and sponsorship of the National Park Service and the Lincoln Group of the District of Columbia. Indirectly, I like to think of these Lincoln observances as bearing the imprint of the Congress of the United States, who make possible both the facilities and talent for this program.

In fact I should like to see Congress give some further public affirmation to the value of the humanities—reflected in programs like this—the learning, writing, and teaching of history, the appreciation of literature, art, music, and philosophy of America and the interpretation of the American ideals through these arts are so worth while and need more attention today for it is in the understanding and the living of the philosophy of our forebears which make us different and great. Maybe this should be done in the form of a congressional medal of merit, given by the Congress periodically to an outstanding American for his contribution in one or several of these fields. Right now if such a medal were to be awarded by the Congress, my candidate would be the eminent American who was to have been with us tonight. But Carl Sandburg, who we salute tonight, is unable to be here. It is typical of this American poet and biographer, that the human touch which invests the nobility of his character should manifest itself, in this situation tonight, which has deprived us of his presence.

For he has done the next best thing. In place of himself, he has sent us, to represent him, his daughter, Helga Sandburg. This is good, for she, too, is a person of eminence and distinction in the same field—literature—in which her father is so outstanding. She is the authoress of several excellent novels and is about to publish another very soon. She is, of course, very close to her father, Carl Sandburg—who has done so much to help us understand Lincoln better. Helga, at one time, was associated with the Manuscript Division of the Library of Congress, and made her talents useful in the Office of the Keeper of the Collections. Washington is proud to have her as one of its permanent residents. Thus our program tonight, even to this generation, is kept well within the meaning and significance of the life and times of Abraham Lincoln. This is especially pertinent because we are close to the centennial of the Emancipation Proclamation, another historical milestone we shall soon appropriately commemorate.

Ladies and gentlemen, I am pleased to present to you the charming daughter of Carl Sandburg, Miss Helga Sandburg.

HELGA SANDBERG. I introduced one of my novels with a quote from Proverbs: "Wisdom is the principal thing: therefore get wisdom: and with all thy getting, get understanding." And Job asks, "Where may wisdom be found and where is the place of understanding?"

For one is always looking. Since a boy Lincoln turned over the pages of his Bible; and when a man quoted freely from it. He spoke with Old Testament talk when he said, "Four score and seven years ago." All his public utterance was colored and had the rhythm of Holy Writ. And his letters too: "I pray our Heavenly Father," he wrote in the famous one to Mrs. Bixby who had lost so many sons in the conflict.

Lincoln was a man who knew sorrow; in his intimate family was death and illness and near insanity; in his public life came the first shot, and then the second, and then the carnage of that old war. He endured the hurt of signing a declaration of war and an Emancipation Proclamation; and took the consequences as long as breath remained. He told a woman formerly a slave who had come to him for help, "You may see days when all the food in the house is a single loaf of bread. Even so, you must give each child a slice and you must send him off to school." That is prophetic and has the sound of a Biblical proverb.

Lincoln was the people and they were Lincoln.

It is the same with my father. He is the people and they are he. Now he is 84 and he didn't come today because he is deep in a piece of writing. And this is appropriate. If someone were to set off that mushroom cloud, as some say will be done, he will look off through his window at it and then turn back to the paper on which his pencil is set. "There is something here I have to finish."

Sandburg is always going on about the people. In one of his poems they spoke: "I am the people * * * do you know that all the great work of the world is done through me? I am the audience that witnesses history. The Napoleons come from me and the Lincolns. They die. And then I send forth more Napoleons and Lincolns. I am the seed ground."

In another poem he told of this seed ground, of the woman who was the mother: "Nancy Hanks dreams by the fire * * * and the logs sputter and the yellow tongues climb. Red lines lick their way in flickers. Oh, dream, Nancy. Time now for a beautiful child. Time now for a tall man to come."

Well, he came, duly, and his statue is over there; and this evening honoring Sandburg, is really directed to him.

(Music: "National Emblem March.")

Captain HARPHAM. Robert Whitaker wrote a poem he called: "Lincoln." Perhaps if I read it now it may set the mood for the music about to be played. The poem goes like this:

"There is no name in all our country's story
so loved as his today;
No name that so unites the things of glory
with life's plain common way."

Just four lines—like an epitaph. Colonel Schoepper and the band present next Morton Gould's "American Salute"—a modern treatment of a Civil War tune that, in its way, too, "unites the things of glory with life's plain common way."

(Music: "American Salute.")

Captain HARPHAM. Our next selection is composed of an authentic medley of Southern songs that the armies of the South loved and enjoyed and that the soldiers of the North learned to cherish. This is the music that was in the background of the war below the Mason-Dixon line and often above it. It is now and will be forever an integral part of American folklore and tradition. Abraham Lincoln—during a gathering at the White House following the surrender of the southern forces—said, "I propose now closing up by requesting you play a certain piece of music. I thought 'Dixie' one of the best tunes I ever heard." The Marine Band then played "Dixie" for the President. "Dixie," as well as many other southern songs are presented now in Lucius Hosmer's "Southern Rhapsody."

(Music: '‘Southern Rhapsody.")

Captain HARPHAM. What comes now may be called the essence of this concert's musical tribute to Lincoln: a dramatic presentation uniting words and music to give us the "Lincoln Portrait" by Aaron Copland. The spoken portion of this portrait will be done by Julian Barber of WTOP's Broadcast House.

(Music: "Lincoln Portrait.")

JULIAN BARBER. "Fellow citizens * * * we cannot escape history." That is what he said. That is what Abraham Lincoln said. "Fellow citizens, we cannot escape history. We of this Congress and this administration will be remembered in spite of ourselves. No personal significance, or insignificance can spare one or another of us. The fiery trial through which we pass will light us down in honor or dishonor to the latest generation. We, even we here, hold the power and bear the responsibility."

He was born in Kentucky, raised in Indiana, and lived in Illinois. And this is what he said: This is what Abe Lincoln said: "The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew and act anew. We must disenthrall ourselves, and then we shall save our country."

When standing erect he was 6 feet 4 inches tall. And this is what he said. He said: "It is the eternal struggle between two principles, right and wrong, throughout the world." It is the same spirit that says: "You toil and work and earn bread, and I'll eat it no matter in what shape it comes. Whether from the mouth of a king who seeks to bestride the people of his own nation and live by the fruit of their labor, or from one race of men, as an apology for enslaving another race, it is the same tyrannical principle."

Lincoln was a quiet man. Abe Lincoln was a quiet and a melancholy man. But when he spoke of democracy, this is what he said: He said: "As I would not be a slave, so I would not be a master. This expresses my idea of democracy. Whatever differs from this, to the extent of the difference, is no democracy."

Abraham Lincoln, 16th President of these United States, is everlasting in the memory of his countrymen. For on the battleground at Gettysburg, this is what he said. He said, "That from these honored dead, we take increased devotion, to that cause for which they gave the last full measure of devotion: That we here highly resolve that these dead shall not have died in vain. And that this Nation, under God, shall have a new birth of freedom: And that Government of the people, by the people, and for the people, shall not perish from the earth."

Captain Harpham. Ladies and gentlemen, we have reached our finale. But we have a last word for this Lincoln tribute. The Lincoln group of the District of Columbia believe this should be the words of Lincoln himself. They are the words Lincoln used in referring to a beloved friend of his—Representative Owen Lovejoy, of Illinois—who had just died. Lincoln's tragic concern with the Civil War kept him from joining in efforts for a marble monument to this friend. The last sentence of a letter he wrote explaining the situation, are words we can use today about Lincoln himself. Lincoln wrote: "Let him have the marble monument along with the well-assured and more enduring one in the hearts of those who love liberty, unselfishly, for all men."

And now, "The Battle Hymn of the Republic."

(Music: "Battle Hymn of the Republic.")

A Government of Law or of Men?

EXTENSION OF REMARKS

OF

HON. DON L. SHORT

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1962

Mr. SHORT. Mr. Speaker, developments in the past few days concerning strikes which were threatened, and strikes now taking place in our defense effort prompted me to issue a special report relative to my bill, H.R. 9555, to prohibit strikes by employees employed in certain strategic defense industries.

It is interesting to note that my bill provides a method similar to that just used by President Kennedy. My bill was introduced on January 10, 1962, the opening day of Congress, and identical to one introduced the previous fall by Senator John L. McClellan, of Arkansas.

I ask unanimous consent that my release of yesterday, July 23, be included with my remarks today, together with editorials appearing in the New York Times of July 23, 1962, entitled "New Labor Law Needed," and in the Washington Post, July 24, 1962, entitled "Emergency Strike Formula."

I call attention to the fact that both these editorials call attention to the need for legislation, in spite of the fact that in this instance most of the striking workers have complied with the President's personal request.

President Truman found, when he seized the steel mills to end a walkout, that the President cannot go too far in improvising when he does not have—to back up his action—the authority of law. We hope President Kennedy does not have to learn the same lesson at the expense of our country's defense effort—and at the expense of our public safety.

Obviously public attention is focused increasingly on the subject of keeping our defense effort "moving ahead"—to borrow a now-famous phrase of President Kennedy's.

I cannot urge too strongly that it is imperative for the Congress to consider and pass legislation—not as a punitive measure for labor unions—but providing proper legal means to bring about fair and equitable agreements and settlements of all disputes between labor, management, and the Government which hamper the defense program of our country.

I believe my bill, H.R. 9555, provides this legal method, and I commend it to your attention.

The articles follow:

A Government of Laws or of Men?

I am gratified to note President Kennedy, in his efforts to bring about a settlement of the labor dispute taking place in the aerospace industry, has used essentially the procedure provided for in my bill, H.R. 9555, introduced by me on the opening day of Congress this year. This bill would prohibit strikes by employees employed in certain strategic defense industries, and provide a method for settling disputes between labor and management, whenever they occurred.

The two unions involved in the aerospace industry dispute, as well as the industries involved, have now yielded to the personal request of President Kennedy to observe a 60-day "peace period," during which time a three-man board, appointed by the President, is to hold hearings and present to him its recommendation for settlement of the dispute.

Along with every loyal U.S. citizen, I am relieved that our defense effort will not be delayed at least in this specific area. I am reminded of my comment concerning the triple responsibility of labor, management, and military government, before the House of Representatives on July 17:

"If labor, management, and government could forget their natural suspicions and work out equitable and fair arrangements with regard to our defense effort, that would be the perfect solution."

However—and this is a big however—it behooves the Congress to keep in mind that this is a government of laws, not of men. The President's act in setting up his board for the 60-day period (after which presumably he could invoke the Taft-Hartley 80-day "cooling off" injunction provision), has been carried out without any real authority of law.

Let me point out that had my bill, H.R. 9555, been enacted into law, the building of the 11 nuclear submarines—so vital a part of our country's defense effort—would not now be halted by the strike of 8,000 shipyard workers in Groton, Conn. Nor would we have experienced the frightening possibility of 150,000 aerospace workers walking out at noon today. Our country would have rested easier. Our allies for peace around the world would have rested easier. I am convinced our labor union workers also would have rested easier—to say nothing of the industry involved—because the lawful means of settling disputes would have been provided, leaving no illusion in anyone's mind that a strike in our defense establishments would be allowed to disrupt our defense effort.

The President jumped into this labor-management dispute with all four feet at the psychological moment—just when his Federal Mediation and Conciliation Service had thrown up its hands in despair, and when his Secretary of Labor had indicated his frustration. While the President's undoubted genius for public relations may have enjoyed a lift in the minds of many people (who perhaps do not fully realize all that is involved), the black eye given our defense effort will not so easily be overcome in the eyes of the world.

My bill would make the Secretary of Defense, the labor union or unions involved, and management equally responsible for appointing the board members, in contrast to the President's personally appointed board. It would have the added advantage and impetus of being U.S. law, if enacted. This means the emergency board's recommendation would be binding, not optional, as is the case with the President's board.

I believe that labor, management, and military government can reach fair and equitable agreements in such disputes—particularly if the proper motivation and necessary means is present. The best motivation possible is the defense of our Nation, and the defense of each and every citizen. The necessary means will be present if my bill is enacted into law.

Is Congress to allow its legislative responsibilities, which we have sworn to uphold, to be assumed by the executive branch? What are we Members elected for? Certainly not to be merely a soundingboard or rubberstamp for the President and his advisers.

The White House, for more than a year now, indicated it intended to transmit to Congress recommendations for a more flexible approach to the settlement of emergency disputes. The President's Advisory Council on Labor-Management Policy presented its recommendations to him nearly 3 months ago. It now appears there should be no further question concerning the need for passage of legislation to protect our Nation's defense effort.

It is now an undeniable fact that President Kennedy himself has not been averse to using essentially the same method outlined in my proposed legislation.

I, therefore, call upon the Congress to support my effort to bring about immediate consideration and approval of a fair, workable, and equitable law dealing with strikes in our missile and defense industry.

[From The New York Times, July 23, 1962]

NEW LABOR LAW NEEDED

The 60-day delay President Kennedy has effected in strike threats against five producers of missiles, planes, and spacecraft prevents what would have been an inexcusable disruption of vital national programs. A settlement pattern had been provided in the noninflationary agreement negotiated last week by the Douglas Aircraft Co. and the two unions involved in the present conflict. The other manufacturers' refusal to go along with the Douglas clauses on union and job security were the bars to full peace.

Gratifying as is the administration's success in postponing the showdown, the entire incident focuses sharp new attention on the need for improved legal machinery to deal with emergency labor disputes. The President has again felt obliged to improvise a formula outside the one prescribed by the Taft-Hartley Act. In the transportation field, where some labor relations are under the Railway Labor Act and others under Taft-Hartley, the improvisation method has been working spottily. Secretary of Labor Goldberg is embroiled in intraunion and interunion politics in his efforts to unravel the row between the flight engineers and the airline pilots. The railroads and east coast docks face new crises.

The White House has indicated for more than a year that it intended to transmit to Congress recommendations for a more flexible approach to the settlement of emergency disputes. It has had for nearly 3 months the ideas on this subject of the President's Advisory Council on Labor-Management Policy. The time to get measured congressional consideration of any program probably has passed. But the worst time is to wait until a major breakdown in a key industry necessitates panicky action on Capitol Hill. If employers and unions are to respect the Government's role in protecting the national interest it ought to have a solid underpinning in law.

[From the Washington Post, July 24, 1962]

EMERGENCY STRIKE FORMULA

President Kennedy has inaugurated a new technique in dealing with strike threats that might cause a national emergency. Instead of invoking the Taft-Hartley Act, the President requested a 60-day delay in the walkouts scheduled for Monday by the employees of several producers of missiles, planes, and spacecraft. Both the United Auto Workers and the International Association of Machinists responded in a spirit of accommodation and proper regard for the national interest. During the 60-day period a three-man Presidential board will try to settle the disputes, by mediation if possible, and by making findings and recommendations if necessary.

In some respects the special Presidential board will have an advantage over any factfinding board that might have been named under the Taft-Hartley Act. The law specifically denies Taft-Hartley boards authority to make recommendations. Consequently, Taft-Hartley factfinders may be handicapped in bringing about a settlement. They cannot focus public opinion on fair terms that ought to be accepted in the public interest. By contrast, the Presidential board in the present disputes is specifically authorized to hold hearings and to make findings and recommendations for a settlement.

The weakness of the new technique, of course, lies in the fact that it is wholly voluntary. It will break down any time a union may refuse to cooperate by postponing a schedule strike, and the President then would have no alternative to falling back upon Taft-Hartley. President Truman discovered, when he seized the steel mills to end a walkout that was threatening the national safety, that the White House cannot improvise to the point of using force in preference to using law already on the books.

The need for additional law in this field is clear and unmistakable, and it is not minimized by the union's wise compliance with the President's current requests. Probably it is too late for any comprehensive bill to be passed by the present Congress, but recommendations ought to be forthcoming on the basis of the report of the President's Advisory Council on Labor-Management Policy a few months ago. It is an area in which strong leadership from the White House will be needed.

SENATE

WEDNESDAY, JULY 25, 1962

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our fathers' God, and ours, in all the whelming waters of tribulation which this day flood the earth, Thou art for us as a shelter from the storm, a covert from the wind, and the shadow of a great rock in a weary land.

But grant us to realize that Thou art our challenge, as well as our shelter and refuge; and that in the crises of these days, Thy voice to us is calling, in all the want and woe, in all the hunger and misery of our fellows under all skies. Make us the dedicated heralds of Thy healing; teach us to toil and serve, that we may so play our part in this age on ages telling, that we may face with clear conscience the gaze of our contemporaries and the judgment of posterity, and at the end hear Thy "Well done, thou hast been faithful." Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 24, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, communicated to the Senate the resolutions of the House adopted as a tribute to the memory of Hon. Henry C. Dworshak, late a Senator from the State of Idaho.

The message announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H.R. 1700. An act for the relief of Jaime Abejuro;

H.R. 2187. An act for the relief of Augustin Ramirez-Trejo;

H.R. 2198. An act for the relief of Carlos Sepulveda Abarca;

H.R. 6374. An act to clarify the application of the Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings, and for other purposes;

H.R. 10606. An act to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes; and

H.R. 11038. An act making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Permanent Subcommittee on Investigations of the Committee on Government Operations was authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of John L. Di Benedetto, of New York, to be U.S. marshal for the southern district of New York, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry:

John A. Baker, of Virginia, to be a member of the Board of Directors of the Commodity Credit Corporation; and

John A. Baker, of Virginia, to be an Assistant Secretary of Agriculture.

The PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

U.S. DISTRICT JUDGE

The Chief Clerk read the nomination of Noel P. Fox, of Michigan, to be U.S. district judge for the western district of Michigan.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. ATTORNEY

The Chief Clerk read the nomination of Donald A. Wine, of Iowa, to be U.S. attorney for the southern district of Iowa for a term of 4 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

COMMITTEE TO ATTEND FUNERAL OF THE LATE SENATOR HENRY C. DWORSHAK, OF IDAHO

The PRESIDENT pro tempore. The Chair announces the appointment of the committee on the part of the Senate to attend the funeral of the late Senator Henry C. Dworshak, of Idaho, which will be printed in the Record.

The committee is as follows: Senator Frank Church, Idaho, chairman; Senator Mike Mansfield, Montana, majority leader; Senator Everett McKinley Dirksen, Illinois, minority leader; Senator Carl Hayden, Arizona; Senator Richard B. Russell, Georgia; Senator Dennis Chavez, New Mexico; Senator Allen J. Ellender, Louisiana; Senator Lister Hill, Alabama; Senator George D. Aiken, Vermont; Senator John L. McClellan, Arkansas; Senator Warren G. Magnuson, Washington; Senator Bourke B. Hickenlooper, Iowa; Senator Leverett Saltonstall, Massachusetts; Senator Milton R. Young, North Dakota; Senator Spessard L. Holland, Florida; Senator A. Willis Robertson, Virginia; Senator John Stennis, Mississippi; Senator Karl E. Mundt, South Dakota; Senator Hubert H. Humphrey, Minnesota; Senator Estes Kefauver, Tennessee; Senator Margaret Chase Smith, Maine; Senator John O. Pastore, Rhode Island; Senator A. S. Mike Monroney, Oklahoma; Senator Thomas H. Kuchel, California; Senator Norris Cotton, New Hampshire; Senator Roman L. Hruska, Nebraska; Senator Alan Bible, Nevada; Senator Gordon Allott, Colorado; Senator Robert C. Byrd, West Virginia; Senator Gale W. McGee, Wyoming; Senator Jack Miller, Iowa.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

Report on Officers Assigned to Permanent Duty in the Air Force at the Seat of Government

A letter from the Secretary of the Air Force, reporting, pursuant to law, that as of June 30, 1962, there was an aggregate of 2,292 officers assigned or detailed to permanent duty in the executive element of the Air Force at the seat of government; to the Committee on Armed Services.

Report of Federal Deposit Insurance Corporation

A letter from the Chairman, Federal Deposit Insurance Corporation, Washington, D.C., transmitting, pursuant to law, a report of that Corporation, for the calendar year 1961 (with an accompanying report); to the Committee on Banking and Currency.

Report on Review of Selected Activities of Communicable Disease Center, Public Health Service

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of selected activities of the Communicable Disease Center, Public Health Service, Department of Health, Education, and Welfare, dated July 1962 (with an accompanying report); to the Committee on Government Operations.

Report on Examination Into the Pricing of a Subcontract Awarded to Westinghouse Electric Corp. and Charged to the Navy

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination into the pricing of a subcontract for nuclear components awarded by the Plant Apparatus Department of Westinghouse Electric Corp. to another department of Westinghouse and charged to the Navy under a cost-plus-a-fixed-fee contract, dated July 1962 (with an accompanying report); to the Committee on Government Operations.

Report on Review of Proceeds From Certain Surplus Property by the Air Force Logistics Command

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of the use of proceeds from scrap, salvage, and surplus property sales for construction purposes by the Air Force Logistics Command, Department of the Air Force, dated July 1962 (with an accompanying report); to the Committee on Government Operations.

Amendment of Title 13, United States Code, Relating to Preservation of the Confidential Nature of Certain Reports

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend title 13, United States Code, to preserve the confidential nature of copies of reports filed with the Bureau of the Census on a confidential basis (with an accompanying paper); to the Committee on Post Office and Civil Service.

EXEMPTION OF CERTAIN CARRIERS FROM MINIMUM RATE REGULATION—RESOLUTIONS

Mr. CARLSON. Mr. President, I have received resolutions from the Concordia Chamber of Commerce, the Independence Chamber of Commerce, the Abilene Chamber of Commerce, the Newton Chamber of Commerce, and the Ottawa Chamber of Commerce, all of the State of Kansas, regarding S. 3243 which is pending in the Senate Committee on Commerce to exempt certain carriers from the minimum rate regulation.

Transportation is vital to our State and I ask unanimous consent that these resolutions be made a part of these remarks and referred to the Committee on Commerce.

There being no objection, the resolutions were referred to the Committee on Commerce, and ordered to be printed in the Record, as follows:

Resolution by Concordia Chamber of Commerce

Whereas the shippers of the city of Concordia are desirous of having a dependable and a financially sound and growing railroad industry; and

Whereas there is now pending before the Congress of the United States two measures which will partially restore competitive equality among the various modes of transportation in the United States; to wit: S. 3243 and its counterpart H.R. 11583, and S. 3242 and its counterpart H.R. 11584; and

Whereas it is universally acknowledged that there are inequities and injustices in the making of rates under present Federal law, and that the Nation's railroads are being prevented from fairly competing for available traffic and said railroads are being wrongfully penalized thereby to their great detriment: Now, therefore, be it

Resolved, That the Chamber of Commerce of the City of Concordia, Kans., does by these presents hereby endorse and favor the enactment of S. 3243, H.R. 11583, S. 3242, and H.R. 11584 into law; and be it further

Resolved, That the secretary of this organization furnish a copy of this resolution to Senators Warren G. Magnuson, Frank Carlson, James Pearson, and Congressmen Oren Harris and Robert J. Dole.

Dale Nelson,
President, Chamber of Commerce, Concordia, Kans.

Resolution by Independence Chamber of Commerce

Whereas the Nation's regulated carriers are vital to the economy of the Nation and a necessity in the time of war; and

Whereas the shippers of the city of Independence are desirous of having a dependable and a financially sound and growing transportation industry; and

Whereas it is universally acknowledged that there are inequities and injustices in the making of rates under present Federal law, and that the Nation's regulated carriers are being prevented from fairly competing for available traffic and said carriers are being wrongfully penalized thereby to their great detriment; and

Whereas the members of our community are most concerned that the carriers shall continue to be owned and operated as a part of our free enterprise system, and abhor the distinct possibility of governmental ownership if the Nation does not come to grips with the present transportation crisis; and

Whereas there is now pending before the Congress of the United States two measures which will partially restore competitive equality among the various modes of transportation in the United States, to wit: S. 3243 and its counterpart H.R. 11583, and S. 3242 and its counterpart H.R. 11584 with the expectation upon enactment into law that the Nation and our community will once again be favored with a fair and equitable system of regulation: Now, therefore, be it

Resolved, That the Chamber of Commerce of the City of Independence, Kans., does by these presents hereby endorse and favor the enactment of S. 3243, H.R. 11583, S. 3242, and H.R. 11584 into law; and be it further

Resolved, That the secretary of this organization furnish a copy of this resolution to Senators Warren G. Magnuson, chairman, Senate Committee on Commerce; James B. Pearson; Frank Carlson; and Congressmen Oren Harris, chairman, House Committee on Interstate and Foreign Commerce; and Walter Lewis McVey.

Ralph E. Cox, *Manager.*

Resolution by Abilene Chamber of Commerce

Whereas the shippers of the city of Abilene are desirous of having a dependable and a financially sound and growing railroad industry; and

Whereas the Nation's railroads are being prevented from fairly competing for available traffic and said railroads are being wrongfully penalized thereby to their great detriment; and

Whereas the members of our community are most concerned that the railroads shall continue to be owned and operated as a part of our free enterprise system, and abhor the distinct possibility of governmental ownership if the Nation does not come to grips with the present transportation crisis; and

Whereas there is now pending before the Congress of the United States two measures which will partially restore competitive equality among the various modes of transportation in the United States, to wit: S. 3243 and its counterpart H.R. 11583, and S. 3242 and its counterpart H.R. 11584 with the expectation upon enactment into law that the Nation and our community will once again be favored with a fair and equitable system of regulation and the railroads will be restored to financial health: Now, therefore, be it

Resolved, That the Chamber of Commerce of the City of Abilene, Kans., does by these presents hereby endorse and favor the enactment of S. 3243, H.R. 11583, S. 3242, and H.R. 11584 into law; and be it further

Resolved, That the secretary of this organization furnish a copy of this resolution to Senators Warren G. Magnuson, Frank Carlson, James B. Pearson, and Congressmen Oren Harris and Garner E. Shriver.

N. C. Louk,
President, Chamber of Commerce, Abilene, Kans.

Resolution by Newton Chamber of Commerce

Whereas the Nation's railroads are vital to the economy of the Nation and a necessity in time of war and therefore, the shippers of the city of Newton are desirous of having a dependable and a financially sound and growing railroad industry; and

Whereas it is universally acknowledged that there are inequities and injustices in the making of rates under present Federal law, and that the Nation's railroads are being prevented from fairly competing for available traffic and said railroads are being wrongfully penalized thereby to their great detriment; and

Whereas the members of our community are most concerned that the railroads shall continue to be owned and operated as a part of our free enterprise system, and abhor the distinct possibility of governmental ownership if the Nation does not come to grips with the present transportation crisis; and

Whereas there is now pending before the Congress of the United States two measures which will partially restore competitive equality among the various modes of transportation in the United States, to wit: S. 3243 and its counterpart H.R. 11583, and S. 3242 and its counterpart H.R. 11584 with the expectation upon enactment into law that the Nation and our community will once again be favored with a fair and equitable system of regulation and the railroads will be restored to financial health: Now, therefore, be it

Resolved, That the Chamber of Commerce of the City of Newton, Kans., does by these presents hereby endorse and favor the enactment of S. 3243, H.R. 11583, S. 3242, and H.R. 11584 into law; and be it further

Resolved, That the secretary of this organization furnish a copy of this resolution to Senators Warren G. Magnuson, Frank Carlson, James B. Pearson, and Congressmen Oren Harris and Garner E. Shriver.

Henry Toevs,
Treasurer and Acting Chairman.

Resolution by Ottawa Chamber of Commerce

Whereas various national study groups have made certain recommendations concerning transport policies; and

Whereas President Kennedy in his transportation message made the same recommendations to Congress; and

Whereas there is now pending before the Congress of the United States two measures which embody these recommendations, to wit: S. 3243 and its counterpart H.R. 11583, and S. 3242 and its counterpart H.R. 11584: Now, therefore, be it

Resolved, That the board of directors of the chamber of commerce of the city of Ottawa, Kans., does by these presents hereby endorse and favor the enactment of S. 3243, H.R. 11583, S. 3242, and H.R. 11584 into law; and be it further

Resolved, That the secretary of this organization furnish a copy of this resolution to Senators Warren G. Magnuson, Frank Carlson, James Pearson, and Congressmen Oren Harris and Robert F. Ellsworth.

Peg Carr,
Secretary-Manager.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MANSFIELD, from the Committee on Rules and Administration, without amendment:

S. Res. 361. Resolution to authorize study of the equity involved in the 90-percent royalty on mineral production on federally owned lands (Rept. No. 1783).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

H.R. 10651. An act to amend title 28, United States Code, with respect to fees of U.S. marshals, and for other purposes (Rept. No. 1785).

By Mr. GRUENING, from the Committee on Interior and Insular Affairs, with amendments:

S. 594. A bill to authorize the construction, operation, and maintenance of the Crater-Long Lakes division of the Snettisham project, Alaska, and for other purposes (Rept. No. 1786).

By Mr. CHAVEZ, from the Committee on Public Works, with an amendment:

S. 3340. A bill to repeal a portion of the Second Supplemental National Defense Appropriation Act, 1943, approved October 26, 1942 (56 Stat. 990, 999), as amended, and for other purposes (Rept. No. 1788).

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, with an amendment:

H.R. 12391. An act to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes (Rept. No. 1787).

REPORT ENTITLED "JAMES R. HOFFA AND CONTINUED UNDERWORLD CONTROL OF NEW YORK TEAMSTER LOCAL 239"—REPORT OF A COMMITTEE (S. REPT. NO. 1784)

Mr. McCLELLAN. Mr. President, on behalf of the Committee on Government Operations I submit a report made to it by the Permanent Subcommittee on Investigations entitled "James R. Hoffa and Continued Underworld Control of the New York Teamsters Local 239."

Mr. President, the Senate unanimously consented to a delay in filing this report, which is based on a series of hearings held by the subcommittee in January 1961. The Justice Department requested that the committee postpone the filing of this report in order that certain Federal criminal proceedings then pending in the U.S. District Court, Eastern District of New York, could proceed without the possibility of being prejudiced by any publicity that might be given to the contents hereof. One of the defendants in those proceedings, namely, Antonio Corallo, was one of the key subjects of the subcommittee's investigation. Having now been advised that the trial in New York has been completed—resulting in the conviction of Corallo—the committee is now free to submit the report.

As you know, Mr. President, in March 1960 the authority granted by the Senate to the Select Committee on Improper Activities in the Labor or Management Field was transferred to the Committee on Government Operations. This authority is currently reposed in the latter committee. I submit that the disclosures during the subcommittee hearings relating to James R. Hoffa, president of Teamster International and Local 239 attest to the wisdom of the action taken by the Senate in continuing and transferring the authority of the select committee to the Government Operations Committee to study and investigate criminal or improper activities in the labor-management field.

In 1957 during hearings before the select committee it was disclosed that some seven local unions of the New York area, five of which were affiliated with the International Brotherhood of Teamsters, were controlled by the powerful New York underworld figure Antonio—Tony Ducks—Corallo. At that time Corallo was vice president of one of the locals; namely, local 239. As might be expected, the common denominator to all of those locals was corruption.

In 1958, clearly because of the disclosures before the select committee, Corallo submitted his resignation as vice president of local 239. We were to learn later, however, that this resignation was merely a subterfuge.

In this respect, Mr. President, the following was established during the course of the subcommittee hearings in 1961, which are the subject of the report I now submit:

First. Despite his resignation as vice president, Corallo continued to exercise a behind the scenes control and domination over the elected officials of local 239.

Second. Immediately upon his resignation, two criminal associates of Corallo, who were complete strangers to the labor movement, were placed on the local's payroll ostensibly as organizers. Their combined salaries exactly equaled that of Corallo at the time of his resignation. Thereafter a third Corallo associate appeared on the payroll. The evidence before the subcommittee permits no conclusion other than that these individuals were, in fact, nothing more than dummies providing a means of siphoning off tens of thousands of dollars annually of the local union funds.

Third. At the direction of Corallo, the officers of the union planned additional raids on the union treasury in June 1959 in order to pay off one Sam Goldstein and secure his resignation as president of the local. Goldstein, a convicted extortionist, was receiving his full salary as president while in jail on the extortion charge. The select committee's exposure of this unbelievable situation was of extreme embarrassment to James R. Hoffa.

Fourth. In anticipation of the expiration of the select committee in July 1959, the officials of local 239, under Corallo's direction and evidently with Teamster General President Hoffa's acquiescence, planned to bring Goldstein back on the union payroll upon his release from prison in November 1959 and within 6 months to permit him to resume his office as president.

There can be no doubt, Mr. President, that this plan has been thwarted by the extension of the select committee to March 1960 and thereafter the continuation of its powers in the Committee on Government Operations.

Mr. President, these revelations were indeed disturbing. Most disturbing, however, was the defiant and callous attitude of James R. Hoffa, the international general president, and his refusal to take corrective action in the face of conclusive evidence concerning underworld control of a Teamster local and the corruption flowing therefrom at the expense of the dues-paying membership.

As a matter of fact, Mr. President, Hoffa has rewarded certain Teamster officials who were involved in criminal or improper activities by promoting them to high international positions.

For example, Hoffa elevated one Frank Matula after the latter's conviction for the crime of perjury, to international trustee, a position involving fiduciary duties and requiring the highest integrity.

He promoted one Anthony Provenzano to the position of international vice president subsequent to revelations before the select committee that Provenzano had demanded and received payments from employers to insure labor peace. In this connection Provenzano is presently under indictment for violation of the Hobbs Anti-Racketeering Act.

Furthermore, Hoffa has refused to take action against William Presser who holds important Teamster positions in Ohio, despite Presser's conviction on charges of contempt of the Senate and obstruction of justice.

Mr. President, based on the disclosures before the subcommittee and with a view of taking corrective measures, I introduced on March 21, 1961, S. 1395 which would amend section 504 of the Labor-Management Reporting and Disclosure Act of 1959. As you know, section 504 bars individuals convicted or imprisoned as a result of their conviction of certain designated crimes from holding union office. S. 1395 would broaden section 504 by the addition of the crimes of kidnaping, perjury, violation of section 302 of the Labor-Management Relations Act of 1947, contempt of Congress, and obstruction of justice.

Mr. President, in view of the foregoing disclosures and findings by the committee, I most respectfully urge favorable consideration to the enactment of the bill to which I have just referred.

The PRESIDENT pro tempore. The report will be received and printed.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL STOCKPILE INVENTORIES

Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal stockpile inventories as of April 1962. I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL STOCKPILE INVENTORIES, APRIL 1962

INTRODUCTION

This is the 29th in a series of monthly reports on Federal stockpile inventories. It is for the month of April 1962.

The report is compiled from official data on quantities and cost value of commodities in these stockpiles submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures by the Departments of Agriculture, Defense, and Health, Education, and Welfare, and the General Services Administration.

The cost value of materials in inventories covered in this report, as of April 1, 1962, totaled $13,469,479,879, and as of April 30, 1962, they totaled $13,697,640,459, a net increase of $228,160,580 during the month.

Different units of measure make it impossible to summarize the quantities of commodities and materials which are shown in tables 1, 2, 3, and 4, but the cost value figures are summarized by major category, as follows:

Summary of cost value of stockpile inventories by major category

Major category	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month
Strategic and critical materials:			
National stockpile	$6,069,095,200	$6,062,257,100	−$6,838,100
Defense Production Act	1,478,639,900	1,486,662,900	+8,023,000
Supplemental—barter	1,201,298,909	1,218,991,472	+17,692,563
Total, strategic and critical materials	8,749,034,009	8,767,911,472	+18,877,463
Agricultural commodities: Price-support program	4,435,947,358	4,644,115,106	+208,167,748
Civil Defense supplies and equipment:			
Civil Defense stockpile, Department of Defense	21,669,560	21,680,617	+11,057
Civil Defense medical stockpile, Department of Health, Education, and Welfare	172,072,252	172,391,664	+319,412
Total, Civil Defense supplies and equipment	193,741,812	194,072,281	+330,469
Machine tools:			
Defense Production Act	4,006,200	4,006,200	
National Industrial Reserve Act	86,750,500	87,535,400	+784,900
Total, machine tools	90,756,700	91,541,600	+784,900
Total, all inventories	13,469,479,879	13,697,640,459	+228,160,580

Detailed tables in this report show each commodity, by the major categories summarized above, in terms of quantity and cost value as of the beginning and end of the month. Net change figures reflect acquisitions, disposals, and accounting and other adjustments during the month.

The cost value figures represent generally the original acquisition cost of the commodities delivered to permanent storage locations, together with certain packaging, processing, upgrading, etc., costs as carried in agency inventory accounts. Quantities are stated in the designated stockpile unit of measure.

The appendix to this report includes program descriptions and statutory citations pertinent to each stockpile inventory within the major categories.

The stockpile inventories covered by the report are tabulated in detail as follows:

Table 1: Strategic and critical materials inventories (all grades), April 1962 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month).

Table 2: Agricultural commodities in price-support inventory, April 1962 (showing by commodity net changes during the month in terms of cost value and quantity).

Table 3: Civil defense supplies and equipment inventories, April 1962 (showing by item net changes during the month in terms of cost value and quantity).

Table 4: Machine tools inventories, April 1962 (showing by item net changes during the month in terms of cost value and quantity).

TABLE 1.—*Strategic and critical materials inventories (all grades), April 1962 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)*

Commodity	Cost value			Quantity (all grades)					
	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month	Unit of measure	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month	Maximum objective [1]	Excess over maximum objective
Aluminum, metal:									
National stockpile	$487, 690, 000	$487, 600, 000		Short ton	1, 129, 011	1, 129, 011			
Defense Production Act	415, 979, 200	417, 782, 500	+$1, 803, 300	do	820, 617	824, 278	+3, 661		
Total	903, 669, 200	905, 472, 500	+1, 803, 300	do	1, 949, 628	1, 953, 289	+3, 661	1, 200, 000	753, 289
Aluminum oxide, fused, crude:									
National stockpile	21, 735, 100	21, 735, 100		Short dry ton	200, 093	200, 093			
Supplemental—barter	22, 746, 300	22, 746, 300		do	178, 266	178, 266			
Total	44, 481, 400	44, 481, 400		do	378, 359	378, 359		200, 000	178, 359
Antimony:									
National stockpile	20, 488, 000	20, 488, 000		Short ton	30, 301	30, 301			
Supplemental—barter	8, 621, 707	8, 948, 486	+326, 779	do	15, 365	15, 906	+541		
Total	29, 109, 707	29, 436, 486	+326, 779	do	45, 666	46, 207	+541	70, 000	(2)
Asbestos, amosite:									
National stockpile	2, 637, 600	2, 637, 600		do	11, 705	11, 705			
Supplemental—barter	3, 607, 169	3, 799, 783	+192, 614	do	14, 459	15, 306	+847		
Total	6, 244, 769	6, 437, 383	+192, 614	do	26, 164	27, 011	+847	45, 000	(2)
Asbestos, chrysolite:									
National stockpile	3, 189, 200	3, 227, 400	+38, 200	Short dry ton	6, 051	6, 092	+41		
Defense Production Act	2, 102, 600	2, 102, 600		do	2, 348	2, 348			
Supplemental—barter	3, 985, 200	3, 985, 200		do	5, 532	5, 532			
Total	9, 277, 000	9, 315, 200	+38, 200	do	13, 931	13, 972	+41	11, 000	2, 972
Asbestos, crocidolite:									
National stockpile	702, 100	702, 100		Short ton	1, 567	1, 567			
Supplemental—barter	3, 465, 546	3, 465, 546		do	12, 417	12, 417			
Total	4, 167, 646	4, 167, 646		do	13, 984	13, 984		(3)	13, 984
Bauxite, metal grade, Jamaica type:									
National stockpile	13, 925, 000	13, 925, 000		Long dry ton	879, 740	879, 740			
Defense Production Act	18, 168, 000	18, 168, 000		do	1, 370, 077	1, 370, 077			
Supplemental—barter	69, 869, 218	70, 480, 717	+611, 499	do	4, 704, 340	4, 796, 845	+92, 505		
Total	101, 962, 218	102, 573, 717	+611, 499	do	6, 954, 157	7, 046, 662	+92, 505	2, 600, 000	4, 446, 662
Bauxite, metal grade, Surinam type:									
National stockpile	78, 643, 200	78, 639, 800	−3, 400	do	4, 964, 957	4, 964, 872	−85		
Supplemental—barter	41, 252, 530	43, 808, 469	+2, 555, 939	do	2, 537, 161	2, 640, 987	+103, 826		
Total	119, 895, 730	122, 448, 269	+2, 552, 539	do	7, 502, 118	7, 605, 859	+103, 741	6, 400, 000	1, 205, 859
Bauxite, refractory grade:									
National stockpile	11, 347, 800	11, 347, 800		Long calcined ton.	299, 279	299, 279		137, 000	162, 279
Beryl:									
National stockpile	9, 770, 200	9, 770, 200		Short ton	23, 233	23, 233			
Defense Production Act	1, 330, 300	1, 330, 300		do	2, 379	2, 379			
Supplemental—barter	22, 743, 000	22, 743, 000		do	11, 319	11, 319			
Total	33, 843, 500	33, 843, 500		do	36, 931	36, 931		23, 100	13, 831
Beryllium, metal:									
Supplemental—barter	373, 884	873, 045	+499, 161	do	3	7	+4	(3)	7
Bismuth:									
National stockpile	2, 674, 300	2, 674, 300		Pound	1, 342, 402	1, 342, 402			
Defense Production Act	52, 400	52, 400		do	22, 901	22, 901			
Supplemental—barter	4, 433, 049	4, 433, 049		do	2, 001, 545	2, 001, 545			
Total	7, 159, 749	7, 159, 749		do	3, 366, 848	3, 366, 848		3, 000, 000	366, 848
Bristles, hog:									
National stockpile	63, 400	63, 400		do	8, 217	8, 217		(3)	8, 217
Cadmium:									
National stockpile	21, 591, 400	21, 556, 500	−34, 900	do	10, 971, 029	10, 952, 219	−18, 810		
Supplemental—barter	11, 924, 171	11, 985, 340	+61, 169	do	7, 234, 332	7, 274, 312	+39, 980		
Total	33, 515, 571	33, 541, 840	+26, 269	do	18, 205, 361	18, 226, 531	+21, 170	6, 500, 000	11, 726, 531
Castor oil:									
National stockpile	56, 115, 800	56, 185, 000	+69, 200	do	221, 889, 349	221, 284, 663	−604, 686	68, 000, 000	153, 284, 663
Celestite:									
National stockpile	1, 412, 300	1, 412, 300		Short dry ton	28, 816	28, 816		22, 000	6, 816
Chromite, chemical grade:									
National stockpile	12, 286, 800	12, 286, 800		do	559, 452	559, 452			
Supplemental—barter	17, 845, 510	17, 845, 510		do	468, 604	468, 604			
Total	30, 132, 310	30, 132, 310		do	1, 028, 056	1, 028, 056		475, 000	553, 056
Chromite, metallurgical grade:									
National stockpile	264, 875, 900	264, 875, 900		do	3, 800, 052	3, 800, 052			
Defense Production Act	35, 879, 900	35, 879, 900		do	985, 646	985, 646			
Supplemental—barter	220, 979, 968	220, 979, 968		do	1, 444, 168	1, 444, 167	−1		
Total	521, 735, 768	521, 735, 768		do	6, 299, 866	6, 229, 865	−1	2, 700, 000	3, 529, 865

See footnotes at end of table.

TABLE 1.—*Strategic and critical materials inventories (all grades), April 1962 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)*—Continued

Commodity	Cost value			Quantity (all grades)					
	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month	Unit of measure	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month	Maximum objective [1]	Excess over maximum objective
Chromite, refractory grade:									
National stockpile	$25, 149, 300	$25, 149, 300		Short dry ton	1, 047, 159	1, 047, 159			
Supplemental—barter	5, 034, 600	5, 034, 600		do	179, 775	179, 775			
Total	30, 183, 900	30, 183, 900		do	1, 226, 934	1, 226, 934		1, 300, 000	(2)
Cobalt:									
National stockpile	168, 612, 400	168, 612, 400		Pound	76, 178, 248	76, 178, 248			
Defense Production Act	52, 109, 500	52, 109, 500		do	25, 212, 009	25, 212, 009			
Supplemental—barter	2, 169, 000	2, 169, 000		do	1, 077, 018	1, 077, 018			
Total	222, 890, 900	222, 890, 900		do	102, 467, 275	102, 467, 275		19, 000, 000	83, 467, 275
Coconut oil:									
National stockpile	26, 197, 000	24, 979, 300	−$1, 217, 700	do	172, 872, 690	164, 808, 290	−8, 064, 400	(3)	164, 808, 290
Colemanite:									
Supplemental—barter	2, 636, 400	2, 636, 400		Long dry ton	67, 636	67, 636		(3)	67, 636
Columbium:									
National stockpile	23, 858, 100	23, 858, 100		Pound	7, 488, 795	7, 488, 795			
Defense Production Act	51, 729, 600	51, 729, 200	−400	do	10, 614, 654	10, 614, 112	−542		
Supplemental—barter	798, 700	798, 700		do	388, 915	388, 915			
Total	76, 386, 400	76, 386, 000	−400	do	18, 492, 364	18, 491, 822	−542	1, 900, 000	16, 591, 822
Copper:									
National stockpile	521, 936, 500	521, 936, 000	−500	Short ton	1, 008, 402	1, 008, 401	−1		
Defense Production Act	67, 298, 800	67, 093, 700	−205, 100	do	120, 527	120, 146	−381		
Supplemental—barter	7, 466, 700	7, 618, 731	+152, 031	do	11, 253	11, 473	+220		
Total	596, 702, 000	596, 648, 431	−53, 569	do	1, 140, 182	1, 140, 020	−162	1, 000, 000	140, 020
Cordage fibers, abaca:									
National stockpile	38, 808, 600	38, 574, 300	−234, 300	Pound	152, 042, 256	151, 243, 740	−798, 516	150, 000, 000	1, 243, 740
Cordage fibers, sisal:									
National stockpile	44, 085, 600	44, 094, 500	+8, 900	do	316, 092, 959	317, 152, 203	+1, 060, 244	320, 000, 000	(2)
Corundum:									
National stockpile	393, 100	393, 100		Short ton	2, 008	2, 008		2, 000	8
Cotton:									
National stockpile	128, 416, 300	128, 412, 000	−4, 300	Pound	109, 603, 213	109, 604, 104	+891	(3)	109, 604, 104
Cryolite:									
Defense Production Act	9, 430, 100	9, 219, 000	−211, 000	Short ton	34, 150	33, 386	−764	(3)	33, 386
Diamond dies:									
National stockpile	432, 400	433, 000	+600	Piece	14, 040	14, 058	+18	15, 000	(2)
Diamond, industrial, crushing bort:									
National stockpile	61, 609, 500	61, 609, 500		Carat	31, 113, 411	31, 113, 411			
Supplemental—barter	13, 993, 500	15, 372, 449	+1, 378, 949	do	5, 023, 749	5, 523, 748	+499, 999		
Total	75, 603, 000	76, 981, 949	+1, 378, 949	do	36, 137, 160	36, 637, 159	+499, 999	30, 000, 000	6, 637, 159
Diamond, industrial stones:									
National stockpile	99, 443, 400	99, 443, 400		do	9, 164, 644	9, 164, 644			
Supplemental—barter	175, 148, 655	180, 110, 714	+4, 962, 059	do	14, 266, 245	14, 756, 625	+490, 380		
Total	274, 592, 055	279, 554, 114	+4, 962, 059	do	23, 430, 889	23, 921, 269	+490, 380	18, 000, 000	5, 921, 269
Diamond tools:									
National stockpile	1, 015, 400	1, 015, 400		Piece	64, 178	64, 178		(3)	64, 178
Feathers and down:									
National stockpile	41, 630, 100	40, 758, 500	−871, 600	Pound	10, 048, 769	9, 838, 298	−216, 471	8, 800, 000	1, 038, 298
Fluorspar, acid grade:									
National stockpile	26, 167, 500	26, 167, 500		Short dry ton	463, 049	463, 049			
Defense Production Act	1, 394, 400	1, 394, 400		do	19, 700	19, 700			
Supplemental—barter	32, 491, 091	32, 719, 112	+228, 021	do	657, 352	663, 621	+6, 269		
Total	60, 052, 991	60, 281, 012	+228, 021	do	1, 140, 101	1, 146, 370	+6, 269	280, 000	866, 370
Fluorspar, metallurgical grade:									
National stockpile	17, 332, 400	17, 332, 400		do	369, 443	369, 443			
Supplemental—barter	1, 508, 100	1, 508, 100		do	42, 800	42, 800			
Total	18, 840, 500	18, 840, 500		do	412, 243	412, 243		375, 000	37, 243
Graphite, natural, Ceylon, amorphous lump:									
National stockpile	937, 900	937, 900		do	4, 455	4, 455			
Supplemental—barter	341, 200	341, 200		do	1, 428	1, 428			
Total	1, 279, 100	1, 279, 100		do	5, 883	5, 883		3, 600	2, 283
Graphite, natural, Madagascar, crystalline:									
National stockpile	7, 124, 100	7, 124, 100		do	34, 570	34, 570		17, 200	17, 370
Graphite, natural, other, crystalline:									
National stockpile	1, 896, 400	1, 896, 400		do	5, 487	5, 487		2, 100	3, 387
Hydrochloride of quinine:									
National stockpile	1, 400	1, 400		Ounce	1, 474	1, 474		(3)	1, 474
Hyoscine:									
National stockpile	57, 400	57, 400		do	3, 935	3, 935		2, 100	1, 835

See footnotes at end of table.

TABLE 1.—*Strategic and critical materials inventories (all grades), April 1962 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)*—Continued

Commodity	Cost value			Quantity (all grades)					
	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month	Unit of measure	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month	Maximum objective [1]	Excess over maximum objective
Iodine:									
National stockpile	$4,082,000	$4,082,000		Pound	2,977,648	2,977,648			
Supplemental—barter	915,143	933,330	+$18,187	do	900,167	917,656	+17,489		
Total	4,997,143	5,015,330	+18,187	do	3,877,815	3,895,304	+17,489	4,300,000	(2)
Iridium:									
National stockpile	2,525,800	2,525,800		Troy ounce	13,937	13,937		4,000	9,937
Jewel bearings:									
National stockpile	3,410,900	3,410,900		Piece	50,472,191	50,472,191		57,500,000	(2)
Kyanite-mullite:									
National stockpile	872,400	871,400	−1,000	Short dry ton	10,090	10,078	−12	4,800	5,278
Lead:									
National stockpile	319,299,800	319,299,100	−700	Short ton	1,050,375	1,050,373	−2		
Defense Production Act	3,035,800	3,035,800		do	8,014	8,014			
Supplemental—barter	68,522,032	72,289,817	+3,767,785	do	277,263	298,175	+20,912		
Total	390,857,632	394,624,717	+3,767,085	do	1,335,652	1,356,562	+20,910	286,000	1,070,562
Magnesium:									
National stockpile	132,381,800	132,117,400	−264,400	do	182,486	182,121	−365	107,000	75,121
Manganese, battery grade, natural ore:									
National stockpile	21,025,500	21,025,500		Short dry ton	144,485	144,485			
Supplemental—barter	13,758,348	13,758,348		do	134,032	134,032			
Total	34,783,848	34,783,848		do	278,517	278,517		50,000	228,517
Manganese, battery grade, synthetic dioxide:									
National stockpile	3,095,500	3,095,500		do	21,272	21,272			
Defense Production Act	2,523,600	2,523,600		do	3,779	3,779			
Total	5,619,100	5,619,100		do	25,051	25,051		20,000	5,051
Manganese, chemical grade, type A:									
National stockpile	2,133,300	2,133,300		do	29,307	20,307			
Supplemental—barter	6,066,498	5,845,067	−221,431	do	88,709	85,310	−3,399		
Total	8,199,798	7,978,367	−221,431	do	118,016	114,617	−3,399	30,000	84,617
Manganese, chemical grade, type B:									
National stockpile	132,600	132,600		do	1,822	1,822			
Supplemental—barter	5,682,376	5,682,376		do	81,387	81,387			
Total	5,814,976	5,814,976		do	83,209	83,209		53,000	30,209
Manganese, metallurgical grade:									
National stockpile	248,462,300	248,462,300		do	5,853,639	5,853,639			
Defense Production Act	180,326,900	180,326,900		do	3,124,892	3,124,892			
Supplemental—barter	207,383,953	209,515,632	+2,131,679	do	2,882,799	2,936,062	+53,263		
Total	636,173,153	638,304,832	+2,131,679	do	11,861,330	11,914,593	+53,263	6,800,000	5,114,593
Mercury:									
National stockpile	20,039,500	20,039,500		Flask	129,525	129,525			
Supplemental—barter	3,446,200	3,446,200		do	16,000	16,000			
Total	23,485,700	23,485,700		do	145,525	145,525		110,000	35,525
Mica, muscovite block:									
National stockpile	27,694,100	27,694,100		Pound	11,625,983	11,625,983			
Defense Production Act	39,205,400	39,556,300	+350,900	do	6,347,742	6,369,808	+22,066		
Supplemental—barter	3,266,560	3,350,480	+83,920	do	1,036,489	1,060,840	+24,351		
Total	70,166,060	70,600,880	+434,820	do	19,010,214	19,056,631	+46,417	8,300,000	10,756,631
Mica, muscovite film:									
National stockpile	9,058,100	9,058,100		do	1,733,081	1,733,081			
Defense Production Act	633,900	633,900		do	102,638	102,638			
Supplemental—barter	657,778	678,053	+20,275	do	70,010	71,665	+1,655		
Total	10,349,778	10,370,053	+20,275	do	1,905,729	1,907,384	+1,655	1,300,000	607,384
Mica, muscovite splittings:									
National stockpile	40,597,900	40,597,900		do	40,037,405	40,037,405			
Supplemental—barter	6,225,800	6,225,800		do	4,826,257	4,826,257			
Total	46,823,700	46,823,700		do	44,863,662	44,863,662		21,200,000	23,663,662
Mica, phlogopite block:									
National stockpile	303,600	303,600		do	223,126	223,126		17,000	206,126
Mica, phlogopite splittings:									
National stockpile	2,580,500	2,580,500		do	3,081,491	3,081,491			
Supplemental—barter	1,479,995	1,520,613	+40,618	do	1,436,688	1,464,339	+27,651		
Total	4,060,495	4,101,113	+40,618	do	4,518,179	4,545,830	+27,651	1,700,000	2,845,830
Molybdenum:									
National stockpile	88,671,000	88,787,400	+116,400	do	84,063,912	84,063,530	−382	59,000,000	25,063,530
Nickel:									
National stockpile	182,107,000	182,107,000		do	334,537,583	334,537,583			
National Production Act	87,840,400	90,854,500	+3,014,100	do	98,608,113	100,904,051	+2,295,938		
Total	269,947,400	272,961,500	+3,014,100	do	433,145,696	435,441,634	+2,295,938	323,000,000	112,441,634

See footnotes at end of table.

TABLE 1.—*Strategic and critical materials inventories (all grades), April 1962 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)*—Continued

Commodity	Cost value			Quantity (all grades)					
	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month	Unit of measure	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month	Maximum objective [1]	Excess over maximum objective
Opium:				Pound					
National stockpile	$13,661,700	$13,661,700		do	195,757	195,757		172,800	22,957
Palladium:									
National stockpile	2,079,000	2,079,000		Troy ounce	89,811	89,811			
Defense Production Act	177,300	177,300		do	7,884	7,884			
Supplemental—barter	12,127,700	12,127,700		do	648,124	648,124			
Total	14,384,000	14,384,000		do	745,819	745,819		340,000	405,819
Palm oil:									
National stockpile	5,829,700	5,244,100	−$585,600	Pound	32,393,680	29,058,356	−3,335,324	(3)	29,058,356
Platinum:									
National stockpile	57,234,700	57,234,700		Troy ounce	720,813	720,813			
Supplemental—barter	3,987,400	3,987,400		do	49,999	49,999			
Total	61,222,100	61,222,100		do	770,812	770,812		165,000	605,812
Pyrethrum:									
National stockpile	415,000	415,000		Pound	66,188	66,188		66,000	188
Quartz crystals:									
National stockpile	70,109,800	70,109,800		do	5,686,570	5,686,570			
Supplemental—barter	3,128,684	3,128,684		do	232,252	232,252			
Total	73,238,484	73,238,484		do	5,918,822	5,918,822		650,000	5,268,822
Quartz processed:									
National stockpile	1,000	1,000		Piece	12,100	12,100		(3)	12,100
Quinidine:									
National stockpile	2,218,400	2,218,400		Ounce	1,923,377	1,923,377		1,600,000	323,377
Quinine:									
National stockpile	6,022,700	5,326,400	−696,300	do	9,524,947	8,423,186	−1,101,761	(3)	8,423,186
Rare earths:									
National stockpile	6,835,100	6,835,100		Short dry ton	10,042	10,042			
Supplemental—barter	5,758,000	5,802,628	+44,628	do	4,431	4,733	+302		
Total	12,593,100	12,637,728	+44,628	do	14,473	14,775	+302	5,700	9,075
Rare earths residue:									
Defense Production Act	657,800	657,800		Pound	6,085,570	6,085,570		(3)	6,085,570
Rhodium:									
National stockpile	78,100	78,100		Troy ounce	621	621		(3)	621
Rubber:									
National stockpile	835,811,400	832,790,600	−3,020,800	Long ton	1,081,014	1,077,107	−3,907	750,000	327,107
Ruthenium:									
Supplemental—barter	559,500	559,500		Troy ounce	15,001	15,001		(3)	15,001
Rutile:									
National stockpile	2,070,100	2,070,100		Short dry ton	18,599	18,599			
Defense Production Act	2,725,100	2,725,100		do	17,552	17,552			
Supplemental—barter	1,093,700	1,093,700		do	11,632	11,632			
Total	5,888,900	5,888,900		do	47,783	47,783		65,000	(2)
Sapphire and ruby:									
National stockpile	190,000	190,000		Carat	16,187,500	16,187,500		18,000,000	(2)
Selenium:									
National stockpile	757,100	757,100		Pound	97,100	97,100			
Supplemental—barter	1,070,500	1,070,500		do	156,518	156,518			
Total	1,827,600	1,827,600		do	253,618	253,618		400,000	(2)
Shellac:									
National stockpile	9,055,000	9,055,000	−100	do	18,061,156	18,060,981	−175	7,400,000	10,660,981
Silicon carbide, crude:									
National stockpile	11,394,500	11,394,500		Short ton	64,697	64,697			
Supplemental—barter	26,597,800	26,597,800		do	131,804	131,894			
Total	37,992,300	37,992,300		do	196,501	196,501		100,000	96,501
Silk noils and waste:									
National stockpile	4,662,700	4,513,200	−149,500	Pound	3,161,180	3,059,820	−101,360	970,000	2,089,820
Silk, raw:									
National stockpile	486,600	486,600		do	113,515	113,515		120,000	(2)
Sperm oil:									
National stockpile	4,775,400	4,775,400		do	23,442,158	23,442,158		23,000,000	442,158
Talc, steatite block and lump:									
National stockpile	502,500	502,500		Short ton	1,289	1,289		300	989
Talc, steatite ground:									
National stockpile	223,400	223,400		do	3,901	3,901		(3)	3,901
Tantalum:									
National stockpile	10,905,900	10,905,900		Pound	3,423,412	3,423,412			
Defense Production Act	9,734,400	9,734,400		do	1,531,366	1,531,366			
Supplemental—barter	21,100	21,100		do	8,036	8,036			
Total	20,661,400	20,661,400		do	4,962,814	4,962,814		2,420,000	2,542,814

See footnotes at end of table.

TABLE 1.—*Strategic and critical materials inventories (all grades), April 1962 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)*—Continued

Commodity	Cost value			Quantity (all grades)					
	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month	Unit of measure	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month	Maximum objective [1]	Excess over maximum objective
Thorium:									
Defense Production Act	$42,000	$42,000		Pound	848,574	848,574			
Supplemental—barter	10,552,617	10,853,056	+$300,439	do	4,344,202	4,505,902	+161,700		
Total	10,594,617	10,895,056	+300,439	do	5,192,776	5,354,476	+161,700	(3)	5,354,476
Tin:									
National stockpile	828,638,500	828,638,500		Long ton	340,791	340,791			
Supplemental—barter	16,404,000	16,404,000		do	7,505	7,505			
Total	845,042,500	845,042,500		do	348,296	348,296		185,000	163,296
Titanium:									
Defense Production Act	172,820,000	176,301,100	+3,481,100	Short ton	22,457	22,457			
Supplemental—barter	31,631,300	31,840,958	+209,658	do	9,021	9,021			
Total	204,451,300	208,142,058	+3,690,758	do	31,478	31,478		(3)	31,478
Totaquine:									
National stockpile	4,854,000	4,854,000		Ounce	7,654,416	7,654,416		(3)	7,654,416
Tungsten:									
National stockpile	368,834,000	368,868,900	+34,900	Pound	120,014,268	120,029,228	+14,960		
Defense Production Act	323,442,500	323,232,600	−209,900	do	79,309,475	79,263,853	−45,622		
Supplemental—barter	15,626,500	15,626,500		do	4,492,136	4,492,136			
Total	707,903,000	707,728,000	−175,000	do	203,815,879	203,785,217	−30,662	50,000,000	153,785,217
Tungsten carbide powder:									
Supplemental—barter	2,308,827	2,637,411	+328,584	do	893,595	1,017,392	+123,797	(3)	1,017,392
Vanadium:									
National stockpile	31,907,600	31,907,600		do	16,105,366	16,105,366		2,000,000	14,105,366
Vegetable tannin extract, chestnut:									
National stockpile	11,967,700	11,967,700		Long ton	42,895	42,895		30,000	12,895
Vegetable tannin extract, quebracho:									
National stockpile	49,374,900	49,374,900		do	199,557	199,557		180,000	19,557
Vegetable tannin extract, wattle:									
National stockpile	9,992,400	9,992,400		do	39,618	39,618		39,000	618
Zinc:									
National stockpile	364,176,300	364,173,900	−2,400	Short ton	1,256,162	1,256,154	−8		
Supplemental—barter	79,591,400	79,591,400		do	323,895	323,895			
Total	443,767,700	443,765,300	−2,400	do	1,580,057	1,580,049	−8	178,000	1,402,049
Zirconium ore, baddeleyite:									
National stockpile	710,600	710,600		Short dry ton	16,533	16,533		(3)	16,533
Zirconium ore, zircon:									
National stockpile	592,800	574,000	−18,800	do	10,021	9,703	−318	(3)	9,703
Total:									
National stockpile	6,069,095,200	6,062,257,100	−6,838,100						
Defense Production Act	1,478,639,900	1,486,662,900	+8,023,000						
Supplemental—barter	1,201,298,909	1,218,991,472	+17,692,563						
Total, strategic and critical materials	8,749,034,009	8,767,911,472	+18,877,463						

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[1] Maximum objectives for strategic and critical materials are determined pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98–98h). The present objectives represent quantities of materials estimated to be necessary in the event of a 3-year war in which oversea sources would not be available.

[2] Not in excess of maximum objective.

[3] No present objective.

Source: Compiled from reports submitted by the General Services Administration and the Department of Agriculture.

TABLE 2.—*Agricultural commodities in price support inventory, April 1962 (showing by commodity net changes during the month in terms of cost value and quantity)*

Commodity	Cost value			Quantity			
	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month	Unit of measure	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month
Basic commodities:							
Corn	$1,166,647,564	$953,366,896	−$213,280,668	Bushel	981,259,260	825,094,904	−156,164,356
Cotton, extra-long staple	4,127,249	4,127,249		Bale	14,868	14,868	
Cotton, upland	245,273,034	245,273,638	+604	do	1,448,627	1,448,631	+4
Peanuts, shelled	653,133	474,983	−178,150	Pound	5,597,496	4,031,893	−1,565,603
Rice, milled	1,978,664	2,328,667	+350,003	Hundredweight	200,043	236,170	+36,127
Rice, rough	4,682,785	2,132,236	−2,550,549	do	1,013,234	460,962	−552,272
Wheat	2,123,659,545	2,312,079,184	+188,419,639	Bushel	1,076,745,688	1,174,331,721	+97,586,033
Bulgur		51,634	+51,634	Pound		918,400	+918,400
Wheat, rolled	920		−920	do	9,360		−9,360
Total, basic commodities	3,547,022,894	3,519,834,487	−27,188,407				

TABLE 2.—*Agricultural commodities in price support inventory, April 1962 (showing by commodity net changes during the month in terms of cost value and quantity)*—Continued

Commodity	Cost value			Quantity			
	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month	Unit of measure	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month
Designated nonbasic commodities:							
Barley	$27, 422, 648	$22, 294, 735	−$5, 127, 913	Bushel	32, 002, 180	26, 870, 268	−5, 131, 912
Grain sorghum	586, 603, 788	781, 123, 626	+194, 519, 838	Hundredweight	310, 842, 615	403, 724, 486	+92, 881, 871
Milk and butterfat:							
Butter	163, 834, 488	191, 153, 747	+27, 319, 259	Pound	271, 040, 979	316, 746, 743	+45, 705, 764
Cheese	25, 638, 829	32, 116, 354	+6, 477, 525	do	67, 011, 196	83, 798, 878	+16, 787, 682
Milk, dried	71, 250, 465	80, 290, 620	+9, 040, 155	do	425, 091, 846	477, 499, 366	+52, 407, 520
Oats	4, 702, 797	4, 250, 366	−452, 431	Bushel	7, 515, 860	6, 807, 619	−708, 241
Rye	3, 185, 355	3, 188, 308	+2, 953	do	3, 223, 446	3, 227, 772	+4, 326
Total, designated nonbasic commodities	882, 638, 370	1, 114, 417, 756	+231, 779, 386				
Other nonbasic commodities:							
Beans, dry, edible	1, 962, 277	240, 181	−1, 722, 096	Hundredweight	329, 914	44, 107	−285, 807
Flaxseed		1, 315	+1, 315	Bushel		440	+440
Soybeans	2, 098	1, 250	+52	do	894	894	
Turpentine	907, 639	907, 639		Gallon	1, 729, 744	1, 729, 744	
Vegetable oil products	3, 414, 080	8, 711, 578	+5, 297, 498	Pound	18, 612, 626	47, 269, 765	+28, 657, 139
Total, other nonbasic commodities	6, 286, 094	9, 862, 863	+3, 576, 769				
Total, agricultural commodities	4, 435, 947, 358	4, 644, 115, 106	+208, 167, 748				

Source: Compiled from reports submitted by the Department of Agriculture.

TABLE 3.—*Civil defense supplies and equipment inventories, April 1962 (showing by item net changes during the month in terms of cost value and quantity)*

Item	Cost value			Quantity			
	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month	Unit of measure	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month
Civil defense stockpile, Department of Defense:							
Engineering stockpile (engine generators, pumps, chlorinators purifiers, pipe and fittings).	$10, 080, 177	$10, 090, 337	+$10, 160	10 mile units	45	45	
Chemical and biological equipment	2, 038, 875	2, 019, 223	−19, 652	(1)			
Radiological equipment	9, 550, 508	9, 571, 057	+20, 549	(1)			
Total	21, 669, 560	21, 680, 617	+11, 057				
Civil defense medical stockpile, Department of Health, Education, and Welfare:							
Medical bulk stocks and associated items at civil defense mobilization warehouses.	113, 867, 174	116, 339, 926	+2, 472, 752	(1)			
Medical bulk stock at manufacturer locations	5, 556, 114	5, 556, 114		(1)			
Civil defense emergency hospitals	38, 476, 739	38, 476, 739		Each	1, 930	1, 930	
Replenishment units (functional assemblies other hospitals).	14, 172, 225	12, 018, 885	−2, 153, 340	(1)			
Total	172, 072, 252	172, 391, 664	+319, 412				
Total, civil defense supplies and equipment	193, 741, 812	194, 072, 281	+330, 469				

[1] Composite group of many different items.

Source: Compiled from reports submitted by the Department of Defense and Department of Health, Education, and Welfare.

TABLE 4.—*Machine tools inventories, April 1962 (showing by item net changes during the month in terms of cost value and quantity)*

Item	Cost value			Quantity			
	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month	Unit of measure	Beginning of month, Apr. 1, 1962	End of month, Apr. 30, 1962	Net change during month
Defense Production Act:							
On lease	$3, 966, 100	$3, 966, 100		Tool	182	182	
On loan	40, 100	40, 100		do	7	7	
Total	4, 006, 200	4, 006, 200		do	189	189	
National Industrial Reserve Act:							
In storage	82, 754, 600	83, 539, 500	+$784, 900	do	7, 709	7, 838	+129
On lease	27, 500	27, 500		do	1	1	
On loan to other agencies	724, 900	724, 900		do	33	33	
On loan to school programs	3, 243, 500	3, 243, 500		do	820	820	
Total	86, 750, 500	87, 535, 400	+784, 900	do	8, 563	8, 692	+129
Total, machine tools	90, 756, 700	91, 541, 600	+784, 900	do	8, 752	8, 881	+129

Source: Compiled from reports submitted by the General Services Administration.

APPENDIX

STRATEGIC AND CRITICAL MATERIALS

National stockpile

The Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98–98h) provides for the establishment and maintenance of a national stockpile of strategic and critical materials. The General Services Administration is responsible for making purchases of strategic and critical materials and providing for their storage, security, and maintenance. These functions are performed in accordance with directives issued by the Director of the Office of Emergency Planning. The act also provides for the transfer from other Government agencies of strategic and critical materials which are excess to the needs of such other agencies and are required to meet the stockpile objectives established by OEP. In addition, the General Services Administration is responsible for disposing of those strategic and critical materials which OEP determines to be no longer needed for stockpile purposes.

General policies for strategic and critical materials stockpiling are contained in DMO V-7, issued by the Director of the Office of Emergency Planning and published in the Federal Register of December 19, 1959 (24 F.R. 10309). Portions of this order relate also to Defense Production Act inventories.

Defense Production Act

Under section 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2093) and Executive Order 10480, as amended, the General Services Administration is authorized to make purchases of or commitments to purchase metals, minerals, and other materials, for Government use or resale, in order to expand productive capacity and supply, and also to store the materials acquired as a result of such purchases or commitments. Such functions are carried out in accordance with programs certified by the Director of the Office of Emergency Planning.

Supplemental—barter

As a result of a delegation of authority from OEP (32A C.F.R., ch. I, DMO V-4) the General Services Administration is responsible for the maintenance and storage of materials placed in the supplemental stockpile. Section 206 of the Agricultural Act of 1956 (7 U.S.C. 1856) provides that strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural products, unless acquired for the national stockpile or for other purposes, shall be transferred to the supplemental stockpile established by section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704(b)). In addition to the materials which have been or may be so acquired, the materials obtained under the programs established pursuant to the Domestic Tungsten, Asbestos, Fluorspar, and Columbium-Tantalum Production and Purchase Act of 1956 (50 U.S.C. App. 2191–2195), which terminated December 31, 1958, have been transferred to the supplemental stockpile, as authorized by the provisions of said Production and Purchase Act.

AGRICULTURAL COMMODITIES

The price-support program

Price-support operations are carried out under the charter powers (15 U.S.C. 714) of the Commodity Credit Corporation, Department of Agriculture, in conformity with the Agricultural Act of 1949 (7 U.S.C. 1421), the Agricultural Act of 1954 (7 U.S.C. 1741), which includes the National Wool Act of 1954, the Agricultural Act of 1956 (7 U.S.C. 1442), the Agricultural Act of 1958 and with respect certain types of tobacco, in conformity with the act of July 28, 1945, as amended (7 U.S.C. 1312). Under the Agricultural Act of 1949, price support is mandatory for the basic commodities—corn, cotton, wheat, rice, peanuts, and tobacco—and specific nonbasic commodities; namely, tung nuts, honey, milk, butterfat, and the products of milk and butterfat. Under the Agricultural Act of 1958, as producers of corn voted in favor of the new price-support program for corn authorized by that act, price support is mandatory for barley, oats, rye, and grain sorghums. Price support for wool and mohair is mandatory under the National Wool Act of 1954, through the marketing year ending March 31, 1962. Price support for other nonbasic agricultural commodities is discretionary except that, whenever the price of either cottonseed or soybeans is supported, the price of the other must be supported at such level as the Secretary determines will cause them to compete on equal terms on the market. This program may also include operations to remove and dispose of or aid in the removal or disposition of surplus agricultural commodities for the purpose of stabilizing prices at levels not in excess of permissible price-support levels.

Price support is made available through loans, purchase agreements, purchases, and other operations, and, in the case of wool and mohair, through incentive payments based on marketings. The producers' commodities serve as collateral for price-support loans. With limited exceptions, price-support loans are nonrecourse and the Corporation looks only to the pledged or mortgage collateral for satisfaction of the loan. Purchase agreements generally are available during the same period that loans are available. By signing a purchase agreement, a producer receives an option to sell to the Corporation any quantity of the commodity which he may elect within the maximum specified in the agreement.

The major effect on budgetary expenditures is represented by the disbursements for price-support loans. The largest part of the commodity acquisitions under the program result from the forfeiting of commodities pledged as loan collateral for which the expenditures occurred at the time of making the loan, rather than at the time of acquiring the commodities.

Dispositions of commodities acquired by the Corporation in its price-support operations are made in compliance with sections 202, 407, and 416 of the Agricultural Act of 1949, and other applicable legislation, particularly the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691), title I of the Agricultural Act of 1954, title II of the Agricultural Act of 1956, the Agricultural Act of 1958, the act of August 19, 1958, in the case of cornmeal and wheat flour, and the act of September 21, 1959, with regard to sales of livestock feed in emergency areas.

CIVIL DEFENSE SUPPLIES AND EQUIPMENT

Civil defense stockpile

The Department of Defense conducts this stockpiling program pursuant to section 201 (h) of Public Law 920, 81st Congress, as amended. The program is designed to provide some of the most essential materials to minimize the effects upon the civilian population which would be caused by an attack upon the United States. Supplies and equipment normally unavailable, or lacking in quantity needed to cope with such conditions, are stockpiled at strategic locations in a nationwide warehouse system consisting of general storage facilities.

Civil defense medical stockpile

As authorized under Public Law 920, 81st Congress, and following the intent of Reorganization Plan No. 1, 1958, the Director, Office of Emergency Planning, has delegated responsibility to the Department of Health, Education, and Welfare to plan and direct operation of the medical supply portion of the OEP stockpile. The warehousing of the medical stockpile is principally within the OEP warehouse system; in addition, the medical stockpile includes a program designed to preposition emergency hospitals and other treatment units in communities throughout the Nation.

MACHINE TOOLS

Defense Production Act

Under section 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2093) and Executive Order 10480, as amended, the General Services Administration has acquired machine tools in furtherance of expansion of productive capacity, in accordance with programs certified by the Director of the Office of Emergency Planning.

National industrial equipment reserve

Under general policies established and directives issued by the Secretary of Defense, General Services Administration is responsible for the care, maintenance, utilization, transfer, leasing, lending to nonprofit schools, disposal, transportation, repair, restoration, and renovation of national industrial reserve equipment transferred to GSA under the National Industrial Reserve Act of 1948 (50 U.S.C. 451–462).

STATEMENT BY SENATOR BYRD OF VIRGINIA

STRATEGIC AND CRITICAL MATERIALS

The cost value of strategic and critical materials stockpiled by the Federal Government was increased by $18,877,463 during April 1962, from $8,749,034,009 to $8,767,911,472.

So-called strategic and critical materials are stored by the Government in the national stockpile, the Defense Production Act inventory, and the supplemental-barter stockpile.

The President, on January 31, 1962, said excesses in the inventories of strategic and critical materials should be reduced. Net changes in these inventories during February, March, and April, as officially reported in terms of cost value, are summarized as follows:

Cost value

[In thousands]

	National stockpile	Federal Facilities Corporation	Defense Production Act	Supplemental—barter	Total
Feb. 1	$6,083,482	$1,634	$1,480,120	$1,176,510	$8,741,746
Mar. 1	6,075,719	63	1,478,301	1,189,097	8,743,180
Apr. 1	6,069,095		1,478,640	1,201,299	8,749,034
Apr. 30	6,062,257		1,486,663	1,218,991	8,767,911
Net change, Feb. 1–Apr. 30	−21,225	−1,634	+6,543	+42,481	+26,165

There has been a net increase of $26.2 million in the cost value of materials in strategic and critical inventories since January 31, when the President said it should be reduced. This increase has resulted largely from net additions under the supplemental-barter program.

The supplemental-barter program had net increases in February, March, and April for a total of $42.5 million. There was a net increase of $6.5 million in the DPA program which showed increases in March and April partially offset by a small decrease in February.

Increases in the supplemental-barter inventories have far more than offset substantial net decreases during February, March, and April in the national stockpile and the Federal Facilities tin inventory (which was reduced to zero in March).

MAXIMUM OBJECTIVES

Overall there are 98 materials stockpiled in the strategic and critical inventories. Maximum objectives—in terms of volume—are presently fixed for 76 of these 98 materials. Of these 76 materials, 66 were stockpiled in excess of maximum objectives, as of February 1; 65 were stockpiled in excess of maximum objectives, as of March 1; 65 were stockpiled in excess of maximum objectives, as of April 1; and 65 were stockpiled in excess of maximum objectives, as of April 30.

During the 3-month period (February–April) excesses over the objectives have been increased in 23 materials, and decreased in 27 materials; and they have remained unchanged in 15 materials.

Materials in which excesses over objectives have been increased substantially in volume since February include various forms of bauxite, manganese, chrome and mica, industrial diamonds, lead and bismuth. Materials in which excesses over objectives have been substantially reduced since February include rubber, cordage fibers, castor oil, cobalt, and feathers and down. Only one material—cordage fibers (sisal)—which exceeded the objective on February 1, has been brought within its objective.

OTHER FEDERAL STOCKPILES

In addition to so-called strategic and critical items, the Federal Government stockpiles other materials, including agricultural surpluses under the price support program, machine tools, and civil defense supplies and equipment.

The cost value of materials stockpiled in these inventories on April 30 totaled $4,929,728,987. On April 1, they totaled $4,720,445,870. The increase during April was $209,283,117.

The total cost value of all materials in all of these stockpiles, including the strategic and critical inventories, on April 30 was $13,697,640,459, as compared with a total of $13,469,479,879 on April 1. The overall net increase during April was $228,160,580.

Increases and decreases in the cost value of Federal stockpile inventories during April, as compiled by the Joint Committee on Reduction of Nonessential Federal Expenditures from official reports, are summarized as follows:

Major categories	Cost value, April 1962	
	Net change during month	Total end of month
Strategic and critical materials	+$18,877,463	$8,767,911,472
Agricultural commodities: price support program	+208,167,748	4,644,115,106
Civil defense supplies and equipment (under Departments of Defense and Health, Education, and Welfare)	+330,469	194,072,281
Machine tools (under the Defense Production Act and the National Industrial Reserve Act)	+784,900	91,541,600
Total, all inventories	+228,160,580	13,697,640,459

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ANDERSON (for himself and Mr. JAVITS):

S. 3565. A bill to provide for payment for hospital services, skilled nursing facility services, and home health services furnished to aged beneficiaries under the old-age, survivors, and disability insurance program, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. ANDERSON when he introduced the above bill, which appear under a separate heading.)

By Mr. RANDOLPH:

S. 3566. A bill to change the name of Harpers Ferry National Monument to Harpers Ferry National Historical Park; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. RANDOLPH when he introduced the above bill, which appears under a separate heading.)

By Mr. ENGLE:

S. 3567. A bill to establish a Federal Commission on the Disposition of Alcatraz Island; to the Committee on the Judiciary.

(See the remarks of Mr. ENGLE when he introduced the above bill, which appear under a separate heading.)

By Mr. EASTLAND (by request):

S. 3568. A bill to authorize reimbursement to appropriations of the U.S. Secret Service of moneys expended for the purchase of counterfeits; to the Committee on the Judiciary.

By Mr. SMITH of Massachusetts:

S. 3569. A bill to amend section 4142 (relating to the definition of radio and television components) of the Internal Revenue Code of 1954; to the Committee on Finance.

By Mr. CARROLL:

S. 3570. A bill for the relief of Thomas B. Boilers and Earlene Boilers; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S.J. Res. 211. Joint resolution providing for the establishment of an annual National School Lunch Week; to the Committee on the Judiciary.

(See the remarks of Mr. HUMPHREY when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTIONS

MEMORIAL ADDRESSES ON THE LIFE, CHARACTER, AND PUBLIC SERVICE OF THE LATE SENATOR FRANCIS CASE, OF SOUTH DAKOTA

Mr. MUNDT submitted a resolution (S. Res. 366) for memorial addresses on the life, character, and public service of the late Senator FRANCIS CASE, of South Dakota, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. MUNDT, which appears under a separate heading.)

TO PRINT AS A SENATE DOCUMENT A STUDY ENTITLED "TRIAL PROGRAM OF PUBLIC LAND RANGE APPRAISAL"

Mr. METCALF submitted the following resolution (S. Res. 367); which was referred to the Committee on Rules and Administration:

Resolved, That there be printed as a Senate document a study entitled "Trial Program of Public Land Range Appraisal," prepared at the request of the Senate Committee on Appropriations by the Department of Agriculture and the Department of the Interior.

HEALTH INSURANCE BENEFITS ACT, 1962

Mr. ANDERSON. Mr. President, in the days preceding the vote last Tuesday to table the so-called Anderson amendment to H.R. 10606, the welfare bill, a number of changes were made in the amendment as originally introduced on June 29. This amendment, you will recall, would have established a health insurance program for some 17½ million Americans age 65 and over.

The senior Senator from New York [Mr. JAVITS] proposed a final major modification in his original amendment to the so-called Anderson amendment, and his modifying amendment, which I accepted, was not printed. Additionally, the junior Senator from Colorado [Mr. CARROLL], the senior Senator from Michigan [Mr. MCNAMARA], and the junior Senator from Maine [Mr. MUSKIE] proposed modifying language which was accepted; and I made two technical changes in the amendment.

Since the welfare bill is no longer Senate business, it is impossible under the rules of this body to order printed the so-called Anderson amendment in the form in which it was before us on July 17. I am, therefore, introducing today a bill which is the final form taken by the health care for the aged amendment to H.R. 10606. I do this so that Senators and other interested persons will have available the exact language which was the subject of the vote last week.

I have not asked the 25 cosponsors, including 5 Members from the other side of the aisle, to join in introducing this bill or the 22 other Senators who voted against tabling to join in sponsoring the bill I introduce today. The reason for this is that I am taking this step simply as a way to have this proposal printed. Their support for the social security approach to the problem of health care for the aged is already a matter of record.

Mr. President, I send my bill to the desk and ask that it be referred to the proper committee.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3565) to provide for payment for hospital services, skilled nursing facility services, and home health services furnished to aged beneficiaries under the old-age survivors, and disability insurance program, and for other purposes, introduced by Mr. ANDERSON, was received, read twice by its title, and referred to the Committee on Finance.

Mr. JAVITS subsequently said: Mr. President, the Senator from New Mexico [Mr. ANDERSON] today introduced a bill which represented what the Senate voted on in respect to the so-called health-care-for-the-aging bill. I have just talked with him and it is agreeable with him if I ask unanimous consent to be made a cosponsor of the bill. Accordingly, I ask unanimous consent that I be made a cosponsor of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

HARPERS FERRY NATIONAL MONUMENT AREA DEVELOPS INTO ATTRACTIVE TOURIST MECCA—SENATOR RANDOLPH OFFERS BILL TO CHANGE NAME TO HISTORICAL PARK

Mr. RANDOLPH. Mr. President, West Virginians take justifiable pride in the fact that every year thousands of Americans travel to our State to glory in the beauty of its natural wonders, and to visit historic points of interest. In fact, so many of our neighbors come to West Virginia that tourism has become the State's third leading industry, and increased emphasis is being placed on the development of these scenic and historical treasures.

Among the most significant attractions is the quaint town of Harpers Ferry, which is not only famous for its part in American history, but is also widely noted for the beauty of its rustic mountain setting between the Potomac and Shenandoah Rivers. Harpers Ferry is best known, however, as the site of John Brown's raid in the pre-Civil War days, and is now one of the most time-honored and appealing attractions in the eastern United States.

In June of 1944, an act of Congress established the Harpers Ferry National Monument on 500 acres donated to the Federal Government by the State of West Virginia, and since that time the park has drawn increasing interest from travelers and historians. It is my purpose today, however, to introduce legislation which would change the name of this meaningful shrine from Harpers Ferry National Monument to Harpers Ferry National Historical Park.

Consultations with representatives of the National Park Service, and with civic and governmental leaders of West Virginia reveal the commonly held belief that the word "monument" is often misleading. It does not fully convey the vast scope of history and natural grandeur which are to be found at Harpers Ferry.

It is felt that such a rich reminder of our American heritage might better be called "Historical Park." The proposed measure would rectify this shortcoming, and would provide in the new words, "Harpers Ferry National Historical Park," the connotation of traditional significance and beauty suited to a resource of such magnitude and fame.

The true worth of Harpers Ferry as a national shrine can be more fully understood after reviewing briefly the role history has assigned it.

The ground on which the town now stands was originally part of the holdings of Lord Fairfax, and was surveyed by the young George Washington. In later years, during his term as President of the United States, Washington selected Harpers Ferry as an ideal site for a Federal arsenal and armory. He recalled that the location made it safe from attack from hostile ships, and yet near enough so as to float supplies downriver to the coast in 1 day.

In 1810, the Hall Rifle Works were constructed in the Harpers Ferry area. It was this firm that first manufactured rifles with interchangeable parts, a theory that later led to assembly-line production and the industrial revolution.

The 1830's saw Harpers Ferry become involved in the spirited competition between railroad and canal interests to see which would first reach the strategic city of Cumberland, Md., and then extend beyond, to the fertile plains of the Ohio Valley. Harpers Ferry benefited and grew as this competition brought increased population, travel, and commerce.

In 1859 Harpers Ferry became the site of one of the most dramtic and inflammatory events of the Civil War period, John Brown's raid. We all know well the story of Brown's sudden seizure of the Federal arms and manufacturing facilities in this arsenal town in an abortive attempt to free and arm the slaves. The national interest and notoriety which followed this daring maneuver was to have lasting effect in the lives of all Americans.

During the Civil War itself Harpers Ferry was often the object of fierce fighting. As a result, the city was nearly destroyed, and most of the inhabitants moved to a less dangerous locale.

Shortly after the war the town was chosen as the location for Storer College, the first Negro institution of higher learning south of the Mason-Dixon line. Today, after some years of disuse, the Storer facilities are now being acquired and renovated by the U.S. Government for utilization as a training school for personnel of the National Park Service.

Harpers Ferry is located 60 miles northwest of Washington, D.C., at the confluence of the Shenandoah and Potomac Rivers. There at the foothills of the Blue Ridge Mountains the countryside is rolling and green, and combines with the two streams to provide scenic beauty equaled in few other areas.

Looking down at the verdant hills and shining rivers, Thomas Jefferson once wrote:

> This scene is worth a voyage across the Atlantic.

The spot from which Jefferson viewed this panorama has become known as Jefferson's Rock, and is a favorite vantage point from which to observe the surrounding hills and valleys.

In his informative article of July 22, 1962, the respected travel editor of the Washington Post and Times Herald, Kenneth Weiss, paid high tribute to Harpers Ferry's picturesque setting. He said:

> I can imagine no more beautiful setting for a town than at the juncture of the Shenandoah and Potomac, wooded hills and shale cliffs rising in every direction from the valley. The air is bright, the rivers sparkle over the rock shoals, the trees shimmer in the wind.

In addition, Mr. Weiss pointed out that Harpers Ferry offers the Civil War Showcase, a worthwhile commercial exhibit which has become extremely popular with visitors to the area. Describing the showcase Mr. Weiss commented:

> This is an extremely interesting commercial enterprise, filling the lacks of the Park Service's static display with a talking scale model reconstruction of the Civil War battlefields found among these hills, an oldtime general store that combines a number of items of genuine interest with the usual gimracks, a movie that is extremely realistic about the action of the war, and a parade ground on which uniformed Civil War buffs march, fight and shoot off authentic pieces.

Visitors to the park proper will be attracted to Civil War museums, the old armory site, the Hall Rifle Works, John Brown's Fort, and other original buildings of the time which have been authentically restored to their original condition.

Mr. President, much thought, effort, and expense have gone into the reconstruction of Harpers Ferry. It is heartening to note, however, that Americans are aware of the rich heritage which is theirs, and which is so evident in this appealing West Virginia town in the State's eastern panhandle.

Joseph R. Prentice, superintendent of the Harpers Ferry National Monument, informs me that attendance at the park has been most gratifying, and that the number of visitors is steadily increasing. For example, in 1957 the area was visited by 177,240 persons, but by 1961 the total attendance figures leaped to 612,900. In addition, Mr. Prentice indicated that the number of visitors for the first 6 months of 1962 showed an increase of 10 percent over last year.

Americans are taking an interest in the natural charm and meaningful history of their country. They are making increased use of the facilities provided by Federal, State, and local authorities. West Virginians will continue to expend intelligent effort to develop and make available the many and varied natural and historic assets of the Mountain State through well-operated forests and parks.

We feel that a useful step in the right direction would be to change the name of Harpers Ferry National Monument to Harpers Ferry National Historical Park, and thus to more correctly convey the wide range of events and tradition found there. As the legislative author of the original act authorizing the monument, I recommend that the measure I present today be given prompt approval.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3566) to change the name of Harpers Ferry National Monument to Harpers Ferry National Historical Park, introduced by Mr. RANDOLPH, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

FEDERAL COMMISSION ON THE DISPOSITION OF ALCATRAZ ISLAND

Mr. ENGLE. Mr. President, I introduce, for appropriate reference, a bill to establish a Federal Commission on the Disposition of Alcatraz Island. This bill is a companion to the bill introduced in the House on July 13, 1962, by Representative JOHN F. SHELLEY.

In testimony recently before the House Appropriations Committee, the Attorney General recommended the abandonment of Alcatraz Prison—such abandonment to take place gradually over a period of 2 years to facilitate the transfer of its prisoners to other Federal penitentiaries.

I agree wholeheartedly with the Attorney General's proposal. We are long overdue in scrapping this institution. It has been a costly, impractical and inefficient operation. Because of its location in San Francisco Bay, it costs the Federal Government $13 a day per prisoner to maintain the establishment, as compared with an average $5 a day for other Federal prisons. One of its biggest headaches is the salt air that causes deterioration of the buildings. This is one of the contributing factors in prisoner escapes. To put the prison in shape for total security, it would cost up to $5 million.

These are some of the practical reasons for abandoning the prison. An equally important reason is the fact that Alcatraz Prison, standing as it does at the gateway to the Orient, is an affront to us as a great democracy.

Now that the abandonment of the prison is in prospect, a number of proposals have been made for putting the island to more constructive use. Among them is a recommendation to set up a monument of international significance—one to symbolize the growth of the West. As the door to the Far East this would be a fitting counterpart to the Statue of Liberty in New York.

In any event, this is a matter that is deserving of careful and thorough study. That is why I have joined the gentleman from California, Congressman Shelley, in a bill to set up a Commission for this purpose. The Commission would consist of five members—one appointed by the President, one by the Speaker of the House, one by the President pro tempore of the Senate, one by the Governor of the State of California, and one by the mayor of San Francisco. The Commission would be charged with submitting to Congress no later than December 31, 1963, its recommendations on the use to which the island should be put, its estimated cost, and the manner in which the cost would be borne.

I look forward in the near future to the replacement of the grim walls of Alcatraz Prison with a symbol of Western democracy in San Francisco Bay.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3567) to establish a Federal Commission on the Disposition of Alcatraz Island, introduced by Mr. Engle, was received, read twice by its title, and referred to the Committee on the Judiciary.

ESTABLISHMENT OF AN ANNUAL NATIONAL SCHOOL LUNCH WEEK

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a joint resolution providing for the establishment of an annual National School Lunch Week. I ask unanimous consent that the joint resolution may be printed in the Record.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the Record.

The joint resolution (S.J. Res. 211) providing for the establishment of an annual National School Lunch Week, introduced by Mr. Humphrey, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the Record, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the seven-day period beginning on the second Sunday of October in each year is hereby designated as National School Lunch Week, and the President is requested to issue annually a proclamation calling on the people of the United States to observe such week with appropriate ceremonies and activities.

CONVEYANCE OF CERTAIN PROPERTY IN SAN DIEGO TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA—AMENDMENTS

Mr. MORSE submitted amendments, intended to be proposed by him, to the bill (S. 1108) authorizing the conveyance of certain property in the city of San Diego to the regents of the University of California, which were ordered to lie on the table and to be printed.

NOTICE OF RESUMPTION OF HEARING ON NOMINATION OF IRVING BEN COOPER TO BE U.S. DISTRICT JUDGE, SOUTHERN DISTRICT OF NEW YORK

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearing will be resumed on Tuesday, July 31, 1962, at 2 p.m., in room 2228 New Senate Office Building, on the nomination of Irving Ben Cooper, of New York, to be U.S. district judge, for the southern district of New York.

NOTICE CONCERNING NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

James R. Berry, of Pennsylvania, to be U.S. marshal, western district of Pennsylvania.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Wednesday, August 1, 1962, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

DISTRIBUTION OF FILM DEPICTING VISIT BY WIFE OF THE PRESIDENT TO INDIA AND PAKISTAN—ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTION

Under authority of the order of the Senate of July 19, 1962, the names of Senators Morse, Randolph, Kefauver, Clark, Neuberger, Muskie, Byrd of West Virginia, Smith of Massachusetts, Gruening, Pastore, Mansfield, Engle, Humphrey, Hart, Douglas, Long of Missouri, Long of Hawaii, Anderson, McGee, Moss, Chavez, Burdick, Hartke, Dodd, Yarborough, Carroll, and Williams of New Jersey were added as additional cosponsors of the concurrent resolution (S. Con. Res. 84) expressing the sense of the Congress that arrangements be made for viewing within the United States of certain films prepared by the U.S. Information Agency, submitted by Mr. Gore on July 19, 1962.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Record, as follows:

By Mr. RANDOLPH:

Speech delivered by him at the welcoming luncheon of the National Junior Bowling Championships, sponsored by the Bowling Proprietors' Association of America.

By Mr. CARROLL:

Statement prepared by himself on the Hospital Modernization Act of 1962.

By Mr. SCOTT:

Sundry editorials and an article dealing with the political implications behind the Kennedy administration's pressure for legislation dealing with health care for the aged.

THE NEW YORK-CALIFORNIA ECONOMIC DEBATE

Mr. JAVITS. Mr. President, I wish to direct the attention of the Senate to a debate which occurred on Monday, in regard to the assignment of defense contracts, as that concerns the situation in certain of the Midwestern States; and I wish to apply it to the situation in New York, especially with respect to the channeling of defense contracts to the State of California.

To begin with, Mr. President, I should like to make the following four points:

First, that New York is doing well economically, based on a good State administration and self-help.

Second, that New York needs help in labor-surplus areas, and could get such help from more defense business, which I think is not being administered in such a way as to give a fair share to States which ought to have it.

Third, that these labor-surplus areas in New York, especially the Buffalo area and the Utica-Rome area, deserve such help.

Fourth, that bills which I have introduced, and which are backed by the entire New York congressional delegation, would give greater competition in procurement, especially in connection with negotiated contracts; and this is demanded by the present situation.

Mr. President, I am not making accusations as to what the administration is doing or is not doing; but it seems very clear to me, based upon the facts and figures, that a definite change in this situation is required.

The recent letterwriting debate between Governor Rockefeller, of New York, and Gov. Pat Brown, of California, reflects a healthy rivalry and spirit of competition existing between two great States. But, more important, it should focus public attention on State economic and fiscal policies, the role of local initiative, and the importance of business confidence and how it can be earned—showing that New York has pulled ahead, even though the administration has given California the benefit of channeling an unusual and undue amount of defense order business into California. New York's growth in population may have slowed considerably, but it continues to grow in the more important areas of economic maturity and political wisdom. In economic maturity, New

York State's growth, in comparison with California's, is reflected in its lower insured unemployment figures—5.7 percent in 1961, as compared to California's 6.4 percent—in its widening lead in per-capita income, and in its position of national leadership in the critical sector of new plant investment. In political wisdom, New York's growth is reflected in the sound fiscal policies that have proved so important to businessmen seeking plant locations.

New York has maintained this sound economic record despite the adverse impact of administration defense-procurement policies. New York's outstanding economic performance, however, has not been able to pull all of its areas of longstanding labor surplus into prosperity. And it is here where the failure to give New York its fair share of defense procurement has done the most positive harm.

The concentration of defense production on the Pacific coast has concerned me for a long time. A very important Defense Department study in this area compares the 1961 fiscal year with the Korean war period, and in doing so reveals that New York's share of prime contract awards dropped from 15.3 to 12 percent, while California's share climbed from 13.6 to 23.9 percent. In selecting these two periods for comparison, the study even understates the effects of changing procurement patterns on New York. It also makes the quite erroneous implication that the decline is a continuous pattern that proceeded at similar rate during both Republican and Democratic administrations.

In fact, New York's share of defense contracts has declined sharply during the present administration. In the first three quarters of the fiscal year 1962, New York's share was cut another 2 percent, to 10 percent. In the January-March quarter of 1962, prime defense contracts awarded in New York State accounted for only 9.7 percent of total defense procurement—a 5-year low, and a sharp decline from the 15.8 percent awarded in the same quarter of 1960. This means that of every dollar spent on defense throughout the Nation, New York now gets 6 cents less than it did just 2 years ago.

In contrast, California has maintained its lead over other States in defense-contract awards. A small rise was even recorded—from 23.6 percent in the first quarter of 1961 to 24.6 percent in the first quarter of this year. In the critical area of research, development, testing, and evaluation contracts, California received 41.3 percent of all awards in the fiscal year 1961. There is virtually no scope for price competition in contracts of this type, and thus there are few restraints on administrative decisions that determine the geographical allocation of such contracts. And as the Defense Department aptly points out in its recent study, "production contracts for the newer, sophisticated items, which will figure heavily in future procurement, may tend to be placed in areas where R.D.T. & E. effort has been centered."

These self-defeating trends in defense contract allocation are even more striking in labor-surplus areas where the Kennedy administration has promised to channel more defense orders. I quote from the President's economic message to the Congress on February 2, 1962:

> Agencies of the Federal Government * * * are directed to give every reasonable preference to labor-surplus areas.

At the same time he directed "prompt steps to improve the machinery by which Federal contracts can be channeled to firms located in labor-surplus areas." But the latest figures indicate anew the failure of administration defense-procurement policies to provide the promised aid to these areas in New York State. There are nine areas in New York which have been on the high unemployment list since 1958. Awards to these areas dropped more than 20 percent in the July-December 1961 period, as compared with the corresponding half year in 1960. In the first quarter of 1962, the two major New York State labor-surplus areas suffered continued declines. Buffalo's contract awards dropped 30 percent from the same quarter of 1961, and 28 percent from the average of that quarter over the last 4 years. Likewise, Utica-Rome dropped 12 percent from last year's level, and 13 percent from the average of the last 4 years.

These figures are particularly distressing in light of the opposite trends manifest in California's most important labor-surplus areas. Administration action was quickly forthcoming when San Diego and Los Angeles-Long Beach appeared on the surplus labor list, in glaring contrast to the case in New York's high unemployment areas. During San Diego's first complete quarter of high unemployment, the October-December 1960 period, its defense contracts totaled $58,879,000. By the same quarter of 1961, contract awards had almost tripled, rising to $151,530,000. This process was accelerated in the first quarter of 1962, when procurement contracts soared to $281,057,000.

The Los Angeles-Long Beach history is much the same. During its first complete quarter on the list, January-March 1961, awards totaled $287,894,000. By the corresponding quarter of 1962, defense contracts in this area had more than doubled, rising to $737,539,000. This $450 million increment sparked an economic revival that removed the area from the labor-surplus list in March of this year. The addition gave this single area more defense contracts during the first quarter of 1962 than those the entire State of New York received—$670,031,000.

Thus, defense contracts have not been used effectively to benefit surplus employment areas in New York State. This trend has continued during the Kennedy administration.

I am puzzled about why these trends should exist in the first place. I do not hold that there have been irregularities in the awarding of defense contracts. But I do ask whether administrative inertia has denied business enterprises in many highly industrialized States throughout the Nation a fair opportunity to present their qualifications and make their offers. In negotiated contracts, which account for an overwhelming proportion of total defense procurement, the Department of Defense asks several firms to submit bids, and these firms tend to be concentrated on the west coast—particularly in the State of California. This is grossly unfair to the other States.

I believe in the widest possible use of formally advertised, open bidding, and I believe there is need for a much more conscientious search for qualified firms when only negotiated contracts are feasible. The result will be a more equitable distribution of defense contracts, and will further the national interest by procuring the best quality defense equipment at the lowest possible cost. In addition, it will strengthen the national economy, by sustaining the private sector in areas of the country now hampered by unemployed men and idle plant capacity.

I have introduced an armed services competitive procurement bill, S. 1178, specifically designed to provide congressional direction for increased competitiveness in defense procurement, and for preferential treatment for small business and depressed areas. This measure recognizes the importance to the national defense of a strong economy in every section of the country, and particularly of a vigorous small-business sector.

In addition to the positive economic impact of this proposed legislation, I believe it will be of great benefit to the people of New York. This is because of the dynamic and competitive economic climate that prevails there—a climate recently reflected in the achievement of an all-time high in business activity, this April. These gains have been achieved in spite of the adverse effects of defense procurement policies favoring California, at New York's expense.

The **PRESIDENT** pro tempore. The time available to the Senator from New York, under the limitation of time in the morning hour, has expired.

Mr. **JAVITS**. Mr. President, I ask unanimous consent that I may proceed for an additional minute.

The **PRESIDENT** pro tempore. Is there objection? Without objection, it is so ordered; and the Senator from New York may proceed for 1 additional minute.

Mr. **JAVITS**. Mr. President, an encouraging testimonial to the great and increasing productivity of New York is the fact that in the 4 years between 1958 and 1961, New York widened its lead over California in per-capita income by 45 percent—from $38 to $55 per person per year. The steadily increasing personal income in New York is due in part to the skill and vigor of our people and in part to the decisions of businessmen to invest in our State—both of which have been fostered by the policies of our State administration.

Investments in the critical sector of manufacturing plant and equipment increase the productivity of our workers and make possible more employment, higher wages, and a better standard of living. In 1961, the number of new plants or plant expansions reported in New York State increased 60 percent over the number in the preceding year.

A survey by the independent magazine, Industrial Development and Manufacturers Record, indicates that since the beginning of 1961, 521 new plants were reported in the State—more than the next two States combined, and far more than California's 159.

The story behind these expansions of existing plants or the location of new ones in the State can serve as a guide to the Federal administration on the importance of business confidence and how it can be earned. Courageous policies by the State government under Governor Rockefeller in New York eliminated the budget deficit and restored the State's fiscal integrity. A basis was provided for progressive steps toward a better business climate; and last year, when more than 30 States were increasing their tax rates, imposing new taxes, or broadening the tax base, New York was able to effect a tax rebate. We have found that the stability of the State's fiscal position has been a key factor to those seeking industrial locations. This stability, coupled with our deep respect for the forces of private initiative and imagination, has led to the dynamic expansion of business and industry within our State. Then, as employment increased, State revenue, within a stable tax structure, went up, and made possible State investment in the schools, highways, and public works so vital for renewed private investment and long-run economic growth.

Another indication of New York's energy and enterprise is its contribution of $18.2 billion to Federal revenue in fiscal 1961—seven times the amount received by the State in defense contracts. By way of comparison, California received back, in defense contracts, more than three-fifths of the $8.5 billion it paid in taxes in the fiscal year 1961.

Not only has New York demonstrated industrial and business growth, but it has increased its scientific and technological capacity, as well. Approximately 1,100 private research and testing laboratories are located in New York—by far the greatest concentration of laboratory facilities in the country. This number is greater than the combined totals of California and Massachusetts. In addition, the 16.2 percent growth in the number of such laboratories over the past 4 years compares favorably with the 15 percent growth rate in California and the 12.3 percent rate in Massachusetts.

One example of creative State action to further our capacity in highly technical fields is the establishment of the New York State Atomic Research and Development Authority. This is the first State agency of its kind, and has tremendous long-range significance, for its mission is to make New York the Nation's center of the atomic industry for industrial purposes.

Thus, New York State enjoys a high level of scientific and technological competence. Its excellent business climate has led to an interdependent cycle of private investment, increased economic activity and State revenues, and increased State expenditures on the roads, schools, and public works essential to continued growth. These factors lead me to feel that New York's share of defense procurement contracts would rise sharply if its businessmen were given their fair and well-deserved chance to compete.

In summary, I should like to express my conviction that the armed services competitive procurement bill, sponsored by the entire New York State congressional delegation, will reduce the cost of defense procurement, lessen the strategic dangers of excessive concentration of defense-production facilities, and invigorate small business and areas throughout the Nation now burdened by surplus labor. It will be of particular benefit to States, such as New York, that have taken constructive steps to provide an economic climate in which business enterprise and private initiative can flourish.

This bill will certainly increase the competition in the area of negotiated defense contracts, which seem to us to be subject, in regard to certain areas, to a cozy relationship. Again, I do not charge that anything improper is being done; but certainly there has been established a pattern of channeling these large amounts of business to California firms. Certainly, the figures themselves present the best argument which can be made in that connection.

Mr. President, I see the Senator from California [Mr. ENGLE] on the floor. I sent him a copy of my speech, as I did his colleague [Mr. KUCHEL]. This is a very friendly debate, but, nevertheless, it is very warm and spirited. As I have said, the figures speak for themselves; and they show that New York is being put to a very serious disadvantage, both as regards the overall total figure for defense-contract awards—and that situation is even worse now than it was before—and as regards providing benefits and giving assistance to labor-surplus areas.

This serious situation continues to exist, notwithstanding President Kennedy's economic message to Congress, on February 2 of this year, in which he said:

> Agencies of the Federal Government are directed to give every reasonable preference to labor-surplus areas.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. JAVITS. I think the Senator should get his own time. Perhaps the Chair will recognize him now.

Mr. ENGLE. I will get the floor later. I thank the Senator for notifying me.

SECRETARY McNAMARA OUT TO MAKE OUR DEFENSE ESTABLISHMENT LEAN AND STRONG

Mr. ENGLE. Mr. President, I wish to call to the attention of my colleagues an excellent article by Joseph Alsop in the July 18 issue of the Washington Post, entitled "Old Maid's Cacti."

The article deals with the vigorous efforts of Secretary of Defense McNamara to streamline our armed services to meet the needs of present-day warfare. Mr. Alsop does a penetrating job of explaining why our Defense Establishment has grown into its present unwieldy and wasteful state.

For some time I have been pressing for reform of our armed services along functional lines. A number of other Members of Congress have felt the same way, and I am confident that Secretary McNamara's courage in daring to overturn some old military traditions will get the support of Congress.

I ask unanimous consent that Mr. Alsop's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 18, 1962]

OLD MAID'S CACTI

(By Joseph Alsop)

Among the new men in the Kennedy Cabinet, none has won more applause than Secretary of Defense Robert S. McNamara. Nonetheless, McNamara is now the target of what looks very like the first ranging shots in a major barrage.

The ranging shots are being fired from Uncle CARL VINSON'S House Armed Services Committee, where resentment still smolders because of McNamara's sturdy refusal to increase spending on the RS–70 long-range bomber. But there are plenty of other people, all the way from the National Guard to the Navy, who may be tempted to join the attack on McNamara later on.

In these circumstances, it is worth trying to understand what McNamara is trying to do in the Defense Department, and to see why this effort is bound to make great numbers of highly placed enemies for the formidable Defense Secretary.

What McNamara is trying to do has been attempted only twice before, in the whole course of modern history. After the Boer War, Lord Haldane reformed the British Army. At about the same time, Elihu Root reformed the U.S. Army.

Without the Haldane and Root reforms, the British and American Armies would never have survived the test of World War I. But both Armies were then miniscule, easily manageable organizations, by modern standards. These, moreover, are the only armed forces that have ever been reformed in modern times, except by that great root-and-branch reformer, defeat in war.

Yet McNamara has now set out to reform all three of the U.S. armed services at once. The nature of the task, as well as its magnitude, is best conveyed by an image.

The armed services have their own habits of growth, like plants. The history of the American armed services long ago imposed on them the habit of growth of desert plants, which die down to dry roots for years on end, and then put forth enormously lush growth when the rains come.

For desert plants, this lushness is a necessity. The survival of their race depends on making as many seeds as possible, so that a few at least will germinate.

For the U.S. armed services in the old days the same rule held true. A service cannot grow, almost overnight, from a couple of hundred thousand men to several million, without growing lushly and even in some measure wastefully. And this was what the U.S. services were traditionally required to do in wartime.

This formerly useful lush habit of growth is highly unsuitable, however, for a cold war, in which large forces in being must be permanently maintained. As a result, the American services today rather resemble an old maid's cacti, which always tend to be puffy and off-color because they are overwatered. McNamara is out to banish lushness, and to impose a new habit of growth that will be more spare, tough, and wiry.

As no bureaucratic organism can ever reform itself, the job must be done, if at all, without a sharp centralization of authority in the Secretary's own hands, which is one thing McNamara's critics are complaining about. Three huge problems have to be solved if the job is to be done successfully.

First, the Pentagon machinery must be tightened up and forced to do its work, in the sense of producing clear decisions. This McNamara has accomplished.

Second, the armed services' ingrained habit of adding new weapons systems, without ever junking old weapons systems, has got to be broken at all cost. In order to pay for the best new weapons system, the older systems replaced simply have to be abandoned, thereby causing all the pangs among big-bomber generals, for instance, that were formerly felt by battleship admirals and cavalry generals. McNamara has made a bold start here, and this has largely sparked the present attack.

Third, superfluous elements, like the more political elements of the National Guard, have got to be sacrified. And more difficult still, it is urgent to correct the civilianization of the permanent armed services, by the proliferation of huge headquarters, by the PX life, and by other such postwar phenomena. McNamara is only beginning to tackle these culminating tasks.

The job he has undertaken to do appeared to be utterly impossible to do, until McNamara suddenly emerged from the depths of the Ford Motor Co. He has gone far further forward with the job already than anyone could have imagined possible. It is to be hoped that he will be allowed to finish the job, despite the bitter opposition that he must increasingly expect.

DEATH OF ARTHUR BRISTOW HOOD

Mr. ENGLE. Mr. President, I was saddened to learn of the death of Mr. Arthur Bristow Hood, a Shasta County lumberman of great distinction, who died on July 20.

Mr. Hood was a close personal friend of mine, a valuable civic servant in the area in which he lived, and one of the outstanding men in the lumber industry of America.

I ask unanimous consent to have made a part of the RECORD a statement regarding his passing, issued by the National Lumber Manufacturers Association, and a tribute to Mr. Hood which was carried in the Lumber Letter issued by the National Lumber Manufacturers Association, signed by Mr. M. B. Doyle.

There being no objection, the tributes were ordered to be printed in the RECORD, as follows:

A. B. HOOD, LEADING LUMBER FIGURE, DIES IN SAN FRANCISCO

Arthur Bristow Hood, 68, chairman of the board of the National Lumber Manufacturers Association and an active member of the lumber industry for 50 years, died today (July 20) in San Francisco, Calif., following a cancer operation.

Mr. Hood, a leading figure in the lumber industry for many years, had retired last fall as resident manager, Ralph L. Smith Lumber Co., division of Kimberly-Clark Corp., Anderson, Calif. Since his retirement, he had been serving as a consultant to the firm.

As the first chairman of the national wood promotion committee of the National Lumber Manufacturers Association, Mr. Hood was largely responsible for organizing the diverse elements of his industry into a single, cohesive force capable of combating the market inroads of such competitive materials as steel, brick, aluminum, and plastics.

Mr. Hood's career in the lumber industry began as a carloader for the Warren-Lamb Lumber Co., Rapid City, S. Dak. He subsequently worked his way up through yard foreman, mill superintendent, logging superintendent, sales manager, to the post of general manager.

In 1943 the Ralph L. Smith Lumber Co. selected him to head its western operations. With the evolution of the Smith Co.'s Anderson operation, Mr. Hood was commissioned to head it and remained as resident manager after its acquisition by the Kimberly-Clark Corp., of Neenah, Wis.

Mr. Hood was a leader in the Western Pine Association since the early thirties and was a director for more than a dozen years. In 1953 he was elected vice president and in 1957, president of that association.

In 1959, Mr. Hood was unanimously elected chairman of the newly formed national wood promotion committee of the National Lumber Manufacturers Association, a post he held for 2 consecutive years.

In 1960 he was elected president of the National Lumber Manufacturers Association and the following year, chairman of the board. His other associations with NLMA have been as a director, policy committee member, and a member of the Economic Council of the Lumber Industry.

He was a member of the Society of American Foresters; Forest Products Research Society; U.S. Forest Service Region Five Advisory Council; International Order of Hoo-Hoo; and region 12 executive committee of the Boys Scouts of America.

Mr. Hood also held membership in the Redding, Calif., Chamber of Commerce and was a director of the natural resources committee, Sacramento council, California State Chamber of Commerce. His other directorships included the Shasta County Economic Commission, the Shasta County Fair Board, and the Keep California Green Association.

Mr. Hood is survived bv his wife, the former Vera Marie Utter, a daughter, and a son. Funeral services will be held Tuesday, July 24, in Redding. The remains will be at McDonald's Chapel, 1300 Pine Street, Redding, prior to interment.

ARTHUR BRISTOW HOOD

We learned today that Bristow Hood had passed away at 4:30 a.m., Pacific daylight time at St. Francis Memorial Hospital in San Francisco following surgery for cancer.

Like all of you in the lumber industry, we could scarcely credit this sad news—but it is true.

Bristow Hood, the chairman of the board of National Lumber Manufacturers Association, who typified to all of us the man of character and integrity and wisdom and judgment each of us should like to be, is dead.

That this good man's soul has gone to its higher reward there is no doubt. The son of a minister, he lived his life in sanctity and wholesome devotion to the principles of morality he learned in a Christian home. He exemplified the true Christian gentleman, dedicating his life to service and achievement for truth, justice, accomplishment, and virtue.

Bristow Hood was the first man in the lumber industry with whom I had an opportunity to visit his plant and woods operations and to learn at first hand about the many complexities of the industry. To me he was more than a leader, he was as my father, considerate, responsive and kind beyond a normal business relationship. I have lost a friend.

Bristow Hood has breathed his last on this earth, but the breath of kindness and responsibility that he brought into the hearts of all with whom he was associated will perpetuate his life for generations to come. Throughout the length and breadth of this land are young men and women, and middle-aged men and women, to whom he gave inspiration through his lifelong devotion to religion, education, and the Boy Scouts of America.

Among those reading this brief tribute there are many who are better, more contributive humans, for having known, respected and loved this man. Each of us is the poorer for his passing.

And yet, the riches he has left us will persist. He has left us the legacy of determination and of understanding, of integrity and righteousness, of triumph in the accomplishment of good works well done.

This association is a monument to his labors. The national wood promotion program is his memorial. The tomorrows we shall know together in the lumber industry have been fashioned in many ways by his steady hand.

Bristow Hood is dead, but his memory and his character and his example of leadership in times of crisis will live with us all forever.

TRIBUTE TO SENATOR HRUSKA BY WILLARD EDWARDS

Mr. TOWER. Mr. President, in a recent conversation with Willard Edwards, the capable Washington correspondent of the Chicago Tribune, I was discussing the brilliance and leadership capabilities of Senators on this side of the aisle.

In particular I mentioned ROMAN HRUSKA.

This conversation led to an interview by Mr. Edwards with the senior Senator from Nebraska which was published in Sunday's Chicago Tribune. It was carried by the wires of the Tribune press service and appeared in other newspapers as well.

Mr. Edwards' remarks on what he calls the phenomenon of some of the most efficient and hardest working lawmakers rarely seeing their names in the newspapers. They are so busy doing what they were sent to Washington to do that they have no time for spectacular floor speeches, for publicity gimmicks, for press releases airing their opinions on every issue under the sun.

Senator HRUSKA, Mr. Edwards found, is one of these.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune, July 22, 1962]

SENATOR CAN'T TAKE TIME TO BE IMPORTANT—HRUSKA'S JUST A WORK NAG, NOT A SHOW HORSE

(By Willard Edwards)

WASHINGTON.—The freshman Senator made a challenging statement. He had encountered, he said, men of great talent in the Senate Chamber since coming to Washington a year ago.

On the Republican side of the aisle alone, he observed, there were more than a dozen statesmen with brilliant minds and leadership qualities.

"Name just one," demanded a cynical listener.

"I'll name you one," said the new Senator. "I'd never heard of him before I came here. At the first conference of Republican Senators, I heard him speak on several legislative topics.

CRITIC A NATIONAL FIGURE

"He had complete command of each subject. He was lucid and well balanced. His opinions were sound and I found myself lining up with them. I have the greatest admiration for his capacities. I'm talking about Roman Hruska, of Nebraska."

The tribute had unusual aspects because it came from Senator John Tower, Republican, of Texas, who has achieved more publicity in 1 year in the Senate than Hruska has in the 9 years he has served in Congress. Tower is a national figure. Hruska is not too well known outside his own State.

Tower's questioner was so confounded that he did not demand a further listing of outstanding Senators—a task which might have embarrassed the Texan before he had reached his total of a dozen.

The discussion turned instead to a phenomenon oft noted by veteran Capitol Hill observers: Some of the most efficient and hardest working lawmakers rarely see their names in the newspapers. They are so busy doing what they were sent to Washington to do that they have no time for spectacular floor speeches, for publicity gimmicks, for press releases airing their opinions on every issue under the sun.

THEIR INFLUENCE COUNTS

Hruska is one of these. He spends most of his time on committee work where legislation is drafted, where defects are corrected and improvements worked out. Bad bills are killed in committee and good bills are made better. When legislation reaches the floor, it is rarely altered, although some Senators, seeking publicity, specialize in offering amendments which are sure to be defeated.

The rewards enjoyed by Senators such as Hruska are substantial even though they do not include magazine "profiles" or newspaper feature stories. Because they understand complicated issues, they are consulted by their colleagues. Their advice is heeded and they wield much influence.

Hruska's secretary could not dig up a single clipping providing any colorful background on the Senator's career but a number of his fellow members agreed with Tower that they pay close attention to Hruska's opinions. They like his way of probing a tough problem and coming up with clear answers. Borrowing a phrase from the sporting world, he is "a Senator's Senator."

LEADER OF TRUTH SQUAD

One result is that he gets solid backing when he seeks legislation benefiting his constituents and his State. His name would appear on a list of truly influential Senators which would omit many who are frequently glorified in the public prints.

Party chiefs soon discovered that, despite a lack of what might be called showmanship on the Senate floor, Hruska was a highly successful speaker on the campaign trail. He proved to be devastating as a member of the "truth squad" which followed the Democratic Presidential candidate in 1956 and was made chairman of the squad in 1960.

The purpose of a truth squad is to nail a falsity in a campaign speech and explain it to the same audience, if possible, as quickly as possible. Hruska, legally trained, and possessing an exhaustive knowledge of legislative issues, proved adept at detecting errors and misstatements and producing documentation to expose them as such.

HAS TRUMAN ON ROPES

Hruska particularly enjoyed following former President Truman on one speaking tour. The man from Independence, Mo., is celebrated for carelessness with the facts and he started out by throwing away the texts prepared for him and engaging in the "give 'em hell" oratory for which his audiences clamor.

"We caught him in so many wild and unsupported statements that we stopped him in his tracks," recalled Hruska, happily. "Sometimes, not an hour after he had spoken, we were citing the record to show an untruth, an exaggeration, a distortion of the facts.

"At the end of 2 days, we had Harry on the ropes. He was sticking to his text, not daring to invent any more fiction. 'Let the truth squad answer that one,' he would yell, after making a statement. And we would be there to answer it. I never knew a man who was wider open to rebuttal. It must have been a very frustrating experience for him."

WORK HORSE OR SHOW HORSE

Senator Barry Goldwater, Republican, of Arizona, a noted speaker always in demand, has not hesitated to ask the Nebraskan to substitute for him on occasion, knowing that audiences will not be disappointed. Hruska has done more than his share of speeches for the Republican national committee and the Senate campaign committee.

It is evident that Hruska, if he so desired could become known as one of the Senate's leading orators. He could take the floor frequently, as do Senator Hubert Humphrey, Democrat, of Minnesota, or Senator Wayne Morse, Democrat, of Oregon, to air his views on any topic which may be the center of public attention.

Instead, he confines his discussions mainly to pending legislation. Why?

"There's not enough time," he told an interviewer. "You have to make the choice between being a work horse and a show horse. Take a look at my committee assignments."

ON MANY COMMITTEES

It was a list staggering in its length. As a member of the Senate Appropriations Committee, Hruska serves on five subcommittees dealing with the following subjects:

Allotment of funds for the Agriculture, State, Justice, Commerce, Treasury, and Post Office Departments; for all the independent agencies, the judiciary, and the White House; and for public works.

He is also a member of the Senate Judiciary Committee and serves on six subcommittees dealing with such subjects as antitrust and monopoly, constitutional rights, improvements in judicial machinery, national penitentiaries, improvements in the Federal criminal code and juvenile delinquency.

Finally, he is the ranking minority member of the Senate Internal Security Subcommittee, the Senate's chief investigative arm in the field of communism, espionage and subversion.

LITTLE TIME FOR THE WHIRL

Many Senators take subcommittee assignments lightly, concentrating on one or two. Hruska, who would be chairman of six of these subcommittees under Republican control, keeps a grasp on all the legislation embraced in their wide-ranging jurisdiction. He customarily works 10 to 12 hours a day and takes home papers for study at night.

He is left little time for the Washington cocktail and dinner circuit. Practically his only relaxation is some hunting and fishing in the fall after congressional adjournment.

Now 57, Hruska was interested in politics from youth but did not hold national office until he was 48. He was rounding out his 23d year in the practice of law in Omaha back in 1952 when he ran for Congress and won a seat in the House.

He served less than 2 years before leaping into a seat in the more exclusive Senate, winning election to the unexpired term of the late Senator Hugh Butler in 1954. He was reelected to the full 6-year term in November, 1958, by a substantial majority.

TOO BUSY TO BE IMPORTANT

He can claim to be the son of an immigrant (equivalent in political value to the 19th century boast of being born in a log cabin), although his father was only an infant when brought to the United States from what is now known as Czechoslovakia.

Militantly anti-Communist, Hruska is deeply concerned about a foreign aid program which drains the American economy and, in his opinion, does more harm than good. He can't understand a policy which persists in extending financial assistance to certain Communist governments. He senses the perils of constant deficit spending.

He betrayed a faint astonishment when sought out for an interview in which these and other opinions were elicited from him. He almost blushed when informed of Tower's high tribute. In a chamber where inflated egos are the rule, it obviously had never occurred to Hruska to yield to a sense of self-importance. He was too busy.

PROPOSED ADJOURNMENT OF CONGRESS

Mr. MORSE. Mr. President, I ask unanimous consent that an article printed in this morning's Washington Post, entitled "Democrats Vow They'll Stay on Job," be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

DEMOCRATS VOW THEY'LL STAY ON JOB—LEADERS TO PUSH NEW FRONTIER BILLS BEFORE QUITTING

(By Robert C. Albright)

Democratic congressional leaders yesterday opened a push for completion of the big, unenacted New Frontier bills and decided to fight it out on this line if it takes all summer.

The big unanswered question, following a White House leadership breakfast, was whether the campaign on the Potomac will also run into the fall.

"We intend to stay in session as long as necessary to pass as much of the program as we can," Senate Majority Leader Mike Mansfield, Democrat, of Montanta, told newsmen.

The other top Democrats agreed.

Assistant Senate Majority Leader Hubert H. Humphrey, Democrat, of Minnesota, said he hopes Congress can adjourn by the middle of September, "but if we don't get the job done we may have to stay until October 1."

UP TO SENATE

Speaker John W. McCormack, Democrat, Massachusetts, said he thought the problem was pretty much up to the Senate—"we've passed most of the big ones." McCormack and House Majority Leader Carl Albert, Democrat, Oklahoma, agreed, however, that there is no thought of closing shop "until we get the job done."

Republican gibes that Congress ought to fold up and go home because "nothing good can come of this Congress," touched off the unanimous Democratic leadership response. Leaders also reviewed with the President the status of the major unenacted Kennedy bills.

They came out of the White House saying that Senate prospects still look good for the administration's House-approved trade bill. But they noted dourly that this key Kennedy bill still faces nearly a month of hearings in the Senate Finance Committee.

Here is the outlook for some of the other New Frontier "musts."

United Nations bond issue: The Senate long since passed this controversial bill. Leaders said its House prospects are looking up since the International Court held that the U.N. Charter requires member nations to pay the cost of peacekeeping machinery.

Stand-by public works. The Senate has passed legislation authorizing a multimillion-dollar public works program to give the economy a shot in the arm but the House bill is tied up in the House Rules Committee. Leaders hope to get action following hearings this week.

Aid to higher education: Leaders said propects of breaking the long House-Senate conference tie-up are looking up.

Communications satellite: The House passed the bill to create a corporation to own and operate a satellite communications system but 13 or more Senate liberals may try to talk it to death. Mansfield said he will call it up again next week, and will ask the Senate to meet early and sit late in an effort to pass it.

Tax revision: This House-approved bill has been whittled to little more than its $1.1 billion investment credit provision in the Senate Finance Committee. The President told his leaders he still wants it passed.

Farm: The Senate will attempt to salvage this House-riddled Kennedy bill next week.

OTHER BILLS

In addition to these key measures which have cleared one House or the other, Assistant Senate Majority Leader Humphrey said the administration hopes to pass these other "important" measures: The youth employment opportunities bill, still pending on the Senate calendar; the mass transit bill, favorably reported in the House; and temporary unemployment compensation, not yet acted on in either body.

Leaders reported that Mr. Kennedy continues to withhold judgment on an economy-priming tax cut this year, pending analysis of all data for the month of July. Humphrey, who has been advocating such a cut, told newsmen that sentiment is so closely divided at the Capitol that in no case could it be passed without the active support of the President.

Surveying the workload, Mansfield admonished colleagues that, after all, Congress is paid to work 365 days a year and that "as working stiffs we had better stick to our last."

Senate GOP Leader Everett M. Dirksen, Illinois, singled out Mr. Kennedy's press conference statement that the American people will have a choice in November as to whether they want "to anchor down or sail," as Republicans resumed their needling attack.

Commented Dirksen. "You could drift into the doldrums where there was no power for your sail, and then maybe nothing could get you out of it."

Mr. MORSE. Mr. President, I am satisfied that the article does not violate rule XIX, and I will do my best in my comments not to violate rule XIX. I only want to say I completely dissociate myself with the Democratic leaders who have taken the position stated in the article. They do not speak for me. In my judgment, they do not speak for a number of other Democrats. My own evaluation is that they do not speak for the American people.

Mr. President, in my judgment the leadership of this body and of this administration has a clear duty to see to it that this Congress is out before September 1, and if business is unfinished, brought back after the November election. The American people are entitled to a campaign on the issues, and there cannot be an adequate campaign on the issues unless this administration permits the Members of Congress to go home by September 1. We can return shortly after the election—I would suggest 2 days thereafter.

The American people have no check on this Congress at this time, prior to the election, except in the campaign itself. Members of Congress ought to go home, to permit the people to talk to them about all the substantive issues which are discussed in this article. I think what we owe to the American people is that we pass the appropriation bills and then go home, and take the issues to the hustings. In my judgment, the votes in the Congress will be entirely different in November, after the election, after the people have had an opportunity to speak to Members of Congress about these issues.

So my first reason for opposing the leadership of my party, as represented by this article, is that I do not think the decision of the leadership of the Democratic Party is in the public interest from the standpoint of what I consider to be the right which the people have, in view of the sorry record of this Congress to date, to make perfectly clear to the Congress their reaction to the policies Congress has followed. We have dilly-dallied and wasted weeks in this session. The time has come to pass the appropriation bills and go home for the election. The people have that right.

Second, those who are running for reelection in the Congress have that right. It is exceedingly unfair to the candidates for reelection to talk about holding Congress in session until it finishes with all the substantive legislation listed in the article this morning. If that is the will of the Democratic leadership, it no doubt will have its way, but not very much legislation will be passed, in my judgment, nor will it be passed in the best interests of the public, if this course of action is followed.

Certainly there is a satellite giveaway bill which ought to be postponed until the Members of Congress can hear from the people in the coming campaign. If ever there was an issue which ought to be taken to the Foreign Relations Committee and to the people before there is a vote in the Senate, it is the issue of the satellite giveaway bill. I plead with the leadership and with the President of the United States to make a decision to let that bill go over until the people hear about it in the campaign.

The PRESIDENT pro tempore. The time of the Senator from Oregon has expired.

Mr. MORSE. Mr. President, I have some other things to put into the Record, but I shall await my turn.

Mr. PROXMIRE. Mr. President, I had not intended to speak on this subject, but I shall make a brief comment since the Senator from Oregon has spoken. The senior Senator from Oregon is running for reelection this year and the junior Senator from Wisconsin is not. I wish to say that I subscribe fully to the statement by the Senator from Oregon concerning the wisdom of going home September 1 and returning after the election.

I realize that there are many difficulties with regard to "lame duck" Congresses, and many difficulties with regard to cutting off a session before an election, but I think the Senator from Oregon is completely correct. There is nothing more important than letting the American people hear a real debate in the campaign on the issues, and then make their decision.

The arguments made by the Senator from Oregon are unanswerable. I certainly hope our leadership and the administration will reconsider, and will consider the possibility of bringing Congress back into session 2 days after the election.

It is well known that it will be almost impossible for Congress to complete its business by the middle of September if we give the proper kind of consideration to tax proposals and other proposals. The proposal that the Congress should return after election, it seems to me, not only would permit an effective and vigorous campaign but also would enable the Congress to act with deliberation and in proper order on the extremely important measures which are before it.

I hope the leadership will consider the unprecedented and very unusual action of having Congress come back into session after the election to act on unfinished business.

DEFEAT OF MEDICARE

Mr. MILLER. Mr. President, in the July 18 issue of the Christian Science Monitor the lead editorial was entitled "The Defeat of Medicare."

Also, in the July 20 issue of the Christian Science Monitor the lead editorial was entitled "The Election Campaign Has Begun."

These two editorials give an excellent analysis from a very objective standpoint of the medicare issue. I recommend the reading of these splendid editorials by all interested parties, and I ask unanimous consent that they be printed in the Record.

The PRESIDING OFFICER (Mr. Burdick in the chair). Is there objection to the request of the Senator from Iowa?

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Christian Science Monitor, July 18, 1962]

THE DEFEAT OF MEDICARE

Even after an important compromise, the Senate did not like the administration's medicare bill. Notwithstanding the White House's reputed sensitivity to public opinion, it should be assumed that Members of the upper legislative chamber also are well informed as to what the people of their States are thinking.

Hence, even President Kennedy's threat to take this issue to the voters in November's elections does not carry very serious implications. Backed by many a quiet canvass of sentiment on the part of the Senators, the rollcall seems to indicate that the issue is already well understood throughout most of the United States and that a majority judgment is against the proposal.

In essence, the defeated bill would have saddled the social security system with responsibility for hospital care for the aged. This, like many of the less meritorious plans for aid to education, highway construction, and the like, was a broadside or blanket approach to a relatively narrow and specialized need. It would have created a Federal bureaucracy to do what private insurance and the Kerr-Mills Act of 1960 are beginning to do with more flexibility and perceptiveness.

Acceptance of an amendment sponsored by Republican Senator Javits, of New York, removed one of the worst objections to the measure. This change would have permitted a beneficiary to buy private insurance, under which he might have a wider choice of treatment, but the tax for support of the system—one-half of 1 percent on top of the present 9-percent social security payroll taxes—would still be compulsory.

Money thus taken out of the national economy would go to pay hospital bills "as a matter of right" for thousands of persons perfectly able to meet these bills out of their own resources. It would do this in order to reach a relatively small proportion of the 17 million over 65 years of age to whom long illness is a financial disaster. Such a need can be and is increasingly being served through voluntary insurance, community services, and federally aided State relief programs.

With the increase of longevity, a larger proportion of the population is in the higher age brackets. If it be assumed that all these people are helpless, the burden on the younger members of the labor force becomes increasingly heavy. Besides an instinct against socialization, the defeat of the hospital care bill suggests a reluctance to make that burden unnecessarily heavier.

[From the Christian Science Monitor, July 20, 1962]

THE ELECTION CAMPAIGN HAS BEGUN

President Kennedy is going to take his dissatisfaction with the makeup of Congress to the people. It will be the national election issue, over and above local contests, in November.

Just what is this issue?

The President was widely described as angry at the defeat of the medicare bill. Maybe so. Anger is an emotion most readily identified in a tone of voice and the color of the neck. It is seen and heard—or imagined—by those who are present and is not unknown to Presidents. What we read in the text of the President's comment, however, and what Mr. Kennedy has several times described in public recently, was something different.

It was a sense of deep frustration. Mr. Kennedy thinks it is not right that a President, elected by all the people, should be blocked from carrying out his program. The key comes in his use of the word "controversial" at a recent press conference. A noncontroversial bill gets through, he said. But one which is frankly partisan and subject to intense national debate does not.

We should like to put it a little differently.

There is a neat dividing line between those Kennedy bills which pass and those which do not. It separates bills which seek to accomplish a useful purpose but are drafted with a political eye to enlarging the partisan power of the President, from those which lack the second characteristic. The defeated farm bill was not an honest choice—it was stacked in favor of a vote for Federal production controls. The defeated Urban Affairs Department bill had a high content of political maneuver. The medicare bill forced a solution on the doctors without taking careful account of their valid (as distinct from their partisan) concerns. The Kennedy victories now emerging in the fields of tariffs and foreign aid do not have this weakness.

In our judgment the mood of the American people today supports the actions of Congress more nearly than the sense of partisan frustration of the President. It is a mood of cautious, not radical reform, dubious about the exercise of political power for its own sake independently of the merits of a given issue. The defeated bills just weren't good enough. And the way they were conceived was a little too political.

If this is so, what will happen if the President takes his defeats to the country? The results may surprise him. We sympathize with his problem. We do not enjoy deadlock between Congress and the White House. We support two-party government and understand what that means in terms of partisan programs. We do not wish to denature the political process.

We want vigorous and original solutions to difficult national problems. But we are convinced that this is a period when the American people want broadly national solutions.

This could be a discipline and not a frustration. When the President has followed this pattern he has won, and earned, notable support from Congress.

REQUEST FOR AID TO ARGENTINA

Mr. MILLER. Mr. President, in the July 23 issue of the Washington Post and Times Herald there was published an article entitled "Argentine Minister Seeks U.S. Funds To Meet Threat of Economic Chaos." This article prompts me to remind my colleagues that during the debate on the United Nations bond issue I pointed out that as of February 28 of this year the Government of Argentina was delinquent in its payments to the United Nations in the amount of $268,797 for 1960 and $219,911 for 1961.

I express the hope that these delinquencies will be taken into account by our Government when it considers the extending of foreign aid to Argentina.

I ask unanimous consent that the article may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REBELLIOUS FACTIONS IN STALEMATE—ARGENTINE MINISTER SEEKS U.S. FUNDS TO MEET THREAT OF ECONOMIC CHAOS

(By Dan Kurzman)

The mission to Washington of Argentine Economy Minister Alvaro Alsogaray underscores the threat of economic chaos and political extremism hovering over Argentina today.

Alsogaray is here to seek financial aid in an urgent effort to halt his country's economic recession that some diplomatic observers believe could soon lead to a rightist or possibly radical nationalist coup.

The present Argentine Government is dominated by the military, which deposed President Arturo Frondizi last March and annulled national elections after parties supporting former Dictator Juan Peron won about one-third of the vote. But this Government nevertheless maintains a constitutional facade, with civilian President José Maria Guido performing a front role.

Argentine officials say they need about $100 million in aid simply to permit the Government to meet its debt obligations in the next few months. Symptomatic of the financial crisis is the fact that the Government is a month and a half behind in payment of salaries and pensions. With living costs having risen 23 percent since January, I O U's are now a common means of exchange.

One report told of the arrest of four usurers for lending money at an interest rate of 10 percent a day. In 1961, Argentina registered an unfavorable trade balance of $500 million and a budgetary deficit of $70 million.

The United States has committed $150 million under the Alliance for Progress, of which $20 million will be disbursed soon to ease the balance-of-payments problems. Further funds for the same purpose—$100 million from the International Monetary Fund and $50 million from the U.S. Treasury—may also be granted.

Moreover, the Government hopes to obtain additional revenue with new measures to enforce tax collection and the floating of a gold-backed bond issue. Also, the Government's large investment in industry, which has reduced the funds available for normal state expenditures, has been cut somewhat.

But whether such actions can prevent a coup is problematical.

Many Argentine officers are not at all satisfied with limited military rule, and may take advantage of the economic difficulties.

Washington's prompt suspension of diplomatic relations with Peru, accompanied by a cessation of economic aid, when the Peruvian military took over the Government unconditionally last week, has probably given pause to the Argentine hotheads.

But, according to some diplomatic sources, chances are still considerable for a rightist coup in Argentina within the next few months unless the economic tide shifts directions soon.

The best safeguard against such a possibility may be not the lack of conspirators, but the abundance of them. Many ambitious generals and colonels, backed by small cliques of officers, are believed awaiting the propitious moment to strike, and each views himself as the new Argentine Napoleon. This situation has to some extent produced a balance of stalemated rebellious factions.

Most of these factions are of the traditional military rightist stripe. However, there is one growing, if rather amorphous, group that tends toward leftist ultranationalism. Appropriately, this group is usually referred to as the Nasserite movement because of the apparent similarity of its views with those of Egyptian President Gamal Abdel Nasser.

Gen. Carlos J. Rosas, military commander of Entre Rios Province, is believed the chief Nasserite, and Gen. Osiris Villegas, military commander of Neuquen Province, is also considered a leader.

Some diplomatic observers see this military faction as a potentially powerful influence in Argentina. For it combines military authority with the popular platforms of rabid nationalism and social reform that, in a fascistic form, accounted for the widespread popularity of Peron, who was driven from office in a 1955 coup.

This group, according to informed sources, will not attempt a coup immediately. Instead, it calculates that economic chaos will soon produce a rightist military putsch, which will prove so unpopular that the Nasserites will find it comparatively easy to overthrow it with mass support.

Like Nasser himself, Argentine Nasserites would probably prove difficult for the United States to deal with in view of their obsession with "Yankee imperialism."

The potential strength of this group lies partly in the likelihood that many followers of Peron would support it. Significantly, General Rosas has been consulting with Peronist labor unions in Entre Rios Province. An understanding is believed to have been reached whereby the Peronists would support, or at least not oppose, the Nasserite movement.

But the Peronists have been trying to infiltrate other fronts, too, including rightist military factions, church groups, Frandizi's supporters, the leftwing socialists, and the Communists. Peron, who is now living in exile in Spain, sent a delegation to the recent Moscow World Peace Congress, reportedly including the Catholic priest who is believed to have spirited the body of Peron's wife, Evita, out of Argentina.

The Peronists are apparently trying to win American support by threatening to back Moscow policy. At the same time, the United States is attempting to win middle-class Peronist factions, which have long vied with the Peronist laborites for control of the Peronist movement, over to democracy. Ambassador Robert McClintock has held a number of meetings with such Peronists.

Meanwhile, the official Peronist policy is to boycott the elections scheduled by the Government for next summer. Organized Peronist groups will be banned in any case, but Peronists will be free to vote for other parties.

GOVERNMENT SPENDING POLICIES

Mr. MILLER. Mr. President, in the July 18 issue of the Washington Evening Star there was an excellent article written by the distinguished columnist David Lawrence entitled "Spend Our Way to Prosperity?" I ask unanimous consent that the article may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SPEND OUR WAY TO PROSPERITY?—DEEPEST DEPRESSION FEARED FOR UNITED STATES IF UNSOUND COUNSEL PREVAILS

(By David Lawrence)

Everybody, irrespective of party or faction, wants America to enjoy an era of prosperity, but if unsound counsel prevails at the White House and in Congress, the United States may experience in the next few years its deepest depression of this century.

A dangerous doctrine has lately been warmed up from New Deal days and has been given respectability by advisers to President Kennedy. It is that spending by the Federal Government, even if it produces deficits, will somehow, by some magic of its own, produce an economic utopia.

If spending were the solution to economic ills, then the United States should still be going through the most prosperous 45-year period in its history. The World War I spending reached a peak of nearly $20 billion in 1919. At the end of World War II, spending reached another peak—nearly $100 billion—in 1945. But the big war was over only 5 years when the Korean conflict sent Federal spending upward to around $75 billion in 1953. Instead of tapering off substantially after the Korean war, the spending during the cold war has kept on climbing and this year is back up to around $90 billion.

The idea that mere spending of money produces prosperity is fallacious. It is the way the money is spent which counts—especially whether the funds are used in private investment for productive purposes that last beyond just a short-term period.

The key is not how much is spent, but what the money is spent for. Defense money expended on weapons does not develop a high volume of transactions that percolate through the whole economy. Private spending, on the other hand, is usually for goods that have a long-term value and that multiply the number of transactions in the business world.

A devastating rebuttal of the spending theory was made recently by Dr. Raymond J. Saulnier. He was Chairman of the President's Council of Economic Advisers from 1957 through 1960, but his advice wasn't always followed. In a speech on June 18 before the Babson Institute of Business Administration, he said in part:

"What recent history tells us about the effect of increases in Federal spending is not very favorable to the view that an economy such as ours can spend itself into prosperity via the Federal budget.

"What this experience tells us is that, if the environment is not favorable to an increase in private spending, an increase in Federal spending, even a large increase, is a well-nigh futile exercise.

"In the first 4 months of this calendar year, the cash budget of the United States ran a deficit of close to $10 billion, on a seasonally adjusted annual-rate basis. In the comparable 4 months of the 1958–59 recovery, the Federal cash budget showed a surplus of $4.6 billion, on an annual-rate basis.

"Yet the unemployment rate has actually been somewhat higher under the recent deficit than it was under the earlier surplus. There were clouds on the economic horizon in those months of surplus in 1960, but it must be conceded that the economic sky in 1962, under very large deficits, is far from entirely clear."

Dr. Saulnier said pointedly that to those who regard budgetary deficits as a more or less guaranteed formula for producing a brisk recovery, the present cycle must be a veritable nightmare. He argued bluntly that tax reductions will not by themselves furnish a remedy. He added:

"If there is a need to cut taxes in the expansion phase of a cycle, when we already have a large deficit, then there is equally a need to consider whether we are now spending too much money on programs that make no contribution whatever to our capacity for growth and to consider whether we are doing other things, entirely outside of the tax field, that are tending to suppress private investment spending.

"If this is what we are doing, and I think it is, then we cannot retrieve the situation with governmental red ink, and very few really sophisticated people will believe that we can."

This is a period of self-examination, and it is becoming clearer every day that across-the-board tax cuts or simplified tax rules on depreciation or other artificial measures will not and cannot of themselves do as much good for the economy as can a healthy reduction in unproductive expenditures for armament and an avoidance of excessive spending for social-welfare programs that the national economy at this time cannot really afford.

THE ADMINISTRATIVE BUDGET

Mr. MILLER. Mr. President, in the Des Moines Tribune for June 19 there was published another article by Mr. Lawrence, which pointed out that the idea of an administrative budget as distinguished from a conventional budget was discarded and rejected by the late President Roosevelt 30 years ago. I ask unanimous consent that this article may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LAWRENCE: KENNEDY IDEA REJECTED 30 YEARS AGO

(By David Lawrence)

WASHINGTON, D.C.—President Kennedy is advocating a change in the system of auditing the Government's expense and income which President Franklin D. Roosevelt and his brain trust sponsored. The proposal was rejected back in the 1930's.

The scheme is to list only a part of the Government's annual outlay as expenses and to set up a lot of inventories and properties as investments or capital assets. The purpose, of course, is to show less of a deficit, if not a surplus, in the principal statement of finances that gets public attention. Such a change, it is argued, would be more like the methods of private business.

OPPOSED BY BELL

Daniel W. Bell, who was Director of the Budget for several years, beginning in 1935, and who now is head of the American Security & Trust Co. here, fought vigorously against the idea as unsound, and Congress didn't warm up to it either.

Again, in the early days of the Eisenhower administration, the plan received a big boost from Beardsley Ruml, finance chairman of Adlai Stevenson's presidential campaign in 1952. Ruml had gained fame in championing the present pay-as-you-go system of paying income taxes. Even Ruml didn't claim that the "capital budget" idea was original.

SEES BUDGET AS ABSURD

President Kennedy in his speech at Yale denounced the present method of presenting the annual budget to the country as a myth. Kennedy said:

"We persist in measuring our Federal fiscal integrity today by the conventional, or administrative, budget with results which would be regarded as absurd in any business firm, in any country of Europe, or in any careful assessment of the reality of our national finances.

"It omits our special trust funds and the effect they have on our economy. It cannot tell a loan from a straight expenditure. And worst of all it cannot distinguish between operating expenditures and long-term investments."

Sometimes the capital assets on the books prove to be a myth. Thus, the true deficit of the Reconstruction Finance Corporation—an independent agency founded in 1932—was not generally known for many years, but finally $2.8 billion had to be added to the public debt.

CRITICIZED BY BYRD

This writer the other day asked Senator HARRY BYRD, Democrat of Virginia, chairman of the Senate Finance Committee, what he thought of the capital budget scheme. BYRD said:

"I am opposed to it. I think it's fantastic to try to take all the capital outlay and outright investments by the Government in buildings and construction and appropriations for defense equipment and not charge them to regular expenditures. You would never know where you stood. It's just a way to cover up real deficits."

It would be hard, for instance, the Senator added, to classify a Polaris-bearing submarine or a missile base as an investment and to figure out what the depreciation would be, especially since the Government spends so much on a big military machine that isn't comparable to the plant and equipment of private business which yields an annual earning. Also, the Treasury has a host of contingent liabilities and guarantees running into the billions. Trust funds would be subjected constantly to the temptations of "back door" borrowing and spending for unrelated purposes.

The President and three high administration officials nevertheless delivered last week a total of four public speeches designed to prepare the country to accept the theory of a capital budget.

THE FEDERAL BUDGET

Mr. MILLER. Mr. President, in the July 18 issue of the Des Moines Register there was published an article entitled "Is the Federal Budget Obsolete?" written by the outstanding economist, Mr. Maurice Stans. This article adds weight to the objections of Mr. Lawrence to a change in the budget system. I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IS THE FEDERAL BUDGET OBSOLETE?

(By Maurice Stans)

LOS ANGELES, CALIF.—Is the Federal budget outmoded as a measure of the activities of the Government? Or is the argument for change merely another play, as some say, to justify a high level of spending?

Despite some appearances to the contrary, this is not a new controversy. It arose in the 1930's when the Roosevelt administration was hard put to rationalize large deficits, year after year, after it had been elected on a promise to contain spending.

The problem was resolved that time by leaving the form of the budget alone. Instead, the resulting deficits in the decade were justified on economic grounds as necessary to stimulate the economy (although history shows that they failed to accomplish this).

WHAT IT SHOWS

The possibility of fundamental change in the budget structure has been considered many times. But always the arguments against revision have outweighed those for it. What is this new debate about? And how should it be resolved?

The purpose of the Federal budget (sometimes called the administrative budget) is to show the revenues and the expenditures of running the Government. It is on a cash basis; that is, it records the flow of money as it actually occurs. Taxes are counted in the year in which the Government receives them. And Government costs are recorded when the bills are paid.

For example, suppose goods are delivered to the Army by a contractor in 1962, but the bill is not cleared and paid until 1963. The cost wouldn't enter the cash figures in the budget until 1963, even though the goods may have been consumed in 1962.

Critics charge that our present form of budget has three major faults: It is:

Incomplete because large sums of money received and paid by the Government are left out. These omitted amounts are classed as trust-fund transactions. Thus, the budget totals are understated.

Misleading in timing because it is based on cash receipts and payments rather than on accrued income and expenses. The Army item, for example, should appear in the budget in 1962 when the goods are received and used, not in 1963 when the bill is paid.

Old fashioned because it lumps capital and current outlays without distinction. The expenditures for a year may include, for example, money loaned by the Government to REA cooperatives and others which will be repaid some day. It also includes the cost of new buildings at time of construction, even though they may have a life of 50 years.

TRUST FUNDS

The first objection has some merit. The administrative budget leaves out such items as social security taxes collected and benefits paid, gasoline taxes collected and used on the Interstate Highway System and unemployment taxes collected and paid to the States to administer the unemployment system. These are excluded, because they are designated by law as trust funds, which are financed by specific taxes earmarked for a particular use.

1963 Federal Budget

[In billions]

	Regular budget	Consolidated budget
Receipts:		
Budget receipts	$93.0	$93.0
Trust fund receipts		27.5
Less transactions within the Government		−3.9
Total	93.0	116.6
Payments:		
Through budget	92.5	92.5
From trust funds		27.0
Less transactions within the Government		−3.9
Interest accrued, not yet payable		−.8
Total	92.5	114.8
Surplus [1]	.5	1.8

[1] These are amounts in the original budget. It is now estimated that the outcome will be a substantial deficit.

But this distinction does not always prevail in the budget. The Government receives many other kinds of taxes and revenues that are earmarked for specific uses that, nevertheless, go through the budget simply because they are not called trust funds. Much of the income received on public lands and forests, for example, is divided up automatically with local public bodies, and this goes through the budget.

The amounts of earmarked money omitted from the budget are substantial. Trust-fund taxes and payments in fiscal 1963 are expected to be about $27 billion. If they are added to the administrative budget, and transactions between Government agencies are canceled out, they raise it from $93 billion to about $117 billion.

To remedy this incompleteness in the administrative budget, the Bureau of the Budget during the early 1940's began publishing a cash consolidated statement combining all the figures. It shows the $117 billion figure of tax take by the Federal Government for 1963.

HAS MOST MEANING

This cash consolidated statement has the most meaning to you and me, because it accounts for the total of the taxes we pay to Uncle Sam.

The trust funds are largely a legal fiction. Congress created them to assure that taxes paid for one purpose are separately accounted for and not diverted to another use.

In this sense there is good reason for keeping them separate. To do otherwise would require changes in many laws. There is, all considered, substantial logic in saying that the consolidated cash budget, which sums up all the income and outgo, tells a better story than the administrative budget.

If the trust funds received and paid out are clearly identified in the consolidated cash budget, then all reasonable purposes of disclosure of the budget are accomplished.

The other two criticisms, however, are not so easily resolved. They will be considered in other articles.

GOVERNMENT COMPETITION WITH PRIVATE BUSINESS

Mr. MILLER. Mr. President, in all the dialog taking place over the state of our economy, one important factor in the relationship between the Federal Government and business has been largely overlooked. This is the matter of Government competition with private business.

This subject has been aired from time to time since the problem burgeoned in the wake of World War II. But the discussion has been characterized by more heat than light.

Now, however, the extent to which Government is in direct competition with private business can be studied in concrete rather than abstract terms, thanks to Mr. Ben Cole, head of the Washington bureau of the Indianapolis Star.

In the final article of a series of eight on the Federal Government's use of tax money, Mr. Cole sets forth his findings in an original and exhaustive research of instances where the Government is in direct competition with private business. He found that the Federal Government owns corporations or agencies of a type subject to the Corporation Control Act with equity totaling $32,100 million in activities which are said to compete with private enterprise.

Mr. Cole's findings relate to Senate Resolution 303, submitted on last March 1 by my distinguished colleague the junior Senator from Texas [Mr. TOWER], to authorize the Committee on Government Operations to investigate Government competition with private business and to determine means and methods by which such functions can be transferred to private enterprise.

I ask unanimous consent that Mr. Cole's excellent article from the May 20, 1962, issue of the Indianapolis Star be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHERE YOUR TAX MONEY GOES—U.S.-OWNED CORPORATIONS GET BREAKS IN PRIVATE COMPETITION

(By Ben Cole)

WASHINGTON.—The Federal Government owns corporations or agencies of a type subject to the Corporation Control Act with equity totaling $32,100 million in activities which are said to compete with private enterprise.

The corporations represent $17,642,633,000 of equity.

The agencies, 37 in all, are operated with appropriated funds, representing $11,118,050,000 in Government-owned equity.

Federal electric utility facilities exclusive of the Tennessee Valley Authority, which is counted as a corporation, represent $3,200 million of allocated investment value.

The worldwide inventory of the armed services post exchange system is $314,220,000, including the motion picture service. This included on January 24, 1961, cash amounting to $47 million. Accounts payable were $48 million, leaving a net value of the post exchange system of $266,220,000.

Added together, these four categories of Federal equity make in excess of $32,226 million.

That figure is apparently the only one ever compiled that in any way suggests the total Federal equity in activities which might be said in part or whole to compete with private business.

The Bureau of the Budget under former Director Maurice H. Stans once attempted to determine how many commercial-industrial-type activities the Government operated. Stans, however, never attempted to establish what the equity value of these might be. Nor did anybody else, insofar as is known.

The Goverment-owned corporations or corporate agencies and their equity value as set out in the 1963 Federal budget are:

Commodity Credit Corporation	$4,522,524,000
Federal Crop Insurance Corporation	45,210,000
Inland Waterways Corporation	11,033,000
St. Lawrence Seaway Corporation	127,532,000
Virgin Islands Corporation	15,860,000
Federal Prison Industries, Inc	31,631,000
Development Loan Fund	354,930,000
Office of Defense Lending [1]	125,000,000
Export-Import Bank of Washington	3,306,000,000
Banks for Cooperatives (U.S. part)	118,287,000
Banks for Cooperatives Investment Fund	185,918,000
Federal Farm Mortgage Corporation Fund [2]	2,384,000
Federal Intermediate Credit Banks	144,917,000

[1] Includes old RFC assets, old Defense Plant Corporation, etc. Figure from General Accounting Office.

[2] In liquidation several years.

Federal Home Loan Bank Board [3]	[160, 000]
Federal Facilities Corporation [4]	8, 687, 000
Federal Savings and Loan Insurance Corporation [5]	915, 822, 000
Reconstruction Finance Corporation [6]	4, 271, 000
Federal Housing Administration	1, 160, 107, 000
Federal National Mortgage Association	1, 477, 434, 000
Public Housing Administration	102, 642, 000
Panama Canal Company	467, 228, 000
Tennessee Valley Authority	2, 225, 075, 000
Federal Deposit Insurance Corporation [7]	2, 290, 000, 000

[3] Brackets indicate negative figure.

[4] Dissolved June 30, 1961.

[5] Retained earnings.

[6] Dissolved; in liquidation. Some assets transferred to other agencies for liquidation.

[7] Not tax funds; $3,000,000,000 borrowing authority never used.

The Government Corporation Control Act provides that the fiscal affairs of the corporations subject to it be audited by the General Accounting Office, which is an instrumentality of the Congress.

The 37 other activities with Government-owned equity, some of them classifiable as commercial-industrial and others strictly of a governmental nature, are as follows:

Air Force industrial fund	$61, 668, 000
Alaska Railroad	122, 823, 000
Alien property fund, Philippines, World War II, revolving	1, 511, 000
Army industrial fund	121, 390, 000
Aviation war risk insurance fund	23, 000
Central American abaca fiber fund [1]	101, 000
Capehart housing [2]	25, 535, 000
Check forgery insurance fund (Treasury)	40, 000
Civil defense loans	587, 000
College housing loans	1, 602, 077, 000
Community disposal operation	5, 000
Contingency fund for emergency expenses, Fort Peck project, Montana	17, 625, 000
Defense production guarantees [3]	6, 350, 000
Development and operation of helium properties	81, 986, 000
Direct loans to veterans	1, 733, 347, 000
Farmers Home Administration	27, 522, 000
Federal ship mortgage insurance fund	12, 729, 000
Foreign investment guarantee fund	42, 827, 000
General Services Administration building management fund	440, 000
Government Printing Office [4]	43, 724, 000
Hoonah Indian housing project revolving fund [5]	171, 000
Housing and Home Finance Agency revolving fund, liquidation programs	21, 762, 000
Housing for the elderly loans	12, 729, 000
Indian loan revolving fund	16, 805, 000
Informational media guarantee fund	145, 000
Narcotics hospitals commissaries	63, 000
Naval Academy laundry	234, 000
Navy industrial fund	275, 140, 000
Public facility loans	147, 566, 000
Public works planning fund	45, 052, 000
Rural Electrification Administration	3, 949, 021, 000
Small Business Administration	1, 199, 602, 000
Upper Colorado River Basin fund	437, 058, 000
U.S. prison commissaries	692, 000
Veterans' Administration canteen service	11, 786, 000
Veterans' Administration loan guarantee revolving fund	702, 372, 000
Wherry Act housing	423, 276, 000

[1] Abolished.

[2] Represents amount of mortgage reduction.

[3] Retained earnings.

[4] An agency of the Congress.

[5] In liquidation.

During former President Eisenhower's administration, determined efforts were made to reduce the number of commercial industrial activities of the Federal Government.

Eisenhower's tough-minded Budget Director Stans reported January 13, 1961, on the status of commercial-industrial activity. Here is a table from his report:

	Total	Civilian agencies	Department of Defense
Identified commercial-industrial activities	24, 100	19, 100	5, 000
Agency evaluations not yet completed	2, 100		[1] 2, 100
Total	22, 000	19, 000	2, 900
Accepted agency evaluations justifying Government operations	17, 000	[2] 17, 000	
Total	5, 000	2, 100	2, 900
Agency evaluations under review	2, 950	500	[3] 2, 540

[1] To be evaluated by Mar. 31, 1961.

[2] Of which 400 have been or will be curtailed.

[3] Of which 1,500 will be curtailed.

Placing a value on the business-type activities of the Government apparently defied Stans. The Budget Bureau cannot supply such a figure.

The reason for the difficulty is easily seen. First, identifying a commercial-industrial activity is hard enough; next, finding out what part of the investment in it is chargeable to such activity is still harder.

Stans told the President, "About 17,500 of the (civilian) installations are determined, by the agencies, to be of such a nature that they do not represent substantial or significant competition with free enterprise. In these cases, compelling reasons were found for not procuring the goods or services through ordinary channels. For example, about 8,000 of these were custodial and janitorial activities carried on in post offices and another 3,900 installations were bins owned by the Commodity Credit Corporation for the storage of grain.

"Of the approximately 2,100 installations in which compelling reasons for continued Government operations have not been established, some 1,600 have been or are scheduled to be discontinued or will be curtailed. Installations discontinued or curtailed include such activities as general and livestock farms, road construction work, production of bakery items, operation of gasoline service stations, and operation of local trucking and draying services.

"Because of the large concentration of commercial-industrial installations in the Department of Defense, special arrangements have been made for its evaluating and reporting.

"Of the 2,900 evaluations completed, some 450 were decisions to discontinue the installations; and some 2,450 were determinations to continue the installation for compelling reasons. Of those to be continued, over 150 are to be curtailed.

"Among installations discontinued there are automobile repair shops, bread and bakery shops, horticultural services and specialties, printing plants, ice plants, sawmills, shoe repair shops, laundries, ice cream plants, etc."

Stans concluded, "It is significant that a large number of the activities that were identified in the inventory are of such a nature that there appear to be compelling reasons why the Government should continue to carry them on. The activities that are questionable have been isolated for detailed study. The program has demonstrated that unjustified activities can be effectively deterred."

TRIBUTE TO THE LATE BRYANT THOMAS CASTELLOW

Mr. TALMADGE. Mr. President, it is with great sadness and a deep sense of personal loss that I inform the Senate of the passing of one of the outstanding statesmen of this century, the Honorable Bryant Thomas Castellow, of Cuthbert, Ga., former Representative in Congress from the Third District of Georgia.

Representative Castellow had a long and distinguished career as an attorney in private practice, as solicitor general and judge of the Pataula Judicial Circuit and as Congressman from his district. He served in the House of Representatives from October 7, 1932, upon his election to succeed to the vacancy created by the resignation of Hon. Charles R. Crisp, until his voluntary retirement to private life on January 3, 1937.

Of all his many contributions to the public life of his State and Nation, this respected Georgian is perhaps best remembered for his eloquent speeches from the floor of the House of Representatives warning the Nation of the consequences of foreign entanglements, centralized Government, and fiscal irresponsibility. Subsequent events have proved him to have been a prophet.

Although in retirement during his last years, Representative Castellow maintained an active interest in public affairs, and his wise counsel was valued and often sought. He was truly respected and beloved by the people he served so long and so well, and had he lived until next Sunday, he would have celebrated his 85th birthday.

I was privileged to be one of his friends, and I am deeply grieved at his passing. His many contributions to his State and Nation will long be remembered. Mrs. Talmadge and I extend our deepest heartfelt sympathy to his wife and daughter.

STRIKES AT DEFENSE ESTABLISHMENTS

Mr. McCLELLAN. Mr. President, last Thursday, July 19, I addressed the Senate on the need for immediate legislation to deal with strikes and work stoppages in our defense establishments and related industries—strikes or stoppages that would produce a national emergency, or at least, have a most serious adverse impact on national defense and security.

In those remarks, I made reference to S. 2631, a bill introduced by me with a number of cosponsors, on September 23, 1961. This bill is now pending before the Committee on Labor and Public Welfare. It is designed to, and in my judgment, if enacted into law, will prevent strikes and work stoppages which, if engaged and permitted to occur, would greatly impede, hamper, and obstruct our vital missile, space, and other programs, the success of which are indispensable to national prestige, security, and well-being.

When I spoke last Thursday, a serious strike was in progress in one plant and another strike was threatened by two international unions in the aerospace industry. It was scheduled to begin on Monday of this week.

These strikes would have been tragic and possibly disastrous had they occurred as announced and planned and had they continued for any appreciable length of time. Fortunately, however, the President of the United States intervened, and by persuasion induced these unions to voluntarily agree to withhold such strike action for a period of 60 days. This procedure—this method successfully employed by the President in this instance—is clearly outside of the antistrike and injunction provisions of the Taft-Hartley law and is wholly unrelated thereto. The agreement on the part of the unions to comply with the President's request is a completely voluntary action and is an agreement that we are devoutly hoping will be kept and fulfilled.

It is quite significant to note, however, that the action taken by the President in appointing a 3-man special Presidential Board follows generally the approach provided in S. 2631. The President's Board, however, has no legal status; it has no power or authority other than to attempt mediation, use persuasion, and make recommendations. It has no power or authority to decide any issue or to take affirmative or effective legal action to require or compel either labor or management to do anything to resolve the issues involved or to prevent a paralyzing walkout and work stoppage in the industry.

S. 2631 would prohibit strikes and work stoppages by persons employed at strategic facilities. Under its provisions, when there is a serious and vital work stoppage, or when one is seriously threatened, the Secretary of Defense would appoint an impartial emergency board—but of course, it might very well be changed to authorize the President to appoint such a board, if that is desirable—comprised of three members who would have the power to conduct hearings and make written findings of fact and determinations within 60 days after its appointment; and its actions, its findings and orders would be binding on all the parties involved, both labor and management, for a period of 1 year and thus a strike and injurious work stoppage will be averted.

So it is readily observed that the objectives of the President in the procedure which he has adopted outside the Taft-Hartley Act and the objectives of S. 2631 substantially have the same purpose and seek the accomplishment of the same ends.

Mr. President, these voluntary arrangements are good so long as they work, and let us hope that so long as they are entered into, they will work. But, I ask, in a matter of such magnitude where the importance is so great and the consequences could be so disastrous, is it wise to leave this issue and this problem unsettled and unresolved? Is it prudent to leave it to the hazards of chance and simply hope, and possibly hope in vain, that voluntary agreements can be safely relied upon and will always be obtained and that nothing harmful will happen, rather than for the Congress to do that which prudence, courage, and statesmanship dictates should be done to protect our country against this potential and highly probable danger.

We pass laws to deal with other serious problems of government and to protect our country against injury. Why do we hesitate on this question? Is there good reason for our failure to act? Can we justify inertia and inaction on the part of the Senate in view of the realities of this danger? I do not think we can. I am not the only one who thinks the Congress should legislate in this field. It is heartening to note that important segments of the press recognize the danger and are beginning to emphasize editorially the urgent need for the enactment of legislation. Therefore, Mr. President, I ask unanimous consent to have printed in the Record, as a part of my remarks, three editorials: one from the New York Times of July 23, 1962, entitled "New Labor Law Needed"; one from the Washington Post of July 24, 1962, entitled "Emergency Strike Formula"; and the third from the Washington Evening Star of July 24, 1962, entitled "Breathing Spell, at Least."

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the New York Times, July 23, 1962]

New Labor Law Needed

The 60-day delay President Kennedy has effected in strike threats against five producers of missiles, planes, and spacecraft prevents what would have been an inexcusable disruption of vital national programs. A settlement pattern had been provided in the noninflationary agreement negotiated last week by the Douglas Aircraft Co. and the two unions involved in the present conflict. The other manufacturers' refusal to go along with the Douglas clauses on union and job security were the bars to full peace.

Gratifying as is the administration's success in postponing a showdown, the entire incident focuses sharp new attention on the need for improved legal machinery to deal with emergency labor disputes. The President has again felt obliged to improvise a formula outside the one prescribed by the Taft-Hartley Act. In the transportation field, where some labor relations are under the Railway Labor Act and others under Taft-Hartley, the improvisation method has been working spottily. Secretary of Labor Goldberg is embroiled in intraunion and interunion politics in his efforts to unravel the row between the flight engineers and the airline pilots. The railroads and east coast docks face new crises.

The White House has indicated for more than a year that it intended to transmit to Congress recommendations for a more flexible approach to the settlement of emergency disputes. It has had for nearly 3 months the ideas on this subject of the President's Advisory Council on Labor-Management Policy. The time to get measured congressional consideration of any program probably has passed. But the worst time is to wait until a major breakdown in a key industry necessitates panicky action on Capitol Hill. If employers and unions are to respect the Government's role in protecting the national interest, it ought to have a solid underpinning in law.

[From the Washington Post, July 24, 1962]

Emergency Strike Formula

President Kennedy has inaugurated a new technique in dealing with strike threats that might cause a national emergency. Instead of invoking the Taft-Hartley Act, the President requested a 60-day delay in the walkouts scheduled for Monday by the employees of several producers of missiles, planes, and spacecraft. Both the United Auto Workers and the International Association of Machinists responded in a spirit of accommodation and proper regard for the national interest. During the 60-day period a three-man Presidential Board will try to settle the disputes, by mediation if possible and by making findings and recommendations if necessary.

In some respects the special Presidential board will have an advantage over any fact-finding board that might have been named under the Taft-Hartley Act. The law specifically denies Taft-Hartley boards authority to make recommendations. Consequently, Taft-Hartley fact finders may be handicapped in bringing about a settlement. They cannot focus public opinion on fair terms that ought to be accepted in the public interest. By contrast, the Presidential Board in the present disputes is specifically authorized to hold hearings and to make findings and recommendations for a settlement.

The weakness of the new technique, of course, lies in the fact that it is wholly voluntary. It will break down any time a union may refuse to cooperate by postponing a scheduled strike, and the President then would have no alternative to falling back upon Taft-Hartley. President Truman discovered, when he seized the steel mills to end a walkout that was threatening the national safety, that the White House cannot improvise to the point of using force in preference to using law already on the books.

The need for additional law in this field is clear and unmistakable, and it is not minimized by the unions' wise compliance with the President's current requests. Probably it is too late for any comprehensive bill to be passed by the present Congress, but recommendations ought to be forthcoming on the basis of the report of the President's Advisory Council on Labor-Management Policy a few months ago. It is an area in which strong leadership from the White House will be needed.

[From the Washington Evening Star, July 24, 1962]

Breathing Spell, at Least

Union members in the aerospace industry have displayed a commendable sense of responsibility toward the national interest in agreeing to President Kennedy's appeal for a postponement of their threatened strike action against producers of missiles and spacecraft. A decision to the contrary inevitably would have been gravely damaging to a vital part of our defense and security program, and, therefore, inexcusable.

The 60-day deferment now agreed upon will permit the special Presidential Board named last week to seek a resolution of the differences between the producers and the two unions involved, the International Association of Machinists in some cases and the United Aerospace Workers, affiliated with the United Auto Workers, in others. Basis for a settlement may be found in a formula, first accepted by the unions and the Douglas Aircraft Co., providing average wage and fringe benefits amounting to about 25 cents per hour over a 3-year period and setting up a so-called agency shop which requires nonunion workers to pay a fee to the unions acting as bargaining agents. Most of the industry has balked at this latter provision, and it is on this issue that the emergency board undoubtedly must concentrate its greatest attention in the 60-day period. In event of failure in this instance, the President could still turn to the Taft-Hartley law, ask for an injunction against strike action for an additional 80 days and make another effort to work out a settlement.

All of this gives time, at least. Even so, it is evident that the legal machinery applicable to labor disputes in industries vital to the national security, for example, is inadequate. The Kennedy administration has placed considerable reliance thus far, and with some success, on intervention outside the Taft-Hartley formula, and it still may turn to that law when necessary. Neither recourse, however, guarantees anything more than the so-called cooling-off periods and opportunity for further improvisations and negotiation. There is need for a more assuredly effective approach by law. It should be a high priority objective of the administration and of Congress, at least during the next session, to find this better approach.

Mr. McCLELLAN. Mr. President, we need more than a breathing spell. We need assurance. We need protection. We need security. We need a law. Congress, in my opinion, will fail to meet its responsibility if it adjourns without taking appropriate action.

A GOD-FEARING NATION—FAREWELL FROM GEN. CARLOS ROMULO

Mr. KEATING. Mr. President, during the past decade there has been a great deal of heated discussion over just how strong the United States is in various fields of endeavor—always with a special emphasis on our relative military strength.

Certainly in the world in which we live our national security requires progress in the fields of national defense and weaponry, but there is definitely something wrong when people begin to measure the strength of our Nation in only military terms. There are many factors which contribute to the real strength or power of a nation, and a strong case can be made for the thesis that the most powerful element in the United States of America, is a strong belief in God and deep reverence for the Almighty in all the different forms through which Americans worship Him.

National power should be measured, not only in terms of missiles, but also and more important in terms of beliefs, ideals, and goals. These are the things which make a nation deeply and genuinely strong. There are many people who realize this fact, and they should be heard more often. One of these is Philippine Ambassador and General Carlos Romulo who is returning to his country to become president of the University of the Philippines. His words of farewell deserve the attention of all Americans and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SOMETHING TO REMEMBER

(By Carlos P. Romulo)

I am going home, America—farewell.

For 17 years I have enjoyed your hospitality, visited every one of your 50 States. I can say I know you well.

I admire and love America. It is my second home.

What I have to say now in parting is both a tribute and a warning: Never forget, Americans, that yours is a spiritual country.

Yes, I know that you are a practical people. Like others, I have marveled at your factories, your skyscrapers, and your arsenals.

But underlying everything else is the fact that America began as a God-loving, God-fearing, God-worshiping people, knowing that there is a spark of the Divine in each one of us. It is this respect for the dignity of the human spirit which makes America invincible. May it always endure.

And so I say again in parting, thank you, America, and farewell. May God keep you always—and may you always keep God.

A PLEBISCITE IN PUERTO RICO

Mr. KEATING. Mr. President, flexibility and full respect for the wishes of the governed should be the hallmark of Federal relationships with Puerto Rico. President Kennedy has suggested the calling of a plebiscite or a referendum to guarantee to the citizens of Puerto Rico the opportunity to choose the exact form of government they prefer, whether continued association, statehood or any other suitable arrangement. That would provide a further opportunity for the people of Puerto Rico to exercise a free choice as to the kind of government they want.

Mr. President, last week was Captive Nations Week when the people of America joined to express once again to the world their dismay and horror at Soviet imperialism and to pray for the ultimate redemption and liberation of the millions of people held slaves under the Communist yoke. What could present a clearer and more dramatic contrast of the true difference between the American way of life and communism than our relationship with Puerto Rico? The plebiscite and the free choice that would be offered to the people of Puerto Rico would be dramatic evidence to the whole world that the American people dare to practice what they preach. It is something that the Communists have never dared to do.

Mr. President, we must not fail to make this point clear not only throughout the United States but in all the countries of the world where Soviet lies and propaganda may be beclouding the true image of American representative government.

Mr. President, I should like to take the opportunity to express my continued affirmation of the right of the people of Puerto Rico to determine their own form of government and to practice the ideals of liberty and responsible government according to their own preference.

TAX-EXEMPT FOUNDATIONS

Mr. MORSE. Mr. President, an editorial entitled "Tax-Exempt Foundations" was published in this morning's issue of the Washington Post, which I wish particularly to call to the attention of the Senate Committee on Finance.

I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TAX-EXEMPT FOUNDATIONS

The preliminary findings of Representative WRIGHT PATMAN'S Small Business Committee indicate that the laws regulating tax-exempt foundations should be broadened and their administration tightened.

There are now more than 45,000 tax-exempt foundations in the United States, and the committee's survey, based on a sample of 522, indicates that both the spirit and the letter of the law have been violated. Many of the foundations which were surveyed failed to provide information relating to major shareholdings in public corporations as required under the law. But the acts of commission were far more serious. Two foundations were apparently established by large New York banks for the sole purpose of avoiding the payment of $2 million in capital-gains taxes. And there is evidence that a number of tax-exempt organizations engaged in educational testing and scientific research are hardly distinguishable from their avowedly commercial competitors.

Abuses such as these, which result in undesirable accumulations of untaxed wealth, an inequitable distribution of the tax burden, and unfair competitive advantages should be eliminated as quickly as possible. Mr. PATMAN has proposed that the Treasury declare an immediate moratorium on the granting of tax exemptions to foundations. But such drastic action, even if legally feasible, might prevent the establishment of legitimate foundations which constitute the very heart of the American system of philanthropy. The clear violations of tax statutes which Mr. PATMAN'S investigators uncover can be swiftly prosecuted, and new legislation should be drafted to eliminate those abuses which lie beyond the scope of existing laws.

Mr. MORSE. The editorial started by stating:

> The preliminary findings of Representative WRIGHT PATMAN'S Small Business Committee indicate that the laws regulating tax-exempt foundations should be broadened and their administration tightened.
>
> There are now more than 45,000 tax-exempt foundations in the United States, and the committee's survey, based on a sample of 522, indicates that both the spirit and the letter of the law have been violated.

I congratulate the Washington Post for that editorial. I commend the editorial to the Finance Committee.

Another facet of the general problem which I think ought to be included in the Finance Committee's consideration of tax loopholes and tax exemptions is the charitable trust. A tax evasion tactic and loophole known as a charitable trust has grown up in our country to an alarming degree.

What it means, in essence, is that religious organizations and charitable organizations and lodges and other organizations of that worthwhile type are moving into business and operating in competition with private enterprise in this country, and are doing so in a tax exempt status.

Some of these church and charitable trusts are operating factories and mills and plants, including lumber mills in my State, for example.

That was never intended when we set up tax exemptions for churches. I am in favor of tax exemption for churches in connection with their religious activities and their sanctuaries, but I am not in favor of tax exemption for churches when churches proceed to operate business. This kind of tax escape must stop, and stop now. We owe it to private enterprise in this country to protect the competitive system. We do not have a competitive system in this country if private enterprise must compete against charitable trusts operating business enterprises.

Oh, I know how politically touchy this subject is. However, that has never bothered me, and it does not bother me now. I say to these charitable trusts: "The senior Senator from Oregon is against tax exemption for your business operations. If that means loss of votes, I would rather not sit in the Senate with your support."

In my judgment, it is our duty to see to it that the legitimate best interests of all the taxpayers of the country be protected. They are not being protected by having this form of escape for a charitable trust, under which it can escape paying millions of dollars in taxes owed to all the taxpayers of the country, in reality. A charitable institution or lodge or fraternal organization or some other organization of that nature ought not to be allowed to get by without paying taxes by putting themselves in a position of competitive tax advantage over true enterprise in this country. I commend the editorial to the attention of the Committee on Finance, and I suggest that it do something about it.

LEAKS ON PROCEEDINGS IN COMMITTEE EXECUTIVE SESSIONS

Mr. MORSE. Mr. President, I am chairman of the conference committee on higher education legislation. We have had two recent meetings of the committee, and mention of what happened in the hearings has appeared in two Drew Pearson columns. We discussed the matter briefly at our last meeting. I should like to say, on the basis of what appears in the newspaper this morning, that Drew Pearson must have clairvoyant power. There is one true statement in the column, and that is when it states:

> Before the session was over, Senator GOLDWATER excused himself. He said he had to leave but expected to read Drew Pearson's column to see what happened after he left.

The Senator from Arizona in his jocular remark was more right than he probably thought he would be, although he was not completely right. The only thing that is accurate in the column is what Mr. Pearson or his representative learned from the press conference that followed the meeting. At the press conference following the committee conference the motions which are referred to in the column were described to the press in open press conference. The Senator from Vermont [Mr. PROUTY] and I conducted the press conference with the full understanding of the conference committee. We set forth in the press conference the motions that had been made in the conference committee.

I have given up thinking that anything can be or will be done with regard to leaks. When it was suggested that something ought to be done, it was pointed out that that was almost a hopeless task, on the basis of the experience of those of us who have been around here for some time.

Of course, we all know that Mr. Pearson is personally opposed to grants to private colleges. We do not question his journalistic right to use his column to present his point of view on this subject. However, I do think there is a responsibility on the part of journalists to respect the legislative process, as we hammer out a reasonable compromise on this issue. The column is no service to those of us who have a very difficult time in the conference this year in trying to get a higher education bill enacted.

I jokingly said that apparently the walls are clairvoyant. I hope we can go into conference on higher education without having a repetition of this performance, but I know of no safeguards that we can use in the conference.

Drew Pearson makes another reference to what occurred in the conference, when he speaks about the suggestion that only the conferees should meet. I suggested if that were to be our policy, and if that were going to be necessary in order to prevent leaks, it would be better to have no conference at all, because I did not think it was fair to put the responsibility upon the members of the staff.

I assume that out of press reports this very able journalist, in mixing the pieces of a puzzle together with his personal opinions, did a considerable amount of speculating, and came out with a story which in my judgment is very embarrassing to our committee.

THE PROPOSED INDIAN MEDICAL CENTER IN PHOENIX, ARIZ.

Mr. GOLDWATER. Mr. President, in recent months I exchanged correspondence with the Public Health Service of the Department of Health, Education, and Welfare with regard to a proposed Indian Medical Center in Phoenix. This is planned as a fully federally constructed and operated center for service to Indians in a four-State area of the Southwest.

I had requested an opinion from the Surgeon General of Public Health Service as to why these plans could not be incorporated with existing community facilities, thus making use of hospitals and staffs already in Phoenix. The reply from PHS in support of a segregated hospital is such an astounding conglomeration of bureaucratic doubletalk that I am compelled to bring this document to the attention of the Senate, but mainly because its underlying theme is this agency's classification of the American Indian as a second-class citizen.

In order to comment on the various points of this letter, I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
PUBLIC HEALTH SERVICE,
Washington, D.C., July 18, 1962.

Hon. BARRY GOLDWATER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GOLDWATER: Thank you for the opportunity to comment on the letter to you from Mr. Emmett McLoughlin, superintendent of the Memorial Hospital, Phoenix, Ariz.

As you know, the Surgeon General of the Public Health Service is charged with the "conservation of the health of Indians" and that the objective is to raise the health status of Indians to a level comparable with that of the Nation as a whole.

In working toward this objective it has been the accompanying policy of the Division of Indian Health to use methods and develop procedures that after an adequate transition stage will promote and encourage the transfer of Indian health care from the Division to those facilities and agencies providing local health services to non-Indian groups. That this policy has been followed is evidenced by the closure of eight hospitals with utilization of local community facilities since 1955 and the increase in numbers of patients treated in non-Federal facilities since that time. (Patients per annum: 1954, 5,835; 1961, 21,500.)

After considerable study over a period of years we have concluded that the most desirable and effective method for providing the health services needed by the Indians in the Southwest requires a medical center in Phoenix, staffed and operated by the Public Health Service.

It must be emphasized that the proposal is to provide an Indian medical center serving the entire four-State area with provisions not only for referral, diagnostic, and therapeutic service for 175 to 200 patients (only 10 percent of whom orginate or reside in the Phoenix service area) but as a means of supplying these same services to the numerous scattered field facilities. It would provide as well local outpatient and emergency services and serve as a training, refresher, and research center for the many public health and preventive medical activities including public health laboratory, mass X-ray and central pharmacy facilities not provided in community hopsitals.

The advantages may be summarized as follows:

1. It will provide hospitalization and medical care for many Indians who, for cultural reasons described below, are not ready to accept services in community hospitals. In emergencies, the Indian (or his family) either must agree to being admitted to the available hospital or, because of cultural and language problems, he may refuse and accept his chances of death or permanent disability. It is vital to the success of our program that Indians with subacute and chronic conditions be admitted for treatment and preventive services before the conditions become acute. Experience, particularly in the Southwest, has repeatedly shown that Indians prefer and will enter "Indian"

hospitals where they can feel more comfortable in a familiar and understanding atmosphere.

We do not consider it the optimum time or place to introduce or force the assimilation or integration program when a beneficiary is so acutely ill that the services of specialists are needed and at a location far removed from his home reservation, rather than in a nearby familiar community.

2. The staff of the medical center, trained and experienced both in medical specialties and in understanding of Indians, will be available for on-site consultation with the local staff in all the Indian hospitals and health centers in the area. This will result in the upgrading of the quality of medical care in the smaller reservation hospitals.

3. It will be a training and refresher center for the medical and other staff members of the Indian hospitals and health centers on the reservation in the four States.

4. It will be the center to which all cases requiring additional diagnostic techniques or specialized treatment will be referred and from which they will return for continued care. As in other Public Health Service hospitals, we expect as at present to arrange for consultation and specialist services as needed by contracting with the best qualified specialists in the city, and these consultants may be members of any hospital staff.

5. All of the services of the Phoenix Health Center will be available to every beneficiary on the scattered reservations through a referral and followup system, with continuity of care and administration being assured.

6. It will make it possible to develop and teach preventive health practices in conjunction with medical care in an organized fashion at every Public Health Service facility in the area with the Phoenix Health Center correlating each activity. Prevention is even less understood by most Indians than medical care. Outpatient services are extremely numerous in the Indian health program and are encouraged not only for acute conditions or emergencies but for the entire gamut of preventive services and follow-up treatment. In addition to physicians holding specialized clinics, there are public health nurses, health educators, medical social workers, dentists, and dental hygienists, nutritionists, and sanitarians who work with individuals, families, and groups in the outpatient department. It is difficult to visualize these activities being conducted on an organized and coordinated basis in a hospital primarily organized and administered for the acute care on non-Indian patients in a large metropolitan setting.

7. It will provide the necessary facilities and staff for research into those problems common among Indians but rare in the general population. The products of such research may well be applicable throughout the division.

8. It will better enable the Public Health Service to recruit, train, and retain qualified medical personnel for the Indian program.

9. It will avoid the necessity of consulting the Indians from every reservation about the construction of beds in a nearby community hospital. This consultation, required by law, could not help but arouse suspicions that the Federal Government was considering abandonment of direct services in the Phoenix area. Indians from some 30 reservations or tribal groups in 4 States would be involved since they have utilized the present improvised facility to some extent in the past. The relationships of the Public Health Service and the Indians which are good and constantly improving could be seriously damaged. The medical care and preventive health programs which depend heavily on good relationships and mutual trust may be given a very serious setback.

Before arriving at the conclusion to build a Phoenix Indian Medical Center we consulted many individuals, organizations, and institutions in an effort to determine the consensus of experts on Indian affairs. Among them was the Bureau of Ethnic Research of the University of Arizona. Its Second Annual Report, 1954, chapter II, Cross Cultural Factors in Health Administration contains the following: "Among the Pima, Papago, and San Carlos Apache Indian Tribes, the groups dealt with in this chapter, assistance and development programs are enormously complicated by cultural differences and resistance to change. Programs directed toward improving health standards and the economic level in these Indian communities have been less successful than those used elsewhere in the United States where people of similar cultural background were involved. The material that follows will indicate the chief cultural factors concerned."

Among the cultural factors described in the report are the language barrier, (about 40 percent of the Papago speak no English), illiteracy (50 percent of the adults on the Papago Reservation do not read), misunderstandings because the white doctor does not respond like the curers operating within the native culture, and because the Indian behavior does not coincide with that of white patients. White and Indian groups are described as having totally different concepts of the importance of time. Native Papago and Apache medicine is described as a blending of concepts of clinical medicine, folk cures, faith healings, bound together by native concepts concerning disease causation and treatment.

The report further points out that curing disease, which is stressed the most by white medical personnel, is only one aspect of the fight against poor health. There is also preventive medicine. Limited as has been the general acceptance of curative medicine by Indians, it has greatly exceeded that of the preventive medicine program.

These are some of the cultural differences which influenced our decision to continue direct and coordinated services to these groups for the present and foreseeable future.

We find ourselves with other agencies of the Federal Government in recognizing the need for continuation for a time of special services to Indians. The report to the Secretary of Interior by the Task Force on Indian Affairs, July 1961, emphasizes development of resources on the reservations, cooperation with Indians, and education. The task force expressed approval that the Santa Fe Boarding High School with a capacity of 500 students will become the Institute of American Indian Arts. This is an example not only of the Federal Government's recognition of certain cultural differences but the desirability of maintaining them.

The Bureau of Indian Affairs has budgeted nearly $100 million in 1961–62, and 1963 for construction—primarily of school facilities for Indians. Included in their 1963 congressional budget is a request for $1,667,000 for a new classroom building and a new girls' dormitory to replace buildings at the Indian school in Phoenix.

It is not believed Mr. McLoughlin would have thought that representatives of the Division of Indian Health were opposed to integrating medical care into the community if he were more familiar with the division's operations. Although he states, "after careful scrutiny of the Indian hospital program, we feel that not only would the Indian get poorer care, but he would be placed in a position of being unable to secure better care," we are unable, upon inquiry, to learn of any key Phoenix program staff members, or Washington staff members, from whom information has been requested or secured, upon which an informed conclusion could be based.

The Indian Construction Act (Public Law 85–151), which the Division of Indian Health helped to develop, and which it endorsed, and implemented, provides specifically for financial assistance in the construction of community hospitals. It should be noted that this appears to be the program under which Mr. McLoughlin announces his willingness to participate. To date, the Division of Indian Health of the Public Heath Service has participated in 12 projects, providing 275 beds of which 88 have been funded by the Public Health Service appropriations under Public Law 85–151. Currently, other projects are pending. It would appear that there is no doubt that the Public Health Service advocates and supports the use of community facilities where such facilities are believed better able to meet Indian health needs and will be more effective than direct Federal construction.

However, for all the Indians, including the urbanized small number requiring hospitalization from the Phoenix service unit, scattered on the reservations of the Southwest, the Division is convinced that better total care (preventive, therapeutic, and rehabilitative) can be provided through the Phoenix medical center program, than by separating from the rest of the program the hospitalization of those from the Phoenix service unit, and those requiring diagnostic and therapeutic care.

There is little point in attempting to compare the cost of construction of an Indian medical center with the cost of adding beds to an existing facility, since the benefits are not comparable.

However, it might be noted that based upon the current charges made by the Phoenix community hospitals, including Memorial Hospital, to the Division of Indian Health for the care of Indian beneficiaries, the operating cost is conservatively estimated as exceeding the direct operation of the Phoenix medical center to be over $900,000 per annum. This would rapidly offset even the questionable estimate of saving in the construction costs.

The present Phoenix Indian Hospital operating in an old converted school and tuberculosis sanitorium facility is staffed with full-time qualified specialists in preventive medicine, pediatrics, surgery, urology, dentistry, ophthalmology, internal medicine, radiology, pharmacy, and clinical social service. This staff is supplemented by part-time consultants available in the city of Phoenix who are outstanding specialists in orthopedics; obstetrics and gynecology; ear, nose, and throat; ophthalmology, pathology, radiology, psychiatry, cardiology, neurology, plastic surgery, general surgery, pediatrics, anesthesiology, and internal medicine.

In the city of Phoenix there has never been a problem of securing highly competent consultants to assist in the care of Indian beneficiaries, and it is not anticipated that there will be in the future, particularly with the development of the proposed Phoenix Medical Center. Indian patients are referred to other Phoenix community hospitals, primarily when bed space has been lacking, or the present facilities were inadequate or unsuitable for the procedures required. Referrals are not made because of the unavailability of medical staff or staff consultants, and with full realization that the educational and training experiences for patients and staff will be lost because of such referrals.

There is nothing morally, socially, or culturally wrong with providing medical and preventive health services, tailored to fit specific needs, in favorable surroundings which are acceptable to and preferred by our beneficiaries. Until such time as it can be demonstrated that there is no distinction between Indians and the general population in health needs and in availability and utilization of health services, a good case to the contrary can be made. In fact, we are convinced that it is the way to meet

> the objectives of the Indian health program in the Phoenix area for the foreseeable future.
>
> It remains the opinion and judgment of the Division of Indian Health that the transition and change from Federally operated Indian health facilities to community or non-Indian public facilities is best made at the local level near the home reservations in a community health facility, located in a community with which the Indians are familiar, by reason of its use for educational, trading, and social purposes; where it is near enough to permit easy visiting by family and neighbors, and where other Indians are more than likely to be employed. The use of the medical facility to which acutely ill patients are referred for specialized diagnostic and therapeutic services is not the best or even desirable place to introduce a transitional acculturating procedure. The emphasis should be placed on the clinical care of these acutely ill patients in the most easily accepted and compatible surroundings provided.
>
> It has not been planned to provide care for patients with tuberculosis at the Phoenix Medical Center, other than diagnostic and case findings procedures. The specialized program of treatment for this disease will be provided at the San Xavier Indian Hospital, and in nearby community tuberculosis facilities.
>
> Your continuing interest in the Indian health program is appreciated.
>
> Sincerely yours,
>
> HUSTON K. SPANGLER,
>
> (For James R. Shaw, M.D., Assistant Surgeon General, Chief, Division of Indian Health).

Mr. GOLDWATER. Mr. President, the Public Health Service makes evident its paternalistic attitude toward Indians in the first "advantage" of a segregated hospital. Point 1, it will be noted, says:

> It will provide hospitalization and medical care for many Indians who, for cultural reasons described below, are not ready to accept services in community hospitals. In emergencies, the Indian—or his family—must agree to being admitted to the available hospital, or, because of cultural and language problems, he may refuse and accept his chances of death or permanent disability.

This is the cold appraisal of the Indian's health and welfare held, I remind you, by those great humanitarians charged with the "conservation of Indian health."

The letter goes on to say that:

> Experience, particularly in the Southwest, has repeatedly shown that Indians prefer and will enter "Indian" hospitals where they can feel more comfortable in a familiar and understanding atmosphere.

Mr. President, I have lived in the Southwest all my life. I have traveled by foot every Indian reservation in Arizona and I would venture to say I have spent more time visiting Indian communities and tribal councils than the entire staff of the Surgeon General combined, and I challenge them to supply supporting evidence to their contention. Nothing in my experience would indicate any truth to that assertion. In fact, the situation is just the contrary. Indians prefer treatment on an equal basis with their white neighbors. It is true that there are those among the traditionalists in the Hopi Tribe who prefer to go their way without the interference of the white man. But their children and grandchildren and the younger generations of all the tribes of Arizona want their constitutional right to equal opportunity. What we have here in the statement from the Surgeon General is a denial of this right by a governmental agency which would force segregation upon a segment of our American population and compel them to a status of second-class citizenship.

Let us consider a further point of the letter. It states that the staff would be "trained and experienced both in medical specialties and in understanding of Indians." This ties in with a statement further down that "it will provide the necessary facilities and staff for research into those problems common among Indians but rare in the general population."

Mr. President, are these Americans to be the guinea pigs of the Public Health Service? Exactly what problems are common among Indians, but rare in the general population?

I would like to quote from the January 1961 Program for Indian Citizens prepared by the Commission on the Rights, Liberties, and Responsibilities of the American Indian.

Under the section on Health, the report states:

> The poor health of the Indians stems from substandard housing, inadequate sanitary facilities, contaminated water, ignorance as to when and how to obtain professional care, and the uneven provision of medical services. In large degree this condition prevails among all impoverished rural folk in the Nation.

And:

> Among certain tribes illnesses due to microbes predominate; among others, obesity, diabetes, and hypertension. Dental diseases also abound, and alcoholism is common.

Mr. President, are these the "rare problems" of which the Surgeon General speaks? I suggest we can look around us and find these to be the problems of Americans whether they are white, red, brown, yellow, or polka dot.

Mr. President, I am not a medical man, but I know Indians and I suggest the medical problems of the Indian are no more peculiar than those of any other American. In combat hospitals we found that the blood of the Indian flowed just as easily when transfused into non-Indian veins. I regard it as immoral to isolate Indians on the premise that they are some sort of medical freaks.

The letter from the Surgeon General further states:

> Among the cultural factors are misunderstandings because the white doctor does not respond like the curers operating within the native culture, and because the Indian behavior does not coincide with that of white patients. White and Indian groups are described as having totally different concepts of the importance of time. Native Papago and Apache medicine is described as a blending of concepts of clinical medicine, folk cures, faith healings, bound together by native concepts concerning disease causation and treatment.

Mr. President, are we to assume that the Public Health Service will assemble a team of witch doctors because that is what they believe the Indian wants? To regard the Indian in this light is a base insult to his intelligence and evidence of the high order of disdain with which this governmental agency views this segment of Americans.

I believe I know a little about Indian culture. Over the years I have acquired probably the most complete collection of kachina dolls in existence. There is not a single tribe in Arizona with whose culture I am not acquainted and I would never want to see this culture destroyed because it is one of the most fascinating aspects of our Nation's heritage.

But to imply that because of this cultural background, the Indian is unable to live in general society is pure nonsense. I do not regard the Indian as childish, needing the constant paternal indulgence of a staff of bureaucrats. I respect the intelligence and maturity of the Indian and view him as the child of God, as are all men.

The Surgeon General's letter goes on to cite the "need for continuation for a time of special services to Indians," and refers to the task force report of the Department of the Interior. I also would like to refer to this task force report. Under the section on health and sanitation, the report states:

> Furthermore, it (the task force) feels that the Division of Indian Health and the Bureau of Indian Affairs should work together to urge cities, counties, and State to accept their responsibility for supplying health services to off-reservation Indians on the same basis they provide them for other residents.

Let me repeat that last phrase, "on the same basis they provide them for other residents." It is perfectly clear that this statement of purpose runs counter to the entire theme of the Surgeon General's letter which would enforce segregation of the Indian.

Mr. President, departing for a moment from the moral arguments, I would like to point out that there is adequate law under which community hospitals can meet the needs of Indian patients. I refer to Public Law 85-151. The purpose of this law is to "authorize funds available for construction of Indian health facilities to be used to assist in the construction of community hospitals which will serve Indians and non-Indians."

In reporting on this legislation, the Bureau of the Budget declared:

> The Bureau of the Budget believes that there is a need for legislation which would authorize the use of funds appropriated for the construction of Indian health facilities as a contribution to the construction of community hospitals which would serve both Indians and non-Indians, as an alternate to direct Federal construction. Many of the Federal hospitals operated for Indians are in need of replacement, or renovation, and this office believes that it is desirable, wherever feasible, for this need to be met through the construction of additional community facilities, as a step toward the goal of the Indian health program which is the furnishing of health services to Indians in the same manner as they are provided the rest of the population.

The Public Health Service blithely ignores this and dismisses Phoenix, a metropolitan city of half a million, as being incapable of assuming the responsibility of meeting the health needs of the Indians in that area.

Mr. President, on the basis of this letter from the Public Health Service, it can only be concluded that the purpose of the agency with respect to Indians is one of empire building at the expense of a segment of our American population and to enforce a status of obligation of the Indian to the Federal Government.

The PHS makes this perfectly clear by stating:

> Until such time as it can be demonstrated that there is no distinction between Indians and the general population in health needs and in availability and utilization of health services, a good case can be made to the contrary.

Mr. President, let me make it clear that I am not opposed to the Government carrying out its responsibility in the field of Indian health. So long as this legal responsibility exists, the Government is obligated to perform a service.

But I am against the fragmenting and demeaning of Americans under the guise of welfare. I am against pigeonholing and hyphenating American racial and ethnic groups in an effort to perpetuate a governmental bureaucracy. I am against governmental participation in a program of compelling any group of Americans to a status of second-class citizenship to satisfy the existence and the ego of a bureaucracy.

VOCATIONAL TRAINING IN GUINEA

Mr. JAVITS. Mr. President, one of the greatest needs in the developing nations of Africa is for trained skilled technicians who can handle the complex machinery and tools of our modern civilization. In this effort an organization which has had more than 80 years experience in training unskilled hands has been enlisted by AID for a 2-year program in Guinea. The American Organization for Rehabilitation through Training—ORT—has had a highly successful history in this work, at first with immigrants to this country in the last century and since then in various parts of the world including Europe, north Africa, and the Near East in the resettlement of Israel.

I ask unanimous consent to print in the Record the AID announcement of its contract signed with ORT on July 3, 1962.

There being no objection, the announcement was ordered to be printed in the Record, as follows:

U.S. AID Project To Establish Technical School in Guinea

The U.S. Agency for International Development today announced signing of a contract with the American Organization for Rehabilitation through Training (ORT) Federation, of New York City, to establish a technical vocational training program in Guinea to assist development of industry in this west African nation.

The contract with AID was signed by the American ORT president, Dr. William Haber, of the University of Michigan. The contract, which was initiated upon agreement with the Government of the Republic of Guinea, will become effective immediately.

Under the 2-year $1.1 million contract, the American ORT will establish a technical vocational school for training of skilled mechanics, and technicians, including special training for selected students who then will carry on such instruction in this and other schools.

The school, the first of its kind in Guinea, will be located in the capital city of Conakry. The school will eventually have a capacity of 200 students and, once it is operational, will furnish approximately 20 instructors or foremen each year for industry.

Among courses to be included in the school's program are precision mechanics, technical drawing, maintenance mechanics, refrigeration and diesel mechanics.

The contract amount will cover such major items as salaries for approximately 14 instructors in the Guinea school and procurement of equipment for vocational training. It is expected that the new school will be opened for the start of the fall school year.

THE GROWING PAINS OF PUBLIC RELATIONS

Mr. JAVITS. Mr. President, an informative brief account of the evaluation and growth of public relations in this country appeared in the May issue of the "Golden Salute to Advertising," published by the Advertising Women of New York Foundation.

Written by Denny Griswold, editor and publisher of Public Relations News, the article provides a presentation of the strides made by this emerging profession and its role in relationship to advertising.

I ask unanimous consent to print in the Record the article entitled "The Growing Pains of Public Relations."

There being no objection, the article was ordered to be printed in the Record, as follows:

The Growing Pains of Public Relations

(By Denny Griswold, editor and publisher, Public Relations News)

As cofounder of the first weekly publication in the public relations field, Public Relations News, I am intimately acquainted with the growing pains of this emerging profession. And truly painful they have been. While it's a fact that the practice of public relations by enlightened rulers and managements dates back to the beginning of civilization, it was not until this century that professional public relations advisers began to appear. Even two decades ago, when we began publishing, there was virtually nowhere a person or organization could turn to to learn what was going on in the field, what new techniques there were, or what public relations actually was.

Perhaps the best way to capsulize how the field has developed is to contrast the problems we faced, as embryonic publishers, with conditions which exist today.

Most of the public relations practitioners of 1944 jealously guarded their "secrets." Managements for the most part had a guilt complex about seeking public relations advice or setting up public relations programs. Most did so only because they faced grave difficulties and really only wanted "fumigating" or "whitewashing." News of public relations was difficult to come by; we had to work around the clock and persuade newsworthy people that it would not injure their reputations to have their names linked with the practice of public relations. This paucity of news was further aggravated by a fear, on the part of public relations counsel, that Public Relations News was just a step toward setting up a counseling business ourselves (a natural reaction because we had been public relations counselors before deciding that there was an acute need for a public relations publication).

Today, our publishing problems, while perhaps even more trying, are of a vastly different sort. Instead of scratching for copy, we wade through bushels of potential editorial material in search of the new ideas and techniques, and truly significant case studies which our readers so eagerly seek. That interest in public relations information is very real and very wide. We won't pretend that all the world beats a path to our door, but our editorial efforts have produced a corps of subscribers who include, not only public relations directors and counsels, but executives engaged in hundreds of different kinds of business and activities. These readers are located throughout the United States and in 61 other countries.

Here are some other indications of how the field has evolved in this brief period: Career aspirants can now choose from among more than 200 public relations courses and find degrees in public relations offered by 18 colleges and universities. (In 1944, only a few journalism schools gave public relations courses and a major was unheard of.) Organizations in almost every field of endeavor—business, education, government, religion, and welfare—maintain formal public relations departments and collectively allocate billions of dollars annually to such work. According to Public Relations News' latest estimate, there are some 110,000 people employed in some manner in the public relations field and such employment is increasing steadily. Salaries of top-level public relations executives have quadrupled. It is difficult to find a conference or convention program which does not devote some part of its agenda—and frequently a major one—to consideration of public relations. The number of public relations counsels has mushroomed to more than 1,800. Public relations techniques developed in the United States have been imported by scores of countries of the free world and in dozens of them public relations associations have been formed or are about to be organized. Codes of ethics have been established.

Each of these important accomplishments has been accompanied by its own set of problems; many of them regrettably remain to be solved.

No discussion of public relations would be complete without mention of the important contribution which the advertising profession has made to it. Most of the animosity which once existed between the two fields has disappeared. Many an advertising man of 20 years ago was afraid that public relations might usurp his close-to-management position or that advertising budget might be diverted in part to public relations. Others turned a cold shoulder to public relations on the theory that it was "just a glamour girl" whose popularity would quickly fade.

Today however, many advertising men and women can be counted among the most ardent supporters of public relations. They see it as an indispensable adjunct of their work. Advertising and public relations executives are frequently called in for joint conferences at the policymaking level. In many organizations, advertising and public relations are headed and coordinated by a single high-level executive. Hundreds of ad agencies have public relations directors and maintain public relations departments to serve clients. Ad budgets have not been cut by public relations; on the contrary, millions of dollars have been appropriated, at the suggestion of public relations professionals, for institutional or public relations advertising campaigns. Perhaps most significant of all is the fact that the advertising field, concerned about its public reputation, recently turned to the public relations field for assistance in solving its own public relations problems.

Yes, public relations is here to stay. Intelligently and soundly used, its practices and techniques can be invaluable to any kind of organization. What's more, if sound public relations principles are followed throughout the world, they can prove one of the greatest forces for the development of understanding between peoples, advancing humanity, and achieving peace.

DR. FRANCES KELSEY'S REFUSAL TO APPROVE USE OF THALIDOMIDE

Mr. LONG of Missouri. Mr. President, the Washington Post, in an excellent editorial on July 24, 1962, commented upon Dr. Frances Kelsey's refusal to grant FDA approval to the use of thalidomide, a drug which has caused tragic side effects in Europe. The conclusion of this editorial emphasized the need for passage of the Kefauver drug bill in the form this legislation was reported out of the Antitrust and Monopoly Subcommittee. As a member of this subcommittee who voted for S. 1552 in this form, I believe that the Post's editorial is particularly significant and underscores the need for restoration of vital portions of this bill.

I ask unanimous consent that this editorial be printed in the RECORD at this point in my remarks and call particular attention to it so that my colleagues may have the benefit of its insight during debate on S. 1552.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BETTER SAFE

One can imagine the annoyance, and even indignation, of the manufacturers of thalidomide when an obscure Government bureaucrat decided that the new sleeping compound was not proved to be safe. It is even conceivable that Dr. Frances O. Kelsey's superiors at the Food and Drug Administration felt that she was being a little sticky about a new drug that was widely marketed in Great Britain, Canada, and West Germany. After all, thalidomide was cheap, would not kill humans, and was apparently harmless to laboratory animals.

But if ever we needed a drug to prove that the most scrupulous standards must be enforced for the use of new compounds, it is thalidomide. The drug may be outwardly harmless to humans, but it has a deadly effect on the human fetus. It is calculated that by the end of next month the total of armless and legless children born in West Germany will be between 3,500 and 6,000; in Great Britain, a total of 800 deformed children are expected to be born in August.

These are horrifying statistics, and it could have happened here but for the stubborn caution of a Government official. Dr. Kelsey's resistance to pressure is of a kind that usually goes uncelebrated because the results of capitulation are seldom so graphic and grisly. But the publicity she is receiving ought to quicken popular appreciation of the quiet service performed by thousands of Food and Drug officials whose reward, more often than not, is grumbling about "bureaucracy" by bitter applicants.

It ought also to intensify interest in studies of the prenatal effect of other substances ingested by expectant mothers. It is bad enough when impure food and drug harm humans; it is unconscionable when the victim is the unborn. One hopeful effect of the belated praise for Dr. Kelsey might also be to lend more urgency to the passage of new drug legislation, preferably in the undiluted form urged by Senator KEFAUVER.

One provision of Mr. KEFAUVER's proposed law would empower the Food and Drug Administration to test the efficacy as well as the safety of new drugs. The case of thalidomide demonstrates the value of responsible public control as the surest preventive medicine.

ROBERT STROUD—"BIRDMAN OF ALCATRAZ"

Mr. LONG of Missouri. Mr. President, during the week of July 15, 1962, the Washington Post carried a series of seven articles dealing with Robert Stroud—better known perhaps as the "Birdman of Alcatraz." A movie with the "Birdman" title is currently being shown throughout the country.

These articles, appearing in serial form, were written by Eve Edstrom, nationally known, award-winning writer.

With the movie being shown across the country, undoubtedly we will be asked time and again why this prisoner is still in custody.

In order for the entire Nation to know of heretofore unpublished facts concerning this convict, I now ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THAT BIRDMAN OF ALCATRAZ REALLY FEATHERED HIS NEST

(Senator EDWARD V. LONG, Democrat, of Missouri, as chairman of a Senate Judiciary subcommittee concerned with Federal penitentiaries, has interested himself in the case of Robert F. Stroud, the "Birdman of Alcatraz." The following is based on official records, court proceedings and other data known to Senator LONG. Much of it was never before available to other writers on the subject.)

(First of a series)

(By Eve Edstrom)

Robert Franklin Stroud got 12 years for shooting the bartender who welched on the $10 price that prostitute Kitty O'Brien usually received.

That happened in 1909 in Alaska. From that day to this, for more than half a century, Stroud has been in Federal custody.

His life behind bars spans the evolution of the Nation's prison system. When he was convicted at the age of 19, prison guards carried clubs and prisoners wore stripes, ate in silence, and were shackled to cell bars as punishment.

Federal Prison Director James V. Bennett succeeded in changing all that—but he never has succeeded in changing Stroud, now 72 and still at war with his keepers.

To Federal authorities, Stroud is known as the most cunning and cantankerous prisoner ever to be their guest. To the public, Stroud is known as the "Birdman of Alcatraz," a self-educated scientist who achieved a worldwide reputation for his painstaking research on the disease of birds.

TWO VIEWS OF KILLING

For decades now, bird lovers have insisted that Stroud should be freed from his own caged existence. Currently, a new effort is underway timed to coincide with the release of a motion picture purportedly based on Stroud's life.

In the public mind, Stroud's work is proof of his rehabilitation. He has won a sympathetic following because of his apparent concern over the welfare of birds. In his book, "Stroud's Digest of the Diseases of Birds," he wrote:

"The lives of literally thousands of birds, the heartbreak of hundreds of blasted hopes have gone into these pages. For every truth I have blundered through a hundred errors. I have killed birds when it was almost as hard as killing one's children. I have dedicated my book to the proposition that fewer birds shall suffer because their diseases are not understood."

But Stroud—after plunging a knife through the heart of a prison guard—also is the author of this passage:

"The guard took sick and died all of a sudden. He died of heart trouble. I guess you would call it a puncture of the heart. Anyhow there was a knife hole in it. I have never given any reason for doing it, so they won't have much to work on, only that I killed him, and that won't do much good, for I will admit that."

WELCOME ISOLATION

For that murder—the killing of Guard Andrew F. Turner before 1,200 inmates at the Leavenworth Penitentiary, March 26, 1916—Stroud went on trial for his life. He was sentenced to be hanged and the gallows were being built when President Woodrow Wilson commuted his sentence to life.

Considered too dangerous to be mixed with the general prison population, Stroud was placed in segregated quarters, where he was to remain for most of his adult life. Subsequently Stroud's supporters viewed this as cruel and inhumane punishment. Actually, segregation was tailor made for Stroud's purposes.

Back in the 1920's it was not unusual for a prisoner, especially a life termer, to keep one or two canaries in his cell. Prison industries were not organized then and there was no emphasis on rehabilitation through academic learning. Wardens welcomed any diversion to keep inmates from going "stir crazy."

However, it was highly unusual for a prisoner to raise as many as 300 canaries at one time, to be given a second connecting cell for an aviary, to accumulate one-half ton of equipment, to operate a canary-breeding business for the sale of birds to the general public, and to correspond with 2,000 bird owners and breeders.

Stroud did all these things. In addition, he used scraps of glass and metal to make scientific equipment such as a microtome capable of slicing tissue to one twelve-thousandth of an inch.

DISTILLERY AS A SIDELINE

But Stroud's work was not just for birds and bird lovers. When his cell finally was shaken down by experts, it was discovered that his bird paraphernalia hid a homemade still which was turning out 188 proof alcohol.

In addition to moonshining, a letter-smuggling operation was conducted from his cell. Letters were shipped out in birdcages.

It was for violations such as these—in addition to espousing homosexuality—that Stroud earned the reputation as a prisoner who could not be trusted, who was not rehabilitated even though he had some scientific accomplishments to his credit.

Long before prison gates shut on Stroud, he was a nonconformist. He quit school at the end of the third grade "because I was learning nothing." He fled his Seattle home at age of 13 because "home life was an awful pain in the neck."

During his childhood, his personality was a paradox. He was "considered very timid," a child who "hated trouble," one who "would walk blocks to keep from having to offend anybody." Yet he was "continually having trouble and serious trouble. Somebody was always getting hurt."

On one occasion when his father knocked him down, he reportedly "came up out of the dirt with a rock in each hand. The first one hit him in the chest hard enough to break two ribs. He treated me with respect after that."

PRECOCIOUS MISANTHROPE

He hated his father before he was 2 and considered his mother a "veritable Agrippina," the mother of Nero who was so possessive that Nero finally arranged for her murder.

He never had a meaningful, lasting relationship with any individual. Although he once was close to his younger brother Marc, he ultimately turned on him for bungling his affairs and berated Marc for being on the outside during "the 10 most prosperous years this Nation has ever had, yet you are not a millionaire."

Stroud "married" as he did everything else—to gain personal publicity and to show his superiority over others by finding a way to do something that could not be done.

"Can't is a strange little word," he once wrote. "Many persons fall on their faces in oriental obeisance at its merest mention. To some, it is a refuge from the futility of their existence; to others, it is an alibi, a sop to their conscience.

"To me, it has always been like the flag is supposed to react on a bull; whenever anyone says 'can't' to me, I ask myself: 'Why and why not?' For regardless of the proposition, one usually can if one wants to."

And so when it looked as if prison officials were going to put a halt to Stroud's bird business and transfer him from Leavenworth to Alcatraz, Stroud took himself a "bride."

After determining that Leavenworth was part of the Louisiana Purchase Territory and that Congress had enacted no marriage laws for the reservation, Stroud maintained that the 1803 Treaty of Paris, recognizing marriages entered into by the signing of a simple contract, was still in effect. He drew up a contract which was signed by himself and his business partner on the outside, Della Mae Jones. She filed it with the probate court in Leavenworth and the Federal court in Topeka.

The Justice Department refused to recognize the validity of the marriage and Della's name was removed from the list of Stroud's approved correspondents. But she visited enough newspaper offices with the marriage contract to start a new public clamor for Stroud's release and to gain him permission to conduct his business as usual.

Stroud always had a compulsive need to do the big thing. He could never achieve this on the outside. Although he went to Alaska to participate in the railroad-building boom, he wound up as a peanut vendor, cook, and pimp.

But in prison Stroud flourished. Although he had only a third-grade education when he entered prison, he took courses which showed he was operating at a college level. He had a verbal intelligence quotient of 139 and an overall rating of 130.

Appalled by his own lack of knowledge, he took courses in English and taught himself to use an old typewriter which he had acquired. He studied astronomy, bacteriology, biology, chemistry, the classics, the French, Italian, Latin, and Spanish languages, mathematics, ornithology, and pharmacology.

BIRDSEED, ETC.

As he began raising birds, his demands upon prison officials were endless. The public thought that all Stroud wanted was "a little bit of birdseed." Actually, on one occasion, a partial list of his "requirements" included:

Seed—rope, hemp, canary, and tonic—in 100-pound lots; mineral food, cuttle bone, disinfectant, insecticides, louse powder, sodium fluoride, sodium perborate; cotton, cups, wire, sheet steel, glue, nails, paint; typewriter supplies; green food for birds in winter; fresh eggs for them the year around but especially during the breeding season; new stock; meal worms; bacteriological glassware, including test tubes, baker's funnels and thermometers, and materials for making and testing cultures.

Whenever Stroud didn't get his way he complained to Washington. One complaint, forwarded to the Attorney General, accused the prison administration of refusing him an adequate supply of mouthwash and adhesive tape. Questioned about this, Leavenworth's warden replied:

"He wants the [mouthwash] solution by the gallon. In fact, he has been using it in connection with his bird raising. He wants adhesive tape by the roll, which he has been using to paste boxes together.

"He has been furnished a reasonable amount of adhesive tape to be used in case of skin abrasions but not sufficient to make boxes. He has been furnished a 6-ounce bottle of * * * solution as a mouthwash but not sufficient to disinfect his birdcages."

A ROMANTIC CONCEIT

As Stroud began to conduct research into the causes of bird diseases and to publish his findings in bird journals, his ego knew no bounds. He likened himself to the Count of Monte Cristo, declaring that his "trials, triumphs, and unbelievable accomplishments" outstripped those of the fictional hero. On other occasions, he likened himself to Columbus and to Louis Pasteur in suggesting that his original discoveries matched theirs.

Stroud went so far as to demand that prison officials sign an agreement governing his activities and living arrangements while in custody. He wanted 500 square feet of floor space "divorced from the regular prison routine" but preferably "on our side of the walls" and a special mailbox number "to be paid for by me and to appear on my stationery and in my advertising."

Stroud also wanted a prison employee—college educated, not lazy, of pleasant disposition and inquiring mind—to be assigned to him to conduct his business affairs. In explaining this request, Stroud noted that many excellent men were in the employ of the prison system but were wasting their talents "on jobs fit for morons."

"Why not give one of them a break?" he asked. "Put him in complete charge of me and my affairs * * * raising his pay to $2,000 a year. I will pay his wages and raise them some more the minute the business justifies it. * * * I'll admit that this has never been done. That is why it is good. Big men do not follow precedents; they create them."

Needless to say, Stroud's scheme was not adopted. He proposed it just after he had become eligible for parole in 1937 but was turned down. Each year since then, his case has been reviewed and parole has been denied.

OWN PAROLE TERMS

Stroud's supporters insist that the Birdman's failure to win his freedom is the result of a personal vendetta against him by Federal prison officials. Actually, Stroud is a problem inherited by the Federal Bureau of Prisons when it was organized in 1930.

Its mandate from Congress was clear. It was to end prison abuses and begin a pioneering effort to rehabilitate prisoners. But Stroud has consistently resisted every attempt to return him to the general prison population as the first step toward giving him his release. He fights any change that would deprive him of his bird empire.

And just as he has wanted prison on his own terms, he wants to set the conditions of his parole. He does not believe, for example, that traveling restrictions should be placed upon him. And in recent years he has expressed unwillingness to accept an offer of a home and a job caring for birds if parole were granted.

"I have spent years of my life with birds and this man imagines that I would enjoy taking care of a flock of birds—which at my age is not the case," he has written. "That, to me, was always the most drudging chore, one that I was willing to undertake only because it was one avenue open to me, and they were my birds.

"* * * I most certainly would never accept such employment from anyone else. * * * If that is the kind of strings they are trying to tie on me, I think the wise thing to do will be to keep on fighting right from where we are rather than try to make pleasing concessions * * * to appease others."

If there is one consistent factor about Stroud's life, it is that he always has refused to make any concessions.

"I have never been conquered. I never will be conquered," he has said.

So prison has been his home for 53 years.

STROUD SAYS MOTHER RUINED LIFE SHE HELPED SAVE

(Second in a series)

(By Eve Edstrom)

It was largely through the efforts of his mother that Robert Franklin Stroud, now known as the Birdman of Alcatraz, didn't hang on April 23, 1920, for killing a Leavenworth Penitentiary guard.

But to this day the 72-year-old Stroud expresses extreme bitterness against his mother, blaming her for the events which have caused him to be a Federal prisoner for 53 years.

"My every thought was tempered by her teachings and prejudices and my life was a series of disasters," he once said. "I was taught to hate my father before I was 2 years old."

Stroud was born January 28, 1890, in a middle-class residential neighborhood in Seattle.

DEPARTURE FROM HOME

Constant bickering between his parents, he has said, kept him in "such a state" that he was unable to make any progress in school. His mother's "continual domination" made it "impossible for me to develop the spirit of give and take so necessary for success in later life."

Stroud has given various accounts of the events which triggered his departure from home at age 13. He related, on one occasion, that in his 13th year he "attempted to murder my father and declared my complete emancipation from parental authority of any kind."

At another time he said his parents had separated, leaving him with his mother, two older stepsisters and a younger brother.

"I was at an age when a boy most needs the direction and guidance of a wise father and I found myself dominated by three women in a household where petty bickering had become a habit. Naturally I cut from under as soon as I was big enough."

Always good with his hands, particularly around machinery, he picked up odd jobs as he hoboed about the United States. Finally, in 1907 when he was 17, he went to Alaska to take part in the railroad building boom.

DISTORTED ACCOUNTS

Stroud's record shows he worked as a real estate salesman, peanut vendor, and cook, was convicted of larceny in Katalla, Alaska, and then went to Juneau. There, on August 23, 1909, he was sentenced in the U.S. district court to a term of 12 years for manslaughter.

Over the years flagrantly distorted accounts of Stroud's offense have been churned out by those who have sought to free him. Stroud's victim has been pictured as a "burly Yukon miner" who violated Stroud's "first, last, and only love."

Another version, attributed to Stroud's mother during her efforts to free him, suggests that Stroud "just away from a sheltered home" was the victim of a "bad woman of the dance halls."

"My poor boy, infatuated with her, under her influence but chivalrous and brave, pleaded guilty to save her," Stroud's mother was quoted in a widely reprinted article.

But official reports of Stroud's offense state:

"This man [Stroud] * * * started pimping for a woman of the streets who was addicted to the use of dope. This woman was much older than Stroud and of a very low type, even for that sort of woman."

The woman, Kitty O'Brien, had reportedly told Stroud she had been abused by a local bartender who "only paid her $2 whereas the usual and customary fee was $10." Stroud then went to the bartender's home and shot him. When found, the bartender's "pantaloon pockets were turned inside out and what money he was supposed to have had was gone."

NO SIGN OF STRUGGLE

"Nothing about the room would indicate that there had been any struggle," the U.S. Commissioner reported. "* * * It is quite likely that Stroud would never have surrendered himself * * * had he not known he was recognized when coming out of (the) house."

On August 30, 1909, Stroud arrived at the Federal penitentiary at McNeil Island, Wash. McNeil was typical of the prisons of its day. Convicts wore stripes, were served meals from food-splattered buckets and were sent to the "hole" if they got out of line.

But it was at McNeil, tough as it was, that Stroud embarked on his long career of attempting to break prison rules. He wanted a fellow inmate, who worked as a hospital orderly, to obtain drugs for him. The orderly told prison officials and Stroud "carved" him up for "snitching."

Just before the noon meal on November 1, 1911, Stroud attacked the orderly "without warning * * * striking him in the back with a knife." As the victim attempted to run the length of the dining room aisle, Stroud gave chase and inflicted seven stab wounds before guards disarmed him. Subsequently, the warden reported that Stroud regretted that he had been "unsuccessful" in the effort to kill the stool pigeon.

Stroud was tried for the assault and sentenced to a 6-month term consecutive to the 12-year sentence imposed in Alaska. Federal authorities decided to take no more chances with Stroud. On September 5, 1912, he was shipped to one of the "hard joints," the U.S. penitentiary at Leavenworth, Kans.

Convicts Carried Homemade Arms When Stroud Killed Prison Guard

(Third in a series)

(By Eve Edstrom)

When James V. Bennett became Federal Prison Director, he ordered that all prison guards stop carrying clubs.

That was in 1937—a quarter of a century after Robert Franklin Stroud arrived at the Leavenworth, Kans., Penitentiary to finish serving a 12-year sentence for manslaughter.

Back in World War I days no prison guard was dressed for duty without a club. And inmates with bandages wrapped around split skulls were not an unusual sight.

Prisoners had their weapons, too. They carried homemade "shivs." Stroud, the 72-year-old Federal prisoner who now is known as the Birdman of Alcatraz, had concealed a double-edged dagger in a leather sheath sewn in his Sunday dresscoat.

That dagger was drawn by Stroud on Sunday, March 26, 1916, when he knifed guard Andrew F. Turner before 1,200 convicts gathered for the noon meal in Leavenworth's mess hall.

Over the years several reasons have been given for the killing. The guard has been pictured as a typical sadist of his day. This story, thoroughly discredited by prison officials, has caused great anguish to Turner's widow, who still is alive and who was left without funds to raise two children.

Stroud has stated he wanted to put an end to the split heads at Leavenworth—"when they start a little of that, just grind out a good blade and shove it through a few of them."

On another occasion Stroud said he feared that Turner was going to report him for violating a prison rule. If that happened, Stroud believed he would be unable to see his younger brother who unexpectedly had arrived to visit him. (This version of the motive for the killing is romanticized in the moving picture, "Birdman of Alcatraz," by substituting Stroud's mother for the brother.)

Stroud, it was said, decided to ask Turner if the disciplinary report had been filed. When Stroud asked the question during the Sunday noon meal, Turner told him to return to his seat.

"Stroud turned * * * and at the same time pivoted and doubled back on Turner and shoved the knife through his heart," an official report states. "He (Stroud) said Turner was dead before he fell to the floor and it could have been avoided if the officer had answered his question because he found out later that Turner had not reported him."

Fred Robertson, the U.S. attorney who handled the case, declared the killing was "the most cruel, inexcusable, deliberately planned, and cunningly executed murder ever committed anywhere."

"The taking of the life of this guard represented the protest of Stroud and his rebellious associates against the discipline of the Leavenworth prison," Robertson said. "* * * Stroud has for years been their leader. He is in a sense a superior individual, having unusual mental capabilities and attainments.

"* * * It has been proven—in fact, admitted by Stroud himself in my presence—that he was the maker of five other similar daggers, one of which was used to murder another convict. There can be no doubt that it was then and is yet Stroud's ambition to bring about an organized mutiny in the Leavenworth prison, which would result in killing the officers and guards and a complete escape of all the inmates who desired to go."

Stroud was tried three times for the crime. At all three trials he was convicted of first degree murder. But reversals were won on two occasions because of errors, such as excluding the testimony of convicts prior to a Supreme Court ruling on this issue.

During this litigation Stroud was unmanageable. He bragged about the murder and kicked, cursed, and threatened to kill another guard. He tried to escape by cutting his way through a wall of his cell. And for trying to stop a guard from quelling a fight, he was cuffed to his cell door as punishment.

But when he wasn't in trouble, he studied music, mathematics, engineering, chemistry, biology, and physics.

His third conviction was upheld by the Supreme Court and Stroud was sentenced to be hanged April 23, 1920. Stroud's mother came to Washington and was successful in her efforts to stay the execution. President Woodrow Wilson commuted Stroud's sentence to imprisonment for life.

Then as now there were strong feelings against capital punishment, particularly in Kansas, where State law forbade it. But also then as now there was widespread sentiment that no convict should get away with killing a law enforcement official.

Prison discipline demanded that Stroud not be housed with other inmates nor given the opportunity to get possession of weapons. So he was confined by himself in an open-front cell in an isolation building. He was allowed all the privileges of an ordinary prisoner except the right to move about the prison without close supervision.

Stroud's mother wanted him removed from Leavenworth because she feared for his safety, but he wanted to remain.

"* * * I knew it is always easier to make a friend of an enemy who knows and respects you personally than of one who only knows you as a paper record," he said.

Stroud agreed to remain in isolation and to cause no trouble within the prison in return for a number of special privileges such as being allowed to pursue academic studies which he had begun when he was under sentence of death.

"The special privileges I wanted were not defined or limited," he once wrote. "I insisted on this point, for I knew what I was going to do and I did not want the matter fixed and closed."

Deputy Warden Also Liked Pets

(Fourth in a series)

(By Eve Edstrom)

Prison guard killer Robert Franklin Stroud knew that Leavenworth Penitentiary's deputy warden, L. F. Fletcher, was a "pet lover."

And back in the 1920's it was the deputy warden who ran the "inside" of a prison. The warden occupied the front office while his deputy dispensed discipline, decided where inmates would live and work, and granted special privileges.

It was, therefore, a happy set of circumstances for Stroud, now 72 and still a Federal prisoner, that Fletcher was the deputy when Stroud found a broken nest of young sparrows in an exercise yard near his cell.

According to Thomas E. Gaddis, Stroud's biographer and author of the "Birdman of Alcatraz," Stroud's interest in birds developed as he nursed the sparrows back to health. To warm the birds, Stroud improvised an incubator consisting of a sock hung near a 25-watt bulb. To aid a sparrow with a broken leg, Stroud made a splint from a match and a bit of thread.

Stroud, in his prolific outpouring of writing, states he taught the sparrows to do tricks, then called Fletcher to the door of his cell to watch.

"I would not ask you for myself but these little fellows would appreciate some bird seed," Stroud said he told Fletcher.

"They deserve it and they could sure have it if I had any," Fletcher is quoted as replying.

Thereupon, Stroud told Fletcher:

"I was so sure that that is what you would say that I have already had some sent here. It is now impounded in the storeroom and I would like an order from you permitting me to get it."

Stroud got his bird seed. Subsequently three canaries, which were presents to other prisoners, drifted into his hands. By the following year, Stroud had 50 birds and, with his mother's aid on the outside, began selling the birds, sending them out of prison disguised as gifts.

Using only a "razor blade and nail for tools," Stroud states he made his first bird cage out of wooden crates. Later, he built cages from sliced-up cigar boxes.

He obtained Government bulletins and books on birds, zoology, bacteriology, pharmacology, chemistry, and medicine. He obtained a magnifying glass and cultured micro-organisms. When one of his birds died he studied it by dissecting it with his fingernails.

Then in the early 1920's Stroud's flock was struck down by a highly contagious disease, avian septicemia, which until then was considered fatal.

Through a long series of experiments, Stroud developed a treatment for the disease based on two of his findings: The tolerance of birds for oxygen-liberating compounds is greater than that of mammals, and chemicals of the citrocarbonate type to restore the balance lost in avian septicemia.

Stroud went on to discover control methods for secondary diseases affecting canaries and also isolated the source of an infection which sickened poultry as well as canaries, thus receiving the gratitude of poultry breeders.

Soon Stroud was publishing his findings in bird journals. With increasing frequency, such articles as "My Bird Is Dead" (some advice on diagnosing bird diseases) or "Aspergillosis in Canaries" (a highly fatal disease caused by the use of moldy food) were appearing in the Roller Canary Journal and Bird World under Stroud's bylines.

Bird fanciers throughout the country—as many as 2,000 at the peak of Stroud's career—wrote to him, seeking advice. They didn't know he was a Federal prisoner, merely wrote to Robert Stroud, Box 7, Leavenworth, Kans.

Meanwhile, Stroud reported he had reached a perfect understanding with Leavenworth's warden at that time.

"Every important man and woman who came to Leavenworth during his tenure was brought to my cell," Stroud once wrote. "We had as much love for each other as two strange bulldogs yet we put on an act for visitors that was a masterpiece.

"* * * He would certainly lay it on, telling them how many people I had killed. Why, when I came here, he would say, 'this man was so dangerous that they were afraid to open his door to give him food.'

"[Then] I would show off the birds * * * and he would praise me to the skies. We went through this little scene as often as eight times in a single day * * * without ever deviating one syllable from our script. Onlookers went away saying to themselves: 'My, what a fine courageous, human warden.'

"Me—I * * * established my bird business. If I really had a squawk to make it was written out and handed to him. Never was one word said to indicate that life was not all love and roses."

Business Booms From Prison

(Fifth of a series)

(By Eve Edstrom)

Della Mae Jones, widow or divorcee from Shelbyville, Ind., was one of the numerous bird fanciers who corresponded with the Leavenworth Penitentiary prisoner and canary breeder, Robert Franklin Stroud.

In December 1930, she arrived in Kansas City with $1,200 obtained from the sale of property. She wanted to help Stroud advertise and market the bird medicines he had developed while treating sick canaries in his prison cell.

Until then, Stroud's mother had conducted his outside activities. But the two broke with each other about this time. Stroud was incensed over an interview his mother gave the press. For the first time he learned that she had argued that "I was a mental incompetent" when seeking the commutation of his death sentence for killing a Leavenworth guard.

FEARED INSANITY STIGMA

"I would rather be dead than to have the stigma of a madman," he said in declaring that his mother was "thwarting my efforts because she had some morbid fear that someone would find out that I was not a madman."

Stroud's mother came to believe that her son was where he belonged and a move to win Stroud a pardon collapsed when she refused to take part in it.

And so it was through Della that Stroud began to market his remedies for poultry and bird diseases—Stroud's Effervescent Bird Salts, Stroud's Special Prescription, Stroud's Salts No. 1, and Stroud's Specific.

The sale of his birds continued and he also operated a brokerage business in seeds. Seed companies paid him a commission for orders sent to him by bird breeders.

By 1931, Stroud reported his bird business was going so well that he had ordered 500 envelopes with his name and box number imprinted on them to conduct his business with the general public. Prison officials ordered that the personal printing be blacked out.

Then the U.S. Department of Agriculture complained that the labels on the bird medicines claimed to cure a disease for which veterinary science knew no cures. Stroud and Della were unable to finance new labels.

(Much later, a staff member for Scientific American reported he had checked several scientists who said "Stroud had put out a number of medicines that were of absolutely no value" but there were "five or six areas where he had made real contributions.")

NEW RULE ISSUED

And finally, the fledgling Federal Bureau of Prisons, organized in May 1930, issued a new rule. To correct abuses and to set the stage for organizing the prison industries system, prisoners were prohibited from conducting outside businesses.

"I can say sincerely that nobody in this Bureau thought of what enforcement of this rule would mean to Stroud," the then Assistant Federal Prison Director A. H. MacCormick said. "His bird business had grown so gradually * * * that we were not aware of its extent. We had always thought of it as a form of mental therapy and not as a business."

But Stroud viewed the new rule as the result of "little-mindedness" on the part of prison personnel who resented his ambition and originality. The rule triggered Stroud's war with the Prison Bureau—a war still being fought by Stroud who remains a Federal prisoner at age 72.

Declaring it was a "damn poor man who will not fight with every legitimate means at his disposal to protect the things he has created," Stroud sat down and wrote a letter.

He revealed how he was "a bird in a cage," a convict serving a life sentence in solitary confinement, and how the heartless Bureau of Prisons was bent on depriving him of his canaries.

SMUGGLED LETTER

Della smuggled the letter out of prison. It was reproduced and mailed to thousands of bird breeders who were told to inform their Congressman of Stroud's plight.

The Prison Bureau was so deluged with letters concerning Stroud that the then Prison Director Sanford Bates told the U.S. pardon attorney that "the President and yourself may have to decide whether the welfare of the Nation's canaries is more important than an attempt to keep human beings from being murdered."

Stroud's supporters insist that the letter-writing campaign forced the Prison Bureau into making such concessions as providing Stroud with an additional cell for his birds, new laboratory equipment, and eyeglasses to correct his poor vision.

But prior to the publicity over the Stroud case, Assistant Federal Prison Director MacCormick had visited Leavenworth and had expressed concern over the fact that Stroud's cell lacked sufficient natural daylight and that he was working by the light of a 25-watt bulb. MacCormick suggested to Leavenworth's warden that a window be cut in Stroud's cell and that Stroud be given a second connecting cell for his aviary.

OFFICIALS AT WORK

Furthermore, prison officials already were at work trying to modify their rules so that Stroud would not be deprived of his birds. If they did not do this, they firmly believed that "we would very soon have an insane man on our hands."

At first, it was suggested to Stroud that he continue to raise his birds but not as a private business. Instead, any earnings would be turned into the welfare fund for all prisoners and he would keep a small amount as wages.

But this was vetoed because prison officials visualized the plan as permitting him to go into the bird business as extensively as he saw fit, foreseeing earnings of $1,500 a year for himself and a chance to employ one or two inmates to assist him.

Finally, by January 1932, prison officials had arrived at this solution:

Stroud could continue to raise birds in the same numbers he had been doing, he could sell his surplus birds and the money realized would be credited to him. From these funds, he could purchase feeds, medicines and other equipment for his birds if approved by Leavenworth's warden.

PURCHASE LIMIT

But like other prisoners, he could purchase only $10 worth of supplies for his personal use from the commissary each month. And his correspondence was subject to the same limitations as that of other inmates.

At that time, prison officials said:

"We hope that the public will believe that Stroud is not being harassed and hampered needlessly in his desire to carry on legitimate activities, that he is not the victim of revengeful punishment carried on year after year but that on the contrary an intelligent, conscientious and sympathetic effort is being made to provide for him a mode of living that is consistent with the conflicting demands of humanity to the man himself and the safety of his fellow men.

"The factor of punishment for his offenses has long since passed out of the problem."

Research by Stroud Results in New Book

(Sixth of a series)

(By Eve Edstrom)

Until Robert Franklin Stroud was shipped off to Alcatraz in 1942, he spent endless hours conducting the research which resulted in his book, "Stroud's Digest of the Diseases of Birds."

To aid him with his experiments, prison officials assigned to him a second cell at Leavenworth Penitentiary and provided new laboratory equipment. He obtained a microscope, a gift from Wesleyan University.

After he got the microscope he complained that he was not getting the reagents he wanted. His list of needed supplies that time included:

Alum haematoxylin, alum carmine, carbol-fuchsin, eosin, methylene blue, eosinate methylene blue, indigo carmine, neutral red, denatured alcohol, methyl wood alcohol, glycerin, Canadian balsam, xylene, paraffin, cedar-wood oil, collodion, formalin, tartaric acid, citric acid, sodium perborate, ophthalmic ointment, iodine, potassium iodine, and potassum permanganate.

LAVENDER CANARIES

He experimented with feeding anthraquinone dyes to canaries, with the result that he not only had lavender and pink canaries but a treatment for a fungus disease of birds.

When he obtained a gift of some old slides of tissue sections, he tried to make slides of his own but had difficulty in making tissue sections thin enough to see through. He finally built a microtome capable of slicing tissue to one twelve-thousandth of an inch.

To produce his book, he studied 20,000 tissue sections, cut and mounted by himself. He spent more than 3,000 hours over the microscope. He illustrated it with more than 200 pathological drawings. When published in 1943, the book was considered the most authoritative source on the methods to treat bird diseases. Since then antibiotics have antiquated it.

During this time, Stroud consistently refused all efforts to return him to the prison population. When on occasion he was with other inmates—during exercise periods, for example—guards reported that he was "an agitator, tricky and boastful."

BELIEFS EXPRESSED

And Stroud never expressed any remorse for his crimes, the killing of the bartender in Alaska and the prison guard at Leavenworth. Just before he became eligible for parole in 1937, he said:

"Twice I have had the misfortune of being placed in situations where I believed the taking of life was necessary in the defense of my own body. I so believed then and I so believe now."

Stroud's plea for freedom was based solely on his belief that "continued imprisonment is robbing me of the fruits of my years of labor and it is robbing the bird and poultry industries of the benefits of my special knowledge."

He made clear that he would accept none of the usual conditions of parole. He wanted unlimited traveling privileges, wanted to decide where he would live, who would be responsible for him and what requirements would govern his activities.

COMPLAINTS MOUNT

When parole was denied, he renewed his demands on prison officials "to permit me to create a routine to fit myself."

By 1942, prison officials found Stroud's activities intolerable. Beset with problems arising from the incarceration of draft dodgers, conscientious objectors and other World War II prisoners, Leavenworth's staff found that a disproportionate amount of time was being spent to supervise Stroud.

In addition, the committee reviewing Stroud's institutional progress deplored the "unsanitary conditions" resulting from his bird-breeding activities. Furthermore, the dozens of cages, books, magazines and test tubes that cluttered Stroud's cell made effective inspection impossible.

About this time prison officials became aware that Stroud had flagrantly violated their trust. By reading incoming correspondence to other prisoners, officials became aware that letters were being smuggled out of Leavenworth and that this "letter-kiting" operation coincided with Stroud's shipments of birds.

It also was suspected that Stroud's cell was the center of moonshining activities. Much of the feed ordered by Stroud was suitable for fermentation and his bird medicines included many with an alcoholic base. The odor from his birds could provide cover for this operation.

CELL ACCESSORIES

When his cell finally was "shaken down," it was found that Stroud had:

An improvised still heated by a homemade electric hotplate and made from an old pipe, glass and rubber tubing and electric light bulbs converted into flasks.

Three one-half gallons of mash and various quantities of alcohol concealed in sealed glass tubes, pint bottles, one quart bottle and gallon jugs.

Other contraband in his cell included a stiletto-like dagger hidden in a hollowed-out niche under a table. It could be taken out and used instantly.

At 8 a.m. December 16, 1942, Stroud ended his 30-year residence at Leavenworth Penitentiary. In handcuffs and leg irons, he was transported to the Nation's top security institution, Alcatraz. En route, he boasted about how he had been "cooking" 188 proof grain alcohol continuously for 12 years and how he once had more than 60 pounds of sugar in his cell without the "dumb bunch" at Leavenworth knowing it.

Stroud Tries Raw Meat, French Books

(Seventh of a series)

(By Eve Edstrom)

Even without his birds, Robert Franklin Stroud did little to dispel the notion that he was a difficult prisoner after he arrived at Alcatraz from Leavenworth.

Placed in an open-front cell in the "D-block" treatment unit, the "Birdman" established leadership over the 40 or 50 inmates confined there and "incited" them to "create disturbances" and "destroy Government property."

Federal officials reported that Stroud was a "self-professed homosexual." His "constant counseling" concerning adoption of his homosexual ideas and "his insolent, contemptuous attitude toward officers caused the general behavior of other inmates to degenerate."

Stroud also was contemptuous of his fellow inmates, declaring that they were a "bunch of crybabies" and not "like the convicts who were in Leavenworth in the old days."

SOMETHING TO HIS CREDIT

During this time, Stroud had one thing to his credit. He was not implicated in the May 1946 riot at Alcatraz. Nor was he a hero in trying to break up the riot as the motion picture "Birdman of Alcatraz" suggests. However, he did offer to precede any guard in a search of D-block's cells to prove no guns were in the block.

By 1948, Stroud was reported for influencing other inmates to join in a hunger strike, for smuggling a letter out of Alcatraz and for circulating an obscene story he had written.

Alcatraz officials decided to remove him from D-block, vacating a hospital ward to house him. It was reported the attitude of D-block's prisoners "improved perceptibly and immediately."

But Stroud didn't change. Initially, the door to his hospital ward was left open and he was permitted to talk with other inmates. But after he obtained contraband items, such as drugs and razor blades, from the inmates, his door was locked.

The locked door and the lack of individual toilet facilities in the ward until 1955 have been cited by Stroud's defenders as examples of how Stroud has been treated inhumanely.

Throughout his Alcatraz stay, Stroud initiated numerous court suits to win his freedom or to win special privileges, ranging from changes in diet to a renewal of his bird-breeding business.

At one point he wanted to eat only raw meat and raw vegetables. He went through a French phase, insisting upon the works of Hugo, Dumas, Moliere and Voltaire in French. He requested so much research material that it was reported his quarters soon would be in the same condition which necessitated his transfer from Leavenworth.

He also was at work on a history of the Federal prison system as he had known it since he first became a prisoner in 1909 and as it should be.

"There is a lot of work for me to do," he once said. "But dammit * * * the floodlight outside my window has been burned out for several nights and I can't get any work done. I've sent word up front telling them to get it fixed but it takes forever to get anything done around one of these places."

On two occasions, Stroud attempted suicide. He consumed large quantities of medicines he had secreted and subsequently slashed himself in the groin after complaining that he did not have enough handkerchiefs.

But then he became embroiled in his outside business affairs. Thomas E. Gaddis, who had never met Stroud and who did not have access to his prison records, was preparing the story of Stroud's life, "Birdman of Alcatraz," published in 1955. Preliminary negotiations also were underway for filming Stroud's story.

Stroud was certain he would win his freedom and he told his younger brother Marc to "go direct to Eisenhower, get on the ball and get something done for me."

"Eisenhower is a politician," Stroud said, "and with the Gaddis book at the top of the best-seller list, he won't dare buck public opinion by turning me down. He'll have to turn me out."

By 1958, Stroud's progress reports finally took a turn for the better. It was noted that "oddly enough for him" Stroud had no complaints; in fact, he was complimentary about Alcatraz' staff and food.

Stroud was assigned to part-time work as a yard orderly and did well. By mid-1959, prison officials believed Stroud's medical problems—arthritis, chronic nephritis and chronic gastritis—could be managed better at the Springfield, Mo., Medical Center.

At Springfield, Stroud is considered exceptionally skillful as a bookbinder but it still is noted that he has a "strong propensity to try and circumvent ward rules." He was disciplined there after he was caught in an attempted homosexual act with a young Springfield patient. He admitted the offense.

During the last year, he has been involved in new litigation against Federal prison officials. The suit now centers on the release for possible publication of his prison history and other manuscripts confiscated from him. Prison rules forbid a prisoner to write about his own case or to write material considered to be subversive or obscene.

Meanwhile, author Gaddis and Stroud's attorney, Stanley A. Furman, have been active in directing efforts of the Committee for the Release of Robert F. Stroud. They declare a "full-scale public investigation" is needed to determine why Stroud, "world-renowned scientist," has remained in prison so long.

But Justice Department officials state that accounts of Stroud's life, as published in the Gaddis book and as filmed in the current "Birdman of Alcatraz" movie, are sensationalized and not an accurate reflection of the complete record which was not available to them.

They point out that every Attorney General since 1920 has familiarized himself with the Stroud case, and Robert F. Kennedy is the most recent one to conclude that the 72-year-old Stroud is where he belongs, in the only home he has known for more than a half-century—a U.S. prison.

NEW DAY IN SUBURBIA

Mr. WILLIAMS of New Jersey. Mr. President, in the last 10 years that we have been trying to patch up past mistakes and reshape the centers of 19th century cities to meet 20th century needs, we have put more than half as much new and unspoiled land to urban use as we did in all the previous years in the history of our country.

This is the suburban explosion we have heard so much about, which has provided us with unparalleled opportunities to avoid the mistakes of the old cities and create a genuinely new and better environment for the American people.

I think it is fair to say that we have not quite measured up to the opportunity.

No doubt our suburbs represent a distinct improvement to the family who has just moved out of the vast gray areas that are engulfing our established cities. But is this anywhere near as good as we could have done?

Our suburban subdivisions have sprawled and leapfrogged over the countryside, devouring the loveliness of the landscape and pushing up to extravagant and unnecessary heights the expenditures needed for residential development, from schools to sewers to roads.

Who has not shuddered at one time or another at the sterile sight of huge, treeless suburban tracts with row upon row of identical, mass-produced, one-family houses?

Those who have wondered whether there is not a better way, a new approach to suburban development will, I am sure, be interested to know of the exciting and imaginative effort that is being suggested for a development here in the Washington area.

The new approach, which seeks to break the pattern of the old stereotyped suburb in favor of a new residential planned community, is exemplified by the projected Reston development in Fairfax County, Va. Reston, a 6,750-acre community, eventually will house 75,000 persons, of which about one-sixth will be employed within the community, thus lessening the need for transportation facilities. Sites for a Government installation, and commercial, medical, and educational facilities are included in the plan.

Nearly half of the community will be living in apartments, a large share in town houses, and fewer than 1,000 in the conventional single-family homes of traditional suburbia. This type of suburban community provides a greater variety of housing and much greater convenience for residents, plus better and cheaper public services. Careful site planning preserves as much as possible of the natural scenery of the area, a beautifully wooded section of northern Virginia.

While the overall population for the area will be the same as under present zoning, variations in density will permit a large open recreational area, two large lakes, and 757 acres in golf courses and parks. Higher density development of the residential areas makes these facilities possible.

Sites have been provided for 15 schools and, with safe walking and bicycle ways provided, children will be able to walk to school—a situation which now exists in many suburbs only in the fevered imaginations of their harried chauffeur-mothers.

Instead of the giant shopping centers with vast parking lots which now dominate the suburban scene, there will be village-type civic centers with stores, churches, and offices.

As the original sponsor of legislation to preserve open spaces in our urban areas, I am delighted to see an effort being made to improve the quality of urban living, and, of course, any attempt to economize on the cost of public services is always good news.

And there is no question that better public services can be provided for less money in an area where water, sewers, and drainage are planned in advance, where school sites are planned in advance, where there is sufficient density for optimum school size and minimum transportation cost, and for more economical fire and police protection.

As for the quality of suburban living, it seems to me that planned variations in density will offer real variety instead of the homogeneity of "look-alike houses and look-alike families." Making industry and commercial development a part of the plan will mean that many residents will be able to live near their jobs. Not only will these residents find extra hours in the day, but also, some of the intense pressure on highway facilities can be lessened, even if only slightly. Furthermore, this type of community lends itself perfectly to providing adequate transit service.

Mr. President, it seems to me that it is this kind of planning that is needed if we are going to keep up with our housing needs and still preserve the beauty of open spaces. Employment of the best available architects and site planners ought to result in a community which will please the eye instead of assaulting it.

I was delighted to note a recent announcement that the city of Tenafly, N.J., is also contemplating a somewhat similar, though smaller scale, cluster development, which would house 300 families on a 275-acre tract. The houses would occupy less than 10 percent of the land, and the remainder would be devoted to recreational facilities and open space. Site plans will be the subject of a public hearing some time this fall.

While no one action is going to solve the problem of suburban sprawl, it is heartening to learn that these new approaches are being explored, and that truly promising solutions are not only being discussed; they are being tried.

Mr. President, I think all the public officials and private individuals who are advancing these two programs deserve great credit for their farsightedness and leadership in attempting to solve one of the most difficult urban land development problems of our time.

I ask unanimous consent that articles and editorials from the Washington Post and the Washington Star commenting on the Reston project, and an article from the New York Times commenting on the Tenafly program, be included in the RECORD at this point.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 11, 1962]

FAIRFAX PROJECT WOULD HOUSE 75,000—RESTON COMMUNITY DECISION MAY ALTER SUBURBAN GROWTH

(By Fredrick Gutheim)

(Architectural critic Gutheim is president of the Washington Center for Metropolitan Studies.)

Fairfax County officials are nearing a decision on Reston, the beautifully wooded 10-square-mile tract where New York Developer Robert Simon has projected a diversified, compact community of 75,000 people.

The principal point of decision involves adoption of a new section of the county's zoning code providing for a residential planned community.

But more fundamental still will be a development policy implied in this decision that may change profoundly the pattern of suburban growth. Not only Fairfax—Washington's fastest growing county—but the rest of the Washington metropolitan area will be influenced by this decision, and so will the 2 million new residents expected to swell Washington's population in the next 20 years.

On Thursday the Fairfax County Planning Commission meets to take final action on the proposal. Next Wednesday the county supervisors have scheduled a public hearing on it.

Suburban builders used to build houses a few at a time. Now the average development is likely to produce 200 or more houses. Washington has also seen homebuilders like the Broyhills, whose Sterling Park project near Dulles Airport proposes 3,500 houses and 3,000 apartments on its 1,800 acres, or Levitt & Sons whose Belair project envisions 4,500 houses on 2,250 acres.

These residential communities have comprised single family houses, usually with several sizes and styles, shopping centers, and commercial recreation like swimming pools and bowling alleys, and sites for schools and churches.

Large lots, low densities, the long commuting, and the homogeneous community of look-alike families has been the result. Even progressive local builders like Carl Freeman, who are building apartments into general community design, have hesitated before the nonresidential features.

Reston seeks to break with this pattern and meet many of the criticisms of low-density "slurbs" and the headaches local governments have found in providing community services. About one-sixth of its population will be employed in the new community, where 584 acres of industrial land, a site for an important Government installation, and commercial, medical, and educational facilities are planned.

Nearly half of the community will be living in apartments, another very large share in grouped houses (like the town houses in Southwest Washington), and only some 8,500 in the conventional single family homes of traditional suburbia. It is even proposed that some families will be living over shops in the business centers, and thus contribute to their day-and-night vitality.

This sort of suburban community offers a new kind of out-of-town living. Skillful site planning preserves much of the natural grandeur. While maintaining the same overall population that would be allowed under the present zoning, and that would be yielded by conventional suburban homebuilding, a large open recreational area is provided for the use of its residents. Two large lakes totaling 83 acres will be made. Golf courses will take another 253 acres, and parks 504.

These facilities are possible only because of the intensive development of the residential areas. While they are primarily to serve the needs of the immediate community, they help assure that this new population will not further congest the county's other park lands and recreation areas.

The provision of 15 school sites, coupled with pedestrian and bicycle ways, will make it possible for children to walk to school—less than a mile—with a great saving of schoolbus time and costs. Village centers will provide stores, churches, and other civic facilities. More intimate in scale, they will be a refreshing change from the auto-dominant shopping centers, with their huge parking lots, now rising throughout Fairfax.

By planning a relatively self-contained community, Whittlesey & Conklin, the designers, offer a new kind of convenience in the daily living routine of suburban families. Starting with earlier land development plans prepared by Harland Bartholomew & Associates, they have reflected the firm's experience in such new towns as Kittimat, the Aluminum Co. of Canada's community in British Columbia, Chandrigarh, the new capital city of East Punjab, and many other developments in the United States running back to the Greenbelt towns of the Roosevelt years.

In first villages, as the initial development unit is called, the apartments are arranged to form a continuous belt developed at ground level in a paved promenade as urban in character as a boardwalk.

The initial sketches show what possibilities are offered by the development to well-known local architects such as Charles M. Goodman and Chloethiel Woodard Smith, who will be the designers of further development units. A blue-ribbon selection of other architects will design the individual parts of Reston.

Two factors seem to explain Reston. One is Robert E. Simon, whose initials form the town's first syllable; the other is the uniquely large area of land in a single ownership.

Simon is a slim New York executive with an outdoors tan and an intellectual's manner of speech. He heads a family building and real estate firm now in its third generation. He is widely experienced in office building and other central city operations and has been operating outside New York City only in recent years.

Reston's site was long known as Sunset Hills, where the Bowman Brothers distilled the Washington area's best bourbon whiskies, "Virginia Gentleman" and "Fairfax County." The business still continues, but local interests have claimed all but a small area of the original holdings.

This single piece of 6,750 acres of rugged Fairfax landscape allows in the name of "a residential planned community" what Prince Georges County's more fragmented building operators have been unable to achieve under similar zoning legislation.

If the Fairfax supervisors amend their zoning ordinance it will not uncork a flood of similar communities. Much else must be done before new community building becomes the pattern for suburban Washington counties.

[From the Washington Post, July 12, 1962]

Reston To Be Complete Community

(By Frederick Gutheim)

The mention of 75,000 new residents to Fairfax County officials is not likely to draw the cheers is does from the chamber of commerce.

To the officials, growth is an agonizing problem. It means new need for schools, water, sewers, roads, fire and police protection, parks and recreation, all with costs that seem to exceed local capacity to pay.

Fairfax County supervisors next Wednesday will be looking at a new approach—a large planned community that proposes to meet most of these problems at the start.

The proposed Reston development, on the old Sunset Hills tract near Herndon, would be Washington's first suburban community of its kind. It has been widely hailed as the outstanding example of its kind in the architectural press and in a recent Harvard University metropolitan community design conference.

It is the American version of the 15 British "new towns," or Scandinavian examples like Stockholm's three suburban communities and Helsinki's Tapiola.

Apart from the advantages to its residents from living in a compact, relatively self-contained, diversified community, as reviewed yesterday, what does Reston offer to Fairfax County and its people? How might it affect the future suburban development of Washington, the fastest growing large metropolitan area in Eastern United States?

In this compact large-scale development the ordinary public services, like water supply, sanitary sewers and drainage are planned, provided and financed in a single process. Timing of such improvements would avoid the costly and inconvenient later installations, often tearing up freshly laid paving, with frequent delays in the availability of service.

School building, always an activity of prime importance, would benefit from the advance location of schools, and a predetermined number of pupils assuring adequately sized as well as properly planned sites. A major question before the supervisors next week will be whether the builder should be required to donate free school sites.

Most of its more than 500 acres of light industry is expected to accommodate research and development, electronics and other firms typical of the county's current growth. The county thus will receive a substantial addition to its tax base. Sites within a planned community also strengthen the county's attraction to industry.

As a relatively freestanding community, Reston would offer many comparisons with a large urban redevelopment operation, like Southwest Washington—only it would be 20 times larger and involve three times as many people.

Like the Southwest, too, many designers and builders would execute the 7 residential sectors, each of which would contain some 10,000 persons, and the special areas for industry, shopping and recreation. The long-range plan would cover nearly 20 years, with some 30,000 people living in the development by 1970.

In these details lies perhaps the most important aspect of the Reston plan. It is one thing to adopt a general strategy of concentration of suburban development. The year 2000 plan does that, and some suburban planning agencies like the Maryland National Capital Park and Planning Commission have followed suit.

But it is another thing to bring such plans to fruition. Once they have embraced radial corridor or satellite plans, suburban counties must find out how to work with developers and community builders to bring them about.

Beyond the public control of the developer, as provided in the approval of the physical plan, and detailed provisions to secure school sites and rights-of-way for public facilities, the pace of development must be assured.

A unique combination of circumstances has brought Reston to the point of official approval. This swallow doesn't make a summer. The developer may be able to proceed with the single zoning change he is asking.

But if suburban governing bodies are to see in Reston, as they should, a way of dealing with their growth problems, they will have to adopt more affirmative tactics to encourage more builders to plan and build large self-contained communities.

[From the Washington Star, July 19, 1962]

Fairfax Creates Zoning—Reston Plan Approved

(By Walter Wurfel)

"What we're really selling is a way of living," said a tired and happy real estate developer yesterday outside the county supervisors' board room in Fairfax.

The developer, 48-year-old Robert D. Simon, Jr., had just sold the board on that way of living—residential planned communities.

By a 7-to-0 vote the board approved amendments to the county statutes creating a new zone called RPO to allow planned satellite developments.

Mr. Simon plans to build the first one—a 6,750-acre community called Reston—in the western part of the county. Reston eventually will have 75,000 persons, according to his plan.

The RPC zone is a new concept in the county's zoning plans. Although the county will keep control over development of planned communities, the customary setback and lot-size restrictions will not apply.

CONTROLLED DENSITY

Instead, the average density per acre in the entire development will be controlled. The decision on type and placement of dwelling units is left up to the developer.

The county will keep control of how the areas are developed by requiring approval of site plans of at least 100 acres at a time.

No RPC development smaller than 750 acres is allowed, and the applicants will be required to present their preliminary plans before zoning is granted. After that the builder may develop the area 100 acres at a time.

The minimum of 750 acres required by the board was sharply reduced from the planning commission's recommendation of 2,000.

Chairman William H. Moss agreed with other board members and several citizens who testified that similar zoning should be made available to owners of tracts smaller than the 750 acres required in the RPC zone.

CALLS FOR STUDY

He directed that the county planning staff "should study ways and means to develop smaller tracts on a residential basis allowing density zoning."

Yesterday's action ended a county legislative procedure that began last September when Mr. Simon's plan was first presented to the supervisors. Mr. Simon estimated today that it has cost him $1,000 each working day to finance the nine-man working staff he has in Fairfax.

The New York-based builder said bulldozing will begin next month for an artificial lake and golf course on the northern part of the Reston tracts next to the Dulles Freeway.

He said his staff would have a final plan of the first 100-acre unit ready to present to county planners by September or October.

The first unit will include three cluster communities. One will be made of up to 160 units of high-density apartments with a maximum population per acre of 60. The other 2 will include 100 units each of medium-density apartments. These will have no more than 14 persons an acre.

ELEVEN-PERSON LIMIT

Low-density residential areas to be built later will have fewer than four persons an acre. This will keep the average density of Reston as a whole within the 11-person limit allowed in an RPC zone.

Two Washington-area architects, Chloethiel Smith and Charles Goodman, have been chosen to design the two medium-density clusters, Mr. Simon said.

Whittlesey and Conklin, a New York planning firm, will be the architects for the high-density units.

The first apartments will be ready for occupancy before the fall of 1963, Mr. Simon said. He added that a community riding stable on the southern portion of the Reston tract may be opened sooner.

Individual lots bordering on the lake and golf course will be put up for sale, the developer said. Control of all construction will be retained by his company, Simon Enterprises, Mr. Simon said, in keeping with a requirement of the new zoning law.

The ordinance requires that all RPC-zoned areas be developed under one ownership or control.

As part of his agreement with the county, Mr. Simon will donate land for all elementary and intermediate schools needed to accommodate the children of Reston.

[From the Washington Post, July 18, 1962]

Planned City

The Washington area may soon have an opportunity to see the kind of modern satellite community that the planners have been dreaming about. Developer Robert E. Simon Jr. is knocking at the door of the Fairfax County Board of Supervisors for permission to build, over the next few decades, a planned town for 75,000 inhabitants on a 6,750-acre tract near Herndon. Since the town would be located on the highway to Dulles Airport and on the proposed outer circumferential, it would presumably be compatible with the year 2000 plan and with the general trend of thinking hereabouts as to how the metropolitan area should grow in an orderly manner.

The enormous advantage of this kind of development is that it provides for schools, streets, sewers, water, industrial and commercial areas, and parks and open space with advance knowledge of what the completed community will be like. The plan also includes a lake, golf course, convention center, theater, and other recreational facilities. Many of the inhabitants would be employed in the town, chiefly in industrial parks designed to attract light industry of a modern type. If the design is carried out as planned, the community should offer a high degree of pleasant living.

To say the least, this attempt to create an entirely new town with apartments (clusters of medium density adjacent to woods and open space) along with private homes is a welcome relief from the urban sprawl that has characterized so much of the suburban development of recent years. The net result will not be overcrowding but rather the conservation of space so as to make it most useful to the people of the area.

All these notable advantages of the plan are obviously contingent, however, upon its execution in accord with the ambitious blueprints now offered. The immediate question before the Board of Supervisors in its meeting today will be the adoption of a new zoning ordinance that would give a green light to this planned city of Reston. Some of the supervisors are apparently concerned over whether the more flexible standards for planned cities of this kind will be open to abuse. We share their feeling that safeguards are vital. Even developers who envision a grand new design for an undeveloped area cannot be given a blank check.

It would be tragic, however, if planning of the type which this National Capital area so urgently needs should be discouraged by mere stand-pattism in county halls. If the new zoning proposal is adopted, the developer will be required to submit detailed site plans for each phase of his project. It should be possible for the county to devise means of compelling adherence to the plans without throwing cold water on the promise of a new tack in city development.

[From the Washington Star, July 17, 1962]

Satellite Town

The massive nature of the proposed Reston project—a development for 75,000 persons spread over 6,750 acres in western Fairfax County—is of itself sufficient to command unusual attention. Its major significance, however, lies in the new concepts of suburban development it envisions: A completely planned and largely self-sufficient community containing a sharp diversity of housing types, industry, and business to provide employment for many of its residents, and a wide range of recreational and service facilities.

This pattern, according to its entrepreneurs, strives for a greater mixture of the major advantages of both city and suburban living, somewhat in the theory of the "new towns" of Great Britain and Europe. It is generally in line with the goals of the year 2000 plan, which suggests such concentrations in the Washington suburbs as a means of reducing the public costs of handling substantial population increases with maximum efficiency, while at the same time preserving open spaces through a break in the sprawl of the more traditional types of single-family housing projects which now dominate suburban areas.

Immediately at issue is a new Fairfax zoning category designed to accommodate such large projects. It would establish a specific population density for the project as a whole (in the case of Reston, 13 persons per acre), but permit wide latitude within the project to concentrate or to spread out housing in accordance with a master plan, and without regard to lot size or to some of the other restrictions which customarily prevail. The County Board of Supervisors, under the proposal, would retain powers of approval at progressive stages of the plan's development. This is an approach which makes sense for such large developments in the suburbs, just as, in cities, special concessions are made to large urban renewal projects which are based on approved master plans.

While the sponsors of the Reston project have been working with county officials for several months, however, the development itself has received little attention beyond professional circles. It is well, therefore, that the board of supervisors will hold a public hearing tomorrow, both on the proposed zoning change and on a request for endorsement of the master plan itself. The zoning revision was recommended last week by the County Planning Commission. In addition, and understandably so, the Reston plan has aroused considerable enthusiasm among city planners and architects. Nevertheless, before taking final action of their own, the supervisors should make certain that there is full understanding not only of the details of the Reston project, but of its impact on contiguous land areas and on highway, water, sewage, and other public programs of the county.

[From the New York Times, July 20, 1962]

Clustered Homes Asked in Tenafly—Builder Plans 300 Units on Only 10 Percent of 275 Acres

Tenafly, N.J.—An unusual concept in housing, in which 300 single-family homes would be built in five clusters on a 275-acre tract, has been presented to the planning board here.

The houses would occupy less than 10 percent of the land. The remainder would be devoted to a 27-hole golf course and other recreational facilities.

Site plans submitted by the developer, Norman E. Blankman of New York, went on display in the Municipal Building here today. A public hearing on the proposal will be held after Labor Day, according to Walter Hartung, chairman of the planning board.

Each circular cluster would have 60 houses of contemporary design, Mr. Blankman said. An inner court, 450 feet in diameter, would provide access to each house and have in the middle a 60-foot square swimming pool. All five clusters would emanate from a single private road about 4,000 feet long.

The tract is bounded on the east by Route 9W; on the south by Clinton Avenue, a main east-west thoroughfare; on the west by Sunderland Road and on the north by Hudson Avenue. Access would be from 9W and from Clinton Avenue. There would be no public roads, sidewalks, or street lighting.

HISTORICAL HAMPSHIRE COUNTY AND ROMNEY, W. VA.

Mr. BYRD of West Virginia. Mr. President, it was my recent pleasure to attend a dinner which launched the bicentennial celebration of Romney, W. Va. Romney has the distinction of being the oldest town in the Mountain State. Moreover, it is located in the oldest county in the State—Hampshire County, a county rich in the history of colonial America.

The highlight of this celebration dinner was an excellent address by Dr. A. G. Slonaker, dean of Shepherd College, Shepherdstown, W. Va., in which the histories of Romney and Hampshire County were traced with scholarly refinement.

As was pointed out by Dr. Slonaker at the conclusion of his remarks, there is much to be gained by recalling our pioneer spirit—the spirit so nobly exhibited by our forefathers—

> There are some indications—

He said—

> that we have grown soft and have been spoiled by easy and luxurious living. Security seems more important than independence.

However, Dr. Slonaker added:

> If nothing else grows from this bicentennial celebration (of Romney and Hampshire County), it is to be hoped that we will gain a greater appreciation of our heritage and a determination that we will guard our liberty and our way of life against all threats, both from within and from without.

I ask unanimous consent to have the text of Dr. Slonaker's address printed in the Congressional Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Historical Hampshire County and Romney, W. Va.

On this occasion of the bicentennial celebration of Romney, W. Va., it is difficult to know where to begin and what to omit. There is so much to cover. So much has taken place in this 200 year period that it is a real challenge to decide what is pertinent and what should be mentioned here this evening. I would like to review some of the historical highlights that I am sure concern the people of Hampshire County today.

The early outposts of civilization moved westward at a yearly rate of 17 miles. In 1670 the Governor of Virginia sent an exploring party across the mountains to the west to search for silver and gold and try to discover a river flowing into the Pacific Ocean. What this expedition discovered was New River in what is now southeastern West Virginia. In 1716 Governor Spotswood led an exploring party over the Blue Ridge across the Shenandoah to the summit of the Allegheny Mountains. He ran into what is now Pendleton County. The Gap in the Blue Ridge Mountains was soon discovered at Harpers Ferry which became the gateway to the Shenandoah Valley and to the West.[1]

Lord Fairfax claimed the greater part of what is now the eastern panhandle of West Virginia. His grant called for a line drawn from the head of the Potomac to the head of the Rappahannock. In 1746 the Fairfax Stone was planted to mark the spot where the rainfall divides the part flowing into the Potomac and the part flowing to the Cheat.

The name of George Washington figures prominently in the early history of Hampshire County as he spent the summers of 3 years beginning in 1748 surveying the estate of Lord Fairfax. The spirit of adventure characteristic of the American people encouraged pioneers to move into the unsettled counties. In 1755, at the time the French and Indian War broke out, there were settlements all along the Potomac River in what is now Hampshire, Hardy, and Pendleton Counties. Land was abundant and cheap in the early days of West Virginia settlements and the State was generous in granting land to settlers. Pioneers usually located on such vacant lands that suited them. Tomahawk rights consisted in deadening trees near a stream or a brook and cutting the claimant's name on the bark of the tree. It usually helped to build a cabin and to grow a crop of corn. Commissioners were appointed from time to time to visit settlements and gave certificates to those who presented satisfactory proof that they had complied with the law. The good locations were taken first. Surveys were made in the crudest manner often overlapping, thus laying the foundations for future lawsuits.

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[1] Maxwell and Swisher, "History of Hampshire County," p. 15.

ON THE FRENCH AND INDIAN WAR PERIOD

No State was more deeply concerned than Virginia. Had the plan outlined by the French been successful what is now West Virginia would have been French instead of English and the settlements by the Virginians would not have been carried west of the Allegheny Mountains. One Indian chief was supposed to have remarked, "If the French claim all the land on one side of the river and the English claim all of the land on the other side, where is the Indian land?"

Again the name of George Washington figures prominently. Washington built Fort Necessity, about 50 miles west of Cumberland, Md. He fought a battle there in July 1754, and capitulated to the overwhelming numbers of the French on July 4, 1754, just 22 years before the signing of the Declaration of Independence. General Braddock arrived in America and prepared four separate expeditions against the French, one of which was in the direction of the Ohio Valley, led by Braddock, himself.[2] Braddock expressed no concern for Indian attacks and showed only contempt for the American soldiers in his ranks. Never had a general gone into the field with so little understanding of what he was undertaking. He paid for this with his life. The battle was short. One-half of the army was killed or wounded. The best showing, however, was made by the troops from Virginia under the command of Washington, some of whom were from Hampshire County. With the repulse of Braddock there was no protection for the frontiers of Virginia except such as the settlers themselves could provide. One of the first settlements to receive a visit from the savages after Braddock's defeat was in Hampshire County. Braddock's defeated army had scarcely withdrawn when the savages appeared near the sight of Romney and fired at some of the men near the fort. Early the next spring the party of 50 Indians under French leadership again invaded the settlements on the Potomac. These depredations continued with the Indians returning frequently and causing great concern and evacuation of many settlers who had located in Hampshire County. After Braddock's defeat, when the frontier was exposed to danger, the State of Virginia appointed George Washington commander in chief of all forces raised or to be raised in that State. He traveled along the whole frontier inspecting the forts and trying to establish security measures. The picture of the distress of the people and the horrors of the Indian warfare summed up in these words by Washington addressed to the Governor of Virginia.

"The supplicating tears of the women and the moving petitions of the men melt me with such deadly sorrow that I solemnly declare that if I know my own mind I would offer myself a willing sacrifice to the butchering enemy, provided that would contribute to the people's ease." Indians butchered the people and fled. Pursuit was nearly always futile. The only solution seemed to be the capture and reduction of Fort Duquesne, the headquarters of the French in the Ohio Valley. This was accomplished on November 25, 1758, when the French gave up their forts, and fled down the Ohio, breaking the power of the French in the Ohio Valley. The gateway to the great West was secure to the English race.

West Virginia's fate held in the balance until Fort Duquesne fell. Had this territory fallen into the hands of France the character and culture of the inhabitants would have been different. The history of Hampshire County would have been completely changed. Fort Duquesne became Fort Pitt with Anglo-Saxon instead of French influence.

ROMNEY AND HAMPSHIRE COUNTY

The first families to establish residences in the county were the Cobin, Howard, Walker, Rutledge, and Forman families, who settled near the present town of Springfield in Hampshire County. These first five families to establish residence were followed 3 years later by two brothers, Job and John Piersall, who built their homes near the present site of Romney and which was to be known for a time as Piersall's Flats. Up until this time all of the south branch region was a part of Frederick County which had been formed from Orange County in 1738. The courthouse was at Winchester and this section was so far removed from the seat of justice that agitation for the formation of a separate county had begun soon after the first settlements were made. This together with Fairfax's desire for a complete segregation of his lands lying within the bounds of the northern neck caused the general assembly to partition the counties of Frederick and Augusta to form the county of Hampshire, and in November 1753 an act was passed creating the new county. The boundaries of Hampshire included all of the present counties of Mineral, Hardy, and Grant, and portions of Morgan and Pendleton, with an area of 2,800 square miles, with an estimated population of between 3,000 and 4,000 persons. I need not remind you that it is the oldest now within the boundaries of West Virginia.

With the Braddock defeat Hampshire County became somewhat of a no man's land. The countryside between Winchester and Cumberland was pretty much abandoned. The men, however, from the South Branch Valley refused to be beaten and held out at Fort Piersall and at Fort Edwards, at Capon Bridge. There were however few Indian depredations after 1761, and no warriors invaded Hampshire County after 1765. With the restoration of peace after 1761, the settlers turned to the task of rebuilding their homes. The rapid settlement of this territory which the war had halted quickly revived. Surveyors were sent into the county with Piersall's Flats being selected as the most suitable location. A 10-acre plat was surveyed and laid off into lots of one-half acre and the town named Romney for one of the ports on the English channel famous for its fine hogs. On November 18, 1762, a bill for establishing the town was introduced into the House of Burgesses. On December 17 the bill was approved and on December 23, 1762, the Governor's signature was affixed to the act, thus establishing the first recorded act creating a town within the present State of West Virginia. I will have to admit that this is just a bit confusing for me since each morning when I go to work I drive by a sign which says "Shepherdstown, W. Va., the oldest town in the State." Romney grew rapidly and within a few years most of the lots were sold. The population of the county had grown to more than 7,000 and the county and the town led a rather peaceful existence until the coming of the American Revolution which again brought the stark horrors of war to the South Branch region.

Early in the war of the Revolution when a call went out for volunteers, Hampshire County furnished a company of men which arrived at Fort Henry, now Wheeling, on September 15, 1777, to engage in Indian warfare which had been provoked this time by the British. At the beginning of the Revolutionary War Hampshire County was torn by internal strife because of the large percentage of its inhabitants who were of English descent, many direct from the mother country who found it hard to turn their backs on His Majesty, George III. In other words, there was a rather strong nest of Tories in Hampshire County.

To deal with this group Gen. Daniel Morgan in Frederick County collected 400 troops, marched across the mountains and successfully defeated the insurgents.[3] The ringleaders were tried and convicted. The sentence was light because many of this group agreed to volunteer for duty with the Continental Army and some subsequently gave their lives for the cause of national liberty. The British Army never invaded Hampshire County during the Revolution. However, it is said that there was not a battle in this entire conflict in which some of our men were not engaged. The county furnished her full quota of men and did her part in helping to establish independence. At the close of the Revolution the State of Virginia confiscated the Fairfax estate because it was owned by a Tory.

Immediately after the Revolutionary War the activities in Hampshire County began to boom. The influx of settlers resulted in a rapid development of transportation facilities and by 1786 a State road was operated from Winchester by Capon Bridge and Hanging Rock Gap to Romney where stagelines from Green Spring on the north and Moorefield on the south made connections with a line going west by Mechanicsburg and Burlington to Cumberland. Settlers poured into the South Branch Valley by the hundreds and the price of land went up. I presume from reading about recent real estate transactions in the Hampshire Review that it is still going up.

In Romney new homes were erected, stores and warehouses were built and a monthly trading affair brought traders and speculators from all sections of the county. On December 4, 1789, the general assembly passed an act appointing trustees for the town of Romney, giving any five of them power and authority to settle all disputes relative to lots in the said town, also to open and clear the streets and lanes in the said town agreeable to the original plan and survey thereof.

Another landmark in the history of Romney was the establishing of a post office. In 1796 a redletter day for the community occurred when John Jack, the first postmaster opened the letter office, for up to this time the letters posted had to be sent by stage to Winchester.

Another important event in the history of Romney and Hampshire County was the construction of the Northwestern Turnpike from Winchester to Parkersburg on the Ohio River. This westward road had been proposed by Gen. Daniel Morgan and other gentlemen from Virginia as early as 1748. Col. Clark Crozet, French officer and engineer, who built the road over which Napoleon led his troops into Italy, was the principal engineer of the State of Virginia and set to work immediately on the original survey of the road, following what was considered the most desirable and easy grade through Hampshire County by way of Capon Bridge, Hanging Rock, Pleasant Dale and Augusta to Romney. By 1830 the road had reached Romney and in 1838 was opened to Parkersburg where a line of fast triweekly stages ran from Romney to Parkersburg and by 1845 a daily line of stages and regular mail service had been established.

Romney's location together with its natural advantages as a junction point made it one of the most popular stopping places for travelers. There was a great demand for accommodations and the citizens of the town were quick to realize that the road was bringing to them a lucrative business. An old tavern license book found among the court records shows that at least six hostelries were established here in a period of 5 years. Among the more famous of these old hotels was the old Virginia House which stood on the intersection of Court House Lane and Marsham Street, and the Keller House at the intersection of Court House Land and Grafton Street on the present site of the New Century Hotel. Many distinguished guests were listed among those who stopped in Romney. Among them were George Washington, Daniel Webster, and Henry Clay. It might be of interest that Washington's last visit to Romney was made on October 9, 1770.

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[2] Ibid., p. 35.

[3] Ibid., p. 63.

There are indications that Romney turned out with more enthusiasm for the visit of Henry Clay in 1832, during his campaign for the presidency of the United States against Jackson than for any other individual. It is said that the people of Hampshire County and Romney polished their stoves and pots and pans and even painted their stones in their fireplaces on this occasion as if he were to be a guest in every home.

THE CIVIL WAR 1861

Time does not permit a complete discussion of the War Between the States and the 56 times which the county seat changed hands. We will need to confine our discussion to the principal acts of the drama. Of course the county furnished men for both sides. Families were sometimes divided. The bushwhacker or hidden guerrilla who fired and vanished played an active role in the sparsely populated areas of the county. The entire State of West Virginia furnished 36,500 troops for the Union Army and 7,000 troops for the Confederates. This proportion was not nearly so great in the direction of the Union Army insofar as Hampshire was concerned.

Romney and Hampshire County could not escape a prominent role in the War Between the States by the very nature of its location and the proximity of the Baltimore & Ohio Railroad, and the supply of grain and livestock available in the South Branch Valley. It was true that there had been long a smoldering resentment of the tidewater region of Virginia. The ordinance of secession was passed over the opposition of the western counties. Mass meetings sprang up in western Virginia. Hampshire County sent five delegates to both Wheeling conventions in 1861. The majority of members of these conventions looked forward to forming a new State west of the mountains. The details of forming this State on June 20, 1863, is a story within itself. Hampshire County played its full part in bringing this about.

The total population of Hampshire and Hardy Counties at the time of the Civil War was a white population of 23,777, with 2,286 Negro slaves and 492 free Negroes. Early in the war the Hampshire guards and Potomac guards were largely recruited from Hampshire County, and both of these outfits reported to Col. Thomas J. Jackson at Harpers Ferry in May 1861. It is difficult to list all of the prominent people who figured in this conflict and certainly we cannot do them all justice. In reading the literature in the field it seems to me that Col. Angus McDonald, Sr., deserves some special mention since he was a very prominent figure in the early war years and in the defense of Romney, but he later asked to be relieved of his command and he died in Cumberland in 1864.

Col. Lew Wallace of Ben-Hur fame occupied Romney on the night of June 12, 1861, having come from Cumberland by way of New Creek now Keyser and returned to Cumberland on the next day, June 13. Col. A. P. Hill was dispatched by Joseph E. Johnson as a result of this threat by Lew Wallace. Col. Turner Ashby had his headquarters in Romney during the early days of the war and later moved into what is now the Washington farm. His brother Richard Ashby was killed in a skirmish along the South Branch River and is, of course, buried in the Indian Mound Cemetery.

Hampshire was subjected to northern inroads in that the Northern armies were interested in their livestock and actually drove a good deal of it off and went so far as to thresh the grain in the fields. The South Branch Intelligencer, one of the oldest and most respected newspapers in the States was destroyed by Federal troops in 1861. It was during this year that General Kelly occupied Romney with a sizable force of some 9,000 men which even today might tax the housing facilities of the local inhabitants. His forces proceeded to destroy most of the houses between Blues Gap and Romney and after the occupation by General Kelly there wasn't much recognizable but the hills.

The year 1862 features the campaign of Stonewall Jackson in the relief and occupation of Romney. Jackson felt that Romney was the key to holding Winchester, and he considered the South Branch Valley second only to the Shenandoah as a granary for the Confederacy, consequently, he proceeded to Romney from Winchester by way of Bath, now Berkeley Springs.

THE CIVIL WAR 1862

Jackson's occupation at Romney did much to reassure the people of the South Branch Valley that the Confederacy had not forgotten them. The resulting conflict between General Loring and General Jackson was most unfortunate and almost resulted in the loss of Stonewall Jackson to the Confederacy as he submitted his resignation to Secretary of War Benjamin, because of the interference with his policies and with what appeared to be intervention in behalf of Loring in the Loring-Jackson controversy. Jackson reconsidered and withdrew his resignation after talking with his old friend, the former Quartermaster General of the Army, Joseph E. Johnson.

An incident which has drawn considerable attention occurred in Romney during April 1862—the escape of Lt. John Blue from the hands of the Federals. The escape attracted considerable attention since it took place in the early morning hours and was accomplished under the eyes of approximately 100 Yankee soldiers. After the evacuation of General Loring's Army until the end of the war Romney was held for the most part by Federal forces. It is chiefly mentioned in the official records not as a battleground but as a communication center for Federals.

Other names that figure prominently during this period were that of Col. John H. McNeil who was given permission to organize a troop to defend the South Branch Valley and that of Col. John D. Imboden under whose command many Hampshire Countians were privileged to serve. General Imboden occupied Romney for a 2-day period during September 1862. Imboden kept up a running battle with General Kelly, who was based in Cumberland and whose mission was to defend the main line of the Baltimore & Ohio Railroad.

Confederate raids on the Baltimore & Ohio and into the South Branch valleys for stores and provisions with Federal attempts to defend these points constitute the chief items of interest for Romney during 1863. During the winter of 1862–63 the people of Hampshire and Hardy Counties were afflicted by considerable hardship. Among other things General Milroy, who spent most of his time in Winchester, levied taxes against Southern sympathizers. There were also many arrests and many people fled from the South Branch Valley; nor did the frequent raids of the bushwhackers add to the security of the people in and about Romney.

The year 1864 saw the raid in the early days of January of Gen. Fitzhugh Lee, assisted by Thomas L. Rosser across the mountains for the primary purpose of obtaining supplies for the army of northern Virginia and to damage the Baltimore & Ohio Railroad. Lee's and Rosser's forces spent the night of January 5, 1864, in Romney. Fitzhugh Lee left Romney hurriedly by way of Grassy Lick Road, Brocks Gap, and Harrisonburg after capturing some 27 wagons and destroying considerable supplies. Lee reported that this region of the South Branch could not be counted upon to furnish supplies in quantity since enemy occupation over a long period had exhausted its resources. Colonel McNeil spent a good portion of 1864 harassing the forces of General Kelly in the vicinity of Cumberland and was often in and about Hampshire County during this period. The career of John H. McNeil, of course, was ended near Mount Jackson on October 7, 1864, where he was mortally wounded by a party of Federal cavalry. His son, Jessie C. McNeil, a no less daring individual, carried on after the death of his father. General Kelly threatened to lay waste the entire South Branch Valley just as the Shenandoah Valley had been devastated by Sheridan if the people continued to harbor and feed McNeil.

The year 1865 brought no outstanding military event to Romney. There were, however, several operations with which Romney was concerned. Among the most prominent of these operations was the capture of Generals Crook and Kelly in Cumberland by McNeil's soldiers. From the time of Kelly's capture there seemed to have been no extensive body of troops in Hampshire County until the end of the war.

Even Lee's surrender did not entirely end the Civil War in Hampshire County. Two Hampshire companies which had escaped from Appommattox, it was reported, made their way back to Romney and stopped before the courthouse trying to make up their minds whether to surrender or attempt to join Joseph E. Johnston in North Carolina. While there the news reached them that Johnston had surrendered, after which they marched to Winchester and laid down their arms.

It might be superfluous to remark at this point that Hampshire County was taken into the newly formed State of West Virginia against its will. Technically, however, it had been a part of the new State from the outset of statehood. Its citizens were disenfranchised except for a few who called themselves loyal; therefore, Hampshire County gave its consent without a full poll but the cause was lost and nothing remained for the people at the end of the war but to adjust themselves to stern and bitter reality.

In 1883 an organization known as Society of Ex-Confederate Soldiers in Hampshire County was formed. The support and respect which this group enjoyed in the minds of Hampshire people indicates the esteem with which the Confederates and the cause they represented were held. The monument in Indian Mound Cemetery to Confederate veterans erected in 1867 was one of the first of its kind in the Nation.

I will not spend much time on historical details which took place after the Civil War. Some of the city fathers here tonight including R. L. Sumner and others are perhaps old enough to remember quite vividly major events since that time. Therefore, I will gradually draw my remarks to a close with some observations concerning the past and some hopes for the future.

At this time I think it would be fitting and proper to pay tribute to the three Governors furnished by Hampshire County to the State of West Virginia. I of course refer to John J. Jacobs, John J. Cornwell, and H. G. Kump. It is of interest to note that both Governor Cornwell and Governor Jacobs were school principals at one time in their careers within the town of Romney. I also feel that it is important to note the educational efforts that took place in the early days of Romney. The Romney Academy, Romney Classical Institute, Potomac Seminary were three quite noteworthy institutions. The present deaf and blind school where we are this evening was the old site of the Romney Classical Institute. At one time the Romney Literary Society was a very potent force in the life of the community. Regular meetings were held in what was known as Literary Hall which is now the regular meeting place of the Masonic Lodge. It was at Literary Hall that the intellectual life of the community had its center.

In going through the historical literature concerning Romney and Hampshire County one cannot help but be impressed by the unusual nature of some of the old laws that applied to the county. For example—for being intoxicated the fine should be 83 cents, and if not paid the offender should have 10 lashes on the bare back. For working on Sunday the fine was $1.67. For stealing a cask of tobacco found lying by the public highway, the punishment was death.[4] These were laws passed in 1792. During the same year a law was passed by the legislature providing that any person found guilty of forgery must be put to death, but for the man who had in possession counterfeit money the penalty of death was not enough. He was not only to be put to death but was forbidden the attendance of a minister and must go to execution in the blossom of his sin. Since Hampshire County was named because of its famous hogs and their sleek and healthy appearance, it might be of interest to mention a law that applied concerning hog stealing. It is not apparent just why stealing a hog was worse than stealing other animals but apparently it must have been so considered. A law passed in 1792 declared that any person not a slave who steals a hog, a shoat, or a pig shall receive 35 lashes on the bare back, or if he preferred to do so, he might escape the lashing by paying a fine of $30, but whether he paid the fine or submitted to the lashes he must still pay $8 to the owner for each hog stolen by him. For the second offense in hog stealing, the law provided that the person convicted if not a slave should stand 2 hours in a pillory on a public court day at the courthouse and have both ears nailed to the pillory and at the end of the 2 hours should have his ears cut loose from the nails. It is expressly provided that no exception should be made in the case of women, and if hog stealing persisted for the third time the accused was effectively cured of his desire concerning hog stealing by being put to death. As you can see the excellent hogs from which Hampshire derived its name were given full protection by members of the legislative body.

I would like to switch from the 1790's to the 1960's and quote to you a paragraph from a recent best seller "The Making of a President 1960." This paragraph has to do with all West Virginia. I am sure it applies to the people of Hampshire. I quote: "That these are handsome people and beyond doubt the best mannered and most courteous in the Nation. These people who teach their children to say sir and thank you to their elders. They speak in soft gentle tones; their relations with their Negroes are best of any State with any significant Negro population North or South. The Negroes are treated with great respect and good manners, reciprocate with a bearing of good manners and respect. Whether on a West Virginia bus or in a crowded West Virginia store, men and women are well behaved and friendly. Moreover, these are brilliant people. No State of the Union contributed more heavily to the Armed Forces of the United States in proportion to population than did this State of mountainmen, nor did any State suffer more casualties in proportion to its population." I will stop there because he says some other things that are not quite so complimentary. I recommend this book especially to our toastmaster because of its democratic flavor. I am sure that it will be of interest to him provided he reads it carefully and absorbs what he reads. I suspect he has already read it.

NOTES AND INCIDENTALS

The progress of Romney and vicinity in 200 years has been amazing and a little short of astounding. However, it would seem as though we might well recapture some of the pioneer spirit exhibited by our forefathers. We have retained the name of Romney Pioneers for our athletic teams. Perhaps we should go further. There are some indications that we have grown soft and have been spoiled by easy and luxurious living. Security seems more important than independence. History has demonstrated that when this occurs among nations and peoples that serious consequences may result. If nothing else grows from this bicentennial celebration, it is to be hoped that we will gain a greater appreciation of our heritage and a determination that we will guard our liberty and our way of life against all threats, both from within and from without. It is certainly something on which we can unite in a bipartisan spirit. It is a pleasure to have been here and to have participated in a small way in the kickoff banquet for the bicentennial celebration in the oldest county in West Virginia and the oldest town in the State.

REVISION OF LAWS RELATING TO DEPOSITORY LIBRARIES

Mr. JORDAN. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives relative to H.R. 8141, a bill to revise the laws relating to depository libraries.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 8141, which was read as follows:

In the House of Representatives, U.S.,
July 18, 1962.

Resolved, That the House agree to the amendments of the Senate numbered 1 through 25, inclusive, and amendment numbered 27 to the bill (H.R. 8141) entitled "An Act to revise the laws relating to depository libraries."

Resolved, That the House agree to the amendment of the Senate numbered 26 to said bill with an amendment, as follows: In lieu of the matter inserted by said amendment, insert:

"Sec. 10. The Public Printer, with the approval of the Joint Committee on Printing, as provided for by section 2 of the Printing Act of 1895 (ch. 23, sec. 2, 28 Stat. 601), as amended, shall adopt and employ such measures as he deems necessary for the economical and practical implementation of this Act."

Mr. JORDAN. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina.

The motion was agreed to.

Mr. JORDAN. Mr. President, I am gratified to state that on July 18, 1962, the House of Representatives agreed to all but one of the 27 Senate amendments to H.R. 8141, an act to revise the laws relating to depository libraries. In its wisdom the House has amended Senate amendment No. 26 and returned the bill to the Senate. Approval by the Senate of this one change completes legislative action on the bill and sends it to the President for Executive decision. The Senate Committee on Rules and Administration was advised in advance of the House action, and has no serious objection thereto.

Mr. President, I ask unanimous consent that an explanatory statement on the amendment be inserted at this point in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Explanation of House Amendment to Senate Amendment No. 26 to H.R. 8141

H.R. 8141, an act to revise the laws relating to depository libraries, was agreed to by the Senate on June 15, 1962, with amendments recommended by its Committee on Rules and Administration. On July 18, 1962, the House of Representatives agreed to all of those amendments with the exception of Senate amendment No. 26, which added the following new provision:

"Sec. 10. The Joint Committee on Printing shall have the power to adopt and employ such measures as, in its discretion, may be deemed necessary and practical for the implementation of the provisions of this Act."

The House has amended the above provision to read as follows:

"Sec. 10. The Public Printer, with the approval of the Joint Committee on Printing, as provided for by section 2 of the Printing Act of 1895 (ch. 23, sec. 2, 28 Stat. 601), as amended, shall adopt and employ such measures as he deems necessary for the economical and practical implementation of this Act."

And requests the concurrence of the Senate therein.

The original section 10 was adopted by the Committee on Rules and Administration because the transition from the present depository-library system to the expanded program authorized by H.R. 8141 would pose certain problems, solutions for which could be determined satisfactorily only upon the basis of actual experience. Of special consideration to the committee and all concerned was the provision permitting depositories for the first time to receive certain categories of publications produced by agencies of the Government in their departmental and field printing plants. (Under present law depository libraries may receive only publications actually printed at the Government Printing Office.) While the principle involved was fully subscribed to by the committee, it was realized that the objective could not be immediately achieved without placing an onerous and impractical burden upon the Public Printer and the Superintendent of Documents, who would administer the enlarged system, and upon the agencies of Government which would be required to supply the additional publications.

Senate amendment No. 26 would have granted the Joint Committee on Printing discretionary authority to issue regulations providing for a reasonable implementation of the act, based upon the practical considerations involved and consistent with the Joint Committee's general authority under another statute to remedy any waste in public printing and the distribution of Government publications. Such regulations would have been binding upon the Public Printer (or the Superintendent of Documents) and the agencies of Government which issue printed materials.

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[4] Ibid., p. 303.

The House amendment to Senate amendment 26 would grant the discretionary authority directly to the Public Printer, rather than to the Joint Committee on Printing. Thereunder, he could adopt and employ such measures as he deemed necessary for the economical and practical implementation of the act. Such measures, however, would still require approval by the Joint Committee on Printing.

DEFENSE CONTRACTS

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may speak for not to exceed 6 minutes.

Mr. MANSFIELD. Mr. President, I suggest that the Senator from California follow the usual procedure and then ask for an extension of time.

Mr. KUCHEL. Very well.

Mr. President, when we deal with defense appropriations, we deal with the security of the American people. The Department of Defense and the Government of the United States purchase all the military hardware and all the awesome and powerful weapons systems, and engage in the awarding of contracts for research and development, so that the people of the United States may remain strong militarily; and so that the people of the United States may deter a potential Communist aggression and, if unhappily necessary, successfully to combat it. We intend to remain free.

The Secretary of Defense in the Cabinet of President Kennedy is an able and distinguished American. He is a successful businessman. He has prodigious responsibilities. He and his associates and his predecessors have discharged those responsibilities in the highest traditions of the American Government.

From time to time Senators rise in the Chamber to denounce the Department of Defense. The other day the distinguished senior Senator from Ohio [Mr. LAUSCHE] denounced the Department of Defense and said it was unreasonable that a certain percentage of defense contracts should be awarded to the State from which I come. Earlier today the distinguished Senator from New York [Mr. JAVITS] likewise objected to the defense procurement policy. While to the credit of the Senator from New York it should be said that he does not hold that there have been "irregularities" in awarding of defense contracts, he suggests that "administrative inertia" might be responsible for the manner in which defense contracts are allocated. Those are his words, not mine.

I asked the Secretary of Defense, Mr. McNamara, for a statement with respect to the selection of contractors by the Department of Defense. He replied, in part:

> Our first and paramount objective is to acquire weapons and materiel which fully meet our qualitative, authoritative, and delivery requirements—at the lowest overall cost.

Does any Senator disagree with that standard? Do my Democratic colleagues disagree with the manner in which the defense procurement contracts of the country are allocated?

Mr. ENGLE. Mr. President, will my colleague yield?

Mr. KUCHEL. I yield to my distinguished colleague from California.

Mr. ENGLE. So far as I am concerned, we on this side of the aisle agree 100 percent that defense contracts should be awarded on the basis of who can produce the best item at the lowest possible cost and in the shortest period of time. We do not complain because most of the automobiles are built in Michigan. We did not complain during the war because locomotives were built in one place and tanks were built in another, because the builders of such equipment had developed among themselves a special capability to do that kind of work.

We in California have developed a special capability in the area of missiles, space, and aircraft. We have developed a special technical competence to do that kind of work. All we ask is that the hands of politics be kept off the allocation of contracts and that the American competitive, free enterprise system be allowed to operate. If the Senator from New York is correct in his belief that the business climate of New York is improving, we are happy. If the competence of New York manufacturers is higher, we are happy. If New Yorkers are willing to sharpen their pencils and compete with us on the basis of the merit of their products, the cost of their products, and the time in which they can produce them, we in California will be happy to sharpen our pencils and to compete with them. We support the Secretary of Defense 100 percent in his effort to make certain that contracts are awarded on that basis.

Mr. KUCHEL. Mr. President, I thank my colleague from California. I ask unanimous consent that pages 9, 10, and 11 in the brochure published by the Office of the Secretary of Defense, entitled "Changing Patterns of Defense Procurement," be printed at this point in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

UNIVERSITY AND NONPROFIT RESEARCH WAS HEAVILY CENTERED IN FISCAL YEAR 1961 IN A FEW MAJOR AREAS

Although the dollars devoted to basic research amount to only 2½ percent of the total defense research, development, testing and evaluation purposes program, its long range importance far exceeds its dollar allocation. National security in the 1970's, as well as procurement patterns in that decade, may well depend upon the creativity of our basic research, whether conducted within Government laboratories or through contract operations.

Most basic research contracts are awarded to universities and nonprofit organizations. Separate statistics on basic research awards are not available. However, in fiscal year 1961 the total of prime awards to these institutions, including many which would not qualify as "basic research," was $431 million. This includes management support or operation of military development programs, by such nonprofit contractors as MIT in Massachusetts, Aerospace Corp. and Rand Corp. in California, and Johns Hopkins University in Maryland. Although concentrated in a few States, the pattern differed from that of research and development awards to business firms.

[In millions]

	Research, development, testing, and evaluation contracts		
	Schools and their subsidiaries	Nonprofit institutions	Total
Massachusetts	$119.4	$1.0	$120.4
California	38.5	49.0	87.5
Maryland	45.8	2.1	47.9
New York	25.3	14.2	39.5
Illinois	18.8	8.6	27.4
District of Columbia	4.2	12.2	16.4
Michigan	14.2		14.2
Pennsylvania	9.5	3.3	12.8
Ohio	7.2	4.4	11.6
Texas	4.4	2.4	6.8
New Jersey	5.5	.1	5.6
All others	33.5	7.4	40.9
Total	326.3	104.7	431.0

The fact that half these dollar awards went to Massachusetts and California has attracted considerable attention. To quote from a brochure entitled "Charter of Progress," published by the newly established Graduate Research Center of the Southwest, at Dallas, Tex.—

"Management planners, in considering sites for new or expanded facilities, have found that the availability of trained minds overshadows even such factors as the labor market, water supply, and power sources. The evidence is overwhelming: Route 128 encircling Boston, the industrial complex around San Francisco Bay, that related to the California Institute of Technology and UCLA in the Los Angeles area, and other similar situations are cogent examples of the clustering of industry around centers of learning. Such a migration arises from the need by industry for access to persons with advanced training who can translate the new science into vastly improved or wholly new products."

Even among those who consider this to be overstatement, the basic idea appears to be gaining currency. The cases cited carry weight, regardless of doubts concerning the relative significance of defense research in the development of these industrial-university complexes.

It is axiomatic that the mere fact that certain phenomena are frequently found in association with each other does not establish any cause-and-effect relationship. It must be recognized that the Midwest, with its great university resources, and with its heavy annual production of Ph. D's and other professionals, did not in fiscal year 1961 obtain a share of defense prime contract awards, either for production, for general research, development, testing and evaluation, or for nonprofit research proportional to its share of the Nation's scientific and technical skills. Conversely, considerable research, development, testing and evaluation and some basic research, is being conducted in areas where local institutions of higher learning fall far short of producing a comparable flow of trained professional and scientific manpower.

The primary conclusion to be drawn appears to be self-evident. Certain institutions, certain companies, and certain communities have been far more alert, more active, and more effective in their quest for defense research, development, training, and education contracts than others have been. The primary objective of the Military Establishment—through its procurement mechanisms—has been to find and to use the strongest capabilities for each essential requirement, whether for research and development or for production.

Defense policy stresses awards on merit. Local initiative seeking defense business must direct itself to the creation of capability responsive to the exacting needs of modern warfare. Communities which fail to recognize this fact, and which fail to energize and mobilize their institutions to adjust to it, cannot reasonably anticipate a major role in future defense procurement.

Mr. KUCHEL. Mr. President, I wish to read a part of the statement contained in the brochure:

> Certain institutions, certain companies, and certain communities have been far more alert, more active, and more effective in their quest for defense R.D.T. & E. contracts than others have been. The primary objective of the Military Establishment—through its procurement mechanisms—has been to find and to use the strongest capabilities for each essential requirement, whether for R. & D. or for production.
>
> Defense policy stresses awards on merit. Local initiative seeking defense business must direct itself to the creation of capability responsive to the exacting needs of modern warfare. Communities which fail to recognize this fact, and which fail to energize and mobilize their institutions to adjust to it, cannot reasonably anticipate a major role in future defense procurement.

If some people, some concerns, some business enterprises are more alert, more active and more effective in their quest for R.D.T. & E. contracts, it does not do for others to criticize. Competition is the backbone of our system. Let others in the Nation assume an alertness and an activity, and a zeal, which, apparently they do not now have. That is the prescription for progress.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter dated July 25, 1962, from Mr. Graeme C. Bannerman, Deputy Assistant Secretary of Defense for Procurement, speaking for Secretary McNamara, enclosing a statement describing how the Department of Defense selects its contractors.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

OFFICE OF THE
ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., July 25, 1962.

DEAR SENATOR KUCHEL: In response to your request to Secretary McNamara, attached is a statement which briefly describes how the Department of Defense selects its contractors.

Sincerely,

GRAEME C. BANNERMAN,
Deputy Assistant Secretary of Defense (Procurement).

SELECTION OF CONTRACTORS BY THE DEPARTMENT OF DEFENSE

With respect to selection of contractors for defense weapons, the Secretary of Defense has restated the policy of the Department of Defense within the last few months. A memorandum on defense procurement policies, addressed to the Secretaries of the military departments, the Assistant Secretaries of Defense, and the Director, Defense Supply Agency, included the following:

"I would like to reemphasize the importance of close and continuing surveillance by each of you in order to assure that the following basic policies govern defense procurement:

"1. Our first and paramount objective is to acquire weapons and materiel which fully meet our qualitative, quantitative, and delivery requirements—at the lowest overall cost.

"2. To this end we must stress full and free competition, with equal opportunity to all interested qualified suppliers, and we must continuously seek to minimize sole-source procurements for end items, major subsystems, spare parts, and supplies. Whenever our specifications are sufficiently precise, we must obtain competition through formal advertised bidding procedures as required by law.

"3. To the maximum extent consistent with the above objectives, we will give positive assistance to small business concerns, and to firms in surplus labor areas, to compete for for defense procurements, and we shall make full use of set-asides for these purposes as provided in the Armed Services Procurement Regulations. We must, however, assure that no premium is paid for the relief of economic dislocation which is prohibited by law."

In selecting contractors for the development of new weapons, it is normally not possible to make the selection on the basis of price competition since major development work normally cannot be performed on a fixed-price basis. However, the Government's requirements for such work are given the widest possible circulation so that any qualified company may submit a technical proposal. These technical proposals are fully evaluated and contract awards for such development work are made to that contractor whose technical proposal, personnel, facilities, and management capability lead us to believe that he is likely to be able to perform the contract in the optimum manner, considering quality of development, time of completion and cost. All qualified companies are able to compete in these design competitions.

Quite recently we have added a new technique to these procedures, under which the Government states its requirements and objectives in terms of weapon system reliability and performance and desired delivery dates. Prospective contractors submit, with their proposals, their commitments as to these requirements and objectives. The selection of the successful contractor is made on the basis of these commitments, and they are then incorporated in the contract, as negotiated, with substantial penalties for failure to meet the commitments or premiums for superior contract performance in exceeding these commitments.

When our weapons have passed the development stage, every effort is made to subject further production to price competition. As the Secretary of Defense reported publicly within the last 3 weeks, the extent of price competition in Defense procurement is increasing. His statement of the economies which have been achieved in this and other fields was printed in the CONGRESSIONAL RECORD at the request of Senator MANSFIELD on July 13, 1962.

Defense Department procurement policies and procedures are under constant critical examination at all levels of management within the Department as well as by the General Accounting Office and interested committees of the Congress. We believe that they are entirely consistent with the statutes which govern all our procurements, and offer fair and equitable opportunities to qualified companies in American industry to compete for Defense contracts.

The PRESIDING OFFICER. The time of the Senator from California has expired.

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may speak for 3 additional minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KUCHEL. Mr. President, in what I have submitted is the answer to the Senator from New York. There is the answer to the Senator from Ohio. If people in any area of this country are interested in competing in free and open competition for contracts from the Defense Establishment, let them set about doing so, because in the statement I have received from Secretary of Defense McNamara he outlines precisely the basis upon which the Defense Department awards procurement contracts.

There is a set-aside for purposes of labor surplus areas, and it works like this: If the Department of Defense desires to procure a given piece of military equipment, whether it be radios, rifles, or what-not, it advertises for bids on the basis of exact specifications. When the lowest bid has been received, bidders from labor surplus areas who have not bid as low as the successful bidder, are given an opportunity to lower their bids, so that a part of the Government's procurement is set aside to go into the labor surplus areas. But the point is that there is no price differential. There ought not to be any price differential. That is not simply my view. That is the determined judgment of Congress. In the largest defense appropriation spending bill which Congress has ever passed, we wrote into the bill—as we have done over the years—one single specific prohibition against a price differential being paid to labor surplus areas.

I have said before, and I say now, that we cannot make of the Department of Defense procurement program a gigantic WPA. Congress appropriates money to the Department of Defense for one single purpose; namely, the security of the American people. We ought to salute the painstaking manner in which the dedicated people in the Department of Defense are discharging this immense responsibility, rather than to make veiled insinuations, as some Senators regrettably have done, that there is an unreasonableness or an administrative inertia in what, in my mind, represents a great and gallant Defense Department dedicated to the primary responsibility to all 180 million Americans—their security and their freedom.

Mr. JAVITS. Mr. President, I shall not take more than my allotted 3 minutes. I have listened with great respect and interest to the statement of the distinguished senior Senator from California. He leaves unsaid and undone the very things which are of the most moment to us. We agree upon security; we agree upon the responsibility and duties of the Department of Defense. We do not agree that when it is desired to help the labor surplus areas, as the President has promised, we are helping them when, in the case of two principal labor surplus areas in New York, the rate of the defense program is sliced by one-third, in one case, and by roughly 13 percent in another, in the space of 1961, as compared with 1962; when, as a labor surplus situation occurs in the San Diego area or the Long Beach-Los Angeles area, we find, in the space of 2 years, defense contracts doubling and trebling, and they are going right off the list. That is point number one.

So we say there must be something wrong with the administration of surplus labor efforts, if that is the end result, as the figures show that, without making any accusations about it.

Second, I have introduced a bill with respect to the making of competitive negotiated defense contracts. The reason for that bill is that there has come to be a very convenient and comfortable arrangement by which the procurement authorities, knowing certain suppliers as they do, they being so heavily California suppliers, find it easy and comfortable to do business with them. They know all the answers and they have happy relationships. My bill would open such business to competition, even as to negotiated contracts.

Finally, we point out that with the accelerating rate of procurement in California, which even in the first quarter of 1962 has already risen to almost 25 percent—24.6 percent—of the total procurement, as against 23.6 percent last year, we are rapidly developing a question of strategy in this field, because the promise is, as I stated in my speech this morning, that the Department of Defense will load even more business into California, because the Department is awarding California 41 percent of all research and development contracts, and they themselves say that the business will follow the research and development contracts.

This is becoming rather serious in terms of the national welfare. With the bulk of the defense work concentrated on the Pacific coast, this situation makes us even strategically vulnerable.

So, Mr. President, without calling California any names, but admiring the great job California has done, we raise certain fundamental questions which we believe we have a right to have answered. That is all I have attempted to do today.

The PRESIDING OFFICER. The time available to the Senator from California has expired.

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may proceed for 3 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. First of all, Mr. President, I wish to ask the Senator from New York whether it is his contention that the Government should pay a higher price for a given item, in order to favor a labor-surplus area?

Mr. JAVITS. The Senator from California knows the meaning of the phrase "leading question," for he, himself, is a good lawyer. Of course, that is not my intention at all. I would not favor it, and it would not be done.

All of us understand that an award to a labor-surplus area involves the same price for the article being obtained. That is also the case in regard to small business. But the Defense Department has a set-aside of a certain percentage for either labor-surplus areas or small business; and we have a right to point out that the set-aside for the labor-surplus areas is not adequate and is not working well, and should be reviewed and improved. That is one of the points I made.

Mr. KUCHEL. Is the Senator from New York contending that firms in a labor-surplus area in New York have not been given an opportunity to match the lowest bid made by other firms in a labor-surplus set-aside situation?

Mr. JAVITS. The New York firms simply have not had the business allocated—at the same price, although not necessarily the lowest bid. So our firms have had no opportunity to participate. Thus, it is obvious that the set-aside is not adequate and is not working well. So it is obvious that a change should be made.

Mr. KUCHEL. Does the Senator from New York contend that the awards made to San Diego firms several years ago—he referred to the situation in 1960—were labor-surplus set-aside contracts?

Mr. JAVITS. No, I did not specify what kind of contracts they were. But I point out that not only does California do better than many other States, including New York, in connection with such contract awards, but also whenever there is in California a labor-surplus situation, it is taken care of immediately, whereas a labor-surplus situation existing in New York not only is not taken care of, but actually becomes worse and worse and worse. I say the figures present a challenge to review this situation. That is all I have said.

Mr. KUCHEL. Mr. President, I wish to say that once again the able Senator from New York has demonstrated great and commendable zeal on behalf of his people. However, I suggest that it is his people who should match that zeal in dealing with this problem.

In that connection, I reread the following few lines which come from the Defense Department:

> Local initiative seeking defense business must direct itself to the creation of capability responsive to the exacting needs of modern warfare. Communities which fail to recognize this fact, and which fail to energize and mobilize their institutions to adjust to it, cannot reasonably anticipate a major role in future Defense procurement.

That is the best advice I can give the people of the State of New York. Let them "get on the ball."

The PRESIDING OFFICER. The additional time available to the Senator from California has expired.

Mr. JAVITS. Mr. President, I ask that I may proceed for an additonal minute, in order to be able to reply to the Senator from California.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JAVITS. Mr. President, the people of New York know exactly how to "get on the ball." I pointed that out in my speech, which the Senator from California has read in detail. The people of New York have greatly expanded their plants and research and development, and so forth. But it is impossible for them to "get on the ball" unless the ground rules permit them to do so.

So we suggest to the Senator from California that a few changes should be made in the ground rules, which thus far have kept New York firms from "getting on the ball." If such changes are made, then New York firms will be glad to play the game and to compete. The ground rules must be wrong; the figures speak eloquently as to that.

Mr. ENGLE. Mr. President, in answer to the statements by the Senator from New York in regard to the allocation of defense contracts to labor-surplus areas, I point out that the President clearly intended to give areas of unemployment special consideration, but only when a contract could be distributed to one place as well as to another without endangering the national defense—in short, when all other factors are equal. The President does not intend this directive to open up the matter of Federal contracting to political persuasion.

Let me say that if, under the criteria laid down by the President, areas in New York which have surpluses of labor are not getting their share, that is because they have not met the price criterion. But if such an area can compete and if it can provide the item at the same price and with the same quality and in the same period of time, it can obtain the allocation of a contract.

We in California have worked hard on this matter; some problems exist in our State—as my colleague [Mr. KUCHEL] has pointed out—for instance, in San Diego, Long Beach, and elsewhere.

The reason why the people of California have gotten this action is that they could meet the price, the quality specifications, and the time requirements.

The President of the United States never intended that the Nation's contracts would be a national soup kitchen or that the defense procurement of the Nation would be handled on a WPA basis.

What he intended to say was that if there is a labor-surplus area and if the firms there are competing for such contracts, and if the bid of a firm in the labor-surplus area can equal all others, then the Federal Government will try to help manage that unemployment problem. But that must be done within the framework of a program which puts the national defense first. Certainly the national defense comes before all other considerations—before political considerations, before sectional considerations, before all other considerations. And I hope that will remain the case.

Mr. JAVITS. Mr. President, will the Senator from California yield briefly to me?

Mr. ENGLE. I yield.

Mr. JAVITS. I should like to point out that there is no question about the price. The question is as to the amount available at a given price. Obviously, not enough is being made available. That is our argument. There simply is not enough available at those prices to help the labor-surplus areas; and, hence, the situation in those labor-surplus areas is deteriorating further. So it is clearly our duty to see whether we can succeed in having this situation changed.

Mr. HART. Mr. President, will the Senator from California yield?

Mr. ENGLE. I yield.

Mr. HART. I should like to make a somewhat risky suggestion—namely, that the award should not always be made to the firm which enters the lowest bid. I realize that this is a very dangerous suggestion to make, in that it could easily be "played back." However, I know the Government understands fully the economic impact of defense procurement upon our national strength. I suspect that even the Senator from California will agree that if it happened that California firms made the lowest bids for all such hardware, and if, in that situation, all the contracts were awarded to the firms which made the lowest bids, then, if all the defense work were being done by California firms, and if an earthquake occurred in California, everyone would say, "In heaven's name, what was the Department of Defense thinking about?"

Certainly, Mr. President, this matter involves very much that is not understood. Certainly we would understand more about it if we were to create a special committee or a select committee to be charged with the responsibility of determining the economic impact on all facets of this matter, including disarmament.

I have submitted a resolution in which that is proposed. I hope the Senate Committee on Rules and Administration will give the resolution careful attention.

It is supported by men in this body from many areas, but it goes to what is perhaps as basic an economic question as any that confronts us domestically, and it has world overtones, too.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ENGLE. Mr. President, I ask unanimous consent that I may have 1 additional minute in order to answer the comments of the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ENGLE. I did not say price should be the sole consideration. I said price, quality, and time.

Mr. HART. And I say that if all those conditions were met best by California in every case and the contracts all went to California, this Nation would be facing a disaster.

Mr. ENGLE. It has been suggested that there be a geographic distribution of defense contracts. If California were laid along the east coast, it would stretch from Maine to North Carolina. We in California actually are spread out that far. That is how large the State is. The idea that we ought to let contracts out on the east coast on a geographic basis does not make sense, because, as I have said, if California were laid out along the east coast, it would stretch from Maine to North Carolina. There has been a geographic distribution.

If we ever get away from the proposition that procurement of defense contracts should be based on the lowest price, highest quality, and the quickest period of time to perform the contracts, then we shall be sacrificing the defense of the country to other considerations that ought not to be primary.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. Mr. President, I ask unanimous consent that we may proceed for 1 more minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. The Senator is right. Any Senator on this floor has a responsibility to ask for fair and equal treatment for his people. Every Senator on this floor has a duty to refrain from asking more. In my judgment, the Defense Department in this administration, in the award of defense contracts, is giving fair and equal treatment to all Americans, no matter in what State they may reside.

Whenever I ask Senators who disagree with me whether they charge special treatment on favoritism or chicanery, they answer in the negative. Not one single specific instance has ever developed where a Senator has risen on the floor to say, "Look what happened here." No; let the Secretary of Defense go forward, in the terrible responsibilities he has, without being abused in the U.S. Senate.

Mr. JAVITS. Mr. President, if the Senator will yield, I might add to that statement—and giving California 25 percent of the business.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may proceed for one-half minute more.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. I say that if the Defense Department honorably, fairly, and after careful study of the situation, determined that every single dollar of procurement should go into New York, or any other place, and if that was the judgment of the civilian leaders and the military commanders charged with our Nation's defense, then no man on this floor ought to be heard to quarrel with the decision by demanding that the procurement be channeled into his own State.

Mr. HART. Mr. President, if the Senator will yield, would the Senator support such a position with respect to any State? This is a clear demonstration, as occurs at times, that we really do not know what we are talking about. I cannot conceive that it would be a sound course for America.

Mr. KEATING. Mr. President, I think the Senator from Ohio [Mr. LAUSCHE] and Senators from other States who spoke here Monday have performed a great service, as has my colleague from New York today, in returning to the question of the concentration of defense contracts in one State of our Union.

California now has over 24 percent of defense procurement. California does not make a 24-percent contribution to the running of the Federal structure. It does not have 24 percent of the people of this country. It certainly does not have 24 percent of the brains of this country.

There is a common theme running through the remarks of our colleagues from California in trying to defend this inequitable arrangement. The common theme is, first, unlimited and unalloyed praise of those who run the Defense Department; second, implications that those who oppose their position are denouncing the Defense Department; third, hints that those who oppose the present concentration of defense work want a distribution of defense contracts throughout this country based on purely geographic considerations.

All of those assumptions are false. Nobody is denouncing the Defense Department. Many of us have a very high regard for the Defense Secretary, as does the senior Senator from California, who praises him so eloquently.

What we are saying, as my colleague from New York has said, is that we should make an effort to change some of the rules under which the unfortunate situation of the concentration of defense contracts in California has been brought about.

One of those changes the Senator has referred to; namely, to have greater competition in procurement. Most of these items cannot be procured on competitive bidding, but there can be much greater competition in negotiated contracts. That is one change we are asking for in this legislation which was prepared and drafted by the steering committee of the New York congressional delegation.

Another is this—and I am now preparing legislation on this subject—it appears that procurement offices being located in California find it much more convenient to deal with California concerns. As a result, firms east of the Rockies are neglected. I have been told, for instance, of a situation in Ithaca, N.Y., where those who were seeking to compete could not even get full specifications and necessary drawings from the procurement offices in California.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KEATING. I ask unanimous consent that I may proceed for 1 more minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. There is a need for additional language in the present legislation to require that procurement officers provide full information so that any authorized and qualified contractors have an opportunity to bid on the items which the Defense Department is seeking to procure. New York firms have not had much success, particularly in Air Force procurement. The Navy has, generally speaking, done much better in spreading its work and keeping firms throughout the country informed. All of us who are now alert to this situation can perform a service to the whole Nation by bringing about an end to this type of limited and unfair competition, which appears to be increasing rather than decreasing.

Mr. ENGLE subsequently said:

Mr. President, in recent years we have heard on the floor of the Senate a number of speeches dealing with the politics of defense contracting—or, to use precise terms, dealing with the absence of politics in defense contracting. On Monday of this week the Senator from Ohio [Mr. LAUSCHE] commented on the subject, and was joined by the two Senators from Minnesota [Mr. HUMPHREY and Mr. MCCARTHY], the Senator from Maryland [Mr. BUTLER], and others.

Today, the Senator from New York [Mr. Javits] is making some additional comment.

The Record will show that occasional remarks on the same subject have been made from time to time over the past months and over the past years. As the Senator from Maryland [Mr. Butler] said on Monday, the question was raised as long as 3 years ago.

Mr. President, it is important to keep in mind what is happening here: namely, that these Senators are attempting to make a legislative record—or, to be precise, a record of comment—supporting the theory that defense contracts should be distributed like porridge from a soup kitchen—a ladle to this State, a ladle to that State, and so on down the line, until everyone has been fed.

These words are not used; no one says in so many words that defense contracts should be distributed in "soup kitchen" fashion. No one says we should make a WPA project out of the Nation's defense. But this is the import of these many, many speeches.

The comments of our colleagues have to do with statistics. They talk about percentages, and argue that in this month or this year, the State of California has received several percentage points more or less of the national-defense dollar. They talk about Department of Defense procurement policy. They talk about competitive advantages and disadvantages. On Monday, the discussion was centered on questions of which State has the scientific and technical know-how.

Whatever the terms, however, the recurring theme is that, somehow, defense contracts should be doled out, one to a customer, presumably throughout the 50 States.

On Monday, the Senator from Michigan stated the case well. He said:

> I hope this situation will serve to remind us that whenever a particular State fails to obtain some Department of Defense contract which it would like to have obtained, the Senators from that State often—out of a spirit of sectionalism and political survival—immediately rise and make speeches about the matter; but thereafter everything is forgotten until the next sorry incident occurs.

What the Senator from Michigan does not go on to say, although it is implied in his remarks, is that the defense of the Nation is not and cannot be best served by "sectional" attitudes and "political" considerations. As I have often reiterated in previous remarks on this subject, the Nation must have the best defense it can get for its dollars. The Nation must buy its defense needs where it can get them quickest, best, and at the best price. Secretary of Defense McNamara knows this. It is clear that Secretary McNamara is now keeping this standard paramount, and will continue to do so. There can be no doubt that the people of our country want it this way. We all want the best national defense we can buy for our tax dollars.

It is true that the State of California, which I represent, happens to have a remarkable concentration of defense contractors. Those contractors are doing a large share of the Nation's work on missiles and missile fuels, electronic devices, and the full range of new weapons.

What is not true is that these contracts are in California because of some kind of special friendliness on the part of the Department of Defense. Quite obviously, these contracts are not in California because of the political influence of its Senators, who number only two against the brilliant, respected, and influential multitude who represent the Eastern and, now, the Midwestern States who are engaging in this continuing debate on the other side.

We must say, again and again, that California's defense contractors know their business, have developed both plant and productive capability, and go into contract negotiations and bidding situations with sharp pencils. Let me say, also, that these companies have exhibited an exceptional amount of courage and imagination in working in an area that is as competitive—if not more competitive—as any other segment of our business.

From listening to these discussions, one might get the impression that California defense contractors are fat, and opulent, that they are having an easy time of it, catching the juicy plums as they drop from the tree. In fact, they are lean and trim. They lose contracts and they lose money, and some fall by the wayside. They are pioneers, and they bear the scars of pioneering.

Mr. President, on Monday, the Senator from Ohio mentioned the fact that Secretary McNamara has pointed out that defense contracts are going to areas in which are located a concentration of "brains"—to the States with great scientific and technical institutions. I believe he misinterpreted the Secretary's remarks when he suggested that any slur on the educational institutions of the great State of Ohio was intended.

It occurs to me that what Secretary McNamara did have in mind was that there are unusual concentrations of scientists and technicians at universities in Massachusetts, New York, and California, and that these particular universities are working in unique ways with industry research and development teams. It follows that defense contracts will go to places where the research and development are done.

Because I know the situation in California, I can use my own State as an example. We have in our State seven Nobel Prize-winning physicists, as follows: Dr. Owen Chamberlain and Dr. Emilio Segre, at the University of California; Dr. Robert Hofstadter and Dr. Felix Bloch, at Stanford University; Dr. Rudolph L. Mossebauer and Dr. Carl D. Anderson, at the California Institute of Technology; and Dr. William B. Shockley, with the Clerite Corp., at Palo Alto, near Stanford University.

We have in California seven Nobel Prize-winning chemists as follows: Dr. Willard F. Libby, Dr. Edwin M. McMillan, Dr. Wendell M. Stanley, Dr. Harold C. Urey, Dr. Melvin Calvin, and Dr. William F. Giauque—all at the University of California—and Dr. Linus Pauling, at the California Institute of Technology.

These eminent scientists are not necessarily involved in work that has any direct reference to defense contracting, of course. The point is that they attract a community of scientists and help to create the climate necessary to research and development which are, in turn, necessary to our capacity as a nation to match and surpass competition from other nations.

These men, of course, are not Californians, in any special sense. In a very real sense, they belong to mankind. Therefore, it is impossible to think of them in terms of politics or sectionalism. We are honored and proud to have them in California, but their presence there cannot conceivably be attributed to skulduggery. The suggestion is absurd.

Mr. President, today the Senator from New York [Mr. Javits] again touched on the theme that recurs throughout this continuing debate. He talked about "the adverse impact of administration defense procurement policies." He talked about "administrative inertia," and suggested that this phenomenon has resulted in inequity in the distribution of defense contracts.

Again, the implication is that somewhere, somehow, someone is seeing to it that California gets more than its fair share of contracts. And here is the heart of the matter: He suggests that defense contracts should be distributed on a "fair share" basis. It is "back to the soup kitchen."

The Senator from New York refers specifically to the fact that important defense contracts have recently gone to two key labor surplus areas in California—San Diego and Los Angeles-Long Beach. He then goes on to infer that these areas were given unusually quick attention by the administration, in contrast to labor surplus areas in his own State.

What he has chosen to ignore is that the capability to produce those contracts existed in the California areas cited. The fact is that those contracts were awarded for the reason cited previously, because the companies involved had the capability, the experience, the plant, the skilled manpower—and the sharp pencils.

In directing that Federal contracts go to labor surplus areas whenever possible, the President clearly intended to give areas of unemployment special consideration, but only when a contract could be distributed one place or another without endangering the national defense—in short, when all other factors are equal. The President did not intend this directive to open up the matter of Federal contracting to political persuasion.

I am delighted to learn from the Senator's remarks that the State of New York has demonstrated industrial and business growth and has also increased its scientific and technological capacity as well. I am glad to hear this because it bodes well for that great and important State, and, in turn, for the Nation.

I am also glad to hear the Senator underscore the fact that defense contracts will go where the scientific and technological capacity exists and where the business climate is healthy.

May I take the occasion to say that the State of California under Gov. Edmund G. Brown is moving in the same direction and has in recent years proven itself to be a good home for business and industry. Governor Brown's policies are a major factor in the economic health of our State. We have been moving forward at a great rate.

The State of California will be delighted to continue to compete with New York and all other States on the basis of who can do the best job at the lowest cost to the Nation. That is the proper basis for competition. The Nation can only benefit from such competition.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ENGLE. I am glad to yield to the Senator from New York, and I am delighted that he is in the Chamber. I would have notified him had he not been present.

Mr. JAVITS. I think the Senator is very generous, and the Senator knows I did the same with him.

All of us admire the spirit with which the distinguished Senator from California and his colleague [Mr. KUCHEL] have come to the defense of their own State and their own defense industries. I would not wish to engage in a debate running down the resources or capabilities of the State of California. We are proud California is in the Union. We hope it is as proud of New York as we are of California.

But in order that the record may be complete in connection with the Senator's statement, the points we have made have been essentially three:

First, we have felt that the surplus worker question in various areas of the States has not been sufficiently considered in the overall policy. It has been considered to some extent, but we do not think it has been considered enough. It is important because those set-asides are, in essence, pretty arbitrary, without any effort to change the lowest price criterion, and so forth, but are small in terms of the percentage of contracts allocated.

The second point, which we think is of importance, is the geniality which develops in defense contract awards, without charging anybody with impropriety, and therefore our desire to open up defense contracts to more open competition.

Third, the Senator from Michigan [Mr. HART] raised the question—and in it we join—as to whether the percentage of defense contracts allocated to the west coast is getting so high as to raise serious strategic considerations.

We have gone over that ground. We had a debate on it this morning. I emphasize these three points:

No one is trying to run down California or depreciate its capability in this field, or the job which the manufacturers in that State have done in fighting for business for that State. We think certain ground rules need to be changed which will give us a better opportunity to obtain contracts——

Mr. ENGLE. Will the Senator state precisely which ground rules he thinks should be changed?

Mr. JAVITS. I have stated them. One is the ground rule for set-asides for large surplus employment areas.

Mr. ENGLE. The Senator thinks they should be larger?

Mr. JAVITS. Yes, they should be larger.

Second, and very importantly, we think there should be a better technique of competition with respect to negotiated contracts, which represent the bulk of big-money defense procurement.

The third point which has been brought out by the Senator from Michigan [Mr. HART], as to whether or not the concentration of defense contracts on the west coast is not reaching the point where strategic considerations would dictate some different marshaling of defense procurement.

That is the summary of the case. I wanted to emphasize to the Senator that none of us wants to run down California, any more than any one of us wants to run down any other State, so we are making an affirmative rather than a negative case.

I thank the Senator for yielding.

Mr. ENGLE. I appreciate the remarks of the Senator from New York. In reply, we have no intention of running down the great State of New York, either. In the remarks I have made I have paid tribute to the progress being made in New York.

Let me make only one further comment with respect to the suggestion that there should be a greater set-aside for large surplus employment areas. It will not do New York or any other State any good unless it can compete on the basis of the criteria of best price, highest quality, and appropriate time for fulfillment of contract. It seems to me those criteria must necessarily be continued. There is no substitute for a sharp pencil and good bidding.

We will welcome such competition and will challenge any area in the country to compete with us on a fair basis. But we do not want the defense contracting of the Nation ever to get into a position of being a sort of political grabbag, where contracts are allocated on a basis wholly unassociated with the defense needs of the Nation, which is the first obligation of our Government.

Within those limitations, wherever we can help surplus employment areas, we shall be glad to do it, because we have surplus employment areas of our own.

I yield back the floor.

Mr. HART subsequently said: Mr. President, I ask unanimous consent that my remarks may be printed in the RECORD following the remarks made by the Senator from California [Mr. ENGLE] and the Senator from New York [Mr. JAVITS] a few minutes ago.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED STUDY OF THE ECONOMIC IMPACT OF NATIONAL DEFENSE PROCUREMENT

Mr. HART. Mr. President, very little could be said now which has not been said many times on this floor with respect to the economic impact of defense procurement. It occurs to me that all of us should be reminded of some things said earlier.

I do this by way of asking unanimous consent to have printed at this point in my remarks certain remarks made by me on May 3, 1961.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

Mr. President, some rather acrimonious words have been exchanged of late on the floor of the Senate on the subject of the location of defense contracts. Let me make it clear at the outset that Michigan has no quarrel with either New York or California. Let me make clear also that I do not advocate that defense procurement should become a tool for economic planning, nor do I believe it should be used for political reward or reprisal.

What I do contend is that defense procurement has an enormous impact on our economy. I am satisfied this can be proved; defense procurement undertakings of the Federal Government, by their very magnitude, cannot escape having such an impact. The Senate Special Committee on Unemployment Problems, in its report of March 30, 1960, expressed it this way:

"The impact of defense spending on the Nation's economy is greater than that of any other single item in the Federal budget. Any study of unemployment would be incomplete without consideration of this factor, because the magnitude of the defense budget and the rate at which large sums are spent affect not only the armament industries, but nearly every other industry in the country.

"The magnitude of our commitments is unprecedented. For the past 8 years national security expenditures have amounted to more than $40 billion a year—almost 10 percent of our gross national product—and are likely to continue at this or a higher level. Expenditures of this dimension have an obvious impact on such diverse aspects of our economy as tax and monetary policy, development of natural resources, allocations for domestic needs within the Federal budget, and the development of new patterns of international trade. Nowhere, however, is the impact more apparent to the average citizen than in the area of employment and unemployment, as industrial producers shift to meet the rapidly changing needs of our military planners."

All agree that these Defense sums are not spent in a vacuum. The next question is, "How many factors is it reasonable to require officials of the Defense Establishment to have in mind when their primary concern is with essential military requirements?" We know that they consider price; they consider speed; they consider quality; they consider transportation; sometimes they consider climate. Countless subjective evaluations are made on technical qualifications and corporate and financial capabilities before these contracts are let. I do not know to what extent they may consider the effects of procurement on business competition and monopoly. Where we bog down is on whether they should also consider idle human beings and idle plants.

This question is too basic to be dismissed as a battle between politicians for the spoils. No responsible person is asking that the defense procurement be divided into 50 equal parts, or into 50 parts based on taxation or on population or on any other such factor. The point those of us who have raised our voices are trying to get across is that the strength of our economy and therefore the welfare of the Nation requires a concerted effort to gear this enormous amount of Federal spending to the weak spots in our economy.

Essentially, our concern lies in three areas: Insufficient use of competitive bidding; insufficient use of small business; and insufficient use of labor surplus areas.

I do not suggest that there are easy answers. What I do want to suggest is that this is a matter so fundamental to our strength as a nation, so essential indeed to our long-term military position, that the Congress should no longer postpone a very thorough study of the impact of defense on our economy. We should recall the recommendation of the Senate Special Committee on Unemployment Problems—"study by an appropriate committee of the impact of military procurement and deployment policies upon employment stability and unemployment, and consideration of measures to ease resulting dislocations."

Mr. HART. Additionally, Mr. President, encouraged by the interest indicated today by the senior Senator from New York [Mr. JAVITS], when we discussed this subject at some length, I urge that consideration now be given to Senate Resolution 135, which was submitted by me at the time of my previous remarks and cosponsored by the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Alaska [Mr. GRUENING], the Senators from West Virginia [Mr. RANDOLPH and Mr. BYRD], the Senator from Massachusetts [Mr. SMITH], and the Senator from Rhode Island [Mr. PELL].

Perhaps the easiest way to show my concern is to suggest not that anyone in the legislative or executive branches is doing other than his best wisely to spend research and procurement dollars, but that none of us may know or fully appreciate all that which is now involved in this enormous field. I believe the Congress, the Defense Establishment—indeed, NASA and others—would benefit from a careful legislative study, which could comment on existing guidelines and perhaps develop new and approved guidelines for all of us.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas a strong economy is essential to the continued welfare of the Nation, to its agricultural and industrial development, and to the national security; and

Whereas Congress has recognized the need for controlling inflation and providing maximum production and employment; and

Whereas the spending of the Department of Defense is the largest single item in the national budget at the present time; and

Whereas the world situation indicates that this situation will continue into the foreseeable future; and

Whereas the impact of this spending has a direct relationship to the Nation's economic well-being; and

Whereas the defense expenditure policy could have significant bearing on business competition and monopoly; and

Whereas the termination, modification, or increase of the major defense undertakings frequently result in serious dislocation of the Nation's labor force; and

Whereas an international disarmament agreement would involve readjustments in our Nation's defense policies; and

Whereas maximum return for defense expenditures is essential to our continued prosperity; and

Whereas the Senate, in connection with provision of funds adequate for national defense and maintenance of a sound economy, desires to have recommendations relative to methods to achieve these essential goals: Now, therefore, be it

Resolved, That there shall be established a select committee of the Senate which shall make exhaustive studies of the extent to which defense procurement policies in the United States are related to the national economy, and the extent and character of defense procurement policies that can be expected to be required to provide for the national defense and maintain the Nation's economic strength to the end that such studies and the recommendations based thereon may be available to the Senate in considering defense procurement policies for the future. The committee shall be designated "The Senate Select Committee on the Economic Impact of National Defense".

SEC. 2. (a) The committee shall be composed of three members of the Committee on Armed Services, three members of the Committee on Banking and Currency, three members of the Committee on Labor and Public Welfare, three members of the Committee on Finance, and three members of the Select Committee on Small Business; all said members to be designated by the chairman of the respective committees, at least one member designated from each of the above committees being selected from the minority membership thereof. In addition, there shall be three Members of the Senate designated by the President of the Senate, at least one being from the minority membership thereof. The committee shall cease to exist as the close of business on January 31, 1963.

(b) Any vacancy in the membership of the committee shall not affect its powers, and any vacancy in the membership of the committee shall be filled in the same manner as provided for determining the original membership.

(c) Nine members of the committee shall constitute a quorum.

(d) The chairman shall be chosen by the members at the first meeting.

SEC. 3. The committee shall conduct a comprehensive study and investigation with respect to the following matters:

(a) The impact of defense procurement spending on the national economy from 1946 to the present time;

(b) The extent to which this spending is currently affecting our economy;

(c) Estimate of future trends in defense spending and their effect on the economy;

(d) Steps which could be taken consistent with the defense effort to minimize the inflationary and deflationary effects of defense spending;

(e) The character of legislation that may encourage the adoption of new methods and improved processes of defense procurement which will result in the least depletion of our national strength; and

(f) Such other factors it may consider necessary to attain a full and complete understanding of the impact of defense spending and defense procurement policies upon our national economy, our foreign policy, and the national defense.

SEC. 4. (a) For the purposes of this resolution, the committee is authorized to (1) make such expenditures; (2) hold such hearings; (3) sit and act at such times and places during the sessions, recesses, and adjournment periods of the Senate; (4) require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (5) administer such oaths; (6) take such testimony orally or by deposition; and (7) employ and fix the compensation of such technical, clerical, and other assistants and consultants as it deems advisable, except that the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1949, as amended, for comparable duties.

(b) Upon request made by the members of the committee selected from the minority party, the committee shall appoint one assistant or consultant designated by such members. No assistant or consultant appointed by the committee may receive compensation at an annual gross rate which exceeds by more than $1,200 the annual gross rate of compensation of any individual so designated by the minority members of the committee.

(c) With the prior consent of the executive department or agency concerned and the Committee on Rules and Administration, the committee may (1) utilize the services, information, and facilities of any such department or agency, and (2) employ on a reimbursable basis the services of such personnel of any such department or agency as it deems advisable. With the consent of any other committee of the Senate, or any subcommittee thereof, the committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the chairman of the committee determines that such action is necessary and appropriate.

(d) Subpenas may be issued by the committee over the signature of the chairman or any other member designated by him, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

SEC. 5. The expenses of the committee under this resolution, which shall not exceed $175,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HART. I am glad to yield to the Senator from New York.

Mr. JAVITS. I should like to be added as a cosponsor, if the Senator will ask unanimous consent for that.

Mr. HART. I thank the Senator very much.

Mr. President, I ask unanimous consent that the name of the senior Senator from New York may be added as a cosponsor of Senate Resolution 135.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

AIRLINE STRIKES

Mr. MORSE. Mr. President, I wish to address myself to the successful efforts of the Secretary of Labor in ending the crisis in airline transportation. I want to move as rapidly as possible so that the Senate may proceed to the memorial services for our beloved late colleague, Senator CASE, of South Dakota, but this is a matter of vital importance which I wish to speak about in the morning hour. I shall ask that there be printed at the conclusion of my remarks in the RECORD, a press release which I issued from my office yesterday, and which I would have delivered on the floor at that time had it not been for the fact of the tragic loss of our beloved colleague, the late Senator Henry Dworshak.

At an early hour this morning, after an all-night negotiation, Pan American World Airways and the Pan Am chapter of the Flight Engineers' International Association concluded a full and complete settlement of all issues in their long and difficult strike.

This morning's agreement is the culmination of months and months of exceedingly difficult and painstaking work by the Secretary of Labor Arthur Goldberg, Under Secretary Willard W. Wirtz, Dr. Nathan Feinsinger, and by the parties themselves, and I want to pay tribute to all of them for their efforts in bringing this matter to a reasonable conclusion, acceptable to all of the parties.

There is now peace on all of the airlines except Eastern and the emergency on the airways which so deeply troubled us over the past month has now passed.

Eastern alone is the holdout. The terms of the settlement which Pan Am and the Flight Engineers accepted this morning are identical to those which Eastern rejected yesterday. The Flight Engineers' International Association stands ready to sign an agreement with Eastern upon precisely these terms. Only Eastern's approval is needed to restore peace throughout the entire industry.

I join the Secretary of Labor in urging Eastern to reconsider its action yesterday and to accept the fair and reasonable terms offered to it by the Secretary's proposal.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the statement issued by the Secretary of Labor this morning announcing the settlement of the Pan American dispute.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SECRETARY OF LABOR GOLDBERG ON THE PAN AMERICAN SETTLEMENT

I am glad to announce that Pan American World Airways and the Pan Am chapter of the Flight Engineer's International Association have accepted my proposal for settlement of their long pending labor dispute. The proposal accepted by the company and the union is the same proposal I made July 23 to Eastern Airlines and the Eastern chapter of the FEIA.

Under the terms of the proposal accepted by Pan American World Airways and the flight engineers, the parties agreed to final and binding arbitration of all unresolved economic issues. The company and the union also agreed upon the principles of the crew complement issue and will undertake to reach agreement thereon subject to the concurrence of the Pan Am pilots with the assistance of the good offices of myself, Under Secretary of Labor Willard W. Wirtz, National Mediation Board member Francis O'Neil, Jr., and Dr. Nathan Feinsinger. Any crew complement issue not resolved is to be finally settled by such procedures as the last-named persons shall prescribe. The settlement further provides that the FEIA shall cancel its strike notice.

I want to thank the parties for their acceptance of my proposal and I particularly want to express the appreciation of the Government to Under Secretary of Labor, Willard Wirtz, Dr. Nathan Feinsinger, and National Mediation Board member Francis O'Neil for their able and dedicated work throughout many months in helping resolve this most difficult and protracted dispute.

Mr. MORSE. Mr. President, the flight engineers' decision to reach an agreement was made in my office some days ago, because the Secretary of Labor asked me to hold a series of conferences with the representatives of the flight engineers. This I did, and the conferences were helpful in regard to suggestions which led to the acceptance by the flight engineers of the proposal by the Secretary of Labor. Up until that time we had every reason to believe that Eastern would go along, because the agreement is based primarily upon the TWA agreement.

Mr. President, indeed, Eastern Air Lines at an earlier point clearly indicated that it would accept final and binding arbitration along the lines contained in the Pan Am agreement. These identical terms were offered to it on Monday. But on Tuesday, Eastern rejected the proposal.

It changed its mind at the critical point in the strike. In its release, Eastern attempted to justify its action on the ground that the basic crew complement issue could not be settled without agreement of the Eastern pilots. But I say to Eastern that the Secretary's proposal on the crew complement issue was made expressly subject to the concurrence of the pilots. Furthermore, in its ultimatum to the Flight Engineers which expired last night, Eastern offered job protection along lines similar to those included in the Secretary's proposal.

As a further justification of its rejection of the Secretary's proposal Eastern Air Lines stated that the proposal is unacceptable because it includes arbitration of the issue of retroactive pay along with other pay issues such as amount, effective date, and severance pay. Eastern states that it is not willing to include retroactivity as an issue to be arbitrated in view of the Flight Engineers' strike.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. MORSE. Mr. President, I ask unanimous consent that I may proceed a few more minutes, to finish this announcement.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

Mr. MORSE. Mr. President, the Secretary of Labor, in his statement yesterday, pointed out that he, too, has been critical of the Engineers' strike as being against the public interest. He stressed that his "proposal of yesterday takes specific note of this as a factor to be taken into account in the final settlement of this case."

I say, as an old arbitrator, no arbitrator could possibly ignore the position the Secretary of Labor has pointed out.

But the important point, Secretary Goldberg said, was that "if the interruption of this service was against the public interest, so is the continuation of this interruption."

The Secretary's proposal is an eminently fair one and paves the way for a reasonable and voluntary termination of the strike at Eastern which has caused such deep concern to all of us who have been following it.

The airlines dispute has been particularly troublesome since its inception because it involves complicated and exceedingly difficult issues which have been slowly developing over a long period of time and which finally came to a head at the time that the airlines began negotiations with the flight engineers in 1960. We should underscore that the negotiations, which were capped by the Pan American settlement, began in March of 1960, and have occupied 28 months of time-consuming work by the parties, by the National Mediation Board, by Presidential emergency boards, by special Presidential commissions, and by the Secretary of Labor, the Under Secretary and other top officials on his staff. There were many questions to be resolved in the course of these negotiations, but at the heart of the matter was the question as to whether the flight engineers could continue to survive as a separate identifiable group for collective bargaining with separate representational rights. It was this point which complicated the other issues and which created such great difficulties in developing satisfactory voluntary procedures for the settlement of the dispute.

The Secretary of Labor, aided by his Under Secretary, Willard Wirtz, after long and arduous hours of negotiation, developed proposals which overcame the principal obstacle to the negotiations and which have now terminated the emergency.

In announcing this proposal to Eastern Airlines on Monday the Secretary noted, first, that the crew complement and job protection issues have been worked out to the satisfaction of the parties, paralleling the TWA settlement; second, that Eastern Air Lines and the Flight Engineers are in agreement to accept the report of emergency board No. 144 on all economic issues other than rates of pay, retroactivity, effective dates, and severance pay; and, third, that both Eastern and the Flight Engineers at one time or another in the course of mediation have agreed to final and binding arbitration of all economic issues.

It was in these circumstances that the Secretary on Monday recommended to Eastern Air Lines and to the Flight Engineers—

First. That the parties arbitrate the rates of pay, including retroactivity, effective dates, and severance pay;

Second. That the parties work out the crew complement issue within the framework of the principles already agreed upon subject to concurrence by the Eastern pilots; and

Third. That the Flight Engineers immediately call off their strike.

The Flight Engineers have accepted this proposal.

Pan American World Airways has now accepted this proposal.

Eastern has rejected it.

The hard, basic problems that influenced the course originally followed by the Flight Engineers were ones that were understandable. The Flight Engineers, however, have accepted the Secretary's formula for the resolution of these problems and have now settled the entire matter with Pan American on a fair and honorable basis, as proposed by the Secretary.

They stand ready to sign with Eastern on identical terms.

Eastern Air Lines at one time or another agreed to the very proposal which the Secretary now makes. I cannot understand why Eastern, at this critical point, should change its mind, should revise its position, and should now insist upon a course which will prolong its strike and create a climate of increasing tension and animosity.

Perhaps it was awaiting the result of its back-to-work ultimatum which expired last night. We now know that this effort to break the strike failed, and the Flight Engineers are united in their readiness to return to work on the fair terms which formed the basis for the settlement at Pan American, arranged by the Secretary of Labor.

I join the Secretary in urging Eastern to reconsider its action of yesterday in rejecting the Secretary's proposal.

I think that the cooperation which this administration has given to Eastern Air Lines on the jurisdictional dispute feature of the strike entitles it to the cooperation of Eastern at this time.

Mr. President, I ask unanimous consent to have printed in the Record at this point my press release dated July 24, 1962; and the press releases by Secretary of Labor Goldberg dated July 23, 1962, and July 24, 1962.

There being no objection, the press releases were ordered to be printed in the Record, as follows:

Proposal by the Secretary of Labor To Settle the Eastern Air Lines Strike

Senator Wayne Morse, of Oregon, announced today that he had prepared the following statement for delivery in the Senate in this morning's session but had withheld making the statement out of respect for the late Senator Henry Dworshak, of Idaho, whose tragic death occurred last night:

"Secretary of Labor Goldberg yesterday developed a proposal which offered a sound and reasonable basis for the voluntary settlement of the month-old Eastern Air Lines strike. We have been told this morning that the Flight Engineers have accepted this proposal unconditionally and would be ready and willing to return to work immediately upon the basis of the terms suggested by the Secretary.

"Eastern Air Lines has rejected the proposal although they previously had accepted an identical formula.

"Eastern changed its mind at the critical point in the strike. In its release this morning Eastern claimed that they were required to decline the proposal because the basic crew complement issue could not be settled without agreement of the Eastern pilots. But I say to Eastern that the Secretary's proposal on the crew complement issue was made expressly subject to the concurrence of the pilots. Furthermore, in its ultimatum to the Flight Engineers which expires at midnight tonight, Eastern has offered job protection along lines similar to those included in the Secretary's proposal.

"As a further justification of its rejection of the Secretary's proposal Eastern Air Lines has stated that the arbitration proposal is unacceptable because it includes arbitration of the issue of retroactive pay along with other pay issues such as amount, effective date and severance pay. Eastern states that it does not appear to be reasonable to include retroactivity as an issue to be arbitrated in view of the Flight Engineers earlier, short-lived strike of February 1961 and of their action in calling the present strike with loss to company, to the other employees, to the stockholders and to the public.

"The Secretary of Labor, in his statement this morning, pointed out that he, too, has been strongly critical of the Engineers' strike as being against the public interest. He stressed that his 'proposal of yesterday takes specific note of this as a factor to be taken into account in the final settlement of this case,' but the important point, he said, was that 'if the interruption of this service was against the public interest, so is the continuation of this interruption.'

"The Secretary's proposal is an eminently fair one and paves the way for a reasonable and voluntary termination of the strike which has caused and continues to cause such deep concern to all of us who have been following it. The serious implications of the strike and of its continuation have been reviewed by a number of us in statements made from time to time during the past few weeks. The administration is no less concerned than we are and has spent countless hours and most painstaking work in attempting to develop a satisfactory basis for ending the deadlock.

"The dispute has been particularly troublesome since inception because it involves complicated and exceedingly difficult issues which have been slowly developing over a long period of time and which finally came to a head at the time that the airlines began negotiations with the Flight Engineers in 1960. We should underscore that the negotiations which were capped this morning by the Flight Engineers' acceptance of the Secretary's proposal to arbitrate, began in March of 1960 and have occupied 28 months of time-consuming work by parties, the National Mediation Board, by Presidential emergency boards, by special Presidential commissions and by the Secretary of Labor, the Under Secretary and other top officials on his staff. There were many questions to be resolved in the course of these negotiations but at the heart of the matter was the question as to whether the Flight Engineers could continue to survive as a separate identifiable group for collective bargaining with separate representational rights. It was this point which complicated the other issues and which created such great difficulties in developing satisfactory voluntary procedures for the settlement of the dispute.

"But I say now as I have said before, that the parties have the obligation to exert every possible effort to avoid extending disputes of this nature into an area which would cause irreparable loss to the economy as a whole.

"The Secretary of Labor, brilliantly aided by his Under Secretary, Willard Wirtz, after tireless and unending hours, has developed a proposal which has broken through the principal obstacle to the negotiations (that of separate representation) and which has been unconditionally accepted by the engineers as a complete settlement of the strike.

"In announcing this proposal, the Secretary noted (1) that the crew complement and job protection issues have been worked out to the satisfaction of the parties, paralleling the TWA settlement; (2) that Eastern Airlines and the Flight Engineers are in agreement to accept the report of Emergency Board No. 144 on all economic issues other than rates of pay, retroactivity, effective dates and severance pay; and (3) that both Eastern and the Flight Engineers at one time or another in the course of mediation have agreed to final and binding arbitration of all economic issues.

"It was in these circumstances that the Secretary yesterday morning recommended—

"1. That the parties arbitrate the rates of pay, including retroactivity, effective dates and severance pay;

"2. That the parties work out the crew complement issue within the framework of the principles already agreed upon subject to concurrence by the Eastern pilots; and

"3. That the Flight Engineers immediately call off their strike.

"The Flight Engineers have accepted this proposal.

"Eastern has rejected it.

"Like the Secretary of Labor, I have been strongly critical of the engineers' strike over the past month and have been doing all in my power to bring this strike to a successful and peaceful termination. Like the Secretary I stated that any interruption of service by the strike action of the engineers was contrary to the interests of the public. The continuation of this interruption by the course which Eastern Airlines has chosen to follow this morning is likewise contrary to the public interest.

"The hard basic problems that impelled the course originally followed by the Flight Engineers were ones that could be understood. The engineers have now accepted the Secretary's formula for the resolution of these problems and have now offered to settle the entire matter on a fair and honorable basis, as proposed by the Secretary.

"Eastern Airlines at one time or another agreed to the very proposal which the Secretary now makes. I cannot understand why Eastern, at this critical point, should change its mind, should reverse its position and should now insist upon a course which will prolong the strike and create a climate of increasing tension and animosity.

"Like the Secretary of Labor I call upon Eastern to reconsider its action of this morning in rejecting the Secretary's proposal."

Proposal by the Secretary of Labor for Settlement of the Dispute Between Eastern Air Lines and Eastern Air Lines Chapter of the Flight Engineers International Association

Prior to the Flight Engineers' strike against Eastern Air Lines, the carrier had agreed to accept the Government's proposal for settlement of the crew complement issue paralleling the TWA settlement. The company also agreed to arbitrate all issues, including the unresolved economic issues.

The Flight Engineers, before the strike, had rejected the crew complement settlement proposed by the Government and had first accepted and then withdrawn acceptance of the Government's proposal to arbitrate the economic issues.

Currently, the Flight Engineers are willing to accept in principle the crew complement settlement proposed by the Government.

The company currently has offered the Flight Engineers who will return to work job protection paralleling the TWA settlement.

With respect to the economic issues, the current status is: the company and the Flight Engineers are in agreement to accept the report of the Emergency Board No. 144 on all economic issues other than rates of pay, retroactivity, effective dates, and severance pay. These economic issues remain in dispute.

It is apparent, therefore, that Eastern Air Lines and the Eastern Air Lines chapter of the Flight Engineers International Association have, at one time or another, agreed to settlement in principle of the crew complement issues and have also agreed to final and binding arbitration of the economic issues.

Of course a strike has supervened and this is a factor which obviously must be taken into account.

The overriding public interest in the settlement of this dispute, as well as the interests of the parties would still be best served by a definitive and mutually agreeable settlement which gives effect to the areas of agreement both in substance and procedure which the parties themselves have heretofore found acceptable. I, accordingly, recommend—

A. That the parties agree to final and binding arbitration of the rates of pay issues, including retroactivity, effective dates, and severance pay. In resolving these issues the arbitrator shall consider all relevant facts, including the background factors and the history and circumstances of this dispute. If the parties cannot agree upon an arbitrator, he shall be selected by them from a panel nominated by the American Arbitration Association, in accordance with its usual procedures.

B. That the parties agree that, upon receipt of the arbitration award of the unresolved economic issues, they will complete agreement regarding the crew complement issue within the framework of the heretofore agreed upon basic principles and subject to the concurrence of the Eastern Air Lines pilots. In completing agreement on the crew complement issue, the parties will have the assistance of the good offices of the Secretary of Labor, the Under Secretary of Labor, the Chairman of the National Mediation Board and Dr. Nathan P. Feinsinger. Any crew complement issue not resolved is to be finally settled by such procedures as they shall prescribe.

C. That the Flight Engineers International Association shall immediately cancel all strike action and Eastern Air Lines shall immediately resume operations.

SECRETARY GOLDBERG'S STATEMENT ANNOUNCING THAT EASTERN AIR LINES REJECTED SETTLEMENT PROPOSAL

The Flight Engineers have accepted my proposal to return to work. They have agreed to the principles of the crew complement settlement proposed by the Government and to arbitration of all unsettled issues.

Eastern Air Lines has now rejected this proposal, although they had previously accepted it.

Eastern representatives based their action on the fact of the intervening strike. I have myself been strongly critical of that strike as being against the public interest. My proposal of yesterday takes specific note of this as a factor to be taken into account in the final settlement of this case. But if the interruption of this service was against the public interest, so is the continuation of this interruption.

An opportunity has finally been afforded here for constructive settlement—on the basis of reason and fairness, and without further economic loss to the parties or injury to the public—of this long-festering problem. It is an extremely serious matter for this opportunity to be rejected.

I urge strongly that the company reconsider its action.

DEFENSE CONTRACTS

Mr. **WILLIAMS** of Delaware. Mr. President, in connection with the earlier discussion between the representatives of our two great States of New York and California, I wish to point out the additional fact that the Defense Department is not now intended to be, nor was it ever intended to be, operated as a relief agency.

The duties of the procurement officers of the Defense Department include the buying of necessary equipment and hardware to maintain the defenses of this country. In making those purchases, I think they ought to stop negotiating the contracts in California or any other State when those contracts could very properly be awarded on competitive bids. They should solicit competitive bids in all cases where feasible and should award contracts only to the lowest responsible bidder.

If in that process the State of Delaware, the State of New York, or the State of California should lose a contract, let the taxpayers get the benefit thereof.

I will extend that thought further and say that I hope my good friends from the west coast, who will no doubt underwrite this part of my statement, will also underwrite and support another proposal, which will be made at a later date; namely, to repeal the present 6-percent differential whereby in regard to the construction of ships the west coast manufacturers can bid as much as 6 percent higher than the east coast manufacturers and still get the contract. I think, not only in regard to procurement through the Defense Department, but also as to the construction of ships, the American taxpayer should have the benefit of buying these items at the lowest responsible price.

At the appropriate time I shall try to have repealed this 6-percent differential which is allowed under present law and which is costing the taxpayers unnecessarily millions of dollars annually.

The repeal of this differential will be in line with the strong arguments just made by my friends from California.

TRIBUTE TO DR. NORMAN F. WEATHERLY

Mr. **MORSE**. Mr. President, I was touched to receive from Dr. Norman F. Weatherly a copy of a letter he had dispatched to the President of the United States under date of July 13, 1962. Dr. Weatherly has just received his doctorate in zoology from Kansas State University. As a former Oregonian he brought to my attention his personal thanks for the help the Federal Government has been to him in achieving his educational distinctions.

It is letters such as this which reflect, in my judgment, the feeling of an overwhelming majority of young American men and women who through the aid of the Federal Government have been enabled to achieve their academic objectives. At a time when most of us are in receipt of much mail and correspondence concerning the pressing problems which affect the lives of the citizens of our States, it is most welcome and most heartening to receive from a fine young man an expression of thanks for legislation in the education field which has been of material assistance to students.

Mr. President, I ask unanimous consent that the correspondence to which I have alluded be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF ZOOLOGY,
KANSAS STATE UNIVERSITY,
Manhattan, Kans., July 13, 1962.

JOHN F. KENNEDY,
President of the United States,
White House,
Washington, D.C.

DEAR PRESIDENT KENNEDY: A week ago Thursday, I received my doctor of philosophy degree in zoology from Kansas State University. Less than a month ago, I received my last educational payment (commonly called the GI bill) from the U.S. Government. I was entitled to these benefits because I had served in the U.S. Army during the Korean crisis.

My wife, two children, and I want to thank you, Mr. President, as representative of the people of the United States, for the money received during the past few years. This monthly payment helped provide a sense of security which is so necessary to a family man seeking an advanced degree.

I have elected to teach in a land-grant university and by this, I hope to repay, in some small way, the people of the United States for their monetary trust in me.

I was born in Oregon and therefore, I am sending a copy of this letter to Senator WAYNE MORSE.

Sincerely,

NORMAN F. WEATHERLY.

FEDERAL FINANCES

Mr. **MORSE**. Mr. President, I ask unanimous consent that there appear at this point in the RECORD an editorial from the Eastern Oregon Review, of La Grande, Oreg., dated June 21, relating to a capital budget for the United States, and its impact upon our economy.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FEDERAL FINANCES

Senator WAYNE L. MORSE, of Oregon, has a bill in the U.S. Congress which would make it possible for the United States to set up a capital budget as a different entity from the ordinary budget. Under a capital budget would set up those functions of Government which would deal with capital gains in Government, or investments of the Government in things that will add, for years to the national gains such as highways, dams, bridges, airports, educational institutions, and so forth. These things not only give long-term service to the Nation but also make possible a more rapid development of the national resources.

Matters that come under this category might be expanded into many fields not now apparent. A considerable amount of money is spent by the Government in scientific research. These research projects include developments in the matters of disease control, expansion of fish and forest resources which in turn tend to expand our private business and increase the wealth of the Nation.

It seems very logical that should such developments that are financed by the Government be set apart from the usual appropriations of the Government then the taxpayer's representative as well as the representatives of the people, could, when necessity demanded, make cuts in the less important expenses of Government without jeopardizing the features in Government which adds to our wealth rather than to detract from it.

Presently much of the Government expense is tied into defense and outer space projections. These are important matters to all our people but judging from the many citations of mismanagement and rank extravagances it might indicate that incompetents have been placed on jobs they should not have been given or that undue pressure has been brought upon Government purchasing departments by overly avid salesmen.

We hear much about the gross national product growing when the economy is lagging. This might very well be, and many things indicate that the gross product is so dependent upon Government spending that it is throwing our economy into imbalance which is detrimental to many sections of the Nation. Huge payrolls are built in areas which are neither able to care for the traffic or the proper living conditions of the people drawn there, while other areas are starving because no governmental plums are thrown their way.

It is very likely that, should the people of this country quit worrying about competition so much, and start operating our industry, our Government and our foreign spending in a way that is more orderly and sensible, everyone would be better off.

The mission of the National Government is not to support the people in luxury either here at home or abroad. The mission of the government, in a democracy, is to make it possible for the people to make a living. When the possibility is there it should be up to them to make the most of it. That possibility should not be tied in with the subsidizing of huge industries and financial institutions in a few widely separated sections of the Nation.

Should the Government provide the incentive and help in overall development of the resources of this Nation then the people should work out their own destinies in the sections of the Nation they prefer to reside. The same should be applied to the foreign nations into which we are pouring the life blood of our taxpayers. The money so distributed should not be dispensed upon the basis of whether Russia, China, or some other nation will give these nations money if we don't. It should be given, if at all, upon the basis of the amount of help these people give themselves. If the people who benefit from our aid are not willing to help themselves then we should not be too interested in looking for an excuse to help them.

It is high time that we quit spending billions in war aid and munitions to the foreign countries and get back in helping with essentials of making a living and of helping them toward education, in health, sanitation, modern methods of commerce and other things that will build up a better race and a better standard of living rather than a stronger means of destruction.

If the United States sets aside their budget so that the self-liquidating and development projects may be sustained rather than being the victims of change with every new administration our internal problems would be more nearly solved. Then if we would set up a board of inquiry in the Nation, founded upon a nonpartisan basis and employing the aid of people from all walks of life, to study our foreign aid problems as well as our economic problems here at home, we might be able to bring our national affairs out of the chaos we are in.

Politicians are too susceptible to pressure and the greatest pressures are applied by those saving the money and numbers with which to apply the pressures. Politicians are also susceptible to money. Campaigns for political office, in even the lesser offices, are so costly that money can be made to be so important that the value of the men who go into public office might well be controlled before they get to the place where they can do anything for the people who cast the votes and pay the taxes. That situation is getting worse rather than better.

Our people must reform themselves before it is too late. A study of history is all that is necessary to find that almost every great nation perished when the governments became corrupt and the governments became corrupt when money was able to buy those who presided at the heads of government.

ALLIANCE FOR PROGRESS PROGRAM IN LATIN AMERICA

Mr. MORSE. Mr. President, the National Broadcasting Co. in its nationwide "News in Depth" program Tuesday evening, July 24, 1962, emanating from WRC in Washington, D.C., discussed the question raised a few days earlier by my colleague from Alaska [Mr. GRUENING], who had asked why the United States did not adhere to self-help provisions in the Alliance for Progress program in Latin America.

When Senator GRUENING suggested that aid to Argentina and Brazil, as well as Peru, under the Alliance program be suspended, I applauded his suggestion at the time, because in my judgment the Senator from Alaska had then cut down to the essence of the problem confronting the United States in regard to the whole Alliance for Progress program.

I am, therefore, pleased that my colleague's observation that continuance of aid to unstable governments could encourage those who resist reform has received nationwide dissemination on the NBC program which was presented by Mr. Elie Abel, Department of State correspondent for NBC news.

I ask unanimous consent that the full text of Mr. Abel's remarks be reprinted in the RECORD at this time.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

NATIONAL BROADCASTING CO.'S NATIONWIDE "NEWS IN DEPTH" PROGRAM

Senator ERNEST GRUENING, the Alaska Democrat, raised a question last week that seems to puzzle and perplex a great many Americans: Why does the United States go on giving economic and military assistance to Latin American governments which are unwilling—or unable—to put their own houses in order? Why—in short—do we go on helping countries which refuse to help themselves? The Alliance for Progress, proudly proclaimed by President Kennedy himself at the very beginning of his term, was supposed to be something new and revolutionary—there would be no more bailing out of corrupt oligarchies, no winking at the systematic suppression of human rights. American aid would go in the first instance to stable governments, which could claim in greater or lesser degree to rule by consent of the people, governments which would undertake the social, economic and political reforms without which forward progress was impossible. Implicit—but never spelled out by the President—was an undertaking that the United States would help generously those countries which qualified for help; and cut off those which disqualified themselves.

On the first anniversary of the Alliance, President Kennedy invited the Latin American ambassadors to the White House. He said to them: "Those who make peaceful revolution impossible will make violent revolution inevitable. These social reforms are at the heart of the Alliance for Progress. They are the preconditions to economic modernization."

The fact of the matter is that the United States has found it difficult—in some cases impossible—to carry out the President's policy. Hundreds of millions of dollars have gone to unstable governments which were doing little or nothing to correct the inequities between rich and poor, countries in which a handful of generals and admirals could make or break Presidents and set aside the results of popular elections when they didn't like or trust the people's choice.

Senator GRUENING served as one of the midwives at the inter-American conference in Montevideo which gave birth to Franklin D. Roosevelt's good neighbor policy. Twenty-nine years later, the Senator thinks the time has come to translate policy into action. He believes the example we set now will be contagious.

"Other nations in Latin America," says GRUENING, "seeing the unstable governments of Peru, Argentina, and Brazil receive United States dollars—purportedly under the Alliance for Progress—can only conclude that the United States does not really mean what it says. We play into the hands of those who would resist reform if we continue the inconsistent policy under which we grant funds to governments so unstable that there is little hope of their having the power to institute reforms or, in fact, of being in power tomorrow."

The Senator from Alaska was gratified to learn that President Kennedy had suspended diplomatic relations with Peru—and cut off economic as well as military assistance—following the general's coup d'etat in Lima a week ago. Peru, admittedly, was a clear-cut case of the military usurping civilian authority, arresting the President of the Republic, wiping out the results of a free election. Why—asks Senator GRUENING—did the United States not act as vigorously a few months back when the chiefs of the Argentine armed forces overthrew President Frondizi or when the Brazilian generals tried to block President Goulart's accession to power.

Whatever the reasons for this lack of consistency—and they are somewhat complicated—the crackdown in Peru is widely regarded as a case of better late than never.

In one clear-cut instance of military intervention, the United States has come down hard on the side of constitutional process. Teodoro Moscoso, the fiery, outspoken chief of our aid program for Latin America, is convinced that the action came not a moment too soon. If we had passively accepted the rule of force in Peru, Moscoso says, the Alliance for Progress would—to all intents—have become null and void. Late reports from Peru make clear that the generals and admirals—even though their physical power is unchallenged—have been shaken by the vigor of Washington's response. The country can ill afford the loss of some $81 million in U.S. aid. And the generals are now talking of a new civilian regime which they hope the United States will be able to recognize. Would-be dictators in other Latin countries may now think twice about supplanting elected governments they happen to dislike.

Elie Abel, State Department correspondent of NBC News.

NO "LEGISLATIVE BRIBERY" IN RANDOLPH'S VOTE — PEARSON COLUMN "PURE DISTORTION," CHARLESTON GAZETTE DECLARES EDITORIALLY; RIBICOFF AND HEW OFFICIALS ARE PRAISED

Mr. RANDOLPH. Mr. President, on Monday, July 23, 1962, I spoke in detail in this forum concerning inaccurate allegations by columnist Drew Pearson on the subject of an amendment included among provisions of H.R. 10606, the Welfare Amendments of 1962.

Mr. Pearson had charged that the senior Senator from West Virginia entered into what he called a secret deal with the senior Senator from Oklahoma [Mr. KERR] to have an amendment accepted to make community work authorization provision of the aid to dependent children of unemployed parents program retroactive to July 1, 1961. Mr. Pearson wrote that the amendment was a "piece of legislative bribery."

In my remarks on July 23, I pointed out that a "secret deal" did not exist because the amendment which Mr. Pearson inaccurately referred to as a "windfall for West Virginia," was not a subject of negotiation solely between the senior Senator from Oklahoma [Mr.

Kerr] and the Senator from West Virginia who now speaks. I termed the "legislative bribery" allegation equally inaccurate. The fact is, as previously stated for the Record, that the amendment was one which originated in the Department of Health, Education, and Welfare and was agreed to in turn by both Senators from West Virginia, the chairman and ranking minority member and other members of the Committee on Finance, the majority leader and minority leader of the Senate, the U.S. Senate in formal action, the House-Senate conference, and finally by each House of the Congress in agreeing to the conference report.

In prior discussions of this topic, I confined my comments to pertinent facts involved, but I should also have expressed deserved tribute to former Secretary of Health, Education, and Welfare Abraham Ribicoff and to the Assistant HEW Secretary for Legislative Affairs, Dr. Wilbur J. Cohen, as well as Commissioner Robert M. Ball, of the Social Security Administration.

Mr. Ribicoff, as Secretary of HEW, and Assistant Secretary Cohen and Commissioner Ball have been diligent, honest, and intelligent in the performance of their duties. Among their most difficult problems, no doubt, were those which had to do with the public assistance program relationships between HEW and the State of West Virginia. These problems were not only difficult—they also were peculiar in many respects—because of the nature and degree of the distress in our State. Their solutions called for patience, tolerance, and the attention of executives and administrators able to cope with unusual conditions in a very real and a very practical way.

It was because Secretary Ribicoff was both understanding and practical that West Virginians have a high regard for him and recognize his superlative service. Throughout the 18 months of his tenure, Mr. Ribicoff was most capably assisted administratively and in the legislative liaison field by Dr. Cohen. We have had the invaluable assistance of these diligent public officials in the solution of critical problems in West Virginia. I am convinced that their cooperation and their actions were totally within the framework of the national interest. It is decidedly to their credit—and very properly so—that in the passage of H.R. 10606, the Congress of the United States has approved the manner in which Mr. Ribicoff, Dr. Cohen, Commissioner Ball and the personnel of HEW have administered the relatively new ADCU program and other public assistance plans. It is to their credit, too, that Congress accepted their recommended provisions for the future, insofar as child welfare and other vital elements of the public assistance programs are concerned.

When I spoke in the Senate on July 23 concerning the inaccuracy of Mr. Pearson's column, I was aware that the Charleston (W. Va.) Gazette, among other newspapers, has published the Pearson comments in the morning editions. But I was not aware that the Gazette had published an editorial under the title "There was No 'Bribery' in Randolph's Vote—Pearson Column Pure Distortion."

I am grateful that the Gazette published the refutation of the Pearson comments in the same edition. The editor of the Gazette was accurate in his evaluation of the amendment in question and Mr. Pearson's inaccurate accusations. I acknowledge that the Gazette disapproved my position on the vote by which the health care amendment to the welfare reform measure was tabled on July 17. It was an honest difference.

In addition to the July 23 editorial in which the Gazette disagreed with Mr. Pearson, its capable editor, Harry Hoffmann, devoted his special column of July 24, 1962, to a detailed and, in my view, an accurate discussion of the program of aid to dependent children of unemployed parents in West Virginia. As the headline over his column states, the "ADCU Program Was Far From Shady." I believe Editor Hoffmann has performed a valuable service by setting forth facts of a very significant nature in clear and concise language. I associate myself with his tribute to former Secretary Ribicoff, and I speak in the same terms with respect to Assistant Secretary Cohen and Commissioner Ball of HEW.

Mr. President, I ask unanimous consent to have printed in the Record the July 23, 1962, editorial from the Charleston Gazette to which I referred and the "Politics" column by Harry Hoffmann in the July 24, 1962, issue of the same newspaper concerning which I commented.

There being no objection, the editorial and column were ordered to be printed in the Record, as follows:

[From the Charleston Gazette, July 23, 1962]

There Was No "Bribery" in Randolph's Vote—Pearson Column Pure Distortion

Today, Columnist Drew Pearson discusses what he calls a smart little piece of legislative bribery, which he says is what really caused the defeat of the medicare bill.

What Pearson has done is to take a technicality, some half-truths, some rubbish, and some careless imagination, mix in a desire to sensationalize, and distort the whole conglomeration to the appearance of an inside report.

The facts, as we understand them, are these:

There was no "bribery" involved, although Senator Randolph probably felt indebted to Senator Kerr, who was handling the welfare reform bill in the Senate, for his assistance in clearing up a situation that could have been costly to West Virginia.

The so-called illegal expenditure of aid to dependent children of the unemployed (ADCU) funds by West Virginia was nothing more than a technicality.

Secretary Ribicoff, rather than "discovering" this discrepency and being in the act of "cracking down" on it, actually had approved it along with other top officials of the Department of Health, Education, and Welfare. New York and California had similar programs on a smaller scale.

The question about using ADCU funds in support of work relief was raised only because the 1962 act specifically authorizes it * * * and someone raised the point that if it was not "legal" until 1962 it must have been "illegal" prior to that. To compensate for this technicality, the provision was made retroactive to July 1, 1961—thus clarifying the intent of Congress.

The amendment in question was not turned down by the Senate Finance Committee; it did not come up until after the committee had approved the bill. The amendment was added on the floor after Kerr had polled the committee members individually and was advised that none would object.

This newspaper did not agree with Senator Randolph's vote to kill medicare because we feel its rejection at this time probably will delay for years enactment of legislation to put health care for the aged on a sound foundation of social security financing. But we feel he was sincere in his fears that incorporation of the medicare plan in the welfare reform bill might have killed it all in the House, including the ADCU feature so important to West Virginia.

We consider the Pearson report a distortion, but publish it only because we feel suppression would be misunderstood and more harmful. We herewith set the record straight.

[From the Charleston Gazette, July 24, 1962]

Politics: ADCU Program Far From Shady

(By Harry Hoffmann)

From all the hullabaloo being raised over the way the Federal program on aid to dependent children of the unemployed (ADCU) was coordinated with West Virginia's emergency employment program (EEP), one would think it was something that was slipped through in the dark of night or behind the drawn shades of a locked room.

The truth is that this plan was conceived, discussed and put into effect in the full light of day. Abraham Ribicoff, Secretary of Health, Education, and Welfare, made a special trip to West Virginia to discuss it with Governor Barron, Senator Jennings Randolph, and other State and Federal officials.

It was the subject of front page news stories, columns and editorials in West Virginia newspapers for days. The news was carried by the wire services, and the plan even was the subject of a special session of the West Virginia Legislature, also fully reported.

Secretary Ribicoff withheld a decision on whether the plan could be implemented until after it had been studied by his legal staff. In the end the detailed plan had to be submitted to HEW for approval before it could be put into effect.

This is what makes it so ridiculous when Washington columnists—Drew Pearson for one—imply that West Virginia made off with $11 million in Federal funds and report that Secretary Ribicoff "discovered this illegal expenditure by West Virginia and was in the process of cracking down on it."

Aside from their anxiety to dredge up some inside story on why the President's medicare plan was defeated, such columnists allowed themselves to be misled by the fact that West Virginia was the only State with a full-scale work relief program under ADCU last year.

They misinterpreted this as a fast draw on the Federal Treasury, overlooking the fact West Virginia provided a testing ground for a program that proved so successful that Congress has now made it available to all States.

Some background may be enlightening. Prior to 1961, aid to dependent children was available only to families in which the breadwinner was physically unable to work. Congress in 1961 extended this to cover children of the chronically unemployed, thus taking care of situations where families were denied relief just because the father was able to work.

West Virginia officials got the idea that if they could use the funds of the emergency employment program to match ADCU money, it would be possible to give relief work to 12,500 unemployed family heads instead of just 5,000. This is the plan that Secretary Ribicoff came into the State to discuss.

One drawback was a question as to whether work could be required for funds designed primarily as aid to dependent children. This caused concern for Ribicoff and his legal staff and led to several days of study.

Ribicoff agreed with State officials that it would be better for all concerned if the unemployed could have the dignity of performing beneficial work, such as improvements in State parks and forests and along highways and streams, instead of accepting relief checks in idleness. The only question was compliance with the law.

Finally, the program was interpreted as feasible under a Federal clause permitting termination of ADCU funds if the breadwinner refused a bona fide offer of a job. The State was to be the judge of what constituted a bona fide job offer.

This led to a proposal by the State that an offer of a job on the State emergency employment program be considered bona fide. Federal officials approved it, and it was on this basis that ADCU funds were used for gainful employment in West Virginia instead of going for out-and-out relief.

The ADCU bill passed by Congress last week makes such a plan possible in all States. But, because the 1962 bill specifically makes work relief legal under ADCU, the question was raised over the possibility that it might be construed to be "illegal" prior to that time.

Was West Virginia to be penalized for initiating and providing the testing ground for a plan proved to be good? This was a technical question at best, but one that needed to be cleared up.

That is why the bill was made retroactive to July 1, 1961—to clear up this technicality and to demonstrate the intent of Congress in authorizing work relief under ADCU.

There was nothing shady or underhanded about it. And the word from Washington is that Secretary Ribicoff considers it the most progressive advance in the welfare field during his administration.

He deserves a lot of credit for seeing it through in cooperation with Senator Randolph, Governor Barron, Welfare Director Bernard Smith, and the other State and Federal officials involved.

PROPOSED PREELECTION TAX REDUCTION

Mr. BYRD of Virginia. Mr. President, the board of directors of the Virginia State Chamber of Commerce met at Skyland, Va., last Thursday and Friday, July 19 and 20.

The position of the U.S. Chamber of Commerce, recommending an immediate tax reduction regardless of expenditure reduction, was among the subjects on the State board's agenda.

I ask unanimous consent to have published in the body of the Record as a part of these remarks, a newspaper account of action by the board of directors of the Virginia State Chamber of Commerce as disseminated by the Associated Press on July 21.

I ask unanimous consent also that the account of the action at Skyland, be followed by an editorial, on the same subject, which was published by the Richmond Times-Dispatch on Saturday, July 21. The editorial is entitled "A Preelection Tax Cut?"

There being no objection, the article and editorial were ordered to be printed in the Record, as follows:

Virginia Chamber of Commerce Opposes National Group on Tax Cut

Skyland.—The Virginia State Chamber of Commerce stood up in opposition to the national chamber yesterday in the how and when of tax cuts.

Twenty-eight of the State chamber's 40 directors unanimously adopted a resolution putting the Virginia organization on the side of its senior U.S. Senator, Harry F. Byrd. Twelve directors were absent from the meeting.

The Federal Government, the chamber said, should take prompt measures to "substantially reduce the present level of Federal expenditures, together with an immediate reduction of business taxes by an equivalent amount."

The U.S. chamber has urged an across-the-board tax cut with major reductions for corporations and high income personal brackets. The national group figured the cuts would mean a loss of $7.5 billion a year in Federal revenue but Byrd said the loss would be $2 billion more.

Byrd said the national chamber was "fiscally irresponsible in the highest degree" by urging a tax cut without any reduction in spending.

Verbon E. Kemp, executive director of the Virginia chamber, explained that his group favors tax cuts. But, he said, unlike the national chamber it thinks they should come at the same time as cuts in expenditures. If one move must come first, he said, that move should be to cut spending.

Kemp said most of the local chambers of commerce in Virginia side with Byrd and not with the national chamber on when tax cuts should come.

He said a poll of 37 local chambers with full-time executives showed 25 in complete, irrevocable agreement with Byrd, 3 in complete support of the national chamber, 2 leaning toward the national body, 2 with no position, and 5 with no response.

The directors also agreed to launch a new study aimed at defining the educational needs of Virginia business and industry.

[From the Richmond Times-Dispatch, July 21, 1962]

A Preelection Tax Cut?

On Thursday the U.S. Treasury reported that it had spent $6.3 billion more than it had taken in during the 1962 fiscal year ended June 30.

On the same day word came from Washington that the President expects to decide, on or about August 10, whether to ask Congress for a sizable, across-the-board tax cut.

August 10 is the date on which economic indicators (employment, production, retail sales, etc.) will be available. If these are interpreted as pointing toward a recessionary trend, or even a leveling off, Mr. Kennedy may ask for a cut.

Whether he will, and if so, how deep a cut he will ask, may depend on whether he can persuade Representative Wilbur D. Mills, chairman of the House Ways and Means Committee, to sponsor the bill. Mr. Mills has shown no signs of favoring a deficit-financed tax cut.

The U.S. Chamber of Commerce is putting the heat on Mr. Kennedy in hopes of a windfall which, they claim, will stimulate investment. But unless the tax cut is deep enough, its diffusion will have little if any effect in that direction. If it is deep enough, the subsequent budget deficit is certain to trigger a sudden demand for monetary gold by foreign dollar holders fearing further depreciation of our monetary unit. Measured by its 1939 purchasing power, the dollar is now worth 46 cents.

It is gratifying to learn that the Virginia State Chamber board of directors, meeting at Skyland, refused to go along with the national organization. The chamber board unanimously voted in favor of substantial reduction in the level of Federal expenditures a prerequisite to a tax cut. Unfortunately, there is virtually no hope that Congress will heed such "appeals to reason." In fact, it is considered certain that the 1963 fiscal year will end with another sizable deficit—even if taxes are not cut.

During the past 10 years the national debt soared from $255 billion to $300 billion. During the same decade interest payments on the debt totaled $78 billion. (The interest for fiscal 1963 will be $9.4 billion.) The Nation's gold reserves has dropped from $21.7 billion in 1951 to $16.4 billion (as of July 6). If leaders of the U.S. Chamber of Commerce remain blind to these danger signals they deserve Senator Byrd's charge of "fiscal irresponsibility."

TRIBUTE TO J. EDGAR HOOVER

Mr. BYRD of Virginia. Mr. President, I offer for the Record an article written by Mr. Paul Martin, chief of the Washington bureau, Gannett News Service.

I regard John Edgar Hoover as one of the greatest officials this Government has ever had.

I express the hope that the President will grant a special exemption for his continuance in the position he now holds, if such be necessary.

There being no objection, the article was ordered to be printed in the Record, as follows:

(By Paul Martin)

Washington, July 23.—John Edgar Hoover, the first and only Director of the Federal Bureau of Investigation, will be 68 years old on New Year's Day.

The mandatory retirement age under the law, unless a special exemption is granted by President Kennedy or the Civil Service Commission, is 70.

However, Congress passed a special act in 1960 which permits anyone who has served as head of the FBI for 30 years to retire at any time, on full pay of $22,000 a year for life.

Hoover has been the FBI Director for 38 years, or since the Federal Investigatory Agency was created in its present status in 1924. His name has become synonymous with the FBI.

Associates claim that Hoover is in the best of health and that he has no intention of retiring in the forseeable future.

There have been recurrent reports, however, that the Kennedy administration might like to replace him with an appointee of its own choosing.

Two names mentioned in this connection are those of Walter Sheridan, 36, of Utica, N.Y., and Carmine Bellino, 57, of Elizabeth, N.J.

Both are former FBI agents who worked under Attorney General Robert F. Kennedy when Kennedy was Chief Counsel of the Senate Rackets Investigating Committee 1957–60.

Sheridan presently is serving as one of Bob Kennedy's confidential assistants in charge of a special unit at the Justice Department.

Bellino, an investigative accountant, is serving as a special consultant to the White House and Budget Bureau. His sister-in-law, Angela M. Novello, is Bob Kennedy's private secretary.

One of the first announcements that President Kennedy made, after his election and before taking office, was that he intended to retain the two top men in the vital Government Investigatory Agencies—Hoover at the FBI, Allen W. Dulles at the Central Intelligence Agency.

Within less than a year, Dulles—brother of the late Secretary of State John Foster Dulles—was dismissed as CIA Director, blamed by White House aids for the Cuban invasion fiasco.

Dulles retired November 29, 1961, when he was 68 years old. He has been retained as a consultant to the CIA on a $50 per diem pay status.

Hoover is credited with molding the character and protecting the integrity of the FBI. He has refused to allow its files to be used for political purposes. He has resisted all efforts to turn the FBI into a national police force.

Despite his enormous personal prestige, however, the little known fact about his position in this:

It is not a Presidential appointment, and it is not subject to confirmation by the Senate. Hoover is just another bureau chief in the Justice Department, serving at the pleasure of the Attorney General.

In view of the recent use of FBI agents in the steel price controversy, the eventual departure of Hoover as FBI Director is a matter of unusual interest on Capitol Hill.

The FBI has approximately 14,000 employees, including 6,000 special agents. Its files are filled with "unevaluated information" about many citizens.

Its central repository of identification data containing more than 163 million sets of fingerprints is the largest in the world. The FBI laboratory conducts more than 100,000 separate analyses of evidence each year for local law-enforcement officials.

The FBI has primary jurisdiction over approximately 175 investigative areas, ranging from kidnaping and bank robbery, through antisubversive and antiracketeering activities, to lobbying and civil rights.

A spokesman said the agency recently employed upwards of 500 special agents on various aspects of the Billie Sol Estes farm scandal in Texas.

He said the FBI is maintaining more than 85 wiretaps at the direction of the Attorney General, although evidence obtained by wiretapping is not admissible in Federal courts.

AWARD TO STANLEY BROOKS FOR SERVICE IN LAOS

Mr. McGEE. Mr. President, the image of the "Ugly American" has been so widely disseminated that many Americans have become extremely hesitant and selfconscious about our assistance efforts overseas.

Assuredly we have made mistakes but I am sure that on the whole our programs have been effective and those who carry them out have been dedicated and efficient in their duties.

As an example I would like to cite the case of a fine American, a Wyoming man, a former student of mine, who served his country well in Laos as a Foreign Service officer. He is Stanley Brooks, formerly of Rawlins, Wyo., and a graduate of the University of Wyoming. An account of his service overseas appeared recently in the Rawlins Daily Times and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the account was ordered to be printed in the RECORD, as follows:

[From the Rawlins (Wyo.) Daily Times, July 18, 1962]

FORMER RAWLINS RESIDENT IS GIVEN FEDERAL AWARD FOR ACTION IN LAOS

WASHINGTON.—Diplomacy in Asia works in bare feet, not striped pants.

At least that's the experience of Stanley Brooks, a young Rawlins native and Foreign Service officer, interviewed here after his recent return from serving in crisis-ridden Laos.

While serving as an economic officer in the U.S. Embassy in Vientiane, Brooks helped to increase the impact of U.S. aid to Laos by visiting remote villages in the back country, by helicopter, boat, or on foot. Brooks frequently traveled on foot, and went barefoot much of the time, since the trails often led through flooded paddy fields. Even where the trails were dry, shoes were always removed on entering a Laotian villager's house.

Meeting with village leaders involved hours of either "hunkering" or sitting cross-legged on the floor. Brooks found that he could not maintain either of these compressed positions for very long at a time.

"My uncomfortable shifts of position were often a source of friendly humor to the more supple-legged villagers," Brooks said.

The etiquette of the meetings also involved the sampling of local delicacies and the downing of at least one glass of a potent rice alcohol called "shoum," comparable in taste and effect to the "white lightning" of the Appalachian hill country.

Some of the dishes—cooked chicken entrails, for example, or a half fermented paste of raw fish—would not commend themselves to the American table. But some others would—in particular, a dessert of steamed pumpkin with a coconut milk custard inside.

The rural people expressed to Brooks their discontent over inadequate roads and poor medical and educational facilities in the countryside. Like parents everywhere, they want their children to enjoy a better life than they themselves have known.

"But in the existing state of turmoil," Brooks said, "most village people would have asked nothing more than to be left alone in peace. Many had only the vaguest idea of what the fighting in their country was all about."

The present troubles of Laos are due primarily to the small kingdom's geographic situation, bordering both Communist China and Communist North Vietnam, according to Brooks. This has made it easy for the Communist North Vietnamese to interfere in Laos' internal affairs.

The situation is further complicated because Laos has not been a nation, as Americans think of one, for centuries, having been parceled among various foreign powers. Independent only since 1954, its ethnically mixed population has in general very little understanding of nationality, citizenship, or political party.

Typically, Brooks found in his travels, an individual's highest loyalty is to his family or clan, or to his personal chief, which makes it extremely difficult to run a national or even provincial government, or to organize an effective national defense, since the troops feel little personal bond with the nation they are expected to defend.

Brooks and his wife each witnessed at firsthand the December 1960 battle in Vientiane between the forces of Gen. Phoumi Nosavan and those of rebel Capt. Kong Le.

Mrs. Brooks, at that time Miss Claire Stevenson, of Malden, Mass., was in a group of Americans held captive by Kong Le's troops for 24 hours in a part of the city that took some of the heaviest shelling. For her conduct and leadership, she received an award from the U.S. Agency for International Development, for which she was working in Laos at the time.

Most of the embassy staff, including Brooks, was pinned down at the Embassy office building at the start of the battle. They had a ringside seat as the area around the building changed hands several times.

Brooks later helped to free the group of captive Americans and assisted in organizing an emergency food supply for the Vientiane population. On his recent return to Washington, he was given a Meritorious Service Award by the Department of State for his efforts during this period.

He is currently assigned to the Foreign Service Institute in Washington for Chinese language training and expects to continue this training next year at the Foreign Service Institute branch school in Taichung, Taiwan.

Brooks was raised in Rawlins and graduated from the University of Wyoming in 1954 with a B.A. degree. His parents, Mr. and Mrs. J. G. Brooks now live in Saratoga.

FREE ENTRY OF STAINED GLASS

Mr. MANSFIELD. Mr. President, before the Senate enters into its agreement relative to the passing of our late beloved colleague, FRANCIS CASE, of South Dakota, because of unusual circumstances, I should like to have the Senate consider two bills.

I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1657, H.R. 7431.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7431) to provide for the free entry of certain stained glass for the Saint Joseph's Cathedral, Hartford, Connecticut, and for the Church of Saint Francis Xavier, of Phoenix, Arizona.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. LAUSCHE. Mr. President, I shall vote against passage of this bill because in my opinion it would establish a precedent which would be likely to haunt us in the future. Under the terms of the bill, especial consideration would be given to the purchasers of foreign stained glass windows, allowing these beneficiaries to import those products without the payment of duties.

Mr. President, I object to the passage of this bill because domestic companies producing the same item pay duty on many imported items similar to those mentioned in the bill. If certain organizations can gain a special privilege of having duty waived, manifestly, it is discrimination against domestic industry. In this country, there are a number of firms producing the same item that is sought to be exempt from duty in this proposed legislation. These domestic firms employ highly skilled and talented craftsmen and artists. The domestic firms themselves pay income tax, corporation tax, and their employees' personal income tax. It is the contention of these domestic firms that competition coming from foreign shores should pay the same as an American producer for having the opportunity to do business in this country. The item sought to be exempted by this bill is one that is largely produced by hand. Seventy-five percent of the work is hand labor, and there is no possible way to improve production through the use of newer technical machinery or speedup methods to compensate for the fact that the average hourly wage of the competing foreign firms is 20 to 30 percent lower than the domestic rate. Allowing organizations the special privilege of not paying duty for dutiable items encourges them to go directly to a foreign country to have the work performed and further encourages them to circumvent and not deal with legitimate American business firms.

The bill would give special consideration to buyers who knew, when they bought their product, a duty would have to be paid.

I shall vote against the bill, because the importation of the product will deny work to Americans who wish to be employed in that field. My principal objection is that the bill would establish a precedent that will haunt us in the future.

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Senator from Rhode Island [Mr. PASTORE], I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Rhode Island will be stated.

The LEGISLATIVE CLERK. On page 2, after line 5, it is proposed to insert the following:

> SEC. 3. The Secretary of the Treasury is hereby directed to admit free of duty any stained glass or any prefabricated panels consisting of stained glass set in reinforced concrete with fastening devices which may have been imported before the date of the enactment of this Act, or which may be imported after the date of the enactment of this Act and prior to January 1, 1964, for use in the construction of a new synagogue and auxiliary buildings for the Congregation B'nai Israel of Woonsocket, Rhode Island.

On page 2, line 6, it is proposed to strike out "Sec. 3." and insert "Sec. 5."

On page 2, line 8, it is proposed to strike out "of the first section or section 2".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Rhode Island.

The amendment was agreed to.

Mr. DIRKSEN. Mr. President, I offer an amendment, which is at the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. On page 2, after the amendment of the Senator from Rhode Island it is proposed to insert:

> SEC. 4. The Secretary of the Treasury is authorized and directed to admit free of duty one set of musical handbells imported for presentation to, and for use by, the Court Street Methodist Church, Rockford, Illinois.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

Mr. DIRKSEN. Mr. President, the purpose of this amendment is to provide for the entry, free of duty, of one set of English musical handbells imported for use in the Court Street Methodist Church at Rockford, Ill.

The Choir Mothers Guild, a service organization within the framework of the church, had raised funds for the purchase of these handbells that are to be utilized by the children's choirs for enhancement of church worship. They had undertaken to make this purchase for the church with a limited budget, and in the belief that these items were exempt from duty since they are to be used in connection with religious services at the church. Now they are advised by the import broker that an import fee will be levied in the amount of $85.

This amendment would direct the Secretary of the Treasury to admit these English musical handbells free of duty.

Section 2 provides if there is a liquidation of the entry, or withdrawal from warehouse, for consumption of the articles subject to the provisions of section 1, and this has become final, such entry or withdrawal may be relinquished and the appropriate refund of duty may be made.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

Mr. DODD. Mr. President, I urge the Senate to act favorably on the bill before us, H.R. 7431, which will permit the duty-free importation of stained glass windows for St. Joseph's Cathedral in Hartford, Conn., and for the Church of St. Francis Xavier in Phoenix, Ariz.

Last year I introduced S. 2100, which applies only to St. Joseph's Cathedral. My colleague in the House, Congressman EMILIO DADDARIO, introduced an identical bill in the House, and it is an amended version of this bill which is presently before us.

We did not sponsor legislation until all administrative means of providing duty-free entry for these stained glass windows were thoroughly explored.

An administrative exemption on behalf of St. Joseph's was requested of the Treasury Department, on the basis that these windows are, in fact, "stained glass" within the scope of paragraph 810 of the Tariff Act.

Unfortunately, the Treasury Department denied this exemption, on the grounds that these windows are not stained glass works of art within the meaning of the Tariff Act.

This adverse decision seems to be based on the traditional concept of stained glass windows as flat, thin pieces of colored glass, held together by channels of lead.

This is a narrow view and does not take cognizance of the fact that art forms and art conceptions change as do church designs and church construction.

The St. Joseph's windows are thick pieces of colored glass, cemented together. I think they are stained glass works of art within the meaning of the Tariff Act.

These windows do not fit a literal interpretation of the Tariff Act, since they are the modern products of an ancient craft.

But their structure is possible due to contemporary advances in architecture and ecclesiastical construction.

I believe that this section of the Tariff Act should be construed in such a way as to take account of progress in the making of stained glass windows.

Since this has not been done in this case, I hope that Congress will take the necessary action to allow the importation of these windows free of duty.

There is judicial and legislative precedent for exemptions such as those provided for in H.R. 7431. The Mission of San Gabriel, in California, successfully appealed a similar Treasury Department ruling before the customs court in Los Angeles. And Public Law 1001, passed on August 6, 1956, granted relief to the First Presbyterian Church of Stamford, Stamford, Conn., despite Treasury Department opposition.

On the basis of the information concerning the nature of these stained glass windows, and the fact that there is precedent for this kind of relief from the payment of duty, I urge the passage of this bill.

Mr. LAUSCHE. Mr. President, within the last minute exactly what I said would happen has happened. A precedent was established. The precedent having been established, we see an influx of new requests that parties be covered by the provisions of the bill before the Senate. I will vote against the passage of the bill.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 7431) was passed.

The title was amended, so as to read: "An Act to provide for the free entry of certain stained glass for St. Joseph's Cathedral, Hartford, Connecticut, and for other purposes."

Mr. MANSFIELD. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE ENSLAVED MILLIONS—DR. FREDERICK BROWN HARRIS

Mr. DODD. Mr. President, on July 22 the Washington Star carried another memorable column by our revered Senate Chaplain, Dr. Frederick Brown Harris.

In it, Dr. Harris forcefully portrays the plight of the millions enslaved in the captive nations, and eloquently states the position which freemen must take in the face of this enslavement.

I ask unanimous consent that this article be printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNDER THE RUG

(By Dr. Frederick Brown Harris)

The so-called Russian revolution is a red rug woven of terror and violence. Under that rug are abominations, deceptions and coercions such as history has never before seen. Like all rugs which hide that which is beneath them it clings to the floor. It has no kinship with spires which point from the ground to spiritual verities. The design of this covering is gaudy and flamboyant. In the center, dyed with the blood of liquidated millions, is a hammer and sickle. Across its expanse in huge letters is the legend—"peace and liberty for all people in a classless society," and "world domination by communism is inevitable."

For more than two score years it has been the determined purpose of the Kremlin manipulators to make sure that the rug is not lifted. To a world deluged with their specious propaganda they fear the revelation of the real state of affairs back of the knavish facade which hides the hideous truth. Underneath the red rug are precious things, mowed down by the sickle and smashed by the hammer.

Conscience stricken by an all too negative attitude, and repenting of sins of omission, 2 years ago both the Senate and the House of Representatives passed unanimously an epochal resolution. The purport was that it is high time for this land of the free to lay strong hands on this concealing rug, pull it up, and let the world gaze at the iniquitous fakery which the hypocritical covering hides. So, by act of Congress, for 7 intense days each year—Captive Nations Week—this land the people rule are called to look at the area under the rug with a high-powered searchlight and to publish to the world the hidden facts of this refuge of lies.

Two Presidents have issued the requested July summons. The last one, by President Kennedy, declares, "we must never forget our hopes for the ultimate freedom and welfare of the eastern European people." From sea to sea in this Republic, Captive Nations Week is now enthusiastically observed as the plight of the captives is lifted before our free land. The resolution declares this is to continue "until such time as freedom and independence shall have been achieved for all the coerced nations of the world."

This has proved an alarm clock for those Khrushchev and company are doing their best to lull to sleep. The enraged protests of the Kremlin boss were heard around the world. It is evident we had struck a sensitive nerve. As the Soviet press and radio told the "Empire" of the American audacity in talking about captive nations, the captives themselves, in more than 20 enslaved nations, heard the news with joy and were stirred with a new hope.

Now what is it under that rug the Soviets are afraid to let the world see? There are loathsome things there that creep and crawl—look, there is fear. As Secretary of State Dean Rusk has declared, "among Khrushchev's troubles, in his world of coercion, are dissensions within its ranks, national resistance to this modern imperialism and a growing demand for freedom." Beneath the rug is smoldering hatred where grapes of wrath are stored. Some day from the volcanic depths of captive people the hot lava will flow again as it did in Hungary when those indoctrinated for years, mostly youth, turned with bare hands against the aggressors. Here is the West's essential asset.

Then, under the rug, are the octopuslike tentacles of the most greedy and ruthless colonialism on this terrestrial ball so thorough and cruel as to make the ancient Romans seem like benefactors. And as we call the roll of the captive nations, outside Russia, let us not forget that 115 million people, in what is labeled "U.S.S.R.," are captive non-Russians. No wonder that to the United Nations President Kennedy said, in a straight-from-the-shoulder address, "Let us debate colonialism in full and apply the principle of free choice in every part of the globe." In the U.N. think of the irony of the United States being asked to join Moscow, including the Red representative from Hungary, in an investigation of colonial policies of our ally, Portugal—thus alienating friends and becoming colleagues with the greatest colonial tyranny in the world whose colossal sins are ignored.

The captive peoples, in and out of Russia with its iron grasp, must be encouraged to keep alive in their hearts the hope that some day the type of tyranny they now endure will be thrown into the ashcan of history.

Long ago the people of Cornwall, England, marched in angry protest when their beloved Bishop Trelawny was a captive of despotism and condemned to die. Across the centuries comes the sound of their hot wrath. * * * "And shall Trelawny die, and shall Trelawny die, then 30,000 Cornishmen will know the reason why."

As the hammer and sickle even now is reaping its deadly harvest of genocide, a horrible word which the dictionary says is "a deliberate systematic extermination of a racial, political, or cultural group," listen to the solemn vow of the free world—

And shall captive nations die,
Shall captive nations die?
Then millions of Americans
Will know the reason why.

FINANCIAL ASSISTANCE TO VICTIMS OF FUTURE FLOOD DISASTERS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1706, Senate bill 3066.

The **PRESIDING OFFICER.** The bill will be stated by title.

The **LEGISLATIVE CLERK.** A bill (S. 3066) to authorize a study of methods of helping to provide financial assistance to victims of future flood disasters.

The **PRESIDING OFFICER.** The question is on the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency, with an amendment, on page 1, line 10, after the word "than", to strike out "January 30, 1963" and insert "nine months after the enactment of this Act or the appropriation of funds for this study, whichever is later"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Housing and Home Finance Administrator shall undertake an immediate study of alternative programs which could be established to help provide financial assistance to those suffering property losses in flood disasters, including alternative methods of Federal flood insurance, as well as the existing flood insurance program, and shall report his findings and recommendations to the President for submission to the Congress not later than nine months after the enactment of this Act or the appropriation of funds for this study, whichever is later. The report shall include, among other things, an indication of the feasibility of each program studied, an estimate of its cost to the Federal Government and to property owners on the basis of reasonable assumptions, and the legal authority for State financial participation. With respect to each method of flood insurance considered, the report shall include an indication of the schedule of estimated rates adequate to pay all claims for probable losses over a reasonable period of years, the feasibility of Federal flood plain zoning for the purpose of selecting areas which may be excluded from insurance coverage, and the feasibility of initiating a flood insurance program on an experimental basis in designated pilot areas. There is hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this Act.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1747), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF BILL

S. 3066 would direct the Housing and Home Finance Administrator to undertake a study of alternative programs to help provide financial assistance to victims of future flood disasters, including the present and other possible Federal flood insurance programs, and related matters. A report would be made to the Congress within 9 months from the enactment of the act or the appropriation of funds, whichever might be later.

BACKGROUND OF THE BILL

S. 3066 was introduced on March 26, 1962. Favorable reports were received from the Bureau of the Budget on June 1, the Housing and Home Finance Agency on June 7, and the Small Business Administration on June 13. On July 12, the Housing and Home Finance Administrator testified before the committee in support of the bill.

On May 31, 1962, the President issued a statement expressing his support for the bill and indicating that a supplemental request for appropriations of approximately one-half million dollars to finance the study would be submitted at the appropriate time.

PREVIOUS LEGISLATION

Floods and other disasters have called for Federal action for many generations. Sometimes this action has taken the form of preventive public works along the coasts and rivers of the United States, sometimes it has taken the form of relief to the victims of these disasters.

Following the disastrous floods of 1955 and 1956, the Senate Banking and Currency Committee made a thorough study of the problem of floods and other disasters and of Federal assistance to the victims of such disasters. Extensive hearings were held by the committee in those years, both in the District of Columbia and in many of the affected areas. In addition, the committee issued a staff study on the subject of Federal disaster insurance (S. Rept. 1313, 84th Cong.). This study contained an extensive collection of information on the subject of floods and other disasters and the damages resulting therefrom. It also contained a survey of the relief provided by the Federal Government and by State, local, and private organizations to the victims of disasters. Following the committee's investigation of the matter, a bill was reported out by the committee (S. Rept. 1864, 84th Cong.), which became the Federal Flood Insurance Act of 1956 (Public Law 1016, 84th Cong.).

This act provided for the establishment of three programs, a Federal flood insurance program, a Federal flood reinsurance program, and a Federal loan contract program covering flood losses. Upon the enactment of this act, the Federal Flood Indemnity Administration was created as a constituent unit of the Housing and Home Finance Agency. Extensive discussions were held with other Federal agencies, with State and local governments, and with the insurance industry. However, no satisfactory program was developed, and following the refusal of the Congress to grant appropriations to provide funds for the flood indemnity program, the Federal Flood Indemnity Administration was abolished and a final report on its activities was transmitted to the Congress by the President on July 28, 1958 (H. Doc. 426, 85th Cong.). A copy of this report is printed as a part of the committee's hearings on S. 3066.

THE PROPOSED STUDY

S. 3066 would authorize and require "* * * an immediate study of alternative program which could be established to help provide financial assistance to those suffering property losses in flood disasters, including alternative methods of Federal flood insurance, as well as the existing flood insurance program."

The bill provides that the report to be filed must include "* * * an indication of the feasibility of each program studied, an estimate of its cost to the Federal Government and to property owners on the basis of reasonable assumptions, and the legal authority for State financial participation."

In addition the bill requires the report to include, with respect to each method of flood insurance considered "* * * an indication of the schedule of estimated rates adequate to pay all claims for probable losses over a reasonable period of years, the feasibility of Federal flood plain zoning for the purpose of selecting areas which may be excluded from insurance coverage and the feasibility of initiating a flood insurance program on an experimental basis in designated pilot areas."

The Housing and Home Finance Administrator testified at the hearing that the agency had consulted with the Corps of Engineers, the Geological Survey, the Weather Bureau, the Department of Agriculture, and the Bureau of the Budget as to the type of study which might be understood under the resolution. These agencies concluded that it would be desirable to make a detailed study of seven or eight selected areas for which hydrological data and contour maps are available.

The Administrator testified that—

"The areas selected would provide appropriate geographical representation and include coastal as well as inland flood plain areas and would vary in size and include residential, industrial, and commercial developments. The hydrological data relating to these areas could then be studied to develop estimates of the probability of occurrence of floods. These could be delineated on contour maps so as to indicate the sections of the areas which would be inundated by floods of various probabilities of occurrence. In addition, a study could be made of the value of the properties subject to flooding, the estimated damages to these properties when floods do occur, and the estimated average annual damage. With this information estimated insurance premium rates could be developed which would be necessary to cover the average annual loss in these particular areas and a determination would be made as to whether it would be feasible to initiate a flood insurance program on an experimental basis.

* * * * *

"If this study is authorized we would work in close cooperation with the appropriate Federal departments and agencies, particularly the Corps of Engineers, the Geological Survey, the Weather Bureau, and TVA, which have accumulated a wealth of data and knowledge pertaining to floods and flood plains, and the Department of Agriculture, which administers the Federal crop insurance program, through the Federal Crop Insurance Corporation. The Corps of Engineers would conduct the studies in the pilot areas and an analysis of these studies would be carried on in cooperation with the corps, the Geological Survey and the Weather Bureau. Both the TVA and the Corps of Engineers have developed programs of assistance and information in the field of flood plain zoning. We would look to these agencies for advice on problems that relate to zoning. We would also consult with the Council of State Governments, which, for many years, has expressed keen interest in flood plain zoning and flood insurance. Representatives of the insurance industry who we understand were most cooperative in the planning of the flood indemnity program under the Federal Flood Insurance Act of 1956 would be consulted with reference to the studies on the feasibility of flood insurance programs."

Since S. 3066 only authorizes appropriations, the committee expected that any appropriate further details with respect to the proposed study, and a detailed justification of every aspect of it, would be presented to the Appropriations Committees.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. WILLIAMS of New Jersey. Mr. President, I am very grateful to the majority leader and the Senate leadership for scheduling such prompt consideration of S. 3066, the flood relief study bill I introduced which was reported favorably by the Senate Banking and Currency Committee on July 20.

I am sure my sentiments are shared by all those who were stricken by the storm that ripped the east coast earlier this year, and who suffered enormous loss. In New Jersey alone the losses amounted to over $80 million.

We all know that in 1956 the Congress passed a Federal flood insurance program, providing an insurance, reinsurance, and loan program to compensate persons against losses by flood. But the House of Representatives in 1957 refused to appropriate any funds to implement the program and since then the program has been a dead letter.

One of the problems, of course, is the fact that floods do not pose an equal threat to every person in every part of the country, as would be the case in automobile accidents for example.

It is precisely for this reason that I believe some kind of Federal assistance is essential, in order to spread the risk and the financial burden, just as they are naturally spread in other kinds of losses.

However, I can understand the concern of some Members of Congress who fear that the general taxpayer not subject to flooding may be called upon to share what clearly may be too excessive a risk by a person who may wish to build, from the standpoint of floods, where nature clearly intended that man should not trespass.

It has been argued that there is a point beyond which one must say either you do not build or you build at your own risk. The problem, it seems to me, is to delineate that point to the satisfaction of the Congress as a whole, for surely there can be no question that we have some responsibility.

If we can share the misfortunes of people all over the world, we can certainly come to the aid of those stricken by flood disasters here at home.

This bill would direct the Housing and Home Finance Administrator to undertake an immediate study of alternative programs which could be established to help provide financial assistance to those suffering property losses in flood disasters.

It would permit the study of new and fresh approaches to the problem, which I believe would offer the best hope for allowing positive and constructive action to be taken in the reasonably near future.

While it is true memories of the last disaster fade with time, we all know that the whims of nature will sooner or later face us with the same problem again, and we must not be unprepared.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

THE EXTRAORDINARY DELAY ON NOMINATION OF THURGOOD MARSHALL

Mr. JAVITS. Mr. President, the extraordinary delay in Senate confirmation of the nomination of Thurgood Marshall to the Court of Appeals for the Second Circuit Court in New York is fast becoming outrageous. As a result of the unjust manner in which the process of confirmation would be abused if the end of the session should come without action on the nomination, the time is coming soon when the Senate will have to meet its responsibilities, even if one of its subcommittees should not.

No really good reason has been put forward to justify the unwarranted delay in confirmation of this nomination. I urge the full membership of the Judiciary Committee to insist on full committee action to discharge the subcommittee from consideration of Judge Marshall's nomination. If that is not forthcoming, the Senate as a whole will be called on to face the issue squarely. If this is not otherwise moved, I will myself make the motion.

The facts concerning this delay have been laid before the Senate and the country again and again. But they bear repeating. Thurgood Marshall was originally nominated on September 23, 1961, 4 days before Congress adjourned. He was given a recess appointment on October 23, 1961. On January 15, 1962, his nomination was resubmitted, and the first hearing was not held until May 1, 1962, and then recessed. The second hearing was held on July 12, 1962, and at that time the introduction of new counsel and other developments gave every evidence of a long drawn-out attempt to inject irrelevant material not bearing on Judge Marshall's confirmation. Today, a third hearing is being scheduled for August 1. This could delay matters until adjournment time and bring about a disgraceful situation whereby Judge Marshall would be forced off the bench because the Senate did not act. The justice, the wisdom, and the dignity of the U.S. Senate are on trial in this matter.

No one can objectively look at the record of the hearings so far and come to any other conclusion than that there has been intolerable delay on the question.

Thurgood Marshall's abilities, qualifications, and experience are beyond question. His character is outstanding; his record, including his service on the bench since last October under a recess appointment, has been impeccable. He deserves confirmation, and the U.S. Senate should not tolerate any further delay.

I repeat that it would be outrageous if, coming to the end of the session, Thurgood Marshall should have to leave the bench because the Senate has not acted to confirm his nomination. I shall do my utmost to help to see that the proper procedures are gone through so that the Senate may act.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10526) making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies for the fiscal year ending June 30, 1963, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1963, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Fogarty, Mr. Denton, Mr. Cannon, Mr. Laird, and Mr. Taber were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 2996. An act to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes; and

H.R. 6967. An act to provide for the incorporation of certain nonprofit corporations in the District of Columbia, and for other purposes.

MEMORIAL SERVICES FOR SENATOR FRANCIS CASE

Mr. MUNDT obtained the floor.

Mr. MUNDT. Mr. President, without losing my right to the floor, I make the point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MUNDT. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER (Mr. Metcalf in the chair). Without objection, it is so ordered.

Mr. MUNDT. Mr. President, I send to the desk a resolution and ask for its present consideration.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 366) was read as follows:

Resolved, That the legislative business of the Senate be now suspended in order that memorial addresses may be delivered on the life, character, and public service of the Honorable Francis Case, late a Senator from the State of South Dakota.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased, the Senate, at the conclusion of its business today, do adjourn.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was unanimously agreed to.

Mr. MUNDT. Mr. President, I also ask unanimous consent that at the conclusion of the memorial addresses delivered on the floor of the Senate today, other Members of the Senate may be given the opportunity to insert in the Record their remarks in testimonial to my late departed colleague, and that those remarks, to be inserted later, may be printed in 7½-point type in the body of the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUNDT. Mr. President, the land of the prairies and of the mountains and of the towering pines from whence he came has reclaimed a loyal son.

Our colleague, Francis Case, has made the long journey home, to the beauty and the solitude of the Black Hills he so deeply loved.

Today, as we pay homage to this fine citizen from my home State of South Dakota, the recollection of many, many "yesterdays" floods across my mind as I look back upon the near quarter of a century of close association I had in serving with Francis in the Congress of the United States.

My first recollection of Francis Case goes back a long time before he or I gave much thought to serving here in the National Legislature.

I had met Francis when he was a publisher and editor in the Black Hills, and I was teaching in the public schools of eastern South Dakota.

I came to know him during his service on the State Board of Regents of Education of South Dakota, when, in fact, he was actually one of my employers, since I was, at that time, a member of the faculty of the General Beadle State Teachers College in my hometown of Madison, which came under the jurisdiction of the State board of regents of education.

Later we were to be a part of the same campaign team, he running for the House of Representatives from the Second Congressional District, and I from the First Congressional District.

He was elected in 1936. I was defeated. In 1938 we both were the candidates, he was reelected for his second term, and I was elected for my first term.

So as that 76th Congress opened in 1939, and I arrived for service in the House of Representatives, it was Francis Case who was there to welcome me to the National Legislature, to introduce me to our colleagues and to take me by the arm to the well of the House where the oath of office was administered.

Many the time I have since stood in the House—and in this chamber—virtually side by side with Francis Case, as we pledged anew our allegiance to God and country, swearing upon this sacred oath to uphold and defend the Constitution of the United States.

And it was in January 1951, when I accompanied him down the aisle of this chamber, as he began his own service to the State and Nation as a U.S. Senator, as he took his oath as a Senator.

And now, 25 years and a few months later, we are here today to pay our final respects to a fallen comrade, a valiant warrior, a veteran of the U.S. Marine Corps, and, truly, a veteran of the legislative battles that have been playing, for a quarter of a century, such a vital role in the progress and prosperity achieved in the country.

The bridge that spans that quarter of a century of service seems short, indeed, in the measure of time as we look back over these years.

But by another measure, the record that is one of vast achievement by Senator Francis Case, that bridge seems virtually endless as we look back over the accomplishments of a diligent, devoted public servant.

How does one review such service?

Well, how is it recognized by those one serves, by those who have entrusted the responsibilities of high office upon the shoulders of one individual?

To me, this is the recognition that counts, the confidence of a trust well placed.

And it was an enduring trust that the people of South Dakota had in the qualities of Francis Case, for he was called to serve on nine consecutive occasions, seven times to terms in the House, and twice to terms in the Senate.

So it is an honorable record of distinguished service that Francis Case leaves with us.

It is a record of such nature that I can stand here today without fear of challenge and declare that not only our State—the State which sent Francis Case to the National Capital—but our Nation as well, is proud of the mark on history that Francis Case has left.

It is such a record that it prompted the Reverend Robert Wagner, the Methodist pastor, in his very moving sermon at the funeral services in Rapid City, which were attended by many Members of this body, to point out that Senator Case's service firmly engraved upon the office of U.S. Senator those three hallowed words, "duty, honor, country," which Gen. Douglas MacArthur, in his address at West Point recently, said, "reverently dictate what you ought to be, what you can be, what you will be."

Few men have achieved the deep respect that was accorded Francis Case by his colleagues here in this Chamber and in the other body. It is a respect which I think is personified in the tribute delivered by the senior Senator from Vermont [Mr. AIKEN], who referred to FRANCIS as "a legislator's legislator."

What better mark of the affection and the esteem by which a man is held can there be than that accorded FRANCIS CASE by our good friend from Vermont?

A legislator's legislator.

Or a man's man.

They mean relatively the same thing.

And they are meant sincerely.

And they encompass a whole dictionary of descriptive definitions one might study in search of a word of tribute, a phrase of commendation that is so deserving for a brilliant record and the man that compiled that record.

FRANCIS CASE was a legislator's legislator in all respects.

That he was such a man was earlier attested to by another of our colleagues, also a warm friend of Francis, our distinguished minority leader [Mr. DIRKSEN] from Illinois. It was on the public platform in Mitchell, S. Dak., at a dinner at which tribute was paid to him by close associates in our area, that the Senator from Illinois spoke in praise of Senator CASE.

He, of course, spoke more than a word of praise. I wish it were possible to recall all that he said that evening, for it was a memorable address of salute to a man for not only what he had accomplished but for what he was. All of what he said is pertinent today. But if I were asked to select only one sentence of that eventful address delivered by Senator DIRKSEN in Mitchell, S. Dak., where FRANCIS was graduated from Dakota Wesleyan University, and if I had the choice of only a few words, I would then select these quoted by Senator DIRKSEN in tribute to Senator CASE:

> He gave more than he got.

How much is said in those words by the distinguished minority leader.

If one sentence were to sum up a lifetime of activity, I think it is this one—"he gave more than he got"—for certainly the life of FRANCIS CASE was one of giving and contributing to the wellbeing of his fellow man.

There are many achievements which will remain to perpetuate the memory of our late colleague.

His dedication to and love of country is captured in the vital work he performed as a key member of the Senate Armed Services Committee.

There he labored long and hard to satisfy himself to the utmost that no stone was left unturned, no task remained incomplete, and no dollar was unwisely used so that the strength of our Nation was such as to keep our cherished freedoms.

His fond regard for his fellow citizens—particularly those who were less fortunate than others—found emphasis and action in his legislative proposals and his personal activities to assist our fine American Indian citizens in South Dakota.

His pride in our home State of South Dakota and his love for the people of the upper Great Plains prompted his continuing efforts to assist economic growth and to achieve greater prosperity through installation of projects and implementation of programs vitally needed.

But if one were to search for the most significant and lasting contribution that FRANCIS CASE made, it would be in the field of water resources, in his persistent drive and devoted determination to achieve to the fullest extent possible the wise use and preservation of this precious lifeblood of humanity.

FRANCIS and I visited on many occasions about the problems of water conservation and utilization.

Never have I come across a man more dedicated than FRANCIS CASE to the noble work of turning arid lands into green fields and changing sometimes-flooding and oftentimes polluted streams and rivers into controlled, fresh, clean water supplies for drinking and for a dozen other purposes.

Today, the State of South Dakota is divided by a huge manmade series of lakes, second only in size of impounded water to the vast expanses of the Great Lakes themselves.

The once uncontrolled savage Missouri River is now a docile beneficent creature, churning out electric power, holding back the floods and soon spreading out its sweetness in a myriad of tentacle-like irrigation projects.

FRANCIS CASE played a prominent part in the development of this vast system of reservoirs.

And when the day comes, as come it will, that sweet water flows from the brackish wells and is converted from the sea, and when the skies can almost be commanded to bring forth the precious raindrops, these achievements also can include on their honors of credit the name of FRANCIS CASE.

Mr. President, I shall miss the fine association of a man whom I felt was firmly and thoroughly dedicated to the furtherance of the brotherhood of man concept.

In the memorial services held here in Washington for Senator CASE before his final journey back to South Dakota was begun, we heard these words said of FRANCIS CASE:

"He was a fine Christian gentleman."

I think that speaks volumes for the type of citizen FRANCIS CASE was and for the wonderful influence for good that he brought to bear in the arena of public affairs.

His death is a great loss to the State and Nation.

Mr. President, one of the truly warm friendships that existed was that between FRANCIS CASE and Badger Clark, late poet laureate of South Dakota.

Perhaps Senator CASE frequently quoted Badger Clark's works, and I know he received on many occasions inspiration from the words of this great western poet.

Perhaps one of the favorite poems of Senator CASE, from which he received inspiration, and which is meaningful for all of us, a poem written by Badger Clark, is the one entitled "The Job." It is a fitting memorial to the type of devotion Senator CASE gave to all of his tasks, both those assumed by him and those assigned to him.

In closing, Mr. President, I should like to read this poem by Senator CASE's friend, Badger Clark.

THE JOB

But, God, the thought was great,
The scheme, the dream—why, till the first charm broke
The thing just built itself while I elate,
Laughed and admired it. Then it stuck,
Half done, the lesser half, worse luck!
You see, it's dead as yet, a frame, a body—and the heart,
The soul, the fiery vital part
To give it life, is what I cannot get. I've tried—
You know it—tried to catch live fire
And pawed cold ashes. Every spark has died.
It won't come right! I'd drop the thing entire.
Only—I can't! I love my job.

You, who ride the thunder,
Do you know what it is to dream and drudge and throb?
I wonder.
Did it come at you with a rush, your dream, your plan?
Yes, with rapt face and sparkling eyes,
If so, I know how you began.
Swinging the hot glove out between the skies,
Marking the new seas with their white beach lines,
Sketching in sun and moon, the lightning and the rains,
Sowing the hills with pines,
Wreathing a rim of purple round the plains.
I know you laughed then, while you caught and wrought
The big, swift rapturous outline of your thought.
And then—
Men.

I see it now.
O God, forgive my pettish row!
I see your job. While ages crawl
Your lips taking laboring lines, your eyes a sadder light,
For man, the fire and flower and center of it all—
Man won't come out right!
After your patient centuries
Fresh starts, recastings, tired Gethsemanes
And tense Golgothas, he, your central theme,
Is just a jangling echo of your dream.
Grand as the rest may be, he ruins it.

Why don't you quit?
Crumple it all and dream again! But no;
Flaw after flaw, you work it out, revise, refine—
Bondage, brutality, and war, and woe,
The sot, the fool, the tyrant and the mob—
Dear God, how you must love your job!
Help me, as I love mine.

Mr. President, FRANCIS CASE included in his vast catalog of endeavors activities as a newspaper publisher and editor. In keeping with the warm association FRANCIS had with his brothers in the profession of journalism, I feel it would be particularly appropriate if there could be included in the RECORD, immediately following the eulogies by my colleagues, a few representative editorials written in tribute to the late Senator. I request permission that such be made a part of the RECORD as designated.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BOTTUM. Mr. President, as the newest Member of the Senate, appointed to fill the vacancy occasioned by the untimely death of our beloved FRANCIS CASE, I welcome the opportunity to speak upon this occasion. Fellow Members of long years association have told more eloquently than I can the story of his tremendous accomplishments as a Member of this august body. You who have worked with Senator Francis Case have seen firsthand his dedication to duty, the workings of his mind, the singleness of purpose, and all the other virtues which made up his character.

My association with Senator Case began many long years ago. Francis Case entered the race for Congress in days of drought and economic disaster; and in that first race for Congress, he demonstrated over and over again his ability to work, to think, and to follow a course which convinced the people of South Dakota that here was a man worthy of their trust. In every campaign from that date to the day of his untimely demise, it was my privilege to work with him and for him, traveling back and forth across the prairies of South Dakota in what Senator Case believed was a fight for freedom.

A graduate of Dakota Wesleyan University, Senator Case was an active, devout member of the Methodist Church, a man whose religion and religious beliefs were a part of his everyday life, a Christian gentleman who was motivated at all times by his belief in God. Fortunately, through a great organization known as the Friends of the Middle Border, the written record of his achievements and his life, his papers, and his files, representing a lifetime of service, will be deposited at Dakota Wesleyan University, at Mitchell, S. Dak., where students of government will have a source for study in a special shrine established and maintained to keep alive his memory, his ideals, his principles, and the great contributions which he made to his State and to his Nation.

Mr. President, as I sit in his office, discussing problems of Government with his wonderful staff, observing the voluminous files, correspondence, research, and bills which he introduced, and which were passed by this Congress, I am constantly amazed at the tremendous capacity of this fine friend.

But to turn back to the South Dakota scene, there can be seen the tangible results of a lifetime of labor. Modern highways stretching across the Great Plains, built under rules and laws sponsored by Senator Case, under contracts and regulations designed to protect and conserve the taxpayer's dollar; great military installations, public housing, national defense, all a part of his plan and concern for America; the great Missouri River, bisecting South Dakota, with dams and lakes designed to conserve one of our greatest assets—the water flowing through our State, with powerplants producing energy to light the farms, to power industries, to provide jobs, and, eventually, if his dreams come true, with 10,000 farms—yes, more—receiving the lifegiving water of the Missouri through irrigation, will build and strengthen the economy of the great Midwest and of our Nation.

Francis Case did not think just about big things. One of the last bills he introduced was one to give relief to little people who for many years have lived and struggled on small mining claims in the Black Hills. This bill, to provide an opportunity for these citizens to secure homestead status on these small mining claims, gives further proof of his concern for all his people.

Mr. President, let this not be a time of sadness; let this not be a time of regret. Rather, let this be a time of rejoicing and remembrance of his Christian life, of his dedicated life, of the life of a man placed on this earth with a purpose which benefited all mankind.

There were many sides and facets to the character of Senator Francis Case. His love of the outdoors, his love of country, his love of beauty, all went together to make the composite leader. Many times when the Senator was in his office late at night, or when he could not sleep, he used to express his thoughts in the form of short poems. Let me read to you one of those poems, which he wrote one night. It is entitled "New Year Ahead":

The world's in a snarl at this year's end
Few pundits find a favoring wind.
Times go by turns, someone has said
When darkest comes, the dawn must be ahead;
But each day, each year, each life must be lived
As men with choice are not by chance possessed.

Fair Freedom's rule is not a thing assured
Far stars are not to fainting hearts attuned
Real strength is not by sitting still acquired
Nor duty's call by wishing words absolved
High goals are not by downcast eyes attained
Nor wanted ports by drifting craft achieved.

Man's mountain climb by scars is marked
The trail, the trudge by steady steps are made
The daily gain may go unnoticed
But time attests this truth as stated
Pursuing the best to us entrusted
We reach the paths that lead to God.

And so, my fellow Senators, let us with regret pause on this occasion in remembrance of one of our great citizens. But, more important, let us turn our eyes to the future, and remember that the results of his life, the results of his work, the results of his personality and his character will be felt by generations to come; and those who will but pause and reflect and look back upon the life of Senator Francis Case will call him blessed.

I ask unanimous consent that a statement containing biographical reference to the late Senator Case be printed in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Francis H. Case

Francis H. Case, Republican, of Custer, S. Dak., was born in Everly, Iowa, December 9, 1896, and moved with his parents to Sturgis, S. Dak., in 1909.

He attended high school at Sturgis and Hot Springs. He held B.A. and LL.D. degrees from Dakota Wesleyan University, Mitchell, an M.A. degree from Northwestern University, and an honorary LH.D. degree from South Dakota School of Mines and Technology, Rapid City. He attended college for a time at Spearfish, S. Dak.

During World War I, Senator Case served in the U.S. Marine Corps.

He married Myrle Graves, of Mitchell, S. Dak., in 1926. The couple had two children, Jane Commander, of Washington, D.C., and Francis H., Jr. (died 1945).

BUSINESS AND COMMUNITY LIFE

Mr. Case edited newspapers in Rapid City, Hot Springs, and Custer from 1922 to 1942.

Active in promoting development in South Dakota as a newspaper editor, he proposed the Black Hills Summer White House for President Coolidge (1926–27); edited the Jefferson number of the Mount Rushmore booklet for Gutzon Borglum (1931); and actively promoted the development of highway and natural resource potential of South Dakota.

As a rancher, Senator Case raised Herefords and saddle horses on his ranch near Custer.

PUBLIC LIFE

Mr. Case served as a member of the State regents of education in South Dakota from 1931 to 1933. In 1936, he was elected to Congress from the Second District and served seven terms. He was elected to the U.S. Senate in 1950, reelected in 1956, and was serving his second term.

LEGISLATIVE RECORD

Mr. Case's legislative record during his 25 years in Congress has been identified with water conservation, economies in Government, and highway legislation. He has striven for an effective national defense system with economy.

His resolution adopted in 1939–40 by the House Committee on Flood Control produced the studies which led to the authorization of the Missouri River Flood Control Act of 1944. His efforts obtained initial funds for Sheridan Lake, Deerfield, Shadehill, Angostura, Pactola, Fort Randall, and Oahe Reservoirs, and Lewis and Clark Lake.

He authored the provision to reserve half of Big Bend's power for use in the State of South Dakota.

In 1949, while still in the House, he opened the battle against back-door spending, a form of Government financing through Treasury borrowing rather than through direct congressional appropriations, with a point of order during debate on a housing bill.

Other projects which reflect his efforts include: Sioux River, Vermillion, and Fall River flood control project; Ellsworth Air Force Base (Rapid City); Ordnance Depot (Provo); McNenny Unit Hatchery (Spearfish); conversion of Fort Meade to a veterans' hospital (Sturgis); and establishment of the Black Hills National Cemetery; desalinization plant at Webster; Missouri River bridge near Platte; Grand River bridge near Mobridge; post offices at Sisseton, Pierre, Sioux Falls, Mitchell, and other South Dakota communities; Reserve and National Guard armories throughout the State including Woonsocket, Aberdeen, Salem, Miller, Sioux Falls, Hot Springs, Phillip, Clear Lake, and Wagner.

U.S. SENATE (1951–PRESENT)

Other accomplishments include:

Pioneered legislation setting up Saline Water Acts of 1952, 1955, and 1958 which initiated research into ways of converting inland brackish water and sea water into fresh water. The Webster, S. Dak., desalinization plant resulted from his 1958 bill.

Legislation creating the President's Advisory Committee on Weather Control which compiled the most comprehensive set of data available on the subject; placement of weather research programs under the National Science Foundation (1958); and a program for cloud seeding studies under the Bureau of Reclamation's water supply research in 1962.

First legislative proposal for selling surplus farm commodities to foreign countries in exchange for foreign currency, the forerunner to the present Public Law 480 or food-for-peace surplus-disposal program.

Legislation honoring the rights of District of Columbia voters to vote for President and Vice President to end Communist taunts that citizens in our National Capital were denied any form of suffrage.

Extension of the Interstate Defense Highway System to provide needed links including a north-south route in South Dakota.

Numerous provisions in bills and amendments clarifying legislative language or trimming out unnecessary Federal spending.

Senate committee assignment: Mr. Case was ranking Republican member of the Senate Public Works Committee, having served as Roads Subcommittee chairman in 1953–54, and was third ranking Republican member of the Senate Armed Services Committee where he served as chairman of the Military Construction Subcommittee in 1953–54. He was also a member of the Appropriations Committee for national defense and rivers and harbor bills. In 1961 he concluded service on the Select Committee for National Water Resources, set up in 1958 to study the Nation's water needs, after the committee disbanded following completion of its work. Early in 1962, he was named to the Senate Committee on Preparedness.

U.S. HOUSE OF REPRESENTATIVES (1937–51)

Accomplishments include:

Initiated legislation for renegotiation of excess war profits (1942), credited with saving the U.S. Treasury $12 billion during World War II and the Korean conflict, and hundreds of millions of dollars since.

Joint sponsor of Government Corporations Control Act of 1945.

Joint sponsor of Case-Wheeler Water Conservation Acts of 1937 and 1940.

Initiated Labor Relations Act of 1946, later vetoed by President Truman, which was the forerunner of the 1947 Taft-Hartley Act.

Synthetic Fuels Act of 1948.

Authored a phrase change in the Internal Security Act of 1950 distinguishing between Communist "front" organization and Communist "action" organization which has been credited with protecting the constitutionality of that act by Supreme Court review last May.

House committee assignments: Irrigation, Mines and Indian Affairs Committees, 1937–39; Appropriations, 1939–50; Select Committees on Phosphate Investigations, Foreign Aid, and Joint Congressional Aviation Policy.

Mr. MANSFIELD. Mr. President, the loss to the Senate, to South Dakota and to the Nation occasioned by the death of Francis Case was particularly saddening to me. Senator Case and I had served together for many years, both in this body and in the House of Representatives. While we had political differences at times, they were subordinated to our friendship. He had the capacity, too, of subordinating political considerations to the best interests of the Nation. This capacity is testimony to his great integrity.

During his long career as a public servant, the Senator from South Dakota had wide legislative interests. He was an outstanding authority on constitutional and procedural questions and was a knowledgeable lawmaker in many fields. His great range of interests was born of a rich and varied youth which included experience as a newspaper editor and publisher, cattleman, sporting enthusiast, state regent of education, enlisted man in the Marine Corps, and later an officer in both the Army and Marine Corps Reserves.

When he came to Congress nearly three decades ago, his interest continued to range over the whole spectrum of legislation. It was in military-connected fields, however, that he performed his greatest service. Perhaps the best testimony to his dedication to the public interest was the Renegotiation Act of 1942, which he initiated, and which is credited with the recovery of over $11 billion in excessive war profits during the Second World War.

Twice elected to the Senate by the people of South Dakota, his was a distinctive style of lawmaking in this body, characterized at all times by the highest degree of integrity. Nowhere was this integrity better demonstrated than in the celebrated attempt some years ago to influence Senator Case with a sizable campaign contribution. The modest, quiet man made clear in a most forceful way that his public trust as a Senator was not for sale.

It is because of these many qualities that Senator Case made so many friends, all of whom now mourn his passing. We shall miss him sorely in this body. I wish at this time to extend again my own and Mrs. Mansfield's heartfelt sympathy to the members of his family, who bear the greatest loss.

Mr. DIRKSEN. Mr. President, in that area of Chicago which is commonly referred to as the Midway stands a great marble statue fashioned by the hand of Lorado Taft, one the greatest sculptors of our generation, if not the greatest. It is of interest to me because Lorado Taft was born in a small country town in my old congressional district. He has styled the statue "The Fountain of Time," and on it, with a broad face, he has limned the countenances of all manner of people who would be symbolic of any generation. It stands clearly as a rebuttal to the old and popular cliche that "Time flies." Times does not fly. Mankind marches and flies through the stationary corridor of time, and as we do we make history.

Not many people identify themselves too readily with the march of the generations through history, so that it can be said that they adequately identify themselves with the present as it is coupled to the past and the present as it is coupled to the future. But Francis Case was a man who fully achieved that distinction, and I have often marveled how it somehow marked his conduct and particularly his legislative interest.

He had a lively awareness of the present with its challenging problems, and it summoned up in him a rare determination to make the greatest contribution to the well-being and happiness of the people in his own time and generation, and leave a durable bequest to those who were to come after him and become the custodians and trustees of America in another day. And thus did he display his appreciation for the sacrifices of the past and his sense of obligation to the present.

With it all, he had a sharp sense of mission and responsibility to the future, and in his years of legislative conduct it may have escaped the casual observer, but it made a very deep impression on me.

First was his deep interest, and continuing interest, in the distilling of salt water to make it potable and usable for human purposes. I examined a good many of the treatises that he prepared on the subject. Why should this experimental activity command much of his time, his energy, and his study? He might not live to see the day when this process would come into widespread and practical use in all the corners of the earth, but there was a clear reason, and his distinguished colleague, Senator Mundt, has referred to it. It was his interest in water resources, which one day may yet become the most acute challenge before all mankind. He was sensitive to this challenge in his own time and for the future. So he wanted to advance the matter in his own time as a contribution to the future well-being not merely of his own country but of people everywhere.

There was one other activity in which he was deeply interested, and that was the attention he gave to the work and to the business of seeding clouds with chemicals or some other divisive force for the purpose of producing rain.

In a way, I suppose it was quite natural that he should be deeply interested in that, because he lived a lifetime on the prairies of South Dakota, and there he had not only with his own eyes seen, but had experienced, the ravages of drought and what it could do to the lives and livelihood of the people.

"Surely," he must have said to himself, "even as nature causes the cool winds to caress a cloud and let the water fall upon thirsting acres, within the ingenuity of man there must be a process, there must be a way, of bringing that moisture from above so that it may be earthborne and fall on the thirsting acres where it is needed."

He was again in an experimental field. He did not know that it would be consummated in his lifetime. He did not know whether seeding clouds with silver iodide would one day be practical. But he worked at it because he saw the necessity for it, and he had a great and consummate faith that, somehow, in the talent, in the faith, and in the ingenuity of man, that process would yet be found.

So, Mr. President, we give a reverent salute to a former colleague—a quiet, shy, industrious, hard-working public servant—whose labors perhaps were not always fully appreciated. There was upon him the mark of greatness, because he felt his debt to the past, because he so fully discharged his obligation to the present, and because he had a deep sense of trusteeship to the future. Truly these are the qualities which exalt a man and give him the stature of statesmanship.

Mr. KUCHEL. Mr. President, it is with a sad heart that I pay tribute to a highly respected and esteemed Member of the Senate, our friend and colleague, Francis Case. His death has been a great loss to the Nation, to the Senate, and to the Republican Party.

We all admire ability. We all respect conviction. We all pay homage to honesty. Francis Case had all of these. Francis Case's record of public service is a long one. A former newspaperman and part-time rancher, he served in the House for almost 14 years. This year, he would have completed his second

Senate term, and he had already announced his decision to run for another term.

FRANCIS CASE has served his party and his Nation well. His contributions were many. He was a member of the Senate Public Works Committee, where I had the privilege in years gone by of working with him. There I was able to observe him more closely at work. He was always constructive, prudent, and perceptive in all phases of his work. He was a member also of the Armed Services Committee.

A onetime chairman of the District Committee, FRANCIS CASE was a fast friend of the District. We recall how vigorously he fought for a constitutional amendment to permit District residents to vote for President and Vice President. He brought the issue to its first vote in the Senate, and later cosponsored the proposal which has become the 23d amendment to the Constitution, guaranteeing the presidential vote to District citizens.

He had become convinced in his last years of service that the next step toward full suffrage for District citizens should be Representatives for the District in the House. In his usual spirited manner, he was prepared to fight for this goal.

Our Nation has lost a public servant of the highest caliber and the deepest convictions. Members of the Senate on both sides of the aisle were proud to call him a friend. I deeply regret his passing and I know that all of us here will miss him.

Mrs. Case, her daughter and her granddaughter have my family's deepest sympathy.

Mr. RUSSELL. Mr. President, I would not wish to see this occasion pass without making some expression of my affection and respect for our departed colleague from South Dakota, FRANCIS CASE.

I well remember my first legislative contact with FRANCIS CASE. It was when he was serving in the other body, and I met him on a conference committee on appropriations for public works. I marveled at that time at his detailed knowledge of every item which came before that conference committee for consideration. I saw the chairman of the conference turn to him time and again for information as to the various items in the bill.

He later came to the Senate of the United States, and it was my privilege to serve here with him during his entire tenure in this body.

Mr. President, Senator CASE was a member of the Senate Committee on Armed Services, over which I am privileged to preside. I learned to rely on him as I have on few men for careful and objective consideration of issues which are vital to the security of our Nation and to the preservation of our institutions of government.

I have spent the greater part of my adult life in legislative work—10 years in the general assembly of my own State and 30 years in this body—and over that span of time I have come in contact with many legislators, some who have been able and some who have been great, but in all that period and among all those acquaintances I have never known a more conscientious, a more thorough, or a more courageous legislator than FRANCIS CASE.

He was not a lawyer, in that he had never engaged in the practice of law, but there were few keener students of constitutional law in this body than FRANCIS CASE. All of us have seen him time and again rise, when constitutional questions were under discussion, to quote from some of the great leaders of the past, from some of the great scholars or jurists of our Nation's history, thus reflecting a much broader knowledge of our constitutional system than ever possessed by many lawyers who have held licenses to practice law for many decades.

Senator CASE knew the rules of this body. We all know, Mr. President, that the rulebook itself does not contain half the rules of the Senate. Over half of our rules and procedures depend upon precedents which are not written into the rulebook itself. But he knew the rules and he knew the precedents. All of us have seen him time and again rise, when some complicated parliamentary question was before the Senate, to make a real contribution to its solution.

Senator CASE believed in the Senate as an institution of Government, and he was very jealous to protect the prerogatives of individual Senators and to defend this institution as a valuable component of our Government.

Above all that, Mr. President, through close association we became intimate personal friends. So long as I shall live, I shall have many sweet recollections of the kindnesses he has done me and of our intimate association together.

We are all saddened that he has gone from this Chamber never to return in the flesh, but, Mr. President, those of us who knew him and who loved him will long be inspired by our memories of his capacity, of his patriotism, of his unshakable integrity. The fact that he has served in this body and that his services have contributed to what we might call the spirit and the soul of the Senate of the United States will be a salutary and beneficial influence upon the lives of the American people for many years to come.

Mr. STENNIS. Mr. President, it was my great privilege for more than 10 years to serve on the Committee on Armed Services with our late friend FRANCIS CASE. During that time we served together on many major subcommittees of that parent committee as well as some under special appointment by the Senate. I also served with him on the Appropriations Committee, since he was an ex officio member when we were working on the military construction appropriation bill. More recently, he was a member of the Preparedness Subcommittee of which I have the honor to be the chairman.

I learned to know him and to truly love him as a friend and a companion, as well as to respect and to highly value his services to this body and to the Nation.

I learned to know with great admiration his wonderful wife, Mrs. Case, as well as his lovely daughter, Mrs. Jane Case Commander. Also, I know and very much admire his brother, Mr. Leland D. Case.

Mrs. Stennis joins with me in making known to them our great appreciation for their late husband, father, and brother. We certainly wish them well as they continue to carry on and continue to reflect the fine spirit of our late friend.

Mr. President, I attended the funeral services for FRANCIS. I thought the minister preached a marvelous sermon—one more fitting I have never heard—in which he took for his text the story which Jesus told about the man with five talents, the man with two talents, and the man with one talent. I said, as we came out of that church, that FRANCIS CASE was certainly a five-talent man, and he returned even more than five talents to be passed on to humanity. He had a fine, penetrating mind, a marvelous memory, and tremendous energy, all combined with his fine character. He always took the constructive, helpful approach.

If I may, I wish to relate one incident which occurred in 1953. Senator CASE, former Senator Duff from Pennsylvania, and I were members of a subcommittee which went to visit military installations in Western Europe and northern Africa. Senator CASE was chairman of that subcommittee.

The year was 1953. We were in French Morocco. Senator CASE's penetrating mind and ability to sense things that were not on the surface convinced him that the future for the bases we were building in French Morocco was uncertain and not secure. We had no such information in the United States. After Senator CASE had reached that conclusion, he went to work on it and further developed it.

To shorten the story, when we returned to the United States the three of us went to the White House to visit with the then President Eisenhower. The substance of Senator CASE's report at that time was that our tenure in French Morocco was not secure, and we would not be privileged to use the bases which were being constructed for a very long time. I do not disclose any executive privilege in stating that I remember that President Eisenhower whirled in his chair, picked up a telephone, called for Secretary of Defense Wilson, and told him not to proceed one step further with the building of the last base there until the military had conferred with him personally. I am certain that it was the insistence, persistence, and clear thinking and the penetrating analysis of that situation by Senator CASE that went a long way in formulating the decision in the President's mind not to build that base. It never was built. It is history to note that within a few years we vacated the bases we had already built.

I mention that story with emphasis because it illustrates the repeated instances in which that fine public servant worked. He was always at work. I never heard of him taking much exercise or engaging in other activities. His mind worked all the time. In analyzing a situation he demonstrated completeness, thoroughness, impartiality, and constructiveness, with results such as those I have enumerated. That one action of his was a major factor in saving $50, $60, or $70 million, and was typical of him in all the 10 years that I served with him as a member of the subcommittee. When the Republican Party was the majority party, Senator Case was the chairman of the subcommittee. When the Democratic Party was the majority party, I was chairman. But one of the fond memories I have of him is that in our service on that committee there was no difference. So far as our relations on the committee were concerned, people hardly knew which party was in power, because we did not treat matters that came before the subcommittee in a partisan way. We approached questions from the standpoint of military security. Senator Case set the pace for that approach. He was ever interested and ever cooperative.

Mr. President, I wish to read briefly my remarks at the first meeting of the Preparedness Subcommittee after Senator Case had passed on. His chair in the committee room was vacant. My remarks were not prepared. I opened the meeting with the following words:

> Senator Stennis. Since the last meeting of the Senate Preparedness Subcommittee, we have lost through death an esteemed, respected and valuable Member of the Senate, of the Committee on Armed Services and of this subcommittee. It is fitting and proper that we pause today in respect to his memory. The late Senator Francis Case was to me, and, I am sure, to all members of the subcommittee, much more than a fellow Senator and a fellow committee member. He was above all a stanch personal friend—as he proved so many times during our long association.
>
> Senator Case left behind him a heritage of dedication to his beloved country. Throughout his career, from his enlistment in the Marine Corps through his long and notable service in the Congress, he was inspired by unquenchable patriotism and a determination to serve his country. Dedication to and love of the Nation guided his every action. He gave unstintingly of himself, his time, his energy, and his devotion to the public welfare.
>
> All of us who had the opportunity to observe and the capacity to understand knew that Francis Case was a man of high purpose, of strong character, and of selfless motivation. He was dedicated in the true sense of the word; dedicated to his country, to the public service, and to his flag—a flag which he served so well as a fighting marine in World War I.
>
> When he was so suddenly called from this life he was completing his 26th year as a Member of the Congress, having served 14 years in the House of Representatives prior to his 12 years of faithful service in the Senate. The intimate knowledge and understanding of the Government and its complex affairs which Francis Case possessed has not been exceeded by any individual I have ever known. He was not a man who was satisfied by half an answer; he wanted all of the facts to insure that the information upon which he based his judgment was as complete as possible. He searched for the truth with unwavering perseverance and unflagging energy.
>
> Wisdom and knowledge were the fruits of his diligence and devotion. He acquired detailed knowledge not only of those bills which passed the Congress but of those that failed of passage. He knew and understood the intricate programs of the military and other departments of the Government and the congressional debates concerning them. His acquisitive and retentive mind served both the Nation and the Congress well.
>
> On yesterday the Vice President and 12 Members of the Senate journeyed sorrowfully to Rapid City, S. Dak., to attend the funeral of our departed friend. It was immediately apparent to all of us that Francis Case was a man who was appreciated, respected and revered by all of the citizens of his home State. His funeral service was conducted by his own pastor who used, as his theme, the story told by Jesus of the three men and the talents entrusted to them.
>
> As I listened to the service and the eloquent words of the pastor I was impressed by the parallel. Francis Case, I realized, was a man of many fine talents. Of equal importance, he put all of his talents to work and kept them working until the day of his death. The pastor's selection of a text could not have been more appropriate. The theme and the analogy fitted the man perfectly.
>
> When the services were over and we sped through the clouds on the return trip to Washington, I am sure that we all shared a sense of pride in Senator Case's record and a deep appreciation for the contributions of this distinguished man. He left this country stronger because of his dedicated service, his untiring efforts, and his unrelenting devotion to the public good.
>
> There is one other thing I must say. Senator Case, with all of his ability and talent, was one of the most modest men I have ever known. While his unusual ability commanded respect, his exceptional modesty had a great and warm appeal to those who knew him well.
>
> I am personally indebted to him in many ways. For 10 consecutive years we served together as members of the Subcommittee on Military Construction. He was the chairman when the Republicans were in the majority and I was chairman when the Democrats had control. We worked in such harmony that I doubt that anyone could tell the difference. I hope that I gave him the same unqualified support that he gave me.
>
> Senator Saltonstall. Mr. Chairman, may I just echo your sentiments in full.
>
> Senator Case was not only a fine colleague but a very beloved friend of mine and I know we will miss him.
>
> Senator Stennis. I thank you, Senator Saltonstall. I am sure that those of the military who are here share the sentiments which have been expressed for this fine man and his great public service. I know that the members of the staff share them.

Then, Mr. President, when I had finished my statement, the official reporter who had been reporting the hearings all those years held up his hand. It was a very unusual thing to do. He held up his hand and said:

> Mr. Chairman, may I be included among those who appreciated him?

The tribute of that reporter who knew him and had watched him as he passed in and out of the committee rooms all during the years and had expressed an earnest and sincere desire to be included among those who loved Francis Case is a tribute that could not possibly be exceeded.

Francis Case was the soul of modesty, and he was very considerate of everyone.

I added further:

> I would like to add that when there was a vacancy on this subcommittee earlier this year, I urged Senator Case to accept the appointment and join us. I did this because I knew his ability, his background, and his sterling worth.

Senator Margaret Chase Smith said:

> Mr. Chairman, I would like to join the chairman and other members of the committee in paying respect to our very dedicated and beloved friend and colleague, Francis Case. He will be greatly missed by all of us and I know of no one who will miss him more than the chairman who worked so closely with him.

Senator Symington said:

> Thank you, Mr. Chairman. I have already stated on the floor my deep sadness at the loss of Senator Case, who, in my opinion, was one of the greatest Senators it has been my privilege to serve with from every standpoint, including ability and character.

Thus ended that small tribute coming from the heart and mind of those who were close to him.

I feel confident that the God he served so faithfully affords his soul a lasting resting place; and I know that there is a lasting benefit and strength to our Nation because Francis Case lived.

Mr. CARLSON. Mr. President, it was on the afternoon of June 21 that our late beloved colleague, Francis Case, stood at this very seat I am speaking from and made his last speech to Members of this body. As I listened to that speech, little did I realize that it would be his last, for the following morning we received the almost unbelievable news that he was taken in death.

We were again reminded of the uncertainties of this life.

Francis Case was completing his 26th year of service in the Congress of the United States. He began his service in the House of Representatives in January 1937. My service in that body preceded his by 2 years; therefore, when Francis and Myrle Case of South Dakota arrived in Washington, it was natural—coming from the same section of our Nation—that the Cases and Carlsons should be drawn close together.

Francis and I had many pleasant associations, not only in our work in the House of Representatives, but as colleagues in the U.S. Senate. In our earlier associations, we had many enjoyable hours together in early morning golf games that started at 6 a.m. It was occasions such as this that drew us close together. We not only knew each other, but we understood each other.

Others today have paid tribute to the outstanding services that Francis rendered his State and Nation. I want to talk about Francis Case the man—his sincerity, his integrity, his courage, and his ability to analyze complex legislative problems.

One of his outstanding characteristics was that once he determined what was right—as he saw the right—he was fearless in fighting to maintain that position. Never once did he retract from a position that he thought was right. He not only voted for it, but stood here on the floor of the Senate and fought for it. There may have been occasions when it was not politically expedient for him to take a firm position, but he never deviated from his course.

Francis Case had integrity. Integrity goes hand in hand with high moral purpose, lofty idealism, and a love of humanity. We associate integrity with trustworthiness, dependability, and honesty. Francis had those qualities.

Another outstanding characteristic of Francis Case was his great capacity for work. It was only natural for him as a former editor and newspaper publisher to study legislative proposals that were pending in this body. He studied the merits of the legislation, he did not hesitate to call the Senate's attention to errors or flaws in the legislation, and time and time again, he offered amendments to correct errors and inequities. As we say, "He did his homework."

Typical of his interest and the thoroughness with which he analyzed legislation are his last words in discussing our military defense on the floor of this Senate. In a colloquy with our distinguished colleague from Missouri [Mr. Symington] he stated—and these are his last words:

> But by and large, the world is less likely to become involved in a nuclear war through accident if those who might initiate it, through ignorance, are not kept in ignorance. If they know we have strength, if they know we have a real deterrent capability, if they know we have the food to carry us through a conflict, if they know we have the necessary mineral resources and industrial processes, and if they know we have a capable defense in being, I think there is less likely to be a war by accident. That is, perhaps, a general principle. Some persons may not believe it has application in this instance; but I think it does, in the light of the discussion this afternoon.

As a third characteristic, I want to mention his deep love and affection for his family. Despite his devotion to his work, he always had time for a happy family life with his wife Myrle and his daughter, Jane.

Personally, I shall remember Francis Case as a good friend and a perfect gentleman at all times. I know of no greater tribute that can be paid to a man.

Henry Drummond's book, entitled "The Greatest Thing in the World," mentions nine virtues that make up the stature of a perfect man, or a perfect gentleman.

The first of these nine virtues is patience, and those of us who have had the opportunity of knowing and working with Francis Case know that he had unlimited patience.

In addition to patience, kindness is another virtue of a perfect gentleman. Generosity and humility are additional virtues, and I believe Senators will agree with me that Francis Case had these virtues.

Courtesy is another requisite of a perfect gentleman. To this we add unselfishness. Good temper is another attribute, and certainly those of us who knew Francis Case can honestly state he was not easily provoked to anger.

Guilelessness is another virtue, and we can go back to the Scripture for a reference to the importance of this requisite. The Master, in selecting one of the 12 selected one by the name of Nathaniel. In describing him, He used these words—"Behold, an Israelite in whom there is no guile."

And then the ninth or last of these virtues is sincerity. Francis Case was a man that rejoiced not in unrighteousness, but rejoiced in the truth.

Francis Case is truly missed in this body.

Mrs. Carlson and I extend our sincerest and deepest sympathy to Mrs. Case, Jane and Catherine.

Mr. JACKSON. Mr. President, I had the honor of serving with Francis Case during all but 4 years of his long career in the House and in the Senate.

We all try to make a certain contribution in this body. We all endeavor to play an effective role. To enumerate the many great accomplishments for which Francis Case is responsible would take a long time. I can say that his contributions, especially to the legislative process, were legion. I would like to single out what I think was his unique role in this body and in the House of Representatives.

He had a thoroughness in his approach to all problems which over the years has earned dividends to our Government and our country. To state it simply, he "did his homework." He mastered the facts. I am sure that many in this body and elsewhere, who have had the opportunity of observing Senator Case in action, would come to the conclusion that he had been in the practice of law for a long time. If there ever was an expert at the art of cross-examination, it was Senator Case. Yet he was not schooled in the law. He was, however, a good newspaperman prior to his coming to Congress. He understood how to get at the truth.

In this connection, I must say that I have known no one who has had a more unlimited thirst for the truth. In this pursuit, as in all others, he was tenacious. His was, indeed, the inquisitive and inquiring mind, modest, kind, thoughtful, and understanding.

To his wonderful family, I extend my deepest sympathy.

Mr. MONRONEY. Mr. President, it was my good fortune to serve in Congress for 24 years with Francis Case. He enjoyed 2 years of seniority over me in the House of Representatives when I entered that body in 1938. As a freshman Representative, I learned of the great qualities of Francis Case.

During World War II, I observed him as he fought diligently, often against great odds, to secure the protection of the people of our Nation and our troops in the field, and, above all, the integrity of our purchasing and procurement system, the cost of which ran into the hundreds of billions of dollars.

Francis Case was the moving spirit behind the Renegotiation Act, which resulted in the recovery of large sums of money by the Government and prevented many of the excess charges and inaccurate or unsatisfactory goods which had marked many of the procurement programs in other wars.

Francis Case and I were elected to the Senate in the same year. He brought his vast experience to the Senate and to the committees on which he served.

I know of no man with whom I have served in 24 years in Congress whom I would rate as having a higher degree of dedication to patriotic duty than Francis Case. I know of no man who could excel him in his incorruptibility and his determination that the duties of the high office which he filled as a representative of his State be carried out with the same impeccable conscientiousness, honor, and honesty as Francis Case insisted upon in all the dealings which industry and people in general had with the Federal Government.

I knew of his courage to stand alone on the floor, if alone he be, to fight for the cause which he believed was right. If all the Senate were against him, he would still be presenting his opinion, in an able, competent, forceful way.

Francis Case could argue hard and debate strongly, but never offensively.

I have never known him to offend a colleague, no matter how violent the disagreement might have been over the subject which was under discussion.

Francis Case excelled in his industry, because the day was never too long, nor the problem too difficult or complicated, for him to devote his time, his energy, and his competence to seek his way through a difficult maze which beset the finding of a true solution of the problem. I think some of the great suggestions I have heard made when the Senate was closely divided and was unable to reach a solution came from Senator Case, because of his understanding and his willingness to make adjustments, when the subject which he had studied and the case he had heard from the other side warranted the abandonment of a definite, fixed position, and a movement toward a solution, so that the Senate could legislate in that field.

I believe his past experience as a newspaperman gave him the inquiring and searching mind that marked him apart from many persons who were often confused by the large amount of detail or the technicalities of a problem. He could cut directly through complicated problems and find the truth.

I enjoyed my friendship with Francis Case, not only in the Senate, but also as a valued member of the Interparliamentary Union, in which he displayed great ability and exemplified the highest type of American statesmanship to the representatives of the 70 other nations of the world whose parliaments were then represented in the Interparliamentary Union.

In his friendly way, and with his ability to present America's viewpoint most accurately and favorably to other nations of the world, Francis Case made a valuable contribution to America's prestige abroad, because of his statesmanship, personality, and ability.

We shall sorely miss Francis Case on the floor of the Senate when debate waxes hot, and as we search for the middle ground on which all honorable men can agree, because he had a way of seeing clearly that open area which somehow had been overlooked by others.

I express my deep sympathy to his wonderful family, who always participated with him, and with whom he always participated, in sharing the problems and the triumphs he had in this body.

Mr. MORSE. Mr. President, in an hour such as this, words fail to express one's inner feelings when he speaks about the loss of a friend and a colleague in the Senate. Yet one could not sit in this body, as I have this afternoon, and listen to the eloquence of his colleagues as they have paid their deserved tributes to Francis Case, without realizing that the record which is made this afternoon is an indelible monument in the printed word which I think depicts remarkably well the statesmanship of Francis Case.

I wish to speak a few words about his service as a member of the Committee on the District of Columbia, for the District of Columbia is a better city in which to live because Francis Case lived. The people of the District of Columbia and of the Nation are highly indebted to him for his record as mayor of the District of Columbia, as the position of chairman is frequently referred to. When Francis Case served as chairman of the Committee on the District of Columbia, he performed many of the duties which are performed by the mayor in most cities of our country.

He was so dedicated to the task of seeking to make Washington a better place in which to live that after he had served as chairman of the Committee on the District of Columbia, he returned to the committee after accepting for a time an assignment on another committee. Again, he rendered eloquent service in behalf of the city and the country.

I need only mention his authorship of the constitutional amendment to provide voting rights to the people of the District of Columbia in Federal elections to prove my point concerning the great service which Francis Case rendered the District of Columbia. But he rendered many other services, as well. How well I recall our debates in committee and on the floor of the Senate as we sought to bring to the people of the District of Columbia home rule which would really provide them with first-class citizenship.

I well remember when I first offered to the home-rule bill my amendment to provide for the election of a mayor for the District of Columbia. At first, Senator Case thought he would oppose that amendment, and in the committee he voted against it. But by the time the bill with that amendment attached to it reached the floor of the Senate, he had completed his analysis; and the record will show that not only did he vote for the provision for the election of a mayor, but he also spoke in support of it. Certainly the people of the District of Columbia owe a great debt to Francis Case for the very active part he played, year in and year out, as he sought to bring home rule to the District of Columbia.

Mr. President, let me say that one of the finest monuments which could be built to Francis Case would be the passage by Congress of a home-rule bill for the District of Columbia—legislation for which he fought so valiantly for so many years.

He was also very much concerned about the social problems in the District of Columbia, including some of the problems of crime, about which so much is being written these days in the press. On the District of Columbia Committee, Francis Case was one of our stanchest advocates of the provision of the appropriations necessary in order to give greater law-enforcement protection to the people of the District of Columbia. He was also very much concerned about the educational needs of the District of Columbia; and the record will show that in that connection, too, time and time again he bespoke his support for greater support of the schools in the District of Columbia.

How well I remember when a subcommittee, of which I was chairman, conducted hearings in 1957 into the problem of hungry children in the District of Columbia. That situation touched Francis Case to the heart. When he recognized that the evidence showed that a large number of children in the District of Columbia lived almost entirely out of garbage cans, that their food supply was largely made up of what they could scavenge from the alleys in the District of Columbia, he was deeply shocked. And when Francis Case went to work on such an issue, we could be sure that results would be obtained. Certainly all of us are greatly indebted to him for the support he gave my subcommittee—support which resulted in the making of the necessary appropriations in order to alleviate that problem.

Thus, Mr. President, I could mention issue after issue involving the District of Columbia to which Francis Case directed his attention, and in regard to which his support resulted in having Washington become a better place in which to live because Francis Case lived.

This afternoon the senior Senator from South Dakota [Mr. Mundt], the Senator from Illinois [Mr. Dirksen], and other Senators have referred to the work of Senator Francis Case in connection with water problems. I believe it most fitting that those references were made, because the problem of an adequate supply of water was one of the issues to which Senator Case devoted a very great deal of his time, during his years of service in the Senate.

He recognized that a civilization does not climb on a falling water table. He recognized that if we are to protect our civilization, we must give heed to the lesson of history that the water supply must be protected. So Francis Case was always a leader in connection with the work in regard to all phases of the water-supply problem. He was also a leader in connection with the problem of the control of water pollution. In his service on the District of Columbia Committee, he sought to do what he could to help solve the national shame that flows through the Capital City of the United States—the Potomac River. He used to recognize, and used to speak about it in the committee, that one of the filthiest rivers in all the world is the one which flows through the Capital of the United States; and he was always among those who sought to obtain the provision of at least sufficient funds to reduce the pollution of the Potomac River. So, Mr. President, another of the finest tributes which we could pay to Francis Case would be social action to see to it that, as soon as possible, sufficient funds were provided to make it possible to work out with Maryland and Virginia a compact which would make the Potomac River a river in which people could swim, rather than the dirty cesspool it really is. What a great tribute it would be to Francis Case if the day could come when, along the banks of the Potomac River, thousands of boys and girls and their mothers and fathers would enjoy clean boating and swimming. He used to point out that this should be possible and that it could be if we had the foresight and if we were willing to practice the statesmanship that such a reform requires.

During the tributes this afternoon, mention has been made of the great interest of Francis Case in roads—another of his specialties in the legislative field. Mr. President, as a westerner, let me say that in this connection, too, all of us in the West owe a great debt of gratitude to Francis Case. I served for a time with him on the Public Works Committee, and he was our leader in connection with all road legislation. He deserves a great share of the approval which Congress deserves for the establishment and expansion of the Interstate Highway System. All the Western States are indebted to Francis Case for what was known, at the time when I served on the Public Works Committee, as the Case formula in connection with the distribution of Federal funds for our road system.

The Senator from Illinois [Mr. Dirksen] spoke about the great interest of Senator Case in weather. Those of us who were close to Senator Case used to josh him, in the lighter moments of our relationships here in the Senate, about being a rainmaker. We used to say to him, "You brought with you to the Senate some of the Indian lore of South Dakota—with your knowledge of the rainmaking methods and traditions of the Indians." He always enjoyed the fun we had with him regarding his interest in weather. But how correct he was: He made some very worthwhile contributions—as the Senator from Illinois [Mr. Dirksen] has said—in regard to cloudseeding. What great progress has been made in regard to the use of those techniques and the changes in the weather which can be brought about by man by making use of those techniques in the arid areas of our country—techniques which, in fact, do time and time again produce the needed rain.

Mr. President, I close with a personal reference to Francis Case, because the Cases and the Morses are very close personal friends of the Owen Scotts, and have been for years. The Owen Scotts own a farm at Dickerson, Md.; and over the years our families have spent many happy hours on the Scott farm, either on Saturday afternoons or Sunday afternoons. There we enjoyed our mutual interest in livestock and in farming.

Francis Case was a good example of the old adage that the outside of a horse is good for the inside of a boy or a man. Francis Case was a splendid horseman. He loved to ride; and I have ridden many a mile with him, over the years, along with the members of the Scott family and the Case family and the Morse family. Although we had many differences in political philosophy, although we voted differently many times on the floor of the Senate, and although he, according to the political label—although I am never sure what the labels mean—was labeled a conservative, and I a liberal, I wish to say that on those weekends we simply did not bring our political life into our recreational associations. Instead, we enjoyed each other as friends.

But in a hobby, Mr. President, you really come to know a man. My experiences with Francis Case in connection with our hobby of horses and cattle gave me perhaps a better insight of the inside of that man than I would ever have had if I had not had the privilege of knowing him so intimately as a friend in this association.

Mrs. Morse and I wish to express to the Case family, as they well know, our sincerest thanks for the privilege that we had of being friends of Francis Case and of coming to know him as we had over the years, and to his family we extend our deepest sympathy.

Mr. GORE. Mr. President, the first meeting between the late Francis Case and me occurred in an unusual and a very personal way. It laid the foundation for a personal friendship that lasted until his passing. As a young Member of Congress, I obtained an apartment in the same building in which the then Representative Case and his charming wife and little daughter lived. Air conditioning was not then customary, so on a warm evening the door of one's apartment was frequently left open to facilitate circulation.

On such an evening Mrs. Gore was preparing a meal. I was perusing the evening paper. Our little daughter, who had then just learned to walk, was in my care. Perhaps because of engrossment in a news article, I did not notice that she had toddled out the door, but upon noticing her absence, of course I went scurrying in all directions for fear that harm might come to the little one. I found her in the lap of Francis Case. As I said, this was our first acquaintance. I learned to know then his little daughter, Jane, who has since grown into a beautiful and accomplished young lady.

This friendship, which started on a personal basis, grew into a relationship of confidence and cooperation in an official way.

In the House of Representatives, Representative Case and I served on the same committee. There I saw his great work as a committeeman. I think Senators who have spoken here today already have attested to the fact that his work as a committeeman was truly illustrious—not only illustrious, but entirely constructive.

In the Senate, Senator Case and I served on the Public Works Committee. It was my privilege to serve as chairman of the Highway Subcommittee and to be the author of the highway bills of 1956 and 1958. Except for his aid, I doubt if those bills could have been written and enacted.

He was always a pillar of strength and a source of detailed knowledge and competent analysis. In addition, he was the embodiment of integrity. Senators will recall the time when he was under severe attack for having disclosed what he regarded, and what many other persons regarded, as an impropriety. I was the first Senator to rise in his defense. I did so gladly. I confidently did so, without full knowledge of the circumstances, but with full knowledge of and confidence in the integrity of Francis Case. I remember remarking at that time that I regarded him as a gentleman of perfect integrity. This was his life. This was his stature. This was a goal which he achieved, a goal which only a few may achieve.

His personal qualities of tenderness, regard, and tolerance toward his friends must have been reflected a hundredfold in his regard of his family.

His passing is a source of deep personal regret and sorrow to me. That he has departed this Chamber and our comradeship, never to return, is a source of sadness, but also a reminder of the inexorable march of time, and that, with the march of time, men must travel that path.

Mr. THURMOND. Mr. President, I am glad I had the pleasure of serving with the able and distinguished Senator from South Dakota, my friend Francis Case. I served with him on the Senate Public Works Committee and also on the Armed Services Committee of the Senate. On both of those committees he rendered to his country outstanding service, and certainly would have been a great asset serving as a member of any committee.

When I think of Francis Case, I think of the motto of the U.S. Military Academy, "Duty, Honor, Country." I think those words characterized the life of this great American. He was a man who could be depended upon to do his duty.

He arrived at his duty himself. It was not pointed out to him by any man. He had the courage to fulfill his obligations to his country as he saw them. To him his country came first and foremost in his obligations as a public servant.

He was an honorable man. When a question came up with regard to being offered a donation by certain interests, as to whether that was proper or not, he made the matter public. He did not do that with the intention of hurting anyone, I am sure. It was characteristic of the man, because he was so high, so noble, and so honorable that he could not in any way compromise with what he conceived might be evil intentions.

He loved his country. He served it well. The United States of America and the Senate are better off because of the service in the Senate of that great American, Francis Case of South Dakota.

I have had the pleasure of knowing his devoted and faithful wife and his pretty and talented daughter. I extend to them my deepest regret on the loss of a devoted father and a faithful husband. It is with regret that we see such a man pass from the scene—young in years, who has rendered such a magnificent duty.

Only the day before he had his attack I talked with him. I always enjoyed conversations with him because he was a wise and understanding man. I thought I saw then that he did not look as well as usual. I believe he possibly did not feel well, but he would not give up, because he was so devoted to performing his duty as a Senator, as a representative of the people of the sovereign State of South Dakota.

Our country has lost a noble man, an able Senator and a great American.

Mrs. SMITH of Maine. Mr. President, it was my privilege to serve in the House of Representatives and the Senate with the late Francis Case. I know that everyone will agree with me that there was never a more sincere, dedicated and painstaking person than the late Senator from South Dakota. He did his homework. Consequently, he was one of the most thorough statesmen in the history of our country.

I knew this not only because we served together in both Houses of Congress—but because we served together on the Senate Armed Services Committee, where he sat next to me—and on the Senate Appropriations Subcommittee on Defense, on which he served as an ex officio member representing the Armed Services Committee.

I was proud to have campaigned for his reelection in 1956 and he was always very generous in the credit that he gave my efforts in helping him gain the necessary margin in a very close election—so close that not until after the last returns came in did he pull ahead to victory.

This year I had looked forward to returning to South Dakota to campaign for him and for his reelection to a third term in the Senate. He prevailed upon a South Dakota college to award me an honorary degree in June as its commencement speaker but unfortunately I had made a prior commitment to be the commencement speaker on that date at Albright College in Reading, Pa.

Most of us are convinced that Francis Case literally worked himself to death—that had he been less conscientious—had he paid a little more attention to getting needed rest instead of sacrificing his health in his dedication to serving the people of South Dakota and the Nation he would be here today with us.

What more could be said in tribute to a public servant than that he gave his life to his country and to the people that he represented?

Mr. AIKEN. Mr. President, for 12 years it was my privilege to serve with the late junior Senator from South Dakota in this body, and I always found him to be a friendly, cooperative, and extremely able colleague.

His integrity, his courage, and his ceaseless care with seemingly small but very important legislative details marked him as a man of stature and importance. His comments carried weight because he had given careful study to the subject at hand before he spoke.

Perhaps the greatest monument to Francis Case is the new Defense Highway System that is being built from coast to coast through every State in our Union. As the ranking minority member of the Public Works Committee he performed much of the difficult work of preparing the way for the Federal Highway Act of 1956, which provides the statutory groundwork for this new highway system. In the years since that time, he continued to watch over the construction of the highway with that thorough attention to details that is imperative if a big job is to be well done.

I shall miss FRANCIS CASE in the Senate. His place will not easily be filled, if indeed it is ever filled, for his was a service that was both unique and invaluable.

Mr. TALMADGE. Mr. President, if one word could summarize the distinguished career of public service of FRANCIS CASE, it would have to be "dedication."

During the few years it was my privilege to serve in this body with Senator CASE, I was impressed time and again by the diligence with which he pursued his duties. He was constant in his attention to all legislation, whether of particular interest to his State of South Dakota or not, and repeatedly demonstrated a breadth of knowledge and versatility of interest which earned him the admiration of all his colleagues.

FRANCIS CASE was particularly skilled in the art of legislative draftsmanship. He was expert in detecting the flaws and inconsistencies of complicated measures. He perhaps uncovered and brought about the correction of more legislative errors than any other single Member of Congress.

The entire Nation is in the debt of Senator CASE for his indefatigable and effective efforts in behalf of conservation of our natural resources. And the example he set in personal integrity will long be cited as a new high standard of public service.

It can truly be said of FRANCIS CASE, Mr. President, that he had the faith of which Abraham Lincoln spoke—faith in the right which dares one to do his duty as he understands it.

Mr. WILEY. Mr. President, during the history of our young country, a great many dedicated, patriotic citizens have marched in and out of the doors of the Senate.

In the annals of the Senate, our country, and of life itself—is written the record of these men's contributions to humanity.

After the passing of our good friend, FRANCIS CASE, there lingers a mixture of sorrow that he is no longer with us; and yet deep gratitude that he has been here.

For his life, his dedication to his country, his contribution to progress, and his outstanding service to his beloved State, South Dakota, we are a richer, better nation.

In his life, FRANCIS lived nobly. In the Senate, FRANCIS epitomized—in character and integrity—a man who spoke softly; but his words reflected his sound, analytical, learned mind. Too, he was a thoughtful friend.

Regrettably, FRANCIS did not live to see—as I know he would have taken great pride in—the inclusion of South Dakota's Mount Rushmore, highlighting the magnificent, sculptured, mountaintop features of Washington, Jefferson, Lincoln, and Theodore Roosevelt, in early, historic, intercontinental exchanges of Telstar vision.

We all have a rendezvous with farewell to mortality. To those FRANCIS left behind, I would like to leave the thought of this farewell as Nancy Turner so gently wrote:

> Death is only an old door
>   Set in a garden wall.
> On gentle hinges it gives
>   At dusk when the thrushes call.
>
> Along the lintel are green leaves,
>   Beyond the light lies still.
> Very willing and weary feet
>   Go over that sill.
>
> There is nothing to trouble any heart,
>   Nothing to hurt at all.
> Death is only a quiet door
>   In an old wall.

Mr. CAPEHART. Mr. President, neither I nor any of my colleagues in the U.S. Senate would venture to question the infinite wisdom of Him in whose judgment rests our destiny. Accepting that fact and not doubting that judgment, yet all of us will agree that occasions for tributes such as these paid today to the memory of one of us who has been called to his reward are recurring with ever-increasing frequency.

Words are always weak when one attempts to pay proper homage to one who has served his country in various capacities in such an eminent manner as did Senator FRANCIS CASE. There were few niches in which Senator CASE had not served his community, State, and Nation in a most estimable and able manner. Educator, soldier, newspaperman, statesman, and family man—in all these levels of service our late colleague was known to his acquaintances, neighbors, and friends as a man of unquestioned integrity, unbounded patriotism, and unyielding loyalty.

As we contemplate his passing we are not unmindful of the fact the Supreme One has seen fit to take from us in the past 8 months four of our most distinguished Members. And, in that contemplation, never can we repeat our country's motto with more solemn reverence and in that same spirit say again, "In God we trust."

Mr. JAVITS. Mr. President, the Senate of the United States has lost one of its most diligent and respected Members, the people of South Dakota have lost a public servant who represented them in the House of Representatives and in the Senate with courage, energy, and dignity, and the country itself has suffered by the ending of this great American's service to it. I have lost a friend with whom I served 14 years in this and the other body.

The New York Times in its obituary notice of Senator CASE's death referred to his fearlessness and integrity, observing that—

> He was one of the quietest and most unobtrusive men in Washington politics. But when his sense of values was offended or his personal honesty was impugned in any way he became a tough, stubborn, and fearless fighter.

The Washington Post noted that his "earnest sincerity was a credit to Midwest Republicanism." He had a genius for finding the flaws in legislation and perfecting the bills he touched.

He first came to the House of Representatives as a Member of the 75th Congress in 1936 and won reelection consistently thereafter. Prior to coming to the House he had had a distinguished newspaper career and had been a regent of the South Dakota school system. He served on the House Appropriations Committee, where he was once described as "a quiet, hard worker, with a bent for questioning administration appropriation figures." He served seven terms in the House and was completing his second term in the Senate, a quarter century of diligent and conscientious service to the Congress, and to his country. He had received his party's nomination for a third term in the Senate.

Senator CASE was long known for his concern for the District of Columbia and its citizens. He served on the District Committees of both the House and the Senate, was chairman of the Senate District Committee in 1953 and 1954, and in 1959 returned to that committee despite his increased responsibilities as a senior Senator. He cosponsored the proposal that became the 23d amendment by which District citizens now may vote in presidential elections. As chairman of the Senate District Committee he was responsible for legislation establishing District elections of party officers and delegates to the national conventions. On May 25 of this year he said on the floor:

> I have been friendly to voting rights for the people of the District of Columbia, and I do believe there should be representation for them.

When he left the District Committee last January he said then:

> I have given a good deal of time to District matters because I am interested in the problems of the Capital.

The Washington Star said of him:

> Perhaps more than any one other man, he was responsible for construction of both the Woodrow Wilson and the Constitution Avenue Bridges.

The Senate and the Nation will miss FRANCIS CASE's quiet competence, and his unobtrusive dedication. We shall revere his memory.

Mr. YOUNG of North Dakota. Mr. President, the passing of Senator FRANCIS CASE is a tremendous loss to the U.S. Senate, the State of South Dakota, and the entire Nation. FRANCIS CASE was a fine Senator and served in the best tradition of the U.S. Senate. He was known, respected, and admired by people everywhere. FRANCIS was a very close personal friend of mine and one whom I always appreciated. He helped me many, many times.

FRANCIS CASE was so typical of the area he represented—able, resourceful, and very independent in his thinking. He was a great student of all legislative matters and arrived at his decisions purely on the basis of what he believed to be right, totally disregarding pressures from any powerful groups who might oppose his point of view.

He had a great record of accomplishment during his many years of service. His name is attached to much important legislation. He was always meticulously dedicated to the belief that completed legislation be in the best possible form to accomplish the objective for which it was designed. The U.S. Senate can ill afford to lose great men like FRANCIS CASE.

Many of us will always believe that FRANCIS CASE could well have been alive today had it not been for his great devotion to his duties in the U.S. Senate. He refused to take time off for rest even though I am sure he knew that it was necessary and in accord with his doctor's instructions. He continued to work almost as hard as ever even though he knew he was endangering his life to do so. What greater devotion to service to one's country could there be than this?

I join with all the Members of the Senate in expressing heartfelt sympathy to his wife, Myrle, and his daughter, Jane.

Mr. PROUTY. Mr. President, South Dakota has lost a champion; the United States a great patriot; the Senate an indefatigable worker; and the Republican Party a constructive member. I have lost a friend.

It was my privilege, upon entering the Senate in 1959, to have been assigned to service on the Public Works and District of Columbia Committees of the Senate. On Public Works, FRANCIS CASE was the ranking minority member. On the District of Columbia Committee, I sat next to him on the Republican side.

It was thus I learned to know FRANCIS CASE quite well as a man devoted to his work, considerate of the views of his colleagues and determined to produce legislation for the good of this Nation.

To my good fortune he was always more than generous with his time.

On the floor as well as in committee, FRANCIS CASE deserved and received, in return as he gave, the respect, the admiration and the friendship of his colleagues.

He was, in the fullest sense, a good man.

Mr. BURDICK. Mr. President, Senator CASE's duties to this Nation, to South Dakota, and to the Senate are ended. To strive constantly to execute these duties was his life.

His was a public life. He served successively as a U.S. marine and Reserve military officer, newspaper editor and publisher, State official, and Member of Congress in both the House of Representatives and the Senate.

I respected his judgment. I felt it was deliberately arrived at undistorted by dogma or whim.

Although I have not had an opportunity to serve with him as long as many of my colleagues I shall never recall his service here without remembering the deep sense of responsibility to the Senate and the public interest which he demonstrated in 1956. In that year he came to the public defense of high ethics in public life by exposing an instance of misbehavior by a private citizen. This event established indelibly throughout the Nation his concern for integrity in public life. It was illustrative of the personal code of honesty he practiced and his pervasive sense of responsibility for what he conceived to be the public interest. Both of these principles are fundamental guidelines for those who seek the truth. In acting on these principles he strengthened them, the Senate, and the cause of good government everywhere.

Mr. ALLOTT. Mr. President, I rise to join my colleagues on this saddest occasion of all to pay tribute to FRANCIS CASE. The grief of this moment is joined by many; those of us who worked with him and loved him in the Senate; those who were members of his staff and worked so closely with him; those of his church who knew him so intimately; those thousands of friends in South Dakota who loved him; and lastly, and most important of all, his wife and daughter, to whom he was completely and entirely devoted.

Those of us in the Senate will never forget his mild manners and his Christian attitude toward all—an attitude that could be as strong as steel when dealing with an older opponent and as kindly as an indulgent father when guiding a new Senator.

For those of us who tend to become cynical, FRANCIS CASE had these qualities: A humbleness and charity, coupled with a professional brilliance and dexterity that was unequaled and no one could ever doubt his courage, either. For when his heart and clear mind had decided upon a course of action, a will and courage shown through both of them to uphold the right, as he saw it.

To his State, his church, and his family he was kindly and honorable.

Mrs. Allott and I have both had an opportunity to know his family and his deep sense of family love is rarely surpassed in this world. Here in fact was a gentleman, and here are none of us who have touched his life who will not be better for having done so.

Mr. KEATING. Mr. President, the news of the death of FRANCIS CASE brought shock and sadness to this body which he so honored with his presence and so warmed with his friendship. Senator CASE was a public servant in the truest and loftiest sense of the term. His life was a story of complete and selfless dedication to the cause of the Nation, the State, and the citizens of South Dakota whom he so ably served. His seven consecutive terms in the House and his election and reelection to the Senate are clear testimonials to the qualities he possessed and to the confidence those qualities inspired in the citizens of his beloved State of South Dakota.

The important House and Senate committees on which FRANCIS CASE served were the beneficiaries of his high gifts of mind, of energy and of devotion, and his name is linked with many pieces of constructive and forward-looking legislation in the fields in which he worked. Senator CASE also contributed notably to the appropriate and effective conduct of the business of the Senate by his unique and detailed knowledge of parliamentary procedure.

FRANCIS CASE has left our presence, but not our hearts or our memories. Our deepest sympathy goes out to his bereaved wife and family, to the great State that was so justly proud of him, and to the Nation that today mourns one of her distinguished sons.

Mr. KERR. Mr. President, FRANCIS CASE has sat immediately at my right at the sessions of the Rivers and Harbors and Flood Control Subcommittee of Public Works for the past 7 years. He and I have had the privilege of working out many complicated and controversial measures before they were submitted to the committee and the Senate. His foresight and experience as a legislator has provided an asset of keen value to this Nation in connection with resource legislation, which has molded policy for future generations.

We also served together on the Select Committee on National Water Resources. His interests in weather modification, water quality control, irrigation, and related water developments made his services to the committee outstanding.

FRANCIS CASE, the son of a Methodist preacher, practiced a code of moral and spiritual ethics based on the Golden Rule. Although he was not physically a large man, he was a giant of integrity.

I shall miss FRANCIS CASE. He was a cherished friend, a valued teammate, and a dependable adviser.

> How beautiful upon the mountains are the feet of him that bringeth good tidings, that publisheth peace.

Mr. CASE. Mr. President, I join my colleagues, without regard to partisanship, in expressing my deep sense of loss, personally and for the Nation, in the death of FRANCIS CASE, of South Dakota. Ever since I have been a Member of Congress, beginning in 1945, I have served with him in both the Senate and the House.

FRANCIS CASE was a fine person, a fine Senator, a fine American. He gave everything he had to his job. His energy was unflagging. Nothing was too small or too great for him to tackle, and he never left anything unfinished. His conscientiousness and his courage were, I think, his outstanding characteristics. He was one of those Senators on whom other Senators learned to rely, and none of us ever found his confidence in FRANCIS CASE misplaced.

We shall miss him deeply in the Senate and Mrs. Case joins with me in expressing our deepest sympathy to his devoted wife and daughter and the other members of his family.

Mr. CHAVEZ. Mr. President, I wish to join in paying tribute to our colleague, the late Senator FRANCIS CASE, of South Dakota.

It was my privilege to work closely and harmoniously many years with Senator CASE, who was the ranking Republican Senator on the Public Works Committee.

Senator CASE possessed a very keen and exploratory mind. As one of the highly valued leaders, he used his mind in developing, perfecting, and clarifying legislation for the national highway system, water resources development, watershed protection, pollution control, and in many other areas of significance to the country.

The 11 years of dedicated, tireless, and effective work in the Senate which Senator CASE contributed to the benefit of the Nation was preceded by seven terms in the House of Representatives. There he demonstrated the same qualities and abilities and provided similar benefits to the Nation and his State.

South Dakota and the Nation have lost an able and distinguished statesman.

Mrs. Chavez joins me in extending sincere sympathy to Mrs. Case, and her daughter, Mrs. Allen Commander.

Mr. SCOTT. Mr. President, it is a shock to learn of the sudden passing of a friend with whom one has been associated daily.

FRANCIS CASE and I served together, first in the House of Representatives, and then here in the Senate. We were both members of the Senate Public Works Committee. His approach to the problems of our Nation had my greatest respect, and I have observed no one in the Congress who served with more dedication and industry.

I admired him as an outstanding public servant in his work and I admired him as a man. To his family and friends, I extend my sincere personal sympathy.

Mr. COOPER. Mr. President, it was my great honor to serve with FRANCIS CASE as a member of the Public Works Committee, and I was able to observe closely the special qualities which made him such a respected and effective Member of the Senate. He was always thoroughly prepared on matters coming before the committee. Because of his great ability and because of the respect and confidence in which he was held, he was able to secure the enactment of a great deal of important legislation—legislation which helped his State, and the Nation as a whole. While he was not one to seek publicity or recognition, those who served with him knew the extent of his ability and influence. He was able to get the job done.

Senator CASE was a man of great character and conviction, as he proved time and again in standing up for the principles in which he believed. His record will long serve as an example of statesmanship for those of us in public life.

He was a truly good man, and we are saddened by his loss. I know that our sympathy goes out to Mrs. Case and to his daughter who were so close to his heart, to other members of his family, and to countless friends in South Dakota and throughout the Nation.

Mr. HRUSKA. Mr. President, since the death of our colleague FRANCIS CASE, thousands of befitting words have been written and spoke of him. Throughout the editorials in his home State, which he represented so well, and throughout the remarks of Members in both the House and Senate where he served for nearly 26 years, there consistently appears the appropriate description of Senator CASE as quiet, unassuming, self-effacing. The Rapid City Journal said:

> Senator CASE never was one to be spectacular.

Yet, Mr. President, in a real sense he was spectacular. Not in appearance. Not in manner. Not in speech. He was spectacular in the creative character of his career as a national legislator.

Upon entering the Senate, my first assignment was on the Public Works Committee. Senator CASE was then the second ranking Republican member. We found an immediate working relationship and soon developed a close personal friendship which was sustained until his death.

Each of us is a better man for having known FRANCIS CASE. I found my load lightened by his steadying support. He was always willing to advise, to guide, to counsel. He displayed great courage and possessed deep convictions which served to inspire me in the work which was laid before us.

How spectacularly creative he was as a Member of the House for seven terms and the Senate for nearly two terms will become increasingly clear in the years ahead. His leadership in resource development stands as a monument to his service and bespeaks a fitting tribute to a lifelong dedication to this cause.

Still, Mr. President, as important and lasting as are these legacies of his service, FRANCIS CASE will be remembered by those of us who worked with him—his colleagues, his staff, and the employees of the Senate—perhaps best of all for his kindness and his profound respect for his associates and coworkers.

This endearing and rare quality will be sorely missed. Other men wise in the ways of government will move among us, but we shall not again see a man with his gift for kindness, a man so quiet but so creative.

Mr. MILLER. Mr. President, it was my privilege to first become acquainted with FRANCIS CASE early in 1939 during his second term in the House of Representatives. I was a student here in Washington at the time, deeply interested in government, and Senator CASE was understanding and encouraging in pointing me toward Government service. Little did I realize then that some 21 years later I would be joining him as a colleague in the U.S. Senate.

When I came to the Senate, our acquaintanceship, which had been maintained during the intervening years, ripened into the comradeship which a congressional veteran like FRANCIS CASE would naturally extend to one whom he had encouraged many years before. He was warmly friendly, understanding, patient, and always helpful to me as a very junior colleague. I learned much from him—not only from a technical and procedural standpoint, in which areas he was truly expert, but from the standpoint of human relationships which are so important in the U.S. Senate. What little measure of success I may reach as a Member of this great body will be traceable in no small degree to the thoughtful guidance Senator CASE gave me.

He had many qualities for which he will be remembered, but the one which meant most to me—and this was pronounced from the time of our first meeting through our last—was his kindness, a quality which springs from love and understanding of one's fellow men in a setting of unselfish dedication to noble goals and ideals. It is a quality which too few of us possess and one which the memory of FRANCIS CASE will inspire more of us to try to achieve in our efforts to find peace of mind in a world where there is a just and lasting peace.

Mrs. Miller and I join in expressing our deepest sympathy to his gracious wife and family, to his many friends, and to the people of the great State of South Dakota in the loss of our great and truly beloved colleague.

Mr. HICKEY. Mr. President, as a junior Senator I would like to pay tribute to Senator FRANCIS CASE, late of this body.

Many senior Members of this body have more eloquently eulogized his capable service to his State and to this Nation.

I would like to add my voice to those who have eulogized him and recall the deep impression his diligence and sincerity first made upon me.

During this session a matter involving both of our States was directed to us by our respective State agencies which involved our mutually great resource of water. I appreciated his great knowledge and concern regarding our resource. We worked together to effect the passage of this piece of legislation which extended the opportunity of our States to work out a compact affecting the waters which traversed our State and emptied into his State.

The impression made by Senator CASE in this body on the junior Senator from Wyoming will be lasting and fondly remembered.

My wife and I extend our most sincere sympathy to Mrs. Case and her bereaved family.

Mr. BOGGS. Mr. President, it is with a great deal of sadness that I rise to pay my respects to the late senior Senator from South Dakota, Senator CASE. I first met Senator CASE when I came to the House of Representatives in 1947 and had the privilege of his friendship and his counsel for 4 of the 6 years I served in that body.

In 1961, when I came to the Senate, I was fortunate to be able to renew that friendship with Senator CASE. I was equally fortunate, Mr. President, in being given a committee assignment on the Public Works Committee where the Senator from South Dakota was the ranking minority member. As a freshman Senator, I shall be forever grateful for the counsel and the guidance that Senator CASE gave to me, not only during the consideration of the legislation which came before the Public Works Committee, but his willingness to be of assistance and help on all matters which were pending in this great body.

As the State of South Dakota and our country have lost a great statesman, I, Mr. President, have lost a friend. His many accomplishments for the betterment of the people of this country have already been told more eloquently than I could tell them. He has left his mark on this country by the contributions which he has made. As the minority leader pointed out, there are very few who have the brilliance of mind for detail and the analytical ability that the senior Senator from South Dakota possessed. He was devoted to freedom and he had the true courage of his convictions. He shall be sorely missed by us all.

Mrs. Boggs joins me in extending to Mrs. Case and the family our deepest feeling of sympathy.

Mr. BUSH. Mr. President, I join with my colleagues today in paying tribute to Senator Francis Case.

Over the past 10 years my friendship with Senator Case had improved rapidly and at the time of his untimely death, I counted him one of the warmest friends I had in the U.S. Senate.

For the past 6 years I served with him on the Armed Services Committee and, recently, on the Stockpile Subcommittee. I found him to be one of the most conscientious men with whom I have ever come in contact. Nothing careless about Francis Case. He was meticulous in analyzing any situation and, for that reason, when he took a position on any matter, we could all be sure he had given it the most thorough consideration.

I venture to say that no Senator in the body today has the reputation for being so careful and conscientious in arriving at his decisions.

In this past decade of large military budgets, Senator Case's knowledge of the Armed Forces has been invaluable to our committee and the country.

Finally, may I say with deepest regret that if ever a Senator worked himself to death, it was Francis Case. Despite warnings he would not let up. He kept on driving himself hard in pursuance of his duties to the point where even his strong body and heart could stand it no longer.

Mrs. Bush joins me in expressing warm sympathy to Mrs. Case and the family.

Mr. SALTONSTALL. Mr. President, I join with my colleagues in commemorating the service to his country of Senator Francis Case of South Dakota. I respected him as a man and enjoyed his friendship.

As one who served on the Armed Services Committee with him over the years, I know of his conscientiousness to duty, his careful attention not only to the principles involved in the measures brought before us, but also to the details involved in those bills. In this way, he helped us to work out the final draft of measures approved by our committee.

But I knew Francis Case also as a friend. We sat beside each other on the floor of the Senate. We consulted each other on legislative matters. I valued his advice, because I knew how thoroughly he studied every bill that the Senate considered. I valued his judgment too because I knew he had innate commonsense, much practical experience and a shrewd native intellect.

So I miss him as a wise colleague, as a thoughtful friend, and as an American citizen who loved his country and wanted to serve it to the best of his ability. I shall always remember him as one who by his presence and by his work enhanced the prestige of the U.S. Senate.

Mrs. Saltonstall joins me in giving to Mrs. Case and her daughter our heartfelt love and sympathy.

Mr. CURTIS. Mr. President, those who watched Francis Case work marveled at his accomplishments. He was always well prepared and was tireless in his efforts. He left a significant and important imprint upon legislation throughout all the years he served in the Congress of the United States.

His rugged honesty, like his perseverance in his work, caused him to stand out as a man among men. Shakespeare's words "perseverance keeps honor bright" seem to have referred to Francis Case, as did Alexander Pope's when he said, "An honest man is the noblest work of God."

A long list of legislative accomplishments can truly be credited to Senator Case. These include the development of the Missouri River Basin, the Wheeler-Case Water Projects Act, mineral development, soil conservation, Indian legislation, the Case Labor Act of 1946, and the renegotiation of Government contracts, which program was started by reason of an amendment introduced by Senator Case to an appropriations bill. I could go on with a long list of legislative accomplishments and contributions to the cause of good government.

He was a man of deep faith. While he will be greatly missed in both Houses of the Congress, we know that he has entered a house not made with hands, eternal in the heavens.

Mr. BEALL. Mr. President, for several years, until his untimely death, Senator Francis Case and I had neighboring offices, and I always thought that this situation was particularly appropriate.

When I initially came to Washington as a Member of the 78th Congress, Francis Case was among the first Members of the House of Representatives to welcome me and offer assistance. I soon learned that Francis was an ideal model for those who wished to learn how to better serve their constituents and their Nation. South Dakota elected Francis Case to the U.S. Senate in 1950, and after I joined him in this body 2 years later, it was my privilege to serve on the Senate District of Columbia Committee while he was its chairman. I later had the privilege of working with him as a member of the Senate Armed Services Committee.

In all of his activities, Francis Case proved himself to be a hard, conscientious worker whose courage and ability earned him the friendship and respect of everyone who had the privilege of coming into contact with him.

As I mentioned, Mr. President, we were neighbors in the Senate Office Building, and I have outlined the reasons why this seemed to be so apt. It follows, therefore, that through his death I have suffered a deep personal loss. I know that a grateful nation joins those of us who had the honor of working closely with Francis Case in mourning the passing of such a dedicated patriot and statesman.

Mr. TOWER. Mr. President, Senator Francis Case and I had in common the fact that we were both raised in Methodist parsonages, and we once attended church together, while I was on a speaking trip to South Dakota. He was a true, kind, and warmhearted friend. In the year that it was my privilege to serve with him here in the Senate, I have come to know his integrity of character, his devotion to principles, and his degree of dedication to causes he espoused. Our Nation loses, with his passing, a public servant who contributed much in more than a quarter century of distinguished service. He will be greatly missed by those who believe in the constitutional values and the fundamental freedoms that are inherent in our free enterprise system and our democratic way of life.

Mr. RANDOLPH. Mr. President, on June 22, 1962, Senator Francis Case laid aside the burdens of public service which he had so faithfully borne, and passed on into the eternal life. The death of this dear friend and respected steward has brought to each of his colleagues in the Senate a deep sense of personal loss and grief.

However, Francis Case has left to us an example of patient and conscientious devotion which provides both challenge and inspiration for the days ahead. We will remember the painstaking care with which he studied the provisions of proposed legislation, and we will recall the penetrating qualities of mind which enabled him to focus on the very heart of a problem. And he was ever a loving husband and father, whose fondest pleasures were found in the warm and simple atmosphere of the home.

It was my privilege to serve with Senator Case on the old House of Representatives Committee on Roads, and we continued to enjoy a warm and lasting friendship while serving together on the Public Works Committee of the Senate. He will be sorely missed on the Hill.

Mrs. Randolph joins in offering our sincere sympathy in this time of bereavement to Mrs. Case, and to their daughter and granddaughter.

Mr. ENGLE. Mr. President, the death of Senator Francis Case last month took from the Senate a legislator of the highest principles and a distinguished public servant.

Francis Case was a man who was more interested in his committee responsibilities and the problems of his constituents than in seeking publicity. This is a quality unique among men in public life. It is this quality that endeared him so much to the people of South Dakota who sent him to the House of Representatives for seven consecutive terms and to the Senate for two terms before he passed away.

Senator Case was my colleague in the House as well as the Senate. Some of my most rewarding experiences in the House I associate with Francis Case. We collaborated on the original Saline Water Conversion Act. The modest proposal that we launched has since grown into a program that will one day bring about a technique for water conversion to take care of all the parched centers of the globe.

As a member of the Senate Armed Services Committee, Francis Case distinguished himself as an expert on military affairs. It was a pleasure to watch him work in committee and to listen to him on the floor of the Senate. Of one thing his colleagues could always be sure—that when Francis Case took the floor he had studied his subject thoroughly and was in complete command of his facts.

FRANCIS CASE was a highly conscientious and honorable public servant and a gentle and genuine human being. We will miss him very much in the Senate.

My deepest sympathies to his family and to the people of South Dakota.

Mr. GOLDWATER. Mr. President, the people of South Dakota as well as the people of the United States sustained a serious loss in the death of our esteemed colleague, Senator FRANCIS CASE. Senator CASE was not only a Republican and a conservative but he was an outstanding and courageous statesman as well. He will be sorely missed by the people of South Dakota and by the Senate of the United States.

Mr. FONG. Mr. President, it was with profound sorrow that I learned of the sudden passing of my friend and colleague FRANCIS CASE of South Dakota, one of the Senate's ablest legislators and one of our Nation's most dedicated citizens.

Our acquaintanceship and warm comradeship dated from the earliest days of my tenure here nearly 3 years ago, when I was assigned to the Public Works Committee, on which FRANCIS CASE was already serving as top-ranking minority member.

I deem it a signal honor and a stroke of good fortune as well to have had as my mentor on this very important committee a man of his wide-ranging and solid experience. And now I have lost a faithful counselor on whose sound advice and enlightened leadership I leaned so heavily.

In committee and on the Senate floor, I soon came to appreciate the many sterling qualities distinguishing FRANCIS CASE: his impeccable integrity, his objectivity, his sincerity, his conscientiousness, his diligence, his thoroughness, his consideration for others, his kindness, and his courage.

He was truly worthy of the trust reposed in him by his constituents who elected him to the U.S. Congress for nearly a quarter of a century. On our statute books are numerous laws bearing the imprint of FRANCIS CASE.

Only a few days before his passing, he had won nomination for yet another term in the Senate.

It was characteristic of FRANCIS CASE to shun the limelight, preferring instead to labor quietly day after day in behalf of his fellow South Dakotans and his fellow Americans. We number millions who owe him a debt of gratitude for his effective service.

A stanch Republican, FRANCIS CASE never allowed partisanship to override his fundamental principles. All of us knew the very high standards which he set for himself and to which he steadfastly adhered. His family may take a full measure of pride in his exemplary conduct, which won him the deep respect of all.

My wife Ellyn and I extend to Mrs. Case and to all his other loved ones our heartfelt sympathy in their bereavement.

Mr. COTTON. Mr. President, it was my privilege to serve in the Congress with FRANCIS CASE for 16 years. When I entered the House of Representatives he had already made his mark. A bill he had authored and which bore his name laid out careful new concepts in the field of labor relations and furnished the foundation for the Labor Relations Act of 1947. It is impossible to enumerate in the years since the instances in which his skilled craftsmanship was imprinted upon legislation. He was one of the artisans who created the Interstate Highway System. Those of us who served with him on the Public Works Committee of the Senate can testify that this legislation will ever remain a monument to him.

FRANCIS CASE was fundamentally a lawmaker. No Senator has ever excelled him in his conscientious, painstaking care with which he studied, corrected and molded every section and every paragraph and every line of bills both in his committees and on the floor of the House and Senate.

FRANCIS CASE was an honest, just and upright man who kept inviolate until the last day of his life the precepts he learned as the son of a Methodist minister. He was an earnest and intense man yet he was possessed of a quiet, subtle sense of humor which saved him from the slightest tinge of fanaticism.

FRANCIS CASE was utterly unable to spare himself. After he had sustained his first heart attack we, who served with him and loved him, watched him struggle to carry the heavy load of work he had always borne and were powerless to dissuade him. Like many of our colleagues, he wore himself out in the service of his people and his country and died before his appointed time.

And yet why pity them? Full well they lived
  Their God-appointed plan, died joyously,
And left a golden memory! Pray who
  Could ask a fairer fate for them, or me?

Mr. CANNON. Mr. President, I want to join the colleagues and friends of the late Senator CASE who have spoken so eloquently in expressing their sincere regret over his untimely passing.

The State of South Dakota and the Nation could ill afford the loss of a man like Senator Case whose whole life was dedicated to public service and duty to country.

I particularly recall the warmth of his friendship and the grasp of his intellect on the Armed Services Committee where he made outstanding contributions to the strengthening of the Nation's Military Establishment.

His career as a distinguished newspaperman in his native State served him admirably in the contribution he was to make beginning in 1934 when he was elected to the House of Representatives. Senator CASE brought with him a wealth of experience and an amazing background in legislation when he came to this body in 1950. He earned his way to an important position of esteem in the Senate by hard work, devotion to duty, loyalty to friends, and an abiding belief in the high principles which guided him throughout his public life.

His loss is a severe blow to the State of South Dakota and has left a void in the highest councils of our Government.

EXHIBIT 1

[From the Webster Reporter & Farmer, June 27, 1962]

OUTSTANDING SERVICE

With deep regret, South Dakotans received the news last Friday of the death of Senator FRANCIS CASE from a heart attack at Washington. During his long public career of seven terms in the House of Representatives and two terms in the Senate, CASE compiled a record of brilliant service to his State and Nation. To a keen, analytical mind, he added strict integrity, boundless energy and dedication to his constant aim of being a conscientious public servant. Indeed, his devotion to the tasks entrusted to him was so intensive that it contributed to his untimely death. He leaves behind him a record of many accomplishments for his State and Nation which will endure through many years.

To this writer, the news of CASE's passing brought a personal sorrow as well. We were college classmates and college roommates. Later, we were business associates. Though our paths divided since 1928, we have been close friends throughout the years.

Day County, along with the entire State, has many reasons to be grateful to CASE. He was instrumental in securing Indian Bureau funds to surface the highway from Waubay north to the lakes area. He had an important role in getting the saline water conversion plant for South Dakota and Webster. He was at the time of his death sponsoring a wetlands bill through Congress which would provide funds in lieu of taxes for wetlands sought to be purchased in the lake region and other areas of South Dakota by the U.S. Fish and Wildlife Service. He was the author of the Renegotiation Act which during war days saved the Government several million dollars in war contracts. He was also active in securing development of the Missouri River Dam projects.

And we could go on and on. His influence throughout has been one of alert, painstaking, devoted service to his State and Nation.

[From the Custer County Chronicle, June 28, 1962]

NOR LONG REMEMBER

Thousands of words of eulogy have been, and will be, written and spoken about Senator FRANCIS CASE. Those words will in all likelihood fit into the category of which Lincoln had in mind when he said at Gettysburg "The world will little note nor long remember what we say here, but it will never forget what they did here."

Lincoln erred in his prediction, what he said is remembered, but what "they did" is, to most people, very vague.

It will not be so with FRANCIS CASE. What is said about him will be soon forgotten, but what he did will be long remembered. Stand anywhere in South Dakota and you will see evidence of his work—water conservation; the dams from Angostura to Big Bend; Mount Rushmore, of which he was one of the original boosters and served on the national commission for many years until his death; national park and national forest improvements; Black Hills Ordnance Depot; Ellsworth Air Force Base; the Titan and Minuteman complexes; public buildings; hospitals; veterans facilities; rural electrification; airports; the list of major projects in which he had a hand is endless.

But it was the "little" things that he did for the people he represented that probably most endeared Senator CASE in the hearts of his people—the little personal matters such as a draft hardship case, a dispute with some Government agency, the encouragement of some young man or woman in a difficult time, help in securing a pension for someone, assistance in clearing an Indian claim—it was these "little" unpublicized acts for which he will be most remembered by his fellow South Dakotans.

Although the interests of his State were always uppermost, Case made himself one of the most highly respected legislators in the Government, authoring many important bills of national and international significance and his sound reasoning on the floor of the Senate commanded the respect of members of both political parties.

Custer is proud to have been the home of Francis Case and is proud to have been able to share his abilities with the State and the Nation and the free world.

We regret that his most cherished ambition was left unrealized—his desire to retire from public life to his ranch and the outdoor life in the Black Hills he loved.

Bismarck said: "A really great man is known by three signs—generosity in the design, humanity in the execution, and moderation in success."

Francis Case was a "really great man" by that definition.

[From the Lead Daily Call, June 25, 1962]

The Backlog

(By Camille Yuill)

Many persons will remember Senator Francis Case for his accomplishments in water conservation, weather study, appropriations, and military affairs, but many others will recall all the little things he has done. They will remember his help in a purely, personal, and individual problem, his thoughtfulness in sending or telling them this or that bit of information especially helpful and applicable to them, and his courtesy and graciousness whenever they made demands.

Black Hills and West River folk will always remember his part in Mount Rushmore development, the Badlands National Monument, the flight, his untiring promotion of the travel industry, his persistent efforts toward the growth and development of the region he loved.

Francis Case was never too busy to answer an inquiry, regardless of its triviality for he had a great awareness of the importance of small matters to the questioner. He found the time to trace a missing military man to relieve a worried family's fear, to fly hundreds of miles to attend the funeral of an employee, to answer a schoolchild's letter, to stop to explain a particular piece of legislation. He kept the common touch.

In all his activities he remained fundamentally true to his ideals and convictions, regardless of criticism or pressure. He believed in his country and its Government and gave it unselfish and dedicated service throughout his entire life.

His family has lost a devoted husband, father, and brother. We, like many others, have lost a personal friend of many years' standing. And the Nation and the State have lost a brilliant and great statesman.

[From the Daily Belle Fourche Post]

Everybody's Senator

Thousands of words of tribute are being written and spoken today about Senator Francis Case, whose unexpected death has left South Dakota, and the Nation, reeling.

To the tributes which the Nation's leaders are paying the South Dakota Senator, we can add but one important point.

Senator Francis Case was a man of stature among men of stature, but he never lost the ability to communicate with and earn the respect and understanding of the little man.

We believe that much of the Senator's strength was due to the fact that through 25 years of public life he never forgot the little man back home.

No matter how long he had been on the job that day, no matter how many miles he had traveled, no matter how many burdens he already carried on his shoulders, Francis Case always found time to listen to another individual problem.

We have known him to call from Washington at midnight in regard to what seemed to us to be a minor inquiry by a local resident. We knew he had had a gruelling day on the Senate floor. Yet, long after others were home and in bed, the Senator sat in his office making certain that every inquiry received proper attention.

Francis Case, of course, had a remarkable mind. It was a tremendous mind, but an orderly one. Vast quantities of pertinent facts were cataloged in that mind. Whether it was the cost of a B–52 or the question of an emergency leave for a soldier, the Senator made certain he had a complete understanding of the matter.

Ordinary South Dakotans knew they had an understanding representative in Washington. They knew that when something had to be done, "Francis" would do it.

It was this determination to see that every person in South Dakota had a representative in Washington that endeared Francis Case to South Dakotans. If ever a man was held in universal respect, that man was Senator Case. Little wonder that South Dakota and the Nation will miss him.

M. Lucca.

[From the Daily Belle Fourche Post]

Now, Our Own

The newspaperman knows that the day will come when the obituary and tribute he writes will be for one of his own. But that does not prepare him for it when it happens.

So it is today that I write of Francis Case, brother-in-law, by relationship, but more than that—brother and friend, a man with an expansible heart to whom loving more persons meant deepening the relationship with those he already loved. The smallest in-law cousin was as close as the blood niece and nephew. But his wife Myrle, daughter Jane, and little granddaughter Catherine, held the pinnacle of his heart.

It was not surface affection with any of us—the generalities that would fit anybody. The mind that held the concerns of his State and Nation held the identity of each of the family and of friends—without crowding, or regarding it as anything out of the ordinary. The little things that were important to those he loved became important to him. For instance, the bicolor Huntsman rose I was planting when he stopped by one May day brought the inquiry that fall when I saw him again: "Was that Huntsman the true red and gold you hoped for?" Yet he had been in Washington, and farther, since that May day.

Frequently, people would ask us: "What does Francis think about—?" (Some controversial issue.)

Whatever we knew was safe to tell. Never did Francis Case burden his family or friends with things that should not be discussed. Never were we told off the record material and then have to worry for fear we had inadvertently told something that should not be told. Not once in his 25 years of public life was there any friction over somebody in the family's telling something that embarrassed him. He sorted what he told without being conscious that he was sorting. It was part of his inate thoughtfulness.

It might be expected that the family lined up for favors Francis could give as a result of his position. The very opposite was the case. We have never known his family to ask favors through his office. They'd ask to borrow his horse trailer, perhaps, but ask for a political favor—never.

Whenever he could, Francis and his family dropped in. And if it were to be long enough, all the family close would be called to come: It was: "Myrle, Francis, and Jane just arrived."

And they came. It meant interesting things to tell, laughter—led by Francis' resonant laugh.

How could so many be so close to him?

We find this week as the messages and calls roll in how many more there were who shared this closeness, how many there are who mourn with us. And almost everyone asks: "Do you suppose he knew how much he meant to us?"

And I find myself comforting them with the words, "I know he did. I've seen his face when he told of offers of help for the coming campaign he had received from more than we can ever count."

The public tributes have been spoken and published. Now all of us have to find out how we can get along without him.

Irma G. Weyler.

[From the De Smet News, June 28, 1962]

Francis Case, a Man of Honor, Service to People of His State and the Nation

South Dakota mourns, in the death of Senator Francis Case, the loss more personally felt in the West River and Black Hills areas where he had lived so long, first publishing a newspaper, however as a graduate of Dakota Wesleyan University at Mitchell and in more recent years a Senator-at-large from the State, also well known in the eastern half of the State.

Francis Case was a dedicated man—dedicated to facts, honesty, and service. No political opponent is recalled as questioning any of these attributes. His services to the State were many, and in a few instances he performed outstanding service nationally and internationally. Recalled is his proposal that in gifts to other nations there be a minor percentage of contingent contribution—a point that brought some light rebuttal at the time but proved to save the Nation huge sums when some nations decided the gift was not so desirable if they had to match it with a small percentage. Then there was the time a large donation was made to him by someone interested in a bill passage. It seems other Members of the Congress did not know what to do in such an instance, but the Senator from South Dakota did not hestitate: He told on the Senate floor of receiving the money and returning it. It was the kind of response his friends would expect of him.

The death of Senator Case leaves a vacancy not easily filled, for while he was a Senator-at-large and a Republican, to the West River he was its representative in the Senate, and to the rest of the State he was respected and appreciated.

South Dakota will long benefit from the service Francis Case gave it, as an editor when he invited President Coolidge to establish a summer White House in the Black Hills, as member of the State board of regents, in Congress. He was devoted to the problems of water control and water resources, a key figure in the Missouri River development, had a part in bringing Ellsworth Air base to the State, the radar base to Gettysburg.

The junior Senator from South Dakota is credited with having saved the Nation millions in reviewing military contracts, and he visited posts around the world to check on facilities provided for the men in service.

Mr. MURPHY. Mr. President, although I did not know Senator Francis Case well, I did admire his tireless efforts. His deeds were always in the best interest of his State and of our Nation. His understanding of the parliamentary procedure of the U.S. Senate was always a source of amazement to me.

The courage which Francis Case showed over the years, both as an individual and as a U.S. Senator from a great State, will long be remembered by his family and friends. The U.S. Senate has lost one of its greatest Members.

Mr. SMITH of Massachusetts. Mr. President, I would like to pay tribute today to our departed colleague Senator FRANCIS CASE of South Dakota.

During the 2 years in which we served together on the Senate Public Works Committee, I acquired great respect for my colleague from South Dakota. No man had more integrity. No man had a keener mind for detail. No man was more dedicated to seeing that the public money was wisely spent.

The Senator made great contributions in the field of water conservation and desalinization. He also initiated the Reorganization Act of 1942, to improve efficiency in defense spending. As a member of the District of Columbia Committee, I was particularly appreciative of the efforts which Senator CASE, a former chairman of the committee, had made to secure for District residents the right to vote for the President and Vice President, a right which became a law through the 23d amendment to the Constitution.

Senator CASE was a man of unquestioned talent and devotion to his country. This devotion was reflected first in his service as a marine in World War I, then in 26 years of service in the U.S. Congress. He carried out his duties in the Senate with the utmost conscientiousness and honesty. We have lost a man of strong character and high purpose, and I know that my colleagues will join with me in extending our fullest sympathies to Mrs. Case and his daughter, Mrs. Jane Commander.

Mr. PROUTY. Mr. President, I have previously paid my tribute to our distinguished friend from South Dakota. I assume now that eulogies have been completed.

The PRESIDING OFFICER (Mr. HICKEY in the chair). Are there further tributes? If not, the Senator from Vermont may proceed.

DREW PEARSON AND THE HIGHER EDUCATION BILL

Mr. PROUTY. Mr. President, this morning's Washington Post and Times Herald carries a column by Drew Pearson which the author suggests is an account of what took place at the last executive session of the House and Senate conferees on the higher education bill. There are a number of inaccuracies in this column, and I think it would be well to set the record straight with respect to some of the principal ones.

First, in this column and in a previous column, Mr. Pearson attempts to create the distinct impression that Catholic colleges may be afforded some type of preferred treatment in the way of grants. He fails to mention the fact that both the House and Senate higher education bills have grant provisions which would be of assistance to all academically qualified colleges and universities, both public and private, including 308 Catholic Church-related colleges, 475 Protestant Church-related colleges, and numerous Jewish institutions.

The Senate bill as it now stands would give to any college, church related or otherwise, a $350 grant for each Federal scholarship holder it has in attendance. The House bill has no such feature, but provides instead for grants and loans to all colleges for the construction of academic facilities. Both bills would limit the use of construction money to facilities not used for sectarian instruction.

The issue then before the conference is not whether there should be grants to church related as well as public colleges but rather, with respect to construction, whether there should be a grant and loan program or simply a loan program.

Under the terms of the Senate bill the money granted to private institutions could be used for virtually any purpose, while in contrast under the House bill grant money could be used by public and private colleges only for the construction of academic facilities.

It is not my purpose, nor within my province, to engage in speculation as to why Mr. Pearson has taken this approach, since copies of the bill under discussion are available to the general public, including the press, and even the novice could soon discover that the grant features in both bills would apply to all academically qualified institutions.

With this as a preface, I would now like to deal specifically with some of the statements made by Mr. Pearson in his July 25 column in the Washington Post and Times-Herald. In this column he states:

> And since the majority of the institutions wanting grants are Catholic, and since Catholic leaders have been advocating outright grants, the debate has boiled down to one of grants to Catholic colleges.

This remark is misleading, to say the least. Grants to both public and private colleges have been urged by the American Council on Education, the American Association of Colleges, the American Association of Land Grant Colleges and State Universities. They know that the future of higher education and the future of this country depend upon both public and private institutions of higher learning because public colleges and universities do not have adequate facilities and personnel to educate all qualified college students. In fact, of the 2,040 colleges and universities in this country only 721 are publicly supported.

To proceed further, Mr. Pearson also states: "that the Senate conferees, by a margin of one, voted to pass the buck to the courts to see if grants to Catholic and other religious colleges are legal."

The Senate conferees did make a formal request that conferees of the other body check with the House leadership and the House Parliamentarian in an effort to determine whether the addition of a judicial review section by the conference would be subject to a point of order in the House.

The purpose of the judicial review section would be to make possible a court test of the constitutionality of aid to private church-related colleges.

Some of the Senate conferees made it unmistakably clear that their support of the motion urging the House to explore the matter in no way constituted a commitment on their part to go along with grants to all schools for the construction of academic facilities.

At the end of the last conference I was present when the Senator from Oregon [Mr. MORSE], before several reporters, outlined point by point the actions taken in executive session. His account was completely accurate and was carried by the wire services, whose communications I assume are available to Mr. Pearson.

It should be noted that the Pearson column makes reference to a meeting that allegedly took place between the President and the distinguished senior Senator from Oregan during which President Kennedy supposedly requested the Senator from Oregon "to favor outright grants to Catholic colleges."

I do not know whether such a conference took place or, if so, whether the President insisted on grants to church related institutions of higher learning. However, in view of the fact that the Pearson report has had nationwide distribution, I think it would be helpful to all concerned if the President would make his position clear.

Mr. MORSE. Mr. President, will the Senator yield to me at that point?

Mr. PROUTY. I am glad to yield to the Senator from Oregon.

Mr. MORSE. I wish to say that I can associate myself with the Senator's speech up to this point. I shall be surprised if I cannot associate myself with the entire speech.

Mr. PROUTY. I am sure the Senator will wish to do so.

Mr. MORSE. It is not necessary for the President to make clear his position on this question. The senior Senator from Oregon wishes to make clear that no such statement was made to him by the President of the United States.

Mr. PROUTY. I am glad to have the view of the Senator from Oregon on that point. It is very helpful.

I have made no secret about my views. I feel Congress should enact a grant program which would benefit all qualified colleges and universities in the construction of academic facilities. I made a motion to this effect in conference, but I regret to say the motion was defeated.

I then moved that the conferees approve a grant and loan construction program which would aid both public and private institutions. In this motion provision was made for a judicial review of assistance to private church related colleges to determine its constitutionality. This motion was also rejected.

I then requested the Senate conferees to make a formal request that House conferees check with the House leadership and House Parliamentarian to ascertain whether the insertion of a judicial review section in the higher education bill would be subject to a point of order in the House of Representatives. This motion was adopted by a narrow margin and I assume that House conferees are now exploring the situation.

Mr. MORSE. Mr. President, will the Senator yield at that point?

Mr. PROUTY. I yield.

Mr. MORSE. I think it would be helpful to make a statement at this point in order to keep the record clear. The Senator from Vermont is performing a valuable service in the discussion.

I know what the columnist said about the position taken by the senior Senator from Oregon. I shall leave to journalists who wish to engage in speculation and surmise that subjective pleasure, if they wish to engage in it. But I point out that only the Senator from Oregon can speak for his own motivations and his own intentions. The Senator from Vermont knows that in S. 1482, the loan bill for elementary schools which the Senator from Pennsylvania [Mr. Clark] and the senior Senator from Oregon introduced last year, a section providing for judicial review, was inserted.

The Senator from Vermont has heard me say, since we discussed the subject at the conference the other day, that the judicial review section was arrived at after consultation with the Solicitor General of the United States, Mr. Cox, with the approval of the Attorney General of the United States, Mr. Robert Kennedy.

The other day when we were in conference trying to hammer out, as we must in conference, on the anvil of reasonable compromise some solution to our impasse and exploring every possibility, the question of judicial review arose. The House conferees raised some questions as to whether under the House rules they would be in a position to have a judicial review section written into the bill. We agreed that we would try to do so. We agreed that we could, at least by a motion which would provide for a judicial review section, open the matter to let the House conferees explore the question on the House side.

When the motion was put, the senior Senator from Oregon voted for it, and he cast the proxy of the Senator from Pennsylvania [Mr. Clark] for two reasons: First, the Senator from Pennsylvania had given him a general proxy, which meant that he was free to vote the proxy on any issue in accordance with his desire at that meeting, although the distinguished Senator from Pennsylvania [Mr. Clark] would be perfectly free at the next meeting to reverse that action if the question arose or if he wished to, vote contrary to the way his proxy was exercised. I was satisfied, however, that he would want me to vote that way for the second reason: We were joint authors of the judicial review section. If anyone thinks that the vote of the senior Senator from Oregon—and the Senator from Pennsylvania [Mr. Clark] can speak for himself—means a commitment to grants for private institutions, he has another thought coming. So far as my vote on that occasion is concerned, it meant that I voted for the motion because it was the best vehicle to bring the whole issue of judicial review before the House committee and, through the House committee, to the Parliamentarian of the House, and to the House leadership for exploration.

I am glad that the Senator from Vermont has given me the opportunity to make that brief statement of explanation.

Mr. PROUTY. The Senator has stated exactly what took place. I tried to make that clear in my statement.

Mr. MORSE. The Senator did so.

Mr. PROUTY. Furthermore, I would like to explain that the provision for judicial review which I incorporated in any amendment was the one drafted by the distinguished senior Senator from Oregon [Mr. Morse] and the distinguished senior Senator from Pennsylvania [Mr. Clark].

Mr. President, it is important to note that there are some 40-odd Federal educational programs involving grants and loans. In every one of the higher education programs private colleges are afforded the same treatment as public institutions.

Indeed, the Federal Government is presently and has been for years making available substantial grants running into hundreds of millions of dollars to both public and private nonprofit institutions of higher education.

One hundred years ago when land-grant colleges were established as the result of the legislative efforts of Justin Morrill, a Vermont Senator, many of them were dominated by a particular religious sect. Some of these still have a church relationship. If the mere fact of a church tie of some kind makes prohibitive the rendering of any Federal aid, land-grant colleges will certainly be affected.

It is disturbing to think that if the views of some should prevail we may even have to withdraw support from public colleges because many offer an opportunity for religious instruction and make available facilities for worship.

For my own part, I believe that the fundamental purpose of a good higher education bill is to aid all academically qualified colleges in order that we might promote maximum educational opportunity.

To deny aid to more than 800 private colleges and numerous land-grant colleges because they have some church relationship is to roadblock educational progress and make the Federal Government hostile to both private education and religion, a situation that would be deplored by our Founding Fathers.

I ask unanimous consent to have printed at this point in the Record an article by Drew Pearson which appeared in today's issue of the Washington Post.

There being no objection, the article was ordered to be printed in the Record, as follows:

Leaks Irk College, Aid Conferees

(By Drew Pearson)

The dynamite-laden question of Federal tax money for Catholic colleges came up in a closed-door session of the House and Senate conferees last week with a volley of complaints from Adam Clayton Powell, the Democratic Congressman from Harlem, and Edith Green, the lady Democrat from Portland, Oreg., over leaks to this column.

The irate Powell requested that every staff member in the room be polled to see which of them leaked information to Drew Pearson. Mrs. Green suggested that everyone with no official connections be excluded from the deliberations.

Senator Wayne Morse, Democrat, of Oregon, who was presiding, said he was willing to do this, but added that he had been around a long time and his experience was that to prevent leaks one would have to exclude from the conference every member of the conference.

The deliberations got underway with a motion by Chairman Morse that the Senate bill advancing $1.5 billion for aid to higher education generally be adopted. The Senate bill provides for loans only to religious and private institutions on the ground that since the loans would be paid back this is not an expenditure of the taxpayers' money for a religious purpose and therefore not in violation of the constitutional provision for separation of church and state.

The House bill, in contrast, provides for outright grants to religious and private colleges. And since the majority of the institutions wanting grants are Catholic, and since Catholic leaders have been advocating outright grants, the debate has boiled down to one of grant to Catholic colleges.

THE HOUSE STANDS PAT

The House conferees are, besides Powell, a Baptist, and Mrs. Green, a member of the Christian Church; John Brademas, a Methodist who represents South Bend and Notre Dame University; Robert Giaimo of Connecticut, a Catholic; all Democrats, with Carroll Kearns, of Pennsylvania, Albert Quie, of Minnesota, and Charles Goodell, of New York, all Protestants and all Republicans. They voted, either in person or by proxy, unanimously against Morse's resolution to adopt the Senate bill.

In other words, they favored outright grants, not loans.

"This motion having failed," said Senator Morse, reading from a memo he had prepared in advance, "I now move that title I of the Senate bill be adopted."

Title I is the part of the Senate bill that provides for loans to colleges, but excludes scholarships and other aid to education.

The House conferees voted against this unanimously.

"Now that my second motion has failed," continued Morse, reading again from his prepared memo, "I offer a third."

But Representative Powell interrupted him, asking incredulously whether Morse wrote down before he came how the conference would vote.

Certainly, Morse replied. He said he knew in advance what the conferees were going to do, but he wanted to give them all opportunity to go on record.

At one point when Morse asked the clerk to poll the committee, the clerk forgot to poll the Republicans.

"Don't we count?" piped up Senator Winston Prouty, of Vermont.

"Oh, yes, you count," replied Morse, "but not in the majority." He said he assumed that's why the clerk didn't call the roll of the Republicans. He then told him to take the tally.

When the Republican Senators were polled, all of them voted with the House conferees for outright gifts, not loans to Catholic colleges. The Senate conferees are: Jacob Javits, New York, who is Jewish; Barry Goldwater, Arizona, whose father is Jewish; Prouty, who is a Congregationalist.

Before the session was over Senator Goldwater excused himself.

He said he had to leave but expected to read Drew Pearson's column to see what happened after he left.

The most important thing that happened after that was that the Senate conferees, by a margin of one, voted to pass the buck to the courts to see if grants to Catholic and other religious colleges are legal.

This is called judicial review, and provides that outright grants can be given to Catholic colleges, if the courts do not later rule that such grants are unconstitutional.

Morse's Democratic colleagues were surprised when he cast his own vote, plus

Clark's proxy, for outright grants to Catholic colleges—subject to review by the Supreme Court. This made the vote on the Senate aisle 5 to 4 for judicial review.

They attributed Morse's compromise to the fact that he had been called to the White House and asked personally by the President to favor outright grants to Catholic colleges. The Oregon Senator argued with Mr. Kennedy against this position, maintained that outright grants were unconstitutional.

In deference to Mr. Kennedy, Morse now proposes to let the Supreme Court decide.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. MORSE. I observe that the Senator from Colorado [Mr. Allott] is prepared to speak. I dislike to interrupt. I wish merely to add a point. The Senator from Vermont has raised the entire question today. I am glad he did. Very forcefully he has raised the entire question of grants versus loans in connection with institutions of higher learning. He has pointed out that for a number of years millions of dollars have been appropriated by the Congress by way of grants to private institutions, including institutions maintained by religious denominations.

My colleague on the House side, Representative Edith Green, has been at work for some time on a special study of Federal aid to education through so-called special programs such as NDEA, the National Science Foundation, and others. She has been ably assisted by a keen scholar—one who is no relation to the senior Senator from Oregon but who bears the same name—Dr. Morse. As the Senator from Vermont will verify, Dr. Morse was present all one morning at a meeting of the Senate conferees. He presented to the conference the record of Federal grants to private universities and colleges in our country totaling many millions of dollars over the past several years. In some instances denominational universities such as Notre Dame or Linfield College in Oregon may have been the recipients of very large grants in connection with science laboratories or buildings related to nuclear atomic studies.

Catholic University in the District of Columbia, George Washington University in the District of Columbia, and other private colleges throughout the United States have been the recipients of large sums of money from the Federal Government.

I mention this today to buttress what the Senator from Vermont has said to the Senate. Senators must do some thinking on this question. It may very well be that we in the conference may find ourselves in the position where we may wish to come back to the Senate for instructions. There is a distinct possibility that the Senate conferees may feel that we owe it to the Senate, in view of the debate which took place in the Senate when the higher education bill was passed, to come back to tell the Senate what some of our problems are in the conference, and to ask for the instructions of the Senate in regard to the matter of grants versus loans to private colleges.

It is only fair to say that there are those in the conference who are adamantly opposed to grants who take the position that the type of grant we are talking about in conference is a general aid grant proposal, which is believed to be quite different from a grant for a categorical use based upon a specifically approved project.

It is pointed out that the money is for specific uses. It is argued that in such cases, there is something in the nature of a contractual relationship involved in institutional grants given by the Federal Government to, for example, Notre Dame, or Catholic University, or any Presbyterian, Methodist, or other denominational college. In their cases the Federal Government says, in effect, only, "We want this particular service rendered. If you are willing to perform this particular service, we are willing to give you the money to perform such service."

It is further argued that there is a distinction which should be drawn between that kind of specific grant and a general grant whereby we approve Federal aid for colleges to the extent of many millions of dollars for so-called general construction grants which are used by the colleges with few restrictions.

I point this out because I think the Senator from Vermont will agree with me that it would be helpful to us in the conference for Senators to give us the benefit of their views.

Mr. PROUTY. I thank the Senator. He has stated the question very accurately. I believe the suggestion is a good one. We might wish to return to ascertain the wish of the Senate. I know that the Senator from Oregon, as is true of the Senator from Vermont, is desirous of bringing about a completion of our work on legislation to assist higher education. It is an important question for us to decide at this session of Congress. I hope by one means or another we may bring forth an acceptable bill which will be of such great service to the youngsters of our country and to the security of the United States.

In conclusion, I point out that I tried to get in touch with Mr. Pearson by telephone, but was informed that he had left for Europe. I also tried to get in touch with his assistant, Mr. Jack Anderson, but was informed that he was not in the office at the time, but would call me back. I have not heard from him. In fairness to both these gentlemen I felt they should be notified in advance that I intended to make my statement on the floor of the Senate this afternoon.

"MR. CONSERVATIVE"—A BOOK REVIEW

Mr. ALLOTT. Mr. President, I have before me a book review written by Mr. Roscoe Fleming, one of the deans of the Colorado press. This is a very excellent review of the book "Mr. Conservative," written by Mr. Jack Bell, one of the outstanding press men in the Senate Press Gallery. The book itself describes the junior Senator from Arizona [Mr. Goldwater] and some of his political ideas.

I am very much impressed by the black-and-white approach to this question, as described in the review. With all due deference to the review itself, I do not conceive that, because anyone says something is black and white, he is not able to reason in depth.

I ask unanimous consent that the book review, which is very well written, be included in the Record at this point in my remarks.

There being no objection, the book review was ordered to be printed in the Record, as follows:

[From the Denver Post, June 3, 1962]

Arizona's Favorite Son in a Fair Appraisal

Is it possible that "Mr. Conservative" could be the Republican candidate for President in 1964, and a formidable one?

Jack Bell, the able and veteran Washington correspondent who wrote this analytical book about Senator Barry Goldwater, points out that Goldwater now is in a position about like that of Senator John F. Kennedy of Massachusetts in 1958, when no political pundit thought the Massachusetts Senator had any real chance in 1960.

The Goldwater portrayed in this well-documented book insists he isn't a candidate—save for reelection to the Senate in 1964—but he certainly wouldn't run from the task of carrying his party's banner for the presidency that year. Nobody has ever questioned his political courage.

He has the great asset of saying things in a simple, black-or-white way that has much appeal for many people who think this is still a simple, black-or-white world. Is Government getting too big and complex, menacing the liberties of the people? Then dismantle it. Are taxes too high? Why, cut them.

Does communism threaten to spread further? Why, kill Communists if necessary, until it stops. Only Goldwater doesn't think it would really be necessary to kill Communists. Let them know we're ready to do it, he says, and they'll shrink back. A few "low-yield" atomic bombs would do the trick.

Bell describes the Senator's foreign policy—which the latter undoubtedly would try to implement if President—as one that "advocated use of power to preserve freedom, that said to hell with 'world opinion,' that downgraded the United Nations, that would equip freedom fighters and support them militarily in rebellion in the satellites, that would wipe out Castro, and that demanded 'total victory' over communism."

This is a simple-minded policy rather than a simple one. It is wholly unworkable, for one thing. It would leave us, if not totally devastated by nuclear war, feared and abhorred by a world that would unite against us as against a sort of Hitlerite pan-Germany, to be conquered at all costs to avert its domination of the planet.

But Goldwater, says Bell, has a power to appeal to people unmatched in some respects since Theodore Roosevelt, which got him where he is, and may get him a lot further.

Bell compares the appeal of Nixon, Rockefeller and Goldwater as prospective candidates, and seems to think Goldwater as of now has the best of it—so much so that Rockefeller has softly indicated he'd consider Goldwater—as a 1964 vice-presidential candidate. Goldwater is not on record as to how he'd regard Rockefeller as his own vice-presidential candidate.

But there's a lot more to this very objective book than that. It leaves you liking the man, even if you dislike his politics.

FREE ENTERPRISE FOR EVERYONE

Mr. ALLOTT. Mr. President, on June 24, I had the pleasure of sharing a speaker's platform in Chicago with Dr.

Ernest L. Wilkinson, president of Brigham Young University and chancellor of the Unified Church School System of the Church of Jesus Christ of Latter-day Saints.

I have known Dr. Wilkinson for a long time. We do not always agree on some of our political points of view. He points out in his address that he began life as a Democrat, and at one time even ran for office on the Democratic ticket. What he spoke about in his address is the real, unshackled concept of free enterprise, and what it means. I had some trouble procuring the text of the address from him, because of his modesty.

This is a discussion of the free enterprise system within the concept of all American tradition and history, which I believe is worthy of everyone's time. Anyone who reads it cannot fail to receive some benefit from having a clearer concept of what free enterprise is and what it is not and what it can mean to the greatness of this country. I ask unanimous consent, therefore, that the text of Dr. Wilkinson's address be printed in the RECORD at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

FREE ENTERPRISE FOR EVERYONE

(An address by Dr. Ernest L. Wilkinson, president of Brigham Young University and chancellor of the Unified Church School System of the Church of Jesus Christ of Latter-day Saints, to the conference of presidents and other officers of State medical associations at their 18th annual meeting, June 24, 1962, at the Palmer House, Chicago, Ill.)

I am grateful for this opportunity today for a number of reasons:

In the first place, it gives me an opportunity to repay a debt I owe to Dr. George Fister, who, as my mathematics teacher years ago, before he embarked on a medical career, obligingly and generously failed to flunk me in geometry.

Second, it affords me the privilege to publicly acknowledge the skill of America's great medical profession, so far unfettered by Government control, in so carefully administering to my critical needs when some 6 years ago I was stricken with a coronary occlusion. Hence today I again enjoy the thrill and exhilaration of working 12 hours per day even though most of the fruits of my labors are transfused into taxes. Every time I think I have just about conquered my habit of swearing, I have to fill out another income tax return.

I want the medical profession, which preserved my life, to remain free in desire, spirit and performance to so minister to the health of my country, that my children and my children's children will be the recipients, as was I, of the best medical care in the world, unimpeded and unshackled by the overpowering and often unwise hand of government.

In saying this, I have not forgotten that, as a teenager, a young doctor who had just graduated from a medical school not far distant obligingly relieved me of my uvula in lieu of my tonsils. I am not, therefore, unaware of mistakes being made by members of the medical profession. But I still have faith that fewer mistakes, both in diagnosis and in prescription, will be made by doctors who are free to do their best and who will receive commensurate recompense therefor, than the best program of health insurance regulated and administered by any government anywhere.

There is also this added difference; if an individual doctor is guilty of malpractice, he himself is personally liable therefor, as he should be. If however, under socialized medicine, a mistake is made, we will all pay in taxes, even though we are not involved.

In saying this, I am aware that the King-Anderson bill is not, in itself, a bill for socialized medicine. But what I am afraid of, in the language of Mr. Justice Frankfurter is "the disintegrating erosion of particular exceptions." The King-Anderson bill is a step in the direction of socialized medicine. Once the Government marches into a new field of legislation it seldom retreats, but soon occupies the whole field.

My third pleasure at receiving this invitation is that I will now be able to boast to my medical son, who is a cardiologist, and who constantly gives me advice which I seldom follow, that at long last I had the opportunity of saying the last word to a group of doctors. That opportunity never presents itself to a layman like me, either when he is in the hospital or when he receives a doctor's bill.

Finally, I am happy to be on a program with "Bud" Wilkinson. A few years ago, when I was recruiting a football coach at my institution, I phoned the director of athletics at West Point for appraisal of a prospective coach. I began the conversation by saying that my name was Wilkinson; I was president of Brigham Young University, was looking for a football coach, and wanted his appraisal of a certain prospect. He again asked me what my name was and I told him it was "Wilkinson." He answered: "Hell, with that name, why don't you take the job yourself?"

Your president has asked me to speak today on the subject of free enterprise, which is vital to our American way of life. I shall do so in the belief that unless we preserve this system for all segments of our society, we shall not be able to preserve it even for doctors. Too often, medical men in the past, as is true with other groups, have thought in terms of their own professions without realizing that unless all of our professions remain free, none will remain free. In the light of the present threat to our traditional practice of medicine, the time is opportune for doctors, like others, to examine the whole structure of our Government philosophy.

What I have to say today, I do not intend to be politically partisan; for most of my life I was a Democrat and once ran for office on the Democratic ticket. Even now I classify myself as a follower of Thomas Jefferson, whom the Democratic Party professes to follow, but whose principles it has prostituted and abandoned. I shall, therefore, quote freely from Democratic as well as Republican Presidents. I hope it will serve as a rallying cry for Americans of all parties who believe in liberty and our American way of life, and who are willing to step forward to preserve that liberty and life before it is too late.

Each generation of freemen has its rendezvous with destiny, for freedom can never be vouchsafed from one generation to another. One generation, as did our Revolutionary Fathers, may win it on the battlefield. Another generation, as we are now doing, may allow their Government to wrest their freedom from them.

Our rendezvous today will determine whether we shall continue to live in a "land of the free and home of the brave," or whether we shall so worship the false god of paternalistic government, that, in due time, we shall join 20 recorded civilizations which have come and have gone—not by conquest from without, but because of the surrender of individual freedom and responsibility to a central, all-powerful government.

To face the external challenge of the Soviet Union, the President of the United States, in his inaugural address, with statesmanlike vision, summoned us to duty with these words:

"And so, my fellow Americans: ask not what your country can do for you—ask what you can do for your country."

This had the ring of our Revolutionary Fathers who pledged, on the altar of freedom, their lives, their fortunes, and their sacred honor.

On the other hand, the same President, in derogation of his 1961 inaugural address, has now proposed an ambitious series of governmental programs, ranging from medical care at birth to landing on the moon, many of which confer special privileges or grant large bounties to various segments of our society. Among these generous proposals are Federal aid to elementary and secondary schools, and to colleges for both salaries of school teachers and school buildings; medical care for the aged under social security; an augmented school lunch program; a permanent (not emergency) system of extended unemployment benefits; an expanded food-stamp plan; an expansion of the area-redevelopment program to more than 250 areas with more than 18 million people involved; extended aid for children of the unemployed; authorization for 5 new public power projects under the Bureau of Reclamation; increased grants for urban renewal; Federal aid for urban mass transportation; more Federal housing units for the elderly; increased subsidies for ocean shipping; a greatly extended subsidy and control program for agriculture; a new Secretary for Urban Affairs so that we can now subsidize city dwellers as well as farmers; in short, a staggering "give-away" list goes on and on and on!

In which of these two directions shall we go—down the socialistic and subsidized road proposed by the President in his legislative program, or in the lofty direction proposed by him in his inaugural address? Shall we proceed in the direction of Soviet Russia, where all power and one's position, status, and support emanate from the state? Or shall we revert to the philosophy of our Founding Fathers who believed that while it is our duty to support our country, it is never the duty of our country to support us?

In the few moments I have, I propose to analyze these alternatives by briefly tracing the history and benefits of free enterprise in this country, in contrast to a regimented or collectivist economy.

The essence of the free-enterprise system is first, the freedom to initiate, venture, develop, and produce without interference or restraint, except for safeguards to protect similar rights of others; and second, the incentives which come from the right to enjoy the fruits of one's own labor.

I. THE FOUNDING OF FREE ENTERPRISE

Free enterprise in this country began with Jamestown. Originally plagued by communal ownership of property, and by a stronger desire to demand equal shares than to contribute equal labor, this colonizing effort almost ended in disaster. It was saved only by new pioneers who were willing to labor long and hard, with the realization that they would enjoy the fruits of individual ownership of their lands and crops.

The Pilgrim Fathers had the same experience. Originally agreeing that they would own everything in common, they so lost their initiative that they nearly died of starvation. As Governor Bradford wrote in his diary, they had thought they were "wiser than God," who gave every man his freedom. And so they turned away from communal ownership and gave each family a parcel of land. And when the harvest was gathered, instead of famine, they had plenty.

This experience was repeated 150 years later. During the early part of the Revolutionary War, the Continental Congress took over the economic control of all 13 Colonies and its people. However, so disastrous were the consequences that 1 year before Cornwallis' surrender to Washington, Congress, in a forthright reversal of policy, repealed all economic control. Freed of this restraint our forefathers proceeded to win their freedom.

Then, under the inspiration of God, our Founding Fathers gave birth to our Constitution, described by Gladstone as "The greatest document ever struck off by the hands of men." In this document they gave to the world a new nation, conceived in liberty, and dedicated to the hope that all succeeding generations by following its God-given precepts would remain forever free.

Their dislike of government domination was expressed by none other than George Washington, the Father of our Country, in these words:

"Government is not reason, it is not eloquence—it is a force.

"Like fire, it is a dangerous servant and a fearful master."

James Madison, oft referred to as the father of our Constitution, in explaining its safeguards against the loss of liberty, warned us of the perils of our own time, in these words:

"I believe there are more instances of the abridgement of the freedom of the people by gradual and silent encroachment of those in power than by violent and sudden usurpations."

Thomas Jefferson, whom the Democratic Party looks upon as its founder, advised us not only that the Government governs best which governs least, but warned against the dangerous situation which haunts us today. Said he:

"I place economy among the first and most important virtues, and public debt as the greatest of dangers to be feared. * * * To preserve our independence, we must not let our rulers load us with perpetual debt—we must make our choice between economy and liberty, or profusion and servitude. If we can prevent the Government from wasting the labors of the people, under the pretense of caring for them, they will be happy."

Jefferson went on to state that if we did permit the Government to load us with perpetual debt we would be taxed in our meat, our drink, our necessities and comforts, our labors and our amusements, such as the people of England were when we declared our independence from the onerous government of that time. How much of a prophet was Jefferson? Well, today 32 percent of the gross national income is consumed in taxes: The average person works the better part of 2 out of every 5 days for the Government. And some will work 4½ days out of every 5 before he can retain any income for himself.

In line with the utterances of Washington, Madison, and Jefferson, none of our early Presidents ever proposes, any governmental policy which would interfere with or regulate private control of agriculture, industry, or the professions.

Grover Cleveland, a Democratic President, when he was presented with a legislative bill providing for a very modest Federal gift of seeds to farmers, vetoed it on the ground "that though the people should support the Government, the Government should not support the people."

Woodrow Wilson, the last great Democrat to follow the traditions of Jefferson and our Constitutional Fathers, warned us that "The history of liberty is the history of limitations of governmental power, not the increases of it." He, therefore, never wanted to see the little red schoolhouse subordinated to the political thinking of Washington; nor did he, in his own language, "want a group of experts sitting behind closed doors in Washington, trying to pray Providence to" the American people.

The same philosophy was expressed by Herbert Hoover when he said:

"Freedom conceives that the mind and spirit of man can be free only if he be free to pattern his own life, to develop his own talents, free to earn, to spend, to save, to acquire property as the security of his old age and his family."

And more recently, Dwight D. Eisenhower in somewhat the same language as George Washington, concluded:

"Every step we take toward making the State the caretaker of our lives, by that much we move toward making the State our master."

Even Franklin Delano Roosevelt, before he became President, recognized and applauded the limitations on our Federal Government that our Constitutional Fathers intended. As Governor of New York he publicly declared:

"The Constitution of the United States gives Congress no power to legislate in the matter of a great number of vital problems of Government, such as the conduct of public utilities, of banks, of insurance, of business, of agriculture, of education, of social welfare, and of a dozen other important features. Washington must never be permitted to interfere in these avenues of our affairs."

Finally, as late as 1950, a young Congressman from Massachusetts by the name of John F. Kennedy (Boston Post, Apr. 23, 1950), expressed the American ideal in these words:

"The scarlet thread running through the thoughts and actions of people all over the world is the delegation of great problems to the all-absorbing leviathan—the States. Every time that we try to lift a problem to the Government to the same extent we are sacrificing the liberties of the people."

As to the actions of both President Roosevelt and Kennedy in violating their own expressed political philosophy, I merely read the profound utterance made by George Washington to the Constitutional Convention: "If to please the people, we offer what we ourselves disapprove, how can we afterwards defend our work?" Rather, he urged that we "raise a standard to which the wise and honest can repair." That "event," he said, "is in the hands of God.

Until the advent of the New Deal in 1932, the political philosophy of free enterprise of our Founding Fathers was uniformly followed by all Presidents regardless of party. The one great exception was the enactment of the graduated income tax law in 1913, which is the most significant legislation of this century. It came into being only by virtue of a constitutional amendment, the Supreme Court having held that such a concept was alien to the organic law as framed by our Constitutional Fathers. And even then the proponents of the measure were laboring under the honest delusion that in peacetime the tax would not exceed 2 percent, but in times of war it might soar to 5 percent. Instead, it has now pyramided to extremes beyond the wildest dreams ever envisioned by Karl Marx in his Communist Manifesto, and it should be remembered that a graduated income tax was one of the main pillars of that pernicious proclamation. While the constitutional amendment permitting this tax did not in itself change the functions and scope of our Government, it nevertheless gave Congress a new vast and dangerous taxing power, under which Congress now finances programs which have changed the original scope and purposes of our Government. In saying this, I am not entering into the controversy as to whether the income tax can or should be repealed. But I am sure it must be drastically revised if free enterprise is to continue.

II. THE FRUITION OF FREE ENTERPRISE

With the American philosophy of free enterprise as the basis of our economic system, until the 1930's, America plunged ahead into her dynamic future. By the turn of the 20th century, she had become a tremendous and colorful example of the free enterprise system at work, and had attained preeminence in the entire world. The steel furnaces in Pittsburgh alone outproduced those in England and Germany combined. New manufacturing marvels of every sort had been invented and were already in production. These were giving Americans the highest standard of living known to the entire world. By the 1920's our country was recognized as the world's greatest economic power.

With the advent, however, of the New Deal (and that is what it was, for it constituted a rejection of the American philosophy of government on which our constitutional fathers relied) we began to proceed on the theory that we could no longer rely on the sweat of our own brows, on our own ingenuity and resourcefulness as God's children, but that instead, we had to rely upon the paternalism and largess of government. In the intervening 30 years we have fast lapsed into a welfare state (more correctly, the "illfare state"), for it is based on the theory that as a people we are seriously ill and have to call in the Government as our physician.

Up until that time we had been protected from the evils of socialism in this country by the uniform decisions of the Supreme Court which consistently followed the political and economic philosophy of our constitutional fathers, and forbade the Government from unduly regulating our lives. But this judicial protection of 150 years was ended by the appointment of new Justices to the Supreme Court, who, right or wrong, did not confine themselves to interpreting the Constitution in the light of its history and language but imported into the Constitution external social concepts, which were theretofore alien to our philosophy of government. With this change of constitutional philosophy Congress became the last bastion for the defense of freedom against governmental encroachment. But instead of adhering to the political faith of our constitutional fathers, Congress seized upon the relaxations of the Supreme Court as a field day for curtailment of free enterprise, and the enlargement of governmental powers. As a result, we now have, among others, the following practices:

1. Annual Federal aid to States, localities, and individuals, which amounted to less than $150 million in 1930, has now soared to around $10 billion—more than the total budget of the Federal Government in any one year prior to World War II. This has to a large extent undermined the sovereignty of the States.

2. Whereas in 1920 Government-owned electric utilities accounted for only 5 percent of the electric power generated in this country, they now account for 25 percent, and these Government-owned utilities instead of paying taxes actually consume them.

3. One in every six employed Americans is now on a Government payroll (national, State, or local). Today over 17 million people are receiving checks from the Federal Government.

4. Since our entry in World War II our economy has been under some form of price or wage controls for 8 different years. Agricultural price-supporting programs actually commenced with the New Deal and it is now proposed they be extended.

The housing industry is financed or guaranteed largely with Government money.

6. The shipping industry is heavily subsidized by the Government.

7. Through TVA and similar huge Government projects whole areas of the Nation are in large part dependent upon the Government.

8. In actual practice the Government now fixes hours and conditions of employment, and is intimately involved in wage bargaining, as witness its approval of wage increases,

but its denial of price increases in the steel industry.

9. Old and disabled people have become wards of Government. Congress last year made it possible for "young men" of 62 to retire and live off the Federal Treasury, for they will not be drawing our money paid in for social security. That money was never set aside for its intended use, and has long since been spent on innumerable Government projects, and current social security payments already exceed social security tax collections (1958, 1959, and 1960).

10. In 1932, the year before FDR came to power, the Government annually collected $2,634 million in revenues. In 1960, it amounted to $93 billion. This is an increase in 30 years of over 3,500 percent; or an increase of 100 percent for each of the intervening 30 years. The first real Kennedy budget, i.e., the first full budget for which he will be responsible, we are informed, will total nearly $100 billion.

11. The Federal debt when FDR came to power was $22.5 billion. It is now around $300 billion. But this is only a part of the story. When you add to the present indebtedness accrued liabilities, for services already rendered or goods already delivered, the total Federal debt is over $750 billion, a sum which represents an indebtedness of $4,100 for every man, woman, and child in the United States. The interest we pay on our national debt alone is now twice the amount of the entire Federal budget when FDR came to power, and no substantial effort is being made to pay it off. On the contrary, many of our Representatives in Congress are using every excuse to spend more money. For example, on March 26 of last year a tornado hit the town of Italy, Tex. Consistent with the prevailing practice, the area's Congressman immediately sent a telegram suggesting Italy could qualify for Federal disaster relief. But instead of meekly abdicating its own responsibilities by getting on its knees and supplicating Washington, Italy fired back this answer:

"City council feels Federal Treasury in worse shape than Italy and suggest any allocation set up for Italy be applied to national debt." (Arthur H. Motley, keynote address, 49th annual meeting, U.S. Chamber of Commerce, May 1, 1961, Washington, D.C.)

With the situations to which I have alluded in mind, one speaker, in addressing a farm audience, referred to this as the status quo of our times. One of his listeners promptly quipped that that was Latin for "the hell of a mess we are in."

III. THE FUTURE OF FREE ENTERPRISE

And now with the New Frontier proposals which profanely invoke the name of Jefferson (he would turn over in his grave if he ever heard them attributed to his party), and the tendency of many so-called conservatives, not to oppose, but to merely offer milder socialistic alternatives, it is proposed that we be launched on a new and greatly enlarged extension of Government paternalism.

We are now to be given medical care by the Federal Government while we are yet unborn.

We are to be educated by the Federal Government regardless of whether our local or State governments are able to pay the bill.

If in agriculture, we are to be further seduced and subsidized by the Government.

If in industry, we are to be paid a subsistence out of the taxes of our employers while in some cases we strike against them.

Older people are promised a low-cost hospital insurance.

Millions on relief are to get more attention.

Unions, despite their monopolistic tendencies, are to be given more privileges.

College-age youths are offered the hope of Federal scholarships.

These plans, according to Kiplinger, are based not on the merits but on political considerations. The White House is aware that 12 States, dominated politically by big cities, have 260 out of 268 electoral votes needed to elect a President. Union members, old people, those on relief, schoolteachers, Government workers, Negro voters hold the balance of power in big cities. Therefore, in the view of the administration, the party that wins support of these big groups can go far to dominate national politics.

Our constitutional fathers thought they had set up a government under which this socialistic participation in and dictation of our personal lives were impossible. But they reckoned without the decisions of a Supreme Court more interested in establishing social reforms than in interpreting the Constitution.

The great French philosopher, Alexis de Tocqueville, from whom we derived a great deal of our political beliefs, warned us in the early history of our country that if the time should ever come when people discover they can vote themselves benefits out of the public treasury, self-government by responsible men will be an impossibility.[1]

That time, ladies and gentlemen, is now upon us, and it raises the crucial question of whether under this governmental paternalism Americans can long remain fearless and free; whether we really believe that to meet the Communist challenge we must continue to more and more adopt the regimented and hand-out economy of the Soviet state; or whether we want again to rely upon the voluntary action and free economy of a God-fearing people. Woodrow Wilson once gave utterance to the last alternative when he said the thing that has made America great is not what it has done under compulsion of law but what it has done of its own volition.

The tragedy of our time is that during the last 30 years, we have fast adopted the ornaments and shackles of an illfare state. On the other hand, the Soviet Union has been adopting certain practices of free enterprise. Thus, in one of his recent conferences, Khrushchev ridiculed the confiscatory nature of our taxes which ascend to 91 percent of a man's income, pointing out that in Russia the limit is 16 percent. In recent years, Khrushchev has also introduced wage incentives and other capitalistic reforms.

If we accept the alternative of the free historical American economy, the question then becomes that of how our country can be cured from its present malady—lest the greatest country in the world will conduct a funeral for free enterprise, which means to bury itself.

In my humble judgment, there are six ways or programs by which if we act resolutely and quickly our country can be brought back to normal health and such a funeral avoided.

The first way is that of accepting the philosophy of the President's inaugural address rather than his legislative program. We can have no double standard in this country of stating at one time that our survival as a free nation depends on what we can do for our country and at the same time proposing a legislative program founded primarily on governmental handouts to its people.

The only way to compete with the zeal of the Russians for their system is to reacquire the self-sacrificing patriotism of our fathers and to rely upon the sweat of our own brows. If we abandon the false god of governmental paternalism and reenthrone individual integrity, genius, responsibility, and economic rewards, we will widen, and not narrow, the gap between our productive capacity and that produced by Soviet slave labor. At the same time, we will start paying off our national debt and not continue, as Lenin said we would do, to spend ourselves into bankruptcy.

The second method by which we can avoid the funeral of free America is by a revived and rededicated devotion of our own to the cause of freedom and our system of free enterprise. If we really believe in it, we must ourselves practice it. We must not be guilty of any double standards ourselves. We must not ourselves give lipservice to competition and at the same time violate the antitrust laws which are designed to foster free enterprise by competition.

If we are going to criticize Government handouts for the other fellow, we must not ourselves sup at the public trough. If the payment of subsidies to farmers is morally and economically wrong, by what right does the Government subsidize the shipping industry? If the guarantee of loans to veterans and others for housing is wrong, by what right are businessmen entitled to loans on preferred terms to keep their businesses going? If the educator is right in deploring the lowering of the moral standards of the Nation from Government handouts, by what right does he ask the Government to subsidize his university?

Ninety miles off the shore of Florida is a tragic example of a people whose freedoms have been lost because the business and professional leadership of the country permitted their government to take their freedoms from them step by step. Castro first began with socialistic programs, then the seizing of property, and has now openly proclaimed communism in Cuba. The first of these was the forerunner of the latter. The business and professional men of Cuba now know that only if all were free could they themselves maintain their freedom. And so I say, that only if others are free will the medical profession remain free. Some of the voices now so loud in exile were silent when the freedoms of others in their country were being destroyed, hoping, I suppose, that they would be "let alone." But when business and professional men abdicate their duty to protect freedom for everyone, a Castro, a Peron, a Mussolini, or a Hitler always appears to take over. A Methodist minister in Winston-Salem put it plainly when he said, "Silence is not always golden. Sometimes it's just yellow."

My third program for the preservation of our free enterprise is that we ought to be willing to pay the price of its preservation by properly financing those who fight its battles. American business is often pennywise and poundfoolish in its expenditure of both time and funds for the defense of the free enterprise system upon which its survival depends. For the most part, chambers of commerce, taxpayer, and citizen research agencies, even trade or professional organizations (such as yours, perhaps) are starved for funds. Particularly is this apparent when comparisons are made with the millions poured by labor into union and political action treasuries, much of which is spent for promoting the regimentation of our economy.

Even more basic is the unwillingness of top-flight businessmen to accept or, if they do accept, to devote the necessary time and energy to civic and trade group appointments, which are established to study and to formulate policies and procedures pertaining to local, State, or national problems. If businessmen refuse to take any leadership in local civic affairs, by what right can they blame local citizens for seeking Government counsel and leadership in local affairs?

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[1] In specific language, Mr. de Tocqueville said:

"The disastrous influence which popular authority may sometimes exercise upon the finances of a state was very clearly seen in some of the democratic republics of antiquity, in which the public treasury was exhausted in order to relieve indigent citizens, or to supply the games and theatrical amusements of the populace." ("Democracy in America," vol. 1, p. 217.)

This reminds me that there are some who now propose we subsidize opera in this country from the public purse.

De Tocqueville further said:

"But to pillage the public purse, and to vend the favors of the state, are arts which the meanest villain may comprehend, and hope to practice in his turn." ("American Institutions and Their Influence," p. 227.)

My fourth program for preventing the liquidation of our system of free enterprise is that the Government be fair and consistent in its dealing with all segments of our economy—it must observe the golden rule of doing unto one group what it does unto another. It must not have a double standard whereby it imprisons businessmen for conspiring to fix prices and at the same time encourages unions to conspire to fix wages.

It must not dictate a wage settlement between the steel industry and labor whereby labor, for the fourth consecutive year, is given a wage increase, and then prevent steel companies from raising their prices to meet their pyramiding costs. For while over a 4-year period, labor costs to the steel industry have gone up 15 percent, there has been no increase in steel prices and the profits of the company have declined nearly 40 percent, and have fallen to a new low of only 4.6 percent. To pinpoint this problem in more detail for all industry, an examination of recent history would be helpful. Since 1950, wages have increased over 40 percent on a constant dollar basis. In that same period, and on the same constant dollar basis, corporate earnings (before taxes) actually decreased by 19 percent. With continually decreasing profits, how are we going to continue to pay continually increasing taxes?

This Government by intimidation, if not curbed, could be recorded in history as the "Pearl Harbor" of American free enterprise, for if the President by Government intimidation and coercion can do this to steel, he can do it to every industry in the country and to you and to me. The only happy feature is that after Pearl Harbor the American people rallied, threw off our enemy, and reasserted their freedom.

As a result of the many spending proposals of the administration and the Presidential coercion in the steel crisis, our national economy has suffered grievous injury. At the very time when the administration itself was counting and planning upon a decided advance in our economy, business confidence, the most essential ingredient for prosperity, has been badly shaken and the plummeting "Kennedy stock market" has caused a total loss in security values of around $100 billion. Think of this staggering fact for just a moment, and then ponder on the uncertain future of the greatest Nation on earth. This loss if spread over our population would mean a loss of nearly $550 for every man, woman, and child in the United States. Actually, it means ruin for thousands of people. If our Government, in the words of Washington, continues to fan the fire of a fearful master, or, in the words of Madison, further abridges our freedom by "violent and sudden usurpations," as in the steel episode, all of our economic liberties may be lost.

Only by a firm arrest of this naked governmental power can we hope to preserve our liberties in this country. And if you think it is impossible to correct the present double standard of favoring labor and crucifying industry, let me quote from none other than Franklin Delano Roosevelt:

"It will never be possible for any length of time for any group of the American people, either by reason of wealth or learning or inheritance or economic power, to retain any mandate, any permanent authority to arrogate to itself the political control of American public life."

This truism was demonstrated a few years ago when the Congress was considering labor racketeering. Since most of the Members of both the Senate and House owed their election, they thought, to strong labor support, they did not want to offend labor. The Senate, therefore, passed an innocuous bill which really failed to grapple with the racketeering problem. Only one man in the Senate voted against it—Senator BARRY GOLDWATER. He was willing to stand for principle rather than succumb to an overwhelming timid political majority.

By the time the bill got to the House, however, the country became aroused and demanded sterner action. And under the impulse of the ground swell, the House failed to accept the weak Senate bill and, instead passed the Landrum-Griffin bill which had some teeth in it. And when the stronger bill went to the Senate, a sufficient number of Senators who previously did not have the courage to vote for a strong bill, had now had their backs stiffened by the voices from back home and voted for the House bill.

You probably noticed the same experience in the House of Representatives last week when, contrary to political expectations, the House refused to rubberstamp the administration's farm subsidy crop control bill. Sufficient Democrats, having heard from home, bolted their party, and saved agriculture from further dictatorial communized control.

Whether you as medical doctors, and other loyal Americans, will defeat the King-Anderson bill will depend upon whether you will be able to generate political support in your various States of sufficient magnitude to let your Senators and Congressmen know that such a bill must not pass. You cannot rely upon defeating it in the House committee. If it is defeated there, it will raise its ugly head elsewhere. Nowhere is it as true as with legislation that "eternal vigilance is the price of liberty." To defeat the present bill, or its counterpart, will require continuous political action on your part. You cannot return to your homes and practice and forget about the destiny of your profession and country.

You may not be willing to rely on "nosology" in your medical practice, but in your lifetime and mine, you are going to have to practice it in your governmental relations, for you're going to have to constantly smell what is going on in Washington.

I know there are some well-intentioned individuals who do not quite see the relationship between the curtailment by Government on the one hand of the right to make profits, as for instance in the steel industry, and the curtailment by the Government, on the other hand of what we call our liberties. Even President Eisenhower made the mistake of distinguishing between what he called property rights (the right to make a profit) as to which he claimed to be a conservative, and human rights (the right to our liberty) as to which he called himself a liberal. The fallacy of this distinction was illustrated by the late Hon. George Sutherland (a former Justice of the U.S. Supreme Court) when as president of the American Bar Association he said:

"Property, per se, has no rights; but the individual—the man—has three great rights, equally sacred from arbitrary interference: the right to his life, the right to his liberty, the right to his property. * * * To give a man his life but deny him his liberty, is to take from him all that makes his life worth living. To give him his liberty but take from him the property which is the fruit and badge of his liberty, is to still leave him a slave."

My fifth proposal deals with legislation needed for the immediate present—all of which is designed for America to make progress through voluntary action and to achieve better jobs for more people. This legislation is not in the direction of stifling but of freeing the economy.

First of all we must increase our rate of new investment. As I understand the situation, Russia at the present time is putting 25 percent of its productive capacity into capital goods. In our country we are putting only 10 percent into capital goods. We can increase the percentage if we have intelligent tax reforms, promote judicious utilization of savings, promote the availability of credit for plant investment, and obtain the right to faster and more realistic depreciation writeoffs. Programs of this kind will do more to alleviate the anxiety and misery of those who are out of work than any amount of Government subsidies. I congratulate the President on making a proposal of this kind in his tax message to the Congress. But it is still only a small step in the right direction.

Next, there must be increased mobility of labor and resources. This can be best achieved by more widespread information regarding job opportunities and by breaking down local and State barriers to the free movement of persons and goods. Furthermore, we must rid ourselves of un-American union restrictions on freedom of occupation and vigorously oppose all forms of payments for work not actually performed.

In addition, there must be an increase in the flexibility in both directions of wages and prices. In the interest of further opportunity for the free American workman we must not put men in straitjackets by adopting rigid wage rates and prices. For similar reasons we must question industry-wide collective bargaining and long-term contracts which provide for annual wage cost increases, regardless of productivity or prosperity.

Next, legislation should increase the flow of invention and innovation. This is one of the unique advantages of the American system—it permits genius and labor to enjoy the fruits of their talents and every laborer to climb as high as he can on the ladder of economic success. To that end we must oppose any increase in Government-held or controlled patents. Furthermore, we must always seek better means of increasing effective and legitimate competition. Monopoly stultifies, but competition energizes our economy.

Finally, we must increase our exports in international trade. On this score I generally agree with the administration, although its other domestic policies militate against a healthy international trade. Brisk trade in great volume is important to our economic health and welfare. American know-how is still a very precious ingredient of our free enterprise system. We should not hesitate to use it with great vigor and great purpose.

My sixth and last proposal for the preservation of our economic freedom is to insist that our schools educate our students in the gospel of free enterprise. Here again we must do away with our double standard of giving lipservice to and living off our American system of free enterprise while, at the same time, we either fail to teach its principles, or, in many cases, teach concepts which would destroy it. The reason for this is not hard to find.

The best estimate available is that fewer than one-tenth of all elementary and fewer than one-fourth of all secondary school teachers (majoring in social sciences) take even one course in economics while at college. In fact, it is estimated that 9 out of every 10 teacher colleges fail to have a single economist on their faculties. Over three-fourths of our States do not demand a course in economics as a requirement for certification. The result is that fewer than 1 out of every 20 of all high school students even take 1 course in economics and only about one-fifth of all college students. And much of what is taught is weak, misleading or even wrong—in many cases it does more to prejudice students against than to convert them to free enterprise.

Lest you think there is no local danger from this, let me tell you of our experience at Brigham Young University. Nearly 6 years ago, an accreditation team of the Northwest Association of Secondary and Higher Schools visited our university to evaluate our 11 colleges. The committee assigned to study our college of business criticized it on the ground that "capitalism and the free enterprise philosophy appear to be given strong preference at the administrative level."

This criticism led me to make a thorough investigation of our college of business to see if there were any who did not believe in free enterprise; and I can tell you now that, at the present time, there is no one on that faculty who doesn't believe in free enterprise. While this accreditation report was supposed to be confidential, I have waived the confidential nature of the report in going up and down the State of Utah and throughout the country proclaiming that at Brigham Young University we still believe in free enterprise.

I submit that businessmen themselves are largely to blame for the dearth of economic literacy in this country. The boards of trustees of most institutions of higher learning and the boards of education of most secondary and elementary schools are largely officered by businessmen. What have they done to make sure that teachers basically trained in the principles of free enterprise are employed? In many cases, not only have they done nothing but they have recommended to their various business corporations that they contribute to educational institutions whose economic philosophy is alien to free enterprise. In these days in which business is asked to and should make substantial contributions to institutions of higher learning, I submit there is a duty on the part of the donors to see that the recipients of their gifts not betray the hand which feeds them.

In summary, my six proposals merely envisage that we shall do away with the hypocrisy of our civilization. There must be no double standard for the President, for government, for business, for education, for the professions, or for individuals. We must renew and dedicate ourselves to the cause of freedom which is more important than life itself. If we achieve that goal and shoulder our own responsibility, we need not worry about our economic growth, or our professional competence. We need to worry about our economic growth only when we have a regimented and controlled economy. That is the reason we are worrying now. Should we engage in further regimentation, we will have grave cause to worry about the continuation of our Republic, for in the wise and prophetic words of Somerset Maugham:

"A nation that wants anything more than freedom will lose its freedom, and the irony of it is, if it is comfort and security it wants, it will lose them too."

Now I am aware of President Kennedy's declaration in his recent address at Yale University, that our present-day problems require that "we must move on from the reassuring repetition of stale phrases," and not "hold fast to cliches of our forebears"; that "if there is any current trend toward meeting present problems with old cliches, this is the moment to stop"; that the problems we are facing today "cannot be solved by incantations from the forgotten past."

But I submit to you that all the lessons of the past cannot be dismissed that easily as cliches. In my judgment, it is essential that we always maintain strong faith in and allegiance to certain rocklike principles amid the swirling and treacherous tides of change. For example, the parables of the Saviour and the Sermon on the Mount have long stood as standards of universal truth, and they will continue to stand as long as this world endures. It is also no cliche to say that the moment the Government steps in and takes over the responsibilities of individuals, those individuals become weak and soft, and lacking in character. History is rife with hard, bitter examples of this truism.

Rather than dismissing past civilizations as "the forgotten past" we should recall that some 20 cultures have perished or stagnated—a disaster with a common cause: the people rejected their own individual initiative and industry, and began to look to the false god of the State for their sustenance and security. The illustrations used by President Kennedy, to prove the contrary, are of too recent a vintage to obtain the true sanction of history.

I close with words claimed by some, but denied by others, to have been written by Abraham Lincoln. But regardless of the authorship, they represent a philosophy which can never be dismissed as being a repetition of stale phrases, cliches of our forebears, or incantations from the forgotten past. They are the simple truths which govern all individuals and all civilizations, now and in the future:

1. You cannot bring about prosperity by discouraging thrift.
2. You cannot strengthen the weak by weakening the strong.
3. You cannot help small men by tearing down big men.
4. You cannot help the poor by destroying the rich.
5. You cannot lift the wage earner by pulling down the wage payer.
6. You cannot keep out of trouble by spending more than your income.
7. You cannot further the brotherhood of man by inciting class hatred.
8. You cannot establish sound security on borrowed money.
9. You cannot build character and courage by taking away man's initiative.
10. You cannot really help men by having government tax them to do for them what they can and should do for themselves.

In closing, I join with you in the hope that we may all remember these immortal phrases and that by recalling them we ourselves shall remain freemen and freewomen.

THE SITUATION IN SOUTH VIETNAM

Mr. ALLOTT. Mr. President, yesterday, Secretary of Defense Robert S. McNamara returned from yet another Pacific conference, and said he is encouraged over progress of affairs in South Vietnam. Mr. President, I wonder just what Mr. McNamara means by progress. We are all deeply appreciative of the concern of Mr. McNamara with respect to the South Vietnam picture as evidenced by his trips to the Pacific but I wonder if the Secretary really knows what is going on. The conflicting reports about the situation in South Vietnam are, to say the least, somewhat confusing. Secretary McNamara says things are "going well" there. Yet, news dispatches from qualified and able observers in that area report an altogether different story. Granted, such sources are not infallible in their observations, but neither are the sources from whom Mr. McNamara received his information. Now, Mr. President, the question is: Just who is being misled? Is it Mr. McNamara; or is it the news observers who obviously get their information from a completely different source than Mr. McNamara? Or are the American people being misled by the administration?

The Christian Science Monitor, on Monday, July 16, 1962, reports that recent dispatches by the Associated Press raise grave doubts about the progress of the guerrilla war in South Vietnam. One such report was written from Saigon, the other was based on anonymous interviews with Army officers returned to the United States. The Monitor further states that these reports are supported by the general tenor of other American newspaper reports from the battle area. The Monitor respects the denials of these charges that have been issued by Secretary McNamara but goes on to say that Mr. McNamara is new at running a war.

Seasoned news correspondents know that in time of stress the top brass often does not get the facts straight, especially where political maladjustments are involved. And there are also times when the high command knows things are wrong but cannot speak out. In this case the Kennedy administration has failed to persuade President Diem to make needed political changes and considers itself bound to support him nevertheless. Criticism of the Diem regime is not permitted, either from State Department or military sources. Complaints are bottled up.

So, if the new military tactics are not doing well, and they have to carry a heavy political handicap, in addition, the situation is not as promising as Mr. McNamara thinks, or says.

Mr. President, the Monitor goes on to ask:

> Does the Secretary really know? Does he really get the facts? This particular guerrilla war is far too important to rest on misunderstandings. There is a real question whether it can be won under President Diem in the first place. Everything depends, since he declines to change his policies, on whether the special guerrilla forces are equal to the task.

Mr. President, the Christian Science Monitor appears to doubt that they are and I ask unanimous consent to have the editorial inserted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, July 16, 1962]

DOES MCNAMARA HEAR?

Warning flags are flying in South Vietnam. Two recent dispatches by the Associated Press raise grave doubts about the progress of the guerrilla war in that country. One was written from Saigon, the other was based on anonymous interviews with Army officers returned to the United States. They are supported by the general tenor of other American newspaper reports from the battle area.

The most important charges are two. It is said that the new techniques and weapons devised by the U.S. Army for its special new guerrilla forces are not working out well. It is also said that President Diem's government is not giving essential political support to the campaign.

The military charges are officially denied. Both Secretary McNamara and Army Chief of Staff Gen. George H. Decker insist the campaign is going well, considering that it is just getting started and is bound to last a long time.

We respect these denials. No doubt they are sincere. Furthermore top officials have to be tough minded about complaints. They often turn out to be gripes from lower levels where impatient or biased officers don't see the whole picture. Newspapermen often pick up these gripes and overrate them.

But Mr. McNamara is new at running a war. Seasoned news correspondents know that in time of stress the top brass often does not get the facts straight, especially where political maladjustments are involved. And there are also times when the high command knows things are wrong but cannot speak out. In this case the Kennedy administration has failed to persuade President Diem to make needed political changes and considers itself bound to support him nevertheless. Criticism of the Diem regime is not permitted, either from State Department or military sources. Complaints are bottled up.

So the distress signals coming from newspaper correspondents ought to be taken seriously. These men could be wrong especially in details. It is often too easy for lower echelons to refute particular statements and miss, deliberately or unwittingly, the main point of the charge.

President Diem, says one officer quoted by the Associated Press, is "creating a vast reservoir of discontent" by not explaining the need for moving villages into fortified areas. The Diem regime is said to be steeped in a defensive mentality which is inadequate to the task. Meanwhile, another dispatch says the special new American guerrilla forces, on which President Kennedy has staked so much, cannot move into the jungle and stay there for long. They "tend to fight from the roads and rivers as the French did before losing the Indochina war. Some American advisers who try to live like the Vietnamese find they can last 3 or 4 days before a return to civilization is necessary." Armored amphibious personnel carriers are said to be unsatisfactory and American weapons still, after redesigning, too heavy for jungle warfare. These are only samples.

The point is that President Kennedy has staked all on a military success by his new guerrilla forces, because his efforts to obtain political reform—which is of cardinal importance to guerrilla operations—were unsuccessful. So if the new military tactics are not doing well, and they have to carry a heavy political handicap, in addition, the situation is not as promising as Mr. McNamara thinks, or says.

Does he really know? A good reporter cannot accept an official line; he has to talk to the men doing the job out on location—lots of them. Especially when higher authority is not around. Mr. McNamara has made some flying trips but does he really get the facts?

This particular guerrilla war is far too important to rest on misunderstandings. There is a real question whether it can be won under President Diem in the first place. Everything depends, since he declines to change his policies, on whether the special guerrilla forces are equal to the task. The reporters appear to doubt it. This is the time to listen and find out what lies behind their reports.

DUTY ON CERTAIN ALUMINA AND BAUXITE

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 9520) to continue for 2 years the suspension of duty on certain alumina and bauxite.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, on the calendar are several legislative items which have been cleared by the leadership on both sides. I should like to have the Senate consider some of those measures at this time. In the meantime, I ask that Senators who are interested in Calender No. 1677, H.R. 9520, the alumina and bauxite bill, be notified.

EASTERN JUDICIAL DISTRICT OF WISCONSIN

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1710, H.R. 10184; and I ask that following the disposition of H.R. 10184, the bills on the calendar be considered in sequence.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. What is the pending business?

Mr. MANSFIELD. Mr. President, the unfinished business is Calendar No. 1677, H.R. 9520, to continue for 2 years the suspension of duty on certain alumina and bauxite. If the Senator from Oregon is interested in the satellite communication bill, that is not yet the pending business.

Mr. MORSE. I could not imagine anything in which I would be less interested. I am only trying to ascertain what was requested. I did not understand the Senator's request.

Mr. MANSFIELD. It is to take up measures on the calendar to which there is no objection. In the meantime, I hope that the Senator from Delaware [Mr. WILLIAMS] will come to the Chamber.

Mr. MORSE. I have no objection to the request. I merely asked a question.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 10184) to amend section 130(a) of title 28, United States Code, so as to reconstitute the eastern judicial district of Wisconsin to include Menominee County, Wis.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 10184) was ordered to a third reading, read the third time, and passed.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that measures on the calendar to which there is no objection, following the bill just passed, may be considered in sequence.

The PRESIDING OFFICER (Mr. PELL in the chair). Is there objection? The Chair hears none, and it is so ordered.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 86) favoring the suspension of deportation of certain aliens was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244(a)(4) of the Immigration and Nationality Act (66 Stat. 214; 8 U.S.C. 1254):

A-12269388, June, Wong Way;
A-10758754, Dai, Chew Sin;
A-12586379, Lum, Bak-Min;
AA-28009, Lee, Kai Suen;
A-11925176, Teng, James Wong;
A-12261123, Kwan, Chan Chew;
A-11721429, Fong, Chin Hoy;
A-11948980, Ginn, Annie;
A-7841723, Nurmeta, Nikolai;
A-11596987 Lee, Gar Way;
A-11596986, Lee, Won Wah;
A-7876042, Lee, Sin Ha;
A-8027478, Wiwczar, Michael;
A-8091415, Soter, Gus;
A-11433474, Gin, Win Gon;
A-11170722, Huey, Thick Chu;
A-12642507, Jew, Ming Wai;
A-12249576, Kim, Duck Lee;
A-7898650, Martino, Vincenzo;
A-11629250, Quan, Bing Kwong;
A-11629274, Quan, Dong Guay You;
A-11814222, Wong, Ngoon Fow;
A-12671644, Yau, Chong Lew;
A-10767929, Yee, Yat Hung;
A-12648341, Keong, Leong;
A-11598045, Moy, Fay Yen;
A-12082442, Youn, Yin Yu;
A-10772062, Chinn, Gwai Bun;
A-11407947, Yee, Miu Lee;
A-11407955, Yee, Moo Tuk;
A-11407951, Yee, Mun Hoy;
A-12086307, Chung, Pak Jow;
A-12671828, Wong, Gain Yuey;
A-6017938, Edwards, George Eugene;
A-12682571, Tom, Wai Yin;
A-11805098, Wong, Doo Yen.

SEC. 2. That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244(a)(5) of the Immigration and Nationality Act (66 Stat. 214; 8 U.S.C. 1254):

A-11909555, Marquez-Paez, Raul;
A-2395556, Pond, James Leo;
A-2302786, Ochoa, Gilbert;
A-2610759, Alvanos, Elias;
A-10728848, Prieto-Guzman, Jesus;
A-4386589, Contreras, Domingo;
A-12640925, Wong, Sik Tong;
A-2305713; Norrito, Mario;
A-5420979, Gomez, Margarito;
A-4049513, Jubera-Martinez, Alvaro;
A-1087969, Tobar-Medina, Manuel;
A-3599256, Mota, Augustine;
A-5782421, Wedwick, William Anton;
A-2652678, Gigliotti, Emilio;
A-12336155, Hinterberg, Kurt;
A-3820408, Mosqueda, Rutilio;
A-5616730, Sestan, Giordano Bruno;
A-2627998, Wong, Rose Chan;
A-11596573, Yee, Soon Hing;
A-12655608, De La Cerda-Sarmento, Manuel;
A-10940563, Shen, Shih Fang;
A-10135562, Shen, Wei Fan;
A-5479179, Veloz-Reyes, Ygnacio;
A-12652444, Wong, Pon;
A-4329804, Porras Andres;
A-12647207, Lew, Kim Yee;
A-2443221, Romero-Madrigal, Juan;
A-8538601, Wittenber, Jan Peter;
A-12652388, Won, You Hong.

SEC. 3. That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than six months:

A-8039129, Tsangaris, Constantinos;
A-7189102, Kee, Mon.

HEIRS OF LT. COL. JAMES MURRAY BATE (DECEASED) AND MAJ. BILLIE HAROLD LYNCH (DECEASED)

The bill (S. 1781) for the relief of the heirs of Lt. Col. James Murray Bate (deceased) and Maj. Billie Harold Lynch (deceased) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of section 3 of the Act entitled "An Act to establish Civil Air Patrol as a civilian auxiliary of the United States Air Force and to authorize the Secretary of the Air Force to extend aid to Civil Air Patrol in the fulfillment of its objectives, and for other purposes", approved May 26, 1948, as amended, the deaths of Lieutenant Colonel James Murray Bate and Major Billie Harold Lynch, which occurred on April 4, 1959, as a result of the crash of a Civil Air Patrol airplane in which they were flying a reconnaissance mission over a flooded disaster area in the vicinity of Rockford, Illinois, shall be considered to have occurred while in the "performance of duty" as that term is defined in such section.

SEC. 2. Any limitations upon the time for filing claims under the Federal Employees' Compensation Act, as amended, shall not apply to any claims under such Act filed by the heirs of Lieutenant Colonel James Murray Bate (deceased) and Major Billie Harold Lynch (deceased), within one year after the date of the enactment of this Act, for compensation for the deaths of the said Lieutenant Colonel James Murray Bate and Major Billie Harold Lynch arising out of the circumstances described in the first section of this Act.

MATHEW LENGYEL

The bill (S. 3295) for the relief of Mathew Lengyel (also known as Brother Paul, S.V.D.) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mathew Lengyel (also known as Brother Paul, S.V.D.) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

RENATA LATTANZI

The Senate proceeded to consider the bill (S. 3198) for the relief of Renata Lattanzi which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Renata Lattanzi may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the said Act and a petition may be filed by Mrs. Mary DiLoreto, a citizen of the United States, in behalf of the said Renata Lattanzi pursuant to section 205(b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

KIM CHONG KOO

The Senate proceeded to consider the bill (S. 3215) for the relief of Kim Chong Koo which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Kim Chong Koo may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the said Act and a petition may be filed by the Reverend and Mrs. Kenneth J. Mitchell, citizens of the United States, in behalf of the said Kim Chong Koo pursuant to section 205(b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PANAGIOTA MAKRIS

The Senate proceeded to consider the bill (S. 3228) for the relief of Panagiota Makris which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Panagiota Makris may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the said Act and a petition may be filed by Mrs. Yianoula Makris, a citizen of the United States, in behalf of the said Panagiota Makris pursuant to section 205(b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

JOHN CALVIN TAYLOR

The bill (H.R. 2129) for the relief of John Calvin Taylor was considered, ordered to a third reading, read the third time, and passed.

MRS. IRENA RATAJCZAK

The bill (H.R. 2664) for the relief of Mrs. Irena Ratajczak was considered, ordered to a third reading, read the third time, and passed.

LEA MIN WONG

The bill (H.R. 3000) for the relief of Lea Min Wong was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 3372) for the relief of Barbara W. Trousil and others was announced as next in order.

Mr. MANSFIELD. Over.

The PRESIDING OFFICER. The bill will be passed over.

MRS. HASMIK ARZOO

The bill (H.R. 3501) for the relief of Mrs. Hasmik Arzoo was considered, ordered to a third reading, read the third time, and passed.

IVY GWENDOLYN MYERS

The bill (H.R. 3821) for the relief of Ivy Gwendolyn Myers was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 3822) for the relief of Ahsabet Oyunciyan was announced as next in order.

Mr. MANSFIELD. Over.

The PRESIDING OFFICER. The bill will be passed over.

BOGDAN KUSULJA

The bill (H.R. 4718) for the relief of Bogdan Kusulja was considered, ordered to a third reading, read the third time, and passed.

FRANTISEK TISLER

The bill (H.R. 6833) for the relief of Frantisek Tisler was considered, ordered to a third reading, read the third time, and passed.

ELADIO ARIS

The bill (H.R. 9186) for the relief of Eladio Aris (also known as Eladio Aris Carvallo) was considered, ordered to a third reading, read the third time, and passed.

MARINE CORPS MEMBERS WHO INCURRED LOSSES PURSUANT TO THE CANCELLATION OF A PERMANENT CHANGE OF STATION MOVEMENT

The bill (H.R. 9522) for the relief of certain members of the U.S. Marine Corps who incurred losses pursant to the cancellation of a permanent change of station movement was considered, ordered to a third reading, read the third time, and passed.

FRANCIS L. QUINN

The bill (H.R. 10525) for the relief of Francis L. Quinn was considered, ordered to a third reading, read the third time, and passed.

ERNST HAEUSSERMAN

The bill (H.R. 11127) for the relief of Ernst Haeusserman was considered, ordered to a third reading, read the third time, and passed.

NAMING OF OLD RIVER, LA., STRUCTURES

The bill (S. 2546) to authorize the naming of the Old River, La., structures in honor of the late Capt. A. A. Humphreys and Lt. H. L. Abbot was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Old River, Louisiana, low-sill and overbank structures, authorized by the Flood Control Act of September 3, 1954 (Public Law 780, Eighty-third Congress), shall be known and designated as the Captain A. A. Humphreys spillway and that the Old River, Louisiana, navigation lock, also authorized by the Flood Control Act of September 3, 1954 (Public Law 780, Eighty-third Congress), shall be known and designated as the Lieutenant H. L. Abbot lock. Any law, regulation, document, or record of the United States in which such projects are designated or referred to under the name of Old River, Louisiana, low-sill and overbank structures, and Old River, Louisiana, navigation lock shall be held to refer to such projects under and by the names of the Captain A. A. Humphreys spillway and the Lieutenant H. L. Abbot lock, respectively.

HAP HAWKINS LAKE, MONT.

The bill (S. 2660) to designate the lake to be formed by the waters impounded by the Clark Canyon Dam in the State of Montana as Hap Hawkins Lake was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the lake to be formed by the waters impounded by the Clark Canyon Dam, constructed in the State of Montana on the Beaverhead River (East Bench unit, Missouri River Basin project), shall hereafter be known as Hap Hawkins Lake, and any law, regulation, document, or record of the United States in which such lake is designated or referred to shall be held to refer to such lake under and by the name of Hap Hawkins Lake.

CHANGING NAME OF BIG BEND RESERVOIR TO LAKE SHARPE, S. DAK.

The bill (S. 2988) to change the name of the Big Bend Reservoir in the State of South Dakota to Lake Sharpe was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Big Bend Reservoir in the State of South Dakota shall be known and designated hereafter as Lake Sharpe in honor of M. Q. Sharpe, the late Governor of South Dakota, who was so very instrumental in the development of the Missouri River Basin program. Any law, regulation, document, or record of the United States in which such reservoir is referred to by any other name shall be held and considered to refer to such reservoir by the name of Lake Sharpe.

ADDITION OF GROUNDS OF THE U.S. SUPREME COURT BUILDING

The bill (S. 3441) to provide for the acquisition of certain property in square 758 in the District of Columbia, as an addition to the grounds of the U.S. Supreme Court Building was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Architect of the Capitol is authorized to acquire on behalf of the United States by purchase, condemnation, transfer, or otherwise, as an addition to the grounds of the United States Supreme Court Building, all privately owned real property contained in lots 2, 3, 800, 801, and 802 in square 758 in the District of Columbia, as such lots appear on the records in the Office of the Surveyor of the District of Columbia as of the date of the enactment of this Act.

SEC. 2. Any proceeding for condemnation brought under section 1 shall be conducted in accordance with the Act entitled "An Act to provide for the acquisition of land in the District of Columbia for the use of the United States", approved March 1, 1929 (16 D.C. Code, secs. 619–644), and in accordance with the Federal Rules of Civil Procedure in effect at the time of such condemnation.

SEC. 3. Upon acquisition of such real property by the Architect of the Capitol, on behalf of the United States, such property shall become a part of the grounds of the United States Supreme Court Building and shall be subject to the provisions of the Act of May 7, 1934 (40 U.S.C. 13a and 13b), and to the provisions of the Act of August 18, 1949 (40 U.S.C. 13f to 13p, both inclusive), and such Acts are amended accordingly.

SEC. 4. Upon acquisition of the real property herein authorized to be acquired, the Architect of the Capitol is authorized to provide for the demolition and removal, as expeditiously as possible, of any buildings or other structures on, or constituting a part of, such property, and to provide for the maintenance and protection of such property pending demolition.

SEC. 5. The Architect of the Capitol is authorized to enter into contracts and to make expenditures for grading and paving and such other expenditures, including expenditures for personal and other services, as may be necessary to carry out the purposes of this Act.

SEC. 6. The appropriation of such sums as may be necessary to carry out the provisions of this Act is hereby authorized.

CHANGING NAME OF FORT RANDALL RESERVOIR TO LAKE FRANCIS CASE, S. DAK.

The bill (S. 3476) to change the name of Fort Randall Reservoir in the State of South Dakota to Lake Francis Case was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Fort Randall Reservoir in the State of South Dakota shall be known and designated hereafter as Lake Francis Case in honor of FRANCIS CASE, the late Senator of South Dakota, who was so very instrumental in the development of the Missouri River Basin program. Any law, regulation, document, or record of the United States in which such reservoir is referred to by any other name shall be held and considered to refer to such reservoir by the name of Lake Francis Case.

BILLS PASSED OVER

The bill (S. 3525) to authorize the Administrator of General Services, in connection with the construction and maintenance of a Federal office building, to use the public space under and over 10th Street SW., in the District of Columbia, and for other purposes, was announced as next in order.

Mr. MANSFIELD. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3544) authorizing modification of the project for Gloucester Harbor, Mass., was announced as next in order.

Mr. MANSFIELD. Over.

The PRESIDING OFFICER. The bill will be passed over.

JOHN COFFEE MEMORIAL BRIDGE ACROSS THE TENNESSEE RIVER

The joint resolution (S.J. Res. 169) designating the bridge across the Tennessee River on the Natchez Trace Parkway as the John Coffee Memorial Bridge was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the bridge across the Tennessee River on the Natchez Trace Parkway shall be known and designated as the John Coffee Memorial Bridge. Any law, rule, regulation, document, or record of the United States in which such bridge is referred to shall be held to refer to such bridge under and by the name of the John Coffee Memorial Bridge.

LAKE KAWEAH, CALIF.

The joint resolution (H.J. Res. 417) to designate the lake formed by Terminus Dam on the Kaweah River in California as Lake Kaweah was considered, ordered to a third reading, read the third time, and passed.

EXPLOSIVE CHARGES ON U.S. CAPITOL GROUNDS

The bill (H.R. 8214) to permit the use of certain construction tools actuated by explosive charges in construction activity on the U.S. Capitol Grounds was considered, ordered to a third reading, read the third time, and passed.

CHANGING NAME OF BEARDSTOWN, ILL., FLOOD CONTROL PROJECT TO SID SIMPSON FLOOD CONTROL PROJECT

The bill (H.R. 11735) authorizing the change in name of the Beardstown, Ill., flood control project to the Sid Simpson flood control project was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, that is as far on the Legislative Calendar as the leadership desires to go.

DUTY ON CERTAIN ALUMINA AND BAUXITE

The Senate resumed the consideration of the bill (H.R. 9520) to continue for 2 years the suspension of duty on certain alumina and bauxite.

Mr. MANSFIELD. Mr. President, has the Senate now returned to the consideration of Calendar No. 1677, House bill

9520, to continue for 2 years the suspension of duty on certain alumina and bauxite?

The PRESIDING OFFICER (Mr. PELL in the chair). That is correct.

WORK HOURS ACT OF 1962

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 1681, House bill 10786.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to the consideration of the bill (H.R. 10786) to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the United States, for any territory, or for the District of Columbia, which was ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I hope the Senate will be able to pass in so expeditious a manner other important bills. However, I move that the vote by which Calendar No. 1681, House bill 10786, was passed be reconsidered.

Mr. MORSE. Mr. President, I move to lay on the table the motion to reconsider.

Mr. MANSFIELD. Mr. President, I point out that the passage of the bill at this point was an inadvertence; and I believe it only courteous to Senators who were not aware of the action taken that the motion to reconsider be agreed to.

Mr. MORSE. I am sorry I did not understand that situation. I withdraw my motion.

Mr. MANSFIELD. Mr. President, I have moved that the vote by which the bill was passed be reconsidered.

The motion was agreed to.

Mr. McNAMARA. Mr. President, H.R. 10786 is one of the most justifiable bills that has come before the Senate Labor Subcommittee since I have been its chairman. It has three major purposes.

First, it codifies a series of laws that were passed between 1892 and 1940.

These laws have sought to establish an 8-hour day for work done under contract directly for the U.S. Government or under contracts to which the U.S. Government is a partner.

Second, it requires that, in addition to an 8-hour day on such contracts, employers must also limit their workers to a 40-hour week, after which overtime must be paid.

The hearings held by the Senate Labor Subcommittee revealed all too many instances in which contractors would observe an 8-hour day for their employees, but kept those workers on the job 7 days a week.

The 40-hour week standard is of such obvious merit that we have incorporated it into virtually all interstate commerce activities. I find it inconceivable that it is not now the standard for work done under Government auspices.

Third, the bill brings under the coverage of Federal work standards legislation a large number of activities which have been heretofore exempt. These newly covered activities are those which are financed by Federal loans and grants. Without the participation of the Federal Government in these programs, many of them would not be in existence today. It is Federal leadership and financing which give each of them their major thrust. There is absolutely no reason why they should not be subject to the same 8-hour-day and 40-hour-week provisions that mark other types of Federal Government activity.

At this point I want to make it clear that those programs of the Federal Government which involve only loan guarantees or insurance are not covered by H.R. 10786.

Thus, such loan guarantee programs as FHA housing and GI housing are not covered.

At this point I ask unanimous consent to insert in the RECORD a table showing the Federal programs which would be brought under the coverage of work hours legislation.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Federally assisted construction programs with wage standards

Program	Davis-Bacon	8-hour provision	40-hour provision	8- and 40-hour provision	Type of financing
Hospital survey and construction	X				Grants ⅓ to ⅔ of cost.
Federal airport	X				Grants to 50 percent of cost.
School (impacted areas)	X				Formula grants.
Defense Housing and Community Facilities and Services Act, 1961.		X			Loans and grants.
Federal Defense Act of 1950				X	50-percent grants.
Area Redevelopment Act of 1961				X	Loans to 65 percent of cost of project grants necessary to complete project.
Delaware River Basin compact				X	Commission authorized to negotiate for available financing.
Federal-aid highway, Interstate System only.	X				50- to 90-percent grants.
Water Pollution Control Act	X				30-percent grants.
Housing Act of 1949, slum clearance and urban renewal.	X				Loans of 100 percent of cost, grants up to ⅔ cost.
Housing Act of 1950, college housing			X		Loans of 100 percent of cost.
Housing Act of 1959, for elderly	X				Loans of 98 percent of cost.
U.S. Housing Act of 1937, low-rent public housing.	X				Loans of not more than 90 percent of cost.

Mr. McNAMARA. Mr. President, during our consideration of this bill some questions were asked as to the application of the bill to Federal highway construction assistance.

I want to emphasize that only one phase of Federal highway activity is covered by H.R. 10786, and that is the program best known as the Federal interstate program.

There is no coverage of the so-called ABC program or other secondary assistance activities.

The support for this bill, as can be seen in the hearings conducted by both Houses of Congress, can only be described as overwhelming. The major employer and employee organizations in the construction industry supported the measure. It was part of the legislative program of former President Eisenhower, just as it is part of the legislative program of President Kennedy.

Perhaps the greatest evidence of the bill's merit is found in the fact that it is one of the rare pieces of legislation that passed the House of Representatives under a suspension of rules.

H.R. 10786 is a counterpart to S. 1394, a bill introduced by the assistant majority leader and the assistant minority leader, Senators HUMPHREY and KUCHEL.

It is my hope that we can quickly enact this measure and send it to the President for his signature.

Mr. HILL. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. HILL. Some of my constituents have asked me whether or not H.R. 10786 would, in any way, change the present policies of the Department of Agriculture as they relate to the contracts which they make in several of their major programs.

I should like to ask the Senator whether the present arrangements made by the Commodity Credit Corporation for the storage of commodities would be affected.

Mr. McNAMARA. The policies which guide the Commodity Credit Corporation in the writing of contracts for the storage of agricultural commodities will not be changed by H.R. 10786.

I call the Senator's attention to pages 4 through 6 of Senate Report No. 1722. On those pages are contained two letters which fully explain this problem and the proposed actions which will solve the problem. One is a letter from Secretary of Agriculture Freeman, which states that they have regarded such contracts as being outside of present work standards legislation, and they will continue to do so if H.R. 10786 is enacted. They will, however, ask the Secretary of Labor for an exemption under section 105 of H.R. 10786.

The letter from Secretary of Labor Goldberg states the Department of Labor's agreement with Secretary Freeman's position, and states that the Department will grant an exemption as requested by the Department of Agriculture. I should like to add this. The means by which these commodities are stored justifies such an exemption.

At the outset of any commodities storage agreement, title to the commodity rests with the grower. It is the grower who makes the original contract with the warehouse. It is not until the farmer places his crop under a loan agreement with the Department of Agriculture and elects to keep his loan and turn over title to the Department that the Department becomes the owner of the commodity. Prior to that time, the only participation which the Department has had in the storage process has been to certify the warehouse.

For that reason, the Committee on Labor and Public Welfare clearly intends that H.R. 10786 shall not affect the present storage arrangements of the Department of Agriculture.

Mr. HILL. As the Senator knows, the Department of Agriculture carries on a large number of other activities which involve the writing of contracts. These involve research, loans, and grants to some types of farm construction, and a wide variety of other programs. I ask the Senator if he would make clear the relationship between these programs and H.R. 10786.

Mr. McNAMARA. I would first call the Senator's attention to the last two paragraphs on page 6 of the committee report.

I know of no programs conducted by the Department of Agriculture which contain wage standards. As a consequence, there would be no way in which they would be covered by H.R. 10786.

I might add that the Secretary of Labor agrees with this conclusion, as he has pointed out in the third paragraph of his letter.

Mr. HILL. I should like to further inquire of the Senator what the new language in section 103(b) means as it relates to purchases, on the open market, by the Department of Agriculture.

Mr. McNAMARA. I call the Senator's attention to the first paragraph on page 7 of the Senate report.

There is no intent that the purchase programs of the Department of Agriculture, as they are enumerated on page 7, be changed by the enactment of H.R. 10786. So long as the Department of Agriculture determines that these products are ordinarily available on the open market, they will not be affected by H.R. 10786, even though they must conform to general standards or characteristics.

Mr. HILL. The Senator is well aware that H.R. 10786 authorizes the Comptroller General to make direct payments to wage claimants.

The Tennessee Valley Authority, a Federal corporation, is responsible for the disbursement of its own funds. It does not rely upon the Comptroller General for its fiscal authority. Am I correct in my assumption that H.R. 10786 would not affect this procedure and that TVA would continue its present disbursement procedures?

Mr. McNAMARA. The Senator is quite correct. H.R. 10786 would not change that procedure and the TVA would continue to reimburse claimants under the wage standards law without recourse to the Comptroller General.

Mr. HILL. I have another question relating to H.R. 10786 and its application to the court in which claims will be brought involving TVA. H.R. 10786 vests jurisdiction in the Court of Claims. However, the TVA is specifically excluded from the jurisdiction of the Court of Claims under 28 U.S.C. 1491. Claims may be brought against the TVA only in the Federal district court. I ask the Senator whether enactment of H.R. 10786 would continue TVA's exemption from Court of Claims jurisdiction.

Mr. McNAMARA. The Senator again is quite correct. This bill would in no way affect the jurisdictional exemption accorded TVA. Suits under this act involving the TVA will not be brought in the Court of Claims but rather in the appropriate Federal district court.

Mr. TOWER rose.

Mr. McNAMARA. Mr. President, I am happy to yield now to a distinguished member of the subcommittee, the Senator from Texas [Mr. TOWER].

Mr. TOWER. Mr. President, H.R. 10786 is one more piece of proposed legislation which would further intrude the Federal Government in the field of labor-management relations, to the extent that an important issue in the field of collective bargaining would be removed from the area of collective bargaining. I believe the bill to be unnecessary, Mr. President. It is my hope that it will be defeated.

I ask unanimous consent that the minority views, as contained in the committee report, subscribed to by the junior Senator from Arizona [Mr. GOLDWATER] and myself, may be printed in the RECORD.

There being no objection, the minority views were ordered to be printed in the RECORD, as follows:

MINORITY VIEWS OF SENATORS BARRY GOLDWATER AND JOHN G. TOWER

Since 1935 it has been the continuous policy of the Federal Government to encourage free collective bargaining where the majority of employees voluntarily express their preference for this means of establishing the terms and conditions of their employment. During the severe economic emergency which prevailed prior to World War II in the 1930's, a number of laws were enacted establishing certain specified minimum terms and conditions of employment, particularly minimum wage rates and overtime restrictions. The most important of these were the Davis-Bacon Act, the Walsh-Healey Act, and the Fair Labor Standards Act.

These statutes, imposing certain specified terms and conditions of employment by governmental fiat, effectively removed these issues from the area of collective bargaining and thereby ran counter to the national policy of encouraging such bargaining. The justification for this deviation from national policy was alleged to be the severe economic depression and the smallness and weakness of the labor union movement, as well as the complete helplessness of the vast unorganized majority of wage workers and unemployed to improve wages and working conditions by their own efforts.

Despite their origin as emergency measures, and their inconsistency with national policy, the coverage of these laws has continuously down through the years, been broadened far beyond their original scope by new legislative enactments. Moreover, their emergency character has been disregarded by treating them as permanent legislation and some of the purposes for which they were first adopted have been transformed into their exact opposites. Thus, the provisions of the Fair Labor Standards Act requiring premium pay for overtime work were intended, when the law was enacted in 1938, to diminish the prevailing widespread unemployment by spreading the available work through penalizing, thereby discouraging, overtime employment. Today, premium wage payments for overtime work are regarded as a natural right and such work, instead of being discouraged is eagerly sought after because of the increased wage income it produces. As a matter of fact, workers, in some instances have gone on strike to compel their employers to provide overtime work or to refrain from discontinuing it.

The committee bill constitutes a further step in this development. It eliminates an additional item which has hitherto been a subject of free, collective bargaining. It ignores the special circumstances which exist in some areas and which have been successfully accommodated through voluntary agreement between labor and management. If enacted, the committee bill would impose a further mechanical and rigid uniformity inadequate to deal with the diverse conditions which exist in various sections of the country. Examples are to be found in testimony submitted to the committee.

Labor unions are no longer the small, weak organizations of the depression and predepression eras. They have grown enormously both in size and strength and are fully capable of protecting the standards and working conditions of employees. It is our view that instead of narrowing the area of collective bargaining as the committee seeks to do by this bill, it would be more appropriate to the radically different conditions which prevail today for the committee to approve legislation restoring to the processes of free collective bargaining, many of the issues removed from these processes during the years of depression.

Procedurally, the committee bill will result in costly confusion. The 1961 amendments to the Fair Labor Standards Act subjected much of the construction industry to the 40-hour week overtime provisions of that law. The committee bill does the same. Hence, many contractors may well find themselves governed by several different legislative standards and enforcement procedures applicable to the same conduct.

Similarly, the committee bill results in a double standard of enforcement of the 8-hour overtime pay requirement as well, by imposing an enforcement procedure different from that presently applicable to the prevailing straight-time wage requirements. Hence, contractors will face one type of enforcement procedure on straight-time requirements, quite a different type on overtime after 8 hours, and still quite a different type of enforcement procedure on overtime after 40 hours. If the Congress really intended to simplify and clarify Federal wage and overtime standards, the committee bill is a signal failure.

The bill fails to provide any reasonably ascertainable standard of conduct but nevertheless imposes criminal and severe civil penalties for violations. A glaring example is the failure to define the "basic rate" which is the key term in the proposed measure.

In conclusion, we wish to call attention to the inconsistency involved in the support of this bill by an administration which professes to be seriously concerned to hold the line on both costs and prices. A rise in the former almost inevitably causes the latter to move up as well. The committee bill will inevitably increase costs in the building construction industry, particularly among the smaller enterprises which are not subject to the requirements of the Fair Labor Standards Act. These increases will be passed on to the public—both as consumers and taxpayers—and thus provide additional fuel to stoke the fires of inflation. For these reasons we are opposed to the enactment of the committee bill.

Mr. HUMPHREY. Mr. President, I am pleased that the "Work Hours Act of 1962" will soon be enacted into law. I was proud to be the sponsor, along with Senator KUCHEL, of California, of the companion Senate measure, S. 1394.

This legislation is a long-needed revision and unification of the various 8-hour day laws, some of which go back as far as 1892 and have not been revised or unified since 1940.

This bill provides for a single general hours act establishing standards for hours of work and overtime pay for laborers and mechanics employed under U.S. Government contracts or under federally assisted programs.

The major provision of the pending bill would be to plug a glaring loophole in the present 8-hour laws which require the payment of time and a half to laborers and mechanics employed by contractors on Federal Government construction projects for all hours worked in excess of 8 hours a day. Most contractors who perform Government contract work have adopted the 40-hour workweek standard similar to that established by the Congress for Federal employment. There are, however, some contractors performing Federal work who require their employees to work 8 hours a day, 7 days a week, and under present law are not required to pay them any overtime compensation. In other words, employees on such projects can be working up to 56 hours a week with no overtime compensation.

The bill we are considering closes this loophole by requiring the payment of overtime at the minimum rate of time and a half for all hours worked over 40 hours a week.

Another important feature of the bill is to make the present 8-hour laws' standards applicable to those federally financed and assisted contracts with respect to which Federal legislation provides for the payment of prevailing or minimum wages. The present 8-hour laws only cover work contracted on directly by the Government. Today, however, many non-Federal agencies now do the actual contracting for work which is financed in whole or in part by the Federal Government.

Mr. President, the provisions in this bill are most moderate and sensible. What they do is simply bring the 8-hour work laws up to date. As a sponsor of this measure it is indeed heartening to see this bill passed today.

Mr. President, the Senator from Colorado [Mr. CARROLL] regrets that he was unable to be present on the Senate floor today for the consideration of H.R. 10786, the Work Hours Standard Act. He had prepared a statement on this bill which he had intended to present at the time this bill was considered by the Senate. I ask unanimous consent, Mr. President, that Senator CARROLL's statement be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CARROLL

A STEP FORWARD FOR THE WORKINGMAN

H.R. 10786 is a bill which I am pleased to support. Its passage into law will mark an important step forward in the continuing efforts to insure that U.S. Government moneys will not be used to perpetuate substandard wages or working conditions.

This measure has received wide bipartisan support and rightly so. It was recommended to the Congress by Presidents Eisenhower and Kennedy and was strongly endorsed by Secretaries of Labor Mitchell and Goldberg. This bill has received the full and careful attention of both the House Education and Labor Committee and the Senate Labor and Public Welfare Committee. Extensive hearings have been held. It was passed by the House April 16, 1962, and I am hopeful that Senators will pass it today without amendment so that it will shortly be signed into law.

Colorado has many Federal installations within its borders. The Federal Government plays a major role in the economy of my State.

The nerve center of the North American Air Defense Command is located at Ent Air Force Base. Camp Carson and the Air Force Academy are located in Colorado Springs. There are missile bases in my State, and there are missile factories. The Atomic Energy Commission has extensive operations. Federal programs of aid for housing, schools, hospitals, and public works are important to the community life of Colorado. Huge irrigation and reclamation works are a vital part of our economy.

It is clear that the Federal Government does much of benefit in and for Colorado. It is equally clear, I believe, that Federal employment work standards must not be allowed to depress or cause detrimental effect to the standards prevailing in the State.

For many years law has required an 8-hour day for work done under Government contract. There has been no corresponding requirement concerning workweek limitations. This lack will be met by H.R. 10786 which we are considering today.

This bill provides a straight-time workweek of 40 hours for all laborers and mechanics employed in work done under contract for, or with, the financial aid of the Federal Government.

If overtime is required, this bill provides that not less than time and a half shall be paid.

This bill also codifies within a single statute the many confusing, sometimes overlapping Federal laws which now exist in this area. Its provisions are simple and clear. They apply in the same way to all contractors and subcontractors who come within the coverage of this bill.

I believe that anyone who gives this bill his careful thought and attention will, in simple justice, support its provisions. I urge prompt passage of H.R. 10786.

Mr. McNAMARA. Mr. President, I ask that the bill be read the third time and passed.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 10786) was ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McNAMARA. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

STUDY OF EQUITY INVOLVED IN ROYALTY ON MINERAL PRODUCTION ON FEDERALLY OWNED LANDS

Mr. MANSFIELD. Mr. President, with the consent of the Senator from Delaware [Mr. WILLIAMS], who is waiting patiently, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 361, reported by the Committee on Rules and Administration today.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The legislative clerk read the resolution, as follows:

Resolved, That the Committee on Interior and Insular Affairs, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified in rule XXV of the Standing Rules of the Senate to make a full and complete investigation and study (including the holding of public hearings in appropriate parts of the Nation) of (1) past and expected future revenues from the public lands, including natural resources, and the use of such revenues, and (2) the use of money in the Reclamation Fund and plans for such use in the future and the amounts of money which will be needed to carry out such plans, for the purpose of determining what changes, if any, should be made in the use of such revenues, including changes in the portions of such revenues which are paid to State or local governments.

SEC. 2. For the purposes of this resolution the committee is authorized through January 31, 1963, (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its finding, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date.

SEC. 4. The expenses of the committee under this resolution, from the date of its agreement through January 31, 1963, shall not exceed $10,000 and shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The resolution is open to amendment. If there be no amendment to be proposed, the question is on agreeing to the resolution.

The resolution (S. Res. 361) was agreed to.

DUTY ON CERTAIN ALUMINA AND BAUXITE

The Senate resumed the consideration of the bill (H.R. 9520) to continue for 2 years the suspension of duty on certain alumina and bauxite.

Mr. MANSFIELD. Mr. President, what is the unfinished business?

The PRESIDING OFFICER. The unfinished business is H.R. 9520, relating to the temporary suspension of duty on certain alumina and bauxite.

Mr. MANSFIELD. Mr. President, the bill would provide for the temporary free importation of alumina and bauxite.

The production of aluminum involves two main operations—the production of alumina from the crude ore, called bauxite, and the production of aluminum from the alumina.

There is a great and growing need in the United States for alumina and bauxite to sustain our expanding aluminum industry. Our domestic output is far short of our needs in this raw material. If we restrict the importation of the ore we promote the importation of finished products and reduce our employment and production here.

The committee, however, has granted this free entry privilege for only 2 years at a time so that a close watch could be kept on developments. Free entry was accorded this raw material for the first time in 1956, and, by successive actions, it has been entering free since that time.

Without passage of this bill the price of aluminum would probably increase and the shipment of aluminum to the United States would likely be more in the form of finished products.

The Government departments favor the continuation of the free entry privilege and no industry objections have been made known to the committee. I move the adoption of the bill.

Mr. WILLIAMS of Delaware. Mr. President, when the exemption was first authorized I supported it as a member of the committee and as a Member of the Senate. The need for the suspension of duty has long since passed.

Today the U.S. Government owns about $400 million worth of aluminum, for which it has little use. This aluminum is in the stockpile. At the moment another Senate committee is considering a bill to determine how we can get rid of the excess stockpile. The pending proposal is in direct contradiction to the other proposed action.

The Senator from Montana has stated that the price of aluminum would probably increase if the bill were defeated.

There is approximately $400 million worth of aluminum in the stockpile. We do not need this much. I think we ought to be selling some of it. We could maintain the market better in that way.

The present proposal is in direct contradiction to what is sought to be done at this time in regard to the stockpile.

I ask unanimous consent to have printed in the RECORD, two tables which show the manner in which imports have increased rapidly in the past 2 or 3 years. I invite particular attention to the fact that in the first 11 months of calendar year 1961, the imports were more than double those for the full calendar year 1960.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 3.—*Alumina (aluminum oxide) duty free when imported for use in producing aluminum:*[1] *U.S. imports for consumption, by countries, 1957–60, and January–November 1961*

Country	1957	1958	1959 [2]	1960 [2]	January–November 1961 [2]
	Quantity (thousand pounds)				
Japan		73,572	252,408	172,219	203,178
Jamaica					129,975
Western Africa, n.e.c					26,455
West Germany	1		2,219	3,380	
Austria	70		50		
Canada [3]	523	30,880			
France	5				
Total	599	104,452	254,677	175,599	359,608
	Foreign value				
Japan		$2,457,863	$8,394,171	$5,497,844	$6,113,807
Jamaica					3,897,645
Western Africa, n.e.c					762,000
West Germany	$1,540		110,821	168,988	
Austria	3,491		2,648		
Canada [3]	$23,488	$1,047,800			
France	2,395				
Total	30,914	3,505,663	$8,507,640	$5,666,832	$10,773,452
	Unit value (cents per pound)				
Japan		3.3	3.3	3.2	3.0
Jamaica					3.0
Western Africa, n.e.c					2.9
West Germany	154.0		5.0	5.0	
Austria	5.0		5.3		
Canada [3]	4.5	3.4			
France	48.0				
Average	5.2	3.3	3.3	3.2	3.0

[1] Duty suspended during 2-year period beginning July 17, 1956 (Public Law 725, 84th Cong.); further suspended through July 15, 1960 (Public Law 415, 85th Cong.); further suspended through July 15, 1962 (Public Law 441, 86th Cong.).

[2] Preliminary.

[3] Includes Newfoundland and Labrador.

Source: Compiled from official statistics of the U.S. Department of Commerce.

TABLE 4.—*Alumina and aluminum hydroxide or refined bauxite:*[1] *U.S. imports for consumption, by principal sources, 1957–61, and January–November 1961*

Country	1957	1958	1959 [2]	1960 [2]	January–November 1961 [2]
	Quantity (thousand pounds)				
Japan [3]		73,752	252,408	172,229	203,193
Jamaica					129,975
Western Africa, n.e.c					26,455
West Germany	75	358	3,580	3,508	118
Austria	358	378	452	654	568
Canada [4]	3,100	33,031	511	630	2,038
France	21	36	1,733	30	35
United Kingdom	6	10	39	15	4
All other	6	6	11	1	16
Total	3,566	107,391	258,734	177,067	362,402
	Foreign value				
Japan [3]		$2,457,863	$8,394,171	$5,502,000	$6,120,249
Jamaica					3,897,645
Western Africa, n.e.c					762,000
West Germany	$28,064	58,696	220,720	230,446	78,187
Austria	18,414	19,767	24,239	36,400	32,136
Canada [4]	135,464	1,140,739	47,888	26,932	130,379
France	9,853,	18,145	111,000	13,905	23,501
United Kingdom	3,164	5,947	5,904	7,055	3,382
All other	1,125	313	2,070	356	2,606
Total	196,084	3,701,470	8,806,082	5,816,094	11,050,085

[1] Alumina or aluminum oxide has been held by a decision of the U.S. Court of Customs and Patent Appeals to be properly classifiable as refined bauxite (Treasury Decision 48769).

[2] Preliminary.

[3] There were no imports from Japan prior to September 1958.

[4] Includes Newfoundland and Labrador.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Mr. WILLIAMS of Delaware. Mr. President, the bill would be in direct contradiction to the administration's program to liquidate the stockpile. It should be rejected.

Mr. MANSFIELD. Mr. President, I request a vote on the bill to continue the suspension of duty on certain alumina and bauxite.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 9520) was ordered to a third reading, read the third time, and passed.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, in view of the fact that the funeral for the late Senator Dworshak will be tomorrow afternoon, I ask unanimous consent that when the Senate concludes its deliberations tonight it adjourn to meet at 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ANDERSON-JAVITS AMENDMENT RELATING TO MEDICAL CARE FOR THE AGED

Mr. ERVIN. Mr. President, in accordance with a practice which I have followed in respect to major legislative proposals, I make this statement concerning my vote on the Anderson-Javits amendment relating to medical care for the aged. This amendment was substituted for the King-Anderson bill, and contained some provisions which have never been considered by any congressional committee, and which were inserted in the amendment in order to win the support of the Senator from New York and four of his associates.

The question of tying the program for medical care for the aged to social security was thoroughly debated in the Senate in 1960. At that time the Senate refused to tie this program to the social security system, and adopted the Kerr-Mills Act, which, in my judgment, affords a far better approach to this problem.

Even if the Senate had reversed the action taken by it after much deliberation in 1960 and adopted the Anderson-Javits amendment, such amendment would not have become law at this session of Congress. This is true because the House of Representatives would not have concurred in this amendment at this time. As a consequence, the insistence that a vote be taken in the Senate on this proposition at this time was well characterized by one Senator as "an exercise in legislative futility."

The Kerr-Mills Act, which bears the names of Senator KERR, Democrat, of Oklahoma, and Congressman MILLS, Democrat, of Arkansas, has been the law of the land since September 13, 1960. If it had not been for the unceasing agitation that the principle embodied in the Kerr-Mills Act should be abandoned in favor of the social security approach, and the resultant hope of State officials that the Federal Government might relieve them entirely of their responsibilities in this field, virtually every State would already have an adequate program for furnishing medical care to the aged under the sound method established by the Kerr-Mills Act.

Circumstances indicate that the Department of Health, Education, and Welfare has made no reasonable effort to induce the States to put into effect the salutary provisions of the Kerr-Mills Act. This action on the part of this vast Department has undoubtedly arisen out of its desire to obtain and exercise the tremendous power over medical care in all areas of the Nation which would be vested in it by the social security approach. It is characteristic of bureaucracies that their thirst for additional power is never satisfied. Despite this disfavor with which the Department of Health, Education, and Welfare looks upon the Kerr-Mills Act, which would put the administration of a program for medical care for the aged in the hands of the States rather than its hands, 24 States have actually passed legislation to establish a medical care program for the aged under the terms of the Kerr-Mills Act.

I have always entertained the opinion that it is the proper function of Government to assist in obtaining adequate medical care for aging persons whose income and resources are insufficient to meet the cost of such care. As a consequence, I supported the Kerr-Mills Act in 1960. I did so at that time because I thought it afforded the soundest approach to the solution of this problem. In giving my reasons for voting to table the Anderson-Javits amendment, I will contrast the salient features of the Kerr-Mills Act with the salient features of the Anderson-Javits amendment.

Incidentally, the motion to table the Anderson-Javits amendment was made by Senator KERR, Democrat, of Oklahoma, one of the authors of the Kerr-Mills Act, and was supported by 21 Democratic Senators from 12 States.

My reasons for voting to table the Anderson-Javits amendment are enumerated below:

First. The effort to attach the Anderson-Javits amendment to a nongermane House bill constituted a disorderly and unwise legislative procedure.

The Constitution requires all legislation imposing taxes to originate in the House of Representatives. Under the rules of the House and Senate, it is contemplated that all legislation shall be first considered by appropriate committees, which will hear testimony from interested parties and report the probable impact of such legislation upon the country.

The Anderson-Javits amendment undertook to impose increased social security taxes and should have originated in the House of Representatives. Instead, it was offered for the first time in the Senate when there had been no committee hearings and no committee reports concerning the additional provisions added to the King-Anderson bill to convert it into the Anderson-Javits amendment.

The experience of all legislative bodies has shown that the observance of sound legislative procedures is essential to the production of sound legislation because it affords a means for determining the probable impact of the legislation upon the country.

Since the customary method of considering legislation through the agency of committees was ignored by the proponents of the Anderson-Javits amendment, the Senate was compelled to vote on the amendment without any information as to the probable impact which the additional provisions would have upon the country.

Second. It is highly desirable, in my judgment, to keep as much government as near home as possible. Consequently, I preferred the Kerr-Mills Act to the Anderson-Javits amendment because it places the administration of the medical care program in the hands of the States rather than in the hands of a centralized government in Washington.

The program of medical care for the aged authorized by the Kerr-Mills Act contemplates a program to be supported by the joint efforts of the Federal Government and the States and to be administered on State and local levels rather than by a distant bureaucracy in Washington. In my judgment, it is desirable to keep as much of our government at home as is reasonably possible. This is true because persons upon the State and local levels are familiar with local conditions and are more responsive to local demands and needs. Moreover, it is comparatively simple to fix responsibility for mismanagement originating upon a State or local level while it is virtually impossible to fix responsibility for mismanagement in a vast Federal agency or department far removed from the people.

Third. The Anderson-Javits amendment would set up a totally inadequate program for medical care for the aged. On the contrary, the Kerr-Mills Act would authorize the States to establish a virtually unlimited program.

Prior to the change made for the first time in the social security approach when the Anderson-Javits amendment was offered, no provision whatever was made by the advocates of the social security approach to take care of the needs of the persons not covered by social security or railroad retirement benefits. From the time of its original enactment in 1960, however, the Kerr-Mills Act has authorized the States to make eligible for medical assistance any persons 65 or over "whose income and resources are insufficient to meet the cost of necessary medical services" according to standards of eligibility to be established by the States. Despite assertions of the opponents of this approach to the problem, the Kerr-Mills Act does not require anyone to undergo any degrading "means test" as a condition precedent to receiving medical aid. It empowers each State to set up any reasonable standard for determining whether the income and resources of particular persons are insufficient to meet the cost of necessary medical services. Consequently, a State could declare that all persons 65 and over resident within the State are eligible to receive medical care if their income or resources do not exceed specified amounts—tests which would not involve any complicated or degrading "means test." Likewise, the Kerr-Mills Act would permit a State to determine eligibility for benefits according to the duration of an illness if the State saw fit to do so, thus making it possible for all persons suffering from serious and protracted illness to receive appropriate aid.

Under the Anderson-Javits amendment, no assistance is to be given to any person in paying the bills of physicians, surgeons, or private nurses, or in paying bills for medicines outside of hospitals. Indeed, benefits under the Anderson-Javits amendment would be restricted to these four things: First, inpatient hospital care for not exceeding 90 days out of any consecutive period of 180 days, with the patient paying $10 a day for the first 9 days of such hospital care; second, nursing home care in a nursing home affiliated with a hospital after transfer from a hospital for a minimum period of 120 days and a maximum period of 180 days subject to the limitation that a patient becomes ineligible to receive such nursing home care during the 90 days next following the expiration of such period; third, home nursing care, physical and occupational therapy, dietary counseling, and the like, for not to exceed 240 visits per calendar year to be furnished by a home health agency, which must be a public agency or a private nonprofit agency exempt from Federal taxation under section 501 of the Internal Revenue Code of 1954, and which is primarily engaged in providing skilled nursing services or other therapeutic services; fourth, outpatient diagnostic service to be furnished an outpatient by a hospital with the patient paying $20 during each 30-day period in which such services are received.

Under a change made in the Anderson-Javits amendment at the last moment on the Senate floor, a patient was granted an option of accepting inpatient hospital care for not exceeding 45 days without any payment by him in lieu of the 90 days maximum with payment of $10 a day for the first 9 days.

Space precludes me from elaborating upon all the limitations in the four restricted services made available by the Anderson-Javits amendment. The most glaring of these limitations is found in the provision which renders a patient ineligible to receive further hospital care under the amendment after the expiration of the maximum period even though his further hospitalization may be essential to the preservation of his life.

There are two drastic limitations upon the provision of the bill relating to nursing home care. The first is that which restricts nursing home care to patients first admitted to hospitals and thereafter transferred from such hospitals to nursing homes. Since the amendment does not permit direct admissions to nursing homes of those needing nursing home care rather than hospitalization, it bars from the benefits of the amendment multitudes of our aging citizens. The second limitation on nursing home care is even more serious insofar as North Carolina is concerned. It arises out of the provision of the amendment that nursing home care is only available in nursing homes affiliated with hospitals. According to reliable information, only 500 of the 20,000 nursing homes in the United States are affiliated with hospitals and none of such nursing homes is located in North Carolina.

If this information is accurate, the benefits of nursing home care under the amendment would be denied to all North Carolinians needing such care, and would be restricted to a comparatively few of the persons needing such care residing in other States.

While the proponents of the Anderson-Javits amendment lay much stress in their arguments for the adoption of the amendment upon the provisions relating to services to be rendered to patients in their homes, it is obvious that these provisions would benefit comparatively few of our aging citizens in North Carolina and most other areas of the Nation. This is true simply because such services are covered by the amendment if and only if they are furnished to patients by a home health agency, which is defined by the amendment itself to be "a public agency or a private nonprofit agency exempt from Federal taxation under section 501 of the Internal Revenue Code of 1954, primarily engaged in providing skilled nursing services or other therapeutic services." I am informed that there are only three such agencies operating within the borders of North Carolina.

The Kerr-Mills Act permits any State to set up a system providing medical services unlimited in extent and duration in any or all of the following respects: First, inpatient hospital services; second, skilled nursing home services; third, physicians' services; fourth, outpatient hospital or clinic services; fifth, home health care services; sixth, private duty nursing services; seventh, physical therapy and related services; eighth, dental services; ninth, laboratory and X-ray services; tenth, prescribed drugs, eyeglasses, dentures, and prosthetic devices; eleventh, diagnostic, screening, and preventive services; and, twelfth, any other medical care or remedial care recognized under State law.

Fourth. The method of financing programs for medical assistance to the aged under the Kerr-Mills Act is far superior to that proposed by the Anderson-Javits amendment.

Under the Kerr-Mills Act, the Federal Government will furnish to the States Federal financial grants out of general Federal revenues according to a formula which is based upon State per capita income and which runs from 50 to 80 percent of the entire cost of the program. There are no dollar limits whatsoever beyond which Federal matching will not apply.

Under the formula established by the Kerr-Mills Act, the Federal Government will furnish to the State of North Carolina out of Federal revenues 77.47 percent of the entire cost of any program however unlimited in extent or duration which North Carolina may establish for providing medical care and medical services to North Carolina citizens 65 or over possessing eligibility standards to be established by North Carolina itself. Consequently, the Kerr-Mills bill will enable North Carolina to establish a medical care program for her aged citizens to be administered on the State level by North Carolina citizens instead of Washington bureaucrats at any time the North Carolina Legislature sets up a State system of medical care for our aging citizens according to standards of eligibility prescribed by it and makes provision for payment by State or local taxation, or both, of 22.53 percent of the cost of such program.

On the contrary, citizens of North Carolina could not have received under the Anderson-Javits amendment any services whatsoever save the inadequate and limited services in the four restricted areas specified in that amendment.

While the proponents of the social security approach claim that the cost of benefits under it will be paid by recipients during the days preceding their 65th birthday, this statement will not bear analyiss when form is disregarded in favor of substance. If the Anderson-Javits amendment were to become law, social security taxes upon employers and employees would total 9¾ percent of all payrolls up to a maximum of $5,200 beginning on January 1, 1968, and social security taxes on self-employed persons would total 7.275 percent of all net earnings from self-employment beginning on January 1, 1968. The facts of economic life make it obvious that no industry and no self-employed person can pay such social security taxes and not become bankrupt unless such social security taxes are passed on in the form of increased costs of goods or services to the ultimate consumer. This being true, the general public really pays social security taxes in the form of increased costs of goods or services and it is far wiser to make the cost of any medical care program for the aged the burden of the general public in the form of taxes assessed alike on all taxpaying citizens, regardless of whether they are eligible for social security or railroad retirement benefits.

Fifth. Placing the cost of a medical care program for the aged upon employers, employees, and self-employed persons is unfair to them. Moreover, such a system for financing such program has a tendency to disable American industry to meet foreign competition, and imperils the existence of the social security system itself. For these reasons, the cost of such a program ought to be spread throughout the entire economy through general taxation.

Let us remember that the social security taxes imposed upon American industry are payable by such industry regardless of whether it is operating at a loss or a profit. In this respect, such taxes are unlike income taxes, which are payable only out of net profits. Social security taxes payable by employer and employee are imposed upon payrolls and are not subject to any deductions whatsoever. Moreover, social security taxes imposed upon self-employed persons are imposed upon their net earnings and are not subject to any deductions for dependents and the like.

The Anderson-Javits amendment would increase social security taxes upon employer and employee by one-half of 1 percent, and upon self-employed persons by three-eighths of 1 percent. Moreover, they would increase the amount of wages and earnings subject to such taxes from a maximum of $4,800 to a maximum of $5,200.

Let us consider for a moment the impact of social security taxes upon the earnings of an individual totaling $5,200.

If the Anderson-Javits amendment were to become law, the combined social security taxes of an employer and employee would amount to 9¾ percent of the covered payroll beginning on January 1, 1968, and the social security taxes of a self-employed person would amount to 7.275 percent of his net earnings beginning on that date. While the combined social security tax of employers and employees is paid by them on a 50–50 basis, a self-employed person pays his social security taxes alone. If the Anderson-Javits amendment were enacted, an employer and employee would have to pay $507 annually in social security taxes upon compensation for work totaling $5,200 beginning on January 1, 1968, and a self-employed person would have to pay social security taxes totaling $378.30 annually upon net earnings totaling $5,200 beginning on that date. Such payments would have to be made each and every year until the employee or self-employed person attained the age of 65 years before such employee or self-employed person would be entitled to receive any medical aid whatsoever under the Anderson-Javits amendment. The injustice of financing a medical care program for the aged by social security taxes is made manifest by the fact that an employee or a self-employed person with a wife and half a dozen or a dozen children who earned as much as the maximum of $5,200 would pay exactly the same amount in social security taxes as a bachelor with an income of $10,000 or $100,000, or $1,000,000.

There is such a thing as killing the goose which lays the golden egg. We are rapidly approaching the point where we are endangering the entire social security system by piling one tax after another upon earnings and payrolls. The social security taxes of an employee and a self-employed person are only a part of the taxes which such persons pay upon their earnings. In addition to social security taxes, they pay income taxes which take 20 percent and upward of all their net earnings above exceedingly small exemptions. In addition to paying social security taxes upon the payrolls of their employees, employers pay unemployment compensation taxes upon such payrolls for the benefit of their employees, and income taxes which, in a great majority of cases, amount to 52 percent of all their profits.

All of these taxes are imposed essentially upon the same sources of taxation; namely, payrolls and earnings.

At the present time, American industry is finding it extremely hard both at home and abroad to compete with products manufactured in foreign countries where labor and other production costs are comparatively small. While the boast is often made that American exports of tangible goods exceed imports, this is in reality true only because the United States is exporting several billions of dollars' worth of American products as virtual gifts under its foreign aid program and under Public Law 480.

Increases in social security taxes inevitably increase the cost of production of American goods and further impair the capacity of American industries to compete with foreign manufacturers causing the loss of American jobs at home and the loss of American markets both at home and abroad.

The statement that financing a program of medical care for the aged by social security taxes threatens the social security system itself is borne out by the fact that former Secretary Ribicoff has admitted that he thinks the maximum social security tax which can be imposed upon payrolls is a 10-percent tax. If the Anderson-Javits amendment were enacted, we would be within only one-fourth of 1 percent of this maximum.

Competent students of the problem are convinced that the increase in social security taxes specified in the Anderson-Javits amendment are grossly inadequate even to finance the limited program which the amendment envisions, and that the enactment of such amendment by Congress would necessitate a vast increase in such taxes.

Sixth. The Anderson-Javits amendment proposes a drastic change in the concept which underlies the entire social security system.

The social security system was founded upon the concept that when they become eligible for social security benefits, the persons paying social security taxes should be permitted to receive the benefits of the system in cash, and use such cash for their own purposes uncontrolled in any way by any Federal bureaucracy. The Anderson-Javits amendment would change this concept so as to provide that the Department of Health, Education, and Welfare would manage and disburse a portion of social security taxes to defray the cost of a program in which those paying social security taxes would have no voice. It would thus set a precedent for further inroads upon social security taxes by those bent upon making the Federal Government the master of the American people.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1544, H.R. 11040.

The PRESIDING OFFICER. The bill will be stated by title.

The Legislative Clerk. A bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Montana.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Is the motion debatable?

The PRESIDING OFFICER. The motion is debatable.

SENATE COMMITTEE FARM BILL POINTS WAY TO REASONABLE FARM SOLUTION

Mr. PROXMIRE. Mr. President, this morning the Senate Committee on Agriculture and Forestry acted on the farm bill which was referred to the Senate Committee on Agriculture and Forestry earlier this week. In doing so, I thought the committee acted very wisely.

First, the Senate Committee on Agriculture and Forestry did not substitute the bill that passed the Senate on May 25, before the House bill was acted upon. Instead, the committee approved the bill reported by the Senate Agriculture Committee, last April providing for a voluntary retirement program for feed grains. So the bill provides for voluntary feed grain retirements, but the Senate committee modified the bill to insert the permanent wheat program which the administration requested. This is the bill that will be before the Senate next week: voluntary feed grains program plus permanent wheat legislation.

KEY FACT IS LOW FARM INCOME

I fervently hope that Senators will give the measure as it was reported from the Senate Committee on Agriculture and Forestry very careful consideration. I make that statement because I feel very strongly that the No. 1 economic problem facing America today—certainly the No. 1 economic injustice in America today—is low farm income. Farm income is much too low, by any reckoning. All Senators should know and recognize that fact. It should be reflected in the farm legislation that we pass.

The fact is—and it cannot be emphasized too often—that farm income in America per capita is less than half of the income off the farm. Farmers work long hours, have a large investment in their farm, and take a very substantial risk. While farmers have greatly increased their efficiency—in fact, farmers have increased their efficiency three times as rapidly in the last 15 years as people off the farm have—nevertheless, their income is substantially less, as I have said, than those off the farm.

The most graphic statistic is the fact that in Wisconsin, where we are proud of the efficiency of our dairy industry, the average farmer—not on the marginal farm—has an investment of $40,000 in his farm. He has up-to-date equipment. This farmer has an income that averages approximately 60 cents an hour. That is a disgrace, but it is typical.

Earlier this year I had printed in the Record statistics on dairy farmers not only in Wisconsin, but in Vermont, New York, Pennsylvania, Michigan, Minnesota, Iowa, and Illinois, and I showed that that figure of income, which is far less than the minimum wage for our farmers, is standard throughout the north and northeastern part of our country.

SENATE COMMITTEE RIGHT TO REJECT MANDATORY FEED GRAINS PLAN

There are several reasons why it would be a tragic mistake for the Senate to reverse the action of the Senate Committee on Agriculture and Forestry by going back to the administration provision for feed grains. Last spring, when the bill came from the Committee on Agriculture and Forestry with a voluntary provision in it, the Senate reversed the committee at the urging of the administration and provided for a mandatory program.

The mandatory program would be a very serious mistake, for many reasons. I should like to state three very quicky.

The first reason why it would be a serious error is that the administration's program would require a referendum before it would go into effect. If the referendum should pass, the program would go into effect. If the referendum should fail, price supports would be extremely low or nonexistent and there would be no limitations whatsoever on production. There would be no voluntary retirement program, production would be very high, and the surplus appalling.

Under those circumstances every farm economist that I know and every farm organization, including the Farm Bureau, the Farmers Union, and the Grange, all agree that we would have a disastrous farm situation. We would have a situation in which we would have great overproduction of feed grains. We would have a situation in which there would be very low farm income. We would have 9-cent-a-pound hogs. We would have very low prices for beef, and a greater-than-ever dairy surplus. We would have excessively low prices for what the feed grain farmer himself sells. Farm income would drop far lower than it is today. Everyone recognizes that the situation would be bad.

NO EVIDENCE THAT REFERENDUM WOULD WIN

Although those of us who opposed the administration's feed grain program persistently asked the administration to indicate why they thought the referendum should pass, they have failed to come forth with the data or documentation to indicate that two-thirds of the Nation's feed grain producers would vote for such a program. All the evidence is to the contrary. Every pollster, every economist, every farm expert who has commented on the situation agreed that farmers would vote overwhelmingly against the referendum.

It has been said by some Senators and others that if farmers voted "no" in the referendum, they would deserve to have their income drop sharply, and that their income should drop sharply; that farmers who are unwilling to submit to controls should not get any price supports.

This is a very shortsighted and unfair view. The farmers who would be voting in the referendum would be in very large number farmers who have nothing to gain from the program. The majority of the farmers who grow feed grain do not sell a nickel's worth of the feed grain off the farm. They feed it on the farms to hogs, to cattle, and to cows. Under those circumstances many of those farmers would have no incentive whatever to vote for this kind of program. It would be exceedingly unfair to commercial feed grain farmers to say that if the referendum does not carry by a two-thirds vote they will not have a program, because the commercial feed grain farmers will be heavily outnumbered by farmers who are very likely to vote "no."

I said this last spring. On May 17 I made a long speech on this point in the Senate. Many Senators said it last spring. It was reiterated by responsible and competent professional pollsters, among them Sam Lubell, who conducted a very careful survey in many States in the farm areas, and he came to the conclusion that there was not a chance that the program would pass; and the great likelihood is that it would not even receive a majority vote, let alone a two-thirds vote.

POSSIBLE FARM-LED DEPRESSION

Therefore, the first great difficulty in the administration's feed grain program is that there is a very strong likelihood that the referendum will not pass; that not even a majority of farmers—let alone two-thirds of them—would vote "aye" in the referendum. The result would be that there would be no program, and with the further result that there would be huge over-production; in short, we would have a situation which would be chaotic for farmers and exceedingly costly over the long run for the Government, and which would be most unfortunate for people off the farm, because of the fact that our depressions in the past have often been farm led and farm fed.

If we have this kind of disastrous situation it will mean that those who work in factories—whether steel factories or farm implement factories, automobile factories or any other kind of plants—will find their jobs dwindle and disappear, and they will be adversely affected.

Therefore, the referendum provision in the administration feed grain bill is the No. 1 barrier to the achievement of higher farm income. I hope that when the vote comes on this issue in the Senate a week from today, or shortly after that, Senators who voted in favor of the administration's feed-grain program last time will satisfy themselves on this particular issue. I am sure that no Senator will want to risk the chance of having no program, and having chaos on the farms, and, in addition, a mess that will take years to clear up, not to mention the torpedoing of our whole economic outlook.

Whatever benefits we might achieve from a tax cut, assuming there is a tax cut, would be more than wiped out if this kind of proposal should pass the Senate; and if one-third plus one of the farmers should vote against the referendum, we would have no feed grain program at all.

POSSIBILITY OF NO CONFERENCE

In the second place, I hope Senators will reconsider the action they took last spring in voting for the administration's feed grain proposal, because the agricultural leaders in the House who approved the House bill have stated that they will not go to conference if the Senate bill is attached to the House bill and sent over to them. They have indicated that in that case there will be no bill.

I am not one who thinks we should bow to the House. Nevertheless, we must recognize that under these circumstances the real sufferers would not be the House or the Senate, but the American farmers. Under these circumstances, we would not have a farm program, and we would go back to the 1958 program, which, virtually everyone agrees, was disastrous. Under those circumstances the effect on the farmer would be adverse, it would cause his income to drop, and the effect on the taxpayers would be extremely bad. Everyone agrees that this would be worse than the administration program of last year, that it would cost from a half billion dollars to a billion dollars more than the program of last year, and that it would be most unfair.

This is a new situation that we did not have last spring when we voted on the administration's bill. We now have a situation in which we will be called upon to decide in this vote whether we will have any kind of farm program or whether we will have nothing.

COULD MEAN NO FARM BILL

If the Senate approves an amendment to the committee bill to insert a mandatory feed grains program there is a strong possibility that we will not have a farm program. To prevent this, the Senate should approve the voluntary feed grains program, which Secretary Freeman recommended last year and which the Senate passed last year. It is a program which, I will point out, has many advantages.

The third reason why we should sustain the Senate committee is that the voluntary retirement program which is in the Senate bill does work. First, it has cut Government costs. It has cut them substantially. The fact is that payments are in kind out of the surplus. It has been said that the program has cost a substantial amount of money. However, it must be remembered that those are not the real costs, but merely bookkeeping costs. The real costs are far less, as we pay farmers not in cash but in kind out of surpluses for reducing their acreage.

DOES REDUCE COSTS

Of course, in doing this we reduce the size of the surplus and we reduce the interest costs and we reduce the storage costs of the surplus, and we also reduce the burden on the American taxpayers. This makes sense.

Furthermore, the argument is going to be made that we cannot continue to permit corn to remain alone, among the basic commodities, as a commodity, which has no controls but does have price supports. The answer is, of course, that corn has been in this situation traditionally, and for a good reason. The reason is that the farmers who produce feed grain do not sell their feed grain, but feed it on the farm. Only 40 percent of our feed grains crop is sold in a marketplace.

Furthermore, the facts show, and show very clearly, that the cost of the feed grains program in terms of the value of marketings has been far less than the cotton program and has been substantially less than the wheat program, and has been an economical program as compared with the rest of the farm programs as a whole. As a matter of fact, the cost of the feed grains program has been 5 percent of the value of the marketings in the past 8 years; whereas the cost of the wheat program has been 12 percent, and the cost of the cotton program 8 percent.

This is an economical program. It is working. I can see no reason, under these circumstances, for our eliminating the program and walking away from it.

In the second place, the program has not only reduced the costs, but it has also increased farm income. This must be the essence of any farm program, and it must be the No. 1 test. This must be 95 percent of the criterion of any farm program which is passed, namely, that it increases farm income. That is the question, Mr. President: Does it increase farm income? That is the criterion.

There are those who say that the cost of the farm program has become too excessive. Let us relate that argument to the real cost to the American taxpayer-consumer. If we do that, I believe we can show that the cost of the farm program has not been excessive at all. It has not been excessive by any measurement. As I have said, the cost of the feed grain program is 5 percent of the value of the marketings. Therefore, if we add 5 percent to the price that people pay for the products of feed grain, we can get some conception of what the cost of this program has really been to the taxpayer-consumer of America.

FEED GRAIN SUPPORTS COST 2 PERCENT OF PRODUCTS VALUE

Experts say that if we relate the cost of the feed grain program, not simply to the value of the marketings, but to the value of the marketings of the final feed grain product—that is, the hogs, or the pork, and the beef or the milk—we can see that the cost of this program has been only about 2 percent.

Mr. President, the No. 1 bargain in America is food. Every other element in the cost of living went up last year, except food. Food went down. It is true that over the past 20 or 25 years the cost of food, like the cost of everything else, has gone up, but food has gone up far less than other elements in the cost of living. The farmer is, in fact, subsidizing the consumer in America. He is getting far less in return for his work than do people off the farm. He has increased his efficiency. On the basis of any kind of economic analysis, it seems to me to be clear that the farmer is producing more than he is receiving.

Under those circumstances, to argue that the farmer is a burden on the taxpayer, or that the whole farm program, when it is related to the tremendous advantages which American consumers get from low-cost food, is a burden on the taxpayer, does not make sense and does not add up.

In this connection, I should like to add one more element. The best way to assess the value of food is to relate it to real costs, because the dollar is diminishing in value. Wages are rising rapidly, and it is hard to get a proper evaluation of the cost of food simply by using the dollar cost. I think it is much better to relate it to the hours of work that it takes to buy a particular farm commodity—to buy a quart of milk, to buy a loaf of bread, to buy vegetables, or to buy meat. If we do that, we will find that in the past 30 years the real cost of food has dropped to less than half of what it was 30 years ago in this country. That is another way in which the farmer is providing a subsidy to people off the farm.

FOOD IS A BARGAIN

Furthermore, if we realize that America offers the best bargain for the consumer of any country in the world, I think we can see another way in which farm production and farm efficiency are benefiting the consumer.

The fact is that in terms of the hours of work required to buy a loaf of bread, a glass of milk, or a pound of beefsteak, the American consumer is far ahead of the consumers in England, France, or West Germany, and four times as far ahead as the consumers in Russia.

There is no question that the cost of the farm program, if we include both the cost of food and the cost to the taxpayer for providing tax supports, is very moderate and is distinctly limited; and in view of the great value which consumers are receiving, it is a real bargain.

VOLUNTARY PROGRAM GREATLY REDUCED SURPLUS DESPITE EXCELLENT WEATHER

As I say, the voluntary program, which will be an option available to Senators when they vote next week on the farm bill, has increased farm income. It has also resulted in a sharp reduction in the feed grain carryover stocks. Actually, the statistics show that the carryover of surpluses was reduced 13 percent. That is a very sharp reduction. It was the first time in many years that there was a reduction in the surplus.

The miracle is that that reduction took place in an excellent year, one of the best growing years the country has ever had. If it had not been for the voluntary retirement program, there would have been a perfectly enormous increase in the feed grain surplus. But in spite of the fine growing weather, in spite of the large increase in productivity per acre—in spite of all that—the surplus was reduced sharply. The statistics show it was reduced by 13 percent.

Furthermore, the record shows that nonparticipators, those who did not take part in the program, did not, as it was predicted by those who opposed the program, increase their production. What is even more significant, there is more compliance in 1962 than there was in 1961. Those who oppose the program say it might be all right as a one-shot program; that it might work for a year or two; but that then we would find compliance drifting off and diminishing; and that in a year or two the program would not work so well. The statistics show the opposite. They show that far from less compliance, there has been more compliance in 1962 than there was in 1961. On the basis of experience, I think we may look forward to more compliance in 1963 than in 1962.

This is a program that is working. It is a program which has the support of farmers. It is a voluntary program, not a mandatory one. It is increasing farm income while reducing costs. It is an administration program, a Kennedy program. It is not a Benson program. It is a Kennedy program. It is a Freeman program. I cannot understand why the administration wants to walk away from it, wants to reject it, and advocate a program which is almost certain to be an exceedingly unpopular program with farmers because it would be mandatory and would require controls. It would limit every one of the 2.6 million farmers who grow feed grains. I cannot understand why the administration wants to have such a program. It would be a terrible risk, and would very likely be rejected. I should think the administration would want to continue a program which is working.

LESSON OF DEFEATED TURKEY REFERENDUM

A couple of weeks ago, the distinguished senior Senator from Vermont [Mr. AIKEN], the ranking Republican member of the Committee on Agriculture and Forestry, reported to the Senate the result of the turkey referendum. This was a referendum which the administration expected to win. I am sure it would not have been called if it was not expected to be approved. The referendum asked turkey growers whether they would agree to mandatory controls and higher price supports. The vote in that referendum was extremely revealing. Out of all the States, in only one State in the entire Union did two thirds of the farmers vote for controls. That State was Wisconsin. In every one of the other States, the farmers voted "No." The administration had expected two-thirds of the farmers in all the States to vote for this program. They did not do so. They voted against the program. The fact is that the administration underestimated—seriously underestimated—the opposition by farmers to a mandatory control program. The strong preference by farmers is a voluntary program, if they can possibly get one.

SMALL FARMS ARE NOT EXEMPT

There is one additional point I should like to make in connection with this program, because it is vitally important. It has been overlooked. It has not been adequately reported in the newspapers. I honestly do not believe that the way the program has worked with respect to small farmers is fully understood by all Senators. I have before me a table which shows for each State, the number of farms which have a base of 25 acres or less for feed grains. These are the small farms. These are the dairy farms, the hog farms, and the other farms throughout the country which would be affected by this program, but which some newspapers, unfortunately, have given the impression would be exempted from the administration's mandatory program. What the administration bill provides is that every feed grain farmer, without exception, would have a base.

That base would be the amount of acreage planted in 1959-60. He would be limited to that base.

Since 1959-60, in Wisconsin and other States, the farms have grown bigger. There are fewer farms, but bigger farms. This means that farmers, even though they produce on less than 25 acres, will have to cut back production to the 1959-60 base. Every farmer would be affected. There would be no exceptions and no exemptions.

It is true that farmers who produce on less than 25 acres would not suffer a cutback in their production below their 1959-60 base, unless they choose to take part in the referendum.

If they chose to take part in the referendum, however, they would have to suffer a 10-, 20-, or 30-percent further cutback. Probably there would be a 20-percent cutback.

INJUSTICE FOR SMALL FARMS

The great inequity of this arrangement is that there would be a disfranchisement of more than half the farmers affected by the bill, because there would be an economic penalty if they took part in the referendum. For example, Joe Smith, a typical dairy farmer or hog farmer, would be told, "You have a base of 20 acres, because that is the number of acres you had planted in feed grain in 1959-60. If you take part in this program, to the extent of voting for the referendum, you will have to take a 20-percent cutback—a cutback to 16 acres. If you do not vote in the referendum, you can plant 20 acres."

However, 20 acres was the acreage he planted to feed grain in 1959-60; and if he is a typical farmer, his acreage in 1962 is probably 23 or 24 acres. Therefore, his alternative is as follows: If he votes in the referendum, he will have to accept a cutback all the way to 16 acres, under these circumstances. If he does not vote in the referendum, he will also have to take a cutback—but in that case, to 20 acres. However, not only will he be limited in that way, but in that case he will lose his franchise—he will not be able to vote in the referendum.

Farmers have a great deal of difficulty in attempting to understand this matter. This may not amount to taxation without representation, but certainly it is suppression and limitation without representation.

The chart to which I have referred shows that in the United States there are—according to estimates by the Department of Agriculture—approximately 1,204,000 farms which have bases of 25 acres or less. Those are 54 percent of all the farms. Under this bill, every one of these more than 1,200,000 of them—would be limited in production, would be subject to an economic penalty if the farmers voted in the referendum, and, in the overwhelming majority of cases, these farmers would not get 1 nickel more, if this program went through, than they would if it failed to go through, because the overwhelming majority of these farmers do not sell a bushel of grain off the farm.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the table entitled "Feed Grains: Estimated Applicability of 25-Acre Exemption Under the Provisions of Administration Feed Grain Program."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 7.—*Feed grains: Estimated applicability of 25-acre exemption under the provisions of administration feed grain program* [1]

State	Estimated number of farms with bases of 25 acres or less [2]	Percentage of farms with 25-acre base or less	Feed grain acreage represented by farms with 25 acres or less (thousand acres)
Maine	1,079	96	8.5
New Hampshire	906	93	8.1
Vermont	3,482	90	37.1
Massachusetts	1,684	88	17.4
Rhode Island	240	83	3.0
Connecticut	1,802	85	21.9
New York	31,045	81	319.8
New Jersey	3,608	64	44.9
Pennsylvania	56,586	81	857.2
Ohio	57,907	55	649.2
Indiana	39,056	39	476.1
Illinois	25,749	20	296.4
Michigan	45,283	63	545.0
Wisconsin	64,528	61	796.0
Minnesota	28,001	25	357.6
Iowa	18,164	12	236.8
Missouri	46,584	48	512.5
North Dakota	2,375	6	31.7
South Dakota	2,872	7	22.4
Nebraska	4,231	6	52.4
Kansas	16,690	24	173.5
Delaware	1,840	50	22.3
Maryland	11,099	66	113.9
Virginia	56,386	89	463.4
West Virginia	20,063	96	101.3
North Carolina	128,926	88	1,059.6
South Carolina	50,241	87	426.4
Georgia	45,508	60	453.4
Florida	6,079	51	69.0
Kentucky	82,526	82	686.4
Tennessee	79,944	82	661.9
Alabama	62,844	73	642.9
Mississippi	82,176	89	722.1
Arkansas	31,121	91	210.7
Louisiana	31,061	91	259.2
Oklahoma	9,131	34	61.1
Texas	28,442	36	264.1
Montana	3,899	25	59.3
Idaho	4,937	54	58.7
Wyoming	1,098	39	13.2
Colorado	390	10	3.0
New Mexico	474	26	5.8
Arizona	301	23	2.3
Utah	5,538	70	53.6
Nevada	216	54	2.3
Washington	2,334	35	21.9
Oregon	4,734	53	48.7
California	1,302	18	22.6
United States	1,204,532	54	11,976.5

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[1] The exemption applies to base acreage in H.R. 11222 and to acreage allotments, and was deleted from the Senate bill (S. 2786) before it was reported as S. 3225.

[2] Includes corn, grain sorghums, and barley. If oats are included, as in H.R. 11222, percentage of farms would be smaller in most States.

Mr. PROXMIRE. In conclusion, let me say that I hope all Senators will carefully and thoughtfully reconsider their positions on the farm bill before they vote, next week, to determine whether we are to have mandatory controls.

To sum up, I reiterate that there is every possibility that if Senators were to vote in favor of the administration's program, we would not have a farm program at all—if the House were to agree to such a Senate amendment, and if the President were to sign the bill, as thus amended, but if two-thirds of the farmers did not vote in favor of the program—and I think there is every possibility that that might happen.

However, if the House adheres to its position, and refuses to hold a conference on that measure, if the Senate were simply to amend the bill as passed by the House by adding the text of the amendment previously adopted by the Senate—which is what we would be doing—we would not have any farm program.

Finally, the alternative offered by the Senate Agriculture Committee—a voluntary retirement program—is working, is raising farm income, and is reducing cost.

So I hope all Senators will very thoughtfully consider the situation; and I also hope—for whatever it is worth—that the administration will consider what it is asking Senators to do and what it is risking for the American farmers.

PRESIDENT DESERVES CREDIT FOR RESISTING TAX CUT

Mr. PROXMIRE. Mr. President, on Monday at his press conference, President Kennedy discussed the possibility of a tax cut. I think he showed great fortitude and wisdom when he said he would postpone his decision in regard to recommending the making of a tax cut until the July statistics are available, so that he can arrive at as thoughtful a decision as possible.

I believe it would be a very serious mistake to have a tax cut under these circumstances; and I think the President, in standing up to the immense amount of pressure placed upon him, deserves a great deal of credit. It is a fact that the great labor organizations, the great business organizations, and outstanding economists have all been working hard on the administration, in an attempt to persuade the President to request Congress to pass a tax cut. But the President has been standing firm in resisting such requests.

Certainly it is the better part of wisdom, before so serious a decision is made, for the President thoughtfully to consider all the available elements, and to postpone his decision as long as he possibly can and still get such action from Congress, if the President decides that he should request a tax cut.

It is interesting to note that in discussing this situation, the President indicated that not only are there some strong differences of opinion among the experts about where the economy is going, but there are also in the economy some very good signs that we do not need a tax cut and that the economy may be expanding. He pointed out that some corporations—and he mentioned General Motors and the Radio Corporation of America—are making some of the largest profits they have ever enjoyed in all their history, and he also indicated that automobile buying and consumer purchases generally have increased. Of course, he acknowledged that investments in housing have declined.

HIGH INTEREST RATES SLOW DOWN HOMEBUILDING

In this connection, it is interesting to observe that one of the reasons why home building has declined is that interest rates are high and rising. I have been pounding at this retarding drag on our economy day after day in the Senate—and I shall continue to pound at it.

A recent article in the New York Times reports that:

> Foreign governments have been pressing the United States to approve higher interest rates as one means of discouraging the outflow of gold and the inflow of foreign investment money here. There are indications that the rise in rates will not be limited to the short term, but will spread to long-term investments too.

There is no question that if we have a tax cut and have higher interest rates, the tendency of the higher interest rates in braking the economy is going to be to cancel out the effects of the tax cut in expanding the economy. The whole history of economic policy in this country has been to employ fiscal and monetary policies together not in antagonism. This would be the first time, to my knowledge, that we followed a policy of having a contracting monetary policy, a contracting interest rate policy, by raising interest rates, so it would be difficult to obtain credit and expand business, and at the same time have a tax cut so people would spend more money.

There is no question that pressures are being put on our monetary authorities by the bankers to shove up interest rates. There is no question that some of our monetary authorities welcome that pressure of following a policy of increasing interest rates.

I am not going to go into the history of what Chairman Martin of the Federal Reserve Board testified recently, in saying that if there is a tax cut at all, he would follow a policy of selling Government bonds to absorb the additional money in the economy and counteract the tax reduction. The effect would be to cancel out much of the effect of a tax cut.

INTERNATIONAL PAYMENTS BALANCE NO ALIBI

I want to call the Senate's attention to a remarkable analysis which appeared in U.S. News & World Report recently, which goes to the heart of the alibi for higher interest rates. The argument has been running that we must have higher interest rates because of our Nation's adverse international balance of payments. The argument is that we are losing our gold and we are getting into a difficult financial position throughout the world, so that, unless we raise interest rates so we can attract capital to be spent in this country and discourage it from going abroad, we are going to be in a very adverse economic and financial position.

The article in U.S. News & World Report is a superb answer to this contention. In the first place, the argument has been made that we are in dire straits because of our loss of gold. How much gold do we have? We have $16.3 billion worth of gold. What other countries have as much gold as we have? The answer is "None." What other countries have half as much gold as we have? The answer is "No country." The Soviet Union has about 40 percent as much gold as we have. West Germany has about 20 percent as much gold as we have. Great Britain also has about 20 percent as much gold as we have. We still have 34 percent of all the gold in the world.

Then the article in U.S. News & World Report states:

> The dollar basically is strong, not weak. The United States is selling abroad, in the form of goods and services, far more than it is buying from abroad. So long as American industry is able successfully to compete in foreign markets, as it is doing now, there is no reasonable basis for devaluing the dollar—

Or for questioning the dollar or being concerned about the weakness of the dollar.

The last part of that statement is my own.

Furthermore, the article, as reported from Washington, London, Paris, Bonn, and Zurich, states:

> Dollar troubles, so far as they exist, are the result of spending abroad by U.S. Armed Forces for the defense of other countries, and of spending on foreign aid.

The fact is that any time we are really concerned about this situation, it is within the control of the Congress and of the President to immediately stop it. If we wish to do so, we can reduce our foreign-aid program and cut back our commitment of troops abroad, or persuade our allies to get into the act more than they have been. This is an extreme way to do it. It is a way I hope we can avoid. But the important point to stress is that this situation is within our control.

The article goes on to point out that:

> Although more than $6 billion in gold has flowed out of the United States in recent years, gold held by the United States is many times the total held by any other Western country.

SWISS AUTHORITY CALLS UNITED STATES WORLD'S GREATEST FINANCIAL POWER

International authorities, and particularly the Swiss authorities, have been quoted and used as support for the criticism of our economic position, the argument that we have to follow a policy of tight money, high interest rates, in order to protect our dollar and international balance-of-payments position.

What do the authorities really say? Let us take the position of the outstanding Max Iklé, who is head of the banking and currency division of the Swiss National Bank. Dr. Iklé was asked the question, "Do the Swiss authorities consider the dollar overvalued?" He said:

> In only 1 year—1959—has there been a deficit in the U.S. balance of trade. Using Swiss accounting methods, the U.S. surplus—taking into account trade and invisibles alone—amounted to about $5 billion in 1961. That did not suggest any overvaluation of the U.S. dollar.

He was asked if the United States is a bad risk. He said:

> The U.S. problem rose not from trade, but from heavy investment of capital abroad by American firms. This actually represented an increase in assets, not any loss in real wealth.

How do our balances really compare abroad? Let us take a look at the total picture. Is it true that we are working ourselves into a position where we are becoming a debtor nation? Is it true that we are weak financially? Is it true that we do not have a substantial net worth? Let us see what the statistics show. Let us take a look at the balance sheet. It shows U.S. assets and investments abroad are $77.7 billion.

Private investments: long term, $49.3 billion; short term, $6.4 billion.

Government credits and claims: $22.0 billion.

On the other hand, U.S. liabilities, foreign investments in the United States, are $46.7 billion. Long-term investments are $18.8 billion, and short-term investments and assets are $27.9 billion.

This means that we have a net balance—a net worth, if one wishes to put it that way—of U.S. assets over liabilities abroad of $31 billion.

On the contrary, this also shows that other countries have a net deficit of $31 billion, or are in the red by $31 billion to us.

These arguments which contend that we are in a weak balance-of-payments position and that our only recourse is to increase interest rates to bail us out and to stop the gold outflow are nonsense. The facts show overwhelmingly that the United States is the strongest financial and economic power in the world.

NO CHANCE FRIENDLY COUNTRIES WILL "RUN" OUR GOLD

Mr. President, those who say that our gold is in a serious position like to argue that we have $16 billion worth of gold and that there are something like $20 billion worth of claims against that gold.

Mr. President, who holds those claims? Those claims are held overwhelmingly by friendly countries—by countries which, by and large, either are getting the benefits of the foreign aid program or are getting the benefits of having American troops stationed in those countries or near those countries protecting them against a Communist invasion. Would there be any incentive for any of those countries to present claims, to try to create a run on the dollar, to try to weaken our economy?

Would anything be more insane than for the nations we support to try to destroy the economy of the United States of America? The governments of those countries know what would happen if they tried. The first thing we would have to do would be to cut back the aid to those countries, to cut back our military commitments to those countries.

It is perfectly obvious that we are not in any danger. This problem is within our control. It is very easy for us to protect our international position.

Therefore, the argument which is made that it is necessary to have higher interest rates, not only short-term interest rates but also long-term interest rates, does not add up.

CHALLENGE ANY SENATOR TO DEFEND HIGH INTEREST RATES

Mr. President, I have been speaking in this manner on the floor of the Senate for weeks, in the hope that I could get an argument from somebody. I read in the newspapers that the bankers disagree with this position. In the newspapers I read that interest rates are rising. Yesterday that was reported. Last week the same was reported. Interest rates are going up all the time. The long-term interest rates are going up, as are the short-term interest rates.

I cannot get any argument, yet the policy of this country seems to be to put on the credit screws, to increase interest rates, to slow down the economy in this particular way.

I earnestly entreat—I challenge—any Senator who feels that the solution to this problem to any extent, or the solution to any of our present problems, is to be found in higher interest rates, to come on the floor and to defend that position.

The President of the United States, speaking at Yale earlier this year, pleaded for an economic dialog, for a discussion of economic problems. He pointed out, and quite rightly, that the only way we can get economic understanding or education, which all of us need, is to have a discussion. I know of no better place than the floor of the U.S. Senate. This is known to be one of the great forums for discussion in the world. Probably it is the only forum in this country which can command national attention.

Those who support the position which we read about over and over again in the great publications—the position taken by the great monetary authorities; the position taken by the international bankers—should come onto the floor of the Senate and defend that position. In so doing, they can enlighten us by pointing out where we are wrong and where the policy we propose is mistaken.

Mr. President, I ask unanimous consent that the article from the U.S. News & World Report to which I have referred, entitled "Is the Dollar Really Weak?" may be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Is the Dollar Really Weak?

In financial capitals of Western Europe, attacks on the U.S. dollar appear to be reaching the proportions of a campaign.

The dollar is pictured as "weak." Writers, speakers, "experts" of one kind or another seem to take it for granted that before long the dollar will be devalued. The price of gold, now $35 an ounce, is supposed to be raised to a level anywhere from $50 to $70.

Speculators recently have bid up the price of gold-mining stocks. Demand for gold itself on the London market has pushed the price to $35.12 an ounce, despite efforts of monetary authorities to hold the price below $35.08.

A false scare. What are the facts? Is the dollar really weak? What about all the talk of devaluing the dollar in terms of gold?

Answers from the best possible sources, based on facts, are the ones that follow:

1. The dollar basically is strong, not weak. The United States is selling abroad, in the form of goods and services, far more than it is buying from abroad. So long as American industry is able successfully to compete in foreign markets, as it is doing now, there is no reasonable basis for devaluing the dollar.

2. Dollar troubles, so far as they exist, are the result of spending abroad by U.S. Armed Forces for the defense of other countries, and of spending on foreign aid. Much of the attack on the dollar is being made by interests in countries that are benefiting from U.S. defense spending. In Washington, moves now are being made to cut dollar spending by American Armed Forces abroad. Pressure also is being brought on other nations to provide more help with the burden of foreign aid.

3. Although more than $6 billion in gold has flowed out of the United States in recent years, gold held by the United States is many times the total held by any other Western country. At the same time, assets owned abroad by Americans far exceed liabilities owed to foreigners. The financial strength of the United States, in other words, is very great.

Who owns the world's gold?—Reserves held by governments and central banks

	Billions
United States	$16.3
Soviet Union	6.5
West Germany	3.7
Britain	3.5
Switzerland	2.4
Italy	2.2
France	2.2
Netherlands	1.6
Belgium	1.3
Canada	1.0
Portugal	.4

Source: For free world, Federal Reserve Board; Soviet gold is estimated on the basis of latest available data.

Moves are being made, even so, to reduce somewhat the burden the dollar is asked to carry in the world.

BUY AMERICAN

On July 16, Defense Secretary Robert S. McNamara announced a program designed to cut to half dollar spending abroad by U.S. Armed Forces. That spending has totaled about $3 billion a year. On July 17, it was announced that part of this plan would call for a buy American program on the part of the Armed Forces. Military officials were told, in effect, to buy U.S. goods even if they cost 50 percent more than foreign goods.

More effort is to be made to float bond issues of world organizations in financial markets of Europe rather than in the United States. European business firms also have been advised to tap their own markets for capital instead of coming to New York. Foreign industries are being encouraged to invest in the United States to offset in part the heavy investment abroad by American companies. And other nations that owe debts to the United States are being encouraged to pay off those debts in advance of the due dates.

A SWISS BANKER'S VIEW

Even before the United States made these and other moves to strengthen the position of the dollar, Dr. Max Iklé, a world authority on money and head of the banking and currency division of the Swiss National Bank, gave a lecture in which he outlined his views on American currency.

The following points were treated by this Swiss authority:

Do the Swiss authorities consider the dollar overvalued?

Dr. Iklé pointed out that in only 1 year—1959—has there been a deficit in the U.S. balance of trade. He said that, using Swiss accounting methods, the U.S. surplus—taking into account trade and "invisibles" alone— amounted to about $5 billion in 1961. That did not suggest any overvaluation of the U.S. dollar.

Then is the United States a bad risk?

Here the Swiss authority pointed out that the U.S. problem rose not from trade but from heavy investment of capital abroad by American firms. This actually represented an increase in assets, not any loss in real wealth.

He added that a balance sheet for 1959 showed the United States with assets of $65 billion against liabilities of only $41 billion. Dr. Iklé described the United States as the strongest financial power in the world.

But what about the price of gold? Must the gold price be raised?

Dr. Iklé replied that at no time in recent years has there been a lack of liquidity in the Western World, regardless of what economists might say. In other words, he finds that there is plenty of money in the world to provide for international trade.

How about realining the gold value of various currencies?

Revaluations were described as justified only when there are major differences in costs between countries. The Swiss expert felt that recent revaluations did more harm than good.

What is needed to repair the present monetary system?

Dr. Iklé said that nothing need be done except to establish a period of calm and stability. He added that other countries besides the United States and Switzerland also might allow their currencies to be converted into gold at the request of other central banks. That would allow other currencies besides the U.S. dollar and the Swiss franc to become reserve currencies.

It often has been said that Swiss bankers have felt that devaluation of the American dollar was going to be necessary. This viewpoint definitely was rejected by the currency authority of the Swiss National Bank, backed up by Dr. Walter Schwegler, chairman of the national bank.

Devaluation also was rejected firmly by Robert V. Roosa, Under Secretary for Monetary Affairs of the U.S. Treasury. He told the House Banking and Currency Committee on July 10 that the U.S. balance of payments had shown decided improvement. New estimates put the overall deficit at between $1 and $1.5 billion for 1962.

Chief reason for this deficit is the outflow of short-term money, seeking higher interest rates abroad. So far as the so-called "basic payments" are concerned—trade and long-term investments—Mr. Roosa said a balance will be reached at the end of 1963.

Noting that rumors abroad of possible dollar devaluation had become "almost strident," Mr. Roosa explained: "I think it is because they see there is not a chance that we will do it." Mr. Roosa added that Soviet Russia and South Africa, as major gold producers, stood to profit most from any rise in the dollar price of gold. He said further that stockholders in South African gold mines had a keen interest in dollar devaluation, and observed:

"In the past it has been said there was a connection between such interests and the people making the most fuss over devaluation."

Reports from Switzerland indicate that Britain might be leaning toward sterling devaluation or a change in the gold price as a way of gaining an advantage when joining Europe's Common Market. Some Swiss observers suspect that rumors about the dollar may be inspired in part by British discussions about the dollar's weakness.

Five years ago, the United States had 52 percent of the world's gold. Since then, the U.S. reserve has shrunk by $6.6 billion. Today, this country holds 34 percent of world gold reserves.

	Billions
Venezuela	$0.4
South Africa	.4
Spain	.4
Austria	.4
India	.2
International Monetary Fund, Bank for International Settlements	2.3
Rest of the world	2.2

IN BRITAIN: PESSIMISM

A dispatch to U.S. News & World Report from London makes these points:

Heart of the U.S. problem, as seen by the "Financial Times," is: "how to combine expansion with a sound currency."

British economists say that the U.S. economy is stagnant. They say the way to deal with this problem is to use tax relief, deficit spending, low interest rates.

But these same economists add that the United States has a persistent deficit in the balance of payments. The way to deal with this, they say, is to raise interest rates, balance the budget, take other anti-inflation steps.

As a result, these British analysts fear that the remedies for the two problems—expansion and currency—are contradictory.

The latest rash of speculation in London about dollar devaluation stems from a belief that the Kennedy administration will endorse expansion, thus adding to world pressures on the dollar.

Another question being raised in London is: How long will European central banks cooperate in supporting the American dollar?

At present, through a series of informal arrangements, central banks in Western Europe and London are holding dollars instead of turning them into gold. They have established a "gold pool" of several hundred million dollars for use to discourage private speculation in gold on the London market. The U.S. Federal Reserve Board also is supporting the dollar through dealings in foreign currencies.

British observers say further that, if Mr. Rossa's analysis of the U.S. payments balance is correct, the threat to the dollar may soon pass. If the payments deficit becomes manageable, the administration can try to expand the economy without undermining confidence abroad in the dollar.

The London Times analyzes the situation as follows:

"These operations (by central banks) simply buy time. Unless governments pursue individual policies that fit into a general pattern, unless the United States faces its short-term currency crisis decisively, and unless Europe faces up to the problem of sharing some of the burdens of the United States, currency confidence will continue to be undermined."

ALL IN IT TOGETHER

Economists in the United States point out that other countries actually have a selfish interest in supporting the U.S. dollar. The dollar is used along with gold as a reserve by most countries. Devaluation thus would cause other countries' reserves to shrink. So the conclusion is that the U.S. Treasury and the Federal Reserve Board, cooperating with central banks abroad, will be able to keep the dollar strong.

It also is pointed out that formal devaluation of the dollar requires an act of Congress.

The dollar's strength in today's world

	Billions
U.S. assets—investments abroad	$77.7
Private investments:	
Long-term	49.3
Short-term	6.4
Government credits and claims	22.0
U.S. liabilities—foreign investments in United States	46.7
Long-term investments	18.8
Short-term investments and assets	27.9
Net balance: U.S. assets over liabilities	31.0

Thus: For every $1 of international liabilities, the United States and its citizens hold $1.66 in assets. It is only in short-term holdings, or claims, that U.S. assets are exceeded by liabilities. Central bankers in Europe call United States the world's strongest financial power.

NOTE.—Figures are estimated by USN & WR economic unit for the end of 1961 on the basis of official data.

SOME FACTS ABOUT GOLD

World gold reserves: $47.9 billion.

U.S. reserve: $16.3 billion, or 34 percent of world total.

U.S. loss of gold: $6.6 billion in 5 years.

Foreign claims against U.S. gold: Potentially $20.3 billion, up $5.4 billion in 5 years.

Gold reserve required as backing for U.S. dollar: $11.9 billion.

Potential shortage of U.S. gold: $15.9 billion—but only in the unlikely event that all foreign claims were presented for payment in gold.

Who can get U.S. gold: Foreign governments and central banks.

Biggest net claims held abroad—by governments, central banks and citizens: Britain, $2.7 billion; Canada, $2.4 billion; West Germany, $2.4 billion; other European countries, $4.2 billion.

Price of gold: $35 an ounce in United States, unchanged since 1934.

Prices of other commodities: Up 149 percent, on the average, in the same period.

World production of gold: Estimated at $1.7 billion in 1961. Largest producer: South Africa, $803 million. Second largest: Soviet Union, estimated at $475 million. U.S. output: $53 million.

LAST JOINT ECONOMIC REPORT FAVORED BUDGET SURPLUSES, LOW INTEREST RATES

Mr. PROXMIRE. Mr. President, before I conclude, I wish to go back to my principal point in discussing the wisdom of a tax cut and why I think that would be a mistaken approach to our problem. I think it would fly in the face of other recent conclusions of economists concerning proper fiscal and monetary policy for growth, full employment, and stable prices.

The last comprehensive study of the economy was made by the committee created by the Congress to advise the Congress on economic policy, which committee is dominated by a liberal Democratic majority—a majority, incidentally, with which I dissented in the last report which gave advice to the Congress. What advice did the committee give? It gave advice on the subject of a tax cut, by inference. The report said, in part:

> Greater reliance on fiscal policy calls for two things. First, there should be larger budget surpluses than have been realized in recovery and prosperity.

I submit that although we are not satisfied with all the indexes, not by a great deal, this is generally a period of recovery and prosperity. All the Senators whom I have heard speak on radio or television have talked about how the economy has expanded, how the gross national product has increased, how retail sales have increased, how auto sales have increased.

The Joint Economic Committee says that under these circumstances we ought to have a bigger surplus. The committee report also says:

> Second, there should be more prompt budget deficits when recession conditions are developing. If this course is followed, less reliance will have to be placed on monetary restraints against inflation and on monetary expansion to head off or moderate a recession. Interest rates in general will be lower than they would otherwise be. Moreover, while interest rates would still be flexible, they would fluctuate within a much more limited range. Greater reliance on fiscal policy, therefore, will not only be more effective in promoting stability in the rate of employment and output and in the price level, but will also contribute to greater stability in the Nation's financial markets.

Mr. President, in his testimony before the Joint Economic Committee the top economic adviser to the President of the United States, Mr. Walter Heller, suggested what would be the ingredients of a fiscal policy which would provide for the multiple objectives of full employment, growth, and stability. Among other things, he suggested:

> Strengthening the income tax as a source of revenue, in combination with other taxes, in order to make more funds available for capital formation either in the form of additional government programs (especially for the formation of human capital) or as called for by stabilization policy, through the retirement of debt and consequent channeling of funds into the hands of private investors.

Furthermore, he said that this would "make possible a reduction of interest rates and monetary tightness."

The theme has run consistently through the advice which the Senate Joint Economic Committee has received from top economists and Government policymakers that we should work toward a position of monetary ease; not higher interest rates but easier interest rates. In a period of prosperity or relative prosperity we should be going exactly in the opposite direction from that in which we have been going. We should be working not toward deficits but toward surpluses.

The current issue of the U.S. News & World Report has a very fascinating table in regard to something which has not been brought to my attention before, in which I am sure Senators will be interested.

PREVIOUS TAX CUTS—POOR RECORD FOR ECONOMIC EXPANSION

There have been nine tax cuts by our Federal Government in the past 43 years. It is very interesting to note what have been the effects of these tax cuts on the economy.

Two of the tax cuts—one in November of 1921 and one in May of 1928—occurred at a time when business was already rising, was already increasing. Business continued to go up. Therefore, if we leave those two out of account, we find that in regard to the others there was almost a precise balance in the consequences of the tax cuts. That is, about half of the time business declined after the tax cut and about half the time business improved after the tax cut.

There is no empirical record, no very compelling record on the basis of experience which would show us that the way to stimulate the economy is to have a tax cut.

For example, in February of 1926 there was a major tax cut for individuals. Following that there was a minor recession which started in November of 1926.

In December of 1929—how many people remember?—there was a major tax cut for individuals. The recession deepened into the greatest depression that this country has ever had.

In April of 1948 there was a sizable tax cut for individuals, and a moderate recession started in December of 1948, 6 months afterward.

Mr. President, after the 1954 tax cut and the 1945 tax cut, as well as the 1919 and 1924 tax cuts, things improved, and there was improvement in business.

I think on the basis of the record it is hard to conclude that a sure way to solve an economic recession is to cut taxes. The evidence indicates this does not necessarily work.

Mr. President, before I yield the floor I have one other subject I wish to discuss very briefly.

TITO CRACKS DOWN ON FREEDOM AGAIN

Mr. PROXMIRE. Mr. President, I protested vigorously against the foreign aid authorization conference report. I did so because I thought it was a great tragedy that our conferees collapsed on the position that the Senate had taken on the question of aid to Yugoslavia. Yesterday the New York Times reported in a byline story of Paul Underwood the following:

> President Tito said today that the new retreat from liberalism in Yugoslavia would affect cultural life as well as politics.
>
> Speaking at the close of a 2-day meeting of the Yugoslav Community Party's central committee, Marshal Tito declared that his regime had gone too far in allowing writers freedom of expression.
>
> Although observers generally agree that Yugoslav writers actually have had less freedom of expression than, for instance, Polish authors, the Yugoslav President asserted:
>
> "We have had a very liberal attitude. We shrugged our shoulders, thinking nobody would be harmed if we allowed people to say and write what they wanted.

That is always the pulsation. As soon as we give Yugoslavia any assistance, they go over the other way. It seems to me that has been true of every commitment in every foreign aid authorization bill that the Congress has made. I suppose we could do something in connection with the appropriation bill. It is always possible, but I think a point of order could probably stop the attempt. At any rate, once again the position of those who insist that we suspend aid to Yugoslavia for 1 year, and that we should block the proposed loan of $10 million to Yugoslavia because of the conduct of Tito at Belgrade, is being vindicated again. Here is a Communist dictator who is suppressing freedom more and more in his own country. He is lining up behind Khrushchev. Furthermore, he is trying to aline other countries behind Khrushchev on one issue after another. Yet we insist upon providing aid for him.

Mr. President, I ask unanimous consent that the article to which I have referred entitled "Tito Backs Curbs on Liberal Trend," by Paul Underwood, published in the New York Times, be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Tito Backs Curbs on Liberal Trend—Tells Party Meeting Regime Has Been Too Lenient on Yugoslavia's Authors

(By Paul Underwood)

Belgrade, Yugoslavia, July 23.—President Tito said today that the new retreat from liberalism in Yugoslavia would affect cultural life as well as politics.

Speaking at the close of a 2-day meeting of the Yugoslav Communist Party's Central Committee, Marshal Tito declared that his regime had gone too far in allowing writers freedom of expression.

Although observers generally agree that Yugoslav writers actually have had less freedom of expression than, for instance, Polish authors, the Yugoslav President asserted:

"We have had a very liberal attitude. We shrugged our shoulders, thinking nobody would be harmed if we allowed people to say and write what they wanted.

"In this we have gone too far. We certainly do not want to teach writers and tell them what they must write, but we will not allow anyone to write nonsense and caricature and distort our social life."

TITO CRITICIZES AIDS

Marshal Tito also criticized subordinates in the leadership of the Yugoslav Communist Party for having failed to produce concrete solutions to the nation's economic crisis.

He complained that only 5 members of the 135-man central committee took part in discussions on reports presented today on aspects of the economy and plans for the future.

.In the reports, officials of the regime proposed cutbacks in imports and investments, a new and more realistic development plan and higher prices for farm products to help surmount Yugoslavia's economic difficulties.

Objecting to the reports as too general, Marshal Tito said:

"Although we have established that faults exist, I do not find in the reports the answer to the question of how we get out of the present troubles—that is, how our Yugoslav economy should develop in the future."

The Central Committee meeting was called to approve a program for dealing with the economic slowdown that has gripped the country since early last year. Although all the speeches made at the session were published tonight, there was no announcement of decisions approved by the committee.

The three reports had been prepared by Slavko Komar, Milos Minic, and Boris Krajger, the Government's Secretaries of Agriculture, Foreign Trade, and General Economic Affairs, respectively. Copies were circulated among committee members yesterday. To speed the discussions, the reports were not read today.

Mr. Krajger reviewed the unfavorable trends in the economy. Two years ago industrial production was increasing at a rate of 15 percent a year; now it is increasing at an annual rate of only 4 percent.

Farm output will be poor again this year. Inflation has resulted in a steep rise in prices and living costs. Exports are down, increasing Yugoslavia's already dangerously large deficit in her balance of payments—the relationship between outlays abroad and receipts from abroad.

Mr. Krajger, offering no hope of an early economic upturn, said that some planned investment would have to be postponed to concentrate available funds on projects with the greatest export possibilities. He added that cutbacks would have to be made in construction programs for homes, schools, and hospitals.

Mr. Minic told the committee members that estimates indicated that the national income this year would be the equivalent of nearly $500 million less than had been planned. He said setbacks in agriculture alone would account for nearly $300 million of that total.

REVISION OPPOSED

Referring to earlier official statements that Yugoslavia's current 5-year plan would have to be revised to more realistic levels, Mr. Minic said this could not be done properly in so short a time.

Instead, he proposed that the plan, scheduled to run through 1965, be scrapped and a new 7-year plan be drawn up for the years 1964 to 1970. This, he said, would give the planners time to coordinate their views on development needs and achieve a unified policy.

Mr. Minic warned that imports of food probably would have to be increased next year. He declared that imports of raw materials, industrial components and consumer goods would be held below this year's level.

If the economic situation does not improve, he warned, imports from Western Europe might have to be cut back to save money to pay Yugoslavia's debts abroad.

Mr. Komar declared that farm-production costs had risen so sharply in the last 2 years that they had canceled the benefits to farmers of increased purchase prices and other aid.

As a result, he asserted, it is now impossible for the average farm organization to make a profit on some basic crops.

He recommended further increases in prices paid farms for certain commodities, including a 14-percent rise in the price for livestock, 18 percent more for grain, 19 percent more for industrial crops, and 43 percent more for milk.

To avoid passing the burden of these increased payments on the already hard-pressed consumers, he said, they should be granted largely in the form of higher direct premiums to producers. Nevertheless, he declared that a further increase of 4 to 5 percent in consumer food prices was unavoidable. These prices have already risen about 27 percent over last year.

M. Komar said the most important task of the Yugoslav economy was to raise the output of wheat and thus eliminate the need for imports of grain.

Asserting that extension of the socialist sector of agriculture was a precondition for increasing output, he urged that socialist units be given more funds to buy or lease land from peasants farming private plots.

Such peasants have owned and farmed about 90 percent of the nation's arable land since the Yugoslav Communists abandoned attempts at forcible collectivization in 1952. The Tito regime now relies on a policy of waiting for the pressure of the market to force peasants to give up farming and sell their land to the big socialized units.

GEORGE ROSS HUTCHINS

Mr. DIRKSEN. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives in regard to Senate bill 2339.

The **PRESIDING OFFICER** laid before the Senate the amendment of the House of Representatives to the bill (S. 2339) for the relief of George Ross Hutchins, which was, on line 10, after "Act" insert: *"Provided further,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act".

Mr. DIRKSEN. Mr. President, on March 29, 1962, the Senate passed S. 2339, to grant, in behalf of the husband of a U.S. citizen, a waiver of the excluding provision of existing law relating to one who has suffered a previous attack of insanity. On June 19, 1962, the House of Representatives passed S. 2339, with an amendment to provide for the posting of a bond. Although the Senate felt this provision to be unnecessary, inasmuch as the beneficiary is independently wealthy, the amendment is acceptable; and I have been asked by the distinguished chairman of the Judiciary Committee to move that the Senate concur in the House amendment.

Therefore, Mr. President, I so move.

The motion was agreed to.

CHAO YAO KOH

Mr. DIRKSEN. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate bill 1074.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1074) for the relief of Chao Yao Koh, which were, in line 6, strike out "September 5, 1952" and insert "the date of the enactment of this Act", and in line 7, strike out "head tax and".

Mr. DIRKSEN. Mr. President, on May 17, 1962, the Senate passed S. 1074, to grant the status of permanent residence to the beneficiary as of the date of a previous admission to the United States. On July 2, 1962, the House of Representatives passed S. 1074, with an amendment to grant the status of permanent residence as of the date of the enactment of the bill. This amendment is acceptable.

Therefore, Mr. President, I move that the Senate concur in the amendments of the House.

The motion was agreed to.

MRS. GEOHAR OGASSIAN

Mr. DIRKSEN. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate bill 1889.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1889) for the relief of Mrs. Geohar Ogassian, which was, to strike out all after the enacting clause and insert:

> That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Mrs. Geohar Ogassian. From and after the date of the enactment of this Act, the said Mrs. Geohar Ogassian shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

Mr. DIRKSEN. Mr. President, on May 17, 1962, the Senate passed S. 1889, to grant the status of permanent residence in the United States to the beneficiary. On July 2, 1962, the House of Representatives passed S. 1889, with an amendment to provide only for cancellation of deportation proceedings. Although the Senate language is preferred, the amendment is acceptable.

Therefore, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

HEARINGS ON NOMINATION OF JUDGE THURGOOD MARSHALL

Mr. DIRKSEN. Mr. President, following the last hearings our subcommittee held on the nomination of Judge Thurgood Marshall, it is my understanding that the hearings will be resumed on next Wednesday.

Last week, or the week before, when the subcommittee supposedly had completed its hearings, it was our understanding that counsel had perhaps another 2 hours of interrogation. I hope that at the end of the interrogation the nomination can be reported by the subcommittee to the full committee, that there can be concurrence by the full committee, and that the nomination can be placed on the Executive Calendar.

Mr. KEATING. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. KEATING. It is good news, indeed, that the hearings will resume on next Wednesday. I wish to express my gratitude—because of my deep interest in this matter—to the distinguished minority leader for the great help he has extended in urging that the hearings be completed and for the very vigorous way he has supported the confirmation of this fine lawyer for the Federal bench.

The Senator from Illinois has shown a magnificent understanding of this entire problem; and I am very grateful to him for his assistance.

I express the hope also that there will not be further delay beyond next Wednesday. There has already been a hearing in which some very trenchant inquiries were made by the Senator from Illinois, indicating that there was very little merit in the interrogation. It seemed it went not to the qualifications of the nominee but, rather, to the actions of an organization for which he had appeared as counsel.

I believe in the committee system, and I believe that the subcommittee should have a fair opportunity to finish its work on this nomination. However, this is no excuse for the long delay which has occurred. I have stated before that, unless the subcommittee proceeded by August 1, I would consider it my duty in the full committee to move to discharge the subcommittee from further consideration of the nomination. If we can get action on next Wednesday, it will not be necessary for me to take such action, which I would regret to take.

I must say, however, that if there is further unreasonable delay, I shall feel compelled to pursue such a course and bring the matter to a head in the full committee, where I feel certain the votes exist for the confirmation of this distinguished lawyer and jurist to the Federal court of appeals. Under no circumstances can we permit this nomination to be stalled until it is too late for action in this session of Congress.

Again I express my thanks to the distinguished minority leader.

Mr. DIRKSEN. Mr. President, I concur in what the distinguished Senator from New York has said. A good many questions cropped up in that hearing that had no bearing on the judicial temperament, ability, or competence of the nominee before us. I share the hope that action on the nomination can be expedited and that the nomination can be called to a vote.

FOOD-FOR-PEACE PROGRAM

Mr. HUMPHREY. Mr. President, on the date of July 18, 1962, Mr. George McGovern resigned as director of the food for peace program and as special assistant to the President. On the occasion of his resignation, Mr. McGovern sent a letter to President Kennedy outlining the work of his office and the accomplishment of the food-for-peace program during the past 18 months.

I wish to read a paragraph or two from the letter of Mr. McGovern to President Kennedy. He said:

> Food for peace is not only an outlet for costly farm storages, not only a device to support farm income, not only a valuable commercial market development tool; it is also a useful ingredient of economic development, an invaluable aid to world health, and a powerful corrective to the misery on which tyranny thrives. Food for peace—an indispensable foundation stone in the building of a free and peaceful world—has given the American farmer a vital role in U.S. foreign policy.
>
> During the past 18 months, 93 billion pounds of food have been committed for shipment to over 100 countries. This accomplishment is brought into even clearer perspective when compared with the 80 billion pounds of food to 23 countries shipped during the American relief operations under Herbert Hoover during the World War I decade. It represents a 75 percent gain over commitments for any previous 18-month period.

The President responded to Mr. McGovern's communication in a very warm and personal letter that will serve as a source of gratification and inspiration to Mr. McGovern for years to come. The President stated, in part:

> Yours was an exacting assignment, requiring vigor, intelligence, and understanding of farm problems and a sympathy for the underprivileged of the world.
>
> You were the first food-for-peace director. It was a new office with new horizons. The objectives of the program and the urgency were clear; but there were problems of organization, expansion of existing facilities, encouragement of new techniques, and development of new ideas.

I ask unanimous consent that the two letters to which I have referred, one from Mr. McGovern to the President, and the response of the President to Mr. McGovern, be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
July 18, 1692.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: For the past year and a half, I have had the high privilege of serving as a member of your staff in directing the food-for-peace program. I am deeply grateful to you for this rare opportunity of service to the Nation and the cause of peace.

I have decided after months of careful thought to resign my present post and ask the people of South Dakota to permit me to continue public service in the U.S. Senate, where I believe I am best able to make a distinct contribution at this time. It is my conviction that the youthful, progressive leadership which you have brought to the Nation is needed in the public life of my home State. I should like to think that if the people of South Dakota give me their approval, I can return to Washington next year to work with your administration for a greater South Dakota, a better America, and a more peaceful world.

In creating the White House office on food for peace, you said on January 24, 1961, that "American agricultural abundance offers a great opportunity for the United States to promote the interests of peace in a significant way."

Your words seem all the more appropriate today.

Most of the people of the globe are engaged in tilling the soil; yet, hunger afflicts two-thirds of humanity. Food for peace represents a mighty bridge between an abundant American agriculture and a hungry world.

This program has enjoyed broad bipartisan support from the Congress and the American people since the passage of Public Law 480 in 1954. Under your leadership, however, it has taken on a dynamic new dimension.

Food for peace is not only an outlet for costly farm storages, not only a device to support farm income, not only a valuable commercial market development tool; it is also a useful ingredient of economic development, an invaluable aid to world health, and a powerful corrective to the misery on which tyranny thrives. Food for peace—an indispensable foundation stone in the building of a free and peaceful world—has given the American farmer a vital role in U.S. foreign policy.

During the past 18 months, 93 billion pounds of food have been committed for shipment to over 100 countries. This accomplishment is brought into even clearer perspective when compared with the 80 billion pounds of food to 23 countries shipped during the American relief operations under Herbert Hoover during the World War I decade. It represents a 75-percent gain over commitments for any previous 18-month period.

The largest share of food-for-peace commitments are sales for foreign currencies, with the bulk of the currency earmarked for development grants or loans. We have made more effective use of foreign currency sales by coordinating them with other forms of U.S. aid and by planning them on a multiyear basis.

Since January 1961, we have increased by eightfold the number of countries directly utilizing U.S. food grants for economic and social development capital. Today, in 12 countries American grain is being used to finance part of the wage cost involved in building roads, wells, schools, hospitals, and other projects. In four other countries we have for the first time offered grain to self-help groups engaged in poultry and livestock production, thereby converting low-protein surplus grains into desperately needed high-protein meat, poultry, eggs and dairy products.

Religious and humanitarian agencies in the United States have greatly expanded their role, distributing 4 billion pounds of food to nearly 70 million persons—an increase of 34 percent over the preceding 18 months. The voluntary agencies have been especially effective in strengthening the Alliance for Progress. Food grants to Latin America have increased 100 percent since early 1961.

Perhaps the most dramatic development in food for peace has been the sharp new impetus to the oversea school lunch programs. These programs offer a double thrust because they contribute first to the health of the child and then to improved education. We have noted a striking relationship between school lunch programs and academic performance.

In Peru, for example, attendance has gone up 40 percent since we started the first school lunch program for 30,000 children in early 1961. We are now cooperating with the Peruvian Government to feed 1 million schoolchildren by 1965. A similar program is underway in the chronically hungry area of northeast Brazil.

The number of children receiving food-for-peace school lunches has climbed from 25 million to 35 million in the past year. Plans are in motion for a much larger program, especially in Latin America as a vital part of the Alliance for Progress. In India it is expected that 18 million schoolchildren will be participating in such programs within 5 years.

For the first time, six countries have signed agreements for the purchase of food under long-term deferred dollar arrangements. We have also broadened our food-for-peace package by making available bulgur wheat, rolled wheat, edible oil, shortening, butter, beans, and cheese—in addition to cereals and milk which were available prior to 1961.

Other notable steps of the past 18 months include: (1) The completion of a commodity-by-commodity, country-by-country survey of food reserves and deficits, "The World Food Budget, 1962–66," published by the Department of Agriculture; (2) the establishment of an effective citizens' food-for-peace council, which has tapped the advice of private citizens and organizations and enlisted better public understanding of the program; and (3) the formation of an interagency group to review new food processes and proposals that may add to the nutritional value and effectiveness of our food assistance.

Finally, we have given force to U.S. participation in multinational food programs in two ways. Through U.S. initiative, a world food program of $100 million in commodities, services, and cash has been approved under the auspices of the Food and Agriculture Organization within the United Nations system. Secondly, a Freedom from Hunger Foundation has been established to permit U.S. citizen participation in the U.N.-FAO freedom from hunger campaign. This represents a global effort to enlist the support of private citizens and organizations for projects designed to reduce world hunger.

Thus, we have moved forward on the food-for-peace front in many ways.

The progress of the program cannot and should not be measured merely in terms of the number of tons of food programed for shipment abroad. An emergency famine relief grant or an economic development plan utilizing American food in small countries such as Dahomey, Ecuador, Tanganyika, or Togo may be just as significant in the long-run as the shipment of hundreds of thousands of tons to larger nations.

While continuing to donate food to those who cannot help themselves, to drought- and flood-stricken areas, to refugees, to hungry schoolchildren throughout the world, we have emphasized the use of our agricultural abundance to initiate self-help projects for long-range social and economic development.

The food for peace program manifests the practical humanitarian convictions of the American people. We have made food donations to those in need under programs that dignify, not demean, the individual recipient. We have sold our agricultural abundance for foreign currency or dollars to those countries that could afford to pay. We have bartered, extended credit, loaned or granted back currencies under generous terms to achieve social and economic development objectives. The program is a powerful long-term market development instrument. For example, Japanese children learned to enjoy American milk and bread flour through food for peace; today, Japan is our best commercial customer for farm commodities.

If I were to single out one priority recommendation, I would strongly urge that the United States take an even more active lead in providing a daily school lunch for every needy child in the world. No form of oversea assistance could return greater dividends for so little cost. We should undertake this task with renewed energy because it is right.

I would emphasize also that additional food for peace program officers be placed in selected regions throughout the world.

The food for peace program, as conceived and conducted under your leadership, will continue to improve. The direction in which it is moving is most hopeful for the American farmer, churchman, and citizen, and for the inhabitants of a developing world.

Sincerely,

GEORGE MCGOVERN.

JULY 18, 1962.

Hon. GEORGE MCGOVERN,
Special Assistant to the President,
Director, Food for Peace.

DEAR GEORGE: I accept with deep regret your resignation as Director of the food for peace program.

Yours was an exacting assignment, requiring vigor, intelligence, understanding of farm problems, and a sympathy for the underprivileged of the world. You were the first food for peace Director. It was a new office with new horizons. The objectives of the program and the urgency were clear; but there were problems of organization, expansion of existing facilities, encouragement of new techniques, and development of new ideas. To implement the legislation which led to the creation of the office it was necessary to have a broad knowledge of government and an ability to weld together diverse efforts. You met each of the challenges and resolved each of the problems in such a way that the food for peace program has become a vital force in the world.

It has channeled our agriculture abundance toward relief of hunger and misery, improvement of living conditions, improved educational opportunity, and strengthening of the economies of our friends. The program you headed constituted a powerful barrier to the spread of communism and utilized the technology of American agriculture in a very effective manner. Under your guidance, sales of food for foreign currencies were almost doubled; six times as many countries are using the food-for-wages formula to employ workers to construct hospitals, schools, roads, and wells in developing nations; and the first World Food Bank was created.

We will miss your advice and counsel. However, I am glad you have decided to seek continuance of your distinguished career of public service. Your experience, courage, dedication, training, and understanding will be especially valuable in the Halls of Congress. In the Senate your voice and vote can, I know, make an immense contribution to the economic progress of South Dakota and the Nation.

I am looking forward to working closely with you in the future as I have in the past.

Sincerely,

JOHN F. KENNEDY.

Mr. HUMPHREY. The work of Mr. McGovern as the food for peace Director has warmed my heart and given me reason to feel that my efforts in the Senate have not been in vain. For years I have attempted to promote the concept of food for peace. As a member of the Committee on Agriculture and Forestry and as a member of the Committee on Foreign Relations I have conducted hearings.

Mr. MORSE. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. I yield.

Mr. MORSE. I rise to pay my high compliments to the Senator from Minnesota [Mr. HUMPHREY] for his leadership in the food for peace program. No Senator has been more determined than the Senator from Minnesota in regard to the food for peace program. I remember that in one of the eloquent speeches he made he pointed out—and I paraphrase but the meaning I know is accurate—that our country is a great religious Nation. We could not very well justify a failure to put into practice our great spiritual beliefs. The food for peace program is, after all, a great humanitarian program, consonant with all the spiritual concepts of the American people.

The Senator has performed a great service to the people in the underdeveloped areas of the world where there is a shortage of food. I should like to associate myself with him in his high commendation of Mr. McGovern. The Senator from Minnesota and I are both members of the Committee on Foreign Relations. We know whereof we speak when we say that Mr. McGovern has carried on within the spirit and intent of the program, designed to bring food to the underprivileged of the world. I think he is deserving of every tribute and every word of praise that the Senator from Minnesota is speaking in respect to him.

Mr. HUMPHREY. Mr. President, I thank the Senator from Oregon. I am pleased to note that the Senators who are present in the Chamber—including the Senator from Oregon [Mr. MORSE], the Senator from Wisconsin [Mr. PROXMIRE], and myself—have been very active in the effort. As I have indicated, it has been one that has borne virtue—the virtue of accomplishment, of good will, and of strengthening the nations to which the food and fiber were directed.

RICHARD REUTER — EXCELLENT CHOICE FOR FOOD FOR PEACE ADMINSTRATOR

Mr. HUMPHREY. Mr. President, I would like to take this occasion to say how pleased I am at the recent appointment by President Kennedy of Richard W. Reuter to serve as the new Director of our food for peace program.

I can think of no person more eminently qualified for this important position. Richard W. Reuter has been associated with CARE since 1946 and has been the executive director of CARE for the past 7 years.

Throughout these years Mr. Reuter has worked on a day to day basis with the various voluntary agencies in our country which are doing such an important job in helping to feed the world's hungry people. He has traveled countless miles throughout the world to see at first hand CARE's operations in the many countries which it serves. In short, Mr. President, Mr. Reuter brings to his new position a wealth of experience such as could be attained only through working in such an organization as CARE.

I am confident that Mr. Reuter will be a knowledgeable, hardworking, imaginative and dedicated director of our food for peace program. He will maintain the high standards of excellence in coordinating this program that we witnessed under the able direction of George McGovern.

I am sure that I speak for the entire Senate in wishing Mr. Reuter well in his new position. Our food for peace program is in the best of American traditions. It has done much to relieve human misery throughout the world. It has brought to the peoples of many lands a clearer and truer picture of our country and what we stand for.

In conclusion, Mr. President, I ask unanimous consent to have printed in the RECORD a biographical sketch of Mr. Richard W. Reuter.

There being no objection, the sketch was ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL SKETCH: RICHARD W. REUTER

Richard W. Reuter, executive director of CARE, has had a firsthand view of international problems and crises for the past 16 years. To gain insight into local conditions, relate CARE's programs to the terms of world need, he has traveled more than a million miles abroad; met with heads of state and private citizens; surveyed CARE operations in every country it serves. He has also traveled extensively throughout the United States to report to the American people on what CARE is doing, in their name, to help feed hungry peoples and give them the means to help themselves.

Mr. Reuter jointed CARE's staff in the fall of 1946, when the international voluntary-aid agency was less than a year old. He served as assistant executive director and then as deputy director before being appointed to his present post in July 1955. Under his direction, CARE has placed increasing stress upon combining food and self-help supplies for maximum benefit in the developing countries. Most recently, it opened service to new nations in Africa; added a professional arm by joining forces with Medico, which now operates as a service of CARE, to help provide medical treatment, training, and facilities in critical health areas.

Born in Brooklyn, N.Y., in 1918, Mr. Reuter now lives in East Setauket, Long Island, N.Y., with his wife and four children. He took his bachelor of arts degree, with high honors in economics, at Amherst College in 1938, and studied business administration at Columbia University. Before joining CARE, he was with Abraham & Straus department store and served for almost 2 years with the American Friends Service Committee. He is also a former assistant editor of Town and Country magazine.

Mr. Reuter is a vice chairman of the American Council of Voluntary Agencies for Foreign Service; a director of the U.S. Committee for Refugees, the Consumers Union and the Philippine American Science Foundation; a member of the American Food for Peace Council and the U.S. Committee of the International Conference on Social Work; a director and past president of the New York State Citizens Council, and past president of the Setauket Civic Association.

In recognition of CARE's service to their people, Mr. Reuter has been decorated by the Governments of Iran, Italy, Bolivia and the Philippines. He has also been awarded the Grand Cross of the Order of Merit, rank of Commander, by the West German Federal Republic; the Order of George I, rank of Commander, by the Government of Greece; the Order of Quetzel, by the Government of Guatemala; the Gold Medal of the Confederazione Cooperativa Italiana; the Order of Francisco Morazan, by Honduras; the Gold Medal, Red Crescent Society of Turkey. With the approval of Queen Elizabeth, he was appointed an Associate Commander (Brother) in the Order of St. John.

MAY 1962.

TRIBUTE TO MAJ. GEN. MELVIN J. MAAS

Mr. HUMPHREY. Mr. President, one of my oldest and dearest friends is a man who is an inspiration to everyone who knows him. I refer to Maj. Gen. Melvin J. Maas, U.S. Marine Corps Reserve, retired, Chairman of the President's Committee on Employment of the Handicapped. General Maas has inspired literally thousands of people to overcome their handicaps and he also has lent his illustrious name and his great energies to such programs as the people-to-people program, with significant effect.

Mr. President, Major General Maas is also a perceptive student of world affairs, and in a recent article in the Veterans of Foreign Wars magazine, he has written a trenchant exposé of the Communist distortion of some of our "good" words. I commend it to my colleagues.

Mr. President, I ask unanimous consent to have printed in the RECORD an article by Maj. Gen. Melvin J. Maas, U.S. Marine Corps Reserve, retired, entitled "Dictionary in Double-talk."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DICTIONARY IN DOUBLETALK

(By Maj. Gen. Melvin J. Maas, U.S. Marine Corps Reserve, retired)

(EDITOR'S NOTE.—Fighting marine, distinguished former Congressman, and now an outstanding business executive, General Maas is also an author of note. The general consistently demonstrates that blindness is but a small handicap for him. Since 1954 he has served as Chairman of the President's Committee on Employment of the Physically Handicapped. And in this witty and pertinent article he tells how easy it is to see through all those lies the Communists tell.)

It's lucky Gertrude Stein, the American-born poet who spent most of her life in Paris, never decided to move to Moscow.

If she had, her famous line, "a rose is a rose is a rose" might never have been written.

For, in the Union of Soviet Socialist Republics, a rose isn't always a rose isn't always a rose. Neither is democracy is democracy is democracy. Neither is freedom is freedom is freedom.

The Russians have developed a vocabularly all their own. Only when you find the key can you make much sense out of what you read and hear from behind the Iron Curtain. If you don't have the key, you had better watch out; you will drown in a sea of doubletalk. Or even tripletalk.

To help you out in such instances, here is a brief guide to what means what in the land of the Soviets—or, more accurately, what does not mean what. Or, to put it differently, here are instances when a word is not a word is not a word.

Aggression. A nation shows the spunk to defend itself against Communist invasion. This defense, in Communist talk, is termed "aggression."

Capitalism. Mr. Khrushchev shakes his finger and warns the uncommitted nations of the world that capitalist countries like the United States will get them if they don't watch out. But look who is calling who "capitalist."

Actually, the only true "capitalist" nations on the globe today (using that word as defined by Karl Marx, and Frederick Engels, the granddaddies of communism) are Red Russia and Red China.

The test of "capitalism," according to Marx and Engels, is who's the "Mr. Big" of industry. Is there one person, or one small coterie, who controls employment, controls production, controls sales, controls distribution, controls profits? In a word, are there profiteers?

In Red Russia and Red China there are profiteers. They are the party officials—the big wheels of the Communist bureaucracy. They are the ones who ride around in sleek black cars and live in lush mansions. Profiteering? They could teach the rest of the world some tricks.

The United States, on the other hand, has deviated quite far from the old tin-type of "capitalism" as defined by Marx, Engels, and company. It would be more accurate to term our economic system "social or people's capitalism."

For in America today, ownership of industry and business is not in the hands of the few, but in the hands of the many.

The people who run American business and industry actually are the millions upon millions of stockholders and shareholders. They may elect boards of directors to speak for them, but they don't often let loose of the reins.

Profiteering? It doesn't happen very often any more. The fruits of business enterprise are sliced so many ways—the shareholders, the employees, Uncle Sam himself—that there is not much left for profiteering.

Democracy: A system, as the Communists have it, where everybody is equal, only some are more equal than others.

Diplomatic immunity: Spying license.

Disarmament: This means the other fellow throws away his arms while the Communist nation goes full speed ahead with its own military build-up. Sometimes this sort of "disarmament" also is known as a "peace drive."

Discrimination: It is bad wherever it exists in the world—in America, in Russia, elsewhere.

The Russians yell "discrimination" at America—and, true enough, they put their finger on a sore spot of democracy. But then they keep perfectly mum about—

1. The great progress we have been making in America in wiping out discrimination and broadening equality for all.

2. Vicious discriminatory practices that go on right in Russia's own backyard.

Yes, Russians discriminate—not against Negroes (their numbers are insignificant) but against Asiatics. In fact, they could open the eyes of the worst of bigots.

In Asiatic Russia, with its millions and millions of people, here is what you find: A requirement that top government careers go only to college graduates. But higher education is conducted only in the Russian language (spoken by European Russians). Asiatic Russians as a rule don't speak or understand the language of the colleges. So, how can they go? Not being able to go, how can they qualify for government jobs?

They can't.

Easing tensions: World tensions can be eased, argue the Russians, if the United States gets rid of all oversea bases and withdraws all troops from wherever they might be stationed in the world.

The whole point is whose tensions is Russia interested in easing—hers or ours?

Elections: In America, when we say we will murder the opposition political candidate, we do—at the polls. In the Communist countries, when the say they'll murder the opposition candidate, they do—period, exclamation point.

Freedom: It all depends on whom you're talking about. For the Communist party official, it means freedom to live high off the hog. For the rest of the residents of Iron Curtain lands, it means freedom to think about living high off the hog—as long as you keep your thoughts to yourself.

Imperialist: What the Communists call the United States, usually preceded by "dirty."

Actually, if they took time to read recent history they would discover, to their chagrin, that the United States undoubtedly has been one of the least imperialistic nations in all of history.

There was a time, a generation or so ago, when the United States could have followed the sweep of 19th Century expansionism and carved out a huge empire, in the Western Hemisphere and in Asia. Yet imperialism, even then, was farthest from America's mind.

Even when the United States occupied Cuba and the Philippines, the aim was not exploitation; it was to help them learn to help themselves. When they were ready for independence, America granted it willingly, with its blessing. The United States views independence the way newlyweds view marriage. We want to see all other nations free and independent, like ourselves; the newlyweds want to see all their single friends hitched in matrimony, like themselves.

If there's any old-fashioned rip-roarin' imperialism left in the world today, you can find it on the Communist side of the world. Russia holds tightly a great colonial empire consisting of satellite nations. And Red China is making ugly noises with an imperialist ring to them.

Liberation: Liberating people from their liberty.

Masses and classes: The Communists would have you believe that in America the upper classes exploit the lower classes.

The trouble is, it is getting more and more difficult to tell one class from another. They wear the same suits, drive the same car, shop at the same supermarkets, attend the same movies, use the same power mowers on Saturday mornings, visit the same barbers, read the same books and magazines, and send their kids to the same schools. If there's any difference, it's that members of the upper classes seem a bit more harassed than members of the lower classes.

In case you really want to see class distinctions that are class distinctions, look inside Russia. There, the party bosses sop up the gravy, and the masses of factory workers and peasants live off the end of the pumpernickel.

Negotiation: You accept my point of view; I accept my point of view. In this way we negotiate an agreement.

Neutrality: Neutrality means being pro-Russian and anti-American. What else?

Peace: An absence of shooting, giving the democracies an opportunity to go to sleep in the quiet and giving the Communists' countries an opportunity to build up for war.

Republic: A system consisting of a legislative body which does not legislate, a President who doesn't preside, elections which don't elect, and a voice of the people which had better not speak—or else.

Treaty: A handsome hand-lettered parchment document which everybody signs amid popping flashbulbs and cries of "Just one more picture, please." Treaties, like children, believe the Communists are to be seen and not heeded.

Wage slave: A typical employee in the United States who, after deciding which suit to wear and after downing a hearty breakfast of bacon and eggs, drives to work in his new car, cursing all the other new cars on the highway for causing unnecessary traffic tieups.

"When I use a word," said Humpty Dumpty in Lewis Carroll's "Alice in Wonderland," "it means just what I choose it to mean—neither more nor less."

The Red Humpty Dumpties follow the same rule. Their words mean just what they choose them to mean. And if perchance black means white, and a rose means sour cream, and freedom means tyranny, and happiness means misery—well, that's just the way Red Humpty wants it.

Only for our own protection and our own defense, we had better keep ourselves informed of the vague meanings of Communist words.

If we don't, we might find ourselves embroiled in a hot peace with their disarmaments blasting away at our shores.

PASS THE YOUTH CORPS LEGISLATION NOW

Mr. HUMPHREY. Mr. President, at the recent National Convention of Juvenile Court Judges, the judges took official action to endorse the concept of the Youth Conservation Corps, incorporated in H.R. 10682 and S. 404.

In the letter of transmission from Judge Benjamin S. Schwartz informing me of this fine action by the national convention, the judge commented as follows:

> We judges continually discuss the problems of dropouts, unemployment, keeping juveniles off of the street, lack of motivation, and wasting of our youth. Here is a great opportunity to help provide an answer to these calamities.

Mr. President, I hope that there will be an opportunity at an early date for the House of Representatives and the Senate to act upon this needed legislation.

I invite the attention of the Senators to an article in this week's Life magazine dealing with what are called opportunity camps. These opportunity camps for young people are similar to the Youth Conservation Corps program which I advanced in S. 404 and which has been proposed in H.R. 10682.

It is inconceivable to me that with more than 800,000 young people every year falling into the category of school dropouts, this Nation hesitates to undertake action to do something about this great social problem.

The Youth Conservation Corps concept or the opportunity camps as outlined in Life magazine of this week, or the youth employment programs outlined in the administration's bill offer some means of providing constructive employment and constructive use of the vast storehouse of energy in young people. It is beyond me how Congress can delay taking action in this field.

The Senate passed the bill once before, only to find it going without action in the other body.

This year we have waited for the House of Representatives to take action first, with the feeling that there was support in the Senate, as there was once before, for this legislation. I have met recently with representatives of school systems of our country and with representatives of groups working with young people on the whole subject of school dropouts and juvenile delinquency.

Every one of the responsible leaders of young people and every responsible educator endorse enthusiastically the Youth Conservation Corps proposal. It is a moderate proposal in size and cost; yet we go year after year, and month after month, shedding crocodile tears on juvenile delinquency and doing very little about it. There is not one shadow of doubt that the proposed youth camps could be a wonderful source of gainful employment for young people, education, the strengthening of bodies, and the refreshing of hearts and minds. I am hopeful that before the end of the month the Rules Committee of the House will give a rule for the consideration of the bill and that the bill will be called up for action in the Senate.

The policy committee of the Senate has approved S. 404 for action, but, as I have said, we want to make sure that this time we are going to have the cooperation of the other body that the bill will become law, and that we will not be engaged in a mere exercise in legislative processing.

Mr. President, I ask unanimous consent to have printed in the Record at this point the report of the committee on work camps for youth, recently made at the national convention of juvenile court judges.

There being no objection, the report was ordered to be printed in the Record, as follows:

Report of Committee on Work Camps for Youths

Your chairman initially sent questionnaires to the members of the work camp Committee due to the handicap of distance preventing a personal meeting. From replies received, it was evident that this committee could move best in the direction of national work camps. Pending in Congress were bills to accomplish this purpose. Your chairman corresponded with Senator Hubert H. Humphrey and Representative Carl D. Perkins, who were the chief advocates of this project in their respective legislative bodies. It was recommended by these gentlemen that Representatives and Senators should be solicited by the judges in their States to support this legislation.

Thereupon your chairman selected names of outstanding juvenile court judges in the 50 States, and requested them to communicate with the Congressmen in their States and inform them of our position in favor of such bills. Practically all did a thorough job, and at this time we want to acknowledge and thank them for their invaluable help. A list of these judges is attached.

This had a very good and profound effect and many of the judges received a favorable acknowledgment from their Congressmen. Bill No. 10682 in the House of Representatives was approved by the Committee on Education and Labor and is now in the lap of the Rules Committee. Thereupon judges were contacted in the States where the members of the Rules Committee resided, who again sought the support of the committeemen. The enactment of this legislation hangs in the balance. Mr. Perkins wrote to your chairman as follows:

"The Youth Employment Opportunities Act of 1962, H.R. 10682, which includes provisions for the Youth Conservation Corps in title I, was reported by the House Education and Labor Committee favorably on March 29, 1962, and is now pending before the Rules Committee. On the 16th day of May, I appeared before the Rules Committee to request granting of an open rule with 3 hours' debate limitation. The Rules Committee has not concluded or rescheduled hearings on the matter. I am hopeful that further and more favorable information will be available as to the progress of the legislation in the near future."

Only today (June 27, 1962) your chairman spoke long distance to Mr. Perkins in Washington and he stated that if this convention would give their important support to this bill it would have an excellent chance of being enacted.

Senator Hubert H. Humphrey wrote:

"We are hopeful that the House Rules Committee will soon grant a rule so that it can come before the House. The vote in the House will be extremely close. We are waiting here in the Senate to see what action is taken in the House of Representatives. We are still hopeful for action in this session."

It would be like "carrying coals to New Castle" for this committee to tell the convention of the tremendous need for work camps. Many of us have been working for years to accomplish this. We judges continually discuss the problems of dropouts, unemployment, keeping juveniles off of the streets, lack of motivation, and wasting of our youth. Here is a great opportunity to help provide an answer to these calamities.

Also in this bill is a separate provision for a council for developing opportunities for the employment of youth, both male and female, in States and local service programs. This also is a tremendous help with our problems and should be an additional reason for our support.

Therefore, this committee recommends to this convention:

1. Enactment of a resolution approving this Federal legislation for youth work camps and giving wide publicity to our endorsement.

2. Each judge constitute himself a committee of one to communicate properly with his Congressman on behalf of these bills and strongly urge their adoption. This must be done immediately. Then too we must arouse interest back home and urge your community's interest and support. Who knows, our organized effort could tip the scales in favor of the success of this needed legislation.

America looks to the juvenile court judges for leadership in dealing with youth. This is a chance to assert it.

Since time is of the essence, this committee passes on to you judges, individually and collectively, your immediate cooperation in this worthy cause.

Appreciatively submitted.

Benjamin S. Schwartz, Chairman; Archie Gingold, George Edwards, Robert Baird, C. M. Barnhart, Frances Sleep, Russell Brumfield, Fernley W. Long, judges; William G. Long, Associate Chairman; Stanley A. Staidl, County Judge; Thomas Tallakson.

Alabama: Hon. Herndon Inge, Jr., Mobile.

Alaska: Hon. Hugh H. Connelly, Fairbanks.

Arizona: Hon. Paul H. Castro, Tucson.

Arkansas: Hon. R. A. Campbell, Little Rock.

California: Hon. Melvyn I. Cronin, San Francisco.

Colorado: Hon. Philip B. Gilliam, Denver.

Connecticut: Hon. Stanley P. Mead, Bridgeport.

Delaware: Hon. Marion Stevenson, Dover.

District of Columbia: Hon. Orman W. Ketcham, Washington.

Florida: Hon. Walter Scott Criswell, Jacksonville.

Georgia: Hon. L. Olin Price, Athens.

Hawaii: Hon. Gerald R. Corbett, Honolulu.

Idaho: Hon. Frances Sleep, Sand Point, member of Work Camp Committee.

Illinois: Hon. Michael Kinney, Edwardsville.

Indiana: Hon. Harold N. Fields, Indianapolis.

Iowa: Hon. Donald P. Barnes, Cedar Rapids.

Kansas: Hon. Charles Rankin, Lawrence.

Kentucky: Hon. Russell Brumfield, Nicholasville.

Louisiana: Hon. Leo B. Blessing, New Orleans.

Maine: Hon. Hilary F. Mahoney, Saco.

Maryland: Hon. Alfred D. Noyes, Rockville.

Massachusetts: Hon. Paul K. Connolly, Waltham.

Michigan: Hon. Robert Baird, Cheboygan, member of Work Camp Committee.

Michigan: Hon. George Edwards, Lansing, member of Work Camp Committee.

Minnesota: Hon. Thomas Tallakson, Minneapolis, member of Work Camp Committee.

Minnesota: Hon. Archie Gingold, St. Paul, member of Work Camp Committee.

Mississippi: Hon. Carl Guernsey, Jackson.

Missouri: Hon. Henry Riederer, Kansas City.

Montana: Hon. Sid G. Stewart, Anaconda.

Nebraska: Hon. Lyle E. Jackson, Neligh.

Nevada: Hon. John Mowbray, Las Vegas.

New Hampshire: Hon. John W. Dole, Bristol.

New Jersey: Hon. Horace S. Bellfatto, Newark.

New Mexico: Hon. Edwin L. Swope, Albuquerque.

New York: Hon. Leo J. Yehle, Syracuse.

North Carolina: Hon. W. I. Gatling, Charlotte.

North Dakota: Hon. W. C. Lynch, Bismarck.

Ohio: Hon. Benjamin S. Schwartz, Cincinnati, chairman, Work Camp Committee.

Oklahoma: Hon. Mildred I. Patterson, Guthrie.

Oregon: Hon. C. M. Barnhart, Dallas, member of Work Camp Committee.

Oregon: Hon. Fernley W. Long, Gold Beach, member of Work Camp Committee.

Pennsylvania: Hon. Edward Dumbauld, Uniontown.

Rhode Island: Hon. Francis J. McCabe, Providence.

South Carolina: Hon. J. Wilbur Hicks, Greenville.

South Dakota: Hon. Mose S. Landau, Aberdeen.

Tennessee: Hon. Richard F. Douglass, Knoxville.

Texas: Hon. J. W. Mills, Houston.

Utah: Hon. Monroe J. Paxman, Provo.

Vermont: Hon. Carl S. Gregg, St. Albans.

Virginia: Hon. William T. Finley, Falls Church.

Washington: Hon. W. G. Long, Seattle, associate chairman, Work Camp Committee.

West Virginia: Hon. Arlos J. Harbert, Clarksburg.

Wisconsin: Hon. Stanley A. Staidl, Appleton, member of Work Camp Committee.

Wyoming: Hon. Sam M. Thompson, Cheyenne.

Mr. HUMPHREY. Mr. President, I appeal to the media of press, radio, and television to give us support on this worthy legislation. If ever there was a time when we needed to mobilize public opinion in favor of a program in Congress, which will work with the States and localities to meet social problems at home, that time is now at hand. I am hopeful that we can arouse public opinion, which will result in something being done about this problem.

LATIN AMERICA—TAX REFORM

Mr. HUMPHREY. Mr. President, in the prolonged and drawn out world struggle in which we are presently engaged, the crucial role of Latin America is apparent to all. We are also well aware of the conditions of grinding poverty facing the bulk of the population in many of these Nations, conditions that provide a fertile breeding ground for communism. If no constructive alternative, such as the Alliance for Progress, is undertaken to alleviate these conditions through timely action, the prospects for peaceful reform will be dashed by the hammer blows of anarchical revolution.

It is equally important, however, that the Latin American nations themselves take steps to reform their economic and social structure. Otherwise the Alliance for Progress can hardly succeed in bridging the gap between rich and poor and thus providing a base for sustained growth and development. One of the most serious problems in many of these countries, as my good friend and colleague from Illinois [Mr. DOUGLAS] has so ably pointed out, is that much of the revenue already earned by these countries is not being utilized for the benefit of the majority of the people. Instead it is being hoarded or sent out of the country by the elite upper crust, which in so doing is only serving to seal its own doom as well as to sabotage our efforts to help.

One crucial source of this problem is the thoroughly inadequate and anachronistic system of taxation and tax collection employed in these countries. The Vision newsletter, in its July 3 issue, contained a supplement which, utilizing studies made by the Harvard Law School International Program in Taxation, and other such reliable sources, presents an excellent penetrating survey of this whole problem. I therefore ask unanimous consent to have this supplement, entitled "More From Those Who Have Most, Tax Reform in Latin America," placed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MORE FROM THOSE WHO HAVE MOST

(By William H. MacLeish, special reports editor)

(Taxation, well conceived and in capable hands, is one of democracy's most potent tools for progress in the underdeveloped countries. It keeps the pumps of public spending running smoothly. It stimulates private savings and channels private investment into areas where it is most needed. It relieves explosive social pressures by narrowing the gap between rich and poor. In Latin America, these aspects of taxation are only now beginning to be considered. The following article, adapted from a report published recently in Vision, examines what is being done and what remains to be done to give taxes the bite and balance they must have to do the jobs assigned them under the Alliance for Progress)

Whatever else it may be called, the Alliance for Progress is essentially an alliance of taxpayers. Or rather, it must develop into one if it is going to work. Technicians can draw up plans by the fileful. Politicians can define and redefine objectives. But nothing is going to happen unless U.S. taxpayers agree to increase their already considerable stake in Latin American development. And nothing whatsoever is going to happen unless Latin American taxpayers and, more importantly, those who should pay taxes but don't, submit to the logic of investing heavily in their own future.

No one knows how much the Alliance will cost, though preliminary estimates run to at least $100 billion for the 10-year span ($80 billion to be raised in Latin America and the rest supplied by Washington, international lending agencies, and private United States and European investors). But there is no doubt whatsoever about the role tax revenues will play. They will be outweighed by private funds in the end, true, but only if they are well utilized in the beginning. Without prudent public spending for roads, schools, housing, and other basics, the shrewdest entrepreneur will be at a loss to market his goods, much less to round up and train the people he needs to turn them out.

The trouble is that taxation is not being well utilized. Every Latin American republic save Cuba has agreed under the terms of the Alliance for Progress to "reform tax laws, demanding more from those who have most, to punish tax evasion, and to redistribute the national income in order to benefit those who are most in need, at the same time promoting savings and investment and reinvestment of capital." Some governments, prodded by increasingly inflationary budget deficits, have taken steps to implement the agreement, both on their own and with assistance from international, inter-American, and private sources. But most tax systems remain as they were, geared to the status quo, complex and unjust, weighing heavily on the middle and lower classes and ever so lightly on the upper. Change is hobbled by bureaucratic inertia, by public ignorance and—perhaps most of all—by the number of issues involved.

Tax reform covers more ground, more sensitive areas, than any other reform in the Alliance charter. It is indissolubly linked with reform of public spending. It envelops the entire field of capital accumulation, so important in a developing economy. It bears directly on the explosive question of income distribution. It sets the boundaries between what is public and what is private.

This regulatory concept of taxation is as recent as it is revoluntionary, and there are few signposts to follow. Small wonder that there should be considerable pushing and shoving over what path to take in developed as well as underdeveloped countries. Consider the conflict among the goals specified in the Alliance charter. For example, a tax that "demands more from those who have most" may discourage savings and investment. Redistribution of the national income, if carried to extremes, would do the same.

With 19 Latin American countries involved, there obviously cannot be one set of solutions. But solutions must be found quickly. There are too many new mouths to feed, too many schools to build, too much inflation to curb to permit the luxury of delay.

THE ANTITAX MENTALITY

In the casual observer's notebook, "Latins" are warmblooded, tempestuous people who like making love and hate paying taxes. This is true. But it in no way distinguishes the "Latin" from any other human being in his right mind. The United States, rated by most Latin Americans as the inner sanctum of coldblooded puritanism, has seen its full share of scuffles over taxes—from the Boston Tea Party to a revenuers' raid on a mountain still. U.S. taxpayers make use of a small army of lawyers and accountants specially trained to find loopholes in the law. Thanks to legal avoidance or just plain evasion, some $25 billion of taxable income go unreported annually—enough to provide the hard-pressed Treasury Department with $4 billion in additional revenues.

Yet almost all of what is owed is paid. The U.S. Internal Revenue Service gets somewhere around 95 percent of what it should, most of it sent in voluntarily—if ruefully.

In Latin America, the situation is something else again. Because there are no comprehensive statistics, no one knows just how much that should be taxed remains untaxed. "If we knew that," Argentina's crack tax administrator, Manuel Rapoport, told Vision, "there wouldn't be any evasion." But the experts do know where evasion is practiced most commonly—among the merchants and traders, big and small, and among professional men and landowners. And they know how it is practiced—through double sets of business books, falsified invoices, contraband, bribery, delaying tactics (repeated petitions for change or extension of payment schedules), and through manipulation of the ubiquitous bearer share or bond (payable to the bearer rather than to a specifically named individual).

Rough estimates can be made from these bits and pieces: In Ecuador, only 50 to 70 percent of taxable income is reported, and contraband reduces the cigarette tax yield by about 30 percent; in Mexico, revenues from the business community are about one-third what they should be; in Argentina, income tax evasion runs close to 40 percent. In many other countries, the figure approaches 50 percent.

If "antitax mentality" doesn't explain this striking lack of compliance, what does? Here, in the opinion of most knowledgeable tax men, are the major factors:

Lack of faith in government: Throughout most of Latin America there is an ingrained suspicion of the motives and morals of those in authority, a suspicion based all too often on historical if not contemporary fact. Despite the increase in numbers and influence of well-trained and dedicated administrators in the last decade or two, the feeling persists that governments and all their works are riddled with corruption.

From Mexico City to Buenos Aires, taxpayers can see with their own eyes the incredible sprawl of bureaucracy. They can estimate its cost. (Of the $10 billion or so which Latin American governments spend annually, almost two-thirds go to pay government salaries; the figure in Argentina is about 80 percent.) And they can feel its bungling hand on the economy in the enormous deficits built up by most state-operated enterprises. Why, says taxpayer González, should I make a sacrifice to the treasury man when it's pesos to tamales that I'll never get 1 cent back in benefits?

Inflation: Even in the best of times, a man will defend his income as best he can. But when inflation gnaws a hole in his purse, he becomes desperate. Few Latin American countries have experienced the inflationary horrors of Bolivia, where the cost-of-living index has rocketed more than 3,000 percent since 1953 and where the catchword is "there's no money for anything, least of all for paying taxes." But in almost every republic, inflation is making a mockery of firm prices on everything from land to toothbrushes. One result: the incentive to save and invest productively has gone by the board, replaced by the incentive to evade taxation at all costs.

The dual society: "No one believes in anybody" is a phrase often used to describe the social atmosphere in Latin America. And with good reason. Cohesive national societies of a sort that inspires loyalty and a sense of identity simply don't exist in many Latin American countries. There is the society of the rich and the society of the poor and, until such time as the middle classes are strong enough to bridge the gap, never the twain shall meet.

A glance at the income distribution tables—the few that have been made in Latin America—tells the story. In Mexico, for example, 46.1 percent of the family units received 13.8 percent of total personal income in 1957. At the other end of the scale, 2.3 percent of the families raked in 24 percent of the income. In Venezuela, in the same year, 12 percent of the families accounted for 50 percent of personal income, while 45 percent received only 10 percent. The wealthiest 3 percent get one-quarter of all personal income in Chile, and the top 8 percent get over one-half in El Salvador. In the United States, the top 10 percent get 31 percent, and the bottom 60 percent receive about 32 percent.

No one but the Communists advocates equal incomes for everyone (though it has been reported that some Red incomes are getting more equal than others these days). If there is to be accumulation of capital, there must obviously be accumulation of wealth. But in most instances, wealth in Latin America is idle. A World Bank study in Nicaragua revealed that if the wealthiest 1 percent of the country would invest just 10 percent of its annual income in worthwhile ventures, the rate of productive investment would shoot up 50 percent. One qualified observer believes that in the last 15 years, the Chilean rich have spent well over 60 percent of their incomes on conspicuous consumption. Another estimates that "in more than one Latin American country that is reputedly 'short of capital' the sums that have been spent in Paris in the last half century by wealthy natives would have endowed the country with a modern transportation system and a well-equipped industrial plant." It is anyone's guess how much homegrown wealth is salted away in the bank vaults of New York, Geneva, and London. But a conservative estimate of Latin American flight capital since the end of World War II would be on the order of $15 billion.

Taxation isn't much of a bother for the well to do. The uppercrust in Chile pays 15 percent or less of its income to the Treasury. The continent-wide average of top income tax rates is a bit under 40 percent, as against almost 90 percent in the United States. Says taxpayer González: why should I put my money to work for the good of society when others are leaving theirs idle? Why should I pay the tax collector when those who can afford to pay so much more than I get off so lightly?

The tax system: A good deal more than 50 percent of Latin America's tax revenues come from indirect taxes—so-called because they can be passed on to the consumer. Among these are excise taxes (covering particular commodities), sales taxes (covering a broad range of goods), stamp taxes, and import duties. The direct tax, aimed directly at income earned or unearned, plays a relatively minor role except in Colombia and Peru. It also has significance in countries with well-developed extractive export industries. Venezuela, for example, gets about 66 percent of its tax revenues from oil and Chile picks up a substantial amount from copper. This situation seems to satisfy both extremes of the political spectrum. Since most extractive industries are foreign-owned, leftists can say with at least some degree of accuracy that they are soaking the Yankee imperialists while waiting to nationalize Yankee assets. At the same time, wealthy rightists can relax in the knowledge that the tax man won't knock at their door so long as the extractive industries remain solvent. Whatever its political advantages, the practice does nothing for Latin America's economic development.

From the point of view of sheer numbers, the taxes on the books in most of the republics stagger the imagination. In Bolivia, specialists have tallied over 2,000, most of them long forgotten. One reason for the proliferation: Latin American governments have a peculiar penchant for fitting specific taxes to specific projects. Earmarking of tax funds not only makes for confusion but for dangerous economic rigidity as well. With so much of its spending money tied down (the figure runs over 40 percent in Peru), a government cannot have the flexibility it needs to head off slumps and bumps in the economy.

Latin America has no monopoly on fiscal confusion. The United States is saddled with a tax code 1,148 bewildering pages long. In spite of—or perhaps because of—50 years' experimentation with the income tax, there are so many complexities to contend with that even the experts give up in disgust.

Even this degree of confusion is excusable if taxes do approximately what they are designed to do without hurting too many people in the process. This is not the case in Latin America. Sometimes the manufacturer or importer cannot pass the entire indirect tax on to the consumer. In other instances, price pyramids—increases far in excess of actual tax costs—build up on goods as they move along the various channels of distribution. As Argentine tax expert Alberto T. López puts it: "A glass of beer is half full of taxes and the rest, including the head, is the beer you're paying for."

Indirect taxes are the same for every consumer, rich or poor. This may sound like the essence of equity, but in practice it isn't. Paying the tax on a liter of kerosene is no trouble for the middle or upper class consumer, but it is a heavy burden for the average campesino. Only in the upper range of consumption—automobiles, appliances, jewelry, and the like—are these taxes liable to be equitable in that they apply to those consumers best able to pay.

Income taxes have been around Latin America for some time. Mèxico first levied one in 1921, Chile in 1924. With few exceptions, they are antiquated in concept, replicas of early French and Italian experiments. They are schedular rather than unitary—i.e., they divide income into categories (salaries, business profits, professional fees, etc.) and tax each category at different rates rather than treating income as a single unit. The resulting confusion is enough to give even the most meticulous taxpayer the blind staggers.

Corporations and individuals tend to get identical tax treatment. This might have been advisable years ago when business ventures were family owned and when business profits were indistinguishable from individual income. But now that the modern corporation has come on the Latin American scene, the practice is obsolete, unfair, and encourages inefficiency in business. An individual may split up his income to avoid placing himself in a higher tax bracket. A corporation, faced with the same dilemma, will split itself.

Very little research has been done on the tax burden in the various Republics. But enough is known to indicate that most of the load falls on the shoulders of the middle classes, particularly the salaried man, whose income is usually taxed at the source through a withholding system. Business taxes are relatively high, but taxes on wealth and real estate are usually inconsequential. The tendency is to favor income from capital as against income from work.

Tax administration: Since colonial days, when a high tax post ranked with the best patronage had to offer, tax administration in Latin America has suffered from an overdose of politics. A change of government in many a country throws job security out the window, as friends are rewarded and enemies punished.

The administrative structure itself is liable to be rigid and overly centralized at the top level, with too much responsibility placed in too few hands. By contrast, operations are apt to be split every which way. In Peru, for example, tax collection is divided among the tax superintendency of the Ministry of Finance and Commerce, the customhouse, and a private corporation formed by a bank consortium. In several countries, things have reached such a point that the central government has little idea of what tax revenues are going where. In one small republic a recent survey showed some 800 entities active in tax collection, most of them privately operated. Only about 35 percent of tax revenues was going to the national treasury. In at least one other, town governments are still practicing the ancient custom of selling or auctioning off the right to collect and keep certain taxes.

The majority of Latin American tax administrators and agents are not the corrupt ogres they are made out to be in the public mind. However, because pay is low and job insecurity high, the urge to turn a dishonest peso is constant, heightened by the lack in most tax systems of adequate internal inspection.

Training is apt to be rudimentary. Many an agent, confused as any taxpayer by the intricacies of the tax structure, has no real idea of what the limitations or the scope of his job are. In many instances, there is no operating manual to refresh his memory.

Even the best trained administrators are frustrated by strictures on their powers of investigation. In the United States and elsewhere, tax inspectors can go to a taxpayer's bank or to his friends if they suspect illegal doings. In most of the Latin American republics, they cannot. Those sources that are open to them—customs records, public land deals, government contract papers—don't yield the information they should, owing to a lack of cooperation among government offices and to an even greater lack of personnel and machines to process data. All of which tends to force both investigative and normal administrative work into the lines of least resistance. In the business field, for example, tax men concentrate on large corporations, whose records are normally in good shape. The smaller companies, whose bookkeeping is usually substandard (and where evasion through the keeping of double sets of records is common), are free to operate as they please. Similarly, taxes that are difficult to enforce, such as the inheritance tax (rendered impotent by the use of bearer securities to mask the transfer of property) are either neglected or, in the case of the Mexican federal tax system, dropped entirely.

When tax officials are lucky enough to land a delinquent, chances are that he will escape with little more than a nominal fine and a stern talking to. Penal sanctions are on most legislative books, but they are rarely invoked. Moreover, the penalties that do exist are often unjust. In Argentina, failure to file an income tax return is considered a misdemeanor. If a taxpayer does file but reports only part of his income, he is guilty of fraud.

Commenting on the overall administrative picture, one well-known expert had this to say: "I venture to assert that if the limited enforcement powers, the operational obstacles, the administrative handicaps prevalent in Latin America were present in the countries of North America and Europe * * * the relatively high degree of voluntary compliance that vigorous enforcement has slowly built up in them over the years would gradually sink to very low levels."

In Latin America, evasion is popularly regarded as a sport and the successful evader as something of a hero. In fact, of course, tax dodging produces a set of circumstances that are anything but sportsmanlike. As revenues drop (and as inflationary deficit spending rises), the government is forced to impose new taxes and surcharges, thus encouraging further evasion. The man in the middle is the honest taxpayer. The businessman who pays his taxes simply cannot stay in the running with competitors who don't—not unless he, too, climbs on the evasion bandwagon.

THE ROAD TO REFORM

Pressures to eliminate tax inequities and inadequacies have been growing for several years, both on inter-American and national levels. The Organization of American States (OAS), the Inter-American Development Bank (IDB), the U.N.'s Economic Commission for Latin America (ECLA), and Washington's Agency for International Development (AID) have undertaken programs ranging from research to technical assistance. The U.S. Internal Revenue Service has agreed to show Latin American tax officials how it makes life miserable for the would-be evader. Study missions by the boatload have put in appearances up and down the continent. Says William Dobrovir, himself the author of a comprehensive report on Latin American tax habits: "Tax reform in Latin America practically has been studied to death."

The most thoroughgoing project to date is the joint program in taxation being carried out by an OAS–IDB–ECLA group with the cooperation of Harvard Law School's international program in taxation. Last October the group rounded up representatives of 17 republics in Buenos Aires to discuss problems of tax administration. Another conference—this one on tax policy—is slated for Santiago at the end of this year. In the interim, a number of country studies are to be completed.

Colombia is generally considered to have developed Latin America's most sophisticated tax system. Income and wealth taxes have become increasingly important, accounting for 40 percent of total tax revenues in the early fifties and 50 percent today. Much of the direct tax structure was improved late in 1960, after 2 years of consultation and study by a group headed by Hernando Agudelo Villa (then Finance Minister, now a member of the Alliance's top economic advisory committee). For one thing, direct taxes were codified, bringing at least some degree of organization to a welter of legislation stretching back 30 years. For another, income was redefined as enrichment from all sources except those specifically designated in the law (breaking away from the outdated method of listing separate income sources ad infinitum). Capital gains were thus brought within the scope of taxation, though at present only gains from the sale of real estate are affected. The maximum rate on individual income was raised from 48 percent to 51 percent and the floor of the top income bracket lowered from 5 million to 2 million pesos. More importantly, business tax brackets were boiled down from 42 to 3 to reduce corporate fragmentation, and the maximum rate raised from 31.7 percent to 36 percent, while the top bracket was dropped from 5 million to 1 million pesos. Tax administration and collection were strengthened through provisions for more intensive training, a better organized civil service, and the use of up-to-date data processing equipment.

Argentina has also been making headway, particularly in the administrative field. Dismayed by a backlog of uncollected taxes amounting to over 12 billion pesos (around $150 million), the Government brought in Manuel Rapoport and his advisory committee took a swing through the United States and Canada to study administrative procedures and set about improving their own. Helped along by the advice of Harvard Taxmen Oliver Oldman and Stanley Surrey (now Assistant Secretary of the U.S. Treasury Department), Rapoport tightened up installment payments and decentralized administrative offices. Buenos Aires, which had been limping along with 1 tax office, had 11 by the end of last year. Collections began to mount. Government budget experts, who had predicted that tax receipts for 1960–61 would come to 82.7 billion pesos, were happily surprised when the figure climbed to 100.7 billion.

Some progress has been made in reforming the tax structure itself. A number of superfluous taxes have been eliminated and provisions made to offset the effects of inflation by increasing personal exemptions and permitting reevaluation of assets. A number of loopholes were plugged by a reform bill passed early this year. But no tax structure, reformed or not, can survive the pressures of political chaos. The overthrow of President Arturo Frondizi last March and the continuing battle for power in Argentina have dealt a blow to the fiscal system that only a lengthy period of stability can counteract.

Chile is another country in a hurry to reform its tax administration. Working with officials of the Internal Cooperation Administration (now part of the Agency for International Development), internal revenue director Eduardo Ursúa Merino and his deputy, Enrique Piedrabuena Richard, visited the United States and returned to set up a tax administration school. So successful has the school become that Alliance officials are holding it up as a model of what can be done.

There is little outstanding about Chilean taxes themselves. Some efforts have been made at codification, and the income tax is gaining as a source of revenue. Reform of customs is almost complete. But revenues from real estate are too low and the tax burden on salaried workers and corporations too high. Foreign-owned copper companies have been particularly hard hit in recent years as an easy source of revenue to offset wage boosts.

Mexico, whose ratio of taxation to gross national product is one of the lowest in Latin America, took some important steps toward reform last December. For the first time, a tax was levied on capital gains from the sale of real estate (though the effect is limited since gain is to be computed from the date the tax becomes effective). A graduated surtax was imposed on income in excess of 180,000 pesos ($14,400) received under more than one of nine schedules. The rates are relatively low, however, and the total complementary tax, added to the regular schedular taxes, cannot exceed 30 percent of taxable income. Other innovations: a withholding tax on interest from formerly exempted securities—including mortgage bonds and other paper issued by credit institutions; and the replacement of a stamp tax on rentals with an income tax. These measures are relatively modest, but at least a start has been made toward a modern income tax system.

This is the tax reform picture elsewhere in Latin America:

Bolivia has essentially the same tax system it had two decades ago. However, reorganization of the finance ministry, streamlined administrative techniques, and the use of electronic data processing machinery have improved collections—by 30 percent in 1960 and 17 percent in 1961. Customs procedures have been thoroughly overhauled, and a rather high rate on real estate sales reduced to cut down on evasion (significantly, collections remained level despite the reduction). In a move which the rest of Latin America should watch closely, the Government has approved a tax on rural property which may become one of its most important producers of revenue. Oddly enough, the politically powerful campesinos have raised much less of a ruckus than was initially expected. One important reason why: the peasants, only recently freed from feudal servitude by Bolivia's agrarian reform, still have doubts about their status as landowners. Now they are being asked to pay something for property which most of them received to all intents and purposes as an outright gift, and their innate sense of dignity tells them that this is as it should be.

Brazil has made some effort to adjust taxation to its galloping inflation, principally by basing income tax rates on minimum wages and, like Argentina, permitting reevaluation of assets. Legislation introduced last year that would have hiked tax rates on dividends and restricted profit remittances (the latter caused a near crisis in Brazilian-U.S. relations) has been stalled. On May Day, President João Goulart came out in favor of taxing "those who have obtained excess profits from the inflationary process" and "applying these revenues for the benefit of the nation." But this is an election year in Brazil, and any meaningful reform is likely to be postponed at least until the polls close.

Ecuador is trying hard to place greater emphasis on income and inheritance taxes (particularly since the previous government learned to its sorrow that increasing the already heavy indirect tax burden was one of the quickest ways to get overthrown). Congress has approved a law cracking down on income from bearer shares, and is considering replacing the many controversial and complex sales taxes with a single, more equitable one.

Paraguay has limited tax reform so far to the reduction of export duties on meat, improvement of customs collections, and a small increase in the top income tax rate.

Peru collects a large and increasing percentage of revenues through the income tax. Since 1958, the Government has raised the rates on business profits and on income from bearer shares, extended the statute of limitations on tax infractions, introduced self-assessment and automatic data processing equipment. It has promised to complete reform of tax collection by 1964, and of the complex tax structure by 1966. Whether the pledge will be redeemed depends on the outcome of this month's presidential elections.

Uruguay approved its first income tax in 1960—a schedular device with a 10 percent basic rate and progressive rates running from 5 percent to 30 percent—and then weakened it by raising personal allowances and increasing deductions. However, the law does give tax inspectors more muscle than is customary in Latin America; they are empowered to quiz a suspected tax delinquent's friends and contacts about his activities. It also reaches farther into the countryside by taxing agricultural income on the basis of presumed production per hectare.

Venezuela soothed taxpayer tempers in 1958 by dropping the hated "cinco por mil" gross receipts tax and raised hair in international oil circles by increasing its bite on petroleum from 50 percent to 60 percent. Last year, the Government extended the pay-as-you-go principle (taxation on a current basis) to most industrial and commercial ventures and raised business and inheritance taxes.

Panama, which has one of the few unitary income taxes in Latin America, has jumped rates twice in the past 2 years and improved its land tenure tax. Early this year, dividends and interest were brought under taxation and a punitive rate imposed on bearer shares.

Central America. In Costa Rica, the brandnew Orlich administration is planning reforms in income and property taxation. El Salvador raised its top income rate to a spanking 76.5 percent last year, then took a step backward by turning from a unitary to a schedular tax. Guatemala, which has been playing with income tax legislation since 1948, accepted it "in principle" last year. In Honduras, where falling world banana prices have shriveled revenues from the foreign-owned fruit companies, the Government has called in experts from the OAS to help reform its tax structure. Collections have reportedly been increased 60 percent by allowing administration people to choose their working companions and elect their own supervisors. Nicaragua has done well by its customs collections and made some headway in modernizing its income tax, but no real change for the better is expected until after the elections next year.

Averaged out, tax reform measures in Latin America are mildly encouraging from the standpoint of bringing existing machinery up to date. But progress in linking that machinery to economic and social development is something else again. Land taxation, particularly as it applies to agrarian reform, has been almost entirely ignored, owing chiefly to the recalcitrance of powerful landowners. Colombia's tax on idle land has improved farming efficiency and encouraged the breakup of some underutilized estates. The Lleras government has also tied land evaluaton to the capital gains tax, thus forcing a landowner who keeps his property assessments artificially low to pay the piper when he sells. Chile has started a land survey, partially for tax purposes, using aerial photography. But in most republics the cutting edge of legislation and enforcement is still missing. Venezuela, which made land taxation an integral part of its 1960 agrarian reform law, has yet to get cracking on meaningful implementation.

Tax incentives are being used to some advantage in other sectors. Argentina, for example, offers special tax benefits to investors in steel, petrochemicals, and to new industries in the country's less developed areas. Venezuela, Peru, Colombia, Mexico, and others offer much the same thing on ventures ranging from roadbuilding to low-cost housing. But tax relief can have little value until taxes themselves attain their proper status and strength.

THE CENTRAL DECISIONS

The complaint has often been made that Latin American tax reform has no model to follow. There may be some truth to this though no one pattern could possibly serve 19 disparate republics (the 20th, Cuba, has already picked its model—straight from the Kremlin's catalog). What is needed more than perfection on paper is a series of decisions as tough to make as they are central to the issue of tax reform in the Americas.

First and foremost, a balance must be struck between public and private sectors. Whatever economic conservatives may say against it or liberals for it, the role of government in Latin American development is large and getting larger. If limits are to be set on centralization, then they must be accurately reflected in tax legislation. If private investment is to be as important as Alliance planners hope, then private saving will be important. The problem is not only to give tax preference to savings that will be used productively, but to give the entire saving process political justification. Even when employed strictly in the national interest, invested capital will add to the wealth of those who have it and thereby to the resentment of those who do not.

Western experts, particularly those in the United States, lean toward the unitary, progressive income tax as the best way to achieve equilibrium among the conflicting tax goals of revenue, equity, and investment incentives. Only a short while ago, they say, the United States was a developing country relying principally on its customhouse for its revenue. Now, more than 62 percent of Washington's tax income is collected through the income tax (at a cost of only half a cent per dollar). No other tax could produce so much revenue with such little pain.

Many Latin American tax officials agree, with one major reservation. To work well, the income tax requires highly literate taxpayers capable of keeping records and remembering payment dates and an exceptionally well-trained administrative staff with enough enforcement power to see that they do remember. To work as a mass tax, it requires a reasonably broad distribution of income. In most of Latin America, this happy combination of circumstances just doesn't exist. After all, the United States took at least three decades to develop its income tax into an important fiscal and social force. How then, can its allies for progress do it in one?

Most of them can't. But all can make considerable improvements in direct tax collection (through extension of the withholding and pay-as-you-go systems) and tax coverage—particularly in the areas of dividends, capital gains from the sale of securities, real estate, inheritance, and investments abroad. Few countries besides Mexico tax resident's income on a worldwide basis, and until they do, the lure of Florida real estate and Wall Street securities will continue to attract Latin America money, to the detriment of investments at home.

Special attention should be given to indirect taxes since they are going to provide the lion's share of public revenues for a long time to come. Most governments have set up their sales taxes without proper study of their sales structure. The retail tax is considered the fairest of all consumption taxes and the easiest to administer. But it won't work properly in areas where modern retail outlets with modern bookkeeping methods are far outnumbered by cubbyhole grocery stores and artisans' booths.

Other tasks for the tax reformer's broom: (1) excise taxes should be brought into line with development plans by more careful selection of the items to be taxed; (2) most of the anachronistic and irritating stamp and stamped-paper taxes should be discarded; (3) the entire field of customs duties should be rehauled in many republics. Import duties are apt to protect the inefficient and unnecessary domestic industry as well as the efficient and essential. They are often applied to capital goods, thus increasing the cost of investment and, eventually, the price of the goods produced. And they often hit food, medicine, and other items desperately needed by the lower classes, further pauperizing the poor.

In all of this, students of taxation have one word of warning: no country should work in isolation. To do so would be to wreck the scaffolding of economic integration now being raised in Central and South America. One unilateral decision to raise import duties or sales taxes could easily wreck years of painstaking negotiations.

Just as much if not more can be done to improve tax administration. The need for accurate data—tax and land registers, income patterns, etc.—is enormous and growing as the population grows. Some tax offices have ordered and installed automatic data-processing equipment and local statisticians are already saying the computers will soon bear the same relationship to their profession as the airplane does to Latin American transportation. The U.S. Internal Revenue people, who have just opened the Nation's first ADP tax center (at Martinsburg, W. Va.) heartily concur.

The greater problem is how to use statistics in tax work. There is unlimited room for training administrators in business and farming practice (so that they can determine the most equitable time to send along their friendly notices) and in the best ways of cross-checking suspected tax dodgers. To improve honesty within the tax office, wages should be raised and the practice of granting agents a percentage of collected fines eliminated. To improve honesty without, two things are needed:

Tougher penalties: Several Latin American tax experts oppose U.S.-style prison sentences for the more flagrant breed of tax evader, fearing that penal sanctions might be used for purposes of political persecution. Nevertheless, experience in Israel and other developing countries shows that a combination of fair taxes, strict enforcement, and the threat of being put away for a year or two do wonders for the public purse.

Greater investigatory powers.

A well-planned information campaign. The lack of simple pamphlets explaining the tax system and the taxpayers' obligations under it is disturbing. No country has yet brought its development plans down to the level where the average taxpayer can see what is being done with his money.

The concept of local self-help is almost entirely lacking from Latin American tax reform programs. States have considerable taxing authority in several countries (Argentina, Brazil, Colombia, Mexico). But municipalities in most countries do not. With help and direction from the national government, the long-neglected grassroots township could begin collecting community taxes for community development.

The United States is no stranger to tax controversy. Congress and the country are studying and arguing bitterly over Kennedy administration proposals which, if passed, will have both domestic and international repercussions.

The domestic issue: a withholding tax on dividends. The international: taxation of the earnings of a U.S. subsidiary operating abroad, whether these earnings are remitted to the parent company or not. Present U.S. law taxes corporate earnings only when they are returned to the United States, thus giving companies considerable, and some say, essential freedom to transfer profits as they see fit, so long as those profits remain outside the country. It is unlikely that Kennedy's oversea tax proposals will go through, given the current congressional reaction against them. However, if they do, tax-haven countries, which offer a tax-free base from which to direct subsidiary operations around the world, are going to have a rough time of it. In Latin America, that means Panama and, to a lesser degree, Venezuela. Other casualties may be certain aspects of the foreign tax credit principle under which a U.S. company can subtract taxes paid to its host country from its U.S. tax bill.

The administration says these measures are necessary to correct flagrant tax abuses (paper companies, etc.) and to set its adverse balance-of-payments position to rights. Many U.S. businessmen with foreign operations to worry about say legislation based on the proposals would chop deeply into investment overseas.

Everyone has his tax problems, even the Alliance administrators. Critics claims that there is too much rivalry, too much duplication of effort going on in the OAS-IDB-ECLA circuit, and not enough single-minded planning about who will offer what assistance to which tax reform program. But even if the bugs are removed from Alliance machinery, the burden of tax reform will still lie heaviest at the local level. Latin American governments will still have to improve their fiscal procedures, and give their people a good reason for paying taxes. And the rich will still have to be convinced that the descent from their economic Olympus is long overdue.

Patience is called for, but impatience exists. Impatience in the United States is Joe Smith angry because the tax dollars he sends to Latin America are not being matched by local taxpayers. Teodoro Moscoso, U.S. Coordinator of the Alliance, summed it up in a recent speech: "You can hardly expect U.S. taxpayers, already heavily burdened, to help underwrite development programs in countries where a few privileged people, far richer than the average U.S. taxpayer, are virtually free from taxation."

Impatience in Latin America is Juan González, bitter because he feels he is being cheated by his government, savagely angry because he can see no signs of progress in his daily life and no hope of moving upward to the things he wants. This kind of impatience is critical. It must be relieved or it will explode. And in that explosion the entire concept of rapid, peaceful change—the heart of the Alliance for Progress—will perish.

Latin America's low tax yields—The ratio between national revenue and gross national product[1]

[In millions of dollars]

	Gross national product
United States (19.0 percent)	504,000
Brazil (8.6 percent)	17,440
Mexico (9.1 percent)	11,500
Argentina (15.6 percent)	11,270
Venezuela[2] (21.2 percent)	7,200
Chile (15.5 percent)	4,975
Colombia (9.4 percent)	4,435
Peru (17.0 percent)	2,005
Uruguay (11.6 percent)	1,272
Ecuador (17.6 percent)	825
Dominican Republic (17.8 percent)	725
Guatemala (13.3 percent)	685
El Salvador (15.0 percent)	488
Panama (13.8 percent)	445
Costa Rica (18.7 percent)	420
Honduras (9.1 percent)	407
Nicaragua (11.3 percent)	325
Haiti (9.8 percent)	280
Bolivia (13.6 percent)	235
Paraguay (11.5 percent)	235

[1] State and local tax collections are insignificant, except in Argentina, Mexico, Colombia, and Brazil. Adding local to national revenues in the United States would raise the proportion from 19 percent to about 27 percent.

[2] If revenues from oil and mining companies are eliminated, the proportion drops to 8 percent.

Source: Agency for International Development and local statistics.

Per capita gross national product

[In dollars]

United States	2,796
Venezuela	1,040
Chile	638
Argentina	526
Uruguay	450
Panama	411
Costa Rica	343
Mexico	322
Colombia	292
Brazil	259
Dominican Republic	234
Nicaragua	212
Honduras	202
Ecuador	185
El Salvador	180
Peru	180
Guatemala	177
Paraguay	130
Haiti	79
Bolivia	65

DISARMAMENT: THE NECESSITY OF PUBLIC UNDERSTANDING

Mr. **HUMPHREY.** Mr. President, some time ago I informed the Senate that it was my intention to discuss at some length the developments at Geneva, Switzerland, in the 18-nation disarmament conference. I shall do so at this time.

Mr. President, recent developments have underscored the necessity for a great power agreement to halt the testing of nuclear weapons. Once again, as was the case last year, the Soviet Arctic this summer and fall will be shattered by nuclear explosions of unpredictable magnitude. The Soviet Union insists on conducting the last series of nuclear tests—on the flimsy and transparent grounds that the United States was the first to test nuclear weapons in 1945. The West has reluctantly accommodated itself to the Soviet demand for the last word, because the United States and Britain, if not the Soviet Union itself, know the extreme dangers inherent in an unending game of nuclear "leapfrog." The Russian tests may bring the Soviet Union somewhat nearer to "parity" in nuclear power with the United States, but if this is the price to be paid for an effective, safeguarded nuclear test ban treaty—and if there is nothing we can do to prevent the Soviet tests in any case—then the price should be paid. Whether or not the Soviets are prepared for once to act in good faith, we have nothing to lose; we are compelled to leave the door open for further nuclear testing should the Soviet tests foreshadow a marked gain for the Soviet Union vis-a-vis the United States. We cannot sacrifice our national security in an age where progress in the laboratories and on the testing grounds heavily outweigh the gains that nations used to seek on the battlefield.

Another significant development, Mr. President, is the undisguised debate in the United States itself concerning our posture on a nuclear test ban agreement. The very fact that we can tolerate disagreements on such a vital subject is a sign of the basic health of our political system. It is a guarantee that no aspect of this problem will be swept under the rug. At the same time, I am clear in my own mind that exhaustive scientific analyses of the results of certain underground nuclear tests conducted by the United States have given us more, not less, flexibility in negotiating a nuclear test ban agreement at this time.

The Disarmament Subcommittee of the Senate Foreign Relations Committee has just this morning questioned some of our disarmament officials, including Mr. William Foster, concerning certain facets of our negotiating position.

I understand that the Joint Committee on Atomic Energy has also interrogated Mr. Foster and his assistants. The Committee on Armed Services has interrogated certain representatives of the Pentagon concerning nuclear tests and what we have learned about detection and inspection.

It was a fruitful, enlightening hearing this morning. Without revealing the details of the discussion, or prejudging a decision which can be made by the President alone, I can say that this is definitely the time to reevaluate our terms for a nuclear test ban accord. Modern science and technology have given highly advanced countries, such as the United States, room for greater flexibility in the complex bargaining at Geneva. Certain adjustments of detail, if not of substance, are clearly called for. We are not in the position to make far-reaching concessions or to accept the national inspection hoax fostered by the Soviet Union. Any adjustments we suggest may indeed prove as unacceptable to the Soviet Union as others have proved in the past. But our scientific and technological prowess give us greater bargaining leeway than we have ever enjoyed before; it should be taken advantage of for the sake of future generations.

It has long been my view that exhaustive exploration and research in the field of inspection and control and detection of nuclear weapons would yield new information which would be valuable to our negotiators.

Senators will recall, if they examine the record, that several years ago I pleaded in the Senate for a greater concentration of effort upon the improvement of our seismographic installations and upon the improvement of our implementation in seismology. I asked that more funds be dedicated to this type of research in order to make some scientific breakthrough which would strengthen our hand at the negotiating table on the subject of a nuclear test ban with adequate safeguards. I feel somewhat vindicated in my plea by the recent developments. There is not a shadow of a doubt that the results of the tests which have taken place thus far, so far as the inspection and detection of nuclear explosions are concerned, have proved that modern instrumentation and modern control stations would be able more clearly to detect a seismic event at a very great distance. This means that with fewer control posts but with more up-to-date, modern seismographic installations and equipment, we can better police the nuclear test ban treaty than we dreamed was possible a year ago.

Mr. **STENNIS.** Mr. President, will the Senator from Minnesota yield for a question?

Mr. **HUMPHREY.** I yield to the Senator from Mississippi.

Mr. **STENNIS.** I just entered the Chamber, and unfortunately did not hear the first part of the Senator's speech. However, I heard him say that we have instruments which will enable us to determine more clearly whether nuclear devices are being tested. What did the Senator mean when he said "determine more clearly"? At what distance can a determination be made with such instruments?

Mr. **HUMPHREY.** From 1,500 to 6,000 miles, in terms of being able to detect a seismic event or disturbance; but there is yet the problem of differentiating between an earthquake and a nuclear explosion. But because of research and improvements of machines, the recordings on our seismographs are decidedly more accurate and clearer, so we have made some advances.

Mr. **STENNIS.** So the Senator from Minnesota can report encouraging progress; but so far as having instruments that can give us information with certainty, information which would be necessary and sufficient on which to base a treaty, we are still far from that point, are we not?

Mr. **HUMPHREY.** That would depend upon the nature of the treaty. If it were a treaty that would provide us with so-called foolproof identification of all types and sizes of explosions, I should say that we have not approached that point. Therefore, that sort of treaty undoubtedly would not be brought before the Senate. However, we have made progress, and it might very well be feasible to sign some limited type of nuclear test ban treaty which would exclude certain types of explosions.

Mr. **STENNIS.** As I understand, not enough definite progress has been made up until now to make a major commitment over a broad area in this field which is so troublesome. We cannot yet rely upon these instruments.

Mr. HUMPHREY. More research will be required to accomplish our objective. I should also say that with proper spacing of control posts, in which are situated the seismic machines, we could, with the addition of onsite inspection, be able to go to the area where we suspect an explosion has taken place and have a reasonable degree of certainty that our national security would be protected. However, as the Senator from Mississippi knows, the Soviets have protested vigorously any suggestion of onsite inspection, calling it espionage, when we know that our purpose would be merely to ascertain what had actually happened, since we cannot rely upon the word of the Soviet officials.

Mr. STENNIS. I thank the Senator for his explanation.

Mr. HUMPHREY. I thank the Senator from Mississippi for his perceptive questioning.

Mr. President, our negotiators at the Geneva disarmament talks have three imperative, feasible goals which should be pursued with the utmost energy and diligence.

First, a nuclear test ban agreement signed by the United States, Britain, and the Soviet Union. The agreement should cover testing in the atmosphere, outer space, and underwater at least, but if possible should also include a 2-or-3-year trial ban on underground tests.

Second, there should be an airtight agreement to prevent the proliferation of nuclear weapons in today's unstable world. It is bad enough to have nuclear weapons in the hands of three negotiating powers, one of whom has given little evidence of restraint in the production and testing of them. Actually, nuclear weapons are now in the hands of four great powers: The United States, the United Kingdom, France, and the Soviet Union.

It would be an unparalleled disaster if nuclear weapons were to get into the hands of smaller powers pursuing their parochial national quarrels with other small nations in sensitive regions of the globe. Two great powers can take steps to lessen the danger of nuclear escalation; but the great powers could hardly control the escalation of a small nuclear war begun by powers such as, for example, the United Arab Republic and Israel. Imagine the effect in that area, particularly with the use of nuclear weapons. This would pose a problem for the entire world and might engulf all the nations. I mention these states only because each has developed a rocket capability—ostensibly for peaceful, scientific purposes but clearly adaptable to military purposes. Israel, moreover, is constructing a large atomic reactor—again for "peaceful purposes"—which is easily capable of shifting to nuclear weapons production. Think of the incalculable consequences if the Middle East should become the site of an uncontrolled race for the development of nuclear weapons and delivery systems.

Imagine how we would feel if Castro's Cuba should develop the capacity for building a nuclear reactor and subsequently the production of nuclear weapons, with the Soviet Union furnishing the rockets and Castro's Cuba developing rocket heads—that is, the missile heads or the warheads themselves. This Nation would indeed have good reason to be deeply concerned. In other words, the dispersal and proliferation of nuclear weapons and the technology for making nuclear weapons is the greatest threat to the peace of the world today.

I am keenly gratified, therefore, that the Indian delegate at the 18-nation disarmament conference should have recognized the danger of nuclear weapons proliferation and should have called for effective means of ending this danger.

Many times I have not agreed with Mr. Krishna Menon, the delegate from India. He has been anything but respectful of the United States, and all too often he has been our severest critic. To my mind, he has been unfairly critical of us. Yet in meetings of the 18-nation conference at Geneva, Mr. Menon has severely criticized the Soviet Union for the renewal of nuclear tests and has called for a cessation of such tests and for a limitation on further nuclear testing.

The Soviet Union, embarrassed and discomfited by the prospect of nuclear weapons in Chinese Communist hands, has every reason to join the West in common steps to keep existing nuclear weapons under great-power control.

Third, and just as important, we must strive with every available diplomatic means to remove the danger of war by accident or miscalculation. Reliable procedures should be developed, including instant United States-Soviet communications at the highest level, to remove any basis for misunderstanding one another's actions. I have urged this many times before, and I am convinced that the need for such procedure grows with every passing day.

All American statesmen—Senators, Congressmen, and administration officials—should realize that an uncontrolled arms race threatens the very existence of the human race. They should perceive the urgency of fixing boundaries where none exist at the present time. As Secretary of State Rusk said yesterday at Geneva, the United States will take reasonable risks to achieve disarmament—of which a nuclear test ban is an indispensable feature—for there are unlimited risks in an unlimited arms race.

It always disturbs me when I hear people talk about how we can more adequately insure our security by engaging in an uncontrolled, unlimited arms race in which there is no way to know who is ahead. Mr. President, an arms race is no guarantee at all that the security of the United States will be sustained. As a matter of fact, an arms race is a risk—and a costly risk. Therefore, we must ascertain whether our efforts to achieve some type of effective and enforceable disarmament involve a risk which we are willing to take. In other words, we are faced with a choice of risks.

Mr. President, now is the time for Congress to rally to the support of our disarmament efforts. This has been our position in the past, and it should be our position today. Most Members of this body are generally aware of the major policy initiative of the President in the disarmament field since he came to office 1½ years ago. President Kennedy has adhered to, but at an accelerated and more intensive pace, many of the guidelines established by the previous administration.

For example, both the Eisenhower and the Truman administrations insisted that any disarmament agreement must include the principle of adequate verification. This is what we mean by inspection and control. All three administrations since the end of World War II have declared that, given Communist tactics and given the closed society of the Soviet Union, we cannot rely upon the verbal dedication of the Kremlin leaders to the slogan of "general and complete disarmament." To back up the word of the contracting parties, any agreement must include a detailed prescription of appropriate inspection and verification procedures.

Another principle followed by all administrations is that a disarmament agreement might be comprehensive in the sense that it covers many different kinds of armaments, or that it might be limited to partial measures, or even to one measure. Other fundamental principles of U.S. disarmament policy have remained constant over the past dozen or so years. It is important to stress that the Kennedy administration, with the help of many officials of the previous Eisenhower administration, has given an intensified effort to the disarmament problem—particularly through the creation of the new U.S. Arms Control and Disarmament Agency.

I digress to point out that this Agency is doing the job it was intended to perform under the law setting up the Arms Control and Disarmament Agency. It serves as the coordinator of all our disarmament efforts—both scientific and diplomatic—and acts as the principal adviser to the President of the United States on this complex and very sensitive subject.

I commend the Director, Mr. Foster, and his able staff for the work they have performed thus far and for the preparations which have been made for our negotiators at the Geneva Disarmament Conference. I have said before, and I repeat now, that at this conference, which recently reconvened, we are better prepared than ever before to present a U.S. position and policy. That position and that policy have also been fully coordinated with the policies and the objectives of our major allies. In other words, we work in concert for common objectives.

Concern for a properly safeguarded, comprehensive disarmament treaty has not, of course, been the monopoly of the executive branch. On numerous occasions the Senate has adopted resolutions which called for a disarmament treaty binding on all nations and guaranteed by adequate enforcement machinery.

Let me mention just a few of the resolutions favoring disarmament which this body has adopted. In 1948, the

Senate adopted the famous Vandenberg resolution, which, among other things, called for universal regulation and reduction of armaments. In 1953, we adopted Senate Resolution 150, which said that it continues to be the declared purpose of the United States to obtain, within the United Nations, agreements by all nations for enforced world disarmament and for transfer to constructive ends of resources and manpower now being used for arms. In 1955, we adopted Senate Resolution 93, to create the Senate Subcommittee on Disarmament for the purpose of studying proposals for disarmament and control of weapons of mass destruction. In 1955, also, we adopted Senate Resolution 71, which proposed to decrease proportionately the amounts of money which nations were spending for armaments, and to increase, by similar proportions, expenditures aimed at increasing world living standards. In 1957, we adopted Senate Resolution 15, for the establishment of a permanent United Nations police force. In 1959, we adopted Senate Resolution 96, expressing our support of the Eisenhower administration's efforts, at Geneva, to negotiate a ban on nuclear weapons testing. In 1959 we also adopted Senate Concurrent Resolution 48, which reasserted our desire to achieve a disarmament treaty, and reasserted our interest in turning over to the expansion of works of peace throughout the world a portion of the resources which would be saved by disarmament. In 1960, we ratified the Antarctica treaty, which contained a prohibition against all military operations and explosions in Antarctica. In 1961, we passed the Arms Control and Disarmament Act, after thorough hearings and full debate. Mr. President, I submit this is a commendable record of effort toward a workable, enforceable disarmament program.

I do not for a moment say that this history of consistent support for disarmament closes the question for all time to come. But I do feel that this bit of history makes clear that the disarmament goal is a well-established one, to which the Senate has given considerable attention over the years. I think the Senate should again go on record in support of our intention to achieve a workable and enforceable disarmament program. It is not an unfamiliar idea or a novel proposition.

When we have endorsed the goal of safeguarded disarmament, we have espoused a general but important principle. As we grow more and more specific, we shall certainly have many difficult technicalities to master and many close questions to evaluate. We shall question whether a given disarmament pattern will, in fact, produce security and stability, or whether it will not. We shall question whether an uncontrolled arms race is more risky or less risky than a particular arms-control program.

Each of these problems has been met head on, in general and in detail, by the "Outline of Basic Provisions of a Treaty on General and Complete Disarmament in a Peaceful World," submitted by the Government of the United States the past April 18 to the 18-nation disarmament conference at Geneva, Switzerland. This draft disarmament treaty was prepared by the U.S. Arms Control Agency, under the direction of the President and the Secretary of State. It is an amplification of the program submitted last September by the President to the United Nations in the speech now entitled "The Peace Race." This outline is without doubt the most detailed presentation of a comprehensive disarmament plan ever presented to an international disarmament conference by any nation. Still, it is what its title says it is, that is, an outline. The amount of specific provisions that would have to be negotiated before a comprehensive treaty could be agreed to is considerable. For example, if this outline is compared with the U.S. draft treaty to ban nuclear weapons tests, it is clear that the test ban treaty, which covers only one part of the total disarmament question, is far more detailed than the present outline of basic provisions for a treaty on general and complete disarmament.

The United States is now in the process of discussing its disarmament program with the other nations at the disarmament conference. The Soviet Union, too, has submitted some provisions for a comprehensive disarmament treaty. There is taking place at Geneva again an exchange of views among all the nations present there regarding what areas of agreement, if any, might be reached.

As the United States explores with the Soviets and other nations the possibility of reaching some measure of agreement on disarmament, the administration at the same time has been endeavoring to keep Members of the Congress, as well as the public at large, informed as to what its disarmament policy is. The President, as much as any man, knows that without the support of the American people—and, I may add, without the Congress—which must manifest itself in the approval of at least two-thirds of the U.S. Senate, no disarmament plan could take effect. I know that President Kennedy, the Secretary of State, the Director of the U.S. Arms Control and Disarmament Agency, as well as many other high officials of the administration, welcome any opportunity to discuss our disarmament policy with Members of Congress. One might even say that the Congress has been somewhat derelict in its recognition of the importance of this subject. Members of the administration have stood in the wings ready to come out on the stage to explain their proposals, but often the audience has not been interested. Many times we in the Congress are so caught up in carrying out the day-by-day legislative matters and important matters affecting our constituents back home that we have not allowed ourselves sufficient time to study what might appear to be less pressing matters such as disarmament.

I only wish we would give one-half the attention to the cause of disarmament and the many problems associated with the subject that we give to the matter of defense and the procurement of defense objects or materials. We ought to have recognized by now that defense and disarmament are opposite sides of the coin of national security. They are not in contradiction. Both of them relate to the security of the United States.

Some time ago one of my colleagues presented the Senate with an opportunity to discuss disarmament on its merits. An important speech was delivered on this subject and inserted into the CONGRESSIONAL RECORD. It questioned the very bases of our disarmament policy. It made some mistakes of fact about our disarmament program which ought to be corrected. Most important, however, this speech showed there is at least one person in the Senate who does not believe the United States should be attempting to reach a disarmament agreement at this time with the Soviet Union.

Having raised such an issue, the Senator in effect invited discussion on the subject. The debate has been too long delayed, but I am happy, even at this late hour, to comply. I must ask my colleagues: Is it bad policy that the United States is actively pursuing disarmament agreements with the Soviet Union and other countries? Is our national security adversely affected by these disarmament proposals?

I add, Can we actually engage in disarmament discussions with the hope of arriving at a solution? These questions are related to the problem.

Before giving some of the specific comments and criticisms which have been directed at our disarmament policy, it is important to state that the executive branch would have been seriously derelict in its duty and its mandate from the Congress had it failed to develop a disarmament program. When the Congress last year passed the Arms Control and Disarmament Act, it stated:

> An ultimate goal of the United States is a world which is free from the scourge of war and the dangers and burdens of armaments; in which the use of force has been subordinated to the rule of law; and in which international adjustments to a changing world are achieved peacefully.

The Congress further declared:

> It is the purpose of this act to provide impetus toward this goal by creating a new agency of peace to deal with the problem of reduction and control of armaments, looking toward ultimate world disarmament.

This is the expressed will of Congress, and it is a will which was expressed by the overwhelming majority of the Members of both Houses—a majority which exceeds by a considerable amount the two-thirds necessary to ratify any treaty. In the Senate the vote was 73 to 14; in the House it was 280 to 54. Therefore, as I have stated, if the executive branch of the United States, encompassing the President, the Secretary of State, the Secretary of Defense, the Director of the Arms Control and Disarmament Agency, and other interested officials and agencies, did not seek to work out programs designed to free the world from the scourge of war and the dangers and burdens of armaments, they would be reneging on their responsibilities and would be virtually in contempt of Congress owing to their refusal to carry out the law of the land.

Of course, other officials of the Government, such as the Director of the CIA, the Chairman of the Atomic Energy Commission, the Director of USIA, are likewise important figures and personages in the disarmament question. Their viewpoints and advice are instrumental in working out a coordinated disarmament posture for the United States.

The President is criticized in the Senate and in the press and in public for attempting to work out disarmament agreements. Yet one Member of this body was a member of the minority which voted against the adoption of the Arms Control and Disarmament Act. He was in a minority then, and I believe he is in a minority now when he declares that "disarmament means only weakness in a world which contains power-hungry men with dictatorial powers" and when he declares that we should see "the futility of charting a course for the reduction of defense forces in a time of world conflict." As a member of a small minority, he has every right under our system to try to persuade the members of the majority that they are wrong and that he is right. At the same time, he must prepare himself for a critical response; the majority, as far as I can ascertain, is still convinced that the United States is eminently correct when it seeks, with all the vigor and power at its command, to enter into safe, secure, and balanced disarmament agreements with enemies and friends alike.

The arguments of the minority display a certain lack of consistency. When I speak of the minority, I mean those who oppose disarmament discussions and negotiations.

The distinguished junior Senator from Arizona [Mr. GOLDWATER] spoke openly and forcefully on this subject, as have certain other Senators. I respect the right of every Senator to speak out. I encourage it, because I believe it is a contribution to the well-being of this Nation that we should have frank and open discussion of a subject as delicate and serious as the subject of arms control and disarmament.

We were told that conditions are not conducive to disarmament because "international communism is pushing a relentless, never-ending drive to bury us and dominate the entire world." So it is the nature of communism, then, that really precludes any disarmament agreement at this time, according to this type of thinking.

Yet elsewhere in the same speech we are told that "the basic problems of our times are no different than they were in Washington's or Lincoln's time." I do not know whether to argue with the statement that we cannot have disarmament because of the inherent characteristics of international communism, or to quarrel with the statement that nothing has changed since Washington's and Lincoln's day. In any event, the two assertions are incompatible.

In order to straighten out this inconsistency as best I can, I submit that the basic problem, which has been recognized by philosophers and statesmen ever since the birth of the nation state, is that we must find a way to square the requirements of nationalism with mankind's imperative need for peace. If communism did not exist today, I believe that the problem of war and the question of disarmament would still both be with us.

These questions were with us long before the birth of Marx or Stalin or Lenin. The problem may be intensified because of the totalitarian state of the Soviet Union, but the issue has existed throughout recorded history.

An imperialist Russia under either Khrushchev or the czars would represent an equal menace to world peace. Communism intensifies the problem; it does not make the problem. The problem of arms arose before communism was even heard of. The problem is intensified now because of the overweening power ambitions of the totalitarian dictator.

The existence of communism does not remove either of these conditions—the problem of war or the need for disarmament. It has only made the effort to achieve success more difficult, and at the same time more necessary. There is no question in regard to whether the Communists would use force to achieve their goals if they thought this could be done without paying too high a price. For the foreseeable future the menace of the Communist empire seeking to expand its influence and domination will be with us as one of the ugly, hard facts of our times. The nub of our problem is how best to deal with this threat to our security and the security of freedom-loving peoples throughout the world.

The problem of war has been a problem ever since nations decided that this was a reasonably safe technique by which to achieve their objectives. So long as war could be fought and won at not too great a price, nations indeed waged it when all other means to reach their objectives failed. Today war is no longer a reliable means of achieving national objectives. At least, an all-out nuclear war is no longer a reliable means of achieving national objectives. The perfection of modern weapons has lowered the value of war to aggressor and victim alike. Nuclear power, rockets, missiles—bacteriological warfare and chemical warfare, about both of which we hear so little—and the space age compel mankind either to search for arms control or to face the prospect of annihilation.

I have yet to hear any serious discussion as to what is being done by the great powers in the field of bacteriological warfare or chemical warfare. We have had our eyes fixed on nuclear warfare. In so doing we run the danger of neglecting a very serious destructive force. I ask Senators not to misunderstand me. Nuclear warfare is an ever present danger. But hundreds of millions of dollars are being expended throughout the world today by great and powerful nations to develop the most hideous forms of bacteriological warfare, for the killing of millions of people without the destruction of property, and chemical warfare of unbelievable proportions. All this goes on almost unnoticed.

One of the real dangers of the times in which we live is the constant development and expansion of secrecy in the art of weaponry. Secrecy is an enemy of democracy. To be sure, we need a degree of secrecy to protect certain scientific developments and breakthroughs. The trouble with secrecy is that it begets more secrecy. Those who live in the environment of secrecy become almost omnipotent powers themselves. Whenever they wish to keep others from finding out what they are doing they merely extend the area of secrecy. I have seen this occur in our own Government. We see it in respect to the Soviet Union.

The Soviet Union uses secrecy as a mantle to cover up a multitude of sins. It uses secrecy as a means of denying honest information to its own people and to the outside world. It uses secrecy as a weapon, in that uncertainty and fear result from a lack of knowledge of what is really going on. It becomes a psychological weapon in the so-called cold war.

I sense in the Congress, as I do in the executive branch of our Government—both in this administration and in previous administrations, whether Republican or Democrat—that more and more officials wish to cloak their activities, as they relate to defense, in the garment of secrecy. This leaves the American public without control over its own destiny.

We are told that we have a representative government. Indeed we do. Members of the Congress can to the best of their abilities demand that the executive officials tell us the whole truth, but let us not deceive ourselves. We get only a part of it.

Very few Members of this body realize the full extent of nuclear weapon power. We are told we ought not to know it, because we might let the information slip out.

Very few Members of this body know what is being done in the field of bacteriological warfare, or what is being done in the field of diplomacy.

I am not being particularly critical of any individual. I merely say that a modern weapons system or structure, with all its science and technology, has as one of its requirements the element of secrecy, and that secrecy when abused is the enemy of freedom. Make no mistake about it.

I am not a philosopher, but I intend during my time in the U.S. Senate to dedicate some of my limited ability to a study of the effects of weapon structures and systems, and the technology and science which produce those systems of weapons, on the institutions of society and government, because I am convinced that the weaponry itself, as well as the manner in which the weapons are developed, has a great deal to do with the fashioning of the institutions of the Government itself.

Too often in the years I have been in the Congress we have entered into heated discussions on subjects and someone has risen to say, "This question cannot be discussed in its totality, in its fullness, because some of these things are so secret and so privileged that we cannot answer the questions."

Mr. President, that all may be necessary in the age in which we live, but I say that it is a potential threat to the institutions of human liberty, individual freedom and representative government as we know them. This is a subject which will engage my attention in the years ahead, as I become a little more pensive and meditative, because I feel that possibly we are going through a period now in which, without realizing it, the very basic structure of our country is being modified and altered not by a "hot war" but by the requirements of defense in a cold war and the fantastic developments today in power and weapons which are a part of the national security structure.

The critics of disarmament evidently think that the existence of the modern weapons of warfare has altered nothing in the techniques of international relations, that war today, as it was in Clausewitz' time, is but an extension of politics by other means.

What a comfortable phrase that is. How it deceives the people. War, it is said, is but an extension of politics by other means. What kind of war? What kind of politics are we talking about? Is it the war of the crossbow? Is it the war of the sword and arrow? Is it the war of six-shooters or of rifles? Even that would be a rather unusual extension of politics by other means.

I think Mr. Clausewitz might wish to rewrite his dictum if he could have seen the nuclear explosions which took place in the Soviet Union last fall, or if he could see the nuclear explosions which took place in the Pacific this spring and summer. War is not merely an extension of politics by other means. War, as it is possible in this day and age, is the end of politics, because it is the end of people.

Make no mistake about it. When giants go to war they go for the kill, and they have the instruments available now for the total kill.

Some critics of our disarmament policy evidently cannot agree with the policy of the U.S. Government, as stated in the preamble to its disarmament program, that the nations of the world should be "conscious of the crisis in human history produced by the revolutionary developments of modern weapons within a world divided by serious ideological differences." Some do not think that the existence of nuclear weapons and the delivery vehicles which accompany them and enable them to be placed on target have changed anything in the world. They are so wrong.

This world is quite different from what it was 20 years ago. To be sure, the world is still round and that it is inhabited by people.

Other than that, social institutions, economic institutions, military institutions, and political institutions have changed unbelievably. People who do not understand are incapable of discussing serious questions of national policy in a responsible manner.

We can only be grateful that the people running our Government and the vast majority of the American people do not have such a misconception of the present world situation at this point in the mid-20th century. Most of our people have the good sense to realize that the horse and buggy in many respects have been replaced by intercontinental aircraft. They understand that technology and science have brought the world so close together that one missile can in 15 minutes span continents and land more explosive power on a target than all of the weapons used in World War II, including the atomic bomb on Hiroshima and Nagasaki. They also understand that the interdependence of the world, created again by science and technology, can make it possible for an epidemic, started in the interiors of the countries in Asia, to be transmitted within days and weeks to our own communities and into the homes of our own families and friends.

I have, during the last few days, been reading "The Guns of August," a brilliant history of the first month of the First World War by Barbara W. Tuchman. I was struck by the differences between that situation and our own. In the days before the First World War, Anglo-French military staff officers spoke of the possibility of getting an army ready for action by "M 13," that is, mobilization day plus 13 days. Today, in both Moscow and Washington, military planners can contemplate, not the mounting of an attack, but the actual obliteration of enemy cities by "B 35"—35 minutes after the button is pressed. Thirty-five minutes after the button is pressed, whole nations would be destroyed.

I am not trying to frighten. In fact, I do not believe I have emphasized adequately what the time factor is in modern warfare. I am not particularly frightened by the calculations. I do not expect a nuclear attack, and I am not suggesting that policies be concocted out of fear. Our opponents have more to fear than we do.

However, I am saying that while the major powers may not be contemplating any direct attack upon one another, it is possible in the peripheral areas of the world, in the areas where nations are divided, such as Korea, Vietnam, Germany, the Middle East, or somewhere else, for a conflict to start that might appear to be a brush fire, and it could flame up into a major war because of the commitments of the NATO powers, the Warsaw Pact powers, and the support and defense of particular countries in those areas.

The real danger of war today comes from miscalculation, accident, or the spreading of a small war into the conflagration of a major war. All this, one might say, is a possibility that is remote, but with the acceleration of weapons, with the proliferation of rockets and nuclear weapons, or the possibility of such, the risk and the possibility of a major war grows every day.

I say to the Senate and to our country that every day that a nuclear test ban treaty is put off is another day in which some other nation might become an active participating member of the nuclear-power club. The day when countries in Latin America, the Middle East, and north Africa receive nuclear weapons with rockets and the means of delivery, which means of delivery are becoming more advanced and larger in numbers every year, that particular development supplies the possibility of total disaster more and more.

It is a wonder to me that we do not give a little more thought to this subject, rather than figuring out only how we can build a bigger bomb and a faster means of its delivery. We must contemplate at all times the human factor. Everyone will not be as responsible a world leader or a world citizen as is the President of the United States, or a government such as ours, that is controlled by the people.

The type of situation which would involve governments in which the people have little or no voice, whose leaders are emotional and unpredictable, and where hatred is the pattern of the day and animosity is concocted and is developed as a system of social attitudes, could leave the world ever more in uncertainty as to its future. The possibility of war is intensified every day that a treaty on disarmament is postponed.

I am merely suggesting that the world today is different: military systems are different, diplomacy surely is different, international communications are different, and technology is different. And in this new situation anyone who fails to think of disarmament, arms control, and strengthened international authority, is living in a dreamworld. He is collecting toy soldiers in a political glass menagerie.

If the American Telephone & Telegraph Co., with the cooperation of the Government of the United States, can place into orbit a Telstar satellite that can beam television programs on target, a satellite can also be placed in orbit that can release nuclear warheads on target by electronic impulse. That is no longer fiction. It is very close to reality. A nation could place in outer space a vehicle which travels at 17,000 miles an hour in orbit, loaded with nuclear warheads. When the time comes for the officer in charge at the ground station to push the button which would send the electronic impulse or electrical wave to the satellite in orbit, the nuclear warhead could be released with the same precision that a Polaris missile is released from a Polaris submarine. That is what we are talking about. We are talking about a vastly different world. We are talking about one in which man's science has outrun his sense of good judgment and morality.

Now we are told that any reference to this technological weapons' revolution is misleading. We are told that reference to "the revolutionary development of modern weapons" implies "that weapons alone are the cause of today's crisis. It absolves, therefore, the Communists and the other men of ill will." I would certainly deny any such implications. I would be the first to agree that men, not conditions or things, cause human crises. But human crises are different in today's world than they were in yesterday's world. They can be far more destructive, and they involve the use of completely different weapons. Their effects can be both unpredictable and indiscriminate. Good men who act through ignorance can today be as destructive as the most malign devils.

If we are threatened by archers, we prepare one kind of defense; if we are threatened by tanks, we prepare another. The response we make must be proportionate to the threat. Today's threat requires that we prepare many kinds of response, strategic, tactical, nuclear, conventional, diplomatic, psychological, and economic, as well as efforts to identify mutual interests and to search for methods of arms control which will reduce the threat of war.

There are those in the Senate and throughout the country who would have us think that the United States, its Government today—the Kennedy administration—considers there is only one crisis. No matter how hard anyone tries to distort, he cannot sustain this conclusion that we think there is only one crisis existing in the world. When we face the problem of disarmament, the crisis brought about by the development of modern weapons is one that must be kept before us. That is why the problems created by modern weapons are stressed in a document dealing with disarmament. But only part of our troubles are caused by the growth of international communism. Others are caused by the shrinking of the earth because of the speed with which peoples are brought together in travel and instant communication; and still others are caused by the rising expectations of millions of people who see for the first time the possibility of a better life for themselves and their progeny. And as the peoples of the earth go either together or in competition with each other into the vastness of outer space, we can look forward to new and more devilish troubles in these unknown realms.

The crisis brought about by international communism, as I have said, in itself produces a need for disarmament. It used to be possible to say that disarmament must await the solution of all major political problems existing between nations. Now, precisely because of the kind of problem raised by the existence of international communism, it is impossible to believe that these problems can be solved over a short period of time. If they are solved at all it will only be after many years in which the forces of liberty and freedom will cause a change in those societies now governed by communism, tyranny, and oppression. It is in order to have time to move toward greater degrees of freedom and liberty in the world that it is necessary, to the greatest extent possible, to remove the threat of and the means to wage instantaneous and catastrophic nuclear war.

I have spoken about the address delivered by one of our colleagues in the Senate. He was critical of our disarmament policy. This Senator contends "That we can do nothing but play the enemy's game" or the alternative is to develop "an official guilt complex." I say it is absurd to think that the only choices facing American policy today are to play the game of the Communists or to develop a sense of guilt. But, these are not the only choices. We often complain because some of the neutral countries judge the United States and the Soviet Union by a double standard. It might be the way an ordinary citizen would judge the town preacher and the town's most flagrant violator of the law. Somehow one expects more of the preacher. The United States does not choose, however, to accept this double standard. We made this clear in talking with the leaders of many countries about our need to resume nuclear weapons tests. Judging from the reaction to our test resumption, I believe our points were understood.

What is necessary is not that we play the Communists' game. Our standards must not be lowered to their level. Through patience, diplomacy, and strength their behavior must be changed. There is some movement here. We are being copied by the Soviets in some of our economic activities. Let us be pleased by this and encourage it so that the Soviets might copy noteworthy features of our society—and I am thinking here of our concepts of freedom and liberty, the desire for which cannot be stifled in the human breast.

It is hard to find in the many generalizations exactly what specific criticisms exist of the substance of the U.S. disarmament policy. But in probing deeply I have found two. One criticism is directed at the suggestion by the United States that verification of disarmament procedures might possibly begin on a zonal basis and progress gradually so that at the time major disarmament is taking place, the major area of the territory would be subject to inspection.

Last year the President's adviser, the Honorable John J. McCloy, and the Soviet disarmament delegate, Mr. Vladimir Zorin, agreed on a set of disarmament principles. This came after several months of very hard bargaining on the part of both sides. Mr. McCloy does not have the reputation of being soft. In fact, Mr. Khrushchev was so upset when he heard Mr. McCloy was the President's disarmament adviser that he grumbled sourly this was like sending a goat to guard the cabbage patch. Mr. McCloy worked out a Statement of Principles which was agreed to and made public on September 20, 1961. One of these principles states:

> All disarmament measures should be implemented from beginning to end under such strict and effective international control as would provide firm assurance that all parties are honoring their obligations. During and after the implementation of general and complete disarmament, the most thorough control should be exercised, the nature and extent of such control depending on the requirements for verification of the disarmament measures being carried out in each stage. To implement control over and inspection of disarmament, an international disarmament organization, including all parties to the agreement, should be created within the framework of the United Nations. This international disarmament organization and its inspectors should be assured unrestricted access without veto to all places as necessary for the purpose of effective verification.

It is important in this principle to point out that there is a relationship between the disarmament measures being carried out and the amount of control needed for verification. There is no question but what the United States in its present disarmament program is abiding by this principle. When the United States suggests that it might be possible to start disarmament by taking a percentage of major armaments and reducing and destroying them in a given sequence and to verify such a measure according to zones, it is following the principle quoted above. The question really is not whether or not we are following the principle of control but rather how much control is necessary for any given disarmament measure. There is nothing in this proposal that involves in any way accepting the Soviets' word. The whole concept stated in the U.S. plan is for adequate verification.

Anyone who asserts that the United States is advocating control measures which are not adequate to verify a disarmament agreement either has not read the U.S. plan carefully enough or has a misconception of why control and inspection are needed in the first place.

The U.S. disarmament plan encompasses three types of verification:

First. Measures providing for reduction of armament would be verified at agreed depots and would include verification of the destruction of armaments and, where appropriate, verification of the conversion of armaments to peaceful uses.

Second. Measures halting or limiting production, testing, and other specified activities would involve the international disarmament organization having access to the relevant facilities and activities, that is, plants, airfields, ports, wherever located in the territory of the parties to the treaty.

Third. Assurance that agreed levels of armaments and armed forces were not exceeded and that activities limited or prohibited were not being conducted clandestinely might be accomplished through a system of zonal inspection with the number of zones to be inspected increasing as the amount of reduction of armaments increases.

One other matter of substance regarding our disarmament policy has been criticized, and that is the assertion that the U.S. disarmament plan encompasses a time limit whereby all of the armaments and Armed Forces of the United States would be abolished and demobilized within a period of 9 years. This statement cannot be found anywhere in the U.S. disarmament plan. It is important, however, to attempt to ascertain how this particular assertion took root and apparently has gained wide credence.

The U.S. disarmament plan as presented at Geneva consists of three stages. The first stage, it is proposed, would be completed in 3 years. The amount of reduction of armaments in stage two would be comparable to that reduced in the first stage. As of now no time limit has been set for completion of the third stage.

The problem of the time period is not so much whether the amount of armaments to be reduced in each stage could physically be reduced within the time period mentioned. Rather, it is whether the political conditions necessary for transition from one stage to another can come about within the time period specified. In other words, the United States has reported to the disarmament conference that it thinks a 30-percent reduction of major armaments could be accomplished in a 3-year period. We also think that the verification measures to assure that all the disarmament obligations are being carried out could also be accomplished within a 3-year period. What we do not know, however, is whether the political impasse of the cold war could be sufficiently altered within 3 years so as to enable the disarmament process to continue in an uninterrupted fashion.

In the U.S. disarmament plan this has been referred to as the transition from one stage to the next. In the U.S. plan there is the proposal that "the transition from stage I to stage II would take place at the end of stage I, upon a determination that the following circumstances existed: First, all undertakings to be carried out in stage I had been carried out; second, all preparations required for stage II had been made; and third, all militarily significant states had become parties to the treaty." If one or more of these circumstances did not exist, the United States has proposed that the question would be placed before a special session of the United Nations Security Council, and the Security Council would then determine whether the foregoing circumstances did in fact exist, thereby permitting stage II to begin.

Let me give just one illustration of how the transition between stages I and II might get bogged down. In the view of the United States, stage I could enter into force without the participation of many countries, including Communist China. However, I believe I am correct in stating that the United States would not want stage II to begin without the inclusion of Communist China as one of the signatories of the Agreement. Suppose the United States and the Soviet Union, as well as any other countries which were participating in the Disarmament Agreement, were to come to the end of stage I in 3 years' time and find that Communist China refused to participate in the Agreement or that Communist China set forth conditions for its participation that were completely unacceptable to the United States. Or, further, that the conditions posed by Communist China would take an excessive amount of time to negotiate. If Communist China threw a roadblock into the disarmament process at this point, stage II could not begin. No one can predict how much time might then elapse before the problems created by any such difficulties could be resolved—indeed, if they could be resolved at all. We would certainly hope that Communist China would participate in any such disarmament agreement and that it would not create undue obstacles for its participation. But we must be realistic in attempting to look into the future, and if Communist Chinese leaders continue to follow their current obstreperous policy on disarmament and other matters, the prospects for the early entrance of Communist China into a worldwide disarmament arrangement are not very bright. This is the kind of question that could delay the disarmament process. It must be explained because critics of the disarmament plan on both the right and the left have assumed that the plan entails a rigid and unalterable time limit.

There are other questions which must be settled before nations could continue to reduce their armaments in an orderly, balanced, and secure fashion. For instance, the U.S. disarmament plan states that "the parties to the treaty would undertake to develop arrangements during stage I for the establishment in stage II of a United Nations Peace Force." Again, it might be very possible to reach the end of stage I in terms of arms reduction without at the same time having reached agreement on how a United Nations peace force is to be established. Here again the transition from stage I to stage II could be radically delayed.

In citing these examples of possible difficulties I do not wish to be misunderstood. I do not wish to have it said that I am looking for trouble and am citing obstacles which may not be present. I believe that I am citing very real problems that the major powers of the world do not yet know how to solve. We do not yet know how we could live in a disarmed world with the Soviet Union holding to its present national and international objectives, with the only single power to maintain peace being a United Nations peace force equipped with whatever armaments and instructions the nations of the world have decided to give it. I can see how we can reduce our armaments 30 percent, or even more than that, within a 3-year period and have proper verification procedures if the Soviet Union is willing to open up its society to some such verification. I do not yet see how in 3 years' time the nations of the world can decide how a future world is to be governed without armaments. And I frankly doubt whether our differences with Communist China can be resolved easily or quickly. These are some of the reasons why the United States has felt that postulating a rigid time period for completion of the disarmament process would be highly misleading at best.

I have discussed what appear to me thus far to be the two main criticisms of the U.S. disarmament plan as presented to the 18-nation Disarmament Conference in Geneva. One of these criticisms, I believe, is based on a misunderstanding of the problem of inspection and control, and the second criticism is based simply on an error of fact.

Let me turn now to another frequently voiced criticism, namely, that the administration has developed its disarmament plan in secrecy and that there was not the slightest hint we were moving ahead with plans for a detailed three-stage proposal. I have a single answer to this criticism; anyone who makes it has not been reading the newspapers or has not been following the routine developments week by week in the Congress.

When John J. McCloy was appointed by the President on January 27, 1961, to be his disarmament adviser, he was asked by the President to make recommendations regarding the U.S. policy on disarmament. It was clear, therefore, as of this date, that Mr. McCloy was instructed to devise disarmament proposals for the President which would be incorporated, when approved, into U.S. national security policy.

Furthermore, it was announced early in the spring of 1961 that the United States and the Soviet Union would conduct bilateral discussions preparatory to the resumption of general disarmament negotiations. In order to prepare for these negotiations, the United States, throughout the spring and summer of 1961, prepared its disarmament plan. The conclusions of the McCloy-Zorin bilateral discussions were announced on September 20, 1961, and were discussed extensively by the press and were even published in full. The McCloy-Zorin communique stated that the goal of disarmament negotiations was to "achieve agreement on a program which would insure that, first, disarmament is general and complete and war is no longer an instrument for settling international problems; and, second, such disarmament is accompanied by the establishment of reliable procedures for the peaceful settlement of disputes and effective arrangements for the maintenance of peace in accordance with the principles of the United Nations Charter." Other principles agreed to by the United States and the Soviet Union clearly defined what prospective disarmament negotiations were meant to achieve.

Following the agreement on principles, the executive branch, while working out its disarmament proposals, has kept in close touch with Members of Congress. I am assured that every request from an individual Congressman to the executive branch, particularly to the Arms Control and Disarmament Agency, for a general briefing on our disarmament proposals, has been accepted with real pleasure. The Senate Foreign Relations Committee, the House Foreign Affairs Committee, the Joint Atomic Energy Committee, members of the Republican and Democratic congressional leadership, and senior members on other important committees such as Armed Services and Appropriations, have been kept informed of the evolution of a U.S. disarmament policy. Before the 18-nation Disarmament Conference convened in Geneva in March of this year, the Secretary of State and the Director and Deputy Director of the Arms Control and Disarmament Agency consulted extensively with Members of Congress and the relevant committees. Other consultations took place before the United States submitted, on April 18, 1962, its outline of basic provisions of a treaty on general and complete disarmament in a peaceful world. There is no secrecy regarding the direction and intent of

U.S. disarmament policy. As a result of my close associations with officials of the Arms Control and Disarmament Agency, as well as with the Secretary of State, the Secretary of Defense, and their chief advisers, I am positive they would all welcome any opportunities to discuss U.S. disarmament policy with any Member of the U.S. Congress. Furthermore, they could discuss this policy with rare knowledge and insight.

I know that it is sometimes asserted that to talk about arms control and disarmament, even to mention it, is dangerous, because it breeds a habit of wishful thinking which might lead to unilateral disarmament.

The answer to this is simple: It just has not been so. President Eisenhower pursued the objective of disarmament and also preserved our military power. President Kennedy, who has materially strengthened our military forces, has at the same time set in motion an intensified effort to achieve arms control and disarmament.

When safe disarmament arrangements can be made, our military services will be curtailed accordingly. Until they are made, we will not relax our guard. There is nothing complicated or inconsistent about this. It just makes sense. There is no thinking more wishful than the belief that a statistical preponderance of military strength alone will bring us safety.

I hear a great deal, too, from many sources about the risks inherent in disarmament.

But I would remind Senators that there are also risks inherent in an unrestricted arms race. I will not go so far as to repeat the old generalization that arms races always lead to war, for I do not think that history supports so sweeping an assertion. But, so long as weapons exist there is a possibility that they might be used, and if they are used on one side, that they will be used on the other. Already two rival major powers possess lightning fast delivery systems which can be actuated on very brief notice, and indeed they must be actuated quickly in the event of a surprise attack. In a situation where the most terrible decisions in the history of man must be made in split seconds, we have certain built-in instabilities which make arms control a matter of mutual interest for both sides.

There are certainly risks in accepting any disarmament plan. But there are also risks in a world without arms control. The arms race goes forward at an ever-increasing rate. In weighing the risks of action against the risks of inaction, we must think not only of weapons systems as they exist today, but also of weapons systems as they will exist 5 years from now, or 10 years from now, with scientific development going forward at breakneck speed and with more and more countries gaining possession of modern weapons.

So there are risks in moving forward and there are risks in doing nothing. The situation is one that calls for rational analysis, courage, and decision. If ever there was a time when our debate should be informed, factual, and above partisan prejudice posturing, this is such a time.

There is one other point that I wish to make, and I believe that this is a matter of supreme importance. We are dealing here with an intricate and technical subject matter, which involves military, political, and scientific judgments.

If we are unable to deal objectively and thoughtfully with these problems, we as a nation shall be operating at a great handicap.

We must have the restraint, in dealing with this subject matter, to refrain from attempting to make domestic political capital out of every event that takes place. Politics must stop at the water's edge. Our highest tradition requires that we discuss military and foreign affairs problems in a bipartisan or nonpartisan spirit. If I may be excused a personal boast, I will say that not once, in my careful study of this subject during the 8 years of the Eisenhower administration, did I attempt to cause political embarrassment to the administration on this extremely sensitive matter—never once did I aim a blow at the back of men who represented us at disarmament conferences. To the contrary, frequently I consulted with the Secretary of State and his disarmament advisers, and always, I hope, as a responsible U.S. Senator and citizen.

In any negotiation, to be effective requires an effort to make the other side feel it is gaining some point which is of advantage to itself. The attitude of the negotiator must be courteous and receptive; even though he pursues his own country's interests relentlessly, he must not confuse the petty satisfactions of verbal triumph with the real objective of gaining his point.

In all of this, we operate under a decided disadvantage as against the Russians. In their closed society, there is little or no public debate of issues. Their negotiators report privately. Upon returning from the bargaining table where they have described their proposal as a magnificent act of generosity, they are not forced to make public speeches telling how tough they were, and how little they yielded.

Yet here in the United States, our negotiators are constantly pressured to placate chauvinistic sentiments; they are pressured to minimize at home the very concessions which they have maximized at the bargaining table. And since the Russians read American newspapers, such statements have a very deleterious effect. It takes a supremely patriotic man to accept the drumbeat of abuse at home without saying things which, while helpful to him in domestic politics, will, when carried in the press abroad, injure the American position, embarrass our country with the neutrals, and strengthen the argument of our opponents.

The current disarmament conference at Geneva is important for many reasons. The American proposal is a sound and honest one. It seeks to achieve greater security for us and our allies, and greater security for the entire world. It is worthy of careful study and earnest support.

To conclude my remarks on U.S. disarmament policy, I wish to stress again that it is vital for the security and welfare of the United States to have these important aspects of our national security policy discussed frequently by Members of Congress, the press, and the public. I hope that others in Congress will also take the opportunity and time to study and comment on our policy in these vital areas. Disarmament is not a subject which can be allowed to ferment and simmer in the dungeons of official secrecy. Rather, disarmament proposals, in order to be successful, in order to gain the widespread acceptance without which they cannot succeed, are by definition in the public domain.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 25, 1962, he presented to the President of the United States the enrolled bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

ADJOURNMENT

Mr. HUMPHREY. Mr. President, I see my beloved friend the senior Senator from Oregon in the Chamber this evening. Out of consideration for his health and welfare, out of some consideration for my own, and out of consideration for the well-being of the officers of the Senate, I move, in accordance with the order previously entered, that the Senate adjourn until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 57 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Thursday, July 26, 1962, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate July 25, 1962:

U.S. Marshal

Anthony R. Marasco, of New York to be U.S. marshal for the southern district of New York for the term of 4 years, vice Thomas J. Lunney, term expired.

In the Army

Gen. Maxwell D. Taylor, U.S. Army, for appointment as Chairman of the Joint Chiefs of Staff for a term of 2 years.

Gen. Earle G. Wheeler, U.S. Army, for appointment as Chief of Staff, U.S. Army for a term of 2 years.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 25, 1962:

U.S. DISTRICT JUDGE

Noel P. Fox, of Michigan, to be U.S. district judge for the western district for Michigan.

U.S. ATTORNEY

Donald A. Wine, of Iowa, to be U.S. attorney for the southern district of Iowa for the term of 4 years.

WITHDRAWAL

Executive nomination withdrawn from the Senate July 25, 1962:

U.S. MARSHAL

John L. Di Benedetto, of New York, to be U.S. marshal for the southern district of New York, vice Thomas J. Lunney, term expired, sent to the Senate March 20, 1962.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 25, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 29: *The Lord will give strength unto His people. He will bless them with peace.*

O Thou God of all grace and goodness, may nations everywhere abandon their sordid scramble for prestige and power and gain a new vision which is radiant with the promise and assurance of justice and righteousness, of freedom and fraternity.

Inspire us to give authentic and enthusiastic expression to the mind of the Prince of Peace for we know that there can be no security and blessedness for mankind until we follow His ways of mutual welfare.

Grant that as partners in a great and glorious enterprise we may feel constrained to put forth a more heroic effort in behalf of a nobler issue of personal character and a finer social order.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

CONTINUING APPROPRIATIONS FOR THE MONTH OF AUGUST

Mr. CANNON. Mr. Speaker, I ask unanimous consent that it may be in order tomorrow to take up for consideration a House joint resolution to provide continuing appropriations for the month of August.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1963

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report on H.R. 11289, the Department of Defense appropriation bill for the fiscal year 1963.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1963

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10904) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1963, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

Mr. LAIRD. Reserving the right to object, Mr. Speaker, and I shall not object, may I state that the Senate has added a considerable amount of money to several sections of this bill over and above President Kennedy's budget request. It is my hope that we can bring back those Senate amendments which add funds to this bill in disagreement. In this way we can have separate votes on these increases here on the floor of the House. Many Members of the House have contacted me hoping that they would have an opportunity to have a separate vote on increases of the other body. Certainly, if I am appointed as one of the conferees, I shall try to give the House the opportunity to have such a vote and work its will.

Mr. Speaker, I assure this House that if appointed to this conference committee, I will do everything in my power to uphold the appropriation level established in the House-passed bill.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. FOUNTAIN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FOUNTAIN. Mr. Speaker, I would like to associate myself with the views just expressed by the gentleman from Wisconsin [Mr. LAIRD], relative to bringing back to the House in disagreement any items in the appropriations for the National Institutes of Health which the Senate conferees insist upon increasing above the amounts approved by the House. I take this position because the Committee on Government Operations, in a unanimous report issued last month—House Report No. 1958—found serious deficiencies in the management of the National Institutes of Health. The committee has made an intensive study during the past 3 years of the administration of the NIH grant programs. Although serious management weaknesses were brought to the agency's attention in April 1961—House Report No. 321—relatively little effective action has yet been taken by NIH to correct these shortcomings which it has acknowledged.

I would remind my colleagues of the tremendous growth of appropriations for the National Institutes of Health in recent years. Between 1950 and 1962, appropriations for NIH have increased by approximately 15 times, from a level of around $50 million in 1950, to well over $700 million last year. Appropriations for research and training grants to nongovernmental scientists alone have increased by more than 26 times. Few public programs have grown at such a rapid rate. It is not surprising, therefore, that officials of the agency have experienced organizational and management problems in administering these programs.

The investigation made by the Committee on Government Operations has demonstrated that the NIH grant programs are not being administered in an efficient and economical manner. To increase the appropriation for these programs in the absence of effective management can only result in greater waste and inefficiency. It is my belief that the funds which are now spent unnecessarily as a result of inadequate review procedures would go a long way toward financing those new projects which are found to merit support during 1963. Surely, with the additional $60.4 million already voted by the House, there will be more than enough money available for support of all meritorious health research and training. I can see no possible justification for increasing the NIH appropriation still another $60 million as proposed by the other body.

Mr. Speaker, I believe it would be a serious mistake, and a disservice to the cause of medical research and to the taxpaying public, if appropriations for the National Institutes of Health were increased beyond the House amount before the agency has strengthened its capability for administering these programs efficiently. I intend to bring to the attention of the House in more detail the reasons why the House conferees should not agree to increasing these appropriations above the $840,800,000—plus $50 million for health research facilities—already authorized by the House.

Mr. GROSS. Mr. Speaker, reserving the right to object, will the gentleman tell us when this bill passed the House of Representatives, how long ago?

Mr. FOGARTY. It passed in the month of March. I do not have the exact date.

Mr. GROSS. The month of March, 4 or 5 months ago?

Mr. FOGARTY. Yes, it was just passed in the other body last week.

Mr. GROSS. Maybe my memory is failing me, but it was so long ago I could not remember how long the Senate has been sitting on this bill.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island? The Chair hears none and appoints the following conferees: Messrs. FOGARTY, DENTON, CANNON, LAIRD, and TABER.

PUERTO RICO'S BIRTHDAY: COMMONWEALTH DAY

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Speaker, 10 years ago today, July 25, the Commonwealth of Puerto Rico was proclaimed in effect. This was one of the most significant dates in man's entire colonial history. Without the slightest violence and with the fondest expressions of esteem for the parent country, the Puerto Rican people became virtually autonomous in local affairs, while happily accepting control from Washington in foreign affairs as well as in certain national objectives. It was not so much a revolution as a coming of age. The Federal Government and the Puerto Rican people agreed that the latter were well able to take care of themselves.

The results of this friendliest of associations have been sensational. Puerto Rico truly is a showcase for democracy, and has inspired oppressed and impoverished peoples the world over.

The Puerto Rican people who live in the States take pride in the accomplishments of their island brethern; but they can also point to contributions and at tributes of their own. Distinguished mainland Puerto Ricans are found in many and diverse fields. Rita Moreno, Jose Ferrer, and Juano Hernandez have long been among the more noted film and stage stars. Graciela Rivera has charmed Metropolitan Opera audiences. Vic Power and Jim Rivera, among others, have been major league baseball stars. Puerto Ricans have risen to important business and professional positions; and have occupied posts in various branches of National, State, and local government.

The Puerto Ricans who have settled in my home city of Springfield, Mass., brought with them the Latin customs of their island, their strong family ties and strong religious feelings that have made Puerto Ricans a stable, industrious and productive people. Every summer the Springfield Puerto Rican community sponsors a San Juan Festival of music, gaiety, and native dances largely attended and greatly appreciated by their neighbors and public officials. During the festival the Puerto Ricans demonstrate to us that they are wholesome, fun loving and gay people, justifiably proud of their past island traditions now blended into the mores of the mainland.

Mr. Speaker, an editorial entitled "Puerto Rico's Birthday," from today's New York Times, follows:

PUERTO RICO'S BIRTHDAY

A generation ago Puerto Rico was one of the problem children of the Caribbean, although its problem was not violence or revolutionary tendencies but poverty. If the island had not been so poor, we would not have so many Puerto Ricans in the city of New York. We are having fewer such migrants now and presumably will have fewer still, for the little country is not so poor as it used to be. When it became a commonwealth 10 years ago, its per capita income in current dollars was about $318. Today it is about $621.

A great part of this progress can be traced to the work of Gov. Luis Muñoz-Marín, who has been continuously Governor since 1948. Governor Muñoz-Marín, who got his higher education in New York City, strikes those who know him as almost an old-fashioned American Progressive. He has drawn around him some of the most gifted young people in his island and set them to work in developing new housing, new industries, better sanitation and a higher level of education. The tragedy of tyranny has never afflicted Puerto Rico as it has at various times Cuba, the Dominican Republic and Haiti. There is no island in the Caribbean that has a seemingly more prosperous future, no island flag that flies more proudly than the Lone Star of the Puerto Rican Commonwealth.

As a political device the Commonwealth experiment has worked out smoothly. The Puerto Ricans are citizens of the United States, although they do not vote for President unless they migrate to the mainland; they rely on us for their protection, and their citizens serve in our armed forces. On this, the birthday of the Commonwealth, we hopefully wish the island and its people well.

TREASURY, POST OFFICE, EXECUTIVE OFFICE OF PRESIDENT, AND CERTAIN INDEPENDENT AGENCIES APPROPRIATIONS, 1963

Mr. GARY. Mr. Speaker, I call up the conference report on the bill (H.R. 10526) making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies for the fiscal year ending June 30, 1963, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2028)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10526) making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies for the fiscal year ending June 30, 1963, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 9, 16, and 18.

That the House recede from its disagreement to the amendments of the Senate numbered 6, 15, and 19, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,510,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "sixty"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "fifty"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "fifty"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$64,775,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$33,330,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$32,350,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "one hundred"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$12,300,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$486,000,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "eighty-one"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree

to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,475,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$594,500,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,650,000"; and the Senate agree to the same.

J. Vaughan Gary,
Otto E. Passman,
Clarence Cannon,
John R. Pillion,
Managers on the Part of the House.

A. Willis Robertson,
Mike Monroney,
Alan Bible,
Carl Hayden,
Roman L. Hruska,
Gordon Allott,
Olin D. Johnston,
John L. McClellan,
Thomas H. Kuchel,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10526) making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies for the fiscal year ending June 30, 1963, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—TREASURY DEPARTMENT

Office of the Secretary

Amendment No. 1—Appropriates $4,510,000 for salaries and expenses instead of $4,480,000 as proposed by the House and $4,540,000 as proposed by the Senate.

Bureau of Customs

Amendments Nos. 2, 3, and 4—Allow purchase of 60 passenger motor vehicles of which 50 shall be for replacement, including 50 police type.

Amendment No. 5—Appropriates $64,775,000 for salaries and expenses, instead of $64,600,000 as proposed by the House and $65,300,000 as proposed by the Senate.

Coast Guard

Amendment No. 6—Appropriates $220,000,000 for operating expenses as proposed by the Senate instead of $217,500,000 as proposed by the House.

Amendment No. 7—Appropriates $33,330,000 for acquisition, construction, and improvements instead of $25,000,000 as proposed by the House and $39,000,000 as proposed by the Senate. The increase over the House allowance provides for replacement of one patrol craft at $4,250,000, replacement of one coastal tender at $3,000,000, and replacement of three harbor tugs at a total of $1,080,000.

Amendment No. 8—Appropriates $32,350,000 for retired pay instead of $32,000,000 as proposed by the House and $32,700,000 as proposed by the Senate.

Internal Revenue Service

Amendments Nos. 9 and 10—Allow purchase of 200 vehicles for replacement only, of which 100 may be for police-type use.

Amendment No. 11—Provides $12,300,000 for temporary employment instead of $12,000,000 as proposed by the House and $12,600,000 as proposed by the Senate.

Amendment No. 12—Appropriates $486,000,000 for salaries and expenses instead of $480,000,000 as proposed by the House and $492,000,000 as proposed by the Senate.

U.S. Secret Service

Amendment No. 13—Allows 81 vehicles instead of 74 as proposed by the House and 89 as proposed by the Senate.

Amendment No. 14—Appropriates $5,475,000 for salaries and expenses instead of $5,300,000 as proposed by the House and $5,650,000 as proposed by the Senate.

TITLE II—POST OFFICE DEPARTMENT

Research, development, and engineering

Amendment No. 15—Appropriates $12,000,000 as proposed by the Senate instead of $10,000,000 as proposed by the House.

Operations

Amendment No. 16—Appropriates $3,535,000,000 as proposed by the House instead of $3,548,500,000 as proposed by the Senate.

Transportation

Amendment No. 17—Appropriates $594,500,000 instead of $590,000,000 as proposed by the House and $599,000,000 as proposed by the Senate.

Facilities

Amendment No. 18—Appropriates $167,000,000 as proposed by the House instead of $173,000,000 as proposed by the Senate.

Plant and equipment

Amendment No. 19—Appropriates $120,000,000 as proposed by the Senate instead of $116,000,000 as proposed by the House.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT

Bureau of the Budget

Amendment No. 20—Appropriates $5,650,000 for salaries and expenses instead of $5,600,000 as proposed by the House and $5,677,000 as proposed by the Senate.

J. Vaughan Gary,
Otto E. Passman,
Clarence Cannon,
John R. Pillion,
Managers on the Part of the House.

The **SPEAKER**. The Chair recognizes the gentleman from Virginia [Mr. Gary].

Mr. **GARY**. Mr. Speaker, this is the first regular appropriation bill to be reported out of conference since the little altercation we have had with Members of the other body. I will report to the House that by unanimous request the chairman of the House conferees presided over the conference. It was a very harmonious session and everybody was in a good humor. We arrived at a very fair and satisfactory settlement of the differences between the two bodies.

The total amount agreed upon in conference was $5,489,781,000. When the bill first came before the House, the House cut the requests $113 million. The Senate restored $65 million of that amount. The conference figure is $28 million above the House figure, but $37 million below the Senate figure.

I might add that of the $28 million that was added by the Senate, $11 million was for the U.S. Coast Guard.

Of that amout, $2,500,000 was for special expenditures incident to the recent terrific storm along the Atlantic coast. That storm came after the House had passed its bill, and it was an unanticipated expense at that time. After the House had passed its bill the Coast Guard found that the storm had cost them $2,500,000, and they asked the Senate to add that amount. The Senate did add it. We thought it was a proper addition and we readily agreed to it.

The rest of the $11 million for the Coast Guard was for shipbuilding. Our committee had recommended that no allowance be made for the shipbuilding program in the House bill because of the fact that we have, over a long period of time, been trying to get a long-range plan for maintenance of various Coast Guard facilities such as airplanes, ships, and shore installations. They have been working on development of such a plan for a long time. The report had not been presented to our subcommittee. The present long-range plan for airplanes was submitted to the House some 5 years ago and we are now operating under that plan.

I may say that the purpose of such a plan is that we may take care of replacements in a more orderly way instead of having them come in and asking for all the replacements in one year and none the next. It would mean a more uniform expenditure for replacements in these three categories.

In an effort to force the report we refused to put anything in our bill for ship construction until that report was submitted. The report has been completed now, and we agreed to a restoration of part of the funds that had been stricken by the House. We had stricken $14 million. We agreed to a restoration of $8.3 million.

Another $11 million was for the Internal Revenue Service. Frankly, we feel that the additional amount of $11 million for Internal Revenue is more than was necessary, but the Senate was very insistent on this item. They felt that we needed more revenue agents in order to raise the large sums of money required at the present time to operate the Government. We finally agreed to a restoration of $11 million for that item for which they had added $17 million.

There were very few restorations outside of those two items, which took up $22 million of the $28 million that the report shows over and above the House bill.

I think you will want to know something about personnel. When this bill was first presented to us 20,696 additional personnel were requested. A large part of that was for the Post Office Department. You understand that the personnel in the Post Office Department depends on the volume of mail. We thought during World War II we had reached the peak of volume in the Post Office, but strange to say the volume has increased every single year since the war and it is now increasing steadily each year.

Mr. **GROSS**. Mr. Speaker, will the gentleman yield?

Mr. **GARY**. I yield.

Mr. GROSS. It is not only a question of mail volume, it is also a problem of expanded delivery areas. Is that not correct?

Mr. GARY. That is correct, and in addition to the increased volume, they are increasing and extending their services to areas that heretofore have not enjoyed adequate postal services.

Mr. GROSS. Yes, the increased appropriation is required for that reason as well as the increase in volume of mail.

Mr. GARY. The gentleman is correct, and I thank him for his contribution.

As we did not feel the 20,696 employees requested were necessary, in the House bill that number was reduced to 11,213. In the Senate bill it was raised to 16,300.

In this conference report there are 12,568 additional employees which we think will adequately take care of the expanding departments and the increased volume of mail.

Mr. Speaker, I have given the highlights of this conference report. I shall be glad to answer any questions. I feel that we have arrived at a fair compromise; and, as I say, this is not a 50-50 cut, but the House has an advantage. Thirty-seven million dollars has been cut from the Senate bill and only $28 million has been added to the House bill. So it is a split of 3 to 2.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Iowa.

Mr. GROSS. I note an increase in both vehicles and in the appropriation for the Secret Service over and above the original House figure. It would be my hope, I may say to the gentleman, that some of the extracurricular activities we have noted of late with reference to the Secret Service might be dispensed with so that we can stop the steady increase in the personnel and expenditures for the Secret Service.

Mr. GARY. I may say to the gentleman this represents a very substantial cut in the number of employees and in the amount of money that the Secret Service requested. We felt some increase was necessary on account of the counterfeiting activities. We are having a great deal of trouble these days with counterfeiting. Most of these additional employees will be employed in connection with the law enforcement activities of the Secret Service which is a very important activity.

Mr. GROSS. I hope that is the case, but from some of the pictures and news stories I have been reading, that is not exactly the whole story.

Mr. GARY. I will say to the gentleman that our committee has never reduced any amount we felt necessary to guard the life of the President of the United States and his family.

Mr. GROSS. I want the President of the United States and his family to have all the protection that is necessary, but I do not know of any reason why Secret Service operatives should be operating speedboats to tow people around water skiing and other activities along that line, I will say to the gentleman.

Mr. GARY. I think that is a matter we will have to leave up to the Secret Service. They are charged with a specific duty, under the law. The manner of performing that duty is an administrative detail which they must determine. The Congress of the United States cannot undertake to handle the administrative affairs of the Secret Service.

Mr. PILLION. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New York.

Mr. PILLION. Mr. Speaker, I concur fully in the statement of the gentleman from Virginia. This conference report represents a favorable and a most equitable settlement of the differences between the House and Senate bills. The House was able to retain about three-fourths of the original cuts made by the House in the bill, and I recommend that the conference report be agreed to.

Mr. GARY. I thank the gentleman.

Mr. Speaker, in further explanation of this conference report, I include as a part of my remarks the following table:

Treasury, Post Office, and Executive Office appropriation bill, 1963 (H.R. 10526)

Item	Budget estimates	Passed House	Passed Senate	Conference action	Conference action compared with—		
					Budget estimate	House	Senate
TITLE I—TREASURY DEPARTMENT							
Office of the Secretary	$4,660,000	$4,480,000	$4,540,000	$4,510,000	−$150,000	+$30,000	−$30,000
Bureau of Accounts:							
Salaries and expenses	3,838,000	3,800,000	3,800,000	3,800,000	−38,000		
Salaries and expenses, Division of Disbursement	26,975,000	26,500,000	26,500,000	26,500,000	−475,000		
Total, Bureau of Accounts	30,813,000	30,300,000	30,300,000	30,300,000	−513,000		
Bureau of Customs	66,000,000	64,600,000	65,300,000	64,775,000	−1,225,000	+175,000	−525,000
Bureau of Engraving and Printing, air conditioning of buildings	300,000	300,000	300,000	300,000			
Bureau of the Mint	6,680,000	6,480,000	6,480,000	6,480,000	−200,000		
Bureau of Narcotics	4,580,000	4,580,000	4,580,000	4,580,000			
Bureau of the Public Debt	48,000,000	47,750,000	47,750,000	47,750,000	−250,000		
Coast Guard:							
Operating expenses	220,000,000	217,500,000	220,000,000	220,000,000		+2,500,000	
Acquisition, construction, and improvements	39,000,000	25,000,000	39,000,000	33,330,000	−5,670,000	+8,330,000	−5,670,000
Retired pay	32,700,000	32,000,000	32,700,000	32,350,000	−350,000	+350,000	−350,000
Reserve training	16,500,000	16,500,000	16,500,000	16,500,000			
Total, Coast Guard	308,200,000	291,000,000	308,200,000	302,180,000	−6,020,000	+11,180,000	−6,020,000
Internal Revenue Service	513,000,000	480,000,000	492,000,000	486,000,000	−27,000,000	+6,000,000	−6,000,000
Office of the Treasurer	16,675,000	16,450,000	16,450,000	16,450,000	−225,000		
U.S. Secret Service:							
Salaries and expenses	5,850,000	5,300,000	5,650,000	5,475,000	−375,000	+175,000	−175,000
Salaries and expenses, White House Police	1,216,000	1,216,000	1,216,000	1,216,000			
Salaries and expenses, guard force	369,000	369,000	369,000	369,000			
Total, U.S. Secret Service	7,435,000	6,885,000	7,235,000	7,060,000	−375,000	+175,000	−175,000
Fund for payment of losses in shipment	(525,000)	(525,000)	(525,000)	(525,000)			
Total, title I. Treasury Department	1,006,343,000	952,825,000	983,135,000	970,385,000	−35,958,000	+17,560,000	−12,750,000
TITLE II—POST OFFICE DEPARTMENT							
Payment for Public Services	(247,800,000)				(−247,800,000)		
Administration, regional operation and research	91,194,000				−91,194,000		
Administration and regional operation		75,600,000	75,600,000	75,600,000	+75,600,000		
Research, development, and engineering		10,000,000	12,000,000	12,000,000	+12,000,000	+2,000,000	
Operations	3,562,000,000	3,535,000,000	3,548,500,000	3,535,000,000	−27,000,000		−13,500,000
Transportation	601,500,000	590,000,000	599,000,000	594,500,000	−7,000,000	+4,500,000	−4,500,000
Facilities	177,000,000	167,000,000	173,000,000	167,000,000	−10,000,000		−6,000,000
Plant and equipment	122,000,000	116,000,000	120,000,000	120,000,000	−2,000,000	+4,000,000	
Total, title II, Post Office Department	4,553,694,000	4,493,600,000	4,528,100,000	4,504,100,000	−49,594,000	+10,500,000	−24,000,000

Treasury, Post Office, and Executive Office appropriation bill, 1963 (H.R. 10526)—Continued

Item	Budget estimates	Passed House	Passed Senate	Conference action	Conference action compared with—		
					Budget estimate	House	Senate
TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT							
Compensation of the President	$150,000	$150,000	$150,000	$150,000			
White House Office	2,545,000	2,545,000	2,545,000	2,545,000			
Special projects	1,500,000	1,500,000	1,500,000	1,500,000			
Executive Mansion and grounds	658,000	658,000	658,000	658,000			
Bureau of the Budget	5,677,000	5,600,000	5,677,000	5,650,000	−$27,000	+$50,000	−$27,000
Council of Economic Advisers	584,000	584,000	584,000	584,000			
National Security Council	550,000	550,000	550,000	550,000			
Total, title III, Executive Office of the President	11,664,000	11,587,000	11,664,000	11,637,000	−27,000	+50,000	−27,000
TITLE IV—FUNDS APPROPRIATED TO THE PERSIDENT							
Emergency fund for the President	1,000,000	1,000,000	1,000,000	1,000,000			
Expenses of management improvement	200,000	200,000	200,000	200,000			
Total, title IV—Funds appropriated to the President	1,200,000	1,200,000	1,200,000	1,200,000			
TITLE V—INDEPENDENT AGENCIES							
Tax Court of the United States	1,784,000	1,784,000	1,784,000	1,784,000			
Advisory Commission on Intergovernmental Relations	375,000	375,000	375,000	375,000			
President's Advisory Committee on Labor-Management Policy	326,000	300,000	300,000	300,000	−26,000		
Total, title V, independent agencies	2,485,000	2,459,000	2,459,000	2,459,000	−26,000		
Grand total, titles I, II, III, IV, and V	5,575,386,000	5,461,671,000	5,526,558,000	5,489,781,000	−85,605,000	+28,110,000	−36,777,000

Mr. GARY. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The **SPEAKER.** The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

LEAVE TO EXTEND

Mr. GARY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a table with reference to the conference report just adopted.

The **SPEAKER.** Is there objection to the request of the gentleman from Virginia?

There was no objection.

SPECIAL AND SELECT COMMITTEE TO CONDUCT AN INVESTIGATION AND STUDY OF THE ADMINISTRATION OF THE EXPORT CONTROL ACT OF 1949

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration I call up House Resolution 704 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the further expenses of the investigation and study to be conducted by the select committee created by H. Res. 403, not to exceed $10,000, including expenditures for the employment of investigators, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof, and approved by the Committee on House Administration.

The official stenographers to committees may be used at all meetings held in the District of Columbia unless otherwise officially engaged.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration I call up House Resolution 705 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the further expenses of conducting the investigations and studies authorized by H. Res. 75 of the Eighty-seventh Congress, incurred by the Committee on Post Office and Civil Service, acting as a whole or by subcommittee, not to exceed $25,000, including expenditures for the employment of investigators, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia if not otherwise officially engaged.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON AGRICULTURE

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration I call up House Resolution 728 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the further expenses of conducting the studies and investigations authorized by H. Res. 86, Eighty-seventh Congress, incurred by the Committee on Agriculture, acting as a whole or by subcommittee, not to exceed $25,000, including expenditures for the employment of accountants, experts, investigators, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House, on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings, if not otherwise officially engaged.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MEMBERS' TELEPHONE AND TELEGRAPH ALLOWANCE

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration I call up House Resolution 735 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, until otherwise provided by law, there shall be paid out of the contingent fund of the House of Representatives, in accordance with regulations prescribed by the Committee on House Administration, such amounts as may be necessary to pay (1) toll charges on strictly official long-distance telephone calls, and (2) charges on strictly official telegrams, cablegrams, and radiograms, made or sent by or on behalf of each Member of the House of Representatives (including the Resident Commissioner from Puerto Rico), other than the Speaker, the majority leader, the minority leader, the majority whip, and the minority whip, aggregating not to exceed ten thousand units during a term. The units authorized under this resolution shall be in addition to the number of units to which such Member otherwise may be entitled during a term.

SEC. 2. As used in the first section of this resolution, the words "unit" and "term" shall have the meaning given such words by section 2 of the Act of June 23, 1949 (2 U.S.C. 46g).

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER.** Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 174]

Alford
Anfuso
Baring
Bass, N.H.
Blatnik
Blitch
Boggs
Bolton
Buckley
Celler
Coad
Cramer
Curtis, Mass.
Davis, Tenn.
Diggs
Flynt
Frazier
Green, Oreg.
Gubser
Harrison, Va.
Hébert
Hoffman, Mich.
Kilburn
King, Utah
Kowalski
Loser
McSween
McVey
Madden
Merrow
Moulder
Norblad
Peterson
Pilcher
Powell
Purcell
Rains
Rogers, Colo.
Rogers, Tex.
St. Germain
Saund
Scherer
Smith, Miss.
Spence
Taber
Teague, Calif.
Thompson, La.
Willis
Winstead
Yates

The **SPEAKER.** Three hundred and eighty-five Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1963

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12648) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12648), with Mr. Harris in the chair.

The Clerk read the title of the bill.

The **CHAIRMAN.** When the Committee rose on yesterday the Clerk had read through section 606 ending in line 23, page 31 of the bill. Are there further amendments?

Mr. ANDERSEN of Minnesota. Mr. Chairman, a parliamentary inquiry.

The **CHAIRMAN.** The gentleman will state it.

Mr. ANDERSEN of Minnesota. I think the gentleman from Kansas [Mr. Dole] was recognized yesterday before we adjourned.

The **CHAIRMAN.** The Chair was about to recognize the gentleman.

For what purpose does the gentleman from Kansas [Mr. Dole] rise?

Mr. DOLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Dole: On page 31, after line 23, insert the following:

"Sec. 607. No part of any appropriation contained in this Act or any funds available for expenditures by corporation or agency included in this Act, shall be used for propaganda purposes designed to support or defeat legislation pending before the Congress in violation of present law."

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I have studied this amendment and note that it simply prohibits the use of any funds provided in this bill for propaganda purposes designed to support or defeat legislation pending in the Congress. I see no opposition. So far as I am personally concerned, it is a good amendment. Would the gentleman from Mississippi [Mr. Whitten] accept the amendment?

Mr. WHITTEN. I would not feel like accepting it because I think the matter is covered by law at the present time. I call attention to section 1913, title 18 of the United States Code. I will point that out at the conclusion of the gentleman's speech. I think the matter in the amendment is already covered by law.

Mr. DOLE. I might agree to a certain extent so far as section 1913, title 18 of the United States Code is concerned, but I think it needs some clarification. My amendment has particular reference to the type of lobbying that has been carried on in the past 6 or 8 months or 2 years by many, many Federal employees connected with the U.S. Department of Agriculture and other departments of Government.

The purpose of the amendment is to remind the executive branch that employees of the Federal Government cannot be propagandists to be used to support or oppose pending legislation.

I agree that once legislation is enacted, Federal employees, regardless of the party they belong to, have the right, duty, and obligation to properly administer the law.

It is wrong, however, to ask any Federal employee who has civil service status to lobby for pending legislation. That has been going on all over the country. It has happened in my congressional district. It is wrong to permit such activity by any employee at public expense.

In March 1962, in Oberlin, Kans., a member of Freeman's Advisory Committee on Wheat made a speech in support of H.R. 10010. He made references to Congress, which I did not think were necessary. He was clearly lobbying for pending legislation; namely, the administration's farm bill.

There have been many examples of abuses in this respect and if there is such a law then perhaps a more active approach by the Department of Justice is needed. We have had the President himself in April tell State ASCS directors not to let their Congressman get lonesome. It has been reported Secretary Freeman suggested Federal-State Extension Service employees start participating in politics to help shape future farm legislation.

It was some time in January of this year that John Macy, Chairman of the Civil Service Commission, issued what was known as the Macy memorandum. In that memorandum he indicated it was proper for Department of Agriculture and other Federal employees to go out and explain pending legislation. In other words, to lobby for pending legislation. After certain Members of the Senate challenged the ruling, in April 1962, Macy revised his memorandum to meet the objections raised. The revision, if followed, would have prevented the explaining of programs pending in Congress.

I received a letter dated April 27, 1962, from Mr. Freeman's Administrative Assistant Secretary, Joseph Robertson, indicating USDA department heads were notified of the Macy memorandum revision which would prevent further lobbying, or promotion of pending legislation.

There is still considerable evidence that in many areas of the country Federal employees are still promoting pending legislation. Some county ASCS offices do it through newsletters to farmers, all at taxpayers' expense.

About a month ago we witnessed some fine examples of lobbying off the House floor Chamber by members of the Department of Agriculture who were trying to get certain farm legislation passed.

Again let me state my amendment goes further than section 1913 of title 18 of the United States Code. It covers not only that section but also provides that department or other Federal employees who are traveling around the country cannot do so if the purpose of their speaking engagement is to lobby, promote, or oppose pending legislation.

We have seen along the New Frontier time after time, example after example of Federal employees going out to promote pending legislation. When the medicare issue was raised they did it all over the country, mostly speaking to empty houses, but they were there, speaking about medical care for the aged at the President's request and the taxpayer's expense. I think my amendment will stop that and a lot of other unnecessary expenditure of public funds.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Illinois.

Mr. MICHEL. I do not know whether this would fall within the purview of the gentleman's amendment, but during the course of the hearings I inquired of the folks who testified before our committee what it cost to bring all the State committeemen down here for that big confab they had here in Washington several years ago in which they were all received on the White House lawn. I was told that it amounted to $58,893. I think that is the kind of thing that ought to be stopped, and I think the gentleman's amendment should prevail.

Mr. DOLE. I thank the gentleman and again state the amendment should be adopted for the benefit of the public, of Congress, and for the benefit and protection of Federal employees themselves. This is true regardless of party or the administration in power. If such activity is wrong then the amendment should be adopted.

Mr. ROONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a few evenings ago I came across a very interesting article published in the current Saturday Evening Post by Harold H. Martin entitled "Farmer Khrushchev: He Has His Troubles. While Mr. K. Rants and Raves, Ideology and Climate Snarl Russia's Farm Program." As a nonfarmer from Brooklyn, Mr. Chairman, I should like to ask the distinguished gentleman from Mississippi whether these statements made by Mr. Martin are correct:

> The American farmer long ago learned that the same cattle cannot economically produce both milk and meat, and that good egg layers are scrawny birds for the table. Mr. Khrushchev keeps 15 million more cows than we do, but his dual purpose herds produce only a third of the amount of meat and 10 million pounds less milk. His 14 million more chickens yield only about a quarter of the meat and less than half of the eggs that American broiler and layer industries provide.

Now, I should like to ask my distinguished friend, the gentleman from Mississippi [Mr. WHITTEN] who is intimately experienced with the farm program and considered an outstanding expert on this subject, if Mr. Martin's are correct statements.

Mr. WHITTEN. I thank the gentleman for his comment with reference to me. I would say that several years ago I had the privilege of visiting with our agricultural attaché who had been in Russia for 4 years and who had traveled throughout much of Russia. We have in this country become specialists. We produce highly specialized beef cattle, and our dairy herds are strictly for dairying purposes. And, we have done that in practically every direction you can look. In Russia it takes 50 percent of the people working on the farms to feed the people. Not only that, but the end result is an inferior quality of meat. In our country it takes about 20 percent. They provide a superior quality with less than 10 percent of our people to produce the food.

May I say another interesting thing, since the gentleman raised the question. We were told that for many years agriculture in Russia was dominated by a line of scientists who thought that heredity had very little to do with improving dairy herds. And, that retarded Russia greatly. Only in recent years have they begun to select the finest specimens for breeding purposes.

Mr. ROONEY. Then, I deduce from what the distinguished gentleman has said that Mr. Martin's statements are substantially correct.

Mr. WHITTEN. Certainly.

Mr. ROONEY. I thank the distinguished gentleman.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from Iowa.

Mr. KYL. The gentleman has approached a most interesting and significant point. In Russia today we are told that about 5 percent of the agricultural land is actually farmed under a special program which permits a certain amount of freedom to the farmer. These are noncommunal farms. This 5 percent free land apparently produces 50 percent of the meat, eggs, milk, and vegetables produced in the Soviet Union.

Mr. ROONEY. I might say to the distinguished gentleman that that subject is also discussed in Mr. Martin's article in the Saturday Evening Post, and it appears that if it were not for those Russian people in the free enterprise part of Soviet agriculture, they could not produce enough to adequately feed their population.

Mr. MARSHALL. Mr. Chairman, I think the gentleman from New York [Mr. ROONEY] can take a great deal of pride in that article, because many of the things mentioned in the article insofar as American agriculture successes are concerned came about because they had the support of the gentleman from New York [Mr. ROONEY].

Mr. WHITTEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wish to join with my friend, the gentleman from Minnesota [Mr. MARSHALL], and say that this entire Nation is deeply indebted not only to our good friend, the gentleman from New York [Mr. ROONEY], who just addressed the House, but to other Members from the cities of this country. With only 10 percent of the people on the American farms, more and more of the welfare of American agriculture is in the hands of these patriotic Members of Congress who come from our cities, and I want to say so for the RECORD.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. WHITTEN. I yield to the gentleman from New York.

Mr. ROONEY. I should like to say that I have never had any trouble with regard to my votes on farm legislation because I fully realize that if we do not have successful, thriving farm communities, we do not have a market for the refrigerators, the radio and television sets, the automobiles and other items manufactured in our cities.

Mr. WHITTEN. Mr. Chairman, in connection with the amendment which has been read, I do not think any of us approve the use of Federal employees in any way to promote or defeat pending Federal legislation. I, personally, do not know whether this has existed or not. I do know that in all the years I have been in the Congress, whichever party has been in charge of the Department of Agriculture, the other party has felt that various employees were taking an active part. That has been true each and every year under each and every administration.

Mr. Chairman, I do not approve of that course of conduct, if it has existed. But with respect to the immediate amendment now pending I would call attention to the fact that if this is going on, it is in violation of section 1913 of title 18 of the United States Code, which I shall read, as follows:

> 1913. Lobbying with appropriated moneys.
>
> No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.
>
> Whoever, being an officer or employee of the United States or of any department or agency thereof, violates or attempts to violate this section, shall be fined not more than $500 or imprisoned not more than one year, or both; and after notice and hearing by the superior officer vested with the power of removing him, shall be removed from office or employment.

Mr. Chairman, the latter part of that section provides for the penalty. May I say that the gentleman's amendment provides no penalty and the matter, in my judgment at least, is already covered by substantive law. If these things have been going on in this administration, or in the preceding administration, or the one that preceded that, and these reports and rumors have always come to our attention, the section which I have just cited would cover it.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I shall be glad to yield to the gentleman from Virginia.

Mr. POFF. Mr. Chairman, in response to an inquiry on the part of the gentleman from California [Mr. LIPSCOMB], the Attorney General recently has rendered an informal opinion which casts some doubt upon the content, the purpose and the effect of section 1913, title 18 of the United States Code. In light of that opinion does the gentleman not agree that it would be prudent and wise for this body to reaffirm its conviction on this point?

Mr. WHITTEN. May I say if we did it on all bills—I think it would probably be better to reaffirm it that way than to pick out one particular department. However, in my own opinion the language of the statute is sufficiently broad to prohibit the use of employees to promote or help defeat legislation. I think it is quite clear. For that reason I do not think the amendment is necessary.

Mr. ARENDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this matter has been discussed on the floor on several occasions. I would like to make reference to two instances when I referred to it and called it to the attention of the House membership. One instance refers to a meeting in Springfield, Ill., the State capital.

At this meeting of the ASC in Springfield, Ill., all the committeemen were advised, with the Under Secretary of Agriculture present, that while they could not be denied voting as they saw fit, they were expected to support the President's program or resign. In other words, they were expected to be politically active in behalf of the Kennedy administration.

I likewise called attention to a quotation that I placed in the RECORD from the New York Times which reads as follows:

> The cooperative Federal-State Extension Service is being asked to enter the political

arena to help shape future farm policies and program.

As the article continues:

> [This] would impose on the service a role it has studiously avoided in its long history.

Likewise, when President Kennedy invited ASC officials to the White House, 150 of them, this is what the wire services reported.

> President Kennedy today delicately suggested to members of the State agriculture stabilization and conservation committees that although they are prohibited by law from lobbying for specific farm legislation, they should not permit Members of Congress to be lonesome.

Very frankly, I said then that I never thought that the President of the United States would in effect condone such action. I never thought that a President of the United States would tell employees that they should not allow a legal prohibition against lobbying for legislation to deter them in such effort.

I think this is a good amendment that has been offered by the gentleman from Kansas [Mr. Dole]. If the present restriction on lobbying by Government employees has been abused before during other administrations, let us now take care of the problems through the adoption of this amendment.

Mr. DOLE. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Kansas.

Mr. DOLE. Mr. Chairman, I asked the gentleman from Illinois to yield so that I might ask the chairman of the subcommittee, the gentleman from Mississippi, a question. He questions whether my amendment is needed because of existing law. My interpretation of the section the gentleman read indicates it refers only to influencing Members of Congress. I have here a complete report which appeared in the Oberlin, Kans., paper in my district. Lud Strnad, who is a member of the Secretary of Agriculture's Advisory Commission on Wheat went into my district and made a political speech on H.R. 10010 in his official capacity. One statement he made was:

> I would like farmers in this community to ask Congress to vote this bill out so you can have a choice.

To me he was clearly promoting pending legislation.

Perhaps this statute has been construed too strictly but it seems to me it applies only to influencing Members of Congress. It should apply to members of advisory committees and all Federal employees and prevent them from going around the country trying to sell a program pending before Congress.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield.

Mr. WHITTEN. Mr. Chairman, the gentleman's amendment merely says that they shall not do what the gentleman says has been done. That is all it amounts to. The statute says that it is against the law to do it and if they do it they are subject to penalties. I say that the statute which I quoted is much stronger than the gentleman's amendment, so that what the gentleman is suggesting is unnecessary. That is the way I see it.

Mr. DOLE. We do agree with the basic premise that it should not be done.

Mr. WHITTEN. I think the statute speaks for itself. I quoted it a while ago. An employee may not use appropriated funds either to promote or defeat legislation, and, if he does, he is subject to penalties provided in the section. That goes much further than the gentleman's amendment, which is why I say that the amendment is not necessary and does not reach the problem that he points out.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Iowa.

Mr. JENSEN. I simply wish to say that everybody knows, every Member of Congress knows that neither the gentleman from Mississippi nor any member of the Subcommittee on Agricultural Appropriations ever used political pressure on anyone to be for or against any item or for or against a bill. A reaffirmation of the law which the gentleman from Mississippi has just read I think is very much in order.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. Arends] has expired.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I know, as everyone else knows, that every administration does put some pressure on Members of Congress to support its programs. But never in all the 24 years I have been in Congress have I seen as much pressure brought on the Members of Congress to support the administration's position on agriculture as I have seen during this session and the last session of Congress. There have been so many pressures brought on Members of Congress relative to the agricultural program that it is becoming a national scandal. I hope the gentleman from Mississippi will not oppose this amendment. As I understood him he is only saying that the law is already on the books to do the thing that this amendment seeks to do. The facts are that there are too many people in the Department of Agriculture that are paying no attention to the law. I hope the amendment will be agreed to. I do not condone such anti-American practice regardless of party.

Mr. MOSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think I can state quite emphatically that the law on the books now is being at least as diligently enforced under this administration as it was under the previous one. It is nice to play a little politics, but sometimes the license used here in discussing instances I think goes beyond the limits we all know to be true.

I happened to serve on the Post Office Committee back during the previous administration. I am surprised that some of the distinguished gentlemen in the minority have such short memories, because many of my colleagues on that committee in the minority protested bitterly at the pressure being placed on them. As a member of that committee, not a part of the party then in the majority, I also experienced heavy pressure, pressure clearly violative of the present requirements of law, when the Postmaster General resorted to the use of Government wires to his postmasters telling them to phone us, yes, even to come back here and tell us to vote for his bills. He did not do that once, he did it a number of times. He came into this building and established a headquarters where he called in the Members, cajoling or threatening or offering any possible incentive to get their support.

I do not approve of this type of action by this administration or the previous one, but I deeply resent the implication by some who have spoken today and who know better that this is new and novel. That it is not; and it has gone on under others of very recent vintage.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman.

Mr. JENSEN. I think the gentleman has just proved the point we are attempting to bring out in this amendment.

I agree perfectly with the gentleman that there have been pressures brought on Members of Congress by every administration. So let us remind the people in this Government now, in this administration, and in future administrations that there is a law on the books which denies them the privilege of using appropriated funds for such purposes and for propaganda purposes.

Mr. MOSS. I agree with the gentleman, but the only thing that puzzles me is why this great enthusiasm to alert and remind people about this law develops on the other side of the aisle only when a Democrat occupies the White House.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman.

Mr. ALBERT. May I say this: A lot of what has been said is true, but when the charge is categorically made that during the consideration of the farm bill this year there was more so-called pressure than ever before, I think we should call for specifics. I do not know of a single instance this year when a Cabinet officer has come to the Capitol Building and lobbied during the consideration of the farm bill or on any other bill.

Mr. MOSS. The gentleman, however, recalls the previous administration when the Postmaster General came to the Capitol.

Mr. ALBERT. I do. And I will say that I have seen assistant Cabinet officers on the Hill during both administrations, but I have not objected to their being up here.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOEVEN. Mr. Chairman, I move to strike out the last word.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman briefly.

Mr. ARENDS. I want to say to the gentleman from California, who has just spoken, and I say this in the utmost sincerity, this is the first time in my many years in the Congress—and I have been here a few years longer than the gentleman from California—that I have ever heard of politics being injected into the Extension Service of this country. The gentleman will have to prove that point differently if he thinks that it is not true. We will forget about politics in the Post Office Department, because none of us is so naive as to believe that it has not in the past or presently is not going on, regardless of what administration is in power. But this is the first time, I repeat, that I have ever heard politics being injected into the Extension Service, and the gentleman, I feel sure, cannot prove anything to the contrary.

Mr. MOSS. I have not injected politics with reference to any service.

Mr. HALLECK. Mr. Chairman, will the gentleman yield for a brief statement?

Mr. HOEVEN. I yield to the minority leader.

Mr. HALLECK. The majority leader referred to the fact that during this administration no Cabinet members have been in the Capitol. I recall when we had a certain bill which was being hotly contested, when the Secretary of Commerce—and I do not know whether he realized the situation or not and, of course, I have nothing but the highest regard for him—I saw him right here in the Speaker's lobby—not only here in the Capitol, but in the Speaker's lobby, within 15 feet of the Speaker's desk, buttonholing Members as to how they should vote on the legislation.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the majority leader.

Mr. ALBERT. I can say specifically that neither the Secretary of Commerce nor any other Cabinet officer has buttonholed me or lobbied me during the consideration of any bill in the House.

Mr. HOEVEN. This should not be a matter of partisan politics. If the basic law is sufficient, as is contended by the gentleman from Mississippi, then certainly no harm will be done by adopting the amendment offered by the gentleman from Kansas. Let us reiterate, reemphasize, and reexpress the will of Congress in this regard.

It seems to me that all of my colleagues should welcome this kind of amendment for their own protection, and especially my good friends on my right, who were under terrific pressure during consideration of the late, lamented farm bill.

I do not condone what happened in prior administrations; this type of propaganda and pressure is wrong in any administration—past, present, and future. I firmly believe that the representatives of a free people have the duty and the right to legislate and to exercise their own good judgment on every piece of legislation without high-pressure tactics by Government departments and agencies.

During consideration of the omnibus farm bill a few weeks ago, the Secretary of Agriculture and a representative of the White House held court in the Speaker's room adjacent to the House Chamber, and certain Members were called in to be high pressured to vote for the farm bill. I have never seen anything like this during my long service in the Congress. It should be stopped.

There is no reason in the world why the representatives of the Federal Government should belabor themselves on any piece of legislation. If we want their advice we can ask for it. Such pressure is not in the best interests of good legislation.

In my own State of Iowa I was amazed not too long ago when the new Iowa administrator of the Federal Crop Insurance Agency called his subordinates together and told them in effect: "I expect you to go out and talk for the administration's farm program. And don't let me hear you say anything against it."

This story appeared on the front page of the Des Moines Register. Many other examples could be cited as to pressure tactics used by the Department of Agriculture. We should welcome the attempt to reemphasize the clear intent of the Congress by adopting the amendment offered by the gentleman from Kansas. We should do this for our own protection.

Mr. NELSEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am not interested in trying to prove who has violated the intent of the law. I do not think anything is gained by such an attempt. I think perhaps it could be proven that there has been pressure from both sides of the political aisle depending upon which administration may have been in power. But I do agree with the gentleman from Illinois [Mr. ARENDS] that when the extension division of our Government becomes involved and are encouraged to participate, in the political arena the Congress then should issue some kind of directive that would prevent that from happening regardless of the administration.

I would like to refer to the statement made by my friend the gentleman from California [Mr. Moss] about short memories, and I would like to refer to the fact that I served as an Administrator of the Rural Electrification program. Just to show you how meticulously this Hatch Act is administered sometimes, in this instance a Democrat-controlled House of Representatives, which Mr. Moss should recall, and one of the great ridiculous charges leveled at me was that I was in Duluth, Minn., and drank some coffee with some Republicans, I called attention to the fact that if drinking coffee was a violation of the Hatch Act, there would be thousands and thousands of Minnesota Scandinavians in jail. The charge was dropped attended by a good deal of laughter from the gallery.

Getting back to the amendment before us, I think if we adopt this amendment it will be a notice served on certain administrative officials in our Government that we are against such tactics and are all concerned regardless of party.

I hope the amendment is adopted.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, may I remind the gentleman from California [Mr. Moss] that we served on a Post Office and Civil Service Committee together under the Eisenhower administration. He well knows that I, too, was subject to some pressures at that time, but somehow or other I was able to resist them.

Let me say that under the Eisenhower administration I offered several amendments to various bills providing practically what the gentleman's amendment suggests be done here. Those amendments were accepted in some instances by the Democrat chairmen of committees, or they were voted on and adopted, I am pleased to say, with the help of Democrats as well as Republicans.

As far as I am concerned, the past record is clear on this matter. I rebelled against these pressures and activities under the Eisenhower administration and tried to do something about it. I trust that the same restrictions will be adopted now.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. DOLE].

The question was taken; and on a division (demanded by Mr. DOLE) there were—ayes 83, noes 96.

Mr. DOLE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. DOLE and Mr. WHITTEN.

The Committee again divided, and the tellers reported that there were—ayes 118, noes 172.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

This Act may be cited as the "Department of Agriculture and Related Agencies Appropriation Act, 1963".

Mr. OLSEN. Mr. Chairman, I would like at this time to extend my warmest admiration and praise for the House Subcommittee on Appropriations to Agriculture for its diligent work on behalf of the farmers of the Nation. I am aware of the long hours of tedious work put in by the subcommittee members, and commend them for their patience and thoroughness in hearing out all sides of the issues that came before them.

However, I would be remiss in my duties as Congressman from the First District of Montana if I did not express my disappointment in the omission of the proposed Soil Research Laboratory at Sidney, Mont., for the Northern Great Plains region. When this research laboratory was first announced by the Department of Agriculture in September of 1961, our distinguished Senate Majority Leader MIKE MANSFIELD spoke to his colleagues, expressing his delight at this opportunity and recognition for the State of Montana.

I am hopeful that when this legislation is considered in the Senate our colleagues there will give favorable reconsideration to the inclusion of this well-merited and promising undertaking for the people of the Northern Great Plains region.

Mr. ROBISON. Mr. Chairman, I intend to vote against H.R. 12648—the Department of Agriculture and related agencies appropriation bill for 1963—because, while it contains funds for a number of programs that I fully support, it also contains money for other programs and the advancement of policies that I cannot support and the subjects, unfortunately, are not divisible.

I also regret that the Michel amendment did not carry on yesterday; however, I am hopeful that the debate thereon may serve as an indication on the part of many of us of growing concern over the manner in which the ambitions of some people in behalf of the rural electrification program may have forced it beyond the point that Congress intended it should go.

I have taken this time, therefore, to call the committee's specific attention to a situation that has developed—at least in my area—with respect to the telephone-loan program under REA.

In reading the committee report, and in listening to the debate, I note that telephone-loan funds for REA have been reduced, in H.R. 12648, from the original budgetary request of $135 million down to only $80 million.

Upon leafing through the hearings, in order to try to find the reason for this rather sharp reduction, I found only an expression of dismay, you might say, or at least certainly of disappointment, on the part of a Mr. Richard Dell—Deputy Administrator for the REA—over the fact that the demand for telephone loans has not developed, for some reason, to the extent that had previously been anticipated.

May I say, based on what has been happening in my area, that I share Mr. Dell's surprise. Quite evidently, if more people only knew it, here is a real fertile field for anyone with any degree of enterprise and initiative, not to mention public spirit.

Why do I say that? Well, in my section of New York State, which is nowadays a lot more suburban in character than it is rural, a small group of developers from outside the area have been going about acquiring the controlling stock interest in those few, remaining, independent telephone companies of the type that used to provide the bulk of telephone service for our rural people. The gentlemen to whom I refer, and I will gladly provide specifics if the committee should want them, have so far acquired three such companies in my general area, and are in the process of acquiring three others at the present time.

Of course, they are using REA funds to aid them in the acquisition process, and are using REA funds to extend and improve the systems that they either now own or are in the process of buying.

Now, all this is fine and no one would object if their ambition was solely that of bringing new and improved telephone service to our rural subscribers. However, on inquiring of the REA into one of these ventures at the request of some of those same subscribers who are not so sure they like the way things are going, I find that this group has so far received a total of federally subsidized REA loan funds amounting to $2,543,000 for an investment on their part of only $260,600, and, if their pending applications go through, will eventually receive a total of $3,496,000 from the REA with an investment of only $385,060 on their part.

That is the equivalent of about a 10 percent margin, which is a pretty good deal in anybody's book—especially when it is 2-percent, 35-year money we are talking about—and would surely seem like an open invitation for anyone to build a telephone empire on a shoestring—or maybe I should say on a shoestring and a subsidy, since the general taxpayers are underwriting a part of the investment. And, after one got his empire rebuilt, if he did not want to do anything else with it he could always peddle it to somebody else, taking back a mortgage for the sales price at, say, 5 or 6 percent, thus pocketing the difference in interest charges, and "Hurrah for Uncle Sam."

Seriously, Mr. Chairman, I do believe that this is a matter which ought to have the committee's further consideration, to the end, at least, of determining whether or not REA's loan-security requirements ought to be revised so as to discourage the possibility of speculation by absentee promoters, and in favor of encouraging local ownership and initiative within the original intent of Congress when it established this most important program.

Mr. PHILBIN. Mr. Chairman, this bill contains many very important provisions which are necessary for the general prosperity and well-being of the Nation and the American people.

These include support of vital research activities, plant and animal disease and pest control, meat inspection, essential foreign currency purchases, State agricultural experiment stations, the valuable Federal extension service, conservation operations, watershed protection, flood prevention, economic research service, the essential school lunch program, Farmers Home Administration, foreign assistance programs, and other constructive, helpful features.

For these reasons, I propose to support the bill in the House and hope it may be enacted.

Mr. HALPERN. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. BROOMFIELD] may extend his remarks at this point in the RECORD and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BROOMFIELD. Mr. Chairman, I rise in opposition to H.R. 12648, making appropriations for the Department of Agriculture for the current fiscal year.

I have noted with regret that efforts to correct this bill, to remove its inequities, to eliminate its shortcomings, to trim its waste, have not been successful.

For years, yes for decades, the city dweller has been supporting the farmer to the tune of some $1,500 per year per farm. He is not only paying for these subsidies in the form of higher taxes, in the form of less money to spend for his own family, but also in the form of higher food prices.

In other words, he has been taxed to raise prices for himself and his children.

If the folly stopped at this point, it would be bad enough. But it does not.

Not only must he pay these higher taxes. Not only must he pay these higher prices, but if he is in the food business, or in the clothing business, he also is, in many cases, paying higher taxes and higher prices to put himself out of business.

Not too long ago, the House passed the Trade Expansion Act of 1962. In most respects, it was a good bill. It was an effort to restore competition with the rest of the world. It was an effort to give our business and our industry a freer rein in the world marketplace.

The Trade Expansion Act was passed to encourage our businessmen to go out into the world after new markets. Coupled with realistic tax depreciation schedules, and our industrial know-how, I think we have the tools we need to restore prosperity to our sagging economy, to raise our already high living standards even higher, and to lick our chronic, nagging problem of unemployment, which is not only causing misery to many, but also is wasting the productive output of millions of our citizens.

So what do we do with this appropriation bill. We throw out the arguments we have heard in favor of the trade expansion bill. We reject the sound reasoning which prompted the House to approve this attempt to increase trade within the Free World, and instead we substitute a bucket of hogwash.

We not only permit the farmer to collect one Federal subsidy for the land he takes out of production. We permit him to take two subsidies on the same land. He not only is permitted, under the terms of this bill, to divert land under the feed grains program to the tune of some $55 an acre, but we then turn around to this farmer and tell him, "no, that isn't enough."

"Come over here to the Federal feed trough," we tell him, "and wallow in some more of these dollar bills which have been plucked from the Federal tax tree. Don't worry where this money comes from. The supply is unlimited. Don't worry about things like our balance of payments, our national debt, or the tax load on your city cousins. Just come join our ACP program and live in luxury with no work, no expenses, no effort on your part."

Frankly, I do not think the farmer is going to fall for this latest brand of hogwash, and I am certain that the city dweller has had just about enough.

On the one hand, the Agriculture Department is telling us that it is striving valiantly, toiling heroically, to reduce the output on our farms, to solve our problems of overproduction through reductions in acreage. On the other hand, we have the Agriculture Department dispensing fertilizers, chemicals, irrigation projects, with an eye to the voting machines and the ballot boxes, so that our farmers can produce even more surplus farm goods on the acres the Federal Government has deemed the farmer can farm.

Of course, not all farmers can take advantage of these double subsidies. Only the chosen few will be permitted to participate, the farmers who know more about Washington and the Agriculture Department than they do about farming.

We already have a clear indication of exactly what is involved in this appropriation bill in one of the amendments which was offered and rejected here today.

The amendment would simply have limited federally paid, federally employed Agriculture Department employees from becoming built-in rural precinct workers for the Kennedy administration.

What was the answer of the House? What was its statesmanlike decision in this important subject of using a person's tax dollars to elect candidates not of his own choosing? The decision was this: The taxpayer has no right to control the political actions of these employees. In fact, he has no right to stop the practice of using his tax money to keep people in office who have no business being there in the first place.

This is a bit of a switch on the "no taxation without representation" we heard so much about in our history texts in years past. Not only are the city dwellers denied representation in the Agriculture Department, despite the fact that 90 percent or better of the costs of this Department are paid by the urban dweller, but these funds we are asked to appropriate today would be used against the city dweller to bury him with higher food prices, higher taxes, and higher subsidies for those farm goods which go into foreign trade.

Then we wonder why business is sick. We wonder why our economy is not marching forward as it should. We wonder why we hear talk of new massive Federal programs, new massive Federal outlays, tax cuts for this reason and that reason to head off financial disaster.

Does not the administration realize that the only way to march forward is to get the load off the backs of our people? Does not this administration realize that only by hauling in the anchor on waste can we hope to sail forward? How can we even hope to move away from the dock unless we cut this umbilical cord we have connected to the farmer and let him start to live in freedom rather than inside the Federal womb.

I agree with my colleagues that the farmer is the backbone of our society, but I resent, and I will resist, this latest attempt to remove the farmer's backbone and make him a charity case subject to Federal annual handouts at the taxpayers' expense.

I have yet to meet a real dirt farmer who believes in the folly we have before us today. But then the Agriculture Department experts, who have never been closer to a farm than the supermarket, would say "he really doesn't know what is good for him, anyway."

Mr. Chairman, this bill is an utter disgrace, and I will vote against it.

Mr. MICHEL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Chairman, for the benefit of the Members of the House, in addition to the remarks I made yesterday on my amendment, I would like to call attention to some of the conservation practices which are now being carried on by the conservation program which I feel are reason for questioning their continuation. The list includes liming materials, the rock or colloidal phosphates, gypsum, or sulphates. These materials are used to permit the growth of so-called conserving crops. However, in most instances and in more than 14 of the States, these practices exceed 25 percent of the amount allocated to conservation and are repetitive practices on the same land, which increases the fertility of the soil and goes far beyond the basic conservation program. Other conservation practices are removal of stone walls or hedgerows described as necessary to permit contour and field strip cropping and to permit the construction of terracing. Other practices listed under the agricultural and conservation program include fencing trees or shrubs; digging wells for livestock water; installation of storage tanks or troughs in connection with wells for livestock water; springs or seeps for livestock water; installation of water storage tanks or troughs in connection with springs or seeps, dams, pits or ponds for livestock water; installation of tanks or troughs in connection with livestock water; and installation of storage tanks and pipelines for livestock water. Also included are the reservoirs for irrigation. I am sure that all of these practices in technical terms fit the definition, but most of these practices I have listed include production in addition to conservation. These practices I believe should be reviewed and in many instances should be curtailed or even abolished. I know of some instances where the Government agent has been so active in stimulating the agricultural and conservation program that he promoted development on farms even though the owner was hesitant to initiate such a project.

These practices point up the trend away from the intent of the basic legislation, and I am sure departs considerably from what was intended when Congress enacted the original law.

Although this program is carried on in every State of the Union, there is a wide variation between the States in the portion of the State which participates in the program. For example, Hawaii has only 6 percent of its total farmland participating; whereas Vermont has 64 percent of its farmland participating in the program. The other States range all the way in between these extremes. Technically such practices conserve the resources of the land, but in actual practice during a period of rotation, would increase the annual yield to the participant.

The amount of Federal funds flowing into such States and into these farm areas is a substantial addition to the farm resources. For example, in Ohio only 13 percent of the farms in the State participate. However, the estimated total gross assistance for the year 1960 was in excess of $6.25 million, and 66 percent of this allocation was used for the establishment of covering crops, with 44 percent being spent for liming materials.

In checking back over a previous report, I find that in 1958, 14 percent of the farms in Ohio participated in the agricultural conservation program, with 42 percent of the funds being spent for liming materials. In Indiana, 20 percent of the farms in 1960 participated in the agricultural conservation program, with the estimated total gross assistance in excess of $6 million, with 45 percent being spent for liming materials.

Although the total cost to the Federal Government for the agricultural conservation program has remained at about the same level since 1945, the number of participating farms has decreased. Yet, at the same time, the average total assistance per farm has more than doubled. In 1945 there were 2,956,000 farms participating under the agricultural conservation program; in 1960 this decreased to 1,029,000. In 1945 this represented 68 percent of the total cropland. Yet in 1960 this percentage has decreased to 30.

Moreover, Mr. Chairman, last fall the ASCS agent in Manassas, Va., along with his committee blackmailed many of the lime dealers in the area into paying for a dinner to promote lime. The dinner was held in a church in Centerville, Va., for the farmers in Prince William and Fairfax Counties. The lime dealers were asked to "cough up" $25 to $50 to finance the affair where the agent gave a speech strictly for the purpose of promoting the use of lime. It is my understanding that many of the lime vendors and the farmers who attended were disgusted with the entire operation.

I briefly mentioned yesterday an ad from the New Castle Record, New Castle, Va., showing the cost examples for some conservation practices followed by a list of agricultural conservation program approved vendors. Under unanimous consent, I include the entire ad at this point in my remarks:

ATTENTION FARMERS OF CRAIG COUNTY: FREE FERTILIZER AND LIME

Yes, get a ton free for every ton you buy through your local A.S.C.S. Office.

ACP initial signup now in progress.

Will run through January 15.

Farmers, are you participating in the agricultural conservation program (ACP)?

All can participate.

If you are not participating, ask yourself:

1. Does your land need conservation improvement?

2. Is someone else getting your share of assistance?

If your answers to these questions are "Yes," "Jump off your tractor and go to the County ASCS Office."

The following are cost examples for some conservation practices:

Liming 5 acres of farmland at the rate of 2 tons per acre (lime delivered and spread):	
10 tons lime at $4.75	$47.50
ACP cost share assistance:	
2.35×10 tons	23.50
Plus small cost share increase	8.60
Total ACP assistance	32.10
Total cost to farmer	15.40

Fertilizing and liming 5 acres permanent pasture; lime at the rate of 2 tons per acre and fertilizer at the rate of 800 lbs. per acre of 5–10–10:	
10 tons lime at $4.75	47.50
2 tons fertilizer at $50	100.00
Total cost	147.50
ACP cost share assistance:	
10 tons lime at $2.35	23.50
2 tons fertilizer at $22	44.00
Plus small cost share increase	14.00
Total ACP assistance	81.50
Total cost to farmer	66.00

Seed winter cover on 10 acres cropland—Seeding 1 bushel rye per acre and applying 400 lbs. per acre of 5–10–10:	
10 bu. rye at $1.35	13.50
2 tons fertilizer at $50	100.00
Total cost	113.50
ACP cost share assistance:	
10 bu. rye at $1.35	13.50
2 tons fertilizer at $22	44.00
Plus small cost share increase	13.70
Total ACP assistance	71.20
Total cost to farmer	42.30

Spray 10 acres of permanent pasture for controlling competitive shrubs:	
Cost of material (2,4–D and 2,4,5–T) per acre at $6.25	$62.50
Estimated cost per acre for spraying at $2	20.00
Total cost to farmer	82.50
ACP cost share assistance:	
Per acre for material	23.00
Per acre for spraying with power equipment	16.50
Plus small cost share increase	11.80
Total ACP assistance	51.30
Total cost share to farmer	31.20

Purchase orders will be issued for lime and fertilizer in 1962. When these orders are requested by the farmer the cost share assistance is paid direct to the approved dealer. He in turn bills you for the difference.

This ad through the cooperation of your ACP approved vendors listed below:

Economy Hardware & Farm Supply, Fertilizer, New Castle, Va.; John H. Pullen, Fertilizer and Ground Limestone, Clifton Forge, Va.; Richmond Guano Co., Fertilizer, Richmond, Va.; Rockydale Quarries Corp., Ground Limestone, Roanoke, Va.; Catawba Mercantile Co., Fertilizer, Catawba, Va.; W. R. Estes, Fertilizer, New Castle, Va.; Willis Humphreys, Fertilizer, Paint Bank, Va.; W. G. Matthews Jr., Inc., Ground Limestone, Clifton Forge, Va.; Montgomery Lime Corp., Ground Limestone, Christiansburg, Va.; Christiansburg Fuel & Supply, Inc., Fertilizer, Christiansburg, Va.; Rural Supply Co., Fertilizer, Covington, Va.; Joe M. Sublett, Fertilizer, New Castle, Va.; the American Agricultural Chemical Co., Fertilizer, Greensboro, N.C.

Now these are good examples of the type of practice that is continuing throughout the country and the elimination of these evils was the purpose of my amendment which was defeated yesterday.

Further, Mr. Chairman, I wish to bring to the attention of the House certain information I have obtained about a recent loan of the REA which I think is an outstanding example of complete irresponsibility by that agency. I think this loan demonstrates everything that is wrong with REA that was brought out in debate yesterday and which demonstrates why the Congress has to regain some control over the way this agency is handling the public's money.

On July 6, REA approved a loan of $18 million to the Big Rivers Rural Electric Cooperative, of Owensboro, Ky. The loan is for the construction of a 66,000-kilowatt steam generating plant and 282 miles of transmission lines, according to the press release of REA.

However, even this press release of the agency does not appear to be factual if one is to go by newspaper stories concerning this project. And according to the newspapers, this is not a 66,000-kilowatt plant but a 75,000-kilowatt plant and the financial requirements are not $18 million but some $25 million.

However, far more important is the background surrounding this loan. In the first place, as with all other such loans, it was handled in complete secrecy. The co-op receiving the loan is a federation of three distribution co-ops which now receive all their power from the Kentucky Utilities Co. and the Louisville Gas & Electric Co.

Mr. Clapp at no time approached these existing suppliers to determine whether they are providing adequate electric supplies and whether they could meet all future demands of the co-ops and whether the price for this power was reasonable. In fact, Mr. Clapp even ignored communications from the Kentucky Utilities Co. when they approached him after having got wind of the loan application from newspaper accounts.

When the company requested information from Mr. Clapp on which to make cost comparison studies in order to protect their existing contracts with the cooperatives, Mr. Clapp refused them the information. The company made its request to Mr. Clapp on June 28 and on July 6 Mr. Clapp approved the loan. On the face of it, his haste appears deliberate and completely irresponsible.

I have it on firm assurance from the company that not only do they have completely adequate supplies of power now for these co-op members, but are completely capable of supplying all their future demands. However, even more significant is the fact that on the basis of present comparative data and the experience with other co-ops which are being supplied by the Kentucky Utilities Co., there is no likelihood that REA-financed facilities will result in a lower cost of power to the cooperatives. Finally, there is one other point to remember. The law under which Mr. Clapp operates very clearly states that he is authorized to make loans "to persons in rural areas who are not receiving central station service."

Thus, we see that Mr. Clapp has gone contrary to every single criteria that would have carried out the intent and purpose of the REA Act. He has ignored the availability of adequate supplies of power. He has ignored the question of cost. He has ignored the law under which he is supposed to operate. This leaves only the third criterion which he himself instituted, but which he has not advanced as the reason for this Big Rivers loan. And in any event, in view of the existing relationship between this co-op and its electric company suppliers, the third criterion is completely meaningless.

Mr. Chairman, I regard this loan as one of the most highhanded, indefensible actions taken by the REA Administrator since he has been in office; and I wish to insert in the RECORD at this point a letter from Mr. Floyd I. Fairman, president of the Kentucky Utilities Co., to Mr. Clapp, which sets forth in complete detail all the pertinent facts in this case. I urge every one of my colleagues to read it if they want to know just exactly what is going on in the REA these days.

The letter follows:

KENTUCKY UTILITIES CO.,
Lexington, Ky., July 13, 1962.

Mr. NORMAN M. CLAPP,
Administrator, Rural Electrification Administration, Washington, D.C.

DEAR MR. CLAPP: We were amazed to read in the newspapers on Saturday, July 7, 1962, that your office had on July 6 approved a loan of $18 million in Federal funds to Big Rivers RECC [Big Rivers] for the construction of a 75-megawatt steam electric generating plant and 266 miles of transmission lines in west Kentucky.

We understand that the House Committee on Agriculture, in its report with respect to pending legislation relating to your Administration, recommended that interested parties certainly should be notified of the making of an application for one of these large generation and transmission loans, and afforded an opportunity to submit to you pertinent facts and their own proposal for the furnishing of such service to the involved distribution cooperatives. Although your office well knows of the vital interest of Kentucky Utilities Co. (KU) in the subject matter of this loan application, contrary to the recommendation of the House committee, your office did not advise us of the making of the application and you did not afford us any opportunity whatever to submit pertinent facts relative to the application. Our information concerning the application for the loan was obtained from newspaper accounts.

When we learned from newspapers of the application for the loan, we requested a meeting with your office and, on June 28, 1962, at our request two representatives of Kentucky Utilities Co. met with you and Assistant Administrator Richard H. Wood. At that meeting, we advised you of our firm opinion that the cost of power to the three involved distribution rural electric co-ops would be substantially less if they continued to purchase their requirements from the private utilities which have been serving these co-ops for years; and we made express request that you furnish to us copies of the loan application of Big Rivers and supporting data, including the feasibility report and cost studies. Your office declined to furnish any of such information to us, and stated that we should request such information from Big Rivers.

In accordance with that advice, on July 2, 1962, we wrote to the president of Big Rivers and made express request for this information, stating in our letter that we wished such information "in order that we might make some comparison of the cost figures under your [Big Rivers] plan and under the rate schedule and offer made by our company." A copy of that letter was sent to you and necessarily was received by you prior to your announcement of approval of the loan.

You thus were fully advised—before you approved this application—of our interest in the matter and of the fact that we were actively seeking available information for the purpose of submitting cost data to your office. We are not willing to assume that the speed with which you acted to approve this loan was for the deliberate purpose of announcing the approval before we had any opportunity whatever to prepare and deliver to you the data which you were advised we were in the process of preparing, and yet that is the result of your hurried action.

Under the circumstances, your action in approving this application is all the more distressing because, on the facts of this case, we are convinced that your approval of the loan far exceeds your authority under applicable Federal statutes and even under the criteria for considering these generation and transmission loans established by your own office.

It is beyond question that this loan did not receive from your office the informed consideration which should be given the expenditure of $18 million of the taxpayers' money. When our representatives were in your office on June 28, you stated that you had not reviewed the application and supporting data but that you would do so. You could not have made a careful study of the data by the time you announced your approval of the loan on July 6.

The handling of this loan application of Big Rivers adds support to the fears, expressed in our industry, that your office is proceeding as fast as it can to the socialization of the electric industry in this country without regard for the laws enacted by or the intention of Congress.

THE INTEREST OF KENTUCKY UTILITIES CO.

Big Rivers is an association of three-member distribution rural electric cooperatives: Green River RECC, Henderson-Union RECC, and Meade County RECC. Big Rivers does not at the present time own, and has not heretofore owned, any facilities for the generation, transmission, or distribution of electricity. Continuously from the time of their organization, the three distribution co-ops have been supplied all of their power requirements by investor-owned utilities, except that for a time Green River RECC purchased some of its requirements from the city of Owensboro, Ky., municipal plant, which arrangement has now been terminated.

Presently, Green River and Henderson-Union RECC's purchase all of their power from Kentucky Utilities, while Meade County RECC purchases its requirements from Louisville Gas & Electric Co. (L.G. & E.). The 1962 load of Green River is 20,400 kilowatts, and of Henderson-Union is 13,600 kilowatts, or a total for the two of 34,000 kilowatts. If Big Rivers should construct its proposed generation and transmission facilities, Kentucky Utilities would, as a first result, immediately lose this load in excess of 34,000 kilowatts. In addition, our experience with a generation and transmission co-op already established in Kentucky—East Kentucky RECC (East Kentucky)—has been that, once the taxpayer-subsidized generation and transmission facilities were available, this generation and transmission co-op began competing with Kentucky Utilities and actively soliciting municipalities which had for years been customers of Kentucky Utilities. Our interest in the present application of Big Rivers is, therefore, very direct.

THE GRANTING OF THE LOAN TO BIG RIVERS RECC WOULD BE ILLEGAL AND BEYOND YOUR AUTHORITY AS ADMINISTRATOR

The authority for making of loans by you as Administrator is contained in section 902 of title 7 of the United States Code in the following language:

"The Administrator is authorized and empowered to make loans in the several States and territories of the United States for rural electrification and the furnishing of electric energy to persons in rural areas who are not receiving central station service."

If discussion were confined to your proper authority under the statute, or even more broadly to congressional intent in making Federal funds available to your agency, there would be not the slightest question as to the illegality of your making this loan. These distribution co-ops are receiving, and since their creation have received, nothing but central station service. More broadly speaking, the construction by Big Rivers of the proposed generation and transmission facilities is in no way necessary to or even in aid of rural electrification in Kentucky.

While in our view a discussion limited to your statutory authority as Administrator to make these loans would be entirely appropriate, we are aware that argument so restricted would not carry much weight. We will therefore consider the criteria which your agency has adopted in considering loans of this character.

AN EXISTING ADEQUATE AND DEPENDABLE SOURCE OF POWER IS AVAILABLE

We understand your first criterion to be whether an adequate and dependable source of power is available as an alternate to generation and transmission facilities constructed with taxpayers' funds loaned by your agency. Of this there can be no question in this instance.

The systems of Kentucky Utilities and and Louisville Gas & Electric are interconnected with each other and with the systems of other utilities so as to be part of one of the largest power pools in the world. Power from the systems of these utilities will be infinitely more dependable than could possibly be achieved by the single station, single unit system proposed by Big Rivers. Also, there is far more than adequate capacity in the systems of Kentucky Utilities and Louisville Gas & Electric to take care of any conceivable load growth which the distribution co-ops might experience, and such capacity will continue to be maintained.

No consideration of your first criterion could possibly justify the granting of this loan.

THE RATES OFFERED BY EXISTING POWER SOURCES WOULD RESULT IN A LOWER COST OF POWER THAN THE COST FROM REA-FINANCED FACILITIES

In making comparisons based upon rates from available sources of energy, you apparently ignore the differentials resulting from loan of the taxpayers' money to co-ops at the sacrificial 2 percent rate and from tax exemptions enjoyed by the co-ops. Private utilities are expected to obtain their financing at the going market rate and pay present-day burdensome taxes, and still offer a cost of power as low as the subsidized co-ops. In final analysis, a saving in power cost by the 2 percent subsidy and tax exemptions is no real saving in power cost at all.

We will, however, make this comparison of costs on your basis.

These three distribution co-ops have for years been enjoying, from both Kentucky Utilities and Louisville Gas & Electric, very favorable rates duly filed with the Kentucky Public Service Commission. The Louisville Gas & Electric rate is designated REC-2. It is substantially the same as the Kentucky Utilities rate 61. For convenience, both such rates will be referred to in this letter as "rate 61." Since we have in Kentucky the one REA-financed generation and transmission co-op, East Kentucky, we have an excellent basis for comparing the costs to distribution co-ops of power purchased from such federally financed generation and transmission co-ops as against power purchased from the private utilities under rate 61. The three co-ops which purchase from Kentucky Utilities and Louisville Gas & Electric under rate 61 are not members of East Kentucky.

East Kentucky commenced actual operation as a generation and transmission co-op in 1954. Even 5 years later, by 1959, the average power cost to East Kentucky's 16 member co-ops which purchased from it was 8.3 mills per kilowatt-hour. By comparison, for the year ending June 30, 1959, the cost to Green River and Henderson-Union under Kentucky Utilities' rate 61 was, respectively, 7.2 mills and 7.3 mills. Over the 5-year period 1955-59, Green River and

Henderson-Union saved $383,000 as against what their power costs would have been under the average rate paid by the co-ops which purchased from East Kentucky.

To remove any area of doubt resulting from consideration of load factors, we have computed (1) the actual cost to Green River and Henderson-Union under Kentucky Utilities' rate 61 for the 12 months just ended May 31, 1962; and (2) what the costs to these same two co-ops would have been under rates available from East Kentucky during this same period of time. Green River and Henderson-Union actually had power costs under rate 61 of, respectively, 7.12 mills and 7.06 mills per kilowatt-hour. Had their purchases been from East Kentucky under rates available from it, the cost of each would have been 7.42 mills.

As of May 1, 1962, East Kentucky placed into effect a new rate which has been given consideration in the foregoing computation. Even if that new rate had been available through the entire 12 months ended May 31, 1962, Green River's and Henderson-Union's costs under the new rate throughout that period would have been 6.90 mills and 6.92 mills—only, respectively, 0.22 mill and 0.14 mill less than under rate 61. Thus, not only have the rates offered by Kentucky Utilities and Louisville Gas & Electric afforded a lower cost of power, but considering that in excess of $66 million of the taxpayers' moneys have been invested in the East Kentucky system—with probably another $25 million to be sought for completion of its Burnside plant—there is no likelihood that the REA-financed facilities will result in a lower cost of power. We remind you that the Kentucky Utilities rate 61 was achieved without the 2-percent money or tax exemption subsidies.

In any event, the latest East Kentucky rate cannot possibly be considered as one which Big Rivers might achieve in the foreseeable future. East Kentucky already has in service a generating capability of 192 megawatts with another unit having a net capacity of 105 megawatts soon to be in service. By comparison, Big Rivers proposes an inefficient system of only 75-megawatts capacity. Also, it required East Kentucky, even though subsidized by the taxpayers to the extent of $66 million, more than 8 years of operation to achieve a rate as low as the Kentucky Utilities' rate 61. Further, as the load factors of the co-ops improve, their power costs under rate 61 are progressively declining. As noted, for the 12 months ending June 30, 1959, the costs to the two co-ops purchasing from Kentucky Utilities were 7.2 mills and 7.3 mills; by the calendar year 1961, those costs had decreased to 7.15 mills and 7.088 mills; and for the 12 months ending May 31, 1962, they had further decreased to 7.12 mills and 7.06 mills. Thus, by the time Big Rivers could place into operation its proposed system, the costs to the co-ops under rate 61 obviously will be even lower than their present costs of 7.12 and 7.06 mills, respectively.

In the newspaper account of your approval of this loan, the manager of Big Rivers is quoted as having said that construction of the generating plant and transmission lines will mean a saving to the co-ops of $3,500,000 to $4,000,000 in the first 10-year period after the facilities are completed. If the data filed with your office purport to show any such savings as those, a cursory study of those figures would have demonstrated their complete invalidity; and it is not to be assumed that you accepted any such totally unfounded claims as a basis for approving the loan. Had you given us the slightest opportunity to present to you the pertinent facts, we could have demonstrated, and now can demonstrate, to your complete satisfaction that any such claimed savings by Big Rivers are totally baseless.

A full and complete investigation and hearing with respect to the cost of power criterion in connection with this loan will conclusively establish that the power costs to these distribution co-ops by continued purchases from the dependable systems of Kentucky Utilities and Louisville Gas & Electric will be substantially lower than the co-ops could possibly experience from the system which Big Rivers proposes to construct.

THERE IS NO NEED FOR THIS LOAN TO BE MADE TO PROTECT THE SECURITY OR EFFECTIVENESS OF ANY REA-FINANCED SYSTEM

This reference obviously is to the third criterion adopted by your agency in 1961 in considering applications for generation and transmission loans. The factors here to be considered are not definitely set forth in any statement of policy. This is one area in which a hearing will be of particular value to all concerned. We have noted your public comments to the effect that these loan applications will be viewed favorably where REA borrowers find themselves forced to rely on a hostile source for their future power supply. We do not believe that even Big Rivers would represent to you that Kentucky Utilities or Louisville Gas & Electric constitutes a hostile source of power supply.

Our relations with the distribution co-ops associated in Big Rivers have always been excellent and singularly free of any friction. There has not been an instance in which a question arising was not talked out openly and fairly and resolved solely between Kentucky Utilities and the co-ops it serves. Neither party has in a single instance found it necessary to take any matter under discussion to the Public Service Commission of Kentucky or to the courts. Kentucky Utilities and Louisville Gas & Electric have cooperated fully with these co-ops in their programs, and every request by them for power or services has been promptly met.

We, of course, are aware of your views on the territorial integrity of co-ops. There is in this area no conceivable basis for your approving this loan.

The present contract between Kentucky Utilities and Green River RECC expires in January 1965. The contract between Kentucky Utilities and Henderson-Union RECC is cancelable on 2 years' notice. The relatively short terms of these contracts have been at the co-ops' insistence, and we have always been prepared to enter into contracts to supply their power needs at the very favorable rate for such period of time as the co-ops might wish.

Congress never intended that Federal funds be made available to co-ops at the 2-percent rate for the purpose of engaging in destructive competition with private utilities for industrial, commercial, and even municipal loads. However, prior to the making of the present application by Big Rivers, we offered to these co-ops new contracts which would not restrict the co-ops in any way whatever as to the character or type or size of load they could serve. The largest industrial loads would be available to them.

Just as the co-ops, however, say they wish protection against the raiding of customers and territory they developed, so do we. The proposed contracts which we submitted therefore contain restrictions against either party's invading territory developed and served with adequate facilities by the other. The provisions we suggested would operate in precisely the same manner for the protection of the co-ops.

The contracts we offered to Green River and Henderson-Union RECC's fully meet the requests in your pertinent directives to co-ops and particularly those in your bulletin 3-3 of February 12, 1962. Unless co-ops wish contracts which protect them as to customers and territories they have developed but at the same time leave them free to raid territories and customers of private utilities, we do not believe there can be any objection to the provisions we offered to these two co-ops.

At the recent meeting in your office, Assistant Administrator Wood did question whether one phrase in our proposed contracts was sufficiently definitive as to the territory or area intended. In contract provisions of this sort, all of us are trying to deal in advance with situations which have not arisen. Language necessarily must be somewhat general. Since returning from Washington, our representatives have carefully considered Mr. Wood's comment, but are somewhat at a loss as to how to be more specific in terms. As we stated to you in our meeting, however, if either your office or Big Rivers will suggest a reasonable alternate phrase or provision, we will doubtless find it acceptable; we have no difference in principle.

In any event, this phrase relating to service area—your only objection to our proposed contracts—is a detail of the most minor sort. Our contracts will give the co-ops full freedom of action as to all classes of customers and the territorial protection you say they need, with no more than identical reciprocal protection to us. You could not possibly have considered any objection to our proposed contracts a justifiable basis for granting this loan. Your action in announcing approval of the loan, without having first submitted or had Big Rivers submit to us a draft of contract or counterproposal, convincingly demonstrates that the minor point raised by Mr. Wood did not constitute a genuine objection to our proposed contracts.

We are firmly convinced that, in this entire area of your third criterion, there is no possible justification for approval of this loan. If any party has any comments to the contrary or criticism of Kentucky Utilities in any phase of its relations with these co-ops, we request that we be advised of the precise comment or criticism and afforded an opportunity to meet it squarely.

THE MATTER OF SECRECY IN THE CONSIDERATION OF THESE LOANS AND THE NEED FOR PUBLIC DISCLOSURE OF INFORMATION AND HEARINGS

To the present time, your agency has been singularly free of any kind of supervision or regulation in its spending of billions of dollars of the taxpayers' moneys. Congress has never considered individual projects prior to the spending of Federal funds. You have resisted any check by the courts on your spending of these funds.

These circumstances should be considered as imposing upon you a duty of extra care in your investigation of loan applications and your decisions to spend these vast amounts of public funds. To the contrary, your office has shrouded its activities in this field in the utmost secrecy and has acted in such manner as to make it impossible even for interested parties to present pertinent facts which necessarily should be considered in determining your proper course with respect to one of these applications.

As stated at the outset of this letter, although you did not see fit to notify us of the making of this application, we learned of it and promptly put you on notice of our interest and of our conviction that the making of the loan would be unlawful. We requested information which would have enabled us to demonstrate to you the impropriety of your granting this loan. When you refused us this information and referred us to another source, we promptly went to that source and, by a copy of our letter, notified you what we were doing. We put you on notice that we were satisfied that cost studies would demonstrate the impropriety of granting the loan, and that we were proceeding to prepare factual data for submission to you.

Instead of demonstrating any interest in receiving and considering further pertinent information you acted immediately to approve the loan before we could place in your hands such factual data which, if ignored, might have embarrassed you in granting the loan.

THE INTEREST OF THE GENERAL PUBLIC IS NOT RECEIVING ANY ATTENTION WHATEVER IN YOUR OFFICE'S CONSIDERATION OF THESE GENERATION AND TRANSMISSION LOANS

Thus far in this letter, we have dealt only with the interests of the distribution cooperatives and their individual members in stating to you that the facts of the present matter do not begin to justify the making of this loan. In other words, the immediate expenditure of $18 million of Federal funds—and the inevitable ultimate expenditure of additional millions of dollars on this same project—would not result in any benefit to these co-ops and their members.

There is another factor, however, which we are satisfied you are giving no weight whatever. That is the interest of the general public in this wholly wasteful expenditure of its money.

The present application of Big Rivers was, according to the newspapers, not for a loan of $18 million for the construction of the 75-megawatt generating plant and 266 miles of transmission lines, but a loan of $25,297,000 for the construction of the plant and 592 miles of lines. The power contract between Meade County RECC and Louisville Gas & Electric does not expire until 1968. It is our understanding that, for this reason, the project as now approved postpones for several years the construction of the transmission lines to serve Meade County RECC and postpones for this same short time the expenditure of the additional $7,297,000 for this part of the project. Thus, within the next several years it is definitely contemplated that $25,297,000, rather than $18 million, of Federal funds will be spent on this project.

Further, as you well know, once one of these generating plants and its system of lines is constructed, the spending of Federal funds on the project has only begun. East Kentucky similarly started with an initial loan of about $12 million; but additions to its system have already cost the taxpayers in excess of $66 million, and at least another $25 million will undoubtedly be sought by East Kentucky for installation of additional capacity in its Burnside plant.

Even if the expenditure of these uncounted millions of dollars for a new generating plant and system of transmission lines for Big Rivers would substantially benefit the distribution co-ops and their members—and that is positively not so in this case—still, such benefit as the co-ops would derive should be weighed against the interest of the general public in this expenditure of its moneys. We do not understand the intent of Congress, as expressed in its laws, to be that Federal funds can be expended for the construction of cooperative generating plants and transmission systems at any time such expenditure may result simply in lower costs to the distribution co-ops. After all, the procurement of capital at a 2-percent rate plus the tax exemptions enjoyed by co-ops should be expected to ultimately result in somewhat lower costs. Again, we do not understand that to be the criterion. Rather, we understand the law to be that Federal loans for generating plants and transmission systems are not authorized when adequate and dependable power is available to the distribution co-ops at fair and reasonable costs, considering that the investor-owned utilities which supply such power must obtain their capital at going market rates and pay applicable taxes.

In this instance, an impartial study would establish that the power costs to these distribution co-ops from the private utilities, are not only entirely fair and reasonable, but are in fact less than the costs the co-ops would experience from the Big Rivers project.

Particularly at the present time, responsible public officials in all branches of government are demanding that unnecessary Federal expenditures be avoided. On the facts of this case, the expenditure of, first, $18 million, and then another $7,297,000, and ultimately many more millions of dollars of Federal funds for the construction of the Big Rivers project would represent an unjustifiable waste of taxpayer funds. This expenditure cannot be justified for any legitimate purpose of rural electrification. It can be explained—not justified—only as a step in the determined program of your agency to establish a system of federally owned and federally financed utility operations to destroy and replace the free enterprise system of utilities in this country.

If this program is to be adopted at all, a determination to that effect would be the sole prerogative of Congress and not of your agency. If, contrary to the intent of Congress, your agency attempts to further such program, it is apparent that the only remedy is for the control of Federal funds for rural electrification purposes to be withdrawn from your agency and returned to the Congress.

REQUEST FOR REVOCATION OF YOUR APPROVAL OF THE LOAN AND FOR A HEARING ON THE APPLICATION

If you are willing to consider this loan application on its merits and after a full development of the facts, we request that you immediately (1) revoke your approval of the loan, (2) make available to us information so that we can prepare and submit a detailed study of a comparison of costs to the co-ops of obtaining their power under the several possible alternatives, and (3) hold a hearing at which all interested parties will be given an opportunity to present to you facts which should be considered before the taxpayers' funds are committed.

If your objective in administering the Rural Electrification Act is to make these large loans of public funds only, as Congress intended, for legitimate purposes of rural electrification, and in instances where the distribution cooperatives cannot obtain their power from private sources at rates which are entirely fair and reasonable, we feel that you will grant our request, permit a full development of the facts in connection with this loan application and thereafter reconsider it on its true merits. The making of the loan to Big Rivers would represent needless waste of Federal funds for the purpose of placing another federally subsidized generation and transmission co-op in a position to engage in destructive competition with investor-owned utilities.

Very truly yours,

FLOYD I. FAIRMAN,
President.

In addition, Mr. Chairman, at this point I wish to request permission to insert in the RECORD two resolutions pertaining to the REA. The first resolution is by the Taxpayers' Association of the State of South Dakota directed to the empire building of REA, and the second resolution is by the South Dakota Stock Growers Association directed to the expansion of REA beyond the intent and purposes of the original act. These two resolutions are indicative of the growing nationwide concern over the unrestrained and unbridled activities of this Federal lending agency:

RESOLUTION OF SOUTH DAKOTA TAXPAYERS, PIERRE

THE TAXPAYERS' WATCHDOG

A considerable number of the members of the South Dakota Taxpayers Association are customers of the Rural Electrification Administration cooperatives. They have been strong supporters of the original concept of bringing power to the rural areas. Current practices of the REA show a decided trend toward empire building. Realizing these facts in relation to the REA system, the board of directors of the taxpayer association has approved the following resolution:

"Whereas the South Dakota Taxpayers Association has always stood for private and free enterprise and has opposed special privilege for one industry as opposed to another industry; and

"Whereas the Rural Electrification Administration was established for the purpose of furnishing electric power to isolated areas where central station power was not available; and

"Whereas the REA has largely accomplished this purpose since 98 percent of the farms and ranches of the Nation are now served with electricity with plans for reaching a 100 percent goal; and

"Whereas, the South Dakota Taxpayers Association commends the REA for the fine job well done in serving the farms and ranches in South Dakota; and

"Whereas approximately five out of six customers now being connected nationally by the REA are nonfarm and nonranch: Now, therefore, be it

"*Resolved,* That the South Dakota Taxpayers Association, by action of its board of directors in regular meeting in Pierre, S. Dak., on June 9, 1962, opposes further expansion of the REA cooperatives beyond the intent and purpose of the original act; and be it further

"*Resolved,* That REA cooperatives be fully compensated for territory and properties annexed to private power companies."

This resolution makes clear the belief of the association in our free enterprise system; that we oppose segments of the economy receiving undue special advantages; and the necessity to strictly limit the operation of Government when it oversteps the powers which have been granted to it.

R. LYLE BARTON,
Executive Director, South Dakota Taxpayers Association.

RESOLUTION OF SOUTH DAKOTA STOCKGROWERS ASSOCIATION

REA

Whereas the South Dakota Stockgrowers Association has always stood for private and free enterprise and has opposed special privileges for one industry as opposed to another industry; and

Whereas the REA was established for the purpose of furnishing electric power to isolated areas where central station power was not available; and

Whereas the REA has largely accomplished this purpose since 98 percent of the farms and ranches nationally are now served with electricity with plans for reaching 100-percent goal; and

Whereas the South Dakota Stockgrowers Association commends the REA for the fine job well done in serving the farms and ranches in South Dakota; and

Whereas approximately five out of six customers now being connected nationally by the REA are nonfarm and nonranch: Therefore be it

Resolved, That the South Dakota Stockgrowers Association, in convention in Sturgis, S. Dak., June 2, 1962, opposes further expansion of the REA beyond the intent and purpose of the original act; and be it further

Resolved, That in any case when any REA loses territory because of annexation by a city that full compensation for their facilities be granted on a fair and equitable basis.

Also, Mr. Chairman, I think it is important to put the generation and transmission activities of the Rural Electrification Administration in their proper perspective.

We were reminded yesterday that the Rural Electrification Act of 1936 did not intend for REA to make loans primarily for electric cooperatives to generate their own supply of power. So, I will not take time to review that important history.

The part of this picture which is of particular concern to me—and I think should be of concern to every conscientious Member of this House—is that even though we have achieved the enviable position in this Nation of having almost 98 percent of the farms electrified—which was the basic purpose for which Congress enacted the Rural Electrification Act of 1936—the magnitude of money requests from this agency is increasing rather than decreasing. Perhaps we see a new variation of Parkinson's law which might read: "As a bureaucratic agency approaches completion of the goal established for it, the amount of money requested from the taxpayers increases rather than decreases."

Mr. Chairman, let no one misunderstand my position. As I have consistently said, and repeated yesterday, that in filling its assigned task of distributing electric power to residents of rural areas who cannot obtain power from commercial sources, the REA has clearly met a well-defined need and has played an important role in the economic upgrading of many rural areas. However, I must draw the line in my own mind when the agency wants to assume as its primary function the granting of loans for the generation of electric power at subsidized interest rates and freedom from payment of Federal income taxes.

To show this trend on generating loans, I prepared a brief table showing generation and transmission loans as a percentage of total loans for each fiscal year from 1936 through February 1, 1962. To me, this was very revealing and has caused me serious concern. For example, in 1936 only 0.2 percent of total loans went for generation and transmission purposes; by 1940, 1.4 percent; 1950, 36.4 percent; in the decade to 1960, the percentage fluctuated between 19 percent in 1954 to a high of 40.4 percent in 1960. Now, on February 1, 1962, we see 57 percent of all loans granted by REA going for generation and transmission purposes, and the request for fiscal 1963 is for about 60 to 65 percent for generation and transmission loans. Every indication is that it will continue to increase in future years. Under unanimous consent, I insert this brief table at this point:

Rural Electrification Administration total loans granted—Generation and transmission loans granted by fiscal years 1936–62

Fiscal year	Total electric loans granted	Generation and transmission loans granted	Generation and transmission loans as percentage of total loans
1936	$13,910,404	$28,000	0.2
1937	45,025,813	1,482,000	3.3
1938	29,254,853	1,115,000	3.8
1939	139,149,829	3,484,000	2.5
1940	41,632,050	586,000	1.4
1941	100,054,672	5,612,150	5.6
1942	91,152,724	28,162,700	30.9
1943	6,700,978	1,695,294	25.3
1944	31,930,124	3,017,550	9.5
1945	26,343,238	5,719,924	22.2
1946	289,372,488	31,920,043	10.6
1947	254,521,172	33,134,895	13.0
1948	313,023,099	39,978,033	12.8
1949	448,859,507	85,000,526	18.9
1950	375,151,456	136,439,210	36.4
1951	221,733,800	51,159,000	23.1
1952	165,425,811	61,387,000	37.1
1953	164,972,662	28,939,500	22.0
1954	167,104,100	31,749,760	19.0
1955	167,530,430	41,882,500	25.0
1956	189,894,800	61,251,930	32.3
1957	300,461,514	120,153,676	39.9
1958	241,636,869	86,338,132	35.8
1959	177,292,100	64,814,397	36.5
1960	220,108,000	88,971,495	40.4
1961	274,507,218	151,938,830	55.3
1962	103,144,000	261,000,000	59.3

Source: Annual reports of Rural Electrification Administration.

Mr. Chairman, at this time when almost everyone is saying that we need a reduction in taxes to stimulate the national economy, I think it is more important than ever to reduce Federal spending as much as possible. I realize that my amendment would not have reduced the overall amount of money which REA will be allowed to borrow from the Treasury, but by placing the $100 million limitation on the granting of generation and transmission loans it would have put the program back on the right track and would have resulted in some savings to the taxpayer in future years.

Furthermore, Mr. Chairman, even though my amendment was defeated, I was very encouraged with the vote, and the next time around I will win. I am sure Mr. Clapp realizes this; and, therefore, I can see no reason why when the Administrator comes to us for his appropriations next year he cannot give us specific details on all the large generation and transmission loans he is planning to make in a coming fiscal year.

The procedure involved in building an electric generating plant is a pretty involved one. It simply cannot be done in haste, and it cannot be done in a short period of time.

I am informed that the procedure will go something as follows: First, the cooperatives which are planning to construct a generating plant will have a preliminary meeting to discuss proposed costs. This meeting will usually be attended by their consulting engineer and the local REA engineer and sometimes an engineer from the REA Washington area office. The consulting engineer presents his estimate of the cost of preparing a study of the proposed generation and transmission project and, if satisfactory, general funds of the cooperative are voted to finance this study. The engineer must be furnished with load data and load center locations by the distribution cooperatives. He must then determine suitable plant site, lay out the backbone transmission system, and determine substation sites. He must obtain bids on all equipment involved. When all of his data is prepared, he must prepare an economic study for submission to the cooperatives. This economic study is then presented by the cooperatives to the REA Washington office to be checked by the Washington office engineers.

A study of this kind would take at least 1 year to prepare. As the study progresses, the feasibility of the project can usually readily be determined. By the time it reaches the REA Washington office, the REA area director should be in a position to know whether the project has any merit. After it reaches his office and is assigned to an engineer to study, there will probably be 6 to 8 months required before the engineer can make his recommendation to the Administrator as to the feasibility of the project.

It seems apparent, therefore, that the Administrator should be in a position to have a rather precise estimate of the feasible projects that will be submitted to him for consideration during the following fiscal year at the time that he appears before the Appropriations Committee with his request for funds.

I fail to see how there can be any validity to the argument by the Administrator that he cannot come before the Congress with complete details of all the large generation and transmission loans he plans to make in any fiscal year.

Finally, Mr. Chairman, the claims that my amendment, which was defeated, would leave the REA borrowers in a bad way financially, is not valid. Let us look at the facts. The net margin—excess of revenues over expenses—of REA borrowers in 1960 was $87,212,359; up from $69,389,622 in 1956. The long-term debt as a percent of net assets had declined from about 88 percent in 1956 to 78.6 percent in 1960. In 1960 only 30 REA borrowers had deficits in their net margins—out of 959 borrowers—as against 277 in 1950. The REA borrowers in 1960 had investments and special funds of $350,537,000 in 1960; up from $143,561,000 in 1956. That is a gain of $207 million in 5 years. These are readily available funds that can be tapped to meet a special situation.

Now, let us look at the cost of power bought by REA borrowers. According to NRECA's "Rural Electric Fact Book," 1960, the cost of power bought from investor-owned electric companies declined from 1.24 cents per kilowatt-hour in 1940 to 0.80 cent in 1958, or a decline of 38 percent. What happened to the cost of power bought by co-ops from REA borrowers? From 1940 to 1958 it fell from 1.28 cents to 1.16 cents, or a decline of only a little over 9 percent. REA borrowers buying power from electric companies have received greater reductions in power costs since 1940 than those buying from other REA borrowers.

In conclusion, I wish to repeat that the 133-to-94 count on the vote on my amendment is indicative of the fact that more Members are becoming aware of the need for additional legislation in this area, and I would assume that in the next session we will see Congress once again regain control over this program that has gotten completely out of hand.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12648) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. MICHEL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MICHEL. I am constrained to say "Yes," Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MICHEL moves to recommit the bill to the Committee on Appropriations.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. BROOMFIELD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 346, nays 41, not voting 48, as follows:

[Roll No. 175]

YEAS—346

Abbitt
Abernethy
Addabbo
Albert
Alexander
Andersen, Minn.
Anderson, Ill.
Andrews
Anfuso
Arends
Ashley
Ashmore
Aspinall
Auchincloss
Avery
Ayres
Bailey
Baker
Baldwin
Barrett
Barry
Bass, Tenn.
Bates
Battin
Beckworth
Beermann
Belcher
Bennett, Fla.
Bennett, Mich.
Berry
Betts
Blatnik
Boland
Bolling
Bonner
Bow
Boykin
Brademas
Bray
Breeding
Brewster
Bromwell
Brooks, Tex.
Brown
Broyhill
Burke, Ky.
Burke, Mass.
Burleson
Byrne, Pa.
Byrnes, Wis.
Cahill
Cannon
Carey
Casey
Cederberg
Celler
Chamberlain
Chelf
Chenoweth
Chiperfield
Clark
Cohelan
Colmer
Conte
Cook
Cooley
Corman
Cunningham
Curtin
Daddario
Dague
Daniels
Davis, James C.
Davis, John W.
Dawson
Delaney
Dent
Denton
Diggs
Dingell
Dole
Dominick
Donohue
Dorn
Dowdy
Downing
Doyle
Dulski
Durno
Dwyer
Edmondson
Elliott
Ellsworth
Everett
Evins
Fallon
Farbstein
Fascell
Feighan
Fenton
Finnegan
Fisher
Flood
Forrester
Fountain
Frelinghuysen
Friedel
Garland
Garmatz
Gary
Gathings
Gavin
Giaimo
Gilbert
Glenn
Gonzalez
Goodling
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gross
Hagan, Ga.
Hagen, Calif.
Haley
Halleck
Halpern
Hansen
Harding
Hardy
Harris
Harrison, Wyo.
Harsha
Harvey, Ind.
Hays
Healey
Hechler
Hemphill
Henderson
Herlong
Hoeven
Holifield
Holland
Horan
Huddleston
Hull
Ichord, Mo.
Inouye
Jarman
Jennings
Jensen
Joelson
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jonas
Jones, Ala.
Jones, Mo.
Karsten
Karth
Kastenmeier
Kearns
Kee
Kelly
Keogh
Kilgore
King, Calif.
King, N.Y.
Kirwan
Kitchin
Kluczynski
Knox
Kornegay
Kowalski
Kunkel
Kyl
Laird
Landrum
Lane
Langen
Lankford
Latta
Lennon
Lesinski
Libonati
Lindsay
Lipscomb
McCulloch
McDonough
McDowell
McFall
McIntire
McMillan
Macdonald
MacGregor
Mack
Magnuson
Mahon
Mailliard
Marshall
Martin, Mass.
Martin, Nebr.
Mason
Mathias
Matthews
May
Meader
Miller, Clem
Miller, George P.
Miller, N.Y.
Milliken
Mills
Moeller
Monagan
Montoya
Moore
Moorehead, Ohio
Moorhead, Pa.
Morgan
Morris
Morrison
Morse
Mosher
Moss
Multer
Murphy
Murray
Natcher
Nedzi
Nelsen
Nix
Norrell
Nygaard
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen
O'Neill
Ostertag
Passman
Patman
Pelly
Perkins
Pfost
Philbin
Pillion
Pirnie
Poage
Poff
Price
Pucinski
Quie
Randall
Reece
Reifel
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Riley
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Rodino
Rooney
Roosevelt
Rosenthal
Rostenkowski
Roudebush
Roush
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. George
Santangelo
Saylor
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Scott
Scranton
Seely-Brown
Selden
Shelley
Sheppard
Shipley
Short
Shriver
Sibal
Sikes
Siler
Sisk
Slack
Smith, Iowa
Smith, Va.
Springer
Stafford
Staggers
Steed
Stephens
Stratton
Stubblefield
Sullivan
Taylor
Teague, Tex.
Thompson, Tex.
Thomson, Wis.
Thornberry
Toll
Tollefson
Trimble
Tuck
Tupper
Ullman
Vanik
Van Pelt
Van Zandt
Vinson
Waggonner
Wallhauser
Walter
Watts
Weaver
Weis
Westland
Whalley
Wharton
Whitener
Whitten
Wickersham
Widnall
Williams
Wilson, Calif.
Wilson, Ind.
Wright
Young
Younger
Zablocki
Zelenko

NAYS—41

Adair
Alger
Ashbrook
Becker
Bell
Broomfield
Bruce
Church
Clancy
Collier
Corbett
Curtis, Mo.
Derounian
Derwinski
Devine
Dooley
Findley
Fino
Ford
Fulton
Goodell
Griffin
Hall
Harvey, Mich.
Hiestand
Hoffman, Ill.
Hosmer
Johansen
Keith
Michel
Minshall
Osmers
Pike
Ray
Robison
Rogers, Fla.
Rousselot
Smith, Calif.
Thomas
Udall, Morris K.
Utt

NOT VOTING—48

Alford
Baring
Bass, N.H.
Blitch
Boggs
Bolton
Buckley
Coad
Cramer
Curtis, Mass.
Davis, Tenn.
Flynt
Fogarty
Frazier
Gallagher
Gubser
Harrison, Va.
Hébert
Hoffman, Mich.
Judd
Kilburn
King, Utah
Loser
McSween
McVey
Madden
Merrow
Moulder
Norblad
Peterson
Pilcher
Powell
Purcell
Rains
Rogers, Colo.
Rogers, Tex.
St. Germain
Saund
Scherer
Smith, Miss.
Spence
Taber
Teague, Calif.
Thompson, La.
Thompson, N.J.
Willis
Winstead
Yates

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Teague of California for, with Mr. Kilburn against.

Mr. Cramer for, with Mr. Taber against.

Until further notice:

Mr. Hébert with Mr. Bass of New Hampshire.

Mr. Rogers of Texas with Mr. Norblad.

Mr. Boggs with Mr. Scherer.

Mr. Buckley with Mr. Curtis of Massachusetts.

Mr. Loser with Mrs. Bolton.

Mr. Peterson with Mr. Gubser.

Mr. St. Germain with Mr. Merrow.

Mr. Pilcher with Mr. Judd.

Mr. Thompson of New Jersey with Mr. McVey.

Mr. Rains with Mr. Hoffman of Michigan.

Mr. BELL changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

EQUAL PAY ACT OF 1962

Mr. ZELENKO. Mr. Speaker, I move that the House resolve itself into the

Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11677) to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11677, with Mrs. KELLY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ZELENKO. Madam Chairman, I yield myself 10 minutes.

Madam Chairman, the objective sought by this legislation is wage justice for working men and women. Discriminatory wage practices based upon sex, like other forms of discrimination in employment, are contrary to our basic traditions of freedom and fairplay.

The payment of wages on a basis other than that of the job performed is not only harmful to the individual worker and our economy, but also to our Nation's image abroad. The fact that employers still pay lower wage rates to women workers for the same or comparable work as that performed by men workers in the same place is contrary to every concept of equality and justice in which we so strongly believe.

While H.R. 11677 is not expressly directed at women—and testimony shows that it will be equally beneficial to men—it should be noted that the principal immediate beneficiaries of this legislation will be the working women of the Nation. It seems almost incredible that there should still be need for a Federal law to protect women workers from such a form of discrimination and exploitation as exists in the payment of unequal wage rates for equal work. The fact that such discrimination continues to be widely practiced was glaringly revealed in testimony from virtually every segment of economic endeavor tables. What makes this revelation even more shocking is that in 1961 there were approximately 24¼ million women in our work force, making up a total of one-third of our Nation's total labor force. By 1970 that figure is expected to rise to 30 million. These women are needed to feed our economy and they should be given the same incentives that encourage men to improve their skills and productivity. That women are a vital and productive element in our labor force cannot be denied. The plain and undeniable fact is that these working women, by their vast contributions in the labor force—both in times of war and peace—have become indispensable partners with men in the growth of our economy. As equal partners in the labor force, they are entitled to be treated as equal partners in enjoying the fruits of their labor.

Women are in the labor market because they have to work to support themselves, their children, their parents, and to supplement the incomes of their husbands, where inadequate. In 1961 women were the heads of 4.6 million families—about 10 percent of all families in the United States. These families owed their sole support to a working woman.

The legislation prohibits an employer having 25 or more employees, engaged in commerce, or in the production of goods for commerce, from discriminating between his employees at the same plant by paying lower wages to one sex than he pays to the other sex for a comparable job requiring comparable skills except where there is a valid discrimination due to a merit system, seniority or bona fide job classification.

The bill would diminish the possibilities of using women to force wages down and of taking advantage of the sharp competition for jobs in times of substantial unemployment. The bill provides that no employer will reduce the wage rate of an employee for the purpose of eliminating the differential in wage rates prohibited by the act. It would stimulate another worthwhile purpose—that of maintaining the purchasing power of workers to add to their prosperity and the growth of our economy.

Because of the fact that there may be instances in the bargaining between an employer and a union in which the bargaining agreement might require the employer to continue or institute a wage differential for comparable work based solely on sex, I shall offer an amendment which would prohibit any union or other bargaining unit acting on behalf of employees from causing or attempting to cause the employer to discriminate against any individual in violation of this act.

I am pleased to inform this committee that organized labor, which has fully supported this legislation, favors this amendment.

I urge this commitee to give its full support to this vital legislation.

Under permission previously granted, I include the following:

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., July 24, 1962.

Hon. HERBERT ZELENKO,
House Office Building,
Washington, D.C.

DEAR MR. ZELENKO: It is my understanding that a question has arisen as to the attitude of the AFL–CIO toward the inclusion in the equal pay bill of a provision prohibiting unions from causing or attempting to cause an employer to discriminate against any individual in the payment of wages on the basis of sex.

The Fourth Constitutional Convention of the AFL–CIO adopted a resolution which called attention to the large number of women employed in industry and stated:

"Women must be encouraged to join labor unions, to participate actively in union affairs, and to rely upon unions to protect and advance their basic interests."

The resolution reaffirms the federation's support of the principle of equal pay for equal work, through collective bargaining contracts and through appropriate legislation, both State and Federal. Specifically, the resolution called for "abolition of discriminatory employment practices against women in hiring and layoffs, in seniority rights, promotion, and training opportunities for jobs."

Accordingly, the AFL–CIO would have no objection to the inclusion of a provision along the lines outlined above in the equal pay bill. We would, however, be strongly opposed to inclusion in the bill of any of the other changes proposed in the so-called Ashbrook amendment.

Sincerely yours,

ANDREW J. BIEMILLER,
Director, Department of Legislation.

Another representative group of white-collar workers are bank tellers, for whom salary data were collected by the Bureau of Labor Statistics in 1960. Even though the salary data were separated by the length of experience of the tellers and the type of work done, women's average earnings were consistently lower than men's.[1] For example, the following table shows that women note tellers with under 5 years' experience typically averaged $5 to $15 a week less than men in the same occupational group:

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[1] In this report, the data are combined for all banks in each survey area. Thus, as stated previously, the differences in earnings are partially accounted for by variations in wages between small and large establishments, in job content, and in length of service.

Banks, May–July 1960—Comparison of average weekly earnings of women and men note tellers (under 5 years' experience)

Area [1]	Number of workers		Average weekly hours		Average weekly earnings		
	Women	Men	Women	Men	Women	Men	Difference [2]
Atlanta	27	6	39.0	39.0	$67.00	$72.50	–$5.50
Boston	44	13	35.5	36.5	69.00	77.00	–8.00
Chicago	26	66	39.5	39.0	78.50	89.50	–11.00
Dallas	21	11	40.0	40.0	64.00	79.50	–15.50
Denver	56	6	40.0	40.0	63.00	91.00	–28.00
Detroit	7	7	40.0	37.5	64.50	73.50	–9.00
Houston	27	23	40.0	40.0	60.50	80.00	–19.50
Kansas City	16	12	40.0	40.0	63.50	74.50	–11.00
Los Angeles-Long Beach	280	102	40.0	40.0	77.00	82.50	–5.50
Miami	31	19	38.5	39.0	$62.50	$68.00	–$5.50
Milwaukee	22	14	39.5	39.5	63.50	94.50	–31.00
Minneapolis-St. Paul	27	15	39.5	40.0	65.00	88.50	–23.50
Newark-Jersey City	44	41	36.0	36.0	72.00	80.00	–8.00
New York City	21	125	37.0	36.5	75.00	80.50	–5.50
Providence	17	12	36.0	37.0	54.00	66.00	–12.00
St. Louis	19	16	37.5	36.5	62.50	80.00	–17.50
San Francisco-Oakland	60	68	40.0	40.0	71.50	81.50	–10.00
Seattle	43	16	39.5	40.0	67.50	85.00	–17.50

[1] Includes all survey areas in which both men and women in this occupation were paid on a time basis.

[2] Refers to the amount by which women's earnings vary from men's earnings.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

SERVICE WORKERS

There are about 3.4 million women and 2.9 million men classified as service workers (excluding private household workers). Earnings data for service workers have been collected by the Bureau of Labor Statistics in selected service industries, including power laundries, hotels, and hospitals. The following tables present wage comparisons in these industries for occupations employing both men and women workers on a time basis and show marked wage differences favoring men.

Power laundries, April–July 1960—Comparison of average hourly earnings of women and men workers

Occupation and area [1]	Number of workers		Average hourly earnings		
	Women	Men	Women	Men	Difference [2]
Assemblers:					
Boston	120	29	$1.12	$1.45	−$0.33
Chicago	224	96	1.12	1.24	−.12
Detroit	59	26	1.09	1.20	−.11
Los Angeles-Long Beach	273	12	1.35	1.84	−.49
Newark-Jersey City	85	27	1.17	1.29	−.12
New York	142	83	1.16	1.38	−.22
Philadelphia	120	13	1.14	1.27	−.13
Clerks, retail receiving:					
Chicago	122	14	1.17	1.58	−.41
Newark-Jersey City	42	13	1.12	1.48	−.36
Identifiers:					
Boston	14	44	$1.16	$1.31	−$.15
Chicago	82	119	1.09	1.32	−.23
New York	46	86	1.16	1.36	−.20
Markers:					
Boston	51	30	1.12	1.22	−.10
Chicago	167	8	1.13	1.22	−.09
Los Angeles-Long Beach	156	13	1.32	1.63	−.31
New York	65	42	1.30	1.43	−.13
Philadelphia	43	6	1.12	1.24	−.12

[1] Includes occupations which cover both men and women workers and are generally paid on a time basis.

[2] Refers to the amount by which women's earnings vary from men's earnings.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Private hospitals, mid-1960—Comparison of average weekly hours and earnings of women and men workers

Occupation and area [1]	Number of workers		Average weekly hours		Average weekly earnings		
	Women	Men	Women	Men	Women	Men	Difference [2]
PHYSICAL THERAPISTS							
Buffalo	9	9	39.5	40.0	$81.50	$91.00	−$9.50
Chicago	65	18	39.5	40.0	81.00	98.50	−17.50
Los Angeles-Long Beach	80	20	40.0	40.0	99.00	91.00	+8.00
Minneapolis-St. Paul	31	7	40.0	40.0	95.50	120.50	−25.00
New York	105	41	37.5	38.5	80.50	89.00	−8.50
Philadelphia	32	8	40.0	39.5	85.50	100.00	−14.50
San Francisco-Oakland	39	9	40.0	40.0	95.50	99.50	−4.00
X-RAY TECHNICIANS							
Baltimore	44	24	40.0	40.0	69.00	74.00	−5.00
Boston	144	34	40.0	40.0	69.50	74.50	−5.00
Buffalo	36	12	39.0	40.0	70.00	75.00	−5.00
Chicago	195	96	40.0	40.0	81.00	86.00	−5.00
Cincinnati	30	10	40.0	39.5	64.50	72.00	−7.50
Cleveland	79	19	40.0	40.0	70.00	76.00	−6.00
Dallas	12	10	40.0	40.0	66.50	74.50	−8.00
Los Angeles-Long Beach	107	40	40.0	40.0	86.00	87.00	−1.00
Minneapolis-St. Paul	65	20	40.0	40.0	66.00	71.00	−5.00
New York	159	178	38.0	38.0	79.00	79.00	0
Philadelphia	152	14	40.0	40.0	$65.50	$68.50	−$3.00
Portland	24	7	40.0	40.0	82.50	89.00	−6.50
San Francisco-Oakland	60	16	40.0	40.0	85.00	89.50	−4.50
NURSING AIDS							
Baltimore	1,726	395	40.0	40.0	37.50	44.50	−7.00
Boston	1,640	387	40.0	40.0	49.00	52.50	−4.50
Buffalo	1,204	96	40.0	40.0	46.00	52.50	−6.50
Chicago	4,987	380	39.5	40.0	50.00	58.50	−8.50
Cincinnati	839	91	40.0	40.0	40.00	47.00	−7.00
Cleveland	1,634	381	40.0	40.0	45.50	54.50	−9.00
Dallas	417	87	40.0	40.5	35.00	41.50	−6.50
Los Angeles-Long Beach	3,209	268	40.0	40.0	57.00	60.50	−3.50
Minneapolis-St. Paul	1,146	171	40.0	40.0	55.50	60.00	−4.50
New York	6,232	1,271	39.5	39.5	46.50	49.50	−3.00
Philadelphia	1,849	520	40.0	40.0	37.50	39.00	−1.50
Portland	511	54	40.0	41.5	56.00	61.00	−5.00
San Francisco-Oakland	1,037	228	40.0	40.0	64.50	65.50	−1.00

[1] Includes all areas in survey in which both men and women were working as physical therapists, X-ray technicians, and nursing aids and were paid on a time basis.

[2] Refers to amount by which women's earnings vary from men's earnings.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Hotels, March–July 1960—Comparison of average hourly earnings of women and men room clerks

Area	Number of workers		Average hourly earnings		
	Women	Men	Women	Men	Difference [1]
Boston	9	69	$1.43	$1.53	−$0.10
Buffalo	39	44	1.38	1.56	−.18
Chicago	39	149	1.37	1.76	−.39
Cleveland	16	32	1.44	1.48	−.04
Detroit	32	56	1.52	1.51	+.01
Kansas City	17	50	.92	1.30	−.38
Los Angeles-Long Beach	41	151	1.39	1.61	−.22
Miami	17	132	$1.53	$1.65	−$.12
Milwaukee	13	30	1.49	1.68	−.19
Minneapolis-St. Paul	13	46	1.30	1.44	−.14
New York	15	530	2.03	1.96	+.07
Philadelphia	7	65	1.56	1.69	−.13
St. Louis	15	48	1.18	1.44	−.26

[1] Refers to the amount by which women's earnings vary from men's earnings.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

PLANT WORKERS

Comparative earnings of men and women classified in three plant jobs and employed in identical establishments were analyzed in the Bureau of Labor Statistics' community wage survey of 1958–59. Again, it is pertinent to note that individual plant averages for men and women in a specific job may be influenced by variations in job content and length of service.

It is interesting to note that the differences in average earnings of men and women were found to be least among passenger elevator operators and greatest among janitors. Men and women elevator operators had similar average earnings in a majority of the establishments. However, for janitors and packers, the women's averages were below the men's in at least 70 percent of the establishments. In the latter firms, the difference was typically 15 cents an hour or more, as shown in the following table.

Establishment differences in earnings of men and women plantworkers

[Distribution of establishments by relationship between establishment averages for men and women in selected plant occupations, 20 labor markets, winter 1958–59]

Relationship of women's hourly earnings to men's	Janitors, porters, and cleaners	Packers, shipping	Elevator operators, passenger
Total number of establishments	1,232	185	110
Establishments with women's average higher than men's [1]	58	16	14
25 cents or more	3	2	
23 to 25 cents			
21 to 23 cents	1		
19 to 21 cents	5		
17 to 19 cents	2	1	
15 to 17 cents	2		3
13 to 15 cents	6	2	
11 to 13 cents	2	2	
9 to 11 cents	2		1
7 to 9 cents	4	3	1
5 to 7 cents	13	3	2
3 to 5 cents	18	3	7
Establishments in which difference was less than 3 cents	284	39	61
Establishments with men's average higher than women's [1]	890	130	35
3 to 5 cents	52	9	3
5 to 7 cents	64	10	7
7 to 9 cents	63	8	6
9 to 11 cents	63	14	6
11 to 13 cents	63	14	
13 to 15 cents	56	6	2
15 to 17 cents	45	6	5
17 to 19 cents	52	2	
19 to 21 cents	47	6	1
21 to 23 cents	38	6	2
23 to 25 cents	28	6	
25 cents or more	319	43	3

[1] Limited to establishments in which the difference in average hourly earnings is 3 cents or more.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

The occupation of operatives included 3.3 million women and 8.4 million men in 1961, but relatively few of these workers appeared to be doing similar work. The numerous wage surveys made by the Bureau of Labor Statistics in manufacturing industries yield relatively few examples of men and women in the same occupations and paid on a time basis. The examples which may be found virtually all show women receiving lower average earnings than men, as illustrated in the following occupational data for six manufacturing industries:

Manufacturing industries, 1960–61—Comparisons of average hourly earnings of men and women, by occupation

Occupation and area [1]	Number of workers		Average hourly earnings		
	Women	Men	Women	Men	Difference [2]
A. Nonelectrical machinery (May 1961):					
Assemblers, class C, Chicago, Ill.	613	734	$1.68	$2.07	−$0.39
Machine-tool operators, production, class C:					
Chicago, Ill.	167	1,138	1.71	2.05	−.34
Hartford-New Britain-Bristol, Conn.	123	470	1.61	2.33	−.72
Drill-press operators, single or multiple spindle, class C, Chicago, Ill.	99	432	1.73	1.94	−.21
B. Men's and boys' shirts (except workshirts) and night shirts (May 1961):					
Sewing machine operators, New York City	378	21	1.51	1.98	−.47
Sewing machine operators on sport shirts:					
New York City	318	17	1.52	2.06	−.54
New York State	441	17	1.44	2.06	−.62
C. Candy and other confectionery products (November–December 1960):					
Dipping machine operator helpers, Chicago, Ill.	357	11	1.22	1.35	−.13
D. Women's and misses' dresses (August 1960): Hand pressers:					
Fall River-New Bedford, Mass.	230	58	$1.71	$1.78	−$0.07
New York City:					
All shops	125	155	2.09	3.61	−1.52
Contract shops	79	73	1.87	3.84	−1.97
E. Synthetic textiles (August 1960):					
Twister tenders, ring frame, North Carolina	509	318	1.29	1.29	0
Uptwisters, North Carolina	118	261	1.25	1.33	−.08
Weavers:					
Allentown-Bethlehem, Pa.	49	65	2.02	2.07	−.05
Maine and New Hampshire	9	16	1.66	1.72	−.06
North Carolina	33	109	1.60	1.64	−.04
F. Miscellaneous plastic products (February 1960):					
Finishers, molded plastic products:					
Chicago, Ill.	1,180	451	1.39	1.58	−.19
Newark-Jersey City, N.J.	336	105	1.43	1.46	−.03
Injection-molding machine operators, Chicago, Ill.	1,568	940	1.49	1.56	−.07

[1] Includes all surveyed occupations in the 6 industries which cover both men and women workers paid on a time basis only.

[2] Refers to amount by which women's earnings vary from men's earnings.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Wage or salary income of women and men, 1955–60 (year-round full-time workers)

Year	Median wage or salary income		Percent women's income of men's
	Women	Men	
1960	$3,293	$5,417	61
1959	3,193	5,209	61
1958	3,102	4,927	63
1957	3,008	4,713	64
1956	2,827	4,466	63
1955	2,719	4,252	64

Source: U.S. Department of Commerce, Bureau of the Census.

Even for the same major occupational groups, there are substantial differences in men's and women's incomes. In 1960, the greatest difference existed in the average earnings of men and women sales workers. The relatively best situated were the women clerical workers, who averaged almost seven-tenths as much as men clerical workers. Comparative earnings of men and women in the same major occupational groups are shown below:

Wage or salary income of women and men in selected occupations, 1960 (year-round full-time workers)

Occupational group	Median wage or salary income		Percent women's income of men's
	Women	Men	
Sales workers	$2,428	$5,755	42
Managers, officials	4,173	7,241	58
Service workers (except private household)	2,418	4,089	59
Operatives	2,970	4,977	60
Professional workers	4,384	6,848	64
Clerical workers	3,586	5,247	68

Source: U.S. Department of Commerce, Bureau of the Census.

Average earnings of men and women workers, 1960

[Average annual wage or salary income]

All workers:	
Men	$5,417
Women	3,293
Sales workers:	
Men	5,755
Women	2,428
Managers, officials, etc.:	
Men	7,241
Women	4,173
Professional workers:	
Men	6,848
Women	4,384
Operatives:	
Men	4,977
Women	2,970
Service workers (except private household):	
Men	4,089
Women	2,418
Clerical workers:	
Men	5,247
Women	3,586

Source: U.S. Department of Commerce, Bureau of the Census.

ECONOMIC INDICATORS RELATING TO EQUAL PAY, 1962

I. JOB HIRING ORDERS

When reporting job vacancies to employment offices, employers in States without equal pay legislation sometimes list a vacancy with a single job title but a higher hiring rate for men than for women. About 120 examples of job orders with wage differentials were found by a Women's Bureau representative who visited public employment offices in five cities in 1961. A majority of the job orders examined, however, indicated that employers desired either "men only" or "women only" for a specific job opening. Many other job orders, of course, listed one job title and one job rate, without any sex preference.

Most of the hiring orders with wage differentials based on sex were for clerical, service, or sales jobs. Probable reasons for this concentration are such factors as the kinds of jobs for which both men and women are hired, the prevalence of piece rates for many factory jobs, and different practices which employers follow in seeking various types of workers.

The following table is based on job orders on file in five public employment offices and lists selected examples of jobs with wage differentials:

Job hiring orders with wage differentials—Selected job orders in 5 cities, 1961

Job title	Industry	Hiring rate		Pay period
		Women	Men	
City A				
Bookkeeper	Laundry	$60.00–70.00	$75.00	Week.
Clerk typist	Distillery	1.87	2.19	Hour.
Counter worker	Restaurant	.85	.90	Do.
Multilith operater	Printing	1.25–1.50	Up to 2.00	Do.
City B				
Auditor	Hotel	90.00	100.00	Week.
Bookkeeper	Construction	80.00–85.00	100.00	Do.
Clerk-typist	Dental laboratory	240.00	275.00	Month.
Cook	Restaurant	35.00	45.00	Week.
Do	do	40.00–50.00	65.00	Do.
Do	do	40.00	45.00	Do.
Do	do	45.00	50.00	Do.
Do	do	50.00	60.00–65.00	Do.
Do	do	50.00	55.00	Do.
Do	do	1.00	1.25	Hour.
Counter worker	Drugstore	33.00	35.00	Week.
Do	Restaurant	33.00	38.00	Do.
Do	do	35.00	40.00	Do.
Do	do	40.00	45.00	Do.
Do	do	45.00	50.00	Do.
Credit clerk	Retail trade	50.00	60.00	Do.
Dishwasher, machine	Restaurant	38.00	45.00	Do.
General office clerk	Hospital	55.00	60.00	Do.
Grocery checker	Retail trade	60.00	75.00	Do.
Salesclerk	do	1.00–1.05	1.25	Hour.
Do	do	1.00	1.125	Do.
Teller	Credit agency	2,800.00	3,000.00	Year.
Typist	Business service	65.00	75.00	Week.
City C				
Cook	Restaurant	35.00–40.00	45.00–50.00	Do.
Counter worker	do	30.00	40.00	Do.
Grocery checker	Retail trade	56.88	62.90	Do.
City D				
Accounting supervisor	Social service	310.00–325.00	325.00–350.00	Month.
Animal hospital attendant	Animal hospital	1.15	1.25	Hour.
Bookkeeper	Machinery manufacturing.	70.00–75.00	85.00–90.00	Week.
Do	Construction	65.00–75.00	75.00–100.00	Do.
City D—Continued				
Bookkeeper	Moving	$350.00	$450.00	Month.
Clerk-typist	Printing	60.00	65.00	Week.
Copywriter	Publishing	55.00–60.00	Up to 100.00	Do.
General office clerk	Oil refining	300.00	325.00	Month.
Keypunch operator	Metal manufacturing	240.00–245.00	260.00–265.00	Do.
Meat helper	Retail trade	1.775	1.82	Hour.
Order clerk	Metal manufacturing	225.00–275.00	275.00	Month.
Presser, machine	Drycleaning	1.60	1.75	Hour.
Receptionist-salesclerk	Retail trade	70.00	80.00	Week.
Salesclerk	do	1.15–1.20	1.25	Hour.
Silk screen printer	Business service	1.22	1.37	Do.
Traffic clerk	Wholesale trade	270.00	300.00	Month.
City E				
Accounting clerk	Retail trade	42.00	45.00	Week.
Assembler	Electrical manufacturing	1.40	1.55	Hour.
Do	do	1.25–1.35	1.40	Do.
Bookkeeper	Insurance	350.00	400.00	Month.
Do	Printing	325.00	375.00	Do.
Bookkeeping machine operator.	Retrail trade	300.00	325.00–350.00	Do.
Collector	Business service	250.00	350.00	Do.
Cook	Restaurant	1.15–1.35	1.25–1.50	Hour.
Do	do	1.35	1.50	Do.
Credit clerk	Wholesale trade	265.00–300.00	400.00	Month.
Dishwasher, machine	Hospital	1.31	1.42	Hour.
Elevator operator, passenger.	Retail trade	1.40	1.60	Do.
General office clerk	Wholesale trade	250.00	300.00	Month.
Grocery clerk	Retail trade	1.15	1.25	Hour.
Inventory clerk	Metal manufacturing	250.00	300.00	Month.
Inventory control clerk	Machinery manufacturing.	300.00–450.00	400.00–550.00	Do.
Presser, machine	Dry cleaning	1.50	1.75	Hour.
Do	do	45.00	50.00	Week.
Salesclerk	Retail trade	50.00	60.00–65.00	Do.
Do	do	1.00	1.25	Hour.
Tailor	do	65.00	75.00	Week.

Mr. KEARNS. Madam Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Madam Chairman, I rise in support of the principle of the bill which is before the House today. As will be noted, the minority members of the Committee on Education and Labor joined in reporting this bill from the committee. As far as I know, there is little or no real opposition to the basic purpose of this legislation.

Madam Chairman, it is interesting to recall that the Republican platform in 1960 advocated equal pay for equal work, without discrimination on the basis of sex. The Democratic platform of 1960 contained a similar plank calling for equal pay for equal work.

During the deliberations of the committee on this bill a number of amendments were offered and some were adopted. So the bill before us today is not precisely the legislation sent up by the administration.

There will be further amendments offered here on the floor of the House today. I should like to say, at the very outset, that our amendments, which will be relatively few in number, are designed to strengthen the principle of the bill and to make it practical and workable. It is not enough, I think, just to be blindly in favor of equal pay for equal work. We must also look at the language of the bill, and we must try to see how it will actually operate. I know that the women in this Congress, as well as the women around the country, are the last ones who would want, unduly or unnecessarily to inflict economic dislocation or to create serious unemployment.

Madam Chairman, I am very delighted and very pleased that the distinguished chairman of the subcommittee, the gentleman from New York, Mr. ZELENKO, has indicated at the outset that he favors and, in fact, will himself offer the amendment which I had earlier proposed to include labor organizations within the scope of this bill. I think it should be recognized that while most labor organizations are sincere in their statements favoring equal pay for equal work without regard to sex, and while the international labor organizations proclaim this over and over again, it is still a fact that, at the local levels, some labor unions—and I do not say a majority, or that there are a great many, but there are some, that do engage in discriminatory practices against women. In other situations, labor unions merely condoned or do not object to such discrimination.

Madam Chairman, if we are to prohibit an employer, as we will under this bill, from discriminating in the payment of wages on the basis of sex, then surely it is only reasonable to make the prohibition applicable insofar as possible to labor organizations, for they are often directly involved in creating the conditions or situations which are discriminatory. In some union contracts today one wage scale is provided for women and a different scale is provided for men. In other instances discrimination is brought about in more subtle ways through the classification of employees and their jobs.

In an organized establishment, obviously, the union plays a very important part in determining the classification of jobs and employees. In negotiating, a union could propose and insist upon a classification system that would be in violation of this law.

I have not proposed the amendment, which the gentleman from New York [Mr. Zelenko] has now agreed to offer, for the purpose of indicting the labor movement or labor unions in general, because such an indictment would not be justified. In fact, a good many labor organizations do have equal pay for equal work provisions in their union contracts and in their constitutions; they enforce these provisions and live up to them.

When she appeared before the subcommittee, the distinguished and charming Assistant Secretary of Labor, the Honorable Esther Peterson, pointed out, at page 58 of the hearings, that only 38 percent of labor organizations, surveyed in 1956 by the Labor Department, actually had equal pay provisions in their contracts.

This does not mean that all the rest of the unions condone or encourage discrimination; however, it is interesting to note that equal pay provisions apparently have not enjoyed high priority in the contract negotiations of many unions.

The amendment to include labor unions, which will be a part of the substitute to be offered by the gentleman from New York [Mr. Zelenko], is a good amendment from another standpoint; labor unions are made accountable and responsible for their part, if any, in discriminating against women, this should help immeasurably in the administration of this act. Those who do not want hordes of bureaucrats roaming around to enforce this law can find here a way to make the bill self-policing, at least in establishments where there is union organization. This is an important, a sound, and a good amendment. I commend the gentleman from New York [Mr. Zelenko] for supporting my amendment and for offering it. The amendment will strengthen the equal pay bill and make it more effective. I wish also to commend the AFL–CIO as well as the other members of our committee for their support of my amendment.

Mr. ZELENKO. Madam Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. Smith].

Mr. SMITH of Iowa. Madam Chairman, I have been assigned the task of explaining the enforcement procedure under this act. Whether one is for it or against it, each one is entitled to have a summary explanation of the enforcement procedures. Briefly, they are as follows:

First, a charge is filed. The charge must be filed under oath. A complainant cannot just file a piece of paper somewhere; it must be under oath. And the complaint must be filed by or for a person who is aggrieved. Outsiders may not file these charges. In addition to this, the complaint must cover an act that was committed within 1 prior year. Under other Labor Standards Acts—for example, Walsh-Healey, the Fair Labor Standards Act, the Davis-Bacon Act,—it is 2 years. Under this act it is 1 year. The act must have been committed within the previous year.

After the charge has been filed, the Secretary files a written charge with the employer only if there is reasonable cause to believe that there has been a violation. He must find that there is reasonable cause. He must, at the time he files this charge with the employer, set forth the facts upon which the charge is based and he must provide a copy of the charge that was filed with him, so that in any event the employer will know the nature of the charge which was filed.

Mr. KEARNS. Madam Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Pennsylvania.

Mr. KEARNS. Does not the gentleman think we are taking a new path in a problem here affecting men with families and women who are widows?

Mr. SMITH of Iowa. Any legislation involves new paths. I will say that this bill we are considering is extremely cautious in the new path we are taking.

After the employer has been served with a copy of the charge, the Secretary can make investigations and then he will either dismiss it or hold a conference with the employer. First he must resort to informal procedures rather than go into court first. So there is a conference with the employer, if there is reasonable cause to believe there has been a violation. Then if the employer will not through these informal procedures comply with the law, a civil action can be filed in a Federal district court. At this point it could, of course, be dismissed or the Secretary can ask for an injunction to prohibit continuation of this violation of the law. In the event there is restitution, it cannot be for more than twice the wages that would have been owed. Of course it is limited to a period of 1 year prior to the time of the notice of the charge.

In the case of Government contracts, and there are a good number of them now, we have provided that the contracts shall include an agreement that they will not violate the law. If they violate the law, then, only after a court has determined that they have violated the law, may they be prohibited from getting Government contracts until they obey the law. This prohibition against being awarded more contracts is only for the time they are deemed by the court to be in violation of the law and their agreement and have refused to purge themselves of that violation.

I think the procedure here, although it is effective, is rather cautious.

Mr. HARDY. Madam Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Virginia.

Mr. HARDY. In the beginning of the gentleman's remarks he called attention to the fact that whenever a charge is made it must be presented in writing and under oath, and by or on behalf of the person claiming to be aggrieved. Would the gentleman indicate who could bring such an action?

Mr. SMITH of Iowa. "On behalf of" in this case means an agent, either an agent you appoint or one that by operation of law is deemed to be your agent.

Mr. HARDY. That is the thing I wanted to be sure is spelled out, so that we would not have some self-appointed individuals running around making unfounded allegations or initiating unwarranted actions.

Mr. SMITH of Iowa. That was the purpose, so that the person himself or someone that he permits to act on his behalf must file the charge.

Mr. HARDY. The individual aggrieved would have to request that someone act for him?

Mr. SMITH of Iowa. Yes; that is right.

Mr. KEARNS. Madam Chairman, I yield 4 minutes to the gentlewoman from New Jersey [Mrs. Dwyer].

Mrs. DWYER. Madam Chairman, the Equal Pay Act of 1962 deserves our wholehearted support.

What does the act provide? It provides for simple justice for the women of this country who work for a living. Women should not be discriminated against in the wages they are paid just because they are women. Who can quarrel with the aim of H.R. 11667, to prevent such discrimination in certain employment related to interstate commerce? Who will say with seriousness that a worker deserves less for doing the same work as another worker because one is a man and one is a woman? The result that the bill seeks is merely payment of "the rate for the job." It does not prescribe wages; it does not tell an employer what rates he shall pay, nor does it prevent a union from bargaining for wages at any particular level. It merely says to individual employers within its coverage, "You may not make invidious distinction in wage rates based on sex alone."

Madam Chairman, the measure before us is just to men as well as to women. Further, it is just to employers because it protects them against the unfair competition of those who underpay their women workers. Justice alone is a sufficient argument for this bill—but let me mention, too, some practical arguments for its adoption which are also weighty. The importance of this bill today does not arise from chance; it arises from the growing importance of women in our labor force. Today, we have more than 24 million women workers; 10 years from now, that figure will exceed 30 million. These workers are indispensable to our national well-being—to our survival—and they need and should have the incentive of fair and equal treatment in the basic economic area of wage rates.

Please remember that H.R. 11667 will confer no special favors on women workers. It will require only that they be accorded the dignity that comes from equality of treatment and the recognition of the worthiness of their labor. There is nothing more degrading to a worker than to be downgraded in pay for reasons that have no rational basis. We cannot afford such discrimination against the vital part of our work force which women now represent. We need the skills, we need the efforts, and we need the talents of our women workers. We will only receive the full benefits of their efforts when we reciprocate in rewarding their efforts equally with those of men.

There are those who say that we do not need this bill. Ten years ago exactly, Madam Chairman, there were those in New Jersey who used this same argument. But we persisted, and New Jersey became one of the few States—at that time—to enact an equal pay for women statute. As the sponsor of that legislation, I can state in accuracy and in pride that the results have been highly beneficial. I believe the time has long since arrived, however, when the benefits and protections of an equal pay law should be extended beyond the borders of individual States and embrace all of interstate commerce.

Madam Chairman, I wish that I could agree that this bill is not needed, that there are no instances of unequal pay practices which still require correction. But, unfortunately, that is not the case. Discrimination against our women workers cannot be visualized in terms of past history. The more than 50 statements of witnesses at the recent hearings refute the notion that wage discrimination has been ended. It exists now and must be stopped. Though enlightened employers and enlightened unions recognize the evils of unequal pay practices, their efforts alone are far from adequate to stamp them out, since the unorganized woman worker is most vulnerable to these practices.

Madam Chairman, the Equal Pay Act of 1962 is a sound and constructive bill based on the fundamental principle that the worker is worthy of his hire—regardless of whether a man or a woman. Moreover, the act is also an economic necessity to mobilize the full productive force of our womanpower. It should be passed without crippling amendments and without delay.

Mrs. MAY. Madam Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mrs. MAY. Madam Chairman, I am pleased to rise in support of H.R. 11677, the Equal Pay Act of 1962.

I do not consider women a special class to be set aside for special privileges, but I do feel strongly that women are first-class citizens whose equal rights under the law should be protected.

We in the State of Washington are fortunate to have good laws, by and large, which give protection to men and women on an equal basis. But in many States, women are not receiving equal pay for equal work. The Equal Pay Act of 1962 is intended to eliminate discrimination in wage rates based on sex where men and women are performing similar or equal work for the same employer. The proposal would apply to employers whose employees are engaged in commerce or in the production of goods for commerce.

It is widely recognized, Madam Chairman, that the payment of lower wage rates to workers of one sex for the same work as that performed by the other sex has an undesirable effect on the economic life of the entire Nation. Such practices tend to affect adversely the general purchasing power and the standards of living of workers. Unfair competitive advantages are enjoyed by employers who pay discriminatory rates based an sex. In addition to the economic ills caused by discriminatory wage practices, such practices violate fundamental principles of justice and impair prestige of the United States in international affairs.

A nondiscriminatory wage level makes possible the maximum utilization of worker skills. This, together with collateral benefits, such as morale improvement, may stimulate production and lessen the effects of unfair competition.

Thus, Madam Chairman, it is of great importance that the Congress eradicate discriminatory pay practices in interstate commerce, and without hesitation I urge favorable consideration of this legislation by this body at this time.

Mr. ZELENKO. Madam Chairman, at this time I am happy to yield 5 minutes to a pioneer in this legislation, the distinguished gentlewoman from Oregon [Mrs. GREEN].

Mrs. GREEN of Oregon. Madam Chairman, may I say first of all that I appreciate the comment of the chairman of the subcommittee. However, I must say, in all fairness, that the gentlewoman from New York who is presiding here introduced legislation in this body long before I did, as have others of my colleagues. I have worked for this legislation during the 8 years I have been in Congress and even longer than that.

I would like to comment, Madam Chairman, that perhaps no piece of legislation has served as the basis of so many jokes as legislation having to do with equal pay for equal work, and I suppose that many of us have enjoyed them. But I must also say to my colleagues that for many millions of women throughout the Nation this is not a joke. To me, it is something we are deeply concerned about.

I may also say I have never considered myself as a suffragette, and yet this is a piece of legislation on which I feel very very strongly. This bill is the culmination of a long struggle. Although bills have been introduced every year dating back to World War II they never have reached the floor of the House.

I do not need to read the statistics, but there is demonstrable proof of wage discrimination against women—in the professions, in clerical positions, in skilled and in unskilled categories.

I quote from a survey report submitted to the hearings before the Select Committee on Labor of the Committee on Education and Labor in March of this year:

> At the University of Wisconsin, a placement official observes: "The double wage standard still holds, except in mathematics and sciences." Starting salaries for women will edge upward this year but will still lag by $50 to $100 a month behind offers to men for equivalent positions.

I quote the following from page 31 of the hearings:

> For example, in a 1961 survey of wages in nonelectrical machinery firms in Chicago, women assemblers (class C) averaged $1.68 an hour, while men averaged $2.07; women machine-tool operators (class C) averaged $1.71, while men averaged $2.05. In the latter classification, in the Hartford-New Britain-Bristol, Conn., area, the difference was even greater—$1.61 for women, as compared with $2.33 for men. Among drill-press operators, single or multiple spindle (class C) in Chicago, women averaged $1.73 an hour and men averaged $1.94 an hour.
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> Similar patterns emerge from surveys in the clothing industry in New York City, in confectionery products in Chicago, and even in some of the newer industries.
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> Women weavers in other States including Maine, New Hampshire, and an area in Pennsylvania also averaged 5 and 6 cents an hour less than men.
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> In another of the newer industries, plastic products (February 1960, Chicago) women employed as finishers (on molded plastic products) received average hourly earnings of $1.39; and men, $1.58.
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> A retailer seeking an accounting clerk offered $42 a week for a woman employee and $45 a week for a man worker. A distillery with a clerk-typist job to be filled offered $1.87 an hour for a woman employee and $2.19 an hour for a man worker. An electrical manufacturer with a job opening for an assembler offered $1.40 an hour for a woman worker and $1.55 an hour for a man employee. A machinery manufacturer seeking a bookkeeper offered from $70 to $75 a week for a woman worker and from $85 to $90 a week for a man.

The following table is very revealing in this matter of discrimination in industry.

Employer job orders for workers, 1961

Job title	Industry	Hiring rate		Period
		Women	Men	
Accounting clerk	Retail trade	$42.00	$45.00	Week.
Assembler	Electrical manufacturing	1.40	1.55	Hour.
Do	do	$1.25- 1.35	1.40	Do.
Bookkeeper	Machinery manufacturing	70.00- 75.00	$85.00- 90.00	Week.
Do	Insurance	350.00	400.00	Month.
Do	Printing	325.00	375.00	Do.
Do	Moving	350.00	450.00	Do.
Clerk typist	Distillery	1.87	2.19	Hour.
Do	Printing	60.00	65.00	Week.
Copywriter	Publishing	55.00- 60.00	Up to 100.00	Do.
Credit clerk	Retail trade	50.00	60.00	Do.
Do	Wholesale trade	265.00-300.00	400.00	Month.
Elevator operator, passenger	Retail trade	1.40	1.60	Hour.
General office clerk	Oil refining	300.00	325.00	Month.
Do	Wholesale trade	250.00	300.00	Do.
Grocery checker	Retail trade	56.88	62.90	Week.
Inventory clerk	Metal manufacturing	250.00	300.00	Month.
Key punch operator	do	240.00-245.00	260.00-265.00	Do.
Order clerk	do	225.00-275.00	275.00	Do.
Receptionist-sales clerk	Retail trade	70.00	80.00	Week.
Sales clerk	do	1.00- 1.05	1.25	Hour.
Do	do	1.00	1.125	Do.
Tailor	do	65.00	75.00	Week.
Teller	Credit agency	2,800.00	3,000.00	Year.
Traffic clerk	Wholesale trade	270.00	300.00	Month.

Source: U.S. Department of Labor, Women's Bureau. "Economic Indicators Relating to Equal Pay, 1962."

Seven million women in the United States are employed at jobs that pay less than $1 an hour.

In 1960 the median wage for men workers was $5,417 and for women it was $3,293—$2,124 less.

The Chairman of the Civil Service Commission has stated that the ratio of women to men in Federal positions paying $10,000 or more was 17 to 1,430. This great disparity in per capita earnings is reflected in per capita retirement annuities, which are $1,417 for women and $1,805 for men.

A February survey by the Wall Street Journal covering 30 college placement officials and 50 corporation personnel executives showed that the starting salaries for women graduating from college this June would lag $50 to $100 a month behind job offers to men graduates for equivalent positions.

These wage discriminations can be documented over and over again. Women are paid on a different basis than men, but they pay taxes on the same basis as men.

Many years ago, Edmund Burke said:

> Where there is abuse, there ought to be clamor.

I think it is fair to say that women's organizations with membership of 12 million have been clamoring—have been working against various forms of discrimination for many, many, years.

Today in this House we have the opportunity to do what we promise at election time. We Americans, men and women alike, recently have felt a surge of pride and gratitude because of the thoroughness of Dr. Frances Kelsey, the woman researcher who refused to approve for distribution in the United States a dangerous, deforming drug that had been marketed in other countries. Passage of this bill means that any women, such as Dr. Kelsey, who work in private laboratories shall receive fair play in the form of pay equal to that of their fellow male scientists.

In supporting this equal pay legislation, the American Association of University Women, the Business and Professional Women's Clubs, the National Association of Woman Lawyers, the National Education Association, the National Council of Catholic Women, the National Council of Jewish Women, the National Council of Negro Women, the American Nurses Association, the National Board of the YWCA—all of these organizations supporting equal pay legislation—are simply asking for fair treatment, for which there is no substitute.

Also may I suggest that this legislation has been studied very carefully by the memberships of these organizations. A bill that is called equal pay for equal work, but that is watered down, that has the enforcement procedures removed, that says much but means nothing—this kind of bill will not fool anyone. These women have too long suffered the abuses of this discrimination. They know exactly what is in the bill, and they know that any crippling amendment that might be offered in the guise of strengthening it will not do so.

I may say to my colleagues I hope that, if and when crippling amendments are offered, they will be defeated by substantial majorities.

What does this bill do? It is a modest approach to a problem of great magnitude. This bill does not establish any minimum wage, it does not fix any wage rate at all, it does not in any way affect the seniority system or the merit system, it does not affect the job classification program unless there is discrimination based purely on sex. It does not affect area wage differentials, it does not affect the wages paid between one employer and another.

Yesterday when I was on the floor, I heard comments that if this bill were passed it would drive the textile mills out of one section of the country to another. I would say to my colleagues that nothing could be further from the truth.

This bill applies only to employees employed by 1 employer within a single location, and only if there are 25 or more employees in that particular plant. I cannot see how anyone could object to provisions as essentially fair as these.

It seems to me the question for us to decide is: Are we going to condone employment practices that discriminate against women? Are we going to condone a basic injustice to women workers?

It is against this background and this order of problems that we consider this legislation today. The United States has made great progress against other forms of discrimination, but the United States is lagging behind other countries in doing something about this.

Madam Chairman, I urge the support of this bill and recommend its passage.

Mr. ZELENKO. Madam Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. DENT].

Mr. DENT. Madam Chairman, this is a very important piece of legislation. Its aims have been approved by many of our leading educators, labor and business leaders, and in the main is widely supported by the people of all areas of activities.

The principle of equality cannot be denied in any field of endeavor in a nation whose basic ruling concept is one based upon equality.

I have supported efforts in this direction over a whole generation of legislative activities. I am happy to be able to lend my support in this effort today.

Our committee has given this bill many hours of study and many days of public hearings.

We believe it to be essential to the continuing growth of our economy and to the enhancement of our way of life.

The following analysis shows how thorough the committee has been:

SUMMARY OF MAJOR PROVISIONS OF EQUAL PAY ACT OF 1962—H.R. 11677

Section 3: "Employer" means any person (except the United States or any State or political subdivision thereof) engaged in commerce or the production of goods for commerce who has 25 or more employees.

Section 4: Employers shall not discriminate in the payment of wages because of the employee's sex. Employers must pay equal wages to employees doing comparable work the performance of which requires comparable skills. Wages differentials based on seniority, merit increase or bona fide job classification programs are not deemed discriminatory.

Section 5: The Secretary of Labor shall provide rules and regulations for administering this act. The employer's good faith reliance on such regulations shall be a valid defense in any alleged violation proceedings.

Section 6: Whenever a charge is filed by or on behalf of a person claiming to be aggrieved or by the Secretary, a copy thereof shall be sent to the respondent and an investigation shall commence. If the investigation discloses a violation, the Secretary shall attempt to effect compliance, by informal means of conference, conciliation, and persuasion. Failing voluntary compliance, the Secretary may bring a civil action in the proper U.S. district court. No such action may be brought if based on violations occurring 1 year prior to the filing of the charge. If the respondent is found guilty of the charged violation, it may issue an injunction and order payment of back wages plus liquidated damages not exceeding the amount of back wages. Issues of fact may be heard by a master, and the proceedings shall be advanced on the court docket. The remedies provided by this section shall be exclusive. Labor Department attorneys may appear and represent the Secretary in any litigation, subject to the direction and control of the Attorney General.

Section 7 authorizes the Secretary to supervise back-wage payments owed to an employee.

Section 8: No Federal contract involving $10,000 or more shall be let unless it stipulates that the contractor is subject to all provisions of this act. No contract may be awarded any person adjudged in violation of this act until he has complied with all court orders.

Section 9: Posting requirement.

Section 10 preempts State law except that the Secretary may cede jurisdiction over certain cases where State law is not inconsistent with this act.

Section 11 authorizes the appropriation of sums (not in excess of $1,500,000 for fiscal 1962) as are necessary to carry out the provisions of this act.

Section 12 provides that this act become effective 120 days after date of enactment.

Mr. KEARNS. Madam Chairman, I yield such time as she may desire to the gentlewoman from New York [Mrs. Weis].

Mrs. WEIS. Madam Chairman, I wholeheartedly endorse the Equal Pay Act of 1962, which has the basic purpose of securing wage justice for working women by preventing discriminatory wage practices on the basis of sex in employment in interstate commerce.

The fact that a law is required to insure the democratic principle of equal pay for equal work should be a source of embarrassment in America—the world's leading democracy. However, as we all know, discrimination in wage payments on the basis of sex continues to exist, even though it is often successfully concealed.

In the past, in the area of remedial labor legislation, the Federal Government has been a source of inspiration to the States by leading the way. It has also often provided models for other countries to adopt. In the area of equal pay for women, however, the Federal Government lags far behind. Twenty-two States have equal pay laws; and Canada, our neighbor to the north, has a Federal law and eight provincial laws. I think it is imperative that Congress, by the enactment of this legislation, eliminate the tarnish of unequal pay practices on the irrelevant basis of sex from an otherwise respectable record of achievement in labor legislation.

Mental capacity, talent, imagination, and initiative are not parceled out on the basis of sex. In the space age, with the premium on excellence in these various qualities, this Nation cannot afford to waste its human resources by discriminatory pay practices which demean and cheapen the contributions of women. We need policies and practices which stimulate maximum effort and excellence in performance. I can think of no more pernicious method of discouraging women employees from making their maximum contribution than to pay them less, merely because they are women. Moreover, the specter of unequal rewards for equal or superior endeavors tends to discourage young women from exerting extra efforts preparing for the more rewarding careers. The actualities of unequal pay are disheartening to the working women and dampen the incentive for excellence in job performance.

Equal pay for women is important to help maintain the stability of the Nation's work force; to insure maximum utilization of our human resources and to promote our economic growth. Madam Chairman, equal pay for equal work is an expression of our national ideals which should be embodied in the laws of this Nation. I strongly urge the enactment of this legislation.

Mr. KEARNS. Madam Chairman, I yield 5 minutes to the gentleman from California [Mr. Hiestand].

Mr. HIESTAND. Madam Chairman, I rise in support of the principle of equal pay for equal work. No one can argue against that principle. It is a fundamental principle of American liberty and fairness. We want to see equal pay for equal work.

My own personal experience over a great many years attests the fact that we have put into practice this principle. Women have been employed in very large numbers all over the United States in the companies with which I have been associated, and consistently and constantly we adjusted the rates based upon production, the compensation being in relation to how much an individual could produce, regardless of sex.

There are many jobs that women can do much better than men. We do, however, adhere to the principle that equal pay is the American way.

Madam Chairman, that does not mean that the bill before us is perfect.

In my judgment it is far from it in some ways. It is weak in some ways; it is punitive in other ways. It is poorly drawn and could be self-defeating in some ways, and that you and I certainly do not want to tolerate. Let us not be swayed by sentimental or emotional appeal. That is not necessary in this House of Representatives. We believe in equal pay for equal work.

While "equal pay for equal work" is a fundamentally sound and desirable principle, its application in specific cases is often extremely complex and controversial due to the difficulty of comparing jobs in order to define what is, in fact, "equal work." I think there are few representatives of labor or management who would claim that it is possible to develop a job-evaluation system which could be depended upon in all cases to produce fair and mutually acceptable determinations of "work of comparable character on jobs the performance of which requires comparable skills."

I quote those words from the bill, and we are going to hear some more about the difference in those words. After all, "comparable" implies not necessarily "equal." There can be very unequal things compared, and what we want to be sure of is the title of the bill carries through in the language of the bill and in its meaning.

In an area of industrial relations where a sound principle cannot be consistently applied by clear-cut administrative determination, the only effective way to achieve the desired objective is through voluntary action and collective bargaining. Governmental control in such an area is completely unjustified and would only multiply the army of bureaucrats that would be needed to exert such control.

This bill would largely increase the power of the Secretary of Labor and the executive branch.

If the gap between principle and practice in this matter is so great as to involve substantial injustice and economic loss, it seems to me that the most desirable approach by the Federal Government would be through research, education, and persuasion. The exercise of compulsive power by the Federal Government provided for in H.R. 11677 would, in my judgment, interfere with normal collective bargaining and involve the Government in problems that can most justly and efficiently be worked out by labor and management.

Now, this bill is not a wage-fixing bill. As it is worded, it would seem to be, because it would imply that one company with units in various parts of the country would have to pay the same rates for equal jobs; at least, parallel jobs. That is not practicable and it is not what this House has in mind. Discrimination we wish to stamp out as between men and women of equal abilities and equal production. They should be similarly and equally compensated, and we all agree on that. But, this bill needs several very important amendments, and I hope that to make this bill effective the Members of the House will be present and listen to them and will sustain these amendments, because they can make this bill effective, and it might not otherwise be so.

Mr. GROSS. Madam Chairman, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from Iowa.

Mr. GROSS. I note on page 2:

> It was the intention of the committee in designing the legislation not to create an additional Federal bureaucracy but to employ existing investigatory facilities already available within the Department of Labor and thus to minimize the administrative costs of this new program.

Now, it is my understanding that this bill is going to require 242 additional employees; that the initial cost will be a million dollars per year, and that within 3 or 4 years the cost will increase to $1.7 million-odd a year. Would the gentleman care to comment on the statement in the report that this is not going to increase the bureaucracy?

Mr. HIESTAND. That is a matter of opinion. Matters of the future are matters of opinion. I think the gentleman from Iowa is correct in his interpretation. It is going to cost more. It cannot be intelligently administered, effectively and fairly administered without them, and I think his estimate may be correct.

Mr. GROSS. I am relying on an estimate made by the Department.

Mr. JOHANSEN. I ask the gentleman whether it is not true that the estimate of additional personnel referred to by the gentleman from Iowa [Mr. Gross] is not the estimate submitted by the Department of Labor in compliance with Public Law 801 of the 84th Congress which requires where there is to be additional expenditure for personal services of $1 million or more as a result of new legislation, there must be submitted an estimate of the number of additional positions for the ensuing first 5 years?

Mr. HIESTAND. What is the gentleman's question?

Mr. JOHANSEN. My question is this: Is it not a fact that the estimate of 242 additional new positions is based on that very report?

Mr. HIESTAND. It is.

Mr. ZELENKO. Madam Chairman, I ask unanimous consent that the gentleman from New York [Mr. POWELL] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. POWELL. Madam Chairman, the Equal Pay Act of 1962, H.R. 11677, which is now before the House, is a bill which will assure wage justice for the 24½ million women now in our work force. It will encourage women, as well as men, to develop their skills and potentials to the maximum in the assurance that they will be compensated in their work on the basis of their job performance. Sex should play no part in the determination of wage rates. It has been clearly established that women are equally, and sometimes more, skilled and competent to perform comparable work as men. Men and women are equal partners in the labor force and hence are entitled to be treated as equal partners in the rate of their compensation. The bill now before us is simply to assure workers that they will be paid on the basis of their job performance without regard to sex.

Equal-pay bills have been introduced in every session of Congress since 1945 by Members of both political parties. H.R. 11677 has the support of many distinguished Members of this Congress, of specialists in the field of labor relations, of unions, of national organizations. At hearings before the Select Subcommittee on Labor of the Education and Labor Committee, overwhelming evidence was presented of the continuing practice of paying women workers less than men for doing comparable work, of the vital contribution of women workers to the labor force and the economy, of the compelling reasons which force women to work, of the degrading effects on worker morale and productivity caused by unjust wage discrimination, and of the undercutting of the wage rates to men when women workers can be obtained at less pay.

I have devoted my life to the battles of eliminating unjust discrimination of all kinds. Wage discrimination based on the worker's sex, crosses color, religious, and ethnic lines. It affects the women of all races, creeds, and ethnic backgrounds.

This bill, if passed, will be primarily and immediately beneficial to women. More specifically, it will be even more beneficial to Negro women who, because of the dual discrimination they encounter, are the victims of the most unjust wage rates. This bill will relieve them at least of the downgrading discrimination based on sex.

The Equal Pay Act is a measure long overdue and vitally needed. This is our opportunity to show the hard-working ladies of our land that we, the Members of this great House of Representatives, appreciate the economic contributions they have made and continue to make in our society, and that we feel they are entitled to the full fruits of their labor without discrimination.

Mr. ZELENKO. Madam Chairman, I ask unanimous consent that the gentleman from West Virginia [Mr. BAILEY] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BAILEY. Madam Chairman, for the past 40 years women workers have become an increasingly significant part of this country's labor force. The more than 24 million working women are about one-third of the labor force today. One-third of all adult women work.

These women workers are essential to our economy. They work to support themselves and their families, or to contribute to essential family living expenses. Over 2 million working women qualify technically as heads of families. Others who do not so qualify are still the primary wage earner in the family. Many married women work to help put their children through college. According to the American Association of Land Grant Colleges and State Universities tuition to State residents at major public universities has increased an average of 71 percent in the period from 1952 to 1960.

Women workers tend to be found in the lower paying occupations. And, at hearings held this session by the Select Labor Subcommittee of the Education and Labor Committee, workers themselves, unions, national organizations, and specialists testified to the continuing practice of paying women workers less than men for the same or comparable work. This inequality has serious effects on the standard of living of these workers and their families and it is demoralizing to all workers.

Only 22 States have equal-pay laws and these vary widely in coverage and effectiveness. A Federal law is needed to protect women workers in those States without such legislation, or with ineffective laws, and to protect employers in States with such legislation or voluntarily complying from unfair competition from those paying a lower wage to one group of workers than to others performing comparable work.

H.R. 11677, the Equal Pay Act of 1962, prohibits discrimination on account of sex in the payment of wages by employers engaged in interstate commerce or the production of goods for interstate commerce. It exempts employers of 25 or fewer persons. By providing for administration and enforcement by the Secretary of Labor, it makes it possible to use existing machinery.

H.R. 11677 has been endorsed by a distinguished list of Members of this Congress, by other knowledgeable individuals, by national organizations, and by unions. I urge support of it here.

Mr. ZELENKO. Madam Chairman, I yield such time as he may consume to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Madam Chairman, I do not believe any of my worthy colleagues have emphasized the point that we are lamentably behind many other countries in taking action to require equal pay for equal work irrespective of sex, or that the lack of Federal equal pay legislation reflects on our international standing.

The U.S. representative on the United Nations Commission on the Status of Women, the Honorable Gladys Tillett, made telling observations on this in her testimony on H.R. 11677. Mrs. Tillett has recently made an on-the-spot study of the position of women in southeast Asia. She said:

> Everywhere I found that great emphasis is being placed on full equality for women. All the countries I visited had given women full political rights and the majority had adopted laws or constitutional provisions requiring equal pay.

Countries mentioned which have either constitutional or statutory provisions requiring equal pay included: Burma, Indonesia, Thailand, Japan, India, and Vietnam.

As a delegate to the ILO meeting of 1961, I was impressed by the fact that the ILO Equal Pay Convention has been adopted by 38 countries and that the European Economic Community under the Rome Treaty has established an equal pay principle with which all of the member countries have agreed to comply.

Throughout the world, strong movements for equality are apparent among many peoples. Is it any wonder therefore, that in this country—young in age but one of the oldest in the world in democratic tradition—women should strive to be rid of a lingering inequality which is in direct opposition to this tradition. There is no doubt that women workers should be assured the very basic return of equal pay with men for the same job performance in our industrial life.

We need as never before to update our entire economic machinery. We need to utilize our best brains and skills and none should be denied or discouraged by outworn prejudices and practices. I therefore strongly endorse H.R. 11677.

Mr. ZELENKO. Madam Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Madam Chairman, I rise in support of this legislation.

Payment of wages in accordance with the requirements of the job is a basic principle of our American free enterprise system. However, as between the sexes, this principle is not fully applied. Unequal pay between men and women employed by the same employer on the same or comparable jobs is found to some extent at almost every occupational level. Wage discriminations exist both for factory workers and for highly trained professional women and business executives. This is both unfair and contrary to our principles. Women compose an integral and essential part of this country's labor force, constituting approximately one-third of the total number of workers. Women as well as men work because of economic necessity, and many working women support children, dependent parents, or husbands. The cost of food, rent, and other essentials of living are the same for both men and women.

However, it is not these considerations but the proven efficiency of women workers and the essential part they play in the economy which entitle women to equal pay. Women workers have amply demonstrated their ability to perform a wide variety of jobs successfully and skillfully.

Men workers as well as women workers, their families, and employers benefit from equal pay. Women benefit by receiving the rate for the job instead of a lower rate based on their sex. Men benefit through increased job security since employers are discouraged from replacing them with lower paid women. The families of both men and women workers benefit. Employers benefit through the removal of a source of poor morale, labor disputes, and unfair competition on the basis of wage rates. The community as a whole benefits from the greater purchasing power.

I urge adoption of this legislation which would give women equal pay to that paid men for similar work.

Mr. ZELENKO. Madam Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. DANIELS].

Mr. DANIELS. Madam Chairman, less than 50 years ago a majority of women in this country did not enjoy the right of franchise. Gradually 22 States enacted State laws granting suffrage to women. Then in 1920, Congress enacted the well-known 19th amendment to the Federal Constitution:

> The right of citizens of the United States to vote shall not be denied or abridged by the United States, or by any State, on account of sex.

Thus women gained political rights.

Today we are not fighting for voting rights. We are fighting, however, for the economic rights of women, those rights which are now of equal importance to women throughout our Nation. Again 22 States have taken the initiative—this time by enacting State laws granting equal pay for equal work to women. And again the time has come to adopt a Federal law eliminating discrimination of the sexes.

H.R. 11677, the equal pay bill of 1962, represents such an attempt to eliminate discrimination on account of sex. The bill simply prohibits an employer having employees engaged in commerce or in the production of goods for commerce from discriminating between employees by paying lower wages to one sex than he pays to the other sex for substantially the same job. The equal pay bill proposes that the Secretary of Labor prescribe such regulations and rules as he deems necessary and appropriate for the administration of this act, that he have the right to investigate and gather data regarding the wages, hours, conditions, and practices of employment in any industry subject to this act, and that if his endeavors to eliminate any unlawful discriminatory practice by the informal methods of conference, conciliation, and persuasion fail, the Secretary shall have the power to petition any U.S. district court within the jurisdiction of which the violation of this act occurred. The jurisdiction of the court shall then be exclusive and its judgment final.

Let me emphasize that this legislation does not try to standardize wage rates between different employers within an industry. It does not attempt to fix any minimum wage. It does not even suggest that employers in similar industries charge similar rates. It is merely a bill which states the basic rule of equality of opportunity—a bill which merely advocates the principle that two human beings making the same contribution should both receive the same reward, the same pay. The issue is as simple as that.

Now let us examine the drastic need for such legislation and the benefits which will be accrued by all when such legislation is passed. As was mentioned previously, only 22 States have enacted State laws granting equal pay for equal work to women. It is a fact that throughout our Nation women are being discriminated against. One need only review the testimony received by the Select Subcommittee on Labor to confirm this fact. Assistant Secretary of Labor Mrs. Peterson points out that in 1960 women's median wage and salary income was just 61 percent of men's income. Mrs. Peterson further shows that these percentage differences prevail in nearly all the major occupational groups. A female accounting clerk, bookkeeper, clerk-typist, elevator operator, grocery checker, tailor, and so forth, almost invariably receive a smaller salary than do their male counterparts. Discrimination of the sexes exists in retail trade, wholesale trade, insurance, printing, moving, and in a myriad of other occupations.

The time has come for us to leave the dark ages and eliminate discrimination of the sexes. As long as this discrimination prevails, unfair competition will flourish. This bill will substantially diminish the possibilities of using women to force wages down and of taking advantage of the sharp competition for jobs in times of severe unemployment.

Few will doubt that of two people doing the same work, the one receiving less pay is more likely to be discouraged and his or her efficiency affected. This bill will destroy any psychological handicap plaguing female workers and will consequently maximize the utilization of the available labor resources. This bill will decrease labor disputes. This bill as Secretary of Labor Arthur Goldberg states will also stimulate another worthwhile purpose—that of maintaining the purchasing power of workers to add to their prosperity and the growth of our economy. This bill will help not only certain women, but rather the entire country.

It is important for us all to remember that women do not work for pin money. They work because they need to work. Widowed and separated women are often the only wage earners in the family. Many single women and some married women carry the entire responsibility for family support. Women were the heads of 4.6 million of the country's families in 1961. These families—1 out of every 10 families—cannot afford the results of discrimination of the sexes. We as an economic body and as a moral Nation cannot afford this antique form of discrimination.

Figures for 1961 show that 24½ million women were working or seeking work. These women constitute a third of our labor force. We cannot treat a third of our labor force as second-class citizens.

Is there any logical reason for discriminating against the female sex? The answer is an emphatic "no." Why should women be paid less than men for the same work, when they have demonstrated beyond any doubt that they are capable workers.

The equal pay bill is not a revolutionary proposal. On the contrary, it is conservative in that many countries have long enacted such legislation. Burma in its Constitution of 1947 guarantees to women the same pay for similar work. Indonesia, in its provisional Constitution of 1950, provided that every worker shall have the right to equal pay for equal work. Japan requires equal pay in its Constitution of 1949. The countries of the European Common Market—France, West Germany, Italy, Belgium, the Netherlands, and Luxembourg—have similarly adopted the equal pay principle. There is absolutely no reason why the United States, leader of the Western bloc, should lag behind in this important area of progress.

The support for this bill is overwhelming and bipartisan. The present administration, the former administration, labor, management, civic and religious groups have all endorsed the legislation.

Every witness who appeared before the committee, and there were many, testified in favor of the bill. Rarely have I seen such support for any bill, and rarely has such support been more justifiable. I urge my colleagues to similarly support H.R. 11677, Equal Pay Act of 1962.

Mr. ZELENKO. Madam Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. BARRETT].

Mr. BARRETT. Madam Chairman, I am very much in favor of H.R. 11677, the Equal Pay Act of 1962, and strongly urge the membership of both parties here in the House to vote for its passage.

As you know, in our great State of Pennsylvania, we now have on our statute books a law granting equal pay for equal work regardless of sex, and so forth. We are proud of this achievement and today are 1 of the 22 States that have finally given just recognition to the workingwoman.

Mr. Speaker, our economic growth today can, in great measure, be attributed to the women who are employed in industry and in our Government. They have made great strides over the last hundred years and have proved their abilities in every field of business. According to statistics, approximately 24 million women are employed in our Nation today. This figure is expected to increase to about 30 million by 1970, so I am sure you can readily see why this legislation is needed if we are to continue to lead the world in the field of business.

In my city of Philadelphia, where unemployment today is an acute problem, it is not uncommon for the woman of the house to trade her broom and stove for a typewriter or a sales order book. She is aware that her husband is unable to get a job, so she pitches in and becomes the breadwinner. This determination and will to earn is not a sin or a disgrace—it is just plain commonsense, and all women who must work to provide for their families are to be commended and not condemned.

Mr. Speaker, this bill will grant equality in employment to all, whether man or woman, black or white. Such legislation has been long needed. I urge its immediate passage.

Mr. ZELENKO. Madam Chairman, I yield such time as he may consume to the gentleman from California [Mr. Holifield].

Mr. HOLIFIELD. Madam Chairman, we have before us today H.R. 11677, legislation which if passed will be titled the Equal Pay Act of 1962.

The objective of this legislation is to insure equal compensation, for the same work, to women as well as men.

Certainly there can be no valid argument against the objective of this bill. It is common knowledge that in many industries, in many States in the Nation, there does exist discrimination in wages and salaries paid to women. I know of few instances where women are paid more for their labor than men doing the same kind of work. There are, however, many instances where women are, by comparison, paid less than men.

There are at this time more than 24 million women in our work force. It is estimated that this number will grow to 30 million by 1970. In almost every field of endeavor they are making valuable contributions to our Nation's production capacity.

The Congress, of course, must confine its legislation to those areas under Federal jurisdiction. The employees affected therefore would be those working in producing goods for commerce as defined in the laws and decisions pertaining to interstate commerce. The scope of coverage also would be, for comparative purposes, on discriminatory practices, applicable to the employees of a particular employer.

Madam Chairman, for many years I have been an employer of both men and women in my own capacity as a businessman. During those years I have paid wages and salaries on the basis of ability to do the specific task. There have been instances where I have paid salaries to women that were higher than paid to men doing the same type of work. This was done because of their superior talents in a specific skill. Contrariwise, I have paid men higher salaries than women doing similar work, but in those instances the women were less skilled in their tasks or lacked seniority or other privileges attained by years of service.

Madam Chairman, in my opinion this approach is the proper approach. It will provide equal pay for equal work. This approach will not affect laws which are now on the statute books that are designed to protect women because of biological differences, marital provisions and obligations as mothers of children, inheritance law protection to wives and mothers, and other well-established principles which have been long established in our society.

This legislation is long overdue. I do not support it from the standpoint of sentimentality, but from the standpoint of simple justice. I trust that this legislation will be enacted without further delay and that all amendments designed to cripple the effectiveness of this legislation will be defeated.

Mr. ZELENKO. Madam Chairman, I yield such time as she may consume to the gentlewoman from Michigan [Mrs. Griffiths].

Mrs. GRIFFITHS. Madam Chairman, I rise in support of this measure which is long overdue in this country. It is really a sort of disgrace to all of us that it is necessary to legislate on the subject of equal pay for comparable work.

It seems to me that an equal pay bill is made morally more necessary in this country by the number of FEPC laws that have been passed, which have excluded discrimination based on sex. The result is that the only person you can legally discriminate against in such areas is a white woman.

Colored women cannot be discriminated against because they are colored and thus protected by FEPC laws. They have a right of appeal denied white women. As a white woman who believes that white women are just as entitled to nondiscriminatory treatment as anybody, I support this measure.

Mr. KEARNS. Madam Chairman, I yield 3 minutes to the gentleman from New York [Mr. Goodell].

Mr. GOODELL. Madam Chairman, I take this time only to express some reservations with reference to this legislation. There will be amendments presented on the floor. I hope that the membership will analyze these amendments carefully, because they will all be presented in a constructive spirit in an effort to improve the legislation.

Madam Chairman, this particular issue does not divide our country along party lines or partisan lines. If we are going to have an effective equal rights bill we should present the country with a law that is as workable and practicable as possible. It would be a disservice to the women of our country if we passed a law which, when its impact is felt, is likely to raise a great many of our employers and unions in opposition to it.

I feel that in some respects this particular bill is a sleeper. There are provisions here which are going to come back to haunt us if we do not take action to correct them. I should hope on a nonpartisan basis when the time comes for reading the bill that all the Members will listen carefully to the debate on both sides and work hard to improve this bill so we will have the very best possible legislation to promote an admittedly very fine objective, a nonpartisan objective.

Mr. JOHANSEN. Madam Chairman, will the gentleman yield ?

Mr. GOODELL. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I wonder if the proposed amendments will include one dealing with section 10 of the bill, on page 11, which provides, as follows:

> No employer to whom section 4 applies shall be required to comply with any law of any State, or political subdivision thereof, prohibiting discrimination in rates of pay on account of sex.

Mr. GOODELL. I do not plan to offer such an amendment myself, but I have information that an amendment of that nature will be offered, yes.

Mr. JOHANSEN. I thank the gentleman.

Mr. PELLY. Madam Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Washington.

Mr. PELLY. I wonder if the gentleman could tell me what the position of the administration is on this legislation? I have read the report and I cannot find any reference to any agency reports.

Mr. GOODELL. I should yield to the chairman of the subcommittee to speak for the administration, I believe.

Mr. ZELENKO. What was the question?

Mr. GOODELL. How does the administration feel on this legislation?

Mr. ZELENKO. This is the administration's legislation.

Mr. PELLY. There is nothing in the report to indicate that. I appreciate knowing that the agencies of the Government that have reported on this legislation are favorable; I thank the gentleman.

Mr. GOODELL. I might say to the gentleman that the administration submitted a bill which is almost identical to this bill, but there were changes made in the bill and there will be further changes made in the substitute that will be offered.

Mr. ZELENKO. Madam Chairman, I yield 2 minutes to the gentlewoman from Missouri [Mrs. Sullivan].

Mrs. SULLIVAN. Madam Chairman, as the sponsor of H.R. 571 in this Congress and of similar bills in previous Congresses since my first term in 1953, to provide an equal pay bill, I strongly support the bill now pending, H.R. 11677. I shall strongly oppose amendments intended to weaken this bill into meaninglessness.

Because of the many requests for time to speak on this bill today and in view of the fact that I spoke at some length on the merits of the bill on June 14, in the debate on the rule, I ask unanimous consent that the remarks I made at that time be included at this point in the Record.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mrs. SULLIVAN. When I spoke on June 14, it was in the expectation that we would immediately take up the bill after adoption of the rule. The remarks I made then are just as applicable to the bill now as they were on June 14, and they are as follows:

Mrs. Sullivan. Mr. Speaker, this is indeed a great moment for those of us in the House of Representatives who have been sponsoring bills for many years to require equal pay according to the work performed, with no discrimination because of sex. The fact that this bill comes before us today on a bipartisan basis, on the unanimous recommendation of the members of the House Committee on Education and Labor, proves that while the wheels of Congress often grind slow, the results can be quite dramatic.

As the sponsor of H.R. 571 and of similar bills in preceding Congresses, I wholeheartedly endorse the Zelenko bill on which we are taking action today, H.R. 11677. It is a bill which has teeth in it to require compliance, but it is primarily a bill to lead and guide the way to the most effective kind of compliance, and that, of course, is voluntary compliance.

The States will continue to have basic responsibility in this field—if they will accept it. But the Congress has the obligation to act for the protection in interstate commerce of fair competition, decent labor standards, and plain, ordinary fairplay. This legislation is long overdue.

A worker's skill should determine his or her wage rate, not the sex of the individual employee. Where men and women are doing similar work with similar abilities, their paychecks should be the same. The Federal Government is required to recognize this principle in civil service employment; many unions have succeeded in writing it into their contracts with private employers. But, throughout the country, many women workers are victimized—there is no other word for it—by outmoded concepts and customs which hold that a woman works at a job in order to occupy her time before marriage, or just to get away from home, and therefore can be paid less than a man for the work she does.

Most women work because they must; others work because they have skills which our economy desperately needs. All of these workers are entitled to fair treatment, regardless of their reasons for being in the employment force. This legislation will help assure such fair treatment for most women employed in interstate commerce. I hope it will also stimulate the States to act more effectively in assuring fairness for women employed in purely intrastate commerce, or in firms with less than 25 employees.

As I told the subcommittee at the time hearings were conducted on this legislation last March, my recollections from my own career in the business training field prior to my marriage, reinforce my view of the importance of this legislation.

As training director of Felt & Tarrant, the Comptometer company, in St. Louis, it was my job, not only to direct the training of students in the use of our machines, but also the job placement activities in helping them find employment.

The Comptometer is a good piece of equipment, not a mechanical brain or an electronic robot but a responsive device for using the brains of the operator in reducing complex mathematical computations into quick answers. It is far more than an adding machine. It wil perform rapidly and accurately, if properly used.

It was my experience that women had greater dexterity in the use of this equipment, generally speaking, than men did. Most of the students were women. The jobs they later filled were not restricted to women but, like most office positions, were held mostly by women. I stress again the fact that learning to use the equipment required more than routine application and mental capacity. Yet the wage scales generally in effect in private industry for women able to use this equipment were substantially lower than the salaries paid men for doing work requiring similar, or even less highly developed, skills.

The job rates did not reflect the skills of the operators, but rather the sex. And this is true in most fields where women predominate among the employees.

The skill should determine the wage paid, not the sex of the employee. We do not want to see instances of women getting jobs in preference to men because the wage rate for women is lower, but this often happens. Let us stop this undercutting of standards. It is certainly to the advantage of all workingwomen to do so; it is also to the advantage of workingmen. And it is the right thing to do.

Mr. KEARNS. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, first of all, before I read my prepared statement, something I have very seldom done in the years I have been here, I want to congratulate the members of the majority and the members of the minority; the staff of the majority and the staff of the minority, although the latter comprises only one. I do feel they have done a wonderful job trying to prepare this legislation and the amendments I think have been well prepared and dutifully considered.

Madam Chairman, I rise in support of H.R. 11677. I have long favored, in and out of Congress, equal pay for equal work. At the present time many women in America are discriminated against in the matter of rates of pay, and this is grossly unfair. These women are often the breadwinners for a family or elderly parents. The need for sufficient money to support this family or these parents is certainly present. In this day and age, I cannot conceive of one valid reason for refusing to pay equally as between men and women when a woman or a man is performing equal work.

The subcommittee which handled this bill, as well as the full Education and Labor Committee, are to be commended for the legislation which they have forwarded to the House floor. In the present bill there are a number of important safeguards. For example, the Secretary of Labor can institute an investigation only after it is charged, in writing, and under oath, by a grieved person, that a violation has occurred or when the Secretary, himself has reasonable cause to believe that an investigation will disclose that a charge is true. Moreover, the Secretary is then limited to an investigative and mediation role and all enforcement proceedings must be in a U.S. district court. This last point is extremely important, and here the committee has recognized and reestablished the importance of a judicial proceeding where all rights of due process will be protected. There will not be an administrative proceeding which all too often results in the same person performing as judge, jury, prosecutor, and investigator.

Unfortunately the bill as now written contains several defects. The major defect is that nowhere are discriminatory activities on the part of labor unions prohibited. As you know, Madam Chairman, labor unions are presently prohibited from causing or attempting to cause an employer to discriminate under the provisions of the Taft-Hartley Act. In the Equal Employment Opportunities Act, which our committee has recently reported out and which is now pending before the Rules Committee, the labor unions similarly are prohibited from such activity. Unless this prohibition is applied in this bill, there will be a major loophole which may well mean that the law, if enacted, will be meaningless and ineffectual. I am certain that an overwhelming majority of the Members of the House of Representatives will want to amend the present bill so as to prohibit discriminatory conduct on the part of unions.

Another possible defect in the present bill occurs because the bill, in section 4, refers to discrimination in any place of employment. It was the intent of the full committee that the charge of discrimination and the investigation be restricted to the particular establishment wherein the grieved employee is employed. Unfortunately the language of the bill is ambiguous and could be construed differently. It should be noted that the Labor Department has stated that "place of employment," which is used a number of times in the Fair Labor Standards Act, never has been defined by them to mean more than one plant. This is certainly the type of interpretation which the committee intended to have placed on this phrase. This is pointed out in the committee report. Therefore, I want the record to clearly reflect that by place of employment we mean the one particular plant or establishment wherein the grieved person is employed.

I urge that H.R. 11677 be enacted, with the amendments that will be offered today.

Mr. GOODELL. Madam Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Eighty-four Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 176]

Alford
Anfuso
Ashley
Aspinall
Baring
Bass, N.H.
Blitch
Boggs
Bolton
Buckley
Coad
Cramer
Curtis, Mass.
Davis, Tenn.
Dawson
Diggs
Flynt
Frazier
Gubser
Harrison, Va.
Hébert
Hoffman, Mich.
Judd
Kilburn
King, Utah
Kluczynski
Loser
McSween
McVey
Macdonald
Madden
Mason
Merrow
Michel
Minshall
Moulder
Norblad
Peterson
Pilcher
Powell
Purcell
Rains
Rogers, Colo.
Rogers, Tex.
Rousselot
St. Germain
Saund
Scherer
Smith, Miss.
Spence
Steed
Taber
Teague, Calif.
Thompson, La.
Willis
Winstead
Yates

Accordingly, the Committee rose; and the Speaker having assumed the chair, Mrs. Kelly, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11677, and finding itself without a quorum, she had directed the roll to be called, when 378 Members responded to their names, a quorum, and she submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. ZELENKO. Madam Chairman, I yield 2 minutes to the gentlewoman from Washington [Mrs. HANSEN].

Mr. RYAN of New York. Madam Chairman, will the gentlewoman yield?

Mrs. HANSEN. I would be glad to yield to the gentleman from New York [Mr. RYAN].

Mr. RYAN of New York. Madam Chairman, I should like to commend the gentlewoman from Washington [Mrs. HANSEN] for her longtime interest in this field. She sponsored similar legislation in the House of Representatives in the State of Washington which was enacted in 1943.

It is interesting to note that our women legislators have been in the forefront of the fight for this legislation. The bill before us today is the culmination of years of effort on the part of our colleagues of the opposite sex. Equal pay bills have been introduced for a long time by many Congresswomen, including Representatives EDITH GREEN, MARTHA GRIFFITHS, EDNA KELLY, LEONOR SULLIVAN, JESSICA WEIS, KATHERINE ST. GEORGE, and FLORENCE DWYER. Somehow the Congressmen are "Johnnies come lately" in this area.

I should like to commend our colleague, the gentlewoman from Oregon, EDITH GREEN, for her role in advancing this legislation. She has introduced equal pay bills ever since her election to this House. On August 24, 1961, she sponsored the administration bill for equal pay—H.R. 8898. The bill before the House today is almost identical to H.R. 8898. As a member of the President's Commission on the Status of Women, the gentlewoman from Oregon [Mrs. GREEN] has worked with dedication and determination to see that women receive equal treatment with men in employment.

Madam Chairman, I support this bill to provide justice in the pay envelope to both men and women by forbidding employers in interstate commerce to discriminate among their employees on the basis of the sex of the worker in setting rates of pay.

Discrimination in the form of a rate differential for comparable work when performed by women instead of men is based on a discredited notion that a woman, although she may accomplish as much or more, deserves less pay than a man. It is shocking to think that one would pay a woman less than he would pay a man for doing the same work.

We may not be aware of the role women have come increasingly to play in the economic life of America. The civilian labor force in April of this year numbered nearly 71 million. Over 24 million were women; well over one-third of this total. By 1970 it is estimated that the number of women workers will approach 30 million. In 1920 there were about a quarter of that number, 8.2 million. The place of women in our labor force has changed since 1920. Traditionally, they were only temporarily a part of that force. A girl left school, worked for a few years, married, and left the labor force for good. This was never a true or a complete picture of the place of women in the labor force, but it was sufficiently accurate to gain a wide degree of acceptance.

Today it is not true at all. Whereas, as recently as 1930, 40 percent of women workers were under 25 years of age and less than 20 percent over 45, today the proportions are reversed. Less than 20 percent in 1960 were under 25 and nearly 40 percent are over 45. Women enter the labor force, leave it temporarily to have children, and return to it, for good. In 1930, 29 percent of working women were married. In 1961, 61 percent of the women who work were married. This is one of the significant and major changes in our labor force in this generation. Working women are as much a permanent part of the labor force as the working men.

The studies submitted by the Department of Labor during the hearings are clear evidence that this bill is needed. Simply by examining job orders placed with public employment agencies in five cities last year, the Department uncovered a wide variety of discriminatory practices. A grocery chain offered to hire checkers at $56.88 per week for women. A man received $62.90 to start. An inventory clerk in a factory received $250 a month if a woman; $300, if a man. A department store hired men as sales clerks at $1.25 per hour; $1 was offered to women. Tailors were to be paid $75 if males, $65 if females. A printing plant would pay women bookkeepers $325 a month, but offered men $375.

Perhaps the worst example of blind prejudice was the electrical manufacturer who was hiring assemblers. In this industry the deft fingers and steady nerves of women give them, if anything, an advantage over men in assembly work. Other things being equal, women would probably prove worth more rather than less to an employer on this type of work. Yet the offer was: $1.40 an hour for women; $1.55 an hour for men.

It should be noted that this bill does not raise wages. Each employer is left entirely free to set his own wage standards within the existing framework of law. Neither would it prevent an employer setting different wages, area differentials, in plants located in different areas of the United States. But once set, it prohibits paying a wage differential between men and women for work of a comparable character at the same location on jobs the performance of which requires comparable skills. If a woman does the same work as a man, she must receive the same pay.

The bill would prohibit three separate acts of discrimination:

First. An employer engaged in commerce or the production of goods for commerce may not pay wages to any employee at a rate less than he pays in the plant to any employee of the opposite sex for comparable work.

Second. An employer may not meet this requirement by reducing the wages of an employee to remove such a differential in wages rates. He must raise the wages of the employee discriminated against. This is not intended and would not prevent any employer from making wage adjustments which are not an attempt to avoid obligations under the bill.

Third. Finally, an employer may not discharge or discriminate against any employee for any action he or she may take to assert his or her rights under the law.

The bill would vest the administration of this law in the Secretary of Labor. The Secretary is expected to make every effort to administer the law in such a way as to secure an end to discrimination through education and by voluntary action. An informed and specialized staff such as the Department of Labor possesses should be able to administer the law with only infrequent resort to the courts. With their knowledge of wage rate practices and methods they should be able to secure the voluntary discontinuance of violations. From the Department's experience in administering the Fair Labor Standards Act would come the ability to supervise the restitution of wages, not paid because of discrimination, to the employees discriminated against.

To this end, the bill authorizes the Secretary of Labor to supervises payments of wages withheld in violation of the law; to hold sums owing employees in a special deposit account, subject to disbursement by the Secretary; and to cover sums which cannot be paid to employees within 3 years into the Treasury as miscellaneous receipts.

My own State of New York was among the first of the 22 States which now have laws aimed at ending discrimination between men and women in pay for comparable work. New York's law became effective nearly 20 years ago, on July 1, 1944. To that extent, New York has taken a stand on the principle of nondiscrimination on the basis of sex.

However, it is not a strong law. Its standards for the determination of what constitutes discrimination in wage rates are not clear. The authority granted the commissioner of labor to enforce the law is not adequate. The law does not require the keeping of records by the employer or the posting of notices informing employees of their rights. It makes no provision for the collection of back wages due employees who suffer discrimination. And it provides no adequate means of enforcement.

One reason the State of New York has not acted to provide a more adequate law is because it has been and is faced with the problem of interstate competition. At the time New York's law was passed, only three other States, Michigan, Montana, and Washington, had laws of any kind prohibiting discrimination in wage on the basis of sex. The passage of the Federal law will act as a spur for the States who now might fear the competition of other States to pass effective laws. Section 10 provides that the Secretary of Labor may, by agreement, cede to a State agency jurisdiction over any cases where such State has a statute applicable to the determination of such cases, if the provisions of the State laws are not consistent with the provisions of the Federal law.

It is clear that we need this law. We need it to protect employees who need protection against unfair, unequal, and unjust treatment. I urge its adoption.

Mrs. **HANSEN**. Madam Chairman, first I would like to commend the Speaker of the House of Representatives this afternoon for honoring American women by having preside over the Committee of the Whole House on the State of the Union the very distinguished gentlewoman from New York [Mrs. KELLY].

Madam Chairman, I am strongly in support of this measure, because 19 years ago this summer our own State was one of the first in the Nation to enact this type of legislation and place it on the statute books.

Madam Chairman, I do have a few responses that I would like to make to various Members who have commented on this measure. In reply to my colleague from the State of Washington, may I say that yesterday President Kennedy made very clear his position on antidiscrimination for women in all Federal agencies.

Madam Chairman, the second thing I would like to comment upon is the statement made by the gentleman from California who said "we are for the principle of the bill." I say to the Members of the House of Representatives it is very easy to be for principle. Nevertheless, it is the "buts" and the crippling amendments which destroy the enactment of the principle.

Madam Chairman, may I say that I think this is one of the fundamental equalities that all of us assumed should be possessed by all women. In reiterating the words of the gentlewoman from Michigan [Mrs. GRIFFITHS], may I say that those who enjoy the privileges of equal suffrage never expected that this legislation would become necessary. However, it is necessary if we would utilize our womanpower.

Time after time in the history of our Nation and during its critical hours, eloquent proof of the skill potential of women workers has been proven. We know that the demands of industry for higher skills are unremitting and will continue to grow. The equal pay rate base which this bill would require will supply an unmatched incentive for the acquisition of these skills.

The Labor Committee reported it without dissent. The witnesses who appeared before the Select Labor Subcommittee to testify on it supported it without dissent. Many of the able Members of this body have urged its passage either by appearing before the subcommittee or filing statements of approval. These Congressmen and Congresswomen, who actively support the equal pay principle embodied in the bill, are both Republicans and Democrats.

There comes a time when the forces of right—shall we say—take over and seem to chart an undeviating course. I believe that time is now for the adoption by Congress of an equal pay law. Proposals for equal pay have been introduced in many Congresses and even reported. Today we have the opportunity for enactment.

The proposal has one simple and laudable purpose, to assure wage justice for workers. It prohibits an employer whose employees are engaged in commerce or in the production of goods for commerce from paying a lower wage rate to employees of one sex than he pays to the opposite sex for performing substantially the same job. In more technical terms, under this bill, employees of a single employer must be paid the same wage rate irrespective of their sex for work of a comparable character on jobs, the performance of which requires comparable skills.

It does not in any way provide for the equalization of wage rates between different employers. Moreover, it permits different wage rates where the rates are based on a seniority or merit increase system or a bona fide job classification system of an employer. It strikes only at the degrading and arbitrary practice whereby an employer downgrades an employee—usually a woman—by paying less for her product than one made by a man.

As the hearings made clear by referring, for example, to job orders filed by employers with the local employment service offices, employers without any justification frequently have dual pay scales for men and for women performing the same jobs.

While other discriminations exist against women workers—some of which are deeply embedded in our culture—none is more flagrant and I think actually more cruel than the discriminatory pay practice which this bill would seek to end in commerce channels insofar as employers of 25 or less employees are concerned.

One argument which one hears advanced against equal pay legislation is that in time and because of some undefined circumstances, discriminatory pay practices will just disappear. This lame assertion, in essence without any persuasive power, was refuted by specific testimony at the recent hearings.

Mrs. Esther Peterson, Assistant Secretary of Labor, for example, expressed her deep concern that the pattern of wage rate discrimination on the basis of sex was being mirrored in some of the newer industries. We cannot rely, therefore, on the vaguely optimistic prediction that somehow things will turn out to bring about wage justice whether Congress does anything or not. The facts prove otherwise. We have a responsibility to act in adopting the measure reported and I urge that we discharge this responsibility.

If we are going to be consistent in pursuing methods of effective manpower utilization, we cannot afford to reject this bill. Without a measure of this kind, tremendous manpower—or rather womanpower—waste is inevitable. At present, approximately 24¼ million workers are women. By 1970 this number will grow to 30 million. The degree of skill level which these workers will achieve has a great deal to do with their incentives and their morale.

Industry during World War II was willling then to pay equal pay. The opportunity of eradicating differentials was seized upon as a means of raising wage levels under stabilization in a tight labor market in which production had to be maximized.

The fair, equal wage rate levels which H.R. 11677 will require will, I believe, once more stimulate our women workers to efforts such as they made in wartime.

It is significant to me that the bill provides expressly for the Secretary of Labor to attempt to settle violation cases through persuasion without pursuing the court action enforcement which is authorized. It is my opinion that much can be done to eliminate discrimination in this way. Discrimination of this kind involves not only economics but also ethics. I look forward to a signal record of voluntary settlements under this bill, stemming from ethical considerations.

It is to be pointed out that employers who have a "good faith" defense will not suffer any penalties under the act. Also, that in voluntary settlement cases, the employer will be liable for the payment of only the sum of back wages. When court enforcement of the equal pay mandate is necessary, the court may include in its enforcement order the payment of an additional amount to the aggrieved employee not to exceed the back wages found to be due.

The bill is a balanced bill. It will help the downgraded worker—whether man or woman. It will contribute a factor of stabilization in employment relationships and help to support and increase our purchasing power.

When we vote for H.R. 11677, all our people will come under "equal protection of the law," in the way which our Constitution promises. It is difficult to believe that we can default from making this promise come true.

Mr. **ZELENKO**. Madam Chairman, I yield 2 minutes to the gentlewoman from Idaho [Mrs. PFOST].

Mrs. **PFOST**. Madam Chairman, those of us who have long sponsored equal pay for equal work legislation once again urge passage of the legislation under consideration today. It is part of the historical fight of women for full equality under the law on their basic rights as workers and citizens, and enactment is long overdue. Discrimination in any form is evil and unjust. And discrimination against workers—solely on the grounds of sex—is both socially immoral and economically unsound. It is a hangover from an antiquated social order not at all in step with the enlightened thinking of this 20th century.

It was the Second World War that proved beyond the shadow of a doubt that women workers were capable of performing many jobs on the production line as well as in the offices of industry. Today, almost two decades since the end of the war, some one-third of the working population is made up of women. In 1970, we are told, the present 24.5 million women in the work force will have grown to more than 30 million. Yet, despite this growing role of women in our economy, the vestiges of discrimination remain which deny them equal pay for equal work. This means a hardship to the millions of women who are the sole support of their families through widowhood or for other reasons.

The bill now before Congress does not seek to give women workers any special protection, nor does it set forth any revolutionary provisions. It simply asks for the end of unfair and illogical discrimination against the female sex. It rightly declares that, as a matter of national policy, "work of comparable character on jobs requiring comparable skills" should receive equal remuneration, regardless of whether the work is performed by a man or a woman.

There is nothing in this legislation that would set pay rates. There is nothing in it that would prevent pay differentials because of seniority, merit, or bona fide job classifications. It calls for nothing more than the prohibition of discrimination against an employee because that employee happens to be a woman.

"Equal pay for equal work" is not a new concept. Twenty-two States have such laws, although many of those statutes have no teeth and are little more than policy positions. Both of our neighbors—Canada and Mexico—have Federal legislation in this area. And 36 nations have adopted an International Labor Organization conference agreement mandating equal pay.

There is no excuse for the United States to lag behind in this important area. If we are to truly reflect the leadership of the free world, and set an example for womanhood everywhere, then we must demonstrate our principles through the passage of this legislation.

As I told the Select Subcommittee of the House Labor Committee during hearings, this bill already has the support of both the Democratic and Republican Parties, the AFL–CIO, the National Association of Manufacturers, and the U.S. Chamber of Commerce.

I want to add a word of praise, in conclusion, to the gentleman from New York, Chairman Zelenko, and his subcommittee for having steered this legislation to the floor of the House at this early date. I strongly urge the Members here to give it their wholehearted support.

Mr. KEARNS. Madam Chairman, I yield 1 minute to the gentleman from New York [Mr. Barry].

Mr. BARRY. Madam Chairman, as the sponsor of House Joint Resolution 540 which proposes an amendment to the Constitution relative to equal rights for men and women, I rise today in support of the bill before us, H.R. 11677, which seeks to provide equal pay under Federal law in interstate commerce activities. I commend my colleagues on the House Education and Labor Committee who have contributed their time and efforts to this legislation, the need for which has been clearly demonstrated.

There are currently 24¼ million women employees in the United States, and women are taking an ever-increasing part in our Nation's productive resources. In almost every area where women are employed they are doing the same or comparable work to that performed by men, and they should be paid accordingly. Those employers who recognize this comparability will not be affected by the provisions of this legislation, as it applies only to those who adhere to the outmoded belief that women are inferior to men and therefore should be paid less for their skills.

Persons working for employers having more than 25 employees and who are engaged in interstate activities will be afforded the protection of H.R. 11677. States rights will be protected to the extent that the Secretary of Labor, by agreement, may cede to a State agency jurisdiction over any cases where the State has effective anti-wage-discrimination statutes. The bill has a realistic maximum appropriation authorization, it does not propose to establish a new administrative agency but instead makes use of available executive resources, it offers ample protection for men and women alike subject to its provisions. In my opinion, Madam Chairman, this bill deserves the unanimous support of the Congress.

Mr. KEARNS. Madam Chairman, I yield such time as he may consume to the gentleman from New York [Mr. Halpern].

Mr. HALPERN. Madam Chairman, as a cosponsor of this legislation I rise in support of it. I heartily commend the gentleman from New York [Mr. Zelenko] for his superb work and leadership on this issue. The objectives of this bill are long overdue and highly desirable. I trust it will be approved overwhelmingly.

The bill will go far in eliminating a thoroughly inequitable employment practice. It would establish wage justice for working men and women. It would insist on equal opportunity in all areas of interstate employment regardless of sex. Enactment of this bill establishes once and for all that work of comparable character, requiring comparable skill, must be compensated on a nondiscriminatory basis.

Unfortunately today in the United States too many women still work under wage and opportunity handicaps. The time has come when we need to banish all discrimination against working women and to wipe out these longstanding pay differentials between men and women doing the same work.

I urge my colleagues to join me and the other supporters of this bill to make this a day to be remembered by all women. Let us leave this House today with the knowledge that we have wiped out a great social inequity.

Mr. ZELENKO. Madam Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. Kearns].

Mr. KEARNS. So that none of you will have any ideas about an early departure this evening, we have several important amendments pending. I just want to give this foreword to you. The law we are passing now, the way it is written, may be devastating to the Nation unless the amendments are adopted.

The House in its wisdom today can do a good job. I am making this appeal, the last speech I will have on this particular bill, that we stay on the floor and do a job on our amendments.

Mr. ZELENKO. Madam Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. O'Hara], the gentleman from Alaska [Mr. Rivers], the gentlewoman from Pennsylvania [Mrs. Granahan], and the gentleman from Pennsylvania [Mr. Toll] be permitted to extend their remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'HARA of Michigan. Madam Chairman, I am one who believes every worker should be paid for the job he or she does, without adding to or subtracting from the rate of pay because of the sex of the employee. That is why I believe that the old myth that women are inferior workers should be destroyed today. For by our votes here today, we can tell our country and the world that we know that it takes the skills of women, as well as of men, to maintain a healthy economy.

Wage discrimination based on sex should have no place in our American economic structure. As long as we have such discrimination, whether against men or women, so long will we be placing barriers in the way of the full participation of needed workers in American economic and social life.

We all know that women are not inferior workers. We have seen examples of their outstanding performance during two World Wars. We have seen them come into the labor market and do successful jobs there as the need for their services has grown.

Today women are employed in almost every kind of occupation. Most jobs today can no longer be designated as "men's work" or "women's work." Most jobs today can be done by any worker, whether man or woman, with the proper skills and training.

And payment for work should not be based on sex. It should be based solely on the job.

That is why I support H.R. 11677, the Equal Pay Act of 1962. That is why I urge its support by my colleagues.

Our Nation should not suffer because of unfair wage practices, and, in my opinion, H.R. 11677 would do much to remove the likelihood of such unfairness.

Letters have come into my office from many women in my district telling of the discriminations they have suffered on the job. Although they do the same work that men do, many of them write that they are paid at a lower rate because they are women.

This is not fair. This is not democratic. This is not good business.

Enactment of this bill will give all of our workers equality and justice in the labor market.

Mr. RIVERS of Alaska. Madam Chairman, I rise to speak in favor of H.R. 11677, a bill comparable to one I introduced early in this Congress. In supporting this legislation Members of this body are showing their appreciation of the contributions American women have made to this country, its economy, and to our democratic institutions. Highlighting this statement is the presence of the distinguished gentle ladies who are Members of this House, and all of whom have worked for many years in fostering the type of legislation now before us.

From the early days of our history, when the colonists were struggling for adequate food and shelter for their families, American women have worked side by side with their men to provide—within the context of freedom and human dignity—security for their families and security for their country.

Now as the amazing tools of improved technology have freed women from devoting all of their time to the cares of the home, they have been making numerous and significant contributions to America's productivity, improved standard of living, and our national security.

Today we find that one-third of our total working force is composed of women. About half of these women are single, about half are married. An important fact to note, I believe, is that of the married women who are employed in the American labor force, only one out of six is a mother with children under 3 years of age. This indicates, I feel sure, that mothers of young children do not want to work, and do not work, unless dire necessity compels them to work.

The vast majority of our women workers, I am sorry to say, are bunched in the lower pay, lower status, bracket of our economic scale. Over 4 million of these workers are heads of families. Others must work to supplement incomes of their husbands.

For these reasons—and for the further reason that the world's leading democracy should apply to all its citizens the principles of fairness and justice—I commend H.R. 11677 to provide equal pay for equal work for men and women employed in interstate commerce and upon certain Government contracts.

I trust that this measure will be enacted.

Mrs. GRANAHAN. Madam Chairman, many of our businessmen who profess to be bitterly against communism—and who are, I am sure, genuinely against communism—nevertheless practice one of the basic principles of communism in the treatment of some of their employees.

The Communists claim that in their system, the principle which governs is "From each according to his abilities; to each according to his needs."

Under that theory, every employee doing similar work and using similar skills and abilities would receive a different rate of pay depending not upon job performance, but upon whether the worker was single or married, a parent or childless, male or female, a provident investor or an unlucky one, a homeowner or renter, and so on. Of course, in practice, operating such a complex wage system would be almost impossible; and even the Communists apparently have finally recognized that wage scales must reflect the skills used, rather than the personal needs of the worker for more or less pay than another worker.

Yet we still have signs of this system persisting in this country, particularly when employers insist on paying women workers less than men for doing similar work requiring similar skills and abilities and performance. And occupations and professions in which women make up the majority of the employees usually carry lower salary or wage levels than other fields, on this communistic theory that women workers perhaps may not need as much pay.

Madam Chairman, I support the equal pay bill now before the House because I believe these outmoded practices must now be eliminated in interstate commerce. We need trained women in all of the professions and in many technical skills. We have all been urging the girls in school to continue with their education, to develop employment skills, so that they can help meet the production requirements of our economy. It is up to the Congress to make sure that the women who are needed in the labor force—whose skills are required—are treated fairly and without discrimination in the salaries and wages they are paid.

To permit employers to discriminate on the basis of sex—to pay women workers less merely because they are women, and regardless of the relative skill and performance of the employee on the job—is to deny one of the basic principles of fairness in a democracy, and is, as I said, the practicing of a form of communism which even the Communists now seem willing to concede does not make any sense.

Mr. TOLL. Madam Chairman, I am glad to have the opportunity to support H.R. 11677, which prohibits discrimination on account of sex in the payment of wages. In the 86th Congress I introduced House Joint Resolution 255, proposing an amendment to the U.S. Constitution providing that equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex. In the 87th Congress I introduced House Joint Resolution 430 to the same effect.

I agree with the report presented by the committee that the objective sought by this legislation is wage justice for working men and women. The Democratic platform of 1960 contained as one of the objectives the following language:

> We support legislation which will guarantee to women equality of rights under the law, including equal pay for equal work.

This bill makes good on the part of the platform promise.

In the great Commonwealth of Pennsylvania, where I live and in which I have the honor to represent a Philadelphia district in this Congress, the clear-cut right of women to equal pay for equal work was recognized by the enactment of Public Law 1913 in 1959. The people of Pennsylvania have always been leaders in the movement to establish equality in all fields of human endeavor. It is a pleasure to represent people in the Commonwealth which enacts liberal legislation of this kind and also to participate in the action taken today in the House of Representatives, which I hope will also enact such liberal legislation.

Mr. ZELENKO. Madam Chairman, in concluding this debate I would say that the proposed amendments to be offered by the minority should come as a surprise not only to them but to those of us who took part in the committee operation, for this bill in the form in which it was written and the substitute as I shall offer it, with only slight amendment, had the careful consideration of all of the members of the committee and was voted out favorably unanimously. I ask the Members of this Committee to consider carefully every phase and every section of this bill as urged by the committee. The amendments which I understand will be offered by the minority will gut this bill and all we will have will be a title.

At this time I wish to commend all the members of our committee, the distinguished chairman of our committee and particularly the distinguished gentlewoman from New York who is presiding, for I understand it is only the second time in a century that we have had the honor and privilege of having a female colleague who is incomparable, doing incomparable work with equal skill for equal pay, presiding.

The fundamental principle of equal pay for equal work must be established as a touchstone of our national labor policy. H.R. 11677, the Equal Pay Act of 1962, involves no revolutionary concepts. Its principles are as old as the fight for freedom from all forms of prejudice, discrimination, and injustice.

This is not a partisan bill. Equal-pay legislation was included in the platforms of both the Democratic and Republican Parties. It has received the endorsement of our great union and management organizations. Our colleagues on both sides of the aisle have testified in support of this legislation.

I specially commend and compliment our incomparable female colleagues who have, with us, been performing comparable work for comparable skills for equal pay, for their understanding of the problems of wage discrimination and their efforts through the years to enact this much-needed remedial legislation. The gentle lady from Oregon, the Honorable EDITH GREEN, one of the hardest working and effective members of the Committee on Education and Labor, who have long pioneered for this bill, is to be congratulated on her efforts, as is the gentle lady from Washington, the Honorable JULIA BUTLER HANSEN, also a vital force on the committee. Similar legislation was introduced by the following gentle ladies whose support is greatly acknowledged: the Honorable JESSICA McC. WEIS, of New York, the Honorable MARTHA W. GRIFFITHS, of Michigan, the Honorable EDNA F. KELLY, of New York, the Honorable LEONOR K. SULLIVAN, of Missouri, the Honorable KATHARINE ST. GEORGE, of New York, and the Honorable FLORENCE P. DWYER, of New Jersey. I also wish to commend the Honorable GRACIE PFOST, of Idaho, and the Honorable FRANCES P. BOLTON, of Ohio, for their invaluable assistance.

In the spirit of this legislation and not wishing to discriminate against the male Members of this body, I wish to acknowledge the introduction of similar legislation by the following gentlemen: the Honorable Abraham J. Multer, of New York, the Honorable Hugh J. Addonizio, of New Jersey, the Honorable Ralph J. Rivers, of Alaska, the Honorable James G. Fulton, of Pennsylvania, and the Honorable Seymour Halpern, of New York.

I would also like to take this opportunity to acknowledge the leadership of

President Kennedy and the administration for including this bill as an important part of the administration's legislative program.

I would be remiss if I did not specially acknowledge the great leadership and assistanct of my colleague, the gentleman from New York, Congressman Adam Clayton Powell, the distinguished chairman of the Committee on Education and Labor, without whose direction and guidance this bill would not have reached its present stage of success, and all of my distinguished colleagues on the Education and Labor Committee who gave of their time, effort, and workproduct to perfect the equal pay legislation for your consideration today.

I am truly privileged and honored to be a member of the team behind the equal-pay-for-equal-work legislation. I am doubly pleased since the principle of equal pay has been a personal legislative objective of mine for many years.

It remains now for us of the present Congress to build upon the real progress that has been made and to translate this widely accepted principle into equally widely accepted practice, by enacting this Federal law which concretely forbids discrimination in wage rates on the basis of sex.

Mr. CURTIN. Madam Chairman, I rise in support of H.R. 11677 which is legislation officially designated as the "Equal Pay Act of 1962."

I feel that it is high time that members of the female sex receive the same pay for the same work as do members of the male sex.

It is, of course, obvious that there are certain types of work which must be performed by men, particularly those involving heavy manual labor. It is equally as well known that there are also certain types of work involving skill of a delicate kind which can best be performed by women. For each of these types of work, the one performing the same, whether a man or a woman, should receive a wage commensurate with the work.

However, there is a tremendous middle ground of thousands of positions, or types of work, which women can perform just as efficiently and effectively as can men. In all of such types of work there certainly should be no distinction in the pay for the same; women should not be asked or expected to do such work at a cheaper pay than do men.

Let us end such discrimination wherever it shall exist, and a big stride in accomplishing this will be by the enactment into law of this legislation.

Mrs. BOLTON. Madam Chairman, as a longtime advocate of the principle of equal pay for comparable work performed by men and women, I am glad to speak in favor of H.R. 11677. This bill is similar to one I sponsored in the 85th and 86th Congresses. As a matter of fact, such legislation has been introduced in every session of Congress since 1945 by members of both parties—so this is a bipartisan effort.

There are over 24 million women in the labor force today and by 1970 we shall have over 30 million. Most women work to contribute to essential living expenses for themselves or their families. For example, over 6 million single women workers support themselves; over 2 million working women are heads of families; others are the primary wage earner in the family although not technically the family head. Married women who are not the primary wage earner in the family work to raise family living standards and to send children through college. The contribution of these women to the Nation's productive resources must be encouraged and maximized. Equal pay for equal work legislation will help create the necessary incentive.

It is a matter of simple justice to pay women the same rate as a man when she is doing the same or comparable job. We have equal pay in the Government and it has worked out well through the Federal classified civil service. It is good to note that real progress has been made in the matter of equal pay for equal work through the enactment of State laws. Twenty-two States now have equal pay laws on their statute books. However, a Federal law is needed to give complete and adequate coverage. I am glad that special provision is made in this bill to permit cession of Federal jurisdiction where State statutes mirror Federal provisions. This should give encouragement to the States to continue progress in this field through the enactment of their own laws.

It is my hope that the House will give favorable consideration to H.R. 11677.

Mr. COHELAN. Madam Chairman, I rise in support of this long overdue legislation to prohibit discrimination on the basis of sex in the payment of wages.

The right of equal opportunity is one of the great pledges of the United States to its citizens. In the field of employment this pledge should at least mean the right to equal pay for work of comparable character which requires comparable skill. Both the hearings and report of the House Committee on Education and Labor make it very clear, however, that such is not the case—that discrimination in wage payment on the basis of sex continues to exist—that unequal pay has not been nearly so widely eliminated in practice as it has in theory.

Such discrimination is obviously contrary to the basic principles upon which this country was founded and upon which it has grown strong. It is, furthermore, economically wasteful and from the viewpoint of our national security we cannot afford such waste.

Madam Chairman, for these and the reasons so ably presented by the distinguished members of the Education and Labor Committee, I urge that we approve this legislation without delay. I would also like to express the hope that before the close of this present Congress we will be able to consider and pass another bill, already approved by the same committee, which would enable us to move still further ahead in the promotion of the equality of man and his opportunities—the equal employment opportunities bill of 1962.

Mr. ALBERT. Madam Chairman, I ask unanimous consent that the gentleman from Delaware [Mr. McDowell] may extend his remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. McDOWELL. Madam Chairman, I rise in support of H.R. 11677, a bill to prohibit discrimination on account of sex in the payment of wages by certain employers and to provide for the restitution of wages lost by employees by reason of such discrimination.

The principle of equal pay, or payment of a rate based on the job performed, is fundamental to the American free enterprise system. Both employers and union leaders find its application important to the morale and efficiency of workers in their daily employment. It benefits the community by upholding the general level of wages, and maintaining purchasing power. In practice, it has proved workable and advantageous.

Leading women's and civic organizations have long promoted the equal-pay principle as furthering a major American objective—the maintenance and development of a high level of economic activity and employment. In recent years, the increasing employment of women on many types of jobs, often in new and complex fields and on the same basis as men, has contributed to this objective.

To encourage the use of women's highest skills, many organizations and individuals seek a more nearly universal application of the equal-pay principle, through voluntary action by employers, collective bargaining, and legislation.

The cost of food, rent, and other essentials of living are the same to both men and women consumers. Women as well as men work because of economic necessity, and many working women support children, dependent parents, or husbands. However, it is not these considerations but the proven efficiency of women workers and the essential part they play in the economy which entitle women to equal pay.

Mr. LINDSAY. Madam Chairman, I rise in support of this bill—H.R. 11677—commonly known as the equal pay for equal work bill. I represent a large segment of the garment district in New York, and among my constituents I count a great number of needleworkers. This bill means a great deal to them. It provides simply that for equal work women shall receive the same rate of pay as men, except where such payment is made pursuant to a seniority or merit increase system or a bona fide job classification program which does not discriminate on account of sex.

Madam Chairman, I am opposed to the amendment offered by the gentleman from Ohio [Mr. Ashbrook]. This amendment would nullify the impact of this law in any State which has enacted, or will enact, equal pay laws.

This amendment would destroy the bill. It is a State preemption bill. It would encourage industry to shop for low-wage and wage-differential States. Either we have a Federal law or we do not. And the Federal law should be universal in its application. This amendment, Mr. Chairman, would in itself result in discriminatory application of the law, and it should be defeated.

Madam Chairman, this legislation embodies a very sound principle and it should be enacted.

Mr. DONOHUE. Madam Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DONOHUE. Madam Chairman, as our immediate inspiration to unanimously approve this measure, H.R. 11677, the Equal Pay Act of 1962, we need only to look around us and observe the most competent, industrious, distinguished and gracious ladies whom we are privileged to call our colleagues. I know we unanimously agree that these distinguished lady legislators work as hard and as diligently as any male Member of the Congress and indeed, by their gracious presence, contribute more to this body than any male Member. There is no thought here of a differentiation in legislative salary because of sex.

For our background inspiration to promptly and favorably act on this bill, we need only to reflect that it is designed simply and solely to provide wage justice for working women.

We all realize that the origin of the wage rate differential for men and women performing comparable jobs in the false concept that a woman, because of her very nature, somehow or other should not be given as much money as a man for similar work.

This antiquated concept has been long and completely demonstrated to be false and it is indefensible from every standpoint. This being so, we may wonder why this legislation is necessary.

The answer is furnished to us in the authoritative information provided by witnesses before the House Committee on Education and Labor and the impressive array of statistics unhappily proving that discrimination in wage payments, on the basis of sex, continues to exist even in this modern space age.

Recognizing that the concept of wage payment discrimination against women is false; having before us the surprising but overwhelming evidence that such discrimination still continues to exist; and realizing that this measure represents the correction of basic injustice being visited upon women in many fields of endeavor, let us, I urge you, firmly reject any crippling amendments and proceed immediately and unanimously to the enactment of this measure extending simple wage justice to the increasing corps of America's working women.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Equal Pay Act of 1962".

Mr. ZELENKO. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZELENKO: Strike out all after the enacting clause and insert the following: "That this Act may be cited as the 'Equal Pay Act of 1962'.

"DECLARATION OF PURPOSE

"SEC. 2. (a) The Congress hereby finds that the existence in industries engaged in commerce or in the production of goods for commerce of wage differentials based on sex—

"(1) depresses wages and living standards for employees;

"(2) prevents the maximum utilization of the available labor resources;

"(3) tends to cause labor disputes, thereby burdening, affecting, and obstructing commerce;

"(4) burdens commerce and the free flow of goods in commerce; and

"(5) constitutes an unfair method of competition.

"(b) It is hereby declared to be the policy of this Act, through exercise by Congress of its power to regulate commerce among the several States and with foreign nations, to correct the conditions above referred to in such industries.

"DEFINITIONS

"SEC. 3. When used in this Act—

"(a) 'Person' means an individual, partnership, association, corporation, business trust, legal representative, or any organized group of persons.

"(b) 'Commerce' means trade, commerce, transportation, transmission, or communication among the several States or between any State and any place outside thereof.

"(c) 'Goods' means goods (including ships and marine equipment), wares, products, commodities, merchandise, or articles or subjects of commerce of any character, or any part or ingredient thereof, but does not include goods after their delivery into the actual physical possession of the ultimate consumer thereof other than a producer, manufacturer, or processor thereof.

"(d) 'Produced' means produced, manufactured, mined, handled, or in any other manner worked on in any State; and for the purposes of this Act an employee shall be deemed to have been engaged in the production of goods if such employee was employed in producing, manufacturing, mining, handling, transporting, or in any other manner working on such goods, or in any closely related process or occupation directly essential to the production thereof, in any State.

"(e) 'Employ' includes to suffer or permit to work.

"(f) 'Employer' includes any person acting directly or indirectly in the interest of an employer in relation to an employee, but shall not include the United States or any State or political subdivision of a State, any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization, or any person having fewer than twenty-five employees.

"(g) 'Employee' includes any individual employed by an employer.

"(h) 'Wage' paid to any employee includes the reasonable cost, as determined by the Secretary, to the employer of furnishing such employee with board, lodging, or other facilities, if such board, lodging, or other facilities are customarily furnished by such employer to his employees: *Provided,* That the Secretary is authorized to determine the fair value of such board, lodging, or other facilities for defined classes of employees and in defined areas, based on average cost to the employer or to groups of employers similarly situated, or average value to groups of employees, or other appropriate measures of fair value. Such evaluations, where applicable and pertinent, shall be used in lieu of actual measure of cost in determining the wages paid to any employee.

"(i) 'State' includes a State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, the Canal Zone, and Outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act.

"(j) 'Secretary' means the Secretary of Labor.

"(k) 'Labor organization' means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

"PROHIBITION OF WAGE RATE DIFFERENTIAL BASED ON SEX

"SEC. 4. No employer having employees engaged in commerce or in the production of goods for commerce shall discriminate, in any place of employment in which his employees are so engaged, between employees on the basis of sex by paying wages to any employee at a rate less than the rate at which he pays wages to any employee of the opposite sex in such place of employment for work of comparable character on jobs the performance of which requires comparable skills, except where such payment is made pursuant to a seniority or merit increase system or a bona fide job classification program which does not discriminate on the basis of sex, nor shall any employer reduce the wage rate of an employee for the purpose of eliminating the differential in wage rates prohibited by this section. No labor organization, or its agents, representing employees of such an employer shall cause or attempt to cause such an employer to discriminate against an individual in violation of this Act. No such employer and no such labor organization shall discharge, cause to be discharged, discipline, or otherwise discriminate against any employee on account of any action taken by such employee to invoke, enforce, or assist in any manner in the enforcement of the provisions of this Act.

"ADMINISTRATION

"SEC 5. (a) The Secretary shall have authority to prescribe rules and regulations necessary for the administration of this Act. In any action or proceeding based on any alleged violation of this Act, no person shall be subject to any liability or punishment for or on account of the commission by such person of an unlawful discriminatory practice prohibited by this Act if he pleads and proves that the act or omission complained of was in good faith, in conformity with, and in reliance on, any written interpretation or opinion of the Secretary. Such a defense, if established, shall be a bar to the action or proceeding, notwithstanding that after such act or omission, such interpretation or opinion is modified or rescinded or is determined by judicial authority to be invalid or of no legal effect.

"(b) In connection with any investigation of a charge filed under section 6, the Secretary or his representative may enter and inspect such places and such records (and make such transcriptions thereof), question such employees, and investigate such facts, conditions, practices, and matters as he may deem necessary or appropriate to determine whether any person has violated any provision of this Act, or which may aid in the enforcement of the provisions of this Act.

"(c) For the purposes of any investigation conducted under this Act, the provisions of sections 9 and 10 of the Federal Trade Commission Act of September 16, 1914, as amended (15 U.S.C. 49, 50), shall be applicable to the jurisdictions, powers, and duties of the Secretary or any officers designated by him, except that the attendance of a witness may not be required outside of the State where he is found, resides, or transacts business, and the production of

evidence may not be required outside the State where such evidence is kept.

"ENFORCEMENT

"SEC. 6. (a) Whenever it is charged in writing under oath by or on behalf of a person claiming to be aggrieved, or, when the Secretary has reasonable cause to believe an investigation will disclose the charge is true, a written charge is filed by the Secretary (and such charge sets forth the facts upon which it is based) that an employer or labor organization has engaged in a discriminatory practice prohibited by section 4, the Secretary shall furnish such employer or labor organization (hereinafter referred to as the 'respondent') with a copy of such charge and shall make an investigation of such charge. If the Secretary determines, after such investigation, that the charge is true, he shall endeavor to eliminate any unlawful discriminatory practice by informal methods of conference, conciliation, and persuasion.

"(b) If the Secretary has failed to effect the elimination of an unlawful discriminatory practice and to obtain voluntary compliance with this Act, or in advance thereof if circumstances warrant, he shall have the power to bring a civil action to prevent the respondent from engaging in such unlawful practice.

"(c) Each United States district court and each United States court of a place subject to the jurisdiction of the United States shall have jurisdiction of actions brought under this Act. Such actions may be brought either in the judicial district in which the unlawful discriminatory practice is alleged to have been committed or in the judicial district in which the respondent has his principal office. No such civil action shall be based on an unlawful discriminatory practice occurring prior to the effective date of this Act or more than one year prior to the filing of the charge and the giving of notice thereof to the respondent, unless the person aggrieved thereby was prevented from filing such charge by reason of service in the Armed Forces, in which event a period of military service shall not be included in computing the one-year period.

"(d) If the court finds that the respondent has engaged in or is engaging in an unlawful discriminatory practice charged in the complaint, the court may enjoin the respondent from engaging in such unlawful practice, and shall order the respondent to take such affirmative action, including the payment of back wages, plus an additional amount not to exceed the back wages found to be due, as may be appropriate. No order of the court may issue if the wage discrimination was based on some factor other than sex.

"(e) In any case in which the pleadings present issues of fact, the court may appoint a master and the order of reference may require the master to submit with his report a recommended order. The master shall be compensated by the United States at a rate to be fixed by the court, and shall be reimbursed by the United States for necessary expenses incurred in performing his duties under this section. Any court before which a proceeding is brought under this section shall advance such proceeding on the docket and expedite its disposition.

"(f) The provisions of the Act entitled 'An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes', approved March 23, 1932 (29 U.S.C. 101–115), shall not apply with respect to civil actions brought under this section.

"(g) Attorneys of the Department of Labor may appear for and represent the Secretary in any litigation, but all such litigation shall be subject to the direction and control of the Attorney General.

"(h) The remedies provided in this section for violations of this Act shall be exclusive.

"SUPERVISION OF WAGE PAYMENTS

"SEC. 7. The Secretary is authorized to supervise the payments of any amounts owing to any employee which have been withheld in violation of this Act. Any sum owed an employee and paid to the Secretary under this Act shall be held in a special deposit account and shall be paid, on order of the Secretary, directly to the employee. Any such sum not paid to an employee because of inability to do so within a period of three years shall be covered into the Treasury as miscellaneous receipts.

"GOVERNMENT CONTRACTS

"SEC. 8. (a) Except as hereinafter provided in this subsection, in any contract made and entered into by any executive department, independent establishment, or other agency or instrumentality of the United States, or by the District of Columbia, the Virgin Islands, American Samoa, Guam, or the Canal Zone, or by any corporation all of the stock of which is beneficially owned by the United States (all of which are referred to hereinafter as agencies of the United States), for the manufacture or furnishing of any materials, supplies, articles, or equipment, in any amount exceeding $10,000, there shall be included stipulations under which the contractor (1) is required to compensate all persons employed by him in the manufacture or furnishing of such materials, supplies, articles, or equipment, in conformity with the requirements of this Act, and (2) shall be subject to all other provisions of this Act. The Secretary of Labor may, when he deems that special circumstances in the national interest so require, exempt a contracting agency from the requirement of including the provisions of this subsection in any specific contract.

"(b) No contract shall be awarded by the United States or any agency thereof to any person finally determined to have violated any of the provisions of this Act or any stipulation entered into in compliance with subsection (a) of this section, or to any firm, corporation, partnership, or association in which such person has a controlling interest, until the contractor has complied with all orders issued to him pursuant to section 6. The Comptroller General is authorized and directed to distribute to all agencies of the United States a list containing the names of persons ineligible for contract awards under this section. The Secretary shall cause the names of persons who have complied with orders issued pursuant to section 6 to be removed from this list.

"POSTING

"SEC. 9. Every employer subject to this Act shall keep posted in a conspicuous place in or about the premises where any employee is employed such excerpts from this Act and from the regulations issued pursuant thereto as will provide information adequate to inform employees of their rights under this Act.

"EFFECT OF OTHER LAWS

"SEC. 10. No employer to whom section 4 applies shall be required to comply with any law of any State, or political subdivision thereof, prohibiting discrimination in rates of pay on account of sex. The Secretary is empowered by agreement with any agency of any State to cede to such agency jurisdiction over any cases where such State has a statute applicable to the determination of such cases the provisions of which are not inconsistent with the corresponding provisions of this Act or has received a construction not inconsistent therewith.

"APPROPRIATION

"SEC. 11. There are authorized to be appropriated such sums (not in excess of $1,500,000 for the fiscal year ending June 30, 1963), as may be necessary to carry out the provisions of this Act.

"EFFECTIVE DATE

"SEC. 12. This Act shall take effect one hundred and twenty days after the date of its enactment."

Mr. ZELENKO (interrupting the reading of the amendment). Madam Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

Mr. WESTLAND and Mr. GRIFFIN objected.

Mr. ZELENKO (during the reading of the amendment). Madam Chairman, I renew my request that the further reading of the amendment be dispensed with and that it be open to amendment at any point.

Mr. JOHANSEN. Madam Chairman, reserving the right to object, and I shall not object, I wonder if we can have the assurance from the other side of the aisle that we will have a clear exposition of the points of difference between the substitute offered by the gentleman and the original bill voted out by the committee.

Mr. ZELENKO. I assure the gentleman that will be done.

Mr. JOHANSEN. I thank the gentleman.

Madam Chairman, I withdraw my reservation of objection.

Mr. GRIFFIN. Madam Chairman, reserving the right to object, will the gentleman make clear, since the amendment will not be read, that his proposed amendment in the nature of a substitute is H.R. 11677 as it was reported by the committee with several amendments. One is an amendment to include labor organizations within the coverage of the bill. Another amendment is on page 4 and relates to the place of employment. It includes, on page 7, certain perfecting amendments, relating to the coverage of the labor organizations within the scope of the bill. On page 9, there is a conforming amendment beginning at line 19. With those exceptions and certain minor perfecting amendments, is the gentleman's proposed substitute the same as the bill reported out of the committee?

Mr. ZELENKO. The gentleman is substantially correct.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ZELENKO. Madam Chairman, the amendment offered at this point does not substantially change the bill as reported. The one major change in the substitute amendment from the main bill appears on page 5 of the bill.

The major change is that there is included in the bill a prohibition against the labor unions or organizations that might attempt to coerce or influence or bargain an employer to violate the provisions of this act. Up to this point, it was the employer that was liable. But it is thought that, perhaps, in his bargaining activities between labor management and unions, there might come a point where because of the insistence of a labor union, he might be obliged to violate the law as it applies to discrimination regarding the sexes. As I said, during the debate, organized labor is in favor of this amendment. They are willing to be placed in this bill and to be subject to its penalties, if they are involved in any violation. As a matter of fact, as the gentleman pointed out during the debate, this will once and for all make it a labor-management joint sponsorship on this bill for equal or comparable pay for comparable work and comparable skills.

The remaining amendments are merely perfecting amendments, at the bottom of page 4. It is the sense of this bill that if there is a difference in the wage scale between the sexes that that difference would be resolved and the act would only apply in the very place where these people of opposite sexes are working. It does not establish a minimum wage. It is not industrywide nor areawide. If, in a factory on A Street, a man is being paid 60 cents an hour and a woman is being paid 50 cents an hour in that plant, this law would apply and the wages or pay would be equalized.

The perfecting amendment on the bottom of page 4 reiterates that particular point; it spells it out more clearly.

Mr. GOODELL. Madam Chairman, will the gentleman yield?

Mr. ZELENKO. I yield.

Mr. GOODELL. It is my understanding, and I think it is the Government's understanding, that the Fair Labor Standards Act uses the phrase "place of employment" in a number of places, and it has been interpreted uniformly by the Labor Department to mean one plant, and that as used in this bill it would mean one plant or one establishment.

Mr. ZELENKO. The gentleman is correct; that is the purpose of the bill; that is the meaning of the word "place."

Mr. GOODELL. So by no stretch of the imagination could "place of employment" mean a company, firm or business.

Mr. ZELENKO. No, it does not.

Madam Chairman, the other amendments are technical and perfecting in nature.

On page 9 an amendment was included at the bottom of the page inadvertently which should have been omitted.

I would say in regard to the other amendments that they are technical and perfecting.

Mr. HALLECK. Madam Chairman, will the gentleman yield?

Mr. ZELENKO. I yield to the minority leader.

Mr. HALLECK. I am a little curious as to why in view of these changes that have been made, a clean bill was not introduced and reported out by the committee and brought here for action. I raise that question because several things occur to me as far as procedure is concerned. The first one is that perfecting amendments can be offered to the substitute, but as I understand the rule, such amendments to the substitute as may be adopted would not be subject to separate votes later in the House. Second, that if a substitute is adopted, then the only motion to recommit that would be available to the minority would be a straight motion to recommit. As I say, I am just curious as to why this particular procedure was followed by the majority members of the committee.

Mr. ZELENKO. I would say to the gentleman from Indiana that the reason was that we had a number of technical and perfecting amendments as indicated with just one amendment of real significance, to put labor organizations in the bill. So we thought in the interest of expedition and clarification they should be put into one bill. That is the reason.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HALLECK. Madam Chairman, I ask unanimous consent that the gentleman from New York [Mr. ZELENKO] may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Madam Chairman, will the gentleman yield further?

Mr. ZELENKO. I yield.

Mr. HALLECK. I must say to the gentleman that if there was just one amendment of substance to be offered it could have been done in the committee, and the same applies to the technical and perfecting amendments. Certainly they would not encounter any great difficulty.

I must observe that this sort of procedure, as far as the minority is concerned, makes it a little difficult for us to work our will with respect to this legislation.

The only further suggestion I can make under the circumstances is that the substitute and any amendments thereto be fully explained by speakers on the majority side who are familiar with the changes that have been made in the original bill so we may be informed as to what they are. They seem to be quite extensive.

Mr. ZELENKO. May I suggest to the respected minority leader that the changes made are familiar to Members on his side. As I say, aside from the technical and perfecting amendments there is but one amendment, the one bringing labor unions into the bill. The members of the committee are in practical agreement. It has been discussed and is known to Members on both sides of the aisle.

Mr. GRIFFIN. Madam Chairman, will the gentleman yield?

Mr. ZELENKO. I yield to the gentleman from Michigan.

Mr. GRIFFIN. I think the remarks of the minority leader were particularly appropriate. Of course, I did not object to the gentleman's request because he had provided me with a copy of his proposed substitute in advance; however, I agree that it is unfortunate that the bill has been presented to the House in this manner. I regret some of the gentleman's remarks earlier during general debate, when he referred to the fact that minority members of the committee propose to offer certain amendments to the bill on the floor.

I did not particularly appreciate the remarks in view of the fact that the gentleman from New York, himself, has incorporated in his substitute one very important amendment, and several other amendments, which had not been considered by the committee. However, we agree now that these amendments are needed and are sound. I hope the gentleman will recognize the right and the prerogatives of those on this side to offer amendments, too, even some of the amendments may not have been considered in the committee because, obviously, this bill has not received the full, complete and adequate consideration in the committee that it should have had, in my opinion.

Mr. ZELENKO. I did not mean to imply that there was any motive or any intention to offer new material on the floor. What I did say was that during the course of deliberations in the committee many of the Members who are now offering variations, such as "equal" instead of "comparable," voted in the committee on those very points.

Mrs. ST. GEORGE. Madam Chairman, I offer an amendment to the substitute.

The Clerk read as follows:

Amendment offered by Mrs. ST. GEORGE to the amendment offered by Mr. ZELENKO: On page 4, line 5, strike out "for work of comparable character" and insert in lieu thereof "for equal work".

On page 5, line 1, strike out "comparable" and insert in lieu thereof "equal".

Mrs. ST. GEORGE. Madam Chairman, when I spoke on the rule for this bill on the 14th of June, I brought this question up. I feel it is a very important question. I am not a member of the committee, but I asked permission of the committee to offer this amendment and speak on it briefly.

What we want to do in this bill is to make it exactly what it says. It is called equal pay for equal work in some of the committee hearings. There is a great difference between the word "comparable" and the word "equal."

In most people's opinion, and in the opinion of Webster's Dictionary, it is quite evident that there is a difference. I am going to read what it says:

> Equal: Exactly the same in measure, quantity, number or degree; like in value, quality, status or portion; characterized by justice; fair; uniform; equable; level; evenly balanced or portioned.

"Equal" implies no difference in amount, number, value.

This is not true of the word "comparable." The word "comparable" opens up great vistas. It gives tremendous latitude to whoever is to be arbitrator in these disputes.

What I may consider comparable work some of my colleagues may not consider comparable. You may have two people asked to do the same thing. You may think one does incomparably better than the other. That, it seems to me, is getting completely away from what we are trying to do in this bill.

Mr. LANDRUM. Madam Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from Georgia.

Mr. LANDRUM. Madam Chairman, I want to support the amendment offered by the distinguished gentlewoman from New York. I recall that on the same day referred to by the gentlewoman, when the rule was under debate on June 14, the gentleman from Georgia also raised the question of the advisability of using the word "comparable" instead of the word "equal."

If, in fact, we want to establish equal pay for equal work, then we ought to say so and not permit the trooping around all over the country of employees of the Labor Department harassing business with their various interpretations of the term "comparable" when "equal" is capable of the same definition throughout the United States.

Mrs. ST. GEORGE. I thank the gentleman from Georgia for his contribution.

Mr. COLMER. Madam Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from Mississippi.

Mr. COLMER. I would be interested to know, following the colloquy, who makes the determination of what is comparable work under the bill. Maybe I should have asked somebody else.

Mrs. ST. GEORGE. Well, I would say to the gentleman that it seems to me quite obvious it would be up to the Department of Labor where these things will be determined, and for that very reason I will say to the gentleman I think the only difficulty is to make it clear that the bill is to produce and foster equality. When you give this latitude by using the word "comparable," you are destroying the main purpose of the bill.

And, if my friend would yield to me for another moment, I would like to point out that in the report on this bill, in the testimony given by the very distinguished Assistant Secretary of Labor, the Honorable Esther Peterson, she said:

> The absence of an equal pay clause in a union contract does not necessarily mean that pay is not equal; some contracts specify one rate for the job, and no equal pay provision is needed. Of the 315 contracts studied by the Women's Bureau that did not have equal pay clauses, some applied to firms with job evaluation plans or other wage payment provisions based on a rate-for-the-job policy.

Four times in that one paragraph the word used is "equal" and not "comparable."

It seems to me quite evident, Madam Chairman, that while this seems to be a very slight change, it would strengthen the bill; it would make it do more what we want it to do, and that is to tighten it up.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

Mr. ZELENKO. Madam Chairman, I ask unanimous consent that the gentlewoman from New York [Mrs. St. George] may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mrs. ST. GEORGE. I thank the gentleman from New York for his indulgence.

Now, I agree, and I have always agreed, and it has always been my premise and that, I think, of most of the people, that what we really want is equality. We do not want favors. There are certainly many things that men can do better than women, and before the majority of the House gets too thrilled by that statement, there are very many things that women can do much better than men. As a woman, I do not particularly want to be compared to a man, and I am quite sure that that goes for my male colleagues as well.

Mr. JOELSON. Madam Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from New Jersey.

Mr. JOELSON. I think this might be an appropriate time to quote what was said in the debate in the French Chamber of Deputies when differences between the sexes were referred to; namely, "Vive la Différence."

Mrs. ST. GEORGE. Well, I would be inclined to agree with the gentleman on that, too.

In summing up, I would like to say that I have always agreed with the words of that great pioneer for women's rights, Susan B. Anthony. She said this 100 years ago and, Madam Chairman, it is just as true in my book today if women are to truly take their place in the body politic and in the Nation: Men, their rights and nothing more. Women, their rights and nothing less.

For that reason, Madam Chairman, it seems to me that equality is what we want: nothing more and nothing less.

Mr. ZELENKO. Madam Chairman, I rise in opposition to the amendment offered by the gentlewoman from New York.

Madam Chairman, I hesitate not only because of my deep respect and affection for the gentlewoman from New York to oppose her in most anything, but I regret that I must do so at this time, for if the gentlewoman's amendment were adopted it would create a situation in which the law would be unenforcible. I was disturbed by the question as to whether "equal" is the same as "comparable" or identical. I discussed this with the Secretary of Labor, and I should like to read his answer to me in writing. It is as follows:

> The language as so changed, in our opinion, could spell defeat for the bill's purpose. "Equal" may be interpreted to have a rigid connotation such as "exact uniformity," "of the same measure," and so on—incompatible with an effective equal pay law which necessarily must be applied on the basis of similarity between one job in relation to another job but not the exactness of two jobs.
>
> If a showing of equality was a requisite to establish the requirement of equal pay, the conscious introduction of one slight and trivial factor might be considered sufficient to justify a lower wage rate.
>
> "Comparable" is a key word in our proposal. It is used in both tests which are essential under the proposal to establish the resemblance between jobs necessitating equal pay, that is, "work of comparable character" on jobs requiring "comparable skills." It connotes an identity of work operation and skill permitting a realistic and practical appraisal of two jobs to determine whether they have enough like characteristics and skill demands to warrant the same basic pay rate.

I thought initially, after discussing this with the Secretary, that this basis was a new concept. But I see that there is legal precedent for the word "comparable." The word "comparable" is the only enforcible word to activate this law. I find it in the National War Labor Board's use of the word during World War II. During that struggle and during the time when the National War Labor Board was in operation there was in effect an equal pay policy in which there was no discrimination on the basis of sex.

Mrs. ST. GEORGE. Madam Chairman, would the gentleman yield?

Mr. ZELENKO. I would be happy to yield to the gentlewoman from New York.

Mrs. ST. GEORGE. I would like to say to the gentleman that of course the National Labor Board to which the gentleman refers is rather old hat. I mean it goes back quite a long way.

I would also like to point out to the gentleman from New York [Mr. Zelenko]—as I am sure he already knows—that the word "comparable" appears in some State statutes. But there are an equal number of State statutes carrying the word "equal" in their labor laws.

I do not want to argue with the gentleman because I know the gentleman knows far more about this than I do, and I would not even venture to step into the arena with him. But here, again, we are not "comparable."

I would like to say that what the gentleman has said merely bears out what I have thought right along I have guessed the word "comparable" to mean. In reality by using that word you are not giving full equality; you are making this differential which is the one thing I am not particularly anxious to see. You are going back to that good old adage that women are so weak and delicate that they need protection. I think equality is one thing, but when we go into these hazy words, it is another matter.

Madam Chairman, I thank the gentleman for yielding to me.

Mr. ZELENKO. May I say to the distinguished gentlewoman from New York [Mrs. St. George] that my knowledge in the arena is no match for her charm or persuasiveness.

Mrs. GRIFFITHS. Madam Chairman, will the gentleman yield?

Mr. ZELENKO. I yield to the gentlewoman from Michigan.

Mrs. GRIFFITHS. Under the theory of equal pay for equal work, if that were applied to this Congress it could be said that no two Members could draw the same pay?

Mr. ZELENKO. That would be correct.

Mrs. GREEN of Oregon. Madam Chairman, will the gentleman yield?

Mr. ZELENKO. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. The Secretary of Labor has said to the committee:

> The language as so changed, in our opinion, could spell defeat for the bill's purpose.

I would say to my colleague, the gentlewoman from Michigan [Mrs. Griffiths], that in this Congress there are no two Members who have equal size districts to represent, who have an equal amount of mail, who have an equal number of conferences or equal committees or subcommittees on which to serve. The chairman of the Appropriations Committee and a new member on the Post Office and Civil Service Committee do not perform equal work.

If there were a wage differential in the Congress of the United States—and the men Members received a higher wage than did the women—and this were to come to the point of proving that there was absolutely equal work, we could not prove that this were true. But if the word were "comparable," meaning that the men and women Members of Congress were doing comparable work, then we could require the same amount of pay.

The CHAIRMAN. The time of the gentleman from New York [Mr. ZELENKO] has expired.

Mr. ZELENKO. Madam Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ZELENKO. Madam Chairman, may I continue further in response to the gentlewoman from New York [Mrs. ST. GEORGE]. There is no intention in this bill not to afford the women the equality they deserve. But on the question of comparability of jobs this is true even in regard to the work of one man vis-a-vis the work of another man. But what has happened in the past and what we are attempting to correct is that regardless of the similarity of the comparability of jobs, which in the case of men has returned equal pay, in the case of women this has not been true.

Mrs. ST. GEORGE. Madam Chairman, will the gentleman yield?

Mr. ZELENKO. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. Madam Chairman, may I tell my friend that I am grateful to him for helping my argument. He has used the very words I have used to prove that women have not had equality. May I say also that while we are talking about comparability and the jobs of Members of Congress, which is an extremely good comparison, that I happen to know that one of the largest districts in the whole of the United States is represented by a woman. I do not say for that reason that she should be paid more than some gentleman who may represent barely 300,000. But I do say this, that whether it is her district, my district, or the district of the very distinguished gentleman in the well of the House, we all have the same responsibility, whether it be to 10 people or whether it be to 1,000.

Mr. ZELENKO. I respect the contention of the gentlewoman from New York, but I just as respectfully urge that she is mistaken in her argument for this reason. Equality of pay is what we are seeking for comparable or, if it could be enforced, equal work. The point is that the only enforcible legislation that could be effective to achieve equal pay would be that legislation based on comparable pay, comparable work, requiring comparable skills. And it is on that basis that equal pay is achieved, man against man and man against woman.

Madam Chairman, just to conclude my argument, this policy of determining the equality of pay based on the comparability of work was established by the War Labor Board and worked effectively and became the guiding principle on job classification. The leading case in which this very point arose was that of General Motors, Nos. 125 and 128, reported in 3 War Labor Board Reports 348. This very point was raised:

> The Board has directed the parties to include in their new agreement a provision that wage rates for women shall be the same as for men where they do work of comparable quantity and quality in comparable occupations.

There was another case, Browns & Sharpe Manufacturing Co., No. 101, 3 War Labor Reports 321, and the relevant quotation from that case is:

> That wage rates for women shall be the same for men where they do work of comparable quantity and quality in comparable operations.

General Order No. 16 of the National War Labor Board stated:

> Adjustments which equalize the wage or salary rates paid to males for comparable quality and quantity of work on the same or similar operations and adjustments in accordance with this policy which recognize or are based on differences in quality or quantity of work performed may be made without approval of the War Labor Board.

What we have here is the statement of the Secretary, who is bound to enforce the law, giving us a definition which he says is enforcible and which in past practice under Government auspices the War Labor Board has found to be enforcible. Anything else, as he urges, would vitiate the purposes of the act, because it could not be enforced with exactitude.

There is a labor experience here. There is a classic word, "comparability." It is the same as "anatomy." You cannot change anatomy. It acquires a certain classic meaning. In labor-management decisions the word "comparability" or "comparable" has a classic meaning, and it means comparable work for comparable skills which lead to equal pay, for no job one as to the other is exactly the same. If an employer wishes to avoid the law, all he has to do is change one operation.

Mr. GRIFFIN. Madam Chairman, I rise in support of the amendment.

The question of legal precedence for the words "equal" and "comparable" has been raised by the gentleman from New York [Mr. ZELENKO]. Of the States which now have laws in this area, it may be of interest to know that 5 use the term "comparable," while 11 States use "equal," "same," or "equivalent."

Let us look at other countries of the world. The International Labor Organization has a convention which has been ratified by 38 countries on this subject which calls for "equal pay for equal work." The countries of the European Common Market in their Treaty of Rome adopted a provision binding themselves to provide "equal remuneration for equal work as between men and women."

Lastly but not unimportantly, in the 1960 Democratic platform the pledge was made to provide "equal pay for equal work," and in the Republican platform of 1960 the pledge was made to provide "equal pay for equal work."

I urge support of the amendment offered by the gentlewoman from New York.

Mr. HOSMER. Madam Chairman, I move to strike out the requisite number of words.

Madam Chairman, I rise to ask the chairman of the subcommittee questions on two subjects. One has to do with the mention during general debate of the difference in beginning job offers to men and women, indicating that women's pay offers generally are a little less than those of men graduating from college. I wonder if a part of that is based on the employer's anticipation that in hiring a woman he is less likely to have her on the payroll for a long number of years after training her for the work and, therefore, some of the fixing of wages has that in mind. Is that a factor that is considered or not considered by the bill that is before the House today, or is it a legitimate thing to consider?

Mr. ZELENKO. It is a legitimate thing to consider for this reason: Where there is a merit system, a seniority system, or a bona fide classification system, there could well be a difference in the wage between a man and a woman, but this law takes into consideration those areas where you do not have the merit system, the seniority system, or the classification system.

In further response to the gentleman's question in which he asks whether this difference was due to the fact that perhaps some woman or women had worked in a place for some time, may I indicate that in a table which appears on page 63 of the hearings the job requests looking for workers are replete in every industry with requests for workers such as accounting clerks, assemblers, and many other types of available jobs. So there is a definite and vital need for this legislation.

Mr. HOSMER. My other question has to do with State laws that require special treatment, for instance, requiring certain rest periods or prohibiting the employment of women over so many hours of overtime a week, where it does not have that effect on the men.

Now an employer has some of those considerations in mind when he fixes wages, and I am wondering if those are legitimate considerations and if they are considered in the legislation before us.

Mrs. GREEN. Madam Chairman, will the gentleman yield?

Mr. HOSMER. I am glad to yield to the gentlewoman.

Mrs. GREEN. This matter was considered by the committee. It was certainly considered when the legislation was originally drafted. It was a matter of a great deal of study and consideration by all of the women's organizations throughout the Nation that have studied this type of legislation over a long period of time. They do not feel that the factors which you have mentioned should be responsible for the tremendous difference there is in wage scales between men and women throughout the country in the professions, the skilled, semiskilled and clerical fields and in all kinds of work. But it was a factor that was considered.

Mr. HOSMER. I thank the gentlewoman.

Mrs. HANSEN. Madam Chairman, I move to strike out the last word and rise in opposition to the amendment.

Madam Chairman, I have before me a digest of State equal pay laws. It becomes increasingly obvious as we review these laws and look through them that the words "similarly" or "comparably" are used. In this particular act, the word "equal" can possibly become a monstrosity and cause of tremendous administrative technical difficulties. I think even in our own offices those who try to use the words "equal work" as a base of all operations are in administrative difficulty.

Madam Chairman, this is a matter of commonsense. Historically, as we have listened and read the debates in our own State legislatures over the years where, of course, these laws were established for the first time, and in hearings before their committees, the administrative difficulties were developed. If you go through these State laws, you will find that State after State has begun to modify their language and there is often the use of the word "comparable" or the word "similar."

If I had the time, I could read many of these to you. Massachusetts, particularly, spells out "similar." I believe the State of Michigan, and the gentleman from Michigan probably knows this, uses the word "similar." In the State of Oregon and in the State of Washington, the words "comparable" and "similar" are used. I note in some of the other States, the prohibition is that "there shall be no discrimination because of sex." It is spelled out in just that way—period.

So, Madam Chairman, I think if we review the history of this legislation in these 50 States of ours and, certainly, all of us are interested in the experience in the several States since that is why we are here, to interpret that State experience and to bring to our debate the useful State experience for assistance in the solution of our national problems, and to use it as a floor for solution.

Thus, Madam Chairman, let us use these historical State experiences, particularly those of administration. Let us use the word "comparable."

Mr. OLSEN. Madam Chairman, I move to strike out the last word.

Madam Chairman, I am not a member of the committee, but I have familiarized myself with the bill and with these words. It seems to me that a requirement of the word "equal" is just what the dictionary says. The word "equal" means "exactly the same in measure."

My impression of the amendment offered by the gentlewoman from New York is that her amendment would require an impossible proof, an impossible amount of proof, to require that the work and the skill be exactly equal. I think this would be an absolute impossibility. To have such an amendment in this legislation would be like having no bill at all. I think it would be much better to have the word "comparable" in the legislation.

Mrs. ST. GEORGE. Madam Chairman, will the gentleman yield?

Mr. OLSEN. I do not yield at this time, Madam Chairman.

The word "comparable" as taken from the dictionary, means "capable of being compared with; worthy of comparison to; to represent as similar; to liken." This is more nearly possible of proof. This means, then, that in substance we would actually be passing a bill in good faith. Leaving in the word "comparable" is leaving in a possibility of proof of similarity and comparability of work and of skill. I very much favor equal pay for both sexes for comparable work of comparable skill and I therefore urge my colleagues to vote against this amendment and retain a practical enforceable piece of legislation.

Mr. WAGGONNER. Madam Chairman, will the gentleman yield?

Mr. OLSEN. I yield.

Mr. WAGGONNER. Under the distinction the gentleman has just drawn between the word "equal" and "comparable" how would it work out in actual practice? Let us take for example a store that is departmentalized. In one department they sell ladies' hosiery, and in another, shoes, yet in each department they employ salesmen and salesladies operating under a number of conditions, doing their work either on straight salary, or salary and commission, or maybe straight commission. It is well know that as between these two departments greater profit is made on shoes than on ladies' hosiery. Under the definitions the gentleman has just given how can there be comparability between these two departments when there is this wide difference in profits? Is the employer to give the same money to all these people when the profit they produce in their respective departments is not on a comparable or equal basis and there is a great variation in the owner's earnings and ability to pay.

Mr. OLSEN. This proposition, of course, does not refer to profit. It is that there can be no discrimination of pay by reason of sex.

Mr. WAGGONNER. If it has no relationship to the returns to the owner, is not he the one being discriminated against?

Mr. OLSEN. The store owner cannot discriminate between the two sexes where there is comparable skill at comparable work.

Mr. WAGGONNER. But if they are not making the same profit in the store percentagewise or dollarwise in their departments how can they be comparable in what they produce for the owner?

Mr. OLSEN. Here is the way I look at it; I say there would be several classifications, and within any of the classifications there should be the same pay for either sex, given comparable skills. If there were an entirely different classification, people in the lesser classification would not be entitled to the same pay as those in the higher classification; but within any one classification the pay should be the same for either sex where the work is comparable and the skill is comparable.

Mr. WAGGONNER. Let us look at it from this point, then. This amendment and this legislation is intended for a noble purpose; there is no doubt about that, but I fear sincerely that this is going to work against the success of the legislation that is being considered here, because the man in business is going to be fearful every time he hires a woman that he is letting himself in for a civil lawsuit.

Mr. OLSEN. Not at all, because he only has to treat them the same when they are in the same classification.

Mr. WAGGONNER. Not comparable, but the same. Then "same" means the same thing as "equal" and is satisfactory as a substitute for the word "comparable."

Mr. OLSEN. No, it does not.

Mrs. MAY. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, it is beginning to sound to me that we have shifted from the battle of giving equal pay for equal work to women to a battle of semantics. I rather think that is what is happening here.

Consistently, before my service in Congress and during my 4 years in Congress, I have been in favor of this legislation. For the past 24 hours I have been studying the amendment and the implications of the difference between "comparable" and "equal." I assure you I would not do one thing to weaken this legislation; I want to strengthen it. Therefore, I support the amendment as offered by my distinguished colleague, the gentlewoman from New York [Mrs. St. George], because I think it does do that.

In my opinion, the word "equal" is going to make this act easier to administer. I would also like to point out that we use the world "similar" not "equal" in the State of Washington. There are many reasons why they use different words in different States. But what really is important, is it not, is legislative intent? We are making that record of legislative intent right now, and attempting to tie this down to a word that will make the legislation easier to administer and fairer to all and more acceptable to those who are going to be involved in this legislation.

Mrs. ST. GEORGE. Madam Chairman, will the gentlewoman yield?

Mrs. MAY. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. I want to thank the gentlewoman for her support so eloquently stated.

I would like to ask her, while we are on this subject, if she does not think, in view of the statement that has been made here, that the word "equal" is a legislative monstrosity, that we might do very well to change the wording of the Declaration of Independence where it says that all men are created free and equal and substitute the word "comparable."

Mrs. MAY. The gentlewoman from New York makes an excellent point.

Mr. STRATTON. Madam Chairman, I move to strike the last word.

Madam Chairman, I am not interested so much in the philosophical argument that has been raised in the amendment offered by my colleague, the gentlewoman from New York, as to the relative virtues of these two words, as I am in the practical effect of the amendment if it is adopted.

I represent a district where glove manufacturing is an important operation. I wonder, if the gentlewoman's amendment were adopted—and I would like to get the view of the chairman of the subcommittee on this—and we were confronted with a situation in Gloversville, for example, where we have people sewing knitted gloves in one building and sewing leather gloves in another, whether under the gentlewoman's amendment it may not turn out this is not equal work, because in one case you are sewing knitted gloves and in the other case you are sewing leather gloves? If the gentlewoman's amendment were adopted, would it not be easy for an employer to argue in such cases that these operations were not equal, so if all of those sewing knitted gloves happened to be women and all of those sewing leather gloves happened to be men, might it not be possible in that case, under the St. George amendment, for an employer to evade the clear intent of Congress in passing this legislation?

I would like to know if the chairman would not agree with me if we keep in the word "comparable", then similar or comparable work is clearly being performed whether the gloves are woolen, leather, red, or blue, and thus there can be no possible excuse for evading the payment of equal wages.

Mr. ZELENKO. The gentleman is correct. This is a question of enforceability. Equal pay and equal work is a gross term, but when it comes to enforcement the word "comparable" has a meaning. It has the meaning which exists in this bill. It is a workable meaning, and the only workable meaning to evade the provisions of this act would be for one to change the job slightly. I agree with the gentleman if you put in the word "equal" we will have no equal pay bill.

Mr. STRATTON. I want to thank the chairman, because I think this is a vital point. The gentlewoman from New York is extremely persuasive, and on the philosophic issue there is a lot to be said for her views. But the practical situation turns out to be completely different. I want to see that the women in my congressional district are effectively protected and therefore I must oppose the gentlewoman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York [Mrs. St. George].

Mr. HALLECK. Madam Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mrs. St. George and Mr. Zelenko.

The Committee divided, and the tellers reported that there were—ayes 138, noes 104.

So the amendment was agreed to.

Mr. GOODELL. Madam Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Goodell to the amendment offered by Mr. Zelenko: Beginning in line 4 on page 5, strike out "nor" and all that follows down through "section" in line 7.

Mr. GOODELL. Madam Chairman, it is difficult to deal dispassionately with this particular subject. As one of my colleagues said a few minutes ago, "Anybody who says that marriage is a 50–50 proposition, either does not understand women or does not understand fractions."

However, Madam Chairman, I present this amendment with a very serious and objective purpose. I frankly favor the general objective of this legislation. But I say to the Members of the House in all sincerity that there are some provisions in this bill—and my amendment would correct one of them, particularly—if allowed to remain and become law could be the sleepers of this entire legislative session. They could redound to the very great harm of the movement for equal rights for women. We may find, if this becomes law in its present form, that the women will be at us from one side and the retailers and the small businessmen will be erupting under our feet. And we will have a very difficult time. This amendment in simple terms on page 5, line 4, eliminates these words:

> Nor shall any employer reduce the wage rate of an employee for the purpose of eliminating the differential in wage rates prohibited by this section.

A little while ago, before we started this debate, a representative of retailers spoke to me outside and he said—and I use the word advisedly—that they are in panic over the implications of the language as it stands today and the possible ramifications for small business and for retailers who employ large numbers of men and women. They agree with the objective and they want to promote that objective. But we all know today, perhaps it is wrong but it is true, that it is a common practice in many small industries, and particularly in the retail business, to pay men more, because they are the heads of households, the heads of families, they are supporting the children; and employers are employing women side by side with the men and paying them less. This bill is designed to correct that. We can pay them without discrimination on the basis of sex; but the provision in the bill will require every employer without variation to raise all the women's pay up to the men's pay. He cannot negotiate with his employees. Now what can the employer do? The first thing he can do is fire all the men, or fire all the women who are in this category. And, believe me, I think we all know he will do this if it means the difference between staying in business and going out of business. He will have no choice. There will be no room for negotiations of any kind.

The second thing he can do is to try to devise some means of evading the law. He will probably use his imagination to get around the purposes of this law because he will find them unworkable in their practical impact upon him. Of course, if the impact is serious enough, he may just throw up his hands and go out of business and they will all lose their jobs.

If he is represented by a union he may not under this provision go to the union heads and explain his problem sincerely and say, "I want to do what you are doing, I want to promote your purposes to get them all on an equal basis, but there is no opportunity for negotiation; I have to raise all the women right up to the men's level."

I do not think we want to do this. One final alternative; if he has unions he can perhaps sustain a loss for a few years and stop hiring women because they create a problem to him in this respect. I do not think that is the purpose of the proponents of this legislation. I think if we take out this provision there will be an adjustment that will provide equal pay for equal work.

The CHAIRMAN. The time of the gentleman from New York [Mr. Goodell] has expired.

Mr. GOODELL. Madam Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GOODELL. Madam Chairman, I believe sincerely if we take this out there will be flexibility in here to protect the women, to give them the protection under the law without prejudicing their case with the businessmen who have to meet these additional costs. We will have a transition period during which the ladies will achieve equality without actually doing more harm to their purpose than good.

Mr. ROOSEVELT. Madam Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from California.

Mr. ROOSEVELT. May I ask the gentleman whether his solution is not simply to go forward and say to the man, "Look, there is a woman working beside you, side by side, but now we have to take care of women's rights so we will reduce your rates."

Mr. GOODELL. When we legislate wage rates we have problems. I say there should be flexibility in approaching this problem. We should not say to the employer arbitrarily that regardless of the circumstances he has to raise all the women up to the level of the men. He can go to the union and explain his problem if his workers are represented by unions and negotiate a reasonable compromise in equating these two. We are not passing a wage-fixing bill to raise wages. We are trying to make equality the purpose of this bill. It seems to me we do not have the necessary flexibility in the bill without this amendment.

Mr. ROOSEVELT. Obviously the gentleman refers to the fact that he talked to a retail man and the retail man did a good job, but 80 percent of the retail business is nonunion. How is this employer the gentleman referred to going to negotiate with a union that does not exist? Obviously, I think, the gentleman has been kidded a little bit by the gentleman he talked to.

Mr. GOODELL. I appreciate the gentleman's comment, but this is an amendment I have felt very strongly about for a long while. I think the retail people are just awaking to the implications of the bill as it is written here.

Mr. ZELENKO. Madam Chairman, I rise in opposition to the amendment.

Other than protesting his desire to allow women to achieve equality in pay rates, the subject of the distinguished gentleman's argument was, "Let us equalize them downward." This was put into the bill for a specific reason. The purpose of this bill, as it is amended now, is to enable women to achieve equal pay for equal work. The gentleman argued for the word "equal." This spells it out with exactitude so there can be no mistake in enforcing it. This sentence which he seeks to delete does the very same thing. Then it says that the woman who does not receive equal pay for equal work shall receive it under this bill. So the very purpose of this bill is to raise her up to the higher level of the man so that she may be equal. This spells it out. In this instance the gentleman wishes to delete a sentence which spells out the duty of the enforcer and the requirement of the law with exactitude. May I ask the gentleman, How else would he equalize the pay of women in a case where a woman has been discriminated against but to raise her pay to that of the man, unless you lower the man's pay? Is this not the only way to equalize it?

Mr. GOODELL. Madam Chairman, will the gentleman yield?

Mr. ZELENKO. I have asked the gentleman a question, and I yield for an answer.

Mr. GOODELL. In all sincerity, I would hope and expect that in the normal circumstances the employer would raise the pay of the women to the same level as that of the men. This would be the normal solution to the problem. But if it is economically impossible for the employer to do so, then if it is so inflexible as you have it in your bill he either has to go out of business or fire the women or the men. We can equalize it if we make it flexible, without this kind of harsh and drastic provision.

Mr. ZELENKO. The gentleman's amendment would vitiate the purpose of the bill. It would counteract the proposal, because what it would do would be to invite the employer to reduce the man's pay to that of the woman's. Here her pay must be raised.

I urge the members of the committee to vote down this amendment. If you do not, all you will have is the title, and you will not have a bill which will give equal pay for equal work.

Mr. GOODELL. Will the gentleman concede that the administration bill sent down here by Mrs. Peterson in the administration did not include this sentence, that this was added by the subcommittee as an afterthought?

Mr. ZELENKO. That is right. The gentleman was one of those who approved it. The gentleman was one of those who put this sentence in and voted for it.

Mr. GOODELL. No, I did not. This was not adopted unanimously in the committee, it was adopted by a yea-and-nay vote, and there were nay votes. There was an attempt to amend the bill as it came out of the subcommittee. But the point is, I think that Mrs. Peterson sent up a bill that left out this sentence.

Mr. ZELENKO. They sent up a bill with the word "comparable," but we improved the bill because we wanted to make sure that when they made an equalization it would not be downward, it would be upward.

Mr. GRIFFIN. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman, I hope the Members of the House will take a good look at this amendment. It is a very important amendment. As the gentleman from New York [Mr. GOODELL], has said, the language he proposes to strike was not in the administration bill when it was sent up to the House. The administration did not include or advocate the provision when the bill was proposed.

Are we about to pass an antidiscrimination bill or are we about to pass a wage-fixing bill? That is the issue right now.

Let us look at the situation where one plant employs all women; another plant doing the same kind of work in another State or in another county employs mostly women but a few men. Assume that the management of the latter plant has discriminated—they have employed a few men and pay them 50 cents or a dollar an hour more than the women. They would be in violation of this law. The management of such a plant must do something about it. They must come into compliance with the law. As it is written this bill says that the only thing they can do is to raise the wages of all the women by 50 cents or a dollar an hour.

In many situations, the wages of the women will be raised to the wages of the men to comply with this law. But should this be an inflexible requirement under which we leave no choice? In some instances, I am sure, it might be equitable to pay a rate somewhere between the rates paid to men and the women. I am sure that in some cases the men and the unions involved would be willing to take a slight reduction, if necessary, in order to keep the plant operating. But under this bill, they could not work out such a solution no matter how equitable and desirable it might be.

This is not an issue that has been dreamed up. I refer you to the hearings. Look at page 145 of the hearings. There appeared before the subcommittee the head of the Bureau of the Women's Division of the Pennsylvania Department of Labor who testified concerning this bill. Pennsylvania has a State equal pay law, and listen to what she said. This is very important:

> The big problem comes when the number and proportion of workers affected is high and the size of the wage differential is large. The problem may be further compounded when a corporation's plants are operating in several States and management can shift production from one State to another.
>
> The department of labor and industry has not yet succeeded in getting compliance in several cases of clear-cut violation for this reason. In one Pennsylvania plant of a corporation with plants in other States, 441 women are being paid approximately 20 cents per hour less than 239 men in the same occupation—a major one in the business.
>
> To immediately raise the women's rates to the men's would increase the annual wage cost by $176,000 a year. The manufacturer threatened to move his Pennsylvania production to newer facilities in other States. The department at first consented to allow the company some time to come into compliance by transferring the men to other jobs.
>
> However, the location of the plant and the relatively few openings for men in other occupations and the union security rights created problems that have made this approach to compliance impracticable.
>
> I might add, also, that many people would question the propriety of considering any such adjustment a proper one, but we were in a difficult position because we did not want to see the men put out on the streets.

I want to ask the gentleman from New York [Mr. ZELENKO] one question. Is there anything in this bill or in any other bill which would preclude an employer who is faced with this situation from just firing the men or firing the women?

Mr. ZELENKO. The question cannot be answered that simply.

Mr. GRIFFIN. Yes; it can be answered.

Mr. ZELENKO. The bill itself says this:

> No such employer shall discharge or otherwise discriminate against any employee on account of any action taken by such employee to invoke, enforce, or assist in any manner in the enforcement of the provisions of this Act.

Mr. GRIFFIN. I did not say that any of these employees had made the charge. Suppose the Secretary of Labor brings the charge?

Mr. ZELENKO. The Secretary of Labor under the provisions of the act would not bring the charge unless he had reasonable cause.

Mr. GRIFFIN. All right; that is all he needs.

Mr. ZELENKO. And the gentleman was the one who wrote that provision into the act.

Mr. GRIFFIN. That is right. He can bring the charge, if he does have reasonable cause. I make the flat statement that, except in instances where union contracts are in effect and preclude it, the only course which this bill leaves in hardship cases is to fire the men or fire the women. To leave the bill in this condition would be most unfortunate.

The CHAIRMAN. The time of the gentleman has expired.

Mrs. GREEN of Oregon. Madam Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman, I would like to read the sentence that follows the testimony which the gentleman from Michigan read when he quoted the witness from Pennsylvania:

> A Federal equal pay law such as you are here considering is the obvious answer to the problem.

In Pennsylvania they have an equal pay law so they cannot discriminate against women. In adjoining States they do not. Therefore, industries might move to adjoining States where they can pay women less than they do in Pennsylvania. A Federal equal pay law is the obvious answer.

Madam Chairman, I urge the defeat of this amendment.

Mr. **GRIFFIN.** Madam Chairman, will the gentlewoman yield?

Mrs. **GREEN** of Oregon. I yield to the gentleman.

Mr. **GRIFFIN.** I thank the gentlewoman for that observation, and she is absolutely right, that the witness from the State of Pennsylvania was in favor of a Federal law. But I submit that that point, as interesting as it is, does not bear on the argument I was making. Suppose we have the Federal law? Now to follow the situation that I gave to you: One company had all women working in their plant and another company in Pennsylvania or any other State has half men working in their plant. You are going to say that——

Mrs. **GREEN** of Oregon. Madam Chairman, I refuse to yield further. I do not agree with the argument of the gentleman from Michigan. The gentleman cites a case as applying to the point he tries to make, and then when I read the ensuing language by the same witness, the gentleman says that it does not apply in this particular case. I submit that it does apply. The witness before the committee was saying that if an equal pay law is not enacted for all of the States, then the kind of incident which she cited would happen in many cases because the plant would be moved into an adjoining State, where the employer is allowed to pay women lower salaries than they pay to men workers.

Madam Chairman, I urge the defeat of this amendment, which further cuts the heart out of this bill.

Mr. **JOHANSEN.** Madam Chairman, I move to strike out the last word, and to direct a question to the gentlewoman from Oregon.

What is the gentlewoman's response to a situation in which the bulk of employees currently are women and in which the women are currently receiving a lower hourly rate and in which the economics of the situation prohibits an immediate increase in pay to equal the pay of the minority of men in the plant? Under the rigidity of the bill, as I understand it, what alternative rests with the employer?

Mrs. **GREEN** of Oregon. I would say to the gentleman from Michigan and to my colleagues on the other side of the aisle that the purpose of this bill is to provide equal pay for women. The purpose of the bill is not to depress wages. If the pending amendment is adopted, you will not be providing equal pay, but you will be depressing the wages of both men and women.

Mr. **JOHANSEN.** I respectfully submit to the gentlewoman that she has deliberately evaded my question. What happens in an industry or in a plant in which the situation is as I have described it?

I submit, Madam Chairman, the answer is that the plant goes out of operation and the entire payroll is laid off.

Mr. **GOODELL.** Madam Chairman, will the gentleman yield?

Mr. **JOHANSEN.** I yield to the gentleman from New York.

Mr. **GOODELL.** I would like to state that in my opinion, in all sincerity, my colleague has exaggerated the effect of this amendment in opposition to it, because the administration submitted this bill without the provision which I propose to delete. I am sure they would not support a bill here for equal rates leaving this out if it was thought vital and the heart of the bill.

Mr. **ZELENKO.** Madam Chairman, will the gentleman yield?

Mr. **JOHANSEN.** I yield to the gentleman from New York.

Mr. **ZELENKO.** The administration admitted it had omitted this most necessary sentence in the bill, otherwise equalization would be downward. This spells it out exactly. You could put one man into this operation at a lower wage and depress the wages of all the women, or you could put one woman in one plant and depress the wages of all the men if this amendment carries.

Mr. **JOHANSEN.** Madam Chairman, I repeat, I did not hear the gentleman answer my question.

The **CHAIRMAN.** The question is on the amendment offered by the gentleman from New York [Mr. GOODELL].

The question was taken; and on a division (demanded by Mr. ZELENKO) there were—ayes 103, noes 85.

Mr. **ZELENKO.** Madam Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. GOODELL and Mr. ZELENKO.

The Committee again divided and the tellers reported that there were—ayes 132, noes 116.

So the amendment was agreed to.

Mr. **ASHBROOK.** Madam Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ASHBROOK to the amendment offered by Mr. ZELENKO: Strike out lines 17 through 25 on page 11 and the first two lines on page 12 and insert the following:
>
> "EFFECT OF OTHER LAWS
>
> "SEC. 9. This Act shall not apply with respect to any employee who is employed in a State in which there is a State law which prohibits discrimination in rates of pay on the basis of sex and provides that such law may be enforced in the courts of the State through civil or criminal actions."

Mr. **ASHBROOK.** Madam Chairman, I would like to announce to the House that this will be the last amendment which the Members on our side of the aisle have to offer to this bill, at least as far as the members of the committee are concerned.

Madam Chairman, of all the amendments which have been offered this is probably the easiest amendment to understand. All of us can agree in principle with the purpose of this bill. This amendment, in effect, asks one question: What compelling reason is there, since we all agree in principle with this bill, to strike down the laws of 22 States?

Madam Chairman, the following States have legislation on the books at the present time: Alabama, Arkansas, Arizona, California, Colorado, Connecticut, Hawaii, Illinois, Maine, Massachusetts, Michigan, Montana, New Hampshire, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Washington, Wisconsin, and Wyoming.

Madam Chairman, I venture to say that in the course of the next few months every single one of us will go home to hit the campaign trail and talk about the separation of powers and about the need to have responsible, autonomous States. Yet here we are saying the actions of 22 States involved will have no force whatsoever. I suggest that there can be but two reasons to justify striking down all 22 State statutes: Either you are going to say that the States are not competent to act, or you are going to say that the States which have acted did not act in a competent manner. I suggest that both allegations are untrue and that the States which have acted and which have enacted laws of this type should not, therefore, be placed in the position of having their laws wiped off the books.

Madam Chairman, I was very much interested in the comments made by the gentlewoman from Washington [Mrs. HANSEN], when she spoke of the wealth of experience that had been built up in the administration of these laws by the State. I ask the simple question: Are we now going to say that those States have not been doing a proper job? You States do not know what ought to be done here. We are going to completely strike out your laws and your efforts to correct this problem in your own respective manner.

Madam Chairman, I suggest that this is a very important amendment to the bill and that it should command the earnest support of all who believe truly in the separation of powers, who believe in the responsibility of the States and who do not fall for the idea that every answer to every problem should emanate from Washington.

Madam Chairman, I yield back the balance of my time.

Mrs. **GREEN** of Oregon. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman, it seems to me that the purpose on one side of the aisle is abundantly clear now. A few moments ago when an amendment was offered, the gentleman from Michigan quoted a woman from Pennsylvania as objecting to the situation at the present time because it would force an industry to move to another State where they did not have the same kind of law. The gentleman from Michigan supported the amendment on this basis, that this would be unfair. Now we have an amendment which says in effect, "We do not want the laws in all of the States to be the same. We will pass a meaningless Federal law, but we will allow the State laws in 22 cases to take precedence over the Federal law. So that if we have an industry which is forced to pay higher wages under the Federal law it will move to an adjoining State where it can get away with anything."

The gentleman from Ohio is right. There are 22 States that have an equal pay law at the present time. If his amendment is adopted it will extend an open invitation to all of the other States in the Union to pass the most meaningless legislation they could conceive of, which would simply say, "Let us have equal pay for equal work for men and women in this country." This is all it would do. I think now we see the clear picture of what the Republicans have done. They have taken out of the bill the enforcement procedures in it. They have said upon the record, "Oh, we love women and we want women to be paid the same wages men are paid, but we make it impossible to enforce the Federal law. Then we say that the Federal law has no meaning, that the State laws will take precedence."

The Solicitor of the Department of Labor says that he knows of no comparable provisions allowing State laws to supersede Federal legislation in existing labor law or in any other law.

I suggest, if this amendment is approved it will completely nullify or completely contradict the purpose of this legislation. No matter how weak a State law is, the Federal Government could not apply this legislation.

Let me cite some specific States. Illinois has had an equal pay law since 1944. It applies only to employers who are engaged in manufacture. It does not require employers to keep any records, nor does it specifically place responsibility for enforcement in a State labor commissioner. It says that wage differentials based on sex are not prohibited where authorized by contracts between the employer and a recognized bargaining agent.

The people on this side of the aisle supported the amendment which was offered by the gentleman from New York which brought the labor unions under it. Again, if the amendment is adopted, which was offered by the gentleman from Ohio, this will make it impossible in the State of Illinois, according to the State law which would supersede the Federal law, to be enforced there.

I might say also that there are laws in New Hampshire and Rhode Island which permit a differential in wage rates, and if a woman worker is covered by a union contract which establishes a wage differential based on sex then the law does not apply.

Pennsylvania has an equal pay law with some teeth in it. But here is the testimony of the same woman who was cited by the gentleman from Michigan [Mr. GRIFFIN]. This is her testimony before our committee:

> We in Pennsylvania will welcome the day when the Federal Government will take over responsibility for equal pay statutes where interstate commerce is involved. There is still a wide field of employment where the State will continue to have sole responsibility for securing equal pay for equal work. Then the Federal law should be released to concentrate our limited resources on interstate cases.

I might cite Arkansas which also has an equal pay law with enforcement powers. Here is the testimony of the Commissioner of Labor for Arkansas who is also the President of the International Association of Government Labor Officials. This official from Arkansas says:

> It may very well be that the Congress is a quarter of a century late in preparation of such an equal pay law, but certainly its passage should not be delayed further.

The **CHAIRMAN**. The time of the gentlewoman from Oregon [Mrs. GREEN] has expired.

Mrs. **GREEN** of Oregon. Madam Chairman, I ask unanimous consent to proceed for 1 additional minute.

The **CHAIRMAN**. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. **GREEN** of Oregon. Madam Chairman, I would say to my colleagues, with every single women's organization in the United States supporting the bill which was voted out by the full committee, with every single one of these organizations having studied these possible alternatives and turned them down, let us not commit a farce of standing on the floor of this House and voting for one amendment after another which destroys the purpose of equal pay for equal work. And I say finally that I do not think we can go home to our congressional districts and explain away this kind of action. The women who have suffered the abuses of discrimination will not stand idly by for words that mean absolutely nothing.

Mr. **GOODELL**. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman, it is with great reluctance, in view of my esteem for my colleague from Ohio, that I rise in opposition to this amendment. Let me state it simply and I will sit down. What this amendment does is that it will provide that any State with any kind of an equal-pay-for-women act will then make the Federal law completely inoperative in that State. It is a State preemption. It means that any State which does not want the Federal law to apply need only enact the title of an equal-pay bill. There is no concept or standard in here for judging the adequacy of the State law, no standard whatsoever. If the State enacts just the title of an equal-rights-for-women bill, it would appear it would then negate the entire Federal law. I think the amendment in effect would gut this bill and destroy it. In good faith, I cannot support it, even though I feel I would prefer to have States rights given all possible opportunity to take over and do this job where they have the will and the desire. I do not like the provision of this bill which says the Federal law preempts all State laws on this subject, but we have the choice between gutting the bill or voting down this amendment.

Mr. **SMITH** of Iowa. Madam Chairman, will the gentleman yield?

Mr. **GOODELL**. I yield.

Mr. **SMITH** of Iowa. Would the gentleman agree that the language that it has been proposed be taken out is essentially the language of the Taft-Hartley Act?

Mr. **GOODELL**. I guess it is, yes.

Mrs. **MAY**. Madam Chairman, will the gentleman yield?

Mr. **GOODELL**. I yield to the gentlewoman from Washington.

Mrs. **MAY**. I should like to associate myself with the remarks of my colleague from New York, and thank him for them. It has been stated categorically that we on this side are trying to gut this bill, that we are trying to ruin it with amendments. I for one do not accept that comment. I am not trying to do that. This is why I oppose this amendment. I do agree with the remarks made by my colleague from Oregon [Mrs. GREEN] that if this amendment were adopted it would make a mockery of this bill and would negate everything we are trying to do. I thank the gentleman for his opposition to the amendment, and join him in it.

Mr. **ROOSEVELT**. Madam Chairman, will the gentleman yield?

Mr. **GOODELL**. I yield to the gentleman from California.

Mr. **ROOSEVELT**. Would it not also be right to point out that in the bill there is this language:

> The Secretary is empowered by agreement with any agency of any State to cede to such agency jurisdiction over any cases where such State has a statute applicable to the determination of such cases the provisions of which are not inconsistent with the corresponding provisions of this Act or has received a construction not inconsistent therewith.

In other words, it is the intent of this Congress and certainly of the committee that wherever there is a proper State statute, by arrangement with the Secretary of Labor that State can retain jurisdiction.

Mr. **GOODELL**. I agree with the gentleman. I have reluctance, however, about saying that the Federal Government will cede jurisdiction because similar provisions in other laws have not been operative.

Mrs. **CHURCH**. Madam Chairman, will the gentleman yield?

Mr. **GOODELL**. I yield to the gentlewoman from Illinois.

Mrs. **CHURCH**. I certainly want to join the gentleman in expressing opposition to this amendment. I thank the gentleman for so strongly indicating what damage its acceptance would bring. There are many here today who have sincerely sought to strengthen this bill by amendment. It nevertheless is my suspicion, from what I have seen and heard, that many on both sides of the aisle have sought to weaken it by amendment because they wish the measure either to fail or at least to be rendered ineffective. I am happy to say that there are many on my side of the aisle who desire a good, workable, effective bill. I certainly hope that before the evening is spent we may pass a bill to enact the principle concerned, namely, that there should be no discrimination in employment pay on the basis of sex. I thank the gentleman for his statement against this weakening amendment, and join him in opposing it strongly.

Mrs. DWYER. Madam Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentlewoman.

Mrs. DWYER. Madam Chairman, I very strongly oppose the so-called Ashbrook amendment. In my judgment, this is the most seriously restrictive and damaging amendment which has been offered this afternoon, and there have been several unfortunate ones which I have also opposed.

This amendment would make a shambles of consistent administration of an equal pay law. In practice, it would substitute State law for Federal law in an important area of interstate commerce. It would defeat the very purpose of the constitutional provision empowering Congress to regulate commerce between the States.

Moreover, it would introduce into the field of equal pay a whole system of new inequities and discriminations. Individual State laws differ greatly. Several are simply statements of purpose. Many are not enforced. The effect of this amendment, therefore, would be to attempt to regulate commerce under a wide variety of inconsistent standards.

Furthermore, States which have not yet enacted equal pay laws would be governed by the Federal statute, which in general is a much more effective instrument than most individual State statutes. This would mean an additional disproportion. Employees in States which have had the initiative to provide equal pay protection would find themselves at a disadvantage with employees in States which failed to enact any such equal pay law.

The fundamental purpose of this legislation, Madam Chairman, is to provide uniform standards and uniform protection to cover all employees in interstate commerce. This purpose would be gravely violated by adoption of the amendment.

Mr. ASHBROOK. Madam Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman.

Mr. ASHBROOK. The gentleman from New York will admit the other side of the coin is the fact—if this amendment is not passed, what we will be doing here today is striking down 22 State laws and the efforts in 22 States to improve the situation; is that not correct?

Mr. GOODELL. I agree to this extent. The first thing this bill does, if it is enacted into law, is to strike out 22 State laws that are now in operation.

Mr. ASHBROOK. And that is whether they are good laws or bad laws.

Mr. GOODELL. If it is agreed that those 22 laws are operating effectively, then they may seek to come under the jurisdiction of the State agency.

Mr. JOHANSEN. Madam Chairman, I move to strike out the last word.

Madam Chairman, I regret that the amendment dealing with section 10 was not in the form of a motion to delete the entire section. I question whether such an amendment would now be in order after the disposition of this amendment. But I take this time to read to this House, and I am not addressing myself alone to the Republican side, I am addressing myself to those on the other side of the aisle who day in and day out and year in and year out have expressed their concern over the practice and principle of Federal preemption—I invite the attention of all of my colleagues who have feelings on that score to these words:

> No employer to whom section 4 applies shall be required to comply with any law of any State or political subdivision thereof prohibiting discrimination in rates of pay on account of sex. The Secretary [of Labor] is empowered by agreement with any agency of any State to cede to such agency jurisdiction over any case where such State has a statute applicable to the determination of such case, the provisions of which are not inconsistent with the corresponding provisions of this act.

I suggest that the language I have just read to you is built-in, absolutely guaranteed, Federal preemption. I suggest that this is a complete reversal of the once honored and once effective 10th amendment to the Constitution which declares that powers not specifically granted to the Federal Government or denied by the Constitution to the States shall be reserved to the States or the people. Now the question of whether there is to be a reservation of powers to the States is to be within the determination of one man, a Federal official, the Secretary of Labor. I oppose this provision and my opposition to it has nothing whatsoever to do with the avowed purpose and principle of the basic legislation. In lieu of the opportunity to express our opposition to this form of Federal preemption in the amendment that I would have liked to propose, I urge the adoption of this amendment.

Mr. GOODELL. Madam Chairman, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from New York.

Mr. GOODELL. I take this moment since my time ran out a little while ago to clarify one point.

The gentleman from Ohio asked me if the effect of this law would be to negate all State laws. It would negate State laws to the degree that it covers employers that have more than 25 employees. If the Federal law applies to the employees, the State law would not apply but the State laws would continue in effect as to all the situations that are presently covered which the Federal law would not cover.

Mrs. GREEN of Oregon. Madam Chairman, will the gentleman yield?

Mr. KEARNS. I yield.

Mrs. GREEN of Oregon. May I ask the gentleman from New York [Mr. GOODELL] if it would equally negate the State as dealing with interstate commerce? It does not have anything to do with laws in the 22 States that are trying to regulate intrastate affairs.

Mr. GOODELL. Madam Chairman, will the gentleman yield?

Mr. KEARNS. I yield.

Mr. GOODELL. I agree with the gentlewoman, but I am afraid that most of the units covered by this law are in interstate commerce, and most of the units that are covered by State law are in interstate commerce under the present interpretation of commerce, so what the gentlewoman says is absolutely true. If there are companies not engaged in interstate commerce they would not be covered by the Federal law; therefore the State law would still cover them.

Mr. ASHBROOK. Madam Chairman, will the gentleman yield?

Mr. KEARNS. I yield.

Mr. ASHBROOK. I would ask the gentleman from New York this: The State of Ohio has such a law which I was somewhat instrumental in passing, being in the legislature at the time. This law covers the situation of 10 employees or fewer. What would be the situation in a case like that? Would the gentleman care to say?

Mr. GOODELL. If the gentleman from Pennsylvania will yield, 10 or fewer employees would be covered by the State law. The Federal law applies to plants which have 25 or more employees and are in interstate commerce.

Mr. ALGER. Madam Chairman, I rise in opposition to the pro forma amendment.

Madam Chairman, I am taking this time only to put in the RECORD at this point for the information of my colleagues some very interesting statistics which should be considered, such items as hours of labor, nightwork, industrial type work employment before and after childbirth, occupational limitations, sitting, weight-lifting requirements, and other specifications, implying that there is a difference between the sexes, a difference of such nature that if this bill passes in its present form it will result in eliminating an awful lot of women from work, because they will be competing with men who are not limited in these categories.

Under permission to extend my remarks, I include supporting material.

Madam Chairman, now that I have heard the debate and some of the amendments, I recognize that perhaps it is foolhardy for any male Member of Congress to take the floor of the House to question the provisions of a bill—the stated purpose of which is to give equal rights to women in the matter of wages and salaries. Let me preface my remarks, therefore, with the direct statement that I firmly believe in women, in their rights, and above all, in their noble role as women in the scheme of creation, in their inspiration to ever uplift mankind, and in the many fields where they equal or surpass men.

In raising these points I am arguing as much for the job rights of women, job rights which have been hard won and must be protected, as I am in pointing out some of the imperfections of this bill. In our desire to eliminate injustice and inequity wherever it may exist, let us not create greater problems which may bring about greater injury and more blatant injustice.

In the first place, the equal pay bill of 1962, as I see it, puts the Federal Government unconstitutionally in the field of prescribing wages, wage policies, and working conditions in the various States. This bill will control, through the Office of the Secretary of Labor, the setting of wages, and the hiring and firing of workers, clearly outside the jurisdiction of the Federal Government and an outright invasion of States rights. This is bluntly brought out in section 10 of the bill which states:

> No employer to whom this act applies will be required to comply with any law of any State or political subdivision thereof prohibiting discrimination in rates of pay on account of sex.

Anyone who believes in States rights, therefore, must be opposed to this effort to enforce Federal regulation of State laws.

No one, certainly not I, contests the equality and fairness of workers being paid the same amount for the same work done. This is not what is really at stake in this bill because the intent of the bill goes far beyond. This bill tries to equalize men and women as being the same in meeting the conditions of work, ability to maintain the same standards on all jobs, and the ability to produce the same output.

The bill fails to recognize the physical differences between men and women. It has been stated many times, sometimes in jest, often very seriously, that there is a difference between men and women. To this I subscribe, and the very difference makes this bill inapplicable. The natural results of the passage of this bill could react to the detriment of the female workers.

There are State laws, which this bill says may be ignored, which make special provision for working women—laws providing stated rest periods and special accommodations so that women workers will not be forced to stand for long periods. I say these are good laws and are intended to protect women because of their physical differences. We are trifling with danger to permit, yes, encourage, disregard of these laws.

No one can contest the basic structure of the female body, designed for the greatest of all human achievements, the reproduction of life. Because of this physical structure women need periodic rest periods unlike a man. Prior to the menopause the structure of a woman's body and all her functions are designed to enable her to fulfill the reproductive processes. She cannot, therefore, stand for long periods, nor lift unusual weights, nor even engage in many of the physical activities necessary to put her on an equal basis with a man on the job, without perhaps having serious effect upon her child-bearing ability. We must look to her for continuance of the race and, gentlemen, this is even a more important responsibility than the part woman may play in our economic or mass production enterprises.

Comparable production, which is what we are really talking about in comparable work, must be on a continuous basis and the comparison must be on a daily basis, every working day of the month, every month of the year. The effect of this bill may well be to put a number of women out of work, when they are not able to match the output of men. This bill will cost some women their jobs, it seems to me.

The other aspect of this bill is the effort to put the Federal Government into yet another field of our lives with the always-present danger of increased bureaucratic controls, increased interference with private business, and in further regimentation of the individual. Here we put into the hands of the Secretary of Labor and his associates the power to determine equal skills, equal capability, comparable work, and comparable accomplishments. How infallible will he be? We may determine this to some extent with the experience we have had with Davis-Bacon and Walsh-Healey where the absolute power of the Secretary of Labor has increased the cost of production in many cases and has resulted in unfair and indiscriminate penalties against the business community. This further invasion by the Federal Government, giving the Secretary of Labor new powers, in the language throughout this bill, will lead to further regimentation of private industry. This bill, therefore, does not lead in the direction of correcting an inequity, but rather will be destructive to private business.

Protect our women we must. Assure them every equality which they are able to assume, but please let us not jeopardize their more basic rights nor adopt a measure which, in the end, will move us one step nearer to loss of economic freedom for all our people, women as well as men.

At this point, Madam Chairman, I would like to put in this debate some of the State law now in effect concerning women, as different from men, in working. Many of these differences are right and necessary. These differences, recognized now in law, so far as correct in representing differences between the sexes in their work, will result in women losing their jobs if this Equal Pay Act of 1962 is passed.

STATE LABOR LAWS FOR WOMEN (AS OF APRIL 1, 1958)

During a century of development, the field of labor legislation for women has seen a tremendous increase in the number of laws and a notable improvement in the standards established. Today, each of the 48 States, the District of Columbia, Alaska, Hawaii, and Puerto Rico have laws relating to the employment of women. The principal subjects of regulation are (1) minimum wage; (2) equal pay; (3) hours of work, including maximum daily and weekly hours, day of rest, meal and rest periods; (4) industrial homework; (5) employment before and after childbirth; (6) occupational limitations; and (7) other standards, such as seating provisions and weight-lifting limitations. Not every State and territory has enacted legislation in each of these fields, and the standards established vary widely.

In some jurisdictions different standards apply to different occupations or industries. Only the highest standards established for the principal subjects of regulation, in effect April 1, 1958, are shown in this summary.[1] Laws relating to minors are mentioned only if they also apply to women.

HOURS OF WORK

The first enforcible law which regulated the hours of employment of women became effective in Massachusetts in 1879. Today 45 States, the District of Columbia, and Puerto Rico have established standards governing at least one aspect of women's hours of employment; i.e., maximum daily or weekly hours, day of rest, meal and rest periods, and nightwork. Some of these standards have been established by statute, others by minimum-wage or industrial-welfare orders.

MAXIMUM DAILY AND WEEKLY HOURS

Forty-three States and the District of Columbia have laws which regulate the number of daily and/or weekly hours of employment for women in one or more industries. These limitations have been established either by statute or by orders. Five States—Alabama, Florida, Indiana, Iowa, and West Virginia—do not have such laws; laws of Alaska, Hawaii, and Puerto Rico set no maximum daily or weekly hours but require the payment of premium rates for time worked over hours specified.

One-half of the States (24) and the District of Columbia have set maximum hours of 8 a day, 8 a day and 48 a week, or 48 or less a week.

Nine States have maximum 9-hour day, and of these all but one (Idaho) have a maximum 50- or 54-hour week.

Minnesota has no daily hour limitation in its statute; weekly hours are limited to 54.

Nine States have a maximum of 10 hours a day and from 50 to 60 a week.

The highest standard (the fewest maximum hours) for each State and the District of Columbia applicable to one or more industries is shown here. Standards for Georgia, Montana, and South Carolina are applicable to both men and women.

Highest standards established for daily and weekly hours in 44 jurisdictions are as follows:

	Maximum hours	
	Daily	Weekly
Arizona	8	48
Arkansas [1]	8	
California	8	48
Colorado	8	48
Connecticut	8	48
Delaware	10	55
District of Columbia	8	48
Georgia	10	60
Idaho	9	
Illinois	8	48
Kansas	8	48
Kentucky	10	60
Louisiana	8	48
Maine	9	50
Maryland	10	60
Massachusetts	9	48
Michigan	9	54
Minnesota		54
Mississippi	10	60
Missouri	9	54
Montana	8	48
Nebraska	9	54
Nevada	8	48
New Hampshire	10	48
New Jersey	10	54
New Mexico	8	48
New York	8	48
North Carolina	9	48
North Dakota	8½	48
Ohio	8	48
Oklahoma	9	54
Oregon	8	44

[1] Day-of-rest law provides, in effect, for 48-hour week; 9 hours a day permitted if time worked over 8 hours a day is paid for at 1½ times the employee's regular rate.

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[1] Women's Bureau publications analyzing State minimum-wage laws and orders (Bull. 247, 50 cents) and State hour laws for women (Bull. 250, 40 cents) can be purchased from the Superintendent, U.S. Government Printing Office, Washington, D.C. Mimeographed summaries of State labor laws affecting women will be furnished by the Women's Bureau on request (specify State).

	Maximum hours	
	Daily	Weekly
Pennsylvania	10	48
Rhode Island	9	48
South Carolina	10	55
South Dakota	10	54
Tennessee	10	50
Texas	9	54
Utah	8	48
Vermont	9	50
Virginia	9	48
Washington	8	------
Wisconsin	9	50
Wyoming	8	48

Virtually all State hour laws cover manufacturing; most of them apply to a variety of other industries as well. Standards are usually the same for manufacturing and nonmanufacturing. However, in four States, the highest standards established for daily and weekly hours apply to nonmanufacturing. For manufacturing establishments, the maximum daily and weekly hours in these four States are:

	Daily	Weekly
Connecticut	9	48
Kansas	9	49½
Montana	8	------
Ohio	9	48

DAY OF REST

Twenty-two States and the District of Columbia have established a maximum 6-day workweek for women employed in some or all industries; in six of these States this standard is applicable to both men and women. Jurisdictions providing for a 6-day maximum workweek are: Arizona, Arkansas, California (men and women), Colorado, Connecticut,[2] Delaware, District of Columbia, Illinois (men and women), Kansas, Louisiana, Massachusetts (men and women), Nevada, New Hampshire (men and women), New Jersey, New York (men and women), North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, Utah, and Wisconsin (men and women).

Besides the 23 jurisdictions with laws limiting the workweek to 6 days, 8 States have laws which prohibit employment on Sunday with specified exceptions: Alabama, Florida, Maryland, Minnesota, Mississippi, Missouri, Virginia, and West Virginia.

Eight other States—Georgia, Maine, Michigan, New Mexico, Oklahoma, Tennessee, Texas, and Vermont—have Sunday "blue laws" which prohibit the performance of work by an individual. These, since they do not regulate employment, are not listed with the day-of-rest laws shown above.

Three additional jurisdictions—Rhode Island, Kentucky, and Puerto Rico—have laws which require the payment of overtime rates on the seventh day or on Sunday, thus, in effect, encouraging a 6-day workweek. The Rhode Island statute, under the jurisdiction of the department of labor, prohibits employment on Sundays and holidays, but allows work of necessity and charity to be performed on such days by special permit, provided time and one-half the worker's regular rate is paid. The Kentucky law requires the payment of time and one-half the worker's regular rate for work on the seventh consecutive day for persons working at least 40 hours a week. Puerto Rico provides for a day of rest but permits work on such a day at double the employee's regular rate.

MEAL PERIOD

Over half of the States (26), the District of Columbia, and Puerto Rico provide that meal periods, varying from one-third of an hour to 1 hour in duration, must be allowed women employed in some or all industries; in 4 States, these provisions apply to men as well as women. Meal periods are provided for by statute, orders, or regulations in 28 jurisdictions: Arkansas, California, Colorado, Delaware, District of Columbia, Indiana (all employees), Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Nebraska (all employees), Nevada, New Jersey (all employees), New Mexico, New York (all employees), North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, Utah, Washington, West Virginia, Wisconsin, and Puerto Rico.

Arkansas and North Dakota combine meal- and rest-period provisions. In addition, a Wyoming statute mentions a lunch period in a provision for required rest periods.

REST PERIOD

Eleven States have provided for rest periods (as distinct from a meal period) for women workers, five by statute and six by wage order. The statutes in Kentucky, Nevada, and Wyoming cover a variety of industries (in Wyoming, applicable to women standing continuously); laws in New York and Pennsylvania apply to elevator operators not provided with seating facilities. Rest periods in one or more industries are provided by wage orders in Arizona, California, Colorado, Oregon, Utah, and Washington. Most of the provisions are for a 10-minute rest period within each half day of work.

NIGHTWORK

In 20 States and Puerto Rico nightwork for adult women is prohibited and/or regulated in certain industries or occupations.

Twelve States and Puerto Rico prohibit nightwork for adult women in certain occupations or industries or under specified conditions: Connecticut, Kansas, Massachusetts, Nebraska (except by permit), New Jersey, New York, North Dakota, Ohio, South Carolina, Utah, Washington, Wisconsin, and Puerto Rico.

In North Dakota and Washington, the prohibition applies only to elevator operators; in Ohio, only to taxicab drivers. Utah prohibits the employment of women in restaurants on a split shift after midnight.

In eight other States, as well as in several of the States which prohibit nightwork in specified industries or occupations, the employment of adult women at night is regulated either by maximum-hour provisions or by specified standards of working conditions: California, Delaware, Maryland, New Hampshire, New Mexico, Oregon, Pennsylvania, and Rhode Island.

Two additional States—Arizona and Virginia—and the District of Columbia prohibit night messenger service for females under 21; the Arizona law is also applicable to males under 21.

INDUSTRIAL HOMEWORK

Eighteen States and Puerto Rico have industrial homework laws or regulations: California, Connecticut, Illinois, Indiana, Maryland, Massachusetts, Michigan, Missouri, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, West Virginia, Wisconsin, and Puerto Rico.

These regulations apply to all persons, except for Oregon, where the provisions apply to women and minors only.

In addition, the Hawaii territorial wage-and-hour law empowers the commission of labor and industrial relations to issue rules and regulations restricting or prohibiting industrial homework where necessary to protect the standards of the wage-and-hour law.

EMPLOYMENT BEFORE AND AFTER CHILDBIRTH

Six States and Puerto Rico prohibit the employment of women in one or more industries or occupations immediately before and/or after childbirth. These standards are established by statute or by minimum-wage and welfare orders. In addition to the prohibition of employment, Puerto Rico requires the employer to pay the working mother during an 8-week period one-half of her regular wage or salary and provides for job security during the required absence. Women may not be employed in—

Connecticut, 4 weeks before and 4 weeks after childbirth.

Massachusetts, 4 weeks before and 4 weeks after childbirth.

Missouri, 3 weeks before and 3 weeks after childbirth.

New York, 4 weeks after childbirth.

Vermont, 2 weeks before and 4 weeks after childbirth.

Washington,[3] 4 months before and 6 weeks after childbirth; 4 weeks before and 4 weeks after childbirth.

Puerto Rico, 4 weeks before and 4 weeks after childbirth.

Rhode Island's Temporary Disability Insurance Act provides that employed women are entitled to cash benefits for maternity leave 6 weeks before and 6 weeks after childbirth.

OCCUPATIONAL LIMITATIONS

Twenty-five[4] States have laws or regulations which prohibit the employment of adult women in specified occupations or industries or under certain working conditions because they are considered hazardous or injurious to health and safety. In the majority (17) the prohibition applies to women's employment in or about mines (clerical or similar work is excepted from the prohibition in half of these States). Nine States prohibit women from mixing, selling, or dispensing alcoholic beverages for on-premises consumption, and one State (Georgia) prohibits their employment in retail liquor stores.

The following States have occupational limitations applicable to—

Mines: Alabama, Arizona, Arkansas, Colorado, Illinois, Indiana, Maryland, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Utah, Virginia, Washington, Wisconsin, and Wyoming.

Establishments serving alcoholic beverages: California, Connecticut, Illinois,[5] Indiana, Kentucky, Ohio, Pennsylvania, Rhode Island, and Wyoming.

Eleven States prohibit their employment in other places, occupations, or under certain conditions:

Arizona: In occupations requiring constant standing.

Colorado: Working around coke ovens.

Massachusetts: Working on cores over 2 cubic feet or 60 pounds.

Michigan: Handling harmful substances; in foundries without approval of the department of labor; operating polishing wheels, belts.

Minnesota: Placing cores in or out of ovens; cleaning moving machinery.

Missouri: Cleaning or working between moving machinery.

New York: Working in basements of mercantile establishments or restaurants without permits; coremaking, or in connection with coremaking, in a room in which the oven is also in operation.

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[2] Standard shown is applicable to females; another statute prohibits Sunday employment of all employees in commercial occupations or work in any industrial process with specified exceptions. (Employees covered by statute who are employed on Sunday must be relieved of duty for 1 of the following 6 days.)

[3] Standards established by minimum-wage orders vary according to industry covered.

[4] In addition, a Florida statute authorizes the city of Tampa to prohibit females from soliciting customers to buy alcoholic beverages.

[5] Illinois State law empowers city and county governments to prohibit by general ordinance or resolution.

Ohio: As crossing watchman, section hand, express driver, metal molder, bellhop, gas- or electric-meter readers; in shoe-shining parlors, bowling alleys as pinsetters, poolrooms; in delivery service or motor-propelled vehicles of over 1-ton capacity; in operating freight or baggage elevators if doors are not automatically or semiautomatically controlled; in baggage and freight handling; trucking and handling by means of hand trucks heavy materials of any kind; operating emery wheels, belts; in blast furnace and smelter.

Pennsylvania: In dangerous or injurious occupations.

Washington: As bellhop.

Wisconsin: In dangerous or injurious occupations.

The majority of the States with occupational limitations for adult women also have prohibitory legislation for persons under 21 years. In addition, nine States have occupational limitations for persons under 21 only. Most of the limitations apply to the serving of liquor and to the driving of taxicabs, school buses, or public vehicles; others prohibit the employment of females under 21 years in jobs demanding constant standing, or as messengers, bellhops, or caddies.

SEATING AND WEIGHTLIFTING REQUIREMENTS

A number of jurisdictions through statute, minimum-wage orders, and other regulations have established employment standards for women relating to plant facilities such as seats, lunchrooms, dressing rooms and restrooms, toilet rooms, and to weightlifting. Only the seating and weightlifhting provisions are included in this summary.

Seating: Forty-five States, the District of Columbia, and Puerto Rico have seating laws; all but one (the Florida law) applies exclusively to women. Illinois, Maryland, and Mississippi have no seating laws.

Weightlifting: Ten States and Alaska have statutes, rules, regulations, or wage orders which specify the maximum weight women employees are permitted to lift, carry, or lift and carry. Following are the highest standards established for weightlifting and carrying in the 11 jurisdictions:

Any occupation: 15 pounds in Utah; 25 in Alaska and Ohio; 35 in Michigan.

Foundries and core rooms: 25 pounds in Maryland, Massachusetts, Minnesota, and New York.

Specified occupations or industries (by wage order): 25 pounds in California and Oregon; "excessive burdens" in Washington.

Madam Chairman, for these reasons I must oppose the bill, the various amendments notwithstanding. Amendments cannot correct the bill's basic inequities.

Mr. DINGELL. Madam Chairman, I move to strike out the last word.

Madam Chairman, all afternoon we have sat here and heard some of our colleagues say how they favor equal rights for ladies, how they feel that they should be protected. We have before us at this moment the prize implement of this wrecking crew which is aimed at further weakening and destroying a bill which has already achieved a position of significant meaninglessness by reason of the amendments we have adopted.

What this amendment does is to offer an incentive to every industry—the same industries which have appeared here and indicated some measure of acceptance of this bill—to take the next plane to the State capital to have the legislature enact some kind of meaningless legislation which will for all intents and purposes sound good but signify nothing, and which will, for all intents and purposes, deprive the women of any opportunity for equal pay which they might have had under the bill, having secured the maximum legislation in the several States which has a meaning in equal rights and equal pay for equal skills. It offers nothing and, as a matter of fact, offers no protection to women workers at all. They thereby would secure exemption from this substantially weakened if not emasculated piece of legislation which we are now considering.

The function of this amendment is simply to enable States to pass meaningless legislation offering no protection to the women whatsoever and to provide exemption for industry and provide an opportunity to secure or draw away industry from industrialized States which have meaningful legislation of their own.

This amendment is bad legislation. It is an attempt further to deprive the women of equal rights, despite the high sounding preamble which is in the bill. It will work nothing but mischief and hardship on laboring women, upon women workers, and upon States which really try in good faith to comply with standards set forth in the bill we have before us or any legislation of its nature.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. ASHBROOK].

The amendment was rejected.

Mr. JOELSON. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOELSON: After section 4, add the following:

"SEC. 5. Whenever the word 'sex' is used in this Act, the words 'or race' shall be added immediately thereafter."

Mrs. GREEN of Oregon. Madam Chairman, I reserve a point of order against the amendment.

Mr. JOELSON. Madam Chairman, I am not going to attempt any impassioned oratory or stirring speech on this subject, because I know it has been hashed and rehashed, but I cannot in good conscience sit by while we are talking about discrimination in employment and not offer this amendment.

That is all I have to say.

Mrs. GREEN of Oregon. Madam Chairman, I insist on my point of order. The amendment offered by the gentleman from New Jersey is not germane to the bill under discussion, which has to do with equal pay for equal work. It does not cover the subject which the gentleman from New Jersey has covered in his amendment. Therefore, I make a point of order against the amendment.

The CHAIRMAN. The Chair feels that the point of order made by the gentlewoman from Oregon is well taken, and, therefore, sustains the point of order.

Mr. WILLIAMS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS to the amendment by Mr. ZELENKO: Page 2, line 21, strike out the period and insert the following: "and shall include United States congressional office staffs and United States congressional committee staffs, notwithstanding the number of persons employed in such offices."

Mr. WILLIAMS. Madam Chairman, I suspect this amendment will test the sincerity of those who want to inflict this legislation on the people of the country. If we are going to pass this legislation, and if the legislation is good enough to put on the employers who are engaged in interstate commerce, indeed it should be acceptable to us for application in our own offices.

It is just a matter of fairness. If it is good for the country, it must be good for congressional offices.

Mr. ROOSEVELT. Madam Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from California.

Mr. ROOSEVELT. I hope the gentleman is not saying that this Member at least does not pay equally to women for equal work in his office, because I think I do.

Mr. WILLIAMS. Let me say to the gentleman that if he does he will not be affected, but the amendment will make the rest of the Members do the same thing.

Mrs. GREEN of Oregon. Madam Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. I am delighted that he has offered this amendment. It was my opinion that that was already covered by the bill, but if the language was not clear enough to include congressional staffs, I will be very happy to support the amendment.

Mr. WILLIAMS. I thank the gentlewoman for her erudite contribution.

Mr. JOHANSEN. Madam Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I suggest to the gentleman from Mississippi that the apparent purpose of his amendment is to adhere to the Scriptural philosophy of "Physician, heal thyself."

Mr. WILLIAMS. The gentleman is correct. I was told a moment ago that the definition of an orator was a fellow who was willing to lay down your life for his country.

Mr. WAGGONNER. Madam Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. The gentlewoman from Oregon says this has application to congressional Members and their staffs. I do not know of any congressional staff that has 25 people in their employ. So, would that apply to Congressmen even though they do not have 25?

Mr. WILLIAMS. Oh, yes. This amendment takes care of that situation specifically.

Mr. GROSS. Madam Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Iowa.

Mr. GROSS. I am getting to be concerned about this bill. Does this mean that if I vote for this bill that I will have to increase my wife's allowance?

Mr. WILLIAMS. May I say to the gentleman that if he is in the same shape I am in, your wife gets all of what you have, anyway, so I do not suppose it makes much difference on that score.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WILLIAMS].

The amendment was agreed to.

Mr. WHITENER. Madam Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WHITENER: On page 5, line 14, after the word "Act" strike out the remainder of line 14, and all of lines 15 through 25, inclusive.

Mr. WHITENER. Madam Chairman, I am sure that the committee did not intend what they have said in this provision of the bill. If they did, it should be cause for alarm to all of us. The language which we would strike by this amendment says this, in substance: "No person shall be subject to any liability or punishment for or on account of the commission by such person of an unlawful discriminatory practice prohibited by this Act if he pleads and proves that the act or omission complained of was in good faith, in conformity with, and in reliance on, any written interpretation or opinion of the Secretary."

Now, on page 7 of the report, in the second paragraph it says this about this section:

> It also provides that no person will be subject to any liability or punishment because of a violation of the act if he shows that the act or omission which constituted the violation was in good faith, in conformity with, and in reliance on, a written interpretation or opinion of the Secretary.

Now, if I can interpret language, it is saying that the only defense is where the individual has in good faith misinterpreted the interpretation of the statute given by the Secretary of Labor.

We have seen in recent weeks a great effort made in so many areas of law enforcement to get away from the burden of the prosecution, or the one who is trying to impose a penalty upon someone, having to prove their case and have seen them trying to shift the responsibility to the accused.

I say to the Members of the House that such procedure is as contrary to the fundamental principles of jurisprudence of this country as is the Communist Manifesto.

Madam Chairman, in the 22d volume of Corpus Juris Secundum we find this language:

> In accordance with the general rules that the prosecution always has the burden of proving the guilt of the accused beyond a reasonable doubt, accused never has the burden of satisfying the jury of his innocence, but has only the burden of raising a reasonable doubt of his guilt. And it has even been held that he does not have that burden. However, there is a manifest distinction between the burden of proof and the burden of adducing evidence also known as the burden of explanation, and, while the burden of proof never shifts, the burden of adducing evidence may shift from side to side, according to the testimony.

Madam Chairman, I know that none of us here would want to place upon any person charged with violating a statute, which is in its nature penal, the responsibility of proving his innocence. Certainly you would not want to limit his defense to his being able as a layman to understand these voluminous interpretations that are generated in various Government agencies.

I am not talking about the merits of the equal pay situation. I am not talking about these fine political issues that are drawn. I am interested in preserving in our country some semblance of order in the courts of the country and some protection to the people who come before those courts, whether they are administrative tribunals or duly constituted courts of justice.

Madam Chairman, I urge that this amendment be adopted because it is offered in all seriousness and earnestness.

Mr. GRIFFIN. Madam Chairman, I ask unanimous consent that the gentleman from North Carolina [Mr. WHITENER] may be permitted to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GRIFFIN. Madam Chairman, will the gentleman yield?

Mr. WHITENER. I certainly would be happy to yield to the gentleman from Michigan.

Mr. GRIFFIN. I want to say that I have the very highest regard for the ability of the gentleman from North Carolina who is now in the well of the House, and I know what he is concerned about. However, I do not interpret this language in the same way as the gentleman does.

Mr. WHITENER. Which I think points out exactly what the accused is going to be up against, because in 9 out of 10 cases he will not interpret the language of the Secretary of Labor in his interpretative bulletins as the Secretary may.

Mr. GRIFFIN. If the gentleman will yield further, the language which concerns the gentleman was put into the bill in committee for the precise purpose of giving a person charged with violation an additional defense to such defenses as he might have otherwise. If a person has obtained and has relied upon an interpretation made by the Secretary, he should not later be declared in violation because a court decides that the Secretary was wrong. This is language similar to language in the Portal-to-Portal Pay Act, an amendment to the Fair Labor Standards Act, which was designed to give an employer charged with a violation an additional defense in the event he had in fact relied upon an interpretation provided by the Secretary, even though it was later declared to be erroneous. This language would provide an additional defense. It would not relieve the prosecutor from the burden of proving that the law had been violated.

Mr. WHITENER. I would say in answer to the gentleman if that was the purpose of the committee in engrafting this language to this bill, then the committee has engaged in a vain exercise because an accused would have that right under our basic law, whether it was contained in the bill or not. Certainly, no one can be charged and convicted or held liable to penalty for an act done in good faith, when such act is based upon language of an interpretation by the enforcement agency of government. You are not contending, certaily, that you had to have this in the act in order to give a man a defense to a charge made against him?

Mr. GRIFFIN. If the gentleman will yield further, I certainly think it is well to have this protection set forth in the act, because I do not think it is altogether clear that one can rely, under ordinary circumstances, upon an interpretative letter from an administrative agency as a defense.

Mr. WHITENER. Would not the gentleman agree with me, based upon reading the report of the committee, in reading the bill, that there must be, in order to successfully defend one charged with a violation, proof by the accused that he acted in good faith in interpreting the bulletins or the rulings of the Secretary of Labor?

Mr. GRIFFIN. If the gentleman will yield further, I will have to say that I do not agree altogether with that interpretation.

Mr. GOODELL. Madam Chairman, will the gentleman yield?

Mr. WHITENER. I yield.

Mr. GOODELL. Madam Chairman, I can understand the gentleman's concern but I am afraid that he may cloud the legislative history inadvertently by his amendment. This language was put in the bill, not to put the burden in any way upon the Secretary or the Government or the employees to show that there has been discrimination. That burden remains the same. In other acts, particularly the Portal-to-Portal Act, we had a situation where the Secretary exempted certain employers and thereafter the courts ruled that the Secretary's exemption was invalid. As I recall, the Government tried to convict certain employers of violating the act even though they in good faith had relied upon the Secretary's interpretation of the act. We want to be sure that this does not happen with respect to this bill.

Mr. WHITENER. The gentleman and his committee have worked in good faith on this matter; still reasonable minds differ as to the content of their effort.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. WHITENER] has expired.

Mr. WHITENER. Madam Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WHITENER. Madam Chairman, if the gentleman will read further in the same section of the bill, he will see some of the language the amendment seeks to strike out. In line 21 you say:

> Such a defense, if established, shall be a bar to the action or proceeding.

I do not know what the committee was thinking about there because there must be a proceeding before this element of proof is developed and a bar does not occur after the proceeding is once commenced. The bar must occur, if you are going to get technical and use lawyer's language, before the proceeding starts.

Mr. GOODELL. Madam Chairman, if the gentleman will yield further; assuming that the Secretary has exempted a certain group of employers; he has issued regulations saying that their situation clearly does not violate the act. Now, suppose the court later gives an interpretation that differs from the Secretary's. We want to bar any further action against an employer whose only violation resulted from his good faith reliance upon the Secretary's interpretations.

Mr. WHITENER. But the gentleman's committee, in the language of the bill has used the word "action" and after the disjunctive "or" the word "proceeding." The action is in the court; the proceeding is before the Secretary. You say the proceeding will be barred and the proceeding is not barred unless accusation against the accused is prohibited before he ever gets to the stage of a proceeding. The bar cannot occur after the proceeding started.

Mr. GOODELL. That is not the intent of the language, and I shall take time myself to clarify it with the sponsors of the bill on the other side of the aisle to be sure that the legislative history will be clear on this point. This language adds an additional defense. I think the language is clear, that the Government cannot proceed against an employer if he has relied in good faith on the Secretary's interpretation.

Mr. WHITENER. If the intent of the committee was to provide an additional defense, why did they not say that in the bill?

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. WHITENER] has again expired.

Mr. GRIFFIN. Madam Chairman, I move to strike out the last word.

I wish to suggest that by raising this question the gentleman from North Carolina has served a very good purpose, because the legislative intent has been clarified. If there is any doubt or question, let it be clear, certainly so far as the members of this committee are concerned, that we do not intend the interpretation placed on the particular language by the gentleman from North Carolina. I think it would be too bad if this amendment should carry and this language were stricken out, because the language is intended to provide an additional defense and it serves a good purpose.

Mr. GOODELL. Madam Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield.

Mr. GOODELL. I would like to ask the gentleman to yield to the members of the committee on the other side of the aisle so there can be a clear legislative history with reference to the intent.

Mr. GRIFFIN. I yield to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. The intent was very clear in the committee to do the same thing we did in the Labor Standards Act, and that was to provide an additional defense rather than an exclusive defense. I believe the language is clear. Let it be clear that that is our intent on both sides of the aisle.

Mr. WHITENER. Madam Chairman, if the gentleman will yield; if that was the intent of the committee, would it not have been very simple to say in the bill that in addition to any defenses which an accused may have he shall have this good-faith defense that you mention?

Mr. GRIFFIN. Perhaps the gentleman may be correct; there may be better ways to say it. If the gentleman were to propose an appropriate amendment I would like to support him.

Mr. WHITENER. Does not the gentleman know, further, that the courts have consistently held that notwithstanding the common law presumption of innocence, by statute that presumption can be weakened or even destroyed in certain situations?

Mr. GRIFFIN. Let me say that I agree with the general argument the gentleman is making, but I do not think it applies to this situation.

Mr. WHITENER. Would the gentleman agree that if he and I in good faith might have some difference of opinion about the meaning of the language, a poor accused would find himself in a rather difficult situation?

Mr. GRIFFIN. Ordinarily, a person can only look at the statute itself. In many situations, if one relies upon an interpretation of some administrator, he does so at his own peril in the event a court later declares that the administrator was mistaken. However, in this bill we want to protect the employer and the union who rely in good faith upon such an interpretation and to provide that this can be pleaded as an additional defense.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was rejected.

Mr. LAIRD. Madam Chairman, I move to strike out the last word.

Madam Chairman, I take this time to address a question or two to the gentleman from New York, the chairman of the subcommittee.

I have before me a list of the positions in the Department of Labor that will be needed from 1963 to 1967 in order to carry out the provisions of the legislation we have before us. As a member of the Department of Labor Appropriations Subcommittee, I am very much interested in this, because many times as we have acted on these bills estimates have been given to your committee as to the employee level, but when we come to consider the budget the employee levels are from 50 to 150 percent larger than the testimony that was given to the legislative committee.

The figure that was given to the gentleman's committee by the Department of Labor was that it would take 242 additional people in the Department of Labor to carry out the provisions of this act—172 would be professional people and 70 of them clerical. This same employment level is listed from 1963 through the fiscal year 1967.

My question is, How many of these people are in the Solicitor's Office and how many of them are in the Wage and Hour Division?

Mr. ZELENKO. I am bound by the documents I have before me, which are the same as the gentleman has, as a matter of law. Under the heading "Administration" there are 34 professional and 21 clerical. Under the heading of "Enforcement" there are 18 professional and 15 clerical. And under the heading "Investigations and Supervision of Wage Payments," there are 120 professional, 34 clerical.

I would assume that under the heading of "Professional" you would perhaps have persons associated with the Solicitor's Office, but that would be a matter for the Personnel Division of the Labor Department to work out. I could not give the gentleman an answer exactly.

Mr. LAIRD. This includes the total for all divisions within the Department of Labor?

Mr. ZELENKO. I would assume that in accordance with the statement of the Department these people will be brought in from the different divisions of the Department, if possible, without the creation of a new bureau. As to the exactitude of the particular profession or from which department, I cannot say.

Mr. LAIRD. The total cost of this program then up to 1967 would be $2,430,000?

Mr. ZELENKO. That is an estimate of the Department of Labor. It is only an estimate. I would hope the actual cost would be less. As required by law, that was necessary to be submitted to us and that is why you have it. It is an estimate of the Department of Labor.

Mr. LAIRD. There would be no reason that a regular wage-hour investigator in the Wage-Hour Division would concern himself, however, with the enforcement of his law.

Mr. ZELENKO. That might be so, but I would say this, that would be up to the departmental structure and that personnel officer to divide the investigators into the various departments.

Mr. LAIRD. You are not proposing that we have separate investigators for this particular act as opposed to the Wage-Hour Act, the Davis-Bacon Act, and the Walsh-Healey Act?

Mr. ZELENKO. I would suggest to the gentleman that would be a matter for the administrator and I would assume, if he had capable investigators who can investigate, then they will be just as capable of investigating the other of the various acts the gentleman mentioned. I cannot be of further assistance to the gentleman, I regret, than what appears in this document.

Mr. JOHANSEN. Madam Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman.

Mr. JOHANSEN. As a member of the Manpower Utilization Subcommittee, I am interested in the statement purportedly made by the Department of

Labor—that no new supergrades are going to be required. I wonder if the gentleman has any confidence in that assurance in view of the fact that a minimum of 242 additional permanent positions are to be added.

Mr. LAIRD. I would accept the statement of the gentleman, the chairman of the subcommittee, that this is the recommendation of the Department of Labor and that they will stand by it through 1967.

Mr. JOHANSEN. I certainly have every confidence in the good faith of the gentleman from New York and the gentleman from Wisconsin, but I want the record to show clearly that if we are not confronted with a request for supergrades very shortly after the enactment of this bill, I will be quite amazed.

Mr. DOMINICK. Madam Chairman, I offer an amendment to the pending amendment.

The Clerk read as follows:

> Amendment offered by Mr. DOMINICK to the amendment offered by Mr. ZELENKO: Page 11, line 18, after section 10, strike out the remainder of line 18 down to and including the word "sex" in line 21.

Mr. ROOSEVELT. Madam Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. DOMINICK. I yield to the gentleman.

Mr. ROOSEVELT. Madam Chairman, my parliamentary inquiry is whether the Committee of the Whole has not already acted on such an amendment?

The CHAIRMAN. An amendment to this section was rejected.

Mr. ROOSEVELT. Then, Madam Chairman, I presume it is too late, but if it is not too late, I would like to reserve a point of order against the amendment.

The CHAIRMAN. The point of order comes too late.

The gentleman from Colorado is recognized.

Mr. DOMINICK. Madam Chairman, we had considerable discussion a short time ago about the Federal Government preempting the laws of 22 States, one of which is Colorado, by the passage of this bill, and we seem to have gotten wound up during debate on an equal pay for women bill with the question of State and Federal powers, pricefixing, and a whole group of other things. The one thing I think we should be sure not to do as Members of the House today is to put ourselves on record as a Congress that wants to preempt State laws. Obviously, any law that Congress passes which deals with this subject matter is going to be effective and the courts are going to have to interpret the law. But where you have laws of States, already in effect, which may be even stronger than this law or which may cover different subjects or which may have different points of view, it seems to me that we also want those State laws to remain in effect. We do not want to outlaw the State commissions that we have dealing with this subject in the 22 States and simply move the employees from there down to Washington, which might easily be the effect if we leave in this first sentence of section 10.

Please note that the rest of section 10 would remain in the bill if my amendment is adopted. The Federal Government will then be cooperating with the State agencies and in effect asking those States to coordinate their programs with the Federal program rather than having in the bill a specific statement that the Federal Government is going to take over the whole field.

Mr. GOODELL. Madam Chairman, will the gentleman yield?

Mr. DOMINICK. I yield.

Mr. GOODELL. I would point out to the gentleman that the language says that no employer to whom this Federal law applies shall have to comply with the State law. If we knock that language out I ask the gentleman if it is his intent that those employers and businesses who employ fewer than 25 employees be not covered by State law?

Mr. DOMINICK. They will be covered by the State laws.

Mr. GOODELL. In other words, this says specifically the language you strike out, not only that the Federal law preempts the State where there are more than 25 employees, but also states specifically that State law continues to apply where there are fewer than 25. It is not an attempt to make State law apply to fewer than 25.

Mr. DOMINICK. That is completely correct. It certainly is not. This law is going to apply to employers engaged in interstate commerce who have 25 or more employees. What we are seeking to avoid is saying here by act of Congress that we are in favor of eliminating State laws in this field. I think what we are saying here, unless the language is amended, could be considered to be a complete preemption in this field over any State law, whether they have 25 employees or whether they do not.

Mr. GOODELL. If the gentleman will yield further, I agree with him.

Mr. DOMINICK. Madam Chairman, I yield back the balance of my time.

Mrs. GREEN of Oregon. Madam Chairman, I move to strike out the last word.

Madam Chairman, this language is similar to an amendment we considered earlier which was rejected. This amendment is designed to achieve the same purpose. If you strike out the first sentence of section 10 you are saying that these 22 States will have their laws supersede the Federal law. This destroys the bill's purpose of equal pay for equal work. It simply means that the weakest State laws, the State laws that are ineffective and are unenforceable, will take effect and that the Federal law will not apply. We considered this once before. I urge the defeat of this amendment at this time.

Mr. DOMINICK. Madam Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield.

Mr. DOMINICK. The point I am making in this is that you are leaving in the rest of this section 10 in which power is specifically given to the Secretary to enter into agreements with the States where they have comparable provisions.

There is nothing in this amendment which is designed to say we are going to leave State laws in effect and that they would supersede this law. What I am trying to say is that Congress is not in favor of passing a law which preempts all aspects of this field, and this is what we are saying unless we strike that sentence.

Mrs. GREEN of Oregon. If the gentleman would look at the first sentence he will see it reads:

> No employer to whom section 4 applies shall be required to comply with any law of any State, or political subdivision thereof, prohibiting discrimination in rates of pay on account of sex.

Mr. GOODELL. Madam Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield.

Mr. GOODELL. I am fearful that the gentlewoman by her statements is creating legislative history if this amendment passes. I do not believe what she says is entirely accurate with reference to the effect of the passage of this amendment. All it would do, it seems to me, is strike this preemption clause. It would leave the Federal law in effect. It would also leave the State law in effect. The courts would have to decide, where there was conflict, whether State or Federal law applied; but I do not believe there would be a preemption by the State law over Federal law in that sentence if this amendment were enacted.

Mrs. GREEN of Oregon. The gentleman at least is in agreement that if this amendment is adopted that in 22 States the State law would supersede the Federal law.

Mr. GOODELL. If the gentlewoman will yield, I do not agree. What it does is that in those 22 States their laws stay in effect but the Federal law obviously takes precedence.

Mrs. GREEN of Oregon. Then you are saying in effect that you want the Congress to remain silent on whether the Federal or State law supersedes.

Mr. GOODELL. If the gentlewoman will yield further, I just want to clarify the record in the event this amendment is enacted.

I do not want it to have the effect that the gentlewoman says it will have, and I do not believe it does have that effect.

Mr. ROOSEVELT. Madam Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from California.

Mr. ROOSEVELT. I think it should be clear that the gentleman's amendment is doing what the gentleman from New York said; that is, we would be creating a no man's land where no one would know whether the Federal law or the State law operated until we actually had a case that might go either way. It seems to me that the obvious intent of the committee is that in the instances under section 4 the Federal law shall apply.

Mr. GOODELL. Will the gentleman agree with me that the Federal law shall continue to apply even if the amendment is adopted?

Mr. ROOSEVELT. I think it will be completely up in the air. Somebody will say that the State law applies, not the Federal law. I am not a lawyer, so it would not help me, but it would help a lot of other lawyers and result in a lot of litigation.

Mr. GOODELL. Madam Chairman, I move to strike the requisite number of words.

I am afraid I must ask the chairman of the subcommittee about this, because I do not want the legislative history to do something that the amendment obviously would not do.

Mr. ZELENKO. I will say this amendment should be opposed because it will raise a gray area which will not exist if the bill remains in the form in which it is at the present time.

Mr. GOODELL. Conceding it does raise a gray area, the gentleman agrees this does not do the same thing that the previous amendment did?

Mr. ZELENKO. It would create an area of coexistence which would not be peaceful. So I oppose the amendment.

Mr. GOODELL. I understand the gentleman resists it, but the Federal law would continue to apply, perhaps in conflict with the State law, and perhaps it would create a gray area where there would be no jurisdiction.

Mr. ZELENKO. May I suggest to the gentleman it could not apply at all. It would be coexistence but not a peaceful one. I urge the amendment be voted down, because it would unclarify something that is clear now.

Mr. JOHANSEN. Madam Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Michigan.

Mr. JOHANSEN. But it is the genius of our Federal system that we have peaceful coexistence between the Central Government and the State governments. Is that not the genius of our system, that the Federal law prevails when there is a conflict, and at the same time the right of the State to legislate is preserved in this area where there is no conflict?

Mr. GOODELL. I may say to the gentleman I agree with his statement. I feel if the amendment is enacted the Federal law will continue to apply in all these 22 States. There may be conflicts where we do not know which law is going to apply to an individual situation, but I do not want the legislative history mixed up.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. DOMINICK].

The amendment was rejected.

Mr. GRIFFIN. Madam Chairman, I offer an amendment to the substitute offered by the gentleman from New York [Mr. ZELENKO].

The Clerk read as follows:

Amendment offered by Mr. GRIFFIN: Page 5, line 15, after the word "Act" insert "a person charged with such alleged violation shall have all defenses otherwise available, and no".

Mr. GRIFFIN. Madam Chairman, this is an amendment which seeks to recognize and clarify the point made by the gentleman from North Carolina [Mr. WHITENER] a short while ago.

Mr. ZELENKO. This clarifies a point that was raised by the gentleman from North Carolina?

Mr. GRIFFIN. Yes.

Mr. WHITENER. Madam Chairman, I would like to express to the gentleman my gratitude for his usual fairminded approach to these matters and say to him I believe he has materially improved my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. GRIFFIN].

The amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. ZELENKO], as amended.

The amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the Chair, Mrs. KELLY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 11677) to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination, pursuant to House Resolution 677, she reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. ZELENKO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE REFUGEE FAIR SHARE LAW

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, July 1, 1962, marked the termination of the fourth 6-month period during which certain defined refugees were paroled in the United States by the Attorney General pursuant to the so-called Fair Share Act, Public Law 86-648.

The law requires the submission to the Congress of semiannual reports on the operations authorized thereunder and in order to keep the House informed. I include in the RECORD the fourth semiannual report, which follows:

U.S. DEPARTMENT OF JUSTICE, IMMIGRATION AND NATURALIZATION SERVICE,
July 17, 1962.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Operations under the act of July 14, 1960 (Public Law 86-648) continued in Austria, Belgium, France, Germany, Greece, Italy, and Lebanon during the fourth 6-month period ending June 30, 1962. Registrations of 5,217 refugees during this period reflected an increase of more than 43 percent over the previous 6-month period. More than 1,100 registrations were received during the month of June alone and were probably occasioned by the belief that the act would expire on June 30, 1962.

The enactment on June 28, 1962, of Public Law 87-510 which extended Public Law 86-648 indefinitely, made no change in the numerical limitation of 500 "difficult to resettle" cases provided for in section 2(b) of the act. A total of 259 refugees have been approved for parole under this section and an additional 72 cases have been referred to the voluntary agencies for documentation. With the exception of this category of cases, the Service has experienced no difficulty in obtaining the necessary assurances from the interested voluntary agencies.

Including the fourth period, the number authorized by statutory fair share totaled 16,490 and the total number of refugees who had registered since the beginning of the program exceeded this number by only 2,887. Statistics for the first four periods are tabulated below:

	1st, 2d, 3d periods	4th periods	Total
Authorized by statutory fair share	13,416	3,074	16,490
Pending beginning of period		289	
Registered during period	14,160	5,217	19,377
Total registered (pending plus received)	14,160	5,506	
Found qualified for parole	9,322	3,074	12,396
Rejected or otherwise closed	4,549	1,533	6,082
Pending end of period	289	899	

The continuation of established screening procedures resulted in 526 cases being rejected during the period on the following grounds:

Ineligible	77
Security risks	47
Criminal	30
Medical rejects	21
Immorality	4
Undesirability	60
Split families (spouses and children left behind in country of origin	106
Firmly settled	82
Spouses and children of above principals	99
Total	526

Additionally, 1,007 cases were closed because the applicants had taken advantage of resettlement in other countries or had withdrawn their applications for other reasons.

Registrations in the various countries during the program are shown in the following chart:

Country	In camp	Out of camp	Total
Austria	807	1,622	2,429
Belgium		1,330	1,330
France		6,658	6,658
Germany	552	2,628	3,180
Greece	605	198	803
Italy	2,663	638	3,301
Lebanon		1,676	1,676
Total	4,627	14,750	19,377

The following is a tabulation of the registrations received during the period in the order of the established priority classifications:

1. Status of refugee acquired prior to Jan. 1, 1958	1,121
(a) Camp residents	66
(b) Out-of-camp residents	1,055
2. Status of refugee acquired since Jan. 1, 1958	4,096
(a) Camp residents	907
(b) Out-of-camp residents	3,189

The 899 cases within category 2(b) above could not be approved during the period because they exceeded the number authorized. These cases will be considered for approval within the next period only if approvals of the first three categories of priority do not preempt the numerical limitation for that period.

Some progress is noticeable in closing so-called refugee camps in the various countries and in reducing the population of these camps, as indicated in the following chart:

Country	Federal camps	Other camps	Non-national refugee population	UNHCR eligible refugees	Current INS registrations
Austria	34	70	2,550	1,316	86
Germany	31	397	7,001	6,729	284
Greece	2	0	(1)	(1)	160
Italy	4	0	2,828	2,001	215

[1] Information not presently available.

The Congress has approved private laws authorizing permanent resident status for three aliens in the United States, with the provisions that the number of refugees who may be paroled into the United States under the act of July 14, 1960, shall be reduced by a like number.

Upon receipt of assurances of housing and employment, 10,073 refugees had been referred to the Intergovernmental Committee for European Migration for transportation to the United States and 8,260 had arrived in the United States as of June 30, 1962. In compliance with the provisions of section 2(a) of the act, detailed reports received on individuals paroled into this country are attached.

Sincerely,

Raymond F. Farrell,
Commissioner.

PUERTO RICO

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. Bow] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOW. Mr. Speaker, 10 years ago it was my pleasure to be in San Juan, P.R., to attend the ceremonies which gave to the island a commonwealth status.

I had for some time prior to this occasion worked closely with the authorities of Puerto Rico in the establishment and ratification of their constitution giving them the right of self-government.

Before and since that time, I have been close to the people of Puerto Rico and have visited with them many times and have watched the phenomenal progress made in the economy of the island.

Puerto Ricans are a proud and resourceful people and I am proud to be able to count them as fellow Americans. They have proven their capacity for self-government and have accepted the responsibility of loyal citizens participating in government.

I desire to congratulate them today on this, the 10th anniversary of the Commonwealth.

Because of the maturity of the people of Puerto Rico, it would seem to me that they should definitely settle the question of their political status. This, I feel, should be done without interference by Members of Congress or by those in the executive branch of our Government. The right of local determination surely belongs to the citizens of Puerto Rico.

I have recently read a splendid article from the newspaper El Mundo, which is perhaps the leading Spanish newspaper of this hemisphere. I should like to call it to the attention of my colleagues:

> Puerto Rico has more than enough maturity to settle its problems and, above all, we refuse to be used as a cat's-paw for personal gain.
>
> In regard to the language to be used in our schools, our attitude has always been perfectly clear.
>
> Puerto Rico has an absolute right to establish its own school system and is under obligation to preserve its native language. In this respect we maintain that the island, should it so decide, may achieve statehood without the least injury to its language, customs, traditions, and cultural values.
>
> However, we are in favor of intensifying the teaching of the English language so that we may fully enjoy our common American citizenship with all the rights and responsibilities that it entails.
>
> Furthermore, we beseech full respect for those groups that express their desire to send their children to schools where all subjects are taught in the English language. And it is a well-known fact that these schools teach the Spanish language so intensely that their Puerto Rican pupils do not only preserve their language but that they better their knowledge of it. Not only that, but those pupils whose mother tongue is English are made to learn the Spanish language.
>
> Basically, we maintain that the hour has come when Puerto Rico must definitely settle the question of its political status.
>
> So soon that the island settles this basic and essential problem to its existence, the present inferiority complexes will disappear and we shall be on the way to face all other problems with absolute faith in our destiny.

THE LATE SENATOR FRANCIS CASE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from South Dakota [Mr. Berry] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BERRY. Mr. Speaker, since this is the day set aside in the other body for recognition of the just respect due to a great U.S. Senator, Francis Case, who recently was called to serve in a higher body, I have asked unanimous consent to insert an editorial from the Custer County, S. Dak., Chronicle, the newspaper that Senator Case published for so many years.

The editorial reads as follows:

"Nor Long Remember"

> Thousands of words of eulogy have been, and will be, written and spoken about Senator Francis Case. Those words will in all likelihood fit into the category of which Lincoln had in mind when he said at Gettysburg "The world will little note nor long remember what we say here, but it will never forget what they did here."
>
> Lincoln erred in his prediction. What he said is remembered, but what they did is, to most people, very vague.
>
> It will not be so with Francis Case. What is said about him will be soon forgotten, but what he did will be long remembered. Stand anywhere in South Dakota and you will see evidence of his work—water conservation; the dams from Angostura to Big Bend; Mount Rushmore of which he was one of the original boosters and served on the national commission for many years until his death; national park and national forest improvements; Black Hills Ordnance Depot; Ellsworth Air Force Base; the Titan and Minuteman complexes; public buildings; hospitals; veterans facilities; rural electrification; airports; the list of major projects in which he had a hand is endless.
>
> But it was the little things that he did for the people he represented that probably most endeared Senator Case in the hearts of his people—the little personal matters such as a draft hardship case, a dispute with some Government agency, the encouragement of some young man or woman in a difficult time, help in securing a pension for someone, assistance in clearing an Indian claim—it was these little unpublicized acts for which he will be most remembered by his fellow South Dakotans.
>
> Although the interests of his State were always uppermost, Case made himself one of the most highly respected legislators in the Government, authorizing many important bills of national and international significance and his sound reasoning on the floor of the Senate commanded the respect of Members of both political parties.
>
> Custer is proud to have been the home of Francis Case and is proud to have been able to share his abilities with the State and the Nation and the free world.
>
> We regret that his most cherished ambition was left unrealized—his desire to retire from public life to his ranch and the outdoor life in the Black Hills he loved.
>
> Bismarck said: "A really great man is known by three signs—generosity in the

design, humanity in the execution and moderation in success."

FRANCIS CASE was really a great man by that definition.

QUALITY STABILIZATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. NELSEN] may extend his remarks at this point in the RECORD.

The **SPEAKER.** Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. NELSEN. Mr. Speaker, as a member of the Committee on Interstate and Foreign Commerce, I have listened to extensive discussions of the quality stabilization bill which the chairman of our committee, the gentleman from Arkansas [Mr. HARRIS], introduced and on which hearings have been held. As evidence of my support of this measure, I am today introducing a companion bill because it is, to my mind, of great importance to the small businesses of this country, and particularly to the independent retailers along the main streets of thousands of smaller communities in America.

Small business is suffering today from no want of sympathy. Sympathy abounds from every forum. Of sympathy, there is plenty.

Of interest, of concern, of diligence—of all these things—there is plenty. What is lacking is understanding—realistic comprehension and honest facing up to the nature of the real challenge—a challenge resulting from a breakdown in the fundamentals of our system. As a consequence, the small businessman, merely because he is small, no longer is able to compete as he must compete if he is to survive.

This is not a question of ability, of capital, of store location, or parking facilities. It is simply a fact that the workings of the marketplace today more and more exclude the small retailer as a competitor and, hence, eliminate him as a participant in our Nation's pattern of enterprise and as a social and cultural contributor to the life of his community.

Before a businessman, large or small, can have a business and be a businessman, he must have a product to sell. What we see in the marketplace today is a purposeful and deliberate effort to take from the small independent retailer the only products which he can sell. These are the best selling products in the marketplace, identifiable, honored, and famous brand names and trademarks.

The quality stabilization bill which I have introduced is a companion to others introduced by half a dozen distinguished colleagues. This bill, if enacted, will equalize rights in the distribution of identified articles. It will give the small businessman—the hardware dealer, the jeweler, the druggist, the electrical appliance dealer, the book dealer, and others—the opportunity to compete, to succeed, even to flourish.

The quality stabilization bill would give nobody a subsidy. It would cost the Government nothing. It would protect the independent retailer, add dynamic incentive to the selling power of America's independent distributors and prevent retail monopolies.

What is more, the quality stabilization bill would give certain rights to brand owners who do not own or control their own distribution system but who distribute through the hundreds of thousands of independent retailers. These rights are already enjoyed by brand owners—such as the multimillionaire and even billionaire retail chains—who own their own distribution outlets and price-control their private brands.

If the bill becomes law more than 4 million small businessmen will have a better chance of staying alive as businessmen, and this Congress will have demonstrated to the Communist world that in America there is room for small business as well as big.

CAPTIVE NATIONS

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, a dinner, sponsored by the Assembly of Captive European Nations in commemorating Captive Nations Week, was held at the National Press Club on last Wednesday, July 18, and the featured address was delivered by the Honorable Frans J. Goedhart, Member of Parliament of the Netherlands.

Mr. Speaker, as a member of the Socialist Party, and an outstanding business and civic leader in his country, I feel that Mr. Goedhart's remarks were extremely forceful and timely and certainly merit our review, and under leave granted, I insert them into the RECORD at this time:

ADDRESS BY THE HONORABLE FRANS J. GOEDHART, MEMBER OF THE PARLIAMENT OF THE NETHERLANDS

Mr. Chairman, ladies, and gentlemen, as all of you know, Europe has made great strides forward and accomplished important progress in all fields during the last years. The EEC, the European Economic Community, is a booming success. We have now six countries, operating a Common Market. We may assume that Great Britain will adhere to it soon and then Ireland, Norway, and Denmark will follow suit. If no war or other catastrophic events intervene, within 10 or 15 years we, in Europe, can reach an economic level comparable to yours. Under American leadership and initiative we have organized the NATO alliance to defend our freedom, our way of life and our existence against the Kremlin and its pretensions for world leadership and world communism. Furthermore we are discussing now the possibility of an Atlantic Association, which will bring the United States and Europe still more close together. This is all very important and gratifying, but it is not sufficient, it is not enough.

The purpose of European Unity and Atlantic Association is to combine our efforts, to give a still higher standard of living to our peoples, to strengthen our common power and to be more and more a shining and attractive bulwark of freedom and democracy, inviting all other peoples to take advantage of our experience and of the lessons we learned, and to share our responsibilities for a well-organized and peaceful world. In this process the heart of the matter is, however, to know clearly which are the dangers which threaten us, from where and how they will come. These dangers arise less from Kremlin policies as from our own willingness to become victims of illusions.

In 1945, at the end of World War II, the West has made unforgivable political mistakes. At that time most of our leading statesmen did not understand the aims of the Kremlin. The result was that we admonished and even pushed the peoples of Eastern Europe to ally themselves with the Communists and to accept them as partners in their governments. The result of this policy was that after a shorter or longer period all those countries fell prey to the power of the Kremlin and that they became Soviet colonies. In China we operated more or less in the same way. We admonished the Chinese National Party to accept the Communists as partners in government and the anti-Communist Chinese were put under heavy pressure by the West. It turned out that this was not a very efficient way to prevent a Communist take over in China.

One gets sometimes the sad impression that the only use of writing history is to amuse the historians. Stubbornly we refuse to learn the lessons of history. Today the same tragedy is going on in Laos. The Lao anti-Communists—who were certainly very weak, but nevertheless friends of the West—have been sacrificed. Now there is a so-called neutralist government in their country. One does not need to be a prophet to predict that within a rather short time Moscow could order a complete Communist take over in Laos.

At the same time we see the Communists penetrate into South Vietnam. There the United States is taking a firm stand and it is with feelings of gratitude and respect that I want to pay a tribute to the American soldier, helping there the Vietnamese against this Communist infiltration. The political initiative in South Vietnam is nevertheless still in the hands of the Communists and I am afraid that this will continue as long as there is no counterguerrilla fighting against the Communists in North Vietnam.

And what about Indonesia? There are reasons to assume that Sukarno has made a secret treaty with Moscow and that the Kremlin has promised to help Sukarno to bring about a Greater Indonesia, including a lot of territories which are not Indonesian at all. On the other hand there are indications that Sukarno has promised to liquidate the last remnants of Western economic influence in his country and to give Moscow complete control over all the Indonesian trade with third countries. Is this Indonesian dictator going to be a second Fidel Castro? I am afraid it is not only possible, but it seems to be probable. By making concession after concession to this so-called neutralist dictator, by giving him time and again more and more money and weapons, we will not be able to stop this process. The more we yield to blackmail, the less we will be respected, the more the neutrals will think, that the free world is a world of sheep.

I understand that some leading people in the United States believe that this country never had less freedom of action than today, and this because of the nuclear stalemate—the balance of terror. It is true that we all have the utmost interest in preventing a nuclear war. The same is true for the Communists—and they know it. The Kremlin however draws very different conclusions than we do. They believe that this nuclear stalemate gives them more freedom of action than ever before, as the West will never decide to start a big war.

I for one believe that we have for the same reason a tremendous freedom of action—short of war. For instance: At an appropriate moment the West could give all the necessary logistic support to the Chinese of Formosa so that they could help their unhappy brethren on the Chinese mainland. For instance: The West could assist people in the so-called neutral countries who want to get rid of governments, masquerading as neutral, but always taking sides with Moscow. For instance: The West could try to use all the possibilities of the United Nations. Why don't we raise there the issue of Soviet colonialism? Why don't we openly stand for liberty and freedom for Poland, Hungary, Rumania, Czechoslovakia, Bulgaria, Albania and the Baltic States? And for instance: When Ulbricht, Moscow's agent in Eastern Germany, who is in a desperate economic situation, is asking secretly for credits from the West, why don't we reply publicly that he can get them, on condition that he breaks down the wall in Berlin and releases all his political prisoners? We have unlimited possibilities, and unlimited freedom of action, if we stop being nice, vague, timid, and shy.

Our military defense is extremely important. We are still the strongest and that has to be maintained. Therefore we are still producing more and better missiles. In the same way we should concentrate on the cold war and on psychological warfare. We are still underestimating this necessity. In Europe we neglect this problem and, therefore, I am not in a position to criticize what is done in this field by the United States. I simply believe that it is not enough. Will this new Telstar satellite, this new magnificent achievement of American science and technology, be used for this purpose? I suppose that it will be possible for this Telstar to reach every TV set behind the Iron Curtain. This could give us a fine opportunity to speak regularly to the average Russian citizen. The cold war would thus be brought to the Kremlin's own door. The cold war front would move into the Soviet Union itself.

Some people in the free world believe that Soviet communism is mellowing. Perhaps this could happen in the future. I don't know. But to date I do not see any traces of this mellowing. I have read in the American press that a master plan for a reevaluation of your foreign policy has been submitted to the White House on the basis of this alleged mellowing. If the United States would be prepared to follow this line, it would provoke a new series of disgraceful events, the same as happened after Yalta and Potsdam. They are not mellowing, but they want to fool us as they have always done before. They want us to be nice to them, they want long-term credits, trade, and so on to bolster their system at our expense. They want to exploit our naivete, our innocence, and they want to make use of our willingness to believe in easy solutions.

To conclude, Mr. Chairman, I want to thank you for the award you have bestowed upon me. This is a distinction I highly appreciate. The Assembly of Captive Nations is an organization without power, divisions, missiles, and so on. You have only your convictions and your courage. You are fighting for the cause of freedom. That is what I always tried to do. I feel proud to be one of your many friends and allies. I thank you very much.

BACKLOG OF CASES IN THE DISTRICT OF COLUMBIA JUVENILE COURT

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. Mathias] may extend his remarks at this point in the Record.

The **SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MATHIAS. Mr. Speaker, on March 31, 1962, the backlog of cases in the District of Columbia juvenile court hit a record high of 2,631. I wish to call attention to the fact that it is now nearly 5 months since the President approved S. 486, authorizing the appointment of two additional judges to this court. I regret to say, however, that there has been no action yet taken to make the new appointments, although the newspapers report a spate of rumors on the subject. The primary purpose of this legislation was to relieve the already overburdened case schedule. Each day that these appointments are delayed is a further denial of speedy justice to those having business with the court. Postponement of the appointments makes more difficult the administration of justice and negates the action of the Congress already agreed to by the President on March 9, 1962.

THE SUPREME COURT DECISION RELATING TO SCHOOL PRAYERS

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Pillion] may extend his remarks at this point in the Record and include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PILLION. Mr. Speaker, at the request of an esteemed constituent, Mrs. K. William Shields, of Amherst, N.Y., I submit, for the Congressional Record, her views on the recent decision of the Supreme Court relating to the recitation of prayers in New York State schools:

July 20, 1962.

Hon. John R. Pillion,
House Office Building,
Washington, D.C.

Dear Mr. Pillion: The furor over the Supreme Court ruling that the New York regents' prayer is unconstitutional would seem to indicate widespread misunderstanding and confusion about the basic principles of religious freedom in a democracy.

As I understand it, the Supreme Court has simply forbidden any government to write an official prayer. Surely no one wants a government to tell him what prayer he and his children must say. This would amount to a secular religion, which is no religion.

If the Court's decision were to encourage more prayer in the home, and more time spent in the churches, it would promote religion in depth, which a secular school prayer could never do. And it protects our freedom to say the prayers of our choice. An official, general prayer would ultimately take all the vitality out of prayer, and hence, out of religion.

I believe that the Court's decision supports the fundamental principle of religious freedom, i.e., keeping the Government out of the business of religion. I would appreciate it very much if you could have this statement entered in the Congressional Record.

Respectfully yours,

Dorothy L. Shields.

THE HONORABLE JOHN W. McCORMACK

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. Burke] may extend his remarks at this point in the Record and include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BURKE of Massachusetts. Mr. Speaker, it is a pleasure for me to call to the attention of the House the fact that our beloved and distinguished Speaker, the Honorable John W. McCormack, yesterday was designated an honorary life member of the Reserve Officers Association of the United States. The award conferred upon the Speaker reads as follows:

Whereas this association desires to recognize outstanding citizens and military leaders who have rendered extraordinary service to the cause of national defense and who have shared with this association its role in advancing a military policy which will provide adequate national security; and

Whereas particularly effective leadership in the national community has been evidenced in this field by the Honorable John W. McCormack, Speaker of the House of Representatives, the Honorable L. Mendel Rivers, a member of the House Armed Services Committee and for a critical and significant period chairman of its subcommittee dealing with the Reserves; and Adm. Arleigh A. Burke, a wartime hero of the sea wars who later served as Chief of Naval Operations: Therefore be it

Resolved by the Reserve Officers Association of the United States, That the above named citizen-leaders be invited to become, and are heerby designated as, honorary life members of the Reserve Officers Association of the United States, and that appropriate ceremonies be arranged to confer this membership upon them.

The Reserve Officers Association of the United States is composed of members who served our Nation. They possess that spirit of patriotism that inspires the Nation whose sword and shield they are. For it is in the spirit of men, more than in wealth or the steel and explosives that wealth can purchase, that the security of America lies. Most important, of all the qualities that can make for the preservation, or the destruction, of a country, is that intangible but immediately identifiable quality known as morale.

The Reserve Officers Association of the United States possesses the talent of our military service and it is fitting and proper that we give credit to the accomplishments and abilities of our military men. Never before in our history have our Armed Forces played a more important role in our Nation. I commend the Reserve Officers Association of the United States for honoring the Speaker.

THE ROAD TO REVERSAL

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. Waggonner] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WAGGONNER. Mr. Speaker, in February of this year, the district attorneys of the State of Louisiana held their fifth annual conference sponsored by the attorney general of Louisiana in the city of New Orleans. The principal speaker during one of the sessions of this conference was Mr. Carleton Putnam, who chose the title, "The Road to Reversal." I have a copy of that address and under unanimous consent insert it in the Record for all my colleagues to read. I think it is a provocative commentary on one of the major problems facing us today:

THE ROAD TO REVERSAL

(By Carleton Putnam)

Chairman Gremillion, Governor Davis, members of the Supreme Court of Louisiana, Attorney General Patterson of Mississippi, distinguished guests, ladies and gentlemen, it goes without saying that I am greatly complimented by your invitation to speak here this evening. I am also greatly complimented by the action of your board of education in choosing "Race and Reason" for use in the schools of Louisiana.

By coincidence, within the last 24 hours, I have read two reviews of "Race and Reason," one appearing in the magazine New South published by the Southern Regional Council in Atlanta, and another in the Reed, a publication from the campus of Tulane University here in New Orleans.

Both of these reviews were amusing and well written. The only way they might perhaps have been improved would have been to have the reviewers read the book. In one case the writer is troubled by my failure to consider a certain important phase of the subject and he asks himself whether my omission may not be purposeful, since I might have had difficulty in dealing with the issue involved. Yet if he had read a few pages further, he would have discovered that not only had I dealt with it at some length, but had, I believe, disposed of it decisively. In fact I find on consulting the index that it contains no less than five different references to the subject.

Undoubtedly you have learned, as I have, that it is hard to make someone who disagrees with you listen to what you have to say. But it is a new experience—at least to me—not to be listened to, and then to be accused of not speaking.

Performances of that nature are difficult to answer. However, may I take this occasion to assure your board of education that I shall be glad to reply to all reviews they believe merit a response if they will call these to my attention. They have shown a confidence in me which I shall do my best to deserve.

On two occasions in the South last autumn I spoke on a subject which I called "This Is the Problem." In those talks I stressed the extent to which politically motivated equalitarian propaganda had infiltrated the life sciences since New Deal days and had spread from there throughout our churches, our mass media of communication, and our schools and colleges. I pointed out that this propaganda had captured the minds of northerners to a startling extent and had created a climate of public opinion on which the Supreme Court was counting when it handed down its desegregation decision in 1954. I emphasized my belief that to solve this problem we must first unmask the deception which has created that public opinion, and I suggested certain ways of doing it.

I mention those talks now because of their relation to what I want to say tonight. I am calling this speech "The Road to Reversal," and I propose to suggest to you as lawyers a few specific matters which I think may be helpful. But I can hold out little hope unless, while you are organizing your legal materials, you also go forward with a program of public enlightenment. We must have a two-pronged attack. Neither one is enough alone. On the one hand the climate of public opinion must be changed, on the other the change must be crystallized in specific legal action.

Both processes can and should be advanced together. A well prepared legal case can do a lot to educate the public mind. And I would guess that some well prepared and documented speeches by a few southern Governors and Senators might filter through to the courts. Organization is required in both spheres, but it is particularly needed in the legal sphere. Your legal case must not go forward too much in advance of your public enlightenment, and most especially your legal case must not go forward on halfcocked evidence.

I wish to avoid getting into the question, on which you alone are competent to pass, as to where you should attack and where defend. A besieged castle (or a series of castles) with a good moat, well provisioned and with a determined garrison, could often outlast the enemy. There may be many such situations in the South today, particularly if you use the time to destroy the illusion on which the morale of the foe depends. All of us know that at bottom this is not a legal war. It is a political war.

On the other hand, individual cases may arise where you will have an oportunity to go up again to the Supreme Court and challenge your trouble at its source. Such cases might be likened to individual soldiers trying to scale your walls, sometimes succeeding and being sealed off, if that's the best you can do with them, but surely the preferable strategy is to work for the day when the individual case at last presents a chance to reverse the 1954 decision. Procedural delays may work for a long time, and are certainly legitimate weapons. Yet the surest place to end the war is in the camp of the enemy.

When I speak of legal organization, therefore, I do not necessarily mean putting all your eggs in one basket, but rather making sure that channels of communication are kept open among the States so that when the right circumstances coincide, the best lawyers and the best witnesses coincide also. It may be that a southwide committee for this purpose is desirable, or perhaps "clearinghouse" is a better word.

Whatever it may be called, or whatever the procedures you follow, the only sphere in which I can possibly offer any suggestions lies in the area of new scientific evidence, or I should say evidence not yet presented to the courts. I think I could assure you now that if a serious attempt were planned to reverse the Brown decision then I could name you a score of scientists who would be willing to testify—men who would come from abroad as well as Americans. Not all these men could be brought in for a case here, or a case there. They would have to be satisfied of the seriousness of the effort.

And I would have to caution you that to let yourselves be dragged into a nose-counting competition as to which side had the more scientists would be futile. A friend of mine estimated the other day that if we could have a vote of all the scientists concerned with this subject there would be a hard inner core of pressure group equalitarians who would make up 20 percent of the total. There would be a second group of courageous men, scientists willing to fight for the truth even at great cost to themselves, who would make up another 10 percent. And finally there would be the remaining 70 percent who would take the easy road, the road of conformity and political expediency.

In such a situation there is no point in going into a nose-counting contest, which of course has no validity in science anyway. You've got to examine brains instead of counting noses, and because of the clamor on both sides you must go even further. You must finally say both to the American people and to the courts: "Gentlemen, examine the evidence for yourselves." The most disastrous thing that the American people, or the courts, can do today is to let themselves be led on a leash by a bunch of leftwing scientists and their conforming associates, bragging as dictators always do about unanimous votes, when even a cursory inspection of the facts will convince any reasonable man where the truth lies.

If you can read the books of the equalitarians without bursting into laughter, I'll be surprised. The trouble is, the public doesn't read them; it takes their conclusions on faith—a badly misplaced faith.

Now let me offer you a brief summary of my own experience in dealing with these people. Those of you who have not yet worked in the field may be less discouraged, less misled, if you are alerted to the tactics and the strategy these scientists have developed.

The first technique you'll meet will be the quantity count we've just mentioned. There will be an attempt to overwhelm you with the vast agreement against you. You'll be told that nobody—but nobody—believes any longer in innate racial limitations. Then you'll encounter what I might call the Herskovits gambit: You'll be assured that no one wants to be dogmatic about this but, really, the reason scientists don't discuss race seriously any longer is because they're bored with it—simply bored with it.

As a part of this phase of the matter you'll be given to understand that your position was perhaps excusable once, but now it's antediluvian. They'll tell you you're actually living back in the Jurassic age. They'll say you've been buried down here in the South, and you're pitifully out of touch with reality. There will be scorn, there will be politely veiled contempt, there will be condescension, there will be ridicule, there will be assurances that all this has been settled long ago and that there's no point in wasting time reopening it.

One thing, however, you won't find in this brushing-aside phase—you won't find one word that deals with the substance of the issues. You won't find one scientific fact in support of the equalitarian position. I remember talking to an old and seasoned scientific veteran last summer and I was expressing surprise that race and reason had so far met with no attempt at refutation by scientists. There had been denunciation, but no approach whatever to real refutation, no advancing of scientific arguments or facts that a reasonably intelligent person could take seriously. And this old fellow gave me sort of a grim smile and then he said: "You haven't seen any because they haven't got any."

So don't be disturbed by the big bluff—that would be my first admonition. My guess is that there will shortly be a lot of unanimous ballots and they will be spread throughout the northern press. My advice regarding them is briefly this: Call the bluff. Say to these gentlemen: "Could you for a few minutes stop counting your noses, endure your boredom and step back into the Jurassic age just long enough to give us something of scientific substance to support your views?"

Perhaps at this moment some of you in the audience are thinking: "Aren't you oversimplifying things a bit?" In one sense, yes, I am. There are other stages to this game which I'm coming to now. But I'm not oversimplifying the emptiness of the bluff. I don't want you to be discouraged by it and I don't want you to be alarmed by it. Do not let the virus of conformity which is rampant today throughout the country in every phase of life infect you and frighten you as leaders in the battle against integration.

Now let me suggest the second stage. The second stage I might call the stage of evasion. I could give dozens of examples from my own experience which, I'm sure, will be duplicated by yours. But I have time for only one episode which I'll take from the recent meeting of the American Anthropological Association in Philadelphia last November. There are some 600 fellows of this association, a majority of whom I understand are social and cultural, rather than physical anthropologists—that is, they are more concerned with man as a product of his environment than as a product of his race or genes. One hundred and ninety-two of these 600 were present at the business meeting on November 17 and they voted unanimously in support of a resolution which reads in part as follows: "The American Anthropological Association repudiates statements now appearing in the United States that Negroes are biologically and in innate mental ability inferior to whites."

Upon learning of this resolution I immediately called a press conference in which I publicly asked the retiring president of the association (a Harvard man) a question which I transmitted to him privately in advance. This question was: "Do you also intend to repudiate the following published statement by your recently deceased Harvard colleague, Prof. Clyde Kluckhohn, a Viking Medal winner and a longtime equalitarian, who said shortly before he died: 'In the light of accumulating information as to significantly varying incidence of mapped genes among different peoples * * * it seems very likely indeed that populations differ quantitatively in their potentialities for particular kinds of achievement.' "

I also publicly asked the retiring president whether he intended to repudiate the published findings of Prof. C. J. Connolly, physical anthropologist at Catholic University whose studies of white and Negro brains disclosed a higher frequency of increased sulcification of the frontal lobes in whites than in Negroes.

And I asked the retiring president whether he intended to repudiate the published statement of Dr. Garrett Hardin, professor of biology at the University of California at Santa Barbara, which reads as follows: "As a result of recent findings in the fields of physiological genetics and population genetics, particularly as regards blood groups, the applicability of the inequality axiom is rapidly becoming accepted."

I then called the attention of the retiring president to the fact that none of these scientists were Southerners and I reminded him that Prof. Ruggles Gates, an Englishman who is probably the world's most experienced and distinguished physical anthropologist and human geneticist, had made the public statement that there were vast differences among races in mental ability and capacity for development. I wanted to know whether the retiring president had any substantive comment on any of these statements.

At this point the retiring president had apparently had enough, because he referred my questions to the new president, who was a professor at the University of California at Berkeley. This professor wrote me a letter which I would call a classic. He confined his comments to the quotation from Profesor Kluckhohn, and this is what the new president said:

"Relative to the statement by Dr. Kluckhohn, this in no way contradicts the position which was taken by the Fellows of the American Anthropological Association at the business meeting in Philadelphia. For example, people certainly differ in eye color. These differences are due to genetic causes. Very dark eyes are more efficient in the tropics, but this has nothing to do with the ability of people to participate in the democratic way of life."

To this I answered:

"My quotation from Kluckhohn was as follows: 'It seems very likely indeed that populations differ quantitatively in their potentialities for particular kinds of achievement.' You attempt to answer this quotation by citing differences in eye color and you make the obvious remark that these have nothing to do with the ability of people to participate in the democratic way of life. Kluckhohn spoke of differences in potentialities for achievement and these do have something to do with the democratic way of life. They particularly have something to do with the statement in your Philadelphia resolution which flatly equates white and Negro intelligence. Your answer is therefore completely beside the point. You cannot deceive a child of 10 with that sort of nonsense, so I wonder what your motives are."

Here the new president had apparently also had enough because I have heard nothing more from him since. I did have one further reverberation, and it came from the magazine Science. This magazine contained a news story which accused me of misquoting scientists, or at least quoting them out of context, so I telephoned the magazine and I asked what scientists they had in mind. They said, "Kluckhohn," so I said, "In what respect?" and their answer was, "Races may differ in their genius for music but this doesn't mean they are inferior in their adaptability to our civilization as a whole. Kluckhohn may have been referring to differences of that sort." First we had the eyes, now we had the ears.

In this case I wrote a letter to Science for publication, and once more I said, "For my part I am willing to leave it to the judgment of any reasonable person whether or not references to 'man's innate capacity' and to 'potentialities for particular kinds of achievement' do not also in all probability include achievement involving intelligence, and whether or not differences in potentialities for intellectual achievement do not involve inequalities of intellect—in other words, superiority and inferiority in processes important to our Western civilization."

Perhaps you will agree that "evasion" is not too strong a word for the Kluckhohn example. As to the other scientists I quoted, mention of them has been avoided by the opposition, except for one remark in a conversation I had with the editor of the Washington Post who said some scientist had told him that in Connolly's studies of white and Negro brains the selection was too small, to which I could only answer that if this scientist has a better series, let him produce it.

There's another kind of evasion illustrated by the Philadelphia meeting of the American Anthropological Association. The passage I read you from their resolution was only a part of the whole statement. I've mentioned it first because taken by itself it does present a clear issue. But it wasn't presented to the fellows or to the public in that way. Here's the way it was confused:

"The American Anthropological Association repudiates statements now appearing in the United States that Negroes are biologically and in innate mental ability inferior to whites, and reaffirms the fact that there is no scientifically established evidence to justify the exclusion of any race from the rights guaranteed by the Constitution of the United States. The basic principles of equality of opportunity and equality before the law are compatible with all that is known about human biology. All races possess the abilities needed to participate fully in the democratic way of life and in modern technological civilization."

Notice that the second clause leaves open the question, What rights are guaranteed by the Constitution? Before 1954, not even the Supreme Court thought there was any right to attend an integrated school, and the current view of the Supreme Court may change. Notice next that nobody disputes the general principle of equality of opportunity and equality before the law—the only dispute concerns the novel application of the principle in this particular case. Notice finally that everybody wants to vote in favor of the democratic way of life, but integrated schools have never before been considered, nor need they now be considered, an essential part of participating in our democratic society. I've already learned of fellows who felt they really were voting on these second, third, and fourth clauses. If a resolution were deliberately written to seduce the minds of unwary voters, and to confuse the public in the impression it made, I can scarcely imagine a better one than this.

You practically have to take these equalitarians by the scruff of the neck and lead them up to the one issue and say, "Look—the issue here is not equality of opportunity. The issue here is not equality before the law. The issue here is not the democratic way of life. The issue here is that school integration is social integration, that social integration, always, everywhere, has and does lead to intermarriage in the long run and that intermarriage, under our population ratios in the South, will destroy our society. If you want to discuss this matter, discuss it, but don't confuse the minds of the courts and the American people by always changing the subject, by always evading this issue, by always slithering away to some broad and irrelevant generality."

While we're still on the topic of evasion, there is one more aspect of the subject to be considered. I've heard many leaders in politics and the press and elsewhere, when they've lost all the other arguments, fall back to their "view of history" or their "humanitarianism" or their "religion." Frankly, I've never been able to persuade any of them to tell me what their view of history is. I will admit that the editor of the Washington Post was kind enough to send me a copy of Alexis de Tocqueville's correspondence with Arthur de Gobineau which took place between 1852 and 1859. Since the editor also referred to this material editorially in the Post in an attack on the Cosmos Club, I assume he considers it of probative value.

But, after a careful reading, I am able to find only the argument that an acceptance of the theory of racial inequality is wrong (1) because the theory will have bad effects in the world at large, and (2) because the theory itself is un-Christian. Yet clearly we get nowhere in life by shrinking from the truth because we fear it. Such a policy is about as defeatist, about as decadent as any ever conceived. As Garrett Hardin has put it, "only those truths that are admitted to the conscious mind are available for use in making sense of the world."

And as to these constantly recurring references to Christianity, much as I admire Tocqueville, I would like to ask the editor of the Post to name the man he believes would be the American whom the North, at least, would rank next to Christ himself in his broad humanity, his compassion, his sympathy for the oppressed—the American whose picture remote Siberian peasants tack to the walls of their cabins out of a sixth sense of his meaning in history.

Here was a man who far surpassed Tocqueville as a symbol of the Christian life, both in faith and action. His name was Abraham Lincoln and, by coincidence, just as Tocqueville was writing his views in France, Lincoln was making his Charleston, Ill., speech: "I am not, nor ever have been, in favor of bringing about in any way the social and political equality of the white and black races * * * there is a physical difference between the white and black races which I believe will ever forbid the two races living together on terms of social and political equality."

Once again, I would like to make one thing crystal clear concerning the matters of kindness of heart and Christian principles as they apply to the integration controversy. I do not believe in hurting others. My constant prayer is that I may never discourage anyone who is doing his best, never dampen anyone's enthusiasms or increase anyone's doubts. And I remind you that prior to 1954 the fact of racial differences was being handled with a minimum of talk about those differences. Even after 1954, the South, out of instinctive kindness to the Negro, went so far as to base its whole defense on other grounds.

And what was the result of that kindness? It was used against the South. It resulted in more and more encroachment. Standing here tonight, I place squarely upon the equalitarians the responsibility for raising the racial issue. It was their insistence and their brutality which forced upon all of us the stark necessity of stating the truth.

So you might just as well tell these people that the typical southern white father and mother are not lacking in humanity and are not un-Christian. This is not a question of humanity or Christianity unless self-defense is inhuman and un-Christian. On the contrary, if there is anything which is anti-Christ and antihuman in this situation it is the ideology which forces genetic suicide upon a defenseless minority.

Of the many forms in which pseudohumanitarianism attempts to deceive us, the latest is the argument you hear more and more nowadays about the difference between an individual and his race. We're told that we must think only about the individual as an individual, never about his race—that a human being is a human being, and that ends the matter. Well, a human being may be either a man or a woman. We don't look at a person without considering his or her sex, and neither shall we ever look at a human being without considering his or her race. You might remind these gentry that there are situations in which we segregate the sexes (there are even separate rest rooms in public places) and by coincidence in some cases the segregation is actually connected with control of the breeding process. I have already dealt with the major aspect of this problem on page 42 of "Race and Reason."

As a man whose life has spanned all of this century, I would like to remark that I have watched with approval and sympathy the movement for social justice in this Nation and throughout the world. I have seen nothing in it to contradict my understanding of American ideals until the momentum of the movement began to carry us beyond the point where injustice to everybody else became the price of further progress for the underdog. That's where the American ideal calls "Halt!" That's where socialism, Marxism, and finally communism begin. There is the hidden rock on which true democracy founders, freedom dies, and our country is taken from us by forces that have made a failure everywhere else and will make a failure here if we permit it.

If President Kennedy and ex-President Eisenhower jointly announce their alarm over the increasing restlessness among our people accompanied by the growth of extremist rightwing groups, let them look precisely here for the explanation. These groups may have been prodded into saying impulsive and angry things, but they are expressing something of basic importance. They are not frustrated by the strain of the cold war, as the leftwingers would like us to believe. They are instinctively reacting against the moment when the leftwing pressure groups in control of both our political parties moved us past the pivot-point in our social justice crusade—moved us into the area where the good we were trying to do for certain backward segments of our society was less than the wrong we were inflicting thereby on everyone else.

Most people, in the North at least, don't yet understand that the most glaring example of this wrong lies right here in the integration drive. You can make an argument, and you can confuse kindly people—up to a point—on the issue of taxing success to support failure. You can make an argument—up to a point—for social security and urban renewal and foreign aid and government favoritism to labor unions. But once you understand the facts, you can make no argument whatever for integration. Here at last, did our people only realize it, we've caught the Socialist, the Marxist, the Communist redhanded. This is the classic and unanswerable case—this destruction of the heritage of a thousand years to please the Congo.

So you can say with a clear conscience to every integrationist you meet: "You shall not pervert the word 'humanity' to cloak your effort to corrupt our civilization. You shall not masquerade under the banner of Christianity while you sap our strength at the roots and steal our birthright."

I may seem to be laboring the point, but it's very much a part of the total pattern I want to put before you. As you organize and begin your pilgrimage along the road to reversal, like Christian in "Pilgrim's Progress," you will encounter many challenges. In the scientific debate, which I am certain is of paramount importance, you will meet first Mr. Big Bluff and then the serpent of evasion. And as you drive the equalitarians back step by step, they'll slither from point to point until finally they seek refuge in the swamp of sentimentality—where you'll meet pseudohumanitarianism and bogus religion.

It is here that I'd like to offer the third warning which experience has taught me. The outstanding characteristic of all the equalitarian scientists is their political motivation. The truth is that these men are teaching that races are biologically equal because they want them to be—not that they want them treated as equal because they've found that they are. An example of what I mean is provided by Prof. Melville Herskovits, whom I quote in "Race and Reason": "Let us suppose it could be shown that the Negro is a man with a past and a reputable past; that in time the concept could be spread that the civilizations of Africa, like those of Europe, have contributed to American culture as we know it today; and that this idea might eventually be taken over into the canons of general thought. Would this not, as a practical measure, tend to undermine the assumptions that bolster racial prejudice?"

Now, I'm sure no one can object to a scientist having a declared wish to prove something in his research as long as the public and the courts are aware that such is the case. But normally we think of a scientist as a man seeking objectively for truth, and I want to advise you that you won't find him on the equalitarian side of this controversy. The whole movement is blatantly and transparently a political movement, saturated with the ideologies of the far left, employing many of its worst tactics of persecution and suppression, and drawing much of its impetus from Socialist and Marxist sources.

Remember, of course, that this fact alone will never win a court case or matter much to the well-meaning, uninformed liberal. I bring it to your attention solely as a factor in evaluating the validity of their scientific statements. Psychiatrists speak of wish-fulfilling dreams and here you will find many wish-fulfilling pronouncements calling themselves science.

Mind you, too, that there is enough scientific terminology and enough superficial cleverness to be very deceptive to the layman. Not long ago, for instance, one of these gentry put his position to me in this way. He said: "The Inca and Maya had at one time a great civilization in the Western Hemisphere, yet this civilization never spread to other tribes of the same race such as the Apache and the Navajo. This proves that a race may have the capacity for civilization yet never disclose it until some unknown, propitious circumstances occurs, and therefore we may say that the capacity of the Negro at this moment may be simply awaiting such a circumstance."

To this, counsel for the South must be prepared to answer: "We do not claim and have never claimed that the spark of civilization has always taken flame in Caucasoid or Mongoloid tinder. There have been frequent cases where it has not, and the receptivity has varied not only between races but between substocks. The point is that in the case of the Negro it has never caught fire. We will even quote you your liberal Toynbee: 'The only one of the primary races which has not made a creative contribution to any one of our 21 civilizations is the black race.'" Toynbee then went on to offer some excuses and some hopes which have no bearing on this controversy for reasons that I have set out in "Race and Reason." The quoted sentence is the complete and valid answer to the Inca and Maya case.

But I'm digressing. Let me return to this matter of political motivation. You will recall that it was the Franz Boas clique at Columbia that marked the beginning of equalitarian anthropology in America. Herskovits, whom I've already quoted, was a member of this clique. Another member was Gene Weltfish. In the issue of Newsweek for November 27 you will find an item which mentions Gene Weltfish as coauthor of a pamphlet called "The Races of Mankind" which Newsweek reports has sold a million copies under the auspices of the Public Affairs Committee. Newsweek places this sale, and the popularity of this equalitarian pamphlet, over against the position of Dr. George of the University of North Carolina in terms which make it clear that Newsweek is pretty strong for Gene Weltfish and not very strong for Dr. George.

What Newsweek doesn't tell the public is that Gene Weltfish once publicly announced that she had evidence to prove that the United States had used germ warfare in Korea. Nor does it mention the fact that she was listed by the Daily Worker as a sponsor of the American Peace Crusade and of the American Committee for the Protection of the Foreign Born, both of which have been cited by the Attorney General of the United States as subversive.

To my mind, in evaluating the scientific detachment of a George versus a Weltfish, it would seem that the American people should be as aware of Weltfish's inclination of mind as they are of George being a southerner. After this, if they wish to accept Weltfish's views at face value, that is their affair. And I would feel the same way about the courts.

Let me give you one other illustration. I'm not going to mention the gentleman's name because he hasn't made public pronouncements like Weltfish's Korean charge, and I have no desire to embarrass him personally. This man was for several years chairman of the department of anthropology at a prominent eastern university. He has also been a visiting lecturer at Harvard. He has been an advisor on anthropology to one of the big broadcasting companies, he himself has appeared on television and he has in general been an influence in what I might call the popularization of anthropology.

Now here is this man's record: In 1931 he was a lecturer before the New School for Social Research which was classified as Communist by a New York State legislative investigating committee. In 1940 he signed an appeal for the release of a Brazilian Communist. In 1942 he was a lecturer before the School for Democracy which was classified as Communist by the New York Legislature and which merged to form the Jefferson School of Social Science, cited as Communist by the Attorney General in 1947 and by the California senate in 1948. In 1942 he published a book in which he stated that "Soviet Russia is the outstanding example of perfect management of ethnic group relations."

Then in 1943 he was a sponsor of the science congress, conducted by the National Council of American-Soviet Friendship, cited as Communist by the Attorney General in 1947 and 1948. In 1946 he was a sponsor of the Independent Citizens Committee of the Arts, Sciences, and Professions which merged subsequently to form the Progressive Citizens of America, cited as Communist by the California senate in 1947 and 1948. In 1947 he was a contributor to Interne, official organ of the Association of Internes and Medical Students, listed on page 20 of the Guide to Subversive Organizations. In 1950 he signed a letter to President Truman from the American Committee for the Protection of the Foreign Born, cited as Communist by the California senate in 1947 and 1948 and by the Attorney General in 1948, and in 1950 he was a sponsor of the Mid-Century Conference for Peace, listed on page 50 of the Guide to Subversive Organizations.

This gentleman was foreign born and when he came to the United States he used an assumed name for many years, finally legally changing his own name to his assumed name which he now bears. I don't know why he changed his name. The one he had was perfectly good, the one he chose was perhaps a bit more pretentious. His reasons remain his secret.

Nor do I mean to imply that this man was or is a Communist. I accept his disclaimer, filed with an investigating committee of Congress, to the effect he was misled. But I give it as my opinion that he was misled rather often and that his inclination of mind is far over on the left, far past the pivot point in the sense I used that term earlier this evening—the point beyond which social justice ceases to be in balance. And again I think it is quite as important for the public and the courts to know the orientation of equalitarian propagandists such as he, as it is for them to be deluged with denigration of Dr. George because of Dr. George's southern background.

I do not suggest that all professors of anthropology are in this gentleman's category. I think it improbable that you will find many situations like the case at Harvard where the FBI had to arrest a research associate in anthropology on a charge of perjury growing out of the Bureau's investigation of a Soviet spy ring. But it seems to me somewhat peculiar that Weltfish and this gentleman who changed his name should be placed especially in the public eye.

You have been patient with a long recital and I now hasten to conclude. After you have met Mr. Big Bluff and survived the serpent of evasion, after you have passed through the slough of pseudohumanitarianism and bogus religion, after you have stripped the mask off the face of political motivation, you will come at long last to the gate of reversal. You may not get through the first time, but believe me, your journey will set such tocsins sounding through hill and dale of this broad land that the true America, the sleeping giant, will awaken. He'll see you through in the end.

An acquaintance who has been very much on our side in this fight said to me recently, "We've become a nation of moral cowards, and that's worse than physical cowardice." I don't believe we're moral cowards, but let me emphasize that if ever there were a place where moral courage was called for, this fight is it. Let's be clear about it. You are not fighting just for the civilization of the South nor just for the protection of your children. This integration issue is the perfect ground for a greater battle. Here is the place not only to fight integration but to fight the ideology that spawned integration, the ideology of the far left, the overdrift beyond the pivot point, the leeching that would bleed us more and more. This time the sleeping, bemused North must be roused by the South. As I said earlier, these hard core leftists, striking at you, have betrayed themselves at last. You'll never have a better chance to beat them than you have right here, to save your own society and to save the American way of life for us all.

I tell you this because I've seen enough of these leftists to know their kind. The hard core realize that in justice they have no case. The ones that came to America in destitution—even the ones whose ancestors came as slaves—know in their hearts how much better off they are than if they'd stayed behind, they know whose heritage they've been privileged to share, they know whose traditions and whose laws set the framework for this Nation and what stocks set the tone of its character, so they know whose hand they're biting. And because they know, because they're guilty in their hearts, when you hit them with the truth they'll turn tail and run. I've seen them do it.

Recently Ashley Montagu, always a hardcore leftist, a member of the Boas clique and for 6 years head of anthropology at Rutgers, wrote a letter to "Perspectives in Biology and Medicine" which he accomplished an astonishing about-face with perfect composure. He said, "During more than 35 years of reading on the subject I have not more than once or twice encountered a writer who claimed the races were equal in mental ability." If you put that beside the 192-to-0 vote of the American Anthropological Association repudiating statements that Negroes are biologically and in innate mental ability inferior to whites, or if you put it against the trend and substance of the UNESCO resolutions which state that "scientific knowledge provides no basis for believing that the groups of mankind differ in their innate capacity for intellectual development," both of which Montagu himself signed—and, I believe, drafted—you'll have a picture of a man getting ready to run. And if you read the remainder of his letter to "Perspectives" you'll see he's going to start talking now about there being just a little bit of difference. Not enough to matter.

Well, my friends, take the little bit and continue the pursuit. You'll find that the little bit has made all the difference between the Congo and the United States.

As for the rest of these people, the majority who for the moment are blindly following the hard core, dreamy eyed and confused, how quickly they'll shift when they see the hard core turn. The conformist is really uncomfortable in his soul. Give him the leadership that rides like Paul Revere through every Middlesex village and farm, and he'll come awake.

My time is up. If there were any exhortation that I could give you as leaders I would give it now. I would urge you to put aside appeasement and defeatism and local politics and economic fears. More depends on your steadfastness than you may realize. Never forget how crucial this battle really is. Our forefathers, down the years, whose faith and valor gave us all we've got, knew how to act in a crisis. They were not easily discouraged. They despised appeasement. So I'm not ashamed to leave with you some lines from a poet whom our English cousins loved when they manned the battlements:

"For all we have and are,
For all our children's fate,
Stand up and take the war.
The foe is at the gate!

"Though all we knew depart,
The old Commandments stand:
'In courage keep your heart,
In strength lift up your hand.' "

NATIONAL INSTITUTES OF HEALTH

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. FOUNTAIN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FOUNTAIN. Mr. Speaker, the Senate has amended H.R. 10904 to increase the funds for the National Institutes of Health $60 million above the House allowance and $120.4 million above the President's budget request. It is my belief that this additional money would not be spent efficiently and, if agreed to by the House, would, in fact, impede the efforts of the Committee on Government Operations to secure much needed management improvements in the NIH programs.

Mr. Speaker, in each of the past 5 years we have witnessed the curious phenomenon of the House authorizing substantially more money for NIH than the President has requested and the Senate voting an even larger increase over the House figure. This year, for example, the President requested $780.4 million for NIH. The House increased the amount to $840.8 million, and the Senate has added an additional $60 million, for a total of more than $900 million. In addition, $50 million was requested and was allowed by both the House and Senate for health research facilities grants.

There may have been a time when such congressional stimulation was justified, but today we have an entirely different situation. The present administration is surely liberal in matters involving health, education, and welfare, and the President, personally and through a family foundation, has demonstrated a deep interest in medical research. This is borne out by the fact that the President's 1963 budget for NIH, including the health research facilities program, provides for an increase of more than $62 million over last year's appropriation and an increase of approximately $136 million over the amount actually spent in fiscal 1962. The President's recommendation represents an increase of almost 20 percent above the amount actually spent by NIH in 1962. This, I submit, would be a challenging rate of growth for even the best managed organization.

I have prepared two tables comparing the House and Senate increases of the 1963 NIH budget with 1962 budget figures, and showing the history of NIH appropriations since 1950. Under unanimous consent, I include these tables at this point in the RECORD. The first of these tables shows, among other things, that $26.9 million was left unspent from NIH's 1962 appropriations in addition to the $46.6 million held in reserve at the direction of the Secretary of Health, Education, and Welfare:

TABLE 1.—*House and Senate increases of National Institutes of Health budget, by institute*

[In millions of dollars]

Institute or program	1962 appropriations	1962 operating budget [1]	1962 actual expenditures [2]	1963 President's budget	1963 House allowance	1963 Senate allowance
General research and service	127.6	125.5	118.2	147.8	155.8	161.8
Cancer Institute	142.8	127.0	117.1	139.1	150.4	158.4
Mental Health	108.9	107.8	108.1	126.9	133.6	148.6
Heart Institute	132.9	113.3	110.7	126.9	143.4	149.4
Dental Research	17.3	15.3	15.1	17.2	19.2	22.2
Arthritis and Metabolic	81.8	81.0	78.9	91.9	98.7	105.7
Allergy and Infectious	56.1	55.9	54.6	59.3	62.1	68.1
Neurology and Blindness	70.8	65.8	62.1	71.2	77.5	86.5
Subtotal	738.3	691.7	664.8	780.4	840.8	900.8
Health research facilities	30.0	30.0	30.0	50.0	50.0	50.0
Total	768.3	721.7	694.8	830.4	890.8	950.8

[1] Represents amount available after $46,600,000 was held in reserve at direction of Secretary of Health, Education, and Welfare.

[2] Preliminary.

TABLE 2.—*History of appropriations, National Institutes of Health, 1950–63* [1]

Fiscal year	Budget estimate	House allowance	Senate allowance	Appropriation
1950	$41,246,000	$46,371,000	$60,563,000	$52,146,000
1951	62,570,000	61,970,000	66,326,000	60,059,750
1952	59,034,000	57,301,885	58,431,058	57,675,291
1953	55,005,000	53,833,500	58,982,000	59,030,750
1954	56,340,000	61,586,200	72,153,000	71,153,000
1955	71,128,000	77,393,000	83,143,000	81,268,000
1956	90,314,800	89,773,000	113,416,800	98,458,000
1957	126,525,000	135,525,000	183,007,000	183,007,000
1958	190,183,000	190,183,000	226,783,000	211,183,000
1959	211,183,000	219,383,000	320,577,000	294,383,000
1960	294,279,000	344,279,000	480,604,000	400,000,000
1961	400,000,000	455,000,000	664,000,000	560,000,000
1962	583,000,000	641,000,000	835,670,000	738,335,000
1963	780,400,000	840,800,000	900,800,000	------------

[1] Excludes funds for NIH construction and health research facilities grants.

I would remind my colleagues of the tremendous increases of appropriations for the National Institutes of Health in recent years. Between 1950 and 1962, appropriations for NIH have increased by approximately 15 times, while the appropriations for research and training grants to nongovernmental scientists alone have increased by more than 26 times. Few public programs have grown at such a rapid rate. Consequently, it is not surprising that officials of the agency have experienced organizational and management problems in administering these programs. In a letter dated July 6, 1962, the Surgeon General of the Public Health Service wrote me in this connection:

> The rapid expansion of the Federal support programs for medical research, to which the report calls attention, has, indeed, created new organizational and management problems, and has made progressively more difficult the complex task of their administration. The difficulties incident to this expansion have for some time been a matter of growing concern.

Mr. Speaker, the Committee on Government Operations, through the subcommittee of which I am chairman, has intensively studied the NIH grant programs for the past 3 years. In April 1961, the committee issued a comprehensive report—"Health Research and Training; the Administration of Grants and Awards by the National Institutes of Health," House Report No. 321, April 28, 1961—on the administration of these programs based on more than 2 years of investigation. In brief, the committee found that NIH is not adequately organized to administer the grant programs with maximum effectiveness. Among other weaknesses, NIH has failed to provide for a meaningful review of the financial requirements of research projects and NIH does not maintain sufficient direct and continuous contact with grantees for the purpose of determining appropriate levels of continuation support in relation to project accomplishments and needs.

I will not take the time of the House to describe in detail the deficiencies that exist in NIH management. These are spelled out and documented in our committee's two reports and two sets of hearings on the NIH grant programs. In the first of these reports, referred to above, the committee made 13 specific recommendations for the improvement of these programs. The Surgeon General and the Director of NIH have expressed agreement with most of the committee's recommendations and have stated their intentions to take corrective action. Unfortunately, NIH has taken relatively little action thus far to back up its intentions. As I wrote the Surgeon General on July 13, in response to his letter of July 6 informing me of measures presently under consideration for improving the NIH programs, it is my hope that the administrative improvements being considered by NIH will not result in just another case of announced intentions without effective implementation. I will insert the text of my letter at this point in the RECORD for the information of the House:

JULY 13, 1962.

DR. LUTHER L. TERRY,
Surgeon General, Public Health Service, Department of Health, Education, and Welfare, Washington, D.C.

DEAR DR. TERRY: I want to thank you for your letter of July 6 and the copy of the July 3 internal report containing proposals for changes in the Public Health Service research grants programs made to you by your Interbureau Directing Committee. I appreciate your sending me this information on the measures presently under consideration for improving administration of the NIH and other Public Health Service grant programs. The specific recommendations contained in your Interbureau Committee report are consistent in many respects with recommendations made more than a year ago by this committee. If put into effect, these changes should greatly improve your present operations. However, I believe I speak for our entire committee when I express the hope that this will not become just another case of announced intentions without effective implementation.

Your letter details a number of changes in NIH policies and procedures, many of which you say have resulted from the recommendations and observations of this committee. Items 1 and 2, relating to serious management deficiencies to which the committee has called attention, refer to improved procedures for securing a more thorough examination of the budget requests of grantees, including provision for staff negotiation of the actual amounts required for research projects. I should like to remind you that the subcommittee's recent hearings showed these procedures to be essentially paper changes, rather than actual accomplishments. As a result of these and other administrative inadequacies found by the subcommittee, the full Committee on Government Operations, in a unanimous report issued June 30, expressed dissatisfaction with the slow progress being made by NIH to strengthen the management of its grant programs.

Item 7 in your letter refers to the new Public Health Service policy of using contracts in place of grants for the support of research in profitmaking firms. As the committee reported last month, substitution of one type of financial instrument for another does not in itself assure the effective and careful use of research funds. The committee took the position also that public funds intended to assist fundamental and other nondirected research, as distinguished from research performed at the request of a Government agency, should be made available to profitmaking companies only in exceptional circumstances.

I sincerely hope that you and your associates will act expeditiously to put the management of these very important health research grant programs on a sound footing. As you have stated so well in your letter, the rapid expansion of Federal support for medical research has indeed created new organizational and management problems, and has made progressively more difficult the complex task of administering these programs. Our committee also recognized this problem when it concluded last month that it "is inescapable, from a study of NIH's loose administrative practices, that the pressure for spending increasingly large appropriations has kept NIH from giving adequate attention to basic management problems."

I sincerely believe it would be a disservice to your agency, to the cause of medical research, and to the taxpaying public if appropriations for the National Institutes of Health were increased beyond the amount the President has recommended before you have developed the ability to manage effectively these large and complex programs. I greatly appreciate your desire to keep me fully informed of the steps that are taken to achieve this objective.

With all good wishes, I am,

Sincerely,

L. H. FOUNTAIN,
Chairman, Intergovernmental
Relations Subcommittee.

Mr. Speaker, the Committee on Government Operations, in a unanimous report issued June 30, 1962—"Administration of Grants by the National Institutes of Health, Reexamination of Management Deficiencies," House Report No. 1958, June 30, 1962—expressed dissatisfaction with the slow progress being made by NIH to strengthen the management of its research grant programs. While NIH has acted in several areas in response to the committee's recommendations, relatively little effort has been made to improve the overall management of these important health programs. In particular, the committee found no significant improvement in the inadequate fiscal review of project requirements on which it reported last year.

The adequacy of NIH policies and procedures for insuring the appropriate expenditure of research funds was tested earlier this year by means of a detailed audit of the grants awarded to Public Service Research, Inc., a company which has received about $400,000 in NIH support for seven separate projects. The audit disclosed that the company misused and profited from grant funds and, in general, the company used the very broad discretion which NIH allows grantees in expending research money for its own advantage.

The audit findings, which I will summarize, demonstrate the extent to which NIH grants may be wastefully expended without NIH's knowledge or apparent concern.

The audit showed specifically:

First. Grant funds were used to finance capital and other costs associated with establishing a new corporation. During the first year and a half of its existence, Public Service Research, Inc., acquired practically all of its office equipment and furnishings from Federal research grants and contracts.

Second. The corporation, according to its records, claimed a depreciation allowance in its Federal income tax returns for equipment purchased from NIH grants.

Third. The corporation's rent, maintenance, and moving expenses, and the expense of remodeling its rented quarters, were charged as direct costs to individual Federal grants and contracts.

Fourth. The corporation derived a profit in excess of its actual indirect costs from the overhead allowance—15 percent of total direct costs—paid by NIH to cover indirect costs.

Fifth. Fees paid by the corporation to its affiliate, Clark, Channell, Inc., for hiring expenses included a profit to the affiliate. Such fees were improperly billed as direct costs to particular NIH projects; the persons for whom hiring fees were paid worked on several projects and, in one case, the employee performed no research on the project to which his fee was charged.

Sixth. Salary costs were improperly charged to NIH grants for (a) time spent by corporate officers in meetings of directors or stockholders and in the administration of corporation business; (b) time spent by a corporate officer as a consultant to NIH, for which he was also paid $50 a day plus travel expenses; and (c) an employee who was hired to staff the company's Washington office and performed no research on the project to which his salary was charged.

Seventh. Various expense items were incorrectly classified as direct costs of particular grant projects, and in several instances entertainment expenses were improperly charged to NIH grants.

Eighth. Travel expenses were incurred in some instances for purposes which do not appear to have a direct relationship to the projects charged.

The audit also disclosed poor coordination between NIH and the Public Health Service, of which NIH is a part. NIH continued to pay Public Service Research, Inc., a 15-percent indirect cost allowance on grants after the Public Health Service had established an indirect cost rate of 6.66 percent for the same company in connection with a research contract. Following completion of the contract, the Public Health Service permitted the company to retain Government-owned equipment for use in connection with an NIH grant but made no effort to ascertain that the equipment was necessary for the NIH project. Shortly thereafter, NIH awarded a new grant to the company which included funds for the purchase of equipment similar to that which the company already had in its possession from the completed Public Health Service contract.

The suggestion has been made that the findings of this audit are not applicable to most NIH grants, since the grantee in this instance is a company operating for profit while most NIH grants are made to nonprofit institutions. This reasoning misses the essential point that under its present inadequate administrative arrangements NIH does not know whether or not grant funds are expended prudently and for the intended purposes and, consequently, NIH cannot provide reasonable assurance that the misuse of grants is not widespread.

While it is true that the bulk of NIH grants are made to investigators in educational institutions, this does not in itself assure that funds are spent prudently and for their intended purposes. In this connection, NIH says it relies upon the educational institutions for the effective management of grant funds, but NIH has conceded that adequate administrative machinery does not presently exist, either within NIH or in the grantee institutions, to insure that this responsibility is being met.

Mr. Speaker, it is apparent from the hearings held recently by our subcommittee that weaknesses in the NIH grant programs are due to causes more fundamental than staff inadequacies and faulty administrative procedures. It is the conclusion of the Committee on Government Operations that these weaknesses are due in large measure to the failure of NIH officials to understand the nature of their responsibility for the management of public funds. This lack of understanding is reflected in the statement of the Director of NIH that in making grants:

> Selection of good men and good ideas—and rejection of the inferior—is the key. All subsequent administrative actions having to do with the adjustment of budgets, and so forth, are essentially trivial in relation to this basic selection process.

Our committee has, of course, strongly rejected this irresponsible view that administrative actions for the effective and economical expenditure of grant funds are "trivial" or are matters of little importance.

Mr. Speaker, I want to point out that the Committee on Government Operations stressed in its recent report that it is completely committed to the principle of allowing scientific investigators the greatest possible freedom of action in carrying out their research. The history of science clearly demonstrates that scientific achievement and progress have generally occurred under conditions which allow maximum freedom of inquiry for the investigator.

The committee concluded, however, that freedom for the scientist should not be confused with license or fiscal irresponsibility. One cannot condone waste and extravagance wherever it exists as being either in the public interest or in the interest of science. Grant money that is uneconomically or inefficiently spent deprives other scientists of support for their work. Moreover, the injudicious use of research funds is grossly unfair to the American public which is required to support this activity through taxation. What we must achieve is a harmonizing of freedom for the investigator with responsibility to the public in the expenditure of Government funds. NIH has the obligation to develop adequate policies and procedures for assuring that grant funds are prudently spent within this context.

Mr. Speaker, I want to make a brief comment on the matter of indirect costs. I note that the Senate has again this year struck the 15-percent limitation on the indirect expenses of research grants voted by the House. I hope the House conferees will stand firm on this item. The Committee on Government Operations has studied this problem and favors the adoption of a uniform Governmentwide policy for indirect costs which will take into account the nature of the research supported and the benefits to the grantee institution. It should be kept in mind that under an NIH grant the scientist does not perform work for the Government; he undertakes a research project of his own choice with the assistance of Federal funds. Consequently, the Government's financial obligation is not the same in this case as it would be for purchased research. It should be noted, however, that in certain instances research projects and facilities may possess a special national character which justifies their being supported wholly by Federal funds. But as a general rule, it is undesirable that the Federal Government assume the total cost of health research conducted in educational and other non-Federal institutions.

Even under the present 15-percent limitation, our committee has found it to be NIH's practice to pay the maximum rate for projects where indirect costs are nominal or nonexistent. For example, our audit of Public Service Research, Inc., disclosed that NIH paid the company a 15-percent indirect cost allowance, although the company's actual indirect costs were only 6.66 percent of direct costs—the rate negotiated by the Public Health Service for work purchased through a contract.

Mr. Speaker, when the House acted on May 27 to increase the NIH appropriation by $60.4 million above the President's budget request, our subcommittee had not yet completed its review of the management of these programs. The subcommittee's hearings were held on March 28, 29, and 30. If the information obtained in those hearings had been available to me on March 27, I could not in good conscience have supported the sizable increase recommended by the Appropriations Committee. I am not an authority on how much money is needed to adequately support medical research. But it is obvious that to increase substantially the appropriations for these programs in the absence of effective management can only result in waste and inefficiency. It is also obvious that the funds which are spent unnecessarily as a result of the inadequate review of the budgetary requirements of projects would go a long way toward financing those new projects which are found to merit support during the fiscal year 1963. Surely, with the additional $60.4 million already voted by the House, there will be more than enough money available for NIH support of all meritorious health research and training projects. I can see no possible justification for increasing the NIH appropriation still another $60 million as proposed by the other body.

Last Friday, 32 of the 80 Members of the Senate present and voting supported the Proxmire amendment, which would have reduced the NIH appropriation to the level of the President's budget, or $60.4 million below the House-approved amount. The Saltonstall amendment, which would have limited the NIH appropriation to the level approved by the House, failed to pass by only six votes. The closeness of the 36-to-41 vote on the Saltonstall amendment clearly demonstrates the reluctance with which the other body supported the recommendation of its Appropriations Committee to increase the appropriation for the National Institutes of Health $60.4 million over the House amount and $120.4 million above the liberal amounts recommended by the President.

Mr. Speaker, it took courage for those 36 Members of the other body to vote against the recommendation of their Appropriations Committee. It is politically unpopular to give the appearance of not favoring better health for the American people, but better health is not the issue here. The real issue before us, shorn of emotional and irrelevant appeals to the need for eliminating dread diseases and increasing our life span, is the question of whether Federal support programs for health research shall be prudently administered so as to maximize the return from public funds, or whether these programs shall continue to be treated as a sacred cow, with officials of the National Institutes of Health exempt from the normal practices of sound public administration. It appears, Mr. Speaker, that the NIH officials have become so accustomed to a privileged position and to receiving appropriations far in excess of those the President requests that they are no longer responsive to congressional criticism. I would remind the House that the NIH Director has referred to administrative actions for the effective and economical expenditure of grant funds as essentially trivial considerations. In all fairness, however, I must add that we in the Congress have compounded NIH's management problems by our insistence on voting more money each year than the agency has programed for careful and effective expenditure.

It is the conclusion of the Committee on Government Operations that the pressure for spending increasingly large appropriations has kept NIH from giving adequate attention to basic management problems. I sincerely believe it would be a disservice to NIH, to the cause of medical research, and to the taxpaying public if these appropriations were increased beyond the amount approved by the House before NIH has developed the ability to effectively manage these large and complex programs. I, therefore, urge the House to firmly resist any effort to further increase these appropriations which the House has already increased $60.4 million above the President's budget and $196 million over NIH's actual expenditures for last year.

On Monday I asked the Director of the Bureau of the Budget whether there have been any developments since the transmittal of the budget last January which would cause the President to revise his recommendations today concerning the 1963 appropriations for the National Institutes of Health. Mr. Bell has written me that "the estimates contained in the President's budget for 1963 continue to represent his judgment of the funds needed to sustain the forward movement in the very important programs of the National Institutes of Health." I will place the Budget Director's letter in the RECORD here for the information of the House:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., July 24, 1962.

Hon. L. H. FOUNTAIN,
Chairman, Intergovernmental Relations Subcommittee, Committee on Government Operations, House of Representatives, Washington, D.C.

DEAR MR. FOUNTAIN: This is in response to your telephone inquiry of July 23, 1962, as to whether there have been developments subsequent to the transmittal of the budget last January which would cause the President to revise his recommendations concerning the 1963 appropriations for the National Institutes of Health.

I would like to emphasize that the budget estimates for the National Institutes were considered very carefully last fall by the Bureau of the Budget and the President. The amounts which were recommended by the President in the budget were based on his belief that the support of medical research through NIH should continue to grow at an orderly rate consistent with the prudent and effective use of funds and trained manpower, and with due regard to other demands on the budget. On the basis of these considerations, the President recommended appropriations of $830.4 million for 1963. In the light of recent data indicating that 1962 obligations amounted to $694 million, the President's recommendation constitutes an increase of about 20 percent over 1962 obligations.

Since the submission of the budget in January, the President has sent additional messages to the Congress relating to health and education. However, the budget estimate anticipated these messages to the extent that the programs of the NIH were concerned. In addition, the NIH has completed its study of medical research manpower, which raises a number of important questions relating to the future manpower needs in this field. This report, however, has not been viewed by the President as requiring a revision of the estimates now before the Congress. Accordingly, the estimates contained in the President's budget for 1963 continue to represent his judgment of the funds needed to sustain the forward movement in the very important programs of the National Institutes of Health.

Sincerely yours,

DAVID E. BELL,
Director.

Mr. Speaker, I want to inform the House that our committee will closely watch the administration of the NIH grant programs, and that it is my intention to propose a reduction in the NIH appropriations for next year if the agency does not act vigorously to correct its management deficiencies and strengthen its capacity for the efficient and economical operation of these vital programs.

MASS MOVEMENT OF AMERICAN FAMILIES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. JOHNSON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, the greatest mass movement of American families to new homes since the migration that brought about development of the West is recommended in a proposal prepared by the Committee for Economic Development. It seeks a comparatively quick solution to the Nation's farm problem by taking both human and Government resources out of agriculture over a 5-year period.

In recent years, the Committee for Economic Development has offered a number of worthwhile proposals for improvement of the general welfare. In the light of this fact, I find its attack on the farm problem not only disappointing, but downright frightening.

The purposely accelerated movement of millions of people from our rural communities is, in itself, questionable. Combined with failure to call for a comprehensive matching program in the fields of business and industry to create new job opportunities, it carries the prospect of economic and social chaos.

Mr. Speaker, simple disagreement with the CED plan does not, of course, provide a solution to the farm problem, and no one can quarrel with CED's desire to achieve solution. Certainly this Congress has given a substantial portion of its energies and time to the task, as have President Kennedy and the Secretary of Agriculture.

I do not believe, however, that rural America is ready to give up—that it is unwilling to seek new sources of social and economic strength which will maintain the free system of family farming that has wiped the threat of hunger from our society.

Mr. Speaker, Secretary of Agriculture Orville L. Freeman has made an appraisal of the CED proposal in the light of alternatives that call for utilization rather than abandonment of our rural human and natural resources. I recommend his appraisal for study by my colleagues and all Americans concerned with a meaningful future for rural America, and under unanimous consent include it in the RECORD as part of my remarks.

The Secretary's statement follows:

STATEMENT BY SECRETARY OF AGRICULTURE FREEMAN ON CED 5-YEAR PLAN FOR AGRICULTURE

I regard the CED 5-year plan for agriculture as the best thing that could possibly have happened to reawaken interest in the administration's food and agriculture program for the 1960's.

The CED, in its "Adaptive Program for Agriculture," has presented an ably and carefully prepared design leading to the abandonment of all farm programs at the end of 5 years.

For more than a year and a half I have pointed out that agriculture is at the crossroads—facing a choice between a sound program for managed abundance, on the one hand, and, on the other, the eventual abandonment of all farm programs. The only other alternatives that have been considered have been temporary or piecemeal or compromise attempts to postpone the day of decision—attempts that become more unsatisfactory and more costly with each passing year. It is my best judgment that each delay, each compromise, each attempt to further postpone the choice that we must eventually face pushes us in the direction of the abandonment of all farm programs and the disastrous consequences that would result.

Therefore I look at the CED presentation of its 5-year adaptive program to end farm programs as a welcome opportunity to study and evaluate its implications and to compare them with the goals set forth in the administration's program for the 1960's.

The following points, brought out by such a comparison and evaluation, are of utmost importance to every farmer and of real significance to every wage earner and every consumer.

First, the whole premise of the CED 5-year plan is based on the stated goal of doubling the expected exodus from farming, pushing it up to a level of 2 million farmworkers in the next 5 years, by means of an administered decline in farm income. This artificially accelerated dislocation of 2 million farmers seeking nonfarm jobs, together with the disruption of their families, plus the effects on the businessmen on Main Street and on those in rural towns and villages who provide professional and public services, all add up to a serious burden of adjustment and critically handicap the rest of the economy. A rate of economic growth sufficient to achieve satisfactory employment levels under normal conditions could be thrown out of balance by this additional load.

Second, the CED 5-year plan to end farm programs threatens to alter the basic character of American agriculture. If Government made good on its determination to stay out of the picture after 5 years, farmers would be faced with low and fluctuating farm prices. They would be left to deal with business firms in other sectors of the economy having monopolistic control over their markets. The result would be a disorganized agriculture where farmers were exploited by the large firms with whom they dealt in selling their products and buying farm supplies. Even the most efficient family farm would find it difficult to survive this type of economic pressure, and the control of agricultural resources would become increasingly concentrated into the hand of firms outside agriculture—firms which could and would begin to join together to raise prices to increase profits.

New forms of vertical integration and contract farming, such as have already developed in several fields, and would limit the freedom of the remaining farmers—would limit their freedom of access to results of research except under contract—would even limit their freedom of access to results of research and technological progress. And, should this occur, the limitations to the freedom of farmers would be in the hands of private corporations.

We already have illustrations of how vertical integration and contract farming take away from the farmer some or all of his managerial independence—even, in some instances, relegating him to little more than a piecework laborer's role. In the broiler industry, for example, the independent farmer cannot compete with the integrated industry because he cannot gain access to improved breeds and strains of poultry stock, he cannot secure financing on equal terms, he cannot keep up with the rate of technological and managerial advance where research information is available only through private channels controlled by the integrators, or where access to markets is controlled by the integrators.

The real threat to the independent family farm is not, in most cases, the giant factory-scale corporation-owned farm employing labor in large crews. Rather, it is through the imposition of a pattern of controls by centralized private authority over the existing family-farming pattern. It is a threat which would impose the domination of a few giant corporations over the farmer's independence as manager and entrepreneur. It is a pattern, the outlines of which are already clear, by which the farmer might remain on the farm, but would take orders from large business enterprise or a specialized management service in respect to what he should plant, when to plant it, how to grow it, from whom to borrow, and how much interest to pay, and to whom and when to sell.

Thus laissez faire could result—in agriculture as in other areas—in the development of a system of pricing as well as production that would be administered by a powerful few. This is the threat to the American family farm, an institution that has given to this Nation the most efficient and productive agriculture the world has ever seen, as it has provided consumers with the best food bargain the world has ever known.

Third, the CED 5-year plan proposes to force human resources out of agriculture without considering basic human factors that would be involved. This is in sharp contrast with the administration's program to attack rural poverty by a rural areas development program designed to maximize total economic opportunities in rural areas.

Where the CED program would, by its massive shift of labor out of agriculture, shift a share of the problem of rural poverty from rural to urban areas and even threaten the very existence of towns and villages in those regions where millions of acres would be taken out of production, the administration program would seek to maintain the optimum farm population in rural areas and encourage diversified job opportunities to supplement part-time and part-retirement farming.

In planning to take millions of farmers off the farms the CED has not taken into account the fact that over two-thirds of the farmers who sell less than $10,000 worth of farm products annually are over 45 years old. These farmers are at an age where vocational training and placement cannot help very much in getting nonfarm jobs in today's competitive market. They are at a time of life where roots are deep in their home communities.

Fourth, the CED program emphasizes the idling of land but ignores a basic philosophy of the administration program which emphasizes, instead, the wise use of resources. The CED proposes no plan for using our land for recreation or conservation—to provide facilities and services of which there is real scarcity and need rather than abundance.

These four points highlight major differences in approach, emphasis, and direction between the CED and the administration programs. Both programs recognize that farm incomes are too low. Both seek reduced Government costs. And both recognize the need for balance in agricultural production.

The administration proposes Government assistance to gear production to the amount that can be used, with price and income stabilization at fair levels.

The CED proposes an agriculture with no price or income protection, and a forced draft of people out of agriculture impelled by the hardship resulting from a sudden drop of prices to the free-market level.

It further proposes to cushion this hardship for a 5-year period of adaptation by three forms of payments:

1. Farmers in the plains area could receive cropland adjustment payments on 20 million acres (or more) now in wheat and feed grains, to accomplish its conversion to grass.

(After 5 years, farm income in this area would decline drastically. Relatively more farm people in these areas would have to seek nonfarm jobs. The adjustment hardship placed on small towns and communities in this area would be far greater than in other areas, yet no provision is proposed for assisting these communities in making adjustments.)

2. A 5-year, whole-farm, soil bank program would be inaugurated to hold feed grain production below 155 million tons—about the current level of total utilization.

3. Producers holding acreage allotments for wheat, rice, and cotton (but not tobacco or peanuts) would be eligible to receive temporary income protection payments starting at a level equal to the difference between the free market prices and 1960 prices, and

declining 20 percent each year to zero after the fifth year.

(Previous direct payment proposals of this type have not been well received by Congress, and there is no evidence of greater receptivity at this time. If a major exodus of people from agriculture did not occur while payments were being made, farmers would be left in an income void with the termination of payments. They would have little prospect of further assistance, and they would have abandoned the gains achieved under established programs.)

I should like to analyze this 5-year plan from the point of view of its probable cost to the Government, the probability of its achieving its goal of decreasing the farm-work force by 2 million in 5 years, and its potential effect on farm income.

1. COST TO THE GOVERNMENT OF PROPOSED PROGRAM

Program costs under the CED program in the years immediately ahead would be high. Approximately $3 billion of current Agriculture budget expenditures (forestry, research, food for peace, etc.) would not be directly affected, and would continue to be incurred. In the first year, the CED program would involve expenditures of some $1,200 to $1,400 million for income protection payments on wheat, cotton, rice, tobacco, peanuts, and dairy products (the latter three were apparently overlooked by CED). In addition, there would be expenditures of $200 to $250 million per year to turn 20 million acres of plains land to grass. Some $600 to $700 million would be spent on a general cropland retirement program to hold feed grain production down to 150–155 million tons (from a potential 170 million tons with $1 corn), so that stocks can be reduced. Current expenditures of around $900 million to carry existing commodity carryovers, and $250 to $300 million for the present conservation reserve would continue in the first years of any new approach.

These expenditures would exceed $3 billion and perhaps reach $3.5 billion in the first year, and would replace expenditures of $2.5 to $3 billion actually made on price and income support operations in recent years. In addition, there would be substantial costs incurred for migration assistance, but these have not been estimated.

Only the income payments would be reduced according to a schedule, while the soil bank payments would be cut off abruptly in 5 years. The Great Plains program payments would need to be continued at a high level for 5 years because of lack of other income from the land.

By the end of 5 years, however, the CED report contemplates substantially lower Government costs, although carrying charges on commodity inventories would remain, since the plan includes no provision for reduction of these inventories. But the administration program is also directed toward reduction of Government costs, and would reduce price support expenditures sharply by 1967.

Thus, both the CED and administration programs share the key objective of reducing costs. But under the CED proposal agriculture would end up with far less total income, and if the movement off farms were not very rapid, with substantially less income per farm.

2. PROBABILITY OF DECREASING FARM WORK FORCE BY 2 MILLION IN 5 YEARS

This, as I have already indicated, is the central goal of the CED plan and is the basic premise on which its success depends. This unprecedented rate of exodus from farming is highly improbable of achievement. Moreover, the CED has apparently not been concerned with the class of farmers from which this outmigration would principally occur.

If, for example, we were to move out of agriculture and into improved nonfarm job opportunities the least productive 44 percent—grossing less than $2,500 a year—we would go a long way toward solving the problem of rural poverty for this group. But we would reduce total farm marketings by only 5 percent, and the remaining 66 percent of the farmers would have to face the disastrously low level of unsupported prices on high unrestrained production level.

If 2 million farmers are moved out of commercial agriculture (grossing over $2,500 per year) the decline in production would indeed be drastic, at least until science, technology and machinery could catch up.

Probably there would be some outmigration from all income classes of farmers. If trends of the past few years were to continue most of it would come from the $2,500 to $5,000 gross income class. It is our best judgment that this outmigration could be forced and accelerated somewhat—although not to the extent of 2 million in 5 years—if we wish to pay the price in increased competition for nonfarm employment, increased social and economic problems in urban areas, and the drastic decline in business on main street in small towns of rural America. It is also our best judgment that, even if we were to pay this price, the outmigration would not be sufficient to leave adequate incomes, under free market prices, to those who do remain.

3. EFFECT ON FARM INCOME

One of the principles of the CED program is the immediate reduction of prices of agricultural commodities to the prices at which these commodities would clear the market without further accumulation of surpluses. In planning on this basis the CED makes a serious error by accepting $1 per bushel for corn as its so-called free market price. There is almost unanimous agreement among economists who have studied the program that this equilibrium level for corn would be between 70 and 80 cents. Since the corn price affects all feed grains, this one error seriously affects the whole 5-year adjustment program. By accepting this error the CED avoids having to face the problem of excessive production of meat and milk that would result if corn dropped to 75 cents. CED makes no provision for cushioning the effect of a possible billion dollar decline in net farm income for milk. The glut of livestock would lead to a drastic drop in meat prices to almost disaster levels and the farm income squeeze would consequently hit a group that, up to now has been comparatively well off.

SPECIFIC POTENTIAL INCOME RESULTS

The CED hopes for improving the profits of agriculture are based on the prospects for dividing a smaller total farm income among fewer farmers. The potential effect on farm income therefore would depend on (a) how many farmers were left, (b) how productive the remaining farmers would be, (c) the income that would result from the free-market prices at that level of production.

We are, therefore, presenting here preliminary estimates as to prospective income levels—after 5 years of the CED plan—based on three different assumptions ranging from A as the least probable, B as more likely, and C as most likely to result. Under A we assume the outmigration of 2 million farmers, all from the commercial economic class. Under B we assume 2 million outmigration from all classes. Under C we assume what would most likely result—a total outmigration of only 1 million, all from the commercial economic class. These estimates are preliminary, but based on our best judgment of what would happen in the light of farm history.

Farm labor force 1961 and projections 1966 based on CED proposal

[Millions]

Economic class (value of sales)	Farm labor force, 1961	CED for 1966		
		A	B	C
$5,000 and over	3.7	2.2	2.7	3.2
$2,500 to $4,999	.5	0	0	0
Under $2,500	1.3	1.3	.8	1.3
Total	5.5	3.5	3.5	4.5

CASE A

We regard this situation as least likely to occur—but if it could be achieved it might result in favorable income results for the better farmers, with a deterioration in the income of the lower 1.3 million.

In this case the reduction of 2 million would be in the highly productive group of commercial farmers. All of the $2,500 to $4,999 group would move out, and 1.5 million would move out of the over $5,000 group.

Production would be expected to decline close to 10 percent, but with population growth, the per capita supply of farm products would go down about 15 percent. Thus, prices would rise from the CED target prices to a level approximating the present.

Thus, total cash receipts would be reduced about 10 percent or some $6.5 billion. The drop in Government payments would add another $1.5 billion. Net income would decline about $4.5 billion or 35 percent (lower production costs would save $0.5 billion). Per worker net income would average about the same as in 1961—$2,900.

CASE B

If the goal of transferring 2 million workers in 5 years could be reached at all, it would more probably happen as follows: Here, too, the $2,500 to $4,999 group would move out. Another half-million workers would be taken from the low income-low productive group and a million from the high productive group.

Production would rise about 5 percent, perhaps slightly less than the growth in population. CED target prices averaging about 25 percent below present might rise a little to a level about 20 percent below present. Cash receipts would drop about 17 percent or $6 billion and Government payments to farmers in 1961 of $1.5 billion would also disappear. Net income to farm operators would decline to about $6 billion from $12.8 billion in 1961. This plus hired farm wage bill would result in net income per worker in agriculture of $2,350 compared with $2,900 in 1961.

Thus, a decline instead of an increase in income per worker, even if 2 million should migrate out, from all classes.

CASE C

It is most likely, however, that the maximum exodus from farming that could be achieved under present circumstances in the next 5 years would be 1 million farmworkers, approximately the rate prevailing in recent years. The reduction involves one-half million in the $5,000 and over class and one-half million in the $2,500 to $4,999 class.

Production would increase about 20 percent, with per capita supplies about 12 percent higher than at present. Prices would decline below CED target prices to a level perhaps 40 percent below the present. Cash receipts would drop about 25 percent or about $8.8 billion and Government payments about $1.5 billion. Net income would be reduced to perhaps $3 billion, less than one-fourth of the 1961 level. Income per worker would be reduced to only a little above $1,200 compared with $2,900 in 1961.

SUMMARY

Our analysis of this CED 5-year plan to end farm programs leads to these conclusions:

1. Its most likely effect on farm income would be a drastic decline.

2. It would not be likely to succeed in its goal of a 2 million reduction in the farm labor force; but if it should succeed that very achievement would place a serious burden on our program for economic growth, would provide increased competition for nonfarm employment, increased social and economic problems in urban areas, and a drastic decline of small towns in rural America.

3. Its abandonment of all farm programs would alter the nature of the Nation's agriculture and seriously threaten the family farm system that has created the world's most successful agricultural productivity.

4. The national economy and general welfare would suffer from the absence, in the CED program, of some of the major constructive aspects of the administration's food and agriculture program such as rural area development and the wise use of land resources to meet growing needs for conservation, wildlife, and outdoor recreation.

I therefore urge a careful study of the CED 5-year plan, a careful evaluation of its methods and potential results, for farmers, for wage earners, for taxpayers, for our urban population—yes, and for the representatives of industry that developed it and placed it before the public. I urge its study in comparison with the administration's program for food and agriculture in the 1960's. This kind of study, evaluation, and comparison will enable the people of this Nation to make the wisest choice, a choice that will materially affect the well-being of every American.

As I said at the beginning, I believe that the presentation of this CED report is the best thing that could have happened to stimulate interest in and support for the administration's program.

HOUR OF MEETING TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The **SPEAKER.** Is there objection to the request of the gentleman from Oklahoma?

Mr. GROSS. Mr. Speaker, reserving the right to object——

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Yes, I yield to the gentleman from Indiana.

Mr. HALLECK. For the information of the gentleman from Iowa and just to point out that there is a funeral tomorrow to which many of us would like to go, there is a conference report on the Defense Department appropriation bill and then the reclamation bill that we had hoped could be disposed of tomorrow in time for those of us who want to go to the funeral of our late great friend and colleague, Senator Dworshak, might be able to do so. This is the reason I agreed with the majority leader to come in at 11 o'clock tomorrow.

Mr. GROSS. Mr. Speaker, I withdraw my reservation.

The **SPEAKER.** Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, may I advise the Members of the House that the reclamation bill will be called first because the author of the bill is the gentlewoman from Idaho [Mrs. Frost] and she is going to the funeral. The conference report on the Defense appropriation bill will be called after the disposition of that bill.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1963

Mr. MAHON submitted a conference report and statement on the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes.

GEORGE McGOVERN COMPLETES SERVICE AS DIRECTOR OF FOOD FOR PEACE

The **SPEAKER.** Under previous order of the House, the gentleman from Oklahoma [Mr. Edmondson] is recognized for 20 minutes.

GENERAL LEAVE TO EXTEND

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on this subject.

The **SPEAKER.** Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I should like to take a few minutes today to honor an outstanding public servant who has just completed a tour of duty in the highly responsible post of Director of Food for Peace. George McGovern, of South Dakota, the son of a Methodist minister, has served humanity unselfishly in accordance with his belief in man's responsibility to mankind. After a distinguished career in World War II, McGovern, who holds a doctor of philosophy in American history and government, was for several years a professor of political science at Dakota Wesleyan University. Gradually, he moved from the academic life into the political life, and in 1953 he became executive secretary of the Democratic Party in South Dakota. He strengthened his party for 3 years, and in 1956 was elected to the U.S. Congress. George McGovern served in this House for 4 years, during which time he gained the genuine respect and admiration of his colleagues. A representative of one of the Nation's most productive agricultural areas, McGovern fought vigorously and intelligently for the American farmer.

Early in 1961, President Kennedy called upon McGovern to head a program which was to be expanded and given greater emphasis by the new administration. George McGovern became Director of the new White House Food for Peace Office, created by Executive order on January 24, 1961. In setting forth the guidelines for the enlarged food-for-peace program, President Kennedy had this to say:

> America's agricultural abundance offers a great opportunity for the United States to promote the interests of peace in a significant way and to play an important role in helping to provide for a more adequate diet for peoples all around the world. We must make the most vigorous and constructive use possible of this opportunity. We must narrow the gap between abundance here at home and near starvation abroad. Humanity and prudence, alike, counsel a major effort on our part.

This was all the direction that George McGovern needed. He moved into his new job with characteristic dedication and enthusiasm. Working closely with the Secretaries of State and Agriculture, McGovern soon transformed the food-for-peace program from its formerly negative role of surplus disposal to one of active use of our natural agricultural abundance as a national asset to meet foreign policy objectives. He ordered a comprehensive study which produced the world food budget, a survey of current food resources and a projection of future food needs. McGovern has stated the new concept of food for peace with these words:

> We see the food-for-peace program not only as a market development activity but also as an instrument of international health and nutrition, a tool of economic and social development, and a vital force for peace and freedom.

George McGovern has discovered that the giving of food has several distinct advantages over other types of foreign aid. If I may again borrow from his own eloquence:

> It is difficult for a villager or peasant to appreciate a foreign development loan, or a hydroelectric dam and the benefits of which he won't feel until way into the future. A piece of bread or a glass of milk is different. This is something universal, something which every human being can appreciate and understand. Food is better than any banknote, any coin that was ever minted. Currencies are not always convertible, but no hungry man has ever refused a square meal. Food can be used instead of dollars to support foreign aid projects. Thus our surplus food could be converted into schools, clinics, hospitals, irrigation systems, roads and railways. To pile up vast quantities of food in a world of hunger is morally wrong, economically wasteful, and politically dangerous unless we show that we can share this food wisely. For hungry men are angry, desperate men.

In addition to the good which food for peace achieves abroad in reducing human misery, sickness, and premature death, in giving men the strength to work and students the energy to study, and in bringing nourishment and hope to millions, food for peace offers many direct benefits to us in the United States. First, it reduces our storage costs for our $9 billion food stockpile by $500 million per year. Also, by the widespread use of food to supplement our aid to the nonindustrialized nations of the world, our annual foreign aid budgets are reduced. In addition, food for peace helps the United States by stimulating our shipping industry and our ports, by bolstering farm income, by developing future dollar markets overseas, by raising the purchasing power of other countries, and by strengthening U.S. foreign policy objectives. Finally, it is in agriculture above all else that the superiority of U.S.

technology over that of totalitarian governments is clearest. George McGovern has pointed out:

> People all over the world may be impressed by space flights and orbital flights, but they're impressed too by our amazing agricultural production. Some of them might recall that the great cry of the Bolsheviks after their revolution was for peace, land, bread. And the Russians have a long way to go to catch us in food production.

In 1961, more than 60 billion pounds of food were distributed through the food-for-peace program. Of this, only 10 percent was given in direct donations; 90 percent was exchanged for foreign currency which, in turn, was granted or loaned to the countries for development programs.

In directing the food-for-peace program, McGovern amazed his coworkers with his energy and determination. He founded new projects, authored many reports and traveled to numerous countries to see for himself the need for and the result of food for peace. His journeys took him to India, Brazil, Hong Kong and Egypt. For 2 months he was quite ill with hepititis, yet McGovern continued to direct the program from his sickbed. This was the same dedication to his job which gained for George McGovern the admiration and respect of his colleagues in the House when he was a Congressman from South Dakota.

I am sure that his fellow citizens of South Dakota share the high regard which George McGovern enjoys today in the Nation's Capital and in this great legislative body, and join us in wishing him well in every endeavor as he returns to his native State.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I would be glad to yield to the distinguished majority leader.

Mr. ALBERT. Mr. Speaker, I am delighted my colleague has taken this time to discuss the service of a great American. As one of his colleagues on the Committee on Agriculture I learned long ago that George McGovern was a man of high character and outstanding ability. He was a champion of the American farmer. He has also been outstanding as administrator of the food-for-peace program.

Under his creative leadership that program has found what may well be the most constructive use of America's food surplus. By using American food to provide nourishing lunches for children all over the world, food for peace improves health, school attendance, academic performance, local leadership—when the children who receive the food assume local responsibility—and that thing which we call the American image abroad.

In Peru, the food-for-peace school lunch program will be extended from 30,000 children to 1 million over the next 4 years. Local school officials noted that school attendance improved by 40 percent after the program began. Ultimately, of course, academic performance also improves. Today, school lunches provided by food for peace are distributed daily to 30 million children in 80 countries. In most cases, local governments and volunteer organizations—CARE, various religious relief programs, et cetera—now pay the cost of transporting and storing the food, and they supervise the lunches themselves.

The following statements about the school lunch program are taken from speeches and reports written by George McGovern:

> It is difficult to imagine a more constructive use of surplus food than providing it to hungry children who are seeking education for the sake of improving the cultural and economic climates of their homelands. In most of the underdeveloped countries the most neglected resource is the minds of children. Education is a first imperative in the struggle for better living conditions, and schools find it impossible to operate effectively when their pupils are engaged in a long and dreary struggle against starvation.
>
> It is my judgment that these programs are returning greater dividends than any other foreign assistance. We are ready to share our food resources so that more children can have food in their stomachs, and light in their eyes, and hope in their hearts.

Mr. BREEDING. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Kansas.

Mr. BREEDING. Mr. Speaker, one of the accomplishments of George McGovern as Director of Food for Peace is his program of food for wages.

A major project, begun by food for peace under the directorship of George McGovern, is the use of surplus American food for the partial payment of wages earned by foreign workmen on public works programs. This new project has achieved its highest development in Tunisia.

In Tunisia, nearly 200,000 workers are currently involved in 6,000 public works projects, ranging from digging a drainage ditch—employing 10 men—to constructing a hospital—employing 3,000 men. Other projects include reforestation, land clearing, the drilling and preparation of wells and cisterns, sanitation, housing, roads, and school construction. Most of these workers receive one-third of their wages in a cereal made of surplus American wheat, and the remaining two-thirds in Tunisian currency paid by the Tunisian Government. The Tunisian Government is permitted to sell some of the American food in order to purchase tools and to meet local expenses.

Food-for-peace operations in Tunisia have in this way reduced unemployment by 50 percent. In only 3 years food for peace has generated 60 million man-days of work. One million Tunisians—or one-fourth of the total population of the country—have benefited directly from the 400,000 tons of surplus American food which have been distributed through food for peace. Under this program the food serves as a stimulus to work, and is not merely doled out.

Today, approximately 5 million workers in 11 countries receive part of their wages in surplus American food. Furthermore, 20 other countries want similar programs. George McGovern has called this food-for-wages program a formula whereby we can transform Kansas wheat into classrooms, roadways, and hospitals throughout the world. Mr. Speaker, I am highly in favor of the food-for-peace program, and congratulate the Director, George McGovern, for a job well done.

Mr. MARSHALL. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Minnesota.

Mr. MARSHALL. Mr. Speaker, coming from the State of Minnesota, a neighbor State to the State of South Dakota, I became quite well acquainted with George McGovern when he first came to the Congress. I was greatly impressed with his ability. Later when he served on the Committee on Agriculture I often used to go to him and talk with him about the problems before that committee. I always found him well informed. Certainly the background that he had in the House made it possible for him to fill his administrative post very capably.

It was a great pleasure for me to work with George McGovern. The people of South Dakota have a fine citizen in George McGovern, and certainly his service here in the Congress speaks for itself.

Mr. BERRY. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from South Dakota.

Mr. BERRY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. BERRY. Mr. Speaker, I thank the gentleman from Oklahoma for yielding to me on the occasion of his special order to pay tribute to a former colleague, George McGovern, who for the past 2 years has been serving as Director of the food-for-peace program, otherwise known as the Public Law 480 program.

This tribute to Mr. McGovern is especially timely. I am certain that my friend, the gentleman from Oklahoma, was unaware of the fact that the other body—the Senate—has today held memorial services for the late Senator Francis Case. Senator Case was coauthor of Public Law 480 and was instrumental in helping to implement this great program.

The food-for-peace program is an outgrowth of the implementation of Public Law 480. He had been diligent in his efforts to see the program grow and expand. He was not only interested in seeing agricultural surpluses reduced, but he was even more interested in feeding hungry peoples around the world.

Senator Case had an abiding interest in people and their welfare. He was distressed by human suffering. During his many years in both the House and the Senate he gave much of his effort to the improvement of conditions in the Nation's Capital and on its many Indian reservations throughout the Nation. He was equally zealous of improving the standards of living in foreign countries.

I am sure that Senator Case worked with George McGovern in helping him to carry out the work of his position as food-for-peace director. This he did because of his desire to see the program he had helped in authoring succeed and because of his nonpartisan attitude.

I am equally sure, however, that Senator Case was disturbed when George McGovern announced his intention to become a candidate against him and announced his intention to defeat him after his many years of faithful service in the Congress of the United States.

I am sure he was disturbed not so much because of Mr. McGovern's personal ambitions, but more particularly because of the philosophies of government espoused by the two men which were as far apart as the poles.

Francis Case had given the best years of his life in the preservation of constitutional government in this country, in the preservation of a democratic political system and a capitalistic or private enterprise economic system. He fought for the preservation of these basic principles because he realized that these principles and these foundation stones of our political and economic system were responsible for making this the greatest country in all history and that, if retained, would make it even greater.

Senator Francis Case feared and fought concentration of power in the hands of a few. He believed the Republic could survive only so long as the individual was free from Government regulation, domination, and control and so long as the individual was unfettered by the chains of bureaucracy and burdensome taxation.

Senator Case realized that the American economy and that system of political government which had made this Nation great is under attack from a philosophy which has been handed down to us from the Medieval Ages—a philosophy which teaches that the people are too stupid to make their own decisions, to spend their own money, and that therefore, it is the obligation of the central government to take their money away from them through taxation and then give it or loan it back to them to spend under government direction, at the same time placing their property under government control.

As a student of history Senator Case knew full well that in the Medieval Ages this system was known as the divine right of kings. That today is has more subtle titles. In its most extreme form it is known as communism, in its less extreme form it is known as socialism and in its less extreme form it is known as welfare-statism. But he also knew that all three systems are dedicated to one principle and that is the destruction of capitalism and private enterprise.

He realized, as do most students of government that communism, socialism, and welfare-statism are similar but are not synonymous. That communism is a socialist economy of government ownership of all property under a complete political dictatorship, and which denies the existence of God or a Supreme Being. That socialism is primarily an economic system which embraces government ownership of all basic industries—and theoretically, but only theoretically, could be democratic. That welfare-statism is one step behind socialism, where they permit the individual to believe that he owns his own property, but take the profits and the returns of that property away from the owner through taxation, and dominate the ownership through regulation and control.

Senator Case realized that welfare-statism is a trend toward increased bureaucracy—and a trend toward increased bureaucracy is a trend away from democracy and toward a dictatorship. He realized that the more the central government is put in the hands of bureaucrats, who are not elected by the people, the more the people are shut off from their government. He feared as many good Americans fear that welfare-statism leads to socialism and that socialism leads to communism. He felt that this is what the struggle is really all about.

George McGovern is a leading proponent of welfare-statism under the New Frontier. He has endorsed every move toward the centralization of power in the hands of the President. During his 4 years in the Congress his voting record was identical with the present philosophies of the New Frontier. His candidacy was espoused by the President and his brother Robert Kennedy of the Department of Justice. He has announced his support for the welfare-state programs espoused by the President.

During his 4 years in Congress George McGovern enjoyed a 100 percent voting record endorsement by the ADA organization, the leftwing fanatic group who were able to get 38 of their members on the staff as political or economic advisers to the President or on the President's Cabinet.

I said, Mr. Speaker, the beliefs of the late Senator Francis Case and those of George McGovern are as far apart as the poles. They are possibly even further apart.

Mrs. GREEN of Oregon. Mr. Speaker, the food-for-peace program is a leader in the campaign to help the peoples in the huts and villages of half the globe to break the bonds of mass misery.

Until very recently, the head of this vital program has been George McGovern of South Dakota. Upon this occasion, Mr. Speaker, I want to warmly commend him for his leadership in this responsible position.

I have known George McGovern for many years. It was my pleasure as it was the pleasure of others of my colleagues here today to serve with him while he was a member of this body. I am not surprised, therefore, at the outstanding job he performed while carrying out President Kennedy's mandate that the food-for-peace program share with the newly developing countries this Nation's agricultural abundance. However, Mr. McGovern did not see his task as merely one of disposing of surplus food. He saw that our surplus food could be used to aid the newly developing countries to provide a more adequate diet for their people and to promote the growth of their economies.

The food-for-peace program under George McGovern's direction has grown to manhood as one of the principal peacemaking activities of the U.S. Government.

In 1961, for example, Food for Peace distributed more than 60 billion pounds of food. In Peru, the school lunch program supplied by Food for Peace will by 1966 provide nourishment for 1 million children from among whom will come some of that country's leaders.

Another imaginative project authored by George McGovern has been the use of surplus food for the partial payment of wages earned by foreign workmen on public works programs. In Tunisia, nearly tens of thousands of workmen on such projects receive one-third of their wages in a cereal made from surplus American wheat.

During his stewardship, George McGovern traveled widely and wisely. At one point in his journeys he was stricken with hepatitis, but he continued his valiant work anyway.

This, in brief, is a profile of George McGovern's work as Food for Peace administrator. I think upon recitation of these facts it can be agreed that he is a dedicated, able and outstanding administrator. I extend my warmest congratulations to Mr. McGovern for a job well done.

TENTH ANNIVERSARY—OPERATION BOOTSTRAP

The SPEAKER pro tempore (Mr. GEORGE P. MILLER). Under previous order of the House, the gentleman from New York [Mr. RYAN] is recognized for 10 minutes.

Mr. RYAN of New York. Mr. Speaker, today we celebrate the 10th anniversary of a significant proclamation. On July 25, 1952, the Commonwealth of Puerto Rico, a unique experiment in the history of man's political development, was officially established.

On that day exactly one decade ago the people of the United States and the people of Puerto Rico set forth upon a new road, a road almost totally unexplored. We have traveled together along that road for 10 years. The road has carried the people of Puerto Rico to a future brighter than anyone dared foretell on that day 10 years ago when the proclamation was issued.

The record of those 10 years is extraordinary. If the proper lessons are learned from that record, much of mankind will be saved a great deal of grief.

All over the world people are striving for independence in a burst of nationalism unparalleled in history. New nations are being created out of the former colonial empires of the European powers. Most of these new nations are poor, agriculturally backward, industrially underdeveloped, and technologically untrained. Their standards of living are pitifully low; the economic problems they face are massive. They look with justifiable envy upon the higher standards of living of the older nations of the world. And they are determined to achieve those standards, not next year, or next month, but today.

We Americans sympathize with those aspirations. But no people can appreciate those desires with more awareness and feeling than the Puerto Ricans. For they have experienced and overcome similar conditions.

The people of Puerto Rico have taught the world a lesson in what can be accomplished with patience, energy, and hard work. They started with a land that seemed to be hopelessly mired in economic catastrophe. Mineral resources are almost nonexistent. Population pressures were frightful. A one-crop economy held the country in economic bondage. Per capita income was unbelievably low—about $121 per year. Infant mortality was high, and so was illiteracy.

Puerto Rico, in short, was an underdeveloped country with enormous problems and, superficially, little hope. But driven by a passion to better themselves, the Puerto Ricans were determined to use whatever resources they had to the fullest extent, to lift themselves into a better life by their own bootstraps.

Under the leadership of Gov. Luis Muñoz-Marín and our distinguished colleague, Dr. **Antonio Fernós-Isern**, a unique partnership between the people of the United States and the people of Puerto Rico was created. The island became an associated free state. Puerto Rico contracted with the United States for a relationship in which it maintains for itself a maximum of independence while still benefiting from an intimate connection with the United States. It is the equal in its local affairs to any State of the Union. It elects its own legislature and its own governing officials. It passes its own laws with no more hindrance than does New York or Alaska.

Its citizens are also citizens of the United States, entitled to all the rights and privileges that flow from that status and all the duties as well, except for three. Residents of the island are not subject to Federal taxation; they do not vote in national elections; and their representative to Congress is a Resident Commissioner who may speak but not vote.

No tariff or trade barriers exist between the island and the United States. Our Federal Government continues to act for Puerto Rico in foreign affairs, defense, customs, and postal services, as it does for the 50 States.

The aspirations of Puerto Rico are well summarized in the preamble to their constitution:

> We consider as determining factors in our life our citizenship of the United States of America and our aspiration continually to enrich our democratic heritage in the individual and collective enjoyment of its rights and privileges; our loyalty to the principles of the Federal Constitution, the coexistence in Puerto Rico of the two great cultures of the American hemisphere, our fervor for education; our faith in justice; our devotion to the courageous, industrious, and peaceful way of life; our fidelity to individual human values above and beyond social position, racial differences, and economic interests; and our hope for a better world based on these principles.

The economic handmaiden to this devotion to democratic principles is appropriately called Operation Bootstrap. Under this program the islanders have intelligently diversified their agricultural base and, at the same time, carefully fostered a rational and reasonable industrial buildup. The result is a series of solid achievements. Income, life expectancy, and literacy have soared; infant mortality, disease, and poverty have markedly decreased. Today Puerto Rico is probably the most prosperous land in the Caribbean, and its per capita income is the second highest in all of Latin America. Serious problems remain, but the record of the past 10 years assures us that Puerto Rico is on the right road.

I believe this record should be an inspiration to every underdeveloped country in the world. Indeed, every year thousands of leaders from those countries visit the island to see and to learn.

Puerto Rico is serving as a bridge between the United States and Latin America. Her statesmen are bringing their wisdom born of experience to the Agency for International Development and our State Department.

Teodoro Moscoso, former Administrator of the Economic Development Administration of Puerto Rico, is Coordinator of the Alliance for Progress. Arturo Morales-Carrion, former Under Secretary of State for Puerto Rico, is Deputy Assistant Secretary of State for Inter-American Affairs. I believe that there are many more highly qualified Puerto Ricans who would serve the United States well in diplomatic posts in Latin America, as well as other parts of the world, in other key positions in the Alliance for Progress, and in the Peace Corps. I urge the President to take advantage of their background and training.

Mr. Speaker, the remarkable development of Puerto Rico through Operation Bootstrap under a democratic system of government is clear proof to the world that economic and social progress is not only completely compatible with freedom and democracy but is actually enhanced by it.

On this 10th anniversary of the Commonwealth I congratulate Puerto Rico on its past achievements and on its future promise.

CAPTIVE NATIONS WEEK AND A SPECIAL HOUSE COMMITTEE ON CAPTIVE NATIONS

The SPEAKER pro tempore (Mr. **George P. Miller**). Under previous order of the House, the gentleman from New York [Mr. **Dulski**] is recognized for 60 minutes.

Mr. DULSKI. Mr. Speaker, for 2 years now, one of the major themes of the Captive Nations Week observances has been the establishment of a Special House Committee on Captive Nations. During the 1961 observance and again in the 1962 observance, Americans in all sections of this country have voiced their support in favor of such a congressional committee. They recognize, if some of us do not, the necessity for a serious concentrated study of all the captive nations in Europe, Asia, and the one in Latin America.

The original measure to create a Special House Committee on the Captive Nations was submitted as early as March 1961 by the gentleman from Pennsylvania, the Honorable **Daniel J. Flood**. His proposal, House Resolution 211, was soon followed by three dozen similar resolutions. All of these have been bottled up in the House Rules Committee, primarily because of the fear of several parties that such a committee might do too effective a job. Popular demand for action on this vital project has, nevertheless, continued to express itself with undiminished fervor.

Mr. Speaker, our citizens are not blind to the several maneuvers that have been exercised to prevent the formation of this indispensable committee. The latest one of a sudden and haphazard series of hearings by the Subcommittee on Europe fools no one. This plug-up effort can scarcely be regarded as a serious implementation of the Captive Nations Week resolution which the 86th Congress passed and which frightens Khrushchev each time it is mentioned. If this flippant effort is supposed to help the captive nations and our own citizens, then I am afraid that the requirements for such aid in this cold war continue to elude some of us.

We, in this Congress, still have the opportunity to make a major contribution in this respect by forming a Special Committee on the Captive Nations. I join with many other Members in this body to call for immediate action on House Resolution 211 and the other resolutions by our Rules Committee. Let us put this to the test of a House vote, and let us be counted accordingly. I have no doubt of the outcome.

Mr. Speaker, to show only a few examples of popular interest in this major project and the week itself, I request that the following data be appended to my remarks at this point: A report on "Captive Nations Committee Urged" in the Binghamton-Sun Bulletin; the seventh way to overcome communism advocated in the Christopher News Notes; a memorandum on the 1962 Captive Nations Week issued by the National Captive Nations Committee on June 21, 1962; an article on captive nations in the Ionian of Iowa College; an article on a Special Captive Nations Committee in the Hoya of Georgetown University; July 15 editorial on Captive Nations Week in the New Bedford, Mass., Sunday Standard-Times; and a report in the June 12 issue of the China Post, "China Backs Proclamation of Captive Nations Week."

CAPTIVE NATIONS COMMITTEE URGED

The establishment of a special committee on the Captive Nations is one of the ways in which the United States can support the national aspirations of "enslaved people," Ignatius Billinsky told a gathering of Ukrainian-Americans yesterday.

Mr. Billinsky, general manager of the Philadelphia Ukrainian newspaper, America, spoke on "Ukraine: One of the Submerged Nationalities" at the Ukrainian Hall.

For the United States to deny the national aspirations of the 15 republics that comprise the Soviet Union is "detrimental to the best interests of the country," he said.

"The Ukraine, Albania, Slovakia, Latvia, Lithuania and the other countries overrun by the Bolsheviks cannot be considered traditionally part of the Soviet Union. These nations at one time had their independence and national governments. Their struggle to regain freedom must be recognized.

"The people of these countries should not be considered minority peoples of the U.S.S.R., either," he said. "They are the majority in the land that was once theirs.

"The Captive Nations Resolution was accepted by Congress several years ago," Mr. Billinsky said. "But Secretary Rusk would deny it. He would say that the anti-Bolshevik bloc of nations is a part of the Soviet Union. They are not; they are slave nations and should be given backing in their fight for independence." The resolution recognizes the captive status of the satellite nations.

Secretary of State Dean Rusk has said that a captive nations committee in the House of Representatives "would not be helpful."

Mr. Billinsky said:

"Mr. Khrushchev accuses Britain, France and the United States of colonialism, but he has the biggest colonial power in the world today.

"This discussion of colonialism should be brought before the United Nations. We should let the world decide who the colonialist is. Why shouldn't Mr. Stevenson bring this matter up in the U.N.? Why should we continue to take defensive when Mr. Khrushchev shouts, 'colonists'?" Adlai Stevenson heads the U.S. delegation to the United Nations.

Mr. Billinsky was a member of the Ukrainian insurgent army during World War II and also fought with the Ukrainian underground movement.

His talk here was sponsored by the Organization for the Defense of Four Freedoms for Ukraine, a liberation group, and the Ukrainian Congress Commitee of America. Eugene Kurylo, 44 Winding Way, is president of the organization. Vladimir Fedankiw, 17 Berlin Street, is president of the congress committee.

Champion the Rights of Subjugated Peoples—Do for Them What You Would Want Them To Do for You if You Were Under Communist Rule

More than 1,000 farmers recently made a dash for freedom from Communist China. But only 100 managed to escape. Most of the other 900 were shot by Red border guards or mangled by police dogs.

These frantic souls, like the 3 million persons who fled from East Germany, prove dramatically that most people run away from the "people's paradise" whenever they get the chance.

Never-ending protests, such as these, are hopeful reminders that the Communist conspiracy is doomed to ultimate failure.

No one can estimate how long it will be before freedom will come to the enslaved peoples of the earth. Nor should the problem be oversimplified. However, it is highly important to keep alive in the hearts of the oppressed the ardent hope of one day enjoying their God-given right of self-determination.

1. Don't let them be forgotten. Nearly 1 billion human beings—more than one-third of the people of the earth—are dominated by communistic regimes, imposed by force.

The overwhelming majority of this vast portion of mankind yearn for the privilege that all totalitarians deny their subjects: the right to choose their own form of government.

2. Help them to help themselves. We must live up to our grave responsibility—in every way possible—to assist this great multitude to achieve self-determination.

Because the Communist leaders are keenly aware of what free elections would mean to their regimes, they quake at the very thought. The fact that this is a glaring weak spot in their setup was proven by how upset they became when the U.S. Congress passed the captive nations resolution in 1959.

3. Prevent war by keeping their cause alive. The more determined enslaved peoples are to win back their legitimate self-expression, the more liabilities can be turned into assets. The Soviets would be reluctant to risk any major conflict so long as they have at their back millions of persons who will never be content with less than fulfillment of their God-given freedoms.

Through conversations, discussions, talks, letters to editors and Congressmen, keep alive the cause of subjugated countries in every way that does not make their position worse. You will not only be doing much to overcome communism but you may actually help to prevent the horrors of another world war.

DO MORE THAN TALK

Reflect frequently and prayerfully upon the final plea made over the Hungarian freedom radio station on Sunday, November 4, 1956. These are the closing words:

"People of the world, listen to our call. Help us not with advice, not with words, but with action, with soldiers and arms. Please do not forget that this wild attack of bolshevism will not stop. You may be the next victim. Save us.

"Our ship is sinking. The light vanishes. The shadows grow darker from hour to hour. Listen to our cry. Start moving. Extend to us brotherly hands. God be with you and us."

Memorandum—National Captive Nations Committee

(From Lev E. Dobriansky, chairman, National Captive Nations Committee)

Once again, Americans in all major cities of the Nation will be observing Captive Nations Week this July 15-21. This third anniversary promises to surpass the two previous successful observances. As before, the President is expected to issue a proclamation, and the Congress will observe the week in legislative session.

Actually, the story of the Captive Nations Week resolution, in all its ramifications, has yet to be told to the American people. It is a fascinating story that continues to have an ever-widening impact on the level of international affairs. Just consider these few examples:

1. From July 1959 to the present, Khrushchev and his puppets have violently been denouncing the resolution and the week. Why? Why has this event, more than any other, precipitated such sustained denunciation?

2. In his recent book, Mr. Nixon says the resolution was the "major Soviet irritant throughout my tour." Why? The former Vice President thinks Khrushchev wanted a pretext to lambast him personally. This specious explanation reveals that Nixon to this day does not grasp the "why" of all this.

3. Stewart Alsop, in a Saturday Evening Post article last December, wrote: "When I was in Moscow during the October party congress, Khrushchev once again violently denounced the innocuous Captive Nations Week resolution, which Congress passes every year to attract minority votes." Logic? If it is "innocuous," why the violent denunciation? Facts? Does Congress do this, and for the mythical purpose indicated?

4. Secretary of State Rusk, in a letter last August to House Rules Chairman Smith, contradicts the contents of the resolution and is in turn contradicted by Ambassador Stevenson in the United Nations in November. Why the confused thinking?

These are only a few of many examples proving that the story has yet to be told. From the time I worked on the resolution in 1958 to the current undertaking of the week's observance, much material of public interest has been accumulated. If you feel as we do that, in the interests of factual truth and of our national security, the American people should know this story, please get in touch with me either at the above address or telephone, or at Georgetown University. We shall be more than happy to cooperate with you.

Captive Nations

(By Gerald Gasparri)

A little over 3 years ago, President Eisenhower declared Captive Nations Week. It was the first genuine gesture on the part of the United States that it had not forgotten the people throughout the world who had fallen victim to Communist totalitarianism. However, this could have been regarded as an empty gesture since Eisenhower's administration had failed to demonstrate a conviction and a willingness to help the freedom fighters in Hungary.

Nevertheless, the proclamation did have its effects upon Soviet Russia and when Richard Nixon visited the U.S.S.R. he was greeted by a belligerent Khrushchev who was openly disturbed about the Eisenhower declaration. Pravda, reflecting the Red dictator's distaste over Eisenhower's actions, declared that "elephants will roost in trees before your delirious ravings come true." It was quite obvious, however, that Eisenhower's act was a source of worry to the Reds for it might have been an indication of a new foreign policy that was designed to win the cold war, and it might have aroused the nationalistic tendencies of the members of the captive nations. These people have been subjected to the crudest form of colonialism ever devised. Khrushchev made it very plain what he has in mind for those who are held in confinement behind his Iron Curtain when he stated, "It is essential that we stress the education of the masses in the spirit of proletarian internationalism and Soviet patriotism. Even the slightest vestiges of nationalism should be eradicated with uncompromising Bolshevik determination."

There is obviously no room for self-determination for the captives of communism nor is there room for American intervention that might stir the nationalistic tendencies of these people. The Red leader is quite aware of the potential danger of these subjugated groups; thus, it would seem realistic to help utilize these silent allies and incorporate their desire for freedom in a realistic foreign policy that would enable the United States to combat the spread of communism and inflict upon it incalculable damage.

Under the present administration, there seems to be a desire on the part of the President to do what might be feasible to help the captive nations secure their freedom. However strong the desire of the President, his administration did not approve of a proposal before Congress that a Special Committee on the Captive Nations be established. When Representative Howard Smith asked Secretary of State Dean Rusk for his position on this committee he replied, "I have carefully considered the possible role of such a committee in our continuing efforts to deal with the major foreign policy problem represented by the Soviet-dominated areas. I have reluctantly concluded that the formation of such a committee would not be helpful.

"As the U.S. Government seeks to deal with the threat posed by recent Soviet actions concerning Berlin, it is of utmost importance that we approach any consultations with our allies or with the Soviet Union in an atmosphere which best lends itself to an acceptable settlement. In this context, I believe the establishment of such a committee at this time would likely be a source of contention and might be taken as a pretext for actions by the Soviet Union which would interfere with the resolution of the crisis concerning Berlin." This is certainly a very strange policy in dealing with an enemy that has vowed to bury us. The Soviets hardly cared whom they disturbed when they erected the Berlin wall or, lately, when they attempted to create hazardous conditions in the airlanes to Berlin. It seems that the Secretary of State could use this committee as a powerful weapon to hold over the Russian heads since they do not cherish the loss of their colonial empire. He could make it quite clear that the United States does not recognize the holdings of the Soviets as permanent. It seems, however, he has chosen to permit Russian whims to dictate our foreign policy and has, for the present, written off the captive nations.

Another member of the administration has hardly been very courteous in creating that atmosphere which best lends itself to an acceptable settlement. Adlai Stevenson stated before the United Nations that "despite a Soviet declaration of the right of self-determination for nations, including the right to secede from the Soviet Union, Russia crushed Azerbaijan, Khiva, Bockhra, and Armenia in 1920, Georgia in 1921, and the Ukraine in 1923.

"The Soviets' territorial aggrandizement included the Karelian Province and other parts of Finland and the eastern provinces of Poland, the Romanian provinces of Bessarabia and Bukovine, the independent states of Estonia, Latvia, and Lithuania.

"Following the Second World War, whole nations and peoples were swallowed up behind the Iron Curtain in violation of agreements and without a free vote of the peoples concerned. These included Poland, Hungary, Rumania, Bulgaria, Albania, and then Czechoslovakia in more than one coup d'etat." He concluded with the statement that the Soviet colonial empire "is one of the most cruel and oppressive ever devised." It seems obvious that this speech was not designed to create an atmosphere that would generate friendly negotiations with the Soviets. It was, in fact, an honest and realistic appraisal of communism which Rusk seems unable to make.

It is all very fine to declare Captive Nations Week and in this way hope to keep the morale of those behind the Iron Curtain high. This yearly declaration by the President is but a feeble attempt to declare that we are strenuously opposed to communism. These declarations demonstrate a futility just as our vigorous protests reflect the inability of the West to find the moral courage to defy communism. A congressional committee to study ways to aid these people is certainly a step in the right direction and should be considered again by Congress. This is just one way to help these oppressed people. We should not hope to preserve the status quo or the myth of peaceful coexistence with the Reds. We must realize now that the nature of the Communist movement calls for continued expansion and eventual enslavement of the world. We can no longer sit back and tell the captive peoples of the world to wait for we are not ready to help them gain their freedom. We have a sacred duty as the custodians of freedom in this world and unless we are willing to bring it to others we are not worthy of freedom ourselves. If we are willing to abide by the slavery of other people it will not be long until our own freedom will be jeopardized. We have continually compromised with the freedom of the people of Eastern Europe and Asia. It seems only logical that if we are willing to be complacent about the freedom of others we will eventually arrive at this point when we will be willing to be Red rather than dead in order to avoid being brave instead of slave.

Capitol Crossfire

(By T. Anthony Quinn)

The foreign policy of a nation must reflect the national will of its people. Since 1945 the national will of our people has called for a policy aimed at survival in the struggle against communism, but without a world war. But the harsh realities of Communist dogma make survival for the West contingent on the eventual destruction of the driving Soviet will to conquer us. This, most assuredly, can be accomplished without war; but it will require the adoption by this Nation of a program embodying offensive action against Soviet power and a reaffirmation of our will to win, i.e., a positive policy.

The Communist successes of late testify that such a policy is not in effect. Indeed, our Nation's Department of State appears now to have placed fear of world conflict at the forefront so that programs of positive action to exploit Russian weaknesses are stymied out of respect for Soviet anger.

A recent and prime example of this surrounds the establishment in the House of Representatives of a Special Committee on the Captive Nations to investigate, publicize, and generally take advantage of the anti-Russian feelings of millions enslaved behind the Iron Curtain. Khrushchev's deep concern over Western exploitation of this weakness in his empire is eminently clear, as proven by his fearful reaction to the congressional Captive Nations Week resolutions.

The State Department's timidity in anti-Communist affairs was distinctly manifest in Secretary of State Dean Rusk's comment on this proposal in a letter of August 22, 1961, to Howard Smith, chairman of the House Rules Committee. Mr. Rusk disapproves of such a committee because, he states, "it is of utmost importance that we approach any consultations with our allies or negotiations with the Soviet Union in an atmosphere which best lends itself to an acceptable settlement. In this context I believe, the establishment of such a committee would likely be a source of contention, and might be taken as a pretext for actions by the Soviet Union which would interfere with the resolution of the present crisis concerning Berlin."

This kind of fuzzy thinking reminds one of Prime Minister Chamberlain at Munich in 1938. Apparently Mr. Rusk feels that America must keep the Soviet Union happy, even at the cost of subverting the positive aspects of our own foreign policy. Such a show of pliancy may well encourage the Soviets to try for greater gains over Berlin. American attempts to placate them have not in the past, and show no sign in the future, of easing Russian antagonism on any question.

Mr. Rusk does not stop there. He further remarks, "the U.S. Government's position is weakened by any action which confuses the rights of formerly independent peoples or nations with the status of areas such as the Ukraine, Armenia, or Georgia, which are traditional parts of the Soviet Union." V. I. Lenin, himself, recognized these and other areas as independent in 1917, and forced them to become part of the Soviet Union only by 3 years of bloody civil war and betrayal of promises. These national areas long struggled against Russian domination, either czarist or Red; and Armenia, itself, was never fully a part of the old Russian Empire. The Soviet Constitution of 1936 recognizes them as "independent" Socialist republics, and Khrushchev today is hoarse from telling them they are independent states. Yet Mr. Rusk writes them off as "traditional parts of the Soviet Union," 44 years after conquest. Khrushchev, as Stalin before him, has long desired American de jure recognition of the long chain of Russian conquests, beginning in 1918 and extending through the Baltic States and Eastern Europe. It appears that from Mr. Rusk he is beginning to get it.

In a second letter to Representative Smith, dated December 27, 1961, Mr. Rusk reaffirms his stand and the "U.S. Government's long-established policy toward the peoples of the U.S.S.R." If that policy entails full recognition of Soviet conquests, as Mr. Rusk infers, then this Special Committee on the Captive Nations becomes even more necessary to shed public light on the limitations of such a policy. A national government which spends upward of $50 billion yearly to halt Soviet advances but refuses to even look at chances for its own advancement, is not serving the national will. Billions for defense, but not 1 cent for offense is no policy for survival.

Captive Nations Week

From today through July 21, the United States is marking its third annual observance of Captive Nations Week.

Since the U.S. State Department has a tendency to soft-pedal American references to the captive nations, apparently for fear that Moscow will become more threatening, it is fair to ask why we should have such an observance.

Captive Nations Week remains significant because the cold war is a continuing fact of political life. There has been no change in Communist doctrine: The desire to bury our way of life, by whatever means, remains the admitted touchstone of Communist policy, no matter how mildly it is phrased.

For the captive people behind the Iron and Bamboo Curtains, the cold war continues, too. Famine in Red China has not made Mao Tse-tung relax his hold on the suffering Chinese people. Growing food shortages in Eastern Europe and in Russia itself have not caused the Communists to abandon their rigid program of forced collectivization of the peasants.

When Khrushchev convened the recent meeting of the satellite governments in Moscow, he made it clear that although the Communist bloc faced a severe economic crisis, no choice between guns and butter could be offered. Butter, he implied, was obsolete and would remain so for some time.

The captive nations hate their Communist masters as much as they did in East Berlin in 1953, and in Hungary and Poland in 1956, when hatred exploded into open revolt.

Proof of this, if proof is required, can be found in the mass exodus of more than 120,000 Chinese to Hong Kong and Macao and in the flight of hundreds of Eastern Berliners who have risked their lives to breach the Berlin wall since its erection nearly a year ago.

These people, whose firsthand experience with communism has continued for years, are our stanchest allies. As General Maxwell D. Taylor, President Kennedy's military adviser, has stated, the unwavering passive resistance of the captive peoples is one of the strongest deterrents to Soviet aggression. As long as Khrushchev is afraid of being stabbed in the back, he is less likely to launch an attack on the West.

But the captive peoples of Eastern Europe will not go on resisting their Soviet masters indefinitely unless we give them some reason to hope.

Our total failure to formulate any kind of a policy toward Eastern Europe seems to indicate the West's tacit acceptance of a world divided into two parts—one slave, one free. The recent U.S. proposal for an exchange of nonaggression pacts between NATO and the fictitious Warsaw Pact alliance—actually a group of puppets—has had an especially discouraging effect upon the captive peoples.

Captive Nations Week provides the American people with a chance to show the victims of Red slavery that they are not forgotten. It also provides our Government with a chance to take the initiative in the "cold war," which could be done by:

Insisting on inclusion of the Hungarian problem on the agenda of the U.N. General Assembly.

Remaining steadfast in refusing to help the Communists solve their problems by credits or expansion of trade.

Raising the question of Soviet treaty pledges to hold free elections in Eastern Europe.

Placing the question of the U.S.S.R.'s denial of self-determination rights to the peoples of east-central Europe on the agenda of every U.N. General Assembly session from now on.

CHINA BACKS PROCLAMATION OF CAPTIVE NATIONS WEEK

Ku Cheng-kang, chairman of the Committee of Civic Organizations of Republic of China, yesterday welcomed a U.S. Senator's proposal that the third week in July be proclaimed the Captive Nations Week by the United States.

A news item datelined Washington, June 9 (CNA) said that U.S. Senator Roman Hruska introduced in the U.S. Senate a resolution, requesting U.S. President Kennedy to proclaim the third week in July of this year the Captive Nations Week and to bring the question of liberation of these nations and regions before the United Nations General Assembly.

Commenting on the item Ku said Senator Hruska's proposal was a thoughtful one to which he wished to pay his high tribute and enthusiastic response.

"Today," Ku added, "the unanimous desire of the oppressed peoples is to struggle for existence and freedom."

He voiced his conviction that this is the most opportune time for the United States, leader of the free world, to step up its liberation movement. "Agricultural failure is common to the Communist areas in both Europe and Asia, and particularly the people on the mainland are facing imminent starvation," he pointed out.

He said the fact that the East German people keep on fleeing to the West and the Chinese people risked their lives to flee to Hong Kong and Macao in batches after batches recently serve to provide a strong proof that they are all for freedom and against the tyrannical Communist rule.

He hoped that the resolution, when passed, could be accepted by President Kennedy so as to give the Communist-enslaved peoples a great encouragement.

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

THE MOUNTING DEMAND FOR TAX CUTS BEFORE CONGRESS ADJOURNS

The **SPEAKER** pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. Lane] is recognized for 5 minutes.

Mr. LANE. Mr. Speaker, the need for an across-the-board tax cut is in a race with time. Unless the Congress provides some relief for the heavy tax burdens carried by corporations and individuals, in the 5 to 7 weeks remaining before adjournment, the sluggish economy may slip back into another recession.

As the new Congress will not convene until January 1963, we run the risk that a possible recession will deepen to the point where extreme measures would be required to meet the situation.

The warning signals are clear. There has been little reduction in the millions of unemployed. The profit squeeze is slowing down the rate of economic growth. The sharp and sudden decline in the value of securities traded on Wall Street, reflects the doubts and fears of investors.

Confiscatory taxes, patiently borne by corporations and individuals for many years to meet our domestic and international obligations, are exhausting the initiative and the confidence of our people.

On previous downswings in the economic cycle, we have waited to see what happens and have been forced into emergency spending programs to effect a partial recovery that simply postponed the day of reckoning. The root and cause of our sluggish economy is the drying up of incentives through excessive taxation.

Sooner or later this issue had to be faced, and I believe that the day of decision is near. Some measure of tax relief, to encourage enterprise and to restore investor and consumer confidence, is essential to produce the revenues that support the programs of the U.S. Government.

Apart from the first year's deficit, tax reduction will stimulate economic activity; soon compensate for the initial loss of revenue; and provide more freedom of action for corporations and individuals to do more for the progress of our people.

When two widely separated organizations like the AFL-CIO and the U.S. Chamber of Commerce—although their fiscal objectives may differ—unite in calling for a substantial and widespread tax cut by Congress before it adjourns, and are supported by an impressive list of authorities in other fields, we sense a national awareness of what must be done.

Present tax rates are the roadblock in the way of economic recovery and economic growth.

Although various formulas are proposed, I believe these differences can be bridged by the overriding necessity of a tax reduction, now, before we become bogged down in another recession that weakens our capacity for recovery.

Relief should be across the board, benefiting corporations and individual taxpayers.

The consensus of opinion in the U.S. community is that an immediate tax cut is both necessary and desirable: Necessary to halt the economic decline; desirable to renew confidence and provide incentives that will liberate the dynamic capacity for growth that is the very heart of freedom.

QUINNIPIAC COUNCIL, BOY SCOUTS OF AMERICA, SCORES "FIRST" IN INTERNATIONAL RELATIONS

The **SPEAKER** pro tempore (Mr. George P. Miller). Under previous order of the House, the gentleman from Connecticut [Mr. Giaimo] is recognized for 5 minutes.

Mr. GIAIMO. Mr. Speaker, the Boy Scouts of America have long been an object of admiration for many of us. Their record of accomplishment is matchless, and their ideals are worthy of emulation by every American.

I would like today to call to the attention of my colleagues a specific activity of the Quinnipiac Council of the Boy Scouts of America, located in Hamden, Conn., which is a magnificent example of the principles of Scouting. The Quinnipiac Council is sponsoring an international camporee—the first of its kind. These boys and their farsighted leaders have brought boys from all over the world to Connecticut to live for a month with American Scouts and have a firsthand view of America. The boys have taken side trips to New York and Boston and just recently came to Washington.

It was my extreme privilege to meet these boys and their visitors. I spent several hours with them and came away convinced that this is the type of program that is extremely important and worth while. I am proud to represent these Scouts and their families.

Under unanimous consent, I would like to insert in the Record explanatory material on this unique and fruitful experiment in international living, and the names of the boys who participated. My especial commendations are extended to the Quinnipiac Council chief, Samuel D. Bogan, and the troop leaders, Mr. Auerhaan, Mr. Burger, Mr. Gagnon, and Mr. Magrath, for their wisdom, leadership, and immeasurable contribution to the cause of better international relations.

The material follows:

INTERNATIONAL CAMPOREE, 1962, QUINNIPIAC COUNCIL, BOY SCOUTS OF AMERICA, HAMDEN, CONN.

During the entire month of July, the Quinnipiac Council is sponsoring an international camporee that is setting a precedence in international relationships. This camporee is a climax of more than 20 years of international exchanges instituted by Quinnipiac Council Chief Samuel D. Bogan. With the full support of the National Council, Boy Scouts of America, this is to be the pioneer effort for the establishment of this type of program by other local Scout councils through the United States. Participating will be Scout representatives from 14 nations.

The camporee consists of three phases:

1. Camporee Week from July 1–8, at Quinnipiac Council's Camp Sequassen, Winsted, Conn., and a second week of regular camp activities during the week of July 8–15.

2. Our visiting Scouts will live in our homes so that each will get to know us better. The visit in our homes will include side trips of interest such as visits to local points of interest as well as nearby cities of New York and Boston.

3. A highlight trip to our Nation's Capital, Washington, D.C., from July 23–27. Headquarters for the group, which numbers approximately 180 Scouts and leaders, will be the Hotel Ambassador. A welcome to Washington is to be given by U.S. Representative from Connecticut, Congressman Robert A. Giaimo, at dinner on Monday, July 23.

On Tuesday, July 24, the tour schedule in order, is as follows: Capitol Building, Washington Monument, Jefferson Memorial, Marine Corps Monument, Arlington National Memorial (including the laying of a laurel wreath on the Tomb of the Unknown Soldier), Lincoln Memorial, National Archives, and the Wax Museum.

On Wednesday, July 25, a tour of the White House, home of our Persident, will be followed by a visit to Mount Vernon, the home of our first President. There will also be a tour of the Smithsonian Institution area, including the National Gallery of Art and the Museum of Natural Sciences. This will be followed by a real highlight of the trip, a visit to each Embassy represented by our visiting Scouts, accompanied by their hosts.

On the return trip to Connecticut, Thursday, July 26, a luncheon stop will be made at the National Headquarters of the Boy Scouts of America, in New Brunswick, N.J. Our host for the visit will be Chief Scout Executive Joseph A. Brunton, Jr. Included will be a tour of the Johnston Scout Museum, located on the grounds of the national office.

Over 800 Scouts from the following nations are participating in the international camporee program: Canada, Denmark, Finland, France, Federal Republic of Germany, Great Britain, Greece, Iran, Italy, Mexico, Netherlands, Sweden, Switzerland, and the United States.

The following is the statement used in placing a wreath at the Tomb of the Unknown Soldier:

"In placing this wreath to honor an unknown soldier, a casualty of war, we pray that the friendships we have formed during the past few weeks will in some measure help to build a world at peace. May we live to see the day when all mankind will cherish the wide earth, and give friendship to all men."

QUINNIPIAC COUNCIL, BOY SCOUTS OF AMERICA, HAMDEN, CONN.—WASHINGTON TRIP ROSTER

TROOP 1

Troop leader: Mr. Auerhaan.

Patrol No. 1: Dennis Evans, leader; Gaylen Duncan (Canada); Edward Murphy; Richard Lawton (Canada); Robert Eaton; Rickey Innes; Robin Tetlow (Canada); Fred Landorf; and Kenneth Landorf.

Patrol No. 2: Stephen Lowrey, leader; Axel Conradi (Canada); Phil Lewis; Peter Conradi (Canada); Mark Moore; Randall Miller; Paul Robson (Canada); James Reveaux; and David Shiffrin.

Patrol No. 3: Craig Stahl, leader; Sten Ake Nilsson (Sweden); Alan Stahl; Carl Lewis; Sven Goran Nilsson (Sweden); Richard Schoenknecht; Gunther Hubmann (Germany); Carl Smith; Robert Lepper; Kurt Henle (Germany); Richard Kubeck; and William Edwards.

Patrol No. 4: Michael Cahoon, leader; Berut Karlsson (Sweden); Bill Cahoon; Hakan Laugseth (Sweden); Barry Berman; Jess Bloom; Percy Elling (Sweden); Peter Heyse; Lindsay Hulbert; Swen Jacobson (Sweden); Howard Finger; and Mark Fidler.

TROOP 2

Troop leader: Mr. Burger.

Patrol No. 5: Charles Floto, leader; John Tyrer (England); Paul Floto; John Ciastko; Giovanni Geddes (Italy); Alan Horwath; Mario Rampini (Italy); Bill Tinker; Barrie Drazen; Paqui Mauro (Italy); Phillip Paolella, Jr.; Joseph Paolella.

Patrol No. 6: Paul Ford, leader; Jolal (Iran); Michael King; Rodney W. Archer (England); John E. Barker, Jr.; John Blaiklock; Raymond Considine; Fred Langerman; Khosmnevisan (Iran); Peter Considine; Howard Rashba; Farzi (Iran).

Patrol No. 7: Robert Stockus, leader; Rene Rimada (Mexico); John Hall; Fernando Margain (Mexico); Robert Hunt; Russell Hotchkiss; Ruben Fernandez (Mexico); Peter Jessop; James Keating, Jr.; Fred Sussman; Ronald Hine.

Patrol No. 8: Bruce Hawley, leader; David W. Lankshear (England); Andrew Harvard; Diego Alonso Hinojosa (Mexico); Russ Scavelli; Bryan Sperry; Jorge H. Padilla (Mexico); David Gitlitz; Richard Greele.

TROOP 3

Troop leader: Mr. Gagnon.

Patrol No. 9: Robert Rathgeber, leader; James Stewart (Canada); Jeffrey Prager; Michael Daly (Canada); Donald Clock; Thomas Clock; Michael Oatway (Canada); David Tator; John Susman; Bruce Clark (Canada); John Golia; Richard Russell, Jr.

Patrol No. 10: David Novicki, leader; Hansjjorg Hagmann (Switzerland); Erik Olesen; Thomas Casparis (Switzerland); Michael Blanchard; William Weirsman; Wolf Siler (Switzerland); Roy Wilkinson; Lee Iwanski.

Patrol No. 11: Donald Galligan, leader; Dennis Galligan; Benedict Dolf (Switzerland); Francis Caissie (Canada); Douglas Blowers; Alvin Blowers; David Moore (Canada); James P. McGovern, Jr.; William MacCalmon.

Patrol No. 12: Joseph Link, leader; Bradford Liff; Fortunat Busch (Switzerland); Robert Arnaud (France); Robert Bouley; David Waldron; Alain Roumy (France); Fred Schreiber; Richard Schwartz; Erik Huuse (Denmark); Vincent Gagnon; Robert Fletcher.

TROOP 4

Troop leader: Mr. Magrath.

Patrol No. 13: John Fallgren, leader; Peter DaRos; Anthony DaRos, Jr.; Cornelius van Tricht (Netherlands); William Meneely; Rusty Condon; Maurits van Tol (Netherlands); Robert White; Calvin Ward; Rudi Pen (Netherlands); Michael Franford; Martin Garber.

Patrol No. 14: William Richards, leader; Esko Pakkanen (Finland); Julian Lipsher; Kristian Seren (Finland); Richard Emmons; Richard Englehardt; Nicholas Athanassiou (Greece); Barton Hall; Paul Hancharyk.

Patrol No. 15: John Perry, leader; Karl T. Tossavainen (Finland); Robert Moore; Alexandros Michalopoulos (Greece); Michael Laurie; David Leeney; George Gripari (Greece); Peter Daniel; Donald Eaton, Jr.

Patrol No. 16: David Anderson, leader; Lianos Evangelos (Greece); Alan Bruce; Christos Petreas (Greece); Jerry Montlick; Harold Alderman; Constantinos Voulgaris (Greece); Alfred Clark; Robert Consiglio; Constantinos Papanastasiou (Greece); Stanley Schwartz; Doug Smith.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. Baring (at the request of Mr. Friedel), for 10 days, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Zablocki, for 20 minutes, on tomorrow.

Mr. Lane, for 5 minutes, today.

Mrs. Dwyer (at the request of Mr. Halpern), for 20 minutes, on July 26.

Mr. Giaimo (at the request of Mr. Albert), for 5 minutes, today, to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Mason to extend his remarks in the Record on the passing of a public servant.

Mr. Zelenko, the remarks he made in the consideration of H.R. 11677 and to include tables and other documents.

Mr. Philbin and to include extraneous matter.

Mr. Alger to revise and extend his remarks made in Committee on the Equal Pay Act and to include extraneous matter.

Mrs. Green of Oregon to revise and extend her remarks made in general debate on the equal pay bill and to include a table.

(The following Members (at the request of Mr. Halpern) and to include extraneous matter:)

Mr. Hall.

Mr. Tupper.

Mr. Pelly.

(The following Members (at the request of Mr. Albert) and to include extraneous matter:)

Mr. Rosenthal.

Mr. Wright.

Mr. Keogh.

Mr. Carey.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 6967. An act to provide for the incorporation of certain nonprofit corporations in the District of Columbia, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2996. An act to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 1700. An act for the relief of Jaime Abejuro;

H.R. 2187. An act for the relief of Augustin Ramirez-Trejo;

H.R. 2198. An act for the relief of Carlos Sepulveda Abarca;

H.R. 6374. An act to clarify the application of the Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings, and for other purposes;

H.R. 10606. An act to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes; and

H.R. 11038. An act making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes.

ADJOURNMENT

Mr. LIBONATI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 31 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, July 26, 1962, at 11 o'clock a.m.

COMMITTEE EMPLOYEES

JULY 13, 1962.

COMMITTEE ON AGRICULTURE

To the Clerk of the House:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee:		
John J. Heimburger	Counsel	$8,772.00
Francis M. LeMay	Staff consultant	8,051.46
Christine S. Gallagher.	Clerk	8,051.46
Hyde H. Murray	Assistant clerk	7,172.76
Lydia Vacin	Staff assistant	4,727.28
Betty M. Prezioso	do	4,727.28
Peggy Jean Lamm	do	4,403.28
Gladys N. Ondarcho.	Staff assistant (through Apr. 30, 1962).	2,665.48
Jane C. Wojcik	Staff assistant	3,593.16
Martha Hannah	Staff assistant (from Feb. 1, 1962).	3,247.45
John Mercer	Staff assistant (from June 1, 1962).	396.33
Investigating committee:		
Adele Downey Maynard.	do	315.64
Haywood W. Taylor.	Staff assistant (through Apr. 30, 1962).	1,687.92
Martha Hannah	Staff assistant (through Jan. 31, 1962).	649.49

Funds authorized or appropriated for committee expenditures	$50,000.00
Amount of expenditures previously reported	33,061.17
Amount expended from Jan. 1 to June 30, 1962	10,685.90
Total amount expended from Jan. 1, 1961, to June 30, 1962	43,747.07
Balance unexpended as of June 30, 1962	6,252.93

HAROLD D. COOLEY,
Chairman.

JULY 15, 1962.

COMMITTEE ON APPROPRIATIONS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Kenneth Sprankle	Clerk and staff director.	$8,824.74
Paul M. Wilson	do	8,824.74
Carson W. Culp	Staff assistant	8,754.48
Samuel W. Crosby	do	8,754.48
Jay B. Howe	do	8,578.68
Ross P. Pope	do	8,578.68
Robert M. Moyer	do	8,578.68
Frank P. Sanders	do	8,578.68
Eugene B. Wilhelm	do	8,578.68
G. Homer Skarin	do	8,578.68
Robert L. Michaels	do	7,612.08
Robert P. Williams	Editor	7,260.60
George E. Evans	Staff assistant	4,781.84
Aubrey A. Gunnels	do	6,909.12
Francis G. Merrill	do	5,634.96
Earl C. Silsby	do	5,634.96
Samuel R. Preston	do	5,066.08
Keith F. Mainland	do	3,273.04
Lawrence G. Miller	Assistant editor	4,605.78
George A. Urian	Clerical assistant	$3,643.77
James E. Moore	do	3,390.63
Stephen B. Miller	do	3,188.10
Austin G. Smith	do	2,825.50
Randolph Thomas	Messenger	2,327.34
Nancie Hammack	Clerk-stenographer	2,842.39
George P. Cossar, Jr	do	514.47
Viola W. Grubbs	do	3,086.82
Patrick M. Hayes	do	3,221.84
Rosaline E. McGovern.	do	2,057.88
William J. Neary	do	3,086.82
Harry E. Reynolds	do	3,356.86
Jeanne C. Smith	do	3,356.86
Suzanne S. Thomas	do	3,086.82
Geraldine E. Rothwell	do	2,057.88
Mary F. Wilson	do	2,844.32
Sandra L. Percival	do	1,391.52
Grace W. Beirne	do	1,298.98
Mary L. Schwarzmann.	do	1,298.98
Mary H. Smallwood	do	1,298.98
George S. Green	Clerk to the minority.	8,051.46
James H. Bersie	Clerk-stenographer	3,086.82
Josephine Birdsell	do	3,356.86
Dorothy D. Borth	do	514.47
Robert Dunkel	do	514.47
Paul D. Quinn	do	2,795.29
Gayle C. Raver	do	3,086.82
Dorothy E. Sweeney	do	3,356.86
Silas Taber	do	3,086.82
John H. Murphy	do	2,019.02
Catherine L. Kennett	do	2,850.56
William B. Gunger	do	1,475.40
Allah F. Dickson	do	2,572.35
Laverne Roughsedge	do	1,492.80
Clara B. Posey	do	2,568.01
William J. Baroody, Jr.	do	1,298.98
Jessemine A. Falls	do	1,047.56
Virginia E. Stevens	do	256.38

Funds authorized or appropriated for committee expenditures	$
Amount of expenditures previously reported	211,689.49
Amount expended from Jan. 1, 1962, to June 30, 1962	231,056.67
Total amount expended from July 1, 1961, to June 30, 1962	442,746.16
Balance unexpended as of June 30, 1962	

CLARENCE CANNON,
Chairman.

JULY 15, 1962.

COMMITTEE ON APPROPRIATIONS (INVESTIGATIONS STAFF)

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Kenneth T. Delavigne.	Director, surveys and investigations staff, to May 1, 1962.	$4,802.32
William B. Soyars	Director, surveys and investigations staff.	7,225.45
Leonard M. Walters	Assistant director, surveys and investigations staff.	6,944.28
Rowland C. Halstead	do	2,273.74
Lillian M. Mackie	Stenographer	3,390.64
Helen C. Perrish	do	3,365.34
William T. Roy	Consultant	3,000.00

REIMBURSEMENTS TO GOVERNMENT AGENCIES

Name of employee	Profession	Total gross salary during 6-month period
Agency for International Development:		
Lapadula, Michael J.	Investigator	$7,175.60
Agriculture, Department of:		
Baldauf, T. M	do	3,416.80
Evans, George E	Staff assistant	1,531.54
Wride, Charles H	Editorial assistant	3,740.84
Air Force, Department of:		
Brown, Robert M	Investigator	1,961.60
Atomic Energy Commission:		
Taylor, G. C	do	4,247.83
Bureau of the Budget:		
Miller, C. J	do	4,431.69
Civil Service Commission:		
Coltrin, Marion J	do	1,801.16
Commerce, Department of:		
Jarvis, L. H	do	3,442.95
Keister, R. H	do	3,640.88
Shafer, W. S	do	5,500.20
Shearer, Ross S	do	2,435.20
Tiedemann, Hollie J.	do	3,455.60
Corps of Engineers:		
Klein, A. A	do	3,722.83
Federal Aviation Agency:		
Fede, Frank J	do	5,881.78
Federal Bureau of Investigation:		
Brent, A. S	do	1,318.72
Bruninga, H. J	do	3,131.52
Chisholm, L. B	do	1,915.52
Cogan, J. P	do	7,253.28
DeBuck, H. L	do	6,943.44
Feuer, R. W	do	274.08
Foley, F. B	do	2,533.68
Franklin, R. M	do	7,038.08
Halstead, R. C	do	5,191.04
Harman, R. V	do	7,658.72
Hayes, E. J	do	1,863.36
Health benefits fund		613.79
Herrington, R. B	Investigator	2,590.88
Law, W. C	do	7,027.68
Lewis, P. H	do	3,030.48
Life insurance fund		300.90
Lipscomb, W. P	Investigator	7,558.88
McDowell, L. L	do	7,215.28
McEliece, R. F	do	2,558.08
Mabes, B. M	do	2,776.56
Martinson, W. C	do	3,527.28
Neale, A. W	do	7,658.72
Retirement fund		5,796.66
Roberts, A. J	Investigator	3,775.68
Turner, P. A	do	2,282.40
Wood, H. B	do	1,540.08
Federal Communications Commission:		
Thelemann, E. C	do	5,481.87
Federal Trade Commission:		
Wagner, Winfield K	do	5,396.38
Health, Education, and Welfare, Department of:		
Bing, P. S	do	1,167.87
Interior, Department of the:		
Phillips, J. C	do	5,881.83
Labor, Department of:		
Baill, Israel	do	3,853.06
Library of Congress:		
Rose, J. K	do	3,122.75
Navy, Department of the:		
Wilkenloh, C. E	do	1,154.55
Post Office Department:		
Kopp, Robert	do	4,115.68
State, Department of:		
Steuart, G. H	do	7,593.00
Veterans' Administration:		
Fulton, J. C	do	3,899.47
Travel and miscellaneous expense		58,650.74

Funds authorized or appropriated for committee expenditures	$550,000.00
Amount of expenditures previously reported	215,800.33

Amount expended from Jan. 1, 1962, to June 30, 1962	$291, 080. 35
Total amount expended from July 1, 1961, to June 30, 1962	506, 880. 68
Balance unexpended as of June 30, 1962	43, 119. 32

CLARENCE CANNON,
Chairman.

JULY 17, 1962.

COMMITTEE ON ARMED SERVICES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Robert W. Smart	Chief counsel	$8, 824. 74
John R. Blandford	Counsel	8, 798. 40
Philip W. Kelleher	do	8, 798. 40
Frank M. Slatinshek	do	8, 798. 40
Oneta L. Stockstill	Committee secretary.	4, 676. 70
Berniece Kalinowski	Secretary	4, 676. 70
L. Louise Ellis	do	4, 676. 70
M. Jane Binger	do	3, 547. 56
Edna E. Johnson	do	4, 003. 26
James A. Deakins	Bill clerk	3, 547. 56
OFFICE OF SPECIAL COUNSEL OPERATING PURSUANT TO H. RES. 78 AND 79, 87TH CONG.		
John J. Courtney	Special counsel	$8, 824. 74
Sam A. Nunn, Jr	Assistant counsel (since June 15, 1962).	326. 59
Dorothy Britton	Secretary	4, 403. 28
Jane Wheelahan	do	3, 456. 42
Adeline Tolerton	Clerk	3, 248. 82
James Josey	Messenger	1, 813. 08

Funds authorized or appropriated for committee expenditures (H. Res. 79)	$150, 000. 00
Amount of expenditures previously reported	60, 852. 19
Amount expended from Jan. 1, 1962 to June 30, 1962	22, 241. 08
Total amount expended from Jan. 1, 1961 to June 30, 1962	83, 093. 27
Balance unexpended as of July 1, 1962	66, 906, 73

CARL VINSON,
Chairman.

JULY 24, 1962.

COMMITTEE ON BANKING AND CURRENCY

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Robert L. Cardon	Clerk and general counsel (resigned Jan. 14, 1962).	$686. 37
John E. Barriere	Majority staff member.	$8, 824. 74
Orman S. Fink	Minority staff member.	8, 824. 74
Robert R. Poston	Counsel	8, 824. 74
Thomas Graham, Jr	Counsel (entry on duty, May 9, 1962).	2, 549. 37
Helen L. Rogers	Deputy clerk	5, 204. 16
Mary W. Laytonb	Assistant clerk	5, 204. 16
Marguerite Bean	Secretary to chairman.	6, 030. 36
Mary Elizabeth Mehler.	Secretary to minority (entry on duty, Apr. 1, 1962).	2, 052. 27
Roger J. Brown	Editor	6, 004. 02
EMPLOYEES PURSUANT TO H. RES. 504, SUBCOMMITTEE ON HOUSING		
Kenneth W. Burrows	Housing economist	$8, 249. 16
Royal L. Coburn	Minority counsel (entry on duty, June 11, 1962).	917. 07
Eleanor N. Hamilton	Research assistant	3, 547. 56
Robin H. Harbin	Clerk (entry on duty, June 1, 1962, off payroll, June 24, 1962).	300. 27
John J. McEwan, Jr	Deputy staff director.	8, 824. 74
Grady Perry, Jr	Clerk	5, 854. 62
Margaret E. Tucker	Secretary	3, 307. 04
Frances M. Yeakle	do	3, 401. 88

Funds authorized or appropriated for committee expenditures	$205, 000. 00
Amount of expenditures previously reported	79, 816. 40
Amount expended from Jan. 1, 1962 to June 30, 1962	40, 396. 04
Total amount expended from Jan. 1, 1961 to June 30, 1952	120, 212. 44
Balance unexpended as of June 30, 1962	84, 787. 56

BRENT SPENCE,
Chairman.

JULY 3, 1962.

COMMITTEE ON THE DISTRICT OF COLUMBIA

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
W. N. McLeod, Jr	Clerk	$8, 754. 48
Hayden S. Garber	Attorney	8, 051. 46
Leonard O. Hilder	Investigator	5, 942. 52
Donald J. Tubridy	Minority clerk	6, 030. 36
Clayton D. Gasque	Assistant clerk	5, 397. 48
James T. Clark	Assistant clerk (from Feb. 1, 1962 (5 months)).	5, 003. 35
Ann R. Puryear	Assistant clerk	4, 437. 00
Ellen M. Coxeter	do	3, 934. 91
Patricia Ann Dempsey.	Stenographer	2, 580. 54
Total		50, 132. 10

Funds authorized or appropriated for committee expenditures (H. Res. 189, Mar. 15, 1961)	$10, 000. 00
Amount of expenditures previously reported	206. 33
Amount expended from Jan. 1 to June 30, 1962	None
Total amount expended from July 1, 1961, to June 30, 1962	$206. 33
Balance unexpended as of June 30, 1962	9, 793. 67

JOHN L. MCMILLAN,
Chairman.

JULY 15, 1962.

COMMITTEE ON EDUCATION AND LABOR

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee:		
Louise Maxienne Dargans.	Chief clerk	$8, 824. 74
Russell C. Derrickson.	Staff director	8, 824. 74
Wray Smith	Education chief (ending Feb. 28, 1962).	2, 941. 58
Deborah P. Wolfe	Education chief	5, 883. 16
Howard G. Gamser	Chief counsel for labor-management.	8, 824. 74
Livingston L. Wingate.	Associate counsel for labor-management.	8, 604. 33
James E. Branigan	Counsel (ending May 14, 1962).	5, 055. 58
Marvin R. Fullmer	Chief, investigative task force (effective May 15, 1962).	2, 255. 21
Teresa Calabrese	Administrative assistant to the chairman (ending Feb. 15, 1962).	1, 250. 17
Richard T. Burress	Minority clerk	8, 807. 16
Melvin W. Sneed	Administrative assistant (ending Jan. 31, 1962).	1, 417. 34
Louise M. Wright	Administrative assistant.	4, 240. 26
Cabell Waller Berge	do	4, 251. 36
Donald F. Berens	Administrative assistant (effective Feb. 16, 1962).	3, 188. 52

Amount of expenditures previously reported	$145, 240. 43
Amount expended from Jan. 1, 1962, to June 30, 1962	74, 368. 89
Total amount expended from Jan. 1, 1961, to June 30, 1962	219, 709. 32

ADAM C. POWELL,
Chairman.

JULY 15, 1962.

COMMITTEE ON EDUCATION AND LABOR (INVESTIGATING STAFF)

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

General Subcommittee on Education (chairman, Representative CLEVELAND M. BAILEY):	
Robert E. McCord, subcommittee clerk	$7, 502. 28
Ted Ellsworth, special assistant (Mar. 1, 1962, to June 30, 1962)	5, 001. 52
Ruth P. Ebersole, assistant subcommittee clerk	3, 000. 78

General Subcommittee on Labor (chairman, Representative CARL D. PERKINS):	
Hartwell Duvall Reed, Jr., counsel	$7,502.28
Gertrude L. Moser, secretary	3,000.78
Special Subcommittee on Education (chairman, Representative EDITH GREEN):	
John F. Morse, director (effective Mar. 1, 1962)	5,883.16
Betty R. Pryor, subcommittee clerk	5,252.46
Mary June Wall, administrative assistant (effective Feb. 1, 1962)	3,336.05
Muriel Greenhill, assistant director (effective Apr. 16, 1962)	2,083.62
William O'Hara, counsel (effective Apr. 15, 1962)	1,901.90
Joanne M. Clark, secretary (effective Apr. 22, 1962)	1,074.61
James B. Harrison, counsel (Jan. 1 to 31, 1962)	833.45
Special Subcommittee on Labor (chairman, Representative JAMES ROOSEVELT):	
Edmund D. Edelman, counsel (effective Feb. 19, 1962)	5,501.67
Adrienne Fields, secretary	3,000.78
Don Lowe, director (ending Feb. 18, 1962)	2,000.61
Select Subcommittee on Labor (chairman, Representative HERBERT ZELENKO):	
Harvey B. Cohen, counsel	5,006.70
Mollie D. Cohen, administrative assistant	5,000.70
Edmund Smythwick, staff assistant (Jan. 1 to 31, 1962)	400.55
Select Subcommittee on Education (chairman, Representative FRANK THOMPSON):	
John D. Hawke, Jr., counsel	6,250.08
Mary E. Corbin, secretary	3,502.02
Carla Otten, assistant clerk (Jan. 1, to Feb. 14, 1962) effective June 25, 1962	166.40
Susan Liela Gordon, assistant clerk (effective June 13, 1962)	155.03
Ad Hoc Subcommittee on Impact of Imports and Exports on American Unemployment (chairman, Representative JOHN H. DENT):	
James L. Gallagher, counsel (ending Feb. 28, 1962)	2,001.34
Mary A. Orndoff, clerk (ending Feb. 28, 1962)	1,000.26
Barbara Dash, secretary (Feb. 15 to Mar. 31, 1962)	766.87
Ad Hoc Subcommittee on Integration of Federally Assisted Education (chairman, DOMINICK V. DANIELS):	
Aurora Harris, secretary (Mar. 1 to May 31, 1962)	1,500.39
Barbara Freygang, secretary (Mar. 12 to May 31, 1962)	1,317.01
Lillian M. Kelley, secretary (May 7 to 24, 1962)	300.08
Carla Geraghty, secretary (Feb. 16 to Mar. 7, 1962)	366.77
Full committee staff:	
Jeanne Thomson, administrative assistant	4,302.00
Tamara J. Wall, assistant counsel (effective Jan. 1, 1962)	4,001.58
Johnnie L. Graves, administrative assistant (effective Feb. 22, 1962)	2,687.50
Mary D. Pinkard, administrative assistant (ending Apr. 15, 1962)	2,312.88
Deborah P. Wolfe, education chief	2,255.21
Corrine Annette Huff, receptionist	2,253.63
Donald F. Berens, administrative assistant (ending Feb. 15, 1962)	1,062.84
Nancy L. H. Hastings, secretary (Jan. 1 to Mar. 8, 1962)	680.36
Marcia Sue Nathanson, receptionist (Apr. 4 to 30, 1962)	292.81
Patricia Bergman, secretary (ending Mar. 31, 1962)	208.20
Judith Matheny, receptionist (Mar. 17 to Apr. 3, 1962)	198.77
James Saxon, assistant clerk (effective June 18, 1962)	94.09
Investigative task force:	
Leon Abramson, chief counsel	7,502.28
Odell Clark, chief investigator	6,250.08
Marvin R. Fullmer, chief investigator (ending May 14, 1962)	5,585.03
Ludwig Teller, consultant (ending Mar. 31, 1962)	3,751.14
Waldo Parrish, administrative assistant	3,167.86
Olive Gibbons, secretary	2,660.98
John Young, consultant (effective Apr. 1, 1962)	2,500.35
Edward J. Drum, Jr., assistant investigator (Jan. 1 to Mar. 31, 1962)	2,500.35
Alfredo Vidal, investigator (effective Apr. 1, 1962)	2,500.35
Zelda E. McNeal, clerk (effective Apr. 1, 1962)	1,500.39
James E. Branigan, counsel	1,458.34
Ida Bailey, secretary (ending Mar. 15, 1962)	813.35
Arnold Block, investigator (effective May 1, 1962)	650.68
Minority staff:	
Beverly Pearson, minority secretary	3,289.38
Travel and miscellaneous expenses	25,438.36
Funds authorized or appropriated for committee expenditures	633,000.00
Amount of expenditures previously reported	290,821.01
Amount expended from Jan. 1 to June 30, 1962	$174,532.03
Total amount expended from Jan. 1, 1961, to June 30, 1962	465,353.04
Balance unexpended as of June 30, 1962	167,646.96

ADAM C. POWELL,
Chairman.

JULY 9, 1962.

COMMITTEE ON FOREIGN AFFAIRS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Boyd Crawford	Staff administrator	$8,824.74
Roy J. Bullock	Senior staff consultant.	8,723.70
Albert C. F. Westphal.	Staff consultant	8,723.70
Franklin J. Schupp	do	8,644.62
Robert F. Brandt	Investigator consultant.	8,504.04
Harry C. Cromer	Staff consultant	8,306.28
Philip B. Billings	Special assistant	6,879.84
Marian A. Czarnecki	Staff consultant [1]	4,846.36
June Nigh	Senior staff assistant	7,001.40
Helen C. Mattas	Staff assistant	6,004.02
Helen L. Hashagen	do	5,876.58
Mary Louise O'Brien	do	5,784.36
Mary E. Medsger	do	3,533.23
Doris B. McCracken	do [2]	3,542.80
Robert J. Bowen	Clerical assistant	3,937.44

[1] Effective Mar. 12, 1962.

[2] Effective Feb. 1, 1962.

Funds authorized or appropriated for committee expenditures	$150,000.00
Amount of expenditures previously reported	56,360.10
Amount expended from Jan. 1, 1962, to June 30, 1962	36,442.25
Total amount expended from Jan. 1, 1961, to June 30, 1962	92,802.35
Balance unexpended as of June 30, 1962	57,197.65

THOMAS E. MORGAN,
Chairman.

JULY 3, 1962.

COMMITTEE ON GOVERNMENT OPERATIONS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Expenses, Jan. 1, 1962–June 30, 1962:	
Full committee	$845.05
Executive and Legislative Reorganization Subcommittee	29,688.74
Military Operations Subcommittee	33,964.31
Government Activities Subcommittee	25,326.35
Intergovernmental Relations Subcommittee	29,103.04
Foreign Operations and Monetary Affairs Subcommittee	39,838.95
Special Donable Property Subcommittee	15,869.97
Special Government Information Subcommittee	30,742.16
Special Subcommittee on Assigned Power and Land Problems	11,533.30
Special Subcommittee on the Home Loan Bank Board	15,132.30
Total	232,034.17

Salaries, full committee, Jan. 1–June 30, 1962:	
Christine Ray Davis, staff director	$8,821.74
James A. Lanigan, general counsel	8,824.74
Miles Q. Romney, associate general counsel	7,098.06
Earle J. Wade, staff member	6,294.00
Dolores Fel'Dotto, staff member	4,727.28
Ann E. McLachlan, staff member	4,504.50
Patricia Maheux, staff member	4,281.72
Charlotte C. Bickett, staff member (Feb. 1–June 30, 1962)	3,125.10
Helen M. Boyer, minority professional staff	8,051.46
J. P. Carlson, minority counsel	7,401.18
Expenses, Jan. 1–June 30, 1962: Full committee, travel, publications, telephone, stationery supplies, etc.	845.05

Executive and Legislative Reorganization Subcommittee, Hon. William L. Dawson, chairman:	
Elmer W. Henderson, counsel	8,301.90
Arthur Perlman, investigator	7,098.06
Daniel A. Kavanaugh, legal research analyst	3,750.12
Irene Manning, clerk-stenographer	3,750.12
Veronica B. Johnson, clerk-stenographer	3,750.12
Henry Coopersmith, staff member (Mar. 15–June 30, 1962)	1,060.57
Expenses	1,977.85
Total	29,688.74

Military Operations Subcommittee, Hon. Chet Holifield, chairman:	
Herbert Roback, staff administrator	8,824.74
John Paul Ridgely, investigator	5,706.78
Douglas G. Dahlin, staff attorney	5,125.36
Robert J. McElroy, investigator	4,504.50
Mollie Jo Hughes, clerk-stenographer	3,998.22
Catherine L. Koeberlein, clerk-stenographer	3,998.22
Earl J. Morgan, investigator (Jan. 1–31, 1962)	1,122.23
Expenses	614.26
Total	33,964.31

Government Activities Subcommittee, Hon. Jack Brooks, chairman:	
Edward C. Brooks, Jr., staff administrator	7,699.98
Phineas Indritz, counsel (Feb. 1–June 30, 1962)	6,709.55
Ernest Cornish Baynard, associate counsel (June 1–30, 1962)	1,000.67
Daniel L. Power, investigator	3,878.37
Irma Reel, clerk	3,758.56
Tanner T. Hunt, Jr., investigator (Mar. 26–June 30, 1962)	1,583.75
L. Russell Harding II, investigator (Jan. 1–14, 1962)	355.47
Expenses	340.00
Total	25,326.35

Intergovernmental Relations Subcommittee, Hon. L. H. Fountain, chairman:	
James R. Naughton, counsel	7,743.90
Delphis C. Goldberg, professional staff member	7,743.90
Herbert B. Warburton, minority counsel (June 18–30, 1962)	534.53
William Donald Gray, research analyst	4,504.50
Eileen M. Anderson, clerk-stenographer	3,998.22
Bebe B. Terry, clerk-stenographer	3,795.66
Joan C. Montgomery, clerk-stenographer (June 25–30, 1962)	96.14
Robert E. Manuel, minority counsel (June 1–9, 1962)	370.06
Expenses	316.13
Total	29,103.04

Foreign Operations and Monetary Affairs Subcommittee, Hon. Porter Hardy, Jr., chairman:	
John T. M. Reddan, chief counsel	7,800.00
Walton Woods, investigator	7,098.06
M. Joseph Matan, counsel	6,996.96
Charles Rothenberg, investigator	6,469.74
Phyllis Seymour, clerk	3,998.22
Yvonne J. Kurtak, stenographer (Jan. 1–May 31, 1962)	2,825.50
R. D. Young Counsel (Jan. 1–Apr. 21, 1962)	4,278.39
Expenses	372.08
Total	39,838.95

Special Donable Property Subcommittee, Hon. John S. Monagan, chairman:	
Ray Ward, staff administrator	8,492.64
Margaret B. O'Connor, clerk-stenographer	3,593.16
Clara Katherine Armstrong, clerical staff	3,608.34
Expenses	175.83
Total	15,869.97

Special Government Information Subcommittee, Hon. John E. Moss, chairman:	
Samuel J. Archibald, staff administrator	$8,051.46
Jack Howard, professional staff member	6,513.66
Harry S. Weidberg, assistant counsel	5,648.16
Helen Beasley, stenographer	3,998.22
Catherine L. Hartke, stenographer	3,998.22
Ethel B. Putterman, research analyst (Mar. 1-31, 1962)	500.13
Phineas Indritz, Counsel (Jan. 1-31, 1962)	1,341.91
Expenses	690.40
Total	30,742.16
Special Subcommittee on Assigned Power and Land Problems, Hon. John E. Moss, chairman:	
Sidney McClellan, professional staff member	6,518.80
Francis J. Schwoerer, staff member	5,000.70
Expenses	13.80
Total	11,533.30
Special Subcommittee on the Home Loan Bank Board, Hon. John E. Moss, chairman:	
David Glick, counsel	7,743.90
Marguerite A. Gleason, stenographer	3,390.60
Expenses	3,997.80
Total	15,132.30

Funds authorized or appropriated for committee expenditures (H. Res. 70-592, 87th Cong.)	1,040,000.00
Amount of expenditures previously reported	460,873.60
Amount expended from Jan. 4, to Dec. 31, 1961	460,873.60
Total amount expended from Jan. 1, 1962, to June 30, 1962	232,034.17
Balance unexpended as of June 30, 1962	347,092.23

WILLIAM L. DAWSON,
Chairman.

JULY 3, 1962.

COMMITTEE ON HOUSE ADMINISTRATION

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Julian P. Langston	Chief clerk	$8,824.74
Marjorie Savage	Assistant clerk	7,612.08
Mary F. Stolle	Assistant clerk	3,896.94

Funds authorized or appropriated for committee expenditures	$30,000.00
Amount of expenditures previously reported	16,159.61
Amount expended from Jan. 1, 1962, to June 30, 1962	824.50
Total amount expended from Jan. 1, 1961, to June 30, 1962	16,984.11
Balance unexpended as of June 30, 1962	13,015.89

OMAR BURLESON,
Chairman.

JULY 12, 1962.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Professional staff:		
Sidney L. McFarland.	Professional staff director and engineering consultant.	$8,359.02
T. Richard Witmer	Counsel and consultant on national parks.	8,051.46
John L. Taylor	Consultant on territorial and Indian affairs.	8,051.46
Milton A. Pearl	Consultant on mining, minerals, and lands.	8,051.46
Clerical staff:		
Nancy J. Arnold	Chief clerk	7,172.76
Dixie S. Duncan	Clerk	3,998.22
Penelope P. Harvison.	do	3,998.22
Virginia E. Bedsole	do	3,795.66
Patricia B. Freeman	do	3,289.38
Susan A. Whitener	Clerk (from Jan. 22, 1962).	2,726.69

Funds authorized or appropriated for committee expenditures	$60,000.00
Amount of expenditures previously reported	23,715.03
Amount expended from Jan. 1, 1962, to June 30, 1962	[1] 15,816.74
Total amount expended from Jan. 1, 1961, to June 30, 1962	39,531.77
Balance unexpended as of June 30, 1962	20,468.23

[1] Includes payment of $2,480 to Joseph B. Hoyt, special consultant on national cemetery legislation, under contract approved Jan. 24, 1962.

WAYNE N. ASPINALL,
Chairman.

JULY 9, 1962.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Clerical staff:		
W. E. Williamson	Clerk	$8,824.75
Kenneth J. Painter	1st assistant clerk	7,322.11
Marcella Fencl	Assistant clerk	4,575.40
Glenn L. Johnson	Printing editor	6,206.12
Joanne C. Neuland	Clerical assistant	3,846.30
Mildred H. Lang	do	3,846.30
Mary Ryan	do	3,846.30
Roy P. Wilkinson	Assistant clerk	3,643.78
Professional staff:		
Andrew Stevenson	Expert	8,824.75
Kurt Borchardt	Legal counsel	8,824.75
Sam G. Spal	Research specialist	8,824.75
Martin W. Cunningham.	Aviation consultant	8,824.75
Additional temporary employees under H. Res. 108 and H. Res. 165:		
Gladys Johnson	Clerical assistant	3,846.30
Margaret J. Robinson.	Staff assistant	7,796.64
Elsie M. Karpowich	Clerical assistant	3,846.30
Catherine C. McLees.	do	3,846.30
Thomas D. Conway	Special counsel (from Mar. 1, 1962, H. Res. 420 and H. Res. 439).	5,848.00
Additional, etc.—Con.		
John Steven Wood	Messenger (from May 15 to June 15, 1962).	$362.58
Patricia Ann Marsh	Clerical assistant (from June 1).	362.58
Robert Hughes Crank.	Messenger (from June 16).	181.29
Special Subcommittee on Regulatory Agencies:		
Charles P. Howze, Jr.	Chief counsel	8,772.02
George W. Perry	Associate counsel	7,172.73
Herman Clay Beasley.	Subcommittee clerk	7,187.99
Stuart C. Ross	Consultant	8,064.64
Rex Sparger	Special assistant	6,004.02
Robert E. L. Richardson.	Staff attorney	5,025.33
Lurlene Wilbert	Clerical assistant	4,438.69
Elizabeth G. Paola	do	3,643.77
Betty J. Lantrip	Stenographer-clerk	3,542.52

Funds authorized or appropriated for committee expenditures	$585,000.00
Amount of expenditures previously reported	139,378.63
Amount expended from Jan. 1, to June 30, 1962	93,596.56
Total amount expended from Jan. 1, 1961, to June 30, 1962	232,975.19
Balance unexpended as of July 1, 1962	352,024.81

OREN HARRIS,
Chairman.

JULY 15, 1962.

COMMITTEE ON THE JUDICIARY

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Bess E. Dick	Staff director	$8,824.74
William R. Foley	General counsel	8,824.74
Walter M. Besterman	Legislative assistant	8,824.74
Murray Drabkin	Counsel	8,504.04
Stuart H. Johnson, Jr.	do	8,504.04
Garner J. Cline	Assistant counsel	6,381.90
William H. Copenhaver.	Associate counsel	5,278.44
Carrie Lou Allen	Clerical staff	3,998.22
Anne J. Berger	do	5,678.88
Jane C. Caldwell	do	4,099.50
Frances F. Christy	do	5,204.16
Helen Goldsmith	do	4,909.56
Velma Smedley	do	5,397.48

FUNDS FOR PREPARATION OF UNITED STATES CODE, DISTRICT OF COLUMBIA CODE, AND REVISION OF THE LAWS

A. Preparation of new edition of United States Code (no year):	
Unexpended balance Dec. 31, 1961	$120,166.18
Expended Jan. 1-June 30, 1962	21,089.69
Balance June 30, 1962	99,076.49
B. Preparation of new edition of District of Columbia Code:	
Unexpended balance Dec. 31, 1961	54,301.68
Expended Jan. 1-June 30, 1962	8,403.04
Balance June 30, 1962	45,898.64
C. Revision of the laws, 1962:	
Unexpended balance Dec. 31, 1961	10,690.26
Expended Jan. 1-June 30, 1962	10,473.09
Balance June 30, 1962	217.17

SALARIES PAID JAN. 1 THROUGH JUNE 30, 1962, PURSUANT TO H. RES. 56, H. RES. 68, H. RES. 500, 87TH CONG.

Employee	Position	Salary
Appel, Leonard	Assistant counsel	$7,275.24
Becker, Albert F	Clerical staff (from June 4, 1962).	285.28
Beland, Lorraine W	Clerical staff	2,985.60
Burak, Gertrude C	do	4,605.78
Cors, Allan D	Deputy associate counsel (from June 1, 1962).	646.11
Eisenberg, Roberta E.	Clerical staff	3,896.94
Finger, Alexander E	Assistant counsel (to Mar. 1, 1962).	2,127.30
Greenwald, Andrew E.	Clerical staff (from June 5, 1962).	260.14
Hall, Patricia J	Clerical staff (from Mar. 12, 1962).	1,878.43
Haardt, Alma B	Clerical staff	2,934.96
Hyman, Joseph	Counsel	8,003.16
Jackson, Merrill T	Messenger (Mar. 7-19, 1962).	146.63
Jett, R. Frederick	Assistant counsel	6,879.80
Kelemonick, Michael	Clerical staff	3,593.16
Levy, Joseph M	Clerical staff (from Feb. 10, 1962).	3,917.21
Marcus, Philip	Associate counsel	7,906.50
Meekins, Elizabeth G.	Clerical staff	3,896.94
Peet, Richard C	Associate counsel (to Mar. 1, 1962).	2,127.30
Rosenman, Louis	Associate counsel	6,953.04
Simms, Regina M	Clerical staff	3,390.60
Sky, Theodore	Assistant counsel	5,068.08
Wass, Mary R	Clerical staff (from Mar. 19, 1962).	1,757.80
Williams, Stephen L	Messenger	2,479.26
Zelenko, Benjamin L	Assistant counsel	4,752.60

Funds authorized or appropriated for committee expenditures	$400,000.00
Amount of expenditures previously reported	155,843.00
Amount expended from Jan. 1 through June 30, 1962	97,022.10
Total amount expended from Jan. 4, 1961, through June 30, 1962	252,865.10
Balance unexpended as of June 30, 1962	147,134.90

SPECIAL SUBCOMMITTEE ON STATE TAXATION OF INTERSTATE COMMERCE—SALARIES PAID JAN. 1, 1962, THROUGH JUNE 30, 1962, PURSUANT TO H. RES. 204 AND H. RES. 663

Employee	Position	Salary
Ainsworth, Kenneth G.	Economist	$5,000.70
Bankester, Claude E	Counsel (to June 1, 1962).	4,586.50
Breslow, Jerome W	Assistant counsel	3,750.12
Greess, Constance	Clerical staff	3,491.88
Hall, Patricia J	Clerical staff (to Mar. 12, 1962).	1,223.57
Hammond, Martha G.	Clerical staff	3,102.00
Lehman, Leland C	Economist (from Feb. 5, 1962).	4,666.79
Louria, Margot	Research assistant (to Mar. 2, 1962).	1,206.25
Melville, Robert F	Senior economist	7,001.40
Partridge, Anthony	Counsel	7,001.40
Sutherland, David A	do	6,500.52
Waggoner, Anne	Clerical staff (from Mar. 26, 1962).	1,637.17
Zeifman, Jerome M	Counsel	5,503.80

Funds authorized or appropriated for committee expenditures	$250,000.00
Amount of expenditures previously reported	58,941.81
Amount expended from Jan. 1, 1962, through June 30, 1962	64,063.87
Total amount expended from Mar. 15, 1961, through June 30, 1962	123,005.68
Balance unexpended as of June 30, 1962	126,994.32

EMANUEL CELLER,
Chairman.

JUNE 30, 1962.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
John M. Drewry	Chief counsel	$8,824.74
Bernard J. Zincke	Counsel	8,227.20
Ned P. Everett	Assistant counsel	6,241.26
W. B. Winfield	Chief clerk	7,612.08
Francis P. Still	Assistant clerk	5,030.16
Ruth A. Brookshire	do	3,998.22
Edith W Gordon	Secretary	3,998.22
Vera A. Barker	do	3,998.22
E. M. Tollefson	Minority clerk	4,808.28

Funds authorized or appropriated for committee expenditures	$75,000.00
Amount of expenditures previously reported	22,700.81
Amount expended from Jan. 1 to June 30, 1962	8,371.75
Total amount expended from Jan. 1, 1961, to June 30, 1962	31,072.56
Balance unexpended as of June 30, 1962	43,927.44

HERBERT C. BONNER,
Chairman.

JULY 9, 1962.

COMMITTEE ON PUBLIC WORKS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee:		
Margaret R. Beiter	Staff director	$8,824.74
Richard J. Sullivan	Chief counsel	8,824.74
Clifton W. Enfield	Minority counsel	8,504.04
Joseph R. Brennan	Engineer-consultant	8,824.74
Stephen V. Feeley	Subcommittee clerk	6,294.00
Helen M. Dooley	Staff assistant	7,172.76
Helen A. Thompson.	do	5,854.62
Dorothy A. Beam	do	5,204.16
S. Philip Cohen	do	4,505.20
Ester M. Saunders	Clerk-messenger	3,056.46

SALARIES PAID, JAN. 1 THROUGH JUNE 30, 1962, PURSUANT TO H. RES. 136, 87TH CONG.

Name of employee	Profession	Total gross salary during 6-month period
Durward G. Evans	Subcommittee clerk.	$4,909.56
John A. O'Connor, Jr.	do	4,909.56
William B. Short, Jr	do	4,909.56
Peter M. Gentilini	do	5,397.48
Agnes M. GaNun	Staff assistant	3,572.88
Mary C. Porter	Minority staff assistant (through Feb. 28, 1962).	1,467.76
Murray S. Pashkoff	Staff assistant	2,504.58
Flavil Q. Van Dyke, Jr.	Minority clerical assistant.	3,289.38
Eria Youmans	Minority staff assistant (as of Apr. 1, 1962).	1,668.98
Sterlyn B. Carroll	Clerk-messenger	3,056.46
Milton Weil	Staff assistant	5,000.70

Funds authorized or appropriated for committee expenditures	$178,000.00
Amount of expenditures previously reported	80,591.35
Amount expended from Jan. 1 to June 30, 1962	$47,870.78
Total amount expended from Jan. 1, 1961 to June 30, 1962	128,462.13
Balance unexpended as of June 30, 1962	40,537.87

SPECIAL SUBCOMMITTEE ON THE FEDERAL-AID HIGHWAY PROGRAM—SALARIES PAID, JAN. 1, 1962, THROUGH JUNE 30, 1962, PURSUANT TO H. RES. 136, 87TH CONG.

Name of employee	Profession	Total gross salary during 6-month period
Walter R. May	Chief counsel	$8,924.74
John P. Constandy	Assistant chief counsel.	8,152.50
Robert E. Manuel	Minority counsel (through May 31, 1962).	6,508.20
James J. Fitzpatrick	Associate counsel	6,996.96
Robert A. McElligott	do	6,996.96
George M. Kopecky	Chief investigator	7,701.48
George M. Martin	Administrative assistant.	7,445.16
James P. Kelly	Investigator	6,409.74
John N. Dinsmore	do	6,601.56
Sherman S. Willse	do	6,381.90
Charles A. Gannon	Investigator (through Feb. 28, 1962).	2,166.84
Kathryn M. Keeney	Chief clerk	4,104.54
Mildred E. Rupert	Staff assistant	3,603.30
Jean N. Cameron	do	3,401.88
Eria S. Youmans	Minority staff assistant (through Mar. 18, 1962).	1,447.32
Sara L. Vollett	Clerical assistant	3,102.00
Salvatore D'Amico	Associate counsel	6,323.30
Dolores K. Dougherty	Staff assistant	3,333.24
Shirley R. Knighten	File clerk	2,504.58
John P. O'Hara	Investigator (as of Apr. 14, 1962).	2,461.25
Harry A. Samberg	Research assistant	4,003.26
Joyce L. Terry	Minority staff assistant (as of Mar. 19, 1962).	1,218.42
Sylvia H. Reppert	Minority staff assistant (as of Apr. 1, 1962).	1,500.39
George E. Burgess	Investigator (as of Mar. 19, 1962).	1,342.50

Funds authorized or appropriated for special subcommittee expenditures	$772,000.00
Amount of expenditures previously reported	292,443.79
Amount expended from Jan. 1 to June 30, 1962	149,655.32
Total amount expended from Jan. 1 to June 30, 1962	442,099.11
Balance unexpended as of June 30, 1962	329,910.89

SELECT SUBCOMMITTEE ON REAL PROPERTY ACQUISITION—SALARIES PAID, JAN. 1, 1962, THROUGH JUNE 30, 1962, PURSUANT TO H. RES. 133, 87TH CONG.

Name of employee	Profession	Total gross salary during 6-month period
Ruth M. Heritage	Chief clerk	$6,557.64
Henry H. Krevor	Chief counsel	8,504.04
Robert L. May	Minority counsel	8,192.04
Joe W. Ingram	Assistant counsel (as of Apr. 6, 1962).	3,069.69
Dorothy S. Martin	Secretary	4,340.82
Ruth Butterworth	Minority staff assistant.	4,087.64
Florence C. Waters	Research assistant (as of Mar. 1, 1962).	4,003.26
Meriam R. Buckley	Staff assistant (as of Mar. 1, 1962)	2,125.40

Funds authorized or appropriated for special subcommittee expenditures	$150,000.00
Amount of expenditures previously reported	17,000.00
Amount expended from Jan. 1, 1962, to June 30, 1962	42,645.49
Total amount expended from Jan. 1, 1961, to June 30, 1962	59,645.49
Balance unexpended as of June 30, 1962	90,354.51

CHARLES A. BUCKLEY,
Chairman.

JULY 11, 1962.

COMMITTEE ON RULES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Proefssion	Total gross salary during 6-month period
T. M. Carruthers	Clerk, standing committee.	$6,733.38
Mary S. Forrest	Assistant clerk	4,605.78
D. E. Lukens	Minority clerk	4,605.78

HOWARD W. SMITH,
Chairman.

JULY 10, 1962.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Charles E. Johnson	Staff director	$8,824.74
George M. Moore	Counsel	8,824.74
B. Benton Bray	Professional staff member.	8,139.36
John H. Martiny	do	7,919.64
William A. Irvine	Assistant clerk	7,414.38
Lillian L. Hopkins	do	4,909.56
John B. Price	do	4,504.50
Lucy K. Daley	do	4,504.50
Elsie K. Thornton	Secretary	3,998.22
Blanche M. Simons	do	3,643.80

Funds authorized or appropriated for committee expenditures	$100,000.00
Amount of expenditures previously reported	53,029.06
Amount expended from Jan. 1, 1962 to June 30, 1962	30,153.28
Total amount expended from Feb. 28, 1961, to June 30, 1962	83,182.34
Balance unexpended as of June 30, 1962	16,817.66

TOM MURRAY,
Chairman.

JULY 11, 1962.

COMMITTEE ON SCIENCE AND ASTRONAUTICS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period
Charles F. Ducander	Executive director and chief counsel.	$8,824.74
Philip B. Yeager	Special consultant	8,824.74
Spencer M. Beresford	Special counsel	8,824.74
John A. Carstarphen, Jr.	Chief clerk	8,736.14
Emily Dodson	Secretary	3,658.98
Eva F. Lopez	do	3,658.98
Jane J. Zetty	do	3,658.98
Mary Ann Robert	do	3,658.98
Mary L. Myron	do	3,227.20
Carol F. Rodgers	do	525.30
INVESTIGATIONS SUBCOMMITTEE		
Raymond Wilcove	Staff consultant	$8,293.14
Richard P. Hines	do	7,654.59
Frank R. Hammill, Jr.	Counsel	7,672.17
Katherine V. Flanigan.	Assistant clerk	3,838.15
Mary Ann Temple	Secretary	3,460.67
Joseph Felton	Publications clerk	3,248.82
Denis Quigley	Assistant publications clerk.	1,901.88

Funds authorized or appropriated for committee expenditures	$300,000.00
Amount of expenditures previously reported	98,315.17
Amount expended from Jan. 1, 1962 to June 30, 1962	50,287.84
Total amount expended from Feb. 28, 1961, to June 30, 1962	148,603.01
Balance unexpended as of June 30, 1962	151,396.99

GEORGE P. MILLER,
Chairman.

JULY 9, 1962.

COMMITTEE ON UN-AMERICAN ACTIVITIES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee:		
Appell, Donald T	Investigator	$7,302.34
Joray, Juliette P	Recording clerk	5,678.88
Lewis, Gwendolyn L.	Administrative assistant.	6,118.26
Nagel, Isabel B	Secretary	3,896.94
Purdy, Rosella A	do	4,686.78
Tavenner, Frank, Jr.	General counsel	8,824.74
Turner, Anne D	Chief of reference section.	5,722.80
Veley, Lorraine	Secretary	3,694.44
Watts, Vera	do	3,431.10
Wheeler, William A.	Investigator	7,084.86
Investigating committee:		
Alario, Robert J	Clerk typist (appointed Apr. 17, 1962).	925.59
Arens, Margaret Ann.	Clerk typist (appointed June 18, 1962).	130.07
Armijo, Doris Joe	Clerk typist (appointed Mar. 12, 1962).	1,317.37
Baldwin, Beatrice P.	Clerk typist	2,681.76
Benedict, John R	Research analyst	4,504.50
Brown, Frances Rosalyn.	Information analyst.	2,691.84
Burke, Gerard F	Clerk-typist	2,175.48
Butler, Daniel	do	2,226.11
Carlson, Charlotte B.	Research analyst	3,466.56
Collins, Raymond T.	Investigator	5,010.84
Investigating committee—Con.		
Cullen, Theresa J	Clerk-typist (appointed Apr. 5, 1962).	$1,039.40
Cunningham, Anniel.	Information analyst.	3,719.70
Curll, Jean M	Clerk-stenographer (appointed June 15, 1962).	266.74
Edinger, Elizabeth L.	Editor	3,744.22
Francis, Emily R	Information analyst.	2,479.26
Fritz, Kathleen	File clerk	2,002.68
Gittings, Helen M	Research analyst	4,605.78
Goldblatt, Herbert	Clerk-typist (appointed June 5, 1962).	260.14
Gredecky, Betty A	Clerk-stenographer	2,641.29
Hagenbuch, Kathleen L.	do	3,998.22
Holton, Katherine R.	Research clerk	2,504.58
Huber, Walter B	Consultant	7,172.76
Kelly, Maura Patricia.	Research analyst	2,965.32
King, Olive M	Editor	4,453.86
Kocis, Evelyn M	Clerk-stenographer	2,802.47
Lewis, Charlotte Ridgeley.	Legal research clerk.	3,253.92
McNamara, Francis J.	Director	7,436.34
Margetich, William.	Investigator	3,562.80
Messina, Vincent J	Research clerk (resigned Apr. 30, 1962).	1,188.99
Miller, Ashley M	Clerk-typist (appointed June 14, 1962).	170.09
Muffley, David E., Jr.	Clerk-typist	2,334.98
Muller, Jane S	Information analyst.	2,749.30
Nittle, Alfred M	Counsel	7,001.40
Ontrich, Maureen Phillips.	Information analyst (resigned May 31, 1962).	2,521.75
Pfaff, Alma T	Research clerk	2,531.58
Phillips, Katharine	Switchboard operator.	2,555.22
Randolph, Josephine S.	Clerk-typist	2,884.32
Russell, Louis J	Investigator	5,854.62
Salathe, Doris	Clerk-typist (appointed Feb. 13, 1962).	1,726.10
Shaw, Doris P	Information analyst.	2,702.04
Stiles, Lela Mae	do	3,026.10
Sturtevant, Albert	Clerk-typist (appointed June 11, 1962).	200.11
Tredway, Sarah Ellen.	Clerk-typist (appointed June 6, 1962).	250.13
Unangst, Geraldine.	Clerk-stenographer	2,175.48
Valente, Mary Myers.	Secretary	3,574.58
Walsh, John C	Cocounsel	5,378.16
Wetterman, Neil E.	Investigator	4,403.28
Wheeler, Billie	Clerk-stenographer	1,984.26
Wilt, Regina McCall.	Clerk-typist (resigned May 31, 1962).	1,812.90
Yohe, John A	Staff member	5,097.00

Funds authorized or appropriated for committee expenditures	$681,000.00
Amount of expenditures previously reported	322,727.47
Amount expended from Jan. 1, 1962, to July 1, 1962	170,691.63
Total amount expended from Jan. 4, 1961, to July 1, 1962	493,419.10
Balance unexpended as of July 1, 1962	187,780.90

FRANCIS E. WALTER,
Chairman.

JULY 10, 1962.

COMMITTEE ON VETERANS' AFFAIRS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from

January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Full committee:		
Oliver E. Meadows	Staff director (P)	$8,824.74
Edwin B. Patterson	Counsel (P)	8,824.74
Jack Z. Anderson	Professional aide, minority (P).	8,824.74
George W. Fisher	Clerk (C)	8,824.74
Billy E. Kirby	Professional aide (P).	3,774.02
Paul K. Jones	Assistant clerk (C)	6,294.00
Helen A. Biondi	Assistant clerk (C)	5,160.66
Alice V. Matthews	Clerk-stenographer (C).	4,302.00
George J. Turner	Assistant clerk (C)	4,302.00
Joanne Doyle	Clerk-stenographer (C).	3,661.53
Investigative staff:		
Adin M. Downer	Staff member	6,720.18
Lillian B. Hamilton	Clerk-stenographer	221.29
Wilma Jean Johnson.	do	3,661.53
Kay N. Small	do	2,742.53
Ruth E. Wilcox	do	2,433.97
Audrey J. Lyle	do	1,130.20
Michael J. Davis	Clerk-messenger	362.58

Funds authorized or appropriated for committee expenditures	$150,000.00
Amount of expenditures previously reported	48,147.28
Amount expended from Jan. 1, 1962, to June 30, 1962	29,857.77
Total amount expended from Jan. 3, 1961, to June 30, 1962	78,005.05
Balance unexpended as of June 30, 1962	71,994.95

OLIN E. TEAGUE,
Chairman.

JULY 2, 1962.

COMMITTEE ON WAYS AND MEANS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Leo H. Irwin	Chief counsel (C)	$8,824.74
William H. Quealy	Minority counsel (P)	8,824.74
John M. Martin, Jr.	Assistant chief counsel (P).	8,666.58
Gerard M. Brannon	Professional assistant (P).	8,666.58
Raymond F. Conkling.	do	8,239.66
Alfred R. McCauley	do	8,175.97
Virginia Butler	Staff assistant (C)	4,648.80
William C. Byrd	Staff assistant (C) from Feb. 1, 1962.	2,002.75
Frances E. Donovan	Staff assistant (C)	4,546.73
Ann R. Fadeley	Staff assistant (C) from Mar. 1, 1962.	2,068.00
William R. Goodrich	Staff assistant (C)	5,000.70
Olga Kay Greene	Staff assistant (C) from Feb. 15, 1962.	3,020.88
Grace G. Kagan	Staff assistant (C)	4,648.80
June Kendall	do	4,954.26
Elizabeth Ruth	do	4,150.08
Eileen Sonnett	do	3,863.18
Susan Taylor	do	5,300.82
Irene Wade	do	4,383.00
David W. West	Staff assistant (C) from Mar. 14, 1962.	1,867.34
Hughlon Greene	Document clerk (C)	3,164.45
Walter Little	do	3,278.40

Funds authorized or appropriated for committee expenditures	$25,000.00
Amount of expenditures previously reported	2,710.68
Amount expended from Jan. 1 to June 30, 1962	2,795.52
Total amount expended from Jan. 1, 1961, to June 30, 1962	5,506.20
Balance unexpended as of June 30 1962	19,493.80

WILBUR D. MILLS,
Chairman.

JULY 1, 1962.

SELECT COMMITTEE ON SMALL BUSINESS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Charles S. Beller	Counsel	$7,001.40
Katherine C. Blackburn.	Research analyst	4,048.86
Frances F. Crane	Secretary-stenographer.	1,167.34
Victor P. Dalmas	Adviser to minority members.	1,789.21
Miriam M. DeHaas	Secretary-stenographer.	3,000.78
Jean W. Fender	Administrative assistant.	4,418.46
Justinus Gould	Counsel	7,612.08
Helen C. Hitz	Secretary-stenographer.	3,253.92
Harrison F. Houghton.	Chief economist	8,051.46
Gertrude Jonson	Secretary-stenographer.	3,253.92
Sylvia U. Keel	do	3,127.35
Barbara Wright McConnell.	do	3,930.72
Margaret Fallon Palmer.	Research analyst	3,584.94
Gregg R. Potvin	Counsel	8,051.46
Audrey Redwine	Secretary-stenographer.	3,253.92
J. Brooks A. Robertson.	Staff director	8,754.48
Joseph A. Seeley	Assistant counsel	7,001.40
Baron I. Shacklette	Consultant	6,996.96
J. Allan Sherier	General counsel	8,122.21
Lois B. Shupe	Secretary-stenographer.	1,375.04
Audrey R. Smith	do	4,048.86
Vern Stephens	Assistant adviser to minority members.	2,935.52
Marie M. Stewart	Clerk	4,418.46
Mildred Willingham	Secretary-stenographer.	1,581.05
Carole M. Xander	do	2,651.39
Total		113,431.19

Funds authorized or appropriated for committee expenditures	$580,000.00
Amount of expenditures previously reported	238,788.56
Amount expended from Jan. 1, 1962, to June 30, 1962	157,971.98
Total amount expended from Jan. 4, 1961, to June 30, 1962	396,760.54
Balance unexpended as of July 1, 1962	183,239.46

WRIGHT PATMAN,
Chairman.

JULY 6, 1962.

SELECT COMMITTEE ON EXPORT CONTROL

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1962, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Charlotte Ann Hallford.	Stenographer (May 4, to June 4, 1962).	$583.94
Fred Hallford	Staff director	6,600.00
A. Courtney Hayden, Jr.	Staff investigator (Jan. 1 to May 26, 1962).	4,750.00
Rufus King	Consultant (Jan. 23 to Apr. 4, 1962).	1,500.00
Blanche R. Plant	Stenographer-clerk	3,593.16
James J. Ryan	Staff investigator (Jan. 1 to Apr. 26, 1962).	3,800.00
Total		20,827.10

Funds authorized or appropriated for committee expenditures	$40,000.00
Amount of expenditures previously reported	14,549.07
Amount expended from Jan. 1 to June 30, 1962	21,288.48
Total amount expended from Sept. 7, 1961, to June 30, 1962	35,837.55
Balance unexpended as of June 30, 1962	4,162.45

A. PAUL KITCHIN,
Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

2344. Under clause 2 of rule XXIV, a letter from the Secretary of the Interior, relative to an application for a loan of $964,000 to the Banta-Carbona Irrigation District of Tracy, in San Joaquin County, Calif., pursuant to 71 Stat. 48, was taken from the Speaker's table and referred to the Committee on Interior and Insular affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FRIEDEL: Committee on House Administration. House Resolution 704. Resolution to provide further funds for the expenses of the investigation and study authorized by House Resolution 403; without amendment (Rept. No. 2029). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 705 Resolution to provide additional funds for the expenses of the investigations and studies authorized by House Resolution 75 of the 87th Congress; without amendment (Rept. No. 2030). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 728. Resolution to provide funds for the further expenses of studies and investigations authorized by House Resolution 86; without amendment (Rept. No. 2031). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 735. Resolution providing an additional allowance for telephone and telegraph service for certain Members of the House of Representatives; without amendment (Rept. No. 2032). Ordered to be printed.

Mr. ASHMORE: Committee on House Administration. H.R. 12661. A bill to amend section 9(b) of the act entitled "An act to

prevent pernicious political activities" (the Hatch Political Activities Act) to eliminate the requirement that the Civil Service Commission impose no penalty less than 90 days' suspension for any violation of section 9 of the act; without amendment (Rept. No. 2033). Referred to the House Calendar.

Mr. GALLAGHER: From the delegation of the U.S. House of Representatives of the Canada-United States Interparliamentary Group. Report of the sixth meeting of the Canada-United States Interparliamentary Group (Rept. No. 2034). Referred to the Committee of the Whole House on the State of the Union.

Mr. MACK: Committee on Interstate and Foreign Commerce. H.R. 7283. A bill to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses; with amendment (Rept. No. 2035). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee of conference. H.R. 11289. A bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes (Rept. No. 2036). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H.R. 12684. A bill to provide for the construction, operation, and maintenance of the Bostwick Park Federal reclamation project, Colorado; to the Committee on Interior and Insular Affairs.

By Mr. DENT:

H.R. 12685. A bill to authorize modification of local participation in flood control projects; to the Committee on Public Works.

By Mr. FARBSTEIN:

H.R. 12686. A bill to provide assistance in the field of special education to institutions of higher education, and to the States, for training personnel and undertaking research and demonstration projects, and to establish, for consultation in connection therewith, an advisory council and technical advisory committees; and to amend the Vocational Rehabilitation Act to provide services to determine rehabilitation potential, to expand vocational rehabilitation services, and to make grants for construction of rehabilitation facilities and workshops; to the Committee on Education and Labor.

By Mr. HALL:

H.R. 12687. A bill to amend the Internal Revenue Code of 1954 so as to provide for reform of personal and corporate income tax rates, and for other purposes; to the Committee on Ways and Means.

By Mr. McINTIRE:

H.R. 12688. A bill to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes; to the Committee on Agriculture.

By Mr. McMILLAN (by request):

H.R. 12689. A bill to repeal section 557 and to amend section 559 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901; to the Committee on the District of Columbia.

H.R. 12690. A bill to permit investment of funds of insurance companies organized within the District of Columbia in obligations of the Inter-American Development Bank; to the Committee on the District of Columbia.

By Mr. NYGAARD:

H.R. 12691. A bill to provide for the use of lands in the Garrison Dam project by the Three Affiliated Tribes of the Fort Berthold Reservation; to the Committee on Interior and Insular Affairs.

By Mr. SHORT:

H.R. 12692. A bill to provide for the use of lands in the Garrison Dam project by the Three Affiliated Tribes of the Fort Berthold Reservation; to the Committee on Interior and Insular Affairs.

By Mr. BYRNES of Wisconsin:

H.R. 12693. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the individual income tax for a portion of any amounts paid for accident or health insurance; to the Committee on Ways and Means.

By Mr. LANE:

H.R. 12694. A bill to facilitate the entry of alien skilled specialists and certain relatives of U.S. citizens, and for other purposes; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 12695. A bill to provide for payment for hospital services, skilled nursing facility services, and home health services furnished to aged beneficiaries under the old-age, survivors, and disability insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. MASON:

H.J. Res. 832. Joint resolution to amend the Federal Trade Commission Act, to promote quality and price stabilization, to define and restrain certain unfair methods of distribution and to confirm, define, and equalize the rights of producers and resellers in the distribution of goods identified by distinguishing brands, names, or trademarks, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. NELSEN:

H.J. Res. 833. Joint resolution to amend the Federal Trade Commission Act, to promote quality and price stabilization, to define and restrain certain unfair methods of distribution and to confirm, define, and equalize the rights of producers and resellers in the distribution of goods identified by distinguishing brands, names, or trademarks, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DELANEY (by request):

H.J. Res. 834. Joint resolution establishing the Commission on Art and Antiquities of the Capitol, and for other purposes; to the Committee on House Administration.

By Mr. FULTON:

H.J. Res. 835. Joint resolution to amend the pledge of allegiance to the flag of the United States of America; to the Committee on the Judiciary.

By Mr. PHILBIN:

H.J. Res. 836. Joint resolution to authorize the President to proclaim the 7th day of August of each year as Purple Heart Day; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.J. Res. 837. Joint resolution to authorize the President to proclaim May 15 of each year as Peace Officers Memorial Day and the calendar week of each year during which such May 15 occurs as Police Week; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H.J. Res. 838. Joint resolution regarding Indian fishing rights; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. BOLTON:

H.R. 12696. A bill for the relief of Creste Ianiro; to the Committee on the Judiciary.

By Mr. COLLIER:

H.R. 12697. A bill for the relief of Panagiota Kallianioti; to the Committee on the Judiciary.

H.R. 12698. A bill for the relief of Haralambos Sourbis, and Nikoleta Sourbis; to the Committee on the Judiciary.

By Mr. FISHER:

H.R. 12699. A bill for the relief of Eva Baker; to the Committee on the Judiciary.

By Mr. McMILLAN (by request):

H.R. 12700. A bill for the relief of William Temes; to the Committee on the Judiciary.

By Mr. MINSHALL:

H.R. 12701. A bill for the relief of Catalina Properties, Inc.; to the Committee on the Judiciary.

By Mr. NIX:

H.R. 12702. A bill for the relief of Felice Costantini; to the Committee on the Judiciary.

By Mr. PHILBIN:

H.R. 12703. A bill for the relief of Mr. and Mrs. Eugene Tognacci; to the Committee on the Judiciary.

By Mr. ROSENTHAL:

H.R. 12704. A bill for the relief of Mrs. Rosaria Minacapelli; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

391. Mr. DOOLEY presented a resolution of the New York State Association of Insurance Agents expressing concern over the constant encroachment of the Federal Government into private enterprise operations, and opposing enlargement of the social security program, which was referred to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

A Tribute to John B. Little

EXTENSION OF REMARKS
OF
HON. EUGENE J. KEOGH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 25, 1962

Mr. KEOGH. Mr. Speaker, John B. Little, a faithful and devoted employee of the House of Representatives for over 25 years, has, after a short illness, been called home by the good Lord. May his soul rest in peace in the arms of the God he served so faithfully and devotedly.

Little was his name and little was his stature, but great were his contributions to the membership of this body. John Little dedicated his life to the service of the Members of the House of Representatives. Those of us who knew him well affectionately called him vice president in charge of operations of the House Document Room. He always had the time to give the very latest information on the status of any bill, report, or document before this body. Due to his remarkable memory he could cite references to previous bills, reports, and laws way back into legislative history. But above and beyond his unquestionable competence and ability was the graciousness and generosity of his service and the gentlemanly manner in which he treated everyone who came to him for guidance and help.

In addition to his formal duties and responsibilities which John always handled expertly and efficiently, he was always ready to give any one of us a hand in solving the many and complex problems that are the everyday event in any Member's office.

In the many years I knew John Little I called upon him for help for many things and many services. He never failed to do his best to help me solve my problems, and always graciously. I know I speak not only for myself but for all the Members of this House when I say I deeply appreciated, and shall always cherish the memory of John Little—a giant little John—a truly dedicated public servant.

I do not know if John ever read the prayer I attach to this article, but he lived every line of it and I add it to my few remarks because I believe it epitomized his life:

Lord
Teach me to be generous;
Teach me to serve You as You deserve:
To give and not to count the cost,
To fight and not to heed the wounds,
To toil and not to look for rest,
To labor and not to ask for reward
Save that of knowing I am doing Your will.

St. Ignatius Loyola.

Appropriations for the Federal Maritime Administration

EXTENSION OF REMARKS
OF

HON. STANLEY R. TUPPER

OF MAINE
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 25, 1962

Mr. TUPPER. Mr. Speaker, on Friday last, during debate on the appropriation bill for Departments of State, Justice, Commerce, the judiciary and related agencies, the distinguished gentleman from North Carolina [Mr. Bonner], chairman of the House Committee on Merchant Marine and Fisheries, commented on appropriations for the Federal Maritime Administration for fiscal 1963.

Also rising on this particular appropriation was the distinguished gentleman from Washington [Mr. Tollefson], ranking minority member of the Committee on Merchant Marine and Fisheries, as well as our distinguished colleague, the gentleman from Massachusetts [Mr. Morse].

I wish to associate myself with the remarks of these gentlemen in urging that very close attention be given to the personnel requirements of the Federal Maritime Commission as a result of the responsibility given to them under the reorganization plan by this Congress.

As the gentlemen ably pointed out, the work of this Government agency is too important to be crippled by an inadequate number of employees.

I object as strenuously as any Member to increasing the overall number of Government employees, but we must be very careful in creating new areas of Government responsibilities if we are not prepared to give them the required manpower to do the job.

I join my colleagues on the Committee on Merchant Marine and Fisheries in praise of the countless hours of work by the distinguished gentleman from New York [Mr. Rooney] and the other members of his subcommittee.

My comments are not in the nature of criticism but only to express the hope that this important agency will not be downgraded and that their needs will be given every consideration.

Colorado Hospitals Need Assistance

EXTENSION OF REMARKS
OF

HON. JOHN A. CARROLL

OF COLORADO
IN THE SENATE OF THE UNITED STATES
Wednesday, July 25, 1962

Mr. CARROLL. Mr. President, I am constantly impressed with the overwhelming need for funds for hospital construction and modernization in my State of Colorado.

Private individuals and groups, especially staff doctors, have made enormous financial contributions for expansion of our hospitals, but they cannot bear this heavy burden alone.

In addition, the Hill-Burton hospital construction program has made valuable matching funds available to many Colorado hospitals.

But with all of this help there still remains a pressing need for additional sources of assistance, and I am pleased that a bill has been introduced to fulfill this purpose.

This bill is S. 3407, the Hospital Modernization Act of 1962, and the following is a statement I prepared at the time I became a cosponsor of S. 3407.

I ask unanimous consent to have printed in the Congressional Record a statement which I have prepared on the subject.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Senator John A. Carroll on Hospital Modernization Act of 1962

I am pleased to join Senator Clark and several other distinguished colleagues in sponsoring the Hospital Modernization Act of 1962 (S. 3407).

The hospitals in my State of Colorado are presently faced with a severe shortage of funds, both for new construction and for modernization of existing facilities.

I supported the full $150 million appropriation for the Hill-Burton program in the Labor-Health, Education, and Welfare appropriations bill in order that Hill-Burton activities in Colorado could continue to operate at their present level.

However, even these funds are not sufficient to meet the hospital needs my State will be attempting to fill in the next few years.

Dr. Roy L. Cleere, State director of public health, has pointed out to me that "the rapid growth of the State has resulted in unprecedented demands for increased numbers of beds and expanded hospital services."

In Denver, for example, hospitals have waited 15 years to receive Hill-Burton assistance and currently are receiving only 16 percent Hill-Burton participation rather than 45 percent authorized because of limitation of funds.

A 1960 Public Health Service survey showed that in Colorado there was a $61 million backlog of modernization needs, not including those in the vital category of nursing homes, and this figure has undoubtedly become larger since then.

This nationwide survey was made by the Public Health Service to ascertain the modernization and replacement needs of the Nation's hospitals, and it was found that the projected national cost was $3.6 billion, nearly four times the current rate of annual construction expenditures in the entire health facilities field.

In light of the benefits this will provide toward improving Colorado hospitals, I am more than pleased to add my support to S. 3407. I have been advised that the initial cost of the modernization program outlined in this bill is not expected to exceed $100 million per year. In view of the tremendous personal sacrifices being made by staff doctors and other voluntary donors to hospital modernization, I consider this to be a moderate amount of help by the Federal Government.

It is my understanding that the Department of Health, Education, and Welfare is presently considering a similar proposal for presentation to Congress next year. However, the Clark bill does reflect the general aims of the administration's program for modernization of our Nation's hospitals, and I am confident that S. 3407 is a significant step in the right direction.

Although action may not be forthcoming in this session of Congress, we must begin now to focus attention on this crucial program of hospital needs. It is vital that concrete proposals be set forth so that interested groups can offer their reactions and suggestions.

This is a well-conceived measure, and I am glad to endorse its important purpose.

A Tribute to John B. Little

EXTENSION OF REMARKS
OF

HON. NOAH M. MASON

OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 25, 1962

Mr. MASON. Mr. Speaker, so often we take for granted the services of those who work for us and fail to express our appreciation for their great assistance. One of our faithful workers, John B. Little, passed away Sunday, July 22, and I want to take this occasion to pay tribute to him.

John Little was a goodhearted Christian worker. He always did his assignments as though the whole U.S. Government depended on him and his accuracy. He trained his brain to recall thousands of documents by subjects, sponsors, or dates and years. He was schooled by the Superintendent of the House Document Room, the late Elmer Lewis, 25 years ago and seemed to try to imitate his technique. This carried over for the present Superintendent of the Document Room, Mr. Gilman Udell. I understand that he was known to open the Capitol office each morning between the hours of 5 and 7.

John was a great, typical American, dedicated to his family and his life here on Capitol Hill. He loved his Capitol. He will be long remembered because of the fine character he exemplified in his everyday life in serving the thousands who had occasion to call the Document Room.

The words of the following poem express both sympathy for the loss of a dear one and the hope of immortality and reunion. May they bring to his family some comfort:

There is no death! the stars go down
  To rise upon some other shore
And bright in heaven's jeweled crown
  They shine forevermore.

There is no death! the dust we tread
  Shall change beneath the summer showers
To golden grain, or mellow fruit,
  Or rainbow-tinted flowers.

There is no death! although we grieve
  When beautiful familiar forms
That we have learned to love
  Are torn from our embracing arms;

They are not dead! they have but passed
  Beyond the mists that blind us here
Into the new and larger life
  Of that serener sphere.

Tho' disenthralled and glorified,
  They still are here and love us yet;
The dear ones they have left behind
  They never can forget.

Land-Grant Colleges

EXTENSION OF REMARKS

OF

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1962

Mr. WRIGHT. Mr. Speaker, this month marks the 100th anniversary of America's land-grant colleges. It is well for the Nation to observe on this important occasion just how vital a role these institutions have played in the development of our country.

Today these land-grant colleges, even though they number less than 4 percent of the Nation's colleges, enroll about 20 percent of the undergraduate students and grant nearly 40 percent of all doctor degrees in every field of study.

A century ago, the opportunity for higher education in the United States was severely restricted. Higher learning was largely denied to all those who lacked the privileges of social status and wealth.

Today all that has changed, thanks to the fruition of a dream championed by such men as Jonathan B. Turner, of Illinois, and Justin S. Morrill, of Vermont. Their dream called for a Federal land grant to each State—30,000 acres for each Member of Congress from the State. This land was to be sold—the price then ranged around $1.25 an acre—with the income going to endow and support at least one college in each State.

The land-grant measure, introduced by Morrill, who served nearly 50 years in Congress, was passed and finally signed into law by President Lincoln on July 2, 1862.

The colleges spawned by this historic act were far different from the institutions that had existed prior to that time. They emphasized professional or specialized education, seeking to meet the needs of the people to apply the discoveries of science and advancing technology to daily life.

Moreover, these colleges helped remove the old exclusiveness from education. Higher learning has become more widely available. No longer was it only the privilege of the few.

In my own State of Texas, we are justifiably proud of our land-grant colleges—the Texas Agricultural and Mechanical College system—A. & M.—and Prairie View Agricultural and Mechanical College.

Arlington State College in my own district is a rapidly growing institution of the A. & M. system, providing an excellent standard of 4-year instruction available at very nominal costs for thousands of north Texas young people.

Texas A. & M., which enrolled its first students in 1876, is one of the State's oldest public institutions of higher learning. Its education program comprises three main functions—resident instruction on the campus through the graduate level, research in numerous scientific areas both on and off campus, and extension services—adult education—through the State in the agricultural field and, to a more limited extent, in the engineering field.

A. & M., like its 67 sister land-grand institutions made possible by the bill signed into law 100 years ago this month, is truly one of democracy's colleges.

Washington Report

EXTENSION OF REMARKS

OF

HON. DURWARD G. HALL

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1962

Mr. HALL. Mr. Speaker, under leave to extend and revise my remarks, I wish to insert my Washington Report No. 15 dated July 19, 1962, on the subject of "Foreign Aid."

The report follows:

YOUR CONGRESSMAN REPORTS FROM WASHINGTON: DURWARD G. HALL, SEVENTH DISTRICT, MISSOURI

The House of Representatives has passed a bill authorizing an additional $4.9 billion in foreign aid. An effort was made to ban any American funds for Communist governments in Poland and Yugoslavia, but we lacked the necessary votes. Nevertheless, we did place certain restrictions on such aid, although differences must still be worked out in conference between the House and Senate versions.

The record shows that the United States has spent over $2 billion in foreign aid in Yugoslavia over the last 12 years. This amounts to over $415,000 a day.

If the Yugoslav Communists allowed a Gallup poll to be taken—which they don't—it surely would reveal that only a handful of people in that country are even remotely aware of our help.

Nor is our assistance to Yugoslavia limited merely to foreign aid. At the present time, a high ranking officer in the Yugoslav Army is being given American instruction in the art of warfare at the Command and General Staff School in Fort Leavenworth, Kans.

Experience over the past 20 years has demonstrated the futility of attempting to win over Communist governments with handouts. The head of the Polish government in exile stated in London that our giveaways serve only to aid the Communists. Yet, Polish-American organizations in Chicago bombarded the Congress with telegrams urging continued aid to Poland.

While our aid has gone to Poland, that country has promised 7 million rubles to Communist North Vietnam, and considerable Polish aid has gone to sustain Castro in power in Cuba.

Congressional investigations and reports of waste and inefficiency have failed to penetrate the State Department "Redtape Curtain" and are largely an exercise in futility.

Any crystal ball gazer can predict that next year's investigations will disclose new examples of such waste, just as they have in past years. Equally predictable will be the lack of corrective action by the bureaucracy.

The Netherlands is a NATO partner, but we are busily shoring up Indonesia's military establishment. Portugal is a NATO ally, but we are selling military equipment to India which seized Portuguese Goa.

The Arab refugees whom we help with our substantial U.N. contribution have become political pawns of the Arab governments that we help sustain. Yet those same governments do not allow American Congressmen of Jewish descent to travel across their countries in pursuit of official duties.

We have poured out foreign aid to support the independence of Laos while we urged a coalition government which leans heavily toward the Communists.

The Laos coalition government includes a known Communist and a Communist sympathizer in its troikalike arrangement. They will exercise a veto over the use of American military and economic aid, which could well be used against our other allies in southeast Asia.

Ironically, the Western sympathizer does control the Minister of Economics, making sure that the corridor for American aid remains open.

There also is reason to marvel at the lax accounting procedures used by the State Department. The unexpended balances of the foreign assistance program are estimated at $6.6 billion at the end of this fiscal year.

The report of the Foreign Affairs Committee staff survey team after a visit to three countries and an admittedly hurried review of the hoarding of unused funds found: "that there may be substantial hidden reserves available in all countries which are being held either to finance planned operations in future years or to meet future requirements."

Counterpart funds (reparations or purchase moneys deposited in foreign banks for U.S. use) totaling $8 billion cannot be converted into U.S. dollars by seven such countries' decrees, even for specific use of American personnel administering our aid in these countries.

No one knows, not even those administering the program, the magnitude of idle money. It seems reasonable to me that Congressmen responsible for voting tax dollars ask that we pause long enough to find out how much money can be recovered.

Though our foreign aid program is supposed to be a form of "economic warfare against communism," I suspect we would still be fighting World War II if our military tactics had been no better than our "economic warfare tactics" described above.

When the administration closed our fiscal books on June 30, we were approximately $7 billion in the red for the past year. In reality, we are not spending cash dollars on foreign aid, because we do not have it to spend. We are borrowing from our children by adding to the national debt, and thus limiting their ability to meet the problems of their day by having to pay for our self-indulgence.

Passage of the foreign aid bill with no holds barred on aid to Communist countries is being hailed as a victory for the administration. That may be, but I view it as a defeat for the American people.

DURWARD G. HALL,
Member of Congress.

National Junior Bowling Championships Praised for Contributions to Youth Fitness and Citizenship—Senator Randolph Speaks

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Wednesday, July 25, 1962

Mr. RANDOLPH. Mr. President, the National Junior Bowling Championships sponsored by the Bowling Proprietors Association of America are being held here in Washington, D.C., July 24–27. Young men and young women, numbering 92, representing 31 States compete in three classifications for $10,500 in college scholarships donated by the Bowling Proprietors Association of America. This is the second year that the association has held this competition, and the nationwide acclaim received in both civic and sporting circles has prompted its continuation as an annual affair.

The welcoming luncheon for the competing State champions and their parents and sponsors took place July 24 at the Mayflower Hotel. It was my privilege to address those assembled and to comment on the effectiveness and high merit of this program of physical fitness and good citizenship. I was also pleased to greet the two West Virginia champions, Jennifer Lynne Smith and Harry A. Shriner, Jr., both of Parkersburg, and to wish them well in the coming match-game contests. Honored guests at the luncheon were Shirley Garms and Dick Weber, the 1960–61 professional Bowlers of the Year.

Having in recent years become one of our most popular participation sports, bowling has significant effect on the overall level of physical fitness in this country—a vital question which has aroused considerable concern. Likewise, the youth bowling program of the Bowling Proprietors Association of America does much to combat juvenile delinquency and youth crime through organized bowling activities in the community.

Mr. President, in sponsoring this series of nationwide competitions which culminates in the National Junior Bowling Championships, the Bowling Proprietors Association of America is performing a meaningful community service, and is helping to produce young citizens who are both healthy and responsible. We owe them a debt of gratitude for this patriotic and civic-minded work.

I request unanimous consent that my remarks at the welcome luncheon of the championships be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR JENNINGS RANDOLPH, DEMOCRAT OF WEST VIRGINIA, AT WELCOMING LUNCHEON FOR COMPETITORS IN THE NATIONAL JUNIOR BOWLING CHAMPIONSHIPS, MAYFLOWER HOTEL, WASHINGTON, D.C., TUESDAY, JULY 24, 1962

It is with a real sense of satisfaction that I greet this gathering of outstanding young athletes and friends of bowling, and extend a cordial welcome to our Nation's Capital. You are participating in a program of physical fitness and citizenship that is entirely in keeping with the highest American traditions, and so it is fitting that you gather in Washington for your championships. We are happy you are here.

For the second year the Bowling Proprietors Association of America has sponsored this annual competition, and the success of the program is attested by a wealth of favorable publicity. The Bowling Proprietors Association of America has drawn support throughout the United States, and noted bowling authorities offer generous and frequent praise for the wholesomeness and high ideals displayed in these junior championships.

You bowlers, both girls and boys, are here representing some 31 States to compete for the recognition, trophies and scholarship awards which are annually presented by the Bowling Proprietors Association to the eventual winners. However, meaningful as are these tangible rewards, it is perhaps more important that you represent a nationwide interest and concern in constructive programs of physical fitness, recreation, and good citizenship. America is aware that strong emphasis must be placed upon the mental, physical, and moral development of our young people if this Republic is to successfully discharge its responsibilities to the free world and newly emerging nations. You will bear a part of this national responsibility in the future.

Indeed, the example of fitness and health which participants in the junior bowling program display can have significant effect on others in America. President Kennedy has repeatedly stressed the need for an awakening in the field of physical fitness, and it is a need that should be of vital concern to all of us. For, as Disraeli once said, "The health of the people is really the foundation upon which all their happiness and all their powers as a state depend."

In an article prepared for the July 16 issue of Sports Illustrated magazine President Kennedy made this comment:

"Our own history, perhaps better than the history of any other great country, vividly demonstrates the truth of the belief that physical vigor and health are essential accompaniments to the qualities of intellect and spirit on which a nation is built. It was men who possessed vigor and strength as well as courage and vision who first settled these shores and, over more than three centuries, subdued a continent and wrested a civilization from the wilderness. It was physical hardihood that helped Americans in two great world wars to defeat strong and tenacious foes and make this country history's mightiest defender of freedom. And today, in our own time, in the jungles of Asia and on the borders of Europe, a new group of vigorous young Americans helps maintain the peace of the world and our security as a nation."

However, the President then went on to point out that in recent decades the overall level of our physical fitness has been well below that of any reasonable national standard.

The Kraus-Weber Survey of 1960 showed that there was indeed cause for alarm and a requirement for vigorous action. Competent survey figures indicated that 58 percent of all American youths were unable to pass a basic physical fitness test. This was a particularly appalling figure when noting that, of the Europeans tested, only 8.7 percent failed the test.

Since that time, the President's Council on Youth Physical Fitness, a group dedicated to eliminating this dangerous deficiency, has conducted a further study which adds credence to the Kraus-Weber findings. The President's Council reports that 10 million of our 40 million schoolchildren were unable to pass a minimum-level fitness test, and indicates that nearly 20 million would fail if confronted by a slightly more demanding test.

In considering these facts it becomes increasingly apparent that coordinated effort must be expended to promote physical fitness, and active participation in worthwhile programs such as youth bowling.

Under the able leadership of Bud Wilkinson, football coach at the University of Oklahoma, the President's Council on Youth Fitness continues to influence and guide toward more healthy, vigorous living, through constant research in areas of fitness and youth programs. The Council has instituted physical testing, promoted appropriate training in schools all over the country, and designed a nationwide campaign to alert Americans to physical conditioning needs. It is now going forward with a wide range of activities in the fields of recreation and health education.

As informed and realistic Americans, however, we cannot address ourselves solely to the problems on the physical side of the ledger. Rather, our efforts must be just as vigorous toward the development of moral character, and high standards of citizenship. I am gratified that in this vital area, also, the youth bowling program of the Bowling Proprietors' Association of America is demonstrating leadership and effective planning. The example and recognized success of this and other organized recreational groups is a constant and effective force in the taxing struggle against juvenile delinquency and youth crime. But much remains to be done.

According to statistics recently released by the Federal Bureau of Investigation, arrests of youths under 18 in the year 1960 comprised 14 percent of the arrest total and represented an increase of 9 percent over the previous year. Even more shocking is the revelation that in the same year, 1960, youths under 18 made up 61 percent of all persons arrested for automobile theft; 49 percent of all burglary arrests; and 47 percent of all larcenies.

Indeed the situation has become so deplorable that FBI Director J. Edgar Hoover gave the following testimony before a subcommittee of the House of Representatives, in January of this year: Mr. Hoover said that, "The expanding scope of youthful criminality is one of the most disheartening things I can think of today. The frequency and viciousness of the criminal acts being committed by our young people, already alarming, are speeding toward certain tragedy unless the current trend is some way arrested."

The aim of the United States then, must be to promote and encourage activities at the local level which will eliminate substandard physical fitness, and lessen juvenile delinquency. What better answer than to combine into one attractive package a remedy that would have salutary effect on both situations? This youth bowling competition is such a program.

And, it has long been recognized that properly supervised athletic and recreational activities contribute significantly to characteristics of leadership, self-reliance, and fair play.

Among the most articulate proponents of athletics as a preparation for responsible adult living is the new member in the U.S. Supreme Court, Justice Byron R. "Whizzer" White. Justice White holds that participation in athletics, and particularly competitive athletics, is excellent training for later responsibilities and promotes clear thinking, the ability to make swift and accurate decisions, and sportsmanship. Certainly Byron White's opinion is worthy of consideration, for his personal accomplishments as an All-American football star and Rhodes scholar are an eloquent illustration that athletics can and does build effective citizens.

The Bowling Proprietors' Association of America is performing a valuable and rewarding public service in sponsoring this program of competition and scholarship awards for young people. You, who take part, are serving your country as you set a worthy example of citizenship and physical fitness.

I am confident that your stay in Washington, D.C., will be enjoyable and meaningful, and that you will compete with honor. You will return to your homes with a richer appreciation of the ideals and aims which have made this Nation the best hope of free men and women throughout the world.

H.R. 4068

EXTENSION OF REMARKS
OF

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 25, 1962

Mr. ROSENTHAL. Mr. Speaker, I commend to the attention of my colleagues H.R. 4068, which would require the establishment of congressional districts composed of contiguous and compact territory for the elections of Members of the House of Representatives. The bill, which has for many years been championed by the respected and learned Member from New York [Mr. CELLER], has been reported by Subcommittee No. 5 of the Committee on the Judiciary.

H.R. 4068, Mr. Speaker, is addressed to a problem of utmost gravity, one that is at the very center of the democratic functioning of our representative form of government. The problem is that of equitable territorial apportionment so that legislatures may be truly and fairly representative insofar as complete objectivity may be attained. With respect to the House of Representatives, this problem has been met until now largely through creation of at-large seats for Members and through successive enlargement of the total membership of the House. With the consequent growth in the membership of the House, however, many are convinced that we may no longer resort to this solution. Hence we should seriously consider H.R. 4068 or some other measure to attain the same end.

I, for one, endorsed H.R. 4068 and would appreciate an early opportunity to support its enactment with my affirmative vote. It would resolve a fundamental and continuing problem in an objective, neutral manner that would reflect historic honor upon the Congress that enacts it. I urge its early consideration and adoption.

Most Americans Pray

EXTENSION OF REMARKS
OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 25, 1962

Mr. PHILBIN. Mr. Speaker, I have received many letters protesting the recent decision of the Supreme Court banning prayer in the public schools.

These letters came from people of all the great religious faiths of the Nation.

With the exception of two or three, these letters are all vehement in their protest and for the most part demanded corrective action in the form of a constitutional amendment to offset the decision.

One of the most impressive statements was made by a dear friend from Leominster, Mass., in my district, a great American of rich heritage, Miss Estella E. Marshall. She states:

> Years ago when a noted French diplomat came to our shores to learn the source of America's greatness, he discovered that it was not because of her great industries, her immense natural resources, nor her educational advantages. None of these, he declared, were responsible for America's greatness. It was because of her unequaled spiritual development; that her bulwark was in her churches and, he stated, that, if America ever ceases to be good, she will cease to be great.

Miss Marshall continues:

> Don't let this happen here as it has in other nations.

I think that these words are well worth noting and summarize the case for those who believe that spiritual values, rather than material wealth, is the real, outstanding element that makes our Nation truly great.

Miss Marshall referred to the opening of sessions of Congress with prayer which are recorded verbatim and the congressional Prayer Room where a Congressman may go to meditate or pray and seek God's guidance and strength in order to carry his great responsibility of Government in accordance with His righteous will.

> The character of this Nation—

She asserted—

> was molded in sacrifice and devotion, and if it is to live at all in these materialistic days it must be strongly garrisoned with virtue.

She concluded:

> A material mind will degrade whereas the spiritual mind will elevate.

Her fine statement deserves careful attention and thoughtful consideration.

Reading all my various communications from my constituents brings me to the inescapable conclusion that an overwhelming number of Americans strongly disapprove the Supreme Court's decision, and only a very small minority indeed approves it.

Of course, minority rights should always be respected, not only in spiritual matters, but in political, social, and economic matters as well.

America will accord to every man the right to worship as he sees fit, and to abide with his own conscientious beliefs. But American opinion is predicated on our religious beliefs and teachings and on the philosophy of freedom, and those who would deny the children of citizens or residents of this country the right to pray in the schools, or elsewhere, are denying a sacred fundamental principle of America that goes to the roots of our free institutions and touches the very soul of America.

Let us with reverence and devotion recall the stirring words of the last verse of "America" which, incidentally, has been expunged or omitted from some modern American songbooks.

It goes as follows:

> Our Fathers' God, to Thee,
> Author of Liberty,
> To Thee we sing;
> Long may our land be bright
> With Freedom's holy light;
> Protect us by Thy might,
> Great God, our King.

The Supreme Court ought to memorize this verse.

Tenth Anniversary of the Establishment of the Commonwealth Status of Puerto Rico

EXTENSION OF REMARKS
OF

HON. HUGH L. CAREY

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 25, 1962

Mr. CAREY. Mr. Speaker, I wish to congratulate the people of Puerto Rico on the 10th anniversary of the establishment of the commonwealth status of Puerto Rico. Ten years ago today, the new Constitution of Puerto Rico went into effect. It is a constitution which the representatives of the Puerto Rican people themselves drafted in their own constitutional conventions. This constitution means not only that the Governor, senators and representatives are elected by popular vote; it means also that the people of Puerto Rico now exercise real self-government, which is the essence of a republican form of government. As the delegates to the constitutional convention stated in a resolution in February 1952, Puerto Rico "is free of superior authority in the management of its own affairs," and yet remains a part of the Federal system of the United States with regard both to national programs and foreign affairs.

The people of Puerto Rico are to be commended for the way in which they have embraced their new political responsibilities. They are demonstrating that they and their Governor and representatives are fully capable of that freedom which is truly realized only when its exercise is determined by rational deliberation in democratic discussion and debate.

In light of political progress to date, we are justified in expecting Puerto Rico to continue on the way to becoming a model of republican self-government, and an example to peoples in other parts of the world whose freedom has been alienated to communist totalitarianism.

I should also like to take this opportunity to commend our distinguished colleague, Dr. A. Fernós-Isern, Resident Commissioner of the Commonwealth of Puerto Rico, whose dedicated, zealous and effective representation has made a great contribution in behalf of the people of the Commonwealth. I also send my felicitations on this occasion to one of the outstanding government leaders in the Western Hemisphere, Governor Muñoz-Marín whom I have had the pleasure of meeting in San Juan and who is a symbol of democratic leadership and responsible government which could well be emulated by other Latin American countries. I would be remiss also if I did not call the attention of my colleagues to the outstanding administration and dedicated application to the problems of housing, schools, health, and economic development which characterizes the regime of the mayoress of San Juan, Felisa Rincon de Gauthier.

I am proud that among the pioneering businessmen who have worked to raise the standard of the Puerto Rican people through the utilization of Operation Bootstrap are two members of my own family who, working in separate fields of industry, have helped to creat thousands of job opportunities for the people of Poncé and San Juan in this great Commonwealth. Finally, I commend the outstanding work being done by another Puerto Rican administrator of outstanding capability, Mr. Teodoro Moscoso who is now U.S. coordinator for the Alliance for Progress.

Politics and Medicine

EXTENSION OF REMARKS

OF

HON. HUGH SCOTT

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 25, 1962

Mr. SCOTT. Mr. President, since the vote last week on the medical care issue, there have been many excellent editorial discussions on the implications of this action. I have been particularly impressed with three editorials in Pennsylvania newspapers and one in the Washington Star as well as an article in Time magazine, which pointed out that political—not humanitarian—considerations were the primary motivation behind the Kennedy administration's pressure for its own brand of legislation.

As one who has been sponsoring health care legislation since 1949, when I was in the House of Representatives, I was especially concerned that the "all or nothing" action in the Senate last week will prevent many Americans from receiving the health care legislation which they need.

I ask unanimous consent to insert into the RECORD the editorials and article, along with a thoughtfully written newsletter by the Senator from Maryland, the Honorable J. GLENN BEALL.

There being no objection, the editorials and article were ordered to be printed in the RECORD, as follows:

[From the Pittsburgh (Pa.) Press, July 22, 1962]

POLITICS IN MEDICARE

When President Kennedy's medical care bill was defeated in the Senate the other day, Mr. Kennedy blamed it on Republicans and a handful of Democrats.

The handful consisted of 21 of the 64 Democrats in the Senate, including the chairmen of 10 important committees. Quite a handful.

Eight of these antimedicare Democratic Senators are up for reelection in November. Two of the five Republicans who supported Mr. Kennedy also are candidates.

The President suggests medicare will be a top issue in the campaign. Loss of the bill was a "defeat" for every American family, he said. He has indicated he will campaign extensively in behalf of candidates who will support his program.

So we wonder: Will the President go into North Carolina, Arkansas, Arizona, Alabama, Louisiana, Oklahoma, Florida, and Georgia to campaign against Senators ERVIN, FULBRIGHT, HAYDEN, HILL, LONG, MONRONEY, SMATHERS, and TALMADGE, the Democrats from those States who voted against his bill and are candidates for reelection?

Will he go into California and New York and campaign in behalf of Senators KUCHEL and JAVITS, Republicans who supported his bill and are candidates?

We do not anticipate the President will do anything of the sort. Mr. Kennedy is a party politics man.

But if medicare is as much of an issue as he says it is, if he really believes the welfare of every American family is affected, he logically should favor those who backed the bill and oppose those who voted against it, regardless of party labels.

Otherwise, the whole controversy has the hollow sound of mere talking politics.

[From the Philadelphia (Pa.) Bulletin, July 22, 1962]

HOW NOT TO HANDLE CONGRESS

Few Presidents in this century had experience in Congress before moving into the White House. Mr. Kennedy is one of them. It would be natural to think that this would be an advantage, for one of the more vexing tasks of every President is to persuade, prod, or push Congress into passage of the legislation he believes desirable.

On the record in the present instance, familiarity with the ways of Congress has hardly seemed to work to the President's advantage. Though his own party is in control of both House and Senate—at least so far as the Democratic label is concerned—Mr. Kennedy has suffered two defeats dangerous to his prestige on Capitol Hill.

There is a similarity about them worth attention. In each instance the method used seems to have contributed notably to the defeat.

The first was Mr. Kennedy's proposed creation of a Department of Urban Affairs. A bill was introduced; the House Rules Committee killed it. The President thereupon set up the Department by Executive order—in effect challenging either Chamber to veto it—and underscored the challenge by announcing in advance that the post would be filled by the first Negro ever appointed to Cabinet rank. Such appointment would be entirely proper and many would have welcomed it; but advance announcement could only have the effect of pressuring Congressmen from districts with large numbers of minority group voters. The proof that Congress was not being handled skillfully came February 22, when the House vetoed the Department by a surprisingly heavy vote—243 to 150—with 111 Democrats turning in against Mr. Kennedy.

The second instance was that of medicare. Duly introduced legislation was blocked in the House Ways and Means Committee and in the Senate Finance Committee. The White House strategy again was to short circuit Congress. This time it was by way of an amendment to a bill already passed by the House; which had the effect of taking the proposal directly to the floor of the Senate and out of the hands of either committee. Moreover, an urgency tag was put on it in tacking it to the public welfare bill, a measure sure of passage and one for which the deadline had already expired. Thus little time was allowed for consideration and debate, much less for the public hearings to be expected in committee. The method was objectionable to many Senators. Their feelings had a part in the result—a defeat in a Chamber nearly two-thirds Democratic.

White House strategy has perhaps been a bit too clever, to the point where the Congress has felt it was being elbowed. When this happens, it inevitably votes for its own dignity. As a former Senator, Mr. Kennedy may find this worth remembering for future legislative efforts. There are softer but more effective techniques.

[From the Philadelphia (Pa.) Inquirer, July 18, 1962]

MEDICARE: POLITICAL ISSUE

The U.S. Senate, in its scalpel-thin defeat of the administration's medicare bill, has presented President Kennedy with a surgical instrument with which to operate on the coming congressional elections.

The President was not hesitant in taking a quick warmup slash, either. It was, he said, a "defeat for every American family." He made reference not only to the 17 million Americans over 65 years of age but also the families of a great many of them who normally have to help pay the medical bills.

The American Medical Association, both nationally and in Philadelphia, was only momentarily slower in issuing victory statements in the name of the average American wage-earner, taxpayer, and medical billpayer.

Plainly, the issue of linking medical care for the aged to the existing social security program is going back to the voter this fall. The doctors' views on the "unfairness" of saddling taxpayers with the care of those who could pay for it themselves, and fears that medicare is the opening wedge for all-out socialized medicine, will doubtless be heard again and again. But so will the administration's declarations that a very real problem exists for a multitude of American families—and this is the way to solve it.

So far as we can see, there is not—at this moment—a fully satisfactory alternative to place before the voters, even indirectly in the persons of the candidates running for office. A full share of the medicare defeat was contributed by 21 Democratic Senators, 17 of them from the South.

No matter what the President may do, the South's representation is not likely to change in any degree and may well continue to hold the balance of congressional power—not only in the Senate, where medicare went down to its rollcall defeat, but also in the House where the Ways and Means Committee, substantially salted with Dixie seniority-holders, has been sitting on administration measures determinedly month after month.

The President is most likely to use his medicare cutting edge only in the heavily populated States of the Northeast where some Republican muscle might still be "cut out," not against any nominal Democrats. And this, we believe, may make the whole grand display of political outrage an exercise in futility.

Nevertheless, the problem remains. Medical bills can impoverish an ordinary family with ailing elderly members. Private insurance plans are some help but evidently not enough. The Kerr-Mills plan, passed in 1960, specifically aids the medically indigent—but the many more who are not without some resources remain in limbo.

We are certain the President will campaign energetically for social security, but it is such a vast, impersonal, though not infallible, system already that we dread attaching any further complications to it. What we would like to see is a private insurance plan—with premiums ordinary mortals could afford—to take care of all oldsters left over from Kerr-Mills.

It is unpleasant to have one's medical expenses kicked around in the hurly-burly of politics, but the issue is now the prime football for the fall campaign, at least in this corner of the Nation. The starting whistle has already sounded—and it's likely to be a rough contest.

[From the Washington (D.C.) Star, July 19, 1962]

Political Medicine

The political war touched off by the President's ill-advised statement after the defeat of the medical care bill is now in full swing. Perhaps this would have been inevitable without the Kennedy statement. But it is a spectacle which makes one wonder what the Democrats really wanted—medical care or a political issue.

In saying this, we attribute no lofty motives to the Republicans. Some of their comments are just as demagogic as those coming from the Democratic camp. But it was the President who fired the first shot.

The fact is that 21 Democratic Senators combined with 31 Republicans to kill the bill. The President said it was killed by the Republicans and a handful of Democrats—manifestly a distortion of fact. Of the 21 Democrats—a third of the party membership in the Senate—10 are chairmen of major committees.

Still, in the face of this, Democratic National Chairman Bailey has said: "Tuesday's defeat for the elderly citizens of America and their children and grandchildren will be hailed by some as a victory for the Republicans. I predict that it will be a costly victory when the voters go to the polls next November and turn thumbs down on the reckless Republican program of partisan obstruction."

But what about the 21 Democrats? Is Mr. Bailey saying that they, too, have struck a cruel blow at the elderly citizens of America and their children and grandchildren? Are they also guilty of reckless obstruction? Is Mr. Bailey calling for their defeat at the polls in November, and if so by Republicans?

Let's not be silly. Of course he isn't. Mr. Bailey is simply trying to play partisan politics with an issue which should not be political in nature and which will never be satisfactorily settled on a partisan basis.

The responsibility in this business rests with the Democrats, for they control the White House and have large majorities in both houses of Congress. They cannot pass the buck to the Republicans, for the obvious fact is that this bill failed because too many Democrats were opposed to it.

Their reasons varied, of course. But some of them, at least, voted as they did because they thought the President's measure was not a good bill, and because they resented the attempt to jam it through the Senate without even holding hearings on it.

Our crystal ball does not tell us how the voters will react to all of this in November. But we suspect that Mr. Kennedy and Mr. Bailey are going to be disappointed. For it will be very difficult to convince the voters that the minority Republicans, holding only one-third of the seats in the Senate, are the real villains of this piece. If this turns out to be correct, if the medicare issue turns out to be a flop, or worse, we suggest that the President and his advisers be ready with a better bill for submission to Congress when it reassembles in January.

[From Time magazine, July 27, 1962]

Congress: The Case for Subtlety

The favorite colors of the Kennedy administration often seem to be black and white: anything that the President does is good, and any opposition to it is bad. In a young and aggressive President, this is not completely surprising—and many Presidents before John Kennedy have viewed their own programs in equally absolute terms. But it is an attitude that often makes for cockiness along with determination, and it ignores the subtleties necessary to legislative success. Last week the venerable U.S. Senate, whose business is the grays of legislative compromise, took upon itself to teach the young President a bitter lesson about absolutes by killing his cherished medicare program.

Kennedy knew from the first that medicare could not pass this year; a similar bill is still languishing in Wilbur Mills' House Ways and Means Committee, and Mills has no intention of letting it go to the floor. But Kennedy, still smarting under his narrow squeak in the election, thought he saw in medicare a red-hot political issue with which to bludgeon his opponents and win votes for Democratic candidates in November. Though the American Medical Association far overstated the case by calling the medicare bill socialized medicine, Kennedy equated its opposition with callous disregard of elders' health. He bluntly said that he would get his way no matter what Congress did, and by insisting that medicare would be a partisan issue in the fall campaign, solidified Republican opposition to it. To many—including some in his own party—he seemed to be more interested in a political issue than in a bill.

VISIONS OF BLAME

In order to dramatize the vision of an obstructionist Congress, he hoped to get a favorable Senate vote on medicare, then blame the well-known coalition of Republicans and conservative Democrats in the House for killing it. He had good reason to believe that he could: the 64-to-36 Democratic majority in the Senate usually makes that body amenable. With that in mind the President permitted his Senate leaders to attach a modified form of the King-Anderson medicare bill as an amendment to an unrelated welfare bill. This had the advantage of bypassing the Senate Finance Committee, headed by medicare foe Harry Byrd.

The Senate Chamber, jammed as the Senate tensed for the vote, hushed for the showdown rollcall, which came on a motion by Oklahoma's Democrat Robert Kerr to table the medicare amendment worked out by the administration and five liberal Republicans. All 100 Senators were present—a rarity. Despite meticulous head counting, the outcome hinged on a few unpredictable votes. The count began with Vermont Republican George Aiken's crisp antiadministration "aye"; it had seesawed to a 13-to-13 tie by the time the clerk reached Douglas, of Illinois. Two-thirds of the way down the list the administration led, 37 to 31, but still ahead was the "murderer's row" of conservatives at the end of the alphabet.

Then West Virginia Democrat Jennings Randolph, an oldtime New Deal liberal who rarely bucks a Democratic President, cast a resonant and decisive "aye." With that the administrative knew it had almost certainly lost, and Arizona Democrat Carl Hayden, who had reluctantly promised to support the administration only if his vote was needed to produce a saving tie, also voted against medicare. The final vote was 52 to 48—with 21 Democrats joining 31 Republicans to defy the President.

SERIOUS DEFEAT

The President was angry, and he reverted to a black-and-white view. About an hour after the vote, he made an unusual appearance before the TV cameras in the White House "fish room" to declare: "This is a most serious defeat for every American family, for the 17 million Americans who are over 65, [for] all those Americans who have parents, who are liable to be ill, and who have children to educate at the same time." Speaking over reporters' heads to the Nation, he said that "nearly all the Republicans and a handful of Democrats joined with them to give us today's setback. I hope that we will return in November a Congress that will support a program like medical care for the aged."

What stung Kennedy most was not the near unanimity of Republican opposition but what he called the "handful" of Democrats (Senate Minority Leader Everett Dirksen slyly christened them "living profiles in courage") who had made defeat possible—actually a third of the Senate's Democrats. They included such prominent Democrats as Foreign Relations Chairman William Fulbright, ace Investigator John McClellan, moderate Liberal Mike Monroney, former Vice-Presidential Candidate John Sparkman, and Armed Services Chairman Richard Russell, as well as Hayden, Randolph and Kerr.

It was old friend George Smathers who drew most of the anger of White House aids for his antimedicare vote, since he was an usher at Kennedy's wedding, is Democratic conference secretary, yet repeatedly votes against Kennedy on key issues ("He hasn't stood up for Jack since the wedding," goes a White House wisecrack). Heavy pressure had been exerted to capture Senator Randolph's decisive vote, including a telephone call from Kennedy himself. It all failed—and apparently because Randolph was indebted to Kerr for amending a welfare bill so that hard-pressed West Virginia could receive $11 million in aid to dependent children. Thus it was really Democrat Kerr, who also carried Oklahoma colleague Monroney along with him, who really beat Kennedy.

NO PURGE

Behind all the personal reasons for opposition to medicare lay the real source of much of Kennedy's trouble with Congress. Many Senators simply did not like the hasty and ill-considered compromise bill—and did not like being lumped as enemies of the aged because they wanted to vote against it. Others resented the strong White House pressure. The committee chairmen were dead set against the administration's determination to bypass the Finance Committee—on the theory that the same thing might later happen to them. More significantly, the Senators resented being used in a hopeless cause to give the President a political issue. The Senators also recognized something else that Kennedy did not: medicare is not so overwhelmingly popular an issue as the President seems to believe. Letters ran heavily against medicare after Kennedy's appearance in Madison Square Garden, and a Gallup poll showed that its popular support had dropped from 55 percent last March to 48 percent in June.

Kennedy is nonetheless determined to make medicare important in the November elections, hoping that enough of the blame for its defeat will rub off on the Republicans. He is already scheduled to campaign in California, Illinois, Pennsylvania, Michigan, Connecticut, New York, and Ohio. But wherever he goes, and whatever he says about medicare, John Kennedy will be hard pressed to explain why the voters should punish his Republican opponents and continue to support the 21 stalwart Democrats of the Senate who ganged up on him last week.

"SENATE CLOAKROOM"—NEWSLETTER OF J. GLENN BEALL, OF MARYLAND, U.S. SENATOR

WASHINGTON, D.C.,
July 23, 1962.

DEAR FRIENDS: Medicare scheme defeated in Senate—on Tuesday, a bipartisan move was made in the Senate to defeat the administration's medicare plan. A motion was passed to table the Anderson bill. This has the effect of killing the measure which would have placed virtually everyone over 65 under Government-controlled medical care. A majority of the Senators concurred with the arguments that the administration-backed Anderson medicare bill was not the best possible measure to accomplish the desired purpose. In this, the Senators were cognizant of the fact that they represented, not the President, but the people; opinion polls taken throughout the Nation have shown that the people are overwhelmingly against medicare.

We are interested in seeing that elderly persons get the medical care they need. No one group has the exclusive claim to the human quality of compassion. The division on the question of medicare has no relation to mercy or consideration for the elderly. Virtues are not on one side alone. The division is based on a difference of opinion as to the proper approach to the problem.

The Anderson medicare bill would have made medical care for persons over 65 an integral part of the social security system. And, although there was no limitation on how much it could add to social security taxes in years to come, there were definite limitations on what it could do. The benefits under the plan would have been a long way from taking care of the total medical needs of the older person. It would have paid no doctor bills; it would not have paid any part of the cost of a doctor's services in your home, in his office, or in a hospital. It would not have paid any surgeon fees. It would not have paid any dental bills. It would not have paid for any medicines used outside a hospital, or for any preventive medicines. It would not have paid for anything until the beneficiary went to a hospital. And even then it would have been inadequate; it provided for a $90 deductible, with the patient having to pay $10 a day for the first 9 days of hospitalization. Since the average hospital stay for an older person runs around 7 days, it is clear to see that medicare would have paid only a small part of one's hospital bill or possibly nothing at all.

The medicare bill made no distinction between those who need help with their medical expenses and those who do not. The wealthy would have received the same benefits as the poor. Some older people are truly in need, but it is also true that a large proportion of older people are quite well off. In fact, they are better off than young folks who are struggling to get started in their life's work and wrestling with the peak expenses of a growing family. It would have been these young folks who would have had to carry the burden of the cost of medicare. The people now 65 would have paid nothing, but would have been eligible for the benefits. The youth 20 years of age would have had to pay for medicare every week for the next 45 years, without receiving anything in return during that time, and even at the expiration of the 45 years, if he should live and if he then had to go to a hospital, he'd have to pay the first cost of each hospital visit, up to $90. As I see it, we certainly have no moral right to increase taxes now—establishing a compulsory tax resting most heavily on the young folks—to take care of people who can take care of themselves. And we certainly have no right to assume that all people over 65 are in need.

The argument that medicare would cost only one-half of 1 percent would not hold water for the simple reason that that figure could and would be raised to meet the costs in the future. The rate could be moved upward at the whim of future Congresses.

An actuary for the Department of Health, Education, and Welfare testified before a congressional committee that the benefits under medicare would exceed the income. There was ample evidence presented to the effect that the plan was unsound. This meant that next year, and the next, and so on, Congress would have been called on to raise the tax rate.

The worst thing about the medicare plan is that it is socialized medicine and would constitute a dangerous step toward out-and-out socialism. Its proponents do not call it socialized medicine, at least in public, but in the end, it is one and the same thing. Those who would destroy our freedoms and turn us into a welfare state seem to have concentrated their efforts toward our acceptance of socialized medicine. When such a program began in England, it was said that it would cost about £100 million a year. The cost was twice that the first year, and in 10 years it was costing £707 million a year. A prominent British economist said: "If the United States ever got into the same situation as Great Britain, the welfare state would cost—in Federal, State, and local taxes—well over $100 billion a year."

GOVERNMENT CONTROL OF MEDICINE MEANS POORER MEDICINE

Under the socialized system in Great Britain, patients may get only a few moments with a doctor, often required to see as many as 75 patients a day. During the 14 years of socialized medicine in England—a period during which 724 new hospitals have been constructed in the United States—only 1 hospital has been built in England. Americans do not want their medical system to deteriorate in this way. Quality medicine has been one of the crowning achievements of American life. Nothing should be done to destroy the initiative of the individual or the incentive for research which have wrought great advances in health and life expectancy in this country. If medicare bureaucracy should spread like a plague, replacing private initiative with Federal conformity and redtape, then standards would be certain to decline.

Yes, we do need to improve our programs for helping older people who need help. We made a good beginning with the recently enacted Kerr-Mills law, which provides for matching Federal and State funds for medical care for the older people who are in need. About half the States have passed laws providing for cooperation under the Kerr-Mills Act. Others will follow. Under Kerr-Mills, the money goes straight to the ailing old folks instead of being sopped up by a Federal bureau. Let's give Kerr-Mills a chance.

The people of America won a victory for medical progress, for sound government, for individual freedom, and for the American system of free enterprise—won over ballyhoo and hoax—when their Senators defeated medicare.

From what I have said here, you will understand why I voted with the majority to defeat the Anderson medicare bill.

GOVERNMENT SPENDING: TWO QUOTATIONS

"Government spending for social programs, no matter how worthy, should be kept to a minimum until there is Government income available to finance them. All Government spending is financed either by taxation or by inflation, which is a hidden form of taxation. In both cases, these taxes are eventually added to the cost of production and find their way into the price level * * *. I am confident the public is not fully aware of the economic dangers now overhanging us."—HAROLD H. HELM, chairman, Chemical Bank New York Trust Co., 1962.

"Revenues must cover expenditures by one means or another. Any government, like any family, can for a year spend a little more than it earns. But you and I know that a continuation of that habit means the poorhouse."—FRANKLIN D. ROOSEVELT, 1932.

Sincerely yours,

J. GLENN BEALL.

Surrender in Laos

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 25, 1962

Mr. PELLY. Mr. Speaker, the piecemeal surrender of the free world to the Communists is accelerating and the American public is fed an endless dosage of palliatives and propaganda in an attempt to make the administration's vacillation more palatable. No more glaring example of the New Frontier's self-styled "accommodation" of communism could be found than the recent sacrifices of the pro-Western and strongly anti-Communist Royal Lao Government to a Red-dominated coalition. The State Department officials who engineered this backdown are attempting to rationalize their actions by insisting that the new rulers of Laos are neither Communists nor pro-Communists, but simply are intent upon maintaining true neutrality in a troubled area.

If these administration spokesmen know better, they are guilty of gross misrepresentation of fact to the American people who must finance their calamitous official conduct. If they do not know better, their naivete certainly must be viewed as a quality equally as dangerous as Russian missiles. But that they obviously are either completely ignorant of the consequences of their actions or are knowingly weakening America's principles was borne out recently by the gentleman from Minnesota, the Honorable CLARK MACGREGOR, during a radio broadcast at station KEVE in Minneapolis. Under unanimous consent, I include the following statement, made by the gentleman at that time, in the Appendix of the RECORD:

ADDRESS OF HON. CLARK MACGREGOR, OF MINNESOTA

During the past year the American taxpayers have financed the construction of a Communist "Trojan Horse" in the heart of southeast Asia. The architect and chief builder of this "Trojan Horse" has been Averell Harriman, our Assistant Secretary of State for Far Eastern Affairs.

Why do I say this? I spent almost half an hour on Thursday night of this week talking with Prince Souvanna Phouma, the new Prime Minister of the supposedly neutralist government of Laos, and his Foreign Minister, pro-Communist Quinim Pholsena. They say "pro-Communist"; my observations from talking to him for 25 minutes through an interpreter—he speaks only French and Lao—is that he is a dedicated Communist. He is identified, this new foreign minister of Laos, as Prince Souphanouvong's right arm. Souphanouvong is the Communist leader in this troika government in Laos to which we have given our approval. You have heard me speak of Laos before. Many people say to me, "Can this be so important, really? Cuba is much more important to us—it's only 90 miles off our shores." Cuba is important, but Laos is an area of change; it's a time bomb for the future insofar as the policy of this country is concerned—insofar as our efforts are concerned to advance the cause of freedom throughout the world.

Why is this so? Well, let me go back a moment to remind you of what Tom Dooley said. Tom Dooley, you know, was the heroic young American doctor who sought to bring better medical opportunities—better medical practice—to northern Laos. Tom Dooley, who unfortunately died of cancer a short while ago, used to refer to Laos as "the keystone of the arch of freedom in Southeast Asia—if Laos goes, all southeast Asia must necessarily follow."

From my experiences in World War II in the immediate area of northwestern Laos, I would refer to Laos as the hub of a wheel. From Laos there are critical supply lines that go to South Vietnam where we have American forces now; south into Cambodia which is a neutralist government which in my opinion has been moving closer to the Communist bloc; lines of supply directly to the southwest and to the west into Thailand where we have substantial American troops; and to the northwest into Burma where I served for about a year and a half in Burma itself in World War II. Laos is a small country—about the size of Utah; it is mountainous, to be sure, and it is heavily affected in its lower regions by the monsoon rains. It has 2½ to 3 million people. Perhaps it isn't, at first blush, so very important, but when you consider its strategic location in southeast Asia, its importance takes on new meaning. Also, from a psychological standpoint, if America can be shown by the Communists to be, in fact, a paper tiger in Laos, that impression will radiate in waves throughout southeast Asia and substantially damage our position. This comes down right to reality, to many American homes who have marines and soldier sons who are actually serving in South Vietnam and in Thailand at the present time.

Let's come up to date more recently and see what has happened in the last week. Early this week in Geneva, there was finally concluded a 14-power agreement, supposedly guaranteeing the neutrality of the Kingdom of Laos and its population. Prince Souvanna Phouma, the new Prime Minister of this Kingdom, arrived in Washington on Thursday of this week, late in the afternoon. Accompanying him from Geneva and from tiane, the capital of Laos, was a tough-minded little man called Quinim Pholsena. He is the man with whom I spent about 25 minutes in conversation last night through a State Department interpreter. I asked him several specific questions about the future of this country and about its prospects for being truly neutral. There are four questions that were of vital importance to me.

First, "Will there be a true integration into one military force of the three armies in Laos?" You know, over the past year and a half—a little more than that—there has been fighting in Laos between the military forces, first, which were pro-Western, fighting for the retention of the government that we recognized; secondly, there were the Communist forces under the leadership of Souphanouvong; third, there were the supposedly neutralist forces under the leadership of a paratroop captain, who is probably now a general or soon will be, named Kong Le. I wanted to know whether or not the reports were true that we had heard, that the pro-Communist and neutralist military forces in the last month or so have been moving into areas formerly held by the pro-Western military forces, but that the military forces of the elements favorable to freedom were not accorded a similar right. The foreign minister, when I put this direct question to him, explained that I must be talking about primarily the areas of northern Laos and he was from the southern part of the country and, therefore, couldn't speak about that, but he said that many of the newspaper reports were exaggerated and were designed to sell papers. His response reflected typical oriental evasiveness.

Secondly, I asked him about that part of the 14-power agreement providing for the withdrawal of all foreign troops in Laos during the course of the next 75 days—the next 2½ months. He answered very quickly that it was imperative for the future neutrality of Laos that the American forces be immediately withdrawn. I then asked him about the reported 10,000 Communist forces from North Vietnam and perhaps from Communist China that are in northern Laos. He started to shake his head back and forth and his answer was, "No, there are no such forces." Well, quite obviously, that is a flat falsehood, but perhaps he would say, since he was from southern Laos, he wasn't familiar with the situation of the Communist infiltration by foreign troops in northern Laos, but quite obviously all of the reports from our State Department and our newspapers cannot be wrong on that point.

Next I asked him about the Ho Chi Minh trail. I asked specifically about that jungle approach down the southeastern spine of Laos. This is now in country in which he said he was very familiar and in which he had been born and raised. I asked the pro-Communist Foreign Minister of Laos whether or not it wasn't true that the Viet Cong, the Communist troops from North Vietnam, were using this avenue through Laos to pour men and material into South Vietnam to subvert and overthrow the pro-Western government there to which this country is committed. He indicated—and this was, I thought, a significant answer—that the new government has many more pressing problems, more immediate problems, more vital problems than to be concerned about a remote area in southeastern Laos.

Then I asked him the question whose answer was already apparent to me—the item No. 4. "What are your intentions with respect to aid from foreign nations toward building a truly neutral Laos?" And this answer of his, I think, is most significant for those of us who are concerned about the future of freedom in southeast Asia. He said, "I hope you will understand that it is important for us to get aid from Peiping and Moscow, from Communist China and from Russia, before we balance that aid from America—before we look to America to get a balance of aid." Then he went on to say, "You see, it is important that throughout the world we show that we equally favor the best of communism and the best of the West."

This has not been a particularly pleasant report, but it indicates to me that what I heard Averell Harriman say about 2 or 2½ months ago is truly indicative of the way the Kennedy administration's foreign policy is to be carried out in southeast Asia. What Averell Harriman said was simply this—that it didn't matter too much to us, to America, one way or the other what happened to Laos. Unfortunately, that sort of attitude, to my judgment, will serve to bring down the cause of freedom and free peoples in southeast Asia.

More important than that, it will directly threaten the safety of the American forces now aiding the cause of freedom in Thailand and South Vietnam. I think that this attitude strengthens the hand of the Communists. It is significant, I believe, that Averell Harriman was making these statements 2½ months ago at the same time that there were delicate negotiations going on in Laos as to whether the Communists of the pro-Western elements would get the key positions in the new Government. One of those key positions, of course, in any government is the minister of foreign affairs, a position that is comparable to the position held by Secretary of State Dean Rusk in our Government. Last night at the Embassy of Laos, where I was privileged to be the only Member of the Congress who is not a member of the Committee on Foreign Affairs to be included at the reception and conference, I was told by the State Department that we in this country had worked our hardest to prevent the post of foreign affairs of the new Government from falling into pro-Communist hands. We were unsuccessful. I see now how serious that failure will be in the future. To have as the Foreign Minister of the new Government of Laos a man such as Quinim Pholsena with whom I talked last night—an admitted pro-Communist, in my judgment a dedicated Communist—is disastrous.

Bear in mind, we have been for the past 2 months, giving almost $3 million a month to sustain this new, supposedly neutralist Government. You know for the 6-month period before that we were withholding that same $3 million a month from the pro-Western Government so as to force it into a coalition under the leadership of Prince Souvanna Phouma in order to destroy the pro-Western Government and to create this neutralist Government.

Now, one more thing about this agreement that has been signed in Geneva. It gives to a three-power, a three-state International Control Commission—Canada, Poland, India—the right to supervise the terms of the agreement. Well, the agreement itself doesn't sound too bad. If it were, in fact, lived up to by the Communist elements in Laos, there might be some hope for a truly neutral Laos, but here is one thing that hasn't been given much attention in the press. Each one of these 3 members, each one of the 3 member countries supervising this new 14-nation agreement to guarantee the neutrality of Laos has a veto, has a veto over any decisions that the other 2 want to make—to inspect any violations of the agreement, any violations of the truce, to see if the Communist forces are indeed leaving the country—the foreign military forces of North Vietnam and Communist China are, in fact, leaving the country. There is a veto, and you can be sure that the representative of Poland on that Control Commission will veto any decision made which will be at all inimicable to the interests of communism and to the takeover of Laos by Communists. It is a situation again where, as I said to the pro-Communist Foreign Minister of Laos, "Will the Communists treat this agreement with the same good faith and live up to it with the same good faith that we in this country will urge the elements pro-Western and favorable to us to take?" His answer, "We expect, naturally, all parties to approach the difficult problems of Laos and of enforcing this treaty in good faith." And I said to the Communist Foreign Minister of Laos, "But specifically, will you and the forces under Souphanouvong live up to this agreement in good faith as we intend to do?" His answer was a smile and a pretending on his part that he didn't fully understand my question.

In view of recent events and attitudes such as those expressed above, I have made these positive and constructive suggestions, publicly, in the last week:

First. Through our SEATO allies, we should station observers on the South Vietnam and Thailand sides of the Laos borders.

Second. An infiltration of Communist military forces through Laos should be promptly publicized, principally by Adlai Stevenson in the United Nations.

Third. If observation and publicity are insufficient to halt the flow of Communist men and material, we should convene an emergency meeting of our SEATO allies to consider the stationing of indigenous southeast Asian forces just beyond the Laotian borders so as to frustrate Communist efforts to infiltrate, subvert, and overthrow the remaining free government in that area.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 26, 1962

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

John 14: 1: *Let not your heart be troubled; ye believe in God, believe also in me.*

Almighty God, as we enter upon the business of a new day, inspire us to realize that we are workers with Thee in the building of a better world, each to the extent of his ability and all with equal fidelity.

Grant that in these troubled times we may never surrender to that illogical reasoning and impulsive judgment that Thou art not great enough to prevent such days and not good enough to care.

God forbid that we should ever have any doubt and misgiving as to Thy greatness and goodness or allow our faith in Thy gracious providence to become cold and cynical.

We beseech Thee to purge us of all fear as we encounter stern duties and heavy responsibilities, and may we walk with soul erect, untroubled and unafraid.

In Christ's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 2129. An act for the relief of John Calvin Taylor;

H.R. 2664. An act for the relief of Mrs. Irena Ratajczak;

H.R. 3000. An act for the relief of Lea Min Wong;

H.R. 3501. An act for the relief of Mrs. Hasmik Arzoo;

H.R. 3821. An act for the relief of Ivy Gwendolyn Myers;

H.R. 4718. An act for the relief of Bogdan Kusulja;

H.R. 6833. An act for the relief of Frantisek Tisler;

H.R. 8214. An act to permit the use of certain construction tools actuated by explosive charges in construction activity on the U.S. Capitol Grounds;

H.R. 9186. An act for the relief of Eladio Aris (also known as Eladio Aris Carvallo);

H.R. 9520. An act to continue for 2 years the suspension of duty on certain alumina and bauxite;

H.R. 9522. An act for the relief of certain members of the U.S. Marine Corps who incurred losses pursuant to the cancellation of a permanent change of station movement;

H.R. 10184. An act to amend section 130(a) of title 28, United States Code, so as to reconstitute the eastern judicial district of Wisconsin to include Menominee County, Wis.;

H.R. 10525. An act for the relief of Francis L. Quinn;

H.R. 10786. An act to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the United States, for any territory, or for the District of Columbia, and for other purposes;

H.R. 11127. An act for the relief of Ernst Haeusserman;

H.R. 11735. An act authorizing the change in name of the Beardstown, Ill., flood control project, to the Sid Simpson flood control project; and

H.J. Res. 417. Joint resolution to designate the lake formed by Terminus Dam on the Kaweah River in California as Lake Kaweah.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7431. An act to provide for the free entry of certain stained glass for St. Joseph's Cathedral, Hartford, Conn., and for the Church of St. Francis Xavier of Phoenix, Ariz.

The message also announced that the Senate had passed bills, a joint resolution, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1781. An act for the relief of the heirs of Lt. Col. James Murray Bate (deceased) and Maj. Billie Harold Lynch (deceased);

S. 2546. An act to authorize the naming of the Old River, La., structures in honor of the late Capt. A. A. Humphreys and Lt. H. L. Abbott;

S. 2660. An act to designate the lake to be formed by the waters impounded by the Clark Canyon Dam in the State of Montana as Hap Hawkins Lake;

S. 2988. An act to change the name of the Big Bend Reservoir in the State of South Dakota to Lake Sharpe;

S. 3066. An act to authorize a study of methods of helping to provide financial assistance to victims of future flood disasters;

S. 3198. An act for the relief of Renata Lattanzi;

S. 3215. An act for the relief of Kim Chong Koo;

S. 3228. An act for the relief of Panagiota Makris;

S. 3295. An act for the relief of Mathew Lengyel (also known as Brother Paul, S.V.D.);

S. 3441. An act to provide for the acquisition of certain property in square 758 in the District of Columbia, as an addition to the grounds of the U.S. Supreme Court Building;

S. 3476. An act to change the name of Fort Randall Reservoir in the State of South Dakota to Lake Francis Case;

S.J. Res. 169. Joint resolution designating the bridge across the Tennessee River on the Natchez Trace Parkway as the John Coffee Memorial Bridge; and

S. Con. Res. 86. Concurrent resolution favoring the suspension of deportation of certain aliens.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1074. An act for the relief of Chao Yao Koh;

S. 1889. An act for the relief of Mrs. Geohar Ogassian; and

S. 2339. An act for the relief of George Ross Hutchins.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 26 to the bill of the House (H.R. 8141) entitled "An act to revise the laws relating to depository libraries."

The message also announced that the Senate had passed a resolution as follows:

S. RES. 366

Resolved, That the legislative business of the Senate be now suspended in order that memorial addresses may be delivered on the life, character, and public service of Honorable Francis Case, late a Senator from the State of South Dakota.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased, the Senate, at the conclusion of its business today, do adjourn.

INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATION BILL, 1963

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

The Chair hears none, and appoints the following conferees: Messrs. KIRWAN, MAGNUSON, CANNON, JENSEN, and TABER.

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight Friday to file a conference report on the bill H.R. 10802.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL—1963

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow night to file a report on the independent offices appropriation bill for 1963.

Mr. OSTERTAG. Mr. Speaker, on that I reserve all points of order.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. Thomas]?

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from Kentucky [Mr. Spence], I ask unanimous consent that the Committee on Banking and Currency may have permission to sit while the House is in session today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from North Carolina [Mr. Bonner], I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have permission to sit today during general debate in the House.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CALL OF THE HOUSE

Mr. HOEVEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 177]

Alford
Arends
Baring
Bass, N.H.
Battin
Blitch
Boggs
Bolton
Bonner
Boykin
Bromwell
Buckley
Carey
Celler
Coad
Cramer
Curtis, Mass.
Davis, Tenn.
Dawson
Durno
Farbstein
Flood
Flynt
Frazier
Garland
Gray
Gubser
Harrison, Va.
Healey
Hébert
Hoffman, Mich
Holifield
Keith
Kilburn
King, Utah
Loser
McFall
McSween
McVey
May
Merrow
Michel
Morrison
Moulder
Nelsen
Norblad
Peterson
Pilcher
Powell
Purcell
Rogers, Colo.
Rogers, Tex.
St. Germain
Saund
Scherer
Scranton
Shelley
Sheppard
Smith, Miss.
Spence
Stafford
Taber
Teague, Calif.
Thompson, La.
Willis
Winstead
Wright
Zelenko

The SPEAKER. Three hundred and sixty-six Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1963

Mr. CANNON. Mr. Speaker, by direction of the Committee on Appropriations and under leave previously granted, I call up the joint resolution (H.J. Res. 839) making continuing appropriations for the fiscal year 1963, and for other purposes, and ask unanimous consent that the joint resolution be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (c) of section 102 of the joint resolution of July 1, 1962 (Public Law 87-513), is hereby amended by striking out "July 31, 1962" and inserting in lieu thereof "August 31, 1962".

Mr. CANNON. Mr. Speaker, this resolution is identical with the continuing resolution now in effect—with the exception of the date of expiration. It merely extends the time 1 month.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Iowa.

Mr GROSS. The gentleman does not anticipate that we will be confronted with another extension to September 30, does he?

Mr. CANNON. We are making rapid progress with the money bills, and we expect to have transmitted all of them to the White House before the date provided by this resolution.

Mr. GROSS. The gentleman does not anticipate that we will have to extend this time to September 30, does he?

Mr. CANNON. I trust not.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CORRECTION OF ENROLLED BILL

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (H. Con. Res. 506) to correct an error in the enrollment of H.R. 10786, the so-called Work Hours Act of 1962, and ask for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives, in the enrollment of the bill (H.R. 10786) to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the United States, for any territory, or for the District of Columbia, and for other purposes, is authorized and directed to make the following change, viz: On page 11, line 3, of the House engrossed bill, strike out "June 18, 1912" and insert "June 19, 1912".

The resolution was agreed to.

A motion to reconsider was laid on the table.

MANN CREEK FEDERAL RECLAMATION PROJECT, IDAHO

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 729 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 529) to authorize the Secretary of the Interior to construct, operate, and maintain the Mann Creek Federal reclamation project, Idaho, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SISK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 729 makes in order the consideration of H.R. 529, to authorize the Secretary of the Interior to construct, operate, and maintain the Mann Creek Federal reclamation project, Idaho, and for other purposes.

It is an open rule providing 1 hour of general debate.

The legislation was introduced by the gentlewoman from Idaho [Mrs. Pfost], to authorize the construction, operation, and maintenance of the Mann Creek Federal reclamation project, Idaho, which will furnish water to irrigate approximately 5,060 acres of irrigable land along Mann and Monroe Creeks, tributaries to the Weiser River, a few miles from the town of Weiser, Idaho.

In addition to the irrigation works, provisions for the conservation and development of fish and wildlife and for basic recreation facilities are included.

Mr. Speaker, the cost of the Mann Creek project is estimated to be $3,490,000. Of this amount $3,390,000 is allocated to irrigation, $65,000 to fish and wildlife, and $35,000 for recreation.

Mr. Speaker, the entire cost allocated to irrigation will be repaid in accordance with reclamation law, and the $100,000 allocated to fish and wildlife and recreation would be the only nonreimbursable portion of this money.

Mr. Speaker, I urge the adoption of House Resolution 729, and reserve the balance of my time.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, as stated by the gentleman from California [Mr. SISK] House Resolution 729 provides an open rule and for 1 hour of general debate in the consideration of H.R. 529.

In the interest of saving time, I know several Members are interested in getting away to attend the funeral of one of our colleagues, I will not repeat what the gentleman from California stated as to the legislation itself and the cost. They are in accordance with my understanding.

The Weiser River area is semiarid with an average annual precipitation of only about 4 inches during the growing season. The presently irrigated lands within the project area suffer yearly water shortages. None of the land has more than a 60 percent water supply in normal years and most of the land has less than a 40 percent supply. Since the local economy is based upon agriculture, it is adversely affected by this water supply situation. Crops that can be grown are limited and there is no flexibility in the cropping pattern. The waterflows in the two streams are plentiful in most years, but most of the water runs past the lands in the early spring when it cannot be diverted and used. The additional water supply which would be made available by construction of this project would stabilize the local economy.

Those are the additional arguments in favor of this particular bill. But there is a minority report signed by six Members, and the basis of their objection goes along this line:

It seems most inconsistent to them that at this time the committee should recommend an irrigation and reclamation project that is based on the questionable justification of increased agricultural production and that it is situated outside of the existing Bonneville Power Administration's service area.

Of the 5,000 acres to be irrigated, the land use would be as follows:

Alfalfa, 2,207 acres; barley, 981 acres; wheat, 343 acres; pasture, 883 acres.

In addition, there will be pasture 883 acres, and then there are 491 acres which include orchards, potatoes, beans, corn, and sugarbeets.

The minority report further states that the project itself does not have either financial or agricultural justification.

In the first instance, they say the cost of the project on a per acre basis is in excess of $600 an acre, and they say an investment of over $600 per acre could not be justified in order to accomplish the very minor increases in production previously referred to. They question whether or not the irrigators can actually pay back the one-third that has been assigned to them.

Mr. Speaker, I now yield such time as he may require to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Speaker, I am very much in favor of the granting of this rule for the Mann Creek project in Idaho.

It is my understanding that the author of this bill will offer an amendment which erases the objections of groups and individuals in my area in the State of Washington, and elsewhere in the Bonneville marketing area.

This is 90 percent a rehabilitation project, not a measure ushering in 5,000 or more acres.

This project should make the economics of the Weiser area's farming more feasible and should be enacted.

Mr. SISK. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROSTHETIC RESEARCH IN THE VETERANS' ADMINISTRATION

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 10069) to amend section 216 of title 38, United States Code, relating to prosthetic research in the Veterans' Administration with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Lines 4 and 5, strike out "by striking '$1,000,000' and inserting in lieu thereof '$2,500,000'." and insert "to read as follows:

" '(c) There are authorized to be appropriated annually, to remain available until expended, such funds as may be necessary to carry out this section.' "

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SAYLOR. Mr. Speaker, reserving the right to object, may I ask the gentleman from Texas to explain the amendment?

Mr. TEAGUE of Texas. Mr. Speaker, we have $1 million limitation on the amount of money that can be spent for prosthetic research in the Veterans' Administration. This bill removed that limitation. The gentleman from Pennsylvania [Mr. SAYLOR] offered an amendment to our committee to limit it to $2.5 million. The Senate has removed that amendment, and the gentleman from Pennsylvania has informed me that he has no objection to the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

DEPARTMENT OF MEDICINE AND SURGERY IN THE VETERANS' ADMINISTRATION

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 8992) to amend certain administrative provisions of title 38, United States Code, relating to the Department of Medicine and Surgery in the Veterans' Administration, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 5, after line 17, insert:

"SEC. 5. Section 4103 of title 38, United States Code, is amended—

"(1) by striking out the word 'Any' at the beginning of subsection (g) and inserting in lieu thereof 'Except as provided in subsection (i), any'; and

"(2) by adding at the end thereof a new subsection as follows:

" '(i) The Administrator may designate a member of the Chaplain Service of the Veterans Administration as Director, Chaplain Service, for a period of two years, subject to removal by the Administrator for cause. During the period that any such member serves as Director, Chaplain Service, he shall be paid a salary, as determined by the Administrator, within the minimum and maximum salary limitations prescribed for Grade GS–15 positions by the Classification Act of 1949, as amended. Redesignations under this subsection may be made for successive like periods. An individual designated as Director, Chaplain Service, shall at the end of his period of service as Director revert to the position, grade, and status which he held immediately prior to being designated Director, Chaplain Service, and all service as Director, Chaplain Service, shall be creditable as service in the former position.' "

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PHILIPPINE WAR DAMAGE COMMISSION AWARDS

Mr. TRIMBLE from the Committee on Rules, reported the following privileged resolution (H. Res. 738, Rept. No. 2037), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11721) to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946, and to authorize the appropriation of $73,000,000 for that purpose. After general debate, which shall be confined to the bill, and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

MANN CREEK FEDERAL RECLAMATION PROJECT, IDAHO

Mr. ASPINALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill—H.R. 529—to authorize the Secretary of the Interior to construct, operate, and maintain the Mann Creek Federal reclamation project, Idaho, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 529, with Mr. PHILBIN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Colorado [Mr. ASPINALL] is recognized for 30 minutes, and the gentleman from Pennsylvania [Mr. SAYLOR] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I know that it is the desire of the House to proceed as quickly as possible so we can attend a funeral service for one of our former colleagues this afternoon. Accordingly, I shall stay very close to my manuscript in the interest of time. I think those who heard the remarks of the gentleman from California [Mr. SISK] and the gentleman from California [Mr. SMITH], and those who are listening to the remarks which I have to make, will have a very good idea of what this particular project attempts to do.

Mr. Chairman, the Interior and Insular Affairs Committee brings before the House today the Mann Creek reclamation project in the State of Idaho costing only about $3.5 million. Members will recall that when the committee recently had before the House two bills involving large projects, I stated that while those two bills contained substantially the entire reclamation authorization program for this Congress, there probably would be several small projects reported by the committee. This is one of three small projects upon which rules have been favorably reported.

While this is a small project, comparatively speaking, it is a most important development from the standpoint of the economy of the area that it would serve. This area in Idaho is semiarid with an average annual precipitation of only about 4 inches during the growing season. The presently irrigated lands within the project area suffer water shortages every year. Since the local economy is based upon agriculture, it is adversely affected by the water supply situation. The additional water which would be made available by construction of this project would stabilize the local economy and permit flexibility in the local cropping pattern.

The committee has had the Mann Creek project before it for 2 years with a favorable recommendation from the Department of the Interior. It had the endorsement of the last administration and has been recommended by the present administration. It has been thoroughly studied by the committee and found to be in compliance with the policies and requirements applicable to irrigation projects.

The Mann Creek project would provide for a supplemental water supply to 4,465 acres that are presently irrigated and, in addition, would provide an adequate water supply to 595 acres which are not now irrigated. The principal works consist of a 13,000-acre-foot dam and reservoir and diversion facilities. The existing distribution system would remain in use. Any necessary improvements or extensions of this system would be the responsibility of the local districts using non-Federal funds. Minor additional works are included in the development for the conservation of fish and for recreational purposes. These works include a fishtrap, screening of the outlet works of the dam, and basic recreational facilities.

The Mann Creek project is estimated to cost $3,490,000 of which $100,000, or about 3 percent, is for the fish and recreational facilities and would be nonreimbursable. The remaining $3,390,000, or 97 percent, is allocated to irrigation and will be repaid. Farm budget studies of the Bureau of Reclamation indicate that the water users can pay about $811,000 in 40 years or $1,014,000 in 50 years. If the repayment contract is completed under section 9(d) of the Reclamation Project Act of 1939, the repayment period is limited to 40 years by language inserted by the committee in H.R. 529. However, there is authority under section 9(e) of the same act whereby payments could be required over a longer period. As the legislation is presented that part of the reimbursable costs which the water users do not repay will be repaid from revenues derived from the disposition of electric power marketed through the Bonneville Power Administration. This amount would be about $2,579,000 in the event the water users pay for 40 years or $2,375,000 should the water users pay for 50 years.

In the economic analysis covering the Mann Creek project the ratio of benefits to costs, over a 100-year period of analyses, was determined to be 1.5 to 1. On the basis of the procedures which are now in effect and which are considered to be more realistic than those used at the time the economic studies of the project were completed, the ratio of benefits to costs would be improved.

The presently irrigated lands are devoted predominantly to feed and forage to support the livestock economy. Generally speaking, this cropping pattern is expected to continue. However, with the firming up of the water supply, it is expected that acreages in row crops and orchards will be expanded. Row crops would consist largely of potatoes, tomatoes, sweet corn, and fruits. No sugarbeets are grown in the area and none are expected to be grown under project conditions.

The matter of financial assistance to the Mann Creek project from Bonneville power revenues is in accordance with a policy that has been in effect since passage of the Reclamation Project Act of 1939. It has been the committee's position that meritorious and economically justified projects in the Northwest should not be penalized because of the fact that there is no basin account established for that area. The committee believes that these projects should receive the same treatment with respect to financial assistance from power revenues that is accorded to projects in the Central Valley of California, the Missouri Basin, and the Upper Colorado River Basin. Since the water resources of the entire basin contribute to the generation of power, it seems appropriate to provide financial assistance to projects throughout the basin from the revenues from the marketing of such power that are surplus to the amounts necessary to repay all of the power costs with interest. The water users would pay in accordance with their repayment ability. It is my understanding that the gentlewoman from Idaho will present a substitute for the committee amendment which provides the contribution from the Bonneville power revenues; and that her amendment will provide for the contribution to be taken from net power revenues from Federal power installations in the upper Snake River Basin.

In summary, Mr. Chairman, the committee found the Mann Creek project sound from an economic and engineering standpoint and in compliance with the policies and procedures applicable to such projects. The committee concluded that the project is needed to resolve the water problem and stabilize the economy of the local area and recommends that this legislation be approved by the House.

Mr. SAYLOR. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, once again there is presented to the House for its decision a project which has been approved by a majority of the members of the committee. Even though this House has overridden me on a number of occasions when I have objected to some of these bills, I once again want to call to your attention, particularly you who live in the East, what you are doing. You are actually taking $645 an acre and investing it in land that, after that $645 is invested, will still be worth only what it is today, and that at best is around $200 an acre.

I should like to remind some of you that twice in this session you have been called upon to raise the debt limit of the United States. Despite that fact, when various committees report to you bills which have been justified by the Bureaus downtown you throw caution to the wind and proceed with the authorizing of legislation.

In the past several weeks we have had two farm bills before us, and time after time those who have been for and against it have told you the amount of acreage that has been put into the soil bank, that we have surplus crops of every sort and description, that we are paying over $1 million a day for storage; and despite that we continue to authorize projects which increase those amounts.

I notice in the report of the Department on this legislation we are going to raise more alfalfa, we are going to raise more barley, we are going to raise more wheat, we are going to raise more cattle, at an increased cost to the American taxpayer.

The House has passed all these other projects in this session and there is no doubt in my mind that the House will today pass this bill. There is no sense in picking on a little project when you passed a couple of big ones that were terrible. But this is an election year, so we throw caution to the wind.

I admit that the gentlewoman from Idaho has discussed with me the substitute amendment. I am going to support her substitute amendment because it removes one of the really bad features from this bill.

I should like to call attention to the fact that the cost-benefit ratio is 1.5 to 1 according to the old formula. Confidentally what the new formula is, is very simple. The House and the Senate have notified the Department downtown that they cannot swallow any more of these projects that are being sent up here, so the same old projects that were not feasible under the old formula will now be worked over, and you can just rest assured that in the next several years we will have more of them presented to us for passage, unfeasible before, but they will figure out some new way of adding some new benefits to you that the taxpayers will have to pay for and invest untold sums of money in areas where you will never get that money back. That seems to be the will of the House.

This country was established on the theory that you should, when you invest a dollar, get a dollar back, or at least somewhere close to it.

This seems to be a long-forgotten policy, and I am sure that it will be forgotten again today. I just take this time today, as I have said on other occasions, to just make a little record so that some day whether I am around or not, I hope someone in their wisdom will at least look back at the record and say, "Well, somebody told them what was going to happen."

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman.

Mr. PILLION. How can we reconcile this project in view of the recent statements by the Department of Agriculture that we have now approximately 50 million acres in surplus production throughout the country, and that in the foreseeable future there will be no shortage of food even if the 50 million acres are taken out of production? How do we reconcile that?

Mr. SAYLOR. It is absolutely impossible to reconcile it; and this was called to the attention of the House when we had the Fryingpan-Arkansas project up. The House closed its eyes and we did not even have a record vote on it. The leadership on both sides did not want it, and we only had, I think, about 29 Members who stood up and asked for a record vote. That project is just completely inconsistent with the position of the Department of Agriculture and you cannot reconcile them.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman.

Mr. ASPINALL. Is it not a fact, Mr. SAYLOR, that you, as ranking minority member did cooperate with the chairman of the committee in requesting that the Department send up representatives to explain to us what this new formula would be and what it might lead to; and that so far as their explanations went we were quite critical of what was involved and we suggested to them that we did not wish them to use such a formula for the purpose of showing feasibility in projects which were in fact economically infeasible? We also got from them a statement that this new formula was to be used on all water resource projects whether they were reclamation, flood control, health, education, and welfare or agriculture.

Mr. SAYLOR. This is correct. I want to say to my colleague, the gentleman from Colorado, chairman of the House Committee on Interior and Insular Affairs that, in my opinion, the arrogance of the executive branch of the Government in attempting to establish a completely new formula without having the courtesy to inform the chairman of the House Committee on Interior and Insular Affairs is, I think, an outstanding example of how little attention the executive branch pays to the legislative branch of Government. I want to say, it was only because of the close questioning by the chairman, the gentleman from Colorado, and by other members of the committee, that we were able to come to a better understanding of the new formula that has been adopted downtown.

Mr. ASPINALL. Will the gentleman go just a step further and say that, and perhaps, it is not in our knowledge to be absolutely certain, but we are not informed as of the present time that this matter has been taken up with other agencies or committees having jurisdiction.

Mr. SAYLOR. That is correct. We have no idea whether or not they have proceeded with the recommendation that they said they would as far as our committee is concerned.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Iowa.

Mr. KYL. The gentleman has not gone into a discussion of the repayment features with reference to the Bonneville Power District. Is this the area in which the amendment will be offered?

Mr. SAYLOR. This is the area in which the amendment will be offered. The amendment which the gentlewoman will offer will provide that the amount that the irrigators are not able to pay will not be charged against Bonneville. It will be charged against the power features of the projects in Idaho, in the upper reaches of the Snake River.

Mr. KYL. Would the offering of the amendment and its acceptance by the House be an indication that the committee and the House did not approve of the idea of taking funds from outside the service area of a power project for financing irrigation costs in another area?

Mr. SAYLOR. It certainly should. I am delighted to have had this matter brought to our attention, because this matter will be brought up in another project which we will discuss next week.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. GROSS. What will be the interest rate on this money?

Mr. SAYLOR. Funds allocated to irrigation would carry no interest. That which is beyond the ability of the users to pay will bear no interest. It will be paid out of funds that are derived from the sale of power. The gentleman probably realizes that in reclamation projects the amount allocated to irrigation bears no interest. This is in the law of 1939 and has been in the law since 1902.

Mr. GROSS. But somewhere, somehow, someone has to provide the borrowed money.

Mr. SAYLOR. There is no question about it.

Mr. GROSS. And this money has to be borrowed at 3½ to 4 percent interest, I take it, and at a time when the Federal Government is reeling under debt and covered with red ink.

Mr. SAYLOR. I would like to say to my colleague that a large portion of the money that is being used as interest-free money for the payment of irrigation projects and that allocated to irrigation comes from the irrigation fund itself. This is a fund which is contributed to by the 17 Western States. This is the only justification one can give for the continuation of interest-free money. I want to ask my chairman if he will verify that statement.

Mr. ASPINALL. The gentleman is correct; and there have been placed in the fund certain contributions from the Federal Treasury as appropriations for the construction costs of specific irrigation projects. Also I would say that this is one of the few endeavors of the United States where, as they use interest-free payments they repay in full all allocations to construction costs for the facilities for irrigation.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. ASPINALL. Mr. Chairman, I yield 5 minutes to the gentlewoman from Idaho [Mrs. PFOST].

Mrs. PFOST. Mr. Chairman, in rising to speak on the Mann Creek bill which is now before the House, I want to start by paying a warm compliment to the gentleman from Texas, Chairman

ROGERS, of the Irrigation and Reclamation Subcommittee, and to the chairman of the full committee, the gentleman from Colorado [Mr. ASPINALL]. The gentleman from Texas [Mr. ROGERS] conducted hearings on the measure in the best traditions of this body. He heard many witnesses ranging from Department of the Interior experts to farmers in the area who would be most directly benefited by this legislation. The project is located in my congressional district a few miles from Weiser, Idaho.

Basically, the Mann Creek irrigation project would serve 5,060 acres of irrigable land along Mann and Monroe Creeks, which are tributaries to the Weiser River a few miles above its confluence with the Snake River. The bulk of this—some 4,270 acres—are within the boundaries of the Mann Creek Irrigation District, while the remaining 790 acres are in the Monroe Creek Irrigation District.

The project would, in essence, provide a supplemental water supply to 4,465 acres and it would make water available to another 595 acres not now irrigated in the Mann Creek area.

The project is needed because there is now a critical shortage of irrigation water every year in that area when it is most needed during the irrigation season. The Mann Creek Dam would store water which is now wasted in spring runoff periods and would make it possible to release those flood waters when the farmers need it later in the growing season. In today's West, this water is every bit as precious as gold. It is the lifeblood of the Weiser area's economy and any improvements which can be made, as represented by this project, would necessarily go a long way in helping the people who live in that area.

The major works included are Spanglar Dam and Reservoir on Mann Creek, facilities leading from the reservoir to the existing Joslin Ditch, and drainage facilities for the Mann Creek area. The existing system of carrying and distributing the water would be utilized and any improvements or extensions to this network would be the responsibility of the water users. Spanglar Dam would be a rolled earthfill structure that would have a capacity of 13,000 acre-feet of water. Only 2,000 acre-feet of this would be for dead storage and the rest would be used in irrigation.

In terms of other outlays by the Government these days, the cost of the Mann Creek project would be very small. Yet the benefits it would provide for the Weiser area and long-range development plans for the State of Idaho and, indirectly, the national economy, would more than offset the costs in the years ahead.

The Department of the Interior has set the cost for the project at $3,490,000. Some $65,000 of this would be allocated for fish and wildlife, and $35,000 for recreation development. The Department's studies, exhaustively done over a period of years, show that the water users would pay back just over $1 million of that sum over a 50-year period. The remainder would be repaid from revenues of the Bonneville Power Administration.

It is interesting to note that the cost of the project, based on 1961 prices, has gone up more than $250,000—from $3,221,000 to the present figure—in the time the studies were made back in 1957 and afterward. Certainly, these mounting costs which are part of the current inflation spiral, should provide a greater sense of urgency in getting this much-needed project started at the earliest possible date, with the greatest possible saving to all concerned.

The Mann Creek project has been worked out in close detail every step of the way in cooperation with the State of Idaho at every level of government.

The project has the wholehearted backing of the people and, particularly, those from Weiser and the surrounding area, who are so aware of the need for the project, and who will share in the advantages it will provide.

As the gentleman from Pennsylvania [Mr. SAYLOR], who preceded me, and the chairman of the full committee, the gentleman from Colorado [Mr. ASPINALL], have both stated, the bill as originally drafted and reported by the committee provided that the costs allocated to irrigation in excess of the amount determined by the Secretary to be within the ability of the irrigators to pay shall be derived from the disposition of power marketed through the Bonneville Power Administration.

But, as stated by both gentlemen at the proper time I shall offer an amendment to attach these costs to the Federal Power System in southern Idaho.

Mr. WESTLAND. Mr. Chairman, will the gentlewoman yield?

Mrs. PFOST. I yield to the gentleman from Washington.

Mr. WESTLAND. Mr. Chairman, I signed the minority report opposing this legislation, on the basis of the fact that the charges which the irrigators have got to pay were going to be a charge against the Bonneville Power Administration, and because of the fact this particular area was outside the service area of Bonneville power. In other words, they contributed nothing to the Bonneville Power Administration, yet it would be a lien on the earnings to the extent of $2,375,000.

I am very pleased that the gentlewoman from Idaho has seen fit to propose this amendment which will make it a charge against power projects in the State of Idaho.

I recall a week or so ago, during debate on the Hanford project, there was quite a little discussion of the financial status of the Bonneville Power Administration. Yet this would be another lien. It seems to me that the gentlewoman from Idaho in her bill is doing exactly what we tried to do in the State of Washington; that is, pay our own way from the revenues received from projects in the State of Washington. She in her legislation is seeking to pay her way in the State of Idaho, and with the amendment she will offer I shall support the legislation.

Mrs. PFOST. I thank the gentleman and appreciate his support.

Mr. HORAN. Mr. Chairman, will the gentlewoman yield?

Mrs. PFOST. I yield to the gentleman from Washington.

Mr. HORAN. Mr. Chairman, I rise at this time to join my colleague, the gentleman from Washington [Mr. WESTLAND], in commending our neighbor from Idaho, who is proposing this amendment which makes it acceptable to us. This project will make more feasible and more economically sound the economics that now exist in the Weiser River area. The matter of transportation of things enters into this. I believe this will increase the feasibility of farming in the Weiser River area where we also have some taxpayers who are out on the land. I believe this will help that area, and I therefore compliment my neighbor.

Mrs. PFOST. I thank the gentleman, and will say to both of my neighbors from the State of Washington that I have secured figures from the Department of the Interior which disclose that there will be sufficient reserve in the Southern Idaho Federal Power System to provide the necessary funds for this Mann Creek project.

And further, I have joined my other colleagues from the State of Idaho, Senator FRANK CHURCH and Congressman RALPH HARDING in requesting that southern Idaho be placed in the Bonneville marketing area. I am hopeful we will be successful because Idaho is entitled to share in the low-cost electric rates, and will need the financial assistance from Bonneville receipts to help with future expensive irrigation projects, when their construction is necessary to meet our exploding population growth. My reason for stating that Idaho is entitled to share in these benefits, is the fact that the State produces more than one-fourth of the water that flows through the turbines at McNary, The Dalles, and at Bonneville.

Mr. WAGGONNER. Mr. Chairman, will the gentlewoman yield?

Mrs. PFOST. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Then under these circumstances, with reference to the projects within the boundaries of the State of Idaho, the only money that will not be repaid by the beneficiaries of this project would be the $100,000 charged to wildlife and recreation; is that true?

Mrs. PFOST. No. The $100,000 involves nonreimbursable costs. This sum will not be returned to the reclamation fund. The amount that I am speaking of is the $2,375,000, which is beyond the ability of the irrigators to pay on the acreage that will be serviced by the water. Those funds will be coming from the southern Idaho Federal projects.

Mr. WAGGONNER. I thank the gentlewoman.

Mr. Chairman, this is a modest project, but it is a most important one, and I certainly hope the bill will pass.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOSMER].

Mr. HOSMER. Mr. Chairman, there has been some reference to this particular bill as the Robin Hood bill, to take it from the rich and give it to the poor. Let us find out who are the rich and who are the poor that Robin Hood is going to operate on by and through the U.S. Congress utilizing the vehicle of this bill.

As a matter of fact, there are only about 5,000 acres involved here which are going to produce some surplus crops, no doubt, as time goes on. Now, the poor, supposedly, are the people who own these 5,000 acres in the Weiser River area. Those people, when they went in and started to farm there, had the benefit of long statistics of the U.S. Weather Bureau showing there is a maximum of only 60 percent of the water that is needed to properly farm the area. And, at the present time there is only 40 percent. These people, no doubt, if they are given the benefit of this bill, will be looking toward Pike's Peak in their spare time to see if they cannot grow some bananas there, if they can get some Federal money to help finance the project. How much can they pay out of what their farming revenues are? Only one dollar out of every four that goes into the project. I will admit that point, and I will admit they are poor.

Now, who is the rich victim that the money is going to be taken from to finance this project? Well, the first victim was the Bonneville Power Administration, and it was going to come out of its revenues. Now, who is the Bonneville Power Administration, whose revenues this is coming out of? The Bonneville Power Administration is an agency of the U.S. Government, and the taxpayers of the Nation have to put up every cent of the money to build every single installation they build there to sell some kilowatts. And, the theory of the whole business is that they will sell those kilowatts and turn the money back to the U.S. Treasury, and the taxpayers.

So, what happens? Along comes the Mann Creek Federal reclamation project as a means to siphon off the money that is supposed to come back to the taxpayers of the United States, and build some dams in the Weiser River area to benefit these so-called poor who went in there to farm land that could not be farmed practically, anyway, because there was not enough water to begin with. Now the target has shifted, a new section has been found, supposedly. It has shifted to the Federal power projects in Idaho. And, who are the Federal power projects in Idaho? Again the U.S. taxpayer. It is going to come out of his hide, out of his pocket; that is where the money for this project is coming from.

Now, who are the U.S. taxpayers? Are they the rich? They certainly are not the rich, and if any of you have been home lately and talked to your constituents, you will certainly take that statement of mine seriously. They are getting sick and tired of having money taken out of their pockets to pay for efforts like this that are unnecessary; that contribute little, if anything, to the total welfare and economic health of the United States.

So, do not be fooled by this amendment that is coming up to shift the load of this $3 out of $4 of the cost that cannot be repaid, a total of $2,579,000, from Bonneville to southern Idaho projects. It still is money taken out of the pockets of the same taxpayers of the United States, whether via Bonneville or via southern Idaho Federal projects. Insofar as the amendment is concerned, I hardly think anybody should believe it would even cause a ripple on the sea of financial deficit in which this United States finds itself adrift, simply because the gentlewoman from Idaho [Mrs. FROST], who preceded me, is going to substitute Federal projects in southern Idaho for the Bonneville Power Administration only makes it look like the load is going to be shifted. It still remains on the taxpayers of the United States.

Moreover, Mr. Chairman, they are going to come in here next year and ask that the Idaho projects be incorporated in the Bonneville system. So you have not shifted anything but the semantics of section 2, I believe, of the bill. I hope the Members of this House will start today rejecting this type of fiscal foolishness.

Mr. Chairman, I want to close by saying this: In the beginning I said this was the so-called Robin Hood bill. Based upon what I have said I think it could more aptly be described as the "Anti-Robin Hood" bill, or even more aptly described as the "Highwayman Creek" project bill.

Mr. ASPINALL. Mr. Chairman, I have no further requests for time.

Mr. LANGEN. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, I am fully aware of the futility of rising in opposition to this legislation. It is perfectly obvious that the skids have been well greased for its passage, as we have experienced previously on two comparable bills. However, let me say to the membership of this Committee that in my judgment I would not be worthy of my salt if, as a member of the subcommittee which has considered this legislation, I did not at least in this limited time call to the attention of the membership a few of the discrepancies and the great many undesirable features that are contained within this legislation.

Mr. Chairman, it has already been identified as to what the bill does, but let me reiterate this: It is a project to irrigate 5,000 acres of land on which they are going to raise alfalfa, wheat, feed grains, pasture, potatoes and a few other vegetables. I at this point ask the Members to recall, if they will, the debates that we have had on this subject on two agricultural bills, and one agricultural appropriation bill, and the concerns in those instances that were registered relative to surplus agricultural commodities and particularly feed grains. I should ask you to recall the matter of deciding on an appropriation bill well in excess of $5 billion in order to deal with this problem. I should recall that during the course of that discussion there were a good many complimentary things said about American agriculture and its ability to produce food in abundance and to do so at a price that the consumers were well able to pay and that American agriculture has a good comparison throughout the world. Let me say to you that if you want to upset that kind of a situation, if you want to change American agriculture to the point where it no longer holds that distinction then this is the way to do it. It does not take any great amount of calculation to determine that you cannot possibly raise feeds, whether they are alfalfa feed grains or pasture, on land on which you have expended $600 an acre and expect to do it cheaply, expect to produce food in that manner cheaply, particularly when you consider that you must also add to those costs of Government today in providing payments to those who are not going to raise these very same products, of which the State of Idaho is an example.

Right at this moment there are in the State of Idaho 257,000 acres in the soil bank, costing the taxpayers over $2 million a year. Yes, this is the way to ruin the great distinction that American agriculture has achieved up to this point. Let me add to that the concerns that were expressed about feed grains and the cost of feed grains, in the legislation we had before us last week. Can you imagine, after the great concern that was raised about the degree to which that was going to affect cattle feeders, and the fact that we found it necessary to include dairy provisions, that we now come along with this kind of a proposition, $3 million if you will, in order to expand these very same crops? We bring about even more undesirable provisions, recognizing that with every irrigation project and the moneys that are expended interest free we also have a provision which limits the operation of a farm in this kind of project to 160 acres.

Yes, those who express concern about the complete control of agriculture by the Government, here again this is the way to do it; just proceed along this avenue and you will have a complete control of agriculture. And just remember that I said it. Because not only does it amount to control in these products but for every one that you approve, remembering that we added over half a million acres already this year, here is another 5,000, and we are going to have a couple more during this session, so that in order to offset that you are going to have to say to the rest of the farm people, "No, we have got to reduce your opportunities in this field a little more; we have got to add a few more restrictions to your operations in order to make up for the expenditures that were made here, and the increased production in these areas."

So, in light of that, let me point out the degree to which this bill is undesirable to every single segment of the populace of this Nation. I have heard those who expressed great concern because of our national indebtedness, because of continuing deficit budgets. Well, here is the way further to aggravate that situation. If this is what you want to do, then I say this is the way to do it. So that anyone who is concerned about our budget certainly ought not to support a measure of this kind. I have heard those who have expressed some concern relative to the welfare of farm families and family farms. If you want to make it more difficult for the many farm families throughout the Nation, then this is the way to do it. Every time that you approve a project of this kind you know there are bound to follow further restrictions, further curtailment of their opportunity, and a reduced income to them, if you will, as was proposed in the legislation that we had before us.

Yes; here again we see undesirable features. Those who have spoken so loudly in behalf of the welfare of the family farms throughout the Nation certainly can find no cause whatsoever to support this kind of legislation.

Let me talk for a moment about the consumer. I have heard those who have expressed concern that we must see to it that we have an ample supply of food for the consumer at a reasonable price. If that is your object, then of course this is not the way to accomplish that objective, because this can only mean that the cost of food to the consumer is going to go up. It has to go up. Even with the limited payments that are involved here, of which the irrigators have already indicated they cannot pay back more than one-third, it means that if those people are going to operate they are going to have to have higher prices or the project is going to fail and become even a further burden to the budget and the deficits we have.

I have heard those that have been concerned about the taxpayer, that the tax burden is altogether too heavy. If you want to increase the tax burden, then I say to you this is the way to do it, because the more projects of this kind you approve obviously the heavier the tax burden is going to be. Here is $3 million, and it is already indicated that it cannot be paid back by benefits derived; in fact, there is a real question as to whether they can pay back even a third of it. It is interest free. So who is going to pay the rest of the bill? Regardless of whether they take it out of power profits or wherever they get it, it eventually reflects back to the taxpayers and the amount of money they are going to have to contribute.

In quick summary, looking at the entire project, we find a proposition here, as was true of the others, that certainly provides no benefit whatsoever to American agriculture. It provides no benefits to the consumer. It provides further burdens to the taxpayer, and further burdens to our national economy, which we all know is in jeopardy now. I say to you that it would be a wise move indeed for this House to turn down this legislation. If it is not turned down then American agriculture will have taken another step backward.

Mr. SAYLOR. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. DURNO].

Mr. DURNO. Mr. Chairman, I take this time because I am not a member of this subcommittee but a member of the committee, and I knew nothing of this proposed amendment which would change the payoff from the Bonneville Power Authority to the Federal installations in southern Idaho.

For my benefit and the benefit of this Congress and the benefit of the record, may I ask the chairman of the full committee or the gentlewoman from Idaho [Mrs. PFOST] what the financial status of those projects in southern Idaho is. Will they be able properly to pay off this $2,500,000 which would be charged to the electrical revenue?

Mrs. PFOST. Mr. Chairman, will the gentleman yield?

Mr. DURNO. I yield to the gentlewoman.

Mrs. PFOST. The total financial assistance that will be available in 40 years is $27,051,000; or in a 50-year period it will be $43,029,000. So this is quite adequate and ample to take care of the $2,300,000 that is needed for this project.

Mr. DURNO. I thank the gentlewoman for her remarks. I think that does clarify the record. Bonneville lost $15 million last year, and this is a very definite departure from trying to hook something from a deficit installation onto a profitable installation. I am happy to be for this project.

Mrs. PFOST. I appreciate very much the remarks of the gentleman from Oregon and appreciate his support of the bill.

The CHAIRMAN. Does the gentleman from Colorado [Mr. ASPINALL] have any further requests for time?

Mr. ASPINALL. No, Mr. Chairman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of providing irrigation water for approximately fifty-one hundred acres, conserving and developing fish and wildlife, and providing recreational benefits, the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), is authorized to construct, operate, and maintain the facilities of the Mann Creek Federal reclamation project, Idaho. The principal works of the project shall consist of a dam and reservoir, diversion facilities from the reservoir, and drainage facilities.

SEC. 2. The base period provided in subsection (d), section 9, of the Reclamation Project Act of 1939, as amended, for repayment of the construction cost properly chargeable to any block of lands and assigned to be repaid by irrigators may be extended to fifty years, exclusive of any development period, from the time water is first delivered to that block. Costs allocated to irrigation in excess of the amount determined by the Secretary to be within the ability of the irrigators to repay within said fifty-year period shall be returned to the reclamation fund from such net revenues derived by the Secretary from the disposition of power marketed through the Bonneville Power Administration as are over and above those required to meet any other present capital costs assigned for repayment from such revenues.

SEC. 3. (a) The Secretary of the Interior is authorized, in connection with the Mann Creek project, to construct minimum basic public recreation facilities, but such facilities (other than those necessary to protect the project works and the visiting public) shall not be constructed until an agreement has been executed by the State of Idaho, an agency or political subdivision thereof, or an appropriate local agency or organization to assume the management and operation of the facilities. The cost of constructing such facilities shall be nonreimbursable and nonreturnable under the reclamation laws.

(b) The Secretary may make such reasonable provision in the works authorized by this Act as he finds to be required for the conservation and development of fish and wildlife in accordance with the provisions of the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661, and the following), and the portion of the construction costs allocated to these purposes, together with an appropriate share of the operation, maintenance, and replacement costs therefor, shall be nonreimbursable and nonreturnable. Before the works are transferred to an irrigation water users' organization for care, operation, and maintenance, the organization shall have agreed to operate them in such fashion, satisfactory to the Secretary, as to achieve the benefits to fish and wildlife on which the allocation of costs therefor is predicated, and to return the works to the United States for care, operation, and maintenance in the event of failure to comply with his requirements to achieve such benefits.

SEC. 4. There is hereby authorized to be appropriated for construction of the works herein authorized the sum of $3,225,000 (July 1960 prices) plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in the costs of construction as indicated by engineering costs indexes applicable to the type of construction involved therein. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of said works.

Mr. ASPINALL (during the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read, be printed in the RECORD, and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 8, strike out the words "may be extended to fifty years," and insert in lieu thereof "shall be forty years,".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, lines 10 through 17, strike out all of the last sentence of section 2 and insert in lieu thereof the following: "Costs allocated to irrigation in excess of the amount determined by the Secretary to be within the ability of the irrigators to repay within the repayment period or periods herein specified, shall be returned to the reclamation fund within such period or periods from revenues derived by the Secretary of the Interior from the disposition of power marketed through the Bonneville Power Administration."

Mrs. PFOST. Mr. Chairman, I offer an amendment, to the committee amendment.

The Clerk read as follows:

Amendment offered by Mrs. PFOST to the committee amendment: Page 2, line 24, strike out "Bonneville Power Administration" and insert "Federal power system in southern Idaho".

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 25, through page 3, line 10, strike out all of section 3(a) and insert in lieu thereof the following:

"Sec. 3. (a) The Secretary of the Interior is authorized, in connection with the Mann Creek project to construct minimum basic public recreation facilities, and to acquire such lands as may be necessary for that purpose, substantially in accordance with the plan in the report of the Secretary of the Interior, but such facilities (other than those necessary to protect the project works and the visiting public) shall not be constructed until an agreement has been executed by the State of Idaho, an agency or political subdivision thereof, or an appropriate local agency or organization to assume the management and operation of the facilities. The cost of constructing such facilities shall be nonreimbursable and nonreturnable under the reclamation laws."

The committee amendment was agreed to.

The **CHAIRMAN**. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 4, line 16, through line 22, strike out all of the first sentence of section 4 and insert in lieu thereof the following:

"There is hereby authorized to be appropriated for construction of the works herein authorized the sum of $3,490,000 (April 1961 prices)."

The committee amendment was agreed to.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gross: Page 4, line 15, strike out the period and add the following: ": *Provided further*, That any and all land brought under irrigation by this project shall be limited to the production of fruits and vegetables."

Mr. GROSS. Mr. Chairman, the report on page 4 indicates that the several thousand acres to be brought into production by this bill will be used to grow tomatoes, sweet corn, and fruits—no sugarbeets, says the report, are expected to be grown. If the sponsors of this bill say what they mean and mean what they say, they will accept my amendment limiting production to fruits and vegetables. Elsewhere in the Nation, farmers produce all kinds of surpluses and are paid to take millions of acres out of production so they will not produce even more. If the people of Idaho do not have sweet corn, we will be glad to take care of their needs. If they do not have barley, wheat, and feed grains of all kinds and alfalfa and so on and so forth, we produce it in surplus elsewhere and we will be glad to ship all that is needed to Idaho.

I say again, if you mean what you say and say what you mean, limit production to nonsupported crops on these thousands of acres that will be irrigated at taxpayers expense.

I suggest my amendment be adopted as evidence that Congress no longer tolerates vast expenditures to curtail farm production in one area while spending more millions to put new land to the same use.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. ASHBROOK. The gentleman realizes, I am sure, that he is much too reasonable.

Mr. GROSS. I always try to lean on the side of reasonableness. I am willing that they raise all the vegetables and fruit they can, even in competition with the State of Washington in the matter of apples.

Mr. ASPINALL. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from Iowa, I am sure, has referred to paragraph 3 and I know in his usual diligence he has read the paragraph and has seen the reference to other crops. Livestock feed would be increased and row crop and orchard acreages would be expanded. Increases in alfalfa and feed grains would be marketed as livestock and livestock products. Row crops would consist largely of potatoes, tomatoes, sweet corn, and fruits, and the statement has been made that no sugarbeets are grown in the area now and none are expected under project conditions.

The issue involved here is whether or not we want to build up the agricultural economy of an area already established. This Nation grows by the strengthening of all parts of the Union. I understand the argument made by the gentleman from Minnesota [Mr. Langen] but his argument has to do with the supposed relationship of this little project to the area he represents. In a way I can understand, too, some of the other arguments, but reclamation has been developed in this country in order to bring about a strong nation, strong in all of its integral parts. The West is part of the Nation. Anybody who knows the benefits that have been derived from reclamation would not argue against the great contribution that reclamation has made to the growth of the United States. Nobody, by the same reasoning, can argue successfully against strengthening the Nation by firming up agriculture in the small, already established agricultural area that this project will benefit. I can advise the Chairman and the Members of this Committee that this project, small though it may be, conforms in all respects to reclamation law and established policy.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield.

Mr. GROSS. And no one can argue that there is not a real contradiction in this business of bringing more land into production to add to the surpluses already on hand and heavy costs to the taxpayers.

Mr. ASPINALL. I have already answered my colleague from Iowa. In fact, I understand the situation when I said there were in excess of 300 acres of land taken out of production each day because of Federal installations, mostly highways. It is closer to 3,000 acres a day. To put 595 acres of new land in this area into production and thus firm up the agricultural economy of the area is certainly to the advantage of the entire Nation and cannot be adding materially to the problems of agricultural surplus.

Mr. BOW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time not to discuss the details of the bill but to call to the attention of the Members of the House the fact that we are now some $300 billion in debt in this country. We are paying $17,690 a minute in interest.

We had a deficit last year of $6,500 million. There is now talk of a tax reduction, which will further reduce the income that will be accruing to the Treasury of the United States. If we are to bring about a tax reduction to spur the economy, it seems to me we must begin to look at every project and every bill that comes before this body and look at it carefully. We have to reduce the cost of government. We have to reduce the burden upon the taxpayers of the United States.

This will add to that $17,690 a minute we are paying in interest. It seems to me, Mr. Chairman, the time has come when we should begin to be very careful about these authorizations. Every dollar we spend on this project will have to be borrowed. I would suggest that we search our minds on the question of whether we can afford it and ask ourselves the question that a former colleague of ours, Mr. Rich, used to ask: "Where are you going to get the money?"

There are many things we would like to do, there is much we want to do for the United States, but there is a limit to our resources, there is a limit to the authorization of projects of this kind.

Our national debt has increased $32 billion since the end of the Korean war, and we have been asked to raise the ceiling on the national debt twice this year. The reason for all of this is not defense spending as many would suppose. Defense spending has increased only 1 percent since 1954. Spending for nondefense purposes has gone up 65 percent.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Iowa [Mr. Gross].

The question was taken; and on a division (demanded by Mr. Gross) there were—ayes 24, noes 44.

So the amendment was rejected.

The **CHAIRMAN**. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Philbin, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 529) to authorize the Secretary of the Interior to construct, operate, and maintain the Mann Creek Federal reclamation project, Idaho, and for other purposes, pursuant to House Resolution 729, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The **SPEAKER**. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The **SPEAKER**. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken.

Mr. BOW. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 199, nays 162, not voting 74, as follows:

[Roll No. 178]

YEAS—199

Albert
Alexander
Andrews
Anfuso
Aspinall
Ayres
Bailey
Baldwin
Barrett
Bass, Tenn.
Bennett, Fla.
Berry
Blatnik
Boland
Bolling
Bonner
Brademas
Breeding
Brewster
Brooks, Tex.
Burke, Ky.
Burleson
Byrne, Pa.
Chelf
Chenoweth
Clark
Cohelan
Cook
Cooley
Corman
Daddario
Daniels
Davis, John W.
Dawson
Delaney
Dent
Denton
Diggs
Dingell
Dominick
Downing
Doyle
Dulski
Durno
Edmondson
Elliott
Ellsworth
Everett
Evins
Fallon
Fascell
Finnegan
Fisher
Fountain
Friedel
Fulton
Garmatz
Gavin
Giaimo
Gilbert
Gonzalez
Granahan
Grant
Green, Oreg.
Green, Pa.
Griffiths
Gubser
Hagen, Calif.
Hansen
Harding
Hardy
Harris
Harrison, Wyo.
Hays
Hechler
Hemphill
Henderson
Holifield
Holland
Horan
Huddleston
Hull
Ichord, Mo.
Inouye
Jarman
Jennings
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jones, Ala.
Karsten
Karth
Kastenmeier
Kearns
Kee
Kelly
Keogh
Kilgore
King, Calif.
Kirwan
Kluczynski
Kowalski
Landrum
Lane
Lankford
Lesinski
Libonati
McDowell
McFall
Madden
Magnuson
Mahon
Marshall
Mathias
Matthews
Miller, Clem
Miller, George P.
Mills
Montoya
Moorhead, Pa.
Morgan
Morris
Morrison
Moss
Multer
Murphy
Murray
Natcher
Nedzi
Nix
Norrell
Nygaard
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Passman
Patman
Perkins
Pfost
Philbin
Poage
Price
Pucinski
Rains
Reece
Reifel
Reuss
Rhodes, Pa.
Rivers, Alaska
Roberts, Tex.
Rodino
Rogers, Fla.
Rooney
Roosevelt
Rosenthal
Rostenkowski
Roush
Rutherford
Ryan, Mich.
Ryan, N.Y.
Santangelo
Scott
Selden
Shelley
Sheppard
Shipley
Short
Shriver
Sikes
Sisk
Slack
Smith, Va.
Staggers
Stratton
Stubblefield
Sullivan
Taylor
Teague, Tex.
Thomas
Thompson, N.J.
Thompson, Tex.
Thornberry
Toll
Tollefson
Trimble
Udall, Morris K.
Ullman
Vanik
Vinson
Walter
Watts
Weaver
Westland
Wickersham
Young
Zablocki

NAYS—162

Abbitt
Abernethy
Adair
Addabbo
Alger
Andersen, Minn.
Anderson, Ill.
Ashbrook
Ashmore
Auchincloss
Avery
Barry
Bates
Becker
Beckworth
Beermann
Belcher
Bell
Bennett, Mich.
Betts
Bow
Bray
Bromwell
Brown
Broyhill
Bruce
Burke, Mass.
Byrnes, Wis.
Cahill
Cannon
Cederberg
Chamberlain
Chiperfield
Church
Clancy
Collier
Colmer
Conte
Corbett
Cunningham
Curtin
Curtis, Mo.
Dague
Davis, James C.
Derounian
Derwinski
Devine
Dole
Donohue
Dorn
Dowdy
Dwyer
Feighan
Fenton
Findley
Fino
Ford
Frelinghuysen
Garland
Gary
Gathings
Glenn
Goodell
Goodling
Griffin
Gross
Hagan, Ga.
Haley
Hall
Halpern
Harsha
Harvey, Ind.
Harvey, Mich.
Herlong
Hoeven
Hoffman, Ill.
Hosmer
Jensen
Joelson
Johansen
Jonas
Jones, Mo.
King, N.Y.
Kitchin
Knox
Kornegay
Kunkel
Kyl
Laird
Langen
Latta
Lennon
Lindsay
Lipscomb
McCulloch
McDonough
McIntire
McMillan
MacGregor
Mack
Mailliard
Martin, Nebr.
Mason
Meader
Michel
Miller, N.Y.
Milliken
Minshall
Moeller
Monagan
Moore
Moorehead, Ohio
Morse
Mosher
O'Konski
Osmers
Ostertag
Pelly
Pike
Pillion
Pirnie
Poff
Quie
Randall
Ray
Riehlman
Riley
Rivers, S.C.
Robison
Roudebush
Rousselot
St. George
Saylor
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Sibal
Siler
Smith, Calif.
Smith, Iowa
Springer
Stafford
Stephens
Thomson, Wis.
Tuck
Tupper
Utt
Van Pelt
Van Zandt
Waggonner
Wallhauser
Weis
Whalley
Wharton
Whitener
Whitten
Widnall
Williams
Wilson, Ind.
Younger

NOT VOTING—74

Alford
Arends
Ashley
Baker
Baring
Bass, N.H.
Battin
Blitch
Boggs
Bolton
Boykin
Broomfield
Buckley
Carey
Casey
Celler
Coad
Cramer
Curtis, Mass.
Davis, Tenn.
Dooley
Farbstein
Flood
Flynt
Fogarty
Forrester
Frazier
Gallagher
Gray
Halleck
Harrison, Va.
Healey
Hébert
Hiestand
Hoffman, Mich.
Judd
Keith
Kilburn
King, Utah
Loser
McSween
McVey
Macdonald
Martin, Mass.
May
Merrow
Moulder
Nelsen
Norblad
Peterson
Pilcher
Powell
Purcell
Rhodes, Ariz.
Roberts, Ala.
Rogers, Colo.
Rogers, Tex.
St. Germain
Saund
Scherer
Scranton
Seely-Brown
Smith, Miss.
Spence
Steed
Taber
Teague, Calif.
Thompson, La.
Willis
Wilson, Calif.
Winstead
Wright
Yates
Zelenko

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr Hébert for, with Mr. Harrison of Virginia against.

Mr. Buckley for, with Mr. Nelsen against.

Mr. Farbstein for, with Mr. Taber against.

Mr. Zelenko for, with Mr. Winstead against.

Mr. Rogers of Texas for, with Mrs. Bolton against.

Mr. Martin of Massachusetts for, with Mr. Broomfield against.

Mr. Powell for, with Mr. Dooley against.

Mr. Boggs for, with Mr. Scranton against.

Mr. Davis of Tennessee for, with Mr. Kilburn against.

Mr. Frazier for, with Mr. Scherer against.

Mr. Loser for, with Mr. Hoffman of Michigan against

Mr. Peterson for, with Mr. Seely-Brown against.

Mr. Baker for, with Mr. Curtis of Massachusetts against.

Mr. Celler for, with Mr. Bass of New Hampshire against.

Mr. Carey for, with Mr. Merrow against.

Mr. Healey for, with Mr. Keith against.

Mr. Fogarty for, with Mr. Macdonald against.

Mr. Rogers of Colorado for, with Mr. Judd against.

Until further notice:

Mr. Alford with Mr. Norblad.

Mr. Ashley with Mr. Hiestand.

Mr. King of Utah with Mr. Arends.

Mr. McSween with Mr. Halleck.

Mr. Gray with Mr. McVey.

Mr. Gallagher with Mrs. May.

Mr. Pilcher with Mr. Cramer.

Mr. Forrester with Mr. Rhodes of Arizona.

Mr. Roberts of Alabama with Mr. Teague of California.

Mr. St. Germain with Mr. Battin.

Mr. Thompson of Louisiana with Mr. Wilson of California.

Mr. ABERNETHY changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 405) to authorize the Secretary of the Interior to construct, operate, and maintain the Mann Creek Federal reclamation project, Idaho, and for other purposes, and substitute therefor the provisions of the House bill just passed.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of providing irrigation water for approximately five thousand and one hundred acres, conserving and developing fish and wildlife, and providing recreational benefits, the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), is authorized to construct, operate, and maintain the facilities of the Mann Creek Federal reclamation project, Idaho. The principal works of the project shall consist of a dam and reservoir, diversion facilities from the reservoir, and drainage facilities.

Sec. 2. The base period provided in subsection (d), section 9, of the Reclamation Project Act of 1939, as amended, for repayment of the construction cost properly chargeable to any block of lands and assigned to be repaid by irrigators may be extended to fifty years, exclusive of any development period, from the time water is first delivered to that block. Costs allocated to irrigation in excess of the amount determined by the Secretary to be within the ability of the irrigators to repay within the repayment period or periods herein specified, shall be returned to the reclamation fund within such period or periods from revenues derived by the Secretary of the Interior from the disposition of power marketed through the Federal power system in southern Idaho.

Sec. 3. (a) The Secretary of the Interior is authorized, in connection with the Mann Creek project, to construct minimum basic public recreation facilities, and to acquire such lands as may be necessary for that purpose, substantially in accordance with the plan in the report of the Secretary of the Interior, but such facilities (other than those necessary to protect the project works and the visiting public) shall not be constructed until an agreement has been executed by the State of Idaho, an agency or political subdivision thereof, or an appropriate local agency or organization to assume the management and operation of the facilities. The cost of constructing such facilities shall be nonreimbursable and nonreturnable under the reclamation laws.

(b) The Secretary may make such reasonable provision in the works authorized by this Act as he finds to be required for the conservation and development of fish and wildlife in accordance with the provisions of the Fish and Wildlife Conservation Act (48 Stat. 401, as amended; 16 U.S.C. 661 and the following), and the portion of the construction costs allocated to these purposes, together with an appropriate share of the operation, maintenance and replacement costs therefor, shall be nonreimbursable and nonreturnable. Before the works are transferred to an irrigation water users' organization for care, operation, and maintenance, the organization shall have agreed to operate them in such fashion, satisfactory to the Secretary, as to achieve the benefits to fish and wildlife on which the allocation of costs therefor is predicated, and to return the works to the United States for care, operation, and maintenance in the event of failure to comply with his requirements to achieve such benefits.

SEC. 4. There are hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated such sums as will be necessary to carry out the purposes of this Act.

Mr. ASPINALL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Strike out all after the enacting clause and insert the following: "That for the purposes of providing irrigation water for approximately fifty-one hundred acres, conserving and developing fish and wildlife, and providing recreational benefits, the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), is authorized to construct, operate, and maintain the facilities of the Mann Creek Federal reclamation project, Idaho. The principal works of the project shall consist of a dam and reservoir, diversion facilities from the reservoir, and drainage facilities.

"SEC. 2. The base period provided in subsection (d), section 9, of the Reclamation Project Act of 1939, as amended, for repayment of the construction costs properly chargeable to any block of lands and assigned to be repaid by irrigators shall be forty years, exclusive of any development period, from the time water is first delivered to that block. Costs allocated to irrigation in excess of the amount determined by the Secretary to be within the ability of the irrigators to repay within the repayment period or periods herein specified shall be returned to the reclamation fund within such period or periods from revenues derived by the Secretary of the Interior from the disposition of power marketed through the Federal power system in southern Idaho.

"SEC. 3. (a) The Secretary of the Interior is authorized, in connection with the Mann Creek project, to construct minimum basic public recreation facilities, and to acquire such lands as may be necessary for that purpose, substantially in accordance with the plan in the report of the Secretary of the Interior, but such facilities (other than those necessary to protect the project works and the visiting public) shall not be constructed until an agreement has been executed by the State of Idaho, an agency or political subdivision thereof, or an appropriate local agency or organization to assume the management and operation of the facilities. The cost of constructing such facilities shall be nonreimbursable and nonreturnable under the reclamation laws.

"(b) The Secretary may make such reasonable provision in the works authorized by this Act as he finds to be required for the conservation and development of fish and wildlife in accordance with the provisions of the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661, and the following), and the portion of the construction costs allocated to these purposes, together with an appropriate share of the operation, maintenance, and replacement costs therefor, shall be nonreimbursable and nonreturnable. Before the works are transferred to an irrigation water users' organization for care, operation, and maintenance, the organization shall have agreed to operate them in such fashion, satisfactory to the Secretary, as to achieve the benefits to fish and wildlife on which the allocation of costs therefor is predicated, and to return the works to the United States for care, operation, and maintenance in the event of failure to comply with his requirements to achieve such benefits.

"SEC. 4. There is hereby authorized to be appropriated for construction of the works herein authorized the sum of $3,490,000 (April 1961 prices). There are also authorized to be appropriated such sums as may be required for the operation and maintenance of said works.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill (H.R. 529) were laid on the table.

NASA AUTHORIZATION FOR FISCAL YEAR 1963

Mr. GEORGE P. MILLER submitted a conference report and statement on the bill (H.R. 11737) to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1963

Mr. MAHON. Mr. Speaker, I call up the conference report on the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2036)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 4.

That the House recede from its disagreement to the amendments of the Senate numbered 12, 13, 14, 18, 27, and 28; and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$85,600,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum of "$3,411,845,000" named in said amendment insert "$3,408,345,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum of "$2,837,142,000" named in said amendment insert "$2,836,292,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum of "$193,000,000" named in said amendment insert "$192,500,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum of "$4,368,644,000" named in said amendment insert "$4,365,644,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum of "$13,217,000" named in said amendment insert "$9,708,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,520,000,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,034,660,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,919,200,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$903,600,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,562,400,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$956,250,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree

to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,319,500,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,475,958,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,632,100,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$362,600,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$444,000,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: Restore the matter stricken out, amended as follows: In lieu of "15", insert "20"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 2, 5, 6 and 30.

George Mahon,
Harry R. Sheppard,
Clarence Cannon,
Gerald R. Ford, Jr.,
Managers on the Part of the House.

A. Willis Robertson,
Dennis Chavez,
Carl Hayden,
Richard B. Russell,
Lister Hill,
John Stennis,
Harry F. Byrd,
Leverett Saltonstall
(With exception of No. 29),
Milton R. Young,
Margaret Chase Smith,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—MILITARY PERSONNEL

Reserve personnel, Army

Amendment No. 1: Reported in disagreement. It is the intent of the managers to offer a motion to recede and concur with an amendment which would provide for programing to attain an end strength of 300,000. This is the language of amendment number five to which it is proposed to recede and concur.

It is also proposed to move to recede and concur in amendments numbers two and six relating to the number and geographical description of units.

In connection with these actions and to assist in obtaining the objective of the Congress the managers are agreed that the Secretary shall apply the following provisions to the Army Reserve forces:

1. All units maintain at least 90 percent MOS qualified personnel, which they have recently been required to do.
2. The Reserve components apply the same recruiting standards as the Active Army.
3. No units be permitted to exceed the authorized strength except those specifically authorized excess strengths to accommodate reservists on drill pay status who have been displaced by the realinement.

Amendment No. 2, reported in disagreement.

Reserve personnel, Navy

Amendment No. 3: Appropriates $85,600,000 instead of $83,800,000 as proposed by the House and $87,974,000 as proposed by the Senate. The increase of $1,800,000 is to provide for an increase in the number of category D trainees.

Reserve personnel, Air Force

Amendment No. 4: Appropriates $50,100,000 as proposed by the House instead of $56,800,000 as proposed by the Senate.

National Guard personnel, Army

Amendments Nos. 5 and 6: Reported in disagreement.

TITLE II—OPERATION AND MAINTENANCE

Operation and maintenance, Army

Amendment No. 7: Appropriates $3,408,345,000 instead of $3,411,845,000 as proposed by the Senate and separate appropriations of $3,128,345,000 for "Operation" and $275,000,000 for "Maintenance" as proposed by the House. The amount for "Maintenance" established separately by the House is incorporated in the combined appropriation as a floor on the amount available for the "Maintenance of real property facilities." The managers are in agreement that if abuses of funds provided for the "Maintenance of real property" are not stopped, there will be insistence on separate appropriations for the next fiscal year.

Operation and maintenance, Navy

Amendment No. 8: Appropriates $2,836,292,000 instead of $2,837,142,000 as proposed by the Senate and separate appropriations of $2,671,916,000 for "Operation" and $163,526,000 for "Maintenance" as proposed by the House.

Operation and maintenance, Marine Corps

Amendment No. 9: Appropriates $192,500,000 instead of $193,000,000 as proposed by the Senate and separate appropriations of $170,682,000 for "Operation" and $21,318,000 for "Maintenance" as proposed by the House.

Operation and maintenance, Air Force

Amendment No. 10: Appropriates $4,365,644,000 instead of $4,368,644,000 as proposed by the Senate and separate appropriations of $4,095,444,000 for "Operation" and $269,200,000 for "Maintenance" as proposed by the House. The restoration of $1,000,000 above the House figure is for the aircraft spare parts management, and $2,000,000 of the $3,000,000 reduction is to be associated with the aircraft painting program.

Operation and maintenance, defense agencies

Amendment No. 11: Appropriates $350,331,000 of which not less than $9,708,000 shall be available for the maintenance of real property facilities instead of separate appropriations of $332,049,000 for "Operation" and $13,217,000 for "Maintenance" as proposed by the House.

Operation and maintenance, Army National Guard

Amendment No. 12: Consolidates the appropriation of $174,400,000 as proposed by the Senate in lieu of separate appropriations as proposed by the House.

Operation and maintenance, Air National Guard

Amendment No. 13: Consolidates the appropriation of $194,400,000 as proposed by the Senate instead of separate appropriations as proposed by the House.

Operation and maintenance, Alaska Communication System, Army

Amendment No. 14: Consolidates the appropriation of $6,900,000 as proposed by the Senate instead of separate appropriations as proposed by the House.

TITLE III—PROCUREMENT

Procurement of equipment and missiles, Army

Amendment No. 15: Appropriates $2,520,000,000 instead of $2,500,000,000 as proposed by the House and $2,555,000,000 as proposed by the Senate. The reduction from the Senate amount is due to the overall slippage in the Army obligational program.

Procurement of aircraft and missiles, Navy

Amendment No. 16: Appropriates $3,034,660,000 instead of $3,007,970,000 as proposed by the House and $3,057,160,000 as proposed by the Senate.

Shipbuilding and conversion, Navy

Amendment No. 17: Appropriates $2,919,200,000 instead of $2,907,200,000 as proposed by the House and $2,929,200,000 as proposed by the Senate.

Amendment No. 18: Deletes language as proposed by the Senate.

Other procurement, Navy

Amendment No. 19: Appropriates $903,600,000 instead of $901,700,000 as proposed by the House and $908,500,000 as proposed by the Senate.

Aircraft procurement, Air Force

Amendment No. 20: Appropriates $3,562,400,000 instead of $3,507,900,000 as proposed by the House and $3,604,900,000 as proposed by the Senate.

Other procurement, Air Force

Amendment No. 21: Appropriates $956,250,000 instead of $950,000,000 as proposed by the House and $962,500,000 as proposed by the Senate.

TITLE IV—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

Research, development, test, and evaluation, Army

Amendment No. 22: Appropriates $1,319,500,000 instead of $1,317,000,000 as proposed by the House and $1,323,000,000 as proposed by the Senate.

Research, development, test, and evaluation, Navy

Amendment No. 23: Appropriates $1,475,958,000 instead of $1,473,458,000 as proposed by the House and $1,478,458,000 as proposed by the Senate.

Research, development, test, and evaluation, Air Force

Amendment No. 24: Appropriates $3,632,100,000 instead of $3,480,900,000 as proposed by the House and $3,776,000,000 as proposed by the Senate.

Amendment No. 25: Makes $362,600,000 available only for the RS–70 program instead of $223,900,000 as proposed by the House and $491,000,000 as proposed by the Senate. The $138,700,000 provided above the amount provided by the House is for the initiation of three additional aircraft and their engines in addition to the three aircraft proposed in the program, a total of six aircraft. The committee of conference is in agreement that transfers through and from the emergency fund of the Department of Defense should be used to fund the development of other components of the RS-70 weapon system if technological breakthroughs in these subsystems are achieved.

Research, development, test, and evaluation, defense agencies

Amendment No. 26: Appropriates $444,000,000 instead of $439,000,000 as proposed by the House and $449,000,000 as proposed by the Senate.

TITLE V—GENERAL PROVISIONS

Amendments Nos. 27 and 28: Insert the phrase "woven silk and woven silk blends" in section 523.

Amendment No. 29: Provides for a limitation of 20 percent on indirect expenses on research grants instead of 15 percent as proposed by the House.

Amendment No. 30: Reported in disagreement.

GEORGE MAHON,
HARRY R. SHEPPARD,
CLARENCE CANNON,
GERALD R. FORD, Jr.,
Managers on the Part of the House.

The SPEAKER. The gentleman from Texas is recognized for 1 hour.

Mr. MAHON. Mr. Speaker, the House passed the Defense appropriation bill in which we provided the sum of $47,839,491,000 for the Army, Navy, Air Force, and Department of Defense. Debate on that bill took place on April 17 and 18 and appears at pages 6831 to 6862 and 6895 to 6932 of the CONGRESSIONAL RECORD. The bill was passed on the 18th. The House debate and the committee report, House Report 1607, contain a rather ample discussion of the provisions of the bill as it passed the House. The Members are, of course, interested in knowing what happened to the bill since it passed the House, was acted on by the other body, and was considered in conference between the House and the Senate conferees.

The bill is very much the same as it was when it passed the House except for a few significant changes. The bill now provides funds in excess of the House bill to the extent of $296,756,000. The bill presented to you today is below the Senate bill in the sum of $292,974,000. There was almost an even split in funds in the conference between the House and the Senate on the additional amounts which were provided by the Senate.

The following tabulations show the distribution of funds in summary and in considerable detail:

Department of Defense, 1963—Summary of appropriations

Title	Budget estimates	Passed House	Passed Senate	Conference action	Conference action compared with—		
					Budget estimate	House	Senate
Title I—Military personnel	$13,050,200,000	$12,901,890,000	$12,912,764,000	$12,903,690,000	−$146,510,000	+$1,800,000	−$9,074,000
Title II—Operation and maintenance	11,568,800,000	11,551,473,000	11,571,739,000	11,563,889,000	−4,911,000	+12,416,000	−7,850,000
Title III—Procurement	16,445,000,000	16,525,770,000	16,768,260,000	16,647,110,000	+202,110,000	+121,340,000	−121,150,000
Title IV—Research, development, test, and evaluation	6,843,000,000	6,860,358,000	7,176,458,000	7,021,558,000	+178,557,000	+161,200,000	−154,900,000
Total, titles I, II, III, and IV	47,907,000,000	47,839,791,000	48,429,221,000	48,136,247,000	+229,247,000	+296,758,000	−292,974,000
Distribution of appropriations by organizational component:							
Army	11,654,000,000	11,546,567,000	11,616,067,000	11,574,067,000	−79,933,000	+27,500,000	−42,000,000
Navy	15,269,900,000	15,081,570,000	15,171,434,000	15,127,810,000	−142,090,000	+46,240,000	−43,624,000
Air Force	18,926,500,000	19,177,634,000	19,592,934,000	19,390,584,000	+464,084,000	+212,950,000	−202,350,000
Defense agencies	2,056,600,000	2,033,720,000	2,048,786,000	2,043,786,000	−12,814,000	+10,066,000	−5,000,000
Total, Department of Defense	47,907,000,000	47,839,491,000	48,429,221,000	48,136,247,000	+229,247,000	+296,756,000	−292,974,000

TITLE I—MILITARY PERSONNEL

Item	Budget estimates	Passed House	Passed Senate	Conference action	Conference action compared with—		
					Budget estimate	House	Senate
Military personnel, Army	[1] $3,733,000,000	[1] $3,643,300,000	[1] $3,643,300,000	[1] $3,643,300,000	−$89,700,000		
Military personnel, Navy	[2] 2,764,700,000	[2] 2,734,700,000	[2] 2,734,700,000	[2] 2,734,700,000	−30,000,000		
Military personnel, Marine Corps	671,300,000	661,200,000	661,200,000	661,200,000	−10,100,000		
Military personnel, Air Force	[3] 4,184,000,000	[3] 4,117,690,000	[3] 4,117,690,000	[3] 4,117,901,000	−66,310,000		
Reserve personnel, Army	[4] 214,700,000	239,200,000	239,200,000	239,200,000	+24,500,000		
Reserve personnel, Navy	83,800,000	83,800,000	87,974,000	85,600,000	+1,800,000	+$1,800,000	−$2,374,000
Reserve personnel, Marine Corps	28,100,000	28,100,000	28,100,000	28,100,000			
Reserve personnel, Air Force	50,100,000	50,100,000	56,800,000	50,100,000			−6,700,000
National Guard personnel, Army	[5] 238,500,000	261,800,000	261,800,000	261,800,000	+23,300,000		
National Guard personnel, Air Force	53,000,000	53,000,000	53,000,000	53,000,000			
Retired pay, Defense	1,029,000,000	1,029,000,000	1,029,000,000	1,029,000,000			
Total, title I—Military personnel	13,050,200,000	12,901,890,000	12,912,764,000	12,903,690,000	−146,510,000	+1,800,000	−9,074,000

TITLE II—OPERATION AND MAINTENANCE

Item	Budget estimates	Passed House	Passed Senate	Conference action	Budget estimate	House	Senate
Operation and maintenance, Army	$3,402,000,000		$3,411,845,000	$3,408,345,000	+$6,345,000	+$3,408,345,000	−$3,500,000
Operation, Army		$3,128,345,000				−3,128,345,000	
Maintenance of real property facilities, Army		275,000,000				−275,000,000	
Operation and maintenance, Navy	2,840,000,000		2,837,142,000	2,836,292,000	−3,708,000	+2,836,292,000	−850,000
Operation, Navy		2,671,916,000				−2,671,916,000	
Maintenance of real property facilities, Navy		163,526,000				−163,526,000	
Operation and maintenance, Marine Corps	191,000,000		193,000,000	192,500,000	+1,500,000	+192,500,000	−500,000
Operation, Marine Corps		170,682,000				−170,682,000	
Maintenance of real property facilities, Marine Corps		21,318,000				−21,318,000	
Marine Corps stock fund	(6)	(6)	(6)	(6)			
Operation and maintenance, Air Force	4,371,000,000		4,368,644,000	4,365,644,000	−5,356,000	+4,365,644,000	−3,000,000
Operation, Air Force		4,095,444,000				−4,095,444,000	
Maintenance of real property facilities, Air Force		269,200,000				−269,200,000	
Operation and maintenance, Defense agencies	354,145,000		350,331,000	350,331,000	−3,814,000	+350,331,000	
Operation, Defense agencies		332,048,000				−332,048,000	
Maintenance of real property facilities, Defense agencies		13,217,000				−13,217,000	

See footnotes at end of table.

Department of Defense, 1963—Summary of appropriations—Continued

TITLE II—OPERATION AND MAINTENANCE—Continued

Item	Budget estimates	Passed House	Passed Senate	Conference action	Conference action compared with—		
					Budget estimate	House	Senate
Operation and maintenance, Army National Guard	$174,400,000		$174,400,000	$174,400,000		+$174,400,000	
Operation, Army National Guard		$171,800,000				−171,800,000	
Maintenance of real property facilities, Army National Guard		2,600,000				−2,600,000	
Operation and maintenance, Air National Guard	194,400,000		194,400,000	194,400,000		+194,400,000	
Operation, Air National Guard		192,800,000				−192,800,000	
Maintenance of real property facilities, Air National Guard		1,600,000				−1,600,000	
National Board for the Promotion of Rifle Practice, Army	500,000	622,000	622,000	622,000	+122,000		
Operation and maintenance, Alaska Communication System, Army	6,900,000		6,900,000	6,900,000		+6,900,000	
Operation, Alaska Communication System, Army		6,395,000				−6,395,000	
Maintenance of real property facilities, Alaska Communication System, Army		505,000				−505,000	
Salaries and expenses, Secretary of Defense							
Claims, Defense	19,000,000	19,000,000	19,000,000	19,000,000			
Contingencies, Defense	15,000,000	15,000,000	15,000,000	15,000,000			
Salaries and expenses, Court of Military Appeals, Defense	455,000	455,000	455,000	455,000			
Total, title II—Operation and maintenance	11,568,800,000	11,551,473,000	11,571,739,000	11,563,880,000	−4,911,000	+12,416,000	−$7,850,000

TITLE III—PROCUREMENT

Item	Budget estimates	Passed House	Passed Senate	Conference action	Budget estimate	House	Senate
Procurement of equipment and missiles, Army	$2,555,000,000	$2,500,000,000	$2,555,000,000	$2,520,000,000	−$35,000,000	+$20,000,000	−$35,000,000
Procurement of aircraft and missiles, Navy	[7] 3,065,000,000	[7] 3,007,970,000	[7] 3,057,160,000	[7] 3,034,660,000	−30,340,000	+26,690,000	−22,500,000
Shipbuilding and conversion, Navy	2,982,000,000	[8] 2,907,200,000	[8] 2,929,200,000	[8] 2,919,200,000	−62,800,000	+12,000,000	−10,000,000
Other procurement, Navy	912,000,000	901,700,000	908,500,000	903,600,000	−8,400,000	+1,900,000	−4,900,000
Procurement, Marine Corps	258,000,000	256,000,000	256,000,000	256,000,000	−2,000,000		
Aircraft procurement, Air Force	[9] 3,135,000,000	3,507,900,000	3,604,900,000	3,562,400,000	+427,400,000	+54,500,000	−42,500,000
Missile procurement, Air Force	2,500,000,000	2,459,000,000	2,459,000,000	2,459,000,000	−41,000,000		
Other procurement, Air Force	1,000,000,000	950,000,000	962,500,000	956,250,000	−43,750,000	+6,250,000	−6,250,000
Airlift modernization, Air Force	(10)	(10)	(10)	(10)			
Procurement, Defense agencies	38,000,000	36,000,000	36,000,000	36,000,000	−3,000,000		
Total, title III—Procurement	16,445,000,000	16,525,770,000	16,768,260,000	16,647,110,000	+202,110,000	+121,340,000	−121,150,000

TITLE IV—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Item	Budget estimates	Passed House	Passed Senate	Conference action	Budget estimate	House	Senate
Research, development, test, and evaluation, Army	$1,329,000,000	$1,317,000,000	$1,323,000,000	$1,319,500,000	−$9,500,000	+$2,500,000	−$3,500,000
Research, development, test, and evaluation, Navy	1,474,000,000	1,473,458,000	1,478,458,000	1,475,958,000	+1,958,000	+2,500,000	−2,500,000
Research, development, test, and evaluation, Air Force	[11] 3,439,000,000	[11] 3,480,900,000	[11] 3,776,000,000	[11] 3,632,100,000	+193,100,000	+151,200,000	−143,900,000
Research, development, test, and evaluation, Defense agencies	451,000,000	439,000,000	449,000,000	444,000,000	−7,000,000	+15,000,000	−5,000,000
Emergency fund, Defense	[12] 150,000,000	[12] 150,000,000	[12] 150,000,000	[12] 150,000,000			
Salaries and expenses, Advanced Research Projects Agency, Department of Defense	(13)	(13)	(13)	(13)			
Total, title IV—Research, development, test, and evaluation	6,843,000,000	6,860,358,000	7,176,458,000	7,021,558,000	+178,558,000	+161,200,000	−154,900,000
Total, titles I, II, III, and IV	47,907,000,000	47,839,491,000	48,429,221,000	48,136,247,000	+229,247,000	+296,756,000	−292,974,000

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[1] In addition, $350,000,000 to be derived by transfer.

[2] In addition, $25,000,000 to be derived by transfer.

[3] In addition, $70,000,000 to be derived by transfer.

[4] Reflects decrease of $6,900,000 in H. Doc. 377.

[5] Includes increase of $6,900,000 in H. Doc. 377.

[6] Language providing $15,000,000 by transfer from Navy stock fund.

[7] In addition, $165,000,000 to be derived by transfer from "Aircraft and related procurement, Navy."

[8] In addition $20,000,000 to be derived by transfer from the Navy industrial fund.

[9] In addition reappropriation of $514,500,000.

[10] Appropriation now combined with "Aircraft procurement, Air Force."

[11] Includes $747,300,000 for activities previously carried under Air Force procurement accounts.

[12] In addition, $150,000,000 to be derived by transfer from other appropriations available for obligation in the respective fiscal year.

[13] Appropriation now combined with "Research, development, test, and evaluation, Defense agencies."

RESERVE FORCES

The significant changes in which the Members of the House will be interested would involve, I may say first, the Army National Guard and the Army Reserve. The House provided funds for an end strength for fiscal year 1963 of a total of 400,000 for the National Guard and 300,000 for the Reserves. There was no mandatory language included in the House bill. As a result of the calling up of Reserves and Guardsmen last year, it is difficult to predict just what the manning strength of these two components will actually be during this fiscal year.

In conference it was agreed that language would be made a portion of this bill which would provide that the Army would program an end strength—that is the strength as of June 30, 1963—of 400,000 for the Guard and 300,000 for the Reserves. That gives a considerable latitude for the building up of the drill-pay strength of these forces which had been reduced considerably as the result of the calling up of Reservists and Guardsmen last year. It was agreed in conference that in recruiting Guardsmen and Reservists the standards of qualifications required of the Regular Army would be required of the Reservists and the National Guard.

A couple of other provisions are included in the statement of the managers which would require better management of the Guard and the Reserve Forces. I think the Members will be interested in reading those.

RS-70

The next item that I think you might like to have me make reference to is the B-70 program, now known as the RS-70. In previous years we have provided large sums of money for the so-called B-70 aircraft development program. The B-70's were graduated into what is now known as the RS-70, the reconnaissance and strike 70 planes.

The House provided the $171 million, which was the budget estimate for the RS-70 planes. In addition to the budget estimate, the House provided $52,900,000 to expedite the program, especially in the field of certain electronic component development.

The other body raised the total amount to $491 million. The action of the conference is as follows:

The funds for the RS-70 provided in the House bill were increased by $138.7 million. These funds, which were not requested in the budget were provided for the purpose of enabling the Air Force to initiate the production of three additional experimental RS-70's or B-70's. There are three of these aircraft already in production, one of which is scheduled to fly in December of this year.

This money would initiate an additional three, making a total of six of these RS-70-type aircraft that have been funded.

Also it is provided in the bill that funds may be used through emergency fund appropriations and transfer authority to further expedite the B-70 or RS-70 program, so this seems to be a rather good compromise on the matter. Whether or not these funds will be used will depend upon the decision made in the Department of Defense and also may depend somewhat upon the degree of success that is experienced in trying to get the know-how to produce an RS-70 weapon system, the aircraft plus the radar, missiles, and other components that would be required. If there are sufficient and significant technological breakthroughs made, it may be possible to accelerate this program, and the conferees took the position that the program ought to be pushed and that we should have the RS-70 as a follow-on, in a way, to the B-52 bomber.

Third, a matter that will engage the attention of some of you has to do with the research grants.

Mr. **MINSHALL**. Mr. Speaker, will the gentleman yield?

Mr. **MAHON**. I yield to the gentleman from Ohio.

Mr. **MINSHALL**. Before you leave the RS-70 program, I should like to inquire if there have been any reports from Dr. Charyk's group in the Air Force or from Dr. Brown's committee or from the Secretary of Defense, Mr. McNamara, as to their recommendations on the RS-70 program? They promised to furnish reports to the House in a matter of weeks, but it has been months now and we have heard nothing from them.

Mr. **MAHON**. They have been pursuing these studies in the Defense Department. The Director of Defense Research and Engineering, and the Air Force have made a considerable amount of progress, but no determination has been finally agreed upon, and it may be another month before any decision is made, so I am told. I might say that there is no indication at this point that the Secretary of Defense is ready at this moment to go forward with the program in excess of the program which was provided in the House bill. Of course, I cannot determine what the future judgment will be.

Now, a controversial matter in this bill has to do with research grants to colleges.

Mr. **BECKER**. Mr. Speaker, will the gentleman yield before he leaves that subject?

Mr. **MAHON**. I yield.

Mr. **BECKER**. Can the gentleman tell me whether he believes the position of the Secretary of Defense, Mr. McNamara, has changed to a favorable view toward the full RS-70 program rather than in opposition to it, as it has been up to the time this bill came to the floor? I am not asking you to read Secretary McNamara's mind, but would the gentleman know from conversations whether his view has changed?

Mr. **MAHON**. Insofar as I know, the Secretary has not been able to secure all of the information and all the technical data which he feels is required for him to make final judgment on whether or not we should proceed with a weapons system RS-70. I believe that within the next 2 or 3 months and before Congress meets again some very definite decision will be made.

Mr. **BECKER**. I take it that the Secretary has not changed his mind up to the present time. That is not what the gentleman said, but I take it from your colloquy that he has given no indication that he has changed his position.

Mr. **MAHON**. The Secretary has given no indication to the committee that he has changed the views that he had given earlier in the year in regard to the RS-70.

Mr. **BECKER**. I thank the gentleman.

RESEARCH GRANTS

Mr. **MAHON**. In the House bill it was provided that when the services made grants to colleges for research projects, the indirect costs paid on such grants should not exceed 15 percent of the direct costs of the project. This has been the law since 1958 in the Department of Health, Education, and Welfare Appropriation Act. There has been considerable resistance to the limitation, but the research projects under HEW continue to move rapidly forward from the standpoint of the utilization of the public funds.

Mr. Speaker, it seems to me to be a necessity that we have a Government-wide policy on grants to colleges for research and development. It must be understood that these grants are only a minor part of the work done by the colleges in the field of research and development for the Department of Defense. Most of this work is done by contract. But contracts are not involved here. The type of thing that is involved is this: A college contacts one of the military services and says, "We have the personnel who are able to tackle a certain problem which we understand is significant and important to you. We would like to do this work. Here is a detailed statement of what we can do and would like to do. We would like for you to provide a grant for the performance of this work."

So, this work will be done by professors and by graduate students and others. This is one of the ways we are seeking to progress scientifically.

Mr. Speaker, certainly there is no thought on my part when we hand this work out to the colleges that they should have any substantial out-of-pocket costs for the doing of this research work. So we have provided in conference, rather than the 15 percent for indirect costs in the House bill, 20 percent, and the indication is that the Committee on Appropriations in various bills will undertake to establish this as a Government-wide limitation on grants.

Mr. Speaker, it would seem that our colleges, most of which have business administration departments, and the Defense Department would undertake to approach this matter of grants in a businesslike way. The problem does not seem to be too complicated.

There is no reason why our colleges should not be able to sit down and enumerate the costs that are incident to research and development in these grants. The Government would not think of asking the colleges to buy the equipment or to provide the utilities or to provide the personnel for the doing of these tasks without compensation. That is all covered in these grants. But there has been too much confusion in the program with these percentages running all the way from 10 percent, 20 percent to 30 percent, and up to 72 percent. People who request research grants ought to submit all the costs that are incident to the grant and ask for a grant based upon those costs. These costs should not be too difficult to ascertain. I do not think it would be too difficult for the colleges to secure this information. Let them call in the head of their business administration department, if necessary, to improve their cost estimate. I do not believe this 20 percent restriction is going to work any undue and unjust hardship on any of the colleges. Understand, it is not retroactive. It does not apply to grants which are being made from funds previously provided. It will only have to do with the grants of the fiscal year 1963 appropriation. As of now it is a 1-year proposition only.

Mr. Speaker, I am hopeful that this decision by the conferees will be reasonably acceptable to the House. I think there has been considerable misunderstanding in regard to this program. I believe that our college people are fair-minded people and I believe that they will accept the action of the Congress in regard to this matter as being in the public interest.

If they have been doing an inadequate job in accounting and have been losing money as a result of this Government work, let them prepare more definite cost figures and let the grants be made on that kind of basis. That is my feeling on the matter.

Mr. **MEADER**. Mr. Speaker, will the gentleman yield?

Mr. **MAHON**. I am pleased to yield to the gentleman from Michigan.

Mr. **MEADER**. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The **SPEAKER**. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. **MEADER**. Mr. Speaker, I have listened carefully to what the gentleman has said concerning the 20-percent limitation on indirect costs on research grants in the Defense Department bill.

I have made a very intensive study of this matter because the University of Michigan, at Ann Arbor, Mich., my hometown, is very much concerned about this problem.

The gentleman has announced that it is the intention of the Committee on Appropriations to include this same 20-percent limitation in every other bill; that would include the Department of Health, Education, and Welfare bill, which would mean an increase of 5 percent in that bill; it would be imposed upon the Atomic Energy appropriation in the public works bill, the National Aeronautics and Space Administration appropriation in the independent offices bill, the National Science Foundation appropriation, in the same bill, and all other agencies spending money on research grants.

As I understood the gentleman, he said there is confusion here and perhaps the managers of the institutions of higher learning doing this research are not pursuing good management policies and do not have controls. But I say to the House that the Committee on Appropriations took this action without ever giving those people a day in court, without ever hearing what their problems are or hearing their side of the case. The only testimony I know of in the Defense Department appropriation bill is the testimony of Defense Department Assistant Secretary Brown in charge of Research and Development, and primarily his testimony consisted of a statement he submitted after the hearings.

I do not believe this matter has been given the attention it deserves. It is important, because there is approximately $1 billion a year going to these institutions of higher learning and 80 percent of the colleges of this country are receiving these research funds.

To put on a percentage limitation implies a uniform system of accounting. A system of accounting is a useful tool of management to record business transactions and decisions. All of these institutions of higher learning are different in some way or other. Some are State institutions, some are religious institutions, some are municipal institutions, some are privately endowed. They are all of different character and naturally their accounting systems differ one from the other. A large institution may have established a cost-accounting system where it charges to each department a percentage of the general administrative expenses of the university. But a small institution would not do that.

A 15-percent limitation or a 20-percent limitation or any percentage limitation is meaningful only if all of the institutions keep their books on the same basis. That being so, and the gentleman says there should be uniformity, it invites the Federal Government to step in and tell these institutions of higher learning what kind of accounting system they should maintain. When the Government does that it is injecting itself into the business management of institutions of higher learning, where it does not belong.

Mr. MAHON. Mr. Speaker, the gentleman, in my opinion, is on a very unsound basis in his reasoning. As a representative of the Government I do not want to go home and tell my people that we do not require a good husbanding of Federal funds. Personally I do not care anything about the kind of accounting systems the colleges have. Let them have whatever kind of accounting system they want. We are not concerned with their accounting systems. But if they come to Washington and ask for the taxpayers' money to do a certain job, I propose that we should say to every college, whether it is in Michigan or New Jersey or Texas, "If you want this Government money for doing this important work, you will have to spend it under certain rules and regulations, and you have got to figure out what your costs are and sit down and show us what your costs will be."

It seems to me if there is anything wrong with that, then the gentleman is arguing for a loose and irresponsible fiscal system which I certainly cannot endorse, and I do not believe the gentleman wishes to endorse.

Mr. MEADER. I certainly do not advocate any loose fiscal system. I am just as much concerned with economy and honesty as the gentleman from Texas. There are regulations governing allowable costs, Bureau of the Budget Circular No. A-21, and these costs are being audited by Government auditors in the universities. All I am saying is, Why do you not go into this subject before you take action and adopt controls which are intelligent and workable rather than impose this drastic limitation?

Mr. MAHON. The Department of Health, Education, and Welfare does research. Research requires men and also equipment. There is a great similarity in all research programs. We have had years of experience. In 1958 a 15-percent limitation was put in the HEW bill. Some of the colleges who undoubtedly were getting more and no doubt they needed the money, objected very strenuously. The expectation in some quarters was that this program would be wrecked. But in 1957 the grants made by the National Institutes of Health were $80 million and this year they are approximately $500 million. So it has worked out very well in NIH. We have had that experience. So we raise the limitation 5 percent, and we fix it at 20 percent. We have heard from many of the colleges. We have talked to officials. We have had all manner of information. There is no lack of information here for our consideration. The National Science Foundation follows a policy of allowing 20 percent with a leeway of 5 percent for certain contingencies, and so forth.

When we get to dispensing the taxpayer's money, I think we need to be a little more severe and penetrating in our analysis of these matters.

As the chairman of the House conferees, I make no apology for the action here.

I think it would be of interest to place in the RECORD at this point a table showing the percentage of indirect costs reported by some of our colleges and universities that are apparently estimating above average indirect cost. I can see no reason for this disparity and I am convinced this disparity can be largely eliminated by the use of better accounting methods on Government grant projects and better negotiations between the colleges and the services on these Government programs:

Institution and current overhead rate

	Percent
Massachusetts Institute of Technology	51.2
Harvard University	[1] 30.1
Columbia University	38.5
New York University	48.0
Princeton University	72.0
Johns Hopkins	40.5
University of Chicago	63.0
University of Illinois	55.0
University of Texas	36.0
University of Miami	62.8
University of Maryland	40.0
University of California	33.0
California Technology	55.0
Georgia Technology	61.0
University of Kansas	48.0
Florida State University	42.0
University of Michigan	49.0

[1] Percentage of total direct costs.

Mr. MEADER. I just wish the gentleman had heard from them before this action was taken.

Mr. MAHON. We heard from many of them.

Mr. MEADER. I wish you could have had them before your committee, to go into the problem and get some facts and views and make a thorough study before you took drastic action of this kind.

PERCENTAGE LIMITATION ON INDIRECT COSTS OF RESEARCH GRANTS

Mr. Speaker, when the defense appropriation bill was before the House last April, it contained a 15-percent limitation on indirect costs on research grants. The Senate deleted this limitation by amendment No. 29. The conference report before us recommends that the matter stricken out be restored and amended to provide for 20 percent in lieu of 15 percent.

I am informed that the Appropriations Committee has decided and has informally obtained the concurrence of conferees in the other body on appropriation bills to provide for this same 20 percent indirect cost limitation on research grants in all appropriation bills.

When the bill was before the House on April 18, 1962, an amendment proposed by the gentleman from Michigan [Mr. CEDERBERG] to delete the 15-percent limitation on indirect expenses in research grants and to restore the $4 million which the House Appropriations Committee had deleted as a result of the limitation, received very strong support from the Members of the House. On a teller vote the amendment was defeated by a fairly close vote of 93 to 115—CONGRESSIONAL RECORD, April 18, 1962, page 6927.

For the institutions of higher learning doing some $1 billion of research for the Federal Government annually, obviously a 20-percent limitation is better than a 15-percent limitation. But my objection to this provision is twofold: First, the whole approach of a percentage limitation is wrong since to be meaningful and uniform it leads to a standard pattern of accounting among colleges and universities dictated by the Federal Government; and second, even a 20-percent indirect cost limitation is not compensatory and does not reimburse institutions for their out-of-pocket expenses in conducting research for the Federal Government.

No such rigid limitation should be imposed upon vital research programs in medicine, defense, atomic energy, space and science generally without full and careful exploration of its possible consequences and implications and hearing the views of Federal officials charged with administering expenditures for such research programs and the views and experiences of representatives of the institutions where the work is done.

Unfortunately hearings on appropriation bills were concluded before those opposed to the percentage limitation were aware of the possibility of its inclusion.

1. A PERCENTAGE LIMITATION OF INDIRECT COSTS ON FEDERAL RESEARCH GRANTS IS AN UNSOUND APPROACH

The Federal Government's expenditures in research are huge—$12½ billion estimated for 1963—and growing. About a billion dollars worth of this research is being done in the institutions of higher learning of the country, of which it is estimated 80 percent are receiving Federal research funds.

Much of this research is done on contract, where the item of indirect costs is negotiated on an institution-by-institution basis under Budget Bureau Circular No. A–21, with due regard to the nature of the institution's operations and the accounting system by which its business transactions are recorded.

The percentage limitation has been applied only to grants which are small in dollar volume compared with research contracts. For example, the Defense Department appropriation bill contained a 15-percent limitation of indirect costs on grants for the first time this year. The conference report before us raises the 15-percent figure to 20 percent. Research grants totaled $40 million in the defense bill as compared with over $300 million for research contracts.

A percentage limitation on indirect costs is meaningful and workable only if the base to which the limitation is applied is uniform among institutions receiving research grants; only if they conduct their operations and record their business transactions and maintain their accounting systems in an essentially uniform way.

Is there such uniformity?

Institutions of higher learning vary widely in size, in character, and in the manner of conducting their operations and recording their business transactions. Some are supported by States or cities, others by churches and religious groups or orders, and others by private endowment. State legislatures, governing bodies and donors may require or influence the manner of conducting and recording their business transactions.

A large institution might have developed an elaborate cost accounting system charging supplies, equipment and services directly to a department doing research work. Thus its direct costs would be a high proportion of total costs; 20 percent of direct costs might be more than compensation for overhead.

A small institution, on the other hand, might not see fit to maintain a costly and elaborate cost-accounting system, and direct costs might be a relatively small portion of total costs. In this case, 20 percent of direct costs would reimburse only a fraction of the out-of-pocket expense of supporting a research project.

It all depends on how the institution operates and keeps its books.

The National Science Foundation Interim Report of March 1962, in its study of indirect costs of research in colleges and universities, made this comment:

> #### PROBLEM OF UNIFORMITY
>
> When an attempt is made to compare indirect cost rates of individual institutions, difficulties arise from the lack of common denominators in both the items to be charged as indirect costs and the items comprising the direct-cost base. Each institution has its own characteristic fiscal structure, and, consequently, procedures vary for handling certain allowable costs in the computation of indirect-cost rates. Problems of applying uniform statistical methods to a large number of individual variables of cost were great. In this study, it has not been completely possible to rule out or establish controls over the institutional differences in accounting for identical items of costs. A highly selective statistical procedure was necessary if the important recorded items of cost were not to lose significance through scattering.
>
> By means of Circular No. A–21, one of the most widely used and tangible measures of indirect costs, significant items of costs were identified and a uniform system was established in the schedules for recording these major costs. By adjusting for certain costs such as employee benefits, reasonable common denominators were obtained for both the direct and indirect cost bases.
>
> It should be emphasized at this point that caution must be exercised in making direct comparisons of the levels of R. & D. indirect-cost rates of large versus small schools. Since the method and procedures used in computing the rates for small schools differ from those employed by the large institutions, a number of technical accounting adjustments would be necessary in order to standardize and compare the computations for the two groups of institutions. To this extent, therefore, the indirect-cost rates of the small schools cannot be compared directly with those of the large schools.

The only way to achieve uniformity would be for the Federal Government to establish criteria and standards for a uniform pattern of accounting systems, including a clear definition of direct and indirect costs and require its adoption by institutions of higher learning receiving research grants. This clearly would be an invasion by the Federal Government into the area of business-management decisions of institutions of higher learning—since accounting systems are devised merely to record business transactions and decisions—and would lead inevitably to Federal interference, if not supervision and control of important areas of management of institutions of higher learning.

This would impair the freedom of research, increase the paperwork—and the business staffs to handle the same—and possibly induce the establishment of expensive cost-accounting systems not heretofore regarded as necessary or appropriate in the higher educational field.

It could lead to distortion of educational and research programs of universities because of the predominant financial influence of Federal contributions to research. It could impair the vitality and rate of progress of educational and research programs of institutions of higher learning.

In turn, that could harm the Federal Government's own important activities and objectives in scientific research and development.

A far more intelligent approach to prevent abuses in charging for the administrative overhead costs for performing research for the Federal Government is provided by Bureau of the Budget Circular No. A–21, which established principles for computing indirect costs on research. This circular provides for assessing indirect costs on an institution-by-institution basis subject to audit by Federal agencies responsible for allocation and administration of research work.

This Budget Bureau circular starts out by recognizing the wide variety in character and size of institutions working on research grants, and does not seek to alter the accounting system used by the institution for the conduct of its day-to-day business and its educational and non-Federal research responsibilities.

Bureau of the Budget Circular No. A–21 provides flexibility in control. The rigid 20-percent limitation on indirect costs does not.

Under "policy guides," the circular recites:

> A. Each college and university has its own unique combination of staff, facilities, and experience, and should be encouraged to conduct research in a manner consonant with its academic programs and institutional objectives while fulfilling its contractual responsibilities.
>
> * * * * *
>
> D. It is not intended that the application of these principles should require any significant changes in the generally accepted and established accounting practices of colleges and universities.

The 20-percent indirect cost limitation imposes rigidity and logically is workable only if a uniform pattern of accounting and a uniform definition of direct and indirect costs is forced upon universities and colleges by the Federal Government.

2. TWENTY PERCENT OF DIRECT COSTS IS NOT COMPENSATORY FOR OVERHEAD EXPENSES

The interim report of the National Science Foundation is based upon a survey of 200 colleges and universities engaged in research and development sponsored by Federal agencies during the fiscal year 1960. After making certain adjustments—to allow for differing accounting systems—the National Science Foundation concluded that the average of indirect costs of Federal research and development was 28 percent of direct costs in large colleges and universities and 32 percent for the 82 small schools; that is, those having less than $250,000 in direct costs for Federal research and development.

Thus it appears that the 20-percent limitation would reimburse institutions doing research for the Federal Government for only about one-third of the out-of-pocket costs incurred by them for the conduct of research programs for the Federal Government.

3. TACIT ASSUMPTIONS

The source of the drive to impose a 20-percent limitation on indirect costs of Federal research grants is somewhat obscure. It seems to proceed from a belief that universities are enriching themselves and running their institutions on Federal research funds—that there are at present no controls upon the amount universities are permitted to charge for their administrative overhead or so-called indirect costs, and that while a percentage limitation may be a somewhat unskillful device, it is imperative that some control be imposed by the Congress to keep the matter from getting out of hand.

Those holding this view have failed to cite any single example of a university's enriching itself, far less any widespread abuses among the college community generally.

There is no basis for the assumption that universities are making money on these Federal research grants. On the contrary, Government-audited figures showed, for example, that for fiscal year 1961 the University of Michigan spent on indirect costs for research for Federal agencies $1½ million more than the amount for which it was reimbursed by the Federal Government.

Harvard in its report, "Harvard and the Federal Government," noted that in 1959–60 "the university incurred $687,500 in unreimbursed indirect costs."

Mr. Speaker, the adoption of this unsound, rigid percentage limitation on overhead costs of colleges and universities conducting research for the Federal Government under grants poses for these institutions a very difficult problem and a hard choice. It may well result in universities' refusing to accept grants on conditions which require them to divert funds from educational purposes to underwrite research for Federal agencies because of a refusal of the Federal Government to reimburse the institutions for their actual overhead or indirect, out-of-pocket expenditures.

Just this morning I received in the mail a copy of a letter from Vice President Ralph A. Sawyer, of the University of Michigan, to the Surgeon General of the Army in which the University of Michigan declines to accept a research grant involving some $55,000 on hippocampal ablation and behavior.

I understand this is a study of the effect upon animals of removal of the hippocampus, a sea-horse-shaped part of the brain. I am inserting this letter at this point in my remarks because it shows in a concrete instance the problem which this rigid limitation poses to institutions of higher learning.

JULY 24, 1962.

Subject: University of Michigan research proposal entitled "Hippocampal Ablation and Behavior" (ORA–62–621–PB1), submitted February 5, 1962.

Reference: (a) Telephone conversation between Lieutenant Colonel Lee (OSG) and P. A. Brooks (University of Michigan) on July 23, 1962.

Lt. Gen. LEONARD D. HEATON,
The Surgeon General,
Department of the Army,
Washington, D.C.

DEAR GENERAL HEATON: In response to the request of Lieutenant Colonel Lee in a telephone conversation on July 23, 1962, with Mr. Brooks of the University of Michigan Office of Research Administration it is the purpose of this letter to confirm that the University of Michigan cannot accept support under a grant for the research effort described in the subject proposal if the grant is to contain the following clause:

"The Government reserves the right to revise the amount allowable for overhead to contemplate obligation of fiscal year 1963 funds. The amount allowable for overhead shall be subject to revision to comply with any legislative or administrative limitation on overhead which may be in effect during the fiscal year 1963."

Several weeks ago the university rejected a modification to OSG Grant No. DA–MD–49–193–62–G62 which contained a similar clause. In addition, the university recently declined to accept support under a grant from the Army Corps of Engineers, Cold Regions Research and Engineering Laboratory, because it was proposed to limit the overhead rate to 20 percent of total direct costs.

Under present conditions the university cannot accept grants from the Department of Defense with an overhead rate of 15 percent or any other rate less than the university's actual indirect costs. The latest fixed rate negotiated with the Department of Defense by the university in accordance with Circular No. A–21 principles is 49 percent of salaries and wages, which is equivalent to about 30 percent of total direct costs.

In the telephone conversation of July 23, 1962, the University of Michigan offered to accept the grant including the clause quoted above, provided that the Office of the Surgeon General would agree to the inclusion of a statement to the effect that the university reserves the right to terminate the grant if the overhead as determined later is unacceptable by the university.

It is our understanding that the Office of the Surgeon General cannot agree to the inclusion of such a reservation by the university. In view of the fact that the possible overhead restrictions in the Department of Defense appropriation bill for fiscal year 1962 are still undetermined and that they may contain a variety of restrictions, it seems to the University of Michigan only logical, since the Office of the Surgeon General must provide for the possibility of such restrictions in its grants, that the university should have the equal opportunity of canceling further work under the grant in the event that unacceptable restrictions are included in the bill. Restrictions in the Health, Education, and Welfare appropriation bills of the past few years have imposed a burden upon the university in the form of uncompensated indirect costs on grants received amounting to about a quarter of a million dollars a year. President Kennedy and Secretary McNamara have both urged Congress to authorize the payment of full indirect costs on grants and it is hoped the appropriation bill will not contain oppressive restrictions. Until the matter is settled, however, it is the position of the university that it cannot afford to accept a further burden in such uncompensated indirect costs either in Health, Education, and Welfare grants or in grants from any other agency.

It seems to the University of Michigan that this rejection of its proposal at this time is particularly unfortunate. After considerable delay the conference committee of Congress is to meet this week to determine the final form of the appropriation bill for the Department of Defense. It seems likely that within a week or two these matters will be settled and there need be no misunderstanding between the Office of the Surgeon General and the universities on the matter of indirect cost allowance. It would seem that the interest of mutual understanding between the Surgeon General's Office and the universities would suggest that final action on proposals should not be forced at this time when a delay of a few days would obviate any possible misunderstanding or disturbance of the fine relationships which have existed in the past. Because of the unfortunate effects of this present action upon the research program of Professor Issacson I sincerely hope that your office will reconsider the cancellation of this proposal and either delay action until the passage of the appropriation bill or permit the filing of a new proposal after the appropriation bill has been passed and the conditions for the determination of indirect costs have been fixed.

Sincerely yours,

RALPH A. SAWYER.

Dean Sawyer informed me over the telephone that the University of Michigan currently is doing about one-fourth of a million dollars research for the Surgeon General of the Army and approximately $5 million of research for the Department of Health, Education, and Welfare.

Mr. Speaker, I am willing to match my record for economy with that of any of my colleagues, but this approach, adopted by the Appropriations Committee without full hearings and an opportunity for those having knowledge of the subject to present their views, may do grave harm to scientific research financed with Federal funds. In my judgment it is being penny wise and pound foolish.

We are considering now legislation to support institutions of higher learning—H.R. 8900, now in conference, the so-called college facilities bill to provide construction funds over a 5-year period of $1,500 million. There is also a bill to subsidize construction of medical schools which, over a 10-year period, is estimated to cost $1,013 million. To me it is straining at a gnat to require universities to shoulder about one-third of their out-of-pocket overhead expenses in order to do research for the Federal Government to relieve the Federal budget of a few million dollars when the Congress is recognizing the financial hardship of institutions of higher learning and making commitments of Federal funds to the tune of over $2½ billion.

Mr. Speaker, there is pending before the Committee on Science and Astronautics a bill which I introduced, H.R. 11377, to establish a study commission similar to the Hoover Commission to grapple with the problems arising from the huge sums of Federal money now being expended on research, much of which is being conducted in the universities and colleges of the country. The action of the Appropriations Committee on this conference report which apparently is a pattern for all other appropriation bills indicates the urgency of this study.

Mr. MAHON. The program of Government grants to colleges is being too loosely handled. A better job can and should be done.

This is not to say that the colleges are not doing a good job for the Nation. They are doing a good job, an indispensable job. I commend them and wish them well in their efforts to promote the cause of national defense. I want us to work with them, not against them.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. FORD. I just wanted to say that although this may not be a perfect solution for every controversial problem, going from 15 to 20 percent will have a very beneficial impact as far as colleges and universities are concerned. I think the University of Michigan, if information given me is accurate, is a good example. I am told they have $5 million a year in HEW contracts, where they have had a 15-percent limitation.

Under the agreement that has been reached, they would get 5 percent more under the HEW contract. On the other hand, they have, I think, $250,000 worth of grants under the Defense Department programs. Now with the 20-percent limitation, they would lose some money because they have not had any limitation heretofore. I believe their costs are 30 percent. But they will lose 10 percent of $250,000 but they will pick up 5 percent under the $5 million.

Mr. MAHON. If I may interrupt the gentleman, I hope that the great University of Michigan will not find it necessary to go beyond the 15 percent for indirect costs and that they will not require these extra funds on their $5 million grant which they are receiving for the important work they are doing.

I do not want the record to show that we expect this limitation to mean that everyone will get the maximum.

Mr. FORD. I am delighted that the chairman brought up this point because I am told in some HEW grant awards that because the limitation heretofore has been 15 percent, it was a hunting license for some of the institutions whose actual indirect costs were 7 or 8 percent, to go up to the 15 percent without any bona fide justification. I think the gentleman from Wisconsin from his long experience in the HEW field where in excess of $400 million has been used, I think in fiscal 1962, has pointed that out to me and we do not want that to happen in the Defense Department area with the 20-percent limitation.

Mr. Speaker, will the gentleman from Texas yield to me for some other comments?

Mr. MAHON. I yield 10 minutes to the gentleman.

Mr. FORD. Mr. Speaker, it is my belief that the record ought to be set straight in, perhaps, a greater degree of detail than the chairman discussed at the time he mentioned the dollar figure. The compromise which we bring before you shows that dollarwise the figure is $292,974,000 below the Senate figure. The compromise is $296,756,000 above the House version. It would appear on a superficial reading that the final figure we bring before you of $48,136,247,000 is actually higher than the budget figure which President Kennedy submitted to the Congress in January of this year. Actually, the final dollar figure that we bring before you is $285,250,000 below President Kennedy's budget proposal. This apparent enigma arises because of the way in which the House and eventually the Senate handled one item which was submitted to us in the budget in January. In 1962 the Congress earmarked $514.5 million to be used only for long-range manned aircraft. It involved the B-70's and/or other long-range manned aircraft programs. The Defense Department did not use the money. When President Kennedy submitted his budget for fiscal 1963, instead of asking for $514.5 million to fund part of his total program, he simply asked that this $514.5 million which was not used in fiscal year 1962 be released for use in fiscal 1963.

The House, and eventually the Senate, thought there was a better way to handle that program, so we, in effect, canceled out the $514.5 million obligational authority and wrote in new obligational authority. While superficially it would appear that we added $514.5 million, this, of course, is not accurate when you see the whole picture.

Mr. Speaker, I just want to reemphasize that this final dollar obligational authority is almost $300 million below what President Kennedy recommended. This, of course, will eventually mean lessened expenditures. I am certain of another factor, that the Defense Department, if we can judge by their previous statements, will probably not obligate or expend almost another $150 million to $170 million. There is no indication that I have seen that Secretary McNamara will change his mind about the RS-70 in fiscal 1963. This means that at least $138.7 million of the obligational authorty will not be used during this fiscal year. In addition under the criteria which have been used for the National Guard and the Reserves, criteria which I think are sound—I have doubts that as a practical matter they can attain a strength of 700,000. This, of course, means less obligational authority used and less expenditure made.

I believe the conference report is a good one. I would not have drafted it precisely as it has been drafted, but it certainly is one which every Member can support.

I would like to add a footnote about a very small item that was cut out in the House when we had the bill before us, $66,000 for the Office of Security Review. I had very strong feelings that the Office of Security Review was doing a very inept job, to put it mildly. This we said in the committee report at the time the bill came to the floor. I expanded on it at some length to prove that the Office of Security Review, to say the least, did a very inept job.

The Defense Department, following this slap on the wrist—the reduction of $66,000—tells us that they have reorganized the office, and that they have established, or will establish, new criteria. They have promised that they will no longer carelessly handle transcript that comes from the House Committee on Appropriations and other House and Senate committees. They have promised that they will try to avoid the errors they have made of not knowing what was classified and what was not. The record is replete with examples of inconsistencies and inept handling. They have promised to reform this office. It will receive special consideration and attention.

On the basis of these promises I am willing to go along with the restoration of the $66,000 that was stricken from the bill by the House. But let me say this, if their performance in 1963 is no better than it was in 1962 and prior years they are inviting a scalpel in the House on the bill next year, and they might as well be warned that this will happen to them.

I now yield to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. The gentleman from Michigan has made some comments about the fact that in this conference report we are, in effect, overappropriating in the amount of $150 to $170 million because of the language contained in the bill and the report as far as the Reserves and National Guard and the RS-70 program is concerned.

Mr. FORD. That is a personal opinion.

Mr. LAIRD. I have been able to rely on the personal opinions of the gentleman from Michigan and I have a great deal of faith in his personal opinions. What does he think of this procedure of overappropriating? I notice the gentleman signed the conference report. I might be a little skeptical of following the procedure of overappropriating for the Department of Defense in this great amount.

Mr. FORD. I do not think the money will be obligated in the case of the RS-70's. Mr. McNamara appears to be just as adamant today as he has been heretofore. The money, in the case of the RS-70's, is earmarked. It cannot be used for any other purpose, it cannot be transferred from that purpose to any other. So the net result is, I believe, they will use only the $171 million which was budgeted and potentially another $52.9 million if they get certain breakthroughs in certain subsystem research and development programs.

I may say to my good friend from Wisconsin, for whom I have the highest personal regard, that when we marked up the bill in the House, I believe with his support and assistance, we added $52.9 million over the budgeted figure for the RS-70. This could be considered or construed to be overfunding when we had the same testimony before our committee that Mr. McNamara would not spend $52.9 or he will not spend $138 million-plus.

Mr. LAIRD. Do we have very good evidence now that he will spend the $52.9 million?

Mr. FORD. I have seen no evidence he is going to spend the $52.9 million. It is all predicated on these reports that Mr. Vinson and Mr. McNamara got together with the Air Force and Dr. Brown. He has made no commitment that these additional moneys to the extent of $52.9 million will be spent. So, really, when you look at the thing practically, I do not think we have wasted money, because under the circumstances the money is not going to be obligated.

One final comment. I believe we have come up with a good solution to a matter that Mr. Vinson and I were interested in at the time the bill was considered on the floor of the House concerning repair, alteration, and conversion of naval vessels. We combined the repair and alteration program with the conversion program to make one lump sum. In addition, we provided a loophole so the Secretary of the Navy and the Secretary of Defense are not straitjacketed in case of emergency. I think the language we used is "public interest based on urgency of requirement." I do not want them to use that as a loophole for anything they want to do. It means what it says—"public interest based on urgency of requirement."

Of course we will be interested in how they actually execute or implement this provision when we hold hearings next year.

Mr. Speaker, I urge adoption of the conference report.

Mr. MAHON. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. Vinson].

Mr. VINSON. Mr. Speaker, at the outset I want to compliment the distinguished conferees upon the manner in which they dealt with the items in the two bills in conference. I find myself satisfied with the conclusions of the conferees. I do want to say something briefly, and I think the occasion warrants it and justifies it.

Mr. Speaker, I feel deeply gratified today—indeed, I might say vindicated—that the conference committee has seen fit to increase the funds for the RS-70 Air Force bomber.

As the House will recall, both the House and the Senate passed out an authorization bill for the RS-70 which granted a total of $491 million for this aircraft. This was done, shall I say, without the help or assistance of the Department of Defense.

There is no need for me today to repeat all of the arguments which were put forward by the Armed Services Committee at the time that this matter arose. Suffice it to say that I am not convinced, the Armed Services Committee is not convinced, and now both Houses of the Congress have indicated that they are not convinced that we should place our total defensive and offensive reliance on the missile.

Nothing takes the place of a human brain. Nothing takes the place of an intelligent being at the controls of a weapon system.

It has been a long fight and a hard fight but today I find myself warmed and encouraged—deeply encouraged—by the support that has again been given by my colleagues in the House and my friends in the other body.

Congress has now spoken twice: in the authorization bill and now in the appropriations bill.

The Armed Services Committee was urging the production of six aircraft instead of the three as planned by the Department of Defense—and six aircraft are now what we are going to get.

I hope that the eyes and the ears and the understanding of the Department of Defense are well tuned today. I believe our message will now get through to those in the Department of Defense that we do want the RS-70 bomber.

I want to congratulate the Appropriations Committee on its fine work. I said before that perhaps neither the Armed Services Committee alone nor the Appropriations Committee alone could get this important bomber in the air—but that together the two committees were invincible. I can assure the Appropriations Committee that I will continue the fight that I initiated early this year. We will have the RS-70.

Mr. MAHON. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. Rooney].

Mr. ROONEY. Mr. Speaker, I should like to make inquiry of the distinguished chairman, the gentleman from Texas [Mr. Mahon], with regard to the proposed action of the conference, concerning the allocation of repair, alteration, and conversion work on naval vessels as between naval shipyards and privately owned shipyards.

Mr. MAHON. I would like to say to my friend from New York that the House language was modified in the other body and that in conference a further modification was made, and in my judgment this language will be fairly acceptable to all concerned. The language is as follows:

> Of the funds made available in this Act for repair, alteration, and conversion of naval vessels, at least 35 per centum shall be available for such repair, alteration and conversion in privately owned yards: *Provided*, That if determined by the Secretary of Defense to be inconsistent with the public interest based on urgency of requirement to have such vessels repaired, altered or converted as required above, such work may be done in Navy or private shipyards as he may direct.

This was an attempt to adhere to the 65-35 division as nearly as possible. But it gives the Secretary, if there is sufficient urgency, the option of having the work done in either type of yard.

Mr. ROONEY. If the distinguished gentleman will kindly yield further, would the gentleman say what the consequences of adoption of this language might be as to the employment level at the Brooklyn Navy Yard?

Mr. MAHON. I do not believe I can answer that question authoritatively, but under the leeway given here, and in view of the fact that we include here repair, alteration, and conversion in a lump sum, it seems to me there should not be any drastic disturbance in the employment levels at the Brooklyn Navy Yard or other yards. That is my judgment. I could be in error, but I believe not.

Mr. Speaker, I yield such time as he may require to the gentleman from Florida [Mr. Sikes], a member of the subcommittee.

Mr. SIKES. Mr. Speaker, I am convinced that the conferees have done a good job. I would like to know, though, more definitely that we have ample assurance that there will not be arbitrary reductions in the strength of the Reserve components, the National Guard and the Reserves. When the House passed the bill it included money for 700,000 members of the Reserve components and stated clearly that we expected that number to be maintained. The Senate went one step further and I think did a better job in that it wrote mandatory language into the bill that there not be an arbitrary reduction below that figure.

May I ask the distinguished chairman of the House subcommittee whether he is convinced that the language now before the House for adoption will insure that we not have an arbitrary reduction from the figure of 700,000?

Mr. MAHON. I would say to my colleague that I have before me a letter from the Secretary of Defense, dated July 20, 1962, and I would like to read a portion of that letter, as follows:

> Although we are fully satisfied that 642,000 men on drill-pay status are all that are needed to support our current military plans, we do recognize that fiscal year 1963 will be a period of unusual change and that a somewhat higher strength may be required to ease the transition from the present structure to the one required. To assist in attaining this objective, we would be willing, in lieu of mandatory language in the Senate bill, to authorize and program a drill-pay strength of 400,000 for the Army National Guard and 300,000 for the Army Reserve in fiscal 1963, subject only to the following provision:
>
> 1. All units maintain at least 90 percent MOS qualified personnel, which they have recently been required to do.
>
> 2. The Reserve components apply the same recruiting standards as the Active Army.
>
> 3. No units be permitted to exceed the authorized strength except those specifically authorized excess strength to accommodate reservists on drill pay status who have been displaced by the realinement.

It was upon the basis of the language of the Secretary's letter that the action was taken by the conferees and the language in the bill provides that the guard and reserve will be programed to have an end strength of 700,000.

I quote one provision of the Senate language which was not disturbed in conference, as follows:

> *Provided further*, That insofar as practicable in any reorganization or realinement for the purpose of modernization the number and geographic location of existing units will be maintained.

I have been in consultation with the officials of the Department of Defense since the conferees agreed on this language yesterday. I talked to General McGowan of the National Guard and I find no great deal of enthusiasm, but certainly no sharp objection or protest over the action taken. I think it is a reasonably satisfactory action and I believe that this will give us a better Guard and Reserve without undue dislocation.

Mr. SIKES. As I understand it, there is no objection to reorganization as such. The Congress recognizes reorganization is something that is periodically necessary. Currently, studies are in progress on reorganization in the Committee on Armed Services, but this question is not now before the House. I am seeking to determine that there is now a meeting of the minds between the Congress, through the language of this bill, and the Secretary of Defense, on the fact that the Reserve component will be maintained at a strength of 700,000, or as near thereto as it is possible to attain.

Mr. MAHON. Will be sought and will be programed, would be a more accurate way to say it.

Mr. SIKES. The action we contemplate today will prove to be a strong morale boost for members of the National Guard and the Reserves. They have been very concerned at proposals for reductions in numbers and there has been a feeling of frustration because of the insistence on cutbacks. We have fought this battle year after year. It is high time that the Department of Defense forego this annual exercise and afford the Reserve components a feeling of security in their efforts for the Nation's defense.

May I state finally that it is a source of regret to many of us that the conferees did not retain in the bill increased funds to support the Air Force Reserve recovery program, an item of $6.7 million, and an additional amount of something under $2 million needed for the Naval Reserve. However, I am advised that these delections came because of lack of support by the Department of Defense. In other words the conferees were given no assurance the funds would be used. To me there is a clear need for the work covered by these two items, and it is disappointing that they were not retained in the bill.

All in all, however, the bill is a very good one, and it should have the support of the House. We take a long step forward in national defense in the enactment of this measure.

Mr. MAHON. Mr. Speaker, I yield to the gentleman from Texas [Mr. TEAGUE].

Mr. TEAGUE of Texas. Mr. Speaker, I would like to say to the Members of the House that on the Space Committee our subcommittee went into this question. We know that our colleges and universities have made a tremendous contribution in the field of research. We know that the greatest reservoir in this country today, as far as scientific know-how is concerned, is in our colleges and universities. It is not a case of the colleges and universities coming to our Government as it is that of our Government going to our colleges and universities and asking them to do a job. We came to the conclusion that in many cases the figure in this conference report is not enough. We came to the conclusion that in many cases it was too much. But what we are doing here is taking a meat ax approach that will bring some of them down to this amount, and everyone will come up to it, which is a wrong approach and in my opinion is doing our whole research effort a disservice.

Mr. MAHON. That is the viewpoint of the gentleman from Texas but is not the viewpoint of the conferees and I do not think will be the viewpoint of the House. If we go to the colleges and ask them to do a job we usually enter into a contract with them. Contracts are not involved in this discussion at all. If the colleges come to us for a bit of research work that they want to do, we usually give them a grant. Generally that is the way it operates; there are some exceptions both ways. I think the colleges have done a great job and will do even a better job if they will improve their accounting procedures and keep their indirect costs at a figure not greater than 20 percent of the grants which are made.

Mr. RIVERS of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from South Carolina.

Mr. RIVERS of South Carolina. Mr. Speaker, with respect to the shipyard problem which we have in the House bill, I want to be certain that I understand exactly what the conferees worked out. Am I to understand from the distinguished gentleman—I believe the gentleman from Michigan explained it—that in the interest of the security of our country, the Secretary of the Navy has the right to allocate to the naval shipyards despite this amendment that amount of work which is in the interest of the public?

Mr. FORD. According to the modifying provisions we give to the private yards 35 percent of repair, alterations, and conversion and 65 percent to the public yards. However, in order to prevent any unfortunate incident transpiring that would be contrary to the public interest, we give to the Secretary of Defense the right, bearing in mind the urgency requirement, to put more work into either type shipyard.

Mr. RIVERS of South Carolina. You have to keep in mind what the public interest means. You have to keep in mind mobilization, you have to keep in mind emergency, you have to keep in mind that a naval shipyard can keep its force at whatever the operating level is for the purpose of taking care of battle damage and unforeseen emergencies that cannot be taken care of in private yards.

Mr. FORD. I would not want the record to show that the public interest based on urgency requirements means maintaining some 90,000 civilians of the Department of the Navy working in public yards. That has no relationship to the public interest in this instance.

Mr. RIVERS of South Carolina. But you must maintain the skills so necessary for these highly technical gadgets we call modern ships, such as fleet modernization and repair as well as construction.

Mr. FORD. I believe that the Secretary of Defense can very adequately read the language here, and I am sure he will interpret this properly so that the intent of this amendment will not be violated.

Mr. RIVERS of South Carolina. Of course; but the naval shipyard would be able to do the job for which it was created. A naval shipyard is an insurance policy just like a fire department. You either have it or you do not. The building ways and drydocks can be cleared at any time for an emergency. You cannot do that in any other shipyard.

Mr. FORD. I have no doubt the naval shipyards will get a fair share based on the formula we have used or where the problem of public interest with urgency of requirement is involved.

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Speaker, I fully agree with the remarks of the gentleman from South Carolina [Mr. RIVERS]. The Nation's naval shipyards are as important to U.S. defenses as the ships they support and keep at sea. It is my understanding that Government-furnished supplies and materials normally are not considered in the value of work assigned private shipyards but are considered in the value of work attributed to the public shipyards. However, it is my further understanding that in determining the 65 to 35 percent ratio under the language of the amendment this difference in accounting for Government furnished materials will not control, but that the total value of work, calculated in the same way for both type shipyards, will control. I am not certain, however, whether both will be calculated with Government-furnished materials in or Government-furnished materials out. It is my thought that calculation with Government-furnished materials out would be the most fair means to proceed.

Mr. GROSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, while I supported the defense appropriation bill as it passed the House many weeks ago, I cannot support this conference report and the substantially increased spending it provides.

As the bill was originally approved by the House it called for total spending in this fiscal year of $47,839,491,000. I cannot recall that anyone at that time stated the House of Representatives was being niggardly in providing funds. Now the bill comes back from the Senate with nearly $300 million added and this is $229 million more than even the administration requested.

In view of the financial condition of the U.S. Treasury I cannot swallow this increase and I want the RECORD to show that I am opposed.

Mr. DADDARIO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. **DADDARIO**. Mr. Speaker, I want to associate myself with the remarks of the gentleman from Texas [Mr. Teague] concerning the need to be sensible about support of research carried on in our universities and institutions. I have served under him on the Subcommittee on Manned Space Flight of the Committee on Science and Astronautics and I know how conscientiously he has reviewed programs of research and the way they are carried out.

By insisting that the universities bear a heavier share of the normal, workday expenses associated with study of problems, the solution of which is vital to the Nation, we are expressing a contradiction in legislative policy. On the one hand, we are urging the greatest speed and urgency in improving our defenses. We are also calling for better preparation for the future when our schools and universities must educate Americans in greater number for more complex tasks.

Yet, we now suggest that when we ask them for answers to grave national problems, it is somehow up to them to pay more for the privilege of this service we ask of them, even at the expense of providing more general educational services that are so greatly needed.

I have already noted that this provision strikes a blow at one of our basic resources for national security, economic strength and cultural progress. I placed in the Record on April 18 a telegram which expresses the views of President A. Whitney Griswold, of Yale University, that this provision can either force rejection of research necessary to the Nation or diversion of university funds needed urgently in other tasks.

President Kennedy has taken a strong stand in opposition to this clause. I join him and the gentleman from Texas [Mr. Teague] in deploring the effects it can have on the pace of our research and development effort, as well as the American universities. I think it is unwise and a false economy measure.

The **SPEAKER** pro tempore (Mr. Albert). All time has expired.

Mr. **MAHON**. Mr. Speaker I move the previous question on the conference report.

The previous question was ordered.

The **SPEAKER** pro tempore. The question is on the conference report.

The conference report was agreed to.

The **SPEAKER** pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

> Senate amendment No. 1: Page 4, line 11, insert the following: ": *Provided*, That the Army Reserve personnel undergoing paid drill training and paid from this appropriation shall be maintained at an end strength of not less than three hundred thousand for fiscal year 1963".

Mr. **MAHON**. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and concur therein with an amendment, as follows: In lieu of the matter proposed, insert ": *Provided*, That the Army Reserve will be programmed to attain an end strength of three hundred thousand for fiscal year 1963.

The motion was agreed to.

The **SPEAKER** pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

> Senate amendment No. 2: On page 4, line 14, insert the following: ": *Provided further*, That insofar as practicable in any reorganization or realinement for the purpose of modernization the number and geographical location of existing units will be maintained."

Mr. **MAHON**. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and concur therein.

The motion was agreed to.

The **SPEAKER** pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

> Senate amendment No. 5: On page 6, line 2, insert ": *Provided further*, That the Army National Guard will be programed to attain an end strength of four hundred thousand in fiscal year 1963".

Mr. **MAHON**. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 5 and concur therein.

The motion was agreed to.

The **SPEAKER** pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

> Senate amendment No. 6. On page 6, line 5, insert ": *Provided further*, That insofar as practicable in any reorganization or realinement for the purpose of modernization the number and geographical location of existing units will be maintained."

Mr. **MAHON**. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 6 and concur therein.

The motion was agreed to.

The **SPEAKER** pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

> Senate amendment No. 30. On page 58, line 10, insert: .
>
> "Sec. 540. Of the funds made available in this Act for repair, alteration, and conversion of naval vessels, 65 per centum shall be available for such repair, alteration, and conversion in Navy shipyards, and 35 per centum shall be available for such repair, alteration, and conversion in privately owned shipyards: *Provided*, That if determined by the President to be inconsistent with the public interest based on urgency of requirement, capability, and economy of performance to have such vessels repaired, altered, or converted as required above, such work may be done in Navy or private shipyards as he may direct."

Mr. **MAHON**. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 30 and concur therein with an amendment, as follows: In lieu of the matter proposed, insert the following:
>
> "Sec. 541. Of the funds made available in this Act for repair, alteration, and conversion of naval vessels, at least 35 per centum shall be available for such repair, alteration, and conversion in privately owned shipyards; *Provided*, That if determined by the Secretary of Defense to be inconsistent with the public interest based on urgency of requirement to have such vessels repaired, altered, or converted as required above, such work may be done in Navy or private shipyards as he may direct."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

CORRECTING SECTION NUMBERS

Mr. **MAHON**. Mr. Speaker, I ask unanimous consent in view of the action just taken that the Clerk be authorized to correct section numbers in the bill, H.R. 11289.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO REVISE AND EXTEND REMARKS

Mr. **MAHON**. Mr. Speaker, I ask unanimous consent that all Members speaking on the conference report have permission to revise and extend their remarks in the Record.

The **SPEAKER** pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. **MAHON**. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the Record and to include extraneous matter and certain tabulations.

The **SPEAKER** pro tempore. Without objection, it is so ordered.

There was no objection.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. **HOEVEN**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. **HOEVEN**. Mr. Speaker, I take this time to inquire of the distinguished majority leader as to the program for the balance of this week and for next week.

Mr. **ALBERT**. This completes the legislative program for this week.

The program for next week is as follows:

Monday and Tuesday: The independent offices appropriations bill for 1963; H.R. 575, construct Baker Federal reclamation project; S. 2008, construct Spokane Valley project; and H.R. 4094, coal conservation program.

I have advised the House that the Arkansas primary takes place on Tuesday next and I will ask unanimous consent later that any votes on Monday or Tuesday, except on rules or on procedural matters, go over until Wednesday.

To continue the legislative program:

Wednesday: H.R. 11721, balance of awards, Philippine War Damage Commission.

The program for Thursday and the balance of the week will be announced later.

Because of the Tennessee primary, we will ask that votes on Thursday except on procedural matters go over until Friday.

ADJOURNMENT OVER

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER pro tempore [Mr. Bonner]. Is there objection to the request of the gentleman from Oklahoma?

Mr. GROSS. Mr. Speaker, reserving the right to object, why are votes on Monday postponed until Wednesday if there is no primary on Monday?

Mr. ALBERT. It has been the custom under this practice to go over both Monday and Tuesday until Wednesday because of the difficulty of getting out and back to a primary. I think that is the basis of the custom and it is one we have been following for some time.

Mr. GROSS. I do not recall that this has been true in every instance. This means 2 days out for every primary insofar as the voting of the House of Representatives is concerned. I do not recall that this has always been the practice in the past.

Mr. ALBERT. I will advise the gentleman that it has been the custom for as long as I can recall.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. LAIRD. A week from this coming Tuesday we have a primary in Kansas and one in Missouri. Does that mean there will be no votes on those days?

Mr. ALBERT. That means that the leadership will ask permission that votes go over as in this case.

Mr. GROSS. Mr. Speaker, further reserving the right to object, can the gentleman give us any idea when we might expect the adjournment of this session of Congress?

Mr. ALBERT. I am not prepared to comment on that matter at this time.

Mr. GROSS. I hope the gentleman will be prepared to comment on it in the near future, because we are getting all kinds of statements from the other side of the Capitol about adjournment. One week we hear we may get out by the first of September, and then the majority leader in the other body knocks that into a cocked hat by indicating the session may last into the fall.

Mr. ALBERT. The gentleman realizes that the adjournment of Congress is a matter within the power of both Houses only, and that the leadership does not always have control.

Mr. GROSS. I suspect, however, that the leaderhip can exercise a great deal of influence in this regard.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma that when the House adjourns today, it adjourn to meet on Monday next?

There was no objection.

NO ROLLCALL VOTES ON MONDAY AND TUESDAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that any record vote on Monday and Tuesday next, except on rules and procedural matters, may go over until Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

NO ROLLCALL VOTES ON THURSDAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that any record vote on Thursday next, except on rules and procedural matters, may go over until Friday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CALENDAR WEDNESDAY BUSINESS DISPENSED WITH

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

INTERIM AUTHORITY TO CLERK AND SPEAKER

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

PERMISSION TO PRINT CONFERENCE REPORT

Mr. KIRWAN. Mr. Speaker, earlier today I secured consent to have until midnight Friday to file a conference report on the bill making appropriations for the Department of the Interior and related agencies. I now ask unanimous consent that this report be printed in the Congressional Record notwithstanding the fact that the House will not be in session tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

SPECIAL ORDER GRANTED

Mr. ASHBROOK. I ask unanimous consent to address the House for 20 minutes today, and that my special order may be moved up to precede those of Mr. Zablocki and Mrs. Dwyer, having received their permission.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THE RIGHTS OF LAW-ABIDING CITIZENS

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. Bow] may extend his remarks at this point in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BOW. Mr. Speaker, in one of his excellent monthly articles, J. Edgar Hoover pointed out that in "a peaceful and wholesome society, it is imperative that the rights of law-abiding citizens be given at least the same respect and consideration as the rights of lawbreakers."

Early this week a young man brutally attacked and very nearly murdered an employee of the House in a nearby church.

Yesterday the Washington Post carries the warning of a high official of this Government that this is only a minor incident compared to what will happen if an increasing number of youngsters turn to crime because they lack adequate educational, recreational, housing, or job opportunities.

It seems to me that the time is passed when we can continue to explain away a brutal crime because the criminal lacked any of the opportunities mentioned in the Post. This is no excuse for criminality. It is no reason for criminality. There are men in this Congress and men and women by the score in our employ who lacked advantages in their youth but who made up for it and overcame the disadvantages because they were energetic, honest, law abiding, and ambitious people.

To say that the Nation must expect an increase in crime if it fails to offer certain opportunities to young people is to invite these young people to enter upon a life of crime. We are giving them their alibi, their justification, their excuse, and their rationalization, and when they are apprehended they will find plenty of the people whom Mr. Hoover calls muddleheaded sentimentalists ready and eager to excuse their sins.

Instead of concern and sympathy for the coldblooded criminal who attacks a woman at prayer, it seems to me we Americans should show some concern and sympathy for the victim of the crime and the many others who will become victims if we continue to explain away and excuse the offenders.

Mr. Hoover hit the nail on the head in his testimony before the appropriations committee this spring when he said:

> We are living in a society today where, to a great extent, indulgence has replaced discipline. There has been an increasing breakdown of authority and moral standards in the home, the neighborhood, and, frequently, in the entire community.
>
> Unwarranted lenient treatment of willful criminals has virtually killed any respect for the forces of law and order among the lawless. America now has the most efficient law-enforcement profession in its history, yet many of the persons who regularly engage in illegal activities look upon an arrest as little more than a minor inconvenience. Exeperience has shown that even if convicted the criminal stands a good chance of going free with little or no punishment * * * The problem here, in my opinion, is that a number of them are set free almost immediately through suspended sentences, parole and probation. While I firmly believe in the principles of rehabilitation, I abhor soft treatment of hardened criminals which only fosters contempt for law and order and encourages others to embark on a life of crime. Criminals and those inclined toward a life of crime must be taught the full meaning of the old adage, "Crime doesn't pay."

To illustrate Mr. Hoover's remarks, let me point out that 28 city police officers were killed, murdered, in 1960. Twenty-seven of the murderers had prior convictions. Twenty-seven had been imprisoned at least once. Twenty-five had received some form of leniency for past criminal acts, and 12 were on parole or probation at the time they killed a police officer in 1960.

MORTON BODFISH, SAVINGS AND LOAN LEADER, RETIRES

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. Derwinski] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, the savings and loan industry is a tremendous American institution in which support of its twin principles of thrift and homeownership has played a major role in our Nation's great advances. It has developed within its operations many unique American innovations and has been instrumental in stimulating private homeownership throughout the country.

One of the great leaders of the savings and loan industry is Mr. Morton Bodfish, who has just retired as president of Chicago's First Federal Savings & Loan Association. He has played a key role in the development of savings and loan associations from a tiny neighborhood group to an important industry in our Nation's economy.

The latest edition of House and Home carries an interesting editorial comment and review of the tremendous accomplishments of Mr. Bodfish, and I am pleased to insert it into the Record at this point as an American success story, an insight into the growth of a great industry, and an inspiration to those who continue to believe that America is still a great land of opportunity:

Bodfish, S. & L. Leader, Retires

The S. & L. business has never seen anybody else like Morton Bodfish. Perhaps it never will.

He had a hand in the formation of the Federal home loan bank system and was a member of the original Home Loan Bank Board in 1932–33.

For 24 years (1929–53), he ran the U.S. Savings & Loan League with a strong hand and the energy of a dozen men. Its membership swelled from 10 percent of the industry (1,200) to 67 percent (4,100) of all S. & L.'s. Industry assets grew from over $8 billion to nearly $22 billion. And conservative Mort Bodfish led his industry in lobbying crusades against targets like public housing and Fannie Mae so effectively that the New Republic once paid him and two other building trade leaders the compliment of calling him one of Washington's "three invisible senators." A revolt in the ranks led to his retirement in 1954.

For 28 years, Bodfish has been topman at Chicago's First Federal S. & L., which he and associates founded in January 1934 with $50,000. Today, First Federal is the sixth largest S. & L. in the Nation with $405 million in assets, $376 million in shareholding deposits.

Last month, at 59 (he will be 60 on June 13), Bodfish's retirement as chairman and president was announced by First Federal's directors. He was elected honorary chairman, remains a director and member of the executive committee. Vice Chairman O. (for Ollie) A. (for Albert) Jones, 70, retired executive vice president of Swift & Co. became chairman and chief executive officer. Howard C. Prince, 39, stepped up from vice president to acting president.

Why did Bodfish retire? First Federal spokesmen attribute it to his health. Eleven years ago ulcers led doctors to remove much of his stomach. But Bodfish labored on as hard as ever despite the fragility of his health.

He was one of the first S. & L. leaders to espouse the idea of exporting the American system of savings and home ownership. As long ago as 1956 he was urging that half of the housing aid funds the United States sends overseas should be used to help foreign families buy their own homes, instead of going chiefly into rental units and Government-owned public housing. Working for the International Cooperation Administration, Bodfish helped draft S. & L. legislation for Austria, West Germany, and Peru. He was president of the International Union of Building Societies and S. & L. Associations from 1938 to 1959.

Says Bodfish's old friend, Ben Bohac, chairman of Chicago's Talman Federal S. & L.: "He'll be sorely missed, I would say he did more for the S. & L. business than any man living or dead. He was one of the thinkers. I don't know any one who contributed as much as he did from way back when it was a struggle. The new generation forgets what the oldtimers did for this business."

Bodfish was born in 1902 in Mount Pleasant, Mich., son of a telegrapher who later went into the hardware business. His first job was rounding up the village jeweler's cows from pasture each evening. Pay: 20 cents per week. He went to grammar, high school, and college in Columbus, Ohio, working most of the time for a hardware store. While he was a student at Ohio State, Bodfish got his first taste of the building business. A glib salesman sold him a lot—for $300 of his hard-earned savings. The salesman told Bodfish the deal would make him rich, but Bodfish found it wasn't so. Instead of taking his loss, Bodfish pondered how to salvage the $300. His solution: build a house on the lot and sell both. He did—for $2,850—and netted a profit. He built other houses at a sideline, wrote a thesis on "Money Lending Practices of Ohio Building & Loan Associations" for his masters' degree.

In 1927, he joined the Northwestern University faculty as an assistant professor in the school of commerce. The dean encouraged his teachers to take on outside work, and it wasn't long before Bodfish was a consultant to NAREB. In 1929, he undertook to manage a 37-year-old trade group, the U.S. League of Local Building & Loan Associations—with the understanding he would retain such outside activities as were reasonable.

Bodfish continued to teach at Northwestern until 1944, becoming a full professor. During World War II, he served with the Office of Strategic Services.

Bodfish's forceful executive methods and crusades did not make all the members of the growing S. & L. league happy. In 1943, 192 members broke away to form what is now the National League of Insured Savings Associations. When Bodfish finally retired (on a $10,000-a-year pension) as chairman of the U.S. league's executive committee in 1954, talk circulated that the rival leagues might rejoin. But nothing came of it.

Bodfish never shrank from stating his views on public issues. Some of them stand the test of time well. In 1956, for instance, he took a dim view of a Fannie Mae decision to ease the terms on which it bought FHA and VA mortgages. "The only important result will be to benefit the speculative builder," he said. "A 10-percent downpayment and 20-year term is adequate and best in the long run for the homeowner and saver." When labor unions began buying mortgages, he pointed out that labor could do more to boost home sales by eliminating restrictive work practices, featherbedding "and the costly, union-inspired parts of building codes" than by using its billions to fight discounts. "Already," he wrote in 1954 in First Federal's monthly newsletter, "we are on the way toward Government dominance of the home financing industry." Too much Government mortgage credit, he warned, could "eliminate the possibility of a major business recovery at some time when it is really needed."

Lately, Bodfish had been waging his own private effort in Washington to persuade Congress not to impose far heavier taxes on S. & L.'s—much to the discomfiture of both S. & L. leagues. Organized S. & L.'s, Bodfish felt, are using the wrong tactics in their tax fight. His idea was to stress that about 80 percent of the Nation's S. & L.'s are truly mutual institutions, urge legislators to slap stiffer taxes on stock S. & L.'s but let mutuals keep the same preferential tax treatment as other kinds of mutual outfits.

In retirement, Bodfish is expected to divide his time between his 2,000-acre ranch near Wickenburg, Ariz., affairs of the International Union of Building Societies, and extensive traveling.

CENSUS SUBCOMMITTEE OF THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Census Subcommittee of the Committee on Post Office and Civil Service may have permission to sit on Tuesday, July 31, during general debate in the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from Kentucky [Mr. SPENCE] I ask unanimous consent that the Committee on Banking and Currency may have until midnight July 28, 1962, to file reports on the following bills:

S. 3327, S. 1721, H.R. 7796, and H.R. 12628.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

BIG ENDORSEMENTS FOR "LITTLE PEOPLE"

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. JOELSON] may extend his remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JOELSEN. Mr. Speaker, our distinguished colleague from New Jersey last February 15 told us of the efforts of his 10-year-old son to start a children's crusade for world education. An education as to what America is, and does and stands for. An education which will help "to discredit and destroy the myth of communism in the minds of men throughout the world."

The project of young Peter Rodino III is known as the little-people-to-little-people program. And, as we realize from the comments of many of our colleagues on both sides of the aisle, it is well known throughout America. The program has been praised and endorsed by business, civic, political, and service leaders as well as by President Kennedy and his predecessor in office, General Eisenhower.

I have recently received communications from the New Jersey department headquarters of two of the major service organizations, the Veterans of Foreign Wars and AMVETS, which officially commend the lad for his idea and work with the little-people-to-little-people program. I know that my colleagues will be as pleased as I to see this fitting recognition of a young man who, in response to the President's exhortation, "Ask what you can do for your country," has not just asked, but has himself provided an answer and has translated that answer into dramatic, effective action.

The texts of the commendations follow:

VETERANS OF FOREIGN WARS OF THE
UNITED STATES, DEPARTMENT OF
NEW JERSEY,
July 27, 1692.

To: Peter W. Rodino III.
Subject: Little-people-to-little-people program.

I desire to pay compliment to you for your inception of the above well worthwhile program.

As a State commander of a national veterans' organization that is dedicated to the principle of Americanism, I commend you highly for your interest in the welfare and well-being of our Nation.

In this age of diminishing distances it is heartening to note that the youth of our country, such as you, stride forward to meet tomorrow with sincerity and fixity of purpose.

I wish you success in your program. I wish you well in all your future endeavors.

EDWARD A. DUVA,
Department of New Jersey Commander, Veterans of Foreign Wars.

DEPARTMENT OF NEW JERSEY AMVETS
RESOLUTION, JULY 27, 1962

Whereas a "fallout of letters" was initiated through his efforts to Premier Khrushchev; and

Whereas through this program the children of America have pleaded with the Soviet Premier to discontinue atomic bomb explosions; and

Whereas we realize that because of efforts such as his leading to the proper thinking of the youth of America and throughout the world there is some hope that peace may be preserved; and

Whereas the ideals for which we fought might be preserved in an ever-changing world: Now, therefore, be it

Resolved, That the American Veterans of World War II and Korea do honor and commend with a special award Mr. Peter Rodino III.

ANTHONY J. CAPRIGLIONE,
State Commander.
GEORGE H. SIEGEL,
State Adjutant.

New Jersey Department, AMVETS, American Veterans of World War II and Korea, special award to Mr. Peter Rodino III, 1962, in recognition of outstanding service to veterans and the community.

ANTHONY CAPRIGLIONE,
State Commander.
GEORGE H. SIEGEL,
Adjutant.

IS NORTHWEST LICKED?

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentlewoman from Oregon [Mrs. GREEN] may extend her remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, our Pacific Northwest has greeted with dismay the defeat in the House of Representatives of a proposal for a group of State of Washington public utilities to finance with non-Federal money an electrical generator to use waste steam from the Hanford plutonium reactor.

Representative of this reaction is an excellent editorial in the Oregonian newspaper of Sunday, July 22:

IS NORTHWEST LICKED?

Defeat of the "new look" Hanford nuclear power reactor in the House, where a different version was crushed by three votes last session, may mark the end of the road for this worthy project. Although Congress previously invested $25 million to make the new plutonium reactor convertible to generation of power, it now has refused (1) to appropriate $95 million for Federal generators, and (2) to allow the Washington Public Power Supply System to build the generators and the Federal Bonneville Power Administration to distribute the 900,000 kilowatts of energy on an exchange basis.

Despite the provision of a plan endorsed by the Atomic Energy Commission, the Bonneville Power Administration, President Kennedy, and the Joint Atomic Energy Committee of House and Senate, the House remained adamant. The private utilities' and coal industry's lobbies were not appeased enough by the Jackson amendment assuring 50 percent of the output for private utilities. That Washington Public Power Supply System would finance the project by sale of revenue bonds on the open market, without cost to the Government, made no difference.

Neither did the House of Representatives give adequate consideration to Northwest power needs which could become critical by 1965. There remain only three Federal dams authorized by Congress in the Columbia system not under construction, and the largest of these, Libby Dam in Montana, cannot be built unless Canada signs the basin treaty. Meantime, normal load growth of 400,000 kilowatts a year—about the output of Bonneville Dam—will increase to 600,000 kilowatts a year by 1975. Will Congress authorize and appropriate funds for enough multiple-purpose Federal dams to meet the Northwest's normal power demand which doubles every 10 years? Performance of the House on the Hanford project gives no assurance of that.

Longtime readers of the Oregonian may recall that this newspaper has been a strong advocate, since the early 1950's, of a regional agency with the capacity to plan and finance main-river power projects and nuclear generators. Perhaps such a regional agency, financing its programs by sale of bonds on the open market and assuming responsibility for repayment of Federal power investments in the Northwest, would also have been blocked by Congress in the Hanford instance. But our belief is that it would have been able to accomplish the goal of putting a wasted resource, steam from the plutonium generator, to work.

There is solid opposition in Congress to projects which will help the Pacific Northwest's economy, particularly in the attraction of industries. Some way should be found to make this region more self-reliant, possibly by means of an interstate compact agency working in partnership with the Federal Government. The late Senator Richard L. Neuberger's bill to establish a Federal corporation to absorb the Bonneville Power Administration and go on from there was not revived after his death. Perhaps Congress would not allow formation of such a Federal corporation. But could it deny approval to an interstate compact with teeth in it? (And we don't mean the "recommendatory," toothless compact debated these many years by Columbia Basin compact delegates of the seven States).

The tremendous Federal investment in power resources of the Columbia Basin—the heart's blood of our industrial economy—is slowly being throttled by enemies in Congress. These provincial spokesmen will not even permit the Bonneville Power Administration to take the steps necessary to cure its annual deficits. An infusion of new management and new financing is needed. Again we suggest that Northwest leaders restudy the situation and give honest and sincere consideration to establishment of a regional power agency. The Northwest can stand on its own feet if it has the will.

U.S. OFFICE OF EDUCATION REORGANIZATION

The **SPEAKER** pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. ASHBROOK] is recognized for 20 minutes.

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, it has come to my attention that the U.S. Office of Education, in a most audacious and appalling move, has been reorganized in a way effectively to bypass the Congress of the United States. My colleagues will remember that in April last year a pamphlet appeared entitled "A Federal Education Agency for the Future, Report of the Committee on Mission and Organization of the U.S. Office of Education." This pamphlet was widely denounced at the time. To say the very least, it was a thinly disguised bureaucratic bid for power over the minds of American youth. Now, despite all the furor that pamphlet caused in this Chamber and throughout the country, the Office of Education reorganization there suggested as a necessary first step to attain "mission," has been virtually realized. Of course, this should surprise none of us because Commissioner McMurrin, in his preface to the pamphlet, frankly stated: "I anticipate that much of this activity will take place through normal administrative processes within the Office of Education."

Mr. Speaker, I submit that this is no routine reorganization for purposes of efficiency or economy. I submit that this is a design for change in Office of Education functions leading toward Federal control over the State and local school systems and curriculum content—in short, Federal control of education.

On March 30, Mr. Speaker, Commissioner Sterling M. McMurrin announced the names of acting personnel for the proposed reorganization to take effect April 2, 1962. And who do you suppose the new education bosses were slated to be? Why, by and large, those very Committee on Mission members, or their aids, who dreamed up the Federal Education Agency for the Future. Here are some of the most prominent ones:

Mr. Arthur Harris, a member of the Committee on Mission and Organization, became acting Associate Commissioner and Director of the new Bureau of Educational Assistance programs.

Mr. Ralph C. M. Flynt, an ex officio member of the Committee on Mission and Organization, became acting Associate Commissioner and Director of the new Bureau of Educational Research and Development.

Mr. John F. Hughes, another ex officio member of the Committee on Mission and Organization, became acting Executive Officer and Director of the Office of Administration in the new Office of the Commissioner.

Mr. Charles P. Dennison, a member of the Committee on Mission and Organization, became acting executive officer under Mr. Flynt in the Office of Educational Research and Development.

Mr. Thomas E. Cotner, a member of the Committee on Mission and Organization, became acting Deputy Associate Commissioner in the Bureau of International Education.

Mrs. Sonia O. Ashworth, a staff member of the Committee on Mission and Organization, became acting budget assistant under Mr. Flynt in the Bureau of Educational Research and Development.

Mr. Edward Cunningham, a staff member of the Committee on Mission and Organization, became acting personnel assistant under Mr. Harris in the Bureau of Educational Assistance programs.

Mr. E. Glenn Featherston, author of a confidential report to the Office of Education Committee on a Federal Education Agency for the Future, became Deputy Associate Commissioner under Mr. Flynt in the new Bureau of Educational Assistance programs.

Now, Mr. Speaker, in this instance we are not buying that famous pig in a poke—because these various authors of the discredited pamphlet, who have, as it were, written their own job-promotion tickets, have some pretty telltale quotations to their credit or discredit. For example:

Mr. Featherston, in his advisory memorandum to the committee, observed:

> Without question the Office of Education has and will continue to exert leadership through the collection of information, through research, through consultation and through the administration of programs. However, it is to a broader type of leadership I am referring here and that is the deliberate and planned effort to influence on an extensive, nationwide scale thinking in American education * * * What changes should be made in elementary and secondary school curriculums? This would open up a tremendous area of activity and through the proper role the Office could bring about a great change without dictating.

The other Office of Education personnel named and their committee colleagues collectively said, in "A Federal Education Agency for the Future":

> Not only is it the constitutional responsibility of the Federal Government to conduct the foreign affairs of the Nation; it is almost equally evident that national observers are especially well qualified to assess the international deficiencies of our domestic educational system" (p. 5).
>
> The next decade will bring closer and multiple relationships with Ministries of Education abroad and international organizations, such as UNESCO, the Organization of American States, International Bureau of Education, and others working in the field of education, as problems in education are attacked bilaterally and multilaterally on a worldwide basis" (p. 40).
>
> The Federal Government can and should reflect a growing sense of educational nationhood—an awareness that the implications of education are indisputably national, however local may be the control of education" (p. 41).
>
> Programs may be anticipated in such areas as the following:
>
> 1. Grants to States for elementary and secondary education.
> 2. Grants for higher education physical facilities.
> 3. Grants to States for vocational education.
> 4. Increased aid to graduate education.
> 5. Expanded educational research in all areas, including graduate education.
> 6. Strengthening of educational statistics programs.
> 7. Increased financial assistance to students for higher education.
> 8. Increased financial assistance for teacher education.
> 9. Broadening of Federal interest in curriculum and improvement of instruction.
> 10. Marked increase in international educational assistance.
> 11. Broadening of Federal interest to include educational activities and services outside the structure of organized education (p. 49).
>
> In summary, the Committee on Mission and Organization recommends a new and significant role for the Federal education agency in the 1960's. This agency must, over the next decade, not only perform its traditional function of data gathering, analysis and dissemination; research; and services to organized education. It must also prepare itself to assume larger responsibilities in carrying out Federal policy through the administration of operating programs. It must assume a new role, speaking within the Federal Government for the long-term interests of education. And it must render assistance in the development of public educational policy (p. 31).

In view, Mr. Speaker, of the rather shocking disparity between the views of these, I am sure, well-meaning gentlemen and the traditional American philosophy of local control of education, I question whether these positions they are filling should not be reconsidered, taken off civil service, and put under schedule C. In this I find myself in agreement with our committee chairman, Hon. ADAM C. POWELL, Representative EDITH GREEN, and Representative JAMES ROOSEVELT, with whom I do not, let it be admitted, always see eye to eye. During the hearings on integration in public education programs, held March 30, 1962, these three Congressmen said the following:

> Mr. DANIELS. Mr. ROOSEVELT, do you have any questions?
>
> Mr. ROOSEVELT. Mr. Commissioner, I am interested in these three new positions on one particular basis. Your Deputy Commissioner at the present time is a civil service career person, is he not?
>
> Mr. MCMURRIN. That is right, sir.
>
> Mr. ROOSEVELT. Are these three positions also to be chosen from civil service or do they come under schedule C?
>
> Mr. MCMURRIN. This is a matter that we have under consideration at the present time, Mr. ROOSEVELT.
>
> Mr. ROOSEVELT. Mr. Chairman, may I make the observation that I sincerely hope that these three positions will not be allocated to the civil service; that they will be chosen from schedule C and that whatever steps are necessary to get the necessary authorizations, if such authorization is necessary to make that possible, that the Department will make that choice because these are three distinct policymaking positions. I think they should be filled by people who have no fear, that in the making of that policy that they may be violating their future security under civil service and I would urge to the best of my ability that you give very careful consideration to trying to reach a schedule C allocation for them.
>
> Mr. POWELL. I concur with the gentleman from California and personally, as chairman of this committee, I express my desire that it be followed and also to say that we shall watch very carefully and shall cooperate, if necessary.
>
> Mr. MCMURRIN. May I ask a question of Mr. ROOSEVELT, Mr. POWELL?
>
> Are you, in this matter, referring to the three Associate Commissioner positions alone or the positions of Associate Commissioner and also the position at the top of the chart of Deputy Commissioner?

> Mr. Roosevelt. Certainly, the Deputy Commissioner, I think, should be under the schedule C.
>
> Mr. McMurrin. At the present time it is not.
>
> Mr. Roosevelt. I hope that reformation may be made in the future without in any way impinging upon the gentleman who holds the position.
>
> I definitely believe the three Associate Commissioners on the staff should also be under schedule C.
>
> Mr. Powell. We say this with no criticism of the very fine civil service workers. But when you confine yourself or your trust to the civil service you are always in danger of mediocrity and when you go through schedule C you always have a chance of getting some fresh and vital people. I think that is the object of education and I think our Government needs something fresh and vital.
>
> Mr. McMurrin. Thank you.
>
> Mr. Powell. I have no further questions.
>
> Mr. Daniels. Mrs. Green?
>
> Mrs. Green. I have only one comment.
>
> I would join the chairman of the committee and Mr. Roosevelt in expressing my views that the policymaking positions should certainly be outside of the civil service and within schedule C (pp. 463–464).

Mr. Speaker, I would like to suggest to the new Secretary of Health, Education, and Welfare who certainly ought to have some say in these matters that if the Commissioner of Education, the Deputy Commissioner and the three Associate Commissioners are to come under schedule C, the Deputy Associate Commisioner also should be brought under schedule C. I would rather take my chances with political appointees from the field of education than with these bureaucratic status-seekers who have already stated that it is their "mission" to influence my thinking and my children's minds from their vantage point in the Office of Education.

A WARPED VIEW OF THE UNITED NATIONS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. Zablocki] is recognized for 30 minutes.

Mr. ZABLOCKI. Mr. Speaker, earlier this week the press throughout the country carried a story about the report on the United Nations issued by the Commission to Study the Organization of Peace, a research affiliate of the American Association for the United Nations. The report is entitled "A Universal United Nations."

I was disturbed by the contents of that story. I was disturbed by it to the point that I obtained a copy of the report and read it myself to see whether it went as far as the newspaper stories suggested. The report substantiated my worst expectations.

The report of the Commission to Study the Organization of Peace in my view, consists of a peculiar blend of immature idealism and warped thinking. I am amazed and distressed to see the recommendations published under the auspices of a nationwide organization which has received the support of some of the most reputable and outstanding citizens of my State, and of other States.

I believe that this report is damaging to the United Nations, and to our participation in that organization. The damage it does is achieved in two ways: by what the report says, and by what it fails to say.

I would like to comment, first, on what the report says.

Briefly, the report wants to replace the cardinal rule of the United Nations Charter—the rule that membership in the United Nations is open to all peace-loving states—by the principle of universality. This means, in the words of the report, that "the admission to membership of all independent states, capable of fulfilling their responsibilities under the charter, is logically necessary and proper."

I am keenly aware—as I am certain are all other Members of this House—that in admitting new countries to membership, the United Nations has not been particularly diligent in applying the requirements of membership outlined in the charter. I am also aware that some United Nations members can hardly be termed "peace loving" on the strength of their actions.

The fact remains that current requirements of the charter provide at least some measure of restraint and protection against the United Nations being overrun by states whose governments are primarily interested in rendering that organization completely ineffectual.

But there is something else in the peculiar logic of the report that requires comment.

Consider, first, the substitute requirements for membership suggested in the report—the requirements that the state be independent and capable of fulfilling its responsibilities under the United Nations Charter. What do these requirements imply when they are considered within the context of the remainder of the report?

Consider, for example, the report's thinly veiled suggestion that the solution of the German problem, of the Chinese problem, of the Korean and Vietnamese problems, can best be pursued through the recognition, by the United Nations, of two Germanys, two Chinas, two Koreas, and two Vietnams.

Is East Germany an independent state? Is North Korea? Or North Vietnam? I shall refer to Red China later. But for the time being, are these to serve as examples of "independent states" that this study group would like to have admitted to the United Nations in order to make that organization stronger, more effecitve, more capable of fulfilling its purposes?

Can Communist puppet regimes, foisted upon the peoples of East Germany, North Korea, and North Vietnam, be expected to contribute to the advancement of peace, freedom, and justice in the world?

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman say this is a report of the U.S. Commission for the United Nations? What report is this?

Mr. ZABLOCKI. This is a report of the Commission To Study the Organization of Peace, a research affiliate of the American Association for the United Nations. It is an organization composed of private citizens of the United States who are ostensibly interested in promoting better understanding of the United Nations. It is not a Government-sponsored organization.

Mr. GROSS. It is not a Government-sponsored organization?

Mr. ZABLOCKI. It is not.

Mr. GROSS. Nor is the Government providing any funds for it?

Mr. ZABLOCKI. None whatsoever.

Mr. GROSS. May I ask the gentleman another question? Has the report of the U.S. Citizens Commission—I may not have the title exactly right—U.S. Citizens Commission for NATO come to his attention?

Mr. ZABLOCKI. It has.

Mr. GROSS. Well, I hope the gentleman feels the same way about this report as I do.

Mr. ZABLOCKI. I disagree with certain portions of that report, but not to the extent that I disagree with the recommendations of the report of this research affiliate of the American Association of the United Nations.

Mr. GROSS. Calling, as does this other commission, for the establishment of what they are pleased to call an Atlantic Community, with a lessening of our sovereignty or giving away the sovereignty of the citizens of this country. This commission is sustained by the taxpayers of this country, and I think the report published, by the taxpayers of this country.

Mr. ZABLOCKI. As the gentleman knows, I supported authorizing legislation creating the Commission he has referred to, but in so doing I do not automatically underwrite all of its recommendations.

Mr. GROSS. I thank the gentleman for yielding.

Mr. BRUCE. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Indiana.

Mr. BRUCE. This is the report of the American Association of the United Nations, am I correct, that you referred to a moment ago?

Mr. ZABLOCKI. A report of its research affiliate, called the Commission To Study the Organization of Peace. The chairman of this particular group is Mr. Arthur N. Holcombe.

Mr. BRUCE. I thank the gentleman.

Mr. ZABLOCKI. Mr. Speaker, to return to my statement. Let me pursue, for a moment, the report's reference to an independent state's capability to fulfill its responsibilities under the United Nations Charter.

It seems to me that the capacity of a state to do something, or to desist from a given course of action, is meaningless in the context of this discussion unless we first examine the motivations of that state's government.

What determines the actions of a state is not alone its capacity to act but also the will of its government. Capacity can be neutral. But will seldom is. And it is therefore not only relevant but also very important to determine whether a state, before being admitted to membership in the United Nations, is willing to fulfill its responsibilities under the charter of that organization.

Now what does the report say on this important subject of will or intent? Let me quote from it.

Mr. GROSS. Mr. Speaker, will the gentleman yield at that point?

Mr. ZABLOCKI. I would be delighted to yield to the distinguished gentleman from Iowa.

Mr. GROSS. Who were some of the other citizen members of this association?

Mr. ZABLOCKI. It was not my intention to list the 75 signatories of this particular report. But I shall be pleased to let the gentleman, while I am continuing my remarks, read the list for his own information.

Mr. GROSS. I thank the gentleman.

Mr. ZABLOCKI. Mr. Speaker, to continue.

The Commission To Study the Organization of Peace appears to adhere to the position that willingness to apply for membership in the United Nations is, and I quote, "acceptable evidence of intent to abide by the obligations of membership."

I maintain that the United Nations' experience with the Soviet Union and with the Communist-dominated countries, does not support this conclusion.

As a matter of fact, the contrary is much closer to the truth.

I think it is absurd to expect the Communist regimes of Red China, of East Germany, of North Vietnam, and North Korea to be willing to abide by the obligations of United Nations membership simply because they apply for such membership.

Let me comment, now, on the report's findings and recommendations with regard to what it calls the problem of China.

This is what the report says:

> This Commission To Study the Organization of Peace recommends the recognition of an autonomous Taiwan, entitled to its own representatives in the General Assembly, in addition to the representatives of the Peking Government regarded as the effective Government of China.

This means, I presume, that the Republic of China's permanent seat on the Security Council, and veto power, are to be handed over to the Communist regime on the mainland of China.

Mr. Speaker, it is most disturbing to me that of the 75 signatories only 3 expressed reservation on this point. The Congress has repeatedly, clearly, and unequivocally expressed its opposition to the admission of Red China—the Congress overwhelmingly opposes recognition of the People's Republic of China—and its admission to the United Nations.

The report claims that, in the implementation of its recommendations regarding the admission of Red China to the U.N., "there is an excellent opportunity here for an imaginative act of creative statesmanship."

Since when does doublecrossing of an old ally constitute "an imaginative act of creative statesmanship"?

Since when does giving a permanent seat on the Security Council, and life-and-death power over the decisions of that Council, to a rapacious regime, branded an aggressor by the United Nations, constitute "an imaginative act of creative statesmanship?"

This is the first time that I have heard a proposal for abject surrender to a bully described in such glowing terms.

Before concluding, I want to say a few words about another shortcoming of the report that I referred to at the beginning of my remarks—the shortcoming of omission.

In presenting its case for universal membership in the United Nations, the report indicates, on page 14, that additional members may be expected from three sources. These are described as follows:

> The most productive sources is the crop of new states to be raised from the dependent territories of obsolete colonial empires. A second source of additional members is the group of divided states resulting from the failure of the principal victor nations to settle by suitable treaties of peace sundry troublesome problems growing out of the defeat of the German and Japanese forces in the Second World War. Finally, there is one member of the former League of Nations, Switzerland, which has refused up to now to accept membership in the United Nations.

In the discussion of the first source—"the dependent territories of obsolete colonial empires"—not one word is said about the biggest colonial empire of them all: the empire built by international communism.

Since World War II, the so-called colonial powers of the Western World have given independence to over 800 million people, currently constituting 43 independent countries.

During that same period, communism has imposed its rule on over 200 million peoples—or 875 million peoples if we include Red China—who formerly lived in a dozen of independent countries.

What about that Communist colonial empire? The report seems to imply that it should be ignored—that people forcibly subjugated by communism are to be written off—perhaps even that they should be satisfied with their present condition.

And what about the once-free countries of Latvia, Estonia and Lithuania—countries which our Government still recognizes, but which Soviet Russia has forcibly incorporated in its empire?

Not a word is said in the report about these and other Communist-conquered countries.

I am happy that the people of our Nation are more perceptive and outspoken on this issue than the membership of the study group which approved this report—as evidenced by the many public statements and ceremonies which took place during the past week, proclaimed by President Kennedy as the Captive Nations Week.

Are those captive nations less entitled to admission to United Nations membership than East Germany, North Vietnam, North Korea, or Red China?

Truth can be distorted by omissions as much as by commissions. And this report, entitled "A Universal United Nations," presents a distorted view on both counts. I think that it does a disservice to the advancement of the cause of peace in the world through the United Nations.

Mr. Speaker, I hope that more Members will voice their objection to this report and will insist that our representatives in the United Nations bring to the attention of the General Assembly the fact that Communist-dominated nations are truly captive nations denied proper representation in that organization; and that the colonialism which is being practiced today is being practiced by Communist Russia.

Mr. BRUCE. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I am delighted to yield to the gentleman from Indiana.

Mr. BRUCE. Mr. Speaker, I commend the gentleman for expressing his concern about the report to which he has referred. Is there not also reason for concern when we see as a followup of these annual reports policies that seem to follow right in line with them? For example, in the 1st session of the 87th Congress, early in the session, there was what I suppose some would call a trial balloon, that Outer Mongolia was going to be admitted to the United Nations as a legitimate member.

When the sparks from the Congress began to reflect a little bit farther downtown here a denial was forthcoming from the State Department, that certainly this was not what they had in mind. On the last day of the 1st session of the 87th Congress I went out to the news machine here and here it was on the wire, that our representative had acknowledged that indeed they had in effect agreed to the exchange of Mauretania and that Outer Mongolia would become a member of the United Nations. This is what concerns me. What the gentleman is saying is so true. These reports came out. Some of us here realize what is being promoted here. Then only a short time later we hear things put into action as the official policy of the United States. Why is it we cannot get the same sense that the gentleman is talking about here into action as official policy.

Mr. ZABLOCKI. I can assure the gentleman from Indiana he was not alone in his concern about the admission of Outer Mongolia to the U.N. My very dear friend and colleague, the gentleman from Minnesota, Dr. JUDD, as well as many other members of the Committee on Foreign Affairs, also protested the admission of Outer Mongolia. We are still concerned about this matter. I can assure the gentleman there are many of us who are going to watch very carefully the efforts being exerted to make the United Nations a universal body.

Mr. BRUCE. Along this same line, I have been trying desperately, with some unpopularity, to persuade the Committee on Foreign Affairs to take a good, long, investigative look at what is happening in the Congo. I will tell you frankly, it is very disheartening. I have had two members of my staff working full time for the past 10 months on the Congo situation, ferreting things out, listening and talking to people who were there at the time of the Congo invasion. I cannot seem to get anybody interested in it or go into a full-scale, all-out, nonpartisan investigation as to who has done what and for what reason. We are playing with dynamite in the Congo, in the way of economic interests and political interests. One gentleman in the other body has done a very good job on the subject, but I cannot find a real investigation of this U.S. action today.

Mr. ZABLOCKI. The Committee on Foreign Affairs on this very day was making inquiries about the developments in the Congo. The Subcommittee on African Affairs has conducted continuing briefings and hearings on this subject. I can assure the gentleman that he can obtain from the Committee on Foreign Affairs the supporting evidence and information on our position in the Congo that will undoubtedly contribute to a better understanding of the events taking place in that country.

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks at the conclusion of my remarks, and that I may revise and extend my own remarks.

The SPEAKER pro tempore (Mr. BONNER). Without objection, it is so ordered.

There was no objection.

STATE LEGISLATION FOR METROPOLITAN AREAS

The SPEAKER pro tempore [Mr. BONNER]. Under previous order of the House, the gentlewoman from New Jersey [Mrs. DWYER] is recognized for 10 minutes.

Mrs. DWYER. Mr. Speaker, it is becoming increasingly apparent that many modern urban problems can be solved on a local basis by existing units of government only with the cooperation or assistance of neighboring jurisdictions, and particularly of the State governments. The States have a responsibility to provide, through enabling legislation, adequate authority for municipalities and metropolitan areas to deal with their complex metropolitan problems, such as transit and transportation, hospitals, water pollution, and air pollution.

Five of the recommendations recently made by the Advisory Commission on Intergovernmental Relations provide helpful suggestions on how the States can be of assistance to local governments in solving some of these problems. These recommendations have been translated into draft bills and included in the Council of State Governments' "Program of Suggested State Legislation for 1962." Four of the draft bills, "Office of Local Affairs," "Transfer of Functions Between Cities and Counties," "Metropolitan Services Corporation," and "Securing and Preserving Open Land," were based on findings in the Commission report, "Governmental Structure, Organization, and Planning in Metropolitan Areas;" and one, "Investment of Idle Funds," was an outcome of the study "Investment of Idle Cash Balances by State and Local Governments."

The draft bills of the Advisory Commission are designed to strengthen the States and localities by enacting the appropriate legislation to provide the following governmental tools:

A State office of local affairs—a unit of State government to provide technical and information services to local units of government and to serve in an advisory capacity to the Governor and the legislature.

Voluntary transfer of functions between municipalities and counties to permit local units of government to enter into agreements whereby responsibility for performance of certain selected services could be transferred among the units of government involved. Appropriate provision is made so that residents of the area know which unit of government is responsible for particular services.

Metropolitan Services Corp. to carry out one or more designated functions throughout a metropolitan area. The governing body of the corporation would consist of public officials holding elective office within the metropolitan area, thus insuring a high degree of political responsibility and coordination. The proposal would require a majority vote of all the qualified voters within the service area to create the corporation and to expand its functions.

Securing and preserving "open land" to enable State and local governments to acquire interests both in fee simple and as easements in land to preserve scenic, esthetic, cultural, historic, and recreational values associated with such land. The suggested legislation is consistent with existing Federal legislation that authorizes a matching program for open spaces.

Investment of idle funds to permit local governments to invest temporarily idle funds in State and Federal obligations and designated securities insured by Federal agencies. Estimates suggest substantial gains to local governments from the prudent placement of excess cash on hand resulting from seasonal imbalance in receipts and expenditures.

I would like to insert for the RECORD, a table which shows which of 18 States, whose legislatures convened in 1962, have enacted all or a portion of these proposals as part of their existing statutes.

Extent to which recommended legislation is on State statute books

States	Office of local affairs	Transfer of functions	Metropolitan service corporation	Securing and preserving "open land"	Investment of idle funds
Alaska	All	Partial	None	None	None.
Arizona	None	All	do	Partial	Partial.
California	do	do	do	None	All.
Colorado	do	Partial	Partial	Partial	Do.
Hawaii	do	None	None	None	Do.
Kansas	do	Partial	Partial	do	Partial.
Kentucky	do	None	do	do	None.
Louisiana	do	do	None	do	Partial.
Maryland	do	Partial	do	Partial	All.
Massachusetts	do	None	Partial	do	Partial.
Michigan	do	Partial	do	None	Do.
Nevada	do	do	None	Partial	Do.
New Jersey	Partial	do	do	do	Do.
New York	All	do	do	do	Do.
Pennsylvania	Partial	do	All	None	All.
South Carolina	None	do	None	do	None.
Virginia	do	None	Partial	do	All.
West Virginia	do	Partial	do	Partial	Partial.

An analysis of this table shows that not one of the 18 States has enacted into law the substance of all 5 draft bills. However, 10 of the 18 have put into effect part or all of at least 3 of the recommendations. Four other States whose legislatures met in 1962 took no action in this field, apparently.

Mr. Speaker, the recommendations of the Advisory Commission on Intergovernmental Relations for improving governmental organization and programs in metropolitan areas should be given most serious consideration. Their adoption, or the adoption of modified versions to meet particular State needs, would undoubtedly contribute to easing the problems of metropolitan growth and to improving the administration of public services in such areas.

It is becoming more and more apparent that the States must play a more direct and effective role in meeting the problems of their local governments created by the growth of metropolitan areas. A great number of State legislatures will meet next year. During the interim, I would hope that the Governors, State legislative councils, and other organizations and officials concerned with planning of State legislative programs give careful consideration to these and other model bills recommended by the Advisory Commission on Intergovernmental Relations.

Mr. Speaker, the Advisory Commission's recommendations are based on our belief that each level of government, Federal, State, and local, has certain important responsibilities in connection with the growth of metropolitan areas. We have suggested how each level of government can cooperate with the others in working toward the objective of decent, livable, well-governed urban areas.

No one level of government, including the Federal Government, can or should do it all. Together, however, we can demonstrate again how effective a device of self-government we have in our Federal system.

TAX CUTS, TIGHT MONEY, FISCAL POLICY, OUR BALANCE OF PAYMENTS, AND SO FORTH

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 60 minutes.

Mr. REUSS. Mr. Speaker, there has never been a time when we more urgently needed to have a coordinated program to stimulate domestic growth and eliminate our balance-of-payments deficit. Representatives of business, labor, and the thoughtful public, concerned with persistently high unemployment and recent signs of a slowdown in economic expansion, have urged tax cuts.

But others, seeing only the gold outflow and the balance-of-payments deficit, want a drastic change in our monetary policy. Members of the House Banking and Currency Committee and the Joint Economic Committee recently heard powerful voices urge a general increase in interest rates as a remedy.

A third group insists that we should have both tight money and a tax cut.

We may find ourselves, therefore, in the ridiculous and inconsistent position of attempting to promote economic expansion through a tax cut, on the one hand, and trying our best to throttle that expansion with generally higher interest rates, on the other. If we allow ourselves to be trapped in this dilemma, we shall not only deprive ourselves of the chance for reasonable growth at home, we will worsen our payments position and rock confidence in the dollar abroad by relying on the panacea of high interest rates.

I. WHO WANTS TIGHT MONEY AND A LOOSE FISCAL POLICY?

Business Week, in its July 7, 1962, issue, asserts that this incongruous and contradictory combination of policies is being given active consideration:

> A new approach to monetary policy was being hammered out behind closed doors in Washington this week. A swing toward tighter and more expensive money appears in the wind, even though widespread doubts are being heard about the economy's vigor.

Mr. Speaker, no overt action has yet been taken on the part of the administration to create a large Federal deficit, although many discussions in and out of Government are taking place. In fact, during the second quarter of 1962, the Federal cash budget, which had shown deficits for the preceding five quarters, was balanced for the first time since 1960.

What is certain is that the Federal Reserve has decided independently to push interest rates higher. Since the end of 1961 the "Fed" has been decreasing commercial bank reserves and raising interest rates. In this period the banking system's free reserves have fallen from an average level of about $500 million to around $300 million. Such a decline in free reserves severely constricts the ability of the banking system to lend or to invest, since the reserves of most city banks are cut and the bulk of unused reserves remains more or less sterilized in the hands of smaller, country banks. As a result, the sensitive 90-day Treasury bill rate has been pushed from a level below 2.5 percent in 1961 to just under 3 percent today. The average yield on long-term over-10-year Governments has again climbed above 4 percent. The yields on high-grade municipals and corporate banks have also risen above recent levels.

Chairman Martin, in his July 17 testimony before the House Committee on Banking and Currency, indicated that he would counteract any deficit that might be caused by a contemplated tax cut by tightening the supply of money and raising interest rates accordingly. The following colloquy occurred:

> Mr. PATMAN. What is your view of the recommendation that, to get the economy going, we ought to stimulate the economy with a large Federal deficit?
>
> Mr. MARTIN. That gets into the field of fiscal policy that I don't believe is my province or prerogative to deal with.
>
> I will return to the simple statement I made earlier:
>
> In the event a decision is made which widens or further deepens the deficit we are already running, I want to put the Federal Reserve specifically on record this morning, if I haven't done it already, that I think that we must not finance a deficit by bank-created funds, that how the deficit is financed is of vital importance, and that it should be financed out of bona fide savings and not by writing up assets on one side or the other of bank ledgers.

The Fed's high interest rate policy has the explicit approval of the leaders of the American banking community. Mr. David Rockefeller, president of Chase-Manhattan Bank, in an exchange of letters with the President published in Life magazine, July 6, and again before the House Banking and Currency Committee on July 16, said that the monetary authorities should not only resist any attempts to lower interest rates, but should do what they can to push the rate structure to an even higher level. And, said Mr. Rockefeller, if it looks as if the economy is stalled or falling into recession, we could cut taxes or take other fiscal measures to offset the bad effects of tight money.

But the most forthright advocates of tight money and loose fiscal policy for the United States are not Americans—they are Europeans.

The Bank for International Settlements—BIS—an organization dominated by European central bankers, says in its annual report, published last month in Basle, Switzerland, that we must tighten credit, raise interest rates, and engage in an expansionary fiscal policy. The BIS report states:

> There is ample European experience to show that the possible internal restraint of a tighter monetary policy can be alleviated by fiscal and other policy means (p. 24).

The Wall Street Journal on July 17 wrote that the European members of Working Party 3 of the Organization for Economic Cooperation and Development—led by the French, Germans, and Italians—have been telling the U.S. representatives in OECD that "America could take a long step toward overcoming its balance-of-payments problem by raising interest rates." To ameliorate the bad effects of higher interest rates, say these Europeans, we should cut taxes.

It appears that our European friends are not just talking about short-term rates. They want us to raise the entire structure of rates affecting mortgages, municipal and State government financing, and corporate investment in plant and equipment—the very areas we must stimulate if we are to get and to sustain a higher growth rate in our economy.

However inappropriate and disastrous meek acceptance of this advice may be, it cannot be brushed aside lightly. These countries are the principal holders of claims against the dollar. They could also together block U.S. access to any substantial IMF credits should we elect to use our borrowing rights.

In this world of the sixties, we can no longer say that U.S. economic policies are our private concern—we must be able to argue the case on its merits.

Therefore, we must lay out in detail what is wrong with this recommended policy of tight money combined with fiscal ease.

II. HIGH INTEREST RATES WILL HURT DOMESTIC GROWTH

Tight money and higher interest rates have a dampening effect on economic activity at all times. That is exactly why money should be tightened and interest rates raised when inflation is underway. But if this policy is followed at a time when demand is not strong, it will reinforce other reasons for canceling or postponing plans to invest.

According to estimates just released by the Council of Economic Advisers, gross national product rose $7 billion in the second quarter of 1962 over the first, while revised estimates show that the gain in the first quarter was $6.4 billion. These increases are substantially below average quarter-to-quarter gains of about $13 billion last year.

The slackening rate of expansion makes it imperative that we maintain the maximum incentives for businesses to invest. For this reason, the administration has recently liberalized depreciation allowances, and urged Congress to approve tax credits for new business investment in plant and equipment. Tight money and higher rates work in exactly the opposite direction, vitiating the benefits of such measures and imposing new obstacles to investment. For this essential category of GNP, we are now spending no more than in 1957 when total output was very much less.

Take inventories. As testimony before the Joint Economic Committee recently indicated, the rise in business inventories accounted for nearly $11 billion of the $41 billion increase in GNP between the first quarter of 1961 and the first quarter of 1962. But during the second quarter of 1962, inventories have increased at only half the rate of the previous two quarters, and many observers fear that businessmen may try to cut down their inventory buying still further. If credit is tightened and those who want to buy inventories are refused loans, the result is obvious. Even if credit is available, higher costs for financing purchases would discourage businesses which already find the sales outlook uncertain. As witness after witness told the Joint Economic Committee, the size and rapidity of inventory changes have a tremendous effect on the economy, both upward and downward. It is the height of folly to add to downward pressures now in this important area.

Investment in housing is particularly sensitive to changes in interest rates. An all-out effort was therefore made during 1961 to bring down mortgage rates through a variety of coordinated actions, but with limited success. As of July 1, the average interest on conventional new-home mortgages was still 5.95 percent. Nevertheless, in April and May 1962, we finally managed to reach an annual rate of new housing starts of over 1,500,000 and for the first time to exceed levels attained in 1959. In June, however, housing starts dropped 11 percent, back down to last summer's level. Whatever the causes for this sharp reversal, an increase in already high mortgage rates and on loans to builders can hardly help to increase housing construction. A 1½-percent increase in mortgage rates on a $20,000 house means an increase in monthly payments of $12 per month—enough to cause foreclosures among some present owners and to deter purchases by others among a large section of our working population.

Consumer spending is also directly affected by interest rates. Automobiles and a wide range of the more expensive consumers' durable goods are sold under credit arrangements of one kind or another. A substantial rise in interest costs would make it impossible for many people to buy these goods, particularly if mortgage rates go up at the same time and housing becomes more expensive. Thus, a higher level of interest rates will discourage the few hopeful areas in our economy today, like automobiles and TV sets equipped for ultrahigh frequency.

III. HIGH INTEREST RATES, COMBINED WITH A LARGER DEFICIT, COULD WORSEN, NOT IMPROVE, THE POSITION OF THE DOLLAR

While opinions vary on what tax rates ought to be cut, there is an impressive and growing body of opinion that a basic reduction in the tax rate structure is essential to eliminate the drag on the economy which has been evident since the mid-1950's. Some experts, like Dr. Paul Samuelson, hold that a sizable across-the-board reduction in personal and corporation rates must be undertaken now if recession and stagnation are to be averted. If the President and the Congress agree, the only sensible thing to do is to make sure that this fiscal policy has the maximum chance to get the economy off to a new start. But if we inject this new fuel into the economy and erect a roadblock in front of it by tight money and high interest rates, we will only be making sure that we will be spinning our wheels again.

I believe the results of such a self-defeating policy can be disastrous abroad as well as at home. A deficit, even though it is a large one, can be borne if the results are good. But if we merely add to the Federal debt and the mounting cost for interest payments, we will succeed in shattering confidence both at home and abroad. We could well bring on both a depression at home and a massive gold flow abroad, and thus bring about the very catastrophes we are trying to avoid.

IV. MOREOVER, HIGH INTEREST RATES ARE LARGELY IRRELEVANT TO OUR BALANCE-OF-PAYMENTS DIFFICULTIES

High interest rates, to say the least, are no help to an economy suffering from high unemployment and slow growth. The ostensible justification for the policy put forward by Mr. Martin of the Federal Reserve, Mr. Rockefeller, and the European bankers is that a higher interest rate structure for the United States is essential to keep American short- and long-term capital at home and to attract foreign funds here. Let us examine this contention.

A. INTEREST RATE DIFFERENTIALS DO NOT EXPLAIN PAST SHORT-TERM DOLLAR MOVEMENTS

Until recently, the argument for higher interest rates was confined to movements of short-term capital. This argument seemed plausible because of unusually large short-term capital outflows in 1960 and 1961. It is important to understand the major factors behind these movements.

In 1960, there was a growing feeling among European holders of dollar funds that the dollar might be devalued, and this lack of confidence in the dollar caused a flight to other currencies and to some extent into gold. For a short period, the gold price in the London free market was even pushed up toward $40 per ounce. This situation was reversed by cooperative action by the British and United States Treasuries to bring down the gold price and the President's forthright statement in January 1961 that the dollar was not going to be devalued and that major efforts in other directions would be undertaken to eliminate the U.S. payments deficit.

In March 1961, however, the Dutch and German currencies were revalued upward in terms of the dollar. Instead of stopping the flow of funds abroad, this caused a huge surge out of dollars and sterling into the revalued guilders and marks as well as other continental European currencies, principally the Swiss franc. This time the speculators thought there would be more revaluations, and switches back into pounds or dollars later would net quick profits. In this case, cooperative action taken by the United States and the European central banks—sharp reductions in German short-term interest rates, a penalty charge for foreign deposits in Switzerland, and exchange operations in the spot and forward markets for both dollars and sterling—quelled the speculative fever.

Again, in the fourth quarter of 1961, there was a large short-term dollar outflow. But the bulk of this outflow was not speculative in character. Most of it represented temporary credits by banks and exporters to foreign traders, primarily in Latin America and Japan, purchasing goods in this country. Japan had a huge trade deficit with the United States last year, depleted her monetary reserves, and had to borrow to pay for goods she had ordered. A large part of the remainder was identified as transfers of American funds to Canadian banks because of a change in the Canadian tax law affecting American corporations operating in Canada and funds taken home by European commercial banks for year-end "window dressing" purposes. As might be expected, some of this last class of funds has since returned to New York.

In the first quarter of 1962, there was a much smaller net outflow. Nearly two-thirds of the recorded outflow was directly attributable to additional large trade credits advanced to Japan. Unidentified transactions, thought by many to represent short-term dollar movements, registered a sizable net inflow instead of an outflow. I have been told by the Department of Commerce that preliminary information on the second quarter of 1962 shows a further substantial improvement in the short-term dollar picture.

In testimony before the House Banking and Currency Committee, both Mr. Rockefeller and Mr. Wesley Linkow, who represented the American Bankers Association, agreed that short-term dollar movements have been very small recently. Mr. Rockefeller admitted that it was hard to tell how much short-term money movement could be attributed to interest rate differences, and that confidence in the dollar was a far more important factor.

While Mr. Martin of the Federal Reserve is persisting in his conviction that high interest rates will control dollar outflows, his experts in the Federal Reserve Bank of New York, who are close to the day-to-day events in the international money market, disagree. The bank in its Monthly Review of July 1962, says:

> Short-term capital transactions are among the least understood items in our balance-of-payments accounts. A common misconception, for example, is to think of short-term capital as merely a stock of foot-loose money, hopping from country to country only because relative interest rates vary or in search of gains from exchange rate speculation. Some short-term capital transactions clearly conform to that description, but most of the U.S. short-term capital outflow in our balance of payments is related to the financing of international trade and to the need of foreign banks, businesses, and even foreign governments for funds to meet their immediate payment requirements. And while interest rates and, at times, uncertainty over exchange rates are important in influencing the volume and direction of such short-term capital flows, many other factors also play a role (p. 94).

B. U.S. SHORT-TERM INTEREST RATES ARE ALREADY AS HIGH OR HIGHER THAN RATES IN PRINCIPAL MONEY MARKETS ABROAD

Mr. Speaker, during the first 5 months of this year, the 90-day U.S. Treasury bill rate fluctuated from about 2.7 to 2.75 percent. This rate has since risen to nearer 3 percent due to Federal Reserve action. Even before this recent increase, the U.S. short-term rate was higher than in West Germany or in the Netherlands and very much higher than in Belgium or in Switzerland. Only in France, Canada, and the United Kingdom have the rates been higher. Both in the case of Canada and the United Kingdom short-term rates were raised because of serious balance-of-payments difficulties, under circumstances in which it would be unthinkable for the United States to increase rates competitively. Moreover, in such cases the exchange risks are sufficiently great so that interest rate differences alone do not govern the flow of funds. Thus, while the United Kingdom 3-month Treasury bill rates were from 2 to 2.75 percentage points higher than rates during much of 1961 and until recently in 1962, the actual difference, adjusted for the cost of forward cover, has been quite narrow, sometimes in favor of the United States and at other times in favor of the United Kingdom.

C. INTEREST RATE DIFFERENTIALS HAVE LITTLE TO DO WITH LONG-TERM CAPITAL MOVEMENTS

The argument that we must have higher interest rates is now no longer confined to short-term rates. The assertion is that we must have generally higher rates, including those on long-term investment funds.

While there may be some reason to adjust short-term money rates to reduce the flow of short-term funds, the notion that U.S. interest rates should be raised to cut down movement of long-term funds has only lately appeared. Here again, we had better look at the facts.

U.S. private long-term oversea investments which come to between $2.5 and $3.0 billion annually, are of two different types—about a half are direct investments in plant or other facilities overseas, and the other half, portfolio investment in securities.

Direct investments used to be mainly in mining or petroleum operations to exploit raw material resources abroad or to process and to distribute products in other markets. Since 1957, there has been a growing volume of U.S. investment in manufacturing facilities, particularly in Western Europe including the United Kingdom. A variety of incentives have drawn this capital abroad. Among them have been tax exemptions and other special inducements granted to foreign investors, a desire to be close to growing foreign markets, and the need to get inside the tariff barriers of the Common Market and the European Free Trade Association. Above all, there has been the rosy promise of higher profits abroad than the slower moving U.S. economy has offered in recent years. Interest rates on long-term securities clearly have little or nothing to do with the movement of direct long-term investment of this character.

Portfolio investments in foreign securities are made by most Americans for the same complex of reasons which govern the purchase of U.S. securities. Until the drop in the stock market at the end of May, capital appreciation and not yield was the primary criterion for the majority of equity investors. There is no reason to believe that different considerations governed the purchase of European and other equity shares whether they were listed on our exchanges or purchased on exchanges abroad.

It is true, however, that the large volume of investable funds available in the United States, combined with relatively low long-term interest rates, have made it attractive for large European corporations, foreign governments, and international institutions to borrow substantial amounts in the United States. Here again, however, it is the relative availability of large sums, made accessible through a well-organized capital market, rather than interest-rate differentials which account for the outflow. As Secretary Dillon reminded the European bankers at a Rome conference in May this year, the European countries need to build up their own capital markets to a scale commensurate with their requirements today.

If the investment boom in Europe continues and the European countries do not take steps to curtail borrowing here, raising long-term interest rates in the United States is not likely to stem this flow. Moreover, as Business Week pointed out in its July 7 article, if the United States loses its mind and jacks up its interest rate structure, there is absolutely no assurance that the Common Market countries will not just raise their rates in tandem. Because of capacity operations, full employment, and rising wages and prices, the European governments are actively engaged in fighting inflation. If the United States raises its interest rates across the board, European central bankers may have no inhibitions in raising their rate structures not so much in retaliation as in the effort to stem price rises. If this were to happen, interest rate differentials would still persist, and only the American economy would suffer.

V. U.S. MEASURES OTHER THAN ACROSS-THE-BOARD HIGH INTEREST RATES CAN DEAL WITH THE PROBLEM OF CAPITAL MOVEMENT

The Treasury has the authority under existing law to issue bills and other obligations to foreign governments and international institutions at special interest rates. When a foreign central bank has no fixed policy on the ratio of gold to dollar assets in its monetary reserves, the opportunity to earn somewhat higher interest rates would prevent conversion of dollars into non-interest-bearing gold. I do not understand why this feature of our present law has not been actively utilized.

In addition, there is now before the House Banking and Currency Committee a proposal to exempt time deposits of foreign central banks and governments from the interest ceilings of Federal Reserve Regulation Q. During the hearings, it was suggested that the exemption might also apply to time deposits of foreign commercial banks. According to testimony before the committee by a representative of the American Bankers Association and by a representative of the Bank of America, the proposed exemption would also help to curb short-term dollar movements overseas and conversion into gold of foreign government-held dollars. The exemption, if approved, would permit commercial banks to pay higher rates on foreign time deposits of 30 days up to a year, and thus enable U.S. banks to compete for funds which are not normally invested in Treasury bills or other securities.

There is evidence that some of these funds do go abroad since many governments permit interest payments even on demand deposits, and substantially higher interest rates can be earned, particularly for 30- to 90-day money. Both the American Bankers Association representative and the Bank of America representative state that, given this exemption, widened to cover foreign commercial banks, a large part of the short-term dollar problem could be met. The Bank of America representative even thought that with this exemption, short-term rates generally could be reduced without causing dollar movements abroad.

Besides these steps to reduce short-term dollar outflow and to minimize conversion by foreign governments of dollar assets into gold, I believe both the Government and American corporations should take the initiative in raising capital in Europe. During the past year, the International Bank for Reconstruction and Development successfully marketed $82 million of their bonds, $24 million in Italy, $46.5 million in Switzerland, and $11.5 million in the Netherlands. Germany has $225 million outstanding in deutsche mark loans, made since 1956, to the IBRD. The Export-Import Bank might also turn over some of their maturities to European investors—banks in this country have found these to be attractive investments and European banks might also find them desirable. More American corporations might apply for listings on national stock exchanges in Europe and seek actively to raise European capital both for their operations abroad and to supply capital needs in the United States. The Ford Motor Co., for example, recently offered 150,000 shares on the Frankfurt and Düsseldorf exchanges in Germany.

In addition, more direct investment by European firms in the United States should actively be sought. We have such noteworthy enterprises in this country as British-Dutch controlled Shell Oil Co., the British Bowater paper company, the French St. Gobain glass company, and the Italian investment in the Underwood Typewriter Co. As labor shortages and other problems make expansion in Europe less profitable, energetic European managements could be attracted to U.S. operations in industries in which they are technically the most proficient.

Additional safeguards against unsettling short-term capital movements are provided by the recent $6 billion IMF standby agreement, and by similar arrangements among foreign central banks.

In order to suggest other constructive steps in eliminating our payments deficit, the Subcommittee for International Exchange and Payments of the Joint Economic Committee, of which I am chairman, is now engaged in a thoroughgoing study of all aspects of our balance-of-payments problem. American and foreign experts, private and governmental, have been requested to study various aspects of the problem. I am confident that many additional steps can be taken without harm to our economy at home or to our relationships with other countries, but I am convinced that these steps must be appropriate to our particular problems. Above all, they must not damage our basic ability to attain high employment and growth, as a deliberate policy of tight money and high interest rates assuredly would.

VI. A BROAD PROGRAM IS NEEDED TO ACHIEVE THE DUAL OBJECTIVE OF DOMESTIC GROWTH AND INTERNATIONAL PAYMENTS BALANCE

We have seen how tight money and high interest rates can hurt growth and employment, and how our resulting deficits can even endanger confidence in the dollar. We have seen that differentials in interest rates are only a very minor force in the movements of capital, and that we have at hand many workable ways of disarming these movements without resorting to an across-the-board policy of high interest rates.

We are left with the question: How best to attain maximum domestic growth and balance in our international payments? It is a great mistake, in my opinion, to become transfixed by the prospect of a tax cut. It is a mistake because it prevents our looking at some large untapped markets that could be open to us, and seeking ways to match demand and supply in those markets.

In considering a tax cut, we must ask some questions.

The large corporations today have huge excesses of capacity. The steel industry, for example, is operating at 45 percent of its ingot capacity. Would a reduction in corporate income taxes alone stimulate more investment? Many millions of Americans need jobs and others have inadequate incomes. How would a tax cut increase their spending? Would the undoubted additions to income from cutting the taxes of those earning incomes—and particularly the taxes of higher income persons—generate a boom? Can we assume that we will get the equivalent of the demand for automobiles of the 1920's, or the demand of the 1950's for houses, automobiles, and the entire range of consumers durables?

If we ask ourselves what markets are open to us, we come upon three largely untapped markets: First, the people of Western Europe, hungry for consumer goods; second, the one-fifth of our own people living in deprivation and poverty; and third, the pressing needs of our cities and local communities for public improvements. By moving to fill these markets, we can spur an expansion of a fourth market—the overall domestic market affecting 180 million Americans. It is only this fourth market that would be directly energized by a tax cut—and just how much is a great question. Let us look at each one of the three largely untapped markets.

A. WE MUST OPEN UP EUROPEAN MARKETS FOR U.S. MANUFACTURERS, PARTICULARLY FOR CONSUMERS DURABLE GOODS

Western Europe is now hitting capacity ceilings in labor supply and in plant capacity. European wage earners whose productivity long outran their money wages are now demanding wage increases and getting them. Factory operating costs are up, profits are going down, and prices are rising. The European boom threatens to turn into inflation. In Germany, for example, the cost of living has gone up 4 percent in the last year, and wages have risen 11 percent, but powerful unions are demanding shorter hours and still higher wages, pointing out that industry made large profits in previous years.

If Europe wants to continue its growth, to supply the demands of its super-fully employed labor force, and to avoid inflation, it needs goods. In addition to farm products and capital goods, prosperous Germany, France, Switzerland, Denmark, and the Low Countries need to import consumers goods. It needs the washing machines, driers, refrigerators, dishwashers, vacuum cleaners, lawnmowers, and the sporting equipment which American factories can supply and for which European capacity is inadequate.

Here is a market, the potential of which is at least as great as American industry had during the 1950's. The market is more distant and the needs of the consumers are not identical with those in our markets, but these obstacles could be overcome if high protective tariffs did not bar the way. For example, the Common Market tariffs on radio and TV receivers are 22 percent; refrigerators, 13 percent; electric percolators, 18 percent; dishwashers, 18 percent; ironers, 16 percent; washing machines and dryers, 19 percent; sewing machines, 12 percent; vacuum cleaners, 18 percent; electric hair dryers, 19 percent; electric irons, 20 percent. A good deal of this tariff reduction by Western Europe could well be unilateral, if Europe wants to be helpful and responsible, as well as help itself in the bargain.

But to eliminate these tariffs entirely, we must be prepared to bargain with the Common Market now when our chances to maximize sales are best. As soon as Congress and the President approve the Trade Expansion Act, we should be in a position to start negotiations with the Common Market.

I regret, Mr. Speaker, that the State Department has so far effectively blocked the way to this course of action. As the Congressional Quarterly reported on June 8, 1962, the special bargaining authority with the Common Market, the "80 percent" clause contained in section 211 of the trade bill, cannot be used unless and until Britain joins the Common Market. This part of the bill was deliberately designed to put pressure on Britain to become a member, and without regard to our immediate balance-of-payments problems or to those of other countries damaged by the preferential tariffs of the Common Market. The Congressional Quarterly goes on to say that a State Department spokesman for this policy admitted that "it would not be until at least late 1964 before negotiations could begin for lowering tariffs with the Common Market."

This foot-dragging attitude has no place in our Government. I hope that others in Congress agree with me, and that they will join in clearing all obstacles to effective negotiations with the Common Market—not in 1964, but starting later this year.

B. WE MUST DEVELOP THE POTENTIAL U.S. MARKET AMONG THOSE PRESENTLY UNEMPLOYED AND IMPOVERISHED

Both compassion and good sense should tell us that our problems of growth cannot be solved if we neglect the needs of the 20 percent of our own people who are far from any sense of affluence in our society. Ten and one-half million American families have annual incomes of less than $4,000 and nearly 4 million individuals try to live on less than $2,000 per year. These are not people who can think in terms of buying a house, a car, or, indeed, any of the consumer goods which the fortunate majority have come to take for granted.

In the Area Redevelopment Act and the Manpower Training Act, we have taken big steps forward to attack some of the stubborn roots of this poverty. But we must do more. As a minimum, we need an expanded and permanent system of unemployment compensation, and broadened social security. We should speed up our action on the youth conservation program.

Such particular programs, combined with fiscal and monetary policies which encourage full employment, would not only bring the untrained young people and our economically disenfranchised citizens into the ranks of productive wage earners, but would create a vast new market for our farms and industries. Most of these people need large additions to the basic necessities of life, and all of them want a chance to acquire comforts and luxuries for themselves and their children. I see no reason why, in a free enterprise economy, it is not a worthwhile objective to try to create this new market.

C. WE MUST PROVIDE FOR THE URGENT NEEDS OF OUR GROWING COMMUNITIES AND CITIES

While John Kenneth Galbraith may have been too optimistic about the amount of affluence in this country, his great contribution was to point out needs which the private sector of the economy cannot directly meet—the whole range of public services and capital which the States and municipalities have had to try to provide with greater and greater difficulty. In this area, the Federal Government must be willing to provide both leadership and money if our local units of government are not to fall behind in building what economists call the "infrastructure" of the economy. We must have more and better-planned educational institutions, hospitals, mass-transit systems, waste disposal and antipollution control systems, and parks and recreation areas. We must continue to rebuild the core of our cities in ways that enable more of our urban dwellers to enjoy art, music, and the other good things of life as well as to live and to shop for their needs. We have the obligation to provide good housing for those who are confined to slums today.

All this costs money, and it would be a dereliction of duty if the Federal Government did not continue to work with States and local communities to find solutions to these pressing problems. I need hardly remind you that public construction will employ people just as effectively as private construction; that good city transit is essential to the growth of urban private enterprise; that safeguarding health, whether through better antipollution measures or through children's playgrounds, will contribute to productivity as well as to general well-being; and that investment in education is investment in future growth. The emergency public works program which will shortly come before the House offers an excellent pattern for a Federal contribution to the progress of local government.

VII. WHAT WE MUST DO

To sum up, Mr. Speaker, the task of economics is to make it possible for supply and demand to come together.

The people of Western Europe need our consumer durable goods. Very well, let us set about the market exploration and the tariff lowering which will make possible our filling this market.

The submarginal one-fifth of our own citizens needs to enter the market in a meaningful way. Very well, let us move every special and general measure to this end.

The people of America generally need more schools and colleges, hospitals, parks and conservation areas, urban rapid transit and other improvements, clean air and water. Very well, let us seek ways of satisfying these needs.

As we create the goods and services needed to satisfy these vigorous markets, we can help to increase the real income and the purchasing power of the biggest market of all—the 180 million American people.

By rejecting the proposed policy of raising interest rates, of letting a $1 billion tail—our balance-of-payments deficit—wag a $600 billion dog—what our gross national product ought to be—we make each of these markets more readily reachable. And, as we have seen, we do not hurt our balance-of-payments position by keeping domestic interest rates at a reasonable level. Indeed, a policy of high interest rates and ever-increasing deficits is one of the surest ways of running into real balance-of-payments troubles.

A tax cut becomes relevant, it seems to me, only as we embark on a broad program designed to open and expand all of these markets. To have a tax cut may well be the force that spins the flywheel and starts us on our way.

But to propose a large tax cut at a time when the Federal Reserve threatens to undo it by tightening money, and when the State Department is most lackadaisical about opening up new European markets for American goods, is to court a huge deficit without necessarily accomplishing very much by way of advancing employment and growth.

As of today, a poll of House Members on the advisability of an immediate tax cut would surely produce most scattered returns. Some favor a tax cut in the high brackets, to stimulate investment; some in the low brackets, to stimulate consumption. Some are opposed to any tax cut, as further unbalancing the budget. Others are for matching a tax cut with a retrenchment in expenditures, or with an infusion of tight money.

In my opinion, a naked tax cut, unmatched by a long-term program for growth, jobs, and a balance in our international payments, is politically risky and economically unsound. As part of a larger whole, it becomes both safe and sound. Congress will respond to a tax cut proposal, as it is responding to the Peace Corps and the Trade Expansion Act, if it can clearly see the connection between our world position and our domestic prosperity.

THE ATTORNEY GENERAL AND CRIME IN WASHINGTON

The SPEAKER pro tempore. Under the previous order of the House the gentleman from South Carolina [Mr. RIVERS] is recognized for 15 minutes.

Mr. RIVERS of South Carolina. Mr. Speaker, on Monday afternoon a lady was robbed and knifed as she knelt in prayer in St. Peter's Church, Second and C Streets SE., just a few short blocks from the Capitol.

As a matter of fact, the victim, Mary Lou Kosterlitzky, is an administrative aide to a Member of the House, Representative FRANK J. BECKER, Republican, of New York, and has been for a number of years. As Representative BECKER told the House on Monday:

> Mr. Chairman, it is a sad state of affairs, indeed, that in this great Capital City of ours, Washington, D.C., within three blocks of the Capitol itself, a citizen cannot even go to a church and pray in safety.

This crime, while dramatic from its setting and circumstances, is only one of many which happen each day. Murder, rape, and armed robbery are commonplace and extend into almost all sections of the city. Women and the elderly are the favorite targets for youthful hoodlums who roam the city. But strong men who venture out alone at night are not immune from attack.

Horror has become a familiar shadow in this town which has been called the Capital of the World. In fact, it is quite likely that the newspapers omit mention of many incidents involving violence. So familiar is the pattern that the reports in each day's paper read, with the substitution of names and places, like a replica of those which appeared the day before.

Now and then there is something like the incident on Monday, which causes a brief stir.

But this soon subsides.

From experience, the residents of Washington have learned they can expect little in the way of relief. When one robber and rapist is caught, there are always others eager and ready for action.

Nevertheless, it would appear that the attack upon a woman at prayer in church would arouse the authorities and would make its impression upon the chief law enforcement officer for the Nation, Attorney General Robert Kennedy. The incident did register with the Attorney General, but in a most peculiar and sinister way. He is quoted in a story in the Washington Post of Wednesday, July 25, as threatening the Capital and other cities with more crimes like the knifing of Miss Kosterlitzky unless—to quote the Post—"wider opportunities are offered to permit young people to live differently than they do now." Otherwise, more and more young people will turn to crime, according to the Attorney General, and—to quote the Post again—"city residents will not only read about one woman 'who was stabbed in church'—a Capitol Hill aid was stabbed while praying Monday—but they will read about a 'major explosion in the District of Columbia.'"

In other words, the Attorney General is, in effect, blaming the law-abiding residents of the District of Columbia and society in general for the attack on the woman praying in church. If he is quoted correctly in the Post, he is telling the hoodlums which roam the city like wolves, that they are not at fault. This has the effect of encouraging them to commit more crimes, and continuing to threaten society with rape, murder, and robbery on a wholesale scale, unless they approve an administration program for ending juvenile delinquency.

What is this magic program which must be enacted to curb the riot of crime in Washington? It has not even been formulated. The Attorney General was addressing a meeting called to consider an overall plan to curb juvenile delinquency when he made his threats against the responsible and orderly citizens.

Obviously the various groups and elements will have wide areas of disagreement and drafting a program will take time. Meanwhile, the Attorney General holds out the prospect of more rapes, murders, thefts, holdups, to the fearful citizenry of Washington—if the implications in the Post story are correct.

Insofar as I can find, the Attorney General said nothing about better police protection and sterner punishment as a way of curbing the criminal element. No, we must give youth more opportunity, we must make everything to their liking, we must create just the right atmosphere, or else no man or woman will be safe in this, our Nation's Capital.

If the Attorney General, or the liberal groups and spokesmen who moan over the criminal and not the victim, had some panacea for ending juvenile delinquency, I would understand the Kennedy tirade. But such a plan is not in existence. Delinquency is not confined to the poor; it is a phenomenon of our society and our times and has risen in the wake of the liberal doctrine that society itself is responsible for crime. Some sensible persons think that the irresponsibility and criminality among our young trace back to the lack of discipline and to the belief—dear to the bleeding hearts—that the sadist, the thug, the rapist, and the killer is not responsible for his actions. The juveniles know their immunity to punishment; the feeling—dear to the liberal heart—they are only children who must be rehabilitated. Many have become arrogant, insolent, sneering, and devastatingly dangerous.

On the surface, the Attorney General's speech—if correctly reported—would seem an extreme example of fatuous thinking, an outburst traceable to Mr. Kennedy's youth and his deep desire to work out means of helping with the grave problems of crime and delinquency. But Mr. Kennedy, while youthful, is not a bleeding heart; he is not fatuous minded. He is a practical politician and, if I am any judge, as hard as nails. His overweening concern for the criminal has a purpose behind it; a steadfast and, to my mind, sinister purpose.

Insistently, steadfastly, passionately, both political parties passionately pursue the Negro vote. In this connection I call the attention of this House to a magnificent speech by Representative JOHN BELL WILLIAMS of Mississippi on May 15, 1962.

In that speech, Congressman WILLIAMS said that the U.N. had become a racist institution, siding always with a colored race when a controversy arose with a white race. He said also that the United States was largely responsible for this policy and that the administration had in mind the Negro vote within the United States.

In this connection, he mentioned our stand against the Portuguese in Angola, who are confronted with terrorists and barbarians under the leadership of such men as Holden Roberto. We back Adoula against Tshombe in the Belgian Congo. Tshombe is a friend of the whites. This is the only valid reason for our policy. All the rest is State Department doubletalk, for obviously Katanga is the viable portion of the Congo from the economic standpoint, the most orderly, and the only portion which seems capable of self government. Incidentally, we are about to back another U.N. attack against Tshombe simply because he will not give in to the neutralist, Adoula, who seems sympathetic with many Soviet aims in Africa.

In Indonesia, we back the dictator, Sukarno, against the Dutch in the controversy over Dutch New Guinea. Sukarno wants to make Dutch New Guinea a colony after the Dutch give it up. The Indonesians have no valid claim to Dutch New Guinea, but the Attorney General was quoted after a world tour as saying the Indonesians should have it anyhow. He said, if he was quoted correctly, that Sukarno should have Dutch New Guinea because the natives there, the Papuans, are incapable of self-government. Such statements make a mockery of our policy of anticolonialism. We are against colonialism when it involves a white race; bless it when a colored race is involved.

The Attorney General is well aware of the racial situation in the District crime situation. The overwhelming majority of crimes such as the attack on a woman praying at church are perpetrated by Negroes. Mr. Kennedy knows this. But with a straight face, he tells the citizens of the District that dire events are ahead unless they take care of juvenile delinquency. How? By Federal relief programs, by pampering the criminal element, by loading the taxpayers with make-work projects, by vast housing developments, and a tremendous increase in Federal authority over the entire population.

The Attorney General and the Congress know that it was because of the Attorney General's energetic and enthusiastic opposition that the Davis bill, which would have put many juvenile criminals in the courts of the District of Columbia, was defeated. Had the Davis bill passed, the judges in Washington could have treated these crimes for what they are instead of placing them in a juvenile court where unrealistic and ridiculous sentences are given these hoodlums who have turned law and order in Washington literally into the law of the jungle. The Attorney General must share in the responsibility for the defeat of the Davis bill, and also must share in no small measure grave responsibility for what is now going on in Washington.

The Attorney General knows very well that any program to combat juvenile delinquency, in Washington and other cities with large Negro populations, must include other things than Federal relief and boondoggles. It must include plans to make the Negroes assume responsibility; to make them strive to become responsible citizens; to make them aware of the opportunities which lie all around them; and to make them throw off the cloak of martyrdom which is thrown around every dereliction.

Let us contrast the attitude of the Negroes with the attitude of the Jews. No race has a record of persecution that matches the persecution throughout the centuries of the Jews. They lived in ghettoes; periodically pogroms were inaugurated simply because they made convenient scapegoats. They have an unparalleled record of martyrdom. Did they, in turn, blame other races and use that as an excuse for their own faults? They did not.

Instead, they worked harder; they refused to become discouraged; they bore hardship patiently; they clung to their race and religion. Today, one of the brightest spots in human history is the accomplishment of the Jews, here in this country and throughout the world.

I predict that this shameless effort to win the Negro vote, at whatever cost, will boomerang. The people are not fools. They know what is happening. The citizens of the District of Columbia have no vote and apparently no recourse. But the citizens of other cities can vote. Eventually they will react against this campaign to pit race against race and to have society in general assume the responsibility for every Negro crime.

When that day arrives, one of the loudest voices in urging the Negro to assume responsibility, to become a good citizen, and to work for the good of himself and of all, will be the voice of Attorney General Robert F. Kennedy.

Mr. BECKER. Mr. Speaker, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield to the gentleman from New York.

Mr. BECKER. I am in accord with what the gentleman has been saying. However, I am wondering if he knows anything about a so-called Crime Commission down here. As I understand it, from some members of the Committee on the District of Columbia, this Crime Commission is made up of lawyers who usually defend these criminals and attackers. They are going to recommend this month that the police of Washington not be able to pick up a suspect for questioning. How much are they going to do to circumvent the police in the District of Columbia?

Mr. RIVERS of South Carolina. This so-called Crime Commission would offer each one of these hoodlums a Congressional Medal of Honor instead of bread and water in the toughest jail in the United States.

Mr. BECKER. I assure the gentleman I intend to have some legislation prepared next week that is going to be drastic. It will be similar to New York, a three-time loser, a life sentence, automatically.

Mr. RIVERS of South Carolina. I should agree to support the gentleman's proposal if he will make it like South Carolina, where we put them under the jail.

Mr. BECKER. Mr. Speaker, if the gentleman will yield, does not the gentleman agree with what I said the other day, that one day this will happen to a loved one of ours, a wife or daughter, and then everybody will take action. Why should we wait until that time?

Mr. RIVERS of South Carolina. I just do not want it to happen to anybody in my family, but I do hope the Attorney General, if the report is true, will look at this report and revise his thinking. He has a staggering responsibility. He lacks no tools to carry out his responsibility. The Congress is at his feet, and the Congress will help him. You and I know that the countless thousands of people who come to Washington are literally scared to death. Let us show the people of the world that Washington is the capital of the world and not a jungle of the civilized world. Let us get rid of this law of the jungle and let us have the law of civilization.

NATURAL BRANCHES OF A SECULAR TREE

Mr. CLARK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CLARK. Mr. Speaker, I am including as part of my remarks an editorial appearing in the Christian Patriot, which I believe is very interesting, and which I would like to give the Members of the House an opportunity to read.

The article is as follows:

NATURAL BRANCHES OF A SECULAR TREE

(By the Reverend Richard Hutcheson)

(The controversy over prayer and Bible reading in the public schools, Sabbath laws, and other Christian practices wages ever stronger today than in 1948. In order that our readers may be aware of what is happening and what we must do if our Christian heritage is to be preserved, we have asked the Reverend T. R. Hutcheson to write this article.—Editor.)

The teacher thought she should. Most of the parents supposed it was a good thing. The pupils took it for granted. The board of regents had recommended it for all schools in the State. But to some it was a violation of the U.S. Constitution.

We are referring to prayer in the schools of New Hyde Park, N.Y. The same applies to reading of the Bible in the schools of Pennsylvania. A Federal circuit court of appeals has outlawed the latter; the Supreme Court has the former under advisement. According to petitioners who opposed these practices, you who as teachers have led in the Lord's Prayer, or any prayer; and you who as pupils have participated in religious exercises in the public schools, have been destroying the American way of life.

It makes one ask, with a shudder, "What is the American way of life?" Some capitalize it and worship it, exclusively. Some give it priority, even who call Jesus "Master." If they become convinced that religion in the schools is not compatible with the American way, then out with religion. "Begone, Christ; you interfere with our national policy and destiny."

A school district in California banned carol singing, upon the grounds that non-Christians would be offended. "Jingle Bells" is acceptable there, but "Little Town of Bethlehem" is taboo. The superintendent said they were brought to this decision by a ruling of the district attorney that songs with a Christian reference could violate State laws against the practice of religion in the schools.

Is the American way of life related to the words of Jesus when He said, "I am the Way, the Truth, and the Life?" We call our national flag Old Glory. But the Bible says, "Christ in you, the hope of glory." Let us stop trying to glorify our Nation, and our way of life, at the expense of Christian worship. Unless we do, our Old Glory is gone forever. Advocates of the Christian amendment wish to change the American way, if that way is correctly interpreted as ruling the Christian religion out of the public schools.

Critics of Scripture in the schools maintain that the state must not teach religion. We maintain that then the state must not teach history, for history is the appreciation of God's providence. Then the state must not teach astronomy, for the heavens declare the glory of God. Then the state must not teach government, for the powers that be are ordained of God. Then literature and art must be eliminated from the curriculum, for they have religious connotations. And ethics become unmentionable for ethics are derived from the revelation of God.

But the frightening factor in this picture is that the enemies of Christian government are right, if the U.S. Constitution, as now written, is the standard for the American way of life. Appeals against religious features of the state are made upon the basis of the Constitution, and the appeals are more frequent than formerly, and more frequently won. It is now being confirmed that the supreme law of the land, in the view of the courts, is not the unwritten law of Christian tradition, but the written, secular Constitution.

Maryland has had a statement in her State constitution which required public officials to profess, "I do declare that I believe in the existence of God." The Federal Supreme Court, acting upon an appeal in the case of an electee to State office, considered this provision a violation of the U.S. Constitution. Protests have been made by Christians who are alarmed by this indication that our country has no protection against atheism. One editor berated the Supreme Court for such a stupid decision. He declared that the time had come to change our system of government; and his proposal was to give Congress the right to override a decision of the Court, in the way it may override a presidential veto.

Truly, our system of government must be changed. But something more drastic is needed than bridling the courts. The courts have fundamental documents upon which to base their decisions, and it is their responsibility to interpret laws in the light of the Constitution. It is not the Court which needs to be revised, but the basic idea of a government divorced from God.

This divorce is denied by many earnest citizens. There is a frequent lament that this generation has departed from the Christian government which blessed this Nation in the past. But we submit that the departure is of a more fundamental character, and has been of longer duration, than is generally realized.

The Supreme Court, however, is getting the idea.

The Constitution, the trunk of the tree, is manifesting its character in the branches it grows, and in the fruit it produces. From a secular Constitution sprout education without the Bible, science without God, officials without faith, rehabilitation without Christ. This should not make us happy. But, at the same time, do not hasten to be angry with the courts and attorneys. Let us understand that a corrupt tree bears corrupt fruit.

The U.S. Constitution corrupt? The Constitution a weapon of atheists to drive Christian teachers and officials underground? Alas, although sometimes it is referred to as a "sacred" document, "sacred" really means consecrated to religion, whereas separation from religion is described by the antonym "secular." It appears that the Constitution is secular, not merely in the omission of any reference to God and the Bible, but in its practical effects.

Last fall the attorney general of Wisconsin considered illegal a law that would require the schoolchildren to recite the pledge of allegiance to the flag once each week, stating as one objection the fact that "under God" is now a part of the pledge.

Wishful thinkers have maintained that our Government is surely basically religious, because the Armed Forces have chaplains, prisons have chaplains, Congress has chaplains, and our coins have the motto, "In God We Trust." Do not let this fool you: we are not ruled by our money, yet. We are governed according to the Constitution. And the Constitution is being quoted in opposition to prayer in schools, blessings in lunch rooms, statements that our Nation is under God, and the singing of carols. It will be cited in efforts to remove chaplains and mottoes. For, to be consistent, you can tax an atheist to pay for a prayer in prison no more justly than you can tax him to pay for a prayer in school.

We have no brief for an attack upon the practice of opening Supreme Court sessions with "God save the United States and this Court." We leave that to those who will attack it with more enthusiasm. But, rather, we urge those who love America, and those who love Jesus, to make sure that it will be possible to love one without despising the other.

The basic problem in America does not hinge upon the rights of States, nor the rights of minorities, but upon the rights of Christ, who has been given all authority upon the earth. It also involves the rights of the disciples of Christ.

Suppose a teacher in the public schools feels that it is her duty to Christ to read from the Bible, convinced that the fear of the Lord is the beginning of wisdom. And suppose that this practice is declared to be un-American (unconstitutional). No, do not suppose. Remember. Remember the decision of the Federal Court of Appeals in Philadelphia last February 1, declaring illegal a law providing for such reading, with children excused if their parents objected. How can the teacher keep her job and continue to hearken to God rather than men?

One suggestion is, "Wait until after school, then read the Word privately to selected pupil or pupils." But, as a matter of fact, opponents of the Gospel in school have at times also opposed the Gospel outside of school, and will do so again. A young male teacher was a leader in a Bible study group which became an effective witness for Christ in the school. He was told by his superior, "There is to be no more of this sort of thing, either in school or out of school." He was dismissed.

There is a tradition that school boards used to investigate the teacher to be sure she did not smoke nor gamble. With such matters the hard-pressed officials need not now be concerned. But, to comply with the Constitution, must they not use all diligence to be sure that she does not pray where the pupils may hear; that she withholds the Gospel from her class; that she acts as though God did not exist? It is no longer a question of compelling an official to believe in God; it is now a question of requiring a public servant to ignore God.

With the pressures from atheists and liberty worshippers, theism and liberty for Christians are in danger of disappearing from the American scene. It has not yet wholly happened, because the import of a secular Constitution has not yet been realized. But it is coming, and the signs of its coming are increasing.

The writer once applied for a position as counselor in a public institution. He was asked, "Would you be content, in your contacts with the clients, to say nothing about your religion?" This was the established policy of the institution.

For several reasons this requirement, which the personnel director said was to enforce separation of church and state, is abhorrent to the Christian. For one thing, Christ has commanded that the Gospel be taken to every creature. We may not, then, automatically eliminate a creature who is, unfortunately for him, also a client, or a student.

Nor is it acceptable to a Christian to have conviction considered as something to be turned on and off, as a faucet is turned. A witness from 4 to 10 but, "I know not the man" from 9 to 4? How can that fence around the school playground divide the Christian world from the non-Christian? Opponents of Christ say, "It does so by the authority of the Constitution."

Must a public servant commit himself to being a part-time Christian? Must a citizen choose between the Constitution and the Bible?

Since the trunk of the tree is secular, the branches become secular; so the school and the courts rule out God. The fruits are not yet fully developed, but they get their character from the tree. Some grafting is needed to change the character of the tree. Hence, the proposal for a Christian amendment.

BALANCE ON COMMITTEE STAFFS

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. Schwengel] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, the fight to bring about a better balance between majority and minority employees on committee staffs goes on and the injustice of this situation becomes more apparent to the citizens of this country who suffer from this just as much as Congress does. An article by Robert T. Hartmann, Washington bureau chief of the Los Angeles Times, gets to the roots of biggest problem in getting the Democratic majority to do something about it. I take this opportunity to call Mr. Hartmann's article "Democrats Hold Line on Committee Staffs," to the attention of my colleagues:

DEMOCRATS HOLD LINE ON COMMITTEE STAFFS

(By Robert T. Hartmann)

The ratio of Democrats to Republicans in the House of Representatives is 263 to 174.

The ratio of Democrats to Republicans in the Senate is 64 to 35.

Roughly reduced the Democratic majority which controls Congress and supplies the almost omnipotent chairmen of its key committees—where the real legislating and investigating occurs—runs from 3 to 2 to about 2 to 1. That is the way history and the voters decided it.

The same proportions of majority and minority members will be found on most congressional committees. As President Kennedy, an alumnus of both Houses, quickly noted when the question of fair investigations was raised. Republicans are duly represented.

But the spadework is done by committee staffs. All the evidence, damning or otherwise, is first dug up by them. And on these staffs, as detailed in four previous columns, the ratio is somewhat different.

In the House, there are 53 committee staff employees responsible to the Democratic majority and 45 who answer to the Republicans.

In the Senate, which prides itself on statesmanship above partisanship, committee staffs are divided 462 for the Democrats and 39 for the Republicans.

This is almost 12 to 1.

Totals and averages never tell the whole story. On a few House and Senate committees a strict professionalism surrounds the staffs. Nobody asks the personal political allegiance of such staff members, or cares.

This is fortunately true in the national security fields or foreign affairs and military matters. But it depends primarily on the character of the respective chairmen,. chosen by the inviolate seniority system.

Why does the Republican minority put up with such a disparity? First, since Congress operates by majority rule, it has no choice. Second, ranking Republican Members in too many cases are content to settle for special favors and perquisites of their own at the expense of the general GOP interest.

The Democratic chairmen "take care" of them in full assurance they will receive the same consideration should they ever slip into the minority spot.

Not all of the minority Members have kept silent.

Senator CARL CURTIS, Republican, of Nebraska, has been waging a one-man war on the subject, with about as much success as most one-man wars have.

Last February he introduced an amendment authorizing 1 minority staff assistant to be hired for every 10 majority employees on any Senate committee where this was desired by the minority. He also proposed that at least one minority staff member receive the same pay as the top majority aide.

Since the Senate and its committees are divided roughly 2 to 1 a 10-to-1 staff split seems not unreasonable.

After a lot of sanctimonious oratory, however, CURTIS' plan was defeated 55 to 30 on a straight party line vote. Not one Democrat was for it. Not one Republican voted against it.

Senate Majority Leader MANSFIELD made clear his opposition to any concession in these words:

"For many years Senators have operated on a very cooperative basis. There has been a feeling of mutual trust in the committees between Republicans and Democrats. When the Republicans have been in the minority, they have been taken care of; I think that when the Democrats have been in the minority, they have been taken care of, too."

No such sanctimonious sweetness and light has been heard in the House, but efforts by Republicans to get a fair shake in committee staffing, have gotten just about as far.

Representatives SCHWENGEL, Republican, of Iowa, CURTIS, Republican, of Missouri, CRAMER, Republican, of Florida, LINDSAY, Republican, of New York, and ALGER, Republican, of Texas, have pushed plans in the House to allow the minority, whether it be Republican or Democratic, a fixed legal right to a certain proportion of committee employees. SCHWENGEL suggested 40 percent.

None has gotten to first base.

The real limitation on committee staffing is the amount of money each chairman can obtain for his annual operations. Since in this respect, each House of Congress is a law unto itself, the real power here is vested in two little-known committees: House Administration and Senate Rules and Administration.

These committees consider the budgets for all the others, and their own staffs—not hitherto reported here—are divided 3 to 1 in the House and 10 to 1 in the Senate.

To sum up the findings of my five columns on this subject, the effectiveness of the Republican minority in this Congress is circumscribed by the lopsidedness of committee staffing to a dangerous degree. It would be just as bad if the injustice were reversed.

Amendments and resolutions introduced by GOP Senators and Representatives to ameliorate this imbalance, however, are mere gestures to attract some public attention to the situation. There is small hope that the Democratic majority ever will voluntarily consent to any of them. Politics simply is not that sporting.

AMERICAN LEGION LAND PRESERVATION PROGRAM FOR THE ANTIETAM NATIONAL BATTLEFIELD SITE

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. MATHIAS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MATHIAS. Mr. Speaker, tomorrow a conference on appropriations for the Interior Department will be held to adjust differences between the action of this House and that of the other body. One item for discussion will be the appropriation for Antietam National Battlefield Site.

There is one aspect of this particular situation that is so unusual that I feel obliged to bring it to the attention of the House. The fact is that at Antietam there is such strong local support for the further development of the battlefield that at this moment funds are being raised to contribute to this important project. While help from Washington is urgently needed, there has been a willingness to work at home.

One year ago the American Legion undertook a program of cooperation with the Federal Government for the purpose of assisting in the acquisition of land at the Antietam National Battlefield Site. The Legion program has been in operation for approximately 9 months. During that time approximately $8,000 has been raised by means of the sale of a commemorative medal and through contributions of the general public. The Legion is hopeful of raising the total to $30,000 in the next year. I know that many of my colleagues would wish to join me in extending congratulations to those who have sponsored and contributed to the program.

The program has been inspired by the belief that there is urgency in moving to preserve this historic area. The year 1962 marks the centennial of the Battle of Antietam. The people of the entire Nation look forward to the Antietam Centennial commemoration which will take place between August 31 and September 17 of this year. My colleagues will recall that earlier this month the House passed the Antietam Day resolution to designate September 17, 1962, as Antietam Day. I would hope that the House would join in advancing the time when the Nation can feel assured that the battlefield at Antietam has been preserved for the next century and for centuries to come by joining with the Senate in providing funds for the purchase of property at the site. I believe that the American Legion land preservation program is the kind of effort that we can be proud to be associated with.

FEDERAL AID TO EDUCATION

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. KEARNS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEARNS. Mr. Speaker, due to a misunderstanding, a bill, H.R. 12672, was introduced in my name. In order that the record may be absolutely clear on this point, I wish to state that this bill does not reflect my views on the very important but complicated problem of Federal aid to public elementary and secondary education. My approach to this problem is set forth in the minority views in the Education and Labor Committee Report No. 445. As noted in the minority views, the States and communities generally have mounted praiseworthy efforts to meet their basic educational needs. If any new Federal program is to be considered, it must be temporary only and confined to areas of proven need. The program proposed in H.R. 12672 goes far beyond this limited objective.

I also would like to call attention to the fact that since the writing of the minority views in June of last year, additional and substantial progress has been made by the various States in meeting the classroom shortage. To illustrate this point it should be noted that on January 3, 1962, the Department of Health, Education, and Welfare issued a report which reflected that between the fall of 1960 and the fall of 1961 a new high of 72,000 classrooms have been constructed. As a result, the national classroom shortage has been reduced from 142,000 to 127,000—a total of 15,000 rooms. If this kind of progress is continued, the classroom shortage will be eliminated in 8 years, and this without the assistance of a massive Federal aid program. Moreover, in two excellently written articles which I placed in the Congressional Record of March 8 and March 22, 1962, Maurice H. Stans, the Director of the Bureau of the Budget in the Eisenhower administration, furnished statistics which reflected that the classroom shortage is being met and that additional Federal aid is not needed.

Therefore, before legislation of the type contemplated in H.R. 12672 can be drafted or considered, extensive hearings must be conducted to determine if an actual need exists, and, if so, what type of program will best meet that need.

I regret that this bill, H.R. 12672, which does not in any way reflect my views, was inadvertently introduced.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Reuss, for 1 hour, today.

Mr. Rivers of South Carolina, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. O'Neill.

Mr. Zablocki.

(The following Members (at the request of Mr. Hoeven) and to include extraneous matter:)

Mr. Fino.

Mr. Quie.

Mr. Adair.

(The following Member (at the request of Mr. Albert) and to include extraneous matter:)

Mr. Farbstein in two instances.

(The following Member (at the request of Mr. Halpern) and to include extraneous matter:)

Mr. Weaver.

Mr. Moss (at the request of Mr. Libonati) and to include extraneous matter.

SENATE BILLS, A JOINT RESOLUTION, AND A CONCURRENT RESOLUTION REFERRED

Bills, a joint resolution, and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1781. An act for the relief of the heirs of Lt. Col. James Murray Bate (deceased) and Maj. Billie Harold Lynch (deceased); to the Committee on the Judiciary.

S. 2546. An act to authorize the naming of the Old River, La., structures in honor of the late Captain A. A. Humphreys and Lt. H. L. Abbott; to the Committee on Public Works.

S. 2660. An act to designate the lake to be formed by the waters impounded by the Clark Canyon Dam in the State of Montana as Hap Hawkins Lake; to the Committee on Public Works.

S. 2988. An act to change the name of the Big Bend Reservoir in the State of South Dakota to Lake Sharpe; to the Committee on Public Works.

S. 3066. An act to authorize a study of methods of helping to provide financial assistance to victims of future flood disasters; to the Committee on Banking and Currency.

S. 3198. An act for the relief of Renata Lattanzi; to the Committee on the Judiciary.

S. 3215. An act for the relief of Kim Chong Koo; to the Committee on the Judiciary.

S. 3228. An act for the relief of Panagiota Makris; to the Committee on the Judiciary.

S. 3295. An act for the relief of Mathew Lengyel (also known as Brother Paul, S.V.D.); to the Committee on the Judiciary.

S. 3441. An act to provide for the acquisition of certain property in square 758 in the District of Columbia, as an addition to the grounds of the U.S. Supreme Court Building; to the Committee on Public Works.

S. 3476. An act to change the name of Fort Randall Reservoir in the State of South Dakota to Lake Francis Case; to the Committee on Public Works.

S.J. Res. 169. Joint resolution designating the bridge across the Tennessee River on the Natchez Trace Parkway as the John Coffee Memorial Bridge; to the Committee on Public Works.

S. Con. Res. 86. Concurrent resolution favoring the suspension of deportation of certain aliens; to the Committee on the Judiciary.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1074. An act for the relief of Chao Yao Koh;

S. 1889. An act for the relief of Mrs. Geohar Ogassian; and

S. 2339. An act for the relief of George Ross Hutchins.

ADJOURNMENT

Mr. LIBONATI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 19 minutes p.m.), under its previous order, the House adjourned until Monday, July 30, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2345. A letter from the Administrator, Foreign Agricultural Service, U.S. Department of Agriculture, transmitting a report on title I, Public Law 480 agreements concluded during June 1962, pursuant to Public Law 85–128; to the Committee on Agriculture.

2346. A letter from the Attorney General, transmitting a draft of a proposed bill entitled "A bill to amend certain criminal laws applicable to the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

2347. A letter from the Attorney General, transmitting the report of the Attorney General on the administration of the Subversive Activities Control Act of 1950 for the year ending May 31, 1962, pursuant to the Subversive Activities Control Act of 1950; to the Committee on Un-American Activities.

2348. A letter from the Comptroller General of the United States transmitting a report on the review of selected activities under the hospital construction program administered by the Veterans' Administration (VA), December 1961; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TRIMBLE: Committee on Rules. House Resolution 738. Resolution for consideration of H.R. 11721, a bill to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946, and to authorize the appropriation of $73 million for that purpose; without amendment (Rept. No. 2037). Referred to the House Calendar.

Mr. GEORGE P. MILLER: Committee of conference. H.R. 11737. A bill to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes (Rept. No. 2038). Ordered to be printed.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. S. 2135. An act to authorize the Securities and Exchange Commission to delegate certain functions; without amendment (Rept. No. 2045). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of New York: Committee on Interstate and Foreign Commerce. H.R. 3460. A bill to amend section 9(a) of the Trading With the Enemy Act, as amended; with amendment (Rept. No. 2046). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MOORE: Committee on the Judiciary. H.R. 1427. A bill for the relief of Miss Anka Grahovac; with amendment (Rept. No. 2039). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 3619. A bill for the relief of Gennaro Prudente; with amendment (Rept. No. 2040). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 3719. A bill for the relief of Pagona Pascopoulos; without amendment (Rept. No. 2041). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 4478. A bill for the relief of Aldo Francesco Carbone; without amendment (Rept. No. 2042). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 4628. A bill for the relief of Fotios Sakelaropoulos Kaplan; without amendment

(Rept. No. 2043). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 5331. A bill for the relief of Fotini Constantinos Voggas; with amendment (Rept. No. 2044). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIGGS:

H.R. 12705. A bill to facilitate the discovery and recovery by the States of unclaimed personal property in the custody of Federal agencies, and for other purposes; to the Committee on Government Operations.

By Mr. HARRIS:

H.R. 12706. A bill to provide that the Administrator of the Federal Aviation Agency shall limit the height of radio and television antenna towers; to the Committee on Interstate and Foreign Commerce.

By Mr. MAILLIARD:

H.R. 12707. A bill to establish a Federal commission on the disposition of Alcatraz Island; to the Committee on the Judiciary.

By Mr. WHITENER:

H.R. 12708. A bill to increase the jurisdiction of the municipal court for the District of Columbia in civil actions, to change the name of the court, and for other purposes; to the Committee on the District of Columbia.

By Mr. CANNON:

H.J. Res. 839. Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes; to the Committee on Appropriations.

By Mr. COLLIER:

H.J. Res. 840. Joint resolution authorizing the President to proclaim the week of November 17 through November 24, 1962, as German-American Week; to the Committee on the Judiciary.

By Mr. RODINO:

H. Con. Res. 507. Concurrent resolution expressing the sense of the Congress with respect to the incorporation of Latvia, Lithuania, and Estonia into the Union of Soviet Socialist Republics; to the Committee on Foreign Affairs.

By Mr. WALTER:

H. Con. Res. 508. Concurrent resolution authorizing the printing of additional copies of parts 1 and 2 of "Structure and Organization of the Communist Party of the United States," 87th Congress, 1st session; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CEDERBERG:

H.R. 12709. A bill for the relief of Stanley A. Luczak; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H.R. 12710. A bill for the relief of Frederick Ho Wolf; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

392. Mr. ADAIR presented a petition of the Ligonier, Ind., Chamber of Commerce; the Decatur, Ind., Junior Chamber of Commerce; the Butler, Ind., Chamber of Commerce; the Auburn, Ind., Business and Professional Women's Club; the Auburn, Ind., Chamber of Commerce; the Whitley County, Ind., Farm Bureau; the Angola, Ind., Daughters of American Revolution; the Adams County, Ind., Farm Bureau; the Adams County, Ind., Medical Society; the Garrett, Ind., Business and Professional Women's Club; the Fort Wayne, Ind., General Agents and Managers Association; the Topeka, Ind., American Legion Post No. 491; the board of governors, Clinic Hospital, Bluffton, Ind.; the woman's auxiliary to the Indiana State Medical Association; and the Indiana Public Health Association, in opposition to the King-Anderson bill, H.R. 4222, which was referred to the Committee on Ways and Means.

SENATE

Thursday, July 26, 1962

The Senate met at 11 o'clock a.m., and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O' Thou God of mercy and of grace, in this Chamber, a forum of freedom so piled with problems that affect untold millions, we would first of all bring our own hearts to the white light of Thy scrutiny. We confess that too often our own distraught spirits but mirror the angry emotions of this agitated day.

In such tumultuous times give us an inward poise as Thy promise is fulfilled, even in the contentions of our daily toil, "I will keep that man in perfect peace whose mind is stayed on me."

We lift our prayer in the Redeemer's name. Amen.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H.R. 12648) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963, and for other purposes, in which it requested the concurrence of the Senate.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of yesterday be dispensed with.

The PRESIDENT pro tempore. Without objection——

Mr. MORSE. Mr. President, on behalf of myself and other Senators, I object.

The PRESIDENT pro tempore. Objection is heard. The clerk will proceed to read the Journal of the proceedings of yesterday.

The legislative clerk proceeded to read the Journal. During the reading,

Mr. MORSE. Mr. President, may we have order, so we may hear the reading of this important document?

The PRESIDING OFFICER (Mr. Metcalf in the chair). The Senate will be in order. The clerk will proceed with the reading of the Journal.

The legislative clerk resumed the reading of the Journal.

During the reading,

Mr. GRUENING. Mr. President, I should like to request the clerk to read a little more slowly. He is reading so rapidly that it is difficult to understand him. I do not want to miss a word of the reading of this document.

The PRESIDING OFFICER. The clerk will read so that Members can understand. The clerk will proceed with the reading of the Journal.

The legislative clerk resumed the reading of the Journal.

During the reading,

Mr. GRUENING. Mr. President, I find it very difficult to hear. I wish the clerk would read a little more slowly and a little louder. His voice does not carry well to this part of the Chamber.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. Is there anything in the Senate rules to guide or restrict or indicate how fast or how slowly the reading clerk shall read?

The PRESIDING OFFICER. There is nothing in the rules which prescribes the rate at which the clerk shall read or how loudly he shall read.

The clerk will proceed in his regular, ordinary voice, so Senators can hear.

Mr. MORSE. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Even if there is nothing in the rules to require that an agent of the Senate, the clerk, shall read so that Members of the Senate may hear an important document of official business being read, in the absence of such a requirement I will raise the point of order and call upon the Chair to carry out the request of the Senator from Alaska.

The PRESIDING OFFICER. The clerk will proceed to read in his normal, ordinary voice as the Chair, in the many, many hours the present occupant of the chair has presided, has heard him read. The clerk will continue to read in that tone of voice.

The legislative clerk resumed and concluded the reading of the Journal.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

[No. 132 Leg.]

Bartlett
Bible
Case
Dirksen
Gore
Gruening
Hayden
Holland
Humphrey
Jackson
Kefauver
Mansfield
McNamara
Metcalf
Morse
Pell
Saltonstall
Smith, Maine
Yarborough
Young, Ohio

Mr. HUMPHREY. I announce that the Senator from Louisiana [Mr. Long], the Senator from Utah [Mr. Moss], the Senator from North Dakota [Mr. Burdick], the Senator from Mississippi [Mr. Eastland], the Senator from Wyoming [Mr. Hickey], the Senator from Oregon [Mrs. Neuberger], and the Senator from Rhode Island [Mr. Pastore] are absent on official business.

I further announce that the Senator from Colorado [Mr. Carroll] and the Senator from Arkansas [Mr. Fulbright] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. Aiken] is absent on official business.

The Senator from Hawaii [Mr. Fong] is absent because of a death in his family.

The Senator from New York [Mr. Javits], the Senator from New Hampshire [Mr. Murphy], and the Senator from Kansas [Mr. Pearson] are necessarily absent.

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. Allott, Mr. Anderson, Mr. Beall, Mr. Bennett, Mr. Boggs, Mr. Bottum, Mr. Bush, Mr. Butler, Mr. Byrd of Virginia, Mr. Byrd of West Virginia, Mr. Cannon, Mr. Capehart, Mr. Carlson, Mr. Chavez, Mr. Church, Mr. Clark, Mr. Cooper, Mr. Cotton, Mr. Curtis, Mr. Dodd, Mr. Douglas, Mr. Ellender, Mr. Engle, Mr. Ervin, Mr. Goldwater, Mr. Hart, Mr. Hartke, Mr. Hickenlooper, Mr. Hill, Mr. Hruska, Mr. Johnston, Mr. Jordan, Mr. Keating, Mr. Kerr, Mr. Kuchel, Mr. Lausche, Mr. Long of Missouri, Mr. Long of Hawaii, Mr. Magnuson, Mr. McCarthy, Mr. McClellan, Mr. McGee, Mr. Miller, Mr. Monroney, Mr. Morton, Mr. Mundt, Mr. Muskie, Mr. Prouty, Mr. Proxmire, Mr. Randolph, Mr. Robertson, Mr. Russell, Mr. Scott, Mr. Smathers, Mr. Smith of Massachusetts, Mr. Sparkman, Mr. Stennis, Mr. Symington, Mr. Talmadge, Mr. Thurmond, Mr. Tower, Mr. Wiley, Mr. Williams of New Jersey, Mr. Williams of Delaware, and Mr. Young of North Dakota entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I move that the Senate turn to the consideration of Calendar No. 1544, House bill 11040, and that it be laid down and made the pending business.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

Mr. MORSE. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Oregon will be recognized to make the point of order after the clerk reads the bill by title, for the information of the Senate.

The Legislative Clerk. A bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

The PRESIDING OFFICER. The Senator from Oregon is recognized to make his point of order.

Mr. MORSE. Mr. President, I raise the point of order that the motion of the majority leader is out of order for the following reasons: Immediately after completing the reading of the Journal, the majority leader was recognized and asked for a quorum call. We were unable at that time to offer a series of amendments that we have to the Journal. Those amendments are in order. A quorum call does not in any way divest us of our right to amend the Journal; and until consideration of the amendments of the Journal is completed, no motion, I respectfully submit, is in order.

I take the Senate to rule VII:

> After the Journal is read, the Presiding Officer shall lay before the Senate messages from the President, reports and communications from the heads of Departments, and other communications addressed to the Senate, and such bills, joint resolutions, and other messages from the House of Representatives as may remain upon his table from any previous day's session undisposed of. The Presiding Officer shall then call for, in the following order—

But a Senator has the right, if he finds deficiencies in the Journal, to offer amendments. We submit there is a series of deficiencies in the Journal. We seek to offer amendments.

Let me say that we are perfectly aware of what the majority leader is seeking to do. He is seeking to make use of section 3 of rule VII, which reads as follows:

> Until the morning business shall have been concluded, and so announced from the Chair, or until the hour of 1 o'clock—

Which today would be 12 o'clock, because the Senate convened at 11 a.m.—

> has arrived, no motion to proceed to the consideration of any bill, resolution, report of a committee, or other subject upon the calendar shall be entertained by the Presiding Officer, unless by unanimous consent—

But this will be found on page 9 of the Manual, and I assume this is the provision the majority leader is relying upon:

> The Presiding Officer may at any time lay, and it shall be in order at any time for a Senator to move to lay, before the Senate, any bill or other matter sent to the Senate by the President or the House of Representatives, and any question pending at that time shall be suspended for this purpose. Any motion so made shall be determined without debate.

I judge what the majority leader seeks to do is make the motion before the hour of 1, and thus it will not be a debatable motion.

I now raise the point of order, most respectfully, that until we finish our consideration of the Journal, which we have not had an opportunity to do because of the quorum call, we are entitled to offer our amendments to the Journal, and until we have disposed of those amendments the motion of the majority leader is not in order.

The PRESIDING OFFICER. The Chair is going to rule under the provision of rule III which provides that:

> The reading of the Journal shall not be suspended unless by unanimous consent; and when any motion shall be made to amend or correct the same, it shall be deemed a privileged question, and proceeded with until disposed of.

The Senator from Oregon had no opportunity to present a motion to amend or correct, which was a privileged motion, because the Senate found itself without a quorum. Therefore, the point of order is sustained.

Mr. MORSE. Mr. President, I send to the desk——

Mr. MANSFIELD. Mr. President——

The PRESIDING OFFICER. The Senator from Montana.

Mr. MANSFIELD. I wish to most respectfully disagree with the ruling of the Chair. I would point out that the reading of the Journal was completed; that no move that I recall was made on the part of the Senator from Oregon at that time to seek to amend the Journal; that the Chair did recognize the majority leader; that the majority leader did suggest the absence of a quorum; and that, on the basis of the rule that motions made before 2 o'clock to proceed to the consideration of any matter shall be determined without debate, the motion was in order. In this case, the rule would apply, of course, to the hour of 1 o'clock on this particular occasion.

Mr. MORSE. Mr. President, in all courtesy and with complete respect to my friend from Montana, I say a Senator cannot be deprived of the right to amend the Journal because of the recognition by the Chair of some other Senator. We all know the great respect in which we hold the majority leader in this body and our cooperation with him when he seeks the floor.

The reading of the Journal was completed. The majority leader immediately asked to be recognized. Immediately, the Chair recognized the majority leader. Immediately, the majority leader asked for a quorum call, and there was a quorum call. Now we are back in session. Our right to exercise our rights has now arisen. We exercise the right that we have, as the Chair has ruled, to offer a series of amendments to the Journal.

Mr. DIRKSEN. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIRKSEN. It seems to me that paragraph 7 of rule VII admits of no exception whatever, and there is no reference whatsoever to any other rule. It says simply:

> The Presiding Officer may at any time—

It does not make exceptions for an amendment or pending business—

> lay, and it shall be in order at any time for a Senator to move to lay, before the Senate, any bill or other matter sent to the Senate by the President or the House of Representatives.

I disagree with the ruling of the Chair, and I most respectfully take an appeal from the ruling of the Chair.

Mr. MORSE. Mr. President, may I be heard on the appeal?

The PRESIDING OFFICER. The Senator from Oregon.

Mr. MORSE. I want to say to my good friend from Illinois that the Journal is privileged and that no motion by the majority leader or any other Senator can deny a Senator of his privileged rights, and this is a privileged right. I raise the parliamentary inquiry, Is the appeal from the decision of the Chair debatable?

The PRESIDING OFFICER. The appeal is debatable.

Mr. MORSE. I have some matters to discuss with respect to the appeal.

The PRESIDING OFFICER. Will the Senator permit the Chair to put the question?

Mr. MORSE. Yes.

The PRESIDING OFFICER. The question is, Does the decision of the Chair stand as the judgment of the Senate? The question is debatable.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. MORSE. Yes, I shall yield for a question. As we start the debate, which will last some time, because the matter of protecting the rights of Senators goes far beyond this particular issue, I say to my good friends in the Senate the debate raises the question whether because of the particular issue presently before us, we are going to make a historic mistake of transgressing upon a rule precious to each one of us. Senators to follow us and the generations to come are going to need this rule for the protection of their parliamentary rights and the protection of their constituents, just as the Senator from Oregon seeks to preserve his precious right as he speaks now for several hours on the appeal from the decision of the Chair.

I am well aware of the difficulty that confronts the Senator from Oregon, because I have gone through this many times in my many years here. During this type of debate tensions arise and acrimony sometimes creeps in and difficulties develop in otherwise very affectionate and friendly relations between and among Senators. These are always restored very quickly—I know of no exception—after the debate is over and the issue is finally settled.

I have no intention in the days and weeks and months, if necessary, ahead, provided we are successful in continuing our insistence that this bill not come to a quick vote——

Mr. GRUENING. Mr. President, we cannot hear the Senator who is speaking. May we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MORSE. I am going to do everything I can, Mr. President, to see to it that I never become subject to the slightest criticism because of any failure on my part to extend the utmost of courtesy to the majority leader, the minority leader, and all my other colleagues in the Senate. I am willing to yield for a question and for a question only. In yielding for a question I assume no responsibility for what any Senator may say in such question, and I want to make it very clear I do not attribute to myself the content of any question. I wish to be courteous about all questions. I will yield, and yield for a question only. I will yield for no other purposes while I now hold the floor, until we can find the time——

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. MORSE. Until we can find the time when the motion which the majority leader wishes to make will be subject to debate and will not be presented to us under a rule which denies us debate.

With that statement as to my motivations and intentions, I yield to the Senator from Illinois [Mr. Douglas] for a question and a question only.

Mr. DOUGLAS. Am I correct in my memory that the Senator from Oregon was a Member of the U.S. Senate in 1946?

Mr. MORSE. Yes; I was.

Mr. DOUGLAS. Am I correct in my memory that at that time, when a civil rights measure was under consideration, Members of the U.S. Senate insisted that the Journal be read?

Mr. MORSE. That is my recollection.

Mr. DOUGLAS. Am I correct in my memory that the reading of the Journal was objected to, or the content of the Journal was objected to, on the ground that it did not make reference to the Deity?

Mr. MORSE. That is my recollection.

Mr. DOUGLAS. Am I correct in my memory that the ruling of the Chair upheld the objection and that the Journal was required to be read?

Mr. MORSE. That is my recollection.

Mr. DOUGLAS. Am I correct in my memory that debate and discussion were permitted on the contents of the Journal?

Mr. MORSE. That is my recollection.

Mr. DOUGLAS. Am I correct in my memory that rather lengthy debate was permitted on the ground that there was not a proper reference to the Deity included in the Journal?

Mr. MORSE. That is my recollection.

Mr. DOUGLAS. And these objections came——

Mr. MORSE. Is the Senator asking me a question?

Mr. DOUGLAS. Yes. Is it true that these objections came from the opponents of the civil rights measure?

Mr. MORSE. That is my recollection.

Mr. DOUGLAS. Was it the opinion of the Senator from Oregon that these points were being raised to defeat civil rights legislation?

Mr. MORSE. That is my recollection.

Mr. DOUGLAS. Am I correct in my inference that the Senator from Oregon is merely asking that the same privileges be extended to him as were extended to the opponents of civil rights in 1946?

Mr. MORSE. That is what I am pleading for.

Mr. DOUGLAS. I thank the Senator from Oregon.

Mr. MORSE. Now, Mr. President——

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. MORSE. Only for a question.

Mr. RUSSELL. Since the Senator raised a question of a civil rights filibuster, I should like to ask the distinguished Senator from Oregon if he was not a Member of the Senate at that time and if he does not recall that during the reading of the Journal the Senator from Georgia rose, when the clerk reached that point in the Journal which he wished to amend, and asked the Presiding Officer, by way of parliamentary inquiry, whether it would be appropriate to offer the amendment then or to wait for the conclusion of the reading of the Journal.

Mr. MORSE. I will say to the Senator from Georgia——

Mr. RUSSELL. If we are to get into this question, I think we ought to have the Record correct.

Mr. MORSE. May I say to the Senator from Georgia, that is what I want to do. There is no other Member of the Senate of the United States, in my judgment, who is such an able and learned parliamentarian as the Senator from Georgia.

Mr. RUSSELL. I thank the Senator.

Mr. MORSE. I am raising this question today because I certainly will look to the Senator from Georgia to present his views. They will have great weight with the senior Senator from Oregon.

I remember very well the incident to which the Senator from Georgia now refers. The Senator will recall that substantively we were on opposite sides of that issue, but procedurally the senior Senator from Oregon did not question the parliamentary position of the Senator from Georgia.

Mr. RUSSELL. Mr. President, I undertake to protect the Senator in my questioning.

Does not the Senator know that the Senator from Georgia would protect his rights in a filibuster as well as he sees fit, aided by the distinguished Senator from Illinois, and does not the Senator think that if the Senator is going to justify a filibuster on the basis of a previous filibuster on a different subject, the Record should be kept straight?

Mr. MORSE. The Senator from Georgia is certainly within his rights to make the statement he has made as to the debate in which he participated in 1946. May I say to my friend from Georgia that it was not incumbent upon any of us this morning, while the Journal was being read, to offer any amendments while the Journal was being read, because we had the precedent established in 1946 by the Senator from Georgia—and I believe there are others, also—to wait to offer an amendment to the Journal until after the reading of the Journal.

That is all we are seeking to do. Mr. President, we have several amendments to the Journal which we wish to offer today, after we dispose of the ruling of the Chair and the appeal which has been taken from it.

My colleagues have heard me say many times that in the Senate, as Senators, we have no real rights separate and distinct from our procedural rights in representing our constituents in this body. Our power and authority to carry out the legislative policy and to meet the legislative needs of our constituents is determined in the last analysis between the covers of the book I hold in my hand, which is the rule book of the Senate.

These rules are gory with dramatic events of history, Mr. President. These rules were developed by Senators who have gone before us, who recognized the point I have just made; namely, that we best protect the substantive legislative rights of our constituents by seeing to it that rules are maintained in the Senate to permit this parliamentary body to operate in an orderly fashion.

I would be the first to say that there is a great need for some changes in the rules of the Senate. I have advocated changes over the years. I have advocated those changes with such great Senators as the Senator from Illinois [Mr. DOUGLAS], the former Senator from New York, Mr. Lehman, and my former colleague, Dick Neuberger. I now join with the Senator from Pennsylvania [Mr. CLARK], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Alaska [Mr. GRUENING], and a large number of other Senators who think there is ample room for modification of the rules of the Senate.

Let me say, Mr. President, that the rule to which reference has been made is not one of the rules which needs to be modified. The rule we are talking about is pretty precious, I think, to the protection of our procedural rights in the Senate. This rule relates to the order of business in the Senate, the procedural steps which can be taken and the traffic regulations for the business of the Senate. That is the real subject of the rule about which we are talking.

It deals with the subject of determining in what order the Senate shall transact its business. Before we vote on the appeal from the decision of the Chair, we need to take a long look at rule VII. I propose to read it section by section and discuss it, because if we overrule the Chair on the appeal from the decision of the Chair, in my judgment we would do great damage to the procedure of the Senate. We would do great damage to rule VII. We would set a precedent that the majority in the not too distant future would regret.

In fact, if we can talk long enough about the appeal from the decision of the Chair, until the majority can have their conferences in the cloakrooms, across the luncheon table—and they will have plenty of time for lunch—and in their offices, about the procedural points the senior Senator from Oregon is raising today, I would be very much surprised if the majority would vote to overrule the decision of the Chair. In fact, I would not be at all surprised that with the passage of time this afternoon a good many of the points the senior Senator from Oregon is now raising will become moot, as far as any enthusiasm on the part of the majority is concerned to overrule the Chair. We know, as we will see when we get to discussing the rule, that with the passage of time the majority leader's motion will be debatable. So I should like to dwell for a moment on the parliamentary battle that is going on in the Senate.

We all know that we are in one. There is no question about the fact that at the present time there happens to be a minority of Senators who think it is a mistake to vote on the so-called satellite bill at the present session of the Congress. We happen to think that the bill should be taken to the people first. We think that the bill ought to be a subject of discussion in the coming campaign. The people should have an opportunity to advise their representatives as to how they feel with regard to the bill. I well know that the majority feels that the people have already had that right. I well know that the majority feels that the people are familiar with the bill.

But we in the minority deny that. As a result of our communications with constituents and our discussions with the people of our country as we go about the country talking from platform to platform and questions are raised about the bill, we feel the people are greatly confused about the issue. So we feel that from the standpoint of the public interest, the bill should not be voted upon at the present session of Congress, or at least until the renewed session of Congress may be held after the election.

Many of us hope that what will happen is that we shall pass the appropriation bills and go home along about August 20 and remain there through the campaign. We would then return shortly after the election and pick up where we left off, but greatly strengthened under our great democratic process as a result of having listened to the will of the people.

The senior Senator from Oregon is convinced that the time has come when the people need an opportunity to talk to their representatives in Congress before final votes are taken on these so-called major substantive bills that our good friend and distinguished able leader, the Senator from Montana [Mr. MANSFIELD], thinks we should vote on before we go home.

It is not easy for the senior Senator from Oregon to disagree with the majority leader. If anyone thinks I am enjoying the position I am now holding in opposition to my majority leader, he could not be more wrong. But I think my majority leader is dead wrong. And when I think he is wrong, I owe a responsibility to my constituents to oppose his position. It is as simple as that with the senior Senator from Oregon. I think my majority leader is dead wrong.

I think my President is, too, if he shares the point of view that we should dispose of the so-called list of "must" legislation before we go home and then go to the election. I think I have that obligation of being true to myself. Unless I am true to myself, I cannot be true to my constituents.

So I know the position that the group of us who are opposed to a vote on the proposed legislation occupy in the Senate today. It will be greatly misunderstood, and there will be a great deal of criticism from some sources. I am used to that, too. But I have an abiding faith. If I did not have an abiding faith, then my job would become an impossible one. That abiding faith is that once the people themselves understand the facts on which their representative has acted, they will support the course of action he has advised.

Thank goodness, under our democratic process, the people are the final arbiters. They are the final judges. They are the determiners. All I say is that we should take the particular issue before the Senate, which is an important one, to the people for final judgment before we cast a final vote on the floor of the Senate. That is the position of the senior Senator from Oregon. It is not an easy position to take in the Senate. I know we are entering into a parliamentary battle the outcome of which no one can be certain. We in the minority know what a hard road ahead we have. We know all the rules in the rule book that can be used against us. We know our task will be difficult.

I shall have something to say later today in regard to some of the rules that will confront the minority as we seek to prevent a vote on the bill until after election. But they are there. They were put in the rule book by our forebears in the Senate for good and sufficient reason, in most instances.

I have said to my minority colleagues that we must operate within the rules. That is exactly what we are doing in connection with the present issue before the Senate. We are aware of the procedures available to the majority leader if he can get a vote on his motion prior to 1 o'clock. We know that if he can get a vote on his motion prior to 1 o'clock, the motion will not be debatable. But we do not intend to give him a vote on the motion before 1 o'clock. In order to be doubly certain, we do not intend to give him a vote on the motion before 2 o'clock. We do not intend, Mr. President, to give him a vote on the motion as long as we can exercise our parliamentary rights in the Senate, and until the particular section of the rules about which I am speaking has spent itself on altar of time. For that reason the senior Senator from Oregon will speak at some length.

We have had a great deal of fun among ourselves over the years, for the senior Senator from Oregon, I guess, is the only liberal who has ever publicly confessed that he filibusters. And I do on occasion. But I have never done so to prevent a vote from ever occurring.

I am always willing, as I am now, to have the Senate adopt the Morse antifilibuster resolution. I have always supported and urged the adoption of the Morse antifilibuster resolution, which guarantees protection to the American people that their minority interests in the Senate will be protected, that their minority interests in the Senate will have adequate time to be presented, as the minority sees them, on an issue, without being swept off the floor of the Senate and unable to make the record they want to make.

So I have engaged in a filibuster of that type, but being always willing, as I am now, to adopt the Morse antifilibuster resolution. What would it provide?

It would provide, of course, that after cloture had been filed each Senator would have 1 hour to debate the subject matter. He would have the right to farm out, so to speak, his hour, if he did not want to use it. That would guarantee adequate time for debate. Even though at the present time we are not a society of maximum brotherly love, although the spirit of brotherly love does permeate the Senate, under the rules of courtesy, if my antifilibuster resolution ever became a rule of the

Senate, this is what we could expect to happen: Senator X could go to Senator Y, who is diametrically opposed in his point of view to Senator X on the issue before the Senate, and say to Senator Y, "Are you planning to use your hour on this subject?"

Senator Y could say, "No; I do not intend to use it."

Senator X would say to Senator Y, "Well, will you lend it to me? Will you give it to me?"

Senator Y might say, "Yes; I will give it to you, as a matter of courtesy." Or, Senator Y could say, "I will give you half of it now. Later, if you need more, come back; and if no one else wants the time, I will give you the other half of my time."

There is no question about the fact that the adoption of the Morse antifilibuster resolution or the Paul Douglas antifilibuster resolution, or the one that Dick Neuberger used to offer, or the one that Herbert Lehman and other Senators favored, would protect minority interests but also would guarantee that ultimately and eventually a vote would be held on the issue.

This has happened many times in the 18 years that I have spent in the Senate. All of us remember that in 1954 we had what many of my colleagues called prolonged debate, but which I called a filibuster, on the atomic energy bill. Do Senators remember that? When it was proposed that we should vote on the atomic energy bill the very day it was offered to the Senate—and my recollection is the bill was about 110 pages in length—I had a feeling that not very many Senators had read it. I took note of what it proposed to do. There was no doubt about the fact that it would be a give-away to the private utilities of the country of the people's treasure in the atomic energy program, which the people had paid for, if my recollection is correct, to the extent of about $14 billion. That was the taxpayers' investment in the atomic energy program.

A group of us decided that we should not give it away. So we objected to the unanimous-consent request to limit debate and agree to vote on it on that day. The RECORD will bear me out on this recital of the facts. Well, we had a little exchange in the Senate, as the RECORD will show.

The Senator from Oregon was told in effect—and this was all within the rules, and he was told very politely although pointedly—that he could give consent or start talking. I was on the other side of the aisle at that time—seated there, although not a member of the party on the other side—and when I had to make such a clear choice, I was obliged to start talking.

A very interesting thing happened. The leadership overlooked the fact that I really had an army with me.

I had not been talking very long before slips of paper started to appear on my desk, as one Senator after another came to my desk and left notes on it. What did the notes, in effect, say? They said: "Put me down for 2 hours." "I will take 4 hours." "Count on me for 5 hours." The RECORD is clear. It will show that for 13 days and 6 long nights we debated the atomic energy bill. We added to the bill one amendment after another, not one of which, in my opinion, would have been adopted had we yielded to the unanimous-consent request that we debate it that one day.

It is not easy in the Senate for a Senator to start that kind of fight. One does not like to be in opposition to the leadership on both sides of the aisle. However, one must make a decision of conscience to what he owes the people who put him here, as to what his duty is. Then one must insist upon the exercise of his parliamentary rights under the very rules we are now discussing. We are now talking about a rule which in my judgment has been properly sustained by the Presiding Officer, and from which an appeal has been taken, as the appealer has a right to do.

I would have the Senate this afternoon keep in mind the purpose of the rule, and keep in mind the privileged rule as to the Journal. Let us not forget that the Journal is really the official record of history so far as the Senate is concerned. It is the Journal which is the official document of the Senate, as to what transpired in the Senate. Therefore, each one of us has a precious and vital interest in that Journal, and we have the right, the very important procedural right, to see to it that the Journal conforms to what we think it ought to contain. Of course, that gives us the right to make amendments of the Journal, and gives to all our colleagues an opportunity to pass upon those amendments.

This afternoon the senior Senator from Oregon was confronted with an attempt to take that precious right away from him. It is not my right alone. It is also the right of the Senator from Alaska [Mr. GRUENING]; it is the right of the Senator from West Virginia [Mr. RANDOLPH]; it is the right of the Senator from Texas [Mr. YARBOROUGH]; it is the right of my good friend from Illinois [Mr. DIRKSEN]; it is the right of every Member of the Senate, according to the sights of the senior Senator from Oregon.

So at this stage in our debate we all know that it is a part of a historic debate which is opening here in the Senate, as to whether or not we are going to vote on the satellite bill before the people of this country first have an opportunity to meet with us face to face in the campaign next fall, to give us their viewpoint as to whether or not this satellite bill should pass. It is a campaign issue, but it is a much more effective campaign issue before passage than it will be afterward. I think my good friend from Alaska will agree.

I know the strategy. It is: "Get it behind us. Get it voted on." Then the proponents count upon the impact of rushing human events, which causes the average citizen to begin to think about new events, and his memory of past events becomes dimmer and dimmer. If we can keep this a live, vital issue for the campaign, I am satisfied the administration will learn that the American people are not in favor of the bill, once they understand the facts that we seek to bring out and will bring out in the prolonged discussion of the bill in the days and weeks ahead.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Alaska for a question only.

Mr. GRUENING. I wonder whether the Senator from Oregon could answer the question, Is it not a fact that, as a result of the fight which he and several other dedicated Senators put up to stop the atomic energy bill; a much better bill, and a bill far more satisfactory than the originally proposed bill, was enacted?

Mr. MORSE. There is no question about it. For example, we added to the Atomic Energy bill a patent section which was not in the bill in the beginning. We assured more equal participation of small enterprises and cooperatives in the program. We added to the bill an amendment to authorize the Government to maintain a pilot plant operation in the field of atomic energy. In other words, the public interest was not entirely left out of the atomic energy field. We provided in the bill that Government interest and jurisdictional prerogative which permits the Government to participate in the development of atomic energy. It is also the handle, if we wish to use the figure of speech, that we can take hold of for an extension of Government activity in the field of atomic energy, or the platform or foundation, if we wish to use that figure of speech, on which can be built the structure of Government jurisdiction over atomic energy.

Mr. GRUENING. Mr. President, will the Senator from Oregon further yield?

Mr. MORSE. I yield for a question only.

Mr. GRUENING. Does not the Senator from Oregon believe there is a striking analogy between the two issues, the one dealing with atomic energy, which opened up a vast new field of hitherto unknown and only recently discovered power, and the present legislation, which deals with the entry into the infinity of space?

Mr. MORSE. That, in part, is the thesis of the Senator from Oregon. There is no question that there is a parallel situation between satellites and atomic energy. I think there can be no question about that.

Mr. GRUENING. Does not the Senator from Oregon wonder why an issue of this transcendent importance should be rushed without adequate debate and without adequate referrals to committees which could properly have studied it?

Mr. MORSE. The Senator from Alaska asks me if I do not wonder why that is not being done. I should have to modify his very careful selection of language, when he uses the word "wonder." I am astounded. It is incomprehensive to me. I am shocked. I cannot believe it. It has shattered much of my confidence in my administration. I want the administration to recoup itself fast. I shall do everything I can to give it the opportunity to recoup. It needs a period of recuperation, and I propose to afford it such a period on the floor of the Senate. My administration needs time—precious time—to reappraise, to review, to reassess. I am at a loss, I am dumbfounded, at this course of action on the part of my administration.

I have stood on the floor of the Senate many times throughout the years deploring the giveaway programs of the opposition party. Now I find myself in a highly embarrassing position as a liberal, who believes that the Government has a responsibility to protect the resources of this land for the general welfare of the people, to see my administration endorsing what, in my opinion, would be a loss of great value, a precious treasure right of the American people, and a great, miraculous satellite program, because it is a miracle. How could anyone possibly not believe in miracles after seeing what has happened in the whole field of nuclear development, satellite development, and atomic development? In my judgment, it makes us realize how humble, how inconsequential we are as individuals. After all, what a small speck in history our lives are when compared with the astounding developments of science in the whole field of nuclear, satellite, and atomic development.

The word "wonder," as used by the Senator from Alaska, is a most inadequate word to explain the inner feelings, the attitude, and the astonishment of the Senator from Oregon in respect to the pressure that is on to pass the bill before adjournment. As a Democrat, with a big "D" and a small "d," I cannot reconcile such action with a democratic process, for I think times come when what we ought to do is to take an issue such as this back to the people.

I do not wish to be misunderstood. I would not have the British system, for the superiority of the American parliamentary system over the British system is so preferable that I would not even think of suggesting the British parliamentary system. But as a student of parliamentary systems, I think we must recognize that there is at least some merit in the British system. The historic tradition in England is that when the people believe that Parliament has gone out of step with the people on enough major issues, under the British parliamentary tradition an election is called for. The question is whether the Government in power shall be voted in or out in that election. In my judgment, an issue such as the one which is now before us, if it were taking place in Great Britain, could very well be the cause of a general election. It could very well be such an issue as would raise the question whether the British Government proposing such a system should stand for reelection.

We have interesting check and balance techniques in this country, and the one we are talking about this afternoon is a vital one directly concerned with the rule we are talking about, and directly concerned with the decision of the Chair with respect to that rule. If any Senator believes that anything I am saying is not, in fact, pertinent to the ruling of the Chair, he is making an interpretation of the remarks of the Senator from Oregon which is far, far removed from his intent and purpose. As I discuss the subject of procedure in the Senate and rules of the Senate this afternoon, I am talking about the great importance of our sustaining the Chair who, we all know—and we must be frank about it—has been advised by the Parliamentarian of the Senate, a man who has been a dedicated public servant of this body for more years than some Members of this body are old; a man who has the impartial responsibility and obligation of advising on the rules, completely devoid of partisanship, completely devoid of bias, completely devoid of any obligation to support either the majority or the minority. That man sits at the desk as a parliamentary judge, with the trust of applying the rules without partiality.

Mr. DIRKSEN. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. I yield for a question only.

Mr. DIRKSEN. From what the distinguished Senator from Oregon has said, am I correct in my impression that his objective is to prevent a vote on the satellite bill until after the election?

Mr. MORSE. I hope there are enough Members in our group who will join with me in the application of what I consider to be that highly desirable public interest purpose.

Mr. DIRKSEN. Is that the basic objective of the Senator from Oregon?

Mr. MORSE. Not in this speech this afternoon. I have many objectives. My objective this afternoon is to protect the rule of the Senate until after 2 o'clock. As I have said, I think that after 2 o'clock the whole issue will become moot.

My objective is also to make a record to which I think others, in the years to come, if a similar parliamentary situation develops in the Senate, will refer. Then the legislative history we are making this afternoon will be a precedent. That is my immediate objective.

Mr. DIRKSEN. Does the Senator have other amendments to the Journal to propose?

Mr. MORSE. Oh, yes; I have some amendments to propose to the Journal. I think other Senators also have amendments to propose to the Journal.

Mr. DIRKSEN. Mr. President, will the Senator yield for a further question?

Mr. MORSE. I yield for a question.

Mr. DIRKSEN. Will the Senator from Oregon yield to permit the withdrawal of the appeal?

Mr. MORSE. No, I would not yield for that purpose.

Mr. DIRKSEN. Mr. President, will the Senator from Oregon yield while I propound a parliamentary inquiry?

Mr. MORSE. As a matter of courtesy I shall yield for the propounding of a parliamentary inquiry.

Mr. DIRKSEN. Mr. President, the appeal can be withdrawn at any time by the sponsor of the appeal, can it not?

Mr. MORSE. Not unless the Senator who has the floor yields for that purpose.

Mr. DIRKSEN. I understand.

The PRESIDING OFFICER. The Senator who made the appeal may withdraw it at any time before action is taken on it or before the yeas and nays are ordered.

Mr. MORSE. If he is yielded to for that purpose. But I do not yield for that purpose to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, will the Senator from Oregon yield for an observation to the Chair?

Mr. MORSE. No, I could not yield for such an observation. I could yield only for a question.

Mr. DIRKSEN. Then let me frame it in the form of a question.

Mr. MORSE. But I wish to make perfectly clear that the question must be directed to me, not to the Chair.

Mr. DIRKSEN. Yes.

I suggest that it is the intention of the sponsor of the appeal to withdraw the appeal. Does the distinguished Senator from Oregon have any further comment to make on that?

Mr. MORSE. Oh, yes, I have comments for several hours to make on it, and I will not yield for that purpose.

Mr. DIRKSEN. Mr. President, will the Senator from Oregon yield for another question?

Mr. MORSE. I yield for a question.

Mr. DIRKSEN. It could scarcely be put in the form of a question, although perhaps it can.

Mr. MORSE. Then I cannot yield. It must be in the form of a question, I say to my very cherished friend, and I say that meaningfully.

Mr. DIRKSEN. I understand. I think I can put it in the form of a question.

Mr. MORSE. It will have to be in the form of a question.

Mr. DIRKSEN. Will the distinguished Senator from Oregon continue his remarks while a very substantial contingent of Senators attends the funeral of our late colleague?

Mr. MORSE. No. Because I am aware of the schedule for the funeral. In due course of time I shall state that I believe the entire Senate should take a recess during that period of time. I am certain that all other Senators will agree with me about that, so that we can say our temporal "goodby" to a beloved Member of this body who has been called by the Almighty. So in due course of time I shall ask that the Senate take a recess for that period of time, with the understanding that I shall be allowed to resume my speech when the Senate reconvenes.

Mr. DIRKSEN. I have two other questions, if the Senator from Oregon will yield.

Mr. MORSE. I yield for a question only.

Mr. DIRKSEN. Has the Senator been advised that the cortege will leave the Capitol at 2:15?

Mr. MORSE. I thought it was 2 o'clock.

Mr. DIRKSEN. It is to be 2:15.

Mr. MORSE. I certainly will make my proposal prior to the time when the funeral party is to leave.

Now, Mr. President, returning to the rule——

Mr. DIRKSEN. Mr. President, will the Senator from Oregon yield for one other question?

Mr. MORSE. I yield for a question.

Mr. DIRKSEN. Is it the purpose of the Senator from Oregon to continue his discussion until the hour of 2 o'clock?

Mr. MORSE. Oh, yes; I am going to play safety first and take no chances; so I shall continue until 2 o'clock. From my study of the rules, I am satisfied that I could not possibly lose anything by continuing until 2 o'clock, and I might lose a strong parliamentary position if I did not continue to 2 o'clock.

Certainly I have an obligation to Senators who are associated with me. They have their duty to do later. This happens to be my assignment, and I shall keep faith with my wonderful associates. There are in the group Senators who are not in the Chamber at the present time; so I shall keep faith with them and shall carry out our understanding in regard to what we propose to do today.

In times past I have seen the great Senator from Illinois in a similar position; and he was not disturbed by the fact that a majority of the Senate was against him, when he thought he was correct.

During the last few weeks I listened to the remarks of the Senator from Illinois when he stood at his desk and spoke, at a time when a majority of the Members on his side of the aisle were against him. He knows what I said to him about the brilliance of his performance, the courage he displayed, and the fact that no one could cause him to fail to keep faith with what he thought was his obligation at that moment. The Senator from Illinois may disagree with my judgment on this matter; but my motivation in connection with it is the same as was his, in my judgment, at the time when he made what I believe will go down as one of the very brilliant speeches of his career.

Mr. DIRKSEN. Mr. President, will the Senator from Oregon yield further?

Mr. MORSE. I yield only for a question.

Mr. DIRKSEN. I shall ask unanimous consent that the Senator from Oregon be protected under the rule.

Mr. MORSE. No, Mr. President; that would be too risky. I say to my friend that I have learned a great deal about the importance of protecting our rights on the floor of the Senate. One of the great liberals who used to sit on the other side of the aisle, the incomparable Senator Bill Langer—God bless him—used to say to me "WAYNE, don't yield to them for anything." Mr. President, I do not go that far; but all of us remember that it was almost impossible to persuade Senator Langer to yield to any other Senator when he was carrying out what he considered to be his great obligation to exercise his parliamentary rights on the floor of the Senate.

Mr. DIRKSEN. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. I yield for a question.

Mr. DIRKSEN. I wonder how the minority leader can adequately express his appreciation to the distinguished Senator from Oregon for his highly complimentary references——

Mr. MORSE. I hope they do not hurt the Senator from Illinois——

Mr. DIRKSEN. And do it in the form of a question.

Mr. MORSE. Suppose we have mutual recognition that although we shall be on the opposite sides of this issue, that fact will not impair the friendship which exists between us. I remember very well—although I shall not talk about the incident, but I am sure the Senator from Illinois will agree that I do not now betray any friendship confidence—a conversation which I have always appreciated. I remember that some years ago, out in the cloakroom, the Senator from Illinois told me one day, in effect, "I am going to be a little rough on you today, WAYNE, but I want you to know that it will not impair our personal friendship."

I replied, "I understand that, EVERETT. Go right ahead and do what you think is your duty."

After all, the public is not aware that when we proceed to engage in parliamentary procedure in order to carry out our obligations, that does not in any way affect our friendship. So I am sure the Senator from Illinois knows that I have always appreciated his many manifestations of friendship; and I hope—and I know he has felt that way, too—that he has felt that I have duly reciprocated them. Yet, Mr. President, as our voting records will show when they are examined, I do not think two Members of the Senate could be found whose voting records on the floor of the Senate have followed more divergent courses than have his record and mine. Yet there are times, when we find ourselves in disagreement, that I sometimes say to myself, "I wonder if I am right."

Mr. DIRKSEN. Mr. President, will the Senator from Oregon yield again?

Mr. MORSE. I yield for a question.

Mr. DIRKSEN. Would it be safe for the minority leader regretfully to leave the Chamber and miss some of the pearls of wisdom of the Senator from Oregon, in order to get a little lunch before the funeral service begins?

Mr. MORSE. Oh, Mr. President, I will protect the Senator from Illinois; I will see to it that his rights are not impaired.

Mr. DIRKSEN. I now say "I thank you"—and that is not a question.

Mr. MORSE. Mr. President, returning to the rule, all I wish to say this afternoon is that I seek to protect a procedural right established by the Senate rules—a right which the great parliamentarian on the floor of the Senate, the Senator from Georgia [Mr. RUSSELL] protected back in 1946—an incident to which reference was made earlier today.

Therefore, Mr. President, I would be very much surprised if any Member of the Senate having the long history that so many of our colleagues have in connection with protecting the procedural rights of Members of the Senate would think for a moment that he could possibly support this appeal from the decision of the Chair.

I think it is very interesting, Mr. President, that we are beginning to get a little indication that what I said just a few minutes ago has already come to pass out in the cloakrooms and in conferences here on the floor that have been going on, and I suspect probably down in the lunchroom. I have a hunch and I do not believe the Senators from Tennessee, Alaska, and Texas, who are associated with me in regard to the substantive issue before us think I am very far wrong when I say this—there has been a lot of second thinking going on in the cloakrooms and in conferences among our colleagues and a recognition that the senior Senator from Oregon is right when he says that he is standing here on the floor of the Senate today protecting a precious procedural right involving a rule of privilege in the Senate.

Mr. GRUENING. Mr. President, will the Senator yield, without his losing the floor?

Mr. MORSE. I yield to the Senator from Alaska for a question.

Mr. GRUENING. Before the minority leader leaves the floor——

Mr. MORSE. I yield for a question.

Mr. GRUENING. In order to make the record sure, I ask the Senator from Oregon whether the great speech to which he referred was made by the minority leader in behalf of the United Nations when we were debating the bond issue. Is that the one to which the Senator from Oregon referred?

Mr. MORSE. That is the speech to which I was referring. I thought it was a great speech by the Senator from Illinois.

I know the temptation both Senators will have if I do not stop the possibility of colloquy between the Senators, resulting in my taking my seat, and I am not ready to take my seat yet. I want to go back to the matter of the rules and the importance of protecting the rules relating to privilege.

All the senior Senator from Oregon did today was to ask to have the Journal read because the Senator from Minnesota [Mr. HUMPHREY], who honors us with his presence on the floor, who is the Democratic whip, and a man in whom we have great confidence—and all of us are sad when we are not with him on some issue—made several great speeches yesterday, but two of them, I think, were particularly outstanding.

One of them was in connection with Latin America. Senators will find it in the RECORD. That speech of his in regard to Latin America and the need for tax reform in Latin America I think is of great historic importance.

As I said earlier in this speech, the Journal is, after all, the only really official history of the record of the Senate. Do not think for a moment that the CONGRESSIONAL RECORD is an official historic record of the Senate in the sense the Journal is. It is the Journal that really records the history of the Senate. I think it would be most unfortunate if the Journal of yesterday went down in history without the great pronouncement of the Senator from Minnesota, our whip, being recorded in the Journal of yesterday.

One of the amendments I shall offer is that the Journal be expanded so that it will record this great, historic speech of the Senator from Minnesota on Latin

America. I am going to offer it in my capacity as chairman of the Subcommittee on Latin American Affairs of the Committee on Foreign Relations, because it is on a subject that the Senator from Minnesota, as a colleague in the Foreign Relations Committee, has heard me discuss many times. It is important to get into the history of the record of the Senate for all time an entry in the Journal of the great speech of the Senator from Minnesota on the need for tax reform in Latin America.

Mr. President, can you imagine our letting go down to posterity the Journal of the Senate without recording the eloquence of the majority whip, the Senator from Minnesota [Mr. HUMPHREY]? Why, I would think I would be derelict in my responsibilities as a Senator had I not corrected that omission in the Journal.

That is not the only amendment I have.

Mr. HUMPHREY. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield for a question—just a question.

Mr. HUMPHREY. Since the Senator from Oregon is in such a mood of graciousness, would he also be kind enough to amend the Journal to include the speech of the Senator from Minnesota on the need for disarmament and arms control?

Mr. MORSE. The Senator took the words right out of my mouth.

Mr. HUMPHREY. I thank the Senator.

Mr. MORSE. I was about to tell the Senate about my second amendment.

Mr. HUMPHREY. I am so grateful.

Mr. MORSE. You heard me, Mr. President, a few moments ago say that the Senator from Minneota made two great speeches. I think every speech he made yesterday was great. He made more than two. This is no new experience. The Senator from Minnesota often makes more than two great speeches in a day. I do not know that I have ever heard the Senator from Minnesota take the floor when he did not make a great speech, and I have heard him all over America.

Mr. HUMPHREY. I thank the Senator.

Mr. MORSE. I have never heard the Senator from Minnesota when he just was not one of the most eloquent men who ever trod the historic carpets of this great body of the Congress.

Mr. HUMPHREY. I thank the Senator.

Mr. MORSE. Mr. President, I seem to be joking, but I am not, in paying this compliment to the Senator from Minnesota.

The PRESIDING OFFICER. Would the Senator from Oregon object to yielding the floor, by unanimous consent, for the purpose of the Senate's receiving a message from the House of Representatives?

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Without his rights being interfered with?

Mr. MORSE. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. If I yield so the Senate may receive a message from the House—and, of course, I have the greatest of respect for our sister body over on the other side of the Capitol—would I then be subject to the point of order that I have lost my right to the floor because I yielded for that purpose?

The PRESIDING OFFICER. If the Senator received unanimous consent, he would not lose his right.

Mr. MORSE. I am sure all my colleagues present in the Chamber would want to join with me in extending this deserved courtesy to the representative of the House who brings us a message. Therefore, I ask unanimous consent that I may yield for the purpose of receiving a message from the House, with the understanding that I do not lose my continued right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. GORE. Mr. President, reserving the right to object, would the transaction of this business, the intervention of the suggested procedure, serve to deny the right of the senior Senator from Oregon or of any other Senator to offer an amendment to the Journal?

The PRESIDING OFFICER. Receipt of a message from the House of Representatives is not a transaction of business that would interfere with the previous ruling of the Chair or the right of the Senator from Oregon to move to correct or amend the Journal.

Mr. GORE. It would not?

The PRESIDING OFFICER. It would not.

Is there objection? The Chair hears none, and the Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 8992. An act to amend certain administrative provisions of title 38, United States Code, relating to the Department of Medicine and Surgery in the Veterans' Administration; and

H.R. 10069. An act to amend section 216 of title 38, United States Code, relating to prosthetic research in the Veterans' Administration.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KIRWAN, Mr. MAGNUSON, Mr. CANNON, Mr. JENSEN, and Mr. TABER were appointed managers on the part of the House at the conference.

The message further announced that the House had passed a joint resolution (H.J. Res. 839) making continuing appropriations for the fiscal year 1963, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills:

S. 1074. An act for the relief of Chao Yao Koh;

S. 1889. An act for the relief of Mrs. Geohar Ogassian; and

S. 2339. An act for the relief of George Ross Hutchins.

ORDER OF BUSINESS

The PRESIDING OFFICER. The Senator from Oregon may proceed.

Mr. MORSE. Mr. President, I wanted to complete my evaluation of the great speech the Senator from Minnesota made yesterday on the floor of the Senate on the matter of disarmament. Another amendment I propose to offer to the Journal is to be an amendment that would encase for all history in the official Journal of the Senate a speech which in my judgment future generations are going to come back to as we are already coming back to the great speech made here in the Senate years ago by the late Brien McMahon, of Connecticut. Many of us remember the great McMahon speech. Many of us remember the great speech he made on the floor of the Senate with regard to the whole matter of atomic energy and the portent of atomic energy for the destiny of this Republic. Many of us know the courage with which he spoke. Brien McMahon was one of the first to have the courage and historic foresight to stand upon these carpeted floors and tell the American people that atomic energy could be the great savior of mankind so far as peace is concerned, if it were used for peaceful purposes, or it could mean the destruction of mankind if used for war.

I have heard the Senator from Minnesota, in brilliant speech after brilliant speech, refer to that great speech by Brien McMahon. Many of us have tried to walk in Brien's footsteps on that great issue.

I speak with dead seriousness. I am happy to think that the speech which the Senator from Minnesota [Mr. HUMPHREY] made yesterday in the Senate with regard to the disarmament issue was in the same category with the speech by Brien McMahon to which I have referred.

I thought it was a sad, unfortunate thing that the Senator's speech of last night came at the end of an arduous day, when most Senators were busily engaged elsewhere. There were only a few of us present. I sat in the gallery for a part of that speech, with Mrs. Morse. I am sure the Senator from Minnesota will hear from her as to her appraisal of the speech as she listened to the Senator from Minnesota. Not knowing just when the Senator was to finish the speech, I came down and, as the Senator knows, discussed his time schedule with him.

I want that speech to be noted in the RECORD. I think one of the finest tributes we could pay to the Senator from Minnesota [Mr. HUMPHREY]—a deserved tribute—is to see to it that his speech of yesterday, on disarmament, becomes a part of the Journal by way of amendment. We have the power and authority in the Senate to make it a part of the Journal.

Mr. HUMPHREY. Mr. President, will the Senator yield for a question?

Mr. MORSE. All that is needed is one vote more than 50 percent. I would be surprised if there were a single vote against it.

Mr. HUMPHREY. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield for a question only.

Mr. HUMPHREY. Would the Senator be interested in knowing that I think his suggestions have sterling qualities of judgment second only to those of Solomon?

Mr. MORSE. I have been flattered many times.

Mr. HUMPHREY. I thank the Senator.

Mr. MORSE. But that goes to a degree which is even too much for me.

I am not going to take one syllable away from the compliment I have paid to the Senator from Minnesota as to the brilliance and historic importance of his speech of yesterday.

Going back to the rules again, Mr. President, I wish to say, before I start reading them, that I am trying to protect each Member of this body in a rule of privilege of the Senate.

I say to Senators, "Do not forget—it is WAYNE MORSE today but it may be you tomorrow. Do not forget—a majority can overrule us and deny to us the protection that we seek under the rules. But do not forget—if a majority can do that to a group of us today, a majority can do that to you as a member of a minority group tomorrow."

That is a point which I would have Senators never forget in this debate. What I am seeking to do is to protect the rule of privilege in regard to the Journal; namely, that when the Journal is read, nothing can be allowed to intervene to prevent the Senate from passing judgment upon proposed amendments to the Journal. Certainly it cannot be done because due courtesy is paid to the majority leader.

When the clerk completed the reading of the last syllable, the majority leader said to the Presiding Officer, "Mr. President," and the Presiding Officer recognized the majority leader, which is the custom and practice and courtesy of the Senate, as it should be.

When the majority leader, once recognized, suggested the absence of a quorum, as any Senator has the right to do, once he is recognized, the call for a quorum cannot be considered as the basis, subsequent to the obtaining of a quorum, for denying to a Member of the Senate his right to offer amendments to the Journal.

The record is clear. The moment the quorum was obtained the Senator from Oregon was on his feet. The majority leader again was recognized, as he had a right to be recognized, in my judgment, but the recognizing of the majority leader did not wipe away procedural rights of any Member of the Senate, including those of the senior Senator from Oregon, of the Senator from Alaska, of the Senator from Texas, of the Senator from Tennessee, or of any Senator in this group which proposes to do what it can to focus public attention in the time ahead in regard to what we consider to be the demerits of the space satellite bill.

That is the issue which has been raised, Mr. President. That is the issue about which the Senator from Oregon is talking. I have been perfectly frank and honest and open with this body. I have told Senators—I repeat—I do not speak disrespectfully. The Senator had a perfect right to try to do what he sought to do, if he could get by with it. I do not think, however, that the majority leader should have made the motion. He had a right to do so. I would not take away his right at all. But he was well aware of the position we were taking. He knew very well we would do all we could to oppose that parliamentary tactic on his part. The majority leader was within the rules, except that he could not exercise his right under the rule under which he sought to exercise his right until after any of us who have amendments to the Journal to propose first had an opportunity to offer our amendments.

That is the parliamentary situation. All I did was to ask the Presiding Officer, in effect, if the call for the quorum in any way extinguished my right and the right of other Senators to offer a privileged motion to amend the Journal. In my judgment, the Presiding Officer was unanswerably correct, as was the Parliamentarian of the Senate, when the ruling was handed down, in effect, that so long as the senior Senator from Oregon proceeded without delay to exercise his rights under a privileged motion those rights could not be taken away from him. That is the ruling, in effect, in parliamentary meaning.

From that ruling there has been an appeal. That is why the senior Senator from Oregon says to 98 other Senators: "Do not forget—you may be next. If you allow that precedent to be established against the senior Senator from Oregon, do not forget that you may be next."

I said some minutes ago I was satisfied that upon reflection and after consultation there would be some second thinking on that appeal. I am not surprised that we have already been told that in due course of time a request will be made to withdraw the appeal.

Some might say, "In view of that, why are you talking?" I will tell Senators why I am talking. I am not going to take any chances. I have a responsibility under an assignment by my colleagues on that matter at this particular time, Mr. President, to see to it that I do not follow any course of action which could in the slightest degree jeopardize the interests and rights of the group with whom I have associated, a group of Senators who do not want this measure to come to a vote until after the people have had an opportunity to discuss the subject with the Members of Congress.

Students of parliamentary law might very well be writing term papers, graduate papers or, I might say as an old professor, even theses on the little bit of history in the Senate which is developing. The little bit of history really bears no significant relationship to the participants in the debate, but it is of great importance as to its substantive matter. Of course, a master's thesis or any other graduate paper upon the subject of the rules of the Senate would have to take some interest, at least, in the attempted establishment of a precedent here this afternoon. I merely wish to help such graduate students. I wish to help to make a record that will clarify the situation as best I can, so that they will understand how the controversy arose, what the issues were, and the pros and cons of the issues.

Mr. President, I refer to rule VII, which appears on page 6 of the rulebook:

> RULE VII
>
> *Morning business*
>
> 1. After the Journal is read, the Presiding Officer shall lay before the Senate messages from the President, reports and communications from the heads of Departments, and other communications addressed to the Senate, and such bills, joint resolutions, and other messages from the House of Representatives as may remain upon his table from any previous day's session undisposed of. The Presiding Officer shall then call for, in the following order:
>
> The presentation of petitions and memorials.
>
> Reports of standing and select committees.
>
> The introduction of bills and joint resolutions.
>
> Concurrent and other resolutions.
>
> All of which shall be received and disposed of in such order, unless unanimous consent shall be otherwise given.
>
> 2.[1] Senators having petitions, memorials, pension bills, or bills for the payment of private claims to present after the morning hour may deliver them to the Secretary of the Senate indorsing upon them their names and the reference or disposition to be made thereof, and said petitions, memorials, and bills shall, with the approval of the Presiding Officer, be entered on the Journal with the names of the Senators presenting them as having been read twice and referred to the appropriate committees, and the Secretary of the Senate shall furnish a transcript of such entries to the official reporter of debates for publication in the RECORD.
>
> 3. Until the morning business shall have been concluded, and so announced from the Chair, or until the hour of 1 o'clock has arrived.

That is the critical time element in the controversy, because the Senate convened at 11 o'clock this morning. Preliminaries, including a live quorum call, occupied the time until 12 o'clock. I have been advised by the Parliamentarian that the rule is based upon the premise that the regular meeting hour of the Senate is 12 o'clock and not 11 o'clock. I see the logic of it. Therefore, when the Senate convenes at 12 o'clock, the time figure that I now referred to is 1 o'clock.

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[1] It shall not be in order to interrupt a Senator having the floor for the purpose of introducing any memorial, petition, report of a committee, resolution, or bill. It shall be the duty of the Chair to enforce this rule without any point of order hereunder being made by a Senator.

So I repeat the part of the rule which states:

> Until the morning business shall have been concluded, and so announced from the Chair, or until the hour of 1 o'clock has arrived—

Today that meant 12 o'clock and not 1 o'clock—

> no motion to proceed to the consideration of any bill, resolution, report of a committee or other subject upon the calendar shall be entertained by the Presiding Officer, unless by unanimous consent.

What does that language mean? Speaking hypothetically, when we convened this morning at 11 o'clock, instead of occupying our time with the reading of the Journal and the live quorum call, we might have gone into so-called morning business, which ordinarily is the period in which insertions are made in the RECORD, as is prescribed in section 2 of rule VII:

> The presentation of petitions and memorials; reports of standing and select committees; the introduction of bills and joint resolutions; concurrent and other resolutions—

If we had started in that manner this morning, then until morning business had been concluded, no motion to proceed to the consideration of any bill, resolution, or report of a committee would have been in order until 12 o'clock. In other words, the first hour would have been an hour in which no Senator would have been able to make a motion to proceed to the consideration of any bill, resolution, report of a committee or other subject on the calendar, provided there is morning business to transact. In other words, the rule seeks to guarantee the Senate that for 1 hour Senators can present morning business and no motion can be made to interfere with business in the category mentioned in the rule.

The rule states—"or until the hour of 1 o'clock has arrived."

Thus I say, "today until the hour of 12 o'clock has arrived." So when the live quorum call was over, we had reached the hour of 12.

The majority leader exercised his right under the rule to make the motion to take up the satellite bill. Under a provision of the rule, which I shall get to in due course of time, that motion coming at 12 o'clock would not have been debatable. Last night we adjourned. We did not recess. I speak not at all about motivations, but results. The Senate adjourned. If there had been a recess instead of an adjournment, the pending business of the Senate would have been the motion to consider the satellite bill. The motion would have been debatable under that situation, and we could have continued to debate the motion to take up the bill. But by adjourning, the adjournment wiped the motion off the books, so to speak, so far as a pending motion is concerned. So when we adjourned last night there was no pending business. It was necessary for the majority leader in due course of time today to make a motion to create some pending business, and he chose, under the rule, at 12 o'clock or shortly thereafter, to make the motion to bring up the satellite bill. But the senior Senator from Oregon raised the point of order that the motion of the majority leader was not in order and would not be in order until we had first exercised our prerogative and rights to enjoy a privilege that has been guaranteed to us in the rules; namely, that we have an opportunity to amend the Journal.

That gave rise to the controversy which now prevails on the floor of the Senate. The Chair sustained the senior Senator from Oregon. The Senator from Illinois took an appeal from the decision of the Chair. Such an appeal is subject to unlimited debate. We are now in the course of this little educational seminar on the nature and meaning and application of the rules of the Senate.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question only.

Mr. GRUENING. Did not the distinguished minority leader offer to withdraw his appeal from the ruling of the Chair?

Mr. MORSE. I said earlier I was convinced that after our colleagues had conferred, consulted, and cogitated, at least some of them would probably have serious doubts as to whether this was a wise parliamentary issue to raise, and might prefer to withdraw the appeal. Of course, I did not yield for that purpose. The Senator from Illinois [Mr. DIRKSEN] who made the appeal from the decision of the Chair, later, while asking me a question, indicated that he was ready to withdraw his appeal. I told him that I was not going to take any chance, that I was going to play it safe, that I would watch that old clock, and that in due course of time, when I was sure that the time was on my side, I would be perfectly willing to let the matter follow its parliamentary course under the rules. I hope to have time to finish this little discussion of the meaning of this rule so that we can have it as a matter of parliamentary history.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question only.

Mr. DOUGLAS. Does the Senator from Oregon remember the fact that earlier in the day the senior Senator from Illinois addressed certain questions to him concerning the precedent created in 1946?

Mr. MORSE. I remember very well.

Mr. DOUGLAS. Is it still the understanding of the Senator from Oregon that in 1946 an objection was made to the Journal of the preceding day on the ground that it did not contain a reference to the Deity?

Mr. MORSE. I told the Senator that was my recollection, and I still have that recollection.

Mr. DOUGLAS. Does the Senator from Oregon remember that this was used as a method to prevent any action on civil rights?

Mr. MORSE. I remember that the matter of amending the Journal was the subject of considerable debate in the Senate.

Mr. DOUGLAS. Is it not the memory of the Senator that that debate was used as a means of preventing consideration of civil rights?

Mr. MORSE. There is no question about that.

Mr. DOUGLAS. Is it not true that as the result of the objection to the Journal, because it did not contain a reference to the Deity, the civil rights measure was laid aside?

Mr. MORSE. Well, it is very hard to say what the cause and effect was, but that was the result. I will not pass judgment on causes.

Mr. DOUGLAS. The Senator from Oregon was a Member of the Senate at that time; was he not?

Mr. MORSE. Oh yes.

Mr. DOUGLAS. The Senator from Illinois was in the hospital at Bethesda at the time, but he read the RECORD every morning, and his memory is clear and distinct on this point. I am asking the Senator the question whether or not that is not the memory also of the Senator from Oregon.

Mr. MORSE. I have been rather circumspect in my answers to the Senator. Let me say to the Senator from Illinois that the parliamentary strategy at that time in that historic debate was the offer of an amendment to the Journal in order to lay the basis for prolonged debate or a filibuster on the part of those who were opposed to any civil rights legislation in 1946.

Mr. DOUGLAS. Is the Senator from Oregon aware of the fact that the Journal for yesterday does not contain a reference to the Deity?

Mr. MORSE. Well, that could be the basis of an amendment to the Journal, but we have some other amendments that we wish to offer which do not contain, according to my recollection, a reference to the Deity.

Mr. DOUGLAS. Would the Senator from Oregon lose the floor if I were to assure him that, having read the Journal for yesterday, I can state that it does not contain a reference to the Deity?

Mr. MORSE. So long as the Senator makes that statement in the form of a question, I will not lose the floor. However, my good friend from Illinois is getting me into a little difficult and confused parliamentary area, and I would prefer not to yield to the Senator unless he can put a pointblank question to me.

Mr. DOUGLAS. May I ask the Senator from Oregon if he can find any reference to the Deity in the Journal of yesterday?

Mr. MORSE. I would be out of order if I took the time necessary to take this entire Journal of yesterday and read it. I listened to the Journal being read today, and I heard no reference to the Deity in the Journal.

Mr. DOUGLAS. Does the Senator remember the saying that those who take up the sword shall perish by the sword?

Mr. MORSE. Yes; I remember that from Sunday school.

Mr. DOUGLAS. Does the Senator remember the more homely adage that what is sauce for the goose is sauce for the gander?

Mr. MORSE. I am familiar with that truism.

Mr. DOUGLAS. I thank the Senator.

Mr. MANSFIELD. Mr. President, will the Senator yield so that I may ask him a question?

Mr. MORSE. I yield for a question.

Mr. MANSFIELD. Would the Senator agree with the leadership—and I have discussed this matter with the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN]—if he requested that at the hour of 5 minutes after 2 the Senate stand in recess for the purpose of attending the funeral of our late departed colleague, Henry Dworshak, of Idaho?

Mr. MORSE. The Senator was not in the Chamber at the time, but the minority leader was, when the Senator from Oregon said that he was very hopeful that we could all agree to recess the Senate so that we could pay our last farewells to Senator Dworshak at the funeral services in his memory. I said that I hoped the courtesy would be extended to the Senator from Oregon that he would have the right to the floor after we returned to the Chamber following the funeral.

Mr. MANSFIELD. Will the Senator yield again?

Mr. MORSE. I will yield, provided I do not lose my right to the floor.

Mr. MANSFIELD. That would be perfectly agreeable to the leadership. I should like to ask the Senator if he would be in accord with a motion to recess until tomorrow at 10 o'clock, with the proviso that the Senator from Oregon will have the floor at that time?

Mr. MORSE. I assure the Senator from Montana that such a motion would not surprise me, for it is typical of the fairplay of the Senator from Montana. I commend him for the suggestion. I want him to know that I am very unhappy to find myself in this controversy with him on parliamentary matters in the Senate, and I want him to know that I appreciate very much the suggestion that he has made that we recess until tomorrow.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. MORSE. I notice that the Senator from Montana is suggesting that we adjourn until 10 o'clock tomorrow morning.

Mr. MANSFIELD. Recess.

Mr. MORSE. Recess until 10 o'clock tomorrow. I hope the Senator from Montana will not misunderstand me when I raise these parliamentary questions. I have an obligation to my associates, and I want to work out exactly what the Senator from Montana so graciously has suggested. I ask this parliamentary question. If we take a recess until 10 o'clock tomorrow morning, will the pending business when the Senate reconvenes at that time be the appeal from the decision of the Chair taken by the junior Senator from Illinois, who, we understand, is giving some consideration to a possible withdrawal of the appeal at a later time?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that if the Senate recesses at this time under the agreement suggested, we will maintain the status quo in which the Senate is at the present time, and will resume at 10 o'clock tomorrow, or at whatever time the majority leader sets, with the business in exactly the same situation as at the present time.

Mr. MORSE. Mr. President, may I yield to the Senator from Tennessee for a parliamentary inquiry, without losing my right to the floor?

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KEFAUVER. Mr. President, I wish to submit a parliamentary inquiry. Would a recess until 10 o'clock tomorrow morning preclude a morning hour, or would there be a morning hour tomorrow?

The PRESIDING OFFICER. Under the rule, there would not be a morning hour.

Mr. KEFAUVER. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Tennessee will state it.

Mr. KEFAUVER. Do I correctly understand that a motion to adjourn this afternoon would allow for a morning hour tomorrow?

The PRESIDING OFFICER. Under the rules of the Senate, an adjournment would provide time for a morning hour tomorrow.

Mr. MORSE. Mr. President, a parliamentary inquiry. I am desirous of making an arrangement with the majority leader. If the Senate should reconvene tomorrow morning in recessed session, and in exactly the same position we are in now, the senior Senator from Oregon would have the floor, and the pending business would be an appeal from the ruling of the Chair. If the appeal were withdrawn, and the majority leader at that point moved to make the satellite bill the pending business, would not that motion be subject to debate?

The PRESIDING OFFICER. Under the proposed agreement, as the Chair understands it, the Senate would resume at 10 o'clock tomorrow morning with all rights the same as they are at present. The present occupant of the chair cannot give a hypothetical answer to the question whether the appeal will be withdrawn or what motions will be made; but the rights of the Senator from Oregon and every other Senator, as the Chair understands, would be just exactly the same tomorrow morning at 10 o'clock as they are at the present time.

Mr. MORSE. I think all Senators know what I am seeking. I will put my proposal this way: I do not mean to propound hypotheticals which are improper, but I think that some hypotheticals in relation to the motion are proper. If the Senate resumes tomorrow morning at 10 o'clock, how much time would the senior Senator from Oregon have in which to talk following 10 o'clock, in order to place the majority leader in a position where his subsequent motion to take up the satellite bill would be subject to debate?

The PRESIDING OFFICER. The present occupant of the Chair has great admiration for the ability of the senior Senator from Oregon to talk, but he does not know how long the Senator will talk.

Mr. DIRKSEN. Mr. President, will the Senator from Oregon yield for a question, without losing his right to the floor?

Mr. MORSE. I yield, provided I do not lose my right to the floor.

Mr. DIRKSEN. That is understood. Would the Senator from Oregon now agree to yield, without losing his right to the floor, for the purpose of permitting me to withdraw my appeal?

Mr. MORSE. No; I am not ready to do that yet.

Mr. President, I yield to the Senator from Tennessee, with the understanding that I do not lose my right to the floor.

Mr. KEFAUVER. Mr. President, the minority leader has appealed from the ruling of the Chair. Is it in order for him to withdraw his appeal without unanimous consent? Does the distinguished minority leader have the right to withdraw his appeal except by unanimous consent?

The PRESIDING OFFICER. The Senator from Illinois may withdraw his appeal at any time before action is taken or the yeas and nays have been ordered, provided he has the floor.

Mr. MORSE. Mr. President, now I should like to have a colloquy with the Senator from Montana. Will the Senator from Montana advise me whether tomorrow he intends to press again his motion to take up the satellite bill under any right that he may be able to exercise under the rules which would not subject the motion to debate?

Mr. MANSFIELD. If the Senate takes a recess, as we hope it will, there will be no morning hour tomorrow. As to what procedures I shall follow then, I must in all honesty say at this time that I do not know, because I am not aware of what avenues may be open to me; but I assure the Senator from Oregon that if there are any avenues open to me, I shall do my best to make use of them, as the Senator is doing on his part.

Mr. MORSE. I would expect that.

Mr. DIRKSEN. Mr. President, will the Senator from Oregon yield for a question, without losing his right to the floor?

Mr. MORSE. I yield with that understanding.

Mr. DIRKSEN. Does the Senator from Oregon appreciate the object of the minority leader in wishing to withdraw the appeal, namely, that since this has become a very interesting family fight, mostly on the other side of the aisle, the minority leader is constrained to withdraw from a family struggle, because he knows that outside combatants who come into family struggles are never particularly welcome? That was a question.

Mr. MORSE. I would not know what the Senator's motivations are. I am glad to have him tell us what they are. However, I am certain that there is more love and compassion among the participants in a family fight than there is among the participants involved in a nonfamily fight. So although the Senator may take a little enjoyment out of there being a family fight, of one thing

I am sure: Eventually we shall kiss and make up. There are going to be no divorcements.

Mr. DIRKSEN. Does the Senator from Oregon know that we do not wish to diminish that love and affection one bit?

Mr. MORSE. I appreciate that attitude.

Mr. President, one more parliamentary question.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. Under the proposal of the Senator from Montana, the senior Senator from Oregon would have the floor when the Senate convened tomorrow, and would be in exactly the same parliamentary position in which he is now, which he understands means that no motion may be made without his consent; the Senate would simply convene, there would be a prayer, and the Presiding Officer would recognize the Senator from Oregon?

The PRESIDING OFFICER. The question would be on the appeal from the ruling of the Chair, as it is at this time, and the Senator from Oregon would not lose any of his rights, nor would any other Senator lose any of his rights, as they are at this exact time.

Mr. MORSE. Mr. President, I say to the majority leader that with that record I am very happy to participate with him in the proposal he has made. It has my complete approval.

Mr. MANSFIELD. I thank the distinguished Senator from Oregon.

Mr. President, with the concurrence of the distinguished Senator from Oregon, I ask unanimous consent that at 5 minutes after 2 o'clock the Senate stand in recess until 10 o'clock tomorrow morning. I make this request as a mark of honor and respect to our late beloved colleague, Henry Dworshak, of Idaho. The hour of the recess will be at 2:05 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, with that understanding I will try to complete my discussion of the rule during the time remaining until 2:05 p.m.

I was pointing out that in connection with the rule we need to read further, in order to find the basis for the motion of the majority leader which would have given him a right to have the satellite bill made the pending business without debate. First, we recall that yesterday it was brought up in a parliamentary situation in which debate could not be shut off. But the rule says:

> Until the hour of 1 o'clock has arrived, no motion to proceed to the consideration of any bill, resolution, report of a committee, or other subject upon the Calendar shall be entertained by the Presiding Officer, unless by unanimous consent; and if such consent be given, the motion shall not be subject to amendment, and shall be decided without debate upon the merits of the subject proposed to be taken up: *Provided, however,* That on Mondays the Calendar shall be called under Rule VIII, and during the morning hour no motion shall be entertained to proceed to the consideration of any bill, resolution, report of a committee, or other subject upon the Calendar except the motion to continue the consideration of a bill, resolution, report of a committee, or other subject against objection as provided in Rule VIII.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD sections 4, 5, and 6 of rule VII.

There being no objection, the excerpts from rule VII were ordered to be printed in the RECORD, as follows:

> 4. Every petition or memorial shall be referred, without putting the question, unless objection to such reference is made; in which case all motions for the reception or reference of such petition, memorial, or other paper shall be put in the order in which the same shall be made, and shall not be open to amendment, except to add instructions.
>
> 5. Every petition or memorial shall be signed by the petitioner or memorialist and have indorsed thereon a brief statement of its contents, and shall be presented and referred without debate. But no petition or memorial or other paper signed by citizens or subjects of a foreign power shall be received, unless the same be transmitted to the Senate by the President.
>
> 6. Only a brief statement of the contents, as provided for in Rule VII, paragraph five, of such communications as are presented under the order of business "Presentation of petitions and memorials" shall be printed in the CONGRESSIONAL RECORD; and no other portion of such communications shall be inserted in the RECORD unless specifically so ordered by vote of the Senate, as provided for in Rule XXIX, paragraph one; except that communications from the legislatures or conventions, lawfully called, of the respective States, Territories, and insular possessions shall be printed in full in the RECORD whenever presented, and the original copies of such communications shall be retained in the files of the Secretary of the Senate.

Mr. MORSE. Mr. President, at this time I wish to read section 7:

> 7. The Presiding Officer may at any time lay, and it shall be in order at any time for a Senator to move to lay, before the Senate, any bill or other matter sent to the Senate by the President or the House of Representatives, and any question pending at that time shall be suspended for this purpose. Any motion so made shall be determined without debate.

Mr. President, the words "without debate" are the ones the Senator from Montana sought to make use of in connection with rule VIII. It is very interesting that the words "without debate" are also found in section 7, in connection with matters sent to the Senate by the President or the House of Representatives.

Now I ask unanimous consent that all of rule VIII be printed at this point in the RECORD.

There being no objection, the rule was ordered to be printed in the RECORD, as follows:

RULE VIII

Order of business

> At the conclusion of the morning business for each day, unless upon motion the Senate shall at any time otherwise order, the Senate will proceed to the consideration of the Calendar of Bills and Resolutions, and continue such consideration until 2 o'clock; and bills and resolutions that are not objected to shall be taken up in their order, and each Senator shall be entitled to speak once and for five minutes only upon any question; and the objection may be interposed at any stage of the proceedings, but upon motion the Senate may continue such consideration; and this order shall commence immediately after the call for "concurrent and other resolutions," and shall take precedence of the unfinished business and other special orders. But if the Senate shall proceed with the consideration of any matter notwithstanding an objection, the foregoing provisions touching debate shall not apply.
>
> All motions made before 2 o'clock to proceed to the consideration of any matter shall be determined without debate.
>
> On August 10, 1888, the Senate agreed to the following:
>
> "*Resolved,* That after to-day, unless otherwise ordered, the morning hour shall terminate at the expiration of two hours after the meeting of the Senate." (S. Jour. 1266, 50-1, Aug. 10, 1888.)

Mr. MORSE. Mr. President, I wish particularly to stress this part of the rule:

> But, if the Senate shall proceed with the consideration of any matter notwithstanding an objection, the foregoing provisions touching debate shall not apply.
>
> All motions made before 2 o'clock—

Which, today, would be 1 o'clock—

> to proceed to the consideration of any matter shall be determined without debate.

It was that part of the rule that the majority leader, within his parliamentary rights, sought to use; and the hour of 12 having arrived when he made his motion, he offered his motion. But I raised the point of order that his motion was out of order because we had not been given an opportunity to submit amendments to the Journal, because immediately following the reading of the Journal, the majority leader was recognized—as he should have been, as a matter of protocol here in the Senate. I do not see how a majority leader can operate unless all of us extend to him the courtesy and the respect which go along with priority of recognition when, in the mind of the Presiding Officer, there is any question at all as to who first addressed the Chair. In such a case, no matter who is presiding over the Senate, he will, and should, first recognize the majority leader. So the majority leader was recognized; and he suggested the absence of a quorum, which he had a perfect right to do. I then requested a live quorum. It took until 12 o'clock to get the live quorum.

The hour of 12 o'clock having arrived, the majority leader exercised what he thought was his right under rule VIII, which provides that "all motions made before 2 o'clock to proceed to the consideration of any matter shall be determined without debate."

Mr. President, I have raised my point of order. I have stood on the floor of the Senate this afternoon—and I think the history of the Senate will prove it, in due course of time—seeking to protect a privileged right of any Member of this body to amend the Journal and have his amendment considered on its merits. My point of order in regard to that matter was sustained. I think all of us know the nature of this debate, and I am perfectly willing to stand on this record.

Mr. President, as we reach the hour of 2:05 p.m., I wish to say that I greatly appreciate the assistance I received from the senior Senator from Illinois [Mr. DOUGLAS], in calling attention to the very important precedent which was raised in 1946 in connection with the civil-rights bill; and to my leader in this particular matter in regard to the satellite bill, the Senator from Tennessee [Mr. KEFAUVER], I also extend my sincere thanks.

RECESS TO ATTEND FUNERAL OF THE LATE SENATOR HENRY C. DWORSHAK

The PRESIDING OFFICER. The hour of 2 o'clock and 5 minutes having arrived, the Senate, under the previous order, will take a recess until 10 o'clock tomorrow morning.

Thereupon (at 2 o'clock and 5 minutes p.m.), the Senate took a recess until tomorrow, Friday, July 27, 1962, at 10 o'clock a.m.

EXTENSIONS OF REMARKS

Tribute to Hon. Abraham Ribicoff

EXTENSION OF REMARKS

OF

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1962

Mr. O'NEILL. Mr. Speaker, the President yesterday signed the public welfare amendments of 1962—which holds great promise for the needy people of this country, as well as for all our taxpayers. I would like to mark this occasion with a tribute to Abe Ribicoff, who has just resigned as Secretary of Health, Education, and Welfare to run for the U.S. Senate from Connecticut. For he is the man who sparked that welfare reform and had the imagination and initiative to help President Kennedy and the Congress secure it for all the American people.

When Secretary Ribicoff came to his new post, he said that his experience as Governor of Connecticut had convinced him that social workers in our country had, for the most part, become "mere conduits" between the 4½ million people on relief—at a cost of some $7¼ billion—and the public purse. Underpaid, overworked, and usually undertrained, they did not have the chance to help these people get off relief and back into useful self-supporting lives.

Mr. Ribicoff promised the Senate Finance Committee during his confirmation hearings a careful review and reappraisal of Federal welfare laws and programs. This promise resulted in one of the most comprehensive examinations of welfare operations ever conducted by the Federal Government. Social welfare leaders, Government officials, and interested citizens across the land worked together under Secretary Ribicoff's tireless leadership to produce recommendations aimed to prevent and reduce dependency and in the long run cut its high cost to the Nation.

Consider that just about a year ago the heartless, negative example of Newburgh was blazoned in the headlines and that today we have a new, a constructive program of welfare reform, stressing prevention, and where that is too late—rehabilitation, or a fresh start. We are going to have day-care centers for children of working mothers, so that these mothers can work and earn their own way. We are going to have community work projects. Throughout—we are going to try to help people in every way to help themselves.

Much, much of the credit for this new program goes to Abe Ribicoff. He went about his task quietly, bringing together people of different views, seeking the most constructive solutions. It is the way he works. It is the way he blazed new trails in social security, in combating juvenile delinquency, in achieving progress in educational television and water pollution control. It is the way he went about the United States, arousing the people to their lack of commitment to excellence in education whether elementary, secondary, or college.

Do the people of this country know his steady efforts helped get them more nursing homes and community health facilities? Sounder help for our Cuban refugees—who turned their backs on the evils of communism? Retraining for our unemployed workers? I think not. I think they may, in fact, be more conscious of our failures to obtain hospital care for our older citizens or improved education for our children. For these the Secretary fought too with all his strength, and I am confident that, when he comes to the Senate in January, he will be able to work to assure their eventual enactment into law.

Abe Ribicoff was a great Secretary of Health, Education, and Welfare. I look forward to working with him in the U.S. Congress, where I know he will be a great Senator.

The Spanish National Lottery

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1962

Mr. FINO. Mr. Speaker, I should like to present to the Members of this House the example of the Spanish national lottery. This lottery is an excellent indication of the success that may be had in bringing gambling under the control of the state.

It is estimated that the Spanish national lottery soaks up approximately 90 percent of all potential gambling money in the nation. If a national lottery in the United States could meet with half this success, the results would be tremendously gratifying as some $50 billion is gambled here yearly. Besides which, the loss of gambling revenues—and this has been accomplished in Spain and elsewhere—would be a staggering blow to organized crime.

Spain is not a rich nation by any means—far from it—but the national lottery brought over $98½ million last year. The Government's income is almost $28 million.

Mr. Speaker, if the United States had a lottery that could attract 90 percent of potential gambling money—and if the Treasury could hold on to one-third of these receipts—we would have over $10 billion in revenue. To deny us this money is to foist off on the taxpayers a gross injustice.

Land-Grant Colleges

EXTENSION OF REMARKS

OF

HON. E. ROSS ADAIR

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1962

Mr. ADAIR. Mr. Speaker, it was 100 years ago when President Lincoln signed into law the Morrill Land-Grant Act which Congress had initiated. No one at that time could visualize the full educational potential of this act. However, those of us who are here today cannot but cheer the wisdom, the farsightedness, and the deep-rooted inspiration which set into motion the plans for the land-grant colleges.

Fortunately, Indiana is blessed with one—Purdue University. This great university today is recognized as one of the finest in the country. It turns out topnotch scientists, engineers, educators, farm specialists, and agricultural economists—the best in the world.

It is with extreme pride in the success of the Morrill Land-Grant Act that I join with others throughout America in saluting the men who conceived this legislative proposal. It is typical of the incredible wisdom of the early Americans who pioneered for freedom. Education is one of the fundamental liberties to which this Nation is dedicated. By searching for the truth in free public institutions and elsewhere, we have been able to accomplish unparalleled progress. Who would have thought 100 years ago, that our Nation would have reached the high pinnacle of learning that it has. But the spark, which was ignited when we started the land-grant colleges with the Morrill Act, has spread like wildfire. And today new doors are daily opening which makes possible better things and better living for an educated American society.

A great value of the land-grant college was that it permitted all persons to obtain a higher education, if they had the incentive and initiative—as well as the scholastic ability.

It would take too much time to point out the singular advantages which have accrued to the Nation since the inception of the Morrill Act and its program of better education. But a quick look around one's community, State, and across the country, readily brings to mind the realization that one of the many reasons that America is so great, so strong, and so advanced, is because of the free educational opportunities we provide for our citizens.

It staggers the imagination to think what the next 100 years will produce in the way of education. But we can rest assured that our Nation's colleges and universities—whether or not they started under the land-grant concept—will be teaching young people to search for a better world in which people may live without the threat of war.

Again, the Nation thanks God for the wisdom and foresight of those who were responsible for the Morrill Land-Grant Act, only a short 100 years ago in this Nation's exciting history. As Lincoln—who signed the Land-Grant Act as President—so aptly said at Gettysburg: "brought forth on this continent a new nation, conceived in liberty and dedicated to the proposition that all men are created equal."

Trends in Dairy Farming

EXTENSION OF REMARKS

OF

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1962

Mr. QUIE. Mr. Speaker, the July copy of the Twin City Milk Producers Association Monthly News printed a graph which revealed an interesting trend in the way the size of dairy herds is changing and the amount of milk produced by different sized herds. I have summarized that graph below and hope that the information presented will be of interest to my colleagues in considering the dairy proposals which will come before the Congress.

Between 1950 and 1960 the number of smaller dairy herds—19 or less—dropped sharply, on the average by about 51.9 percent. During the same 10 years the number of moderate and large dairy herds increased by an even larger percentage than the smaller herds decreased. The number of herds with 20 to 29 cows grew 18 percent, while herds of 30 or more cows grew 96.1 percent on the average.

The amount of milk produced by herds of 19 or less cows has shown a decrease corresponding to the decrease in the number of herds of that size. Whereas herds of 19 or less cows produced 72.4 percent of all milk in 1950 they accounted for only 32.1 percent of all milk production in 1960. During the same period the percentage of milk produced by the moderate and large dairy herds has increased in proportion to the larger number of herds of those sizes. Herds of 20 to 29 cows which produced 13 percent of all milk in 1950 produced 30.8 percent of all milk in 1960, while herds of 30 or more cows which produced 14.6 percent of all milk in 1950 produced 32.1 percent in 1960.

The following table gives a more detailed accounting of this information:

Size of herd	Number in 1950	Number in 1960	1960 as a percent of 1950
1 cow	1,055,067	499,417	−52.7
2 to 9 cows	1,933,431	810,878	−58.0
10 to 19 cows	477,028	261,740	−45.0
20 to 29 cows	119,259	140,849	+18.0
30 to 49 cows	46,799	89,338	+91.0
50 to 99 cows	13,080	27,909	+113.8
Over 100 cows	3,593	6,594	+83.5

PERCENT OF ALL MILK FROM VARIOUS SIZE HERDS

Size of herd	Percent of all milk produced in 1950	Percent of all milk produced in 1960
1 to 9 cows	43.0	21.5
10 to 19 cows	29.4	10.6
20 to 29 cows	13.0	30.8
30 to 49 cows	7.9	19.3
Over 50 cows	6.7	17.8

The trend in dairy farming, then, would seem to be toward fewer of the smaller herds and more of the moderate and large herds. We can also expect to find most of our milk production coming from the moderate to large herds in the future.

Public Access to Commission Dissents

EXTENSION OF REMARKS

OF

HON. JOHN E. MOSS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1962

Mr. MOSS. Mr. Speaker, as a result of an investigation by the Special Subcommittee on Government Information, the Federal Power Commission recently adopted a new procedure to disclose the views of any Commission member who files a dissent on Commission actions which affect the public. Previously the Commission had delayed the official issuance of the views of a dissenting Commission member concerning a Commission order until the majority opinion was prepared.

Last week the subcommittee investigated reports that another regulatory agency—the Federal Trade Commission—not only refused to issue a dissenting Commissioner's opinion following a Commission action but even voted against making public the fact that the vote was less than unanimous. Following meetings with Mr. Paul Rand Dixon, Chairman of the Federal Trade Commission, the subcommittee sent an official inquiry to determine whether the FTC would set up procedures to prevent the future muzzling of dissenting Commission members.

Hundreds of boards and commissions in the Federal Government exercise quasi-judicial and quasi-legislative powers to make important governmental decisions. These agencies are not monolithic; they are composed of three, or five, or more, decisionmaking officials so that many viewpoints are brought to bear upon each decision. The people who are affected by the decisions have a right and a need to know the various viewpoints. Each board or commission member has a duty—to the President or other official who has appointed him, to the courts and other reviewing authority, and to the public—to make known his views. The subcommittee plans a survey of all decisionmaking Government boards and commissions to determine procedures for disclosure of dissents.

Meanwhile, Chairman Dixon has stated he will recommend action by the Federal Trade Commission to set up a procedure for announcing dissenting votes and enabling Commission members to report their views along with the majority decision. Following is the subcommittee's letter of inquiry on the matter.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES, SPECIAL GOVERNMENT INFORMATION SUBCOMMITTEE OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C., July 23, 1962.

Mr. PAUL RAND DIXON,
Chairman, Federal Trade Commission,
Washington, D.C.

DEAR MR. DIXON: The Bureau of National Affairs, in its Antitrust and Trade Regulation Report No. 53 (July 17, 1962) reported that the resolution adopted by the Federal Trade Commission to conduct certain milk-pricing hearings failed to mention the dissent of one Commissioner, and that the Commission had voted against noting the dissent on the resolution. I directed the staff of the Special Subcommittee on Government Information to immediately investigate this allegation that the Commission was muzzling a dissenting Commissioner.

On Friday, July 20, two subcommittee staff members met with you, Mr. John V. Buffington, your legal adviser and assistant, and Mr. John N. Wheelock, the Commission's Executive Director, to discuss these allegations. At that meeting, you and your aids indicated that the Bureau of National Affairs report is substantially correct and that the Commission has no regulations prescribing procedures to note dissents or to issue the opinions or views of dissenting Commissioners concerning matters affecting the public. The only statutory authority claimed for the Commission's action in this matter was the Commission's general authority "to make rules and regulations for the purpose of carrying out the provisions" of the Federal Trade Commission Act (sec. 6(g); 15 U.S.C. 46(g)). No reference was made to section 6(f) of the act (15 U.S.C. 46(f)) which provides that the Commission's reports and decisions shall be published "in such form and manner as may be best adapted for public information and use."

The Federal Trade Commission is a multiheaded body with members appointed on a bipartisan basis. The Commission is not monolithic. Each member of the Commission, as a statutory officer appointed by the President with the advice and consent of the Senate, has a legal responsibility, as a member of the Commission, to make known his dissenting views whenever he believes that the Commission's action on any matter affecting the public is erroneous or improper and that the announcement of his dissenting views would be of interest to the public and to reviewing authorities (e.g., to the courts in cases that may be appealed, to Congress, etc.). There is no statutory foundation to assume that Congress ever intended to permit a majority of the Commission (or two Commissioners constituting a majority of a three-man quorum) to muzzle or delay the issuance of the views of dissenting members of the Commission with regard to Commission actions affecting the public.

When the Federal Trade Commission issues an order, or decision, or resolution, or takes any other definitive action, which affects the public (such as initiating a complaint, or ordering a public hearing, or issuing a subpena, or holding hearings, or issuing decisions in a case, etc.), the Commission cannot deprive any dissenting Commissioner of the right and duty to have his dissent noted and to have his views and opinions concerning the matter fully expressed. If the dissenting Commissioner desires, for whatever reasons, that his dissent be noted and/or his dissenting views or opinions made public, this should be done through official Commission channels accompanying the Commission's order, decision, resolution, or other document taking the definitive action.

The subcommittee staff members who met with you and your associates have informed me that you will recommend to the Commission, at its next meeting, a resolution to adopt a procedure for noting dissents and issuing dissenting opinions relating to all future Commission orders, decisions, resolutions, or other definitive actions affecting the general public, which would conform with the views expressed above.

Please advise the subcommittee when the next Commission meeting will be held. Also, after that meeting, please inform us of the Commission's action on your proposed recommendation.

Sincerely,

JOHN E. MOSS,
Chairman.

Hon. Peter W. Rodino, Jr., and His Little-People-to-Little-People Program: A Contribution to World Peace Through Understanding

EXTENSION OF REMARKS
OF

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 26, 1962

Mr. ZABLOCKI. Mr. Speaker, we all remember the words of our President on that snowy Inaugural Day when he posed a challenge to all Americans: "Ask not what your country can do for you—ask what you can do for your country." This patriotic appeal to the people of our Nation was answered by many men and women who are serving their country. Theirs is the dedication to the common purpose of leading the world away from the perimeter of chaos to lasting peace. Through these efforts men and nations may seek the peaceful fulfillment of their destinies.

President Kennedy's words have instilled in Americans an awareness that freedom cannot be separated from responsibility, the responsibility of each of us to preserve the liberty which our forefathers have kept for us at so great a cost. We have an obligation to all patriots who fought all over the world to protect a living democracy.

During my years in Congress I have not known anyone who has devoted more tireless effort to the cause of peace than our beloved colleague, PETER W. RODINO, JR., the distinguished gentleman from New Jersey. Based on my observation, his vigor has been extended unstintingly on behalf of his constituents no less than it has in the interest of our national security and the broad area of peace. It was not surprising to me, therefore, to discover that Congressman RODINO's 10-year-old son, Peter W. Rodino III, has flowing in his veins the same love of country. Young Peter, moreover, has a surprising perception, for a boy of his age, of the danger to the world which could result from misunderstanding and misconceptions of the aims of the United States, and the peaceful leadership our Nation offers to all nations dissatisfied with a fear-ridden world of nuclear terror.

Mr. Speaker, the words of Daniel Webster, uttered 131 years ago, can aptly be applied to present governments in our troubled world. Some rule neither wisely nor well. Undoubtedly, one day the long-pent emotions of chained humanity will break the bondage and storm over the oppressed lands. When that day comes, these people must know that in our democracy exists the understanding and friendship they will need if peace is to be permanent.

Daniel Webster said:

> Certain it is that in these times of so much popular knowledge and so much popular activity, those governments which do not admit the people to partake in their administration but keep them under and beneath, sit on materials for an explosion which may take place at any moment and blow them into a thousand atoms.

Observing the critical status of the world, the young son of our colleague, PETER W. RODINO, wondered if he might help his country. Thoughtfully, he sat down and wrote a letter to Premier Khrushchev. The words of his letter made sense. He felt, as we all do, that if the Soviet leader was sincere, he could lessen world tensions. Thus, he reasoned, a good start could be made toward peace. Unfortunately, young Peter never received a reply to his letter. Nor did a second letter receive a reply.

It was then our good and able colleague from New Jersey, who has represented his district with distinction for almost a decade and one-half, in his inimicable manner, devised the program he calls "Little People-to-Little People."

It is his view, shared by many of us, that the little people, the youngsters of America, can make a lasting contribution to peace through their correspondence with youngsters in every country in the world. Quite possibly this campaign will meet resistance behind the Iron Curtain, but much good can be accomplished if these boys and girls spread the story of America to other countries. In this way the future leaders of all nations will enter public life with a clearer picture of America. They will know our contribution to the growth of less developed nations through economic and technical aid. The clarity and frankness of the letters from our boys and girls can go far to erase the distorted image of America, an image that, unfortunately, prevails in some parts of the world.

It is my understanding that when Congress adjourns, the gentleman from New Jersey will work with the youth in his district on the "Little People-to-Little People" program. I applaud his efforts and wish him success. We can be sure that when he returns in January—and I know his constituents will, for the eighth time, exercise their good judgment and return him again to represent and serve them—he will report to the entire House of Representatives the progress made through his leadership.

I know that with his recognized ability and dedication to the cause of peace he cannot fail. I am sure that the children of his district will take pride in the fact that, through their example, similar programs will be initiated in all our 50 States. The "little ambassadors" of Congressman RODINO's district will have the distinction of being the youth pioneers of peace.

Hon. Al Hansen, Vice Chairman of the Projects Committee, National Rivers and Harbors Congress

EXTENSION OF REMARKS
OF

HON. PHIL WEAVER

OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 26, 1962

Mr. WEAVER. Mr. Speaker, from time to time Members of Congress become involved in what might be called extracurricular activities. We serve on civic committees, as members of fraternal organizations, and in lodges of various types. The most rewarding part of such service, to my mind, has always been the fine people we associate with, the men and women of distinction with whom we are privileged to work.

For a number of years now I have been actively associated with a very fine organization, the National Rivers and Harbors Congress. Many of my colleagues and friends in both the House and the other body also serve in various capacities with this group. I have had the honor and privilege of serving as chairman of the projects committee of the National Rivers and Harbors Congress.

In this capacity it has been my unique good fortune to meet and get to know one of the finest and most able men I have met, the Honorable Al Hansen, comptroller of the city of Minneapolis, Minn., and vice chairman of the projects committee.

My association with Al Hansen has been a most rewarding one. He has brought to the tasks assigned us a real understanding of the needs of the Nation in water resource development areas. His knowledge of the subject and his perception in making recommendations have both been of great help in carrying on the functions of our projects committee. In this work we are dedicated to the proposition that the Rivers and Harbors Congress as a whole should support only those development projects which are worthy of support, not only by our group but by the National Legislature as well.

This takes a lot of work, a great deal of thought and consideration.

Although a very busy man, Al Hansen has devoted much time and energy to these projects we have considered. His assistance has been invaluable.

Al Hansen is one of those rare public servants who has been able to gain the confidence and trust of all with whom he has dealt. He has served as a fiscal officer of the city of Minneapolis for more than two decades. He has been comptroller of that great Midwestern city since 1949. During his tenure as comptroller he has been successful in raising the city's financial rating from A to AAA and it stands now as one of the seven cities in the United States which has this enviable fiscal rating.

His services in Minneapolis have not gone unnoticed. He has developed an international reputation for sound fiscal management and for his complete knowledge of the fiscal affairs of municipalities. This reputation has brought to Minneapolis the representatives of the Government of Israel to study under his direction the methods of handling municipal finances. He also helped the city of Johannesburg, South Africa, develop a sounder, more workable fiscal policy and program.

Al Hansen's devotion to important causes is well known in his own home city. It has become equally well known among those of us who have served with him in the Rivers and Harbors Congress. He has been a member of the board of directors of that organization for some 20 years and is one of the oldest directors in point of service.

Mr. Speaker, I think that his fine character, his devotion to the improvement of the resources of America and his excellent record as comptroller of Minneapolis ought to be more widely recognized. That is why I have taken this opportunity to single him out for high praise under this leave to extend my remarks.

The people of Minneapolis and America have been well served by this fine gentleman, Al Hansen.

Tenth Anniversary of Commonwealth of Puerto Rico

EXTENSION OF REMARKS

OF

HON. LEONARD FARBSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1962

Mr. FARBSTEIN. Mr. Speaker, I am happy to join with my colleagues in wishing well to the Puerto Rican citizens of this country on the occasion of the 10th anniversary of the establishment of the Commonwealth.

Ten years ago, when Puerto Rico became a Commonwealth, it was a poor land. But today, through the efforts of Gov. Luis Muñoz-Marín, the island has progressed to the point where it can stand proudly before any other island in the Caribbean.

Impressive improvements have been made in developing new housing, new industries, better sanitation, and a higher level of education. As a result of the judicious enactment of tax laws, Puerto Rico has been able to pull itself up by its bootstraps and today is growing into one of the most prosperous countries in the world.

The citizens of Puerto Rico rely on us for protection; they serve faithfully and honorably in our Armed Forces; we are proud and happy to acknowledge the benefits derived from our association with them.

The Soblen Case—Why Blame Israel?

EXTENSION OF REMARKS

OF

HON. LEONARD FARBSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1962

Mr. FARBSTEIN. Mr. Speaker, it is quite astonishing, and more than a little irrational, that there should be people who have picked upon Israel as the "culprit" of the whole sad Soblen affairs. A simple recapitulation of the cold facts shows how completely illogical, and unfair, this attitude is:

When Soblen attempted to enter Israel illegally, the Government of Israel reacted in the most speedy and efficient manner and to the utmost extent compatible with Israel's own laws; indeed, some persons have criticized the Government of Israel for having allegedly stretched the framework of its laws rather widely in acting as it did on the 1st of July, when it placed Soblen on the first outgoing El Al Airlines plane in spite of the attempts of his lawyer to prevent this.

The Government of Israel has defined this step as an act of expulsion; there is no reason to quibble about legal terminology—it is in any case clear that what the Government of Israel did on that day did not, to say the very least, make it at all difficult for Soblen to find himself back in this country. Whoever may have "goofed" in not keeping an eagle eye on Soblen either in New York or upon that plane, it is surely not the Israelis whom we can blame for that.

Since that time, and purely because of such lack of vigilance, Soblen has found himself in Britain for several weeks now, and it seems rather amazing that no one here has lost patience with British legalistic quibbling as to methods of disposing of this case. After all, surely the real problem does not concern legalism in the purely formal sense of the word. Is it not the case that Soblen arrived in Israel too upon a foreign carrier—Air France—and, yet, I do not recall that the Government of Israel made any attempt to force Air France to deal with Soblen, although it too could very easily have sheltered behind such excuses. No, the Government of Israel expelled Soblen and placed him upon one of El Al's own aircraft. One hears a great deal concerning friends and friendship, but such words are apparently used lightly and freely. I can think of few examples of acts by a foreign government which would prove the spirit of friendship more indisputably than the action of the Government of Israel on the first of July.

Yet, Britain, in a similar situation, did not do the quick and straightforward thing, but found no more gallant way of dealing with the matter than to pick upon Israel to act on its behalf. If Israel did not ask Air France to take Soblen out, and Israel, after all, did not want Soblen on its soil any more than Britain does, why then does Britain require El Al to act on its behalf? If Israel sent Soblen out on an El Al plane could not Britain have sent him out quickly on BOAC? Or upon an American airplane? Or, indeed, have handed him over to the nearest American consul?

Israel's actions right at the very beginning left no doubt whatsoever that, as far as was compatible with the widest possible interpretation of its own laws, Israel would help this country. Of course, no one expects even one's very best friends to break their own laws, and I understand that this fact has been stressed by the State Department's spokesman. I believe that the Secretary of State explained to a Member of this House the problems connected with the fact that this offense is not internationally recognized as extraditable. We have, of course, no ratified extradition treaty with Israel, and as for Britain, she claims that her extradition treaty with the United States does not cover such cases as this. Yet why could Israel find a swift way of action on the first of July, and why does Britain apparently expect Israel to do twice what Britain is clearly not prepared to do even once? If Britain has any intention whatsoever of seeing Soblen returned to the United States, why then does she insist on forcing him back into Israel's hands, after Israel has done the decent thing once, and after the Israel authorities have stressed for over a month that their hands are now entirely tied by the developments which have arisen out of several weeks' legalistic quibbling in Britain.

Israel is a country of law, and surely we would not wish her to be otherwise. She has already done the utmost compatible with such a framework of law; she has gone out of her way to stress that her laws would make it quite impossible for her to take Soblen to New York, since under the changed conditions prevailing because of the delay in Britain, such action would now clearly amount to extradition, whereas Israel law permits no more than expulsion. If Britain realizes this, and Israel left her in no doubt on this matter during the whole time, why then does she persist again and again in her attempt to force Soblen upon the Israelis knowing full well that this is not the most likely way of returning him to the United States? Indeed, I might ask why so little was done—apparently, by both the Government of this country and of Great Britain to obviate this eventuality, after Israel had served clear notice that her hands were now tied? It is almost incomprehensible that under such clear circumstances we should be blaming neither ourselves nor the British, but, of all people, the Israelis. Are we by any chance "picking on the little guy?" Is it easier to press small countries than large ones? Could it not be clearly proved that if Israel is in trouble at all now, it is because she was overly eager to be helpful to us on the first of July? Is this the kind of lesson we want to teach the world? Maybe if we sit a little and think a little and permit irrationality and illogic to pass, we may feel just a little ashamed.

I do not think that there is a single country in the whole free world which has less to "prove" as to where it stands than the democracy of Israel. There is no single country, including those formally allied to us, whose stand over 14 years has been more consistently, unequivocally, and single-mindedly on the side of freedom. Is it enough to get a little annoyed—and, moreover, over a secondary issue in which the Israelis are less at fault than anyone else—in order to simply forget all this, to sweep it aside, to drop it overboard and abuse and bully our sincerest and most genuine friend?

In conclusion, I should like to cite a few excerpts from one of the very rare, sane, and balanced pieces of writing to have appeared so far on this sad matter. I am referring to yesterday's editorial in the Philadelphia Inquirer, which says:

> There is a feasible way for the British to cut the legalistic knot that has kept the unwanted Robert Soblen in their hands: simply place the Soviet spy on a plane that will return him to the United States.
>
> The British have denied Soblen political asylum and they want the El Al Airline, which brought the fugitive to England, to take him off their hands and carry him to New York.
>
> Israel has had its own troubles with the spy when he fled there after jumping $100,000 bail in New York. The Israeli Government charged him with illegal entry and promptly sent him off on the flight intended to return him to this country. Now that the problem has become Britain's, the Israelis are disinclined to take orders from the British Government on Soblen's disposal.
>
> It would be unfortunate if a byproduct of his maneuvering should be friction between the United States and our friends in Britain and Israel.
>
> El Al Air is not the only airline available for passage. The spy could be flown back on an American airliner, thus ending the bizarre case as far as both Britain and Israel are concerned.
>
> If the British quibblers consider that it would not be cricket for them to place the fugitive bodily in a U.S. airliner, some other arrangement could surely be made. * * * Possibly the British would be agreeable to transfer Soblen, as a fugitive illegally in England, to the custody of the American Embassy, from where he could be taken to a U.S.-bound plane.
>
> All that is needed to defeat his plan and get him to prison is a simple act of redtape cutting by the British—making sure, this time, that he makes it all the way to New York.

SENATE

Friday, July 27, 1962

(Legislative day of Thursday, July 26, 1962)

The Senate met at 10 o'clock a.m., on the expiration of the recess, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou who dost speak to us in the quietness, forgive us that we seem to listen too often to those about us who shout the loudest.

We would bring to this, our daily altar of prayer, our inner selves, cluttered and confused where the good and the evil, the petty and the great, the wheat and the tares, are so entwined.

Grant us for the living of these days Thy enabling grace, that in our public service and in all our contacts with our fellow pilgrims and in all we say to people and about them, this and every day we may live more nearly as we pray.

In the spirit of the Master we bring our petitions. Amen.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 405) to authorize the Secretary of the Interior to construct, operate, and maintain the Mann Creek Federal reclamation project, Idaho, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 2, 5, and 6 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 1 and 30 to the bill, and concurred therein each with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed a bill (H.R. 11677) to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 506) to correct an error in the enrollment of H.R. 10786, the so-called Work Hours Act of 1962, in which it requested the concurrence of the Senate.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the appeal of Mr. Dirksen from the decision of the Chair sustaining the point of order of Mr. Morse that Mr. Mansfield's motion to proceed to the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes, was not then in order.

The **PRESIDENT** pro tempore. The question before the Senate is on the appeal of the Senator from Illinois [Mr. Dirksen] from the decision of the Chair sustaining the point of order of the Senator from Oregon [Mr. Morse] that the motion of the Senator from Montana [Mr. Mansfield] to proceed to the consideration of H.R. 11040, the satellite bill, was not in order at that time.

Under the order of yesterday, the Senator from Oregon [Mr. Morse] is entitled to the floor.

Mr. MORSE. Mr. President, for a time this morning the senior Senator from Oregon will not yield to anyone for any purpose. He intends to discuss what he considers to be a very serious problem which confronts the Senate, for it is the opinion of the Senator from Oregon, and his associates in opposition to consideration of the satellite bill prior to the election, that the very important matter of precedent which has been raised cannot now be erased from the record of the Senate by withdrawal of the appeal from the decision of the Chair. We feel that the only way now to clarify the history of the Senate in regard to this matter is to have a vote taken on it, and we wish to give the leadership adequate time to consider our suggestion that there be a yea-and-nay vote, for, in our opinion, the importance already given to this parliamentary issue is such that we believe that in the interest of the history of the Senate, now that the issue has been raised and an appeal from the decision of the Chair has been taken, even a withdrawal of the appeal would not clarify the record. Therefore, if we should get into such a parliamentary situation, forced upon us by the leadership, there are among us some who will take an appeal from that decision of the Chair, and we shall plead in all good faith for the taking of a yea-and-nay vote on the question of sustaining the appeal.

Mr. President, we have many reasons for wanting to do that, for we think this rule—which I spent so much time discussing yesterday, and which I shall spend hours discussing today—is a very precious one, so far as the rights of each individual Senator are concerned. It is what we call a matter of privilege in the Senate. It is an historic rule and a very precious rule. It guarantees to each

Senator a privileged right to check the official record of the Senate, which is the Journal; and, of course, it is perfectly clear that the rule permits of amendments to the Journal. In the rule, there is no limitation in regard to the number of such amendments. We have a considerable number of amendments which we think the historic Journal of July 25 should include.

For example, we have decided that our first amendment will be one to insert in the Journal the beautiful, moving, and inspiring prayer delivered on July 25, 1962, by the Chaplain. We think it particularly apropos that the prayer delivered on that occasion by the Chaplain be set forth in the Journal, because these days there is so much discussion about prayer, and so many Senators have such definite views about what needs to be done regarding the exercise of prayer—that precious privilege and spiritual obligation for those of us of deep religious conviction to rededicate ourselves—which is exactly what we do each time we pray to our God—to our faith, to the spiritual values which, as individuals, we profess, and to the spiritual values that our Nation claims to profess. So, Mr. President, we are of the opinion that it is most unfortunate when any Senate Journal does not begin by setting forth, for the benefit of posterity, the Chaplain's prayer delivered on that day.

We think the prayer of the Chaplain of July 25 is particularly significant and, by all means, beyond question of doubt, ought to be recorded in history as a part of the Journal. In case the decision of the Chair should be overruled, it would mean we would lose our opportunity and our privilege, under the rule of privilege, to move to amend, which we claim is our precious right as Senators, to have the prayer of the Chaplain recorded for all posterity in the Journal of Wednesday, July 25.

Because this controversy has developed on the floor of the Senate over the ruling of the Chair, and because an appeal was taken from that ruling—although now we understand that the one who took the appeal and others among his group in the Senate prefer to withdraw the appeal—we have had our second thoughts about that and we think it would be much to be desired that we complete the chapter of this controversy by agreeing to a rollcall vote on the appeal. I hope the leadership will accede, for if it does not, I can see no basis for an early termination of this debate.

There are those that undoubtedly refer to us as, in the past history of the Senate, reference has been made to others who stood somewhat in the same parliamentary position in which stand the senior Senator from Oregon, the Senators from Tennessee [Mr. KEFAUVER and Mr. GORE], the Senators from Alaska [Mr. BARTLETT and Mr. GRUENING], my colleague the junior Senator from Oregon [Mrs. NEUBERGER], and other Senators, for we feel that a great mistake is being made in pushing for a vote on this bill before the election.

Speaking only for myself, I would not be a party to any attempt to prevent a vote on the bill in the Senate any time after the election. I do not seek to prevent a vote from ever occurring on the bill. I am only hopeful that there will not be a vote on it until the people have had an opportunity to hear about and speak on the bill in the election campaign.

It is well known that the senior Senator from Oregon thinks it is a great mistake for the Senate to stay in session after September 1. In fact, I think it is a great mistake to stay here after August 20 or thereabouts. I think, if we proceed with diligence with the business of the Senate, we could complete the money bills by August 20 or thereabouts, go home, talk to our people—and, what is more important, have them talk to us about their appraisal of the legislative program—the major substantive issues that are pending before the Senate—then come back 2 days after, or shortly after the election, and proceed with a discussion of the pending business.

If that course of action should be followed, the senior Senator from Oregon would be no party to any attempt to delay action on the so-called satellite bill, for he would feel that the people of the country had had a full and adequate opportunity to discuss the matter with their elected officials, to hear the position taken by their elected officials on the merits of the bill. If it was then the judgment of a majority of the Senate that the bill should be passed, the senior Senator from Oregon at that time would support those who wanted to vote on the bill, after reasonable time for adequate debate had been allowed. I am sure there would be a reasonable time allowed.

But, Mr. President, the Senator from Oregon does not think now is the time to vote. The Senator from Oregon thinks the American people simply are not well enough informed in regard to the merits and demerits of the bill. The senior Senator from Oregon is of the opinion, as he will show later, if, as, and when this issue is up for debate, prior to the vote, either before or after election, that he thinks this matter ought to go to the Foreign Relations Committee of the Senate.

In fact, in due course of time the senior Senator from Oregon will move to commit the bill to the Foreign Relations Committee of the Senate. He thinks that is a very meritorious motion. As a member of the Committee on Foreign Relations he does not see how possibly to exclude from any consideration of the merits of the bill the foreign relations issue, which is vital to a great determination of the ultimate and final disposition of the proposed legislation.

For example, Mr. President, I think the passage of the bill—for the creation of the type of organization it proposes to set up for the administration of a communications satellite program—is pregnant with many foreign policy implications. I do not think that Khrushchev is going to be concerned very much about the point of view of an American monopoly, even though partially financed and backed by the U.S. Government, when it comes to taking a position on the satellite problem by the Soviet Union either unilaterally or in the United Nations, where Russia undoubtedly, if it thought it would be to our embarrassment, would raise the issue.

It is a little difficult for us sometimes to fully appreciate the fact that time has marched far beyond the mere span of years since the last century.

Time really may not be measured now entirely in terms of the arithmetic of time. It has to be measured also in terms of great changes which have occurred during the past century. Of course, those changes have been so great that they far surpass the whole history of events prior to the century.

Mr. President, miraculous changes for the past 10 years, and the relationship of those changes to the world in which we live from the standpoint of foreign policy, have been so great that I doubt if I would be engaging in an overstatement to say that the scientific changes of the past 10 years have forced upon us, really, a new format of foreign policy.

Or, if we wish to go a little further back than the past 10 years, I would have the Senate recollect that great historic day when the San Francisco Charter was signed. In my opinion, international relationships will never be anything like what they were prior to the solemn signing of the United Nations Charter. What many do not seem to fully realize is that the signing of the San Francisco Charter resulted in great benefits to the signatories thereto but also created great responsibilities. Some do not like to face this reality, but no longer is any nation, including the United States, in a position that it can "go it alone," for there was really an explosion at San Francisco, to use a figure of speech, when state after state in all solemnity affixed a signature to that great pact of peace, for the creation of mutual rights, responsibilities, and obligations.

Why do I mention this in connection with the issue on which I am speaking? At first, one might think there is no cause-and-effect relationship. At first, one might think that my discussion of the great changes in American foreign policy necessitated by the signing of the United Nations Charter is irrelevant to the issue before the Senate. But I think not. To the contrary, Mr. President, I think there is a very direct relationship, for the issue before the Senate really cannot be separated from what is behind this whole parliamentary battle in the Senate, the question as to whether the satellite bill of the nature which is before the Senate should eventually be passed by the Senate prior to the 1962 election.

I think it should not be passed, Mr. President, for many reasons.

One reason is because of the relationship to and the effect upon American foreign policy that the passage of this bill would produce. There are other nations involved. In fact, all nations are going to claim that they have interests in space equal to ours.

International lawyers tell us that there is a great void in international law in respect to the rights of individual nations in space. For centuries there was the concept that planting the flag created immutable sovereign rights. Perhaps it does. Who knows?

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. MORSE. No; I am sorry. I am not going to yield for some time for any questions. I appreciate the interest of the Senator from Pennsylvania.

Mr. President, as I was saying, it may be that the concept of planting the flag as a matter of creating national rights in areas over which a sovereign theretofore claimed no jurisdiction may still prevail. On the other hand, there are international lawyers who raise serious questions about the present existence of such a rule. Their arguments are varied, but among their arguments is the argument that under the United Nations Charter and the program of the United Nations there clearly is implied a recognition of a mutual interest with corresponding mutual responsibilities in respect to outer space. Those lawyers should make their arguments, it seems to me, before the Foreign Relations Committee of the Senate. I do not propose in the present debate to prejudge their arguments. But I respectfully submit that the record on H.R. 11040 is devoid of the content of their arguments. The record is devoid of their testimony. Of course, the place to take such testimony is not before the Commerce Committee. The place to take such testimony is before the Committee on Foreign Relations of the Senate. As a member of that committee I am at a loss to understand why the leadership of the Senate and the White House did not take the position that the bill ought to be considered by each committee which has an interest in its implications and applications. Surely if any bill in fact has serious foreign policy implications—and I do not see how anyone can say that this bill does not—it ought to go to the Foreign Relations Committee for a report by the committee. The senior Senator from Oregon took that position early. He is standing by the fact that apparently there is a determination to push the bill through the Senate without its foreign policy implications being heard and studied by the Committee on Foreign Relations.

I am disappointed that my President, who is doing such a magnificent job in the field of foreign policy, has missed this one. He does not see how much stronger his hand would be in his international negotiations if he could point out—assuming now, speaking hypothetically, that the Foreign Relations Committee eventually made a favorable report on the bill—that it had run the gamut of foreign policy consideration in the Senate and was found not to be wanting.

I do not know why my leadership and my President do not want to put the bill in the strongest possible position in respect to future international negotiations and relationships. I merely say, most respectfully, that I think those who do not want it to go to the Foreign Relations Committee are deluding themselves in respect to the implications of the bill if it becomes the law in future international relations.

I can almost hear the Russians in the United Nations conniving and resorting to whatever tactic and technique they can strike upon to seek to impair the operation of the American monopoly in space.

Oh, but it will be said that the American flag stands behind it. When the Russians get through in the United Nations pointing out what we have attempted to do on a unilateral basis through an American monopoly in respect to the exercise of alleged rights in space, we may discover that we do not have as many supporters in the United Nations as we think, for one cannot sit as a member of the Committee on Foreign Relations these days and not recognize that in some parts of the world serious questions are being raised about both the United States and Russia as to where our policies are leading mankind.

We know our motivations. We know they are pitched on a plane of high, unimpeachable idealism. We know that we seek only peace. We know that we seek to make freedom secure.

We know that we have no intention of making war. We know that we deplore nuclear testing, both atmospheric and underground. We know that the only reason why we are engaging in nuclear testing is that if we do not, there is the great danger that Russia will surpass us in nuclear striking power, and scientific knowledge of how to counteract nuclear missiles. We know all that. But somehow we do not like to ask ourselves the questions: Does the rest of the world agree with us; or are there parts of the rest of the world that do not agree with us, and are those parts expanding?

We also know that many of our friendly allies around the world are appreciative of the great sacrifices the American people have made in money and in many other respects, including blood, to help keep the world secure. The ugly fact keeps raising its head in the arena of world opinion that if the United States and Russia continue for long their present course of action, war will become inevitable.

We shudder at the thought of the inevitability of war. We are going to avoid it only if we succeed in making the ideas and the objectives of the United Nations work. I know of no other procedure available to mankind which gives us any hope for peace, other than the implementation of the ideals and objectives and procedures of the United Nations.

As to the procedures, many need to be changed. We all know that. But we are not going to do that over night. That is going to take time. However, we are going to make it more difficult in changing these procedures and in carrying out the objectives of the United Nations unless we are very careful to see to it that we do not follow a nationalistic course of action that will result in antagonizing segments of the world and giving the Russians an excuse for carrying on an attack against us in the United Nations.

That is why I am concerned about the satellite bill. I am concerned over the fact that we have not explored in the Foreign Relations Committee its foreign policy implications. We owe it to the American people to be doubly certain of our ground in regard to the satellite bill. I know of no haste that is required. I believe there is general agreement among us that this program is going to take 2½ to 3 years before we will really be in a position to implement such a system on a large scale. All that the senior Senator from Oregon is asking for, along with his associates in this debate, is for a few months' delay—really only a few weeks' delay; but if it can go over until November or December, a few months' delay. In fact, there would be no great loss suffered if it went over to January.

With a matter of such vital importance as this to the welfare of the American people, I do not believe we should act so hastily. I certainly do not think that we should act until after the election and until after the people have had an opportunity to talk to us at the precinct level, which is so basic to the whole democratic process of self-government.

Furthermore, I do not believe we should act until the Foreign Relations Committee has held hearings on the bill. Consider the witnesses we should hear. There are great international lawyers in this country whose views ought to be made available through testimony before the Foreign Relations Committee.

I should like to have Adlai Stevenson called before the Committee on Foreign Relations and examined at great length in regard to some of the facets of the bill in relation to the potentiality of creating problems for the United Nations. I know very well that many Senators simply want to brush this proposal off; but I say to them: "Brush it off after you have heard the facts, if you think it should be brushed off then. Brush it off after you have heard the witnesses, if their testimony did not change your opinion." But I do not believe we can justify brushing it off, which is what we are doing when we try to speed action on this highly important bill prior to adjournment. We should delay action until the appropriate witnesses have been heard by the Committee on Foreign Relations. When the situation is looked at from that standpoint, my request is not so unreasonable.

Mr. HUMPHREY. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. No; I am sorry. I shall not yield to anyone, as I announced at the beginning.

Mr. HUMPHREY. For a question?

Mr. MORSE. No. I appreciate the Senator's interest.

Mr. President, mine is a very reasonable request. Perhaps I take undue pride in the merits of the request, but I believe it is a request based on commonsense. What in the world can be wrong about a request which is simply to put the vote on the bill over until November or December, or, if you will, even until January, to provide the Committee on Foreign Relations with an opportunity to conduct hearings on the bill, because it is pregnant with foreign policy implications. Put off the vote until international lawyers have testified on the bill. Put it off until we have heard from Adlai Stevenson or have had an opportunity to bring him before the committee to discuss the foreign policy implication.

Let me make clear for the RECORD again that the senior Senator from Oregon is not saying that he is opposed to a vote ever occurring on the bill. The senior Senator from Oregon announced earlier this morning that if the bill goes over until after the election, he will not be a party to any move to prevent a vote on the bill after there has been a reasonable opportunity for adequate debate on it. But I feel so deeply about it, I am so convinced that it is a great mistake to push the bill through the Senate at this time, that I am perfectly willing to put myself in the position I am now in. If anyone has any question as to whether I have any doubt about my position, he could not be more wrong, for we are now going through a period in which the parliamentary tactics which those of us are using to prevent the early consideration of the bill prior to election will be misunderstood by millions of people, will be misrepresented and distorted by our enemies. But what cowards we would be if we ran for cover because of that.

I am sorry that this situation comes up in my election year. But, after all, I know of no more acid test of my dedication to following where I believe the facts lead than this. I am quite frank to say that I would rather lose my seat in the Senate than not to do everything I can to prevent a vote on the satellite bill until after the election. I cannot explain more clearly how important I think the bill is from the standpoint of the destiny of this Republic. I do not share the enthusiasm of the supporters of the bill. I do not agree with the supporters of the bill that it will not have serious foreign relations consequences if passed. I hold to the point of view that I think the Communist segment of the world will make capital out of the passage of the bill.

I believe that, for a time at least, the control, the administration, the jurisdiction over the satellite communication program should be in the U.S. Government. I do not buy the argument, plausibly phrased, and supported by many editorial writers in my State and elsewhere, that what is really a hybrid administration of the program can be arranged between government and monopoly. I shall not use the words "private enterprise" in connection with the bill. I shall leave that to the bill's proponents, for this is not a bill of private enterprise. It is a bill that I think can be described, at best, as a partnership between the U.S. Government and monopoly. But I shall oppose such a partnership, no matter by what descriptive labels its nomenclature may be, for I think that, for a time at least, until we know more about where we are going in space, until we know more about the international law problems which are arising in connection with space, until we know more about the attitude of the rest of the world, we had better keep this program an American flag program, not an American monopoly program using the American flag. There is quite a difference, different as opposites can be, between an American flag program and an American monopoly program using the American flag.

So, Mr. President, those of us who are so greatly concerned about this bill seek to raise a signal of warning to the American people—a signal still familiar to them, even though our highway construction program is making it unnecessary to have so many warning signals erected at the junction points with railroads. So I raise the old railroad signal warning, "Stop, Look, Listen." I say to the American people, "Stop, Look, and Listen," because I believe it is now proposed to let loose a dangerous instrumentality, in the form of this bill, which would do great damage to us domestically, insofar as our economy is concerned, and also would do great damage to us insofar as our foreign policy is concerned.

It is on those two premises that, in due course of time, I shall discuss—in November or December, I hope—my specific, detailed objections to the bill. I plead with the leadership to schedule it for November or December, or even next January. I assure the leadership that I have no intention to seek to prevent the taking of a vote on the bill. I have simply become convinced that the bill should not be voted upon until after the election.

Let me say to my opponents in this debate that I have no way of knowing whether our little handful of Senators will be able to stop them. Many events in the days ahead will, as we know, determine that. It will be determined in no small part by the will of those who share my fears to stand united in opposition to the attempt to have the bill considered prior to the election. It will be determined in no small measure on the basis of whether those who are opposed to the bill are willing to so dedicate themselves to what they believe the importance of delay in connection with the bill that they will be willing to take the abuse, the castigation, the criticisms, the distortions, and the misrepresentations which will be heaped upon them, for I warn those who are in our group that they will be viciously attacked. However, so long as they are willing to stand and "take it," I shall stand with them. But one or two or three of us cannot do it alone.

I have made very clear that I hope that during the day those who feel that the early passage of this bill would be contrary to the national interest will decide what their parliamentary strategy will be. As I have said, in connection with a matter such as this, only in unity is there strength. So I ask them to count on my participation in whatever general course of action they agree upon; and I will hold the floor until such time as they believe they have decided on what the course of action should be. In holding the floor, I shall consider it an opportunity to make a record in regard to the Senate rule which gives this precious right and privilege, so important to each Senator, for I do not believe we should do anything which would leave the slightest question about that rule or would cast a shadow of doubt over it.

Some may ask me, "If the opponents are willing to withdraw the appeal, and since they have made clear that they are willing to withdraw it, why not let that settle the matter? Are you not really duty bound as a Senator to cooperate with them by letting them withdraw the appeal?"

Mr. President, that is a plausible position to be taken by one who is not involved in the controversy. But now the issue has been joined; and the issue is whether this bill shall be voted on before the election or after the election. So time becomes an important factor.

Therefore, Mr. President, from the standpoint of the time factor, those of us who are in opposition are not willing to weaken our parliamentary position on the floor, so long as we act within the rules—which is what we are doing.

Mr. President, I think it important that we clear up another phase of this matter, for now we should like to know what is the will of the Senate in regard to sustaining or overruling the decision of the Chair. Withdrawal of the appeal from the decision of the Chair would not really give us an answer to that question. We do not accept the argument that if no other Senator made an appeal from the decision of the Chair, then the presumption would be that the rest of the Members of the Senate agreed. That would not follow. If that were to be done, then, Mr. President, when, 10, 25, or 50 years from now, some student analyzed the RECORD, he would not be in a very good position to know for a certainty what would have happened if the appeal from the decision of the Chair had gone to a vote.

Mr. President, we think history should know the answer to that question and history should know how many Members of the Senate feel that this rule of privilege can, in effect, be defeated by the parliamentary tactics used yesterday in an endeavor to proceed by way of a motion which, if made after 12 o'clock and before 1 p.m., would have denied each Senator the precious privilege and right to amend the Journal. Why, Mr. President, this is a right which is hoary and bewhiskered with tradition in the Senate, indisputable yet challenged. We think it is such an important right that we should have a rollcall on the issue of its preservation. Therefore, as I said earlier, if later in the day, or tomorrow, or next week, the pending appeal from the decision of the Chair is withdrawn, there will be other Senators who will take the appeal.

I recognize that in the situation in which I find myself it is difficult to negotiate or bargain with the opposition, but I feel, in turn, that my leadership is entitled to know the position the senior Senator from Oregon is willing to take. So, I say it in case the leadership of the Senate have any desire at all to consult among themselves in connection with any proposition that the senior Senator from Oregon might wish to make.

I think my group would be interested in conferring with the leadership off the floor of the Senate on an understanding with respect to an appeal from the decision of the Chair. We would not deny the right of the Senator who has made the present appeal to withdraw it. We certainly would not want to take away any of his precious rights, either, any more than we want to lose ours. I refer to an understanding which could be worked out, without any loss of the parliamentary position on the floor of the Senate, so that, if the appeal were withdrawn, there would be a unanimous consent agreement that the parliamentary status quo remained while another Senator appealed from the decision of the Chair, and that we would then have a rollcall vote on that appeal.

We are prefectly willing to move along in this debate parliamentarywise, but we are not willing, as of now, to lose our position on the floor, which we would in regard to the appeal matter if I should agree to yield long enough for the appeal to be withdrawn. We are satisfied that, under the rules, we would be in a parliamentary position where an objection might be raised, and prevail, if another Senator not of our group got the floor first, and we would then be denied the opportunity to complete the record on this appeal.

We think the record ought to be completed. We would not suggest that the appeal now pending before the Senate not be withdrawn. If the maker of that appeal wants to withdraw it, that is his right. We would protect him to the hilt in the exercise of that right, too, because that rule is equally important. But we do think the best way to complete the history on this issue is to have a vote now on whether or not the Senate sustains the Chair in his ruling.

If the Senate wants my opinion, I think the vote to sustain would be practically unanimous. I think practically every Senator, now that he has taken the time to study the rules, would sustain the ruling of the Chair. Why not have a vote on it? It will fix the precedent with unquestioned certainty so far as history is concerned. We asked for it. We think it is a reasonable request. We can never get it, under the rules, we are satisfied, unless we have the cooperation of our opposition on this matter.

After all, this is not a bloodletting debate. The division in the Senate is not a personal division. This is not an assault-and-battery contest. This is an honest difference of opinion between sincere men on the proper parliamentary approach in regard to the handling of the business of the Senate.

My gracious, I sometimes think many people believe that, because a difference such as this develops, we hate each other. The fact is that we love each other. Many persons do not understand that our differences are professional differences, carrying out a trust as we see the trust. There has to be an accommodation even between combatants in a parliamentary battle.

So I made this suggestion for the leadership of the Senate to consider during the day. I have nothing to conceal about the parliamentary position the Senator from Oregon is going to take. I know full well that eventually, under the old truism, "This too will pass," this debate will come to an end with the passage of time. I would like to work out, from our standpoint, the maximum accommodation with the opposition without surrendering our cause.

The specific proposal that the senior Senator from Oregon makes I think is a fair one.

My associates, may I say to my leadership, are extremely desirous of having a vote. They are desirous of keeping an appeal from the decision of the Chair before the Senate, either by the original appealer or by a substitute.

Now let me talk from another standpoint about the parliamentary situation which confronts us. Of course, there can be many a slip between cup and lip in parliamentary debate. No one knows that better than the senior Senator from Oregon. Under the strain of debate, under the pressure of conflicting advice that is funneled to a Senator in the course of a debate such as this, we all know there is always a possibility that some slip will occur to move a Senator out of this parliamentary position for the time being and force him to take up another. But I would have my colleagues take a look at some of the parliamentary problems which will confront us in the next few days in connection with this situation.

Eventually there will be a disposal of the appeal from the decision of the Chair in one way or another—I hope along the line I have suggested by way of an offer to the leadership. Once the appeal issue is disposed of, there then will be before the Senate the same rule, and rights thereunder, which was before the Senate yesterday.

Mr. President, that is privileged. As Senators will see in a moment, the rule, which I shall read, permits of amendments to the Journal. There is no rule of germaneness embedded in the rule pertaining to the Journal. It is in the discretion of the amenders to determine what amendments they wish to propose.

Mr. President, we have many. The Chaplain's prayer is the first one, about which I shall talk at some length later this morning.

I said yesterday that I think a historic speech was made on the floor of the Senate Wednesday, July 25, by the Democratic whip of the Senate [Mr. HUMPHREY]. I said yesterday that I think reference to that speech should be made in the Journal.

It is interesting, is it not, to note I compared it yesterday with that great historic speech of the late Senator from Connecticut, now gone to his Maker, Mr. McMahon. He stood in the Senate, on this side of the aisle, as I recall in the second row from the back, near the center of the Chamber, and made that speech on atomic power which was heard around the world—a speech which I think we can fairly say rocked the Nation and continues to rock the Nation. I referred to it yesterday in debate. When we pick up the Washington Post and Times Herald this morning, we note an article about the McMahon speech of about 10 years ago, raising the question of "who is filling that void?"

I should like to have my staff member get me a copy of this morning's Washington Post and Times Herald with that article in it. How correct the Washington Post is. The issue raised by the great McMahon 10 years ago probably excels in importance all the issues facing this Republic, because until we find a way and means of implementing the proposal of McMahon for the use of atomic power for peace rather than for war, mankind will continue to face both the possibility and the probability of oblivion. A decade ago he was the leader in our Nation with the statesmanship to foresee the dangerous path of mankind toward oblivion unless mankind harnessed atomic power for peace; and the United States was then situated to lead the way, because it had a monopoly on atomic power.

The article on McMahon is in Marquis Childs' column of this morning. Marquis Childs said in the column:

> WHERE IS TODAY'S SENATOR McMAHON?
>
> In the 17 swiftly moving years since the mass death that burst over Hiroshima and Nagasaki, the nuclear arms race has come to be taken for granted. The sense of shock and horror—of a new and incalculable dimension in the affairs of men—has been eroded away as each side tests new weapons and makes new claims for those weapons.
>
> Pointing up this erosion is an anniversary that is a reminder of the immediate aftermath of the onset of the nuclear age and the intense and passionate concern over ways and means to harness the atom for peace rather than war. Senator Brien McMahon, of Connecticut, who died of cancer 10 years ago, led a long and successful struggle to insure that the development of atomic energy would come under civilian rather than military control.
>
> Aside from his success in politics and the law, there was nothing outstanding about McMahon before he came to grips with the terrible force that science had unleashed. But he brought imagination, understanding, and discipline to a realization that in man's upward climb over millions of years, this was a kind of Great Divide. A secret door had been unlocked—the secret of the heart of the universe—and there was no turning back.
>
> Those who knew him in what now seems a time very far back can recall the transformation that occurred as he dedicated himself to the cause of civilian mastery over atomic energy. He took a special course of study at the Bureau of Standards so that he could get some grasp of what this new force meant. His preoccupation became almost an obsession.
>
> As chairman of a special Senate Committee on Atomic Energy, he had the type of assignment that rarely falls to a freshman Senator. Thanks largely to his seal and to his never-wavering persistence, the McMahon Act, covering the control of atomic energy and creating the Atomic Energy Commission, was passed. One of its goals was to prohibit the spread of America's nuclear know-how and thereby to prevent the spread of nuclear weapons.
>
> It is a comment not on the act nor on its author but on the nature of the decade since McMahon's death that the goal of civilian control and civilian use has been to a large degree thwarted.

So that I shall take no chances at all, although I believe the next paragraph in the column would be within rule XIX, I will skip it. I continue to read further from the column:

> One qualifier must be added. The glowing promise of atomic energy in transforming the world, as it was viewed when McMahon was fighting for civilian control, has

> dimmed. The technology for harnessing the atom to peacetime purposes has proved to be more complex and more costly than had been foreseen.
>
> But, above all, what is lacking today is the sense of urgency that Brien McMahon brought to his task. In this Capital today, that urgency seems all but nonexistent.
>
> Europe has voiced disappointment that President Kennedy on Telstar spoke words that fit into the old cold war formula. He seemed to be responding to Premier Khrushchev's boast that the Soviet Union has an antimissile missile which can hit a fly in space. That was an invitation to American weaponeers to go to Congress for new billions to push the development of an interplanetary flyswatter.
>
> The Post Office Department is issuing a commemorative Brien McMahon stamp. It will serve as a reminder of the fierce struggle of one individual to harness the atom for peaceful purposes. In the light of the military secrecy surrounding the development of atomic fission for war, the odds at the start were heavily against McMahon. But he brought the Congress and, in a large degree, public opinion around to his view. The familiarity of 17 years of atomic headlines may not have bred contempt. But it has created a kind of numb disregard for the ever more rapid drift of events.

Not only is that beautiful writing, but it is inspiring writing. I have read the parts that I thought I could safely read within the rules of the Senate, although I believe the entire column would be within the rules of the Senate. I think Marquis Childs is deserving of recognition for that column. But much more important, the great American statesman about whom he wrote is deserving of our recollection of the great thing he did on the floor of the Senate when he made that historic speech. We still have a long way to go to keep faith, as a people, with a nation. There is practical idealism in the McMahon speech. I say practical idealism, because many ideals are practical.

The impracticalities are the expediencies which compromise the principle, the failure to keep faith with what we know is right, because pressures appealing to selfish interests are yielded to.

If people would take the time to analyze the speech on disarmament of the senior Senator from Minnesota, the Democratic whip, which he gave in the Senate on Wednesday, July 25, at the end of the session, with practically no one except a few of us in the Chamber, they would share my view that the Senator's speech of Wednesday, July 25, is in the class of the McMahon speech of years ago.

The Senator from Minnesota has been speaking out on the great issue of disarmament for many years now. He is chairman of the Subcommittee on Disarmament of the Foreign Relations Committee. He has been trying to warn the American people, as I have heard him and read him and studied him, that unless we solve this problem of nuclear disarmament in our time—and when I say in our time I do not mean in the time of any individual among us, because only God knows how long that time will be—but I am speaking about in our time in the sense that we usually mean when we use the phrase "in our time"; in the time of our generation. In my judgment that will encompass not more than a score of years. It is possible that we may not have more than 10 years to save most of mankind from oblivion.

I am convinced that the world will either disarm in our time or will go to nuclear war, after which there will be no victory, at least not for any of the participants, and it will be an empty victory for that part of the human race that may be left in some parts of the world.

This chairman of our Subcommittee on Disarmament has had to meet attacks, I know, as have the rest of us, because of his position on disarmament. Anyone who reads his speech of last Wednesday, which I had the privilege of listening to, will find that he is not proposing unilateral disarmament. Quite to the contrary; he is expressing great concern about what our policy will be with respect to inspection of nuclear testing. However, the thesis, the underlying idealism of the Humphrey speech of Wednesday, is that we must find a way of bringing the nuclear powers of the world to accept a program of enforceable disarmanent. Please note my words, Mr. President. We are talking about enforceable disarmament. Unless we can enforce a disarmament program, any disarmament agreement will not be worth the paper it is written on.

"Well," it is said, "Mr. Senator, what does the speech of the Senator from Minnesota of Wednesday in regard to disarmament have to do with the parliamentary issue before the Senate?"

I believe it has a great deal to do with it, at least for those of us who are involved in this debate on the satellite bill and who have tried to point out to the Senate that we think the bill is pregnant with American foreign policy implications and problems, and that foreign policy is bound up in this whole question of peace. Some of us are advocates of the point of view that there cannot be an enduring peace until there is total and complete nuclear disarmament.

We are so convinced of that fact that we think it is very important that the Journal of Wednesday, July 25, not only refer to this historic speech on disarmament by the Senator from Minnesota, but that that great speech be set out in the Journal paragraph by paragraph by paragraph.

We do not believe that we can properly emphasize the historic significance of that speech if it is not inserted in the Journal paragraph by paragraph, amendment by amendment. Therefore we have prepared amendments which we shall offer after we have offered our amendment for the insertion of the Chaplain's prayer in the RECORD, about which I shall speak for a few hours later today.

We have prepared amendments which will cover each of the paragraphs of the great speech on disarmament delivered by the Senator from Minnesota last Wednesday. I shall offer them, one by one as amendments to the Journal. What a historic record that will be, if our amendments are agreed to.

Mr. President, I am delighted to see the greatest parliamentarian in the Senate arrive in the Chamber—my friend, the distinguished senior Senator from Georgia [Mr. RUSSELL].

Mr. RUSSELL. Mr. President, I did not come for that compliment, but I appreciate it.

Mr. MORSE. I want the Senator from Georgia to know I will welcome any instructions he might slip to me during the day, which will further the cause which I am here defending, namely, the precious right of every Senator, including the senior Senator from Georgia, to make certain that the right to amend the Journal is not taken away from us, and that there be a yea-and-nay vote which will give the Senate an opportunity to make clear that they are acting to preserve that right, as I now think, upon reflection, they will do by unanimous vote.

The Senator from Georgia was not in the Chamber when I made my offer. Before I proceed further, I may say to the Senator that I shall not yield to him or to any other Senator, because I announced earlier that I would not yield for a few hours. However, I shall not say anything which, in my judgment, would in any way involve the Senator from Georgia so that I would owe him a yielding for any defense he might wish to make, because I want him to know I am his greatest defender on this issue. I shall defend the right of every Senator, because I learned this procedure from the Senator from Georgia. He taught me the importance of this great rule. He is so correct. I shall do everything I can to make certain that it is preserved. But, as I was saying, I am merely a novice in the matter of the application of the rules. I know a great teacher. I hope the senior Senator from Georgia will let me into his class, and that sometime during the day, as he observes the parliamentary situation which confronts the senior Senator from Oregon, he will slip to me, from time to time, some written suggestions as to how I can strengthen my case, because I know of no one who is better able to advise the senior Senator from Oregon in a situation such as this than my very warm, personal friend, a man whom I admire so much, the Senator from Georgia [Mr. RUSSELL].

But now to return to the amendments I shall offer. I am sure the Senator from Georgia, as chairman of the Committee on Armed Services, will be very much interested in the amendments, because they refer to the great, historic speech which the Democratic whip [Mr. HUMPHREY] made in the Senate on Wednesday, July 25, 1962. I have been so impressed by his speech, and many other Senators have been so impressed by his speech, that we believe the most appropriate way to emphasize it for all history is to insert it in the Journal, paragraph by paragraph, amendment by amendment. I wish only to be fair. I desire my opposition in this debate to know that I propose to do that in the course of the day or night, and I shall do it, of course, in keeping with the rule that I shall now read to the Senate. It is rule IV and appears on page 3 of the Senate Manual:

RULE IV

Journal

1. The proceedings of the Senate shall be briefly and accurately stated on the Journal. Messages of the President in full; titles of bills and joint resolutions, and such parts as shall be affected by proposed amendments—

That is the first time we encounter the very important word "amendments"—

and such parts as shall be affected by proposed amendments; every vote, and a brief statement of the contents of each petition, memorial, or paper presented to the Senate shall be entered.

2. The legislative, the executive, the confidential legislative proceedings, and the proceedings when sitting as a Court of Impeachment, shall each be recorded in a separate book.

Now I shall read rule VII, on page 6 of the Senate Manual.

RULE VII

Morning business

1. After the Journal is read, the Presiding Officer shall lay before the Senate messages from the President, reports and communications from the heads of departments, and other communications addressed to the Senate, and such bills, joint resolutions, and other messages from the House of Representatives as may remain upon his table from any previous day's session undisposed of. The Presiding Officer shall then call for, in the following order:

The presentation of petitions and memorials.

Reports of standing and select committees.

The introduction of bills and joint resolutions.

Concurrent and other resolutions.

All of which shall be received and disposed of in such order, unless unanimous consent shall be otherwise given.

2. Senators having petitions, memorials, pension bills, or bills for the payment of private claims to present after the morning hour may deliver them to the Secretary of the Senate, indorsing upon them their names and the reference or disposition to be made thereof, and said petitions, memorials, and bills shall, with the approval of the Presiding Officer, be entered on the Journal with the names of the Senators presenting them as having been read twice and referred to the appropriate committees, and the Secretary of the Senate shall furnish a transcript of such entries to the Official Reporter of Debates for publication in the Record.

It shall not be in order to interrupt a Senator having the floor for the purpose of introducing any memorial, petition, report of a committee, resolution, or bill. It shall be the duty of the Chair to enforce this rule without any point of order hereunder being made by a Senator.

3. Until the morning business shall have been concluded, and so announced from the Chair, or until the hour of 1 o'clock has arrived, no motion to proceed to the consideration of any bill, resolution, report of a committee, or other subject upon the calendar shall be entertained by the Presiding Officer, unless by unanimous consent; and if such consent be given, the motion shall not be subject to amendment, and shall be decided without debate upon the merits of the subject proposed to be taken up: *Provided, however,* That on Mondays the calendar shall be called under rule VIII, and during the morning hour no motion shall be entertained to proceed to the consideration of any bill, resolution, report of a committee, or other subject upon the calendar except the motion to continue the consideration of a bill, resolution, report of a committee, or other subject against objection as provided in rule VIII.

4. Every petition or memorial shall be referred, without putting the question, unless objection to such reference is made; in which case all motions for the reception or reference of such petition, memorial, or other paper shall be put in the order in which the same shall be made, and shall not be open to amendment, except to add instructions.

5. Every petition or memorial shall be signed by the petitioner or memorialist and have indorsed thereon a brief statement of its contents, and shall be presented and referred without debate. But no petition or memorial or other paper signed by citizens or subjects of a foreign power shall be received, unless the same be transmitted to the Senate by the President.

6. Only a brief statement of the contents, as provided for in rule VII, paragraph 5, of such communications as are presented under the order of business "Presentation of petitions and memorials" shall be printed in the Congressional Record; and no other portion of such communications shall be inserted in the Record unless specifically so ordered by vote of the Senate, as provided for in rule XXIX, paragraph 1, except that communications from the legislatures or conventions, lawfully called, of the respective States, territories, and insular possessions shall be printed in full in the Record whenever presented, and the original copies of such communications shall be retained in the files of the Secretary of the Senate.

Mr. HAYDEN. Mr. President, will the Senator from Oregon yield?

The PRESIDING OFFICER (Mr. Metcalf in the chair). Does the Senator from Oregon yield to the Senator from Arizona?

Mr. MORSE. No; I will not yield. I am willing to find out, in a private, whispered conversation, what the Senator from Arizona wants me to yield for, but I have made clear that I am not willing to yield for any purpose.

Mr. HAYDEN. Would the Senator from Oregon like to have me tell him what I have in mind?

Mr. MORSE. No, I am not willing to have the Senator from Arizona tell me, on the floor of the Senate. He can whisper it to me; but I shall continue to hold the floor.

Mr. President, I now hold in my hand a joint resolution which has been handed to me by my good friend, the Senator from Arizona, for whom I have unlimited admiration. This joint resolution really should be shown to the majority leader, not to me, because I am sure the majority leader is the one who can provide the Senator from Arizona with the necessary assistance which he will need. This is a joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes. It reads as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (c) of section 102 of the joint resolution of July 1, 1962 (Public Law 87-513), is hereby amended by striking out "July 31, 1962" and inserting in lieu thereof "August 31, 1962".

Mr. President, that is a very important measure, and I think it should be very helpful and persuasive to the majority leadership and the entire leadership of the Senate in connection with the determination of whether we can work out at a very early hour some adjustment in regard to the satellite bill. But we are not going to do it at this hour, insofar as I am concerned. I am going to hold the floor.

Mr. HAYDEN. I thank the Senator from Oregon for his consideration.

Mr. MORSE. I appreciate the appreciation of the Senator from Arizona; but I am going to wait. I have before me a number of notes which I could read. One is from the Senator from Tennessee [Mr. Kefauver], notifying me that they will be in consultation at 12 o'clock, and will consult with me directly afterward. I shall wait for that consultation.

Mr. President, I am not kidding anyone. This is a tough assignment. But I am going to fill it. I am going to wait while these consultations go on. This morning I announced that I am not going to yield. I am going to hold the floor for as long as God gives me the strength to do so, until my advisers inform me what their own parliamentary policy will be, and in the hope that in the meantime some of the suggestions I have made this morning in the hearing of my dear friend, the Democratic whip, the Senator from Minnesota [Mr. Humphrey], may reach the ears of the majority leader, through the Senator from Minnesota as a medium, and in the hope that possibly there can be held in the office of the majority leader a consultation as to whether a suggestion I made this morning is at all acceptable to the leadership. That office, not here on the floor of the Senate, is the place for such negotiations.

After all, I do not think the joint resolution of the Senator from Arizona will be the last measure of great importance which will be presented to me, on the presumption that then I will bend my knee and fall on my face on the floor of the Senate, on the theory that if I did not do so, I would be criticized for holding up this or that measure. Well, Mr. President, I wish to point out that which is doing the holding up. It is not the senior Senator from Oregon. It is the satellite bill.

I shall do everything I can to prevent that holdup; but I shall continue to hold the floor until I receive instructions from the Kefauver group and from the majority leader and the other leadership of the Senate, because I have been in tough negotiations before, and I know that within the life of a negotiation we must go through various cycles. So I am going to wait for that; and, within the rules, I am going to continue to speak on the floor of the Senate. Nothing will deter me from it for at least a few hours.

Mr. President, I now refer to section 7 of rule VII:

7. The Presiding Officer may at any time lay, and it shall be in order at any time for a Senator to move to lay, before the Senate, any bill or other matter sent to the Senate by the President or the House of Representatives, and any question pending at that time shall be suspended for this purpose. Any motion so made shall be determined without debate.

This is rule VIII, entitled "Order of Business," on page 9:

RULE VIII

Order of business

At the conclusion of the morning business for each day, unless upon the motion the

> Senate shall at any time otherwise order, the Senate will proceed to the consideration of the calendar of bills and resolutions, and continue such consideration until 2 o'clock; and bills and resolutions that are not objected to shall be taken up in their order, and each Senator shall be entitled to speak once and for 5 minutes only upon any question; and the objection may be interposed at any stage of the proceedings, but upon motion the Senate may continue such consideration; and this order shall commence immediately after the call for "concurrent and other resolutions," and shall take precedence of the unfinished business and other special orders. But if the Senate shall proceed with the consideration of any matter notwithstanding an objection, the foregoing provisions touching debate shall not apply.
>
> All motions made before 2 o'clock to proceed to the consideration of any matter shall be determined without debate.

Mr. President, it is the last sentence which is so vital in connection with this debate—the little sentence which reads:

> All motions made before 2 o'clock to proceed to the consideration of any matter shall be determined without debate.

It was into that parliamentary box that there was an attempt to push the senior Senator from Oregon yesterday following the reading of the Journal, following which, as I said last night, the majority leader was appropriately recognized, as a matter of tradition and protocol and courtesy in the Senate. He called for a quorum. The Senator from Oregon requested a live quorum. A live quorum was completed. But there was still pending before the Senate the Journal for any action following its reading that any Member of the Senate might wish to take concerning it.

The Senator from Oregon was seeking the floor. The Presiding Officer, very properly, recognized the majority leader, who was also seeking the floor, and he moved to take up the satellite bill. The Senator from Oregon raised the point of order that the motion was out of order until those of us who sought to amend the Journal had been given an opportunity to amend it. The RECORD will show that the majority leader said, in effect, that, in his opinion, the calling of the quorum had ended the consideration of the Journal.

I pointed out to the Senate and to the Presiding Officer that it did not end our rights in respect of the Journal; that we, under the rule, were entitled to offer amendments to the Journal at the first opportunity we had, which was immediately following the quorum call.

The Chair sustained the point of order—in my judgment, rightly so. There was one other factor. The ruling of the Chair was not acceptable to some Members of the Senate, and an appeal was taken. It was following that appeal that the Senator from Oregon took the floor to sustain the ruling of the Chair. That is what I am in the process of doing.

In fairness, the RECORD should show, as I tried to point out before, that the Senator who took the appeal has indicated he will withdraw the appeal. But those of us who are opposed to the satellite bill take the position that this matter now has raised a problem of precedent in the Senate, and we think the precedent can be determined with finality and complete clarity only with a rollcall vote on the issue of the appeal from the decision of the Chair.

So we have offered the leadership of the Senate the opportunity to agree to get this matter behind us if the leadership in the Senate will agree that we will be given an opportunity to raise another appeal immediately, if the present appeal is withdrawn, and there will be a rollcall vote on the appeal. We think that is fair. We think it will settle the question once and for all. We think it will leave no question as to what the position of the Senate is in regard to the Presiding Officer's ruling. He may not think so, but we do. We think the Presiding Officer is entitled to have that record made.

We hope the leadership of the Senate will agree to some such arrangement so that we can complete our discussion in connection with the appeal and then go on to the matter of amending the Journal.

The rule in regard to the Journal leaves no room for doubt that there is no rule of germaneness applicable to amending the Journal.

It is a matter of discretion on the part of Members of the Senate as to what they want to include in the Journal. I have already indicated that I think the beautiful and inspiring prayer of the Chaplain of July 25 should be inserted in the Journal. We shall offer an amendment, in due course, to add it to the Journal. I shall have something to say about the prayer later, but I think it is very important that we have an opportunity to vote up or down our amendment to insert it in the Journal.

Then, as I was saying before my good friend from Arizona carried on his whispered conversation with me and showed me the resolution which I read into the RECORD, we propose to offer a series of amendments equal in number to the paragraphs in the great Humphrey speech on disarmament of July 25, asking that each of these paragraphs be inserted amendment by amendment.

It might be asked, "Why do you not insert the whole speech?" One reason why I am not doing it, as the Chair well knows, is that it will take a little longer to do it this way; but my primary reason is that we really think this is the way to emphasize the speech for history. As I mentioned yesterday, I consider it to be in the class of the McMahon speech on atomic energy.

Then we have some other amendments. You know, Mr. President, the Senator from Minnesota made several speeches on Wednesday, July 25. We think he made another speech, connected with inserting a very profound article in the RECORD relating to needed tax reform in Latin America, that I think we ought to get in the Journal paragraph by paragraph.

I want now to talk about the parliamentary situation, because I am aware of some of the problems that confront us in regard to parliamentary procedure.

I am glad to receive such a gracious welcome from my friend from Florida who is my seatmate [Mr. HOLLAND]. In fact, I am lonesome this morning, may I say to the Senator from Florida, that he is not as close to me as he usually is; but I can understand he is a very busy man on many committees, and I think he is pretty well aware, anyway, of the position of the senior Senator from Oregon. But, just having come on the floor and welcoming me as graciously as he has——

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. MORSE. No; I am sorry. I have made clear that I cannot yield for any purpose. But I want the RECORD to show that I am happy that my distinguished seatmate has come into the Chamber, as I am defending his rights, along with the rights of a hundred of us in the Senate, in regard to the rules of the Senate.

Speaking, Mr. President, about this parliamentary situation, I should like to have the Senate take note of rule III:

> The Presiding Officer having taken the chair, and a quorum being present, the Journal of the preceding day shall be read, and any mistake made in the entries corrected. The reading of the Journal shall not be suspended unless by unanimous consent; and when any motion shall be made to amend or correct the same, it shall be deemed a privileged question, and proceeded with until disposed of.

It is that simple. It is that clear. There is no ambiguity about that rule. The rulebook says:

> The reading of the Journal shall not be suspended unless by unanimous consent; and when any motion shall be made to amend or correct the same, it shall be deemed a privileged question, and proceeded with until disposed of.

That is the rule the senior Senator from Oregon is seeking to protect. That is the rule, as I have said earlier this morning, which is hoary and bewhiskered with tradition in the Senate. That is the rule which is precious to each one of us. That is what the debate is all about.

Mr. President, I have checked with the Parliamentarian. I have checked with students among us in the Senate who have sought to learn the rules. I am satisfied that I am within my parliamentary rights, and shall pursue them in the hope that the Senate leadership and the Senator from Tennessee [Mr. KEFAUVER] and his associates in this controversy will, in due course, negotiate an understanding.

As an old arbitrator, mediator, and negotiator, may I say to my good friend from Minnesota, the first thing one must do in trying to reach an understanding is to get the parties together in the same room. One cannot do that very well and if one can at all, it is most difficult. One cannot negotiate an understanding if one cannot get the litigant parties to at least sit down and enter into conference. It may be that these conferences have been held, are planned to be held, or are being held. I cannot know while I carry out the assignment I have agreed at the request of my associates in this controversy.

I thought it important at this point in my speech to leave no room for doubt in the public mind, as I am sure there is none in the minds of Senators, that what the senior Senator from Oregon is seeking to do is to protect the rights of Senators under rule III of the Senate Rules, which, I repeat again for emphasis, provides:

> The Presiding Officer having taken the chair, and a quorum being present, the Journal of the preceding day shall be read, and any mistake made in the entries corrected. The reading of the Journal shall not be suspended unless by unanimous consent; and when any motion shall be made to amend or correct the same, it shall be deemed a privileged question, and proceeded with until disposed of.

Of course, the RECORD is clear. The RECORD will show I said, after consultation with my associates in this controversy, "on behalf of myself and other Senators, I object," to the request that was made on the morning of July 26 for dispensing with the reading of the Journal.

What is the Journal? The Journal is the official minutes of the Senate. We all belong to various lodges, clubs, and organizations which have meetings in which business is transacted, and at the next meeting of the organization, under Robert's Rules of Order procedures, which govern most organizations outside of the Senate, the president of the club calls upon the secretary to read the minutes. When the secretary gets through reading the minutes the president of the club usually says something to this effect—"Are there any corrections, additions, or amendments to the minutes?" If there are none, he usually says, "Without objection the minutes are approved as read."

There is nothing out of the ordinary in regard to the Journal and the relationship of the Journal to Senate procedures. It is the "minutes" procedure.

Sometimes, in a club, it will be decided that the reading of the minutes will be dispensed with, and the president of the club will say, "In the absence of the reading of the minutes, it will be understood they will be agreed to as though read."

That, in effect, is what happens when we enter into a unanimous-consent agreement to dispense with the reading of the Journal. Dispensing with the reading of the Journal by unanimous consent amounts in fact to approval.

This was not so on Thursday, July 26. On a few other occasions during my 18 years in the Senate refusal has met a unanimous-consent request to dispense with the reading of the Journal.

There was some discussion yesterday of a notable occurrence of that event in 1946, when there was a civil rights issue before the Senate. Some Senators exercised their rights. If Senators go back to check that debate, they will find that the senior Senator from Oregon did not seek to deny those Senators their rights. I was on the other side of the issue on civil rights, but I was not on the other side of the issue in regard to the rules of the Senate.

As I said yesterday, I do not yield to anyone in this body in my determination always to protect the procedural rights of my colleagues so long as those rights are written into the rule book.

I stand for rule reform in the Senate, but not for the reform of the rule about which I am now speaking.

During the course of the next few hours I think we ought to be able to arrive at some mediation settlement with the leadership of the Senate, so that at least we can move one step forward in the debate. But I wish to say frankly that it is up to the leadership, as well. We have mutual responsibilities on this subject. The rule in relation to the Journal is a very important rule.

Rule IV states:

> RULE IV
>
> *Journal*
>
> 1. The proceedings of the Senate shall be briefly and accurately stated on the Journal. Messages of the President in full; titles of bills and joint resolutions, and such parts as shall be affected by proposed amendments; every vote, and a brief statement of the contents of each petition, memorial, or paper presented to the Senate, shall be entered.

I am sorry to see my friend, the distinguished Senator from Minnesota leave the Chamber.

Mr. HUMPHREY. I shall be back.

Mr. MORSE. Mr. President, we think the first amendment to the Journal should take the form of an insertion of the Chaplain's prayer on Wednesday, July 25. It is a beautiful and inspiring prayer. But it is something more. It is a symbol of the recognition that in our Government, through the Senate, we dedicate ourselves to a religious faith. In the many contrasts between our democratic form of government and Communist government, there is no single one so significant from the standpoint of all the implications of the symbol.

History is replete with proof that democratic societies inherently prize the people who, except for a possible small minority, believe in God. I think it is so important in these days in which so much is being said about prayer in relation to doctrines of constitutionalism in America that we should add as an amendment to the Journal of Wednesday, July 26, the Chaplain's prayer.

(At this point Mr. MUSKIE took the chair as Presiding Officer.)

Mr. MORSE. Religious belief and faith vary among people. My philosophy of life is that it is a question which is individualistic. In a sense, it is a private affair. But for a moment let us imagine, if our power of imagination would really permit us to imagine, a United States without a church. Let us imagine the hometown of the Presiding Officer without a church. How would anyone like to raise a family in a town that had no church? What kind of family could be raised in a town without a church?

When we start pondering the subject of church-state relationships, let us not forget that our constitutional fathers, when they established the sound constitutional doctrine of the separation of church and state, did not mean to weaken the church, but to strengthen it. They did not mean to weaken religion, but to strengthen it.

Mr. President, I respectfully submit that under our experience in America religion would not be strengthened by the establishment of a state church. That is what the first amendment is all about in respect to the separation of the church and state issue.

When this Republic was born, it was born out of the womb of Thirteen Colonies, and those Thirteen Colonies had gone through many struggles on this issue of the separation of church and state. The Presiding Officer of the Senate comes from the New England area. He well knows the history of the New England area in colonial days in regard to the matter of church and state. He knows that there was not unanimity among the Pilgrims on the religions issue, on the tax issue, on the economic issues, or on the territorial issues.

It is the miracle of the birth of this Republic that out of this great diversity of opinion there was so much agreement on the all-important issue, and that was the issue of the right to self-government, and a joining of forces in opposition to the British Crown, which in the opinion of the revolutionaries did violence to the British right of self-government. However, unanimity on that issue did not dispel differences on the so-called religious-state issue.

So this Republic, born out of the concerted effort of the Thirteen Colonies, had to decide what the Federal policy was going to be. There were among the Colonies, Colonies which had colony churches or so-called state churches. The Church of England had been transplanted. So that in some of our Colonies prior to the birth of the Republic there was a state church, supported by the state. That led to strife. This was true in New England, particularly. The present Presiding Officer well knows that there was a very strong feeling on this subject matter in those Colonies.

I belong to the Congregational Church. As the Senator from Maine knows, the New England area, from the very beginning of migration to America from England, was noted for the large number of Congregationalists. They have always had a very emphatic and decisive position on this issue of separation of church and state.

So the question confronted the framers of the Constitution: "What are we going to do about this split among ourselves concerning the appropriate relationship between church and state?" I may be in error—and if so, I will correct this factual matter in the RECORD—but it is my recollection that when this country was born as a result of the Declaration of Independence and the subsequent events and the writing of the Constitution, there were nine Colonies which had State churches. It was in that neighborhood, anyway. My recollection is that most of them did. My study of American history at the time has always left a great imprint on my mind that, even though a Colony had a state church, it was a hot issue in each Colony that had one. It was the cause of a great deal of dissension. A great deal of conflict resulted, as well as denominational rivalries and misunderstanding. Many came to recognize that, after all, religious-minded people should seek to spread the gospel as they see it, to set an example of Christian living or, if not of the Christian faith, of religious living and belief in one God, and that it would be most unfortunate to transfer over into the Federal system a great cause of friction and bitterness which frequently developed in a Colony as a result of quarrels over a union of church and state.

(At this point Mrs. NEUBERGER took the chair as Presiding Officer.)

Mr. MORSE. So the first amendment was adopted. That amendment, as we all know, was subjected to a variety of interpretations; and I think it is fair to say that most lawyers agree, and it certainly represents my point of view, that the last word, by way of interpretation of the first amendment, has not been written by the Supreme Court.

Madam President, I suppose that if you and I were to return to this Chamber 50 years from today, if there is an America 50 years from today, there would still be discussions about what the first amendment means. But if you believe in the dynamics of constitutionalism, as I do, rather than hold to the point of view that the Constitution is a dead letter, written by a dead hand, and really is but an exercise in statics, then perhaps you can be sure, as some persons seem to be, of just what the first amendment really means. I think the old, classical school of jurisprudence is pretty much discounted in our time, and that most scholars of jurisprudence recognize that the Constitution is a living instrument, adaptable to the growth and the needs of the time in any decade.

But we are in the midst of a real and national debate on the meaning of the first amendment. I do not know what group really does not consider itself sufficiently qualified to express its belief as to what the first amendment means—and all groups are qualified, as free men and women. After all, it is their Constitution. The expressions which come from all groups as to what the first amendment means is more helpful than many of us think or realize in the evolution of American jurisprudence. If we take the approach to the Constitution to which I have referred, that it is a dynamic instrument, susceptible of adaptation to the changing conditions of society within our country from decade to decade, then we are bound to reach the conclusion that the first amendment will continue to be subject to interpretation and application in relation to new events.

Madam President, observe who is commenting these days on the meaning of the first amendment in relation to the Supreme Court's decision in the so-called New York prayer case. I think it is good. The most recent comment that I read in the newspapers was the comment of that great evangelist, undoubtedly the most powerful, effective, and influential evangelist of my time, Billy Sunday. As I recall, he spoke in California.

Madam President, may I raise a parliamentary inquiry or two? I am well aware of who has just entered the Chamber, the always welcome ambassador from the President.

My first parliamentary inquiry is, Am I required, under the rules, to suspend my speech long enough for the Senate to receive a message from the President? Second, if I am, will I in any way impair my position on the floor of the Senate in respect to continuing? Third, is there any possibility that there would be an interpretation of the rules, which would stand, that I will have in any way lost any of my rights under the understanding I had with the majority leader yesterday afternoon when the Senate recessed?

The PRESIDING OFFICER. There is no requirement that the Senator from Oregon must yield; but he would not impair his right to the floor by yielding.

Mr. MORSE. I would not impair my right at all?

The PRESIDING OFFICER. The Senator is correct.

Mr. MORSE. I would continue to hold the floor?

The PRESIDING OFFICER. The Senator is correct.

Mr. MORSE. I would only suspend my speech long enough to enable the Senate to receive a message from the President?

The PRESIDING OFFICER. The Senator from Oregon is correct.

Mr. DIRKSEN. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. I doubt very much whether the Senator from Oregon could retain the floor except by unanimous consent, even to allow the Senate to receive a message from the President.

Mr. MORSE. I thank the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Oregon is not required to yield. If objection were made to the Senator's yielding, it probably would block——

Mr. DIRKSEN. Madam President, I ask for a citation of the rule.

Mr. MORSE. I thank the Presiding Officer. I thank the Senator from Illinois.

I say to the ambassador from the President: I will not yield. Will you explain to the President the reason for my refusal to yield? I shall take no chances in regard to my rights to the floor.

Now, Madam President——

Mr. YARBOROUGH. Madam President, will the Senator from Oregon yield?

Mr. MORSE. No. I announced earlier that I will not yield. I wish to finish my discussion of prayer. I do not know of any more important subject in America these days. I was in the process of saying——

Mr. YARBOROUGH. Madam President——

Mr. MORSE. Madam President, I am not going to yield to my good friend from Texas.

I think the last statement I have read in the newspapers concerning the first amendment was the statement by that incomparable evangelist, Billy Sunday. He preached a sermon in California, I think.

Mr. YARBOROUGH. I believe the Senator meant to say Billy Graham.

Mr. MORSE. Madam President, you can see what youthful conditioning does, because as a little boy I heard Billy Sunday many a time. But great as Billy Sunday was, Billy Graham, in my judgment, is a greater evangelist.

What I was about to say was that either in a sermon Billy Graham preached in California in recent days or in a press conference following his sermon, he commented on the New York prayer decision. I think I paraphrase him accurately when I say that the article, at least, stated that Billy Graham agreed with the decision so far as the first amendment is concerned. What he deplored, as I deplore, is the feeling that there may be a growing tendency in the country to discount prayer. So, Madam President, in keeping with that viewpoint of Billy Graham, I have announced that my first amendment to the Journal will be one proposing the insertion in the Journal of Wednesday, July 25, of the beautiful and inspiring prayer delivered by our great Chaplain.

By the way, Madam President, the Chaplain of the Senate is a most outstanding person. I am confident that if individual Members of the Senate began to testify about the great influence he exercises on the lives of all of us, their testimony would be unanimous. In my opinion, this great spiritual leader is a personification of nondenominationalism—although I am sure that as a Methodist he would take exception to my characterization of him. But I do not know of any other clergyman who has better demonstrated the universality of religious faith, free of the compartments of denominationalism, than has Chaplain Harris, for when he gives his prayers in the Senate and when he performs his many other acts of spiritual leadership, one never thinks of him as a Methodist, but thinks of him as a man of God.

So I believe it particularly fitting that, as my first amendment, I move that the Journal of the Senate of Wednesday, July 25, be amended by inserting the Chaplain's prayer. Therefore, Madam President, when I offer that amendment, it will be by means of the following motion:

"I move that the Journal of Wednesday, July 25, be amended by the insertion at the appropriate place of the Chaplain's prayer, as follows."

Madam President, earlier I said that I consider the matter of religious philosophy and religious faith to be individualistic. Thus it is that I shall not read into the CONGRESSIONAL RECORD the Chaplain's prayer. There are several reasons why I shall not read it into the CONGRESSIONAL RECORD. Of course, one is that the prayer was so movingly delivered in the Senate by the Chaplain that I would not think of substituting my lips for his and uttering the words which he so movingly spoke on July 25.

Furthermore, I shall not read the Chaplain's prayer into the CONGRESsional Record because I think the words of that prayer should be uttered only in prayer. So, although I know it would be appropriate to read that prayer for the Congressional Record, I would not consider it proper to do so. That is my feeling about the matter. Therefore, I do not intend to repeat the prayer as part of my speech here; but I wish the Congressional Record to show that I believe it very important that the Chaplain's prayer be recorded in the Journal of the Senate, for the benefit of all of history. As I have said before, the Journal of the Senate is the official document of the Senate, in the sense of being the minutes of the Senate's proceedings, whereas the Congressional Record is not.

Also, Madam President, I think it appropriate that I ask the Senate to record in the Journal, for the benefit of all of history, the Chaplain's prayer delivered on July 25, because all of us are cognizant of the great debate taking place in our country, and participated in, as I have said, by spokesmen for practically every group in the Nation. I think it well that that debate is occurring.

I am sure all Senators have received mail on this subject as heavy as that which I have received. Of course we receive such mail from many persons who have not even read the Court's decision, and who mistakenly think the decision contains a ruling which, in fact, it does not contain. I have answered such mail with individual letters, although they are uniform, for there is nothing that one of us can say about this matter to one constituent that he should not say to every other. I make this statement on the floor of the Senate because I think there will be those—particularly among those who do not agree with me—who will say, "Yes, we wrote to our Senator, and he answered us, but he replied with a form letter." But, Madam President, I have not replied with form letters. I have replied with identical letters—but individualistic to each person who writes me—setting forth my viewpoint, which, after all, does not change on the basis of who has written to me. In any case, I have the same viewpoint.

Madam President, inasmuch as I forgot to bring the letter with me to the Chamber, I shall ask my assistant to obtain from my office the letter I have been sending to my constituents, in connection with the issue raised by the decision of the Supreme Court in the New York prayer case.

Madam President, because this issue is so important, Senators are making various legislative proposals in connection with it. In some instances, Senators are proposing a constitutional amendment or two. In fact, I believe it was yesterday that I read in the morning newspaper that the Senate Judiciary Committee heard some Members of the Senate testify on the prayer issue. So I say that because of the great interest among Senators—and properly so—in the prayer issue created by the decision of the Supreme Court in the recent New York case, not only do I believe it wise to offer my amendment that the Chaplain's prayer be set forth in the Senate Journal, but I also believe it wise that the Congressional Record contain the decision of the Supreme Court and some of my comments relative thereto.

Because I feel that decision has such a bearing upon the practice in the Senate of offering a prayer at the beginning of our session, I am going to read the decision, with comments, because I just cannot imagine, after the Senate really ponders the decision, that I will lose a vote on my amendment. Time will tell, of course.

Madam President, referring to this great, historic decision of the Supreme Court in the case of Steven I. Engel et al., petitioners, against William J. Vitale, Jr., et al., on writ of certiorari to the Court of Appeals of New York, June 25, 1962, it is well, I think, that we ponder the decision of the court, including the majority opinion, the special concurring opinion, and the dissenting opinion. They are not very long.

I say to the Senator from Tennessee [Mr. Kefauver] that I think I ought to be able to read them in an hour or thereabouts, but I would prefer to complete this segment of my speech before we reach any conclusion as to what other course of action we may follow.

Mr. Justice Black delivered the opinion of the Court:

> The respondent Board of Education of Union Free School District No. 9, New Hyde Park, N.Y., acting in its official capacity under State law, directed the school district's principal to cause the following prayer to be said aloud by each class in the presence of a teacher at the beginning of each school day:
>
> "Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers, and our country."

That is the prayer about which all the controversy rages; but in the very first paragraph of the decision Justice Black drew an issue that is missed, and has been missed, by so many writers on the subject. I repeat it because, in my judgment, it goes to the very heart of this controversy. Justice Black said:

> The respondent Board of Education of Union Free School District No. 9, New Hyde Park, N.Y., acting in its official capacity under State law, directed the school district's principal to cause the following prayer to be said aloud by each class in the presence of a teacher at the beginning of each school day.

That is where the States comes in, through an agency of the State, the Board of Education of Union Free School District No. 9, New Hyde Park, N.Y. It is because of the direction of that agency of the State that the whole question of the first amendment arises. I say, most respectfully, it seems to me that many who have been so critical of the Court have missed that salient and controlling fact which Justice Black set out so succinctly and clearly in the very first paragraph of his decision.

He goes on to say:

> This daily procedure was adopted on the recommendation of the State board of regents, a governmental agency created by the State constitution to which the New York Legislature has granted broad supervisory, executive, and legislative powers over the State's public school system. These State officials composed the prayer which they recommended and published as a part of their "Statement on Moral and Spiritual Training in the Schools," saying: "We believe that this statement will be subscribed to by all men and women of good will, and we call upon all of them to aid in giving life to our program."

Again I point out that the prayer was composed by State officials. I would like to point out that the prayer was given under the direction of a State agency. That is why it is difficult to understand all the implications which have arisen from this case involving the separation-of-church-and-state doctrine of the first amendment.

I continue to read from the opinion:

> Shortly after the practice of reciting the Regents' prayer was adopted by the school district, the parents of 10 pupils brought this action in a New York State court insisting that use of this official prayer in the public schools was contrary to the beliefs, religions, or religious practices of both themselves and their children. Among other things, these parents challenged the constitutionality of both the State law authorizing the school district to direct the use of prayer in public schools and the school district's regulation ordering the recitation of this particular prayer on the ground that these actions of official governmental agencies violate that part of the first amendment of the Federal Constitution which commands that

The Justice then quotes from the first amendment, as follows—

> "Congress shall make no law respecting an establishment of religion"—a command which was "made applicable to the State of New York by the 14th amendment of the said Constitution." The New York Court of Appeals, over the dissents of Judges Dye and Fuld, sustained an order of the lower State courts which had upheld the power of New York to use the Regents' prayer as a part of the daily procedures of its public schools so long as the schools did not compel any pupil to join in the prayer over his or his parents' objection.

Madam President, there are some important footnotes in this decision which I think ought to be made a part of the Record. I am going to ask the Official Reporter, unless there are objections—well, I shall not do that, either. I withhold that for now.

Justice Black went on to say:

> We granted certiorari to review this important decision involving rights protected by the First and Fourteenth Amendments.
>
> We think that by using its public school system to encourage recitation of the Regents' prayer, the State of New York has adopted a practice wholly inconsistent with the Establishment Clause. There can, of course, be no doubt that New York's program of daily classroom invocation of God's blessings as prescribed in the Regents' prayer is a religious activity. It is a solemn avowal of divine faith and supplication for the blessings of the Almighty. The nature of such a prayer has always been religious, none of the respondents has denied this and the trial court expressly so found:
>
> "The religious nature of prayer was recognized by Jefferson and has been concurred in by theological writers, the United States Supreme Court and State courts and administrative officials, including New York's Commissioner of Education. A committee of the New York Legislature has agreed.
>
> "The Board of Regents as amicus curiae, the respondents and intervenors all concede the religious nature of prayer, but seek to

> distinguish this prayer because it is based on our spiritual heritage. * * *"
>
> The petitioners contend among other things that the state laws requiring or permitting use of the Regents' prayer must be struck down as a violation of the Establishment Clause because that prayer was composed by governmental officials as a part of a governmental program to further religious beliefs. For this reason, petitioners argue, the State's use of the Regents' prayer in its public school system breaches the constitutional wall of separation between Church and State. We agree with that contention since we think that the constitutional prohibition against laws respecting an establishment of religion must at least mean that in this country it is no part of the business of government to compose official prayers for any group of the American people to recite as a part of a religious program carried on by government.

Would that I could write with such clarity. Would that I could take such a complex subject as the first amendment and, in one short paragraph, go to the crux of the issue, as the great and incomparable Justice Black has done in this decision.

Why, some who have written to me so critically about the decision are among those, I know of my own knowledge, who are vehement in their insistance upon the separation of church and state.

I do not believe they ever read this paragraph by Justice Black, for one cannot get away from his finding that it was a regent's prayer, that it was phrased by government officials, that it was directed for use by government officials, that it became a governmental act and, as the Justice said, automatically violated the law of separation of church and state.

The opinion continues:

> It is a matter of history that this very practice of establishing governmentally composed prayers for religious services was one of the reasons which caused many of our early colonists to leave England and seek religious freedom in America. The Book of Common Prayer, which was created under governmental direction and which was approved by Acts of Parliament in 1548 and 1549, set out in minute detail the accepted form and content of prayer and other religious ceremonies to be used in the established, tax-supported Church of England. The controversies over the Book and what should be its content repeatedly threatened to disrupt the peace of that country as the accepted forms of prayer in the established church changed with the views of the particular ruler that happened to be in control at the time. Powerful groups representing some of the varying religious views of the people struggled among themselves to impress their particular views upon the Government and obtain amendments of the Book more suitable to their respective notions of how religious services should be conducted in order that the official religious establishment would advance their particular religious beliefs.

I say, by way of digression, the history of State prayers is old history. The controversy over State prayers goes back, as the great Justice says in the decision, to 1548 and 1549. The controversies over the prayer book of the Church of England created great splits within the British citizenry. In this decision, the great Justice Black has turned historian for the benefit of the American people, if they will read these findings about the history of the prayer controversy.

I read further from the decision:

> Other groups, lacking the necessary political power to influence the Government on the matter, decided to leave England and its established church and seek freedom in America from England's governmentally ordained and supported religion.
>
> It is an unfortunate fact of history that when some of the very groups which had most strenuously opposed the established Church of England found themselves sufficiently in control of colonial governments in this country to write their own prayers into law, they passed laws making their own religion the official religion of their respective colonies. Indeed, as late as the time of the Revolutionary War, there were established churches in at least 8 of the 13 former Colonies and established religions in at least 4 of the other 5.

It will be recalled that earlier today I said it was my recollection there were State churches, so called, in nine of the colonies. That was my recollection. The Justice says eight. I certainly yield to his knowledge of history.

The Justice continues:

> But the successful revolution against English political domination was shortly followed by intense opposition to the practice of establishing religion by law. This opposition crystallized rapidly into an effective political force in Virginia where the minority religious groups such as Presbyterians, Lutherans, Quakers, and Baptists had gained such strength that the adherents to the established Episcopal church were actually a minority themselves. In 1785–86, those opposed to the established church, led by James Madison and Thomas Jefferson, who, though themselves not members of any of these dissenting religious groups, opposed all religious establishments by law on grounds of principle, obtained the enactment of the famous "Virginia Bill for Religious Liberty" by which all religious groups were placed on an equal footing so far as the State was concerned. Similar though less far-reaching legislation was being considered and passed in other States.
>
> By the time of the adoption of the Constitution, our history shows that there was a widespread awareness among many Americans of the dangers of a union of church and State. These people knew, some of them from bitter personal experience, that one of the greatest dangers to the freedom of the individual to worship in his own way lay in the Government's placing its official stamp of approval upon one particular kind of prayer or one particular form of religious services. They knew the anguish, hardship and bitter strife that could come when zealous religious groups struggled with one another to obtain the Government's stamp of approval from each king, queen, or protector that came to temporary power. The Constitution was intended to avert a part of this danger by leaving the Government of this country in the hands of the people rather than in the hands of any monarch.

By way of digression, I have always held to the philosophy that a man's religion is his own. It is a possession of his own conscience. For that reason, as a church member, I hold to the point of view that, after all, the sanctuary of a church is not the Holy of Holies but only a materialistic symbol of the Holy of Holies. In accordance with my religious philosophy, the Holy of Holies is the individual conscience of each one of us, and each of us knows that when he sits in that inner sanctum he never sits alone.

Madam President, perhaps it is because I am a Congregationalist, but I find it very difficult to escape the belief that this concept of the individualistic nature of religious faith belonging to the individual himself and his conscience, and in no way being a property of the State, was pretty basic in the philosophy of Jefferson, Madison, and other colonial leaders who participated in the great controversy of that time which led to the adoption of the first amendment, to which Justice Black has directed himself in that historic decision.

Continuing with the decision, Justice Black said:

> But this safeguard was not enough. Our Founders were no more willing to let the content of their prayers and their privilege of praying whenever they pleased be influenced by the ballot box than they were to let these vital matters of personal conscience depend upon the succession of monarchs. The First Amendment was added to the Constitution to stand as a guarantee that neither the power nor the prestige of the Federal Government would be used to control, support or influence the kinds of prayer the American people can say—that the people's religions must not be subjected to the pressures of government for change each time a new political administration is elected to office. Under that Amendment's prohibition against governmental establishment of religion, as reinforced by the provisions of the Fourteenth Amendment, government in this country, be it state or federal, is without power to prescribe by law any particular form of prayer which is to be used as an official prayer in carrying on any program of governmentally sponsored religious activity.

Mr. GRUENING. Madam President, will the Senator yield?

Mr. MORSE. I will yield in a moment after I have completed the point I wish to make. I cannot stress too much the point that what we are dealing with in the present case is a particular prayer, an official prayer, a prayer designed and phrased by Government officials, directed by a Government agency—in this case a State agency—to be given at the beginning of school exercises.

In some arguments we hear the question, "Senator, when are you going to get rid of the opening prayer in the Senate?"

Never, in my judgment. The question has nothing to do with the decision to which I have referred. In the Senate there is no State prayer. In the Senate there is no requirement that any set of phrases shall be uttered by the Chaplain. We could dispense with the prayer in the Senate tomorrow if we wished to do so. But there would not be a vote for such a proposal in the Senate, thank God. Here is volunteerism at work. Here is no governmental requirement.

I think this is an appropriate place for me to digress from the decision long enough to set forth the view that I have expressed to my constituents. Madam President, I am sure the present occupant of the Chair would be surprised and pleased at the number of constituents who have replied to the letter I am about to read after they had first written me critical letters in connection with the decision.

In this letter I say:

> DEAR [here would be the name of the constituent]: This will acknowledge receipt of your communication about the Supreme Court decision on the prayer issue.
>
> As a religious man, it is my opinion that our public schools would not be violating the constitutional separation of church and state doctrine by offering on a voluntary basis a so-called nondenominational prayer. Of course, the decision of the Supreme Court in the New York case stands as the law of the land unless and until the first amendment to the Constitution is changed by constitutional amendment.
>
> The decision in the New York case is a much more limited one than most of the news stories have pointed out to the public. The decision does not ban all prayers in public schools. What the Court ruled on was the constitutionality of a requirement that a prayer written by a State agency of the government of New York should be read in the local public schools. On this very limited and technical constitutional ground, the parents who filed the court action claimed that the first amendment to the Constitution was violated because the State of New York, through the prayer, was seeking to impose religious teaching upon children in public schools. The Supreme Court sustained their contention.
>
> The Court indicated that putting participation on a voluntary basis did not change the fact that the prayer was written by an agency of the State, and its reading was mandatory in this particular school district. If a State government, acting through any of its agencies, can require the reading of a prayer prescribed or written by State authorities and not violate the first amendment to the Constitution as to separation of church and state, it would be difficult to prevent a State, through law, requiring the holding of chapel in a public school or the requirement that some other religious program or services be part of the school curriculum.
>
> Apparently, six of the seven judges decided that the first amendment does not permit a State to require religious instruction, even in the form of a prayer because of the constitutional limitations of the first amendment. However, as I read the decision, a system of voluntary prayer not based upon any requirement by law would not be in violation of the first amendment under this Supreme Court decision.

Digressing from my letter for a moment, the same is true of the voluntary prayers in the Senate. They could not possibly be interpreted as any violation of the first amendment.

Going back to my reading of the letter:

> Of course, the difficulty of trying to work out a procedure for voluntary prayers in the public schools is obvious. I suppose we would always be confronted with some parents who would oppose even a voluntary system. However, as I have given thought to this problem since the Supreme Court decision I have been wondering what would happen if a parent-teachers association recommended that the school day open with a silent prayer.
>
> The point that is being missed in much of the discussion of the Supreme Court decision is the point involving the difference between a governmental action requiring a prayer and a nongovernmental voluntary procedure. It is my guess that what will undoubtedly happen is that many parent groups, student groups and school boards throughout the country will work out a voluntary procedure for offering a nondenominational prayer at various schools and school programs that will not be in conflict with the Supreme Court decision.
>
> In my judgment, the Supreme Court decision, interpreting for the first time in our history the limitations of the first amendment in respect to a requirement that prayer be offered in the public schools will stand, because it is in conformity with the history of the origin of the first amendment.
>
> The controversy over the issue of separation of church and State was a very bitter one when the Constitution was written. It was the great fear in the colonies at that time that the States would attempt to impose compulsory church education and church domination upon the people, which led to the first amendment.
>
> The New York case is the first case we have had in our history testing whether or not a prayer requirement of an agency of a State Government violated the original intent of the constitutional fathers when they adopted the first amendment. The Court found that it did, and it seems to me that what we, as religious people, have to do now is accept the decision as the law of the land which it is, and do our best to work out a voluntary procedure such as I have suggested in this letter.
>
> I wish to make clear that I would not support a constitutional amendment that would permit a State or local government to prescribe prayers to be offered in the public schools. If we start doing that, we run the risk of destroying, as a matter of law, the precious legal principle of separation of church and state. I am convinced that a procedure for offering prayers on a voluntary basis can be worked out.
>
> With kindest regards.
>
> Sincerely,
>
> WAYNE MORSE.

Mr. GRUENING. Madam President, will the Senator yield for a question?

Mr. MORSE. The Senator from Alaska seeks to ask me a question. The Senator from Oregon earlier announced that he was not going to yield for some time. It has been some time. It has not been very long, but it has been some time. I have kept that faith, anyway. However, I do not want to be a literalist. I said I would not yield for some time, and I do not intend to yield for very many questions. However, I have received some written instructions. I will let the Chair in on the secret. I have received written instructions suggesting that I yield to the Senator from Alaska to ask me a question. I will listen to the question with one ear, and with the other ear I will listen to the Senator from Tennessee [Mr. KEFAUVER], standing beside me, who has some instructions to give me. I have been waiting for these instructions, because I am only a member of a team, and I am only seeking to carry out my part of the work. However, I yield to my friend, the Senator from Alaska. I hope that he has pondered his question, and that it is a question, and that he will ask it rather slowly while I listen to my friend from Tennessee.

Mr. GRUENING. I have two questions, but they are very closely related. The first question is whether the distinguished senior Senator from Oregon is familiar with the 40-page statement made before the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary, on the subject now before the Senate, by Mr. Dallas W. Smythe, research professor of communications, Institute of Communications Research, University of Illinois? Does the Senator from Oregon have knowledge of that opinion?

Mr. MORSE. Yes; I have knowledge of the opinion.

Mr. GRUENING. Then my second question is whether he would agree—and in order to make sure that he agrees, I would have to summarize pretty much what the conclusion is, so that I will state it in advance before summarizing it. His conclusion is that the FCC is not qualified to regulate satellite communications. Does the senior Senator from Oregon agree with that conclusion?

Mr. HUMPHREY. Madam President——

Mr. MORSE. Is this a question?

Mr. GRUENING. It is a question.

Mr. MORSE. I will not yield further. I do not think it is a question.

Mr. GRUENING. It is a question.

Mr. MORSE. I return to my reading from the decision.

Mr. GRUENING. It is a question

Mr. MORSE. I decline to yield further.

The PRESIDING OFFICER. The Senator from Oregon declines to yield.

Mr. MORSE. I have received my instructions, by the way. I do not want to seem to be the least bit offensive to my friend the Senator from Alaska. I appreciate his position. I return now to the Supreme Court decision in the New York prayer case. I wish to get the decision into the RECORD at this point. I think it is very important that we keep in mind what Justice Black said. I continue to read:

> Neither the fact that the prayer may be denominationally neutral, nor the fact that its observance on the part of the students is voluntary can serve to free it from the limitations of the Establishment Clause, as it might from the Free Exercise Clause, of the First Amendment, both of which are operative against the States by virtue of the Fourteenth Amendment. Although these two clauses may in certain instances overlap, they forbid two quite different kinds of governmental encroachment upon religious freedom. The Establishment Clause, unlike the Free Exercise Clause, does not depend upon any showing of direct governmental compulsion and is violated by the enactment of laws which establish an official religion whether those laws operate directly to coerce nonobserving individuals or not. This is not to say, of course, that laws officially prescribing a particular form of religious worship do not involve coercion of such individuals.
>
> When the power, prestige, and financial support of government is placed behind a particular religious belief, the indirect coercive pressure upon religious minorities to conform to the prevailing officially approved religion is plain. But the purposes underlying the establishment clause go much further than that. Its first and most immediate purpose rested on the belief that a union of government and religion tends to destroy government and to degrade religion. The history of governmentally established religion, both in England and in this country, showed that whenever government had allied itself with one particular form of religion, the inevitable result had been that it had incurred the hatred, disrespect, and even contempt of those who held contrary beliefs. That same history showed that many people had lost their respect for any religion that had relied upon the support

> of government to spread its faith. The establishment clause thus stands as an expression of principle on the part of the Founders of our Constitution that religion is too personal, too sacred, too holy, to permit its "unhallowed perversion" by a civil magistrate. Another purpose of the establishment clause rested upon an awareness of the historical fact that governmentally established religions and religious persecutions go hand in hand. The Founders knew that only a few years after the Book of Common Prayer became the only accepted form of religious services in the established Church of England, an Act of Uniformity was passed to compel all Englishmen to attend those services and to make it a criminal offense to conduct or attend religious gatherings of any other kind—a law which was consistently flouted by dissenting religious groups in England and which contributed to widespread persecutions of people like John Bunyan who persisted in holding "unlawful [religious] meetings to the great disturbance and distraction of the good subjects of this kingdom." And they knew that similar persecutions had received the sanction of law in several of the Colonies in this country soon after the establishment of official religions in those colonies. It was in large part to get completely away from this sort of systematic religious persecution that the Founders brought into being our Nation, our Constitution, and our Bill of Rights with its prohibition against any governmental establishment of religion. The New York laws officially prescribing the regents' prayer are inconsistent with both the purposes of the establishment clause and with the establishment clause itself.
>
> It has been argued that to apply the Constitution in such a way as to prohibit state laws respecting an establishment of religious services in public schools is to indicate a hostility toward religion or toward prayer. Nothing, of course, could be more wrong. The history of man is inseparable from the history of religion. And perhaps it is not too much to say that since the beginning of that history many people have devoutly believed that "More things are wrought by prayer than this world dreams of." It was doubtless largely due to men who believed this that there grew up a sentiment that caused men to leave the cross-currents of officially established state religions and religious persecution in Europe and come to this country filled with the hope that they could find a place in which they could pray when they pleased to the God of their faith in the language they chose. And there were men of this same faith in the power of prayer who led the fight for adoption of our Constitution and also for our Bill of Rights with the very guarantees of religious freedom that forbid the sort of governmental activity which New York has attempted here. These men knew that the First Amendment, which tried to put an end to governmental control of religion and of prayer, was not written to destroy either. They knew rather that it was written to quiet well-justified fears which nearly all of them felt arising out of an awareness that governments of the past had shackled men's tongues to make them speak only the religious thoughts that government wanted them to speak and to pray only to the God that government wanted them to pray to. It is neither sacrilegious nor antireligious to say that each separate government in this country should stay out of the business of writing or sanctioning official prayers——

Mr. KUCHEL. Madam President, I cannot hear the Senator from Oregon.

Mr. MORSE [continuing reading]—

> and leave that purely religious function to the people themselves and to those the people choose to look to for religious guidance.

Madam President, nothing could please me more than that my good friend, the distinguished senior Senator from California, should want to hear me. His is one of the nicest compliments that have been paid me for quite some time.

Mr. KUCHEL. I thank the Senator from Oregon.

Mr. MORSE. I am particularly delighted that I am having the privilege of reading through this great, historic decision of the Supreme Court in the prayer case, because I am certain that the minority whip will be "right in there" supporting the senior Senator from Oregon when I offer my first amendment to the Journal, which will be to insert in the Journal, in the appropriate place, the inspiring prayer of the Chaplain of the Senate——

Mr. KUCHEL. Madam President, will the Senator from Oregon yield?

Mr. MORSE. Oh, no; I will not yield. I propose to offer for insertion in the Journal, in the appropriate place, the great prayer offered by the Chaplain of the Senate on Wednesday, July 25, 1962. But I am honored to have the Senator from California hear me through on this Supreme Court decision.

Mr. Justice Black, in his opinion, continues:

> It is true that New York's establishment of its Regents' prayer as an officially approved religious doctrine of that State does not amount to a total establishment of one particular religious sect to the exclusion of all others—that, indeed, the governmental endorsement of that prayer seems relatively insignificant when compared to the governmental encroachments upon religion which were commonplace 200 years ago. To those who may subscribe to the view that because the Regents' official prayer is so brief and general there can be no danger to religious freedom in its governmental establishment, however, it may be appropriate to say in the words of James Madison, the author of the First Amendment:
>
> "It is proper to take alarm at the first experiment on our liberties. Who does not see that the same authority which can establish Christianity, in exclusion of all other religions, may establish with the same ease any particular sect of Christians, in exclusion of all other sects? That the same authority which can force a citizen to contribute 3 pence only of his property for the support of any one establishment, may force him to conform to any other establishment in all cases whatsoever?"
>
> The judgment of the Court of Appeals of New York is reversed and the cause remanded for further proceedings not inconsistent with this opinion.
>
> Reversed and remanded.
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> Mr. Justice Frankfurter took no part in the decision of this case.
>
> Mr. Justice White took no part in the consideration or decision of this case.

Madam President, before I turn to the dissenting opinion of Mr. Justice Stewart and then turn to the special concurring opinion of Mr. Justice Douglas, I wish to say a word in summary of the majority opinion.

The Justice pointed out, as I sought to do in my letters to my constituents, that the prayer involved meets the test of an official government prayer. It would make no difference who the government official was—whether an official in a high position or a government official in a low position, whether the Governor of a State, the President of the United States, a member of a board of regents, or a member of a school board for a school district. In any case, the first question was, Does this deal with an official prayer? The answer is that it does. I do not see how anyone could deny that.

The second question confronting the Court was, Did that government agency direct the bespeaking of the prayer? The answer is "Yes." There is no question about that.

The next question was, Is the effect of such direction by Government officials that, in connection with the operation of the school, an official Government prayer is imposed upon the students? The answer is "Yes."

Taking into consideration those facts, the Justice said, in effect, that they could not be squared with the first amendment to the Constitution. I agree with him. It is no answer to say, as some might argue, that a student could walk out of the school room, and would not have to remain there. Obviously, that would be rather hard for a parent or for anyone else who knows anything about child psychology to accept. We know what would happen in any school when, under such circumstances, a group of students would walk out of a classroom because of their religious faith—but, really, as a form of protest because a prayer was being spoken. Madam President, that is not my idea of how to inculcate or strengthen religious faith. Instead, that is my idea of how to create a good many behavior problems in a school and how to cause a great deal of psychological harm to a good many young children who, after all, because of the happenstance of their birth in a home of one religious faith or another, and had fairly well been conditioned, by the time they began to attend school, in connection with religious matters.

So, Madam President, I can reach no conclusion other than the one reached by Mr. Justice Black; namely, that that an official governmental prayer cannot be squared with the establishment clause of the first amendment of the Constitution. Many disagree; but undoubtedly it is an issue of great importance in this country.

I only plead for a clear understanding of the Constitution and a reading of the decision. I judge, from his public statement, that Billy Graham read the decision and apparently came to the same conclusion to which I have come—namely, that the decision was correct insofar as the first amendment is concerned; and I quite agree with the other observations made by Billy Graham. But of course we must not interpret the decision to mean that in this country there is any downgrading—and certainly there should not be—as regards faith in prayer. After all, under the first amendment the governmental administration must not be permitted to be beclouded by our religious feelings about the desirability of having the youth of the country, and also the oldsters, frequently bow their heads in prayer.

That is why I think this Senate tradition is most important; although it is not required by law, and there is no legal basis for it, but it is a Senate tradition for which we Senators are responsible, because the Senate is composed of religious men and women. Certainly this beautiful tradition of this great parliamentary body should be perpetuated, and certainly the same tradition should be perpetuated in the House of Representatives. Therefore, I believe it a non sequitur to argue that the Supreme Court's decision in effect makes illegal the practice of having the Senate Chaplain offer prayer at the commencement of each session of the Senate. It is nonsense to make such an argument. No part of the Court's opinion in the New York prayer case could by the slightest implication be regarded as forming a basis for any such conclusion. I respectfully state—and I state it for the benefit of those who do not take the time to obtain the facts—that such an argument would inflame, mislead, and confuse, and has nothing to do with the practice in the Senate of having the Chaplain offer prayer.

So, Madam President, I thought that on this occasion it would be particularly fitting for me to rather point up this issue by offering, as my first amendment to the Senate Journal of Wednesday, July 25, the Chaplain's prayer.

This is a debatable subject-matter; but I think I am performing a great service for the Senate by offering that amendment. It gives every Senator an opportunity to rise and deliver himself as I have this afternoon in regard to the Supreme Court's decision in the New York prayer case.

I wish to say good naturedly and respectfully, but nevertheless meaningfully, that it will do our country more good than to rush through the passage of the satellite bill. If Senators are not going to follow our advice about getting out of here as soon as possible after the passage of the money bills, then, Madam President, I say we could much better engage for 2 or 3 weeks in debate on the decision in the New York prayer case and all the ancillary issues flowing therefrom, including the desirability of our going on record as desiring to express the belief that the practice of praying in the United States should be strengthened, deepened, and broadened, for these are times when men and women should pray.

As one who believes in the power of prayer, I believe it is particularly apropos that I should offer as my first amendment to the Journal an amendment that would insert for all history the Chaplain's beautiful prayer of Wednesday, July 25. But I do not want anybody to charge me with telling only one side of the story on the Supreme Court decision in the New York prayer case.

I want to read now the dissenting opinion of Mr. Justice Stewart. The decision was 6 to 1. Six other Justices voting on the case rejected his analysis, as I do, in its relationship to the first amendment. There are many sentiments in Mr. Justice Stewart's decision with which I am in complete sympathy and agreement.

Mr. COOPER. Madam President, will the Senator yield?

Mr. MORSE. I have declined to yield. I am sorry. It pains me not to be able to yield to the distinguished Senator from Kentucky, but I have yielded only on one occasion, and that was to get time enough to have a consultation. I was able to do it. I am not going to yield until I get some further instructions.

Mr. COOPER. While the Senator was discussing the New York prayer case, I wanted to ask him a question.

Mr. MORSE. I shall be very glad to hear the views of the distinguished Senator from Kentucky on the New York case later, because he is a former judge and I think a great student of the Constitution. I always learn from him. We have been so busy that we have not had a chance in private conversation to discuss the Supreme Court decision in the school prayer case, and I am looking forward to it. I think the Senator from Kentucky owes me a cup of coffee, so sometime when he wants to join me in a cup of coffee, I think we will talk about the New York prayer case.

Mr. Justice Stewart had this to say:

> A local school board in New York has provided that those pupils who wish to do so may join in a brief prayer at the beginning of each school day, acknowledging their dependence upon God and asking His blessing upon them and upon their parents, their teachers, and their country. The Court today decides that in permitting this brief nondenominational prayer the school board has violated the Constitution of the United States. I think this decision is wrong.
>
> The Court does not hold, nor could it, that New York has interfered with the free exercise of anybody's religion. For the state courts have made clear that those who object to reciting the prayer must be entirely free of any compulsion to do so, including any "embarrassments and pressures." But the Court says that in permitting school children to say this simple prayer the New York authorities have established "an official religion.
>
> With all respect, I think the Court has misapplied a great constitutional principle. I cannot see how an "official religion" is established by letting those who want to say a prayer say it. On the contrary, I think that to deny the wish of these school children to join in reciting this prayer is to deny them the opportunity of sharing in the spiritual heritage of our Nation.
>
> The Court's historical review of the quarrels over the Book of Common Prayer in England throws no light for me on the issue before us in this case. England had then and has now an established church. Equally unenlightening, I think, is the history of the early establishment and later rejection of an official church in our own States. For we deal here not with the establishment of a state church, which would, of course, be constitutionally impermissible, but with whether school children who want to begin their day by joining in prayer must be prohibited from doing so. Moreover, I think that the Court's task, in this as in all areas of constitutional adjudication, is not responsibly aided by the uncritical invocation of metaphors like the "wall of separation," a phrase nowhere to be found in the Constitution. What is relevant to the issue here is not the history of an established church in the sixteenth century England or in the eighteenth century America, but the history of the religious traditions of our people, reflected in countless practices of the institutions and officials of our government.
>
> At the opening of each day's Session of this Court we stand, while one of our officials invokes the protection of God. Since the days of John Marshall our Crier has said, "God save the United States and this Honorable Court." Both the Senate and the House of Representatives open their daily Sessions with prayer. Each of our Presidents, from George Washington to John F. Kennedy, has upon assuming his Office asked the protection and help of God.
>
> The Court today says that the state and federal governments are without constitutional power to prescribe any particular form of words to be recited by any group of the American people on any subject touching religion. The third stanza of "The Star-Spangled Banner," made our National Anthem by Act of Congress in 1931, contains these verses:
>
> "Blest with victory and peace, may the heav'n rescued land
> Praise the Pow'r that hath made and preserved us a nation!
> Then conquer we must, when our cause it is just,
> And this be our motto 'In God is our Trust'."
>
> In 1954 Congress added a phrase to the Pledge of Allegiance to the Flag so that it now contains the words "one Nation under God, indivisible, with liberty and justice for all." In 1952 Congress enacted legislation calling upon the President each year to proclaim a National Day of Prayer. Since 1865 the words "In God we trust" have been impressed on our coins.
>
> Countless similar examples could be listed, but there is no need to belabor the obvious. It was all summed up by this Court just ten year ago in a single sentence: "We are a religious people whose institutions presuppose a Supreme Being."
>
> I do not believe that this Court, or the Congress, or the President has by the actions and practices I have mentioned established an "official religion" in violation of the Constitution. And I do not believe the State of New York has done so in this case. What each has done has been to recognize and to follow the deeply entrenched and highly cherished spiritual traditions of our Nation—traditions which come down to us from those who almost two hundred years ago avowed their "firm reliance on the Protection of Divine Providence" when they proclaimed the freedom and independence of this brave new world.
>
> I dissent.

Madam President, as a lawyer I have the greatest of respect for this distinguished jurist, Justice Stewart. I have a very high regard for the Justice as a judge. I could not disagree with him more, however, in regard to a constitutional issue than I disagree with his dissenting opinion, for I think it can best be descrbed as a chain of non sequiturs bearing no relationship to the issue involving the first amendment; not touching upon those important questions of fact which Justice Black raised, as I said earlier this afternoon, at the very beginning of his decision, and not in any way rebutting those findings of fact of Justice Black—to wit, that a State agency through State officers phrased the prayer, and that that State agency then by State requirement required the prayer to be spoken.

I think the failure of Justice Stewart at any time in his dissent to come to grips with that great decision of Justice Black is portrayed in the comment of Justice Stewart when he says:

> Moreover, I think that the Court's task, in this as in all areas of constitutional adjudication, is not responsibly aided by the uncritical invocation of metaphors like the

> "wall of separation," a phrase nowhere to be found in the Constitution.

There is an example of begging the question. There is an example of evading the issue.

Madam President, this case on the facts raises the issue of separation of church and state. The great Justice Stewart may not like the style of Justice Black. He may not approve of his powers of description, but in what Justice Stewart refers to as the metaphor Justice Black raised and properly saw the meaning of the doctrine of separation of church and state imbedded in the first amendment.

May I say to Justice Stewart, I know of no great constitutional authority in all the field of constitutional scholarship in our country who, in writing about and analyzing the first amendment, does not talk about the doctrine of separation of church and state raised by the first amendment. The dissenting opinion does not even come to grips with the issue raised by Justice Black.

Now, there is another opinion in that case. I do not wish to ignore it. It is a special concurring opinion.

Let me make very clear that a special concurring opinion is not a majority opinion. Let me make clear that the ruling opinion in the case is the majority opinion. A special concurring opinion is very helpful as a treatise on constitutional law, but, as we lawyers say, in effect it is really obiter dicta.

As chairman of the Subcommittee on Education of the Committee on Labor and Public Welfare of the Senate, now engaged in trying to work out some kind of compromise with the House on the higher education bill, and as the chairman of the conference committee, I want to say that the special concurring opinion I am about to read has caused us lots of trouble. It has created great difficulties.

Obiter dictum or not obiter dictum, the members of the conference, depending upon what is their point of view in regard to various aspects of the higher education problem, not only have read the Justice Douglas special concurring opinion but also seem to enjoy reading it into our teeth on some points.

I do not know, but I wish I knew to what extent and degree some of this obiter dictum in Justice Douglas' special concurring opinion might possibly find its way into a majority opinion in some education case. Time will tell. We shall have to wait and see.

Really, the special concurring opinion was not at all necessary for a determination of the New York case, yet I think it undoubtedly will go down in history as a very significant special concurring opinion, as in some other cases some dissents such as those of Holmes, Cardozo, and Brandeis have gone down in history as great dissents—great because in the evolutionary development of our juridical process these opinions subsequently became majority opinions written by their successors on the Court.

I wanted to say these things about the special concurring opinion of Mr. Justice Douglas before I read his opinion, because again I find many are jumping to the conclusion that Justice Douglas speaks for the Court. He does not. He speaks only for himself in this special concurring opinion. Undoubtedly his opinion will be an aid to lawyers who in subsequent litigation are on the side that is consistent with some of the constitutional points of view Mr. Justice Douglas sets out in the opinion. Undoubtedly the special concurring opinion of Mr. Justice Douglas will have some persuasive influence not only on practicing lawyers, but also on lower courts.

Future cases before the U.S. Supreme Court may contain facts similar to factual situations that Mr. Justice Douglas talks about in his special concurring opinion, but which in some instances were not involved in the case before the Court. His decision will carry some weight with his colleagues on the Court. That is to be expected.

But I raise a caveat or word of warning today to those who are pummeling the conferees of the Senate and of the House on a higher education conference report that what Mr. Justice Douglas said in many parts of the decision does not involve principles and tenets which are yet the law of the land. The special concurring opinion is not the opinion of the United States Supreme Court, but is the statement of the individual views of a member of the Court who voted with the majority in the New York case, but whose views are not a part of the majority opinion, and therefore do not establish the constitutional law doctrine proclaimed, adopted, and sanctioned by the Court.

I do not wish anything that I have said to indicate any lack of respect for Mr. Justice Douglas as a judge. Much that he has said in his opinion is sound constitutionalism and may well be applicable in future cases, but it did not need to be said in the determination of the case about which I have been speaking.

Justice Douglas stated:

> Mr. Justice DOUGLAS [concurring]. It is customary in deciding a constitutional question to treat it in its narrowest form. Yet at times the setting of the question gives it a form and content which no abstract treatment could do. The point for decision is whether the Government can constitutionally finance a religious exercise. Our system at the Federal and State levels is presently honeycombed with such financing. Nevertheless, I think it is an unconstitutional undertaking whatever form it takes.
>
> First, a word as to what this case does not involve.
>
> Plainly, our Bill of Rights would not permit a State or the Federal Government to adopt an official prayer and penalize anyone who would not utter it. This, however, is not that case, for there is no element of compulsion or coercion in New York's regulation requiring that public schools be opened each day with the following prayer:
>
> "Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers and our country."
>
> The prayer is said upon the commencement of the school day, immediately following the pledge of allegiance to the flag. The prayer is said aloud in the presence of a teacher, who either leads the recitation or selects a student to do so. No student, however, is compelled to take part. The respondents have adopted a regulation which provides that "neither teachers nor any school authority shall comment on participation or nonparticipation nor suggest or request that any posture or language be used or dress be worn or be not used or not worn." Provision is also made for excusing children, upon written request of a parent or guardian, from the saying of the prayer or from the room in which the prayer is said. A letter implementing and explaining this regulation has been sent to each taxpayer and parent in the school district. As I read this regulation, a child is free to stand or not stand, to recite or not recite, without fear of reprisal or even comment by the teacher or any other school official.
>
> In short, the only one who need utter the prayer is the teacher; and no teacher is complaining about it. Students can stand mute or even leave the classroom, if they desire.

Awhile ago I made a few statements about some psychological factors involved in the statement of facts. How free are those children? How voluntary is the prayer? I say most respectfully that I do not think that account of Justice Douglas would be accepted as an account of free volition in any class dealing with child psychology, because we must take into account the psychological coercive factors that are present in one of those classrooms. We parents know what disciplinarians children can be in their relationship with each other. We parents know what suffering children can inflict on each other in such a situation as the one presented.

Assume such a classroom in which there are half a dozen children of some denomination or sect—or some religious faith that believes in one God but not in Christianity—who will get up and leave one of those classrooms while a Christian prayer is being spoken. Would anyone tell me that there would be no aftermaths? Would anyone tell me that such a situation would be free of coercion? Would anyone tell me that in such a situation voluntarism prevails? If we were to talk with the parents of some of those children we would find out. We could follow the history of the case and the reason why the parents who brought the case brought it, and we would find out the truth to which I am alluding. The question is not as simple as even Justice Douglas would point out in his decision. If there is a requirement that the prayer be spoken—and there is or was—under the official Government regulation there was coercion in a variety of forms and to various degrees.

If in one of these schoolrooms the plan was that after the pledge of allegiance to the flag the students remained standing for the prayer, and there was a nonbeliever in the Christian faith but a believer in another faith, who sat down, does anyone think that that child would be free of the charge of disrespect for the prayer?

The whole requirement was a requirement that, in effect, imposed religious instructions upon the children compulsorily. Senators will remember what I said earlier, namely, that I am in favor of a voluntary system of prayer, if it can be worked out procedurally on a voluntary basis. But this is a rather important fact, one which I respectfully say Mr. Justice Stewart never came to grips with in his dissenting opinion. I suggest this supplement to the observations of Mr. Justice Douglas, because I believe Mr. Justice Black came to grips with this point. We cannot escape the factual criterion in this case, the criterion of government compulsion.

I cannot square that with the first amendment. Justice Douglas goes on to say:

> *McCollum* v. *Board of Education*, 333 U.S. 203, does not decide this case. It involved the use of public school facilities for religious education of students. Students either had to attend religious instruction or "go to some other place in the school building for pursuit of their secular studies. Reports of their presence or absence were to be made to their secular teachers."
>
> The influence of the teaching staff was therefore brought to bear on the student body, to support the instilling religious principles. In the present case, school facilities are used to say the prayer and the teaching staff is employed to lead the pupils in it. There is, however, no effort at indoctrination and no attempt at exposition. Prayers of course may be so long and of such a character as to amount to an attempt at the religious instruction that was denied the public schools by the McCollum case.
>
> But New York's prayer is of a character that does not involve any element of proselytizing as in the McCollum case.
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> The question presented by this case is therefore an extremely narrow one. It is whether New York oversteps the bounds when it finances a religious exercise.
>
> What New York does on the opening of its public schools is what we do when we open court. Our Marshal has from the beginning announced the convening of the Court and then added "God save the United States and this honorable court." That utterance is a supplication, a prayer in which we, the judges, are free to join, but which we need not recite any more than the students need recite the New York prayer.
>
> What New York does on the opening of its public schools is what each House of Congress does at the opening of each day's business. Reverend Frederick B. Harris is Chaplain of the Senate; Reverend Bernard Braskamp is Chaplain of the House. Guest chaplains of various denominations also officiate.
>
> In New York the teacher who leads in prayer is on the public payroll; and the time she takes seems minuscule as compared with the salaries appropriated by state legislatures and Congress for chaplains to conduct prayers in the legislative halls. Only a bare fraction of the teacher's time is given to reciting this short 22-word prayer, about the same amount of time that our Marshal spends announcing the opening of our sessions and offering a prayer for this Court. Yet for me the principle is the same, no matter how briefly the prayer is said, for in each of the instances given the person praying is a public official on the public payroll, performing a religious exercise in a governmental institution. It is said that the element of coercion is inherent in the giving of this prayer. If that is true here, it is also true of the prayer with which this Court is convened, and with those that open the Congress. Few adults, let alone children, would leave our courtroom or the Senate or the House while those prayers are being given. Every such audience is in a sense a "captive" audience.
>
> At the same time I cannot say that to authorize this prayer is to establish a religion in the strictly historic meaning of those words. A religion is not established in the usual sense merely by letting those who chose to do so say the prayer that the public school teacher leads. Yet once government finances a religious exercise it inserts a divisive influence into our communities.

I digress at this point. That announcement by Justice Douglas has caused a kind of furor in American education circles. Remember what I said, Madam President. It is obiter dictum. It is not controlling in the New York prayer case. But it simply raises a chain reaction of all kinds. The Everson case was not before the Court. I mean that the set of facts which would raise anew the issues of the Everson case were not before the Court. "But," say the partisans of various degrees in the great national debate on Federal aid to education, "we wonder how many other members of the Court might agree with Justice Douglas. We wonder, if a school bus case were before the Court again, or a case involving a similar expenditure of funds, if a majority of the Court would side with the special concurring opinion of Justice Douglas and reverse the Everson case?" I do not see how anyone can doubt that Justice Douglas would. But listen to more of what Justice Douglas said:

> Its result is appealing, as it allows aid to be given to needy children. Yet by the same token, public funds could be used to satisfy other needs of children in parochial schools—lunches, books, and tuition being obvious examples.

In some States, lunches and books are provided. In some States, such as my own, there are textbook laws which provide for the supplying of textbooks to Catholic or parochial schools. But recently the Supreme Court of Oregon declared that that law was unconstitutional under the State constitution.

There is no question that the special concurring opinion by Justice Douglas now raises this issue into the realm of doubt in respect to bus fares, covered by the Everson case, and, because of the examples used by him, at least throws into controversy again, so far as the Federal Constitution is concerned, school lunches and books.

Turning again to the special concurring opinion of Justice Douglas, he said:

> Mr. Justice Rutledge stated in dissent what I think is durable first amendment philosophy.

Note what Justice Douglas is doing. He is citing language not from a controlling opinion, but from a dissenting opinion—a brilliant dissenting opinion—of Justice Rutledge in the Everson case. Justice Douglas quotes Justice Rutledge as follows:

> "The reasons underlying the amendment's policy have not vanished with time or diminished in force. Now as when it was adopted the price of religious freedom is double. It is that the church and religion shall live both within and upon that freedom. There cannot be freedom of religion, safeguarded by the state, and intervention by the church or its agencies in the state's domain or dependency on its largesse. Madison's Remonstrance, pars. 6, 8. The great condition of religious liberty is that it be maintained free from sustenance, as also from other interferences, by the state. For when it comes to rest upon that secular foundation it vanishes with the resting. Id., pars. 7, 8. Public money devoted to payment of religious costs, educational or other, brings the quest for more. It brings too the struggle of sect against sect for the larger share or for any. Here one by numbers alone will benefit most, there another. That is precisely the history of societies which have had an established religion and dissident groups. Id., pars. 8, 11. It is the very thing Jefferson and Madison experienced and sought to guard against, whether in its blunt or in its more screened forms. Ibid. The end of such strife cannot be other than to destroy the cherished liberty. The dominating group will achieve the dominant benefit; or all will embroil the state in their dissentions. Id., par. 11." Id., pp. 53–54.
>
> . What New York does with this prayer is a break with that tradition. I therefore join the Court in reversing the judgment below.

Madam President, the special concurring opinion of Justice Douglas is not a controlling opinion in the case; but as one of my coconferees on the Senate conference, who has just come into the Chamber, the distinguished senior Senator from Texas [Mr. YARBOROUGH], well knows, the special concurring opinion of Mr. Justice Douglas is a matter of considerable comment within our conference committee.

We do not know what it portends in the whole field of Federal aid to education. It has unquestionably made it more difficult for us in conference, because it has caused some Members to take the position that we had better wait, we had better let a little time pass, not only until we feel we have a better understanding of the implications not only of the special concurring opinion of Mr. Justice Douglas, but also that we might spend some time analyzing the import of the dissenting opinion and, most certainly, of the majority opinion.

So this afternoon, Madam President, in speaking from the floor of the Senate to the educators and the various societies, organizations, and church groups attempting to exercise their powers of persuasion on the chairman of the conference committee and also, I understand, on all the other members of the conference committee, and urging that they take some particular course of action in connection with the higher education bill which is pending before the conference committee, I say that the Supreme Court's decision in the New York prayer case has created some very serious problems for the conference committee. It has created problems in regard to the substantive issue of Federal aid to education. It makes it necessary for us to think through again the question of what amendments, if any, should be added to the Senate version of the bill, if we could get the House to accept the Senate version—although of course there is no chance of that and also the question of what amendments, if any, should be added to the House version of the bill, if we could get the Senate to accept that version—although there is no chance of that. So it throws us into the middle area of compromise; and we seem to be going in all directions at the same time—a procedure which is quite a feat, physically; but if one wishes to see it performed, let him watch the conference committee on the aid to education bill, because we seem to be masters at it. We trace and retrace our steps with remarkable speed.

Mr. YARBOROUGH. Madam President, will the Senator from Oregon yield?

Mr. MORSE. I yield for a question.

Mr. YARBOROUGH. Yes, I wish to ask a question.

Madam President, I direct the attention of the distinguished senior Senator from Oregon to Calendar No. 676, Senate bill 349——

Mr. MORSE. Will the Senator from Texas put his remarks in the form of a question, please?

Mr. YARBOROUGH. But I——

Mr. MORSE. I must be very careful. My good friend, the Senator from Minnesota [Mr. Humphrey], is one of the most nimble and able parliamentarians on the floor of the Senate; and the Senator from Texas saw him rise, and also saw his equal in parliamentary knowledge, the distinguished minority leader [Mr. Dirksen], get off the davenport in the rear of the Chamber and come in for what he hoped might be a forensic "kill." So I simply cannot yield except for a question, and I cannot permit the Senator from Texas to proceed unless he asks a question.

Mr. DIRKSEN. Madam President, a point of order.

Mr. YARBOROUGH. But I wish to have the Senator from Oregon——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Illinois for a point of order?

Mr. MORSE. Madam President, I can yield to the Senator from Texas only for a question.

Mr. YARBOROUGH. But, Madam President——

Mr. MORSE. No, Madam President, I can yield only for a question. The Senator from Texas should begin by using the words "Does the Senator from Oregon."

Mr. YARBOROUGH. Yes. Madam President, like sentences in the Spanish language, I stated first the predicate for the question——

Mr. MORSE. No, Madam President, I do not yield for anything except a question.

Mr. YARBOROUGH. Then I state, will the Senator from Oregon——

Mr. MORSE. No, Madam President, I do not yield. I feel the proximity of the hot breath of the distinguished Senator from Illinois—and let me make perfectly clear that it is fragrant. Let me also say that I observe the penetrating glances of the Senator from Minnesota [Mr. Humphrey].

So, without further interruption, I shall return to my work. I wish to make further references to the conference committee on the higher education bill. I wish to say to these educational societies and educators and all the others who seem to think that we in the conference committee should get on with some accomplishment, that that cannot possibly be speeded up until we have completed our discussions and our analysis of the decision of the Supreme Court.

Madam President, let me say that I have now received some important instructions, so the recent interruption was helpful.

But now I wish to make a further reference to the conference committee on the higher education bill. I suggest that other Senators put themselves in our position. We think it very important that a higher education bill be passed at this session. I want the Senate to know, as I indicated yesterday, that in due course of time we may find it feasible—although I do not know about this—to return for some instructions. So I hope Senators will be thinking about that.

That was one of the reasons why today I read into the Record the Supreme Court's decision—the majority opinion, the concurring opinion, and the dissenting opinion; all three of them. It was most convenient, and also educational, to read those opinions, and it also provided me with needed time. But, in addition, I did so because of the direct relationship of the opinion in that case to the amendment which I shall offer to the Senate Journal—namely, an amendment to insert in the Senate Journal the prayer delivered by the Senate Chaplain on July 25. Such an amendment is debatable, and I wished to give all Members of the Senate who have been expressing their views, both in this Chamber and elsewhere, on the decision of the Supreme Court in the New York prayer case an opportunity to discuss the amendment from the point of view of germaneness.

After all, all my remarks, from the very beginning, have been germane to the Journal, because there is no rule of germaneness in connection with the Journal.

Mr. DOUGLAS. Madam President, will the Senator from Oregon yield for a question?

Mr. MORSE. Madam President, I hate to refuse to yield to my good friend, the Senator from Illinois; but there must be comity here—c-o-m-i-t-y—and I do not want to discriminate against the Senator from Texas [Mr. Yarborough] in favor of the Senator from Illinois [Mr. Douglas]. Therefore, I think I shall not yield. But if the Senator from Illinois will, by nodding his head, give me assurance that he will not take offense, that will make me happier.

I am glad to observe that the Senator from Illinois does nod his head; and I appreciate that attitude on his part.

Now, Madam President, I must continue with my discussion of the conference report on the higher education bill. I believe this conference report should be considered carefully by the Senate.

A moment ago I spoke of the ability of the conference committee to rather go off in all directions at the same time, but still keep going in one direction. That feat is nothing, however, compared with my problem, here, in connection with receiving instructions and at the same time continuing my speech. But let me say I deeply appreciate the support I have been receiving in connection with this matter.

Apropos of this problem, Madam President, I wish to say this about the satellite bill and why I believe action on it should be postponed: I have not been proposing anything that is so novel, because before we reach a vote on any question, I believe we should look at the record which has been made here in connection with the satellite bill.

On Wednesday, July 25, the morning newspapers contained some interesting comments regarding the plans of the leadership for Senate procedure during the debate on House bill 11040, the bill intended to create a private corporation to own and operate our satellite communication system. A Washington Post news item contained the following—and, Madam President, as I proceed to refer to the majority leader, I shall speak out of deep respect and abiding and warm personal friendship for him, although I am in complete disagreement with his position in regard to the handling of this matter. But the record is clear and factual, and I read this statement about his record:

> Mansfield said he will call it up again next week, and will ask the Senate to meet early and sit late in an effort to pass it.

A Wall Street Journal story headlined "Senate Plans Extended Session To Combat Filibuster on Communications Satellite Bill" had the following to say:

> To combat the talkfest, the Senate leaders, although shunning all-night sessions, will extend the sessions considerably. Senate meetings probably will start at 9 a.m., instead of the usual noon and will continue until 10 or 11 p.m. Also, Senators will be called in for Saturday sessions.

It is interesting to note the sense of urgency which the administration and the Senate leadership apparently feels where the space satellite communications bill is concerned, particularly in view of the fact that an operational satellite communications system is at least 2 or 3 years in the future, and possibly as far as 5 years away. We are told that we must proceed with great haste in this effort to give away to a Government-created private monopoly the exclusive right to the use of space for commercial exploitation in the field of communications. We must move with consummate dispatch to create an exemption to the antitrust laws which would allow the communications carriers to join together in their efforts to extend the reach of private monopoly power throughout our economy. We must hasten to insure complete dominance of our communications system by the American Telephone & Telegraph Co. which is already the world's largest private monopoly.

We can readily judge the importance of the issue which is now before us by the enthusiasm of the administration and the leadership for pushing forward with the debate on this bill and for planning well in advance to keep the Senate in extended session so that we will be able to create a private corporation years before it is necessary and long before we have gathered sufficient data for the corporation, once it is brought into existence, to make the operational decisions which will be the basis for our satellite communications system.

I am sure there are many who would applaud the enthusiasm for the plans announced by the leadership, but I think it only fair to compare the actions which were taken and the comments which were made in connection with an analogous situation which was before the Senate in April and May of this year.

Between Monday, April 23, and Tuesday, May 15, for this year, the Senate debated the question of literacy tests as a requirement for the right to vote. Surely, there can be no disagreement with the proposition that in any democratic society few things can rival the right to vote in terms of importance. It has long been recognized that literacy tests as they exist in some States have been used to facilitate discrimination and have operated as one of the major weapons for denying the right to vote to many of our citizens.

The matter of civil rights and the question of literacy tests were debated a total of 16 days by the Senate. On the first day the Senate met at 12 o'clock noon and adjourned at 12:27 p.m. On that day the Senate sat a full total of 27 minutes. The following day, Tuesday, April 24, the Senate again met at its usual hour of 12 o'clock noon. That day the Senate's meeting time was extended considerably beyond that of the preceding day. On Tuesday, the second day of the debate, the Senate remained in session for all of 1 hour and 36 minutes. By this time notice had been given to everyone that the matter was important. Obviously it was of vital importance or the Senate would not have been expected to devote more than an hour and a half of meeting time to that and related and unrelated subjects.

By the third day, Wednesday, April 25, the Senate had really gotten down to serious business. That day the Senate met at noon as usual, but it did not adjourn until 6:01 p.m. A matter as important as civil rights obviously required that the Senate devote its full time and best efforts to the issues. On that day the Senator from Montana [Mr. MANSFIELD] stated, as will be found in the CONGRESSIONAL RECORD, at page 7167:

> As already mentioned, the leadership anticipates that the Senate will proceed at once to a full debate of this measure. Insofar as the leadership is concerned, it expects this debate to take place within regular working hours and with the Senate otherwise functioning in a normal fashion.

And, at page 7168:

> A trial by day and night session, a trial not by the content but by the volume of words would be as valid a way to resolve this issue as were the trials by fire and water which once characterized the determination of guilt or innocence.

The question of civil rights had been an important issue in the administration's legislative platform. The question of civil rights had similarly been an important issue in the last presidential campaign. Important as the issue was, however, the Senate leadership recognized, even after the debate had been going for 3 days, that the prolonged debate which was expected take place within regular working hours only. There was not in connection with civil rights, as there is in connection with satellite communications, any plan to extend the time of Senate meetings in order to push ahead to an early decision.

The statement by the Senator from Montana [Mr. MANSFIELD], that the debate on civil rights would be conducted within the normal business hours of the Senate held true. During the next 13 days of debate, the Senate never met for more than 8 hours on a given day.

Of the total of 16 days of debate, the Senate was in session for less than 6 hours on 7 days. It was in session for a period between 6 and 7 hours on 7 additional days. The Senate was in session for more than 7 hours on only 2 days during the debate, and was never held more than 8 hours in the entire time. There were no Saturday sessions during the entire debate, and the Senate met before noon on only 2 days. On those days that the Senate did come in early the hour of meeting was 11 o'clock. On the first day that the Senate met at 11, it adjourned at 4:15 p.m., having been in session for a total of 5 hours and 14 minutes. On the second day on which the Senate met at 11 o'clock, it adjourned at 6:29 p.m., having been in session a total of 7 hours and 29 minutes.

Just what is it about giving our communications satellite system to a private monopoly that makes it so much more important than civil rights? Why does it require advance planning by the leadership to call the Senate into session early and keep it late in order that we can push this giveaway through Congress so early? None of this urgency existed in connection with civil rights. It seems reasonable to conclude from this that civil rights is considered to be of considerably lower priority than the protection and extension of private monopoly.

This, indeed, seems to be a strange attitude on the part of the administration.

Madam President, I ask unanimous consent that the compilation I have on the record of the Senate in connection with civil rights, dealing with the days that we met and what the leadership had to say about it, be printed at this point in my remarks, unless my colleagues would like to have me read it.

Mr. DIRKSEN. Madam President, I object.

The PRESIDING OFFICER. Without objection——

Mr. BUSH. Madam President, objection has been made.

Mr. MORSE. Objection has been made, Madam President. I will simply read it.

> Monday, April 23: Met at 12 noon; adjourned 12:27 p.m.
>
> Tuesday, April 24: Met at 12 noon; adjourned 1:36 p.m.
>
> Wednesday, April 25: Met at 12 noon; adjourned 6:01 p.m.

I have already read the statement of the Senator from Montana [Mr. MANSFIELD], but I will read it again from page 7167:

> As already mentioned, the leadership anticipates that the Senate will proceed at once to a full debate of this measure. Insofar as the leadership is concerned, it expects this debate to take place within regular working hours and with the Senate otherwise functioning in a normal fashion.
>
> Whenever a measure is of such consuming concern and importance as to require prolonged debate, it seems proper that the entire Senate should be enabled to participate in it. It is realized that such a course might delay the eventual adjournment of the Senate. But that is and must remain a secondary consideration when there is work to be done.

From page 7168:

> A trial by day and night session, a trial not by the content but by the volume of words would be as valid a way to resolve this issue as were the trials by fire or water which once characterized the determination of guilt or innocence.

Thursday, April 26: Met at 12 noon; adjourned 6:15 p.m.

Friday, April 27: Met at 12 noon; adjourned 6:10 p.m.

No Saturday session.

Monday, April 30: Met at 12 noon; adjourned 5:55 p.m.

Tuesday, May 1: Met at 12 noon; adjourned 7:08 p.m.

The Senator from Montana [Mr. MANSFIELD] says on page 7366 of the RECORD:

> So far as night sessions are concerned, I do not foresee any night sessions, though any Senator who wishes to do so, can hold the floor all night and speak to his heart's content. I believe we ought to operate in a reasonable manner, within the rules and procedures of the Senate, to the end that the issues may be discussed, the health of Senators preserved.
>
> The way things are going at the present moment, I do not anticipate that the Congress can adjourn before Labor Day. There have been suggestions to the effect that if we have not completed our business around Labor Day, we may well recess and come back after the election. That suggestion will be given every consideration. But I point out to Members of this body that the business of the Senate must always come first.

Wednesday, May 2: Met 12 noon; adjourned 6:25 p.m.

Thursday, May 3: Met 12 noon; adjourned 6:14 p.m.

Friday, May 4: Met 12 noon; adjourned 4:09 p.m.

No Saturday session.

Monday, May 7: Met 12 noon; adjourned 4:59 p.m. Petition for cloture.

Tuesday, May 8: Met 12 noon; adjourned 5:16 p.m.

Wednesday, May 9: Met 11 a.m., adjourned 4:41 p.m.

The Senator from Montana [Mr. MANSFIELD] says on page 8057 of the RECORD:

> The leadership adjourned the Senate at a reasonable hour each day, being ignorant of the desires of those who now say that the issue has not been debated enough; that they wanted to speak. I think everything has been said on both sides within a 2-week period that could have been said.

Motion to table rejected.

Again reading from page 8077:

> It is the intention of the leadership, if cloture fails by a considerable margin to move to other business, because the calendar is piling up. I think this debate has been going on long enough. Anyone who has wanted to speak on it has had the opportunity to do so. It is not my intent—and I speak only personally, and not for the minority leader—to keep the Senate in session week after week, and perhaps month after month on this matter, because if we fail on Monday, and fail badly, then I feel it would be in the best interest of the Senate as an institution to go on and attend to other business which is piling up.

Cloture defeated.

Thursday, May 10: Met 12 noon; adjourned 6:29 p.m.

Friday, May 11.

Monday, May 14: Met 11 a.m., adjourned 6:30 p.m.

Tuesday, May 15: Met 12 noon; adjourned 6:25 p.m.

I am giving Senators this record as to what happened on civil rights. We know what is contemplated when a monopoly bill comes before the Senate. Apparently, under the plan of the leadership, the rules of the Senate are to be used to hold the Senate in session long hours, even extending well beyond September 1, in order to force this bill to a vote.

I respectfully say that I think my leadership is making a serious mistake. I think my administration is making a horrendous mistake. We ought to postpone action on this question until after the election and then come back and see to it that we proceed with the consideration of this bill and of other matters.

I have already made clear that the senior Senator from Oregon does not propose, after the people have had an opportunity to consider this question on its merits during a campaign, to seek to postpone the vote on the bill at a session to be called immediately after the election. That has been my position.

I have taken the time today, Madam President, to point out what is the situation. I now ask for the yeas and nays on the Dirksen appeal.

The yeas and nays were ordered.

Mr. MORSE. I yield the floor.

Mr. DIRKSEN. Madam President, I withdraw the appeal.

Mr. MORSE. Madam President, a point of order. The yeas and nays have been ordered.

Mr. HUMPHREY. There was not a sufficient second. It requires one-fifth.

Mr. MORSE. The Senator from Illinois cannot withdraw his appeal.

The PRESIDING OFFICER. The Senator is correct. The appeal cannot be withdrawn except by unanimous consent.

Mr. DIRKSEN. Madam President, what is the pending question?

Mr. MORSE. I object to the withdrawing of the appeal.

Mr. DIRKSEN. Madam President, what is the pending question?

The PRESIDING OFFICER. The question is on the appeal of the Senator from Illinois from the decision of the Chair sustaining the point of order of the Senator from Oregon that the motion of the Senator from Montana to proceed to consideration of the communications satellite bill was not in order at that time.

Mr. DIRKSEN. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. Is a motion to table in order?

The PRESIDING OFFICER. A motion to table is in order.

Mr. DIRKSEN. I move to table.

Mr. MORSE. Madam President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 133 Leg.]

Allott
Anderson
Bartlett
Beall
Bennett
Bible
Bottum
Bush
Byrd, Va.
Byrd, W. Va.
Carlson
Case
Chavez
Church
Cooper
Cotton
Curtis
Dirksen
Dodd
Douglas
Engle
Ervin
Goldwater
Gore
Gruening
Hartke
Hayden
Holland
Hruska
Humphrey
Jackson
Johnston
Jordan
Keating
Kefauver
Kerr
Kuchel
Long, Mo.
Long, Hawaii
Magnuson
Mansfield
McClellan
McGee
McNamara
Metcalf
Morse
Mundt
Muskie
Neuberger
Proxmire
Robertson
Russell
Scott
Smathers
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Michigan [Mr. HART], the Senator from Louisiana [Mr. LONG], the Senator from Utah [Mr. MOSS], the Senator from Rhode Island Island [Mr. PELL], the Senator from Massachusetts [Mr. SMITH], the Senator from Nevada [Mr. CANNON], the Senator from Pennsylvania [Mr. CLARK], the Senator from Louisiana [Mr. ELLENDER], the Senator from Alabama [Mr. HILL], the Senator from Ohio [Mr. LAUSCHE], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from South Carolina [Mr. THURMOND] are absent on official business.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Wyoming [Mr. HICKEY], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from Missouri [Mr. LONG] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The Senator from Indiana [Mr. CAPEHART], the Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER], the Senator from New York [Mr. JAVITS], the Senator from New Hampshire [Mr. MURPHY], the Senator from Kansas [Mr. PEARSON], the Senator from Vermont [Mr. PROUTY], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Hawaii [Mr. FONG] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER], the Senator from Delaware [Mr. BOGGS] and the Senator from Kentucky [Mr. MORTON] are also necessarily absent.

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the motion of the Senator from Illinois [Mr. DIRKSEN] that the appeal from the ruling of the Chair be tabled.

On this question, the yeas and nays have been ordered.

Mr. KEFAUVER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The motion is not debatable.

Mr. KEFAUVER. Mr. President, I rise to propound a parliamentary inquiry for the purpose of seeking clarification of the legislative issue. As I understand, on yesterday, following completion of the reading of the Journal, the Senator from Oregon [Mr. MORSE] moved that the Journal be corrected and amended; and the Chair ruled that such a motion was in order. An appeal was taken by the Senator from Illinois from the ruling of the Chair.

I ask this question: Is not the pending vote on laying the appeal on the table tantamount to a vote to sustain the ruling of the Chair?

Mr. DIRKSEN. Mr. President, that is not a parliamentary inquiry.

The VICE PRESIDENT. If the motion is agreed to, according to the Parliamentarian, it will, in effect, leave the ruling of the Chair standing.

Mr. KEFAUVER. I thank the Chair.

The VICE PRESIDENT. On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Nevada [Mr. CANNON], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Michigan [Mr. HART], the Senator from Alabama [Mr. HILL], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], the Senator from Rhode Island [Mr. PASTORE], the Senator from Rhode Island [Mr. PELL], the Senator from Massachusetts [Mr. SMITH], and the Senator from South Carolina [Mr. THURMOND] are absent on official business.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Wyoming [Mr. HICKEY], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota [Mr. BURDICK], the Senator from Nevada [Mr. CANNON], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Michigan [Mr. HART], the Senator from Alabama [Mr. HILL], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], the Senator from Rhode Island [Mr. PASTORE], the Senator from Rhode Island [Mr. PELL], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Massachusetts [Mr. SMITH], the Senator from South Carolina [Mr. THURMOND], the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. Fulbright], the Senator from Wyoming [Mr. Hickey], and the Senator from Missouri [Mr. Long] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. Aiken] is absent on official business.

The Senator from Indiana [Mr. Capehart], the Senators from Iowa [Mr. Hickenlooper and Mr. Miller], the Senator from New York [Mr. Javits], the Senator from New Hampshire [Mr. Murphy], the Senator from Kansas [Mr. Pearson], the Senator from Vermont [Mr. Prouty], the Senator from Massachusetts [Mr. Saltonstall] and the Senator from Texas [Mr. Tower] are necessarily absent.

The Senator from Hawaii [Mr. Fong] is absent because of death in his family.

The Senator from Maryland [Mr. Butler], the Senator from Delaware [Mr. Boggs], and the Senator from Kentucky [Mr. Morton] are also necessarily absent.

If present and voting, the Senator from Delaware [Mr. Boggs], the Senator from Indiana [Mr. Capehart], the Senator from Hawaii [Mr. Fong], the Senator from Kentucky [Mr. Morton], the Senator from New Hampshire [Mr. Murphy], the Senator from Kansas [Mr. Pearson], the Senator from Vermont [Mr. Prouty], the Senator from Texas [Mr. Tower], the Senator from Massachusetts [Mr. Saltonstall], and the Senator from Iowa [Mr. Miller] would each vote "yea."

The result was announced—yeas 62, nays 2, as follows:

[No. 134 Leg.]

YEAS—62

Allott
Anderson
Bartlett
Beall
Bennett
Bible
Bottum
Bush
Byrd, Va.
Byrd, W. Va.
Carlson
Case
Chavez
Church
Cooper
Cotton
Curtis
Dirksen
Dodd
Douglas
Engle
Ervin
Goldwater
Gore
Gruening
Hartke
Hayden
Holland
Hruska
Humphrey
Jackson
Johnston
Jordan
Keating
Kefauver
Kerr
Kuchel
Long, Hawaii
Magnuson
Mansfield
McClellan
McGee
McNamara
Metcalf
Morse
Mundt
Muskie
Neuberger
Proxmire
Robertson
Russell
Smathers
Sparkman
Stennis
Symington
Talmadge
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

NAYS—2

Scott
Smith, Maine

NOT VOTING—35

Aiken
Boggs
Burdick
Butler
Cannon
Capehart
Carroll
Clark
Eastland
Ellender
Fong
Fulbright
Hart
Hickenlooper
Hickey
Hill
Javits
Lausche
Long, Mo.
Long, La.
McCarthy
Miller
Monroney
Morton
Moss
Murphy
Pastore
Pearson
Pell
Prouty
Randolph
Saltonstall
Smith, Mass.
Thurmond
Tower

So the motion to lay on the table was agreed to.

Mr. MORSE. Mr. President——

The VICE PRESIDENT. The Senator from Oregon.

Mr. MORSE. I send to the desk an amendment to the Journal and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will state the amendment proposed by the Senator from Oregon.

The Legislative Clerk. The Senator from Oregon moves that the Journal for July 25 be amended by inserting the Chaplain's prayer at the appropriate place, as follows——

Mr. MORSE. Mr. President, I suggest that it is not necessary for the clerk to read the prayer into the Record. It will take me only a minute or two to speak on the amendment——

The VICE PRESIDENT. Will the Senator suspend until the Senate is in order? The Chair cannot hear the Senator from Oregon.

The Senator from Oregon may proceed.

Mr. MORSE. We have been engaged in the Senate for some hours in a discussion of a rule in the rule book which some of us think is very important, and we felt it was being jeopardized by the parliamentary situation in which we found ourselves.

Sincere and honest men among us can differ as to whether there was such jeopardy, but we thought there was. Therefore, this debate has taken place.

We exercised our right yesterday to ask for amendments to the Journal, which was necessary in order to obtain the time that we need to carry on the debate beyond the hour of 1. Every Senator is familiar with the procedure which took place yesterday, and again today. We said we were going to insist on doing what we could to protect what we considered to be the very precious procedural right of each Member of the Senate, after there has been a call for the reading of the Journal, to offer amendments.

But that is all behind us, so far as I am concerned. I have conferred with all my confreres with whom I have joined in connection with opposition to the satellite bill. We have no intention to press for any amendments to the Journal. We think the right to amend the Journal has been fully discussed and established by the Senate. Therefore, I serve notice that we are not going to offer any further amendments to the Journal.

We are now in such a position that in our opinion a motion to take up the satellite bill, if it is made, will be debatable, and we propose to debate it.

Therefore, I withdraw my amendment.

Mr. DIRKSEN and Mr. MANSFIELD addressed the Chair.

The VICE PRESIDENT. The Senator from Illinois.

Mr. DIRKSEN. Mr. President, to clarify the Record, I disagree with the Senator from Oregon. I thought the ruling of the Chair was in error. I still do. I still believe, for the sake of the precedents, the ruling will have to be corrected at some time or other. I made the appeal in good faith. I recognize, however, that it is difficult for an administration Senator to vote against the ruling of his own Chair; but I was willing to withdraw the appeal.

The Senator from Oregon, in asking for the yeas and nays, while he still had the floor this afternoon—and, in fact, all day—precluded any possibility of such withdrawal. Therefore, there was no other parliamentary motion available except to move to table my own appeal; and that I did in the utmost of good faith, and I am glad it carried by an overwhelming vote.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MORSE. The Senator knows I included him, as I did all my colleagues, when I said sincere and honest men and women in the Senate may disagree with the position we took on this question; but we felt very deeply about it. That is why we pressed for protection of the very precious right to amend the Journal.

Mr. MANSFIELD. Mr. President, I want to record myself as being in accord with what the distinguished minority leader has just said. My personal opinion is that the Chair made the wrong decision yesterday, but my personal opinion is immaterial. I want to read what I said yesterday.

> Mr. Mansfield. I wish to most respectfully disagree with the ruling of the Chair. I would point out that the reading of the Journal was completed; that no move that I recall was made on the part of the Senator from Oregon at that time to seek to amend the Journal; that the Chair did recognize the majority leader; that the majority leader did suggest the absence of a quorum; and that, on the basis of the rule that motions made before 2 o'clock to proceed to the consideration of any matter shall be determined without debate, the motion was in order. In this case, the rule would apply, of course, to the hour of 1 o'clock on this particular occasion.

I have cast my vote contrary to the personal conviction which I had for a number of reasons, one of which I have stated.

I have also cast my vote to table the appeal for another reason. I prefer to see the Senate get on with a motion connected with the communications satellite bill, instead of spinning its legislative wheels in bickering over parliamentary matters.

I believe it is unfortunate that we may be prevented from debating the merits of the bill, and acting on amendments to it, by stalling tactics. I believe it would be even more unfortunate, even less palatable, to spend an even greater amount of time on a procedural wrangle.

I prefer to proceed to a motion to consider the satellite bill, so that at least we may spend our time on the merits of the substantive legislative question.

I move that the Senate proceed to the consideration of Calendar No. 1544, H.R. 11040, the satellite bill, and I ask for the yeas and nays on the motion.

The VICE PRESIDENT. The question is on the motion of the Senator from Montana to proceed to the consideration of H.R. 11040. The yeas and nays are requested.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President——

Mr. KEFAUVER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Montana.

Mr. MANSFIELD. Mr. President, yesterday, the leadership sought to bring before the Senate a bill—H.R.

11040—by an unusual procedure. It was estopped from doing so by a ruling of the Chair on the point of order of the Senator from Oregon [Mr. MORSE]. The distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], who has some appreciation of the problems of procedure in this body, sought to support the leadership by appealing the Chair's ruling. May I say that I deeply appreciate that expression of support. I have come to count on it and to depend on it because it has been manifested with unfailing consistency during the current session of Congress.

The leadership, however, has no desire to quarrel with the decision of the Chair even as it has no regrets for the procedural effort by which it sought to bring H.R. 11040 before the Senate. The Chair's duty is to see to it that the rules are applied impartially for the protection of the rights of all Members. That is the desire, too, of the leadership.

But I would point out once again, as I did earlier in this session, that the leadership has no special weapons to move the essential business of the Senate. I repeat: the leadership has no special weapons to move the essential business of the Senate. It has only the courtesy of recognition which is normally accorded by the Chair. It has only the restraint of Members in exercising their individual rights in the interests of getting on with the business of the Senate as a whole. Under the present rules, any breakdown in these considerations means, at worst, the total incapacity of this body to discharge its functions. And, at best, it means prolonged and indefinite delay in bringing any matter to the point of actual consideration by the Senate, let alone to the point of decision. I think that we have had an ample demonstration of this point in the past few hours.

These are the realities of the rules, and I think it is best that we acknowledge them. Whether the present rules work or fail to work effectively for the conduct of the business of this body rests not with the leadership alone but with every individual Member and with the Senate as a whole. The leadership in this instance is merely another Senator, a Senator from Montana, supported by certain courtesies of recognition and the courtesies of restraint and accommodation from his colleagues.

The leadership has sought consistently throughout this session to extend reciprocal courtesies to the Members on both sides of the aisle. It has been besieged by the usual requests not to take up or to take up certain measures at certain times as an accommodation to certain Members. It has tried, as far as possible, to meet these requests, and has regretted its inability to meet them all. It has sought to encourage reasonable working hours for the Senate. Throughout this session, it has attempted to provide equal consideration to all Members and to all points of view, insofar as it has had the capacity to do so.

I hope that it is on the basis of courtesy and restraint that the Senator from Montana has tried to operate. I say to the Senate in all seriousness that the Senator from Montana is not by nature inclined to any other basis even if there were any other in present circumstances.

The leadership considers its fundamental responsibility, in present circumstances, the securing of consideration by the Senate of principal measures in the program of the President and such other major measures whose principal origins may be in the Congress itself. May I remind the Senate that that responsibility under the present rules is a responsibility which is fully shared by every Member. We owe that responsibility to the Senate and to the Nation. And the failure to fulfill it does a disservice to both.

One of these measures is H.R. 11040, which the leadership sought to bring up yesterday and which it still hopes to lay before the Senate. It is an intricate, complex measure involving an intricate, complex subject. I doubt that many Members who are not specialists in this highly technical and legal field fully appreciate all the ramifications of this measure. But that is not an uncommon situation. We are not all experts on farm legislation or foreign relations or trade or public works or labor. We rely heavily on our committees, which are specialized in these various subject fields. We rely heavily on the experts who, coming from private life or the executive branch, provide testimony and information on these specialized matters.

We have a responsibility to face this matter, to discuss it fully and to dispose of it or, at least, to ascertain that a preponderant part of the membership is not prepared to dispose of it at this time. That the Senate has not always acted in this deliberate but decisive fashion in the past is never a justification for a failure to do so in the present. It is hardly a hallmark of genius to milk the Senate rules for the purpose of evading consideration and decision. As Senators know, the rules are weighted heavily on the side of the full protection of the rights of every Member, of every minority opinion, however small the minority may be. That is part of the strength of this body. It is one of the keys to the creative contribution which the Senate makes to the Government of this Nation.

But there is little rhyme or reason in this arrangement if individual Members fail to exercise that measure of self-restraint on the expression of their individual wisdom which is sufficient to permit matters to be considered and decisions to be made after due deliberation. Without this restraint, Mr. President, the Senate invites its own diminished influence or exclusion as an effective element of our constitutional system, at least in that area of public responsibility in which the self-restraint is inoperative.

With regard to H.R. 11040, may I say that the leadership regards this bill in the same manner as it regards all other significant measures which reach the calendar with the kind of preliminary consideration which it has had. I would point out to the Senate, therefore, that H.R. 11040 has been extensively aired in the House of Representatives in 11 days of hearings before the Committee on Interstate and Foreign Commerce. The bill was reported by that committee without a single recorded dissent. It was given a rule promptly, and subsequently passed the House by an overwhelming vote after 2 days of public debate.

In the Senate, the Committee on Aeronautical and Space Sciences held 6 days of hearings on the measure and has released 473 pages of testimony in connection therewith. The bill was subsequently taken up by the Commerce Committee of the Senate and 7 days of hearings were held by that body which produced 413 additional pages of testimony. It was cleared for floor consideration by the majority policy committee without dissent and its consideration has the endorsement of the minority leadership.

When reports of grave concern with this measure on the part of a small group of Senators reached me, I personally undertook to ascertain the views of the executive agencies most directly involved. I am assured by Mr. Minow, the Chairman of the Federal Communications Commission, by Mr. Katzenbach, the Deputy Attorney General, and by Mr. McGhee, the Under Secretary of State, that the measure is most desirable in terms of the national interest, that it fully protects the public interest, that it is an effective legislative approach to the development of global space communications whose immense possibilities and importance have recently been highlighted by the Telstar intercontinental telecasts.

It seems to me that in the light of these circumstances, the leadership has a clear responsibility to try whatever may be possible within the present rules to have the Senate bring this matter up for consideration.

It is not a House responsibility at this point; it is our responsibility. It is not a Presidential responsibility; it is our responsibility. In truth, it is so self-evident a Senate responsibility that I have not had occasion to discuss the matter in detail with the President.

The leadership is only too aware of the fact that some Members would prefer that this responsibility not be faced during the current session. I say in all candor, that it has been suggested to me that the measure be dropped for this session. But, Mr. President, I am constrained to point out—and to Members of my own party in particular—that this is not the first time nor will it be the last that issues divide us. That is understandable. But what is not understandable to the leadership is that differences should lead to such a use of the rules as to foreclose even consideration of a significant measure on the floor of the Senate.

The leadership has resorted to unusual procedure to overcome such usage in the past. It will make the effort whenever such usage requires it. In view of the substantial amount of business which still remains to be considered by the Senate during the present session, it is the intention of the leadership to call the Senate into session at 9 a.m. each day and continue the sessions until late in the evening in the hope that this measure can be brought before the Senate. It has no intention of seeking all-night meetings. The leadership reiterates the position it took earlier in the session on this point. It will not resort to such a practice—except in the most extraordinary circumstances—because it will not be a party to jeopardizing the health of the Members or to introducing into this body the atmosphere of a Roman circus.

As has already been stated, the rules will be used in every appropriate fashion to bring about consideration of this issue. But the leadership is under no illusions. It is only too conscious of its limitations. Diligent effort will be made but, in the last analysis, it is the Senate itself which under its rules will choose to act or not to act.

The Senator from Montana has no passionate interest in H.R. 11040, one way or the other. But the majority leader does have a deep sense of responsibility for the effective operation of this institution and this Government, a responsibility which it assumes without question is shared equally by every Member of the Senate.

Mr. President, I hope that Senators will recognize the fact that under the rules of the Senate the majority leader and the minority leader have no more power than any other individual Senator in this body. The minority leader is a Senator from the State of Illinois; the majority leader is a Senator from the State of Montana. There are no extraordinary powers at our disposal because of the position to which the Democrats elected the majority leader and the position to which the Republicans elected the minority leader. We operate under the very same rules. Every Senator on both sides of the aisle operates under the same rules. The only way we can operate is through restraint, accommodation, and courtesy on the part of the Senate as a whole and every individual Member in it. If we cannot operate on that basis, I daresay that it would not be impossible to foresee a day when anarchy would rule in this body. If Senators do not believe me, I suggest that they read the rules and see what they state and understand what they mean. If Senators are going to give us responsibilities, I ask them to help us to assume those responsibilities. I ask them to help us, because we cannot operate unless the Senate is understanding of what we try to do, and we try to operate with decency, courtesy, and restraint ourselves.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Montana yield? If so, to whom?

Mr. MANSFIELD. I yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, first I salute the majority leader for his forbearance, which has been magnificent; for his cooperation, which has always been superb; and for his compassionate accommodation of the desires of Senators whenever he could do so.

ORDER FOR RECESS UNTIL 10 O'CLOCK TOMORROW MORNING—LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, to return to reality for a moment, I ask the majority leader if he has set the hour for convening tomorrow, and what the business will then be, if we are in session.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business tonight, it recess to meet at 10 o'clock tomorrow morning.

The VICE PRESIDENT. Is there objection? The Chair hears none and it is so ordered.

Mr. MANSFIELD. Mr. President, in response to the second part of the question, I do not know what the business will be. My guess is that it will be consideration of the motion to take up the satellite communication bill.

Mr. METCALF. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to my colleague from Montana.

Mr. METCALF. I thank my colleague for yielding. I compliment my majority leader, my senior colleague, for a fine statement. I assure him, as he knows full well, that he has my complete cooperation in conducting the affairs of the Senate and in the courtesy and consideration that he mentioned. However, I feel that inasmuch as I was the occupant of the chair when the ruling that both the minority leader and the majority leader disagreed with was made that, for the benefit of future precedents, a comment should be made.

The majority leader said that the point of order was sustained against the majority leader's motion. That is not quite what the junior Senator from Montana ruled when he was in the Chair. For the benefit of future historians who may look to that action as a precedent, I remind the majority leader that in my opinion his motion was in order when he made it. He had the floor, he made a timely motion, and the only ruling that the Senator from Montana made while he was the temporary Presiding Officer was that the part of rule III which permits any Senator to have the right to amend, correct, or make any suggestions with reference to the Journal would be preserved. It was a question of high privilege, and that privilege had to be disposed of before further debate or consideration.

I hope the RECORD will show that there was never a time when the motion of the Senator from Montana [Mr. MANSFIELD] was specifically ruled out of order. The only ruling was that the other motion was highly privileged and of greater priority.

Mr. MANSFIELD. Mr. President, I thank my colleague for his remarks. I agree with what he has said. But I think in the interest of getting on with the business it is best that the vote to table the motion of the Senator from Illinois, the distinguished minority leader, carried. It is far better to try to get on to the substantive questions of legislation than it is to spend our time on parliamentary quarrels over interpretations of this, that, or the other thing.

Again I wish to thank my distinguished colleague and to state, as I have said many times in our State, that I have never had the privilege of serving with a more able and outstanding colleague, a more understanding and qualified colleague, than my friend, the Senator from Montana, LEE METCALF.

Mr. METCALF. I have never been more grateful for these comments than at the present time.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the acting majority leader.

Mr. HUMPHREY. I wish to join with the minority leader and the junior Senator from Montana in not only commending, but also in vigorously supporting the position taken by the majority leader in his remarks to the Senate this afternoon. My support of the majority leader's position is not one of courtesy or of loyalty because I am his assistant; it is by conviction. I believe that the Senator from Montana, the majority leader, has demonstrated the qualities of leadership and fair play which have endeared him to both sides of the aisle and which commend him to the Nation.

Furthermore, I believe that it is the duty of the Senate to do business.

When the Presiding Officer, our Vice President, was the majority leader of the Senate, a controversial piece of legislation such as the gas bill, for example, came before the Senate. I remember that I vigorously opposed that measure. I came before the majority policy committee as one who vigorously opposed it, and said that I thought it ought to be brought up for action, and that we should debate the bill on its merits, and that we would seek to amend it and to defeat it; but we would not use obstructionist tactics to prevent its consideration.

I believe that the rules of the Senate ought to be changed, and I think we are beginning to see why they ought to be changed. I believe that the rule to curb debate ought to be tightened. I have supported majority cloture. Other Senators disagree with that position. However, I believe that it is my duty under the Constitution and as a Member of the Senate to permit this body to consider legislation and to debate legislation on its merits, and to offer any amendment that one wishes to offer, but to have a vote on the amendments and then finally to have a vote either for or against a piece of legislation.

I think the bill before us is fairly good legislation. Maybe some amendments are needed. I have not come to the support of the communications satellite bill because of the argument between my colleagues on parliamentary procedures. I studied the bill as much as any matter. This is an administration bill, I say to my fellow Democrats. Although the majority leader has not been specific about it, this bill was sent to Congress by the President of the United States. It is supported by the Department of State and the Department of Justice and the Federal Communications Commission and the Bureau of the Budget. It passed the House of Representatives by a vote of 354 to 9. Everyone cannot be wrong. The vote was 354 to 9. Furthermore, it has cleared three committees of the Senate, as the majority leader has pointed out.

Mr. President, I want to debate the bill on its merits.

I believe that the majority leader has a perfect right to plead with the Senate to have the Senate act on the motion to consider the bill. If the Senate does not want to consider the bill, there is one way to stop it. It is by voting not to consider it. Those who do not want to consider the bill should vote "no." Those who want to consider the bill should vote "yes." Let us debate a measure which involves the future of this country, its future in the field of our space communications, its future in terms of competition with the Soviet Union. Let us debate the measure on its merits.

Every Senator is entitled to use the rules. I am not being personal about this. I know the rules are there to be used. However, sometimes the rules are used to abuse the legislative process.

I for one am perfectly willing to come in early and stay late. I should like to say to the majority leader that I believe we ought to come in earlier than he wants to come in and stay later than he wants to stay. He knows I have said this to him privately.

The time has come for this body to make up its mind whether it will legislate or become the laughingstock of the Nation. We are already in trouble. I say to my colleagues in the Senate that if we keep it up, I do not know how many Senators will be back here next year except to line up in the rear of the Chamber to parade across to the House of Representatives as ex-Senators. Frankly I have no such desire. I am not going to encourage that process.

Therefore I hope the leader will persist and that we will have a good debate. We have already had some very good debate on the bill. We can debate this bill in a way that will be commendable for the Senate and informative for the people. I hope that finally we can come to a decision. If I have anything to do with it, we are going to come to a decision on it. We may be here a long time, but we are going to come to a decision. The summer is practically gone anyway; we might as well stay here until October. We may well be here until then.

Mr. MANSFIELD. Mr. President, I thank the Senator from Minnesota, the acting majority leader, for his remarks and his expression of support. He has been a good right hand, a strong and able supporter. He has done an exceptional job as whip. I am glad to have the opportunity to collaborate with him. I was interested in his reference to the distinguished occupant of the chair, the Vice President, the former majority leader of the Senate. In my opinion, he was the best majority leader the Senate ever had. I am just beginning to find out why he left this "exalted" position to run for Vice President.

I yield to the Senator from Tennessee.

Mr. KEFAUVER. I wish to assure the distinguished majority leader and all other Members of the Senate that I am certain no group holds the majority leader in higher esteem than those of us who are opposing the passage of the satellite bill. He has always been fair and courteous and thoughtful and kind and considerate. We appreciate him. We appreciate these things. We want the majority leader to know that it is not an easy task to oppose him or anyone else in this matter. It has not given us any political advantage. However, when we have a deep conviction and in our conscience we feel that it is a bad bill—I will not enumerate the reasons why we think it is a bad bill—and when we know in our own conscience nothing will be lost by deferring consideration of the bill, and when there are many unexplored matters in the field of foreign affairs, and as to what kind of communication satellite it will finally be, and when we know that the formation of a corporation at this time would do no good because it could not tell the FCC what kind of financing it would have, we feel that we must state the objections which we conscientiously hold. We have already stated some, and we will state others, and we expect to elaborate upon them.

I feel deeply that as time goes on and the people of the United States realize what is in the bill and the harm it will do us, and when we present the information that we expect to present, I know that public opinion will be on our side, as soon as we have an informed public opinion on the bill.

None of us wants to hold up consideration of the very important and vital legislation which the Senator from Arizona [Mr. HAYDEN] had today, when he sought to present a joint resolution extending appropriations until the end of August because of the tieup in the Appropriations Committees. We know also that the farm bill is due to be reported next week. The tax bill, the trade bill, and other bills of vital importance are on the President's program, and are vital to the Nation. We hope that before renewing the motion to take up the satellite bill the majority leader—of course, this is his business, and I do not want to be critical—will have gotten some of these vital and most important matters out of the way, such as the joint resolution of the senior Senator from Arizona.

I think the country ought to know that it is not we who are opposing the bill or causing it now to be brought before the Senate. The country ought to know, and the Senate must know, that there will be some delay in the consideration of these vital matters; that it is nothing that we have done which has caused the effort to have the Senate consider a bill which may block their consideration and passage.

Mr. MANSFIELD. Mr. President, will the Senator from Tennessee allow me to interrupt him?

Mr. KEFAUVER. I am very happy to yield to the Senator from Montana.

Mr. MANSFIELD. I am prepared to take the full responsibility for all the allegations and charges now being made.

Mr. KEFAUVER. I am not making a charge against the majority leader. I am pointing out that, so far as we are concerned, we would be very happy to have the Senate consider some of the emergency measures which should not be held up. I am sure the Senator would consider them to be more vital than the satellite bill, as to which we believe more harm than good would come from its further consideration.

Mr. MANSFIELD. The Senator from Tennessee is certainly consistent. This makes about the 10th, 12th, 15th, or 20th time he has asked me, in one way or another, not to have the space satellite communication bill taken up. As a matter of fact, he went so far earlier this week as to ask not only me, but to ask the acting majority leader and members of the conference staff, to be certain to notify him before the bill was taken up. Every time he has made such a request, we have tried to comply with it, and I think we have.

Mr. KEFAUVER. The Senator from Montana has been very thoughtful; I agree.

Mr. MANSFIELD. But there are responsibilities. The Senator from Tennessee says that he and his group will not be considered responsible for holding up proposed legislation. All right. Someone has to be responsible, so I think the majority leader should assume that responsibility. He does. He does so willingly.

Mr. KEFAUVER. If it is possible at this time to have the Senate consider the measure in which the Senator from Arizona [Mr. HAYDEN] is interested, and which, as I understand, must be acted upon in the next 2 or 3 days, we would be glad to try to arrange with the majority leader some method of having that done.

Mr. MANSFIELD. The Senator from Tennessee is generous, as always. We shall get together to see if we can arrange some way in which that item can be attended to.

Mr. KEFAUVER. The point I wish to make is that our sincere conviction is that with some of the most important measures of this session of Congress not attended to and not passed, and with much benefit to come from a further illumination of the very intricate problems connected with the space communication bill, which affects nations in many parts of the world, the information we would obtain would enable us to improve the proposed legislation at a later date. That is not true of the other measures, which must be acted on very quickly.

Mr. MANSFIELD. The Senator from Tennessee is certainly consistent; but consistency is not always a jewel. The Senator from Tennessee is not only consistent; he is persistent, determined, and obdurate; and if I could think of a few more adjectives, I would add them.

Mr. KEFAUVER. I am sure the Senator from Montana does not mean those words. I am always giving in and making concessions. I am the easiest fellow in the world to get along with.

Mr. MANSFIELD. The Senator might tell that to somebody else, but he cannot tell it to me.

Mr. MORSE. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield to the Senator from Oregon.

Mr. MORSE. I should like to make some observations by way of a reply to the majority leader's speech, and some observations in response to the comments made by the majority whip, my good friend from Minnesota [Mr. HUMPHREY], for I listened most attentively to the remarks of both Senators. I am perfectly aware of the implications of the majority leader's speech, and I intend to reply to those implications.

I point out that it has been the senior Senator from Oregon who has held the floor yesterday and today under his rights in the Senate and in keeping with the rights of his associates who are opposed to the communications satellite bill. I am perfectly willing to let that record speak for itself as to the courtesy of the senior Senator from Oregon to the majority leader, the majority whip, and the minority leader, and to each and every other Member of the Senate.

But I point out to the majority leader that we operated under the rules. If the Senate does not wish those rules, then let us proceed to revise them. I hear the talk, always, when Senators exercise their rights under the rules, but happen to be in the minority. Senators say on the floor of the Senate that they think the rules ought to be changed, but that they do not believe we ought to exercise our rights under the rules, even though they are not changed. So long as the rules are in the rule book, I assume they are there to be used if one wishes to exercise his rights under them. That is what the senior Senator from Oregon has done.

In my judgment, the majority leader finds himself in a dual position in this particular situation. He is the majority leader; he is a Senator from Montana. He believes the bill should be passed. I have always found the majority leader able to separate his two responsibilities in his relationship with his colleagues in the Senate. Because we had a difference yesterday, it does not follow that he did not separate his responsibilities. I believe the majority leader was dead wrong yesterday in seeking, immediately after a quorum call, to make a motion which he knew would put the Senate in such a position that the motion would not be debatable. I think he knew very well the position of the minority in the Senate. I think he knew very well of our intention to exercise our rights under the rule. When the reading of the Journal was finished, there is no denying that the majority leader was immediately recognized and suggested the absence of a quorum. There is no denying that the senior Senator from Oregon was on his feet seeking to continue the debate. As I indicated yesterday, I have such great respect for the majority leader that I would not think of seeking to prevent the majority leader, if I could—and I could not—from getting the floor. The Presiding Officer very rightly recognized the majority leader. But when the quorum call was finished, the rights of the senior Senator from Oregon under the rule had not been taken away. He had the right, under the rule, to move to amend the Journal. That is what the debate has been about for hours in the Senate.

There can be all the implications anyone wishes to make about responsibility in the Senate. Yesterday I told my colleagues who are in the minority, and who share my point of view, "You must expect to be charged with irresponsibility. You must expect to be charged with trying to prevent the operation of the Senate in accordance with the will of the majority." But there is one thing that is perfectly true, and it is that the majority is not always right, just as the minority is not always right. We must battle out on the anvil of debate the determination of who may be right and who may be wrong. Many times in the Senate I have seen the minority right and the majority wrong. The Senate has a rule which regulates debate. The Senate has a rule which provides for unlimited debate. Many of the advocates of the space communications satellite bill are not among those who have sought to help some of us who would like to modify rule XXII. That is their perfect right, and I would not take it away from them. But a minority in the Senate completely disagrees with the majority leader and other Senators associated with him on this bill. We do not believe the language of the bill is as clear as the majority leader thinks. We do not believe that because various departments of the Government and the administration support the bill, that makes it right.

We believe that the bill is of such vital importance and consequence to the Nation that we do not believe it should be voted upon until it has gone to the people in an election. We may be defeated in our attempt to prevent the bill from reaching a vote; but in defense of my associates in the minority, I think they are carrying out one of the clearest mandates of responsibility as Senators, because I think we have a responsibility to exercise our rights under the rule.

We owe it to the people we represent to do what we can to get this bill before the people in the campaign, before the Senate votes on it. That is the great difference we have with our beloved majority leader. He can, to his heart's content, make—if he wishes to—the assumption that if we insist upon exercising our rights under the rules, we are irresponsible. But to him I wish to say that any such implication is without basis in fact, because only we know our motivations, and we know that in this case we are dedicated to what we think is our public trust, which is to prevent the taking of a vote on this bill until after the election.

I have made perfectly clear that I will be no party to seeking to delay the taking of a vote on the bill in any special session of Congress which may be called immediately after the election. However, I have said that I think the bill is so important that the people of the country should have an opportunity to vote on it. That is my position.

I offer no apology to anyone for the course I have followed or for the fight I have made to protect and preserve this Senate rule. I think that was an important fight to make. I do not agree with the junior Senator from Montana in regard to the import of his ruling. In my judgment, the import of the ruling by the junior Senator from Montana [Mr. METCALF], who then was presiding over the Senate, was that I was correct in my point of order and that I had a right to submit amendments to the Journal, without having such amendments displaced by a motion that the Senate take up the satellite bill.

I said then, and I repeat now, that if any Senator thinks I find myself in a happy position, he is mistaken. But I say to the Senator from Minnesota that I would rather walk out of the Senate than vote for this bill. That shows how deeply I feel about it. The Senator can have his own views about what he seeks to do. But so far as I am concerned, if I knew that I had to choose between being reelected to the Senate, provided I voted for this bill, or being defeated if I voted against it, my vote would be against the bill, because so long as I serve in this body I never intend to vote against my conscience and my convictions, in order to keep my seat in the Senate.

I am satisfied that when the people of Oregon know the reasons for the position I have taken so far in the debate and for the position I will take in the further debate before this fight is over, they will sustain me in the trust I have sought, as a Member of the Senate, to deliver to them.

I only wish to say—and I close with this—that I appreciate very much the patience and courtesy of the majority leader in permitting me to make this reply to his speech, because I think all of us will agree that his speech was particularly applicable to me, in view of the fact that I was the one who was responsible for conducting this debate. I am willing to stand on the record of the debate I have conducted since 12 o'clock noon yesterday or before, because I consider that it was my duty to do so, and I consider that in doing so I carried out the trust I owe the people of my State.

In opposing this bill, I consider that I am also carrying out a trust to large numbers of persons in the Nation, whose numbers will increase by the thousands as the debate progresses.

I have received the following telegram from Clarence A. McKee, president of the Private Communications Association:

MOUNT VERNON, N.Y.,
July 26, 1962.

Senator WAYNE MORSE,
Washington, D.C.

DEAR SENATOR: A.T. & T., press, and financial interests, pressuring for immediate passage of bill H.R. 11040. A.T. & T. flagrantly violating 1956 consent judgment. Our industry complaints to Justice Department about below-the-belt, unfair competition and enforcement of consent decree fruitless. Justice apparently afraid to tackle this giant and force them into line. How do you suppose any Government agency could control A.T. & T. under provision of H.R. 11040? At least vote to investigate this giant monopoly. Documented proof of all statements available. Take a second look, Senator, before you vote.

CLARENCE A. MCKEE,
National President, Private Communications Association, Inc.

I think those charges must be investigated.

One of the reasons why I have urged postponement of action on this bill until after the election is in order that it can be referred to the Foreign Relations Committee.

This bill is of vital concern to our foreign policy, but it has never been considered for even an hour in the Foreign Relations Committee. So, in due course of time during the debate on the merits I shall move that the bill be referred to the Foreign Relations Committee.

In addition, I have received a telegram from the Senator's own State—although similar telegrams have come from almost all the States. This telegram shows that there is a growing division of opinion among the public about this bill. So I think we owe it to the American people to have a debate on the bill during the campaign.

All of us know that if we once get this bill finally disposed of and signed by the President, the people then will turn to other matters. I have a telegram from the president of the Farmers' Union in Montana—and I have received similar telegrams from other organizations in other States, but I mention this one only because I want the Senator from Montana to know that there is a great division of opinion in the country in regard to this question. The telegram reads as follows:

Senator WAYNE MORSE,
U.S. Senate, Washington, D.C.:

Strongly approve your opposition to giving huge private monopoly unprecedented privileges with space communications satellite. Unfair to give away any part of so vital natural resource in which taxpayers have invested heavily. Satellite in A.T. & T. hands would be handy propaganda target for adversaries of United States. Much prefer public corporation administration of space communications.

Regards,

LEONARD KENFIELD,
President, Montana Farmers Union.

I also read the following telegram:

SACRAMENTO, CALIF.,
July 26, 1962.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Congratulations on fight for public ownership. Please request support from our Senators KUCHEL and ENGEL.

Mr. and Mrs. JOHN MARICA.

Mr. President, I close by saying to my friend, the Senator from Montana, that yesterday I said in my speech that there is a great division on this side of the aisle, and apparently it is giving some comfort to certain Senators on the other side of the aisle, as a result of the good-natured debate on this subject which occurred yesterday afternoon. However, I said that no one need worry about what our final position will be. Once this controvery is behind us, we—as Democrats—will do what we always do—namely, "kiss and make up," and then will move on, unitedly, in support of some other issue.

But here there has developed a very deep cleavage of conviction. So long as the rulebook contains rules which provide us with the right to exercise parliamentary rights, I intend to keep faith with my conviction and use those rules to protect what now is a minority group in the Senate, but what I am convinced will, in due course of time, represent a majority of the people of the Nation.

Mr. MANSFIELD. Mr. President, I think the Senator from Oregon takes too much credit upon himself when he makes the assumption that these remarks were directed primarily against him because he has been speaking for the past several days. If the Senator from Oregon will take my word, nothing could be further from the truth, because there were 5 days of debate on this measure previously, and other Senators spoke during that time.

Mr. President, I ask unanimous consent that there may be printed in the RECORD, at the conclusion of any further remarks I may make, a letter from Mr. Joseph Beirne, chairman of the Communications Workers of America, in support of this proposed legislation; also a letter, sent to me at my request, as well as some pertinent material attached to it, from Mr. Minow, Chairman of the FCC; also, sundry other matters; and also, if they arrive today, letters which I have requested from the Under Secretary of State, George C. McGhee, and from the Assistant Attorney General, Mr. Katzenbach, all of whom I have been in touch with, to find out what their position was, and all of whom have kindly consented to send me—in response to my specific request—answers to the questions I have raised and answers to the questions which were raised in the 5 days of debate held earlier on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MANSFIELD. Mr. President, in an effort to bring about an accommodation between the two groups—those who were for and those who were against this bill—I called two meetings, in my office, of interested Democratic Senators, to attempt to ascertain whether there could be a meeting of the minds and an accommodation or compromise. But nothing came of those meetings. So far as I could find out, there was no possibility of compromise, no possibility of accommodation, no possibility of amendment.

At one of the meetings, I asked Mr. Katzenbach to be in attendance, so that he could answer any questions which came up. The question was asked of him, "Is this a giveaway program?" Mr. Katzenbach replied:

> I would be ashamed to sit in this chair and talk to you about this bill if I thought, in any way, shape, or form, this was a giveaway program.

I think those facts should be brought out because the leadership has endeavored to do what it could to bring about an accommodation among Democrats. The leadership has failed. So there is nothing else to do but bring it to a vote. I hope we will get on with the debate and be able to reach a decision one way or the other.

The Senator from Oregon stated that I wanted to see the bill passed. That is true, but, more important, I want to see the bill debated and voted on one way or the other.

EXHIBIT 1

COMMUNICATIONS WORKERS OF AMERICA,
Washington, D.C., June 20, 1962.

The Honorable MIKE MANSFIELD,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR MANSFIELD: It is my duty, as president of the Communications Workers of America, to pass on to you a resolution on the communications satellite system passed just last week at our 24th annual convention in Milwaukee.

During the spring I testified three times on this important subject, appearing before the Senate Aeronautical and Space Sciences Committee, the House Interstate and Foreign Commerce Committee, and the Senate Commerce Committee.

Some 1,500 delegates, representing more than 380,000 communications workers all across the Nation, deliberated on the space communications question at our convention. They were not by any means unanimous in their voting. This is an issue of enormous significance, involving the most complex questions, and encompassing in many ways the future prestige and progress of our country.

Minds are divided on just how the system should operate. Keen intellects find reasons to doubt the ability of one segment or another of the economy to get the system into operation without putting Government into business; or, on the other hand, without giving one corporation a head start in space. Patriotic and democratic men who often find themselves in agreement on major issues are divided on this one.

Yet, when the debate was over, the delegates to our CWA convention last week voted overwhelmingly to push for ownership of the proposed Communications Satellite Corporation by the private communications carriers, subject to FCC approval.

Our delegates also reaffirmed the union position expressed in the testimony I gave earlier this year to congressional committees.

I think I really need not remind you that our hundreds of thousands of workers in the communications industry are making their judgment on the basis of experience. They know their industry. They know where the money came from that went into the building of the system that is ready to be launched now. Not once was the word "giveaway" mentioned in the convention where the workers themselves were debating their own future, in the only industry they know.

Not once was the satellite system referred to as another TVA. Our people are solidly behind the TVA idea because they understand it for what it is—a magnificent experiment conducted by government because there was no other way to accomplish what TVA does. Communications satellites, on the other hand, are not only possible through private enterprise, private initiative, but will actually be operating sooner if private industry is permitted to go ahead now.

It is our belief that America badly needs a functioning communications satellite system now; and as a final resolve, our delegates urged prompt enactment of a law so that the circuits will soon be busy bringing people around the globe closer together.

Sincerely yours,

J. A. BEIRNE,
President.

RESOLUTION 24A-62-3

COMMUNICATIONS SATELLITE SYSTEM

The remarkable achievements of our space age scientists, particularly in the communications industry, as well as our Nation's space programs, have opened up new frontiers to worldwide peaceful progress. Through intensive research and development by our private communications companies, it is technically possible today to communicate around the world by means of microwave towers in outer space.

This conquest in communications is adaptable to our conventional communications systems, including telephone, telegraph, television and radio. In reality, communications satellites are a natural extension of our existing means of communications.

The establishment of a worldwide communications system, within the shortest possible time, is one means whereby this country can exhibit to the world a tremendous scientific achievement for peaceful purposes. Communications satellites cannot harm or destroy anyone. They can, however, provide the people of different nations an avenue for greater appreciation and better understanding of one another. Thus, a communications satellite system would aid in strengthening the bonds of brotherhood among the free nations and help create new ties of friendship. The private communications industry in this country, having developed the greatest communications systems known to the world, and having demonstrated its ability to provide an extension of existing systems by means of communications satellites, should be permitted to get on with the job without delay. There is absolutely no doubt about the capability and competence of private enterprise in the field of space communications. Members of the Communications Workers of America comprise an integral part of the private communications industry, and by their dedicated service in the public interest they have contributed a great deal to its success.

As an example of the ability of private industry in this field, the Bell System project Telstar will this year be launched into orbit and take its place in history as one of the first steps toward using satellites to extend and improve world communications networks. The Telstar experiments in space communications are being conducted in cooperation with the National Aeronautics and Space Administration. However, the entire project, including the ground station at Andover, Maine, has been developed, constructed and financed by the Bell System, without one cent of Government money. This is a tribute to the ever present genius of free America, and negates the groundless "giveaway" charges heard recently in connection with congressional hearings on the Kennedy administration proposal for a privately owned communications satellite system, rather than a Government-owned system.

The administration bill, H.R. 11040, was overwhelmingly approved in the House on May 3, 1962 by a 354–9 rollcall vote. Hearings in the Senate have been concluded and it is expected that the matter will be voted upon in the Senate soon.

President Beirne has testified on behalf of CWA before three congressional committees urging ownership of the proposed Communications Satellite Corporation by the private communications carriers, subject to Federal Communications Commission approval; private carrier ownership of ground stations, subject to FCC approval with public interest and nondiscriminatory usage policy safeguards; and urging that the FCC be given whatever authority it needs to properly regulate such a system and company in the public interest: Now, therefore, be it

Resolved, That this 24th Annual Convention of the Communications Workers of America reaffirms the union's position on communications satellite legislation, and urges prompt enactment of such a law so that the circuits will soon be busy bringing people around the globe closer together.

Federal Communications
Commission,
Washington, D.C., July 26, 1962.

Hon. Mike Mansfield,
Majority Floor Leader,
U.S. Senate,
Washington, D.C.

Dear Senator Mansfield: As you requested, I am setting out in some detail my views on the merits of H.R. 11040, the communications satellite bill. I believe the bill is an imaginative and responsible effort to maintain U.S. leadership in the development of a global communications satellite system serving the public interest. I appreciate this opportunity to comment on the objections which have been advanced against the proposed legislation.

Broadly speaking, there are two central contentions: (I) that the bill is a "giveaway" of a great national resource to a private organization and thwarts the national objectives in this field; and (II) that the private organization would be dominated by the communications carriers (and A.T. & T. in particular) who would tend to retard progress in satellite communications because of their existing investment in cable and radio facilities. These contentions have been discussed at length before the interested committees. I will try to express briefly the basic reasons why I think the contentions are without merit.

I

Space communications are possible through a fusion of space research with communications research.

The Government, of course, has carried on the billions of dollars of research in the space or missile field. As you know, that research and development was undertaken largely for purposes unrelated to satellite communications. But without the booster, satellite communications would be impossible.

But what about the object to be boosted—the communications satellite? The Government has spent considerable sums in this field also. But here the major effort—involving extended research and development and money—has been by the private communications industry. Telstar is dramatic proof of this. Telstar makes use of solar cells, traveling-wave masers, traveling-wave tubes, and a host of other inventions developed by private industry. Just as the missile that launched Telstar was built on years and years of Government space research, so also Telstar rests on many years of research by the private communications industry. Today we tend to accept as a matter of course such inventions as the transistor used in the satellite or the "conventional" electronics used in the ground transmitting station. In fact, they represent just the kind of research and development that opponents of H.R. 11040 claim, with respect to the booster, to necessitate a Government-owned corporation.

Thus, I fail to follow the charge of a giveaway here because the technology involved is a composite of public and private research and development. Our object should not be to reward one side or the other for its developmental efforts, nor to be doctrinaire with respect to public or private development. Rather, the issue is: In what way can we employ this new technological breakthrough so as to best serve the national interest?

In a sense, then, the issue is not markedly different from that involving the development of jet aircraft or radar or fertilizer as a result of Government research. The Government could have taken over the commercial operation of all research discoveries made partly possible with public funds. It could, for example, have assumed the production of jet aircraft on the ground that it had contributed so largely to its development. But it did not do so—nor were there any contentions that it should. For, such production has traditionally been by private enterprise in this country.

That is equally true in the case of the communications industry. So if we looked to tradition, the answer to the crucial issue now before the Congress is private industry. But the answer should not be made solely or mechanically on that basis. In so vital an area, I think the Congress ought to ask: Has private industry, operating under Government regulation, well served the national interest in the communications field?

In my judgment, private industry under Government regulation has given this Nation the best communications service, domestic and international, in the world. I emphasize that because of its great importance to your consideration of this bill. I do not think that the opponents of H.R. 11040 have disputed that assertion, and I do not think that it should be ignored. If experience establishes that regulated private enterprise has served this Nation so well, has moved forward constantly with new achievements, and in this very field has carried out successful experimentation such as Telstar, why should we turn away from this proven method at this critical juncture? Clearly, there should be compelling reasons for such a drastic departure.

In my view, there are no such compelling reasons. The President, in his statement of July 24, 1961, stated that he favored private ownership of the U.S. portion of the satellite system, provided that such ownership could meet national policy objectives. He found that it could. So also did this Commission, other interested Government agencies, and your committees. The bill is carefully drawn to insure that the corporation will not only be capable of meeting the national objectives but will in fact do so. I do not think it is necessary to set out in detail the extensive provisions giving the President and governmental agencies full powers to assure operation in the national interest. That is fully developed in the thorough report (No. 1584) accompanying H.R. 11040.

In short, in my judgment, the bill is no giveaway, but rather resolves the basic issue in the manner most likely to serve our national interest. It provides for participation by our communications carriers who, experience has shown, have contributed much to this field. It provides that the public, on the widest possible basis, shall have equal rights with the communications industry to own a part of this enterprise. Thus, the public will share in the profits to the private investors under H.R. 11040. And here I point out that such profits will be in the form of a regulated reasonable return on the capital funds invested in property dedicated to public service by the corporation. There is no giveaway in that. That is the traditional, the fair way of dealing with public utilities.

I believe that the interests of the United States in a global space communication system can be most effectively promoted within the context of our traditional philosophy—that is, by the initiative and resources of private enterprise within the framework of appropriate Federal regulation. In this way, we can most quickly build the most efficient and economical telecommunication system for the people of the United States and of the world.

II

The second major argument is that the carriers and A.T. & T. in particular will dominate the enterprise and will retard progress in space satellite communications, in order to protect their existing substantial investments in cables and radio facilities.

First, the antitrust laws are fully applicable to the activities of the satellite corporation and of the companies participating in the ownership of the corporation. Section 102(c) of the bill is explicit on this score. Thus, any activity by the carriers jointly or by a single carrier, which is inconsistent with the antitrust laws, could be dealt with under those laws.

But the more important consideration is that the provisions of H.R. 11040 have been carefully designed to prevent any single owner or group of owners from dominating the corporation. The carriers as a group cannot vote for more than 6 of the 15 directors of the board, and no one carrier can vote for more than 3 directors. The public will elect six directors, and the President will appoint three directors who will represent the broad public interest. In the circumstances, I do not think that domination by the carriers or a single carrier will result.

The bill also contains numerous other safeguards to insure preservation of competition in this field. It provides for practices such as competitive bidding so that no hardware or communications equipment manufacturer will enjoy an unfair advantage in matters of procurement by the corporation. All communication carriers will be entitled to equitable access and nondiscriminatory use of the satellite system under just and reasonable terms and conditions. The carriers will similarly be guaranteed fair treatment in the use of any separate ground station that may be licensed to a carrier.

The opponents of H.R. 11040 are mistaken in their second premise—that the carriers would seek to retard development of the satellite system so as to protect their investment in cable and radio facilities. The opponents analogize the situation to an operating interest in bus or water transportation being given to the railroads, or of rail transportation coming under the influence of air transportation. A more precise analogy is whether existing airlines with piston-driven airplanes will be excluded from using jet airplanes—or whether existing railroads with steam or electric engines shall be forbidden to use diesel engines. Under the opponents' view, our domestic common carrier industry would not have been permitted to use coaxial cables, microwave radio, or other improvements in the art.

Furthermore, unlike air, ground, and water transportation services, which compete in the same market, the satellite corporation and the carriers do not so compete. The market to be served by the corporation consists of the carriers who will use its facilities. The market to be served by the carriers will be the senders and recipients of communications traffic. The corporation will depend upon the carriers for its revenues; the carriers will depend upon the corporation for facilities. Thus, this will not be a situation in which one enterprise is motivated to control another enterprise in order to stifle competition, to the public detriment. On the contrary, the interest of the carriers will lie in promoting the success of the corporation, thereby promoting their own success, with resulting benefits to the public.

The new facilities here will not replace or threaten to replace existing facilities. The satellite facilities will be needed in addition to the existing facilities in order to satisfy the rapidly increasing demand for communications service. Plant expansion will simply be by way of space communication rather than by adding undersea cables or conventional radio.

This kind of situation has occurred before. Thus, prior to 1956, practically all plant for oversea telephone was radio plant. Yet beginning in 1956, hundreds of millions of dollars have been spent for undersea cables. Existing investment in radio facilities did not hamper adoption of more efficient facilities.

Finally, I point out that even aside from the above considerations, the argument made here rests upon the assumption of a virtual breakdown of a whole host of safeguards. The corporation will have six public directors who will be anxious to maximize the capacity and utilization of the system as soon as possible in order to maximize revenues; it will have three directors appointed by the Preident who will be responsible for developing the systems as rapidly as possible in the public interest. Yet the opponents' argument assumes that this majority will fail to act in its own or the public's interest.

The opponents further assume that this Commission will not discharge its responsibilities in this respect. For, H.R. 11040 (201(c)(9)–(10)) makes decisions by the corporation with respect to the type of system subject to the Commission's review, and gives the Commission the authority to prevent additions of a type not in the public interest and to require additions of a type in the public interest.

Finally—and of basic importance—is the fact that the corporation will not be able to make unilateral decisions as to the type of system or modifications thereof. Such decisions will require multilateral agreement among other interested nations, and our Government will participate to the extent necessary to achieve full realization of our national and foreign policies. Furthermore, the foreign participants will insist upon full and rapid development of the system to meet their own communication requirements.

In view of all these considerations, it is my view that development of the satellite system will not be retarded or dominated by a single carrier or group of carriers, if the approach of H.R. 11040 is adopted.

III

I have set out my views as to the two main arguments. I'd like to comment on the charge that the Commission has failed adequately to regulate A.T. & T. The Commission fully responded to this charge in the recent hearings before the Senate Commerce Committee (hearings, pp. 391–393), so my comments here shall be brief.

I make no claim that our regulatory efforts have achieved perfection. Our total common carrier staff is roughly 150 people, assigned the task of regulating a great many carriers, including some of the largest corporations in the world. Given these limitations, I believe we've done reasonably well.

For example, within the past year, action taken by the Commission brought about an annual reduction of more than $50 million in the prices charged by Western Electric Co., the manufacturing affiliate of the Bell System, for equipment sold to the operating companies of the system. Just recently, the Commission's efforts resulted in a change in the separation procedures used by the Bell System to allocate its investment and expenses between interstate and intrastate telephone services. These separation changes have the effect of relieving the intrastate services of the Bell System of about $46 million of annual revenue requirements and thereby make possible reductions in intrastate rates by this amount. Thirty-one State regulatory commissions have already taken advantage of these benefits by effecting rate reductions amounting to an estimated $36 million annually.

Over the past years, the Commission has maintained continuing studies of the extensive financial and operating data which the Bell System companies are required to file in monthly, annual, and special reports. In this manner, the Commission is constantly in position to assess the reasonableness of the Bell System's overall earnings from its services subject to the Commission's jurisdiction.

Whenever, in the judgment of the Commission, it has appeared that overall earnings were at a level to warrant rate reductions, the Commission has generally been successful in obtaining rate reductions that appeared warranted. This was done without conducting protracted and costly hearings. By this means, the benefits of the reductions are promptly made available to the public. Since 1935, there have been a large number of reductions, with only one general increase in long-distance telephone rates. The reductions have amounted to hundreds of millions of dollars in annual savings to the public. The most recent—amounting to some $50 million—became effective in September 1959. It is noteworthy that interstate long-distance telephone rates are 19 percent lower than they were in 1940. It is also noteworthy that all major interstate rate reductions were the result of action initiated by the Commission. As you may know, the rates for interstate message toll telephone calls are substantially lower than the rates for intrastate calls of equivalent distance within the large majority of the States.

Informality in procedure thus cannot be equated with ineffectiveness in achieving results. Nor are informal procedures necessarily less effective than the more time-consuming formal procedures.

But the Commission has made clear that it is not committed to a policy of always refraining from the use of formal proceedings in the regulation of interstate telephone service. The considerations which bear upon the choice between formal and informal proceedings are many and varied. The Commission has followed the rule of using the procedure which seemed best calculated to protect the public interest in light of the circumstances presented at any particular time. For example, on several occasions where the use of informal procedures was initially unsuccessful in bringing about the results which the Commission sought to achieve, the Commission instituted formal rate reduction proceedings through the issuance of show cause orders. In each instance, this action led to a satisfactory resolution of the matter without the need to proceed with the hearings.

With respect to A.T. & T.'s rates for oversea telephone services, until several years ago the revenues from these services amounted to a relatively few million dollars annually and constituted only a small fraction of A.T. & T.'s total service revenues. For example, in 1955 A.T. & T.'s annual revenues from its oversea services amounted to only $14.5 million as compared to total interstate revenues of roughly $1.2 billion. Because of more pressing regulatory problems confronting the Commission and its limited staff and resources, special attention to the oversea rates did not appear to be warranted. But in regulating the overall interstate rates and earnings of the Bell System, the oversea operations of A.T. & T. were treated, in effect, as part of those operations.

By 1960, oversea telephone revenues of A.T. & T. had reached a level of more than $40 million annually. Several new high-capacity transoceanic cables had been installed and others were in a planning stage. Also, satellites as a means of oversea communication appeared to be a real likelihood. Therefore, in June of 1961, the Commission directed A.T. & T. to institute detailed studies to develop complete operating and earnings data with respect to its oversea operations for analysis by the Commission. The data furnished by these studies is now being studied by the Commission to determine the reasonableness of A.T. & T.'s oversea rates and what further regulatory action may be required.

We have long recognized that additional funds would enable us to improve our performance and afford a greater degree of protection of the public interest. This was, in effect, the thrust—and the sole thrust—of the Booz, Allen & Hamilton management study. Thus, in its letter of May 3, 1962, to the Director of the Bureau of Budget, Booz, Allen & Hamilton stated that its study conclusions in this respect were being given "inaccurate interpretations" in the press and that its sole purpose in the report "was to emphasize the finding of our study that the Common Carrier Bureau is not well equipped in terms of organization, facilities or staff resources to meet its heavy statutory responsibilities in the face of a rising workload." We are now seeking a supplemental appropriation to enlarge our staff so as to be in a position to deal effectively with this new field of satellite communications.

IV

I realize that this discussion touches only on some of the highlights of the issues concerning H.R. 11040. If you wish to have further discussion of any of these matters or any other issue, please call upon me.

I regard H.R. 11040 as vital to the public interest in this important field. The technology is moving forward at an explosive rate, as Telstar shows and as future experiments will also demonstrate. Public policy must not lag behind this technology. Legislation is essential now in order to provide a policy and organizational framework within which Government and industry may bring to operational fruition the research and development efforts.

This urgent need for legislation is pointed up by considering the many steps which must be taken before the entity which will own and operate the system is in a position to begin operations. Under H.R. 11040, the proposed corporation must be organized, funds must be raised, and a staff recruited before the corporation can plan operation of the system. These steps will necessarily consume time. It will also require a period of time for the President, NASA, and the Federal Communications Commission to study and adopt policies and procedures to carry out their respective responsibilities under H.R. 11040. Moreover, it will be difficult to advance arrangements with foreign interests with respect to such important matters as joint research and development, ownership, and use of a global system if such interests are not certain as to the instrumentality which will represent the United States in these areas.

H.R. 11040 also contemplates research and development effort by the corporation. It is essential that the corporation be organized as quickly as possible so that it may assume these responsibilities without delay. The corporation will not only provide a focus for the best technical brains in private industry, but it will, through contributing its own financial resources, reduce the need for further Federal funds.

For all these reasons, I believe enactment of H.R. 11040 is essentital to the public interest. I am most grateful to you for this opportunity to express my views.

Sincerely yours,

Newton N. Minow,
Chairman.

Under Secretary of State
for Political Affairs,
Washington, D.C., July 25, 1962.

The Honorable Mike Mansfield,
U.S. Senate.

Dear Senator Mansfield: I refer to our recent conversation during which you requested that I send you a letter stating the Department of State's position regarding H.R. 11040, the proposed Communications Satellite Act of 1962.

I wish to assure you that the Department supports H.R. 11040 and urges its enactment at this session of the Congress. Our concern is, of course, primarily with those provisions of the bill which relate to the responsibility of the Government for conducting the foreign policy of the United States. We believe that the bill as passed by the House of Representatives and as reported out of the Senate Committee on Commerce provides adequately for that responsibility.

The House bill and the Commerce Committee bill both provide in section 201(a)4 that "in order to achieve the objectives and to carry out the purposes of this Act * * * the President shall * * * exercise such supervision over relations of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and the foreign policy of the United States." We believe, and the Commerce Committee's report indicates, that this section plainly reaffirms—and applies to the corporation's international relations—the traditional responsibility of the President and through him of the Department of State for conducting foreign policy.

The bill recognizes in section 402 the propriety of the corporation's conducting business negotiations with respect to facilities, operations, or services with international or foreign entities. This is consistent with the present practice in the case of analogous types of communications agencies and was contemplated in the original testimony of the Department of State before congressional committees. We believe that section 402 protects the national interest by requiring that the corporation notify the Department of State of any such negotiations and that the Department advise the corporation of relevant foreign policy considerations. The corporation is to keep the Department informed throughout such negotiations and upon request of the corporation the Department will render such assistance as may be appropriate in such negotiations. The essential point here is that section 402 is limited to business negotiations which are now carried on by private firms in the normal course of business. Any negotiation of a broader nature which in the determination of the President would affect the national interest would of course fall under the provisions of section 201(a)4.

It is, of course, of the greatest importance that full assurance be provided that matters relating to the corporation's international activities which affect the national interest should be under the control of the Government and the Department appreciates the interest which has been shown during the debate that this should be clear. We believe that this assurance is provided by the bill and by the legislative history surrounding it.

Sincerely yours,

George McGhee.

U.S. Department of Justice,
Washington, D.C., July 27, 1962.

Hon. Michael J. Mansfield,
U.S. Senate, Washington, D.C.

Dear Senator: This is in response to your request for the comments of the Department of Justice on various arguments of those who are opposing the passage of the administration legislative proposal for communications satellites, namely, H.R. 11040, as reported by the Senate Commerce Committee on July 11, 1962.

Those opposed to this bill have charged that it is a giveaway in the sense that the corporation would be able to take advantage of research and development in space communications which has been conducted at Government expense. Senator Kefauver has used various figures in this connection, and it is indeed difficult properly to allocate expenditures with respect to the total space program to this particular phase. In testimony before the Senate Space Committee I used figures supplied to me by NASA which indicated that a proper allocation would be in the neighborhood of $80 million through fiscal 1963.

But the fact that the Government has sponsored research and development in space communications scarcely constitutes a giveaway. This argument could be extended to many phases of our economy. Civilian aircraft, for example, are based on designs and improvements made possible by Government-financed military aviation, and the fruits of this Government research are freely available to aircraft manufacturers. The same is true with respect to drugs, hospital equipment, and techniques of medical treatment which are based on knowledge financed by Health, Education, and Welfare. Many of the great steps forward with respect to scientific farming practices are based on research financed through Agriculture Department programs. In fact, throughout our economy one finds that the fruits of Government research and development are made available to private enterprise when they are commercially feasible and would serve to promote our national objectives.

I am confident that this would be as true in the field of space communications as in the areas mentioned above. It seems clear that the United States has a special interest in promoting a global communications satellite system as rapidly as possible. That is the purpose of the legislation endorsed by the administration. To accomplish this purpose we should, of course, make available to the American participant all of the knowledge which we have in this field as we would expect the private participant to make freely available their expertise. In this connection it should be pointed out that Telstar was developed by private industry at its own cost and that the Government has been reimbursed even for the launching expenses. Under its contract with A.T. & T. the Space Administration has required A.T. & T. to make freely available to the Government all developments and know-how acquired by it during this project.

Another point should be made in this connection. Under the administration proposal further research and development will be largely financed by private capital rather than by the taxpayers, and the costs of developing and operating a space satellite communications system will be borne by private industry and not by the taxpayers. In all probability this would involve a further investment of between $200 and $400 million in what is unavoidably a risk investment. In our economy we have generally sought to attract private capital into such an investment rather than expend the involuntary contribution of taxpayers where an alternative is possible.

Finally, of course, if this venture proves successful the Government will have its contribution returned through the payment of corporate taxes. Nor is there any possibility in this situation for large profits to be made. As in the case of all communications carriers rates charged by the proposed corporation would have to be approved by the Federal Communications Commission and would be limited to a reasonable return upon its investment.

Opponents of this bill further charge that the corporation which it envisages would be dominated by A.T. & T. The fact of the matter is that the bill contains numerous safeguards against domination of the corporation by A.T. & T. Moreover, any discussion of A.T. & T.'s potential domination of a communications satellite system is deceptively unrealistic unless it frankly recognizes the fact that A.T. & T. today is the most important single enterprise in the American communications industry, both domestically and internationally. Therefore, as the chief user, A.T. & T. will inevitably be an important factor affecting any satellite system which is to provide broad public service, regardless of whether such a system is wholly owned by the A.T. & T. itself, or by all the communications carriers, or by a Government agency providing service to A.T. & T. and the other carriers, or by the proposed corporation envisaged in the pending bill. Under Government ownership there would be no private firm or group with any significant, continuing economic incentive to influence the policies of the system except A.T. & T. and the other communications carriers. In contrast, under the proposed bill, the operation of the system would have to reflect not merely the influence of the communications industry but also the interests of a new and independent group, the public stockholders unaffiliated with the communications industry, who can constitute a real counterpoise to A.T. & T. and the other carriers which is lacking under Government ownership. Moreover, companies in the aerospace industry, large and small, would be free to invest in the corporation and might represent an additional counterweight to A.T. & T., as well as a source of additional talent.

The bill contains effective safeguards against A.T. & T. domination. A.T. & T. is prohibited from electing more than 3 out of 15 directors. The communications industry as a whole is prohibited from electing more than 6 out of the 15 directors. These prohibitions run not only against the carriers but also against manufacturing subsidiaries or others associated with them. In addition, the financing provisions of the bill contain important safeguards against the dependence of the corporation on A.T. & T. for its financing. The corporation can obtain financing from the public generally and from financial institutions, and even if A.T. & T. provides a large part of the capital investment in the corporation, it can never have corresponding control. In addition to these restraints on the means or methods by which A.T. & T. might otherwise obtain control of the corporation, the bill contains explicit provisions against the exercise of any such control, guaranteeing that the corporation will function competitively not only in buying the goods and services needed to operate the system but also in making its own services available to users. These bulwarks are to be enforced by the FCC and if necessary by the executive branch of the Government.

Another and somewhat similar attack on this legislation is the charge that it will create a monopoly. It is true that, at least for a number of years, only one commercial communications satellite system will probably be feasible. Therefore, under any system of organization, including Government ownership, there will be only a single system for some time, and in that sense a monopoly. However, the proposed corporation under the pending bill will certainly not be a monopoly in the accepted and invidious sense of an enterprise which enables its owners to dominate and exploit a market. The important objective with respect to a communications satellite system is to make sure, as the pending bill does, that the system will not be controlled by a favored few but rather will reflect broadly the interests of all those who are concerned with the system, whether as communications carriers, manufacturers and suppliers, investors, or citizens, and taxpayers.

Opponents of the bill have also charged that it does not give the President sufficient power to protect and advance our national interest in this program. I believe that the President will have ample powers under this bill—in addition to his inherent power in the field of foreign relations—to assure the success of the system from a national standpoint so far as this may depend on legal power. In addition to the various functions of the President under section 201(a) of the act, together with his power over the activities of NASA, he can assert additional power through the Attorney General under section 403(a) of the act to assure that the policies declared by Congress are effectively implemented. That provision is the broadest enforcement provision possible, and should go far to assure that the public interest is served.

Comments may also be in order on the claim by the opponents of this legislation that, regardless of its merits, there is no urgency to pass legislation on this subject in the present session. It is the view of the administration that further delay in enacting such legislation could only serve to impair the organization and impetus of the overall effort, to create uncertainties among other nations now interested in cooperating with us, and to weaken our own sense of national commitment to this program, especially on the part of those enterprises, agencies, and individuals who must plan now if there is to be prompt availability and utilization of talents and energies, productive resources, and facilities, and capital funds. In contrast, prompt enactment will permit many essentials of the program to go forward—the financing, the recruitment of technical skills, the work of management and engineering planning, and the negotiations with foreign entities—so that the program will go ahead just as quickly as the development work can be completed, and the development work itself will be accelerated.

The Department of Justice is entirely satisfied that this corporation is the best answer we can devise to a realistic cooperation of private industry and the Government in a program of national and international significance. If this legislation is not passed at this session the possibility of a creative solution will be seriously jeopardized for the reasons expressed above. Ironically, in view of the arguments made by those in opposition, the possibility of a system owned and operated exclusively by existing carriers would be greatly enhanced. It is with these carriers, and their related corporate subsidiaries, that the bulk of experience, knowledge, and expertise rests. Either they will dominate the system through ownership, as the communications industries initially proposed to the FCC, or under a government-owned system they will dominate it through contract. We cannot avoid the simple fact that the Government does not have, and would have great difficulty in acquiring the personnel needed to operate this system under Government ownership and would, in my judgment, be forced to contract actual operation to the communications industries. Nor can we avoid the fact that this corporation has as its function a service for the existing privately owned communications companies. The Department of Justice strongly supports this legislation. We believe it to be the best method of harmonizing in the public interest all of the necessary capabilities of private talent and public service to attain a communications system with global coverage which will have the fullest range of benefits to all persons at the earliest practicable time.

With best regards.

Sincerely,

NICHOLAS deB. KATZENBACH,
Deputy Attorney General.

[From the New York Times, July 10, 1962]

THE SPACE COMMUNICATIONS SATELLITE

The planned launching this morning of the Telstar communications satellite marks another dramatic thrust in man's penetration of the mysteries of space. The satellite, sent into orbit through a partnership of industry and Government, inaugurates a new era in communications.

Its readiness for experimental use focuses fresh attention on the merits of the administration-backed bill, which the Senate is about to debate, creating a private corporation to own and operate the U.S. portion of a global satellite system. The probability that such a system will be operating by 1965 represents an incalculable advance, and there is understandable controversy over the rules the Government should set to insure that the benefits for us and the world will be fully realized.

The bill, similar to one already passed by a House vote of 354 to 9, would make half the stock in the new corporation available to the general public and half to the common carriers in the communications field. The private stockholders would elect 6 of the corporation's 15 directors, the communications companies 6, and 3 would be appointed by the Government. The Federal Communications Commission would regulate rates and services under powers broader than any it now exercises.

The measure's foes contend that it proposes a "giveaway" of the fruits of huge sums of Government-financed research to a private monopoly more interested in profit than in the satellite's great potentiality for service. Special fear is expressed that the corporation would be dominated by the American Telephone & Telegraph Co., which would supply 80 percent or more of its traffic. Government ownership along the lines of the Tennessee Valley Authority is the alternative these critics favor.

Supporters of the bill insist that safeguards in the proposed legislation prevent one-company domination and make the private corporation a promising instrument for integrating the satellite into the privately operated communications pattern that prevails in this country. The validity of these hopes would depend on the stringency of the powers assigned to the FCC and on the adequacy of the funds and staff it got for the most exacting regulatory task in its history.

Among the specific requirements it would have to enforce is a guarantee that all present and future communications companies have access to the satellite and its ground terminal stations on a nondiscriminatory basis under "just and reasonable" charges and conditions. The FCC also would have a mandate to police the manner in which facilities were allocated and interconnections supplied to insure competition. Effective followthrough on these requirements is a sine qua non for proper public protection.

The "giveaway" argument has no greater force in this field than it does in agriculture, mining, aircraft development, electronics, or any of the dozens of other areas in which Government-paid research has long provided benefits for both public and private users. Few experts believe a commercial satellite system can approach the break-even point in less than 5 years. The primitive state of present knowledge is indicated by the Pentagon's recent decision to scrap Project Advent, on which it had already spent $170 million in an attempt to develop a synchronous satellite that would travel in equatorial orbit 22,300 miles above the earth.

What is needed now for maximum progress in military and commercial applications is a pooling of public and private talent. The Telstar, developed by A.T. & T. and hurled into orbit by a Government rocket, indicates the virtue of such cooperation. Its first uses for transatlantic television transmission will reflect a similar partnership—private broadcasters on this side of the ocean and Government-run networks in Europe. With rigorous FCC supervision, the same pattern, embodied in the projected corporation for satellite communications, could permit the United States to play its full part in extending to all sections of the globe the high purposes of service to mankind offered by this newest gift of science.

[From the St. Louis Post-Dispatch, July 13, 1962]

IN THE WAKE OF TELSTAR

With Telstar in orbit, transmitting television programs and telephone calls across the Atlantic, the time has surely come for action in Congress. The time has come to end the fruitless debate over private versus public ownership of communications satellites, and pass the administration bill, hanging fire in the Senate, to set up a corporation under rigorous public regulation to do the job.

A few doctrinaires seek to prevent action, arguing that since the communications satellites will benefit from public investment in space science they should be publicly owned. But a great deal of private investment by A.T. & T.'s Bell Laboratories has also gone into the technology which made Telstar such a brilliant success: indeed, last week's triumph would have been impossible without Bell research.

Because of this leadership in research, A.T. & T. is the best qualified organization to assume leadership in setting up the satellite system. A nation which entrusts the rest of its communications system to private enterprise need have no qualms about extending the same principle to one new branch of the system—especially since the satellite bill now before the Senate is full of safeguards against monopolistic abuse, and guarantees that the system would be subjected to the closest public scrutiny.

Instead of caviling over ownership of the physical facilities for intercontinental communications via space, Congress might well concern itself with the separate and much more important problem of what these facilities are to be used for. Is this great technical triumph to become merely the vehicle by which stale westerns and quiz shows can be beamed to Europe? Are we to reach for the stars in technology, and then harness the resulting resources to cultural vacuity?

The White House has initiated a study of problems arising from this question, and none too soon. Last week's first telecasts between the continents brought home to all the fact that international TV may soon become the principal medium by which the United States reaches other peoples, and vice versa. In this greatly enlarged arena of communication, firm ideas are needed as to what shall be said, who shall say it, and for what broad national purpose.

[From the Washington Post, July 25, 1962]

A POLITICAL BRAWL IN TELSTAR'S WAKE

(By Marquis Childs)

The Telstar project—a worldwide communications satellite paid for by the American Telephone and Telegraph Co. and sent up by the space agency—has been phenomenally successful. From the public relations viewpoint, it has been almost too successful.

The public seems to have assumed, on the basis of successful experimental telecasts between Europe and America, that this is a going system and the job is done. Chairman Newton N. Minow of the Federal Communications Commission reports that delegations from several new African nations have been so stirred by Telstar that they have come in to see him to ask when they could get hooked up.

Actually it is still in the early developmental stage. In its present orbit, the satellite provides a half hour of usable time three or four times a day. The life of Telstar is, by prior agreement, to be 2 years. A viable and consistently workable satellite communications system is at least 5 years distant, according to testimony before Congress.

There are still political hurdles in the way of making a start on a technological achievement of extraordinary complexity. And the political angles involved in the dispute over the administration proposal—a private corporation operating the satellite with Government-appointed directors on the board—are nearly as complicated.

The opposition in the Senate is out of a past that looked with dread on the growth of corporate power. The big corporations, with their headquarters in Wall Street, were bent on keeping the South and the Midwest in subjection as hewers of wood and drawers of water.

Senator ESTES KEFAUVER, of Tennessee, chairman of the Senate's Antimonopoly Subcommittee, heads the opposition. As crusader against "administered" prices in steel, bread, drugs, and other essentials, KEFAUVER charges the Government is in effect turning over to A.T. & T. the benefits of nearly a half billion dollars in Government research on communication satellites.

When the administration-sponsored bill was up in the Senate, KEFAUVER and his Tennessee colleague, ALBERT GORE, with a half dozen like-minded Senators, indicated they could hold it up indefinitely and thereby possibly compel a change of emphasis. But before the measure was set aside for more urgent legislation the issue was sharply drawn.

Responding to KEFAUVER's charge that regulation of a satellite monopoly was bound to fail since the Federal Communications Commission was unable to regulate A.T. & T., Senator JOHN O. PASTORE, of Rhode Island, put a blunt question: How, he demanded to know, if FCC is unable to regulate the telephone monopoly, can it possibly be expected to carry out such a complicated operation as a world communication system by satellite?

This is the central point made by Chairman Minow, who has proved one of the ablest of the New Frontiersmen brought to Washington by the President. In hours of private debate with KEFAUVER, he has argued that under civil service inhibitions, Government operation would simply be impossible. He cites the fact that as soon as an FCC engineer shows ability, he is hired away by private enterprise at twice his salary.

The form of a private corporation with a strong Government interest through Presidentially appointed Directors is the only workable concept for a far-reaching technological operation, in Minow's view. Admittedly, A.T. & T. will dominate the corporation because it will use far and away the largest share of the satellite's capacities.

Minow readily concedes, too, that the FCC has failed to do an effective regulating job on the phone company, the largest private corporation in the world, with profits running at well over a billion dollars a year—$358 million in the second quarter. For example, A.T. & T.'s subsidiary, Western Electric, supplies all equipment yet no adequate appraisal of the cost of this equipment, as paid by the parent company, has entered into an analysis of Bell's rate structure.

The other day KEFAUVER asked Minow if he would be interested in doing a thorough study of Bell's rates if Congress were to provide the money. The Chairman's answer was "yes."

The House passed the administration bill with only nine nays. The guess in the Senate is that if and when it comes to a vote, the opposition will add up to 12 to 20 at the most. But for the opponents it is a matter of passionate political faith.

Mr. HUMPHREY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Minnesota?

Mr. MANSFIELD. I yield.

Mr. HUMPHREY. In reference to our differences of opinion on this measure, I do not believe any Senator will be critical of his colleague for debating and arguing and holding a different point of view. In many instances, that is what we are here to do. The point the Senator from Minnesota was trying to make was that he should like to see the Senate agree to the first step and proceed to the consideration of the bill; and then if any Senator wishes to move to refer the bill to the Committee on Foreign Relations, that motion can be made, and it can be voted upon. Senators can do the same thing with respect to many other bills. The foreign trade bill will come from the Finance Committee. It surely has implications of foreign policy in it. I doubt if it is going to go to the Foreign Relations Committee. But, at least, that is a legitimate, fair motion.

So far as concerns Members of this body who feel that the bill should be defeated, I know there are some who feel that way. Some feel the bill ought to be passed. All I am asking is that we find out what the real feeling is, and that we have an opportunity to debate the merits of the bill. We are going to debate the question whether to take it up. That is foolish and unnecessary, since we already took it up once before. We set it aside for other business. Apparently there were Senators who did not think it was too bad to take it up, because we did take it up. Now we are going to have a long debate on whether we should take it up, after we had once taken it up.

I suggest we would look a little better if we were to take it up once again on the motion of the majority leader to proceed to the consideration of the bill. Senators may offer amendments to it from now until Christmas. A Senator may offer one amendment after another. A Senator may move to recommit the bill, to offer an amendment in the nature of a substitute to the bill, or to amend it in the second and third degree. We have all the privileges we need.

LUMBER PROBLEMS

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MAGNUSON. I dislike to disturb this debate. I have listened to it for a long time. However, I wish briefly to invite the attention of Senators to another subject. Last night——

Mr. MANSFIELD. Mr. President, I yield the floor.

The VICE PRESIDENT. Does the Senator from Washington seek recognition?

Mr. MAGNUSON. Yes.

The VICE PRESIDENT. The Senator from Washington is recognized.

Mr. MAGNUSON. Last night the President of the United States issued a group of affirmative recommendations dealing with a serious lumber situation in the Pacific Northwest, which is rapidly spreading to the southern pine area. It involves the deterioration of our own domestic markets in softwood lumber, which are rapidly being absorbed by the importation of Canadian lumber at prices with which our domestic lumber producers cannot compete.

Among the recommendations made by the President, pending other matters which he suggested be pursued, was one that he would appoint, at a high level, a negotiating team to proceed immediately to Ottawa, Canada, to sit down with a similar negotiating team that would be selected by the Premier of Canada.

We thought that was a fair proposal. We thought it was fair in many respects, and that in fact, it was a problem which needed immediate clarification. We were hopeful that some sense and equity might result from the meeting of the two negotiating teams.

Both Senators from Oregon, the Senator from Idaho, and many Senators from the southern pine area who talked with me also felt that this was a wise move on the part of the President of the United States, because, failing this effort, we thought some retaliation must necessarily follow as a result of the argument over timber imports; and that would not be good for either country. The two countries have lived alongside each other for many years with a minimum of conflict.

We thought it would be a fine thing, even if the arrangement were only temporary until we could solve the problem, particularly in view of the fact that the Canadian lumber producers will have further problems in the future relating to England, the Common Market, and the importation of Russian lumber into the markets of Europe.

The President made that suggestion; and I understand that a short time ago the Canadian Government sent a message to the President of the United States absolutely refusing to appoint a team to sit down and talk over this problem. I think that is unwise. I am hopeful they will change their minds. Surely, there could be no harm in having two knowledgeable and fair teams representing the President of the United States and the Premier of Canada in connection with this serious economic problem.

I made this statement on the Senate floor merely because I hope the appropriate persons in Canada will realize that what we are trying to do is bring about some economic equities, in the hope that the two countries may join in many oversea markets in which we will participate.

The VICE PRESIDENT. Does the Senator from Washington ask unanimous consent that his speech not be considered one of two speeches on the pending motion?

Mr. MAGNUSON. Yes.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MORSE. I associate myself with every word the Senator from Washington has spoken. I commend the Senator from Washington, who is chairman of the Committee on Commerce, for the great leadership he has extended to all of us in the Pacific Northwest for many months past, in connection with the lumber crisis that confronts us. It is a crisis created by action in Canada. It is a crisis that is a result of direct and indirect subsidies by the Canadian Government to its own lumber industry. It is a crisis produced by Canadian competition in which the Canadian Government has, in a variety of ways, been of assistance to its own lumber industry, to the detriment of the American lumber industry.

As the Senator from Washington has said so many times, we are battling for competition for our own domestic market.

We are not battling for competition for Canadian, Latin American, European, or Asian markets.

We find ourselves, apparently, on the basis of the announcement made by the Senator from Washington, in a position in which the Premier of Canada and his government will not even sit down with a commission appointed by the President of the United States in order to reach some solution on the very serious difficulty which has developed between Canada and the United States over lumber.

Is it not true that only 2 or 3 weeks ago our Government came to the assistance of the economy of Canada with a loan of many millions of dollars?

Mr. MAGNUSON. That is correct.

Mr. MORSE. Is it not true that it was made very clear at the time the loan was made that economic chaos might overcome Canada if the United States, a good neighbor, did not come to the economic relief of Canada?

Mr. MAGNUSON. That is correct.

Mr. MORSE. Is it not true that within a matter of hours after we made the loan of many millions of dollars to the Canadian Government the Canadian Government proceeded to lift the tariffs on one American product after another going from the United States into Canada?

Mr. MAGNUSON. The Senator is correct.

Mr. MORSE. Does not the Senator from Washington agree with me that that was a pretty sad exhibition of good neighborliness on the part of Canada when it indulged in that course of action, and is the same now when Canada refuses even to sit down with a commission appointed by the President of the United States to at least talk about working out some agreement?

Mr. MAGNUSON. They will not sit down and talk about equity. That is all we are seeking.

Mr. MORSE. I only wish to say to my friend from Washington, I regret that we loaned Canada a thin nickel. I regret that we loaned anything, if that is going to be the attitude of the Canadian Government. I am satisfied we will find it is not the attitude of the Canadian people. The Canadian people will be very unhappy about any unpleasantness that develops between the United States and Canada.

I recognize that this involves a matter of some politics in Canada, but I say to the Premier of Canada, in my judgment if this represents his course of action he cannot possibly justify it on the grounds of equity and he cannot possibly justify it on the grounds of good neighborliness.

Does the Senator from Washington agree with me that, as Senators from the Pacific Northwest, he and I have an obligation to proceed, whatever the realities may be, to do all we can to protect the economies of our two respective States from this unfair competition which the Canadian Government is setting up against private enterprise in the United States in the form of our lumber mills?

Mr. MAGNUSON. I would suggest that we have no other course of action. We were hoping that we could work the problem out. We have no other course of action.

Mr. MORSE. I think it is perfectly clear. We will cross the bridges when we get to them.

Mr. MAGNUSON. Yes.

Mr. MORSE. I think it is perfectly clear that if this remains the position of the Canadian Government we shall have to take the facts to the Congress of the United States and we shall have to offer some amendments in the Congress in connection with the foreign trade bill or any other piece of proposed legislation, to protect the American people from the unfriendliness of the Canadian Government in respect to economic practices which the Canadian Government is practicing against the people of the United States. When all is said and done, when this is done to an industry it does not take it very long to affect all the people.

I close by saying I am surprised by the attitude of the Canadian Government, if events prove that this is the attitude of the Canadian Government.

Mrs. NEUBERGER. Mr. President, will the Senator yield to me?

Mr. MAGNUSON. I yield the floor to the junior Senator from Oregon.

Mrs. NEUBERGER. I wish to associate myself with the comments made by my senior colleague.

This colloquy somewhat bears out the premonition I had when I was a delegate to a meeting of the Interparliamentary Union held in Ottawa in February. On 3 successive days when I was there I tried to bring up this subject of "Let's sit down and talk about it," and the Canadian representatives more or less laughed at me.

Mr. MAGNUSON. I thank both Senators from Oregon.

THE ANDERSON-JAVITS AMENDMENT RELATING TO MEDICAL CARE FOR THE AGED

Mr. ERVIN. Mr. President, on July 25, 1962, I made a statement on the Senate floor in reference to the Anderson-Javits amendment. Such statement appears on pages 14704 to 14706, both inclusive, of the CONGRESSIONAL RECORD. In so doing, I stated, upon the basis of reliable information, that there are no nursing homes in North Carolina which could qualify for service to patients of 65 and over within the meaning of the amendment.

Since that time I have ascertained that there may be a technical inaccuracy in such statement because there are three existing institutions, namely, a 56-bed unit at Huntersville, a 25-bed unit at Kenansville, and a 42-bed unit at Monroe, and a fourth institution under construction, namely, a 40-bed unit at Valdese, which could possibly qualify as nursing homes within the meaning of the amendment. It is to be noted, however, that the 163 beds of the three existing units and the additional unit under construction are designed for use by certain hospitals for their chronically ill or convalescent patients of all ages and are not reserved for patients of 65 or over. This being true, they are too limited in their facilities to afford much relief to the aged in a State having a population of 4½ million people.

ORDER OF BUSINESS

Mr. DODD and other Senators addressed the Chair.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The Senator from Connecticut [Mr. DODD] is recognized.

Mr. McCLELLAN. Mr. President, will the Senator yield to me briefly?

Mr. DODD. I yield to the Senator from Arkansas.

REQUEST FOR AUTHORITY FOR PERMANENT SUBCOMMITTEE ON INVESTIGATIONS TO MEET DURING SENATE SESSION TOMORROW

Mr. McCLELLAN. Mr. President, for about 3 weeks the Senate Committee on Government Operations, particularly the Permanent Subcommittee on Investigations thereof, has been holding hearings at least 3 days a week in the so-called Estes inquiry, with respect to his relations with the Department of Agriculture.

There will be possibly 20 or perhaps 30 more witnesses for the subcommittee to hear before its work will be concluded. I anticipate that it will take at least another 2 weeks, and possibly 3 weeks, before we can conclude the hearings.

The Senate has been very considerate in granting to the committee permission to meet at times when the Senate has been in session, in order that we might expedite the rather arduous task of conducting an investigation in this particular field. I hope the Senate will continue to grant us that opportunity and that privilege of holding hearings while the Senate is in session. Otherwise, it may very well take until the end of the session for the committee to conclude this particular investigation.

I wish to make a unanimous consent request not connected with that particular investigation.

A matter has developed which requires early attention, and the committee has been requested to hold a specific hearing on a question which is of some urgency. Since I did not know the Senate would be scheduled to meet in the morning at 10 o'clock, after consulting with other members of the subcommittee I scheduled a hearing in the morning at 10 o'clock. Now the Senate has decided to convene in the morning at 10 o'clock.

I am hopeful, in view of the urgency involved—I say to my colleagues now that it is no special accommodation to me or to any member of the committee for the Senate to grant the request, but it is a matter of urgency not only in this administration but also in regard to the matter itself—that permission can be granted and that the committee will be permitted to meet. Therefore, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Government Operations be permitted to meet tomorrow morning at 10 o'clock to hold the hearings on the special problem which has arisen.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, reserving the right to object—and I shall object—I say to the Senator from Arkansas that no one has a higher regard for or greater appreciation for the great investigative work he is doing than has the senior Senator from Oregon. We are in a parliamentary situation in the Senate which he very well understands. He has been there before in connection with other issues over the years. He knows that when a Senator is in a parliamentary battle in the Senate, in which he is seeking to postpone for a time a vote on an issue, he must use the rules to protect his interest.

It seems to me the problem which confronts the committee is with the leadership of the Senate. I know of no reason why the Senate should have to meet tomorrow. If the Senate did not meet tomorrow, the committee of which the Senator is chairman could meet. I know of no reason why the satellite bill cannot be laid aside to take care of emergency matters. That is a question for the leadership of the Senate, and not for the senior Senator from Oregon. We are in the minority. We have our backs to the wall, so to speak, as we understand. Already one statement on the question was given to us by the leadership of the Senate a few minutes ago. We made our position clear in that respect, as I make my position clear now. I will not agree to the meetings of committees while the controversy is raging in the Senate over the satellite bill. I object.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. McCLELLAN. Mr. President, will the Senator yield to me in order that I may conclude my statement?

Mr. MORSE. Mr. President, I shall withhold my objection——

The PRESIDING OFFICER. Does the Senator from Connecticut yield?

Mr. DODD. Mr. President, I yield to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I wish to make a further observation. I blame no individual Senator. I am merely trying to perform a duty for my country. A serious question is involved. The committee could contribute to a possible solution of a strike which is vitally affecting the defense of our Nation. I leave it to the conscience of everyone, the leadership and other Senators alike. I think the committee should be permitted to meet, irrespective of any parliamentary situation, under the circumstances I have stated. If it involved merely the old Estes hearing, I would say, I do not care when we get through with Estes. But I say that in my judgment, under the circumstances I have stated, the committee ought to be permitted to meet. I have said all I care to say. Senators can let their own consciences and judgment direct them to do what they will.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. DODD. I yield to the Senator from Tennessee.

Mr. KEFAUVER. I would appreciate it if the Senator from Arkansas would refer to "Billie Sol Estes" and not simply "Estes" when he refers to an investigation.

Mr. McCLELLAN. I did not know that any Senator was sensitive about it. Mr. President, I amend the RECORD. I was talking about Billie Sol Estes, whom the committee has been investigating for some time.

Mr. KEFAUVER. I appreciate the courtesy of the Senator.

Mr. President, reserving the right to object—and the Senator from Oregon has said that he will object—the question was discussed by those who are opposing the satellite bill on the ground that it would be a monstrous giveaway and diametrically opposed to the public interest. The only way we can—and we shall eventually—inform or bring about a difference of opinion with reference to the bill is to have Senators present in the Chamber so that we may talk to them. Not much purpose would be served in developing the strong arguments to show that the bill is not in the public interest, that it would carve out a monopoly for the special benefit of a few, and that it would take the research coming from taxpayers' money—Mr. Katzenbach so admitted—and giving it to a special group with no return as such to the taxpayers whatsoever. There never has been anything in the history of the Nation like the precedent which the bill would establish.

We think it is most important that Senators be present in the Chamber to hear our presentation. Our policy and program will be to insist upon live quorums. We shall be forced to debate the measure, and therefore we might as well have Senators present to listen to us.

I wish to lodge with the majority and with the minority an objection to committees sitting while the debate is in progress. I hope that the acting majority leader will give me his attention. We wish to have Senators present. We hope that they will ask questions and take part in the discussion. That is the only way which we have to get our message across; and we are determined to get it across. The Senator from Oregon is following the direction of the group in his opposition to the meeting of committees.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. MORSE. I merely withheld my objection until we could hear from the Senator from Pennsylvania. Will the Senator yield to the Senator from Pennsylvania?

Mr. DODD. Mr. President, I yield to the Senator from Pennsylvania.

Mr. SCOTT. Mr. President, I wish to make a statement on behalf and at the request of the minority leadership. I am authorized to say that, so far as the minority leadership is concerned, we have no objection to the meeting of the Committee on Government Operations tomorrow for that 1 day only. I am aware of the pending objection. So far as we are concerned, we have no objection to such a meeting because we are moved by the statement of the Senator from Arkansas that the national interests may be imperiled if his committee cannot meet. I understand that the Senator from Arkansas has made a statement that it is in the highest national interest that his committee act, if it can, to relieve a serious situation. For that reason I have stated our position. I appreciate very much the courtesy of the Senator from Oregon in giving me an opportunity to do so.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. HOLLAND. I appreciate the courtesy of the Senator in yielding to me. I wish to make a brief comment about the statement that has been made that Senators should remain in the Senate Chamber and listen to the debate.

First, without any recriminations or criticisms against anyone, I wish to say that, having been in the Senate only 16 years, I have not heard during that period of time, until this occasion, anyone who was indulging in the gentle art of filibustering using the ancient procedure of questioning the Journal and moving to amend it. But it is thoroughly within the right of any Senator to do so if he feels that he is justified.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. HOLLAND. In a moment, though I do not have the floor.

Second, I do not think it is necessary for some of us to stay here and listen, because as a member of the Committee on Aeronautical and Space Sciences I listened at great length to the testimony in connection with the bill. The entire membership of the Committee on Aeronautical and Space Sciences was diligent in listening. When the subject was fully presented, as I recall, the 18-member committee voted unanimously for the approval of the bill.

I understand that the membership of the Committee on Commerce likewise held protracted hearings on the measure, and that when the committee had completed its work, of the 15 members of the committee, 13 members voted to report the bill and only 2 against.

There are at least 15 members of the Committee on Aeronautical and Space Sciences and 13 members of the Committee on Commerce who feel like they were sufficiently educated by hearing the testimony in support of the bill to vote for it. There were two members who felt that they were sufficiently educated to vote against it. So, Mr. President, 30 Members of the Senate have been subjected to lengthy education on this subject. I hope that our distinguished friends will be gracious and charitable enough to relieve us of the burden of having to remain and listen to the discussion, particularly when we have hearings on appropriations, as I have had for the last several days, in an effort to bring out business which needs to be transacted and on which the Senate is woefully behind.

So, with all due respect to my distinguished friends, I hope they will not be too insistent upon my presence on the floor of the Senate to be reeducated on a matter on which I believe I am already reasonably educated. I believe I speak for many Members of the Senate in taking that position.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. KEFAUVER. I hope the Senator from Florida will not close his mind to persuasion. I know he is always fair and wants to get the facts. I know that he has sat in the subcommittee hearings. I can assure him that a great many matters will be brought out here that he might not have considered thoroughly in the deliberations before the subcommittee. I also wish to say—perhaps this occurred before he came to the Senate—that the correction of the Journal was used dozens of times in connection with the civil rights debate in 1946.

Mr. HOLLAND. That was just beyond 16 years ago.

Mr. KEFAUVER. That was a year before the Senator came to the Senate.

Mr. HOLLAND. I came to the Senate in September, 1946. There has been no indulgence in this useless waste of time since then.

Mr. KEFAUVER. Does the Senator criticize what was done by his colleagues in 1946?

Mr. HOLLAND. I am not criticizing even what is being done by my colleagues now. I am only asking for their charitable judgment in allowing me to remain beyond the reach of the debate that is going on, because I believe I have been subjected to enough of it. What I heard yesterday and today was not conducive toward persuading me to change my mind, because it had no relation whatever to what is pending with respect to the bill, but, instead, had relation to extraneous matters, having to do with the Journal and similar situations. It is that kind of thing that I thought was passé in the Senate. I had hoped that we were through with that sort of thing, which had not been utilized in the Senate in 16 years, as a part of any extended debate. I thought the Senate had graduated from that kind of approach.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. DODD. I yield to the Senator from Illinois.

Mr. DOUGLAS. May I ask my friend from Florida if he would approve, as the Senator from Illinois does, the proposal of the Senator from Pennsylvania [Mr. CLARK] that the rules of the Senate be revised so that it will not be possible to hold up the proceedings by the method that has been indulged in with reference to the reading of the Journal. I believe thoroughly that we should remove these impedimenta, these barriers to action. The extraordinary thing, however, is that one section of the Senate uses them and condones the use, and that when anyone else tries to use them, he is condemned. What is sauce for the goose is sauce for the gander.

Mr. HOLLAND. I wish to say to my agitated friend from Illinois——

Mr. DOUGLAS. I am not agitated in the slightest.

Mr. HOLLAND. I wish to say to my friend that so far as the Senator from Florida is concerned he does not believe that any change in the rules is needed.

Mr. DOUGLAS. I thought so.

Mr. HOLLAND. The Senator from Florida has voted for cloture on occasion in the Senate, and he would be prepared to vote for it again, after the right to debate was literally exhausted, if the matter did not offer an issue which the Senator from Florida thought ran to the question of peace or disturbance of peace in large parts of the country. The Senator from Florida does not think a change in the rule mentioned is necessary. He thinks some degree of willingness to give and take would be helpful.

Mr. DOUGLAS. Apparently the Senator and his colleague feel that they should be able to take advantage of every possibility in the rule book and delay action on civil rights, and at the same time condemn anyone else who takes advantage of the rules to delay a matter in which he is concerned.

Mr. HOLLAND. No; I call the attention of the distinguished Senator to the fact that the Senator from Florida has offered a constitutional poll tax amendment on the floor of the Senate for 14 years, and has at long last obtained an approving vote from the Senator from Illinois on the submission of the poll tax amendment to the States. That certainly is a civil rights question.

I also call attention to the fact that the Senator from Florida, as Governor of his State and as a member of the State senate, repeatedly took positions which were regarded by his own people as important civil rights positions.

I believe the Senator from Illinois sometimes practices self-righteousness—if he will excuse my using that term—in thinking that his idea of civil rights is the only idea of civil rights that should be regarded as consequential by a fair-minded citizen.

So far as the Senator from Florida is concerned, he does not feel that he owes any apology to any Senator for his participation in any debate, because he has never departed from the self-imposed rule of germaneness in his discussion of important civil rights matters or any other questions which have been pending in the Senate.

I say again that I am willing, when a reasonable right to debate has been exhausted, to vote for cloture, because I believe that the cloture rule means something, and unless we are willing to do so, it is a hollow mockery. When a reasonable right for debate on a question which does not involve the vitals of peace or breakdown of peace in a large area of the Nation has been exhausted, we should proceed to transact the business of the Senate.

I do not believe that the rules need changing. I believe that a willingness of Senators to proceed with reasonable consideration for the rights of others is really the thing that we badly need and should be governed by.

A CONSTITUTIONAL SOLUTION TO THE PROBLEM OF DISCRIMINATORY USE OF LITERACY TESTS

Mr. DODD. Mr. President, I introduce for appropriate reference a bill to protect the rights of citizens to vote in Federal elections. In submitting this proposal, I am joined by Mr. BEALL, Mr. HARTKE, Mr. METCALF, Mr. SCOTT, Mr. LAUSCHE, Mr. FONG, Mr. HUMPHREY, Mr.

Randolph, Mr. **Allott**, Mr. **Long** of Missouri, Mr. **Miller**, Mr. **McCarthy**, Mr. **Saltonstall**, Mr. **Muskie**, and Mr. **Douglas**.

I ask unanimous consent that the bill be permitted to lie on the table for 5 days in order that other Senators who wish to add their names as sponsors may do so.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Connecticut.

The bill (S. 3576) to protect the rights of citizens to vote in Federal elections, and to facilitate prompt judicial review of alleged denials of such rights, by requiring that literacy tests given as a qualification for voting in Federal elections be in writing and meet certain other requirements, and for other purposes, introduced by Mr. **Dodd** (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. DODD. Mr. President, I am sure that a large majority of the Members of this body share my profound disappointment at the failure of the Congress to take action on effective legislation to guarantee the right of all qualified citizens to vote. It would surely be a mockery of all that this Nation represents if, while successfully meeting the manifold challenges of a difficult age, we were to prove unable to give meaning to the constitutional provisions which are the cornerstone of our Republic.

Of all the ideals enshrined in the American credo, the operative principle, the one which undergirds and safeguards all the others, is universal suffrage—one man: one vote. It is through the franchise that the fundamental power which the people have retained is made effective. No other channel so directly communicates the public will to the trustees of the national interest, the elected officials who shape and control the Government of the United States.

These are the considerations which enlisted my support for the recent effort to prevent discrimination against some of our Negro citizens through the use of literacy tests in certain areas. The inability of the Senate to come to a vote on the merits of the administration proposal was, in my judgment, a sad performance and a poor example for the people of this country and the world.

We are left in a situation which is, frankly, intolerable. We know that many American citizens, fully qualified to cast their ballots, have been and continue to be deprived of their right to vote because of their race or color.

There are cases in which the Constitution, the bastion of freedom in the United States and the greatest single social invention of this or any nation, is flagrantly violated. I need hardly dwell on the evil effects of subjecting our basic document to such abuse. Not only are individual citizens deprived of their rights and privileges, but that crucial, intangible element which contributes so much to our peace and prosperity—respect for law and constitutional processes—is gravely undermined.

It is clear that, from such invidious practices as those which deny qualified Americans the right to vote, the body politic is placed in danger. We find ourselves victimized by serious social wrongs which the Congress cannot, or more properly, will not remedy. Is it really possible that the Congress of the United States is incapacitated on an issue so vital as this one? Can it be true that the elected representatives of the American people are unable to protect the constitutional rights they are sworn to uphold? If we must answer yes to these questions—if we must testify to our own impotence to meet this fundamental attack on the health of the Republic, then we have, indeed, reason for despair.

I cannot accept this gloomy view, in spite of our failure to act on the administration proposal regarding literacy tests. I believe that the Senate, and the entire Congress, can provide relief to those citizens who have been the objects of racial discrimination in voting.

I want to make it clear that, although I was convinced of the justice and constitutionality of the recent proposals on literacy tests, I respect the views of these Senators who harbored doubts about the constitutional issues involved in that debate. My discussions with many Members of this body have led me to conclude that these constitutional questions accounted in large part for the outcome of the several cloture votes on the previous literacy test bill.

My search for a clearly constitutional mode of relief has taken many months. It began before the administration bill came to the Senate floor. During the debates on S. 2750, I did not advance the alternative which I had developed because I did not wish to weaken what I considered a legitimate effort to meet the problem of literacy test abuses. I have continued to try to perfect an acceptable plan and am now introducing a bill which I believe offers effective and clearly constitutional relief for citizens who have been illegally deprived of their right to vote through discriminatory use of literacy tests.

I wish, in particular, to have the attention of those Members who were genuinely in doubt about the constitutionality of the administration literacy proposal. It is fair to say, I believe, that their concern was primarily with the apparent establishment of a qualification for voting in the administration bill by the definition of literacy which it contained.

The proposal which I am introducing does not, in any way, attempt to define or establish a qualification for voting. It explicitly recognizes and reaffirms the constitutional powers of the States to establish voter qualifications. What the bill does seek to accomplish is the meaningful coordination of these powers into the traditional constitutional system of judicial review.

This does not imply, however, that the powers of the States in this respect are exclusive. Indeed, the authority of Congress to make or alter State regulations governing the times, places, and manner of holding elections for Senators and Representatives is explicitly asserted in article I, section 4 of the Constitution with the sole exception of "the Places of chusing Senators." Furthermore, the extensive powers of Congress under the necessary and proper clause, as well as its authority to guarantee equal protection of the laws to all Americans, render fully appropriate a broad range of Federal legislation in this important area. The present proposal does not in the least represent a declaration by its supporters that the previous attempts to deal with the literacy test problem were unconstitutional. This measure is simply an alternative approach. Its sponsors and supporters reserve the right to continue their efforts to secure other legislation in this area, including such proposals as S. 480, S. 2750, and S. 2979.

Relying on the well-established principle that constitutional powers may not be used for unconstitutional ends, such as the deprivation of a citizen's right to vote on the ground of his race or color, the bill contains one main statutory requirement: literacy tests must be in writing. It asserts that States may employ literacy or interpretation tests of any degree of difficulty which they choose, but that, however difficult a test they decide to use, the tests must be either written or accurately transcribed in order to permit a realistic review by the courts of allegations of discrimination.

We are all agreed, I am confident, that there must be some objective standard by which to measure a voter's qualifications in this area. So long as subjective determinations are the rule, there is simply no way for the constitutional guarantees of the franchise to be effective.

When several independent observers agree on whether or not a person is in fact literate within the meaning of a specific law, we can begin to have greater respect for their judgment in the matter. This proposal would permit more than one official to consider the results of literacy tests.

By requiring written records of literacy tests, this bill makes feasible something like a scientific determination of the facts. The bill is designed to mesh closely with existing civil rights legislation. Should discriminatory practices such as the Civil Rights Commission discovered in several regions persist, this provision makes the administration of justice swifter and more certain by providing positive proof of a kind not presently available. This will facilitate the punishment of guilty parties and thus will afford a powerful lesson to others who would engage in such unlawful practices. I am extremely hopeful that, by increasing the effectiveness of existing legal mechanisms, this simple device will bring an early end to the abuses with which we are concerned.

I want to emphasize that the central concept of the present bill has already been sanctioned by the Congress as a constitutional mode of redress. This proposal represents in essence a general extension of a principle which the Congress accepted in the 1960 Civil Rights Act. Title VI of that legislation provided virtually identical requirements for proceedings before the voting referees which the act authorized. In outlining the details of reports by voting referees to Federal district courts, the 1960 act established the following guidelines:

> Where proof of literacy or an understanding of other subjects is required by valid provisions of State law, the answer of the applicant, if written, shall be included in such report to the court; if oral, it shall be taken down stenographically and a transcription included in such report to the court.

This is basically the same idea which underlies the bill I am introducing today. There must be some reasonable method for reviewing determinations of literacy, if we are to have any assurance of impartial administration of this sort of test. Because of the difficulties we have experienced in guaranteeing the fairness of literacy tests, my bill refines and extends this principle of the 1960 act to permit a second look at the initial decisions. Surely the use of this technique to safeguard a right of such inestimable importance will appeal to the sense of justice of all Americans.

To give substance to the requirement that literacy tests be given in writing, the bill also provides that each individual taking the test may obtain a certified copy of his test within 30 days after he has filed a written request. Copies of all tests are to be filed with the U.S. attorney for the judicial district where they are administered within 30 days after they have been given. This will permit the Department of Justice ready access to the records necessary for prosecuting any instances of illegal discrimination. By simplifying the problem of proof, this measure will greatly speed up the process of judicial relief.

Furthermore, each individual who takes a literacy test will, under this bill, receive a brief printed statement informing him in understandable language of his rights if he feels that he has been the object of discrimination on grounds of race or color. This statement will tell the individual that he may request a copy of his examination record and that he should contact the U.S. district attorney or the Attorney General, if he believes that he has been illegally denied the right to vote through administration of the literacy test.

The ancient principle, "ignorantia legis, neminem excusat" is well known and properly revered, but there is need of a corollary principle, designed to inform the innocent victims as this famous phrase warns the potential transgressor. Such a principle is our guideline in this section of the bill. An explicit requirement that individuals be fully apprised of their rights seems both reasonable and just, especially when ignorance has for so long contributed to oppression.

The bill contains another important feature to cover one of the other devices frequently used to deprive qualified citizens of their voting rights. After consultations with the Department of Justice, we have drafted a section to prevent arbitrary disenfranchisement for minor errors on application forms and other documents associated with the registration and voting process. There have been, for example, cases in which fully qualified individuals were denied the right to vote because they accidentally listed their date of birth incorrectly, or because they made an approximation of their length of residence in a given community.

Section 4 of this bill has been carefully devised to eliminate the unjust practices of certain election officials who deny citizens access to the ballot on the pretext of minor, nonessential mistakes on complicated forms. The bill does not, obviously, intend to make unqualified citizens eligible to vote. It would not permit a convicted felon to lie about his criminal record on a voting application and then guarantee his right to vote. What the bill says is simply that if a person's application indicates that he is qualified to vote, and if in fact the individual fulfills the requirements prescribed to vote, then minor clerical or grammatical errors shall not be considered sufficient ground to deprive him of his rights.

This sounds like a rather obvious provision, but it is designed to overcome discriminatory practices which were found to be widespread by the Civil Rights Commission and the Justice Department. One of the major techniques of racial discrimination in voting has been the distorted manipulation of such application forms and this provision of the bill is an extremely important element to support the main effort regarding literacy tests.

I know some will complain that a requirement for written records of all literacy tests is burdensome. I can only say that the costs will be slight—negligible—in comparison with the expensive drain on the vigor of our Nation which discriminatory use of such tests has caused. Relatively few individuals among the total voting population—in most States only the voters registering for the first time—are required to take such tests and therefore the administrative burdens will not be unreasonable.

In order further to ease any administrative problems, a waiver provision has been written into the bill. In any judicial district in which the Attorney General determines that the purposes of this act are being satisfied, he may waive the requirement that certified copies of the tests be filed with the U.S. attorney for that district. This will enable the bill to serve as a much more precise legal tool for the achievement of our goal. There can be no doubt that the serious nature of the abuse with which we are concerned, the deprivation of the voting rights of qualified citizens, fully justifies the additional administrative attention which this bill provides.

This measure has been under study for some time. Many interested parties, both governmental and private, have contributed to its development. A considerable number of able and independent constitutional experts have confirmed our view that the proposal is an effective constitutional remedy.

I have great confidence that my colleagues will share this conviction when they have studied the bill. I urge them to do so—and promptly. It appears that we shall be here for yet a while and there remains time to meet our grave responsibilities in this area. Early and courageous action on this bill is possible and it will alleviate a cancerous social problem.

I believe this measure will invigorate existing legislation and make a significant contribution to maximum participation by our citizens in the vital electoral processes which sustain free, representative government.

Mr. President, I close with these very simple thoughts. Citizens who are in fact qualified to vote are being unlawfully deprived of their rights because of their race or color. The bill which I have introduced affords a constitutional and effective remedy for an intolerable abuse. Let us pass it.

ORDER OF BUSINESS

Mr. HUMPHREY. Madam President, I understand that at the desk are certain measures, such as two appropriation bills, which should be referred, and certain items with respect to which requests have been made for printing in the RECORD.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). That is correct.

Mr. HUMPHREY. I ask that the measures now be referred to the appropriate committees and that the other items be printed in the RECORD as requested.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

LET US STOP THE FALLOUT SHELTER PROGRAM, A FUTILE WASTE OF TAXPAYERS' MONEY

Mr. YOUNG of Ohio. Madam President, it is time to call a halt to the waste of billions of dollars of taxpayers' money squandered on futile and foolish civil defense projects from 1950 to this good hour.

Last summer, in the midst of the Berlin crisis, Congress hurriedly appropriated $208 million for fallout shelters. No American is any safer as a result of that expenditure. Furthermore, it in no way deterred the aggressive intentions and acts of the Russian and Red Chinese dictators. Although the international situation is no less critical, the hysteria and fear of last summer seem to have subsided. The then preoccupation with fallout shelters is now history. Sanity seems to have returned.

For all practical purposes, today we are back where we started a year ago except that more taxpayers' money has been wasted, and the number of civil defense jobholders feeding at the public trough has increased. Americans generally realize that civil defense as it has been conducted in the past will be of little or no use in a nuclear war. Few people did anything about home shelters. Those who did are left with useless holes in the ground or, if they were lucky, with a cold-storage room in the basement or a rumpus room for their children. Millions of ridiculous, deluding civil defense pamphlets are gathering dust on post office shelves. The quick-money, instant-shelter builders have abandoned their fly-by-night concerns and have crawled back under the rocks.

The legitimate concerns have almost all gone out of business. As a west coast shelter manufacturer, quoted in the Wall Street Journal put it:

> It was a waste—a total waste. We received a tremendous volume of inquiries, but when it came to plunking down hard cash for one of the things, people backed off.

In Cleveland, Ohio, my home city, only half of the 21 firms that went into the quick-buck shelter business last summer ever made a sale. No shelters whatsoever have been sold in Cleveland during the last 90 days.

Even though months ago the American public ceased to take them seriously, the civil defense spenders continue to think of new ways to spend the taxpayers' money. Among their more recent half-baked brainstorms has been the acquisition of 70 million survival biscuits. The Kroger Baking Co. alone has received over $8 million in contracts to bake survival biscuits.

If any baking corporation in the Nation is to have contracts in the amount of $8 million for baking survival biscuits, I am very happy that such contracts have gone to the Kroger Co. The president of that company is a distinguished former Member of the House of Representatives, who served a congressional district in my native State of Ohio with distinction. I am proud that my friend, Jake Davis, is the president of the Kroger Co., a great firm. If any concern in the Nation is to receive such contracts, I do not object to the fact that his company evidently made the proper bid for the contract to bake $8 million worth of survival biscuits. At last word the Kroger Co. was still baking them. Two and one-half million pounds of these biscuits are to be stored at the Army General Depot in Columbus, Ohio. So, now we have 70 million biscuits for nonexistent fallout shelters which are supposed to be built in prime target areas, where they will be absolutely useless in a nuclear holocaust. Madam President, how silly can this civil defense boondoggle become? How long do American taxpayers have to suffer such incompetence? How long will the President and his advisers continue to propose that this Nation spend half a billion dollars of taxpayers' money on fallout shelters?

But the civil defense boondogglers—in the face of the facts and of public apathy—continue on their wasteful way. In Cleveland, Ohio, paid civil defense officials plan to train 50,000 volunteers as fallout shelter managers. It has been estimated that about 8,000 buildings in the Greater Cleveland area will be designated as fallout shelters.

I know something about this, personally, inasmuch as Cleveland is my home city. So, Madam President, we see that it is proposed to have in Cleveland approximately six managers per shelter. Cleveland, a major industrial and population center, would be a prime target in a nuclear war. In event of an attack from the Soviet Union there would be, at most, perhaps 10 minutes' warning before the intercontinental ballistic missiles fell. The horrible truth is that few, if any, of these 50,000 managers would ever reach a fallout shelter in a nuclear attack. Even if they did, they would never emerge alive from what would become fiery incinerators.

However, Madam President, there is no cause for concern here. As a measure of how seriously Clevelanders—and I am sure other Americans—take this program, attempts to interest them in a free civil defense course last month fell on deaf ears. A total of one student turned up for the class—this, in a city of over a million people. At the same time, there appeared in the newspapers there a small advertisement offering, for $10, a course of instruction in the twist. More than 200 persons paid their $10 on the line for that course. But for the free course on survival in fallout shelters, only one person came.

Madam President, I consider myself a supporter of the Kennedy administration; and I feel that our President is a great President, indeed. However, this year the administration has requested the appropriation of $460 million for fallout shelters. The House Independent Offices Appropriation Subcommittee has already eliminated this entire item. Although the Senate Appropriation Committee has not yet acted on this matter, it is my fervent hope that it, too, will refuse to give any serious consideration to this completely unwarranted requested expenditure.

In the face of the facts, it is difficult to believe that Secretary of Defense McNamara meant seriously his recommendation to Congress of an appropriation of $460 million for fallout shelters, in addition to other millions to be raised locally. No other country, friend or foe, has a massive shelter program.

In all of England there is no fallout shelter. Even the huge London subway, which might be an ideal shelter, if there is any such thing, has no markings or provision for use in connection with any fallout shelter program. In many parts of the world, including Allied Nations, our talk of shelters and our expenditures on them have made the United States the butt of jokes and ridicule.

As Maj. Gen. John Medaris, now retired, one of the outstanding authorities on missilery, and former Chief of the Army Ordnance Missile Command, put it:

> The concept of mass evacuation of high-density population centers and the burial of our citizenry in deep shelters would negate any kind of positive reaction to attack. It would convert our people into a horde of rabbits scurrying for warrens where they would cower helplessly while waiting the coming of a conqueror.

Madam President, at this point let me add that any man who constructs a fallout shelter in his backyard and then says that if a neighborhood child in a moment of terror and panic were to try to enter his shelter in a nuclear attack, he would kill that child with a shotgun, is not the kind of man we would want to be alive to help rebuild the world in the terrible event that the horror of nuclear war should ever occur.

Madam President, of necessity most shelters would have to be built in cities where the bulk of our poulation is located. Yet, it is precisely in the cities that they would offer the least protection from the blast and fire of a nuclear attack. Furthermore, it is precisely the cities that are facing the utmost difficulty in paying for badly needed schools and other essential civic improvements. How much sense does it make for Cleveland—or any other U.S. municipality—which is not sure it can afford the most indispensable public facilities, to be goaded by the Federal Government into spending money for fallout shelters that offer dubious protection, if any, to only part of its citizenry.

Those favoring such a program have testified that in order to be at all effective it would require an eventual expenditure of anywhere from $50 to $200 billion of the taxpayers' money. Even then, extensive advances being made in rocket and nuclear technology will make any shelter program obsolete before it is half completed. There is also the possibility of more deadly types of warfare—chemical and biological warfare. Certainly, were an aggressor to unleash the horror of a thermonuclear war, he would probably not hesitate about using other methods equally as terrifying.

Unless we are prepared to embark on such a vast gamble, it seems futile to me to waste hundreds of millions of taxpayers' dollars on schemes which are, in reality, nothing more than expensive doses of psychological pablum for a frightened and bewildered public. For 13 years civil defense officials have simply been deluding the public into thinking that something real was being done, that there is some measure of security in a nuclear war. We cannot close our eyes and refuse to realize the consequences of such a disaster.

I agree with Gen. Curtis LeMay, Chief of Staff of the Air Force, and a native of my State of Ohio, who in commenting on fallout shelters some months ago said:

> I don't think I would put that much money into holes in the ground to crawl into, that I would rather spend more of it in offensive weapons in the first place.

Americans are fed up with the silly schemes of the civil defense planners. They are tired of talk of fallout shelters and evacuation.

They had an evacuation program in my home city of Cleveland, and still have it as an alternative to a shelter program. On the first blast of the sirens the people were to go along Lake Road toward Lorain, 25 miles distant. The people of Lorain—which is a fairly large city in my State—were, on the first blast of the siren, to hit that same road east toward Cleveland. So, the people from Cleveland would be running toward Lorain and the people of Lorain would be running toward Cleveland along the same road.

That is how silly some civil defense officials were and many still are. At the same time they were feeding at the public trough on salaries of $12,000 a year and higher.

Americans are disgusted with reading arguments as to whether or not it is proper to kill a neighbor or his child should he attempt to force his way into one's shelter. It is time to abolish all the petty jobholders who shuffle papers and look wise. Let us turn the problem over to the best brains in the country.

Madam President, I urge the administration to take a good, hard, realistic look at the entire concept of civil defense. Mass evacuation was offered as the panacea only a few years ago but it is now thoroughly discredited. Fallout shelters are no better. The basic fact about nuclear war is that organized society cannot survive it.

Therefore, we must try our utmost to bring about disarmament among the nations of the world and to establish a system whereby a nuclear war cannot under any circumstances be waged.

It would be wiser to face the truth squarely than to evade it by spending money for useless holes in the ground.

The patience of our taxpayers has worn thin. They have every right and reason to become further exasperated if in this session of Congress we appropriate hundreds of millions of dollars for a shelter program in public buildings and elsewhere.

Why add further millions to more than $1 billion already wasted on the civil defense boondoggle? Furthermore, it is recognized that constructing fallout shelters in public buildings adds approximately 6 percent to the cost of construction of a building. Were a nuclear missile to explode anywhere within miles of a building, occupants would die like rats in a trap.

The truth is, no fallout shelter program in the United States would be effective in saving lives in a nuclear war. Appropriating millions of dollars for shelters and on top of that millions of dollars for survival rations, and other foolish projects, is a stupid policy which should have been ended long ago.

THE IMPORTANCE OF NEW POWER SOURCES

Mr. HUMPHREY. Madam President, I call to the attention of the Senate two articles, one from the July 8 issue of the New York Times entitled "Exotic Power Sources Stir Interest," and the other from the July 16 issue of the Washington Post and Times Herald entitled "Aid Official To Show Uses of Solar Power." The New York Times article emphasizes the impact basic research in exotic or little used power sources will have on future electric power production. Work being done at this time throughout the Nation promises breakthroughs in electric generation which will bring about a revolution in power conversion of the widest scope.

On June 29 I called to the attention of the Senate a paper prepared by John Hoke in conjunction with his work for the Agency for International Development on exotic power sources. The article from the Washington Post discussed how John Hoke and the Communications Resources Division of AID are applying their research and that of industry and universities to the needs of developing nations. The article tells of Mr. Hoke's trip to Surinam for the testing of solar energy equipment and points out the importance of this work. The article also notes progress being made by AID in developing large screened, low power, transistorized television sets for communications work in remote areas. Combined with the new power sources, these transistorized television sets will be the basic tool by which the many nations without adequate supplies of trained teachers may educate their peoples. Successful development of such educational systems is a prerequisite to progress in less developed nations.

It is with the aim of coordinating these widespread research efforts and applying them to the many needs for more efficient modes of power conversion that, on June 12, I called upon the Secretary of the Interior to establish an Office of Solar Energy as part of the Department of the Interior under authority of the Reorganization Plan No. 3 of 1950. I again urge the Secretary to establish such an office in order to facilitate work in this most essential and fast progressing field.

One other point which I wish to raise in this context is that Hoffman Electronics, Inc., the leading film in the vital area of photovoltaic power production—that is, the generation of electricity by solar cells—recently announced the establishment of new production and research facilities in my home State of Minnesota.

I ask unanimous consent that these two articles may be printed in the Record, at this point in my remarks.

There being no objections, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, July 16, 1962]

AID Official To Show Uses of Solar Power

(By Howard Simons)

An official of the Agency for International Development will travel 500 miles through the jungles of Surinam next month in what is believed to be the world's first solar-powered boat trip.

The purpose of the South American river journey is to demonstrate new uses for the sun's power in bringing communications to underdeveloped areas.

In a related development, AID has ordered 1,000 23-inch transistorized television sets capable of being powered by wind, muscle, or solar energy. The sets will serve to bring educational TV to remote villages and may eventually be tied to communications satellites, such as Telstar.

The solar sailor, John Hoke, will travel in a collapsible boat that will be pushed along Surinam's rivers by a small electric boat engine used conventionally by fishermen for trolling. The engine develops a fraction of a horsepower.

TO ESTABLISH CENTERS

At three points along his river route, Hoke will stop to establish listening centers at remote villages by setting up sun-powered radio receivers. He plans to construct the receivers with a solar-powered electric drill, just as he plans to listen to a solar-powered phonograph during his month-long trek and to maintain contact with a costal station via a sun-powered transceiver.

Hoke's trip, first disclosed in Science Trends, as well as AID's plans for the TV sets, are part of the Agency's long-range program for finding and demonstrating the potential of small and exotic power sources for bringing communications to underdeveloped nations.

The engine, which resembles a milk bottle in size and shape, will run off a 12-volt standard battery. The battery, in turn, will be charged by 100 1-watt solar cells soaking up energy from the sun. The solar cells are similar to those pasted on the side of space satellites to power instruments within the spacecraft.

Hoke plans to use two panels being designed by Hoffman Electronics. One will extend out in front of his boat giving it the look of a miniature aircraft carrier. The second panel will serve as a shade awning.

THREE TO FOUR MILES AN HOUR

Hoke, who has traveled Surinam's waters in the boat before but without the help of solar power, said in an interview he expects to putt along at 3 to 4 miles an hour.

"It is very slow," he conceded, "but it beats paddling. Actually, I expect to move along as fast as other men can paddle, but I can do it longer, indefinitely, in fact."

This is the task of AID's Communications Resources Division, headed by Gerald F. Winfield. In addition to solar-powered devices for operating radios, TV sets, slide projectors, and phonographs, the AID researchers are exploring and developing a host of other devices run on other power sources.

These range from the possibility of using exotic animal power—a squirrel chasing around an exercise cage can generate enough power to operate a large community radio receiver—to a 1-watt thermoelectric generator heated by sunlight.

In one experiment, AID researchers have been able to use a slowly descending 4-pound weight to spin a motor and generate power for a large radio receiver. In another development, the AID researchers are developing a small, windup phonograph operating from a conventional spring motor.

Probing both old and new power sources, Winfield's team is exploring the potentialities of revolutionary biochemical fuel cells and the possibilities in peanut-oil generators once used to supply power and light to American farms.

[From the New York Times, July 8, 1962]

Exotic Power Sources Stir Interest—Research Is Pressed Into New Means of Fuel Conversion

(By Gene Smith)

Photovoltaic, magnetohydrodynamics, thermoelectric, thermionic.

Those are not code words from outer space. They are technical terms describing the various "exotic" fuel-conversion methods that may someday be providing electricity for the homes of the world.

No one seems to know exactly the derivation of the term "exotic" as regards fuels. A check of scientists at several leading universities, research centers and utilities showed readily that the term is accepted, but no one seems to know why. Several figured it came from one of the remote definitions of the word itself: "rarely met with; having the appeal of the unknown." Otherwise, it may be the concoction of a press agent's fertile mind.

That they are important is obvious, when one considers the companies actively engaged in cracking the economical way for using such methods for power production. In the forefront of the various research projects are such organizations as the Westinghouse Electric Corp., the Avco Corp., the General Atomic Division of the General Dynamics Corp., the General Electric Co., the Atomics

International Division of North American Aviation, Inc., and the Radio Corp. of America.

In some ways, the appearance of certain companies in such a line-up may seem unusual, but Dr. Irving Wolff, retired vice president of research for RCA, recently offered an understandable answer:

"Electronics grew because it was a necessity to communications, sound and sight broadcasting, and many phases of military systems. If, in time, the electronics industry we know reaches a plateau, the potential revolution in power conversion may well give rise to another period of extraordinary growth."

The interest in exotic fuels stems from the never-satisfied appetite of the electric utilities for new methods of producing energy. In the early power plants, for example, only about 2.5 percent of the energy in coal could be used. This has been brought to about 40 percent or more. For comparison, this would be twice the relative efficiency of an automobile engine.

The fossil fuels—coal, oil, and gas—have been generally exhausted as far as new techniques are concerned, as has the use of water. The industry then turned to atomic energy. While this is still being explored for its most economical usage, the industry is rapidly moving into the new science of direct conversion of the energy of heat, light, and chemicals to various practical, efficient, and economical electric power.

It has been estimated that exotic-power conversion will soon become an important new energy, with a $90 million market potential easily in sight.

UNIFIED TECHNOLOGY PREDICTED

Dr. E. W. Engstrom, president of RCA, pointed out in a recent interview that "the trend is toward a fusion of many electrical and electronic techniques, both in the production and use of energy." He predicted that the eventual result would be "a unified technology that will be our principal building block for the future."

Only last week, the Edison Electric Institute, trade association of the investor-owned electric utilities, released a 24-page booklet, "Doors to Tomorrow," in which it noted that research into "more radical possibilities" than atomic energy is going on in various laboratories around the country.

"What may be a new breed of generators is being developed, able to convert heat and chemical energy into electricity directly—and improve the efficiency of power production still further," according to the text.

It pointed to the recent success of an experimental laboratory device using the principle of magnetohydrodynamics (MHD). In this process, a stream of ionized gas is passed through a magnetic field, producing electricity. Though it would do away with the conventional turbine-generator, the project is being sponsored by 12 electric utilities and a manufacturer.

CONCENTRATION ON SMALL UNITS

The institute points out that much of such experimental work is being directed toward development of small individual units—the so-called "little black box that will fit into the cellar and provide all power needs." The power companies feel that, if such units are developed in small size, larger units for central power generation would be far more practical. Thus, their interest in such projects is both defensive and self-perpetuating.

RCA, which seems the most out of its element in this field, finds that it already has on its books more than 10 percent of the annual $90 million exotic-power-converter business. One out of every 10 members of the professional staff at its David Sarnoff Research Center at Princeton, N.J., is directly or indirectly involved in such work. Company scientists at other key locations also are working on various phases of exotic-power research.

As proof of the universal approach toward the developmental problems, one need only realize that 2 years ago a Pittsburgh conference on the subject of exotic-power conversion drew some 800 scientists and engineers from major domestic companies. Last August, scientists, engineers, economic experts, and Government administrators from 61 nations met in Rome for the first United Nations Conference on New Sources of Energy.

Even the Massachusetts Institute of Technology has reported that 10 professors and more than 60 students—1 of every 20 faculty members and graduate students—are working on some phase of exotic power. It has been estimated that more than 50 U.S. companies are in the field.

The need for rapid solutions to the problems in the field stems from demands for power sources for space satellites, coupled with the desires of underdeveloped lands to find low-cost and plentiful power supplies. Add to this the demand from the more advanced nations for even more efficient and economical power sources, just to meet normal requirements.

Dr. James Hillier, vice president of RCA Laboratories, stressed the fact that these new sources of electricity will produce little or no smoke and virtually no waste products. In addition, they will be light, compact, and noiseless, as well as simple, economical, efficient, and reliable, he added.

His organization recently announced the development of a germanium-silicon alloy that seems to be able to produce efficiencies of 10 percent at this evolutionary stage. Work at the Harrison, N.J., plant is proceeding for development of thermoelectric modules as key components in the SNAP 101A project (systems for nuclear auxiliary power), or auxiliary electric power for space vehicles to be tested next year.

AREAS OF DEVELOPMENT LISTED

In general, the prime areas of development are the following:

Thermoelectric: Electricity produced directly from any type of heat source capable of producing temperatures up to about 1,000° C. through heat-stimulated electron action in small blocks of semiconductor alloys.

Thermionic: Electricity is generated directly from heat in the range of 1,000 to 2,500° C. by means of a gas-filled tube in which electrons boil off from a heated cathode.

Photovoltaic: A thin layer of a photosensitive material in a solar cell converts light to electrical energy. The fuel is sunlight exploited by the solar cell. Conversion efficiencies of up to 12 percent are reported.

Fuel cells: Electrical energy is delivered directly from continuous chemical reaction of air or oxygen with various fuels in packaged devices that resemble storage batteries. There is no need for recharging.

The practicability of some of these processes already has been proven. Solar cells, thermionic and themoelectric converters are being used and designed into space satellites. The Apollo space capsules are to use fuel cells for internal power in flights to the moon.

THE UNITED STATES AND THE COMMONWEALTH OF PUERTO RICO

Mr. HUMPHREY. Madam President, 10 years ago today the Commonwealth of Puerto Rico was established signifying a free and voluntary association with the United States. Since that time, this unique relationship has proved to be highly beneficial to both parties involved, surpassing even the great hopes and expectations of those who formulated it. The Commonwealth stands in direct and striking contrast to both the crude colonial exploitation of Asia and Africa in the nineteenth century as well as to its modern counterpart, the ruthless and barbaric Soviet colonialism that grips the people of Eastern Europe at this very time. It is thoroughly fitting, therefore, that we pause to note the truly significant and momentous anniversary of a unique constitutional relationship in this hemisphere.

Under the Commonwealth arrangement, any Puerto Rican is perfectly free to leave Puerto Rico and to establish his residence in the continental United States if he so chooses, and indeed many have done so in the last 10 years. Such freedom of movement is indeed a sharp contrast to the restrictions imposed on the people behind the Iron Curtain, restrictions most recently dramatized by the building of the Berlin wall. Furthermore, those Puerto Ricans who choose to live in the United States are granted all of the rights and privileges of American citizenship. And indeed, natives of Puerto Rico, such as Teodoro Moscoso, currently directing and coordinating the Alliance for Progress, and Arturo Morales-Carrion, Deputy Assistant Secretary of State for Inter-American Affairs, have risen to some of the highest levels in our Federal Government.

The most fruitful byproducts of the Commonwealth, however, have been the benefits afforded Puerto Rico itself, where the currently decreasing rate of emigration and rising standard of living provide striking evidence of progress. In marked contrast to the nineteenth century colonialist practice of exploitation and ruinous taxation, Puerto Rico under the Commonwealth is specifically exempt from Federal taxes, even from those which are paid by all other Americans, while great strides have been made in industrial development under the ambitious Operation Bootstrap. In fact, Puerto Rico at present is enjoying an annual growth rate of some 9 percent, currently one of the highest found anywhere in the world, while in the last 10 years industrial exports have multiplied 12 times, from $33 million per year to $391 million per year. And most importantly, the people themselves are directly benefiting from this process, as evidenced by the fact that the per capita annual income has almost doubled, going from $318 to $621 in that short 10-year period.

It should be carefully noted, moreover, that the industrial development program was carried out in a peaceful manner, while being accompanied at every step by necessary and sweeping social reforms. This again stands in sharp contrast to the violent upheavals which have befallen the neighboring island of Cuba, which, for all its agony, now finds itself worse off than ever.

In the captive states of Eastern Europe, social and economic planning is formulated in Moscow and is arbitrarily forced upon the people through sheer military power, as evidenced by the Soviet tanks that rolled into Hungary in 1956.

Operation Bootstrap, on the other hand, has been conceived and carried out in its entirety by the Puerto Ricans themselves, under the dynamic leadership of Gov. Luis Muñoz-Marín. The Puerto Rican people, in fact, have the full power to elect not only their own Governor, but also their own legislative assembly, their own local officials, and their own Commissioner in Washington, D.C., as well.

Indeed, the most remarkable aspect of the whole Commonwealth arrangement is the complete willingness of the United States to permit Puerto Rico to pursue the course of its own choosing. This fact was demonstrated most dramatically by the recent exchange of letters between Governor Muñoz-Marín and President Kennedy, in which the Governor proposed that a bill be offered in the Puerto Rican Legislature to authorize the holding of an islandwide referendum. Under this proposed referendum, the Puerto Rican people would be given the opportunity freely to express their choice as to the future status of the island, as to whether it should become fully independent of the United States, whether it should become fully integrated as a State in its own right, or whether the present Commonwealth status should be maintained. President Kennedy not only gave his enthusiastic approval to this proposal, but also agreed completely with Governor Muñoz that the Commonwealth status could and should be altered or more fully developed if the people of Puerto Rico indicate that this is their desire.

Thus there can no longer be the slightest shadow of a doubt that the destiny of Puerto Rico lies strictly in its own hands, and that the Commonwealth arrangement, if it is reaffirmed, strictly reflects the choice of the Puerto Rican people themselves. If such a referendum should in fact be held, as now seems certain, I would propose, Madam President, that teams of observers from all over the world be invited to attend, in order to witness at first hand the freedom Puerto Rico has to determine its own future. The Soviet Union, like other colonial and totalitarian powers of the past, could never make such a proposal; indeed, the Soviet Union has consistently gone out of its way to refuse to admit observers even when the United Nations has explictly ordered them to do so. Only a truly free society like the United States has nothing to hide, and this would be an excellent opportunity for us to demonstrate this fact to the world in the most vivid manner. Every nation which chooses to send observers can be sure that the United States will honor the decision of the people of Puerto Rico, whether favorable or unfavorable to continuation of the present Commonwealth arrangement. Speaking personally, Mr. President, I would be gratified to see foreigners observing not only our nuclear powers but also, and even more important, our free democratic processes.

Madam President, the July 25 issue of the Washington Post and Times Herald and the New York Times each carried enlightening editorials, on the 10th anniversary of the Commonwealth, respectively entitled "Commonwealth of Hope," and "Puerto Rico's Birthday." Also, the New York Times of July 26 contained an excellent article by E. W. Kenworthy, as well as the text of the letters exchanged between President Kennedy and Governor Muñoz-Marín. I therefore ask unanimous consent to have these editorials and articles printed in the Record.

There being no objection, the editorials and articles were ordered to be printed in the Record, as follows:

[From the New York Times, July 25, 1962]

PUERTO RICO'S BIRTHDAY

A generation ago Puerto Rico was one of the problem children of the Caribbean, although its problem was not violence or revolutionary tendencies but poverty. If the island had not been so poor, we would not have so many Puerto Ricans in the city of New York. We are having fewer such migrants now and presumably will have fewer still, for the little country is not so poor as it used to be. When it became a Commonwealth 10 years ago, its per capita income in current dollars was about $318. Today it is about $621.

A great part of this progress can be traced to the work of Gov. Luis Muñoz-Marín, who has been continuously Governor since 1948. Governor Muñoz-Marín, who got his higher education in New York City, strikes those who know him as almost an old-fashioned American progressive. He has drawn around him some of the most gifted young people in his island and set them to work in developing new housing, new industries, better sanitation and a higher level of education. The tragedy of tyranny has never afflicted Puerto Rico as it has at various times Cuba, the Dominican Republic and Haiti. There is no island in the Caribbean that has a seemingly more prosperous future, no island flag that flies more proudly than the Lone Star of the Puerto Rican Commonwealth.

As a political device the Commonwealth experiment has worked out smoothly. The Puerto Ricans are citizens of the United States, although they do not vote for President unless they migrate to the mainland; they rely on us for their protection, and their citizens serve in our Armed Forces. On this, the birthday of the Commonwealth, we hopefully wish the island and its people well.

[From the Washington Post, July 25, 1962]

COMMONWEALTH OF HOPE

Remember when Puerto Rico was called the slum of the Caribbean, a stricken land and Uncle Sam's problem child? These descriptions seem remote and implausible as the island of Puerto Rico marks its 10th anniversary today as a Commonwealth freely associated with the United States. Thanks to the ingenuity of a gifted leader, Gov. Luis Muñoz-Marín, and the hard work and commonsense of the Puerto Rican people, the island serves as a living demonstration that an area without resources can lift itself by its bootstraps and become a billion-dollar market.

In 1961, within a decade after Congress passed the legislation permitting Commonwealth status, Puerto Rico imported a total of $1 billion in goods. Of this, $833 million came from the United States, making Puerto Rico the fifth largest market for American exports—trailing only Canada, Japan, Great Britain, and West Germany. And Puerto Rico has a population of 2.3 million.

The Puerto Rican miracle is reflected in the current growth rate of 9 percent—one of the highest in the world. This growth rate has made it possible for the island to double its per capita income (now $621) and to increase industrial exports tenfold (from $33 million to $391 million) in a decade. And all this has been accompanied by social reform measures that have given the islanders increasing self-respect.

Doubtless Puerto Rico has some special advantages (it is exempt from Federal taxes) but these must be measured against the island's distance from mainland markets and its lack of any real resources except manpower. As the United States touches the threshold of an Atlantic trading and political community. Puerto Rico's progress suggests the potential of liberal trade and the feasibility of close collaboration between markedly different ethnic communities.

Ten years ago, in adopting Commonwealth status, Puerto Rico declared its interdependence, exchanging certain political rights for mutual economic benefits. More may yet arise from the experiment than either Puerto Rico or the United States expected; felicitations are wholly in order.

[From the New York Times, July 26, 1962]

TEXT OF MUÑOZ-KENNEDY LETTERS

LETTER FROM MUÑOZ

MY DEAR MR. PRESIDENT: On July 25 of this year, the people of Puerto Rico will celebrate the 10th anniversary of the establishment of the Commonwealth. The Commonwealth relationship was a creation of which both the United States and the people of Puerto Rico may well be proud. It was a new type of arrangement in the constitutional system of the United States; at that time 10 years ago, it was a pioneering effort in the world to terminate colonialism by substituting for it not nationalism or independence, but freedom within the framework of a close and mutually beneficial association between a smaller and a larger community.

It took account of the basic democratic values involved, by incorporating the principles of self-determination and the right of people to be governed by their own consent, and did so in a realistic manner adapted to the political and economic practicalities of Puerto Rico's situation. We were aware then, and have become increasingly, and now acutely, aware that the arrangement was not perfect. The constitutional convention itself recognized from the beginning that there was room for growth and that this growth could and should be not toward independence or Federal statehood but within the genius of the creative Commonwealth itself.

I believe that it is now time for that growth to occur. An undue delay in this cannot but be harmful to Puerto Rico and to the significance of Puerto Rico as a showcase and example of the attitude of the United States in a world where colonialism is obsolete and extreme nationalism is obsolescent.

In planning the growth of the Commonwealth, we should, I believe, proceed along the following lines:

1. The indispensable principle of the Commonwealth is self-government for Puerto Rico in permanent association with the United States on the basis of common loyalty, common citizenship, mutual dedication to democracy and mutual commitment to freedom.

2. The moral and juridical basis of the Commonwealth should be further clarified so as to eliminate any possible basis for the accusation, which is made by enemies and misguided friends of the United States and Puerto Rico, that the Commonwealth was not the free choice of the people of Puerto Rico acting in their sovereign capacity, but was merely a different kind of colonial arrangement to which they consented.

3. The governmental power and authority of the Commonwealth should be complete and any reservations or exceptions which are not an indispensable part of the arrangements for permanent association with the United States should be eliminated. Methods should be devised for forms of partici-

pation, appropriate to the Commonwealth concept, by the people of Puerto Rico on Federal functions that affect them.

Certainly, the interest of the United States and of Puerto Rico would be greatly served by reaffirmation of our compact—including the guarantees of permanent association and common citizenship which practically all Puerto Ricans prize deeply—in a form which will leave no room for doubt as to the sovereign capacity of the people of Puerto Rico to give and receive these commitments.

Accordingly, it seems clear that the people of Puerto Rico should be consulted anew on governmental arrangements. The time has now come when the people, on the basis of their own experience, should consider how to perfect the Commonwealth concept within their permanent association with the Federal Union. This represents my conviction, and I believe that of the vast majority of Puerto Ricans, on what should be done. However, so that no doubt may exist anywhere in the world as to the deep validity of the relationship, I believe that the Puerto Rican people should have an opportunity to indicate their preference clearly and directly for any other form of governmental relationship if they should prefer any such other form.

It is my intention to request the Commonwealth legislature to enact a law pursuant to which proposals to perfect the Commonwealth within its association with the United States would be submitted to the people of Puerto Rico.

It is my purpose also to recommend that advocates of both independence and of federated statehood for Puerto Rico should be afforded the opportunity in the legislation to present these alternatives to the electorate, so that no doubt whatever may be entertained in Puerto Rico, in the United States or elsewhere that the basic U.S. principle of self-determination has been thoroughly carried out.

This will be a forceful, practical, and opportune reminder of a fundamental American doctrine, and it will provide a basis for another great symbolic and practical forward movement in the relations of the United States and Puerto Rico. I am confident that we may rely upon your support.

PRESIDENT'S REPLY

Dear Governor Muñoz: I have your letter advising me of the celebration on July 25 of the 10th anniversary of the Commonwealth of Puerto Rico. This is indeed a great occasion. The achievements of the Puerto Rican people in this short period have been remarkable. Puerto Rico has furnished an example to the world of the benefits that can be achieved by close collaboration between a larger and a smaller community within the framework of freedom and mutual agreement. I am confident that I speak for the people of the United States as well as their Government in expressing my pride and pleasure at Puerto Rico's achievements.

I am aware, however, as you point out, that the Commonwealth relationship is not perfected and that it has not realized its full potential, and I welcome your statement that the people of Puerto Rico are about to begin the consideration of this with the purpose of moving toward its maximum development. I am in full sympathy with this aspiration. I see no reason why the Commonwealth concept, if that is the desire of the people of Puerto Rico, should not be fully developed as a permanent institution in its association with the United States. I agree that this is a proper time to recognize the need for growth and, both as a matter of fairness to all concerned and of establishing an unequivocal record, to consult the people of Puerto Rico, as you propose to do, so that they may express any other preference, including independence, if that should be their wish.

[From the New York Times, July 26, 1962]

Kennedy Backs Plebiscite To Fix Puerto Rico Status—Muñoz Calls for a Vote on Revision, Statehood, or Full Independence

(By E. W. Kenworthy)

Washington, July 25.—President Kennedy agreed with Gov. Luis Muñoz-Marin today that the time had come for Puerto Ricans to express a preference for statehood, independence, or a revised and permanent commonwealth relationship with the United States.

The President's views were conveyed in a letter that Vice President Johnson delivered to Governor Muñoz today as Puerto Rico marked her 10th anniversary as a commonwealth.

On July 10 Governor Muñoz wrote to President Kennedy, informing him of his intention to ask the Puerto Rican Legislature to enact a law providing for a plebiscite on the island's future political status.

In such a plebiscite, the Governor said, Puerto Ricans would have the opportunity to choose between his proposals for a permanent and perfected commonwealth association with the United States, and statehood or independence.

"Enemies and misguided friends of the United States and Puerto Rico," Governor Muñoz said, have charged "that the Commonwealth was not the free choice of the people of Puerto Rico acting in their sovereign capacity, but was merely a different kind of colonial arrangement to which they consented."

A plebiscite, he said, would clarify "the moral and juridicial basis of the Commonwealth" if the people desired to continue it.

In his reply President Kennedy said he saw no reason why the commonwealth concept should not be developed as "a permanent institution" if that was the desire of the Puerto Rican people. He agreed further that the people should be consulted on any other preferences.

An act of Congress would be necessary for Puerto Rico to achieve statehood or independence.

It is considered unlikely, however, that a majority of Puerto Ricans would choose either. In 1960 Governor Muñoz, who has steadily opposed statehood or independence, got 58 percent of the vote in winning reelection to a fourth term.

While the candidate for the statehood party got 8 percent more of the vote than in 1956, he still received only 32 percent. The candidate of the Independence Party got only 3 percent of the vote, a 10 percent decline from 1956.

TIMING ANALYZED

In 1961 the Puerto Rican Legislature passed a bill, submitted by Governor Muñoz, that provided for a plebiscite on the three political formulas if 10 percent of the electorate petition for it.

There has been no such petition. The Governor, according to informed sources here and in Puerto Rico, is now proposing a plebiscite because he believes the circumstances are propitious for settling the issue as he wants it settled. Economic conditions, by Puerto Rican standards, are good, and the growth of the economy owes much to the special arrangements under the Commonwealth relationship.

Furthermore, it was noted here, the Governor was using the occasion of the Commonwealth anniversary to launch his plan for perpetuating the relationship. And, finally, it was plain that he had the assistance of President Kennedy, since the exchange of letters had obviously been worked out carefully in advance.

STATUS DEFINED

Under the present Commonwealth status, Puerto Ricans enjoy some of the privileges of statehood and escape some of the obligations. They are U.S. citizens and are under the external protection of the U.S. Armed Forces. They pay no Federal taxes, but Puerto Rico receives Federal funds for roads, education, health, and welfare.

Governor Muñoz has contended that statehood would mean a net loss to Puerto Rico of $187 million a year. Although the Statehood Party has argued that this figure is far too high, there is no question that statehood would involve a financial loss.

Puerto Ricans elect their own Governor, legislative assembly, and local officials, and a Commissioner to represent Puerto Rico in Washington. The Commissioner sits in the House of Representatives and has a voice, but not a vote, on matters affecting Puerto Rico. He is a nonvoting member of the Agriculture and Armed Services Committees, and the Committee on Interior and Insular Affairs.

While Governor Muñoz wants to perpetuate the Commonwealth, officials here said, he has no intention of giving his opponents an argument by asking the voters to approve the relationship in its present form.

In his letter to President Kennedy he said said that the arrangement of 1952 was "not perfect" and that it was not time for "growth to occur."

"The governmental power and authority of the Commonwealth should be complete," the Governor wrote, "and any reservations or exceptions which are not an indispensable part of the arrangements for permanent association with the United States should be eliminated. Methods should be devised for forms of participation, appropriate to the commonwealth concept, by the people of Puerto Rico on Federal functions that affect them."

Governor Muñoz did not specify what he had in mind, but officials here said that he wants the Puerto Rican Legislature to have more autonomy.

The Governor was reported to be thinking particularly of such matters as customs, the postal system, and minimum wages. It was believed that he might also have in mind military service.

At the present time Puerto Ricans are subject to military service in the Armed Forces of the United States. The Governor, it was said, has no intention of asking for any waiver of that obligation, but may ask that the Puerto Rican Legislature have the right to approve it.

Congress' approval would be required not only for statehood or independence but also for a revised commonwealth relationship.

President Kennedy indicated that he would support the Governor's objective. He said that he, too, realized "the commonwealth relationship is not perfected," and that he was in full sympathy with the aspiration to achieve the maximum development of the commonwealth concept.

ERRONEOUS CRITICISM OF SENATOR MARGARET CHASE SMITH

Mrs. SMITH of Maine. Mr. President, recently I received a letter from a prominent American, who once was my most caustic critic—in fact, he once wrote the editors of Maine daily newspapers calling me a Truman Republican and urging that the people of Maine remove me from the Senate.

In recent years he has not been so caustic in his attitude toward me. His letter to me was prompted by an article he had read in the New York Herald Tribune which gave him the impression that I had received pay from the U.S. Information Agency for having made several broadcasts on the Voice of America program and that I had been criticized by Representative Rooney at a

House Appropriations Committee hearing.

Indeed, this was news to me and so, in recalling the difficulties that President Kennedy had had with the Herald Tribune and the consequent White House canceling of many subscriptions to the Herald Tribune, I wondered what to do about this because I could not retaliate as the President had—for the simple reason that I do not have a subscription to the New York Herald Tribune.

In the process of wondering what I could do, I obtained a copy of the Herald Tribune and found that my critic was fully justified in the reading impression that he had received. However, it was not a Herald Tribune service story but rather a United Press International story.

My staff then called the office of Representative Rooney to check to see if he had actually criticized me and charged me with accepting pay for a patriotic service. Representative Rooney's office was most responsive and produced the printed hearing which showed that Representative Rooney instead had established at the hearing that I did not receive any pay and that he had praised me and asked why Pearl Buck and Helen Hayes could not contribute their services free as a patriotic gesture, as I had done, instead of receiving $100 per 15-minute broadcast.

Not only that—when my erstwhile caustic critic had written me asking me to confirm or deny the story in the Herald Tribune, he sent a copy to Representative Rooney—and subsequently Representative Rooney sent me a copy of his reply, in which he called upon my critic to apologize to me.

My office checked with the Washington News editor of the United Press International who stated that the Herald Tribune was not at fault, nor was the UPI reporter on the Hill who sent the story in—but that the fault was that of an editor in the UPI bureau who deleted one line in the story—that line being Representative Rooney's commendation of me for not taking any pay. The UPI informs me that this error occurred only in the morning papers and was corrected by the time the afternoon papers came out.

And so with the UPI apology and correction received, everything is now serene. Of course, many readers of the seriously erroneous UPI story appearing in the New York Herald Tribune and other morning newspapers throughout the country will never know the difference but instead will go on erroneously believing that Senator Margaret Chase Smith regularly gets a hundred dollars to make a Voice of America broadcast—for the truth never catches up with the lie.

I have read that President Kennedy canceled the Herald Tribune subscriptions because he felt that the paper did not print all the news. Well, it did not in this case—it left out a most important part—but it was the fault of the UPI not the Herald Tribune. And rather than cancel my subscriptions to all newspapers carrying the UPI service, I would try to be understanding and say that mistakes will happen—even though at times those mistakes seem rather strange and almost contrived.

RETIREMENT OF SENATOR BUSH

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the body of the Record a very fine article written by the noted columnist, Holmes Alexander, making reference to the retirement of Senator Prescott Bush.

I would like to say I have greatly enjoyed my association with Senator Bush and regret his retirement.

He has rendered a very valuable service to his country.

There being no objection, the article was ordered to be printed in the Record, as follows:

Senator Prescott Bush Retires at the Peak of His Usefulness

(By Holmes Alexander)

Tall and fit at 67, urbane, experienced and industrious, Senator Prescott Bush is retiring from the Senate this year at a time when his usefulness is at its peak, and the reason is—he doesn't want to slack off during a third term which would mostly be served while in his seventies.

"The spiritual reward of being a Senator is the most satisfying that a man can have," says Bush. "I have always liked the public service of politics rather than its partisanship and I long believed that the Senate would be the most attractive place to serve. It was even better than I thought it would be."

Not many men have had as pleasant, successful and stimulating a life as Bush has lived, or have better deserved the rewards. In April of 1917, his senior year, he left Yale, where he had played 3 years of varsity baseball and majored in history, because he wanted combat service. As an artillery captain, he got it in the Meuse-Argonne offensive, and he got his diploma honoris causa. At the 1919 commencement he was recruited for a job in a St. Louis hardware firm at $100 a month where he stayed 3 years and married. He moved to Columbus, Ohio, and experienced a business failure, went to a rubber flooring firm in Milton, Mass., to the U.S. Rubber Corp. as manager of the flooring department, then joined W. A. Harriman & Co., the banking house, which became Brown Brothers Harriman, and in 1931 he became a partner, and still is.

The early years as hardware salesman, the failure and the comeback, affected him profoundly by making him a hard worker, fond of people. He moved to Greenwich where in 1933, he was elected to the representative town meeting, the most democratic form of American government, with one member for every 100 voters. He became moderator in 1935 and served as such for 17 years until moving to the U.S. Senate in the 1952 election.

But the latter move did not come easily. He experienced the same formula of failure-and-comeback. First, he lost to a Democrat, William Benton, by 1,100 votes. Then he lost to a Republican, William Purtell, in the State nominating convention. Democrat Brien McMahon died, and the State leaders came to Bush with the virtual promise of the nomination. He beat Abraham Ribicoff by 30,000 votes, and in 1956 beat Tom Dodd by a record majority of 130,000.

He found the Senate to be as able a body of men and women as he ever encountered. Toughness, he says, is the key quality of Senators, for it takes that trait to win and to survive.

"Businessmen who criticize us don't know the amount of work we put in, and many of our critics couldn't do as well. They're too tender."

The Washington workload alone is a full occupation. Bush is on three backbreaking committees—Armed Services, Banking and Currency, and Joint Economic. His Subcommittee on Stockpiling has met almost daily for 3 months, and he has another special Committee on Problems of the Aging. Two hundred letters a day, many requiring researched answers, come into his office. Demands in the State are heaped on top of all this. During one weekend this spring he made nine speeches back home. He has had one 2-week vacation in 10 years.

"But I asked for all this, and I'm glad I did," he says. "Don't get the idea I'm complaining. The rewards far offset the difficulties."

Bush has little patience with critics who call the Constitution an 18th century system for an agrarian society, and still less with those who say the political economy has become so complex that it should be run by experts and technicians. He does feel that the Founding Fathers intended the Senate to be a body of legislative review, and that the upper Chamber should originate less rather than more legislation. But the congressional method is sound. It serves, as this session has proved, to restrain an administration which tends to overreach its authorities. Experts are apt to be theoreticians, and are out of touch with the people. Here in Congress we know what the people want. And this is their country.

A statesman out of the top drawer is Prescott Bush.

WHAT FOREIGN COUNTRIES CAN DO FOR US

Mr. MUNDT. Mr. President, as the original author of Public Law 402, 80th Congress which has come to be better known as the Smith-Mundt Act, I have always taken a great interest in the important manner in which the cause of permanent peace can be served by creating better mutual understanding among the people of the world. I think the success of our exchange-of-persons programs has clearly demonstrated the validity of this point of view.

The so-called point 4 program of the United States is actually an expansion of the programs authorized by Public Law 402, 80th Congress. Point 4 accelerated and expanded what we were already doing in the Smith-Mundt Act and placed emphasis upon the materialistic and economic activities rather than upon the humanistic features which formed the basis of what we proposed to do under Public Law 402. Be that as it may, our experience, at least in Greece and Turkey, demonstrates the values which come from these programs when properly administered and when appropriately safeguarded against excessive expenditures and careless planning.

In the issue of This Week magazine dated July 15, former Secretary of State Christian A. Herter has come up with an interesting and an original idea which to my mind has genuine merit. He proposed what he would call a point 5 program through which the United States might begin to receive additional dividends from our expanding program of exchanging persons, cultures, ideas, and operational programs. I think the Herter article deserves the careful study and attention of all of us in Government. I therefore ask that it may be made a part of my remarks and be printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT FOREIGN COUNTRIES CAN DO FOR US

(By former Secretary of State Christian A. Herter with Donald Robinson)

Millions of Americans have a distorted impression of the aid we are giving the less-advanced nations of Asia, Africa, and Latin America.

Both here and abroad, there is a misconception that foreign aid is strictly a one-way street—away from the United States. A widespread belief exists that we have spent over $1,400 million on point 4 technical assistance and received nothing in return.

The truth is that so-called underdeveloped countries have been making real contributions to the everyday lives of the American people. They have been helping to raise our standard of living while we have been aiding them.

In my opinion, the moment has come to recognize the help the United States has had, and to try to increase its flow.

LET'S LAUNCH A POINT 5

I would like to see a program launched by our Government, designed specifically for this purpose. It could be called the point 5 program.

Under this program, the United States would not give things away. We would not show other people how to do things. Instead, we would say to less-advanced countries, "What can we learn from you?" And "Please lend us your experts to teach us how to do things."

Not only would we make direct gains from such a program, but the whole picture that these developing countries have of the United States would change. No longer would they regard us as a smug, rich nation that has everything and thinks it knows everything. They would see that we really mean it when we say foreign aid is a two-way street.

The United States has benefited astonishingly from the assistance of less-advanced countries.

From the Indian plant Rauwolfia, for example, the drug, Reserpine, which has proven so effective in treating high blood pressure and mental disease, was developed. From the jungles of Latin America we get curare, the wonderful plant extract that helps in anesthesia by relaxing the muscles of patients undergoing abdominal surgery.

Our meat tenderizers also originated in the wilds of Latin America—with natives who wrapped meat in leaves of the papaya tree. The Orient gave us kudzu, a rugged vine widely utilized in the South to prevent soil erosion.

"WONDER" PINE TREE FROM KOREA

A Korean forestry expert, Dr. Sin Kyu Hyun, has developed a remarkable new hybrid pine tree—from pitch and loblolly pines—at the Korean Institute of Forest Genetics in Suwan. It grows rapidly and produces an excellent quality of wood. Most important it prospers in a cold climate, unlike most of our commercial southern loblolly pine.

The U.S. Forest Service is giving the new pine tree extensive field tests in Illinois. It may revolutionize our northern woods.

We've received some splendid technical assistance, too. Specialists from Iran and Taiwan have shown us new laboratory methods for staining bacteria and making vaccine.

A pair of Japanese scientists have solved a problem that baffled domestic soybean producers for years—how to make American soybeans palatable to Oriental consumers.

Orientals dislike our soybeans because the shells are too oily and have "eyes" that cause ugly dark spots in cooked foods. As a result, we have lost millions of dollars a year in potential markets.

Finally, the U.S. Department of Agriculture turned to Japan for help. It loaned us two of its top scientists, Dr. Kasuo Shibasaki and Tokuji Watansbe. Working with Americans at the Department of Agriculture's laboratory in Peoria, Ill., they devised a technique for cracking the soybeans and stripping their shells, leaving the flavorsome insides intact.

"These developments should open a larger part of an expanding soybean market in Japan to U.S. beans," the Department of Agriculture says.

Some of the scientists brought from other nations to the United States for training have taught us more than we've taught them. Trainees from Thailand, Lebanon, and Venezuela, for instance, were assigned to an American laboratory doing research on vegetable oils. Their discoveries on extraction and uses of oil from sesame seeds have proved immensely valuable.

Not long ago, the tomato crop in California was threatened by a mysterious new disease. A Brazilian scientist, Alvaro S. Costa, then in the United States, identified the virus that was causing the trouble—so that successful countermeasures could be taken.

Even students who come from abroad to attend our colleges have made significant contributions. Only last January, it was announced that a young Peruvian studying engineering at Stanford University had invented a device that may be the answer to man's long-sought dream of vertical takeoffs and landings by conventional high-speed aircraft.

The youth, Alberto Alvarez-Calderon, has designed a special rotating cylinder built into the wings of airplanes that enables them to zoom straight up or down. It does it by changing the direction of the propeller slipstream.

Both the U.S. Army and Navy are deeply interested in the device.

MORE AID ON THE WAY

There are many, many other tangible things that we can learn from the less-advanced nations.

Out of India's experience with community self-help programs, we can borrow techniques for motivating our Navahos and other impoverished American Indians to improve themselves.

From Latin America we can learn a lot more about herb medicine. Latin American specialists say that the variety of herbs used as medicine by the native population is tremendous. In particular, they think we should study cornsilk. They term it "the cheapest and best possible diuretic, just boiled in water and drunk."

We can learn a great deal about herb medicine from Pakistan, too. It is reported to have herbs that are very effective in the treatment of dysentery.

Indonesia can teach us a great deal about parisitology. It has an internationally renowned parisitologist in Dr. Lie Kian Joe. Peru can instruct us in the effects of high altitudes on the human body. Some superb research is being done there by Dr. Alberto Hurtado.

Chile can assist us in our efforts to harness sunlight. It has one of the world's outstanding research centers on solar energy.

Take the crucial matter of desalinization—removing the salt from sea water so it can be utilized for irrigating land. The United States has an extensive project under way.

However, little Israel is working on desalinization techniques that may help us one day.

Fishery experts say that we can get many technical tips from the Japanese fishing industry. Japan is far ahead of us, it appears, in the artificial raising of shrimp. The Japanese carefully screen off large ocean inlets. The shrimp multiply swiftly and are near at hand for the catching.

In addition, the Japanese have an ingenious new scheme for luring big foodfish close to land. They have built artificial reefs of hollow concrete blocks a short distance offshore. The fish come from all over to make their homes inside or around the blocks, and the fishing catch has increased notably. The plan has been so successful that the Japanese have fondly nicknamed the concrete reefs, "Our fish apartment houses."

Perhaps both techniques can be applied in American waters.

We can still learn much in agriculture. There are many admirable products in the less-advanced countries that might grow in the United States. One is the naranjilla of Ecuador—a refreshing, vitamin-packed fruit of the tomato family, prized for its tangy juice. Another is the chirimoya of Peru, a fruit with the appearance of a giant green apple, tastes like a combination of banana and pineapple.

Our architects could gain new ideas from Latin America. Its architects have made striking advances in design and materials. So have the architects of Cambodia.

Every one of the less-advanced nations has peerless offerings in the cultural sphere. The dramatic primitive art, and textile designs of Africa, the delicate Chinese opera, the stirring folk dances of the Philippines, the modern symphonic music of Latin America—to mention but a few—could all enrich our American life—and some already do.

It is important that we take immediate steps to draw fully on the reservoir of skills, talents, knowledge and products that can be found in developing countries.

A program of this sort would be easy to organize. It could be done by a stroke of the Presidential pen.

Already several governmental departments are active along these lines. The Department of Agriculture dispatches men overseas to scout for new plants and it is carrying on joint research with foreign scientists. The U.S. Public Health Service is supporting some oversea medical investigations.

We have only to expand and coordinate these endeavors. Here are two simple steps:

1. Each of our ambassadors to the less-advanced countries should be instructed to approach the local government and request it to explore ways in which it can assist us. (It should be made very clear of course, that this is not a quid pro quo for our American-aid dollars. Rather, it is a recognition of the great contributions these countries have to make to us.)

2. Each of our Government departments should be required to survey ways in which the United States could use assistance from less-advanced nations.

No costly bureaucracy has to be established to run the program. A few men properly authorized, would be all that are needed to pull together the information and make sure it goes to Government bureaus, universities, scientific institutions, etc., where it can be used.

To begin we need only a clear statement by our Government expressing gratitude for the help we've received and letting the world know that it is U.S. policy to ask the aid of the less-advanced countries as well as to give them aid.

I hope that the press and other U.S. opinion makers will make this clear. And, most important, that the thousands of Americans who visit less-advanced countries every year will tell them how much the U.S. appreciates and wants their help.

I sincerely believe that the point 5 program would do great good. It would give the world a better, friendlier impression of the United States. Simultaneously, it could bring specific rewards to every one of us.

Seeking help from the developing nations could be one of the biggest favors we have ever done ourselves.

GEN. MAXWELL D. TAYLOR

Mr. ENGLE. Mr. President, the confirmation of the nomination of Gen. Maxwell D. Taylor as the new Chairman of the Joint Chiefs of Staff will soon be coming up in the Senate. I want to take this opportunity to express my great pleasure and satisfaction in this appointment. I commend President Kennedy for putting into this strategic post the best man for the job. General Taylor has a brilliant record not only as a military man but as a scholar and diplomat. I sincerely believe that this appointment, together with the other recent shifts in the military high command, will result in closer teamwork and better rapport among those who make the critical decisions on our country's security.

An editorial in the New York Times draws an excellent picture of General Taylor. I ask unanimous consent that it be printed in the Record, along with an article by Joseph Alsop on the significant changes made recently by the President in our military setup.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the New York Times, July 22, 1962]

New Chief for the Military

The designation of Gen. Maxwell D. Taylor as Chairman of the Joint Chiefs of Staff puts at the head of the armed services the man on whom President Kennedy has relied most directly for military advices. General Taylor combines a brilliant combat record with unusual attainments as a scholar and diplomat. His views on the necessity for increasing our capacity to deal with limited wars and guerrilla tactics, instead of relying primarily on the efficacy of nuclear deterrents, are bound to stir controversy within the Pentagon. So will his conviction that the whole structure of the Joint Chiefs of Staff needs basic change to create "one-man responsibility." The sharpness of his own intelligence, his resistance to stereotyped thought patterns and the high regard in which he is held by the President give him an opportunity for making a lasting imprint on our still-insufficiently unified Military Establishment.

[From the Washington Post, July 23, 1962]

Musical Chairs

(By Joseph Alsop)

The new round of musical chairs in the U.S. high command is an event of very special interest, because of the promotion of Gen. Maxwell D. Taylor to be Chairman of the Joint Chiefs of Staff, and the choice of Gen. Earle G. Wheeler as the next Chief of Staff of the U.S. Army.

There are several fairly obvious yet quite important points to note about General Taylor's promotion in particular. For one thing, President Kennedy has thus given judgment that the brilliant Taylor had the best of his argument with President Eisenhower about defense policy.

For another thing, an existing anomaly has thus been removed. More and more, President Kennedy had been using his personal military adviser, General Taylor, to do the job that the Joint Chiefs of Staff are supposed to do for the President.

This was because the President was from the first dissatisfied with the kind of advice he got from the often-divided Joint Chiefs. He has made no secret of his admiration for the character and abilities of Gen. Lyman L. Lemnitzer, whom General Taylor will replace; but he has also made no secret of his lack of admiration for the way the Joint Chiefs have been functioning.

It remains to be seen whether General Taylor can make the Joint Chiefs function any better than General Lemnitzer did. It was not difficult for Taylor, alone in the Executive Office Building, with no corporate responsibility, to give the President the kind of clear, pointed, unfuzzy military advice the President wants. It may be different when Taylor is in the Pentagon, only the first among four equals, among whom there are also wide divergencies of outlook and interest.

Yet these obvious points, important as they are, really have much less significance than another point which is neither obvious nor easy to define precisely. The best way to put it is to say that the President and Secretary of Defense Robert McNamara are consciously seeking to engineer a change of elites in the armed services, beginning with the U.S. Army. This is what links the Taylor and the Wheeler promotions.

For no very logical reason, elite is a dirty word in the United States. But as a practical matter, all armed services worth their salt always have elites. Elites always exist, for that matter, in all civilian government organizations, and in all business organizations too, which have existed long enough to permit elites to emerge.

An elite is not merely an inner group of back-scratchers, although, God knows, its members may sometimes scratch one another's backs. It is simply the group, within any organization, whose viewpoint and style largely determines the whole organization's tone and outlook.

In the U.S. Army, for instance, an elite of cavalry officers was formed sometime in the 19th century. The cavalry elite were hardly affected by the proof, in 1914, that horses no longer had a major place in war. The Army General Staff continued to be dominated by cavalry officers until the end of Gen. Malin Craig's term as Chief of Staff in 1939.

President Roosevelt then reached down many files to put in Gen. George C. Marshall, who was courageously recommended by the old cavalryman, Craig, as well as by General Pershing. The result was an immediate change of elites of the most radical sort. The old cavalry elite, so long dominant, at once gave way completely to the new elite formed in the rigorous military-school system that General Pershing had set up after the First World War.

As this instance indicates, old elites and new always coexist until the moment of replacement comes. In the Air Force today, an old and long-established elite of bomber officers somewhat uneasily coexist with a completely new elite of officers very recently formed in the great missile programs. In the Navy, there is a somewhat similar line of demarcation between carrier officers and submariners.

It can be said with certainty that Mr. Kennedy and McNamara had the example of Mr. Roosevelt's choice of Marshall in mind, when they promoted General Taylor and chose General Wheeler as the new Chief of Staff of the U.S. Army.

Thus the style was set and the viewpoint that was instilled by the Second World War are to be replaced, it is hoped, by a new style and viewpoint more responsive to the great world changes of the last 16 years. Joint Chiefs who are more coherent and decisive, a U.S. Army that is sparer, leaner, and less plethoric with PX's are the aims. This is another attempted step, in fact, in Secretary McNamara's attempted reform of the armed services.

EXPANSION OF EXPORTS

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the body of the Record the statement made by the Honorable George J. Burger, vice president of the National Federation of Independent Business, before the Senate Committee on Commerce. The subject of the statement is: "To Explore Steps Being Taken by the Department of Commerce To Expand Exports and To Improve Services to American Exports Both at Home and Abroad." I am sure that the Members of Congress and many throughout the country are interested in the problems of small businesses, and will be interested in reading his statement.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Expansion of Exports

(By George J. Burger)

I am George J. Burger, vice president and in charge of legislative activities through the Washington office of the National Federation of Independent Business. Our head office is located in San Mateo, Calif., and division offices located in Cincinnati, Ohio, Chicago, Ill., and New York City.

Our membership in the 50 States totals 177,051 as of March 16, 1962, all individual members comprised of independent business in the production and distribution field, and also professional men.

Mr. Chairman, I am more than pleased to be invited to attend and give my views on the objectives of the committee hearings to explore steps taken by the Department of Commerce to expand exports and improve services to American exporters both at home and abroad. The committee is to be complimented on this important undertaking, particularly at this time when proposals are pending before the Congress for more liberal trade agreements, and so forth, and the pending Common Market operations in the many European nations.

It goes without saying that independent business in the 50 States has a vital stake in this tremendous undertaking of the Government and furthermore, the action of the committee in exploring the overall.

The views that I will express are my personal views. I do believe, however, that the views I express may meet with concurrence of many in small business, particularly in the production field throughout the 50 States.

I need not tell you and the members of the committee that I was most impressed at the time, shortly before leaving on my annual vacation which planning was for a trip to certain European countries, which included visits to England, Belgium, Holland, and parts of Western Germany, to receive the copy of the letter that the chairman directed to the Honorable Secretary of State, Mr. Dean Rusk, under date of September 11, 1961, in which he advised the Secretary:

"In addition, however, we have tried to enlist, wherever possible, the aid and support of private citizens. When U.S. citizens travel abroad they are in a position to gather much valuable information that is not always readily accessible to officials of our Government.

"I have, therefore, asked Mr. George J. Burger to serve as a consultant to this committee while he is abroad.

"I have asked Mr. Burger to confer with businessmen in Europe on problems of mutual interest and concern."

It is important to note that under date of September 19, 1961, a communication was addressed to Embassy officials at Bonn, Brussels, Düsseldorf, Frankfurt, London, Rotterdam, and The Hague by Mr. Bowles, acting for Secretary Rusk. A summary of this communication is as follows:

"The usual courtesies and appropriate assistance are requested for Mr. Burger when he calls at the addressee Foreign Service posts."

Believe me I was most pleased with this signal honor and it is my hope that the results of these visits with Embassy officials in London, Brussels, and Amsterdam will prove of value.

In my visits with these Embassy officials, immediately after the conclusion of these conferences a letter was directed to the chairman of the committee giving a full report of each visit. In this I had the exceptional cooperation of Embassy officials in the use of Embassy clerical personnel for preparation of the letter. It is to be understood that at the time such action was taken there was no attempt at censorship on the part of Embassy officials. They immediately received copies of my letter directed to the chairman, for their files. It must be stated that the Embassy officials I visited with in the respective countries extended to me all courtesies.

My first visit was with Mr. Sam Lincoln Yates, First Secretary of the Embassy, Grosvenor Square, London W. 1, England. The committee chairman has a report of that visit and if he deems it advisable such report could be made a part of the record of this hearing.

I will attempt to summarize the high spots of that visit with Mr. Yates:

"It would appear that in the commercial section of the U.S. Embassy here they are undermanned, and it is believed that if they had the necessary personnel their activities here would be of considerably more help to small business in increasing its share of the export market.

"One other important development that I overlooked in the forepart of this letter regarding my conference with Mr. Yates was the Trade Center, recently opened, which displays American-made merchandise."

It is significant to note that through this conference with Mr. Yates he gave me the lead as to the Trade Center activity of the Department of Commerce, St. James Street, London, England, in which he recommended that I personally visit the Trade Center and get the full information on its overall operations.

I followed through on his suggestion and conferred with the Government official, Mr. Clarence C. Pusey, and again received all courtesies, with full information extended to me as to the purpose of my visit.

I visited the trade center headquarters the day after they had just closed an exhibit and were getting ready for an exhibit of American merchandise of another product at a later date. A summary of the results of that conference follows:

"Of course, Mr. Pusey is very optimistic about this venture of our Government, with the hopes that it will encourage foreign buyers to take on various lines of American products.

"It is my opinion from the visits today that the feeling is, greater publicity should be given to the planning of the Federal Government on this important move to increase exports. It would be my belief that extensive publicity should be utilized in the foreign press, acquainting them with the action of our Government. This publicity should be consistent, and if there is need for expenditures by the Federal Government on this phase it would be a good investment.

"It would appear from the store space that would be available to exhibitors there might be reasons to consider the space allocation so that some larger institutions would not gobble up all the space and eliminate the opportunities for efficient smaller producers to avail themselves of this opportunity.

"It would also appear, and it is my observation, that this trade center activity should be amply manned with competent help so it in turn would be able to do an effective job in following up on inquiries, etc.

"Finally, it looks to me like a selling job, and a real selling job by our Federal Government to make this important operation click."

It is interesting to note in both of these visits in the London area requests were made to me to extend my stay and visit with other factors in that area on increasing imports of American merchandise. Unfortunately I was traveling on a schedule due to the fact that the schedule was made up prior to the appointment by the committee chairman, so I had no alternative but to proceed accordingly.

I did note in some spots in greater London, plant operation of one of America's big industries.

I was very much impressed as to the small business operations in many of the greater London areas—small stores. I found no evidence of discount houses or any great corporate merchandising chains. I did note in some of the stores, American merchandise well displayed. Nor did I see any evidence of the trading stamp gimmick.

At the same time in the visit in London I had the privilege to confer with a representative of American business trade press, namely the Fairchild Publications. The conference was very interesting and most helpful insofar as the overall small business picture was concerned.

My next visit was with Embassy officials at Brussels, Belgium, and Mr. Stephen E. Schneider, second secretary of the Embassy of the United States of America.

It is to be noted that in this conference Mr. Schneider was unaware of the trade center activity of the Department of Commerce in London, at which time it gave me an ample opportunity to explain its operations in an attempt to increase exports for American businesses. A summary of this visit follows:

"From this point on it is my view that the information I gathered in my visit with the American Embassy in London, that the trade center venture now taking place in London in cooperation with the Departments of Commerce and Agriculture would be helpful if it were duplicated in other important Embassy locations, or, on the other hand, that these various Embassies close to London could be placed in a position to notify interested people of the trade center activity and if necessary send on representatives from the various embassies to review the exhibits. Such action being taken would open up the door, in my opinion, for small business in the States to gain a greater percentage of exports in the Continent. For example, during October and November, the Trade Center will feature an exhibition for adults' and children's clothing. The embassies in various neighboring countries utilizing existing trade lists which they have prepared could circularize interested firms and perhaps enclose descriptive material about the center's activities, thereby giving the center wider coverage."

Again, at the discretion of the chairman, he may desire to have this complete report included in the record of the hearings.

My third visit was with Mr. Frank S. Wile, consul of the United States of America, American consulate, Amsterdam, Holland.

It appears to me that Mr. Wile made a splendid observation to me in this conference as to the advisability of American producers desirous of increasing their business in that area (Holland) considering "trial orders," as he stated, due to the shrewdness of the Hollander, as he might be willing to gamble on the probability of the sale of American merchandise on a trial order of $1,000 which would look small to an American producer but to the Hollander that represented 3,000 or more guilders. I believe that observation is one that should be considered as after all, in substance, it's like the saying "Mighty oaks from little acorns grow."

A further summary of my conference with Mr. Wile is as follows:

"In my visit with Mr. Wile today, my observation due to the conference—again I repeat my observation—that the recent announcement of the trade center in London, sponsored by Department of Commerce and the State Department, there was not enough publicity given to this important overall operation. For example, the exhibits to take place in the trade center, that began in September and will terminate in June 1962, there should be more information of the type of exhibitors that will exhibit in these coming exhibits; for example, the names of companies, where they are located. If such action is instituted to bring about more information, I am sure that the embassies throughout Europe, through the commercial attachés, will be able to bring greater interest of potential buyers from the various companies to this trade center in London.

"It would appear that the opportunities abroad for small business are here, provided small business in the production field could come to some understanding in the selection of a representative to represent them abroad. This would overcome their having a personal representative by getting together with other smaller producers of different lines of merchandise, and he in turn would represent that group and would be in constant contact with potential buyers."

Again, it may be possible the chairman would desire to have this entire report made a part of the record of these hearings.

Due to my advance planning, traveling on schedule, it was impossible for me to personally confer with Embassy officials in Western Germany. I regret this because I believe that visit would have proved most important and helpful.

It is to be noted on my return trip to the States, traveling from Rotterdam by steamer, that I met a gentleman from the Northwest who stated, in criticism of our Government, their failure to enter the Common Market, and more important, to get busy on the common currency. I played mute and asked him the reasons for his recommendations on common currency. He stated that he was not able to have his bills paid in some foreign countries unless he accepted the currency of that country. I merely make mention of this due to the problem now before the Congress of the United States.

Since my return to the States, there has been a constant flow of communications between myself and the Embassy officials, keeping them advised of developments and they in turn advising me of developments as to trade center activities.

It is to be noted after my return to the States, many Members of Congress or congressional committees who were aware of my assignment during my European visits have expressed great interest in the results of those visits, including the Small Business Administration.

Shortly after my return to the States, in an effort to obtain more detailed information on the operations of trade center activities abroad, I contacted the Department of Commerce for more detailed information as to their operations. They have been most cooperative in answering all requests.

My interest was as to the knowledge that small business throughout the Nation had on the activities of this trade center movement, and the reason for my action was confirmed in visits in Eastern States, Middle West and the Far West with small producers who were interested in the export field but who were unaware of the Department of Commerce trade center activities along this line.

It is interesting to note at this point, in further confirmation, that in a joint meeting with Small Business Administration officials covering the districts of St. Louis and Kansas City, such meeting being held at the St. Louis Ordnance Station in November 1961, out of a clear blue sky a Small Business Administration official asked me: "In what way could we increase the activities of small business in the export market?" He stated he had to get any and all information from outside sources. I was amazed at this because of my recent visit abroad, under instructions of the chairman of the committee as well as the cooperation from the Department of Commerce upon my return.

It so happened that a Commerce official was present at that gathering, at which time I called for a conference of all the interested parties, and the Commerce Department official explained the situation, as his activity at that time was to acquaint small toy manufacturers in that area who were interested in the export business, and strange as it may seem Small Business Administration officials were not aware of this.

A similar incident happened in San Francisco where the top staff members of the Small Business Administration were present. Due to the incident in St. Louis, I mentioned my findings abroad. At that point the SBA official presented to me an advertisement appearing in the San Francisco paper of a trade center that was to be opened up by Japanese industry, and they had already requested a Small Business Administration loan to finance the exhibit, the loan to be guaranteed by a letter of credit, as it was impossible for the Japanese to release American dollars to pay for the expense, but they expected to sell enough merchandise to cover their obligation.

So, Mr. Chairman, if this was happening at that time in those areas, would it be possible that a repetition is taking place in other areas throughout the Nation? I am not making any charge as to where the fault rests, but it is self-evident that real publicity must appear in the press of a nature that industry would note. I state this because in my visit to London I believe the question did come up at that conference as to the failure to get the proper publicity as it was a dry issue for the average reader. So this could be overcome, I believe, with spot ads that surely would be noted in the press by the readers, similar to the ads being run by the Japanese.

On the other hand, talking to representatives of the alcoholic beverage industry, the larger factors—they were well aware of the exhibit that was to take place in late November at the trade center in London—very well aware of it, but when I mentioned this information to Members of Congress in States where small producers in such industry operated they lacked the knowledge of the trade center activity.

My action with the Department of Commerce after the visit abroad and the visits in the States upon my return was with reference to two items—one, the allocation of space for exhibitors, and two, in what way, manner or form were public relations funds put together and expended? I believe the latter is the key to success or failure of the expected activities of these trade centers. It's a selling job, requiring real salesmanship approach to the overall proposition.

It was common knowledge in my visits with the various Embassy officials of the operations of many American giant industries abroad. In fact, I noted some of these in my various visits, so in view of the recent developments on the Common Market, due to a speech by Mr. Peter T. Jones, Deputy Assistant Secretary of Commerce for Trade Policy, I wrote Mr. Jones under date of January 30, 1962, for full information, and in part I said:

"In part of your remarks you state: 'In 1960, France bought about a million dollars worth of American tires. West Germany, too, has a large tire industry. At present, American tires entering France are dutiable at 13 percent: the West German tires about 11 percent. By 1970 no duty will be imposed on the German tires, but the American tires will be subject to a duty between 19 percent and 22 percent, under present schedules.'"

"It was reported in the Wall Street Journal January 29: 'With 20 tire plants in foreign countries, Firestone is capable of serving the fastest growing tire sales areas abroad.'"

"Now, will those plants be affected, or will they be participants in the Common Market in Europe?"

It is to be noted, Mr. Chairman, the letter that I received in answer:

"Thank you for your letter of January 30, 1962, concerning your interest in the Common Market and its effects upon U.S. business operation.

"In regard to your question about U.S. firms operating abroad, any firm established in accordance with the laws and regulations of a member state of the Common Market generally becomes a national of the country in which it is located. Regardless of ownership it enjoys the same legal and practical advantages (including the reduction of tariffs and other trade restrictions within the Common Market) as any other firm located within that country.

"I am enclosing an article from the Foreign Commerce Weekly on U.S. investment in the Common Market region and also the text of a recent speech by Under Secretary of State Ball concerning the response of the United States to the challenge of new economic organization in Europe.

"Sincerely yours,

"Peter T. Jones,
"Deputy Assistant Secretary for Trade Policy."

Recently a conference was held at my office with a representative of the Office of Small Business, AID (State Department). The gentleman seems to be well posted on foreign trade, due to his longtime stay, as he advised, in the Middle East and the Far East. This gave me an opportunity to check and doublecheck, due to his experience as he claimed with commercial attachés. Now note, Mr. Chairman, these were his views and not mine, but I am merely giving them to the committee for what they may be worth in the way of help. The report of this conference discloses in part:

"I went into the aspect of the operations of our commercial attachés—how effective their work is in increasing American exports. He was very definite that the present operation of commercial attachés of our Government is merely 'statistical collecting agencies,' and he added in very definite terms that we should take a page from the book of the Canadian commercial attachés who go out and drum up business. He was very definite on this and further remarked that this line of operation is also used, particularly by the German and Italian commercial attachés, some of whom even go so far as to carry a catalog. He was very emphatic that the commercial attachés of these countries do not conduct their business over a cup of coffee but act and speak most vehemently in the conduct of their business.

"He added that it might be advisable to even employ Germans and others among our own commercial attachés due to the fact that they are raised with this problem and trained from early childhood."

Mr. Chairman, it is my opinion that both small and large business owe you and the Committee a vote of thanks for exploring the overall situation that I have covered in my statement. It is self-apparent that the Committee's action was noted and has been productive. I state this in view of a letter received from Mr. Yates of the American Embassy in London under date of March 6, 1962. I must say this much, that the scene has shifted and now is far different than it was in late September 1961. He states in part as follows:

"I believe it will be useful for me to bring you up to date on our staff situation here so that you may be able to speak from current information. When I talked to you last Fall, we had 4 officers and 13 local assistants allocated for commercial work. We were short one officer of that allocation. Since that time, our allocation has been changed to 7 officers and 18 local assistants. We now have five of the seven officers, another is due this spring, and the seventh will probably arrive by midsummer. We also now have 17 of the 18 local assistants allocated. This provides an adequate staff to support our Trade Center operations, and to provide minimum essential services for other aspects of commercial work. In fact, we are not now requesting additional personnel, although we could put them to good and profitable use if they were available. I believe that if congressional appropriations for commercial work overseas are substantially raised, we may review our staff level and ask for another small increase. However, considering the money now available, we believe that we have our share, and are, of course, able to do a much better job than when I talked to you. We shall do better still when the other officers now allocated actually arrive.

"Our experience at the Trade Center so far has been most impressive. Under the best of circumstances, the Trade Center does a job for American manufacturers which could not be done in any other practical way in placing their goods before the British distributive trade. Even for the trade shows which are not that successful, the Trade Center creates substantial American exports. We believe that the Trade Center program will prove a highly profitable one for American business."

It is possible before I make this statement I will have similar views from other Embassy officials.

It is my honest opinion that all emphasis should be put on a real "selling job" by the departments entrusted with these activities, and particularly the commercial attachés who must be well armed with the facts so that they can go out and do a real selling job, and that they have sufficient manpower in these embassies to carry out this very important assignment as a real help to American small producers because it was stated in one of my visits, and in fact in all my visits with embassy officials, as to their sincere interest in small business in the production field, and as one remarked: "The giant corporations operating on the international scene are well able to cover the waterfront in the markets throughout the world."

The responsibility now will have to rest with the Congress and the Government agencies in carrying out the will and intent of Congress to see that we follow a similar progressive pattern in the export field in which Germany and various other foreign countries have been most successful.

It would appear to me, up to this point, that the reported progress made in the activities of the Trade Center in London, and the optimism prevailing at the moment, that if the same situation would prevail where additional trade centers were established by the Federal Government, this could go a long way to increase exports of American producers on a strictly business basis, and thus reduce the "giveaway" program.

Further, it might be well to give the establishment of such a program an opportunity for development before taking drastic action as it relates to tariffs and the Common Market.

In conclusion, it is my hope, Mr. Chairman, that my assignment has been productive in developing the needed information for you and your committee.

THE PLIGHT OF MEDICARE

Mr. CASE. Mr. President, in a recent editorial the Paterson News outlines the plight of medicare.

It makes a number of cogent points, but most important of all is its call for constructive leadership in working out accord on a measure.

I am sure the country will agree that, "How much better for the country—and more especially for the cause of care for the aged—it would be if the concentration from here on in were on a suitable compromise program for next year rather than a bitter, acrimonious fight which may once again lead up a blind alley and leave the country split."

I ask unanimous consent, Mr. President, to print the editorial in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The Plight of Medical Care

If the time between now and next year's session of Congress could be devoted to a nonpartisan and on-the-level pursuit of a suitable bill to provide for medical care for the aged in the United States, model legislation could be devised.

But since politics is a major vitamin in America's body politic, this most certainly won't happen.

Medicare has to be a political issue and the battle was joined as soon as the U.S. Senate rejected President Kennedy's social security payment plan.

The President made it an immediate cause celebre for the November battleground by declaring war on those who opposed him and projecting the matter into the congressional arena.

The fact is that both Democrats and Republicans favor medical care for the aged, and so, it is safe to say, does the entire country. Method of operation is the bone of contention.

Under these circumstances, it would seem possible to attain a middle ground, and therefore provide the care which all agree is so desirable.

The President could help consolidate this accord into an achievement if we would summon a meeting of the dissident viewholders and set them to work devising a compromise but chances for any such Utopia are as remote as Mr. Khrushchev's endorsement of American ideals.

As the leader of the Democratic Party, President Kennedy naturally shifts the blame for the Senate defeat on the Republicans, but his position is tenuous no matter how you look at it.

New Jersey's lone Republican Senator, for instance, voted for his medicare program. He is Clifford P. Case. Can the President assail New Jersey Republicanism?

New York's two Senators, Javits and Keating, both Republicans, backed the President. Will he endorse them, Javits especially, as a candidate for reelection?

The vote on medicare was 52 to 48 in a heavily controlled Democratic Senate. Twenty-one of 64 Democrats voted in the negative, 10 of them chairmen of important Senate committees. Only 10 more Republicans than Democrats were opposed.

How much better for the country—and more especially for the cause of care for the aged—it would be if the concentration from here on in were on a suitable compromise program for next year rather than a bitter, acrimonious fight which may once again lead up a blind alley and leave the country split.

How about an avalanche of letters to our Congressmen, the White House, and so forth, to bring about this result. Miracles still do happen.

FISH PROTEIN CONCENTRATE FOR HUMAN CONSUMPTION

Mr. DOUGLAS. Mr. President, as Senators know, I have long been advocating the need for the United States to approve fish protein concentrate for human consumption. This product, made from whole fish at the extremely low cost of 12 to 14 cents per pound, contains up to 85 percent protein, and could be a tremendous weapon against hunger and undernourishment in the world. The Food and Drug Administration has seen fit to disapprove this product for distribution within the United States because of the esthetic reason that "some consumers might object" to the inclusion of some parts of the whole fish in the raw material. However, the finished product is a finely ground, tasteless, and odorless cooked material which has had the objectionable material washed out in process by chemical solvents. The product can be stored indefinitely at room temperatures.

The need for U.S. approval of this product is great. I would not find fault with the Food and Drug Administration if it pointed to some unhealthy or unclean aspect of the product. But after testing it, FDA has said that American producers could export it to other countries for human consumption, but they could not distribute it within the United States.

It was with reluctance that I bowed to the request of the Department of Interior to ask for a postponement of the public hearings at the Food and Drug Administration which I had requested. These were to be held June 18, 1962, and in a letter dated May 31, 1962, the Secretary of Interior asked me to request a postponement until a report on the product would be available from the National Academy of Sciences. Knowing that other nations were beginning to realize the great potential of this product, I was reluctant to delay the inevitable approval of this product one bit, but I realized the importance of the forthcoming report from the National Academy of Sciences.

While I now await the results of this study, I read in the July 1962 edition of the Fishboat, a magazine devoted to the fishing industry, that Norway is setting up a new plant in Tjaereviken, near Bergen, to produce fish protein concentrate suitable for human consumption. The process to be used there has been developed by scientists at the Norwegian Fishery Directorate's Chemical-Technical Research Institute. Add to this the reports that Russia is presently working on the development of manufacturing equipment for this product to be placed aboard some of its new, enlarged fishing ships, so that it could catch the fish and produce fish protein concentrate all in the same operation. Pilot programs have begun in Central and South America on this product. The sum total of all this activity is that the United States is being left behind in the development of this very important food additive, because the Food and Drug Administration saw fit to withhold approval of it within the United States because some consumers might object. After testing the product, FDA ruled that it could be distributed abroad for human consumption, and it has not challenged its cleanliness or purity. But the United States cannot in good conscience ask other countries to accept our product when we will not approve it for ourselves. And so our product, already developed and ready to be manufactured, must wait for further study while some other countries catch up to the lead we enjoyed in this field, and even while these countries pull ahead as we remain in the status quo.

I have received a letter from the Department of Interior expressing their knowledge of the urgency of this matter as well as the need for the National Academy of Science's completing its work as soon as possible. For the benefit of the Senate, I ask to have this letter, dated July 11, 1962, printed in the Congressional Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Department of the Interior,
Office of the Secretary,
Washington, D.C., July 11, 1962.

Hon. Paul H. Douglas,
U.S. Senate,
Washington, D.C.

Dear Senator Douglas: Your letter of July 5 concerning the rate of progress of the National Academy of Sciences in making the study on fish protein concentrate requested that we take action to hurry up the process. As we stated in our letter of June 25, we are equally as interested in an early completion of this study. We have already discussed the urgency of the matter with the appropriate representatives of the National Academy of Sciences.

The Academy has accepted the assignment; in fact, this acceptance was made public at about the same time our original June 25 letter was mailed. The Academy officials are now actively engaged in gathering a representative group of scientific authorities who will comprise the panel. Upon close questioning, the Academy representatives gave an oral and highly conservative estimate of 6 months to completion date after selection of the panel.

We believe that the work itself will require a shorter period than this, and will lend every effort to assist them in achieving an earlier date of completion.

Again, we assure you of our continuing interest in this study and our firm determination that it will not be interminable nor a day longer than is necessary to achieve our purposes.

Sincerely yours,
Frank P. Briggs,
Assistant Secretary of the Interior.

APPOINTMENT OF CONSUMER ADVISORY COUNCIL

Mr. DOUGLAS. Mr. President, last week the President took a major step forward in carrying out the administration's consumer protection program which he outlined last March 15 in a special message to the Congress.

On Wednesday, July 18, the President announced the appointment of a 12-member Consumer Advisory Council to provide advice to the Government on the consumer's needs and point of view.

For nearly 30 years, ever since I served on the Consumers Advisory Board of the NRA, I have strongly felt that the consumer was the one major interest in our economy whose views were not adequately represented in the halls of government.

The dilemma of the consumer in a modern economy has long been recognized. Fifty years ago, during the administration of President Taft, Wesley C. Mitchell, the great business cycle economist, wrote that famous essay entitled "The Backward Art of Spending Money." Mitchell said:

> Important as the art of spending is, we have developed less skill in its practice than in the practice of making money. Commonsense forbids our wasting dollars earned by irksome efforts; and yet we are notoriously extravagant. Ignorance of qualities, uncertainty of taste, lack of accounting, carelessness about prices—faults that would ruin a merchant—prevail in our housekeeping. Many of us scarcely know what becomes of our money; though well-schooled citizens of a money economy ought to plan for their outgoes no less carefully than for their incomes.

The necessity of Government action to protect the rights of consumers has also been a longstanding concern.

Over 25 years ago, during the first term of President Franklin D. Roosevelt, my colleague Henry Simons, an extremely conservative economist who was also a stanch opponent of the New Deal, in writing about the awful bewilderment of the consumers as a major problem of public policy, urged a program for consumer education and protection. Dr. Simons said—

> The main opportunities lie in organized consumer education or, as a poet friend puts it, in the development of protective coloration for the buyer. But one may be hopeful of other changes: the development of consumer cooperation and (more important) of agencies, governmental and private, for informing and advising consumers; the development of standard specifications, standard testing, uniform grades, and accurate and informing labels for consumer goods. There is much that governmental agencies can do, especially by way of facilitation and encouragement, to promote these and other movements toward efficient distribution.

The failure to develop more effective representation for the consumer in our system of government is no minor oversight. As the President stated in his message to the Congress on March 15:

> Consumers, by definition, include us all. They are the largest economic group in the economy, affecting and affected by almost every public and private economic decision. Two-thirds of all spending in the economy is by consumers. But they are the only important group in the economy who are not effectively organized, whose views are often not heard.
>
> The Federal Government—by nature the highest spokesman for all the people—has a special obligation to be alert to the consumer's needs and to advance the consumer's interests.

I strongly concur that the Federal Government has a special obligation to see that the voice of the consumer be heard when public policy decisions are being made which vitally affect the consumer's interest.

The consumer does not have any powerful lobbies to plead his case in Washington.

The average consumer cannot afford the expense of traveling to Washington to present his views before a legislative committee.

Although the consumer interest is both broad and pervasive, all too often highly organized and well-financed lobbies representing special interests which are opposed to the broad consumer interest prevail in the decisionmaking process of government.

I hope that the new Council will be able at least to fill this vacuum and will move vigorously to carry out an effective program of consumer protection—a program which has been badly neglected in the past.

I am sure that I speak for many other Members of the Senate in saying that we are anxiously awaiting the Council's recommendations for remedial legislation, and I hope that the Council will ask for the right to appear before the appropriate legislative committees to present the consumer's point of view.

However, the appointment of this new Consumer's Advisory Council should not be regarded as the culmination, but merely as the bare beginning of an effective program to provide the consumer with an adequate voice in the determination of national policy. The President in his message of March 15 clearly recognized that additional legislative and administrative action will be required "if the Federal Government is to meet its responsibility to consumers in the exercise of their rights."

The President outlined a consumers bill of rights in that historic message to the Congress. He said:

> These rights include—
>
> 1. The right to safety—to be protected against the marketing of goods which are hazardous to health or life.
>
> 2. The right to be informed—to be protected against fraudulent, deceitful, or grossly misleading information, advertising, labeling, or other practices, and to be given the facts he needs to make an informed choice.
>
> 3. The right to choose—to be assured, wherever possible, access to a variety of products and services at competitive prices; and in those industries in which competition is not workable and Government regulation is substituted, an assurance of satisfactory quality and service at fair prices.
>
> 4. The right to be heard—to be assured that consumer interests will receive full and sympathetic consideration in the formulation of Government policy, and fair and expeditious treatment in its administrative tribunals.

These are broad and far-reaching responsibilities. The Council must be prepared to overcome apathy, indifference, and indeed outright opposition in trying to carry out their mission.

Some have already discounted their efforts.

The New York Times, in an editorial on Thursday, July 19, suggested that the long delay in appointing a Consumer Advisory Council "indicates little prospect of forceful new protection of consumer interests."

I hope that the Council will accept this statement as a challenge rather than a prediction, and I hope that this initial note of skepticism will not deter the Consumer Advisory Council, but rather will reinforce their determination to initiate a forceful and effective program of consumer protection.

I believe that the choice of members of the Council has been excellent. If the Council's program reflects their individual capabilities, I am confident that it will be successful.

Mr. President, I ask unanimous consent that biographical sketches of each member of the new Council be included in the Record at this point.

There being no objection, the biographical sketches were ordered to be printed in the Record, as follows:

> Miss Helen G. Canoyer, Ithaca, N.Y. B.S., 1925, M.A. and Ph. D., University of Minnesota. Taught marketing and economics at Minnesota, 1941–44. An economist with Bureau of Foreign and Domestic Commerce, Department of Commerce, Office of Alien Property Custodian and War Production Board, 1944–46. Professor at University of Minnesota, 1946–53. Dean, School of Home Economics, Cornell University, since 1953.
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> David Angevine, Park Forest, Ill. Majored in economics, University of Kansas. Graduate work at University of Kansas, University of Kansas City and Northwestern University. Former publicist for municipally owned public utilities in Oklahoma and Kansas. Former editor of Cooperative News Service and Cooperative Consumer in Kansas City. For the last 10 years an assistant to former Representative Jerry Voorhis, California Democrat, head of the Cooperative League of America. Currently information director of the league. A Democrat.
>
> Dr. Persia Campbell (Mrs. Edward Rice, Jr.), Flushing, Queens. A.B., Sidney University, M.A., London School of Economics, graduate certificate in social economy, Bryn Mawr College, Ph. D., Columbia University. Married in 1931 and has two children. Assistant editor of Australian Encyclopedia, 1924–26. Research economist, New South Wales government, 1926–31. Associate professor of economics, Queens College, 1940–45. Consumer counsel to the Governor, New York, 1955–58. Now professor and head of Economics Department, Queens College, the City University of New York. A Democrat.
>
> Stephen McKenzie du Brul, Jr., New York. Graduated from University of Michigan 1950; master's from Harvard School of Business Administration, 1956. Worked with Central Intelligence Agency, Washington, 1950–52. Army service, 1952–54. Now a partner in Lehman Bros., specializing in retail business financing; director, May Department Stores and Franklin Manufacturing Co., Minneapolis.
>
> Mrs. John G. Lee, Farmington, Conn. Attended Oxford School for Girls; honorary degrees from Cedar Crest College, Rutgers University and Hillyer College. Mrs. Lee was married in 1926 and has four children. President of the League of Women Voters of Farmington, 1938–42; president of the Women's League for the State of Connecticut, 1941–49; president, National League of Women Voters, 1950–58; presently active in international activities for the League of Women Voters. A Republican.
>
> Dr. Edward S. Lewis, New York. Ph. B., University of Chicago; M.A., University of Pennsylvania; Ph. D., New York University.

Married and has two children. Taught at Florida A. & M. College in Tallahassee, 1925–27. Executive secretary of the Urban League of Kansas City, 1927-31; executive secretary of the Urban League of Baltimore, 1931–43; since then, executive director of the Urban League of Greater New York. A Democrat.

Walter F. Mondale, St. Paul, Minn. A.B. and L.L.B., University of Minnesota. Married and has two children. Served with the Army, 1951–53. Practiced law, 1956–60. Attorney General of Minnesota since 1960; chairman of the Consumers Protection Committee of the National Association of Attorneys General. A Democrat.

Dr. Richard L. D. Morse, Manhattan, Kans. A.B., University of Wisconsin, 1938; Ph. D., University of Chicago. Married. Associated with the agricultural experiment station at Iowa State University from 1939 to 1947. Taught at Florida State, 1947–55. Since 1955 he has been professor and head of the Department of Family Economics at Kansas State University. Past president of the Council on Consumer Information. A Republican.

Mrs. Helen E. Nelson, Sacramento, Calif. A.B., University of Colorado; M.A., Mills College; graduate work at the University of California. Worked for 12 years in the California Department of Industrial Relations. Active in the credit union movement. Now director of the California Office of Consumer Counsel. A Democrat.

Sylvia Porter (Mrs. G. Sumner Collins), New York. A.B., Hunter College; studied at the Graduate School of Business Administration, New York University. Associated with the New York Post since 1935. Now financial columnist and editor, writing syndicated daily column. A Democrat.

Dr. Caroline Ware, Vienna, Va. A.B., Vassar College; studied at Oxford; M.A. and Ph. D. at Radcliffe. Married. Taught at Bryn Mawr and Vassar. Special assistant to the Consumers Advisory Board of the National Recovery Administration, 1934–35. Taught at Sarah Lawrence College, American University, Howard University, and the University of Puerto Rico. Worked for the Office of Price Administration during World War II. Chairman of the Consumer Clearing House, 1943–52. Chairman of Advisory Committee of the Council of Economic Advisers, 1947–50. Now on Commission for the Equal Status of Women. A Democrat.

Dr. Colston E. Warne, Amherst, Mass. A.B., Cornell; M.A. and Ph. D., University of Chicago. Married. Taught at various universities. On the faculty of Amherst College since 1930. Now president of the Consumers Union of the U.S.A., Inc., and president of International Office of Consumers Union. A Democrat.

TAX REFORM—INVESTMENT CREDIT

Mr. DOUGLAS. Madam President, I have been asked by the chairman of the Finance Committee, the senior Senator from Virginia [Mr. Byrd], to make a report on the proceedings of the Finance Committee today.

Today the Senate Committee on Finance agreed to the following amendments to H.R. 10650:

First. A new section was added to the bill which amends the 1939 code to provide that the taxable year of a two-man partnership did not terminate on the death of one partner, but did, if the surviving partner so elects, continue until the normal ending date for the taxable year.

Second. A new section was added to the bill which provides that a farmer may deduct the cost of clearing land for use in farming. The deduction is not to exceed $5,000, or 25 percent of the gross income from farming.

Third. An amendment was adopted to the lobbying expense provision to permit a business organization to deduct the expenses of informing its employees or stockholders of legislation or proposed legislation which is of direct interest to the business.

Fourth. A technical amendment was adopted to insure that an institution which fails to meet the technical definition of a domestic building and loan association will not be denied a deduction for so-called dividends paid to depositors with respect to their withdrawable accounts.

Fifth. In the case of stock building and loan associations, an amendment was adopted which will permit these associations to compute bad debt reserves on the same basis as mutuals, except that in lieu of the alternative deduction of 60 percent of taxable income in the House bill, stock associations will be permitted the deduction of 50 percent of taxable income. This action was in lieu of action taken on July 20 which would have provided tax treatment similar to commercial banks.

Sixth. The definition of a domestic savings and loan association was modified to provide in general that substantially all of such an association's business must be accepting savings and investing in loans secured by real property except that 90 percent of their assets must be invested in real property loans—or be in cash or Government obligations. In addition, investments in residential property loans must represent 80 percent of this 90-percent category and investments in one- to four-unit residential housing must represent 70 percent of this 90-percent category. Investments not controlled by the 90-percent limitation may not be invested in private corporate stock.

Seventh. The information-reporting requirements, adopted earlier by the committee in lieu of withholding on interest, dividends, and patronage dividends, were modified to provide a penalty for failure to furnish a statement to recipients of $10 or more of such items, unless the failure is due to reasonable cause and not to willful neglect. Under the modification the penalty is to be $10 for each statement not furnished, but the total penalty is not to exceed $25,000.

Eighth. In the case of mutual fire and casualty insurance companies, the distinction in the House bill between dividend-paying and deviating mutuals was eliminated by removing the requirement that underwriting losses created by the payment of policy dividend be charged to the protection against loss account instead of against investment income.

Ninth. Adopted an amendment to apply the ordinary income treatment to sales of depreciable property only to the extent of depreciation deducted after December 31, 1962, instead of after December 1961 as under the House bill.

Tenth. In the case of cooperatives, a technical amendment was made in the provision adopted earlier by the committee under which 20 percent of the value of scrip must be paid in cash. Under the amendment the payee is given up to 90 days after cooperative issues the check and scrip in which to cash the check and have the scrip treated as taxable to the patron. If it is endorsed and cashed within the 90-day period the scrip will be deductible by the co-op.

Eleventh. A new provision was added to the bill to provide that charitable contributions, made by an individual who qualifies for the special spreadback of income over the years during which it was earned, may also qualify for the spreadback. Effective date, 1962.

Madam President, this discharges my duty and promise to the chairman of the committee. If I may, now I wish to speak as an individual.

The decisions of the Committee on Finance to this date have been singularly unfortunate. The President originally submitted a program which was designed to "plug" about $1.6 billion or $1.8 billion of tax loopholes and give about $1.2 billion or $1.4 billion in the form of investment credits to business. The loopholes which the President proposed to "plug" were most modest in nature. There was no attempt to deal with the 27½ percent depletion allowance on gas and oil, which is probably the most conspicuous abuse in our whole tax system. The President did not propose to touch that, but he did propose to "plug" some of the minor loopholes.

The bill was "watered down" in the House, and the deliberations of the Finance Committee to date have distinctly weakened it and, in my judgment, made almost a mockery of it.

The committee has twice, by very decisive votes, voted down a proposal to retain the withholding provision with respect to the tax on dividends and interest income. This provision was in the House bill. It would have netted in the current year from $900 million to $1 billion in taxes which are owed but not paid, taxes either avoided or evaded by the recipients of dividends and interest income.

The committee was exposed to a great propaganda campaign coming from the savings and loan associations in the Midwest, the Far West, and the South, and mutual savings banks in the East. I am sorry to say that this propaganda campaign has prevailed so far as the Finance Committee is concerned.

We should realize very clearly that this is not a proposal for a new tax, that dividends and interest income are subject to taxes exactly like wages and salaries. Wages and salaries are subject to withholding. There is very little evasion or avoidance of the taxes on wages and salaries, but approximately $4 billion to $5 billion of dividends and interest income yearly is not reported by the recipients, and taxes are not paid on that income. Uncle Sam therefore loses from $900 million to $1 billion in revenue yearly, and as a result the taxes on other people are higher than they would otherwise be.

I am very happy that five of us this morning stood together in trying to restore the provision for withholding of the taxes on dividends and interest income. I am very happy to salute the distinguished Senator from Tennessee

[Mr. Gore], who has been a tower of strength on the committee. I am very happy also that I was one of the five who joined in this struggle.

In the second place, the committee has widened the provision which deals with expense accounts, and in substitution for the House language and the interpretation given by the House report has provided that an expense which a prudent man might undertake could be deducted for tax purposes. This would open the way to all the abuses which now exist. It would make possible expenditures for yachts, for hunting lodges, for fishing lodges, for theater tickets, and for dinners at expensive restaurants, all to be made a part of the expenses, and Uncle Sam would be the invisible host, picking up 52 percent of the check.

This was an unconscionable performance, and was made still worse by the action of the committee last week which, as I understand, provided that if a man went to a convention abroad, he could take his wife for a 6-day trip subsequently and the expenses of the trip could be deducted.

In the third place, the committee has virtually "gutted" the provision relating to taxation of foreign subsidiaries of American corporations. I give great credit to the Senator from Tennessee for making a valiant fight on this issue. The decision by the committee even eliminated the so-called gross-up. The present situation, as I understand it, is that an American corporation doing business abroad, or a subsidiary of an American corporation doing business abroad, which pays foreign taxes can deduct the foreign taxes which it pays first from income and therefore reduce the taxable income by that amount, and also credit the taxes virtually dollar for dollar against the American taxes which the company otherwise would have to pay. In this way there is allowed a double deduction of foreign taxes, first against income and then directly against taxes. I think this is unconscionable. I cannot understand the action by the Finance Committee in removing the provision relating to taxation of foreign subsidiaries.

The fourth crucial mistake which I think the Finance Committee made was to open wide the lobbying provision. That was already not as strong as it should have been under the interpretations given by the Internal Revenue Bureau. Now two forms of an amendment are to be provided. The first would provide that the expenditures of organizations, corporations, and individuals in directly approaching legislators on matters in which they have a direct financial interest may be deducted.

Mr. GORE. Madam President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. GORE. Is it not true that this would apply not only to personal contacts with Members of Congress and appearances before congressional committees, to which some people like to make frequent reference, but also would include every legislative body of every State and every political subdivision thereof?

Mr. DOUGLAS. In response to the query by the Senator from Tennessee, it would include expenditures for appearances or direct influence upon legislators—not only national legislators, but also for State, local, and county legislators as well.

Mr. GORE. Would it not include research, preparation, travel, and incidental expenses for such visitations and appearances?

Mr. DOUGLAS. That is true.

This morning, the abuse was compounded by the adoption of another amendment which would permit a business organization to deduct the expenses of informing its employees or stockholders of legislation or proposed legislation which is of direct interest to the business. So the building and loan associatons and mutual savings banks which carried on the campaign against the withholding of the taxes on dividends and interest income could deduct those expenditures, which they have incurred in informing their members, and Uncle Sam would pay 52 percent of the bill.

Mr. GORE. Madam President, will the Senator yield further?

Mr. DOUGLAS. I yield.

Mr. GORE. Does not the amendment which the committee has agreed to provide the way for national lobbying organizations to be established on a permanent basis?

Mr. DOUGLAS. Yes; and provides that the Treasury shall finance 52 percent of them.

Mr. GORE. And that is in the name of tax reform?

Mr. DOUGLAS. The Senator is correct.

Madam President, I call attention to the fact that deductions would be permitted only to those who have a direct financial interest in the question under consideration. Such a deduction would not be permitted to members of the public who have a general interest. They are ruled out of court. They must pay the entire expenditures themselves and get no deduction. But the corporations can get a deduction.

The amendment would give aided weapons to those who already have strong weapons. One of the great weaknesses in political democracies is the fact that the consuming interest, the general interest, is diffused. On any measure it amounts to only a few cents or a few dollars per person, but spread over the country it amounts to hundreds of millions of dollars for the particular group which stands to profit.

It is difficult enough to organize the general interest at present. It is easy to organize a special interest. The Finance Committee has adopted an amendment which would still further strengthen the powerful special interests and would deny any corresponding relief to the weak general interest, and provides that Uncle Sam should pay half the expenditures.

I have tried to be restrained in what I have said, but the amendment is one of the most unconscionable amendments that a committee has adopted.

Mr. HUMPHREY. Madam President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. I commend the Senator for his restraint, and thank him for his explanation. I can hardly believe it. I hope it is fiction.

Mr. DOUGLAS. No, it is not fiction. That is not all.

Mr. BARTLETT. Madam President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. BARTLETT. I could not be more in agreement with anyone than I am with the Senator in the statement he has just made and the position he has taken on this vital and important issue. He is absolutely correct. I hope that his views and those of the distinguished Senator from Tennessee on this question and related questions will prevail. I know that ultimately they will.

Mr. DOUGLAS. Madam President, the fifth gross error made by the committee was in connection with the 3-percent investment credit given to regulated private utilities.

As we know, the President proposed an 8-percent investment credit allowance, which would have amounted to $1,200 million or $1,400 million. I am not at all certain that it was the wisest way in which to distribute any savings made by plugging tax loopholes, but it was adopted by the committee, subject to a restriction suggested by the Senator from Louisiana [Mr. Long].

Included in that measure, as it came from the House, was a provision that a 3-percent investment credit would be given to regulated private utilities, which would have amounted to a tax rebate of $200 million a year to the electrical companies, the gas companies, the telephone companies and the like.

There is no need for a tax rebate to be paid to that group of companies in order to induce investment. Those companies, subject to regulation, are guaranteed a rate of return on their capital which is generally an extremely generous rate of return. The added 3-percent credit would not create any added investment in the private utilities.

It will be a sheer bonus to the private utilities. It will be very difficult for the consuming interests and State utility commissions to recapture those amounts for the consumers by lowering the rates. In the first place, such efforts would have to be made in 50 States. Moreover, we all know the degree to which the State public utilities commissions are under the control of the private utility companies. So very little of that amount would be passed on to the consumers. The amount would be initially a present of $200 million a year to the private utilities.

Let it be said to the credit of the American Telephone & Telegraph Co. that they made public objection to that provision. They have said that they do not want it. It would be very cumbersome for them. Besides, I think perhaps they are afraid it might damage what in the words of Madison Avenue is termed their "public image." So there is a great utility that does not want it.

Nevertheless, the provision would be forced on them to the tune of many millions of dollars.

There is a great difference between the hopes which the President had when he asked for the bill, which was to be both tax reform and stimulative of investment and the present bill. There is very little tax reform in the bill, but there is an investment credit.

Mr. GORE. Madam President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. GORE. There is a great deal of tax reform in reverse in the bill.

Mr. DOUGLAS. In many ways this will create a worse tax system than the one with which we started. There are some good features still retained, notably the improvement in the taxation of mutual insurance companies and savings and loan associations. However, these are minor compared with the weaknesses which have been put into the bill. I wanted to make this statement to alert the country as best one can as to what is happening. Some of us intend to move at the next meeting of the committee to return to the House language on expense accounts, to eliminate the loopholes on lobbying, and to try once again to eliminate the 3-percent credit for the private utilities. Whether or not we will be successful, I do not know, but I believe that members of the Committee on Finance should have another opportunity to survey their work in quiet and to hear from the public and to consult their consciences, and to decide whether they will not reverse their decisions. In any event, I can promise that those of us who have been striving for genuine tax reform, although few in number, are undaunted in spirit, and that we intend to carry this fight to the floor of the Senate, and appeal to the country and to the Senate as a whole.

NOTED FOREIGN AND AMERICAN SCIENTISTS PLEAD WITH NORTHWESTERN UNIVERSITY TO RECONSIDER THEIR PARTICIPATION IN THE DESTRUCTION OF THE INDIANA DUNES

Mr. DOUGLAS. Madam President, some of the most famous zoologists, biologists, and ornithologists of the world have appealed to the trustees of Northwestern University to abandon the path of expediency and reconsider their participation in the now imminent destruction of the key section of the beautiful Indiana Dunes.

Among the famous foreign scientists signing this appeal are the following: Jean Delacour, the widely known French ornithologist; Rudolf Dorst, chairman of the German section of the International Council for Bird Protection; Sten Osterlof, director of the Royal Museum of Natural History, Stockholm, Sweden; and A. J. Marshall, professor of zoology, University of Australia at Victoria.

The American signers of the appeal include these authorities: Alexander Wetmore, former Secretary of the Smithsonian Institution; Dean Armadon, of the American Museum of Natural History in New York City; George H. Lowery, president of the American Ornithologists Union; Alfred M. Bailey, wildlife photographer of the Colorado Museum of Natural History; Donald Culross Peattie, the famous writer-naturalist who grew up in the Midwest; Edwin Way Teale, the famous American naturalist, who grew up in the dunes and who wrote "Dune Boy"; Oliver L. Austin, Jr., author of "Birds of the World"; R. Marlin Perkins, director of the St. Louis Zoo; Roger Tony Peterson, author of "Peterson Bird Guides"; Paul L. Errington, the University of Iowa biologist and expert on wildlife management; Charles Olmstead, professor of botany at the University of Chicago; and Dr. William Beecher, director of the Chicago Academy of Sciences.

Their appeal, in a statement stressing the unique scientific values of the Indiana Dunes, was submitted yesterday before a Corps of Engineers hearing in Valparaiso, Ind., on the application of Bethlehem Steel Co. to construct a temporary pier into Lake Michigan over which, after leveling one of the finest areas of unspoiled dunes, it will move the dunes sand and dump it into barges on Lake Michigan. From the Indiana shore, the dunes sand—some 2½ million cubic yards of it—will be transported to the shoreline at Evanston, Ill., where it will be dumped into the Lake to provide 70 or 80 acres of additional campus for Northwestern University.

What could be more callous and more contrary to the civic and cultural virtues which a great university is supposed to represent in our society than for one of the leading liberal arts and scientific institutions in the United States to acquiesce and indeed to cooperate in this conspiracy to destroy the irreplaceable dunes?

As I have pointed out many times before, the effort to save the remaining unspoiled sections of the Indiana Dunes perfectly fits the challenge and recommendation of the report of the Outdoor Recreation Resources Review Commission; namely, that national parks and recreation areas are needed where the people are. Located within an hour's travel of 7½ million people, the Indiana Dunes are the most valuable unprotected recreational resource in the Midwest.

But equally important, the dunes are an unequalled scientific resource. They are—as the appeal made yesterday by the world-famous scientists points out—the home of the science of ecology and a natural laboratory for research in botany, zoology, geology, geography, soil science, and meteorology used by many great institutions of learning including the university which is a party to its planned destruction.

I ask unanimous consent that the Chicago Sun-Times News article of July 25, 1962, describing the scientists' appeal be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Scientists To Urge Saving of Dunes

(By Ruth Moore)

The Indiana Dunes, with their record of 12,000 years of life and geological change, are one of the world's most important natural areas, a score of leading world scientists declared Tuesday.

Outstanding zoologists, biologists, and ornithologists of this country and many others joined in calling attention to the unique scientific interest of the dunes area now threatened with destruction.

Their statements will be presented at a hearing at Valparaiso, Ind., Thursday and Friday.

ARMY HEARING

At the hearing, the Army Corps of Engineers will take testimony on the proposed construction of a pier for removing a large section of the dunes piled up since glacial times at the south end of Lake Michigan.

Bethlehem Steel Co. is the owner of the dunes section, but the Save the Dunes Council and others are trying to preserve the area for a national park. The sand which would be stripped away would be sold for a landfill for the expansion of the Evanston campus of Northwestern University. This would be preliminary to a planned Lake Michigan harbor.

In no other area here or abroad, said the scientists, is there so clear a progression of the building up of one dune after another and of the succession of plant and animal life through the 12,000 years.

HOW PLANTS DEVELOP

On the sand now being cast up at the edge of the water a few sand-binding grasses take root. Cottonwoods then begin to grow. As new dunes are deposited an oak forest grows on the older dunes, and later still a rich, mixed forest, with a foot-thick soil testifying to 12,000 years of plant decay.

The science of plant ecology—the relationship between organisms, and between them and their environment—was founded on studies made at the dunes. Nowhere is there a better illustration of how pioneer plants so condition bare sand that more advanced plant communities can succeed them, said the scientists.

Among the noted foreign scientists pleading for the preservation of the dunes as a unique natural area are Jean Delacour, French ornithologist; Rudolf Dorst, chairman of the German section of the International Council for Bird Protection; Sten Osterlof, director, Royal Museum of Natural History, Stockholm; A. J. Marshall, professor of zoology, University of Australia at Victoria.

AMERICAN GROUP

The Americans urging the preservation of the dunes include: Alexander Wetmore, former secretary of the Smithsonian Institution; Dean Amadon, American Museum of Natural History, New York; George H. Lowery, president of the American Ornithologists Union; Alfred M. Bailey, wildlife photographer of the Colorado Museum of Natural History.

Others calling the dunes a necessity for science include: Donald Culross Peattie, writer-naturalist; Edwin Way Teale, naturalist; Oliver L. Austin, Jr., author of "Birds of the World"; R. Marlin Perkins, director of the St. Louis zoo; Roger Tory Peterson, author of "Peterson Bird Guides," and Paul L. Errington, biologist and expert on wildlife management of the University of Iowa.

Mr. DOUGLAS. I also ask unanimous consent that the statement signed by the scientists named in the news article and others be printed in full in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

An Appeal to Northwestern University To Save the Dunes

To Whom It May Concern:

The metropolitan area of Chicago—crossroads of the continent—includes natural features which cannot be allowed to pass into time. Beginning in 1917 the county forest preserves have been acquired as a green belt of natural woodland around the city but the move to make the Indiana Dunes a national park at that time got lost in the crises of World War I. Now this area—save for the small Indiana Dunes State

Park—is the subject of a last-ditch survival struggle against industrialization by two steel companies—Bethlehem and Midwest.

This is bad land use. In the face of rapid population rise, President Kennedy has emphasized the need to include any available area in an expanded green belt before it is too late. But this area is one of a kind. Prof. Henry C. Cowles said that "the dunes of Lake Michigan are much the grandest in the entire world" with "contrasting types of plant life * * * from bare dunes to magnificent primeval forests." Senator DOUGLAS' Senate bill 1797, now in subcommittee, seeks to preserve the remaining 9,000 acres of duneland with 5½ miles of shoreline as a national lakeshore for the recreation and education of all the people of the Nation. Since the major acquisitions of forest preserves we have fallen far behind other cities.

Professor Cowles, University of Chicago botanist, first drew the attention of the world to the Indiana Dunes over 60 years ago. His electrifying demonstration that pioneer plants so condition bare sand that more advanced plant communities can succeed them really founded the science of plant ecology in America. And it is doubtful that this amiable scientist and teacher could have made such a discovery anywhere else than at the foot of Lake Michigan.

Here natural forces and a steadily receding shoreline had conspired, during the 12,000 years since the melting of the continental glaciers, to set up a gigantic, controlled experiment, unique in the world. One could reconstruct the history of this plant succession because the whole series of dunes could be roughly dated. The dune ridge forming on the beach today is young; the ridge farthest inland is oldest. To traverse an ideal cross section from the beach inland would be to pass from the sand-binding grasses and cottonwoods of the foredune, through pine dunes, then oak dunes, finally into rich, moist forest—its foot-thick soil testifying to 10,000 years of plant decay.

Others followed Cowles. Prof. Victor Shelford showed the increasing complexity of animal life that accompanied plant complexity inland; he also reconstructed the life history of ponds, reasoning that interdunal ponds were also successively older inland. The students of these men founded university ecology departments far and wide throughout the country. The principles discovered are taught over the world.

Research and classwork has been conducted in the dunes by all local universities: Indiana, Purdue, Roosevelt, Northwestern, DePaul, Loyola, Butler, the Universities of Chicago, Illinois, Michigan, Wisconsin, and Chicago Teachers College, to name the largest. The fields have covered botany, zoology, geology, geography, soil science, and meteorology, and the research in this natural laboratory school goes on. The Chicago Academy of Sciences conducts field trips for students and teachers.

Under a recent agreement with Bethlehem Steel, Northwestern University is acquiring sand fill for its campus expansion from Senator DOUGLAS' unit 2, embracing by far the best remaining area from the teaching and recreational standpoint. We urge the Northwestern trustees to abandon the path of expediency and reconsider. This area is virtually unique and most nearly illustrates Cowles' classical story.

Mr. DOUGLAS. Madam President, I hope that this appeal to abandon the path of expediency—in which I join—will touch the minds and the hearts of the trustees and officers of Northwestern University, Bethlehem Steel Co., and the State of Indiana. The fact is that Northwestern does not have to accept the dunes sand, and that if it would refuse to accept it, there would be no purpose to the immediate destruction of this area of the dunes. The Chicago Sanitary District has already offered Northwestern enough free fill—along with assistance in transporting it—to complete their entire planned new campus.

I am very happy to have been a party to getting the Chicago sanitary district to offer this fill to Northwestern University, because I want Northwestern to expand its campus. University officials say they are nevertheless bound to accept the dunes sand because of a contract signed before, they say, they were aware of the source of the sand. Bethlehem and State of Indiana officials turn a deaf ear to all appeals, the former asserting that it has no moral responsibility whatever to do anything other than what it alone desires to do to this national treasure, and the latter claiming that immediate leveling of the dunes is necessary to the construction of the proposed Burns Ditch Harbor. And the Corps of Engineers maintains that it must ignore any question except that of possible obstruction to navigation in Lake Michigan.

All of these parties seek to wash their hands of any legal and moral responsibility in this matter. But if this plan goes through this stain on their reputation will not be washed away.

Let us take the parties in turn. First, Northwestern University officials claim they must take the dunes sand because they have agreed in a contract with the Mary Construction Co. and the Missouri Valley Dredging Co. to accept fill delivered by these agents. They further state that they cannot refuse the sand because Bethlehem Steel Co. refuses to release the two companies and the university from any obligation under the contract, and because they would be liable for damages of $1.7 million as threatened by the State of Indiana and Bethlehem.

But the fact is that even if Northwestern had to break the contract—although there is reason to believe Northwestern does not have legal obligation under the circumstances, its possible damages would be limited to $20,000. This is because Bethlehem has admitted that $20,000 is the total compensation it is to receive from the two companies for the entire 2½ million cubic yards of sand.

The threatened suit for $1.7 million by the State of Indiana is simply a fictional argument. Indiana and Bethlehem officials claim that removal of the sand for Northwestern would "save" this amount in the construction of the Burns Ditch Harbor. But the facts are that this proposed harbor is not authorized, nor even near to being authorized. Moreover, the amount of this value said to accrue from leveling this area of the dunes is an obvious exaggeration, even if the proposed harbor was anything more than what it is: an economically unjustified project to benefit certain special interests which has very little chance of being authorized.

Thus, I think it is clear that Northwestern could do much more to avoid being a party to this destruction of the dunes. I urge its officials to respond to the appeal of these eminent scientists and to live up to the expectations of its alumni and friends.

Next, to consider Bethlehem's responsibility, it is true that the title to the dunes area in question is legally held by Bethlehem Steel. But the dunes are also a national treasure. They are the subject of a bill, S. 1797, to preserve them as the Indiana Dunes National Lakeshore which has the strong endorsement of the Secretary of the Interior and the approval of the Bureau of the Budget. The proposed Burns Ditch Harbor has not been approved by the Bureau of the Budget nor by any committee of Congress, nor by the House and the Senate. Careful studies of the economics of this proposal have shown that the benefit to cost ratio is about 0.51 to 1 for the Federal investment and only about 0.15 to 1 for the total investment. The fact is, Mr. President, that this harbor is not authorized and is not likely to be authorized in the near future or ever.

So the question is, why does Bethlehem push so hard to begin the immediate leveling of the dunes for which it is to receive only $20,000? It certainly is not for the income from selling the sand, for under normal circumstances 2½ million cubic yards of this sand would be worth at least more than $1 million.

The only answer one can reach is that Bethlehem Steel Co. officials are willing—nay, anxious—to wantonly destroy this beautiful gift of nature in order to present the Congress with a fait accompli. Their twisted reasoning must be "if we can level the dunes then the question of saving them will be obviated." The corollary of this thinking is "and to hell with the public."

Now, only a brief mention of the two companies to which Bethlehem is giving the sand for $20,000 and with which Northwestern has contracted for the delivery of the sand. In a recently concluded tax evasion trial before the U.S. District Court in Hammond, Ind., as reported in the Gary Post Tribune of June 21, 1962, Mr. Joseph G. McMaken, president of one of the companies, the Missouri Valley Dredging Co. of Omaha, Nebr., testified that in 1955 he paid $15,000 in bribe money for distribution to Hammond City Council members in order to secure an exemption from a city ordinance prohibiting sand mining.

Madam President, I certainly would not be proud to be associated in any enterprise—much less the very questionable cause of destroying the dunes—with a company that does business in this manner. If I were an officer of Northwestern University, I would have serious second thoughts about doing business with such an organization.

As far as the officials of the State of Indiana involved in this are concerned, I can only say that their rush to level and destroy forever the most precious natural gift in Indiana is beyond understanding. There is no harbor authorized and there is no benefit to Indiana which will come from simply leveling and shipping out the dunes. At first it was claimed that a slip of the proposed harbor would be dug in the process of delivering the sand to Northwestern, but now even that shaky pretext of benefit has been abandoned, and the sand is to be acquired simply by leveling an area.

I repeat, Madam President, and with great sadness, that the activities of these officials is simply beyond understanding.

Now for the final party to this desecration: the U.S. Army Corps of Engineers. It too seeks to wash its hands of this matter and to say that as the representative of the U.S. Government its only concern is the effect of the proposed pier on navigation. In fact, the district engineer, in his original announcement of yesterday's hearing and in statements to the press, warned all prospective witnesses that the public hearing would be concerned only with navigation questions and that he would rule out of order any comments on irrelevant issues. Presumably, this meant that any statement about the effort in Congress to preserve the area in question as proposed in S. 1797, or about the effect the pier would have on pollution and beach erosion along the lakeshore, would be irrelevant in the opinion of the district engineer.

Madam President, I ask unanimous consent that a Chicago Daily News article of June 25, 1962, written by Charles Nicodemus, of that newspaper's Washington bureau, which describes the circumstances of the announcement of the district engineer, be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Steel Firm Seeks Permit on Dunes Job

(By Charles Nicodemus)

Washington.—After weeks of delay, Bethlehem Steel Co. has quietly asked the Army Corps of Engineers for a permit that will enable it to start leveling a key part of the Indiana Dunes.

A hearing on the permit—the last obstacle preventing first destruction of the duneland is expected to be held the week of July 30–August 3.

Although applications for the permit were filed 11 days ago, the Engineers' district in Chicago so far has failed to notify any of the interested parties—including Senator Paul Douglas, Democrat, of Illinois, who asked to be alerted when it was submitted.

Official 30-day notices of the hearings, required by law, are expected to go into the mail next week, Army Engineer sources in Washington indicated.

The hearings are tentatively set for a National Guard Armory in Valparaiso, Ind., 15 miles from the dunes area and 42 miles from Chicago.

The corps' district engineer, Col. J. A. Smedile, said he will personally conduct the hearing.

Smedile said he will limit testimony to questions of navigation "which is all we have authority to concern ourselves with."

He said he could rule out of order "anyone offering statements on irrelevant issues," which could include problems of conservation, water pollution, or esthetic beauty.

That ruling was expected to stir protests from Douglas and northern Indiana and Chicago area residents who have been waging a "save the dunes" war.

Douglas wants the unique nature and recreation area preserved as a national park.

Bethlehem, National Steel, and most Indiana Congressmen and other politicians want to build a federally aided deepwater port in the Burns Ditch area, centering on the duneland stretch owned by Bethlehem.

The Army Engineers are on record as favoring the project but the U.S. Interior Department and the Bureau of the Budget have voted against it.

The current Bethlehem application seeks permission to build a 1,200-foot jetty out into Lake Michigan, for use in loading sand onto barges.

The Corps of Engineers must approve because it controls all navigable waters.

Smedile said he hadn't announced reception of the application yet "because I wanted to iron out in advance, with Bethlehem, some of the objections involving navigation, that the public might raise."

The Missouri Valley Dredging Co. of Omaha, Nebr., has contracted to buy 2,500,000 cubic yards of sand from the Bethlehem site at a bargain price of $20,000, for transport to Evanston.

There the sand will be used as fill, to create 71 acres of new land for expansion of Northwestern University's lakefront campus.

Douglas has urged Northwestern and Missouri Valley to leave the dunes unscathed and instead use fill from the 10 million cubic yard supply that the Chicago sanitary district has—and has offered free—in the Lake Calumet area.

The school and the company have not accepted the offer.

William S. Kerr, NU vice president, said a tentative schedule calls for completion of stone and steel retaining bulkheads by mid-August, with the fill work beginning then and lasting 2 years.

Clifford Greene, secretary-treasurer of the Indiana Port Authority, said there has been a change from the original plan to have Missouri Valley get its sand by dredging out what would be one slip for the proposed harbor.

Instead, Greene said, sand will be scooped from all the 50-acre area, leveling the entire site down to a grade 5 feet above water level.

All dunes—including one 150 feet high—will be obliterated, he said.

Mr. DOUGLAS. Madam President, not until I protested in a letter to the Secretary of the Army that this ruling of the district engineer was partisan and unrealistic was this unfair situation corrected. The Secretary of the Army, following my request, directed the district engineer to hear testimony on these other matters at the real heart of the question before the hearing. But at the same time the Secretary repeated to me that while these other questions could be commented upon at the hearing, the engineers would decide whether to permit construction of the pier solely on the basis of navigation. And, of course, official notice of the Secretary's decision to permit testimony on the real issues came only 1 day before the hearings so that the original announcement of the district engineer effectively kept many of the witnesses from preparing the statements they would otherwise have made.

We received unofficial intimation that possibly such a letter would be written, but we did not receive the final, official notice until July 25, 1 day before the hearing. We received a letter under date of Monday, July 23.

The Corps of Engineers cannot wash its hands of responsibility in this matter any more than can the other parties. It cannot avoid the real issues. The notice of the hearing refers for authority only to section 10 of the River and Harbor Act of 1899, under which the claim of navigation being the sole responsibility is made. But the district engineer thus tries to avoid his responsibilities pursuant to 33 U.S.C. 426, 33 U.S.C. 466, and section 13 of the same River and Harbor Act—33 U.S.C. 407. In section 426 Congress has imposed duties on the Corps of Engineers with respect to beach erosion and shore protection. Under section 466 Congress has declared the public policy of the United States to favor the prevention and control of water pollution. Under section 407, direct duties are imposed on the Corps of Engineers with respect to pollution of navigable waters. By attempting to avoid these issues, the district engineer seemed to be trying to avoid his and the corps' legal responsibilities.

But even aside from this, I believe the Corps of Engineers cannot sidestep its moral responsibility in this matter. The fact is that if Northwestern and the others remain adamant, then approval of this application to construct the pier will constitute a go-ahead signal to the bulldozers. Whatever the district engineer's excuses, this is the real decision he must make.

Mr. President, I am reminded of the poem, "The Latest Decalogue," written by Arthur Clough, the Victorian poet, which I have quoted on occasion in this Chamber, in which he puts the Ten Commandments into pharisaical language. Some of the Ten Commandments are interpreted as follows:

Thou shalt not steal; an empty feat,
When it's so lucrative to cheat.

Thou shalt not covet; but tradition
Approves all forms of competition.

Honor thy father and thy mother
That's all from whom advancement may befall.

At church on Sunday to attend
Will serve to make the world thy friend.

This is, however, the verse I wish to emphasize:

Thou shalt not kill; but need'st not strive
Officiously to keep alive.

In other words, each group washes its hands and says, "We are not responsible." But all the waters of Lake Michigan cannot wash the blood off those hands.

All these—the trustees and officers of Northwestern University, Bethlehem Steel Co., the two construction companies, and the Corps of Engineers—will have the blood of the dunes on their hands if the planned destruction of this key section is carried forward. Each has a moral responsibility. Recognition of this is perhaps too much to expect of the company which does business through bribery of city officials or of the Bethlehem Steel Co. But the Corps of Engineers and Northwestern University are agencies responsible to the people; they cannot escape that responsibility.

The greatest burden, in my opinion, falls on this great American university. There can be no question but that the trustees and officers now understand the significance of their intended participation in the destruction of the dunes. They might well be asking themselves: "Can all the waters of great Lake Michigan wash the blood clean from these hands?"

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER** (Mr. Metcalf in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **HUMPHREY**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the motion of Mr. Mansfield that the Senate proceed to consider the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. **YARBOROUGH**. Mr. President, ordinarily I would reserve the right to object, and would object. However, in this instance, I have not objected to the request to rescind the order for the call of the roll; I abstained from objecting, in view of the statement that the Senate would remain in session until 10 p.m.

I must state that I do not see the purpose of having the Senate remain in session until 10 p.m., if it is not desired to have many Senators present during that time. I see no reason for carrying out such a plan under such circumstances. It seems to me rather odd to plan to hold a long session, and not have in attendance more than a very few Senators. Why should all the pages and all the members of the Senate staff be required to remain here if only a token session is to be held?

However, Mr. President, the majority whip [Mr. Humphrey] has just now advised me that he did not anticipate that there would be a live quorum call, and he, personally, told approximately 20 Senators that there would not be a live quorum call this evening.

Lest such Senators, after regularly having exercised due diligence to attend the sessions of the Senate—and we understand that they are absent at this time because they were assured that there would be no necessity for them to attend at this time—be recorded as absent, although they are most diligent in their attendance and are present under normal circumstances and wish to be present whenever there is a live quorum call, and in order to avoid bringing any such embarrassment to those Senators, who are most regular in their attendance and desire to maintain their fine attendance records, I shall not object.

Mr. **DOUGLAS**. Mr. President, will the Senator from Texas yield?

Mr. **YARBOROUGH**. I yield.

Mr. **DOUGLAS**. I commend the Senator from Texas for his excellent statement and for his willingness to cooperate with those who are interested in objecting to consideration by the Senate of the satellite communications bill. I believe that if the Senator from Texas had insisted on a live quorum, it would have been possible to obtain one; but a number of hours would have been consumed in the process. Then, tomorrow morning, the Senator from Texas, could have begun, afresh, to make his speech. However, out of compassion and a desire to cooperate, he has chosen to waive his right to object.

I cannot but contrast his behavior with what we have experienced during the various civil rights fights, when our Southern friends would call for a quorum at all hours of the day or night—at 6 o'clock in the evening, at 8 o'clock in the evening, at midnight, at 1, 2, 4, or 6 o'clock the next morning, at 10 o'clock in the morning, and so on, and would keep that up day after day, and would insist that whenever there was a quorum call, a live quorum be in attendance—while they absented themselves from the Chamber, but compelled those of us who believe in civil rights to be in attendance, on the average, every 2 hours, with the result that some of us went for a week or so with only 1 or 2 hours of sleep a day.

The Senator from Texas has confirmed the high opinion that all of us hold of him as a chivalrous gentleman, compassionate to those who differ with him—a chevalier without blemish or reproach.

Mr. **YARBOROUGH**. I am grateful to my distinguished friend from Illinois, who gives me credit to which I do not feel entitled, and which I know I have not earned and could never earn. He makes these generous remarks out of the generosity of his heart.

I would not have felt so kindly about waiving the requirement for a live quorum had it not been for the fact that I feel that this terrible monopoly bill is sought to be rammed down the throats of the American people. Even with empty desks in the Chamber, I should make these remarks. I look at the desk of the distinguished Senator from Louisiana, who is absent because of an election. That is the desk once occupied by his father and earlier by John C. Calhoun. The next desk, occupied by the distinguished Senator from Mississippi [Mr. Stennis] was once occupied by Jefferson Davis. Immediately across the aisle is the desk at which Daniel Webster sat.

The ghosts of the past will rise to condemn this legislation, and if the American people will ever understand it, it will never pass. Those who do pass it, if it ever does pass, will live to regret the day, and they will not have to wait 365 years.

Mr. **DOUGLAS**. The Senator has mentioned the ghosts of several illustrious Senators of the past.

What would he say about the ghost of George Norris, or the ghosts of the senior and junior Robert M. La Follette?

Mr. **YARBOROUGH**. I did not reach anywhere near the end of the list. Both Senators from Alaska are fighting this measure, as are both Senators from Oregon, in the spirit of McNary, Burton K. Wheeler, Borah, and other great northwesterners. I think it is regrettable that two northwesterners have been drafted into the leadership. Did they not sit on the floor under some compulsion, they would be on the floor opposing this measure.

Mr. **DOUGLAS**. Does the Senator feel that they are conscripts?

Mr. **YARBOROUGH**. I feel they are conscripts to this cause.

Mr. **DOUGLAS**. Not volunteers?

Mr. **YARBOROUGH**. Not volunteers. I feel that their spirits shine through, and that they have been drafted into something in which they really do not believe.

Mr. **HUMPHREY**. Mr. President, will the Senator yield?

Mr. **YARBOROUGH**. I yield.

Mr. **HUMPHREY**. I appreciate this statement on our responsibilities and duties. First, I thank the Senator from Texas and the Senator from Illinois for their cooperation.

About the only way we have of conducting the business of the Senate is to be reasonable with one another. It is entirely possible that the Senate could sit all night. I do not want that. It will not be done. The majority leader does not want it. He said he would not resort to such action.

The reason why I asked the Senator to permit me to make the unanimous consent request is that earlier in the evening I had been asked by a number of colleagues on both sides of the aisle whether or not there would be any votes tonight or whether there was really any necessity for them to be present for a live quorum. I said I doubted whether there would be any votes tonight. I said I doubted whether there would be any live quorum calls.

However, I wish to make it clear that if such a situation should develop, we have ways and means of retrieving U.S. Senators. I do not like to do that to my colleagues, nor does the Senator from Texas. I think the best thing would be to proceed with the debate. It was my hope that we would proceed on the question before the Senate, rather than discussing whether we are to take up the question. That has been my position.

I respect the judgment and integrity and great qualities and character and public service of the Senator from Texas.

I know he will make a brief, brilliant speech. I did not think we should be wasting precious time with a quorum call when we could hear the brilliant speech by the Senator from Texas. For that reason, I asked him to permit the Senate secretariat and those of us who are combatants to listen to the words of wisdom, of deep emotion, and, I am sure, of conviction, of the Senator from Texas tonight.

I assure the Senate that, just as he feels strongly on his side of the question, I feel strongly on mine. I wish to make it quite clear that I am a volunteer. I come from the Northwest, which has had the Farmer-Labor Party and the Progressive Party. I am as liberal as any Member of the Senate could be, at least according to what some people think. Some people think I am too liberal. I do not. I think I am just about right.

I thank the Senator. I wish him a wonderful evening.

Mr. **YARBOROUGH**. I thank the Senator from Minnesota, our party whip. I do not feel capable of making a brilliant speech. If I ever did, I know it could not be on a Friday night. In the economy under which I grew, Friday night was when labor ceased.

Mr. HUMPHREY. I agree that to work on Friday night is terrible, and to work on Saturday is cruel, almost beyond comprehension.

Mr. YARBOROUGH. It will be impossible for me to finish my remarks tonight, so I ask unanimous consent that when the Senate adjourns or recesses, I may be able to complete my speech next week without its being counted as two speeches.

Mr. HUMPHREY. Until what time?

Mr. YARBOROUGH. Next week—not Saturday, but Monday. I ask that I be permitted to finish my speech then without having it counted as two speeches.

Mr. HUMPHREY. The Senator will be surprised at how he will become involved in his speech tonight. I venture to say that the Senator will be so moved by those listening to him that he will complete his speech tonight. When the spirit grips a Senator, that is the time to speak. I think the Senator ought to withhold his suggestion until later. Does not the Senator agree?

Mr. YARBOROUGH. If the party whip will not object later, I will withhold the request until later. I should like to submit it now, when the great whip of our party from the State of Minnesota, up near the North Star, is feeling so kindly because we have saved some 94 of our colleagues the trouble of being sent for to come to the Senate, including the score or more to whom he gave assurance that they were not needed. While he is feeling so kindly, he should accede to the small request that I be permitted to complete my speech on Monday.

Mr. HUMPHREY. There will be so many opportunities to speak that I want the Senator to consider going ahead and making his speech. I venture to say there will be so many opportunities to speak next week on the subject matter that the Senator will be coming to me and saying, "Senator, have you any material for a good speech?" and I will offer the Senator some.

Mr. YARBOROUGH. The Senator was talking about how liberal he was and that he was for this giveaway bill because he was liberal. That reminds me of the first talking motion picture I ever saw. It was "The Cisco Kid." He robbed the stagecoach in Arizona, and as he appeared, two guardsmen on top of the stagecoach, with six-shooters on each side, and Winchesters in their laps, took to cover and threw the strongbox with the gold out to him. But when they got near the Army post they started to report on how they nearly got the Cisco Kid. One said, "I nearly got the Cisco Kid." He started showing how he fought him for the gold. A passenger on the stagecoach walked over to him and said, "What's your name? Say, I like you. I always did like a man who was liberal with somebody else's money."

I think of the Senator's liberality with the space communications satellite and with the rights and privileges and property of the people of the United States.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. YARBOROUGH. I yield to the Senator from Oregon.

Mr. MORSE. Does the Senator agree with me that the matter of determining what is liberal is a question of definition?

Mr. YARBOROUGH. I agree with the distinguished Senator from Oregon; and with his background of experience and learning, as dean of a law school, as a writer, as a leading governmental executive official in the legislative branch, as one who was elected three times to the Senate, I think we would like to hear him express his view as to what is liberal.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield for a question by the distinguished Senator from Oregon.

Mr. MORSE. Does the Senator agree with me that many people would say that wastrels are liberal?

Mr. YARBOROUGH. Some people do say that.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield for a question by the distinguished Senator from Oregon.

Mr. MORSE. Does the Senator think I would be unkind if I held the personal conviction that support of the bill falls in the class of the activity of wastrels?

Mr. YARBOROUGH. I think it is a question of definition. I think the distinguished Senator from Oregon is entitled to his opinion. Each of those of us who are doing the fighting has a different way in which to categorize the passage of the bill.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield for a question by the distinguished Senator from Oregon.

Mr. MORSE. Does the Senator agree with me that, as Senators, we have a controlling responsibility in determining whether, in our best judgment, the facts show that the bill is not in the long-time best interest of the American people?

Mr. YARBOROUGH. I could never agree more completely with anyone in all my life. We have a responsibility to the people who elected us and, on a broader scale, to the people of the Nation. We are Senators from our States, Senators of our States and Senators of the United States. We serve in a dual capacity.

Each of us has a separate and individual responsibility. The people of our States would not permit and should not permit their Senators to submit to the leaders, executive officers, or anyone else. We are in the Senate as representatives in a coequal branch of government, with individual responsibility for each of us, regardless of position. We do not have to be chairmen of committees to have such responsibility.

I agree that each of us has a responsibility. In the language of Abraham Lincoln, however insignificant some of us might be—not putting the distinguished Senator from Oregon in that category—our actions here will light us down to the last day.

We cannot escape our responsibilities by saying that the party wanted something, that the leadership wanted something, that the committee wanted something, or that some executive wanted something.

The representative from the executive branch of the Government has come to the Congress to say how Senators ought to vote. It is said that we ought to vote in a certain way because someone says that a Deputy Assistant Attorney General says this is not a giveaway program. Some men apparently think they can come to the Congress to tell other men who are historians, and authors of textbooks, what is or is not a giveaway program.

I could never agree more with anyone. I give an affirmative answer to the question asked by the distinguished Senator from Oregon.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield for a question by the distinguished Senator from Oregon.

Mr. MORSE. Has the Senator read that some of the scientists are predicting that in the not too distant future they will be able to devise a single satellite which will revolve with the earth, which could supply all the satellite communications needed to serve the entire world?

Mr. YARBOROUGH. I have read of such plans, but I was under the impression that three of those satellites would be required. I do not know with certainty whether it would require one or three. I believe three would be required to remain at relatively fixed points about 22,000 miles above the earth. These would not be the low orbit satellites, such as the one from which we get 15 minutes of "flickers" of time from Europe now, but permanent satellites, with 24-hour-a-day service.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield for a question by the distinguished Senator from Oregon.

Mr. MORSE. Does the Senator's answer to my last question indicate very clearly that he is aware of the fact that such great changes are taking place in research in this field that, in any event, it will be only a matter of time, and probably a relatively short time, before a very small number of satellites, if not possibly only one satellite, revolving around the earth will be all that will be needed to supply the satellite communications required by the whole world?

Mr. YARBOROUGH. My answer to the distinguished Senator from Oregon is that I am aware of that possibility. I have read some of those statements by the scientists.

Furthermore, some of the most learned scientists say that we are only on the threshold of knowledge of the uses of space, that we are barely at the beginning of a vast breakthrough. Even the most learned scientists say that they can scarcely begin to comprehend the immensity of the uses of space for communications purposes.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield for a question by the distinguished Senator from Oregon.

Mr. MORSE. Does the Senator agree with the Senator from Oregon that the plans of the communications satellite bill involve a considerable number of satellites which the U.S. Government would put into orbit for American Telephone & Telegraph, out of which American Telephone & Telegraph would make its profits, and that the plan as conceived is almost already obsolete?

Mr. YARBOROUGH. I agree with the distinguished Senator from Oregon. That is the plan. I agree with the distinguished Senator from Oregon that it is almost obsolete or will be obsolete in a very few years—2, 3, 4, or 5 years.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield to the distinguished Senator from Oregon for a question.

Mr. MORSE. Does the Senator from Texas share the fear of the senior Senator from Oregon that this is a scheme—which is a very gentle and polite descriptive term—to really mulct the American people out of millions of dollars which in a short time will prove to be wasted, because the whole system will be obsolete almost before it is put into operation?

Mr. YARBOROUGH. I agree with the Senator from Oregon that this program would take vast sums of money from the American people and, in the manner which he has indicated, would represent an investment in equipment which would be obsolete in a very short time, with the cost being charged into the rate structure, charging the cost off in a rate structure for which the people of the United States pay, by paying for telephone service and other things.

But I do not wish to have the distinguished Senator from Oregon think that by such an affirmative answer I thought the people were giving up merely millions or hundreds of millions of dollars in this regard. Dr. Bertner has said that by the year 1975 the communications business of the world will be a $100 billion business. If some people should think that is too big or fantastic, they should think of what it is today. Of the gross national product of the United States of some $540 billion a year, 20 percent is in transportation charges alone each year.

This would be a worldwide communications system, both on land and in space, for all types of communications. The lion's share would be space communications.

This is not a multi-million dollar business; this is a multi-billion dollar business.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield for a question by the distinguished Senator from Oregon.

Mr. MORSE. Is the Senator aware of the fact that some of our scientists and experts in this field have even ceased counting in terms of billions and are talking in terms of trillions of dollars?

Mr. YARBOROUGH. In answer to the distinguished Senator from Oregon, I was not aware of the fact that some of the scientists were counting in terms of trillions of dollars. I had read that some were counting it in hundreds of billions of dollars, but that was to be by 1975. I had seen no projections into the year 2000 or into the year 2025. Those years are not far off, for children being born today. In the year 2000 the children being born today will be less than 40 years of age. We are talking now about the kind of business the children being born today will have in the world when they are adults, and much younger adults than many of us who are debating the bill today.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield for a question by the distinguished Senator from Oregon.

Mr. MORSE. Does the Senator think that the American people as a people will be very much interested if we are successful in getting across to them in the weeks immediately ahead the facts concerning the amount of money that is really involved in this giveaway; and that the American people who are aware of what is involved are talking in terms of trillions of dollars in connection with the next 50 to 75 years?

Mr. YARBOROUGH. In answer to the interrogatory of the distinguished Senator from Oregon, I believe that the people of America will be very greatly interested in that. I think they will be moved by it. I think they will be shocked by it. I base that opinion upon my own experience in life. In grade school, high school, and college I studied history. As our teachers reviewed the course of American history, they pointed out as the dark ages of our history the period following the Civil War and through the 1880's when we had corporate control of the Government of the United States. The history books describe the great giveaways of that era, coming up to 1900. They speak of the period as a past age which would never reoccur in American life. None of the teachers that I had thought it would ever happen again. Now we are faced with a proposed giveaway that would make all of the former giveaways to the railroads and every other combination of the period rolled into one seem trivial in comparison to the immensity of the giveaway that an attempt is being made to bring to the floor of the Senate.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield to the senior Senator from Oregon.

Mr. MORSE. Does the Senator from Texas share the confidence of the senior Senator from Oregon that once the American people understand the financial cost to them over the decades which would flow as a result of this very wasteful bill, they would then appreciate the fact that some of us in the Senate were willing to stand up against the attacks, abuse, and criticism, including even a suggestion on the floor of the Senate that we are guilty of legislative irresponsibility because we merely insist that we will use the rules of the Senate to protect the American people from the proposed shocking giveaway?

Mr. YARBOROUGH. My answer to the distinguished Senator from Oregon is that I think the people of America will appreciate our efforts and will appreciate them with a deep, abiding, and lasting appreciation. I am hopeful that the facts can be gotten through to the American people now. It will not be like the railroad giveaways. In that case people had to learn of them from the history books in the following generations. But with the means of communications we now have, which are vastly faster and better than communications were three generations ago, I am hopeful that the people, instead of learning a generation later, can learn before the event happens.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield to the senior Senator from Oregon.

Mr. MORSE. Does the Senator from Texas agree with the senior Senator from Oregon that the best medium for getting the facts through to the people is not the floor of the Senate between now and election but the campaign platforms across the country during the historic campaign that is about to take place?

Mr. YARBOROUGH. I agree with the distinguished Senator from Oregon. I think he has aptly termed it an historical campaign. I believe that the coming campaign this fall will be one of the most hard fought and one of the most closely watched campaigns of an off-presidential year in American history. I think the people are rising to see what will be involved in the campaign this year. I think that the forums across our country will be a better means for education than the little rectangular box in which we talk tonight. There are 5,000 radio stations in the United States. There are 560 television stations. According to studies made, each year there are approximately 100,000 candidates for public office in the United States. That figure includes even the odd-numbered years because of school board elections, mayoralty campaigns, and other elections. There will be thousands of campaigns in the precinct, district, county, State, parish, city, and national elections across the land this fall, with 100,000 candidates running. The American people will find out what is at stake in the bill if we can stave off consideration.

In my opinion, that is the reason that the A.T. & T. has turned on the big push, the big propaganda, and the mass publicity campaign to try to steamroller it over the American people. They will wake up 180 million people this fall to what is about to happen to them. The bill which we are discussing was stormed out on June 11. We are told, "You must pass the bill right now." Suggestions are made that there is something evil about people who fight the bill because they fight it.

Why the inordinate haste? Why try to bury the corpse alive? Let us permit the people to find out what is at stake. Let us give the people an opportunity to know and express their opinions this fall in the elections.

I agree with the Senator from Oregon. If the people by their votes, defeated those who are fighting the bill that would give this great private monopoly to A.T. & T., there would be nothing to do but to consider the bill in January. At that time those of us who are left and are in opposition would be "run over." We would see the proponents of the measure get what they wish.

Mr. MORSE. Mr. President, will the Senator yield for a last question?

Mr. YARBOROUGH. I yield to the senior Senator from Oregon.

Mr. MORSE. Does the Senator from Texas agree with the Senator from Oregon that in view of the facts that we seek to bring out in opposition to this shocking wastrel bill, the President of the United States and the leadership of the Senate ought to reach a decision that the unexpected opposition—and I think it is unexpected to them—has raised enough serious doubts and questions about the bill that it ought to be laid aside and that the Senate should proceed to the business of passing the necessary money bills, which would otherwise be held up, and which are the responsibility of the leadership and not the responsibility of those of us who are seeking to protect the public interest by exercising our rights under the rules until such time as the entire issue can be taken to the campaign, then return to Washington a couple of days or so after the election, and then move for full debate and a final vote on the bill?

Mr. YARBOROUGH. Mr. President, in answer to the question of the distinguished senior Senator from Oregon, in all candor I must state that I do not know how much surprise was experienced by any executive officer, by the leadership in the Senate, or the leader of any political party. But I agree with the distinguished Senator that the measure should be laid aside until the normal business of the Senate is transacted.

I suggest that Senators look at No. 1544 on the calendar. The bill did not reach the calendar until June 11, 1962. Why all of the sudden haste? Many meritorious bills are introduced in one Congress and do not pass. Sometimes 6 years and 8 years are required before a good measure, such as the education bill, the GI Bill, the Youth Corps bill, and the aid to higher education bill are passed. Such bills are languishing on the calendar now. Good measures such as those are sometimes fought for a decade and sometimes even a generation before they are enacted. After all, our country is a democracy. If the people wish to give away the largess involved—if they wish to give away outer space to one private monopoly—we could not stop them. But I do not believe they wish to do so. They do not know that there is such a steamroller moving. The people have not had time to find out what is going on.

Mr. MORSE. Mr. President, will the Senator yield for another question, even though I thought I had asked my last question?

Mr. YARBOROUGH. I yield with pleasure. I hope that the distinguished senior Senator from Oregon has not asked the last question. He has asked many pertinent questions. The questions and answers ought to scream out at the people. The mere asking of such questions is so meaningful to those of us who have worked on the subject and to the public generally, and I hope he will not cease to ask questions which will illuminate the subject.

Mr. MORSE. Will the Senator from Texas take note that I am looking at the clock and that while looking at the clock I am asking whether he has any idea of how long a time he thinks might be required to obtain a live quorum tonight.

Mr. YARBOROUGH. I do not know how long a time would be required. My answer to the distinguished Senator from Oregon is that I am unable to estimate it.

Mr. MORSE. Does the Senator from Texas believe it might require a considerable time?

Mr. YARBOROUGH. If the Senator asks me to guess, I say to the distinguished Senator from Oregon, looking at the clock, with the fateful minutes ticking away, and with the fate of outer space at stake, with the attempt to give away the right of millions of Americans to outer space, and to give away the rights of 180 million Americans to everything our science has developed in outer space, the clock would not tick too slowly for the American people. It would be better if all the clocks in America were stopped tonight and remained stopped until we were able to stop this bill. I believe that a half hour or an hour might be required to obtain a quorum tonight.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield for a question.

Mr. MORSE. Would the Senator be surprised if I told him that I doubt whether the Sergeant at Arms would be able to arrest enough Senators to get a quorum in less than 2 hours?

Mr. YARBOROUGH. The distinguished Senator from Oregon has been in the Senate since January 3, 1945, and I believe that his estimate of how long it would take, on Friday night, July 27, in the warm pleasant climate outdoors, not too hot for anyone to enjoy the outdoors, would be better as to how long it would take than any estimate I could make.

Mr. MORSE. Will the Senator yield for another question?

Mr. YARBOROUGH. I yield to the distinguished Senator from Oregon for a question.

Mr. MORSE. Does the Senator share any such feeling as I am entertaining that our Sergeant at Arms and Assistant Sergeant at Arms have not had very much to do recently?

Mr. YARBOROUGH. I say to the distinguished Senator from Oregon that I agreed earlier tonight that I would not ask for a live quorum. So I beg him not to press that question upon me. I believe that, as I think of the 27th of July, in the watermelon season, before we see the privileges and rights of millions of Americans given away, we should stay here until the melons are baked on the vines, and the wonderful peaches growing in Virginia fall from the trees, and the searing winds of December strip off all the leaves from the trees, rather than give away the privilege of 180 million Americans. However, as I have said, I would not ask for a live quorum.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield for a question.

Mr. MORSE. It is true, is it not, that the Senator from Texas did not speak for the Senator from Oregon, and did not make any commitment for him?

Mr. YARBOROUGH. No; I did not have any conversation with the Senator from Oregon. I told the distinguished majority whip that if there was an agreement that there would be a live quorum requested on our side I had no authority to break it. The distinguished senior Senator from Tennessee is in the Chamber as is the distinguished senior Senator from Oregon. No Senators were in the Chamber with whom to confer, and I could not locate them at the time. I had no opportunity to confer with them and I did not confer with them, and they did not approve of what I said. Any agreement which may have been made was not reached in conference, and what I did does not bind other Senators in any way.

Mr. MORSE. Mr. President, will the Senator yield further?

Mr. YARBOROUGH. I yield.

Mr. MORSE. Am I correct in understanding that the acting majority leader advised the Senator from Texas that he had suggested to some of those who are against us on this issue that they could go home and that there would not be a live quorum call tonight?

Mr. YARBOROUGH. The distinguished majority whip said that he had told more than a score of Senators—he did not say which side they were on or which position they took on the bill—that there would be no votes tonight and that there would be no occasion for them to be present; or that they need not be present, because there would be no vote and no occasion for their presence tonight.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield.

Mr. MORSE. Does the Senator, see as I see, the very charming delightful personality from Florida, the junior Senator from Florida [Mr. SMATHERS], in the seat of the acting majority leader?

Mr. YARBOROUGH. I see the distinguished and able Senator from Florida sitting in the seat of the mighty and wielding the power of the whole majority tonight.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. MORSE. Will the Senator from Texas, who has the floor, pursue the question with the distinguished Senator from Florida, as under the rule he can—I cannot do it—and inquire what the attitude of the Senator from Florida would be if the Senator from Texas were to suggest to him that the Senate recess now until tomorrow or, preferably, Monday, with the understanding that the Senator from Texas will be left in exactly the same parliamentary position he now occupies, and that his speech after the recess will be a continuing speech, the first on the pending business, in order to save the Sergeant at Arms and the Assistant Sergeant at Arms the embarrassment of having to go out and arrest some of our distinguished colleagues and bring them to this august assembly? Will the Senator pursue that discussion with our delightful friend who so often is right but who on this occasion is so wrong, that we would like to get this information from him?

Mr. YARBOROUGH. If the acting majority leader will be so kind as to submit himself to such a request, I shall make that request, of course recognizing, as he does and as I do and as all Senators do, that any Senator has the right to suggest the absence of a quorum, if he were to accede to the suggestion, that the Senate recess at this time, that my status be unimpaired in making the interrogatory, and without counting it as a speech, and that all this be not counted as a speech against me, and that the Senate reconvene at the time set, tomorrow at 10 o'clock, and that I proceed with my speech on Monday, inasmuch as other Senators will be present tomorrow and will be ready to speak tomorrow. I should like to ask the distinguished acting majority leader if he would take kindly to that suggestion before the absence of a quorum is suggested.

Mr. CASE. Mr. President, will the Senator yield for a parliamentary inquiry, with the understanding that it will not deprive him of his right to the floor?

Mr. YARBOROUGH. I yield with the understanding that I do not thereby deprive myself of the floor, and that this first interrogatory will not be counted as a speech against me.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from New Jersey will state his parliamentary inquiry.

Mr. CASE. The parliamentary is whether, if the Senator from Texas should ask a question of the acting majority leader and if it were answered, that might not take the Senator from Texas from the floor.

The PRESIDING OFFICER. The Chair is not sure he understood the parliamentary inquiry.

Mr. CASE. The Senator from New Jersey understands that the Senator from Texas may yield for a question only without losing the floor. If he yields for an answer to a question which he asks, will he lose the floor?

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that I may propound an interrogatory to the acting majority leader.

Mr. CASE. Mr. President, I believe I have the floor by unanimous consent for the purpose of propounding a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas yielded by unanimous consent to the Senator from New Jersey for the purpose of enabling the Senator from New Jersey to propound a parliamentary inquiry. If the Senator from Texas yields for any purpose other than to have a question propounded——

Mr. CASE. To him.

The PRESIDING OFFICER. To him—any other Senator has the right to make a point of order, and the Senator from Texas would lose the floor.

Mr. CASE. I thank the Chair.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that I may propound an interrogatory to the acting majority leader without losing my right to the floor, and that the time consumed up to this point not be counted against me as a speech.

The PRESIDING OFFICER. Is there objection?

Mr. SMATHERS. Mr. President, reserving the right to object—and I may object——

The PRESIDING OFFICER. The Senator from Florida reserves the right to object.

Mr. SMATHERS. I could have made a point of order against the Senator from Texas a moment ago; but, not wishing to be unduly harsh, I did not make such a point of order.

Looking a bit beyond the immediate question which the Senator from Texas has asked of me through the Chair, I cannot help feeling that if the Senator from Texas has such a marvelous message to deliver on this subject—and, as he and his colleagues say, if only the American people knew the truth about the subject, they would not be for the bill—it is incumbent upon him to tell the American people the truth. If he and his associates keep the truth to themselves, continuing to postpone the date of announcement of the truth, the American people will never have an opportunity to know what is the truth the Senator from Texas and his colleagues are keeping to themselves.

So I suggest to him that, so long as the Senate is in session and has set aside this particular time for him to make this speech, and for other Senators who are of a kindred mind to make their speeches, it occurs to me that the thing for them to do is to proceed to make their speeches.

I feel certain that the public is waiting with bated breath to hear what is wrong with the bill, despite the fact that the House of Representatives passed it with only nine votes in opposition; despite the fact that the Committee on Aeronautical and Space Sciences, of which the distinguished senior Senator from Oklahoma [Mr. KERR] is the chairman, approved it; the Committee on Commerce has approved it, and the policy committee has approved it.

I do not believe that any of the Senators who favor the bill are of the opinion that we would be giving away something which theoretically belongs to someone else. I do not believe the members of the Committee on Aeronautical and Space Sciences or the Committee on Commerce wish to give away something that properly belongs to the public. I do not believe that only certain Senators have a first mortgage on the desire to protect the general public, even though some of them might think so.

It is a common characteristic of most of us who run for public office to offer ourselves for public office on the basis that we will try to protect the people of our State and our Nation.

I think the time has come for the opponents of the bill to expound their views and make clear to everyone just what it is they object to. I believe the time has come to stop dilatory parliamentary tactics and proceed to the business of explaining the opposition to the bill, so that the Senate can work its will on it. After all, in a democracy an opportunity is supposed to be provided for voting; and if a majority believes a proposal is right, I think they ought to have the opportunity to say so, to give expression to their views, and let the people judge, after we have gone back home, whether we have given away something which belongs to the people.

As I understand, about 80 Members of the Senate are perfectly willing to take a stand in favor of the bill. They are perfectly willing to go home and say they voted for the best bill possible, and that they voted in the interests of the United States. They are happy to run for office on that basis. I know that I am. I should like to have the opportunity to go home and defend my vote, to boast about my vote, if need be; but we cannot do that if dilatory tactics continue to be followed.

So since the able Senator from Texas has asked me, indirectly, what I think about postponing further debate tonight, my reply is: "No. I think the time has come for us to go forward. I would be constrained to object."

The PRESIDING OFFICER. Objection is heard.

Mr. MORSE. Mr. President, will the Senator from Texas yield for a question?

Mr. YARBOROUGH. I yield for a question.

Mr. MORSE. Does the Senator from Texas get the idea, from the words spoken by the Senator from Florida, that the Senator from Florida is not inclined to agree to a recess now or possibly at a very early hour tonight?

Mr. YARBOROUGH. I think the Senator from Florida spoke in clear and convincing terms, indicating that he would rather continue to a later hour; in fact, that he would rather have the Sergeant at Arms go out and arrest our colleagues than to terminate the debate at a reasonable hour.

Mr. MORSE. Mr. President, will the Senator from Texas yield for another question?

Mr. YARBOROUGH. I yield for a question.

Mr. MORSE. Does the Senator from Texas get the idea, from the words bespoken by the Senator from Florida, that it is his preference that the vote on the bill be before the election, rather than to take the issue to Florida for discussion, advice, and instructions from his constitutents, so that he would be in a position to vote for the bill after the election?

Mr. YARBOROUGH. I think the distinguished Senator from Oregon has correctly interpreted the words of the distinguished Senator from Florida. The Senator from Florida made it clear that he wanted to run on the issue of a bill for which he had voted, rather than one pending, to be voted on after the election.

Mr. MORSE. Mr. President, will the Senator from Texas yield for another question?

Mr. YARBOROUGH. I yield for a question.

Mr. MORSE. Does the Senator from Texas make the interpretation that I made from the words bespoken by the Senator from Florida, namely, that the Senator from Florida believes that those who disagree with him in regard to the bill have, in some way, somehow, taken unto themselves a sort of monopolistic conception that they, and they alone, are the guardians of the public interest?

Mr. YARBOROUGH. I think that is deducible from the remarks of the distinguished Senator from Florida. Of course, different listeners are struck by different points in the words of speakers. The words that strike one listener so forcefully may not strike another listener so forcefully. The idea I got was that so able a politician as the Senator from Florida believes it is easier to explain a wrong vote than to explain a vote that has not been cast.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. YARBOROUGH. I yield for a question.

Mr. MORSE. Does the Senator from Texas agree with the Senator from Oregon that we who seek to block the passage of the bill prior to the election have as our controlling objectives providing an opportunity for the American people to express their will in respect to the bill prior to a vote on it?

Mr. YARBOROUGH. I do not feel qualified to pass upon the motives of every Senator who opposes the bill or every Senator who is a proponent of the bill. Senators on both sides of the question must act according to our lights as we see them. I think more light is needed on the bill and that the American people need to have more light shed on the bill.

I think some of the most conscientious men who ever served in this body cast some of the most erroneous votes. In that connection, I think of John Quincy Adams. Historians who read his journals and his letters and study his career, regard him as one of the most dedicated men ever to serve the United States of America. He was serving in the Senate at the time of the Louisiana Purchase, but he voted against it. Thereafter, after the treaty was ratified, he voted against having the Louisiana Territory occupied by Americans.

Later on, at the time when Texas was annexed as a State of the Union, he was then serving in the House of Representatives, and there he made many speeches in opposition to the annexation of Texas. He was a devoted, patriotic, dedicated man; but he did not want our country to extend west of the Mississippi River. He opposed the Louisiana Purchase and he opposed the annexation of Texas. I do not think a more dedicated or sincere man ever served in the House of Representatives or in the Senate; yet John Quincy Adams was wholly in error in the positions he took in regard to some of the important issues.

Likewise, the distinguished Senators who advocate the enactment of this bill seem to be afraid of the potential of America in space, just as John Quincy Adams was afraid to have our Nation extend west of the Mississippi River.

Mr. SYMINGTON. Mr. President, will the Senator from Texas yield for a question?

Mr. YARBOROUGH. Yes; as soon as I finish answering the question the distinguished Senator from Oregon has asked.

Mr. SYMINGTON. Very well.

Mr. YARBOROUGH. So, Mr. President, in answering the question of the Senator from Oregon, I point out that I am not attempting to claim superior virtue for one Senator, as opposed to another. I am simply saying there is a lack of appreciation by Senators who favor the proposed great largess and giveaway—just as that great statesman, John Quincy Adams, consistently opposed the Louisiana Purchase and consistently opposed extension of our Nation west of the Mississippi River.

I now yield to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I have great respect for the Senator from Texas; and ask him if he is proud to be a Member of the U.S. Senate.

Mr. YARBOROUGH. Certainly I am. I think all of us are proud to be Members of the Senate.

Mr. SYMINGTON. Does the Senator from Texas think this activity now going on in the Senate improves the position and standing of the Senate before the people of the country?

Mr. YARBOROUGH. I think Senators have a duty to protect the rights and privileges of the Senate. In addition, we have a higher duty—namely, to do all we can to enable the people of the Nation to understand the important issues which arise here. We did not ask that the Senate remain in session tonight until 10 p.m.; nevertheless, I believe this activity is helping to enable the people of the Nation to understand this great issue.

Mr. SYMINGTON. Let me ask the Senator from Texas another question. Thirty-two Senators have examined, and thirty have approved this bill; and in the House of Representatives, 354 Members of the House examined the bill, then voted for it; only 9 Members of the House voted against it. Under these circumstances, does the Senator from Texas think this filibuster in the Senate at this time improves the standing of the Senate in the eyes of the people of the Nation?

Mr. YARBOROUGH. I certainly think extended debate here on this issue is proper and due, in view of all that is involved.

Mr. SYMINGTON. I thank the Senator from Texas.

Mr. YARBOROUGH. I think every Senator has the duty to exercise his rights and privileges under the rules of the Senate. Certainly every Senator has the duty to express to the best of his ability what is in his mind and his conscience.

I have been a Member of the Senate for only a little more than 5 years. Until this question arose, I had never spoken in the Senate for more than 30 minutes at any time; and I did not anticipate that during my service in the Senate—whether short or long—such an issue would ever develop in this body.

I listened to the testimony taken in the committee, and I read many reports which the committee did not have time to consider. Under all the circumstances, I think it creditable for those of us who oppose the bill to oppose it with all the resources we have and at every opportunity we have. Any criticism to the effect that it is wrong to utilize the rules of the Senate certainly is not proper or valid, for clearly it is the duty of Senators to fight for what they know in their hearts and minds is right for this Republic of ours.

Mr. KEFAUVER. Mr. President, will the distinguished Senator from Texas yield to me?

Mr. YARBOROUGH. I yield.

Mr. KEFAUVER. The Senator from Texas is a great student of history. Does he not know, as I do, that on many occasions, after a bill has been passed almost unanimously in the House of Representatives, and then is considered in the Senate, there has been a complete reversal of attitude on the bill?

Mr. YARBOROUGH. Yes; that has been true many times.

Mr. KEFAUVER. Similarly, after a bill has been passed by the Senate, and after there has been great public sentiment in favor of the bill, aided by great pressure groups, such as have manifested themselves in this instance, wielding pressure not only in Washington, but also at home, there has been consideration of the issue in the House of Representatives, and public sentiment has changed?

Mr. YARBOROUGH. Yes; that has occurred many times.

Mr. KEFAUVER. Let me also ask the Senator from Texas whether he knows it to be true that at a time when every Member of the Senate except one voted one way on an issue, only 3 days later, after its true meaning and significance became apparent, the Senate voted exactly the other way. I know that that occurred in connection with a security bill on which I spoke; I participated in the debate on it.

Mr. YARBOROUGH. Yes; I recall that that occurred in the years following World War II.

Mr. KEFAUVER. Mr. President, will the Senator from Texas yield for another question?

Mr. YARBOROUGH. I yield.

Mr. KEFAUVER. As I understand the situation, the distinguished acting majority leader [Mr. HUMPHREY] asked the Senator from Texas to agree not to insist on the attendance of a live quorum, after a quorum call was had, although I thought that at that time there was to have been a live quorum present. Possibly it would have been impossible to obtain a live quorum at that time, in view of the fact that it was then after 7 p.m.; and in that case the Senate would have had to take a recess or adjourn until tomorrow. But the good Senator from Texas, being kindly and having been told that to have a live quorum present at that time would work an inconvenience on Senators, agreed not to insist that there be a live quorum present, and agreed, instead, to speak for a while.

Under these circumstances, does not it seem to the Senator from Texas that there is a lack of reciprocity, in connection with the matter of convenience, when the leadership asks the Senator from Texas not to insist on having a live quorum present, because that would be an inconvenience to certain Senators, for no doubt in that case it would be necessary to have the Sergeant at Arms take Senators in charge and bring them to the Senate, to answer the quorum call; yet the Senator from Texas is now speaking—and no doubt at considerable inconvenience to himself, for no doubt he would like to be somewhere else at this hour. Nevertheless, he is speaking at this hour of the evening, after 8 p.m., although only a few Members of the Senate are in attendance, and only three members of the press corps are in the press gallery. No doubt they are very able members of the press, but they are scarcely enough to carry to the Nation the Senator's important message.

Under these circumstances, does not the Senator from Texas think there is a lack of reciprocity, when there has been insistence that he proceed now with his remarks, instead of having the Senate take a recess until a later time, and preserving until that time the right of the Senator from Texas to the floor?

Mr. YARBOROUGH. Mr. President, I think the answer to the Senator's question is apparent, except, insofar as the press is concerned, I point out that I think three members of the press are a host; I think they are enough to report whatever noteworthy event may take place, and I think those three members of the press corps can carry this message to the American people.

Mr. KEFAUVER. Mr. President, if the Senator from Texas will yield for another question, I agree that the members of the press corps now in the Press Gallery will carry the message to the American people. I hope the newspapers will print it, and I hope the A.T. & T. cables across the Nation will carry the message to the Nation's television and radio stations—a message which we have not been able to get across.

But would not the Senator from Texas like to have an opportunity to make his speech before a larger group of Senators and with more members of the press gallery present to hear his remarks? I believe he would, for I have previously talked to him about the contents of his speech.

Mr. YARBOROUGH. Mr. President, in answer to the question of the Senator from Tennessee, that would be very pleasant; but I would not wish to do that if the distinguished senior Senator from Tennessee were denied an opportunity to speak when more Senators were present and when there was a larger audience in the Senate Galleries.

During the debate on this subject, there will be times when there will be in attendance fewer Senators than those now present and fewer members of the press corps and fewer citizens from all over the country. But when I consider the distinguished record of the courageous Senator from Tennessee [Mr. KEFAUVER]—elected to five terms in the House of Representatives, elected to three terms in the U.S. Senate, the distinguished nominee of his party to be Vice President of the United States, the author of an outstanding book entitled "Crime In America," and the coauthor of a distinguished book entitled "20th Century Congress"—I would desire to have present a larger number of Senators when the distinguished Senator from Tennessee speaks, and also to have present at that time more members of the press corps and more members of the public in the Senate galleries.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I have not quite finished answering the question of the Senator from Tennessee. I would want a wider audience when the distinguished Senator from Oregon speaks. He has a number of LL.D.'s after his name, in addition to the one he earned as a scholar, and has had two deanships of law schools. He was a former member of the War Labor Board, a member of the U.S. delegation to the United Nations, and he has received other honors.

Recently a writer in America said the difficulty with the Senate was that America did not reach out and draw in her ablest men. In Rome they called back her tribunes from overseas, many of the ablest generals and administrators to keep the Roman Senate strong.

I believe that the Senators from Tennessee and Oregon, who are leading the fight, are two of the ablest leaders the Senate has ever seen. The Senator from Illinois [Mr. DOUGLAS], who is participating, but left a few minutes ago, is another great and distinguished Senator, worthy of comparison with any Senator of the past. He is an author of textbooks, and one of the noted economists of this country. If he were present in the chamber he might object to some of the things I am about to say. We know of his record. He enlisted as a private in the Marine Corps when he was 50 years of age. Twice was left for dead on the battlefield. He had been offered a commission. He said, "No; treat my men first." He suffers today because he refused medical treatment offered by the corpsmen.

In spite of the innuendoes being made against Senators who are making this fight against the monstrous giveaway, I am proud of them. I think of what King Henry said the night before St. Crispin's Day—

> Those who fight with me tomorrow will be my brothers. They are my brothers now.

This little band will be heard by the American people because we are right.

I would not want most of the Senators present when I speak if the result were to deny them the opportunity of hearing the senior Senator from Oregon, the senior Senator from Tennessee, the junior Senator from Tennessee, the Senator from Illinois, and other leaders who have served many years in the Congress. With all their years of service, with their years of seniority, it would be presumptuous of me to want to speak when more Senators were present, or when more members of the press were present, or when the galleries were filled. I prefer to speak at whatever hours are available to me, if it will give Senators with the greatest knowledge of the subject an opportunity to speak when the audience is large.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. YARBOROUGH. I yield for a question.

Mr. KEFAUVER. While I appreciate the kind words of the Senator in regard to me, which are not deserved, I know that the other Senators to whom he has referred are grateful. I am aware of the fact, however, that the Senator from Texas, with his wide experience in the field of law and politics, has always fought for principles, and that he has always dug deeply to get the facts. I happen to know that on this issue he has not only listened to the witnesses and read questions, but has read and examined a great many documents and talked with many people about the giveaway which is being suggested in the bill, which would do the United States and space communications great harm.

No man in the U.S. Senate has more conscientiously tried to seek information upon which to base his judgment. For that reason, I think the Senator deserves to have more Senators present and a larger audience for his important speech, and that he should not be subjected to this inconvenience.

Has not the Senator spent a large part of the last 4 months in digging into the background of facts in connection with this entire problem and based his judgment upon what he thinks is best for the people of this country and of the world?

Mr. YARBOROUGH. In reply to the question of the distinguished Senator from Tennessee, I did not lightly arrive at the decision to do everything I could to try to bring to the American people knowldge of what is involved, knowledge of what they are losing for this generation and the future, if this private monopoly bill is passed, knowledge of the fact that if the bill were passed as it was reported from the committee, it would be the first governmentally created complete private monopoly in the history of the American people. It would be a throwback to the Middle Ages. In the Middle Ages there were governmental monopolies. In England one company had the right to mold tallow candles. The East India Co. was given the American monopoly. Because England granted such powers to a private company, far more than for any other reason, she lost her colonies. Holland granted the East India Co. the power to send missionaries to Christianize the people of Ceylon. Private companies and cartels were typical of the Middle Ages. The free enterprise system grew up as a revolt against the private governmental monopoly system. This bill goes against the private enterprise system. It goes back to the system of governmentally created private monopoly, against which the free enterprise system was a revolutionary move.

A substitute has been proposed here. I want to talk about it a little, because, somehow, we hear very little about an amendment in the nature of a substitute offered by the Senator from Tennessee [Mr. KEFAUVER] and other Senators to protect the interests of the American people. That bill would create a public authority to maintain free enterprise, to maintain competition. It is not proposed under this public authority bill that the Government of the United States get into the telephone or telegraph business, or the television or radio business, but that it sell the right to use space, just as the Government sells rights to ships to use the Panama Canal. The Panama Canal Company is a Government-owned company. It took in $60 million in tolls last year. It made $5 million. It is said that we cannot have a Government company because the Government does not know how to run a business. It assumes that 180 million people are more incompetent than a few people in one private company. This private monopoly bill goes against our institutions.

So I say to the distinguished Senator from Tennessee that I think this is one of the great issues of our times before the American people, when they are called upon to roll back the curtain to the Middle Ages, and create a governmentally granted private monopoly, so that every company who utilizes space satellites for communications will have to pay a tribute to that governmentally created private monopoly. It is a rollback to hundreds of years ago. It is retrogression, not progression.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. YARBOROUGH. I yield for a question.

Mr. MORSE. Has the Senator heard the argument and point made tonight that a large majority of the House voted for the bill?

Mr. YARBOROUGH. Yes; I heard that argument.

Mr. MORSE. Will the Senator yield for another question?

Mr. YARBOROUGH. I yield for a question.

Mr. MORSE. Has the Senator heard the argument and observation made tonight that a large majority of the committee voted for the bill?

Mr. YARBOROUGH. I heard that argument.

Mr. MORSE. Will the Senator yield for another question?

Mr. YARBOROUGH. I yield for a question.

Mr. HRUSKA. Mr. President, may the Senator from Nebraska suggest, since the Senator from Oregon is facing the Senator from Texas, that perhaps the Senators are audible to each other but unfortunately I cannot quite hear them. Will the Senators speak up a little, so that we may be favored with the benefit of their wisdom?

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. YARBOROUGH. I should like to invite the Senator from Nebraska to come over and join us—in spirit, at least.

Mr. HRUSKA. Unfortunately, the Senator from Nebraska is occupying the seat on this side as the acting minority leader. I understand the protocol of this Chamber calls for me to occupy this chair. I have an idea that we are entitled to hear what the two Senators are saying in their colloquy.

Mr. YARBOROUGH. I personally regret that. I feared that I was talking much too loud even for those in the galleries, much less for those on the floor. I shall attempt to speak in a tone which will be more audible.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. YARBOROUGH. I yield for a question by the distinguished Senator from Oregon.

Mr. MORSE. Is the Senator from Texas aware of the fact that there is no rule of the Senate which requires any Senator to speak loud enough so that other Senators can hear him from the opposite side of the Chamber?

Mr. YARBOROUGH. Yes, I am aware of that fact, but I have wished there was such a rule for majority leaders, at times, in past years.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield for a question to the distinguished Senator from Oregon.

Mr. MORSE. Has the Senator heard tonight the observation and the argument that various departments of Government are in favor of the bill?

Mr. YARBOROUGH. I have heard that observation, and I have noted that none of those representatives were elected by the people.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. YARBOROUGH. I yield for a question by the distinguished Senator from Oregon.

Mr. MORSE. Has the Senator from Texas heard the argument, put in the form of a conclusion, that because the House and the committee and the various departments of the administration are in favor of the bill there is no question that the Senate ought to pass it?

Mr. YARBOROUGH. I have heard that. I say to the distinguished Senator from Oregon, in all candor, that I was shocked that a Senator of the United States should suggest that we ought to surrender and vote for a bill because the House passed it or because some governmental departments told us to do so.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield for a question by the distinguished Senator from Oregon.

Mr. MORSE. Does the Senator from Texas agree with the Senator from Oregon that during the regime of Hitler in Germany apparently a large majority of the German people supported his program?

Mr. YARBOROUGH. I am aware of that fact. I am further aware of the fact that while Hitler was in power, Winston Churchill stood on the floor of the House of Commons and said, "He is a dangerous man and we must oppose him." The British Government said, "We must do business with him." The Members of the House of Commons took action against Winston Churchill. They would not speak to him. Time after time he made motions, and no other single Member of the British House of Commons would vote with him. He was voting his one vote alone, saying, "Stop Hitler," before Britain got into the war.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I am aware of those facts.

I yield for a question.

Mr. MORSE. Does the Senator from Texas share the view of the Senator from Oregon that already a majority of the population of West Germany regret the record which the majority made in the time of Hitler?

Mr. YARBOROUGH. Oh, yes. This is an opinion. I cannot say that I know what a majority of the people of any country think at a given time. This is an opinion. I agree with the distinguished Senator from Oregon. I think he has correctly interpreted the opinion of most people of West Germany.

I base that opinion upon my experience when I was in Germany for a year, during 1921 and 1922. I worked my way to Europe on a cattle boat and stayed in Germany for nearly a year, where I went to school.

I believe that the overwhelming majority of the people of Germany thoroughly regret what happened under Hitler. They are ashamed of it in a way. As Burke said, one cannot indict a whole people. To those people it is a sad chapter in their history, as they look back upon it, I think.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield to the distinguished Senator from Oregon for another question.

Mr. MORSE. Does the Senator recall, as a college student, when he went through the history and political science courses, that he frequently ran into the printing of the truism that sometimes majorities can be tyrannical?

Mr. YARBOROUGH. The history books are replete with examples, even in the history of America. The law books are, also, in the law cases.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield for a question by the distinguished Senator from Oregon.

Mr. MORSE. Does the Senator recall, in his reading of the treatises on history and science, that frequently authors discuss the obligations and trust duties of those who sometimes belong to a minority to stand up against a majority and to do what they can to apprise the people of the republic of the mistakes of the majority?

Mr. YARBOROUGH. The history books, philosophy courses, the wisdom of our race—the wisdom of the human race—all teach that obligation to those in positions of responsibility.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield to the distinguished Senator from Oregon for another question.

Mr. MORSE. Does the Senator from Texas agree with the Senator from Oregon that among the reasons and purposes for the adoption in the first place of some of the rules of the Senate was the conception that some of the rules are necessary to enable a minority to check what it considers to be a mistaken majority?

Mr. YARBOROUGH. The distinguished Senator from Oregon has correctly stated the purpose of some of the rules. The original authors of the rules had that conception. Many of the rules are in virtually the same shape in which Thomas Jefferson wrote them. I think he had that purpose in mind.

If the Senator will bear with me for a personal reference, one of my own prized possessions is a little first edition of Thomas Jefferson's rules of the Senate. There are not many copies of it still in existence now.

I think that was one of the purposes Thomas Jefferson had in mind. He waited until he had served out his term as Vice President. He did not publish the rules before then. He studied the Senate as an institution for the 4 years when he served as Vice President. He published those rules and conclusions after his service.

Mr. MORSE. I thank the Senator from Texas.

Mr. YARBOROUGH. I thank the distinguished Senator from Oregon for the learning he has brought to this discussion, for the precise questions he has asked, for his pinpointing of the very meat and marrow of the purpose of this whole debate, as well as the groundwork—the historical, ethical, and moral basis for it. He has gone back deep into the history of our Nation and of our people in pointing up those grounds.

RICE UNIVERSITY HAS A LEASE ON YANKEE STADIUM

Mr. President, on another subject but in connection with the debate at this point, I wish to say that recently the distinguished Rice University in Houston, Tex., became the recipient of a gift from an outstanding alumnus, John William Cox, which may come to about $100,000 a year for several years. It is estimated that the total gift may amount to $3 million.

The gift, which the Houston Chronicle aptly describes as an unconventional one, is described in an editorial of July 22, 1962.

I think it worthy of note that that great Texas institution of higher learning is a landlord for the site of one of America's favored sports and one of the greatest set of actors in that sport. It is a unique spot for an institution of higher learning to have an enterprise of sport paying its tribute each year.

I ask unanimous consent that the editorial to which I have referred, captioned "Magnificent Gift to Rice University," published in the Houston Chronicle on Sunday, July 22, 1962, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

MAGNIFICENT GIFT TO RICE UNIVERSITY

Rice University will be the richer by something like $100,000 a year for many years to come as result of the gift of an alumnus most Houstonians perhaps never heard of before last Thursday, John William Cox.

The university will put the money to good use, of course. It will go to help double the graduate school from 400 to 800 students and to increase the undergraduate student body of 1,500 by 15 percent, plans already made at Rice. It also will help pay for professors' salaries and in general strengthen the curriculum.

A better use for a wealthy man's money scarcely can be imagined.

Aside from that fact, two unusual aspects of this splendid bit of philanthropy stand out.

The form in which the gift was made is a highly unconventional one—it is the lease on Yankee Stadium in New York. Rice University now becomes the landlord for one of baseball's most famous teams and the one which is leading the American League at this time. The lease has some 16 years to run, after which the Yankees have three 15-year options to keep the stadium as their home field.

The other unusual angle is that Cox had visited his alma mater only once since graduating in 1927. That was several months ago when he told the board of trustees what he had in mind.

In fact, Cox has lived in the North ever since obtaining his degree from Rice. A resident of Chicago, he has headed several large corporations but has retired from active business.

"The educational opportunity I got there (at Rice) opened the world for me and I'll always be grateful," the native of Stephenville, Tex., told the Chronicle. "Realizing as I do that the future of our Nation and indeed of mankind depends upon the continued, healthy growth of the educational processes and the institutions devoted to their advancement, I decided to commit a part of my resources to this cause."

He indicated that if inheritance tax laws were changed he might do even better by Rice in his will. This is a complicated matter since each State wants to restrict its residents' charity to its own territory. It is a matter, however, which our lawmakers might well explore. Legal action which will result in increasing philanthropy of this sort is most desirable.

The Cox gift may amount ultimately to $3 million or more. It is a magnificent expression of appreciation to the institution which helped a boy in modest circumstances obtain an education.

Mr. YARBOROUGH. Mr. President, on the 22d of July 1962, the Houston Chronicle published articles by two distinguished educators on the problem facing colleges and universities in their efforts to obtain support for them and their other problems with the large and growing number of students. One of the articles was written by Dr. Harry H. Ransom, chancellor of the University of Texas. He called it "A Texas Elephant." Dr. Eugene Burdick of the University of California called the problem of higher education "a California elephant." These two eloquent spokesmen of the universities have written ably in an article printed in a publication called the Outlook. I ask unanimous consent that it be printed at this point in the Record.

Mr. KERR. Mr. President, reserving the right to object, will the Senator yield for a question?

Mr. YARBOROUGH. I yield for a question.

Mr. KERR. I have listened to the Senator's description of the material he has asked to have printed in the Record, assuming, of course, that it was in some way related to the debate now before the Senate. The distinguished Senator is aware of the fact that all of the matters that go into the Record cost money. I notice the headline of the article to which he has referred is "Higher Education, the Two Elephants of Texas and California." I ask the distinguished Senator if there is any relationship between the article and the debate now before the Senate?

Mr. YARBOROUGH. Yes. I have stated over and over, and my answer to the distinguished Senator from California, is that the problem——

Mr. KERR. Mr. President, a point of personal privilege.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. The Senator addressing the distinguished Senator from Texas is not from California.

Mr. YARBOROUGH. The Senator from Texas begs the pardon of the distinguished Senator from Oklahoma, representing our neighbors north of the Red River. His objection was well taken. With the history of our peoples on the two sides of the Red River, I am embarrassed that the reference was to California rather than to the great and distinguished State that the Senator represents with its colorful history and dynamic present.

Oklahoma has even been successful in getting deep water over the high plains to Tulsa through the activities of the able and distinguished Senator from Oklahoma.

I say that the problem of education is tied into the problem now before the Senate. Education of the American people is what is at stake.

Mr. KERR. Mr. President, reserving the right to object, in view of the fact that the article to which the Senator referred is more than half of a full page of a newspaper and a page of comment if the Senator wishes it printed in the Record, and if the suggestion is in order, I suggest he read the article.

Mr. YARBOROUGH. All the Senator has to do is to object.

Mr. KERR. I understand that is all I have to do. I wondered, if the Senator wanted the article in the Record, if he would not read it so that it might be put into the Record appropriately.

Mr. YARBOROUGH. If the Senator desires that I read the article, I shall do so. It is a fine message, dealing with a problem. I am a member of the conference committee on the conference between the House and the Senate on the higher education bill. We know that the question of the satellite and space exploration is closely tied into the question of education. Rice University at Houston will be greatly benefited by that great space laboratory there.

Educators tell me that the exploration of space will consume the energies of more scientists than anything else in America. It will siphon off scientists by the thousands who might have engaged in research in other subjects.

The distinguished Senator from Oklahoma, as chairman of the Committee on Aeronautical and Space Sciences, is well acquainted with that great fact of America's development.

Mr. KERR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas withdraw his unanimous-consent request?

Mr. YARBOROUGH. Is there objection?

The PRESIDING OFFICER. There was no objection. A reservation of a right to object was made.

Mr. YARBOROUGH. No, I do not withdraw the request unless there be objection. I can hold the request for another day.

Mr. KERR. Mr. President, reserving the right to object, I should like to ask the Senator a question. Does the Senator say that the material in the article is related to the debate now going on in the Senate?

Mr. YARBOROUGH. The article is germane. As the distinguished Senator from Oklahoma knows, we are not debating the bill. We are debating the question whether the Senate should proceed to the consideration of the bill. I am preparing to lead into that subject in a few minutes.

There are more urgent subjects before the Senate which ought to be decided at the present session. Education is one. I have a speech on the subject of what we ought to be doing with respect to education right now, instead of taking our time on the bill related to the space satellite, which reached the calendar on June 11, when we have been fighting for education for years.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. YARBOROUGH. I yield.

Mr. KERR. If the Senator thinks there are important matters about which the Senate should be concerning itself, and with respect to which it should bring about action, would it not be appropriate for him to cooperate by letting the Senate dispose of the bill now before it so it may proceed to other questions which the Senator feels would be beneficial?

Mr. YARBOROUGH. I point out to the distinguished Senator from Oklahome that since last August there has been on the calendar a measure that would educate 5 million young Americans. It is Senate bill 349. It was reported from the committee on the 10th of August 1961. It was unanimously approved by the Democratic policy committee in February of the present year. For months it has languished. For months we have begged to have that bill brought up. Five million young Americans are being denied an opportunity for education. By whom? By the Government of the United States. The Government of the United States took those young men out of their homes and personal lives and forced them into the armed services. Each of them was put 2 years behind his contemporaries.

Those veterans were left, as were the veterans of World War I, without an opportunity for education or gainful employment. In World War II and in the Korean conflict we learned better. We learned to educate those who had been pulled out of civilian life to defend and protect the possessions of all of us. Despite the lessons of World War I, when we discovered how disadvantageous it was to a group to pull them out of civilian life and put them behind their contemporaries, and despite the wisdom in the handling of veterans of World War II and the Korean conflict, we have reverted to the situation that existed after World War I, and we are doing little about it.

That is a subject I shall discuss in relation to the question whether it is wise to consider the satellite bill. I think we should take up the bill that has been on the calendar since last August, which would help 5 million young Americans.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. YARBOROUGH. I yield.

Mr. KERR. Was the bill to which the Senator referred similar to the one the Senator sponsored 2 or 3 years ago?

Mr. YARBOROUGH. It is very similar. It is almost identical. In 1955 it was passed by the Senate with a vote of 57 to 31 with the very able help of the distinguished Senator from Oklahoma.

Mr. KERR. Does the Senator remember who it was that helped him pass that bill?

Mr. YARBOROUGH. I said that the bill was passed with the able help of the distinguished Senator from Oklahoma. At that time he made one of the ablest speeches he has ever made in the 5 years I have been in the Senate, on behalf of that GI bill.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. YARBOROUGH. I yield.

Mr. KERR. Would not the Senator like to make it possible for the Senator from Oklahoma to help him someday pass the bill to which he has referred?

Mr. YARBOROUGH. I certainly would. I have been pleading for action for months.

Mr. KERR. Does the Senator think he will expedite the action of the Senator from Oklahoma in helping him to pass the bill if he spends the next 2 or 3 weeks filibustering the present bill?

Mr. YARBOROUGH. I say that it would be a great tragedy if 5 million young Americans were not educated. It would be an even greater tragedy if we give away space for all time and for all generations.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. YARBOROUGH. I yield to the distinguished Senator from Tennessee for a question.

Mr. KEFAUVER. My question has to do with what the distinguished Senator from Oklahoma has been talking about. Is it not true that time and again we have urged the leadership to bring up the important and "must" legislation that must be passed before bringing up this highly controversial subject in relation to the space communication satellite?

Mr. YARBOROUGH. Yes.

Mr. KEFAUVER. Is it not true, when the space communications satellite matter was first brought up for consideration, those of us who are opposed to the bill agreed that we would not resist a motion to set it aside in order to bring up "must" legislation which had to be passed by June 30; therefore, in the light of that fact, is it not true that any impediment or failure to pass "must" legislation which has been referred to, such as the tax bill or the agricultural bill or even the bill to extend appropriations for another month, is not to be blamed on us? Was it not pointed out to the leadership and urged on them that these measures be brought up for consideration before this debate was forced on us?

Mr. YARBOROUGH. The Senator from Tennessee is quite correct. We have not pressed this matter at all. We are not obstructionists. This proposal has been pressed in spite of our wishes. We are not responsible for its being pressed. We have agreed to displace it. We have accommodated the leadership, and we have yielded advantageous positions by agreeing to have the bill displaced, in order to bring up legislation which is urgent.

Mr. KEFAUVER. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield.

Mr. KEFAUVER. Is it not true that any responsibility for failure to pass any so-called must legislation rests at the door of others, not at our door, because we have done everything possible in trying to obtain consideration of the other legislation first?

Mr. YARBOROUGH. The Senator from Tennessee is quite correct. I believe that is generally known in the Senate.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas?

Mr. KERR. Reserving the right to object, in view of the fact that the distinguished Senator from Texas and the distinguished Senator from Tennessee have discussed the question of how important it is for the Senate to get on with its business and to take care of legislation in which the Senator from Texas has an interest, and in view of the fact that the Senator from Oklahoma, in looking over the article, could not find anything in it with reference to the subject now before the Senate, or with reference to the educational bill to which the Senator from Texas has referred, and in view of the further fact that it seems to the Senator from Oklahoma that this would merely clutter up the RECORD at the taxpayers' expense, I am forced to object. If the Senator wants it in the RECORD, he will have to read it into the RECORD.

The PRESIDING OFFICER. Objection is heard.

Mr. YARBOROUGH. I will read it later.

Mr. KERR. Has the Senator from Texas concluded? If so, I ask for recognition.

The PRESIDING OFFICER. Has the Senator from Texas yielded the floor?

Mr. YARBOROUGH. I did not hear the Chair's interrogatory.

The PRESIDING OFFICER. The Senator from Oklahoma is asking for recognition, if the Senator from Texas has completed his statement.

Mr. YARBOROUGH. Oh, no; I have not yielded. There were requests by my colleagues that I proceed to give my speech. I was trying to arrange these 175 pages in order.

Mr. KERR. I raise a point of order that the Senator is entitled to make his speech of 175 pages, but I do not believe he is entitled to spend his time arranging it. I renew my request for recognition.

The **PRESIDING OFFICER.** The Senator from Texas will proceed.

Mr. YARBOROUGH. Oh, no; I have the floor, I believe the speed with which I turn the pages will be determined by me rather than by the distinguished senior Senator from Oklahoma. Besides, I have a communication before me which is very appropriate at this time. It was handed to me voluntarily, and was not solicited by me. It comes to me without any knowledge that it would be presented to me. It has been presented to me by the Marine Corps League of the Department of Maryland. It is appropriate in connection with my objection to taking up the space satellite bill at this time. I am pointing out to the leadership that the bill to which I referred has been on the calendar much longer that the satellite bill, and is entitled to priority. The GI bill was passed in 1957 by a vote of 57 to 31. The satellite bill was first placed on the calendar in June. Yet we are told that we are obstructionists if we do not surrender because the House has passed it. It is interesting to note that there were a hundred Members of the House who did not choose to vote on that measure. I read this communication from the Department of Maryland Marine Corps League:

> DEPARTMENT OF MARYLAND,
> MARINE CORPS LEAGUE.
>
> *To Members of Congress, Greetings:*
>
> I, Willard G. Mouser, public relations officer, Department of Maryland Marine Corps League, hereby certify that the following is a true and perfect copy of the Department of Maryland Marine Corps League 1962 Convention Resolution 1, introduced by me and passed by the the department delegates unanimously on June 3, 1962.
>
> WILLARD G. MOUSER,
> *Public Relations Officer.*
>
> Witness:
>
> HARVEY BRAKE,
> *Judge Advocate.*
>
> "Whereas benefits under Public Law 346 of the 78th Congress and Public Law 550 of the 82d Congress are no longer provided to servicemen who entered the service after January 31, 1955, even though this Nation has been forced to continue its system of compulsory military service; and
>
> "Whereas this results in the loss of educational and economic opportunities to young men who are being called upon to serve in a manner not unlike the call up of young men during this country's two most recent struggles with those who seek to detroy her, the Korean conflict and the Berlin and Vietnam crises; and
>
> "Whereas this loss is compounded by the ever-increasing competitive nature of our Nation's economy, and by the fact that not all of their contemporaries are called upon to serve and thereby gain an advantage in time, in opportunity, and in experience which is contrary to the very principle upon which this Republic was founded, 'Equality of opportunity'; and
>
> "Whereas increasing the educational level, the professional and technical skill of our Nation's citizens has been proven, by Public Laws 346 and 550—

Those are the GI bills of World War II and the Korean conflict—

> "to be best effected by granting financial assistance to veterans who have, in the course of their educational and occupational pursuits, set the highest standards possible; and
>
> "Whereas this has increased their earning power and as a direct result increased tax revenues which make this investment in America's future self-liquidating: Now, therefore, be it
>
> "*Resolved,* That the delegates assembled do hereby give in the name of their detachments, subordinate to the Department of Maryland Marine Corps League, their unanimous support for the Veterans Readjustment Act, Senate bill 349.
>
> "*Resolved,* That the President and Congress are respectfully requested by the Department of Maryland Marine Corps League to extend educational and training benefits to all persons who have served this Nation with honor and to all persons who shall so serve so long as these conditions set forth in this document persist and their Nation have need of them.
>
> "*Resolved,* That the public relations officer and judge advocate, Department of Maryland Marine Corps League, be hereby directed to transmit copies of this resolution to the National Staff Marine Corps League for consideration at the 1962 national convention, to the President of the United States, the Veterans' Affairs Committee of both Houses of Congress and to the Representatives and Senators from the State of Maryland."
>
> Adopted by the 1962 Department of Maryland Marine Corps League June 3, 1962.
>
> CHARLES C. HARRIS,
> *Commandant.*
> JOHN N. ROCKS,
> *Senior Vice Commandant.*
> BERNARD N. MEYER,
> *Junior Vice Commandant.*
> CHARLES G. MINTLING,
> *Adjutant and Paymaster.*
> HARVEY H. BRAKE,
> *Judge Advocate.*
> WILLARD G. MOUSER,
> *Public Relations Officer.*
> AL WEAVER,
> *Past Commandant.*

Mr. President, that is a properly authenticated resolution, representing the wishes of the Marine Corps League of the State of Maryland.

The urgent nature of Senate bill 349 is recognized in new, additional areas of the American public. The reasons set forth are so incontestably right that it seems extraordinary to me to have this sudden pressure for passage of a monopoly bill, a bill for one private corporation, as against the best interests of 5 million young Americans who have given an average of more than 2 years of the best years of their lives to make us secure in this Chamber and to secure others across our great land who are enjoying ease without having to go out and make a sacrifice to forward our great Nation.

Mr. KERR. Mr. President——

The **PRESIDING OFFICER.** Does the Senator from Texas yield?

Mr. KERR. I did not ask that the Senator from Texas yield; I asked to be recognized. I did not know the Senator from Texas had the floor to carry on a private conversation. I thought he had the floor to make a speech.

Mr. YARBOROUGH. Mr. President, I have the floor. I have not yielded the floor. I have much material to cover. I would be happy to yield to the Senator from Oklahoma, but I want to make progress in presenting the additional material because I think the people should have the benefit of it.

Some remarks have been made about not many Senators being present; but I assure the Senate that the CONGRESSIONAL RECORD, which is printed every night and comes to our doorsteps in the morning, is widely read in America. It goes to many libraries. I receive letters from people I never saw or heard of in my life who read the CONGRESSIONAL RECORD. So what we say will be noised abroad in the land.

We are asked to consider a bill which was reported by the Committee on Aeronautical and Space Sciences on April 2, 1962, and which was then refered to the Committee on Commerce and was reported by that committee. It reached the calendar on June 11, 1962, so it is a bill recently reported. I wish to give the chronology of another measure, S. 349, the cold war GI bill, because it is a people's measure. It has been sidetracked for the communications satellite bill.

S. 349 was introduced on January 11, 1961, shortly after the 87th Congress convened. There are 37 cosponsors of that bill, more than a third of the total membership of the Senate, and they are from both sides of the aisle. Six days of public hearings were held on the bill between February 28 and June 2, 1961, and numerous documents were prepared and placed in the RECORD in addition to the oral testimony given during the public hearings.

The Committee on Labor and Public Welfare favorably reported the measure to the Senate on August 10, 1961. The bill remained on the Senate Calendar until the adjournment of the 1st session of the 87th Congress in September 1961.

Early in this session of Congress, the GI cold war bill was cleared for Senate consideration by the Democratic policy committee. On January 17, 1962, the majority leader announced that the cold war GI bill, S. 349, would be considered in the near future, along with other measures. That was a public announcement on the floor of the Senate. On the 17th day of January of this year the majority leader announced that the cold war GI bill, S. 349, would be considered "in the near future." The near future to January 17, 1962, has come and gone by almost any conceivable standard, certainly by any definition of the term that I have ever heard. But the cold war bill is still on the Senate Calendar. In brief, this people's measure has been sidetracked for almost a year. But the Monopoly Express has continued to roll unhindered, practically unchecked. Among the bills passed early in this session was Du Pont-General Motors tax bill, which was the first business of this session.

The "treatment" of the cold-war bill to date is highly inconsistent with the pledges made in the Democratic platform, adopted in Los Angeles in 1960, and backed up by the further pledges of Democratic spokesmen and officeholders in the 1960 elections. The Democratic platform states:

> We shall continue the veterans home loan guarantee and direct loan programs

educational benefits patterned after the GI bill of rights.

That was a direct pledge in the Democratic platform, on which we took our case to the country in the fall of 1960.

Thirty-seven Senators have honored this pledge by sponsoring the cold-war GI bill. But the promise will not be kept until the GI bill becomes law. This is a pledge that we as a party made to the people of America. I think it is incumbent upon us as a party, and now the party in power, to live up to our pledged word.

Mr. President, because the cold-war GI bill has been on the calendar since last August, since it is sponsored by so many Senators on both sides of the aisle, and since it has had such widespread endorsement, if the Senate had been proceeding systematically the cold-war GI bill would have been considered long ago.

I remind the Senate that I am asking for the consideration of a measure that has passed this body once before, and passed by an overwhelming majority. The purpose of the present cold-war GI bill, its provisions, and the urgent need of it are well known to Members of the Senate, because it was thoroughly debated before.

In contrast, the communications satellite bill is a new, highly complex measure whose far-reaching implications can hardly be discerned at this time. Even scientists say that they can hardly comprehend all the uses to which the satellite will be placed in the outer space communications field as time goes on.

We have talked about the telephone, telegraph, radio, and television. We have not mentioned weather communications. We have not mentioned the navigation of ships at sea or the navigation of planes in the air. Scientists tell us that the time is near at hand when practically all the ships at sea will be navigated through television satellites, and planes in the air will be navigated through television satellites, rather than getting their information from ground stations. Therefore, I think, when we consider dealing with the far-reaching implications of the communications satellite bill and the well-known nature of the GI cold-war bill, there would be a much better investment of the Senate's time by taking up the bill which was passed by the Senate in the 86th Congress, on July 21, 1959, by a vote of 57 to 31; a bill which in this Congress has 37 cosponsors and even wider support among the people than it has ever had before.

This GI bill has an ever-increasing breadth of support, as shown by the letter to which I have referred, representing the unanimous opinion of the Marine Corps League of the Department of Maryland, expressed last month. The GI cold war bill is a bill that we could take to the polls this November. It would deliver to the people the pledges which we have made. It would not give the wealth of the Nation to a private monopoly. The GI cold-war bill would do the reverse: In giving the veterans an opportunity to educate themselves, it will give great wealth to the Nation for the future.

The enactment of the cold-war GI bill is demanded as an act of long-overdue justice. Every day of inaction constitutes another act of injustice—the greatest injustice, in my judgment, that this Nation or perhaps any other nation has ever perpetrated upon its young people in time of peace.

I observe that it is called "peace" by those who oppose the bill, but it is called "cold war" by those who propose appropriations for munitions.

How can there by any other interpretation when the wealthiest nation in the world calls upon a narrow 45 percent of its draft age male youth to perform military service for all? This mere 45 percent is not asked but is required, directly or indirectly by the compulsory draft law, to protect the entire populace, to protect our total wealth, and to protect all other nations striving to keep their freedom. Around the whole perimeter of the free world, that little 45 percent of American youth are defending our Nation and all the other nations of the free world, and are asked to do that at the sacrifice of their opportunities for education.

Mr. President, many persons in our country do not have an opportunity to obtain an education—some, because of the circumstances of their birth, some because they do not learn as rapidly as as do others, some because of weak physiques and because their health will not withstand the rigors incident to attending schools or colleges, some because their father's income is not sufficient to enable them to attend college.

But these young men who, because of their service in the Armed Forces, are unable to attend college, have that education denied them because of this positive act of our Government. That is why I say this is the greatest injustice ever done to a group of its youth by any country in the free world that I know of.

Today's young serviceman, though his average length of service is actually longer than that of the Korean veteran, does not receive any veterans' readjustment benefits other than temporary unemployment compensation. We are talking now about every young person who entered service after January 31, 1955, the date on which the Korean GI bill eligibilty was terminated by Executive order.

The reservists called up for the Berlin crisis are in this group. Most reservists, in fact, had already served 2 years or more, and then were required for a second time to leave home, family, and civil occupations, to serve the entire Nation.

Mr. President, it is a matter of common knowledge in the Nation that many of the veterans who were called up at that time had to leave their businesses, leave their civilian occupations, and leave their education, to serve in the Armed Forces. Many of them have now lost their former occupations, and must be retrained if they are again to be gainfully employed.

The young men in the southeast Asian hotspots are cold war veterans. They, too, will come home to temporary unemployment compensation—but nothing else.

Mr. President, last year we spent $83 million on unemployment compensation for veterans, alone. How much more wisely that money would have been spent, had this GI bill been passed in 1959, with the result that that amount of money would have been spent on educating these veterans, instead of just paying them unemployment benefits which do them no permanent good, but only leave them with the discouragement of knowing that because of their service to their country, they are not qualified to hold jobs.

But this GI bill does more than correct injustice and inequity. It builds an educational fortress for our battle against world communism, a fortress that in the years ahead will be of greater importance than the visible armed fortress itself. Our educational fortress will provide more real muscle and greater strength for coping with the Communist techniques than will all the airplanes, guns, and tanks we now plan to assemble.

We have seen in Laos and in other places that it takes more than a big, long line of guns and tanks to defend liberty. There must be the will to defend it, and there must be the will to make freedom stick.

When we bring these young men back to peacetime life, but refuse to help them catch up with their neighbors who were not called into the Armed Forces—the 45 percent who did not serve—we are doing them one of the greatest injustices ever to be done in this Nation.

This fortress will be built because the GI bill opens education and on-the-job training to some 5 million young cold war veterans.

Mr. President, a few years ago it was believed that the GI bill would open education and on-the-job training opportunities to 4 million young cold war veterans. But because of the acceleration in calling our young men into the service, we now find that the number will be closer to 5 million than to 4 million. More than 2½ million are expected to take this training.

That figure is based on the experience in World War II. We had about 15 million veterans of that war. About 51 percent—or 7,800,000 of them—took advantage of training under the GI bill. We had about 4¾ million veterans of the Korean conflict; and, again, approximately 50 percent of them took advantage of the GI bill.

However, Mr. President, those called during World War II were frequently of much different age groups. I served in that war on the staff of an infantry division, and I saw men come to the front lines after having had less than 3 weeks of training, and many of them certainly were not in the prime of life, for at that time we were taking both the young and the old; in the last months of that war we were scraping both ends of the manpower barrel.

But in the Korean conflict we took men who were in their prime. Nevertheless, the experience with the Korean veterans was practically identical with the experience with the World War II veterans; again, approximately 50 percent took advantage of the opportunity to go to school. But there was a difference, for of the 7,800,000 veterans of World War II who took advantage of training under the GI bill, 29 percent went to college; the other 71 percent went to high school or to trade school or took training on the job or took training of other kinds. However, of the 4¾ million veterans of the Korean conflict, 50 percent of those who took advantage of these educational opportunities went to college.

So it is estimated that of the approximately 5 million young cold war veterans, about 2½ million of them would take advantage of the GI bill; and it is estimated that, again, about 50 percent of them would go to college.

Mr. President, we know that such students do better than ordinary students do. In other words, among large groups of students, the veterans make the highest grades. We have had statistics in that connection from some of the great universities of the country. They found that when they had large numbers of veterans among their men students, the disciplinary problems which would cause the universities real concern among the nonveterans involved as many as 5 percent of the students. But among the veterans who went to college, such disciplinary problems involved less than 1 percent.

So we are losing some of the best college material in the country, and we are weakening the Nation by doing it. It is much more important that we strengthen the Nation in this field, rather than provide—for the first time in the history of the United States—the proposed benefit to a private monopoly, which is what this bill would do if it were enacted.

We already know by irrefutable evidence that veterans make higher grades and do better generally in college than nonveterans. Veterans under the World War II and Korean GI bills proved themselves to be the best and most enonomic investment in developing brainpower yet found by the American people.

Educators and college administrators, who know the cold war veteran, tell us that he is well equipped to enter teaching, medicine, science, or other fields of critical national need. Our commonly known shortages of key personnel could be filled in a short span of time by the GI bill.

For example, Mr. President, I refer to such things as the shortage of persons with medical training, the shortage of teachers—for approximately 145,000 additional schoolteachers are needed—and other shortages in critical categories.

Here are the facts that prove it: Under the World War II GI bill, 7,800,000, or one-half of the more than 15 million eligible veterans, took training. Of these, 29 percent, or 2,232,000, went to college. Of the 4¾ million veterans of the Korean conflict, one-half, or 2,354,000, took training under the GI bill; and 51 percent of these, or slightly over 1 million, went to college.

The cold war GI bill offers equal promise: about 1½ million cold war veterans will go to college; another 1 million will take other training essential to business, industry, and national defense, including technical training.

There is a great shortage of technicians in this country. We are better supplied with both mechanics and engineers than with workers in the intermediate step of technician, about halfway in intellectual training between mechanics and engineers, but the transition man who can do some of the mechanical work of the handyman and some of the brainwork of the engineer. That is the critically short category. The number we have is a small percentage of the number West Germany has serving her and a small percentage of the number Russia has serving her.

The cold war GI bill will be a sound, self-liquidating investment. Education and training will so greatly raise veterans earning power that their increased income taxes will more than pay the costs of the program within a few years. Bureau of the Census figures show that the training received by veterans under the World War II GI bill is worth a billion dollars a year more in taxes to the Government than without that training. The World War II GI bill will be completely paid for within the next 8 years. Therefore, the cold war GI bill will not be an overall expense of the taxpaying public; education is the one certain method of strengthening the taxpaying public.

We pay out much money that is necessary, for unemployment insurance, old-age pensions, and other purposes, because such payments are just, humane, and necessary in our society; but we do not get an investment back immediately. Under the GI training, we get an investment back immediately. It more than pays its cost, even without counting the great value to our Nation of these trained personnel.

The House of Representatives just yesterday passed a measure calling for $48,136,247,000 to finance the national defense this year. The Federal budget for fiscal year 1963 also calls for appropriations of $2.7 billion for atomic development and defense production, and $3.6 billion more for foreign aid, all to support the cold war. This is a total of more than $54 billion for the cold war in 1 year alone. The highest estimate of the average annual cost of the cold war GI bill is $300 million over the entire life of the educational program through 1973. Thus, the cold war military expenses cost 170 times as much in 1 year as the cold war veterans educational bill.

Yet, we have also been warned by a recent visitor to Russia that the great danger we face from Russia is not in her present armaments, but in her efficient schools. Official representatives of the U.S. Government have given us that warning.

We are ahead now, but authoritative representatives of this Government who have been making surveys warn us that Russia may well be ahead of us in the sciences in 1969 unless we step up our educational efforts in America. These are not empty warnings, and they must not be ignored. The U.S.S.R. is turning out each year three times the number of engineers that we turn out; it is turning out four times as many doctors; and five times as many agricultural specialists.

This is such an important threat to democracy that I want to document it more fully. Just last year the National Science Foundation published a study written by Nicholas De Witt of the Russian Research Center at Harvard University. He was the chief author of it, but many persons contributed to the study to learn what the Russians were doing in education. The study, entitled "Education and Professional Employment in the U.S.S.R.," contained some shocking comparisons of the educational output of the United States, which the cold war GI bill would augment, and that of the U.S.S.R. In 1958, the United States graduated 37,300 engineers; in all engineering fields, only 37,300 students; 108,600 engineers in all fields were graduated by the U.S.S.R. in 1959. In the same years, the United States turned out, 6,900 physicians; 7,000 is the Russian total.

It does no good to say that this is a recent phenomenon and that we are still ahead. Senators, we are not. The figures for a 31-year period, 1928–59, in the Soviet Union and for a 32-year period in the United States, 1926–58, show the same relationship; we are behind. During these periods of over 20 years, the United States turned out 620,000 engineers; 1,117,800 was the Soviet figure. We graduated 181,700 medical doctors; the Soviets graduated 420,000 medical doctors.

This is from the official U.S. report of the National Science Foundation in the great study to which I referred earlier. The head of that study was Mr. Nicholas De Witt, of the Russian Research Center at Harvard University, where he now serves.

Our total in engineering, applied and theoretical science fields was 1,672,800; the Soviet total was 2,357,000.

Perhaps I can state these figures in a manner that makes them easier to grasp. During almost identical 20-year periods, the Soviet Union turned out 1.6 times as many engineers as we did, 2.4 times as many doctors, and 1.4 times as many graduates overall in the engineering, practical science, and applied science professions.

A look to the future reveals the same phenomenon that we have just observed in the past. The study from which I have been quoting these figures predicts that in the early 1960's, engineers in the Soviet Union will be graduated at the rate of 126,000 per year; industrial technicians and aids will be turned out at a rate almost twice as high—about 240,000 per year. We will not, at our present pace and in our present posture, come near to matching these numbers. In the fields I have mentioned we have been falling behind. I cannot understand why a bill which will help us catch up in this crucial area at such a minimal cost—the cold war GI bill I have been discussing—has not already been passed. I cannot understand why it has languished on the calendar so long; why it has stayed on the calendar month after month without the opportunity to vote on it, after the Democratic Policy Committee unanimously approved it.

We cannot ignore this opportunity, or any opportunity, to nullify the Soviet threat.

The term "peacetime veterans" cannot be justified when we speak of today's servicemen, for these are the young Americans who man our military bases in the frozen arctic wastes, in the Libyan Desert, in the planes over the Sea of Japan, on the Turkish-Russian border, and the other "live ammunition" frontiers, such as South Vietnam, and the border of Laos.

Mr. President, the annual cost of the GI bill, $300 million, will not upset the budget. As the expense of educating the Korean conflict veterans phases out, the cold war veterans' educational expense will take its place. It will not be a debt for the oncoming generation to pay. Exactly as the cost of World War II veterans bill will be paid for before 1970, by increased taxes paid for by World War II veterans alone, so the cost of the education of cold war veterans will be paid for by cold war veterans themselves, through their increased taxes brought about by their higher brainpower and upward occupational movement, by their increased earning capacity and greater contribution to our economy, to themselves, to their families, and to society. The pending cold war GI bill is not as generous with cold war veterans as was the Korean conflict bill.

At first, there were some objections from some veterans' organizations that the benefits under the cold war GI bill should not be as generous as those for a shooting war, despite the shooting which is going on in South Vietnam. To allay those objections, the benefits under the cold war GI bill are not as generous as were the benefits under the GI bills for World War II and the Korean war.

For cold-war veterans, there is to be no mustering-out pay. The cold-war veteran will go home with an empty pocketbook. I do not believe in that, but we sought to allay all objections. I think we ought to provide some money for the pocket of the cold-war veteran. Even a convict is given money when he leaves the penitentiary, but it is said there should be no mustering out pay for a soldier who has defended his country and our liberties.

There will be no business loans for the cold-war veterans.

The minimum service provision for educational benefits will require more than 6 months of active-duty service. In regard to the veterans of World War II and of the Korean conflict, only 3 months was required. Now we will require a doubling of the period of service.

Under this GI bill, the 6-month trainees under the Reserve program would not be eligible. They would have to serve more than 6 months, and the 6-month trainees could not go to school under this cold-war GI bill.

I cite these things not because I think they are benefits of the cold-war GI bill compared to the bills for the veterans of World War II and the Korean conflict. I do not think the bill is as good as the previous bills. I cite these things to show that the bill has been tightened up to allay the objections, to make sure that the benefits to the cold-war veterans are not as great as the benefits given to shooting war veterans. They will not be. The requirements will be more rigid. Fewer veterans will be able to go to school.

I think the estimate has been overgenerous. It has been estimated there will be a 50-percent group who will go to school, on the basis of the percentage from the Korean conflict and World War II. I do not believe 50 percent of these veterans would go to school, because the provisions are so rigid, which has been done to allay the objections of this Government agency and that organization. I do not think we will have the number in school we had hoped to have.

The educational allowance under the bill, of $110 a month, now will buy only as much as $75 would buy in 1952. Mr. President, the cold war GI bill provides for the payment of the same number of dollars the Korean war GI bill provided for, $110 a month for a single veteran while in school, $135 a month if married, and a maximum of $165 a month if married with children. However, the veteran will not really get as much money in terms of purchasing power, because he will not be able to buy as much. It now takes $110 to buy what $75 would buy 10 years ago.

In addition, the average college tuition rate in America has gone up 82 percent in the past 10 years. So the veteran, who must pay his college tuition out of his allowance per month, will have to pay for an 82-percent average increase. This is the average increase in college tuition in State and private colleges.

So the cold war GI bill is not a "gravy train." The average veteran will have to get a loan or will have to hold a job on the side to go to college under the bill.

We know that Korean war veterans who are still in school are generally forced to obtain outside support before they can remain in college. At least 80 percent of the Korean war veterans who have gone to school in the past 4 or 5 years have jobs on the side, or have borrowed money through college loan funds, or have wives who work if married.

That does not necessarily mean that the other 20 percent are living on their GI allowances. The colleges do not keep records of veterans whose fathers or families send them money. The colleges keep records of those who borrow from the college, who work, or who have wives who work. Eighty percent, we know, either work, have wives who work, or are getting money through college loans.

This cold war GI bill, Mr. President, will provide the biggest boost to the economy of any legislative program with a reasonable likelihood of being in effect by November of this year. The medicare bill is lost. The manpower and training program, with only $75 million at the most, and confronted with the gearing up problems of a new program, will not have a significant impact on unemployment and retraining needs for a year or more. The cold war GI bill would go into effect automatically and would show a substantial impact by November in regard to taking men out of the job market. This would be especially true in the case of many reservists called up as a result of the Berlin crisis, and who are due for release from active duty next month. Whether we like it or not, the fact is that many of these young reservists are going to be out of work when they are released.

The home loan part of this bill would also be helpful in that home loans would increase housing construction.

This is the most worthwhile educational program that can be enacted this year. Current indications are that the Federal Government's investment in education will be far, far less than the President's recommendation.

Mr. President, if we pass the cold war GI bill and if we pass any other proposed educational legislation that there is a likelihood of obtaining this year, the total cost would be less than half the amount the President recommended last year that the Federal Government should spend on education.

The plain fact is that education is lagging in the United States. The bill which would put more young people in college, which would put more of our veterans in school faster than anything else, as a lesser expense to the Government, lies on the calendar and has been there for 11 months, although it is suggested there is something improper about our opposing this governmental giveaway, this proposed governmental creation of a giant private monopoly. If the bill should pass, there will be, I say again, the first private monopoly ever created by the U.S. Congress. It will be the first, Mr. President. I am not proud of that. I do not wish to see it happen in my time. I do not want the bill to go through Congress while I am serving. I do not want the Congress in which I serve to be the first ever to create a private corporate monopoly by Government action.

The cold war GI bill will strike at the heart of high unemployment among youth. Mr. President, an article in the May 1962 edition of the Monthly Labor Review, published by the Bureau of Labor Statistics, focuses upon the employment problems which confront today's high school graduates and dropouts. These problems are so serious as to amount to slammed doors on their futures before their lives are even begun. A body of very cogent evidence tells us that this will be an increasingly important problem for our national economy in the years ahead.

The author of this research paper, Jacob Schiffman, a labor economist in the Division of Manpower and Employment Statistics of the Bureau of Labor Statistics, states that:

> In 1965, the number of youths reaching 18 years of age—when most of them enter the work force or go on to college—will be about 50 percent higher than in 1960 and workers under 25 will account for nearly half of the labor force growth during the 1960's.

Mr. President, that is a very startling statistic. In 1965, the number of young men in America or young youths reaching 18 years of age will be 50 percent higher than the number reaching that age only 5 years earlier in 1960.

> At the same time, the number of more experienced and skilled workers 25 to 34 years of age will increase only slightly and the number of those in the age group 35 to 44 will actually decrease. The ability of young people to fill this gap in skilled manpower will be a crucial factor in the state of the economy. It thus becomes increasingly important that they obtain education and training which will prepare them for the occupations that will be expanding.

In the body of his study, Mr. Schiffman reports the following facts:

First. Of the 900,000 June 1961 high school graduates who did not go on to college, 162,000 were unemployed the following October. This is an unemployment rate of 18 percent, as compared to a general unemployment rate of about 6.5 percent at that time.

Second. Of the 350,000 young people who quit elementary or high school between January and mid-October of 1961, 27 percent were unemployed. This is more than four times the national figure.

Third. Only about one-sixth of the June graduates in 1961 who did not go on to college were attending a school to learn a trade or a skill.

In other words, of the 900,000 high school graduates in June of 1961 who did not go to college, only about one-sixth, or less than 150,000 went to another type of school to learn a skill or trade.

Fourth. June 1961 graduates were having a more difficult experience in the job market than graduates had a year earlier.

Mr. President, Secretary of Labor Goldberg recently described this state of affairs as "one of our most critical national problems." Secretary Goldberg declared that—

> This administration is determined, from President Kennedy on down, to dedicate itself to the task of solving the youth unemployment problem, and to make of it a great opportunity * * * we are not going to lose the future by default.

Mr. Goldberg proceeded to describe what steps the administration is taking to fight the problem. These include the appointment of a special Presidential Committee on Youth Employment, appointment of a special Assistant Labor Secretary for Youth Programs, the addition of a Youth Employment Division to the Bureau of Employment Security, and the start of two demonstration projects.

While we have these committees and programs, we are "missing the boat" by not educating those who have been selected because of good physique and high IQ for 2½ years of service with the Armed Forces. Those men have lost that much of their opportunity in life.

I support those proposals. In the Committee on Labor and Public Welfare and on the floor of the Senate, I have supported such programs. I believe they do not come to grips with the heart of the matter.

But, Mr. President, as laudable as these proposals are—and I support all of them—I believe that they do not come to grips with the real heart of the matter. One of the conclusions of Mr. Schiffman's excellent analysis is:

> Labor force changes expected in the 1960's emphasize the importance of an educated and trained work force and the difficulties which will be faced by young people who have cut short their schooling. Rapid growth is expected in the professional, technical, and clerical occupations. Continuing advances in automation and technology will mean that young office workers will have to be better educated and more highly skilled to be able to operate more complicated equipment. Among blue-collar workers, demands will be greatest for those who are skilled.

Mr. President, a great opportunity is before us at this very moment to strike at the core of our youth unemployment problem. S. 349, the cold war GI bill, would, if enacted, provide assistance to cold war veterans in programs of education or training at the college level, the high school level, below the high school level, or at the vocational training level. It would fight the youth unemployment problem in two ways. First, it would take these young people out of the ranks of the unemployed during the time that they are in school. And second, it would remove them permanently from the unemployment rolls, by enabling them to gain the education and training which are going to become almost a necessity if they are to find gainful employment in our increasingly technical, increasingly automated economy.

Mr. President, the cold war GI bill is unique in that through this one piece of legislation we can provide educational opportunities on many levels. Of the veterans using the Korean GI bill, after which the cold war GI bill is patterned, 51 percent attended institutions of higher learning, 34 percent attended schools below the college level, and 11 percent undertook vocational training. Veterans training under this program had a free choice as to what type of training they would pursue. The World War II and Korean GI bills provided the Nation with 259,000 doctors, nurses, and technicians, 135,000 scientists, 459,000 engineers, and 367,000 schoolteachers.

Mr. President, I digress to point out a problem that has been stated to me by college presidents and deans of colleges in speaking about the National Defense Education Act of 1958.

The National Defense Education Act limits loans to students studying engineering, the sciences, foreign languages, mathematics, and certain other selected subjects. Many of the veterans who return from service with the Armed Forces and seek to obtain a national defense education loan are faced with that straitjacket. They must either take one of that small select group of subjects or they cannot obtain a loan.

The GI bill has no such limitation. College deans of admission and college presidents have stated to me that the measure would be an act of justice. Veterans could select the subjects they wanted to take and not be straitjacketed into a type of loan which was created for the sole purpose of helping our defense effort by increasing the number of students taking a certain type of course in college.

The article to which I referred earlier pointed up the employment problems faced by high school graduates and dropouts. The cold war GI bill will enable high school graduates to go on to college or to enter a vocational training program. Even more serious than the problems of the high school graduates, though, are those of the dropouts, who have a 27-percent unemployment rate. Mr. Shiffman states:

> School dropouts are apparently unable to overcome many of their disadvantages in the job market and continue to suffer from considerably more unemployment than graduates.

This is shown by the fact that 20 percent of the dropouts are unemployed today.

Many, perhaps most, of these dropouts enter the Armed Forces. This is certainly suggested by the fact that 40 percent of our cold war veterans have not graduated from high school. That is an astounding figure. Is it not clear that since one of our main employment problems is that of high school dropouts, and that since these same people are being discharged from our Armed Forces in such large numbers, that by providing these cold war veterans with educational and vocational training assistance, we will deal a killing blow to the sources of our concern, unemployment and educational failures.

We will solve two of them with one allowance. We will do away with the unemployment benefit to him, because after school he will enter the employed labor force.

Mr. President, instead of merely deploring the situation and undertaking partial measures, let us take decisive action. At this very moment we can enact legislation which will be a measure of justice to that 45 percent of our draft-age youth who serve 2 years or more in the Armed Forces, and who receive no readjustment assistance other than short-term unemployment compensation. This proposal will attack the source of our youth unemployment problem by assisting high school graduates and dropouts in obtaining the educational and training assistance they so vitally need. It will allow the individual the freedom of choosing the kind of education or training that will best satisfy his desires and needs. And it will accomplish these things in the most efficient and economical possible manner, since the proposed program would have the benefit of the considerable administrative experience gained from the two previous GI bills. Mr. President, the 36 other cosponsors—and I—of this bill sincerely hope that the Senate will take action on it. It is so obviously justified on so many grounds, that I do not see how this body can do otherwise.

THE OPPOSITION IS ANSWERED

Mr. President, voices have naturally been raised in objection to the cold war GI bill. I would like at this point to answer the objections which have been made. One of these is that today the draft does not have so great an impact upon disruption of education and career plans as it does in wartime.

I certainly agree that the present draft does not cause hardships as great as those of wartime. This is reflected in the reduced benefits of the cold war GI bill, which are designed to provide for the less extensive nature of the disruptions caused by cold war service. Certainly, though, those who suffer disruptions at this crucial time of their lives fall behind those of their contemporaries who for one reason or another are not asked to serve.

The large group of young people who either cannot afford or do not choose to go to college have two choices:

First. If they enlist immediately after high school, they will, upon discharge, probably have a difficult time finding a job, or at best, find only a very low paying job. In 1955, 50 percent of those discharged either had no previous civilian occupation at all or else had worked only as unskilled labor. The percentage is even higher today.

Second. If they choose to go to work upon graduation from high school, they will find it difficult to secure a job that offers future advancement, since their military obligation still lies before them.

We talk about these young people looking for jobs. When they go out looking for jobs they are asked by their employer, "Have you done your military duty?" They have trouble getting a job if they have not performed their military duty, unless they are married. We know that sociologists deplore teenage marriages. Sometimes young people are forced to marry under these circumstances. They marry as teenagers. Some of them marry for the purpose of escaping the draft. Whatever work they do find will be interrupted in a few years when they are required to meet their military obligation.

Mr. President, having reached the time at which this session is supposed to come to an end tonight, I ask unanimous consent that I may continue my speech on Monday next, and that it shall be counted as one speech against me. This has been discussed earlier tonight; at least I requested that it be discussed with the distinguished majority whip.

Mr. SMATHERS. Mr. President, I would be forced to object. I do not know that there is any agreement as to the time when the Senate was supposed to bring the session tonight to an end. I understood the able Senator from Texas to say that he was anxious to edify and inform Members of the Senate as to what is wrong with the bill. So far as I have been able to learn, he has talked about a bill which is totally unrelated to the bill we are discussing.

Thus far we have made no great progress. I am still waiting to hear what the Senator has to say with respect to this particular bill which has already passed the House of Representatives, which has been approved by the Commerce Committee, which has been approved by the Space Committee, which has been approved by the policy committee, and which, if it were permitted to come to a vote on the floor of the Senate, would get more than 80 votes.

Therefore, rather than to agree to any unanimous-consent request, I suggest, if the Senator has something to say, that he proceed to do so with respect to this bill. I certainly cannot agree at this particular moment to any kind of unanimous-consent request such as has been suggested by him.

Mr. YARBOROUGH. I am certain that if the distinguished Senator from Florida does not think I have said anything up to this point, I could talk for months and he would still have the same opinion.

Mr. SMATHERS. I believe the Senator has made a wonderful speech with respect to the GI bill. It seems to me, however, that what he has said is unrelated to the question of the satellite communication bill. I may be wrong, but I do not quite get the connection. In any event, I would say to the able Senator that he has made a splendid speech, and I have been greatly persuaded by what he has said about the GI bill. If he were to get to the subject of the satellite communication bill, he would probably be equally persuasive.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

THE JOURNAL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, July 26, 1962, be approved by the Senate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ENROLLED BILLS SIGNED

The PRESIDENT pro tempore announced that on today, July 27, 1962, he had affixed his signature to the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

S. 1074. An act for the relief of Chao Yao Koh;

S. 1889. An act for the relief of Mrs. Geohar Ogassian; and

S. 2339. An act for the relief of George Ross Hutchins.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated.

H.R. 11677. An act to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination; to the Committee on Labor and Public Welfare.

H.R. 12648. An act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963, and for other purposes; and

H.J. Res. 839. Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes; to the Committee on Appropriations.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

Report on Agreements Under Title I, Public Law 480

A letter from the Administrator, Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, a report on agreements concluded during June 1962, under title I, Public Law 480 (with an accompanying report); to the Committee on Agriculture and Forestry.

Amendment of Certain Criminal Laws Applicable to the District of Columbia

A letter from the Attorney General, transmitting a draft of proposed legislation to amend certain criminal laws applicable to the District of Columbia, and for other purposes (with accompanying papers); to the Committee on the District of Columbia.

Report on Review of Selected Activities Under Hospital Construction Program Administered by the Veterans' Administration

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of selected activities under the hospital construction program administered by the Veterans' Administration, December 1961 (with an accompanying report); to the Committee on Government Operations.

Report on Receipt of Application for Loan Under Small Reclamation Projects Act of 1956

A letter from the Secretary of the Interior, transmitting, pursuant to law, an application for a loan under the Small Reclamation Projects Act of 1956, to the Banta-Carbona Irrigation District of Tracy, in San Joaquin County, Calif., in the amount of $964,000 (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report on Administration of Subversive Activities Control Act of 1950

A letter from the Attorney General, transmitting, pursuant to law, his report on the administration of the Subversive Activities Control Act of 1950, for the year ended May 31, 1962 (with an accompanying report); to the Committee on the Judiciary.

PETITION

The PRESIDENT pro tempore laid before the Senate a paper in the nature of a petition from Edward Muza, of the State of California, praying for a redress of grievances; which was referred to the Committee on the Judiciary.

CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1963—REPORT OF A COMMITTEE (S. REPT. NO. 1789)

Mr. HUMPHREY. Mr. President, on behalf of the Senator from Arizona [Mr. HAYDEN], from the Committee on Appropriations, I report favorably and without amendment House Joint Resolution 839, making continuing appropriations for the fiscal year 1963, and for other purposes, and I submit a report thereon. I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The joint resolution will be stated for the information of the Senate.

The legislative clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America *in Congress assembled*, That clause (c) of section 102 of the joint resolution of July 1, 1962 (Public Law 87–513), is hereby amended by striking out "July 31, 1962" and inserting in lieu thereof "August 31, 1962".

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

ADMISSION OF THE VESSEL "CITY OF NEW ORLEANS" TO U.S. REGISTRY—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 1790)

Mr. BARTLETT. Mr. President, from the Committee on Commerce, I report favorably, with an amendment, the bill (S. 3115) to authorize the admittance of the vessel, *City of New Orleans*, to American registry and to permit the use of such vessel in the coastwise trade, and I submit a report thereon. I ask unanimous consent that the report be printed, together with the minority views of Senators Engle and Butler.

Mr. CASE of New Jersey. Mr. President, I wish to ask the Senator from Alaska if the bill to which he has referred is the so-called Bartlett bill?

Mr. BARTLETT. The Senator from New Jersey is correct, inasmuch as I introduced the bill. There are times when I am happy to have it so designated; other times I am not so sure.

Mr. CASE of New Jersey. I thank the Senator.

Mr. BARTLETT. I am very much for the bill. I supported it warmly, and even urgently, through its legislative career to date, and I expect to continue to do so.

The PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Alaska.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. KEATING, from the Committee on the Judiciary:

Harold R. Tyler, Jr., of New York, to be U.S. district judge for the southern district of New York.

By Mr. HRUSKA, from the Committee on the Judiciary:

Mitchell H. Cohen, of New Jersey, to be U.S. district judge for the district of New Jersey.

By Mr. JOHNSTON, from the Committee on the Judiciary:

Allen E. Barrow, of Oklahoma, to be U.S. district judge for the northern district of Oklahoma.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mrs. SMITH of Maine:

S. 3571. A bill authorizing the project for Searsport Harbor, Maine; to the Committee on Public Works.

By Mr. ANDERSON:

S. 3572. A bill for the relief of William Eaton and Winston Lovelace; to the Committee on the Judiciary.

By Mr. SMATHERS:

S. 3573. A bill for the relief of Nathaniel Rodney Webster and Helen Webster; to the Committee on the Judiciary.

By Mr. ELLENDER (by request):

S. 3574. A bill to extend the International Wheat Agreement Act of 1949; to the Committee on Agriculture and Forestry.

By Mr. GOLDWATER:

S. 3575. A bill for the relief of Walter Eysselinck; to the Committee on the Judiciary.

By Mr. DODD (for himself, Mr. Beall, Mr. Hartke, Mr. Metcalf, Mr. Scott, Mr. Lausche, Mr. Fong, Mr. Humphrey, Mr. Randolph, Mr. Allott, Mr. Long of Missouri, Mr. Miller, Mr. McCarthy, Mr. Saltonstall, Mr. Muskie, and Mr. Douglas):

S. 3576. A bill to protect the rights of citizens to vote in Federal elections, and to facilitate prompt judicial review of alleged denials of such rights, by requiring that literacy tests given as a qualification for voting in Federal elections be in writing and meet certain other requirements, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. Dodd when he introduced the above bill, which appear under a separate heading.)

By Mr. YOUNG of North Dakota:

S. 3577. A bill to provide for retroactive payment of annuities payable under the Civil Service Retirement Act to the survivors of Members of Congress who died between February 29, 1948 and March 5, 1954; to the Committee on Post Office and Civil Service.

By Mr. MUSKIE:

S. 3578. A bill authorizing the project for Searsport Harbor, Maine; to the Committee on Public Works.

By Mr. ANDERSON:

S. 3579. A bill to establish water resources research institutes at land-grant colleges and State universities, and to promote a more adequate national program of water research; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. Anderson when he introduced the above bill, which appear under a separate heading.)

WATER RESOURCES RESEARCH ACT

Mr. ANDERSON. Mr. President, I introduce, for appropriate reference, a bill to establish water resources research institutes at each of the land-grant colleges and State universities in the Nation.

Title I of the bill is in a very large measure drawn from the Hatch Act of 1887, or its revision in 1955, which established agricultural experiment stations at each of the land-grant institutions. The title authorizes appropriation of $75,000, increasing to $100,000 in the third year, to each of the States to help finance a collegewide water resources research institute at its land-grant school, or schools. There is authorized appropriation of an additional $1 million, increasing to $5 million in the fifth year, which the Secretary of the Interior may use to match State, local, or donated funds for specific water research projects at these institutes.

Title II of the bill authorizes the establishment of a Water Resources Service in the Department of the Interior to administer the land-grant college program, and to administer a second, equal fund which may be used for matching, or for grants or contracts with any colleges and universities, private foundations, private concerns or individuals to undertake useful water research work which would not otherwise be done.

The dollar authorizations for water resources research included in the bill are, if anything, too modest.

At the present time Federal appropriations for water and related resource development are in the order of $1¼ billion. Total national expenditures are estimated to be running $10 billion annually and they will have to double that amount, averaging $20 billion a year, during the next 20 years, if the Nation is to keep pace with water requirements.

The $20 million total maximum Federal support for water research proposed in this bill is less than 2 percent of the rate of Federal expenditures for water development, only two-tenths of 1 percent of the national rate of expenditure on water development and amounts to only 1 mill—one-tenth of 1 percent—of each dollar of average annual investment in water resources needed in the two decades just ahead.

Since the bill would establish water resources research institutes in every State to service nationwide need for research and information the comparison of cost with the total national investment in water facilities is the most appropriate.

The bill is being introduced at this time to permit study and discussion of the proposals it contains during the adjournment of Congress. The colleges and universities need to consider the proposal in detail, although several have already indicated their strong support of the basic program. Many agencies in the executive branch are concerned with water research, and we will want their views. State governments and scores of private institutions are involved in the water and water research field and should have an opportunity to study the measure prior to consideration next year.

The proposal is not a solution to all water resources research problems. It will make a great contribution both to the assurance of adequate water supplies and to the advancement of our scientific knowledge but there will be a continuing necessity for special Federal water research programs such as the present saline water and pollution control work. There will be need for intensified fundamental scientific research into the nature of this element, and into every aspect of the hydrologic cycle, not only in the colleges and universities, but wherever competent scientists can be enlisted and supported in the work.

This bill proposes what I believe will become a very important part of the sort of national water research program called for by the Senate Select Committee on National Water Resources in its 1961 report, but only one part of it.

Understanding of this proposal for Water Resources Research Institutes at the State colleges and universities requires a little background.

In 1960, the Senate established a Select Committee on National Water Resources.

The senior Senator from Oklahoma [Mr. KERR] became its chairman, and the senior Senator from California [Mr. KUCHEL], the vice chairman. The committee did an historic job. Nearly every agency in the Federal Government concerned with water resources, plus private institutions and consultants, contributed to a series of 32 committee prints which delineated our water problems. The character of differing local concerns with water resources across the land—and these geographic differences are an important reason for the proposal for Water Resources Research Institutes in each of the States—were developed at 27 field hearings which took the chairman and committeemen from coast to coast.

The Select Committee on National Water Resources completed its work, made its report, and went out of business January 31, 1961, as it was scheduled to do. But requests for the committee's hearings, the committee prints, and for the final report are still coming in in considerable numbers, attesting both the value and importance of the work the committee did and the steadily spreading concern everywhere in America with the problem of assuring adequate supplies of water of the necessary quality for agriculture, industry, municipal and industrial uses, wildlife, recreation, dilution of wastes, navigation, generation of power and all its other uses.

Among the significant findings of the committee is how rapidly we are approaching the point at which scarcity of available water supplies will constitute a significant barrier to economic and social progress of the Nation. The committee identified major portions of the United States, equivalent to more than one-fourth of the land area of the 48 contiguous States, that by 1980 will have no leeway in available water supplies to meet the requirements of expanding industry and growing population; by the year 2000, the select committee found that this condition of water stringency would extend to the equivalent of virtually half of the land area of the 48 contiguous States. Maintenance of water quality will be a problem everywhere in the Nation.

The select committee made three major recommendations to help to meet these rapidly approaching water scarcities.

Its first and second recommendations were for planning the optimum development of all our great river basins by 1970, and for $5 million annual grants-in-aid to the States to assist them in participating in the planning process.

Proposals to carry out these two recommendations are contained in S. 2246, the Water Resources Planning Act, proposed by the President. As was to be anticipated, hearings developed a considerable divergence of views about this planning bill. The various interests in water want to be sure they will not be injured in the planning process. The State governments guard State rights, responsibilities and prerogatives very vigorously. The Interior and Insular Affairs Committee of the Senate has been conferring with spokesmen for the Council of State Governments on the provisions of the measure, hoping to work out a mutually satisfactory planning arrangement. I was pleased to learn that at a recent interstate conference on the Susquehanna River, the New York commissioner of resources and conservation, Mr. Harold Wilm, who has headed the States representatives in the discussions between the Council and Interior Committee staff, reported that the Federal-State river basin planning commissions being worked out in these conferences might offer the most satisfactory machinery for preparing a Susquehanna River development plan. Mr. Wilm's comment encourages me to hope that with patience and persistence a solution to the problem of Federal-State planning of river basins, satisfactory to the principal agencies involved, will be worked out.

We probably cannot complete work and pass a planning act in the present Congress, as many of us hoped. We are now working to have an acceptable bill ready for passage next year. Meantime, I have urged the President to establish a Water Resources Council in the executive department, composed of the Secretaries of the Interior, Army, Agriculture, and Health, Education, and Welfare, by Executive order, as he clearly has the right and power to do.

The four Secretaries have already negotiated an agreement on standards and criteria for the evaluation and justification of water projects. For the first time, we now have the four Departments most concerned with water developments measuring costs and benefits, and the feasibility of project proposals, with a common yardstick which they have worked out together, demonstrating the splendid potentialities for cooperation and coordination of Federal water activities through such a Cabinet-level council.

The third recommendation of the Select Committee on National Water Resources was that the Federal Government should undertake a coordinated program of scientific research on water. The recommendation read:

> This should include both research into ways to increase available supplies, and ways to increase efficiency in the use of water required to produce manufactured goods and crops. The committee recommends that existing programs be strengthened by taking the following action:
>
> (a) Expanding the programs of basic research dealing with atmospheric physics, solar activity, hydrology of ground-water movement and recharge, the physical chemistry and molecular structure of water, photosynthesis, climatic cycles, and other natural phenomena associated with water in all its forms. Such research is essential to a major breakthrough in such fields as short- and long-range weather forecasting, weather modification, efficient management of underground reservoirs, evaporation reduction, desalinization, and pollution abatement, as well as to major improvements in works for the storage and control of water.
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> (b) Providing for a more balanced and better constructed program of applied research for increasing water supplies through desalinization, weather modification, and evaporation and evapotranspiration reduction.
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> (c) Providing for an expanded program of applied research for water conservation. Special emphasis should be given to research on improved waste treatment methods, on ways of increasing efficiency in the agricultural use of water, on fish and wildlife needs, and on methods of system planning for the optimum development of water resources of river basins.
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> (d) Evaluating completed projects with a view to determining modifications to enable them more effectively to meet changing needs, to provide better guidelines for future projects, and to better determine their effect on the local, regional, and national economy.

In response to the select committee recommendations, President Kennedy advised us in his resources messages on February 23, 1961, that he was asking the National Academy of Sciences to "undertake a thorough and broadly based study and evaluation of the present state of research underlying the conservation, development, and use of natural resources, how they are formed, replenished, and may be substituted for, and giving particular attention to needs for basic research and to projects that will provide a better basis for natural resource planning and policy formulation."

The President's message added:

> Pending recommendations of the Academy, I have directed my science advisor and the Federal Council for Science and Technology to review ongoing Federal research activities in the field of natural resources and to determine ways to strengthen the total Government research effort relating to natural resources.

The Interior and Insular Affairs Committee has attempted to keep in touch with the progress of the surveys being made at the President's direction and to be prepared, as soon as the reports are ready, to hold hearings and expedite needed legislation.

The committee has itself obtained reports from the executive departments and agencies most involved on their water resources research activities.

In addition, in order to have a broad national picture of the water research situation, it has obtained information from more than a hundred colleges and universities, foundations, companies, and individuals, and their suggestions and recommendations as to a national water resources research policy and program.

The committee expects to make all this material available as a committee print during the present session of Congress.

A few points have been emphasized repeatedly in the replies which the committee has received to its inquiries.

One of them is the need for more fundamental scientific research in the water field—the basic research to provide a better basis for natural resources planning of which the President spoke in his message.

Numerous responses to the committee's request for views and recommendations urge greater emphasis on such fundamental studies.

Another point is the large number of disciplines, or fields of specialized knowledge, involved in solving our water problems. They involve not just hydrologists but virtually every field of the physical sciences from astronomy to geology, the social sciences, engineers, economists, and water lawyers.

In June 1961 an important symposium was held on research needs in civil engineering fields related to water resources under the joint sponsorship of the American Society of Civil Engineers, the Bureau of Reclamation, and Colorado State University. Findings of the panel on the needs for an expanded research program on conservation and utilization of water at that conference, under the chairmanship of Mr. Harvey O. Banks, formerly director of the Division of Water Resources of the State of California and now vice president of the engineering firm of Leeds, Hill and Jewett, which have been submitted to our committee, emphasize this point in telling engineers of the greatly broadened field with which they must deal in handling engineering aspects of water projects. The report said, in part:

> In past years civil engineering research has generally kept pace with national growth within the limits of a slowly growing body of basic knowledge. However, with the recent upsurge in scientific knowledge and burgeoning trends in population growth and industrialization, there are now concentrations of water demands and waste-producing activities which, coupled with new types of demand on water resources, tremendously increased the complexity of civil engineering tasks. It is clear that this requires tremendous increases in engineering knowledge in order to do the necessary job most efficiently and most economically, and to develop methods for taking care of needs at the time when total water requirements approach the limit of the available supplies.
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> The scope of the research effort required includes not only basic research, that is, inquiry into basic phenomena such as soil-water-plant relationships and atmospheric physics, but also the development of new or improved designs, techniques, methodology, and procedures, through applied research and field experimentation. More research attention needs to be given to measurement and evaluation of the effects and results of operating projects in order to have the benefit of such information in the planning and management of future projects. The additional information now needed by the civil engineer in his task of water development involves not only engineering research but also the physical sciences and the social sciences. Thus, an interdisciplinary approach to research is mandatory. The following are but a few of the many disciplines involved: mathematics, physics, chemistry, geology, meteorology, statistics, bacteriology, biology, geography, soil science, agriculture, forest management, law, economics, public administration, political science, medicine, sociology.
>
> To the extent that most governmental agencies find it difficult to undertake interdisciplinary research into such basic subjects as objectives of planning and allocation of resources, because of the limitations in their basic legislative authorities, it will be necessary for general subjects to be attacked by legislative committees and by university research people. Research scholars will have to be drawn from the social sciences and public administration fields, but the panel believes that the concepts of the research projects should be evolved by the engineering faculties. In regard to university research, the panel wishes to emphasize that the needed research effort goes beyond the so-called basic research and that problems of applied research are equally worthy of attention. Governmental agencies should initiate or expand, as the case may be, programs for sponsorship and support of research activities at the universities.

Still another point of emphasis in the committee's responses is the shortage, not only of hydrologists, but of scientists and experts in the many related fields who are familiar with water problems.

Dr. Joseph L. Fisher of Resources for the Future wrote, in response to the committee's inquiry:

> We believe there is a genuine shortage of well-qualified personnel for water resources planning, research and administration. In view of the very large investment the Federal Government is called upon to make in water development, it may wish to consider possible arrangements for assisting universities in strengthening programs of study for graduate level students in various aspects of water development. Particular emphasis should be placed on development of people who can conduct research in the water field and who can participate effectively in planning complex systems of water resources management.

John C. Geyer, chairman of the department of sanitary engineering and water resources at Johns Hopkins University, responding to the committee for his school, wrote:

> Scientifically trained people of exceptional ability rarely go into the water field. If an attempt were made to establish broadly based fresh water science research institutes, difficulty would be encountered in staffing them with competent people. Universities need support in developing water science training programs to provide staff for such institutes. Students should be attracted from all the sciences and professions and afforded an opportunity to pursue any of a variety of educational and research projects related to water.

Still another point of repeated emphasis, reflected in the two quotations just given, was the advantage—if not the absolute necessity—of going to the colleges and universities of the Nation for experts in the many fields involved and tying research and education together.

Prof. Carl E. Kindsvater, of the University of Georgia, wrote us, for example:

> I would emphasize that research and education cannot be considered separately, for just as education is essential to the performance of research, so is research essential to the education process. I believe, therefore, that a considerable part of the Federal Government's investment in water-related research should be earmarked for the support and intensification of university research and graduate study programs.

There was an additional point, not directly commented upon in the responses to the committee, but apparent from the nature of water resources activities reported to us by many of the colleges and universities.

That is the need for centers throughout the country where State officials concerned with State, regional, and local water problems, local officials involved in municipal water supply, and waste disposal industries, farmers who are dependent on water to produce their crops, recreation planners and administrators, soil conservationists and the many, many others who have special concern with water, can turn both for research assistance and information. It is well expressed in the statement that, in addition to research, we must have a system of communication to water users through which new information and the results of research can be disseminated to water users. Users include not just a comparative few governmental officials and private industries, but all the farmers and householders and citizens in the Nation.

Reports from many of the colleges and universities show that their faculty members are already consulting with governors, State planning agencies, fish and wildlife officials, mayors and water commissioners, industries, soil conservationists and others, on State and local water problems of a widely varying nature. The problems are not confined to a few familiar fields such as control of water erosion of the land, water quality and waste disposal, but include water resource planning in the local areas, revision of water law to meet modern needs, methods of evaluating economic benefits—the whole gamut of potential problems in the field as they relate to local, State, and regional situations.

It is impossible to study the materials gathered together by the Interior Committee without realizing that we must have more than a Federal water research program. We must have a nationwide program, with centers out in the States where research on local problems will be given attention along with broader and more basic research, and where local applications of knowledge developed, anywhere in the Nation, or the world, can be worked out.

The points I have outlined constitute a diagnosis of some major needs in the water resources field. The prescription to meet these needs is not difficult to write. We already have a highly successful national research system, with 75 years of experience and demonstrated worth behind it, which meets these very needs—our agricultural research establishment.

That establishment, in addition to extensive direct Federal research, includes a system of agricultural experiment stations at the land-grant colleges and State universities, established under the Hatch Act approved March 2, 1887.

These experiment stations make available the finest scientists on the college and university faculties for study of both the basic scientific concerns and the practical problems of agriculture. They combine education and research. They produce both research reports and the highly trained personnel necessary to carry on the work in the future. They serve a State and local clientele, meeting their needs for research and for information on local problems.

The bill I have introduced today to establish Water Resources Research Institutes at the land-grant colleges and State universities, and to encourage water research at other colleges and universities, foundations, private research agencies, and individuals is an effort to copy and expand the agricultural experiment station system and the pattern on which it was built.

Much of the language of the bill is from the Hatch Act of 1887, or a revision and codification of that act and laws supplementing it which was passed by Congress and approved August 11, 1955.

The pattern includes the provision of a basic appropriation to help establish a Water Resources Research Institute in each land-grant school, and to supplement this modest basic grant with matching funds for specific research projects. This is copied directly from the successful agricultural pattern. The administrative provisions—the housekeeping arrangements on which a highly satisfactory Federal-State relationship have been built by the agricultural groups over three-quarters of a century, are copied almost exactly from the Hatch Act.

The proposed Water Resources Service parallels the Department of Agriculture's Cooperative State Experiment Station Service.

The bill makes it clear that there is to be no interference with water research work done by Federal departments and agencies, just as there is no interference in agriculture with the work of the Federal Agricultural Research Service or the Economic Research Service. Federal agencies should and must continue to conduct direct research on problems within their field of responsibility, as the Department of Agriculture does at Beltsville, at numerous regional laboratories, through special research contracts, and with its own nationally oriented staff.

There is little need to discuss the success of the agricultural research system which it is proposed to copy here in Congress where we are confronted with the problem of managing agricultural surpluses. We know how well the agricultural research system has worked. Its success has been phenomenal, and although we regard as a great vexation the farm surpluses which are attributable to the technological revolution in agriculture which our research brought on, there is not one of us who would trade our food surpluses for Asia's shortages. The choice between abundance and scarcity is not a difficult one.

The proposed water resources research bill contains, in title II, a separate fund which can be used to stimulate water research in non-land-grant colleges and universities, foundations, private businesses, and by individuals. This is an expansion or extension of the agricultural research pattern.

It would not be either equitable or wise, in my opinion, to limit Federal support of water research to the land-grant schools, although they are historically related to the Federal Government. Some of our most important research on water resources has been initiated in other scientific institutions. These other institutions have a considerable proportion of the scarce personnel whose attention to water problems is so greatly needed and we need to enlist qualified personnel in water research work wherever we can find it. Many of us feel that there should be greatly increased and broadened support to higher education generally. A measure of such Federal support can be provided in this instance in equity, and in the national interest.

My purpose in introducing this water resources research bill near the close of a session, and the close of a Congress, is, as previously stated, to permit discussion, improvement, and refinement of the bill in the period between Congresses.

A rough draft of the measure has already been submitted to a number of college and university officials soliciting their suggestions. Their acknowledgments have, without exception, endorsed the concept and the purposes of the measure and assured cooperation in developing a revised and refined measure which I hope many Senators will join me in introducing next year.

Dr. John A. Hannah, president of Michigan State University, wrote on July 20:

> We see considerable merit in your proposal and endorse the general program which it seeks to realize. Through its proposed implementation, the draft bill takes cognizance of the fact that the use of water constitutes one of the most complex and pressing problems confronting almost every State in the country. The bill further recognizes that because of the complexities involved an interdisciplinary approach is mandatory, that both basic and applied research are required, and that there is need to collect and disseminate important information pertaining to this whole problem. At the same time, the draft bill does not exclude the possibility of supplemental funds not covered by the bill.
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> As indicated, we endorse the concept and general idea expressed in the draft bill.

President W. E. Morgan of Colorado State University, who is chairman of the Water Resources Committee of the American Association of State Universities and Land Grant Colleges, earlier this month, at my request, sent copies of the first draft of the bill to the 12 college and university presidents who constitute his committee, requesting their comment.

A few days ago, President Morgan wrote me:

> Replies have not yet come from all members, but it is clear that the committee strongly favors my recommending to you that you proceed without delay to introduce the bill in substantially the text embodied in the draft at hand. Our committee will in due course have some suggestions about the text.

I am, of course, pleased that the president of my own New Mexico State University, Dr. Roger Corbett, has written me that—

> This is a splendid bill and meets a most pressing public need.

He adds:

> The benefits per dollar of research investment will probably far exceed those in many other areas where the Federal Government is now sponsoring research. These research institutes will help in coordinating and encouraging the kind of comprehensive research in the water resources field which has been urgently needed for many years.

A specific purpose in introducing the measure today is to make it available to all members of Congress, to the executive agencies and others interested, so they may give us the benefit of their suggestions and criticisms before next January 1. Comments are invited from everyone who has a constructive suggestion to make.

Advancing our knowledge is not a partisan matter, nor solely a private matter, nor solely a governmental concern, particularly in a critical area such as essential water supply.

In 1960, President Eisenhower's Science Advisory Committee transmitted to President Eisenhower the findings and recommendations of its Panel on Basic Research and Graduate Education. The distinguished panel was chaired by Dr. Glenn T. Seaborg, then chancellor of the University of California at Berkeley and now Chairman of the Atomic Energy Commission. The report has been published under the title of "Scientific Progress, the Universities, and the Federal Government." The Panel's report said:

> Both the security and the general welfare of the American people urgently require continued, rapid, and sustained growth in the strength of American science. We believe that most Americans are in favor of more and better science. In a general way Americans recognize that scientific understanding is at once highly valuable in its own right and quite indispensable for the sustained progress of a modern industrialized society. Most of all we have learned to recognize that the defense and advancement of freedom require excellence in science and in technology * * *American science in the next generation must quite literally, double and redouble in size and strength. This means more scientists, better trained with finer facilities. Many forces contribute to this urgent need for growth. Our population is rapidly increasing, so that there must be more and more young people to be taught, and we have nothing like the number of qualified teachers we need even now. Science itself is expanding so fast that our efforts would have to be much increased, if we were only to keep up with its international momentum. The training of scientists takes longer than it used to, and the facilities needed in a modern laboratory are usually much more complex and expensive than those that were needed only a few years ago. Science and technology today have steadily growing mutual impact, so that the practical man has need of the closest and most immediate access to new results in basic science. Thus both science and scientists must be more and more widely diffused throughout our society. We need more men doing more things, with more support, in more places. And each of these requirements is better measured by multiplication than by addition. It is the simple truth that if this country is to safeguard its freedom and harvest the great opportunities of the next generation of science, the level of its scientific investment must be multiplied and multiplied again.
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> Yet the right word is "investment." What this country spends on excellence in the sciences is not money gone with the wind. It is money that brings us handsome returns, and of many kinds. In immediate economic terms the proposition is clear enough: What we have done in science has brought our society riches many times greater than what science costs us, and this will be true as far in the future as we can

see. In economic terms, indeed, scientific investment has quite extraordinary power. Ordinary capital investments put savings to work on labor-saving machinery that is already known and understood; the increased wealth produced is what separates the developed modern society from helpless poverty. But scientific and technological investments are still more powerful tools, since they invest in the discovery of what we do not yet understand. We are only just at the beginning of the use of scientific investment in this large sense, and returns it can bring in are literally incalculable. Simply in terms of economic self-interest our proper course is to increase our investment in science just as fast as we can, to a limit not yet in sight.

As President Kennedy has pointed out, water problems are worldwide. This Nation's findings in the field of water resources will not only serve the people of the United States but peoples around the world and thereby—as the Seaborg panel has pointed out—make a great contribution to the defense and advancement of freedom.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3579) to establish water resources research institutes at land-grant colleges and State universities, and to promote a more adequate national program of water research, introduced by Mr. ANDERSON, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the policy and purpose of the Congress to assure the Nation at all times an abundance of water, both as to quantities and quality, necessary to meet the requirements of its expanding population, and, to help achieve this objective, to stimulate, sponsor and provide for the conduct of research, investigations and experiments in the field of water and related resources as they affect water, and to encourage the training of scientists in fields related to water by assistance to colleges and universities in the development of water resources research programs.

TITLE I—STATE WATER RESOURCES RESEARCH INSTITUTES

SEC. 100. (a) There is authorized to be appropriated for the fiscal year 1964 and subsequent years for distribution to a college or university in each State and Puerto Rico established in accordance with an Act approved July 2, 1862 (12 Stat. 503) entitled "An Act donating public lands to the several States and territories which may provide colleges for the benefit of agriculture and the mechanic arts", or such other substantially equivalent arrangement as any State shall determine, the sum of $75,000 to be increased by $12,500 each succeeding fiscal year for two years and to continue at $100,000 after 1966 for the purpose of establishing a college-wide or university-wide water resources research institute. It shall be the duty of each such institute to plan and conduct original researches, investigations, or experiments, of either a basic or practical nature, or both, in relation to water resources, including but not limited to aspects of the hydrological cycle, supply and demand for water; conservation and best use of available supplies; methods of increasing such supplies; economic, legal, social, engineering, recreation, biological, geographic, ecological, and other aspects of water problems, as may in each case be deemed advisable, having due regard to the varying conditions and needs of the respective States and Puerto Rico, to water research projects being conducted by agencies of the Federal Government, and to those related to agriculture being conducted by the agricultural experiment stations.

(b) There is further authorized to be appropriated to the Secretary of the Interior in the fiscal year 1964 the sum of $1,000,000 increasing by $1,000,000 each year for four years to $5,000,000 in fiscal year 1968 and thereafter, which the Secretary of the Interior may use to match on not greater than an equal basis funds made available to State water resources research institutes by the States or other sources, to meet the necessary expenses of water resource research projects which could not otherwise be undertaken, including the expense of planning and coordinating regional water resource research projects by two or more State institutes.

SEC. 101. Sums available to the States under the terms of Section 100(a) of this Act shall be paid to the designated institution in each State in equal quarterly payments beginning on the first day of July of each fiscal year upon vouchers approved by the Secretary of the Interior. Each such institute authorized to receive funds shall have a chief administrative officer known as a director and a treasurer or other officer appointed by the governing authority of the institute. Such treasurer or other officer shall receive and account for all funds paid to the State under the provisions of this Act and shall report, with the approval of the director, to the Secretary of the Interior on or before the first day of September of each year a detailed statement of the amount received under any of the provisions of this Act during the preceding fiscal year, and of its disbursement on schedules prescribed by the Secretary of the Interior. If any of the moneys received by the authorized receiving officer of any State water resources research institute under the provisions of this Act shall by any action or contingency be improperly diminished, lost or misapplied, it shall be replaced by the State concerned and until so replaced no subsequent appropriation shall be allotted or paid to such State. Pending a meeting of the legislature of any State, the Secretary of the Interior shall pay sums appropriated pursuant to Section 100 of this Act to a qualified institution designated by the Governor of such State.

SEC. 102. Moneys appropriated pursuant to this Act shall also be available, in addition to meeting expenses for research and investigations conducted under authority of section 100, for printing and disseminating the results of such research, retirement of employees subject to the applicable provisions of the Act approved March 4, 1940 (54 Stat. 39), administrative planning and direction, and for the purchase and rental of land and the construction, acquisition, alteration, or repair of buildings necessary for conducting research. The State water resource research institutes are authorized to plan and conduct any research authorized under this Act in cooperation with each other and such other agencies and individuals as may contribute to the solution of the water problems involved, and moneys appropriated pursuant to this Act shall be available for paying the necessary expenses of planning, coordinating, and conducting such cooperative research.

SEC. 103. Bulletins, reports, periodicals, reprints of articles, and other publications necessary for the dissemination of results of the researches and experiments, including lists of publications available for distribution by the institutions, shall be transmitted in the mails of the United States under penalty indicia: *Provided, however,* That each publication shall bear such indicia as are prescribed by the Postmaster General and shall be mailed under such regulations as the Postmaster General may from time to time prescribe. Such publications may be mailed from the principal place of business of the institute or from an established subunit of said institute.

SEC. 104. The Secretary of the Interior is hereby charged with the responsibility for the proper administration of this Act, and is authorized and directed to prescribe such rules and regulations as may be necessary to carry out its provisions. It shall be the duty of the Secretary to furnish such advice and assistance as will best promote the purposes of this Act, including participation in coordination of research initiated under this Act by the State water resources research institutes, from time to time to indicate such lines of inquiry as to him seem most important, and to encourage and assist in the establishment and maintenance of cooperation by and between the several State water resource research institutes, and between the institutes and the United States Department of the Interior.

On or before the first day of July in each year after the passage of this Act, the Secretary of the Interior shall ascertain as to each State whether it is entitled to receive its share of the annual appropriations for water resources research institutes under this Act and the amount which thereupon each is entitled, respectively, to receive.

Whenever it shall appear to the Secretary of the Interior from the annual statement of receipts and expenditures of funds by any State water resources research institute that any portion of the preceding annual appropriation allotted to that station under this Act remains unexpended, such amount shall be deducted from the next succeeding annual allotment to the State concerned.

If the Secretary of the Interior shall withhold from any State any portion of the appropriations available for allotment, the facts and reasons therefor shall be reported to the President and the amount involved shall be kept separate in the Treasury until the close of the next full Congress. If the next session of Congress shall not direct such sum to be paid, it shall be carried to surplus.

The Secretary of the Interior shall make an annual report to the Congress each year of the receipts and expenditures and work of the water resources research institutes in all the States under the provisions of this Act and also whether any portion of the appropriation available for allotment to any State has been withheld and if so the reasons therefor.

SEC. 105. Nothing in this Act shall be construed to impair or modify the legal relation existing between any of the colleges or universities under whose direction State water resources research institutes have been established and the government of the States in which they are respectively located: *Provided,* That in any State in which more than one such college or university has been established the appropriations made pursuant to this Act for such State shall be divided between such institutions as the legislature of such State shall direct.

SEC. 106. Within not more than a year following the fifth year of operation of this Act, the Secretary of the Interior shall prepare and submit to the Senate and House of Representatives a comprehensive report on progress and accomplishments under the Act, together with his recommendations and the independent recommendations of the governing authorities of the State land grant college and State universities, on desirable revision of title I. This section is not intended to preclude any interim recommendations deemed desirable.

TITLE II. WATER RESOURCES SERVICE

SEC. 200. The Secretary of the Interior is authorized to establish in the Department of the Interior a water resources service for the purpose of administering programs authorized in this Act, and to encourage all agencies in the Federal Government concerned with water problems to cooperate, coordinate, and to eliminate unnecessary duplication of projects through it; to make generally available information and reports on projects completed, in progress, or planned, through such water resources service, in addition to any direct dissemination of such information by the researching agencies themselves; and to foster and develop a balanced, nationwide program of water and related resources research and action adequate to meet national, regional, State and local requirements and potentialities in the water field.

SEC. 201. There is authorized to be appropriated to the Secretary of the Interior $5,000,000 in fiscal year 1964, increasing $1,000,000 annually for five years, from which he may make grants, contracts, or other arrangements with educational institutions, private foundations and other institutions, private firms, individuals, local, State and Federal Government agencies, or State water resources research institutes, to undertake research into any aspects of the broad field of water and water problems which may be deemed desirable and not otherwise being studied.

SEC. 202. Nothing in this Act is intended nor shall be construed as repealing, superseding or diminishing existing authorities or responsibilities of any agency of the Federal Government to plan and conduct, contract for, or assist in research in its areas of responsibility and concern with waters resources. Each Federal agency doing water resources research or investigations shall advise the Secretary of the Interior at least once annually of work underway or scheduled by it. The Secretary of the Interior shall classify and maintain for general use a catalog of water resources research and investigation projects in progress or scheduled by Federal agencies, and by such non-Federal agencies of governments, colleges, universities, private institutions, firms and individuals as may voluntarily make available information to him.

TITLE III. MISCELLANEOUS PROVISIONS

SEC. 300. The Secretary of the Interior is authorized to use not to exceed 4 per centum of any funds appropriated pursuant to this Act for purposes of administration. He may employ a Director of the Water Research Service at civil service grade 18 and such additional employees above grade 15 as are required.

SEC. 301. Contracts or other arrangements for water resources research work authorized under this Act may be undertaken without regard to the provisions of section 3684 of the Revised Statutes (31 U.S.C. 529) when in the judgment of the Secretary of the Interior such payments are necessary to facilitate such research.

SEC. 302. The Federal Water Resources Council, if and when established, shall be consulted and advise with the Secretary of the Interior on programs established under this Act.

SEC. 303. This Act may be known as the Water Resources Research Act.

REVENUE ACT OF 1962—AMENDMENTS

Mr. McCARTHY submitted amendments, intended to be proposed by him, to the bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

NOTICE OF HEARING ON S. 1507, TO AMEND THE FOREIGN SERVICE BUILDINGS ACT OF 1926, BY COMMITTEE ON FOREIGN RELATIONS

Mr. SPARKMAN. Mr. President, as acting chairman of the Committee on Foreign Relations, I wish to announce that the committee will hold a public hearing on the bill S. 1507, to amend the Foreign Service Buildings Act of 1926, at 10 a.m., Thursday, August 2, in room 4221, New Senate Office Building.

This meeting will be principally concerned with an amendment—cosponsored by Senators WILLIAM FULBRIGHT and MIKE MONRONEY—designed to prohibit foreign governments from building their chanceries in residential areas of the District of Columbia. If enforced the amendment would require these governments to observe the same building and zoning regulations, which apply to other commercial establishments, in the location of their chanceries.

Anyone wishing to testify on this matter should get in touch with the clerk of the committee.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. JACKSON:

Address delivered by Senator MAGNUSON at the dedication of a marine laboratory at Friday Harbor, Wash.

By Mr. WILEY:

Excerpts from address prepared for delivery by himself before the Greek-American Progessive Association in Washington, D.C., on July 26, 1962.

PUBLIC BUILDINGS AND WATERSHED PROJECTS

Mr. CHAVEZ. Mr. President, in order that the Members of the Senate and other interested parties may be advised of public buildings projects approved by the Committee on Public Works, under the provisions of the Public Buildings Act of 1959, and watershed projects approved under the provisions of the Watershed Protection and Flood Prevention Act, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD information on this subject.

The first is a list of six public building projects, five projects for new buildings, and one project for alterations to existing buildings.

Approval of these building projects is based on prospectuses submitted to the committee by the Administrator of General Services, in compliance with the provisions of Public Law 249, 86th Congress. These projects were discussed with representatives of the General Services Administration, who justified the need therefor.

The small watershed projects were approved under the provisions of Public Law 566, 83d Congress, as amended.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Location and project	Date of approval	Estimated cost
NEW BUILDINGS		
Long Beach-Los Angeles Harbor, Calif., customhouse (revised prospectus)	July 20, 1962	$5,204,000
Sault Ste. Marie, Mich., border station	May 15, 1962	339,000
Roswell, N. Mex., post office and Federal office building	do	2,030,000
Buffalo, N.Y., Federal office building	July 20, 1962	14,140,000
Charlottesville, Va., Federal office building	do	4,326,000
ALTERATION		
Selma, Ala., post office and courthouse	do	391,000
Total		26,430,000
WATERSHED PROJECTS		
Hurricane Creek, Ala	do	1,577,790
Town Creek, Ala	do	2,406,450
Florence area, Arizona	Apr. 26, 1962	2,189,803
Marbury Creek, Ga	July 20, 1962	425,337
Middle Fork Broad River, Ga	do	934,684
North Branch Forest River, N. Dak. (supplemental)	Apr. 26, 1962	29,433
Upper Blue River, Okla	July 20, 1962	3,573,286
Thicketty Creek, S.C	do	973,306
Total		12,110,089

PREFERENTIAL EMPLOYMENT OF STATE RESIDENTS BY GOVERNMENT AGENCIES

Mr. McGEE. Mr. President, at a meeting in Thermopolis, Wyo., on June 28 through June 30, 1962, the Wyoming Department of the American Legion adopted a resolution pertaining to preferential employment of qualified State residents by the Veterans' Administration and other governmental agencies, and I ask unanimous consent that a copy of that resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

(Department headquarters, the American Legion, Box No. 555, Cheyenne, Wyo.)

PREFERENTIAL EMPLOYMENT OF QUALIFIED STATE RESIDENTS BY VETERANS' ADMINISTRATION AND OTHER GOVERNMENTAL AGENCIES

Be it resolved by the American Legion, Department of Wyoming, duly assembled in Thermopolis, Wyo., June 28–30, 1962—

1. That the proper care, maintenance, and rehabilitation of our veterans who served so admirably in the great wars is one of the prime considerations and objectives of the American Legion; that said care, maintenance and rehabilitation is being carried on by the Veterans' Administration, but also by other governmental agencies; and

2. That the residents of the State of Wyoming have evidenced their ability, integrity, qualifications and interest in our own sons, in various fields, occupations and professions, which are necessary for the proper care as aforesaid; and

3. That, notwithstanding this dedication, ability, integrity, qualification and interest of and by the residents of our great State, governmental agencies, most notably the Veterans' Administration, have repeatedly and blatantly, without regard for, and ignoring the services offered to them within our State, by our State's residents and the fact that proper care, maintenance and rehabilitation can be had from talent within our State and that such talent has been offered by our own residents; that despite these considerations, said agencies, most notably the Veterans' Administration, have sought such care, maintenance and rehabilitation from other sources, either by sending the veteran to other areas or by employing talent from other areas to be brought within the State of Wyoming, thereby ignoring the potential services to be offered within the State by State residents; and

Now therefore, the American Legion, Department of Wyoming, does hereby recommend to the agencies of the United States of America, in dealing with veterans' affairs, and most especially the Veterans' Administration, that these agencies seek first within the State of Wyoming, qualified personnel for the proper discharge of the duties and functions of said agencies and that preference be given the residents of this State in the employment of personnel which are necessary for said discharge of said duties and that only after the potential existing within our State of Wyoming is exhausted, do these agencies either send our veterans to other areas or employ talent from other areas to be brought within the confines of our State; and be it further

Resolved, That copies of this resolution be sent to the duly elected representatives of the people of the State of Wyoming who act on our behalf in National Government's policies.

SAN ANTONIO LIGHT COMMENDS PRESIDENT KENNEDY ON APPOINTMENT OF MAYOR CELEBREZZE AS SECRETARY OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. YARBOROUGH. Mr. President, in an editorial published Monday, July 23, 1962, the San Antonio Light stated that President Kennedy has made an appropriate choice in the appointment of Mayor Anthony Celebrezze, of Cleveland, Ohio, as Secretary of the Department of Health, Education, and Welfare.

I ask unanimous consent to have printed in the Record the favorable editorial concerning the appointment of this distinguished Ohioan to a Cabinet post bearing on the lives of every American citizen.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Mr. Mayor to District of Columbia

Running the health, education, and welfare problems of a large and complex city like Cleveland, Ohio, is probably as good a steppingstone as any to doing the same for the Nation.

Cleveland's Mayor Anthony Celebrezze apparently did a good and popular job in his hometown. Its citizens elected him to office five times.

Thus it appears certain President Kennedy has made an appropriate choice in naming Mayor Celebrezze to his Cabinet. The mayor is the first American of Italian descent to achieve Cabinet rank. If his appointment means the Cabinet will further represent the varied yet homogeneous makeup of our country, so much the better.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the motion of Mr. Mansfield to proceed to the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. MORSE. Mr. President, will the Senator from Texas yield so that I may suggest the absence of a quorum?

Mr. YARBOROUGH. I yield for that purpose.

Mr. MORSE. I suggest the absence of a quorum, and I ask for a live quorum.

The PRESIDING OFFICER (Mr. Metcalf in the chair). Does the Senator yield for that purpose?

Mr. YARBOROUGH. I yield for that purpose.

The PRESIDING OFFICER. Let the Chair first determine for what purpose the Senator from Texas is yielding.

Mr. YARBOROUGH. I have yielded to the distinguished Senator from Oregon for the purpose of his suggesting the absence of a quorum.

Mr. MORSE. Mr. President, I suggest the absence of a quorum, and I ask that it be a live quorum.

Mr. SMATHERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMATHERS. Does the fact that the absence of a quorum has been suggested constitute one speech insofar as the able Senator from Texas is concerned?

The PRESIDING OFFICER. The first speech of the Senator from Texas has been terminated. The absence of a quorum has been suggested, and the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 135 Leg.]

Holland
Hruska
Kefauver
Kerr
Metcalf
Morse
Mundt
Smathers
Thurmond
Yarborough

The PRESIDING OFFICER. A quorum is not present.

RECESS TO 10 A.M. TOMORROW

Mr. SMATHERS. Mr. President, I move that the Senate recess in accordance with the previous order.

The motion was agreed to; and (at 10 o'clock and 14 minutes p.m.), under the previous order, the Senate recessed until tomorrow, Saturday, July 28, 1962, at 10 a.m.

HOUSE OF REPRESENTATIVES

Friday, July 27, 1962

The House was not in session today. Its next meeting will be held on Monday, July 30, 1962, at 12 o'clock noon.

Pursuant to an order of the House on Thursday, July 26, 1962, the conference report on the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes, was submitted.

EXTENSIONS OF REMARKS

Cooperation for Progress Between the United States and Greece

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, July 27, 1962

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the Congressional Record excerpts from an address prepared by me for delivery before the Greek-American Progressive Association in Washington, D.C., on July 26, 1962, on the subject of cooperation for progress between the United States and Greece.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Excerpts of Address by Hon. Alexander Wiley, Senior Republican, U.S. Senate Foreign Relations Committee, Before the Greek-American Progressive Association, Shoreham Hotel, Washington, D.C., July 26, 1962

Members of Greek-American Progressive Association, fellow Americans, I am happy to be with you.

Significantly, the name of your organization—the Greek-American Progressive Association—reflects the spirit and goal of U.S. policy—that is, better understanding and relations—and greater cooperation for progress—between the United States and Greece, as well as other nations.

Within our country—and in accordance with our national traditions—your program, too, commendably contributes—not just in spirit, but in action—to our national progress by: supporting civic, educational, philanthropic, and similar activities in your respective communities; promoting the social, ethical, intellectual interests of your members—to enable better fulfillment of the responsibilities of citizenship; disseminating Greek-American culture for enrichment of our way of life; and other worthy programs.

Significantly—through these and other efforts—you are imprinting Greek culture upon the mosaic of U.S. life—mirroring the ways, thinking and traditions of immigrants from many lands.

CONTRIBUTION OF GREEK CULTURE TO U.S. LIFE

Of Greek descent, you have a special responsibility—more directly than the rest of us—to a great, magnificent heritage of ancient Greece.

Down through the centuries, the traditions of Greek political-philosophical culture have lived—and shaped the affairs of humanity—from ancient to modern times.

In the United States—a relatively young country—we, from our youth, recall the familiar names of—

Socrates, the influential teacher of philosophy, emphasizing the love of reason and of moderation in philosophical life; Plato, remembered for the philosophical concept that ideas are true knowledge and above material things. During his lifetime, he possessed the unswerving faith in the capacity of the human mind to attain absolute truth and to use this truth in the rational direction of human life and affairs. Democritus, too, during 460 to 430 B.C.—developed the concept that all substances consist of atoms—a theory which now—over 2,000 years later serves as the foundation for the great, revolutionary nuclear age.

From ancient Greece, also, the world has inherited fundamental ideas and ideals of democracy—many of which now serve as high principles of our Constitution and of our political life; styles of architecture; our language, also—particularly in many of its derivatives—reflects the enduring impact of the Greek language; as well as many other philosophical, material, and spiritual concepts that have become indelibly imprinted—generation after generation—in human life and world progress.

During World War II, again, the "spark and spirit" of ancient Sparta burst into patriotic flames anew, as Greek soldiers bought—with their lives and the destruction of their homeland—precious time for the Allies in the struggle against fascism. Valiantly fighting—often with little more than bare and bloody hands, but indomitable spirits—they heroically drove Mussolini's Fascist forces back into the sea.

CHALLENGE OF NUCLEAR AGE

Of such a heritage, you can be justly proud.

Pride in the past, however—great though it may have been—is not enough.

In the nuclear-space age—faced with great, complex challenges on global fronts—we, now, must ask ourselves: What is our contribution to world history? To human progress? To peace?

In our time, can we—you and I—make contributions of significance and stature comparable to those of ancient Greece?

Or, will we, individually, find some "lame excuse" for a "free ride" upon the greatness—yes, upon the sacrifices—of those who have gone before us?

From time immemorial, there have been—with the recurring cycles of change and progress—new challenges to the mind, imagination and spirit of man.

In our increasingly complex world, this is more true now than in the past.

The creators of gunpowder, of the airplane, of the automobile, would be wide eyed in amazement if now they could witness the explosion of nuclear bombs, the supersonic speeds of jetplanes and rocket-powered X-15's, manned air-spacecraft, man's orbiting of outer space, man's trajecting spacecraft toward the moon, and other planets of the universe.

Of a more earthly nature, the human race—despite thousands of years of existence—still has not been successful in finding a workable formula of man's right relationship to man. Generation after generation, humanity undergoes great fiery trials or strife and controversy and, indeed, a succession of wars that increasingly threaten to annihilate a portion—or all—of the human race.

There remain also the age-old human foes: of poverty, disease, illiteracy, hate, and prejudice which, if resolved, would immeasurably benefit mankind.

As in the times of Plato and Socrates, then, each generation—past, present, and future—possesses an opportunity for, yes, a challenge to greatness.

Upon the foundation of the past, now, we—each of us, within the limitation of our God-given abilities, talents, and imaginations—need to extend the horizons of our understanding, perceptions, and perspectives to encourage the space age challenges until in hurts; evaluate the forces and influences of our time; and then determine how we—with our minds, hearts, spirits, and, above all, the sweat of our brow—can make our unique contribution toward shaping the future.

GREECE: OUTPOST OF FREEDOM

Significantly, your ancestral homeland of Greece, once again is making a contribution to history.

Under the dark overshadow of the Communist world, Greece stands Gibraltar-like as an outpost of freedom.

As comembers of the North Atlantic Treaty Organization, we—two nations with great democratic traditions—stand shoulder to shoulder in combating communism.

On the global horizon, fortunately, there are signs appearing that: the upsurge of communism—particularly its military outspreading—may well have reached its apex and now be on the decline; the free-world perimeter has hardened to make even "chipping" aggression more difficult for the Communists; the Reds are finding it increasingly difficult to implant trouble-making machinery even in new, less-developed areas of the world; and the Communist system itself—in existence long enough to prove, or disprove its workability—is in trouble—experiencing serious deficiencies, even in meeting fundamental needs of its controlled people and nations—for example, the agricultural failure in the Soviet Union and Red China.

Relatively successful in holding back the tide of communism militarily, NATO—together with other allies—now rightly in turning more effort toward political-economic cooperation to meet the need of member nations.

Upon such a foundation, there is—I believe—also a next step of Western policy which would call for:

1. A greater shift from defensive-type thinking and policies to more creative, dynamic, nonmilitary counteroffensives—economically, politically and ideologically.

2. A willingness to stand face to face to the Communists and strongly say: "There are certain fundamental rights of humanity—including self-determination and freedom—to be respected, protected, and preserved for posterity. For these, we will give our all. Contrary to your policies, we do not 'want to bury you'; rather, we want your grandchildren to live under freedom—not because it is our way, but because it is the human, right way."

As of now, the free world possesses:

(a) The jet-missile-nuclear-space-military power (barring any advantage-giving breakthrough by the Communists)—to serve as a deterrent to aggression;

(b) The agriculture and industrial productivity to outproduce the Communists; and

(c) The ideas and ideals that will—if the majority of humanity is to be served—ultimately provide the foundation for world progress and peace.

CHANGING FACE OF EUROPE

We, as a people, and a free-world leader; and you, as Americans of Greek descent—many of whom travel periodically back and forth to your ancestral homeland—can contribute much to a new era of progress.

How? In the following ways:

Support of realistic policies and programs for greater Greek-American and other kinds of international cooperation for progress and peace; and sharing with the old world the ideas and ideals which have made this a great country.

In Western Europe today, there is a great economic revolution:

The Common Market—in which Greece is awaiting ratification as an associate member—for example, stands as a mighty and growing economic community that will (a) better serve the citizens of Europe and (b) increasingly provide assistance and technical know-how to promote peace elsewhere in the world.

The success of European economic cooperation also represents a thorn in the side of Mr. Khrushchev. How? By creating an unfavorable picture of progress in free Europe, as contrasted to the "lack of, or minimal, progress" in Communist-dominated nations.

This improved economic condition will not only offer greater resistance to penetrations of communism, but also help to support the necessarily strong military defensive against Red aggression.

UNITED STATES-EUROPEAN INTERCHANGES

Historically, the United States, as a young Republic, has adopted—and benefited from—many of the cultures and traditions of the Old World.

In the years just ahead we will witness, however, an ever-greater reversal of this trend than has occurred in the past.

Among the features of U.S. modernism—here taken for granted—that will be appearing more and more in European life (some now being enjoyed among the elite) are: more home television, including Eurovision, and global vision resulting from such projects as the U.S. Telstar; the supermarket, with its great variety of fresh, preserved, and frozen foods; more electrical home appliances; improved housing; better plumbing and water services; more electricity to "light up life" in Western Europe; and other advancements to improve standards of material living.

As in the past, however, we here will continue to enjoy and be enriched by the customs, cultures, and traditions as well as new political, economic, scientific, philosophical discoveries and revelations emerging from the new Europe, and, yes, from your fatherland of Greece.

TELSTAR—SATELLITE OF PEACE

To further improve international exchanges, we now—almost daily—watch the revolutionary miracle of intercontinental television through Telstar.

The successful transmission of voice and picture from space marks a new triumph of the U.S. space program.

Miraculously, our scientific genius has found a way of "talking through" such an orbiting "star" to people around the globe. This represents human utilization of the great realm of outer space upon which the ancient Greeks thought, wrote, and philosophized about laws of the universe.

For the future we, and the people of the world, can look forward to greater accomplishments in space for radio, television, telephone communications, more accurate weather reporting; and ultimately, perhaps, for transportation, travel, and other practical programs.

By Telstar-type successes for peaceful use of space, the U.S. effort will, I believe, far outshine the Communist space feats. Why? Fundamentally, because these represent an effort to serve—not continually attempt to threaten and destroy—humanity.

The Telstar project then—in addition to being a highly significant scientific achievement—will be a forerunner of more satellite "missions of peace"—to promote by exchange of ideas, information, culture, TV people-to-people contacts and greater cooperation and understanding among the nations of the world.

Obviously, the Communists are disturbed by the great global acclaim. To attempt to detract attention, they are declaring a new series of tests of nuclear bombs.

In the minds of the people of the world, and in the judgment of history, however, a succession of Telstar-type successes will prove, I believe, far more significant to humanity. In reality, the global impact of such efforts to utilize space for peaceful purposes may, indeed, make the Soviet 100-megaton bombs—despite being dangerous to the world health and peace—sound like firecrackers by comparison.

CONCLUSION

With a future bright with promise for greater miracles, even though realistically also beset with serious problems, I believe that we, citizens of this great melting pot of nationalities of the world—by dedication to the highest ideas and ideals; by encouraging greater cooperation among and thereby enriching the life of all nationalities of our land; by carrying forward humanity-serving programs, many of which have been commendably supported by you individually and by your organization—in our time, may make contributions of comparable significance to—if different in kind from—the best past traditions of this country and ancient Greece.

Address by Senator Magnuson at Dedication of Marine Laboratory at Friday Harbor, Wash.

EXTENSION OF REMARKS

OF

HON. HENRY M. JACKSON

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Friday, July 27, 1962

Mr. JACKSON. Mr. President, at the invitation of the University of Washington, its president, Dr. Charles E. Odegaard, members of the faculty and of the university's board of regents, my colleague from the State of Washington, Senator WARREN MAGNUSON, on June 25 made the principal address at the dedication of the handsome new marine laboratory at Friday Harbor, Wash.

The choice of Senator MAGNUSON for this honor was most fitting. During his 25 years of service in the Congress of the United States, Senator MAGNUSON has been a devoted friend and champion of science and of scientists.

As all of us know, he was an original sponsor of the National Cancer Institute, since broadened into the National Institutes of Health.

Senator MAGNUSON introduced the first bill to create the National Science Foundation which has so ably stimulated basic scientific research and the education and training of young scientists for whom our Nation has such great need.

My esteemed colleague also assumed leadership in securing the funds for the magnificent U.S. science buildings and exhibits at the World's Fair in Seattle, buildings of such architectural merit that they were featured in our first television broadcasts to Europe via Telstar.

Senator MAGNUSON during this quarter century of service also has had a special interest in the oceans and their estuaries—in their defense, their vast but as yet scarcely tapped fisheries, mineral and medicinal resources, their utilization in broadening our commerce and trade, and their effect upon our weather and climate.

Two years ago Congress passed and the President signed Senator MAGNUSON'S bill permitting the Coast and Geodetic Survey, which has its western base in Seattle, to expand its activities including oceanographic research beyond the continental shelf thus making it for the first time an oceanwide service of the United States.

Last year Congress passed and the President signed Senator MAGNUSON'S bill broadening for the first time the missions of the U.S. Coast Guard to include scientific research, legislation which will result in material savings through the use of existing large Coast Guard ships.

Senator MAGNUSON'S bill to establish a comprehensive national 10-year program of oceanographic research, surveys, education, and construction of improved facilities has twice passed the Senate by overwhelming majorities, but is still pending in a subcommittee of the House of Representatives.

The Friday Harbor ceremony was attended by Dr. Athelstan F. Spilhaus, Commissioner of the U.S. Science Exhibit of the World's Fair and Chairman of the Committee on Oceanography of the National Academy of Sciences; by Dr. Joseph L. McCarthy, dean of the Graduate School, University of Washington; Dr. Robert Leslie Fernald, director of the Friday Harbor Laboratories, many other University of Washington faculty members and students, and many residents, not only of San Juan Islands communities but of nearby cities, including Bellingham and Anacortes.

I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the address given by Senator MAGNUSON at the dedication of the new Friday Harbor Laboratory on June 25 of this year.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

FRIDAY HARBOR AND MARINE SCIENCE

(By Senator MAGNUSON, of Washington)

Dr. Spilhaus, Dr. McCarthy, Dr. Fernald, distinguished guests, ladies and gentlemen, I am happy to be here today. All of us can be proud as we dedicate this handsome new laboratory building in what I am sure we all agree is the world's most beautiful marine setting.

The university can be proud that it chose this magnificent site on San Juan Island 55 years ago for a marine biological station.

The Federal Government in 1922 wisely ceded an additional 484 acres to be added to the original site.

The State of Washington cooperated in the following year by declaring this area and all the marine waters of the San Juan Archipelago a marine biological and game preserve, placing them for conservation purposes under the director of the laboratories.

Six small one-story laboratory buildings were constructed during the midtwenties. With these meager facilities Friday Harbor struggled on during the war years, years when our Navy and the Government were learning—the hard way—how limited has been our knowledge of the hydrosphere.

Friday Harbor's fame spread among scientists and others interested in the oceans and their contents until its importance as a research center outgrew the budget capacity of the university to meet the ever-expanding need for new facilities. This has been true not only at Friday Harbor but at other scientific centers throughout the United States.

Demands for greater scientific knowledge of the seas and of life within them increased, but construction of facilities for marine scientific training and ocean research was—and had been since the 1920's—at a virtual standstill. Universities simply did not have the money to embark on adequate research facilities programs.

The national interest required new facilities for basic scientific research. The national interest required expanded research in the oceans and their estuaries, in atmosphere and space, in telecommunications and in many other scientific fields. Basic scientific research had become imperative to our national security and of vital importance to our economy and health. To some of us in the Congress one answer to the problem was to extend Federal assistance to those scientists and institutions who with expanded facilities and equipment could contribute to our knowledge in these scientific fields.

No statutory authority existed, however, by which the Federal Government could extend such assistance to institutions and centers—such as Friday Harbor—where the abilities to train scientists and conduct such research are concentrated. No precedent existed for such assistance. No agency existed that had authority to extend such assistance. New legislation was required.

In 1945, as a Member of the House of Representatives, I introduced—after consultation with many eminent scientists—the first bill in the history of the Congress to extend Federal help to universities and laboratories for basic scientific research, and to create an agency for that purpose—the National Science Foundation.

Two years later as Senator from Washington, I introduced similar legislation which passed both Houses of Congress but was vetoed by the President. In 1950 with the assistance of the late Senator Kilgore, of West Virginia, the National Science Foundation Act was passed and the principle of Federal assistance to institutional centers and scientific research became a reality. The Foundation and its endeavors have since justified themselves many fold. The splendid laboratory we dedicate today is one example.

This laboratory to me represents many things other than just another handsome, well-equipped building.

It represents the inspiration of dedicated men and women of the University of Washington and the National Science Foundation.

It represents a close and healthy partnership between the State of Washington and the Federal Government in a concrete and realistic program to advance our scientific knowledge of life in earth's largest but least known environment—the oceans. And when I speak of oceans I include their estuaries and tide-washed shores.

This is a financial as well as an educational partnership. It is a partnership destined to continue here at Friday Harbor. To this enterprise, of which this handsome building and grounds are evidence, the Federal Government has contributed $375,000, the State of Washington and the university, $224,865.

Part of the State's expenditures have been for maintenance services and utilities. They include a new lighting system, new sewage disposal system, extension of fresh water mains and a new glass sea water system, all of these permanent works which will service not only this magnificent new laboratory, but a second laboratory building which will be needed soon. Construction on the second building should start by 1964, and again I anticipate National Science Foundation funding.

This means that Friday Harbor is on its way. It is destined to be one of the great international centers of biological marine studies of the world, ranking with Naples and Monaco and Plymouth. Already Friday Harbor has acquired an international reputation. This year scientists from eight foreign nations will come here for research studies. Europe, Australia, the Orient, and Latin America all will be represented.

Universities of 12 States last year sent graduate students here for summer research, studies, or lectures, and Sweden, Italy, Denmark, France, and Canada had brilliant young biologists here in residence although there were then only the old and small laboratories to work in.

The interest in these laboratories has not been limited to scientists and students. Friday Harbor has projected its message to all parts of the United States and to many foreign countries through the medium of educational television.

A series of fifteen 30-minute telecasts prepared by Dr. Dixy Lee Ray, titled "Animals of the Seashore" is now being shown in the Near East, Italy, and Denmark, and along the west coast of South America. There was a special showing of the entire series in the Navy Department last winter.

Other films for educational television included several supported by the American Cancer Society and produced under the auspices of the American Institute of Biological Sciences are being shown over many of our educational television stations throughout the country. All were produced here at Friday Harbor.

In coming years this activity will be greatly expanded and there will be many more educational television stations to utilize marine biology films from Friday Harbor. Congress this year passed and President Kennedy signed my educational television bill which provides Federal assistance in the construction and operation of educational television stations. This will assure the use of many TV channels which have been set aside for such use but are now vacant and one of the services these new stations will perform surely will be to telecast marine biology programs filmed at Friday Harbor.

All of us know how important marine biology is to the great fisheries industry of the Pacific Northwest, but some of us may be unfamiliar with the importance which the Navy Department attaches to it from the viewpoint of national defense.

The first interest of the Navy has been in connection with fouling which slows down ships and causes millions of dollars damages annually to drydocks and piers. Probably the most important symposium on marine boring and fouling organisms ever held took place here at Friday Harbor in 1957. The proceedings, edited by Dr. Ray, were published by the university in a book of more than 500 pages in 1959. I am proud to have it in my library.

Other marine biological problems which concern the Navy are listed in the Navy's Tenoc report issued a year ago. The word "Tenoc" stands for "Ten Years in Oceanography" and is a projected program for the coming decade.

These problems include—and I quote from the report:

"1. Biological interference with underwater acoustic systems.

"2. Biological influences upon mine and mine countermeasure actions.

"3. Biological deterioration of marine structures and equipment.

"4. Bioluminescence.

"5. Poisonous, venomous, and noxious marine organisms.

"6. Biological orientation, detection, and target valuation phenomena."

All of these, the Navy adds, must be investigated and defined as to the exact influence upon equipment and operations and for our national security.

Friday Harbor, with its new laboratory and the one to follow will contribute to this aspect of national defense in even greater measure than it has in the past.

Friday Harbor and Puget Sound are ideal locations for such studies. Although the waters of the sound are oceanic, the area is protected from storm waves and heavy pounding surf such as characterize the open coast. The San Juan Islands are sufficiently remote from industrial developments to be free from any serious pollution. Few areas in the world are so favored.

The beneficient factors which the entire Puget Sound area presents have impressed not only the National Science Foundation but the Navy's Bureau of Weapons and its Office of Naval Research, the Bureau of Commercial Fisheries, the Coast and Geodetic Survey, and other agencies of our Government.

The Navy, in recent years, also has accepted the principle of contracting much of its research to universities and research laboratories and to assisting financially in laboratory construction.

Dr. Jerome B. Wiesner, Chairman of the Federal Council for Science and Technology and scientific adviser to the President, recently advised me of the marine facilities budget for 1963 which the administration has agreed to and is supporting.

The total for this budget for the entire United States is $11,065,000.

Locations of only four new laboratory facilities are specified by name and they are budgeted for $4,853,000, of which $4,257,000 is earmarked for the State of Washington; $2 million for the university's department of oceanography and $2,257,000 for the Bureau of Commercial Fisheries new laboratory in Seattle.

The Pacific Northwest is destined to become a free world center for marine biology and physical oceanography.

The importance of this area is recognized not only by the Department of Defense, the Bureau of Fisheries, and the National Science Foundation, but also by the Coast and Geodetic Survey and the U.S. Coast Guard.

The Coast and Geodetic Survey has its headquarters here on Puget Sound and soon will let a contract for a new and major base. The Coast Guard has its district headquarters on Puget Sound.

Three years ago Congress passed my bill to permit the Coast and Geodetic Survey to conduct oceanwide research. Previously it had been limited to the Continental Shelf. Passage of my bill is one of the reasons the Coast Survey needs a greatly expanded base at Seattle. Under Adm. Arnold Karo's direction, it is taking full advantage of this legislation and making notable contributions in oceanography.

Last year Congress passed my bill to permit the Coast Guard to engage in oceanographic research anywhere on the high seas. Before that it had authority to conduct research only in connection with the ice patrol.

The 1963 budget contains funds to commence instrumentation of some of the Coast Guard's fine, large ships, a program that will be greatly expanded in future years.

Dr. Wisener in his report on the 1963 program cited this legislation and stated that it, and pending legislation, will effect future program planning. As President Kennedy's science adviser that is good news for oceanography.

President Kennedy's goal, Dr. Wisener's goal, my goal, and I am sure that of all of us here today, is to attain and maintain world leadership in the marine sciences—all of them.

In achieving this goal the Pacific Northwest will and must be in the forefront, if for no other reason because of our strategic location on the world's major ocean.

I see few shortcuts in this endeavor. What will be necessary is a continuous and long-range program as suggested 3½ years ago by the Committee on Oceanography of the National Academy of Sciences.

Shortly after the committee issued its report in January 1959, Senator JACKSON and I introduced a Senate resolution warmly endorsing the committee's recommendations and commending them to the Congress and to the executive branch of our Government.

This resolution was passed unanimously.

Later in the 86th Congress I introduced Senate bill 2692 to implement the recommendations of the Committee on Oceanography, of which Dr. Ray, who is here today, is an illustrious member. This, too, passed the Senate unanimously, but the House of Representatives failed to act on it.

The 86th Congress expired and it was necessary in this, the present Congress, to introduce new legislation. This was done. I introduced Senate bill 901 to authorize a 10-year national program of oceanographic research and surveys, coordinated and patterned somewhat similar to the highly successful British system. This passed the Senate by an overwhelming majority, but again the committee to which it was referred in the House of Representatives has failed to act on it.

I am not discouraged for two reasons. One is that the present administration has administratively carried out many of the recommendations contained in my bill, with the result that there has been a considerable advance in Federal assistance to our oceanographic institutions and laboratories.

A second reason is that, as I have learned from experience, patience is required to gain acceptance of new legislation in both Houses of Congress, particularly in fields of science and communications.

Sooner or later, I am convinced, both branches of Congress will come to the conviction that our long-range oceanographic program must have a statutory base.

This is not to criticize the work presently being done in this field by the administration or by any agency in Government. But at some time in the future there may be others to whom the urgencies of marine research may not seem quite so apparent. Then, if we are to continue forward on this endless frontier of science the program should have a statutory base, and for that reason I shall continue to offer legislation to achieve this purpose.

In the meantime I shall strive, as I have done in the past, to obtain full recognition of the superior quality of the work in marine sciences being done in the Pacific Northwest, not only at Friday Harbor but at the other laboratories of this area, which are still too few and too small. In a world which more and more is turning to the sea, we must continue to expand our facilities, our scientific training, and our oceanographic research and survey programs. You who are here today will do that.

Thank you.

SENATE

Saturday, July 28, 1962

(Legislative day of Thursday, July 26, 1962)

The Senate met at 10 o'clock a.m., on the expiration of the recess, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Almighty God, the reality behind all earth's shadows: Seeing that we spend our days as a tale that is told and that we pass this way but once, keep us from unkind words and from unkind silences, yet sure and strong in the faith that is in us.

In confused and confusing days—

Take from our souls the strain and stress
And let our ordered lives confess
The beauty of Thy peace.

Empower those who here act for the Nation to do the best and to speak the best that is in them as in Thy name they here strike their blow for the truth of God and the freedom of man. In the Redeemer's name. Amen.

CALL OF THE ROLL

The VICE PRESIDENT. The Senate having taken a recess last night in the absence of a quorum, no business can be transacted until a quorum is present.

The clerk will therefore call the roll for the purpose of developing a quorum.

The legislative clerk called the roll; and the following Senators answered to their names:

[No. 136 Leg.]

Beall
Bush
Carlson
Chavez
Cotton
Engle
Ervin
Gore
Hartke
Hayden
Hill
Holland
Humphrey
Jordan
Keating
Kuchel
Long, Hawaii
Mansfield
McClellan
Metcalf
Monroney
Neuberger
Robertson
Smathers
Stennis
Talmadge
Young, Ohio

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. Bartlett], the Senator from Nevada [Mr. Bible], the Senator from North Dakota [Mr. Burdick], the Senator from Virginia [Mr. Byrd], the Senator from Connecticut [Mr. Dodd], the Senator from Mississippi [Mr. Eastland], the Senator from Louisiana [Mr. Ellender], the Senator from Michigan [Mr. Hart], the Senator from Ohio [Mr. Lausche], the Senator from Louisiana [Mr. Long], the Senator from Minnesota [Mr. McCarthy], the Senator from Wyoming [Mr. McGee], the Senator from Oregon [Mr. Morse], the Senator from Utah [Mr. Moss], the Senator from Rhode Island [Mr. Pastore], the Senator from Rhode Island [Mr. Pell], the Senator from Wisconsin [Mr. Proxmire], the Senator from Massachusetts [Mr. Smith], the Senator from Texas [Mr. Yarborough], the Senator from Nevada [Mr. Cannon], the Senator from Pennsylvania [Mr. Clark], the Senator from Tennessee [Mr. Kefauver], the Senator from Illinois [Mr. Douglas], and the Senator from Alaska [Mr. Gruening] are absent on official business.

I further announce that the Senator from Colorado [Mr. Carroll], the Senator from Arkansas [Mr. Fulbright], the Senator from Wyoming [Mr. Hickey], the Senator from Missouri [Mr. Long], and the Senator from West Virginia [Mr. Randolph] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. Aiken] is absent on official business.

The Senator from Colorado [Mr. Allott], the Senators from Delaware [Mr. Boggs and Mr. Williams], the Senator from South Dakota [Mr. Bottum], the Senator from Maryland [Mr. Butler], the Senator from Indiana [Mr. Capehart], the Senator from New Jersey [Mr. Case], the Senator from Illinois [Mr. Dirksen], the Senators from Iowa [Mr. Hickenlooper and Mr. Miller], the Senator from New York [Mr. Javits], the Senator from Kentucky [Mr. Morton], the Senator from New Hampshire [Mr. Murphy], the Senator from Kansas [Mr. Pearson], the Senator from Vermont [Mr. Prouty], the Senator from Massachusetts [Mr. Saltonstall], the Senator from Pennsylvania [Mr. Scott], and the Senator from Texas [Mr. Tower] are necessarily absent.

The Senator from Hawaii [Mr. Fong] is absent because of death in his family.

The VICE PRESIDENT. A quorum is not present.

Mr. HUMPHREY. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms is instructed to execute the order of the Senate.

After a little delay, Mr. Anderson, Mr. Bennett, Mr. Byrd of West Virginia, Mr. Church, Mr. Cooper, Mr. Curtis, Mr. Goldwater, Mr. Hruska, Mr. Jackson, Mr. Johnston, Mr. Kerr, Mr. Magnuson, Mr. McNamara, Mr. Mundt, Mr. Muskie, Mr. Russell, Mrs. Smith of Maine, Mr. Sparkman, Mr. Symington, Mr. Thurmond, Mr. Wiley, and Mr. Williams of New Jersey entered the Chamber, and answered to their names.

Mr. HUMPHREY. Mr. President——

The VICE PRESIDENT. The Senate will be in order.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry: Is a quorum present?

The VICE PRESIDENT. No.

Mr. HUMPHREY. Mr. President, is the only procedure left to the acting majority leader to invoke the rule of arrest?

The VICE PRESIDENT. That would be a matter for the judgment of the leadership. Such a motion would be in order.

Mr. HUMPHREY. Mr. President, I would not want to embarrass my absentee colleagues today——

The VICE PRESIDENT. Debate is not in order.

Mr. HUMPHREY. Mr. President, I move that the Senate stand in recess until Monday, at noon.

The VICE PRESIDENT. That motion is not in order. A motion to adjourn would be in order.

Mr. HUMPHREY. Then, Mr. President, we will wait.

After a little further delay, Mr. Young of North Dakota entered the Chamber and answered to his name.

The VICE PRESIDENT. A quorum is present.

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H.R. 9520. An act to continue for 2 years the suspension of duty on certain alumina and bauxite; and

H.J. Res. 839. Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the motion of Mr. Mansfield that the Senate proceed to consider the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Montana [Mr. Mansfield] that the Senate proceed to the consideration of H.R. 11040, the communications satellite bill.

Mr. CURTIS. Mr. President, on that motion, I ask for the yeas and nays.

The VICE PRESIDENT. The yeas and nays have already been ordered.

Mrs. NEUBERGER. Mr. President, I move that when the Senate adjourns today, it adjourn until 12 o'clock noon Monday, July 30.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Oregon.

Mr. HUMPHREY. Mr. President, I move to table that motion.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Minnesota to table the motion of the Senator from Oregon to adjourn until noon on July 30.

Mrs. NEUBERGER. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. Those in favor of the motion of the Senator from Minnesota will say "aye"; those opposed, "no."

The ayes have it, and the motion to table is agreed to.

Mrs. NEUBERGER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 137 Leg.]

Beall
Carlson
Chavez
Cotton
Curtis
Ervin
Goldwater
Gore
Hill
Holland
Hruska
Humphrey
Jackson
Jordan
Keating
Kerr
Kuchel
Magnuson
Mansfield
Metcalf
Monroney
Muskie
Neuberger
Sparkman
Thurmond
Wiley

The VICE PRESIDENT. A quorum is not present.

Mr. HUMPHREY. Mr. President, I move that the Sergeant at Arms be instructed to request Senators to return to their posts of duty at once.

The VICE PRESIDENT. The Senator from Minnesota moves that the Sergeant at Arms be directed to request the attendance of absent Senators.

The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will proceed to execute the order of the Senate and request Senators to appear.

After a little delay, Mr. Anderson, Mr. Bennett, Mr. Bush, Mr. Byrd of West Virginia, Mr. Church, Mr. Cooper, Mr. Dirksen, Mr. Engle, Mr. Hartke, Mr. Hayden, Mr. Johnston, Mr. Long of Hawaii, Mr. McClellan, Mr. McNamara, Mr. Mundt, Mr. Pastore, Mr. Pell, Mr. Russell, Mr. Smathers, Mrs. Smith of Maine, Mr. Symington, Mr. Williams of New Jersey, Mr. Young of North Dakota, and Mr. Young of Ohio entered the Chamber and answered to their names.

The PRESIDING OFFICER. (Mr. Holland in the chair). A quorum is present.

The question is on the motion of the Senator from Montana [Mr. Mansfield] that the Senate proceed to the consideration of H.R. 11040, the communications satellite bill.

RECESS TO MONDAY AT 10 A.M.

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. HUMPHREY. I move that the Senate stand in recess until 10 o'clock a.m. on Monday next.

The motion was agreed to; and (at 8 o'clock and 11 minutes p.m.) the Senate recessed until Monday, July 30, 1962, at 10 o'clock a.m.

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HOUSE OF REPRESENTATIVES

Monday, July 30, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Isaiah 40: 1: Comfort ye, comfort ye my people, saith your God.

O Thou gracious Benefactor, who art the God of all love and mercy, Thou alone canst support and sustain humanity in these days of world turmoil and tragedy.

Again and again it seems as if the march of mankind is a requiem and the only sounds that fill the earth are the sounds of sorrow and suffering.

Grant that we may strike the notes of comfort and compassion as our hearts go out to the vast multitudes who are left to wander in a labyrinth, despondent and desolate.

May we continually remind ourselves of the truth of the ancient proverb that whenever we pull someone out of a hole, then that hole becomes a grave where we can bury our own troubles and tribulations.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, July 26, 1962, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On July 18, 1962:

H.R. 1609. An act for the relief of Demitrios Dunis;

H.R. 1899. An act for the relief of Stavros Michael Mourkakos;

H.R. 2337. An act for the relief of Maria Stella Todaro;

H.R. 3483. An act for the relief of Mrs. Marguerite de Soepkez;

H.R. 3492. An act for the relief of Sebastian Sanchez Hermosilla;

H.R. 3912. An act for the relief of Chikoko Shinagawa;

H.R. 4330. An act to provide uniform computation of retired pay for enlisted members retired prior to June 1, 1958, under section 4 of the Armed Forces Voluntary Recruitment Act of 1945, as amended by section 6(a) of the act of August 10, 1946 (60 Stat. 995);

H.R. 7719. An act to amend section 6(d) of the Universal Military Training and Service Act (50 App. U.S.C. 456(d)) to authorize certain persons who complete a Reserve Officers' Training Corps program to be appointed as commissioned officers in the Coast and Geodetic Survey;

H.R. 8862. An act for the relief of Miss Eleanore Redi;

H.R. 9180. An act for the relief of Noreen Joyce Baden;

H.R. 9468. An act for the relief of Dr. Charles C. Yu;

H.R. 9588. An act for the relief of Claude Homann-Herimberg (nee Wagner); and

H.R. 10960. An act for the relief of Rosina Luisi (Sister Mary Rosina) and Maria Fatibene (Sister M. Valentina).

On July 19, 1962:

H.R. 8050. An act to amend the act relating to the importation of adult honey bees, and to amend certain provisions of the Sugar Act of 1948, as amended; and

H.J. Res. 809. Joint resolution to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1963.

On July 25, 1962:

H.R. 1469. An act for the relief of Mrs. Leslie M. Paterson, Janet Paterson, and Mary Paterson;

H.R. 1811. An act to amend chapter 35 of title 38, United States Code, relating to war orphans' educational assistance, in order to permit eligible persons thereunder to attend foreign educational institutions under certain circumstances;

H.R. 7369. An act for the relief of Gerda Godin;

H.R. 8415. An act to change the classes of persons eligible to receive payments of benefits withheld during the lifetime of deceased veterans while being furnished hospital or domiciliary care;

H.R. 8484. An act to authorize establishment of the Theodore Roosevelt Birthplace and Sagamore Hill National Historic Sites, N.Y., and for other purposes;

H.R. 10068. An act to amend section 742 of title 38, United States Code, to permit the exchange of 5-year term policies of U.S. Government life insurance to a special endowment at age 96 plan;

H.R. 10595. An act to facilitate the sale and disposal of Government stocks of extra long staple cotton;

H.R. 10606. An act to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes; and

H.R. 11038. An act making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes.

On July 27, 1962:

H.R. 1700. An act for the relief of Jaime Abejuro;

H.R. 3383. An act for the relief of Joseph Starker;

H.R. 5061. An act for the relief of James L. Merrill;

H.R. 6655. An act for the relief of Lecil A. Sims;

H.R. 7727. An act to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants;

H.R. 8282. An act to amend section 3203 (d) of title 38, United States Code, to provide that there shall be no reduction of pension otherwise payable during hospitalization of certain veterans with a wife or child;

H.R. 9273. An act to repeal obsolete laws relating to military bounty land warrants and to provide for cancellation of recorded warrants;

H.R. 9599. An act for the relief of Solomon Annenberg;

H.R. 9844. An act to waive section 142, title 28, United States Code, with respect to the U.S. District Court for the District of Connecticut for holding court at Bridgeport;

H.R. 10012. An act to waive section 142, of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Tennessee holding court at Winchester, Tenn.;

H.R. 10016, An act to waive section 142 of title 28, United States Code, with respect to the holding of court at Decatur, Ala., by the U.S. District Court for the Northern District of Alabama;

H.R. 10389. An act to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Texas, Marshall Division, holding court at Marshall, Tex.;

H.R. 10669. An act to liberalize the provisions of title 38, United States Code, relating to the assignment of national service life insurance;

H.R. 11131. An act to authorize certain construction at military installations, and for other purposes;

H.R. 11670. An act to postpone by three months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes; and

H.J. Res. 714. Joint resolution authorizing the acquisition of certain property in the District of Columbia and its conveyance to the International Monetary Fund, on a full reimbursement basis, for use in expansion of its headquarters.

HOUSE BILL AND JOINT RESOLUTION ENROLLED

Mr. BURLESON, from the Committee on House Administration, announced that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles:

H.R. 9520. An act to continue for 2 years the suspension of duty on certain alumina and bauxite; and

H.J. Res. 839. Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

JULY 28, 1962.

The Honorable the SPEAKER,
House of Representatives.

SIR: Pursuant to authority granted on July 26, 1962, the Clerk received from the Secretary of the Senate today the following message:

That the Senate passed House Joint Resolution 839 entitled "Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes."

Respectfully yours,
RALPH R. ROBERTS,
Clerk, U.S. House of Representatives.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Thursday, July 26, 1962, he did on July 28, 1962, sign the following enrolled bill and joint resolution of the House:

H.R. 9520. An act to continue for 2 years the suspension of duty on certain alumina and bauxite; and

H.J. Res. 839. Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes.

ADDITIONAL JUDGES, JUVENILE COURT OF THE DISTRICT OF COLUMBIA

Mr. MATHIAS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. MATHIAS. Mr. Speaker, on March 9 of this year the President approved legislation to add two additional judges to the juvenile court of the District of Columbia. To date no appointments have been made to fill the judgeships thus created. I am disturbed and shocked to note by the figures just released by the juvenile court that the backlog of cases in that court has now risen to the alarming figure of 2,900. This is a substantial increase since the last report from the court on March 31, when it was in the neighborhood of 2,600 cases of backlog.

I think the administration is delaying far too long in making the appointments. I cannot believe that it has been impossible in a period of 5 months for the administration to find two qualified lawyers as defined by the bill to fill these important judicial posts in the District of Columbia.

The quarterly statistical report for April–June 1962, which has just been released, shows that there are now 1,208 juvenile cases and 1,692 adult cases awaiting judicial action before the court—a total of 2,900. In addition, the number of cases referred to the court during this quarter was 1,132, also a new record high and an increase over the same period last year of 132 cases. The new juvenile petitions filed in this quarter represent an increase of 98 over the same period last year, while the increase in adult informations filed was 143. The new total figures for these two categories are respectively 665 juvenile and 448 adult.

At the present time the Honorable Orman W. Ketcham is the court's only judge although the President enacted into law on March 9 of this year the authority to appoint two additional judges to ease the mounting load of work. Judge Ketcham, however, has been hospitalized and unable to sit on the bench, and there is no one to assist him in the disposal of the work at hand. By himself he handled 1,915 cases during the 3-month period while in the same period 2,184 new cases arose which demanded court action.

Every citizen of the District must be disturbed by the fact that this backlog continues to mount and that the administration has failed to act in the face of such injustice. The growing need for speedy justice in juvenile cases is evidenced further by the increasing crime rate in the Capital. In an effort to alleviate this growing crisis, I called for reform as early as last February. Today, Police Deputy Chief John E. Winters reemphasizes the need, saying that "juvenile offenders must be brought before a judge as soon as possible." There must be immediate action if we are to have speedy and reasoned adjudication of the cases brought before our juvenile court.

CHARLIE HASLET, ASSOCIATED PRESS REPRESENTATIVE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, Members of Congress, by the very nature of their offices, come to know the members of the fourth estate both officially and personally. They are dependent on the representatives of the press to state the issues confronting the Congress and the people of the United States, and I believe we all agree that we are fortunate in the quality of the Washington press corps.

I take this opportunity to pay tribute to a remarkable member of that group, Charlie Haslet, Associated Press representative for the Missouri, Kansas, and Oklahoma region. On Saturday, July 28, Charlie celebrated his 38th anniversary with the Associated Press.

I have had the privilege of knowing Charlie for almost half the years of his service. As a newsman, he is always accurate, fair, and thorough. As an individual, he is competent, honest, and genuine.

Mr. Speaker, I know I speak for many Members on both sides of the aisle when I extend thanks to Charlie Haslet and the many newsmen like him for a difficult job well done. For myself, I extend warmest congratulations to you, Charlie, and best wishes for many more years of service.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Kansas.

Mr. AVERY. Mr. Speaker, I should certainly like to be associated with the distinguished majority leader in the tribute he has paid to Charlie Haslet. We in Kansas are especially proud of Charlie Haslet, the regional reporter for the Associated Press. He was born in Kansas, raised in Kansas, and his parents still live in Kansas. He has had a distinguished journalistic and reporting career, serving in the State of Oklahoma as well as on the Associated Press staff in Topeka, the capital of Kansas. I join his many other friends in extending best wishes to him today.

Mr. ALBERT. Mr. Speaker, I thank the gentleman. I ask unanimous consent that all Members desiring to do so may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WICKERSHAM. Mr. Speaker, today marks an anniversary for a distinguished journalist. Charlie Haslet has now served 38 years with the Associated Press. During my 15 years in Congress, no other reporter has so consistently and with such dedication given shape and form to the news off Capitol Hill to the Southwest.

This Nation today needs journalists who are specialists in interpretative reporting. This Nation needs men who can cast aside personal prejudice and bias. The American people need men of intelligence and insight who will fairly and accurately, lucidly and tersely portray the history of our times.

Charlie Haslet is one of the most competent men on Capitol Hill. He does not have the kind of beat where a reporter wins a Pulitzer Prize or a big brass trophy or any other showy display piece. He has the kind of a beat where the reporter has to dig out the news of the day, where the reporter has to patiently and persistently delve through redtape in search of truth. And Charlie is just the sort of man who will continue to search until he gets to the bottom of a story.

Personally, there are many things I would like to say to Charlie for his dedication and service, but these seem to be just added words. Charlie Haslet does not need speeches, he does not have to be praised to do the good job. Charlie, in the best tradition of the Associated Press, is a journalist. He is a sturdy bulwark in the search for truth.

Mr. BELCHER. Mr. Speaker, I would like to take this opportunity to pay tribute to a very outstanding member of the Washington press corps, Charlie Haslet, who hails from my congressional district, the First Oklahoma District.

On Saturday, July 28, Charlie celebrated his 38th anniversary with the Associated Press, he is the AP's representative for the Missouri, Kansas, and Oklahoma region.

It has been my privilege to know Charlie for many years. I have never in all this time ever known Charlie to take advantage of any friendship. He has always been fair and honest and has a great dedication to reporting the actual facts to the people. I consider Charlie Haslet a wonderful Christian gentleman, a great reporter, and a credit to his profession.

Charlie, please accept my sincere congratulations and best wishes for a job well done and many more years of service.

FIRST ANNUAL REPORT, PEACE CORPS — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER** laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs.

To the Congress of the United States:

Pursuant to the provisions of section 11 of the Peace Corps Act, I transmit herewith the first annual report on operations under the act covering the fiscal year ended June 30, 1962.

JOHN F. KENNEDY.

THE WHITE HOUSE, *July 27, 1962.*

CALL OF THE HOUSE

Mr. BROOMFIELD. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 179]

Alford
Alger
Anfuso
Ashbrook
Ashley
Baker
Baring
Barry
Bass, N.H.
Bates
Battin
Blitch
Boggs
Bolton
Boykin
Brademas
Breeding
Brewster
Bromwell
Buckley
Byrnes, Wis.
Cahill
Carey
Celler
Chamberlain
Chenoweth
Church
Clark
Coad
Cohelan
Conte
Cook
Cooley
Curtis, Mass.
Davis, James C.
Davis, Tenn.
Dawson
Diggs
Dingell
Dooley
Dulski
Dwyer
Ellsworth
Farbstein
Findley
Fino
Flood
Flynt
Frazier
Garland
Giaimo
Glenn
Granahan
Gray
Griffin
Halpern
Hardy
Harris
Harrison, Va.
Harrison, Wyo.
Harsha
Hays
Healey
Hébert
Hiestand
Hoffman, Ill.
Hoffman, Mich.
Ichord, Mo.
Jennings
Johnson, Md.
Kastenmeier
Kearns
Kee
Kelly
Keogh
Kilburn
King, Utah
Kitchin
Kluczynski
Kowalski
Latta
Lesinski
Lindsay
Loser
McDowell
McSween
McVey
Macdonald
MacGregor
Martin, Mass.
Mason
Merrow
Miller, N.Y.
Minshall
Moorehead, Ohio
Morrison
Morse
Moulder
Multer
Nedzi
Nelsen
Nix
O'Brien, N.Y.
Osmers
Peterson
Pfost
Pilcher
Pirnie
Powell
Pucinski
Purcell
Rains
Randall
Riley
Rivers, S.C.
Rooney
Roosevelt
Roudebush
St. George
St. Germain
Santangelo
Saund
Scherer
Scranton
Seely-Brown
Shelley
Shipley
Short
Siler
Slack
Smith, Iowa
Smith, Miss.
Spence
Springer
Stafford
Stratton
Stubblefield
Taber
Thompson, La.
Thornberry
Wallhauser
Westland
Whalley
Wharton
Wickersham
Widnall
Willis
Wilson, Calif.
Wilson, Ind.
Winstead
Wright
Zelenko

The SPEAKER. On this rollcall 281 Members have answered to their names, a quorum.

By unanimous consent, further proceeding under the call were dispensed with.

TO PROMOTE THE PRODUCTION OF OYSTERS

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 7336) an act to promote the production of oysters by propagation of disease-resistant strains, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 3, strike out *"Providing,"* and insert *"Provided,"*.

Page 2, after line 9, insert:

"SEC. 2. The Secretary of the Interior is authorized to make grants to the States referred to in the first section of this Act for the purpose of assisting such States in the financing of research and other activities necessary in the development and propagation of disease-resistant strains of oysters. A grant under this section shall be made upon agreement by the State to use the proceeds thereof only for the purposes specified in this section and to use an additional amount for such purposes from State or other non-Federal sources equal to at least 50 per centum of the amount of such grant."

Page 2, after line 9, insert:

"SEC. 3. There is authorized to be appropriated such sum, not to exceed $100,000, as may be necessary to carry out the provisions of this Act."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

TRANSFER OF U.S.S. "ALASKA" TO STATE OF CALIFORNIA

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 3788) to provide for the transfer of the U.S. vessel *Alaska* to the State of California for the use and benefit of the department of fish and game of such State, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Line 4, strike out "donate and":

After line 12, insert:

"SEC. 2. The conveyance authorized by this Act shall (1) be conditional upon the State of California paying to the Secretary of the Interior, as consideration for the vessel conveyed, an amount equal to fifty percent of the fair market value of such vessel at the time it was leased by the State of California, as determined by the Secretary of the Interior; and (2) provided that such vessel shall be used for a public purpose and if it should cease to be so used, all right, title, and interest therein shall immediately revert to the United States."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1962

Mr. KIRWAN. Mr. Speaker, I call up the conference report on the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2049)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 5, 6, 7, 8, 17, 18, 20, 22, 26, 28, 30, 31, 32, 33, 35, and 42.

That the House recede from its disagreement to the amendments of the Senate numbered 13, 14, 15, 16, 21, 24, 29, 41, 44, and 46; and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$41,510,200"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$81,300,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$53,775,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$25,525,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,622,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$40,775,500"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "$26,675,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,225,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$27,112,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,922,300"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,675,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$139,400,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$500,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$24,835,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,830,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$2,000,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of matter stricken out and inserted by said amendment insert "sixty-five"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$55,834,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 9.

MICHAEL J. KIRWAN,
DON MAGNUSON,
CLARENCE CANNON,
BEN F. JENSEN,
Managers on the Part of the House.

CARL HAYDEN,
RICHARD B. RUSSELL,
JOHN L. MCCLELLAN,
ALAN BIBLE,
ROBERT C. BYRD,
KARL E. MUNDT,
MILTON R. YOUNG,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments; namely:

TITLE I—DEPARTMENT OF THE INTERIOR

Public land management

Bureau of Land Management

Amendment No. 1: Appropriates $41,510,200 for management of lands and resources instead of $39,375,000 as proposed by the House and $43,022,200 as proposed by the Senate. The net increase provided over the House bill reflects a decrease of $129,800 in funds for information and publications personnel and increases as follows: $2,000,000 for rehabilitation of rangelands; and $265,000 for cadastral surveys.

Bureau of Indian Affairs

Amendment No. 2: Appropriates $81,300,000 for education and welfare services instead of $81,000,000 as proposed by the House and $82,827,000 as proposed by the Senate. The increase provided over the House bill is for expenses of educating Indian children in Federal facilities.

Amendment No. 3: Appropriates $34,300,000 for resources management as proposed by the House instead of $34,677,000 as proposed by the Senate. The amount provided includes $70,000 for maintenance of roads on the Wind River Indian Reservation, Wyo.

Amendment No. 4: Appropriates $53,775,000 for construction instead of $52,000,000 as proposed by the House and $55,550,000 as proposed by the Senate. It is expected that the Agency will undertake with the amount provided construction of the complete budgeted program including the Chilocco shop building, the Wahpeton dormitories, and the Phoenix classroom building, and the Laguna Consolidated School, New Mexico. The conferees believe that through the exercise of stricter controls the Agency should be able to achieve greater economies in planning and construction costs than anticipated in the estimates.

Amendment No. 5: Appropriates $16,000,000 for road construction (liquidation of contract authorization) as proposed by the House instead of $17,000,000 as proposed by the Senate. The conferees are in agreement that the Department should provide for the full authorized program for regular Indian roads. In addition, the amount approved includes $230,000 for completion of grading and base course required for the Toreva-Winslow Road, Arizona.

Amendment No. 6: Appropriates $4,000,000 for general administrative expenses as proposed by the House instead of $4,350,000 as proposed by the Senate. This amount, together with the transfer of not to exceed $2,900,000 from program funds, will provide a total of $6,900,000.

Amendments Nos. 7 and 8: Provide for the purchase of not to exceed 220 passenger motor vehicles, including 50 for police-type use, as proposed by the House instead of 230, including 71 for police-type use, as proposed by the Senate.

Amendment No. 9: Reported in disagreement.

National Park Service

Amendment No. 10: Appropriates $25,525,000 for management and protection instead of $25,425,000 as proposed by the House and $26,034,320 as proposed by the Senate. The increase over the House bill is for additional U.S. Park Police. The conferees direct that not less than $1,101,096 of the amount provided shall be transferred to the Bureau of Outdoor Recreation, representing the amounts programed under this item for fiscal year 1962 for "Nationwide recreation planning" ($504,337) and "Cooperation with States and other agencies" ($596,759).

Amendment No. 11: Provides limitation of $8,622,000 on the amount of funds available for acquisition of lands instead of $8,409,000 as provided by the House and $11,635,000 as proposed by the Senate. The increase of $213,000 in the House bill limitation is for acquisition of 133 acres of the Henry Claggett tract at Mockley Point on the Potomac River shore opposite Mount Vernon.

Amendment No. 12: Appropriates $40,775,500 for construction instead of $40,000,000 as proposed by the House and $44,526,000 as proposed by the Senate. The increase provided over the House bill includes: $213,000 for acquiring the Mockley Point tract opposite Mount Vernon as indicated above; $172,500 for restoration of the Appomattox Courthouse; $240,000 for construction of a visitor center at Kennesaw Mountain National Historical Park; and $150,000 for stabilizing the banks of the Chesapeake & Ohio Canal outside the areas of possible inundation under the water resources projects proposed by the Corps of Engineers.

Amendment No. 13: Inserts language as proposed by the Senate.

The conferees agree that no part of the $213,200 provided under the item "Construction (liquidation of contract authorization)" for resurfacing the Chesapeake & Ohio towpath shall be expended in any areas of possible inundation under the water resources projects proposed by the Corps of Engineers.

Amendment No. 14: Appropriates $1,964,000 for general administrative expenses as proposed by the Senate instead of $1,900,000 as proposed by the House. The increase over the House bill is to provide full funding for the 40 existing positions which are to be transferred to this item from the construction appropriation.

Amendments Nos. 15 and 16: Provide for the purchase of not to exceed 152 passenger motor vehicles, including 57 for police-type use, as proposed by the Senate instead of 135, including 50 for police-type use, as proposed by the House.

Mineral resources

Geological Survey

Amendment No. 17: Deletes language inserted by the Senate.

Amendment No. 18: Appropriates $56,100,000 for surveys, investigations, and research as proposed by the House instead of $56,900,000 as proposed by the Senate. The conferees agree that no action should be taken by the Department to establish an Institute of Water Research.

Bureau of Mines

Amendment No. 19: Appropriates $26,675,000 for conservation and development of mineral resources instead of $26,550,000 as proposed by the House and $26,887,000 as proposed by the Senate and deletes language inserted by the Senate. The increase provided over the House bill is for oil shale research at Laramie, Wyo.

The conferees direct that the Bureau revise its coal research program for fiscal year 1963 so as to allocate not less than $2,400,000 (in lieu of the $1,920,000 budgeted) among the 20 highest priority research areas (as outlined by the Office of Coal Research) appearing to have the greatest promise of developing new markets for coal.

Amendment No. 20: Provides additional borrowing authority of $6,000,000 for the development and operation of helium properties as proposed by the House instead of $20,000,000 as proposed by the Senate.

Office of Coal Research

Amendment No. 21: Appropriates $3,450,000 as proposed by the Senate instead of $2,000,000 as proposed by the House.

Office of Minerals Exploration

Amendment No. 22: Appropriates $750,000 for salaries and expenses as proposed by the House instead of $875,000 as proposed by the Senate. The conferees direct that exploration loans be discontinued on lead, zinc, and copper.

Fish and Wildlife Service

Bureau of Commercial Fisheries

Amendment No. 23: Appropriates $15,225,000 for management and investigation of resources instead of $14,600,000 as proposed by the House and $15,981,500 as proposed by the Senate. The increase over the House allowance provides for the following: $325,000 for expanded biological research on shrimp in the Gulf of Mexico; $100,000 for research and development of shrimp gear; and $200,000 for Atlantic herring research.

Amendment No. 24: Appropriates $8,473,000 for construction as proposed by the Senate instead of $7,900,000 as proposed by the House. The increase provided over the House bill includes $413,000 for equipment for the laboratories at Seattle, Wash., and Ann Arbor, Mich., and $160,000 for purchase of land and land filling to initiate construction of the Shellfish Research Center at Milford, Conn.

Bureau of Sport Fisheries and Wildlife

Amendment No. 25: Appropriates $27,112,000 for management and investigations of resources instead of $26,500,000 as proposed by the House and $27,436,000 as proposed by the Senate. The increase provided over the House bill is for the following: $100,000 for increased technical assistance in sport fishing management through cooperative programs with Indian tribes (in addition, not less than $100,000 of the funds available to the Bureau of Indian Affairs for economic development shall be allocated to the Bureau of Sport Fisheries and Wildlife for this work); $150,000 for establishment of cooperative fishery units (at a unit cost of $30,000) at the University of Georgia, Louisiana State University, Colorado State University, North Carolina State College, and University of Missouri; $17,000 for a cooperative wildlife research unit at South Dakota State College; $105,000 for increased fish control research in waters of the Southeastern United States; $85,000 for increased reservoir research in the White River interstate reservoir complex in northern Arkansas and southern Missouri; $25,000 for continuation of the fishery management project at Springville, Utah; $100,000 for research on control and eradication of nutria; and $30,000 for expansion of predator control work in Arkansas.

Amendment No. 26: Deletes language inserted by the Senate.

Amendment No. 27: Appropriates $6,922,300 for construction instead of $4,900,000 as proposed by the House and $8,033,800 as proposed by the Senate. The increase provided over the House bill includes: $330,000 to initiate construction of the Northern Great Plains Wildlife Research Station, N. Dak.; $125,000 for improvements at the Federal Fish Farm Experiment Station, Kelso, Ark.; $340,000 for establishment of a fish genetics facility in Wyoming; and construction at the following national fish hatcheries: Alchesay, Ariz., $93,000; Gavins Point, S. Dak., $60,000; Cohutta, Ga., $164,300; Bowden, W. Va., $62,000; Hagerman, Idaho, $100,000; Leadville, Colo., $65,000; Marion, Ala., $165,000; Lyman, Miss., $127,000; Quilcene, Wash., $132,000; Greers Ferry, Ark., $170,000; and Ennis, Mont., $89,000. The amount provided includes $20,000 for a dock, pier, and sanitary facilities at the De Soto Wildlife Refuge.

The conferees agree that the staff for administration of the migratory bird conservation account should be limited to not to exceed 200 positions.

Amendment No. 28: Appropriates $1,250,000 for general administrative expenses as proposed by the House instead of $1,331,000 as proposed by the Senate.

Amendment No. 29: Provides for purchase of not to exceed 124 passenger motor vehicles as proposed by the Senate instead of 117 as proposed by the House.

Office of Saline Water

Amendment No. 30: Appropriates $7,600,000 for salaries and expenses as proposed by the House instead of $7,700,000 as proposed by the Senate.

Amendment No. 31: Provides a limitation of $525,000 for administration and coordination as proposed by the House instead of $625,000 as proposed by the Senate.

Amendment No. 32: Appropriates $2,000,000 for operation and maintenance as proposed by the House instead of $2,085,000 as proposed by the Senate.

Amendment No. 33: Provides a limitation of $175,000 for administration under operation and maintenance as proposed by the House instead of $225,000 as proposed by the Senate.

Office of the Solicitor

Amendment No. 34: Appropriates $3,675,000 for salaries and expenses instead of $3,600,000 as proposed by the House and $3,747,000 as proposed by the Senate.

Office of the Secretary

Amendment No. 35: Appropriates $3,350,000 as proposed by the House instead of $3,340,000 as proposed by the Senate. The amount provided reflects changes in the House allowance as follows: a decrease of $10,000 for the Office of Information and an increase of $10,000 for administrative management services.

TITLE II—RELATED AGENCIES

Department of Agriculture

Forest Service

Amendment No. 36: Appropriates $139,400,000 for forest land management instead of $138,400,000 as proposed by the House and $141,045,000 as proposed by the Senate. The increase over the House bill includes $800,000 for timber sales administration and management and $200,000 for land acquisition. Within the amount provided for land acquisition, it is suggested that the Forest Service give consideration to the purchase of Manistee National Forest lands on the Lake Michigan shore.

Amendment No. 37: Provides limitation of $500,000 on land acquisition instead of $300,000 as proposed by the House and $805,000 as proposed by the Senate.

Amendment No. 38: Appropriates $24,835,000 for forest research instead of $22,975,000 as proposed by the House and $25,865,000 as proposed by the Senate. The increase over the House bill includes: $60,000 for expansion of study of timber processing and marketing problems in Kentucky; $200,000 for planning the wood chemistry and pulp and paper laboratory at Madison, Wis.; and construction of research facilities as follows: Alexandria, La., $450,000; Parsons, W. Va., $150,000; Logan, Utah, $300,000; Warren, Pa., $250,000; and Tempe, Ariz., $450,000.

Amendment No. 39: Appropriates $15,830,000 for State and private forestry cooperation instead of $15,800,000 as proposed by the House and $16,405,000 as proposed by the Senate. The increase over the House bill is for forestry work in the Virgin Islands.

Amendment No. 40: Appropriates $2,000,000 for access roads instead of $6,000,000 as proposed by the Senate.

Amendment No. 41: Provides for the appropriation of $20,000 from forest receipts for acquisition of lands in the Uinta and Wasatch National Forests, Utah, as proposed by the Senate.

Amendment No. 42: Appropriates $1,000,000 for assistance to States for tree planting as proposed by the House instead of $1,500,000 as proposed by the Senate.

Amendment No. 43: Provides for the purchase of not to exceed 165 passenger motor vehicles instead of 152 as proposed by the House and 179 as proposed by the Senate.

Commission of Fine Arts

Amendment No. 44: Appropriates $80,000 for salaries and expenses as proposed by the Senate instead of $70,000 as proposed by the House.

Department of Health, Education, and Welfare

Public Health Service

Amendment No. 45: Appropriates $55,834,000 for Indian health activities instead of $55,284,000 as proposed by the House and $57,000,000 as proposed by the Senate. The increase over the House bill is to provide a direct appropriation to replace the present contractural authority utilized for making advance purchases for Alaska activities.

Amendment No. 46: Appropriates $9,335,000 for construction of Indian health facilities as proposed by the Senate instead of $8,320,000 as proposed by the House. The increase over the House bill is for construction of sanitation facilities, including $438,000 for sanitation facilities on the former Menominee Reservation as authorized by Public Law 87–432, and $115,000 for planning a general medical and surgical hospital at Lawton, Okla.

National Capital Transportation Agency

Amendment No. 47: Appropriates $3,000,000 for salaries and expenses instead of $3,350,000 as proposed by the House and $2,825,000 as proposed by the Senate. The reduction from the House bill represents a decrease of $200,000 for engineering plans and a decrease of $150,000 for engineering feasibility analyses.

Limitation on unit cost of employee housing

The managers on the part of the House direct that the unit cost of employee housing (regardless of the source of financing) in the United States, including Alaska and Hawaii and the territories, shall not exceed $20,000. The limitation includes engineering and design costs but excludes provision of utilities to the lot line. Any exceptions to this monetary limitation shall continue to be submitted to the committee for its advance review and approval.

Employee houses shall not exceed the following standards: (1) Standard materials, millwork, equipment, and fixtures that are readily available at local supply centers will be used in all dwelling construction; (2) design will be simple with no features that increase building costs such as irregularities in rough framing; (3) not to exceed 1½ baths; (4) one-stall garage in areas subject to deep snow or prolonged periods of below-freezing temperatures, carports in warmer climates; (5) sun porches, enclosed patios, or similar features will not be provided; (6) floor area shall not exceed—two-bedroom dwelling, 1,250 square feet; three-bedroom dwelling, 1,300 square feet—exclusive of basement and garage space (or service and storage space in lieu of basement); (7) no four-bedroom dwellings shall be permitted; and (8) fireplaces will not be permitted except where essential for adequate heating.

MICHAEL J. KIRWAN,
DON MAGNUSON,
CLARENCE CANNON,
BEN F. JENSEN,
Managers on the Part of the House.

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a table.

The **SPEAKER.** Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KIRWAN. Mr. Speaker, the conference action provides a total of $885,362,000 for fiscal year 1963 for the Department of Interior—excluding the Bureau of Reclamation and the power agencies—and certain related agencies including the U.S. Forest Service and the Indian health activities.

The conference total, which is a decrease of $47,312,000, or 5 percent, under the budget estimate, represents an increase of $16,767,000 over the House bill and a decrease of $37,198,820 from the Senate bill. It should be noted that the increase over the House bill includes provision of $2 million requested in a budget amendment which was not considered by the House.

The appropriations allowed for 1963 represent an increase of $44,365,350 over the 1962 appropriations. However, the effective increase is $84,235,350 when the 1962 figures are adjusted on a comparable basis to deduct the forest fire and storm damage deficiencies appropriated in the Second Supplemental Appropriation Act for fiscal year 1962.

I believe this bill makes very adequate provision for the many essential additional requirements that must be provided for if we are to preserve and develop our great national resources, including the national forests and parks, public lands and minerals, fish and wildlife, and make adequate provision for the education and care of the American Indians and their resources.

SUMMARY OF APPROPRIATIONS

Major items in the bill include $117,264,500 for the National Park Service, an increase of $9,277,000 over comparable figures for 1962; $258,544,000 for the Bureau of Indian Affairs and the Indian health activities under the Public Health Service, an increase of $32,865,000; $105,872,000 for mineral resources, including Geological Survey, Bureau of Mines, and the Office of Coal Research, an increase of $4,956,000; $67,996,300 for the Fish and Wildlife Service, an increase of $16,345,150 over comparable 1962 figures; and $223,295,000 for the U.S. Forest Service, an increase of $14,167,000 over the 1962 appropriations adjusted to exclude the forest fire deficiency item.

LAND OPPOSITE MOUNT VERNON

The bill includes $213,000 for acquisition of 133 acres at Mockley Point on the Potomac River shore opposite Mount Vernon as authorized by Public Law 87–362. This purchase, together with the some 600 acres to be donated to the United States by foundations and the donations of scenic easements, should make adequate provision for the preservation of the view from Mount Vernon. In addition, this area is now under adequate planning and zoning controls by the Prince Georges County Commissioners and the Maryland National Capital Park and Planning Commission. Any additional funding of park land acquisition in this area should be the responsibility of this latter body which has recently undertaken a program to acquire some 19,000 acres at a cost of $30 million.

REDUCTIONS IN TRAVEL, SUPPLIES, AND EQUIPMENT

In general, the Senate bill restored the 5-percent cuts which the House had made in travel, supplies and materials, and equipment in an effort to get the agencies to exercise stricter controls over these expenditures. The Senate conferees agreed to go along with the House figure in each of these items and it is expected that all the agencies will take immediate steps to review policies and procedures governing expenditures for these purposes and take concerted action to assure that every effort is made to secure significant savings. The 1963 budget estimates for these objects for the Department of the Interior agencies covered by the bill showed a 50-percent increase over the actual obligations for fiscal year 1961. If the agencies do not take effective action in this regard, the committee may find it necessary to place limitations on these expenditures in next year's bill.

PERSONNEL INCREASES

I also wish to again emphasize our concern over the continuous stream of requests from the agencies to increase personnel. We do not believe that every effort is being made to secure maximum productivity from existing personnel and to shift individuals from work of lower priority to implement new or expanded essential activities.

For example, the House committee in its report directed the Bureau of Mines to curtail and defer some of the long-run coal research projects which it has had underway for several years in order to undertake some of the new high priority projects which appear to have great promise for the coal industry. But the Bureau reported back that it felt the $1,920,000 it had budgeted in these new important areas—or only 23 percent of the $8,256,000 provided in the bill to the Bureau for coal research—was the maximum it could allocate. No effort was made by the Bureau to defer or curtail even one old line project. So the conferees have directed the Bureau to "revise its coal research program for fiscal year 1963 so as to allocate not less than $2,400,000—in lieu of the $1,920,000 budgeted—among the 20 highest priority research areas—as outlined by the Office of Coal Research—appearing to have the greatest promise of developing new markets for coal."

And I see no alternative to taking further action of this nature next year if the estimates submitted by the agencies do not reflect appropriate reductions in business-as-usual items in order to make funds and personnel available for new essential requirements. I feel strongly that effective action is long overdue to ferret out the old chestnuts and sacred cows which have been on the books for years and years, many without any appreciable results, and to shift the personnel and funds to new and expanded essential programs. We cannot afford to continue to finance both.

I will insert at this point a summary tabulation of the amounts in the bill.

Item	Budget estimates	Passed House	Passed Senate	Conference action	Conference action compared with—		
					Budget estimate	House	Senate
Title I—Department of the Interior:							
Total, definite appropriations	[1] $578,699,000	$547,379,000	$572,468,820	[1] $558,011,000	−$20,688,000	+$10,632,000	−$14,457,820
Total, indefinite appropriations of receipts	10,793,000	10,793,000	10,793,000	10,793,000			
Total, borrowing authorization	20,000,000	6,000,000	20,000,000	6,000,000	−14,000,000		−14,000,000
Total, Title I—Department of the Interior	609,492,000	564,172,000	603,261,820	574,804,000	−34,688,000	+10,632,000	−28,457,820
Title II—Related agencies:							
Total, definite appropriations	318,987,000	303,513,000	318,369,000	309,628,000	−9,359,000	+6,115,000	−8,741,000
Total, indefinite appropriations	710,000	710,000	730,000	730,000	+20,000	+20,000	
Total, Title II—Related agencies	319,697,000	304,223,000	319,099,000	310,358,000	−9,339,000	+6,135,000	−8,741,000
Title III—Virgin Islands Corporation	3,485,000	200,000	200,000	200,000	−3,285,000		
Grand total:							
Definite appropriations	901,171,000	851,092,000	891,037,820	867,839,000	−33,332,000	+16,747,000	−23,198,820
Indefinite appropriations of receipts	11,503,000	11,503,000	11,523,000	11,523,000	+20,000	+20,000	
Borrowing authorization	20,000,000	6,000,000	20,000,000	6,000,000	−14,000,000		−14,000,000
Total	932,674,000	868,595,000	922,560,820	885,362,000	−47,312,000	+16,767,000	−37,198,820

[1] Includes budget amendment (S. Doc. 88) of $2,000,000 not considered by House.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Iowa.

Mr. GROSS. There is nothing inserted in this conference report for a $20 million fish pond in the District of Columbia?

Mr. KIRWAN. No, nothing. The authorization bill for the National Fisheries Center and Aquarium has not yet been passed by the Senate.

Mr. DOMINICK. Mr. Speaker, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Colorado.

Mr. DOMINICK. On amendment No. 19 I see they have added $125,000 for oil shale research at Laramie, Wyo. During the course of the debate on this bill in the House I introduced an amendment to add $187,000 for oil shale research at the Rifle, Colo., plant. In the Senate this provision for $187,000 did go through the committee and was added by the Senate. In amendment No. 19 you say you have deleted that language and instead of permitting the Bureau of Mines to conduct the oil shale research in the small retort in Rifle it is going to Wyoming. With the oil shale facilities we have in Rifle and the oil shale reserves we have in Colorado, I wonder why this was put in there.

Mr. KIRWAN. We agreed to $125,000 of the increase of $187,000 which had been added by the Senate. The bill carries the same amount as 1962 for Rifle.

Mr. DOMINICK. I wonder why you specifically said it was to go to Laramie instead of Rifle.

Mr. KIRWAN. The original budget request from the Bureau of Mines provided that this expanded work would be done by Bureau personnel at the Laramie Petroleum Research Center.

Mr. DOMINICK. You have added $125,000 for oil shale research in the small retort, but you have specifically said it was to go to Wyoming instead of Colorado while a good deal of the actual work will involve the new oil shale deposits now under evaluation at Piceance Creek, Colo., only a short distance from Rifle.

Mr. KIRWAN. It was my understanding the Senate increase was for additional research by personnel at Laramie.

Mr. DOMINICK. Does the gentleman know the small retorts are already in Rifle, not at Laramie? All you do here it take it out of the facility at Rifle and move it up there.

Mr. KIRWAN. The gentleman from Iowa is sitting right beside the gentleman. He has inspected both of these places and I wonder if he would like to comment on this.

Mr. JENSEN. When the facilities were at Rifle some years ago it was in my mind that somebody on the committee ought to go out there and take a look at it, so along with the gentleman from Washington [Mr. MAGNUSON] I went to Rifle. We went into that tunnel. It was about 70 feet high. There was no support in the tunnel. They had two ceiling failures. One of them fell on a steamshovel on a Sunday and smashed it flat. Had men been working there I do not know how many men would have lost their lives, but the good Lord let that ceiling fall on a Sunday. We immediately moved out of that tunnel.

They had been taking tours consisting of bus loads of people into that tunnel, and I insisted that such tours should be discontinued. Let us not permit anyone else to go into this tunnel until supports can be built or something done to insure that the ceiling would not fall. Then, of course, we were told that gasoline could be extracted from shale for only 1 cent more than it could be in the regular refining processes, and that there was no further need for experimenting in that field.

Hence the committee felt, since we were told that the research facilities at Laramie were of a more up to date kind to extract oil from shale, that we should put greater emphasis on Laramie. In the bill this year, the House allowed the budget request of $733,000, the same as the amount for fiscal year 1962 for oil shale research which includes $200,000 for standby maintenance for the Rifle facilities. The Senate added $187,000 for research at Laramie. The Senate conferees put up quite a fight for the full amount, and we finally agreed on $125,000. These shale deposits at Rifle are owned by the Navy and it is my opinion and the opinion, I think, of the entire Subcommittee on Appropriations for the Interior Department that the Navy should take over this responsibility and carry on, if they see fit to do so. But, the facts are that the extraction of oil from shale has reached the point of efficiency, where it is close enough to being economically competitive and I, for one, see no reason why the Government should spend another dime at either Rifle or at Laramie for this program.

But, I am just one member of the committee and the Senate conferees were so adamant that we finally did agree on an increase $125,000.

Mr. KIRWAN. The answer is very simple. We left the same amount of money in the bill as we had last year for Rifle. The Bureau of Mines requested this increase for personnel at Laramie.

Mr. DOMINICK. Mr. Speaker, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman.

Mr. DOMINICK. The record of the hearing before the House subcommittee indicated that the Bureau of Mines wanted to use this for small retort research at either Rifle or Laramie, according to how they felt it could best be used. Certainly we need and want more research in oil shale development which may be the most important petroleum reserves which are in this country. But I have great trouble in seeing why this should be launched for Wyoming when we already have an existing plant with good facilities and equipment at Rifle next door to the reserves themselves. I certainly hope that the House Armed Services Committee now considering this will take action so that these facilities may be used instead of merely sitting unused and creating expenses.

Mr. KIRWAN. I am speaking relative to the research work. The Senate increase was for work at Laramie and that was what was agreed to.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The **SPEAKER.** The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: Page 9, line 5, insert: "Secretary, except that judgment funds awarded by the Indian Claims Commission or the Court of Claims and the interest thereon may be advanced to the tribes until a report of the purposes for which the funds are to be used has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives and both committees have approved the advance by committee resolution or neither committee has disapproved the advance by committee resolution within sixty calendar days from the date the report is submitted to the committees, not counting days on which either House is not in session because of an adjournment of more than three calendar days to a day certain".

Mr. KIRWAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Kirwan moves that the House recede from its disagreement to the amendment of the Senate numbered 9 and concur therein with an amendment, as follows: In lieu of the matter proposed, insert the following: "Secretary, except that tribal funds derived from appropriations in satisfaction of awards of the Indian Claims Commission and the Court of Claims shall not be further appropriated until a report of the purposes for which the funds are to be used has been submitted to the Senate and House Committees on Interior and Insular Affairs and those purposes either have been approved by resolution of each of said committees or have not been disapproved by resolution of either of said committees within sixty calendar days from the date the report is submitted, not counting days on which either House is not in session because of an adjournment of more than three calendar days to a day certain:".

The motion was agreed to.

A motion to reconsider was laid on the table.

NASA AUTHORIZATION FOR FISCAL YEAR 1963

Mr. GEORGE P. MILLER. Mr. Speaker, I call up the conference report on the bill H.R. 11737, to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2038)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11737) to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That there is hereby authorized to be appropriated to the National Aeronautics and Space Administration the sum of $3,744,115,250, as follows:

"(a) For 'Research, development, and operation', $2,957,878,000.

"(b) For 'Construction of facilities', $786,237,250, as follows:

"(1) Ames Research Center, Moffet Field, California, $14,439,000.

"(2) Atlantic Missile Range, Cape Canaveral, Florida, including land acquisition and relocation of inland waterway and bridge, $328,333,000.

"(3) Facility planning and design not otherwise provided for, $8,000,000.

"(4) Flight Research Center, Edwards, California, $1,807,000.

"(5) Goddard Space Flight Center, Greenbelt, Maryland, $23,746,250.

"(6) Jet Propulsion Laboratory, Pasadena, California, $10,347,000.

"(7) Langley Research Center, Hampton, Virginia, $8,081,000.

"(8) Lewis Research Center, Cleveland, Ohio, $44,833,000.

"(9) Manned Spacecraft Center, Houston, Texas, $30,755,000.

"(10) Marshall Space Flight Center, Huntsville, Alabama, $33,431,500.

"(11) Michoud Plant, New Orleans, Louisiana, $18,400,000.

"(12) Mississippi Test Facility, Mississippi, $92,500,000.

"(13) Nuclear Rocket Development Station, Nevada, $40,000,000.

"(14) Various locations, $127,278,750.

"(15) Wallops Station, Wallops Island, Virginia, $4,285,750.

"(c) Appropriations for 'Research, development, and operation' may be used (i) for any items of a capital nature (other than acquisition of land) which may be required for the performance of research and development contracts, and (ii) for grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to insure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for 'Research, development, and operation' pursuant to this Act may be used for construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee notifies the Committee on Science and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate of the nature, location, and estimated cost of such facility.

"(d) When so specified in an appropriation Act any amount appropriated for 'Research, development, and operation' and for 'Construction of facilities' may remain available without fiscal year limitation.

"(e) Appropriations other than 'Construction of facilities' may be used, but not to exceed $35,000, for scientific consultations or extraordinary expense upon the approval or authority of the Administrator and his determination shall be final and conclusive upon the accounting officers of the Government.

"(f) Until such time as the National Aeronautics and Space Administration shall establish uniform design criteria and construction standards for facilities for which appropriations are authorized pursuant to this Act the National Aeronautics and Space Administration shall to the fullest extent practicable utilize for such facilities design criteria and construction standards established either by the General Services Administration, the United States Navy Bureau of Yards and Docks, or the United States Army Corps of Engineers.

"SEC. 2. Authorization is hereby granted whereby any of the amounts prescribed in subparagraph (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), or (15), of subsection 1(b) may, in the discretion of the Administrator of the National Aeronautics and Space Administration, be varied upward 5 per centum to meet unusual cost variations, but the total cost of all work authorized under such subparagraphs shall not exceed a total of $786,237,250.

"SEC. 3. Not to exceed 3 per centum of the funds appropriated pursuant to subsection 1(a) hereof may be transferred to the 'Construction of facilities' appropriation, and, when so transferred, together with $30,000,000 of the funds appropriated pursuant to subsection 1(b) hereof, shall be available for expenditure to construct, expand, or modify laboratories and other installations at any location (including locations specified in subsection 1(b)), if (1) the Administrator determines such action to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) he determines that deferral of such action until the enactment of the next authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations until the Administrator or his designee has transmitted to the Committee on Science and Astronautics of the House of Representatives and to the Committee on Aeronautical and Space Sciences of the Senate a written report containing a full and complete statement concerning (1) the nature of such construction, expansion, or modification, (2) the cost thereof, including the cost of any real estate action pertaining thereto, and (3) the reason why such construction, expansion, or modification is necessary in the National interest. No such funds may be used for any construction, expansion, or modification if authorization for such construction, expansion, or modification previously has been denied by the Congress.

"SEC. 4. The Administrator is hereby authorized to transfer, with the approval of the Bureau of the Budget, funds appropriated pursuant to this Act, to any other agency of the Government whenever the Administrator determines such transfer necessary for the efficient accomplishment of the objectives for which the funds have been appropriated. Not more than $20,000,000 of the funds authorized by this Act may be transferred by the Administrator under this section, and no transfer in excess of $250,000 shall be made under this section unless the Administrator has transmitted to the Committee on Aeronautical and Space Sciences of the Senate and to the Committee on Science and Astronautics of the House of Representatives a written statement concerning the amount and purpose of, and the reason for, such transfer, and (1) each such committee has transmitted to the Administrator written notice to the effect that such committee has no objection to that transfer, or (2) thirty days have passed after the transmittal by the Administrator of such statement to those committees.

"SEC. 5. (a) Section 1 of the Act of July 21, 1961 (75 Stat. 216), is amended as follows:

"(i) Strike out '$1,784,300,000' in the first sentence, and insert in lieu thereof '$1,855,300,000';

"(ii) Strike out '$252,075,000' in subsection (c), and insert in lieu thereof '$323,075,000';

"(iii) Strike out '$49,583,000' in paragraph (c)(8), and insert in lieu thereof ', including land acquisition, $104,583,000'; and a new paragraph after paragraph (c)(11) as follows:

"'(12) Land acquisition, Mississippi Test Facility, Mississippi, $16,000,000.'

"(iv) At the end of subsection (c) insert the following new paragraph:

"'All real estate heretofore or hereafter acquired by the United States for the use of the National Aeronautics and Space Administration shall remain under the control and jurisdiction of that Administration, unless it is disposed of in accordance with the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended.'

"(b) Section 2 of the Act of July 21, 1961 (75 Stat. 216, 217), is amended (1) by striking out 'or (11)' and inserting in lieu thereof '(11), or (12)', and (2) by striking out '$252,075,000' and inserting in lieu thereof '$323,075,000'.

"(c) In computing the amounts which may, under the authority of section 3 of the Act of July 21, 1961 (75 Stat. 216, 217), be transferred and/or used for purposes set forth in said section, there may be disregarded any amounts so transferred and/or used for land acquisitions at the Atlantic Missile Range, Cape Canaveral, Florida, and the Mississippi Test Facility, Mississippi, which have been reported to the Congress, in accordance with the provisions of said section, prior to the enactment of this Act.

"SEC. 6. Section 203(b) of the National Aeronautics and Space Act of 1958, as amended (72 Stat. 429, 431), is amended by (i) striking out the word 'and' where it appears after the semicolon at the end of section 203(b)(12); (ii) striking out the period at the end of section 203(b)(13) and inserting in lieu thereof a semicolon and the word 'and'; and (iii) adding at the end thereof the following new paragraph:

"'(14) to reimburse, to the extent determined by the Administrator or his designee to be fair and reasonable, the owners and tenants of land and interests in land acquired on or after November 1, 1961, by the United States for use by the Administration by purchase, condemnation, or otherwise for expenses and losses and damages incurred by such owners and tenants as a direct result of moving themselves, their families, and their possessions because of said acquisition. Such reimbursement shall be in addition to, but not in duplication of, any payments that may otherwise be authorized by law to be made to such owners and tenants. The total of any such reimbursement to any owner or tenant shall in no event exceed 25 per centum of the fair value, as determined by the Administrator, of the parcel of land or interest in land to which the reimbursement is related. No payment under this paragraph shall be made unless application therefor, supported by an itemized statement of the expenses, losses, and damages incurred, is submitted to the Administrator within one year from (a) the date upon which the parcel of land or interest in land is to be vacated under agreement with the Government by the owner or tenant or pursuant to law, including but not limited to, an order of a court, or (b) the date upon which the parcel of land or interest in the land involved is vacated, whichever first occurs. The Administrator may perform any and all acts and make such rules and regulations as he deems necessary and proper for the purpose of carrying out this paragraph. All functions performed under this paragraph shall be exempt from the operation of the Act of June 11, 1946, as amended (5 U.S.C. 1001–1011), except as to the requirements of section 3 of said Act. Funds available to the Administration for the acquisition of real property or interests therein shall also be available for carrying out this paragraph'.

"SEC. 7. Section 201(f) of the National Aeronautics and Space Act of 1958 is amended by adding at the end thereof the following new sentence: 'Other provisions of law or regulations relating to Government employment (except those relating to pay and retirement) shall apply to council employees reporting directly to the chairman to the extent that such provisions are applicable to employees in the office of the Vice President.'

"SEC. 8. This Act may be cited as the 'National Aeronautics and Space Administration Authorization Act for the fiscal year 1963'."

And the Senate agree to the same.

GEORGE P. MILLER,
OLIN E. TEAGUE,
JOSEPH KARTH,
JOSEPH W. MARTIN, Jr.,
JAMES G. FULTON,
Managers on the Part of the House.
ROBT. S. KERR,
RICHARD B. RUSSELL,
WARREN G. MAGNUSON (R.S.K),
ALEXANDER WILEY,
MARGARET CHASE SMITH,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11737) to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The amendment of the Senate struck out all after the enacting clause of the House bill and substituted a new text. The committee of conference has agreed to accept the Senate amendment with certain amendments made by the managers on the part of the House.

The differences are explained as follows:

Total appropriations authorized by the Senate amendment for the National Aeronautics and Space Administration for the fiscal year 1963 were $3,749,515,250. This represented an increase over the House bill of $78,353,250. As a result of the conference, this figure was adjusted so that the total appropriations authorized are $3,744,115,250. To this sum, the managers on the part of the House agree.

The National Aeronautics and Space Administration requested a total of $13,259,000 for Project Mercury in fiscal year 1963. The House bill reduced this request by $1,000,000 since it appeared that not all of the remaining planned orbital flights would be necessary. The Senate amendment restored the reduction. The managers on the part of the House agreed to the restoration of $1,000,000 because although only two additional orbital flights may be necessary under Project Mercury, such flights have been reprogramed for a possible six orbits, rather than the originally planned three orbits. This will necessitate the stationing of recovery forces in the Pacific as well as in the Atlantic, and the additional funds will be necessary to meet this additional expense.

NASA had originally requested the sum of $175,165,000 for "Scientific satellites." The House bill reduced this request by $8,758,250, a 5-percent reduction. The reduction was justified on the basis that an efficient use of the funds allowed would be sufficient to complete the projects planned for fiscal year 1963. The Senate amendment restored the House reduction. The managers on the part of the House agreed to the restoration. NASA has recently announced its decision to use a lunar orbit rendezvous technique for the lunar mission, whereby it is planned to place men on the moon and return during this decade. The decision to use this technique, if successful, is expected to speed up the accomplishment of the lunar mission. As a consequence, the need for additional scientific satellite launches becomes apparent. For example, two additional satellite launches must be made during fiscal year 1963 in order to check solar activity, a study which must be made at the earliest possible time because the information is necessary for planning of the lunar mission.

NASA's original request for "Lunar and planetary exploration" was $273,560,000 for fiscal year 1963. The House bill reduced this by $23,558,000. Included in the reduction in the House bill was the NASA request for $10,400,000 for the next phase of the Prospector program. The Senate amendment restored $13,588,000 to the "Lunar and planetary exploration" funds, including the restoration of $400,000 for the purpose of payment of NASA in-house personnel working on the planning stage of the Prospector program. The managers on the part of the Senate agreed to the House position and eliminated this $400,000 on the basis that if the program was not to be funded the $400,000 restoration would not be required. The managers on the part of the House agreed to the balance of the Senate amendment relating to lunar and planetary exploration programs because of the accelerated lunar mission requiring these funds, as explained hereinabove.

The Senate amendment authorized for "Construction of facilities" $791,237,250. This was an increase of $55,037,000 over the House authorization. The managers on the part of the House agreed to certain restorations as follows:

NASA requested an authorization of $8,400,000 for the "Advanced Saturn launch complex." The House bill reduced this figure by $3,000,000. The Senate amendment restored this reduction, but in conference, the managers on the part of the Senate receded and agreed to the reduction. The Senate amendment, however, included an additional $32,000,000 for the purchase of 14,800 acres at the Atlantic Missile Range. The NASA request was received by the Senate subsequent to House action. This land acquisition is necessary for the construction of launch complexes for the manned lunar program and to provide a safety zone between these launch sites and inhabited areas. Also, a new launch vehicle, Titan III, has been added to the program for which launch facilities must be provided at the Atlantic Missile Range. The managers on the part of the House agreed, in this respect, to the Senate amendment.

NASA requested $10,000,000 for "Advanced facility planning and design." The House bill reduced this to $5,000,000. The Senate amendment restored the House reduction. The managers on the part of the House agreed to a restoration of $3,000,000, inasmuch as the changing programs of NASA will undoubtedly require additional facility planning and design funding.

The House bill provided the sum of $500,000 for further research in the field of boron compounds of high energy fuels through the Mississippi Test Facility. The Senate amendment increased this to $1,000,000 and transferred this item to the Lewis Research Center, Cleveland, Ohio. The managers on the part of the House agreed to the Senate increase and to the transfer to the Lewis Research Center, inasmuch as that laboratory is engaged in basic propulsion research and could better supervise the contract management of research in boron compounds and other high energy fuels.

The House bill reduced the National Aeronautics and Space Administration's request for "Construction of facilities" in support of the Nova test program at the Mississippi Test Site Facility by $12,000,000. The Senate amendment restored this reduction. The managers on the part of the House agreed to the restoration, based on an understanding that NASA will reprogram these funds to meet a new NASA requirement for the construction of test facilities at the Mississippi Test Site Facility in support of the Advanced Saturn. This reprograming will provide badly needed funds for test facilities for the S–II stage Saturn C–5 vehicle.

The National Aeronautics and Space Administration requested $5,000,000 each for the construction of antenna facilities to supplement those at the Johannesburg Tracking Station and the Woomera Tracking Station. The House reduced each request by $298,500. A similar request was made by NASA for funds for a Far East Tracking and Data Acquisition Station. The House bill reduced the requested amount by $1,940,000. The Senate amendment restored the House reductions. The managers on the part of the House receded and agreed to the restoration of the funds for these tracking stations inasmuch as it is now understood that NASA will require the amounts of its original requests in order to negotiate the necessary contractual support for these stations. The managers on the part of both the House and Senate agreed that the National Aeronautics and Space Administration should consult with both the House Committee on Science and Astronautics and the Senate Committee on Aeronautical and Space Sciences before a final determination of these sites is made.

The House bill contained a provision requiring NASA to utilize established engineering design criteria and construction standards established either by the General Services Administration, the Navy Bureau of Yards and Docks, or the Army Corps of Engineers. The Senate amendment contained language similar to the House provision, but inserted the clause, "to the fullest extent practicable." The managers on the part of the House agreed to this language change, based on information from NASA that a substantial portion of design work had been completed and the more restrictive language of the House bill would require a detailed review of the completed design work, thereby delaying the national space program, unless the flexibility provided by the Senate amendment was accepted.

The Senate amendment added a provision amending section 201(f) of the National Aeronautics and Space Act of 1958, relating to employees of the National Space Council. The purpose of the amendment is to make inapplicable to certain employees of the Space Council who are assigned to duties which require them to report directly to the Chairman of the Space Council (the Vice President) the provisions of law relating to Government employment which are applicable generally to employees in the executive branch of the Government. This will achieve a desired uniformity in the application of these laws to these employees and those permanently employed in the office of the Vice President.

The managers on the part of the House and Senate agreed to language requiring the National Aeronautics and Space Administration to retain control and jurisdiction over all real estate procured with funds provided under the bill and is intended to prevent the National Aeronautics and Space Administration from transferring real estate procured with such funds to another agency not under the jurisdiction of the Committee on Science and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate.

George P. Miller,
Olin E. Teague,
Joseph Karth,
Joseph W. Martin, Jr.,
James G. Fulton,
Managers on the Part of the House.

Mr. GEORGE P. MILLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have before us today for consideration the conference report on H.R. 11737, authorizing appropriations to the National Aeronautics and Space Administration or fiscal year 1963.

As is indicated in the statement of the managers, the conference report authorizes total appropriations of $3,477,115,250. This is $72,953,250 in excess of the amount authorized in the House bill.

I would like to take this time to explain the action of the managers on the part of the House at the conference held with the Senate on this bill.

Insofar as authorizations for "Research, development, and operations" is concerned, the House bill had reduced the NASA request by $33,316,250. With the exception of a $400,000 item in the prospector program, it was necessary for the managers on the part of the House to agree to restore this reduction.

It must be kept in mind that the hearings on this authorization bill by the House Committee on Science and Astronautics, were held some time ago. At that time, the committee, and the House, felt justified in reducing certain programs in research and development.

However, since that time, an extremely important decision has been made by the National Aeronautics and Space Administration with regard to the lunar mission.

I have reference to the decision to use the lunar orbit rendezvous technique, in order to place men on the moon and safely return them to earth in this decade.

It is estimated that this will speed up the accomplishment of the lunar program by 1 to 2 years. It is also hopefully estimated that it will reduce the eventual overall cost of the lunar program by 10 to 15 percent.

However, in order to accomplish this mission on this speeded-up timetable, certain programs must be emphasized, and sufficient authorization of funds provided.

Let me give you one or two examples:

The House reduced the administration request for Project Mercury by $1 million, on the basis that only two of the three three-orbit Mercury shots planned, would be necessary. However, two six-orbit flights are now planned. This necessitates additional recovery forces in the Pacific, which must be paid for by the Mercury authorization.

Thus, a stepped-up change in programing makes it necessary for us to restore this cut.

By the same token, we reduced the request for scientific satellites by $8,758,250. But, because of the decision on the lunar orbit rendevous techniques, we find it is essential that two additional scientific satellite launches must be made in fiscal year 1963.

Because of the stepped-up lunar program, it is imperative that we have information on solar activity.

Now, in the "Construction of facilities," we again had to restore certain items because of the stepped-up lunar program. The Senate agreed to our reduction of $3 million for the advanced Saturn launch complex at Cape Canaveral. But, at the same time, the House conferees agreed to a $32 million increase for the purchase of an additional 14,800 acres of land at the Atlantic Missile Range.

The request for these funds came up to Congress after the House bill had been passed. Nonetheless, it is essential that we provide funds for this land acquisition.

It is necessary to construct additional launch complexes for the lunar program, and to provide a safety zone between these launch sites and inhabited areas. Also, a new launch vehicle, Titan III, has been added to the program, for which launch facilities must be provided at the Atlantic Missile Range.

Without the purchase of the additional land, there is simply no way that these necessary additional launch complexes could be constructed, since land presently owned by NASA is insufficient.

In the case of certain other items, such as the House reduction of $5 million for "Advanced facility planning and design," the House and the Senate compromised, and agreed to an $8 million authorization for this item, rather than to the $10 million requested by NASA and authorized by the Senate amendment.

The House bill had reduced the administration request for "Construction of facilities," at the Mississippi test facility, by $12 million. This was based on the premise that the construction of facilities could be delayed because of reprograming of the Nova project.

However, again we are met with the need for additional facilities at the Mississippi site, due to the stepped-up lunar program. These facilities are for the testing of the second stage of the advanced Saturn. Consequently, the managers on the part of the House agreed to the restoration of the $12 million, so it could be used in the Saturn program.

We had made comparatively small reductions in the construction of tracking station facilities, but we agreed to the restoration of these funds, in order not to delay the space program.

When this authorization bill was considered in committee, as I have already stated, we felt perfectly justified in recommending certain reductions to the House, based on the testimony given us by representatives of the National Aeronautics and Space Administration.

At that time, we were convinced that none of our proposed reductions would slow down the national space program. However, since that time, and since the decision has been made to speed up the lunar program by use of the lunar orbit rendezvous technique, it is essential that many of our reductions must be restored.

If we failed to do so, there is no question in my mind that we would cause serious and irreparable harm to the new schedule of landing men on the moon, and providing for their safe return to earth.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. GEORGE P. MILLER. I yield to the gentleman from Iowa.

Mr. GROSS. What is the increase over the House figure?

Mr. GEORGE P. MILLER. The increase is $72,953,200. Of this amount, there is included the $32 million for land acquisition.

Mr. GROSS. It is approximately $73 million above the House figure?

Mr. GEORGE P. MILLER. Yes; the House figure.

Mr. GROSS. Did I understand the gentleman to say that there are land acquisition costs now in the bill that were not considered by the House?

Mr. GEORGE P. MILLER. There are land acquisition costs for 14,800 acres of additional land at Cape Canaveral in order to meet the new demands of the program that were not in the original request to the House.

Mr. GROSS. So, the House never considered the additional land acquisition in the authorization bill; is that correct?

Mr. GEORGE P. MILLER. That is correct; not in the authorization bill.

Mr. GROSS. What is the cost of this additional land?

Mr. GEORGE P. MILLER. Wait a minute; no. We did not consider it. At that time there was some question that, perhaps, the Defense Department might have bought this land.

Mr. GROSS. Was there not an appropriation for land acquisition for the same purpose in the deficiency appropriation bill that went through only a short time ago?

Mr. GEORGE P. MILLER. Yes. This is in addition to that.

Mr. GROSS. This is in addition to that?

Mr. GEORGE P. MILLER. Yes.

Mr. GROSS. If I remember correctly, that dealt with Florida and Mississippi?

Mr. GEORGE P. MILLER. That is right.

Mr. GROSS. Now, this deals only with Cape Canaveral; is that correct?

Mr. GEORGE P. MILLER. Yes. This will take up all of the land that can be used as an addition to the Atlantic Missile Range, and is brought about as I have said by the fact that we have to have new launching sites for the lunar program and the Department of Defense has to have new sites for its Titan program. Inasmuch as NASA is a tenant on the lands of the Air Force down there and now they are going to become our tenants because you cannot put any more launch facilities on the present land at Cape Canaveral.

Mr. GROSS. Can the gentleman state how much this additional land is going to cost?

Mr. GEORGE P. MILLER. It is going to cost $32 million.

Mr. GROSS. For the land alone?

Mr. GEORGE P. MILLER. The land alone; yes.

Mr. GROSS. I thank the gentleman.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. GEORGE P. MILLER. I yield to the gentleman from Pennsylvania.

Mr. FULTON. We must realize that the land was originally going to be bought by the Department of Defense. It was to be used for NASA purposes. We felt that it should be studied and checked by the Science and Astronautics Committee and be bought by the National Aeronautics and Space Administration.

Mr. Speaker, in answer to the gentleman from Iowa [Mr. GROSS] there was in the original request $55 million to buy 78,000 of Merritt Island acres at Cape Canaveral to meet the requirements for the Titan III booster program as well as the Advanced Saturn program.

Mr. Speaker, this new addition of $32 million is to purchase 14,800 acres of additional land north of Merritt Island. It also includes not only the cost of the land but the cost of relocating a section of the intercoastal waterway and a bridge as well.

Mr. Speaker, at this point I would like to insert in the RECORD a table showing the various administration requests which have been approved by the House, approved by the Senate, and approved by the conferees on these various programs so that we may have the figures in plain view where everyone can read them in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The table referred to follows:

	Administration request	Approved by House	House adjustment	Approved by Senate	Senate adjustment	Approved by conferees	Conference adjustment
Grand total	[1] $3,858,276,000	[1] $3,742,162,000	−$116,114,000	[1] $3,820,515,250	−$37,760,750	[1] $3,815,115,250	−$43,160,750
Total research and development	2,968,278,000	2,934,961,750	−33,316,250	2,958,278,000	−10,000,000	2,957,878,000	−10,400,000
Total construction of facilities	[1] 889,998,000	[1] 807,200,250	−82,797,750	[1] 862,237,250	−27,760,750	[1] 857,237,250	−32,760,750

ITEMS OF DIFFERENCE

	Administration request	Approved by House	House adjustment	Approved by Senate	Senate adjustment	Approved by conferees	Conference adjustment
Research and development:							
Mercury	13,259,000	12,259,000	−1,000,000	13,259,000	0	13,259,000	0
Scientific satellites	175,165,000	166,406,750	−8,758,250	175,165,000	0	175,165,000	0
Lunar and planetary	273,560,000	250,002,000	−23,558,000	263,560,000	−10,000,000	263,160,000	−10,400,000
Construction of facilities:							
Advanced Saturn complex	8,400,000	5,400,000	−3,000,000	8,400,000	0	5,400,000	−3,000,000
Facility planning and design	10,000,000	5,000,000	−5,000,000	10,000,000	0	8,000,000	−2,000,000
High energy fuel	0	[2] 500,000	+500,000	1,000,000	[2] +1,000,000	1,000,000	+1,000,000
Nova test facilities	43,000,000	31,000,000	−12,000,000	43,000,000	0	43,000,000	0
Johannesburg antenna facilities	5,000,000	4,701,500	−298,500	5,000,000	0	5,000,000	0
Woomera antenna facility	5,000,000	4,701,500	−298,500	5,000,000	0	5,000,000	0
Far East tracking facility	6,000,000	4,060,000	−1,940,000	6,000,000	0	6,000,000	0
Land acquisition AMR	32,000,000	(3)	(3)	32,000,000	0	32,000,000	0

[1] Including $71,000,000 for land in 1962 supplement.

[2] House and Senate additional.

[3] Not available. Land acquisition (AMR) request received subsequent to House action.

Mr. FULTON. I would like to comment specifically on the manned lunar flight program. It had been my amendment that cut the lunar program $1 million from $13,259,000 on Project Mercury in fiscal year 1963. As the program came to us, it looked as if there were going to be two, three orbital, flights in this coming fiscal year. Subsequent to this time, NASA revised the Mercury program objectives whereby these two flights will be six-orbit instead of three-orbit flights. When you have a six-orbit flight it means instead of landing off the West Indies, as was done in the current Mercury flights, that they will have to land in the Pacific Ocean to obtain the necessary daylight for recovery operations. Likewise, if you try to land in the Atlantic Ocean on a six-orbit flight the landing would have to be done off the western coast of Africa, which is very inaccessible. Under these circumstances I agreed, as did other members on our Science and Astronautics Committee, that it was better to change these manned lunar flights on the six-orbit basis to landing in the Pacific; first to get daylight, and secondly to provide a better recovery area or landing area. Providing this additional landing area required the restoration of these funds.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield.

Mr. GROSS. Do I understand that these 14,800 acres of land will cost $2,200 plus per acre?

Mr. FULTON. The cost of this additional land includes also the moving of a canal and relocating a bridge. We do not have the costs of the land per acre.

Mr. GROSS. What kind of a canal is it that would run the cost up to that figure per acre?

Mr. FULTON. It is the inland waterway. In order to take care of the Advanced Saturn booster systems NASA needs additional land. We have to have launching pads that are separated from each other by large distances due to the size of these vehicles. There is a tremendous danger of explosion, therefore from a safety standpoint we must provide a buffer zone between pads as well as the industrial complex and the vertical assembly building. Likewise, we had to move north because of the danger to the other people working on the other pads now in existence; and secondly to avoid what we call overflight, so that you would not have one booster on a research and development mission flying over another launching pad.

Our Manned Space Flight Subcommittee went down to Cape Canaveral, on this particular point that the gentleman from Iowa is bringing up, under the leadership of our chairman, "TIGER" TEAGUE of Texas. We made a thorough study. We checked various alternatives. We looked into the various systems and as the House knows, on the Nova program we cut it back substantially at the time it was proposed. Now because NASA has recently announced its decision to use a lunar orbit rendezvous technique for the lunar mission, whereby it is planned to place men on the moon and return during this decade. The decision to use this technique, if successful, is expected to speed up the accomplishment of the lunar mission. As a consequence, the need for additional scientific satellite launches becomes apparent. For example, two additional satellite launches must be made during fiscal year 1963 in order to check solar activity, a study which must be made at the earliest possible time because the information is necessary for planning of the lunar mission.

Mr. GROSS. Mr. Speaker, will the gentleman yield further?

Mr. FULTON. I yield.

Mr. GROSS. What is this intercoastal canal used for?

Mr. FULTON. All the intercoastal traffic going north and south along the Atlantic seaboard. The point is this: In order to protect the traffic using this intercoastal waterway we must have it relocated, that is, away from the large boosters' launch sites, because it is impossible to have these pleasure and cargo ships exposed to the danger of an explosion.

Mr. GROSS. This is a yachting canal?

Mr. FULTON. No. The intercoastal waterway runs right up and down the coast and is used by fishing boats, cargo boats, pleasure craft, as well as for yachting. I might add that oil tankers use it.

Mr. CRAMER. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Florida.

Mr. CRAMER. The Atlantic coast-gulf coast network starts in the North at Boston, Mass., and goes down to the Miami area and cuts across from the east coast of Florida at Stuart across Lake Okeechobee to Fort Myers. Construction is presently underway from Fort Myers to Tarpon Springs on the west gulf coast of Florida. A resurvey program is underway from Tarpon Springs to St. Marks, and the canal waterway presently exists from St. Marks to the Mexican border along the gulf coast. So this is a major part of the nationwide barge and pleasurecraft system on which millions of dollars have been spent. The objective is to protect that valuable waterway system and already made expenditures.

Mr. FULTON. That is a very adequate explanation from the gentleman from Florida of the uses of this canal system, really our major inland waterway on the east coast.

May I explain further to the gentleman from Iowa about the danger. The reason for the danger is that one of these boosters has the power of 100,000 locomotives, so that we are not talking of a small amount of power that is generated for use. If you put the power that would go into 100,000 locomotives into 1 explosion you would get what would be a pretty big explosion. I do not know what you would call it in Pennsylvania, but it would be a big explosion.

To keep the space program moving at the accelerated rate the United States has now attained, the conferees approved a total authorization for fiscal year 1963 of $3,744,115,250.

NASA's original request for "Lunar and planetary exploration" was $273,560,000 for fiscal year 1963. The House bill reduced this by $23,558,000. Included in the reduction in the House bill was the NASA request for $10,400,000 for the next phase of the Prospector program. The Senate amendment restored $13,588,000 to the "Lunar and planetary exploration" funds, including the restoration of $400,000 for the purpose of payment of NASA in-house personnel working on the planning stage of the Prospector program. The managers on the part of the Senate agreed to the House position and eliminated this $400,000 on the basis that if the program was not to be funded the $400,000 restoration would not be required. The managers on the part of the House agreed to the balance of the Senate amendment relating to lunar and planetary exploration programs because of the accelerated lunar mission requiring these funds, as explained.

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The House bill reduced the National Aeronautics and Space Administration's request for "Construction of facilities" in support of the Nova test program at the Mississippi Test Site Facility by $12 million. The Senate amendment restored this reduction. The managers on the part of the House agreed to the restoration, based on an understanding that NASA will reprogram these funds to meet a new NASA requirement for the construction of test facilities at the Mississippi Test Site Facility in support of the Advanced Saturn. This reprogramming will provide badly needed funds for test facilities for the S–II stage Saturn C–5 vehicle.

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Aeronautics and Space Administration should consult with both the House Committee on Science and Astronautics and the Senate Committee on Aeronautical and Space Sciences before a final determination of these sites is made.

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The managers on the part of the House and Senate agreed to language requiring the National Aeronautics and Space Administration to retain control and jurisdiction over all real estate procured with funds provided under the bill and is intended to prevent the National Aeronautics and Space Administration from transferring real estate procured with such funds to another agency not under the jurisdiction of the Committee on Space and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

INDEPENDENT OFFICES APPROPRIATIONS BILL, 1963

Mr. THOMAS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12711) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1963, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 3 hours, one-half to be controlled by the gentleman from New York [Mr. OSTERTAG] and the other half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12711, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. THOMAS. Mr. Chairman, we bring to you today the independent offices annual appropriation bill. If I may, let me briefly summarize the bill for you.

There are involved in here some 25 or 26 agencies with a total budget estimate of about $12,560 million.

Then, in addition to that, there are some four or five Government corporations with budget estimates of perhaps $125 million for which there is not one penny of appropriated funds involved. What is involved is limitations on expenditure of their own funds. I think I can say with some accuracy that we are submitting this to you and asking for your support on just about as unanimous a proposition as it is humanly possible to get seven men to agree to considering this many agencies and on this amount of money. Now all of us are here on both sides of the question and, certainly, you are entitled to have all the information you want. We are ready to do our best to give that information to you either individually or collectively as a subcommittee. Each one of these gentlemen knows as much about this bill as I do, and while I do not want to take up too much time, I do hope that we will use some time to get this information to our colleagues and, of course, we do want to share our 3 hours with our colleagues who are not members of the committee, if they desire time. So, with that in mind, Mr. Chairman, may I respectfully and prayerfully ask our colleagues to go along with us, and I will now try to answer any questions that you may wish to ask, and I will call on my colleagues to help me, if I do not know the answers.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman.

Mr. CEDERBERG. I want to ask the gentleman from Texas about the control tower installations in this bill. I believe there has been a request for 13 locations, and I have a particular interest, as the gentleman knows, in the installation of a tower at the Tricity Airport serving the metropolitan area of Bay City, Midland, and Saginaw, Mich.

Mr. THOMAS. If I may interrupt my colleague, may I say it is a very, very busy area. Our colleague, the gentleman from Michigan, has been most active on this and our committee can report to him that we have recommended in this bill that that tower be constructed there, and the agency tells us it is also needed and they intend to do it.

Mr. CEDERBERG. I thank the gentleman.

Mr. MATTHEWS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. MATTHEWS. Mr. Chairman, I wish to thank the gentleman from Texas [Mr. THOMAS], the distinguished chairman and the members of his committee for the usual excellent work they have done. In particular, I am very happy, sir, to see reference made to the Veterans' Administration hospital to be located at Gainesville, Fla. I respectfully call the attention of the chairman to the language on page 17 of the report which says:

> The Veterans' Administration has received no contractor estimates on the 1963 projects and the costs ought to be reduced 10 to 12 percent—

Mr. THOMAS. If I may interrupt my distinguished friend, I think that is in error. It ought to be 15 percent.

Mr. MATTHEWS. And the statement in the report continues:

> and still provide good, functional facilities that observe sound space efficiency criteria and omit unnecessary frills and decorations.

And then the next sentence reads:

> Under no circumstances should local architects be permitted to build monuments to themselves.

I may agree with all of that. I think that may be good.

But, the next statement reads as follows:

> A portion of savings in such estimates is to be applied to the cost of technical services at Gainesville.

This is the question, Does the chairman believe that that language will permit this administration to go ahead with these plans to build this much-needed facility at Gainesville?

Mr. THOMAS. Absolutely. It will take care of Bay Pines, too, and there still will be several millions of dollars left over.

Mr. MATTHEWS. My good chairman has made me so happy that it is just impossible to express.

Will the gentleman yield for one further observation?

Mr. THOMAS. May I say to my colleague not to stop talking because we like what you say.

Mr. MATTHEWS. I am so grateful to the distinguished gentleman. I want to thank you, Mr. Chairman, for these funds for the buildings at Gainesville for which we have been waiting for years and which are needed so desperately. May I again, sir, say thank you and tell you what an excellent job I think you have done.

Mr. Chairman, last October, after 15 years of continuous effort on the part of many people, the Veterans' Administration announced approval of a veterans' hospital to be located at Gainesville, Fla. The close of World War II witnessed a rapid growth in the population of the State of Florida, and especially in the veteran population. Members of the Florida congressional delegation at that time, about 1947, undertook to have Gainesville included among the sites for VA hospitals contemplated in the expansion program proposed by the Veterans' Administration. Congress appropriated funds for a significant expansion program including a project to be located at Gainesville. A site was chosen, and an architectural and engineering firm was employed to design a building, working under the direction of the Jacksonville district office, U.S. Corps of Engineers. A sum approximating $1 million was spent. When construction bids and the award of a contract were about to be let, President Truman suspended the authorized construction of 24 VA hospitals out of a total of 63 which had been authorized and for which Congress, as indicated, had appropriated funds.

In June 1949, the Joint Committee of the House and Senate on Veterans' Affairs conducted hearings on each of the suspended hospitals and the committee unanimously included the Gainesville hospital among 14 of the suspended projects for which immediate construction was recommended. Unfortunately, other more pressing matters prevented this recommendation from final congressional action.

Subsequently, all sites on the list of suspended hospitals were ordered disposed of with one exception, the one at Gainesville. In March 1954, the House Committee on Veterans' Affairs had recommended that the site at Gainesville, Fla., be maintained. Subsequently, the General Services Administration upon the advice of the Veterans' Administration retained this site.

When I came to Congress in 1953, I picked up where my predecessors had left off and, in cooperation with our two Senators, and other members of the Florida delegation, have left no stone unturned in an effort to build the VA hospital facility at Gainesville, so long hanging in the balance. Meantime, Florida's veteran population has continued to mount and statistics clearly show that the State is lagging far behind the national average in beds and accommodations needed for its veterans.

Individuals interested in the VA facility at Gainesville were often told that the lack of a medical school was a retarding factor in not moving ahead with the hospital at that site. Finally, the State authorized and has since developed a $20 million health center at the University of Florida in Gainesville, which embraces colleges, schools, and departments in all branches of the healing sciences, and this great State facility has now been in operation for several years.

Last October, the Veterans' Administration reconsidered the Gainesville site in the light of the new medical center which has been located there, and in light of the continuing and increasing need for additional veterans facilities, our able Administrator of Veterans' Affairs, John S. Gleason, Jr., announced approval on the part of the Veterans' Administration of a 500-bed hospital to be located at Gainesville. The site chosen for this new facility is in close proximity to and will have a cooperative and friendly relationship with the $20 million J. Hillis Miller Health Center to which I have referred. The latter is prepared to assist in staffing the hospital and cooperating in all respects.

It is my understanding that the sum of $722,000 has been recommended for design and planning of the veterans hospital at Gainesville in the President's budget, and that this amount is included among the items totaling $75,500,000 for veterans hospitals and domiciliary facilities in the budget now under consideration. I am here to plead for House approval of this sum. The early realization of this project will be of incalculable benefit to the ever-increasing veteran population of the State of Florida.

A recent survey for the purpose of reporting the exact status of the present VA hospital program in Florida discloses that the total veteran population in Florida as of the last census was 664,021. Of this number, 631,000 are eligible for hospitalization in VA hospitals. Total veterans hospitalized in Florida in mid-April 1962 numbered 1,484; the total on waiting lists numbered 1,021. It is estimated that the State veteran population by 1965 will be 700,000. The long-range plan for all VA hospitals in Florida would provide 2,448 beds by that date. The national ratio of veterans per VA hospital bed is 181 to 1 at the present time; the Florida ratio is 425 to 1. The expansion program of which the Gainesville facility will be a part, should bring the Florida ratio of veterans per VA hospital bed to 286 to 1 by the year 1965.

I want to express appreciation to President Kennedy, Vice President Johnson, Veterans Administrator John S. Gleason, Jr., our Florida congressional delegation, the House Committee on Veterans' Affairs, and the House Appropriations Subcommittee on Independent Offices for making the Gainesville VA Hospital a reality. I want to also pay particular tribute to the member of the House Committee on Veterans' Affairs, the gentleman from Florida, the Honorable JAMES A. HALEY, who has worked untiringly for years on behalf of veterans throughout the whole country. Especially in Florida the veterans of Florida owe him a tremendous amount of appreciation for his efforts on their behalf.

I also want to express appreciation to the committee for an item in this appropriations bill to complete our Federal building at Gainesville. To the item of $396,000 for site and expenses previously funded, there is an additional item in this bill of $2,132,500, for this building, making a total appropriation of $2,528,500.

The Federal building at Gainesville has been outmoded for many years. Plans were finalized for a new building about the beginning of World War II, but because of that terrible conflict, this building, as well as many others throughout the United States was delayed.

I know that the General Services Administration was impressed by the tremendous need for this building due to the great population growth of the area that it serves, and as a result, several years ago recommended the new building. This step today is a logical conclusion of a long effort to get this needed facility. I hope that construction will begin now in just a short while, and that the facility so long needed can be made available to the community. I am delighted to support this bill.

Mr. MARTIN of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. MARTIN of Nebraska. Mr. Chairman, I notice that the CAB has had a reduction in their appropriation in this bill. We in Nebraska are served by an outstanding feeder airline, the Frontier Airline of Denver. We have three routes, one north and south and two east and west. We are particularly concerned in regard to the specific effect of this reduction on these feeder airlines. I want to ask the gentleman this question: Will this reduction in the CAB funds affect our feeder airline operations in Nebraska?

Mr. THOMAS. Not one bit. We do not want to cripple your airlines. You are entitled to good service. All we are attempting to do is to get you better service and at the same time get it at the lowest possible cost. As a matter of fact, whatever the costs are, that will be a debt and it is going to have to be paid. This debt will not occur for a number of months in its entirety. Experience has shown that we in effect have been a little overgenerous with the CAB.

I want to commend our distinguished colleague here. He is a most valuable Member. He has worked at the job.

For the first time, and I will ask my colleagues on both sides of the aisle if I am not correct, our subcommittee invited in the feeder airlines for a discussion of their problems. We went into it and found in a good many instances some savings could be made. This will not hurt them. Tell that to your people.

Mr. MARTIN of Nebraska. I thank the gentleman.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Mississippi who has charge of legislation in this field, and we are delighted to have him help us.

Mr. WILLIAMS. I understand the gentleman from Nebraska [Mr. MARTIN] mentioned that the CAB requested something like $84,500,000 for this purpose but that the committee felt that the sum of $71,900,000 or thereabouts would be sufficient; they made a reduction of some $12 million, roughly speaking. It is my understanding that the estimate that was made by the committee and the amount that is included in this bill for this purpose is simply an educated guess on the part of the committee; and I presume in view of the fact that this is a continuing obligation, that if the figure of $71,900,000 turns out to be insufficient, the matter will be further considered by the gentleman and his subcommittee.

Mr. THOMAS. Our distinguished colleague is eminently correct. I want to say as to the educated guess that should it turn out that the figure is not sufficient, we will straighten it out and take care of it. The committee felt, however, that the figure was approximately right. The budget estimate was for $85 million. The committee felt in the light of past experience that this figure could be cut $10 million or $11 million, for we found in a previous year we had appropriated $7 million or $8 million too much. The gentleman is correct, the committee will be ready to correct any deficiency in a supplemental appropriation.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield further?

Mr. THOMAS. I yield.

Mr. WILLIAMS. It is my understanding that the Civil Aeronautics Board is presently in the process of making a survey of this specific problem, particularly with respect to the so-called feeder or rural service airlines, and they are doing this also with the cooperation of the Association of Local Transport Airlines, which is commonly known as ALTA. The purpose of this, I think, is to find some way by which the subsidy can eventually be reduced whether it be through the development of aircraft specifically adapted to the needs of local service or otherwise. It is my understanding that the Civil Aeronautics Board is to report to the President by June 30, 1963, on a program of reducing subsidy payments.

I appreciate the response given to me by the chairman of this committee and I feel certain that the service of the local service airlines is not in jeopardy.

Mr. THOMAS. I thank the gentleman for his valuable contribution.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. GROSS. On page 8 of the bill there is $41,959,000 to be credited to the civil service retirement fund. My question is, Does this meet the annual requirement on the part of the Federal Government?

Mr. THOMAS. No.

Mr. GROSS. Then why the $41 million?

Mr. THOMAS. I want to commend the gentleman for the question. It is a good question and it is a timely one. But let us review the whole situation. The gentleman is familiar with it.

To be perfectly frank about it, even as of today the fund is insolvent to the tune of $33 billion. What we are doing here is like we did last year, the year before that, and the year before that. We appropriate to the civil service retirement fund. There is nothing partisan about that. The previous administration did not like it, this administration does not like it. As a matter of fact this administration would not use it and turned it back to the Treasury last year.

This covers the cost of increased annuities provided certain retired employees by virtue of legislation. It keeps the fund from being $41 million more insolvent. That is what the $41 million is for.

Answering the gentleman's question, to put it on an even footing on an annual basis would require an appropriation in addition to this $41 million of what? One billion dollars, approximately. How does that $1 billion arise? It arises by virtue of the fact that if the Federal Government for the last 20 or 30 years had been paying its fair share then there would be that much interest accruing to the fund annually that is not accruing.

Mr. GROSS. This is in reality, then, a token payment?

Mr. THOMAS. Yes.

Mr. GROSS. And only a token payment?

Mr. THOMAS. Yes.

Mr. GROSS. On page 10 of the bill there is $10,000 for representation allowance and additional entertainment to the Federal Aviation Agency. My question is, Why single out the Federal Aviation Agency alone of the regulatory bodies of the Government?

Mr. THOMAS. Because they, along with one or two others, do have tremendous oversea operational responsibilities. Most of these inter-American lines are operating overseas and they have some international responsibilities. It is for that reason and for that reason alone that we gave them this money.

Mr. GROSS. I may say to the gentleman I would be surprised if other regulatory agencies do not have some international ramifications these days.

Mr. THOMAS. Yes, but not comparable to this agency.

Mr. GROSS. It is just a matter of degree as to who gets the $10,000 for the tools of the trade, as the gentleman from New York [Mr. Rooney] refers to them.

Mr. THOMAS. I cannot argue too much with the gentleman on that.

Mr. GROSS. On page 13 there is $2 million for the Dulles International Airport, or whatever it is called. I thought we were about through appropriating to the Dulles International Airport. What do we have in that now, better than $100 million?

Mr. THOMAS. That is right, about $105 million.

Mr. GROSS. Including this?

Mr. THOMAS. Including this $3 million it will be about $108 million, as well as I can recall.

Mr. GROSS. When is that going to stop? And when is that airport going to become operational?

Mr. THOMAS. Between October 15 and November 1 of this year is the best and latest information we have.

Mr. GROSS. That estimate is better than the one that it would be operational last July, a year ago.

Mr. THOMAS. That is right. They are not operating now, that is obvious.

Mr. GROSS. So the gentleman has some reason to believe now that Dulles will be in operation some time this year?

Mr. THOMAS. Certainly no later than Thanksgiving, would be my guess.

Mr. GROSS. Do they have any hangars out there now?

Mr. THOMAS. Yes. There is $3 million in here to build one, a two-bay hangar, and that is all. If we ever go into building some big ones, we may need another $10 or $15 million, but we want the private lines to build them.

Mr. GROSS. Will those hangars be paid for by all the taxpayers?

Mr. THOMAS. No; by the private lines.

Mr. GROSS. Is this money to be paid back?

Mr. THOMAS. This $3 million is going to be paid by the taxpayers, but the taxpayers will recoup it in less than 20 years, is what we understand. We have been urging the FAA to get the private lines to put up their own money to build some big ones, but they claim they have had a period of hard times, and we all know that is true. But what another 12 months will bring is another question.

Mr. GROSS. If the gentleman will yield further, I note that there is $2 million included in this bill for the present National Airport. What are we doing putting another $2 million into contruction at that airport if Dulles Airport is going to be operational this year?

Mr. THOMAS. They have a group of odds and ends. It is making money now.

Mr. GROSS. It is doing what?

Mr. THOMAS. It is making money.

Mr. GROSS. I thought the revenue was decreasing rather than going up.

Mr. THOMAS. Of course, they have not been taking new planes out of there. It is more than paying for itself. It is making money.

Mr. GROSS. When the Dulles Airport opens up what is going to be the fate of the National Airport and the $2 million in additional money?

Mr. THOMAS. My guess is that it would keep on making money. The reason I make this statement is this: If you will recall, several years ago a number of these contracts were made out there, and they were made too cheaply. May I point out to my good friend, the gentleman from Iowa [Mr. Gross] that we all complained about it, and we have kept on hammering away. When these contracts are renegotiated the price goes up and up. That is going to take care of the situation and will make a big difference in your net profit.

Mr. GROSS. Well, I hope the gentleman is correct.

Mr. THOMAS. I do, too.

Mr. GROSS. But I am afraid this $2 million that you are making appropriations for in this bill for improvements and construction at the National Airport is going to go down the drain like a lot of other things go down the drain around here.

Mr. THOMAS. We watch that pretty carefully. I think it is generally agreed throughout the committee that this thing will be all right in the future.

We thank the gentleman for the gentleman's help. We are always glad to have the gentleman's suggestions.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Texas.

Mr. TEAGUE of Texas. Mr. Chairman, I wish to compliment the subcommittee on its work with the Veterans' Administration request. If any Member wants to know the true story and the full story of our entire veterans program, this hearing which this subcommittee has conducted this year is the most complete story of our veterans program that has been made since I have been a Member of Congress.

Mr. Chairman, I would like to call attention to one item which appears in the hearings, and that is with reference to our non-service-connected pensions program. This year in the bill is about $1.75 billion for non-service-connected pensions. Approximately $1.3 billion of this goes to World War I veterans. If we did not change one word in our non-service-connected veterans laws, the cost of this program will go up to something over $4 billion.

Mr. Chairman, we have had some 167 pension bills in our committee this year. We will start hearings again next week. But I would like for the membership to take a look at these hearings and see what our pension program is today.

Mr. THOMAS. I thank the gentleman for his valuable contribution and assistance.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Florida.

Mr. CRAMER. I too want to commend the subcommittee for its consideration in particular of the construction of the hospital and domiciliary facilities as they relate to the State of Florida, and the favorable consideration it gave these needed facilities as is evidenced by the statement of the gentleman from Florida [Mr. MATTHEWS] with respect to the Gainesville hospital and I am glad to see that the committee has recommended that the $1,722,000 for Bay Pines architectural and engineering services, appropriated back in 1958, is being retained and, in particular, the new language on page 17 of the report which provides as follows:

> The committee recommends that $1,722,000 previously appropriated for technical services for Bay Pines, Fla., remain earmarked looking toward new construction at that site if and when the Administrator deems it in the public interest to begin such construction.

Mr. Chairman, this section is most significant, and I want to commend the committee for making this, in effect, factual finding as a result of the lengthy hearings which the gentleman from Texas [Mr. TEAGUE] just referred to and which I think were essential.

Mr. THOMAS. That is the product of the thinking of both sides of the aisle; it is unanimous.

Mr. CRAMER. I thank the gentleman; I am delighted to know that. I understand that was the case. The report on page 17 indicates, and I quote:

> Florida veteran population is growing rapidly and the probabilities are more hospital facilities will be needed shortly in that area.

Mr. THOMAS. That is right.

Mr. CRAMER. And by that is meant the Bay Pines area.

Mr. THOMAS. That is right.

Mr. CRAMER. Mr. Chairman, I want to commend the committee. This report rebuts and does away, I hope, with some of the hobgoblins that are going around with regard to Bay Pines, for instance, to the abandonment of Bay Pines as suggested by Mr. Gleason, VA Administrator, in the hearings on page 276 on the basis of some phantom medical school that is believed to exist sometime in the indefinite future in some undefined central part of the State of Florida and indicates future veteran growth in Florida justifies retaining this earmarked appropriation for future expansion of Bay Pines. And is not that the intention of the subcommittee's language?

Mr. THOMAS. That is correct.

Mr. CRAMER. Mr. Chairman, I thank the gentleman and I will discuss this matter at length in the debate.

Mr. OSTERTAG. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first of all, I should like to tell the committee that it has been an extreme privilege and pleasure for me to serve as a member of the Independent Offices Appropriations Subcommittee. I have been a member for the past 10 years and it is a very refreshing and rewarding assignment. As everyone knows, this appropriation bill embraces a good many agencies of our Federal Government. I might point out that it involves some 26 independent agencies, more than the number covered by any other committee or subcommittee of the Congress. During the course of our hearings we took some 4,000 or more pages of testimony over a period of several months.

Mr. Chairman, I would like to pause to pay tribute to the chairman of our subcommittee, the gentleman from Texas [Mr. THOMAS]. I think we may all feel a sense of gratitude for his many courtesies, for his understanding, and I might add, his knowledge of the many facets, operations, and functions of these many agencies. He seems to have a grasp of the inner workings of these agencies. He knows the problems and the pitfalls. It has been a pleasure to work in harmony with both sides of the aisle so far as this subcommittee is concerned; on the majority side, the gentleman from Illinois [Mr. YATES], the gentleman from Tennessee [Mr. EVINS], and the gentleman from Massachusetts [Mr. BOLAND]; and on my side of the committee it has been an extreme pleasure to have working at my side the gentleman from North Carolina [Mr. JONAS] and the gentleman from Arizona [Mr. RHODES].

Mr. Chairman, in presenting this important and extensive coverage, the independent offices appropriation bill for the fiscal year 1963, I want first to call your attention to the fact that the total budget request to your committee for these 26-odd agencies of our Federal Government amounted to $12,560 million. In this bill as recommended by your committee, we have approved or recommended the amount of $11,501 million which—and I say this is worthy of note—is a net reduction of $1,058 million.

This is no small amount. If it were possible for each and every subcommittee on appropriations to bring in a similar reduction we would have a substantial reduction in overall spending. We could easily have a balanced budget; yes, tax reduction would be in order.

May I point out that there are a number of changes or adjustments involved in this appropriations bill when it is compared to the independent offices bills of previous years. For example, we now have the National Aeronautics and Space Council. We have, too, the National Aeronautics and Space Administration. Then another recent and new organization or agency added to the independent offices bill is the Office of Science and Technology, under the Executive Office of the President. Then, too, under previous organization functions we considered all emergency planning, disaster, civil defense, and such matters, under the Office of Civil and Defense Mobilization. Now we have in being the Office of Emergency Planning, and on the other hand, the civil defense is now under the Defense Department by virtue of certain reorganizations and transfers by Executive order of the President.

With the creation, the growth, and the development of the National Aeronautics and Space Administration, with the constant and rapid growth of the Federal Aviation Agency, with the importance of science to our economy, security, and yes, our well-being, all of which has stimulated rapid growth under the National Science Foundation, all of this, Mr. Chairman, coupled with normal expansion in governmental requirements and responsibilities it is reasonable to expect that this particular appropriation bill that is before us today, covering, as it does, 26 agencies, would be substantially higher than heretofore. I have made no attempt to develop comparative figures with the past or with trends nor with this area of governmental service, but I do know that your committee has made a number of significant adjustments upward and downward which I believe warrant your attention.

Perhaps it might be well for me to summarize the adjustments which tend to reduce this appropriation bill by some $1,158 million below the budget request. First and foremost, the budget estimates proposed about $460 million for a new program of fallout shelter incentives throughout the Nation in the form of grants. These grants were intended to cover a substantial portion of the cost of constructing shelters in certain nonprofit institutions such as schools and hospitals. As you know, this program and responsibility was transferred to the Defense Department.

Already many millions of dollars have been expended in studies, mapping, and surveys, in connection with fallout shelters. The wisdom of this plan and the basic issue of "Shelters" continues to be a matter of controversy. The point remains, however, that no legal or legislative authority exists for the proposed $460 million fallout shelter program. Consequently, Mr. Chairman, your committee was not in a position to consider appropriating funds in this bill for the shelter construction program. By the same token, the committee reduced this appropriation bill some $35 million, which was included for the construction of fallout shelters in existing Federal buildings. Here again, the same principle applies, and there seems to be no valid reason to have a very limited number of people protected as against the general population of our Nation.

The committee has allowed $65 million for operation and maintenance for civil defense, which is the same level as that of last year, but it does constitute a reduction in the budget request of about $61 million. In the absence of shelters, the request for stocking supplies of some $56 million was deleted.

In this general area of civil defense, the bill does provide $5.5 million to maintain the present stockpile of medical supplies and emergency hospitals. Actually, the $41 million budget estimate for this purpose includes over $31 million for new procurement. The committee, as we point out in our report, does not recommend funds for further acquisition until the Department of Health, Education, and Welfare has better control over existing inventories.

Let me turn now to another area of function under this bill. I am referring to the Federal Aviation Agency. There is no question as to the importance, the vital responsibilities and the constant increase in the problems under the jurisdiction of the FAA. However, we have found it wise and proper and possible to reduce funds for this agency by some $71 million. This leaves a sizable sum, and I emphasize the fact that we are providing for this agency to the tune of $714 million for the next fiscal year. The FAA operations are worldwide in scope on a 24-hour day basis. They have installations in every State in the Union and provide services wherever the United States carriers fly. To give you some idea of the size of this operation, the Federal Aviation Agency maintains 348 flight service stations to relay flight and weather data; 37 air control or traffic control centers; 257 airport control towers; 3,907 air navigation and traffic control facilities. In addition to this the FAA administers the airport program. In that connection, I call attention to the fact that we are providing in this bill $75 million to finance the grants-in-aid for airports for the year 1964. Also, $20 million is included to liquidate contracts with municipalities for airport construction under the Federal Airport Act. Also, under the FAA are the two Washington airports which have been mentioned earlier in the discussion. I refer to the Washington National Airport and the Dulles International Airport.

Let me turn for a moment to bring your attention to the cost and the functions of the housekeeping service and management agency which is known to all of us as the General Services Administration.

It is a tremendous operation when you stop to realize and put together the services and functions of such integral parts of General Services as repair and improvement of public buildings, construction of public buildings, Federal supply service, utilization and disposal service, transportation and communication service, strategic and critical materials, the archives and records service, and many others.

Mr. Chairman, your committee has made a reduction of $12 million in the funds for real property operations, but the $175 million allowed for this purpose is $2 million higher than last year. There is considerable interest and concern relative to the new construction of public building projects, and we have included over $155 million for this purpose. You will find the list of these construction projects on page 10 of our committee report.

Before I leave the subject of the General Services Administration, it might be well to call your attention to another substantial reduction in the bill. I refer to the strategic and critical materials stockpile, which is under the custody of General Services.

As stated in our report, we have held for several years the conviction that from $3 to $5 billion worth of stockpile materials could be disposed of without crippling our national defense effort. The administration has indicated that upward of $800 million a year could be disposed of without harm to markets or prices. In any event, we have disallowed the budget item or request of $38 million for this purpose with the idea and the direction that $18 million of it be used from the sales of materials for operating expenses, storage, and such costs.

Although there are some reductions applicable to nearly every agency included in this bill, generally speaking, this appropriation provides for more money than we appropriated last year.

I believe I should tell you of one particular place where the committee has increased this bill over that of the budget. We have included, as has been mentioned by our chairman, particularly as a result of the inquiry made by the gentleman from Iowa [Mr. GROSS], nearly $42 million over and above the budget for payment to the civil service retirement fund for 1963 costs of annuity increases provided to certain retired employees.

May I call your attention to the fact that Congress passed legislation in 1961 making the annuity increases permanent. We are obligated to provide the funds to meet this current obligation as it is currently due and halt the raiding of this fund by any administration.

Mr. Chairman, we now come to NASA. We just passed the conference report on this authorization. I need not describe the scope of this program and the rapid strides and expansions that have taken place in this all-important field. I am sure we are all agreed that the progress in space exploration has been outstanding, and all concerned deserve commendation for the superior achievements thus far.

As the conference report recently approved by the Congress disclosed, this is costly business, and the end, I might add, is not in sight. We are told by the NASA officials that they will require more funds each year as we move along, and it is predicted that over the span of the next 10 years we will spend in the neighborhood of $50 billion for this purpose. The budget request for NASA for the fiscal year 1963 amounts to $3,787 million as compared with 1962 appropriations of $1,672 million.

We have approved and included in this bill about $3.644 billion, which is nearly $2 billion over last year, but a $143 million reduction from the original request. This cut is small compared to their overall expenditures, and $90 million will come out of their "research, development, and operations," while $53 million will come out of their "construction of facilities" request.

Mr. Chairman, I have given you a rundown of the most significant reductions in this bill. All in all, this $1.058 billion reduction is most substantial and meaningful in its application to reducing expenditures and balancing the Federal budget; yet, Mr. Chairman, I feel that we can give you assurance that no agency or program has been harmed, and no service impaired. These 26 independent agencies, many of them regulatory in character, are efficient, responsible, and dedicated, and a credit to our Government and the American people.

Mr. Chairman, outstanding among these agencies and the largest in point of money requirements, is that of the Veterans' Administration. The Veterans' Administration is involved in providing care, services, and benefits to the veterans of America. Your committee has included in this bill the entire budget request of $5.249 billion for the several programs and operating expenses of the Veterans' Administration, of which $3.832 billion is for compensation and pensions. It is estimated that we have a veteran population today in the neighborhood of 22 million and, according to the Veterans' Administration's testimony, 2,373,000 veterans are drawing compensation, and 2 million pensions.

In response to our inquiries on the general subject of trends, the Veterans' Administration officials indicated that the pension program will not reach the peak, under present laws and assuming no change, until the year 1995. In addition to these direct benefits, the record shows that 600,000 veterans are treated annually in our veterans hospitals; 98,000 are involved in training programs; and 225,000 receiving guaranteed or direct loans.

The medical care and hospital programs require more than $1 billion for this next year, which is about $30 million higher than the 1962 level. The veterans hospital program, the largest system in the world, plans for 121,144 operating beds, with an average patient load of about 111,000. As you know, the general authorization provides for 125,000 beds.

In step with the 10-year program for replacement and modernization of the veterans hospital and domiciliary facilities, we have included $75 million for this general purpose. Of course, there are many other programs, all of which are obligations and must be met with the necessary funds. As I indicated previously, this is one area where the committee has included the full budget request.

Mr. Chairman, all in all, I believe this independent offices appropriation bill for fiscal 1963, to be sound and reasonable. We have tried to do an effective job in dealing with the requests of these many agencies, and while these adjustments may not please everyone, it seems to me that a reduction of 8.4 percent will in no way impede or harm these essential programs and services, particularly in the light of the fact that it exceeds a similar appropriation of last year by about $2 billion.

Mr. Chairman, I hope that the Committee will place a stamp of approval on this appropriation as your committee has recommended it.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. Yes; I yield to the gentleman from Washington.

Mr. PELLY. I would like to commend the committee, because I notice that in this bill limitations have been put on administrative funds so that they cannot be used to promote back-door spending. I think the committee is doing a wonderful job in trying to restore to the Congress control over the expenditure of funds. I want to remind the committee that recently the Foreign Assistance

Act went through. There was $1 billion in back-door spending in that particular bill which carried the authorization for foreign assistance. I hope that the same provision will be put in administrative funds of the foreign assistance appropriation bill and do away with the loaning authority to loan and reloan funds without scrutiny and annual review by the Appropriations Committee.

Mr. OSTERTAG. I thank the gentleman. I would like to say that this subcommittee has continued to resist the policy of back-door spending and wherever possible we have provided funds by direct appropriation rather than the automatic authorization to continue raiding the Treasury.

Mr. THOMAS. Mr. Chairman, I yield to my colleague, the gentleman from Illinois [Mr. Yates] as much time as he may consume.

Mr. YATES. Mr. Chairman, I take the floor at this time with a profound feeling of sadness. This will be the last time I address myself to the independent offices appropriations bill as a member of the Independent Offices Subcommittee of the House Committee on Appropriations. One cannot easily take his leave from close friends with whom he has worked for the last 14 years without having some sentiment stir. The bonds established in committee over the years are very firm.

The work of the subcommittee is of great significance. One has only to examine the bill and the report to note the very important agencies whose financial activities are within the supervision of this subcommittee, and one has only to note the tremendous sums with which the subcommittee deals to realize the great responsibilities its members bear. Fortunately, over the years, this subcommittee has been comprised of members who have been recognized on both sides of the aisle as being among the most capable and conscientious Members of the House.

The chairman of the subcommittee, of course, is in a class by himself. The gentleman from Texas [Mr. Thomas] is a unique and outstanding personality possessing unusual talents and remarkable ability. Every Member of this Congress, not only of this House but of the other body, hold him in the highest esteem and admiration. The greatest compliment that can be paid to a legislator is that "he knows his bill." Yet, in its application to our chairman, such a tribute seems to be a gross understatement. The gentleman from Texas, Albert Thomas, knows as much about the independent agencies as do its executives.

It has been a great pleasure and privilege to serve with the other able and distinguished members of our subcommittee, the gentleman from Tennessee, the Honorable Joe Evins, the gentleman from Massachusetts, the Honorable Edward Boland, and my good friends on the minority side, the gentleman from New York, Harold Ostertag, the gentleman from North Carolina, Charles Jonas, and the gentleman from Arizona, John Rhodes. They are conscientious, hard-working members and we have been close personal friends over the years, even when we disagreed.

Mr. Chairman, it would be impossible to list the outstanding contributions of this subcommittee in the 14 years that I have been in the Congress. Landmarks which come quickly to mind are the cooperation given by the subcommittee to the National Science Foundation, and particularly to the International Geophysical Year. In this great experiment, scientists from nations all over the world undertook a cooperative study which was monumental in expanding the frontiers of scientific knowledge. I remember with much pleasure the great pride with which our members listened to the great scientists of our Nation as they told us of their plans, of their work, and of their results.

The subcommittee has been outstanding in the support it has given to the Veterans' Administration medical program. It has never hesitated in approving every dollar needed to make sure that the veterans of our country received the best medical care available. The improvements in the field of prosthetics, the great advances in combating tuberculosis and other diseases, the steps forward in the fields of heart disease, cancer, diseases of the aging and psychiatry in the Veterans' Administration can be attributed in great measure to the solid support of this subcommittee to the medical research program.

I am particularly proud of the action taken by the committee in accepting my request for $5 million above the Bureau of the Budget's recommendation several years ago for the purpose of employing desperately needed psychiatric personnel to rehabilitate veterans having mental disturbances. The testimony before the subcommittee shows that as a result of this appropriation, the rate of rehabilitation was speeded up and veterans were able to take their places with their families much more quickly. Unfortunately, the number of psychiatric cases is still growing, and the progress we are making in the field is slow—but we are making progress.

Some time ago the subcommittee went into matters which are now receiving the serious consideration of the Congress and the public. During the later years of the previous administration, our subcommittee warned against the overstockpiling of so-called strategic and critical materials, and urged the Executive to take steps to curtail the purchase of materials no longer needed.

On another front our subcommittee went into the cost of drugs at veterans hospitals and suggested that the costs of drugs were excessive. In this year's hearings it will be seen that the Veterans' Administration is purchasing several drugs from foreign sources at costs approximately one-fourth of the price of such drugs in this country. The drugs purchased were certified by the Food and Drug Administration to have exactly the same content as the higher cost drugs.

It is well that the Congress should examine into the prices of drugs in this country, and I think it would be well, too, for the Congress to find out why a drug like Thalidomide should have received such wide distribution in this country before it obtained the approval of the Food and Drug Administration.

The activities of the regulatory agencies, too, have always received the careful scrutiny of our subcommittee. The contrast between the operation of the commissions in this administration and the previous administration are the difference between day and night. The Federal Power Commission's failure to perform its statutory responsibility was particularly reprehensible. The new Federal Power Commission is undertaking its responsibilities in the manner which Congress intended.

To delve into the relationship between this subcommittee and all the other agencies for which it has appropriations responsibility would take too much time. One could discuss for hours the subcommittee's interest in NASA and its programs; the growth of the National Science Foundation and its fine work in building up our national scientific community; the important work of Housing and Home Finance and its constituent agencies. I shall not do so at this time. The good work of the subcommittee in these fields shall always be wonderful memories.

I must say a word about the great chairman of the House Committee on Appropriations, the gentleman from Missouri, the Honorable Clarence Cannon. He, too, like the gentleman from Texas, is a most unique individual. Skilled and learned in parliamentary law, experienced in the ways of Congress, thrifty to the point of penny pinching but sympathetic nevertheless to worthy causes, the gentleman from Missouri, Clarence Cannon, will long be remembered by his colleagues of the House. He is truly a man of wit and wisdom.

I want to close by reiterating the fact that I have enjoyed the work of the subcommittee very much. I have enjoyed the work of the entire Appropriations Committee and the opportunities which it gave to build the close friendships which I have with its members.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, one does not serve on a committee of this Congress, particularly on a subcommittee of the Committee on Appropriations, or for that matter, a legislative committee, without forming some opinion of those with whom he serves. One comes quickly to recognize their talents and their abilities.

The gentleman from Illinois is today making his final speech on the Independent Offices Subcommittee appropriations bill. I call the attention of the House to the great record our colleague, the gentleman from Illinois [Mr. Yates], has made for himself, and the magnificent service he has rendered to his native city of Chicago and our country.

It has been my privilege to serve with him for 8 years on this committee. To me, it has been a lesson in brilliance, ability, and intelligence to have listened as he has sharply and incisively questioned the witnesses that have come before our committee.

I take this time to thank him, certainly on behalf of the people of my district and I am sure on behalf of the people of his own district, for what he has done in the various fields with which this committee comes in contact. Particularly do I single out the Veterans' Administration, the Housing and Home Finance Administration, the National Science Foundation, the National Aeronautics and Space Administration and the whole gamut of the Independent Offices Subcommittee appropriations bill.

As I recall my first year on this committee some 8 years ago, when we had a problem with public housing, the gentleman that comes from the teeming and turbulent city of Chicago—one of the great cities of this Nation—one of the cities where they have tremendous problems in public housing—one of the cities, as do all great cities of America, that have problems in overcrowded and deteriorating housing and civil rights, the gentleman has been a remarkable champion for public housing not only in this Congress but all the Congresses in which he has served. This has not been an easy task over the years, but he has faced this task because he knew the problem. He was born and brought up with it in Chicago. He carried the problems of Chicago to his work on this committee and to his work on this floor.

As to the problems of the aging, I know of no man in this Congress who has attempted to do more with respect to the problems of the aging than the gentleman from Illinois who is now in the well. He has done a remarkable service in the field of geriatrics. He has protected the older employee in the Federal service. He has been constantly on the alert to insure that persons over 45 would not be discriminated against in Federal employment.

No man is more responsible for building up the medical research program in the Veterans' Administration than our colleague, the gentleman from Illinois [Mr. YATES].

Tremendous advances have been realized by the Veterans' Administration in the field of medical research. New drugs and different treatment have marked this advance.

Mr. Chairman, the gentleman from Illinois, more than anyone else, was responsible for the construction of the splendid veterans hospital that now graces Chicago. Another gem in his crown is the Federal office building that is now rising on the Chicago skyline. There are many more monuments to his splendid labor in this House and on this committee.

Mr. Chairman, we will miss the great talents and abilities of our colleague on this committee. This House will lose one of its most learned and able debaters—a stanch and lucid advocate of all those things that make for a better and stronger America.

I take my hat off to a great and distinguished public servant—a credit to his Chicago and to his country.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Texas.

Mr. THOMAS. I should like to join our genial friend, the gentleman from Massachusetts [Mr. BOLAND], in those fine words he had to say about our friend, the gentleman from Illinois [Mr. YATES]. It has been my privilege, and my pleasure to serve with him many, many years, ever since he has been in Congress. I know him intimately. He is a fine man individually. He is a great legislator.

The gentleman from Massachusetts [Mr. BOLAND] detailed many fine things in which our friend, the gentleman from Illinois [Mr. YATES], has taken the lead. I subscribe to those words.

May I say that we on this subcommittee will miss you, but not only that, the membership of this House will miss you on both sides of the aisle. Your friends are many. You count them by the dozen. I want to wish for you and your family the very best of everything.

I note the gentleman is running for the other body. We have demoted a lot of our people, and I presume we will demote you, too, but we will miss you just the same.

Mr. YATES. I thank the gentleman.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Missouri.

Mr. CANNON. Mr. Chairman, I am certain I express the sentiment of every member on the committee and, I have no doubt, of every Member of the House—on both sides of the aisle—when I express our deep regret that the distinguished gentleman from Illinois who has played so large a part in the proceedings and exerted so profound an influence on the deliberations of the committee and to the House—and has had so intimate a place in our hearts—is leaving us for other, if less green fields.

He has from the beginning of his service, here been recognized as one of the most valuble Members of the House of Representatives and the Congress. He has championed liberal legislation. He was especially helpful in the early years when we were establishing the benchmarks of defining the permanent outlines of much important social legislation.

He has personally taken especial interest in all measures affecting the people generally and the consumer in particular.

Mr. Chairman, you cannot be associated with a man here in the House and on the committee and the subcommittee, very long, without really knowing him personally. Mr. YATES is not only a great legislator; he is a great friend. He is a friend of everybody and for that reason, of course, everybody is a friend of his. I am especially grateful for the pleasure of having been associated with him in warmest friendship all these years.

He leaves us to go to another body where he will make a still greater record. He could stay here indefinitely. His district would send him here for the rest of his life. He has a constituency which he has served so faithfully and so devotedly and so effectively that they would return him to Congress year after year and election after election if he so desired.

And so we regretfully bid him Godspeed and goodby and good luck. May his shadow never grow less.

Mr. YATES. I thank the gentleman very much.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Minnesota [Mr. MARSHALL] who is joining me in leaving the House.

Mr. MARSHALL. Mr. Chairman, it has been my pleasure to serve in the Congress for 14 years with the distinguished gentleman from Illinois [Mr. YATES]. During that time, on many occasions, I have observed his fearless attitude in fighting most effectively for those things that he believes in. I have seen a number of times where he has been able to do so many things for the people in Illinois on the floor of the House, things that I thought were impossible when the gentleman from Illinois first started working on them and yet he was successful.

It has been my privilege to serve on the Subcommittee on Agriculture Appropriations and I have had the opportunity many times to work with the gentleman from Illinois [Mr. YATES] and I have always found him to be very much interested in the problems of agriculture and, particularly those matters dealing with research and providing good wholesome food for the consumers of this country. During my time in the Congress there has never been a time that I could not go to the gentleman from Illinois [Mr. YATES] to ask him to support those things that are for the benefit of agriculture, and I have always found him most receptive.

Mr. YATES. I thank my distinguished colleague for his very gracious comments.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the distinguished gentleman from New York.

Mr. OSTERTAG. Mr. Chairman, may I join my colleagues on the Independent Offices Subcommittee in expressing a deep feeling of affection for the gentleman who has worked so closely with the rest of us in our responsible task. It has been my privilege to be associated with the gentleman from Illinois on this committee for 10 years. The gentleman from Illinois has been a devoted member and he has made an outstanding contribution. He is gracious and friendly, and I am sure we are going to miss you, Mr. YATES, in the days ahead when the rest of us continue with our labors on this committee.

Mr. YATES. I thank the gentleman for his gracious remarks. I would like to say to the gentleman, I remember joining with him and with other members of the subcommittee to strike a real blow in behalf of our aging Federal employees some years ago when this subcommittee put an amendment in this bill prohibiting the use of age as a factor in civil service employment.

I think that was one of the important actions taken by the subcommittee, and

I know the gentleman joined us in that endeavor.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. JONAS. I did not realize that this would be the swansong of the gentleman from Illinois.

Mr. YATES. Not in this session.

Mr. JONAS. I hope it will not be the last time the gentleman will discuss a bill in this House before the session ends. It has been a great pleasure to me since coming to this House to serve with the gentleman on this committee. Our association has been very pleasant. Sometimes we have agreed, occasionally we have locked horns. But always the association was most pleasant and I might add that whenever we did lock horns I knew that I was in the middle of a real fight. The gentleman from Illinois has always been a militant and aggressive fighter for whatever cause he espoused.

I have enjoyed the friendship of the gentleman over the past 10 years and will miss him on this subcommittee next year if I am on it myself.

I would now like to join my colleagues on the subcommittee in saying goodby to the gentleman from Illinois insofar as his service on this subcommittee is concerned. I may be joining him in saying goodby at the end of this session, but for a different reason.

Mr. YATES. I thank the gentleman very much for his gracious words.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield briefly to the gentleman, but I might remind the gentleman that the leadership warned that we are running out of time. I know the gentleman will be brief, but I will not attribute any lack of friendship to a paucity of words.

Mr. RHODES of Arizona. I am sure the gentleman from Illinois knows full well the warmth and measure of my friendship for him. It must be somewhat embarrassing for him to have to stand down there in the well and have all these nice things said about him. However, I am not going to let him cut off my time until I have said some of the nice thing about him I feel.

One of the first days of my first term, I was in the House restaurant. The gentleman from Illinois brought an Arizonian over to my table to meet me. He did it by reason of the fact that this person was an old friend of his, but did not know me. That is characteristic of the gentleman.

I will go as far as circumstances permit in the two-party system to wish him the best of good fortune in health, wealth, and happiness, in fact in everything other than politics. If the gentleman from Illinois ever needs my help or assistance, should he be a Federal judge or hold another nonpolitical job, I shall be most happy to do all I can to help him.

Seriously, I want to point out that he has been a very able Member of Congress and a very able member of this committee. He will make a very able Federal judge.

Mr. YATES. I appreciate the good wishes of the gentleman from Arizona.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Kansas.

Mr. AVERY. I appreciate the gentleman's yielding to me and I will not trespass unduly on his time, but I must express my views about the gentleman's service on this committee and on the Committee on Small Business, which has been outstanding. I will, in view of that, however, make a small speech out of deference to those limitations.

I, certainly, and the other members of the Committee on Small Business, will regret the absence from our midst of the gentleman from Illinois in the next session. I wish I could phrase my observations in as scholarly a way as did the gentleman from Arizona.

We wish the gentleman from Illinois well in almost every pursuit that he might undertake. There is one reservation specifically that I feel compelled to make. I am sure the gentleman understands and appreciates that. I shall always regret the gentleman's leaving. He is an able lawyer and has been a sort of legal adviser to me as a member of a legislative committee. I had some reservations as to the wisdom of his legislative conclusions at times; nevertheless I am sure the gentleman from Illinois realizes the depth of my friendship for him.

Mr. YATES. I thank the gentleman from Kansas for his gracious remarks and look forward to meeting the gentleman in another body.

Mr. OSTERTAG. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, the distinguished chairman of our subcommittee and the ranking minority member have explained this bill in considerable detail, and I am not going to repeat what they have had to say about it. There are several things, however, I would like to say for the record.

I usually take occasion when the independent offices bill is on the floor to discuss the operations of Government motor pools. I have a special interest in these pools because I introduced the legislation which authorized the General Services Administration to establish and operate them.

I would like to advise the committee that these pools have turned out to be very successful, and have produced substantial savings to the hard-pressed taxpayers. Data produced by GSA in the hearings indicate that at the end of fiscal year 1961 this motor pool operation had saved the taxpayers $22.4 million; cumulative savings through fiscal year 1962 were $29.9 million; and projected savings through fiscal 1963 run up to $37.7 million. That is a relatively small sum of money when you think in terms of a $90 billion budget, but down in the country from whence I come $37 million is a substantial sum of money.

At this point, I include a table filed by GSA with the committee which shows comparative data on motor pool operations for fiscal years 1959–63:

Comparative data, growth of interagency motor pool systems, fiscal years 1959–63

	Fiscal year 1959	Fiscal year 1960	Fiscal year 1961	Estimated	
				Fiscal year 1962	Fiscal year 1963
1. Number of motor pools established	11(44)	12(56)	4(60)	14(74)	1(75)
2. (a) Number of motor vehicles at year's end	13,847	18,115	20,659	22,200	23,300
(b) Number of passenger cars (sedans and station wagons)	6,533	8,482	9,763	10,433	11,043
3. Number of miles pool vehicles traveled	131,378,518	171,487,918	222,952,981	250,000,000	260,000,000
4. Average miles per vehicle:					
Pool vehicles traveled	11,266	11,691	11,843	12,000	12,000
Reported by agencies prior to pooling	8,763	9,176	8,911	9,250	9,250
5. Average cost per mile:					
Pool vehicles (all types)	$0.074	$0.075	$0.077	$0.0758	$0.075
Reported by agencies prior to pooling	$0.1090	$0.108	$0.108	$0.106	$0.105
6. Total motor pool sales	$10,972,012	$14,444,460	$18,732,948	$21,000,000	$21,500,000
7. Income in excess of cost	$208,226	$700,716	$542,599	$100,000	$100,000
8. Motor pool personnel:					
Field	351	417	452	513	535
Central office	12	16	14	15	15
9. Savings resulting from pooling:					
Annual	$4,589,124	$5,730,955	$6,749,343	$7,541,946	$7,800,000
Cumulative	$9,936,552	$15,697,506	$22,446,849	$29,988,795	$37,788,795

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Tennessee.

Mr. EVINS. Mr. Chairman, the gentleman from North Carolina [Mr. JONAS] is due a great deal of credit, indeed a very special credit, for his part in bringing about a reduction in the cost of the Government. The establishment of the motor pool has resulted in great savings—great economies—and in this work the gentleman has been consistent in bringing about economy in Government. He has made a great contribution.

Mr. JONAS. I thank the gentleman from Tennessee, and appreciate his comments.

Mr. Chairman, I have indeed followed a consistent policy of economy during my 10 years service here. I happen to believe that governments, to some extent at least, are similar to businesses and private operations. I do not believe that a government, any more than a business or an individual, can permanently operate on a deficit-financing basis and stay out of trouble.

That was my attitude under the previous administration and it is my attitude under this administration. The politics involved is of no concern to me. I just happen to believe that the Government should live within its means, in the absence of a grave national emergency. I just do not subscribe to the viewpoint of those who say that deficits are unimportant and that we need not concern ourselves about them.

Mr. Chairman, I would like to call the committee's attention to the fantastic growth that has occurred in some of the civilian agencies of our Government over the last decade. We are frequently told that the tremendous increase in cost of government is attributable to our stepped-up national defense program. Of course, substantial increases in spending have occurred in the field of national defense. But just to show that these increases are not exclusively in the field of national defense, I compiled some figures from the committee print furnished us by the Bureau of the Budget which shows how some of these civilian agencies have grown during recent years:

National Aeronautics and Space Administration

1959	$184, 286, 300
1960	523, 575, 000
1961	915, 000, 000
1962	1, 671, 750, 000
1963, budget request	3, 787, 276, 000
1963, recommended to House	3, 644, 115, 000
Increase in 5 years	3, 459, 828, 700

Federal Aviation Agency

Total, including grants-in-aid for airports, operations, maintenance and construction of National and Dulles Airports and supersonic aircraft development:	
1960	$557, 995, 000
1961	707, 424, 000
1962	874, 800, 000
1963, budget request	810, 000, 000
1963, recommended to House	739, 625, 000
Increase in 4 years	81, 630, 000

National Science Foundation

1953	$4, 750, 000
1954	8, 000, 000
1955	12, 250, 000
1956	16, 000, 000
1957	40, 000, 000
1958	50, 750, 000
1959	134, 000, 000
1960	132, 773, 000
1961	175, 800, 000
1962	263, 250, 000
1963, budget request	358, 000, 000
1963, recommended to House	310, 000, 000
Increase in 11 years	305, 250, 000

Veterans' Administration

1953	$4, 144, 703, 960
1963, budget request	5, 248, 833, 000
1963, recommended to House	5, 248, 833, 000
Increase in 11 years	1, 104, 129, 040

Housing and Home Finance Agency

1. Office of Administrator—Salaries and expenses:	
1953	$4, 606, 000
1962	12, 900, 000
1963, budget request	15, 720, 000
1963, recommended to House	14, 500, 000
Increase in 11 years	9, 894, 000
2. Urban planning grants:	
1955	1, 000, 000
1960	975, 000
1962	3, 600, 000
1963, budget request	20, 000, 000
1963, recommended to House	18, 000, 000
Increase in 9 years	17, 000, 000
3. Urban studies and housing research:	
1962	$375, 000
1963, budget request	1, 450, 000
1963, recommended to House	375, 000
4. Mass transportation demonstration grants, administrative expenses:	
1962	60, 000
1963, budget request	100, 000
1963, recommended to House	200, 000
5. Mass transportation loans and grants:	
1963, budget request	100, 000, 000
1963, recommended to House	32, 500, 000
6. Open-space land grants:	
1963, budget request	15, 110, 000
1963, recommended to House	15, 000, 000
7. Low income housing demonstration grants:	
1963, budget request	3, 000, 000
1963, recommended to House	3, 000, 000
8. Public works planning fund:	
1955	1, 500, 000
1962	7, 000, 000
1963, budget request	13, 000, 000
1963, recommended to House	12, 000, 000
Increase in 9 years	10, 500, 000
9. Urban renewal fund:	
1953	8, 000, 000
1962	200, 000, 000
1963, budget request	330, 000, 000
1963, recommended to House	300, 000, 000
Increase in 11 years	292, 000, 000
10. Housing for the elderly fund:	
1961	20, 000, 000
1962	25, 000, 000
1963, budget request	100, 000, 000
1963, recommended to House	45, 000, 000
Increase in 3 years	25, 000, 000
11. College housing loans—Administrative expenses:	
1962	2, 000, 000
1963, budget request	1, 900, 000
1963, recommended to House	1, 800, 000
12. Public facility loans—Administrative expenses:	
1962	1, 050, 000
1963, budget request	1, 350, 000
1963, recommended to House	1, 100, 000
13. Federal Housing Administration:	
Limitation on administration expenses:	
1960	8, 031, 000
1961	8, 844, 000
1962	9, 800, 000
1963, budget request	10, 800, 000
1963, recommended to House	9, 500, 000
Increase in 4 years of	1, 469, 000
Nonadministration expenses:	
1960	47, 246, 000
1961	52, 804, 000
1962	64, 650, 000
1963, budget request	71, 400, 000
1963, recommended to House	62, 000, 000
Increase in 4 years of	4, 754, 000
14. Public Housing Administration:[1]	
1953	29, 880, 000
1962	165, 000, 000
1963, budget request	185, 000, 000
1963, recommended to House	180, 000, 000
Increase in 10 years of	150, 120, 000
15. Public Housing Administration—Administrative expenses:	
1953	8, 000, 000
1962	13, 968, 000
1963, budget request	14, 750, 000
1963, recommended to House	14, 359, 000
Increase in 11 years of	6, 359, 000
Total, Housing and Home Finance Agency:	
1952	$70, 738, 000
1962	555, 993, 000
1963, budget request	696, 700, 000
1963, recommended to House	634, 734, 000
Increase in 12 years of	563, 996, 000

General Services Administration

1. Public Buildings Service—Operating expenses:	
1953	$101, 046, 030
1962	173, 000, 000
1963, budget request	187, 000, 000
1963, recommended to House	175, 000, 000
Increase in 11 years	73, 953, 970
2. Repair and improvement of public buildings:	
1953	14, 000, 000
1962	58, 000, 000
1963, budget request	65, 000, 000
1963, recommended to House	65, 000, 000
Increase in 11 years	51, 000, 000
3. Construction of public buildings:	
1959	152, 810, 000
1960	----------
1961	165, 441, 000
1962	138, 946, 000
1963, budget request	170, 481, 000
1963, recommended to House	155, 650, 000
4. Sites and expenses—Public buildings projects:	
1961	21, 000, 000
1962	25, 000, 000
1963, budget request	22, 000, 000
1963, recommended to House	16, 500, 000
5. Payments—Public building purchase contracts:	
1960	1, 675, 000
1961	4, 000, 000
1962	5, 200, 000
1963, budget request	5, 440, 000
1963, recommended to House	5, 440, 000
6. Additional court facilities (73 new Federal judges):	
1962	2, 500, 000
1963, budget request	9, 000, 000
1963, recommended to House	8, 500, 000
7. Operating expenses—Federal Supply Service:	
1953	14, 536, 500
1962	34, 875, 000
1963, budget request	42, 683, 000
1963, recommended to House	40, 000, 000
Increase in 11 years	26, 000, 000
8. General supply fund:	
1957	10, 000, 000
1962	6, 000, 000
1963, budget request	17, 000, 000
1963, recommended to house	10, 000, 000
9. Operating expenses, utilization and disposal service:	
1962	7, 869, 000
1963, budget request	8, 800, 000
1963, recommended to House	8, 500, 000
10. National Archives and records:	
1953	4, 868, 200
1962	14, 000, 000
1963, budget request	14, 500, 000
1963, recommended to House	14, 050, 000
11. Transportation and communications services:	
1962	3, 759, 400
1963, budget request	4, 435, 000
1963, recommended to	
1963, recommended to House	4, 097, 000
12. Strategic and critical materials:	
1952	790, 216, 500
1962	40, 000, 000
1963, budget request	38, 000, 000
1963, recommended to House	[1] 18, 000, 000

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[1] There are 527,157 public housing units in 3,129 of which Uncle Sam is liable for annual contributions for 40 years.

[1] From proceeds of sales of materials to defray costs of storage and expenses of disposal, to maintain the national industrial equipment reserve and acquire new materials.

Interstate Commerce Commission

1952	$10,474,535
1962	22,075,000
1963, budget request	23,200,000
1963, recommended to House	22,187,000
Increase in 12 years of	11,712,465

Federal Communications Commission

1953	$6,408,460
1962	12,525,000
1963, budget request	14,617,000
1963, recommended to House	14,355,000
Increase in 11 years	7,946,540

Federal Power Commission

1953	$4,085,700
1962	8,793,000
1963, budget estimate	11,100,000
1963, recommended to House	10,946,000
Increase in 11 years	6,860,300

Federal Trade Commission

1953	$4,053,800
1962	10,345,000
1963, budget request	11,845,000
1963, recommended to House	10,720,000
Increase in 11 years	6,666,200

Securities and Exchange Commission

1953	$5,245,000
1962	11,412,500
1963, budget request	12,800,000
1963, recommended to House	12,800,000
Increase in 11 years	7,555,000

Civil Aeronautics Board

1953	$3,800,000
1962	8,900,000
1963, budget request	9,900,000
1963, recommended to House	8,900,000
Increase in 11 years	5,100,000

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I would be glad to yield to the gentleman from Iowa.

Mr. GROSS. Speaking of one of the new agencies—and the gentleman was speaking of some of the older ones—I note in the hearings in connection with this bill the Office of Science and Technology.

Mr. JONAS. That is a new office in the executive branch of the Government.

Mr. GROSS. A brandnew office. It has 24 employees. It asked this committee for 35 permanent employees; is that not correct?

Mr. JONAS. That is correct.

Mr. GROSS. It seems that they want to put on the payroll some 65 consultants at $75 or $100 per day. Is that correct?

Mr. JONAS. That is true. The head of that Office is the President's adviser on space and science.

Mr. GROSS. Yes; I understand. The gentleman from North Carolina who is presently addressing the House, the gentleman from North Carolina [Mr. JONAS], said on page 59 of the hearings as follows:

> You have already been working on this for a year, and I would like to see some tangible results. What have you saved so far? What have you eliminated? Do you have any examples to cite to show what you have accomplished?

Immediately, Mr. Wiesner asked to go off the record, and the chairman of the subcommittee granted him that request. So there is no answer in the hearings as to what, if anything, he has accomplished.

From reading the hearings, it becomes apparent to me that the director cannot show any accomplishment; and it becomes apparent to me, too, that this is one new office that is taking flight in personnel. That is, you may well expect some empire building here. Not only that, but you may expect a lot of duplication with existing agencies performing pretty much the same functions.

Mr. JONAS. If the gentleman will permit me to answer, I will say that we discussed that subject rather carefully with Mr. Wiesner. I think the record will show that he is on record as being opposed to building a big office. He did give us some areas in which he had advised the President. They are sensitive areas and the chairman permitted him to do that off the record. The kind of operation he performs is not one about which you can detail a lot of accomplishments. Actually, he is the adviser to the President and assuming he has been advising the President during the past year when he has been on the payroll, you will have to go to the accomplishments, to the things the President has done and assume that he has advised with him, given him the benefit of his counsel before the President took certain actions in the field of science and space.

Mr. GROSS. Mr. Chairman, will the gentleman yield further?

Mr. JONAS. I yield.

Mr. GROSS. We all know of the existence of the National Science Foundation, the Space Agency, the Atomic Energy Commission, just to name a few. I can see no particular reason for going off the record when the gentleman is called upon to state whether there is any duplication with these agencies, and so on, and so forth. There is no secret about that.

Mr. JONAS. I think that on the record there is his assurance that there is no duplication. His function is to analyze the information that becomes available and present it to the President in the form of a recommendation. We could not ask him to tell us what he did advise the President to do with respect to nuclear testing in the atmosphere and a lot of these other sensitive matters. But we were concerned, as is the gentleman from Iowa, that this shall not become a mushrooming operation, another empire-building operation. We did what we could to make a record that will show that was not our intention and that the committee is not authorizing that sort of an operation.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from New York.

Mr. OSTERTAG. On this same point it appeared to the committee that this new agency, this Office of Science and Technology could and might well serve a coordinator and evaluator which would lend itself to overcoming duplication and conflict in the field of research throughout the Federal Establishment. So that it is not a matter of mushrooming or growing, but one of evaluating which should and might well lend itself toward achieving economy, generally speaking. The purpose is sound and we hope this Office of Science and Technology will accomplish that objective and overcome duplication and conflict in this overall field of research.

Mr. JONAS. The subcommittee was very insistent on that, and I think the record will show that the subcommittee expects that to happen. And the subcommittee will take another look at it next year and make another evaluation.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman from Arizona [Mr. RHODES], on page 63 of the hearings, said:

> How big do you think this agency will get in the next 5 years?

Mr. Wiesner said:

> I honestly cannot say. I would be misleading if I say that I had a good feeling for the final size, and all I can say is that we intend not to get too large.

The gentleman from Arizona [Mr. RHODES] also expressed the hope the gentleman from North Carolina has just stated.

Mr. JONAS. If the gentleman will permit me to interrupt, if he will continue to read I think before he completes the reading of that record he will see that Dr. Wiesner pinned himself down pretty definitely and stated that he could not visualize his office growing into a large agency and that, on the contrary, it could do more effective work if it remained small. We tried to tie him down as much as we could, and I think we did so.

Mr. Chairman, I could go on through all the increases in the civilian agencies of the Government. When we go back into the House I will ask permission to put these tables in the RECORD. They will show what tremendous growth has occurred in the civilian agencies of the Government during the decade that has just ended. I think that is important for us to realize because we should be alert to see that these agencies do not outgrow themselves. Topsy grew in a big hurry, but Topsy had nothing on a civilian agency of the Government.

Mr. THOMAS. Mr. Chairman, I yield 10 minutes to our very able and distinguished colleague from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, the bill which we are considering is one of the biggest and certainly one of the most important of the annual appropriation bills considered by the Congress.

This bill provides funds for the many services, programs, and activities of some 26 agencies of the Federal Government and in one way or another affects the lives of all the citizens of our great Nation.

The Subcommittee on Independent Offices Appropriations held extensive hearings on this bill for more than 3 months. The members have taken additional time to study the testimony, to evaluate, and to consider in great detail the needs of the several agencies concerned. These hearings filled 4 volumes and comprise testimony of more than 3,700 pages.

Included in this bill, as has been pointed out, are appropriations for such important agencies and commissions as the General Services Administration, the Federal Aviation Agency, the Civil Aeronautics Board, the Federal Trade Commission, the Federal Power Commission, the Interstate Commerce Commission, the Securities and Exchange Commission, the National Aeronautics and Space Administration, the National Science Foundation, the Veterans' Administration, and others.

The budget and fund needs of the agencies concerned have necessitated a great amount of work to prepare appropriation recommendations to the House.

Much credit is due the genial gentleman from Texas, our able chairman, Albert Thomas, for the manner in which he has conducted these hearings and for his great work on this bill.

I want to commend and compliment not only my good friend, Al Thomas, but also all the members of our subcommittee—the gentleman from New York [Mr. Ostertag], the ranking minority member of the subcommittee and all our colleagues—the gentleman from Illinois [Mr. Yates], the gentleman from Massachusetts [Mr. Boland], the gentleman from North Carolina [Mr. Jonas], and the gentleman from Arizona [Mr. Rhodes]. It has been a pleasure to serve and to be associated with each and all of them.

This bill, as it comes to you today, represents the best efforts of our subcommittee to insure that these important agencies have sufficient funds to discharge properly their functions and duties, but without waste and extravagance.

It is in order to note that our independent agencies, as a whole, have shown a general improvement in their operations during the last year. We have found that the heads of the respective agencies have been diligent in the discharge of their duties and responsibilities.

It is well to remember that these agencies—especially the regulatory commissions—are not agencies of the executive branch but are in a real sense arms of the Congress.

The Congress established them in the first place and they are deputies of the Congress to administer the laws passed by Congress in the public interest. It is true that there has been a tendency during recent years for some of these agencies to stray away from the basic tie with the Congress—and in some instances to disregard the fundamental purpose for which they were created by the Congress—and the intent of the purpose of the law delegated to them by the Congress to enforce.

I am pleased to report that there has been a great deal of improvement recently, and certainly the Congress has the responsibility to encourage further improvement in the effectiveness of these agencies by giving them the means to discharge their responsibilities to all the people in the public interest.

Looking at the overall totals as set forth in the report on this bill—the committee recommends an appropriation of $11,501,141,000, which is $1,058,922,000 below the budget recommendations of the several agencies. This total request was for $12,560,063,500.

In other words, our committee has cut and reduced this bill by more than $1 billion. This is a savings of almost 10 percent of the total amount requested.

This, we think, is a significant savings and a great contribution to the credit of the work of our committee.

Among the major reductions provided for in this bill are a $568,755,000 reduction in the fallout shelter program of the Office of Civil Defense—which has not been authorized; a $13,678,000 reduction in the appropriations for the Civil Aeronautics Board which represents a reduction largely in subsidies to air carriers; a $17,175,000 reduction in the request of the Federal Aviation Agency, including cuts in funds for facilities and equipment and aviation medical research; an $82,027,000 reduction in funds for the General Services Administration's construction program consisting principally of requests for funds for additional Federal buildings in the District of Columbia; and, a $48 million cut and reduction of the budget requests for the National Science Foundation.

The total reductions provide for a savings of more than $1 billion.

As indicated, there has been no authorization for the proposed fallout shelter program and therefore the subcommittee has made reductions in this area, effecting a savings of $568,755,000.

Should an authorization bill be passed, the committee will take another look at the fund needs in this area.

In the meantime, I believe it is the feeling of the committees that the States and municipalities—and certainly the individuals have a responsibility in providing protection from fallout—and that a shelter program is not, strictly speaking, a national problem exclusively.

We are appropriating in this bill some $75 million for the several programs of civil defense, including funds for education and training, warning systems, assistance to States, research, and other programs.

GENERAL SERVICES ADMINISTRATION

For operating expenses for GSA—Public Buildings Service—the committee has approved an appropriation of $175 million—which represents a $2 million increase over last year but a $12.4 million decrease from the amount requested.

For construction of public buildings we have approved the request of GSA for construction of 47 projects across the country which total $155,325,000.

The request for $3.2 million for fallout shelter construction in these buildings has been deleted and denied.

Funds for additional Federal construction in the District of Columbia also have been deferred due to the near saturation point of existing Federal construction at this time in the District.

The GSA has a long-range program for the building of many new buildings in the District—replacing the old tempos with new and permanent Federal buildings—that are needed for the Federal Government in the Nation's Capital. It was the feeling of the committee that since construction in the District is proceeding at such a rapid pace at the present time that we should not enter upon this program of further building construction at this time.

Our committee has approved and recommends an appropriation of $31,600,000 for acquisition of sites, preliminary planning, of other public building projects needed and recommended throughout the Nation.

Administrator Bernard L. Boutin and his able staff, Deputy Administrator Knott, Commissioner of Public Buildings Karl E. Wallace and others of GSA are performing an outstanding public service in directing the operations of the General Services Administration.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

For the National Aeronautics and Space Administration, this bill provides funds in the amount of $3,644,115,000 for the various programs of our national space effort and for the space agency. The space program of NASA is one of the most exciting programs of the Federal Government and one that, during the last year, has served the Nation and the free world well.

We all recognize that it is costly but our country has been pleased by the rewarding manner in which the space flights of the United States have succeeded. We have seen the results of the space flight of Lt. Col. John Glenn, who, following the first orbital flight by a citizen of our country, addressed a joint session of the Congress—and, subsequently, the successful flight of Comdr. Scott Carpenter and the launch of other space vehicles and satellites, which have demonstrated to the world that America excels in space—and we are reaching out for further scientific and technical advancement and progress.

The satellite called Telstar was launched by the National Aeronautics and Space Administration for the American Telephone & Telegraph Co. as the first joint public-private space venture. Both are to be commended for their success and for their contributions which have again shown that this Nation is first in space.

Mr. Chairman, I think it was important and significant that the first live transatlantic televised picture was the picture of a waving American flag. A transmission of this picture marks a new era in communications and it has been predicted by those quite familiar with the recent launching that a communications system, using several satellites, perhaps as many as 40, would provide a worldwide communications network which would be used to transmit television, telephone calls, or other information through electronic devices.

Much credit for this success should go to NASA which perfected the rocket system and made the successful launching.

Many think there may be more practical benefits from this type of utilization of space than the placing of a man on the moon.

This Telstar satellite is a major victory, signaling a very short time until we will be transmitting radio messages, telephone calls, and television programs by satellites around the world.

America is proud of this achievement. We are proud also of our astronauts and their courageous achievements.

In the 3 years since our space program was inaugurated, we have made tremendous strides.

NASA Director James E. Webb is to be particularly commended for his capable leadership during the past 18 months.

There are even greater space programs planned for the future.

This bill provides adequate funds for such space programs as the Nova rocket, the Saturn booster rocket and other large launch vehicles needed for advancing manned space exploration, including flights under Project Mercury manned lunar flights and lunar landings and return within this decade.

There has been some expressed skepticism about these possible achievements but we are assured by Dr. Von Braun and our other space experts and scientists that such manned lunar flights and return can and will be performed—and within this decade—if only we provide the funds for this scientific breakthrough and advancement.

What the committee has done in this area is not to go all the way—we have not gone overboard but have recommended approval of additional funds, believing certainly that NASA and our country must continue to make progress in the next year and the years ahead.

The House Space Committee—the authorizing committee—cut the authorizing bill by some $40 million and our committee has cut the NASA budget further by an additional amount, making a total cut or reduction in NASA's budget of $143,161,000 from the amount recommended.

So, we have made a substantial reduction and, at the same time, provided what the committee feels are sufficient funds for our country to move forward and to continue to make further advancement in the space effort.

FEDERAL COMMUNICATIONS COMMISSION

The Federal Communications Commission is one of our very important independent agencies. The responsibility of this Commission extends to every American who listens to radio and views television. This agency is confronted with a multitude of ever-increasing complex and technical problems. The successful launching of the Telstar satellite and the transatlantic broadcast of radio and television imposes upon the FCC increasing international responsibilities in the field of communications.

Chairman Newton Minow, the able new head of the FCC, has not been always popular with industry, but the committee is impressed with the fact that he has continued to work for and promote those interests which are in the public interest.

Chairman Minow, of the Federal Communications Commission, reported to the subcommittee that there are now about 6,000 radio and television stations on the air and that the Commission has a backlog of more than 1,200 applications at the present time. One of the major responsibilities of this agency is to regulate the stations that have been issued licenses to see that they are serving the public interest and to issue new permits in the public interest.

The Federal Communications Commission has encouraged the operation of educational television stations in the ultra-high-frequency range and also is instrumental in encouraging commercial broadcasters to use the UHF channels and has urged television manufacturers to build sets which will receive ultra-high-frequency stations.

The budget request of this agency calls for $14,617,000—an increase of $1,830,000 over the appropriations for 1962. Our committee has cut this Commission by only $262,000 as we believe it has a very vital and important public service to render at this time.

NATIONAL SCIENCE FOUNDATION

The National Science Foundation, under the able leadership of Dr. Alan T. Waterman, has done much to foster increased interest in science, to promote programs which encourage the youth of our country to enter scientific fields, and to raise the level of interest and progress in science in America.

The appropriation for the National Science Foundation will enable the Foundation to continue its program of science institutes for training of teachers in the field of science, mathematics, and other sciences; the scholarship and fellowship programs for those engaged in studies relating to the sciences; support for basic research, research facilities, science centers, and other programs which will bring direct benefits to many students and to our secondary schools, colleges and universities.

The subcommittee has recommended the sum of $310 million for all programs of the National Science Foundation for the next year. Appropriation of this amount represents a cut of $48 million from the amount budgeted and requested.

FEDERAL TRADE COMMISSION

For the Federal Trade Commission, we are recommending an appropriation of $10,720,000—a reduction of $1,125,000 from the amount requested. This is an increase of $385,000 over the amount appropriated for the Federal Trade Commission for the last year. This sum should enable the Commission to continue its work for the coming fiscal year.

Although there have been some who accuse the administration of being antibusiness, this charge certainly cannot be substantiated in the work of the Federal Trade Commission whose operations are designed to promote business, fair competition, a free competitive economy and the free-enterprise system. The FTC is certainly not antibusiness in any sense but is antitrust in its concepts and beliefs.

The new Chairman of this Commission, Paul Rand Dixon, has breathed new life and vigor into this very important regulatory agency. The committee has been impressed that the Federal Trade Commission is moving forward to promote and preserve our free competitive enterprise through prevention of monopolistic and unfair trade practices. Honest business is protected and promoted rather than impeded by the work of this Commission, and its work must be continued in the public interest.

INTERSTATE COMMERCE COMMISSION

Funds totaling $22,187,500 are carried in this bill for the Interstate Commerce Commission. This Commission has the responsibility in regulating the railroads, motor carriers, water and contract carriers in interstate commerce. The work of this Commission can and should be speeded up. Its workload continues to fall behind.

This year the Interstate Commerce Commission celebrated its 75th anniversary and besides its various regulatory functions, this Commission has moved into a new program of making loans to finance the railroads. This has been authorized under the Transportation Act of 1958.

Our committee took occasion to question some of the loans made by the finance branch. We all recognize that some of the railroads of the country are in dire circumstances. However, I do not believe the Commission should continue to make loan after loan to a railroad that has gone into bankruptcy.

Three loans totaling $23,159,400 were made to the New Haven Railroad prior to this line going into bankruptcy. And, since that time, the ICC has continued to make further loans to this railroad, amounting to $12,500,000, making a total of $35,659,400 to this corporation and the trustees of this railroad now in bankruptcy.

The Commission was unable to give our committee an opinion as to the soundness of the initial loans to the New Haven Railroad but believe the subsequent loans made to the trustees of the railroad since bankruptcy are well secured.

FEDERAL POWER COMMISSION

The Federal Power Commission administers the Federal Power Act, the Natural Gas Act, and has additional duties under other acts relating to Federal power developments.

Our committee recommends an appropriation to this Commission of $9,946,500, which is an increase of $1,153,500 over last year and a decrease of $1,153,500 over the amount requested.

The Chairman of the Federal Power Commission, Joseph C. Swidler, has given this very important Commission new direction and new emphasis.

The number of cases and the regulation of rates to be charged for natural gas to the public has continued to mount with this Commission and its workload continues to increase.

Funds contained in this appropriation bill for this agency will finance the regulation of the natural gas industry.

In 1961, there were 20,000 independent producers who individually or associated with others had over 12,000 rate schedules on file. There were also 103 regulated natural gas pipeline companies with operating revenue of $4,600 million. There are 195 private electric utility companies subject to regulation by this Commission with an operating revenue of $12,750 million. The electric utility industry and the natural gas industry are two of the largest major industries in the

United States and the work of this Commission should not be impeded or impaired by the lack of adequate funds to serve the public interest.

The Federal Power Commission asked for funds in the amount of $380,000 to conduct an important, national power intertie study and the committee is recommending funds for this purpose.

SECURITIES AND EXCHANGE COMMISSION

As we are all aware, the stock market and the sale and exchange of securities on the market each day plays an important part in the American economy—and certainly the operation of the stock market and the stock exchange is of great interest and concern to the Nation at this time.

The Securities and Exchange Commission has the responsibility of regulating security sales and administering the Federal security laws—the full disclosure provisions of the SEC Act, prevention and suppression of fraud, and supervision of the securities market.

The SEC is continuing an investigation of the securities market at this time because of the great losses which were recently sustained in the stock market. Many feel that the Commission needs to be more active in its supervisory work and programs at this time.

We recommend in this bill an appropriation of $12,800,000—the full amount requested by this Commission for its work. This is an increase of $1,387,500 over the amount appropriated last year.

Part of these funds will be used to continue an investigation into the operations of the national stock exchange. Our economists tell us that our economy is sound but the recent sharp break in the stock market reflects how little is actually known about why such great fluctuations occur from time to time in the stock market.

Some of the funds appropriated for the Securities and Exchange Commission in this bill will be used to study exactly who is buying and who is selling during major fluctuations in order that more sound judgments may be made by the public at large.

FEDERAL AVIATION AGENCY

The Federal Aviation Agency is charged with the responsibility of fostering, promoting, and the development of aviation, the management of airspace, the promotion of safety and safety standards, and the regulation of civilian and military aircraft.

Since its birth, approximately 4 years ago, FAA has been moving at a very rapid rate of growth and progress. The new Administrator, Najeeb Halaby, has been most aggressive in improving this Agency. He has a difficult assignment because of the size of the Agency he heads and wide scope of his regulatory responsibilities. FAA has 43,755 employees. The total appropriation request for this year is $810.8 million. The committee has cut the budget of this Agency by $71,175,000 and recommends that $739,625,000 be appropriated.

This appropriation will provide funds for speeding up construction in the Federal aid airport program throughout the Nation. This program has been well received throughout the Nation. The requests for assistance is far greater than has been provided by the committee.

In fiscal year 1962, some $75 million in Federal funds was allotted to 330 airports.

This bill carries appropriations of $120 million for construction, facilities, and equipment under the Federal aid airport program. Of this amount $20 million is for liquidation of contracts previously authorized. Fifty-five million will go to the Washington National Airport and the Dulles International Airport.

An important function of the Federal Aviation Agency's duties and responsibilities include the operation of the Washington National Airport and the new Dulles International Airport which is scheduled to be completed and put into operation this fall. Dulles, as a great international airport terminal, will be a showplace of the world.

It will be a major contribution to the advancement of aviation. Our committee was pleased to receive assurances from Administrator Halaby that this project, which is moving along, will cost less than that of Idlewild Airport in New York and the new airport in Chicago.

VETERANS' ADMINISTRATION

To finance our great veterans' program—the largest and greatest program of benefits for veterans of any nation in the world—this bill carries a total appropriation of $5,248,833,000. The committee recommends the full amount requested for the veterans' compensation and pensions and other programs.

We are also recommending the full amount for the veterans' insurance program. In addition, our committee has approved $75,500,000 for continuing the veterans' hospital and construction program.

We have a total of 172 veterans' hospitals throughout the Nation—the greatest veterans' hospital and medical care program of any nation—and several years ago we entered upon a program of modernizing, improving, and maintaining our veterans' hospitals.

To make any cuts or reductions in this program at this time would be a reversal of a policy previously determined as proper and sound.

I commend the able and genial Administrator of the VA, Mr. James Gleason. He and his devoted staff are rendering an outstanding service to the veterans of our country.

These funds which the committee is recommending in this bill will provide continued improvement in the quality of medical care for our veterans, help finance our long-range hospital modernization and replacement program, provide funds for the rising need of the veterans' pension program—primarily caused by the aging veteran population—and the veterans' other benefit programs.

The Veterans' Administration has made decreases in the cost of the veterans' readjustment program due to the veterans' declining training load, and further decreases in the administrative costs of operation. The Department of Veterans' Benefits requires $118,501,000—a decrease of $4,200,000 below the amount appropriated for last year. This reduction has been made possible by improved efficiency in administration and a declining cost of readjustment benefits. An increase of $30,721,000 is recommended for the veterans' medical care program for next year. This is made necessary because of wage board employee increases required by law, increased number of beneficiaries provided for in hospitals, and an increase in cost of medicines and treatment of patients.

There is one phase of the work of the Veterans' Administration—one program—that is particularly worthy of being called to the attention of the membership of the House. This is the veterans' home loan program under which the Veterans' Administration guarantees the underwriting of the purchaser of a home by qualified and eligible veterans.

During 1961, the number of GI homes repossessed was 17,900. The Veterans' Administration sold 9,600 of these homes prior to the beginning of 1962.

In answer to a question as to the total value of portfolio guaranteed home loans, Mr. Brownstein replied "$51 billion of guaranteed veterans loans."

The number of defaults and the required repossession of GI homes by the Veterans' Administration is alarming and indicates that caution in this vast program should be exercised. Our committee has provided for an increase in the loan guarantee revolving fund and will review the matter each year.

In summary, Mr. Chairman, this bill is a good one, it has been well considered and certainly one of the most important appropriation bills before the Congress. It is the result of many hours of work and study by the Subcommittee on Independent Offices Appropriations and as indicated earlier, we have cut and saved $1 billion in this bill from the amount recommended. We think we have done a good job and that this is a good bill which should be approved by the House.

It is an essential and necessary measure. The bill has been approved by the subcommittee and the full Committee on Appropriations and merits the approval of the membership of the House, and I urge its passage.

Mr. GOODELL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Forty-one Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 180]

Addabbo
Alford
Alger
Anfuso
Ashbrook
Ashley
Ayres
Bailey
Baker
Baring
Barrett
Barry
Bass, N.H.
Bass, Tenn.
Bates
Battin
Blitch
Boggs
Bolton
Boykin
Brademas
Breeding
Brewster
Bromwell
Buckley
Byrnes, Wis.
Cahill
Carey
Celler
Chamberlain
Chenoweth
Chiperfield
Church
Clark
Coad
Cohelan
Conte
Cook
Cooley
Curtis, Mass.
Davis, James C.
Davis, Tenn.
Dawson
Delaney
Dent
Diggs
Dingell
Donohue
Dooley
Dulski
Dwyer
Fallon
Farbstein
Findley

Fino
Flynt
Fogarty
Frazier
Friedel
Gallagher
Garland
Garmatz
Giaimo
Gilbert
Glenn
Granahan
Gray
Green, Pa.
Griffin
Hansen
Hardy
Harris
Harrison, Va.
Harrison, Wyo.
Harsha
Harvey, Ind.
Hays
Healey
Hébert
Hiestand
Hoffman, Ill.
Hoffman, Mich.
Holland
Ichord, Mo.
Jennings
Johnson, Md.
Kastenmeier
Kearns
Kee
Kelly
Keogh
Kilburn
King, Utah
Kitchin
Kluczynski
Kowalski
Lane
Latta
Lesinski
Lindsay
Loser
McDowell
McSween
McVey
Macdonald
MacGregor
Martin, Mass.
Mason
Merrow
Miller, N.Y.
Minshall
Moorehead, Ohio
Morrison
Morse
Moulder
Multer
Nedzi
Nelsen
Nix
O'Brien, N.Y.
O'Neill
Osmers
Peterson
Philbin
Pilcher
Pirnie
Powell
Pucinski
Purcell
Rains
Randall
Riehlman
Riley
Rivers, S.C.
Rooney
Roosevelt
Rosenthal
Roudebush
St. George
St. Germain
Santangelo
Saund
Scherer
Scranton
Seely-Brown
Shipley
Short
Siler
Sisk
Smith, Iowa
Smith, Miss.
Spence
Springer
Stafford
Stratton
Stubblefield
Taber
Thompson, La.
Thornberry
Weaver
Whalley
Wharton
Wickersham
Widnall
Williams
Willis
Wilson, Calif.
Wilson, Ind.
Winstead
Wright
Zablocki
Zelenko

Accordingly, the Committee rose; and the Speaker having resumed the Chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12711) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1963, and for other purposes, and finding itself without a quorum, he had directed the roll to be called when 265 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. THOMAS. Mr. Chairman, I yield myself one-half minute to make an announcement.

About 50 minutes remain of general debate. I do hope we can finish this bill in its entirety this afternoon; and I assure the Chairman that the committee on both sides of the aisle will cooperate with the entire membership of the House to try to conclude this bill today.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. MEADER. Does the gentleman mean conclude the bill and the consideration of all amendments?

Mr. THOMAS. We will give the gentleman all the time he wants.

Mr. OSTERTAG. Mr. Chairman, I yield 15 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, I wish to take this opportunity to echo the words of other members of the committee with regard to the membership thereof. This is as good a subcommittee as I have served on. There is a minimum of politics and a maximum of work, and we are certainly well led by the gentleman from Texas and by the gentleman from New York.

This committee has a very interesting jurisdiction. It is about as broad as any jurisdiction can possibly be. The magnitude of the agencies which are under the jurisdiction is best expressed by the number of employees. In fiscal 1962 the number of employees was 263,183. The budget for 1963 requested 274,690. There is in the bill provision for 270,435 employees.

So we are not talking about a jurisdiction which is small or unimportant. It is both important and large.

I would like to mention a few things in passing, not so much having to do with the bill itself as with some of the things we found out during the hearings on the bill.

To begin with, I do not know how many Members of the House are familiar with Executive Order No. 10988 which has to do with the establishment of bargaining units for Federal employees.

We are all aware, of course, that in the postal service for many years there have been unions of postal workers. This Executive order entitled "Employee-Management Cooperation in the Federal Service" would allow similar organizations throughout the Federal service. They could, if they desired, affiliate with labor organizations, including but not limited to the AFL–CIO.

Let us bear these few facts in mind. In the first place, such an organization may be given formal recognition if it represents 10 percent of the employees of an agency. If it represents over 50 percent of the employees, then it has the exclusive right to be the bargaining agent for all the employees in the agency.

Bear in mind, formal recognition for 10 percent—exclusive for 50 percent membership.

It is obvious, therefore, there can be more than one organization which has been tendered formal recognition. You can, by this Executive order force the responsible heads of your various agencies to deal with a variety of organizations. You could have as many as nine unions which purport to represent employees in an agency, and the agency head would have to deal to some extent with all of them.

If such an organization has an exclusive bargaining position with an agency or with the union, it is supposed to call in the union, under certain circumstances—I now quote from the Executive order—"to confer with respect to personnel policy and practices and matters affecting working conditions, so far as may be appropriate subject to law and policy requirements. This extends to the negotiation of an agreement, or any question arising thereunder, the determination of appropriate techniques, consistent with the terms and purposes of this order, to assist in such negotiation, and the execution of a written memorandum of agreement or understanding incorporating any agreement reached by the parties."

Mr. Chairman, this would allow an organization such as this to enter into a written agreement with the head of an agency of the U.S. Government in regard to working conditions.

Mr. Chairman, I questioned the Chairman of the Civil Service Commission on just exactly what this accomplished. We finally came down to the fact that apparently it did not accomplish very much at all that is new. In other words, this could all be done now by the President of the United States merely by indicating to the people who control these agencies that it is his desire that they treat such organizations in the manner set forth in this order. It was agreed that this could be done. So the question arises: Since all of this formality was exercised, since we have an Executive order which sets up the authority—in fact, the compulsion to deal with these agencies—just exactly what was it meant to accomplish? I do not think I am any more suspicious than the average individual, but I do not think either that the Government usually does vain things.

Mr. Chairman, I think we are likely to see set up here some organizations which will be lobbying organizations, at least, and they will be organizations which will be here in the Congress sitting up in the galleries where we have seen members of other organizations sit, attempting to influence legislation. So, I view this Executive order with some suspicion. I view the implications with a great amount of alarm. I hope the membership of this Congress will watch this situation.

Now, Mr. Chairman, with reference to some of the other things that I would like to mention. We spent $150 million a year of the American taxpayers' money by enacting the bill calling for an all-channel television set. Do not let anyone deceive you about this. It actually happened when this House passed the bill. It was caused by the fact that the ultra-high frequency television stations have difficulty competing with the very high frequency stations for various reasons, some being technical, some being economical. But the facts are that the all-channel set will cost $25 more than the very high frequency channel set. It does not take much arithmetic to realize if there are 6 million sets sold a year we have cost the American consumer $150 million just to settle a problem which we in the Congress should have settled. In my opinion this was settling the problem in the age-old bureaucratic method of saying, "Well, we do not want to hurt anybody or step on the toes of anybody. So we just let the consumers of this country pay for this matter." That is exactly what we did, to the tune of $150 million a year. I refer to the hearings on page 606 for you to determine if this was so.

Mr. Chairman, the next thing I would like to mention is the cost of the lunar program under the National Aeronautics and Space Administration. This Administration has apparently agreed that the timetable which had been set by the previous administration for getting to the moon just was not fast enough. The previous administration had a date set in 1970 as its goal for circumnavigation of the moon and later for a landing on the surface of the moon. This administration decided that it was necessary that we make a soft landing on the moon some time in this decade, or before 1970.

So, I was interested in the cost of this. You will find in the hearings on page 890 that the total cost of accelerating the soft landing on the moon is $7 billion. In other words, it will cost $7 billion more to land on the moon before 1970 than it would have cost to land on the moon under the program of the previous administration.

I say to the Members of the House that $7 billion is a lot of money. It is almost enough to pay the interest on the national debt for 1 year. It is also enough to do a lot of the things which the Members of Congress and the people of the country would like to have done. I am not at all sure, Mr. Chairman, if the people of this country could vote on the question of whether they want $7 billion spent to get to the moon a few years earlier than we would otherwise get there, that the answer would have been a resounding "Yes." I think it might very well have been a resounding "No."

Mr. Chairman, if we were not spending this particular amount of money, we possibly could have a tax cut this year, which would be beneficial to business.

Mr. Chairman, we find also in the hearings that the best estimate of the amount of money which is in this bill, which would not be in the bill if it were not for the accelerated lunar program, is somewhere between $2 billion and $2.6 billion.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Illinois.

Mr. COLLIER. Mr. Chairman, I just wanted to make the observation that in addition to the cost involved here it will be 3 years before the American consumer wakes up to the fact that he is being forced by Government action to buy something that in many cases he neither needs nor wants; I am referring to all-channel television sets.

Mr. RHODES of Arizona. Mr. Chairman, I thank the gentleman. I think he will also agree with me that if a person should happen to move from a VHF area into a UHF area, for that same $25 he can buy an adapter for his VHF set and use it anywhere. It would be up to him whether he wanted to do it, however. He would not have to spend the $25 unless he had a use for the adapter. Under the law we passed, he has no choice. If he buys a new set, he pays the $25.

Mr. DOMINICK. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman.

Mr. DOMINICK. Mr. Chairman, I also want to bring up the point that in the conference we had the word "adequate" added to the all-channel receiver bill, so that the Federal Communications Commission now has to determine whether the all-channel receivers which are being manufactured will be adequate. Is there any provision in this bill to determine how much additional inspection costs or administrative costs are going to be necessary in order to meet this specification?

Mr. RHODES of Arizona. So far as I can tell there is no specific amount in the bill for that purpose. But I can assure the gentleman that probably next year the total requests will reflect this additional activity. I think the gentleman from Colorado would also agree with me that this is a very dangerous thing which we have done. We now have an agency of the Federal Government regulating the manufacture of an article not because it might be dangerous if it were not manufactured correctly, not because the public interest might be harmed, but just because the Federal Government had a problem which it could solve with the least pain by doing so at the expense of the interests of the American consumer.

Mr. DOMINICK. I certainly agree, and I am glad the gentleman has brought this item to the attention of the House.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Ohio.

Mr. DEVINE. Perhaps it is an exercise in futility to discuss this all-channel receiver bill at this point. We have already passed the bill, although a number of us did vote against it. But I think it should be pointed out that this sets a pattern under which Congress could pass an act concerning the manufacture of automobiles, providing that they all should have power steering, power brakes, power windows, power seats, and so forth; so that a purchaser would have no choice to buy a car without those facilities. It is just another example of Government interference and Government control.

Mr. RHODES of Arizona. I thank the gentleman for his contribution; and, of course, he is eminently correct. If this kind of regulation can be imposed upon the manufacture of television sets I do not know what the end result might be.

Mr. Chairman, another thing which I think deserves some mention is the fact that in the Housing and Home Finance Administration area we find that the rate of default in FHA mortgages has gone up at a very alarming rate. We find that from 1959 through 1961 total defaults have increased from about 12,000 to about 35,000. By May of 1962, the annual rate of default was up to 40,000.

The rate of default from 1959 to the present has gone from 0.5 to 1.3 percent.

The trend is very bad and can be very dangerous if it is not halted.

Just one other point. In the Federal Government we have many departments which are going to machine accounting. There are machines not only for bookkeeping, but also for the sorting and interpretation of information. We find a very strange phenomenon. We find agencies which are dealing with each other where information one might have could be valuable to the other, yet the machine data developed by one agency cannot be used by the machines of the other agency. We find a great Tower of Babel existing here where the machine of one agency cannot understand what the machine of another agency is saying. So here in the Government of the United States we are spending huge sums of money to buy machines without attempting to standardize their processes or functions, and provide for interchangeability of information. I am in hopes that some agency of the Government will in this fiscal year address itself to the task of ending this machine language incompatibility. It is a very definite and expensive problem.

Mr. THOMAS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California [Mr. HOLIFIELD].

UNJUSTIFIABLE CUTS IN CIVIL DEFENSE APPROPRIATIONS FOR 1963

Mr. HOLIFIELD. Mr. Chairman, I want to thank the gentleman from Texas for yielding me the 5 minutes he has yielded me. I would not ask for this time if I were not greatly concerned about the action of the Appropriations Committee in cutting the funds for civil defense for 1963. It seems to me it is a body blow to the President's civil defense program. It sends the program reeling in confusion. Careful plans are shattered, orderly progress disrupted, hard work done for nought.

Do you suppose that this wholesale fund slash, this meat-ax cut, is a saving? Do you suppose that you can tell your constituents you are saving money by depriving them of protection in case of a real emergency?

No, you cannot. For you save nothing by stopping a vital defense program in midcourse. You merely defer and delay what, sooner or later, must be done, as surely as anything must be done for the defense and security of the American people.

Let us review the situation:

Last year, $207 million in supplemental funds, plus over $47 million in civil defense funds in the regular budget, were passed without any serious question because there was a time of crisis. Now, the crisis has eased, for a time at least, and we are asked to slash civil defense funds to one-quarter of last year's appropriations and one-tenth of this year's budget request.

The civil defense budget requested by the Department of Defense for fiscal year 1963 totals $695 million, of which $460 million is for the Federal shelter incentive program which requires new authorizing legislation. Since the Armed Services Committee has not acted on that authorizing legislation, that $460 million is not before us now.

The remainder of the request is $235 million, and this has been chopped to $75 million.

What does this mean? First, it means that the present civil defense fallout shelter program has to be stopped in midcourse.

This is poor business. The Congress last year appropriated money for a fallout shelter survey, marking, and stocking program. We are now refusing the funds either to keep the survey up to date, or to finish the procurement and allow the movement of supplies that have been purchased, into the shelters that have been identified.

Furthermore, the committee action restricts the funds which may be contributed to the State and local governments to last year's level. But under the program which is set before the Congress, the State and local groups have the vastly higher workload of getting the supplies into the shelters which have been identified. There is not a penny for this new big job.

For years, there has been talk of strengthening local civil defense efforts. Now, when there is specific work assigned, and a huge tangible task to get done, with a chance for real cooperation and participation by State and local civil defense organizations, what happens? The funds are withheld.

Even worse, the Federal Government is supposed to set an example to State and local citizens as to whether it is serious about trying to provide protection against the threat of nuclear war. Under the cut, the Department of Defense cannot even carry out a Federal shelter program in Federal buildings. This does not make sense to me.

We should support this program or stop it altogether. There is no sense in appropriating $75 million merely to keep an organization going. Give it the tools to do a workmanlike, competent job, or strike it down.

As chairman of the military operations subcommittee of the Committee on Government Operations, and also as chairman of the Joint Committee on Atomic Energy, I have caused this problem to be studied intensively for the past 7 years. These two committees have provided the Members with about a dozen reports since 1955 which bear on civil defense.

I know that civil defense is not a popular subject, because it is not a bread-and-butter issue. The Members have other things to worry about. But what is more important than the fact that America stands exposed to sudden devastation in the event that deterrence fails?

No one in this House or anywhere else in our Government is all-wise or all-powerful enough to assure us that an attack will not come. Neither can we plan, or legislate, or prepare the country on the basis of the rise and fall of popular anxiety over international tensions.

Last year, the interest in defense and civil defense in this country and the Congress was high. This year, it is low. If a new Berlin crisis develops into a serious situation before the end of the year, we will be sorry that we acted hastily to slash funds because, as we said earlier this year in a report of the military operations subcommittee:

> If a crisis should occur that threatens imminent attack, the people of this country will inquire in a single loud voice what the Government has done to protect them. A wise administration—and a wise Congress—will not be caught unprepared, will not wait until it is too late.

What is at stake here? If we do nothing and stand unprepared, the very life of the Nation is at stake. We can do something that can save a great number of lives in the event of an attack. And the whole civil defense request of $695 million, $460 million of which is not even authorized or before us yet, is a tiny fraction of the defense budget we spend each year.

In the same report I just cited, we pointed out that since 1951, we have spent $600 billion—I repeat, $600 billion—for major defense programs. And during that time, we spent hardly one thousandth of that amount on civil defense. We have never really bought a program for protection of the people. We have sacrificed a great deal of time.

There is no defense against incoming ICBM's. According to recent testimony before our committee, the Nike-Zeus research and development program has cost us a cold, hard $1.2 billion. That is still an experimental program. And even if the military is able to build this defensive system and deploy it—at a cost which defense experts say may range from $5 billion to $15 billion, depending on how many you buy—we still need a civil defense program. In fact, the Department of Defense will tell you that we need one more than ever.

This important point was recognized in a recent report by the Armed Services Committee, under the chairmanship of the distinguished gentleman from Georgia [Mr. VINSON]. The report I refer to is House Report No. 1406, which was on H.R. 9751, this year's authorization bill for aircraft, missiles, and naval vessels. It says at page 14, referring to the Nike-Zeus and other possible antimissile systems:

> However, these systems would still not necessarily solve the problems of nuclear fallout from surface explosion outside the defended areas. There is a limit to the range of effectiveness of any terminal defense system, and fallout from ICBM's landing outside this range could still be lethal. Therefore, we must provide, in any event, for the protection of our population against that danger.

Let me say first that the Members may find in the reports of the Military Operations Subcommittee a detailed account of the fallout shelter program for civil defense. The civil defense shelter program has been transferred to the Department of Defense by the President. We thought this transfer was beneficial to the program. It is being run effectively. The Office of Civil Defense in the Department of Defense is doing a good job with what it has. An effective organization has been created for the first time, and an important start has been made on a civil defense program.

Our reports have been critical because some of us think that the American people deserve a great deal more protection than is contained in a fallout shelter program. I believe we can find efficient means to protect them also against blast and heat.

At the same time, we recognize that a start has to be made in preparing a civil defense plan and in building an organization in order to be able to take advantage of what protection we have now.

If the program is started, it can be improved upon later.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOLIFIELD. Mr. Chairman, may I have 2 minutes?

Mr. THOMAS. I only have 2 minutes left, but I yield them to the distinguished gentleman from California, and I am happy to do so.

Mr. HOLIFIELD. I thank the gentleman.

I say we have this problem of nuclear attack. I have supported every dollar of military appropriations to build the strongest military system possible to defend our Nation. But, we who study this problem and we who know the terrible effects of what would occur in case we are attacked with nuclear weapons, say that because we do not yet have a military capability to stop incoming ballistic missiles that we should protect the people of this country against radioactivity which would come with nuclear attack. We know we cannot protect them where the bomb hits. We know that the tremendous blast will kill a lot of people. We also know if they have underground shelters, that millions of people can be saved. Studies by the weapon effect and evaluation team in the Pentagon and other reliable people like the people who put out the Gaither report show that 50 to 80 million people can be saved if they have shelter against radioactivity. If I did not believe in my heart that this was a necessary program, I would not be on the floor this afternoon asking for time from this committee that has done valuable work over the years.

Mr. TRIMBLE. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Arkansas.

Mr. TRIMBLE. I agree with the gentleman from California—we have initiated a program here and we should continue it.

Mr. HOLIFIELD. I thank the gentleman. I believe that this Committee should reconsider their action and take into consideration the fact that radioactivity can kill 80 to 100 million people in this country unless they have shelter, and if they can see their way to replace this item, I know they will be doing the right thing.

Mr. OSTERTAG. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I thank the gentleman from New York for yielding me this time.

I call attention to page 27 of the bill and the authorization for the construction of Federal buildings which has disturbed me for some time. I have a statement I would like to make, and then will invite the gentleman from Texas [Mr. THOMAS] to comment thereon, if he so desires, if I have any remaining time.

Section 7 of the Public Buildings Act of 1959 says in the part that is pertinent that no appropriation shall be made to acquire any building to be used as a public building that costs more than $100,000 if the acquisition has not first been approved by the Committees on Public Works of the Senate and House of Representatives.

Section 7 also requires that the General Services Administration transmit to Congress a prospectus of the proposed project. This prospectus must include the following information: First, a description of the building to be acquired; second, the building's location and an estimate of the maximum cost of its acquisition; third, a comprehensive plan for providing space for all Federal Government employees in the locality of the proposed project, having due regard for other suitable space available in existing U.S. buildings and in rented buildings; fourth, a statement by the Administrator that neither federally owned space is available nor rental space is available at a price commensurate with that to be afforded by the proposed action; fifth, a statement of rents and other housing costs being paid at that time by agencies to be housed in the proposed building.

I remember the debate on the Public Buildings Act of 1959. The gentleman from Alabama [Mr. JONES], chairman of the Buildings Subcommittee on Public Works, traced the history of the public buildings program and told us the bill was a codification of all previous laws and that it would be the basic authority for appropriations with respect to buildings.

The gentleman from Illinois [Mr. MACK] then a member of the Public Works Subcommittee on Buildings, told us that the 1959 law was necessary to bring a tighter rein and tighter control on the authorization and appropriations for Federal buildings. He said any request from the Administrator of General Services for authorization for a new building must be accompanied by a description of the building, and so forth.

The gentleman from Florida [Mr. CRAMER], ranking minority member of the Subcommittee on Buildings, said—

> This bill provides adequate and proper and wise congressional control over the public buildings program throughout the country.

Mr. CRAMER pointed out in debate that the law required a prospectus to be filed with the Committee on Public Works. The record shows that I questioned Mr. CRAMER and Mr. JONES as follows:

> Mr. GROSS. The prospectus comes to the Congress?
>
> Mr. CRAMER. That is correct. The prospectus and the required information are exhaustive. That is presented to the committee. The committee holds hearings. * * * The agency cannot go forward with the public buildings project without consulting the Congress. This Public Buildings Act of 1959 brings order out of the chaotic situation that exists with regard to public buildings today.
>
> Mr. GROSS. The provision to which I referred (requirement of approval of Public Works Committee) provides that your committee and the Senate committee have full authority, and I take it that nothing would be approved that had not been previously screened and approved by your committee and its counterpart in the Senate.
>
> Mr. JONES. That is correct.

Now it seems the Appropriations Committee wants to put the public buildings program back in a chaotic state. It seeks to void the provisions of the Public Buildings Act of 1959 and to take over the functions of the Public Works Committee and grant authorizations because, as I read the language of the bill, it says: Appropriations to the GSA under the heading "Construction Public Buildings Project" made in this act and prior appropriations acts shall be available without regard to section 7 of the Public Buildings Act of 1959, which is the basic law of the land.

Section 7 sets forth unmistakably that if GSA wishes to acquire a building that costs more than $100,000, it must go to the Public Works Committees for approval and submit a prospectus. But, under the wording in this bill, all appropriations in this act and all prior appropriations acts are made available without first getting the approval of the Public Works Committee.

The report with regard to this provision is as revealing as it is frank. It says:

> For several years the committee has included authorization for the Administration to use construction savings in the public building construction program to acquire buildings when it is to the advantage of the Government to do so.

Here you have it. The Appropriations Committee frankly confesses that it has given carte blanche to the General Services Administration to acquire buildings on their own discretion and without consulting Congress.

I am surprised that the chairman of this Appropriations Subcommittee, Mr. THOMAS, should ask us to approve this bypassing of the legislative committee, because he is quoted in the Washington Post of Thursday, July 26, 1962, just a few days ago, as saying to the GSA witnesses:

> You are going out on your own without consulting the Congress and with the rankest type of back-door spending to build 1 million square feet in the District without any authority from Congress.

I am of the opinion the chairman of the subcommittee is not altogether correct when he says previous legislation has included authorization for the Administration to use "savings" for new construction and acquisition of existing buildings. I have consulted the record, and I find that the GSA based its authority upon the Second Supplemental Appropriations Act of 1961. The report that accompanies this act merely says that provision will enable the Administrator of GSA to use savings to convert and remodel existing Government-owned facilities.

This report was so meager that in volume 106, part 13, page 17896 of the CONGRESSIONAL RECORD I asked the gentleman from Texas:

> Will the gentleman explain to me what the legislative language, page 8, means as it pertains to General Services?

Mr. THOMAS replied that it would enable the Administrator of GSA to modernize surplus warehouse space so that, instead of paying $1 a square foot a year, it would only cost 25 or 30 cents.

Certainly there is nothing in the report or in the explanation of the chairman of the subcommittee to support the statement that the committee has included authorization for the Administrator to use savings to acquire buildings at his discretion.

The truth is that GSA, without any authority from Congress, has indulged in the rankest type of back-door spending. GSA has acknowledged that overestimates are included in savings. Thus they have acquired millions and millions of dollars and, instead of Congress having a tight rein over the building program of this country, Congress has no control over it at all, and GSA has used these savings in a most arrogant, abusive, and un-American manner.

Let me tell you one of the reasons why this language appears in this appropriation act. A man named Jerry Maiatico, an Italian immigrant, became an American citizen, served in World War I, and thereafter became a successful contractor here in Washington, D.C. He erected a building known as the Matomic Building at 1717 H Street NW. It is an 11-story building with three basements, of reinforced concrete, steel, and masonry with a limestone exterior, and is fireproof. He built it as an estate for his children and grandchildren. It is a symbol of this Italian immigrant's success.

GSA inspected the building, liked it, and leased it for 5 years at $5 per square foot. That lease expired in 1960. In September of 1960, GSA entered into a new lease for 5 years at $5 per square foot. Four months later GSA officials called in Mr. Maiatico and said, "We want an option to purchase the Matomic Building." Mr. Maiatico said, in effect, "No, we have already negotiated a contract. I don't want to change it. I don't want to sell." GSA officials said, "If you don't put an option in this contract, we will take your building anyway." And the next day they proceeded to do just that by condemnation proceedings. They disregarded the lease. They treated it as a scrap of paper, and they used the power which they felt this "savings" gave them to seize the building and take it from its rightful owner.

Incidentally, the first time savings were mentioned was in the second supplemental appropriation bill. How could they possibly have accumulated any savings by December of the same year?

Now, do not confuse this case with the 20 projects mentioned in the report. These 20 projects were either lease purchase contracts, which means they contained options to purchase or they were friendly negotiated projects or condemnations by agreement of the owner. All those other cases are settled and done. All except this case. This case went to court.

The U.S. court of appeals unanimously decided that the taking was illegal because, "Congress has not been shown to have authorized the present taking of the Matomic Building."

As far as the report that is before us today is concerned when it says that for several years the committee has included authorization to use savings, the court heard that argument and said:

> The Government would have us say that the general provision of the Second Supplemental Appropriation Act supplants the limitations of the Public Buildings Act of 1959 and the Appropriation Act which had so carefully been linked to the former. Carried to its logical conclusion, the Government's construction would sweep away all preexisting requirements.

And the court continued—

> We cannot accept the proposition that the general provision in the Supplemental Act repealed—either directly or by implication—the specific provisions of the Appropriation Act as geared to the Public Buildings Act of 1959.

I am in complete agreement with the decisions of the court. It is sound, just, and honest, and it should stand. If the

General Services Administration has any doubts about this decision, it has the right to appeal, but instead of appealing, it has asked that the time for appealing be extended in order to give it a chance to try to get congressional action during the current session of Congress that will in some manner change the law under which this case was tried and nullify the unanimous decision of the court of appeals.

And it is attempting to do this in this appropriation bill.

I have confidence that the rights of the citizens whose buildings are taken from them and the rights of the General Services Administration will be properly guarded through our judicial system. Let us leave it that way. I object to this attempt to repeal the unanimous decision of the U.S. court of appeals by legislation in an appropriation act.

Mr. THOMAS. Mr. Chairman, we are out of time over here. I am in bad need of 2 or 3 minutes to answer my genial friend from Iowa.

Can the gentleman from New York spare me a few minutes of his time?

Mr. OSTERTAG. Mr. Chairman, I would be happy to yield time to the gentleman from Texas, but every minute of my time is committed.

Mr. THOMAS. The gentleman is in the same shape I am. I understand, and I will reply to my able friend from Iowa under the 5-minute rule.

Mr. OSTERTAG. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, in view of the fact that the distinguished gentleman from Iowa mentioned my name with reference to the Public Buildings Act of 1959 which I cosponsored with the gentleman from Alabama [Mr. JONES], I would be delighted to yield for an observation by the distinguished chairman of the subcommittee, the gentleman from Texas [Mr. THOMAS], concerning his remarks, if the gentleman wishes to make such observation at this time.

Mr. THOMAS. The gentleman from Florida [Mr. CRAMER] is very gracious and I greatly appreciate it.

In my humble judgment there has never been a more able and better administrator in this Government than the very distinguished Iowan by the name of Mr. Floete. My able and genial friend from Iowa [Mr. GROSS] has criticized him very severely. Mr. Floete reduced budget estimates from 10 to 15 percent practically every year on public buildings. I will say to the gentleman from Iowa [Mr. GROSS] that the gentleman quoted some language and if the gentleman quoted me correctly, I am sure the gentleman did, and if that was responsive to the question the gentleman now raises, I am in error and I will be the first to admit it. But I want to be specific. Again, I am going from memory. Mr. Floete asked for this authority 3 years ago to take the savings that he would earn from these construction contracts and do what with the money? This House of Representatives gave him that authority to buy other buildings that the Government needed in order to save money, of course, and to pick up some of those terribly expensive lease-purchase contracts and pay them off. He did it to the tune of $15 to $18 million, and more horsepower to him. There was a 100-percent savings of that much money.

The Maiatico case for condemnation of a building is being contested. It went through condemnation. Your Federal district court passed on it, and I understand that it has been——

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Iowa.

Mr. GROSS. Yes; and the Federal circuit court of appeals reversed the lower court decision in favor of the property owner.

Mr. THOMAS. Yes. It is now going to the Supreme Court. This language which the gentleman from Iowa [Mr. GROSS] read is in there to protect the taxpayers to the tune of $15 or $18 million. It is nothing but honorable and just and right. Your fellow statesman, Mr. Floete, did this, and I am with Mr. Floete 100 precent. I will back him up now, even though he is not in this Government.

Mr. CRAMER. Mr. Chairman, I am delighted to hear the kind of remarks concerning Mr. Floete, former GSA Administrator, a gentleman whom I too felt did a very fine job not only in the area that the chairman of the subcommittee mentioned, but also in the area of lease-purchase, which contrary to the chairman, I personally feel was a sound program to provide Federal facilities without substantial capital outlay funds and in partnership with private enterprise.

Mr. Chairman, I took this time principally to bring a few facts to the attention of the House with respect to the Bay Pines project which is located in my district, a veterans' hospital.

Mr. Chairman, the committee was kind enough to include the following assurance in its report on page 17:

> The committee recommends that $1,722,000 previously appropriated for technical services for Bay Pines, Fla., remain earmarked looking toward new construction at that site if and when the Administrator deems it in the public interest to begin such construction. Florida veteran population is growing rapidly and the probabilities are more hospital facilities will be needed shortly in that area.

I previously commented on this and inquired of the chairman of the subcommittee concerning it, with reference to the $1,722,000 that had previously been appropriated in 1958 for architectural and engineering services concerning the Bay Pines Veterans' Hospital. Bay Pines, thus, was part of the $900 million, 12-year bed-betterment program that the Eisenhower administration started and put into effect in 1958 as a result of an administrative decision, by Executive order, that the 125,000 national veterans' bed program limitation would permit the President and the Veterans' Administration under him—the executive branch of the Government—to reallocate and relocate under this ceiling beds in areas where a need existed. I was one instrumental in convincing Mr. Whittier, VA Administrator, and President Eisenhower of the need for such authority because of Florida's veteran-impacted status and seriously mounting problems.

Mr. Chairman, based upon the merits—and there is no doubt in my own mind as to the merits of Bay Pines and the other hospital new bed programs in Florida as set up in 1958 in that the State of Florida is a veteran-impacted State and there is no question about it since there are some 661,000 veterans there as of 1960 and there is expected a 150,000 increase in the next 3 or 4 years—and my district and the area served by Bay Pines is one of the largest veteran-impacted areas in the State and the hospital is located in my district, I am glad to see that the committee has found that a definite need exists to retain and expand Bay Pines and specifically recommended that the $1,722,000 for A. & E. on the Bay Pines project be retained.

At this point I think a further discussion of this topic is in order. I am taking the floor today to discuss an issue of grave concern to the people of Florida, particularly those in my district.

There is in my district of Florida a long-established Veterans' Administration hospital called Bay Pines. It is the largest Veterans' Administration hospital in the State of Florida and has, for many years, represented an available source of medical care for thousands and thousands of veterans living in central Florida. The Veterans' Administration has recognized Bay Pines as one of the finest locations in the country for patient rehabilitation and domiciliary usage because of its waterfront climatically ideal site on beautiful Boca Ciega Bay. Offering more than adequate space for expansion, Bay Pines is served by two major railroads, major airlines, and excellent new highways. It can even be reached by boat. Doctors and nurses assigned to Bay Pines enjoy incomparable living conditions in the immediate vicinity, and a Federal employee recreational center is only a few blocks away on the Gulf of Mexico beach. Numerous rental units for visiting relatives are available nearby, and there are new schools and other advantages in the area.

For these reasons, as well as many others, thousands of veterans have moved to this area of Florida upon their retirement and still others have moved to this area of Florida during their productive years in order that they might have the benefit of this VA facility. These veterans have, in many instances, invested their lifelong savings in homes and businesses in this area with the firm expectation that they would be near this long-established facility should its services be needed by them. They have become active in business and civic organizations and are, today, making significant contributions to their adopted communities.

As a result of this most welcome influx of veterans, this area of Florida has been classified as a prime "need area" by the Veterans' Administration and today, the Bay Pines area contains the largest percentage of veterans in the State of Florida, serving a veteran population of over 208,000. The development of Bay Pines has been unable to keep pace with the tremendous growth in veterans' population and has produced a waiting list of over 300 veterans daily who are in need of medical attention but cannot obtain it because of unavailable space and facilities.

These facts were recognized and considered by the Veterans' Administration when, in 1958, it was decided to improve and enlarge all of the VA hospitals in Florida. The VA, at that time, admitted the fact that the percentage of veterans moving to Florida exceeded that of any other State and publicly announced a $41 million program to add a total of 814 new beds to the facilities at the 3 existing VA hospitals in Florida by 1965. Of the approximately $41 million involved, more than $18 million was for the Bay Pines program of modernization and construction. This included an additional 500-bed hospital at Bay Pines. This was part of the $900 million 12-year bed-betterment program started in 1958 under Eisenhower.

Also in 1958, $1.7 million was appropriated for technical facilities at Bay Pines. The Veterans' Administration's planning was considered sound and supported by the entire Florida delegation—composed, incidentally, of the same 10 men who represent Florida in Congress today. The press, civic groups and veterans' organizations backed the overall VA plan.

Why do I discuss this today? Because, Mr. Chairman, as incredulous as it may sound, the administration has now decided to scrap the improvement and modernization of Bay Pines and, rather than allocate the additional beds on the basis of need, has decided to construct a completely new 500-bed hospital at Gainesville, Fla., which is less than 50 miles from the existing VA hospital at Lake City but over 150 miles from the Bay Pines facility. This feat of legerdemain was recently revealed by VA Administrator John S. Gleason, Jr., in testimony before the House Appropriations Independent Offices Subcommittee.

And the administration's decision to halt the expansion of Bay Pines has turned out to be only the first link in the long chain of injustices that have since unfolded. For, under the astute questioning of our able and distinguished colleague, the gentleman from North Carolina, CHARLES JONAS, Mr. Gleason further revealed that the future held the possibility that the entire Bay Pines facility would be abandoned on the basis of a phantom medical school in central Florida, which since has been proven not to exist.

This shocking revelation raised the ire of the entire community, for, to be sure, no sound thinking person would even suggest taking this type of demonical action against our veterans.

Let us discuss the VA's so-called reasoning on this subject. According to Administrator Gleason, the halt in developing, expanding and modernizing Bay Pines is based on the VA's desire to build VA hospitals adjacent to medical schools in order to have an available source of doctors. It is similarly alleged by Mr. Gleason that the proximity of a medical school is a decisive factor in a doctor's decision to affiliate with a VA hospital. This is not germane at Bay Pines since this facility has always had a long waiting list of doctors requesting assignment there. This was just recently confirmed by Dr. Kelso Carroll, present medical director, and was in fact one of the basic reasons the 1958 decision to expedite the Bay Pines program was made.

The Veterans' Administration justifies its plans for Gainesville to the exclusion of Bay Pines by indicating that the hospital should be located there because of the new medical school in Gainesville. But, this same question was considered back in 1958 and considered of lesser importance than the real and immediate need of the veterans on the west coast of Florida. At that time, it was decided to give the Bay Pines program top priority because:

First. The Bay Pines area contains the largest percentage of veterans, as well as a population of 1.8 million.

Second. The Bay Pines waiting list of over 300, coupled with the 115 new beds then allocated at Lake City, which, again, is only 50 miles from Gainesville, clearly demonstrates that the grave need exists at Bay Pines.

Third. That Bay Pines serves a veterans population of over 208,000 compared with a veterans population of 129,000 served by the Lake City-Gainesville area.

Yet, the administration remains adamant in its decision to relocate even Bay Pines adjacent to a phantom medical school and, as a result, the Administrator wants to hold up Bay Pines expansion while a medical school is built somewhere in the vicinity. Of course, there are no medical schools in the central west coast area of Florida and none are planned for the distant future. As every Member of this body knows, it takes years and years to build a medical school and yet this administration is apparently willing to wait. As a recent St. Petersburg Times editorial so eloquently said, "these observations would be funny if the subject weren't so important."

But allow me to dwell deeper into the fantasy of the administration's thinking on this subject. There is a new State university in Tampa, Fla.—the University of South Florida. Tampa, some 20 miles from Bay Pines, is also in my district. It is this university that the Administrator has tagged for a medical school. The fact of the matter is that when in the distant future Tampa does build a medical school, it will only be a 2-year college with no possibility of in-hospital training. When President Allen of the university was asked recently about the possibility of a medical school, his answer was, "It is too premature to even do any planning this soon, too many years away." And, according to Florida's board of control chairman, Baya Harrison, "That's a little too far in the future for my crystal ball."

Meanwhile, thousands of signatures have been signed to petitions by both veterans and other interested citizens urging the retention and expansion of Bay Pines. Although sent to the White House, these petitions elicited no action other than a card of acknowledgment. Especially mindful of the need to keep Bay Pines and active in the circulation of petitions are such representative groups as the American Legion, the VFW and the DAV. Their pleas go unheeded.

Others have come out in favor of retaining and expanding Bay Pines. The senior Senator from Florida, SPESSARD HOLLAND, in a newspaper interview, said:

> I feel the Bay Pines expansion program should not be held up pending the possible medical school at USF, and that the Gainesville hospital should be built, but not at the expense of holding back or suspending Bay Pines additions. I have informed the VA of my position.

And still, no action from the VA.

And so, it becomes abundantly clear that we have come across another instance—so prevalent lately—of the administration's tail wagging the dog.

On one hand, the administration tries to make us believe that they are sincerely interested in medical care for the aged and are particularly adamant in providing for it via the Federal Government's social security system. Yet, here are thousands of veterans—many of whom are senior citizens as well—whose interests are being completely subjugated to the apparent political whims of the administration in a program where medicare hospitalization is an accepted Government responsibility to the veteran. On the merits, their decision to junk Bay Pines just does not stand up.

Last week, however, a bright spot appeared on Bay Pines dark horizon. The full House Appropriations Committee, in their report to Congress which we are discussing today, recommended that the $1,722,000 previously appropriated for technical services at Bay Pines remain earmarked looking toward new construction at that site. The report goes on to say that Florida's veteran population is growing rapidly and "the probabilities are more hospital facilities will be needed shortly in that area."

Significantly, Bay Pines is the only VA hospital mentioned by name along with Gainesville in the committee's report and I think this in itself reflects the concern of this highly respected committee over the administration's intentions to abolish Bay Pines.

It appears that by passage of this bill, with the accompanying report, the Congress is instructing the Administrator to go forward with both Gainesville and Bay Pines, for both will be needed by 1965. Even then, with Gainesville, Lake City, and Coral Gables completed, the Florida veteran population will be twice the national average or 289 per bed as compared to the national average of 141 per bed.

Only by retaining Bay Pines and expanding the taxpayers' already great investment in this facility of nearly $30 million will the intent of Congress be fulfilled and the thousands of veterans and their families involved and affected be properly cared for.

Mr. THOMAS. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. GONZALEZ.]

Mr. GONZALEZ. Mr. Chairman, I have sat in this body for almost 6 months. I have been dutiful in attendance and I have been respectfully quiet all that time. I did this because I felt respectful and because I know better than anyone how much I need to learn.

I respect the tradition of this House that suggests that a new Member should hold his peace and not presume to debate and advise those with greater experience and longer tenure.

If there was anyone else in this House disposed to speak out on the matter that brings me now to my feet, I would still be in my seat. But obviously there is not.

I speak against the Government official whose bureau has grown so large, so mighty, and so distant from the people that he now disdains those people. The people no longer have the means by which to even petition this bureaucrat, for no mechanism exists through which a petition can be offered. And when it is proffered the people are treated to the spectacle of a haughty man of Government who conceives of himself as a master—not a servant of those people. His words to the people in my district were:

> Your Government has made a decision, you have to support it.

He wanted no questions, he gave no answers, for a careless law has placed him above those people where he can ride them, all booted and spurred.

I talk about a particular bureaucrat.

The particular bureaucrat I talk about is the Administrator of the Federal Aviation Agency, Mr. Najeeb Halaby, a nice, personable man to his friends, but an arrogant, haughty, and devious man to all others. And I am one of the all others, for I sought to question Mr. Halaby in the hope of finding out why he had decided to tear a $4 million hole in the economy of my city.

Mr. Halaby did not take kindly to my questions and he—this appointed official, a friend of the President—decided to do me in.

First, he was not available to me. When finally we did confront each other it was so he could serve me with an ultimatum that he was going to move the San Antonio Air Route Traffic Control Center to Houston. No time was allowed for hearing either what I or persons in my district might have to say about this. It was decided and publicly announced before I had a chance to frame a letter of inquiry and protest.

Now, I am not so naive that I believe all governmental actions have to be reviewed with a little ole Congressman before becoming effective. I know better than this. There are in my district many military installations. In 6 months I have seen several units and installations disappear. One of these affected over 1,100 people and I never made a word of protest. All I wanted were the facts on it so I could explain the need for the loss to people in San Antonio.

But Mr. Halaby is not a military officer. He is not part of the Defense Department. Why then should he act like it? It is one thing to call up a thousand people in the Army and move them across the country if those people have well-prescribed provisions for themselves, their families, their homes, their schools, their allowances, yes, and the assurance of compassionate consideration.

But the people who work for Mr. Halaby are not under the Articles of War. The 240 families in San Antonio and an equal number in New Orleans affected by this decision are civilian families. They have a right to appeal to their Agency head. They have a right to know why they must sell their homes, take their kids out of school, and move themselves from a brand-spanking-new installation to one that is to be built, where none existed before and none is needed now.

Mr. Halaby went to San Antonio and was met by the officials of that city. And what did he tell them when they asked why?

> Why, Mr. Halaby, are you going to close this new installation and take these families from our community?

He had no time for answers; he told them they could not understand it anyway; he was rude and disdainful toward them. But he did find time to tell them:

> GONZALEZ is a freshman and acting like a freshman.

Well, of course, I am a freshman Congressman, but I am not a freshman American. I have as many years as Mr. Halaby. During many of those years, while Mr. Halaby was a corporation executive, a test pilot, and an appointed official, I was serving as a government official, being elected to our city council and to our State senate. I like to think I have some feel for the essence of this democracy. My feel for it convinces me that Mr. Halaby is an evil element that is loosed on this Government.

Let me show you what he is perpetuating in this bill:

Mr. Halaby has already told seven of you here that he is closing the air route traffic control centers in your district. He announced in January that the number of these centers in the United States was to be cut from 29 to 22. So at least seven of you know of this. Now in January Mr. Halaby did not say he was closing the center in San Antonio.

In February when he appeared before the Subcommittee on Independent Offices for the funds in this bill, he was not planning to close the center in San Antonio.

Some time after those hearings closed he decided that despite the fact that he was dismantling seven centers at this time, he would build an entirely new one in an area which already is served by a brandnew center.

But where was he going to get the $8½ million to do this? I will tell you where he has decided to get the money. He is going to reallocate the money he asked for in this bill for 130 safety installations and use that money for this wasteful, unnecessary, and capricious action.

There are up to 130 of you here that will not see some air safety installation in your district simply because Mr. Halaby feels compelled to make this move. It is fantastic.

And it is not up to me to say that this is a political decision on Mr. Halaby's part. I do not have to say it, but the aviation committee of the Houston Chamber of Commerce publicly said it when it stated that it has been trying to get the center for several years.

Well, they are going to get it, if you pass this bill as now written. The fix is on. Mr. Halaby is so confident of it that he has already acquired 8 acres of ground in Houston. He has been told that no one in this House will stop him, least of all that "freshman GONZALEZ." Maybe he knows your mind better than I do. If so, so be it. But I say again that this is an evil device and a mockery to responsible government.

The bill before you came from committee with a provision that no part of the FAA funds shall be used to build a wind tunnel. That came about when a member of the subcommittee objected to Mr. Halaby's plans to build a wind tunnel when there was already a perfectly good one in his district.

I say to you that Mr. Halaby should not build a new traffic control center at the same time he is tearing down seven of them. I can prove to you that there is no reason of economy, there is no reason of efficiency, there is no reason of air safety that requires the Houston center. The General Accounting Office is investigating this situation right now.

I do not seek to reduce the appropriation the committee has given FAA one cent. I simply ask for an amendment that would prevent this capricious move. The move is to be paid for by funds that were requested for 130 other projects that Mr. Halaby said in February were needed for efficiency, economy, and safety. I can give you a list of the projects but I cannot tell you what towns they were to be built in. And do you know why I can not? Simply because Mr. Halaby wrote me and said that information was "privileged." Yes, he says it is his privilege to refuse to tell you what he plans to do with the money in his bill.

This is a sorry business. So sorry, I have a half dozen other speeches I must give to tell this full story. And I shall tell it.

Meanwhile, there is $8½ million you can save the people who are getting mighty concerned about bureaucrats they cannot talk to and who claim a privilege to tell them nothing. If this is not the people's business, then this is not the people's Government.

I urge your support of the amendment.

Mr. OSTERTAG. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, a few moments ago the chairman of the subcommittee announced he intended to conclude this bill this evening. I had previously understood that all he would conclude was general debate and that there would be adequate time in the reading of the bill under the 5-minute rule tomorrow to raise certain serious questions and to consider them before we acted on this bill.

I might point out that this is one of the largest appropriation bills we will have this year. It approves $11.5 billion for the independent offices, an increase of $2 billion over the amount for last year. Although it did not grant the full administration request by about $1 billion, we all know what happens to these bills once they cross to the other side of the Capitol.

The matter I want to call attention to is section 304 on page 56 of the bill. It provides:

> None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount for indirect expenses in connection with such project in excess of 20 per centum of the direct costs.

Aside from that statement in the bill and a quotation of that statement in the report, there is not one shred of evidence in the entire record of this subcommittee, in the 4,000 pages of testimony, which bears on the advisability or inadvisability of adopting this restriction on indirect research costs. These hearings were held and concluded before those who were aware that the Appropriations Committee intended to adopt this rigid provision in all appropriations bills this year had any opportunity to be heard, any opportunity to have their day in court to advance arguments and facts in opposition to this rigid limitation.

Mr. Chairman, realizing for the first time when the defense appropriation bill was before us, and this limitation in the amount of 15 percent was in that bill, that this was a broad policy adopted by the Appropriations Committee in camera without adequate opportunity for debate, I sought at least to have something in the record of the hearings of the other subcommittees.

I addressed a letter to the gentleman from Texas, the chairman of the Independent Offices Appropriations Subcommittee, in May of this year. I received a reply from him. When it later is appropriate, I shall ask permission in the House to include that correspondence in the Record, along with a statement I submitted to the subcommittee on May 18, 1962, with the full expectation that at least this minimum amount of information would be contained in the hearings. Unfortunately, the hearings were printed without that statement.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman, but first, before I yield, I should like to ask the gentleman just how much grant money is involved in this bill. My understanding is that the primary organizations are the National Aeronautics and Space Administration and the National Science Foundation.

Mr. THOMAS. Before I do that, let me correct the Record. We humbly apologize to our friend for not receiving his answer in time to put it into the Record. That was no fault of the committee. We will help the gentleman through any method he desires to get his statement in the Record. The gentleman filed a very fine statement, and we want to commend him, but please do not blame it on the subcommittee. We went to press 24 hours before we received it. We will help you to get it in the Record, and hope everybody will read it. It is good.

Mr. MEADER. I thank the gentleman. I would like to ask the gentleman if he has in mind the figures for research grants for at least two of the principal granting authorities in this bill—the National Science Foundation and NASA.

Mr. THOMAS. Yes, sir. We will give you our best estimates. First, as to the National Science Foundation, if you will narrow it down to research grants to educational institutions, I think a good figure would be in the neighborhood of $175 million; and if you want to broaden it, a good figure would be $250 million. There is $30 million to the space agency.

Mr. MEADER. There is further discussion of the principles involved in rigid percentage limitation on indirect costs on research grants in the Congressional Record of Thursday, July 26, on pages 14834–14837 as part of the discussion of the conference report on the defense appropriation bill which contained a similar rigid limitation. Also, there is discussion in the Congressional Record of April 17, 1962, pages 6855–6858, and pages 6861–6862, when the defense appropriation bill was debated and a motion to strike the 15 percent limitation contained in the bill failed by the close vote of 92 to 115.

I would like to include at this point in my remarks correspondence between myself and the chairman of the Independent Offices Appropriation Subcommittee dated May 11, May 14, and May 18, 1962, the latter letter enclosing a copy of my statement to the committee.

Also included is a letter from Mr. Ricardo A. Mestres, financial vice president and treasurer of Princeton University, dated May 24, 1962, commenting on my statement.

I also include a copy of my bill H.R. 11377 to establish a Commission on Government Operations in Research and Development, referred to in Mr. Mestres' letter:

May 11, 1962.

Hon. Albert Thomas,
Chairman, Subcommittee on Independent Offices, Committee on Appropriations, House Office Building, Washington, D.C.

Dear Colleague: I understand your subcommittee has concluded hearings on the independent offices appropriation bill for fiscal year 1963, and will shortly be ready to mark up the bill.

The following language is contained on page 48 of the committee report on the defense appropriation bill for 1963:

"For some years the bill making appropriations for the Department of Health, Education, and Welfare has included a limitation which provides that no more than 15 percent of the direct costs of a research grant can be paid as indirect costs. This year, the committee is applying this same limitation to other Departments of the Government."

In view of that language I anticipate there may be an intention on the part of your subcommittee to include a similar provision in the independent offices appropriation bill which contains substantial research grants for Atomic Energy Commission, National Aeronautics and Space Administration and National Science Foundation.

So far as I know, those opposed to the 15 percent limitation on indirect costs were not heard before your subcommittee nor were they heard by the defense subcommittee.

I made a statement on the floor of the House yesterday on this subject. My remarks appear on pages 8226–8229 of the Congressional Record of May 10, 1962, tear sheets of which are enclosed herewith.

I respectfully request that your subcommittee reopen its hearings for the purpose of taking testimony on the matter of limitation on indirect costs on research grants if the subcommittee intends to incorporate any such limitation in the bill. I would like to appear as a witness myself, and I am sure representatives of the institutions of higher learning which would be adversely affected by such a limitation would also wish to be heard.

In the event your subcommittee would decline to reopen the hearings, at the least it would seem desirable that statements such as the one I enclose as well as statements from others opposed to the limitation be incorporated in the printed hearings of the committee.

I also take this occasion to advise you that if the bill contains a percentage limitation on indirect costs, it is my intention to offer amendments to strike such a provision and to restore any funds deleted because of it when the bill comes before the House for consideration.

Sincerely,

George Meader.

Congress of the United States,
House of Representatives,
Washington, D.C., May 14, 1962.

Hon. George Meader,
House of Representatives,
Washington, D.C.

Dear Colleague: Thanks so much for your thoughtful letter concerning the 15-percent limitation on administrative expense for research grants which has been carried in the HEW appropriations bill for many years; also, the inclusion of that limitation in this year's armed services appropriations bill.

As you point out, the Independent Offices Appropriations Subcommittee is now studying the problem, and will come to a conclusion in the near future. We are grateful for your advice and assistance in this regard. Although the hearings have closed, we would appreciate having a statement from you, and we will do our best to get it in the Record.

Thanks for your interest and your help.

With kindest personal regards, I am,

Sincerely yours,

Albert Thomas.

May 18, 1962.

Hon. Albert Thomas,
Chairman, Subcommittee on Independent Offices, House Office Building, Washington, D.C.

Dear Colleague: Enclosed herewith is a statement in opposition to inserting a 15-percent indirect cost limitation on research grants in the independent offices appropriation bill which was referred to in my letter to you of May 11 and your reply of May 14, and which we have discussed orally on several occasions. I understand that you intend to incorporate this statement in the record of the hearings on your bill.

I appreciate very much your courtesy and cooperation in this matter.

Sincerely,

George Meader.

STATEMENT OF HON. GEORGE MEADER, BEFORE SUBCOMMITTEE ON INDEPENDENT OFFICES OF HOUSE COMMITTEE ON APPROPRIATIONS, IN OPPOSITION TO A 15-PERCENT INDIRECT COST LIMITATION ON RESEARCH GRANTS, MAY 18, 1962

Mr. Chairman, I urge the subcommittee to refrain from inserting in the independent offices appropriation bill a provision limiting indirect, or administrative, costs to 15 percent of direct costs on research grants made by agencies covered in the bill.

No such rigid limitation should be imposed upon vital research programs in atomic energy, space, and science without full and careful exploration of its possible consequences and implications and hearing the views of Federal officials charged with administering expenditures for such research programs and the views and experiences of representatives of the institutions where the work is done.

Unfortunately your hearings had been concluded before those opposed to the percentage limitation were aware of the possibility of its inclusion. Accordingly, I appreciate your gracious consent in your letter of May 14, 1962, to include this statement in your record.

1. A PERCENTAGE LIMITATION OF INDIRECT COSTS ON FEDERAL RESEARCH GRANTS IS AN UNSOUND APPROACH

The Federal Government's expenditures in research are huge ($12½ billion estimated for 1963) and growing. About a billion dollars worth of this research is being done in the institutions of higher learning of the country, of which it is estimated 80 percent are receiving Federal research funds.

Much of this research is done on contract, where the item of indirect costs is negotiated on an institution-by-institution basis under Budget Bureau Circular A–21, with due regard to the nature of the institution's operations and the accounting system by which its business transactions are recorded.

The percentage limitation has been applied only to grants which dollarwise are small compared with contracts. For example, the Defense Department appropriation bill contained a 15-percent limitation of indirect costs on grants for the first time this year. Research grants totaled $40 million in the defense bill as compared with over $300 million for research contracts.

A percentage limitation on indirect costs is meaningful and workable only if the base to which the limitation is applied is uniform among institutions receiving research grants; only if they conduct their operations and record their business transactions and maintain their accounting systems in an essentially uniform way.

Is there such uniformity?

Institutions of higher learning vary widely in size, in character, and in the manner of conducting their operations and recording their business transactions. Some are supported by States or cities, others by churches and religious groups or orders, and others by private endowment. State legislatures, governing bodies, and donors may require or influence the manner of conducting and recording their business transactions.

A large institution might have developed an elaborate cost accounting system charging supplies, equipment, and services directly to a department doing research work. Thus its direct costs would be a high proportion of total costs. Fifteen percent of direct costs might be more than compensation for overhead.

A small institution, on the other hand, might not see fit to maintain a costly and elaborate cost accounting system, and direct costs might be a relatively small portion of total costs. In this case, 15 percent of direct costs would reimburse only a fraction of the out-of-pocket expense of supporting a research project.

It all depends on how the institution operates and keeps its books.

The National Science Foundation Interim Report of March 1962, in its study of indirect costs of research in colleges and universities, made this comment:

PROBLEM OF UNIFORMITY

"When an attempt is made to compare indirect cost rates of individual institutions, difficulties arise from the lack of common denominators in both the items to be charged as indirect costs and the items comprising the direct cost base. Each institution has its own characteristic fiscal structure, and, consequently, procedures vary for handling certain allowable costs in the computation of indirect cost rates. Problems of applying uniform statistical methods to a large number of individual variables of cost were great. In this study, it has not been completely possible to rule out or establish controls over the institutional differences in accounting for identical items of costs. A highly selective statistical procedure was necessary if the important recorded items of cost were not to lose significance through scattering.

"By means of circular A–21, one of the most widely used and tangible measures of indirect costs, significant items of costs were identified and a uniform system was established in the schedules for recording these major costs. By adjusting for certain costs such as employee benefits, reasonable common denominators were obtained for both the direct and indirect cost bases.

"It should be emphasized at this point that caution must be exercised in making direct comparisons of the levels of R. & D. indirect cost rates of large versus small schools. Since the method and procedures used in computing the rates for small schools differ from those employed by the large institutions, a number of technical accounting adjustments would be necessary in order to standardize and compare the computations for the two groups of institutions. To this extent, therefore, the indirect cost rates of the small schools cannot be compared directly with those of the large schools."

The only way to achieve uniformity would be for the Federal Government to establish criteria and standards for a uniform pattern of accounting systems, including a clear definition of direct and indirect costs and require its adoption by institutions of higher learning receiving research grants. This clearly would be an invasion by the Federal Government into the area of business-management decisions of institutions of higher learning (since accounting systems are devised merely to record business transactions and decisions) and would lead inevitably to Federal interference, if not supervision and control, of important areas of management of institutions of higher learning.

This would impair the freedom of research, increase the paperwork (and the business staffs to handle the same) and possibly induce the establishment of expensive cost-accounting systems not heretofore regarded as necessary or appropriate in the higher educational field.

It could lead to distortion of educational and research programs of universities because of the financial influence of Federal contributions to research. It could impair the vitality and rate of progress of educational and research programs of institutions of higher learning.

In turn, that could harm the Federal Government's own important activities and objectives in scientific research and development.

A far more intelligent approach to prevent abuses in charging for the administrative overhead costs for performing research for the Federal Government is provided by Bureau of the Budget Circular A–21, which established principles for computing indirect costs on research. This circular provides for assessing indirect costs on an institution-by-institution basis subject to audit by Federal agencies responsible for allocation and administration of research work.

This Budget Bureau circular starts out by recognizing the wide variety in character and size of institutions working on research grants, and does not seek to alter the accounting system used by the institution for the conduct of its day-to-day business and its educational and non-Federal research responsibilities.

Bureau of the Budget Circular A–21 provides flexibility in control. The rigid 15-percent limitation on indirect costs does not.

Under "Policy Guides" the circular recites:

"(A) Each college and university has its own unique combination of staff, facilities, and experience, and should be encouraged to conduct research in a manner consonant with its academic programs and institutional objectives while fulfilling its contractual responsibilities.

* * * * *

"(D) It is not intended that the application of these principles should require any significant changes in the generally accepted and established accounting practices of colleges and universities."

The 15-percent indirect cost limitation imposes rigidity and logically is workable only if a uniform pattern of accounting and a uniform definition of direct and indirect costs is forced upon universities and colleges by the Federal Government.

2. FIFTEEN PERCENT OF DIRECT COSTS IS NOT COMPENSATORY FOR OVERHEAD EXPENSES

The interim report of the National Science Foundation, included as appendix A, is based upon a survey of 200 colleges and universities engaged in research and development sponsored by Federal agencies during the fiscal year 1960. After making certain adjustments (to allow for differing accounting systems) the National Science Foundation concluded that the average of indirect costs of Federal research and development was 28 percent of direct costs in large colleges and universities and 32 percent for the 82 small schools; that is, those having less than $250,000 in direct costs for Federal research and development.

Thus it appears that the 15-percent limitation would reimburse institutions doing research for the Federal Government for only about one-half of the out-of-pocket costs incurred by them for the conduct of research programs for the Federal Government.

3. TACIT ASSUMPTIONS

The source of the drive to impose a 15-percent limitation on indirect costs of Federal research grants is somewhat obscure. It seems to proceed from a belief that universities are enriching themselves and running their institutions on Federal research funds—that there are at present no controls upon the amount universities are permitted to charge for their administrative overhead or so-called indirect costs, and that while a percentage limitation may be a somewhat unskillful device, it is imperative that some control be imposed by the Congress to keep the matter from getting out of hand.

Those holding this view have failed to cite any single example of a university enriching itself, far less any widespread abuses among the college community generally.

There is no basis for the assumption that universities are making money on these Federal research grants. On the contrary, Government audited figures showed, for example, that for fiscal year 1961 the University of Michigan spent on indirect costs for research for Federal agencies $1½ million more than the amount for which it was reimbursed by the Federal Government.

Harvard in its report "Harvard and the Federal Government," noted that in 1959–60 "the university incurred $687,500 in unreimbursed indirect costs."

Dean Ralph A. Sawyer, vice president in charge of research at the University of Michigan, has testified frequently in opposition to the rigid 15 percent indirect cost limitation. He recently appeared before the Health, Education, and Welfare Appropriations Subcommittee of the Senate, and I include his statement on this subject as appendix B.

It is my hope that the subcommittee will withhold action on imposing a rigid 15-percent limitation on indirect costs in the current independent offices appropriation bill until the matter can be more thoroughly studied.

Princeton University,
Princeton, N.J., May 24, 1962.
The Honorable George Meader,
House of Representatives Office Building,
Washington, D.C.

Dear Mr. Meader: I have your letter of May 21, 1962, enclosing the copy of the statement of May 18, 1962, which you presented to the Subcommittee on Independent Offices of the House Committee on Appropriations.

Your letter is one of the clearest and most concise statements of the subject that I have seen. This matter is indeed complex and cannot and should not be solved by a simple formula such as the 15-percent flat limitation.

When my good humor prevails, I amuse myself with the picture of the groundskeeper cutting the grass outside a building in which both teaching and sponsored research is conducted. I see this poor fellow with a tally sheet on the handle of his lawnmower keeping an account of the grass he cuts outside the window of a teaching room as opposed to a sponsored research room. This is relatively simple on a one-story building but when it becomes multistoried and the teaching research laboratories are randomized through the building, then the computations this poor fellow must take are fantastic.

What I am really trying to say is that under duress, we could adjust to the direct method accounting of all costs, but the bookkeeping would be fantastic and so many costs would have to be allocated on an arbitrary basis to render an effective audit almost meaningless.

I earnestly hope that your colleagues will see the wisdom of your suggestion of a Hoover Commission to study this difficult problem. I know of no institution which wishes or expects to make a "profit" from Government-sponsored research. In small amounts "subsidizing" the Government may be palatable. When the volume of this research grows, however, no responsible board of trustees or administration of a university would be justified in diverting funds given to it for other purposes to the support of the indirect costs of sponsored research in the magnitude which could be required.

Again, our appreciation of your valiant efforts in this matter.

Sincerely yours,

H.R. 11377

A bill to establish a Commission on Government Operations in Research and Development

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS AND DECLARATION OF PURPOSE

Section 1. The Congress finds that research and development activities conducted by or under the sponsorship of the various agencies of the Federal Government, including the Department of Health, Education, and Welfare, the National Science Foundation, the Department of Defense, the Department of Agriculture, the Department of the Interior, the Veterans' Administration, the National Aeronautics and Space Administration, the Atomic Energy Commission, and other Federal agencies have a major impact upon the conduct of scientific research in the United States, and vitally affect the overall pattern and direction of future Federal programs and private activities. It is the purpose of this Act to provide for a thorough study of the operations and activities of such programs, for the purpose of assisting in the elimination of overlapping and duplication of effort, evaluating the effectiveness of such programs and their efficiency and economy, with particular reference to indirect costs involved therein, and determining the extent to which such programs and activities require administrative or organizational reforms. It is further the purpose of this Act to provide for the making of recommendations to the President and to the Congress of proposals for necessary improvements in the operation of programs and activities in the field of research and development.

ESTABLISHMENT OF COMMISSION; DUTIES

Sec. 2. (a) Commission Established.—There is hereby established a bipartisan commission to be known as the "Commission on Government Operations in Research and Development" (in this Act referred to as the "Commission").

(b) Duties of Commission.—In conformity with the findings and in furtherance of the purpose declared in section 1, the Commission shall conduct a full and complete investigation and study of all operations of the Federal Government in the field of research and development, whether conducted by Federal agencies directly or through contract, grants-in-aid, or otherwise. The Commission shall report the results of its investigation and study to the President and to the Congress, and shall make such recommendations with respect to the operations of the Federal Government in the field of research and development as it may deem desirable.

MEMBERSHIP OF THE COMMISSION

Sec. 3. (a) Number and Appointment.—The Commission shall be composed of fourteen members as follows:

(1) Ten appointed by the President of the United States, four from the executive branch of the Government and six from private life;

(2) Two Members of the Senate appointed by the Vice President; and

(3) Two Members of the House of Representatives appointed by the Speaker.

(b) Political Affiliation.—Of each class of members, not more than one-half shall be from each of the two major political parties.

(c) Vacancies.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

ORGANIZATION OF THE COMMISSION

Sec. 4. The Commission shall elect a Chairman and a Vice Chairman from among its members.

QUORUM

Sec. 5. Eight members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

Sec. 6. (a) Members of Congress.—Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) Members From the Executive Branch.—The members of the Commission who are in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any, as is necessary to make his aggregate salary $20,500; and they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) Members From Private Life.—The members from private life shall each receive $50 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

STAFF OF THE COMMISSION

Sec. 7. The Commission shall have the power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended.

CERTAIN LAWS INAPPLICABLE TO COMMISSION AND ITS STAFF

Sec. 8. The service of any person as a member of the Commission, the service of any other person with the Commission, and the employment of any person by the Commission, shall not be considered as service or employment bringing such person within the provisions of section 281, 283, or 284 of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

EXPENSES OF THE COMMISSION

Sec. 9. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this Act.

POWERS OF THE COMMISSION

Sec. 10. (a) Committees.—The Commission may create such committees of its members with such powers and duties as may be delegated thereto.

(b) Hearings and Sessions.—The Commission, or any committee thereof, may for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such committee may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before any committee thereof.

(c) Obtaining Official Data.—The Commission, or any committee thereof, is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this Act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, or any committee thereof, upon request made by the Chairman or Vice Chairman of the Commission or of the committee concerned.

(d) Subpena Power.—The Commission, or any committee thereof, shall have power to require by subpena or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths; to take testimony; to have printing and binding done; and to make such expenditures as it deems advisable within the amount appropriated therefor. Subpenas shall be issued under the signature of the Chairman or Vice Chairman of the Commission or committee and shall be served by any person designated by them. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (2 U.S.C. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

EXPIRATION OF COMMISSION

Sec. 11. The Commission shall cease to exist on June 30, 1964.

The CHAIRMAN. The time of the gentleman has expired.

Mr. THOMAS. I yield 5 minutes to my distinguished colleague, the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I want to address my remarks this afternoon to the reduction in the Bureau of the Budget request for the civil defense program. I will not discuss the overall reduction of $460 million which, I think, the committee was perfectly justified in eliminating because the program that that amount sought to support has not yet been authorized by the Congress.

Therefore, it is not at issue on the floor of the House this afternoon, but I have a feeling that the Federal Government has a responsibility to meet in the continuation of a program that was started under the fiscal 1962 budget with funds made available by the Congress in the budget for the last fiscal year. A survey of shelter space has been conducted and the result is the modification of buildings capable of shielding about 60 million people from fallout radiation.

Shelter supplies for much of the space is in process of procurement. Municipal governments have been called upon to manage this difficult project, and I might say as a result of the impetus that we gave to this program last year, State and municipal governments have become increasingly interested in participating in the civil defense program. The municipal governments have been called upon to participate more actively and have been showing their willingness to do so. They were asked to obtain the permission of building owners to use space in their buildings and to be prepared to receive large volumes of shelter supplies for installation in those buildings. Many municipal governments have already made the difficult preparations to accomplish this task and have enlisted the support and cooperation of civic organizations and leaders. We are beyond the point when this program can be reconsidered by the Federal Government.

There can be no serious difference of opinion about this first phase of the President's civil defense program. We have in our midst a large fallout shelter program. The question is whether to use it. To fail to do so would be to throw away an opportunity to improve the odds of survival of millions of Americans should this country ever be attacked.

The cost in relation to the lifesaving potential of a shelter system is negligible. The survey cost about $1 for each potential shelter space. The marking, stocking, and provisioning of the shelter space will not exceed $3 per person sheltered. In this nuclear age when we are compelled to maintain defenses costing in excess of $50 billion, it would be hard to understand our failure to at least prepare the shelter space which already exists at a cost of $4 per person.

The Federal Government has already incurred most of the necessary costs of finding and bringing into use existing shelter space, and in doing so has imposed important responsibilities on local governments and building owners to do their part.

For the Federal Government to turn its back on its solemn obligations at this stage would be a failure to face its clear responsibility not only to take reasonable measures for the protection of our people at war but also to carry through its part of a joint undertaking with State and local governments.

Failure to provide the funds necessary for the first phase of the program would be to set back a great deal of the progress which has been quietly accomplished since last fall.

Although hearings on the authorizing legislation have not been scheduled as yet, the House has the benefit of a thorough review of the current program by its own Government Operations Committee; and I must compliment this committee on the tremendous job they have done over the years in this particular and important field.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. PRICE. Mr. Chairman, in my extension of remarks I will review the present status of the shelter program.

The committee's reduction of the budget request for the civil defense program will have a serious effect on this program just at a time when cooperation from the States and municipalities is on the increase.

I think it is well that we review the present status of the shelter program.

PRESENT STATUS OF SHELTER PROGRAM

What is this national fallout shelter survey program? Architects and engineers, under the supervision of the Army Corps of Engineers and the Navy Bureau of Yards and Docks, have been examining structures throughout the country to identify those which can meet certain radiation protection criteria. The minimum protection factor is 100.

That means that the walls of the building have to be thick enough, and the shielding of the whole structure good enough, to reduce the intensity of radiation, for sheltered persons, 100 times. After suitable shelter spaces are found, these buildings have to be marked with signs and stocked with food and medical supplies.

This is an enormous supply operation. In some ways, it is much more complex than other peacetime military supply operations, which are complex enough.

The results of the survey which is now completed, show that there are at least 60 million spaces suitable for fallout shelter in existing buildings. These are located in more than 112,000 buildings throughout the Nation. Agreements have been signed by over 24,000 building owners, as of July 9, 1962, giving permission to use those buildings as shelters. This figure does not include Federal and State buildings.

Supplies for 37 million spaces already have been purchased. They are on hand or on order being produced. The Department of Defense is ready to start delivery on October 1, 1962. Even this portion of the required supplies is going to need 45 million cubic feet of storage space, and the States and local civil defense organizations have to move those supplies out of storage and into the shelter areas.

The funds that are now being cut out by the Appropriations Committee would enable the shelters now identified to be marked, and to have the supplies installed.

The shelter that has been found is better than was first expected. Of the 55 million spaces located in buildings, 9 million are located in buildings or parts of them which have protection factors of 100 to 150; 15 million in areas with 150 to 250 protection factors; 15 million in areas with 250 to 500 protection factors; 6 million in areas with 500 to 1,000 protection factors; and 10 million in areas with over 1,000 protection factors. Another 5 million or more are being designated in underground caves, tunnels, and special structures with much more than 1,000 protection factors. These protection factors have been computed for the survey program by the Bureau of Standards on its computers.

Let us bring this matter a little closer to home. Right here within the Capitol Grounds, very good shelter space has been identified, and a high protection factor computed. In the Old House Office Building, it has been found that there are 22,000 usable fallout shelter spaces. Half of these are in areas which provide protection factors of over 1,000. The other half are in areas with 500 to 1,000 protection factors. This is excellent fallout protection.

I am sorry to say that the Congressional Hotel has a protection factor of only 20, but the Library of Congress has about 1,150 potential spaces with a protection factor of 150–250; about 890 with a protection factor of 250 to 500; about 7,540 spaces with a protection factor of 500 to 1,000; and about 11,740 spaces with protection factors of 1,000 or over; for a total of 21,320 spaces.

Let us recognize that the 60 million spaces located in the survey provides for less than one-third of the population, even if you do permit the program to be completed. And it is true that this fallout shelter protection would be rather concentrated in certain parts of the country. The Department of Defense has proposed, however, to work toward a 5-year goal of fallout shelter protection for all Americans, which President Kennedy announced as a national goal last July.

The Department's plan is to assist nonprofit schools, hospitals, and welfare institutions to build fallout shelters in new or existing construction outside of the concentrated areas where shelter is now sufficient. That part of the program, unfortunately, is not yet authorized and so is not before us on the floor today.

The Appropriations Committee has explained its sharp reductions on the ground that fallout shelter protection is so complex, and costly, that we need more research in this field.

I am quick to agree that we need more research, but not research on the fundamental and well-established fact that effective shelter is the only way to protect people from radiation. To make effective use of shelter existing in the United States—which is what the Civil Defense budget request calls for—we need no research.

Research is needed in many areas in improving protection and lowering costs of improved or advanced shelter designs, and equipment. But research is not needed for bringing the presently organized and ongoing fallout shelter survey program to completion.

Funds are needed to continue the survey to take account of new buildings with potential shelter spaces, such as the Rayburn Office Building. Funds are needed to get the equipment and supplies, get the signs up, to train people and to strengthen local civil defense organizations so that if there is need, there will be leadership and the people will know where to go in an emergency, what to expect, and how to act.

I hope the Members will search their minds and hearts and give careful thought to whether they want to take the responsibility of depriving the American people of a basic means for protection and survival.

I hope this action will not be final, and if the other body takes a different view, the conference committee will allow the means of going ahead on the civil defense program of the Department of Defense.

Mr. OSTERTAG. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. DEVINE].

Mr. DEVINE. Mr. Chairman, we have heard quite a few remarks during this debate on the civil defense program, among others statements by the gentleman from Illinois [Mr. PRICE] and the gentleman from California [Mr. HOLIFIELD].

At the outset let me compliment the committee and its chairman for their reduction of requests in this appropriation bill. I understand they have removed about $1,085 million from the amounts requested for the independent agencies in connection with the civil defense program, as well as others.

I noticed a Scripps-Howard news item in a local newspaper back home, the Columbus Citizen-Journal of July 6, I believe. It discussed the reprehensible practice of certain Government agencies as they approach the end of the fiscal year of making hurried and reckless commitments of their appropriations for fear they would have to turn part of it back.

Touching a subject that is pertinent in my own district due to the fact that there has been authorized the acquisition of 70 million survival biscuits—survival biscuits—the Kroger Baking Co. has contracts for $8 million worth of these biscuits. So far they have 2½ million pounds of these survival biscuits stored in the Columbus General Depot. I have requested the Comptroller General of the United States for an explanation of this, as well as General McNamara of the Defense Supply Agency in the Defense Department. I do not know what they are going to do with all these biscuits. We hope they will never have to use them, or whether they would be edible after storage, but it seems to me this is something that needs closer scrutiny, and I intend to pursue it.

On another branch of this particular bill I would like to point out again, relating only to the independent agencies, a comparison of the increase in the number of people employed by the Federal Government comparing them to the number at the time the Kennedy administration took over in 1961. The latest figures are for May 1962. These figures were made available to me by the Civil Service Commission. They state that the figures for 1962 are preliminary in nature.

Let us start with the Civil Service Commission itself. In February 1961 they had 3,637 employees. They have added 350 during the intervening 15 months.

The Federal Aviation Agency about which the gentleman from Texas [Mr. GONZALEZ] spoke, had 40,379 in February of 1961. They now are up to 43,840. They have added 3,500 employees in a period of 15 months.

The General Services Administration has jumped from 29,200 to 31,000.

The Housing and Home Finance Agency from February of 1961 to May of 1962 went from 11,100 to 13,000—another 2,000 employees.

The National Science and Space Administration had 16,388 in February 1961. They have added 5,400 employees and are up to 21,781 as of the latest figures available.

This goes on and on to other agencies. I cannot understand why the Tennessee Valley Authority went from 15,000 up to 18,614, an increase of about 3,500. The Veterans' Administration went from 173,000 to 176,000, an additional 3,000 employees.

It shows bureaucracy grows and grows and grows.

I would again like to compliment the committee for taking out over $1 billion in this program.

Mr. OSTERTAG. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado [Mr. DOMINICK].

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The **CHAIRMAN.** The Chair will count. Seventy-three Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 181]

Addabbo
Alford
Alger
Anfuso
Ashbrook
Ashley
Auchincloss
Ayres
Baker
Baring
Barrett, Pa.
Barry, N.Y.
Bass, N.H.
Bass, Tenn.
Bates
Battin
Blitch
Boggs
Bolton
Boykin
Brademas
Breeding
Brewster
Bromwell
Buckley
Byrnes, Wis.
Cahill
Carey
Celler
Chamberlain
Chenoweth
Chiperfield
Church
Clark
Coad
Cohelan
Conte
Cook
Cooley
Curtis, Mass.
Davis, James C.
Davis, Tenn.
Delaney
Dent
Diggs
Dingell
Donohue
Dooley
Dulski
Dwyer
Elliott
Fallon
Farbstein
Findley
Fino
Flynt
Fogarty
Forrester
Frazier
Friedel
Gallagher
Garland
Garmatz
Giaimo
Gilbert
Glenn
Granahan
Gray
Green, Pa.
Griffin
Hardy
Harris
Harrison, Va.
Harrison, Wyo.
Harsha
Harvey, Ind.
Hays
Healey
Hiestand
Hoffman, Ill.
Hoffman, Mich.
Holland
Ichord, Mo.
Jennings
Johnson, Md.
Judd
Kastenmeier
Kearns
Kee
Kelly
Keogh
Kilburn
King, Utah
Kitchin
Kluczynski
Kowalski
Lane
Latta
Lesinski
Lindsay
Loser
McDowell
McMillan
McSween
McVey
Macdonald
MacGregor
Madden
Martin, Mass.
Mason
Merrow
Miller, N.Y.
Minshall
Moorehead, Ohio
Morrison
Morse
Moulder
Multer
Nedzi
Nelsen
Nix
O'Brien, N.Y.
O'Neill
Osmers
Peterson
Philbin
Pilcher
Pirnie
Powell
Pucinski
Purcell
Rains
Randall
Riehlman
Riley
Rivers, S.C.
Rooney
Roosevelt
Rosenthal
Roudebush
St. George
St. Germain
Santangelo
Saund
Scherer
Scranton
Seely-Brown
Short
Siler
Smith, Iowa
Smith, Miss.
Spence
Springer
Stafford
Staggers
Steed
Stratton
Stubblefield
Taber
Thompson, La.
Thompson, N.J.
Thompson, Tex.
Thornberry
Tuck
Van Zandt
Weaver
Weis
Whalley
Wharton
Wickersham
Widnall
Williams
Willis
Wilson, Calif.
Wilson, Ind.
Winstead
Wright
Zablocki
Zelenko

Accordingly, the Committee rose; and the Speaker having resumed the Chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 12711, and finding itself without a quorum, he had directed the roll to be called, when 255 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The **CHAIRMAN.** The gentleman from Colorado is recognized for 3 minutes.

Mr. DOMINICK. Mr. Chairman, I take this time to call to your attention something which I think is of substantial importance, as well as to ask a few questions of the chairman of the committee about the same subject. This concerns the warehouse which is now scheduled to be built at the Denver Federal Center, which happens to be in the second district, not in Denver, Colo., as is stated in the report. But we have out there 1,275 Bureau of Reclamation employees who work for the chief engineers' office. They work in building 53. These are the people who determine whether or not the reclamation projects are properly designed and properly constructed, and whether or not the progress of the reclamation project is on schedule according to proper designs and drawings.

Nothing has been done for these people despite the fact the building in which they work is infested with rodents, bird nests, and birds. No air conditioning is available and the heating is inadequate. Temperatures range from 60 to 84 in the winter, up to 110 in summer. Despite the fact that for at least 2 years these fine people have been doing their best to get some relief from these impossible conditions, they have had no assistance from GSA which continues to push for a new warehouse instead of an office building.

The employees formed a committee which has held meetings with GSA, with me, with other members of the Colorado delegation, and have requested that the $6 million which was originally proposed for this warehouse be detoured, so to speak, and put into a new office building to relieve these impossible working conditions. On the principle that it is far more important to insure that these 1,275 important people have the opportunity of working up to their efficiency level than to build a warehouse for the purpose of storing additional equipment, it seems to me that immediate action should be taken.

I do not know whether we need the warehouse or not—I suspect we do—but the point that I want to put over is that we desperately need in this area a new office building for the reclamation engineers and their accompanying staff.

Now I would like to ask the chairman of the committee what study was given to this problem prior to initiating the present recommendation for the warehouse.

Mr. THOMAS. May I say to the gentleman from Colorado, we have no budget estimate for that and no request. This item comes through regular channels. The committee has not been requested for anything that the gentleman mentioned. I have been out to that center there two or three times in your lovely city. There are a lot of buildings. We built what we called the Rogers Building 3 or 4 years ago, a big office building. What do you want us to do? We are willing to help out.

Mr. DOMINICK. I am sorry to hear that the department made no formal request for this building. I know that members of the Colorado delegation made known the problem to many members of the committee. I now want to make sure of record that the committee will consider this year or in next year's appropriation hearings, this requested provision for an office building for the employees of the chief engineer's office, Bureau of Reclamation.

Mr. THOMAS. Of course we will do that. We will consider anything that is submitted to us, but that has not been submitted. You have a great big fine new building that we started 2 or 3 years ago. It should be completed in 6 or 8 months. It will house a lot of your people and will cost a lot of money.

Mr. DOMINICK. That is a new courthouse building in Denver. It has nothing to do with the conditions under which the reclamation engineers must work at the Federal Center in Jefferson County in my district.

Mr. THOMAS. You get it, submit it to us, and we will consider it.

Mr. DOMINICK. I appreciate that.

Mr. FASCELL. Mr. Chairman, I take advantage of the present discussion of this appropriation bill to thank and compliment the distinguished chairman of the subcommittee which studied the budget requests for these independent offices and reported this measure to the House for approval. The gentleman from Texas, ALBERT THOMAS, is an able and conscientious legislator and committee chairman, whose sound judgment is reflected in many portions of this bill. I would like to call to the attention of the Members an example of this as is shown in the appropriations for the Veterans' Administration.

The gentleman from Texas [Mr. THOMAS] and his committee approved in full the budget request of the VA which will allow for the orderly, uninterrupted construction of hospital and domiciliary facilities, as planned in the 10-year program for replacement and modernization of our veterans' hospitals. Included in the funds approved for this program is the amount of $14,480,000 for construction of a new VA hospital in Miami, Fla.

All of the study and planning that has gone into this project gives promise that this new VA hospital will be one of the most modern, best designed, and best equipped hospitals in the country. I am very proud of the tireless cooperation rendered by our Miami and Dade County officials to the VA officers in locating an ideally suited site for this construction. In line with the policy of the Veterans' Administration to locate new hospitals as near as possible to medical schools, this new hospital will be within a giant complex of medical institutions comprising the Jackson Memorial Hospital, the University of Miami School of Medicine and Research, the Cancer Institute, the Cedars of Lebanon Hospital, and the Cerebral Palsy Hospital. This will allow the VA to join with the university's school of medicine to assure a continuing supply of medical personnel sufficient to provide veterans with the best medical service available.

Ever since the first day of my term in the Congress, almost 8 years ago, I have worked diligently for replacement of the existing outmoded, inadequate, and unsafe 350-bed VA hospital in Coral Gables. It took 3 years to gain Executive approval of the present authorization to replace the hospital wtih a new 800-bed hospital. It took another 4 years to reach the point we are at today—gaining actual construction money. This is normal for any capital works improvement project of this nature.

What is not so normal is the increase in the number of veterans in south Florida, with the attendant increase in demand for hospital beds. Proof of the tremendous shortage of veterans' hospital beds is forcibly shown by the fact that the national ratio of veterans to available beds is 185 to 1; the Florida ratio is 400 to 1.

Florida being one of the fastest growing States in the Nation, it can be fully expected that by the time this construction has been completed, about September 1965, Florida's ratio of number of veterans to number of available beds will still outdistance and double the national ratio, as it does today. The committee wisely noted this in its report wherein it states:

> Florida veteran population is growing rapidly and the probabilities are more hospital facilities will be needed shortly in that area.

The facts support that prediction and I intend to continue to press for approval of a 1,000-bed hospital for Miami which would be a much more realistic bed capacity to serve the present and growing needs of our veterans in south Florida.

My deep thanks to the gentleman from Texas, Chairman THOMAS, and his committee for the thoughtful work they devoted to this measure which will allow us to go forward with dispatch on this badly needed hospital construction. I trust their recommendations will have the unanimous support of all Members of the House.

Mr. OLSEN. Mr. Chairman, I commend the committee on the arduous and strenuous task they have completed in all that was necessary to prepare this bill. However, I must express disappointment that the courthouse and Federal buildings at Billings, Mont., was deleted. I hope that the committee will recede from this position and agree with the Senate if that body elects to appropriate for the Billings facility.

Mr. RYAN of New York. Mr. Chairman, I am interested to note that the Independent Offices Subcommittee of the House Appropriations Committee has recognized that last year's excitement over civil defense has largely disappeared. The anxiety and fear has subsided. The subcommittee held hearings at which for the first time distinguished citizens from the scientific and academic community who oppose a large-scale civil defense program testified. I am pleased that the subcommittee recognized the need for further research and study before the Government commits itself to an extensive fallout shelter construction program.

Last September in the midst of the shelter excitement I proposed that there be a Joint Committee on Civil Defense to study the defense, foreign policy, social, economic, and psychological ramifications of a civil defense program. These considerations are still valid, and I hope that the $10 million allocated to civil defense research will be used to study the questions which I raised at that time.

We should always keep in mind, however, that the primary goal is the achievement of disarmament under effective international control. The $10 million appropriated in H.R. 12711 undoubtedly can be usefully spent on research in the area of civil defense. But compare this with $6.5 million recently appropriated for the entire operation of the Arms Control and Disarmament Agency. The $6.5 million is even less significant compared to the total civil defense appropriation of almost $90 million.

The shelter hysteria has passed, but the task of achieving peace is still with us. To that task we must devote our hearts and minds and money.

Mr. GONZALEZ. Mr. Chairman, on June 12, 1962, I appeared before the Subcommittee on Independent Offices of the Committee on Appropriations to protest the uneconomical, unnecessary, and harmful removal of the San Antonio Federal Aviation Agency's air route traffic control center to Houston, Tex.

My appearance before that subcommittee was arranged at my request, and my full statement on this matter was duly received by the subcommittee. However, when the hearings on independent offices appropriations for 1963 was released, there was no record or mention of the testimony I gave. No supplemental report of these hearings has been made to date.

Because of this and pursuant to action taken yesterday granting permission to revise and extend remarks on the independent offices appropriation bill, I wish now to insert in the Record the testimony I gave to the subcommittee on June 12, 1962:

The Federal Aviation Agency proposes to reallocate funds it has requested from this subcommittee for an uneconomical, unnecessary, and harmful purpose; this purpose being to close down the air route traffic control center at San Antonio and relocating it at a new center to be built at Houston, Tex., where part of the present functions of the New Orleans air route traffic control center would be combined with it.

My statement of this may suggest that this is simply an issue over an administrative decision in which your constituency, Mr. Chairman, and mine might be expected to have a difference of opinion. But the issue here is not a simple contest between two congressional constituencies. It may seem to be such when first framed. But I think I can show that much more is involved. Indeed, I firmly believe that the issue here strikes at the heart of our philosophy about the role of a governmental agency in a democracy. I feel strongly on this subject and shall try to state this case with restraint.

My case against the proposed plan of FAA to remove the San Antonio center started routinely enough. Like all Congressmen I occasionally get letters from troubled constituents who hear a rumor of some pending move or decision by some governmental agency. They want confirmation or denial of the rumor. When I first heard there were discussions of this move from some FAA employees in San Antonio the latter part of March, I sought to inquire about it of the Administrator of the Federal Aviation Agency, Mr. Najeeb Halaby.

We in San Antonio have a number of military establishments with many different units and these are in a constant state of change and movement. I inquire about them too so that I can explain to my constituents the reasons for these movements. I am not in the habit of protesting them because of some provincial greed to hold what we have. For instance, we recently had a permanent unit of over 1,100 men abolished which I helped to explain to my community because it made good sense economically and militarily and could be justified.

I add this comment because when I heard of the possibility of this FAA move, I simply wanted to know if there was any substance to the rumor. I instructed my office staff to contact Mr. Halaby by telephone. This they tried to do but were unable to do so. I then tried myself to no avail. Mr. Halaby was a very busy man and much on the go and I appreciated that fact. After more than a week of leaving my number for a return call that did not come, I wrote Mr. Halaby on April 4, 1962, inquiring when it would be convenient for me to visit him in his office.

On receipt of my letter, Mr. Halaby then began calling me unsuccessfully by telephone and we went through several days of seesawing: when he was in, I was out, and vice versa. By April 8, 1962, Mr. William Schulte of FAA's congressional liaison staff came by the office and held a cordial meeting with my administrative assistant. Mr. Schulte confirmed that FAA was considering closing the San Antonio center September 1, 1964, subject to getting appropriations from the subcommittee. He advised that the Agency would continue to pay $162,000 a year lease expense on its San Antonio building through the year 1969, when the lease would expire. He told how the employees would be given an opportunity to move to Houston. He explained that this consolidation would save $700,000 a year, and that the technical reason for doing all this was that maximum efficiency at these centers require about 400,000 air activities a year, and that such activities were declining at the San Antonio center. All of this was conveyed to me from notes taken at this meeting.

This explanation was not adequate. I wished a breakdown on how $700,000 could be saved by an agency that set out to build a new center, when in January of this year it had announced its plans to close seven similar centers elsewhere in the United States (of which San Antonio was not then listed). I wished to know how $700,000 a year could be saved after just building a reported $2 million building for its New Orleans center, which would not now be occupied, after paying $810,000 unused rental expense, after writing off telephone and electronic installation contracts, after moving 545 families to Houston from two distant cities, after making an undisclosed capital expenditure for a new building in Houston. This struck me as quite a feat in administration and I really wanted to know. I let Mr. Henry Wilson on the White House staff know of my interest in this proposal.

Two days later, Mr. Halaby sensed my interest and was gracious enough to come to the Capitol to meet with me. This was April 12, the day of the joint session, and I was not able to leave the floor and therefore arranged for a ticket to the Gallery for Mr. Halaby so we could meet for lunch after the ceremonials. Unfortunately, this proved an abortive arrangement. A quorum call delayed me and Mr. Halaby's time was limited. We met for a few minutes standing up during which time he gave me a letter confirming that the San Antonio center would be closed September 1, 1964, because this move was "operationally, economically, and technically necessary," and it would result in savings of $400,000 a year. This loss of $300,000 in savings from April 8 to April 12 interested me. It also interested me that he styled San Antonio and New Orleans as "relatively low activity facilities," for I had already proudly noted that San Antonio, the 17th largest city in the United States, ranked 16th and 17th in air activities by FAA's own figures. Furthermore, with our several large Air Force bases we had the capacity of tremendous overnight increases in these activities in the event of national emergency.

Mr. Halaby's letter seemed inadequate and I told him I wished an opportunity to study his plan and present my objections and questions on it. He announced to me that if I wished to do this he would be pleased to consider them but that I should do so that same afternoon since certain irrevocable steps would be taken thereafter. I did not know what he meant but I later found out that on that very afternoon he had two representatives en route to San Antonio to announce the closing of the center.

Now this is not much notice on a purely civilian, nonemergency decision of this kind. Also, Mr. Halaby was less than forthright in all this. Nonetheless, I sent a telegram that same afternoon to advise him that I strongly objected to the closing and was sending him a letter stating my reasons, which I asked he consider before deciding.

Composing this letter took some study since his letter had referred to the Project Beacon which I had not read and needed to review. When I did, I found this had no reference to this particular consolidation and I pointed this out in my letter in which I raised some 12 points of objection to the move. That letter was dated April 13. That same afternoon at 5:03, I received his telegram advising me that the announcement was "irretrievably initiated."

On April 16, I received through the mail a copy of the press release given out that day for April 14 papers.

On May 18, 5 weeks after posting, I received a letter from Lt. Gen. Harold W. Grant, Acting Administrator, in reply to my April 13 letter. This I got only after insistence by telephone that I be given a reply to the 12 points I had raised. When I got it I was disappointed to find that it contained no economic data, nothing to support the alleged savings to come from the move. Four days later I received the first set of figures.

I have copies of all these letters and these and other figures I shall mention. I can submit all of these if it is the pleasure of the subcommittee.

I have drawn some conclusions from my study of FAA's vacillating justification of this proposed move. I am convinced that all they have produced by way of justification has been constructed after making the decision to move. It is a rationalisation of something Mr. Halaby must have determined to do before he had the economic and technical facts before him. It is an argument after the fact.

In discussions between my office and several representatives of FAA, I find that I am caught up in a fluid argument in which there are few hard facts. Whenever an alleged fact is punched at to test its soundness, it shifts or gives way. The facts of FAA are spongy and based on speculations of things to happen, but which have not and may not happen.

For instance, I find that the only way FAA could arrive at figures giving annual savings of $400,000 annually was by making a 16-year projection and striking an average for that period. And in this projection it assumes the successful development by 1970 of a workable computer. It is in this one assumption that it can create a figure to give the impression of a saving. Take out the $5,154,000 saving on the cost of one computer rather than two and the figures on savings collapse. This is not the only gamble it proposes, but is a significant one considered against the broad dispute and past mismanagement in this Agency on this whole question of computers. I believe over $50 million has already been spent in an effort to secure workable computers since this Agency's research and development was picked up and moved from Indiana to Atlantic City, and I am told the prototype of a workable model has not yet been perfected.

I would hope that the subcommittee would inquire what computers Mr. Halaby has in mind: Are they like the ones the Agency developed and now proposes to transfer or sell to the Air Force; are they like the ones you authorized for Atlanta and Jacksonville centers whose funds were diverted and not purchased; are they like the one now in research stage at Atlantic City. These are pertinent questions for there should be some more definite assurance that use of a computer will be programed at Houston in 1970 than was assured in the case of Atlanta, Jacksonville, Chicago, and Kansas City. Without more information on this point no one here or in the Agency can show savings in the Houston move in the next 16 years. Along with information on the type of computer there should be some information on the peripheral equipment that is expected to be used with it. This too will affect the capital investment costs.

But Mr. Halaby should not be criticized for planning ahead. He may be right in his target date of 1970 for the introduction of this computer. But why should he be permitted to commit over $8,215,000 in capital investment to this move without at least producing some meaningful figures to support his decision? Does not this Agency have to show cause, if not to me, at least to this subcommittee, for spending its money in ways not prescribed by Congress?

When this Agency was before you a few months ago it did not tell you it was going to spend over $8 million on an investment on which no hearings were held. Where is the $8 million to come from?

I am told by FAA's budget officer that you, Mr. Chairman, have been orally advised that it plans to delete some 130 items from its 1963 fiscal year budget estimate in order to reallocate funds to make this move. I asked for and was denied access to FAA's justification for its 1963 budget. But you have it. I ask that you examine the justification submitted by FAA for the following items:

1. 97 single channel VHF transmitters at FSS's	$2,322,000
2. Establish 3 ATC voice circuits (Balboa-Lima, Balboa-Miami, Guam-Okinawa)	1,092,000
3. Establish 27 terminal VOR's	3,750,000
4. Provide automatic error correction equipment	411,000
5. Relocate VORTAC's:	
Minot, N. Dak	109,600
Victoria, Tex	49,600
Total	7,734,200

I ask you to look at the budget justification for these items because I venture that in submitting them they asked for the $7,734,200 to do these things in the interest of air safety, efficiency, and economy. If so, then should not the Congress know that in building the Houston center for reasons of air safety, efficiency, and economy, this other $7¾ million of items will not be done for air safety, efficiency, and economy. I submit that in February FAA argued that are on this list. Sometime in March it changed its mind and decided that air safety does not require 27 terminal VOR's, a voice circuit from Guam to Okinawa and so on down the list. What changed the priorities between this list and the air route traffic control center at Houston? Is there going to be any identification of the 27 airports that are seeking and now won't get VOR's?

I urge this subcommittee to dig deeply into the figures FAA has constructed to reflect its purported savings. I have some questions I feel need answering and the Comptroller General is now in the process of digging up those answers. I would hope you would await his report before agreeing to this request.

Look at how operational savings are tallied in these comparative cost sheets. Notice how the "loss on San Antonio lease" is held back until 1969 to avoid including it in the "net investment" column. This device means they avoid computing interest on their total investment in the years 1964–69. This one item alone reduces their investment figure by $460,000 in the year 1969. Yet, this is one item they are legally obligated to pay when due each year, and not surreptitiously write off in a lump sum when 1969 rolls around. FAA already hoodwinked the owner of its San Antonio building into making extensive alterations 3 years ago on the promise given by letter that it would be located there for many years because it said, "the cost of ever moving would be prohibitive."

I suggest if it was prohibitive in 1959 it will be no less prohibitive in 1964. And the man who gave that assurance then is still with this Agency and, I trust, now arguing that it is not so prohibitive as thought.

A key question in all of this that must be examined by the subcommittee is where are we going in the next 16 years in the number of centers to be operating in the continental United States? Mr. Halaby once made the statement that we may go down to four or five centers. If so, when? Is Houston to be one of these? Will it too be phased out within 16 years? If so, where are the savings on this consolidation and relocation? If this reduction in centers depends on the successful development of a workable model of the computer under development at Atlantic City would it not be well to await that technological development before basing this major administrative change on it? Can the Agency say how many centers it plans for 1970, or whether it may next start a second series of centers, one for low altitude, high-speed flights?

I have devoted myself to a few of the questions that seem appropriate with respect to a consolidation at Houston. In the discussions with FAA representatives, I raised the question of what would be the comparative economies of consolidating at the existing center in San Antonio as compared to Houston. FAA prepared for me a comparative cost comparison, a copy of which I can give you. This comparison was based on some unspecified and rather arbitrary figures on the value of recoverable equipment placed on each capital cost. I invite your examination of this, for despite the statement that this recoverable equipment "was required for other planned programs," it is apparent that the dollar value of recoverable items is fixed by a formula and not by an inventory of actual equipment that is needed for a planned program in the future. On the face of it, it should be apparent that there will be little need for existing center equipment at a time when we are reducing the number of centers and the technology itself is changing.

I suggest to you that the matter of examining alternative consolidation sites is one in which anyone concerned with governmental economies should be interested. And I suggest that a comparison of the figures should await some opinion from the General Accounting Office on the Agency's projected cost of the Houston move. At such time as this report is received, a basis will exist for making comparison.

I should interject here that in making the cost figures for Houston, no allowance is made for maintenance or upkeep on the Houston building. This cost, of course, is included in the rental figure in San Antonio, but FAA's figures are completely silent on this in the case of Houston. This simply illustrates what a cursory examination has been made of this matter and how inadequate are the figures the Agency is willing to share with this Congressman.

Mr. Chairman, there is much more that can be and should be said on this matter. Let me sum up my statement for the moment with this: I have consulted technical advisers and professional air traffic specialists and they have unequivocally assured me that there is no technological requirement of efficiency or safety that requires this Houston move.

This being the case, we are confronted with a situation that will cost this Government over $8 million to do what is now being done. Should future plans for air control safety require a consolidation, should this not be done with an eye to comparative costs at other sites or at least with some understanding of what is planned for the Fort Worth center, the Memphis center and the other midcontinent centers?

I ask the subcommittee to examine this specific proposal with care and, if possible, await the report of the Comptroller General. There must be a reason why this agency has been reticent to disclose its plans, why such plans are jumped up on short notice, why they are based on arbitrary and incomplete showings. But more important, I am curious to know what motivation there is behind this move that would compel the administrator of this agency to launch a personal attack on me in my hometown simply because I wished to ask him for the reasons behind his decision. I do not base my objections on this personal and insulting attack, but I think it underscores a degree of bureaucratic arrogance that should not be tolerated in a democracy. Mr. Halaby let the city officials and civic leaders of San Antonio know that he was not disposed to explain or justify his actions for this move. He is recorded on film and tape as striking a pose of a military commander who does not want to answer to citizens who are dazed at this blow to their economy.

Now I know Mr. Halaby is a busy, preoccupied man. But I do not want this kind of government where an appointed official is disdainful of their right of petition. I can handle the personalized attack from Mr. Halaby, but I call on this subcommittee to probe deeply into the motivation of a bureau head who feels citizens have no right to petition or question.

Lastly, I ask you to have a thought for 267 families who are being moved, abandoning their schools and homes as though they were part of the Regular Army subject to the decision of a commander who had authority to reallocate funds to effect this move. I say this is a bad thing and if you let it go unchallenged or even unquestioned we will have tolerated something that is foreign and evil in our Government.

Mr. GONZALEZ. Mr. Chairman, nothing is more essential to a legislative body than having ready access to information on the functioning of Government. Congress over the years has made great efforts to see that we have such access.

But from time to time there are those who try to frustrate this process.

For instance, I have had great difficulty in getting information from the Federal Aviation Agency and its Administrator, Mr. Najeeb Halaby. I have related some of the difficulties I have had on this score.

At first, I thought that all my difficulties might have come about because Mr. Halaby and I got off to a rather poor start in our relationship with each other. I suspect there are some Members in this House who have assumed the same about this situation. But this is not the case, as I will show.

Mr. Halaby's reluctance to give information about his Agency is symptomatic of a generally unhealthy situation that permeates his entire Agency. This reluctance and its causes are matters that every Member here will be concerned with before many more weeks pass. They will concern and disturb you whether or not you find any cause for concern in my particular argument with Mr. Halaby over the capricious movement of the San Antonio air route traffic control center to Houston.

What you regard as my individual grievance today is going to be your catastrophic problem tomorrow. It is going to be your problem when the air passengers in your district learn of the game of Russian roulette that is going on in our airways. It is a game that this Administrator has been impotent in handling.

When the information that Mr. Halaby now has becomes known to the public, as it will, you will then recall that this is the same Mr. Halaby who tells Congressmen to go "fly their kite" when they inquire about his activities and the work of his Agency. This attitude of treating FAA like it was part of CIA is of far more serious concern to me than the removal of a traffic route control center from one city to another.

More and more people today are asking, How safe is flying today? The general public is understandably confused by the endless flow of soothing reports from the FAA concerning the high level of safety in the traffic control system and the comparison of these statements with the actual number of instances of unsafe operation which crop up almost daily.

How safe is a system, for example, which permits two airliners to hold in the same race track pattern over the Washington area, each at 7,000 feet for a period of 42 minutes; each pilot oblivious to the presence of the other, and the traffic control system operating under the assumption that the two aircraft in question are adequately separated?

The implications of this particular incident are far more grave than the circumstances leading to the flaming midair collision over New York, December 16, 1960. In the New York incident, there was only 1 second in time in which these two aircraft could collide, and they did. In the example over Washington, the aircraft could have collided at any instant, for an entire 42-minute period.

Apart from actual battlefield exposure to enemy gunfire, few individuals have ever been exposed for such a sustained period to imminent death. That they might have gone to their death in utter composure, sipping a martini or reading a sugar-coated FAA press release dealing with the improvements in the air traffic control system, does not alter the gravity of the situation at all. What are the facts in the matter?

Is it true, as stated by the FAA, that there have been only 544 such incidents during the past year? Is it true that, as stated by the FAA Administrator, an en route controller makes only one such mistake every 14 years and that an airport tower controller makes only one such mistake every 45 years; or is it true that a secret report entitled "Project Scan" shows more than double the number of serious incidents as reported by the Administrator during the past year; or is it true that as privately confided by any air traffic controller, these incidents of unsafe separation occur daily in all air traffic control centers and in most of the active air traffic control towers? It is clear that most of these incidents go unreported because of fear of reprisal on the part of the controller. Pilot and controller alike are reluctant to report these hazardous incidents because of the policy of the FAA to discipline first and investigate later. These incidents occur not through negligence but because of deficiencies in our air navigation system and deficiencies in our air traffic control system. In most instances and particularly during instrument weather the aircraft pass each other undetected by the pilots and observed only by the traffic controller. If the incident is officially reported by the traffic controller, he faces suspension, demotion, transfer, or loss of pay prior to any investigation of the circumstances. It is clear that we can never hope to arrive at an adequate and safe system of air traffic control until we have a machinery to report and analyze each breakdown in the present system.

But this is only part of the problem in FAA. As I said at the outset, the propensity to conceal is merely symptomatic of more grievous faults.

Mr. Chairman, let us look at another aspect of FAA management.

The flying public has become quite accustomed to the commercial jetliner, and accepts as routine the fact that a passenger can have breakfast in New York and lunch in Los Angeles, with time to spare. We would feel inconvenienced to make such a trip in a DC–3, for example.

Yet, the air traffic control system, which grew like topsy around the DC–3, is still clumsily trying to grope with the problems introduced by modern jets—using DC–3 era equipment and procedures, and guided by unimaginative and stultifying DC–3 type management.

It is true that radar is being extensively used in air traffic control, thanks to the development efforts of our military services. However, the end product of radar is the display, and controllers today must attempt to track aircraft and avoid collisions using radar display equipment that was discarded by the Navy in 1945 as obsolete. Why? What has happened to the hundreds of millions of dollars appropriated by Congress since 1957 to improve and provide ATC equipment? Why does FAA spend $3 million to build radiation proof, bomb proof showplaces—one of which was abandoned before they moved in—to house ATC centers, and then equip these centers with radar display equipment which was declared obsolete in 1945? What are we getting for our research dollars in air safety? Is there nothing better available? I think there is. I have personally visited military radar installations on land and sea, and observed vastly superior displays. Duplication by FAA of the research which went into this superior military equipment would not be so bad, if FAA had anything to show for their R. & D. efforts over the past 5 years.

I cite as another example of obsolete ATC equipment a device known as a mechanical interlock, used to provide coordination between traffic control centers and towers. This equipment first appeared in 1948, and was still in use as a means of passing information between the New York center and the Idlewild tower in December 1960. Indeed, this obsolete equipment appears to have played a key role in the midair collision between the DC–8 and Constellation over New York, December 16, 1960. The mechanical interlock equipment failed—but the failure was not apparent to the controller. As a result, valuable seconds were lost by the Idlewild tower controller, as he attempted to verify by telephone what the mechanical interlock equipment had failed to provide. What difference those precious seconds might have meant in the course of the ill-fated DC–8's flight must be left to history. The accident report, issued by the Civil Aeronautics Board, leaves much to be desired, in the treatment of FFA's responsibility. Curiously enough, CAB permitted FAA to conduct its own investigation of the air traffic control role in this accident. The report dismisses the failure of the mechanical interlock as unimportant. Equally curious was the subsequent action of FAA in quietly removing this particular piece of obsolete equipment from service.

The approach of present FAA management seems to be one of insuring air safety by providing one FAA employee for each aircraft in the United States using the air traffic control system. In fiscal year 1963, FAA requested a total personnel strength of 47,751. Recent figures show that the commercial airline fleet now numbers approximately 1,800. We know that there are thousands of pleasure aircraft that never use the services of air traffic control. We also know that the commercial airline fleet comprises the majority of the workload in ATC. Does it really require 25 FAA employees for each commercial airline aircraft in this country?

The attitude of FAA management seems to be that aviation problems can be solved best by brute force. We know that FAA's research program, involving hundreds of millions over the past 5 years, is conspicuous by its lack of achievement. But is it not just possible that there are tried and proven equipments, developed by the military, which can be used in lieu of sheer manpower? Must FAA persist in clinging to outdated procedures and antiquated equipment?

In an effort to add more and more personnel, FAA has added to the terrific burden of the controller by increasing the coordination workload. The process of attempting to keep an excess number of controllers informed on the progress of flights, utilizing obsolete procedures and equipments, breaks down daily. Near misses are occurring daily as a result of this overstaffing—and yet the management of these 47,000 FAA employees is so inept that many controllers are still required to put in a full 8-hour day, without benefit of a scheduled lunch period.

I propose to continue my examination and discussion of this Agency in the hope that it can receive some much-needed attention in the interest of improving the development and safety of air travel in the United States.

The CHAIRMAN. All time having expired, the Clerk will read the bill for amendment.

The Clerk read as follows:

TITLE I

Executive Office of the President

National Aeronautics and Space Council

Salaries and expenses

For expenses necessary for the National Aeronautics and Space Council, established by section 201 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2471), including hire of passenger motor vehicles, reimbursement of the General Services Administration for security guard services, and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), but at rates for individuals not to exceed $100 per diem, $530,000.

Mr. GROSS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not like the implication made earlier this afternoon by the gentleman from Texas that because of the remarks I made earlier this afternoon I was representing a former Member of the House of Representatives and his client with respect to a building in downtown Washington.

First of all, I would not know the owner of the building from a bale of hay in the middle of any Washington street. I have no interest in the building, I have no interest in the former Member of Congress, except that I feel a serious injustice is being done and that a provision in the pending bill is designed to perpetuate that injustice to the property owner.

I have no more interest in that, except for the rights of an individual and the public welfare, than I have in the disposal of the San Jacinto ordnance depot in which the gentleman from Texas is interested. If the gentleman wants to get personal about this matter, we can spend a lot of time from here on out discussing personal interest in various enterprises.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Texas.

Mr. THOMAS. First, let me say that if my remarks were considered personal by the gentleman, I humbly apologize and withdraw them. I do not think the gentleman had any personal interest. Certainly he has nothing personal in it, and he is not too well informed on the subject matter. Generally, the gentleman wants to do but one thing, and that is to save money, and that is all we are asking him to do.

I think if the gentleman knew the facts, that is what he would want to do this time instead of being for this. We want to commend the gentleman for doing a good job.

Mr. GROSS. Did the gentleman say that I was not too well informed on this subject?

Mr. THOMAS. You are doing your job.

Mr. GROSS. Did the gentleman say I was not too well informed on this subject?

Mr. THOMAS. I think if the gentleman had been better informed, the gentleman would not have said that.

Mr. GROSS. I want to quote to the gentleman from Texas from the circuit court of appeals. Perhaps the three judges of the circuit court of appeals are better informed on the subject.

Mr. THOMAS. I can quote to the gentleman the fact that this is being appealed to the Supreme Court. But, anyway, regardless of that, this language is subject to a point of order, and if the gentleman wants to knock it out, that is all right. We admit it is good.

Mr. GROSS. Do not think for 1 minute that the gentleman from Iowa is not going to take it out on a point of order.

Mr. THOMAS. If the gentleman will yield further, does not the gentleman think for 1 minute it will cost the taxpayers about $15 million when the gentleman does that? That is up to the gentleman. Normally, the gentleman wants to save money. The gentleman is being a little bit out of character now.

Mr. GROSS. Let me ask the gentleman what he meant by this language on page 12 in his own hearings this year when Mr. Knott and Mr. Boutin appeared as witnesses for the General Services Administration.

Mr. THOMAS. He is a good man.

Mr. GROSS. Here is what the gentleman from Texas said:

> You are going out on your own without consulting the Congress and with the rankest type of back-door spending to build 1 million square feet in the District without any authority from the Congress.

Mr. THOMAS. That is exactly right. This Congress gave to our very distinguished friend, the former Iowan to whom I referred, Mr. Floete, the authority to do this in order to save some money. That is the reason why I do not understand the position of my friend, the gentleman from Iowa [Mr. GROSS], at this time.

Mr. GROSS. I am surprised, with all these endorsements from the Democrats, that President Kennedy did not see fit to keep Mr. Floete on the job as Administrator of General Services.

Mr. THOMAS. He asked to be relieved.

Mr. GROSS. What you propose to do in this bill through legislation is to settle this case that is now on its way to the Supreme Court in favor of General Services. That is what you propose to do.

Mr. THOMAS. We know what is involved here.

Mr. Chairman, if the gentleman wants to make the point of order, that is the gentleman's privilege. But I want to point out to the gentleman that the gentleman will be costing the taxpayers about $15 million.

Mr. GROSS. Oh, no; I do not agree with that at all. I think that what Congress ought to do is abide by the act of 1959 and submit all these building deals to the Public Works Committees of the House and Senate as the law provides.

Mr. THOMAS. Why not let the court settle it, then? That is exactly what we want to do.

Mr. GROSS. And, not the Appropriations Subcommittee and the General Services Administration tell citizens of this country what they can do and not do.

Mr. Chairman, the statements of the three judges of the U.S. Court of Appeals to which I previously alluded are these:

> Questioned during argument, Government counsel conceded that if the stated cost of each project had simply been overestimated in the Administrator's (General Services) request, the surplus funds would be classified as "saved." Even so, the appropriation would not on that account be available without congressional approval to condemn the Matomic Building. Granting that the Administrator even under the Public Buildings Act of 1959 has been accorded great latitude, he still must comply with the Appropriations Act. The mere fact that some balance remains from funds appropriated for one purpose gives him no authority to expend that balance for an unauthorized purpose. Surely if Congress intended the Administrator to possess the vast discretion now asserted, it could clearly have said so. We find no evidence that any agency had previously asserted or been accorded such power.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

The Clerk will read.

The Clerk read as follows:

OFFICE OF EMERGENCY PLANNING

Salaries and expenses

For expenses necessary for the Office of Emergency Planning, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); reimbursement of the General Services Administration for security guard services; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of the Office; $4,000,000: *Provided*, That contracts for not to exceed two persons under this appropriation for temporary or intermittent services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), may be renewed annually, and one such contract may provide for a per diem rate of not to exceed $75.

Mr. GROSS. Mr. Chairman, I reserve a point of order against the language beginning on line 24, page 2, including the word "provided," and through line 3 on page 3. I reserve a point of order pending an explanation from the gentleman from Texas.

Mr. THOMAS. Well, the law is that these are what we call temporary contracts with consultants. If you are going to retain one for 2 years, you have to specifically set out the fact that he will be retained for more than 1 year.

Mr. GROSS. If the gentleman will yield, what was the purpose of the contract?

Mr. THOMAS. I think it is for two experts over there in telecommunications. There are two engineers.

Mr. GROSS. To do what?

Mr. THOMAS. To do research in telecommunications.

Mr. GROSS. Well, for what purpose?

Mr. THOMAS. That is the Office of Emergency Planning. It is a wing of the White House. They have to allocate the spectrum, and so forth and so on. So that is their job. There are two of them.

Mr. GROSS. How long is it proposed to keep these experts on the job?

Mr. THOMAS. For the next year.

Mr. GROSS. For 1 year only?

Mr. THOMAS. Yes.

Mr. GROSS. Mr. Chairman, I withdraw my reservation.

The Clerk reads as follows:

DEPARTMENT OF DEFENSE

Civil defense, Department of Defense

Operation and Maintenance

For expenses, not otherwise provided for, necessary for carrying out civil defense activities, including the hire for motor vehicles; and financial contributions to the States for civil defense purposes, as authorized by law, $65,000,000, of which not to exceed $12,000,000 shall be available for allocation under section 205 of the Federal Civil Defense Act of 1950, as amended.

Mr. EDMONDSON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I realize there are many conflicting points of view in this body, and across the country, regarding both the mission and importance of civil defense.

With all the requests in the world for this great subcommittee on appropriations, and for its great chairman from Texas, I must register a personal protest over the depth and severity of the cuts in civil defense appropriations. Most of these cuts, I understand, are based on absence of authorizing legislation, and this is indeed regrettable.

In the State and district which I represent, civil defense has done a wonderful job of winning the respect and support of the people. Its performance in disaster situations has been outstanding, and thousands of Oklahomans have benefited from its disaster services.

Because of tornadoes, Oklahomans are particularly sympathetic and responsive to arguments for shelter construction, and some of our communities have led the Nation in shelter construction projects. I am sure the major cut in this item will be deplored in many sections of our State.

For my own part, I continue to hold the view that an effective civil defense program is vital to American preparedness, and a helpful deterrent to actual attack upon our country. No realistic civil defense supporter has ever contended that civil defense is a substitute for military preparedness—and I have consistently supported efforts to strengthen that preparedness—but I have never heard a convincing answer to President Kennedy's argument that adequate civil defense is also highly important to the safety and security of our country.

The cuts in this bill are certain to slow down and impede the programs being made in effective civil defense all over the country, and I hope and trust the other body will restore a substantial portion of these funds.

The Clerk read as follows:

GENERAL PROVISIONS

Appropriations contained in this Act for carrying out civil defense activities shall not be available in excess of the limitations on appropriations contained in Section 408 of the Federal Civil Defense Act, as amended (50 U.S.C. App. 2260).

Mr. GROSS. Mr. Chairman, I reserve a point of order to the language on page 4, beginning at line 5 and running through line 10, pending an explanation from the gentleman from Texas as to the meaning of this paragraph.

Mr. THOMAS. Mr. Chairman, may I say to my friend from Iowa that this deals with radiological instruments, and so forth. It is just a limitation that holds them specifically to the purchase of those items. In other words, it says:

> Appropriations contained in this Act for carrying out civil defense activities shall not be available in excess of the limitations on appropriations contained in section 408 of the Federal Civil Defense Act, as amended.

That is the basic act. I think there is about $35 million for those radiological instruments, and this is just a limitation.

Mr. GROSS. Mr. Chairman, I withdraw my reservation.

The Clerk read as follows:

GOVERNMENT CONTRIBUTIONS, RETIRED EMPLOYEES HEALTH BENEFITS FUND

For payment to the "Retired employees health benefits fund" of Government contributions with respect to retired employees, as authorized by section 4 of the Retired Federal Employees Health Benefits Act (74 Stat. 850), $8,000,000, to remain available until expended: *Provided*, That the unexpended balance of the appropriation granted under this heading for the fiscal year 1962 shall be merged with this appropriation: *Provided further*, That, without regard to the provisions of any other Act, not to exceed $375,000 of the funds in the "Retired employees health benefits fund" shall be available for reimbursement to the Civil Service Commission for administrative expenses incurred by the Commission during the fiscal year ending June 30, 1963, in the administration of the Retired Federal Employees Health Benefits Act.

LIMITATION ON ADMINISTRATIVE EXPENSES, EMPLOYEES LIFE INSURANCE FUND

Not to exceed $255,000 of the funds in the "Employees life insurance fund" shall be available for reimbursement to the Civil Service Commission for administrative expenses incurred by the Commission during the current fiscal year in the administration of the Federal Employees' Group Life Insurance Act of 1954, as amended (5 U.S.C. 2091–2103), including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided*, That this limitation shall include expenses incurred under section 10 of the Act, notwithstanding the provisions of section 1 of Public Law 85–377 (5 U.S.C. 2094(c)).

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to ask the gentleman from Texas, who asked that the unexpended balances be made available, as it appears in line 5 on page 9?

Mr. THOMAS. The Civil Service Commission asked for that.

Mr. GROSS. The Chairman of the Civil Service Commission?

Mr. THOMAS. Yes, the Commission.

Mr. GROSS. Will the gentleman tell me why the committee does not appropriate for administrative purposes in the regular manner instead of in this fashion?

Mr. THOMAS. There is the limitation in the act, as I recall, of 2 percent on administrative expenses. You cannot go beyond that limitation.

Mr. GROSS. Is the gentleman saying, then, that the 2 percent is being exceeded?

Mr. THOMAS. No. It looks like there might be some surplus funds left, and you are reappropriating them. There is a $5.2 million carryover here and you are reappropriating it.

Mr. GROSS. Reappropriating $375,000?

Mr. THOMAS. In this last act we appropriated too much, that was the truth of the matter, so there is a carryover.

Mr. GROSS. Just as in the Federal building program where officials are overestimating the costs of construction and the difference between estimated and actual cost is regarded as a "saving" to be spent without further approval of Congress. Is that similar to this procedure?

Mr. THOMAS. That was a construction contract and this is an insurance contract.

Mr. GROSS. An overestimation becomes a "saving" in the case of public buildings.

Mr. THOMAS. We do not show that as a saving.

Mr. GROSS. Where do you get the word "savings" with respect to public buildings?

Mr. THOMAS. Is the gentleman talking about public buildings or the civil service?

Mr. GROSS. I am talking about the so-called savings in the construction of public buildings.

Mr. THOMAS. That is not involved here.

Mr. GROSS. I understand it is not involved here. But the word "savings" came into the picture on the basis of an overestimation. I merely injected this into it, but we will get back to that some other time.

Mr. THOMAS. We really cut those estimates on the ground that they are not contractor estimates, they are inhouse estimates. We cut them severely sometimes and sometimes we do not.

Mr. GROSS. I hope you will do better in the future.

The Clerk read as follows:

FACILITIES AND EQUIPMENT

For an additional amount for the acquisition, establishment, and improvement by contract or purchase and hire of air navigation and experimental facilities, including the initial acquisition of necessary sites by lease or grant; the construction and furnishing of quarters and related accommodations for officers and employees of the Federal Aviation Agency stationed at remote localities where such accommodations are not available (at a total cost of construction of not to exceed $50,000 per housing unit in Alaska); and purchase of six aircraft; $120,000,000 to remain available until expended: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment of air navigation facilities: *Provided further*, That no part of the foregoing appropriation shall be available for the construction of a new wind tunnel.

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GONZALEZ: Page 11, on line 17, after "instruction" insert the following: "or design."

On page 11, line 18, strike out the period and insert a comma and the following: "or air route traffic control center in an area now served by an air route traffic center."

Mr. GONZALEZ. Mr. Chairman, I believe this amendment will save lives. It will mean the safety of thousands of air passengers. It simply means that something should be looked into as a matter of imperative necessity in this moving about and consolidation and abolition of air route traffic control centers. The proposal to remove the air traffic control center from San Antonio and New Orleans and consolidate it in Houston will cost an estimated $7½ million. The San Antonio center involves a 10-year contract at $162,000 a year. This contract was entered into in the early part of 1959. The FAA now proposes to pay $162,000 until 1969 for a building that will not be occupied and which was constructed less than 3 years ago for occupancy by the FAA for an air route traffic control center.

The FAA Administrator admits that he did not go before the subcommittee to seek the necessary appropriations for this consolidation. He must juggle his available appropriated funds and knock out 136 safety installations that he said were necessary in February. In other words, in order to bring about the elimination of the air traffic control center in San Antonio and New Orleans, it will be necessary to knock out or dispense with 136 safety installations which the same director told the committee, as recently as February of this year, would be necessary for the safety and protection of air travelers in the United States and its possessions. Therefore, Mr. Chairman, this amendment merely says that this tendency toward capricious action which results in the abolition of these air traffic control centers will be dispensed with at least for the time being until this entire matter can be looked into. We know that 136 installations will not be provided for. I cannot tell you which installations they are because the director says that this is privileged information and it is not available to ordinary Members of the House. He says, it is privileged information and you have to have some kind of permission or something from the committee to get it. I believe each one of us has a responsibility to carry out, and each one of us is charged with the knowledge that there are safety angles that have to be considered which, if they go unheeded, can conceivably result in serious air mishaps and accidents with the consequent loss of human life and otherwise great danger to air travelers.

Therefore, Mr. Chairman, I very respectfully, and I hope the committee does not think it is presumptuous for me to do so, ask you to seriously consider the adoption of this amendment.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment, and all amendments thereto, close in 5 minutes, with the committee having 4 minutes of that time.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. THOMAS. Mr. Chairman, I am not an aviator. I am not an expert in these highly technical matters. I doubt if there are very many of that type on this floor today. Here is an agency budget that has in excess of and now listen—in excess of $800 million. It has around 45,000 employees. It has in the neighborhood of 4,500 installations. The safety of hundreds of thousands of people every year is in the hands of this agency. This aviation pattern changes quite often. You all know that the air is saturated now, we are told, and we are spending millions not only in this bill but in past years on research and development in changing these installations. Less than 15 months ago, may I remind my colleagues, there was a big installation that covered seven States in Fort Worth, Tex. The largest part of that installation was removed to Atlanta. A part of this installation was moved from El Paso, Albuquerque, and two or three other places. Of course, they did not come to the committee and ask for permission to do it. We are not experts. We rely on their judgment on these matters of safety—safety, that is the only thing.

Mr. Chairman, I respectfully request that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. Gonzalez].

The amendment was rejected.

The Clerk read as follows:

GRANTS-IN-AID FOR AIRPORTS

For an additional amount for grants-in-aid for airports pursuant to the provisions of the Federal Airport Act, as amended $75,000,000, to remain available until expended, as follows: for the purposes of section 5(d)(1) of such Act, $66,500,000 for the fiscal year 1964; for the purposes of section 5(d)(2) of such Act, $1,500,000 for the fiscal year 1964; and for the purposes of section 5(d)(3) of such Act, $7,000,000 for the fiscal year 1964.

Mr. O'HARA of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'Hara of Michigan: On page 12, strike out all of lines 1 through 9.

The CHAIRMAN. The gentleman from Michigan is recognized in support of his amendment.

Mr. O'HARA of Michigan. Mr. Chairman, the amendment read by the Clerk proposes to strike out the appropriation provided for grants-in-aid for airports. It does not propose to touch the grants-in-aid for airports in liquidation of contracts already authorized and entered into, nor does it in any way affect an appropriation for navigational aids or for air traffic control activities by the Federal Aviation Agency.

The portion of the Federal Aviation Agency program affected by my amendment is that under which matching grants are provided by the Federal Government for acquisition of real estate for new airports or for enlargement of old airports, the paving of runways, the paving of taxiways, the lighting of runways, but not approach lighting or other navigational aids.

Mr. Chairman, I recognize this is a popular program in the House and that the House authorized this program in its amendment to the act a year ago. However, Mr. Chairman, I would say that under the situation which the Congress now faces where the country needs so many things—it needs more defense, and I might add I think it needs more civil defense, it needs more schools, it needs more research, it needs more highways, it needs many, many things which we Members of Congress feel we cannot vote because of the fiscal problems we face and the needs of other programs.

I think this is in the nature of a luxury. I do not think it has been established that the State and local communities could not do this without Federal aid, nor do I think that the number of people benefited justifies the continuation of this program at this time.

Mr. Chairman, I yield back the balance of my time.

Mr. THOMAS. Mr. Speaker, we all have great admiration for our genial friend, the gentleman from Michigan [Mr. O'Hara]. He used the expression that this is a very popular program. I agree with him that it is not only a very popular program but a very useful program.

I respectfully ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. O'Hara].

The amendment was rejected.

Mr. CLEM MILLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe a great number of us share the concern reflected in the remarks of the gentleman from California [Mr. Holifield] and the gentleman from Illinois [Mr. Price], regarding our program of civil defense. I take this time to add emphasis and also to make inquiry of the gentleman from California who has done such a tremendous job in this field and who is an international authority on the subject. I wish to inquire of him about the ebb and flow of popular opinion in the United States regarding civil defense and its relationship to us as Congressmen and as representatives of the people who undertake to implement the program. It is my own feeling that we must view this ebb and flow in relation to what we see as the true need. I would ask the gentleman from California, is it not true that these are basic needs and requirements of a proper program? We should proceed to implement them in a suitable manner to that which a preceding Congress has authorized. Should we not comply with that authorization?

Mr. HOLIFIELD. I have long advocated that the defense of our Nation should proceed without any regard to what Khrushchev does or does not do. I think that applies to military and civil defense. We should have a strong military program and we should set our gears in defense on that program we set up. I support military defense. The same thing is true with civil defense. It is recognized that civil defense is an integral part of the total defense of our Nation. I believe the programs for civil defense should be over a period of years. We should have a consistent support of a sensible and effective program. It should not ebb and flow or rise and fall with the hysteria of the moment, with the international tensions of the moment, and I think we should stick to a planned program throughout.

Mr. CLEM MILLER. Is it not true that a great deal of the experts, a great deal of the backup information which your committee has developed and which has been developed by various agencies of the Government, somehow or other has not found its way into the public conscience; and hence, we should act on the expertise of your committee?

Mr. HOLIFIELD. I think the various committees of the Congress that study things that are complicated issues, problems that are complicated, that is true in every phase of our work up here. We cannot expect the average lay citizen to understand the intricacies of the space program, we cannot expect them to understand the intricacies of governmental matters. I think the expertise that is developed in the various committees of Congress, those committees of

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Congress should set forth the programs and appropriate money.

The President sends up here a request for $50 billion for our military program for 1 year. The average citizen does not know what that $50 billion is spent for, but the committees of Congress, particularly the committee under the able gentleman from Georgia [Mr. VINSON] does study it. They do bring the expertise to the floor for the general membership to act on.

Mr. CLEM MILLER. This civil defense program is the reverse side of the coin of our national defense posture?

Mr. HOLIFIELD. Yes; I think it is the reverse side of our defense program. We are at this time trying to, you might say throw a punch like a boxer in the ring, and we have a defensive side. If we have a glass jaw and we cannot take the punch of the enemy, we will get knocked out before we can throw a punch. I think a good defense posture in our Nation necessitates both the offensive capability to strike a blow and the defensive capability of a Nation, its industry and people, to receive a blow from the enemy.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FEDERAL COMMUNICATIONS COMMISSION

Salaries and expenses

For necessary expenses in performing the duties of the Commission as authorized by law, including land and structures (not to exceed $25,000), special counsel fees, improvement and care of grounds and repairs to buildings (not to exceed $15,000), services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), and purchase of not to exceed two passenger motor vehicles for replacement only, $14,355,000.

Mr. JOELSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to take this occasion to point out to the House something that I think is a very serious omission. The Federal Communications Commission spends a great deal of its time in licensing radio and television stations. About a year ago it came to my knowledge that these stations, although they get the benefit of the licensing regulation, do not pay a license fee of a single cent to the Government.

Mr. Chairman, I introduced a bill to correct this situation. I received a call from Mr. Minow to the effect that he was considering license fees. I do not know whether they are yet in effect, but the fees then being considered were so minimal as to be laughable.

Mr. Chairman, it is my opinion that we should not just give virtual monopolies to these companies and tell them "here are the airways, here is the natural resource for whatever use you want to make of it; there is no limitation on the amounts you can charge the advertisers—and you do not have to pay the Government a red cent."

Mr. Chairman, I think this is very serious. In the District of Columbia I suppose a barber must pay a license fee or a liquor store must pay for a license. We do not give those folks anything except the power to operate. But we give to the television and radio stations the peoples' airways. I say they should pay for it. I am sure if they do, we will not have to come in for such a big appropriation for the FCC next year.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

GENERAL SERVICES ADMINISTRATION

Operating expenses, Public Buildings Service

For necessary expenses, not otherwise provided for, of real property management and related activities as provided by law; rental of buildings in the District of Columbia; restoration of leased premises; moving Government agencies (including space adjustments) in connection with the assignment, allocation, and transfer of building space; acquisition by purchase or otherwise of real estate and interests therein; and contractual services incident to cleaning or servicing buildings and moving; $175,000,000: *Provided*, That this appropriation shall be available, without regard to section 322 of the Act of June 30, 1932, as amended (40 U.S.C. 278a), with respect to buildings, or parts thereof, heretofore leased under the appropriation for "Emergency operating expenses": *Provided further*, That this appropriation shall be available to provide such fencing, lighting, guard booths, and other removable facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its function of protecting the person of the President of the United States and his immediate family, the President-elect, and the Vice President pursuant to Title 18, U.S.C. 3056.

Repair and improvement of public buildings

For expenses, not otherwise provided for, necessary to alter public buildings and to acquire additions to sites pursuant to the Public Buildings Act of 1959 (73 Stat. 479) and to alter other Federally-owned buildings and to acquire additions to sites thereof, including grounds, approaches and appurtenances, wharves and piers, together with the necessary dredging adjacent thereto; and care and safeguarding of sites; preliminary planning of projects by contract or otherwise; maintenance, preservation, demolition, and equipment; $65,000,000, to remain available until expended: *Provided*, That for the purposes of this appropriation, buildings constructed pursuant to the Public Buildings Purchase Contract Act of 1954 (40 U.S.C. 356) and the Post Office Department Property Act of 1954 (39 U.S.C. 2104 et seq.), and buildings under the control of another department or agency where alteration of such buildings is required in connection with the moving of such other department or agency from buildings then, or thereafter to be, under the control of General Services Administration shall be considered to be public buildings.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words, and I ask someone on the subcommittee how extensive will be the fencing, lighting, guard booths, and other removable facilities on private or other property not in Government ownership?

Can the gentleman from Texas [Mr. THOMAS] enlighten me as to how much money will be spent for this purpose and where?

Mr. THOMAS. If the gentleman will yield, we asked the witnesses that very question and they assured us that there is to be expended a very little amount of money, perhaps $400 or $500. They said it had been done in the past at two locations, if memory serves me correctly. But the General Accounting Office pointed out that perhaps there ought to be some authorization and therefore that is the language we came up with.

Mr. GROSS. The gentleman thinks this will be held to the sum of $400 or $500?

Mr. THOMAS. They said it would be very, very trivial.

Mr. GROSS. This poses quite a problem. How does one build a guard booth for even one guard for $300 or $400, when there is something like the sum of $130,000 appropriated for building a few guard booths on the White House grounds?

Mr. THOMAS. I think what it amounts to is this: It might be a little blind on a piece of property that is not owned by the Government.

Mr. GROSS. Does the gentleman mean it might be a duck blind?

Mr. THOMAS. No, no. It would not be that. It would be very temporary in nature. They assured us the amount of money involved would be very, very little.

Mr. GROSS. Of course, what some people might think is a little money might be more than a little to the gentleman from Iowa. The gentleman would not have any way of knowing.

Mr. THOMAS. As well as I recall they indicated it would be $600 or $700 or $1,000.

Mr. GROSS. These fences or guard booths would be built at Palm Beach, or where?

Mr. THOMAS. We understand—I do not want to be technical about it, or partisan—that it has been well understood that we built a few little blinds at a golf course in Atlanta and one over at Gettysburg. Now we want to build one out here for the Vice President and, perhaps, one down in Florida for the President, a very temporary structure, the expense of which is practically nil.

Mr. GROSS. I hope the gentleman will realize that in this provision alone we are dealing with $175 million, and the language of the provision says that any part of the $175 million could be used for the purposes as I have stated.

Mr. THOMAS. I can assure the gentleman that we will watch it closely and we will come back to the House with a report.

Mr. GROSS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CONSTRUCTION, PUBLIC BUILDINGS PROJECTS

For an additional amount for expenses, not otherwise provided for, necessary to construct public buildings projects and alter public buildings by extension or conversion where the estimated cost for a project is in excess of $200,000 pursuant to the Public Buildings Act of 1959 (73 Stat. 479), including equipment for such buildings, $155,325,000, and not to exceed $500,000 of this amount shall be available to the Administrator for construction of small public buildings outside the District of Columbia as the Administrator approves and deems necessary, all to remain available until expended: *Provided*, That the foregoing amount shall be available for public build-

ings projects at locations and at maximum construction improvement costs (excluding funds for sites and expenses) as follows:

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open for amendment at any point.

Mr. GROSS. And also open to points of order at any point, I take it?

Mr. THOMAS. Yes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. ARENDS. Mr. Chairman, reserving the right to object, I would like to ask the Chairman if he intends to finish this bill tonight, regardless how much longer it takes? It is now after 5:30.

Mr. THOMAS. I will say to the distinguished minority whip that we ought to finish in about an hour.

Mr. ARENDS. It just happens that the gentleman cannot stay here that long. We can finish this bill tomorrow. Many other Members are in the same boat. I should prefer that the Committee rise now and finish tomorrow. We have gone along for a considerable time now on this bill and I think we could suspend at this time. However, I shall not make any objection to the gentleman's request.

Mr. THOMAS. If that is the consensus of the Members, it is all right with me.

The CHAIRMAN. Is there objection to the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any points of order to be made to the remainder of the bill?

Mr. GROSS. Mr. Chairman, I make a point of order against the language on page 27, beginning in line 24 and running through line 12 on page 28, as being legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Texas desire to be heard on the point of order made by the gentleman from Iowa?

Mr. THOMAS. No, Mr. Chairman; we admit it is good.

The CHAIRMAN (Mr. BOLLING). The Chair is of the opinion that the matter contains legislation and therefore sustains the point of order.

Mr. GROSS. Mr. Chairman, I reserve a point of order to the language on page 24, line 1, "to be derived from sales of strategic and critical materials during the current fiscal year," and should like an explanation from the gentleman from Texas on that language.

Mr. THOMAS. Mr. Chairman, may I say to my friend that we are changing existing law here, but when we explain it I believe our friend will go along with us, because obviously it is an attempt to save money.

Under existing law, whenever you sell or rotate—they use the word "rotate"—any of these critical materials, 85 or 90 percent of which are running out of our ears; we have two or three times as much as we need—the law is whenever you rotate some of these materials you have to take the money you get from the rotation and buy back the same kind of materials. This language changes existing law, yes; but it says, "No, you are going to use it for overhead and not buy any more." So what it amounts to is that you are saving the taxpayers that much money.

Mr. GROSS. Mr. Chairman, I think I agree with the gentleman, but we differ in one respect. The gentleman sets this out as a saving when it is not a saving. I think it is well to get $18 million from the sale of surplus materials, but I do not like that to be set out as a saving.

Mr. THOMAS. You would have to dig into the Treasury for additional money otherwise.

Mr. GROSS. All right; but it is not a saving when money is spent that otherwise would go into the Treasury. I hope in the future the gentleman will not set it out in his bill as a saving, because it is not.

Mr. THOMAS. I think under a proper accounting system, you have to set it out in that way. However, it is immaterial with us. Anyway, it does not cost the taxpayer any money but it will save them that much money.

Mr. GROSS. Mr. Chairman, I withdraw my reservation on that point of order and reserve a point of order to the language on page 23, beginning in line 12 and running through line 18. And I ask the gentleman, why do not the proceeds of these sales go to the Treasury—these sales of surplus property?

Mr. THOMAS. It could go into the Treasury. Rather than go back in there and create more bookkeeping, we just directed that it be applied to the administrative expense. It could be done, and the gentleman is right about it. It could be done very easily.

Mr. GROSS. I think the function of this committee is to appropriate from the Treasury, not to take funds from these sources as you do in both instances to which I have just called the attention of the House. I think it is your function to appropriate from funds in the Treasury rather than write such provisions as these in appropriation bills. I do not know how the Members are going to keep up if this becomes a common practice.

Mr. THOMAS. This has been carried this way for at least 8 or 10 years and it has been simplified each year. Heretofore part of it was appropriated funds and part of it was from disposal. Now this is all disposal. We can rectify it next year. It does not make any difference.

Mr. GROSS. I withdraw my reservation, Mr. Chairman.

Mr. EDMONDSON. Mr. Chairman, I renew the point of order to this language appearing on page 25, lines 1 and 2, in regard to the sale of pieces of critical material.

The CHAIRMAN. What is the gentleman's point of order?

Mr. EDMONDSON. The point of order is, under the explanation which is given by the Chairman, this is very clearly legislation that could be unfortunate legislation unless clarified. I reserve the point of order in order to question the Chairman again. As I understand the process of rotation, you only rotate critical and strategic materials on which you have deterioration and on which you are going to lose your value unless you do exchange. Some of those include materials which are not in substantial surplus.

Mr. THOMAS. Name one of them.

Mr. EDMONDSON. I think if I had a list of the critical and strategic materials I could name several. I think some of them have been pretty highly classified recently.

Mr. THOMAS. I hope the gentleman will not insist upon his point of order. I realize what he is driving at. He has always been a strong advocate of stockpiling, and so perhaps have all of the rest of us. We have too much in here. Let us not go back to the Treasury and draw out fresh money when we do not need to. Let us use this money to pay overhead expenses. We already owe enough money without dipping in a little bit deeper. We are not doing anything wrong.

Mr. EDMONDSON. The gentleman by this destroys the ability to rotate.

Mr. THOMAS. No.

Mr. EDMONDSON. That I understand is the effect of it if you cannot rotate it.

Mr. THOMAS. That is not the intention. It will not affect it. You can rotate 7 days out of the week anything that could be administered. There is no limitation on the ability to rotate.

Mr. EDMONDSON. I think there are some items on which we are very close to our requirements. We destroy the ability to rotate on them.

Mr. THOMAS. No, it does not affect that.

Mr. EDMONDSON. With that correction I withdraw my point of order, Mr. Chairman.

The CHAIRMAN. Are there further points of order?

Are there further amendments?

Mr. TEAGUE of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TEAGUE of Texas: On page 56, line 17, strike out lines 17, 18, 19, 20, and 21.

Mr. TEAGUE of Texas. Mr. Chairman, this amendment strikes from the bill the limitation on indirect costs of 20 percent of the direct costs of universities and colleges that do research for the space agency. The President of the United States wrote the Speaker a letter asking us not to put this limitation in the bill. The top research director of national defense went before the Subcommittee on Appropriations for the Defense Department and asked them not to put this in the bill. NASA has asked us not to put it in the bill. The National Science Foundation says it should not be in the bill. I read the testimony of the General Accounting Office before the Subcommittee on National Defense, and they asked that it not be put in the bill.

Mr. Chairman, I am sure that every Member of this House would agree that the gentleman from Michigan [Mr. FORD] and the gentleman from Texas [Mr. MAHON] are two of the best informed men in this House. But, I would like to read to you just how confused they were over this particular piece of legislation. In the hearings the gentleman from Texas [Mr. MAHON] said:

The staff report also pointed out that by putting a flat 15 percent on all contracts, the Department of Health, Education, and Welfare eliminated the cost of auditing indirect support costs and pointed out that the Department of Defense spent some $300,000 annually on such audits. It would seem that research grants would be similar in both Departments.

The gentleman from Texas does not say so, but he implies that the cost of auditing would be cut out by this limitation. When the bill was on the floor, the gentleman from Michigan [Mr. FORD] was explaining what would happen in the University of Michigan. He said:

I just wanted to say that although this may not be a perfect solution for every controversial problem, going from 15 to 20 percent will have a very beneficial impact as far as colleges and universities are concerned. I think the University of Michigan, if information given me is accurate, is a good example. I am told they have $5 million a year in HEW contracts, where they have had a 15-percent limitation.

Now the gentleman from Michigan is saying that this would be increased to 20 percent.

The gentleman from Michigan further said:

On the other hand, they have, I think, $250,000 worth of grants under the Defense Department programs. Now with the 20-percent limitation, they would lose some money because they have not had any limitation heretofore. I believe their costs are 30 percent. But they will lose 10 percent of $250,000 but they will pick up 5 percent under the $5 million.

Now the gentleman from Michigan is implying that they would go to 20 percent. That is exactly what would happen with a limitation of this kind.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I am glad to yield to the gentleman.

Mr. FORD. Naturally, the University of Michigan would go above 15 percent to 20 percent because, according to Dean Sawyer's communications to the Defense Department, to the gentleman from Michigan [Mr. MEADER], and to me, it shows that based on their analysis, their costs would be 30 percent. You would, therefore, have to assume that since, based on their figures, it is 30 percent, they would go from 15 percent to 20 percent.

Mr. TEAGUE of Texas. But the truth of the matter is, I believe the gentleman did not understand correctly, that there have not been adequate hearings on this amendment; have there?

Mr. FORD. I must differ with my friend from Texas. I understand perfectly what we did and I was only seeking to explain that the University of Michigan in the overall would probably come out better dollarwise taking into account all its research grants because of a higher indirect cost figure of 20 percent rather than 15 percent only for HEW.

Let me add this. The Defense Subcommittee on Appropriations has been concerned about and studied this problem for some time. Perhaps a percentage limitation is not a perfect solution, but 20 percent is a better arrangement than 15 percent for the colleges and universities.

Mr. TEAGUE of Texas. The moment the gentleman from Michigan said that, the gentleman from Texas jumped to his feet and said, he hoped the great University of Michigan would not find it necessary to go beyond 15 percent for indirect costs.

Mr. FORD. I was very familiar with the alleged cost for the University of Michigan. My good friend and able colleague, the gentleman from Texas [Mr. MAHON], was not and could not be intimately informed as to the statements by officials from the University of Michigan. There is no conflict between the gentleman from Texas [Mr. MAHON'S] attitude or point of view and my own. I just happened to know what the facts were involving the University of Michigan, whereas he was speaking very generally.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MEADER. Mr. Chairman, I ask unanimous consent that the gentleman from Texas may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. TEAGUE of Texas. Mr. Chairman, I am not going to belabor whether this is understood or not, but I want to read to the Members what Dr. Harold Brown, the top research man in the Defense Department, said to the Subcommittee on Defense Appropriations. He gave about two pages of reasons why it should not be in research and development.

The statement referred to follows:

Dr. BROWN. I think that would really create very serious difficulties because each case has to be looked at separately.

(The information follows:)

"The Department of Defense conducts an extensive program of research, development, test, and evaluation work in order to secure the most advanced and effective weapons now and to establish the reservoirs of technical and scientific knowledge upon which to draw for the weapon development of future years. This program is essential to the defense of the Nation. The program is conducted in Government laboratories, and outside in commercial organizations, educational institutions, and scientifically oriented nonprofit organizations.

"Since the goal of our research and development program is the best possible equipment, weapons, and weapons systems, we must seek those firms and institutions which have the best available technical and scientific resources. Competence and a willingness to devote this competence to our work is necessary if the Department is to be assured of the best results at the lowest cost to the Government. The competent contractor or institution will get the work done faster and with better results and this is likely to be less costly in the end.

"Technology is advancing so fast in many fields that the reservoirs of fundamental knowledge are being depleted at a rapid rate. Since educational institutions are the primary source for replenishing these reservoirs, the results of the research performed by these institutions for Department of Defense is most critical to our future advances in technology.

"When research work is performed by educational institutions or other nonprofit organizations, it is usually conducted under cost-reimbursement-type contracts or grants depending upon which of these administrative vehicles is best suited under the prevailing circumstances. Cost-reimbursement-type contracts are used because they are a better vehicle than a fixed-price contract where the results to be achieved cannot be specified in advance and accordingly maximum ingenuity and inventiveness has to be exercised by the competent contractor. This type of contract is used with educational institutions where the research and development is being performed over a long period and requires guidance and supervision to maximize results desired by the procuring agency. Where the cost of the desired effort can be measured in advance with reasonable accuracy and where the work will be performed over a relatively short period of time by educational or other nonprofit organizations, a grant may be used in lieu of a contract.

"It is the need for administrative control and scientific direction as well as the nature of the work which governs the selection of the administrative vehicle used. Grants and contracts are frequently performed side by side by the same personnel and in the same laboratory areas.

"It is the policy of the Department of Defense to pay all applicable costs irrespective of the type of vehicle used to obtain performance of the desired research except for those cases where it is fully understood and agreed to by both parties that cost sharing is desirable. As will be discussed later on, the applicable costs are determined by considering both the direct and indirect costs under the individual circumstances. Therefore, these costs will vary from institution to institution. Under these circumstances, the Department of Defense most strongly believes that flat indirect cost rates would have the effect of distorting the cost base or would force mandatory cost sharing across the board, and would not be in the best interest of the long-range scientific development program. Cost sharing on a selective basis is highly desirable when the results of work performed provide some special benefit to the contractor, or is otherwise equitable to both parties. On this matter, the General Accounting Office has made the following observations:

" 'We concur in the basic policy that in supporting research conducted in institutions of higher learning, agencies of the Federal Government if requested, should reimburse these institutions for the indirect costs associated with the direct cost of research supported. We believe that the agencies, within the broad policy and guidelines established governing the programs conducted by them, should determine the avenues of research to be pursued at their expense and believe it only fair that all cost of such research be a proper charge to the activities so conducted, except, of course, to the extent others are interested in such research and equitable arrangements for a sharing of the cost can be agreed upon.'

"The concept of a mandatory flat overhead rate limitation overlooks the fundamental cost accounting principle that there is no real difference between direct and indirect costs, except for the manner in which they are allocated to the work benefited by their incurrence. The costs of the material directly used in the work and the salaries of people directly employed on the work can be clearly and readily identified and classified as direct costs. Other materials and labor costs serving some general support purpose are not readily identifiable directly with the work but can be reasonably prorated as indirect costs. Both types of costs (direct and indirect) are made up of such elements as salaries and wages, materials, supplies, and services. A dollar of indirect cost is exactly equal to a dollar of direct cost in terms of outlay. The man who fires the furnace that heats the laboratory in which the researcher performs his work contributes in his way to the research just as surely as does the researcher himself.

"There are no hard-and-fast rules governing the division of total costs between those to be treated as direct costs and those to be treated as indirect costs. Consequently, the total costs of a contractor with a high overhead rate could very well be less than the total costs of a contractor with a low overhead rate. In the absence of an artificial stimulus such as a mandatory, fixed overhead rate limitation, the logical and economical division of total costs is a matter dependent on such factors as how the contractor is organized, the nature of his business, how he keeps his books and whether the costs were specifically incurred for a particular purpose such as the performance of a contract or grant or whether they were incurred for common or joint objectives not readily subject to treatment as direct costs of a contract or grant or other activities.

"In the case of educational institutions, the Department of Defense follows the policy of measuring the costs of its grants and contracts in accordance with the cost principles issued for that purpose by the Bureau of the Budget (Circular A-21 issued for Government-wide application). These cost principles provide for fair and equitable costing under the particular circumstances prevailing at educational institutions. This includes a logical division of direct and indirect costs flowing from the fund accounting systems employed by educational institutions.

"In regard to the various questions asked by your committee with respect to the imposition of a 15-percent indirect-cost limitation, if such a limitation were imposed on the funds used to pay for Department of Defense research performed by educational institutions, the institutions might be said to have three alternatives (1) absorb the additional costs, (2) make radical changes in the logical costing pattern (division between direct and indirect costs) in order to get the maximum amount of costs classified as "direct" so they can be reimbursed and increase the base to which the 15-percent rate would apply, or (3) drastically curtail the research activities vital to the defense of the Nation. Actually, in our opinion, the institutions would be forced to curtail Department of Defense research activities because they simply could not afford to absorb the additional indirect costs or install the cost-accounting procedures necessary to change the logical costing pattern.

"In view of the importance of university research to Department of Defense research and development programs as outlined above, curtailment of the university research activity for Department of Defense such as a flat rate would impose, would constitute a serious impediment to the research and development programs vital to the Nation's defense and security.

"It is advantageous to the military not to erode the strength of our educational institutions in their role of developing our national scientific resources. The ability of most educational institutions to share in the support of these increased activities in research is limited since this expansion has grown to the point where only a portion of its cost can be borne adequately by the funds obtained from traditional sources.

"To the extent that the indirect costs in this expanded research program are not reimbursed by the Government, the additional burden thrown on educational institutions would require them to—

"1. Use unrestricted funds from other sources for this scientific research, thus diverting funds from other activities to science, or

"2. Restrict the volume of research in science to the level at which they can carry the portion of costs imposed on them.

"If institutions were required to absorb the nonreimbursed indirect costs of military research, they probably would find it necessary to draw upon other unrestricted funds available to them. Obviously, moneys from 'restricted' endowments and gifts may not be used for this purpose. Since student fees do not ordinarily meet the costs of instruction, the burden, therefore, must fall on those funds normally used to maintain an institutionwide balance in instruction and research; namely, current income from 'unrestricted' gifts and endowments. Any significant drain on this important source of support represents a serious threat to the institution's financial and functional integrity. The difficulty in securing gifts and endowments as sources of income, during the past 15 years, when coupled with the effects of inflation has only served to aggravate the problem.

"The problem of absorbing the indirect costs of research in public institutions is somewhat different but no less pressing. State legislators and citizens expect that State funds will be used first and foremost for student instruction although direct State contributions for research in such fields as agriculture have been substantial and widely approved. While State appropriations may be used to meet some of the nonreimbursed costs of federally supported research, there are real limits on the extent to which this diversion may be permitted by those responsible for the provision of these funds.

"With respect to the question, 'Why should the Department of Defense exceed the payments made by the Department of Health, Education, and Welfare in this field?', the 15-percent limitation attached to Public Health grants caused one university to make a contribution during 1 year of approximately $244,000 in order to make up the difference between overhead costs experienced and the amount permitted under grant funds. The enlargement of the foregoing policy to include a similar limitation on Department of Defense work at this university as well as others would seriously hamper if not halt much research work vital to the national defense effort. Considerations such as these support the President's request that the limitation be removed from the HEW appropriation.

"To further indicate the effect a 15-percent limitation would have on current Department of Defense research, the following examples are listed to show existing overhead rates stated as a percentage of direct salaries and wages and scope of programs at a few of the many universities engaged in Department of Defense research and development:

"Institution	Nature of research	Current overhead rate
		Percent
Massachusetts Institute of Technology	Operations research Program of Polaris guidance systems Electronic physics Air defense research	51.2
Harvard University	Basic research in physics Research and development in acoustics Logistic and computer research Medical sciences research	[1] 30.1
Columbia University	Research and development of underwater warfare Study in the field of geophysics Medical sciences research	38.5
New York University	Physics of combustion Physics of outer space Social sciences research Electromagnetic spectrum research and development	48.0
Princeton University	Research and development in air propulsive systems Research and development in aircraft design	72.0
Johns Hopkins	Guided missile research Research in electronics Medical research Operations research	40.5
University of Chicago	Research and development materials for ICBM reentry Nuclear physics Flight dynamics air weather systems	63.0
University of Illinois	Control systems laboratory Research in electronics	55.0
University of Texas	Airborne fire control system Explosives research	36.0
University of Miami	Oceanographic research	62.8
University of Maryland	Physical research in electronics	40.0
University of California	Oceanographic research Medical research	33.0
Cal Tech	Advanced rocket research Research and development in biochemistry Aerodynamics Missile guidance systems	55.0
Georgia Tech	Research and development in mine countermeasures Research and development in weapons control systems Advanced communications research	61.0
University of Kansas	Research radar pulse technique	48.0
Florida State University	Radio propagation study Basic research in math and physics	42.0
University of Michigan	Battlefield surveillance Project Michigan Electronic countermeasures Influenza research	49.0

[1] Percentage of total direct costs.

"From the above table of examples it is obvious that many very critical areas of research would be seriously jeopardized if an arbitrary reduction in overhead rates to 15 percent were to be effected. The action would involve a Department of Defense university research program of approximately $350 million."

Mr. MEADER. Mr. Chairman, will the gentleman yield for a question?

Mr. TEAGUE of Texas. If the gentleman will let me make this one comment, that we are making a big mistake and we should wait until some legislative committee has had a chance to go into this and determine whether or not it will hinder our defense effort.

I now yield to the gentleman from Michigan.

Mr. MEADER. Will the gentleman give the page number and the number of pages in this statement prepared by Mr. Brown, Assistant Secretary of Defense for Research?

Mr. TEAGUE of Texas. It is page 81 of the hearings before the subcommittee of the Committee on the Armed Services, considering the Department of Defense appropriations for 1963, part 5.

Mr. MEADER. How many pages of that fine print are there?

Mr. TEAGUE of Texas. About half a page on page 81, a full page on 82, a full page on 83, and two-thirds of a page on 84.

Mr. MEADER. I would like to say to the gentleman that the fine print submitted after the completion of the hearings is the only shred of evidence in the weeks upon weeks of hearings by the Appropriations Committee dealing with this subject, and his testimony is all against what the Appropriations Committee is pressing here, namely, to fix a rigid limitation on direct and indirect cost. All the evidence before the committee indicates they should not do what they are doing, yet they propose to adopt this pattern for all our appropriation bills without hearing the facts or at least without considering all the factors that may enter into it.

Mr. TEAGUE of Texas. And there is no testimony in the independent offices appropriation here concerning this program.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield.

Mr. PRICE. I want to support the remarks made by the gentleman from Texas on this important subject. We had the subject before us on the defense appropriation bill. While at that time there was some sort of assurance given us along the lines of the position of the gentleman from Texas this afternoon that there would be an adjustment in this figure. I know the University of Illinois feels, as some of the other universities feel, that this is unrealistic and that there should be an adjustment. I support the gentleman from Texas. Also I think we had some sort of assurance previously that an attempt would be made to adjust these figures.

Mr. TEAGUE of Texas. I think there was an understanding of that kind.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield.

Mr. THOMAS. If I take too much of the gentleman's time, I will ask that he be given whatever time is necessary to complete his statement. Let us see if we cannot come to some agreement. I think the gentleman has made an excellent statement and has certainly made some good strong points.

May I respectfully suggest to my colleague from Texas that he withdraw his amendment now and then you and your committee, you and the gentleman from California [Mr. George P. Miller] and the gentleman from Michigan [Mr. Meader] have a special committee, and I will attempt to appoint my friend, the gentleman from Michigan [Mr. Ford], the gentleman from Texas [Mr. Mahon], the gentleman from Rhode Island [Mr. Fogarty], and myself, and we will meet with the gentleman when you say and where you say, and let us see if we cannot work out something satisfactory to everybody. I am a realist. I know that the gentleman from Texas [Mr. Mahon] is a realist. The gentleman from California [Mr. George P. Miller] is a realist.

And may I say to the gentleman from Michigan [Mr. Meader] when we get back in the House I will ask consent that he may have permission to put in the Record the matter to which he referred. We want to cooperate.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. Teague] may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. The gentleman from Rhode Island [Mr. Fogarty] has been working on this question for 10 or 12 years. From what the gentleman from Texas [Mr. Teague], the gentleman from California [Mr. George P. Miller], and the gentleman from Michigan [Mr. Meader] said, I think we can get together and work this out.

You and I know as a practical matter there is no limitation upon the amount of money involved here. Let us be very frank about that. There is no limitation in the dollar amount involved here. There is a slight limitation here on a very small part of it—maybe too much, I do not know. But let us withdraw the amendment and go to the next session. If the gentleman from Texas or the gentleman from California or the gentleman from Michigan wants to submit something, we will cooperate. I think we can work this out.

Mr. TEAGUE of Texas. Would the chairman agree to some kind of a restriction in the language this year? There is a flat fixed amount.

Mr. THOMAS. What does the gentleman suggest? We are very agreeable. We want to try to get along.

Mr. TEAGUE of Texas. The reason I asked the gentleman that is because grants made last year will be funded by money appropriated this year.

Mr. THOMAS. If it has to be retroactive, all right. We will leave it at 20 percent. That is 5 percent more than they have now. When we come to a final agreement, if there is any deficit, we will make it up.

Mr. TEAGUE of Texas. I am not sure I understand the gentleman's argument. I would like to renew my question. Will the chairman accept restrictive language? As a result of our hearings this morning, we find it does not have a flat fixed fee.

Mr. THOMAS. I have not seen the language.

Mr. TEAGUE of Texas. I will show it to the gentleman.

Mr. THOMAS. The limitation is 15 percent now. This limitation goes to 20 percent. Let it go, and in October we will meet wherever the gentleman from Texas, the gentleman from Michigan, and the gentleman from California designate. My guess is we will agree. According to the fear of my friend from Texas, this goes over until next year. If there is a question, we will make it up. What is more fair than that?

Mr. TEAGUE of Texas. If the gentleman will accept our language——

Mr. THOMAS. I have not seen the language.

Mr. TEAGUE of Texas. You will have to go to conference and that will give us time to hold hearings.

Mr. THOMAS. And we will throw the whole thing out if it does not look right in conference. Let us reserve the right to throw it out in conference.

Mr. TEAGUE of Texas. We want you to leave it like it is.

Mr. THOMAS. No. If it does not look right, we will throw it out.

Mr. GEORGE P. MILLER. I thought I showed it to the gentleman.

Mr. THOMAS. Let us leave the bill as it is. If it is not right, we will remedy it.

Mr. GEORGE P. MILLER. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from California.

Mr. GEORGE P. MILLER. I would like to say that the Committee on Science and Astronautics is very much concerned with this problem. We see that it can have an adverse effect, a very bad effect, upon the work we are doing. We have to depend on universities. Certain studies were made that have come to light as late as March 1962. The study of the National Science Foundation showed that these contracts should be someplace between 28 and 32 percent. The committee has held a hearing this morning on this. It is our intention to go into it. In the meantime I have prepared certain language, but I allowed the gentleman from Texas [Mr. Teague] to precede me.

I ask the chairman of the subcommittee, the gentleman from Texas [Mr. Thomas], if the gentleman would accept this language I have offered? It will tide us over and we would be very happy to accept his proposition to work with all people involved, and that includes a great deal of government, in trying to find the proper solution to this problem.

The CHAIRMAN. The time of the gentleman from Texas [Mr. Teague] has again expired.

Mr. GEORGE P. MILLER. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, continuing from where I left off, this is important. We must have all of the scientific resources of this Nation if we are going to go through with the programs that have been laid out by NASA, by Defense, in order to accomplish our national goals in space and other places. We cannot afford to lose the contributions that universities can make to us. Yet there is some doubt that unless we meet this condition head on we may lose the universities, and they may not be anxious to go into contracts for research grants if this is not done.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. GEORGE P. MILLER. I yield to the gentleman from Michigan.

Mr. MEADER. The gentleman referred to the study of the National Science Foundation in March 1962, which I hold in my hand, relating to indirect cost of research. I call the attention of the gentleman to the paragraphs commencing on page 2 of that document under the heading "Problem of Uniformity."

Mr. Chairman, if my colleagues would take the trouble to read those two paragraphs, they would learn that no two universities or colleges maintain their cost accounting systems on the same basis, because we have some huge universities, we have some State universities, we have universities and colleges maintained by religious orders, we have small colleges and we have privately endowed colleges.

The books of each college are kept in accordance with the character of the institution and the problem which it handles. There is no identity.

Mr. GEORGE P. MILLER. That is correct.

Mr. MEADER. So, when one says 15 percent or 20 percent or 50 percent, one should say 50 percent of what? Since there is no uniformity in the maintenance of their records and costs, you cannot have a uniform, rigid percentage limitation. It will operate unfairly in the case of one institution and it will operate too generously in the case of another institution, depending upon the manner in which they keep their books.

Mr. Chairman, if we attempted to establish uniformity, it will involve the intrusion of the Federal Government into the management devices of institutions of higher learning. I do not think that the bureaucracy should takeover and run the universities and colleges of this country. But that is what this type of approach leads to. I think it should be considered very carefully before we take the solemn action of adopting it as law.

Mr. GEORGE P. MILLER. I agree with the gentleman. May I say that some of the regulations now governing this A-21 were adopted before this study was made. This study made use of that in an effort to just try to get some flexibility which is so necessary which the gentleman from Michigan [Mr. MEADER] has so well pointed out.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GEORGE P. MILLER. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. Mr. Chairman, I join with my colleague the gentleman from Illinois [Mr. PRICE] and my colleague the gentleman from Michigan [Mr. MEADER] in support of the amendment offered by the gentleman from Texas [Mr. TEAGUE]. The University of Chicago is in the district that I have the honor to represent, and I am proud of the outstanding contribution the university has made to the Nation and mankind in its research work. I am informed that the limitation on overhead expense will make it extremely difficult, if not impossible, to continue with research so vital to the Nation's security, health, and welfare.

It well may be that a system of accounting can be worked out shifting a large share of that which is now included in overhead expense to direct expense. But this cannot be done overnight. It cannot be done in the twinkling of an eye. It would be a tragedy, and a tragedy that history could neither understand nor excuse, if at this critical time our research program should bog down, hopelessly bog down, because those with good intentions put haste in priority to considered study.

Certainly this is altogether to important a matter to reach a decision and a determination on permanent policy without the committee hearings and study that are uniformly given to matters of much less consequence. I hope that the gentleman from Texas will insist on his amendment going to a vote; and, if he does, I trust that the amendment will be adopted.

I appreciate the great and dedicated interest of the gentleman from California [Mr. GEORGE P. MILLER] and certainly his counsel against hasty action, coming from one with a wide experience and profound knowledge in the field over which the committee of which he is chairman has jurisdiction must carry weight with all its colleagues.

Mr. GEORGE P. MILLER. I am going to ask the gentleman from Texas [Mr. THOMAS] if he will accept a compromise, until we can work this out, to strike out 20 percent and insert 25 percent, and I will withdraw the amendment. Mr. Chairman, I include at this point a statement of indirect costs of research and development in colleges and universities prepared by the National Science Foundation:

INDIRECT COSTS OF RESEARCH AND DEVELOPMENT IN COLLEGES AND UNIVERSITIES, FISCAL YEAR 1960

PRELIMINARY

A significant segment of the costs of federally sponsored research and development in colleges and universities consists of indirect expenses or what has often been described as "overhead." In fiscal year 1962, total indirect costs of federally sponsored research and development in colleges and universities will amount to an estimated $175 million. (This amount is computed on the basis of the Bureau of the Budget Circular A-21 as described under "Scope and Method.") Approximately 47 percent or $83 million of the estimated $175 million represents the indirect costs of federally sponsored research grants; the balance covers indirect costs of Federal research and development contracts. Under current Federal practices $47 million of the $83 million in indirect costs of research grants will come from the Government and an additional $36 million represent the necessary contributions of the colleges and universities themselves. (See chart 1.)

A foundation study of indirect costs determined that in fiscal year 1960 the national weighted average of indirect cost rates of Federal research and development contracts and grants was 28 percent of direct costs for large colleges and universities and 32 percent for small colleges and universities.[1] Of course, the average does not mean that all institutions are being reimbursed at that rate. In fact, most of the institutions had indirect cost rates differing from the national average. Although these rates vary, to insure full Federal financing on an aggregate basis, it appears that it would be necessary to provide 28 percent of the direct costs, or the national indirect cost rate computed on the basis of Circular A-21.

CHART 1.—*Indirect costs of federally sponsored research and development in colleges and universities, by source of support, fiscal year 1962 (based on Bureau of the Budget Circular A-21)*

[Millions of dollars]

Total indirect costs	175
Federal funds for research and development contracts[1]	92
Federal funds for research grants	47
College and university funds for research grants	36

[1] Generally, the indirect costs of research and development contracts are completely covered by Federal funds, except that slight variations may occur due to negotiation of individual contracts.

SCOPE AND METHOD

As part of its economic and statistical program, the National Science Foundation conducts studies of colleges and universities to evaluate the resources employed in the conduct of research and development. Such studies serve the interests not only of the Foundation but also of other Federal agencies which are involved in college and university research either by directly sponsoring such research or through their interest in formulation of Federal science policy.

The study reported herein concerns indirect costs of federally sponsored research and development in colleges and universities. Indirect costs are those which, because of their general or supporting nature, cannot be directly assigned to a particular service performed. They include such costs as administrative expenses, plant maintenance, heat and light, allowance for use of buildings and equipment, library expenses, and other allowable indirect costs. Although these costs are not incurred solely as a result of research and development and thus are joint with other educational activities of the institutions, they are part of the total costs of research and development. (For further discussion, see "Technical Notes.")

As previously noted, indirect costs were determined according to Bureau of the Budget Circular A-21, a document which provides the principles and guidelines for the computation of the indirect cost rate of federally sponsored research and development.[2] The procedures described in this document are those which the Federal agencies having research and development contracts with colleges and universities generally employed during the year of the survey, fiscal year 1960.[3]

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[1] See "Scope and Method" for definition of large and small colleges and universities.

[2] This document supersedes the formulas set forth in "Section XV, Contract Cost Principles, Armed Services Procurement Regulations," commonly called the Blue Book. A small number of institutions, however, still compute the indirect cost rate for specific research projects initiated prior to the development of Circular A-21, according to Blue Book procedures.

In order that an undue burden not be placed in institutions with relatively small shares of Federal research and development funds, Circular A–21 provides two systems of computation. For large colleges and universities, i.e., those with $250,000 or more in direct costs, a comprehensive and detailed procedure is generally employed, the results of which are subject to an audit by and negotiation with a Federal agency. This cognizant agency is authorized to negotiate with the institution the rate which shall prevail for all Federal agencies employing the principles of Circular A–21 for indirect costs of research and development.

For institutions with a relatively small volume of Federal research and development, i.e., less than $250,000 of direct costs, an abbreviated procedure is available under Circular A–21, which makes use of the institution's published financial reports and/or readily accessible internal records. The indirect cost rates computed by this procedure primarily reflect rates appropriate to the overall operations of the institution rather than to research and development exclusively.

This Foundation study is based wholly on data from primary sources. It includes 200 colleges and universities in the United States and Puerto Rico which were engaged in research and development sponsored by Federal agencies during fiscal year 1960.

The bulk of the Federal contracts and grants for research and development going to all colleges and universities is concentrated in 100 institutions. These 100 large colleges and universities have an established indirect cost rate for federally sponsored contracts.

From each large institution, data were requested separately for two major components, the medical and engineering schools, as well as for the entire institution.

One hundred small colleges and universities were studied on an overall institutional basis, using the abbreviated procedures set forth in Circular A–21, revised January 7, 1961.

For all institutions, the data were requested only for federally sponsored research and development for which Circular A–21 (or the Blue Book) procedures were appropriate. Data were omitted, for example, from Federal contract research centers in which fixed-price contracts prevail, e.g., the Applied Physics Laboratory under Johns Hopkins University. Also omitted were U.S. Department of Agriculture funds in agricultural experiment stations, for which Circular A–21 and Blue Book principles were also not applicable.

As of March 1962, 93 of the large and 82 of the small institutions had provided usable data. This is 87.5 percent of the institutions studied, and in terms of Federal dollar research expeditures this response is estimated to account for over 95 percent of total federally sponsored research and development in all colleges and universities. Thus, the inclusion of data from nonrespondent institutions would not alter the patterns.

PROBLEM OF UNIVERSITY

When an attempt is made to compare indirect cost rates of individual institutions, difficulties arise from the lack of common denominators in both the items to be charged as indirect costs and the items comprising the direct cost base. Each institution has its own characteristic fiscal structure, and, consequently, procedures vary for handling certain allowable costs in the computation of indirect cost rates. Problems of applying uniform statistical methods to a large number of individual variables of cost were great. In this study, it has not been completely possible to rule out or establish controls over the institutional differences in accounting for identical items of costs. A highly selective statistical procedure was necessary if the important recorded items of cost were not to lose significance through scattering.

By means of Circular A–21, one of the most widely used and tangible measures of indirect costs, significant items of costs were identified and a uniform system was established in the schedules for recording these major costs. By adjusting for certain costs such as employee benefits, reasonable common denominators were obtained for both the direct and indirect cost bases.

It should be emphasized at this point that caution must be exercised in making direct comparisons of the levels of research and development indirect cost rates of large versus small schools. Since the method and procedures used in computing the rates for small schools differ from those employed by the large institutions, a number of technical accounting adjustments would be necessary in order to standardize and compare the computations for the two groups of institutions. To this extent, therefore, the indirect cost rates of the small schools cannot be compared directly with those of the large schools.

NATIONAL AVERAGE INDIRECT COST RATE

Large colleges and universities: In fiscal year 1960, the weighted average indirect cost rate of Federal research and development was 28 percent of direct costs in large colleges and universities, according to the computations based on the principles of Circular A–21. Under these principles, the 28-percent rate or the funds it represents would have been adequate to cover, on an aggregate basis, the computed indirect costs of federally sponsored research and development conducted at colleges and universities. Since rates in individual institutions vary above and below the national average, the 28-percent rate would in some cases provide for more and in other cases less funds than the funds provided for by the overall average.

Table 1 distributes the 93 respondent institutions and their Federal research and development expenditures by classes of indirect cost rates. It is important to note that employee or fringe benefits are included in the direct costs. Further, the classes of indirect cost rates of the different colleges and universities cannot be compared meaningfully for national purposes unless the established rate of each institution, within these classes, is related to the institution's volume of Federal research and development operating expenditures. Thus, a weighting procedure was employed to determine the national average in which the established rate of each institution was related to its volume of Federal research and development operating expenditures.

Table 1 reflects the differences in the level of indirect cost rates prevailing in the various colleges and universities. It is significant that only 8 of the 93 institutions, aggregating 3.3 percent of total Federal research and development funds, each had an indirect cost rate of less than 20 percent of direct costs. Sixty-nine schools each had an indirect cost rate of 25 percent or greater of direct costs. Federal funds for research and development in these schools amounted to $241 million, or two-thirds of total Federal funds. Among the 16 institutions which had an indirect cost rate from 20 to 24.9 percent of direct costs, 7 were colleges and universities with rates at the upper limit of this range, 24 percent or over.

TABLE 1.—*Rates of indirect costs as percentages of direct costs in 93 large colleges and universities, by class of indirect cost rates, fiscal year 1960*

[Based on Bureau of the Budget Circular A–21 [1]]

Indirect cost rates as percentages of direct costs (employee benefits are included as direct costs) [2]	Number of colleges and universities	Federally sponsored R. & D. operating expenditures (thousands of dollars)	Percent distribution	
			Number of colleges and universities	Federally sponsored R. & D. operating expenditures
Total	93	362, 529	100. 0	100. 0
Less than 18	3	3, 459	3. 3	1. 0
18 to 19.9	5	8, 163	5. 4	2. 3
20 to 22.9	5	32, 344	5. 4	8. 9
23 to 23.9	4	22, 677	4. 3	6. 3
24 to 24.9	7	54, 683	7. 5	15. 1
25 to 29.9	31	121, 886	33. 3	33. 6
30 to 34.9	20	60, 577	21. 5	16. 7
35 to 39.9	10	48, 286	10. 7	13. 3
40 to 44.9	6	9, 606	6. 4	2. 6
45 to 49.9	1	531	1. 1	. 1
50 or more	1	317	1. 1	. 1

[1] In a few cases, the rate is based on the blue book.

[2] Weighted average indirect cost ratio, 28.2 percent.

NOTE.—Detail may not add to totals because of rounding.

Small colleges and universities: As already described, the small colleges and universities, that is, those having less than $250,000 in direct costs for federally sponsored research and development, generally had no established indirect cost rates. The schedules used for obtaining data from the small schools recast the abbreviated procedures of Circular A–21 into a common format in order to provide comparable bases for computation of indirect cost rates.

Analysis of the data in table 2 suggests that, within the technical accounting differences indicated previously, the average indirect cost rate of the small colleges and universities can be considered to be greater than the rate existing in the larger colleges and universities. During fiscal year 1960, the overall weighted average of indirect costs of federally sponsored research and development for the 82 small schools amounted to 32 percent of direct costs. Over 90 percent of these institutions computed an indirect cost rate of 25 percent or more.

TABLE 2.—*Rates of indirect costs as percentages of direct costs in 82 small colleges and universities, by class of indirect cost rates, fiscal year 1960*

[Based on Bureau of the Budget Circular A–21, abbreviated procedure]

Indirect cost rates as percentages of direct costs [1]	Number of colleges and universities	Federally sponsored R. & D. operating expenditures (thousands of dollars)	Percent distribution	
			Number of colleges and universities	Federally sponsored R. & D. operating expenditures
Total	82	14, 827	100. 0	100. 0
Less than 18	1	162	1. 2	1. 1
18 to 19.9	3	1, 849	3. 7	12. 5
20 to 22.9	1	247	1. 2	1. 7
23 to 23.9	1	174	1. 2	1. 2
24 to 24.9	---	---	---	---
25 to 29.9	15	3, 913	18. 3	26. 4
30 to 34.9	13	2, 562	15. 8	17. 3
35 to 39.9	23	3, 071	28. 0	20. 7
40 to 44.9	9	1, 662	11. 0	11. 2
45 to 49.9	11	969	13. 4	6. 5
50 or more	5	218	6. 1	1. 5

[1] Weighted average indirect cost rate, 32 percent.

NOTE.—Detail may not add to totals because of rounding.

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[3] The principles of Circular A–21 were generally used as the basis for determining contract research indirect costs in 1960. Indirect cost rates of Federal grants in 1960 had generally been established by agencies as a standard flat percentage of total direct costs.

SOURCES OF SUPPORT

The overall indirect cost rates as determined in this survey were influenced considerably by the amount and sources of support. Thus, it is pertinent in this context to discuss briefly Federal support of research and development at the large and small colleges and universities.

Large colleges and universities: During fiscal year 1960, the 93 institutions analyzed in this bulletin spent $363 million under Federal contracts and grants for research and development. Nearly three-fifths (57 percent) of the funds was designated for contract research; the balance supported grant programs.

As might be expected, about three-fourths of the funds for contracts represent programs of the Department of Defense and a similar proportion of grant funds represents programs of the Department of Health, Education, and Welfare.

From the data in table 3, one can appraise the general effect that a 28-percent rate for indirect costs would have both on the schools and the Federal Government. The large volume of grant funds, received primarily from Federal agencies having an indirect cost rate of less than 28 percent, indicates that in 1960 colleges and universities shared considerably in financing the indirect costs of federally sponsored research grants.

TABLE 3.—*Operating expenditures for separately budgeted research and development in 93 large colleges and universities, by source of Federal support for contracts and grants, fiscal year 1960*

[Dollar amounts in thousands]

Source of support	Amount			Percent distribution		
	Total	Contracts	Grants	Total	Contracts	Grants
Total	$362,529	$208,109	$154,420	100.0	100.0	100.0
Atomic Energy Commission	39,254	35,761	3,493	10.8	17.2	2.3
Department of Defense	154,487	153,829	658	42.6	73.9	.4
Department of Health, Education, and Welfare	114,536	3,920	110,616	31.6	1.9	71.6
National Science Foundation	35,864	188	35,676	9.9	0.1	23.1
Other	18,388	14,411	3,977	5.1	6.9	2.6

NOTE.—Detail may not add to totals because of rounding.

Table 4 shows calculations of the amount of total indirect costs of research grants borne by the Federal Government and by the institutions themselves in 1960 and the estimated amounts for 1962. These calculations suggest that in financing the indirect costs of Federal research grants for 1960, for every $1 made available for this purpose by the Government, $1 was made available by the colleges and universities from their own funds. By the use of estimated obligations and the weighted average of 28 percent of direct costs, based on the principles of Circular A-21, the total indirect costs of Federal research grants in fiscal year 1962 can be estimated as amounting to a projected $83 million. On the basis of current reimbursement practices for research grants, the Federal Government will make available an estimated $47 million for this purpose. Consequently, unless additional Federal funds are earmarked for indirect costs, colleges and universities will be required to invest $36 million of their own funds in covering the computed indirect costs of federally sponsored research grants.

Small colleges and universities: The grant form of support, rather than the contract form, is used more by the small school than by the large institution. In fiscal year 1960, more than three-fourths (76 percent) of Federal research and development funds expended at small institutions represented grants for research. The comparable percentage for large schools was 43 percent. Consequently, the contributions by the small schools to the indirect costs of research and development probably represent a larger proportion of their total indirect costs of research and development than in the case of the larger institutions. The Department of Health, Education, and Welfare and the National Science Foundation are the principal agencies supporting research at these small colleges and universities through research grants (table 5).

TABLE 4.—*Indirect costs of federally sponsored research grants, fiscal years 1960 and 1962*

[Based on Bureau of the Budget Circular A-21 and the 1960 weighted average indirect cost rate, 28 percent]

	Estimated indirect costs for research grants, 1960	Estimated indirect costs of research grants planned, 1962 (Federal reimbursement rate based on 1960 agency practices)
	Millions	*Millions*
Total indirect costs	[1] $43	[2] $83
Federal reimbursement	22	47
University contribution	21	36

[1] Based on an estimated total for research grants in colleges and universities of $198,000,000.

[2] Based on a planned total for research grants in colleges and universities of approximately $380,000,000.

TABLE 5.—*Operating expenditures for separately budgeted research and development in 82 small colleges and universities, by source of Federal support for contracts and grants, fiscal year 1960*

[Dollar amounts in thousands]

Source of support	Amount			Percent distribution		
	Total	Contracts	Grants	Total	Contracts	Grants
Total	$14,827	$3,533	$11,294	100.0	100.0	100.0
Atomic Energy Commission	1,300	496	804	8.8	14.0	7.1
Department of Defense	2,088	1,986	102	14.1	56.2	.9
Department of Health, Education, and Welfare	6,742	235	6,507	45.5	6.6	57.6
National Science Foundation	3,645	--------	3,645	24.6	--------	32.3
Other	1,052	816	236	7.1	23.1	2.1

NOTE.—Detail may not add to totals because of rounding.

TECHNICAL NOTES

Below are the definitions of direct costs and indirect costs as set forth in Circular A-21 which was used as a basis for the 1960 survey:

Direct costs

Direct costs are those identified as having been specifically incurred to perform a particular research agreement. The general types of direct costs are:

(a) Direct salaries and wages, including employee benefit expenses and pension plan costs to the extent that they are consistently treated by the educational institution as a direct rather than an indirect cost, are those applicable directly to the performance of a research agreement. Such salaries and wages should be charged at the actual rates paid by the institution. Where professional staff paid on a salary basis work directly part time on a research agreement, current and reasonable estimates of time spent may be used in the absence of actual time records.

(b) Direct material costs include raw materials, purchased or supplied from stock, which are directly consumed or expended in the performance of a research agreement, or are otherwise applicable directly to a research agreement.

(c) Other direct costs include other expenses related directly to a particular research agreement or project, including abnormal utility consumption. This may include services purchased from institution service operations, provided such are consistently treated as direct rather than indirect costs and are priced under a recognized method of costing or pricing designed to recover only actual costs and conforming to generally accepted cost accounting practices consistently followed by the institution. Purchases of equipment will be included under this heading only to the extent expressly provided for in the research agreement or approved pursuant to such agreement.

Indirect costs

Indirect costs are those which, because of their incurrence for common or joint objectives, are not readily subject to treatment as are direct costs of research or other activities. The general types of indirect costs are:

(a) General administration and general expenses are those incurred for the general executive and administrative offices of educational institutions and other expenses of a general character which do not relate solely to any specific division of the institution. Employee benefit expenses and pension plan costs may be included in this category to the extent that they are consistently treated by the educational institution as an indirect rather than a direct cost.

(b) Research administration expenses are those which apply to research administered in whole or in part by a separate organization or an identifiable administrative unit. Examples of work relating to research which is sometimes performed under such organizational arrangement are: contract administration, security, purchasing, personnel administration, and editing and publishing of research data.

(c) Operation and maintenance expenses are those incurred for operating and maintaining the institution's physical plant. They include expenses normally incurred by the institution for administration or supervision of the physical plant; janitorial service; repairs and ordinary or normal alterations of buildings, furniture and equipment; care and maintenance of grounds; utilities; and other expenses customarily associated with the operation, maintenance, preservation, and protection of the physical plant.

(d) Library expenses are those incurred for direct operation of the library plus a use allowance for library books. The use allow-

> ance shall not exceed 8 cents per volume per year.
>
> (e) Use allowance is a means of compensation for the use of buildings, capital improvements, and equipment over and above the expenses for operation and maintenance when depreciation or other equivalent costs are not considered. The use allowance for buildings and improvements shall be computed at an annual rate not to exceed 2 percent of acquisition cost. The use allowance for equipment shall be computed at an annual rate not exceeding 6⅔ percent of acquisition cost of usable equipment in those cases where the institution maintains current records with respect to such equipment on hand. Where the institution's records reflect only the cost (actual or estimated) of the original complement of equipment, the use allowance shall be computed at an annual rate not exceeding 10 percent of such cost. In those cases where no equipment records are maintained, the institution will justify a reasonable estimate of the acquisition cost of usable equipment which may be used to compute the use allowance at an annual rate not exceeding 6⅔ percent of such estimate. Computation of the use allowance shall exclude the portion of the cost of buildings and equipment paid for out of Federal funds and the cost of grounds.
>
> (f) Indirect departmental expenses are those incurred for departmental administration, such as salaries of deans or heads of colleges, schools, departments or divisions, and related secretarial and other administrative expenses.

Mr. THOMAS. Mr. Chairman, we want to get along with our distinguished friends. I think I can speak for the committee. In the absence of any objection, the committee will accept it. But I am sure the gentleman from Michigan [Mr. Ford], the gentleman from Pennsylvania [Mr. Fulton], and the gentleman from New York [Mr. Ostertag] will want some time on this subject and we shall see that they get it.

Mr. LIBONATI. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The CHAIRMAN. Is these objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LIBONATI. Mr. Chairman, in view of the fact that amendment No. 29 provides for a limitation of 20 percent on indirect expenses on research grants instead of 15 percent as proposed by the House—in the conference report on H.R. 11289, it is still the consensus of opinion that the proposed increase of 5 percent does not solve the question of the present insufficiency of reimbursement of indirect research costs as it relates to the programs at the university level under the various departments of Government adhering to this formula.

The Bureau of the Budget issued in 1958 a set of principles for the calculation of indirect costs of educational institutions that are applicable to research contracts and grants. The Bureau requested that all Federal agencies use this method of computation. The Department of Defense and most other agencies have been able to do so. The Department of Health, Education, and Welfare has been a notable exception.

At present HEW limits reimbursement of indirect costs to 15 percent of the direct cost. At the University of Illinois a percentage of total costs computed under the formula set forth by the Bureau of the Budget would indicate a reimbursement of approximately 35 percent of the total direct costs.

Interpreted into dollars, this means that the university would have been entitled to $700,000 more than it received for indirect costs on contracts which it handled for HEW in the year ended June 30, 1961.

May I reiterate my statements recorded in the body of the Record on April 18, 1962, page 6931, in discussing this point during the passage of H.R. 11289 as follows:

> The universities have accepted the principles set forth by the Bureau of the Budget, and it is difficult to understand why these principles should not be applied by all Federal agencies. On the other hand, it is recognized that such a move at this time from past policy of HEW to the other formula could cause considerable budgetary difficulty. As a compromise, therefore, it would seem appropriate that the adjustment might be made in several steps, with HEW moving first to a reimbursement rate of 25 percent of total direct costs, and in the subsequent year, to full reimbursement based upon the principle set forth by the Bureau of the Budget.
>
> I have received telegrams and other correspondence from the major educational organizations urging the Congress to remove the 15-percent limit on indirect research costs, and the University of Illinois and the University of Chicago have joined in this position; my personal attitude is that under the present budgetary problems that the above suggestion for realizing the change in several steps would be a reasonable procedure to standardize the equities involved.

I wholeheartedly support the George Miller of California substitute amendments drawn by the Committee on Science and Astronautics and ably supported by its distinguished sponsor and chairman, the gentleman from California [Mr. George Miller] and member, the gentleman from Texas [Olin Teague], in this debate on the floor, although the 25-percent provision of this substitute amendment to section 540 of the Defense appropriation bill—being raised from 15 percent to 20 percent under the conference report—is not sufficient to meet the tremendous indirect costs of research to the universities, yet it is an incentive to them to carry on.

A 30 percent would better stabilize their financial position.

The Department of Defense is now paying an average of 32.6 percent in direct costs. The bill would mean a reduction of costs—$1 million for Army research and $3 million for the Air Force research. These savings to the Government are loaded upon the already overburdened and financially critical educational institutions. The universities that are tax supported will fall back upon the State legislature for this added expense—an expense resulting from research work for the Department of Defense. Certainly as a practical matter we can predict that the Department of Defense will hereafter conduct its own research in its established laboratories or schools—if the Congress appropriates millions for this purpose—for the present arrangements with the universities will be canceled.

Thus in total effect this limitation reducing by over 17.6 percent the present consideration given for this exceptional service and use of apparatus, student body, scientists, and so forth, including all facilities and material used in the experimental tests, dooms in the future, university participation in the much needed field of research for Government agencies. The committee is flirting with a dangerous and sensitive field which in scientific activity lists hundreds of advancements for the preservation of the Republic and the security and development of the economy.

It is time for a special committee to conduct a thorough study in this area and set up a formula to solve this important problem—otherwise the universities will be forced to withdraw from the research field. A table of classified institutions at the various research levels could be established with a list of allowable expenses to be charged to the Government. Those general services could be determined by percentages to be paid by the Government in part and by the university. Any special service costs could be presented to the proper committee of the Congress having jurisdiction of the subject matter of the research in question.

We must be practical about these matters and so determine in an official manner the true costs to be borne by the Government so that the universities will not suffer financially in rendering a most scientific and patriotic service. It is also important that students receive the highest type of research training in a scientific area—developing their minds and talents in solving the mysteries of science.

This research work must go on for the security of the Nation.

Mr. FORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FORD. Mr. Chairman, has the gentleman from California [Mr. George P. Miller] offered an amendment to increase the amount from 20 to 25 percent, or has he had only a colloquy with the gentleman from Texas?

Mr. GEORGE P. MILLER. Mr. Chairman, I have had only a colloquy with the gentleman, but I shall offer the amendment, if it is acceptable.

The CHAIRMAN. In response to the parliamentary inquiry, the gentleman has not offered such an amendment. The amendment pending before the Committee is the amendment offered by the gentleman from Texas [Mr. Teague].

Mr. THOMAS. Mr. Chairman, I ask unanimous consent for the gentleman from Texas to withdraw his amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GEORGE P. MILLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. George P. Miller: On page 56, line 20, strike out "20" and insert "25".

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was agreed to.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I did not object to the amendment, but I would like to have on record what we have done. This involves $1 billion worth of defense money throughout the Government; 25 percent of that is involved as an additional administrative cost factor or $250 million. Previously the figure in the Department of Defense was 15 percent. It was moved in the current bill in conference, under the Defense Department appropriation bill, to 20 percent. Now an amendment has been accepted on this bill which increases this to 25 percent.

That means that if a university or college gets, not a contract but a grant—you should say grant, not contract—for $100,000, immediately they are entitled to 25 percent to be added to the $100,000 grant for indirect or administrative expenses.

The Department of Defense budget has already passed. That has in it a 20-percent figure. I should like to ask the gentleman from Michigan [Mr. FORD], if that is not correct; because now you have got the Department of Defense at 20 percent and every other agency covered in this appropriation bill in the Government at 25 percent, added indirect cost. Is that correct?

Mr. FORD. Mr. Chairman, the gentleman from Pennsylvania [Mr. FULTON] is accurate in that the Department of Defense appropriation bill just approved does provide for a 20-percent limitation on indirect costs for research grants. The HEW bill passed this body a month or so ago and had a 15-percent limitation. This bill has not gone to conference yet with the Senate. So the HEW bill could be and probably will be increased to 20 percent. I think it would be most unfortunate if we ended up with certain agencies of the Government having a 15-percent limitation, others 20 percent, and still others 25 percent.

Mr. Chairman, I am not so sure that all of us fully understand what we are talking about. We had a conference last week with our distinguished conferees from the other body on the appropriation bill for the Department of Defense. The House limitation was 15 percent. The Senate bill did not have a limitation. So the conferees had complete flexibility. The Senate started out by standing firm. One of their most distinguished Members gave this illustration of what we were actually talking about. This is what he used as an example: He said a university makes a research grant proposal to the Department of Defense. In other words the university has a project that they think is attractive to Defense that would cost $10,000 in direct costs. The $10,000 would pay for all direct costs to carry on the project.

But in addition to the direct costs, the university wanted $7,000 more in indirect costs or overhead. When this distinguished Member of the other body used this illustration, our brothers from the other side of the Capitol understood the merit of our position and we agreed at 20 percent.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. FULTON was allowed to proceed for 5 additional minutes.)

Mr. FORD. The facts show that our colleges and universities have a wide variation and fluctuation in their indirect costs. Some of them include a larger percentage of the president's salary and the janitor's wages. Others tie in as indirect costs or overhead a variety of items. There is one university that uses 72 percent of indirect overhead costs over and above the actual direct cost of the contract to do the work. Others go down as low as 7 or 8 percent. This is what we are concerned about, the wide fluctuation. We think there ought to be some degree of uniformity so the Defense Department can deal with some certainty and get a reasonably square deal for the Federal Government. Let us not depend on interpretations of variations in the accounting systems. Some of us have some fear and apprehension about the wide variations between the colleges and universities. We believe Uncle Sam ought to pay every dollar for what he gets, but let us study the problem in the months ahead to find a fair solution. In the meantime a 20-percent limitation is an improvement over the HEW.

Mr. FULTON. The point I was making with the gentleman from Michigan was this, and I say this to the subcommittee so that in conference it can be worked out. We should not have various rules in various departments in the Federal Government that are different in percentages varying from 15 percent in the Department of Defense and HEW to 20 percent in the National Aeronautics and Space Administration, the National Science Foundation, and others, in these grants to universities and colleges for these indirect expenses, which are then added on to the grants after the grant is made.

Second, we should have uniform accounting procedures within the colleges and universities so that every college and every university comes up with the same type of figures, and we do not have them.

Third, we should not leave it simply to the judgment of the administrators of the respective agencies involved. It should be under the section 21(a) regulation of the Bureau of the Budget so that we get uniform Bureau of the Budget procedures in this instance.

The trouble with the 25-percent amendment is not that it is generous, because we have had a recent study under the National Science Foundation saying that on a weighted average it would be about a 28-percent percentage for these indirect costs. We must realize, too, that these indirect costs are often hitting the smaller institutions more than they are the bigger institutions.

Let me show you the difference there is among institutions. There is, for example, the 72-percent one that I will not identify. Massachusetts Institute of Technology has 51.2 percent added to every grant it gets for indirect costs; Harvard, 30.1 percent; Columbia, 38.5 percent; Johns Hopkins, 40.5 percent; University of Chicago, 63 percent. And that is not a bad indirect cost when you add 63 percent to something you are getting for nothing for doing research and development.

My recommendation is this, not that we put the 25 percent in the conference report but that we use it as a method of arriving at a system for hardship cases where the particular institution can show hardship to the administrator of the respective agency and that hardship is certified to by the administrator of the respective agency.

Then under the Bureau of the Budget procedures, it is a uniform procedure for every college and university. We should move in that direction for exceptions. The final point is this: The Science and Astronautics Committee has had only one hearing and that was this morning on this subject. We had no previous notice that this was a hearing on this subject. We were not given adequate time because we only had from 10 o'clock to 12 o'clock to discuss this matter. I recommend to this fine appropriations subcommittee that they refer this basic problem for hearings next year to the Committee on Science and Astronautics, and we will give it a good, thorough study. Our committee should be doing that because we have the jurisdiction. What do you say to that, I ask the gentleman from Texas?

Mr. THOMAS. I think it is a good idea that we all get together this fall with the idea that the gentleman suggested, and reconsider this whole matter. Of course, this bill only affects the space agency. I does not affect national defense nor does it affect the Atomic Energy Commission or HEW.

Mr. FULTON. But it affects the National Science Foundation; does it not?

Mr. THOMAS. Yes.

The CHAIRMAN. The time of the gentleman has expired.

Mr. THOMAS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly, the Committee rose, and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 12711) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1963, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read the third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. HALL. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were refused.

The question was taken.

Mr. HALL. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Under the order of the House of Thursday last, further proceedings on the bill will be postponed until Wednesday.

Mr. HALL. Mr. Speaker, I withdraw my point of order.

GENERAL LEAVE TO EXTEND

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days in which to revise and extend their remarks on the independent offices appropriation bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO SIT DURING GENERAL DEBATE

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent that the Subcommittee on Electrical and Mechanical Office Equipment of the Committee on House Administration may be permitted to sit during general debate at 2:30 on Tuesday, July 31.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

TO AMEND THE MINE DRAINAGE ACT OF 1955

Mr. FENTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FENTON. Mr. Speaker, according to the calendar, H.R. 4094, to amend the Mine Drainage Act of 1955 is scheduled to be called up in the House tomorrow. Due to the necessity and urgency of continuing the mine drainage program, not only to save life and property, but to make available the coal which the experts agree will be needed both on the domestic and defense fronts, I intend to offer an amendment to H.R. 4094.

Mr. Speaker, back in September 1944 the Bureau of Mines started an engineering survey of mine drainage in the anthracite region of Pennsylvania and it was completed in June 1955. The Federal Government expended $1,024,565 for that survey.

As a result of the recommendations made by the survey, many bills were introduced—bipartisan bills—by myself, Congressmen Carrigg, Flood, Saylor, and Walter; also by Senators Martin and Duff. My bill was H.R. 38 and with the amendments added by the Committee on Interior and Insular Affairs, H.R. 7066 was reported to the House and passed. It had the support of President Eisenhower, the Budget Bureau, the Committee on Interior and Insular Affairs, and the Department of the Interior.

Mr. Speaker, during the consideration of H.R. 7066 on July 5, 1955, in commenting on H.R. 7066 I addressed the House and I include here the remarks I made in favor of the bill:

> Mr. Speaker, ever since I came to Congress I have been endeavoring to secure some assistance for one of the Nation's greatest industries and natural resources—the anthracite industry. In 1942 I introduced legislation with regard to a mine drainage survey being conducted, but this was not found necessary and plans proceeded to do this work through the Bureau of Mines.
>
> Accordingly, in September 1944, the Bureau of Mines started an engineering survey of mine drainage in the anthracite region of Pennsylvania and this survey was just completed on June 30 past. The Federal Government expended $1,024,565 for the survey and some of its recommendations are among those included before the House today, and embodied in a bill which I introduced at the end of the last session and which I reintroduced on the opening day of the current session.
>
> My bill is H.R. 38 and with amendments I had already discussed with the Interior and Insular Affairs Committee, is essentially the same as the bill H.R. 7066 now before the House. Similar bipartisan bills have been introduced by Congressmen Carrigg, Flood, and Walter, and Senators Martin and Duff; also one by Congressman Saylor.
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> This legislation has been recommended by President Eisenhower, the Budget Bureau, the Department of the Interior, and our Interior and Insular Affairs Committee.
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> This is not only a local economic problem, but one in which the entire health, safety and security of the Nation is involved, and I sincerely ask that the House accept the bill now before us.
>
> This bill is important as a vital conservation measure; its enactment into law would contribute greatly to the preservation of an industry and a natural resource essential to the economy of the Nation. It is designed to prevent surface water from entering and flooding anthracite mines, and embodies a Federal-aid program which has the approval of the President, the Secretary of the Interior and the Secretary of Commerce. The expenditure of the money authorized, trivial when compared with the vast natural resources it will save, is contingent upon the State of Pennsylvania contributing an equal sum thereto.
>
> The Pennsylvania anthracite-mining region is the only one in the world of major magnitude. As the deposits of anthracite in the United States are limited virtually to Pennsylvania, the difficulties of this industry have been commonly considered a State rather than a national problem. However, there is also national interest in the conservation and wise utilization of all fuel resources, in the control of interstate waterways, and in the welfare of the people. The population of the anthracite region, about 1.25 million people, most of whom are dependent directly or indirectly upon the anthracite industry for their livelihood, exceeds the population of each of 14 States and the District of Columbia.
>
> The first anthracite was mined in the year 1755, and in 1768–69 anthracite mined from a quarry or stripping in the Wilkes-Barre region was transported down the Susquehanna River for delivery to Carlisle, where it was used in the forges at the arsenal to make weapons for the Revolutionary War. An increase in production ensued until the peak was reached in 1917; however, demand has been decreasing gradually and the industry and the region have been in a depressed condition for 25 years. Although anthracite mining is still a major producer of mineral wealth in the United States, it has shrunk greatly in stature from a colossus of industry that during World War I employed 180,000 men and produced 100 million tons of anthracite a year to one that during 1952 employed but 65,923 men and produced 40,582,558 tons. The payroll for these employees in 1952 was approximately $228 million—more than the payroll for the entire metal-mining industry throughout United States for that year—and the anthracite had a value of $379,714,071.
>
> Last year, production dropped to an estimated 27.1 million tons and employment to about 34,000 men, the lowest in both categories since 1870. As anthracite is sold and used for heating homes and generating industrial power throughout the northeastern part of the United States and Canada, the anthracite industry thus provides additional substantial revenue to railroads, truckers, and retailers in a great number of localities. The freight revenue from transporting anthracite from mines, except by truck, to market in 1952 is estimated to be $110,239,000.
>
> The anthracite region covers about 3,508 square miles in northeastern Pennsylvania, 8 percent of the area of the State. It is in the heart of the richest and most densely populated area in the United States. Every important industry on the north Atlantic coast is within 48-hour freight service of the area. Seventy million people reside within a radius of 500 miles from the region, and over 130,000 manufacturing plants employ 8 million factory workers who receive more than 60 percent of the industrial payroll of America.
>
> Early mining took only the best, thickest, and most accessible anthracite beds, and little thought was given to conserving reserves for the future. The cause or blame for the presence of enormous volumes of water entering the mines is attributable to both nature and man. The geologic structure of the anthracite measures is typically basin and range; the beds dip from the mountainsides to the valleys below, thus facilitating the accumulation of water. All drainage in the valleys must flow over the coal measures, and the anthracite fields are traversed by 750 miles of rivers and streams in two drainage basins—the Susquehanna River and the Delaware River—straddled by the anthracite measures. These rivers and streams normally lose water through their beds, and mining operations near or under the stream beds disturb natural conditions, adversely affecting original drainage facilities, and increasing seepage into the mines.
>
> Mine water originates as rainfall. The volume of water entering mine workings during and after any period of rainfall varies greatly in adjoining basins, and even in adjoining mines, because of the differences in condition of the strata as affected by the progress of extraction of the anthracite, particularly that from the uppermost beds. The ratio between runoff and infiltration also varies for each period of rainfall because of variables in the rate of rainfall, duration of storms, nature of the terrain, and other factors. Pumping records maintained in each of the four anthracite fields show that 30 to 65 percent of a volume equal to total annual rainfall during the 8-year period 1944–51 entered the mines either through surface seepage or barrier-pillar seepage. In 1 year, more than 200 billion gallons of water was removed from the mines, a volume of water the size of Lake Tahoe in California and Nevada, or 3 times the size of Lake Wallenpaupack near Scranton, Pa. U.S. Bureau of

Mines records reveal that during the year 1944 there was 14.1 tons of water pumped for each ton of coal mined and the comparable figure for the year 1951 was 27.1 tons.

The coal production used in arriving at the above quantities of water pumped included production from both water level and other mines from which no water was pumped, and the inclusion of such production reflects a lower water load than was actually handled. In the year 1953, it was estimated that 48 tons of water was pumped to the surface for each ton of anthracite gained from the deep mines. Mining men have long realized that the chief product of anthracite mines is not anthracite, but water excess and unwanted water that must be removed from the mines at ever-increasing cost.

One hundred and six billion gallons of water was impounded at the end of 1952 in 150 pools in underground mine workings that are not tributary to present drainage systems. Often, pools of water are in abandoned mines because no one is financially interested in removing them. The water has accumulated because pumping was stopped. The operator of the adjoining active property takes just enough action to protect his own property and the lives of his workmen. If this active mine, in turn, ceases operation for any reason whatsoever, the same procedure is followed, resulting in enlargement of the pool and possibly a rise in the altitude of the surface of the water. In some mines, pools of water have been formed purposely to create a stabilizing effect and reduce the hydrostatic pressure exerted on the barrier pillars by the water in the abandoned mines.

Factual data procured in 1948 show 141 water pools in abandoned stripping excavations, new pools being formed, and old pools being filled or drained by active stripping operations. These pools contained 2.3 billion gallons of water and affected the safe operation of some underground mines, in addition to making future underground operations hazardous.

The principal function of a barrier pillar in anthracite mining operations is to act as a dam to prevent water that accumulates in a mine from suddenly breaking into an adjacent mine or into adjacent mine workings and causing loss of life, property, or both. The barrier-pillar system in the anthracite region, except for a few pillars in one district, consists of 433 barrier pillars, affecting 218 mines, totaling 344 miles in length, and confining the 150 underground pools mentioned previously. Prior to 1891, when establishment of natural barriers was made compulsory, openings were driven into adjoining properties and mines, thus making connections which have come to plague the industry in that they permit the diversion of water from one mine to another. It is impossible, from economic and practical standpoints, to construct artificial barriers to prevent the free flow of water from abandoned mines into active mines, where it must be handled by the operator in order to continue mining. This increasing burden has greatly affected the economics of the industry since 1930, when large-scale abandonment of mines and properties began.

The acidity of anthracite mine water is such that it is destructive eventually to any base metal or alloy that has been used to date. So long as the mines continue to operate, the industry and the State will be confronted with the matter of mine drainage, whether it will continue to enter and pollute the streams as acid mine water as it does at present, or whether a substantial part of the rainfall will be diverted from the mines and directly into the streams.

The position of the United States in world affairs depends to a large degree, on her success in maintaining supplies of minerals that are essential to her industrial well-being. The industrial significance of coal is that it is the primary requisite for making steel, and the distribution of coal reserves will continue to be the principal factor determining the industrial pattern of the world of tomorrow. The significance of conserving the anthracite reserves of Pennsylvania for the Nation is of paramount importance, and their judicious conservation is a responsibility of Government. As of January 1952, recoverable reserves of anthracite were 15.2 billion tons. A prime objective of this legislation is to conserve this valuable natural resource so that the reserves menaced by accumulation of water will not be lost to present and future generations.

While the anthracite industry is beset with many other problems, arising chiefly out of the competition from fuel oil and natural gas, the most threatening single difficulty that might bring the mining of anthracite to an end is the mine-water problem. The industry, collectively or by individual companies, is neither physically nor financially able to execute a plan for its own salvation. Therefore, it is the responsibility first of the Federal Government to make the necessary funds available and of the Commonwealth of Pennsylvania to provide funds and the initiative for further prevention of water from entering the active mines, either through surface construction and/or the installation of adequate pumping facilities at strategic locations. It is essential to protect the public interest and permit the investment in the anthracite industry to have a change in peacetime to remain long enough to exist in wartime.

Recognizing this situation and the economic condition of the industry, the 1953 session of the General Assembly of Pennsylvania appropriated $1½ million, for the biennium ending May 31, 1955, to be used by the State department of mines "for the sealing and dewatering of, and extinguishment of fires, in abandoned coal mines." Pumps that have been installed at abandoned mines are being maintained by the coal companies. Some of these funds, together with other moneys paid by the companies in accordance with the State strip pit law, have been used to fill stripping excavations, thereby preventing the flow of surface water into underground operations. These funds have been exhausted. An Anthracite Mine Drainage Study Commission appointed by ex-Governor Fine, of Pennsylvania, has recommended to the Governor a mine rehabilitation program involving a total expenditure of $17 million by the State and employment of 2,634 men.

The steady abandonment of mines over the past 25 years has aggravated the water-flooding problem for mines remaining in operation to the critical point where anthracite in a usable state for future generations is now seriously threatened. In light of this critical condition, constituting a state of emergency, the proposed Federal aid would help provide a continuing source of supply for anthracite users, fuel insurance during national emergencies, availability to national economic expansion as technology develops new uses, insurance against ultimate depletion of domestic oil and gas resources, and continued employment of miners.

Mr. Speaker, H.R. 7066 became Public Law 162 of the 84th Congress on July 15, 1955. I have not changed my mind as to its necessity today.

The gentleman from Pennsylvania, our colleague [Mr. Flood], in like manner told of the necessity for the passage of H.R. 7066 on that same day—see the Congressional Record, volume 101, part 8, page 9919.

Since that statement I made in 1955 conditions in the anthracite mines have worsened.

Following are some statistics I just received from the Bureau of Mines under date of July 20:

Year	Tons of anthracite mined	Employees
1958	21, 171, 142	26, 540
1959	20, 649, 286	23, 294
1960	18, 817, 441	19, 051
1961	17, 446, 439	15, 792

Mr. Speaker, the Mine Drainage Act, Public Law 162 of the 84th Congress, provides for Federal contributions not to exceed $8,500,000 to be matched by a similar amount from the Commonwealth of Pennsylvania. There is approximately $10 million unused, or not obligated.

Scheduled for tomorrow, July 31, 1962, is H.R. 4094 which will amend Public Law 162 of the 84th Congress.

I will offer an amendment to reserve $2 million as the Federal share of the remaining balance, to be matched by $2 million by the Commonwealth of Pennsylvania, leaving a total of $6 million for the purposes of H.R. 4094.

I believe it is quite necessary to continue our mine drainage program, not only to save life and property, but to make it possible to recover the coal now inundated if we are to produce the anthracite tonnage which the experts all agree will soon be needed both on the domestic and defense fronts, to say nothing of what the demand for coal will be should war occur on a large scale in any part of the world. It must be remembered, gentlemen, coal and steel are the sinews of war. We cannot let our guard down in an unguarded moment. It is not only vital to preserve our anthracite, but to continue the mine drainage program to make the coal available for whatever purposes it might be needed, either domestic or defense.

CONFERENCE ON H.R. 8900

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, earlier this month the Congressional Record was filled with statements lauding the contributions which the land-grant colleges have made to the education of Americans, to our agricultural and scientific progress, and to our economy. These statements, made by Members of Congress from all parts of the Nation, marked the 100th anniversary of the signing of the Morrill Act, which made possible the establishment of our land-grant colleges and universities.

The Land Grant College Act was widely hailed for revolutionizing higher education in the United States by bringing it within the reach of every person with the ability to pursue it. Member after Member saluted the benefits which have flowed from this one farseeing act of Congress.

The concept of the Morrill Act of 1862—opening the door to college to everyone with the will and ability to learn—will have little meaning to the students of the late 1960's if there is no room for them in our Nation's colleges and universities. In the academic year just passed, there were 3.9 million students enrolled in higher education institutions in the United States. By 1970, according to the best estimates, 6.9 million students will be seeking admission to our colleges and universities. These students will have the will and ability, but they will need space.

Both the House of Representatives and the Senate have approved bills to assist in providing classrooms, laboratories, and libraries for this spiraling college population. This legislation now is in conference. I hope that the conferees will be able to reach a compromise, and that the House and the Senate will accept their report, so that higher education in 1962 may go forward as it did in 1862.

H.R. 8900, the bill pending in the conference committee, is not confined to the 68 land-grant colleges. It would apply to all academically qualified higher education institutions. Let me cite a few statistics on the structure of our higher education system today.

Of the 2,040 existing institutions, 721 are publicly owned and 1,319 are privately operated. The public institutions include 393 State and 328 district or city-operated institutions.

The private institutions include 475 which are related to Protestant denominations, 308 which are related to the Catholic Church, 24 related to other churches, and 512 which are independently operated and have no church connection.

These figures include both the junior colleges, which generally offer a 2-year higher education program, and the 4-year institutions.

Mr. Speaker, all types of higher education institutions, public and private, have made significant contributions to the education of American youth and the advancement of knowledge and research in our country.

THE BILLIE SOL ESTES CASE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. FOUNTAIN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FOUNTAIN. Mr. Speaker, stories were published yesterday in the Washington Post and Times Herald and the New York Herald Tribune allegedly relating to testimony taken by the Intergovernmental Relations Subcommittee in executive session from William E. Morris. The stories imply that the writers have confidential information concerning the Morris testimony, but do not identify the source of such purported information.

While I am reluctant to dignify such speculative reports by commenting on them, I believe I should set the record straight.

Since the testimony of Mr. Morris has not yet been released by the subcommittee, I am not at liberty to discuss it publicly at this time. However, I can state that the implication that it involves a number of Congressmen in previously undisclosed dealings with Billie Sol Estes is completely inaccurate.

I want to state for the record that there has been no pressure placed on me nor have I received any request to suppress publication of all or any part of the Morris testimony. Furthermore, so far as I am aware, no such pressure or request has been received by anyone else connected with the subcommittee, nor do I know of any behind the scenes maneuvers to prevent the release of this testimony.

The allegation that the subcommittee has been sitting on the Morris testimony is completely unwarranted. It was stated publicly shortly after the testimony was taken and has been repeated on many occasions since that time that all significant information obtained through the interrogation of William Morris will be made a matter of public record by the committee.

The Morris testimony has not yet been made public because the subcommittee has been and still is in the process of obtaining further information concerning some of the matters to which he testified. The procedure being followed by the subcommittee, to the best of my knowledge, has the full approval of both majority and minority members.

POPULAR ELECTION OF FEDERAL JUDGES

The SPEAKER. Under previous order of the House, the gentleman from Louisiana [Mr. WAGGONNER] is recognized for 15 minutes.

Mr. WAGGONNER. Mr. Speaker, I have today introduced a House joint resolution calling for an amendment to the Constitution of the United States to require the popular election of all Federal judges, including the members of the Supreme Court.

Section 2 of the resolution provides that no person shall be eligible to serve as a judge of the Supreme Court who shall not have had at least 15 years of legal experience after being admitted to the practice of law, including not less than 6 years of experience as a judge.

It has now become necessary, in my opinion, for the legislative branch of the Government to interpose itself between the people and the Federal bench in order to reinsure the domestic tranquillity for which our independence was first declared.

Whereas we once enjoyed the security of what we called constitutional guarantees, we now find ourselves subjected to the capricious whimsies of the nine men of the Supreme Court and their self-styled laws of the land.

In recent years we have witnessed the reversal of the separate-but-equal tradition, not because the Constitution itself has changed, but because of the foreign social ideology of the Court. We have seen the Supreme Court intrude itself in the area of apportionment without a shred of constitutional backing. We find to our dismay and fright that, almost 100 percent of the time in recent years, when there has been a question of communism versus democracy, the Court has found in favor of communism. And, in recent weeks, the Court, in effect, removed the Almighty through the back door of our schools and on the same day opened wide the front door to the flood of obscene literature.

It has been advocated by some that the Justices of the Supreme Court, either singly or collectively, should, and of a right ought to be impeached. As a practical matter, however, there seems to be no possibility of obtaining either the votes to impeach or the irrefutable proof necessary to convict. Such an action, in my opinion, is not feasible.

Nor would this course provide us more than a day's relief, even if it were possible, for it is a certainty that the bench would be filled again by the appointment of others of the same convictions and once more we would have come full-circle.

There is almost unanimous agreement that some change must be made in the Federal judiciary.

If all the judicial districts of the United States were presided over by men of the same competence, skill, and honor as we have in the western district of Louisiana, this problem would not confront us today. But sadly, this is not the case.

There are two avenues open to us: election or appointment. The only permanent and, at the same time, democratic process by which the members of the Federal judiciary can be made responsive to the will of the people, is to require that they face periodic accounting for what they have done.

The elective system is the only one with its own built-in protection. Should time prove that an error in selection has been made, the mistake can be rectified and the unqualified member removed.

Under the appointive system, there is no escaping the hazard of political payola.

Some have contended that the elective system would put the judiciary in politics and that to do so would be unwise. This argument falls of its own flimsy weight because it is undeniable that they are already in politics.

Since taking office in 1960, the President has nominated 111 lifetime judges, 100 of whom have been Democrats.

Even a cursory examination of this record substantiates that these men are already waist deep in politics.

As a matter of fact, it is because the judiciary is in politics that the constitutional amendment I am presenting is a necessity if we are to bring back to the judicial arm of the Government some vestige of the acute sense of honor and integrity with which it was once blessed.

It is a historic part of jurisprudence that litigants must approach the bar of justice with clean hands, that is, free from reproach in their conduct. Regretfully, it is now necessary that we enact legislation to insure this same standard for the members of the Federal judiciary.

This bill will have that effect and I commend it to you for consideration.

LIBERIA AND GUINEA

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, last week we observed the 115th anniversary of the independence of Liberia, and the reception given by Ambassador and Mrs. Peal on that occasion will long live in the memories of the many distinguished guests whose presence was a reflection of the pride of all Americans in this African nation that has enjoyed 115 years of sovereignty. The bonds between Liberia and the United States are as close as the bond between child and parent. Liberia has fulfilled our every expectation and for the future we have the assurance of a limitless development on the pattern of our own American development. To Liberia, to President Tubman, his coworkers in Government, and to all the people of this African land the freedom of which is 115 years old go our congratulations and every good wish.

President Tubman, our stout friend, has had a faith in the President of Guinea that has never wavered. When the Subcommittee on Africa, of which I have the honor to be chairman, visited with President Tubman in the fall of 1960, he talked with us at great length concerning the problems that faced Liberia's neighbor, Guinea, when it attained its independence and of his effort to get from our Government in the time of immediate need some help for Guinea. He told our subcommittee that he was firmly convinced, that Sekou Touré was neither a Communist nor a sympathizer with the Communist ideology.

I think, Mr. Speaker, that every member of the African Subcommittee believed in the democratic purpose and intent of the President of Guinea, even when there were some in our country who doubted.

On April 6 of this year the Parliament of Guinea passed a law that gave guarantees, protection, and encouragement of foreign investment in Guinea. It gave protection against all forms of expropriation or nationalization and also as a further encouragement of foreign investments granted foreign firms partial or total tax exemption that could run as long as 25 years. I do not know of any country that by enactment of its legislative body has given more satisfactorily complete guarantees.

Later a delegation from Guinea visited Washington and appeared at a session of the African Subcommittee. I am extending my remarks to include the statement made at that time by Minister Diakite:

CALL ON AFRICAN SUBCOMMITTEE OF THE HOUSE FOREIGN AFFAIRS COMMITTEE BY THE GUINEAN ECONOMIC MISSION

(Headed by the Honorable Moussa Diakite, Minister and governor of the Bank of Guinea; the Honorable Alassane Diop, Minister of Telecommunications; His Excellency, Dr. Seydon Conte, Ambassador of the Republic of Guinea; the Honorable Alpha Abdonlaye Diallo, Director de Cabinet, Ministry of Foreign Affairs; the Honorable Mamadou Ba, director of the Credit National Bank.)

MINISTER DIAKITE'S PRESENTATION

It is a great honor and a great joy for myself and for the entire Guinean Economic Mission to be received by the distinguished members of this subcommittee.

We came here to meet the great and generous American people. We also came to ask for aid in our development. We also came to enlarge the economic cooperation between our two countries in order to enable the Government of Guinea to make up for centuries of delay. Our coming here is also an effort to bring a further contribution to international solidarity.

In this century of speed, when geographical distances are measured in terms of time, of short times, the United States is brought closer to the rest of the world and, particularly, we feel that the underdevelopment of our countries can be studied by the United States in the manner they have studied other parts of the world, Europe and Asia.

Our purpose is not to compare standards of living or means of livelihood but rather to learn from the experience of the American people.

Upon gaining independence we took a good look at ourselves and found that our country was endowed with great mineral resources: diamonds, gold, iron ore, bauxite, and so forth, but that in order to develop them we needed both technicians and capital resources.

Because of the choice it made in 1958, the Republic of Guinea was deprived overnight of the technicians that had been employed there and of whatever few economic projects existed in our country.

The first days were difficult. Guinea was forced to fill the vacuum left by the sudden departure of French technicians and businesses, with its own structures and institutions.

The business firms were no longer doing business, so we had to set up our own national institutions. Banks were cut off from their credit resources, so we had to set up our own. The monetary problem we had to solve by creating our own currency.

Many people, ignorant of the circumstances of the birth of our nation, circulated rumors to the effect that we were Communists; but, indeed, we have never been Communists either in theory or in practice.

The Communist doctrine is founded on the theory of the distribution of wealth—but we had nothing. How could we talk of distributing it? Indeed, this is not our concern now; we are too busy trying to meet the needs of our people and that is why we came to the United States.

We shall leave it to succeeding generations to worry about the distribution of wealth.

Before we came to this country, our Parliament passed a law, on April 6, 1962, under which the Government of Guinea guarantees, protects, and encourages foreign investments in our country. We will protect all foreign investments in Guinea against any form of expropriation or nationalization. Furthermore, any industry producing goods for national consumption in Guinea will be protected against foreign competition.

Furthermore, we encourage foreign investments in Guinea by granting foreign firms partial or total tax exemption that can run up to 5, 10, and even 25 years.

We guarantee that foreign investors will be free to repatriate their capital, profits, dividends, interests, and the savings of their nationals in Guinea.

In passing this law and in sending this delegation to the United States, the Government of Guinea is demonstrating its determination to industrialize the country in cooperation with the U.S. Government and private investors.

Better yet, today, in the next hour or so, we will sign an investment guarantee agreement with the United States, with great pleasure, great pride, and in a spirit of optimism. Pleasure at having made ourselves understood by the American people. Pride at being able to sign this agreement. And optimism because I have no doubt that, once this agreement is made public, U.S. private capital will start to flow into Guinea for the best interest of both countries.

Our new legislation provides for many forms of possible investment projects:

First, to those industries more concerned with the security of their investments, it will be possible to enter into a partnership agreement with the Government of Guinea.

Second, others will be able to operate their own business to carry out one of the projects called for in our development plan, or any other projects they find of interest. In addition to this advantage, many others can be worked out and inserted in the convention to be discussed and agreed upon by the Government of Guinea and the firm.

When I speak of a development plan, many people may feel that our plan is a far cry from all-out planning or democratic planning.

But in a country where everything remains to be done in the field of economics it is essential to establish priorities and this was our purpose in setting up a plan. We are most interested in the progress of our people. In order to carry out our development programs we have determined that our greatest needs can be listed as follows: machinery for industrialization, technicians, and financing.

We therefore came here to promote and expand cooperation between Guinea and the United States.

We have to thank the U.S. Government, the Congress, and the American people for the assistance they have already given from the very first days of our independence.

But we will not hesitate to state our needs because they are purely human and, in this world of interdependence, they are common to all peoples.

We may be accused of being impatient and demanding; it is the privilege of the poor to be so. As for the United States, its privilege is to have means and to be faced with men with no means at all.

Twenty or thirty years ago it took from 2 to 3 months to come to the United States from our country.

Today communications have reduced times and distances and made it possible for an ever-increasing expansion of human contracts.

Today we are 6 hours from New York by jet. We have direct radio and other communications. We can communicate better every day. And every day we must develop the feeling that we are close to one another—that we are next-door neighbors.

Thanks to you, Europe made a spectacular recovery after the war. Thanks to you, Asia is now on the path of rapid development.

As a group of newly independent, emerging nations, Africa is now faced with its own development problems and it turns to the United States for assistance in solving them. Don't be afraid by their magnitude; we did not overstate them. Try and understand them as we understand the tremendous task that challenges the United States.

I am certain that our cooperation will develop and expand in the future, together with the friendship between our two peoples.

MORE MINORITY STAFF MEMBERS NEEDED ON COMMITTEES

Mrs. WEIS. Mr. Speaker, I ask unanimous consent that the gentleman from

Iowa [Mr. Schwengel] may extend his remarks at this point in the Record and include extraneous matter.

The **SPEAKER**. Is there objection to the request of the gentlewoman from New York?

There was no objection.

MORE MINORITY STAFF MEMBERS NEEDED ON COMMITTEES

Mr. **SCHWENGEL**. Mr. Speaker, several of my colleagues and I are trying to bring about a better balance between the number of minority and majority members on committee staffs. To that end, I have introduced House Resolution 570 which is pending in the House Rules Committee.

As more people become aware of the great imbalance which now exists, they are struck by the injustice of such a situation, realizing that it not only handicaps the Republican Members of Congress but the people they represent as well.

To keep my colleagues advised about additional support for our effort to secure more staff employees responsible to the minority, I call attention to a letter from John S. Carlson, of Tulsa, Okla., which was printed in the July 15 issue of the New York Herald Tribune, and an editorial, "Two Party Protection," which appeared in the July 12 edition of the San Diego, Calif., Union. This material follows:

[From the New York Herald Tribune, July 15, 1962]

Republican Congressmen Are Hobbled

To the New York Herald Tribune:

Have the Democrats of Congress forgotten that the legislative branch is bipartisan? By recent count, 12 Democrats for every Republican man the staffs of the committees of our Congress: 993 Democrats and 84 Republicans make up the staffs of the 48 congressional committees.

The committees are composed of Members of the Senate and the House. The chairman and a majority of the membership of each is awarded to the majority party. At present, the Democratic Party controls both Houses of Congress.

These committees study proposed legislation on specific subjects: Agriculture, appropriations, armed services, foreign affairs, et cetera.

The members of the committee staffs are selected by the chairmen and frequently continue in their positions for many years. Their functions are important and manifold.

Representative Fred Schwengel, Republican, from Iowa, has provided data on each of the major committees in both Houses. These data, collected by Senator Carl T. Curtis, of Nebraska, and Representative Schwengel, reveal an unwholesome imbalance of representation which requires immediate remedial action.

The Republicans do not have a single representative on the staffs of 12 major committees. The Committee on Foreign Affairs of both Houses have no Republican staff members. On the staff of the Joint Committee on Internal Revenue Taxation, the Democrats have 19, while the Republicans have none. Seventeen committees have 1 Republican staff member serving with an average of 15 Democrats.

Five or more Democrats are on the staffs of 41 of the 48 committees, while Republicans have five or more staff members on only 3 committees.

Monopoly of staff talent by the Democratic Party unavoidably reduces the effectiveness of Republican Senators and Representatives. When a Republican committee member or other Republican Member of one of the Houses of Congress desires information or briefing on the basic issues involved in controversial legislation, his situation is directly comparable to a party to a lawsuit having the attorneys for the opposition as his sole source of information and advice.

If we assume that some members of the staffs aspire to be completely objective, we must realize that it is difficult for them to furnish unbiased advice or opinions contrary to their deep-seated political convictions. Certainly their efforts will not, in normal consequence, provide optimum results for the opposition party.

House Resolution 570 has been introduced by Representative Schwengel. It seeks to obtain a minority-majority staff proportion of 40 to 60. Senator Curtis has introduced a comparable resolution in the Senate. All Senators and Representatives who purport to believe in bipartisan representative government should support these resolutions wholeheartedly. Any Member of either House of Congress who opposes or who delays the correction of this gross discrepancy in representation should be challenged to show how the imbalance in staff membership is consistent with representative government.

Without exception, every person with whom I have discussed the subject matter of this letter has been astounded. No doubt exists in my mind that public knowledge of this inordinately discrepant representation will be followed by a demand for immediate remedial legislation.

John S. Carlson.

Tulsa, Okla.

[From the San Diego Union, July 12, 1962]

Two-Party Protection

Republican Governors are the latest to add their voice to the plea for more minority party staff members of congressional committees.

Statistics bear out their concern. The Democratic majority in the Senate is roughly 2 to 1; committee staffs are divided 462 for the Democrats and 39 for the Republicans.

In the House of Representatives, where Democratic Congressmen hold a 3-to-2 margin, the staff assignments favor the majority 531 to 45.

Senator Carl Curtis, Republican, of Nebraska, and Representatives Thomas Curtis, Republican, of Missouri, and Fred Schwengel, Republican, of Iowa, are leading the movement for a more equitable division. Their argument: stronger minority staffs would reduce dependence on the executive branch.

The Billie Sol Estes scandal shows the need for staff work for both parties. Beyond that, the future of the two-party system may be dependent upon the ability to mount an effective opposition, based on thorough staff work, in Congress.

CLEAN WATERS, U.S.A.

Mrs. **WEIS**. Mr. Speaker, I ask unanimous consent that the gentleman from Nebraska [Mr. Cunningham] may extend his remarks at this point in the Record and include extraneous matter.

The **SPEAKER**. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mr. **CUNNINGHAM**. Mr. Speaker, one problem which confronts every part of the Nation is water—an adequate supply of clean water. The Congress has recognized this problem in many ways—authorizing and providing funds for irrigation and reclamation projects, research activities in the saline water field, assistance to communities in providing treatment plants, construction of such gigantic programs as the Pick-Sloan plan for control of the Missouri River and impounding of huge quantities of water for safe and effective release.

This interest in pure water is shared by Americans in all walks of life, but especially by those who spend time outdoors and who have an interest in the preservation of fish and wildlife. Such a group is the Izaak Walton League.

In a speech before the South Dakota convention of the league, a distinguished Omaha attorney, John Samson, spoke on the subject of "Clean Waters, U.S.A." His comments should be of interest to all of us and they carry special significance in view of Mr. Samson's membership for the past 3 years on the President's Water Pollution Control Advisory Board.

Mr. Samson's address follows:

Clean Waters, U.S.A.

(Address by John S. Samson, chairman of Nebraska Water Pollution Control Council, member of the Water Pollution Control Advisory Board, Secretary of Health, Education, and Welfare, Washington, D.C., before the State convention of the Izaak Walton League of America, South Dakota division, at Rapid City, S. Dak., on June 9, 1962)

I deeply appreciate the opportunity to take part in the State convention of this grand organization tonight.

It might be well to refresh our recollections as to the fundamental principles on whose solid foundation the Izaak Walton League of America, with its various divisions is based. We can proudly say that our objects are: "To develop opportunities for the enjoyment of the great outdoors as an essential part of the character building and the spiritual and physical development of our people; to encourage the protection and restoration of woods, wild flowers, and wild life; to safeguard the public health and conserve aquatic life by the elimination of pollution to conserve our water resources; to discharge unwise drainage, and to promote measures for the prevention and control of floods; and to restore and transmit to posterity the outdoor America of our ancestors; and to promote means and opportunities for the education of the public with respect to such resources, and the enjoyment and wholesome utilization thereof," and each of you, when you affixed your signature to the back of the membership card, agreed to support those general fundamentally sound principles.

As your chairman told you, I have been a member for the past 3 years of the President's Water Pollution Control Advisory Board, appointed by President Eisenhower in 1959. As you perhaps know, this Board is made up of nine members all appointed by the President and by statute empowered to advise the Secretary of Health, Education, and Welfare affecting the Federal Government's water pollution control program. We meet a minimum of four times a year in Washington or at various places throughout the United States.

Although I make my living in the law practice, but having been in the water pollution picture to discharge a civic duty only for some 15 or 20 years, I found myself as a member of the Board in company with very learned and dedicated men in matters relating to water conservation and water management. My fellow Board members are engineers, some are public health people, some are conservationists. They are experts and it was very apparent to me they knew a great deal more about water than I did.

To my mind nothing is more important to this State and to the Nation than a good water policy, effectively carried out at State and local levels. We have much of the know-how as it relates to treating water and to protect the rivers, streams and estuaries from pollution to assure a proper water supply—to laying down blueprints, build dams, install the pipes, put up the treatment plants and operate the facilities.

Then where and why for the condition which exists. There has been a lack of public support, but because of the activities of this group and many others much like it, I sincerely feel this public apathy is a matter of the past.

In our struggle to gain public support for clean water, we must make the public realize that any substance used anywhere in our civilization is likely in the end to reach our waterways. This is true whether it is an insecticide or pesticide or fertilizer, whether it is an industrial product or an industrial waste, or a detergent from your family's own kitchen or laundry.

I know you all recall our great concern when we became aware of the presence of aminotriazole used as a spray on cranberries. I can say, with dead certainty, that much more of this chemical spray found its way into our drinking water than ever reached the supermarket shelf on the cranberries. With the exception of commercially unfeasible carbon filter no modern water treatment plant would or could remove this chemical from our drinking water.

The dramatic and headline news of the cranberry incident was brought into every house.

But I ask you how do you dramatize the damage that is done by the rancher who overgrazes, by the oil prospector who fails to plug his seismographical holes, by the construction company which throws its sand and gravel into our waters and silts the stream floors—silts from highway construction has become of such concern that Senator Metcalf has introduced S. 2767 to save our vanishing streams from roadbuilders—requiring approval of the Secretary of Interior of Federal aid highway plans involving fish, wildlife, and recreation resources. How can we tell the damage done by the homeowner who pours too many chemicals around his garden or yard, by the farmer, operator, or forester who overuses their chemicals and sprays, and by cities and industries who do not treat their wastes.

Let me relate to you an alarmingly interesting story: Did you know that on February 4, 1961, cases of hepatitis were noted in Pascagoula, Miss., at the mouth of the Pascagoula River. Whenever an outbreak is investigated, a certain proportion of cases can be accounted for by obvious contacts with previous hepatitis victims. But from the beginning it was clear that there was something unusual about the Pascagoula outbreak.

Many cases arose at almost the same time, suggesting a common source. The proportion of victims who were men over 20 seemed suspiciously high. Intensive questioning turned up a curious fact: 27 of the first 32 patients questioned had no known contact with an earlier hepatitis case. But all had eaten raw oysters approximately 1 month before they fell ill.

Further conscientious sleuthing not only in Pascagoula but in other Mississippi and Alabama communities soon identified scores of additional hepatitis victims who had eaten raw oysters tonged from a particular bed near the mouth of the Pascagoula River. And the CDC's nationwide reporting network turned up four cases of oysters-associated hepatitis among travelers who had visited the area, eaten raw oysters, and then a month or so later fallen ill in States as far away as Pennsylvania.

These findings and a similar outbreak traced to eating raw clams from Raritan Bay, between New York and New Jersey, were blazoned in newspaper headlines from coast to coast. That is how the rumors started that eating raw clams or oysters causes hepatitis. But the real point of these outbreaks was missed.

The mouth of the Pascagoula River, Public Health Service investigators established, was shockingly polluted with sewage. One large shipyard employing 2,500 workers had no sewer connection to the city's sewage treatment plant; it discharged much of its sewage raw into the river. Moreover, shortly before the outbreak, one of the city's main sewage lines became clogged; until repairs were completed, the sewage ordinarily carried by this line was also emptied raw into a lake, which emptied in turn into the oyster beds at the mouth of the river. The oysters which caused the infectious hepatitis cases were tonged from this area.

The Raritan Bay clams which caused the New Jersey outbreak were similarly harvested from waters heavily polluted with sewage. In connection with Raritan Bay the Public Health Service scientists and engineers will conduct studies of the bay waters and shorelines, using laboratory equipped boats and mobile land laboratories. They will travel on foot to discover waste water outlets of the area and will analyze the discharges for their effects upon the bay's water quality. It is known there are now about 500 outlets discharging municipal and industrial wastes into the bay along the 50-mile perimeter of the bay from the tip of Sandy Hook in New Jersey to the southeast point of Staten Island in New York City.

One way to tighten up our hepatitis defenses is thus clearly spotlighted; better enforcement of State regulations prohibiting the harvesting of shellfish from sewage-polluted waters. Following the clam and oyster hepatitis incidents, the States reviewed their shellfish regulations; several additional areas were found to be polluted and closed to further harvesting; and additional inspectors were assigned. All coastal States have reported to the Public Health Service that they believe the shellfish situation is now under control.

But the waters remain polluted.

"All this hullabaloo about clams and oysters just camouflages the main problem," said one health official. "Water polluted with virus-laden sewage can spread hepatitis even in the absence of shellfish." He cited a typical example, investigated by CDC hepatitis detectives and State health officials several years ago.

A 6-year-old boy fell ill with infectious hepatitis; 22 days later his mother developed hepatitis symptoms. Mother and son lived in the country; their septic tank stood not far from a stream. A few weeks after the mother fell ill, an explosive hepatitis epidemic broke loose in a nearby town of 3,500; more than a hundred cases were reported, arising in all probability from pollution of the town's water supply. A checkup showed that almost all of the water fed into the town's water main came from approved wells and springs.

But more careful study revealed that to eke out the supply, the water company had laid an additional line connecting an untested stream with the main system. It was this stream which flowed past the septic tank of the mother and child with hepatitis. The water, to be sure, was chlorinated before entry into the town's water main; but the infectious hepatitis virus is very tough. It can sometimes survive even in chlorinated water.

To date, the United States has escaped major hepatitis disasters like the one which rocked Delhi, India, in 1955. More than 29,000 cases occurred there within a brief period—from a cause that exists, potentially, along some American rivers. Delhi drew its drinking water from the Jamuna River and relied on chlorination for protection. It discharged its sewage back into the same river, downstream from the water intake. For years this seemed reasonably safe; then, following a major flood and drought, the pattern of the river current altered and the flow from the sewer outfall was swept directly into the water intake. This hasn't happened here yet, but it could.

On this problem of virus, Luther L. Terry, Surgeon General, Public Health Service, U.S. Department of Health, Education, and Welfare said:

"A second danger has to do with the viral diseases. We are by no means sure that at least some viruses are not slipping through our present water purification and disinfection processes and entering our water mains. Hepatitis may be an example. A count of 59,573 cases of hepatitis in the United States through October 14 this year—the highest in history and four times the usual average—is extremely disturbing."

And so as someone has said, and of course you and I know, modern man is living in a new kind of environment which has been largely created in the incredibly short time of 20 years. In this brief period, at least a half million new chemical compounds have come into existence. We manufacture these substances, we use them, and when we are done with them, in a good many cases, we discharge them into our rivers and streams or dump them on the ground and let them seep into our underground water supplies. And then days or months or years later (in minute quantities, it is true), we drink them.

Some of these substances come from your home. In 1947, the housewives of the Nation used 275 million pounds of detergents. Last year they used more than 3.2 billion pounds. They also used more bleaches, powders, and other household cleansers, much of which went down the drain and into the nearest waterway.

Others of the new substances come from farmlands. Every rainfall washes fertilizers, herbicides, and pesticides off the crops and fields and into the streams and rivers. Unlike most other forms of pollution, these cannot be traced to a single source.

Still others come from factories. All industrial production has increased 65 percent since 1947, and the chemical industry's production has increased 176 percent. Use of plastics, one of the major types of chemical product, has increased from 277 million pounds in 1940 to over 6 billion pounds last year.

The most disturbing thing about these new substances is that nature cannot handle them as efficiently as she handles human waste and other impurities of natural origin. Fish, plants, molds, bacteria and other living organisms in water can, in time, break down any natural impurity and use it as food. But for many of the man-made compounds, there seems to be no organism that can give us a helping hand. Once these substances get into the water, they are diluted, but they persist for long periods of time.

Did you know that one of the most toxic insecticides, a chlorinated hydrocarbon, Endrin, in fact the most toxic chemical tested in the laboratory at Robert A. Taft Sanitary Engineering Center, Cincinnati, Ohio, revealed that 0.005 of 1 pound applied to 1 acre of water 3 feet deep killed all the bluegills under laboratory condition in 96 hours?

Insect control by chemicals is generally considered a necessity for protection of humans against disease carrying and annoying insects as well as for protection of crops, livestock, and forests. Money, brainpower, and manpower have been invested heavily in research for the development of suitable chemicals and methods for their effective use. A much lesser investment has been made for research into the possible harmful effects that insecticides may cause. The problem of insect control without excessive damage to certain land or water uses is not insurmountable but will require more attention than it is receiving at present. Extensive laboratory and field research is needed in such categories as the development of selective toxicants and methods and timing of application to provide for minimum effects on fish and wildlife.

In passing I would like to say to you that in 1961 according to Public Health Service, Division of Water Supply and Pollution Control records, over 15 million fish were reported killed by water pollution. There were 75 reports arising from agricultural poisons; 150 reports arising from mining operations; 60 reports arising from domestic sewage. In the number of fish killed, agricultural poisons were more damaging than industrial wastes, amounting to 5.9 million compared to 2.9 million. Slightly more fish were killed from unknown sources than from agricultural poisons, 5.7 million compared with 5.6 million.

Irrespective of what I have had the pleasure of visiting with you about, a marked trend is readily discernable. A new image is making its appearance on the horizon.

Let me say it is most encouraging to note the tremendous growing and continuing interest in the unrelenting fight of more people and of industry in the field of water quality management.

When the present Federal Water Pollution Control Act—Public Law 660—was passed by Congress in 1956, it was heralded as a most forward-looking piece of legislation and placed the responsibility of exercising the jurisdiction of the waterways, somewhat limited, of the Nation as it involved the prevention and controlling of water pollution, with the U.S. Public Health Service, directed by the Surgeon General, and this work was carried on under the general supervision and direction of the Cabinet Officer, Secretary of Health, Education, and Welfare. This has now been changed by amendment to the act which became effective when the President signed the new law on July 20, 1961, but more about that later. Permit me to say here that the water pollution control program, by virtue of the legislation in 1961, was tremendously upgraded.

As early as 1900, Congress recognized the emerging national character of the problem, but it was not until 1948 that Congress passed Federal legislation dealing comprehensively with water pollution, and so the 1956 act carried extensive amendments, and the 1961 act very comprehensively extended the 1956 act.

We are now approaching the 6-year mark under Public Law 660. It is a good time to assess the accomplishments and to face up to new needs that have cropped up.

Never was the stage better set. Public attention has been sharply focused in recent months on water pollution and what it means in our everyday lives; first by the National Conference on Water Pollution just 12 months ago; second, by the final report to the Congress of the Senate Select Committee on National Water Resources after 2 years of nationwide hearings and intensive study of water problems; third, by the President himself.

In his February 23 message to Congress on natural resources, President Kennedy said: "Our Nation has been blessed with a bountiful supply of water; but it is not a blessing we can regard with complacency. We now use over 300 billion gallons of water a day, much of it wastefully. By 1980 we will need 600 billion gallons a day."

The impact of the construction grants program on pollution abatement projects has been tremendous. This is a most popular phase of the act and has been an impelling force in the construction of abatement projects. The primary impact has been on smaller communities, but it is felt that with the amendment providing for a grant in an amount not exceeding 30 percent of the reasonable cost thereof or an amount not exceeding $600,000 (with certain restrictions), whichever is smaller, will provide a tremendous impetus particularly as it involves larger projects. Before the act was amended the limitation was 30 percent or no amount over $250,000.

Under the original act there was a $50 million annual authorization limit for construction grants. In the last 5 years there has been a 62-percent increase in construction of sewage treatment plant facilities; 2,600 have received grants in the total cost of over $2 billion. These will service 24 million people and abate municipal pollution in 31,000 miles of streams. The new act provides for $90 million annual authorization limits and it is contemplated that there will be substantial inroads on the backlog needs of some 5,000 new sewage treatment plants. The new legislation also permits reallocation of grant funds from States which do not use their full allocation, with the provision that such reallocated funds will be available for additional grants to projects caused by Federal impact.

Enforcement provisions are expanded under the new legislation to include action against pollution of navigable waters, with the provision that the Governor of a State must make a request for Federal entry in cases of intrastate waters.

In connection with the grants program there probably are communities which would not be able to finance waste treatment facilities without financial assistance and others have been encouraged to move ahead with needed projects by the more favorable financial and political climates created by the presence of financial aid.

The amended act provides for low flow augmentation and municipal water supply in Federal reservoirs. However, the law specifically provides that such storage and water release shall not be provided as a substitute for adequate treatment or other methods of controlling waste at the source.

The amendment having to do with low flow augmentation will require the filing of a report to Congress by the Department of Health, Education, and Welfare in connection with all impending construction of Federal reservoirs. The new statute will assure that such reports do reach the Congress. The schedule will be governed in large measure by the demands of the other agencies. Further complications will arise from having to dovetail these demands with normal operational activities. Tremendous pressures may be expected on filing low-flow augmentation reports at particular times on particular projects.

As I have heretofore stated, the Federal water pollution control program has been tremendously strengthened and upgraded in the new legislation. The program formerly was administered by the Surgeon General of the Public Health Service under the supervision and direction of the Secretary of Health, Education, and Welfare. The administration of the act was by the Chief, Division of Water Supply and Pollution Control, Public Health Service.

The amended act removed this responsibility from the Surgeon General and the responsibility for administering this act is with the Secretary of Health, Education, and Welfare. Formerly, the program was a division continuously referred to as the Division of Water Supply and Pollution Control with the director being a Chief. Now under the amendment, the responsibility is delegated to James M. Quigley, Assistant Secretary, Health, Education, and Welfare, and as of January 31, 1962, the Chief of Water Supply and Pollution Control has been advanced to the rank of an Assistant Surgeon General.

This is a major amendment vested with the Secretary responsible for program administration. This goes back to a philosophy in Government enunciated by the Hoover and other commissions, that all Federal programs should be placed in the politically responsible head of an agency.

The program currently administers a budget in excess of $100 million. Its program of grants-in-aid extend to every State as well as to Interstate Agencies. In addition to administering Federal grants to build sewage treatment facilities, the program functions also include enforcement, research and other activities designed to abate pollution in the country's waterways.

I feel that the National Conference on Water Pollution, December 1960, in the credo, coming from there that "users of water do not have an inherent right to pollute; users of public waters have a responsibility for returning them as nearly clean as is technically possible; prevention is just as important as control of pollution" put it very well.

I would be so amiss if I did not pay respects to two great and outstanding Americans on the national scene, citizens of this great State, who just by coincidence I am informed are Republicans, they being Senators MUNDT and Case. They are indeed friends in our conservation and clean-water movement, and I am sure you are all aware of their help and particularly of Senator Case in the work of the Senate Select Committee on National Water Resources of which he was a member. This State was one of the two of three States having at Webster that tremendous saline water treatment facility.

In closing, let me say that I feel that any degradation of water which can interfere with a legitimate use is contrary to public policy. There are still some who hold to the belief that the utilization of a stream as a receptacle of waste is a legitimate use of water, consistent with water pollution control. Such a belief finds its basis in the fact that water courses have been used for this purpose all the way back to antiquity; whatever may have been acceptable or unavoidable in past years, however, it is quite clear that our goal now and in the years ahead in an age of vast industrial expansion and rapid urbanization, must be to prevent water pollution.

THE CURRENT STATE OF THE NATIONAL ECONOMY

Mrs. WEIS. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, no subject is receiving more attention these days in the press and within business, Government, and labor circles than the current state of the national economy. Unfortunately, much of the discussion contributes more to the heat of the debate than to the clarification and elucidation of the issues. Little wonder that the public, not to speak of the Members of Congress, often are uncertain as to the proper economic course we should follow.

The Joint Economic Committee was established to help bring informed opinion to bear on economic problems. The

Employment Act of 1946, which established the committee, gave it the specific task of making a "continuing" study of matters relating to the economic situation.

The primary purpose of the committee was to provide economic advice to the Congress. But it was also felt that it could serve as a means of better informing the public on the economic issues before the Nation.

Because of the widespread interest in the current economic situation, the Republican members of the Joint Economic Committee believe that it would be appropriate for the committee to hold open hearings as soon as possible on the state of the economy. Clearly, the committee could make an important contribution to a better understanding of the issues.

Some of these issues are being studied right now in closed session by the Ways and Means Committee. The House hearings are important and useful to the extent that they inform the Members of Congress responsible for initiating tax legislation. What is needed now is an open forum for the expression of the best economic opinion that can be found. This function can best be served by the Joint Economic Committee. It was with this thought in mind that the minority members of the committee on July 27 wrote to the chairman, the gentleman from Texas, the Honorable Wright Patman, asking for open hearings on the state of the economy.

The letter, as well as the press release issued in connection with it, follows:

Joint Economic Committee,
Washington, D.C., July 27, 1962.

Hon. Wright Patman,
Chairman, Joint Economic Committee,
New Senate Office Building,
Washington, D.C.

Dear Mr. Chairman: Concern over the state of the economy has mounted in recent months as the recovery from the 1960–61 recession has begun to level off. Some economists believe that we face another recession late this year or early in 1963. In addition to fears of another recession following close on the heels of the last one, there is some opinion that our economy is not growing at a sufficiently rapid rate and that we may be in a period of what has been called high-level stagnation.

One prescription being offered as a cure for our economic ills is an immediate tax cut. The House Ways and Means Committee even now is holding private hearings to study the state of our economy and the need, if any, for an immediate tax cut.

While we recognize and respect the legislative jurisdiction of the Ways and Means Committee over taxation, we believe nevertheless, that the basic issues involved are broadly economic in nature since they involve the proper role of fiscal and monetary policy in the present economic environment. The Joint Economic Committee, through open hearings, could make an important contribution to the clarification and public understanding of these issues.

Therefore, we strongly urge that you schedule hearings by the full Joint Economic Committee on the state of the economy as soon as possible. Such hearings must be open. Not only does the public have the right to know about the health of the economy, but, equally important, it has a need to know. Only a full and frank open discussion of the issues will lead to that broad public understanding and support on which sound economic policies depend.

Very truly yours,
Thomas B. Curtis.
Clarence E. Kilburn.
William B. Widnall.
Prescott Bush.
John Marshall Butler.
Jacob K. Javits.

Republican Members of the Joint Economic Committee Call for Open Hearings on the State of the Economy

Republican members of the congressional Joint Economic Committee today urged that open committee hearings on the state of the economy be held as soon as possible.

Citing widespread concern over the leveling off of the recovery from the 1960–61 recession and frequent statements that the economy is not achieving an adequate rate of economic growth, the Republican House and Senate Members made their request in a letter to Joint Economic Committee Chairman Wright Patman, Democrat, of Texas.

Signing the letter were the ranking House and Senate minority Members, Senator Prescott Bush, of Connecticut, and Representative Thomas B. Curtis, of Missouri, and Senator Jacob K. Javits, of New York, Senator John Marshall Butler, of Maryland, Representative Clarence Kilburn, of New York, and Representative William B. Widnall, of New Jersey.

The letter said in part:

"One prescription being offered as a cure for our economic ills is an immediate tax cut. The House Ways and Means Committee even now is holding private hearings to study the state of the economy and the need, if any, for an immediate tax cut.

"While we recognize and respect the legislative jurisdiction of the Ways and Means Committee over taxation, we believe, nevertheless, that the basic issues involved are broadly economic in nature since they involve the proper role of fiscal and monetary policy in the present economic environment. Tho Joint Economic Committee through open hearings could make an important contribution to the clarification and public understanding of these issues.

"Therefore, we strongly urge that you schedule hearings by the full Joint Economic Committee as soon as possible. Such hearings must be open. Not only does the public have the right to know about the health of the economy, but equally important, it has a need to know. Only a full and frank open discussion of the issues will lead to that broad public understanding and support on which sound economic policies depend."

CORRUPTION IN GOVERNMENT

Mrs. WEIS. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. Curtis] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, one of the first projects I undertook when I was elected to Congress in the 1950 election was the investigation of the manner in which the Truman administration was handling the rumors and allegations of political favoritism and conflict of interests which were rampant at that time.

The campaign in 1950 was conducted around the slogan: "Communism, Corruption, and Confusion." More explicitly stated it had as one of its issues the handling by the Truman administration of alleged Communist infiltration and of alleged corruption. No administration, of course, is anything other than strongly opposed to communism and corruption. However, no administration and no political party is immune to attempts to infiltrate or to obtain special favors. Therefore, no administration or political party should ever resent proper inquiry into the approach it takes to curb infiltration and political favoritism and conflict of interests.

In my speeches on the floor of the House back in 1951 I pointed to what I thought was the basic flaw in the Truman administration's approach to the issue of handling of political favoritism and conflict of interest. It lay in having the Attorney General of the United States whose duties require enforcement of the laws which exist against the use of political favoritism and indulgence in conflict of interests, being basically involved in the process of selecting the political appointments of the administration.

In other words, the person upon whose shoulders rested the obligation to enforce the laws equitably and vigorously in respect to proper behavior of the appointed governmental officials had a basic conflict of interest in that he was greatly responsible for their initial selection for appointment.

Attorney General McGrath was also the chairman of the Democratic National Committee and in this latter capacity he handled all major political patronage and appointments. Naturally, he would be reluctant to enforce the law of proper public behavior vigorously against his own selections. This meant that he was criticising his own judgment in appointing such alleged malfactors to a position of trust and responsibility.

I think one of the basic mistakes of the Eisenhower administration which had been elected partly on the issue of the handling of alleged corruption was exactly the same. Attorney General Herbert Brownell was one of the key men to pass on political appointments. He had the identical conflict of interest which confronted Attorney General McGrath. I made this point, I might say, as vigorously as I could at the time.

Today under the Kennedy administration this same basic conflict of interest exists. Attorney General Robert Kennedy is involved very closely with the administration's political appointments.

I think it is very important that the Office of Attorney General be filled not only by a competent lawyer but by a competent politician, but once the selection has been made the Attorney General should be removed as far as possible from the partisan political aspects of the operation of an administration. The need for even handed law enforcement is too important to have it under the suspicion of being partisan motivated. The need for fair and rigid discipline in proper administrative behavior by all administrative personnel is too important to have it under any suspicion of partisan motivation in pressing for action or in covering up.

There is a fine line that must be drawn in having people politically knowledgeable appointed to office and yet while in office not being subject to partisan pressures. Perhaps a reference to the Missouri nonpartisan court plan which though much misinterpreted itself, might clarify the point I seek to make. The Missouri nonpartisan court plan is not to select judges who have been nonpartisan but rather to remove them from partisan politics after they have been selected.

Indeed, a man who has refrained from being politically active in one party or the other is a poorer citizen and a less trained person for a judgeship than one who has participated in partisan politics. Therefore, everything else being equal he is a much less qualified appointee than one who have been active in politics.

I believe it is essential to select as the Attorney General of the United States one who has had broad political experience but once he is selected require that he abstain from partisan politics.

The issue is not just the Billie Sol Estes case and its unprobed ramifications which the Justice Department under an Attorney General who is up to his neck in partisan politics has failed to move vigorously on. The issue involves the blatant disregard for the law in respect to Federal officials lobbying for current legislation and encouraging civil service employees to do the same, frequently with Federal funds. The Justice Department under an Attorney General deeply committed to partisan political activity not only is failing to enforce the law but is actually encouraging its violation. Nothing could be more damaging to the morale of civil service employees, the Civil Service System itself, and to the essence of representative government.

Regrettably the President of the United States himself who when all is said and done is primarily responsible for the enforcement of our laws has encouraged this kind of violation. The White House public relations apparatus has struck up the refrain that this kind of political activity on the part of administration appointees is usual and is remarkable only in its exceptional cleverness.

Unthinking news reporters and commentators have picked up this cynical theme and joined in the encouragement for more of it. It is being condoned under the label of the President selling his programs to the Congress or to the people.

I think a President should try to sell his programs to the Congress and on certain occasions even go directly to the people but he should do it through assembling his facts and arguments and he should present his case on each issue. It should not be done through tie-in deals and through campaigns of deliberate misrepresentation of the facts and the arguments and motives of those in disagreement. A deliberate tool in the President's approach to selling his ideas should not be unlawful use of political favors in placing or withholding Government contracts, installations, and appointments.

The Justice Department should not dispense justice on this basis. Investigations should not be launched or withheld on this basis. Bills in the Congress should not be favored or frowned upon on this basis. Tax enforcement and FBI operations should be removed from even suspicion that this might be true.

The shocking thing to me is not so much that all this is being done, because I must agree that a modicum of this has always been done, regrettably. The shocking thing is that this is being done brazenly and without seeming regret. Indeed, it has been boasted about by some news commentators favorably inclined to this administration. Machiavelli seems to have become a patron saint, not a cynical astute political observer who portrayed all too accurately the inherent weaknesses of human nature, suggesting ways for an unscrupulous politician or prince to gain power through appealing to them. Machiavelli like his followers, however, realists that he and they deemed themselves to be, seem to eventually miscalculate, fail to allow for the good traits in the human character which assert themselves occasionally to wreck their plans. The prince whom Machiavelli advised was dead at age 31.

Washington, D.C., is becoming a cesspool where the rottenness swirls around with no outlet. Today I have to rely more and more on faith rather than reason that this cesspool has not contaminated the entire Nation and that the people of our country still become shocked when they hear of corruption.

But my faith receives support from time to time.

Out in the country away from Washington, D.C., I am happy to say, many reporters still report and news commentators are still shocked at corruption. They do not just stir up the stink just to make occasional news or to undermine the faith of our people in representative government. They do it because they are angry and seek reform.

I am placing in the RECORD an editorial appearing in the St. Louis Globe Democrat entitled: "Who Tied the Bell on Estes?" which illustrates some of the points I feel need to be emphasized and reemphasized in these cynical times:

WHO TIED THE BELL ON ESTES?

> An Agriculture Department investigator, testifying before a House of Representatives subcommittee, has admitted that the Agriculture Department spent a total of two 10-minute office calls investigating Billie Sol Estes up to the time the first arrest was made.
>
> Even after the arrest, it was admitted, the Agriculture Department still referred to investigation of the case as "deferred for greater priority."
>
> Congressman TOM CURTIS, in his current letter to his constituents, very properly contrasts this with the vigorous efforts of President Coolidge in 1924 when the Teapot Dome scandal first began to come to public attention.
>
> The President immediately named two distinguished citizens—one a Democrat, and one a Republican—to prosecute the frauds, and fired his own Attorney General when that Cabinet officer refused to release Justice Department records, as requested by the Senate.
>
> As a result of Mr. Coolidge's vigilance and prompt action, the guilty were prosecuted and convicted; the Government lost no money, as Mr. CURTIS pointed out, and there was an end to corruption in high places at that time.
>
> Contrasted to that, the Kennedy administration always has been defensive about Estes, seeking to minimize the scandal and brush it under the rug.
>
> The President himself said his administration discovered Estes' fraud. This is not so. The record clearly shows that an enterprising Texas newspaperman, Oscar Griffin, first brought this to public attention, long before the Government acted or took any notice of the case.
>
> In a number of statements since that time, Secretary of Agriculture Orville Freeman has repeatedly denied any substantial wrongdoing, and has stated that the publicity is out of all proportion to its importance. Certainly frauds in the millions, deceit and even murder cannot be so lightly dismissed.
>
> If Secretary Freeman is embarrassed, he might well be. Incompetency, coverups and murder all have been part of the Estes case, while the Attorney General has moved with the speed of molasses in January in doing anything about it.
>
> Indeed, if it were not for a courageous newspaper and for the probing of individual Members of the Congress, it is possible that Estes might still be a person of great importance in the high councils of the Kennedy administration.
>
> President Kennedy wrote so movingly of courage in Government, and has spoken so eloquently of the need for incorruptibility, that he might well review the facts in the Estes case to see whether his conduct conforms to his own high-professed standards.
>
> If he thinks it does, certainly nothing in the public record to date will confirm his point of view.

COMMEMORATIVE POSTAGE STAMP IN HONOR OF SAM RAYBURN

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. ROBERTS] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ROBERTS of Texas. Mr. Speaker, today the memory of one of America's greatest statesmen was honored by the issuance of a commemorative postage stamp.

Speaker Sam Rayburn, who was my Congressman from the time I was born until he died, was the subject of this commemorative stamp, unveiled today by the Post Office Department in a ceremony attended by Mr. Sam's old friend and protege, Vice President Lyndon B. Johnson; Speaker of the House, the Honorable John W. McCormack; and Postmaster General J. Edward Day.

It was my pleasure to serve on Mr. Rayburn's secretarial staff prior to World War II, and it has been my greatest honor to be chosen by the people of his district to succeed him as Representative of the Fourth Congressional District of Texas.

His memory and stature loom larger each succeeding day.

Mr. Speaker, I wish to include in my remarks an excerpt from the official news release of the Post Office Department:

> The stamp will first be placed on sale September 16, in Mr. Sam's hometown, Bonham,

Tex., on the 22d anniversary of his election to the speakership. He had served continuously in Congress since 1913 until his death, at 79, November 16, 1961.

On the day of Mr. Rayburn's death, the Citizens' Stamp Advisory Committee was meeting and immediately approved issuance of a Rayburn stamp. Postmaster General Day made the announcement in a New York speech the following evening.

In the multicolor, vertical stamp, Sam Rayburn stands impressively before the Capitol dome. Gradated tones of brown and blue give the stamp a three-dimensional effect.

Sam Rayburn's face was familiar to millions of TV watchers during the Democratic National Conventions of 1948, 1952, and 1956 which he served as permanent chairman. With an oversize gavel, he ruled the conventions with firm authority.

He ruled "his" House with similar firmness. Historians regard Sam Rayburn as among the strongest Speakers the Nation has produced; yet he is remembered as a parliamentary leader who relied on persuasion and not on raw power. For this, he was highly respected by his political opponents who joined members of his own party in requesting issuance of the stamp.

Sam Rayburn almost never made speeches, and when he did they were short and to the point. One of these rare speeches occurred August 12, 1941, less than 4 months before Pearl Harbor, when isolationists in the House came within one vote of blocking extension of the military draft. He talked, and the draft bill passed, 203 to 202.

He threw his strength behind some of the most historic legislation of the past three decades.

These include:

The Securities Act of 1933, which stopped fraudulent sale of stocks and bonds;

The Public Utilities Holding Company Act of 1935, which ended utility trusts;

The act that created the Rural Electrification Administration;

The Housing Act of 1944;

Acts that sharpened national defense and set up the Marshall plan; and

The far-reaching expansion of social security, in 1950.

The 8th of 11 children, Sam Rayburn was born January 6, 1882, near Kingston, Tenn. Five years later, his family moved to a 40-acre cotton farm near Windom, Tex. When he was 18, with $25 in his pockets, he began his higher education at East Texas Normal College, where he rang the college bell, swept floors and built fires to pay for his education.

After teaching in the public schools for 2 years, he was elected to the Texas Legislature in 1906—the first of 28 election campaigns without a defeat. At 29, he was elected speaker of the Texas House, the youngest in that State's history. Meanwhile he studied law at the University of Texas.

He was elected to Congress in 1913 at the age of 30, and soon was identified as President Woodrow Wilson's "bright young Congressman."

Sam Rayburn remained in Congress until his death.

As is customary when great men die, men in high stations pay tribute to them. So President Kennedy, Mr. Truman, General Eisenhower, and Mr. Hoover—among many others—issued statements. So did Joe Kincaid, a letter carrier in Bonham, Tex., who expressed it just about as well as any of them. Mr. Kincaid said: "I went fishing with him. As a fisherman I'd say he was pretty good. As a man he was as good as they come."

The 4-cent Sam Rayburn stamp, in brown and blue, will be 0.84 by 1.44 inches, arranged vertically, printed on the Giori presses and issued in panes of 50. Initial printing is 120 million.

Robert L. Miller, of the Bureau of Engraving and Printing, designed the stamp, basing the portrait on a photograph appearing in House Document No. 247 of the 87th Congress, "The Leadership of Speaker Sam Rayburn."

Portrait and vignette are by Charles A. Brooks, and lettering and numeral by William R. Burnell.

Collectors desiring first-day cancellations of the Sam Rayburn stamp may send addressed envelopes, together with remittance to cover the cost of stamps to be affixed, to the Postmaster, Bonham, Tex. Each envelope must be marked, in pencil, in the upper right corner indicating the number of stamps to be affixed (singles, pairs, blocks, etc.). Requests for first-day covers should not be sent to the Philatelic Sales Agency, Washington, D.C.

An enclosure of medium weight should be placed in each envelope and the flap either turned in or sealed. The outside envelope to the Postmaster should be clearly marked "First Day Covers Rayburn Stamp."

Collectors are cautioned that orders for first-day covers must not include requests for uncanceled stamps. Cover requests must be postmarked not later than September 16, 1962.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. Riley (at the request of Mr. Albert), for today, on account of illness.

Mrs. Bolton (at the request of Mr. Betts), for the remainder of the legislative week, on account of illness in her immediate family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Pelly, for 10 minutes, on Tuesday, July 31.

Mr. Waggonner (at the request of Mr. Albert) was given permission to address the House for 15 minutes, to revise and extend his remarks, and include extraneous matter.

Mr. Inouye (at the request of Mr. Albert), for 10 minutes, on July 31, to revise and extend his remarks, and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Magnuson.

Mr. Everett and to include extraneous matter.

Mr. Teague of Texas to revise and extend remarks made in Committee of the Whole and to include the full text of Dr. Harold Brown's statement.

Mr. George P. Miller to revise and extend remarks made in Committee of the Whole and that a statement by the National Science Foundation on the "Indirect Cost of Research and Development in Colleges and Universities, Fiscal Year 1960," together with tables be included immediately following his remarks.

Mr. Jonas to revise and extend remarks made in Committee of the Whole this afternoon and to include some tables and collateral material.

Mr. Meader to revise and extend his remarks made in the Committee of the Whole today and include extraneous matter.

Mr. O'Hara of Illinois to revise and extend his remarks made in the Committee of the Whole today and include extraneous matter.

Mr. Hechler and to include extraneous matter.

Mr. Daddario in two instances.

Mr. Farbstein.

Mr. Alger

(The following Members (at the request of Mrs. Weis) and to include extraneous matter:)

Mr. Fino.

Mr. Griffin.

Mr. Wilson of California.

Mr. Ellsworth.

(The following Members (at the request of Mr. Albert) and to include extraneous matter:)

Mr. Patman.

Mr. Gonzalez.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2129. An act for the relief of John Calvin Taylor;

H.R. 2664. An act for the relief of Mrs. Irena Ratajczak;

H.R. 3000. An act for the relief of Lea Min Wong;

H.R. 3501. An act for the relief of Mrs. Hasmik Arzoo;

H.R. 3821. An act for the relief of Ivy Gwendolyn Myers;

H.R. 4718. An act for the relief of Bogdan Kusulja;

H.R. 6833. An act for the relief of Frantisek Tisler;

H.R. 8141. An act to revise the laws relating to depository libraries;

H.R. 8214. An act to permit the use of certain construction tools actuated by explosive charges in construction activity on the U.S. Capitol Grounds;

H.R. 8992. An act to amend certain administrative provisions of title 38, United States Code, relating to the Department of Medicine and Surgery in the Veterans' Administration;

H.R. 9186. An act for the relief of Eladio Aris (also known as Eladio Aris Carvallo);

H.R. 9522. An act for the relief of certain members of the U.S. Marine Corps who incurred losses pursuant to the cancellation of a permanent change of station movement;

H.R. 10069. An act to amend section 216 of title 38, United States Code, relating to prosthetic research in the Veterans' Administration;

H.R. 10184. An act to amend section 130 (a) of title 28, United States Code, so as to reconstitute the eastern judicial district of Wisconsin to include Menominee County, Wis.;

H.R. 10525. An act for the relief of Francis L. Quinn;

H.R. 11127. An act for the relief of Ernst Haeusserman;

H.R. 11735. An act authorizing the change in name of the Beardstown, Ill., flood control project, to the Sid Simpson flood control project; and

H.J. Res. 417. Joint resolution to designate the lake formed by Terminus Dam on the Kaweah River in California as Lake Kaweah.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, a bill and a joint resolution of the House of the following titles:

On July 28, 1962:

H.J. Res. 839. An act making continuing appropriations for the fiscal year 1963, and for other purposes.

On July 30, 1962:

H.R. 9520. An act to continue for 2 years the suspension of duty on certain alumina and bauxite.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 24 minutes p.m.) the House adjourned until tomorrow, July 31, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2349. A letter from the Secretary of the Interior, transmitting a report on the North Loup division, Missouri River Basin project, Nebraska, pursuant to section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) (H. Doc. No. 491); to the Committee on Interior and Insular Affairs and ordered to be printed wtih illustrations.

2350. A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting the July 1961 to May 1962 report on Department of Defense prime contract awards to small and other business firms, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Banking and Currency.

2351. A letter from the Governor, Canal Zone Government, transmitting a report of claims paid by the Canal Zone Government for the period July 1, 1961, to June 30, 1962, pursuant to section 2672 of title 28, United States Code, as amended; to the Committee on the Judiciary.

2352. A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of a proposed bill entitled "A bill to amend the Retired Federal Employees Health Benefits Act with respect to Government contribution for expenses incurred in the administration of such act"; to the Committee on Post Office and Civil Service.

2353. A letter from the Comptroller General of the United States, transmitting a report on the review of maintenance of tracked combat vehicles at Fort Knox, Ky., and Fort Hood, Tex.; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of July 26, 1962, the following bills and conference report were reported on July 27, 1962:

Mr. SPENCE: Committee on Banking and Currency. S. 1171. An act to improve the usefulness of national bank branches in foreign countries; without amendment (Rept. No. 2047). Referred to the House Calendar.

Mr. SPENCE: Committee on Banking and Currency. H.R. 7796. A bill to amend certain lending limitations on real estate and construction loans applicable to national banks; without amendment (Rept. No. 2048). Referred to the House Calendar.

Mr. KIRWAN: Committee of conference. H.R. 10802. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes (Rept. No. 2049). Ordered to be printed.

Mr. THOMAS: Committee on Appropriations. H.R. 12711. A bill making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1963, and for other purposes; without amendment (Rept. No. 2050). Referred to the Committee of the Whole House on the State of the Union.

Under clause 2 of rule XIII, pursuant to the order of the House of July 26, 1962, the following bills were reported on July 28, 1962:

Mr. RAINS: Committee on Banking and Currency. S. 3327. An act to make certain federally impacted areas eligible for assistance under the public facility loan program; with amendment (Rept. No. 2051). Referred to the Committee of the Whole House on the State of the Union.

Mr. RAINS: Committee on Banking and Currency. H.R. 12628. A bill to provide additional funds under section 202(a)(4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low and moderate cost housing, both urban and rural, for the elderly; with amendment (Rept. No. 2052). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted July 30, 1962*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H.R. 11952. A bill to assure payment of just compensation for the use and occupancy of certain lands on Kwajalein and Dalap Islands, Trust Territory of the Pacific Islands, and for other purposes; with an amendment (Rept. No. 2054). Referred to the Committee of the Whole House on the State of the Union.

Mr. EDMONDSON: Committee on Interior and Insular Affairs. H.R. 9280. A bill to amend section 2 of the act of July 31, 1947 (61 Stat. 681), and for other purposes; with amendment (Rept. No. 2055). Referred to the Committee of the Whole House on the State of the Union.

Mr. EDMONDSON: Committee on Interior and Insular Affairs. H.R. 10540. A bill to exclude deposits of petrified wood from appropriation under the U.S. mining laws; with amendment (Rept. No. 2056). Referred to the Committee of the Whole House on the State of the Union.

Mr. EDMONDSON: Committee on Interior and Insular Affairs. H.R. 11049. A bill to provide for the relief of certain oil and gas lessees under the Mineral Leasing Act; with amendment (Rept. No. 2057). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H.R. 11953. A bill to authorize the Government of the Virgin Islands to issue general obligation bonds; without amendment (Rept. No. 2058). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H.R. 12078. A bill to provide for the settlement of claims of certain residents of the Trust Territory of the Pacific Islands; with amendment (Rept. No. 2059). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAYS: Committee on Foreign Affairs. Report pursuant to House Resolution 60, pertaining to a center for culture and technical interchange between East and West (Rept. No. 2060). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. S. 1005. An act to amend section 10 and section 3 of the Federal Reserve Act, and for other purposes; with amendment (Rept. No. 2061). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H.R. 8874. A bill to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes; with amendment (Rept. No. 2062). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 3064. An act to amend section 9 of the act of May 22, 1928, as amended, authorizing and directing a national survey of forest resources; with amendment (Rept. No. 2063). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 3112. An act to add certain lands to the Pike National Forest in Colorado and the Carson National Forest and the Santa Fe National Forest in New Mexico, and for other purposes; with amendment (Rept. No. 2064). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 12688. A bill to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes; with amendment (Rept. No. 2065). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 7195. A bill to add certain lands to the Wasatch National Forest, Utah, and for other purposes; with amendment (Rept. No. 2066). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 9728. A bill to amend the Cooperative Forest Management Act; without amendment (Rept. No. 2067). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 12589. A bill to amend the Smith-Lever Act of May 8, 1914, as amended; without amendment (Rept. No. 2068). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EDMONDSON: Committee on Interior and Insular Affairs. H.R. 7364. A bill to provide for the conveyance of certain mineral interests of the United States in property in South Carolina to the record owners of the surface of that property; with amendment (Rept. No. 2053). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of July 26, 1962, the following bill was introduced on July 27, 1962:

By Mr. THOMAS:

H.R. 12711. A bill making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1963, and for other purposes.

[*Introduced and referred July 30, 1962*]

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H.R. 12712. A bill to assist the States to provide additional facilities for research at the State agricultural experiment stations; to the Committee on Agriculture.

By Mr. AUCHINCLOSS:

H.R. 12713. A bill to amend the District of Columbia Redevelopment Act of 1945, as amended, and for other purposes; to the Committee on the District of Columbia.

By Mr. DOLE (by request):

H.R. 12714. A bill to amend section 716 of title 38, United States Code, to authorize lump-sum settlements in the case of national service life insurance maturing before August 1, 1946; to the Committee on Veterans Affairs.

By Mr. DOMINICK:

H.R. 12715. A bill to amend the Pure Food and Drug Act with respect to food additives and with respect to changes in approvals or sanctions previously granted; to the Committee on Interstate and Foreign Commerce.

By Mr. GONZALEZ:

H.R. 12716. A bill to increase from $600 to $900 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

H.R. 12717. A bill to provide that any civilian agency which contemplates moving or closing any of its installations shall notify the Members of Congress concerned and shall afford an opportunity for public hearings with respect to such contemplated action; to the Committee on Public Works.

By Mr. MORRIS:

H.R. 12718. A bill to amend the Atomic Energy Act of 1955, as amended, to provide for the disposal of federally owned properties at Los Alamos, N. Mex., and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. KING of California:

H.R. 12719. A bill to amend the Internal Revenue Code of 1954 to provide that amounts received as certain awards under the Japanese-American Evacuation Claims Act of 1948, as amended, shall not be included in gross income; to the Committee on Ways and Means.

By Mr. McMILLAN:

H.R. 12720. A bill to place the position of Superintendent of Insurance of the District of Columbia in an appropriate grade in the general schedule of the Classification Act of 1949, as amended; to the Committee on Post Office and Civil Service.

By Mr. MURRAY:

H.R. 12721. A bill to simplify, modernize, and consolidate the laws relating to the employment of civilians in more than one position and the laws concerning the civilian employment of retired members of the uniformed services, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WAGGONNER:

H.J. Res. 841. Joint resolution proposing an amendment to the Constitution of the United States to provide for the popular election of Federal judges; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JOELSON:

H.R. 12722. A bill for the relief of Assunta Tirri; to the Committee on the Judiciary.

By Mr. JOHNSON of California:

H.R. 12723. A bill for the relief of Mr. Udham Singh Heir; to the Committee on the Judiciary.

By Mr. JUDD:

H.R. 12724. A bill for the relief of Dedrick A. Maanum; to the Committee on the Judiciary.

By Mr. RIEHLMAN:

H.R. 12725. A bill for the relief of Dr. Bedros Manguiakian; to the Committee on the Judiciary.

By Mr. LANE:

H. Res. 739. Resolution providing for sending the bill (H.R. 10031) for the relief of the John V. Boland Construction Co., together with accompanying papers, to the Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

393. By Mr. SHRIVER: Resolution of the Chamber of Commerce of the City of Abilene, Kans., endorsing and favoring enactment of S. 3243, H.R. 11583, S. 3242, and H.R. 11584 into law; to the Committee on Interstate and Foreign Commerce.

394. Also, resolution of the Chamber of Commerce of the City of Newton, Kans., endorsing and favoring the enactment of S. 3243, H.R. 11583, S. 3242, and H.R. 11584 into law; to the Committee on Interstate and Foreign Commerce.

395. By the SPEAKER: Petition of Chester Kowal, mayor of Buffalo, N.Y., relative to Buffalo Citizens Committee and their observance of Captive Nations Week; to the Committee on Foreign Affairs.

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SENATE

MONDAY, JULY 30, 1962

(Legislative day of Thursday, July 26, 1962)

The Senate met at 10 o'clock a.m., on the expiration of the recess, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, to Thy light, never dimmed by darkening clouds, we turn soiled by the world and in need of cleansing. Amid the crowd, as we compare our life with those that touch us, we are not often ashamed, but always in Thy searching sight we are.

Troubled by the record of remembered yesterdays, when, alas, again and again we have fallen short of our best, we are grateful for this new week, because, in spite of past failures, it brings us again to the land of beginning.

Teach us really to pray so that temporary triumphs of party and transient successes of individuals may be submerged in the welfare of the commonwealth.

Grant to the Nation's leaders a clear judgment as to how that good may be attained.

We ask it in the name of the One upon whose shoulders at last the Government must rest. Amen.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT ON OPERATIONS UNDER THE PEACE CORPS ACT—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Foreign Relations:

To the Congress of the United States:

Pursuant to the provisions of section 11 of the Peace Corps Act, I transmit herewith the first annual report on operations under the act covering the fiscal year ended June 30, 1962.

JOHN F. KENNEDY.

THE WHITE HOUSE, *July 27, 1962.*

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

COMMITTEE MEETING DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations, of the Committee on Government Operations, be permitted to sit during the session of the Senate today.

Mr. MORSE. I object.

Mr. McCLELLAN. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield, provided I may do so without losing my right to the floor.

The VICE PRESIDENT. Without objection, the Senator from Montana yields to the Senator from Arkansas with that understanding.

Mr. McCLELLAN. I should like to make this statement: A serious strike in progress between a union and a company involves the building of submarines which carry missiles—one of the vital links in the chain of national defense and security. It is my information that twice heretofore both the management and those representing labor have agreed upon a settlement; and on those two occasions the settlement has been submitted to the union members, who have rejected it.

Now, for a third time, the representatives of the union and of management have again agreed upon a settlement; and I understand that the settlement is again to be submitted to the union, tomorrow night, for its ratification or rejection.

Mr. President, in connection with what has transpired before, the Senate Committee on Government Operations, through its Subcommittee on Permanent Investigations, has information that the settlements heretofore have been obstructed by the efforts of a former president of a local in one of these unions, who was expelled from his position in the union by the due processes of procedures prescribed in the constitution of that organization.

This person apparently wields tremendous influence over the rank-and-file members—I think he does not deny that; and we are advised that he has offered for a sum of money and other considerations to withdraw his objections and permit this agreement, which has been made by the management and the representatives of the union, to go through.

Mr. President, if that is occurring and if it can be established, clearly and surely it would have some impact on the rank-and-file membership; and if this obstruction is permitted to occur again—if it has occurred in the past—it would bring about a further delay in the construction and production of these weapons vital to our national defense.

Mr. President, this fact ought to be exposed, or the rumor and report of it ought to be exploded. The matter is too important to the security of our country for it to remain in its present state, and thus incur the risk of prolonged delay, solely because someone will not pay off someone to get a strike settlement.

Mr. President, I submit that my request should be granted. The witnesses are present. I understand the situation here in the Senate; but certainly this exception could be made without doing harm to anyone's position or advantage here, in connection with the proceedings now in progress in the Senate. To deny this request may further jeopardize the security of the United States, in my judgment.

Mr. KEFAUVER. Mr. President, reserving the right to object——

Mr. MANSFIELD. Mr. President, I renew my request.

The VICE PRESIDENT. The question is on agreeing to the request of the Senator from Montana. Is there objection?

Mr. MORSE. Mr. President, I object; but I should like—reserving the right to object——

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

Mr. MORSE. Mr. President, I should like to know whether the majority leader is not willing to let a Member make a statement after reserving the right to object.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

Mr. MORSE. Let the country know the procedure.

The VICE PRESIDENT. The absence of a quorum has been suggested, and the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 138 Leg.]

Allott
Anderson
Bartlett
Beall
Bush
Byrd, Va.
Byrd, W. Va.
Capehart
Carlson
Case
Chavez
Church
Cooper
Cotton
Curtis
Dirksen
Dodd
Douglas
Ellender
Engle
Ervin
Goldwater
Gore
Gruening
Hart
Hartke
Hayden
Hickenlooper
Hill
Holland
Hruska
Humphrey
Jackson
Johnston
Jordan
Keating
Kefauver
Kerr
Kuchel
Lausche
Long, Hawaii
Magnuson
Mansfield
McCarthy
McClellan
McGee
McNamara
Metcalf
Miller
Monroney
Morse
Mundt
Muskie
Neuberger
Pastore
Pell
Proxmire
Randolph
Robertson
Russell
Scott
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Thurmond
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Nevada [Mr. CANNON], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. LONG], and the Senator from Utah [Mr. MOSS] are absent on official business.

I further announce that the Senator from Nevada [Mr. BIBLE], the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Wyoming [Mr. HICKEY], and the Senator from Missouri [Mr. LONG] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Maryland [Mr. BUTLER], the Senator from Kentucky [Mr. MORTON], the Senator from New Hampshire [Mr. MURPHY], the Senator from Kansas [Mr. PEARSON], the Senator from Vermont [Mr. PROUTY], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Delaware [Mr. BOGGS] is absent in the State to attend the funeral of a friend.

The Senator from Hawaii [Mr. FONG] is absent because of death in his family.

The Senator from New York [Mr. JAVITS], and the Senator from Texas [Mr. TOWER] are detained on official business.

The VICE PRESIDENT. A quorum is present.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The VICE PRESIDENT. The question is on the motion of the Senator from Montana [Mr. MANSFIELD] that the Senate proceed to consider the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. MANSFIELD. Mr. President, first I wish to compliment the distinguished Senator from Oregon [Mrs. NEUBERGER] and the distinguished Senator from Tennessee [Mr. GORE] for their being in attendance on the floor of the Senate last Saturday and ready to proceed with the business of the Senate on that day. I wish I could make the same statement for 50 other Senators who were not present.

Mr. President, on Friday last I had occasion to make certain comments on the problems of procedure in the Senate. I pointed out that the leadership operated under the same rules as every other Senator, and that it had no special powers to move the business of the Senate. I pointed out, too, that the responsibilities for carrying on that business rested on every Member and the Senate as a whole. I pointed out finally that under the present rules the effective operation of the Senate depended on the self-restraint of every Senator in asserting his rules-protected individual rights and on a modicum of courtesy to the leadership.

When I made those observations I had no idea that they would be confirmed so quickly. But the events of the weekend have made their accuracy clear. So that the facts may be straight, let me review and summarize those events. On Friday afternoon the leadership moved to take up the space communications bill. Normally such a move is unopposed as a courtesy to the leadership. In this instance—and there have been others from time to time in the past—the move to take up was immediately challenged and a debate began on the question to take up.

At approximately 10 p.m. Friday evening the debate was still not resolved, and the absence of a quorum was suggested. Immediately thereafter, pursuant to a previous order, the Senate recessed until 10 a.m. Saturday. At 10:14 p.m., the time of the recess, 10 Senators had responded to the call of the roll, and the majority leader was not among those 10.

The Senate met on Saturday morning at 10 a.m. A call of the roll failed to produce a quorum. The call of the absent Senators followed, and it failed to produce a quorum. The Sergeant at Arms was instructed to notify the absent Members. The secretaries and their staffs on both sides of the aisle worked diligently to locate the absent Members. The absent Members on both sides of the aisle were scattered far and wide. They were on the Pacific coast, amidst the tall corn of the Middle West, in the South and in the East, and some, may I say, were here in town but they did not show up in the Chamber that day.

As for the absentees from this side of the aisle, there were 27 distributed in about 20 States and on the high seas. As for the absentees from the other side, I have no knowledge of where, instead of in the Senate, they were presumably carrying on the business of the Senate.

Mr. President, I do not begrudge the Members the pleasures of the rest, or whatever one would wish to do on a summer weekend, but the business of the Senate is the business of the Members, and the business of the Senate cannot be pursued in the absence of a quorum if any Member deigns to suggest that a quorum is not present. A quorum—the essential quorum under the rules—was finally assembled, a few minutes before 3 p.m. Five hours, Mr. President, were spent in bringing together 50 Senators. The leadership had served ample notice that there would be a Saturday session. On Friday afternoon it pointed out as clearly as it knew how, the necessity for cooperation of all Members in carrying on the business of the Senate. Indeed, it had pleaded with the Senate for help.

The response, Mr. President? Five Saturday hours were spent in bringing together, out of the Senate's membership of 99 at the moment, 50 Senators prepared to attend to the business of the Senate and the Nation. That was the response to the request—indeed, to the plea of the majority leader and the majority whip, supported by the minority leader—for the cooperation of the Senate.

The other point which the leadership raised on Friday, beyond the need for the cooperation of all Members, was the plea for self-restraint on the part of the Members if the Senate was to function effectively under the rules.

The response to this plea? Let me resume the summary of what transpired on Saturday. As I have already noted, at approximately 3 p.m. a quorum was at last assembled, 5 hours after the search for one began. The Senate under its rules was now prepared to carry on the business of the Senate, which in this instance happened to be the motion to take up the space satellite bill. Not a word was spoken on the bill, but scarcely 10 minutes after the quorum call had been completed, apparently in utter disregard of the wishes of the acting majority leader, the Senator from Minnesota [Mr. HUMPHREY], who was doing his best to get on with the business of the Senate, a series of procedural motions ensued and ended in a second suggestion of the absence of a quorum, and, indeed, it was absent.

So, Mr. President, the whole sorry procedure of rounding up 50 Members began again. Some time after 8 p.m., 50 Members were again located, just in time for the acting majority leader, the Senator from Minnesota [Mr. HUMPHREY], to recess the Senate until 10 a.m. Monday.

I wish to say that I appreciate deeply the efforts of the acting majority leader. He did his very best. He stayed on the job. But he was faced with the fact that under the rules there was no job to do except to hunt for Senators.

I ask my colleagues to look at Saturday's sorry record, Mr. President. It is a masterpiece of erudition and a magnificent contribution to the stature of the Senate and the welfare of the Nation. It consisted of two quorum calls, which managed to turn up 50 Members twice in 10 hours, and between the two a bit of parliamentary shuffling on the question of whether to adjourn or recess until Monday.

That process, with almost infinite variation, can be repeated under the present rules in the absence of cooperation and self-restraint on the part of Senators.

As I said on Friday, it is hardly a hallmark of genius to milk the Senate rules for the purpose of evading consideration and decision. If it was the purpose of the Senate to demonstrate the validity of that observation, may I say that Saturday's demonstration should have been sufficient to convince any doubters. In the process of demonstration, however, one more day has gone down the drain, one more precious day in failing to get on with the President's program and the business of the Nation. We can go on this way. Every Senator of both parties can stand on his full rights under the present rules.

We can go on into September, October, and November. But one day we will begin to recognize that beyond the enormous importance of the individual rights of every Senator under the rules, there is something of higher importance, something which cannot be evaded much longer—the primary constitutional duty of this body to do its full share in the business of the Government of the United States. The leadership can remind, but the Senate, and only the Senate as a whole, has the responsibility for recognizing this fundamental reality and acting on it. The people of this Nation, indeed, if not the events of the world, will sooner or later bring it emphatically to the attention of Senators if we continue to forget.

Mr. MORSE and Mr. KEFAUVER addressed the Chair.

The VICE PRESIDENT. Does the Senator from Montana yield; and if so, to whom does he yield?

Mr. MANSFIELD. I yield to the Senator from Oregon.

Mr. MORSE. Mr. President, it is with sadness and regret that I rise to reply to the majority leader. However, I wish to make a few observations on the majority leader's speech. I wish to point out to the majority leader that when the Senate engaged in another filibuster—namely, on the so-called literacy bill—the majority leader did not see fit to call a Saturday session on most Saturdays. At that time the majority leader did not see fit to hold the Senate in late night sessions.

He has referred to the fact that it is not a hallmark of genius for any Senator to exercise his rights under the rules. I wish to say, as a matter of personal opinion, that it is not a hallmark of leadership in the Senate for him to attempt to hold us in session on Saturday, when he knew that there was no need for it.

This morning, when the request was made to hold a committee meeting, which would deal with a very serious labor dispute—a labor dispute about which I know a great deal—I sought to reserve my right to approve the holding of such a hearing. I wanted to make a suggestion that I felt would be of help to the Senator from Arkansas and the administration.

I have been working with the Labor Department on these emergency cases and I am just as concerned about them as is anyone else in the Senate.

Let me say, in that connection, that it would be better to lay the satellite bill aside and proceed to the consideration of emergency labor legislation and other emergency legislation. There is no real need or rush for the passage of the satellite bill but there is a great need for the passage of some other legislation that has been pending on the calendar for many, many months. In fact the real important legislation pending on the Senate Calendar has been pending many months longer in some cases than this satellite bill. I am sorry the majority leader refused to let me reserve my objection to the request for a committee meeting until I could give my reasons for objecting. When he failed to do that he failed to protect my legitimate right to expect courtesy from him. His leadership has failed me.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Tennessee.

Mr. KEFAUVER. As one of the Senators who were not here on Saturday I wish to say that it is unfortunate that there was difficulty in obtaining a quorum on two occasions. I understand that quite a number of other Senators had, a considerable time before Friday, made engagements to be in other cities, not realizing that this extended debate would be treated in a way different from what was done as to other extended debates which had occurred in the Senate. I suppose that each Senator thought other Senators would probably be here, and therefore did not cancel his engagement. Such engagement had obviously been made many days before.

I did not know about the difficulty until 15 minutes to 6. Then it was impossible to get back to the Senate in time. I do think that the distinguished majority leader should have mentioned that some Senators who are opposed to the bill, such as the distinguished Senator from Oregon [Mrs. NEUBERGER] and the distinguished Senator from Tennessee [Mr. GORE] were present.

Mr. MANSFIELD. Mr. President, will the Senator yield on that point?

Mr. KEFAUVER. I yield.

Mr. MANSFIELD. I did mention that the Senator from Oregon and the Senator from Tennessee were in the Chamber, and I commended them on their diligence.

Mr. KEFAUVER. I appreciate that point.

Mr. MANSFIELD. They were the only two who were present of those Senators who are in opposition.

Mr. KEFAUVER. I understand that there were a few others also who were present. The point I wish to make is that they showed great restraint, because after 8 o'clock at night, as I get the record, when the distinguished acting majority leader, the Senator from Minnesota [Mr. HUMPHREY], moved to recess, these Senators had the right to suggest the absence of a quorum. Such a move would have tied the Senate up again and made the situation even more difficult. So I say they showed great restraint in not doing that. I am certain that the Senator from Minnesota, the acting majority leader, will agree.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HUMPHREY. I wish to say that we did have the cooperation of the Senator from Oregon [Mrs. NEUBERGER] and the Senator from Tennessee [Mr. GORE] in that regard. I also wish to point out that on the second rollcall we still had 50 Senators here. After the second rollcall 50 Senators were available within 15 to 30 minutes of this Chamber, because, after having learned the first lesson, and a quorum was obtained, we expected that the debate would proceed, because that was the whole purpose, namely, to have discussion of the issue. It was then that the acting majority leader and the majority leader, who was here, asked that every Senator remain available in case a third quorum were needed. The whole purpose of the Saturday session was to get on with the debate. I was prepared to listen. I gathered that other Senators were prepared to participate.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Tennessee.

Mr. GORE. I wish to thank the distinguished majority leader and the distinguished acting majority leader for their generous references to me. I should like to call to the attention of the Senate the fact that on Friday evening the acting majority leader came to my desk and asked if it would be agreeable to have the Journal of the previous day approved. I unhesitatingly gave consent for its approval. It could only be approved by unanimous consent or majority vote. Had it not been approved, it would still be subject to amendment and debate now.

Thereafter the distinguished acting majority leader wished to call up the continuing appropriation resolution. This consent was given, too.

Lest too many people lose their tempers, I wish to point out that there has been a maximum degree of cooperation. I would like to suggest to the distinguished majority leader that this issue is of overweening importance, particularly from the aspect of its foreign-policy implications in regard to satellite communications. I sat in my chair here for 10 hours on Saturday. If I had been recognized, I am sure there would have been few Senators present to hear me.

In my opinion, the foreign policy implications are far more important than the so-called giveaway aspect of the bill. They are so important that a few days ago an announcement was made from the White House on behalf of the President of the United States that the White House was initiating a farflung study of the foreign-policy implications of the opportunity afforded by and the problems involved in satellite communications. Yet we are asked to pass this bill before that study is made. We are asked to pass the bill before the Senate Foreign Relations Committee has had an opportunity to consider it at all. Indeed, we are asked to pass it before I, as a Member of the Senate, have had an opportunity to present my views with respect to that important aspect.

I hope the Senate, and I hope the majority leader, will exercise some restraint also. My view is that the bill should first be considered by the Committee on Foreign Relations, and that the Senate should have the benefit of its recommendation.

In order to make my point, whenever I am recognized to speak, it will be my purpose to move that the bill be referred to the Committee on Foreign Relations. I hope that such a motion will not be construed as a discourtesy to the leadership. I hope it will be considered as an effort to cooperate with the leadership. But, since this is my point of view, I think that the proper way to make the point is to have a motion pending and address my remarks to the advisability of having the Senate act on it.

I am trespassing too long on the time of the Senate. Again I thank the distinguished majority leader, the distinguished minority leader, and my colleague from Tennessee, for their courtesy to me.

Mr. MANSFIELD. Mr. President, the distinguished junior Senator from Tennessee has been most cooperative, and the leadership deeply appreciates his courtesy.

Mr. President, I yield now to the distinguished senior Senator from Texas, who has not yet been heard.

The VICE PRESIDENT. The Senator from Montana asks unanimous consent that he may yield to the Senator from Texas to make a statement, without the Senator from Montana's losing his right to the floor. Is there objection? The Chair hears none, and it is so ordered.

Mr. YARBOROUGH. Mr. President, the distinguished majority leader was not here on Friday evening when I was making some remarks. The distinguished majority whip, the Senator from Minnesota [Mr. HUMPHREY] was then the acting majority leader. So few Senators were present that in our efforts to state our views on this subject, we who are supporting the Kefauver-Morse-Gore substitute asked for a live quorum. The distinguished acting majority leader at that time told us that he had assured some 20 Senators that there would be no rollcall and no action taken on Friday night which would require that they be present. So only a mere handful of Senators were in the Chamber. He requested that we withdraw any call for a live quorum on Friday night.

We requested, in return, since there were no Senators to speak to, except the handful on our side of this subject who were here—for the most part, we were speaking to empty seats—that the speech which I made on Friday night not be counted as one speech, but that I be permitted to return on Monday morning and finish my speech on this subject, and that it not count against me as one speech.

The very affable, genial, kindly party whip very generously said he would consider my request. He did not then promise that he would agree to it. But he was most accommodating and very agreeable, and he did everything except to say, "I will agree to that." But he left the clear inference that mine was a reasonable request.

Unfortunately, we had three party leaders on Friday night. At the time the session recessed, the distinguished junior Senator from Florida [Mr. SMATHERS] was in the seat of the majority leader. He said he was the acting majority leader and that he had received no instructions from the majority leader or the party whip, and he had no authority to agree that I might resume on Monday morning without my speech at that time counting as a second speech against me. So I lost the right to the floor.

Now I say to my majority leader that I think accommodation is a two-way street; it works on both sides.

Mr. MANSFIELD. Mr. President, I should like to point out that I was on the floor of the Senate Friday night, and that the acting majority leaders on that occasion, the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Florida [Mr. SMATHERS], acted correctly and circumspectly and, I think, perfectly within the rules of procedure which govern this body. I have no complaint; I commend them.

Mr. YARBOROUGH. Mr. President, on Saturday I personally made no effort to break a quorum, and I know other Senators did not. Members of the Committee on Commerce, of which I am a member, had long previous to last Saturday accepted an invitation from the Secretary of Commerce to go on one of the trial runs which the nuclear ship *Savannah* was making. Senators from both sides of the aisle who are members of the Committee on Commerce were invited. We had accepted the invitation long prior to Saturday. The *Savannah* was making a certain number of shakedown cruises which must be made before the ship is sent to sea for its initial voyage.

Together with the Secretary of Commerce, we were aboard the nuclear ship *Savannah* and did not know what was transpiring in the Senate until we received some radiogram reports. There was no deliberate effort to absent ourselves from the Senate, because we had accepted long previously an invitation, as members of the Committee on Commerce, to be aboard the ship on a trial run. We had no idea that this subject would be under debate on Saturday.

Mr. MANSFIELD. Mr. President, I did not state who was at sea. I did not mention the Senator's name in that respect; he has done so himself. Of course, that is something which is up to each individual Member of the Senate to discuss in his own way and in his own fashion.

I now yield to the Senator from Tennessee.

The VICE PRESIDENT. Let the Chair state the question. The Senator from Montana asks unanimous consent to yield to the Senator from Tennessee with the understanding that the Senator from Montana will not lose the floor. Is there objection? The Chair hears none. The Senator from Montana yields to the Senator from Tennessee for the purpose of making a statement, without the Senator from Montana's losing the floor.

Mr. KEFAUVER. Mr. President, I should like to ask the distinguished majority leader or the distinguished acting majority leader [Mr. HUMPHREY], who were here on Saturday, a question. As I have said before, many Senators did not believe that the debate on this bill, which is just getting started, would be treated differently from the extended debates on other issues which have come before the Senate this year or last year. I was impressed by a reading of the RECORD on, I believe it was, the literacy test bill. When that bill was under consideration, the Senate usually recessed at 6 o'clock, and there were no Saturday sessions in the early part of the discussion, and I believe only one Saturday session during the entire time that bill was under consideration. What many Senators cannot understand is why the communications satellite bill, which we believe will establish a private monopoly for the benefit of the American Telephone & Telegraph Co., and certain other organizations, and about which there is no hurry to have it passed, and no harm to be done by delay, should be treated differently from the big issues of great interest to the people of the Nation which have been before the Senate in past days. I just do not understand why there should be a difference, and I should like to ask the reason for it.

Mr. MANSFIELD. The Senator from Tennessee is very persuasive and, as I have indicated, is a determined man. I say that in good conscience and in good spirit. I am sure the Senator recognizes that. However, as I recall, cloture was sought to be invoked on the literacy test bill, and in that instance I believe the Senator from Tennessee did not agree to sign the cloture petition.

I point out also that the literacy test bill was considered earlier in the session; that we did have several Saturday sessions this year, and all of them were failures, as was the one on Saturday just past. But as we come down into the home stretch, I had assumed that the Members of this body as a whole would give the leadership, such as it is, a degree of flexibility in an attempt to bring up for consideration and debate, one way or the other, the bills which are considered important at this particular time. I think that assumption is correct.

Mr. President, I yield to the Senator from Oregon.

Mr. MORSE. Mr. President, I desire to take just 30 seconds, since we are having a confessional as to where we were on Saturday. I want the majority leader to know that I was keynoting the Democratic State convention in Utah; and for whatever it may be worth, I want the majority leader to have the benefit of my judgment that the sooner we end the session and get back home and take the issues of the campaign to the people of the country, the better it will be for the Democratic Party.

While I was away, a former Secretary of the Interior, Mr. Krug, came to my office and dictated a rather lengthy memorandum for my use in connection with this debate, because he shares the view that it would be a great mistake to push through this bill in its present form at this time.

I know we have this very bad difference between us. It is not good. All I can do is plead with the majority leader to think this over and see whether we can get a postponement of this measure, so that it will go to the Foreign Relations Committee, and then to the country.

Mr. MANSFIELD. Mr. President, the Senator from Oregon is indeed a consistent man, and has been for his many years in the Senate; and certainly he is a man of principle and courage. I knew where the Senator from Oregon was on Saturday, but I did not state that he was in Salt Lake City during the Utah Democratic State convention. The Senator from Oregon himself stated that.

But this measure has been passed on favorably by three committees of the Senate, and is entitled to Senate consideration.

I would call to the attention of the Senate the fact that, so far as the leadership is concerned, the minority leader and the majority leader are leaders in name only. What we do here we do on the basis of the courtesies Senators extend to us and the self-restraint Senators show. I do not wish to repeat that too often; but the responsibility lies right here in the Senate. No Senator can evade that responsibility, nor can any Senator or any group of Senators "put the monkey" on the back of the leadership; and I hope they remember that always.

Mr. PASTORE. Mr. President——

Mr. MANSFIELD. I yield to the Senator from Rhode Island, provided I may do so without losing my right to the floor.

The VICE PRESIDENT. The Senator from Montana asks unanimous consent that he may yield to the Senator from Rhode Island, for the purpose of permitting him to make a statement, without losing his right to the floor. Is there objection? The Chair hears none; and the Senator from Rhode Island is recognized for the purpose of making a statement.

Mr. PASTORE. Mr. President, the Senator from Rhode Island has been deeply interested in the proposed legislation we are discussing this morning.

Although the esteemed majority leader needs no defense from the senior Senator from Rhode Island, I think it appropriate for me to say that he has been most cooperative. He has been a fine leader. We have been talking here about the hallmarks of leadership. Let me say that, as far as the Senator from Rhode Island is concerned, the Senator from Montana, the majority leader, has distinguished himself as a great leader.

There has been a great deal of discussion here as to whether this bill is complete in its present form; that there are strong implications about foreign relations. The majority leader has talked to me several times about this bill. I have had an opportunity to meet with many individuals who are interested in the bill, and to discuss with them whether we could perfect it in any way and whether we could resolve some of the differences which might exist.

But it is the strong impression of the Senator from Rhode Island that there is in the Senate a group of Senators who really do not want this bill to be passed at all during this session of Congress. I may be wrong about this, but I do not think I am in error.

We have made various overtures. We have talked about the foreign relations aspects of the bill. We have tried to be as accommodating as possible. But it all resolves itself to the final point that there is in the Senate a group of Senators who do not want this bill passed, and we have been told categorically that they are going to employ every possible procedure to see to it that no vote is taken upon the bill. So that is how the matter stands.

We can indulge in elegant elocution and we can indulge in platitudes this morning but fundamentally there is underway a drive to see to it that no vote is taken in the Senate on this bill during this session of Congress.

That is regrettable, because this happens to be the administration's bill. This is a bill in which President Kennedy is very much interested. I do think no person in the United States is more interested in the foreign relations implications of any bill than is the man who happens to be residing at the present time at 1600 Pennsylvania Avenue. Foreign relations constitute the special province of the President and this is the President's.

Those are the facts, and that is what confronts the Senate. The regrettable fact today is that such a drive is underway. That is the sad situation which confronts us today. The very Senators who have traditionally been arguing for the right of the majority to express itself are the very ones who are now pursuing a course to deny the majority that right.

Mr. HOLLAND. Mr. President, will the Senator from Montana yield?

Mr. HUMPHREY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Montana yield; and, if so, to whom?

Mr. MANSFIELD. I yield first to the Senator from Florida.

The VICE PRESIDENT. The Senator from Montana requests unanimous consent to yield to the Senator from Florida, for the purpose of permitting him to make a statement, with the understanding that the Senator from Montana will not thereby lose his right to the floor. Is there objection? The Chair hears none, and the Senator from Florida is recognized for the purpose of making a statement.

Mr. HOLLAND. I thank the Senator from Montana.

Mr. President, first, I wish to say that having been present both Friday and Saturday, and having also been present during the some 5 days of debate which occurred previously, before the second effort to bring up the satellite bill was made, I think the majority leader has not only been courteous and considerate, but also he has been kind, perhaps too kind. I wish to say that the same applies to the distinguished assistant majority leader, the Democratic whip, the Senator from Minnesota [Mr. HUMPHREY], and also to my own distinguished colleague, the junior Senator from Florida [Mr. SMATHERS], who on occasion during this debate has occupied the position of acting majority leader.

I am suggesting now that instead of being overconsiderate and overkind, the majority leader get a little harder in his attitude on this matter, and I think that will bring earlier results.

Mr. KEFAUVER. How about the literacy test bill?

Mr. HOLLAND. Mr. President, let me say, also, that there is a great deal of difference between this measure and the literacy test bill.

Mr. MANSFIELD. First, Mr. President, let me say that, so far as I am concerned, there will be no all-night sessions. I believe in treating all groups and all Senators alike. There may be gradations; but, fundamentally, all will be treated the same, and that is the policy I intend to pursue.

Mr. HOLLAND. Mr. President, I appreciate that attitude on the part of the majority leader. However, I am suggesting that the time for not recognizing this procedure as a full-fledged filibuster has long since passed, and now it should be so recognized.

Mr. KEFAUVER. How about the literacy test bill?

Mr. HOLLAND. So, Mr. President, I should like to say that there is a very great deal of difference between this bill and the literacy test bill. In connection with the literacy test bill, it was proposed to bypass the Judiciary Committee and to bring to the floor a half-baked measure which had not been subjected to the ordinary handling. Such was proposed as an amendment to a minor bill which had already been made the pending business.

But insofar as this bill is concerned, not only has it been subjected to the ordinary handling of first making the motion to take it up, but, also, it has been before two Senate committees; and while the Space Committee proceeded with hearings on it, that committee was honored by the presence of the Senator from Rhode Island, the chairman of the Commerce Committee's subcommittee which later was to also handle the bill. So there was very real cooperation between the two committees in connection with the hearings on this measure.

My recollection is that the Space Committee without a dissenting vote reported this bill favorably, by the votes of all 15 of its members, who are representatives of both parties. It is also my recollection that the Commerce Committee, after a long hearing, reported this measure, with only 2 dissenting votes—meaning, in all, that approximately 30 Senators have expressed their approval of this measure, after long hearings and after being polled on the question of whether it should be favorably reported. That large a number of Senators, from both sides of the aisle, have carefully considered the bill and have voted that it be favorably reported to the Senate. So there cannot be any question of a partisan approach to this measure or of a careless approach.

Mr. President, aside from all that, it is a fact that the Telstar is hurtling through space at a speed of many thousand miles an hour, demonstrating a great success in a joint effort between Government and private industry, which has operated to the amazement and the admiration not only of the people of this country, but of the people of all Western Europe, in addition; and perhaps that expression could be applied a great deal further.

But while this is happening and while there is this demonstration of the great potentialities of a joint effort between Government and private enterprise, we find ourselves tied up by this very small minority group who insist in this way, not upon a matter which relates to States rights, not upon a matter which involves a question of disorder or peace in large parts of the Nation, not upon a question which has not been considered by committees, but, instead, upon a matter which has been carefully and favorably considered by two standing committees. We find ourselves placed in the intolerable position, in the eyes of the world, of not being able to pass necessary legislation in order to go forward with an experiment which has manifested its very great success and its very great potentialities for the future.

Mr. President, I hope the majority leader, with the backing—which he has—of the vast majority of the Members of the Senate, will move ahead in his kindly and imperturbable fashion, but without in any way giving in on this proposal, which should be carried to completion, or else the Nation will be permitted by the nonaction of the Senate to appear in the eyes of the world as not knowing what to do with the success of the experiment of its own initiative and genius, which now is hurtling around the earth.

Mr. President, I congratulate the majority leader not only upon his temperate handling of this matter heretofore, and I know his handling of it will be temperate hereafter, also, but in addition, upon his announced determination to hold this measure before the Senate until it is completed, so that we may proceed to capitalize upon and proceed with an experiment of enormous potentialities to all the world—not in the field of war, but primarily in the field of the advancement of quicker communications and common understanding between the peoples of the earth, such as Telstar has demonstrated.

Mr. President, I thank the Senator from Montana for his courtesy in yielding to me.

Mr. MANSFIELD. The Senator from Montana will do the best he can to bring this matter to a decision one way or the other, within the rules of the Senate, but the responsibility is not mine, nor that of the minority leader. The responsibility is that of the Senate collectively.

Mr. President, I yield to the Senator from Missouri [Mr. SYMINGTON] with the proviso that I shall not lose the floor.

The VICE PRESIDENT. The Senator from Montana requests unanimous consent that he may yield to the Senator from Missouri without losing his right to the floor. Is there objection? Without objection, it is so ordered.

Mr. SYMINGTON. Mr. President, there has been criticism on the floor of the Senate at various times to the effect that there were not enough Members of the Senate present to satisfy those who wished to make their thoughts known to the Senate. That is a circumstance which many of us encounter when we have statements to make that we consider important. I am always consoled, when there are not enough Senators present in the Chamber, by the knowledge that, in view of the committee system that has developed because of the extent of our work, it is difficult for us to be in committee and in the Chamber at the same time.

Early in April, after several weeks of hearings, this bill was reported to the Senate. Under the able leadership of the distinguished senior Senator from Oklahoma [Mr. KERR], the committee welcomed anyone who had any criticism of any kind to make of the bill. This is a thorough committee of which I am proud to be a member. We listened to many witnesses, including the Deputy Attorney General, and also the Chairman of the Federal Communications Commission. One witness surprised me because he objected to the bill. During the course of the testimony it developed that he had never read it. The committee listened carefully to the various details of the bill, and had the benefit of the help of the chairman of the subcommittee of the Committee on Commerce, the senior Senator from Rhode Island [Mr. PASTORE], who sat with us during the hearings. The bill was later reported unanimously to the Senate, every Senator on the committee believing the passage of the bill was in the interest of the security and prosperity of the United States.

I was interested in the bill technically, having studied electrical engineering, and being in the communications field for many years when in private business. I see nothing of any kind whatever in the bill that is not in the public interest. From the standpoint of adequate regulation nothing further should be added.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield.

Mr. PASTORE. I think the Senator has omitted one feature in his presentation. After the bill was reported by the Aeronautical and Space Sciences Committee unanimously, it was then referred to the Commerce Committee. We went through it all over again. We opened up our hearings de novo. Then the bill was reported favorably by a vote of 15 to 2.

Mr. SYMINGTON. The Senator is ahead of me, as he is generally. I was about to come to the fact that his great committee also reported the bill. I believe two Senators objected to the bill. Is that correct?

Mr. PASTORE. That is correct.

Mr. SYMINGTON. So 30 Senators out of 32 who studied the subject carefully believe it is in the best interest of the United States to pass this legislation.

A relatively new aspect has arisen in recent days; namely, the importance of the bill from the standpoint of our foreign relations. I happen to be a member of the Committee on Foreign Relations; and if the junior Senator from Tennessee, one of the most able Members of this body, wants to bring up this new aspect, I know we would all be glad to listen to his arguments, if we could only get to where we could listen to arguments on the bill.

I believe this program is handled in accordance with the way previous communications programs have been handled—by American corporations—with respect to foreign countries, under the full control of the proper agencies in the Government.

Nearly all of one speech heard on the floor of the Senate was devoted to criticism of the Federal Communications Commission. I ask a simple question today: Why should a bill that is good for all the people be held up on the floor of the Senate because some people are not satisfied with the way a Government commission is operating?

My colleague the senior Senator from Oregon knows of my respect for him and his principles; and in most cases, his thoughts; but I would dissent from what I heard earlier: If the Senate does not now face up to this bill, and either pass it or reject it after debate, in my opinion, it will not be of advantage to our party in November. On the contrary, if we should leave now without the job being done, the result would be criticism by the American people of the Democratic Party, its leadership, its members, and its candidates. Let me emphasize I have great respect for the leadership.

Mr. MANSFIELD. Mr. President, I appreciate the views just stated by the distinguished Senator from Missouri. I hope—and this may be a request which will very likely not be adhered to—that the Members of this body, regardless of their feeling about this legislation, will read in last Friday's CONGRESSIONAL RECORD the statements made at my request by the Federal Communications Commission, under the signature of Mr. Newton Minow; the State Department, under the signature of George McGhee; and the Justice Department, under the signature of Nicholas deB. Katzenbach, Deputy Attorney General. Let me read into the RECORD a brief summary from Mr. Katzenbach's communication:

> The Department of Justice is entirely satisfied that this corporation is the best answer we can devise to a realistic cooperation of private industry and the Government in a program of national and international significance. If this legislation is not passed at this session the possibility of a creative solution will be seriously jeopardized for the reasons expressed above. Ironically, in view of the arguments made by those in opposition, the possibility of a system owned and operated exclusively by existing carriers would be greatly enhanced.

Mr. LAUSCHE rose.

Mr. MANSFIELD. I yield to the Senator from Ohio.

The VICE PRESIDENT. The Senator from Montana requests unanimous consent to yield to the Senator from Ohio for the purpose of a statement with the understanding that he shall not lose the floor. Is there objection? The Chair hears none, and it is so ordered.

Mr. LAUSCHE. Mr. President, Members of the Senate know that I am a member of the Commerce Committee. I attended the hearings dealing with this bill. I submit that an examination of the record will show that the committee members explored in great detail the charge that if the bill were passed it would create a monopoly. I venture to say that the major part of the hearings was directed to obviating that very danger.

Questions were asked by the chairman of the subcommittee, the Senator from Rhode Island [Mr. PASTORE], by myself, and by other Senators directed primarily to that subject. If an examination is made of the record, Senators will find that item after item which had elements of alleged danger in it as to the creation of a monopoly was fully examined, and modifications were made in the bill as it came from the Committee on Aeronautical and Space Sciences.

The hearing was not perfunctory; it was thorough. The minds of Senators were primarily directed toward making certain that no monopoly would come into existence.

Some question has been raised about the international aspect of the problem, but that was not given prominence. The international aspect of the problem has arisen of late.

In the final analysis, it seems to me, that this is nothing but an argument as between public ownership and private ownership. The manifestation has been, by two committees, that the interests of our country would best be served by having the management set forth in the bill, subject to supervision by the regulatory bodies, which would insure that the buyer or the person who is to be served would be properly treated.

I do not think it can be repeated too often that two committees, except for two members, have approved the bill. My mind is clear that the bill is sound.

I went to the meeting of the Committee on Commerce with the primary intent of making sure that no monopoly would result.

I wish to say a word about taking up business. Frankly, I have seen too many occasions—I know of some of which I should like to speak—on which bills have not been allowed to be considered. I have knowledge of some that stand out very prominently in my mind. I do not like this business of allowing to be heard and acted upon only those bills which are acceptable to some, and not allowing others to be acted upon if not acceptable to others.

I commend the majority leader. I think he has tried to accommodate Members of the Senate. He has tried to arrange the order of business in such a manner that it can be dispatched with the least inconvenience to Members of the Senate.

I do not wish to be in the position of "joining the mob" by saying that there is a lack of leadership. There is adequate leadership. I do not agree with the leader upon all occasions in what he asks us to do in regard to bills, but he understands that.

I think the bill ought to be passed. I agree with the Senator from Florida that no concessions ought to be made, except the normal ones, in making certain that the bill will be brought to a vote at the earliest date.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Montana yield; and, if so, to whom?

Mr. KERR. Mr. President, will the Senator yield to me with the understanding that he will not lose his right to the floor?

Mr. MANSFIELD. On that basis, I will yield.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KERR. Mr. President, I commend the majority leader, his assistant, and the other member of our leadership, all of whom have participated in this effort. I refer to the distinguished Senator from Montana [Mr. MANSFIELD], the distinguished Senator from Minnesota [Mr. HUMPHREY], and the distinguished Senator from Florida [Mr. SMATHERS].

I commend the distinguished minority leader, the great Senator from Illinois [Mr. DIRKSEN], and his able assistant, the Senator from California [Mr. KUCHEL] for their effort to expedite consideration of the bill.

The senior Senator from Oklahoma was among those present on Friday and Saturday. He stayed here until late Friday night waiting to hear the bill discussed or debated. The distinguished Senator from Texas [Mr. YARBOROUGH] occupied the floor for many hours and talked about many things, but not about the bill.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. YARBOROUGH. Mr. President, I respectfully ask the Senator from Oklahoma——

Mr. MORSE. A point of order, Mr. President.

The VICE PRESIDENT. The Senator will suspend.

Mr. MORSE. A point of order, Mr. President. The majority leader has not yielded to the Senator from Oklahoma with permission to yield to the Senator from Texas without losing his right to the floor. I know how quickly one can become confused in the snarls of the rules. I shall object to the Senator from Texas proceeding unless the majority leader is granted permission to yield in order that he may do so.

Mr. MANSFIELD. Mr. President, the Senator is very kind. He is following the rules assiduously. I make the request which the Senator from Oregon has suggested.

The VICE PRESIDENT. Is there objection to the Senator from Montana yielding to the Senator from Oklahoma with the understanding that the Senator from Oklahoma may yield to the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. Mr. President——

Mr. KERR. I yield to the Senator from Texas for a question, if the Senator from Montana is agreeable and the Senator from Oregon is agreeable. I do not yield to the Senator from Texas for remarks.

The VICE PRESIDENT. The Senator from Texas may proceed.

Mr. DIRKSEN. Mr. President, I hope Senators will talk a little louder.

The VICE PRESIDENT. The Senator from Texas is recognized.

Mr. DIRKSEN. It is difficult to hear on this side. Is this the "Monday morning muffle," in which Senators are keeping the discussion to themselves, or are we entitled to share the benefit of their wisdom? [Laughter.]

Mr. MORSE. I cannot hear the Senator.

The VICE PRESIDENT. The Senator from Texas is recognized for the purpose of asking a question of the Senator from Oklahoma.

Mr. YARBOROUGH. I ask the distinguished Senator from Oklahoma, who was present during my remarks, if he does not concede that my remarks were addressed to the objection to considering the space communications bill at this time? The issue we are debating is the question of whether the bill should be considered. My remarks were directed to legislation which is pending, which has languished on the calendar for many months. Does not the Senator concede that that was the subject of my remarks in the debate?

Mr. KERR. I concede that the Senator from Texas talked about proposed legislation which he said had languished on the calendar for many months. I repeat my statement that I stayed until late in the night to listen to the Senator discuss the bill, and he talked about many things, but not about the proposed legislation.

Mr. President, I was present on Saturday, hoping that I might hear something new about the proposed legislation. I did not hear anything at all about the legislation, let alone something new.

I remind Senators—both those who oppose the proposal and those who favor it—as has been said heretofore, that the bill was unanimously approved by the Committee on Aeronautical and Space Sciences and almost unanimously by the Commerce Committee.

There seems to be a desire—or, at least a statement to that effect has been made—that the bill should go to the Committee on Foreign Relations. Five members of the Committee on Foreign Relations who are also members of the Committee on Aeronautical and Space Sciences were diligent in their consideration of the proposed legislation and voted for the bill.

The distinguished Senator from Missouri [Mr. SYMINGTON], as he stated, is a member of the Committee on Foreign Relations and also a member of the Committee on Aeronautical and Space Sciences.

The distinguished Senator from Connecticut [Mr. DODD] is a member of the Committee on Foreign Relations and a member of the Committee on Aeronautical and Space Sciences.

The ranking Republican member of the Committee on Foreign Relations is the ranking Republican member of the Committee on Aeronautical and Space Sciences. He is the distinguished Senator from Wisconsin [Mr. WILEY], who participated vigorously and diligently in the hearings on the bill.

The distinguished Senator from Iowa [Mr. HICKENLOOPER] is the chairman of the Republican policy committee. He is a member of the Committee on Foreign Relations.

The distinguished Senator from Indiana [Mr. CAPEHART] is a member of the Committee on Foreign Relations and also a member of our committee.

There was not the slightest intimation from any of those Senators that the bill should be referred to the Committee on Foreign Relations. The Federal Communications Commission explored the proposed legislation, repeatedly endorsed it, and said that it was important to the welfare of our country that the bill be enacted. The State Department, which I am sure the distinguished Senator from Tennessee [Mr. GORE] would admit has some interest in foreign relations, has endorsed the proposed legislation. The provisions of the bill are exactly what the State Department requested. The Department repeatedly expressed its approval of the measure and the provisions it contains with reference to the State Department.

In one of the most painstaking and searching studies, and in one of the lengthiest hearings and question-and-answer periods in which the Senator from Oklahoma has ever participated, the Department of Justice examined, discussed, and participated in the development of the proposed legislation. The President of the United States, who is not without interest in our foreign affairs, urgently requested the Senate to enact the proposed legislation.

Several days ago I observed the President's press conference as it was televised to our Nation. I understood from the statements of those who were handling the broadcast that more than 100 million people in Western Europe saw and heard the conference. That broadcast illustrated the tremendous significance of the operation of a communications satellite.

I know that Senators are quite well aware of the fact that one of the questions which the President discussed at that press conference that was literally heard around the world was the question of whether or not our country had achieved or is achieving a balance of payments of gold in reference to the convertibility of our dollar, and the question of whether or not the American dollar would be devalued or whether our Government would increase the price of gold so far as its purchase by our Government is concerned. That question had been a vital one, affecting the position of our country at home and around the world, the value of the dollar in the money markets of the world, and the channels of international trade and commerce. Much had been said about the position of various officials of our Government on this matter. Yet doubt remained as to the attitude of our Government with reference to devaluing the American dollar.

As I watched and listened to the President of the United States as he stepped up vigorously to answer that question, I was thrilled to observe his handling of the question in a forthright manner. More than 100 million people in Western Europe watched and heard the President say that our Government is in the process of achieving a favorable balance in the matter of our international payments, that it had no purpose whatever to devalue the dollar, and that it was the firm and unchangeable purpose of our Government to maintain the integrity of the value of the dollar.

Speculation in the value of the dollar terminated following the televising of that broadcast by the President of the United States. If Senators doubt it, I suggest that they read the results on the price of gold in the international monetary markets of the world.

I do not know exactly what is going on in the Senate. But I know that there is a race in the world between our country and Soviet Russia for supremacy in space. I know that one of the most phenomenal events that has occurred in that race—one with the most far-reaching significance—has taken place in the last 2 or 3 weeks. I know that the free world was thrilled at the achievement of our communications satellite, the Telstar, produced, as has been stated on the floor of the Senate, through the cooperative effort of private enterprise and the American Government.

I know something else that is going on. I observed in the Washington Post this morning an editorial calling attention to a very significant fact. I read a portion of the editorial:

> A special reason for prompt enactment of a bill authorizing a system of satellites for communication purposes is the necessity of preparing for the extraordinary radio conference to be held by the International Telecommunications Union in the fall of 1963. Representatives of this 113-member organization, which is responsible for maintaining technical cooperation in the use of radio, will attempt to set aside frequencies for satellite systems. It would obviously be a substantial advantage to the United States to have a system of communication satellites in operation at that time.

I ask unanimous consent that the entire editorial from which I quoted a part may be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TELSTAR FILIBUSTER

The spectacle of the Senate engaged in a futile filibuster over the satellite communications bill must be viewed against a background of lackluster performance on Capitol Hill. Congress still has an enormous workload to dispose of before it can adjourn, unless its Members wish to face the electorate in November with a large part of their work undone. Even the most optimistic forecasts place the adjournment date at September 15 or October 1. Yet a few Senators insist on wasting days in futile maneuvers and useless talk.

It is especially depressing to see a group of ordinarily liberal-minded legislators resorting to this means of "spinning the legislative wheels," as Majority Leader MANSFIELD properly called it. These Senators are usually the first to protest when their Southern colleagues resort to filibustering against civil rights measures. Yet they invoke the same tactics against an administration bill that ought to be considered only on its merits.

Senator MORSE told the Senate that all he and his colleagues are asking is a few months of delay. But timing is sometimes the essence of sound legislation, and timing is of special importance in the enactment of the satellite communications bill. The launching of Telstar has given the United States a lead in this important field of space communications, and it should not be frittered away by a talkathon.

A special reason for prompt enactment of a bill authorizing a system of satellites for communication purposes is the necessity of preparing for the extraordinary radio conference to be held by the International Telecommunications Union in the fall of 1963.

> Representatives of this 113-member organization, which is responsible for maintaining technical cooperation in the use of radio, will attempt to set aside frequencies for satellite systems. It would obviously be a substantial advantage to the United States to have a system of communication satellites in operation at that time.
>
> The necessity for international agreement on the allocation of frequencies for the new space communication systems must be obvious to everyone. Without agreement, one country may try to use frequencies for this purpose while other countries insist on using the same frequencies for such purposes as high-powered radar. The United States ought to be leading the movement for agreement from the vantage point of having a system of communications satellites in being. It would be ironical indeed if Congress should deliberately delay this project and thus give the Soviet Union a chance of becoming the only country to have a telstar system in operation for the international gathering next year. This is a matter that needs to be debated on its merits and not resolved on the basis of a few Senators' supposedly superior lung power.

Mr. MAGNUSON. Mr. President, will the Senator from Oklahoma yield at that point?

Mr. KERR. Mr. President, I ask unanimous consent that I may yield without losing my right to the floor.

The VICE PRESIDENT. Is there objection?

Mr. MORSE. Mr. President, I must object to the request in that form. I will not object if the majority leader is asked permission to yield. But the Senator from Oklahoma does not have the floor.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Oklahoma may yield to the Senator from Washington without my losing my right to the floor.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. MAGNUSON. Mr. President, the Senator from Oklahoma is chairman of the Committee on Aeronautical and Space Sciences, of which I am also a member. I ask the Senator from Oklahoma whether or not one of the compelling reasons for the expeditious handling of the bill in both committees, although a great deal of time was spent considering the bill—in the Commerce Committee alone there were 500 pages of testimony—was the fact that we wanted to have the advantage of having the system in the air, so that when the meeting in 1963 was held, we would be in a more dominant position to see that the proceedings were handled in the interest of the free world.

Leaving out all other arguments of those who are for the bill, the point that bothers me is that if we have an operable communications satellite system, we would have a better position in that meeting.

The U.S. Government cannot be in a strong position at the meeting if the United States does not have an operable system. The satellite today is only an experimental satellite. Unless we pass a bill to spell out policy regarding the system, we shall be sitting in left field at the meeting. For that primary reason we went ahead expeditiously with consideration of the bill.

I assure the Senate that Russia will have a communications satellite in space before that meeting. So will some of the other countries. So we must pass some kind of measure to put the U.S. policy regarding our system in order so that the U.S. position at the conference would be strengthened if the operable system was operated by private carriers or a combination of private carriers with others.

We will lose a strong position unless we do something.

Mr. KERR. Mr. President, I deeply thank the distinguished Senator from Washington, the chairman of the Commerce Committee, for his contribution.

Mr. MAGNUSON. I do not agree with all of the portions of the bill. I do not believe everyone does. The Senator from Rhode Island [Mr. PASTORE] has worked for a long time on this matter with the Attorney General and the Justice Department. As pointed out by the majority leader, this is something that we must get going on in one way or another, or we will find ourselves again in second-class status. If some amendments are needed to be added to the bill, or if there is not enough control over A.T. & T. in the bill—and there could be 4,000 common carriers involved or engaged in this business—we can pass other legislation when we come back. We must not put the U.S. Government at a disadvantage in this conference.

Mr. KERR. The United States must not be in that position. It must not go into the conference emptyhanded. It must not be hampered in the operations going on through cooperation between the Government and our free enterprise communications carriers and others interested in this field in extending and expanding the lead we now have in the matter of communications satellites and in the conquest and utilization of space for peaceful purposes. Certainly, this onward march, this lead that we have in the communications satellite field, would only be hampered, not improved, by delaying the consideration of the bill.

If there are amendments, they should be presented. If there is debate on the bill, let us have it. But let us do away with this effort which is nothing but an effort to obstruct and prevent consideration of this matter which is of such overwhelming importance and of such great value to our country, as is manifested by the support for it on both sides of the aisle. Certainly the opportunity which is available to us in a bipartisan manner to support a worthy purpose and program of the President should not be frittered away and destroyed by obstructionism and dilatory tactics.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Rhode Island.

The VICE PRESIDENT. The Senator from Montana yields to the Senator from Rhode Island, for the purpose of making a statement, without losing his right to the floor.

Mr. PASTORE. In view of the fact that this extraordinary administrative conference is scheduled to be held in 1963 at Geneva has been mentioned, it would be appropriate, it seems to me, to discuss briefly my estimate of the importance of the 1963 Geneva Conference.

After the United States completed its participation in the 1959 radio conference in Geneva, at which time frequencies for space were discussed, it was evident that the 1963 extraordinary conference would be a most significant one in that it would allocate the frequencies for space use for the future.

As chairman of the Subcommittee on Communications responsible in this area, I kept very close contact with the situation, so much so that in March 1961, in order to avoid any loss of time, I wrote a letter and lengthy memorandum to the President of the United States on the general subject of frequency allocations and more specifically the need for a crash program so we would be ready for the 1963 conference. In August of 1961, anticipating the fast-moving events on space communications, my subcommittee held preliminary hearings and during this hearing I publicly raised the need for expediting our preparation for our 1963 conference and requested a full report as to the steps being taken within the administration. Incorporated in that report, a copy of which I have here, are the preliminary views prepared by the Government and circulated to the various interested parties. I want to stress at this time that the preparations and the negotiations for the Geneva Conference is that of the Federal Government. Therefore, I was delighted to see the editorial in the Washington Post this morning stressing this fact. Senator KERR was good enough to make this complete editorial a part of the RECORD.

It would be equally appropriate, it seems to me, to insert in the RECORD at this point the letter with memorandum which I addressed to the President of the United States on March 6, 1961.

For a better understanding of it, I shall read only two or three paragraphs of the letter, to indicate to Members of the Senate how long and how much our committee has been interested in this conference and its meaning to a communications satellite system.

> DEAR MR. PRESIDENT: I know how pushed you are in these early days of your administration, but I am particularly concerned about a problem concerning our telecommunications policy.
>
> In view of the forthcoming Extraordinary Administrative Radio Conference scheduled for 1963 at Geneva, Switzerland, at which time negotiations regarding additional radio frequency channels among foreign countries for space service is to take place, I am attaching to this letter a more detailed memorandum which will show the lack of uniformity and the absence of a basic communications policy which is so essential if we are to protect our interests in this most important conference.

Then skipping down several paragraphs, I read:

> The country that is successful in placing an operable communications satellite into operation will be in a strong position to exercise leadership in the acceptance of technical requirements and other arrangements that can influence the results at the 1963 Conference.

This is a letter I wrote, as chairman of the subcommittee, to the President

of the United States, on March 6, 1961, indicating how important it was for us to be first in space. I ask unanimous consent that it may be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

March 6, 1961.

Hon. John Fitzgerald Kennedy,
President of the United States,
The White House,
Washington, D.C.

Dear Mr. President: I know how pushed you are in these early days of your administration, but I am particularly concerned about a problem concerning our telecommunications policy.

In view of the forthcoming Extraordinary Administrative Radio Conference scheduled for 1963 at Geneva, Switzerland, at which time negotiations regarding additional radio frequency channels among foreign countries for space service is to take place, I am attaching to this letter a more detailed memorandum which will show the lack of uniformity and the absence of a basic communications policy which is so essential if we are to protect our interests in this most important Conference.

At the present, there is no single agency that now regulates Federal and non-Federal use of telecommunications facilities. There is no clear-cut long-range policy nor a mechanism that will lead to the formulation of such a policy.

A most careful and comprehensive review must be undertaken without delay to examine the elements of public policy concerning communications so that a specific policy for the most effective use of radio frequencies by governmental and nongovernmental users as well as the administrative arrangements concerning such use in the Federal Government can be formulated. In addition, the review should include the policies with respect to international radio and wire communications and the relationship of Government communications and non-Government communications in that field. Unless we have a uniform long-range policy, the United States may find itself at a disadvantage at the Geneva Conference.

The country that is successful in placing an operable communications satellite into operation will be in a strong position to exercise leadership in the acceptance of technical requirements and other arrangements that can influence the results at the 1963 Conference.

I know there are various approaches in developing a program to evaluate the country's policy. One is the approach set forth in Senate Joint Resolution 32 introduced by Senator Vance Hartke and others. Another would be the issuance of an Executive order comparable to the one issued by President Harry Truman in 1950. Time is of the essence. Action must be taken immediately.

Should you have any questions, I am available to discuss this problem in more detail.

With best wishes, I am,

Sincerely yours,

John O. Pastore,
U.S. Senator.

Need for Formulation of Telecommunications Policy

No single agency now regulates Federal and non-Federal use of telecommunications facilities. Apportionment between users therefore results from negotiations rather than from overall planning or policy. With no single policymaking agency responsible for establishing policy, the various arms of the Government in telecommunications negotiations are hampered in the international negotiations as well as in the formulation of policy in the domestic field.

Recently in President John F. Kennedy's state of the Union address, he referred to the planning in the military field as follows:

"* * * Yet in the past, lack of a consistent, coherent military strategy, the absence of basic assumptions about our national requirements and the faulty estimates and duplication arising from interservice rivalries have all made it difficult to assess accurately how adequate—or inadequate—our defenses really are."

This exact language can be applied more appropriately to the telecommunications field.

The radio spectrum is one of the most valuable publicly owned natural resources, the significance of which increases year by year as its use for varied purposes grows. Radio communication is continuing to expand at a rapid rate. Not only is it essential in services involving the safety of life and property such as air, ground, marine and police communications, but it is now also filling a vital role in many commercial enterprises whose operations are geared to and made economically practical by the use of radio to coordinate and direct their activities in an efficient and expeditious manner. There is an increasing demand for more spectrum space from existing radio services due to their rapid growth. New radio services such as radio astronomy, and space and satellite communications, created by technological advances add to the clamor for space in the radio spectrum. There is not enough spectrum space to meet all of these demands for frequencies in spite of all the technical developments.

This problem is further complicated by the increasing Government frequency requirements vital to the national defense. Yet, there is no high level agency within the Government which resolves the conflicts arising among Government interests much less those arising between Government interests and non-Government interests. There is no overall national telecommunications policy. This is unfortunate. It should not be allowed to continue.

During the past 10 years numerous suggestions have been made with regard to taking action to establish an overall national telecommunications policy as well as establish some central agency which would be charged with the responsibility of allocating this valuable resource—the radio spectrum—to both non-Government and Government users if we are to have an efficient use of this resource.

In 1950 President Harry Truman by Executive order established the President's Communications Policy Board with the express purpose to study and prepare a report showing "* * * the present and potential use of radio and wire communications facilities by governmental and nongovernmental agencies and to make and present to the President evaluations and recommendations in the national interest concerning (a) policies for the most effective use of radio frequencies by governmental and nongovernmental users and alternative administrative arrangements in the Federal Government for the sound effectuation of such policies, (b) policies with respect to international radio and wire communications, (c) the relationship of Government communications to non-Government communications, and (d) such related policy matters as the Board may determine."

In the report prepared by this Board for submission to the President in 1951, it was concluded, among other things:

"1. Fundamental changes in telecommunications require the overhaul of Government machinery for formulating telecommunications policy and for administering certain telecommunications activities in the national interest.

"6. The whole Government telecommunications structure is an uncoordinated one and will be even less adequate in the future than it has been in the past to meet the evergrowing complexities of telecommunications. A new agency is needed to give coherence to the structure.

"7. There is need for a better determination of the division in the national interest of frequency space between Government and non-Government users. To achieve that end, close cooperation between the Federal Communications Commission and the proposed new agency will be necessary.

"THE SOLUTION RECOMMENDED

"The urgency of the need for remedial steps in telecommunications organization calls for prompt action.

"We recommend the immediate establishment in the Executive Office of the President of a three-man Telecommunications Advisory Board served by a small, highly qualified staff to advise and assist the President in the discharge of his responsibilities in the telecommunications field. Its task would include formulating and recommending broad national policies in this field, and giving advice and assistance in the formulation of policies and positions for international telecommunications negotiations."

In spite of the conclusions and recommendations of the President's Board, the actions taken in this field merely led to further drifting and vacillation.

The President in 1954 established a Cabinet Committee on Telecommunications Policy and Organization to carefully review the existing body of telecommunications legislation and policy and to prepare recommendations. It was noted at the time that a staff of Government communications experts were recruited. This staff was disbanded in October 1955 but no report was ever made public.

In 1956 Mr. C. W. Loeber, in a document prepared for the Industrial College of the Armed Forces entitled "Regulation and Administration of Telecommunications in the United States," after discussing the deficiencies in the national telecommunications program, stated:

"* * * a national policy be developed promptly preferably with congressional guidance as to the kind of radio service which would be authorized and licensed by the Federal Government. Because of the serious shortage of radio frequencies such policy is needed urgently to avoid a breakdown in radio service essential to the national defense, safety of life and property, and economic welfare of the country."

The following year Mr. T. H. Nesbitt, an expert from the Department of State, in a paper submitted to the Industrial College of the Armed Forces entitled "Inadequacy of U.S. Telecommunications Policy and Its Effect on the National Security" concluded:

"* * * the United States has no effective centralized fountainhead of telecommunications authority by which it can weld together the many diversified and conflicting interests into an effective mechanism which will best serve the national interest."

In 1958 Dr. Edward L. Bowles, who is a consulting professor on industrial management of the Massachusetts Institute of Technology, and a specialist in communications and electronics, in a special report submitted to the Senate Committee on Interstate and Foreign Commerce, concluded with respect to allocation of spectrum space and other communications policy, that:

"* * * There is no high-level agency within the Government to resolve conflicts arising among governmental interests, much less those arising between governmental and nongovernmental interests. Government policy and administrative development have not kept pace with technical and industrial development in communications. The modernization of the national air control facilities presents, in itself, a vital problem.

Radar and other communications developments in the military area, under present lack of overall administration, promise to present serious conflicts with civil communications, including interference with television broadcasting, if allocations plans are not scrupulously coordinated. In ordinary circumstances, a lack of overall unity may be simply inconvenient, in times of emergency it can prove disastrous * * * techniques have advanced at a prodigious rate and two existing new modes of radio communication have been discovered, ionospheric and tropospheric scattering. The military have particular reason to be interested in the potentialities of these new techniques. Ionospheric scattering points to new applications in the lower VHF band, tropospheric scattering, the UHF band.

"In 1959 there is to be an international radio conference. Our needs must be clearly understood if we are to plead them successfully and secure them by international agreement. There is thus an imperative need for a critical study of the radio spectrum in terms of governmental and nongovernmental needs."

More recently, the Committee on Aeronautical and Space Sciences of the Senate released a staff report entitled "Policy Planning for Space Telecommunications" which reviewed the lack of a closely defined policy in the communications field as well as the lack of appropriate mechanisms for establishing such a policy. The report then proceeded to make the following recommendations:

"15. The most careful and comprehensive study should be undertaken by the executive branch without delay to examine elements of public policy concerned with communications, specifically as related to (a) the identification of central Federal authority for communication policy; (b) the evaluation of such policies in the context of space telecommunications; and (c) the implications with regard to traditional U.S. practice, wherein private commercial interests rather than the Federal Government are responsible for both domestic and oversea communications."

A crash program is essential if the national interest is to be protected because in 1963 an Extraordinary Administrative Radio Conference is scheduled to take place in Geneva, Switzerland, at which time negotiations regarding additional frequency channels among foreign countries for space services is to take place. Unless we establish in the United States a uniform short-range as well as a long-range policy, we may find ourselves at a disadvantage. This must be done if the United States is to be adequately prepared for the give and take of these negotiations.

The countries that are successful in placing an operable communications satellite into space will be in a strong position to exert leadership in the establishment of the technical requirements that can influence the results of the 1963 conference. Until there is a firm policy as to how this is to be done, valuable time is being lost.

There are various approaches in developing a crash program to evaluate this policy. One has been suggested by Senator Vance Hartke in the form of Senate Joint Resolution 32 which would create a five-man Commission to study and prepare recommendations with regard to an overall telecommunications policy. This would require congressional action. One other is the formulation of a group by Executive order as President Harry Truman did in 1950 which can be done directly by the President.

Mr. HUMPHREY. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield to the Senator from Minnesota.

The VICE PRESIDENT. The Senator from Montana yields to the Senator from Minnesota for the purpose of making a statement, without losing the floor.

Mr. HUMPHREY. Mr. President, my only purpose in rising is to attempt to summarize what I believe is the situation now confronting the Senate. First of all, I did not enjoy the Saturday session, because it was nothing more or less than a session based upon the utilization of Senate procedure, and contributed nothing substantive to the discussion of the bill or to a better understanding of it. The Senator from Rhode Island in a conference—and we had several conferences on this measure—succinctly summarized the differences between those who oppose the bill and those who support it. Those who oppose it do not want to amend it. They want to stop it. As the Senator has so well put it——

Mr. GORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. There is a basic difference——

The VICE PRESIDENT. Does the Senator from Minnesota yield?

Mr. HUMPHREY. Not at this time.

The VICE PRESIDENT. The Senator declines to yield.

Mr. HUMPHREY. There is a basic difference between the philosophies with respect to this proposed legislation. I wish to make it clear—I know what the Senator from Tennessee has in mind—that among the Senators who are arguing about this bill there are those who are not opposed to legislation, and there are some who are willing to add some amendments, and that there are also those who believe that the bill ought to be considered later.

My point is this: For those who want legislation relating to communications satellites, whatever that legislation may be, and whatever changes may be necessary in the proposal before us, we must get the bill before the Senate for consideration as a bill; we must not proceed merely on a motion to take it up. I am of the opinion that at least 95 Senators would like to see the bill before the Senate.

I would like to see the bill before the Senate for the purpose of amendment or debate and vote or committal or recommittal or some form of legislative action. I believe there are those who do not want the bill before the Senate at all, and feel that it ought not to be a matter of the business of the Senate, at least this year. This has been said. For those who want no action to use the rules to their fullest measure and their fullest impact is entirely proper. I am not angry about it at all.

I wish to review the situation which confronted us on Saturday. We could have had debate on the bill on Saturday. It was inconceivable that a motion to adjourn to noon on Monday could be accepted by those who have been entrusted with leadership. Everyone in the Senate knows that motions to adjourn and to recess are made by the leadership. If not, there is no leadership. We have had this situation in other years.

It was my hope that once we had obtained a quorum we would proceed under the rules of the Senate with a discussion of the bill. It was my intention to ask unanimous consent that the Senate recess when it had concluded its business, and to recess until Monday at 10 a.m. I did not think that the consent would be granted, but it was the normal request to make.

I repeat that this bill can be delayed for many days on the basis of just using the rules, if we do not want any action. The Senator from Minnesota has been consistent in at least one thing in this body and in other places also. I have never believed in and I shall not believe in preventing legislation from coming before the Senate for consideration. I have faith in the ultimate judgment of the Senate. It may err on one occasion, but if so that error can be corrected later. I do not believe in obstructing literacy bills or communications satellite bills or civil rights bills or any other kind of bill on the basis of a motion to proceed to the consideration of such a bill and then having that motion debated in order to prevent action.

I feel that the duty of the Senate is to legislate. I feel that its duty is to do business. I feel that the use of dilatory motions and actions to delay doing business contradicts the purpose of the Senate.

It was said by the senior Senator from Tennessee [Mr. Kefauver] earlier today that more time was needed to discuss the bill; that we were only beginning. The majority leader reminded us the other day what has been done by the Senate and by the other body with respect to the bill. It has been mentioned this morning by the Senator from Oklahoma [Mr. Kerr], the Senator from Washington [Mr. Magnuson], and the Senator from Rhode Island [Mr. Pastore]. But let us get the facts into the Record once again.

The time devoted to congressional hearings and debate on the communications satellite bill is as follows: The hearings before the Committee on Interstate and Foreign Commerce of the House of Representatives lasted 11 days. Seven hundred and ten pages of testimony and related material comprise the record. The hearings began on July 25 and ran through July 26, 27, and 28, 1961. In 1962, they began on March 13 and ran through March 14, 15, 16, 20, 21, and 22.

On July 24, 1962, the committee, in executive session, voted 19 to 0 to report the bill favorably. The bill was passed by the House of Representatives by a vote of 354 to 9. The debate in the House occupied 2 days and comprised 50 pages of debate in the Congressional Record.

In the Senate, the hearings before the Committee on Aeronautical and Space Sciences were held on February 27 and 28, March 1, 5, 6, and 7, 1962—6 days of hearings—and comprised 473 pages of testimony and related material.

Hearings before the Committee on Commerce began on April 10 and extended through April 11, 12, 13, 16, 24, and 26, 1962—7 days of hearings—and comprised 413 pages of testimony and related material.

Furthermore, the Senate has already had some debate on the bill. This took place on June 15, 18, 19, 20, and 21—5 days of debate—and comprises 112 pages of the Congressional Record.

So what is the aggregate amount of consideration of the bill as to which it has been said today that there has been only a beginning? Twenty-four days of hearings, 7 days of debate, 1,596 pages of testimony and related material in the hearings, and 162 pages of debate in the Congressional Record. I think that indicates that serious consideration has been given to the bill. It is my hope and my view that the bill should be brought before the Senate for the consideration it deserves. It should be debated on its merits. If Senators who oppose the bill have a case, they can make it. Members of this body are deeply concerned about the proposed legislation. I expressed my concern about it months ago. If amendments are necessary, let the amendments be offered.

If there is a need that the bill be referred to the Committee on Foreign Relations, let such a motion be made. But that cannot be done until the bill is before the Senate. Perhaps the bill should be referred to the Committee on Foreign Relations. Many bills have foreign policy implications. I trust that the Senate will not decide to refer the trade bill to the Committee on Foreign Relations for full hearings after it is reported by the Committee on Finance; but the trade bill certainly has foreign policy implications. I trust that the Senate will not refer to the Committee on Foreign Relations bills which are reported by the Committee on Armed Services; but some of those bills surely have foreign policy considerations. But be that as it may, if there are Senators who think the communications satellite bill should be referred to the Committee on Foreign Relations, that can be done only when the bill is before the Senate for consideration. I, for one, would have no serious objection to that procedure, as I have said before.

If the bill does not provide the controls which some Senators think it ought to provide, let us amend the bill. That is what the Senate is for. But I do not believe the function of the Senate is to prevent the working of its will on proposed legislation. That is why Senator Humphrey has been against filibusters; that is why he has supported majority rule on filibusters; that is why he does not believe in utilizing the rules of the Senate to delay the action of the Senate beyond what is worthy debate and due consideration of a measure.

Several years ago the Senate debated an atomic energy bill. As I recall, the bill was debated for apparently 30 days. But it was the bill that was debated, not a motion to take up the bill. The Senate debated the bill itself. It seems to me that we have an obligation to debate the measure, and some 40 amendments which have been submitted, on the merits.

When the bill was before the Senate in June, I listened to one of the speeches delivered by the Senator from Tennessee [Mr. Kefauver]. I thought it was a good speech. I think there may be areas in which the bill can be improved. But how can the bill be improved if it cannot first be taken up? Of course, Senators who do not want any bill at all must proceed as they do; but we who want a bill, whatever that bill may be, ought to have the privilege of voting upon it.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Oregon, without losing my right to the floor.

The VICE PRESIDENT. The Senator from Montana yields to the Senator from Oregon without losing his right to the floor.

Mr. MORSE. Mr. President, I do not want anyone to think that I am filibustering at this point. I shall do that later if necessary to protect the public interest. I think the arguments made today by Senators who are opposed to us prove our case, that the issue is pregnant with foreign policy. We who read the New York Times yesterday know the position Russia has already taken in the field of space. We know we are headed directly into a serious conflict with Russia in regard to the respective rights of sovereigns in space. This question will come before the United Nations in the not too distant future. That is why I think it is important that this program be an American-flag program, not an American monopoly program, in space. An attempt is being made to maneuver those of us who are opposed to the bill into a position of seemingly being opposed to the support of private enterprise. Incidently, I deny that monopoly has anything to do with private enterprise. But does anyone think that Russia is going to put any private enterprise or even private monopoly satellite into space? Russia will put some communications satellites into space. Russia will be represented at the International Radio Conference. Yet the Senator from Washington [Mr. Magnuson] left me with the impression that unless we pass this bill quickly we will not be in on the deliberations of the Conference. I do not think there is any basis whatsoever for such an argument.

The talk about our being on the outside of that conference looking in will not be borne out by the facts. Let those who so contend come before the Committee on Foreign Relations and prove that this bill is needed in order to enable the United States to participate in the International Conference at the end of 1963. Furthermore, it is not necessary to pass this bill in August 1962, in order to participate in a conference late in 1963. A bill on this subject is not needed at all now. We do not need a bill on this subject until the whole relationship of a communications satellite to U.S. foreign policy has been considered by the Committee on Foreign Relations. Some of us feel there should not be a bill until the question has been referred to the American people in the coming campaign and the Senate returns in November. I have previously stated in the Record that I stand ready to help the leadership in any November session to move into the consideration of legislation on this subject, after the people have reviewed it in the campaign. I do not want to see the bill passed until the people have had an opportunity to look at it. If it is not desired to have the Senate return in November, there will still be time in January. There is no rush for the bill. A bill on this subject can be passed in the early part of next year, and there will still be plenty of time.

Let us take another look at the subject of public versus private ownership that is involved in the bill. In my judgment, that is another of the scarecrow arguments being used in order to hasten passage of the bill. It is admitted by all that no private enterprise or manufacturing companies will put such a satellite into orbit. The American people, through their Defense Establishment, will put it into orbit. The U.S. Government will do that. Then it will be necessary to arrive at an arrangement with the monopoly in regard to its operation. We are perfectly willing to consider a leasing arrangement between the Government and private enterprise in this country with respect to a Government satellite. But until the foreign policy issue becomes a little clearer, so far as the Senator from Oregon is concerned, satellites in space must be American-flag satellites, not American-monopoly satellites with the American flag backing them up. Let them be American-flag satellites. Then we can devise leasing arrangements, if it is desired to allow private enterprise or private monopoly to participate in the operation of the satellites.

Another reason why this question should be referred to the Committee on Foreign Relations is that there is testimony and information—and we are getting much information from those within departments of the administration who it is claimed are all for this bill. The Senate should not get the idea that this administration at the working level of the departments is unanimously behind the bill. We have received information from within the administration's departments that there are serious dangers in the bill; that the whole program may be obsolete before the time of the International Conference or, as some of the experts have told us, it may be obsolete within 2 to 3 years. This would mean that vast sums of money would be wasted. What we are dealing with is obsolescent almost before we start. There is evidence that within 2 or 3 years, possibly 1 or 2 or 3 years we may have satellites that can be put into orbit, and be in orbit within the revolutions of the earth itself.

That will make all the difference in the world, and will make the kind of satellite dealt with by this bill completely obsolete. Yet others want to involve the American people in the kind of legal liability of compensation which would result from the establishment of such a monopoly interest in A. T. & T. monopoly although such a situation would not develop if a leasehold interest were established, rather than the kind of interest this bill would establish.

All we can do is to say to the leadership of the Senate: "Come forth with your criticism. We can take all you pour on."

But let me say to the majority leader and to the whip that I will use the rules, to the limit I can use them, to protect what I think is the public interest. I will let the American people decide whether I am correct or the Senators from Minnesota and Montana are correct in regard to this great issue.

So I challenge the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Montana [Mr. MANSFIELD] to take this issue to the American people in the campaign, before they make it an accomplished fact ahead of time.

After the campaign, let us put our arms around one another and work on the floor of the Senate to produce the best bill we can, after the American people have had an opportunity to give their instructions to the Senate, prior to the passage of the bill.

That is my position; and no persuasion in this body will move me from that dedicated conviction.

Mr. DIRKSEN. Mr. President.

Mr. MANSFIELD. I yield, with the usual understanding.

The VICE PRESIDENT. The Senator from Montana asks unanimous consent that he may yield, without losing his right to the floor, to the Senator from Illinois, to permit him to make a statement. Is there objection? Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I do not know how we are to get this bill to the Foreign Relations Committee, when we cannot even get it up in the Senate—which is an amazing thing, to say the least.

If there is any doubt about the attitude of the State Department, I should think the distinguished Senator from Oregon would call the Secretary of State.

I am of the opinion, as has been represented, that the State Department is in favor of the bill.

Adding to everything that has been said, let us not forget that this subject matter has been before the Antitrust and Monopoly Subcommittee for 9 whole days, under the leadership of the very distinguished chairman of that subcommittee, the Senator from Tennessee [Mr. KEFAUVER].

We have explored every avenue. We have had testimony from technicians, Government witnesses, professors, scientists, and others, including the distinguished Senator from Texas [Mr. YARBOROUGH], the distinguished Senator from Oregon [Mr. MORSE], and the Chairman of the Federal Communications Commission. The sky was the limit.

Yet some Senators talk about testimony. In 9 days it is possible to utter a great many words and have them put between covers; and that is the testimony we have had.

Let me say to the distinguished majority leader that our friend the Senator from Oregon has said the rules are in existence and that he proposes to use them to stop this bill until after the election. The same rules are available to help us obtain consideration of the bill. Let me say to the distinguished majority leader, speaking for my own party, that we are ready to support him; and on this side of the aisle we have many votes in favor of the bill. In fact, for aught I know, we have a unanimous vote on this side, and we are ready to vote.

So if we can use the same rules that our friend the Senator from Oregon is using to prevent the bill from coming up for consideration until after the election, I think probably we can obtain action on the bill.

It would be a singular thing if every measure proposed should have to be deferred this year until after the election. In that case, we could have gone home on January 11, 1 day after this session of Congress began, and could have waited for the people to pronounce judgment on all the issues, before we took them up. But that would be a singular circumstance; it would be a legislative phenomenon of the first order.

So I assure my friend the distinguished majority leader that we are ready to help, and we will help, and we will invoke the rules to help; and insofar as my feeble talents are concerned, I mean to interpose the rules and to "keep the nose to the wheel," in the hope that a vote can be reached.

So far as 24-hour sessions are concerned, I am ready and willing. I do not like to hear the bells ring at 2 a.m., because they sound like a Pennsylvania Railroad train going through my office. But I am prepared to have the cots brought out and to remain here until we reach a vote on the bill. We want to help the administration place this bill on the statute books.

There is a delightful song which advises one to "Catch a falling star, and put it your pocket, and save it for a rainy day." Mr. President, we have one star. Thank goodness, it is not falling. But let us get some other stars and put them in the national pocket. And we shall be ready for the conferences next year.

So we are ready to sustain the majority leader.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield, under the usual provision.

The VICE PRESIDENT. Without objection, the Senator from Montana yields to the Senator from Tennessee, to permit him to make a statement, with the understanding that in doing so the Senator from Montana will not lose the floor.

The Senator from Tennessee is recognized.

Mr. GORE. Mr. President, I hesitate to ask the distinguished majority leader to yield again; but I wish to congratulate him for provoking 2 hours of the most fruitful and searching debate which has been held upon this subject.

While a goodly number of Members of the Senate are present, I should like to make a very brief statement, lest an incorrect inference be drawn from the remarks of the able and distinguished chairman of the Commerce Committee. One who has not studied this subject—and there are in America many persons who have not—might reach the conclusion, from the remarks of the distinguished senior Senator from Washington that if the bill is passed, we shall have a global satellite communications system in operation before the International Conference on Telecommunications, scheduled for 1963. But such is not the case; this is not contemplated, nor, indeed, would it be possible.

No international law of space has been determined. The rights which the bill proposes to vest in a private corporation are as yet undetermined. A global communications system via satellite can come into being only through international cooperation. Unless there is cooperation by many nations, it is not possible to achieve such a system.

Only a few nations can garble and interfere with the weak and delicate signals which come back to the earth from a satellite in space. It is only through reaching agreements in regard to the allocation of wavelengths and frequencies that such a system can come into being.

I respectfully submit that the position of the United States at the International Conference on Telecommunications would be immensely better without this bill than with it.

It does not follow, Mr. President, that the interests of the private corporation proposed to be set up by this bill, and organized under the laws of the District of Columbia, will necessarily be the same as the interests of the U.S. Government. Once before we had a statement that what is good for General Motors is good for the United States. It does not necessarily follow that what is good for A.T. & T. is good for America in the utilization of this vast new medium of communications.

I say to the Senate that no more basic issue has come before the U.S. Senate since I have been privileged to be a Member than this one, and I look forward to the opportunity later today, in a not inordinate manner, to discuss some of the basic and fundamental issues involved here.

I thank the distinguished majority leader and compliment him upon bringing about an exchange of views that get to the basic issues involved in this question.

Mr. MANSFIELD. Mr. President, I would like to propound a unanimous-consent request, if I may. There has been some reference to the fact that this bill should be referred to the Foreign Relations Committee. I would like to ask unanimous consent that the space satellite communications bill be made the pending business, and if so, I will move immediately, or within a reasonable time, that it be referred to the Foreign Relations Committee.

Mr. MORSE. Mr. President, reserving the right to object——

The VICE PRESIDENT. The Senator from Oregon.

Mr. MORSE. Before any such proposal can be considered by those of us who are opposed to the bill, we need time for our own conferences and also need time to confer with the leadership as to what the schedule for handling the bill later in the session would be. Therefore, at this time I object.

REQUEST FOR COMMITTEE MEETING

Mr. MANSFIELD. Mr. President, I yield to the Senator from Virginia.

The VICE PRESIDENT. Is there objection to the Senator from Montana's yielding to the Senator from Virginia without losing the floor? The Chair hears none, and it is so ordered.

Mr. ROBERTSON. Mr. President, will the Senator from Oregon yield for a brief request?

The VICE PRESIDENT. The Senator from Montana has the floor. He has yielded to the Senator from Virginia.

Mr. ROBERTSON. Does the Senator from Montana yield so I may ask a unanimous-consent request of the Senator from Oregon?

Mr. MANSFIELD. I yield for that purpose.

Mr. ROBERTSON. The Senator from Oregon knows that the Judiciary Committee has started hearings on proposed legislation dealing with the decision of the Supreme Court in the New York prayer case. It has scheduled as its principal witness next Thursday, or its subcommittee has scheduled, Bishop Pike, of California, a very able lawyer as well as a distinguished cleric, who will come at his own expense. It is the only time he can come. His views on the decision are of importance to us and to the Nation.

I ask unanimous consent that either the full committee or a subcommittee of the Judiciary Committee be permitted to sit at 10 o'clock a.m. on Thursday——

Mr. MANSFIELD. Mr. President, I object. I would not have acquiesced in yielding to the Senator from Virginia if I had known he was going to make that request, because it was my understanding objection was going to be made to all these requests. Much as I dislike to do so, I am honor bound to make objection.

Mr. President, the Senator from Oregon [Mrs. Neuberger] has been patiently waiting to make her speech. I yield to the Senator from Oregon.

The VICE PRESIDENT. The Senator from Oregon.

Mrs. NEUBERGER. I am glad now to start my speech after this long wait.

Mr. KEFAUVER. Mr. President, will the Senator from Oregon yield to me for a question before she gets started on her speech?

Mrs. NEUBERGER. I yield for a question.

The VICE PRESIDENT. The Chair could not hear the Senator from Tennessee.

Mr. KEFAUVER. I asked if the Senator from Oregon would yield to me for a question without her losing the floor, and I ask unanimous consent that that may be done.

The VICE PRESIDENT. The Senator has a right to yield for a question.

Mrs. NEUBERGER. I yield for a question.

Mr. KEFAUVER. Was the distinguished Senator from Oregon here when the Senator from Arkansas [Mr. McClellan] asked unanimous consent, or when the majority leader asked unanimous consent, that the Government Operations Committee might sit today while the Senate was in session?

Mrs. NEUBERGER. I was here.

Mr. KEFAUVER. And did the Senator from Oregon observe that the majority leader yielded for a reservation on that unanimous-consent request to the Senator from Arkansas [Mr. McClellan]?

Mrs. NEUBERGER. I did.

Mr. KEFAUVER. Did the Senator from Oregon observe that the senior Senator from Oregon [Mr. Morse] and I also asked if he would allow us to make a reservation of the right to object to propound an inquiry?

Mrs. NEUBERGER. I did.

Mr. KEFAUVER. Did the Senator from Oregon observe that the senior Senator from Oregon and I did not have an opportunity to reserve the right to object?

Mrs. NEUBERGER. I did.

Mr. KEFAUVER. Is it not true that if the Senate had met at 12 o'clock today, instead of 10, the Government Operations Committee could have met during the morning?

Mrs. NEUBERGER. It had that privilege.

Mr. KEFAUVER. Is it the fault of any of us opposing the bill that the Senate is meeting at 10 instead of 12 o'clock, thereby precluding the Government Operations Committee from having the privilege of meeting this morning?

Mrs. NEUBERGER. I was opposed to its meeting at 10 o'clock.

Mr. KEFAUVER. Was it the motion of the acting majority leader, the Senator from Minnesota [Mr. Humphrey], that was responsible for the Senate's meeting at 10 instead of 12, and thereby preventing the committee from having the opportunity of meeting this morning?

Mrs. NEUBERGER. It was his opposition to the motion to have the Senate meet at noon today that prevented it.

Mr. KEFAUVER. Did not the Senator from Oregon suggest that the Senate meet at 12, instead of 10, today?

Mrs. NEUBERGER. I did.

Mr. KEFAUVER. So Senators could have the opportunity of hearing witnesses and meeting this morning?

Mrs. NEUBERGER. I did.

Mr. KEFAUVER. I thank the Senator.

Mrs. NEUBERGER. Mr. President, as I begin my debate in opposition to the bill, I am reminded of a story. I am reminded of it by a statement made by the Senator from Oklahoma [Mr. Kerr] in which he said that the Telstar's reporting of Mr. Kennedy's press conference had had a noticeable effect upon the balance-of-payments situation, and did we not all know, from reading the paper this morning, that the situation with respect to our gold outpouring was not so bad as had been reported——

The VICE PRESIDENT. Will the Senator yield to receive a message?

Mrs. NEUBERGER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Will the Senator yield to receive a message from the House of Representatives, without losing the floor or prejudicing her rights on the floor?

Mrs. NEUBERGER. When I was presiding, the same request was made when the senior Senator from Oregon had the floor, and he at that time was advised by me, through the Parliamentarian, that he might jeopardize his position on the floor.

The VICE PRESIDENT. The Presiding Officer said, "Will the Senator yield to receive a message from the House of Representatives without losing the floor or prejudicing her rights to the floor?"

Mrs. NEUBERGER. And I will not be considered to have made my first speech and to be embarked on my second speech? Under those circumstances——

Mr. BUSH. Mr. President, did I correctly understand that there is a unanimous-consent request involved?

The VICE PRESIDENT. Yes. The Chair proposed that the Senator from Oregon yield for the purpose of having the Senate receive a message from the House of Representatives, with the understanding that it would in no way jeopardize her right to the floor.

Mr. BUSH. If this is a unanimous-consent request, I object.

The VICE PRESIDENT. The Senator from Oregon may proceed.

Mrs. NEUBERGER. Mr. President, the cruelest thing one can do to a storyteller is to interrupt him in the midpoint of his story.

Nevertheless, as I was saying, it reminded me of the boy at the Union Station in Portland, Oreg., who happened to be leaning against the Great Northern Pacific engine just before it was departing for Missoula, Mont. As the engine began to pull out of the station the boy said, "Look, I pushed it."

Mr. President, today we are debating a bill which is a product of the revolutionary development in space satellite communications. This system will provide instant, economic, and reliable contact around the globe. The implications of this development are beyond the realm of the imagination.

The possibilities of such a system are not limited to the ability to send messages from one point on the globe to another by a new and different method. In a few short years, worldwide television of excellent quality will be a reality; radio will reach clearly and static-free halfway around the globe; a 10,000-mile telephone call will come through as distinctly as if it were from the next door. Eventually the satellite system will also include both meteorological and navigational functions as well as communications functions.

Knowledgeable individuals have described the space communications satellite system as the future biggest business in the world. One expert in the field has estimated that revenues might run nearly $6 billion per year. The total space communications business might amount to $65 billion by 1972.

These facts are brought out in an authoritative article which appears in the June 1962 issue of NATO Journal. Author of the article is George S. Shaw, senior vice president of Radiation, Inc., of Melbourne, Fla. Mr. Shaw claims space communication is destined to be the sensational growth industry of this decade.

(At this point Mr. Hart assumed the chair as Presiding Officer.)

Mrs. NEUBERGER. Mr. President, I now propose to read the article by Mr.

Shaw. It is entitled "The Future Biggest Business in the World."

The world is about to enter the space communications age, the foundation of which will be laid during the next 5 years. Before long, microwave transmitters located 22,300 miles above the Equator will provide telecasting service to the entire globe, and communications will replace transportation as the industry on which the greatest amount of money is spent.

Concurrently, communications in this new form will become the most powerful geopolitical instrument ever devised, an enormous force for good or evil, and the most exciting tool for the exchange of ideas devised since men first learned to talk with one another.

The high-orbiting earth satellite is the device which will usher in this new era. With it, we will be able to break through the ceiling of roughly 20 megacycles which has prevailed in intercontinental communications for 50 years, and reach a new level of at least 10,000 megacycles. Microwave transmission at existing frequencies has been limited to line of sight because the waves would not bend, and less than one-billionth of their energy was reflected by our atmosphere and ionosphere. While we remained earthbound, line of sight was only 30 to 50 miles, depending on the height of the hill used for one terminal. Even the airplane added only a few hundred miles to our line of sight.

UNLIMITED HORIZONS

By contrast, the communications satellite has nearly a hemisphere in view, and line of sight from earth to satellite back to another point on earth is of intercontinental magnitude. Consequently, ample bandwidth at good signal strengths can be delivered to any continent with a minimum of transmitted power.

Various types of communications satellites can be developed, but there is general agreement that one represents the ideal, provided it can be brought into use within a reasonable period of time. This is the 24-hour or stationary satellite, which will take exactly 24 hours to circle the earth while the earth turns at the same angular velocity. Thus, it will appear to be stationary because it will maintain a fixed position with respect to a point on the earth's equator.

If this satellite were not located exactly over the equator, it would oscillate back and forth an equal distance over the Northern and Southern Hemispheres. For this reason, no satellite could ever remain stationary over London or New York. It could, however, remain motionless as far as the earth is concerned over such points as the mouth of the Amazon, Quito, Singapore, or Stanleyville.

The speed with which a satellite will circle the earth is determined by its distance from the earth's surface. A satellite 130 miles above the earth will go around approximately every 90 minutes. The moon, our natural satellite, is located about 240,000 miles from earth and takes 28 days to accomplish one revolution. Every 24 hours the so-called stationary satellites will be placed 22,300 miles from the equator.

WORLD COVERAGE

It would take as few as three satellites to communicate with virtually the entire population of the world. One over the equator in the Western Hemisphere can cover a land area of 22 million square miles. Its mate over the Eastern Hemisphere would reach down to East Africa, Asia, and Australia, representing another 30 million square miles. A third satellite can provide coverage of the islands in the Pacific Ocean and the sea and air routes, and it would add overlap to the two prime positions. The only land area not covered by this trio of satellites would be the 6 million square miles of practically uninhabited Antarctica.

Figure 1 [not printed in Record] illustrates two satellites, S–1 and S–2. S–1, which is 22,300 miles from the earth, can communicate simultaneously via microwave frequencies, with North and South America, Western Europe, and Western Africa.

The 18° beam of S–1 covers a total of 162° of the earth's circumference, or just a little short of half the world. This beam reaches 70 million square miles of the earth's total area of about 200 million square miles. The 18° beam can be said to provide hemispheric coverage.

Satellite S–2, located in the lower left corner of figure 1, is also 22,300 miles out, but it has a narrower beam, only 6°, and hence delivers only continental coverage. It does, however, produce a valuable amplifier gain. S–1 is said to have a gain of 20 decibels over an isotropic source, or one which is radiating energy in all directions. S–2 has a gain of 30 decibels, which means that S–2 has a power gain (or transmission advantage) of 10 to 1 over S–1 without actually increasing the power of the transmitter.

The journal has emphatically and firmly explained how that takes place. But it goes on to discuss low altitude satellites. It is a low altitude satellite that is now functioning in outer space. To continue reading from the article—

LOW ALTITUDE SATELLITES

For practical reasons, the first satellites actually used in communications will probably not be the ideal 24-hour type we have been discussing. Initial work is apt to involve satellites that will orbit at lower altitudes. This is because we now have available missile launchers big enough to get an experimental satellite into low altitude orbit, and we can use these launchers right now without interfering with our strategic defense program.

I interpolate at this point in the NATO journal article to say that evidently we can use them without legislation, since they are now functioning.

The low altitude system is destined to have only a brief practical advantage. It is believed that by the time sufficient satellites of this type are in orbit and operating 100 percent of the time, a single satisfactory 24-hour satellite will also be functioning 100 percent of the time. The latter will not require tracking antennas and, since it will have greater power gain, even the fixed ground antennas may be much smaller and less expensive. The short life expectancy of the low altitude system is not regarded as wasteful because much useful experience will be gained and valuable data collected.

GOVERNMENT USE

During the 1960's, world governments will be the largest users of satellite communications.

The NATO article was written in June 1962. At that time, evidently, the senior vice president of Radiation, Inc., speaking as though it were a private group, made the following statement during the 1960's, which I repeat:

World governments will be the largest users of satellite communications.

He did not seem to visualize that a private corporation should be one of those.

I continue to read from the article:

Table I [not printed in the Record] lists many of these applications, somewhat in the order in which they will occur. Courier, Relay, Advent, and Syncom are active Government projects. The first two are low altitude experiments already launched, while the latter two are 24-hour satellites. Approximately $200 million will be spent during 1962 by the United States alone on these programs.

An obvious use of space communications systems by the military is for the commmand of reconnaissance and strategic forces. This is required now for aircraft and soon will be required for satellites.

Again I say we want the Government to make the obvious use of the system that it would have for the command of reconnaissance and strategic forces.

I continue to read from the NATO article:

One of the most pressing needs for satellite communications is at missile ranges themselves. All space experiments will benefit greatly by a worldwide relay system for range data. Such a system will augment present operations even more dramatically than the 60-foot tracking antennas did 6 years ago.

Another category of Government service will be educational and information services. These will require the most bandwidth and power, and undoubtedly will result in enormous indirect expenses for ground equipment.

The weight of the orbital vehicles will be approximately 250 to 500 pounds, placed in low altitude orbit by such U.S-type launchers as Thor-Delta. One thousand two hundred to three thousand pounds may be placed in 24-hour orbit with Atlas-Agena and Centaur vehicles, while Saturn holds promise of more than 10,000 pounds in "stationary" orbit.

Annual expenditures by the American Government for communications satellites, launchers, and their support equipment are estimated to be $2 billion by 1967 and $3 to $4 billion by 1970.

I interpolate again my reading of the NATO journal to say that the last paragraph summarizes as well as anything I have seen what we, the opponents of the bill, maintain what the argument that we would give some of our taxpayers' investment to A.T. & T. is all about.

I continue to read from the article:

POWER SOURCES

Spaceborne primary power sources for communications satellites will be solar cells or nuclear reactors. Solar cells will probably be used where primary power from 50 to 500 watts is required. Nuclear reactors will provide the more efficient use of payload capabilities for units requiring 1,000 to 50,000 watts.

Solar cells will power most early satellites launched by Thor-Delta, Atlas-Agena, and Centaur vehicles. Up to 500 watts of primary power may be practical aboard the Centaur-launched satellite. High powers, using reactors, and the associated high power transmitters will be furnished on the Saturn series of launchers.

The potential commercial services are outlined in table II [not printed in Record]. The initial services will be the international bulk communication relays which will do much to speed the growth of trade between America, the European Common Market, and Japan. Transoceanic exchange of ideas by TV will, within a 5-year period, bring about an impact greater than that achieved by the American GI during and just after World War II.

Mobile and remote area phone and teletype services will greatly aid the international traveler and businessman.

As Saturn-type boosters are available for commercial application, we will see direct color TV broadcasting from space. Then will begin the era of entirely new services

> which depend on massive markets and low cost bandwidth. These new services will include broadcast teletype and facsimile news, magazines, and library services.
>
> Their success depends upon the availability of low-cost bandwidth during the nighttime, low-duty-cycle portions of the space communications system. They also depend upon the development of low cost, reliable, high resolution recording and/or printing machines.
>
> Table II lists the equipment development trends during the next 5 years which will help make such systems practical. These areas represent fields that should be most promising to the medium-sized electronic company for future expansion.
>
> ### NEW WORLD—NEW COSTS
>
> Today we measure communications costs in terms of bandwidth, distance, and time; or kilocycles/mile/minute. With the satellite systems the distances are all essentially the same, so the sensible measure will be kilocycles/minute, or more likely megacycles/minute.
>
> There are 525,000 minutes per year, and it is quite possible that the aforementioned services will require bandwidths of 100 megacycles for broadcast information and 1,000 megacycles for point-to-point communications by 1972.
>
> If one assumes the satellite system charges average $100/megacycles/minute for broadcast time and $1/megacycles/minute for point-to-point time, revenues would run nearly $6 billion per year.

This is $6 billion in income which would not be going into the U.S. Treasury, to repay a portion of the $25 billion minimum investment in this program, if the program were turned over to a private corporation. Of course, those are my words, not the words of the writer in the NATO Journal.

> The ground equipment depreciation and service charges might well run 10 times this amount. The total space communications business is likely to amount to $65 billion by 1972.

Again I interpolate: Who is going to receive the income from this program? The stockholders of A.T. & T., under the proposal by probably a majority of the Members of the Senate.

I continue to read from the article:

> An idea of the cost of the services that will be available—and a breathtaking hint of the variety of those services—is shown in tables III and IV [not printed in RECORD].

I now read the final paragraph in this illuminating and informative article:

> ### IT IS ALMOST HERE
>
> The dream of world communications will soon become a reality. Financing will have to be arranged, and answers will have to be found to practical problems created by time zones and by world political unrest. The technological victory is, however, in sight, the need and the desire are present, and we are—make no mistake about it—soon to witness the space communications age.

I therefore submit that in spite of a great deal of the colloquy that went on in this Chamber today, during the 2 hours I was here and ready to speak on this bill—2 hours today, added to the 10 hours last Saturday—it was obvious that we agreed that communication in the space age is here and also that a great deal is yet to be known and understood about some of the political and social and educational and even human qualities that are inherent in this great venture.

Consequently, the importance of the bill that lies before us, or is about to lie before us, I presume, suggests that we do not need to feel a sense of urgency which some of those who are so eager to give away the $65 billion profit would indicate in the remarks they have made earlier today.

The frontier of space will demand of us new forms of organization and new attitudes. The social, economic, and political effects of the development of space are as yet unknown. This bill is but the first probe, the first attempt to cope with these complex problems. Are we going to accept this trial run as it stands and allow it to prejudice the future? Are we going to take the results of a preliminary study as the ultimate solution of a problem whose size we cannot even comprehend?

The taxpayers have already spent $25 billion in the research and development of space. Technical knowledge is still lacking in certain areas, but science has explored space to a far greater extent than have those who are concerned with the passing of this bill. The bill now before us cannot possibly satisfy the future demands of our space efforts.

The proof that our sociology, economics, and politics have not matched our advances in technology is that this bill is simply giving away the fruits of research and development. No consideration has been given to the taxpayers who have financed in excess of 90 percent of our space communications capability. No consideration has been given to the telephone users who will pay for future research and development under A.T. & T. dominance. And, finally, no consideration has been given to those few who will be reaping the vast benefits of a communications satellite system. And the size of that harvest will not be substantially diminished by any section of the proposal before us.

In many national magazines on the newsstands this week and this month there appears an advertisement by the Bell Telephone System. It is a very engaging advertisement. It carries the picture of the Telstar. A close reading of it was of much interest to me, because it would tend to imply or suggest that everything about this magnificent accomplishment is very much the work, investment, effort, design, perseverance and persistence of the Bell Telephone System. It even says:

> Bell System microwave-in-sky satellite is latest American triumph in communications arising from—

What?—

> telephone research.

One would think that A.T. & T. would at least have had the good grace to give credit to the research paid for by the taxpayers, research which enabled A.T. & T. to put its Telstar into orbit.

Mr. BARTLETT. Mr. President, will the Senator from Oregon yield for a question?

Mrs. NEUBERGER. I am glad to yield for a question.

Mr. BARTLETT. Did the Senator from Oregon infer from the advertisement to which she has directed our attention that it was the Bell Telephone System which put the satellite Telstar into orbit?

Mrs. NEUBERGER. The Senator is correct. I have looked for a long time to find some indication that it gave any credit to the Government.

Mr. BARTLETT. There is no statement in the advertisement that a very considerable sum of taxpayers' money for research of all varieties was necessary before Telstar could be put into use, is there?

Mrs. NEUBERGER. I could find no reference to that fact, and I was vitally interested in seeing if there was such reference.

Mr. BARTLETT. I thank the Senator from Oregon.

Mrs. NEUBERGER. By the end of fiscal year 1963, the Federal Government, NASA, and the Department of Defense will have spent over $470 million on space communications satellite research and development. This does not include any of the billions of dollars which have been spent on space exploration, rocketry, guidance, and so forth, without which satellite communications technology would not be possible. A grounded satellite is worthless. This expensively acquired know-how and the internationally shared natural resources of space and the radio spectrum are the essential and the overwhelmingly important "capital" of any communications satellite organization. The taxpayers have thus made a tremendous investment, and now, by giving A.T. & T. control of this capital, we are telling the public, that the members of the public—the taxpayers—must relinquish all rights to the enormous benefits that will come.

This bill states that greater "world understanding" is one of its objectives. How will any country in the world understand a U.S. Government which advocates democracy and free enterprise, yet gives away to the biggest private monopoly in the world that which rightfully belongs to the people?

The immediate technological problem confronting us is the rapid development of a communications system which will link the entire world by radio, telegraph, telephone, and television. But this shortrun urgency should not be allowed to obscure the political and economic implications of space communications, nor should it cause us to overlook the necessary involvement of American foreign policy in the space communications area.

Mr. BARTLETT. Mr. President, will the Senator from Oregon be good enough to yield to me again for a question?

Mrs. NEUBERGER. I yield for a question.

Mr. BARTLETT. Has the Senator from Oregon, who is engaged in an educational process at this time, read an editorial on this general subject which was published only this morning in the Washington Post?

Mrs. NEUBERGER. Yes; I had an opportunity to look at it.

Mr. BARTLETT. Did the Senator note that in urging immediate action on the bill, the Post gave as a leading reason its belief that otherwise the United States would not be prepared to participate in an international meeting to be held next year on the subject of the assignment of wavelengths, and that sort of thing, in this type of communications?

Mrs. NEUBERGER. That is exactly what I read.

Mr. BARTLETT. Does the Senator believe that the U.S. Government would be precluded from joining in that meeting, from negotiating, and from arriving at any determinations, conclusions, and decisions that it might deem appropriate, whether or not any bill on this subject were passed?

Mrs. NEUBERGER. I can see no reason why the U.S. Government should be precluded from participating.

Mr. BARTLETT. Does the Senator from Oregon believe the U.S. Government could participate in the meeting through the offices of the State Department, whether or not there should be legislation on this subject?

Mrs. NEUBERGER. That is correct. I believe that.

Mr. BARTLETT. Does the Senator from Oregon agree with me that the argument made editorially has really very little merit?

Mrs. NEUBERGER. I agree with the Senator from Alaska.

Mr. BARTLETT. Once more, I thank the Senator from Oregon.

Mrs. NEUBERGER. I am also in agreement with my senior colleague from Oregon [Mr. MORSE], who earlier today expressed the view that since that meeting is not to be held until more than a year from now, all feeling of urgency should be removed inasmuch as the new Congress will convene next January, and can decide to consider the bill. I believe the Senate will have ample time in which to make a decision affecting the meeting in the fall of 1963.

Mr. BARTLETT. Mr. President, will the Senator from Oregon yield for one further question on that very point?

Mrs. NEUBERGER. I yield for a question.

Mr. BARTLETT. Will not the State Department still be in operation when that meeting takes place, whether or not the Senate is in session at that particular time?

Mrs. NEUBERGER. I anticipate that the State Department will be in operation, as I anticipate the sun will set tonight and will rise tomorrow.

Mr. BARTLETT. I thank the Senator from Oregon.

Mrs. NEUBERGER. The benefits to be derived from the billions spent in research and development should not be turned over to a private monopoly which will, first, be dominated by A.T. & T.; second, be immune to any meaningful regulation; third, increase concentration and facilitate conduct inconsistent with our antitrust laws; and, fourth, inevitably be inclined to lag in further research and development in order to preserve present huge investments in existing and contemplated facilities. Instead we must retain a flexibility of organization which will permit us to enter into international agreements in the best interests of the United States and of the entire world.

I. A.T. & T. DOMINANCE

Now I wish to discuss first, the dominance of the American Telephone & Telegraph Co.

The organization proposed by H.R. 11040 will not only be a private monopoly, a governmentally created monopoly, to use the President's words; it will be a monopoly itself dominated by the greatest monopoly in America today, the American Telephone & Telegraph Co.

This dominance will result from at least three factors:

First, A.T. & T. will put up most of the money. To the ad hoc carrier committee, which included all the major carriers but the General Telephone & Electronic Corp., A.T. & T. indicated a willingness to put up more than 80 percent of the then contemplated financing—$65 million, or 13 times more than that offered by any other company. Under the proposed compromise plan, A.T. & T. will have the right to buy all the voting stock it can, up to 50 percent of the total.

Mr. BARTLETT. Mr. President, will the Senator from Oregon yield for a question?

Mrs. NEUBERGER. I yield for a question.

Mr. BARTLETT. I thank the Senator from Oregon.

I wonder whether the Senator, who has the thought that the willingness of A.T. & T. to put up the sum of money she has mentioned, might have found, on the other side of the coin, that other carriers willing and anxious on their own individual parts to put up larger sums of money, but being without the adequate treasury possessed by the A.T. & T.?

Mrs. NEUBERGER. In answer to the Senator's question, I had not thought of that possibility; but it presents an idea.

Mr. BARTLETT. Do we not know that Western Union, for example, has been described as having had, I will not say financial difficulties, but not having had the prosperity, comparatively speaking, of A.T. & T. during the last several years? Is that the Senator's understanding?

Mrs. NEUBERGER. Yes; that is my understanding.

Mr. BARTLETT. Then Western Union might have been willing to put up much more money if it had had such funds available at the time when the arrangements were made; and for purposes of my question, I use the word "arrangements" both in quotation marks and out of quotation marks.

Mrs. NEUBERGER. In answer to the Senator's question, I reply by saying that no doubt that is true.

Mr. BARTLETT. I thank the Senator from Oregon.

Mrs. NEUBERGER. A comparison of A.T. & T.'s assets of $27 billion with Western Union's assets of $350 million explains the situation.

Mr. BARTLETT. Well——

Mr. MORSE. Is the Senator from Alaska asking a question?

Mr. BARTLETT. Mr. President, I should like to have the junior Senator from Oregon yield further to me, if she will be kind enough to do so, in order that I may put to her another question.

Mrs. NEUBERGER. I yield for a question.

Mr. BARTLETT. The figures the Senator from Oregon has been kind enough to give us recently—figures showing A.T. & T. with total assets of $27 billion, as contrasted with total assets of $350 million for Western Union—are descriptive, are they not, of the dominant position of A.T. & T.?

Mrs. NEUBERGER. I should think they would indicate that, yes. I point out that when one speaks of billions of dollars, it is well to remind one's listeners that it takes a thousand million to make $1 billion.

Mr. President, in light of the ad hoc committee estimates, A.T. & T. will probably own at least 40 percent of the total voting stock. Indeed, the administration's own spokesman, Assistant Attorney General Katzenbach, has conceded that A.T. & T. is likely to take 35 percent.

And there is no limitation on the amount of the nonvoting stocks and bonds anyone can buy. These securities go into the rate base; so carriers will be especially interested in buying such stock. Of the carriers, A.T. & T., of course, will buy the most. It will thus be possible for A.T. & T. to control more than 50 percent of the total capital of the corporation. How anyone can deny that such a percentage will produce control is incomprehensible.

Second. Many other carriers, such as—as the Senator from Alaska has pointed out—Western Union, RCA, and others—are currently dependent on A.T. & T. for oversea and other long-distance cables. These carriers are not likely to oppose A.T. & T.'s wishes. When one of these carriers is clearly dominant in the field of international communications, and the others are dependent on it, then even if all the representatives on the board of directors are equal, some are going to be "more equal" than others.

Third. A.T. & T. will be by far the largest commercial user. Thus, it will be responsible for much of the corporation's revenues; and by threatening to withhold use, it can force the private company to charge higher rates in order to survive. A Government-owned corporation will not have this problem of survival.

Limitation of directors is an illusory safeguard, as both Western Union and the Department of Justice pointed out in testimony before the Senate Space Committee. Assistant Attorney General Katzenbach stated that if A.T. & T. obtained a very high proportion of the total capital, such an interest was sufficient to insure its dominance, even without any directors. He was talking primarily about the 85-percent control; but the same certainly holds true for 50 or 60 percent. Let us not forget that between 1909 and 1914, A.T. & T. had working control of Western Union with only 30 percent, until the Justice Department required A.T. & T. to give up that stock.

A.T. & T.'s anticipated huge financial interest, its high degree of usage, the present dependence by others on its facilities, its truly colossal size and enormous power, beside which every other potential investor is dwarfed—all these factors will inevitably join to make A.T. & T. the dominant force, despite all the administrator's professed concern that this should not happen. To expect the emergence of a business organization in which A.T. & T would not exert a dominant force is unrealistic. In effect, A.T. & T. would be the chosen instrument of the U.S. Government to own and control civilian space communications. This would be intolerable from the standpoint of the public interest.

Mr. President, while I am speaking of A.T. & T. and its monopolistic position, I am reminded of an educational television program which appeared during the past year. I was especially interested in it because it was conducted by Dr. Peter Odegaard, head of the political science department of the University of California, at Berkeley, and at one time the president of the fine progressive Reed College, in Portland, Oreg. Dr. Odegaard is a renowned authority in the field of political science. He was chosen to conduct an early morning educational television program dealing with many facets of the U.S. Government—for example, such topics as "What is the difference between the Democratic Party and the Republican Party?" and "How does the U.S. Government function?" and other related subjects.

It was my great privilege to listen to this program at 6:30 every morning for 3 weeks. I say specifically those times because I was a patient in the hospital, and, as is the custom in some hospitals, the nurses came in at 6 a.m., turned on the lights, and gave me a thermometer. So I asked them to turn on not only the lights, but the television set, so I could listen to Dr. Odegaard.

Since I have returned to Washington, it was my pleasure to have Dr. Odegaard as a guest for lunch. I expressed great interest in his valuable services and the comments I had heard from people about him, and hoped his service would continue. He said to me "MAURINE, it is almost impossible to continue this educational program, because three-fourths of the budget allowed for the program goes to the A.T. & T. to pay the cost of transmitting it over their cable around the country."

I read from the eminent authority as published in the NATO Journal, and one of the proposals to use space communications was for educational television. Does the Senate think A.T. & T. is interested in furthering the education of the people if they can sell some time and get revenue that is more productive than would be allowable from educational television?

A man from the telephone company came to see me some time ago. In fact, it is one of the few times I have been lobbied since I have been in the Senate. As he put it, it was to persuade me to have his viewpoint about the bill. I told him the story about Dr. Odegaard, and he said, "Well, we are making plans to reexamine our rate structure so as to be able to give a better rate for educational television."

Methinks when the wolf is at the door one begins to take some action. The very fact that we threaten to expose the qualities of communication in the proposed bill and let the people see it has already had one cumulative effect. In fact, a former great television star, Ed Murrow, now head of the USIA, has publicly said that his great Government Agency will not be able to use satellites for its works of disseminating information about the American way of life if it has to pay the commercial rates.

Now I will let A.T. & T. rest for a moment. I would like to go on to point II, which has to do with regulation.

II. REGULATION

Those who support the bill seek to solve any difficulties that may arise under the proposed system through regulation by the Federal Communications Commission. Public regulation of private enterprise has certain inherent limitations, however. Its power is only inhibitive. It cannot substitute its decisions for the business judgment of the corporation's directors on such important matters as what type of satellite system to adopt. A.T. & T. has already indicated that it does not believe FCC has the power "to compel the abandonment of an operational system approved by it and the substitution therefor of another system"—that is quoting from the Commerce Committee hearing, at page 203—even though the initially approved system had become obsolete. It has never even tried to force A.T. & T. to install more service in the less profitable rural areas. In the inevitable and ever-present struggle between agency and industry, the agency rarely winds up ahead.

Again I must digress to say how I am reminded, since the Senator from Alaska [Mr. BARTLETT] is on the floor, as is my colleague from Oregon [Mr. MORSE], of the communications system in Alaska and the comparable situation in Oregon when many of our people did not have electricity, which situation brought about the great Rural Electrification Administration. Companies like telephone companies, electric companies, television companies, have no desire to go into the rural, remote areas of our country, because they are corporations set up for profit, and to go into those areas is not very profitable.

Mr. BARTLETT. Mr. President, will the Senator yield for a question?

Mrs. NEUBERGER. I yield for a question.

Mr. BARTLETT. The Senator is aware, is she not, that the primary communications system in Alaska, for example, is Government owned? That really did not have to be in the form of a question, but since a question is required, I will ask it, although I know the Senator is aware of it.

Mrs. NEUBERGER. I am very much aware of it, having visited the Senator from Alaska many times in his own State.

Mr. BARTLETT. And the Senator is likewise familiar with the fact, I am sure—but I shall put it in the form of a question, notwithstanding—that the Government has operated that system for over 50 years?

Mrs. NEUBERGER. I am aware of that fact.

Mr. BARTLETT. Is the Senator knowledgeable on the point that for several years last past the executive department has sent proposed legislation to Congress to sell the Alaska communications system, which historically was under the jurisdiction of the Department of the Army, and which on July 1, only this month, was transferred to the Department of the Air Force, to private carriers, by negotiated sale, and for reasons not known to me, no hearings have been held on such bills before the appropriate committees of the Congress?

Mrs. NEUBERGER. I was not aware of it.

Mr. BARTLETT. The fact of the matter is, is it not, that Government ownership of that communications system in the Territory of Alaska, and now the State of Alaska, has been for the benefit not only of the military departments of Government and the other departments of Government, but for the general public as well?

Mrs. NEUBERGER. That was my observation when I was in Alaska, when the Signal Corps had control of communications.

Mr. BARTLETT. Was it likewise the Senator's observation that it was run, and is still being run, on a very, very businesslike basis?

Mrs. NEUBERGER. That was my observation.

Mr. BARTLETT. I thank the Senator.

Mrs. NEUBERGER. Moreover, the role established for the FCC is as a safeguard to protect the interest of the general public. Under this directive, will the FCC act before or after abuses occur?

Even though the system is operated by a private enterprise, the U.S. Government will be blamed for any and all problems that may arise. If FCC continues as ineffective as today—and there is absolutely no reason to think it will improve—it could not only put us in an extremely embarrassing position in the face of the whole world, but it could also add fuel to the fire of Soviet propaganda.

The real question is not when the FCC will act, but whether it can act and whether it will act. The FCC was established in 1934. During its entire existence it has never completed a full formal rate hearing on telephone rates. It has not even developed any criteria——

Mr. BARTLETT. Mr. President, will the Senator yield for a question?

Mrs. NEUBERGER. I am glad to yield for a question.

Mr. BARTLETT. My attention was diverted for a moment and I did not hear all the statement the Senator made, but I heard enough of it to realize it is extremely important. I wonder if the Senator would be good enough to repeat the statement she just made.

Mrs. NEUBERGER. In answer to the question of the Senator from Alaska, I shall be glad to repeat the statement.

During its entire existence—referring to the FCC—it has never completed a full, formal rate hearing on telephone rates. It has not even developed any criteria for judging what is a reasonable rate of return.

Mr. BARTLETT. Mr. President, will the Senator from Oregon yield for a question?

Mrs. NEUBERGER. I yield for a question.

Mr. BARTLETT. If this regulatory agency has never held a hearing relating to a telephone system—at least a full-scale hearing—considering that the telephone has been around for quite a while, and came into being even before the FCC, how, then, could we look forward to effective regulation of a new communications system?

Mrs. NEUBERGER. In answer to the Senator's question, this is the point I hope to make. The past history of the regulatory agency does not give us too much assurance that the taxpayer, who will have to make a great investment, will be protected under the measure proposed by the administration and by certain Members of this Congress.

A current independent study for the Budget Bureau, the Hoover Commission report, the Rand Corp. reports, and the Landis report are all unanimous in their conclusion that the FCC is ineffective in this area. Indeed, the Budget Bureau study points out that some of their staff believe FCC is not really interested in regulating the carriers, which has also been pointed out for a long time by students of the agency.

I could say that there was a time in the past when this could have been said about some other agencies. I think some of them are making some improvement.

Beyond requiring certain uniform accounting practices, the FCC has never thoroughly examined A.T. & T.'s asserted costs, including the reasonableness of the prices A.T. & T. pays its wholly owned subsidiary and exclusive supplier, Western Electric. Regulation that has existed has been essentially a bargaining process, with A.T. & T. finally agreeing to a rate reduction when the FCC has concluded that the overall rate of profit on all of A.T. & T.'s operations was too high. Regulation limited to the overall rate has meant that the individual service rates have been totally unregulated, and A.T. & T. has been able to charge high rates on monopolized services like voice communication, thereby subsidizing less profitable ventures in competitive areas.

If this failure to regulate is due to lack of money and men, as the Commission pleads now, how can it possibly cope with the intricacies of a communications satellite system?

Mr. KEFAUVER. Mr. President, will the distinguished Senator from Oregon yield for a question?

Mrs. NEUBERGER. I yield for a question.

Mr. KEFAUVER. Is it not true, in line with the outstanding address by the distinguished Senator in connection with rates, that an international communications satellite could be of vast benefit to this country and to the world in getting the people of the world to know one another?

Mrs. NEUBERGER. I would think that that would be one of its valuable purposes.

Mr. KEFAUVER. Is it not true that Mr. Edward Murrow, the head of the USIA, pointed out that if a reasonable or special rate were provided for his organization, for the purpose of getting the message about this country to the underdeveloped nations of the world, it would be of vast help in his work and in the interest of getting the people of nations to know one another, international understanding, and peace?

Mrs. NEUBERGER. That is correct. The Government should have the opportunity to disseminate such information through its own communications system, I believe.

Mr. KEFAUVER. Is it not true that Mr. Edward Murrow, in testimony before the various committees of the Senate and particularly the Science and Astronautics Committee of the House, pointed out that the commercial system which is envisioned by this proposed monopoly would insist upon the same commercial rates for his organization, for the work of the Government, as it would charge any private user, even though the Government would be by far the greatest user; and that, therefore, he concluded on the basis of the setup proposed that space communications would not be of any benefit to his organization because of the prohibitively high rates which would be charged?

Mrs. NEUBERGER. The Senator is correct, in answer to his question, and this is the point I am attempting to make in my comments, which I have waited so long to give.

Mr. KEFAUVER. Is it not true that other communications carriers, even though they were not granted a monopoly, have given special concessions for Government use, and that there are many more reasons why, in the interests of peace, such concessions should be made in connection with this type of communications than in connection with other types of carriers?

Mrs. NEUBERGER. In answer to the Senator's question, I believe that is correct.

Mr. KEFAUVER. I thank my colleague very much.

Mrs. NEUBERGER. Mr. President, I continue my remarks.

Or is this failure to regulate due to the FCC spending two-thirds of its time with broadcasting? If this is true, we certainly cannot expect the FCC to add any more activities to the other third of its time. It is having difficulties meeting the responsibilities that it has already. We must also consider that since the FCC has failed to regulate rates in those areas of communications about which it has some knowledge, it could not within any stretch of the imagination regulate a satellite system about which it has very little knowledge, if any at all.

Competition is a much more efficient regulator than regulation.

When the first discussions on the bill took place some time ago, the Senator from Rhode Island [Mr. PASTORE] concluded a vigorous support of the bill by saying, as he gesticulated, "Let us show the rest of the world that free enterprise will work."

I did not want to prolong the discussion that day, but the obvious point that came to my mind was that if a monopoly were created, we would not show the world that free enterprise does work, because free enterprise is based upon competition. It is a much more efficient regulator than regulation. I thought the Senator from Rhode Island refuted all of that argument by his remark, "Let us show that free enterprise really works."

We are on guard constantly to try to keep free enterprise working in our country. That is what we are worried about.

Mr. KEFAUVER. Mr. President, will the Senator from Oregon yield for another question?

Mrs. NEUBERGER. I yield for a question.

Mr. KEFAUVER. Is it not true that in other fields in which the Government has conducted research, such as in radio or aviation, and has made the result of such research available for any free enterprise that could use it, that the practice has advanced those arts? But is not this the first time in the history of the United States when the Government would force one to join a monopoly in order to have access to the research and development that has been made possible by the taxpayers of the United States?

Mrs. NEUBERGER. In answer to the Senator's question, I certainly think what he has said is true.

Mr. KEFAUVER. Will the Senator yield further?

Mrs. NEUBERGER. I yield for a question.

Mr. KEFAUVER. Is it not true that in order to participate in the program under the bill and to receive any benefit from the great research and development of the Government of the United States with respect to any space communications satellites, the bill would make it mandatory for the individual or company to join the consortium, and whether or not the individual or company could join would not be a question of their choice?

Mrs. NEUBERGER. The Senator is absolutely correct. In the proposed system, however, the enforcement of competitive bidding will be almost impossible because substantial ownership and control of the corporation by the investor suppliers will enable them to evade regulation. Thus we can only conclude that the FCC is unsuited to the implications of satellites in the nuclear age. Regulation cannot control the inherent advantage accruing to any communications concern which solely owns or controls the system. Since there will probably be only one communications satellite system, this problem of a regulated monopoly is doubly important. A noncommercial authority and international control are far better suited than the FCC to handle the problems that will arise on the new frontier of space.

III. ANTITRUST PROBLEMS

Unwilling to recognize the possible scope of a communications satellite system and failing to realize the responsibilities that would thereby ensue, the FCC nevertheless in 1961 began a subtle and then outright campaign for full private ownership. The nature of a communications satellite system is inherently conducive to a monopolistic environment. As if this were not a large enough problem to handle, FCC advocated a system which decreased competition even further and extended the possibilities for conduct that would be inconsistent with antitrust laws.

As Attorney General Robert F. Kennedy testified before the House Commerce Committee: "It is our firm conviction that the general public should be permitted to participate in this proposed corporation. A monopoly created by legislation should not be turned over to a favored few. This is even more true when the probable success of this venture has been assured by governmental research and development at considerable cost to the taxpayers."

The Attorney General was testifying in favor of the late administration proposal to permit the general public to buy some of the capital stock of the corporation and against the proposal to give ownership entirely to a consortium of existing communications carriers. But the administration proposal merely adds a favored few to the favored few. While substantially all working Americans pay taxes, a recent study found that 1.6 percent of the adult population owns 82 percent of the stock held by individuals. This should be no surprise. Commonly one buys stock only with surplus funds, after the needs and amenities of life are provided and savings and insurance are adequate.

Now that we have to buy our own insurance to guarantee against catastrophic illnesses, it is even more important.

It is no answer that the stockholders are going to place additional funds at risk. The opportunity to do so is a privilege which only a few may enjoy. Many millions of these people who will never be able to own a single share of stock in a private satellite corporation do pay taxes, however, and have contributed to the investment that will make a satellite communications system possible. It would certainly not be in keeping with our standards of equity and fairness for Congress to give away to a few this investment of all the taxpayers.

With the proposed price of the corporation's stock to be set at $100 a share, institutional investors will probably dominate the public ownership of stock. Moreover, even some of the bigger shareholders will not be inclined to oppose A.T. & T. With the latter's 35- to 40-percent investment in voting stock and with perhaps 50 to 60 percent of total corporate capital, and with no other company being able to buy more than 10 percent, who will oppose A.T. & T.'s wishes, especially when further financing is necessary? It will be far wiser for the other investors to join A.T. & T. rather than fight it.

And how wide can ownership be, at $100 per share? Very few small investors can afford stock at such a price. Very few stocks with wide ownership—except for the 223 million shares of A.T. & T.—have anywhere near so high a price. A $100-per-share price will limit ownership to a few huge corporations and a few wealthy individuals. The bulk of the American taxpayers—even those who would buy stock—will be left out.

Moreover, this proposed legislation is at war with all our traditional antitrust principles. Under this bill, those companies which are presently supposed to be competing with each other in both communications and in equipment manufacture will be merged in the proposed joint venture. This joint venture would not only produce a merger in conflict with the antitrust laws but it will also provide insulation from detection. Membership in the corporation will provide a perfectly proper occasion for these competitors to discuss common interests, such as the buying of equipment which will be purchased in enormous amounts. Since most of the prospective investors are in the equipment business either directly or through affiliates, these carrier manufacturers will almost certainly try to favor themselves in procurement. And if anyone has doubts about the aversion to competition so prevalent among bidders today, let him merely recall the recent electrical equipment cases, as well as the numerous other recent examples of identical bidding.

And this system is certain to be successful. Indeed, Dr. Welsh, in testifying before the Senate Commerce Committee, said that commercial success is certain. He gave three reasons: First, expanding demand for the service; second, improving technology which will lower costs; and, third, absence of competition. The system's revenues, resulting almost exclusively from taxpayer-financed expenditures, will be substantial. If not, why is A.T. & T. investing million of dollars of its own money? Indeed, any attempt to minimize the system's potential is contrary to the administration's position and that of other observers. It is held only by the carriers, who are nevertheless very eager to limit control of this unprofitable enterprise to themselves. If the system will not be profitable for a long time now, why are not the carriers willing to let the Government retain it during this unprofitable period? They are perfectly willing to get whatever else they can. And why did I.T. & T. Vice President Busignies demand a Government subsidy for any nonprofit operations if he did not anticipate that there will be other highly profitable operations?

Mr. MORSE. Mr. President, will my colleague yield to me for a question?

Mrs. NEUBERGER. I am glad to yield for a question.

Mr. MORSE. Am I to understand from the argument of my very able colleague that she fears that if the bill is passed it will be only a matter of time before A.T. & T. will be looking to the Government for some form of subsidy in connection with the program?

Mrs. NEUBERGER. That is exactly right. I anticipate that.

Mr. MORSE. Will my colleague yield for another question?

Mrs. NEUBERGER. I am glad to yield for a question.

Mr. MORSE. Does the Senator agree with me that there is a great misconception abroad in the land as to who has paid the major cost of getting Telstar into orbit?

Mrs. NEUBERGER. I agree with the Senator, as these ads imply.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I am glad to yield to the Senator.

Mr. MORSE. Does the Senator agree with me that the ads to which she refers are so cleverly designed by the telephone company that they seem designed to give the American people the impression that A.T. & T. has been making some sort of great financial sacrifice in behalf of the people of the country?

Mrs. NEUBERGER. In answer to my colleague's question I would like to read from the ad. It says:

> Its name, Telstar. It was launched from Cape Canaveral at Bell System expense.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I am glad to yield.

Mr. MORSE. Is it not true that the U.S. Government put Telstar into orbit?

Mrs. NEUBERGER. That is true.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I am glad to yield.

Mr. MORSE. Is it not true that under the terms of the bill the U.S. Government, and not the telephone company, will continue to put any satellite into orbit?

Mrs. NEUBERGER. I certainly anticipate that. In answer to the Senator's question, that is true.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I am glad to yield.

Mr. MORSE. Is it not true that A.T. & T. simply does not have the facilities and in all probability, because of the great defense issue involved, could not possibly be allowed to have the facilities to put a satellite into orbit?

Mrs. NEUBERGER. I hope that our Government would have the good judgment to retain control over the ability to launch satellites.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I am glad to yield.

Mr. MORSE. Is it not true that these facilities for putting satellites into orbit have been paid for by the taxpayers of the United States at the cost of many, many, many millions of dollars?

Mrs. NEUBERGER. The Senator is exactly right.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I am glad to yield.

Mr. MORSE. Is it not true that the taxpayers of the United States paid for the cost of these launching facilities?

Mrs. NEUBERGER. They certainly did.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I am glad to yield.

Mr. MORSE. Is it not true that as the telephone company has already profited from their use, it will continue to profit from their use in the sense that their very use constitutes a great form of subsidy paid for at the expense of the taxpayers of the United States?

Mrs. NEUBERGER. The Senator is right, although I point out that around here the word "subsidy" is supposed to be a bad word; but I cannot imagine a better example of one.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I am glad to yield.

Mr. MORSE. Does the Senator agree that although the word "subsidy" around here may be a bad word, nevertheless American industry is the beneficiary of hundreds and hundreds and hundreds of millions of dollars of subsidy benefits?

Mrs. NEUBERGER. I answer the Senator's question in the affirmative.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I am glad to yield.

Mr. MORSE. Is it not true that if the bill should be passed and the American Telephone & Telegraph Co. were allowed to continue to use this very expensive launching system for getting satellites into orbit, without which they could not get a single satellite into orbit, they also propose to make a profit out of the resulting orbit of the satellite and the communication system that will be set up?

Mrs. NEUBERGER. I agree with my colleague.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I am glad to yield.

Mr. MORSE. Does the Senator agree with me that once the mass of the American people come to understand the economic nature of this program, it will at last dawn on them that we who are fighting to prevent the present passage of the bill at this time are the ones who are seeking to protect the economic interests of the mass of American taxpayers?

Mrs. NEUBERGER. I agree with the Senator. I believe we should never underestimate the intelligence of the American public. But we might be inclined, sometimes, to overestimate their ability to get the information. One of the things we hope to do is to present to them the information as to what is at stake in this situation.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I yield.

Mr. MORSE. Does the Senator agree with me that if a satellite cannot be put into orbit except by the use of Government facilities, paid for at great expense by the taxpayers, the Government ought to maintain complete control of those satellites and enter into any relationship with private industry that may seem to be desirable on the basis of, possibly, a lease arrangement rather than on the basis of the kind of legal interest this bill would give the American Telephone & Telegraph Co.?

Mrs. NEUBERGER. I agree with my colleague. I do not think we are trying to present the issue in any way which should be construed as opposing private enterprise. I do not think that is the point here at all.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I am glad to yield.

Mr. MORSE. It is true, is it not, that the Senator has also placed in the RECORD, in her exceptionally able speech, some information dealing with the foreign relations aspect of the whole subject of the satellite communications system?

Mrs. NEUBERGER. That is true. One of the things which concerns me deeply is that aspect of the situation.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I am glad to yield.

Mr. MORSE. Does the Senator realize that the whole question of the control of space and of international law rights in space and the prerogatives of individual sovereign governments in respect to space is one of the most controversial issues now facing all the nations of the world in the whole field of international relations, including the relationships within the United Nations?

Mrs. NEUBERGER. I heartily agree with my colleague.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I am glad to yield.

Mr. MORSE. Does the Senator agree with me that until these questions of international law rights in relation to space relative to individual sovereign nations are settled, the United States ought to maintain governmental control and complete rights in satellites that are put into space through governmental forces, leaving to private industry, such as American Telephone & Telegraph Co., only the contractual relationships with the Government itself?

Mrs. NEUBERGER. It would be hard to disagree with that very logical presentation of my colleague, who is an eminent lawyer and understands international law. It is the most logical statement with regard to that aspect of the situation that I have heard.

Mr. MORSE. I thank the Senator.

Mrs. NEUBERGER. The fact that we have a good telephone service in this country does not mean that we are safe in relying on a monopoly. In the first place, since we never have had competition in telephone service, no one can say that the monopoly we have is better than anything a more competitive system could provide. As a matter of fact, the one time A.T. & T. had competition in this country in the late 1890's, when its patents ran out, independent telephone companies were formed. According to one student, "Under the impetus of this competition, rates were lowered and many, many more telephones were installed." Secondly, A.T. & T. takes its tribute in high rates. Our local phone bills continue to climb and on international calls there has been no decline in rates for a New York-to-London call since 1946, despite a great increase in traffic and great advances in technology. Finally, comparisons between American and foreign telephone service are inappropriate for one good reason: Our communications system did not suffer total destruction during the last war. Instead, great new technologies were developed here, and the vast amount of telephone traffic in this rich country has provided the revenues for investing in improvements. Europe has had to rebuild anew from a shattered base and with far less use and revenue.

Can we fully rely on the carriers when they have the audacity even to suggest that they might boycott any but a privately owned system. They appear to be telling the Government, "You play our way or not at all." If industry is not likely to work as rapidly on hire to the Government as it would in carrying out this program on its own, may we expect that A.T. & T.'s subsidiary, Western Electric, performed its Nike contract for the Army less well than it performs services for the Bell System? A case could easily be made against further hire to the Government by Western Electric in view of its vast profit-pyramiding on Nike contracts, as was recently brought out by the McClellan committee. Testimony before the committee indicated that Western Electric took $77.3 million of the profits on the work of others to whom it has subcontracted Nike production.

The thought of a privately owned satellite winging its way through space and the appalling notion of extending into the realm of the stars the stranglehold on electronic communications now enjoyed by the giant American Telephone & Telegraph Co. is truly confounding. Government ownership appears to be the only way to avoid the antitrust problems resulting from the creation of a private monopoly by legalizing a joint venture dominated by A.T. & T. The proposed satellite communications system offers us a magnificent opportunity to reduce concentration and to encourage competition.

In the first place, Government ownership will insure equitable access to all, which will relieve all other carriers from dependence on the facilities of A.T. & T.

Second, it will reduce concentration in long line and cable facilities. At present, A.T. & T. owns most of these facilities. An independent satellite corporation, governmentally owned, would bring competing facilities into the picture, perhaps lowering rates and improving service.

Third, it will offer a vast new market for small manufacturers who, up to now, have been frozen out of the telephone and communications equipment business by A.T. & T.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mrs. NEUBERGER. I yield.

Mr. MORSE. The Senator has just pointed out, has she not, the conditions that may be expected in the public utilities field in respect to rates when there is competition in that field?

Mrs. NEUBERGER. That is correct.

Mr. MORSE. The Senator is aware, is she not, that she and I have had years of experience with that issue in connection with electric power?

Mrs. NEUBERGER. That is true.

Mr. MORSE. For the record, does the Senator agree with me that it would be wise to point out some of that experience?

Mrs. NEUBERGER. I believe people would benefit by a review of history.

Mr. MORSE. Does the Senator recall that years ago, when we in the Pacific Northwest were battling for the development of REA's and a preference clause in connection with Federal power facilities, a good many of the arguments being used in the present controversy were made against us then?

Mrs. NEUBERGER. That is correct; and it so happens that I have on my desk a book entitled "Integrity, The Life of George W. Norris," written by Richard Neuberger, which points out some of the details of that fight.

Mr. MORSE. Will the Senator permit me to ask another question?

Mrs. NEUBERGER. I shall be glad to yield for another question.

Mr. MORSE. Is it not pointed out most clearly in the wonderful book the Senator's late husband and my former colleague, Senator Richard Neuberger, wrote about the incomparable liberal, George Norris, that he was opposed by the powerful, monopolistic interests in this country in his drive to get some competition in the electric field?

Mrs. NEUBERGER. The Senator is entirely correct.

Mr. MORSE. Is it not true that once we got the preference clause written into the law and once we got a legislative program which provided for that development by having the Federal Government build the great multiple-purpose dams and by having the Federal Government own them, with the profits from the electricity going into the Treasury of the United States, we then began to get some reduction in electric power rates in the Pacific Northwest, in the areas served by the private utilities?

Mrs. NEUBERGER. The Senator is entirely correct. But how private enterprise fought it.

My mother was able to buy an electric iron, an electric refrigerator, an electric freezer, and electric milking machines, all of which paid profits to private enterprise, and thus enabled private enterprise to sell products which so many people had not been able to use before then. So that was good business for private enterprise.

Mr. MORSE. Does the Senator agree with me that by means of our success in breaking the monopolistic stranglehold of the electric companies over the Pacific Northwest, we brought great aid to the whole private enterprise system of the Pacific Northwest?

Mrs. NEUBERGER. The Senator is entirely correct.

Mr. MORSE. Will the Senator yield for another question?

Mrs. NEUBERGER. I am glad to yield for a question.

Mr. MORSE. Does the Senator agree with me that our victorious fight for the preference clause and our victorious fight for the establishment of multiple-purpose hydroelectric dams owned by all the taxpayers of the country, through their Government, really brought into the economic shadows and environments of those dams a great increase in the private enterprise field?

Mrs. NEUBERGER. That is correct. But those who protested against the building of some of them found that their development resulted in bringing, almost immediately, large profits to them; and whereas before that time they had been "hanging onto the ropes," suddenly, as a result of that development, their businesses became prosperous. However, sometimes people do not learn by reviewing history.

Mr. MORSE. Will the Senator from Oregon yield for another question?

Mrs. NEUBERGER. I am glad to yield.

Mr. MORSE. Is it not true that many, many businessmen now operating their private enterprise businesses in the economic environment of these great hydroelectric dams of the Pacific Northwest have told us time and time again that they would not be there at all if it were not for the reasonable power rates they are able to obtain through these Federal dams, because they could not have established their businesses and could not have paid the exorbitant, profiteering rates which the private utilities were able to get by with prior to the great victories of George W. Norris and prior to the great work that he had been doing and that the rest of us tried to do, to bring cheap power to the Pacific Northwest?

Mrs. NEUBERGER. The Senator is entirely correct; it has been the salvation of the country.

Mr. MORSE. Mr. President, will the Senator from Oregon yield for another question?

Mrs. NEUBERGER. I am glad to yield.

Mr. MORSE. Does the Senator from Oregon agree with me that when we are battling in opposition to this bill, what we are really saying to the American people is, "Don't let them speed through this bill to passage until you, the people, have had an opportunity to take a look at it"—just as some of us insisted, before, that the people should have an opportunity to look at the entire electric power resource development of the Pacific Northwest before it was given away to a monopolistic control by the private utilities?

Mrs. NEUBERGER. The Senator is entirely correct. We have always stood for the principle of trying to get the information to the people.

It is also well that all of us remember the valiant fight the Senator made to retain the offshore oil, so that the profits from that enterprise could go into the funds of this country and be used to light the lamps of learning. He did not prevail; but he did not give up, and I am sure many people look back upon that fight. As we see how our education has slipped and degenerated, more and more the Senator from Oregon has been proved correct, and more and more we see that we should have had that income to support education in this country.

Mr. President, at this time I should like to develop further this very idea that only Government ownership offers a real opportunity for such equipment manufacturers, for the proposed system will only help those who can afford to buy a substantial block of stock.

Under the cloak of this joint venture, these supposedly competing companies will be able to avoid all competition with respect to their communications and manufacturing activities related to the satellite corporation. Government ownership, on the other hand, would actually encourage competition, for it would make procurement and access available to all on an equal basis, without the inevitable self-partiality and conflict of ownership inherent in ownership by suppliers. Without independence, a satellite organization cannot be expected to be vigorous.

Mr. President, a competitive alternative to A.T. & T.'s 100-percent monopoly of international voice communication originating in the United States and its virtual monopoly of domestic long lines would be a healthy development, especially to be welcomed by competing international carriers, independent telephone companies, broadcasters, and telecasters, news services, and other large users, including our Federal Government.

The scare techniques about promoting socialism by opposing this bill are absurd. As the House Committee on Science and Astronautics suggested:

> Although profitable operation is a legitimate goal of the free enterprise system, the appearance of American exploitation simply for profits must be avoided and private gain must not be permitted to dictate the design, type, or capacity of the system which ultimately develops.
>
> The Government must retain maximum flexibility regarding the central question of ownership and operation of the system.

As Mr. John Rubel testified before the Senate Space Committee:

> About 90 percent * * * of the problem * * * has to do with launch vehicles * * * with spacecraft that you put into orbit, * * * with controlling those spacecraft when they are up there in orbit, and with the life of electronic and mechanical equipment in space.

Government involvement is inevitable; Government ownership and control are an obvious necessity.

Mr. President, as I have indicated, my remarks are divided into chapters. I shall now turn to chapter 4. In case any of my listeners wonder how many chapters there are in this book, I shall keep them in suspense.

IV. RESEARCH AND DEVELOPMENT

Government ownership is also the only way of insuring maximum research progress. The Government has already spent billions of dollars in research and development, and as James Webb, NASA Administrator, testified before the House Commerce Committee, basic research and development will continue to be done by the Government even if a private communications satellite comes into being, and that such development will greatly add to the benefit of such a corporation. A.T. & T. has invested and will invest much less than the funds spent by the taxpayers through the Government. And of anything that A.T. & T. does spend, it can deduct 52 percent for tax purposes and can charge off the rest to its rate base, with the result that its telephone customers will have to pay the bills—just as the customers of the telephone companies have to pay for the companies' advertisements, against their own best interests.

As Mr. Minow told the Select Committee on Small Business:

> It really boils down * * * to whether you regard this as a completely new service or as an improvement or an alternative of existing service.

Can there be any question, Mr. President? Can anyone even hesitate before affirming that this is truly new, exciting, and revolutionary? This is not a matter of merely adding an improved transistor here and there. It is a system which has such great possibilities that, at long last, we have struck upon something that can revolutionize communications and, from a purely economic viewpoint, can weaken the monopolistic power of A.T. & T. No wonder this gigantic industry supports this legislation, for it will free A.T. & T. from competition from a new and more economical technique. It is not surprising, therefore, that as soon as we get the opportunity to introduce a little competition into our communications system, we are pressured to yield it.

If this system is regarded only as another means of relaying long-distance communication, performing the same functions as are now performed by other communication facilities such as high-frequency radio and submarine cables, then not only is our economic system hindered by decreased competition but progress in research and development is also shackled. The key to this is whether we are to regard cables or satellites as the alternative system.

The private carriers, including A.T. & T., currently have enormous investments in facilities such as cables and other long lines. A.T. & T., which laid one undersea cable in 1956, contemplates another in 1963. If the satellite system goes up quickly, and is used to capacity—which is the only way to reduce satellite rates quickly—these cables will become obsolete. Since the first duty of rational businessmen is to the stockholders to protect the stockholders' investment, there will be a "lag in the development and actual use of means for making their present equipment obsolete," to use the words of Assistant Attorney General Katzenbach.

Moreover, it is very possible that the first system to go into operation will be low orbit, which almost all are agreed should be superseded by the high orbit system which will be far more economical.

Mr. MORSE. Mr. President, will the Senator yield for a question at that point?

Mrs. NEUBERGER. I yield for a question.

Mr. MORSE. Am I correct in my understanding that the Senator has pointed out in her very able speech that most of the satellites being discussed in connection with this bill are so-called low-orbit satellites?

Mrs. NEUBERGER. Those are the ones I know about.

Mr. MORSE. Will the Senator yield for another question?

Mrs. NEUBERGER. I yield.

Mr. MORSE. Is it not true that some of us have been advised that it is only a matter of time before there will be such advancement in this field that it will be the so-called high altitude orbit that will become the most desirable one?

Mrs. NEUBERGER. I was informed that is what we are aiming for.

Mr. MORSE. Will the Senator yield for another question?

Mrs. NEUBERGER. I yield.

Mr. MORSE. Is it not true that some of the scientists are of the opinion that satellites of the low orbit type will be obsolete in a matter of a very, very short time?

Mrs. NEUBERGER. That is correct.

Mr. MORSE. Will the Senator yield for another question?

Mrs. NEUBERGER. I yield.

Mr. MORSE. Is it not true that if we give the vested legal interest which this bill will give to A.T. & T., obsolescence will nevertheless cause A.T. & T. to want to hold onto that type of satellite long after it is in the best public interest that it should be junked?

Mrs. NEUBERGER. I think that would be a natural reaction—to try to amortize the investment.

Mr. MORSE. Will the Senator yield for another question?

Mrs. NEUBERGER. I yield.

Mr. MORSE. Is it not true that in the early part of this brilliant speech by my colleague it was pointed out that very often businesses hold back research because the advance of research may make obsolete certain instrumentalities out of which they are making huge profits, but the continuation of which is not in the best public interest?

Mrs. NEUBERGER. I think there is no doubt about that.

Mr. MORSE. Will the Senator yield for another question?

Mrs. NEUBERGER. I yield.

Mr. MORSE. Is it not the position of the Senator that she thinks the interests of the people, and not the interests of the stockholders of A.T. & T. ought to be given first consideration by our Government in protecting their best interests in connection with so-called satellite communications?

Mrs. NEUBERGER. My colleague and I are in complete agreement in that respect.

Mr. MORSE. Will the Senator yield for my final question of the moment?

Mrs. NEUBERGER. I am glad to yield.

Mr. MORSE. Does not the Senator agree that if we are going to protect that public interest, we had better know for certainty where we are going in this field, and we had better know how soon these satellites are likely to become obsolete, and that we ought to know what the ultimate cost to the American taxpayer is going to be, and whether we will weaken the position of our Government in the field of international law in this whole field of international communications?

Mrs. NEUBERGER. These are questions to which I do not know the answers.

Mr. MORSE. I thank the Senator.

Mrs. NEUBERGER. The high orbit system requires far less satellites and will have enormous capacity. As Dr. Trotter of General Telephone & Electronics explained, the low orbit system will not satisfy the national objectives as well as the high orbit system for several reasons: First, it will not provide global coverage; second, it does not embody the multiple-access feature of the high orbit system; third, the addition of new communications routes in limited by the number of satellites; and, fourth, a country that can afford only one ground station can have direct contact with only one other ground station at a time. My colleague has just asked my opinion about this point, which I did not realize I was coming to at this time in my speech:

Once a private corporation invests hundreds of millions in a low orbit system, its investors and directors will not be inclined to proceed expeditiously with research and development which will make equipment purchased by those hundreds of millions obsolete. Thus, regardless of which private interest owns the satellite, there will be an inducement to lag in research and development. Only the Government can afford to make the necessary investments and ignore the obsolescence factor.

Nor is this failure to push the introduction of new techniques a fanciful possibility. Judge Loevinger and other witnesses before Senator RUSSELL LONG's committee gave numerous illustrations where new techniques were either not developed or introduced by A.T. & T. These include, for example, one-piece telephones, modern switching equipment, and the dial phone.

Furthermore, the profit-seeking corporation is not likely to invest in research and development in nonprofit or less profitable operations. It may be for this reason that, contrary to scientists and Government spokesmen, A.T. & T.'s vice president and other carrier spokesmen insist on minimizing the revolutionary potential of the satellite system and on calling it merely another link in the presently existing communications facilities—merely a cable in the sky, they say. As Mr. Katzenbach said before the Senate Aeronautical and Space Sciences Committee, for the industry to downgrade the system by calling it just another link does not indicate much interest in developing communications satellites as rapidly as possible.

As a matter of fact, Mr. James Webb expressly stated before the House Commerce Committee that because the industry will not be interested in truly revolutionary research, such research will have to be done by NASA, as it is familiarly called, which will then turn over the fruits of this research to the private company. This will include research on intercontinental television, for example. This transfer of future technology is to be on the same free basis as the contemplated giveaway of all our present know-how for which the taxpayers have expended billions.

Thus, in the interest of fostering competition and innovation in the communications satellite field, separate ownership of international communications carriers and the communications satellite system is essential. Private ownership and control of the space satellites would carry with it a built-in conflict of interest that would inevitably slow down the most rapid development and maximum utilization of the best possible system.

V. FOREIGN POLICY

As the administration stated, whatever system we have, it must be "responsive to public needs and national objectives." The proposed bill does not meet these requirements. If anything, it creates an atmosphere detrimental to the needs and objectives of the Nation and its people. If A.T. & T. was unwilling to provide service for rural areas where profit was to amount to very little, if anything, what assurance can we have that A.T. & T. will extend communications services into underdeveloped nations? This contact would be vital to our relations with these countries, yet we are asked to give the communications companies the power to hamper or even prevent adequate means of communications.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mrs. NEUBERGER. I am glad to yield to the victorious Senator from Louisiana.

Mr. LONG of Louisiana. Is it correct, under the law on public utilities, that if an operation is extended into an area in which service is unprofitable, the utility ordinarily is entitled to make back what it loses in some other area by charging a higher rate than would otherwise be necessary, in order to offset the losses occurring in some area in which the utility is losing money?

Mrs. NEUBERGER. The Senator is correct. This adds to the cost to the user, of course.

Mr. LONG of Louisiana. Does not the fact that the operation would be expected to be unprofitable for a few years then offer an excuse not to extend service into those areas which would be seeking the service on the ground that to do so would further increase a loss which already existed, in view of the fact that there would be no profits against which to write off the loss?

Mrs. NEUBERGER. I had not thought of it in that way, but I believe, in answer to the Senator's question, that that is a great possibility.

Mr. LONG of Louisiana. Do we not have that same problem with regard to many railroads today, which are seeking to discontinue service in various areas on the ground that inasmuch as they do not have sufficient profit to offset the loss of providing passenger service in certain areas they wish to discontinue the passenger service?

Applying the same logic to a public utility, would not the situation be even more compelling, in that the utility would demand it not be required to provide service in areas in which it would clearly be unprofitable, in view of the fact that the overall operation was not a profitable one to begin with?

Mrs. NEUBERGER. I think the Senator is correct.

The analogy to the railroad systems is an especially good one. That is the point I am making. Why should the company bother to communicate with Outer Mongolia or the Ivory Coast, if it were not to be profitable in some way?

Mr. LONG of Louisiana. This in turn would offer a private company every excuse to delay for a considerable period of time providing a service, when the importance of getting there early involves the national interest.

Mrs. NEUBERGER. The Senator is correct.

Mr. LONG of Louisiana. I thank the Senator from Oregon.

Mrs. NEUBERGER. The system will by nature be worldwide and will require cooperation and negotiation that can be successfully conducted only at the intergovernmental level. Proposals supporting the creation of a private satellite corporation have tried to distinguish between certain types of business negotiations to be conducted by the corporation and types of negotiations involving national policy which will be conducted by the State Department. Such a distinction is meaningless in connection with a worldwide satellite communications system.

Every aspect of the satellite system will be intimately connected with our foreign policy and the national interest. Only the Government can negotiate the important and very complex multilateral agreements necessary for the establishment and operations of a satellite communications system. The conduct of this crucial aspect of American foreign policy should not be delegated to a privately owned monopoly. This would be a dangerous abdication of our national sovereignty.

In chapter VI I deal with "Timing."

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mrs. NEUBERGER. I am glad to yield for a question.

Mr. LONG of Louisiana. Does not the Senator recognize it is possible for the Government to give the American Telephone & Telegraph Co. the ability to have a satellite communications system even in the absence of the law which is being sought now? That was done with the Telstar.

Mrs. NEUBERGER. The fact that we have one and that it beamed a message, I suppose, is evidence of that.

Mr. LONG of Louisiana. Therefore, in asking why the passage of the bill is necessary, I would ask the Senator if it has occurred to her that the reason for the attempt to pass the bill is that the Government cannot organize a giant monopolistic consortium involving more than one company in the absence of the passage of the bill, because to do so would be in direct violation of the Sherman Act?

Mrs. NEUBERGER. In answer to the Senator's question, I had not realized the truth of what he had said. In line with the Senator's question, it occurs to me that the Senate is being asked to pass a bill that would almost guarantee the existence of a monopoly. Since the company has not been able to obtain such a monopoly without the bill, the present attempt is being made. It is contended that the Senate must try to shore it up.

Mr. LONG of Louisiana. The bill is not one that would permit a monopoly, but is a bill that would insist upon a monopoly.

Mrs. NEUBERGER. The Senator is correct.

VI. TIMING

In any event, why the great rush to give away the satellite system now? The first priority, as RCA and others have said, is to settle the technical questions; then we can determine the organization. As Dr. Welsh has said, the lack of an organizational structure has not delayed anything so far.

How could it, since what is necessary now is space research—and international negotiations—both of which must be done primarily by the Government. What do we lose by waiting? As the distinguished Senator from Louisiana has pointed out, we have evidence of that.

Mr. LONG of Louisiana. Mr. President, will the Senator yield at that point?

Mrs. NEUBERGER. I yield to the Senator from Louisiana for a question.

Mr. LONG of Louisiana. If a bill were necessary in order to put a satellite into orbit and communicate with the satellite, how did the company manage to produce that result with the Telstar?

Mrs. NEUBERGER. That is a point I cannot answer. I do not understand.

Mr. LONG of Louisiana. The point I make—and I ask the Senator if she does not agree—is that the bill is not necessary in order to put a satellite system into space. It has nothing to do with that. The bill is necessary only to organize the most gigantic monopolistic consortium that the mind of man has ever conceived. That is what the bill would do. The only reason the operation cannot be worldwide and the greatest monopoly on earth is that other countries have publicly owned telephone companies.

Mr. CURTIS. Mr. President, a point of order.

The PRESIDING OFFICER (Mr. KEATING in the chair). The Senator will state it.

Mr. CURTIS. I believe the Senator is yielding for purposes other than questions.

The PRESIDING OFFICER. The Chair warns the Senator from Oregon to yield only for questions.

Mrs. NEUBERGER. I have yielded for a question. I was about to answer the Senator from Louisiana when I was interrupted by the point of order.

I think we now have evidence that what he has said is true. Therefore, the urgency of the proposed legislation is not upon us. The fact that every day new ideas are brought out, and that we are confronted with a story that the White House is just now beginning to make a study of the subject, shows, in my opinion, that there is no urgency about the bill.

Mr. LONG of Louisiana. Mr. President, will the Senator from Oregon yield for a further question?

Mrs. NEUBERGER. I am glad to yield for a question.

Mr. LONG of Louisiana. Is there anything in the committee report that indicates the reason why the proposed law is not necessary to put a system in space, but is needed to organize a monopoly?

Mrs. NEUBERGER. I have not seen such a statement in the report.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Louisiana for a question?

Mrs. NEUBERGER. I yield for a question.

Mr. LONG of Louisiana. Is the Senator aware of the fact that witnesses from the Department of Justice testified that it was necessary to have special Government dispensation, to which the Justice Department had to acquiesce, even to permit representatives of the various companies that would be a part of the monopoly consortium to sit down in the same room and talk about a proposal that they would like to make to the U.S. Government?

Mrs. NEUBERGER. No; I was not aware of that fact. I am glad to have that information.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Louisiana for a question?

Mrs. NEUBERGER. I yield for a question.

Mr. LONG of Louisiana. Assuming that I am correct in stating that representatives of the Department of Justice so testified, would it not follow by the same logic that if it were not legal for those people to sit down even to make that kind of proposal to the Government, it would not be legal for the Government to carry it out?

Mrs. NEUBERGER. The Senator from Louisiana is most logical, and I am in accord with that logic.

The proponents of private ownership argue that the private companies have served the public interest by providing us a cheap and efficient communications system and that their experience should be utilized. But how much better and cheaper might it have been, as Mr. Katzenbach pointed out, if telephone service were not a protected monopoly? Is it efficient to hold up on new techniques and developments? Is it in the public interest for A.T. & T. to earn between 7.5 and 8 percent consistently?

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question at that point?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Louisiana for a question?

Mrs. NEUBERGER. I yield for a question.

Mr. LONG of Louisiana. Does the Senator know that a study made in an effort to determine what A.T. & T. was making on its oversea service indicated that that corporation was making more nearly 70 percent profit than 7 percent profit?

Mrs. NEUBERGER. I did not know the profit was that high.

Space is the greatest natural resource of our time. We do not even know its vast potentialities. Why, therefore, should we hasten to give away the fruits of billions of taxpayer dollars to a private monopoly owned and controlled by a few huge companies and dominated by the greatest and most powerful monopoly in America today? By acting hastily, we may greatly prejudice the future.

Our great space achievements have been made possible only by the tax dollars of the entire American people. The full benefits of these tax dollars should stay with the entire American people. Government ownership is the only way to insure that this public resource is preserved for the benefit of all the people and that it is developed as quickly and fully as possible.

VII. PRIVATE ENTERPRISE OR PRIVATE MONOPOLY?

Let us not forget that what this bill would establish is a private monopoly, not free enterprise.

As the Senator from Rhode Island commented on that day, "Let us show them that free enterprise will work." This is not free enterprise. Two essential elements of free enterprise are absent: First, competition; and second, risk capital. There will be no competition because we cannot afford, either technically or economically, to have more than one commercial satellite system. This corporation will, therefore, be a governmentally created monopoly, as the Senator from Louisiana asked me, contrary to all our traditions.

Second, there is likely to be very little risk for any carrier investor since all of the carrier's nonvoting investment goes into its own rate base. And it can get a return on this investment from its own customers, regardless of what is happening with the satellite corporation. Such a governmentally created private monopoly is the exact antithesis of free enterprise.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

Mrs. NEUBERGER. I yield for a question.

Mr. LONG of Louisiana. Is the Senator aware of the fact that the only real competition that exists in a number of industries, particularly having in mind the aluminum industry, exists because Government investments were used to create the new competitors?

Mrs. NEUBERGER. No; I was not particularly aware of that, but since the Senator has asked the question I can see now it is obvious.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I am glad to yield to the Senator for a question.

Mr. LONG of Louisiana. Is the Senator aware of the fact that in the field of aluminum there was only one great monopolistic giant in the field prior to the time the Government, as a part of its expansion of the aluminum capacity of the Nation, put two other great corporations into that business? I have in mind Kaiser and Reynolds.

Mrs. NEUBERGER. No; I had not thought of that. I had forgotten it. Yet the coming of Government dams and public power to my part of the country helped to create one of those great aluminum industries, and we have that competition about which the Senator has asked me.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a further question?

Mrs. NEUBERGER. I am glad to yield for a question.

Mr. LONG of Louisiana. Is the Senator aware of the fact that the Government used the same general approach and antimonopoly philosophy with regard to tremendous investment in expanding this Nation's capacity to produce rubber for its uses? Is the Senator aware of the fact that in producing rubber the Government disposed of these plants in a way that a great number of competitors came into the field and that even the smaller ones were given a chance to compete with the larger ones?

Mrs. NEUBERGER. I had not realized it with regard to rubber. I remember with regard to railroads that there was encouragement by the Government for many competing companies to develop the railroad system.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a further question?

Mrs. NEUBERGER. I am glad to yield for a question.

Mr. LONG of Louisiana. Is the Senator aware of the fact that some time ago, when the Government, under the Eisenhower administration, undertook to provide itself a more dependable supply of aluminum, it actually advanced Government funds to put the Freeport Sulphur Co. in the position of being able to compete with the International Nickel Corp. in the field of nickel?

Mrs. NEUBERGER. I was not aware of the fact that the Eisenhower administration had done that.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a further question?

Mrs. NEUBERGER. I yield for a question.

Mr. LONG of Louisiana. Does this policy in the past add up to the fact that where the Government had made a tremendous investment of taxpayer money, either on a loan basis or on a direct investment basis, it has proceeded on the theory that this should be done in order to create new competition wherever pos-

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sible; contrary to what we see here with reference to the enormous Government investment that is proposed to be used to create the most fantastic monopoly in our history?

Mrs. NEUBERGER. In answer to the Senator's question, I say that I believe that to be true.

The carrier investors in this private monopoly will not merely have a relatively risk-free investment in a monopoly, but they will get a double return on their dividend-interest-paying investment in nonvoting securities and bonds. They will be able to put the investment into their rate base and immediately receive a fair return on that from their own customers—you and me. Then, when the satellite corporation starts paying dividends, they will receive a dividend on this same investment which is also in their own rate base. And, of course, the American public will be paying for all of this.

Let us not be misled by false slogans. Private ownership of the satellites will not be free enterprise, for that presupposes conditions that a private monopoly can never meet. Mr. President, a space communications satellite system is so revolutionary that the the legal concept of ownership in space has not even been concretely substantiated yet. How can we give away something that is so vast and unknown? How can we give away the rights of taxpayers to the benefits of a space satellite system? Mr. President, I stand firmly opposed to this Government creating a private monopoly that will only exploit the taxpayers' money for private profit.

Mr. President, when I began my prepared speech, which I hoped to give at 10 o'clock on Saturday instead of 12:05 p.m., today, I was disturbed that I could not get on to discussing my feelings, my attitudes, and my concern about the proposed legislation. Again this morning I listened for 2 hours to some of my colleagues inveigh against the fact that they came here this morning at 10 o'clock to listen to the opinions of the Senator from Oregon, among other Senators, about this bill, and they themselves conducted a mild filibuster about letting me get started.

I restrained myself at the beginning of my remarks from joining in the comments of the other Senators, because I wanted it to be known that I was eager to get on with the speech. Now I have waited for some time to keep that obligation. I have a great accumulation of matters on some other subjects which I am ready to discuss. First I would like to go back and pick up some of the discussion that took us away from the business of today for 2 hours, or from 10 to 12 o'clock, at least. Since I was involved in some of the mechanics that took place on Saturday, I would like to explain my position.

According to the rules of the Senate, there is one motion that is always in order, and that is a motion to adjourn. We sat here for many long hours to give the leadership the opportunity to make that motion to adjourn. It was unnecessary to go out to the ships at sea and to various points around the globe to return the absent Senators, who obviously could not be very much interested in this legislation, because after due warning they were not in attendance. The leadership could have adjourned the Senate at any time it wanted to do so. However, by some sort of peculiar ingrained persistence, sometimes called stubbornness or obstinacy, it decided that it would proceed to bring the Members of the Senate back. So we waited and we waited.

The proponents of the satellite bill have insisted on the urgency of its passage. Some of us here have disagreed and have cited testimony that the development of the communications satellite system is proceeding as rapidly and efficiently as possible and will in no way be hampered by the failure of Congress to enact satellite legislation at this session.

Mr. LONG of Louisiana. Mr. President, will the Senator from Oregon yield at that point?

Mrs. NEUBERGER. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Is not the Senator convinced that if we are successful in defeating the bill, one thing that will have been proved beyond any peradventure of doubt is that nobody in America will have lost anything? Will we not have proved that there is no need for it, no urgency, no real requirement? That the only real need for it, if there was a great hurry, was to organize a giant consortium for private operation?

Mrs. NEUBERGER. I agree with the Senator. I am sure the people who have viewed the picture of Telstar will wonder why the proposed legislation is needed.

Mr. LONG of Louisiana. In other words, is it not correct that if we are successful in fighting the bill, we will have made the public aware of its purpose, and they will know that the only real emergency was to organize a consortium, and we will have made them aware of what was afoot?

Mrs. NEUBERGER. Yes.

Mr. BARTLETT. Mr. President, will the Senator from Oregon yield?

Mrs. NEUBERGER. I yield.

Mr. BARTLETT. Will the Senator from Oregon be disposed to say that Telstar was not more spectacular in orbit or devastating in impact, as it were, or more educational in its results, or produced more fruitful dividends, than, for example, did the junior Senator from Louisiana in his home State on Saturday last?

Mrs. NEUBERGER. I agree. I am so delighted with the outcome of that experience.

As I sat here for 10 hours on Saturday, awaiting a quorum to attend the speech I had prepared on the satellite bill, it occurred to me, as I have already said, that the great majority of the Members of this body were not at all convinced of the urgency of the proposed legislation. To the contrary, only a very few considered the satellite bill significant enough to warrant deferring their pursuits, both pleasurable and otherwise.

We have been accused of endangering the cause of the satellite by lending respectability to the tactics of extended debate. It has not been my experience that our southern colleagues have needed either help or encouragement in utilizing to the fullest the rules of the Senate. I believe my record on civil rights is as strong and consistent as that of any other Senator. I also believe, and have sought to implement the belief, that the filibuster can be eliminated as a legislative tactic only by reforming the Senate rules, a reform which I supported in the past and shall continue to support. But so long as the Senate rules afford this disproportionate power to a small band of willful men and women—or one woman; perhaps I should not include my woman colleague—I think it is as appropriate that they should be utilized to prevent a tragic error in this country's development of international communications as to maintain segregation.

Mr. LONG of Louisiana. Mr. President, will the Senator yield at that point?

Mrs. NEUBERGER. I yield.

Mr. LONG of Louisiana. Would it not be a fair answer to that allegation to state that the fact that others demonstrate that they are capable of using the Senate rules to defend their position might encourage some of our southern friends to use restraint themselves in exercising their right of free debate here?

Mrs. NEUBERGER. The Senator is correct.

Some weeks ago I agreed to review a book, which is still in galley form, but which about now is being put between hard covers. At the time, I said I would enjoy reviewing the book, not knowing a thing about its contents. I also did not know that I would be participating actively in this debate.

The author of the book, who is a former Member of this body, does not know that I will have given some advance publicity to his venture into the field of bookwriting; but the about-to-be-published book is so timely and so apropos that I feel impelled to read some excerpts from it.

The title of the book is "Yankee From the West," the West in this case being the home of our distinguished majority leader, the great State of Montana. The author, a former Senator, the Honorable Burton K. Wheeler, writes most entertainingly, most informatively, and without pulling any punches or withholding any secrets of his experience in this venerable and august body. I shall skip through the book and quote the parts of it that are pertinent to the debate today.

At one place in his book, former Senator Wheeler approaches the background and reasons for his defeat when he ran for reelection. He says:

> Even before the campaign began, I had not been overconfident. Anyone who has been a Senator for 24 years would be a fool to take renomination and reelection for granted. The longer one stays in the Senate the more enemies one makes.

Think of that.

> If the Senator acquires a national reputation, the risks become even greater. Many constituents assume the publicized Senator has become more preoccupied with national or international affairs, to the detriment of his State.

> In 1946 my opposition successfully planted the big lie that my break with Roosevelt made it impossible for me to win any favors for Montana. When I moved Montana projects along in the Senate, many people were ready to believe that some other legislator deserved the credit for it.
>
> Take the case of Hungry Horse Dam. Ever since I had entered the Senate, I had urged construction of a dam on the south fork of the Flathead River, which flows into the Columbia. The project was opposed by the Montana Power Co., and for two decades it got nowhere. But in 1946 it got through the House, after I and others had testified for it there, and I was determined to get it through the Senate.

The author, former Senator Wheeler, continues with a dramatic story of that fight and the fact that Hungry Horse Dam, which was recently dedicated, bears testimony not only to his efforts but also to the importance of this great project for the development of the West. A further reading of the part cf his book which relates to his campaign has many parallels with our situation today. He points out that he thought his own reputation and eminence would not make it necessary for him to go home in the months preceding the election, but he found that people need to be reminded of their Senator and to see him in person from time to time.

Another section which bears with great interest perhaps more specifically on the situation today has to do with the very corporation I am discussing—the American Telephone & Telegraph Co. I shall introduce it by paraphrasing some of the material in the book, where question is raised about whether there was corruption among officeholders.

Senator Wheeler, writing in "Yankee from the West," says:

> As for my many encounters with corrupted officeholders and their corrupters, I must add that I have not become discouraged. There are always plenty of good men on the scene too and I believe our system in the long run triumphs over human weakness. I am certain that most Members of the Senate, for example, are honest, as are most of our Government servants. If most of our lawmakers could be bought, Uncle Sam's democracy would have been finished long ago—and we would have a dictatorship.
>
> Often Members of Congress are sold down the river by their "friends" and lobbyists who earn their living by purported "influence."

Here comes the part in which I was so much interested:

> For example, I once introduced a resolution to have the Federal Communications Commission investigate the long-distance charges of the American Telephone & Telegraph Co. Later that day I was followed into my office by two men.

However, I do not mean to say that I think history will repeat itself:

> One of them, a hanger-on and some-time lobbyist around town, introduced the other to me as a lawyer from Chicago.
>
> "This man knows all about the telephone business and can give you facts that would let you make a speech tearing the companies to pieces," the lobbyist explained.
>
> I replied that if I needed him I would get in touch with him, but that I didn't think I would need his help. A few days later, some representatives of the telephone company came to see me and wanted to know whether I intended to make a speech on the resolution. I said I didn't see any need for it, unless they fought the resolution. A few days after that, Bowie Chipman, a Washington businessman who was in touch with the utilities, asked Mrs. Wheeler and me to dinner. During dinner, Chipman told me that the two men who called on me had gone to the telephone companies and told them I was going to make a "vicious speech" against them on the Senate floor. They said they could stop me from making the speech—for $5,000.
>
> Later, the two men came back to my office at the Interstate Commerce Committee and it was all I could do to contain myself. I told them if they didn't get out immediately I'd kick them down the stairs.
>
> (This is not the only case I know of where large sums were asked for "stopping" something on Capitol Hill which was not going to happen anyway. A Member of Congress never knows what sins are being committed in his name.)
>
> The resolution passed and the FCC investigation resulted in cutting the long-distance rates.
>
> For me this book will be worthwhile if it serves no other purpose than to make the reader appreciate more fully that the bulwark of our freedom is Congress. In recent years, it has become fashionable to make fun of Congress and to decry its inability to act expeditiously. In fact, many of those who style themselves "liberals" are loudest in their demands that we vest even more power in the executive branch. Indeed, these scoffers give only lip service to our tradition of separation of powers between three branches.
>
> Like Presidents Lincoln, Jackson, and Theodore Roosevelt before him, Franklin Roosevelt greatly expanded the power of the Presidency at the expense of Congress. The defeat of the court-packing bill and the administrative reorganization bill which followed it stopped the trend toward autocratic Presidential power, but the Second World War gave it new momentum. I greatly fear this trend; it could all too easily lead to dictatorship. We must have as much faith in Congress and the courts as we do in the President.
>
> Everyone agrees that one-man government is more efficient than a democracy, but the price in terms of individual liberty is excessive. Don't forget it when you read an editorial or hear a commentator ridicule Congress. Congress is an essential part of our tradition and it alone can keep us free. If you don't approve of your Senator or Congressman, do something about it by working in a party or simply by voting, but don't undermine Congress and don't countenance anyone else doing such a wrecking job, whether it is your neighbor, the smart aleck, know-it-all magazine editor, or the President of the United States. If you do so, you may well lose your freedom.
>
> Another word about tradition. A very wise and well-informed friend of mine who was formerly high in the Foreign Service of a Latin American country told me in 1962 that the basic difference between our Government and those of Latin America is tradition.
>
> "Never scoff at your traditions," he urged me. "Never do the slightest thing to undermine them. Do everything to build them up."
>
> He continued: "The reason many of the Latin American countries have dictatorships is the lack of tradition which demands that when a President ends his 4-year term he stands for reelection, and if he's defeated, he steps aside. In South America they have what is called the "caudillo" tradition. Caudillo means leader. They look to the man rather than to the office of the Presidency. Once a man is elected, he immediately starts building himself up with the various factions and tries to solidify his position with the army so he can either suspend elections or, if he is not reelected, set aside the constitution and remain in office by force.
>
> "In your country such a thing is unthinkable," my friend said. "No President would entertain the idea of not holding an election or attempting to get the Army to maintain him in office if he were defeated. But, even more important, if he tried to do so, I am sure the Army officers would laugh at him because they would not expect to be, and would not permit themselves to be used for such a purpose.

* * * * *

> So when you hear or read statements debunking our traditions or the great men in our history who established them or helped uphold them, don't fall for it. Such statements are usually made by someone who wants to appear either learned or clever. Acceptance of them would undermine our greatest heritage.

The next paragraph of the book is rather a switch on the situation today:

> It is a chronic complaint of the latter-day "liberals" that Congress is not carrying out the President's program. What they really want is for Congress to be a rubber stamp, although they use the term, "party discipline." Too strict party discipline is not compatible with our democratic system; it cannot be enforced without intellectual or financial dishonesty. On the presidential train in 1934, Eleanor Roosevelt brought up the subject of party discipline and the President said he would like to see a great deal more of it in the Democratic Party.

I am sure our majority leader would agree with that statement today:

> My comment was: "Show me an efficient, disciplined party organization in any big city and I will show you a corrupt organization."
>
> As chairman of a major committee, I felt I could make my contribution by blocking bad bills as well as pushing good ones. Twice during my chairmanship the House approved bills to legalize wiretapping, under certain conditions. Twice I saw to it that the House-passed bill was referred to our Interstate Commerce Committee—rather than to Judiciary, where it might have gone—and twice I sat on the bill, that is, never let it come up for a vote.
>
> At first hand, I had seen how the dirty business of listening in on a person's privacy could lead to blackmail back in Montana, and so I did everything I could to keep it from being condoned in any fashion by the Federal Government. To me such spying is indefensible and I felt that it would set a very bad example for the country if the highest officials of the Government officially resorted to it.
>
> On other occasions, I would refer what I regarded as a bad bill to a handpicked subcommittee, and the bill would be held there. This earned me the term, "dictator," and there was some justification for it. But I knew that if certain bills ever came up for a vote in the full committee the powerful lobbies behind them would fall on the committee members and the bills would be voted out. Perhaps this was highhanded on my part, but there is no necessity for voting on every bill introduced and, rightly or wrongly, I felt in those cases I was doing what was best for my country.
>
> On the positive side, the most satisfaction I got as a committee chairman came from helping to shape not only railroad legislation, which I have already mentioned, but in using my influence in the exciting new field of communications.
>
> Some of the uproar over quality and competition in radio and television in the sixties are almost reruns of my experience with the two industries during their birth and formative years.

I interpolate here again to say that Senator Wheeler had lived with this experience over the span of years from the time of the coming of radio, held as the most exciting new thing that had happened in many, many years—almost unbelievable—but now look at the competition—and I quote Senator Wheeler—threatening radio and television in the 1960's. If there ever was a bearing on a subject so timely, this is it. Remember, he was chairman of the Interstate Commerce Committee, the predecessor of the same committee that has submitted the bill, and I am sure when he wrote these words he did not know how prescient they were.

I continue reading:

> Even before I became chairman of the Interstate Commerce Committee in 1934, I was concerned about the future of radio, as were other members of the committee. Incredible as it now seems, some people were blind to the potential of broadcasting and were unconcerned about how it was developing.
>
> Like a few of my colleagues on the committee, I felt that since the airspace was owned by the public those who used it had responsibilities to the public and should not look upon it as a private preserve to be exploited solely for profit.

That is so important that I really think it is a shame the present chairman of the Commerce Committee is not here to look back upon the words of one of his predecessors, who felt that since the airspace was owned by the public, those who used it had responsibilities to the public and should not look upon it as a private preserve to be exploited solely for profit.

I continue reading:

> The National Broadcasting Co. originally had two networks, the Red and the Blue. David Sarnoff, head of RCA, the parent company of NBC, wanted a radio monopoly, as he later did in TV. Senator Clarence Dill, my predecessor as chairman of the committee, and I, believed competition would be healthy and we encouraged the development of the Columbia Broadcasting System.
>
> As chairman, I repeatedly warned the network heads at public hearings that they were indulging themselves in too many "soap operas" and too much jazz music. The excuse was always the same: "We're giving the public what it wants." In private interviews and public hearings, I warned them that they should use the airwaves for which they had been licensed to elevate the taste of the public, not to degrade it.

Again I digress to say I was much interested in the comment, after the first successful communications by Telstar, of those who wondered if we had come this far to have such poor programs as are likely to be broadcast over it. Unless we elevate, unless we have some control over the type of program, we might better do without this development.

Continuing from Senator Wheeler's book:

> What I said about radio in its developing years goes double for TV. The pandering to the lowest common denominator of a mass audience of many millions is what led to the rigged quiz shows and payola scandals. Today television is making heroes out of gunmen and lighting the picture tubes of a Nation night after night with sexy and glamorous murder-detective stories which I feel certain have a bad effect on many youngsters. It is undoubtedly part of the cause of the teenage crime waves that crop up periodically.
>
> When in 1961 Newton Minow, the new chairman of the Federal Communications Commission decried the overdose of violence in what he called TV's "vast wasteland," I congratulated him. He was trying to alert the industry, as I had done two decades earlier. Unless the industry improves the quality of its programing, the people of the United States will demand censorship of both radio and television.
>
> When TV was ripe for launching, the Radio Corp. of America wanted the FCC to adopt standards which would compel the use of equipment blanketed by RCA patents.

Mr. BARTLETT. Mr. President, will the Senator from Oregon yield for a question?

The PRESIDING OFFICER. Does the Senator yield?

Mrs. NEUBERGER. I am glad to yield.

Mr. BARTLETT. The Senator is reading to us, as I understand, an excerpt from a book written by former Senator Wheeler of Montana, to be published soon. Is that correct?

Mrs. NEUBERGER. The Senator is correct.

Mr. BARTLETT. Does the Senator know when publication is to take place?

Mrs. NEUBERGER. I cannot answer that accurately. I know the comments I made about the book had to be in last Friday.

Mr. BARTLETT. Does the Senator know who is to publish this book, from which she is reading, the reading of which fascinates my interest and attention?

Mrs. NEUBERGER. I believe it is the eminent publisher, Doubleday & Co. I think the Senator will want to avail himself of a copy.

Mr. BARTLETT. Can the Senator tell us where the Senator's review of the book will be published?

Mrs. NEUBERGER. I am sorry, but I am unable to give that information. One never knows whether one's review will be acceptable. I have given it favorable consideration, and I trust it may appear in something like the Portland Oregonian, for one thing.

Mr. BARTLETT. I ask the Senator whether the Senator can, at appropriate season, advise me specifically where and when her review is published.

Mrs. NEUBERGER. I shall keep that very much in mind, and be glad to do so.

Mr. BARTLETT. May I ask the Senator further if her judgment on the book is, on the whole, favorable?

(At this point Mr. METCALF assumed the chair as Presiding Officer.)

Mrs. NEUBERGER. I am very glad the Senator asked me that question. I became quite excited with the book as I went along. At first I did not trust my own judgment, because the first half of the book relates to a great deal of the early Montana history. I thought it appropriate that I let my colleague, the junior Senator from Montana [Mr. METCALF], who is the present occupant of the chair, have some of the first pages of the galley proofs. He became quite enthusiastic as he read them, and was practically taking them away from me. He says he can verify the facts, since he knows from personal experience much of what is told in the book, and he agrees that it is a good book.

Mr. BARTLETT. Would the Senator infer that former Senator Wheeler kept a very detailed diary, since I note exact quotations of events as long ago as 1934?

Mrs. NEUBERGER. I am sure he must have. Perhaps it behooves all of us to do the same, because the day may come when we shall wish to put down for posterity some of the things which have happened. I am sure he kept a very detailed diary.

Mr. BARTLETT. Does the Senator believe that the book will have a local interest—that is to say, confined to Montana or to the West—or that the book will inspire national attention?

Mrs. NEUBERGER. It is bound to be of special interest, first, to the people of Montana and of the West, who are so involved with it and who will recall so vividly the things which are recited. Next, it will be of special interest to Members of this body, who will hasten to read things in which they themselves were involved.

Most of all, I think it will be of national importance, because it deals with the most exciting period in our history in the 20th century modern times—that period of the Great Depression, the Roosevelt era, the Truman era, and now the space era which we are discussing today.

Mr. BARTLETT. I thank the Senator.

Mrs. NEUBERGER. Mr. President, former Senator Wheeler must have been prescient when he talked, as I am going to read next, about the RCA patents. I pointed out in my speech earlier the connection between Western Electric, as supplier of material, to A.T. & T. I had not been aware until I read the Senator's book of this connection with radio and TV.

> When TV was ripe for launching, the Radio Corporation of America wanted the FCC to adopt standards which would compel the use of equipment blanketed by RCA patents. Had this been done, RCA would have commanded a virtual monopoly in the manufacture of sets. FCC's refusal to adopt the standards urged by RCA kicked off a furor with charges that the Federal agency was needlessly delaying the bringing of television to the American public.

I ask my friends, Did you ever hear anything so analogous to the situation we face today? I heard the Senator from Oklahoma say practically that same thing regarding the bringing up and the consideration of the bill to move into space.

I read again:

> FCC's refusal to adopt the standards urged by RCA kicked off a furor with charges that the Federal agency was needlessly delaying the bringing of television to the American public.

Mr. President, we have television today. I continue reading:

> On our committee fell the burden of investigating the charges and countercharges.
>
> At the hearings, one of the witnesses was Sarnoff. I was opposed to giving a monopoly to RCA in this field and I told Sarnoff that if it had the best system RCA would get the most business anyway. After the hearings Sarnoff asked me to lunch with him.

> "I'm in trouble," he told me as we sat down. He related that when James Lawrence Fly was appointed Chairman of the FCC in 1939 he had told Sarnoff that he understood that RCA had the best television engineers. This was something Sarnoff said he had never heard from an FCC Chairman before; he was delighted to learn that Fly felt so kindly toward RCA. He explained that he had also been assured by certain people "close to the President" that "everything was all right" for his firm.
>
> Sarnoff lamented, "I called Sam Rosenman [FDR's counsel] and Anna Rosenberg [also close to the President]. They told me everything was all right. But it's not all right. Fly," he said, "has changed his mind about using the RCA TV standards."
>
> This struggle over television standards was one of two very severe struggles which the controversial and able Fly had with the dominant figures in broadcasting, principally RCA. This second controversy involved charges that a few powerful networks, centered in New York, were unduly dominating all broadcasting throughout the country. We then had only radio broadcasting in which three reasonably strong networks were engaged—with Mutual a struggling fourth. Of these three the RCA's subsidiary, the National Broadcasting Co., operated two, its so-called Red and Blue networks. It is obviously unhealthy in a democracy to have two out of three such powerful opinion-forming organizations in the hands of a single company.
>
> There were other complaints about undue monopolization in broadcasting. The networks occupied positions of great power and they would serve local stations only if the local stations agreed to submit themselves almost fully to network control.

Mr. President, we are now back again to the question which my colleague asked me earlier today. The networks do not want to serve people. They want to make a profit. Former Senator Wheeler refers to the situation that the networks would serve local stations only if the local stations agreed to submit themselves fully to network control. Until I read the book, I had forgotten how true that statement was. A station starting in a small town such as Roseburg, Burns, or somewhere else in my State, had no independence whatever. It had to take the whole package that was sent out or be on its own with some local programing.

I continue reading:

> Thus, a network could command all the time of its affiliated stations. It could compel a local station to carry a network soap opera or dance band even though the local station might prefer to broadcast an event of great local importance or interest.
>
> FCC, at my prodding, had undertaken a study of the problems involved. In 1941, it announced a series of rules which were designed to introduce more competition into broadcasting and to free local stations from the degree of dominance exercised over them. Most importantly it would have compelled RCA to yield up one of the two networks which it was operating. These rules kicked off another great furor, with both RCA and CBS asserting that irresponsible bureaucrats in Washington were destroying the basis for all network broadcasting. The inevitable forum for such a controversy is the congressional committee, and hearings on the subject were held before the Senate Interstate Commerce Committee. The broadcasting industry has always been able to command very powerful lobbies in Washington since Senators and Congressmen necessarily pay great attention to the complaints of those who control access to the microphones of the country. The affiliates of RCA and Columbia constituted the most powerful lobby for the networks. The networks always called upon them to intercede with their Senators and Congressmen.
>
> Again I backed Fly fully and FCC's rules, with some minor modifications, became effective. Despite the calamitous predictions, they have not destroyed network broadcasting and the country has undoubtedly benefited from their adoption. RCA was finally forced to give up its Blue Network, which became the American Broadcasting Co.
>
> When Fly began his term in 1939, he told me he was in favor of granting licenses for 10 or 12 "superpower" radio stations, carrying some 500,000 watts each. I opposed the idea. I pointed out that the superpower stations would have all the best programs and thus get all the business. A little station serving a community could not compete. I also told Fly that only a rich political candidate could afford to buy time on a superpower station.
>
> I introduced and got passed a resolution stating it was the "sense of the Senate" that a radio station should be limited to 50,000 watts. Though the resolution has never had the force of law, or even become a stated FCC policy, the FCC has followed its intent ever since. In my judgment, it is one of the reasons we have so many thriving radio stations serving small communities today.
>
> The networks had first intended to broadcast only from the populous areas of the East and Midwest. When they decided to go West, they planned to accept as affiliates only stations in Denver and Salt Lake City. I told M. H. (Deke) Aylesworth, then president of NBC: "You just can't skim off the cream in the West." Later, Aylesworth informed me: "We're going east from Spokane to St. Paul, and we'll connect the stations in Montana with our network." I subsequently convinced William S. Paley, then CBS president (later chairman of the board) that his network had to follow suit in offering their programs and services to smaller stations throughout the West.
>
> I also made clear my concern about "equal time" in a conservation with Aylesworth and Ed Craney, owner of a Butte, Mont., station. I said a station which gave free time to one political candidate should give the same amount of time to all his rivals who had legally qualified themselves as candidates. This posed the question of whether a Communist was entitled to the same degree of fairness. Aylesworth recalled that in 1932 NBC had broadcast both the Republican and Democratic conventions. The Communist Party then demanded that its convention should be aired. Aylesworth said they solved the problem by broadcasting the speech of William Z. Foster, one of the better-known Commie leaders, but not those of all his comrades. I agreed with this decision.
>
> Aylesworth turned to Craney and remarked that while he didn't always agree with me he felt all station owners should abide by this practice or face Government ownership. When the basic act setting up the FCC was written and passed in 1934, the "equal time" concept was incorporated and it has been in the law ever since.
>
> Another provision I worked into the basic FCC act required any company convicted of violating the antitrust laws to forfeit its radio license. After I left the Senate this provision was repealed.

We come again to a most prescient statement, which has concerned me a great deal as we have been discussing the proposed satellite bill. If the bill is passed, of all the countries that will be involved I predict that the United States will be the only one that will have a private corporation in control. As Senator Wheeler said:

> In most countries broadcasting is a government function and, of course, has an unlimited potential for disseminating propaganda. I want to avoid that in the United States and that's why I am so anxious for the chosen few who are licensed to operate our airwaves to live up to their responsibilities to the public. It is the only way to preserve private ownership.
>
> The achievement which gave me the most satisfaction in my career was being selected by both Republicans and Democrats to lead the fight against the Court bill. It also was the most significant in relation to our governmental system of checks and balances.

Mr. MORSE. Mr. President, will the Senator yield for a question at that point?

The PRESIDING OFFICER. Does the Senator from Oregon yield?

Mrs. NEUBERGER. I am glad to yield.

Mr. MORSE. Does the Senator agree with me that this oft-repeated tenet about checks and balances is not limited to checks and balances between and among the three coordinate branches of Government, the judiciary, the legislative, and the executive, but also refers to a good many checks which are written within the organic law affecting each one of these three coordinate branches of Government?

Mrs. NEUBERGER. Yes.

Mr. MORSE. Mr. President, does the Senator yield further for another question?

Mrs. NEUBERGER. I yield for a question.

Mr. MORSE. Does the Senator from Oregon agree with me that one set of checks that we have in the legislative system of our Government happens to be found in the system of rules of the Senate?

Mrs. NEUBERGER. That is true.

Mr. MORSE. Does the Senator from Oregon yield for another question.

Mrs. NEUBERGER. I yield.

Mr. MORSE. Does the Senator agree with me that one of the most effective checks we have comprises a set of rules in the Senate which enables a minority in the Senate at least to slow up a determined and willful majority to impose their will upon a minority prior to the time that the minority has had adequate time to awaken the American people as to the great danger of a piece of legislation which a majority seeks to impose upon the American people?

Mrs. NEUBERGER. I agree.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I yield.

Mr. MORSE. Does the Senator agree that in this historic debate, which is now taking place in the Senate, time may very well prove that those of us who are willing to stand up here in the course of this debate and raise the old warning to the American people, "Stop, look, and listen before you let the majority place this bill on the statute books of the country," may prove to be right?

Mrs. NEUBERGER. I agree.

Mr. MORSE. Mr. President, does the Senator yield for another question?

Mrs. NEUBERGER. I yield.

Mr. MORSE. Does the Senator from Oregon agree with me that if we are successful in preventing a vote on this measure until our leadership has an ample opportunity to hear from the people, we may be successful in working out an arrangement with the leadership whereby the bill can be sent to the Foreign Relations Committee, and the Foreign Relations Committee can hold hearings on the bill during an interim period between adjournment on or about September 1 and the reconvening of the Senate, either after the election, or in January?

Mrs. NEUBERGER. I agree with the Senator. I can report that we must be making some progress, because since I started to speak some telegrams and other communications have come, which I have not had time to refer to but which, in glancing at them, seem to indicate that the people back home are getting an idea of what we are talking about.

Mr. MORSE. Does the Senator from Oregon yield for another question?

Mrs. NEUBERGER. I yield.

Mr. MORSE. Does the Senator from Oregon agree with me that those of us who are opposed to the immediate consideration of the bill think it is very important that the seminar that we are conducting on the floor of the Senate should be conducted at some length until the American people become a little better aware of the great issue affecting the American people's interest both in domestic and foreign policy relationship to the bill?

Mrs. NEUBERGER. I agree. Otherwise I am sure my colleague and I would not be here today speaking at such great length.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I am glad to yield.

Mr. MORSE. Does the Senator agree with me that one of the great checks we have in this Chamber is the check that manifests itself in the expression of the will of the people upon the Congress?

Mrs. NEUBERGER. I agree.

Mr. MORSE. Mr. President, will the Senator yield for another question?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator from Oregon yield for a question?

Mrs. NEUBERGER. I yield for a question.

Mr. MORSE. Does the Senator from Oregon agree with me that those people interested in American public opinion who are beginning to take a little time out of their busy daily life to take note of what is going on in the Senate have a responsibility of citizen statesmanship to perform in familiarizing themselves with regard to the merits of the issue that is before the Senate?

Mrs. NEUBERGER. I agree.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I yield for a question.

Mr. MORSE. Does the Senator agree with me that it is important that as these American citizens come to study the merits of this issue, they make their will known to the leadership of the Senate and make their will known to those of us who are opposed to the leadership of the Senate in regard to the issue, so that there can be a manifestation of that check of public opinion on the Senate?

Mrs. NEUBERGER. I could not agree more.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mrs. NEUBERGER. I yield for a question.

Mr. MORSE. Does the Senator from Oregon agree with me that in the days ahead as this debate progresses it is highly to be desired that the American people make known to the Senate their views as to whether or not they agree with the minority of us who believe that this bill should go to the Foreign Relations Committee before it is acted upon and that this bill ought to be taken to the American people in the election campaign immediately ahead, before it is acted upon?

Mrs. NEUBERGER. I agree that that is essential.

Senator Wheeler watched these developments very closely. He said:

> I doubt whether Roosevelt could have been elected to a third term if the radio had not been invented. The newspapers were virtually unanimous in their opposition to him. True, in Montana I had been able to overcome a hostile press—which had amounted to a news blackout. I did this by literally covering a State which is 600 miles wide and speaking directly to the voters, sometimes to groups as small as 10 or 15 persons. But a President cannot cover 48 or 50 States unless he has electronic help. People will believe what they read in the papers, in the absence of contrary information.

Mr. President, there are many remote places in Montana and in Oregon to which a candidate travels to take his message and seek votes. I have often believed that some of the votes I got out on the plains of my State cost me about $2.50 apiece because of the expense of traveling there. But, somehow, they are the votes which are rewarding. The people want to see their Senator. Many of them said they had never seen a human, live, Senator until some of the Democrats entered the race and carried the message to them. One of the joys of campaigning is to go to a place where there are few facilities for communication and to be so welcome, where the people are glad to see the candidate. I continue to read:

> Showmanship in a politician is not to be scorned. It is the means through which he can reach the voter and educate him in the important issues.

There never was a truer statement as it affects our argument with respect to the bill before us today.

> It is not easy to capture and hold the public's attention, but it must be done before education can begin.

There is the "old pro" talking. He did not know he was going to write a part of my speech. He continues:

> When I made speeches about the corruption of the Daugherty crowd, I used to suggest the dimensions and the drama of the scandal by saying that it had "reached right up to the White House door." You could have heard a pin drop in the hall following this statement.

Senator Wheeler goes on and refers to a sort of "break" he had with President Roosevelt over the packing of the Supreme Court, and he tells how angry he was over the famous speech by President Roosevelt about "one-third of the Nation being ill fed, ill clothed, and ill housed." But he goes on to say:

> But I had to admit to myself that on occasion I myself had used these arts to make a point in Montana when I was in a heated fight against the powerful companies ranged against me.

One of the interesting things in the early part of Senator Wheeler's book is his constant reference to the Company—Company spelled with a capital C. All of us who live in that delightful part of the country which encompasses Montana, Idaho, Washington, and Oregon know immediately what is referred to, the Company being the Anaconda Co., which for many years held a stranglehold over the State of Montana. A part of Senator Wheeler's great ability was in pointing out the Anaconda Co. and in really breaking the stranglehold of that company. But he continued to hate the company, and the company came to be synonymous with a great monopolistic organization. I continue to read from former Senator Wheeler's book:

> Roosevelt relied on rhetoric and was constantly searching for vivid metaphors that stick in the mind. When I campaigned with him through the West in 1936, I occasionally helped him play with words. In Denver, he asked me for some ideas on water resources, and I told him to repeat what he has said on the subject in Montana in 1934, on the site of the Fort Peck Dam project. Although I had made a great many talks myself on irrigation, I had never heard that dull subject so lyrically and inspiringly extolled as it was on that occasion. That audience in 1934 must have felt they were looking at a latter-day Moses, ready to strike a rock and make the waters gush forth.
>
> When we reached Colorado Springs in that 1936 campaign, Roosevelt again asked me for a speech and idea. I proposed the kind of simple image that appealed to him. I suggested he remind his listeners that when he had first campaigned for President in 1932, they were wearing overalls and traveling in freight cars. But now, after 4 years of the New Deal, they were wearing good clothes and riding in Cadillacs. F.D.R. pulled out all the stops with this comparison at Colorado Springs, and it was effective. He liked it so much that I heard him using it later in Pittsburgh, when I caught his speech over the radio.
>
> Of course, some of Roosevelt's best lines were contributed by Sam Rosenman, the adroit ghostwriter. When speech drafts were discussed, you could never be sure what Sam had contributed. When we were on the train en route to St. Paul, Minn., in the 1936 campaign, Sam read the draft of a speech F.D.R. was to deliver there on farm cooperatives. I told him it was terrible. It was a dull explanation of co-ops—with which his audience would be much more familiar than the President. I didn't learn until later that Rosenman had written the text.
>
> Roosevelt's extreme popularity actually was an extra source of satisfaction to me. For I never used or needed the benefit of his coattails to ride into office and therefore I was not afraid to stand up to him. That my refusal to go along with the Roosevelt administration on every issue eventually contributed to my defeat only underscored

> the fact that I had followed what I believe to be principle rather than expediency.
>
> My refusal to go along with my party's leadership when I felt it was wrong has confused some observers about my political philosophy. One pundit had concluded that in the course of my Senate career I made the "classic swing from left to right." My own feeling is that while the times, the issues, and the leaders have changed, my basic outlook has remained the same. I don't know if there is a label for this philosophy; I never felt one was necessary. In the generally accepted groupings today, I agree with the "liberals" when they are on the side of justice for the individual and against the concentration of economic power. I agree with the "conservatives" in their opposition to the buildup of centralized power in the Federal Government.
>
> What bothers me about today's "liberals" is this: through the ages, those called liberal fought to take the power away from the kings and the emperors and to give it to the parliaments; now it is the "liberals" who are anxious to give more and more power to the executive, at the expense of the legislative branch. We must not forget that Hitler was able to become a dictator because he persuaded the Reichstag to vote away their powers—temporarily, so they thought.
>
> Too, the modern "liberals" preach tolerance but in some ways are extremely intolerant themselves. They would cast into outer darkness anyone who does not go along with them 100 percent. And some of our labor leaders have become so powerful they try to tell legislators how to vote not only on union legislation but on foreign policy and civil rights issues as well.

Mr. President, if I have any criticism to make of Senator Wheeler's book, it is because of its sins of omission, rather than any sins of commission, because I hardly feel it fair to single out labor leaders who try to urge Senators how to vote on other measures—those pertaining to foreign policy, civil rights, and so forth. In this Chamber we have had a recent example of a powerful lobby organization, notably, the American Medical Association, which has in its brochures and its resolutions dealt with such things as opposition to Federal aid to education. We have also found the chamber of commerce taking a very active part in trying to influence the Members of this body in regard to measures hardly related to commerce, unless education is indirectly related to all these measures.

I read further from Senator Wheeler's book:

> On May 24, 1941, Joe Kennedy delivered a commencement address at Oglethorpe University in Atlanta, Ga. The former Ambassador to Great Britain counseled the graduates against slogans and words that have been "counterfeited."
>
> "For example," he told them, "the word 'liberal' has become entirely suspect because of the grossest sins committed in its name. Today many so-called leaders are professional liberals. They would rather be known as liberal than to be right. They have tortured a great word to cover a false philosophy, to wit, that the end justifies the means. Liberalism, your studies here at Oglethorpe have taught you, has never meant a slavish devotion to a program, but rather did liberalism connote a state of the spirit, a tolerance for the views of others, an attitude of respect for others, and a willingness to learn by experience, no less in social fields than in the physical sciences. Basically, liberalism predicates that man is a spirit and out of godlike qualities can come the triumph over the basic instincts that have made him so many times 'vile.' "
>
> I agree with that statement.
>
> If my career has brought me more than one man's share of fights, I regret none of them. Incessant conflict made me live life more deeply. On my 80th birthday, I realized just how fully I had lived. On February 27, 1962, my children gave me a huge reception which 450 of my friends attended. They included many busy persons—Chief Justice Warren and a majority of the Supreme Court plus many prominent Members of Congress. The affection evident in that turnout brought tears to my eyes, and a flood of memories. The party stirred other persons' memories, too. Accepting the invitation, Supreme Court Justice Felix Frankfurter had dashed off this note in longhand: "What Eighty? Old time is indeed a liar. Why, it's only yesterday—so vivid is my recollection of it—since you first swam into my ken as the fearless U.S. attorney in Judge Bourquin's court (a judge deserving to be remembered) and then those glorious battles in the Senate * * * was all that 40 years ago?"
>
> A wealthy industrialist once told me that I was a very rich man because, regardless of what happened to my politics or my pocketbook, I had a wonderful wife and family. There is no greater reward than seeing all your children turn out well, as mine have.

Then he goes on to review the status of his children.

The book concludes with the following comments:

> Growing up in the West and being educated in the East, our children have had the advantage of getting to know—and therefore, better love—their country. After being elected to the Senate, I bought a house in Washington but we always spent our summers in Montana. The hunting lodge I acquired back in 1912 on the wooded shores of Lake McDonald (in what has since become Glacier National Park) was expanded to three cabins, with the help of my strong sons. There three generations of Wheelers go boating, fishing, horseback riding, and swimming together.
>
> Life for me in Washington is as full as I could wish it. Every morning I go to my law office and then lunch at my club with old friends or clients. When I feel like it, I play cards after lunch at the club, or take the afternoon off and play 18 holes of golf.
>
> The skinny, towheaded young fellow who headed west, without friends or money, certainly never dreamed of a future with such excitement and rewards as were in store for him. If I seem to have done everything the hard way, I have no regrets—I would do it the same way again. As Mrs. Wheeler says, our life has never been very simple and never dull. What more can a man ask?

Mr. President, I have already stated that some telegrams have arrived since I began to speak. As we proceed through another day of Senate consideration of the space communications satellite proposed legislation, it has become apparent that the public is becoming increasingly aware of the issues at stake. Further debate will certainly lead to better public understanding.

I should like to call the attention of my colleagues to some of the telegrams which I have received today—telegrams evidencing support of my position.

I have received a telegram from a meeting of the Western States Conference of the Machinists Union. Their telegram indicates that that important labor organization has taken a position against the space communications bill in its present form.

A telegram has come from the president of the National Telephone Cooperative Association. It also supports my position on this proposal.

Individual citizens in my own State and elsewhere are also making known their strong feelings.

At the national convention of the American Veterans Committee, in June, there was adopted a resolution urging the establishment of a space communications satellite system owned and controlled by the United States. This position is similar to that expressed by the Democratic Party of my own State.

On July 4, 1962, at the Democratic State Convention in Salem, Oreg., there was adopted a plank, in the party's official platform, urging that control of the communications satellite program be retained completely by the Federal Government.

In order that my colleagues may know of the groundswell of public opinion which is rising throughout the country, I shall proceed to read the text of the recent messages I have received.

The following has come from Albuquerque, N. Mex.:

> Albuquerque, N. Mex.,
> *July 30, 1962.*
>
> Senator Maurine Neuberger,
> *Senate Office Building,*
> *Washington, D.C.:*
>
> Members of Machinist Union represented by you ask you vote to table satellite communication bill for present congressional session. This request approved during Western States Conference of Machinists in Albuquerque, N. Mex., July 28, 1962. Copy of resolution will be sent to your office.
>
> Joseph Denton,
> *Secretary, Western States Conference of Machinists.*

I have also received the following telegram:

> Washington, D.C.,
> *July 30, 1962.*
>
> Senator Maurine B. Neuberger,
> *Old Senate Office Building,*
> *Washington, D.C.:*
>
> As national representative for telephone cooperatives we wish to congratulate you on your opposition to the space satellite bill. This legislation would create another huge communications monopoly to the detriment of hundreds of independent telephone systems.
>
> James L. Bass,
> *President, National Telephone Cooperative Association.*

I read another telegram:

> Senator Maurine Neuberger,
> *Senate Office Building,*
> *Washington, D.C.:*
>
> Keep up your fight against Telstar bill.
>
> (Signed by many persons).

I have another telegram, this one from Sheffield, Mass., which reads:

> Sheffield, Mass.,
> *July 29, 1962.*
>
> Senator Maurine B. Neuberger,
> *Senate Office Building,*
> *Washington, D.C.:*
>
> As taxpayer independent voter for Kennedy, I object current Telstar bill because (1) risk lowest common denominator presentation America abroad to satisfy conflicting interests; (2) because unknown quantity unchosen director; (3) because bill shows irresponsible lack of foresight regarding variety future space problem. My choice Government ownership Telstar under Department of Space created now rather than

questionable precedents much confusion many dollars later.

MARGARET BOORMAN.

That telegram is not even signed by a constituent of mine, but someone from Sheffield, Mass.

Another telegram from Northampton, Mass., reads:

> We strongly support your courageous stand on public ownership of satellite communications system.

I am sure more telegrams will be coming in as we proceed.

As I indicated, I have so much material on a number of items that I have been waiting to give today that I am going to divert a little right now from the subject of the Telstar, because I do not want too much time to elapse from the time I was invited to accompany the Vice President on a trip to Puerto Rico until I have a chance to report on it. It is so timely, and so many things happened, that I would like to bring some of the Vice President's words to the Peace Corps to the Senate at this time.

All those within sound of my voice, I presume, had a chance to read the delightful article in yesterday's Washington Post written by charming Lady Bird Johnson, wife of the Vice President, as she reported on the visit to the Peace Corps.

I was most fortunate to have been invited to go along, and I profited greatly from it in more ways than one. One of the reasons why I was much interested in that particular Peace Corps training center is that the director of it is Mr. Bill Byrd, of Oregon. But several things happened, and one of them is exemplified in a block of wood which is on my desk here in the Senate, and on which I have been waiting to comment these many days since I returned from Puerto Rico.

When we traveled by helicopter from the city of San Juan into the very heart of the rain forests of Puerto Rico, we traveled over some of the most rugged country I have ever seen. It must be admitted that I come from a State which has mountains reaching to the sky, which I have climbed and traveled over many times. In fact, when it was asked if I could deliver a speech of a little more than usual length today, I said I thought I could, because one time I climbed Mount Hood in a storm, and it took us 13 hours to get to the top, and there we were battling the elements, and sliding back a step as we took two or three forward. So I felt this would be rather easy compared to that, and it has proved to be, and especially interesting.

But the mountains in Puerto Rico really did amaze me. I looked out of the helicopter one time and the attendant said:

> See that power line down there below?—Puerto Rico being noted for its public power system, which takes power into places even as remote as the Peace Corps camp is located in—every bit of that had to be built by helicopter.

We had a delightful time, as the pictures in the Washington Post showed. We had lunch with all the young people there. They gathered around. The Vice President spoke to them. Then we went out to see the camp. Another Oregonian, a Mr. McDaniel, who comes from a very rugged part of Oregon, the Wallowa Mountain area, came along, and offered to be my guide.

Here was this dormitory for housing Peace Corps people. It was unfinished. I said, "What happened?" He said, "We could not buy enough lumber to finish it."

I gritted my teeth. I said, "My golly, one of the things my colleague and I are doing is talking about the lumber industry in Oregon. They tell us there is not enough consumption. Here you cannot finish these modest buildings for want of lumber."

Suddenly something dawned on me. At that time I remembered a report I had in my office which had to do with a shipment of lumber from Portland, Coos Bay, and other points on the Oregon coast, to the eastern shore. It cites the difference in shipping cost between Canadian ports, Vancouver, B.C., to points on the Atlantic, and from Oregon points. One of the places where there is no comparative cost is Puerto Rico. It is so expensive, because of the prohibitive Jones Act, for us to ship lumber to Puerto Rico that we have not shipped any there for several years, and Canada has the market.

Well, I clapped my hands and I said to Mr. McDaniel, "That reminds me." He said, "We went down to San Juan and bought up all the 2 by 12's they had. You just cannot get enough lumber." He said, "In fact, you see a piece there that is sawed off." I said, "Give it to me. What does it say on this 2 by 12 to be used for the Peace Corps?" It says, "Canada." All the lumber they have used to build that plant had come from Canada, because of the shipping costs.

That is the reason why I have offered, as one solution, and I think a major one, to afford some relief to the lumber industry in the Northwest, repeal of a portion of the restrictive Jones Act, which would prevent that very thing from happening.

However, the address by the Honorable LYNDON B. JOHNSON, Vice President of the United States, to the Peace Corps volunteers at Barranquitas, P.R., is probably even more important.

We moved from one Peace Corps camp to another, again by helicopter. We landed in some very sticky red clay mud, wiped off our shoes, and went to a branch of the Inter-American University, where a commencement address was to be given by our Vice President to the graduates in the Peace Corps. This is the Vice President's speech:

> I am very pleased to be here today to see—as one newspaper editorial described you recently—"a real live Peace Corps volunteer."
>
> I want to make two promises.
>
> Number 1—I will be brief. I remember very well the story of the commencement speaker who was just beginning his address when an elderly lady marched down and seated herself directly beneath him in front of the rostrum. She opened up a small kit, assembled the various parts of a rather elaborate hearing mechanism, and attached it to here ears. She listened for 10 minutes, suddenly took off the earpieces, unscrewed the mechanism, packed it neatly in its little box, and sat with her hands folded in her lap throughout the remainder of the speech.
>
> Number 2—I flatly refuse to ask you, "Why did you join the Peace Corps?" I understand you expect that question now—for the 1,000th time. Let me suggest the next time someone asks you that question, simply turn it around—like Thoreau turned Emerson's question around. Emerson had paid a visit to his friend in the Concord jail. "My dear Thoreau," Emerson said, "why are you here?" To which Thoreau replied: "My dear Emerson, why are you not here?"
>
> In a sense you—and the hundreds of other Peace Corps volunteers—have turned that question around on the rest of us.
>
> You have stirred our conscience and we have been asking ourselves—for the last 12 months now—Why didn't we do this before? It has been such a tremendous success—why did we wait so long to give young people a chance to win the peace as so often they have won our wars?"
>
> Every time I see a Peace Corps volunteer, I realize again that what Emerson said is true—that "the true civilization is, not the census, nor the size of cities, nor the crops, but the kind of man that the country turns out."
>
> All of us are proud of you. We are also proud of the society that can produce men and women like you.
>
> Each of you is the answer to a question others have been asking about the United States: "What kind of person does the United States produce?"
>
> Many of you will be working where no citizen of this country has even traveled—much less lived for 2 years. You will be the first contact the people there will have with our society. Their attitude toward us will be shaped by your attitude toward them.
>
> You are, of course, not going as a high pressure "salesman." But consciously or unconsciously, your presence will help shape the way other people feel about our fundamental values. You will either give meaning to or you will disclose as hollow our concern for the worth of every individual, our belief in justice, our self-reliance, our devotion to constitutional government, and our commitment to the equality of mankind.
>
> This is why you are all objects of our faith. You are the basis of what has been called "a completely new, official gamble by the United States."
>
> Because each of you is a distinct individual, carefully chosen and well trained, there is a sense in which the success of the Peace Corps rides or falls with you.
>
> If you fail in the city or village or farm of Latin America where you will be working, the people will not ask: "But how are the volunteers doing in Africa with the Peace Corps?" A personal failure wherever you serve will not be obscured—in the eyes of the people with whom you are working and whom you serve—by a personal success somewhere else in the world. For all practical purposes, you will be the Peace Corps wherever you are.
>
> But I would also remind you that you are part of a greater team.
>
> There are 1,200 volunteers overseas today. They are serving in 15 countries.
>
> You are part of the Peace Corps—a body of men and women with a common direction: the service of others. Collectively you are making a greater peacetime impact on history—and the future of the world—than any single generation in my lifetime.
>
> The new frontiers—where individual men and women can influence and shape events more directly than anywhere else in the world—are not only in Washington.
>
> They are also in the new nations where men and women are awaking to seek a new life.
>
> The new frontiers run wherever you will be serving.
>
> Wherever that may be, you will be providing a very distinct personal touch to

American policy. Pamphlets, radio broadcasts, films, as fine as they are, are largely impersonal.

To communicate our concern and interest, to express in an awakening land the values of a free and pluralistic society, people must work with people, people must teach people.

Human beings and human values are what democracy is all about. If we fail to carry that spirit abroad, we will fail, indeed.

The Peace Corps is not attempting to transplant a culture to the millions of people in the world's underdeveloped nations who are only now beginning to ask what can be theirs in terms of life, liberty, and the pursuit of happiness. Their way of life must be just that—their own.

But what you can carry is a spirit, a concept, an attitude that says to these people: "We know what you are up against. We have climbed this way, too. We can understand your dreams because they are still our dreams. We know your aspirations and your determinations and we want to share what we know and what we have if it will help you."

In the long run America's people and her spirit will be her greatest contributions to the accelerating developing of new nations.

As de Tocqueville said: "The Americans have all a lively faith in the perfectibility of man, they judge that the diffusion of knowledge must necessarily be advantageous, and the consequences of ignorance fatal; they all consider society as a body in a state of improvement, humanity as a changing scene, in which nothing is, or ought to be, permanent; and they admit that what appears to them today to be good, may be superseded by something better tomorrow."

This is the spirit of our own Revolution. We started it 200 years ago and it is sweeping the southern half of the globe today. What we told and showed them they could have, the peoples of the world are now demanding.

Each of you will help them to achieve their ambitions.

Earlier I said I would not ask you: "Why did you join the Peace Corps?"

I think I know what prompted most of you and I hope you will forgive me if I try to frame in words what has been a very private affair.

I think you volunteer because of a personal private virtue that lies in your own conscience.

In a free society men and women are guided not by the dictum of the state or even by the dogma of any particular religious creed. They are motivated by their own conscience, by inner convictions that are deeply personal.

It is in this area that we in America—especially you in the Peace Corps—are so very different from our own adversaries.

Their way of life tolerates no private pursuit of individual conscience.

Our society enshrines that pursuit as the basis of all freedom. Higher than the state, we say and we believe, is the personal exercise of individual choice.

To defend this we will give everything we have.

I think this is why you have volunteered. Yours is the pursuit "not of profit or of pleasure but of principle."

You and your ambition to serve represent the very best that is America.

We are all in your eternal debt; this room, this people, this land, and the people and nation where you will serve.

God bless you.

As our Vice President, representing our flag and our Government, carried that inspirational message to the members of the Peace Corps who were preparing to go to Peru and Ecuador to work as dedicated volunteers, we all sat and listened with real emotion. Perhaps our biggest surprise and greatest delight came when the volunteers marched up, as they would in any school commencement, and the Vice President handed them their sheepskins. Among the group there were many who were past middle age. There were grandmothers and many gray-haired men and women in the group. As I sat by Mr. Yeomans, the Director of Training for the Peace Corps, I asked him particularly about the older volunteers in the group. Their stories are among the most touching stories of America. There were people who had left thriving businesses. There was a plumbing contractor who wished to contribute his lifetime of experience and know-how to help in that worthy cause.

In my remarks about the A.T. & T. and the satellite bill I referred to the lobby. I selected portions of the book "Yankee From the West" by Senator Wheeler which dealt with Senator Wheeler's experience with lobbies and their influence on life in America, particularly on the Congress of the United States. One could become rather cynical about what group in America has the greatest influence on the legislative branch of the Government. Is it the consumers—the people, in other words—of America or the great vested interests?

After all, what is government all about? I think all of us would agree that people make up government. Yet in this Congress proposed legislation has been introduced that would have been for the good of the greatest number of people, and has gone down, in my opinion, before the power of a very impressive lobby. The President of the United States urged the Congress to pass a health care bill for the benefit of our elders. It would have been for the benefit of the greatest number of the American people, be they old or young, because youngsters will some day be oldsters. I fully believe that the bill was defeated because of a powerful lobby fighting against it.

We have all seen the impact of the sugar lobby upon this body and the extent to which it imposed its will in opposition to the best interests of the consumers who must pay more for sugar than they otherwise would be required to pay. The sugar lobby has brought about an investigation into the status of lobbies in the Halls of Congress.

Of great importance to the people of the United States is effective control of drugs. It is of importance to them to known that the drugs which they take to relieve them of pain or help cure them of some ailment represent the utmost in safety protection, with no undesirable side effects.

The Senator from Tennessee [Mr. KEFAUVER] has labored diligently with other members of his committee for more than 2 years to bring about some legislation for the control of such drugs and the relinquishment of patents on drugs so that perhaps we could have a little to say about the price of them. Certain life-giving and life-saving drugs are prohibited to certain members of our population because of the cost.

In my opinion, effective lobbying by great pharmaceutical houses has defeated the consumer and the general public in that area of legislation.

I am deeply interested in a bill which passed the Senate some time back and is now on the House side. It is known as the wilderness bill. As we are proposing to preserve the development of space, so likewise that bill would provide an opportunity to preserve on our earth some areas under Government control so that people might go to them for recreation. They would have an opportunity to see some of our country as it was in the early days before there was such awareness of the importance of beauty in great forested hillsides and mountains.

I believe that that bill has not been debated and considered by the House because of the powerful lobby of lumber interests, which does not wish to see it enacted. I differ with some of those who are in agreement with me on the satellite bill regarding our President's proposal that a withholding tax be placed on income from dividends and interest, so that the Government might be able to collect the taxes already due it—not a new tax—to help pay for some of the research and missile launching in which our country is engaged. I believe that the savings and loan companies, a powerful lobby, exerted pressure to have that portion of the tax bill removed.

I am a member of the Senate Committee on Agriculture and Forestry. I hesitate to add that half of the name of the committee is "Forestry," because we have had some difficulty in having forestry matters considered by that committee.

I have worked diligently on a bill which in my opinion would do a great deal to help the consumers of America and get us out of the bind we are in with this vast farm program, a bill which our President wanted, but which I believe a powerful lobby, the Farm Bureau, which is interested in big corporate farms more than in individual farms, had a great deal of influence in killing.

I could go on and cite the oil industry, the depletion allowance, and so on. I have mentioned the U.S. Chamber of Commerce ad infinitum.

I rather resent some of my colleagues implying that I, a loyal Democrat, am opposing my President in taking the position I have taken today on the bill. I have supported the President of the United States against powerful lobbies, in support of his health care bill, education bills, tax bills, and so forth.

I restrained myself at the beginning of my remarks because I wanted to get on with the discussion of the bill, but it was a great temptation to answer the Senator from Oklahoma [Mr. KERR], who was greatly concerned about not hearing any opinion on the subject we are considering. He was present, but he delayed hearing about it by talking for some time when I was ready to speak. He also chastised us by saying that this legislation is wanted by the administration.

I heard the Senator from Oklahoma a few days ago. I noted that he was not very much concerned about the administration's desire to have enacted a health care bill for our elderly citizens. It is rather peculiar that he should use that admonition against us today, when he so vehemently and magnificently and, I must add, successfully, undertook to kill an administration bill.

When I was a schoolteacher I used to teach English. I remember a quotation I used to give; an example of anticlimax in writing. That statement was:

> Oh, dear, what shall I do?
> I have lost my beau and lipstick too.

A man standing here in the Senate, as I have stood here today, would begin to show a 5 o'clock shadow. I feel that I have lost my lipstick too, and that is unforgivable for a female Member of this organization.

I suggest the absence of a quorum.

Mr. PASTORE. Mr. President, will the Senator yield?

Mrs. NEUBERGER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 139 Leg.]

Aiken
Allott
Anderson
Bartlett
Beall
Bush
Byrd, Va.
Byrd, W. Va.
Capehart
Carlson
Case
Chavez
Church
Cooper
Cotton
Curtis
Dirksen
Dodd
Douglas
Ellender
Engle
Ervin
Goldwater
Gore
Gruening
Hart
Hartke
Hayden
Hickenlooper
Hill
Holland
Hruska
Humphrey
Jackson
Johnston
Jordan
Keating
Kefauver
Kerr
Kuchel
Lausche
Long, Hawaii
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
McGee
McNamara
Metcalf
Miller
Monroney
Morse
Mundt
Muskie
Neuberger
Pastore
Pell
Proxmire
Randolph
Robertson
Russell
Scott
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

The PRESIDING OFFICER. A quorum is present.

The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H.R. 3788. An act to provide for the transfer of the U.S. vessel *Alaska* to the State of California for the use and benefit of the department of fish and game of such State; and

H.R. 7336. An act to promote the production of oysters by propagation of disease-resistant strains, and for other purposes.

The message also announced the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes, and that the House receded from its disagreement to the amendment of the Senate numbered 9 to the bill, and concurred therein, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11737) to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

H.R. 2129. An act for the relief of John Calvin Taylor;

H.R. 2664. An act for the relief of Mrs. Irena Ratajczak;

H.R. 3000. An act for the relief of Lea Min Wong;

H.R. 3501. An act for the relief of Mrs. Hasmik Arzoo;

H.R. 3821. An act for the relief of Ivy Gwendolyn Myers;

H.R. 4718. An act for the relief of Bogdan Kusulja;

H.R. 6833. An act for the relief of Frantisek Tisler;

H.R. 8141. An act to revise the laws relating to depository libraries;

H.R. 8214. An act to permit the use of certain construction tools actuated by explosive charges in construction activity on the U.S. Capitol Grounds;

H.R. 8992. An act to amend certain administrative provisions of title 38, United States Code, relating to the Department of Medicine and Surgery in the Veterans' Administration;

H.R. 9186. An act for the relief of Eladio Aris (also known as Eladio Aris Carvallo);

H.R. 9522. An act for the relief of certain members of the U.S. Marine Corps who incurred losses pursuant to the cancellation of a permanent change of station movement;

H.R. 10069. An act to amend section 216 of title 38, United States Code, relating to prosthetic research in the Veterans' Administration;

H.R. 10184. An act to amend section 130(a) of title 28, United States Code, so as to reconstitute the eastern judicial district of Wisconsin to include Menominee County, Wis.;

H.R. 10525. An act for the relief of Francis L. Quinn;

H.R. 11127. An act for the relief of Ernst Haeusserman;

H.R. 11735. An act authorizing the change in name of the Beardstown, Ill., flood control project, to the Sid Simpson flood control project; and

H.J. Res. 417. Joint resolution to designate the lake formed by Terminus Dam on the Kaweah River in California as Lake Kaweah.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the motion of Mr. MANSFIELD that the Senate proceed to consider the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. GORE. Mr. President, the recent Telstar experiment has captured the imagination of people everywhere. We now have dramatic, firsthand evidence of the vast potential of a satellite communications system for instantaneous transmission of both voice communication and live television to any spot on the globe.

This experiment demonstrates that the technical obstacles to a workable system can be overcome with cooperation between nations. But, at the same time, it focuses attention upon the many complex political and economic problems incident to the establishment and operation of such a system which are as yet unresolved.

Section 102 of the bill which is the subject of the pending motion for consideration contains a declaration of policy in the following words:

> The Congress hereby declares that it is the policy of the United States to establish, in conjunction and in cooperation with other countries, as expeditiously as practicable a commercial communications satellite system, as part of an improved global communications network, which will serve public needs and national objectives, which will serve the communication needs of the United States and other countries, and which will contribute to world peace and understanding.

Mr. President, the foregoing declaration, I am confident, expresses the hopes and aspirations of all of our people. In my view, however, the bill which is the subject of the pending motion for consideration by the Senate does not constitute an appropriate vehicle for their realization.

The development of a usable global satellite communications system is part and parcel of the race into space. As such, it is inextricably woven into the fabric of the cold war struggle.

We seek to reach, and win, the minds of men all around the globe. A satellite communications network will, I believe, shrink the world for the transmission of words and ideas, just as modern air and surface transportation facilities have shrunk it in terms of the transport of persons and things.

The stakes in the contest for conquering space are very high. The objectives are national and international in scope. To achieve victory in this race, we must marshal the technological resources of the Nation to an extent that can be accomplished only by the National Government representing the whole people in a truly national effort. Moreover, the utilization of a facility such as is contemplated must be amenable to the broad requirements of the national interest, unhindered by the entirely legitimate, but necessarily narrower, concepts of the profit motive.

Broad questions of national policy are involved. They cannot be satisfactorily resolved by a superficial discussion of the inherent advantages of a private enterprise economy, to which I am dedicated. The crucial questions are: How can an adequate communication satellite network be most effectively, most successfully and most expeditiously attained, and how can such a system, once developed, best serve the national interest?

I would like to read from a report of the Committee on Science and Astronautics made to the House of Representatives on October 11, 1961. I am reading beginning on page 20:

> A single synchronous satellite over the Atlantic Ocean could conceivably satisfy much of the demand where the demand is greatest. From an economic standpoint this might appear to be the most logical thing to do. However, there are compelling reasons in addition to economic considerations for the establishment of a truly global system, mostly international political reasons. To begin with, modern communications facilities are generally regarded as offering important encouragement to accelerate development of the underdeveloped areas of the world, an express objective of U.S. foreign policy. In this connection, the President recently stated:
>
> "I am anxious that this new technology be applied to serve the rapidly expanding communications needs of this and other nations on a global basis, giving particular attention to those of this hemisphere and newly developing nations throughout the world."
>
> As a part of the U.S. technical assistance program, the Government might agree to build the required ground facilities in countries where the volume of traffic would not economically justify their participation in the system.
>
> In addition, there is a growing recognition of the fact that the image of a modern industrial nation is to a considerable extent reflected by its achievements in space technology. The development of effective communications satellite systems by the United States before any other nation not only will be a dramatic demonstration of American scientific and technological capabilities, but if properly oriented to satisfy the communications requirements of all nations of the world, could also create the image of a nation sincerely dedicated to the improvement of the conditions of all mankind through the peaceful and practical use of space technology.
>
> Apart from the practical utility of a worldwide communications system and the prestige to be gained by the first nation which accomplishes it, the language of the nation which pioneers in this area could become a universal language with all the propaganda and similar implications which would flow therefrom.
>
> In addition to the above, the effective use of communications satellite systems will by their very nature require international cooperation on an unprecedented scale. Unlike present international communications facilities which serve point-to-point terminals, communications satellite systems will be unique in that most or all of the globe can be served. To the extent that the system someday may be used for general broadcasting purposes, questions of censorship of program content for propaganda and other possibly objectionable material may well be raised. Agreement on frequency allocations and codes of operation will be complicated by different standards of broadcasting among the nations of the world, and participating countries must arrange for compatibility with existing systems. Worldwide technical standards of operation will have to be agreed upon to protect local communications from interference, and vice versa.
>
> Problems of private vis-a-vis government utilization may have to be solved before broad agreements can be reached. Similarly, any proposed military use, even on a lease-line basis, could cause some disagreements.
>
> Allocation of costs among governments, and between governments and users, will have to be determined. Operation of the system in the space environment raises additional questions of international control. Moreover, negotiations will have to be conducted for establishment of necessary ground facilities on foreign soil, and arrangements must be made for compatibility of equipment components manufactured and used in various countries.
>
> Unless it is very clear to all other nations that it is to their benefit to cooperate in the establishment and operation of a space communications system, negotiations will be prolonged and frustrating and the great promise of the system may be delayed, or perhaps never fully realized. Thus, any system which fails to promote the world public good or does not take into consideration the national interests and aspirations of other countries cannot be expected to receive the support and cooperation which is essential to the creation of a viable system. This new medium will place added burdens upon diplomacy for whereas most international problems in the past arose between states having common boundaries or which were otherwise in close proximity, space communications will bring into direct and immediate contact all the widely separated states of the world. On the positive side, this new intimacy among the nations of the world could help to bring about greater understanding and improved relations for all mankind.

Mr. GRUENING. Mr. President, will the Senator yield for a question?

Mr. GORE. In just a moment.

Mr. GRUENING. I merely wanted to ascertain from what that was quoted. I think it is important.

Mr. GORE. I am glad to state it again to the Senator. It is contained in a report of the Committee on Science and Astronautics of the House of Representatives, 87th Congress, and is entitled "Commercial Applications of Space Communications Systems."

I read something less than a page and a half, but I found it so eloquent, so description, so concise, and perhaps prophetic, though written nearly a year ago, that I thought it worthy of being brought to the attention of the Senate.

Mr. GRUENING. I thank the Senator. It seems to me most pertinent and most eloquent.

Mr. GORE. Mr. President, a great deal more is involved here than is involved in the installation of a domestic communications system. The proposed system, by its very nature, is international in scope. Aside from technical considerations, it can be installed only after successful completion of extensive political negotiations with many other nations. Obviously, international use of a satellite system will require wavelength agreements and the installation of various ground terminal facilities, both foreseeable and perhaps unforeseeable, in other countries. Neither this bill, nor any other bill, can give to the proposed private corporate monopoly the necessary authority to construct or operate facilities outside the jurisdiction of the United States.

Who is to negotiate on behalf of the United States arrangements for installation of these facilities to be constructed abroad, and such other agreements as development of this promising network may require? And who will negotiate on the part of the other countries involved? Should the pending bill be enacted we will have vested in a private corporation the responsibility for conducting, on the part of the United States, negotiations with many nations on a matter of great importance. If we take such ill-advised action, I am reasonably sure that we would be the only nation involved to do so. In other words, other nations would be represented by the governments of those countries while a private corporation would be the agent of the United States, in the attempt to secure, in the successful securing of, or in the failure to secure the international cooperation necessary to bring a global satellite communications system into being.

It is no answer to say that arrangements have been made successfully in the past by our domestic communications carriers for an international hookup of conventional communications systems. We are dealing here not with a subterranean cable connecting telephone switchboards but with a complex intricate system to be installed in the environment of space. Until such time as the overall principles of jurisdiction, uses, and rights in space have been more clearly established, negotiations relative to use of space will necessarily have to be conducted on a government-to-government level. And even after that, continued government-to-government agreements and cooperation are likely to be necessary, if this kind of communication system is to be brought to feasible fruition.

Proponents of the bill argue that the negotiations to be had with other countries and entities involve such things as allocation of frequencies and allocation of cost, and that these negotiations will be similar to the negotiations now conducted by domestic carriers with their foreign counterparts. It is true that these things, among others of a business or commercial nature, will be negotiated. But this type of negotiation will not come until after an overall arrangement has been negotiated for the development and installation of an international system. The initial negotiations will involve international political, rather than commercial, considerations.

This is certainly true of the International Conference on Telecommunications scheduled for the latter part of 1963.

Moreover, the uses and operation of a global communications satellite system, considering its vast importance in world affairs, will doubtless involve delicate and continued international negotiation and agreement.

There is one point which, judging from some of the testimony at committee hearings, appears to have been the subject of considerable misunderstanding. The pending bill would create a private corporation to which would be granted a monopoly on U.S. participation in a global satellite communications system. But, Mr. President, it is not within the power of the U.S. Government to give to this proposed corporation, or to anyone, an exclusive right of ownership or control over the space components of such an international system, or control over the terminal facilities, other than those in the United States.

The extent of ownership and control by the United States or any U.S. entity in the satellite components of an international system is, as yet, undetermined. The crux of the matter is that, by the pending bill, we not only would convey to a private corporation whatever rights the United States may ultimately possess, but we also would delegate to a private corporation the authority to speak for the United States in the negotiations by which those rights may be or may fail to be achieved and determined by terms of multilateral agreements or treaties concluded with many nations.

The negotiations for the establishment of a global system will, as I have said, be multilateral in nature. Other nations have already joined in the Telstar experiment, to which I have referred and which has brought satellite-transmitted television into the TV sets in our living rooms. Other countries are planning to participate in Project Relay, another experiment scheduled later this year. These arrangements, ad hoc in nature, are elementary indeed as compared with the arrangements for installation and operation of a fully operational system.

The role of the Soviet Union is uncertain, as is the case with most of the world.

I digress to say that it was hoped the Army Advent system would achieve a highly sophisticated system which might be immune to jamming. This, however, has not yet been accomplished. I am advised by technicians that the difficulties are very great. The satellite, for instance, must be extremely large. There is a question of getting it into proper orbit. Even then it is not certain that it would be immune to jamming.

The international political implications of the initial negotiations and of the operation of a satellite communications system are obvious. In today's world, one of the measures of the economic and political strength of a nation is the degree of success it enjoys in space exploration. That nation which is first to demonstrate its technological and economic capacity to install a global satellite communications system and to assure for itself a position of major influence in its operation and control will achieve a significant victory. Moreover, such nation will have a head start in a system of global communication with potentials now not fully known but surely of vast importance. Therefore, Mr. President, being first is of great importance.

But whether the United States is to obtain maximum beneficial results from such a program, from the standpoint of our foreign relations, depends not only upon whether we are first, but upon what kind of system we sponsor. Here I do not refer to technical matters, such as the controversy between the relative merits of a high-orbiting system versus a low-orbiting system, although admittedly the proper choice in this regard may well determine whether our other objectives can be reached. From the standpoint of international relations in a broad context, however, we must insure that the type of system we sponsor will demonstrate our determination to establish a system whose benefits will be available to other countries, as well as our own. It must be worldwide in concept, and must not appear to be a U.S.-centered service or one solely for selfish exploitation.

If the United States should ill-advisedly undertake to achieve agreement with many other nations for allocation and use of wavelengths and frequencies on strictly a selfish exploitation basis, I would be apprehensive about the degree of success that would be achieved.

Above all, Mr. President, we must demonstrate that the U.S. space effort is undertaken in pursuit of peaceful purposes, and that we are prepared to cooperate with other nations in providing a usable, workable system which will bring the benefits of space exploration to all.

Fortunately the technical aspects appear to assure that so great a volume of transmission would be within the capacity of a feasible global satellite communication system that after the cost of launching which would be necessary for our own purposes, additional facilities for the benefit of other nations might be provided at little additional cost.

If a U.S.-sponsored satellite system is to serve our national interest, it must be so designed and so operated as to support our other foreign policy objectives and programs. It is not now possible to outline in detail all of the ways in which such a system could serve our own national interest, the cause of freedom and the cause of peace. But some observations are pertinent.

Much has been said about the importance of making it possible for the so-called underdeveloped nations to participate in the system. It may develop that participation of some of these nations is justified on the basis of political, as opposed to purely economic, considerations. The decision in such a matter is a national decision or it seems to me should be.

Should the decision be made purely on the basis of whether such participation is economically feasible, that is, profitable for a private corporation, many nations might be automatically excluded. If we pass the pending bill, we will entrust to a private monopoly, organized solely for profit, the responsibility of speaking for and acting on behalf of the United States on such questions.

Mr. President, I do not criticize the principle of corporate organization for profit and profit only. I believe my colleagues will concede to me a dedication to the private enterprise system. I am dedicated to it. But I think it has its limitations as well as very great uses and benefits. I should like to read from section 301 of the bill, on page 30:

> There is hereby authorized to be created a communications satellite corporation for profit which will not be an agency or establishment of the United States Government.

I read that section to illustrate the purely private character of the proposed corporation and further to illustrate that its sole stated objective is to operate for profit. Many corporations are organized for the purpose of making a profit. I am glad they are. I am glad they succeed. But the crux of the question here is whether the proposed global system of satellite communications can be achieved by a corporation that operates solely for profit. It does not follow that the profit motive is necessarily on all fours with our national aspirations in that field. The profit motive, laudable as it is, has its limitations. That motive might be insufficient to achieve and extend this system, and provide for its utilization. Though the bill specifically provides that the proposed corporation would not be an agency or establishment of the U.S. Government, as I have cited from the bill, it is nevertheless proposed to make the private corporation the agent of the U.S. Government in negotiations on behalf of the United States in matters of vast importance. It is proposed we depend solely on that kind of odd and awkward scheme for the achievement of our aspirations for a global satellite communication system.

We have been striving for years to overcome the adverse effects of exploitation through the medium of dollar diplomacy. Yet, if we enact the pending bill, we commit and tie U.S. participation in a global satellite communication system to areas, countries, policies, and programs where and through which there is a dollar to be made by a private U.S. monopoly.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. GORE. I am glad to yield for a question.

Mr. KEFAUVER. Has not the testimony before the committees made it very clear that this private monopoly would not be interested in any way in establishing a system of satellite communications in the developing nations of the world, such as those in Africa, South America, Asia, and many other places—the very places where there is the greatest need for the people to know us and for us to know them and have communication with them? Is that not the plain testimony of the intention of this private corporation if it is given control of this system?

Mr. GORE. In reply to the question of my distinguished senior colleague from Tennessee, that is not only the testimony, but it is also a provision of the bill.

Mr. KEFAUVER. Mr. President, will the Senator yield for another question?

Mr. GORE. I yield for a question.

Mr. KEFAUVER. This is quite important. I believe the Senator is delivering the most important speech that has been made on this issue.

Mr. GORE. I thank my friend. It is far from that.

Mr. KEFAUVER. Is it not true that Ed Murrow, of the U.S. Information Agency, has said that a satellite communications system would be of the greatest possible benefit to him and to the program of this country in transmitting messages and information back and forth among nations, particularly the developing nations, where his Agency is doing so much work, that he has stated that in return for this giveaway of taxpayers' money the Government should at least have some reduced rates and some concessions made to it, but that in this bill none was made? From the testimony it is clear that the Government, even though it would use the satellite communications system a thousand times more than individuals, would have to pay the same commercial rate as any corporation. Is that not true?

Mr. GORE. Before I reply to this question specifically, with respect to which I have notations as to Mr. Murrow's testimony, I should like to continue with my reply to the first question of my senior colleague from Tennessee.

It may be very profitable to operate a satellite communications system in the North Atlantic community, particularly a telephone system. With the further development of the Common Market, even international television might be very profitable for our economy. However, I doubt that the projection of the image of America and the American way of life to Africa and South America would be a profitable commercial undertaking for a very long while; and yet in these areas many of the uncommitted peoples of the world live today.

This is one illustration of what I was trying to say when earlier I stated that the national aspirations of the American people in this promising new medium of communication may not be measured by the necessarily narrower requirements of a profit-and-loss statement of a private corporation. This is not to criticize the capitalistic system or to condemn the profit motive. It is to say that the national interest of the people of our country may not accurately and solely be measured by the ability of a private corporation to operate solely for profit.

(At this point Mr. MCNAMARA took the chair as Presiding Officer.)

Mr. GORE. Now, if I may respond to the second question, I should like to cite the testimony of Mr. Murrow, the Director of USIA, in which capacity he is performing with great ability, distinction, and achievement. I read from page 291 of the hearings before the Committee on Commerce of the Senate:

> Mr. MURROW. We earnestly hope the Congress will include in the legislation authorization for the corporation to own ground stations. This makes sense economically and also, I am informed, technically.
>
> It is a fair appraisal of my Agency to say that we are involved in communications with the rest of the world. We are in business to satisfy that incessant and insatiable curiosity about this land and its people, and we further engage in the difficult and delicate art of explaining abroad the policies and practices of this Government.
>
> I mention this because we have more than a mere parochial interest in the cost of international communications. If the cost of using the satellite system is high, it will have the same disadvantage of other present systems. The high cost of communications reduces the volume of communications. Our interest, and I suggest the interest of this country, is in maximizing communications with other lands and other peoples. Our concern is with the maximum flow of information at a minimum cost. How this will be reflected in the satellite system is still moot.
>
> An example in closing: my Agency has opened a foreign correspondents' center in New York City, as this is where the majority of correspondents from abroad are stationed. I recently spoke to a group of them, and the first question put to me was on the cost of their communications. The rates for sending material to their native lands are high. They asked if there was something that could be done to help them lessen the burden of the sheer cost of technical communications.
>
> There is much they would tell their native lands about our land if communications were easier. No outsider can ever have a fraction of the credibility of a native correspondent writing for his own native media and telling them about America. Absolute statements are never absolute, but I think it is near absolute certainty that more written home about America by foreign correspondents stationed in America could not help but be in our unquestioned national interest.
>
> Perhaps, then, I should readdress their query to this committee: Is there not something we could do that would help lessen the cost of communicating for foreign correspondents stationed in this country?
>
> Their costs and my Agency's costs are issues deserving national consideration.

Mr. President, if my colleague from Tennessee does not mind my responding further, I should like to read an exchange between the distinguished senior Senator from Rhode Island [Mr. PASTORE] and Mr. Murrow, which appears on page 292 of the hearings:

> Senator PASTORE. With regard to the costs involved, you have raised a very sensitive question. The $64 question there is what do you suggest as a matter of specific recommendation? How would you handle this matter with reference to certain activities that they should be carried at a discount, and that you should give the authority to the FCC to determine this special rate? How would you work that in under our system of free enterprise?
>
> You phrased a very, very worthwhile question. The question that I raise now is, How would you do it?
>
> Mr. MURROW. Mr. Chairman, I don't know the answer to that. I would assume that under the proposal the FCC will establish rates and that it could establish preferential rates for Government agencies involved in doing the Nation's business abroad. I do not know.

I should like to reply further to my colleague from Tennessee that the bill contains no such provisions as Mr. Murrow spoke of. Indeed, there is a provision in the bill, on page 25, which seems to me to be astounding. I shall read subsection 6 beginning on line 21, page 25. Before I begin to quote it, I shall read the provision of section 201 which begins on page 24, as follows:

> SEC. 201. In order to achieve the objectives and to carry out the purposes of this act—
>
> (a) The President shall—

If the Senator from Tennessee will refer to pages 24 and 25 of the bill, in the enumeration of the requirements which would be placed upon the President of the United States by the bill, I should like to read, first, lines 18, 19, and 20 on page 24, and then the succeeding provision in the enumeration of the requirements on page 25.

> SEC. 201. In order to achieve the objectives and to carry out the purposes of this act—
>
> (a) the President shall—
>
> * * * * *
>
> (6) take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for such general governmental purposes as do not require a separate communications satellite system to meet unique governmental needs.

In other words, not only is the bill silent on any preferential rate for the Government; instead, the bill would place upon the President the legal requirement for the insurance, "the availability, and the appropriate utilization of the communications satellite system for such general governmental purposes as do not require a separate satellite communications system to meet unique governmental needs."

I should like to read to the Senator from Tennessee from the minority views of the Committee on Commerce, which held hearings and participated in the deliberations on the bill. This is what they say section 201(a)(6) means. I read from page 55 of the report on the bill:

> Section 201(a)(6), page 25, line 20: The language of section 201(a)(6) provides that the President shall insure the appropriate utilization of the commercial system for General Government purposes that do not require a separate communications satellite system to meet unique Government needs.
>
> This indicates that the President is expected, in fact required, to see that all Government communications will be channeled through the commercial system even though the Government might have its own satellite system, e.g., Advent or Relay, that could be used at a smaller cost to the Government. This, in effect, would provide a continuing subsidy to the private corporation. It is easy to visualize a Government-owned system whose existence is necessary in the national interest going unused while the Government pays a private monopoly for communications services that are already available to it.

Mr. KEFAUVER. Mr. President, will my colleague yield for a further question?

Mr. GORE. I yield for a question.

Mr. KEFAUVER. Is it not clear from the bill itself and from the report that no concession would be given to the Government by way of rates, even though the Government would use the satellite a thousand times more than anybody else, and even though the taxpayers of the United States have made possible the major part of it; and is not that clear from the testimony of Mr. Murrow in a colloquy with the chairman of the subcommittee [Mr. PASTORE], who is handling the bill on the floor of the Senate? I refer particularly to page 289 of the hearings before the Committee on Commerce.

Mr. GORE. I will turn to those pages in order to reply to the Senator.

Mr. KEFAUVER. Is it not pointed out there, and did not Mr. Murrow say:

> Our Agency wants to use the system. We think the national interest demands that we do so. Suffice to reflect upon the impact around the world of simultaneous live-television coverage of the Glenn orbital shot—and of his reception in Washington, in New York, and in New Concord, Ohio. We must inform your committee of our deep concern that we may not be able to afford to use the system. May I cite the following example: Were we to have seven television circuits, one each to Latin America, the Near East, Far East, southeast Asia, south Asia, West Europe, and Africa, and use them each an average of 1½ hours a day, the cost to us of

> relaying by means of the space system at comparable current rates would be $900 million a year. Our complete budget for salaries and expenses in fiscal year 1962 is $111,500,000, which covers television, radio, press, publications, personnel salaries, exhibits—and all the other myriad activities in which we engage.

Did not he further state that—

> If, however, as has been proposed, ground stations were not to be included in the system owned by the corporation, we would have to deal with the common carriers owning the ground stations as well as the corporation, or conceivably with the common carriers alone. Under that circumstance, assuming current practices are followed, no reduction in rate would be possible. Only in severe emergencies do we use existing submarine cables for our radio broadcasts. We cannot afford it.

Then he was asked by the Senator from Rhode Island [Mr. PASTORE] where he got the figure of $900 million as the cost unless some concession were involved. He said that was an extension of the current rates charged.

But nowhere in the legislative history is there anything contrary to the plain provision of the bill. Even though the Government has a great investment in the system, it will get no concession whatever when it tries to have messages sent from this country to the four corners of the world, will it?

Mr. GORE. Mr. President, I must give an affirmative answer to my colleague's question. Unfortunately, the bill does not contain any provision for preferential usage by our Government. Instead, the bill rather goes in the other direction, by requiring the President, as I have stated, to see to it that for all ordinary uses and purposes of the Government, the private communications satellite monopoly will be utilized and must be utilized, according to the interpretation of the senior Senator from Texas [Mr. YARBOROUGH], even though the Government might have in orbit another satellite communication facility which could be used except for this requirement of the proposed law.

Mr. YARBOROUGH. Mr. President, will the Senator from Tennessee yield for a question?

Mr. GORE. I yield for a question.

Mr. YARBOROUH. I should like to ask the distinguished Senator from Tennessee whether he is familiar with the fact that I stated that if this private enterprise satellite bill were passed, it would establish the first private monopoly ever created by the United States. Is the Senator from Tennessee also familiar with the fact that that statement by me was based not only on my research, but also on the research of various staff members and Government employees, including employees of the Library of Congress? Is he also aware that we have not been able to find any other instance in the history of the United States in which a private monopoly has been created by an act of Congress?

Mr. GORE. I was aware that the Senator from Texas had made that statement. I was not aware of the amount of research he and the staff members had made in order to authenticate the statement.

I believe it is also true that if the bill is passed, it will be the first time that a private corporation has been delegated as the agent of the people of the United States to speak on behalf of them on matters of such vast importance. This activity is to be carried on by a corporation organized for profit only. One of the points I have been making is that the desire to make profits, admirable though it is, does not encompass all the aspirations of the American people to utilize the vast new medium of communications, to further the foreign policy objectives of our country and promote the cause of peace.

Mr. KEFAUVER. Mr. President, will my colleague yield for another question?

Mr. GORE. I yield for a question.

Mr. KEFAUVER. Does my colleague know of any other case in the history of this great Republic in which Congress has authorized a corporation to call on the State Department and upon other parts and agencies of the Government, whenever it wishes to do so, to make some negotiation? And yet, after the State Department might make it, the corporation would not be bound by it? In other words, does my colleague know of any case in which the sovereignty of the United States has been delegated to a corporation and the Government has tied its own hands to such an extent that it would not have the final voice in connection with the negotiation of agreements, treaties, or international understandings, as proposed in this case?

Mr. GORE. I think the proposal is unprecedented. The corporation would not be obligated to implement some international agreement which might be achieved by the Government. On the other hand, the Government, for good or for ill, would be bound by the agreements which the corporation might achieve with respect to the allocation of frequencies, wavelengths, and other matters of business or policy connected with the installation and achievement of the satellite communications system.

Mr. KEFAUVER. Mr. President, will my distinguished colleague yield further?

Mr. GORE. I yield for a question.

Mr. KEFAUVER. Does not it appear ridiculous to attempt, in connection with a great international undertaking of this kind, to place the Government in a position in which it or the State Department might be called upon to take such action; and yet the Government itself could not make the final, binding agreement, but it would have to be made by a corporation to which the Government had delegated its sovereign power?

Mr. GORE. In reply to that question, I should like to speak quite candidly about the repeated suggestion, as made on the floor, that this is the administration's bill, that this is a bill desired by the President of the United States. I have not talked with the President of the United States about it, and therefore I can speak only from the record. However, the bill which the administration submitted to Congress contained this provision—and now I read from page 10 of the hearings; and the particular part I shall read is section 402, through which lines have been drawn. This is the provision of the administration's bill:

> SEC. 402. The corporation shall not enter into negotiations with any international agency, foreign government, or entity without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements and arrangements with any such agency, government, or entity shall be subject to the approval of the Department of State.

Mr. President, that is the language which President Kennedy requested that Congress enact on this point.

But what does the bill now contain? Instead of the provision which I have just now read, which was requested by President Kennedy, those words were stricken out, and the following language was substituted:

> Whenever the corporation shall enter into business negotiations with respect to facilities, operations, or services authorized by this Act with any international or foreign entity, it shall notify the Department of State of the negotiations, and the Department of State shall advise the corporation of relevant foreign policy considerations. Throughout such negotiations the corporation shall keep the Department of State informed with respect to such consideration. The corporation may request the Department of State to assist in the negotiations, and that Department shall render such assistance as may be appropriate.

I call this language to the attention of the Senate and point out that there is a vast difference. Indeed, the bill which has been reported to the Senate bears little resemblance to the administration bill. Senators will recall that another bill was introduced by my distinguished friend and able colleague, the senior Senator from Oklahoma. Later I shall compare the Kennedy bill with the Kerr bill, and compare the bill now proposed to be brought up by motion in the Senate to those two bills.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. DOUGLAS. The Senator from Tennessee is aware, is he not, that the Senator from Illinois is, in a sense, "on the fence" so far as this legislation is concerned?

Mr. GORE. That is an unusual posture for my distinguished friend. I was not thoroughly aware of it, but I am prepared to accept whatever posture the distinguished senior Senator from Illinois wishes to assume. I know that he will do so with grace and aplomb. I hope that, ere long, we shall succeed in persuading the distinguished senior Senator from Illinois, with all his brilliance, energy, intellect, vision, and good will, to help us prevent the passage of a bill unprecedented in many respects, and, I believe, harmful in many respects.

Mr. DOUGLAS. Will the Senator permit the Senator from Illinois to address a series of questions to him, which, in the first place, is primarily directed to certain technical problems?

Mr. GORE. I shall be happy to yield for whatever questions the Senator may wish to submit, and shall do the very best I can to respond.

Mr. DOUGLAS. Am I to understand that there are two potential, rival systems of satellite communications, one a low-orbit system, and the other a high-orbit system?

Mr. GORE. Yes. The distinguished junior Senator from Louisiana [Mr. LONG] gave a very able discussion of this subject. The high, or synchronous, orbital system would envision the launching of synchronous satellites in orbit at an altitude of about 22,000 miles; and the low-orbit satellite would be more on the order of Telstar.

Mr. DOUGLAS. Am I correct in inferring that the Telstar satellite is a portion of the low-orbit system?

Mr. GORE. I believe so—low or medium.

Mr. DOUGLAS. In order to obtain worldwide coverage under the low-orbit system, approximately how many low-orbit satellites would be needed?

Mr. GORE. According to the testimony before the committees, the experts have estimated that from 200 to 400 orbiting satellites in low or medium altitude orbit would be necessary to achieve 24-hour global communications.

Mr. DOUGLAS. In the case of Telstar, am I correct in understanding that the cost of the satellite itself was exclusively met by A.T. & T.?

Mr. GORE. I believe that has been testified to. Of course, that fact must be measured against all of the vast research and development in metallurgy, in the various types of technology, not only in the launching of satellites, but also in the mechanics and metallurgy of satellites. But I point out to the Senator that I am not one of those who are opposed to private citizens and private business taking advantage of technical knowledge developed by the U.S. Government. The Senator will recall that in a long fight, not dissimilar to the present one, in 1954, I advocated that the Government take the lead in developing atomic power, in order that the technology might be available to private industry, to bring to fruition nuclear power on a competitive basis, particularly for the high cost power areas.

What I would object to, however, is the granting of a monopoly use of the technology which the Government may have developed at very great expense. This is an extension of the answer to the Senator's question.

Mr. DOUGLAS. Is the Senator from Illinois correct in his belief that the total expenditures by the National Aeronautics and Space Administration and the Defense Department in telecommunications thus far have amounted to not far from $500 million?

Mr. GORE. I have read that estimate, and I do not question its accuracy.

Mr. DOUGLAS. Is the Senator from Illinois correct that approximately half that amount was an expenditure by NASA and approximately half an expenditure by the Department of Defense?

Mr. GORE. I believe that is correct.

Mr. DOUGLAS. Is the Senator from Illinois correct in the belief that the direct cost and the research and developmental cost to A.T. & T. for its share of Telstar amounted to between $30 million and $50 million?

Mr. GORE. I believe that to be correct.

Mr. DOUGLAS. Therefore, is the Senator from Illinois correct in his assumption that the cost to the Federal Government thus far has been from 10 to 16 times as great as the expenditure by A.T. & T.?

Mr. GORE. I believe that to be a reasonable extrapolation.

Mr. KEFAUVER. Mr. President, at that point will the Senator yield for another question along the same line the Senator from Illinois was pursuing?

Mr. DOUGLAS. I shall be glad to yield, provided the junior Senator from Tennessee does not lose his right to the floor.

Mr. GORE. I yield for a question to the senior Senator from Tennessee.

Mr. KEFAUVER. Is it not true that of the $50 million A.T. & T. says it has spent on Telstar, the Government has paid 52 percent of that amount by virtue of the fact that A.T. & T. was relieved of the payment of that much in taxes, leaving in the neighborhood of $24 million, and that this amount is charged against the users of domestic telephones in the United States, so that every penny of the expenditure will be included in the rate to telephone users, and not one dime will come from the stockholders or from the company, A.T. & T.?

Mr. GORE. Before answering the principal question I should like to suggest that the $50 million estimate for the cost of Telstar is not a cost that has thus far been expended, but is an estimated cost for the time when the experiment shall have been completed.

In response to the question, obviously, since the corporate tax rate is 52 percent and since this would be a deductible expense, the answer must be "Yes" to the first part of the Senator's question. Next, I think it is unquestionably true that this cost would be written into the cost structure and thus into the ratemaking structure of the utility, and therefore would be passed on to the telephone users of this country.

Mr. KEFAUVER. If the Senator will yield for another question, does not the Senator know that the officials of the Federal Communications Commission, including Mr. Baker and other experts, have confirmed the fact that the remaining $24 million would be charged to the domestic users of telephones in the United States?

Mr. GORE. I did not know that fact had been confirmed. I am not surprised to hear it has been, because I think unquestionably it is true. If the Senator says it has been confirmed, I am sure it has been.

Mr. DOUGLAS. Mr. President, will the Senator yield for further technical questions?

Mr. GORE. I yield for further questions.

Mr. DOUGLAS. Can the Senator inform me what would be the approximate added direct cost for each additional satellite for the low-orbit system?

Mr. GORE. I can only give the Senator the estimates that were submitted to the committee. Even the estimates of experts can vary greatly. With increased experience in both fabrication and launching satellites, if the pattern of past industrial experience of America is followed, future costs would be greatly reduced. The estimates are that the cost would be from $1 to $3 million for each additional satellite.

Mr. DOUGLAS. Would that include the cost of the rocket as well as the cost of the satellite?

Mr. GORE. I do not believe it would.

Mr. DOUGLAS. Would not the cost of the rocket be a very great addition?

Mr. GORE. I should think it would.

Mr. DOUGLAS. Does the Senator from Tennessee have any estimate as to what would be the cost of each rocket?

Mr. GORE. I must answer that only from memory. I hesitate to trust my memory. I suggest to the Senator that, to the best of my memory, the cost would be $4 million. I should like to check that figure for the RECORD.

Mr. DOUGLAS. Assuming that the statement by the Senator from Tennessee is correct, if from 200 to 400 low-orbit satellites were required, that would result in a total added cost, for both the satellites and the rockets, of between $1 and $2 billion; is not that correct?

Mr. GORE. If the cost should be halfway between $1 million and $4 million for each of the satellites—say $2 million—and if there were between 200 and 400 satellites, that would result in a total of approximately $600 million for the satellites. Then if each rocket cost $4 million, there would be a cost of approximately $1.2 billion for the launching of rockets. That would make the total cost close to $2 billion, if the estimates are correct.

Mr. DOUGLAS. Under the proposal in the present bill, who is to bear the cost of the satellites and of the launching of the rockets?

Mr. GORE. It is proposed that the corporation pay for the satellites, and that the corporation reimburse the Government for the launching of rockets.

Mr. DOUGLAS. If I am correct, then, the added cost of between $300 million and $600 million would be borne by the corporation, and the added cost of between $800 million and $1.6 billion would be borne by the Government.

Mr. GORE. Under the terms of the bill, I believe the corporation would be expected to reimburse the Government for its direct costs in launchings. To what extent the direct cost of a given rocket could be related to the total cost of some $25 billion spent in the development of space technology I am unable to testify.

Mr. DOUGLAS. The Senator from Tennessee is aware, is he not, that I am merely asking questions about direct costs?

Mr. GORE. Yes.

Mr. DOUGLAS. The Senator from Tennessee is aware that I am not asking about indirect, overhead costs involved in research and development.

Mr. GORE. I am aware of that.

Mr. DOUGLAS. The Senator from Tennessee is aware of the fact that if all the costs for research and development were included, the share of the total expense to be borne by the Government and by the people of the United States would be much greater?

Mr. GORE. I am aware of that. Indeed, particularly with respect to an operating utility, either the taxpayers or the consumers will have to pay the entire bill.

Mr. DOUGLAS. Is the Senator from Illinois correct in his assumption that A.T. & T. is largely committed to the low-orbit system, of which Telstar is the prototype?

Mr. GORE. I have heard that asserted. To what extent their commitment would hold good, I do not know.

I listened attentively to the extremely able speech by the junior Senator from Louisiana [Mr. LONG] on this point. I was persuaded to the point of view that ultimately the low-orbit satellite system might not possess the feasibility and economy of the synchronous satellite system. This is a layman's reaction to a discussion by a layman who had a great deal of technical assistance, and it may not be a correct conclusion.

Mr. DOUGLAS. Would it be agreeable for the Senator from Illinois to pass now to a discussion of the techniques and cost of a high-orbit satellite system?

Mr. GORE. It would.

Mr. DOUGLAS. May I ask the Senator how many communications satellites, moving synchronously with the earth at a distance of approximately 20,000 to 24,000 miles, would be needed for a high-orbit system?

Mr. GORE. I believe it is estimated that three, properly orbited, if that is good language, would be sufficient to provide 24-hour communications worldwide.

Mr. DOUGLAS. Is the Senator from Illinois correct in his assumption that since the three satellites would be higher up, the angles would be such as to cover the entire earth?

Mr. GORE. I am advised by an assistant that the estimate of the experts is that from three to five satellites in orbit at that elevation, in orbits synchronized with the revolution of the earth, would, as the Senator has suggested, be sufficient to allow an angle which would permit reaction to signals from all parts of the earth.

Mr. DOUGLAS. I ask if the Senator from Illinois is correct in his assumption that the cost of each satellite, excluding orbitry or rocket costs, would be approximately the same for a satellite for the high-orbit system as for a satellite for the low-orbit system?

Mr. GORE. It is estimated the cost of the satellite would be about the same.

Mr. DOUGLAS. If only three are required for a high-orbit system and from 200 to 400 would be required for the low-orbit system, it would follow, would it not, that the cost of satellites for the high-orbit system would be very much less than the cost for satellites for the low-orbit system; is that correct?

Mr. GORE. According to the estimates, the cost of the high-orbit system would be only a fraction of the cost for the low-orbit system.

Mr. DOUGLAS. One one-hundredth to possibly one one-hundred-and-thirty-third?

Mr. GORE. Approximately on that order.

Mr. DOUGLAS. However, the Senator from Tennessee is aware that that cost would not include the cost of projecting the communication satellite to a distance of 22,000 miles from the earth?

Mr. GORE. I am aware of that. To send a satellite that distance would require more thrust, which would increase the cost of rocketry per satellite.

Mr. DOUGLAS. Is the Senator from Illinois correct in his assumption that the cost of the necessary thrust to project a satellite 22,000 miles from the earth has not yet been estimated?

Mr. GORE. I have seen no reliable estimate of such cost.

Mr. DOUGLAS. Is it true that in the past the National Space Administration has conducted investigations into the high-orbit system?

Mr. GORE. That is true.

Mr. DOUGLAS. Is the Senator from Illinois correct in his understanding that the technical name for researching the high-orbital system conducted by NASA, or which was conducted by NASA, is Syncom?

Mr. GORE. I believe so. Dr. Dryden of NASA has said that such a system is possibly 5 years away.

Mr. DOUGLAS. And the low-orbit system is called relay.

Mr. GORE. I believe that is correct.

Mr. DOUGLAS. Did the Senator from Tennessee notice an article which appeared over the weekend in the New York Times, I believe, which stated that NASA had suspended investigation into the high-orbit system?

Mr. GORE. I read such an article. I think it is a matter of concern.

Mr. DOUGLAS. Is it not extraordinary that NASA has suspended investigation into the high-orbit system when the subject is before the scientific world—and really before the Senate and the country?

Mr. GORE. I think it is extraordinary and regrettable, particularly since there are so many indications that it is the more promising of the two systems, and that it may ultimately be far more economical.

Mr. DOUGLAS. The Senator from Tennessee knows that the Senator from Illinois is not normally a suspicious man, and that he tries to give everyone full credit for good motives. Is that not true?

Mr. GORE. The Senator from Illinois is always a man of good will. However, I must say that he is a man of great intellectual curiosity, and he has unusual capacity for smelling a mouse, particularly if a waste of taxpayers' money is involved.

Mr. DOUGLAS. Has it occurred to the Senator from Tennessee that possibly the sponsors of the bill were influential in causing NASA to suspend its investigations into the high-orbit system?

Mr. GORE. I have no information upon which to base such an opinion. I think the Air Force is still experimenting with the high-orbital satellite. I hope that NASA will at least cooperate to the fullest possible extent with the Air Force in such experimentation.

Mr. DOUGLAS. Am I correct in my assumption that NASA is supporting the bill about which we have been speaking?

Mr. GORE. The Senator is correct, unfortunately.

Mr. DOUGLAS. Am I correct in my understanding that the present bill is largely based upon the assumption that it will be the low-orbit system which will come into being?

Mr. GORE. I am not sure that the bill is necessarily based upon that assumption. I should like to express some views in that regard. I think it is inherent in the provisions of the bill, if enacted, that instead of a worldwide communications system, the satellite corporation being organized only for profit might aim at a much smaller objective, namely, communication in the North Atlantic community, in which the greatest chance of profit would appear to me to be realizable. Indeed, I see no immediate opportunity for profit in satellite communication with Africa, southeast Asia, Latin America, and Australia.

Mr. DOUGLAS. Am I correct in my assumption that Telstar is visible for only about 18 minutes during every 90-minute revolution around the earth?

Mr. GORE. I have not the correct answer to that question. I am prepared to accept the assumption contained in the Senator's question.

Mr. DOUGLAS. Does it not follow that even to cover the North Atlantic community, at least five of the low-orbital satellites would be required?

Mr. GORE. For continuous coverage I think far more than that number would be required.

Mr. DOUGLAS. I have also heard the estimate of 40 to 50.

Mr. GORE. I believe that was the estimate which was given to the committee.

Mr. DOUGLAS. Whereas if only North Atlantic community communication were desired, would not one high-orbital satellite be adequate?

Mr. GORE. It is estimated that one high satellite at an altitude of 22,000 miles, and in constant relative position with the rotation of the earth, could be used for transmissions to all countries of NATO.

Mr. DOUGLAS. Is it not true that thus far we have been merely talking about the satellite and the launching system for the satellite; but do we not need ground stations to communicate wavelengths to the satellite and to receive wavelengths from the satellite?

Mr. GORE. Without ground stations the satellite would merely be an orbited object.

Mr. DOUGLAS. Does the Senator from Tennessee have any information as to the cost of the necessary ground station?

Mr. GORE. I am advised by staff members that the cost estimate for each ground station is from $6½ to $9 million.

Mr. DOUGLAS. Do I understand that that estimate is based upon a satellite in the low-orbital system?

Mr. GORE. The Senator is correct.

Mr. DOUGLAS. How many ground stations would be required to cover the North Atlantic community?

Mr. GORE. At least one ground station would be required for each country. Unless a country should receive the message and transmit it to another under a series of multilateral agreements, which I think would have to be achieved in order to put even the North Atlantic system into operation, then one for each country would be required.

Mr. DOUGLAS. Therefore, with worldwide coverage, the number, of course, would be much greater.

Mr. GORE. Much greater.

Mr. DOUGLAS. Has the Senator from Tennessee any estimate as to the comparative costs of a ground station under the low-orbit system and a ground station under the high-orbit system?

Mr. GORE. I am advised that the cost of a ground station for the high-orbit synchronous satellite orbital system would be from $1 to $1½ million.

Mr. DOUGLAS. How much did the Senator say the cost would be for each ground station in a low-orbit satellite system?

Mr. GORE. From $6½ to $9 million.

Mr. DOUGLAS. So each ground station under the high-orbital system would cost from one-quarter to one-sixth the cost of a ground station under the low-orbital system?

Mr. GORE. According to the estimates.

Mr. DOUGLAS. So the high-orbit system would be much more economical so far as ground stations are concerned? Is that correct?

Mr. GORE. According to the technicians who have testified—and there have been many of them—that is the consensus.

Mr. DOUGLAS. So far as the satellite system itself is concerned, the high-orbit system would be very much less costly, from one-fortieth to one-hundredth of th cost. Is that correct?

Mr. GORE. Assuming the accuracy of these estimates, the answer is, "Yes."

Mr. DOUGLAS. But the unknown is the cost of projecting the satellite into space, under a high-orbit system, to the radius of 22,000 miles.

Mr. GORE. As the Senator knows, our country has the boosters; and I believe we now have the thrust capacity to achieve this result.

Mr. DOUGLAS. If I correctly remember my astronomy, am I correct that the distance between the earth and the moon is approximately 240,000 miles?

Mr. GORE. As I remember my astronomy, that is correct.

Mr. DOUGLAS. Is the Senator from Illinois correct in the mental arithmetic which he is now performing that the distance from the earth to a high orbit would be only about one-tenth or one-twelfth of the distance to the moon?

Mr. GORE. I would factor it in that way.

Mr. DOUGLAS. Is the Senator from Illinois correct in what he has read, to the effect, that NASA is very optimistic about hitting the moon?

Mr. GORE. I have read some very optimistic predictions. I hope that they are correct.

Mr. DOUGLAS. Is the Senator from Illinois correct in the assumption that if the moon can be hit at a distance of 240,000 miles, it ought not to be too difficult to go out 22,000 or 24,000 miles?

Mr. GORE. I think the answer is obvious, particularly when it is proposed that the moon shot first go into orbit around the moon and then have the spaceship detach itself from the orbiting moon satellite and descend to the surface of the moon, while the mother ship continues in orbit around the moon; and then it is hoped, God granting, that those who land on the moon would be able to launch themselves from the moon and return to the mother ship, which would still be orbiting around the moon. The mother ship must then free itself from the gravitational pull of the moon and return to Illinois.

Mr. DOUGLAS. The Senator means return to Texas, does he not? Texas is now the center of the space industry.

Mr. GORE. I will compromise on Tuscaloosa.

Mr. DOUGLAS. Does not the moon shot sound rather fantastic to the Senator from Tennessee?

Mr. GORE. I must say that all of this sounds fantastic to me. I point out to the able Senator from Illinois that before Telstar, those of us who were opposing the bill had great difficulty arousing any interest in the discussion. Many people thought we were speaking about something abstract. It appeared to be so fantastic that many people doubted its realization. Now that they have seen the French actor singing on their television screens in their own homes, we are able to arouse a great deal of interest in this bill. We are now talking about something that is quite real and apparently quite achievable.

Mr. DOUGLAS. Certainly it would not be as fantastic, would it, to go out 22,000 miles, as to go through the process of circling the moon, getting the men off the spaceship, providing an atmosphere for them while they are on the moon, then get them back on the rocket, and finally get them out of the gravity attraction of the moon and into the gravity system of the earth? It would not be as fantastic, would it, to go one-twelfth of the way to the moon as to perform all the other operations?

Mr. GORE. I do not believe it would be nearly as complicated and difficult.

Mr. HOLLAND. Mr. President, will the Senator yield for one question?

Mr. DOUGLAS. I would prefer not to yield.

Mr. GORE. If I may be allowed to continue to yield to the Senator from Illinois until he concludes his questioning, I shall be very happy to yield.

Mr. HOLLAND. I wanted to bring up an issue which the Senator had overlooked.

Mr. DOUGLAS. I am sure the Senator from Tennessee will be very willing to answer questions of the Senator from Florida at the conclusion of my questioning.

Mr. GORE. To the best of my ability.

Mr. DOUGLAS. Does not the Senator from Tennessee feel that it is extraordinary for NASA to stop further research and development in the high-orbit system, when it is carrying on these plans for a moon shot?

Mr. GORE. I thought it unusual. I do not know the reasons for it. Perhaps the Senator could advise us of the reasons.

Mr. DOUGLAS. Does not the Senator from Tennessee know that the Senator from Illinois is not a suspicious person and does not like to voice suggestions for which there is not documentary or sworn testimony?

Mr. GORE. Some people may have hoped that A.T. & T. would gain a great deal of publicity and obtain a great deal of reaction by having the first experiment, even though it be of low orbit and of less technical achievement. To answer the Senator's question specifically, I know that he is noted for being free of suspicion and the very embodiment of good will.

Mr. DOUGLAS. I thank the Senator. May I pass from some technical questions to the problems of timing? Would the creation of this communications satellite company during this session of Congress either necessarily speed up or retard the development of satellite systems of communications?

Mr. GORE. That is the biggest issue involved in this whole question. The proponents of the bill assert that the passage of the bill in some way would facilitate the achievement of a workable, operational satellite communications system. Indeed, some of them say passage of the bill is necessary for that purpose. In my view, the passage of the bill in its present form would retard such achievement and would become a handicap and an impediment to such achievement.

Mr. DOUGLAS. That is, it would be an impediment to developing a high-orbit system?

Mr. GORE. A high- or even low-orbit system, workable and in operation, because such a system would depend upon a series of agreements with many nations. I am not at all sure that a private monopoly created by the United States specifically for profit would be the best agency for negotiating these agreements, understandings, and treaties. If we rely solely upon the necessarily narrow strictures of a profit and loss statement of a private corporation for the achievement of a global system of satellite communications, we may never achieve such a system.

Mr. DOUGLAS. If the corporation proposed to be created under H.R. 11040 were created during this session, does the Senator from Tennessee believe it would be possible that A.T. & T. might gain control of that corporation?

Mr. GORE. The answer to that question is almost axiomatic. In my opinion, the answer is "Yes."

Mr. DOUGLAS. Will the Senator from Tennessee develop that point? It is my understanding that some persons maintain that the corporation would not be A.T. & T. dominated, but would be a company in which there would be private interests which could purchase stock.

Mr. GORE. The A.T. & T. would be the major capital contributor and the major user, and would elect three directors to the board. I think it is entirely possible that A.T. & T. would itself have all the ground stations in the United States. This is something that is left completely open in the bill. I am glad the question of the Senator from Illinois brings it to my mind. Unless the proposed corporation owns ground stations in this country or in other countries, then it will but own the space components of such a system—that is, the U.S. share of whatever space components there might be.

Mr. DOUGLAS. Do I correctly understand the Senator from Tennessee to be saying that whoever controls the ground stations will control the system?

Mr. GORE. Yes, indeed. No matter how many cables were laid under the ocean, if A.T. & T. controlled the switchboards which received the messages, A.T. & T. would in fact control the entire operation.

Mr. DOUGLAS. Is there any provision in the bill for this peculiar corporation to own ground stations?

Mr. GORE. That question is left open. Presumably, the Federal Communications Commission would have the authority to determine whether A.T. & T. would have ground stations or whether the other carriers would have some share in such stations. That question is left open in the bill. There is no determination as to whether the private corporation to be created by the bill would have any ground stations.

Mr. DOUGLAS. Is the Senator from Illinois correct in his assumption that the initial ground station in Andover, Maine, is owned by A.T. & T.?

Mr. GORE. That is true; and A.T. & T. has strongly urged that it own the ground stations.

Mr. DOUGLAS. Can it be said, therefore, that A.T. & T. has its foot in the door, both so far as ground stations and the initial communications satellite are concerned?

Mr. GORE. Yes. I point out something else to the distinguished Senator from Illinois. There has been much talk about stock in the corporation. I heard one television commentator say last night that the ownership would be about one-half private and one-half public. As the Senator from Illinois knows, there is no provision for public ownership. It would all be private ownership, so far as stock is concerned. But I think it is entirely possible under the bill that most of the financing would be done through the issuance of bonds. There is no prohibition in the bill upon the amount of bonds that A.T. & T. might buy.

Mr. DOUGLAS. Would it not be possible for A.T. & T. to have friendly individuals purchase amounts of stock—individuals who would be in alliance with A.T. & T. so far as the conduct of the company was concerned?

Mr. GORE. I assume that the largest corporation in the world would have such facilities. The bill limits the amount of voting stock which A.T. & T. could own, directly or indirectly.

Mr. DOUGLAS. To how much?

Mr. GORE. To 50 percent of the total.

Mr. DOUGLAS. Is the Senator from Illinois correct in assuming that if one owned 50 percent of the total, and if he could get an ally who would own one share, the owner of 50 percent of the total would then have, in effect, more than 50 percent and thus the control of the corporation?

Mr. GORE. Most big corporations in the United States are controlled by a far smaller percentage of voting capital stock than that. In the case of the Du Pont Co., the Department of Justice estimated that a 23-percent holding of General Motors stock by Du Pont constituted control of General Motors.

Mr. DOUGLAS. Would the Senator from Tennessee now close the point by saying that it is obvious that A.T. & T. would control the new corporation?

Mr. GORE. I think that is obvious; I do not know how anyone could conclude otherwise. I do not know of any other business entity besides A.T. & T. which is lobbying for the bill. There may be some, but I have not heard any Member of the Senate say so. I have not heard from any business organization or interest, except A.T. & T., which favored the bill.

Mr. DOUGLAS. Could the new corporation set up a low-orbit system and then use the cost in its rate base?

Mr. GORE. Yes. Research and development by the telephone utility is written into the ratemaking base of the corporation. Moreover, any bonds it might purchase could be written into the rate base.

Mr. DOUGLAS. What public authority would have the responsibility of regulating rates so that the corporation would receive only a reasonable return?

Mr. GORE. I think it would be the Federal Communications Commission. Whatever authority was possessed for such regulation would be possessed by the Federal Communications Commission.

Mr. DOUGLAS. Would the Senator from Tennessee express an opinion as to how successful the Federal Communications Commission has been in the past in regulating rates charged by A.T. & T.?

Mr. GORE. It has been woefully unsuccessful. So far as I know, there has been no effective regulation on the national level. It is a sad story. But A.T. & T. is very large.

Mr. DOUGLAS. Suppose NASA could be induced to renew its research into the high-orbit system, and that it should develop, as seems to be the case on the surface, that it were more economical; but that in the meantime the corporation had set up a low-orbit system. Would the Senator from Tennessee expect the corporation to scrap its low-orbit system and go into a high-orbit system?

Mr. GORE. No more than I would expect A.T. & T. to scrap its subterranean cables, even though the satellite orbiting system might prove superior.

Mr. DOUGLAS. Does not the Senator from Tennessee consider it important that these questions and answers have been made a matter of public record, so that the country and the Senate may know something about the issues involved?

Mr. GORE. I think it is very important, and I have been very much encouraged today that there has been a meaningful debate on this very important question. The distinguished senior Senator from Illinois has made a great contribution to the debate by the technical questions which he has propounded.

Mr. DOUGLAS. Does the Senator from Tennessee think it would be well for the proponents of the bill also to answer these questions, now that the Senator from Tennessee, who is an opponent of the bill, has given his answers?

Mr. GORE. I think so; and I think they would be prepared to do so. Although the proponents are wont to shout—in answer to all opposition—that the President wants this bill, I point out that if and when the bill reaches the amendment stage, my first amendment will be to restore to the bill the language requested by the President of the United States—language which I read some time ago. I refer to the provision that the State Department shall conduct the negotiations with other countries. I have assembled, and I shall cite later, more than 100 examples of international conferences in the telecommunications field in which the negotiations were conducted by the Department of State. So far as I am able to ascertain, this is the first time that a proposal has been made in Congress to make a private organization, organized and chartered under the laws of the District of Columbia for profit, the agent of the United States for the negotiation of international agreements of great importance, for the benefit of the private corporation, but to which the entire Nation would be committed. To do so would, in my opinion, hamper, hinder, and harm the opportunity to develop an operable international system of satellite communications.

Mr. DOUGLAS. Will the Senator from Tennessee state whether in his judgment the FCC has been successful in helping to determine the content and quality of programs?

Mr. GORE. Does the Senator from Illinois mean television programs?

Mr. DOUGLAS. Yes.

Mr. GORE. The other night I turned on the television to listen to a 5-minute newscast; and during that length of time I found myself listening to seven commercials. If the FCC has been working on that situation, it has been signally ineffective.

The question of the Senator from Illinois reminds me that I am not sure that the people of other nations of the world would be very anxious to see American television if they had to do so at the price of seeing us brush our teeth and use deodorants, and a few other unmentionables.

Mr. DOUGLAS. Does the Senator from Tennessee recall the characterization which the Chairman of the FCC gave of American television—namely, that it is a vast wasteland?

Mr. GORE. I remember that, and I am sure the Chairman of the FCC has been apologizing for it ever since. But I should like to see him continue with the vigor of that first speech by him.

Mr. DOUGLAS. Has not the Senator from Tennessee heard the Senator from Oklahoma state that if the bill goes through, we shall have a vast wasteland in spaceland?

Mr. GORE. At least, that statement is euphemistic.

Mr. DOUGLAS. Does the Senator from Tennessee think it is quite dignified to appropriate the vast reaches of outer space for the advertisement of laxatives?

Mr. GORE. At least I think there is plenty of room, although I am not sure it is appropriate.

Mr. DOUGLAS. Does not the Senator from Tennessee know that the Senator from Illinois is not a squeamish person?

Mr. GORE. I never would have asserted that the Senator from Illinois was squeamish.

Mr. DOUGLAS. Is the Senator from Illinois correct in understanding that the Senator from Tennessee does not ascribe to the Senator from Illinois an attitude of being unduly prissy in his ideas about life?

Mr. GORE. That would be furthest from any attribute I ever heard ascribed to the Senator from Illinois.

Mr. DOUGLAS. But does the Senator from Tennessee think the Senator from Illinois is unduly fastidious when he says he has doubt that outer space should be conquered by laxatives and deodorants?

Mr. GORE. I share the sentiment of the Senator from Illinois. I hope it is not prissy.

Mr. DOUGLAS. Yet is it not true that in order to make this project a success, it would be necessary to sell commercial advertisements on the space communications system?

Mr. GORE. If the Senator from Illinois is referring to space communication by television, I think the answer must be "Yes." I am not sure that the same would apply, however, to satellite communication of telephonic messages. The latter may be very profitable, and may be profitable almost immediately after the installation of a workable system.

Mr. DOUGLAS. Will the Senator from Tennessee permit the Senator from Illinois to express the opinion that the Senator from Tennessee has drawn a very valuable distinction?

Mr. GORE. I will.

Mr. DOUGLAS. Does not the Senator from Tennessee realize that the Senator from Illinois is asking these questions so that no captious Senator could take the Senator from Tennessee from the floor?

Mr. GORE. I fully realize that the Senator from Illinois is enlightening the Senate by means of interrogations of the Senator from Tennessee.

Mr. DOUGLAS. Is the Senator from Illinois correct in the assumption that in order to make the television part of the satellite communications system a success, the private corporation would have to sell advertisements?

Mr. GORE. I do not know how else it would make the necessary revenue. Much has been said about the fact that Telstar carried to Europe, on television, President Kennedy's press conference. However, I wonder who would pay commercial rates to carry to Europe President Kennedy's press conferences in the future, after this monopoly is installed. I wonder what advertiser would pay such rates for that purpose. It may be that some in the European community, particularly with the prosperity of the Common Market, would want to advertise by means of paid, private advertisements. However, I am not sure that the European community would want to cooperate to the extent of agreeing to the assignment of wave lengths and frequencies for that purpose. But even if it should agree to cooperate to that extent, I am not sure that the result would be very complimentary to the United States.

Mr. DOUGLAS. I assume that the Senator from Tennessee has no objection to deodorants or shaving soap or laxatives, or to drug preparations which would relieve headaches "fast, fast, fast."

Mr. GORE. I am for them. However, I do not wish to hear about them every time I turn on the television.

Mr. DOUGLAS. But does the Senator from Tennessee think the glories of the outer world should be harnessed to advertise such commodities, and that America should present in that way its image to the world?

Mr. GORE. I do not think so; and I do not think the world would be very much interested in receiving that kind of image of the United States, or that it would be particularly beneficial to the United States if it did.

Mr. DOUGLAS. Is it not true that on the initial program or programs such items were not mentioned, but that, instead, the program included the baseball game in Chicago between the Cubs and the Phillies, photographs of Mount Rushmore, and photographs of various other beauties of the United States?

Mr. GORE. Yes, including the American flag.

Mr. DOUGLAS. Yes. Were not all of those displayed?

Mr. GORE. Yes, and I thought they were displayed appropriately.

Mr. DOUGLAS. Is it not possible that in that initial run A.T. & T. was on its good behavior, but that subsequent programs might be of a more commercial nature than was the initial program?

Mr. GORE. In answer to that question, I should like to read from page 30 of the bill:

> There is hereby authorized to be created a communications satellite corporation for profit which will not be an agency or establishment of the United States Government.

Mr. DOUGLAS. Then, am I correct in concluding that, according to this bill, the primary purpose of the corporation is to be "for profit"?

Mr. GORE. That is the primary purpose.

Does the Senator read any further purpose there? Will the Senator read the full sentence?

Mr. DOUGLAS. Mr. President, I ask unanimous consent that I may be——

Mr. GORE. Mr. President, I ask unanimous consent that I may yield to the senior Senator from Illinois to read a full sentence from the bill, without my losing the floor.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Is there objection? Without objection, it is so ordered.

Mr. DOUGLAS. The sentence in question is in section 301:

> There is hereby authorized to be created a communications satellite corporation for profit which will not be an agency or establishment of the United States Government.

Mr. GORE. As the Senator will note from that language, there is no requirement that the corporation shall further the aspirations of the American people for peace. There is no requirement that the corporation shall operate in furtherance of the goals and objectives of American foreign policy. There is no requirement that it operate for anything except profit.

That is installing the dollar sign as the price of a satellite communications system; and I am not sure that other nations would be willing to grant us wavelengths for that sole purpose.

Mr. DOUGLAS. The Senator from Tennessee, like the Senator from Illinois, is not, I assume, opposed to profit as such, is he?

Mr. GORE. No, indeed. I rather like it. I have not been favored with too much of it in my lifetime, but enough to like it.

Mr. DOUGLAS. Is the Senator from Illinois correct in assuming that the Senator from Tennessee is not opposed because it is for profit, but because it is solely for profit?

Mr. GORE. That is a part of my objection. The other part of my objection is that the strictures of a profit operation simply do not meet the national needs and aspirations of the American people for the development and utilization of this vast new means of communication. The operation does not take into consideration our desire for peace, or our desire to project the image of American liberty to the uncommitted portions of the world. It does not take into consideration the necessary Voice of America operations, to tell the people of the world about the American way of life, our policies, our programs, and our desires for friendship with them.

Mr. DOUGLAS. Can the Senator from Tennessee tell me if there is anything in the bill which would impose an obligation upon the private corporation to carry such messages and such programs if they did not yield a profit to the corporation concerned?

Mr. GORE. No; moreover, if it is a private corporation, I doubt very much that the Government should place such a requirement in the language. The Government might very well reserve in any such legislation as is proposed the right to establish systems for its own use. But that door is closed by the bill, too, unless it is for a unique purpose. I think "unique" probably means security and military arrangements.

Mr. DOUGLAS. Does the Senator from Tennessee think the terms of the bill virtually forestall the Government from developing a complementary system of communications?

Mr. GORE. Let me read. This is from page 25 of the bill:

> The President shall take all necessary steps to insure the availability and appro-

> priate utilization of the communications satellite system for such general governmental purposes as do not require a separate communications satellite system to meet unique governmental needs.

Instead of leaving to the Government the opportunity of orbiting a satellite for the communications, say, of State Department cablegrams, or Voice of America programs, the requirement is written into the law that the President must make arrangements to insure that the facilities of this monopoly, a corporate entity, will be used for such purposes.

Mr. DOUGLAS. Is the Senator from Illinois correct that, under this bill, the Government gives up any right to have a complementary system, or competing system?

Mr. GORE. That is correct. The bill proposes to create a corporation for profit, organized and chartered under the laws of the District of Columbia, and to vest in such corporation the right to use America's share in such a satellite communications system, and, moreover, to make this corporation the agent to negotiate, on behalf of the United States, to secure or fail to secure the very conditions and agreements necessary to bring about such a communications system.

Mr. DOUGLAS. Will the Senator from Tennessee tell us something about an alternative method which he might favor as compared to the present bill?

Mr. GORE. The best answer is that legislation now on this subject is premature. I know many Members of the Senate disagree with me in that respect. That is my earnest and deeply held conviction.

The Senator from Illinois is aware, I am sure, that only a few days ago Mr. Salinger, press secretary to President Kennedy, announced that the White House staff was initiating a farflung study of the foreign policy implications of satellite communications, and that it would involve other executive agencies of the Government.

The Senator is aware, I am sure, that an international conference on telecommunications is already scheduled to be held in Geneva late next year, during which it is hoped that agreements may be reached for the allocation of wavelengths, frequencies, and channels necessary to make a satellite communications system possible.

Until the President's thoroughgoing study is completed, until the Senate Foreign Relations Committee has given consideration to the foreign policy aspects of this question, I feel that legislation is premature. I am not alone in saying that. Mr. Engstrom, of RCA, testified on this point before the committee.

I should like to read from page 122 of the hearings before the Committee on Aeronautical and Space Sciences of the Senate. The Senator from Nevada [Mr. Cannon] was interrogating Dr. Engstrom:

> Senator Cannon. Well, in your judgment, is it premature, in view of the fact that we are going ahead with the development program over the next period of time?
>
> Dr. Engstrom. I think in view of the answers that I have given to questions, you could draw the conclusion that I think it is somewhat premature and that we would be better off if we had more facts before we face the problems the bill presents. But this is a matter of judgment.
>
> Senator Cannon. If I correctly analyze your testimony, you feel that in a matter of 6 months or a period thereof that we would have more facts on which to base our judgment concerning the setting up of this organization?
>
> Dr. Engstrom. Yes, sir; and in a year from now we would be on very much more solid ground because the programs we heard about this morning will be accomplished in their first stages during the next 12 months.
>
> Senator Cannon. Do you see any specific disadvantages to not proceeding with this type of an organization at the present moment?
>
> Dr. Engstrom. No; I do not see any disadvantages, except the matter that has come up in the questioning here. When I indicate that we are not ready to make an investment, maybe there would not be enough to carry it forward.

He had previously said that RCA was not willing to make an investment except under certain conditions.

Mr. DOUGLAS. Is it not true that RCA controls NBC?

Mr. GORE. I believe that is correct.

The junior Senator from Tennessee is not the only one who thinks the proposed legislation is premature at this time. If, however, the Senate must enact legislation, by all means the public interest must be protected. I say in all deference to my colleagues who have recommended the proposed bill that the public interest would not be adequately protected, as I understand, by the proposed bill.

Mr. DOUGLAS. Does the Senator from Tennessee remember the colloquy which his colleague, the senior Senator from Tennessee, had before the Senate Subcommittee on Antitrust and Monopoly with Mr. Samuel M. Barr, of the Western Union Telegraph Co.?

Mr. GORE. I believe the Senator is referring to the excerpt from the hearings to be found on page 51 of the minority views. I read it:

> Senator Kefauver. Suppose you had a corporation of $200 million right now. What would it do with the money?
>
> Mr. Barr. Well, for an appreciable period of time it would sit on its hands. Deferral of this legislation until next year will not delay the development of a space satellite communications system in any degree.

Mr. DOUGLAS. Does the Senator from Tennessee correctly remember that under the terms of the bill negotiations with foreign powers and other entities in this field are to be conducted, not by the U.S. Government, but by the private corporation with the U.S. Government acting only in an advisory capacity?

Mr. GORE. I should like to read the actual provision of the bill in that regard:

> Whenever the corporation shall enter into business negotiations with respect to facilities, operations, or services authorized by this Act with any international or foreign entity, it shall notify the Department of State of the negotiations, and the Department of State shall advise the corporation of relevant foreign policy considerations—

I interrupt my reading for the moment to say that I do not know how in this field business matters and political matters can be clearly separated. As the Senator will note, the provision is that the State Department "shall advise the corporation of relevant foreign policy considerations."

Mr. DOUGLAS. Does not the Senator from Tennessee think it was very gracious for those who drafted the bill to seek to permit the State Department to advise the corporation?

Mr. GORE. Oh, yes. The following sentence provides still another amenity toward the Government:

> Throughout such negotiations the corporation shall keep the Department of State informed with respect to such considerations.

Mr. DOUGLAS. Is that not very generous of the corporation?

Mr. GORE. Yes. I think it would be generous. The corporation is not to be required to keep the Government informed of anything except the relevant foreign policy considerations. There is to be no requirement that the corporation keep the Government informed on so-called business negotiations. I do not understand exactly what would be a business negotiation. Would the negotiation of the allocation of a frequency or the negotiation of an agreement for the establishment of a ground facility in another country be entirely business, or would it be entirely a foreign policy question? It might be both. I am not sure how they could be separated.

I read also the following sentence:

> The corporation may request the Department of State to assist in the negotiations.

I think that would be nice. The Secretary of State may be asked to assist the corporation.

Mr. DOUGLAS. May the Senator from Illinois inquire if it would be obligatory upon the corporation to invite the Department of State to assist?

Mr. GORE. The word is "may."

Mr. DOUGLAS. "May?"

Mr. GORE. I read the sentence again:

> The corporation may request the Department of State to assist in the negotiations.

If the corporation should request the Department to assist in the negotiations, the bill provides further—

> and that Department shall render such assistance as may be appropriate.

I repeat, this language was not in the bill which President Kennedy requested. The provision recommended and requested by President Kennedy was stricken out and the language which I have read substituted therefor.

Mr. DOUGLAS. In other words, the present language would direct the U.S. Government to stand aside in international negotiations? The primary responsibility and, if the corporation so decided, the exclusive responsibility, would rest with the private corporation?

Mr. GORE. I should say, in order to give a full answer to the question, that my interpretation of the language in the bill would provide an affirmative answer to the question by the Senator, but I point out that the proponents of the bill are prone to cite another provision in the bill, which can be found on page 25. It provides that the President shall—

> exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States;

The bill provides that the President shall do certain things, but it gives him no authority. The provision is a strange one. It is proposed to create a private corporation for profit, chartered under the laws of the District of Columbia, in which the Government would not be a stockholder. The corporation is specifically declared not to be an agency of the Government. Yet the bill provides that the President shall supervise its activity. He would have as much power to supervise the foreign operations of the Du Pont Co., General Electric, or General Motors as he would have to supervise the operations of the proposed corporation.

Mr. KEATING. Mr. President, will the Senator yield for a question?

Mr. GORE. If I may permit the senior Senator from Illinois to conclude, I shall then be happy to yield.

Mr. DOUGLAS. I shall conclude very shortly.

Does not the Senator from Tennessee think it would be highly educational if the proponents of the bill were willing to answer questions comparable to those which I have addressed to the Senator from Tennessee?

Mr. GORE. As the debate proceeds, I hope the proponents will come to the Senate Chamber and give their points of view on the proposed legislation. The most frequent answer that is given to all questions that have been raised is that the bill is an administration bill. It is said, "Who is the man down at 1600 Pennsylvania Avenue? He wants the bill."

The bill is a far cry from the measure that President Kennedy submitted to the Congress.

Mr. DOUGLAS. Does the Senator from Tennessee think it is filibustering to try to obtain answers to the very important basic questions which we have been discussing?

Mr. GORE. I think today has been a very fruitful day. Many Senators have participated in the debate, and the real issues involved have been presented. I think the debate has been successful. I hope there will be full discussion. It is my purpose to discuss the points at some length yet today.

Mr. DOUGLAS. Is it not probable, however, that the questions of the Senator from Illinois and the responses of the Senator from Tennessee will be denounced by highly placed persons on the floor of the Senate as being mere filibustering, which should cease in order that the Senate may pass the bill without further discussion?

Mr. GORE. I hope that all highly placed Members of this body—and all Members of this body are highly placed—will exercise the restraint which has been urged upon those of us who oppose the bill.

Mr. DOUGLAS. Is not the Senator from Tennessee aware of the fact that angry statements have been made by highly placed Members of this body, to the effect that this was an attempt merely to delay and not to probe the issues concerned?

Mr. GORE. I am not sure I would describe the statements as angry statements. I would describe them as unrestrained statements, unrestrainedly urging those of us who oppose the bill to exercise restraint.

Mr. DOUGLAS. Does the Senator from Tennessee think it would be a good plan if passages of the debate, which will be printed in the CONGRESSIONAL RECORD tonight, should be sent to the proponents of the bill with the request that either in their direct statements they answer them, or that they be prepared to answer them on the floor of the Senate? Does the Senator from Tennessee think that would be a very good method?

Mr. GORE. I think the plan has merit. Perhaps we can hail one of the proponents as he passes through the Chamber before the evening is over and ask him some questions.

Mr. DOUGLAS. The Senator from Illinois does not have the good eyesight that he used to have. Am I not correct that I have been asking questions now for almost 2 hours and I have failed to see any proponent of the measure on the floor of the Senate for more than a few minutes at a time?

Mr. GORE. The Senator has very keen insight and foresight. I do not observe one of the authors of the bill on the floor of the Senate. Perhaps one will come in later in the evening.

Mr. DOUGLAS. Does the Senator from Tennessee join the Senator from Illinois in the hope that Senators who favor the bill will favor us with their presence so that they may be interrogated on these and other questions?

Mr. GORE. I join him in the hope. I am not sure of its realization.

Mr. DOUGLAS. Does not the Senator from Tennessee believe that on a proposal such as the one we are discussing there should be full and free consideration of the basic issues?

Mr. GORE. I do, indeed. I believe the issue we have been discussing is basic.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that I may be permitted to congratulate the Senator from Tennessee without his losing his right to the floor.

Mr. GORE. Mr. President, I do not yield for that purpose.

The PRESIDING OFFICER. The Senator does not yield for that purpose.

Mr. DOUGLAS. Mr. President, will the Senator permit the Senator from Illinois to address a question to him?

Mr. GORE. I yield for a question.

Mr. DOUGLAS. Does not the Senator from Tennessee think that it is highly desirable that others besides himself—proponents of the bill—should at least attempt to answer the questions which have been propounded to the Senator from Tennessee?

Mr. GORE. I do. I hope such questions will be answered by the proponents in the course of the debate. They are very able and fine men.

Mr. DOUGLAS. Does the Senator from Tennessee believe that if such questions are asked, they should be denounced as efforts to delay and not to inform?

Mr. GORE. I think we should be slow in taking such action and making such references.

Mr. DOUGLAS. Mr. President, I ask that I may be permitted to thank the Senator from Tennessee without his losing his right to the floor.

Mr. GORE. I thank my distinguished friend from Illinois.

I now yield for a question to the junior Senator from New York.

Mr. KEATING. Does not the distinguished Senator from Tennessee think the proper time to debate the merits of the issue is when the bill is before the Senate rather than on a motion to bring up the bill?

Mr. GORE. I have indicated that I think consideration of the bill now is premature. I do not think the question of consideration can be discussed and debated without some discussion of the substance of the issue which we are considering to determine whether the bill should be brought before the Senate.

Mr. KEATING. Mr. President, will the Senator yield for a further question?

Mr. GORE. I yield.

Mr. KEATING. Does not the Senator think the appropriate time for Senators who favor the bill to address themselves to that question is after the bill is before the Senate rather than on a motion to proceed to consider the bill?

Mr. GORE. It seems to me that the proponents of the bill should be able and willing to present its merits whenever the question of the advisability of its consideration at this time is questioned; and it is seriously questioned.

Mr. KEATING. Mr. President, will the Senator yield for a further question?

Mr. GORE. I yield for a question.

Mr. KEATING. In the light of the implications of some of the answers made by the Senator from Tennessee to the questions of the Senator from Illinois, does not the Senator from Tennessee know that the President of the United States supports the bill in its present form?

Mr. GORE. I have had no communication with the President. If the Senator from New York says that the President is pleased with it in its present form, I am prepared to accept his statement on it. I am not so informed. I must say, however, that the pending bill is a shambles of the bill which the President recommended.

Mr. KEATING. Mr. President, will the Senator yield for a further question?

Mr. GORE. I yield for a question.

Mr. KEATING. Does not the Senator from Tennessee understand that the President of the United States feels that the provisions to which he has referred, relating to the method by which the State Department is to be brought into the picture, are satisfactory to the President of the United States?

Mr. GORE. I have no such knowledge. I would be both surprised and disappointed if he were pleased with the method that was written as a substitute for what was requested. It is entirely different. If the Senate delegates to a private corporation the responsibility for negotiating international agreements of great importance, on its own behalf and for its own profit, the Senate will then be partially abdicating its responsibility as a limited constitutional partner with the President for the conduct of the Nation's international affairs.

Mr. KEATING. Mr. President, will the Senator yield for a further question?

Mr. GORE. I yield.

Mr. KEATING. Does not the Senator agree that the ultimate responsibility for the conduct of our foreign affairs rests with the President of the United States?

Mr. GORE. With the advice and consent of the Senate; yes.

Mr. KEATING. Mr. President, will the Senator yield for a further question?

Mr. GORE. I yield.

Mr. KEATING. Would it not have an effect on the distinguished Senator from Tennessee were he to know that the President of the United States feels that the provisions in the bill with reference to the manner in which the State Department is to be brought into this picture seem to him to be satisfactory and seem to him to properly protect the interests of the Nation?

Mr. GORE. I am prepared to give careful consideration to the views of the President of the United States on that or any other subject. It would not automatically follow, however, that I would be willing to abdicate what I consider to be my constitutional responsibility. I do not believe it is proper, and I question the constitutionality of an act making a private corporation, specifically declared by the act to be not an agency of the Government, an agent for negotiating an international agreement of vast importance, the failure of the attainment of which might defeat our aspiration of achieving a workable, viable system of satellite communications.

Mr. KEATING. Mr. President, will the Senator yield for a further question?

Mr. GORE. I yield.

Mr. KEATING. Does the Senator from Tennessee think it is in any way out of order for the junior Senator from New York to present the views of the President of the United States?

Mr. GORE. I certainly do not. I shall be happy to hear the distinguished Senator from New York present the views of the President of the United States.

Mr. KEATING. Mr. President, will the Senator yield for a further question?

Mr. GORE. I yield for a question.

Mr. KEATING. Does it seem to the Senator from Tennessee in any way out of order that the junior Senator from New York should be supporting the position of the President of the United States in this case?

Mr. GORE. I do not see anything unusual in the Republican Party unanimously, so far as I know, supporting this kind of legislation. I regret it, but it is not the first time that that party has been unanimously wrong.

Mr. KEATING. Mr. President, will the Senator yield for a further question?

Mr. GORE. I yield.

Mr. KEATING. Does the Senator realize that a majority of the Democratic Members of the Senate support this legislation, including the majority leader and the acting majority leader, besides the President of the United States, and every member of the Cabinet?

Mr. GORE. I am not sure that the Senator has not taken in more territory than he can cover. I do not detect very much enthusiasm for the bill. It required 10 hours on Saturday to obtain a quorum. So far as I can tell, the junior Senator from New York, the Presiding Officer (Mr. SMITH of Massachusetts in the chair), and the junior Senator from Tennessee are the only Members of the Senate now in the Chamber. Where is the enthusiasm for the bill? I have received word from very able persons in agencies of Government who are not very enthusiastic about the bill. I have heard from some well-known Members of the other body, since this question has been under debate in the Senate, expressing their view that that body acted too hastily and without adequate consideration.

Mr. KEATING. Mr. President, will the Senator yield for a further question?

Mr. GORE. I yield for a question.

Mr. KEATING. Has it over occurred to the Senator that the absence of some Members might not indicate a lack of enthusiasm for the bill but, rather, a lack of enthusiasm for the arguments of those who oppose the bill?

Mr. GORE. Will the Senator kindly repeat his question?

Mr. KEATING. Has it occurred to the distinguished Senator from Tennessee that the absence of so many Members from the floor at 7:48 p.m. is not due to a lack of enthusiasm for the bill but, rather, to a lack of enthusiasm for the arguments of those who oppose the bill?

Mr. GORE. I do not see any great rush into the Chamber to hear the arguments against the bill. I noticed a considerable exodus from the city over the weekend. I have been pleased with the attendance in the Chamber during a part of the debate today. Interest in the bill is rising, and so, I believe, is the opposition. I do not believe any new votes for the bill are being recruited. On the other hand, the number of Senators who are opposed to the bill and think it is premature and inadvisable and unwise and ill founded is growing.

I am prepared to call names. If the Senator wishes later on to consult me in the cloakroom, I will give him a few names, if he will let them alone.

The operation of a satellite communications system could play a vital role in our technical aid program or in multilateral programs in which the United States participates. The lack of adequate communications facilities inhibits economic development and the development of political stability. It is possible that it may prove to be feasible and in our national interest to construct, or to participate in the construction of, terminal facilities which would permit participation in the system by some other nation. Should such a decision be made by the U.S. Government, the Government ought to be in a position to implement that decision without the necessity of engaging in a proceeding before the Federal Communications Commission with a private corporation.

This is not a fanciful possibility. I should like to read from the bill, if I may have the attention of the junior Senator from New York. I read from page 28, beginning in line 8:

> (3) in any case where the Secretary of State, after obtaining the advice of the Administration as to technical feasibility, has advised that commercial communication to a particular foreign point by means of the communications satellite system and satellite terminal stations should be established in the national interest, institute forthwith—

What? Not the construction of a facility, but—

> appropriate proceedings under section 214(d) of the Communications Act of 1934, as amended, to require the establishment of such communication by the corporation and the appropriate common carrier or carriers.

Would that not be a strange situation? The Government of the United States, having reached a decision that it would be in the national interest for the Government of the United States to assist some nation—say Ireland—in the construction of a ground station, what must the Government do? Engage in an adversary proceeding with the satellite corporation before the Federal Communications Commission. I should like to read section 214(d) of the Communications Act of 1934. We will see what kind of ignominous procedure the great Government of the United States must go through in order to assist Ireland in building a ground station, if that shall have been determined to be in the national interest.

> The Commission may, after full opportunity for hearing—

I digress to say that I assume my distinguished lawyer friend from New York [Mr. KEATING] fully understands the meaning of the phrase "after full opportunity for hearing." I read again:

> The Commission may, after full opportunity for hearing, in a proceeding upon complaint, or upon its own initiative without complaint, authorize or require by order any carrier, party to such proceeding, to provide itself with adequate facilities for the expeditious and efficient performance of its service as a common carrier and to extend its lines or to establish a public office; but no such authorization or order shall be made unless the Commission finds, as to such provision of facilities, as to such establishment of public offices, or as to such extension that it is reasonably required in the interest of public convenience and necessity, or as to such extension or facilities that the expense involved therein will not impair the ability of the carrier to perform its duty to the public. Any carrier which refuses or neglects to comply with any order of the Commission made in pursuance of this subsection shall forfeit to the United States $100 for each day during which such refusal or neglect continues.

I point out to the Senate that proceedings under the subsection which I have read might be appropriate to determine whether a new switchboard was required to be constructed at Fairfax, Va.; but I think it is entirely inappropriate for the Government of the United States to be engaged in an adversary proceeding before the Federal Communications Commission. This is not a fanciful possibility.

Now I should like to read from page 36 of the bill. I said in debate today that the bill proposes to vest in the private corporation such rights as the United States may ultimately obtain or have in any of the space components of a satellite communications system. I read beginning on line 5, page 36:

> PURPOSES AND POWERS OF THE CORPORATION
>
> SEC. 305. (a) In order to achieve the objectives and to carry out the purposes of this Act, the corporation is authorized to—
>
> (1) plan, initiate, construct, own, manage, and operate itself or in conjunction with foreign governments or business entities a commercial communications satellite system;
>
> (2) furnish, for hire, channels of communication to United States communications common carriers and to other authorized entities, foreign and domestic; and
>
> (3) own and operate satellite terminal stations when licensed by the Commission under section 201(c)(7).
>
> (b) Included in the activities authorized to the corporation for accomplishment of the purposes indicated in subsection (a) of this section, are, among others not specifically named—
>
> (1) to conduct or contract for research and development related to its mission;
>
> (2) to acquire the physical facilities, equipment and devices necessary to its operations, including communications satellites and associated equipment and facilities, whether by construction, purchase, or gift;
>
> (3) to purchase satellite launching and related services from the United States Government;
>
> (4) to contract with authorized users, including the United States Government, for the services of the communications satellite system; and
>
> (5) to develop plans for the technical specifications of all elements of the communications satellite system.
>
> (c) To carry out the foregoing purposes, the corporation shall have the usual powers conferred upon a stock corporation by the District of Columbia Business Corporation Act.

The opportunity for furthering our program of scientific cooperation and cultural exchange through the medium of a satellite communications system is promising. It is doubtful, however, that a private corporation operating on a profit motive would consider such a program deserving of the degree of priority required by the national interest.

The interests of the United States may not be the same in all instances as would be the interest of the private corporation organized for profit, and profit only. It was said a few years ago by a very distinguished gentleman that what was good for General Motors was good for the United States. I think the American people refused to accept that statement. They disagreed with it. I say that what may be good for the proposed private corporation may not be good for the entire United States. However laudable may be the objectives of the private corporation—and undoubtedly many of its objectives, if not all of them, would be laudable—yet the aspirations of the American people may be broader; and those aspirations cannot accurately be measured and metered by the strictures of a profit-and-loss statement of a private corporation.

The possibility of effective use of a satellite system by the U.S. Information Agency to communicate ideas to the newly emerging nations is exciting. As I have earlier stated, Mr. Edward R. Murrow testified before the Committee on Commerce about such prospects. Mr. Murrow expressed some apprehension, however, about whether "affordable" rates would be available to USIA to permit its use of the facilities of the system by terms of the bill. According to Mr. Murrow, this problem would be even more acute if U.S. ground terminal facilities turn out to be controlled by domestic communication carriers rather than by the satellite corporation which the bill creates. Significantly, this decision is left unresolved by the bill.

Perhaps some proponent of the bill would be willing to enlighten the Senate as to why the bill is silent on this subject. I shall hope that in further debate some proponent of the bill will enlighten the Senate on this point.

Mr. Murrow expressed the hope, during his testimony, that somehow the Government might be given preferential rates, but he added, somewhat plaintively, "I do not know."

At least in the early years of its operation the U.S. Government will be the major user of such a system. In fact, the bill obligates the Government to use the facilities unless some unique and compelling reason, such as security, requires use of an alternate method or a separate system.

I have already read this provision of the bill, and I have also read the interpretation of this provision, as contained in the minority views.

I emphasize, Mr. President, that I do not here question the technical capability of private concerns. Were we considering a purely domestic communications system, the foreign relations question would not arise—at least, not in such major proportions. I repeat, however, that the system we are talking about is to be global in nature, and it will utilize the medium of space, an environment in which the rules of the game have not been established.

Mr. President, a large body of international law has been built up in the admiralty field. A body of international law has been built up by agreement, by history, by usage, and by tradition in regard to shoreline boundaries. There are numerous agreements in regard to the use of airlanes and telecommunications and radio frequencies. But as all Senators know, we are dealing with a medium in respect of which there is no body of international law. What right has the United States to space 22,000 miles above the earth? What right has the United States—if it has any such right at all—that is superior to the right of any other nation? Space belongs to mankind. Our purpose should be to utilize space and the developments in space for the benefit of space communication in cooperation with all other nations. Only through the achievement of cooperative arrangements with other nations can satellite space communication be made available.

Earlier today something was said to the effect that unless the bill is passed, the United States will be "standing out in the cold" at the Telecommunications Conference next year. But will some Senator tell me why? Are the other nations to be represented at that Conference to have a perfected satellite communications system? No, indeed. Will the United States then have one, regardless of whether this bill is passed or is not passed? No, indeed. In my view we would be handicapped at such a conference if we had previously passed a bill vesting in a private monopoly all rights to the domestic use of such portion of a satellite communications system as we might obtain, acquire, or achieve, and if we had delegated to such private corporation, organized solely for profit and chartered in the District of Columbia for that purpose, authority to negotiate for such rights as we might achieve or fail to achieve.

Mr. PASTORE. Mr. President, at this point will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. PASTORE. In making that statement, is not the Senator from Tennessee disregarding section 201 of the bill?

Mr. GORE. No; I am not. If the Senator from Rhode Island would like to quote it, I should be glad to comment on it.

Mr. PASTORE. Very well, I shall quote it as follows:

> SEC. 201. In order to achieve the objectives and to carry out the purposes of this Act—
>
> (a) the President shall—

Meaning the President of the United States—

> (1) aid in the planning and development and foster the execution of a national program for the establishment and operation, as expeditiously as possible, of a commercial communications satellite system;
>
> (2) provide for continuous review of all phases of the development and operation of such a system, including the activities of a communications satellite corporation authorized under title III of this Act;
>
> (3) coordinate the activities of governmental agencies with responsibilities in the field of telecommunication, so as to insure that there is full and effective compliance at all times with the policies set forth in this Act;
>
> (4) exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States;
>
> (5) insure that timely arrangements are made under which there can be foreign participation in the establishment and use of a communications satellite system;
>
> (6) take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for such general governmental purposes as do not require a separate communications satellite system to meet unique governmental needs; and

> (7) so exercise his authority as to help attain coordinated and efficient use of the electromagnetic spectrum and the technical compatibility of the system with existing communications facilities both in—

Will not the Senator from Tennessee admit that we shall be leaving to the President of the United States the essentialities of exercising and bringing to bear the force and power of the Presidential Office to supervise this corporation, in order to maintain and foster the foreign policy of this Government, and also imposing upon him certain responsibilities, which are very clearly set out in these provisions?

Mr. GORE. I am pleased that the distinguished senior Senator from Rhode Island has asked the question. This question presents an odd situation. I am sure the Senator from Rhode Island will concede that this is to be a private corporation.

Mr. PASTORE. That is true.

Mr. GORE. Chartered under the laws of the District of Columbia.

Mr. PASTORE. That is the only way it can be done.

Mr. GORE. And the bill specifically provides that it shall not be an agent or establishment of the U.S. Government.

Mr. PASTORE. That is the wish of the President of the United States.

Mr. GORE. The Government of the United States would own no stock in it.

Mr. PASTORE. That is correct.

Mr. GORE. Neither common stock nor preferred stock, nor otherwise.

Mr. PASTORE. That is correct.

Mr. GORE. So in that respect the proposed corporation would, indeed, be a private corporation, would it not?

Mr. PASTORE. Yes, but under the supervision of the U.S. Government.

Mr. GORE. Just a moment. The Senator from Rhode Island has added something with respect to which no authority is given in the bill to the President.

Mr. PASTORE. Oh, yes; I just read that authority. I read section 201.

Mr. GORE. Let me read it, and let us see where the authority is. Of course, the Senator from Rhode Island is referring to the fourth stipulation of direction to the President. I should like to read it:

> In order to achieve the objectives and to carry out the purposes of this Act—
>
> (a) the President shall—

Mr. PASTORE. That is correct.

Mr. GORE [reading]:

> (4) exercise such supervision—

Mr. PASTORE. That is correct.

Mr. GORE [reading]:

> over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States.

Mr. PASTORE. That is correct.

Mr. GORE. I ask the Senator from Rhode Island, what authority would that provision convey to the President to exercise supervision over the activities of a private corporation which specifically would not be an agency of the Government or an establishment of the Government, and in which the Government would have no proprietary or controlling interest? How and by what requirement would the corporation be amenable to supervision by the President, any more than would any other private corporation organized under the laws of the District of Columbia for profit and operating in the international field?

Mr. PASTORE. Does the Senator want me to answer the question?

Mr. GORE. Yes.

Mr. PASTORE. I answer the question very simply——

Mr. GORE. Mr. President, I ask unanimous consent that I may yield without losing my right to the floor.

Mr. PASTORE. I do not think there is any other Senator present to take it away from the Senator.

Mr. GORE. Let us proceed on that basis. I am sure we shall not be held strictly to the requirements.

Mr. PASTORE. The President of the United States does not receive his authority under the articles of incorporation. The President of the United States would receive his authority under the act which gave birth to the corporation. I refer to the provision which stipulates how the corporation shall be created, and the provision in another section which gives all this authority to the President of the United States. The President of the United States would not obtain his authority under the articles of incorporation; he would obtain it under the terms of the bill.

Mr. GORE. Where are they?

Mr. PASTORE. I just read them.

Mr. GORE. No.

Mr. PASTORE. Of course, I did.

Mr. GORE. The Senator read, "the President shall" do so-and-so. He did not read one line which subjects the private corporation to the supervision of the President.

Mr. PASTORE. What does the Senator mean by supervision of the President? If the President has the authority to carry out the foreign policy of this Nation and to make the corporation do what the Congress of the United States says it shall do, what are we being denied here? That is the question. What is it the Senator wants the President to do that he has not the right to do under this bill? I ask the Senator to name it. Name one specific example of what the Senator wants the President to do that he does not have the right to do under the provision of the bill. Then the Senator from Rhode Island will give the Senator, line by line, the President's authority.

Mr. GORE. Very well. The Senator has not read one line which confers any authority upon the President. The bill provides that he shall do so-and-so, but it does not give him authority.

Mr. PASTORE. What is the authority the Senator wants him to have that he does not get? If the Senator will give me an example of what he wants the President to do that he cannot do under the bill, I will tell the Senator how he can do it.

Mr. GORE. I would have the President of the United States and his appointive officers conduct the negotiations for international agreements with the various governments of the world. That I would have the President and his Secretary of State do; and the bill does not make such provision.

Mr. PASTORE. The bill provides that, as they start negotiating with any foreign government, they shall consult with the Secretary of State. The Senator from Tennessee, who is a member of the Foreign Relations Committee, knows——

Mr. GORE. Let me point out to the Senator——

Mr. PASTORE. Does not the Senator want me to finish my thought?

Mr. GORE. Just a moment.

Mr. PASTORE. Does not the Senator want me to finish my thought?

Mr. GORE. Yes.

Mr. PASTORE. Let me finish my thought. Then the Senator can add anything he wishes.

Mr. GORE. It is an imperfect one, but I shall yield and let the Senator finish it.

Mr. PASTORE. That is a matter of opinion. If this is to be a contest of wit and humor, that is one thing. If we want to elucidate on the bill, let us do it. I do not want to detract from the wit of the Senator from Tennessee. We do not want to be impertinent with each other.

The Senator from Tennessee is a member of the Senate Foreign Relations Committee. He knows that the Secretary of State is merely the spokesman of the President. Aside from the jurisdiction which the President has over the Secretary of State, the Secretary can do nothing. The creator of the foreign policy of this Government, under the Constitution of the United States, is the President of the United States. This bill provides that before they can move an inch with a foreign government, they must get in touch with the Secretary of State. The bill provides that the Secretary of State must be consulted. The Secretary of State has a direct line to the President of the United States. All he has to do is pick up the telephone, call Mr. Kennedy, and say, "I have a call from the corporation. They want to do business with Afghanistan. What do you think I ought to do?" And the President will tell him what to do.

Mr. GORE. By what authority?

Mr. PASTORE. By the authority of his office as President of the United States, charged under this bill with managing and conducting the foreign affairs of the Government insofar as they relate to the satellite. It is so provided in the bill.

Mr. GORE. Suppose the corporation and the President disagree.

Mr. PASTORE. Then I am willing to admit that we have faltered as a country. If we had to take the position that the President of the United States would not protect the interests of the people, that we had to wait for the Senator from Tennessee, or anybody else, to guarantee the interests of the country, we would have failed as a democracy. If we cannot have confidence in the President of the United States, if we cannot have confidence in the Secretary of State, then we truly have failed. In such event we would have much more to worry about than satellites. We would have ourselves and our children to worry about. I am not worrying, because I have all the confidence in the world in Dean Rusk, and I have all the confidence in the world in John F. Kennedy, President of the United States; and under this bill he has all the authority he needs to protect the people.

Mr. GORE. The Senator says if the President and the corporation disagree, this country will have failed. Is the Senator aware that the bill makes specific provision for disagreement, and in case of disagreement, even though the Government of the United States shall have determined that it is in the national interest to take a certain course of action, and the corporation disagrees—

Mr. PASTORE. The corporation can do nothing. Is that the answer the Senator wants? That is the answer under the bill. If the President of the United States says, "You cannot do it," it cannot be done. I ask the Senator to point out such authority in the bill.

Mr. GORE. I will point it out to the Senator. If the Senator will turn to page 23, I will read the provision to my distinguished friend.

Mr. PASTORE. Very well. Read it to me.

Mr. GORE. The provision is:

> In any case where the Secretary of State—

In whom my friend has expressed such great confidence, which I share with him—

> after obtaining the advice of the administration as to technical feasibility, has advised that commercial communication to a particular foreign point by means of the communications satellite system and satellite terminal stations should be established in the national interest, institute forthwith appropriate proceedings under section 214 (d) of the Communications Act of 1934, as amended.

In other words, we would have the preposterous situation of the Government of the United States entering into an adversary proceeding before the Federal Communications Commission with the satellite corporation to accomplish something which the Government had determined as being in the national interest.

Mr. PASTORE. But the Senator has not completed his answer. What does section 214(d) provide?

Mr. GORE. I have it.

Mr. PASTORE. Very well. Read it. That is the important part.

Mr. GORE. I will read it.

Mr. PASTORE. What does it provide?

Mr. GORE. I will read it. I have it before me.

Mr. PASTORE. Read it, please.

Mr. GORE [reading]:

> The Commission—

That is the Federal Communications Commission.

Mr. PASTORE. Yes.

Mr. GORE [reading]:

> may, after full opportunity for hearings——

Mr. PASTORE. Yes.

Mr. GORE. The Senator is well aware of this.

Mr. PASTORE. We are a government of laws and not of men. Go ahead.

Mr. GORE. Sometimes there is a slight mixture. The Senator is well aware of the nature of the full hearings procedure before the Federal Communications Commission.

Mr. PASTORE. That is correct.

Mr. GORE. The Senator knows the role of the trial examiner, and the long and tedious litigation involved. I read further.

> The Commission—

Now, we are talking about an issue before the Commission with respect to which there is disagreement between the Government and the corporation.

Mr. PASTORE. But it is only on "technical feasibility." The Senator read that. It is on "technical feasibility."

Mr. GORE. Oh, no.

Mr. PASTORE. Yes. That is what it provides. We are not talking about politics now. We are not talking about diplomatic or political questions. We are talking about technical feasibility. There is to be a right of appeal. What is wrong with that?

Mr. GORE. I know the Senator wants to state the bill as it is. I am sure he can present a strong defense.

Mr. PASTORE. The Senator from Rhode Island helped to draft the bill.

Mr. GORE. Let me read it to the Senator again. The Senator has said that the Secretary of State is the agent of the President. I agree. The bill says:

> In any case where the Secretary of State, after obtaining the advice of the administration as to technical feasibility—

This is not a question of technical feasibility. It provides:

> In any case where the Secretary of State, after obtaining the advice of the administration as to technical feasibility—

Mr. PASTORE. That is all. It applies only to technical feasibility. And there is a reason for it.

Mr. GORE. I beg the Senator's pardon. If he will permit me to finish the sentence, it is—

> has advised that commercial communication to a particular foreign point.

Mr. PASTORE. That is correct.

Mr. GORE. That is not "technical feasibility."

Mr. PASTORE. Absolutely. It is technical feasibility with respect to a foreign point.

Mr. GORE. The Senator can read the English language as well as I can. I will read the language again.

Mr. PASTORE. The Senator from Rhode Island helped to write this language.

Mr. GORE. I continue to read:

> In any case where the Secretary of State, after obtaining the advice of the administration as to technical feasibility——

Mr. PASTORE. That is correct.

Mr. GORE [reading]:

> has advised that commercial communication to a particular foreign point by means of the communications satellite system and satellite terminal stations should be established in the national interest—

Mr. PASTORE. That is correct.

Mr. GORE [reading]:

> institute forthwith appropriate proceedings under section 214(d) of the Communications Act of 1934,

Mr. PASTORE. Does the Senator know what that means?

Mr. GORE. Yes; I know what it means.

Mr. PASTORE. All right; let him tell me what it means. Then I will tell the Senator what it means.

Mr. GORE. Very well. I take it that it means what it says.

Mr. PASTORE. Very well. Now will the Senator tell me what it means.

Mr. GORE. The first presumption in the determination of legislative intent is that the Congress intended to do what it did in fact do. The bill provides specifically that in any case when there is disagreement between the Secretary of State and the corporation, a proceeding must be filed before the Federal Communications Commission under subsection 214(d), which I am now prepared to read.

Mr. PASTORE. Yes.

Mr. GORE. It reads:

> The Commission may, after full opportunity for hearing, in a proceeding upon complaint or upon its own initiative without complaint, authorize or require by order any carrier, party to such proceeding, to provide itself with adequate facilities for the expeditious and efficient performance of its service as a common carrier and to extend its line or to establish a public office; but no such authorization or order shall be made unless the Commission finds, as to such provision of facilities, as to such establishment of public offices, or as to such extension, that it is reasonably required in the interest of public convenience and necessity, or as to such extension or facilities that the expense involved therein will not impair the ability of the carrier to perform its duty to the public. Any carrier which refuses or neglects to comply with any order of the Commission made in pursuance of this subsection shall forfeit to the United States $100 for each day during which such refusal or neglect continues.

Now I should like to give to the Senator the answer of a representative of the Department of State.

Mr. PASTORE. Yes; but the Senator has not told me what the section means. Please tell me first what it means. The Senator confuses me with many words, but he has not told me yet what the section means, though I am ready to tell him what it means.

Mr. GORE. As I interpret the bill it provides that if the Secretary of State determines it would be in the national interest to establish satellite communications with some foreign country, he must then institute proceedings before the Federal Communications Commission under the section which I have read.

Mr. PASTORE. Only if it involves a question as to technical feasibility.

Mr. GORE. The language does not so provide.

Mr. PASTORE. This is to be a grant of a right and not a denial of a right. This is not to be a limitation, but a grant.

Now let me tell the Senator why that language was put in the bill.

Mr. GORE. Just a moment. It does not read, "If there is a question of technical feasibility."

Mr. PASTORE. Of course it does.

Mr. GORE. The language is, "after obtaining the advice of the administration as to technical feasibility."

Mr. PASTORE. That is correct. That is exactly what it means. If we must develop a history on this particular section, I am perfectly willing to do so.

There may be many situations in which, for political reasons——

Mr. GORE. The Senator will have to cite a great deal of history to prove to me that the language does not mean what it says.

Mr. PASTORE. Oh, no. The Senator from Rhode Island did not say that at all. I hope the Senator will give me an opportunity to tell him what it means. We helped write this language.

Mr. GORE. I will do so. I am eager to find out what the language means. If it does not mean what it says, the Senator had better offer an amendment to change it.

Mr. PASTORE. A question arose as to the authority of the President and the administration, if for political reasons it was thought there should be established a ground station, other facilities let us say in Afghanistan. A question might be raised by the corporation, "Technically, or otherwise, that it is not feasible to do."

In that event, the question would be raised not with respect to the political desirability of going there. That question is to be exclusively within the realm of foreign policy and to belong to the President alone. The corporation would have nothing at all to do with that. In the dictation of and the carrying out of foreign policy, when it is politically advisable to establish a ground station or other facility in a particular nation, a question might arise as to whether it might be technically feasible to do so.

If the corporation said, "We do not believe it is technically feasible to do so," what we have provided in the language is to revert to the provisions of the Communications Act of 1934, whereby the issue would be brought before the Federal Communications Commission.

What is the FCC? Is it a foreign government? Is it a corporation? It is an agency of the Government, the members of whom are appointed by the President, and their nominations are confirmed by the Senate.

The question would go before the FCC, in a quasi-judicial proceeding, for a decision as to "technical feasibility." That is all the language means. That is the reason why it is in the bill. It should be in the bill.

A political situation might not imply a technical feasibility situation. When that question came into controversy there would be a legal proceeding under well-established law, as to which there would be an abundance of precedents and authority to determine the situation as well as the responsibility for operation.

By whom would that be done? By the Senate? No. By the House? No. By the courts? No. By whom? It would be done by the Federal Communications Commission.

What is the Commission? It is an arm of the Congress. It is a Federal agency. It should make the determination. It is the expert communicative body.

Why is that so obnoxious? Why is that so disastrous?

I did not say that was the only way to do it. If the Senator from Tennessee has a better way to do it, I shall accept his recommendation.

Mr. GORE. My distinguished friend has explained the meaning of the bill as being contrary to the language of the bill. Indeed, his interpretation is contrary to his own report. If the Senator will look at page 17 the third paragraph of the report, and read with me, he will observe the following language:

> Paragraph (3) provides that the Commission shall, on advice by the Secretary of State that "commercial communication to a particular foreign point by means of the communications satellite system should be established in the national interest," institute appropriate proceedings under section 214 (d) of the Communications Act to require the establishment of such service by the corporation and appropriate common carriers.

Mr. PASTORE. That is correct.

Mr. GORE [continuing to read]:

> The paragraph has been amended to add the words "and satellite terminal stations" after "communications satellite system," since the former are equally important to such communication.

Technical feasibility is nowhere mentioned in that paragraph.

Mr. PASTORE. The Senator has referred to a report, but the language appears in the bill and that is what it means. We do not have to spoon feed the Members of Congress on the obvious. What is the use of repeating the language? It is in the bill. If we must spoon feed Senators and keep repeating and repeating, saying, "Black is black because it is not white," we will write that language in the bill.

Mr. GORE. I submit that if we are not capable of writing a bill in terms that say what we mean, and to be sure that we mean what we say, we should get additional legislative drafting assistance. The bill provides:

> (3) in any case where the Secretary of State, after obtaining the advice of the administration as to technical feasibility, has advised that commercial communication to a particular foreign point by means of the communications satellite system and satellite terminal stations should be established in the national interest, institute forthwith appropriate proceedings—

If that is not plain language, I must return to school.

As to the authority of the Department of State, I should like to read from the hearings of the Antitrust Subcommittee when Under Secretary of State Philip J. Farley appeared before the committee:

> Senator Kefauver. What if the corporation says, "We cannot make a profit this way. We are not going to go along. We will not operate. We will quit." What are you going to do then?
>
> Mr. Farley. I would think that in that case, we would be in at least as powerful a position as the corporation.

Is that not a wonderful status for the Government of the United States, with all the power and dignity of our people, to be in an equally powerful position with the proposed corporation in case of a disagreement? I say to the distinguished senior Senator from Rhode Island——

Mr. PASTORE. I was not present when Mr. Farley made that statement. I know Mr. Farley. He is a very cautious sort of individual. But we are playing around with words. What we are saying is that as powerful as the corporation is to do what it wants to do, no one can take away the power of the Federal Government. We cannot even do so in the Senate. We cannot take away from the President authority to make foreign policy, no matter what bill we might pass.

Mr. GORE. It is proposed to give a part of that power away in the bill.

Mr. PASTORE. I do not think so. The Senator has merely stated a cliche. I do not think we would give away anything under the bill. The question substantially is——

Mr. GORE. Does the Senator deny that the bill would vest in a private corporation a monopoly upon the commercial uses of satellite communication insofar as its operation in the United States is concerned?

Mr. PASTORE. Will the Senator repeat his question?

Mr. GORE. Does the Senator deny that the bill proposes to create a private corporation for profit and to vest in that corporation a monopoly over the use of such portion of the communication satellite system as the United States may ultimately own?

Mr. PASTORE. When the Senator uses the word "monopoly," I think he uses it frivolously.

Mr. GORE. Oh, no. I could never be more serious.

Mr. PASTORE. The opportunity or access is stipulated by the law to be open to all. There can be no discriminatory use. The use must be nondiscriminatory, and those provisions can be enforced. The corporation cannot deny a common carrier the privilege of using the facilities.

Mr. GORE. That was not my question.

Mr. PASTORE. Then what does the Senator mean by the word "monopoly"? It is a potent word to use. It scares a great many people. But why is the Senator using it now?

Mr. GORE. Would not the proposed Communication Satellite Corporation, authorization for which is provided in the bill, to be charactered under the laws of the District of Columbia, have under the terms of the bill monopoly use of the space components of a satellite communication system for commercial purposes?

Mr. PASTORE. Under Government supervision. If the Senator leaves out the words "Government supervision," he renders the whole bill impotent. Of course what he has said is true.

Mr. GORE. Then the answer is "Yes."

Mr. PASTORE. The answer is "Yes," provided the Senator completes the thought.

Mr. GORE. Then the Senator would add "under Government supervision." But there is a very large question as to supervision. The question I asked the Senator, which he first answered in the negative, was whether there would be vested in the proposed private corporation a monopoly over the use of such rights in the space component of a satellite communication system as the United States might ultimately acquire, and the answer is now "Yes."

Mr. PASTORE. But regulated by the FCC. The Senator cannot leave out that provision. Why does he attempt to leave it out? It is the whole crux.

Mr. GORE. The Senator first gave the answer "No." Now he has said "Yes" and has qualified his answer.

Mr. PASTORE. I never said no and I never said yes. The Senator was following the line sequence and leaving out the meat of the subject.

Mr. GORE. Railroads are under regulation, but we do not give them a monopoly of transportation. Airlines are under regulation, as are buses, trucks, and bargelines.

Mr. PASTORE. What about broadcasting stations in the Senator's community? They have a monopoly. Are they not regulated? How about the telephone company and the electric light company in the Senator's district? Those utilities are monopolies, but they are regulated, are they not?

Mr. GORE. In Nashville there are three television stations. I am not sure they would agree that one of them has a monopoly. There is rather severe and strict competition. One of the objections to the bill is that competition would be prohibited. The bill would vest a monopoly in a corporation, the principal stockholder of which would be the owner of the cables that now could provide a competing system of transoceanic communication.

Mr. PASTORE. Mr. President, will the Senator look at page 21 of the bill to finish this thought?

Mr. GORE. Yes, but I want to finish another thought also.

Mr. PASTORE. May I read a pertinent section in the law?

Mr. GORE. In the bill. It is not the law yet.

Mr. PASTORE. In the bill.

Mr. GORE. I do not believe it will be law.

Mr. PASTORE. There is a difference of opinion about that. The question is who is going to win— a handful of Senators or the President of the United States. My bet is on the President of the United States.

Mr. MORSE. Mr. President, the Senator from Rhode Island is not asking a question.

Mr. PASTORE. Does the Senator from Oregon object to my speaking on this subject?

The PRESIDING OFFICER. The Senator from Tennessee has the floor.

Mr. PASTORE. Does the Senator from Tennessee mind my reading a pertinent part of the bill?

Mr. GORE. I ask unanimous consent that I may yield to the Senator from Rhode Island so that he may read a portion of the bill as a preface to a question.

Mr. MORSE. I object.

Mr. PASTORE. Will the Senator yield for a question?

Mr. GORE. I yield.

Mr. PASTORE. Is it not true that on page 21 of the bill it is stated:

> It is the intent of Congress that all authorized users shall have nondiscriminatory access to the system——

Mr. GORE. From what line is the Senator reading?

Mr. PASTORE. I am reading from page 21, line 8.

Is it not a fact that it is clearly stated in the bill that:

> It is the intent of Congress that all authorized users shall have nondiscriminatory access to the system; that maximum competition be maintained in the provision of equipment and services utilized by the system; that the corporation created under this Act be so organized and operated as to maintain and strengthen competition in the provision of communications services to the public; and that the activities of the corporation created under this Act and of the persons or companies participating in the ownership of the corporation shall be consistent with the Federal antitrust laws.

If any one can spell it out any better, I will take off my hat to him.

Mr. GORE. This does not provide that it is not a monopoly. The provision which the Senator from Rhode Island has read merely provides that the monopoly corporation——

Mr. PASTORE. Shall not be a monopoly.

Mr. GORE. No; I beg the Senator's pardon, but it does not provide that at all. What corporation are we speaking about? We are speaking about a satellite corporation.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. GORE. I will yield in a moment. We are speaking about a satellite corporation, the creation of which is authorized in the bill. We are not talking about NBC or CBS or Mutual or any other common carrier, or any other broadcasting or television station. What are we talking about? Will the Senator's clerk permit me to have the Senator's attention?

Mr. PASTORE. I have the Senator's attention.

Mr. GORE. I want the Senator's attention.

Mr. PASTORE. I will give the Senator my attention.

Mr. GORE. We are talking about a monopoly. I said that the satellite corporation would be a monopoly, not the users of the corporation's services. What the language which the Senator has read means is that there shall be nondiscriminatory permission to the users of services to have access to the facilities of the corporate monopoly, but they will have to pay for it, I can assure the Senator.

Mr. PASTORE. How else would they do it, unless it were publicly owned? How else could it be done, unless the corporation were publicly owned?

Mr. KEFAUVER. Mr. President, will the Senator yield at that point? Will he yield before he answers the question?

Mr. GORE. Under present law, the Hughes Corp. could, with Government cooperation, put up a Hughes star, so called, and perhaps negotiate with the Government of the United States to put up another Hughes star.

Mr. PASTORE. A what star?

Mr. GORE. Let us call it an NBC star. Under present law there is no inhibition against other corporations, new or old, from entering the field. However, the Senator advocates a bill which would freeze out all other competition.

Mr. PASTORE. Mr. President——

Mr. GORE. It would be exclusively a private corporation, with ownership and utilization of all interest which the United States may hereafter acquire in the space components of a communications satellite system; then to excuse that fact, what the Senator has read provides that it shall be a corporate monopoly but must not discriminate in the sale of its services to authorized carriers.

That means that NBC and CBS and other communications agencies will have an equal opportunity to contract with the monopoly which the Senator's bill would create.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. PASTORE. Will the Senator let me come back to the point on which he has just spoken?

Mr. GORE. Certainly. I yield to my colleague from Tennessee.

Mr. KEFAUVER. Of course, the railroads are regulated by the Interstate Commerce Commission, or are supposed to be. Trucking lines are regulated by the ICC. The radio stations and television stations are regulated, or are supposed to be regulated, by the FCC. However, they are all independently owned. Is there anywhere in the philosophy of our business today any example where, as in this case, it is necessary to join a consortium in order to be able to operate? If one wishes to operate a railroad, he must join the Pennsylvania monopoly; if he wants to operate a truckline, he must first join with XYZ Trucklines, a corporation; if he wishes to operate a bus company, he must first join the XYZ Government-created bus corporation; if he wishes to operate an airline, the Government has created a monopoly for airlines; and then the President is required to see to it that there is appropriate utilization of that very monopoly. That is the evil. Outsiders do not have a chance unless they want to join a consortium. If that is not inimical to our system of competition, I ask the Senator whether he knows of any precedent for that in American history?

Mr. GORE. I know of no precedent. The senior Senator from Rhode Island disagrees with my interpretation. However, I read from page 564 of the hearings before the House committee, from the testimony of the Attorney General, as follows:

> In this legislation we are dealing essentially with the means by which the United States should participate with other countries in this global system. From the outset certain factors have been clear.
>
> First, for the foreseeable future, there can be only one American participant just as, in all probability, there will be only one commercial communications system using satellites. In that sense, at least, this legislation proposes a national monopoly.

Mr. PASTORE. That is right. In that sense.

Mr. GORE. I am glad the Senator agrees. I wonder why he would agree with the Attorney General and disagree with his colleague from Tennessee.

Mr. PASTORE. I do not disagree with my colleague from Tennessee. The argument he is making is a very worthwhile argument. It is an argument which has concerned us very much in the committee. We must realize that up to this time there is only one communications satellite in space, and this is Telstar. It is up there because the American Telephone & Telegraph Co. is the one of the few companies in this country which has the money to invest in that sort of thing, because this may cost anywhere from $45 million to $50 million. This is what the President of the United States had to consider. Because of the nature of this operation it could not be left open so anyone could come and shoot a satellite into space, when we would find that there would probably be two or three companies attempting to operate.

So the President of the United States, in his wisdom—and I think he was right—said, "Let everybody come in and share in this project." That is what gave birth to the idea of a corporation. Where would companies be found to put up from $50 to $100 million to experiment with an idea that perhaps may not be perfected for 5 or 6 years?

Mr. GORE. They cannot be found except through one company which can pass on the cost to the users through utility rates.

Mr. PASTORE. Possibly; but there are the RCA and other companies. But let me refer to what Mr. Katzenbach said only the other day, when he wrote to the Senator from Montana [Mr. MANSFIELD]. Mr. Katzenbach represents the Department of Justice. I readily admit that this question was of some concern to us. Mr. Katzenbach said:

> The Department of Justice is entirely satisfied that this corporation is the best answer we can devise to realistic cooperation of private industry and the Government in the program of national and international significance.

That was the statement of the Department of Justice.

Mr. GORE. If that is the best they can do, they had better try again.

Mr. PASTORE. I do not think so.

Mr. GORE. I am glad the Senator from Rhode Island is satisfied.

Mr. PASTORE. This proposal has been explored. It is a monopoly because there will be only one corporation; but the corporation will be owned half by the public and half by the common carriers—and there are from 3,000 to 3,500 of them who can be authorized.

The President of the United States would appoint certain directors. The corporation would be placed under the supervision of the Department of State and the Federal Communications Commission. All those features are included in the bill.

It is true that if one begins to dissect the bill and takes only one element at a time, he can be led into confusing the issue. But let anyone read all the provisions of the bill all together, taking the bill from beginning to end, and analyze every sentence, then as I have said in private meetings and public meetings, if that someone has a better idea, we ask him to submit it, because we are willing to listen to it. But we went through all this in committee. Mr. Katzenbach, who represents the Department of Justice, said this was the only way to protect the public interest.

If A.T. & T. is allowed to operate on its own—and it has a satellite in orbit now, and perhaps RCA will want to put a satellite system in operation. Is there room for this? Or will we find the systems concentrated in one or two corporations—the situation will be the same as it is in the steel industry today.

In order to avoid that, the President of the United States said, "Let us create a private corporation, half the stock to be available to communications carriers and half the stock to be available to the public. The communications carriers will appoint six of the directors, the public will appoint six of the directors, and I, the President of the United States, will appoint three of the directors. In that way, the public interest will be protected."

If the Senator from Tennessee does not like it, he does not like it. But if he has a better idea, let him come forward with it.

Mr. GORE. The distinguished senior Senator from Rhode Island has only now got around to acknowledging that the proposed corporation would, after all, be a monopoly; but now he has provided an excuse for it. I do not accept the thesis that it is proper to create a monopoly and to vest exclusive possession of America's portion of the vast new global communications medium in it, nor do I accept the validity of the excuse for it.

Mr. PASTORE. I am not excusing anything, if the Senator will permit me to say so; I am explaining the proposal.

Mr. GORE. Very well. It is the Senator's explanation, if he prefers that to "excuse." Again, that is subject to interpretation.

The Senator from Rhode Island has said several times that this is President Kennedy's bill. I should like to read the provision of the bill which the administration submitted to Congress with respect to the negotiation of international agreements, and then I should like to read the provisions of the bill that is now proposed. This is the provision recommended by the President:

> The corporation shall not enter into negotiations with any international agency, foreign government, or entity without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements and arrangements with any such agency, government, or entity shall be subject to the approval of the Department of State.

That is the provision in the President's bill which was stricken out. There was substituted for it the following provision:

> "Sec. 410. Whenever the corporation shall enter into business negotiations with respect to facilities, operations, or services authorized by this act with any international or foreign entity, it shall notify the Department of State of the negotiations, and the Department of State shall advise the corporation of relevant foreign policy considerations. Throughout such negotiations the corporation shall keep the Department of State informed with respect to such considerations. The corporation may request the Department of State to assist in the negotiations, and that Department shall render such assistance as may be appropriate.

Mr. President, the bill which is now sought to be brought before the Senate on motion is described as a bill which President Kennedy has asked for. I have read the provision which President Kennedy requested, by which the Department of State would conduct international negotiations and by which all such agreements reached would be subject to the approval of the Department of State. That provision has been stricken out and something as different as night is from day has been substituted. It provides that the corporation shall conduct negotiations. True, the corporation can advise the Department. If it needs the Department's help, it may request it.

Mr. PASTORE. Does the Senator from Tennessee desire an answer to that point?

Mr. GORE. Yes; I shall be glad to have the Senator from Rhode Island explain it.

Mr. PASTORE. That was the way the bill was reported by the Committee on Aeronautical and Space Sciences. The Senator from Rhode Island and other members of the Committee on Commerce were very much interested in why that change was made. The Senator from Rhode Island was inclined to make a change to restore that language, if the Department of State felt that it was being injured or interfered with in any way in the conduct of its foreign policy. So that question was exhaustively explored by the members of the committee. I received a letter addressed to me from Mr. George C. McGhee, who testified before the Committee on Aeronautical and Space Sciences, representing the Department of State. He also testified before our subcommittee, representing the Department of State. This is what he said, and it is the reason why we left the provision in the bill exactly as it now stands:

June 22, 1962.

Dear Senator Pastore: You have requested the views of the Department of State on

> the adequacy of those provisions of the communications satellite bill that concern the responsibility of the Government for conducting foreign policy.
>
> It is the view of the Department that H.R. 11040, both as reported out of the Senate Committee on Commerce—

Which is the language of the bill now—

> and as passed by the House of Representatives, adequately reflects the responsibility of the Government for conducting the foreign policy of the United States. Section 201(a)4 of both bills provides:
>
> "SEC. 201. In order to achieve the objectives and to carry out the purposes of this act—
>
> "(a) the President shall—
>
> "(4) exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States."
>
> We agree with the interpretation of that section which appears on page 24 of the report of the Commerce Committee. The report states that section 201(a)4 "recognizes the President's authority to take whatever steps he deems appropriate to assure that the relationships of the corporation with foreign governments, entities, or international agencies are consistent with the foreign policy of the United States. This section reaffirms the traditional responsibility of the President, and through him of the Department of State, for conducting foreign policy."
>
> In addition to the broad authority granted the President by section 201(a)4, there is the authority provided by section 402, which requires the corporation to give notice to the Department of State when entering into technical business negotiations. Even with respect to such negotiations, the Department "shall advise the corporation of relevant foreign policy considerations" and shall assist the corporation in the negotiations if requested to do so. We would point out that section 402 is limited to "business negotiations with respect to facilities, operations, or services." Negotiations of this character are carried on by private firms in the normal course of business. Any agreements, however, of a character which customarily call for approval by the executive or the Congress would, in our opinion, continue to require that approval.

This is the important part:

> While we, of course, appreciate the concern which several Senators have shown for making sure that the Government, rather than a private corporation, conducts foreign policy, it is our view that H.R. 11040—

Which is the bill before us—

> does not derogate from the traditional responsibilities of the Government in this area.
>
> Sincerely yours,
>
> GEORGE C. MCGHEE,
>
> *Under Secretary for Political Affairs.*

In the face of that, we were assured that we had the proper provisions. So what more does the Senator from Tennessee expect us to do?

Mr. GORE. I would expect the committee to write explicit language which would preserve for the Government of the United States its constitutional responsibility——

Mr. PASTORE. There is no need for that.

Mr. GORE. To conduct the international relations of our country.

The Senator from Rhode Island has read a letter which comes after much testimony——

Mr. PASTORE. No, on June 22, 1962.

Mr. GORE. I should like to read from the testimony of Secretary McGhee before the Space Committee. I read now from page 154:

> Although the proposed legislation deals primarily with domestic arrangements required to implement the President's communications satellite policy of July 24, 1961, the uniquely international character of a communications satellite system makes evident the foreign policy implications and the role which the Department of State will have to play. Among the many factors which relate to foreign arrangements are the provisions for participation in the ownership and operation in an international satellite system; the kind and extent of services to be rendered; the determination of radiofrequencies to be employed; the choice of the operational system to be established; the relationship of the international system to the U.N. and its specialized agencies; and the extent to which the United States would be prepared to assist in providing financial and technical assistance to new and developing countries which may desire to participate in the service.
>
> Sections 201(c)(3) and 402 of S. 2814 direct the Department of State to conduct or supervise negotiations for such arrangements.

He was speaking of the provisions as the administration requested it.

Mr. PASTORE. That is correct.

Mr. GORE. Then he said:

> In carrying out these responsibilities the Department would be acting with and in behalf of the new Corporation. It would seek the advice of the Director of Telecommunications Management, FCC, NASA, and other agencies as appropriate. Just as in the past much of the negotiation carried on prior to laying of new cables or the establishment of new radio circuits has been done on the initiative of the private American companies without the direct involvement of the Department of State, we would contemplate that such would ordinarily be the case in purely commercial or technical aspects of negotiations involved in the communications satellite system. However, the worldwide scope of this new medium of communications and its potential impact on the achievement of our foreign policy objectives clearly indicate the necessity of the Department's involvement as the President's agent for dealing with foreign affairs.

He was there speaking of the original provision.

Mr. PASTORE. That is correct.

Mr. GORE. Before yielding further, let me read a little more. I read now the remarks of the Senator from Nevada [Mr. CANNON] as they appear on page 190:

> I will read the way section 402 would then read with this proposed amendment:
>
> "The Corporation shall not enter into negotiations with any international agency, foreign government or entity without a prior notification to the Department of State, which will assist in the conduct of such negotiations if requested by the Corporation."
>
> What would be your reaction to that change in section 402, Mr. McGhee?
>
> Mr. MCGHEE. First of all, I think I probably should clarify my comment with respect to amendments because I did not intend to change the Constitution of the United States. What I intended to indicate to Senator KERR was, of course, that we would abide by amendments finally enacted into law. The suggestion that you make obviously changes the intent of the bill before us, and I would not think that the administration itself would acquiesce in such a change at this stage in its consideration.

Let me read a little further. Perhaps we shall come a little nearer to reluctant acquiescence. I read from page 192 of the hearings, from the testimony by Secretary McGhee. It was not the President of the United States who wanted this change; it was the communication companies that wanted this change.

Mr. PASTORE. I do not know about that; they never told me they wanted it.

Mr. GORE. I make the statement, and I stand by it. I read now from page 192:

> The specifications with respect to the State Department, I believe, are necessary for the reasons I stated, because of the unusual and global nature of the program—the fact that it involves all of the countries of the world practically at once. It also involves very complicated intergovernmental affairs. It may, for example, be the desire of the Government, for a valid reason, to encourage the building of receiving stations and systems in parts of the world which may not immediately be economically attractive. This, of course, would have to be done under the provisions of section 201(c)(3) of S. 2814 but if the Corporation is to make a profit, it would have to be compensated for in the rates it charges.
>
> It may be that it is necessary for our Government to negotiate with groupings of nations, which could not be done by a single corporation. As an example, during the war, when our telegraph and telephone companies wanted access to the British Commonwealth, this access could only be negotiated by our Government. There are scores of situations which you can envisage might arise in carrying out the very complex negotiations and the establishment of operations which this corporation would have to go through. These are beyond the sphere of competence or responsibility of a normal corporation. I honestly feel, even were this not a provision of this law, that the corporation would need assistance from the Department similar to that specified in the law.
>
> I think that we must recognize here, too, that this is much more than a communications system such as we have known in the past. This program has tremendous potentialities in terms of the achievement of our global foreign policy objectives. There is involved here what degree of cooperation we can engage in with the Soviet Union, pursuant to the recent exchange between Mr. Khrushchev and President Kennedy. There is involved here the question of whether or not the United Nations can become more effective by virtue of this facility being able to broadcast hearings or meetings of the United Nations to the world.
>
> A tremendous flow of understanding can come from broadcasting television programs all around the world by such a system and, ultimately, to the greatly reduced cost for normal voice and telegraph communications that should result.
>
> The potentialities of this are so great that I do believe, Senator, that it justifies taking considerable risk that the form devised here will, in fact, work.

Mr. PASTORE. If the Senator will permit me, I do not disagree with a line of that.

Mr. GORE. Just a moment.

There can be no question that attainment or failure of U.S. foreign policy objectives will be influenced by the negotiations involved in the development and installation of an international system of space communications, and by further negotiations incident to its operation. We do not know, and indeed we cannot now know, what form the international system will take. It is inconceivable to me that we should delegate to or rely upon a private corporation, organized for the traditional and entirely proper but sole purpose of making a profit for its stockholders, full responsibility for representing the interest of the United States in a matter of this nature and importance in which the national purpose may not be accurately metered solely by monetary profit potentials.

I say to my distinguished friend that I am aware of the letter. I am aware that Mr. McGhee eventually and reluctantly acquiesced, but I say to the Senator that there is grave question whether the provision upon which he relies for satisfaction is sufficient.

What is that provision? He relies upon the provision that the President shall exercise supervision of the private corporation. I say to the Senator that the President would have no such authority. The bill would not confer upon the President any such authority. The bill does not require the corporation to be amenable to the supervision of the President. It is a mirage. There is a statement that the President must do something, but the bill is silent as to how he shall implement his responsibility and silent as to the requirement of the corporation to follow such supervision.

This is strange doctrine indeed. We organize a private corporation, chartered under the laws of the District of Columbia, for profit. It is specifically stated it is not an agent or arm of the Government, any more than is General Motors, or Du Pont, or I.T. & T.; and yet the Senator is willing to say that the President, by some stipulated provision, has authority under which the corporation would be amenable to the President. He cannot cite any such provision in the bill; and if he undertakes to cite any provision of law, he will have to rely upon the so-called inherent power of the President, which was tried with little success by former President Truman in the steel case.

I now yield to the Senator from Rhode Island.

Mr. PASTORE. The Senator from Tennessee is a student of foreign affairs and a member of the Foreign Relations Committee. Does the Senator think we can do anything to deny or impinge upon the authority of the President of the United States in the foreign policy field, under his constitutional mandate?

Mr. GORE. I do not think we can, but the Senator is trying to do so under the bill.

Mr. PASTORE. I do not think so.

Mr. GORE. I do not mean the Senator is trying to do it; I mean that is what the bill proposes.

Mr. PASTORE. I know what the Senator means. The bill does not propose to do so. The bill cannot propose to do so.

Mr. GORE. The bill specifically proposes——

Mr. PASTORE. We would be very uninformed as to our responsibilities as Senators if we thought for one minute that we could take away the foreign policy jurisdiction of the President of the United States.

Mr. GORE. If the Senator means what he says, why was that provision not left in the bill?

Mr. PASTORE. Would it make the Senator any happier to say, "Mr. John F. Kennedy, your President"? Does the Senator want us to say that? The President knows his responsibilities. He knows his authority. He has authority under the Constitution.

Mr. GORE. I will tell the Senator what would make me happier—to substitute the Kennedy bill for the Kerr bill.

Mr. PASTORE. Will the Senator vote for it, then?

Mr. GORE. I am not sure.

Mr. PASTORE. Of course.

Mr. GORE. I am not sure.

Mr. PASTORE. That is the whole point. The Senator does not want a bill at all.

Mr. GORE. There were two bills introduced in Congress, the Kennedy bill and the Kerr bill, both authored by distinguished friends of mine, and I must say, as I look at the progeny, it looks a little more like my friend, Senator KERR, than it does like President Kennedy.

Mr. PASTORE. The Senator from Rhode Island took the last look at it, and the Senator from Tennessee knows me well enough to know that——

Mr. GORE. If there must be a three-way mixture, I think the Senator from Rhode Island would improve it.

Mr. PASTORE. I do not think so. We went through this bill line by line. We combed it with a fine-tooth comb. In conclusion, let me read the other letter——

Mr. GORE. Will the Senator explain why the provision which the President recommended and requested, that his Secretary of State have responsibility for negotiating these agreements and the responsibility for approving agreements, was stricken out and the provision substituted that the corporation should negotiate these agreements, albeit by advising the State Department?

Mr. PASTORE. I will tell the Senator why.

Mr. GORE. Very well.

Mr. PASTORE. The Senator knows that there is a cable at the bottom of the ocean by which we communicate telephonically with foreign governments. That has been going on for some time. We have a cable owned by communications carriers. I submit the ball in the sky is not going to be much different, with the added feature that, whereas with the cable we have only audio, with this other device we will also have video. But the cable that is under the ocean at the present time is owned by the communications carriers, and they negotiate with foreign governments. They negotiate with the Post Office Department of Great Britain, which has control over communications in that country. They negotiate with the representative for communications of the Government of France. They negotiate with the representative for communications of the Government of Italy. They negotiate with other governments that utilize the cable that is under the ocean.

This satellite is nothing more than a ball in the sky. True enough, it has to be shot up into the sky, and because we have a monopoly on rocketry, and we cannot give it away to anybody, whether it be the Russians or private individuals, the Government has to shoot it up. Because shooting it up incurs an expense, the corporations which asked that it be done, including this corporation, have to pay the expense of doing so. They have to reimburse the Government.

Once it is put up in the air, it is nothing more than an instrumentality which will receive a signal and send it down. It is very much like a microwave. Many of those are used. It is like an antenna or transmitter used in broadcasting. The ball in the sky is needed to receive the signal and send it down. That is all it amounts to. Before the signal can be sent up, it must come from somewhere. So what happens is that a person picks up his telephone in Los Angeles or Chicago and tries to make a call to Paris, let us say. Rather than send the call through a cable or through a wire, it is sent to a new invention, a ball in the sky. It is another instrumentality for distribution of the call. All the ball does is receive the signal, and send it down. It is amplified and sent through another distribution system that goes to another home somewhere else in the world. That is all it amounts to.

Mr. GORE. And that is the reason the Senator gives——

Mr. PASTORE. The Senator from Tennessee says the Government should own it; the Government should get into the business. All we are saying is that if the Government is going to get into this business, it ought to take over the telephone companies.

Mr. GORE. I asked the Senator to explain why the provision requested by the President, placing responsibility where the responsibility belongs, upon the State Department, for the negotiation of international agreements, was stricken out——

Mr. PASTORE. I am coming to that question. After all, the Senator should give me an opportunity to state a preface.

Mr. GORE. The Senator has gone a long way around with this little ball.

Mr. PASTORE. I, too, am making a "whistlestop" speech tonight. After all, I, too, wish to do a little "glamorizing." I want to tell the people what this is all about. So I will get to the Senator's question.

Mr. GORE. If this were as simple as the Senator seems to think, just a little ball in the sky, I might not be so worried about it, but it is not as simple as that.

Mr. PASTORE. I am coming to that.

Mr. GORE. I say to the Senator that this can be one of the great developments of the century, or of all time.

Mr. PASTORE. Very well.

Mr. GORE. I say to the Senator that upon an effective, viable satellite communications system, in respect to which

America should have the lead, may depend war or peace. We may depend upon it for a victory for the United States in the cold war. I say to my friend that this is vastly more complicated than he has pictured it.

Mr. PASTORE. Very well.

Mr. GORE. It involves negotiations of the most delicate and intricate type, with many nations in the world. Indeed, there already has been scheduled for next August at Geneva a telecommunications conference of many nations in the world at which we hope to acquire some allocation of the frequency for the use of this facility as to which we have pioneered. Yet the Senator dismisses it as a ball in the sky.

Mr. PASTORE. Wait a minute. Will the Senator allow me to finish?

Mr. GORE. I yield.

Mr. PASTORE. The cable at the bottom of the ocean has been there for years.

Mr. GORE. We have already talked about that.

Mr. PASTORE. Let me finish, please.

Mr. GORE. Very well.

Mr. PASTORE. I know we have talked about it. In the case of the cable, every time commercial or business negotiations had to be conducted with a foreign government, the common carriers were allowed to conduct them. They consulted with the State Department. They advised with the State Department. However, they negotiated the commercial items such as rates, charges, and the technical aspects of the underwater cable.

This satellite was a brandnew idea. It was said, "The State Department will do all this." So, I suppose when appearances were made before the Committee on Aeronautical and Space Sciences this question was considered. It must have been discussed in view of the practice of the past, and the precedent already fixed with relation to the oceanic cable. So the Committee on Aeronautical and Space Sciences saw fit to change the language and make it exactly the same in the case of the satellite as it was in the case of the cable and other international communications operations.

The question came up when the bill was before our committee. I took the question up again, because I knew that the Senator from Tennessee [Mr. GORE] would raise a question concerning it. I asked Mr. McGhee about it. He came before our committee.

I am not reading the reports of the hearings before the Committee on Aeronautical and Space Sciences. I am only talking about what I know. I was present. I attended every meeting of our committee. I took up with Mr. McGhee the question as to whether he would rather have the language stand under the old provision, or whether he would accept the new provision.

Mr. McGhee said to our committee, "On second thought, I think this is an improvement." That is what Mr. McGhee said. He said, "I think that this is an improvement, because we do not have the personnel and we do not have the competency in our Department to talk about the commercial aspects of the rates and the charges to be made." He said, "We think it is much better if we leave that to the corporation and let the corporation consult with us on the political aspects of the negotiations."

That is the reason why the language is in the bill.

Does that answer the Senator's question?

Mr. GORE. Mr. President, I have in my hand a list of more than 100 international conferences on telecommunications, supplied to me by the Department of State, in which U.S. participation was under the auspices and supervision of the Department of State. I wish to cite a few of those conferences at which formal documents were signed or at which a course of action was formally agreed upon:

1. Conference on the Protection of Submarine Cables, Paris, 1884. Convention signed March 14, 1884.

That is this little submarine cable about which we have been talking, as to which it is said all the arrangements were made through a private corporation.

2. Preliminary International Wireless Telegraph Conference, Berlin, August 1903.

3. International Wireless Telegraph Conference, Berlin, October 3–November 3, 1906. Convention signed November 3, 1906.

International Radiotelegraph Conference, London, July 1912. Convention signed July 5, 1912.

5. International Radiotelegraph Conference, Washington, October–November 1927. Radiotelegraph Convention General Regulations signed November 25, 1927.

6. Safety of Life at Sea Conference, London, April 16–May 31, 1929. Convention signed May 31, 1929.

7. International Telecommunication Conference, Madrid, December 1932. Convention signed December 9, 1932; general radio regulations and final radio protocol; additional radio regulations; telegraph regulations and final telegraph protocol; and telephone regulations.

8. First Inter-American Radio Conference, Havana, November 1–December 13, 1937. Final acts: Inter-American Radio Communications Convention; Inter-American Arrangement Concerning Radio Communications (EAS 200); North American Regional Broadcasting Agreement.

9. International Telecommunication Conferences, Cairo, 1938. General radio regulations; final protocol to general radio regulations; additional radio regulations; telegraph regulations; final protocol to the telegraph regulations; telephone regulations; and final protocol to the telephone regulations.

I am citing all of these by way of answer to the statement by the Senator from Rhode Island.

Mr. PASTORE. It is no answer at all.

Mr. GORE. The telecommunications conferences were held, and the agreements were arrived at, the Senator said, by private carriers.

Mr. PASTORE. I did not say that at all. That is a misconstruction.

Mr. GORE. Let me give the Senator the full load.

Mr. PASTORE. I will take the load. I will shoot it right back.

Mr. GORE. I continue to read the list:

10. Regional Radio Conference between the United States (in behalf of the Canal Zone) and other powers, Guatemala, December 8, 1938.

11. Second Inter-American Radio Conference, Santiago, January 17–23, 1940. Radio Communications Agreement signed January 26, 1940; Revision of Habana Radio Communication Arrangement of 1937.

12. North American Regional Radio-Engineering Meeting, Washington, January 14–30, 1941. Recommendations and arrangement.

13. Third Inter-American Radio Conference, Rio de Janeiro, September 3–27, 1945. Agreement signed September 27, 1945.

14. United States/British Commonwealth Telecommunications Conference, Bermuda, November 22–December 4, 1945. Convention signed December 4, 1945.

15. United States/British Commonwealth and Empire Conference on Radio Distance Indicators, Washington, January 28–February 7, 1946.

16. Second North American Regional Broadcasting Conference, Washington, February 4–25, 1946. Interim agreement signed February 25, 1946.

17. Five Power Preliminary Telecommunications Conference, Moscow, September 30–October 21, 1946.

These, I point out, are international conferences in the telecommunications and radio communications field at which agreements were signed or reached, and all of them were under the auspices and supervision of the Department of State.

18. Administrative Radio Conference, Atlantic City, May 16–October 2, 1947. Radio regulations signed October 2, 1947.

19. International Telecommunication Conference, Atlantic City, July 2–October 2, 1947.

20. High Frequency Broadcasting Conference, Atlantic City, August 16–September 27, 1947.

21. First Session, Administrative Council, Atlantic City, September 28, 1947.

22. Provisional Frequency Board, Geneva, January 1948–March 1950.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. GORE. I wish to give the Senator the full list.

Mr. PASTORE. We are not talking about the same thing.

Mr. GORE. The list continues as follows:

23. Second Session, Administrative Council, Geneva, January 20–February 11, 1948.

24. Safety of Life at Sea Conference, London, April 23–June 10, 1948. Convention signed June 10, 1948 (TIAS 2495).

25. International Administrative Aeronautical Radio Conference (IAARC), Geneva, May 15–September 25, 1948.

26. Third Session, Administrative Council, Geneva, September 1–October 3.

27. International High Frequency Broadcasting Conference, Mexico City, October 22, 1948–April 9, 1949.

28. Special Administrative Conference on Loran, Geneva, January 17–February 14, 1949.

29. Fourth Inter-American Radio Conference—region 2, Washington, March 15–July 9, 1949. Agreement signed July 9, 1949 (TIAS 2489).

30. International Telegraph and Telephone Conference, Paris, May 18–August 4, 1949. Telegraph regulations with final protocol (TIAS 2175).

31. Administrative Radio Conference for Region 1, Geneva, May 18–September 17, 1949.

There are three more pages.

Mr. PASTORE. Of course there are.

Mr. GORE. I come now to the very present. I note six international conferences——

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. GORE. Not just now. I am talking about international conferences in this field.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. GORE. In a moment I shall. I am citing the international conferences at which agreements or treaties were made under the auspices and supervision of the State Department. Six international conferences in the field of telecommunications, in which U.S. participation was under State Department sponsorship, have already been held in the calendar year 1962.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. PASTORE. We are talking about two different things.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PASTORE. Who has the floor?

The PRESIDING OFFICER. The Senator from Tennessee has the floor.

Mr. GORE. Mr. President, I yield for a question.

Mr. PASTORE. What the Senator has read I agree with wholeheartedly. Nothing is being changed in that regard. We are not talking about the negotiations contemplated under the bill. The international conferences will go on for a long time to come. Even frequencies being used in the Telstar were arrived at at an international conference in 1959. There is to be an international conference in Geneva, Switzerland, in 1963. We are not talking about that sort of thing.

Mr. GORE. Will that be a business meeting or a political meeting?

Mr. PASTORE. They are international conferences at which representatives of all the nations of the world meet and decide what frequencies can be used in order not to interfere with one another. We have clear channels in radio in the United States. There are 25 of those. We must negotiate with Mexico and Canada, with reference to these, as well as other countries. That is the North American Regional Agreement. The same thing occurs in other international conferences. We are now preparing to talk with Russia and other countries with reference to what frequencies should be allocated for space communication. That question will have to be negotiated by the Secretary of State or his representatives.

There is no question at all about that. It has nothing to do with the corporation. Once we decide on an international or a national level what frequencies can be used by what country, the FCC will then determine what use shall be made of the frequencies which have been allocated to us. What the Senator has read is provided in the bill. No one disagrees with that statement. That procedure has been followed in the past.

It will be followed in the future. It has nothing to do with the situation that we are now discussing. The negotiations that we would leave to the corporation would be of the following kind. When they got to the point at which our representatives would wish to talk with the representatives of the British Government or the French Government on the question of rates—for instance, how much will be charged for every call that originates in the United States and ends in Paris, London, or Rome—what the international charges shall be—those negotiations will have to be conducted by people who have the necessary technical knowledge. That is the reason why Mr. McGhee answered as he did, when we came to the question of specific commercial or technical negotiations. That is all we are talking about. These questions can only be handled really by the corporation.

The Department of State is not qualified to conduct many such negotiations. And there will be a great many negotiations of a detailed or commercial nature. Indeed, the Department of State cannot assume the responsibility involved in the commercial negotiations. It has nothing at all to do with the conferences the Senator has been talking about.

Mr. GORE. Neither the bill nor the report draws any distinction or lines of delineation between the business part of a commercial communications satellite system and the political part of a commercial communications satellite system or negotiations pertaining thereto. I say to my distinguished friend that they are inescapably intertwined. In the case of so-called business negotiations, the corporation is required by the substitute provision only to advise the corporation when it enters into such negotiation, and, under the substitute provision, the corporation is required only to notify the Department of State of the negotiations.

Mr. PASTORE. Does not the language read "business negotiations"?

Mr. GORE. I shall read it:

> Whenever the corporation shall enter into business negotiations——

Mr. PASTORE. The Senator is correct—business negotiations. That is the point.

Mr. GORE. What is a business negotiation? How does one distinguish between "political" and "business" aspects of negotiations involving the establishment of ground stations, frequency allocations and relay stations? How does one distinguish between business and political negotiations when he is dealing with foreign nations and entities of foreign nations?

Mr. PASTORE. Mr. President, will the Senator read the rest of it?

Mr. GORE. I will read the remainder:

> Whenever the corporation shall enter into business negotiations with respect to facilities, operations, or services authorized by this act with any international or foreign entity, it shall notify the Department of State of the negotiations, and the Department of State shall advise the corporation of relevant foreign policy considerations.

Mr. PASTORE. Relevant foreign policy considerations.

Mr. GORE. Relevant foreign policy considerations.

Mr. PASTORE. That is the point; as distinguished from foreign policy considerations.

Mr. GORE. Why would there be relevant foreign policy considerations if it is strictly business? The Senator from Rhode Island meets himself coming back.

Mr. PASTORE. It is a combination. We do not do business in any country——

Mr. GORE. The Senator is correct. It is a combination.

Mr. PASTORE. It is clear that business negotiations are distinct from relevant foreign policy negotiations. Otherwise there would not be that distinction.

Mr. SMATHERS. Mr. President, will the Senator yield to me so that I may propound a unanimous-consent agreement at this point?

Mr. GORE. I yield.

Mr. SMATHERS. With the understanding that he may do so without losing his right to the floor.

Mr. GORE. I yield.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMATHERS. I ask unanimous consent that the Senate recess until 10 o'clock tomorrow, that the Senator from Tennessee will be recognized tomorrow when the Senate convenes, and that he will be permitted to continue his speech not beyond 12 o'clock noon tomorrow.

Mr. PASTORE. Reserving the right to object, I wish to make it clear that at 10 o'clock I can be on the floor for only a short time, and it will be a delight to return.

Mr. GORE. I am glad the Senator is coming back.

Mr. GRUENING. Reserving the right to object, criticism has been made of the opposition by certain Senators to the speedy enactment of this bill because committees cannot meet. If the representative of the majority leader will defer the hour of meeting until noon, instead of 10 o'clock, all committees could meet. Therefore I object.

The PRESIDING OFFICER. Objection is heard.

Mr. SMATHERS. Mr. President, I move that the Senate recess until 10 o'clock tomorrow with the understanding that the Senator from Tennessee will be recognized by the Presiding Officer to continue his speech not beyond 12 o'clock noon tomorrow.

Mr. GRUENING. I object.

Mr. HOLLAND. The Senator can vote against that motion.

RECESS UNTIL 10 O'CLOCK A.M. TOMORROW

Mr. SMATHERS. Mr. President, I move that the Senate recess until 10 o'clock a.m. tomorrow.

The motion was agreed to; and (at 9 o'clock and 43 minutes p.m.) the Senate took a recess until tomorrow, Tuesday, July 31, 1962, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate July 30 (legislative day of July 26), 1962:

IN THE ARMY

Gen. George Henry Decker, U.S. Army, to be placed on the retired list in the grade of general under the provisions of title 10, United States Code, section 3962.

The following-named officers to be placed on the retired list in the grades indicated under the provisions of title 10, United States Code, section 3962:

To be generals

Gen. James Edward Moore, O15650, Army of the United States (major general, U.S. Army).

Gen. Herbert Butler Powell, O16684, Army of the United States (major general, U.S. Army).

To be lieutenant general

Lt. Gen. Thomas John Hall Trapnell, O16782, Army of the United States (major general, U.S. Army).

The following-named officers for appointment in the Regular Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3306:

To be brigadier generals

Brig. Gen. Walter August Jensen, O19006, Army of the United States (colonel, U.S. Army).

Brig. Gen. Joseph Warren Stilwell, O19117, Army of the United States (colonel, U.S. Army).

Brig. Gen. George Thomas Powers, 3d, O19137, Army of the United States (colonel, U.S. Army).

Brig. Gen. Samuel Edward Gee, O19251, Army of the United States (colonel, U.S. Army).

Brig. Gen. William Roberts Calhoun, O19256, Army of the United States (colonel, U.S. Army).

Brig. Gen. Edward Spalding Ehlen, O19286, Army of the United States (colonel, U.S. Army).

Brig. Gen. John Andrew Seitz, O30137, Army of the United States (colonel, U.S. Army).

Brig. Gen. Charles Francis Tank, O19350, Army of the United States (colonel, U.S. Army).

Brig. Gen. Kermit LeVelle Davis, O19386, Army of the United States (colonel, U.S. Army).

Brig. Gen. John Farnsworth Smoller, O19416, Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert Hawkins Adams, O19474, Army of the United States (colonel, U.S. Army).

Brig. Gen. Lloyd Elmer Fellenz, O19485, Army of the United States (colonel, U.S. Army).

Brig. Gen. Harry Lester Hillyard, O19524, Army of the United States (colonel, U.S. Army).

Brig. Gen. Charles Edward Johnson 3d, O19534, Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert Carson Kyser, O19535, Army of the United States (colonel, U.S. Army).

Brig. Gen. Harry Jacob Lemley, Jr., O19756, Army of the United States (colonel, U.S. Army).

Brig. Gen. Hugh McClellan Exton, O19780, Army of the United States (colonel, U.S. Army).

Brig. Gen. Durward Ellsworth Breakefield, O19781, Army of the United States (colonel, U.S. Army).

Brig. Gen. Harry Herndon Critz, O19786, Army of the United States (colonel, U.S. Army).

Brig. Gen. Elmer John Gibson, O19822, Army of the United States (colonel, U.S. Army).

Brig. Gen. James Willoughby Totten, O19834, Army of the United States (colonel, U.S. Army).

Brig. Gen. Hamilton Austin Twitchell, O19843, Army of the United States (colonel, U.S. Army).

Brig. Gen. Joseph Rieber Russ, O19860, Army of the United States (colonel, U.S. Army).

Brig. Gen. John Hart Caughey, O19885, Army of the United States (colonel, U.S. Army).

Brig. Gen. Edward William Sawyer, O19918, Army of the United States (colonel, U.S. Army).

Brig. Gen. Normal Basil Edwards, O19936, Army of the United States (colonel, U.S. Army).

Brig. Gen. Frank Joseph Sackton, O30553, Army of the United States (colonel, U.S. Army).

Brig. Gen. Walter Brown Richardson, O30597, Army of the United States (colonel, U.S. Army).

Brig. Gen. Roy Lassetter, Jr., O51714, Army of the United States (colonel, U.S. Army).

Brig. Gen. Bruce Edward Kendall, O30623, Army of the United States (colonel, U.S. Army).

Brig. Gen. Eugene Albert Salet, O30790, Army of the United States (colonel, U.S. Army).

Maj. Gen. Bruce Palmer, Jr., O20117, Army of the United States (colonel, U.S. Army).

Maj. Gen. William Reeves Shuler, O20118, Army of the United States (colonel, U.S. Army).

Maj. Gen. James Benjamin Lampert, O20147, Army of the United States (colonel, U.S. Army).

Brig. Gen. John Edward Kelly, O20156, Army of the United States (colonel, U.S. Army).

Brig Gen. David Woodrow Hiester, O20191, Army of the United States (colonel, U.S. Army).

Brig. Gen. Selwyn Dyson Smith, Jr., O20194, Army of the United States (colonel, U.S. Army).

Brig. Gen. Howard McCrum Snyder, Jr., O20213, Army of the United States (colonel, U.S. Army).

Brig. Gen. James Edward Landrum, Jr., O20216, Army of the United States (colonel, U.S. Army).

Maj. Gen. William Childs Westmoreland, O20223, Army of the United States (colonel, U.S. Army).

Brig. Gen. Beverley Evans Powell, O20237, Army of the United States (colonel, U.S. Army).

Brig. Gen. Edward Clare Dunn, O20245, Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert George Fergusson, O20267, Army of the United States (colonel, U. S. Army).

Maj. Gen. John Arnold Heintges, O20281, Army of the United States (colonel, U.S. Army).

Maj. Gen. Creighton William Abrams, Jr., O20296, Army of the United States (colonel, U.S. Army).

Lt. Gen. John Hersey Michaelis, O20328, Army of the United States (colonel, U.S. Army).

Brig. Gen. William Pelham Yarborough, O20362, Army of the United States (colonel, U.S. Army).

Brig. Gen. Charles Billingslea, O20367, Army of the United States (colonel, U.S. Army).

Brig. Gen. Benjamin Franklin Evans, Jr., O20368, Army of the United States (colonel, U.S. Army).

EXTENSIONS OF REMARKS

Statement of Senator Thomas J. Dodd on the Occasion of the Issuance of a Commemorative Postage Stamp Honoring the Late Senator Brien McMahon, Washington, D.C., July 27, 1962

EXTENSION OF REMARKS

OF

HON. EMILIO Q. DADDARIO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1962

Mr. DADDARIO. Mr. Speaker, several months ago I wrote the Post Office Department to urge that a special stamp be issued to honor the memory of the late Senator Brien McMahon, of Connecticut. This recommendation had the unanimous support of the Connecticut delegation. President Kennedy asked the Department to give this suggestion its consideration and I was pleased to learn that Members of the Senate who had known Senator McMahon and respected his accomplishments in public office had also urged General Day to issue such a stamp.

Senator McMahon died of cancer 10 years ago July 28, almost at the peak of his career and yet with much promise unfulfilled. He had demonstrated great capacity to recognize the importance of atomic energy to public policy and to international affairs, and had mastered its implications. His was a true example of the way in which the American system has nurtured men who have met decisive challenges of their times with intelligence, realism, and imagination.

I was pleased to attend the ceremony held by the Post Office Department on July 27 in Washington to dedicate this stamp. Among the speakers were Senator Thomas J. Dodd, long a friend and associate of Senator McMahon; and the Postmaster General.

Senator Dodd struck a significant chord in recalling the contributions which Senator McMahon had made to atomic energy and to the cause of world peace. I believe his remarks are worthy of deep consideration by the House and I offer them for the Record:

STATEMENT OF SENATOR DODD

Attending this ceremony concerning the issuance of a commemorative stamp honoring the achievements of Senator Brien McMahon has a significance and a meaning for me that is difficult to describe.

It was my good fortune and privilege to know Brien McMahon as a personal friend for many, many years; to have shared experiences with him during his early years of public service in the Justice Department; to have taken part, by his side, in his political campaigns; to have watched his meteoric rise to national and then international prominence; and then to have visited at his bedside during the final days of his life.

I have known his family; his mother, who still lives in Norwalk; his brothers and sisters.

I remember him for all these reasons, and all of us have our own personal reasons for remembering him and for honoring his name.

This occasion today signifies that history, too, remembers and honors Brien McMahon. Of all the reasons for this, two stand foremost:

His contribution to the development, the harnessing, and the control of atomic energy, and his contribution to the cause of world peace.

Brien McMahon saw the specter of the world as it might be; a vast crater burned out by nuclear destruction. But he also saw a vision of the world as it could be; a world of peace, freedom, progress, and security, a world helped to these goals through the enlightened leadership of our country.

For some of us the mighty atomic blasts over Japan were really too awesome to contemplate. The explosive power that science had unleashed seemed too dreadful for comprehension, too vast to reduce within the familiar concepts of public policy. But for Brien McMahon, atomic energy was, for all its mystery, still only a creation of human genius and an instrument under human control.

It must be mastered, in all its implications, not just by scientists or by military men, but by statesmen, by the representatives of the people.

It must be developed lest our country throw away the mighty advantage for freedom and for peace which preeminence in nuclear energy gave to us.

It must be placed under civilian control, lest it become the fearful monopoly of a scientific or military elite, because large as atomic energy was, it was not too large for the American process of free government.

It must be harnessed, not just for destructive purposes, but for creative purposes in order that the potential for human progress inherent in unlocking the secrets of the sun might be fully realized for all peoples.

And finally, it must be made safe for the human race through a workable program of disarmament and control.

And so, while the first mushroom clouds of Alamogordo and Hiroshima and Nagasaki still hovered over the minds and imaginations of us all, Brien McMahon set to work.

In the months and years that followed, he developed the plans through which nuclear development was placed under civilian control and subjected to the governmental processes of a free people.

At his urging, a joint committee of the Congress was established to oversee the conduct of our atomic energy program, and he became its chairman.

Under his tireless, driving leadership, our atomic energy program moved forward to one discovery after another.

Through his blueprint, cooperation was achieved between scientists, the military, the Government, and private industry, in order that atomic science might develop, not as some unique monster, but rather as an integrated part of the traditional American system.

And what he brought forth, through his vision and his experience and his vigor, he protected with all of his political sagacity and prestige.

He successfully fought off repeated attacks upon the concept of civilian leadership of the atomic energy field. At critical moments, his intervention had historic results, such as his famous visit to President Truman which many feel was instrumental in President Truman's decision to go full speed ahead on the program to develop an American hydrogen bomb ahead of the Russians.

But Brien McMahon was more than the man who mastered the public implications of atomic energy. He was, above all, a man of peace. It was Brien McMahon who first proposed a $50 billion Marshall plan for all the peoples of the world, to be accompanied by progressive stages of disarmament.

This proposal staggered the complacency of the day and invited the ridicule of those of little vision.

It is interesting to note that the total of our foreign aid has now reached twice the figure originally proposed by Brien McMahon. But it is sad to note that this huge expenditure has achieved only a fraction of the good it might have accomplished had it been brought forward and carried out with the imagination and the idealism and the vision advocated by Brien McMahon.

Peace, international friendship, practical disarmament and aid to less fortunate peoples—these were the causes with which Brien McMahon most wished to be identified, and these are the causes for which he will be remembered in history and for which we honor him today.

He was taken from us 10 years ago today, at the age of 48. He was stricken at the height of his rare power, in the midst of what surely would have been one of the most memorable public careers of our entire history.

The passage of years has served only to increase his stature. We see this in the tributes to his memory made by the statesmen of our day. We see it in the magnificent Brien McMahon High School, dedicated only recently in Norwalk. And we see a manifestation of this in the ceremony in which we participate today.

These remembrances, significant and worthy as they are, are just the outward signs.

Long ago, Abraham Lincoln, on being asked to comment on the proposal to raise a marble monument to his fallen friend and ally Congressman Owen Lovejoy, replied:

"Let him have the marble monument, along with the well-assured and more enduring one in the hearts of those who love liberty, unselfishly, for all men."

We rejoice in today's commemoration of Brien McMahon. We are pleased to see his name and his image enshrined in official public remembrance. But we know that the most lofty, the most lasting, the most significant monument to Brien McMahon is the memorial which will live in the hearts of all who knew him, in the minds of all who know of his deeds, and in the principles which he advanced, which shall go on and which shall triumph.

The Eskimo Art Exhibit

EXTENSION OF REMARKS

OF

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1962

Mr. GRIFFIN. Mr. Speaker, Traverse City, Mich., is not quite as close to the North Pole as some people may think. Nevertheless, the faculty and students at Northwestern Michigan College have taken a rather special interest in Eskimo art.

Eighty-three stone cut and sealskin prints of Baffin Island Eskimos are being assembled at the college for one of the finest exhibits ever offered of this truly American art form. The proceeds of the exhibit, which will last from August 1 through September 30, will be donated to the Mark Osterlin Library located on the campus of Northwestern Michigan College.

Last year, when a similar showing of Eskimo art was presented at the college, the library fund was enriched by about $900. All indications are that the exhibit this year will meet with even greater success than the one a year ago.

In addition to assisting the college library fund, the Eskimo art exhibit should help greatly to interest students and townspeople in art, and to provide a cultural stimulus in northern Michigan. Because of these laudable objectives, Mr. Speaker, I believe that the activities of the faculty and students at Northwestern Michigan College on this project are worthy of special notice.

Equal Pay for Equal Work: Justice and a Sound and Growing Economy

EXTENSION OF REMARKS

OF

HON. LEONARD FARBSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1962

Mr. FARBSTEIN. Mr. Speaker, the equal pay bill, which passed this House last Wednesday, is a great landmark in American legislative history. For by supporting this measure, we have looked back and have reaffirmed our faith in the principles of the past upon which this Nation was founded; yet, at the same time, we have looked ahead to a sound and growing economy for the future.

H.R. 11677, like the equal pay legislation already passed by 22 States, declares that as a matter of national policy "work of comparable character on jobs requiring comparable skills should receive equal remuneration regardless of the sex of the worker." This concept of wage justice is firmly rooted in the principles of equality of the American political tradition.

By supporting this legislation, we have also taken an important step toward eliminating the double discrimination suffered by millions of our citizens. I refer to the women who are being subjected to wage discrimination as a result of their sex, while receiving an additional "deduction" in their paychecks because of their color, religion, or ethnic background.

Each year, more and more women are taking their place beside men in the labor force. Today, 24½ million women comprise about one-third of our working population. By 1970, that total is expected to increase to 30 million.

By granting these 24½ million women "equal pay for equal work," we will have made important progress toward a sound and growing economy. For it is vital that we make full use of their potential by giving them the same incentive that we grant to men to encourage them to increase their skills and productivity. Secondly, by eliminating an inducement for employers to replace men with lower salaried women workers, we will have destroyed a constant threat to millions of wage earners and a condition that acts as a depressant on general wage levels.

Mr. Speaker, I would like to take this opportunity to praise the many private organizations and individuals who have diligently campaigned for "equal pay for equal work," both major political parties who advocated the same in their 1960 platforms, and my distinguished colleagues, under the skillful leadership of the gentleman from New York [Mr. ZELENKO], who have so zealously fought for this important and long-overdue legislation.

Medicine: A Noble Walk of Life

EXTENSION OF REMARKS

OF

HON. DON MAGNUSON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1962

Mr. MAGNUSON. Mr. Speaker, one of the great services rendered to the public by any Government employee in recent years was that performed recently by Dr. Frances Oldham Kelsey, of the Food and Drug Administration, when she refused to approve the sale in this country of the drug thalidomide.

Thalidomide now has been revealed as the cause of the malformation of almost 10,000 babies in Europe.

I undertook to express my admiration for Dr. Kelsey in my latest newsletter, which follows:

MEDICINE: A NOBLE WALK OF LIFE

Physicians always have been heroes to me. Along with the sincere clergyman, a good doctor gives more of himself to others, I think, than almost anyone else, excepting mothers.

I never shall forget Dr. Lee Clanton, the smalltown doctor who used to treat the ills of the large family of which I am a member. The sight of his model T Ford chugging down the hill to our farmhouse when we were in trouble is the most comforting memory of my childhood.

All I remember of Dr. Clanton's appearance are his strong hands and tired eyes. I used to marvel that hands so large—he was a big doctor, in every way—could be so gentle.

I knew the reason for the tired eyes, for Dr. Clanton ranged a vast farm countryside like a guardian angel, night and day. Looking back on it, I hardly can believe that he lived to a ripe old age (which he did, God bless him) so grueling were the physical burdens he imposed upon himself. I revere him as a sort of demigod, who gave himself selflessly to his friends and neighbors until the day he died.

As a dentist, I suspect now that he was only adequate; he took care of our teeth, too. I have some of his work in my mouth to this day.

I came to understand, too, that Dr. Clanton lived always with death. I had a fierce will to win and I was surrounded by brothers with spirits equally competitive, whether the contest was for checkers, baseball or the smiles of the pretty little girl on the next farm, 2 miles distant. (Where is Ethel now, I wonder?)

So I sorrowed with Dr. Clanton with every fight he lost to death, as all doctors must, all too often. And the great respect and affection I had for him has endured through all these years for the medical profession as a whole.

All of the foregoing is preliminary to a salute to another doctor—a woman, in this case. I refer to Dr. Frances Kelsey, a public servant and Government employee, which makes her a member of a much-maligned breed. She works for the Department of Health, Education, and Welfare. In case you are wondering, she is a doctor of medicine, like Dr. Clanton.

I am sure you will recognize Dr. Kelsey's name. She is the gently stubborn lady who refused to approve the sale in this country of thalidomide, a sleeping pill and tranquilizer, until she was positive it had been proved out.

Thalidomide was being widely used in Europe, principally by expectant mothers. Dr. Kelsey was placed under tremendous pressure to approve its use in this country. True to her responsibility to the people she serves, she stood lonely and adamant, saying: "Wait until we can be sure."

Her inspired intuition and courage has been tragically vindicated. An estimated 6,000 babies in continental Europe and 3,500 in England have been or will be born without arms or legs—or with only 1 or 2 or 3—as the result of their mothers use of thalidomide during pregnancy.

Only God can know how many American babies Dr. Kelsey's devotion to duty has saved from being born with seal-like flippers instead of arms and legs.

I bow in grateful homage to a great and brave woman. But more than that, to a noble walk of life—the practice of medicine.

Remarks of J. Edward Day, Postmaster General, at the Ceremony Dedicating the Brien McMahon Commemorative Stamp, Washington, D.C., July 27, 1962

EXTENSION OF REMARKS

OF

HON. EMILIO Q. DADDARIO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1962

Mr. DADDARIO. Mr. Speaker, I was privileged to attend a ceremony at the Post Office Department to dedicate a commemorative stamp honoring the late Senator Brien McMahon, of Connecticut. I had written the Post Office Department to urge that such a stamp be issued and had received broad support from Connecticut and from the Connecticut delegation.

Among the speakers at the ceremony was Senator THOMAS J. DODD, a great and good friend of the late Senator. The keynote remarks at the dedication ceremony were delivered by the Postmaster General, J. Edward Day, and I offer them for the RECORD:

REMARKS OF J. EDWARD DAY, POSTMASTER GENERAL, AT THE CEREMONY DEDICATING THE BRIEN MCMAHON COMMEMORATIVE STAMP, WASHINGTON, D.C., JULY 27, 1962

At some prehistoric time, in some unknown place, a tribe of primitive people learned to kindle fire. This mysterious and awesome event was undoubtedly as astounding to them as the release of atomic energy was to us.

Let us assume that the tribal leaders met in council to debate the problems arising out of this weird new phenomenon. Fire, quite obviously, was a potent weapon: it could be used to destroy the village of your enemy.

So the military advisers of the day may have counseled that the secret for kindling it be retained under rigid controls. But, perhaps there were others on hand who saw in fire a great force for good. Warmth and well-being are the gifts of fire. The progress of civilization is based on the peaceful use of fire.

Fortunately for this Nation, Brien McMahon was a man who was able to see beyond the holocaust at Hiroshima and Nagasaki. He saw potential good in the fire unleashed by the atom.

Brien McMahon was a man of vision—a visionary in the best sense. He was not a dreamer-visionary. He was a working-visionary.

Many of you who are present today will remember the grueling work that went into obtaining passage of the MaMahon Act of 1946. That act led to creation of the Atomic Energy Commission and fostered the peaceful uses of atomic energy. There were moments when Senator McMahon stood virtually alone in his belief that military control of atomic energy was not in our best national interest.

Let me reset the stage for you. In those days, we were riding the tiger and did not know how to dismount. The atom bomb had created psychological and diplomatic problems of great magnitude. Few people realized the full significance of the release of atomic energy.

The force of an atomic blast could be measured in relation to explosion of a given number of tons of TNT. But the potential of nuclear energy for industrial or medical research was neither widely known nor well understood. Congress appeared disinclined to take the terrifying new weapon out of the hands of the military. The White House seemed lukewarm to Senator McMahon's proposal for civilian control.

Senator McMahon was then a relatively obscure, 42-year-old freshman Senator. But he became the first chairman of the special Senate Committee on Atomic Energy, an assignment of unusual responsibility for a Senator serving his first term. He labored assiduously to qualify himself as a lay expert on nuclear problems. He took training courses at the U.S. Bureau of Standards, so as to better understand the unbounded new horizons opened by the atomic age. And slowly, through hard toil and patient persuasion, he was able to break down the barriers of opposition. The Congress, once almost solidly opposed, gradually came to agree with him. The Atomic Energy Act was passed and signed into law by President Truman on August 1, 1946.

The influence of Brien McMahon's work will be felt in the future even more than it is felt now. Each new application for good in atomic research in the decades to come will have had its origins, directly or indirectly, in the McMahon Act.

The benefits of his contribution will multiply over the years.

Were Brien McMahon alive today he would be gratified to see the atomic energy museum at Oak Ridge, Tenn. The museum displays examples of how atomic energy is being applied in medicine, in agriculture, and industry. There are examples of industrial research that have, for example, resulted in improved petroleum products. Certainly, these are things that Senator McMahon envisioned 16 years ago.

Under the policies pursued by the Atomic Energy Commission, many nations have shared and benefited from the peacetime uses of atomic energy.

Senator McMahon served the people of Connecticut in the U.S. Senate from 1945 until his premature death just 10 years ago at the age of 48.

President Truman said in eulogy: "Senator McMahon was one of the first to see the fantastic possibility for good in the wise use of atomic power. As he conceived it, the miracle of the release of atomic power was intended for man's everlasting benefit—not his destruction."

I hope that issuance of the Brien McMahon commemorative postage stamp will serve to highlight for millions of Americans the great contribution he made to our society. I hope it will serve to remind us that the best chapters of our history record the courage of men of vision.

Judge C. Beverly Briley, of Davidson County, Tenn., Newly Elected President of the National Association of County Officials

EXTENSION OF REMARKS

OF

HON. ROBERT A. EVERETT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1962

Mr. EVERETT. Mr. Speaker, the National Association of County Officials held its 27th annual conference at the Statler Hilton Hotel in New York City on July 8-11. It was an outstanding gathering of county officials from all parts of the United States.

Much progress has been made in the last few years by the National Association of County Officials. The president for the past year has been David W. Bird, of San Diego, Calif., who has made an excellent contribution to the association. The executive director of the association is Bernard F. Hillenbrand, who in the past few years has really also made an outstanding contribution in the building of the association.

The president for the new year, who was elected on Wednesday, July 11, is Judge C. Beverly Briley, who is the county judge of Davidson County, Tenn.

I had the privilege and honor of working with Judge Briley from 1954 to 1958 when I was executive secretary of the Tennessee County Services Association, an organization composed of the county judges and county highway officials of Tennessee.

Judge Briley has made an outstanding contribution not only to Davidson County, Tenn., as a leader in county government, but to Tennessee as well. His keen insight into all types of county government, his alertness, his honesty, and his energy have been superb.

Recently, through his work and that of other leaders in Davidson County, this county has adopted the metropolitan form of government, thereby combining governmental functions of the city of Nashville and Davidson County.

Judge Briley will make an outstanding contribution to the National Association of County Officials. In his acceptance speech as president of the association he made the point that counties in the recent years have been taking up the problems of local government in a realistic manner and that they are answering the challenges of the local problems.

He also stated that in his judgment, and the judgment of the most of the people who had studied government, that the suburban problem had arisen in the counties—or rather in the cities as such—and that this was true even in the rural areas, because the towns had been accepting more of the population of the counties and that the county governments had not had the opportunities to obtain the responsibilities and authority of rendering the services that were needed in this population migration.

He further stated that with the new concept of county government that they were moving ahead in the field of local government and in the forefront with the kind of leadership that was demonstrated in their meeting in New York and that certainly the problems of the people could be solved; that the association was going to assume a further leadership as they had done during the past decade of developing programs and cooperative understanding between all governmental agencies to achieve the best service at the most economical level of government for serving their people.

They all decided that they will have in Washington in February of 1963, as a tentative date, a second urban county congress, similar to the one they had some 4 years ago. And on this occasion they will attempt to bring up to date the activities that have been taking place in the field of local government toward solving the urban type of problems. And when they use the word "urban" they are not talking about just the big metropolitan centers, but the urban problems that are affecting every county seat, such as water supply, sewerage, and so forth; and that in this conference they expected to have a review of what had taken place prior to—rather since—the last urban county congress and project an additional future.

There were two editorials commending Judge Briley—one in the Nashville Tennessean which is the morning newspaper in Nashville, published by Amon C. Evans; and the other in the Nashville Banner which is the afternoon paper in Nashville, published by James G. Stahlman.

The editorials follow:

[From the Nashville Tennessean, July 12, 1962]

NATIONAL HONOR FOR JUDGE BRILEY

Davidson County Judge Beverly Briley was installed as president of the National Association of County Officials in New York last night. His elevation to the highest post in his chosen field is a compliment not only to him and his efforts, but to his community.

Judge Briley has been nationally recognized among his county official colleagues for a number of years. His election as national president was predestined by his selection last year as vice president.

Though he did not originate the idea of consolidated local government, adopted here June 28, Judge Briley certainly is due credit for proposing it as a solution to Nashville-Davidson County problems. He worked hard for its adoption. Its success in referendum was a testimonial not only to the commonsense of merged local governments, but to the public's confidence in Judge Briley's opinion. Public servants can receive no higher commendation.

[From the Nashville Banner, July 13, 1962]

CONGRATULATIONS, JUDGE BRILEY

Wednesday in New York, Davidson County Judge Beverly Briley was elected president of the National Association of County Officials (NACO), climaxing several years as an active member and officer of the organization.

Judge Briley who has headed the Tennessee organization, a counterpart to the national organization, was one of the prime movers in overhauling and modernizing NACO.

Since the reorganization which included retaining a capable executive administrator, the association has developed into a highly regarded organization, giving the Nation's counties a voice which is respected at every level.

This new approach was needed, Judge Briley and other progressive NACO members believed, because the face of the Nation's counties was changing. In many, many instances—as was the case of Davidson County—farmlands had become subdivisions and the new problems were urban and no longer rural.

To be elected the head of a national organization is a personal tribute to Judge Briley, but it also is an honor for Davidson County, Tenn., to get this recognition—something that we all can be proud of.

The Banner joins the judge's many other friends and associates in congratulating him on the honor bestowed.

The Swedish National Lottery

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1962

Mr. FINO. Mr. Speaker, I would like to show to the Members of this House the worthy ends that a national lottery can serve. Properly channeled, the revenues from a national lottery can be a great aid to the people of the country in question.

Perhaps the wisest users of the national lottery scheme are the Scandinavians. Each of the four nations of Europe's north have seen the merits of a national lottery as a means with which to promote their highly developed cultures.

The largest of the Scandinavian lotteries is run by the Government of Sweden. Not only is the Swedish lottery the largest Scandinavian lottery, but it is the most profitable. In 1961, the gross receipts of the Swedish national came to almost $56 million. Total Government profit was over $31 million. A good portion of this money is set aside for cultural activities, and the rest is devoted to general budget purposes.

The Swedes are proud of the contribution that this lottery makes to the cultural attainment of their nation. They are well aware of the percentage profit made by the Government, but they realize the worth of the uses to which their money is put. Sweden is quite cognizant of the fact that a national lottery is an excellent tool with which to advance the public welfare.

Mr. Speaker, a national lottery in the United States can pump into our Treasury over $10 billion a year in additional revenue which can be used for tax cuts and reduction of our national debt.

Satellites and Folklore

EXTENSION OF REMARKS

OF

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1962

Mr. GONZALEZ. Mr. Speaker, a few weeks ago I was one of nine Members in this body who voted against the Space Communications Satellite bill which was then supported by the vast majority of the House.

Mine was a rather lonesome-looking position, to be one of only nine. Yet, I did not really feel lonely in taking my stand.

However, any man is going to take another look at his position when the overwhelming majority of his colleagues go contrary to his position. I confess I have taken another look at my vote, and today I can say that I am more resolutely convinced than before that I did the right thing.

I voted against the creation of a corporation to be franchised by this body which would be favored by giving to it the biggest giveaway in our history. It was proposed that we give it the right to develop, manage, and exact profit from a system of space communication satellites.

I was appalled at this suggestion, for it struck me as highly inappropriate that this Government should approach the development of outer space in much the same way that the kingdoms of Europe conceived of the development of this continent 300 or 400 years ago. It seemed inappropriate that we should approach the potential of our space interests in the same forms as were used in creating the Hudson's Bay Trading Co. to exploit the continent, or John Jacob Astor's American Fur Co., or the British East India Co., the British Mahogany Co., or any of the others.

We have spent many years and undergone many trials in extricating ourselves from the involvement of private and Government-sponsored corporations that were once used to exploit undeveloped areas, and even to create nations where none had existed before. Our history has often been troubled as the result of our people being involved in commitments and actions on the part of corporate groups who did not necessarily have the same interest that the American people had.

Yet, there is strong feeling in this Congress that we should take a course that would lay ourselves open to repeating past errors on this score.

This is what I make of the communications satellite bill and I am heartened that under the deliberative processes of the other body this bill is receiving careful scrutiny. It should be scrutinized, for in addition to being an unwarranted giveaway it is latent with danger.

There is an additional comment that should be made to those who have argued that although A.T. & T. and its associated bodies would undoubtedly end up with effective control of this Government-sponsored corporation, this is not objectionable since, after all, A.T. & T. is itself owned and run by the people of the United States through widespread stock ownership and the election of managers by such stockowners.

This argument is more folklore than fact and this became ludicrously evident in a recent picture carried in the Washington Post. The picture was of a stockholders meeting of this giant corporation. It showed the few rows of filled seats in a veritable sea of empty auditorium chairs.

The empty chairs that spread out of the range of the camera lens were for the absent stockholders. And their very absence revealed the fiction of control by widespread ownership.

Let us not perpetuate this fiction further and use it to delude ourselves into thinking that the sheer number of stockholders provides any assurance of responsive or responsible control in the public interest.

It is wrong for this Congress to give the property and the sovereignty of the people to this private corporate body. We won this argument when the Atomic Energy Commission was established a few years ago and this new atomic power was held in trust for the people. Let us not lose it now with this latest technological breakthrough on communications.

I say it is good that the Senate is moving with caution on this measure. This is not the day and time to revive the Hudson Bay Co. America should speak for itself in dealing with other nations and not delegate this to private corporation executives.

Most important, we are the trustees of what belongs to the American people. We cannot fulfill our trust by franchising out the property and prerogatives of the people for private profit.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1962

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of July 28, 1962:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas, July 28, 1962)

Intellectual honesty, practiced as political honesty, may be defined as speaking, acting, and voting as one believes to be right (vote one's convictions) rather than trying just to be politically smart. Since Members of Congress do not and cannot under House rules question the integrity or motives of other elected officials, that is their colleagues, it is up to the people to recognize, know, and label what is political honesty and what is not. This week's legislative events, or any week's, could be the appropriate vehicle for such critical evaluation.

Agricultural appropriations, costing taxpayers $5,475,842,500 provides the necessary wherewithal to continue for another year the farce of Federal handouts to and control of farmers—a large bloc of citizens and voters. Farmers' objections are partially silenced by Federal largesse. It's a high price to pay for control over their lives and what they may do with their property. The Dole amendment became the most famous part of the bill, an amendment that sought to bar the administration's use of taxpayers' money for propaganda purposes of influencing passage or rejection of legislation. It was rejected by a straight party line teller vote 172–118. Democrats for rejection of the amendment—Republicans against.

Mann Creek Federal reclamation project in Idaho passed 199 to 162. This relatively small project, costing $3,225,000, will provide water and irrigation for 5,000 acres of land to grow hay, barley, wheat, or for pasture. At the same time in hay alone 258,747 acres have been retired into the soil bank, costing the taxpayers $2,200,000 per year.

The Equal Pay Act of 1962 passed hurriedly (almost like sweeping something under the rug), with Members refusing to make a record vote. This bill seeks to make a Federal law, replacing State and local laws, forcing equal pay regardless of sex, wherever there is comparable work and comparable skills. "Equal work" became the language on amendment and made better the surface good sense of no discrimination in pay because of sex. I opposed it because this bill will result in women losing jobs. The reasoning, as I see it, is elementary. All States, in various forms and combinations have women labor laws related to hours of work, maximum and daily, meal and rest periods, night work, employment before and after childbirth, occupational limitations—seating and weightlifting requirements—all recognizing one thing women are different than men—not equal, unequal, better or worse—just different by design and function as the reproducers of the human race. So it is that women are not expected to be able to stand as long as men—therefore, seats are provided. (No, we don't treat our women as the Communists do—as equals in work and work conditions.) Whatever these differences, when the time comes that women cannot produce equal output, should this law pass an employer would be foolish not to, wherever possible, replace her with a man. Most likely, he will hire men instead of women. The bill passed the House of course, mainly because of political pressure. Members feared that some constituents back home might construe their vote to indicate they thought women not as good as men. I, too, believe that everyone ought to be paid the same for the same work output.

The foreign aid authorization conference agreement between House and Senate passed 221 to 162. I opposed it because the conferees struck out the House prohibition of the U.S. additional support of the U.N. when member nations refuse to pay up their delinquent just part (which is small enough, to say the least), and because the House and Senate capitulated to White House pressure to permit the President greater latitude in giving away taxpayers' money abroad, including to Communist countries. The extent of the President's openhanded aid to the United Nations and Communists all during recent months only now has come to light in the June 25, 1962, Joint House-

Senate report (Document 85-213) which shows the United States agreed to permit 78 nations to reduce their U.N. contributions because the United States volunteered to pay it for them to a total of $11.4 million (beyond our usual lion-share assessment) between November 1961 and June 30, 1962.

Texas, as a depressed area, which our Governor and Texas Members of Congress have stoutly denied to be the case, was granted a $420,000 loan to build a 72-room motel in Woodville, Tex. "The project is part of an overall plan to expand the economy of eastern Texas. Seventy-five jobs will be created." That is an example of how the Federal Government Area Redevelopment Act is working.

News commentators are being forcibly suppressed by the Attorney General who has filed antitrust proceedings against King Features. Noted columnists are being told that any derogatory or noncomplimentary articles about the Kennedys will be reason for deletion of their stories. How is that for freedom of the press and speech in "the land of the free and the home of the brave?"

"Every honest man will suppose honest acts to flow from honest principles."—THOMAS JEFFERSON.

J.F.K.: Is There a Doctor in the House?

EXTENSION OF REMARKS

OF

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1962

Mr. WILSON of California. Mr. Speaker, during his campaign for the Presidency, John F. Kennedy criticized the growth rate of this country and attacked President Eisenhower's economic and fiscal policies for not moving the Nation forward rapidly enough. He said in a speech in Detroit on September 5, 1960, that the Nation's economy was in bad health and "we had better call for a new doctor in Washington."

Today, Mr. Speaker, nearly 18 months after his inauguration, President Kennedy's economic and fiscal policies have brought America to a near halt. All of which promoted Senator BARRY GOLDWATER, chairman of the Republican senatorial campaign committee, to state in a National Press Club speech on July 26:

> I think it's about time we ask if there is a doctor in the house.

Mr. Speaker, because the Senator from Arizona offers some pertinent comments about the state of the Nation's economy and where we are headed under the policies of the New Frontier, I would like to call the attention of the House to his remarks and I include his address in the RECORD, as follows:

SPEECH OF SENATOR BARRY GOLDWATER, CHAIRMAN OF THE REPUBLICAN SENATORIAL CAMPAIGN COMMITTEE, NATIONAL PRESS CLUB, JULY 26, 1962

Mr. President, members and guests of the National Press Club, I am delighted to be here today and I want to thank your speakers committee for inviting me. I always feel a high degree of freedom when I speak before this club, and I think it is because nothing I say here ever gets into print. This imbues me with that wonderful off-the-record feeling so dear to Members of Congress who like to indulge in verbal freewheeling.

Now when I was first told about this invitation, I spent considerable time wondering what I should say here. I wondered, for example, whether I should lecture the press about its high responsibility in the life of the Nation, whether I should make a case for or against quoting Congressmen and Senators out of context, or whether I should merely announce the cancellation of my subscription to the New York Times.

But I decided against shop talk. I decided that as long as I had this fine captive audience at my mercy, I might as well get a few things off my chest.

Let's start with the Congress of the United States. And here let me say that the handling of this Congress by the administration and its party leaders in the House and Senate is about the worst I have seen since being here. I suppose this is as it should be, since no one can expect the operation of Congress to exceed in excellence the subject matter it is given to work on. Since many of the legislative proposals sent up to the Hill from the White House are farfetched and ridiculous, it isn't surprising that the legislative machinery should break down in midsession under the weight of Democratic arguments and blunders.

But it certainly is a strange way to "get the Nation moving." When you recall the ringing campaign promises of the New Frontier and then look at the state of the economy and the record of President Kennedy's Democratic-controlled Congress, you begin to understand what a poor bill of goods has been sold to the American people.

If this Nation is moving under the guidance of the Democratic administration, it is moving in the wrong direction; it is moving toward complete chaos compounded by unemployment, recession, balance-of-payments deficits and a depleted gold reserve. It is moving in the wrong direction on all economic fronts, and the sorry part of it all is that no one in the White House seems to know what to do about the situation.

Maybe you will recall last year's antirecession program. It was sent up to Congress with many claims. It was to take the Nation out of the doldrums and spark a Kennedy recovery in 1962. It was to wipe out unemployment. It was to do a lot of things. And it was adopted. The Congress raised the minimum wage, provided help for depressed areas, and generally did about everything along this line that the President requested.

But it didn't work. We are today closer to a serious recession than we were when the New Frontier started its meaningless chant about getting America on the move. And we are presented with the spectacle of a government hemming and hawing over what to do to remedy the situation. Half of the White House brain trust seems to favor an immediate cut in taxes; the other half apparently wants to wait until next year. Former President Eisenhower used the word "floundering" to describe the present administration. And I believe he hit the nail right on the head. What we have today in the Federal Government is irresponsibility laced with indecision and uncertainty. The more you read today of what is known as "the economic debate," the more impressed you become with the feeling that the White House is adrift on the sea without a compass. You begin to get the frightening idea that those in charge of Federal fiscal and monetary policy actually don't know what to do. You begin to understand that the President and his economic advisers aren't sure what will help and what will hurt. And finally you come face to face with the inescapable conclusion that these are not the men who can get America moving in a way that will accelerate economic growth and quiet the fears of foreign governments about the stability of the American dollar.

All you have to do is look at the rate of economic growth today to realize that something is seriously wrong. The latest gross national product figures show an increase in the second quarter of 1962 of only 1.3 percent. After a year and a half of meddling by the New Frontier, we have slowed down to a snail's pace while Europe and the rest of the world continue to flourish.

According to the Government's figures, the gross national product stands at a yearly rate of $552 billion. This is $7 billion more than the rate established during the first quarter of 1962.

Now a $7 billion increase might seem like a sizable one if you don't stop to consider that the upward rate was nearly twice this amount last year on a quarter-to-quarter basis. And the rate last year was the one the Kennedy administration considered far too small to provide for the demands of a growing population in a nation with worldwide obligations.

To get an idea of how slow the economic rate actually is, it is important to remember that the Kennedy administration has been talking in terms of a gross national product total of $570 billion by the end of 1962.

And to get this problem into even better perspective, we might hark back to the 1960 presidential campaign and listen to what Candidate Kennedy had to say about proper economic growth. In those days, of course, the gross national product was growing at almost twice the rate announced for the second quarter of 1962. But Candidate Kennedy viewed the situation with alarm. Here is what he had to say about it in a speech delivered on September 5, 1960, in Detroit's Cadillac Square:

"Under Republican leadership, we have not been growing. The workers have noted it in unemployment and short workweeks. Businessmen have noted it in idle plant capacity and rising inventories. And Mr. Khrushchev noted it when he promised to 'bury' us.

"Three facts are indisputable:

"Fact No. 1: Between 1947 and 1953, under the administration of Harry Truman, our average annual rate of growth was 4½ percent. Between 1953 and 1959, under a Republican administration, the rate was only 2¼ percent—less than half as much. And today our key industries such as auto and steel are operating at much less than full capacity.

"Fact No. 2: While our economy is crawling forward at an average rate of only 2¼ percent, the Russian gross national product is annually increasing at 7 percent—three times as fast.

"Fact No. 3: Our rate of growth was surpassed by almost every major industrial nation during the past years of drift and indecision—including Germany, France, the Netherlands, Italy, Japan. These are facts we must face. This is the record our opponents have described as a healthy rate of economic growth. And I defy them to find anything healthy about it."

And that's not all. Let me quote Candidate Kennedy's conclusion. Here's what he said:

"When this country, with all its potential, is growing at less than half the rate achieved by the Soviet Union, less than the rate of almost every major industrial nation on earth, then our health is obviously down and we had better call for a new doctor in Washington."

Thus spoke Mr. Kennedy when the Nation's economic growth stood at two and a quarter percent. Today I think it's about time we ask if there is a doctor in the house.

Now, we have heard a great deal about the administration's trade program. I won't go into details that you already know about this vast request for executive authority over the Nation's tariff and trade policies. What I want to emphasize is that this has been promoted as a cure-all for our outstanding economic difficulties. This is the legislation, we are told, which will increase American exports, which will enable American industry to better compete with foreign producers, which will ease the deficit in our international balance of payments, which will put us in harness with the European Common Market.

The trouble is going to set in if and when this program is passed and we find that it won't do what was promised. For I am convinced that it will not do all or any of these things for the American economy unless it is accompanied with other moves—unless it is welded into an overall plan of fiscal responsibility incorporating reduced Government spending, a balanced budget, tax reform and payments on the national debt.

Now, free trade is a worthy economic objective. And, of course, no one can or will argue with the desirability of a net increase in our exports over our imports. But it is wishful thinking to assume that the administration's trade program will accomplish this merely because the bill sets it forth as one of its purposes. No one can guarantee that unilateral tariff changes by the United States, no matter how sweeping, will bring about an increase in exports. This is because trade and tariffs are not one-way streets. And, if our drastic tariff reductions are not matched by foreign countries and not accompanied by acts of fiscal responsibility, this bill will get us into greater trouble than we are in at present. And I might remind you that the history of reciprocity is not particularly encouraging. At the present time, our industrial tariffs average about 11 percent; those of the Common Market countries average 14 percent; and only a few countries have an average any lower than ours.

What we desperately need in this country is a higher rate of capital investment. The rate today is about equal to what it was in 1957. And that's not enough to keep the economy expanding. We also need better plants and equipment to help us compete on a quality basis with foreign manufacturers. So, what can we do about it? I believe the President could solve much of the problem by recommending immediately a greatly liberalized treatment of depreciation in our tax laws. I mean something sizable enough to allow industry to begin replacing some of the $95 billion worth of aging and obsolete equipment with which it is presently saddled. The highly publicized moves he has recently made in this direction—that piddling 8-percent tax credit recommendation and the equally small $1.5 billion adjustment in depreciation allowance schedules—are too small to be counted. They won't make a dent in the overall problem.

But a proper recommendation on depreciation, accompanied by spending cuts to offset a resulting loss of revenue, would give a tremendous boost to the economy. It would do far more than the kind of tax cut the administration has been toying with on the theory that the need is for greater consumer purchasing power. Lack of purchasing power is not the problem.

What we're short of today is confidence. Purchasers and investors are frightened and unsure. And, in this, they are merely reflecting the attitude of the Federal Government which gives every sign of being frightened and unsure itself.

Perhaps the most important requirement for increased business activity and sound economic growth is a healthy climate. When optimism abounds, more people are eager and willing to invest in the future. When pessimism and uncertainty reign, they sit tight; their money remains idle and the wherewithal for business growth and expansion is not forthcoming.

In this context, I suggest, the whole argument over whether the Kennedy administration is antibusiness becomes largely academic. The thing that has slowed down the American economy and sent the stock market into the doldrums is the prevailing conviction that the Government is adamantly opposed to price increases and only weakly opposed to new wage increases.

At the very least, the New Frontiersmen are guilty of misunderstanding how the free enterprise system operates. They are guilty of letting the Government appear to be antagonistic, whether it actually is or not. And they are guilty of believing the business system can benefit from Government tampering.

Progress Report of the White House Committee on Small Business

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1962

Mr. PATMAN. Mr. Speaker, when President Kennedy was campaigning for the high office he now holds, he stated:

> One of the great challenges of the sixties will be to strengthen the small independent businessman against the large business units which threaten to crowd him from the American economic scene—and to reverse the disastrous policies which are destroying this historic cornerstone of our free enterprise system.

Those of us who plead the cause of small business do not seek special privileges for that vital segment of our economy. Instead, we seek to have the Government balance the scales so that small business can compete on equal terms with all others. Inasmuch as small business comprises 95 percent of the entire business population, the importance of maintaining its economic health is readily apparent.

One year ago, President Kennedy created the White House Committee on Small Business to implement the declared policy of the Congress that the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small business. We now have the benefit of its first efforts in the form of specific recommendations whereby the Federal Government can enhance the future growth and prosperity of small firms.

As chairman of the Select Committee on Small Business of the House of Representatives, I wish to most heartily endorse these recommendations and commend the President and the White House Committee for their efforts. Because of the importance of this Committee and the results thus far achieved by it, I wish to invite my colleagues' attention to its progress report which follows:

PROGRESS REPORT TO THE PRESIDENT—ACTIVITIES AND RECOMMENDATIONS OF THE WHITE HOUSE COMMITTEE ON SMALL BUSINESS, JUNE 1962

SMALL BUSINESS ADMINISTRATION,
Washington, D.C.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am pleased to present to you a report of the White House Committee on Small Business. The report has the approval of all members of the Committee.

Respectfully,
JOHN E. HORNE,
Chairman, White House Committee on Small Business.

(Department of Commerce, Department of Defense, Department of Justice, Department of Labor, Department of the Treasury, Bureau of the Budget, Council of Economic Advisers, Federal Trade Commission, General Services Administration, Housing and Home Finance Agency, Small Business Administration.)

THE WHITE HOUSE,
Washington.

Hon. JOHN E. HORNE,
Chairman, White House Committee on Business, Washington, D.C.

DEAR MR. CHAIRMAN: It is with great interest and deep gratitude that I have received and read this report on the studies, evaluations, and recommendations of the White House Committee on Small Business, summarizing the Committee's first year of activity. The Committee has carefully noted the historic contribution of small businesses to our economy and the serious obstacles which they now face, and has made a number of significant observations as to the areas in which the Federal Government can enhance the future growth and prosperity of these small firms.

This administration is determined to insure a strong, diversified foundation of healthy small firms; to expand the markets for American enterprises; to preserve a system of free and open competition, and to develop constructive policies and programs in behalf of the small business community. The deliberations of this Committee vividly demonstrate that determination.

The recommendations contained in this Committee report outline specific measures whereby the Federal Government can foster and encourage small business enterprises, thus strengthening the entire economy. You may be assured that these proposals will play a significant role in this administration's planning. At the same time, your report should encourage the small businessman to help provide the leadership and initiative for America's economic growth in the years ahead.

Sincerely,
JOHN F. KENNEDY.

INTRODUCTION

One year ago, the President announced the creation of the White House Committee on Small Business. The membership of the Committee is comprised of representatives of those departments and agencies within the executive branch of the Federal Government whose activities most directly affect the small business community.

In his statement, the President left no doubt that the administration considers the role of small business a vital one in the national economy. The rate of economic growth essential to a sustained recovery can be achieved, he asserted, "only if the small business segment of the economy, which comprises 95 percent of all businesses in the United States, is vigorous and healthy."

The Committee was directed, first, to make a careful evaluation of existing programs of the Federal Government with the aim of strengthening and refining them. "Through the Committee," the President stated, "the Government's many efforts to foster and encourage small business enterprise should be closely coordinated to the end that they may be made as effective as possible."

Beyond this, the President made it clear that he looks "to the newly formed White House Committee on Small Business to provide the leadership in Government that is required to develop new, constructive policies and programs in behalf of small business." The Committee is expected, said the President, to "generate new ideas, new approaches to overcome obstacles that may impede small business growth."

In addition to offering guidance in the shaping of Federal policy, it was anticipated that the Committee would exercise a role in kindling the initiative and incentive of the small business community itself. As the President observed, "This Committee has great responsibility—and a corresponding great opportunity. From this Committee should come the leadership necessary to stir the imagination and reawaken the energy and daring of the individual small businessman."

For the past year, the Committee has engaged in a process of study and discussion, of evaluation and recommendation. This report summarizes the Committee's first year of activity.

SMALL BUSINESS AND THE FEDERAL GOVERNMENT

One of the first tasks which the Committee set for itself was to reexamine the contributions of small business to the American economy and to evaluate the policies of the Federal Government designed to enhance those contributions. In a study submitted to the President, the Committee has summarized its conclusions. In brief form, the study undertakes to review the contributions and values of small business, the obstacles it faces, and the areas in which the Federal Government can play a helpful and legitimate role in assisting small business to prosper. These are the highlights of the study.

The social and economic value of small business

The existence of a large number of small independent businesses helps to preserve competition, thus insuring increased efficiency and high quality and reasonable prices for consumers. As the Committee concluded, "If we accept as our objective a system in which the decisions of the marketplace are dictated by the selective mechanism of competition rather than by the exertion of economic power, our principal goal must be to preserve competition. It seems clear that the existence of a healthy small business community substantially increases the likelihood of maintaining a system in which free and open competition provides the basis for economic decisions."

A large number of small independent businesses decreases the likelihood of excessive economic and political control. The Committee observed, "A truly open society in which equality of opportunity is actively encouraged is characterized by the distribution of economic power among several elements of the business population and by the diffusion of political power to a broad range of the citizenry. A disproportionate amount of economic power leads with distressing regularity to a grossly unequal distribution of political power."

Small business offers opportunity for the expression and growth of personal initiative and individual judgment. The Justice Department succinctly summarized the conclusions of the study: "It is the theory of our society that the maximum degree of individual freedom to make choices and exercise judgment will afford the greatest opportunity for individual initiative and expression and, by those means, secure to society the maximum contribution of all. A system which limits the opportunities for economic activity or determination by the individual may very well be losing a good deal of ability and talent."

Small business is frequently the source of new products and new methods. The committee's examination of the major inventive contributions of this century led it to the conclusion that the small business community is "a vast seedbed for technological development and innovations." Finding the contribution of small business in the field of inventions to be of "overwhelming significance," the study concluded that "the benefits to the Nation of retaining and expanding this inventive force are obvious."

Small business constitutes a large and diversified source of employment opportunities. Approximately one-half of total nonagricultural employment falls within the broad concept of small business in the United States. This broad range offers to a worker not only a depth, but also a considerable variety of employment opportunities. In addition, small business provides opportunities for continued contributions by those who may be unemployable under the rigid requirements of many large organizations. Further, in times of national emergency, the Nation benefits from the fact that small businesses constitute a vast and widely dispersed source of personnel, facilities, and materials.

Certain services essential to the economy can be performed best by small business. The committee concluded that in some instances small business has an actual advantage over large business in technical efficiency. "A number of factors—some inherent in the size aspect itself and others the result of fairly recent developments in technology—contribute to a peculiarly effective role which small business can play in the national economy," the committee noted. The particular attributes of small business which contribute to this role include its strength in personal service, specialization, adaptability, and inventiveness.

The role of the Federal Government

Despite the significant contributions of small business to the economy, the committee observed, "the balance between large and small business is, from the point of view of the small businessman, generally a precarious one. The Congress has wisely recognized this fact, and has attempted in several areas to guard against the possibility of an imbalance. The committee believes that the Federal Government has a legitimate concern in maintaining this balance in such a way as best to serve the national interest."

The committee therefore turned its attention to an analysis of the factors which tend to limit the role of small business in our economy, and to some suggested guidelines for the development of a positive policy toward small business.

The Committee asserted its "basic belief that the competitive market mechanism, if given a chance, will produce a socially desirable result in the long run in most markets. Our concern is that the competitive mechanism will not be allowed to work and, in particular, that the salutory competition of small firms and of new firms will be unduly restricted."

Two types of limitations on the participation of small business in our economic life are noted in the study. The first type is that arising from an inadequacy or inefficiency within the small firm itself. This may properly be referred to as a real cost disadvantage of small business—as, for example, those cases in which the actual resources to produce a particular product or service are greater in a small firm than in a large one. Another type of disadvantage of small business is the institutional barrier to the participation of small firms in our economic life. This may arise either through the intentional exclusion of small firms from some markets by the individual or collective action of other organizations, or through the routine conduct of affairs so as to favor large firms over small ones.

Based upon its analysis of the differing implications of these two forms of barriers to small business success, the Committee concluded: "An important element of a positive policy toward small business is the elimination of discrimination against the small firm."

A second element should be an effort to enable small firms to help themselves, both in the direction of better internal management and in group activities which will achieve some of the advantages of larger scale operations while maintaining the independence of the small firm.

In conclusion, the Committee affirmed that it is in the public interest to support policies which create equal opportunity in the market and which create a climate in which efficient small firms can be born and grow in activities to which they are well suited. As the Committee observed, "It is our opinion that there are a substantial number of ways in which the participation of small business in the economy can be significantly increased, and dynamic competition of the economy thereby strengthened, without incurring significant real or money costs. Let it be emphasized that we have no interest in increasing the number of uneconomic small firms in the economy. * * * Such an exercise would be futile and irresponsible. We do, however, have a strong interest in increasing the entrance opportunities and survival rates for small firms. We believe that in many instances this can be accomplished by the removal of institutional barriers to small business success and to the improvement of small business performance in an open, competitive economy."

"Small Business in the American Economy" White House Committee on Small Business, May 1962.

RECOMMENDATION OF THE COMMITTEE

Based upon its studies during the past year, the Committee believes that these are the problem areas presently facing small business:

1. Market structure or competitive conditions as they affect equality of economic opportunity.

2. The adequacy of managerial ability and experience, and the awareness of information available to small business.

3. The ability of small business to obtain capital on reasonable terms.

4. A consideration of the place of small business in governmental programs and activities.

It is to these areas that the Committee has directed its attention during the past year.

The procedure which the Committee has used in studying these problems has varied. In some cases, ad hoc study groups were appointed to evaluate a problem and to make recommendations as to the most effective disposition. In other cases, authorities from other Government agencies or from outside sources have appeared before the Committee in a consultative capacity. In still other cases members, whose area of responsibility included the problem under discussion, were assigned primary responsibility for developing the material necessary for a decision by the Committee.

1. Market structures or competitive conditions as they affect equality of economic opportunity

A. Expediting the investigation of unfair trade practices: When faced with an unfair trade practice on the part of a competitor, the typical small businessman is likely to be uncertain as to the most effective means of redress. Since the Federal Trade Commission has only 10 field offices, he may well be at a considerable distance from the nearest representative of that agency. To expedite action on complaints of unfair trade practice, the Small Business Administration and the Federal Trade Commission, on the basis of a Committee recommendation, have entered into an agreement designed to make it more convenient for the small businessman to file his complaint and to speed the handling of such communications. SBA field offices located in 60 cities throughout the country will now accept such complaints and forward them directly to FTC headquarters in Washington for appropriate action.

This innovation, hailed in the House of Representatives as "a reform in the administration of unfair trade practice complaints," has already shown promise as a means of speeding and improving a process which in the past has frequently been slow and ineffective.

B. Authorizing the Federal Trade Commission to issue temporary cease-and-desist orders: Despite efforts on the part of the Federal Trade Commission to remedy the problem, law enforcement by the FTC has been frustrated by delays and by an increasing backlog of cases. The Committee concluded that "protection of the competitive system and the place of small business in that system requires that the inevitable delays in litigation shall not be employed to permit the continuance of the very practices against which the FTC Act and the antitrust laws have been enacted." Unless the practices which the FTC alleges to be violative of the law can be stopped while their legality is finally determined, the litigation may prove futile. The small businessman who is the victim of the practices may well have been irreparably injured or destroyed during the course of the proceeding. As a measure to protect and assist small business, the Committee therefore recommended to the President that he give full support to the objectives of pending legislation providing for issuance of temporary cease-and-desist orders by the Federal Trade Commission.

Shortly thereafter the President expressed his strong support for such legislation. Noting that the White House Committee had studied the proposed measure and recommended its approval, the President concluded that such legislation "will provide essential protection for small businessmen and thus strengthen competition throughout the Nation's economy."

The Committee reaffirms its endorsement of this proposed legislation.

C. Strengthening the power of documentary demand: The Committee studied pending legislation empowering the Attorney General to compel the production of documentary evidence in civil antitrust investigations and concluded that such legislation would be a significant assistance to small business. The Committee advised the President that "it is frequently the case that remedial legal action comes too late to be of any assistance to the businessman who is the victim of anticompetitive practices. Legislation of this character would allow the Department of Justice to proceed with the speed which is necessary in order to enforce antitrust laws. In this regard, such legislation contributes to the welfare of small business."

The bill has now been passed in somewhat differing forms by both Houses of Congress, and has been referred to conference for the reconciliation of the differences.

2. The adequacy of managerial ability and experience, and the awareness of information available to small business

A. Increased liaison between the Small Business Administration and other Government agencies: One of the Committee's earliest recommendations was for the institution of more effective liaison between SBA and the other agencies represented on the Committee. Working relationships on a continuing basis have now been developed along the lines recommended by the Committee. Among the relationships established have been those with the Department of Commerce's Business and Defense Services Administration, Office of Distribution, and Office of Technical Services; the Department of Labor, to channel workers to small businesses and to make available to small business the facilities of the Bureau of Employment Security; the Department of Defense, to encourage small firms to organize pools and joint ventures for the purpose of engaging in research and development; the Area Redevelopment Administration, to gear the programs of ARA to small business, and the Urban Renewal Administration, to encourage and assist local officers to extend technical relocation services to displaced businesses and to encourage local agencies to consider the impact on small business in the delineation of urban renewal areas.

B. Tax guidance for small businessmen: The Committee recommended that the Small Business Administration and the Internal Revenue Service jointly explore the feasibility of conducting tax clinics for small businessmen. The first two such clinics have now been conducted, in conjunction with Syracuse and Bradley Universities, and were enthusiastically received. The purpose of the clinics is to alert small businessmen to the tax aspects of managerial decisions. It is expected that the two agencies will expand the program considerably in the coming months.

C. Antitrust guidance for small businessmen: It is the belief of the Committee that many small businessmen are not adequately familiar with laws relating to antitrust violations and unfair trade practices. The Committee therefore recommends that the Department of Justice, the Federal Trade Commission and the Small Business Administration explore the feasibility of conducting legal clinics devoted exclusively to an examination of these laws, the remedies provided thereunder, and the impact of these statutes upon small business.

D. Expanding the role of small business in foreign trade: The Committee recommended that the Department of Commerce and the Small Business Administration devise a program for providing advisory assistance to individual small business firms, informing them of the possibilities in the field of foreign trade. The two agencies have now developed coordinated programs to avoid duplication of effort in this area. The Commerce Department is responsible for the actual servicing of the technical needs of business in the development of trade opportunities. The SBA's activities to increase interest in exporting include conferences, meetings, courses, publications, research, counseling and the stimulation of small business participation in trade fairs, centers, and missions.

In addition, SBA and FTC are examining the antitrust exemptions under the Webb-Pomerene Act and evaluating the adequacy of the existing provisions.

E. Managerial assistance to small business: The Committee examined the availability and use of managerial information and guidance for the small businessman. The Committee concluded that there is a need for more such information and guidance, and that the small business community is as yet largely unaware of the services which are available. The programs of the Small Business Administration in this regard were discussed and evaluated. The Committee endorses these management programs and recommends that they be given greater emphasis.

3. The ability of small business to obtain capital on reasonable terms

A. A program of guaranteed leases: A recurring complaint of small retailers is their inability to obtain leases in desirable locations. Small concerns are in many cases precluded from acquiring prime space in such areas as shopping centers, downtown locations, and industrial parks. It is asserted that in some cases financiers of such developments require that tenants have a credit rating beyond the potential of most small businesses. It is further alleged that other landlords or promoters are reluctant to make space available to small concerns, since such leases do not provide a basis for financing. One method proposed for overcoming this resistance is to guarantee the rental of a small business, thus enabling the promoter to obtain financing and thereby assisting small concerns in securing space. The Committee discussed the problem, considered the proposal of a guaranteed lease program by the Federal Government, and has taken the matter under advisement.

B. Tax proposals to facilitate expansion and modernization: Small business has traditionally found difficulty in obtaining outside capital to provide for expansion and modernization of facilities. This difficulty is aggravated by inadequate tax treatment of the use of internal funds for such purposes. The Committee studied a number of proposals, directed at the latter problem, including the investment tax credit contained in the proposed Revenue Act of 1962. The Committee endorses the credit as a particularly attractive means of stimulating the growth, stability, and vigor of small business in the American economy. A position paper, explaining the salutary effect the proposal would have upon small business, has been prepared and distributed by the Committee to appropriate sources.

C. A simplified method of financial assistance to small business: The Committee recommended, and the Small Business Administration subsequently adopted, a simplified bank loan participation plan. The plan is designed to encourage bank participation in SBA's lending program by minimizing the paperwork required in processing a loan and by relying on the bank itself for credit guidance. Use of the plan has resulted in a greater flow of private lending funds to small businesses, increasing and expediting assistance to a greater number of small businesses. The acceptance of the plan by banks was almost immediate, and has continued at a gratifyingly high rate.

4. The place of small business in governmental programs and activities

A. Familiarizing the small businessman with the services of the Federal Government: The Committee, together with the Senate Select Committee on Small Business and the Small Business Administration, has cosponsored a publication entitled "Federal Handbook for Small Business." Designed to bring together the various activities performed in behalf of small business by 13 Federal agencies, the book discusses financial and technical assistance, Government sales and procurement, foreign trade, labor-management relations, research and marketing assistance, taxes, unfair trade practices, and other matters of concern to the small business community. About 80,000 copies are being printed and will be distributed to small businessmen throughout the country.

B. Avoiding duplication of effort in providing services to small business: The Committee has studied the variety of services available to small businessmen and concludes that the Small Business Administration has come to be regarded by the small business community as its spokesman within the Government. It is the consensus of the Committee that the SBA, in accordance with the act creating it, should be encouraged to continue its educational programs and pursue vigorously its activities in behalf of small business. The Committee further concludes that the most direct way in which assistance to small business can be carried out with maximum effectiveness and a minimum of duplication is by a clear recognition of the SBA as the appropriate agency to serve as a center of information on Government services available to small business.

C. The place of small business in a program of Government procurement: The Committee is presently concluding a study of the impact of Government procurement programs upon small business. The particular focus of the Committee has been upon the weapons system method of procurement, but the implications of the study will extend beyond that subject. It is hoped that the study will result in a number of recommendations for revisions in the existing Government procurement programs. When he appointed the Committee, the President directed the organization "to devise means for assuring small business a larger share of Government contracts and subcontracts." It is hoped that the study now being completed will make a significant contribution toward that objective.

D. Small business set-asides. The set-aside program, authorized by the Small Business Act, provides in essence for limiting those who may bid on procurement contracts to small firms in cases where there is reasonable expectation that bids or proposals will be obtained from a sufficient number of responsible small business concerns so that awards will be made at reasonable prices. The Committee has studied the program and found it to be a useful tool in fulfilling the policy of Congress that "a fair proportion of the total * * * contracts and subcontracts for property and services for the Government" shall be placed with small business firms. The Committee feels that the present program should be continued substantially as it is, adding to it only through education and emphasis. Particular attention was devoted to the allegation that the cost to the Government under a set-aside program exceeds the price which would be paid if the program were not in effect. While acknowledging the possibility of a slightly higher price in a particular procurement, the Committee affirms its belief that the overall set-aside program contributes to the likelihood of continuing the small business competition which is essential in achieving substantially lower prices in the long run.

CONCLUSION

President Kennedy has said that "one of the great challenges of the 1960's will be to strengthen the small independent businessman." The last year has witnessed a number of significant steps to meet that challenge.

As is typically the case, the small businessman was the first to be hit and the last to recover from the 1960 downturn in the economy. The last several years have seen a steady increase in the rate of business failures recorded. The total number of business bankruptcy cases filed with the courts in the last fiscal year was well above the level during the last decade.

But, by the end of 1961, small business appeared to be making a recovery of its own. Growth of the business population, slowed during the recession, has accelerated in recent months. In the second and third quarters of 1961, the number of businesses in operation increased by 15,000 in each quarter compared with increases of 10,000 in the first quarter of the year and only 5,000 in the fourth quarter of 1960. By the end of the third quarter of 1961 the business population had reached a new high of 4,775,000 firms of which approximately 4½ million were small businesses. For the year 1962 to date, business failures have been about 5 percent lower than last year.

It will require concerted effort on the part of private industry as well as the Government to assure that small business retains its place in the American economy in the years ahead. The impact of the recessions of the 1950's has been most severe on small business. The problems connected with launching and operating a small business have become more difficult in the last several years. Mounting costs, intensified domestic and foreign competition, improved methods—all these have contributed to a need for high levels of managerial and technical knowledge, as well as for sufficient funds.

In order to strengthen the competitive position of small businesses, the Committee believes that it is necessary to insure free entry into the marketplace; to preserve equality of economic opportunity for those already established; to supply appropriate information and assistance to individuals who desire to establish new businesses; to augment existing sources of equity and long-term capital, and to preserve to small business a fair and equitable place in the programs and policies of the Federal Government.

In the past year several steps have been taken in this direction. An increase in the revolving fund authorization of the Small Business Administration was effected by an an amendment to the Small Business Act. That agency has virtually doubled its services, most notably in the field of business loans. The Small Business Investment Company program has made a significant contribution toward channeling the flow of private funds to small business. A small business subcontracting program provided for in the 1961 amendments to the Small Business Act has been developed cooperatively by the Small Business Administration, the Department of Defense and the General Services Administration with a view toward expanding the share of subcontracts under Government prime contracts received by small business. The President's order that the small business share of military purchases be increased by 10 percent is a promising beginning. The Department of Justice and the Federal Trade Commission have stepped up their efforts to deter and control anticompetitive practices.

But much remains to be done. In a society in which so many voices are raised in their own behalf, a continuing evaluation of the position of small business is essential. Certainly, no such appraisal can be complete without a careful study of the role of the Federal Government in assisting small business to grow and prosper. It is the Committee's hope that its recommendations to date will make a significant contribution toward such an evaluation, and that its recommendations in the coming months will augment that contribution.

ASW: What We Have—What We Need—Where We're Going

EXTENSION OF REMARKS

OF

HON. ROBERT F. ELLSWORTH

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1962

Mr. ELLSWORTH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article which was written by our distinguished colleague, the gentleman from Maryland [Mr. MATHIAS], for Data, the magazine of research and development management. The gentleman is well qualified to write on the subject of antisubmarine warfare through his naval experience, his continued activity in the Naval Reserve, his personal interest in the subject and as a Member of Congress. I commend the reading of this article to all of my colleagues.

The article follows:

ASW: WHAT WE HAVE—WHAT WE NEED—WHERE WE'RE GOING

(By Congressman CHARLES McC. MATHIAS, JR., Republican Representative from the Sixth District of Maryland)

Since its advent as an effective military weapon in World War I, the submarine has presented the classic obstacle to free world control of the seas for commercial and military purposes. Near disastrous experience in two world wars indicates the potency of enemy submarine fleets in the face of an inadequate operational antisubmarine warfare system. Today the nuclear submarine and its marriage with the ballistic missile has changed the threat from one of primarily local defense aspects to one of a global and strategic nature. The challenge is formidable and is generally recognized to be among the most difficult technical problems facing the Navy. The new submarine has unlimited cruise capabilities and underwater operating speeds in excess of our ASW vessels. To combat this threat ASW must be able to concentrate all necessary resources and research, and control all phases of technology and implementation.

National security demands that the control of the seas be retained in the hands of the free world and that enemy forces be denied the use of these seas for mounting or supporting assaults they may plan against the United States or our allies anywhere. We must increase our capabilities in detection and localization of enemy submarines, and strengthen our potentiality in seeking out and killing these submarines.

As a member of the Naval Reserve, I have been impressed with the rapid advancements in the potentialities of our nuclear submarine; I am gravely concerned about the equally important problem concerning how best to combat the threat posed to our coastal centers and the rest of the free world by parallel Soviet advances. My concern deepened on a tour of active training duty last January during which I was assigned to Carrier Division 16, an ASW hunter/killer task group in the Atlantic Fleet.

The Soviet force of over 400 submarines is composed of a large number of the long-range snorkle types, equipped with torpedoes, and a small number of nuclear-powered submarines, some missile equipped, whose recent appearances may be expected to increase. Beyond question, the Soviets will soon have missiles greatly exceeding their present 350-mile range maximum.

ASW efforts to meet this challenge and to minimize Soviet advancements are a never-ending, around-the-clock, all-weather operation. Our ships and planes are on the watch 24 hours a day while men in the Pentagon continuously search for improvements in ASW defense and coordination. The Navy, however, has been overly modest concerning the tremendous effort it is making in this area, and I wish to make known some of the aspects of the ASW problem. It is the purpose of this article (1) to discuss the broad functions of ASW, (2) to outline current capabilities and development, pinpointing problem areas, and, finally, (3) to focus on the requirements and teamwork necessary for a fully effective ASW force.

THE BROAD FUNCTIONS OF ASW

The primary functions of ASW operations are detection, classification, tracking, communications, command/control, and attack. It is relatively easy to locate a submarine today, but the real difficulty is the ability to identify nationality and intent. Most development efforts have been focused in these areas, and future progress may utilize space technology.

Detection and tracking data must be transmitted to those who must make evaluations and decisions. All ASW activities involve this command/control without which ASW forces and operations cannot be fully effective. Command/control integrates all functions supporting the ASW operations, from intelligence and warning to fleet readiness, from the correlation of pertinent environmental data to insuring the availability of navigational assistance. Its substance is the men and organization who, supported by information, procedures, and machines, make evaluations and decisions. It is this function which must solve the dilemma posed by the requirement for instantaneous reaction time as opposed to the need for positive control of any preemptive action which might be premature.

Finally, the execution of any order for ASW attack requires the availability of effective weapons. There has been promising development in this area, but technology has produced submarines whose performance characteristics outmode many available weapons.

CURRENT CAPABILITIES AND PROBLEMS AREAS—DETECTION AND CLASSIFICATION

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Statement of Senator Mike Mansfield Before the Summer Seminar of College Students, Constitution Hall, Washington, D.C., July 10, 1962

A textbook will reveal how our system of government operates in theory. Only a direct contact such as you are now undergoing can provide the beginnings of an insight into its operation in practice. I say the beginnings of an insight on the basis of personal experience. Twenty years in the legislative branch, roughly divided between House and Senate have given me, I believe, some understanding of that branch as well as the executive branch and the Court. Yet hardly a day passes even now without additional awareness—some new appreciation of the vitality of the Constitution or some new apprehension at the fearful complexity of the system which has developed under it.

I am delighted, therefore, that the President has seen fit to introduce a formal summer internship in government for students. It is typical, may I say, of his dedication to the cultivation of excellence in the public service. You may or may not choose to pursue a career in government in the future. Whether you do or not, I have no doubt that the experiences which you and future groups obtain by firsthand practice will act as a leaven throughout the Nation for improvement in the public service. For that reason, if for no other, I am delighted to try to contribute to your understanding of the legislative branch, particularly its Senate wing.

The Senate has been called many things—some flattering, some not so flattering. But whatever it has been called, in practice, it is a coequal half of the legislative branch of the Government. It is neither an upper body, nor a lower body. It is, with the House, a coequal body. I stress that point because popular interpretations of the Constitution tend to emphasize the differences between the two wings of the Capitol. Thus, the House is sometimes interpreted as being the more popularly responsive body and the Senate as the upper and the more deliberative and dispassionate body. History indicates, I believe, that the Senate is at least as responsive as the House. And I assure you that the Senate can be at least as passionate as the House. If the Senate is senior to the House in any significant way, it is in the average age of membership; we are undoubtedly a little more decrepit. If it is junior in any significant way, it is in total membership; there are five in Mr. McCormack's organization for each one in ours.

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We hear much of the importance of divided power in our system of government. But even though we hear much less of it, cooperation and restraint among the elements is of at least equal importance. This importance is starkly revealed when the interplay between the House and Senate breaks down even temporarily as it has done recently between the two Appropriations Committees.

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The rules of the Senate are such, moreover, that there exists the greatest latitude for individual assertion and maximum safeguards for the rights of each individual Member to make his assertion. With rules so designed, there is a possibility of abuse by any Member or group of Members. Yet, this abuse is so rare an occurrence that it is newsworthy. It is rare because Members of the Senate, however much they may disagree on specific issues, recognize that the operations of the body—indeed, the survival of the body as a vital element in our constitutional system—depends, in the last analysis, on a basic cooperation and restraint within the body. How else would the Senate have been able to handle 46,581 confirmations of Presidential appointments, 7 treaties and 570 legislative bills which, at the last count, was the total of completed work since this session of the 87th Congress convened in January?

In terms of the problems of leadership in the Senate, this same element of cooperation and restraint is fundamental. There is, as you know, a majority leader and a minority leader, as well as assistants to both who are known as the whips and the secretaries for each party organization in the Senate. But do not let the word "leadership" deceive you. The Senate is not an army with the leader giving orders and the rest of the troops carrying them out. It is not the executive branch whose basic source of power is the President and whose chief personnel serve at his pleasure. Each Senator draws his constitutional powers directly from the people of his State and is responsible only to those people and to his conscience.

Each Senator, in effect, is a party member; but he is also an independent leader in his own right and is coequal in rights with every other Senator including the majority leader. Each Senator has one vote and in the last analysis it is that vote which counts—not a title.

As I have already pointed out, the rules of the Senate are designed to provide maximum protection for the equal rights of all Senators. Yet if all Senators asserted those rights to the maximum at all times, the body as a whole could not function. Again, therefore, the factor of cooperation and restraint is fundamental to carrying out the responsibilities of leadership in the Senate. In general, Members recognize this fact and defer to the leadership most of the time on procedural and routine matters.

In the present situation, with the executive branch and the legislative branch controlled by the same party, I view the principal function of leadership in the Senate as interpreting the President's program to my colleagues, interpreting to the President the attitudes of the Senate with respect to

Detection and tracking data must be transmitted to those who must make evaluations and decisions. All ASW activities involve this command/control without which ASW forces and operations cannot be fully effective. Command/control integrates all functions supporting the ASW operations, from intelligence and warning to fleet readiness, from the correlation of pertinent environmental data to insuring the availability of navigational assistance. Its substance is the men and organization who, supported by information, procedures, and machines, make evaluations and decisions. It is this function which must solve the dilemma posed by the requirement for instantaneous reaction time as opposed to the need for positive control of any preemptive action which might be premature.

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The importance of cooperation and restraint is not confined to relations between the Senate and the House. It applies equally in the relationships between the executive branch and the Congress and, even to the relationship of each with the Court. And it applies, too, even within each body. I am sure that many of you have already had some inkling of its importance as among the agencies and offices of the executive branch. Within the Senate, in the inner operations of the Senate, it is of the greatest importance. You may be surprised to learn, for example, that by far the greater part of the Senate's day-to-day business is conducted by unanimous consent or at least without objection of any Member. This is the case despite the fact that the Senate is composed of some of the most highly individualistic men and women in the Nation—100 Senators of varied personal outlooks and predilection, representing many shades of political opinion and 50 States of varied interests and concerns. This body of great diversity moves as one far more often than not.

The rules of the Senate are such, moreover, that there exists the greatest latitude for individual assertion and maximum safeguards for the rights of each individual Member to make his assertion. With rules so designed, there is a possibility of abuse by any Member or group of Members. Yet, this abuse is so rare an occurrence that it is newsworthy. It is rare because Members of the Senate, however much they may disagree on specific issues, recognize that the operations of the body—indeed, the survival of the body as a vital element in our constitutional system—depends, in the last analysis, on a basic cooperation and restraint within the body. How else would the Senate have been able to handle 46,581 confirmations of Presidential appointments, 7 treaties and 570 legislative bills which, at the last count, was the total of completed work since this session of the 87th Congress convened in January?

In terms of the problems of leadership in the Senate, this same element of cooperation and restraint is fundamental. There is, as you know, a majority leader and a minority leader, as well as assistants to both who are known as the whips and the secretaries for each party organization in the Senate. But do not let the word "leadership" deceive you. The Senate is not an army with the leader giving orders and the rest of the troops carrying them out. It is not the executive branch whose basic source of power is the President and whose chief personnel serve at his pleasure. Each Senator draws his constitutional powers directly from the people of his State and is responsible only to those people and to his conscience.

Each Senator, in effect, is a party member; but he is also an independent leader in his own right and is coequal in rights with every other Senator including the majority leader. Each Senator has one vote and in the last analysis it is that vote which counts—not a title.

As I have already pointed out, the rules of the Senate are designed to provide maximum protection for the equal rights of all Senators. Yet if all Senators asserted those rights to the maximum at all times, the body as a whole could not function. Again, therefore, the factor of cooperation and restraint is fundamental to carrying out the responsibilities of leadership in the Senate. In general, Members recognize this fact and defer to the leadership most of the time on procedural and routine matters.

In the present situation, with the executive branch and the legislative branch controlled by the same party, I view the principal function of leadership in the Senate as interpreting the President's program to my colleagues, interpreting to the President the attitudes of the Senate with respect to his program and obtaining action—a vote, a decision—on the legislative elements of his program.

There is no guarantee that any particular part of the President's program will be approved by the Senate. There is no magic wand in the hands of the leader. There is no party discipline to insure that the 64 Democratic Members will invariably vote the President's wishes. Indeed, many measures depend for passage on the vote of Republican Members. I am not dismayed by this lack of rigidity in the party structure. Obviously any President, any majority leader would prefer the support rather than the opposition of his own party members. But we must recognize the reality that we are a vast land of contrasting interests and concerns and party labels have different meanings in different regions. In this setting, legislative action, it seems to me, is best sought by the interplay of these concerns and interests by those who know and represent them most intimately regardless of party labels.

Nevertheless, there is a minimum party role in the Senate which must be sustained or the labels lose all meaning. The majority party role in present circumstances is to bring about at least that measure of cooperation and restraint on the part of individual Members which permits decision one way or the other on legislative elements of the President's program in the Senate and the day-to-day disposal of routine business. By the same token, the basic minority party role is to see to it, that this legislation, along with alternatives, is considered fully but without obstructing the taking of timely decisions. By and large, there has been that cooperation and restraint on the part of the individual Members in both parties in the present Senate. If you have been led to believe otherwise by press reports, I would note again that that which divides tends to receive the popular stress over that which unites. I have already alluded, for example, to the sheer numbers of Presidential appointments confirmed, the treaties and the bills on which the Senate has acted during the present session. Add to these huge numbers, the totals from the previous session which were 48,961 Presidential appointments, 10 treaties and 1,133 legislative bills. You will gain from these figures some sense of the sheer volume of activity of the Senate, a volume which could not begin to be sustained without the highest degree of cooperation and restraint on the part of the individual Members.

Or look at the record in the light, alone, of the highly significant proposals which the President has advanced since assuming office. During the present Congress—both sessions—perhaps in excess of 275 proposals of this kind have been sent to the Congress by the President. Any one of these represents a major undertaking which properly calls for the most careful and extensive consideration by the Congress. Yet, the Senate has actually passed about 60 of these proposals this session, and during the last session, enacted 124 of them into law. You hear much of the defeat in the Senate of a Presidential proposal to establish an Urban Affairs Department or the rejection of a farm bill in the House. But you hear little of the passage of a manpower retraining bill or of an aid to higher education bill or an extension of unemployment compensation bill or dozens of other highly significant measures.

Whether or not legislation passes in the Senate in response to the President's program is a question which goes, not to the operation of the Senate or the House as such. Rather it goes to the social, economic, and political forces continuously at work throughout the Nation and the manner in which these forces are reflected in the representation in the Senate at any given time. In these forces there is much that conflicts, much that divides. It is the essence of the legislative function to deal with these forces in terms of the enactment of laws for the common good. And in the exercise of this function, I do want to impress upon you the importance of elements of cooperation and restraint.

It is as important to the internal operations of the Senate and the Congress as it is to the interrelations of the separate branches in the effective operation of the Federal Government. It is this element which makes possible agreement to act even where there is strong disagreement among strong men and women as to the proper course of action. It is this element which permits orderly and peaceful change in the structure of our society to meet the ever-changing of our people. It is this element which, though unexpressed in a constitutional cause, nevertheless, is a major source of the validity and vitality of our constitutional system.

HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Zechariah 4: 6: *Not by might, nor by power, but by my spirit, saith the Lord of hosts.*

Eternal God, our Father, we have been privileged to enter upon this new day, unable, however, to foretell and foresee what it shall bring forth, but encouraged by every gracious invitation in Thy Holy Word, we shall put our trust in Thy divine guidance and not be afraid.

We humbly acknowledge that frequently we feel anxious and are tempted to fear that our faith is too frail to remain strong and steadfast when we face questions that trouble us and difficulties that terrify us.

Gird us with a faith that will lift this heavy burden of loneliness and worry from our hearts and may we realize more fully that Thou art not with the many and the mighty unless the many and the mighty are with Thee and that one with Thee is always a majority.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1963

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report on the bill, H.R. 10904, making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for fiscal year 1963.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

UPPER DIVISION OF THE BAKER FEDERAL RECLAMATION PROJECT, OREGON

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 730 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 575) to authorize the Secretary of the Interior to construct, operate, and maintain the upper division of the Baker Federal reclamation project, Oregon, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. Smith]; and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 730 provides for the consideration of H.R. 575, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the upper division of the Baker Federal reclamation project, Oregon, and for other purposes. The resolution provides for an open rule with 1 hour of general debate.

H.R. 575 would authorize the Secretary of the Interior to construct, operate, and maintain the upper division of the Baker Federal reclamation project, Oregon, for furnishing irrigation water to 18,000 acres of irrigable land in the Baker Valley, preventing floods, and providing fish and wildlife benefits and recreational opportunities.

The 18,000 acres of irrigable land in the upper division lie on a broad alluvial fan north of Baker, along the river in the southeastern part of Baker Valley, and in the elevated Lilley pump area in the northern part of the valley. Due to their dependence on natural streamflow, presently irrigated lands now receive only a partial water supply primarily by flooding during the heavy spring runoff. After the early part of July, in most years, these lands are without water except for a relatively small supply for some areas obtained by pumping from wells. The storage facilities in the upper division plan would regulate the Powder River to provide a full irrigation water supply to 4,010 acres of presently dry lands, and a supplemental water supply to an additional 13,990 acres.

Mr. Speaker, I urge the adoption of House Resolution 730.

I know of no objection to the rule or to the bill itself; and I reserve the balance of my time.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as stated by the distinguished gentleman from Virginia [Mr. SMITH], House Resolution 730 provides for the consideration of H.R. 575, the Baker Federal reclamation project. It provides for 1 hour of general debate and an open rule.

Last Thursday, in connection with the rule on one of the other reclamation projects we had up, one of the gentlemen on my side of the aisle said that he did not think I had my heart in that particular project, that I did not seem very much interested in it. Let me say in all fairness that I do not exactly have my heart, or am interested too sincerely, in these three projects that are scheduled for our consideration today.

Frankly, I agree that the U.S. Government should help on these reclamation projects. I know they are of interest to individual Members in the respective States where they are located. Again, I repeat, I think we should do more for our own deserving citizens, and from that standpoint I do appreciate the help that we give to these areas in connection with reclamation projects. But in reading the morning newspaper today I notice talk about cutting taxes by a billion dollars. I am familiar with the fact that we have a standby bill in the Rules Committee for $900 million of public works. That does not include the public works bill, which will have several billion dollars in it, that is coming along. We have a costly defense program and a foreign aid program, spending, spending, and more spending.

It is not that I am opposed to these individual projects. What concerns me most is starting new projects when the people have to look forward to additional spending and debt for the future.

As our distinguished Chaplain said in his prayer this morning in talking about fear, I do have a fear that if we keep on spending and starting new projects as we are, I fear for the very future of our children and our grandchildren.

Be that as it may, this particular bill, H.R. 575, authorizes the Secretary of the Interior to construct, operate, and maintain the upper division of the Baker Federal reclamation project in Oregon, for furnishing irrigation water to 18,000 acres of irrigable land in the Baker Valley, preventing floods, and providing fish and wildlife benefits and recreational opportunities. The gentleman from Virginia has explained the need for the project and has described the project. The only thing I would add to that is the cost. It is estimated the cost of the upper division of the Baker project is $6,168,000. This cost is allocated to the various functions as follows: Irrigation, $4,354,600; flood control, $1,056,400; fish and wildlife, $632,000; and recreation, $125,000.

There is a minority report, Mr. Speaker, which was signed by nine members of the committee. They set forth some 10 different objections to this bill which I believe should be made a matter of record at this time. They state:

1. The project is not economically justified under any proper method of analysis.

2. Proper repayment of project cost is not assured.

3. The bill would provide for further breaching of the 160-acre limitation in existing reclamation law.

4. The project would not provide the beneficial flood control effects the local people have been led to believe would be achieved

5. Over 50 percent of the project lands are poor lands, which even with full irrigation would have limited productivity.

6. Over half the project lands are owned by a relatively few owners.

7. The bill provides for unjustified and precedent-setting use of nonexistent net power revenues for subsidizing the major part of the irrigation costs.

8. There are excessive writeoffs of project costs for flood control, recreation, and fish and wildlife.

9. There can be no justification for providing water to bring in new land of marginal productivity or to increase the productivity on existing lands, in this era of tremendous agricultural surpluses which are costing the taxpayers billions of dollars annually.

10. Even though the project is outside the Bonneville power marketing area, the bill would make a charge on the Bonneville Power Administration yet contribute nothing to the assets of BPA.

Mr. Speaker, I know of no objection to the adoption of the rule.

Mr. SMITH of Virginia. Mr. Speaker, I have no further requests for time. I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SPOKANE VALLEY PROJECT, WASHINGTON

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 733 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2008) to amend the Act of September 16, 1959 (73 Stat. 561; 43 U.S.C. 615a), relating to the construction, operation, and maintenance of the Spokane Valley project. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the substitute amendment recommended by the Committee on Interior and Insular Affairs now in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Virginia [Mr. SMITH] is recognized for 1 hour.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH] and yield myself such time as I may consume.

Mr. Speaker, House Resolution 733 provides for the consideration of S. 2008, a bill to amend the act of September 16, 1959—73 Stat. 561, 43 U.S.C. 615(a)—relating to the construction, operation, and maintenance of the Spokane Valley project. The resolution provides an open rule with 1 hour of general debate, making it in order to consider the substitute amendment now in the bill.

S. 2008, as amended, would amend the act authorizing the Spokane Valley project by first, reducing the irrigable acreage to be served by the project; second, providing for domestic water service; third, decreasing the permissible repayment term, if contracts are entered into, from 50 to 40 years; and fourth, increasing the amount authorized to be appropriated from $5,100,000 to $7,232,000.

This legislation is needed in order that the project may be constructed in accordance with a modified plan of development. The need for the project is more pressing now than it was 2½ years ago when it was originally authorized. The proposed development would replace an existing water supply that is obtained by gravity diversion from the Spokane River. The existing system is deteriorating rapidly and is in danger of failure. It has already outlived its life expectancy. The proposed system for pumping from the underground reservoir would better meet the needs of the area than replacement of the gravity system.

Mr. Speaker, I urge the adoption of House Resolution 733.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman.

Mr. GROSS. Are any of these so-called reclamation projects ever started down in Virginia? Do you have any reclamation projects in Virginia?

Mr. SMITH of Virginia. Well, I do not know of any of this type. The Lord has been right good to Virginia in the past in providing us with pretty ample water supply.

Mr. GROSS. Will this put additional land into production?

Mr. SMITH of Virginia. No, this just repairs or rather replaces an old system that is about to go to pieces.

Mr. GROSS. As to the cost—what is it? $850 an acre or something like that? Is that possible?

Mr. SMITH of Virginia. I think the gentleman must have this project mixed up with some other project. This does not provide for the appropriation of more than a little over $2 million. It is a very small project.

Mr. GROSS. I am surprised that all these reclamation projects are in the Western States. It seems to me that the State of Maryland is pretty dry.

Mr. SMITH of Virginia. We could use some projects in Virginia, but we like to help our Western friends.

Mr. GROSS. It is pretty dry out in Virginia now.

Mr. SMITH of Virginia. We are doing pretty well.

Mr. GROSS. I mean from the standpoint of rainfall.

Mr. SMITH of Virginia. We are doing pretty well now.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman.

Mr. HALEY. May I say to the gentleman with regard to the acreage of land, this project actually reduces the acreage of land, as to which they had a previous authority, from 10,290 acres to 7,254 acres.

So this is a reduction in the amount of land to be irrigated.

Mr. GROSS. In other words, the gentleman says it is a little less worse than it was; is that right?

Mr. HALEY. The gentleman, of course, can have his own opinion on that.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. SAYLOR. I just want to say to my distinguished friend that I made a survey several years ago and discovered land down in Mecklenburg County, Va., that for $50 an acre could be put under cultivation. So I think it would be a great deal more desirable to spend $50 an acre on that land than to spend $850 an acre on land out West as we are doing in this and other projects.

Mr. SMITH of Virginia. We would welcome the gentleman from Pennsylvania to come down to Mecklenburg.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as stated by the distinguished gentleman from Virginia, House Resolution 731 is an open rule providing for the consideration of the bill S. 2008 with 1 hour of debate.

I would like to say at this time in reading over these reports from the Committee on Interior and Insular Affairs that they are about as well done, in my opinion, as any reports I have had the privilege of reading. I would like to congratulate certainly not only the committee, but also the staff of the committee, because the reports very clearly set forth the purpose, and net cost; and the minority views are well handled.

The gentleman from Virginia has placed in the RECORD the purpose and the need. The project will increase the cost from $5,100,000 to $7,237,000. I shall, Mr. Speaker, confine my remarks to a consideration of the minority report signed by four members of the committee opposed to the bill.

The report states that this project is neither desirable nor economically sound when evaluated in connection with our Nation's economic and agricultural status.

The project provides for the irrigation of 7,250 acres. The bill provides that only $3,714,000 will be paid back over a 50-year repayment period by the irrigators. This provision by itself very clearly indicates that there are not sufficient irrigation benefits to justify the expenditure. This will be an expenditure of over $850 an acre. More than 2,800 acres, or more than 40 percent of the project, are to be used for the production of alfalfa, pasture, and small grains. This, of course, is most indicative of farm operations that could not support or justify this kind of an expenditure. This would indicate, then that more than 40 percent of the irrigation project would be used to produce commodities which are already in great surplus throughout the country; namely, alfalfa hay, dairy products, and small grains. I repeat, more than 40 percent of this project would be used for the production of dairy products, small grains, hay, and alfalfa, things already in great surplus.

The minority report goes on to point out the objectives of the President in his farm message.

This project certainly does not comply with the objectives of the President's farm message and could serve only to adversely affect farmer, taxpayer, and consumer alike.

Mr. Speaker, I know of no objection to the adoption of the rule itself.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDING ACT RELATING TO CONSERVATION OF ANTHRACITE

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 731 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4094) to amend the Act of July 15, 1955, relating to the conservation of anthracite coal resources. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Interior and Insular Affairs now printed in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes of my time to the gentleman from California [Mr. SMITH] and at this time I yield myself such time as I may consume.

Mr. Speaker, this resolution provides for the consideration of the bill, H.R. 4094, which relates to the situation of the anthracite mines, particularly the abandoned mines and the wornout mines in Pennsylvania.

There has been considerable trouble over the years with these mines by reason of the subsidence of the surface over the mines, and by reason of the flooding of these mines, much deterioration in the value of the mines has occurred.

Some years ago the Congress authorized a sum of money to be matched by the State of Pennsylvania in order to take care of the drainage of these mines which were becoming a menace not only to the ground above them by reason of subsidence but also were gradually becoming a health menace. Through the experience that has been had on this subject it is concluded that the best way to cope with this situation is by sealing these old mines to prevent drainage waters from going into the mines. There are holes in the ground where the water seeps in and fills the mines up.

I am glad to say for the benefit of my good friend from Iowa—he must have realized this bill does not cost any money, because he seems to have left the floor—that this bill does not involve any further expenditure of money, but it does need authorization in order to conduct the work in a slightly different way by sealing the mines rather than by pumping them out.

I do not know of any opposition to the bill. The rule provides 1 hour of general debate. I hope the resolution will be agreed to.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, may I say to my distinguished friend from Virginia that I have requests for time on this side and at the conclusion of my remarks I shall reserve the balance of my time.

I disagree with the statement that there is no objection to the bill, because there is a minority report on this particular matter.

Those in support of the measure indicate the following reasons therefor:

The Anthracite Mine Water Control Act and the Mine Dewatering Act was the title given to the act of July 15, 1955, which provided a program under which equally matched Federal and State funds, to a maximum of $8.5 million each could be utilized for drainage works.

There has presently accumulated in this particular fund about $10 million, $5 million from the State of Pennsylvania and $5 million from the Federal Government, and, for various reasons, principally because of the decline of the anthracite industry, the prospect of further mine dewatering projects appears remote.

Accordingly the gentleman from Pennsylvania, Congressman FLOOD's, amendment to this act—H.R. 4094—would give further use to this accumulated money "to seal abandoned coal mines and to fill voids in abandoned coal mines, in those instances where such work is in the interest of the public health or safety."

The U.S. Bureau of Mines and the Pennsylvania State Department of Mines support this amendment because, if it is passed, certain specific flushing projects in the anthracite area could be accomplished. These projects are in specific areas where the underground conditions are well charted and engineered and where the projects are economically justified, especially in abandoned workings under highly populated areas.

Mr. Speaker, this is not intended as an attempt to have an overall flushing program in the entire area, which would be uneconomical, very costly and, in many instances, unsuitable. Rather, the money is to be used for specific projects where exact conditions are well known.

In short, Mr. Speaker, Congressman Flood's amendment would use accumulated funds, not new appropriations, for specific projects prescribed by the U.S. Bureau of Mines and the Pennsylvania State Department of Mines to safeguard property and human lives in built-up areas where the underground conditions are known and engineered.

Mr. Speaker, those are the arguments in favor of this particular measure. The views of the minority are contained in a minority report, signed by 11 Members, and states:

> This bill is another of what is becoming an almost endless campaign to classify every local problem as having surpassed the capacity of local and State governments to find an acceptable solution. If this bill becomes law unquestionably it shall become the precedent cited to justify future extension of the same type of activity into thousands of areas located in virtually every State. The potential future cost staggers the imagination.

Mr. Speaker, there a number of other references to objections to the bill which are set forth on the last page of the report and to which I call the attention of the membership of the House.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from Iowa.

Mr. GROSS. Is this limited to the State of Pennsylvania or does it cover other areas?

Mr. SMITH of California. It is my opinion that these particular funds are being transferred from one purpose to another purpose, and will be used in the State of Pennsylvania.

Mr. GROSS. But it does not cover the entire anthracite field in the United States?

Mr. SMITH of California. No; that is not my understanding. I stand corrected, if the gentleman from Pennsylvania [Mr. Scranton] is here to correct me on that. But this money is in there, as I understand it, in the sum of $5 million for the State of Pennsylvania as of now, and $5 million from the Federal Government for certain purposes, which purposes are not now being followed or possibly needed. It is to let the money to be used for another purpose in order to take care of the dewatering and so forth of mines and capping some of the mines in the anthracite area in Pennsylvania.

Mr. GROSS. If the gentleman will yield further, does it appear likely that with the passage, if it is approved by the other body, of the free trade bill that there will be more mines closed in this country and, therefore, more money needed to seal up the mines that are closed by virtue of foreign imports?

Mr. SMITH of California. Well, that is a possibility. I do not know. But I would say to the gentleman from Iowa that there is certain money now in this fund, I think a total of $10 million. It started out at $17 million on a matching basis and there is certain money remaining that is not going to be spent for the original purpose. The original purpose is being amended to use those funds for another purpose.

Mr. GROSS. Either that, or get it back into the U.S. Treasury?

Mr. SMITH of California. The bill does not provide for that.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I want to make it clear for the Record that these expenditures are limited to the anthracite area of the State of Pennsylvania. It is an arrangement under a cooperative agreement with the Commonwealth of Pennsylvania that they are being so spent.

Mr. SMITH of California. I thank the gentleman. That is my understanding.

Mr. Speaker, the rule provides for 1 hour debate. I know of no objection to the rule and reserve the balance of my time.

Mr. Speaker, I yield 7 minutes to the gentleman from Pennsylvania [Mr. Fenton].

Mr. FENTON. Mr. Speaker, we are being called upon today to consider H.R. 4094, which amends an act of Congress, approved July 15, 1955, Public Law 162 of the 84th Congress, and which is known in the anthracite region as an act to provide for the conservation of anthracite resources through measures of flood control and anthracite mine drainage, and for other purposes.

This act provided for contributions by the Secretary of the Interior under the authority of the act to not exceed $8,500,000 to be matched by an equal amount from the Commonwealth of Pennsylvania. Thus, was provided an amount of $17 million.

The passage of Public Law 162 of the 84th Congress was hailed as a godsend throughout the anthracite area.

The act also provides that the Commonwealth of Pennsylvania shall have the full responsibility of selecting and approving projects for construction, to be submitted to the Secretary of the Interior for financial assistance.

Since the act became effective there has been utilized from the U.S. Treasury the sum of $3,500,000 which together with an equal amount from the Commonwealth of Pennsylvania makes a total of $7 million. There is therefore an amount of $10 million not yet utilized.

It seems to me that many more projects could have been programed but the Pennsylvania Department of Mines just did not do so. Hence, this unused balance. Somebody down along the line—from the Federal Bureau of Mines to the Pennsylvania State Department of Mines—just did not function, in my opinion.

One of the main objectives of controlling impounded mine water and flooding besides conservation of coal resources, is to save the lives of our miners and mineworkers. You will recall the breakthrough of the waters of the Susquehanna River, in which 11 or 12 miners lost their lives, and the bodies are not recovered. In another instance several other miners in my district lost their lives by a breakthrough of water from one mine into another.

We had great visions of this law helping our industry by conserving our coal reserves, and saving life and property. To say that I am disappointed in the slowing down of projects to a virtual standstill is to put it mildly.

H.R. 4094 is a bill designed to utilize the balance of these funds, for, as the title of the amended act says:

> It is therefore declared to be the policy of the Congress to provide for the control and drainage of water in the anthracite formations and thereby conserve natural resources, promote national security, prevent injuries and loss of life, and preserve public and private property and to seal abandoned coal mines and to fill voids in abandoned coal mines, in those instances where such work is in the interest of the public health or safety.

It also amends the act, Public Law 162 of the 84th Congress to authorize the Secretary of the Interior to make financial contributions on the basis of programs or projects approved by the secretary of the Commonwealth of Pennsylvania to seal abandoned coal mines and to fill voids in abandoned coal mines, in those instances where such work is in the interest of public health and safety, and for control and drainage of water, which, if not so controlled or drained, will cause the flooding of anthracite coal formations. Said contributions are to be applied to the cost of drainage works, pumping plants, and related facilities, but subject, however, to certain conditions and limitations of which the main condition is that they can utilize all but $1 million Federal money of the $10 million balance which shall be reserved for the control and drainage of mine water.

If our Pennsylvania State Department of Mines and the Federal Bureau of Mines really feel and admit that there is no more need for all this money to be used for its original purpose then obviously it should be used at least for sealing abandoned mine openings and open pits in which I am in full accord. However, the aforementioned bureaus will have to bear the burden and blame for any future drownings or disasters due to mine waterfloodings and breakthrough incidents.

There is considerable merit to closing the openings of abandoned mines and abandoned coalholes and strippings because several weeks ago a small boy in playing on our hilly and mountainous terrain in my district lost his life by falling into one of the abandoned mines. And, right here, I want to pay my respects to the independent mineworkers in the Shamokin area who are closing some of those openings in cooperation with the State. They have worked incessantly so that accidents to children will be lessened.

Feeling as I do about the mine drainage problem I respectfully submitted a bill which would have retained at least $2 million Federal money of the balance—H.R. 7054—which the report on H.R. 4094 says was considered by the committee as was H.R. 5356 which the gentleman from Pennsylvania Congressman SCRANTON introduced.

H.R. 5356 by the gentleman from Pennsylvania [Mr. SCRANTON] would really do an efficacious job for the anthracite area. Its main purpose in addition to health and safety, and conservation of coal reserves, would be to seal abandoned openings and voids inside the mines. Of course this is a gigantic operation and very meritorious. It was estimated by the Federal Bureau of Mines to cost $40 million to do the job. It can therefore be seen that the finances to fill voids in abandoned mines as envisioned by H.R. 4094 is only a drop in the bucket for what is necessary to do a good job.

When H.R. 4094 is up for amendment it is my intention to offer an amendment changing the $1 million to $1,500,000 of the unexpended Federal balance for retention and reservation for the control and drainage of mine water.

Those of us who have worked in the anthracite mines know full well that there are hundreds and hundreds of miles of gangways—main passageways—and breasts—working chambers—in our abandoned mines. These mines are abandoned because they are uneconomical to operate due to pools of billions of gallons of water. This water threatens the property and lives of mineworkers in active mines.

I therefore hope that my amendment will be agreed to. This will allow them to use $7 million of the balance of approximately $10 million.

Mr. SMITH of California. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. DOLE].

Mr. DOLE. Mr. Speaker, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. DOLE. Mr. Speaker, the Kennedy administration has apparently adopted a double standard in dealing with lobbying activities of Federal employees designed to support or defeat pending legislation.

Only yesterday action was completed on the nearly $12 billion appropriation bill for independent offices such as the Federal Trade Commission, the Federal Power Commission, the National Aeronautics and Space Administration, and many others. Section 301 of this bill specifically provides that no part of the appropriations contained in the act and other funds available for expenditure shall be used by any agency for publicity or propaganda purposes designed to support or defeat legislation pending before the Congress.

This section is a most proper and necessary one, but it seems strange to me that this same restriction should not apply to employees of the Department of Agriculture and related agencies. However, when the $5-billion-plus agriculture appropriations measure was considered on July 25 by the House a similar amendment I offered would have prohibited the use of Federal funds "for propaganda purposes designed to support or defeat farm legislation pending before Congress." This amendment was defeated by a vote of 172 to 118.

There appears to be growing evidence the U.S. Department of Agriculture from top to bottom is more concerned with promoting pending legislation than administration of present agricultural programs or control of interdepartmental activities. More and more examples are coming to light which indicate many county ASC committees send out newsletters to farmers marked "Official Business," and without postage, which are apparently primarily designed either to promote Kennedy-Freeman farm legislation or defend Secretary Freeman's mishandling of the Estes case.

This also is being done at higher levels, the most recent example being a memorandum dated July 24. I have a copy of a 7-page memorandum from Horace D. Godfrey, Administrator of the ASCS, to all State ASC committeemen and State administrative directors, wherein Godfrey requests all ASCS employees read his memorandum. The memorandum deals primarily with pending farm legislation before Congress and the Estes investigations being conducted in the House and Senate. This 7-page Godfrey memorandum is most interesting and for the benefit of the Members I will set out a portion of it which relates to pending legislation:

MEMO FROM THE ADMINISTRATOR

JULY 24, 1962.

To: State ASC committeemen and State executive directors.

From: Horace D. Godfrey, Administrator, ASCS.

Subject: Some things that need saying.

It has been sometime since my last memo, and I believe that most of you understand that it has been pressure of work that has prevented me from keeping you better informed as to what is going on and what to expect in the near future. I will attempt to give you the latest information on a few items of interest and then some general comments that I hope you will carefully read and see that all ASCS employees also read.

FARM LEGISLATION

We know that you were as disappointed as we in the defeat of the farm bill in the House on June 21. Nevertheless, as I have previously stated, we lost a battle but not the war.

Again I would like to thank all of you for the time and effort that you put forth to see that there was a good understanding of the proposals made by the administration. All of us together were not able to correct the misinformation that had been spread near and far about our proposals. The situation at present is this: Last week the House passed a bill which would continue the existing programs for feed grains and wheat for another year, with a few modifications. The Senate has not acted on this bill but earlier voted for a bill similar to the one rejected by the House. The parliamentary procedure is such that there cannot be a conference between the House and the Senate unless some action comes out of the Senate. Senator ELLENDER on Friday attempted to get unanimous consent to take up the bill as passed by the House, strike everything after the enabling clause, and substitute the language of the bill already passed by the Senate. He was blocked in his efforts and on Monday the House bill was referred to the Senate committee with instructions to report back by next Monday.

The Senate committee may approve the House bill as written, may make minor or major modifications, or may strike all language after the enabling clause and substitute the language of the bill they have already passed. Whatever comes out of the Senate committee will then have to be considered by the Senate. If passed containing language different from the House bill it will have to go to conference. If the conferees agree, the agreed-upon bill would then be voted upon in both the Senate and House. This means that there is little likelihood of legislation before August 15.

Follow your news media closely to see how things progress.

Please note Mr. Godfrey states:

We lost the battle but not the war.

I think some of us on both sides of the aisle, would take issue with this statement of Mr. Godfrey. It is a purely political statement which is being mailed as I said, to all State ASC directors, and State committeemen with instructions it be read by all ASCS employees.

The second and third pages of Mr. Godfrey's statement go into great detail about the Estes hearings and how they are not being reported properly by the press. The following is a sample:

INVESTIGATING COMMITTEES—HEARINGS

Hearings are continuing in both the House (under Chairman FOUNTAIN) and in the Senate (under Chairman MCCLELLAN). The Fountain committee has been dealing primarily with grain and the McClellan committee primarily with cotton allotments from the eminent domain pool.

Neither committee has developed anything serious that has not already been reported to you. The McClellan committee has been quite critical of the Department of Agriculture, its organization, its functions, its alleged failure to keep adequate records of meetings and decisions, its lack of communication between offices in Washington, between Washington and the field, and between State and county offices. It has been critical of State and county committees for lack of knowledge of programs and for some actions.

I have attended all of the McClellan committee hearings, representing the Department, and I must say that we have really come out better than the press has reported. As I stated in an interview last week, "I am not being entirely critical of the press, because I realize that they have only so much space that they can devote to the Estes hearings and they would naturally print those portions of the hearings that would lead citizens to read their papers; however, in all fairness, I do believe that they could have devoted more space to objective reporting of the hearings." As an example of what I mean, Senator ERVIN (who is entirely familiar with the transfers from the eminent domain pool and the procedures followed by Estes and others in making these transfers as well as the investigation report) on at lease three different occasions has painstakingly led a witness through the procedure for the benefit of the committee, the press, and those attending the hearings, but I have yet to find any mention of this in the press.

He also devotes considerable space defending Secretary Freeman and the statements the Secretary has made concerning the Estes case.

It is obvious, in my opinion, this memorandum goes far beyond the responsibility Mr. Godfrey has as ASCS Administrator. There are other letters, from county ASC officers, and these officers are still promoting the bill defeated here on June 21 and still telling the farmers that the Kennedy-Freeman bill is the best way to assure keeping the Government out of the livestock industry.

It is a clear example, if we actually have a law covering this type conduct as was indicated on the floor July 25, that this conduct is an abuse of it, evasion of it, and, in fact, a violation of it. I agree, the Kennedy-Freeman program needs a lot of defending and, certainly, needs a lot of selling, but it is high time Congress clearly expresses its intent that taxpayers' money should not be used to promote any pending farm program whether of this administration, the last administration, or the next. We are not being fair to the thousands and thousands of USDA employees who are trying to carry out their administrative duties by permitting politicians in the USDA to encourage their participation in any tug of war over Freeman's pet legislation. As a matter of protection to these Federal employees, and there are thousands and thousands of them, and as a matter of protection of the taxpayers this type activity should be stopped now and forever prohibited.

Mr. REIFEL. Mr. Speaker, will the gentleman yield?

Mr. DOLE. I yield to the gentleman.

Mr. REIFEL. Has the gentleman from Kansas brought this to the attention of the Department of Justice?

Mr. DOLE. I am working on a brief for the Department of Justice now.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr HALL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently, a quorum is not present.

Mr. SMITH of Virginia. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 182]

Alford
Alger
Ashley
Baring
Barrett
Bass, N.H.
Battin
Blatnik
Blitch
Bolton
Boykin
Brademas
Brewster
Bromwell
Buckley
Byrnes, Wis.
Cahill
Carey
Chenoweth
Conte
Cook
Cooley
Curtis, Mass.
Davis, Tenn.
Dawson
Diggs
Dingell
Dooley
Evins
Farbstein
Findley
Fogarty
Frazier
Gallagher
Garland
Giaimo
Goodell
Gray
Griffin
Harding
Harris
Harrison, Va.
Harrison, Wyo.
Harsha
Healey
Hébert
Hoffman, Ill.
Hoffman, Mich.
Holifield
Ichord, Mo.
Inouye
Jennings
Jones, Ala.
Kearns
Kelly
Kilburn
King, Utah
Lesinski
Loser
McCulloch
McSween
McVey
Martin, Mass.
Mason
Merrow
Miller, N.Y.
Minshall
Moorehead, Ohio
Moulder
Nedzi
Nelsen
Osmers
Peterson
Pilcher
Powell
Pucinski
Rains
Rooney
Roudebush
St. Germain
Santangelo
Saund
Scherer
Seely-Brown
Shelley
Short
Siler
Sisk
Smith, Miss.
Spence
Springer
Stafford
Taber
Teague, Tex.
Thompson, La.
Thompson, N.J.
Thornberry
Wharton
Wickersham
Widnall
Willis
Wilson, Calif.
Wilson, Ind.
Winstead
Yates
Zelenko

The SPEAKER. On this rollcall, 328 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

UPPER DIVISION OF THE BAKER FEDERAL RECLAMATION PROJECT, OREGON

Mr. ROGERS of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 575) to authorize the Secretary of the Interior to construct, operate, and maintain the upper division of the Baker Federal reclamation project, Oregon, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 575, with Mr. MADDEN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ROGERS of Texas. Mr. Chairman, I yield 6 minutes to the chairman of the Committee on Interior and Insular Affairs, the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Chairman, today the Interior and Insular Affairs Committee is bringing before the House two more small reclamation projects which are most important to the areas they will serve. The bill presently under consideration would authorize construction of the Baker Federal reclamation project in the State of Oregon which would cost a little over $6 million. This is a multiple-purpose project for furnishing irrigation water to 18,000 acres of irrigable land in the Baker Valley, reducing flood damages which annually occur in the valley, and providing fish and wildlife benefits and recreational opportunities.

The Baker project is a small reclamation project, relatively speaking, but the maintenance of a healthy economy in the Baker Valley and the city of Baker, an economy based upon agriculture, depends to a great extent upon its construction and operation. The project would resolve a water shortage problem which has plagued the valley for more than 30 years.

The lands that are presently irrigated have to depend upon natural streamflow for their water supply and consequently they receive only a partial supply. In most years, the lands are without water after the early part of July. Agricultural operations are therefore extremely uncertain and the crops that can be grown are limited.

The principal feature of the Baker project would be a reservoir constructed on the Powder River upstream from the city of Baker which would store winter flows and surplus spring flows and permit their release as needed for irrigation. The storage of the spring flood flows would also considerably reduce the flood damage which occurs in the Baker Valley in most years. Furthermore, the reservoir would have a high recreational value because of its scenic setting, easy access, and a shortage of alternative opportunities for the type of recreation it would provide. The Baker project would truly be a multiple-purpose development.

The gentleman from Texas, WALTER ROGERS, chairman of the Irrigation Subcommittee which handled this legislation, will discuss the engineering and economic details of the project, so I will not go further into those aspects. However, I would like to speak briefly on a few of the reclamation policies involved in this project.

One of the policies involved is the matter of financial assistance to the project from Federal power revenues that are surplus to the amounts needed to repay the power costs. This goes hand in hand with the additional policy that the water users pay in accordance with their repayment ability. These policies grew out of passage of the Reclamation Project Act of 1939 which put into effect the multiple-purpose concept.

It has been the committee's position that meritorious and economically justified projects in the Northwest should not be penalized because of the fact that there is no basin account established for that area. The committee believes that projects in the Northwest should receive the same treatment with respect to financial assistance from power revenues that is accorded projects in the central valley of California, the Missouri Basin, and the Upper Colorado River Basin. Since the water resources of the entire basin contribute to the generation of power, it seems appropriate to provide for financial assistance to projects throughout the basin from Federal power revenues when those revenues are no longer needed to repay all of the power costs and interest on the power investment. Consequently, the committee has approved and the Congress has passed several bills authorizing the construction of Northwest projects requiring financial assistance from power revenues. These include the Foster Creek project and the Greater Wenatchee project in the State of Washington, and the Crooked River project and The Dalles project in the State of Oregon.

The legislation under consideration also involves the matter of what constitutes a family-size farm. The legislation includes language which would permit some adjustment of the 160-acre irrigated land limitation provision of reclamation law in order to recognize the limited production potential of certain lands in the Baker project service area. Ownerships larger than 160 acres would be permitted where the farm units include sizable percentages of poorer classes of lands. Because the Baker project has been criticized because of the large percentage of poorer classes of land it should be pointed out that this is land that is presently being irrigated. It is not a case of developing raw land in the poorer classes.

The principle of establishing the size of ownership on the basis of productiveness of the land is not new. It was approved by the Congress for the Seedskadee project in Wyoming and the East Bench unit of the Missouri River Basin project. In my opinion, this is a reasonable approach to the land ownership problem and is an approach which does not violate the family-size farm principle. As a matter of fact, in my opinion, it comes closer to the family-size farm principle than applying the 160-acre limitation "across the board" because in some areas 160 acres is more land than is needed for a family to make an adequate living.

I would like to touch briefly on the matter of use of the reservoir for fishing and for recreation because of the nonreimbursable allocation that is involved. I believe that in the near future, Congress will establish a general policy for charging reasonable user fees at Federal recreational areas. There is legislation before my committee which provides among other things for the establishment of such fees on a uniform basis at all Federal reservoirs regardless of which agency of the Federal Government constructs them.

In summary, Mr. Chairman, the Interior and Insular Affairs Committee found the Baker project to be in compliance with the policies and procedures applicable to such projects. The committee concluded that the project is needed to resolve the critical water problem in the Baker Valley and stabilize the local economy.

Mr. Chairman, I believe this is a good project and it deserves the support of the Congress.

Mr. SAYLOR. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I have a great deal of respect and admiration for the chairman of the full committee, my distinguished colleague, the gentleman from Colorado [Mr. ASPINALL], and on most of the projects which come from our committee, we find ourselves in agreement. However, today we are in disagreement and I would urge that this Baker project be defeated.

First, let me say, in my opinion, it is not a good project. I do not care whether you use the standards which were formerly used by the Bureau of Reclamation to determine the feasibility of a project or whether you use the new standards that the Bureau now has. Under either set of standards, this project just should not be constructed. The land is so poor that the Bureau of Reclamation, which will do anything in the world to justify a project in the West, has had to violate every rule they have laid down to bring this feasible report to us. The standard of 160 acres for a family-size farm has been in the law for many years. It has been recognized as one of the principles that should be adhered to in all reclamation projects. The Bureau frankly admits that if the 160-acre law is put into effect, this project cannot be authorized because you cannot make a living on 160 acres. So they reached up into the thin air and drew down a formula for which they have absolutely no precedent. This is just the opinion of several men who work in the Bureau as to what will be necessary to work out a family-size farm.

One of the witnesses who appeared from the local area testified that the principal reason we should authorize this bill is that it would provide flood protection for the city of Baker, Oreg. I realize that the gentleman was sincere in his statement. However, the gentleman apparently had never read the comments of the Corps of Engineers, dated August 19, 1958, on this project.

They indicate that if the Mason Dam and Reservoir is built on the Powder River they can allocate only $40,000 a year to flood control. The reason they say they can allocate only this small amount is that a great many of the floods that occur in Baker, Oreg., are caused by streams that flow into Powder River below the dam, and that if this dam is erected the flood damage that occurs in Baker, Oreg., will continue to haunt them, and in fact they say that if the reservoir should happen to be full it would create a worse flood hazard than you have at the present time. So, instead of being advantageous from a flood control standpoint to the citizens of Baker, Oreg., this project could do them harm.

A third feature of this bill I think you should know about is that we are going to ask the Bonneville Power Administration to pick up most of the tab. You are going to do it because the ground is so poor they cannot possibly begin to pay more than a small fraction of what has been allocated to irrigation and lo and behold you, this project is not even a Bonneville power service area; it is completely outside of the area and, therefore, will contribute absolutely nothing to Bonneville. There is going to be no power whatsoever on the Mason Dam. This would follow a pattern the House established last week, because we are going to pay for it out of the assets of this great fine project, Bonneville. I should like to call the attention of the House to the fact that last year the Bonneville Power Administration operated in the red to the tune of $18 million.

All we are going to do is to increase the deficit that Bonneville will continue to operate under.

Then, we passed a bill the other day called the farm bill, which authorized the Secretary of Agriculture to pay the farmers—and there are some right out in this area—who have their farms in the soil bank, and we are paying them not to grow anything on large portions of their farms; but, lo and behold you, here in this project we are asked to spend $6 million in an area where the Bureau admits there is no economic justification for it, and to spend large sums of money in an effort to bring more land into production.

What are they going to grow? The same things we are subsidizing in other sections of the country. I do not know whether or not the House in its wisdom will pass this bill. I hope they do not, but I do not have much illusion that they will not, because this is election year; this is a year when "you scratch my back and I'll scratch yours," and we put in projects that otherwise would not pass, projects that have not been considered heretofore. We have authorized big projects this year involving hundreds of millions of dollars, projects that in my opinion were not justified. Last week we voted for a small project up in Idaho, and I suppose this week we will authorize one in Oregon and one in Washington. But somewhere along the line when the Members go back home they are going to have to face up to the responsibility of their citizens and their constituents to try and figure out where this country is going economically.

The other day we noticed in the paper that France had come over and taken a lot of gold out of our gold reserves and gave us a lot of paper in return. We all know that the gold reserves we have in this country today are not sufficient to back up the money you have in your pocket. Yet we hear from the Appropriations Committee that they worry about it, they come in here and talk about it, but when one of these projects comes up out West they forget all about that, because they say these projects will produce untold wealth, they give you all of the extra benefits and they predict for a hundred years ahead all of the things they would like to throw in. I may say to my colleagues that if the House and the Senate of these United States continue with the present fiscal policy we are following, we need not worry about a hundred years from now, because this country will not exist a hundred years from now if we follow these same inconsistent policies with one branch of the Government taking land out of production, paying the farmers not to grow, and on the next farm have another agency of the Federal Government paying the farmers to produce.

These are some of the reasons why I think the House should turn down this project.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SAYLOR. Mr. Chairman, I yield myself 5 additional minutes.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Iowa.

Mr. KYL. Will the gentleman go into a little more detail about this process of increasing the 160-acre limitation? How is that done? Under what formula is it done?

Mr. SAYLOR. Well, the committee had presented to it from downtown a formula that said 160 acres of this land will not produce a family-size farm.

Mr. KYL. That is 160 acres?

Mr. SAYLOR. One hundred and sixty acres. They said that we will take a formula and will take so much of class 2 land and we will give you about an acre and a half of class 2 land and we will call that the equivalent of 1 acre of class 1 land. We will go on up here and we come to class 3 land and they will give you about 2½ acres of class 3 land to make up 1 acre of class 1 land. Then they will give you a little better than 3 acres of class 4 land so that you can have the equivalent of 1 acre of class 1 land.

What it amounts to is that a father and mother and two children can have about 1,200 acres under this formula.

Mr. KYL. This 1,200 acres would be land of such a nature that you could produce no more than the regular 320 acres which would be permitted under normal circumstances?

Mr. SAYLOR. That is correct.

Mr. KYL. The additional use of water would be there. It would take more water to irrigate it?

Mr. SAYLOR. It would take more water to irrigate it and it would cost more to irrigate it and produce less.

Mr. KYL. On the second point I think it should be made perfectly clear what financial arrangement is being made in relation to the project in connection with the Bonneville power setup. Under the original law, is it correct to say that the Congress anticipated or provided actually that any profit from that Bonneville power system and the repayment would go to the General Treasury of the United States?

Mr. SAYLOR. That is correct; would go into the General Treasury of the United States.

Mr. KYL. In other words, there is actually here, then, a violation of the original spirit and intent of that law?

Mr. SAYLOR. There is no doubt about it.

Mr. KYL. And, under this procedure the irrigation costs which cannot be paid by the irrigators would be taken from the Bonneville power system which operated last year in the red at $18 million, even though the irrigated area is not being served by Bonneville power; is that correct?

Mr. SAYLOR. That is correct.

Mr. KYL. I thank the gentleman.

Mr. SAYLOR. I might say one thing further, and that is this: If one does not think we have inflation built into this bill, one is not taking a good look at it. If one will look on page 16 of the report, one will see how the estimated cost of this project has increased from the date of the original legislation in the 1944 Flood Control Act from $1,580,000 to $6,168,000 as of February 1962. Then we placed in it an amendment which we have been adding to projects of this nature known now as the Haley amendment, an amendment of our colleague, the gentleman from Florida [Mr. HALEY]. Based upon the February 1962, prices, that means that any increase from February 1962, is already built into it, and if it increases as fast from 1944 down until 1962, from $1.5 million to $6.1 million in the next years, as it is authorized, it will cost about $12 million to build it.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I would be happy to yield to the gentleman from Florida.

Mr. HALEY. Of course, the so-called Haley amendment is in these various reclamation projects for the purpose of merely letting the Congress of the United States know exactly what it spends, rather than giving them back-door authority and an open-end authorization, is that not correct?

Mr. SAYLOR. There is not any doubt about it. I am in favor of the Haley amendment, and I am delighted to have the gentleman from Florida put it in every one of these bills.

Mr. ROGERS of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I propose to discuss briefly the physical and economic aspects of the Baker project which would be authorized by H.R. 575. As the gentleman from Colorado, Chairman ASPINALL, stated, the project is a multiple-purpose development for irrigation, flood control, fish and wildlife, and recreation. It would furnish irrigation water to 18,000 acres of irrigable land in the Baker Valley of which about 4,000 acres are presently dry lands and about 14,000 acres would receive a supplemental water supply.

The principal feature of the project is a 100,000 acre-foot reservoir which would be constructed on the Powder River about 18 miles upstream from the city of Baker. Other project works include pumping plants and minimum basic recreational facilities. It would be the responsibility of the water users to rehabilitate and extend the existing diversion and distribution system, using their own funds.

Storage of winter flows and surplus spring flood flows in the reservoir would provide about 27,000 acre-feet of water annually for irrigation use later in the year, and would also prevent substantial flood damage in the Baker Valley. The reservoir would be very valuable for fishing and for recreation as the gentleman from Colorado, Chairman ASPINALL, stated.

The estimated cost of the Baker project is $6,168,000 of which $4,355,000 is allocated to irrigation, $1,056,000 is allocated to flood control, $632,000 to fish and wildlife, and $125,000 to recreation.

The allocation to recreation is the specific cost of land acquisition and construction of basic facilities. The costs allocated for flood control and to fish and wildlife would be nonreimbursable. The $4,355,000 allocated to irrigation would all be repaid. The studies of the Bureau of Reclamation indicate that the water users could repay about $1,128,000 over a 50-year period. The remaining $3,227,000 allocated to irrigation but in excess of the irrigators repayment ability would be repaid from the disposition of power marketed through Federal power facilities. As reported by the committee, the financial assistance would come from the Bonneville Power Administration. It is my understanding that the author of this bill, the gentleman from Oregon [Mr. ULLMAN], will offer an amendment which will substitute the McNary powerplant. I am advised that there will be available from the McNary powerplant sufficient revenues to repay this Baker project obligation within the 50-year repayment period provided in the bill.

The economic studies covering the Baker project indicate that the benefits over a 100-year period of analysis would exceed the costs in a ratio of 1.28 to 1. On the basis of procedures which are now in effect, and which are considered by the Department of the Interior to be more realistic than those used at the time the economic studies for the Baker project were completed, the benefit-cost ratio would be considerably improved.

Baker Valley has an elevation in excess of 3,300 feet above sea level and a relatively short growing season. It is surrounded by vast acreages of dry range lands suitable only for livestock grazing. The presently irrigated lands are devoted predominantly to feed and forage to support the livestock economy. Generally speaking, this cropping pattern is expected to be continued. However, with the firming up of the water supply, more flexibility in the cropping pattern will be possible. Testimony given the committee indicates that some land would be diverted from feed grains to row crops.

Mr. Chairman, my subcommittee devoted considerable study to the Baker project. We held hearings at which witnesses from the local area and from the Department of the Interior testified and were questioned in great detail. The subcommittee concluded that the Baker project is sound from an engineering and economic standpoint and meets the requirements for authorization and construction as a Federal reclamation project. The project was approved by the full committee and is before the House with the recommendation that H.R. 575 be enacted.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I am happy to yield to the gentleman from Iowa.

Mr. GROSS. Am I to understand that this means the outlay of more taxpayers' money at 2½ percent interest?

Mr. ROGERS of Texas. As a matter of fact, I do not believe there is any interest involved in this because this is irrigation and the funds allocated for irrigation purposes carry no interest charges.

Mr. GROSS. I thought the report indicated the Bureau's use of 2½ percent interest money. Is not the Bureau using 2½ percent interest money in this case?

Mr. ROGERS of Texas. The Bureau of Reclamation?

Mr. GROSS. Yes.

Mr. ROGERS of Texas. I do not know.

Mr. GROSS. What kind of money finances the McNary project?

Mr. ROGERS of Texas. The interest is payable on the power feature costs and municipal water. It is the long-term interest rate on Government obligations.

Mr. GROSS. If not directly involved it does indirectly get the benefit of 2½ percent money.

Mr. ROGERS of Texas. There is not any question about that. As a matter of fact, on the irrigation side of these projects there is no question that there is a direct subsidy of whatever the amount of difference between this money and that required to be paid on money borrowed from private sources. On other items the subsidy would be the difference between the long-term Government obligation interest and what would be required to be paid for money from private sources.

Mr. GROSS. In this, as in all these other deals, the Government is borrowing the financing money at 3½ to 4 percent interest, is not that true?

Mr. ROGERS of Texas. I think that is true; I do not think there is any question about it.

Mr. GROSS. How are we ever going to get ourselves straightened out financially in this country if we continue to indulge in these practices?

Mr. ROGERS of Texas. I think you must justify these on whether or not they will contribute to the national product and build up the strength of this country commensurate with whatever subsidy has to be paid, whether it is for shipbuilding, or the foreign aid program, or the expenditure of money with heavy industry and other producers in this country, or whatever the subsidy may be that is involved. You have to weigh them out on this basis.

Mr. GROSS. Is there no limit to how far we can go in the spending of borrowed money for purposes that are not urgent?

Mr. ROGERS of Texas. I think definitely there is a limit. The gentleman and I certainly agree we ought to balance the budget just as quickly as possible and bring Federal spending into proper focus. These projects are investments in America as opposed to investments in foreign countries.

Mr. GROSS. Could not projects of this kind wait a while? Do we have to commit ourselves to this sort of thing now? And for what reason?

Mr. ROGERS of Texas. I think we ought to continue to build the basic economy of the country. I think unless we do build this kind of project and keep the people in this country spread out as they should be in these different areas we will be asking for trouble that will be a great deal more than any problem that could be created by this sort of legislation.

Actually, in the beginning reclamation projects were much better than the ones now, there is no question about that, because there were more sites for these things, there was land that was better. As to the point the gentleman from Pennsylvania [Mr. SAYLOR] made with respect to the 160-acre limitation, when that 160-acre limitation was originally set down they had in mind one thing, the family-sized unit that would sustain the family. As these different units of Federal land were taken up, whether in Iowa, Texas, or any place else, the poor land was all that remained available. A man with good, productive land such as you have in Iowa would be at a greater advantage than a man out in the semiarid area with 160 acres. In other words, it would require more land for him to make a living for his family than in Iowa, where you have better land.

Mr. GROSS. I am not opposed to reclamation, but I can find no good reason for bringing more land into production, as the gentleman from Pennsylvania [Mr. SAYLOR] said a while ago, when we are already producing huge surpluses in this country.

Mr. ROGERS of Texas. I thank the gentleman, he has been a strong supporter of America for which I commend him, and with which I agree heartily.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOSMER].

Mr. HOSMER. Mr. Chairman, there are some 18,000 acres involved here, and, according to the statistics of the gentleman from Pennsylvania [Mr. SAYLOR], which would permit one family to control up to 1,200 acres, we are taking care of 15 families in this raid on the Treasury at a cost of about $400,000 each. If you gentlemen feel in good conscience you would like to take such a philanthropic attitude for the benefit of 15 families, that is your business, but it is my business to try to persuade you otherwise. As was the case with the bill we had up last week, the Mason Creek project, this is another raid on the taxpayers, although that bill did not go to as great a depth in daggering the taxpayer as this project does.

Think of it. Over 16 percent of the cost of this project is allocated to nonreimburseable flood control, over $1 million out of the $6 million of cost. For fish and wildlife, you gentlemen who intend to vote for this bill, are going to OK putting up $632,000 of the taxpayers' money, for the fishies and the birdies and the possums, and so forth, that swim, roam, and fly around the wilds of Oregon. I can see where there is some justification if you have a cat or a dog for going out and buying it some nice cat or dog food at the supermarket and taking the money out of your own pocket. That is your own choice and your own money. But so far as these fishies and this wildlife of Oregon are concerned, I do not think you are entitled to come back here to Congress and by your votes take the money out of the taxpayers pocket to feed them or provide whatever the other benefits may accrue from so-called project to the fish and the wildlife.

Another unconscionable thing—we hear now after all this committee work and everything else that has gone into this project—that the sponsor of the bill is going to come on the floor and offer an amendment to take its subsidy out of the Bonneville project and put it into the McNary Dam project. Who are we kidding by this kind of parliamentary legerdemain? The McNary project contributes into the Bonneville project and whether you take out the kilowatts before they get into Bonnerville or after they get in there makes no difference whatsoever.

This amount of money—this $3,227,000 at a very minimum—$3,227,000 is going to have to be put up by somebody to pay for this project and it is going to come out of the taxpayers of the United States. You are going to take another $3,227,000 out of the pockets of your hometown taxpayers to put this pile of dirt and rock in that river up in Oregon. Again, I say this is an unconscionable way to come to Washington and operate.

In answer to the question posed by the gentleman from Iowa [Mr. GROSS] a few moments ago, the interest that is going to be paid on this monstrosity over a period of 50 years, mind you, and not 40 years or any less time or reasonable time—no, 50 years—it is going to cost, if the United States only had to pay 2½ percent for its money, $7 million in interest for a $6 million project.

If the United States pays 3 percent for its money, your taxpayers are going to have to spend $10½ million for a $6 million project.

If the United States pays 3½ percent for its money, your taxpayers are going to be paying $15 million for a $6 million project.

If the United States pays 4 percent for its money, your taxpayers are going to be paying $20 million for a $6 million project.

Now which of these various interest rates will apply? Of course, the last interest rate will apply. The Treasury just went down and got some money and had to pay over 4 percent for it. That is the going rate. Do not kid yourselves about an average interest rate that Uncle Sam is paying. When this $6 million plus goes out of the Federal Treasury, the interest that the taxpayers will pay on it will be at the 4 plus percent rate. That is exactly the kind of foolishness that this project involves—$20 million for a project that is going to benefit 15 to 30 families and the most, that it is going to enable them to graze some more cattle. Mind you, irrigating at this expensive price to feed cattle. That is what this project is supposed to do, and it will do it at an expense to the taxpayers which is outrageous.

This project and the others like it, coming at you one by one, is no more than a salami technique toward national bankruptcy. It is high time that this Congress came up with a sense of fiscal responsibility and in good conscience cut out this kind of foolishness. It will cripple and ruin the United States and plunge it into ever deeper debt forever. We will be taking the exact course Mr. Khrushchev wants us to take, bankruptcy, and he will get his socialism in these United States that way. This is a prime example of the way to go about giving him what he wants. I call upon the Members of this House to vote down this project and to vote down these other expenses and to start living as sane Americans should live, having the future of our country in mind and with a regard to future generations of Americans who would like to have the opportunity that we have had to live in freedom and not in slavery.

Mr. ROGERS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. ULLMAN].

Mr. ULLMAN. Mr. Chairman, I first want to express my sincere appreciation to the chairman of the committee and to the chairman of the subcommittee for their diligence in holding lengthy hearings on this project, and for their consideration of this bill in the subcommittee and in the full committee. I sat on that committee for a number of years, and I know the thoroughness with which the members act on projects that come before them. Let me say to the Members of the House that when a bill comes to them from the Committee on Interior and Insular Affairs it has had no skimming treatment; it has had the most thorough kind of consideration. Every sentence and every paragraph is carefully read and necessary amendments are adopted. I want to say that the gentleman from Colorado is one of the most able men in this House. He knows more about reclamation problems in the West than any other person I am acquainted with, and I know when he sits as chairman of the full committee legislation does not come out unless it is sound legislation and good for America.

The subject of Bonneville power revenues has been raised in connection with this bill. Fifty years or more ago it was decided that the water resources of this land were valuable, were vital to our future, and that they must be conserved and carefully husbanded if this Nation was to grow and prosper. So it was at that time that the policy was established—that reclamation funds would be advanced and that no interest would be charged on those funds, because it was felt that the values to the Nation of the water developed were such that the Nation should loan construction money without interest charges. It was back then, also, when they established the principle that flood control and related benefits should be paid from general revenues and should be a cost to the taxpayers of the Nation.

It was then, too, that they made the decision—and it was a sound one—that power revenues from Government projects associated directly or indirectly in a basin with that project should help pay the cost of reclamation. This is a sound principle. It is a longstanding precedent. We find it in the Missouri Basin, in the Colorado Basin, and in the Central Valley of California. The same thing applies in connection with this project. At the proper time I will offer an amendment withdrawing such assistance from the Bonneville Power Administration and substituting power revenue assistance from the McNary Dam on the Columbia River in eastern Oregon. This will meet the objections of some who have opposed the use of future Bonneville revenues for reclamation assistance until such time as a basin account is established.

I have a letter from the Bonneville Power Administration which sets forth the fact that McNary Dam revenues will be available and adequate and I will include it in the RECORD at this point:

JULY 27, 1962.

HON. AL ULLMAN,
House of Representatives,
Washington, D.C.

DEAR MR. ULLMAN: We enclose herewith information pertaining to the construction costs and repayment period of the McNary Dam as requested by Mr. MacDaniel of your office.

If we can be of further service, please feel free to call upon us.

Sincerely yours,

MAX N. EDWARDS,
Assistant to the Secretary and Legislative Counsel.

JULY 27, 1962.

MCNARY DAM

The capital cost allocated to commercial power is about $280 million. This cost is reimbursable with interest in a 50-year period. The last power generator went on the line in 1957. Therefore, the repayment period will end in 2007. The annual payment required to amortize the capital cost is nearly $10 million a year. After payout of the commercial power investment, this revenue will become available for other purposes.

The drafts of legislation to authorize the upper division of the Baker project provide for a 50-year repayment period following the permissible development period. It is proposed that the full 10 years will be allowed for the development period. Thus, the repayment period will extend to 60 years after completion of construction.

The construction period is estimated at 5 years. Therefore, if the project were authorized this session of Congress, the repayment period would extend to 2027. This will be 20 years after revenues from McNary Dam become available. The assistance required by the upper division would require only about a third of 1 year's revenue from McNary Dam after its commercial power investment is returned.

The letter states that power revenues from the McNary Dam will be more than ample to offset the cost of that portion of this project that will be reimbursed through power revenues.

This project meets the test of sound reclamation. The Bureau of Reclamation has been making extensive studies in this area for years. Local reclamationists and farmers have planned for the project for the past 30 years.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. ROGERS of Texas. Mr. Chairman, I yield the gentleman 4 additional minutes.

Mr. ULLMAN. Mr. Chairman, the National Reclamation Association, which is conservative in its approach to the problems of reclamation and water development, strongly endorses this project. I will insert a statement from the National Reclamation Association endorsing the project and stating the soundness of the planning and the procedures in the project:

THE NATIONAL RECLAMATION ASSOCIATION ENDORSES THE BAKER PROJECT

It has long been the policy of the National Reclamation Association to endorse noncontroversial, sound reclamation projects that are economically justifiable and financially feasible. The Baker reclamation project, Oregon, comes well within the category.

The Baker project meets all the requirements of the Federal reclamation law and also all the policies and procedures established by the Congress over a period of years. It is the type of project the National Reclamation Association is proud to support.

WILLIAM E. WELSH,
Secretary-Manager, National Reclamation Association, Washington, D.C.

Let me refer very briefly to some of the arguments that have been made here. The acreage requirement provision in this bill is not a new precedent. It is one that has been long established. It is the principle of a limitation of 160 acres or its equivalent. It comes to the point that in some of the projects you have different classes of land, some of which are more productive than others. In connection with fully productive land there is no question but what the 160-acre limitation applies directly. Other lands are less productive, and let me tell you about these lands. In the Baker Valley we have a valley some 20 miles long. On one side you have the Elkhorn Range of mountains and on the other side the foothills of the Wallowa Mountains. It is a semiarid area, watered largely by mountain snow. That snow melts in the early part of the spring and runs off. By July 1 the water has been used and there is no longer any irrigation for the farmers of the valley.

What we are doing here is building the Mason Reservoir above the Baker Valley that will hold onto the flow of the snow that is the main source of water for the valley, so that those farmers can use these waters during July, August, and September when they need them so much.

Many of the class 4 are lands located in the heart of the valley. They are lands that are in wild hay meadow, with a high water table. These lands are productive for cattle pasture, but they are not the kind of land that can be plowed up and intensively farmed. But when you get into the class 3, 2, and first-class land, you are dealing with land most of which can be plowed up and can be used for intensive row crop planting.

Let us refer now to the 4,000 acres not now irrigated. There is no new land in this project. All of the acreage is presently in production. The 4,000 acres is mostly in grain production. When we get water on the project this land will come out of grain and no longer will you be producing crops that are in surplus. It will go into intensified crops and row crops that are not in surplus. This project is not going to build up surpluses. It will take grain out of the warehouses because these farmers cannot economically raise grain and pay the cost of irrigation. That has been the experience in these high altitude areas. They will produce crops on this land that are not in surplus.

I urge your support of the bill.

Mrs. GREEN of Oregon. Mr. Chairman, I rise in support of H.R. 575, the Baker upper division irrigation project bill. The legislation, sponsored by my able and skilled colleague, the gentleman from Oregon, Representative AL ULLMAN, would authorize the Interior Secretary to construct, operate, and maintain the upper division of the Baker Federal reclamation project for furnishing irrigation water to 18,000 acres of irrigable land in the Baker Valley. This would serve the purposes of preventing floods and providing fish and wildlife benefits and recreational opportunities. Due to dependence on natural streamflow presently irrigated lands now receive only a partial water supply primarily by flooding during heavy spring runoff. After early July, usually, these lands are without water. The plan, whose principal feature is the Mason Dam and Reservoir, would regulate the Powder River to provide full irrigation water supply to 4,010 acres of presently dry lands and a supplemental water supply to an additional 13,900 acres. Estimated cost is about $6.1 million. Studies indicate irrigators can repay about $1.1 million allocated to irrigation over a 50-year period following a 10-year development period. The remaining sum would be returned during the 50-year repayment period from the disposition of power marketed through the Bonneville Power Administration.

There are two points which have been discussed, Mr. Chairman, today on which I would comment. One is the matter of repayment. Repayment is not a true measure of worth to the Nation of an irrigation project. It is a comparison of the total benefits with the total costs which determines whether the development would be a worthwhile national investment. Such a comparison shows that the upper division is a good proposal. Repayment ability of farmers, for example, is normally only a small percentage of the total benefits of a project. The second point is the matter of bringing in new land of marginal productivity or increasing the productivity of existing lands. The upper division project would provide an assist to an existing cattle economy. Estimates are that more than 90 percent of the lands in the division area would be utilized for the production of crops associated with the feeding of livestock. It would seem therefore that very little, if any, crops would be grown on the upper division that would contribute to agriculture surpluses.

This bill is a worthwhile measure. It has been ably shepherded over the hurdles by the gentleman from Oregon, Representative Ullman, in his usual careful, detailed, experienced fashion. The residents of his district are to be congratulated for selecting the gentleman from Oregon, Representative Ullman, as their representative in Congress to pursue their interests, the interests of Oregon and the interests of the Nation.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. Langen].

Mr. LANGEN. Mr. Chairman, I am sure that it comes as no surprise to members of the committee that I rise in opposition to this project. I suppose that it may be said that some of the things I am about to say are going to be repetitious of what I have said about other projects. This might well be true. If they are, they are only that much more meaningful today because this project is even worse than the others that we have considered prior to this.

If the Members will note, in the minority views there is listed and identified 10 specific objections. In other words, all of the objections that I have previously raised to these kind of projects all apply here. No. 1, again, they are going to raise feed grains, alfalfa, pasture and all of the other things that we now pay people not to raise, and this will mean exactly the same kind of an operation.

Mr. Chairman, let us not be fooled by this business of row crops. The determination on the part of the Bureau of Reclamation indicates that there will be no more than 600 acres of row crops in the first instance, which is only the equivalent of the new land that is added. So we are going to get the increases in the surplus crops. But I want to direct my thoughts today to another phase of these projects. Reference has heretofore been made to the effect that this poor land that we are going to irrigate—as a matter of fact, more than 50 percent of the 18,000 acres is class 4 land. This is the classification of land that is away down at the very bottom. This, obviously, raises the question as to the wisdom of supplying water for the irrigation of this kind of land. As a matter of fact, what we are doing here is this: It is about the same as trying to feed your family on crumbs when you have the refrigerator filled with choice foods. That in itself would be bad enough, but when you add to this the fact that you pay twice as much for the crumbs as you pay for the food in the refrigerator, then it becomes even worse. This matter of class 4 land and the way it is handled intrigued me. I made every effort to explore it to every possible degree. I questioned the witnesses at the hearings and then asked the Reclamation people to come to our office. I asked the Reclamation people to come to my office in order that they might offer some kind of an explanation for these expenditures of money and in order to obtain the formula which they intended to use. They were completely unable to supply any kind of any acceptable explanation.

They supplied the committee with a letter, as a matter of fact, and to show you how ridiculous it is, they used two sample farms, either of which does not show the percentage of class 4 land that the entire project has which is more than 50 percent. A positive indication that they have not been able to justify the project.

Mr. Chairman, remember this: Even if it were all class 1 land, that land would not be productive enough to pay back the cost that is being charged to irrigation. If you cannot pay it back from class 1 land, how are you ever going to do it on class 4 land, regardless of the formulas that you may use, regardless of a ficticious application of some kind of a formula that is supposed to figure out an outcome. But let us suppose that we even accept this as being some kind of an approach to this kind of a problem. What disturbs me more is this: Why is it done? It is done for this reason, and the formula is designed to accomplish this objective: The Bureau of Reclamation is going to predetermine what the income of a particular farm family is going to be. Then they are going to come onto that land and place a particular classification on it and then say to that individual: "Here is how we are going to calculate your payments and your income. We are going to predetermine how much money your family can earn."

You heard some references here a moment or two ago to the element of socialism, and so forth. I just point this out to you, so that you can use your own judgment, about what is being done in this project, where they predetermine exactly what your income is going to be; how much you are going to be able to pay of the cost of irrigation, which is less than the benefits. They have decided it has got to be only 25 percent of the cost, and this is all they can pay. And then they tell you how much will be left over. That is for you and your family to live on.

Mr. Chairman, as I mentioned in connection with some of the projects the other day, if you want to take this kind of formula and apply it to agriculture clear across the Nation, this is the way to open the door for that kind of program, and dictation by Government. I ask the members of this Committee to keep in mind, where else in the world this kind of formula and this kind of program is being used?

Yes, there are some real dangers here, besides the fact that we add to the budget deficit, and that we add to the national indebtedness at this point; besides the fact we are asking the taxpayers and other farm people to make some severe sacrifices in order to make this kind of an unfeasible project available. But with even all of these, in my humble opinion, they are not as dangerous as the matter of having the U.S. Government calculate the exact income of families and determine how much land they are going to be permitted to farm, and under what kind of conditions they are going to be able to farm it in order to achieve a predetermined income.

What is even worse, we have examples now of where this sort of thing has been done, and we have irrigation projects that completely broke some of the families involved. What was the condition there? The very same as outlined here, where they were trying to irrigate poor land. Did you note the reference here which indicated that a part of this class 4 land was land that had a high water level?

Yes, this has gotten to the point in some projects where it has become so ridiculous that where they started out with an irrigation project in order to supply water for the land, they wind up with a drainage problem, if you will, that they cannot solve and do not have the money to deal with it. This is the extent to which this kind of project can create problems, can become a hazard and a burden to every citizen of this country.

Mr. Chairman, I can do nothing else but recommend to this Committee that the bill be defeated.

Mr. SAYLOR. Mr. Chairman, I yield such time as he may require to the gentleman from Ohio [Mr. Bow].

Mr. BOW. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOW. Mr. Chairman, once again we are asked to obligate the citizens of the United States for a large sum of money that we do not have and cannot get unless we add to the tremendous load of taxation and debt that already burdens our people.

The World newspaper which came to our desks this week points up in new and even more frightening form the monstrous proportions of that debt.

According to the World, it is now $1,242 billion.

This means that every man, woman, and child in the United States has a financial obligation of approximately $6,642.

This is an obligation through the Federal Government alone.

Private consumer debt adds another $2,995 for every American.

And the burden of debt imposed upon each of us through our State governments adds $107 to this total.

If there were any signs of caution in our Government, if anyone were talking seriously about retrenchment on the huge and wasteful spending programs, we might be able to consider in good conscience the relatively small sums asked for the development of resources. But this is not the prevailing situation. The House has just authorized the continuation of the lavish foreign giveaway program, which will add $190 million to the interest Americans must pay each year.

Another $190 million in interest, when already our extravagance is costing us $17,690 in interest payments every minute of the day and night. Who is it that can face this desperate fiscal situation and urge us to further obligate the citizens of this Nation?

Mr. ROGERS of Texas. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. Roosevelt].

Mr. ROOSEVELT. Mr. Chairman, a few weeks ago when the farm bill came before the House, I spoke out on the question on the ever-increasing amount of surpluses that are piling up in our Federal storage bins throughout the country. As I said then, that feature of the present farm program disturbs me. In fact, as the Members will remember, the whole farm situation disturbs me. That concern was the reason I offered my amendment to require the Agriculture Committee to bring in an entirely new farm program to this House at next year's session.

I am mentioning these things because the objection has been raised that at a time when we are trying to reduce the amounts of farm surpluses, Congress should not authorize reclamation projects which would further increase these surpluses. If this were so, that would be a very telling point. But the fact is that the lands affected by this project would not increase farm surpluses. The crops produced on the affected acreages are mainly forage and feed grains which are utilized on the farms or sold locally as livestock feed. Let me read here from the committee report:

> The added production of forage and feed grains will help to reduce overgrazing of the rangelands. This plan of development adequately meets the immediate requirements of the area to stabilize and improve the existing cattle economy.

We can see that the purpose of the project is to protect present investments in range livestock breeding herds which are a key part of the economy of the entire Baker Valley area.

Another of the objections that I am particularly interested in is the one about the 160-acre family farm limitation. This issue is something I am familiar with because this provision has come up for a great deal of discussion lately in my State in connection with our great Central Valley project. It has been claimed that this project negates the historical homestead limitation of Federal reclamation projects. It is certainly true that the project does allow for farms larger than 160 acres. But that is because 160 acres would not be an economically viable farm unit.

There is nothing new about this procedure of allowing farms larger than 160 acres to be included when that was necessary. During the 85th Congress, we included the same provision in the legislation which authorized the East Bench unit of the Missouri River Basin project. We put the same provision in the Seedskadee project in Wyoming. There are such provisions in Federal reclamation projects in my own State. This provision just provides for the farms to be large enough to meet the costs of the project.

Mr. Chairman, after careful consideration this would seem to be a worthy and needed project and I would certainly support H.R. 575. May I conclude by paying my sincere respects to the author of the bill, the gentleman from Oregon [Mr. Ullman]. His devotion to duty and keen analysis has won for him widespread admiration.

Mr. Chairman, I yield to the gentlewoman from Oregon [Mrs. Green].

Mrs. GREEN of Oregon. Mr. Chairman, I ask unanimous consent to extend my remarks following the remarks of the gentleman from Oregon [Mr. Ullman].

The CHAIRMAN. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mr. SAYLOR. Mr. Chairman, I yield myself the remainder of the time on this side.

Mr. Chairman, I would like to call to the attention of the members of the committee the report of the Bureau of Reclamation on this project, wherein the statement is made that without drainage 9,700 acres of class 4 land is limited or best suited to the production of meadow hay and pasture. This is a far cry from row crops heretofore referred to.

Certainly I do not think we should be called upon to spend this kind of money to produce meadow hay and pasture.

Mr. ROGERS of Texas. Mr. Chairman, I yield the balance of my time to the gentleman from Oklahoma [Mr. Edmondson].

Mr. EDMONDSON. Mr. Chairman, I have listened to some of the arguments against this project. Some of them are a little different, a little original, but most of them are advanced by Members who would be just as much opposed to this project if it were class 1 land as they are if it is class 3 or class 4 land. If you have listened to some of these opponents, you know they would be against any kind of irrigation or reclamation project. I hope the House will give to their arguments about the same amount of weight that they have given when they have opposed projects in the past.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Colorado.

Mr. ASPINALL. Is it not true that this practice of having formulas to determine the income of farmers and the amount farmers can repay has been with the reclamation program ever since it started in 1902? If it is socialistic and communistic today, it was just that under former President "Teddy" Roosevelt and his successors in that office.

Mr. EDMONDSON. I think the gentleman is right about that. The only thing you can say about it is that it is good, sound business practice on the part of the Government to figure out what these income levels will be to be certain they will get repayment of the Federal investment. If being careful and trying to measure your income to be sure you will get repayment is socialism, and I do not agree that it is, then I think we need more of it in connection with other projects of the Government.

This project is designed to bring aid and relief to an existing area where such aid is urgently needed. It is located in the district of an outstanding Member of the House, a man whose championship of projects in other sections of the country has been in evidence since the first of his service in the Congress, the gentleman from Oregon [Mr. Ullman]. Certainly I think it would be the height of unfairness to say that since some of the land covered by this project is not first-class land we are going to deny to these farmers the benefits of the reclamation program.

This program we have of providing supplemental irrigation water to an area where the economy is adversely affected by recurring water shortages is definitely in keeping with the policy of the Federal Government. It has been carried out largely by the Department of Agriculture in bringing aid to distressed areas through the Agricultural Research Service, the Soil Conservation Service, and numerous other Federal agencies in every State in the Nation. This project will help to stabilize the economy in an area where it is needed.

Let me remind the members of the committee of this fact also, that we have very clear precedents, precedents within the last few years for taking care of class 3 and class 4 land in irrigation projects. We had them in the 85th Congress in Wyoming, also in the East Bench unit of the Missouri River Basin project. We have had within the memory of most of the Members on this floor clear precedents. I hope the bill will be adopted.

The CHAIRMAN. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of providing irrigation water, controlling floods, conserving and developing fish and wildlife, and providing recreational benefits, the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), is authorized to construct, operate, and maintain the facilities of the upper division of the Baker Federal reclamation project, Oregon. The principal works of the project shall consist of a dam and reservoir, pumping plants, and related facilities.

SEC. 2. The period provided in subsection (d), section 9, of the Reclamation Project Act of 1939, as amended (43 U.S.C. 485h), for repayment of the construction cost properly chargeable to any block of lands and assigned to be repaid by irrigators, may be extended to fifty years, exclusive of any development period, from the time water is first delivered to that block or to as near that number of years as is consistent with the adoption and operation of a variable repayment plan as is provided therein. Costs allocated to irrigation in excess of the amount determined by the Secretary of the Interior to be within the ability of the irrigators to repay within the repayment period determined under the provisions of this section shall be returned to the reclamation fund from net revenues derived by the Secretary from the disposition of power marketed through the Bonneville Power Administration, which are over and above those required to meet any present obligations assigned for repayment from such net revenues.

Committee amendment. On page 2, strike out section 2 and insert:

SEC. 2. (a) The period provided in subsection (d), section 9, of the Reclamation Project Act of 1939, as amended (43 U.S.C. 485h), for repayment of the construction cost properly chargeable to any block of lands and assigned to be repaid by irrigators, may be extended to fifty years, exclusive of any development period, from the time water is first delivered to that block or to as near that number of years as is consistent with the adoption and operation of a variable repayment plan as is provided therein. Costs allocated to irrigation in excess of the amount determined by the Secretary to be within the ability of the irrigators to repay, within the repayment period or periods herein specified, shall be returned to the reclamation fund within such period or periods from revenues derived by the Secretary of the Interior from the disposition of power marketed through the Bonneville Power Administration.

(b) Any lands in the upper division of the Baker project, Oregon, which are held in private ownership by a person whose holdings exceed the equivalent of one hundred and twenty acres of class 1 land shall, to the extent they exceed that acreage, be deemed excess lands. No water shall be furnished to such excess lands from, through, or by means of project works unless (1) the owner's total holdings do not exceed one hundred and sixty irrigable acres or (2) said owner shall have executed a valid recordable contract with respect to the excess in like manner as provided in the third sentence of section 46 of the Act of May 25, 1926 (44 Stat. 636, 649, 43 U.S.C. 423e). In computing "the equivalent of one hundred and twenty acres of class 1 land" under the first sentence of this section, each acre of class 2 land shall be counted as seventy-five one-hundredths of an acre, each acre of class 3 land shall be counted as fifty-five one-hundredths of an acre, and each acre of class 4 land shall be counted as thirty-eight one-hundredths of an acre.

Mr. ULLMAN. Mr. Chairman I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. ULLMAN to the committee amendment: On page 3, lines 10 and 11, strike out "marketed through the Bonneville Power Administration" and insert "from the McNary project power facilities".

Mr. ULLMAN. Mr. Chairman, this is the amendment I referred to previously in my remarks. The portion of this project that will be repaid from power revenues draws on revenues from the Bonneville Power Administration in the committee bill. All this amendment does is withdraw that provision and provide that the revenues shall come from the McNary Dam project which is a multiple-purpose dam on the main stem of the Columbia River in eastern Oregon in the area of the project.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman.

Mr. ROGERS of Texas. I have discussed this with members of the committee on this side, and they have no objection to it, and so far as we are concerned we are willing to accept the gentleman's amendment.

Mr. ULLMAN. I thank the gentleman.

Mr. SAYLOR. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I stated when we had the bill up last week covering another project in the State of Idaho that we are establishing a precedent that will be used time and time again in an effort to divert funds from the Federal Treasury. This project will contribute absolutely nothing to the McNary Dam. That dam is on the main stream of the Columbia River. Merely picking out one of the facilities of the Bonneville Power Administration and charging that facility with the part of the project that concerns the water users does not make it a good move. I am satisfied that if we allocate funds from an individual dam that all you have to do in the future to have any one of these projects justified is to find a good project in a district and forever and 2 days thereafter, you can continue to attach projects to it that are not even in the area. One of the best examples I can point to is one we have in Idaho. We have the Palisades project. When it was authorized, it was authorized because the evidence given to the committee indicated that this was a good reclamation project. Ever since that time there has been a decided effort in behalf of certain people in that area to attach worthless projects to the Palisades project.

All you are doing by this amendment is extending the payout period and violating the contract which Congress made when they authorized these original projects. When the McNary Dam was authorized, it was said, it would contribute funds toward the paying out of the Bonneville system, and the revenues thereafter were to be paid into the Treasury of the United States. This is a violation of that contract and I hope the amendment will be defeated.

Mr. ASPINALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time only for the purpose of stating to the members of the committee that this is not a new principle as far as reclamation development is concerned; this has been done several times heretofore. It is a regular process as far as basin accounts are concerned, as I said in my opening statement. When we authorized the Foster Creek project and the Greater Wenatchee project in the State of Washington we attached them to the net revenues of the Chief Joseph Dam. At that time there was no apparent opposition. Also, when we authorized the Crooked River project and the Dalles project, which are projects in Oregon, we attached them to the net revenues of the Dalles Dam project. These projects have been or are being constructed with the authorized policy approved by Congress that what the irrigators are unable to pay of the costs of the project allocated to irrigation will be repaid from net revenues from these particular power projects. It is one of the policies of the reclamation program, that reclamation pays its own way, that is the construction costs allocated to irrigation. There is the interest subsidy, yes, but this is offset by the benefits that the Federal Government is able to get from the revenues that flow from reclamation projects in areas where there would be but limited, if any, contributions from such areas to the Government, if the reclamation programs were not in existence and contributing to the local and national welfare.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon.

The amendment was agreed to.

The CHAIRMAN. The question recurs on the committee amendment as amended.

The committee amendment as amended was agreed to.

The Clerk read as follows:

SEC. 3. (a) The Secretary of the Interior is authorized, in connection with the upper division of the Baker project, to construct minimum basic public recreation facilities and to arrange for the operation and maintenance of the same by an appropriate State or local agency or organization. The cost of constructing such facilities shall be nonreimbursable and nonreturnable under the reclamation laws.

(b) The Secretary may make such reasonable provision in the works authorized by this Act as he finds to be required for the conservation and development of fish and wildlife in accordance with the provisions of the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661-666c, inclusive), and the portion of the construction costs allocated to these purposes and to flood control, together with an appropriate share of the operation, maintenance, and replacement costs therefor, shall be nonreimbursable and nonreturnable. Before the works are transferred to an irrigation water user's organization for care, operation, and maintenance, the organization shall have agreed to operate them in a manner satisfactory to the Secretary of the Interior with respect to achieving the fish and wildlife benefits, and to return the works to the United States for care, operation, and maintenance in the event of failure to comply with the requirements to achieve such benefits.

(c) The works authorized in this Act shall be operated for flood control in accordance with regulations prescribed by the Secretary of the Army pursuant to section 7 of the Flood Control Act approved September 22, 1944 (58 Stat. 887).

SEC. 4. There are hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated such sums as will be necessary to carry out the purposes of this Act.

With the following committee amendment:

Page 5, line 13, insert:

SEC. 4. There is hereby authorized to be appropriated for construction of the Baker Federal reclamation project the sum of $6,168,000 (February 1962 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for operation and maintenance of the project.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MADDEN, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill H.R. 575 to authorize the Secretary of the Interior to construct, operate, and maintain the upper division of the Baker Federal reclamation project, Oregon, and for other purposes, pursuant to House Resolution 730, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken.

Mr. SAYLOR. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Under the order of last week, further proceedings in connection with this bill will be postponed until tomorow. Does the gentleman from Pennsylvania withdraw his point of order?

Mr. SAYLOR. Mr. Speaker, I withdraw my point of order.

THE SPOKANE VALLEY PROJECT, WASHINGTON

Mr. ROGERS of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2008) to amend the act of September 16, 1959 (73 Stat. 561, 43 U.S.C. 615a), relating to the construction, operation, and maintenance of the Spokane Valley project.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 2008, with Mr. ABERNETHY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ROGERS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. ASPINALL], chairman of the committee.

Mr. ASPINALL. Mr. Chairman, this legislation involves another small reclamation project which is very important to the area it serves. The bill would amend the act passed in 1959 to authorize construction of the Spokane Valley project, Washington.

Amendment of the 1959 act is necessary because the Spokane Valley project has been considerably modified since it was authorized. The area to be irrigated by the project has been reduced, domestic water service has been added as a principal project purpose, and the cost of the project has increased because it has been found necessary, due to soil conditions, to use more expensive pipe than was originally planned.

The Spokane Valley project lands are located along the Spokane River just east of the city of Spokane, Wash. Under the modified plan, 7,250 acres would be served rather than 10,290 acres as provided for in the 1959 act. The lands close to Spokane are being subdivided more and more into part-time farms and rural homesites and this accounts for the need for making municipal water service a project purpose.

The Spokane Valley project works consist primarily of an underground pipe distribution system to replace a gravity system which presently diverts water from the Spokane River. The existing gravity system is deteriorating rapidly and is in danger of failure at any time. It has already far outlived its life expectancy. It has been determined that the proposed system of pumping from the underground reservoir would better meet the needs of the area than replacement of the gravity system.

Chairman WALTER ROGERS of the Irrigation Subcommittee which handled this legislation will discuss the engineering and economic details of the project as it has been modified by S. 2008.

I would like to speak very briefly on the reclamation policies which are involved. One of the policies is the matter of financial assistance to the Spokane Valley project from power revenues of the Chief Joseph Dam project, a "run of the river" power development in the same general vicinity. This assistance goes only to irrigation development. The amount allocated to municipal water will, of course, be repaid with interest by the municipal water users.

The situation is a little different for the Spokane Valley project than it was for the Baker project because, in 1952, Congress passed legislation which provided that revenues from Chief Joseph Dam project over and above those needed to repay the power costs with interest could be used to assist irrigation development in the area. Congress has already approved two other projects that are financially assisted by revenues of the Chief Joseph power facilities. They are the Foster Creek project and the Greater Wenatchee project.

As I stated in the debate on the Baker project, the policy of assisting irrigation development from power revenues goes hand in hand with the additional policy that water users pay in accordance with their repayment ability. Both of these policies grew out of passage of the Reclamation Project Act of 1939 which put into effect the multiple-purpose concept. It is necessary, in the Northwest, to attach these small irrigation projects to specific power facilities since there has been no basin account authorized for Northwest such as presently exists in the Central Valley of California, the Missouri Basin, and the Upper Colorado River Basin. It is the committee's position that meritorious and economically justified projects in the Northwest should not be penalized because of the fact that there is no basin account established for that area.

Mr. Chairman, the Interior and Insular Affairs Committee found the Spokane Valley project as modified by this legislation to be a very meritorious development which complies with all policies and procedures applicable to such projects. It is one of the better small projects to come before the committee. The committee concluded the project is urgently needed because of the condition of the existing system and recommends that this amendment to the 1959 act be approved.

Mr. KYL. Mr. Chairman, I yield myself 5 minutes.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Sixty-three Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 183]

Alford
Andersen, Minn.
Anfuso
Ashley
Auchincloss
Ayres
Baring
Barrett
Bass, N.H.
Bass, Tenn.
Battin
Blitch
Boggs
Bolton
Boykin
Brademas
Brewster
Bromwell
Buckley
Byrnes, Wis.
Cahill
Carey
Celler
Chenoweth
Coad
Conte
Cook
Cooley
Curtis, Mass.
Davis, Tenn.
Diggs
Dingell
Donohue
Dooley
Evins
Fallon
Farbstein
Feighan
Findley
Frazier
Friedel
Gallagher
Garland
Garmatz
Gilbert
Granahan
Gray
Griffin
Harris
Harrison, Va.

Harrison, Wyo.
Harsha
Hébert
Hoffman, Ill.
Hoffman, Mich.
Ichord, Mo.
Jennings
Kearns
Kilburn
King, Utah
Kirwan
Kitchin
Kluczynski
Kowalski
Latta
Lesinski
Loser
McSween
McVey
Macdonald
Martin, Mass.
Mason
Merrow
Miller, N.Y.
Minshall
Moorehead, Ohio
Morrison
Moulder
Nedzi
Neisen
Osmers
Peterson
Philbin
Pilcher
Powell
Price
Pucinski
Rains
Rooney
Roudebush
Santangelo
Saund
Scherer
Seeley-Brown
Shelley
Sheppard
Short
Siler
Sisk
Slack
Smith, Iowa
Spence
Springer
Stafford
Steed
Taber
Thompson, La.
Thornberry
Van Zandt
Whalley
Whitten
Wickersham
Wilson, Calif.
Wilson, Ind.
Winstead
Yates
Zablocki
Zelenko

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Abernethy, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee having had under consideration the bill S. 2008, and finding itself without a quorum, he had directed the roll to be called when 314 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. Kyl].

Mr. KYL. Mr. Chairman, the orderly development of wise irrigation and reclamation projects in this country has been of immeasurable benefit. This is a most worthwhile program which has made a great contribution to the Nation. However, Mr. Chairman, I fear that we are doing violence to the concept of development through irrigation and reclamation programs. We have had ample evidence that individuals who are interested in public power programs have at times attached themselves to this process. Now I fear we are reaching the day when we are receiving with the label of irrigation, projects which might better be called community facilities matters.

Mr. Chairman, I look at this irrigation and reclamation program in an unprejudiced fashion. My own State is not one of the reclamation States and because I am deeply interested in the development of a good program I am concerned about the things we are doing to it. It is not easy to oppose any of these measures when they come from a committee consisting of individuals like the gentleman from Colorado and the gentleman from Texas who have worked so long and so diligently and so wisely in this field. It is not easy, either, when I have had to spend a great deal of time arguing with my colleagues, the gentleman from Washington [Mr. Horan], the gentleman from Washington [Mr. Pelly], and the gentlewoman from Washington [Mrs. May], who certainly have tried hard to convince me that in this case I am wrong.

What we have here in this bill is a reduction of an original project. The original called for 10,298 acres which has been reduced now to a total of 7,250 acres. At the same time, the cost of the construction of this project has been increased because we have changed some of the requirements for pipe and other materials to be utilized.

Mr. Chairman, this in itself is worth mentioning, I believe. It does prove that these programs which come to us as suggestions from the Bureau of Reclamation are not always as good as the sales pitch might indicate. Either this program now is too expensive or in the original instance the Bureau had miscalculated on the factors involved in the construction. But this is not the significant factor that I want to relate in connection with this bill.

Mr. Chairman, the area to be irrigated in this instance is primarily a residential and industrial area. The population of this area has been growing at a rate of 20 percent each year. Some of the portions of this district as originally established have asked to be released because they found they were no longer in a properly conceived irrigation district, but were actually in an urban area.

This is an industrial area. To those who feel that an irrigation project is primarily agricultural—and I notice the report on this measure indicates that it is primarily agricultural—I say that the average acreage per person or per family involved here is about 7 acres. This is the size tract on the average. You will find that this area is heavily populated and that many of the plots in the designated area are as small as one-half acre. Some of these places are, of course, occupied by people who do part-time farming or who simply utilize the space as a residential site. This is the only direction in which this fast-growing, very fine American city can move. There is ample evidence that it is moving in this direction. If there is any question concerning that point, I might call to the attention of the committee an article from the Spokane Review.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. KYL. Mr. Chairman, I yield myself an additional 5 minutes.

There is an article from the Spokane Review of Thursday, July 26, 1962, which is headlined "Spokane Valley Residents Name Incorporation Chiefs." This is the second or third article in a series of articles indicating that the people of this Spokane Valley area are even considering naming their new town, if it is developed, Spokane Valley. They are trying to establish here an incorporated city of 40,000 people which will make it one of the largest cities in the State.

Mr. Chairman, this is the area that is now under consideration as a reclamation and irrigation project. This is a populous area. It is an urban area which is rapidly becoming more urbanized.

Mr. Chairman, I say again I think this bill might more properly be considered as a community facilities bill than an irrigation and reclamation project.

Now, to go on to another point which is involved here, and we had the same issue in relation to the project on which we just concluded debate, there is the matter of using funds from Federal power projects to pay for irrigation costs which cannot be covered through the production, through the earning of money, on the actual irrigated acres. True, there is precedent. Certainly, we have precedent for using power funds for irrigation projects, but it has always seemed to me that there should be some relationship between power projects and the area to be served by irrigation or reclamation.

Mr. Chairman, in the bill we just considered we intend to use river water for an irrigation system. There is a broad development through controlling and through damming of the river.

In this Spokane Valley project we propose to take funds from the Chief Joseph power facilities to help pay the irrigation costs, but we are not taking one drop of water from that river or its tributaries to irrigate this land. The water which will be utilized in this project, unless I have been completely misled, is water which will be pumped from the ground from wells and from underground reservoirs, if you want to call them that. This is the water which will be utilized. It is not in connection with a flood control project or a power project. But we consider that we can tie them together through this kind of a relationship: This area is drained by tributaries which flow into the main stream and which have been dammed for power development and so on. We can tie them together. This makes a relevant tieup which excuses the charges of irrigation cost to the Chief Joseph Dam.

I do not know but what we are actually perhaps seriously injuring the people who are going to live in this area. If the population growth continues, if the urbanization continues, we may very soon, if this bill is adopted, have a situation in which we want to develop residences and industries in this area but because we have an irrigation cost encumbering the property it will be impossible to make a proper and desirable use of the land.

Because of these and other factors I do not think this is a good irrigation and reclamation project. I do not think this bill should be passed.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. KYL. I yield to the gentleman from Ohio.

Mr. BOW. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOW. Mr. Chairman, again, let me say that before we obligate the taxpayers for this additional expenditure, we must consider where we stand financially today.

The latest issue of the Economic Trend Line Studies points out that the Nation's net indebtedness is about $1 trillion at this time.

It has taken 186 years to build up the first trillion dollars of indebtedness, and most of it has been accumulated by the extravagance with which we have treated ourselves since 1930. The volume of debt is five times larger today than in 1929.

But we will not need another 186 years to accumulate the second trillion.

At the present rate of increase, an average of $50 billion for the last 4 years, we will make that second trillion in 20 years, not 186.

Twice this year we have raised the debt ceiling.

The Government's financial affairs are discussed in terms that defy comprehension.

What American can tell us what $1 trillion would buy? What has it bought for us as we accumulated this terrific debt? The answer is inflation, economic uncertainty, inability to compete with other nations, and the stagnation of our business life.

We are spending $17,690 every minute that I speak on interest on this debt. We have burdened every newborn baby with $6,642 in debt.

Can we afford to authorize any additional expenditures, or is it time to call a halt?

Mr. ROGERS of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my remarks will be directed to the engineering and economic aspects of the Spokane Valley project in the State of Washington as modified by the legislation we have under consideration today. As Chairman Aspinall stated, the project was authorized in 1959 but it has been necessary to redesign the works to meet present conditions. Following authorization, some of the landowners withdrew from the irrigation district, resulting in a decrease in acreage to be served. At the same time, the need for municipal water service to the area became apparent. The increase in cost is due primarily to substitution of more expensive pipe as a result of recent experience with soil conditions similar to those encountered in the Spokane Valley project area. A new district has been formed embracing the 7,250 acres which the modified project would serve.

The project water supply of about 18,420 acre-feet annually would be pumped from the ground water aquifer into 10 separate systems each consisting of one or more wells, multiple pumping units, and a tank reservoir. The municipal water would be distributed through separate systems by tapping the main supply line at controlled points. These separate systems for municipal water distribution are not part of the project plan and would be provided by the municipal water users.

The estimated cost of the project facilities under the modified plan is $7,173,000 of which $6,141,000 is allocated to irrigation and $1,037,000 is allocated to municipal water supply. The entire cost of the project would be repaid, including interest on that part allocated to municipal water supply.

Repayment studies by the Bureau of Reclamation indicate that the irrigation and municipal water users could repay $5,963,000 or 82 percent of the total project cost in a period of 50 years. If the irrigation water users are only required to pay for 40 years, the amount would be reduced to about $3 million. The Secretary of the Interior has the authority under general reclamation law to work out the repayment arrangements with the water users. The Department of the Interior has recommended a 50-year repayment period. That part of the irrigation cost which is not repaid by the irrigation and municipal water users would be repaid from power revenues of the Chief Joseph Dam project.

From an economic standpoint, the Spokane Valley project is one of the best which the committee has considered. The economic studies of the Bureau indicate that the benefits of the modified plan of development would exceed the cost in a ratio of 3.89 to 1 over a 100-year period of analysis.

Location of the project lands in relation to the city of Spokane has a very strong influence on the agricultural economy which has developed in the area. The areas that are furthest from the city are utilized primarily for full-time farming operations. Those close to Spokane are more highly subdivided in part-time farms and rural homesites. About 20 percent of the irrigable land is now devoted to fruit and truck crop production and the amount of land devoted to these crops is expected to increase. The land presently in alfalfa, small grain, and pasture will continually decrease. The principal agricultural use of the lands in the urban areas is for gardens and berries.

Mr. Chairman, my subcommittee held hearings on this legislation and gave to it a great deal of study and consideration. The subcommittee concluded that the project as modified by S. 2008 was physically and economically sound and that it meets all the usual requirements for authorization and construction. The legislation is before the House today with a favorable recommendation from both the Subcommittee and the Full Committee on Interior and Insular Affairs.

Mr. KYL. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. Horan].

Mr. HORAN. Mr. Chairman, as author of the House bill I should like to thank the committee for being so patient with me during the years we have considered the rehabilitation of the Spokane Valley. My interest in the valley which extends east from Spokane to the Idaho boundary has extended over 12 years. This valley around the turn of the century naturally became the garden supply area of that great hub of what we call the Inland Empire. Many small irrigation projects have been established in this area. Water of the Spokane River is carried to these project lands by wooden flumes or concrete ditches from a point in nearby Idaho.

Through the years, these projects have deteriorated to the point that many are in a state of collapse. Those who are responsible for the operation and maintenance of these projects have been hard put to keep them in operating condition.

It has become obvious that the present facilities will have to be rehabilitated to insure a continued water supply to grow the crops consumed in nearby Spokane.

We were successful 3 years ago in getting a bill through which provided for this rehabilitation. This bill encompassed 10,290 acres stretching from the eastern Spokane city limits to the Idaho-Washington boundary. Eleven water users in Idaho were included in the project. But the people of the area near Spokane, within a 3-mile area from the city limits out to where the present project begins elected to withdraw for various reasons. Consequently, this bill amends the bill originally passed in 1959. As I have previously stated this project is very badly needed. It is true that a certain percentage of the project acreage is composed of small units. Through the years several of the larger tracts have been broken up and subdivided into smaller units.

There are some small part-time farms.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman.

Mr. ASPINALL. This is nothing new in reclamation programs.

Mr. HORAN. Not at all.

Mr. ASPINALL. The gentleman from Colorado now speaking comes from an area where the average farm is a 7-acre farm and for 40 some years this area has received benefits from a reclamation project.

Mr. HORAN. I do not think either the gentleman from Colorado or I can change the direction in which we find our society moving. We find our metropolitan areas growing and, naturally, we find more subdividing in what has become to be known as bedroom areas surrounding our metropolitan areas. But this project begins 4 miles from the city limits of Spokane and it runs to the Idaho boundary. Approximately 33 percent of the project is in small acreages such as the gentleman mentioned. They provide a lot of their own table fare by living on these small acreages. There are several farms of better than 40 acres near the Idaho boundary. I want to remind you this is not a new project. This is a project of rehabilitation of many old projects. It is consonant with all of the laws that this body has passed and follows such laws to take care of the problems that arise from time to time which affect our reclamation laws. It is completely legal and justified as a reclamation project in every respect. As my colleague from Texas has pointed out to you, the costs of this project have increased since it was originally authorized in 1959, to meet the changes in the engineering designs. The costs were increased to provide for the installation of piping more conducive to the project's engineering features. This, of course, will eliminate future operation and maintenance costs which would have resulted under the first project plan. There is nothing in this bill before you which provides for municipal or industrial development. It merely makes possible the supply of water. Then, if any community wants to organize to have their own water supply, they would have to provide the chlorination and the distribution system and so forth. So this is a rehabilitation-reclamation project before you at this time.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman.

Mr. ROGERS of Texas. Let me point this out to the gentleman from Washington, and I am sure he knows it because he has worked very hard on this project and the gentleman has been most helpful to the committee, it is anticipated as time moves along that more of this water will be allocated for municipal use. It must be remembered by all of the Members of the House that this water which goes for municipal use carries an interest rate. An interest rate is paid on it so the more that is used for municipal use, the greater the payout will be on the project.

Mr. HORAN. Yes, and I think it is only fair that that sort of use of reclamation water should carry an interest rate and be repaid in that form.

Now, Mr. Chairman, I want to address myself to the longtime argument and to the charges that have been made here, and I share the concern of every Member of this House with regard to the agricultural surpluses that we have. But, I want to assure the Members of the House that far from increasing the surplus of any agricultural products of the United States, to the extent of 458 acres presently in dry land, this bill actually would reduce the troublesome surpluses that confront the people of the United States.

Apples could be grown to perfection in the Spokane Valley, and a good share of the production out there if water is put on this land will be small crops. I should follow this up by saying that if water is put on this land it will no longer produce wheat. I can assure you of that because of its proximity to a very fine fruit and berry market in the Spokane area. There will be alfalfa, of course, for there is a good deal of livestock produced there in the Spokane Valley for local consumption. There is small grain, but that will be fed locally. There will be pastures for dairy herds which we have in the Spokane Valley, and row crops have been grown there since the turn of the century. That is nothing new.

So I appeal to you that this project that we are considering now does not in any way further embarrass the problem that we in this Congress have regarding surplus crops. I consider this a good bill, and its cost-benefit ratio over a hundred-year period is 3.89 to 1; and the direct benefits are 1.2 to 1. I believe it proves the feasibility of this project and I urge the House to accept this bill before us which is fully justified, economically sound, and vitally needed.

Mr. ROGERS of Texas. Mr. Chairman, I have no further requests for time.

Mr. KYL. Mr. Chairman, I yield such time as he may require to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Chairman, after listening to all of the glowing tributes to this project that have been given by some of the Members, I have to shake myself to determine whether or not the project they are talking about is the one I heard about in the committee.

Mr. Chairman, this bill we are considering today—S. 2008—would amend the authorization for the Spokane Valley project, Washington, contained in Public Law 82-276, approved September 16, 1959, by, first, reducing the irrigable acreage to be served by the project; second, providing for domestic water service; third, decreasing the repayment period from 50 years to 40 years; and, fourth, increasing the estimated cost from $5,100,000 to $7,232,000.

The 1959 authorization provided for the irrigation of 10,290 acres of land at a cost of $5,100,000. This was to be accomplished by substituting a closed-pipe pressure system to apply water obtained by pumping from ground wells by sprinklers for the existing privately owned Spokane River gravity diversion system which is in a state of disrepair. Following that action, a number of the project land owners withdrew from the sponsoring organization with a resulting reduction of project area to 7,250 acres. In addition, an interest in securing domestic water supplies arose. The redesign of the project resulted in an increase in its cost to $7,232,000, of which $6,141,000 is allocated to irrigation, and $1,091,000 is allocated to domestic water supply.

Mr. Chairman, the background of this project is fraught with errors and misunderstandings. Many of the prospective beneficiaries did not want the project after it was authorized. The engineering designs have now been drastically revised. It is obvious that many people do not understand what is involved here.

The area of improvement lies just east of the city of Spokane, Wash. It is undergoing a transition from rural farming to residential suburbs. Over 50 percent of the ownerships contain less than 1 acre and 75 percent contain less than 2½ acres. This trend toward use of the land for homes rather than for farms will continue and accelerate. The existing private irrigation works diverting water from the Spokane River cannot continue to serve present needs and adjustments are inevitable as further changes in land use occur. The need is not to establish or rescue an agricultural economy, as contemplated by the reclamation laws, but to provide adequate domestic water supplies for suburban homes where part-time farming is an avocation—not a vocation—of the owners. Over the next generation even the present part-time farming will be abandoned if experience in other areas is any indication of what happens to such lands as cities expand. Even if this land were to continue to be cultivated, it is not desirable and productive soil, but is class 3 and 4 lands and not particularly well suited for irrigation.

The problem in this suburban Spokane area then is not one of agricultural and rural development; but rather one of domestic, industrial, commercial, and urban development. As such it is not a situation well adapted for correction by the customary Bureau of Reclamation water resources development type of projects. With respect to such agricultural assistance as may be justified, it would fall within the purview of the Farmers Home Administration's soil and water conservation loan program. Under this program, within which category the Spokane project would have to be placed to be eligible for Federal assistance in any area outside the 17 western reclamation States, loans are subject to interest charges of 4½ to 5 percent. In the case of the Spokane project as contemplated in this legislation, 85 percent of the Federal investment would bear no interest and 15 percent would bear interest at 2⅝ percent.

The Spokane project is not needed, nor would it contribute anything to the development of the West and, therefore, should not be favored with Government largess in interest-free investment as well as Bonneville Power Administration subsidy, not available to other areas of the country.

Not only has the cost of this project increased by more than 40 percent—from $5,100,000 to $7,232,000—since 1959 when the previous plan was authorized, but its burden on Bonneville Power Administration power revenues, particularly as a result of the committee amendment reducing the length of the repayment period from 50 years to 40 years, has increased 451 percent—from $700,000 to $3,160,000. Furthermore, this increase in assignment of costs is being made during the very time when Bonneville Power Administration's annual deficits increased from $6 million a year to $18 million a year and with even greater deficits in sight as new, higher cost, hydroelectric projects come into operation.

In the light of these significant developments, it is remarkable that the Bureau of Reclamation has been able to develop a benefit cost ratio of 3.89 to 1 for this project. During the hearings on S. 2008, it was brought out that the ratio of the Bureau's estimate of the water users ability to repay compared to costs of the project would be something like 0.5 to 1. Evidently then some seven-eighths of the Bureau of Reclamation's estimate of "benefits" must accrue to someone other than the water users. I have been trying to find these elusive beneficiaries. Certainly, they are not the taxpayers of the United States. They are also not the Bonneville Power Administration's power customers who someday may have to bear these costs in increased rates. The only beneficiary I have been able to find is the Bureau's voracious appetite to build regardless of cost, economics, or financial feasibility. It is not within the lexicon of reason to explain how a project where the sole beneficiaries are able to pay only half the costs can have benefits of eight times that amount.

Mr. Chairman, I would suggest that my colleagues read the editorial in the July 5, 1962, Engineering News Record which emphasizes the liberties that the Secretary of the Interior is taking these days in tampering with basic engineering and economics standards and in creating convenient criteria by fiat. I include the editorial in the CONGRESSIONAL RECORD as part of my remarks, as follows:

STACKING THE ECONOMIC DECK

It may be wishful thinking on the part of Interior Secretary Stewart Udall to lump all opposition to the administration's water resources planning bill into two groups, States' righters and industrial polluters (ENR June 28, p. 21). It may be a reluctance to acknowledge existence of a third, harder-to-answer group, those not opposed to Federal spending in itself, but only to the degree of economic soundness (or unsoundness) with which some of the spending is done.

Officials can force the role of the opposition on industrial polluters without too much trouble, even on those with hardship cases. And they can challenge States' righters on philosophical grounds without embarrassment. But can they refute the accusation that they are stacking the deck economically?

Federal agencies for years have used artificial and arbitrary interest rates and taxes to make proposed Federal water resource developments look like better bargains than they actually are. Before 1958, Government agencies ignored taxes and interest altogether in estimating the benefit-cost ratio of proposed works. From 1953 until this year, they figured an interest rate of 2½ percent, which bore no relation to what the Government actually pays for long-term money (over 4 percent at the beginning of this year). Now a new directive (issued in May) calls for a current interest rate to be used, but stipulates that no taxes or payments in lieu of taxes will be included.

But interest and taxes are really small potatoes. Economic life of a project is the thing. The May directive allows up to 100 years, and nobody will be settling for less. Projects that couldn't quite squeak by with an assumed economic life of 50 years—formerly used for most water jobs—now have become irresistible bargains by the simple stroke of an executive pen.

One-hundred-year project life is defendable, even though many responsible people consider it unrealistic. Perhaps most Government methods of analysis are sound and defendable. But the record of arbitrary tampering with engineering and economic standards earns for Government a deep suspicion on the part of many people.

Until the Federal Government firmly establishes a policy applying realistic engineering and economic criteria, instead of creating convenient criteria by fiat, Mr. Udall and all Government spenders will deservedly encounter responsible opposition from people who question whether Federal agencies spend tax money wisely.

Another of the devious gadgets employed by the Department of the Interior to make projects like Spokane Valley appear justified is to attach its payout requirements to a power project with which it has no physical, sociological, financial or economic relationship. In this case, the payout is tied to the unrelated Corps of Engineers Chief Joseph Dam powerplant.

The Chief Joseph power project is not even paying its own way. It already has two leeches around its neck, the Foster Creek and the Greater Wenatchee irrigation projects, which are dependent for payout on its power revenues. Moreover, the Department of the Interior regional solicitor in Portland has written an opinion that power revenues of the Chief Joseph project will not be applied to repayment of the irrigation investment cost in the Foster Creek and Greater Wenatchee projects, beyond the water users ability to repay, until after repayment of the Chief Joseph project's commercial power investment. No one can predict when this will be in view of Bonneville's growing annual deficits. When this point is reached at some far distant date in the future, any surplus power revenues will first have to be used to pay the assigned irrigation costs of the Foster Creek and Greater Wenatchee projects. Only after that has been done would any surplus power revenues be available from Chief Joseph to assist the Spokane Valley project payout. To undertake a project on such a nebulous financial base would be the height of irresponsibility. It would be better then to make a grant, or outright contribution to the project, which is actually what it will become, rather than to camouflage the proposal with a false cloak of fiscal respectability.

My friends and colleagues, this is no time to start a new Federal grant program—particularly for development of suburban water supply systems. It is also no time to expand the scope of Reclamation's basic responsibilities. If that agency now starts devising projects for domestic water supply for the suburbs of our western cities, we are going to run out of Federal hydropower projects out there upon which to tie them. The next thing we will see is a proposal to use surplus TVA power revenues or revenues from corps projects to subsidize water supply systems in these and other States. The Bureau of Reclamation or other bureaucrats could dress up such a proposal so that it would look just as plausible as this one. We have got to draw the line somewhere. There is no better time than now.

POINTS ABOUT SPOKANE PROJECT

Mr. Chairman, to summarize, may I reiterate the following points:

First. Not an agricultural problem. Area going through a transition from rural to suburban, with homeowners farming a few acres as an avocation.

Second. Pumping from ground water not a project normally considered within reclamation law. Furthermore, only a question of time before facility would be substantially a domestic water supply system rather than an irrigation project.

Third. Lands are all class 3 and 4; not attractive for irrigation farming.

Fourth. No assurance that project will be built even if authorized since landowners not under contract and at least some not interested in project.

Fifth. Committee amendment reducing repayment period from 50 years to 40 years increases annual load on BPA financial system from $1,270,000 to $3,160,000 even though Bonneville is now losing $17 million per year and expects annual deficits to increase as new higher cost hydro generating projects come in.

Sixth. No relationship between this proposal and Chief Joseph Dam. This is not even an integrated feature of any basin development but a localized facility. It could just as well be tied to TVA power revenues—and why not?

Seventh. If project has a 3.89 benefit-cost ratio, as claimed, then there is no reason why taxpayers should provide interest-free funds as well as the subsidy from BPA revenues.

Eighth. This is a typical water facilities project for which loans are available under the Farmers Home Administration soil and water conservation program. Farmers outside the 17 Western States must use this program to get Federal loans for facilities of the type proposed for the Spokane project, and then they must pay 4½ to 5 percent interest. The Spokane project has nothing to do with the development of the West and these people should not get special favors from the Government not available to people in other States.

Ninth. Insofar as overall economy of United States is concerned this project would contribute little per dollar of investment and less than almost any other conceivable suburban enterprise. Furthermore, there is no Federal responsibility for bailing out the water supply for this community and there is no unanimity among its residents that accomplishment of the proposal is essential or desirable to its future programs.

Mr. Chairman, the Bureau of Reclamation must not be permitted to continue its attempts to deceive the American public with such parodies. The Spokane Valley boondoggle should be rejected for what it is. I ask my colleagues to join me in this effort.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. To clarify one point so that there will not be any misunderstanding about the increase in cost, is it not true that the increase in cost was brought about by the increase in the cost of the pipe necessary for use in this project, and that was due to the fact that on several occasions out there it was discovered that steel pipe put into that ground would corrode and would not hold, so they had to wrap it right and they had to treat the pipe, all of which accounted for the additional cost?

Mr. SAYLOR. That is one of the elements, but they increased all of them. They have a different type of pipe out there and, as the gentleman will recall, we had to go into this with regard to another part of the same project.

Mr. ROGERS of Texas. And it was determined even though they made tests of the soil it was not possible to tell how far these tests would control. In other words, you might have certain properties in the ground just a few feet or a few miles from an area that would corrode the pipe.

Mr. SAYLOR. That is correct.

The CHAIRMAN. Does the gentleman from Texas [Mr. ROGERS] have further requests for time?

Mr. ROGERS of Texas. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the substitute amendment offered by the committee as an original bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 16, 1959 (73 Stat. 561, 43 U.S.C. 615s), be amended as follows:

(a) By substituting in section 1 thereof the words "seven thousand two hundred and fifty" for the words "ten thousand three hundred" and by inserting the words "and for domestic, municipal, and industrial uses" after the words "the State of Idaho" in this same section.

(b) By amending section 2 to read as follows: "In constructing, operating, and maintaining the Spokane Valley project, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), except that (1) interest on the unpaid balance of the allocation to domestic, municipal, and industrial water supply shall be at a rate determined by the Secretary of the Treasury as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations whch are neither due nor callable for redemption for fifteen years from date of issue; and (2) the remaining cost of the project beyond the amount to be reimbursed or returned by the water users shall be accounted for in the same manner as provided in item (c) of section 2 of the Act of July 27, 1954 (68 Stat. 568), and power and energy required for irrigation pumping for the Spokane Valley project shall be made available in the same manner as provided for therein. The amount to be repaid by the irrigators shall be collected by the contracting entity through annual assessments based upon combination turnout and acreage charges and through the use of such other methods as it and the Secretary may agree upon."

(c) By deleting from section 3 thereof the figure "$5,100,000" and inserting in lieu thereof the figure "$7,232,000".

Amend the title so as to read: "An Act to amend the Act of September 16, 1959 (73 Stat. 561; 43 U.S.C. 615s), relating to the construction, operation, and maintenance of the Spokane Valley project."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. ABERNETHY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2008) to amend the act of September 16, 1959 (73 Stat. 561, 43 U.S.C. 615a), relating to the construction, operation, and maintenance of the Spokane Valley project, pursuant to House Resolution 733, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. OLSEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. In accordance with the order of the House of last Thursday, further consideration of the bill will be postponed until tomorrow.

Mr. OLSEN. Mr. Speaker, in accordance with that order I withdraw my point of order that a quorum is not present.

AMENDING THE ACT OF JULY 15, 1955, RELATING TO THE CONSERVATION OF ANTHRACITE COAL RESOURCES

Mr. EDMONDSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4094) to amend the act of July 15, 1955, relating to the conservation of anthracite coal resources.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 4094, with Mr. LANE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. EDMONDSON. Mr. Chairman, I yield 4 minutes to the Chairman of the Committee on Interior and Insular Affairs, the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Chairman, this bill was very well explained in the debate on the rule. The gentleman from Pennsylvania [Mr. FENTON] stated his position very clearly. I understand that an amendment will be offered and so far as I know that will take care of the opposition to the bill.

This bill would fulfill the major objectives of the Congress when it approved the Anthracite Conservation Act of July 15, 1955, which stated among its purposes the prevention of injuries and loss of life and the preservation of public and private property.

There is no authorization for additional money over and above that which was authorized by the 1955 act.

The act of July 15, 1955, Public Law 162, 84th Congress, established the congressional policy of providing for the control and drainage of water in anthracite mines in order to conserve natural resources, promote the national security, prevent injuries and loss of life, and preserve public and private property.

Under that act, the Secretary of the Interior is authorized to make financial contributions up to a maximum total of $8.5 million with equal matching funds to be furnished by the Commonwealth of Pennsylvania for the control and drainage of water which would otherwise cause the flooding of anthracite coal formations.

In the report of our committee on H.R. 7066, 84th Congress (Rept. No. 1057, 1st sess.), it was stated that—

> The program will include the construction of ditches and flumes, backfilling of stripping pits and cropfalls, improvements to streambeds, driving of underground drainage tunnels and gangways, construction of underground dams, and the installation of pumping plants to handle water from abandoned mines.

Neither the report nor the act distinguished between the type of work that could be accomplished in relation to either active or abandoned mines.

Because projects must first be approved by the Commonwealth of Pennsylvania before being submitted to the Federal Government, the attorney general of the Commonwealth advised the State's secretary of mines that he could not approve a project for the filling of voids in abandoned mines unless the abandoned mine was directly above an active mine and the filling of an abandoned mine would serve to conserve the anthracite in the active mine.

The Commonwealth of Pennsylvania thereafter enacted an amendment to its 1955 act in order to make clear that funds authorized may be utilized for the sealing of any abandoned coal mines and to fill voids in any abandoned coal mines. It is the primary purpose of H.R. 4094 to similarly amend the Federal law. In the amendment, the committee has expanded the program and built in safeguards that will strengthen the overall program.

The details of the bill will be presented by the gentleman from Oklahoma [Mr. EDMONDSON], chairman of the Subcommittee on Mines and Mining which held extensive hearings on the legislation, and who filed the report on the bill.

Mr. KYL. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, there is a great deal of merit in H.R. 4094 in its objectives, especially that part of section I where it refers to sealing abandoned coal mines, in those instances where such work is in "the interest of the public health and safety."

However, when it suggests to fill voids in abandoned coal mines it assumes a gigantic operation because the amount of money which is involved in this bill is only a drop in the bucket for what would be necessary to do a decent job.

There are hundreds and hundreds of miles of gangways—main passageways—and breasts—working chambers—in our abandoned anthracite mines—abandoned because of being uneconomical to mine. Pools of mine water totaling many billions of gallons make it too hazardous to continue mining.

It would have been far better to have been forthright in any efforts made to fill voids in abandoned coal mines for the Secretary of the Interior to have recommended the adoption of H.R. 5356 introduced by the gentleman from Pennsylvania, Congressman SCRANTON, on March 8, 1961, which had for its purpose a program of Federal financial aid to the State of Pennsylvania for the purpose of assisting in projects of filling certain abandoned mining operations for the protection of the public health and safety, for the conservation of natural resources, and for other purposes.

A letter from the Assistant Secretary of the Interior, John Kelly, to the gentleman from Colorado, Congressman ASPINALL, chairman of the Committee on Interior and Insular Affairs, dated June 8, 1961, giving the Department's views on Mr. SCRANTON's bill states that the Bureau of Mines estimated that it would cost about $40 million to do the job of backfilling, flushing, and so forth, for the entire anthracite region. I believe that figure to be rather modest.

Mr. Kelly's letter is rather illuminating and certainly gives a very fine detailed analysis of the whole problem of filling voids in abandoned coal mines. I am including the contents of Mr. Kelly's letter in full, since permission to do so has already been granted me.

U.S. Department of the Interior,
Office of the Secretary,
Washington, D.C., June 8, 1961,
Hon. Wayne N. Aspinall,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

Dear Mr. Aspinall: This is in response to your request for the views of the Department of the Interior on H.R. 5356, a bill to provide for a program of Federal financial aid to the State of Pennsylvania for the purpose of assisting such State in projects of filling certain abandoned mining operations for the protection of the public health and safety, for the conservation of natural resources, and for other purposes.

H.R. 5356, in recognition of the serious menace to health and safety, public and private property, and to the conservation of coal resources posed by abandoned underground mining operations in the Pennsylvania anthracite region, provides for Federal assistance in filling, or flushing, underground mine voids. The assistance would be in the form of financial contributions to the Commonwealth of Pennsylvania in an amount not to exceed 45 percent of the total cost of a project. No contribution would be made until the Federal Government is satisfied that sufficient money is available to the Commonwealth to complete a particular project. Also, none of the Federal contribution could be used to purchase culm banks as fill material. The Commonwealth would be responsible for all operations necessary for a project's completion. The administration of the proposed law is placed with the Secretary of the Interior, who also is authorized to conduct any studies or surveys needed in carrying out his duties under the Act, and in determining the feasibility of filling abandoned underground operations.

Large-scale mining in a succession of thick coal beds under built-up areas made surface subsidence an early problem in the anthracite region of Pennsylvania. The problem has been given serious attention and study for many years by government, industry, and civic groups. The first Anthracite Mine Cave Commission was established in 1911 by the State government to study the problem. In the intervening years there have been several other State-appointed commissions which resurveyed the problem and reported to the State government. The Pennsylvania Legislature in 1921 passed a law prohibiting mine operators from mining in such manner as to cause subsidence under public and private structures and facilities. This act was declared unconstitutional in 1922 by the U.S. Supreme Court.

The general assembly, by an act of 1949, authorized political subdivisions to acquire adequate support rights to prevent surface subsidence, provided compensation was made to the owners of the rights. However, little use has been made of this authority by local subdivisions owing to the large sums of money that would be required.

During the years when the anthracite industry was prosperous, the major producing companies assumed what was considered a moral obligation to repair surface damage caused by subsidences induced by mining operations. In the past, practically all of the major anthracite-producing companies employed surface crews to repair homes and streets that had been damaged over their underground workings. However, since the depression hit the anthracite industry and mines were abandoned, such work has virtually ceased.

During recent years there have been several subsidences in various built-up areas of the anthracite region, causing damage to utilities, streets, and public and private property. In the more severe of these subsidences, property was destroyed and the public safety imperiled. One of the most destructive occurred in Scranton, Pa., near the central part of the city.

Hydraulic backfilling, generally termed "flushing" in the anthracite area, was determined in an early subsidence investigation by the U.S. Bureau of Mines to be the most effective method of supporting the surface over mining operations. Where mine workings are accessible for physical inspection and conditions are such that needed underground work can be performed, filling voids by flushing, in most cases, will almost completely prevent subsidences. However, where voids are not accessible and the filling must be done blindly from the surface without prior underground preparations to direct the packing material, flushing may be only partially effective. Hydraulic backfilling is most useful in relatively flat-lying underground workings. Also, flushing must be done in relatively dry workings as it is not too effective in flooded areas.

Filling voids in abandoned underground mines, as proposed by H.R. 5356, would be beneficial as a means of controlling or preventing subsidences affecting developed surface lands. Filling mine voids also would aid materially in protecting public health and safety, public and private property, and a valuable natural resource. In some instances the filling of voids would prevent the spread of underground mine fires dangerous to health and safety.

The severe damages resulting from recent surface subsidences in the anthracite region point to the urgent need for alleviating or corrective action. A recent investigation by the city of Scranton identified five critical localized areas under the city and recommended that flushing be done as soon as possible. Filling voids in these areas would minimize or prevent subsidence.

Although no recent detail studies have been made regarding total costs of filling voids in abandoned coal mines under built-up areas in the anthracite fields, it has been estimated by Bureau of Mines engineers based on their general knowledge that the total cost of such work throughout the anthracite region would be about $40 million, and would require about 10 years for completion.

Your committee has under consideration another bill on the same subject, H.R. 4094. It would amend the act of July 15, 1955, and would extend the Federal Government's rehabilitation efforts. This bill proposes, in addition to filling underground voids, to fill abandoned strip-mining operations, a large number of which are to be found in the anthracite mining region.

Owing to the high cost of flushing operations, any new legislation should provide for an economic justification of projects to be undertaken. This is indicated inadequately by the word "feasible" in section 2 of the bill. Unless each project is economically justifiable, it is conceivable that the cost could be considerably higher in some instances than the value of the surface property involved. Some areas in the anthracite region where underground workings are accessible for physical examination are much more adaptable to flushing than other areas which are extensively caved or are flooded with water.

The use of culm and rock banks as sources of material for flushing underground workings would benefit the anthracite region. Removal of these large, unsightly banks would provide sites for industrial rehabilitation of the area. We suggest, however, that the limitation in section 3(4) prohibiting use of Federal funds to purchase culm banks be expanded to include rock and spoil banks.

Some consideration should be given to the fact that other States having many mining communities with subsidence problems may demand like treatment from the Government.

H.R. 5356 is not supportable solely as a conservation measure. It is supportable, however, in the interests of the public welfare, such as protecting public health and safety, curtailing the spread of mine fires, preventing damage to public and private property, and providing partial, but temporary, relief of unemployment in a depressed area.

We recommend that any congressional action on this bill be deferred until the Commonwealth has taken legislative steps to cooperate in the joint program proposed.

The Bureau of the Budget has advised that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,
John M. Kelly,
Assistant Secretary of the Interior.

Mr. Chairman, in my opening statement I referred to the meritorious part of this bill that needs our attention. In recent days, a small boy, in playing on our hilly terrain lost his life by falling into one of these abandoned coal mine openings in my district. There continues to be constant danger as long as such conditions are permitted to exist. The citizens of the area and especially the independent coal miners are cooperating with State authorities to close those openings, and are doing a fine job. However, the work to be done in closing these openings is so great that Federal assistance would be a godsend. We hope that the Congress will go along with us to at least eliminate such hazards.

Assistant Secretary of the Interior, Mr. Kelly, pointed out in his letter to the chairman of the Interior and Insular Affairs, in commenting on Mr. Scranton's bill:

> Large-scale mining in a succession of thick coalbeds under built-up areas made surface subsidence an early problem in the anthracite region of Pennsylvania. The problem has been given serious attention and study for many years by government, industry, and civil groups. The first anthracite mine cave commission was established in 1911 by the Pennsylvania State government to study the problem. In the intervening years there have been several other State-appointed commissions which resurveyed the problem and reported to the State government. The Pennsylvania Legislature in 1921 passed a law prohibiting mine operators from mining in such a manner as to cause subsidence under public and private structures and facilities. This act was declared unconstitutional in 1922 by the U.S. Supreme Court.

Mr. Kelly in his letter also states that in recent years there have been several subsidences in various built-up areas of the anthracite region causing damages to utilities, streets, public and private property. In the more severe subsidences, property was destroyed and the public safety imperiled. One of the most destructive occurred in Scranton, Pa., in the central part of the city.

Mr. Kelly could have added that almost every community in the anthracite region which overlays anthracite workings is subjected to subsidences in varying degrees.

To be fair to all sections of the anthracite region, since subsidence is prevalent in small communities and a menace to health and safety, as well as larger communities, there must be an equitable division of the limited amount of funds which are proposed in H.R. 4094 to all the anthracite area. If this is not done I am afraid the smaller communities in the lower anthracite region will be left out in the cold.

Let me again reiterate that I am in full accord with the objectives of H.R. 4094, especially that part of the bill that refers to closing abandoned mine openings in the hope that we can eliminate the dangers of human beings falling into them.

Mr. EDMONDSON. Mr. Chairman, I yield to the distinguished and able author of the bill, the gentleman from Pennsylvania [Mr. Flood] 8 minutes.

Mr. FLOOD. Mr. Chairman, I would like to say I am very grateful to this distinguished committee which down through the years whenever we, from the hard coal region, come to them, have always given us an audience on both sides of the aisle and have done their best to help us meet an almost impossible physical and economic problem.

This is an old story to this committee and to the House, and you have been very patient and very kind in listening to our tales of woe. We do not know whether we are getting any place or not, but you cannot hate us for trying; and whatever is left of the anthracite coal industry, thanks to you and our efforts for breathing life—we have now switched from the old chest method of artificial respiration to a new method of respiration, the mouth-to-mouth method of resuscitation, and that is where I come in here to inject a little resuscitation with the help of my friends on both sides of the committee and of the House.

Our deadliest enemy in the deep mining of hard coal is water. That places me, being named Flood, in a very embarrassing position, because every once in a while our streams and rivers flood into our mines and the devastation wrought is indescribable, and the amount of property destroyed is unbelievable.

As you know, a few years ago the Susquehanna River flooded tremendous areas in Luzerne County and because of the underground topography, the geological structure, the pitch is south, and uncalculable billions of gallons of water flooded into the mines. It killed a dozen men and wrought havoc the like of which the hydrogen bomb could not equal under that ground.

So we are reaping a whirlwind, we admit, of bad law in the State for a hundred years, and of bad enforcement of whatever law there was for a hundred years. In this year of our Lord we are reaping the whirlwind.

You on the Committee are concerned with conservation. In the area from which I come, a beautiful mountain and valley area in the northeast part of Pennsylvania, an area of good hunting and good fishing—and most of the recreation of miners for a hundred years has been hunting and fishing—let me assure you that there is not a chemist on the face of the earth who could create the havoc which has been wrought by this acid mine water. You would not believe it. You ought to see some of these abandoned mines. We admit somebody should have paid for this before. Those mines have not been worked in 30 or 40 years. They are abandoned, and only the good Lord knows who owns them or what happened to the owners. They are gone, but they are not forgotten, certainly not here, and certainly not by those of us who are having the trouble. This water is going over our barriers. It grinds and eats the pillars which hold up the surface, and after 30 years of grinding the surface is going down and the countryside and large surface areas in populated centers then becomes devastated.

Mr. Chairman, let me tell you something. I was in Laos 2 years ago and at the capital city of Vientiane. I wanted to take a flight up to the northeast border, the Chinese border. The Americans were there unofficially and they could not help us. One of our people said: "If you go over to the French line there will be somebody flying up there in a couple of hours. They will not ask any questions. You can bum a ride up."

So I did. I got in a two-seated French observation plane. The young officer could speak much better English than my barracks-room French, so we talked in English. He said: "Look at that terrain." I did. I had been in Korea several times and I thought Korea was the end of the line. This young Frenchman said to me: "Mr. Flood, if ever your country is going to fight on Mars or the Moon you can train your troops down there." And he was so right. The only place that looked worse were certain areas in the district of the gentlemen from Pennsylvania [Mr. Fenton and Mr. Scranton], and I am sorry to add, some of my own.

We want to stop this erosion and devastation if we can. We want to get this vicious, poisonous acid water out of our streams. The State is underwriting a clean water conservation program and they are doing a good job. You will notice we are not asking for any money. We have it by reason of not being able to spend it for the purpose intended, because of the lack of mines now operating in the hard coal area.

The projects are not coming through. The bill will protect pumping. My distinguished friend, the gentleman from Pennsylvania [Mr. Fenton] proposes to protect that even further, and we will be glad to accept that. I agree with that purpose if he agrees with mine.

We ask you to help us. We do not want to help any giveaway program here so far as any private piece of property or private property owner is concerned. That is not our purpose. We want to make those pay who can pay. There is some mining going on. There are still some thousands of men, thanks be to God, in my district who work in the mines. They are well paid per day, the best paid perhaps in the country per day, but they work 1 day a week when they work, and that is not too often. So we have some industry left in a distressed economic area employing some men. We are pulling ourselves up by our own bootstraps, so to speak. We are using our own money to breathe back life into one of America's old colonial counties. We are grateful to you, we think this will help, and I believe you will agree.

I am pleased to present my views on H.R. 4094, which proposes to make Federal financial assistance available to the Commonwealth of Pennsylvania for the purpose of filling certain abandoned mining operations in the anthracite region in the interest of protecting public health and safety, conserving a valuable natural resource, and other purposes.

I should like to review briefly some of the history of mining in the anthracite region. Anthracite mining operations have been conducted continuously in some areas for more than 100 years. Intensive, long-term mining in a succession of thick coalbeds under built-up areas made surface subsidiency an early and serious problem, one that has been studied for many years by government, industry, and local civic groups. As early as 1911, an anthracite mine cave commission was established by the State to study the problem. This commission was followed in subsequent years by several other State groups appointed to resurvey the situation and report to the State government. In 1921, the Pennsylvania Legislature passed a law prohibiting mining that would cause subsidence under public or private structures and facilities. In 1922, this act was declared unconstitutional by the U.S. Supreme Court.

By an act of 1949, the general assembly of the Commonwealth authorized local political subdivisions to acquire title to underlying coal seams in order to prevent surface subsidence, provided owners of the mineral right were adequately compensated. However, because of the large sums needed to purchase these rights, the authority has seldom, if ever, been exercised in the anthracite mining region.

During the more prosperous years of the anthracite industry, major producing companies assumed what was generally considered to be a moral responsibility for surface subsidences over mining operations. Consequently, most of the large producers employed surface crews to repair damages to homes, streets, public utilities, or other surface facilities. Because of the depressed economic condition of the industry, such repair work has virtually ceased.

During the past few years, subsidences have occurred under a number of built-up areas in the anthracite region, resulting in serious damage to surface improvements. Some of the most destructive took place recently in the cities of Wilkes-Barre and Scranton, Pa. Had the underground voids been filled in this area, the subsidence of the surface would not have occurred.

This act provides Federal financial assistance to the Commonwealth in filling—generally termed "hydraulic backfilling" or "flushing" in the anthracite region—abandoned underground mining operations. This assistance would be limited to 45 percent of the total cost of an individual project, none of which could be used to purchase culm banks for fill material. No Federal contribution could be made until the Commonwealth had furnished adequate assurance that sufficient funds were available to complete the work on a proposed project. Responsibility for discharging the Federal Government's obligations under the bill is vested in the Secretary of the Interior, who is authorized to conduct studies or surveys needed to determine the feasibility of filling abandoned underground workings.

Responsibility for all operations required to complete a project rests with the Commonwealth.

In an early investigation of subsidence, the U.S. Bureau of Mines found hydraulic backfilling the most effective means of supporting the surface over mining operations. With this method, holes are drilled from the surface into the underground voids. Solid fill material is then flushed down the boreholes with water. As the water drains away the fill material compacts, thus providing the necessary support. Where mine workings can be entered safely and barriers constructed to properly direct and contain the fill material, hydraulic backfilling, in most instances, will almost completely prevent surface subsidence. It also follows that the method will provide the most positive support in relatively dry, flat-lying seams. If mine workings are inaccessible and it becomes necessary to flush "blind" from the surface, without any underground barricades, the filling work may be only partially successful, and the results cannot be predicted accurately. Filling in completely flooded workings is not considered practicable, as little benefit could be derived from such work.

Filling abandoned underground mines, that meet all the necessary technical, engineering, and physical criteria, would be beneficial in controlling or preventing damage to valuable developed surface properties. Such work would contribute materially to the public health and safety, the protection of public and private property, and the conservation of an important natural resource. In some cases, backfilling might prevent the spread of underground mine fires.

The proposed use of culm banks as fill material would benefit the anthracite region. The land occupied by the banks could be developed as recreational areas or as sites for commercial and industrial enterprises, an important consideration in the economic revitalization of the region.

Because of the high cost of flushing operations, it appears desirable for the legislation to require full economic and technical justification of each project for which Federal assistance is requested. Otherwise, it is conceivable that, in some instances, the total project cost might exceed the value of the surface property protected. Although no recent detailed studies have been made on the cost of filling abandoned mine workings under developed surface areas in the anthracite fields, it has been estimated that to conduct such work would cost about $40 million, and require approximately 10 years to complete.

A suggestion is made that the prohibition against using Federal funds to purchase culm banks as fill material be expanded to include rock and spoil banks.

H.R. 4094, as an amendment to the Federal Mine-Water Control Act of 1955, would also extend the Federal Government's rehabilitation efforts. This bill proposes, in addition to filling underground voids, to fill abandoned strip-mining operations, a large number of which are to be found in the anthracite mining region.

While H.R. 4094 cannot be justified solely as a conservation measure, however, it may be supportable in the interest of the public welfare since it can be an effective instrument in protecting public health and safety, preventing damage to public and private property, providing sites for industrial, residential, and recreational development, and by furnishing partial, but temporary, alleviation of unemployment in a sorely depressed area.

I welcome to our fold the gentleman from Pennsylvania [Mr. Rhodes] who now has an interest in the anthracite industry because of the redistricting made necessary in Pennsylvania by the census and by law. If he did not have enough headaches in the agricultural Berks County area we will give him plenty in the coalfields.

Mr. KYL. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. Scranton].

Mr. SCRANTON. Mr. Chairman, I wish to pay special tribute to the members of the Interior Committee who have considered this bill, to its distinguished chairman, and especially to the distinguished chairman of the subcommittee who has handled this bill from the beginning. I appreciate the opportunity that was given me to testify before that committee, also the opportunity to appear before the Rules Committee in favor of the bill.

Last but by no means least I would like to pay special tribute to the author of the bill for his energetic support of it, and also to my distinguished colleague, the gentleman from Pennsylvania, Dr. Fenton, who has helped a great deal to make sure this bill gets through the House of Representatives.

This is a great day for the anthracite area of Pennsylvania, a most important day. It includes two important steps in solving the problems that have arisen in that area.

I for one am very grateful to all of the members of the committee, the Rules Committee, and to the Members of the House, and hope the entire House will give an overwhelming vote of support to this bill. I ask for your support, appreciating what efforts the people of the anthracite area of Pennsylvania are making themselves in solving the many difficult problems which face them today.

The Mine Dewatering Act, the title given to the act of July 15, 1955, provides for funds jointly supplied by the State and Federal Government for mine dewatering projects. There has presently accumulated in this fund approximately $10 million—$5 million from the State of Pennsylvania, and $5 million from the Federal Government—and, for various reasons, principally because of the decline of the anthracite industry, the prospect of further mine dewatering projects appears remote.

Accordingly, Congressman Flood's amendment to this act—H.R. 4094—would give further use to this accumulated money "to seal abandoned coal mines and to fill voids in abandoned coal mines, in those instances where such work is in the interest of the public health or safety."

The purpose of sealing abandoned coal mines is so that surface water will not continue to drain into the mines, thereby jeopardizing the conservation of economically minable coal. Underground water in the anthracite region has now become such a major problem that, left unattended, it could well mean necessary abandonment of millions of tons of good coal that may be needed in the future. Also, by sealing the mines, good surface water does not become contaminated and acidic, thus avoiding further stream pollution.

Further, the U.S. Bureau of Mines and the Pennsylvania State Department of Mines support this amendment because, if it is passed, certain specific flushing projects in the anthracite area could be accomplished. These projects are in specific areas where the underground conditions are well charted and engineered and where the projects are economically justified, especially in abandoned workings under highly populated areas.

The need for this is obvious. In my own district, for example, there were 45,000 people employed in anthracite mining in 1931. Today, there are 900. The vestiges of a bygone industry have left people's lives and property in peril. In the past 2 years, even in the last month, there has been an outbreak of surface settlings in the cities and boroughs over workings that were abandoned decades ago. The cost in property damage and the perils to living conditions and human lives are enormous. There is no industry left to which these sums can be charged.

In short, Congressman Flood's amendment would use accumulated funds, not new appropriations, for specific projects prescribed by the U.S. Bureau of Mines and the Pennsylvania State Department of Mines to safeguard property and human lives in built-up areas where the underground conditions are known and engineered.

I have read with interest the minority views on this bill and hereby answer point by point:

(a) The conditions in the anthracite area to which I have referred are by no means comparable to those elsewhere. This is the only case in which there is continual subsidence from abandoned mines in highly populated areas and where it is economically possible on a project basis to eliminate any further such damage to persons and property. Further, in the case of the anthracite areas there is no legally constituted corporation or other body to which these costs can now be charged. The coal companies are nonexistent and the areas abandoned by them.

(b) This bill does foster the conservation of natural resources because it includes the sealing of abandoned coal mines, a necessity to restrict surface water from entering the mines where there still is minable coal.

(c) While it is true that to fill all the voids in abandoned mines in the anthracite area would cost approximately $40 to $50 million, this is not the purpose of this bill. As clearly stated in the testimony of the personnel of the U.S. Bureau of Mines and the Pennsylvania Department of Mines, such filling is recommended only where it is economically justified. Such projects have been thoroughly engineered and would cost approximately $8 million, which amount is now available under this act.

(d) There is no provision in the bill for filling of strip mining scars. In this statement the minority view is in error.

(e) The bill does not relieve private owners from responsibility for their own acts. The properties were worked by the coal companies and operators, which are no longer existent. The private owners are not being relieved of any of their legal obligations.

(f) The conditions in the anthracite area, as stated in my comment in (a) make it clear that this is no precedent for similar legislation for other areas.

(g) The economic feasibility of the projects is a matter of primary importance. This is the important limitation in the use of the funds. Not only will the U.S. Bureau of Mines determine this but so will the Pennsylvania Department of Mines. This provision will make certain that the funds are used where the work is really of benefit, for the conservation of natural resources and the prevention of further injury to property and persons.

(h) There is no additional stream contamination made possible through the enactment of this amendment. To the contrary, it helps to safeguard against further pollution by the sealing of abandoned mines.

I support this bill and sincerely hope the House of Representatives will pass it by an overwhelming vote.

Mr. EDMONDSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES of Pennsylvania. Mr. Chairman, passage of H.R. 4094, the anthracite mine safety bill, will benefit Northumberland and Schuylkill Counties in the new Sixth District of Pennsylvania by enabling the sealing of abandoned mines which are a hazard to the people and a detriment in the drive to attract new industry.

There are approximately a thousand abandoned and unsealed mine openings in the southern anthracite region of Pennsylvania. Of these thousand abandoned and unsealed openings, 901 are located in Schuylkill and Northumberland Counties; 217 are in Schuylkill County and 684 in Northumberland.

That these abandoned mine openings are a safety hazard is well known, particularly to the people of Shamokin. This they have learned from bitter experience. It is apparent to anyone in the coal regions that the abandoned, unfilled strip mines add nothing but an eyesore to the landscape and are a drawback in any effort to attract people or industry to the area.

H.R. 4094, introduced by my Democratic colleague, the gentleman from Pennsylvania, Congressman DAN FLOOD, will be a great assistance to the people of Northumberland and Schuylkill Counties, as well as in the anthracite areas of his district. I commend my colleague and good friend, the gentleman from Pennsylvania, DAN FLOOD, the author of this legislation for his leadership in bringing this bill to the House floor.

It would allow the use of $8 million already authorized under the Federal-State Mine Drainage Act of 1955 to be used for sealing of these abandoned mine openings and the backfilling of abandoned strippings.

This bill will not involve additional expenditures of moneys above funds already provided in the original act, as these funds are available and just waiting for the most judicious use as approved by the Congress and the Pennsylvania Legislature.

I can think of no more judicious uses than the ones H.R. 4094 authorizes.

First, H.R. 4094 would permit the filling of abandoned strip pit operations when in the public interest. Such work could provide sites for industrial and commercial building which would be an advantage in the economic rehabilitation of the area.

Second, this will help local organizations such as the Independent Miners, Truckers & Breakermen of Shamokin, which is doing a commendable job of sealing abandoned shafts as a civic endeavor, but which has been handicapped by a lack of funds. This bill will make such funds available.

Third, it would assure residents along the Susquehanna River that the money shall not be used to finance pumping operations such as the one that caused the disastrous fish kill in the Susquehanna River in 1961. In fact, this bill will help prevent a major source of stream pollution—seepage of mine water—by financing projects that prevent such seepage.

The original act of 1955 authorized the Federal Government and the State of Pennsylvania each to contribute $8½ million to provide for pumping operations to avoid and eliminate flooding of abandoned mines; $10 million of this original $17 million is still unused. Last year the Pennsylvania State Legislature passed a law authorizing this unused money to be used for sealing and backfilling of abandoned mines. H.R. 4094 is merely the Federal counterpart of the State legislation and is needed before the unexpended money can be used for purposes other than pumping-type operations.

This legislation, if enacted, will mean jobs in distressed coal mining areas and will eliminate much of the wasteland in the coalfields.

Mr. EDMONDSON. Mr. Chairman, I yield such time as he may require to the gentleman from Pennsylvania [Mr. DENT].

Mr. DENT. Mr. Chairman, I join with my colleagues in praising the work of the sponsor of this bill, the gentleman from Pennsylvania [Mr. FLOOD]. Having served for a great number of years in the State Senate of Pennsylvania I can tell the Members of the House that the gentleman from Pennsylvania [Mr. FLOOD] did not paint the picture any darker than it really was, and is, in the anthracite region.

Mr. Chairman, this committee, I believe, understands the problems of that area, because of its long history of depression, due to many causes, not the least of which is the recurrent floods that have taken their toll in the coal industry.

Mr. Chairman, I personally want to compliment the gentleman from that region for his great work and also to compliment the committee for its generous efforts to have this legislation passed.

Mr. EDMONDSON. Mr. Chairman, I rise in full support of this bill which I had the privilege of reporting from the Committee on Interior and Insular Affairs.

This is a bill designed to save lives by using money already appropriated. This is a bill in the public interest to permit projects to be undertaken in the anthracite fields only when the sealing and filling of abandoned mines is in the interest of the public health and safety.

As the chairman of the full committee, the gentleman from Colorado, the Honorable WAYNE ASPINALL, indicated, the bill we are considering today is an extension of the Anthracite Conservation Act of July 15, 1955, which had among its purposes the prevention of injuries and loss of life and the preservation of public and private property.

An example of what can happen and did happen in the absence of a program such as the one we advocate today took place in the city of Scranton. In the early morning of March 5, 1960, approximately 1.25 acres of the surface in the 100 block of South Seventh Avenue dropped. Then again about May 16, 1960, another major subsidence took place causing tremendous damage to several dwellings and a food warehouse.

I shall not take up the time of the Committee concerning details relative to the results to be achieved; rather I will take but a few minutes to detail the provisions of the bill before you and will let the gentleman from Pennsylvania [Mr. FLOOD] and the gentleman from Pennsylvania [Mr. SCRANTON] tell you what this bill will mean in terms of the anthracite coalfield area.

The Subcommittee on Mines and Mining held 3 full days of hearings on this legislation receiving testimony from Federal, State, and municipal officials as well as industry representatives. Our hearings were well publicized. It is significant that no witnesses appeared in opposition to this legislation which has bipartisan support in the anthracite area of Pennsylvania.

As the chairman of the full committee on Interior and Insular Affairs further pointed out, the 1955 Anthracite Conservation Act established an $8.5 million Federal authorization which, when combined with the State authorization of $8.5 million, set up a $17 million program for the conservation of anthracite coal resources on a matching funds basis.

The program has been in operation for approximately 7 years during which time projects for the control of mine water have been accomplished in the amount of approximately $7 million—$3.5 million Federal and $3.5 million State. There remains authorization and funds for additional projects not exceeding a total cost of $10 million—$5 million Federal and $5 million State.

As indicated by the gentleman from Colorado [Mr. ASPINALL], the attorney general of the Commonwealth of Pennsylvania held that the 1955 act is not broad enough to embrace the sealing of abandoned coal mines and the filling of voids in abandoned coal mines. This work is essential if the program which was authorized in 1955 is to be fully effective. In addition, there has been some surface subsidence and large areas of the anthracite region are in danger of subsidence by reason of abandoned mines.

We are convinced that the situation in the anthracite field is unique and that it is therefore in the national interest to expand the basic Anthracite Conservation Act to make clear that funds may be utilized for the sealing and filling of abandoned anthracite mines regardless of motivation for any individual action.

The committee adopted a series of amendments designed to strengthen the program and at the same time safeguard the public interest by making certain that we receive good value for every dollar expended during the program.

First we adopted the amendment restricting sealing and filling to those instances where the work is in the interest of the public health and safety.

The second amendment requires that the Secretary of the Interior determine that the projects are economically justified and that potential benefits are estimated to exceed the estimated costs of a project.

Another amendment prohibits the use of funds for the purchase of culm, rock, or spoil banks thereby precluding anyone from receiving a windfall.

In addition a committee amendment would require the Secretary of the Interior to submit an annual report thereby giving us the opportunity to exercise surveillance over the program.

Finally the committee, in order to assure that money would be available if necessary for control of drainage of water, provided that $1 million of the $5 million of Federal funds authorized but unexpended as of June 30, 1961, be retained specifically for the control and drainage of water.

We think this is a good program and worthy of support by this committee and the House. As I said before, the situation in the anthracite fields is unique; mining methods are different, which makes subsidence more likely in anthracite areas and the fire problem is greater in connection with anthracite mining.

We have underlined in our report the uniqueness of the anthracite situation and included this paragraph as part of the legislative history of this bill:

> It should therefore be emphasized that the committee does not regard this as a precedent for similar legislation in other areas or in other States.

Mr. Chairman, I urge the approval of this bill:

Mr. KYL. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. SAYLOR].

The CHAIRMAN. Are there further requests for time?

If not, pursuant to the rule, the Clerk will now read the substitute amendment printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representative of the United States of America in Congress assembled, That the Act entitled "An Act to provide for the conservation of anthracite coal resources through measures of flood control and anthracite mine drainage, and for other purposes", approved July 15, 1955 (30 U.S.C. 572), is amended in the following respects:

(1) The second sentence of section 1 is amended to read as follows: "It is therefore declared to be the policy of the Congress to provide for the control and drainage of water in the anthracite coal formations and thereby conserve natural resouces, promote national security, prevent injuries and loss of life, and preserve public and private property, and to seal abandoned coal mines and to fill voids in abandoned coal mines, in those instances where such work is in the interest of the public health or safety.";

(2) The preamble clause of section 2 is amended to read as follows: "The Secretary of the Interior is authorized, in order to carry out the above-mentioned purposes, to make financial contributions on the basis of programs or projects approved by the Secretary to the Commonwealth of Pennsylvania (hereinafter designated as the 'Commonwealth') to seal abandoned coal mines and to fill voids in abandoned coal mines, in those instances where such works is in the interest of the public health or safety, and for control and drainage of water which, if not so controlled or drained, will cause the flooding of anthracite coal formations, said contributions to be applied to the cost of drainage works, pumping plants, and related facilities but subject, however, to the following conditions and limitations:";

(3) Section 2(b) is amended to read as follows: "The total amount of contributions by the Secretary of the Interior under the authority of this Act shall not exceed $8,500,000, of which $1,000,000 of the unexpended balance remaining as of June 30, 1961, shall be reserved for the control and drainage of water;";

(4) Section 2(c) is amended to read as follows: "The amounts contributed by the Secretary of the Interior under the authority of this Act and the equally matched amounts contributed by the Commonwealth shall not be used for operating and maintaining projects constructed pursuant to this Act or for the purchase of culm, rock, or spoil banks;";

(5) Section 2(d) is amended by striking out the word "and" after the semicolon;

(6) Section 2(e) is amended to read as follows: "Projects constructed pursuant to this Act shall be so located, operated, and maintained as to provide the maximum conservation of anthracite coal resources or, in those instances where such work would be in the interest of the public health or safety, to seal abandoned coal mines and to fill voids in abandoned coal mines, and, where possible, to avoid creating inequities among those mines which may be affected by the waters to be controlled thereby; and";

(7) Section 2 is further amended by adding a new subsection to read as follows:

"(f) Projects for the sealing of abandoned coal mines or the filling of voids in abandoned coal mines shall be determined by the Secretary of the Interior to be economically justified. The Secretary shall not find any project to be economically justified unless the potential benefits are estimated by him to exceed the estimated cost of the project."

(8) Section 5 is amended by adding a sentence to read as follows: "The Secretary of the Interior shall, on or before the first day of February of each year after the institution of the program for the sealing of abandoned coal mines or the filling of voids in abandoned coal mines, submit a report to Congress of the actions taken under this Act."

Mr. EDMONDSON (interrupting reading of the substitute amendment). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FENTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. FENTON: On page 3, line 10, after the word "which," strike out "$1,000,000" and insert "$1,500,000."

Mr. FENTON. Mr. Chairman, I have offered this amendment for a very good reason, which reason I enlarged upon during consideration of the rule while we were in the House.

Mr. Chairman, I hope that those in charge of H.R. 4094 will accept the retention of $1,500,000 instead of the proposed $1 million. This will at least give the Federal Bureau of Mines and the Pennsylvania State Department of Mines some leeway in which to continue with the necessity of dealing with the mine water problems which are present in the anthracite coal region.

If we are to believe what even the Federal Bureau of Mines and the Secretary of the Interior and the experts in the coal region say; namely, that the coal industry is going to make a comeback then we will need mine drainage money more than ever.

The main necessity for enactment of H.R. 4094 is to close the openings of abandoned coal mines and to fill voids in abandoned anthracite coal mines where found feasible. With these objectives, we are in agreement and it is for those reasons that I support the bill. However, I believe it to be in the interest not only of the welfare and health of the people of the anthracite region but also in the interest of the future welfare and health and well-being of our people and the national interest in preserving a vital resource from being ruined by inundation of water.

Mr. EDMONDSON. Mr. Chairman, I am authorized to say on behalf of this side of the aisle that we would be very pleased to accept the amendment of the gentleman from Pennsylvania [Mr. Fenton]. We would like to compliment the gentleman and his other distinguished colleagues who have been associated in support of this bill, the gentlemen from Pennsylvania [Mr. Saylor and Mr. Scranton] for their constructive approach to the requirements of the area for legislation which meets the overall problem of the anthracite coal region.

The committee is also deeply indebted to the gentleman from Pennsylvania [Mr. Flood] and his able Pennsylvania colleague [Mr. Rhodes] for their statesmanlike advocacy of this measure.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Iowa.

Mr. KYL. Mr. Chairman, I might say to the gentleman that the Members of the minority on this side of the aisle also would like to accept this amendment as an improvement of the original bill as presented.

Mr. FENTON. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. Fenton].

The amendment was agreed to.

Mr. FENTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Fenton: On page 3, line 11, after the word "of", strike out "June 30, 1961" and insert "July 31, 1962".

Mr. FENTON. Mr. Chairman, I think the amendment is self-explanatory. It simply means since June 30, 1961, there have been several projects proposed by the State of Pennsylvania to the Federal Bureau of Mines. Some small amount of money has been utilized since that time and so I ask for this clarifying amendment to change the date from June 30, 1961, to July 31, 1962.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I am authorized on this side to say that the amendment is agreeable here.

Mr. FENTON. I thank the gentleman.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Iowa.

Mr. KYL. Mr. Chairman, I would like to say again that the minority Members concur in the objective of the gentleman's amendment.

Mr. FENTON. Mr. Chairman, I want to express my appreciation of the very fine courtesies extended to the various Members from Pennsylvania.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. Fenton].

The amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Lane, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4094) to amend the act of July 15, 1955, relating to the conservation of anthracite coal resources pursuant to House Resolution 731, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to extend their remarks on the legislation debated this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

CRIME IN THE DISTRICT OF COLUMBIA

Mr. BECKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Speaker, due to the necessity of introducing some legislation having to do with crime in the District of Columbia, I am happy to prepare at the present time some legislation which I hope will receive the approval of both Houses of Congress.

Unfortunately, a very good bill was passed in this House to correct what was known as the Mallory decision. Unfortunately it has not received the attention of the other body. I think it could do a great deal of good in assisting the police department in the District of Columbia.

Mr. Speaker, I believe also that a four-time-loser law, carrying life imprisonment, such as we have in New York State would be a great deterrent to crime in the District of Columbia. I further believe that an investigation by a committee of the House of Representatives to assist in bringing forth some additional legislation would be helpful to both the police and the judiciary of the District of Columbia. I believe also that this Congress should act at this time, even though studies are going on, even though an investigation may be made, because the police in the District—if anyone wants to investigate it as I have during the past week—will find that even though the police may make an arrest, they cannot hold a suspect and they cannot keep a suspect; and when they do bring them into court to get a conviction, we find that rape is at a premium in the District of Columbia, and so is mugging, in view of the fact that they let them off with a 90-day sentence.

Mr. Speaker, Members may have read in the paper a week or so ago where one of our District judges reduced a rape sentence of 10 years by 8 years.

Gentleman, what kind of situation is this, if we in the Nation's Capital do not try to set an example for the rest of the country? We should bring law and order to the Capital City of Washington. I believe that this is necessary now, and I sincerely hope that the Congress will concur and give every assistance in support of this legislation.

ADDITIONAL JUDGES FOR THE JUVENILE COURT

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, I want to associate myself with the remarks made on yesterday by the gentleman from Maryland [Mr. Mathias] about the delay in the appointment of the two additional judges to the District juvenile court authorized by the Congress some months ago. This delay is responsible to a definite degree for the increase in youth crime here during the past year.

It is high time that the President of the United States and his brother, the Attorney General, do something to correct this serious situation. Is it possible that the Attorney General with his vast and comprehensive experience as a public servant should permit politics to enter into these appointments?

May we have an end to spectacles of people in evening dress being dunked in the family swimming pool and the playing of touch football on the Monument Grounds during the lunch hour and get down to the responsibilities of public business. These additional judges should have been appointed long ago and thereby something constructive done to correct an unbearable crime situation existing in the Capital City of the United States.

I subscribe to the sentiments expressed in the article, "Youth Crime Up 17 Percent," which appeared in the News on July 30, as follows:

Highest Total—Youth Crime Up 17 Percent

District police today reported a 17-percent increase in juvenile delinquency arrests during the fiscal year which ended June 30.

During the year, 2,366 juveniles were referred to juvenile court for action, the highest total recorded since police began keeping tabs on youth crime 9 years ago.

Juvenile crime increased 9 percent throughout the country during the past year, and 5 percent in large cities.

REPEATERS

Police Deputy Chief John E. Winters, head of the Youth Aid Division, said most of the increase here was due to crime by repeaters.

The report shows that 43 percent of the youths arrested had previous records, and that 51 percent were in the 16–17 age group.

"On these grounds, I would not call the increase alarming," he said.

He suggested a two-pronged solution to the problem of repeaters.

"Juvenile offenders must be brought before a judge as soon as possible, and they must be treated realistically by the judge," he said.

COURT BACKLOG

Although Congress in March authorized an increase in juvenile court judges from one to three, no appointments have yet been made to fill the vacancies.

The court's backlog rose to 2,900 cases in the 3-month period ending June 30—269 more than in the preceding period, the court reported yesterday.

The crime report showed increases in violent street crimes, with 24 more arrests for yoke robberies and 29 more for robberies by force and violence than were recorded in fiscal 1961. There were, however, decreases in pocketbook snatchings and armed robberies.

DAIRY PLAN HAS REAL MERIT

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Speaker, all of us who are interested in exploring genuine solutions to the real problems of American agriculture recognize and respect the dedicated efforts of our colleague, the gentleman from Wisconsin, Representative LESTER R. JOHNSON. He has been in the forefront of the continuing fight for economic equality for our dairy farmers. He is unwilling to accept inaction and has worked tirelessly to obtain agreement on an acceptable and workable dairy program.

Dairying is a basic agricultural industry and a vital segment of the national economy. The gentleman from Wisconsin, LESTER JOHNSON, is well aware of the troubles plaguing the dairy farmer and has devoted himself as a capable and experienced legislator to finding and proposing solutions. He deserves much credit for the voluntary program which has been accepted by the House. This emergency program is intended to encourage an adjustment in the milk supply that will reduce the cost of the support program. In a letter to the gentleman from Wisconsin, Congressman JOHNSON, as chairman of the Dairy and Poultry Subcommittee, the Secretary of Agriculture has estimated a net saving of $54 million under the proposed voluntary reduction program.

It must be emphasized that this is an emergency measure and a voluntary program intended to maintain dairy income and reduce expected excessive costs. This makes it all the more surprising that only five Republican Members voted against the amendment to strike this program from the bill while proposing no acceptable alternatives.

Mr. Speaker, I include at this point an excellent editorial from the Wisconsin Agriculturalist of July 21, 1962, which states the case for the dairy program simply and clearly and comes to this conclusion: "The program is sound. It deserves a chance."

Dairy Plan Has Real Merit

Any editor who writes about farm programs right now takes a long chance. The odds are that the bill now in Congress will be changed before this paper is mailed.

The present bill in the House of Representatives would extend the present feed grain and wheat programs for 1963. This seems to be the best we can hope for this year.

One section of the House bill would spell out a completely new dairy program. The program would run from October 1 this year to June 30 of next year.

Under the program producers could voluntarily cut back their milk production by 10 to 25 percent of their 1961 marketings. Government would give surplus reduction payments of up to $2.50 per hundred for this cut.

This program has real merit. It is voluntary. Each producer could decide to go along or stay out. It would save Government money. It costs the Government about $4.20 per hundred pounds of milk to buy and store surpluses.

Producers could make additional income by cooperating. Most of them would find it more profitable to cut back production for $2.50 per hundred than to produce the hundred pounds and sell it at present prices.

No one knows, of course, but our guess is that a substantial number of dairy farmers would cooperate. If they did, it would materially reduce dairy surplus.

The program is sound. It deserves a chance.

SAFE AND UNSAFE TEST BAN POSITIONS

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Speaker, on April 18, 1961, the United States proposed a test ban treaty at Geneva requiring an international network of 180 seismic stations, 19 of which would be in the U.S.S.R., to detect cheating on any agreement. The proposal called for 20 onsite inspections per year of seismic events occuring behind the Iron Curtain on a magnitude greater than 4.75 on the Richter seismic scale. It also called for an international control system to handle this police work.

Subsequently the U.S. position was eased by hints of willingness to reduce somewhat the total number of seismic stations, drop the number of inspections on Soviet territory to 12 to 20 per year, and lower the Richter scale magnitude somewhat, possibly to 4 for events exempted entirely from the control machinery.

The Soviets have consistently rejected the U.S. proposals. They want no international control posts in their territory and no inspectors roaming about. Their attitude is that they will have nothing to do with any scheme which permits foreigners behind the Iron Curtain and thus opens to view their closed society. Their negotiating attitude is to sit tight, watch the West squirm, and wait for it to accommodate to the Soviet viewpoint.

On April 16, 1962, eight so-called neutral nations proposed what they termed a "compromise" between the U.S. and U.S.S.R. positions. They would abandon the 180-station international seismic network. Instead detection would be based on the concept that existing national seismic stations, along with improvements and additions, would feed in data to detect explosions in the territory of nuclear powers. Under the proposal both the United States, the U.S.S.R., and other nations would be expected freely to furnish any and all data from their own seismic stations upon which even their own cheating, if any, could be detected. An international commission of scientists would be handed the task of processing this data. If the Commission detected a suspicious event, it could be invited to conduct an onsite inspection in the territory of the suspected cheater.

Neither the United States nor the U.S.S.R. has rejected the eight-nation proposal outright. The United States indicates the commission "must have a right to conduct onsite inspections." The U.S.S.R. indicates that "no onsite inspections could take place except on invitation of the suspected country."

For over 2 years, during the various goings-on at Geneva, the Defense Department's Advanced Research Projects Agency—ARPA—has been carrying on Project Vela, an intensive research program aimed at improving methods of detecting underground nuclear explosions. On July 7, 1962, ARPA issued a press release reviewing its work. The release was widely interpreted by the nonscientific press as disclosing new technological data easing the test cheating problem.

I have determined that the press release was not ARPA's idea at all. It was suggested by Defense Under Secretary Roswell Gilpatric who, in turn, had been nudged by McGeorge Bundy, special assistant to the President of the United States. Subsequently certain newspapers, such as the Washington Post and New York Times, habitual willing handmaidens in White House news leak and trial balloon operations, began running informed-source stories about possible new U.S. positions at Geneva based on the supposed improvements in seismology achieved by Project Vela. Later there began to appear editorial support for accommodating the Soviet position against detection machinery on, and inspection of, its soil. The Washington Post on July 26 put it in tear-jerking terms of not allowing the test ban negotiations to get stuck in a political freeze at the very moment when they are overtaken by a scientific thaw.

Meanwhile, down at the White House guarded announcements were made of a series of high level administration conferences, all based on supposed advances in the science of seismology which, it was inferred, had so drastically reduced the problem of detecting test ban cheaters that Mr. Kennedy must confer with all and sundry of the administration's big names about it, even including Ed Murrow who would not recognize a seismograph if he saw one. The conferences were accompanied by more of the usual informed-source "think" pieces in the press.

Thus began and was carried on what appears to be a careful preparation, brainwashing would be another word for it, of the citizens of the United States to accept a retreat from meaningful and safe test ban treaty terms. The maneuver has been skillful, unobtrusive, nevertheless deliberate and at the initiative of top echelon lieutenants of the Kennedy administration.

The maneuver proceeded from and has been built upon two false premises: First, that the original April 18, 1961, U.S. treaty proposal did, in fact, propose a safe seismic detection system which now can be whittled away; and second, that there have, in fact, been developments in the science of seismology which justify such whittling away.

The truth is that the original 1961 scheme was never adequate for the purpose and could not safely be relied upon to make a potential cheater's chances of getting caught sufficiently probable to deter him from attempting it. The probable effects of the so-called advances in seismology to date have been to make the original scheme less unsafe. It is highly improbable they have made it oversafe and thus subject to scaling down.

The additional truth is that, although Project Vela has provided information about old problems involved in seismic detection and disclosed some new ones, it has produced little, if any, information about the answers to either the old or the new problems. Only by disregarding all the difficulties inferred in the ARPA press release, putting on rose-colored glasses and chewing tranquilizers while reading the rest of it, can thought of accommodation toward the Soviet test ban position be excusably entertained. Soberly read, the ARPA release discloses only the following:

First. The characteristic outward-motion wave produced on a seismograph by all nuclear blasts and some earthquakes can be heard better if the seismograph is picking up less background noise. This is a surprise to no one and also is a characteristic of the human ear. If the background noise can be reduced, this outward-motion wave can be detected at greater distances from the focus of an earthquake or underground nuclear explosion. Possibly background noises can be reduced by placing seismographs at deep depths in the earth, like 10,000 feet below, or on ocean bottoms where background noise levels are thought to be low.

Second. Variations in the geological formations in which a nuclear blast or earthquake occurs, and through which its shockwaves travel toward a seismograph, affect the speed with which the waves travel and the distance they are able to cover. Thus you must know the geology between the general locations of an event and the seismographs detecting it in order to calculate, with any accuracy, the probable location of the event. You must also know the geology of a country in order to determine how far away you are likely to be able to detect at all. It is to be noted that little is known in the free world about the geology of the vast Eurasian land mass enclosed by the Iron Curtain.

Third. Subject also to a thorough knowledge of geology, it may be possible to calculate at what depth an event occurred and thus rule out from suspicion events which are calculated to have occurred at depths below which a cheater cannot lower his nuclear device. As yet nobody has been able to make such calculation with any degree of confidence.

Fourth. New information indicates there are fewer earthquakes in the Soviet Union of a magnitude of 4.75 on the Richter scale than previously thought. Thus, if your treaty exempts from detection, suspicion, inspection, control nuclear tests below this magnitude, there may be somewhat less difficulty in detecting an unnatural event amongst a lesser number of natural ones at and above this magnitude.

The following example illustrates that this is something of an illusion:

If naturally occurring events in the U.S.S.R. over 4.75 magnitude are assumed to be 100 per year instead of 300, that is, reduced by a factor of three, it should be easier to detect an unnatural one. However, it will not be easier by a factor of three. Only the sorting process is reduced by a factor of three. The detection machinery still must be good enough to pick it up, classify it, and determine its focus. Further, this has little or no bearing on the difficulties to be faced when, once suspicion has been aroused, inspection must be carried on to verify the occurrence or nonoccurrence of a violation.

It is upon these slim and shaky technical speculations that the administration holds its high level conferences, sends up its trial balloons, and considers making changes in the U.S. position at Geneva. What these minds could be evaluating might be any or all of the following alternatives:

First. Accommodating Soviet demands by substantial retreat from present U.S. positions, offering as an excuse ARPA's supposed scientific discoveries.

Second. Submitting a new treaty proposal based on some variation of the inadequate eight-neutral-nation proposal, offering the same excuse.

Third. Maintaining the present U.S. position.

Fourth. Modifying the U.S. position slightly, based only upon such realistic certainties as my have been established by Project Vela.

Fifth. Junking the idea of attempting to control underground testing and limit negotiation to tests in detectable environments such as the atmosphere and the oceans.

Sixth. Presenting a best estimate of technical difficulties involved in underground detection and challenging the Soviets or anybody else to come up with something sensible in relation to the known facts.

The tenor and content of the course of events triggered by the inspired July 7 news release leads me to believe that it is the dangerous first and second alternatives to which the high level conferees are directing their principal attentions. It is my fear that some variation of the U.S. position along the lines of either, or a combination, of these two will be announced shortly by the White House. The consequences will prove to be explosively dangerous. Among them are these:

First. The United States and the free world will be placed in an unsafe position from which the Soviets can get away with cheating and, within the space of a few years, achieve a sudden, overwhelming nuclear weapons superiority.

Second. In caving in to the demands for an unenforcible treaty and surrendering our demands for an enforcible one, any meaningful progress toward reducing world tensions and risks by negotiation and agreement will be surrendered until there is a change in U.S. administrations. Insofar as Mr. Khrushchev is concerned, Mr. Kennedy "has had it." This is particularly significant with regard to the Berlin issue.

Third. Development of free world anti-ICBM defenses is thwarted and therefore this possibility of making nuclear war less likely is eliminated.

Fourth. Development of nuclear weapons which are more discriminate is made impossible for the West and unnecessary for the Soviets, thus eliminating this possibility of making nuclear war less inhumane and deadly, should it ever come.

Fifth. A false feeling of security would be created and an unjustified relaxation of effort and incentive would ensue for tackling the basic problems of reducing the real risks of war.

All this is true because the present Geneva test ban stalemate can be ended only in one of three ways: First, by the U.S.S.R. retreating from its closed society position; second, by a U.S. retreat from its demand for a safe, enforcible treaty; and, third, by scientific developments permitting both nonintrusive detection and nonintrusive inspection so far as Soviet territory is concerned. The first of these alternatives is an ideological improbability at the moment; the last is a technological impossibility at the moment. Only the second alternative, U.S. retreat and surrender, seems to be visible on the horizon now.

If this is true, then we must ask why Mr. Kennedy and his advisers appear willing to put the safety and survival of the United States and the free world in such peril. Certainly the answer is not to be found in disloyalty or subversion. If they do so other reasons must be found to explain why. These reasons are not entirely hidden and they amount to the same naive miscalculations and wishful thinking which have led many otherwise thoughtful people into the test ban trap of agreement for agreement's sake.

For a decade and a half the Soviet Union's propagandists have labored ceaselessly to blunt the truth that, except for atmospheric fallout, the world's danger lies not in nuclear testing but in nuclear war. A test ban treaty has been elevated to the status of a symbol of peace, or at least symbolic of a vital first step toward mankind's eternal hope for peace. Its worth and value has become so artificially inflated by the hypnotic effects of constant misleading propaganda that to many it seems worth almost any price. A false illusion has been created that it is an end in itself, rather than the means to an end. It has become, like the sirens of Scylla, a legendary unreality which beckons men to their doom.

Moreover, because of all the peace hocus-pocus surrounding the test ban legerdemain, anyone who achieves such a treaty, regardless of its defects, deficiencies, and ultimate disappointments, is sure to reap for the short term, at least, all the popularity and esteem which can be expected to be accorded a peacemaker. There is little doubt that Kremlin masterminds had this sweetener for Western negotiators in mind while blueprinting their hard sell-soft sell campaign for peddling a one-sided test ban treaty.

It is high time that Kennedy and company awaken from their peaceful dreams of olive branch accolades, before they make fatal commitments at Geneva. Emerging out of the dreamworld and into the real world they would see clearly that grabbing a brass ring engraved "R.I.P." from the test ban merry-go-round is not first prize, but the booby prize or, more properly, the bobbytrap. The real and only prize insofar as the United States and the free world is concerned is forcing the U.S.S.R. to retreat from its closed society position.

Once the territory of the Iron Curtain is opened up, even a crack, for others to determine what is going on behind, then it becomes impossible for the Kremlin secretly to prepare for surprise aggressions. Once a crack is opened the precedent is set to make it wider. Once the Soviet Union signs a treaty enforcible on it as well as the non-Communist signatory, because the latter has a right to go behind the Iron Curtain and determine violations, then for the first time our world has a possibility of settling some of its problems by negotiation and agreement rather than by naked force.

The objective of a test ban treaty is not agreement for agreement's sake, but the evolution of a less risky world than the one in which we now exist. Mr. Kennedy can either throw away the one opportunity this Nation possesses to move toward such a world and involve us in deadly danger, or he can resolutely reject the peacemaker popularity package he appears to be eyeing and courageously reject the blandishments of those who may urge him to accommodate the Kremlin at any price.

The latter course, though a difficult one, is not an impossible one. Intelligence, initiative, even brillance and, most of all, patience and forbearance are needed to turn the test ban issue back on the Kremlin and put it in a position where it might be forced by world opinion or other considerations to accommodate the West by relaxing its closed society obsession. Our safe position is a reasonable one and can be made understandable by others. We do not demand a foolproof treaty, the impossible. The Brink's robbery is ample evidence that practically nothing can be made foolproof. What we do demand is both simple and equitable; namely, test ban mechanics which impose on the potential cheater a sufficient risk of getting caught to deter him for attempting it. Roughly, any treaty must be written in such terms as to assure the following:

First, a reasonable probability of detecting possible violations;

Second, a reasonable opportunity to inspect and verify whether cheating has occurred;

Third, for the cheater, some meaningful penalty for getting caught; and

Fourth, for the victim, consequences which are not fatal, whether or not the cheater is caught.

Since each of these items is interrelated with the others, all must be taken together in determining whether any particular proposed treaty is safe or unsafe. That is to say, whether after signature it leaves our world a less risky one than before, or a more risky one.

It is interesting to note that on no occasion has President Kennedy or any member of his administration seen fit to enunciate criteria for determining safe or unsafe with respect to past Geneva proposals or any modifications under consideration. Before discussing the so-called Geneva alternatives, it seems the administration first must do its homework on the matter of basic standards regarding how much risk can be accepted and still leave the United States in a safe position and how much more risk will get us in an unsafe position.

Until this is done, there seems little reason for discussion of any Geneva alternatives, for there exists no realistic criteria by which they can be evaluated safe or unsafe.

RETALIATION

Mr. DENT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Speaker, during the long months of fighting for a tariff increase for the glass industry we learned a great deal about the attitude of some of our trading partners.

We relearned something we Americans seem to have forgotten. We learned that trade is a commercial venture and its prime objective is profit, naked everyday profits without any regard to the niceties we hear so much about in the time-worn phrases such as the common good; our friendly allies; the world concept of brotherhood based upon the free movement of goods and peoples; the theory of Adam Smith; and all the other pet pleas of our many, ofttimes sincere, believers in so-called free trade.

When this Nation, through its Tariff Commission and President, found it absolutely essential to the well-being of certain industries, to raise tariffs on glass and carpets recently, we predicted that the exporters of these products would show immediately the real reasons for their support of a free trade policy for the United States.

What is happening is exactly what this Member of Congress predicted here in the House, before the Ways and Means Committee, and in the public press.

I said then that the exporters would demand concessions or would move to retaliate against our products in world trade. It could not be otherwise. The case in point is clearly demonstrated by the following story just released by the latest bulletin from the European Community.

It bears out my predictions and shows that while the United States moved to a higher tariff on glass and carpets to save these American institutions from extinction, the European Economic Community is moving toward a higher tariff in items that are not endangered by U.S. imports into the market.

The brazenness of this action appears to be lost on the promoters of further concessions in trade items that this Nation produces in an overabundance.

The story on the action of the European Economic Community against the U.S. Government's use of a proper safeguard written into both the U.S. Trade Act and the GATT agreements appears to hit a rather low point in the attempt to intimidate the American Government.

One wonders how the Senate can act upon the proposed new trade bill without taking into serious consideration the action of the European Economic Community in these cases.

The following is reprinted from Bulletin No. 54, from the European Community, June–July issue, 1962:

EUROPEAN ECONOMIC COMMUNITY ACTS AGAINST U.S. TARIFF INCREASES

The European Economic Community will raise import duties, effective August 1, on five products exported by the United States. This is retaliation for the U.S. increase in duties on sheet glass and carpets, announced in March.

The EEC Council of Ministers decided on June 5 to revoke concessions granted during the GATT negotiations to the United States on five items and to apply external tariff duties on these products as follows:

[In percent]

Product	Prenegotiated tariff	GATT-negotiated concession to United States	Aug. 1 rate
Polyethylene	20	20	40
Polystyrene	20	20	40
Synthetic cloth	21	17	40
Artificial cloth	20	16	40
Varnishes and paints	19	15	19

As shown above, the tariff on varnishes and paints was restored to its level prior to the GATT negotiations, while the duty on the four other items was doubled or more than doubled.

The U.S. increase of duties affects a total volume of exports from the Community worth about $27 million and most severely affects Belgium, which is the main supplier of glass and carpets. The Community's action, in response, affects a total volume of U.S. exports of approximately the same value, $27 million.

The U.S. decision, announced March 17, raised duties on carpets from 21 percent of value to 40 percent, and on glass the increases varied from 73 to 150 percent according to size and thickness. Effective as of June 17, the increase was originally scheduled to be applied 2 months earlier but was postponed by the United States following a Belgian request.

The U.S. Government announced on June 5, the day of the Common Market Council decision, that it had made an offer amounting to partial compensation of the losses caused to foreign carpet and glass industries. This was done in response to a Common Market request for such compensation in the form of lower tariffs on other goods, in accordance with the rules of the General Agreement on Tariffs and Trade.

Both the United States, in its March tariff increase, recommended to the President by the U.S. Tariff Commission, and the Common Market, in taking its retaliatory measures, were acting in accordance with provisions of article XIX of the GATT.

Mr. Speaker, if this is to be the attitude of the European Economic Community, what good will it do for our country to set up standards of protection against the complete elimination of certain import vulnerable industries?

Are we to be led to believe that as the European Economic Community becomes self-sufficient in other areas of production that the managers of this profit-motivated trade group will allow their plants to close down while we pour our products into their market?

Is this the hope held out to those industries that still enjoy a measure of export profit because of the needs of the Common Market countries? I may be all wrong, and I honestly pray that I am, but at this point—I would hazard a guess that if the President's proposal to place an 8½-cents-a-pound special import duty on cotton content imports is put into effect, the howl from the textile countries will be heard around the world.

The alternative, of course, will be that this Nation's cotton mills will get the same 8½-cents differential allowed to them, thereby, putting the total cost upon the American taxpayer.

There are those who believe quotas and tariffs can solve all the trade problems. They cannot, nor will they provide an answer that can or will be acceptable.

In the first place, our sugar problem shows the futility of trying to set up quotas and excluding some sugar producers from participating in the U.S. gravy train, paying almost double the world price for sugar.

The answer rests in the equalizing, compensating factor plan. This is already employed by some nations in one form or another.

When any import, because of price, threatens the production of a like item in this or any other nation, that nation must have a right to adjust customs to meet the domestic costs of production.

Costs of production to be based upon the fixed charges for taxes, labor, raw materials, and research and development. To do other than this is to invite the kind of action being advanced by the EEC.

Nothing seems to wipe out the many resolutions of good will and friendly relations like the threat of the loss of profits as measured in taxes, income, jobs, and economic growth.

In order that we keep the record clear, I would like to add at this time the front-page story from the same Bulletin No. 54, showing how the Common Market is moving in the direction of protectionism for its own industrial production in every instance where their production or potential of production is sufficient to meet their own needs:

COMMON MARKET SPEEDS UP CUSTOMS UNION—INTERNAL TARIFF CUTS, MOVE TOWARD COMMON EXTERNAL TARIFF ACCELERATED

The Common Market has decided to advance still further the pace of internal tariff cuts and the move toward a single external tariff for the whole European Community.

Decisions taken by the Council of Ministers on May 15 put the Community 2½ years ahead of the Rome Treaty schedule.

On the basis of the Council decision, already decided in principle in April, the Community has made additional internal tariff cuts of 10 percent on industrial goods and of 5 percent on some agricultural goods, effective July 1.

Internal duties on industrial goods thus have been cut to a total of 50 pecrent of the level in force on January 1, 1957, the base date chosen in the Treaty of Rome. As originally scheduled in the treaty, the cuts would not have amounted to 50 percent until the end of 1964.

Duties on an agreed list of farm products have now been reduced by a total of 35 percent, effective July 1. This compares with a general reduction of only 30 percent envisaged under the Rome Treaty by the end of 1962.

The list of agricultural products includes some livestock, meat other than beef and pork, fish, coffee, tea, cocoa, and some canned foods.

The second move toward the common external tariff, which will now take place on July 1, 1963—two and a half years ahead of schedule—will bring the six countries' external tariffs 30 percent closer—either up or down—to the Community's common external tariff. The gap between national tariffs and the common external tariff will then have been reduced by 60 percent, while the common external tariff will be applied on goods for which national duties did not vary by more than 15 percent above or below the external tariff.

The new move was essentially political, said Giuseppe Caron, vice president of the Common Market Commission. "The maximum length of the transition period in the treaty (12–15 years) reflected an understandably cautious attitude regarding the ability of the six countries' economies to adapt themselves to the new situation, and the speedy adaptation of all sectors of the economy to the challenge of the new market has enabled us to move ahead more quickly."

Signor Caron is chairman of the Common Market Committee dealing with customs questions. The Committee was set up in April and is composed of the heads of the customs departments of the six Governments and members of the Common Market Commission.

The point to remember in the case of the European Economic Community action is that while we were using article XIX of GATT to save American industry, the European Economic Community used the same section to retaliate in a spirit devoid of friendliness and good will and motivated by the old, old, search for profits, the fruits of unequitable trade agreements.

Mr. Speaker, this House has heard me say on many occasions that if the Members of Congress were allowed to vote secretly on the so-called trade expansion bill the vote would reflect more of a concern over this legislation than the vote shows.

The following release and correspondence justifies my position.

I believe the Governors concerned supported so-called free trade and the trade bill.

However, they passed a resolution condemning excessive imports and pointed to the economic danger this Nation finds itself confronted with because of our trade policies.

When the chips are down all of us are protectionists. I see no difference in injury to one industry as against injury to another.

In my humble opinion the additional complaints pertaining to runaway industries and production facilities further emphasize the widespread economic injury being sustained by most every branch of domestic enterprise.

The position of protectionism taken by the Governors' conference is contained in the following statement:

NATIONAL COAL POLICY
CONFERENCE, INC.,
Washington, D.C., June 26, 1962.

Hon. JOHN H. DENT,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN DENT: The detrimental effect that excessive imports of some products cause to the American economy was recognized at the recent Governors' conference in the form of a resolution urging the executive and legislative branches of the Federal Government to give full effect to those trade acts provisions "designed to prevent excessive imports of any goods or commodities which would endanger the national security or the domestic economy of the United States."

The position taken by the Governors is identical with that of the coal industry and the Governors of the coal States in reference to the importation of residual waste oil. The attached news release issued following the Governors' conference also expresses the opinions of four important Governors. We believe it to be in the national interest to solve the problem of excessive residual oil imports, and solicit your help.

Sincerely,

JOSEPH E. MOODY,
President.

GOVERNORS AT HERSHEY CONFERENCE WARN THAT RESIDUAL OIL IMPORTS THREATEN THE COAL INDUSTRY

WASHINGTON, July 8, 1962.—Governors from three coal States have issued a warning that residual oil imports pose a serious threat to the U.S. coal industry.

The warning came in a joint statement issued at the Governors' conference in Hershey, Pa., last week by Gov. Bert Combs, of Kentucky, Gov. David L. Lawrence, of Pennsylvania, and Gov. William Wallace Barron, of West Virginia.

Their statement said: "The resolution on world trade will be most helpful to our efforts to restrict the importation of residual oil which is a serious threat to the prosperity of the coal industry of our States."

The statement was issued after the full conference of Governors passed a resolution pointing out that "the employment, security, and job opportunities of America had been seriously affected by excessive imports. It urged President Kennedy and the Congress to give full effect to provisions of trade acts designed to prevent excessive imports of any goods or commodities which would endanger the national security or the domestic economy of the United States.

Joseph E. Moody, president of the National Coal Policy Conference, said that the fact that the coal-State Governors took the lead in drafting and supporting the resolution, and that it was approved by the Governors' conference, is indicative of the Governors' concern of the flood of residual waste oil from abroad.

"The Governors are close to the severe economic and social problems which excessive imports create," Mr. Moody declared. "It is, therefore, not surprising that they should take the lead in pressing for the protection which domestic industry must have to exist in the face of mounting imports from low production cost areas.

"If the administration would take such action as requested in the resolution, the coal industry could be relieved of the residual oil import threat within a matter of minutes."

The coal industry has repeatedly appealed to the administration to stabilize the importation of residual oil for 5 years which would permit the coal industry a chance to orderly develop its resources.

U.S. BOND PURCHASE WOULD DOOM UNITED NATIONS

The SPEAKER. Under previous order of the House, the gentleman from Washington [Mr. PELLY] is recognized for 10 minutes.

Mr. PELLY. Mr. Speaker, shortly this House will be considering legislation to authorize the President, by bond purchase or loan, to provide funds for the United Nations to cover a major share of its current deficit. The policy set by the United States in this instance, Mr. Speaker, may well determine the fate, effectiveness, and future of this organization. In that spirit and as one who in the past has supported the United Nations, I now address myself to this subject—especially in light of a new and rather heartening situation.

Mr. Speaker, the International Court of Justice at The Hague has ruled that all United Nations members are obligated to contribute their share of the expenses of the peacekeeping operations in the Congo and the Gaza strip.

The decision opens the way for the United States to adopt a firm and farsighted policy as far as the United Nations is concerned, which as I indicated is heartening.

Had the Court's decision been that all United Nations members were not obligated to pay for these unusual operations there could be an argument that the proposed bond plan was advisable. On the contrary, it seems to me, now the United Nations bond purchase becomes highly undesirable. To meet its financial needs the United Nations can and should assess all members immediately for the peacekeeping costs in accordance with regular procedure and in this connection the United States would pay our share which is about 32 percent.

If, under these conditions, the Soviet Union and Arab States refuse to pay their assessments then let them lose their votes. Under the bond issue plan, members would not be compelled to subscribe; therefore, failure in paying a part of the costs of peace operations in Africa and the Middle East would not affect their right to vote.

Mr. Speaker, if history some day indicates that the United States erred in supporting the United Nations I will always maintain the mistake was well worth the money in view of the fact that our gamble and effort was for the high purpose of creating an international instrument for peace. I hope history will turn out otherwise and the United Nations will not end in failure. I, for one, do not want to abandon that objective even though at the moment the United Nations seems at a low ebb.

However, if any sinister attempt is made through the United Nations, as one hears it may be, to destroy our nationhood or to put our country at the mercy of others, including the peoples of backward nations, then I and many others will move to kill it.

I have reference, Mr. Speaker, for example, to such an ill-advised effort as is contemplated by the Commission To Study the Organization of Peace. This group, which is a research affiliate of the American Association for the United Nations, has issued a report entitled "A Universal United Nations." It appears to adhere to a position that application for admission to the United Nations is acceptable evidence of intent to abide by the obligations of membership. That recommendation accepts the proposition that the Communist manifesto does not mean what it says and that the Red China regime, for example, is peace loving. In effect it means Red China should be admitted to the United Nations and furthermore, as I understand, that Red China replace Taiwan on the Security Council. In other words the Republic of China would retain membership in the General Assembly of the United Nations but that the Peiping government be given its permanent seat, and veto power on the Security Council.

So if any such a promotion is in prospect or if by some other proposal the United States is expected to yield its sovereignty or if indeed through the United Nations we are expected to yield to the Communists who plan to destroy the free way of life of the United States then we better withdraw. Meanwhile let us take a firm position in financing the United Nations and thereby put Russia to the test as to whether she supports an international cooperative peace effort.

The United Nations Charter says any member behind in dues more than 2 years "shall have no vote." At present only Bolivia, Guatemala, Paraguay, and Yemen qualify for this unfortunate group. The financing of peacekeeping operations costing less than $12 million a month should be apportioned to the entire membership by assessment and thereby the Soviet Union would pay up or soon reach the 2-year stage.

If the United States buys the $100 million of bonds, we are supporting a policy which will weaken the United Nations organization and its effectiveness for all time to come. On the contrary, if we take a firm stand the high hopes of those Members of Congress who 17 years ago voted to ratify the United Nations Charter yet may be fulfilled. Rejection of the proposal to finance the United Nations by borrowing is essential. A regular assessment is the only answer if the United Nations is to succeed.

Now is the time, Mr. Speaker, if ever, for the Congress to take a firm position and force the issue as to whether the Soviet Union will continue to hedge on paying up.

Mr. Speaker, the foreign policy of the United States at times is devious and baffling. How many American citizens would approve of our Government—this administration—using foreign aid funds, ostensibly funds to oppose communism in the world, to pay the major portions of contributions of Communist Cuba, Communist Yugoslavia, and Communist Poland to the United Nations. More than $30 million of our foreign aid money, I understand, has been thus diverted during the past 2 years for a purpose never contemplated, as I would deem it, by the Congress. This is what happens when the State Department finds a loophole in a program. Two years ago the President asked for congressional authority to borrow funds from the Treasury for foreign aid and bypass the Appropriations Committees. Congress rejected that. Without annual justification and review by Congress all control is lost. But there are discretionary funds given the President which undoubtedly were used in this case.

I think the use of foreign aid money to pay up the contributions of other nations—Communist nations—toward United Nations operations—military operations—is reprehensible. It may be lawful. I do not doubt that. But it is reprehensible.

To authorize the loan of money to or purchase of bonds from the United Nations would be putting up money for those same countries and the U.S.S.R. besides. It does not make sense. How stupid can we get. We are told foreign aid is to prevent communism. Proponents of the bond proposal keep saying, it is that or we wreck the United Nations. Since the World Court decision nothing could be further from the facts. The very opposite is true.

The best interests of world peace, lasting world peace, Mr. Speaker, lies in defeating legislation to authorize the President to loan money or buy United Nations bonds. Here is an opportunity for the United States to insist that the United Nations finance its operations by an assessment to all members. Then indeed we will be helping to assure the United Nations of a genuine chance to succeed. Then indeed the United Nations may become an instrument of peace. Otherwise as an effective organization I would say it is doomed.

Congress should vote down the authorization for purchase of United Nations bonds.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PELLY. I am glad to yield to my colleague.

Mr. GROSS. I commend the gentleman for his statement. I agree with the gentleman 100 percent that this proposed bond issue ought to be voted down.

Mr. PELLY. I would like to respond to the gentleman, Mr. Speaker, and say that I think the majority of the people of the United States still have high hopes that the United Nations will prove to be an instrument of peace. But, I would say by the same token that the majority of Americans strongly oppose the financing of the deficit of the United Nations through the authorization to buy bonds.

Mr. GROSS. If my mail is any indication, the gentleman is absolutely correct in his latter statement.

Mr. PELLY. Further establishing that point, I would say an examination of the various polls that have been taken by Members of Congress and that have been put in the CONGRESSIONAL RECORD from January of this year through June would indicate exactly what the gentleman is saying, and that the American people do not support the purchase of United Nations bonds.

HISTORICAL AND CONTEMPORARY ASPECTS OF U.S. RELATIONS WITH THE PHILIPPINES

The SPEAKER pro tempore (Mr. LIBONATI). Under previous order of the House, the gentleman from Hawaii [Mr. INOUYE] is recognized for 10 minutes.

Mr. INOUYE. Mr. Speaker, America's interest in the Philippines began in the latter part of the last decade of the 19th century. Since that time, extremely close ties have bound our two nations.

While thrilled and elated at the news of Commodore Dewey's victory over the Spanish at Manila Bay on May 1, 1898, few Americans could locate the islands without the aid of a map. And most of us probably fitted the description of Mr. Dooley, who commented that the American people did not know whether the Philippines were an island or something to eat. Today their general form and position are known to every American schoolchild.

In the weeks preceding May 1898, America's policy toward the Philippines was being made by a small group of men, such as Admiral Mahan, Senator Henry Cabot Lodge, Theodore Roosevelt, and other advocates of the large policy. Nine months later, on February 6, 1899, the U.S. Senate ratified by a vote of 57 to 27 the Treaty of Paris, ending the Spanish-American War and among other stipulations providing for American possession of the Philippines. Despite some misgivings about the morality of our becoming the rulers of this distant land, we set out in good faith to raise living standards in the islands and to prepare the Philippines for inevitable independence.

A permanent American commission was established in 1900 under Judge William Howard Taft, who in 1901 became the first civil Governor of the islands. An important step in the movement toward self-government was the establishment of a popularly elected assembly in 1907, as provided in the organic act, or Philippine bill, approved by Congress on July 1, 1902.

In 1913 a new Governor General, Francis Burton Harrison, arrived in the islands, and inaugurated a new era of Philippine self-government. Filipinos were given majority representation in the upper as well as in the lower house of the legislature. In addition, the Filipinization of the government service in the islands was accelerated.

On August 29, 1916, the U.S. Congress approved the Jones Act, which contained the first official promise of eventual independence for the Philippines. This act declared in its preamble that it "has always been the purpose of the people of the United States to withdraw their sovereignty over the people of the Philippine Islands and to recognize their independence as soon as a stable government can be established therein." The Jones Act also reorganized the government. It provided for an elective senate and gave the Philippine Congress full legislative authority, limited only by the powers of the Governor General and the President of the United States.

In 1919 President Wilson, acting on the advice of Governor General Harrison, recommended that Congress initiate legislation giving complete independence to the Philippines. However, during the Harding administration, official American encouragement of independence waned. The Governor General under Harding, Leonard Wood, attempted to curtail the growing power of the native legislative body. This reverse course frustrated many of the Filipino nationalists and had the effect of stimulating the independence movement both in the islands and in the United States.

The great depression gave further impetus to this agitation for it brought into coincidence various Filipino and American pressures, which led to the independence legislation of 1933 and 1934.

The first Philippines Independence Act was passed by the American Congress in 1933, over the President's veto. However, it was not ratified by the Philippines Legislature, which felt that it offered too little postindependence economic protection. Filipino desires were taken into greater consideration in the Tydings-McDuffie Act, which passed the U.S. Congress on March 24, 1934, and was ratified by the Philippines on May 1 of the same year. This act provided for an economic adjustment period, the establishment of the Philippine Commonwealth, the drafting of a constitution, and the transfer of sovereignty after 10 years.

Independence was rapidly approaching when the Japanese attacked the Philippines in December 1941. The gallantry and assistance of Filipinos during the war clearly demonstrated the validity of America's program of independence for the Philippines, and also showed the deep sense of friendship which unites our two peoples. Loyalty to their bonds with the United States never wavered among the Filipinos. And in no other country of Asia did Japanese racist propaganda fall so completely on its face.

With the crippling of the American fleet at Pearl Harbor, the Philippines was cut off from any real assistance from the United States. On December 22, 1941, the Japanese launched their attack on Lingayen Gulf, and American and Filipino forces began their famous rearguard action on Bataan. The retreat down the peninsula led to the fortress island of Corregidor, which stands at the entrance of Manila Bay. At great cost, Corregidor was held until May 6, 1942, after having resisted longer than any area conquered by Japan in its southeast Asiatic sweep. Throughout the Japanese occupation, Filipinos waged devastating guerrilla warfare. These actions tied down thousands of Japanese troops and greatly facilitated the American recapture of the islands.

Most of the war devastation suffered by the Philippines occurred during the liberation campaign. American bombs and artillery shells obliterated Filipino homes and factories, churches, and schools. Fierce ground combat between the retreating Japanese and the advancing Americans brought further ravages. And thousands, Filipinos and Americans, guerrillas and civilians, men, women, and children, were killed, maimed, shattered.

Whole cities were in ruins. Manila was 50 percent wiped out; the city of Zamboanga sustained 90 percent destruction. On April 6, 1946, the House Committee on Insular Affairs of the U.S. Congress filed a thorough report on the situation in the islands. It concluded:

> The Philippines are the most devastated land in the world. Years of labor will be necessary before the former physical conditions in the islands can be restored. Commercial buildings, stores, modern office buildings, factories, bridges, docks, transport facilities, utilities, communication lines, in fact, everything on which the Philippine economy depended has been destroyed.

On December 28, 1941, President Roosevelt had proclaimed:

> I give to the people of the Philippines my solemn pledge that their freedom will be redeemed and their independence established and protected. The entire resources in men and materials of the United States stand behind that pledge.

On August 13, 1943, he further stated:

> We shall keep this promise just as we have kept every promise which America has made to the Filipino people. You will soon be redeemed from the Japanese yoke and you will be assisted in the full repair of the ravages caused by the war.

In fulfillment of its previous pledges the United States proclaimed the independence of the Republic of the Philippines on July 4, 1946. In addition, we kept our commitments to aid the postwar economic advance and defense of the islands. Through the Philippine Rehabilitation Act of April 30, 1946, the United States undertook to compensate property owners for damages suffered during the war, and we appropriated $400 million for that purpose. By the Bell Act of the same date we attempted to help the Philippines reduce its economic dependence on the United States through the gradual reinstitution of tariff schedules, with full duties to be reached in 1974.

Defensive arrangements have united our countries since the signing of the Military Bases Agreement in 1947. This pact gives the United States a 99-year lease over several important bases in the islands. The military partnership has been further strengthened by the Mutual Defense Treaty of August 30, 1951. Since 1954, America and the Philippines have also been allied in the defense of Asia through membership in the Southeast Asia Treaty Organization, which, significantly, was formed in Manila.

U.S. relations with the Philippines rest on three pillars of mutuality. First is the bond of trade. While the Philippines is no longer so heavily dependent on the American market as it once was, economic relations between our two countries remain very close, and about half of the Philippines world trade is still with the United States.

The second pillar of American relations with the Philippines is our common strategic objectives in the Far East and southeast Asia. The Philippines provides a key anchor in our defense system containing Sino-Soviet expansionism in Asia. Likewise, our bases in the islands and our military posture elsewhere in the area are essential elements in the defense of the Philippines.

The third strong tie which unites the United States and the Philippines is our common outlook on many issues. Both of our nations share a faith in freedom, a faith which leads us both to uphold democracy in our domestic affairs and to work at the international level to protect freedom and to deter aggression in newly independent states.

Despite some disagreements, our colonial record in the Philippines was an exceptionally good one, and the relations of our two countries are today on very strong footing. I hope that they may continue to be so.

One of the factors which has contributed to understanding between America and the Philippines over the years has been an active, two-way communication carried on by the peoples of the two nations. Americans of Philippine ancestry have greatly aided this effort, and I would like to take this opportunity to offer a special commendation to those Filipinos who settled in my own State of Hawaii.

The Hawaiian Sugar Planters' Association experimentally introduced a few Philippine families into the Hawaiian Islands in 1906. After the cessation of Japanese immigration in 1907, sugar planters began importing large numbers of Philippine laborers. Many others came on their own. The introduction of Filipinos was discontinued in 1932, because of the depression, but a few thousand more were brought in 1946 to help alleviate a temporary labor shortage. In all, some 125,000 Filipinos came to the islands, although many returned to the Philippines after a few years. Today, there are more than 69,000 Filipinos, many of whom are American citizens, living in the State of Hawaii.

The Filipinos represent the last of the waves of immigration which have populated Hawaii. As the last group to arrive, they were at a disadvantage in raising their standard of living relative to the level of other groups in the islands. But these immigrants showed their ability to stand up under the hard work of the sugar fields. They raised families, and they taught their children the importance of education. Today, the Filipino-Americans in Hawaii can boast members of the State legislature, of county boards, and of all of the professions. These men and women have demonstrated their devotion to the tenets of good citizenship through membership in numerous civic organizations. Through their personal and civic advancement of the ideals of American democracy, these Filipino-Americans have made an important contribution to the State of Hawaii and to the United States as a whole.

Tomorrow, we will be considering H.R. 11721, a bill authorizing the sum of $73 million for the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946. H.R. 11721 embodies an American promise to the Republic of the Philippines. As President Roosevelt so eloquently proclaimed in 1943, we have kept and we intend to keep every promise which we have made to the Filipino people. Let us not now set an unfortunate precedent by breaking this solemn promise.

I sincerely hope that my colleagues in the House will bear this solemn American pledge in mind and grant favorable consideration to passage of H.R. 11721.

THE RIGHT OF FRANCHISE HAS TWO PARTS

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks in the body of the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, the basic civil right, the right of franchise has two parts. If either part is missing the right does not exist. These two parts are: First, the right to vote; and second, the right to have that vote counted honestly.

The National Democrat Party, a three headed coalition, consisting of the northern city machine Democrat, the southern Democrat, and the American for Democratic Action Democrat stands charged of violating one part of the right of franchise, the right to vote, through its southern head, and the other right of franchise, the right to have the vote counted honestly through its northern city machine head. The ADA Democrat though ideologically in support of civil rights, looks the other way when attempts are made to enforce the full right of franchise in our country.

In the 1961 session of the Congress, the gentleman from Florida [Congressman CRAMER], offered an amendment to the extension of the life of the Civil Rights Commission to enlarge its jurisdiction to include vote fraud, the right to have the vote counted honestly. This amendment was adopted by the House Judiciary Committee, but it seemed important to the northern city machine Democrat that this amendment die. Yet the northern city machine Democrat and the ADA Democrat dared not affront their constituency to whom they appeal for votes as great civil rights supporters by failing to extend the life of the Civil Rights Commission.

What to do? The leaders of the Democrat National Party in the House and the Senate with the approval and guidance of the President tied the legislation up in the reformed House Rules Committee so that the House could not work its will, went over to the Senate and tacked on a nongermane amendment to a House-passed appropriation bill which extended the life of the Civil Rights Commission without jurisdiction over vote fraud.

The extension to the life of the Civil Rights Commission accordingly is part of a 1961 appropriation act.

I have just received a copy of a letter the then Deputy Attorney General, now Supreme Court Justice Byron R. White, wrote to the gentleman from Florida, Congressman CRAMER, on March 22, 1962, setting forth what is the Kennedy administration and the National Democratic Party's reasoning on why it is unconcerned about having the Civil Rights Commission look into vote fraud.

I am setting out the letter in its entirety so all may read the cynical casuistry it reveals:

The letter states:

> In the absence of similar showing of inability of State and Federal law-enforcement agencies to deal with election frauds, an extension of the Commission's mandate to this area, would seem unwarranted.

The basic point made by the southern Democrats in resisting looking into denial of the right to vote has been that there had been no showing of inability of State and Federal laws to enforce the right to vote. Years of effort was necessary to overcome this opposition. Indeed the very purpose of establishing the Civil Rights Commission was to pin this point down. The southerners fought this matter tooth and toenail just as the city machine Democrats have fought successfully up to date, the looking into the deprivation of our people's right to have their vote counted honestly.

The letter states about the right to vote:

> However, the investigation of such violations has been merely a part of a broad study of discrimination against minority groups.

According to this warped logic, discrimination against majority groups has no part in a study of discrimination against minority groups. Be that as it may, the facts are that the deprivation of having the vote counted honestly is also largely directed to minority groups. This is true both in the rural South where it sometimes takes a strange twist of having Negroes vote not once but many times over—as directed—and in the big city areas where the constituencies are made up largely of minority groups, including Negroes.

I am hopeful that our citizens will see through the hypocrisy of the National Democratic Party as exemplified by the position it has taken in respect to the right of franchise. The Democratic

Party looks three ways on many other important issues of the day, thus contributing to the confusion of the voter in determining what the two major parties stand for.

The letter from Deputy Attorney General Byron R. White to the gentleman from Florida, Congressman CRAMER, follows:

MARCH 22, 1962.

Hon. WILLIAM C. CRAMER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN CRAMER: This is further in reply to your letter of August 8, 1961, proposing that the duties of the Civil Rights Commission be enlarged.

As you know, the life of the Civil Rights Commission was extended to September 1963 in the Department of Justice appropriation bill (Public Law 87-264). Under your proposal the Commission would be directed to "investigate allegations in writing, under oath, or affirmation, that certain citizens of the United States are being unlawfully accorded or denied the right to vote, or to have that vote counted, for presidential electors, Members of the U.S. Senate, or the House of Representatives, as a result of any pattern or practice of fraud or discrimination relating to the conduct of such election." This proposal would extend the Commission's investigatory mandate from denials of the right to vote on grounds of color, race, religion, or national orgin to any pattern or practice of fraud or discrimination in the conduct of elections to Federal office.

While there is no legal impediment to the expansion of the Commission's duties as suggested, it would seem doubtful whether such an expansion of its duties would be desirable. Although fraud and discrimination on grounds other than color, race, religion, or national origin in the conduct of Federal elections are no less reprehensible than the deprivations of the right to vote presently within the jurisdiction of the Commission, there is no reason to believe that the ordinary law enforcement agencies are unable to cope with them. Fraud and discrimination in Federal elections are punishable under 18 U.S.C. 241 and 242, *United States* v. *Classic* (313 U.S. 299 (1941)); *United States* v. *Saylor* (322 U.S. 385 (1944)); *United States* v. *Fontana* (231 F. 2d 807 (C.A. 3-1956)). In addition they are crimes under the laws of the several States. The Commission would therefore be operating in an area which is primarily and appropriately the responsibility of Federal and State grand juries and other existing investigatory agencies.

Of course, deprivation of the right to vote on grounds of color, race, religion, or national origin is likewise a crime under both Federal and State law. However, in the congressional hearings on the Civil Rights Act of 1957, there was a substantial showing that prevailing community attitudes in some areas made protection of the political rights of Negroes peculiarly difficult notwithstanding the laws already on the books. (See, e.g., hearings before Subcommittee on Constitutional Rights of the Senate Judiciary Committee, 85th Cong., 1st sess., pp. 237-243, 291-307, 488-526, 815-830, 863-870.) In delimiting the Commission's scope of investigation as set forth in 42 U.S.C. 1975(a)(1), Congress recognized that the political rights of members of minority groups require special protection. In the absence of similar showing of inability of State and Federal law enforcement agencies to deal with election frauds, an extension of the Commission's mandate to this area, would seem unwarranted.

The problem of election frauds is essentially one of law enforcement and the Commission is not a law enforcement agency. "Its primary purpose is to collect and accumulate data so that a more intelligent study of the [civil rights] problem may be made" (H. Rept. No. 291, 85th Cong., 1st sess., p. 8). It is true that the subject matter of its investigations has often involved law violations, particularly in the field of voting. However, the investigation of such violations has been merely a part of a broad study of discrimination against minority groups. In its 3 years' existence the Commission has acquired an expertise in this field. Accordingly, it is not believed that the Commission should be diverted to an essentially dissimilar area of investigation from that in which it has been operating.

The Bureau of the Budget has advised that there is no objection to the submission of this report from the standpoint of the administration's program.

Sincerely yours,

BYRON R. WHITE,
Deputy Attorney General.

DISSENTING VIEWS OF MR. PATMAN AND MR. GONZALEZ ON H.R. 8874, A BILL TO AUTHORIZE CERTAIN BANKS TO INVEST IN CORPORATIONS WHOSE PURPOSE IS TO PROVIDE CLERICAL SERVICES FOR THEM, AND FOR OTHER PURPOSES

Mr. INOUYE. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. PATMAN. Mr. Speaker, in a democracy the people must be fully informed. The people's elected Representatives in Congress thus carry a deep obligation to make sure that all the relevant facts have been brought out on proposals for new legislation. The gentleman from Texas, Congressman GONZALEZ, and I believe that the brief hearings on H.R. 8874, a bill to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes, before the Banking and Currency Committee, failed to disclose sufficient justification for approval of the bill and we, therefore, are filing our dissenting views.

The bill raises serious questions under the antitrust laws, and may well open the way to restraints of trade, price fixing, and further bank mergers. There is danger that the bill will permit dangerous dilution of capital structure of banks. No foundation has been laid for the necessity for banks to invest in service corporations rather than to secure electronic clerical services from independent service bureaus. Finally, the bill is tailor made to benefit particularly branch and holding company banking.

I include herewith the text of the dissenting views on H.R. 8874 of the gentleman from Texas [Mr. GONZALEZ] and myself.

DISSENTING VIEWS OF MR. PATMAN AND MR. GONZALEZ ON H.R. 8874, A BILL TO AUTHORIZE CERTAIN BANKS TO INVEST IN CORPORATIONS WHOSE PURPOSE IS TO PROVIDE CLERICAL SERVICES FOR THEM, AND FOR OTHER PURPOSES

We dissent to H.R. 8874 on seven grounds:

1. The bill raises serious problems under the antitrust laws and may open the door to restraints of trade, price fixing, and bank mergers. This very important question was not raised in the hearings. We are presenting an opinion of Judge Lee Loevinger, Assistant U.S. Attorney General, Antitrust Division, Department of Justice, herewith, that is convincing that further study be given this proposal.

2. Inadequate hearings were held to guide us in this very new pioneering venture. More time should be given for developments and experience.

3. Billions of dollars are involved in this bill that is presented in very short hearings where limited information was presented and where few questions were asked. This is a bonus to the banks since it allows 10 percent of their capital funds to perform double duty. Banks' capital can also be diluted by investments in small business investment companies. Capital funds are sacred and should be carefully guarded.

4. No foundation has been laid for the necessity for banks to invest in service corporations as the only means of securing the advantages of electronic clerical services.

5. The bill, as written, is tailor made to benefit particularly branch and holding company banking.

6. Banks should not be permitted to dilute their capital structure in this fashion, when the banks already complain about inability to make loans because of insufficient capital.

7. It is doubted that small or independent banks will permit even friendly competitors to have access to their confidential transactions and business, so we can reasonably expect that only branch and holding company banks will utilize the provision, with the result that they will have an advantage over their small and independent competitors. The bill thus would have consequences which its sponsors claim they are preventing.

BILL RAISES SERIOUS QUESTIONS UNDER THE ANTITRUST LAWS

The committee might well have elicited testimony from the Chief of the Antitrust Division of the Department of Justice to explore the possibility of problems this bill might create under the antitrust laws. Mr. PATMAN undertook to ask Judge Loevinger about this and received the following reply, which speaks quite eloquently of the problems this bill might raise:

JULY 27, 1962.

DEAR CONGRESSMAN PATMAN: This is in reply to your request for my views on the possible antitrust consequences of H.R. 8874, a bill to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes.

While I do not disagree with the basic objective of this bill, you may wish to consider possible abuses which might raise questions under the antitrust laws.

The exchange of confidential business information among competitors carries with it the possibility that such information will be used for anticompetitive purposes. Thus the exchange of information concerning interest rates and charges to particular customers could result in an elimination of competition for the account and an artificial stabilization of interest rates at noncompetitive levels. Past experience has illustrated that such anticompetitive results have in fact occurred in the operation of many bank clearinghouse associations. To avoid this possibility, it would be desirable to provide that no information furnished to the service corporation may be made available to participating banks other than the bank directly involved.

Moreover, such jointly owned corporations could become vehicles through which large banks could enhance their dominant position in the market. Competition in the offering of services is one of the most important types of competition which the antitrust laws seek to preserve. Frequently, service competition is the principal means by which small businesses, including banks, are able to attract and maintain business. Any diminution in the incentive to small banks to engage in competition of this type would be of serious concern to the Department of Justice.

In view of the fact that the formation of such corporations is not exempted from the antitrust laws, any antitrust violation occurring in the operation of the service corporations would, of course, be subject to prosecution by the Department of Justice. If, for example, the acquisition of stock in any of these corporations should substantially lessen competition or tend to create a monopoly, section 7 of the Clayton Act would be fully applicable.

Time has not permitted a detailed analysis of the bill or coordination of these views either within the Department or with the Bureau of the Budget. However, I hope that these observations may be of some help in your consideration of this matter.

Sincerely,

LEE LOEVINGER,
Assistant Attorney General, Antitrust Division.

Judge Loevinger raises the question about the possible exchange of confidential business information among competitors and the possibility that this procedure might be used for anticompetitive purposes.

This is obviously a serious matter, as witness the statement made by Mr. Wolcott:

"The bank service corporation will have in its possession records and data of two or more banks, confidential in nature and vital to the banks' operations. For that reason the supervisory agency must be put in a position of immediate control of any conduct by the bank service corporation constituting a violation of any provision of the bill or of any regulation thereunder."[1]

Thus, both the supervisory agencies and the Antitrust Division would, under this bill, be required to undertake additional burdens; namely, to observe very carefully the conduct of any bank service corporation, to determine whether they would involve any violations of law.

Judge Loevinger speaks of the danger of jointly owned corporations becoming "vehicles through which large banks could enhance their dominant position in the market."

He also stresses:

"Competition in the offering of services is one of the most important types of competition which the antitrust laws seek to preserve."

Further, he notes:

"Frequently, service competition is the principal means by which small businesses, including banks, are able to attract and maintain business. Any diminution in the incentive to small banks to engage in competition of this type would be of serious concern to the Department of Justice."

Finally, Judge Loevinger points to the danger of monopolistic mergers. There is a tremendous merger movement underway among banks. The growing monopoly of money and credit—the lifeblood of our economy—poses an ominous threat particularly to opportunities for small business. The Congress should not take steps to accelerate this trend.

HEARINGS INADEQUATE FOR SUCH A PIONEERING VENTURE

H.R. 8874 would permit any two or more national banks and State member banks, when authorized by State law, to invest not exceeding 10 percent of each banks' capital and surplus in stock of a bank service corporation, established to provide clerical and bookkeeping services.

The hearings were exceedingly brief. Testimony was heard from the Chairman of the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and a director of the Federal Deposit Insurance Corporation (Mr. Wolcott). Statements were also filed by counsel of the Connecticut Bankers Association and by the executive vice president of the Massachusetts Bankers Association. Very few questions were raised by committee members. Comptroller of the Currency Saxon termed the bill "purely a technical, procedural one in essence and intended primarily to meet the requirements of smaller institutions."[2]

He commented further:

"The proposal is not an earthshaking thing."[3]

Comments of the banking officials notwithstanding, this is a serious pioneering venture for banks into nonbanking fields. More thorough testimony should be elicited and more time should be given for development and experience in this area befort taking the major step the bill provides.

BANKS SHOULD NOT BE PERMITTED TO DILUTE CAPITAL STRUCTURE

It need hardly be documented, in view of the complaints we have heard in increasing volume in recent years, that banks—particularly small banks—feel that their capital ratios are inadequate. It is contended that inadequate capital ratios are an impediment to making much needed loans.

The 1961 Annual Report of the Federal Deposit Insurance Corporation, a copy of which I have just received, reveals a further decline in the capital ratio of insured banks. This is shown by the following tabulation:

Ratio of total capital accounts to total assets other than cash and U.S. Government obligations, of all insured banks in the United States, Dec. 31, 1958, through Dec. 30, 1961

Call dates:	*Percent*
Dec. 31, 1958	14.1
June 10, 1959	13.9
Dec. 31, 1959	13.5
June 15, 1960	13.6
Dec. 31, 1960	13.7
Apr. 12, 1961	13.9
June 30, 1961	13.9
Sept. 27, 1961	13.9
Dec. 30, 1961	13.6

Source: Annual Report of the Federal Deposit Insurance Corporation, 1961, p. 107.

As shown above, the ratio of capital accounts to total assets other than cash and U.S. Government obligations has declined in recent years. As of December 30, 1961, it stood at 13.6 percent as compared with 14.1 percent at the end of 1958. During this same interval, total loans and discounts (net) of all insured banks rose from $117 billion at the end of 1958 to over $150 billion at the end of 1961.

That investment in service corporations will dilute the capital structure of banks is reflected in the efforts of the Comptroller of the Currency to raise the effective limit to 25 percent.

Already, the capital funds of the banks are doing double duty, since they can be diluted by investments in small business investment companies.

QUESTION NOT EXPLORED AS TO WHETHER BANKS COULD SECURE ELECTRONIC CLERICAL SERVICES WITHOUT INVESTING IN SERVICE CORPORATIONS

Were this a matter simply of enabling banks to secure the cost-saving benefits of electronic devices, it would not cause any great concern. However, it is in the means of securing such services that serious problems arise. Is it essential that banks secure an ownership interest in a service corporation in order to have the benefit of electronic services? No testimony was heard on this point. The matter was not raised by any of the members of the committee.

The limited testimony was to the effect that only by being permitted to join together with other banks and investing in service corporations would the smaller banks be able to secure the cost-saving efficiency of electronic bookkeeping.

Mr. Wolcott testified:

"The electronic computer, with related equipment, is ideally suited to the accounting needs of banks, but unfortunately is so costly that only the large banks can afford the machines. If the small banks, and 10,000 of the 13,400 banks of the country are small banks (under $10 million), were unable to utilize the electronic computer because of cost, they would be placed at a serious disadvantage.

"Fortunately, the great speed and capabilities of computers make it possible for one installation to perform the accounting function for several smaller banks located within a county or regional area possessed of good communications. By sharing the expense, two or more banks may enjoy the benefits of a computer system on a par with large banks."[4]

Mr. Saxon stated:

"Many of them singly lack the capital required to undertake these extensive programs in view of the cost of the equipment."[5]

Mr. Martin stated:

"Under the bill, two or more banks would be able to pool their resources through the corporate device in order to gain the benefits—for themselves and for their customers—of this expensive equipment."[6]

Electronic devices have been so publicized in recent years that one would think that nothing can be done without them. They are thought to be so efficient and so magnificent that merely to suggest their use is to induce enthusiasm. Maybe this is the reason why no questions were raised as to whether the only way banks could utilize such electronic equipment would be to own them. But this overlooks a very important fact, namely, that the major electronic companies provide these services through their own service bureaus. It is not necessary to own the equipment. Indeed, it is rare that the more expensive computers are purchased. It would be most uneconomical to own some of the more expensive machines unless the load factor were extremely heavy.

In short, until it is demonstrated that electronic clerical services can be secured only through the owning of service corporations, banks should not be permitted to join together for this purpose. Moreover, we should have some information as to the number of people in small communities that might be thrown out of work by the introduction of these electronic services.

BILL BENEFITS BANK HOLDING COMPANIES AND BRANCH BANKS

It is clear that the great beneficiaries of this bill are the bank holding companies and the branch banks. They are the ones who have the financial resources to undertake investment in service corporations. But more significant, the independent banks guard carefully information on their confidential accounts. Once other banks gain access to such information, the way is paved for overt merger, bank holding company takeover, or covert branching.

It is significant that no testimony was heard on H.R. 8874 from representatives of the small banks. The Independent Bankers Association did not testify on behalf of the bill. We have not received a single letter from banks in our districts recommending that the bill be passed.

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[1] Hearings on H.R. 8874, p. 47.

[2] Hearings, p. 40.

[3] Ibid.

[4] Hearings, p. 46.

[5] Id., p. 40.

[6] Id., p. 34.

In view of the serious questions raised by H.R. 8874, it is our sincere belief that it should be rejected.

Respectfully submitted.

WRIGHT PATMAN.
HENRY B. GONZALEZ.

FEDERAL AID TO HIGHER EDUCATION

Mr. INOUYE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, while I enjoy Mr. Drew Pearson's distinguished column each day, and I think he makes a great contribution to the livelihood of this town and its political discussion, I should like to point out a few inaccuracies in his column of Wednesday morning, July 25, on aid to higher education, and on the issue of direct grants to institutions as opposed to a loan program. He states in his column:

> The majority of institutions wanting grants are Catholic.

Actually the 308 Catholic colleges comprise about 15 percent of the total number of public and private institutions eligible for such grants.

It is the 721 public institutions, as differentiated from the private ones, who are the major proponents of the direct grants, for the loan program would be of no assistance to the majority of them, since many States have laws preventing the public institutions from receiving such loans.

The omission of this information from Mr. Pearson's column creates a misimpression of the character of the support for the direct grant program.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1963

Mr. FOGARTY submitted a conference report and statement on the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. TABER (at the request of Mr. RIEHLMAN) for the balance of the week, on account of illness.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. RYAN of New York (at the request of Mr. INOUYE), for 30 minutes, on Wednesday, August 1, and to revise and extend his remarks, and to include therein extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FENTON and to include a certain letter in his remarks today on H.R. 4094 in the Committee of the Whole.

Mr. SAYLOR in two instances and to include tables.

Mr. DOYLE.

Mrs. HANSEN.

(The following Members (at the request of Mrs. MAY) and to include extraneous matter:)

Mr. FINO.

Mr. WESTLAND.

(The following Members (at the request of Mr. INOUYE) and to include extraneous matter:)

Mr. SHELLEY.

Mr. REUSS.

Mr. EDMONDSON.

Mr. ULLMAN to include extraneous matter in the remarks he made in the Committee of the Whole today on the bill H.R. 575.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3788. An act to provide for the transfer of the U.S. vessel *Alaska* to the State of California for the use and benefit of the department of fish and game of such State; and

H.R. 7336. An act to promote the production of oysters by propagation of disease-resistant strains, and for other purposes.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On July 26, 1962:

H.R. 6967. An act to provide for the incorporation of certain nonprofit corporations in the District of Columbia, and for other purposes.

On July 31, 1962:

H.R. 2129. An act for the relief of John Calvin Taylor;

H.R. 2664. An act for the relief of Mrs. Irena Ratajczak;

H.R. 3000. An act for the relief of Lea Min Wong;

H.R. 3501. An act for the relief of Mrs. Hasmik Arzoo;

H.R. 3821. An act for the relief of Ivy Gwendolyn Myers;

H.R. 4718. An act for the relief of Bogdan Kusulja;

H.R. 6833. An act for the relief of Frantisek Tisler;

H.R. 8141. An act to revise the laws relating to depository libraries;

H.R. 8214. An act to permit the use of certain construction tools actuated by explosive charges in construction activity on the U.S. Capitol Grounds;

H.R. 8992. An act to amend certain administrative provisions of title 38, United States Code, relating to the Department of Medicine and Surgery in the Veterans' Administration;

H.R. 9186. An act for the relief of Eladio Aris (also known as Eladio Aris Carvallo);

H.R. 9522. An act for the relief of certain members of the U.S. Marine Corps who incurred losses pursuant to the cancellation of a permanent change of station movement;

H.R. 10069. An act to amend section 216 of title 38, United States Code, relating to prosthetic research in the Veterans' Administration;

H.R. 10184. An act to amend section 130(a) of title 28, United States Code, so as to reconstitute the eastern judicial district of Wisconsin to include Menominee County, Wis.;

H.R. 10525. An act for the relief of Francis L. Quinn;

H.R. 11127. An act for the relief of Ernst Haeusserman;

H.R. 11735. An act authorizing the change in name of the Beardstown, Ill., flood control project, to the Sid Simpson flood control project; and

H.J. Res. 417. Joint resolution to designate the lake formed by Terminus Dam on the Kaweah River in California as Lake Kaweah.

ADJOURNMENT

Mr. INOUYE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 26 minutes p.m.) the House adjourned until tomorrow, Wednesday, August 1, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2354. A communication from the President of the United States, transmitting proposed amendments to the budget for the fiscal year 1963 in the amount of $276,729,500 for the Department of Defense (H. Doc. No. 493); to the Committee on Appropriations and ordered to be printed.

2355. A letter from the Assistant Secretary of Defense, transmitting the fourth report on property acquisitions of emergency supplies and equipment by the Office of Civil Defense, Department of Defense, for the quarter ending June 30, 1962, pursuant to the Federal Civil Defense Act of 1950, as amended, and to Executive Order 10952; to the Committee on Armed Services.

2356. A letter from the Comptroller General of the United States, transmitting a report on the audit of the custodianship functions of the Office of the Treasurer of the United States, Treasury Department, for the fiscal year ended June 30, 1961; to the Committee on Government Operations.

2357. A letter from the Under Secretary of the Interior, relative to submitting additional material relating to executive communication No. 2282, dated July 11, 1962, pertaining to an application for a loan by the Orchard City Irrigation District in Delta County, Colo., pursuant to 71 Stat. 48; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALEY: Committee on Interior and Insular Affairs. S. 3174. An act to provide for the division of the tribal assets of the Ponca Tribe of Native Americans of Nebraska among the members of the tribe, and for other purposes; with amendment (Rept. No. 2076). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 11590. A bill to provide for the disposition of judgment funds of the Cherokee Nation or Tribe of Indians of Oklahoma; with amendment (Rept. No. 2077). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 12355. A bill to amend the law relating to the final disposition of the property of the Choctaw Tribe; without amendment (Rept. No. 2078). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. S. 1308. An act to incorporate the Sea Cadet Corps of America, and for other purposes; with amendment (Rept. No. 2085). Referred to the House Calendar.

Mr. FORRESTER: Committee on the Judiciary. House Concurrent Resolution 474. Concurrent resolution extending the greetings and felicitations of the Congress to the Bethel Home Demonstration Club of Bethel Community, Sumter County, S.C.; without amendment (Rept. No. 2086). Referred to the House Calendar.

Mrs. PFOST: Committee on Interior and Insular Affairs. S. 3089. An act to amend the act directing the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada in order to extend for 5 years the time for selecting such lands; with amendment (Rept. No. 2087). Referred to the Committee of the Whole House on the State of the Union.

Mrs. PFOST: Committee on Interior and Insular Affairs. H.R. 2952. A bill to direct the Secretary of the Interior and the Administrator of General Services to convey certain public and acquired lands in the State of California to the city of Needles; with amendment (Rept. No. 2088). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H.R. 10955. A bill to authorize the Foreign Claims Settlement Commission of the United States to investigate the claims of citizens of the United States who suffered property damage in 1951 and 1952 as the result of the artificial raising of the water level of Lake Ontario; with amendment (Rept. No. 2089). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H.R. 12459. A bill to provide for the relief of certain enlisted members of the Coast Guard; without amendment (Rept. No. 2090). Referred to the Committee of the Whole House on the State of the Union.

Mr. MACK: Committee on Interstate and Foreign Commerce. H.R. 9045. A bill to amend the Trading With the Enemy Act, as amended; without amendment (Rept. No. 2091). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOGARTY: Committee of conference. H.R. 10904. A bill making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1963, and for other purposes (Rept. No. 2100). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 296. An act for the relief of Hanna Ghosn; without amendment (Rept. No. 2069). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1882. An act for the relief of Assunta Bianchi; without amendment (Rept. No. 2070). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2751. An act for the relief of Susan Gudera, Heinz Hugo Gudera, and Catherine Gudera; without amendment (Rept. No. 2071). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2807. An act for the relief of Mrs. Juliane C. Rockenfeller; without amendment (Rept. No. 2072). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2675. An act for the relief of Yiannoula Vasiliou Tsambiras; without amendment (Rept. No. 2073). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2835. An act for the relief of Sieu-Yoeh Tsai Yang; with amendment (Rept. No. 2074). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 3039. An act for the relief of Bartola Maria S. La Madrid; with amendment (Rept. No. 2075). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 2125. A bill for the relief of Soon Tai Lim; with amendment (Rept. No. 2079). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 5317. A bill for the relief of Mrs. Sun Yee (also known as Mrs. Tom Goodyou); with amendment (Rept. No. 2080). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 7582. A bill for the relief of Dario Tacquechel; without amendment (Rept. No. 2081). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 9589. A bill for the relief of Kim Jung Im; without amendment (Rept. No. 2082). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 11914. A bill for the relief of Charles Gambino; with amendment (Rept. No. 2083). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2844. An act for the relief of Alice Amar Froemming; without amendment (Rept. No. 2084). Referred to the Committee of the Whole House.

Mr. LIBONATI: Committee on the Judiciary. H.R. 1659. A bill for the relief of Francis X. Foley; with amendment (Rept. No. 2092). Referred to the Committee of the Whole House.

Mr. LIBONATI: Committee on the Judiciary. H.R. 8000. A bill for the relief of Mrs. Helen Veselenak; with amendment (Rept. No. 2093). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 9995. A bill for the relief of Dwight W. Claraban; with amendment (Rept. No. 2094). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 1463. A bill for the relief of Josephine Abuan; with amendment (Rept. No. 2095). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 1678. A bill for the relief of Jacques Tawil; without amendment (Rept. No. 2096). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 10501. A bill for the relief of Kenyon B. Zahner; with amendment (Rept. No. 2097). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 11552. A bill for the relief of Henry E. Keiser; with amendment (Rept. No. 2098). Referred to the Committee of the Whole House.

Mr. SHRIVER: Committee on the Judiciary. H.R. 11773. A bill for the relief of the Shelburne Harbor Ship and Marine Construction Co., Inc.; without amendment (Rept. No. 2099). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN:

H.R. 12726. A bill to provide, for purposes of income taxes under the Internal Revenue Code, that awards received under the Japanese-American Evacuation Claims Act of 1948 shall not be included in gross income; to the Committee on Ways and Means.

By Mr. JAMES C. DAVIS:

H.R. 12727. A bill to amend the act of February 28, 1901, to insure that policemen and firemen in the District of Columbia will receive medical care for all injuries and diseases; to the Committee on the District of Columbia.

By Mr. DENT:

H.R. 12728. A bill to amend the Public Health Service Act in order to provide a broadened program in the field of mental health and illness of grants for prevention, research, training, salaries, facilities survey, and construction of facilities for treatment of the mentally ill and mentally retarded; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLLAND:

H.R. 12729. A bill to provide that primary elections and runoff primary elections for nomination of candidates for the Senate and House of Representatives shall be held on the same day throughout the United States; to the Committee on House Administration.

By Mr. RHODES of Arizona:

H.R. 12730. A bill to provide that certain public lands in Yuma and Maricopa Counties, Ariz., may be appropriated or disposed of under the public land laws subject to the right in the United States to flood the lands in connection with the Painted Rock Reservoir project; to the Committee on Interior and Insular Affairs.

By Mr. SLACK:

H.R. 12731. A bill to provide for the establishment of the Coal River National Recreation Demonstration Area, in the State of West Virginia, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CORMAN:

H.R. 12732. A bill to suspend until January 1, 1964, certain provisions of the act of June 13, 1906; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Maryland:

H.R. 12733. A bill to establish a Rural Renewal Commission; to the Committee on Agriculture.

H.R. 12734. A bill to provide that a percentage of the net budget receipts of the United States (up to 10 percent thereof) shall be devoted exclusively to the retirement of the public debt; to the Committee on Government Operations.

By Mr. KOWALSKI:

H.R. 12735. A bill to facilitate the entry of certain relatives of U.S. citizens; to the Committee on the Judiciary.

By Mr. MORRIS:

H.R. 12736. A bill to suspend temporarily the application of certain provisions of the act of June 13, 1906, as amended by the act of October 4, 1961 (75 Stat. 775), to articles produced through handicraft industry by members of tribes, bands, or groups of American Indians; to the Committee on Interstate and Foreign Commerce.

By Mr. RHODES of Arizona:

H.R. 12737. A bill to suspend temporarily the application of certain provisions of the act of June 13, 1906, as amended by the act of October 4, 1961 (75 Stat. 775), to articles produced through handicraft industry by members of tribes, bands, or groups of American Indians; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred to as follows:

By Mr. BOLLING:

H.R. 12738. A bill for the relief of Charles A. Duffy; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 12739. A bill for the relief of Nava Barak; to the Committee on the Judiciary.

By Mr. GIAIMO:

H.R. 12740. A bill for the relief of Giovanna Baglioni; to the Committee on the Judiciary.

By Mr. OSTERTAG:

H.R. 12741. A bill for the relief of Albert Marks; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 12742. A bill for the relief of Nicholaos S. Stoumbos; to the Committee on the Judiciary.

By Mr. RYAN of Michigan:

H.R. 12743. A bill for the relief of Szabolcs Mesterhazy; to the Committee on the Judiciary.

By Mr. SIBAL:

H.R. 12744. A bill for the relief of Margherita P. Pagano; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

396. Mr. CUNNINGHAM presented a petition of the Department of Nebraska, Veterans of Foreign Wars, endorsing the activities of the National Aeronautics and Space Administration and the Mercury space program and commending the astronauts and members of NASA for their courageous efforts in carrying out this difficult program, which was referred to the Committee on Science and Astronautics.

SENATE

TUESDAY, JULY 31, 1962

(Legislative day of Thursday, July 26, 1962)

The Senate met at 10 o'clock a.m., on the expiration of the recess, and was called to order by the Vice President.

Rev. Oscar C. Kaitschuk, pastor of Bethel Evangelical Lutheran Church, Chicago, Ill., offered the following prayer:

O God, who by Thy providence didst lead our forefathers to this land wherein they found refuge from oppression and freedom to worship Thee, we beseech Thee ever to guide our Nation in the way of Thy truth and peace, so that we may never fail in the blessing which Thou hast promised to those who believe in Thee.

Bestow Thy grace upon Thy servants assembled here and give them strength, diligence, and patience as they perform their duties, and grant that, by their zeal to know and do Thy will, our beloved country may be richly blessed.

In a government which tends to become too big and centralized, and too far removed from the people, teach us never to lose sight of the individual. It is for him that government exists; he does not exist for the benefit of the government.

Enlighten the way our feet may go, and lead us to right and brave decisions. Lift us, we beseech Thee, above unrighteous anger and mistrust, into faith, hope, and charity, and so make us modest in our opinions and patient with one another, seeking only to know and do Thy will.

Further our undertakings with Thy blessing. In our labors, strengthen us; in our difficulties, direct us; in our perils, defend us; in our troubles, comfort us; and supply all our needs according to the riches of Thy grace in Christ Jesus, our Lord. Amen.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Montana [Mr. MANSFIELD] that the Senate proceed to the consideration of House bill 11040, the communications satellite bill.

Mr. KEFAUVER. Mr. President——

The VICE PRESIDENT. The Senate will be in order.

The Senator from Tennessee has asked for recognition, and is recognized.

Mr. KEFAUVER. I wish to ask a question of the acting majority leader.

Mr. HUMPHREY. Yes, please.

Mr. KEFAUVER. Yesterday the majority leader requested, among other requests and suggestions——

The VICE PRESIDENT. Will the Senator from Tennessee speak louder? The Chair cannot hear.

Mr. KEFAUVER. Yesterday, in the course of talking about various matters, the majority leader——

Mr. MORSE. Mr. President, a point of order.

The VICE PRESIDENT. The Senator from Oregon will state it.

Mr. MORSE. I raise a point of order—and call it to the attention of the majority leader and the Senator from Tennessee.

The VICE PRESIDENT. The Senator from Oregon will state the point of order.

Mr. MORSE. Are we proceeding under the pending motion, or is this a parliamentary discussion in regard to the procedure for the day? If this is discussion on the pending motion, I wish to know it.

The VICE PRESIDENT. The Parliamentarian informs the Chair that any speech at this time, whether about the motion or not, will count as a speech on the motion.

Mr. MORSE. Will count or will not count as a second speech?

The VICE PRESIDENT. Will count.

Mr. MORSE. Very well.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the question or questions or the discussion of the Senator from Tennessee and with whomever else he may wish to have a discussion may not be considered as a speech on the motion, but may be considered as separate procedure.

Mr. DIRKSEN. Mr. President, reserving the right to object, if there is to be a discussion, that is one thing; if there is to be a question, that is quite another. The acting majority leader can yield for a question. However, he uses the word "discussion," and that will count as a speech on the pending motion.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the question or questions of the Senator from Tennessee may not be considered as a speech on the motion, but may be considered as procedural and outside the motion of the Senator from Montana.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. KEFAUVER. Mr. President, I should like to ask the acting majority leader or the majority leader a question. Yesterday, when some suggestion or request was made for unanimous consent to send the bill to the Foreign Relations Committee, for study, the Senator from Oregon did not know what terms or conditions, if any, might be attached, or what the procedure would be before the Foreign Relations Committee, and wanted time to confer with those of us who are opposed to the bill. If there are conditions, what are the conditions in connection with the suggestion of the majority leader that the bill be referred to the Foreign Relations Committee? I wish to ask that question, because those of us on this side of course feel that the bill should be referred to the Foreign Relations Committee, for hearing and for full consideration.

Mr. MANSFIELD. Does the Senator from Tennessee want an answer?

Mr. KEFAUVER. That was the purpose of the question.

Mr. MANSFIELD. In response to the question raised by the distinguished Senator from Tennessee, I would anticipate that a week or so would be plenty of time for the Foreign Relations Committee to look into this measure. After all, it has been considered by two committees of the House of Representatives and by three committees of the Senate.

I understand that there are some Members who are interested in the foreign policy implications. I am quite certain, as I have previously told some of them, that some accommodation could be reached, if that was the gist of their opposition.

I certainly think that in a week's time this measure could be reported back from the Foreign Relations Committee one way or the other. It was on that basis that I made the opening statement in this respect on yesterday.

Mr. MORSE. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield; and, if so, to whom?

Mr. KEFAUVER. I do not have the floor; I was just asking a question.

The VICE PRESIDENT. The Senator from Tennessee has the floor, by unanimous consent. Does the Senator from Tennessee yield? If so, to whom?

Mr. KEFAUVER. First, I wish to ask a further question; and then I shall yield to the Senator from Oregon.

Was it the purpose that the debate on the bill be continued here, or that the bill be referred to the Foreign Relations Committee and taken off the calendar?

Mr. MANSFIELD. The purpose of the proposal made by the Senator from Montana was to have the bill referred to the Foreign Relations Committee for consideration, with instructions to report it back by a day certain—within a week—and with the stipulation, I would hope, that the delaying and the dilatory tactics now being employed to prevent the laying down of this measure would not once again be employed, but that the Senate, which has a responsibility in connection with this bill and in connection with all other bills, and has the final responsibility—and I cannot repeat that too often—would have a chance to vote, on that basis, either for or against the proposal.

Mr. KEFAUVER. If I may ask a further question: The Senators on this side are trying to discuss the matter on the merits. I am sure that if the Senator from Montana wishes to ask for an unconditional reference to the Foreign Relations Committee, for such action as it may take, without strings attached, we would all be very happy to join in that.

Mr. MANSFIELD. I am sure the Senator from Tennessee would be very happy to do so. But I feel that I would then be derelict in the performance of my duty.

I repeat that this is not the responsibility of a Senator or of a group of Senators. This is the responsibility of the Senate of the United States as a whole. I cannot repeat that too often; and I hope that some day this body will wake up to what its responsibilities really are.

Mr. KEFAUVER. If the Senator will yield further, just specifically will the Senator inform us now, or at some other time, what his conditions are?

Mr. MANSFIELD. A week.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I do not have the floor.

The VICE PRESIDENT. Does the Senator yield, and if so, to whom?

Mr. KEFAUVER. The Senator has said something about tactics. I do not know exactly what he meant.

Mr. MANSFIELD. I meant what I said, that the tactics are delaying and dilatory, and that there is a group of Senators who will not even allow a bill which has passed through three committees to be brought before the Senate for consideration and debate. I think I made myself clear. If there is any way I can make myself clearer, I will be happy to do so; but I used the words dilatory and delaying, and I meant them.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. KEFAUVER. If I may do so.

The VICE PRESIDENT. Does the Senator yield, and if so, to whom?

Mr. KEFAUVER. I yield to the deputy majority leader.

Mr. HUMPHREY. May I suggest to the Senator from Tennessee, and to all of our colleagues, that the matter of the possibility of arriving at some understanding as to referral and what would happen under those conditions might be a subject of some private conversations. I really feel we would have some difficulty on the floor of the Senate negotiating this matter under the restrictive rules we have. I say, in all good conscience and good spirit, that I believe that during the day we might very well discuss this subject with the Senator from Rhode Island [Mr. PASTORE], the Senator from Oklahoma [Mr. KERR], the majority leader, the minority leader, the Senator from Tennessee [Mr. GORE], who has been much interested in this subject, the Senator from Oregon [Mr. MORSE], and other Senators. We might discuss whether the bill could be referred to the Foreign Relations Committee, when it would be brought back, and under what conditions. I think we would do better in the conference room than in give and take on the floor.

Mr. KEFAUVER. I agree with the deputy majority leader, the Senator from Minnesota, but I did not want the RECORD to stand with the impression that any of us opposing the bill are opposed to the bill's being referred to the Foreign Relations Committee, if it is referred without undue restrictions, and whatnot.

Mr. DIRKSEN. Mr. President, I ask for recognition.

Mr. KEFAUVER. I believe the suggestion of a conference later on in the day is the best one that has been made today.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. MANSFIELD. I am always agreeable to any kind of a conference, especially among Democrats, so we can iron out differences. May I point out that we have had four or five conferences among Democrats to try to reach an accommodation on this particular measure, that witnesses from departments downtown were called here to answer questions, and, if possible, objections. I must admit that the conferences have been a total failure. I am sorry for that, because the intent behind them I thought was in the best interests of the party, of the Senate, and of the country; but I must admit we failed.

Mr. KEFAUVER. The Senator from Minnesota and I had a brief and informal conference, or somewhat of a conference, on the matter of referral of the bill to the Foreign Relations Committee. Today we will seek an opportunity of talking to the majority leader, the deputy majority leader, and other Senators about it. But I did want the RECORD to show that, with respect to the idea of referring the bill to the Foreign Relations Committee for its full and unbridled consideration, we do not oppose it. All of us who are opposing the bill feel that is what ought to be done.

Mr. DIRKSEN. Mr. President——

The VICE PRESIDENT. The Senator from Illinois.

Mr. DIRKSEN. First, a parliamentary inquiry. The pending business before the Senate is what?

The VICE PRESIDENT. It is on agreeing to the motion of the Senator from Montana that the Senate proceed to the consideration of the satellite bill.

Mr. DIRKSEN. Can the motion be withdrawn without unanimous consent?

The VICE PRESIDENT. No. The yeas and nays having been ordered, it cannot be withdrawn.

Mr. DIRKSEN. It cannot be withdrawn.

Now let me say to my friend from Tennessee, and parenthetically to my distinguished friend from Oregon, that we would have to resist as best we could any effort to withdraw the motion. The Senator from Oregon has made it abundantly clear on a number of occasions that his goal and objective is to prevent consideration of the satellite bill until after the elections in November.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MORSE. The Senator is absolutely, 100 percent correct.

Mr. DIRKSEN. Yes. I am sure I understand the English language, and the distinguished Senator from Oregon has never left the Senate in any doubt as to what his goal and purpose is. It would be a fruitless undertaking to send this bill to the Foreign Relations Committee. There would be no assurances that the situation would be changed, because, if I assess and appraise correctly the determination of the distinguished Senator from Oregon, we could spend a week, we could spend a month, in the Foreign Relations Committee with this bill, and we would come right back to the same position we are in at the present time.

We would be confronted with what is called a filibuster, using every rule in the rulebook in order to prevent this motion from being acted on.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield without losing the floor.

Mr. MORSE. Immediately following the elections, the day after, if the Senate wants to come back then, the Senator from Oregon will be standing with the Senator from Illinois seeking to get action on some kind of satellite bill, after the Foreign Relations Committee has heard it and after the American people have heard about it during the campaign.

Mr. DIRKSEN. But, judging from the remarks of the distinguished Senator from Tennessee, he must be under a misapprehension that if this bill went to the Foreign Relations Committee for a week, it would improve the floor situation; and I think the Senator from Oregon will say to the Senate now that it would not change his purpose one bit, because he still wants this bill to go over until after the elections, and not be acted on before.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MORSE. In my judgment, if we are really going to have good and thorough hearings of the foreign policy implications of this bill, we could not scratch the surface in a week. When I think of the witnesses that should be called for analysis of the position we already know is the position of Soviet Russia in regard to her alleged claims of international rights in space that ought to be pursued and answered in that hearing it will take more than a week. I think in that hearing we ought to pin Russia to the mat in regard to what I think are some false allegations she is making to some claimed rights in space. I think we ought to make the record against Soviet Russia. I think we ought to settle on the record what we believe our international rights are in space. I think we ought to have witnesses such as Mr. Stevenson before us. I think we ought to have before us the greatest international lawyers who can testify with regard to international law rights of our country and in regard to foreign policy questions. Senators, it cannot be done in a week. I think that foreign relations hearing should be gotten behind us before the election, and then we ought to take the satellite bill to the American people, and then bring it back immediately after election, and get down to this satellite business and a whole lot of other business that we know will not be taken care of before election.

The Senator can read into that position of the Senator from Oregon anything he wants to, but I know what my position is. I am convinced that we owe it to the American people to get that kind of record made before we vote on the bill.

Mr. DIRKSEN. Speaking, I assume, for those who oppose the bill——

Mr. MORSE. Only for myself.

Mr. DIRKSEN. For whom I assume the Senator is the grand captain.

Mr. MORSE. I am not.

Mr. DIRKSEN. In opposing consideration of the bill.

Does he not agree that any effort to send this bill to the Foreign Relations Committee for a week is a perfectly fruitless and abortive endeavor?

Mr. MORSE. Yes, if just for a week.

Mr. DIRKSEN. Or even 2 weeks.

Mr. MORSE. Send it there until hearings are completed, whatever time it takes.

Mr. DIRKSEN. Well, the Senator does not relinquish his ultimate goal of having the consideration of the bill go over until after the elections in November.

Mr. MORSE. Speaking only for myself.

Mr. DIRKSEN. I am assuming the Senator is speaking for others as well.

Mr. MORSE. No, I am not. They can speak for themselves.

Mr. DIRKSEN. I pay the Senator a compliment when I say I notice he has been charting the strategy on the Senate floor.

Mr. MORSE. Oh, but I have not.

Mr. DIRKSEN. Mr. President, I do not wish to labor this any further.

Mr. PASTORE and Mr. KEFAUVER addressed the Chair.

Mr. DIRKSEN. It is up to the Senate now to plow the long, hard furrow. Let us not relinquish our endeavors now. This issue is before us. I am ready to go round the clock any old time. We are operating under the rules. Senators can use the rules to stop us. We will use the same rules in order to get action, and I think we can do so.

Mr. PASTORE and Mr. KEFAUVER addressed the Chair.

Mr. DIRKSEN. I yield to the distinguished Senator from Rhode Island.

Mr. PASTORE. It is the considered judgment of the Senator from Rhode Island that if we are to pin Russia to the mat at all, we should not delay this any longer by any further referrals. The thing for us to do is to pass the President Kennedy bill, to get on with our job of putting the satellites up into space, and to beat Russia in this contest. That will be the triumph of America. That will be the pinning to the mat. No paper record of any testimony will do the job. Only the satellites will do the job. The one way to do the job is to pass the President Kennedy bill.

Mr. KEFAUVER, Mr. KERR, and Mr. MORSE addressed the Chair.

Mr. DIRKSEN. I yield to the distinguished Senator from Tennessee with the understanding that I shall not lose my right to the floor.

Mr. KEFAUVER. The minority leader and the Senator from Oregon had a colloquy about the group who are opposing the bill. I think the Senator from Oregon has been the most effective Senator in explaining the bill and talking about it. He is a great parliamentarian.

Of course, since the Senator from Oregon has had to be at home campaigning whenever he could be, and since the same is true with respect to the Senator from Louisiana [Mr. LONG], the group has designated me as the so-called clearinghouse. Whether I am called the leader, or whatever I am called, I am the one who tries to get the group together for a consensus of opinion of the group.

I can say that the consensus of opinion is that every Member of the Senate ought to want to know what are the foreign relations aspects of this problem. They ought to want to know what President Kennedy has asked the FCC to find out. They ought to want to know the reaction of other nations, and how the nations will negotiate. Will they negotiate with a private corporation? What part must the Government play? What is the law of international space communications? What position should be taken in international agreements?

There are many other things of this kind which would enlighten the whole Senate in passing upon the question. Certainly we would all be enlightened if there could be not unduly long hearings but reasonable hearings, so that the matter could be explored fairly and as expeditiously as possible, as I am sure it would be before the Committee on Foreign Relations. After all, that is something, as we all know, for the chairman and the members of the committee to decide. I am sure they would do a thorough job and would do it as expeditiously as possible. I think we would all then be in a better position to know where we are going on this issue.

Mr. KERR. Mr. President, will the Senator yield?

Mr. DIRKSEN. I am glad the distinguished Senator has clarified his position with respect to the strategy and what is taking place. If there is no other appropriate term to apply to his capacity in this regard, perhaps we should call him "The Funnel." I shall be standing before the funnel, waiting for words of wisdom from him.

I yield to the distinguished Senator from Oklahoma.

The VICE PRESIDENT. The Senator from Illinois yields to the Senator from Oklahoma with the understanding that he will not lose his right to the floor.

Mr. KERR. Mr. President, I am intrigued by the amazing and, if it were not so serious, the amusing posture of the Senator from Tennessee in this matter. I think it is noble of him that he has volunteered to become the conscience of the Senate. It would be a little bit difficult for him to succeed in providing something for 100 Senators that there has not been too great evidence he has been able to provide for himself.

The Senator from Tennessee appeared before the Aeronautical and Space Sciences Committee and had all the time he desired to discuss the bill. He had the bill before his Subcommittee of the Committee on the Judiciary for hearings. I wish to say that he exposed both himself to all the knowledge that there was available that he wished to have, and he exposed whatever knowledge he had or thought he had to the Aeronautical and Space Science Committee about this bill.

The Senator requested the opportunity for the Senator from Oregon to appear before the Aeronautical and Space Sciences Committee to discuss the bill. The Senator from Oklahoma, as chairman of that committee, set aside a day to begin hearings for the Senator from Oregon. I knew that if he extended himself in sharing his wisdom and knowledge with us that would be but the beginning, but I felt that such a beginning would be appropriate and at least a matter of some pleasure to the Senator from Oregon, if of little value to the committee.

I am compelled to report to the Senate that although the time was set aside for the Senator from Oregon to come before the committee and to discuss the bill with the committee, the Senator did not take advantage of the opportunity.

The announcement was made by the Senator from Oklahoma that a day would be set aside for any Member of the Senate who wanted to come before the committee and enlighten the committee either as to what Senators knew or thought about the bill. The opportunity languished and withered on the vine, and the Aeronautical and Space Sciences Committee was confronted with the alternatives either of an indefinite delay, awaiting the arrival of those who had views or knowledge about which there was no indication whether they could be implemented, or of getting on with the business of acting on the bill.

I am thrilled by the intimation from the Senator from Oregon that the Foreign Relations Committee can pin Russia to the mat. That gives us comfort in this period of tenseness and in this cold war, but it creates questions in my mind. If the Senator from Oregon has had the secret, Mr. President, as to how the Foreign Relations Committee could accomplish such a wholesome, noble, and desirable objective, why, oh, why has he who has been a member of that committee so long waited until this late hour to share that knowledge either with the Committee on Foreign Relations or with the Senate?

Why, Mr. President, imagine—imagine the incalculable service the Senator from Oregon could perform by enlightening the other members of the Committee on Foreign Relations as to how they can pin Russia's shoulders to the mat.

"You should not have hoarded that knowledge," I say to the distinguished Senator from Oregon, "you should have shared it with your colleagues. You should illuminate the heavens at night or startle the clouds by day with the disclosure of that magic knowledge and information. Why hide such a glorious fact under the bushel or hide it on a hill?"

Mr. HOLLAND and Mr. MORSE addressed the Chair.

The VICE PRESIDENT. Does the Senator from Illinois yield; and, if so, to whom?

Mr. DIRKSEN. Mr. President, with the understanding that I shall not lose my right to the floor I first yield to the Senator from Florida.

Mr. HOLLAND. I thank the distinguished Senator.

Mr. President, let us be practical about this matter for a moment. This measure has cleared two major standing committees. I note, from looking at the list of members of the Committee on Foreign Relations, that eight of those Senators either serve on those standing committees and have already voted for this measure or have on the floor by their leadership indicated their strong support of it.

From the Commerce Committee there is the Senator from Ohio [Mr. LAUSCHE]. From the Aeronautical and Space Sciences Committee there are the Senator from Missouri [Mr. SYMINGTON], the Senator from Connecticut [Mr. DODD], the Senator from Wisconsin [Mr. WILEY], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Indiana [Mr. CAPEHART].

So far as the leadership is concerned, the two leaders from this side of the aisle, the Senator from Montana [Mr. MANSFIELD], and the Senator from Minnesota [Mr. HUMPHREY], have been laboring in the vineyard ever since the measure was sought to be called up, in order to get it up and get it passed in the Senate, as it has already passed the other body, the two committees in this body, and the appropriate committees in the House. That makes eight.

Mr. President, in addition to those eight members of that committee, three others have already told me of their strong affirmative feelings toward the measure and that they are awaiting the chance to express those feelings by their votes. I believe there are three others with whom I have not had the cpportunity to talk. Only 3 members of the 17 members of the Committee on Foreign Relations have expressed any negative feelings toward the measure.

After a measure has passed two standing committees—which in itself is unusual in the Senate—and after it has passed those two standing committees by the affirmative vote of 30 Senators who are members of them, with only 2 who are members of those committees opposed—is it practical to refer the measure to a third standing committee, as to which the great majority of Senators who are members of the committee have already shown their approval of the measure? I think it is evident that this proceeding is wholly dilatory.

It is dilatory on a subject affecting the international relations of our Nation and its standing in the conference of the nations. When we consider our Nation's standing on an important measure concerning an activity in which we are engaged in competition with our greatest rival on the earth, it seems to me we are wasting time. I hope, so far as my own attitude is concerned, that the cloture motion may be offered to the Senate very shortly so that we may proceed at least to bring the bill before the Senate for consideration.

Yesterday I heard some talk to the effect that the measure was being treated in a way less friendly to the opposition than was true in the case of the literacy bill. Mr. President, nothing is further from the fact, because in the handling of the literacy bill, a measure which was inconsequential was first made the pending measure, and then the proposed literacy amendment, which it was suggested should bypass both the subcommittee and the full committee in which it was pending, was offered.

The contrast is obvious. Instead of being less fair to the opposition in this proceeding, the leadership has been vastly more considerate than was the case in the attempted bringing up of the literacy bill. Every device of delay has been used on the measure. I agree thoroughly with the minority leader that we should use the rules themselves to show that they are meaningful and to bring the bill before the Senate for consideration on its merits. It has now been considered as to whether we shall bring it up for 8 full days. After affording adequate time for the consideration of the measure on its merits, I hope it may be voted upon on its merits and may be passed. I thank the Senator for yielding to me.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DIRKSEN. Mr. President, if the Senator will first indulge me, I shall yield in a moment.

First, I wish to say to the distinguished Senator from Oklahoma that the general subject matter was before the Monopoly and Antitrust Subcommittee for 9 different days. The distinguished Senator from Tennessee is the chairman of that subcommittee. Scientists, technicians, and Government witnesses appeared before the committee. So it cannot be said that the question was not thoroughly explored by that additional subcommittee.

Second, it seems passing strange to the minority leader that the very people who are now trying to get the bill referred to the Committee on Foreign Relations are the same individuals who fought like tigers for the medicare bill, which was never before the Senate Committee on Finance. But I realize that circumstances alter cases.

Now I yield to the distinguished Senator from Oregon.

Mr. MORSE. Mr. President, I wish to make a few brief comments on the observations of the Senator from Rhode Island [Mr. PASTORE], the Senator from Oklahoma [Mr. KERR], and the Senator from Florida [Mr. HOLLAND].

To the Senator from Rhode Island I would only say we have the satellite. We have several satellites. The question is what their legal status will be in orbit and whether they will be American-flag satellites or American monopoly satellites.

The importance of our making the record in regard to international law rights, such as we may have, is apparent. Who knows what those rights are until we have made a record on the subject? That record has not yet been made. I think many experts in the field of international law would testify.

We owe it to the American people to find out what Mr. Stevenson might tell us is the present situation within the United Nations with regard to allegations concerning claimed rights in space, or allegations concerning a lack of right on the part of the United States to make unilateral claims in space. We just do not know the answers. That kind of record has not been made.

In my judgment, the committee that should make such a record is the Committee on Foreign Relations. Comment has been made that members of the Foreign Relations Committee are also members of other committees. On other committees those members do not speak for the Committee on Foreign Relations. They can speak only in the Foreign Relations Committee for the Foreign Relations Committee. It is an entirely different thing for a Foreign Relations Committee member to sit on the Committee on Commerce or sit on the Committee on Aeronautical and Space Sciences where the issue is not being focused in regard to international law rights in space, acting as a member of those committees, and then be called before the Committee on Foreign Relations and discharge his obligations as a member of the Foreign Relations Committee.

I merely say we do not know the answers. But I happen to be one who thinks that the possibilities are very great that once the Foreign Relations Committee record is made, many Senators who now think they are for a monopoly satellite in orbit will change their minds. I am perfectly willing to wait and see what they will do so far as their mental processes are concerned on the basis of the evidence as it is presented to us. My point of view is we owe it to the American people to make that record. I happen to think it will prove embarrassing to Russia; but let us find out.

As to my friend from Oklahoma, let me say I never felt I could compete with him in sarcastic innuendo or forensic gymnastics on the floor of the Senate. I do not claim to be a grand oracle or fountain of infallibility. I want the Senator to know that the impression I often get from his great efforts on the floor of the Senate is that he serves as a gusher of infallibility. But I do not think in this instance even part of that outflow can be tax exempt. I think he must be held responsible on the floor of the Senate for the position he takes on the merits of the issues. I could not disagree with a Senator more than I disagree with the Senator from Oklahoma, who, in my judgment, in the entire debate is standing for monopolistic control, which I cannot reconcile with the private enterprise system in our country. I think it is against the interests of the people of our country to have the satellite in space vested in monopoly legal rights. For that reason I think it ought to be an American-flag satellite, with a lease to an American monopoly, but not necessarily limited to one, for operational rights and a good return for the exercise of the operational rights. That is basic to this whole debate. I believe that the American people are entitled to pass judgment on the issue before election.

I know what the strategy is. People talk about our strategy of trying to hold up the bill until after election. That is true. The strategy of the opposition is to make this an accomplished fact before the American people have a chance to go into this campaign and to discuss it with the candidates for office. We should have a chance to discuss this issue with the people, and then come back immediately after election and vote some bill on it up or down. That is the position I take.

Again I say to the Senator from Oklahoma and to the majority leader and the majority whip that I fully recognize that WAYNE MORSE alone cannot do it. The majority whip, in effect, suggested that some of us who are running for office and who are in opposition to the bill will find ourselves ex-Senators after the November election.

I am willing to take that chance. I say to the whip and to members of the Democratic Party in this Chamber that they are committing political hara-kiri on this issue, in my judgment. They are making a sorry record here on this issue. If I were given the choice of reelection, with assurance, if I vote for the bill, and defeat, with assurance, if I voted against it, I would vote against the bill, because I never want my descendants to read that I voted for the bill. That is the position of the senior Senator from Oregon.

If the Democratic majority on this side of the aisle wants to go through this kind of political fight, they are asking for it. They are going to lose not only seats of some of us who are opposed to the proposed legislation, but they will also lose the election. I make that prediction on the floor of the Senate this morning. They may do that, if they wish, with this monopoly, but the senior Senator from Oregon will not be a party to that kind of political hara-kiri.

Mr. HUMPHREY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield; and if so, to whom?

Mr. DIRKSEN. The Senator from Illinois yields first to himself for an observation, without losing the floor.

With respect to the observation of the distinguished Senator from Oregon anent the Senator from Oklahoma, there are people who deem themselves infallible half the time and never wrong the other half.

I now yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I merely wish to make one comment with regard to the statement of the Senator from Oregon, which I believe is based on a misunderstanding. I did not say that those who oppose the bill will suffer defeat.

Mr. MORSE. The Senator said some of them would.

Mr. HUMPHREY. I did not. I said that the action of the Senate in this instance, and in similar instances, where the rules of the Senate are used to delay action in the Senate, will cause a considerable amount of public disgust, and that we would find ourselves in the position where there would be a number of ex-Senators.

The Senator from Minnesota might be one of them. I do not mean any criticism of the Senator. I respect his integrity and his sense of conscience. I do not wish to be placed in the position of judging him on the basis of what he may feel about the bill. On the other hand, I do not believe the Senator from Oregon ought to indicate that the Senator from Minnesota said that if he opposes the bill he will suffer some kind of public chastisement. That is not the case at all. It is the purpose of the Senate to argue for and against a bill. The only argument the Senator from Minnesota has been making is that he believes that we ought to get the bill before us and to argue the merits of the bill.

The Senator from Oregon has some very good suggestions with regard to the bill. He said that it might be possible to have some kind of licensing operation with regard to the satellite, with actual Government control insofar as the channels are concerned. That is indeed a worthy position to take. I do not agree with him on it, but we ought to debate the issue.

We cannot send the bill to the Foreign Relations Committee until we get the bill before us, as the majority leader has said. I do not care how long we debate it, if it is for 2 months, once we get the bill before us. I would like to keep the RECORD clear, that we ought to have the proposed legislation before us as a means of conducting the business of the Senate. That is my only purpose.

The Senator from Oregon may well be in the most popular position with regard to the bill. I do not think so, but he may very well be. I do not believe it would make any difference to him if he were not. I respect the Senator from Oregon. I have been on his side in many fights. I only say that we should get the bill before us so that motions can be made, whether it be a motion to send the bill to the Foreign Relations Committee, or to recommit it to the Committee on Commerce, or take some other action on it. We should have the bill before us, though, to debate it on its merits.

I was a little worried today, and I am still worried, that we may not have a chance in connection with this subject, to discuss it in a spirit of amity and consideration. The Senator from Tennessee [Mr. GORE] has been very helpful in trying to bring forward some thoughtful and friendly consideration of some of these differences. I do not like this side of the aisle to be in constant combat over this issue. I commend the Senator from Tennessee for his rational approach. I also commend the senior Senator from Tennessee [Mr. KEFAUVER] and other Senators for their attitude. I hoped that we might be able to sit down and discuss some way of solving these differences. I am for legislation. I am not for undue delay. I do not want any doubt about that. I want action on the bill. We need the bill, and we need to act on it.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield briefly without losing the floor.

Mr. YARBOROUGH. Mr. President, in the light of the remarks which have been made about the action that might be taken against certain Senators, that some of these Senators might be taken out of the Senate if they voted against this giveaway, I wish to read an extract from a letter that was written less than 1 week before the vote in the Andrew Johnson impeachment proceedings. This was written by one very dear friend to another.

Mr. DIRKSEN. Why go back that far?

Mr. YARBOROUGH. The letter was written by Justin S. Morrill, the author of the Morrill Land Grant College Act, to William Pitt Fessenden, of Maine. Fessenden had served as Lincoln's Secretary of the Treasury. He was one of seven Republicans who saved the Republic by voting against impeaching Andrew Johnson, and thus saved us from a military oligarchy. This is what Justin Morrill wrote:

> WASHINGTON, D.C., *May 10, 1868*.
>
> DEAR FESSENDEN: If you do not know it, it is nevertheless a fact, that there is no man on earth for whom I have so much affection and admiration as yourself, and I want you right all the time. You need not fear that any vote you may feel it your duty to give will forfeit my esteem, but I want it such a vote as you can defend without tearing your life out of you for the rest of your days. I am satisfied the best legal learning of the Senate will sustain the

> first, second, and third articles of impeachment. My opinion is of no value, but with a very close attention to the subject for 2 months, I think there is no doubt about it. * * * I hope my judgment is not warped by political considerations.
>
> But, my friend, I want you right on the constitutional and legal questions involved. I have ever contended you would be, and do not now know at all what you propose to do; but I do know this, that you could do nothing which would fulfill the ancient grudge of a certain clique of your foes sooner than a vote on your part in favor of Andrew Johnson. As an idol of a very large portion of our people, you would be knocked off your pedestal. Then, the sharp pens of all the press would be stuck into you for years, tip'd with fire, and it would sour the rest of your life.

That is what is being said about those who oppose the satellite bill. It is the same thing that Morrill wrote to William Pitt Fessenden. This is what is being said about those who oppose this monstrous giveaway today.

> As independent as I know you really are, I feel that this abuse would drive you into the company of Cowan and Doolittle within 6 months. I feel that I cannot have this so. You must be right. You cannot afford to be buried with Andrew Johnson, nor can a poor devil like myself afford to have a cloud of suspicion thrown on the correctness of his vote by a wholly different vote given by yourself on a question of so grave consequences as that pending. I know that this may be selfish, but I know that there is no other aspect of this case where any particle of self crops in. All my feelings would lead me to protect and defend your reputation. All I desire in the present issue is justice to the President and to our country.
>
> For your happiness I hope you will not become a sour croaker without any faith in the future. For your happiness I trust you will be sure you are right, and I beg pardon for this intrusion. I could not do less.
>
> Sincerely and devotedly now and always yours,
>
> JUSTIN S. MORRILL.

After receiving the letter, William Pitt Fessenden voted for the Republic, for this Government, for the people, and against impeachment.

I am hopeful that the distinguished minority leader will find at least seven patriots on his side of the aisle now, as there were in 1868, to vote on this measure.

Mr. DIRKSEN. Mr. President, I do not know what impeachments have to do with satellites. I do not know why we have to go back to 1867.

That reminds me of a story. A man went into a restaurant, sat down, and asked, "What kind of soup do you have?"

The waiter replied, "Oxtail."

The customer said, "Oh, why go back that far?" [Laughter.]

We are dealing with satellites now.

Mr. MORSE. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield, provided I do not lose my right to the floor.

Mr. MORSE. Mr. President, I challenge completely and disagree with the majority whip's interpretation of the remarks he made the other day. We all heard them. There was quite a discussion in the cloakroom following the majority whip's comments. I replied to him almost immediately, as soon as I could get the floor. There was no qualifying statement from the whip the other day in regard to them.

Now he seeks to give us an entirely different impression, one which we would have welcomed the other day, when he made the crack. I do not know what is in the CONGRESSIONAL RECORD, but I do not accept what is in the RECORD if it differs from what I heard and what others heard, because the whip made it perfectly clear that he was sticking it into us with the suggestion that some of us might never come back except as ex-Senators to join with other Senators to walk over to the other body in a joint session. That, in effect, was what the whip made clear the other day.

I replied to his statement as soon as I could. We got no clarifying statement from the whip then; but we got one this morning; and some of us do not appreciate the position that the whip took, nor do we appreciate the position which the majority leader has taken in the application of the rules. After all, the majority leader and the whip are our majority leader and our whip, as well as the majority leader and the whip of those who are against us on the bill.

When I have to sit in the Senate and find, for the first time in the 18 years I have been here, a majority leader not permitting a Senator, even of his own party, to reserve his right to object, or even to state his reasons for objection, but to be placed in the position I was placed in yesterday; namely, that the effort to object, without an explanation of the objection to the unanimous-consent agreement would be opposed, I say that so long as the majority leader and the whip follow that course of action in the Senate, they are not my majority leader and my whip, and I shall never look to them again for any protection of my rights on the floor of the Senate.

Mr. MANSFIELD. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield to the distinguished majority leader.

Mr. MANSFIELD. I was interested in what the distinguished Senator from Oregon said as I came into the Chamber. He is entitled to his position; but I think the RECORD speaks for itself regardless of what he says. I should like to quote from the RECORD of yesterday, pages 15018–15019:

> Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations, of the Committee on Government Operations, be permitted to sit during the session of the Senate today.
>
> Mr. MORSE. I object.
>
> Mr. MCCLELLAN. Mr. President, will the Senator from Montana yield?
>
> Mr. MANSFIELD. I yield, provided I may do so without losing my right to the floor.
>
> The VICE PRESIDENT. Without objection, the Senator from Montana yields to the Senator from Arkansas with that understanding.
>
> Mr. MCCLELLAN. I should like to make this statement——

Then the Senator from Arkansas made his statement. When he concluded, the following occurred:

> Mr. KEFAUVER. Mr. President, reserving the right to object——
>
> Mr. MANSFIELD. Mr. President, I renew my request.
>
> The VICE PRESIDENT. The question is on agreeing to the request of the Senator from Montana. Is there objection?
>
> Mr. MORSE. Mr. President, I object; but I should like—reserving the right to object——

In other words, the Senator from Oregon first objected, rather than reserved the right to object. If he had followed the proper procedure, he would have reserved the right to object, instead of objecting.

Mr. MORSE. The majority leader knows perfectly well the discussion that was taking place. During the entire colloquy, the Senator from Oregon was suggesting that we reserve our right to object until he could be heard. I sought to present my point of view, but the majority leader insisted that either we would go ahead and accept the unanimous-consent agreement or I would have to object.

Mr. MANSFIELD. The Senator from Montana was not aware of any such agreement. The Senator from Montana was operating within the rules. The Senator from Oregon objected, and then he tried to reserve the right to object. I think that is contrary to the usual procedure.

Mr. MORSE. The majority leader has been here too long not to know what takes place on the floor of the Senate. The majority leader—and I charge him with it—knew I wanted to state my reasons and that then I would make my objection. My majority leader denied me that right on the floor of the Senate. So far as I am concerned, he will never represent me as my majority leader in protecting my rights again. He is the majority leader, but not with the support of the senior Senator from Oregon. Get that clear.

Mr. MANSFIELD. The Senator from Oregon can state whatever he pleases; but I shall state for the RECORD, as many times as need be, that I did not know of any agreement entered into between the Senator from Oregon or anyone else and the Senator from Arkansas.

Mr. MORSE. I only want to say that I do not believe the majority leader.

Mr. MANSFIELD. The Senator is entitled to his opinion.

Mr. DIRKSEN. Mr. President, I must invoke the rule with respect to indecorous language.

Mr. MORSE. I am very happy to have that discussed. I certainly have the right to say whether I believe a statement or do not believe a statement.

Mr. DIRKSEN. I know, but it puts the majority leader into the issue.

Mr. MORSE. It only expresses my opinion as to my understanding of that situation.

Mr. DIRKSEN. I am prepared to protect the majority leader at any time.

Mr. MANSFIELD. I do not need any protection. Each Senator can speak for himself. The Senate as a whole can form its own judgment.

Mr. DIRKSEN. Mr. President, I am prepared to yield the floor; but before I do, I wish to ask unanimous consent that the Subcommittee of the Committee on the Judiciary, which is hearing testimony on the nomination of Thurgood Marshall, be permitted to sit tomorrow notwithstanding the session of the Senate.

Mr. MORSE. I object.

The VICE PRESIDENT. Objection is heard.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield to me before he yields the floor?

Mr. DIRKSEN. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I merely wish to read from the RECORD under date of July 27, because there are times in a man's life when he would like to have his own words, words that were intoned and unedited, as the RECORD in the Official Reporters' office will show—there are times when a man would like to have his words mean what they say. I hope that will always be the case.

On page 14896 of the RECORD of July 27, the Senator from Minnesota spoke as follows:

> The time has come for this body to make up its mind whether it will legislate or become the laughingstock of the Nation. We are already in trouble. I say to my colleagues in the Senate that if we keep it up, I do not know how many Senators will be back here next year except to line up in the rear of the Chamber to parade across to the House of Representatives as ex-Senators. Frankly I have no such desire. I am not going to encourage that process.

That was the statement of the Senator from Minnesota. I guess I even included myself as being one of the ex-Senators. I was not trying to say that any particular person was going to be the subject of this kind of public reaction, except possibly the Senator from Minnesota. I do not want anyone to indicate on the floor of the Senate, by word or by implication, any other meaning to those words than the statement clearly indicates. I am sure no one would want to do that.

Mr. MORSE. Can the Senator find the reply of the Senator from Oregon to the Senator from Minnesota, which was spoken very shortly after that, and read that, too?

Mr. HUMPHREY. I should be more than happy to do so.

Mr. GOLDWATER. Mr. President——

The VICE PRESIDENT. Does the Senator from Illinois yield; if so, to whom?

Mr. DIRKSEN. I yield to the Senator from Arizona, provided I do not lose the floor.

Mr. GOLDWATER. Inasmuch as the distinguished minority leader is about to leave the floor, I did not want him to depart without giving me the benefit of his good judgment.

We have listened to the Senator from Oregon in his tirade against the majority leader and his renunciation of his majority leader. I wonder if the Senator from Illinois suspects that the Senator from Oregon might be anticipating another political move.

Mr. DIRKSEN. Not being gifted with the wisdom of the Delphic Oracle, I cannot say.

Mr. GOLDWATER. I suggest that we might give him another chair here if he decides to make that move. [Laughter.]

Mr. HICKENLOOPER. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield, provided I do not lose my right to the floor.

Mr. HICKENLOOPER. I have not heretofore participated in this discussion. Having been associated with the majority leader and the Senator from Oregon for a good many years, I should like to say as an individual that I regret and am grieved at the statement the Senator from Oregon made concerning his belief in the majority leader just a moment ago.

But I cannot let this opportunity pass without saying, as a longtime associate of the majority leader, that his veracity is unquestioned. I would take his word for anything; and I am happy to testify that although we do not always vote alike on questions, never have I ever questioned his word or never has anyone to my knowledge ever been successfully able to question the veracity of the word of the majority leader.

Mr. DIRKSEN. Mr. President, I yield the floor.

Mr. KEFAUVER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The absence of a quorum has been suggested, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, in order that the Senator from Tennessee [Mr. GORE], who had the floor last night, and who very kindly entered with us into a gentleman's agreement that he would be permitted to conclude his remarks today, may now proceed. At that time it was agreed that today he would conclude his remarks by 12 o'clock; and it was our impression, last night, that he would resume his speech before now. I think it was understood that he would be permitted to proceed for the period between 10 a.m. and noon today. Of course, once he resumes, he has the floor, and can proceed for as long as he may wish. But, under the circumstances, I would ask that he be permitted to proceed until 1 o'clock.

Mr. MORSE. I object.

Mr. JAVITS. Mr. President——

The VICE PRESIDENT. No debate is in order.

Mr. JAVITS. Mr. President, may I be recognized?

The VICE PRESIDENT. No debate is in order during a quorum call.

Objection has been heard; and the clerk will proceed with the quorum call.

The legislative clerk resumed the call of the roll.

[No. 140 Leg.]

Aiken
Allott
Anderson
Bartlett
Beall
Boggs
Bottum
Burdick
Bush
Byrd, Va.
Byrd, W. Va.
Cannon
Capehart
Carlson
Case
Chavez
Church
Clark
Cooper
Cotton
Curtis
Dirksen
Dodd
Douglas
Eastland
Ellender
Engle
Ervin
Goldwater
Gore
Gruening
Hart
Hartke
Hayden
Hickenlooper
Hill
Holland
Hruska
Humphrey
Jackson
Javits
Johnston
Jordan
Keating
Kefauver
Kerr
Kuchel
Lausche
Long, Hawaii
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
McGee
McNamara
Metcalf
Miller
Morse
Morton
Moss
Mundt
Muskie
Pastore
Pell
Proxmire
Randolph
Robertson
Russell
Saltonstall
Scott
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Wyoming [Mr. HICKEY], and the Senator from Missouri [Mr. LONG] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Maryland [Mr. BUTLER], the Senator from Hawaii [Mr. FONG], the Senator from New Hampshire [Mr. MURPHY], the Senator from Kansas [Mr. PEARSON], and the Senator from Vermont [Mr. PROUTY] are necessarily absent.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). A quorum is present.

SURVEY OF INTEGRATION IN NEW YORK SCHOOLS

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. I shall stop as soon as the Senator from Tennessee [Mr. GORE] arrives. As long as he is not here, I thought I would deal with a couple of matters I intend to deal with anyway. I hope the Senate aids will let me know as soon as the Senator from Tennessee arrives.

A very interesting survey has been made in the State of New York with respect to our public schools there, which shows that a very large proportion of our schools in upstate New York and in downstate New York show the presence of racial patterns of housing in terms of whether there is a predominantly white or Negro utilization of schools by children.

I ask unanimous consent that the survey, out of the New York Herald Tribune, may be a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UPSTATE NEW YORK: 41 PERCENT OF SCHOOLS ARE ALL WHITE

(By Joseph Michalak)

One-third of upstate school districts had only white children, but an even larger percentage—41—of the school buildings had enrollment consisting entirely of whites. Furthermore, the enrollment of nonwhites in the integrated districts "in many instances" was "a fraction of a percent." These were among the major findings announced yesterday in the first racial census conducted last year by the State education department. The census had been billed as a first step in efforts to eliminate segregation and unequal opportunities for minority groups.

Theron A. Johnson, who directed the project, said the figures showed "disproportions" in enrollments. But he declined to say that there was evidence of deliberate segregation. He said there appeared to be evidence of residential patterns.

NINETY-FIVE PERCENT REPLY

About 95 percent of the 882 districts replied to questionnaires mailed by the division of intercultural relations. The responses represented 2,611 schools, about 99 percent of the school population, Mr. Johnson said.

Of the 58 percent of the districts that had Negro and white pupils, 490, or 48 percent, had fewer than 1 percent Negroes and 198, or 40 percent, from 1 to 10 percent. Of the 33 percent of districts with Puerto Ricans, 153, or 79 percent, had fewer than 1 percent, and the remainder were distributed between 1 and 10 percent.

More than 47 percent of the districts registered "others," which included Orientals and American Indians. However, 92 percent of the districts had less than 1 percent in these categories.

In New York City's annual racial census, announced last month, 90 percent of the 588 elementary schools enrolled Negroes and only 42 percent had Negro enrollments under 10 percent. About 94 percent of city schools enrolled Puerto Ricans and less than two-thirds of these had Puerto Rican enrollments under 10 percent.

TWENTY-FIVE PERCENT ARE NEGROES

About one of every four elementary school children in the city is a Negro and about one of every five is a Puerto Rican. About one of every 20 upstate pupils is a Negro and the Puerto Rican population upstate is estimated at less than 1 percent.

Results of the New York City census taken by the State will be released separately, Mr. Johnson said.

A total of 24 upstate schools, less than 1 percent, had Negro enrollments of more than 90 percent. Of these, 14 were in Buffalo, which has 80 schools.

Here is the ethnic distribution of New York State pupils by district and by school buildings. The 837 districts reporting (New York City excluded) have 2,595 elementary schools.

[In percent]

	By district	By buildings
White only	33.6	41.7
Negro-white	24.6	21.6
Puerto Rican-white	.8	2.3
Puerto Rican-Negro-white	5.7	7.9
Other white	4.7	7.8
Negro-white-other	13.3	9.3
Puerto Rican-other-white	1.6	2.3
All	15.7	7.1
Total	100.0	100.0

Other districts that reported buildings with more than 90 percent Negroes included Roosevelt, Freeport, Manhasset and Amityville, Long Island, and Newburgh.

Under New York City's open enrollment plan, students in schools that have more than 90 percent Negro and/or Puerto Rican enrollment can transfer to better integrated schools. The city's last census showed 104 such schools.

Mr. Johnson reported that 103 buildings in 41 upstate districts had at least 30 percent Negro pupils. "There is no attempt to define as de facto segregated all which exceed this percentage," Mr. Johnson said, but "experience dictates that from this point and beyond school districts must give added concern to what is happening in their school district."

He said school authorities should ask whether any of these are forgotten schools and how best the school and community can work cooperatively to foster true integration for all schoolchildren.

When Dr. James E. Allen, Jr., the State commissioner, announced the census last year he made it clear that the State was prepared to step in where local school boards deliberately maintained segregated schools or where they took no action to alleviate the problem of schools segregated by residential patterns.

He called schools segregated in these ways "detrimental, psychologically and educationally, to the students in attendance."

Mr. JAVITS. Mr. President, I do this because we are constantly assailed in civil rights debates, in which I have the very deepest interest, with the fact that there is in these matters a difference in approach when civil rights advocates like myself deal with the question as it exists in the North and when they deal with the South.

The frankness of this survey points up markedly the arguments which I have made so constantly, and which friends on my side have made so constantly. First, we do not assert that there are no problems in the North. We know there are problems. What we maintain is that the whole social and governmental object is not to sweep those problems under the rug, and take the viewpoint that "education" will take care of the problems, but we face them and bring them out, ourselves, with surveys of this kind.

Second, by law and practice, we can do everything we humanly can in order to deal with these conditions and eliminate them, or bring them under tolerable conditions in which they can be accepted as every effort is made to comply with the basic Constitution and law that there shall be no segregation in our public schools, and that all our children, whether black or white, shall have equal education—not equal but separate, but equal, education.

It is in that spirit, Mr. President, I bring this to the attention of the Senate. In New York we frankly face our problems. We survey them ourselves. We examine them ourselves. We do something about them, both by government and practice, and with the great support of the community. We take the moral course.

I think this is a striking object lesson in answering the argument constantly made against us, "Why don't you put your own house in order before you seek to pass Federal laws to put in order the houses of other States?"

I deeply feel those laws are urgently needed.

I take this opportunity to bring it to the attention of the Senate, and I thank my colleague from Tennessee for his indulgence, but I explain that he was not in the Chamber when the quorum call ended, so I held the floor until his arrival.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the motion of Mr. Mansfield that the Senate proceed to consider the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

The PRESIDING OFFICER (Mr. Metcalf in the chair). The Senator from Tennessee may proceed.

Mr. GORE. Mr. President, I wish to continue the speech I was making last evening when the Senate recessed.

In submitting the proposed satellite bill, the administration recognized that the foreign policy aspects of the satellite system could not be separated from its commercial aspects. The negotiations will be both "political" and "business" in nature. Agreements on business matters will have political implications and vice versa. Negotiated agreements will cover both.

As the senior Senator from Rhode Island [Mr. Pastore] indicated last night, there will be a combination. Indeed, Mr. President, I think the international political aspects will be inseparable from the commercial and business aspects of these negotiations.

Accordingly, the administration's bill stipulated that the Department of State would exercise a controlling voice in the negotiations necessary for establishment and operation of the system.

In other words, the bill requested by the President would have provided that the Government of the United States would conduct the negotiations, or would supervise the negotiations, and would have the right of approval of agreements resulting from such negotiations, even though it was contemplated that the corporation to be created by the proposed bill would participate in the negotiating process. The negotiations, I repeat, were to be under the supervision and direction of the Government of the United States, and the agreements resulting from such negotiations were to be subject to approval by the Department of State.

Section 402 of the original bill, as I stated yesterday, would have provided that the Department of State supervise the conduct of these negotiations.

In his testimony before the Senate Committee on Aeronautical and Space Sciences, Under Secretary of State for Political Affairs George C. McGhee, stated succinctly the basis and need for participation and control by the Department of State in these negotiations.

On yesterday I quoted at considerable length the testimony of Under Secretary McGhee. He pleaded eloquently for approval of the provision recommended and requested by the President, that the Government of the United States be responsible for the conduct of negotiations between our country and other countries or agencies of other countries.

Secretary McGhee's plea was unheeded, as was the request of the President of the United States. Proponents of the proposed bill like to stress the fact that it is the President's bill, but I say to Senators, Mr. President, that the measure which is sought on motion to be considered by the Senate bears but little resemblance to the bill which was originally submitted and recommended by the President of the United States.

Mr. MORSE. Mr. President, will the Senator yield for a question at that point?

Mr. GORE. I yield.

Mr. MORSE. Is it not true that there are also differences between the bill proposed to the Senate and the bill passed by the House, which would mean that passage of a bill in the Senate would require that the bill go to conference?

Mr. GORE. I believe so.

Mr. MORSE. Will the Senator yield for another question?

Mr. GORE. I yield.

Mr. MORSE. Does not the Senator think we ought to take a long look at the differences between the two versions of the bill in order to determine whether it would be in the interest of the Senate at this time to run the risk of having a bill go into conference and ending up with the possible adoption of the House-passed bill?

Mr. GORE. I think careful consideration of the proposed bill is imperative for many reasons, including the one to which the senior Senator from Oregon has referred.

The provisions of section 402 of the administration's bill, which would have reserved to the Department of State an effective voice in the conduct of contemplated international negotiations, have been eliminated. Section 402 has been completely rewritten, relegating the State Department to an advisory position in the conduct of negotiations which the bill contemplates this private corporation will conduct with governments of other countries. By terms of the bill as it now stands, rather than conducting or supervising negotiations and approving the result thereof, the Department of State would be limited to the right to be informed about them and permission to render such assistance as the corporation may request.

Some appear to have the impression that conventional international communications facilities have been established by domestic carriers in direct negotiation with foreign communications agencies operated by foreign governments or other entities without any need for international negotiations conducted or supervised by the Department of State. It is true that our domestic carriers do now conduct negotiations with their counterparts abroad. But the State Department has also historically conducted negotiations and participated in numerous international government-to-government conferences in the telecommunications field.

Since 1884 there have been well over a hundred international conferences in which the U.S. participation was under the supervision of the Government, in particular an agency of the executive branch, the Department of State.

There have been at least 44 such conferences which were merely of an exploratory nature, when no formal agreements were intended to be reached. There have been at least 69 such conferences, however, which resulted in a treaty, an executive agreement, or some less formally agreed course of action on the part of the governments concerned.

I observe that the first such conference for which documentation is available was described as a Conference on the Protection of Submarine Cables, which was held in Paris in 1884. That conference culminated in a convention which was signed on March 14, 1884. I note also that six international conferences in the field of telecommunications, in which U.S. participation is under State Department sponsorship, already have been held in calendar year 1962.

I asked the Department of State to prepare for me a chronological list of telecommunications conferences and requested that the distinction be made between those in which an agreed course of action was negotiated and those which consisted of less formal discussion where no agreement was reached or intended to be reached. The list, to which I referred yesterday, is broken down into the two categories, based upon information which was supplied me.

Mr. President, the list of such conferences, a portion of which I read into the RECORD last evening, was prepared by officials of the Department of State from documentation that was readily available in the Department. Apparently the list, as furnished by the Department, was not complete. I note that Under Secretary McGhee, in testimony before the House Commerce Committee, cited three instances in which State Department negotiations were required as a prerequisite to the installation of international communications facilities. These instances were cited by the Under Secretary in support of the Department of State's insistence upon the language contained in section 402 of the bill as originally submitted by the administration. I quote from Under Secretary McGhee's prepared statement before the committee, as found on pages 446 and 447 of the hearings:

> The Department's interest in matters of this kind is not new. Over the years it has participated in the negotiation of many treaties dealing with frequency allocation and communications problems in general. It has also taken the initiative in the establishment of new and direct communications circuits, and has intervened on behalf of the U.S. international telecommunication companies in protecting their interests abroad. The following are several instances where the Department negotiated on behalf of American communication companies:
>
> 1. The Bermuda Telecommunication Agreement of 1945 between the United States and the British Commonwealth for the establishment of direct radio-telegraph circuits between the United States and certain members of the Commonwealth such as Australia, New Zealand, South Africa, and so forth.
>
> 2. The establishment of relay stations for RCAC and McKay Radio & Telegraph Co. at the international city of Tangier. This necessitated an agreement with the Soviet Union since it involved circuits between the United States and the Soviet Union via Tangier and negotiations with the authorities of the international city of Tangier.
>
> 3. Prior to the signing of an agreement between the A.T. & T. and the British General Post Office for the building of the first transatlantic telephone cable, the British authorities wished to discuss with U.S. officials certain aspects of the contract, especially, the question of the use of telephone cables for telegraphy. Consequently, during the period May 16 through May 25, 1956, informal discussions were held in Washington between officials of the United States and the United Kingdom Governments concerned with telecommunications. Representatives of the operating companies of both countries and the U.S. Congress attended the later stages of the discussion.
>
> An analogous situation exists in the negotiation of traffic rights and routes for American companies operating airlines. These negotiations are regularly carried on by representatives of the Department of State with the cooperation and assistance of the other interested Government agencies and the companies concerned. This method of negotiation is provided for in the Federal Aviation Act. The administration proposal for legislation to establish a communications satellite corporation also takes into account this longstanding practice.
>
> As shown by past experience, the Department is prepared to supervise and facilitate the international negotiations necessary to establish a new worldwide system of international communications responding fully to our own national interests and the expectations and interests of other participating countries. We are of the opinion that H.R. 10115 provides a suitable and necessary basis for proceeding to these arrangements.

Mr. President, of the three conferences referred to by Secretary McGhee, the latter two are not on the list compiled for me by the State Department. This is the basis for my statement that the list of such conferences, which I have cited, is incomplete. I do not know how many other such omissions there are, but I am confident that, in addition to the 112 conferences listed, there are many other instances in which governmental negotiations were found to be necessary or advisable.

In the light of the strong case made by State Department witnesses for the original language of section 402, I have great difficulty in understanding the basis of the Department's later acquiescence in action taken by the committee to strip from the bill the authority for the Department of State—of course, representing the President of the United States—to have an effective voice in the negotiations which will be necessary for installation and operation of a global satellite communications system.

Section 201(a)(4) provides:

> The President shall exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States.

The foregoing language sounds fine at quick reading. But it is wholly unclear as to just how the President shall exercise supervision over the action of the proposed corporation. There is no provision by which the corporation is subject to Presidential direction, and the bill specifically provides that the corporation will not be "an agency or establishment of the United States Government."

The question arises as to just what would happen if the President and the management of the corporation should disagree as to what is in the best interest of the United States from the standpoint of foreign policy. Presumably, in an extraordinary situation, the President could direct the Attorney General to bring action in the U.S. courts under the provisions of section 403 of the bill, seeking injunctive relief. In such case, we would witness the spectacle of the foreign policy of the United States being subjected to judicial determination of a difference between the private corporate monopoly which would be created by the bill and the Government of the people of the United States.

Mr. MORSE. Mr. President, will the Senator yield at that point for a question?

Mr. GORE. I yield.

Mr. MORSE. Does the Senator from Tennessee share my view that no matter with what language either the bill or the subsequent negotiating procedure is clothed, the fact is that we would give to a monopoly negotiable power, direct or indirect, in the field of foreign policy with foreign governments?

Mr. GORE. I agree that that is the purport and intent and effect of the provisions of the bill now proposed. I do not believe that such an effect was the purport or the intent or would be the effect of the language of the bill which was submitted to Congress by President Kennedy and recommended and requested by him.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. GORE. I yield.

Mr. MORSE. Does the Senator agree with me that because there is at least this area of doubt created by the bill as to the relationship of the American monopoly and foreign powers in the field of foreign policy negotiations that it is of the utmost importance that we try to get this matter completely clarified in hearings before the Foreign Relations Committee, of which the Senator and I are members?

Mr. GORE. I believe it is important. I regard it as necessary that the Senate, which under the Constitution has at least limited partnership with the President of the United States with respect to the foreign policy of our country, understand and consider the foreign policy implications of this vast new communications medium before we pass any bill on the subject.

I believe it is extremely imperative that we pause and think and consider the foreign policy implications that can be foreseen now, and perhaps many others which we cannot foresee now but which with careful study might be anticipated, before we pass a bill vesting in a private corporate monopoly the power to negotiate international agreements on behalf of the United States, particularly so since that corporation as proposed by the bill would be a private corporation for profit. I do not criticize profit. I am saying that the profit motive may not be an accurate measure of international interest in the promotion, the development, and the utilization of this vast communications medium, the effects of which can only now be partially foreseen.

Mr. MORSE. Mr. President, will the Senator yield for a final question?

Mr. GORE. I yield for a question.

Mr. MORSE. Does the Senator agree with me that a good many of the legal problems that he and I are raising in connection with the foreign relations aspect of the bill would be removed if the satellite remained an American-flag satellite, which means owned by the United States, but if a licensee or lessee authority were set up in contractual relationship between the U.S. Government and some independent company in this country?

Mr. GORE. The suggestion the Senator has made merits very careful consideration. I should like to point out that if the bill is enacted, it may well be that this satellite corporation will only own the U.S. interest in the space components of the satellite communications system. A.T. & T., as a separate corporation, and other corporations may own all the ground stations in this country. The bill leaves that point undetermined.

So we are really speaking here of rights which this Congress is powerless to grant at this time because we now have no such rights. They have not been determined. The communications satellite system can be installed only through international agreement. We need no satellite communication system, so far as I know, to communicate with each other in the United States. The principal purpose and intent and nature of the use of this new medium of communications is transoceanic, intercontinental, intercountry, international communications. Therefore, it cannot operate unless there is international agreement on the allocation and use of frequencies and wavelengths, and on the installation of ground stations in those countries with whom we may wish to communicate and to which we may wish to project the image of America, not in its less attractive commercial television form, but in its most advantageous aspect.

These are serious questions which are involved here. They are extremely serious questions. These wavelengths are subject to jamming and subject to interference, both from ground installations in other countries and perhaps from orbiting satellite instrumentalities.

So here is a system that can only be brought to fruition for mankind through international cooperation. It is only through international agreements that the rights which the bill proposes to vest in a private corporation can be secured.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. GORE. I should first like to make one more point. Therefore I have suggested that legislation on this subject may be premature. Perhaps even more serious is the fact that the bill would propose that we depend upon the ability of this private corporate monopoly to negotiate many agreements with many nations in order to bring into existence this communications system which all mankind desires.

I respectfully suggest—and I am delighted that the distinguished majority leader is in the Chamber and listening to the debate—that it may be the severest possible handicap to the achievement of advantageous international agreements if we vest, as the agent of the people of the United States, a corporate monopoly with authority to conduct the negotiations.

I foresee that there may be many other countries who will be most reluctant to agree to the allocation and use of wavelengths if exclusive use of those wavelengths on the part of the United States is vested in a private corporate monopoly organized solely for profit. This will be branded as dollar imperialism.

I am sorry that I have asked the Senator to wait so long. I yield to the Senator for a question.

Mr. MORSE. Does the Senator from Tennessee understand that the argument he has just made in regard to the relationship of this monopolistic controlled satellite to American foreign policy and the problems created thereby with regard to negotiating agreements with foreign governments is exactly the same position the senior Senator from Oregon has taken when he has urged upon the leadership of the Senate that we get this matter before the Foreign Relations Committee for such hearings for such length of time as it may take in order to really cover the subject matter.

Mr. GORE. I am aware of the position taken by the distinguished Senator from Oregon. It is my hope that either today, or if not today, then tomorrow, some accommodation or some understanding will be reached in the Senate which will permit the Committee on Foreign Relations to give consideration to the foreign policy aspects of the satellite communications system and the bill.

I think the Senate has been perhaps tardy in coming to a realization that this is the most important aspect of the bill. Indeed, I think the executive branch may have been a little tardy in coming to that realization. But we are informed that a study is now underway under the direction of the White House—I take it under the direction of the President—involving several agencies of the Government, with respect to the foreign policy implications of satellite communications. It seems to me that the Senate and the executive branch would be well advised to give this subject the most careful consideration before the passage of the bill rather than afterward.

The PRESIDING OFFICER. Will the Senator from Tennessee yield for a moment, to enable the Senate to receive a message from the President of the United States?

Mr. GORE. Without losing my right to the floor, and without this being counted as a second speech, I yield for that purpose.

The PRESIDING OFFICER. With that understanding, the Senate will receive a message from the President of the United States.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On July 25, 1962:

S. 46. An act to provide for the establishment and administration of basic public recreation facilities at the Elephant Butte and Caballo Reservoir areas, New Mexico, and for other purposes; and

S. 2970. An act to amend the Small Business Act.

On July 27, 1962:

S. 2147. An act for the relief of Felipe O. Pagdilao.

On July 30, 1962:

S. 1824. An act to create an additional judicial district for the State of Florida, to be known as the middle district, and for other purposes.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the motion of Mr. MANSFIELD that the Senate proceed to consider the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. MORSE. Mr. President, will the Senator from Tennessee yield for another question?

Mr. GORE. I yield for a question.

Mr. MORSE. Will the Senator give me his best judgment and answer to this hypothetical: Suppose the bill is passed. Suppose A.T. & T. is given a vested interest in satellite communications or in satellites, as the bill provides. Suppose Russia jams those satellites. Suppose the United States then protests to the United Nations the conduct of Russia. Does the Senator feel that the United States would be in as strong a position before the United Nations, protesting the jamming of a satellite owned to the extent that ownership is granted under the bill by a private monopoly in the United States, in contrast with the position we would be in before the United Nations if Russia were jamming, in fact, an American-flag satellite in orbit?

Mr. GORE. I think the answer to that question must be that the foreign relations of the United States must be conducted by the Government of the United States.

I think the answer to the second part of the question must be that if this new, vastly important medium is to be utilized for the true benefit of all the people of the United States, then it must be utilized for the benefit of the people of the world. It must be utilized to project accurately the image of our way of life, because I think when the image is portrayed accurately, we really see democracy in action.

I think such a medium must be utilized not only to communicate our image, but also to bring to our people the way of life and, I hope, evidence of the friendship of the people of other continents. Thus, the result would be a growing friendship, a growing neighborliness among mankind. I believe these are the true aspirations of the American people for the utilization of this vast new medium. I think it would be handicapped instead of furthered by vesting all rights which the United States may achieve or may not achieve in such a system in a private corporate monopoly, organized solely for profit.

Mr. MORSE. Will the Senator from Tennessee indulge me with his patience for another question, which will be my last.

Does the Senator agree with me that we do not yet know what all the scientific implications may be from putting satellites in orbit, with the result that there may very well be a possibility that satellites launched by us in orbit conceivably could affect the communications interests of other nations and that, therefore, the question of satellite control, so far as the United States is concerned, should be kept completely under the American flag and not transferred to any degree to a private monopoly in this country?

Mr. GORE. To the first part of the Senator's question, I reply that I do not believe we know everything about the technical implications involved. I am sure we do not know about all of the political implications involved. For those reasons, and also others I think it would hamper instead of help the achievement of a workable satellite communications system to vest in a monopoly whatever rights we may achieve or fail to achieve, plus designating the monopoly as the negotiating agent on behalf of the United States.

Mr. MORSE. I thank the Senator from Tennessee.

Mr. GORE. Whatever may be the broad general objectives of section 201(a)(4) of the proposed bill the general language in this section must yield to the specific authority contained in section 402, which authorizes the corporation to enter into negotiations with other countries merely by giving notice to the Department of State that it proposes so to do, and informing the Department of the outcome.

The public interest is not adequately protected by describing the negotiations referred to in section 402 as "business" negotiations. As I have said earlier in these remarks, there is no way in which the commercial, or "business" aspects of a satellite communications system can be divorced from its foreign policy implications. This is recognized in the language of the section itself because the Department is directed to "advise the corporation of relevant foreign policy considerations" involved in such "business" negotiations.

Under the terms of the pending bill neither the President nor the Department of State has any control over the content of such agreements as may be negotiated by the corporation, such control having been specifically eliminated from the bill. Yet the Government will be bound for good or ill by the terms of such agreements, because the proposed corporation is granted a monopoly on U.S. participation in the commercial satellite communications system.

The bill before the Senate does not specifically reserve to the Government the right to conduct "nonbusiness" negotiations with respect to the establishment and operation of the system. The corporation is directed to advise the Department of State only with respect to "business" negotiations. So, if it is argued that some negotiations will be of a "business" nature and others will not, the provisions of the bill leave unanswered the question of who will conduct the nonbusiness negotiations or the question of how the determination as to which is business and which is nonbusiness will be made, and by whom.

I bring up this point, Mr. President, merely to highlight the fact that we do not now know the international political conditions under which a satellite communications system will be installed. Yet, by the terms of the pending bill, we would vest in a private corporation the exclusive right of U.S. participation in such a system and the controlling voice in the determination of what the ground rules would be.

During the course of the hearings the senior Senator from Texas, referring to the language now contained in section 402, stated:

> There is not a doubt in my mind you are granting a portion of sovereignty to this corporation.

He compared it to the grants of authority to the East India Co. and the Dutch East India Co. in the heyday of colonial exploitation. In my view, we simply cannot afford to conduct the Nation's foreign policy in the space age on any such basis.

Let me reiterate, Mr. President, that the foreign-policy implications of a satellite communications system are of far-reaching importance. Moreover, they have not yet been clearly defined. The dramatic Telstar experiment serves to demonstrate the vast potentials of such a system. But this feat, accomplished through a cooperative effort on the part of the Government and the A.T. & T., also serves to call attention to some of the problems.

The New York Times of July 12, 1962, carried an announcement from the press secretary to the President of the initiation of a White House study of both the opportunities and the problems arising from the Telstar experiment. The Times article states in part, as follows:

> Among the issues expected to be studied are the growing role of television as a factor in the implementation of foreign policy, the delicate task of harmonizing governmental and private interests in the field of global video, the possibility of assisting emerging nations to develop their own domestc video facilities and the encouragement of exchanges with foreign television networks.

I quote further from this news article by Mr. Jack Gould:

> Dealing with television abroad poses new problems because of the organizational character of much of foreign television and the private nature of American television.
>
> In many countries broadcasting is a direct arm of government and, should heads of state become parties to an international exchange program, the State Department is virtually forced to become involved lest feelings be hurt on the diplomatic level.
>
> Here at home the commercial broadcasters are strongly adverse to being put in the position of handmaidens of Government policy.
>
> Yet, if the United States is to be heard overseas with accompanying complaints of trying to dominate global video, there must be ample reciprocity in carrying programs from abroad.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as if I had read it, the entire article by Mr. Jack Gould, as published in the New York Times.

There being no objection, the article was ordered to be printed in the Record, as follows:

FEAT SPURS A STUDY BY WHITE HOUSE OF NEW PROBLEMS

(By Jack Gould)

The White House plans to initiate a study of international communications that will examine the new opportunities and problems arising from the successful launching of the relay satellite, Telstar.

Governmental agencies, including the State Department and the Federal Communications Commission, and representatives of the privately owned television networks will participate in conferences designed to prepare for the new era in global communications.

Pierre Salinger, White House press secretary, said that it was contemplated that the study would be of a broad nature encompassing international communications as a whole and not only Telstar.

FCC AID

Among the issues expected to be studied are the growing role of television as a factor in the implementation of foreign policy, the delicate task of harmonizing governmental and private interests in the field of global video, the possibility of assisting emerging nations to develop their own domestic video facilities and the encouragement of exchanges with foreign television networks.

Mr. Salinger said that a working paper on the future of international broadcasting had been prepared by Tedson J. Meyers, administrative assistant to Newton N. Minow, Chairman of the Commission.

The paper is receiving preliminary study in the State Department and other agencies. Mr. Meyers, who could not be reached for comment, was detached some time ago from his normal duties at the Commission to work on the draft.

From other sources in Government it was learned that the American Broadcasting Co., Columbia Broadcasting System, and National Broadcasting Co. would be brought into the consultations before any agenda was tentatively considered.

The Kennedy administration was represented as believing that participation by the private broadcasters is of the utmost importance since they constituted the backbone of American television.

It was understood that the administration hoped to keep the problems of international television separate from those of domestic video. Ever since Mr. Minow characterized much of television programing as a "wasteland," relations between the industry and Washington have been on the cool side.

SEEN AS DOMINANT MEDIUM

The overriding national consideration with respect to television is that in the years ahead it is expected to become the dominant medium for speaking directly to the peoples of the world. The latest figures available at the United Nations show that 72 nations and territories now have television and that there are over 2,000 stations abroad.

From the standpoint of the United States the present would appear to offer a rare opportunity to establish cordial relations with as many television systems as possible, an undertaking already started by the Soviet Union.

As attention shifts increasingly from radio to television, as it has in all countries where video is established, access to the screens of the world is seen as a matter of first importance for all nations desirous of making themselves heard.

Dealing with television abroad poses new problems because of the organizational character of much of foreign television and the private nature of American television.

In many countries broadcasting is a direct arm of government and, should heads of state become parties to an international exchange program, the State Department is virtually forced to become involved lest feelings be hurt on the diplomatic level.

BROADCASTERS SHUN ROLE

Here at home the commercial broadcasters are strongly adverse to being put in the position of handmaidens of Government policy.

Yet, if the United States is to be heard overseas with accompanying complaints of trying to dominate global video, there must be ample reciprocity in carrying programs from abroad.

Inevitably, the question arises as to the extent that commercial broadcasters can be asked to make the sacrifice of donating evening time at home in order to assure the presentation of the American position abroad.

The advent of Telstar poses a thorny question fraught with complexity. In a sense it is the first television station authorized by the Commission to relay video overseas. Who is to decide what type of programing would be most suitable for distribution abroad? In short, where should satellite program control lie?

Under the law as it pertains to domestic broadcasting, the Commission is not allowed to dictate program content. Accordingly, there have been reports in Washington that there has been thought of a new satellite programing agency, that might omit the Commission but embrace other governmental departments and the private broadcasters.

Far from resolved, however, is the accompanying question of whether such an arrangement would open the door to some form of Government influence over the export of television films and tape recordings, an issue on which there has been disagreement between the broadcasters, on the one hand, and Edward R. Murrow, Director of the U.S. Information Agency, and Mr. Minow, on the other.

Some broadcasting executives are known to believe that as a practical matter Telstar programs will be limited to major news events, with television stations on both sides of the Atlantic deciding what they would carry.

Once the novelty of Telstar wears off, they feel, the element of cost will limit transatlantic television on a live basis.

Another issue for the future is being brought to the attention of the State Department and the Information Agency by visiting foreign broadcasters, particularly from Asia and Africa.

Funds often can be raised for the construction of a television station, they note, but operating costs are proving unexpectedly burdensome, a fact true of television the world around.

Some countries need funds to show on television their own cultures. A strong indigenous schedule of programing is the goal of many smaller nations proud of their own dignity.

They also believe it is the best protection against a television outlet's becoming prey to hostile ideologies or a dumping ground for cheap imported video shows.

Mr. GORE. Mr. President, I emphasize that according to the White House announcement the executive department is only now initiating a study of how best to deal, in the national interest, with some of the problems associated with a global satellite communications system. Should we pass the pending bill at this time, we would in large measure have foreclosed implementation of whatever conclusions might be reached as a result of such a study.

In my view, should the Senate unfortunately approve the pending bill at this time, we would be abdicating a portion of the Senate's responsibility in the area of foreign policy. Moreover, we would, if the pending bill became law, have condoned and provided for a similar abdication by the President of his constitutional responsibility in the conduct of the Nation's foreign affairs.

Mr. DOUGLAS. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. DOUGLAS. Prefatory to my question, let me say that I have read the colloquy between the Senator from Tennessee and the Senator from Rhode Island [Mr. Pastore], the floor manager of the bill, which appears in the Congressional Record, beginning at page 15067. The Senator from Rhode Island made the point that the bill contains other provisions—aside from the ones to which the Senator from Tennessee referred yesterday—which give the President supervisory powers over the negotiations.

Inasmuch as the Senator from Illinois is still "on the fence" as regards this matter, I wonder whether the Senator from Tennessee will summarize his refutation of the contention of the Senator from Rhode Island.

Mr. GORE. The section to which the distinguished senior Senator from Rhode Island [Mr. Pastore] referred was section 201(a)(4), which provides that the President shall "exercise such supervision over the relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of United States."

I should like to point out to the senior Senator from Illinois that that provision may sound fine, at first reading; indeed, it may satisfy some Members after careful reading. But my limited legal training prompts me to look for authority to carry out and implement the direction.

I point out to the Senator from Illinois that this, if accomplished, would be an innovation in American life. If what the distinguished Senator from Rhode Island contends be correct—namely, that the President of the United States is empowered to supervise this corporation—then I say this is something new, this would be the first time such was done.

According to the distinguished senior Senator from Rhode Island, the President of the United States is by means of this bill authorized and directed to supervise the actions of a private corporation in which the Government will not own any interest, a private corporation organized for profit. I take it that it would be presumed that if the President had such authority, he would use it in the national interest. However, it does not follow that that would be in the interest of the profits of the corporation. So immediately there would be a conflict.

Mr. President, I wonder how many heads of corporations and how many members of boards of directors of American corporations would welcome this innovation in American legislation—namely, a grant of authority to the President of the United States to supervise and direct the actions of a private U.S. corporation. I say that would be quite an innovation.

If the Senator will read the bill carefully, he will note that there is no provision in the bill which gives to the President authority to implement this mandate, nor is there any provision in the bill which requires the corporation to follow the President's supervision and direction.

There is a provision in the bill for the settlement of differences between the Government and the corporation with respect to the establishment of satellite communications with a foreign country. The bill provides that such differences shall be submitted to the Federal Communications Commission in an adversary proceeding—which I think would put the Government of the United States in, shall I say, an ignominious position. The Government of the United States, in all of its power and dignity engaging in an adversary proceeding—on a question involving foreign policy in which the Government has reached a decision based on the national interest—before the Federal Communications Commission, where the bill provides full and ample hearing shall be provided for all parties—that is the fantastic proposal presented here to the Senate.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. DOUGLAS. Am I to understand that the Senator from Tennessee is saying that section 402, which merely gives to the Government advisory powers in business negotiations, and which makes the corporation the negotiating agent, also gives to the corporation the power to make final decisions in business negotiations?

Mr. GORE. It gives to the corporation the power to negotiate international agreements, which would, of course, involve the interests of the corporation, and would also involve the opportunity of the United States to secure rights which we hope will come to our country.

Mr. DOUGLAS. And is it the contention of the Senator from Tennessee that business negotiations cannot be separated from Government operations?

Mr. GORE. That is correct. That was acknowledged to be true by the senior Senator from Rhode Island.

Mr. DOUGLAS. How does the Senator view section 403, which he just referred to as the section on sanctions? Is it the Senator's contention that, if a dispute arises between the advice given by the Department of State in international business negotiations and the corporation, while the corporation has immediate final powers, it would then be subject to adversary proceedings before the Federal Communications Commissions?

Mr. GORE. I think section 403 refers to broader disagreements. In case there is broader disagreement, than presumably, under section 403, the President could direct the Attorney General to bring action in the U.S. courts, seeking injunctive relief. It is under another section that disagreements between the Government and the corporation would go to the Federal Communications Commission.

If the Senator will allow me just a few seconds, I will find the latter provision.

Mr. President, I ask unanimous consent that the clerk read subsection (3) of the proposed bill on page 28.

The PRESIDING OFFICER. Is there objection?

Mr. MORTON. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. GORE. I now have a copy of it, so I shall accommodate my friend, the distinguished and able and genial junior Senator from Kentucky, and my neighbor, whose rapt attention to this debate and keen interest in it has prompted him to take this action.

Mr. MORTON. Mr. President, in view of those kind words, I withdraw the objection.

The PRESIDING OFFICER. Is there objection?

Mr. GORE. I now have a copy. I will read it.

The PRESIDING OFFICER. Will the Senator suspend for a moment, with the same understanding as before, while the Senate receives a message from the House?

Mr. GORE. I yield with that understanding.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H.R. 3788. An act to provide for the transfer of the U.S. vessel *Alaska* to the State of California for the use and benefit of the department of fish and game of such State; and

H.R. 7336. An act to promote the production of oysters by propagation of disease-resistant strains, and for other purposes.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on July 30, 1962, he presented to the President of the United States the following enrolled bills:

S. 1074. An act for the relief of Chao Tao Koh;

S. 1889. An act for the relief of Mrs. Geohar Ogassian; and

S. 2339. An act for the relief of George Ross Hutchins.

UNITED STATES AND RUSSIAN MERCHANT MARINE BUILDING PROGRAM

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Senator from Tennessee may yield to me, without losing his rights to the floor, so I may ask unanimous consent to place in the CONGRESSIONAL RECORD a compilation of the building program as between the United States merchant marine and that of the Soviet Union.

Mr. MORSE. Mr. President, reserving the right to object, I would like to have an understanding that the Senator from Tennessee will not lose his right to the floor and that the interruption will not result in his speech being counted as a second speech.

The PRESIDING OFFICER. Is there objection? With that understanding, it is so ordered.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the motion of Mr. MANSFIELD that the Senate proceed to consider the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. GORE. I yield to the Senator from Illinois for a question.

Mr. DOUGLAS. I will ask the Senator if he will read the section on page 28 which he requested the clerk to read. I make this request in the form of a question. Will the Senator from Tennessee be kind enough to read it?

Mr. GORE. To get its full meaning, I must begin really with subsection (c). I must begin reading on page 27, line 7, because subsection (c) outlines the functions of the Federal Communications Commission. So I will begin reading, if I may, on page 27, line 7, subsection (c):

> The Federal Communications Commission, in its administration of the provisions of the Communications Act of 1934, as amended, and as supplemented by this Act, shall—

And then I come to the third subparagraph on page 28, to which the Senator's question referred—

> in any case where the Secretary of State, after obtaining the advice of the administration as to technical feasibility, has advised that commercial communication to a particular foreign point by means of the communications satellite system and satellite terminal stations should be established in the national interest, institute forthwith appropriate proceedings under section 214 (d) of the Communications Act of 1934, as amended, to require the establishment of such communication by the corporation and the appropriate common carrier or carriers.

Mr. DOUGLAS. May I ask the Senator from Tennessee why he does not think that would give ample power to the Federal Communications Commission?

Mr. GORE. Really, it does not give ample power to the Government of the United States. It provides that, in case the Government of the United States should reach a decision in the national interest that a satellite communications system should be established in the national interest with a foreign country, the Government would not be free under the terms of the bill to proceed to implement the decision it had reached in the national interest. The decision which the Government had reached, which it held to be in the national interest, could not be implemented, but the Government would be forced to engage in an adversary proceeding with the corporation in regard to the determination of whether the Federal Communications Commission should order the corporation to establish such communications with such foreign country.

I say that we should submit the Government of the people to an adversary proceeding so long and drawn out as the contentious hearings have a way of becoming before the independent agencies. The Government of the United States should not be hampered in the implementation of a decision on foreign policy which it has reached "in the national interest."

Mr. DOUGLAS. Do I correctly understand the sections to mean that they apply merely to the question of technical feasibility concerning interconnections of our system with either transmitting or receiving systems of other countries?

Mr. GORE. The language does not so provide. Neither does the committee report.

If the Senator will read the language in the bill, he will find the only reference to "technical feasibility" is the provision that the Department of State, after obtaining the advice of the Administration—which in this case I take it to mean the National Aeronautics and Space Administration—as to technical feasibility, has advised that a decision has been reached in the national interest.

If the Government of the United States has reached a decision in the national interest—that a ground installation should be established in some foreign country in order to project television from the United States to that country, or to receive television in the United States from the other country—then before the Government of the United States could implement such a decision it would have to engage in an adversary proceeding before the Federal Communications Commission with a private corporate monopoly.

I say that is inadvisable. That is not affording to the Government of the United States the dominant position it deserves. It is but a compromise of the constitutional responsibility and authority of the President of the United States with respect to the conduct of the foreign policy of this country. Indeed, passage of the bill would, in my opinion, be a partial abrogation of the constitutional responsibility of the Senate itself.

Mr. DOUGLAS. Is the Senator from Illinois correct in his belief that the questions of the quality of service and the types of commercials to be telecast to finance the system would be outside the control of the FCC?

Mr. GORE. I really do not know the answer to that question. Theoretically, the Federal Communications Commission has authority to exercise some supervision over the character of television programs in the United States, but I have not seen very much evidence of the exercise of such authority.

I believe I said yesterday that I turned on one 5-minute newscast on television in Washington, D.C., the other night, and before I could have the privilege of hearing what was left of the 5 minutes for news, I was forced to listen to seven commercials. I am not sure that is evidence that the FCC has exercised supervision over the content of programs in the United States. What the FCC would do with respect to international television I am not sure.

Mr. DOUGLAS. Are there specific powers to be granted by the bill, so that the FCC could exercise any control?

Mr. GORE. I do not recall that there is anything specific in the bill on that point. I would think that there would be some implied powers, through the licensing power, in that regard. I would prefer to yield to the senior Senator from Washington [Mr. MAGNUSON], the chairman of the Commerce Committee, if he desires to answer that question, if I may have unanimous consent to do so.

The PRESIDING OFFICER (Mr. HART in the chair). Is there objection to the request of the Senator from Tennessee? The Chair hears none, and it is so ordered.

Mr. MAGNUSON. The Senator from Tennessee is correct. The authority the FCC does exercise it exercises by virtue of conditions placed upon a licensee when the license is granted. The licensee can be called in. The type of program can be examined. A license can be denied or suspended.

Of course, there are certain obvious restrictions in regard to television programs, as to obscenity and things of that character.

That is the only authority the FCC exercises.

Mr. DOUGLAS. That would be done under the authorization granted by existing law, the original portion of which was passed in the 1930's.

Mr. GORE. The Senator is correct.

Mr. DOUGLAS. This is to be a new act. Would the authority given by the 1934 act carry over in the present situation?

Mr. MAGNUSON. It would apply, because Telstar is merely a conduit. It does not originate programs. All the programs which come from the United States would have to originate like programs do now.

I suspect that those originating someplace else would be under the same FCC authority to say to the licensee that some program should not be shown. If something were wrong, the FCC could exercise authority.

Mr. GORE. I thank the distinguished senior Senator from Washington for that information. I thought I was correct, but I preferred to yield to him.

Mr. President, in addition to constitutional and political considerations involved in the conduct of foreign policy, technical and economic considerations dictate rejection of the proposed bill.

I do not intend to belabor the fact that under the bill the fruits of the expenditure of large sums of the taxpayers' money would be turned over to a private corporation without competition. The fact remains, however, that substantial sums of public funds already have been spent in research and development that has brought the concept of a satellite communications system to its present status. Under the bill, the benefits of these expenditures would be assigned to a privately owned monopoly for the ultimate financial benefit of its stockholders. There is simply no justification for such action.

Mr. President, again this morning I heard a television news commentator refer to the corporation proposed to be established by the bill as half private and half public. One could say the same thing about General Motors, a considerable portion of the stock of which is owned by other corporations. The other portion would be owned entirely by private citizens. By what stretch of the imagination can the proposed corporation be described repeatedly in news media as half private and half public? It would be 100 percent private. The proposed corporation would be chartered under the laws of the District of Columbia for profit. There is nothing public about the proposed corporation.

I cannot understand why the television networks continue to misinform the people in that regard. Surely by now they will have had an opportunity to ascertain the facts. There may have been some broadcasts that I have not heard, but until now I have not heard a single newscast by television or radio which made one iota of reference to the important foreign policy implications of satellite communications involved in the pending bill. Are the wire services carrying such information and such news? I take it they are. Perhaps there have been such news broadcasts by radio and television. I have not heard all such broadcasts.

But those I have heard have made no reference to foreign policy implications.

Of even greater significance, from the standpoint of the national interest, is the course of future developments. Proponents of the bill argue that, in some way, by turning this program over to a private monopoly, we will facilitate the development of the necessary technology for installation of a global satellite communications system. This idea is supported only by the shopworn cliche that "anything Government can do, private enterprise can do better, more quickly, and more economically." Anyone who suggests that this may not necessarily be true under any and all circumstances is likely to be labeled antibusiness, at best, or perhaps socialistic.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. PASTORE. Does not the Senator think it is as misleading to continue to refer to the organization as a private monopoly when, in fact, for the first time in the history of any organization the board of directors would consist of 15 directors, 3 of whom would be appointed by the President of the United States? The nomination of these three members would be confirmed by the Senate. It is somewhat of a misnomer when newspapers and broadcasting commentators refer to the proposal as half private and half public. It would be a private corporation, half of the stock being available to the public and half of it being available to the communication carriers. It is misleading to state that the proposed corporation would be half private and half public and the bill does not so define it. It would be a private corporation with regulatory aspects built into it, and was so intended under the bill.

Mr. GORE. One hundred percent private.

Mr. PASTORE. By the same token, it is just as misleading to stand on the floor of the Senate and continue to characterize the proposed corporation as a private monopoly, when such is not the case at all, for the simple reason that the President of the United States would take part by appointing directors who would direct the conduct of the organization. They would be chosen by the President, and their nominations would be considered and confirmed by the Senate. At the same time the corporation would look to the State Department at any time the corporation might have to negotiate with a foreign government. Moreover, it would be subject to the control and supervision of the Federal Communications Commission and other requirements set forth in the bill.

When the Senator continues to say that the corporation would be a private monopoly, I think that we, observing the other side of the coin, can be just as caustic and as critical as is the Senator from Tennessee—and rightfully so—when he criticizes the commentators who have called the corporation half public and half private. I think it is the same kind of sin.

Mr. GORE. The distinguished senior Senator from Rhode Island and I had considerable discussion last evening on the question of whether the proposed corporation would be a private monopoly. The Senator from Rhode Island finally conceded that it was, after I had quoted to him the testimony of Attorney General Robert Kennedy, who called it a proposed national monopoly.

Mr. PASTORE. No; he did not say that. He said, "In a sense." He said, "In a sense, you may call this a monopolistic setup." No one denies that. But the Senator stands in the Senate and says categorically that the proposed corporation would be a private monopoly.

Mr. GORE. It is.

Mr. PASTORE. I think that is going a little too far.

Mr. GORE. I make that statement categorically.

Mr. PASTORE. I say categorically that the Senator from Tennessee is mistaken.

Mr. GORE. Mr. President, we discussed this subject last evening. The Senator retreated from one position to another, and finally he conceded that the proposed corporation would be a private monopoly.

There is no provision in the bill that the corporation would have a responsibility to the Government of the United States. Three appointees of the President would become members of the board of directors of the proposed private corporation, which would be created for profit and chartered under the laws of the District of Columbia, as are hundreds of other private corporations. The fact that the President would choose a minority of three of the members of the board of directors, who would then be free to follow their own course of action and judgment without any legal responsibility to the Government, does not in any respect change the character of the proposed corporation as a private monopoly. There can be no question about that.

Mr. PASTORE. That is a question of private opinion.

Mr. GORE. It is not a matter of opinion; it is a matter of fact.

Mr. PASTORE. I respect the Senator's interpretation of the statement.

Mr. GORE. There is a difference of opinion and fact.

Mr. PASTORE. What the Senator from Rhode Island really does not like is for the Senator from Tennessee——

Mr. GORE. I know that the Senator does not like it. But it would be a private monopoly.

Mr. PASTORE. Wait a minute.

Mr. GORE. I will wait.

Mr. PASTORE. Does the Senator wish me to complete my thought or not?

Mr. GORE. I yield to the Senator from Rhode Island.

Mr. PASTORE. The Senator maintains that the Senator from Rhode Island has retreated from his position. Retreated from what position?

Those are nice words to be used on the floor of the Senate. If it makes the Senator happy to use them, I suggest that he go ahead and use them. But I am not retreating from any position. I stand the same ground now as I did the day I heard the testimony of Attorney General Robert Kennedy. All I say to the Senator is that yesterday, when the Senator from Tennessee read what the Attorney General said, he read, "In a sense this is a private monopoly." Now the Senator from Tennesse leaves out the words "in a sense" and maintains that the proposed corporation would be a private monopoly. The Senator is actually deleting words from the statement of the Attorney General.

Last night the Senator from Rhode Island agreed that the Attorney General made that statement, but he added the words "in a sense." Today, the next morning, the Senator from Tennessee rises in the Senate and says, "The Senator from Rhode Island retreated." If that makes the Senator happy, I am very glad.

Mr. GORE. I do not like to see the Senator from Rhode Island in retreat. It does not make me happy at all. I wish he would turn and go in the direction which I think is correct.

Mr. PASTORE. The Senator would be surprised. The army which follows me on the bill is much more numerous than the army that will follow the Senator from Tennessee on the bill.

Mr. GORE. That may be temporarily so in the Senate, although I would not exactly describe the following as an army. I suggest that the Senator wait until the Senator from Rhode Island hears from the people of the United States when they understand the issue. I shall take the issue to the people of my State and, I dare say, the majority opinion will be far different.

Mr. PASTORE. Now the Senator from Tennessee has a first mortgage on the people. The Senator from Rhode Island will take his chances on the people.

Mr. GORE. I think the people of Tennessee have a first mortgage on me.

Mr. PASTORE. The idea presented is that you begin now to own the people. It is suggested, "Wait until we get to the people." Will this matter be placed before the people of the country in a referendum?

Mr. GORE. Let me read the language of the Attorney General. Perhaps then we can go on to something else. The Senator finally conceded last night that this is a private monopoly.

Mr. PASTORE. There we go again. There we go again. [Laughter.] Here we go again with self-serving statements.

Mr. GORE. I do not believe they are self-serving.

Mr. PASTORE. Where did I concede what?

Mr. GORE. This is serving the public interest.

Mr. PASTORE. Now the Senator owns that, too.

Mr. GORE. I am trying to serve the public interest.

Mr. PASTORE. So am I.

Mr. GORE. Will the Senator allow me to read the words of the Attorney General?

Mr. PASTORE. The Senator has the floor.

Mr. GORE. This is found at page 564 of the hearings before the Commerce Committee of the House. This is what Attorney General Robert Kennedy said:

> First, for the foreseeable future, there can be only one American participant just as, in all probability, there will be only one commercial communications system using satellites. In that sense, at least, this legislation proposes a national monopoly.

Mr. PASTORE. "In that sense, at least."

Mr. GORE. Does the Senator object to it?

Mr. PASTORE. No; I find nothing wrong with it.

Mr. GORE. I do not find anything wrong with the language, either.

Mr. PASTORE. Neither do I. What did I retreat from?

Mr. GORE. The Senator said this was not a private monopoly. He has either retreated from that position or he stands in contravention of the terms of the bill and the terms of the report and the language of the Attorney General of the United States.

Mr. PASTORE. Let me ask the Senator a question. Does he know whether or not the Attorney General of the United States is supporting the proposed legislation?

Mr. GORE. I take it that he is.

Mr. PASTORE. All right. Does he know whether or not the Secretary of State is supporting the proposed legislation?

Mr. GORE. I have not talked with either Secretary Rusk or Attorney General Kennedy.

Mr. PASTORE. Does the Senator find any correspondence from the Secretary of State which would indicate to him that he might not be supporting the proposed legislation?

Mr. GORE. I do not believe there is anything in the record from the Secretary of State, so far as I know. The

Under Secretary of State for Political Affairs testified at length——

Mr. PASTORE. That he is in favor of it.

Mr. GORE. That he was against the provisions of the proposed bill. He finally——

Mr. PASTORE. I suppose he retreated, too, finally.

Mr. GORE. Yes, he did.

Mr. PASTORE. He finally retreated.

Mr. GORE. Yes.

Mr. PASTORE. Everybody retreats except the Senator from Tennessee.

Mr. GORE. Well, now and then it takes someone who does not retreat. It takes someone who will serve the public interest, particularly when vast influences and forces are pushing for the enactment of the bill. It is time some people did not retreat. It is time that some people stood firmly for the national interest. Under the bill, even though the Government of the United States reaches a decision with respect to satellite communications in a foreign country it is placed in the ignominious position of having to proceed with—what is the word?

Mr. PASTORE. Does the Senator need a word?

Mr. GORE. Of an adversary proceeding before the Federal Communications Commission.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. GORE. Is the Senator satisfied that this is a monopoly?

Mr. PASTORE. In a sense it is, as the Attorney General has said.

Mr. GORE. I yield to the Senator for another question.

Mr. PASTORE. Let me say to the Senator that if the Government ran this system it would be a Government monopoly. The reason why it must be one corporation is that there are so many facets to consider. As I explained last night—and I hope I am not retreating again—the President considered all those facts. He considered the fact that, after all, we could not have everyone shooting satellites into space. There would not be that many frequencies available.

Mr. GORE. Let us not play basketball again.

Mr. PASTORE. We are not playing basketball. We are explaining what this is all about.

Mr. GORE. Last night the Senator referred to it as a little ball.

Mr. PASTORE. The Senator gets very dramatic and eloquent and emotional when he speaks about the public interest.

Mr. GORE. Of course my friend from Rhode Island never evinces any spirit or emotion; he is always very restrained and calm.

Mr. PASTORE. That is right, and he loves it. Does the Senator know whether or not the President supports the bill?

Mr. GORE. I have not talked with the President about it. I must say that I would be awfully surprised to find that he was entirely pleased with it, because the bill bears little resemblance to the bill he requested.

Mr. PASTORE. Some day when the majority leader goes to the White House, as he does once a week, the Senator from Tennessee might ask the majority leader whether or not the President wants this bill. In that way the Senator could get the answer once and for all whether or not this is the President's bill.

Mr. GORE. But the Senator——

Mr. PASTORE. Let me tell the Senator that I assure him right now, without his even speaking to the majority leader, that this is the President's bill. The President at 1600 Pennsylvania Avenue is just as much interested in the people as is the Senator from Tennessee. He is just as much devoted to the public interest as is the Senator from Tennessee. He is just as much interested in not retreating as is the Senator from Tennessee.

Mr. GORE. This is about the 93d time that the Senator from Rhode Island has informed us that this is the President's bill.

Mr. PASTORE. Not the 93d time, but the 193d time.

Mr. GORE. When the Senator from Rhode Island gets pushed into a corner with an argument he cannot answer, or put in a position that he cannot justify, he says this is the President's bill.

Mr. PASTORE. That is right.

Mr. GORE. The bill bears little resemblance to the bill the President requested. Even though it contained the verbatim text of what the President had requested, that does not excuse me from exercising the responsibility I have as a Member of the Senate. I say that this is not a good piece of legislation, in my humble opinion.

I would be surprised if the President were entirely pleased with it, because he sent a bill reserving to the Department of State authority to negotiate international agreements. The committee struck that out and substituted, instead, authorization for a private corporation to negotiate these rights, which we hope to attain and without which there can be no international satellite communication system. I would be very much surprised if the President were entirely pleased with that provision. I know that one never gets legislation entirely to one's liking. I have not achieved that in the Senate. It may be that the President supports the bill, and it may be that he believes it is satisfactory. I have not talked with him. However, even if he said it was perfect——

Mr. PASTORE. The Senator would still be against it.

Mr. GORE. I would still be against it.

Mr. PASTORE. That is all I wanted to hear the Senator say.

Mr. GORE. I am glad. If I had known it, I would have satisfied the Senator earlier.

Mr. PASTORE. I am satisfied now. That is enough.

Mr. GORE. Of course it does not mean to me that just because the President finds the bill satisfactory, I must find it satisfactory. I believe that is a position from which my friend from Rhode Island would not mind retreating a bit.

Mr. PASTORE. Oh, no; I am not saying that the Senator from Tennessee should be in favor of the bill because the President is in favor of it. However, he has been making some implications on the floor that the enactment of the bill would defeat the public interest. He says the bill is not in the interest of the people. He says, "Wait until the people rise up and tell the President of the United States that he is wrong, because he does not believe in the people." That is what the Senator's argument amounts to. I do not want the Senator to be in favor of the bill because the President is in favor of it. The Senator says, in effect, that if anyone is against the bill, then he is against the President. I do not believe the people of this country are against President Kennedy on the bill. When the Senator comes back after election, he will find that the situation is no different from what it is now.

Mr. GORE. I notice that my distinguished friend has departed from his universal custom of being quiet and calm. I notice that my friend also becomes a little spirited. I love him for it. It adds to his charm and his effectiveness and attractiveness as the personal friend that he is.

Mr. PASTORE. I am waiting for the next one. I am waiting for the bullet.

Mr. GORE. Well, the gun is cocked. I assert with conviction that the bill is contrary to the public interest. The Senator from Rhode Island has every right to entertain a different point of view.

Mr. PASTORE. That is right. It logically follows that if the bill is against the public interest and the President is in favor of the bill, then the President is against the public interest. Is that right?

Mr. GORE. To me, it follows that the enactment of the bill would be contrary to the public interest. In my opinion, to the extent that anyone takes an action to bring it into law, that person will take an action contrary to the public interest. That is axiomatic. That does not mean that my point of view necessarily is correct against all comers. Other persons can have different points of view. The Senator from Rhode Island thinks the bill is in the public interest. I concede to him his right to his view. I have tried to point to a number of reasons why I believe his judgment is in error. I think that if he will read the RECORD of last evening's debate, he will find that there is some evidence that the point of view suggested has some merit.

But let us examine the present state of the art of satellite communications. We know with reasonable certainty, I believe, that a satellite communications system is technically feasible. Undoubtedly, the commercial application of such a facility will be of great importance and value. But that does not mean that the time has come for the Government of the United States to relinquish its leadership and its role of providing the impetus and the financial support for the tremendous task that remains to be accomplished before such a system can become an operating reality. We are still very much in the developmental stage. There is still ample time left to determine the proper organizational vehicle to operate such a system after its feasibility has been demonstrated. If we are to be forced to make such a decision now, before the Government studies of foreign policy implications are completed, before the Committee on Foreign Relations has had an opportunity to consider the bill and the foreign policy implications of its provisions, considerations of foreign policy and the overall national interest require that the control of this effort remain in the hands of the Government of the United States.

Agencies of the Federal Government with support and cooperation from private concerns are proceeding with a development program at a pace fully as rapid as is consistent with the state of technology. Congress is now giving consideration to the substantial sums that have been requested for expenditures in the coming fiscal year. This is one area in the field of space exploration in which all of the evidence indicates that the United States definitely occupies a position of world leadership. It is difficult to understand why we should jeopardize this program and this leadership at this critical time.

Many more millions of dollars will be required before the development work will have been completed. Who is to provide the money? I question whether proponents of the bill seriously contend that private investors at this stage of the game will readily provide ample risk equity funds. According to testimony before committees of the Senate, it does not appear that a line has yet been formed by those who are eager to buy the stock of the proposed corporation. As I said yesterday, it may be many years before a profit can be realized through television communication with Africa or Latin America, unless the Government pays heavy charges for the transmission of its own messages.

There is a remarkable similarity, Mr. President, between the arguments made in behalf of the pending bill and those which were advanced in the Senate in 1954 when a revision of the Atomic Energy Act was under consideration. Atomic energy, like space satellites, was developed with Government funds. Just as is the case with space exploration, considerations of defense and national security sparked the atomic energy research effort. Just as it is true now that commercial applications of communication satellites are in prospect, so was it true in 1954 that commercial applications of atomic energy in the form of electrical energy was most promising. In 1954, however, there was no immediate prospect of profit in the construction of atomic powerplants. The same is true today of a satellite communications system.

In 1954 the argument was vigorously advanced that the way to make economic atomic power quickly available was for the Government to get out of the program and turn it over to private enterprise. Private enterprise was labeled as ready, able, and enthusiastic about picking up the atomic power ball and running with it. It was even proposed that Government subsidy be strictly prohibited by law so as to insure that future developments of atomic power would not be tainted by Government participation.

There were some of us who felt at the time that atomic power had not then reached the stage of development in which the prospects for private profit were sufficient to attract the large sums necessary to defray the necessary research and experimentation costs. We suggested that the boards of directors of corporations would not be prudently discharging their responsibilities to their stockholders if they committed large sums of money without reasonable hope and expectation that these sums would be recovered with a profit. This was not and is not an indictment of business or the private enterprise system. Rather, it was in the interest of a competitive free enterprise system that some of us urged that, for an undertaking so vast and of such importance to the United States and to the free world, only the Government could provide sufficient funds and marshal sufficient resources to insure that the U.S. leadership in atomic power was maintained. We urged that the Government itself construct large-scale demonstration power reactors with the technology thus developed to be made freely available to private industry. But we did not advocate that it be made available to only one private monopoly. We urged that the benefit of Government research and development be made available freely to free enterprise, not to private monopoly.

Mr. President, the Atomic Energy Act of 1954 was debated at length. The original bill was substantially improved prior to passage. Patent rights were reserved to the Government; other basic revisions of the bill were made; basic changes were made by amendments adopted on the floor of the Senate. It was my good fortune to be at least one of the participants in that battle, which lasted for 13 days and nights. Then, as now, I say to the distinguished and able Senator from New Mexico [Mr. CHAVEZ], who stood with me in that fight, we were dealing with a basic problem involving a new achievement and new technology, no less important by any means than the one with which we are dealing today in this debate.

As I said, the atomic energy bill was substantially improved prior to passage. As enacted, however, primary reliance was placed upon private concerns for development of atomic power.

Notwithstanding the passage of the Atomic Energy Act of 1954, however, private industry seemed not to realize that it had been unleashed. Private companies did not rush in with the speed that had been predicted. The contention that Government funds would not be needed for a development program proved to be a complete myth. Various forms of Government subsidies were offered in an effort to induce private concerns to propose construction of reactors. We have had the first round proposals and the second round proposals and the third round proposals. The present administration is now proposing yet a further extension of Government subsidy in the hope that this will get our atomic power program off dead center.

Despite these offers of Government subsidies, the atomic power program lagged and still lags seriously. Timetables for the achievement of economically competitive atomic power are consistently pushed back and pushed back again. Each year it becomes more apparent that a greater Government effort will be required to bring this program to timely fruition. Yet, under the present program, the Government sits back and waits for someone to come forward to be helped with Government funds.

As I said, the concept of the pending bill and the arguments made in support of it are very similar to those made with respect to atomic power 8 years ago. There is perhaps one major difference, at least in theory. In 1954 it was argued that the forces of competition inherent in the free-enterprise system would work wonders in speeding the development of atomic power. But that argument cannot be made today in support of the pending bill, because it is now proposed to turn the satellite communications program over to an exclusive Government-created private corporation monopoly.

Whatever may be said about provisions in the pending bill for diffusion of control of the proposed corporation, there is no question but that it will be dominated by existing communications carriers, and this means it will be dominated by A.T. & T. There are two separate aspects of monopoly which will be created by placing our satellite communications program under this type of control.

First, and most obvious, there will be no competition in the operation of the satellite communications system itself. There will be only one, operated by the corporation created by this bill, at least insofar as commercial use is concerned. This is perhaps advisable since we recognize, in our domestic communications setup, monopolies within geographic areas.

More important, however, is the fact that there will be no competition between the proposed satellite system and conventional systems, because the same private, corporate interests will dominate both. Rapid and successful development of a satellite system might jeopardize existing investments of the same corporate interests in conventional facilities. The junior Senator from Louisiana developed this point at length and with great clarity earlier in the debate. I commend his detailed statement of June 19 to all who are interested in the prompt development of a satellite system and in the preservation of the benefits of competition for our American free-enterprise system.

It is significant that some witnesses representing communication carriers have undertaken to play down the revolutionary technical aspects of a satellite system. It is suggested by them that such a system will be only an extension of the present systems and methods of international communication. This is the same argument that is made by those who insist that no unique foreign policy aspects are associated with development of satellite communications, and that thus it is perfectly all right for international negotiations to be conducted just as though we were talking about tieing on to an undersea telephone cable.

The junior Senator from Tennessee is convinced, however, that a satellite communications system is more than just a cable in the sky or a ball in the sky. And, in my view, we surely do not promote development of a satellite system which will bring a revolutionary advance in the field of global communications by turning it over to those who dominate conventional methods of communication. Moreover, under the proposal of the pending bill, at such time as a satellite system should, in fact, be installed, the public would receive far less benefit from the advance if dominant ownership and control of the new system and the old remain in the same interests.

I predict, Mr. President, that if the pending bill should become law, the atomic energy story will be repeated, with even more adverse consequences. It will be found that the prospect for immediate profit will not be sufficiently realistic to attract the vast sums of money that would be required. Then we will be faced with equally unattractive alternatives. Either the program will lag, or, more likely, after disastrous delay in achieving a truly global system of satellite communications, the decision will be reached that the Government must, after all, continue to supply the money by outright subsidy payments to a private monopoly. We might as well start now to draft the research and development contracts between the Government and the satellite corporation under which the Government will finance the development and installation of a satellite communications system, or else recognize the fact that either we shall not have it or the telephone users of the United States will have to pay for it. I strongly suggest that this be done, if, in fact, it has not already been done, in order that we be prepared to save time, should the pending bill, unfortunately, become law. It is obvious that Government funds in large sums will continue to be required. But, under the pending bill, the stockholders of this proposed monopoly corporation, rather than the general public, will reap the financial returns.

It is simply unrealistic, Mr. President, to suggest that the Government can safely turn over control of this program to a private monopoly at this time. In any event, the Government must continue to supply the facilities to do the launching and to perform many other tasks which only the Government can perform in the years immediately ahead. I do not think it necessary to argue this point, because it is simply an assertion of reality. I mention it only lest some have been misled to believe that the time has been reached when a private concern, without Government assistance and participation, can launch a satellite into space. It would not matter how many satellites were in space. Unless international agreements were reached for the allocation of frequencies and the installation of ground stations, we would only have a satellite, not a satellite communications system.

Mr. President, the national interest requires that we get on with the job of installing a global satellite communications system and that we attach to this task a sense of national urgency. The national interest must remain paramount. The national interest is not always—in fact, it is seldom—identical with the interest of A.T. & T.

Mr. President, this is not to condemn the A.T. & T.; this is not to condemn the private corporation which would be authorized by the bill. It is merely to say that a private corporation organized solely for profit may not have interests as broad in scope and as great in aspiration as the interests of all the American people and the people of the world in the development of a truly global, viable system of satellite communications.

If we are to win this race to open up to the world a new means of transmitting words, ideas, and images, a national effort is required. There is an important role to be played by our giant corporations and the wealth of scientific and technical talent they possess. I would welcome their contributions and their participation. But their proper role is in support of, and subject to the control and the leadership of the Government in this international field, in this new vista of space, rather than the other way around.

Mr. YARBOROUGH. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. YARBOROUGH. I ask the distinguished Senator whether, as a result of his service on the Foreign Relations Committee, the study he has given to our worldwide problems, and the study he has given to the maintenance of democracy in this world, he is convinced that one of the greatest threats to democracy in Latin America, one of the greatest threats to democracy, indeed, in the whole democratic world, is the growth of monopoly and the control of wealth, capital, and the means of production in the hands of only a few people in each of the Latin American countries. Does that problem also not apply to nation after nation around the world; and when it arises, I ask the Senator if it is not the greatest challenge the people face in those countries of losing freedom and that we face of losing an ally in our battle against the threat of communism?

Mr. GORE. The very heart and motivation of the Alliance for Progress program, by which we seek to bring aid for the betterment of conditions of the people, our neighbors in Latin America, is described by the Senator from Texas. The very heart of the motivation for that program is to lessen the gulf between the few who have nearly everything and the many who have very little of anything.

Mr. YARBOROUGH. Will the Senator yield for another question?

Mr. GORE. I yield.

Mr. YARBOROUGH. The distinguished Senator from Tennessee has just made one of the most able and illuminating arguments on this floor that I have heard in my service in the U.S. Senate.

Mr. GORE. I thank the Senator.

Mr. YARBOROUGH. I ask the Senator from Tennessee if, as a result of his service on the Foreign Relations Committee, he thinks that America would be helped in the world by the new image of creating the greatest private monopoly ever created by our Government, by a congressional act, if this private monopoly bill should pass, and if he thinks our image and work and problems in the world would be helped by creating the first private monopoly ever created by an act of Congress, which the bill pending would create.

Mr. GORE. Before the distinguished Senator from Texas entered the Chamber, I expressed the opinion that if we should enact this bill, the U.S. participation in international satellite communications would be branded by many people in the world as an act of dollar imperialism. Such an act might be a great hindrance. I am convinced that it would hinder rather than help in the development of a satellite communications system.

Mr. YARBOROUGH. I again commend the distinguished Senator from Tennessee. His speech had previously been reduced to writing. I hope it may be read by every adult American. I feel confident that if the speech could be read by every adult American there would be no doubt of the verdict of the American people in the debate we are now having on the desirability of creating the first publicly created private monopoly in American history.

Mr. GORE. I thank the Senator very much.

Mr. BURDICK. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield for a question.

Mr. BURDICK. In the Washington Post of yesterday, in an editorial, we find this language:

> A special reason for prompt enactment of a bill authorizing a system of satellites for communication purposes is the necessity of preparing for the extraordinary radio conference to be held by the International Telecommunications Union in the fall of 1963. Representatives of this 113-member organization, which is responsible for maintaining technical cooperation in the use of radio, will attempt to set aside frequencies for satellite systems. It would obviously be a substantial advantage to the United States to have a system of communication satellites in operation at that time.

Would the Senator care to make a comment on that portion of the editorial?

Mr. GORE. I read the editorial, and I must say I was surprised to find that an editorial should appear in a large metropolitan daily newspaper reflecting such lack of information as the sentences which the Senator has just read. There is no opportunity to establish and have in operation a satellite communications system until the conditions necessary have been negotiated, and this will involve multilateral, multination agreements.

One of the first major steps toward the achievement of those agreements will be the international conference to which the editorial refers. But the editorial assumes, it seems to me, that if we pass the bill, we would then have a satellite communications system in operation. This does not comport with the facts. A viable operating system can come into operation only after a series of complicated, delicate, and intricate international negotiations are entered into and successfully concluded, involving not only the allocation of frequencies and wavelengths, but also agreements as to ground stations, relay stations, and technical installations, many of which I am unable to describe, but about which I have read.

Mr. BURDICK. In other words, in the Senator's opinion, the passage of the bill is not a prerequisite to any international conference of this type?

Mr. GORE. Not only do I say that passage of the bill is not a prerequisite to a successful conference; I am convinced that the passage of the bill, which would vest in a private monopoly whatever rights America might ultimately have in a global satellite communications system, and would vest in it the right to negotiate, on behalf of the United States of America, for the achievement of these rights or the failure to achieve these rights, would hamper, instead of help, the chances of success at any international conference.

Mr. BURDICK. Does the Senator know who may be negotiating on behalf of other governments?

Mr. GORE. I think the governments of those countries. My guess is that they will not be satisfied to negotiate with a private corporate monopoly.

Mr. BURDICK. I thank the Senator. I join in the remarks made by the Senator from Texas. I find the remarks of the Senator from Tennessee to be very illuminating.

Mr. GORE. I thank my distinguished friend from North Dakota.

REVENUE ACT OF 1962—AMENDMENT

Mr. KUCHEL. Mr. President, I wonder if the Senator will yield so that I may make a unanimous-consent request that, out of order, I may submit an amendment, with the usual guarantee that the Senator shall not lose his right to the floor?

Mr. GORE. The majority leader is not present. I have completed my speech. I will suggest the absence of a quorum, which will bring the majority leader to the floor.

Mr. KUCHEL. All I want to do is submit, out of order, an amendment to be printed.

Mr. GORE. Mr. President, I yield the floor.

I suggest that the Senator submit his amendment before I make a point of no quorum.

Mr. KUCHEL. Mr. President, I ask unanimous consent, out of order, to submit for printing an amendment to H.R. 10650.

Mr. President, after the Second World War an embarrassed Nation sought, at least partially, to right the grievous wrong done to tens of thousand of our fellow citizens of Japanese extraction. With valor and bravery, 23,000 Japanese-Americans fought, and many died, in the Pacific and in Europe, for our country and for freedom. But their families had been suddenly uprooted from their homes, their farms, and their business interests and summarily moved to the equivalent of concentration camps. The record shows that, overwhelmingly, the 110,000 evacuees were loyal Americans.

The least this country could do, in simple justice, was to afford some partial, token compensation for the property losses these people had sustained. On evacuation, they were compelled to sell their belongings, abandon their property, and leave. Vandalism, theft, and cheating completed their economic loss.

To its credit, at the end of the war, Congress created an Evacuation Claims Commission to provide procedures by which partial restitution might be made.

And now, insult is to be added to injury. The Internal Revenue Service announces it will impose an income tax upon some of the payments our Government made to them.

I deny that Congress ever intended such a travesty. The awards represent but a fraction of the loss. Morally, the problem is the other way around. These people ought to be permitted to take a loss on their tax returns. Actually, however, the act of Congress simply sought to do simple justice, and to close the book on a not very pretty chapter in our history.

I am introducing appropriate legislation to state specifically that these awards are not to be subject to taxation. Meanwhile, I shall urge the Commissioner of Internal Revenue to make such a finding administratively, for that is, and was, the intent of the Congress.

Mr. President, I ask unanimous consent to have the amendment I intend to offer, on behalf of myself and the Senator from Utah [Mr. Bennett], the Senators from Washington [Mr. Magnuson and Mr. Jackson], the Senators from Oregon [Mrs. Neuberger and Mr. Morse], printed in full in the Record, along with certain newspaper articles from the San Francisco News-Call Bulletin for Monday, July 23, 1962.

The PRESIDING OFFICER. The amendment will be received, printed, and referred to the Committee on Finance; and, without objection, the amendment and articles will be printed in the Record.

There being no objection, the amendment and articles were ordered to be printed in the Record, as follows:

At the proper place in the bill insert the following new section:

"Sec. . Exclusion From Gross Income of Certain Awards Made Pursuant to Evacuation Claims of American-Japanese Individuals.

"(a) Exclusion From Gross Income.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by renumbering section 121 as 122, and by inserting after section 120 the following new section:

"'Sec. 121. Certain Awards Made Pursuant to Evaluation Claims of American-Japanese Individuals.

"'Gross income does not include amounts received as an award pursuant to a claim filed under the provision of the Act entitled "An Act to authorize the Attorney General to adjudicate certain claims resulting from evacuation of certain persons of Japanese ancestry under military orders", as amended, approved July 2, 1948 (62 Stat. 1231).'

"(b) Technical Amendments.—The table of sections for such part is amended by striking out

"'Sec. 121. Cross references to other Acts."
and inserting in lieu thereof

"'Sec. 121. Certain awards made pursuant to evacuation claims of American-Japanese individuals.

"'Sec. 122. Cross references to other Acts.'

"(c) Effective Date.—The amendment made by subsection (a) shall be effective with respect to amounts described in section 121 of the Internal Revenue Code of 1954 (as amended by this section) whether received before, on, or after the date of enactment of this Act."

United States Taxes Japanese Here on Wartime Loss Refunds

(By Donald Canter)

Uncle Sam has told Japanese-Americans here they must return part of the award money they got as partial compensation for having lost homes and businesses during their forced wartime evacuation from the west coast.

The "refund drive" is being conducted by Internal Revenue agents, who inform the Niesi, that for tax purposes, they're regarded in the same light as people who had to yield for construction of a freeway and were paid off.

Subsequently, IRS has started to put the tax bite on the Japanese claim dollars, despite the fact the Government never paid the Nisei more than one-third of their claimed losses.

After the 44,000 Nisei claimants had agreed to reduce their original claims of $400 million to one-third of this total, the Government eventually settled all these cases for a grand total of $38 million.

To date, the IRS campaign has concentrated on the East Bay, but indications are it will soon spread to San Francisco and other parts of the State and country.

Since most claims were settled in 1957 and the statute of limitations is running out on the Government, IRS agents are asking Nisei to sign waivers to the statute.

Calling the IRS action "incredible," officials of the Japanese-American Citizens League here are weighing an immediate appeal to Congress.

Said JACL Executive Secretary Massao W. Satow:

"When Congress passed the Japanese Evacuation Claims Act, we assumed it was intended as a gesture of goodwill in recognition of the gross injustice done to us.

"Though we knew the money our people would get back was only a minute fraction of their losses, we were willing to accept this gesture in the spirit in which it was made.

"I refuse to believe it was ever the intent of Congress to tax these awards."

Many Nisei insist that had they even as much as suspected the awards were taxable, they would never have settled for such low amounts.

The IRS looks at it differently. In a letter to the JACL, the IRS spelled out its position:

"In the absence of a specific stipulation in the statute that the awards are gifts or nontaxable, it is concluded that awards made under the act are not excludable from income for tax purposes."

The IRS conceded that in "a number of cases" the award may not have equalled the actual loss, but stressed that for tax purposes a profit was determined by the difference between the award and the actual purchase price, rather than by the fair market value at the time of evacuation in 1942.

This is the crux of the matter.

Explained Frank Chuman of Los Angeles, national president of the Japanese-American Citizens League:

"Many Japanese owned properties long before they were forced to sell out for peanuts in 1942, but the IRS apparently is not interested in the real value at the time of evacuation."

He stressed that no Nisei was ever told for what specific losses he received compensation.

Chuman said many Japanese have only signed waivers to the statute of limitations because they were threatened with liens against their bank accounts.

Chuman said the only hope now is that Congress "will right this wrong," and tell the IRS that the claims act was intended as "a sovereign act of grace not subject to taxes."

An East Bay internal revenue agent explained simply:

"We're handling these (Japanese) evacuation cases the same way we're treating condemnation of properties for freeways and schools. That's involuntary conversion and taxable if any profit was realized."

In San Francisco, an IRS spokesman conceded that basically the taxation of the Japanese claim awards "doesn't seem quite fair."

But he added: "They should have made sure that Congress put a tax-exempt clause in the original act."

At the Post Street JACL headquarters, Satow said he'd rather not comment when asked whether he felt that the Government had broken faith with its Nisei citizens.

His only comment:

"Let's just call it a dirty trick."

ASK $100,000, GET $25,000

In 1929, Goro Kinoshita and his wife Suna bought a three-bedroom home on nine acres of San Lorenzo land for $22,000.

When Goro died 10 years later, the home was flanked by eight giant greenhouses of the thriving Kino nursery.

But though the hard-working Japanese had made himself a fortune, he never legally owned anything at all. Born in Japan and unable to secure citizenship, he could not own any property in California, under the terms of the Alien Land Act.

Instead, Goro "borrowed" the name of a citizen, who actually held title to the nursery.

Suna carried on the business after her husband's death, hoping eventually to turn it over to her American-born infant son.

Then came the war and as mother and son were evacuated, the Kino nursery had to be "temporarily" operated by non-Japanese.

In relocation camp, recalls Suna, she was notified that the people who had loaned their name to her husband were getting nervous. Faced with the prospect the mortgage might be foreclosed, she agreed reluctantly to sell the nursery.

After the war, Suna used the money for a downpayment on a Castro Valley home. When the Government asked her to determine her actual loss, she put in a claim for $100,000. In 1958, Uncle Sam paid her $25,000.

Now a greenhouse worker in what was once her own nursery, Suna was one of the first Japanese told by the IRS that she owed taxes on her award money.

Recently, without consulting her attorney, she wrote out a check for $2,500, of which some $400 were for late charges.

"Of course, it's an injustice," said the graying, graceful woman, adding, "But what can you do against the Government?"

TWO MORE TAX AWARD CASES

Like Mrs. Kinoshita, whose story is told above, the two cases detailed here are those of Japanese-Americans who have been ordered to pay taxes on awards they received from United States for losses they sustained during World War II evacuation:

A SETTLEMENT FOR $18,500 WITH A $5,000 IRS DEMAND

Taro Fukushima never sold his Richmond nursery, which his father founded in the early 1900's.

Before being carted off to the temporary relocation center at Tanforan a few months after Pearl Harbor, Fukushima made arrangements with another firm to operate the business during his absence.

"Since most of our inventory was depleted in 1945, we filed a damage claim with the Government," Fukushima said. The claim also included losses on account of poor maintenance and 3 years loss of business.

The final settlement amounted to $18,500, which according to Fukushima, is "only a fraction" of our real losses.

Several months ago, an IRS agent demanded an audit of his books and announced Fukushima owed the Government some $5,000 in taxes on the award money.

His accountant told him he could either pay the amount under protest or take his case to court.

Instead Fukushima contacted his Congressman and somehow the IRS agent never showed up again.

Said Fukushima: "I expect him back any day, though, but I'd rather go to jail than pay these taxes on this arbitrary basis."

A CLAIM OF $60,000 RESULTS IN LESS THAN A THIRD PAYMENT

When Tosh Nabeta was allowed to return to the west coast in 1945, there wasn't much left of his prosperous nursery in El Cerrito, founded by his grandfather.

The greenhouses were a shambles, virtually every pane of glass broken, most of the inventory and the goodwill gone.

Later, the State mercifully covered up the destruction by running a freeway through the property.

Now, there's a new Nabeta nursery in Richmond, partly financed with money the Government doled out for wartime damage.

Nabeta had put in a claim for $60,000 of which he was awarded less than a third.

Now the Internal Revenue Service says Nabeta owes them several thousand dollars in back taxes plus interest and penalties for not having reported this "income" in time.

Nabeta hasn't paid up, as yet. He stalled them by signing a waiver to the statute of limitations.

But he says that unless Congress tells the IRS to call off the whole thing, "I guess there's nothing else to do than pay."

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the motion of Mr. MANSFIELD that the Senate proceed to consider the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. GORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 141 Leg.]

Aiken
Allott
Anderson
Bartlett
Beall
Boggs
Bottum
Burdick
Bush
Byrd, Va.
Byrd, W. Va.
Cannon
Capehart
Carlson
Case
Chavez
Church
Clark
Cooper
Cotton
Curtis
Dirksen
Dodd
Douglas
Eastland
Ellender
Engle
Ervin
Goldwater
Gore
Gruening
Hart
Hartke
Hayden
Hickenlooper
Hill
Holland
Hruska
Humphrey
Jackson
Javits
Johnston
Jordan
Keating
Kefauver
Kerr
Kuchel
Lausche
Long, Hawaii
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
McGee
McNamara
Metcalf
Miller
Morse
Morton
Moss
Mundt
Muskie
Pastore
Pell
Proxmire
Randolph
Robertson
Russell
Saltonstall
Scott
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

The PRESIDING OFFICER. A quorum is present.

Mr. KEFAUVER. Mr. President, to begin with, let me say that it is not an easy task for those of us who are opposed to the bill to disagree with our fellow Democrats and with other Members of the Senate. It is not pleasant to take a position which is not fully in line with the position of the administration, of which we are very proud. I know that Senators are cognizant of the fact that most of us who oppose the bill have been very loyal in support of the President and his legislative program. It is of no immediate political advantage to any of us who are opposing the bill to do so. We are all cognizant of the fact many of the large corporations interested in the passage of the bill, particularly A.T. & T., have many employees in our State, many very fine citizens, who call upon us to discuss legislative matters. Many of them are very potent politically; and we are aware of the fact that what we are doing will lose us the support of many of those people in the days and years to come.

We had sincerely hoped, and we sincerely hope now, that eventually some method which will not constitute a giveaway and a delegation of sovereignty and will not be harmful to the people and to the future of this country may be evolved. No one would rather see that than those of us who have the unpleasant task of presenting our viewpoint on the bill.

But, Mr. President, when one conscientiously feels that a proposal is not in the public interest, that it would be absolutely harmful to the United States and to its future, when one feels that there are other ways of handling a problem which would give the United States a better opportunity to do something with this great new, modern development in the interest of peace and of commercial enterprise and to know one another better in the world and send our message to the people in the developing nations of the world, one has no alternative but to oppose the bill as best one can and hope that in the days and months ahead some other and more acceptable system may be worked out.

I read in some newspapers and I hear on television frequently that those of us opposing the bill are obstructing other very important legislation which ought to be brought before the Senate for consideration. We know that the farm bill, which is supposed to be reported in a few days, is of importance and is awaiting action. Perhaps the tax bill will soon be coming to the Senate. We know, of course, that the trade bill, giving the President very necessary rights to deal in connection with tariffs, so that we may negotiate with the Common Market of Europe, is of very vital importance. We know that there are appropriation bills. We know that there are conference reports. We know that there are many nominations which ought to be acted upon.

I call attention to the fact and I think the public ought to know, that it is not we who have forced this bill up in the Senate. It is not we who have given it precedence over these most important parts of the President's program. On the other hand, we have urged that the decision on the bill be delayed until these truly important matters, which are not so controversial, and about which the people do not have such deep convictions as to harm, be brought up and disposed of.

A few days before June 30, when the bill was brought up at that time, we who oppose the bill cooperated with the leadership in not resisting a motion to set aside the bill in order to take up emergency legislation to prevent laws from expiring on June 30. We were in a position at that time to have talked on for a few days longer and perhaps to have forced some arrangement which would have been beneficial to us. The bill to raise the ceiling on the national debt had to be passed. Tax laws which would have expired on June 30 had to be renewed.

So when it is said that we have not cooperated in the passage of emergency measures, I want it to be known that just the opposite is true. We cooperated before June 30. We stand willing to cooperate now.

It is sought by a motion to make the bill the pending business. At any time, by unanimous consent, or however it must be done, there is a desire to withdraw that motion in order to have the Senate move on to very important business, there will certainly be no resistance from any of us who oppose the bill.

Furthermore, we have had the finger pointed at us because committees have not been permitted to meet after 10 o'clock in the morning while the Senate is in session. On every occasion, we have suggested that the Senate convene at 12 o'clock rather than at 10 o'clock, so as to afford the committees an opportunity to sit in the morning and to swear witnesses. It is not our desire that the Senate shall meet at 10 o'clock, a time which does not give committees much opportunity to meet in the morning, although I understand some committees are meeting at 9 o'clock and are transacting a considerable amount of business.

Much has been heard to the effect that 30 Senators have expressed themselves in favor of the bill; that only 2 or 3 Senators on the committees have been opposed to the bill; and that only 2 members of the Committee on Commerce wrote minority views. I think it is fair to say that on the floor of the Senate today the present thinking is that a substantial majority of the Senate favors a measure something like the one which is before the Senate.

All of us know of many occasions in history when a little further thinking has changed the minds of many persons. I was a Member of the House of Representatives, as I think the distinguished majority leader also was, at a time when a bill to enlist workers on the railroads into the Army passed with only four or five dissenting votes. The bill came to the Senate, where it could not even receive consideration because everyone had changed his mind about the bill.

There was an occasion in the Senate when every Member, except one, voted one way on a proposal presented by the Senator from Minnesota. Yet in the next day or two an amendment substantially reversing the action of the Senate was adopted overwhelmingly, by almost unanimous support.

At one time there was overwhelming support for giving away the Nation's rights with respect to atomic energy, a vast treasury belonging to the Government of the United States. The question was debated at substantial length, and there was a reversal of judgment on the part of the Members of the Senate.

We are aware that during the last few months there has been a great public relations campaign in support of the immediate passage of the bill. All the stops of public relations have been pulled. Persuasive lobbying has occurred in many places. The real reason why so much pressure is being applied for the passage of the bill now on the part of some persons and some interests involved is that they feel—in fact, I think many of them know—that when the American people have had time to think over this proposal, they will take a different look at it; they will not be pleased, as they never have been in the history of the Nation with great, mammoth giveaways of the public domain, which is the treasure of the United States. That is particularly the situation in this instance.

There is every reason in the world why the consideration of the bill should be delayed. There is no urgency about the establishment of a corporation. There are so many things that are unknown about the future, in connection with space satellites, that the American people are entitled to think over the question and have it discussed this fall in the election campaigns. The people should have the opportunity to study the record and reason the problem out for themselves. They should have the opportunity to debate the question, so that there can be a crystallization of an informed public opinion.

The only possible excuse for the passage of the bill at this time is that A.T. & T. and other interests which want to have this very valuable asset of the United States for nothing—and I emphasize "nothing"—want to freeze the monopoly now. They want to have the U.S. Government committed and the President committed, by law, to making their monopoly the only one in this field. They want to have the U.S. Government committed, by law, to paying the same rate that all commercial users would pay. Indeed, that would be the case, even though, as Mr. Murrow said, it seems that the USIA should receive a small reduction to compensate in some degree for the investment which the American taxpayers have made in the communications space satellite.

Witness after witness has testified that the proposed corporation would have nothing to do except to sit on its hands for a year or two. Here is a statement by Mr. Barr, of Western Union, in the hearings of the Subcommittee on Antitrust and Monopoly, page 454:

> Senator KEFAUVER. Suppose you had a corporation that owned 200 million right now. What would it do with the money?
>
> Mr. BARR. Well, for an appreciable period of time, it would sit on its hands.

At page 123 of the hearings before the Committee on Aeronautical and Space Sciences, the distinguished Senator from Nevada [Mr. CANNON] asked Dr. Elmer W. Engstrom, president of the Radio Corp. of America:

> Do you believe that if we do not set up this corporation in the immediate future, that would put us behind in the schedule to be first in this area of space communication?
>
> Dr. ENGSTROM. Not necessarily so. I think that if the programs which are scheduled by NASA and by others are prosecuted to the best ability of everyone concerned, we need not necessarily lose because of this.

Dr. Welsh, of the Space and Aeronautics Advisory Committee, Mr. Webb, and all the others testified that insofar as research and development are concerned, we are going ahead as fast as we possibly can, and that regardless of whether the bill is passed now, there would be no delay in connection with the things the Government is doing.

Another reason for having such delay and another reason why it is not necessary at this time to create such a monopolistic private corporation, thus contravening the antitrust laws for the special benefit of A.T. & T. and others, is that at this time the securities of such a corporation could not even be issued, for it would be impossible to meet the requirements of the Securities and Exchange Commission, inasmuch as it is not now known what kind of system—whether a high-orbit system, a low-orbit system, or what other kind of system—would be evolved; and until that is known, it would not be possible to determine the kind of ground stations, and thus it would be impossible to comply with the requirements of the Securities and Exchange Commission in connection with the issuance of stock.

Furthermore, would it be wise to proceed in the way proposed, in connection with a system which ultimately would not be found to be a good one? Certainly, Mr. President, if we are to have the lead in this field, we shall have to use a high-altitude system such as the one the Hughes Co. has almost finished developing and at the present time is in the process of putting into orbit. Would it be wise for us to commit ourselves to the use of a low-altitude, inadequate system, and thus let the Soviet Union or some other country get the jump on us in using the other one?

The record shows clearly that by means of this bill the Government would absolutely tie its hands insofar as determining the kind of system which would be used. That decision would be made, instead, by the private corporation. Could we expect the A.T. & T.—committed, as it is, psychologically to ground stations tied to a low-orbit system—to change to a system which would make its equipment obsolete? Of course not.

As a matter of fact, the construction put upon this matter by the witnesses for the A.T. & T. will be found beginning at page 203 of the hearings before the Senate committee. A witness for the A.T. & T. submitted answers to questions submitted by the Senator from Texas [Mr. YARBOROUGH]. Mr. Dingman got the A.T. & T. to answer them; and this is their answer:

> Taken alone, however, this language would not seem to empower the FCC to compel the abandonment of an operational system approved by it and the substitution therefor of another system.

So, Mr. President, if this bill were to be passed and enacted now, our Government would be tying its hands for all time to come, and would be leaving us subject to the decision and the domination of a private corporation which already has substantial investments in a system which, 2 years from now, might just be junk.

Mr. President, another important point which should be considered in connection with this matter —it was referred to this morning by the Senator from Oregon—is that all operations by international bodies in connection with space communications satellites and objects in orbit in the sky are subject to a requirement to the effect that they must be owned and controlled by the sovereign. No private monopoly has rights around the globe in connection with such operations; only a sovereign has such rights. We know that any space communications satellite would eventually be subject to being interfered with and made useless by some power which might desire to destroy it. However, if something belonging to the Government of the United States were involved, it could not be destroyed without insulting the sovereignty of the United States. On the other hand, if something belonging to a private corporation were jammed or destroyed, there is no body of international law or space communications law which would prevent that from being done or which would give our Government a right to do anything about it, except perhaps to complain—as our Government did when, some time ago, Brazil expropriated some property of the International Telephone & Telegraph Co.

So, Mr. President, at least the satellite itself and the assignment of frequencies and the leasing of the channels will have to be controlled by the Government of the United States, if we are to get along in space at all and if we are to have any system there.

It is said that the Government could not do this, because a great deal of manpower would be required. However, regardless of whether a Government corporation were in control or whether a small Government commission were in control or whether a space communications commission were in control or whether such control were had by a corporation dominated by the Government, but with private-interest ownership of some of the stock or some of the bonds, the satellite itself would have to be under the control of the United States. In the first place, the satellite could not be put into orbit unless the United States put it there. In the second place, a private corporation would have no rights in international law.

In that connection, let us remember that there is a United Nations resolution to the effect that satellites and objects in space must be the property of a sovereign. In that connection, we do not find any United Nations expression authorizing the use of outer space by a private corporation. At least until that matter is settled, we had better stop, look, and "go easy."

I would envision that through a Government commission a loan could be made and a contract could be let for the ground stations, and they could be made available to all carriers who might wish to use them. In that way we would also get back something for the big investment we have made.

Another reason for the demand that this bill be passed at once is that it amounts to a complete giveaway of a very important asset of the Government of the United States; namely, the research work the Government has done in space communications. That work has been paid for by the American people, and their investment in it amounts to $500 million. It is true that the A.T. & T. has planned eventually to invest $50 million in experimentation; and I am glad that is the case, for the A.T. & T. people are fine people, and the A.T. & T. has a great laboratory. Of course, the A.T. & T. will get back $24 million, because its taxes will be reduced by $24 million. And the Federal Communications Commission people inform me that every other cent of that $50 million will be charged to the domestic telephone users of the A.T. & T. lines, and that the stockholders of the corporations will not be out one penny.

However, Mr. President, it is said—and this is the only answer I have heard to the charge of a giveaway—that the corporation will pay a 52-percent tax. That is true. That was stated by Mr. Katzenbach, in the office of the majority leader. He said he did not think it would be a giveaway. The Senator from Oregon asked, "Is something going to be paid back to the Government or to the taxpayers, as such?"

His answer was, "No; not a dime."

But it was suggested—as has been pointed out here—that of course they would have to pay a 52-percent income tax, and their tax would be in that high bracket. That is quite true; but let us consider that point for a moment. If we were to give the Panama Canal to a private corporation—and, of course, the operation of the Panama Canal by a private corporation would not involve as many international relations or as much international law as would a communications satellite system—on the condition that the corporation would install new motors or would do some research work, or something of the sort, of course such an operation in the hands of a private corporation would immediately be tremendously successful.

It would undoubtedly be in the 52-percent tax bracket immediately, and the Government would get 52 percent taxes back. But does that make it right? Is that in keeping with our philosophy?

We have great national forests. There have been efforts to give away some of the timber rights and mineral rights in those national forests. We can give any corporation that may be created a monopoly, providing in a bill the right of only that company to cut trees in national forests or exploit mineral rights. No doubt that private corporation would be very successful, and would very soon be in the 52-percent tax bracket, and would return some taxes to the United States. But does that make it right?

We remember the giveaway of oil in the Teapot Dome scandal, the scandal that the price was inadequate, in the early 1920's. Undoubtedly, recipients got a good business enterprise, on which they paid very high taxes. But does that make it right? Does it make any less of a violation of national policy?

No, Mr. President; by whatever means we digress, whatever we want to call it, whatever test we apply to it, the people of the United States have spent the money that has made this development possible. It is a great asset. It will be tremendously valuable. If nobody used it except the Government, it would operate in the black, because even if Ed Murrow were the only user, the bill would be over $900 million. That is what he would have to pay the monopoly.

There is no question that it would be successful. It has been developed by the Government, and, Mr. President, there will not be one penny in payment for it, not even a reduction in taxes, not even an allowance that Ed Murrow may use it to get to the underdeveloped countries of the world the message of democracy in the United States. The rates are frozen against him, and he says he cannot use that facility.

If we are to get to the underdeveloped nations, A.T. & T. is not going to go there. They are not going to go anywhere where it is not profitable. They cannot be blamed for that, if they can get away with it. They are not going to go anywhere in Africa or Asia where it is not profitable to establish ground stations. One of the other communications companies, I.T. & T., testified that they would have to have a subsidy from the Government if the corporation were to go into those nations if that facility was to be used.

What are we doing here? Can we not at least ask for 25 percent of the net return, of the net profits, for the Government of the United States? Can we not at least say Mr. Murrow and the Government are going to have a reduced rate? Can we not in some way protect the interest of the Government and the taxpayer? Are we going to throw away the greatest possibility we have for better relations in foreign lands that has come in a hundred years? Are we going to give away a tremendous national asset at a time when we have to raise our debt limit every year, without even asking for a 25-percent return or discount, without even exploring how we can get something back?

There may be a majority for this bill now, but pretty soon there is going to be a change. History has condemned those who have pushed giveaways in this country, and they will do so again. Believe me, the change is already coming.

Mr. BURDICK. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield for a question.

Mr. BURDICK. I have been listening with a great deal of interest to what the distinguished Senator from Tennessee has been saying this afternoon, and I am particularly intrigued with his references to the satellite system as being part of the public domain. That is a view I have held for some time.

Mr. KEFAUVER. I know the Senator has. He has held the right view, too.

Mr. BURDICK. I ask the Senator, Is there a great deal of difference between the satellite system as a great future public domain and our forests and public lands?

Mr. KEFAUVER. There is a difference in this respect: If we give away the public domain and the lands, we are only giving away something of great value; but if we give away this satellite system, we are not only giving away something of great value, but we are precluding the use of it by the U.S. Government as an instrument of foreign relations in which there are tremendous possibilities. So the evil is compounded five times.

Mr. BURDICK. I was interested also in the Senator's remark of "Why the urgency?" If we go back to 1803, when this country purchased that vast land west of the Mississippi River known as the Louisiana Purchase, does the Senator suppose the people of this country knew the extent of the wealth of that great region when this country bought it?

Mr. KEFAUVER. I am sure the people of the United States did not know. As a matter of fact, many of them complained about the money that had been wasted.

Mr. BURDICK. Does the Senator think the people of the United States knew the bargain we had received when we purchased Alaska from Russia? Does the Senator think they knew of the vast resources that were in Alaska?

Mr. KEFAUVER. In answer to the Senator's question, may I say that purchase took place, I believe, in 1867, and was negotiated by Secretary Seward, who was chastised and condemned and ridiculed for having spent so much money—$7 million, I believe—for the great Territory of Alaska. It was called Seward's Folly, if I remember my history.

Mr. BURDICK. Does the Senator think we can know anything more about the possibilities of this great resource in space than our forefathers knew about that area in the early days of our history?

Mr. KEFAUVER. The Senator's question is very pertinent. I will say, in response to his question, we do not know anything near as much about it. One reason why they are trying to push this monopoly giveaway bill now is that the people do not know. They think that unless they can get by with it now, they will never get it, and they are probably right.

Mr. BURDICK. I wonder if the Senator knows that the debates at the time of the Continental Congress revolved around whether or not the Central Government should own and control the public lands of this country, that there was considerable argument against it, and that they finally resolved the question in favor of Central Government ownership. Is the position we are in today about the same position our forefathers were in at the time of the Continental Congress?

Mr. KEFAUVER. The Senator is correct. That is exactly the position we are in today. I do not know what our posterity would have said of those who took the side of maintaining in the public domain the great public lands and forests if they had not made that fight against commercial interests at that time.

Mr. BURDICK. I hold to the view that government ownership and government control of the satellite does not necessarily imply government operation.

Mr. KEFAUVER. The Senator is exactly correct.

Mr. BURDICK. I would not be adverse to having a private enterprise, A.T. & T. or anyone else, operate a system like this under a lease, contract, or license, but I would insist that the Government maintain its string on ownership and control.

Mr. KEFAUVER. The Senator has taken an eminently correct viewpoint about it.

I have a proposal, of which several Senators are cosponsors, which would set up a TVA-type corporation, a Government-owned corporation, with bonds to be sold. They would be revenue bonds entirely, so that it would not cost the Government anything. If there is opposition to that proposal, I am perfectly willing to go along with a commission, with some arrangement for leasing and contracting out to private interests the ground stations and other facilities, so that there would be only a very few policymaking people in the commission. The technicians would not have to be employed by the Government. That would be along the line the Senator from North Dakota has suggested.

But, Mr. President, the Government must have the final say-so on many of these things, and cannot afford to give up that right.

Mr. BURDICK. I thank the Senator from Tennessee.

Mr. KEFAUVER. I am very grateful to my colleague for his most pertinent questions.

Mr. President, there is not any doubt that this is the big "push" now. Telstar is up. Telstar is successful. I am glad it is. It is adding to our knowledge about communications satellites. The big "push" is on. The big lobby is going. The big propaganda machines are working. Even the committees of the Congress are saying, "It has to be done now."

In the House committee report, on page 8, under the title "Why Legislation Now?" is the statement:

> The answer to this question is very clear. If a national policy of private ownership and operation of the U.S. portion of the international system is to be assured, the instrumentality therefor must be established now.

Mr. President, this could be the most tragic move ever made, or made in a long, long time, if we should pass the bill now. If we should yield to the pressure, if we should back away from the scorn cast upon those of us who oppose the bill, if we should become weak kneed, forget our public trust, pass the bill now, the American people would be mighty sorry for years to come. I have no doubt about it in the world. I am thoroughly convinced of it.

So far as I am concerned, we should continue the effort to get our message about this bill to the public.

Mr. President, Telstar is a success. I remember in the latter days of the administration of President Eisenhower the Government had a very successful communications satellite in orbit. It did not do all of the things which Telstar does. It was called the Courier, as I recall. It taped messages sent to it and then sent them back.

I remember that "Happy Birthday" or "Happy New Year" was bounced off the moon.

The Government itself—the Army, until the Air Force took it over under rather unusual circumstances—has the great Advent program. Most of that is being done by the Air Force now. I shall discuss why one of these days. We shall have the Advent, which is a high-orbit satellite, ready for orbiting soon.

The Hughes Aircraft Co. representatives came before our Subcommittee on Antitrust and Monopoly. They have done research on, have developed, and have about ready an experimental model. I think they call it the Mark I. With present rockets, the same ones that put the Telstar into orbit, this model could be put into orbit at 23,000 miles. Of course, it would be put into orbit at a rate equivalent to the rate at which the earth moves around. Being that far out, of course the rate would be very fast.

That satellite would be stationary. It would not be necessary to have ground stations which could move back and forth to catch the satellite. Three such satellites could cover the entire globe. One could cover 72 percent of all the telephones and television facilities in the world.

This is the system we shall eventually have. Why not wait until we have an opportunity to see what can be done? We will know by the first of next year what the developments have been. We will not then be freezing ourselves into something which might be junk 2 or 3 years from now. It might not be workable at all.

Mr. BURDICK. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am very happy to yield to my distinguished and good friend from North Dakota for a question.

Mr. BURDICK. Apropos of the statement the Senator has made, I hold in my hand a clipping from the July 11 issue of the Wall Street Journal. This is a story written by Jerry E. Bishop. The article is entitled "Big Problems Remain for Working System of Space Communications."

In the article there is a quote by Jean H. Felker, assistant chief engineer for the American Telephone & Telegraph Co.:

> Also to be resolved is the question of which of several types of satellite systems offers maximum efficiency and economy.
>
> "It will be at least 2 years before scientists, engineers, and other technical people will be able to sit down and address themselves intelligently to such questions," says Jean H. Felker, assistant chief engineer for American Telephone & Telegraph Co.

Mr. KEFAUVER. That is very pertinent. Mr. Bishop is a great science writer. The article ought to be read and understood.

I do not know whether there is a rule against asking unanimous consent to put something in the Appendix of the daily RECORD during debate, but if there is no such rule——

Mr. BURDICK. I can put it in the RECORD later, on my own time.

Mr. KEFAUVER. The Senator will do so later.

Mr. BURDICK. The article seems to support the Senator, on the theory that we do not know the type of system which will be used eventually. This gentleman, the assistant chief engineer for A.T. & T., says it will be 2 years before we find out.

Mr. KEFAUVER. That is right. Even A.T. & T. admits it will be 2 or 2½ years before we can get the experimentation done. It will be 2 or 3 or 4 years.

That makes it very obvious what the rush is all about. It makes it very obvious why some people want to give this proposal precedence over really important legislation.

The only thing the present proposal would do would be to give these corporations a monopoly position and exempt them from the antitrust laws. The only thing it would do is to freeze this program in their hands and give them an opportunity to get together and to talk together, which otherwise would be a violation of the antitrust laws.

I say to my good friend from North Dakota that if a corporation were formed now, without knowledge of what kind of system we shall eventually use, there would be no way of telling how much money would be required. It might be $10, $100, or $200 million. One system would cost more than the other. The ground stations for the low-orbit system are two, three, or four times as expensive as those for the high-orbit system.

The FCC would not be able to determine the rate base, because it would not know how much money would be spent or on what grounds to base the rate.

The SEC requires a statement about what the money is to be used for, and a lot of details. It would not be possible to comply with the SEC regulations.

Mr. BURDICK. If the type of system to be used and the questions surrounding it have not been resolved, what is the hurry?

Mr. KEFAUVER. There should not be any hurry. There is every reason to try to explore some of the unanswered questions before the bill is passed.

I shall soon explain even a bigger reason. There are reasons to explore the question about how we can get some of the money back. A.T. & T. and the other corporations have not even been asked to put up anything. They might be willing to do so. I do not know. They ought to be willing to do so. They are getting a bonanza. They have not even been asked. There has been no explanation as to whether they are willing to give the Government and the taxpayers 25 percent of the net profits. There has been no effort to protect the people and to get something back for the stockholders. Nobody has even asked for a reduced rate, except Mr. Edward Murrow, and he was cut off pretty quickly. The rate was frozen, so that he never will be able to get a reduced rate for the Government.

There is every reason for delay on the bill. There is no urgency. Development of a satellite communications system will not be harmed. All the talk to the effect that, "We must pass the bill now or the Russians will get ahead of us," is pure hogwash, in my opinion. The best way to assure that the Russians will get ahead is to freeze ourselves to a system that will not be the ultimate one used by giving it to a group of corporations that already have cables and facilities which they want to protect. Those corporations will not be interested in destroying the values they already have. We would give the facility to a group of corporations that have no interest whatsoever in going into Africa, South America, or Asia.

The best way in the world to be sure that we are not going to have the best system which will be available for maximum use, and the best way I know of to give the Russians the greatest opportunity to establish themselves all over the world with their system when it comes is to pass the bill now.

Mr. BURDICK. Then the Senator does not see any possible delay, hindrance, or damage to our position in the world if we do not pass the bill at the present session of Congress?

Mr. KEFAUVER. In answer to the question of the Senator, I can see no harm. On the other hand, I can see the possibility of a great deal of good. I thank the Senator.

I call attention to the fact that the House Committee on Science and Astronautics conducted very fine hearings, and rendered a very good report, which is Calendar No. 547, House Report No. 1279. In that report there is an excellent discussion of the entire problem. Somehow the committee yielded jurisdiction to the House Committee on Commerce, and the Science Committee had no final voice in the matter. That committee recognized, and so stated in its report, that the question of what kind of system is to be used must be kept flexible. I shall read point 4 at page 28:

> The committee advises the encouragement of private enterprise to participate in this development to the limit of its resources, talent, and capacity. However, it is also the view of the committee that because of the many significant questions of public policy raised and the absence of precedent on which to rely, the Government must retain maximum flexibility regarding the central question of ownership and operation of the system. No final decision should be made during the early stages of the development which might prejudice the public interest or U.S. international relations.

That is the sound advice of a committee. But it is now proposed that we go contrary to that advice—diametrically opposite to it—and not retain any flexibility. It is urged that we reach a final decision in the early stages that would prejudice the public interest of the United States. That is what is being proposed. The Science Committee of the House proposed exactly the opposite course.

It might be interesting to read from the hearings of the Subcommittee on Monopoly of the Select Committee on Small Business of the Senate. In that connection, I point out that the hearings were held under the chairmanship of the distinguished Senator from Louisiana [Mr. LONG]. In the thorough hearings witnesses were interrogated carefully and intelligently both by the Senator from Louisiana [Mr. LONG] and Ben Gordon, his counsel.

They deserve the thanks of the Nation for conducting the hearings. But unfortunately they did not receive much public attention. It is difficult to have information on the subject sent out over the wires of the wire services for some reason or other. Anyway, Dr. Trotter, president of General Telephone and an outstanding and eminent man, testified at page 167 as follows:

> Dr. TROTTER. A random orbit system could discredit us before the world as a leader in space communications if Russia establishes a stationary satellite system.

I wish to read that statement again because I think we should consider it carefully. I hope the public will get this point. The head of one of the great companies of our Nation, an eminent scientist, states that a low-orbit system would discredit us before the world if the Russians were to establish a stationary satellite system.

Yet, Mr. President, that is what we are inviting.

Dr. Trotter further stated:

> If the United States went ahead with a low-random orbit system it would be possible for Russia to hold back until we were deeply committed to this system and had launched perhaps two-thirds of the satellites and then with three satellites the Russians could establish a truly worldwide system before our limited system was even in operation.

Those are words that the people of the United States should hear. If the United States becomes committed to a low-orbit system, such as Telstar—and we could not change the system if the bill were enacted into law—the President of the United States and the FCC would have no power to make a change. The decision would be up to the corporation, and the corporation would be committed to the low-orbit system, because their money would be invested in it. The Russians could hold back until we had committed ourselves, and they would be ahead of us again.

I point out again the testimony of Dr. Trotter at page 167 of the hearings before the Subcommittee on Monopoly of the Select Committee on Small Business of the United States Senate.

A short while ago I started to make the point that public opinion is catching on now. Letters and telegrams are coming to us from deeply worried people who are opposing the bill. They come from small businesses, the owners of which know that they will not have an opportunity to share in the enterprise because they are not attaches furnishing hardware to some of the big companies involved. We have received communications from telephone associations and labor unions. However, the CWA seems to be technically going along with the A.T. & T. But, so far as I know, that union is the only union in the United States that has taken that position. I think its members may have their fingers crossed.

I read a telegram recently received:

> WASHINGTON, D.C.,
> *July 30, 1962.*
>
> Senator ESTES KEFAUVER,
> *Old Senate Office Building,*
> *Washington, D.C.:*
>
> As national representative for telephone cooperatives we wish to congratulate you on your opposition to the space satellite bill. This legislation would create another huge communications monopoly to the detriment of hundreds of independent telephone systems.
>
> JAMES L. BASS,
> *President, National Telephone Cooperative Association.*

Mr. Reuther of the UAW and Mr. Carey have also expressed the utmost concern at the attempt to give away to a private concern a major technological breakthrough which has been paid for by the American people. They say:

> The American people have paid for this great new development which gives so much promise of linking together the nations of the world. The people should, therefore, retain ownership and control so that the space satellite may be used for the benefit of all who aspire to peace and freedom and to cultural and material progress.
>
> Needed is a satellite system which will produce the best results for the whole world. Communications experts have stated that this will require a high-orbit system. If the new development is turned over to a private monopoly or is dominated by that monopoly through so-called joint ownership with other firms and private shareholders, we will have a low-orbit system since contemplated private investment will permit no more.
>
> Government ownership alone can now provide the resources and know-how essential to maximum performance. Such a system will not be subject to toll charges imposed by a private monopoly. Further, Government aid is essential if a satellite is to be launched into space.
>
> Government must also negotiate the worldwide agreements required to fulfill the promise of the new development in international communications. Enactment of pending legislation will be of little value before such agreements have been finalized. Time is needed to determine the best way to organize and operate the system in the best interest of this Nation and the free world.
>
> There is nothing to gain and much to lose by premature action on this legislation now.

I have a telegram sent to me by Leonard Kenfield, the president of the Montana Farmers Union. He is in politics and in civic affairs. He sent me a telegram under date of June 26, in which he says:

> Heartily approve your efforts to stop the legislation giving A.T. & T. unwarranted favors in proposed communications satellite system—United States can ill afford such extravagance to a giant private monopoly in view of the world struggle for freedom and democracy.
>
> Regards,
>
> LEONARD KENFIELD,
> *President, Montana Farmers Union.*

I have a telegram from Arnold S. Zander, International President of the American Federation of State, County, and Municipal Employees, AFL–CIO.

These are very intelligent and thoughtful and thinking citizens, who keep up with matters of this kind. It is typical of the fact that the news about this grab is getting around. It will be reverberating one of these days. I read the telegram:

> The membership of the American Federation of State, County, and Municipal Employees (AFL–CIO) considers the space satellite communication bill reported out of the Senate Commerce Committee to be adverse to the public interest. In view of the vast amount of Government-financed research which remains, a decision to donate the estimated billions of tax dollars expended for space communications development to a private monopoly controlled by a few huge corporations would be premature, to say, the least. Moreover, a combination of both communication companies and equipment manufacturers would appear to be inconsistent with antitrust laws. For these reasons, we would be pleased to have your support in defeating this shocking proposal.

Mr. President, we all know the United Rubber, Cork, Linoleum & Plastic Workers of America to be a very fine organization. Its headquarters is at Akron, Ohio.

I have a letter sent to me by George Burdon with which he encloses a letter he sent to the presidents of the United Rubber Workers local unions in the United States, which reads, as follows:

> JUNE 22, 1962.
>
> *Presidents of URW Local Unions in the United States:*
>
> The U.S. Senate will soon consider a piece of legislation which will have a far-reaching impact on our lives and the lives of our children. This is a bill concerning a space satellite communications system.
>
> Our Government has spent billions of dollars developing techniques for orbiting space satellites. Obviously, the money came from American taxpayers.
>
> The proposed bill would permit a private monopoly to be created to operate the space satellite system. This combine would be controlled by a few large corporations and would be dominated by A.T. & T.
>
> Senator ESTES KEFAUVER is opposing this legislation. He is arguing for Government ownership and control of the space satellite program. At minimum, he is suggesting that the decision on the program be postponed. He points out that a public asset can always be given away, but that it can never be gotten back afterward.

I digress to say how true that is. It is preferable to defer a matter until we know better than to give away our public assets. I have never known of a case in our history when we have given something away and then were able to get it back.

We would be giving away a great, valuable national asset, and, after giving it away, we know we will never get it back. It is time for the public to stop, look, and listen. The letter goes on to state:

> I am in complete agreement with Senator KEFAUVER's position.
>
> I urge you to write the Senators from your State and your local Congressman indicating your opposition to the giveaway program.
>
> The labor movement helped prevent the giveaway of atomic energy patents in 1954; we have an opportunity now to perform a similar service for the future of the satellite program.
>
> Please give this matter your immediate attention and make every effort to secure similar expressions from members of your local. You might also consider a press release on this issue.
>
> Fraternally yours,
>
> GEORGE BURDON,
> *International President.*

Mr. President, we have received a great volume of letters and telegrams from individuals, people who have become concerned about this matter, and more will be coming in as time goes on. I have a copy of a letter which was sent to the President, with a copy to me, written by E. L. Hageman, national president of the Commercial Telegraphers Union, AFL–CIO, which describes the A.T. & T. monopolistic practices in the telegraph field. They call for an international communications policy, and they ask that while this policy is being developed, we should defer any action in connection with space communications satellites.

So these letters are beginning to come in. The volume will grow as time goes on.

Mr. President, there is another important reason why this decision should be deferred, and that concerns the international aspects of the space communications subject, which have been so ably discussed—I will not discuss the aspects at great length—by my colleague, the distinguished Senator from Tennessee [Mr. GORE] a member of the Committee on Foreign Relations.

This subject is so important that the President of the United States has asked that a special study be made by the Federal Communications Commission of the international aspects, including who will negotiate, what can be done, whether the action taken must be sovereign, and the like. All these are problems of foreign relations. Apparently, the study has not been completed. Yet there are those who would ask us to act before we have the benefit of knowing what the result of this important study will be. Personally, I think we would all have much better light on the subject if the question were referred for special hearings to the Committee on Foreign Relations. That committee could summon witnesses to discuss whether there can be a monopoly satellite; whether other nations will be joined in an international commercial satellite system which will be operated by a monopoly; whether the provisions of the bill make it possible, desirable, or attractive for other nations to participate.

Mr. President, we would be very foolish to pass a bill which placed the United States for all time to come under the control of a private corporation, so far as international relations are concerned, without considering the question thoroughly. That is why we who oppose the bill do not believe it should be brought up for consideration at this time. I think it is ridiculous to bring up the bill. Senators say we ought to take up the bill and offer amendments to it. That would be starting out on the wrong premise. The whole subject was started on the wrong premise when the communications carriers themselves were asked what ought to be done with the satellite. They said, "Give it to us." I do not know why the Government went through the rigmarole of getting an exemption from the antitrust laws. The answer inevitably would be, if there were something really valuable and there were a group looking after their own interests, "Give it to us." That is what the answer was in this instance.

As I have said, we who oppose the consideration of the bill at this time have stressed, over and over again, the complex international negotiations that must be conducted before a satellite system can come into operation successfully. These negotiations so directly and vitally affect the national interest of all the nations concerned that they will have to be conducted on an intergovernmental level. On June 12 of this year I placed into the RECORD a newspaper report about the difficulties we were having in trying to achieve cooperation with the Soviet Union. At that time I noted that Mrs. Roosevelt and President Kennedy had "also stressed the great value from international cooperation in this realm" and noted further than in the realm of space—

> The difficulties demonstrated by an article in this morning's Washington Post, entitled "U.S. Rejects Soviet Plan for Controls on Space," in which it was reported that the Soviet Government has suggested that all space activities should be carried out solely and exclusively by soverign states. It is very possible that many states—both Communist and non-Communist—will agree with the U.S.S.R. on this proposal.
>
> At this time, only two things are clear. It is absolutely essential that we obtain international cooperation in space among the nations of the world for peaceful purposes, and second, that such cooperation will involve extremely delicate, complex, and protracted negotiations among the governments concerned.

This point was confirmed a few days ago in a most interesting front-page article entitled "Wavelength Rift Threatening Use of TV Satellites," written by John W. Finney, and published in the New York Times of July 29, 1962. I am sure that all of us know Mr. Finney. He is a highly respected member of the press and a journalist who has been in Washington for a long time. I should like to read portions of his article, which show some of the extremely difficult political and diplomatic problems that exist:

WAVELENGTH RIFT THREATENING USE OF TV SATELLITES

(By John W. Finney)

> WASHINGTON, July 28.—The problem of wavelength allocations is providing the first critical test of whether the nations of the world are willing to cooperate in establishing a global communications system with satellites.
>
> There already are indications of an East-West conflict that could jeopardize the coverage of such a system.
>
> The United States has suggested that two microwave bands with a total width of about 3,000 megacycles be assigned to satellite systems.
>
> The proposal has drawn a generally favorable response from the non-Soviet nations, although some countries have raised questions on the necessity for setting aside so much of the microwave spectrum for this purpose.
>
> The Soviet Union has proposed that a much narrower band of frequencies, totaling only 950 megacycles, be assigned for space communications.
>
> The Soviet proposal, in what U.S. officials acknowledge was a deft move, would assign frequencies that fall within the bands being used by U.S. military radar.

DECISION DUE IN 1963

> The issue will come to a head in the fall of 1963, when the International Telecommunications Union—the 113-member organization charged with maintaining technical cooperation in the use of radio—will hold an extraordinary administrative radio conference to determine the frequencies for satellite systems.
>
> Both nationally and internationally the problem of frequency allocation has become enmeshed in the political problems. In many instances it has been the frequency question that has prompted the political decision.
>
> It was a proposal by the American Telephone & Telegraph Co. that microwave frequencies be set aside exclusively for communications satellites, a proposal that private users of the frequencies viewed as a "power grab," that began to raise the question of telephone company "domination" and turned the tide against a satellite corporation owned primarily by the company.

I digress to say that many private companies feel that this was and is a power group effort for domination. I believe this is typical of the kind of situation we shall be getting into internationally if we allow the assigning of wavelengths and other phases of our foreign relations to a private corporation, particularly one that has a great financial interest in the subject.

> These factors are now having their impact in the international realm.
>
> There is also a possibility, causing considerable concern among some U.S. officials, that political considerations could prevent technical agreement.
>
> For example, there is a fear that suggestions that a communications satellite system developed by the United States would be used for beaming propaganda broadcasts would make other nations reluctant to agree to allocation of frequencies.
>
> Another source of concern is the Defense Department's development of its own satellite systems. Indirectly, some nations are already raising the question of why such a large part of the radio spectrum should be set aside, when part of it would be used by the U.S. military services.
>
> Unlike most frequency allocation problems, that of communications satellites does not involve exclusive use of a frequency. Both United States and Soviet experts are agreed that there can be sharing of frequencies by the satellites and microwave point-to-point radio and telephone systems on the ground.
>
> The only requirement would be a radio-quiet area around the ground receiving stations so there would be no interference with the extremely faint signals from the satellites.
>
> International agreement, however, is necessary to prevent the frequencies assigned for satellites from being used for such other purposes as high-powered radar or the tropospheric scatter method of communications.

COULD PRODUCE INTERFERENCE

> Without such agreement, there could be interference by ground stations with the radio signals received and transmitted by the satellite.
>
> For example, if the Soviet Union declined to agree to the allocation, its radar or tropospheric scatter systems could interfere with the signals of a satellite passing near its territory.
>
> One of the principal reasons the United States sought to put an experimental communications satellite into orbit as soon as possible was to provide a demonstration that would help convince other nations of the desirability of agreeing to the allocation of frequencies.

Mr. President, a little later on, the article reads as follows:

> Such an allocation, according to U.S. estimates, would be capable of handling several satellite systems and meeting the demands of international communications traffic through 1975.

SOVIET GIVES POSITION

> The preliminary Soviet position, presented at a meeting of the International Radio Consultative Committee in March, was that the frequency allocations be from 3,500 to 3,650 megacycles, from 4,350 to 4,700 megacycles, and from 5,670 to 6,170 megacycles.
>
> At this point U.S. officials are hopeful but uncertain that the United States and Soviet positions can be reconciled in the 1963 meeting.
>
> One inauspicious sign was the Soviet refusal in the bilateral space cooperation talks this spring to discuss cooperation in the development and use of active communications satellites.
>
> Some U.S. officials expect that the Soviet Union will probably continue to be reluctant to discuss cooperation until it launches its own communications satellites—a project that it has discussed in its scientific literature but thus far not carried into being.

Mr. President, in that connection, all the literature and information being put out and all available statements by Soviet scientists definitely show that when the Soviets do develop a satellite for such use, it will be a high-orbit satellite, not a low-orbit satellite such as our Telstar.

I should like to make one correction in this story. The problem of frequency allocations has been a political problem since the invention of radio. As shown in a study by Prof. Dallas W. Smythe, of the University of Illinois, entitled "The Structure and Policy of Electronic Communications," the problem of frequency allocations has been a controversial issue in the cold war since the end of World War II.

These international aspects of the satellite system have been brought home to us recently by the various experiments involving British, French, and American television. It must be kept in mind that this communications development is taking place simultaneously with one of the most momentous political and economic events of our time—the growth and expansion of the Common Market. As Walter Lippmann has repeatedly stressed, the development of the Common Market presages the establishment of an Atlantic community, and satellite communications will play a vital part in this development. The satellite question thus has an additional political and economic ramification which lends additional urgency to the need for thorough and lengthy consideration of these international problems.

The administration is aware of at least some of these problems. As reported in the New York Times on July 12 of this year, the White House has just recently initiated a study of some of these international complications. Mr. Jack Gould reported in that story that—

> Among the issues expected to be studied—

The reference is to the study initiated by the White House, as I understand, and being conducted by the FCC—

> are the growing role of television as a factor in the implementation of foreign policy, the delicate task of harmonizing governmental and private interests in the field of global video, the possibility of assisting emerging nations to develop their own domestic video facilities, and the encouragement of exchanges with foreign television networks.

He went on to point out that—

> In many countries broadcasting is a direct arm of government and, should heads of state become parties to an international exchange program, the State Department is virtually forced to become involved lest feelings be hurt on the diplomatic level.

These news reports prove several things:

First, that international intergovernmental agreements must be concluded before any worldwide satellite system can operate. Mr. President, all of us know this to be true. There cannot be an international satellite system until agreements on a worldwide basis are made.

Second, and this conclusion is inescapable—that protection of the national interest requires that they be on an intergovernmental level. If we let a private corporation handle these negotiations, we shall be prejudicing the national interest and insuring failure.

Mr. President, I wonder how many persons can envision the holding of Cabinet-level meetings of, let us say, the British, the French, the Italians, the Scandinavian countries, the Soviet Union, and some of the nationalistic countries of Asia, Africa, and South America—all Ministers able to speak for their Governments.

JOINT COMMITTEE ON ATOMIC ENERGY

The VICE PRESIDENT. Will the Senator from Tennessee permit the Chair to lay before the Senate an appointment to membership on the Joint Committee on Atomic Energy?

Mr. KEFAUVER. Mr. President, I am very happy to stop for a while, so as to permit the distinguished Vice President to do so.

The VICE PRESIDENT. Pursuant to Public Law 703 of the 83d Congress, the Chair names Senator EVERETT M. DIRKSEN, of Illinois, to the vacancy on the Joint Committee on Atomic Energy caused by the death of Senator Henry C. Dworshak, of Idaho.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the motion of Mr. MANSFIELD that the Senate proceed to consider the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. KEFAUVER. Mr. President, such Cabinet-level representatives of the various nations, some of whom do not like private monopoly, would meet with the representative of our country, who perhaps would be Mr. Dingman or some other representative of a private American corporation, trying to speak for the Government of the United States.

But, Mr. President, let the people of the country know that never in all the history of our country have we undertaken to delegate to a private monopoly the foreign relations of our country, and thus bind ourselves by the decision of that private monopoly. Never before has that been done in this country. Why? Because we are a sovereign government. We do not form an East India Co. and give it powers of government. We never have operated in that way; and even if we did, we would not be successful.

The second reason why we have not done so is that we would not get anywhere if we did—not even in the times of kings, emperors, and dictators, and certainly we would not get anywhere in that way at a time when most of the nations of the world operate their own telephone and other communications systems as part of their own governmental operations.

We are not going to get anywhere when there are some nations that do not have democracy, freedom, and the democratic way of life. Much as we do not like the Soviet Union, somehow, in some way, we are going to have to enter into an agreement with her if we are to have an international satellite communications system, whether we like it or not. I wish it were possible to have one and, somehow, be able to tell the Soviet Union it could not have any part of it, but we know that is not possible. We know Russia is a great force in rocketry and space. We know they are working hard at it. We know that in some ways they have excelled us, and in some ways we have excelled them. We know we are going to have to work out some agreement.

Can we visualize Mr. Dingman, representing a private monopoly, sitting down and working out an agreement with Khrushchev? Even our Government has a hard enough time doing it, but we would concede defeat before we even started. They have already told us they are not going to do it. Yet, without exploring the matter further, without talking with them about it, we are going to freeze a situation that will make it impossible for us to move.

I have no patience with those who are saying, "We have got to pass the bill to get going." The best way to get stopped is to pass the bill. The best way to insure that the United States will not be successful is to pass the bill.

Third, no operational system is possible for many years, at least, because the frequency allocation conference will not take place until November 1963, without which no fully international operational system can go into effect.

Aside from the fact that in research and development it will be 2 or 3, or 4 years before we can have a commercially operative system, nothing can be done until the meeting on frequency allocations in November 1963. The Senate can be sure the matter will not be settled even then. There will be discussions. There will be committees. There will be delayed meetings. Then, after the allocations, if and when they are assigned, adjustments will have to be worked out. So, there is no hurry. There is no reason to attempt to bulldoze or steamroller this bill through. There is every reason why we ought to have time and see where we are going.

It is for these reasons that we call for deferral of this matter and ask that the Foreign Relations Committee be given an opportunity to study the matter. We have nothing to lose and much to gain from such a course: our research and development in Telstar, Relay, Syncom, and all the rest, now at the threshold stages, will proceed at top speed without any such legislation. The Telstar experiment showed that legislation is unnecessary for such research. And because of these international complexities, as the House Science Committee concluded, we must retain maximum flexibility and not prematurely freeze a situation that should remain fluid.

I heard the Senator from Rhode Island talk about the position of the State Department. In the first place, the State Department can be wrong. It is not infallible. Many of us have seen wrong decisions made. I know Mr. McGhee is a fine man. Just because he is willing to delegate the sovereignty of the United States in international affairs and thinks we can get by with it does not make it true and it does not convince me. I do not know what influences were in his mind or what considerations may have been in his mind. Many of us have known for a long, long time something which is just now coming out into the open. It is not true that the State Department and the Justice Department are fully behind this bill, regardless of what the public pronouncements may be. Anybody can go to the Justice Department and find that there has been a wide breach of thinking about this bill; that at first the majority were against the bill; and efforts were made; and finally a majority, apparently, in the State Department have gone along, through the persuasion, apparently, of Mr. Katzenbach. But many in the Department most directly concerned are much opposed to the bill.

The same is true in the Department of State. They are not fully behind it, regardless of the public pronouncements.

It was reported in the Washington News of yesterday that—

> The communications satellite bill being filibustered by Senate liberals seems to have full White House backing, though State and Justice Departments are not happy about some provisions. The bill provides that the satellite corporation can carry on business negotiations abroad, merely advising the State Department what it is doing. There is some feeling this conflicts with the constitutional requirement that all foreign relations be handled by the President through the State Department.

As the debate continues it will become more and more evident that this is a bad bill and that, in truth, it has very few supporters.

Let us see what Mr. McGhee had to say when he first talked about the bill, before he, for some reason, seemed to have a change of mind. In the hearings before the Interstate and Foreign Commerce Committee of the House of Representatives on this bill, Mr. McGhee, testifying, as appears on page 474, said:

> The initial negotiation with another government is going to involve so many broad considerations, about participation in ownership, what ground station they will utilize, what frequencies they will operate on, whether they get television, all the many aspects of the problem, and matters involving the foreign policy interests, because we may have a very strong interest in working one of these countries into the network.
>
> We feel that this involves so many new factors and so many factors involving our foreign relations and factors involving multiplicities of nations, groups of nations, that only the Department itself could make the initial overall agreements.

They are the words of Mr. McGhee, and he was so right. They do involve so many things that only the Department itself can make the agreements. Yet we are told now that the bill does not even bring the State Department into it unless it is asked by the corporation to advise or participate. That is exactly contrary to what he was seeking before the House committee. He said then that the Government had to have the power to negotiate.

Mr. President, would that not be a ridiculous situation? In an intricate field of foreign relations the State Department would have no power to act on its own, but could only act when asked to do so by the corporation. The corporation might accept what it did, or reject it. In other words, the corporation could use the Government as a tool to act, and the Government would have no option but to try to do what the corporation wished. The corporation could either accept or reject the international agreement which might be made. That would be the most ludicrous abandoning and giving away of responsibility I have ever heard proposed before either House of the Congress.

Mr. BURDICK. Mr. President, will the Senator yield for a question?

Mr. KEFAUVER. I am very happy to yield to my distinguished colleague from North Dakota for a question.

Mr. BURDICK. In hearings before the Subcommittee on Monopoly of the Select Committee on Small Business, 87th Congress, 1st session, at pages 16 and 17, there is a "Statement of the President on Communication Satellite Policy." Under subsection B, entitled "Policy of Government Responsibility," it is stated:

> In addition to its regulatory responsibilities, the U.S. Government will:
>
> * * * * *
>
> 2. Conduct or maintain supervision of international agreements and negotiations.

How does the bill in its present form square with that statement by the President?

Mr. KEFAUVER. It does not. It is exactly contrary.

I say to my friend from North Dakota that the bill is said to be the administration bill, but in this regard and in respect to many other vital matters it goes directly contrary to what the President of the United States wants.

In many ways the bill does not meet the proper criteria at all. In many ways the bill falls far short. It does not square with the President's wishes.

This is a monopoly bill. The bill which the administration first sent to the Congress contained the language desired by the President. It has been cut back more and more by the influence, particularly of A.T. & T. witnesses, until they have gotten everything they wanted.

I will say that the House-passed bill is even a little worse. One of the troubles is that even if we succeed in getting some good provisions written into the bill, we shall not have friendly conferees for the things for which we are working. We might get a bill back from conference just about like the bill that came from the House, which is even worse than the bill we are presently considering.

We cannot square what the Senator has read with the provisions in the bill.

I should like to read something else for the benefit of Senators. This is to be found on page 474 of the hearings before the Committee on Interstate and Foreign Commerce of the House of Representatives:

> Mr. Rogers of Florida. Do you anticipate our system would be in effect before the Russians might be able to institute a similar system?
>
> Mr. McGhee. The Russians have not, up to this point, produced an actual communications satellite, to our knowledge. They appear to have all of the necessary technology to do so, however, so that it would appear to be within their capability.
>
> But they have, so far, focused their efforts on exploration in space, rather than in the communications satellites. I would say the best evidence available is that we would be able to put one up first. Of course, we have experimental ones already up.
>
> Mr. Rogers of Florida. Well, then, the main objective for State to come in would be to carry on negotiations with Russia and their bloc of nations?
>
> Mr. McGhee. That would be one objective, yes, sir; but other objectives would be to carry on negotiations with all of the countries who might wish to participate in this system, or whom we might wish to persuade to participate.
>
> Mr. Rogers of Florida. You do not feel this could be done by the company itself?
>
> Mr. McGhee. When you come to the point of negotiating the actual technical and commercial aspects of the program, yes, because the Department would not have enough people or the expertise to do this.

Mr. McGhee then went on to say that the initial negotiations and the big agreements which would have to be made to have an operational system would have to be carried on by the State Department. That would not be carried out in the bill it is asked that the Senate consider.

Mr. President, I shall develop a number of other points in my speech as I go along. I wish to summarize in the beginning one or two things we have been talking about.

The bill constitutes a giveaway, without any paying back to the Government of the United States. It is much, much worse than a giveaway of a national forest or some of the public domain. We would be losing our opportunity to persuade the people of the nations of the world. It would be worse than a giveaway of the Panama Canal.

Not only are we asked to delegate to a corporation the power to negotiate in foreign affairs, which would never work and which is repugnant to the Constitution and to the traditions and history of the United States, but also, as I have mentioned, there are other reasons why the bill should not be considered.

There is another very sound principle which has always been a policy of our Government. It is, Mr. President, that one type of carrier is not to be given control over another type. We would not allow the airlines to be in the hands of the railroads. I could cite the statutes in which that is made not possible. The railroads are not permitted to own the airlines, and the airlines cannot own the buslines, and the railroads cannot own the canals.

Why is that? It is because we wish them to compete with one another. There must be competition in the interest of development, of low rates and of use.

We would not give atomic energy, that might generate power, to the control of a monopoly in gas, electricity, or oil, however good it might be, because there would be no incentive to develop atomic energy in those circumstances.

Mr. President, A.T. & T. has cables under the ocean, and a great investment in facilities. Other corporations have microwaves and radio facilities, and have great investments. They would be the dominant ones who would control the new communications carrier, under the terms of the bill, though we should hope it would compete with them in the interests of lower rates and of better communications between this Nation and other nations, particularly the underdeveloped and developing nations of the world.

Those corporations would not wish to make obsolete their existing equipment. We would be freezing ourselves into a low-orbit system. There would not be an incentive to go on to a better system, to a Syncom system, because that would hurt the investment in something else, as Dr. Trotter has so well pointed out.

I know it is said, in answer to the giveaway of something more valuable than the public domain, that the public would have a right to buy some amount of stock in the corporation. Well, that is something, is it not? Whoever conceived the idea that a right to buy a share of stock is coextensive with the rights of the taxpayers of the United States really thought up a good one.

If the Panama Canal were given to some company, that company undoubtedly would issue stock. The stock would be placed on the stock exchange, and if a person with $100 wished to go to Merrill Lynch, Pierce, Fenner & Smith, he could probably buy a share of the stock.

A great many people do not know anything about stocks and do not want to have anything to do with them. Many people have been burned in stock transactions. Prices have gone down. They do not want to be burned a second time.

I suggest that it is a strange procedure to require a taxpayer to buy stock in a private corporation in order to get his money back. Of course, we know what would happen.

Mr. BURDICK. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield to the Senator from North Dakota for a question.

Mr. BURDICK. As I understand, the bill provides 50 percent carrier ownership and 50 percent public ownership. We hear that there may be 50 percent public ownership. What percentage of the public would own a share in the proposed corporation?

Mr. KEFAUVER. I should say that probably not more than one-tenth of 1 percent of the public would ever own a share of stock.

Mr. BURDICK. So when reference is made to the public, those referred to are the ones who have money and wish to buy stock, which would be a fractional part of 1 percent of the people.

Mr. KEFAUVER. Will the Senator state his question again?

Mr. BURDICK. When public ownership is referred to, we speak only of members of the public who would buy stock, which is a fractional part of 1 percent?

Mr. KEFAUVER. Yes, it would be a fractional percentage; $100 is a very high price for stock. If one examines the stock market quotations, he will see that not more than one-tenth of 1 percent of the stocks listed sell for that amount. Approximately 10 stocks in a thousand sell at a price over $100.

We know what would happen, of course. It is not spelled out in the bill. We know that a corporation would have the right to buy 10 percent of the shares and that foreign countries could buy up to 20 percent. The rest of the stock would be placed in the hands of the large brokerage firms, which would allocate the stock to their own customers. The buyers of the stock would be the large investment houses, banks, and insurance companies, and the taxpayers who have put up the money would not share in the ownership at all.

Besides, I do not like the idea that in order for the taxpayers to get something back for their investment, which is being given away to a private monopoly, they must secure for themselves a share of stock.

Mr. BURDICK. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield for a question.

Mr. BURDICK. More than 99 percent of the people would receive nothing back under any condition.

Mr. KEFAUVER. Ninety-nine and nine-tenths percent of the people would get nothing back under any condition. A great many taxpayers are very hard put to pay their taxes, and have nothing left over with which to buy a share of stock.

Mr. President, there is another point that should be brought to the attention of the Senate. The bill is really a cleverly drafted measure. We have argued about one provision. I do not know why the committee did not do something about it. They must have thought about it. I shall come to this point later. The bill does not provide that the private carriers, A.T. & T. and others, should be required to buy one-half of the stock. One-half of the stock is reserved for them. They might not buy more than 1 percent of the amount of stock reserved for them. They might let the public carry the whole load, and the company would still have six directors on the board of the proposed corporation, even though it bought no stock of the one-half share.

The one-half share would be reserved for all time to come for them. They might wait to see if the public would put up the money. If the public does put up the money, the communications companies could have principal control of the satellite corporation without putting up any appreciable amount.

Another really clever "gimmick" is contained in the bill. We argued about the provision before the Committee of Commerce, the Committee on Aeronautical and Space Sciences, and elsewhere. The only stock of which the public could obtain a part would be the initial issue. A reading of the bill discloses reference is made to the stock initially issued. The company could issue $100,000 worth of stock, and the public might be able to obtain 50 percent of that stock. Of course, the big companies and investors would get most of it. The next day the satellite corporation could issue $1 million worth of stock, and the public would not be entitled to buy any of that stock.

The bill is cleverly designed to disguise a giveaway that would surpass Teapot Dome, Dixon-Yates, and all the other great giveaways in the history of our Nation. It would be difficult for me to vote for the bill and then argue against giveaways.

Our party has always taken great pride in being the protector of the national interest. We have sought to protect the national forests, resources, and assets belonging to the people of our great Nation. That is the history of our party all the way through. We have fought giveaways. We have fought the taking of taxpayers' money and giving it to a private monopoly corporation. In the future we shall not be able to argue very strongly against giveaways if the bill is passed.

Mr. President, I approach a more lengthy part of my speech.

Since the debate started on communications satellites we have been interrupted several times. It is said that we are trying to block other proposed legislation. Shortly before June 30 we relinquished a position of great strategic value, which we could have held, and forced an agreement to take the bill up at the next session of Congress. We relinquished opposition because the national debt limit had to be raised and other bills had to be passed.

I wish to make clear again, while we have a fine acting majority leader in the Chamber, that we stand ready to cooperate. The bill is not before the Senate. The question to be decided is whether it will be taken up. We have urged the leadership not to ask that the bill be brought up. We have urged the leadership to go to some of the important subjects and not paint a picture before the public to the effect that we are letting great important issues, like farm bills, tax bills, and trade bills, fall by the wayside in order to favor a private monopoly and give it something.

So the decision to bring up the bill is not our decision. At any time the leadership can, by unanimous consent or otherwise, withdraw the motion to bring up the bill and go on with other proposed legislation in the Senate and bring up the communications satellite bill later, then we can debate the issue further. Perhaps such action would give the Foreign Relations Committee time to study the bill and think about it. It would give us time to examine into some other matters of great importance.

The very poor picture that we would present before the country is that we would give a bill for the benefit of a private monopoly precedence over proposed legislation in the interest of farmers, small businessmen, taxpayers, and those who want to trade. That attitude is not in keeping with the policy of the Democratic Party. It is not like the party for which we campaign every year. We always put first the interests of the farmers and little people and questions of preserving the public domain. But now we are asked to hold up all those issues in order to try to pass a bill upon which there is pressure. If the bill is not now passed, it never will be passed because when the people wake up to what it provides, they will have no part of it. I feel that some review of the situation would be helpful in order to give the necessary continuity to my remarks.

I am sure that we are all aware that NASA and A.T. & T., through their cooperative efforts, have been successful in getting Telstar, an active repeater satellite, for use in international communications, into orbit. I want to congratulate both NASA and A.T. & T. for the work which they have done. NASA, of course, has a fine record in keeping the

United States in the forefront of the space race. A.T. & T. deserves credit for its work on this experiment. Telstar has already made it possible for us to add significantly to our knowledge of space communications.

The international television broadcasts which we have all seen in the past 2 weeks are an indication of the fantastic possibilities which satellite communications offers to the whole world. The telephone conversations which have been successfully carried between this country and countries in Europe indicate the great step forward which our accomplishments in the field of satellite communications represents.

The facts themselves, the reports which we have seen in the newspapers and indeed the attitude of the American Telephone & Telegraph Co., all belie the statements which A.T. & T. continually made regarding the nature of satellite communications during the hearings which were held before both Senate and House committees. During the hearings, it was A.T. & T.'s view, which they expressed time and again, that satellite communications was evolutionary, not revolutionary—that communications satellites represented nothing more than a cable in the sky. A.T. & T. was virtually alone in expressing this attitude and at the time administration spokesmen as well as others indicated that the apparent reason for playing down the potentialities of this wonderful new development would be found in the fact that A.T. & T. had hundreds of millions of dollars invested in facilities which a rapidly developed communications satellite system would make obsolete.

The reaction of the world to the development of satellite communications indicates that the restricted view of communications satellites taken by A.T. & T. and the other communications carriers simply does not represent an accurate understanding of where this facility will fit into the world scheme of things. The international implications of the very existence of satellite communications has become at once obvious to any thoughtful observer.

The New York Times on July 12 of this year carried a story by Mr. Jack Gould to which I have referred, indicating that the White House rather belatedly plans to initiate a study of international communications. This study will examine the new opportunities and problems arising from the successful launching of Telstar.

Several Members of the Senate, including three members of the Foreign Relations Committee, have repeatedly emphasized the need for thorough study of the international aspects of satellite communications. Statements regarding the importance of such a study have been made time and again at the committee hearings and on the Senate floor. The suggestions were stated to be unnecessary by proponents of the satellite bill which is now before us. Suggestions and recommendations that the bill should be studied by the Foreign Relations Committee were dismissed by proponents of this bill as being unnecessary.

I think that the fact that the White House has now seen fit to undertake a study of these problems vindicates the judgment of those who have favored a thorough study from the time when Congress first began to consider this problem. I have made several efforts to obtain copies of the study mentioned in Mr. Gould's article, but the FCC and the White House staff have declined to make it available. Mr. Katzenbach, the Deputy Attorney General who has appeared frequently as the chief spokesman for the bill from the administration, indicated just a few days ago that he was not aware of the existence of this particular study. It seemed strange to me to learn that it had taken the administration so long to decide that a study of international communications in relation to satellites should be undertaken.

I think it is very important that we should have this study for the reasons that I have mentioned, particularly since the President's power in connection with the space communications satellite has been cut down very greatly from what it was originally when the administration bill was first sent to Congress; also, inasmuch as the negotiating and supervising power of the Department of State, which was in the original administration bill, has been reduced very substantially, so that now the State Department is only to be kept advised and only to act when it is called upon by the corporation; also, in view of the fact that about 12 of the 14 very important matters to be done if there is going to be a space communications satellite system must be done by the Federal Government; therefore it becomes very important to have a study made of the international aspects of this subject.

I am glad the study is now being made. I hoped that it might have been made before the bill was whittled down to taking away Presidential and State Department powers. Certainly before we act on the bill we ought to have the benefit of the study which is now going on. Apparently it has not been completed. At least, I have written several letters trying to get as much of it as is now available. I wrote those letters to the FCC and to the White House and to others, but I have not been able to get any part of the study.

With respect to the bill we are discussing, I feel very strongly that the powers which the President of the United States thought were necessary, when he sent his criterion to Congress, in order that he might have adequate supervision over the activities of the private satellite system corporation, are certainly a minimum in terms of what he had included in the bill.

Mr. HUMPHREY. Mr. President, will the Senator yield without his losing his right to the floor?

Mr. KEFAUVER. I ask unanimous consent that I may yield to the Senator from Minnesota, the acting majority leader, without losing my right to the floor, and without prejudicing my position.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. I thank the Senator. I have heard a great deal about the foreign policy implications of the measure. As the Senator knows, I have no particular objection to the matter being studied further by the Foreign Relations Committee, provided that the Foreign Relations Committee reports it promptly to the Senate. It is already well documented that the foreign policy implications or the foreign policy ramifications of the measure have been given very serious consideration in other committees.

For example, I have a report before me which shows that in the Committee on Commerce of the Senate, George C. McGhee, Under Secretary of State for Political Affairs, discussed all aspects of legislation of interest to the Department in the conduct of foreign policy. He did this at the hearing on April 11, 1960.

Again on March 30, before the Senator's Subcommittee on Antitrust and Monopoly legislation, the Senator from Oregon [Mr. MORSE] testified, as did Philip J. Farley, Special Assistant to the Secretary of State for Atomic Energy and Outer Space, covering the whole area of foreign policy considerations.

Again, on February 28, 1962, George McGhee testified and discussed the three aspects of the program which were of the most concern to the Department. He was the Presidential agent on the subject of international affairs. Also, Donald M. Wilson, Deputy Director of the U.S. Information Agency, testified at the hearing of August 2, 1961.

Mr. McGhee also testified before the House Committee on Interstate and Foreign Commerce on July 27, 1961.

I point out to the Senator from Tennessee that because of the issue of foreign relations raised in the debate, the Senator from Minnesota personally communicated with the proper officials of the Department of State and asked this question: Are the provisions in the proposed legislation, found in section 201 and section 402, which are the sections that relate to the foreign policy aspects of the proposed legislation, satisfactory and adequate to protect the vital interests of the United States of America in the area of negotiation relating to communications satellites?

Mr. KEFAUVER. May I ask the Senator from Minnesota if he asked that question before the Department changed its mind, or afterward?

Mr. HUMPHREY. I asked them about the bill before the Senate.

The Department's representatives, Mr. Richard N. Gardner, who is a specialist in this area of the Department of State; Mr. Harlan Cleveland, who is an Assistant Secretary of State; Mr. McGhee; Mr. Ball; and the Secretary of State—each and every one of them—has made it crystal clear to the Senator from Minnesota and to the committees of Congress, including the committees of the Senate, that these provisions are not only adequate but are what are required. Mr. McGhee, who was the responsible testifying officer before the committees, made the situation clear in response to the following question asked by the Senator from Rhode Island:

> When you come to the specific commercial or technical negotiations which would be conducted, these can only be done really by the corporation, * * * when the provisions

of the language offered more authority to the Department, we pointed this out:

"The Department of State is not qualified to conduct many, and there will be a great many, negotiations of a detailed or commercial nature. Indeed, the Department cannot assume the responsibilities involved in commercial negotiations."

Mr. President, that is one of the quotations among thousands like this.

Here is a letter written under date of June 22, 1962, to the Senator from Rhode Island [Mr. PASTORE] when the Senator asked specific questions of the Department of State which is signed by George C. McGhee, Under Secretary of State for Political Affairs:

JUNE 22, 1962.

DEAR SENATOR PASTORE: You have requested the views of the Department of State on the adequacy of those provisions of the communications satellite bill that concern the responsibility of the Government for conducting foreign policy.

It is the view of the Department that H.R. 11040, both as reported out of the Senate Committee on Commerce and as passed by the House of Representatives, adequately reflects the responsibility of the Government for conducting the foreign policy of the United States. Section 201(a)4 of both bills provides:

"SEC. 201. In order to achieve the objectives and to carry out the purposes of this Act—

"(a) the President shall—

"(4) exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States;".

We agree with the interpretation of that section which appears on page 24 of the report of the Commerce Committee. The report states that section 201(a)4, "recognizes the President's authority to take whatever steps he deems appropriate to assure that the relationships of the corporation with foreign governments, entities, or international agencies are consistent with the foreign policy of the United States. This section reaffirms the traditional responsibility of the President, and through him of the Department of State, for conducting foreign policy."

In addition to the broad authority granted the President by section 201(a)4, there is the authority provided by section 402, which requires the corporation to give notice to the Department of State when entering into technical business negotiations. Even with respect to such negotiations, the Department shall advise the corporation of relevant foreign policy considerations and shall assist the corporation in the negotiations if requested to do so. We would point out that section 402 is limited to business negotiations with respect to facilities, operations or services. Negotiations of this character are carried on by private firms in the normal course of business. Any agreements, however, of a character which customarily call for approval by the Executive or the Congress would, in our opinion, continue to require that approval.

While we, of course, appreciate the concern which several Senators have shown for making sure that the Government, rather than a private corporation, conducts foreign policy, it is our view that H.R. 11040 does not derogate from the traditional responsibilities of the Government in this area.

Sincerely yours,

GEORGE C. MCGHEE,
Under Secretary for Political Affairs.

I repeat: If it is the wish of the Senate that the Committee on Foreign Relations examine into this question, then, indeed, let the committee do so. But let us not use the Committee on Foreign Relations as another grave for the bill. If the bill is to be referred to the Committee on Foreign Relations for the purpose of examination and even amendment, well and good, but not for the purpose of delay.

The majority leader of the Senate has inquired of the highest official of the Government as to the foreign policy implications of the measure; whether the U.S. Government would be giving away, under this proposal, any of its responsibilities in terms of negotiations with other nation states. The Department of State, speaking for the President, says that the bill is adequate and in no way derogates from the traditional responsibilities of the Department of State or the Government of the United States.

I am a senior member of the Committee on Foreign Relations. I am deeply concerned about this problem. The Subcommittee on Disarmament and Arms Control studied the subject of outer space law and international law several years ago. I presented papers to the Senate on this particular subject. It is not as if this area of outer space law is something that has not been looked into. Action has been taken in the United Nations. For months and years the State Department has been working on this subject.

I say most respectfully that when a proposal such as is contained in the bill, has the support of the Department of Commerce, the Department of State, the Federal Communications Commission, the Bureau of the Budget, and the President of the United States, it is indicated that the foreign policy ramifications of the legislation have been looked into very carefully. I cannot believe that President Kennedy would give his blessing to A.T. & T. or to some quasi-private-public corporation, which is not merely A.T. & T., as it has been branded, but just a private corporation conducting commercial activities, and also a public corporation, because it represents the Government of the United States, if the corporation were in any way going to limit or derogate from or in any way infringe upon the sovereign responsibilities of the U.S. Government in the field of foreign affairs. I do not see one iota of evidence that indicates that this has been done.

To the contrary, I believe it is the duty of the opponents of the bill to show that the Department of State is against the bill. We who are the proponents of the bill say that the Department favors the bill. I cannot believe that Secretary Rusk and George C. McGhee, representatives of the President of the United States, would send Congress a bill and support a bill which would weaken the powers of the President in the field of foreign affairs. That is inconceivable to me. I say those who make the charge that the bill has not had adequate consideration from the foreign relations aspect are really challenging the judgment of the President and the Secretary of State, because the State Department supports the bill. I do not believe the Senator from Tennessee can deny that. The testimony of the Department of State is to that effect.

Mr. KEFAUVER. I thank the Senator for the question. I sincerely thank him for his participation in the debate. I do not mean to be facetious.

Mr. HUMPHREY. I did not ask the Senator from Tennessee to yield for a question; I asked him to yield for the purpose of a discussion.

Mr. KEFAUVER. I shall be happy to yield for that purpose at any time I can.

Mr. HUMPHREY. I thought the Senator would like to do that.

Mr. KEFAUVER. I certainly would. I hope the Senator will ask me again.

Mr. HUMPHREY. I shall.

Mr. KEFAUVER. I am sorry that the Senator from Minnesota has not been in the Chamber all afternoon. I have discussed the reasons why the present provisions in the bill with respect to international negotiations are inadequate, are not in conformity with the Constitution, and will not work, because the delegation to a private corporation of the power to make certain agreements will mean that the United States will not have a communications satellite that will be accepted by other nations. I have explained these factors as best I could.

With respect to the fact that the Committee on Commerce has discussed international relations in its hearings, while I have great respect for the chairman of that committee, my dear friend from Washington [Mr. MAGNUSON], the fact that the Subcommittee on Antitrust and Monopoly gave some consideration to it is very different from the committee having jurisdiction of the subject giving it a real study.

Neither the Commerce Committee nor the Antitrust and Monopoly Subcommittee deal with studies of foreign-policy matters. We on the Antitrust and Monopoly Subcommittee were interested only in the antitrust phases of this matter, which I shall discuss later.

I hope very much that each Senator will favor having a study made by the Foreign Relations Committee before the vote on this bill is taken. I think it would be very much in the public interest to have that done. It would be tragic if we got ourselves into a situation in which we were stymied forever from being able to negotiate with other nations on so important a matter as international space communications.

The position of those of us who oppose this bill is that we would like to join the Senator from Minnesota in giving the Foreign Relations Committee an opportunity to study this matter expeditiously. Frankly, I believe the committee would desire to hear from certain witnesses who specialize in the kind of international law having to do with space. There are very few of them, as a matter of fact. I believe the committee would wish to hear about the views of other nations and about what has happened in the past.

For example, I say to the Senator from Minnesota, that one very important point is the attitude the United Nations will take about matters involving space, including communications satellites. What attitude will the other nations of the world take about their use and about who has a right to have satellites in space?

The only indication I have as to the attitude of the United Nations—for, of course, I am not fortunate enough to be a member of the Foreign Relations Committee—is that the United Nations is taking the position that the use of space must be by sovereign nations. If that is the case, any attempt to have a private corporation control the use of space would not succeed.

If the Senator from Minnesota will examine the Small Business Committee hearings at page 115 and also the hearings before the Commerce Commiteee, at page 158—I refer to the testimony by the representative of the Department of State, Mr. Farley. We had been talking about the legal status of this matter; and Mr. Fensterwald, the staff director of the Antitrust and Monopoly Subcommittee, asked questions of Mr. Farley, as follows:

> Mr. Fensterwald. Could you tell us what the status of private property is, at the moment, in outer space?
>
> Mr. Farley. There are really two things that I could say which are pertinent.
>
> One is that the question of the applicability of notions of property and sovereignty to outer space itself and the celestial bodies was a matter of discussion in the United Nations at its last session, at our initiative, and there was unanimous agreement reached on one or two rather basic principles, one of which applies specifically to the question of ownership of a sovereign property in space and on celestial bodies.
>
> This is the General Assembly resolution of December 20, 1961—perhaps I could just submit it to the reporter rather than reading the formidable——
>
> Senator Kefauver. How long is it, sir?
>
> Mr. Farley. I was planning to read the two sentences. I was going to give him the references because it is a very formidable set of initials, numbers, and slashes. But it begins in its first sentence which is the pertinent one:
>
> "The General Assembly, recognizing the common interest of mankind in furthering the peaceful use of outer space and the urgent need to strengthen international cooperation in this important field, believing that the exploration and use of outer space should be only for the betterment of mankind and to the benefit of states irrespective of the stage of their economic or scientific development, first, commends to states for their guidance in the exploration and use of outer space the following principles:
>
> "(a) International law, including the Charter of the United Nations, applies to outer space and celestial bodies;
>
> "(b) Outer space and celestial bodies are free for exploration and use by all states in conformity with international law and are not subject to national appropriation."
>
> Now, this resolution was cosponsored by the Soviet Union and by a number of other states and was unanimously endorsed.
>
> Senator Kefauver. What was the date of that, Mr. Farley?
>
> Mr. Farley. The 20th of December 1961 is the date of the resolution.
>
> If I could make one more comment on Mr. Fensterwald's question, clearly this does not cover specifically what you asked about, which is the state of objects which are launched into space; at least I believe that was your question.
>
> Mr. Fensterwald. My question, sir, is, What is the status of private property in outer space? I don't know if your reply has any relationship to it at all.
>
> Mr. Farley. Yes; I think it has a rather direct and major relationship, because this establishes both the principle that outer space and the celestial bodies are not subject to national appropriation, the principle that existing international laws applies to them, so that there is a framework of law from which questions of property would be attacked.
>
> Mr. Fensterwald. And you said that the resolution contained the word "commends."
>
> Mr. Farley. That is right.

And so forth. So the point I wish to make is that he showed that the thinking of the United Nations is that space shall be for use by all states, not by corporations or parts of states or private individuals. In that event, the present thinking is that it would not be subject to national appropriation.

Mr. HUMPHREY. Mr. President, will the Senator from Tennessee yield for a question and possibly for a statement, under the terms of the former unanimous consent?

Mr. KEFAUVER. Yes.

The PRESIDING OFFICER (Mr. Muskie in the chair). Is there objection? Without objection, it is so ordered.

Mr. HUMPHREY. I thank the Senator from Tennessee, and also the Presiding Officer.

The high seas are not national territory; they are international, and there is international law relating to the high seas; and all treaties relating to the high seas refer to sovereign states, because that is the customary language of treaties between nations.

Nevertheless, the United States has a merchant marine which is private; it also has Government-owned vessels.

The Soviet Union has a merchant marine which is entirely Government owned and controlled.

The Scandinavian countries have merchant marines which are both privately and publicly owned.

Yet the international law relating to the high seas applies to both public and private operations, because a private operation represents citizenship of a nation-state.

Therefore, under this particular proposal, if a special corporation were created for the operation of a communications satellite system—a corporation which, by the way, would include representatives of the Government of the United States, appointed by the President of the United States, which surely would make it much different from an ordinary private corporation—that satellite corporation would represent, for purposes of communication, the citizenship of the United States of America.

We have cables that go beneath the seas, and those cables connect with publicly owned telephone systems abroad. The telephone system here is privately owned. One can call from New York City to Moscow. A part of the communication goes on cables owned by the telephone company. Part of the communication goes through the western European systems, owned either by public corporations or quasi-public corporations. But when it gets to the Soviet Union, it is on a publicly owned, and most likely, publicly tapped, telephone line. There is no doubt about that.

There was no real problem of international law there involved. The fact of the matter is that private corporations in this country have negotiated commercial arrangements for years without ever informing the State Department.

Under this particular legislation, the private corporation, which is not private in the sense of a normal corporation, but which I would call a quasi-public corporation, must, when it negotiates commercial transactions, include the State Department as its observer, as its counsel, to see to it that there is no violation of the foreign policy interests of the United States.

I have asked the State Department the specific question, and I repeat this on my honor as a U.S. Senator: "Does this communications satellite bill violate any of the obligations we have under the Charter of the United Nations, or the resolution adopted by the United Nations, or our understanding of international law today, or as we see it in the days to come?" The answer from the State Department is, "No, it does not violate the Charter, or our obligations under the Charter, or the resolution of the United Nations, or our understanding of international law as it relates to communications between nations or between groups."

If there were a need to further strengthen this section, which I do not believe to be the case, I would be the first one to join with the Senator from Tennessee, or with any other Senator, to make sure the sovereign interests of the United States were fully protected. I repeat, when we hear one say this refers only to States or nations, we must remember that in the United States the Government does not own or control everything. The Government does not own the radio networks. It does not own the telephone systems. It does not own Western Electric, A.T. & T., or I.T. & T. That there is public ownership in other nations is their business, but in this country the systems are privately owned. The Government does not own the ships of the United States, except the Navy ships. Shipping is privately owned, even when it receives Government subsidies, even though regulated by the Government through the Maritime Commission.

The international airlines, Pan American and Trans World Airlines, are American corporations. They negotiate with country after country. While they do not get into outer space, they get pretty close to it, flying 39,000 or 40,000 feet above the earth. They travel the airways under international law. There is an international agreement, negotiated with the Government of the United States, and in cooperation with the private corporations. That has not caused us any trouble.

As a matter of fact, what are we trying to export to the world? I thought we were trying to get to the world the message that the system of private, free economy was a wise one. I thought we had to demonstrate that the government did not have to own everything. I thought we were trying to show that private citizens, working hand in hand with their government, could set a better pattern of economic and social relationships for the world.

Very frankly, I do not think the Government of the United States needs to own all these facilities. We have worked out a system which is better. I am delighted that our airlines are privately owned. I am pleased that the telephone companies are privately owned. It is easier to telephone someone in this country. Anyone who has telephoned someone in Paris or London or Moscow knows this system works. I do not say it does not cost us a good deal, but it works. I am of the opinion that the international communications satellite system we are talking about can set a pretty good example for the world of how a free government, working hand in hand with its people, with its investors, with its corporations, can produce a communications satellite system that will be the envy of the world.

If we are going to rely upon the Government, we are going to lose a lot of talent which is available in the private economy.

Since I said I would ask the Senator a question, I come now to that blessed point of my participation. I want to ask the Senator from Tennessee, or any other Senator, this question: Do the Senators who oppose this bill believe that this administration, President Kennedy, his Department of State, would support a bill in Congress—and they support this bill—which would jeopardize our foreign policy, or our international relations in the United Nations, or between the sovereign nations of the world and the United States? I think that is the issue, if we raise the foreign policy question.

Are we to rely upon our distinguished colleagues, limited in number but great in ability, who are in opopsition, or are we to rely upon the President, the Department of State, or those who have testified in the name of the President? In this instance I am going to put my faith and trust in President John F. Kennedy, Dean Rusk, Secretary of State, and Under Secretary of State Mr. McGhee. I do not think these officials would be suggesting that this provision of the bill be approved if they thought it would jeopardize the foreign policy of this country or complicate our international relations.

Mr. KEFAUVER. I thank my distinguished and esteemed friend from Minnesota for the contribution he has made. The more I have listened to my thoughtful friend, who has such knowledge about these matters, the more convinced I am that the bill ought to go immediately to the Foreign Relations Committee for study. I know that in that committee the Senator from Minnesota would ask many pertinent questions which would clear up many of the issues.

If the Senator will bear with me for a few minutes, I shall point out some of the shortcomings in the very good statements made by the Senator from Minnesota.

In the first place, the State Department itself has conceded that this is an entirely new field. I find that lawyers can make a great mistake when they feel that law applicable to one situation is applicable to a new and different situation. That is true here.

The law of freedom of the seas has been built up over a period of 500 or a thousand years. It is a great body of law. Admittedly, to try to apply that law to outer space would not necessarily result in the same conclusion. That is admitted, I think, by most international lawyers and by the State Department.

Another matter that is quite pertinent to the Senator's statement is that large ships are not run right over to Moscow. They do not go over the land of Russia and they do not go over the land of the United States. Sea is one thing; land is another. A satellite goes over land and water. It is very, very different.

The Senator from Minnesota has said the United States does not control everything. I am sure the Senator has seen this 2,000-page symposium which was compiled by the Senate Committee on Aeronautical and Space Sciences. The Senator from Washington may have been responsible as one of the suggestors of the program.

This poses many questions with reference to space; legal questions and international law questions. They all will have to be answered. We would be taking a great chance to answer them on the basis that a private monopoly would have rights over the land of another nation. Perhaps it would have rights over the sea.

It is said, "The United States does not control anything high up." The United States controls the radio spectrum, which is mighty high up. I think we all understand there are licenses to users of the radio spectrum. That is part of the jurisdiction of the Federal Communications Commission. A satellite is a mechanical extension of the spectrum, in a way.

The Senator has talked about freedom of the seas and freedom to go everywhere. Are the Russians free to fly their airplanes over the United States? What happened to our U-2, which was flying over the Soviet Union? It was 60,000 feet high, as I recall, yet something happened to it.

There would be a great conflict. National governments have always claimed the right to control space up to a point.

Mr. HUMPHREY. Airspace.

Mr. KEFAUVER. How far up is the airspace? What is outer space? What will be the uses of outer space?

Will this space be used by sovereigns alone, or will private corporations have rights? These are all tremendously important questions. Law for the air will be different from law for the sea, for many reasons.

The Senator said that we wanted to export free enterprise. I could not agree with him more. But would the Senator call a monopoly free enterprise? Does the Senator not know that what we would be exporting is monopoly? We are asked to carve out from the Sherman Antitrust Act a monopoly, and to give to this monopoly a great national asset. That is the very antithesis of free enterprise. Free enterprise involves competition. With such a monopoly nobody could compete. The Government would be committed to a satellite system under one monopoly.

This would involve a consortium. Anybody who would take part would have to join the consortium.

It would not do us any good to export monopoly.

We know that one of the reasons urged by the State Department against the merger in 1959 of RCA, Western Union, and the other telegraph carriers was that it would hurt our prestige abroad if a monopoly were formed. The Senator remembers that incident. That is what we are asked to do now. These corporations are to be joined together under Government sanction.

We also know that when an attempted monopoly was stricken down in the Bethlehem Steel case, that helped our prestige abroad, according to the State Department.

The Senator has said that everybody with whom he has talked says to do what is proposed would not hurt our international relations, and so forth. If that is so, why has the President of the United States himself, within the past 3 weeks, asked for a study? I do not know whether it was in the past 3 weeks, but it was reported on July 12. That is a recent date.

If everybody is so well satisfied with the position in connection with the bill, why would the President of the United States ask for such a great study of this great problem? July 12 was the date.

Mr. MAGNUSON. That is for future uses.

Mr. KEFAUVER. That is what we are interested in—future uses.

Mr. MAGNUSON. That would be like saying Ford should not have made his automobile because the rules of the road had not been yet established.

Mr. KEFAUVER. I do not know about what the future will show. I do not know how extensive this field will be. I cannot find out the details. I do know it is admitted and reported that a study has been requested. Apparently the reason is that there must be explorations of things in which the President is interested in connection with these foreign matters.

We are all in favor of going ahead with the technical work. That is analogous to the building of an automobile.

I think we ought to have a study of the subject.

I ask when it was that the Senator talked with Mr. McGhee. Mr. McGhee's original position was that he wanted the State Department to have the right to supervise and to negotiate the big agreements. That is the testimony which was given. Why was there a change of mind? What brought it about? What were the influences? I do not know, but I invite the Senator's attention to that fact.

Mr. HUMPHREY. Would the Senator like to refer to page 161 of the hearings before the Committee on Commerce, and to read paragraph 2 to the Senate, from the testimony of Mr. McGhee? I think it would answer the Senator's question. If the Senator will read that good and loud, I think it will answer the question.

Mr. KEFAUVER. The Senator reads better than I do.

Mr. HUMPHREY. I should be delighted to do so. Will the Senator yield for that purpose?

Mr. KEFAUVER. I yield for a question and reading.

Mr. HUMPHREY. For a question and reading.

The PRESIDING OFFICER. Without objection, the Senator may yield without losing his right to the floor.

Mr. HUMPHREY. I thank my good friend. It reads as follows:

> The Department of State, of course, has a special concern with those sections of the bill which deal with the conduct of foreign relations. With respect to those provisions, the bill reported out of the Kerr committee differs in some respect from the administration bill, but it leaves unchanged the basic responsibility of the President for conducting foreign policy.

It further states:

> That responsibility would be exercised by supervising the relationships of the corporation with foreign governments and international bodies to make sure that they were consistent with the national interest and with our foreign policy.
>
> The bill leaves the corporation free to conduct its own business negotiations, as has consistently been the practice with respect to American communications carriers in the past and as the Department indicated in its earlier testimony should continue to be the case.

It seems to me that Mr. McGhee answers the charges very well. What is more, the Committee on Commerce tightened the provision, so that the provision relating to foreign relations meets with the approval of the State Department representatives.

Mr. KEFAUVER. I thank the Senator for reading it.

Mr. HUMPHREY. I thank the Senator from Tennessee. I am always delighted to cooperate, to save the Senator's almost inexhaustible energy.

Mr. KEFAUVER. Then I shall carry on for a while, to show the change of position.

When Mr. McGhee testified before the House committee, he wanted the power to carry on the big negotiations and whatnot. That has been dwindled down and cut down.

I point out also, Mr. President, that, as shown on page 17 of the hearings before the Select Committee on Small Business, the President of the United States, in sending a message to the Congress, set out the criteria he wanted, that he expected. Under the "Policy of Government Responsibility" he said:

> The U.S. Government will conduct or maintain supervision of international agreements and negotiations.

The bill as written followed exactly that language. The original bill in section 402 provided:

> The corporation shall not enter into negotiations with any international agency, foreign government, or entity without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements and arrangements with any such agency, government, or entity shall be subject to the approval of the Department of State.

That is exactly what the President asked for in his message to Congress. What would he be given? Section 402, which is in the bill sought to be considered by the Senate, now states:

> SEC. 402. Whenever the corporation shall enter into business negotiations with respect to facilities, operations, or services authorized by this Act with any international or foreign entity, it shall notify the Department of State of the negotiations, and the Department of State shall advise the corporation of relevant foreign policy considerations. Throughout such negotiations the corporation shall keep the Department of State informed with respect to such considerations. The corporation may request the Department of State to assist in the negotiations, and that Department shall render such assistance as may be appropriate.

That is a far cry from what the President requested. Let us look at the comparison. The President stated in his message setting forth the original proposed section 402 that the State Department should conduct and supervise negotiations and the corporation should not enter into any agreements without the consent of the State Department. Any agreements would be void unless approved by the State Department.

What provision does the bill now contain? If the corporation should enter into an agrement, it would merely notify the State Department. The State Department could do nothing about it. If the corporation should enter into agreements, it would keep the Department of State informed. The State Department would not come into the picture of the negotiations at all unless requested by the corporation to do so.

If I ever saw the substitution of a private corporation for the work of the Department of State, that is it. Of course, that arrangement could be satisfactory, but really would not meet the President's requirements. No wonder there is such an upheaval in the State Department about it.

I have always had great respect for a thoughtful and intelligent columnist who knows a great deal about international affairs and has a way of getting most accurate information. In today's issue of the Washington Evening Star, Doris Fleeson writes about the space communications satellite. Among other things, she said:

> Yet the same colleagues seem willing to take on trust from them a pioneering venture about which the State and Justice Departments have doubts. So is President Kennedy.
>
> State Department doubts center on the provision in the bill which suggests that the satellite corporation may carry on business negotiations abroad, merely advising State what it was doing. Justice looks askance, for the reason that the American Telephone & Telegraph Co., itself a monopoly, would have a dominant position in the new operation.
>
> Why such doubts are not more freely expressed is unclear. The President obviously does not consider them of sufficient importance to inject them as still another troublesome factor in his war with the congressional standing committees.
>
> So far, Senators are not troubling to listen to the arguments of the filibusterers.

That shows the authenticity and substantial accuracy of what Mrs. Fleeson had to say.

> The galleries were seeing a first—the first woman Senator to filibuster, MAURINE NEUBERGER—

The Senator from Oregon [Mrs. NEUBERGER] was merely making a long, intelligent, and persuasive speech. I thought it was a very good one, and the people in the galleries got a great deal out of it.

> but with only a bored colleague or two on the floor, she conserved her strength by barely raising her voice.

I had reached the point of saying that at the very minimum the President ought to have the power of negotiation. I do not know how successful we shall be at the International Conference in 1963 or other conferences in obtaining international agreements, if the principal burden of our representation is to be carried by private corporations.

The Senator from Minnesota [Mr. HUMPHREY] talked about international cables. There are agreements concerning cables. That is true. Largely such agreements are bilateral, that is, between a company in our country and the British Post Office Co., for example.

But this proposal, is something new. The agreement must be multilateral. If the agreement is to be successful, all the nations of the world will be involved. I point out that in connection with commercial cables the State Department and the President have the power that they asked for in the original satellite bill. I shall read Mr. Webb's language. I remember his testimony on the point.

The President, through the State Department, in connection with commercial cables, has greater power to supervise and direct the negotiations than is provided in the space communication satellite bill.

In connection with commercial cables the State Department has the same power the President asked for but did not receive. I will prove that statement by Mr. McGhee's testimony before the Committee on Aeronautical and Space Sciences of the Senate at page 178. He was talking to the chairman:

> The CHAIRMAN. The proposed language, section 402 of S. 2814, says, "The Corporation shall not enter into negotiations with any international agency, foreign government, or entity without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements and arrangements with any such agency, government, or entity shall be subject to the approval of the Department of State."
>
> Does that sound to you like the authority to be of assistance to them?
>
> Mr. MCGHEE. Senator, this is already the situation with respect to cable agreements, that they have to be approved by the Department of State, presumably for somewhat the same reasons as envisaged in this bill.
>
> The CHAIRMAN. Show me that law.
>
> Mr. MCGHEE. It is the Communications Act that so provides, Mr. DeWolf tells me. We can get the reference for you.

So, Mr. President, cable agreements must be approved by the Department of State. The President, through the Department of State, has the power for which he asked in connection with space communications. But in the case of international space communications, which will be a thousand times more important and which will be multilateral and not bilateral, the State Department would merely be notified of the understandings and kept informed. It would have no right of veto whatsoever.

It is not right, it is not going to stand up. I note that a great many telephone workers are getting interested in opposing the bill. They are good people. I have here a copy of a telegram which was originally sent to the leadership, the Senator from Montana and the Senator from Minnesota, and they have given me permission to read it. It reads:

> The Federation of Telephone Workers of Pennsylvania urges the shelving pro tempore of the "communications by satellite" legislation to avoid destruction of the Democratic Party in Pennsylvania this November.

It is signed by the executive board of the Federation of Telephone Workers of Pennsylvania.

I have before me a long recitation by Mr. I. C. Glendenning, vice president and chief negotiator of the Federation of Telephone Workers of Pennsylvania, setting out substantial reasons why they are against this bill.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am very happy to yield to the distinguished Senator from Texas for a question.

Mr. YARBOROUGH. I wish to commend the distinguished senior Senator from Tennessee for the very outstanding service he is performing here and the excellent way in which he has held hearings before the Antitrust and Monopoly Subcommittee on the bill. He is reading some communications from persons and organizations opposed to this giveaway. I merely wish to ask him whether he is conversant with the resolution unanimously adopted at the convention recently held by the AMVETS, in opposition to the bill.

Mr. KEFAUVER. I was not familiar with that fact. I know that the AMVETS give very thoughtful consideration to all legislative proposals.

They are a group which studies proposals, and their very fine counsel always deserves serious consideration by legislators. Certainly, I did not know about any such resolution.

Mr. YARBOROUGH. Mr. President, will the Senator yield for a question?

Mr. KEFAUVER. I yield.

Mr. YARBOROUGH. I have the resolution in the office. I do not have it with me on the floor. I should like to ask the distinguished Senator from Tennessee whether he agrees with a telegram which I have received from Albuquerque, N. Mex., which reads as follows:

> ALBUQUERQUE, N. MEX., *July 31, 1962.*
>
> Senator RALPH YARBOROUGH,
> *Democrat, Texas,*
> *Senate Office Building,*
> *Washington, D.C.:*
>
> Your fight to protect the American people from big space communications giveaway is a gallant one. The money offer by the industry is only pittance of the engineering cost of putting communication satellites into space.
>
> JACK BLACKBURN.

Does the distinguished Senator from Tennessee agree with that sentiment?

Mr. KEFAUVER. I agree with that well-worded telegram.

Mr. YARBOROUGH. I should like to ask the distinguished senior Senator from Tennessee whether he agrees with a telegram which I received from San Antonio, Tex., and which reads as follows:

> SAN ANTONIO, TEX., *July 31, 1962.*
>
> Senator RALPH YARBOROUGH,
> *U.S. Senate,*
> *Washington, D.C.:*
>
> Please don't let "Ma" Bell control any more than she does now. Fabrication of payload is small fraction of total cost project Telstar; as one whose taxes helped establish launch facilities, I bitterly resent giveaway my interest to A.T. & T. Urge $100 public shares.
>
> RAY W. WARE, M.D.

Mr. KEFAUVER. I agree with those sentiments.

Mr. YARBOROUGH. Mr. President, will the Senator yield for a question?

Mr. KEFAUVER. I yield.

Mr. YARBOROUGH. My question to the distinguished Senator from Tennessee is this. I have another telegram which I received from El Paso, Tex. It reads:

> EL PASO, TEX., *July 30, 1962.*
>
> Senator YARBOROUGH,
> *U.S. Senate, Washington, D.C.:*
>
> Approve heartily of your work. Please continue.
>
> Respectfully,
>
> ROY S. SHILLING.

Does the Senator agree with those sentiments?

Mr. KEFAUVER. Yes; I believe that Mr. Shilling is quite right. I hope the Senator will answer Mr. Shilling that we are continuing the fight.

Mr. YARBOROUGH. I will answer the telegram in accordance with the suggestion of the distinguished Senator from Tennessee.

Will he yield for a further question?

Mr. KEFAUVER. I yield for another question.

Mr. YARBOROUGH. Here is another telegram, which reads as follows:

> SAN ANTONIO, TEX., *July 31, 1962.*
>
> Hon. RALPH YARBOROUGH,
> *Washington, D.C.:*
>
> Please give all help possible to defeat satellite bill.
>
> HARRY VERBERNE.

Does the Senator agree with those sentiments?

Mr. KEFAUVER. Yes; I do. These telegrams are along the same line of 30 or more telegrams that we have received in our office.

Mr. YARBOROUGH. Mr. President, will the Senator yield for a question?

Mr. KEFAUVER. I yield.

Mr. YARBOROUGH. I say to the distinguished Senator with all modesty, not attempting to take credit for what feeble efforts I have made, that the distinguished Senator from Tennessee has done his utmost to have enacted a bill which will be from the standpoint of the American people. To illustrate the sentiments of the American people on this matter, here is a telegram from Corpus Christi, Tex. Does the Senator from Tennessee agree with these sentiments, in general:

> CORPUS CHRISTI, TEX., *July 28, 1962.*
>
> Senator RALPH YARBOROUGH,
> *Senate Office Bldg.,*
> *Washington, D.C.:*
>
> We sincerely appreciate the excellent job you are presently doing to prevent a total giveaway of the public communications satellite program to private interest. Your efforts are in the finest tradition of genuine statesmanship and our democratic heritage. Please continue the good work and know that you have our unqualified support.
>
> Regards,
>
> Mr. and Mrs. L. L. DALY.

Does the distinguished Senator agree with the sentiments contained in the telegram, not with what these people say about the efforts I have put forth?

Mr. KEFAUVER. I agree with the sentiments, and I wish enthusiastically to say that I believe their expression about the Senator from Texas is correct, because I know before the Antitrust and Monopoly Subcommittee and the Space Committee and the Commerce Committee, and in every forum, the Senator from Texas has raised the strongest and most persuasive voice against this bill. He deserves the thanks of the American people. I am sure they will recognize his able leadership in this matter.

Mr. YARBOROUGH. Mr. President, will the Senator yield for a further question?

Mr. KEFAUVER. I yield.

Mr. YARBOROUGH. The distinguished Senator from Tennessee is entitled to more credit than anyone else with respect to the primary authorship of the bill to provide for Government ownership of space satellites. Predicated on that, my question to the distinguished Senator is this: Does he not believe that this representative group, whose telegrams have been handed to me since I left the floor this afternoon, show the value of the debate in the Senate in getting information to the people of this country about the issue involved here, which the Senator's colleague from Tennessee has described as being the most transcendent issue in the United States since he has been a Member of the Senate?

Mr. KEFAUVER. Not only are the American people alarmed, as are also various organizations, but if the Senator had an opportunity to talk with a number of Members of the House of Representatives, as I have, he would have found in the first place that the nine Members who voted against the bill are very proud of the position they took. I have talked to some other House Members and they have told me, "We did not consider it thoroughly enough over here. It was put up in a hurry. It went through on a 4-hour rule. We did not get to consider it thoroughly." This is a very intricate matter. Several Members have expressed regret that they did not know more about it. If they had, they would have voted against the bill.

The Senator has been speaking about Texas. I have gained a very high impression of Mr. HENRY GONZALEZ, who is a new Member of Congress from Texas.

If the Senator will look at page 15078 of the Congressional Record, he will find an excellent summation of the opposition against the bill. It is one of the best I have seen. Mr. Gonzalez said:

> Mr. Gonzalez. Mr. Speaker, a few weeks ago I was one of nine Members in this body who voted against the space communications satellite bill which was then supported by the vast majority of the House.
>
> Mine was a rather lonesome-looking position, to be one of only nine. Yet, I did not really feel lonely in taking my stand.
>
> However, any man is going to take another look at his position when the overwhelming majority of his colleagues go contrary to his position. I confess I have taken another look at my vote, and today I can say that I am more resolutely convinced than before that I did the right thing.
>
> I voted against the creation of a corporation to be franchised by this body which would be favored by giving to it the biggest giveaway in our history. It was proposed that we give it the right to develop, manage, and exact profit from a system of space communication satellites.
>
> I was appalled at this suggestion, for it struck me as highly inappropriate that this Government should approach the development of outer space in much the same way that the kingdoms of Europe conceived of the development of this continent 300 or 400 years ago. It seemed inappropriate that we should approach the potential of our space interests in the same forms as were used in creating the Hudson's Bay Trading Co. to exploit the continent, or John Jacob Astor's American Fur Co., or the British East India Co., the British Mahogany Co., or any of the others.
>
> We have spent many years and undergone many trials in extricating ourselves from the involvement of private and Government-sponsored corporations that were once used to exploit undeveloped areas, and even to create nations where none had existed before. Our history has often been troubled as the result of our people being involved in commitments and actions on the part of corporate groups who did not necessarily have the same interest that the American people had.
>
> Yet, there is strong feeling in this Congress that we should take a course that would lay ourselves open to repeating past errors on this score.
>
> This is what I make of the communications satellite bill and I am heartened that under the deliberate processes of the other body this bill is receiving careful scrutiny. It should be scrutinized, for in addition to being an unwarranted giveaway it is latent with danger.
>
> There is an additional comment that should be made to those who have argued that although A.T. & T. and its associated bodies would undoubtedly end up with effective control of this Government-sponsored corporation, this is not objectionable since, after all, A.T. & T. is itself owned and run by the people of the United States through widespread stockownership and the election of managers by such stockowners.
>
> This argument is more folklore than fact and this became ludicrously evident in a recent picture carried in the Washington Post. The picture was of a stockholders' meeting of this giant corporation. It showed the few rows of filled seats in a veritable sea of empty auditorium chairs.
>
> The empty chairs that spread out of the range of the camera lens were for the absent stockholders. And their very absence revealed the fiction of control by widespread ownership.
>
> Let us not perpetuate this fiction further and use it to delude ourselves into thinking that the sheer number of stockholders provides any assurance of responsive or responsible control in the public interest.
>
> It is wrong for this Congress to give the property and the sovereignty of the people to this private corporate body. We won this argument when the Atomic Energy Commission was established a few years ago and this new atomic power was held in trust for the people. Let us not lose it now with this latest technological breakthrough on communications.
>
> I say it is good that the Senate is moving with caution cn this measure. This is not the day and time to revive the Hudson Bay Co. America should speak for itself in dealing with other nations and not delegate this to private corporation executives.
>
> Most important, we are the trustees of what belongs to the American people. We cannot fulfill our trust by franchising out the property and prerogatives of the people for private profit.

To my way of thinking, that is one of the finest statements I have ever read. I congratulate Representative Gonzalez and compliment him upon it. I hope the Senator from Texas will tell him of the appreciation of at least several Senators.

Mr. YARBOROUGH. Mr. President, will the senior Senator from Tennessee yield for a question?

Mr. KEFAUVER. I yield for a question.

Mr. YARBOROUGH. Does the distinguished Senator from Tennessee agree with me that Representative Henry B. Gonzalez, in this fine statement, has made one of the finest expositions that have been made in explaining the position for the representation of the people through the public ownership of communications satellites?

Mr. KEFAUVER. I certainly do. I think it is an excellent statement.

Mr. YARBOROUGH. Mr. President, will the distinguished Senator from Tennessee yield for another question?

Mr. KEFAUVER. I yield for another question.

Mr. YARBOROUGH. Does the distinguished Senator from Tennessee believe, as I do, that the nine Members of the House who voted against this great giveaway to a monopoly are very proud of their action? Did the Senator from Tennessee observe in the Chamber Representative Lester Johnson, of Wisconsin, a Member of the House who is filled with pride because he is one of the nine Members of the House who voted against the bill? Did the Senator from Tennessee know that Representative Gonzalez also appeared in this Chamber, at the other door, likewise filled with pride at the fact that he also voted against the bill? Does the Senator from Tennessee take pride in the fact that those Members of the House are extremely proud of the fact that what they did was the proper thing? Does the Senator from Tennessee believe that many other Members of the House wish that they had voted against the bill and would do so again if they had the chance to vote on it again?

Mr. KEFAUVER. The Members of the House who voted against the bill, and with whom I have talked, are proud of the position which they took. I saw Representative Lester Johnson in the Chamber today. He is an outstanding Representative from Wisconsin. He is a courageous man. I did not know that Representative Gonzalez was here at the same time. I certainly would have liked to meet him. I want both those gentlemen to know that I admire their work and their courage in Congress. I think it is interesting and encouraging to know that even though they were beaten down and lost badly in the House, they are still interested in making speeches and making insertions in the Record concerning this subject. I know that a great many Members of the House wish they could have a new look at this proposal.

Mr. BURDICK. Mr. President, will the Senator from Tennessee yield for a question?

Mr. KEFAUVER. I yield for a question.

Mr. BURDICK. I remind the distinguished Senator from Tennessee that not only is Texas being heard from; North Dakota also is being heard from. The mail I have been receiving has been very favorable to the position taken by the opponents of the bill. Today I received a telegram from Stanley M. Moore, assistant to the president of the North Dakota Farmers Union, the largest farm organization in my State of North Dakota. I ask the Senator from Tennessee if he does not agree with the following sentiments expressed by Mr. Moore:

> Jamestown, N. Dak., *July 31, 1962.*
>
> Hon. Quentin Burdick,
> *Senate Office Building,*
> *Washington, D.C.:*
>
> We extend to you the grateful thanks of grateful people of our membership for your courageous fight in the Senate to retain the benefits and control of international communications for the people who have already footed the major financial part of the research and creation of this dramatic achievement. International instantaneous television and telephone service can make a great and lasting contribution to the world peace and understanding. We agree with you and your colleagues that even greater achievements are possible and that the Nation needs the full and open debate you are conducting in the Senate so that wise and thoughtful decisions can be made in the national and international interest. Please extend to your colleagues our thanks and our views.

Mr. KEFAUVER. I think that is an excellent telegram from a most thoughtful citizen of North Dakota. He is a farm leader of great intelligence. I thoroughly agree with his views.

Mr. BURDICK. I noticed in the Congressional Record a statement by Representative Lester Johnson, with whom I served in the House.

Mr. KEFAUVER. Yes; Representative Johnson made a statement which appears in the Congressional Record. I have forgotten at what page. Will the Senator from North Dakota refer to the page?

Mr. BURDICK. Representative Johnson's statement appears on pages A5845 and A5846 of the daily Congressional Record.

Mr. **KEFAUVER**. Representative Johnson has been very much interested in opposing the bill. As I have said, he is a thoughtful Member of Congress. As I recall, he placed in the Record, following his statement, an article that had been written concerning the subject.

Mr. **BURDICK**. Yes; the article is entitled "The Big Space Giveaway."

Mr. **KEFAUVER**. It was published in the Progressive magazine, was it not?

Mr. **BURDICK**. I believe that is correct.

Mr. President, if it is proper to do so at this point, I ask unanimous consent that the article entitled "The Big Space Giveaway," written by Michael Padnos, and published in Progressive magazine for May 1962, be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

In a few short years, worldwide television of excellent quality will be a reality; radio will reach clearly and static free halfway around the globe; a 10,000-mile telephone call will come through as distinctly as if it were from next door. This giant step forward in communications, with all its ramifications in international relations, is possible because of [illegible] Federal Government's multibillion dollar satellite program. The system will depend on a number of satellites endlessly orbiting the globe at a height of several hundred or several thousand miles receiving radiomagnetic messages of all kinds, and relaying them directly to any point on earth.

No one seriously questions the need to build a communications satellite system. Not only would it be reassuring to beat the Soviet Union in an exciting and peaceable contest, but a satellite system would more effectively and efficiently replace costly earthbound communications facilities and provide an economical means of opening up the large number of television, telephone, and data-processing channels essential to meet the vast expansion in international communications expected during the next few years.

From a technical point of view, the problems involved in building such a system are not overwhelming. The rocketry hurdles are largely surmounted, and an apparently feasible plan for the communications aspects has been sketched by Government and private experts who have worked together on the problem under Federal programs. The scientists describe the system as one in which two or three active satellites (i.e., containing equipment for receiving and transmitting, instead of merely passively reflecting, messages from earth) would orbit around the earth at the Equator high enough so that at least one would always be in line of sight from every point on the entire globe, thus permitting the straight-line sending and receiving which is required for transmission of radio waves. The satellites would, ideally, be synchronized with the speed of the earth's rotation, to make them stationary in relation to the ground.

There is also general agreement that this approach is preferable, in terms of both the longrun economy and the potentially greater number of channels, to the alternative course advocated by American Telephone & Telegraph, which would require launching a large number (estimates vary from 30 to 400) of small satellites to circle the earth at a low (100 to 3,000 miles) altitude in random orbits; such a system is not favored because it would require costly ground stations to search the skies for the randomly flying satellites and many expensive launchings to mount the large number of artificial bodies.

The political questions, however, are more difficult to answer. They were first raised publicly in a report made to the Federal Communications Commission by an ad hoc committee of members of the communications carrier industry—telephone, telegraph, and other companies in the business of sending and receiving communications electronically.

Briefly, the industry committee's report recommended that the operation and management of a space communications system be turned over to a nonprofit corporation owned by those international communications carriers willing to put up at least $500,000 in equity. The corporation would have a board of directors composed of not more than two representatives from each company and three representatives from the public, the latter to be appointed by the President. Each carrier would be permitted to own its own ground stations and a certain number of communications channels, the channels to be allocated without charge to the investors in ratio to the equity contributed to the corporation. If a carrier should wish to exceed its pro rata quota of channels, it would be assessed a rental fee which would then be redivided among the other carriers. Finally, the equity contributions to the new corporation would be made part of the rate base of the contributing companies so that the investment would be charged off against other services provided by the owners. In brief: 10 big international communications carriers proposed that they own, operate, and allocate channels used by the communications satellites in return for which they agreed to contribute part of the cost of mounting the system. Their total promised contribution was and is $78 million; it should be noted that the Government has already $471 million on this program and a total of more than $25 billion on other relevant research and development.

Indeed, at first glance the administration's bill seemed a more public-spirited approach to the problem. That measure proposed to establish a private corporation with two classes of stock: a dividend-bearing voting stock class A, which was to be available to the general public (or at least those members of the public who could afford the stock at $1,000 a share), and class B stock which could be purchased only by the communications carriers. Any single company would have been able to own a maximum of 15 percent of the authorized or 25 percent of the outstanding class A shares, and ownership in class B stock, which presumably counted as a part of the investing company's rate base, would have been convertible to class A shares. Curiously, in the President's discussions of the bill, he has acknowledged that the $1,000 share price was specifically intended to exclude the general public.

But because the class A stock would be issued only at the discretion of the corporation and would be unattractive to the public because of the high unit price (plus the more important fact that it would pay no dividends for many years), the most probable result of this proposal would be that at least a controlling share of the stock would have been purchased by A.T. & T. and two or three other corporations it controls or dominates. Furthermore, A.T. & T. could also be expected to dominate the class B shares, because it is the only company with both the desire and sufficient resources—assets larger than General Motors, Standard Oil of New Jersey, and Ford Motor Co. combined—to make the required large investment.

Mr. **KEFAUVER**. Mr. President, the article is a good one, and I am glad it has been included in the Record.

Representative Gonzalez referred to the fact that although A.T. & T. has many stockholders, that does not mean that those 2 million individuals have much voice in the control of the company or that they know anything about space communications satellites. A.T. & T. has 223 million shares of stock outstanding. However, the board of directors and the management of A.T. & T. have always been able to be self-perpetuating. Although among themselves they do not own a very large proportion of the total amount of A.T. & T. stock, the amount they own and the proxies they are able to vote enable them to perpetuate themselves, year after year, as the directors and officers of A.T. & T. Yet the management of A.T. & T. has only 18,000 shares of stock, out of the total of 223 million—or less than one-hundredth of 1 percent. However, that ownership is sufficient to enable them to perpetuate themselves in control of the company.

So in this case, Mr. President, even though there would be cumulative voting in connection with the publicly owned part of the stock proposed to be issued by the proposed corporation, one corporation would get 10 percent, and two corporations would get 10 percent each; the other shares would be spread out, with a share here and a share there; but if one corporation owned 10 percent or two corporations owned 20 percent, that would be sufficient to make it possible for that corporation or those two corporations to elect all the directors.

There has been another significant change in the section relating to the role which the President shall play with regard to the private satellite corporation. The original version of S. 2814 provided that the President would determine the most constructive role for the United Nations in connection with the development of the U.S. portion of a global satellite system.

Also, Mr. President, in the message which the President sent to Congress, the same suggested criteria were set forth, as I recall, as follows:

B. POLICY OF THE GOVERNMENT RESPONSIBILITY

In addition to its regulatory responsibilities, the U.S. Government will:

* * * * *

8. Examine with other countries the most constructive role for the United Nations, including the ITU, in international space communications.

The President of the United States was entirely correct in wishing to see about the role of the United Nations in connection with space communications. After all, even with all its shortcomings, the United Nations is our best chance of having peace in the world. It is the only organization in which representatives of practically all the nations of the world sit down and talk things over. It is the only organization in existence in which there is any chance to build up understandings about space communication and about having a truly international space system. So the United Nations must have a role in this development.

Furthermore, in order to give additional strength to the United Nations, I should like to see it have as large a part as possible in connection with matters of this kind. The United Nations must be a force which will be built up in the interest of peace.

Mr. President, as this provision appeared in the bill, it merely followed out the recommendation of the President that we work with the United Nations. It was in no way an effort to preempt any decisions or determinations which might appropriately be made by the United Nations itself. Instead, this represented a recognition of the fact that a satellite communications system is by its inherent nature an international undertaking, that our operational system which will bring the full potential benefits to all the peoples of the world must of necessity be established through the cooperative efforts of many nations.

The communications systems of most nations of the world are governmentally owned and, with the exception of the United States, experimentation in the field of communications for our earth satellites is being undertaken by governmental agencies exclusively.

It is only reasonable to assume that some consideration should be given to the role which the United Nations might eventually play in connection with the satellite communications system. It is entirely fitting that the President should consider what role the United Nations might eventually play, and it was altogether fitting that language to that effect was included in the bill creating the agency which would own and operate the U.S. portion of a satellite system.

But what happened? The references to the United Nations in both the Senate bill and the House bill were deleted, and the President's recommendation in that connection was removed; and at the present time the bill does not include such a provision. That is another reason why the bill should be referred to the Foreign Relations Committee—namely, to have it determine what role it believes the United Nations should play in connection with this very important matter.

Mr. President, I object to the deletion of the language relating to a consideration of the role of the United Nations in worldwide communications. If there is any danger that the wording of the original bill would prove offensive to the United Nations, or to the member nations, then the language should be changed in order to avoid any misunderstanding. It is by no means the intention of the President of the United States, I feel sure, to try to tell the United Nations what its role should be.

There is every reason to believe that the United States can, through cooperation with other nations, help to stimulate and encourage this development. The current negotiations between the United States and the Soviet Union in an effort to achieve better relationships in connection with the communications satellite problem, and the use of satellites in connection with the study of weather and for mapping and for oceanographic services, are further indications to me of the necessity for cooperation between the nations in connection with this program.

Furthermore, what the FCC finds out in the course of its study for the President should be known; and I hope a study will be made of the proper role of the United Nations in connection with this development.

We know that our very able Ambassador to the United Nations, our esteemed friend and the standard bearer of the Democratic Party, Adlai Stevenson, and the Chairman of the Federal Communications Commission, Mr. Minow, are old friends and law partners, and I am certain that there will be some interesting discussions of the role of the United Nations. Obviously the Congress should have the benefit of them.

In the section relating to the powers of the President there is a further provision which deserves comment at this time.

Mr. YARBOROUGH. Mr. President, will the distinguished senior Senator from Tennessee yield to me for a question?

Mr. KEFAUVER. I am glad to yield to the Senator from Texas for a question.

Mr. YARBOROUGH. This question is based upon a former question. We did not have the documentary evidence available at that time. The distinguished senior Senator from Tennessee will recall that earlier I asked him if he was aware of the fact that the American Veterans Committee, an organization of World War II veterans, had opposed the private ownership bill and was in favor of Government ownership of space communications satellites, and his answer was in the negative. He expressed a desire to see the resolution. Since then it has reached the floor. I desire to read it and, predicated upon it, put a question to the Senator from Tennessee.

I will ask the Senator from Tennessee to bear with me while I read this transmittal. It is a letter to me dated July 27, 1962, and is on the letterhead of the American Veterans Committee:

American Veterans Committee,
Washington, D.C., July 27, 1962.

Senator Ralph Yarborough,
Senate Office Building,
Washington, D.C.

Dear Senator Yarborough: Thank you for sending a copy of your testimony before the Senate Antitrust and Monopoly Subcommittee on Space Satellite Communications.

It was because of reasoning such as yours that we took the position we communicated to you, after our recent national convention.

Once again you are contributing to the general interest of the American people.

Sincerely,

J. Arnold Feldman,
Executive Director.

Attached to the letter is a National Affairs Commission resolution on a communication satellite system, adopted by the 15th national convention of the American Veterans Committee on June 1, 2, and 3, 1962, which I read:

Resolution on a Communications Satellite System by American Veterans Committee, National Affairs Commission

I. A communications satellite system will have a revolutionary impact not only upon world communications but also upon many other aspects of our lives. The known applications are tremendous, and many potential uses have not yet been fully determined.

II. Research and development for the establishment of a communications satellite system have been financed primarily through public tax funds: most importantly, about $25 billion for the development of our overall space capabilities. It is estimated that through 1963 alone, the Department of Defense and NASA will have spent $471 million on the specific development of communications satellite systems.

III. Despite the overwhelming preponderance of public funds in the development of space satellite communications, all but 3 of some 16 pending bills on this subject would result in effective control of the system by private communications carriers, with at least the following probable unfortunate results:

(a) Some of the revenues of the system, all of which should be devoted to making the system most economical and effective and to recouping the huge investment of the taxpayers, would be diverted to private-profit ends.

(b) American Telephone & Telegraph Co., because of its vastly greater resources and power, would dominate any corporation owned by private carriers.

(c) Because many private communications carriers are also equipment manufacturers, there would be a tendency to purchase equipment within that industry, to the detriment of competition and independent business opportunity.

(d) By adding investments in the securities of the satellite system corporation to their rate bases, private communications carriers would be able to charge higher rates for existing communications services.

(e) Because of their natural desire to protect investment in existing communications systems from obsolescence, private carriers could be expected to control and impede the pace of technological developments in a satellite system until investments in older systems were paid out.

IV. In order to protect the public investment in space satellite development, and to protect the public from monopoly exploitation or control of a space satellite communications system, AVC urges the establishment of a system owned and controlled by the United States. The bill introduced by Senator Kefauver, S. 2890, foremost among the numerous bills on the subject, is fully consistent with the approach we approve and recommend.

My question to the distinguished Senator from Tennessee is, Does he agree with the resolution of the American Veterans Committee?

Mr. KEFAUVER. I think it is an excellent resolution. It shows, also, that they have done their homework; that it is not merely a general statement of opposition; that they have analyzed the provisions of the bill, and what is involved, and have given it a great deal of study. It evidences the fact that it must have been discussed and understood. I think it is a very thoughtful and well-prepared resolution, and I am very glad the Senator from Texas has brought it to the floor and has read it.

I note that the accompanying letter is signed by J. Arnold Feldman, executive director of the American Veterans Committee, known as AMVETS. This is the kind of consideration and reaction that will be forthcoming as time goes on, in my opinion. As thoughtful people study this subject, they will come to the conclusion that what is being proposed is not in the public interest.

Mr. YARBOROUGH. Will the distinguished senior Senator from Tennessee yield for another question?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Texas?

Mr. KEFAUVER. I gladly yield for a question.

Mr. YARBOROUGH. The distinguished Senator from Tennessee will note that this resolution was transmitted to me on the 27th of July. My question is, Does the Senator from Tennessee think it shows the growing awareness by the American people of what is involved, and that it is fruitful for the American people to have this debate and bring these issues before them, to the extent that national organizations are endorsing the position taken by the Senator from Tennessee in their national conventions?

Mr. KEFAUVER. I agree with the Senator from Texas.

Mr. YARBOROUGH. Will the Senator from Tennessee yield for another question?

Mr. KEFAUVER. I am happy to yield for a question.

Mr. YARBOROUGH. Does the distinguished Senator from Tennessee think that if this debate can continue and the facts can be brought home to the American people, other national organizations in their national conventions will approve the stand we have taken for a Government-owned satellite system, once the people find out what the issues involved are?

Mr. KEFAUVER. I think that is true. I find that whenever one has an opportunity to sit down and explain the issues and give the facts, people do not want the proposal that is before the Senate. Apparently this effort has been timed to coincide with Telstar's being in orbit. There is a big lobby and a big public relations effort. Telstar is in orbit. It is said this is a big rush job. As time goes on, and people realize what is going on, there will be more resolutions like this. The American people cannot be fooled all the time.

Mr. YARBOROUGH. Will the Senator yield for another question?

Mr. KEFAUVER. I am happy to yield to the Senator from Texas.

Mr. YARBOROUGH. My question is, Does the Senator from Tennessee find that some information is being put out to the people to the effect that the public communications satellite bill would put the Government in business? When people learn that, if the public ownership bill were passed, the U.S. Government would not engage in the telephone or wireless or broadcasting or television or radio business, but that the U.S. Government would merely own the satellites, as it owns the Panama Canal, and would let the telephone, wireless, radio, and television companies, all use the satellites on a rate basis that would let them compete fairly with each other. The Government would not go into the broadcasting or telephone business itself, would have no telephones, and send no telephone bills, but would merely operate as the conduit through which the messages would pass, just as it operates the Panama Canal as the conduit through which the steamships pass. Does not the Senator from Tennessee find, once the people understand that, they are almost 10 to 1 in favor of a Government-owned satellite communications system?

Mr. KEFAUVER. I find that is true. I have found it has spread abroad. Even a good many Members of the Senate would agree. One said to me today, "The Government operation of the Post Office would be enough to prevent me from putting the Government into the telephone business."

It has never been envisioned by any of us who favor some other alternative to the giveaway bill that the Government should be put into the telephone business or should interfere with private corporations in the telephone, telegraph, or television business. The program could be handled in one or two or several ways.

A Government corporation could issue revenue bonds, which could be sold, to be paid off by revenues from the satellite. The corporation could own the satellite.

Channels would have to be assigned on an international basis in 1963. The channels could be leased to companies wishing to lease them, without freezing out anybody. There could be contracts for buildings and contracts for operation of ground stations, or they could be leased out. This would assure that there would be no monopolization at the hands of only one corporation. Everyone would have an opportunity to participate.

I would not envision that the managerial part would be more than a very small policymaking group.

We know, of course, that Oak Ridge was not built by Government workers. Contracts were awarded to construction companies. There are operations under contract with Union Carbide, Eastman Kodak, and many other companies.

All the work for NASA is being done under contract—contracts with RCA, contracts with Hughes Aircraft Co., and contracts with many other companies. A.T. & T. wanted a contract itself, but somehow RCA was selected over A.T. & T.

The idea that these companies will not work under contract and do great service for the defense of this country and for the advancement of our Government on a contractual basis is not fair to them. They do fine work when given an opportunity and they compete to get Government work.

I agree with the Senator that when this proposal is explained to the people by the statement that the Government is not going into the telephone business and that we wish only to keep control of the satellite—which the Government must control—they understand the situation. If it is to be an international satellite, the Government must have control of it. The Government must put it into orbit in the first place.

Another way the program could be handled would be to have a commission similar to the Atomic Energy Commission as a policymaking group. If we wanted to have some private ownership in some corporation, as well as the Government having control, that could be the main approach.

Mr. SCOTT. Mr. President, will the Senator from Tennessee yield to me with the understanding that he will not lose his right to the floor?

Mr. KEFAUVER. I am happy to yield to my friend from Pennsylvania if I do not lose my right to the floor.

The PRESIDING OFFICER (Mr. McCarthy in the chair). Without objection, the Senator from Tennessee may yield to the Senator from Pennsylvania without losing his right to the floor.

Mr. SCOTT. As the distinguished Senator from Tennessee well knows, I hold him in very high regard and I have great admiration for his many fine qualities; including, among others, his endurance and patience.

The Senator has referred many times to the bill as being a giveaway bill. I think of the opposition as a sort of anti-free-enterprise filibuster group, as though some few Senators feared the continued existence of the profitable pursuit of jobmaking industrial efforts, as if it were perhaps something to be distrusted.

With all due respect, I would rather suggest that Senators consider where the giveaway lies in this filibuster. I am advised by another Senator, who has been making a study of the cost of the operations of the Senate, taking into consideration all the various expenses involved in meeting every day, that the average cost to the Senate for meeting each day is $92,000.

I am glad that I am not among those who are responsible for a giveaway of $92,000 of the taxpayers' money every day this procedure drags on.

I am not responsible for a giveaway of the public's right to act upon legislation, such as defense appropriations and all the other vital measures which press for consideration in the national interest.

I am not one of those Senators who feel that we have a right to be cavalier in giving away the public's money at the rate of $92,000 a day, when all we have to show for it some days, for example, is a 10-hour-and-12-minute session embodying something like 10 lines of debate and a page and half of the Congressional Record.

Last Sunday, on a television program, with the distinguished junior Senator from New Jersey [Mr. Williams], I heard Dr. Pierce, who was introduced as the grandfather of the Telstar program. Dr. Pierce made the telling point that whereas it had been expected, in the research and development on Telstar, that many technical difficulties would be encountered, the difficulties met were not so much technical difficulties as legislative and legal difficulties, by which I understood him to mean that someone is jamming the Telstar program.

I think it is pretty clear who is jamming Telstar. I think it is pretty clear that no Senator on this side of the aisle is jamming Telstar.

Although I have not consulted every other Senator on this side of the aisle, so far as I am aware not a single Member among the Republicans in the Senate is in favor of this filibuster, in favor of the delay, in favor of the giveaway of the taxpayers' money to pay for the conduct of the Senate. No Republican Senator is in favor of jamming Telstar, so far as I know.

I am glad that my party does not have the record of delaying legislation through filibustering. I do not believe any of the three or four wings of the party of the distinguished Senator from Tennessee can quite make the same statement, but I am not aware that any Republican, at least in my time, has initiated or been responsible for inordinate or unreasonable delay in the conduct of the public business. We are proud of the fact that we have a certain sense of regard for the public business, which includes within it an obligation to get it done as expeditiously as possible and not to involve ourselves in disputes between committee chairmen as to where committees shall meet. I do not believe that ever happened under a Republican Congress. So far as I now recall, there has been no filibuster. Certainly no major delay has been caused by our party.

If the Congress is to function, we may have to advocate later this year that some changes be made, because to get America going we shall have to get the Congress going, and to get the Congress going we shall have to find a way around these extreme delays.

At the same time, we respect the rules of the Senate.

We respect the right of Senators to use those rules. I personally regret, as the distinguished deputy majority leader has said he regrets, that the rules are so used as to carry with them the threat or danger of abuse. The Senator from Minnesota [Mr. HUMPHREY] said—and I agree—that the need for a change in the rules has been demonstrated. I have been among those who since January have sought a change in the rules in order to permit the Senate to work its will and do its business.

I invite the attention of Senators to the fact that the nomination of Thurgood Marshall to be a Federal judge is pending before the Committee on the Judiciary. The action on the part of Senators who are participating in the filibuster has been preventing the holding of meetings of that committee. We had hoped action could be taken to do justice to the nomination, and that the committee would act affirmatively upon the nomination after it was brought up.

Every time important subjects of national defense, civil rights, or other issues are further delayed, it is the country which loses. The country loses not only in the monetary sense which I mentioned, but also when it is presented with the spectacle of a limited number of Senators preventing the Senate from even considering proposed legislation.

I have never criticized the right of extended debate on proposed legislation once it has been taken up, although I have proposed an improvement in the rules in order to prevent extended debate from becoming notoriously abused. But I know that as much as I honor and respect my distinguished friend the Senator from Tennessee, I would not move him one whit nor persuade him one jot or tittle from the completion of his appointed round. Yet until now I have spoken not at all on the bill. The bill has been carefully considered, as has been pointed out many times, in two committees. In the other body it was passed by a vote of 354 to 9.

The bill is much desired by the President of the United States and by the various agencies of Government involved. It is very much desired by Senators on this side of the aisle and by a majority of Senators on the other side of the aisle.

Therefore, it is not in exaltation, not in confidence, but rather in grief for the waywardness of my beloved colleague and rather in sorrow and sympathy that I observe the pursuit of measures by the small band, which is presently so exasperating the country. In this sad, sympathetic grief and to a degree forgiving spirit, I note these observations and thank my distinguished friend very kindly for having yielded to me and having given me the opportunity to make that statement.

Mr. KEFAUVER. I thank my friend from Pennsylvania. I am always glad to yield to him for whatever purpose he desires. I appreciate his statement. The Senator from Pennsylvania said that Dr. Pierce, who is one of the leading A.T. & T. officials, said that technical difficulties with Telstar were not so great but that the legislative logjam was causing a great deal of trouble. The Senator from Pennsylvania assured everyone that it was not he or those on his side of the aisle who were legislatively logjamming Telstar. That is a frank and open acknowledgment of what we have known all the time. The bill is a Telstar measure for A.T. & T. The Senator has said as much. He has said that his side is not logjamming Telstar.

Dr. Pierce has said that his difficulty with Telstar was legislative. That is one of the main reasons why we should not pass the bill now. We do not wish to freeze our system to that of one company. We know that would happen if the bill were passed. We know that Telstar will not be the system that will enjoy ultimate success, however remarkable it may be considered at the present time.

Mr. SCOTT. Mr. President, will the distinguished Senator yield further without losing his right to the floor?

Mr. KEFAUVER. I yield for a question.

Mr. SCOTT. The Senator has referred to me as being for A.T. & T.?

Mr. KEFAUVER. No, I said the Senator said it was not he or his side that was logjamming Telstar. That is almost a direct quotation of what the Senator said.

Mr. SCOTT. I believe the Senator further said something about my remarks being evidence that Senators on my side of the aisle were for A.T. & T. I would like to have the Senator reconsider his comment, because the President of the United States has asked for the bill. I do not think the Senator from Tennessee would wish to characterize the President of the United States as an A.T. & T. President. In view of the fact that any communications carrier with the requisite qualifications could participate in the program, it is not quite accurate to say that anyone is for or against A.T. & T. If the Senator means to say that I am for free enterprise, my answer is that indeed I am. If the Senator means am I for a private communications system, indeed I am.

If the Senator inquires further as to whether I favor a corporation operated by the Government, the carriers, and the public under close, careful regulation, indeed I do. But I reject out of hand the suggestion that I am for any given company, any more than is the President of the United States, who has asked us to pass the bill. I am supporting the President. I am always glad to be in a position to seek the passage of an administration-supported measure. I hope the Senator will not characterize himself as anti-the-President or anti-A.T. & T. I thank the Senator again for yielding.

Mr. KEFAUVER. I thank the Senator. I did not understand the Senator correctly. I am very sorry. I thought the Senator said that Dr. Pierce, who is one of the leading executives in the A.T. & T., said that he felt they did not have many technical or scientific difficulties with Telstar, but that their difficulties were legislative, and that the logjam was legislative.

The Senator went on to explain, as I understood, that the logjamming of Telstar was not coming from him or any other Senator on his side of the aisle. I went on to say that I thought that that showed an intention on the part of Dr. Pierce. Apparently Dr. Pierce had in mind that the purpose of the proposed legislation was to establish the Telstar system.

That is the kind of logjamming he was talking about. However, the record will speak for itself. I am sure the President of the United States has not had the benefit of a conversation with Dr. Pierce. I have a feeling that if Dr. Pierce were to tell the President that we think this is to be a bill for Telstar or that failure to pass a bill is logjamming Telstar, the President would immediately take another look at it and would be very much displeased, because I am sure that is not what he wants.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am very glad to yield to the Senator, and in yielding for a question, I wish to congratulate him upon the very remarkable recent victory which he won in Louisiana.

Mr. LONG of Louisiana. I thank the Senator. I ask the Senator if it is not correct to say that this bill is not needed in order to give the satellite system to A.T. & T. It can be given to them without the bill. That has been done by putting up Telstar. Why is the bill needed? It is needed to organize the greatest monopolistic consortium in the history of mankind. That is why the bill is needed. It is needed so that the antitrust laws can be suspended in order to get all the communications carriers together under one roof.

Mr. KEFAUVER. And also to get the Government to do business with it and with it alone.

Mr. LONG of Louisiana. And to have the Government put to work for this monopolistic consortium. The bill is not needed to give it to A.T. & T.

Mr. KEATING. Mr. President, a point of order.

Mr. LONG of Louisiana. I ask the Senator from Tennessee if that is correct?

Mr. KEATING. A point of order.

Mr. KEFAUVER. The Senator is correct.

The PRESIDING OFFICER. The Senator may yield only for a question.

Mr. KEFAUVER. Let me say to the Senator from New York that I yielded to the distinguished Senator from Pennsylvania for 10 times as long as I have yielded to my friend from Louisiana. I do not believe the Senator from Pennsylvania ever got around to asking a question.

The PRESIDING OFFICER. The Chair will advise the Senator that he may yield for a question. The Senator should put his inquiry in the form of a question.

Mr. LONG of Louisiana. Shall we be formal?

The PRESIDING OFFICER. The Senator from Tennessee may yield for a question.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield for a question?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Louisiana?

Mr. KEFAUVER. I yield. Upon the request of the Senator from Louisiana I am very happy to yield to him for a question.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for the purpose of asking a question of the Senator from Tennessee.

Mr. LONG of Louisiana. I ask the distinguished Senator from Tennessee, in his capacity as chairman of the Subcommittee on Monopoly, if it is true that the bill is not needed for the purpose of giving away the Government's investment in outer space to A.T. & T., but, rather, is it not his opinion that it is needed for organizing the greatest monopolistic consortium in the history of the world?

Mr. KEFAUVER. It is for that purpose; there can be no doubt about it. That is the only purpose for which the bill is needed.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a further question?

The Chair has not yet put the question.

The PRESIDING OFFICER. If the Senator from Louisiana will relax, the Chair will put the question. Does the Senator from Tennessee yield to the Senator from Louisiana?

Mr. KEFAUVER. I yield to the Senator for a question.

Mr. LONG of Louisiana. Is the Senator from Tennessee, in his capacity as chairman of the Antitrust Subcommittee of the Committee on the Judiciary, of the opinion that the only need for the bill is to get around the antitrust laws?

Mr. KEFAUVER. The only need for the bill is to carve out an exception to the antitrust laws and to tie the Government into doing business exclusively with this consortium. There has never been anything like it.

Mr. GORE. Mr. President, will my colleague yield for a question?

Mr. KEFAUVER. I yield for a question.

Mr. GORE. Is not the third purpose served by the bill unwisely, to delegate to this private corporation authority to act as an agent for the U.S. Government in the negotiation of international agreements?

Mr. KEFAUVER. Yes; in answer to the question of my colleague from Tennessee, that is the third purpose. That sort of thing has never been done in the history of this Nation. It is unbecoming the dignity and prestige and status of the United States of America to delegate this power to a private corporation for this purpose of negotiating international agreements. Not only is it wrong, but of course we know it would not work. They will not be able to negotiate.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield for a further question?

The PRESIDING OFFICER. Does the Senator from Tennessee yield for a question?

Mr. KEFAUVER. I yield to my colleague from Louisiana for a further question.

Mr. LONG of Louisiana. Is the Senator of the opinion that the present rules under which we are operating provide that if a Senator agrees with the statement made, he is yielded to, and it is in order, but if one disagrees, it is not in order?

The PRESIDING OFFICER. Is that a parliamentary inquiry?

Mr. KEFAUVER. I have yielded for a question. Will the Senator repeat his question?

Mr. LONG of Louisiana. Is the Senator of the opinion that under the present rule, under which we are proceeding, a question is in order if it appears that the question by a Senator to whom the floor has been yielded is in order if he agrees with the statement, but that it is not in order if he disagrees with the statement?

The PRESIDING OFFICER. That appears to be a parliamentary inquiry, and should be directed to the Chair.

Mr. LONG of Louisiana. Will the Chair permit the Senator to express his opinion of the rules?

Mr. KEFAUVER. Yes, I express my opinion. My experience has shown that that has happened on several occasions, and therefore there seems to be some substance to what the Senator from Louisiana has suggested.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Louisiana for a question?

Mr. KEFAUVER. I yield.

Mr. LONG of Louisiana. Has the Senator heard the definition of a filibuster which the late Senator Malone, of Nevada, used to give; namely, that a filibuster is a long speech with which one disagrees, but that if one agrees with the speech, it is profound debate?

Mr. KEFAUVER. I had heard that definition. I had forgotten it. I am glad that there are some Senators present who seem to think that this is profound debate. I am eager to hear the Senator from Louisiana in profound debate very soon again.

One further point was made in the statement of the Senator from Pennsylvania [Mr. SCOTT]. He spoke about the great amount of work we ought to be doing and the number of bills that ought to be considered. I point out to him that it is not our fault that we are debating this bill and not considering something else. We did not move to bring this bill to the Senate. We have been forced into this situation.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator yield for a further question?

Mr. KEFAUVER. I yield to the Senator from Louisiana for a further question.

Mr. LONG of Louisiana. Does the Senator recall the extensive debate which my devoted friends from the South—at least I am devoted to them—made on the bill to bring up the proposal for a constitutional amendment on the poll tax?

Mr. KEFAUVER. I recall it.

Mr. LONG of Louisiana. Mr. President, does the Senator from Tennessee yield for a further question?

The PRESIDING OFFICER. Does the Senator from Tennessee yield for a further question?

Mr. KEFAUVER. I yield for a question.

Mr. LONG of Louisiana. Can the Senator recall that the discussion on that proposal, to bring up the constitutional amendment to repeal the poll tax, lasted for a considerable period of time, which I believe was about 2 weeks?

Mr. KEFAUVER. Yes; I remember that it lasted 2 or 3 weeks. That was last year, I believe.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Tennessee yield for a further question?

Mr. KEFAUVER. I yield.

Mr. LONG of Louisiana. Would the Senator be surprised to know that the debate on that motion to proceed consumed the better part of 2 weeks?

Mr. KEFAUVER. No; I would not be surprised. I thought it was more.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator yield further?

Mr. KEFAUVER. I yield for a question.

Mr. LONG of Louisiana. Does the Senator from Tennessee recall that in 1949 an effort was made to bring up a proposed change in the rules of the Senate, and that the debate on that motion consumed more than a month?

Mr. KEFAUVER. I recall that it did. I was here at that time.

Mr. SCOTT. Mr. President, will the Senator yield for a question?

Mr. KEFAUVER. Let me finish my answer to the Senator's first question. The Senator from Pennsylvania complained bitterly in talking about giveaways we had better think about the $92,000 that we are spending in operating the Senate every day. I do not dispute the Senator's figure, but I say to him that that is the smallest chickenfeed one could imagine compared with what is sought to be given away to private monopoly in the bill. It is extremely valuable. The Government has invested hundreds of millions of the taxpayers' dollars in the project. No one has pointed to 1 cent which will be returned to the taxpayers or to the Government as such from the giveaway of this very valuable asset.

Mr. President, the cost of operating the Senate is chickenfeed compared with what the Government of the United States would be saved if it could stop the giving away of the communications satellite system.

I do not believe the people of the United States lost anything when Congress prevented the giving away of atomic energy. The Senate conducted a lengthy debate to prevent that from happening. I suppose it cost $92,000 a day, or some such amount, to operate the Senate then; but our action at that time saved the people of the United States billions of dollars in a great national treasure. I do not believe the taxpayers lost anything when we prevented the giveaway to Dixon-Yates. We had to talk about that for a long time. Undoubtedly, that debate cost the Senate a great deal of money. But no one has pointed to 1 cent that the taxpayers as such will get back, after this bill has been passed, in return for the investment the Government will have made.

Mr. SCOTT. Mr. President, will the Senator from Tennessee yield for a question?

Mr. KEFAUVER. I yield for a question.

Mr. SCOTT. The Senator from Tennessee having disavowed the gentle imputation that he is among those engaged in a filibuster, does the Senator deny that the proceedings—let me say the somewhat antic proceedings—now prevalent in this somewhat antique body are widely and generally, and almost unanimously, characterized in the press, on television, and over the radio as a filibuster?

Mr. KEFAUVER. Some sections of the press have called it a filibuster, and other segments of the press have called it extended debate. I should say it is an educational program.

Mr. SCOTT. I have the greatest solicitude for the Senator's health, education, and welfare. I shall not pursue the question further. I thank him for his indulgence.

Mr. KEFAUVER. I thank the Senator from Pennsylvania.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield for a question?

Mr. KEFAUVER. I yield for a question.

Mr. LONG of Louisiana. In speaking of a cost of operating the Senate for a day as being $90,000, does the Senator realize that our $25 billion invested in outer space has been an investment with borrowed money? The Nation is $308 billion in debt; and at 3½ percent interest on the $25 billion investment in outer space, the cost of the interest alone is $2.4 million a day.

Mr. KEFAUVER. I was astonished to learn that the calculation of the Senator from Louisiana is correct as to the cost of the money borrowed at 3.5 percent interest, which I believe is about the current rate of interest. We have had to borrow all the money that has gone into the communications satellite and space satellites, including the investment in space rockets, research, and know-how. The cost is $2,400,000 a day. The interest alone on that expenditure is considerably larger than the $92,000 a day that the Senator from Pennsylvania was talking about.

One part of the very important statement by Mr. Clendening, head of the Federation of Telephone Workers of Pennsylvania, was this:

> Technical experts say that communication by satellites is 5 years away. Why, then, today's legislative rush? An investigation before the fact could well be the vehicle to preclude legislative mistakes or deficiencies by actions taken too hastily now.

Mr. President, I shall proceed with my speech. There is a further provision, the section relating to the power of the President, which deserves comment at this time. Subsection (a)(6) of section 201 provides that the President shall "take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for such general governmental purposes as do not require a separate communications satellite system to meet unique governmental needs."

Some of the implications of that language are pointed out in the minority views of the report on the bill by the Committee on Commerce. The comments in the minority views, expressed by the Senator from Texas [Mr. Yarborough] and the Senator from Alaska [Mr. Bartlett], may be found at page 55 of the report. I commend them to the reading of the Senate. I should like to read a part of them, from page 56.

> This indicates that the President is expected, in fact required, to see that all Government communications will be channeled through the commercial system even though the Government might have its own satellite system, e.g., Advent or Relay, that could be used at a smaller cost to the Government. This, in effect, would provide a continuing subsidy to the private corporation. It is easy to visualize a Government-owned system whose existence is necessary in the national interest going unused while the Government pays a private monopoly for communications services that are already available to it.

The Senator from Texas and the Senator from Alaska are exactly right in their minority views, and the Senator from Louisiana [Mr. Long] is exactly correct in his statement. The purpose of the bill is to make certain that the Government is to use the communications satellite system, and that the President shall see to it that it does. He is made the agent of the corporation to see to it that the Government uses the system to the fullest extent. Yet the Government, including the USIA or any other important governmental function which is trying to bring about a better understanding in the world, will not receive any discount whatever. It will receive no reduction in rates. The rates will be made so high that Mr. Murrow's Agency would have to pay $900 million a year, much more than his total appropriation, merely for communications; and his agency would not even receive a reduction in rates.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield for a question?

Mr. KEFAUVER. I yield to the Senator from Louisiana for a question.

Mr. LONG of Louisiana. Did it ever occur to the Senator from Tennessee that the ultimate value of the investment in outer space might not be so great as the value of the asset it is proposed to give away, because the immense potentiality of the system might well prove to be of greater value than the $25 billion we have invested in this system?

Mr. KEFAUVER. I think the Senator is exactly correct. I think the return on the investment, if the proposal is handled correctly, will be immense. The $25 billion, or whatever the amount is, that will have been expended, will be paid back to the Government and to the taxpayers. There will be a substantial return to the U.S. Government.

Dr. Berkner, of the National Academy of Sciences, testified before the ad hoc committee which was created by the Federal Communications Commission for the international carriers to decide what to do with this great facility. As the Senator from Louisiana said, they were unanimous and loud. Their decision was: "Give it to us." Anyway, Dr. Berkner made a statement or testified before the ad hoc committee. I do not know exactly what kind of profit he was talking about. I think he was talking about the gross revenue being $100 billion a year in a fairly short time. That seems quite a fantastic amount. But, after all, he is a scientist, and he knows what he is talking about.

This development is opening up what can be a great, new, revolutionary age.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield for another question?

Mr. KEFAUVER. I yield.

Mr. LONG of Louisiana. Does the Senator from Tennessee realize that at the present time the Government is being asked to give this private monopoly consortium all of the development the Government has made thus far, but at virtually no cost to the monopoly for all the funds the Government has invested in it up to now?

If the Senator from Tennessee had been conducting the hearings as chairman of the Antitrust and Monopoly Subcommittee, would not it have occurred to him to ask whether A.T. & T. would be willing to pay the $25 billion the Government has already invested in the system?

Mr. KEFAUVER. I think that would have been a natural question—or at least to ask whether it would pay the Government 25 percent of the net returns, or, at the very least, whether it would give Mr. Edward R. Murrow some reduction in rates.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield for another question?

Mr. KEFAUVER. I yield for a question.

Mr. LONG of Louisiana. If A.T. & T. would not pay the $25 billion, would not it be worth asking whether A.T. & T. would be willing to pay the $875 million interest which the Government has had to pay on all this investment?

Mr. KEFAUVER. That question should have been explored. A.T. & T. would not testify before the Antitrust and Monopoly Subcommittee, although we invited representatives of A.T. & T. to appear there. The Senator from Louisiana came there.

But this record does not show that there has been any negotiation with A.T. & T. to try to get it to pay something. I suppose A.T. & T. would not want to pay anything if it did not have to. But A.T. & T. will be getting a very great asset, and the taxpayers should get some return on it.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield for another question?

Mr. KEFAUVER. I yield for a question.

Mr. LONG of Louisiana. How could one know that A.T. & T. would reject a request to pay the $875 million of interest, if A.T. & T. was not asked to pay it. Perhaps A.T. & T. would say, "Yes."

Mr. KEFAUVER. If it were a question of making that payment or not getting the monopoly control of the system, I suppose A.T. & T. would say "Yes," when asked to make that payment, because, after all, Telstar is going, and it will not cost A.T. & T. one cent. The Government will pay $26 million of it, and the domestic users of the telephones will be charged the other $74 million. So this great investment is being handed to A.T. & T.

Of course, A.T. & T. does have some prestige which has value.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield for another question?

Mr. KEFAUVER. I yield for a question.

Mr. LONG of Louisiana. Does the Senator from Tennessee know how much money a year A.T. & T. takes in, on a gross basis?

Mr. KEFAUVER. I have heard the amount stated; I know it is more than the gross receipts of any other corporation in the world.

Mr. LONG of Louisiana. Would the Senator from Tennessee be surprised to hear that the gross income of A.T. & T. is $8 billion a year?

Mr. KEFAUVER. I believe I have heard that that is the amount.

Mr. LONG of Louisiana. As a practical matter, if A.T. & T. had to pay the $875 million, would not it be simple enough for A.T. & T. to increase by 10 percent its charges to the telephone users, in order to cushion that payment?

Mr. KEFAUVER. Yes, that would do it.

Mr. LONG of Louisiana. If need be?

Mr. KEFAUVER. Yes.

Mr. LONG of Louisiana. On the other hand, if things should go as well as is hoped, that would not be necessary?

Mr. KEFAUVER. Yes.

I was greatly impressed with the testimony of the Hughes Aircraft Co. that even with their syncom Mark II, which is not the ultimate high syncom—for they will make a better one—there would be 1,200 channels; and when they get up to 39 or 40, it will be in the black. Of course the Government's needs will require 100 or more channels. So this will be an enormously remunerative operation—with no maintenance cost for cables, but with a satellite in the sky and ground stations to send signals to it.

Mr. LONG of Louisiana. Would not it be possible for A.T. & T. to dispose of many of its microwave lines, once this satellite was placed in the heavens?

Mr. KEFAUVER. Undoubtedly so; and thus its cost of operation would be decreased.

Mr. SCOTT. Mr. President, will the Senator from Tennessee yield for a question?

Mr. KEFAUVER. I yield for a question.

Mr. SCOTT. First, as the Spaniards do, as the Senator from Tennessee knows. I shall state my question more or less in reverse—just as questions when written in the Spanish language show first an inverted question mark, then the question, and last of all, a question mark rightside up. So I begin with a question: Has the Senator from Tennessee any evidence or any reason to believe that the Government would operate the satellite communications system at a profit greater than the present enormous profits from the Post Office operation, which I gathered from the Senator's exposition are being annually returned to the taxpayers? Would the operation of the satellite communications system by the Government be as profitable as or more profitable or less profitable than the operation of the Post Office?

Mr. KEFAUVER. The Senator from Pennsylvania knows so well the answer to that question that I am surprised that he would ask it.

Mr. SCOTT. I know the Senator's answers to several of the other questions with which he has dealt, but I do not agree with his answers.

Mr. KEFAUVER. In the first place, the Post Office is operated at a deficit, but that is the fault of the Congress. The Senator from Pennsylvania well knows that in connection with the ownership of a space communications satellite, with ground stations leased and operated by private interests or private enterprise, and with the personnel required by the Government to be employed on a nondiscriminatory basis, the work, except the policymaking, would be done by contracts with corporations, but the number of personnel would not be at all comparable to the number used to operate the postal system.

Also the Senator from Pennsylvania knows very well that in connection with any comparable operation, such as Bonneville, the Panama Canal, or the TVA, all of them are operating at a profit.

Mr. SCOTT. Mr. President, will the Senator from Tennessee yield for another question?

Mr. KEFAUVER. I yield for a question.

Mr. SCOTT. Did the Senator from Tennessee say the TVA was operating at a profit?

Mr. KEFAUVER. Yes; it is operating at a very handsome profit.

Mr. SCOTT. Has the Government ever gotten back any of the money it invested in the TVA?

Mr. KEFAUVER. Yes; as I recall, the Government has been paid back more than $350 million, the last time.

Mr. SCOTT. How much has the Government expended there, but not gotten back?

Mr. KEFAUVER. As I recall, about 40 percent of the investment in power has been repaid. The present power facilities, as the Senator from Pennsylvania knows, are being financed on a revenue bond basis. In any event, by law the entire payments for the power part of the TVA have to be made over a period of 40 years.

Mr. SCOTT. Mr. President, will the Senator from Tennessee yield for another question?

Mr. KEFAUVER. I yield for a question.

Mr. SCOTT. As a preliminary to the question, I should like to say, if I may, that during the colloquy between the Senator from Tennessee and the Senator from Louisiana, when they were engaged in "taking in each other's laundry," I may have become somewhat confused by the fiscal Disneyland involved in some of the rapid questions and answers which seemed to satisfy the two distinguished Senators, but to my mind did not particularly clarify the fiscal situation.

Did I correctly understand the Senator from Tennessee to say seriously that somewhere along the line of this program, somebody or other has denied or will deny to our mutual friend, the distinguished Edward R. Murrow, the sum of $900 million for broadcasting through Telstar or other parts of the communications system? Or if I misunderstood the Senator from Tennessee, will he put together for me in proper context the name "Edward R. Murrow" and the figure "$900 million"?

Mr. KEFAUVER. Yes, I am glad to do so. Mr. Murrow testified before most of these committees—before the Senate Commerce Committee and before the House Committee on Aeronautics and Space Sciences. In the Senate committee hearings, his testimony will be found beginning on page 289. He said that, projecting the kind of use he would like to make of a space communications system, at the current rates the cost would be $900 million a year.

He is complaining that he had to pay the regular commercial rates. That testimony will be found. He amplified on it before the House committee. He said that, under the bill as now written, it would be impossible for him to get any reduction in rates, and that he would have to pay $900 million. It was such a great amount that he simply could not afford it. I think he said it was a great deal more than his budget for everything else. He talked about the television circuits that were available, and projected the expense into the future. He said it would cost $900 million and that the complete budget for salaries and expenses in fiscal 1962 was $111,500,000. So this is apparently seven times the amount of his complete budget for the other items.

Mr. SCOTT. If the Senator will yield for a further question, does the Senator not agree that on page 289 the point Mr. Murrow was making was that his complete budget for the fiscal year 1962 was $111,500,000, which might be a very good reason why he could not afford $900 million out of it to use a space system?

Mr. KEFAUVER. Of course, he is pointing out how valuable a space system would be, and he would like to have a rate that would enable him to use it more, but if he had to pay the current rate, projecting the expense, it would cost $900 million.

Mr. SCOTT. I find it difficult to understand some of this modern arithmetic. I learned only old-fashioned arithmetic. He cannot afford to pay $900 million because the budget is only $111 million, and I do not understand how many times $900 million goes into $111 million. If the Senator will explain that, I am sure all students of primary arithmetic will be very glad to learn the answer.

Mr. KEFAUVER. Anyway, he said he could not use the system; that if the bill passes, it will be too expensive for him.

I have talked about the fact that the President has to promote the system.

REQUEST FOR PERMANENT SUBCOMMITTEE ON INVESTIGATIONS OF COMMITTEE ON GOVERNMENT OPERATIONS TO MEET TOMORROW MORNING

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am very happy to yield to the Senator for a question.

Mr. McCLELLAN. Will the Senator yield to me to permit me to make a unanimous-consent request that the Permanent Subcommittee on Investigations of the Committee on Government Operations be permitted to meet tomorrow?

Mr. KEFAUVER. The Senator has made that request, and I thought it had been made clear to him that, while the Senate is in session, we would have to object to committees meeting. I urged the Senator to ask the majority leader not to call the Senate in so early.

Mr. McCLELLAN. I have no influence over the majority leader with respect to calling the Senate into session at any hour.

Mr. KEFAUVER. Ordinarily the Senate meets at 12, and the Senator would have time, but, over our objection, the Senate is meeting at 10 a.m. I may say to the Senator that we would like to have Senators present listening. If we made an exception in his case, we would have to make an exception in others.

Mr. McCLELLAN. Will the Senator yield so that I may make a brief statement and ask him a question, without his losing the right to the floor?

Mr. KEFAUVER. I yield.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. The work of the committee needs to go on. I am not at all unmindful of the position the Senator is taking, and his reasons therefor, but I feel it my duty, as chairman of the committee, in view of the fact that its work needs to go on, to make this request. We are engaged in a series of hearings and investigations in which there is great public interest, as the Senator knows, and I feel it is my duty to make the request, if I can get the floor to do so. If the Senator announces that he will object if the request is made, I will take it as sufficient public advice and information that the committee would not be permitted to meet even if the request were made, so I could say I tried to obtain permission. If I am denied that permission, very well, but I would like to try to get permission to meet tomorrow.

Mr. KEFAUVER. I know of the important work of the Senator from Arkansas and his committee. The committee could meet at 8 o'clock or 9 o'clock and have some time in which to work. I suggest to the Senator, after having brought up the question, that he bring the matter to the attention of the majority leader, in the hope that he would have the Senate meet at 12 o'clock, instead of 10 a.m., which has been the custom of the Senate as to meeting time.

Mr. McCLELLAN. Will the Senator yield further?

Mr. KEFAUVER. I yield for a question.

Mr. McCLELLAN. Does the Senator not recognize that I bring it to the attention of the majority leader and the minority leader and every Member of the Senate when I stand on the floor of the Senate and ask unanimous consent? Is not that notice to all parties in interest in this particular issue, including the leadership?

Mr. KEFAUVER. Yes. It is constructive notice that the Senator brings it to their attention, because it is in the RECORD, but I observe that there is a very able acting minority leader, but there is, apparently, no acting majority leader at the present time.

Mr. McCLELLAN. I believe I am occupying that authority by designation.

Mr. KEFAUVER. I am sorry. I thought the Senator came into the Chamber to make the request.

Mr. McCLELLAN. That is the reason why I came into the Chamber.

Mr. KEFAUVER. I yield to the Senator, but suggest that when the Senate recesses tonight, it recess until 12 o'clock tomorrow.

Mr. McCLELLAN. I shall be glad to consider that request if I can have my first request granted, that I might make a unanimous-consent request that the committee be permitted to meet tomorrow morning. I refer to the Permanent Subcommittee on Investigations of the Committee on Government Operations.

Mr. KEFAUVER. I would have to object, Mr. President.

Mr. McCLELLAN. Very well. I think the record is made.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. MORTON. There is no objection from the minority.

REQUEST THAT THE SENATE MEET AT 12 O'CLOCK NOON TOMORROW

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. LONG of Louisiana. I ask unanimous consent, without prejudicing the rights of the Senator from Tennessee, that I may make a unanimous-consent request that the Senate meet at 12 o'clock noon tomorrow.

Mr. SCOTT. I object.

Mr. LONG of Louisiana. I regret there is objection to that request.

Mr. KEFAUVER. I regret there is objection, too. Perhaps the Senator can renew the request.

Mr. McCLELLAN. I want the Senator to know that I have no objection to meeting at 12 o'clock noon, or 2, or 4, tomorrow. I would just like the committee to meet in the morning so we can work.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. KEFAUVER. I yield.

Mr. LONG of Louisiana. I renew my request that the Senate meet at 12 o'clock noon tomorrow.

Mr. MORTON. Mr. President, I feel constrained to object.

Mr. LONG of Louisiana. I regret that there is objection.

Mr. KEFAUVER. I am certain that if the acting majority leader, the Senator from Arkansas, would talk with the majority leader about the importance of the work, he might reconsider, and not object to the Senate's meeting at 12 o'clock tomorrow.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield for a question.

Mr. MORTON. Is it not true that the Finance Committee has authority to meet at any time between now and the end of the session? So has the Appropriations Committee. I should think such permission would be granted to the very important committee of the Senator from Arkansas.

Mr. KEFAUVER. That is true. The Appropriations Committee has that permission by the rules or by statute. During the interim when the pending bill was set aside, in order to bring up emergency legislation that would expire on

June 30, and before the pending bill was brought up again, somehow or another, without those of us opposed to the bill knowing about it—I do not accuse anybody of bad faith; we just were not here at the time—the request was made that the Finance Committee have the right to meet when the Senate was in session for the rest of this session.

The unanimous-consent request was agreed to. We were asleep on the job. That is the reason it slipped by. If we had known it was to come there would have been an objection.

The Government will, of course, be one of the principal users, if not the largest single user, of the communications facilities provided by an operational satellite system. In the case of a satellite communications system, it is even more appropriate that the facilities be available to the Government since the Government has financed virtually all of the research and development which has made such a system possible. As I have said, that portion of the language which relates to making the satellite system available to the Government is fine but now let us look at the rest of the language in this section.

The President shall take all necessary steps to insure the appropriate utilization of the commercial system for such governmental purposes as do not require a separate communications system to meet unique governmental needs. Obviously, this covers most of the governmental communications needs. The only exception to this category would probably be classified military information.

In some instances, unique governmental needs might include coded material, when a satellite system normally used for commercial purposes would be inadequate, or for certain governmental needs antijamming equipment might be necessary in a satellite system. Except for these limitations, however, it is difficult to conceive of many communications needs which would fall outside the class described by this section. What this apparently means is that the Federal Government will be expected to use the commercial satellite system for all of its needs, irrespective of whatever communications facilities the Government may have in terms of its own satellite communications systems.

There is little doubt that military needs will require the establishment of at least one communications satellite system by the Government, irrespective of what action is taken by any commercial organization.

If such a governmental system were in existence, it would require comparatively small additional expenditures to expand the facilities so that they could handle a considerable amount, if not all, of the governmental communications needs for international, as well as domestic long-distance communications.

Except for the limitation in the bill, the Government's military satellite might provide for the needs of Ed Murrow's USIA, and might save the Government a great amount of money, but the bill is written so that Mr. Murrow could not use the Government's military system, even though many channels in it were not being used.

The communications carriers have objected very strenuously to the idea of a separate governmental system. In the past, the carriers have found governmental businesses highly profitable, and they have exerted every effort to insure that they will continue to enjoy the revenues which the Government provides. It is not surprising to see the carriers exhibit such an attitude. Anyone who is in business to make money can be expected to exert his best efforts to retain one of his best and most important customers.

HUGE SUBSIDY TO CARRIERS

The fact that the communications carriers are interested in retaining the Government's communications business should not be taken as sufficient justification for a statutory provision virtually requiring the Government to use a commercial system, irrespective of its own capacity to meet governmental needs. It is quite easy to visualize the language of section 201(a)(6) being used to justify governmental use of the commercial satellite system at a time when a governmentally owned system has communications capacity which is going unused.

The private carriers are already to receive a tremendous subsidy under this bill by virtue of the fact that all the governmental expenditures for satellite communications and space technology will be the only thing to make it possible for the carriers to get into the satellite communications business at all. Certainly, having put them in business, the Government should not be obligated to insure their continued financial success by means of a subsidy in the form of governmental business.

Mr. President, if this language is retained in the bill, it will represent a tremendous victory for the communications carriers. There can be no justification for such language except that it is an effort intended to free the private satellite corporation from the possibility of any competition for Government business. Senators should notice, however, that the possible competition is in the form of the Government being able to provide services for itself. The private corporation itself would have an exclusive monopoly over commercial satellite operations, so that there would be no competition from any other private source. This language would eliminate the possibility of competition from any source whatsoever and could have the effect of severely limiting the Government's choice of alternative means of communications, and it could also increase prices to the Government for necessary communications services.

I cannot believe that anyone would contend that this language is necessary as a protection for the Government or to insure that the President directs the Government to secure the cheapest and most efficient means of communications. There is no doubt that the President of the United States can be depended upon to make decisions of that sort in the public interest without having statutory direction in the form of language such as in this section of the bill.

If, in fact, the language of this section is intended to do no more than direct the President or suggest to him that he use the commercial satellite system when it would be more advantageous to the Government to use that system than to use its own facilities, I would suggest that this particular language is singularly inappropriate and represents unusually poor draftsmanship.

THE ROLE OF NASA

I should like to turn now to a brief consideration of some of the problems of the section dealing with the role of the National Aeronautics and Space Administration in the satellite corporation.

Mr. MORTON. Mr. President, will the Senator yield at that point?

Mr. KEFAUVER. I yield for a question.

Mr. MORTON. I wish to ask the Senator a question. What does the Senator mean by "brief consideration"?

Mr. KEFAUVER. It depends on how many interruptions there are.

Mr. MORTON. Very well. I will not interrupt further.

Mr. KEFAUVER. And colloquies. I shall be glad to have the Senator interrupt. I know the Senator always asks very intelligent questions.

The discussion of the role of NASA should not require more than 10 minutes or something like that. It is important.

For several years now NASA has had an extensive program of research and development in satellite communications.

NASA's budget for satellite communications has grown year by year, with little sign of any decreases in the near future. For the fiscal year 1960 NASA had a total budget of $523.6 million. Of that amount $3.1 million was appropriated for space communications. The following year, fiscal year 1961, NASA's total budget was $964 million. Of that, a total of $29.5 million was allocated to space communications. For fiscal year 1962 NASA's total budget increased to nearly $1.7 billion, and the amount devoted to space communications increased to approximately $95 million. There is little chance that the amount which NASA will spend on space communications in fiscal year 1963 will be less than the amount spent in fiscal year 1962.

These NASA expenditures have financed research projects with two principal types of satellite systems using active repeater satellites.

HIGH-ORBIT SYSTEM

NASA's Project Syncom, for which Hughes Aircraft is the contractor, is carrying out experimentation with a system using approximately three earth satellites in 24-hour equatorial orbit 22,300 miles above the earth.

These three satellites will provide communications coverage for the entire world, with the exception of a very small polar area. This is the so-called synchronous satellite system. It is also sometimes referred to as the high-orbit system.

LOW-ORBIT SYSTEM

Under the name of Project Relay, for which RCA is the contractor, NASA is conducting research, development, and experimentation with a low-orbit system. The low-orbit system utilizes satellites in random polar orbit at altitudes ranging from 6,000 to 8,000 miles above the earth.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. KEFAUVER. I am very happy to yield to my distinguished colleague from Oregon for a question.

Mr. MORSE. Is it the understanding of the Senator from Tennessee that it is expected by the scientists that within a very few years there will be some remarkable developments in respect to new discoveries concerning high-altitude satellites?

Mr. KEFAUVER. Yes. I say to my colleague from Oregon that the scientists feel—and all indications are that they are correct—that within a year or a year and a half it should be possible to put a workable syncom high-altitude satellite into orbit. The Hughes Co. has produced a model of what it is working on. It is called Mark I. The present boosters are adequate to put the experimental high-altitude satellite into orbit. Within a year and a half they can have ready their so-called Mark II, which will be operational to the point that it could be applied to the communications satellite system.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. KEFAUVER. I yield for another question.

Mr. MORSE. Is it the Senator's understanding that some scientists take the position that if, as, and when the high-altitude satellites have been perfected, low-altitude satellites of the nature that are encompassed in connection with the bill will for all intents and purposes be obsolete?

Mr. KEFAUVER. I think that is undoubtedly the consensus of practically all scientists. First, the low-altitude system would become obsolete because it is in orbit at 6,000 feet. A message today from, say, the United States would go only to a limited part of the world. To get the message to Japan or Australia, it would have to go through some complicated kind of relays. It would be workable.

The second point suggesting obsolescence is that the system would be much more costly because the ground stations would have to move to catch the satellites as they go over.

Third, the cost of keeping 300 or 400 satellites in orbit would be very great. There is not only the great cost of the satellites themselves, but also the necessary missiles, rockets, and boosters. Then use for the low-altitude system might put a serious defense strain on our space program. We would use many missiles to get the satellites into orbit and to keep them there. The life of one satellite would be a year and a half to two years. It would be very expensive.

The higher orbital system, of course, would require only three satellites, which would reduce the expense a great deal.

Mr. MORSE. Mr. President, will the Senator yield for a further question?

Mr. KEFAUVER. I yield for a question.

Mr. MORSE. Does the Senator agree with the senior Senator from Oregon that the information which those of us in opposition to the bill have already gathered from the authorities, scientists, and experts on this subject indicates that we are being asked, through the bill, to support a system that itself will be unnecessarily costly compared with what the cost would be after the high-altitude satellites are perfected and, furthermore, the system would be obsolete within the very near future?

Mr. KEFAUVER. That is exactly the point. The testimony of the scientists bears that out. I think the testimony is that the cost of a low-altitude system is $500 million. The cost of a high-altitude system is $200 million. The ground stations necessary for the low-altitude system would be five times as expensive as ground stations for the high-altitude system.

As the Senator has pointed out so forcefully, in a few years that system would be obsolete. There are some suggestions that the Soviet Union may be waiting until we are committed to a low-altitude system. We might have a great deal of money invested in such a system. We can be sure that if we foot the bill, we shall be committed to a low-altitude system, because that is what the Senator from Pennsylvania [Mr. SCOTT] said Dr. Pierce stated. The bill meant the Telstar system. If we should become committed to the low-altitude system, the corporation, and not the Government of the United States, would make the decision as to whether we would go to the higher altitude system. Again we will be second best.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. KEFAUVER. I yield for a question.

Mr. MORSE. Does the Senator agree that if we pass the bill and enter into a commitment for the maintenance and perpetuation of a low-altitude system, the American Telephone & Telegraph Co. would gain vested legal rights in the satellites that would be involved in the system operated under the bill?

Mr. KEFAUVER. There is no doubt about it. The bill itself provides that among other things the President shall do will be fit the satellite system into existing facilities. What would be the existing facilities? The A.T. & T. low-orbit ground stations. A.T. & T., as I understand it, has plans for building 40 or 50 satellites, so they will have a vested interest. There will be nothing we can do to change it.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. KEFAUVER. I yield for another question.

Mr. MORSE. Who would launch the satellites into orbit?

Mr. KEFAUVER. NASA would launch them from Cape Canaveral, I believe.

Mr. MORSE. Will the Senator explain for the RECORD, so members of the public reading it will understand what NASA is?

Mr. KEFAUVER. The National Aeronautic and Space Administration, which, as I have said, has a budget for 1962 of $1.7 billion. NASA has charge of all our space exploration. It has let out contracts to RCA for the development of the so-called low-orbit relay system and to Hughes for working on the Syncom high-orbit system. Other contractors have other different plans and proposals.

Of course, NASA has a very expensive installation at Cape Canaveral and the Banana River on the eastern coast of Florida. Perhaps $1 billion may be invested in that installation. It is their principal site for launching the rockets and missiles which would put the satellites into orbit.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. KEFAUVER. I yield for another question.

Mr. MORSE. Is it true that when the Senator points out that NASA will launch each and every one of the American Telephone & Telegraph satellites, he means that the U.S. Government, through NASA, in the use of our satellite launching facilities, paid for at a cost of many millions of dollars out of the pockets of the American taxpayers, are launching these satellites for the profit benefit of a monopoly called American Telephone & Telegraph?

Mr. KEFAUVER. The Senator is exactly right. That is what I mean. It would be the taxpayer's money—which, of course, has made NASA possible—which keeps the system to launch satellites going.

I point out that the Government would tie its hands. It is said, "If you do not like the low-orbit system, you can turn to something else." But that is a one-way street, and one way is always for the corporation or for the A.T. & T. The bill provides that NASA shall cooperate with the corporation.

In other words, if the corporation wants to launch one, it will. If the corporation wants to do research, it will. There is no reciprocity. NASA has no right to call on the corporation for anything. If the bill is passed there is nothing the Government can do except to go to a great expense, which is in no way compensated by the small amount paid by A.T. & T. for each launching. There is a great expense involved in launching a satellite for a private corporation.

Mr. MORSE. Mr. President, will the Senator yield for a further question?

Mr. KEFAUVER. I yield for a question.

Mr. MORSE. Does the Senator agree that, if within a few years the system becomes obsolete and our Government wakes up and recognizes that it is putting itself and the American people—and when we speak of the Government we are talking about the American people—behind a good many other governments, who will have gone ahead with the development of a high-altitude satellite, the only way we shall be able really to get A.T. & T. out from under the bill and legal liabilities we are creating against the United States and the legal advantages we are giving A.T. & T. will, in effect, be to pay it by way of some form of condemnation?

Mr. KEFAUVER. Yes; that would be the only way. However, the Senator from Oregon knows the history of this sort of thing better than any other

Member of the Senate. Once the Federal Government gives something away, there may be a theoretical possibility by eminent domain to get it back, but practically that is not possible. It is gone forever.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. KEFAUVER. I yield for a question.

Mr. MORSE. Does the Senator from Tennessee see any interesting analogy between the drive of this powerful A.T. & T. monopoly lobby and the lobbying activities of the priviate utilities in years gone by, as he and I have opposed the private electric utilities in their attempts to get the Federal Government to build multiple hydroelectric dams and turn them over to the private utilities under so-called—and this is an interesting enough phrase, as it has cropped up in the debate—partnership arrangement, whereby the private utilities make the profits from the dam and the American taxpayers pay for the nonreimbursable costs of operating the dam?

Mr. KEFAUVER. Yes. This is the same type of lobbying campaign that we saw when it was proposed to give the atomic energy rights away and to give away the water from the dam and establish a so-called partnership. It is the same thing. It is the same as it was in connection with other giveaways that we have had proposed. This campaign is more intense, bigger, better organized, and more nationally spread out today and, apparently, more effective.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. KEFAUVER. I yield for a question.

Mr. MORSE. When the Senator says more intense or more extensive, does he mean that it will cost the American taxpayer many more hundreds of millions of dollars than would have been the case if the private electric utilities had been successful in getting by with their partnership scheme which was but a device for them to put their hand into the public till for the benefit of their stockholders and to the disadvantage of the taxpayers of the country as a whole?

Mr. KEFAUVER. The giveaway in the partnership proposal that the Senator is discussing was a smalltime operation, small potatoes, compared with this proposal. The giveaway is not only vast and of great value, but the hands of the Government would be tied, requiring the payment of the fullest rates, and requiring that NASA continue to do research and development for the corporation, even after the corporation is set up. This benefit would be given free to the corporation. Therefore, in many important ways great benefits are to be given to the corporation if the bill is passed. Those benefits greatly overshadow what the Senator has been talking about, and they are not comparable with the giveaways he has mentioned, and against which we have fought in connection with the power from the dams built by the Government.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. KEFAUVER. I yield for another question.

Mr. MORSE. Does the Senator recall that when he and I came to the Senate many years ago, we were subjected, when we opposed private utilities' attempts to take over the power-producing facilities of multiple-purpose hydroelectric dams, to the same sort of criticism and attacks to which we are now subjected because of our opposition to this monopolistic satellite communications bill?

Mr. KEFAUVER. The Senator is entirely correct. He had been in the Senate for a considerable time. However, shortly after I came here we had to talk at length to get the message over. We were accused of blocking legislation and holding up things in exactly the same way in which we are being attacked now. Exactly the same kind of attacks were made. Those attacks were even more intense when a number of us talked at considerable length to avoid giving away the atomic energy rights of the United States.

Mr. MORSE. Will the Senator yield for another question?

Mr. KEFAUVER. I yield.

Mr. MORSE. This is a subject matter on which I wish to examine the Senator. Does the Senator remember the atomic energy bill fight?

Mr. KEFAUVER. I do remember that fight very well. I remember is vividly.

Mr. MORSE. Does the Senator from Tennessee remember that that bill, as I recall, covered 110 pages?

Mr. KEFAUVER. Yes; I remember that it was a very lengthy and complicated bill.

Mr. MORSE. Does the Senator recall that that bill came to the floor of the Senate one afternoon, and the request was made by the then leadership of the Senate for a unanimous-consent request to vote on the bill before the day was over?

Mr. KEFAUVER. Yes; I recall that we were to be given 4 hours for the consideration of the bill.

Mr. MORSE. Mr. President, will the Senator yield further?

Mr. KEFAUVER. I yield for another question.

Mr. MORSE. Does the Senator recall that when the senior Senator from Oregon objected, he was Peck's Bad Boy then, too?

Mr. KEFAUVER. I remember that the Senator objected not once but several times, and successfully.

Mr. MORSE. Does the Senator recall that the majority leader of that time said to me, in effect, that unless I was willing to consent to the unanimous-consent agreement to vote on that bill that day, I could start talking?

Mr. KEFAUVER. I remember that very vividly.

Mr. MORSE. Does the Senator recall that I explained to the majority leader that I would do my best to accommodate him?

Mr. KEFAUVER. Yes; I remember the Senator expressed the feeling that he was ready to accommodate him.

Mr. MORSE. Does the Senator recall that the then majority leader overlooked one very important factor, however, and that was that I was not alone?

Mr. KEFAUVER. I remember that the majority leader overlooked an important factor as to the length of time the Senator was going to speak; also the fact that he had friends in the Senate who had the same feeling as he had. I am proud to say today that I was one of them.

Mr. MORSE. Does the Senator recall we stood together as a little group of what were called willful men on that occasion in opposition to that bill?

Mr. KEFAUVER. Yes. I remember we were called many ugly names.

Mr. MORSE. Does the Senator recall that in our fight against the attempt to give away the atomic energy rights of our country we were charged with blocking the will of the majority?

Mr. KEFAUVER. The bill had come from committee by almost unanimous vote, we were told, and had been considered by some other committee and approved by a big vote. We were told that someone downtown wanted it, and that we were blocking the will of the majority. The same charges are being leveled at us now.

Mr. MORSE. Does the Senator recall that we were attacked on the ground that we were obstructionists and filibusterers and Senators uncooperative with the will of the leadership and the majority of the Senate?

Mr. KEFAUVER. I recall that. I had not been in the Senate very long, and I was not as experienced in these matters as I am now, and I must say that those charges gave me some worry at night. But I got over it all right.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. KEFAUVER. I yield for a question.

Mr. MORSE. Does the Senator recall that we talked for 13 days and 6 nights?

Mr. KEFAUVER. Yes. I had forgotten the exact length of time, but I remember that there were some all-night sessions.

Mr. MORSE. Does the Senator recall that a part of the assignment of the senior Senator from Oregon in that debate was to hold down the graveyard shift during two of those nights?

Mr. KEFAUVER. I remember the Senator had that assignment, and he fulfilled it. I recall that that was the occasion when the Senator spoke 26 or 27 hours.

I recall also that the distinguished Republican Senator, who sadly is not with us any longer, and whom we all miss, the great liberal, Senator Langer, was having a little trouble with his eyes, and he asked unanimous consent to allow the clerk to read his speech. He gave the clerk about five pages of his speech, and then shortly afterward placed about 150 more pages under the speech which the clerk was reading. So the late Senator from North Dakota participated in the long debate by remaining in his seat while the clerk read his speech.

Mr. MORSE. Mr. President, will the Senator from Tennessee yield for another question?

Mr. KEFAUVER. I yield for a question.

Mr. MORSE. Does the Senator recall that, as that debate progressed, the American people started to be informed as to the issues that were at stake, with the result that the Senate also started to be informed as to the wishes of many people in America?

Mr. KEFAUVER. I do recall that. I recall that messages, telephone calls, letters, communications, and resolutions began to come in as the information about that technical bill got out to the people; and the same thing is happening now with respect to this bill.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. KEFAUVER. I yield for a question.

Mr. MORSE. Does the Senator recall that in the atomic energy filibuster debate, naughty as that word is, the result was the adding of one amendment after another to that bill, and that in all probability not one amendment would have been adopted had we surrendered to the request of the then steamrollering majority which sought to ram that bill down our throats on the very afternoon of the day that bill was brought to the floor of the Senate?

Mr. KEFAUVER. I recall that. I am certain that none of those amendments which protected the public interest, and finally got the bill into such shape that it was not a giveaway, would have been adopted if we had yielded to the steamroller tactics under which that bill was brought up. But the public interest was protected.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. KEFAUVER. I yield for a question.

Mr. MORSE. Does the Senator from Tennessee think it would be fair to say that he and the Senator from Oregon, and many others of us who are standing together on this issue, are pretty well battle scarred from the battles over steamroller tactics in the Senate, and that it is pretty difficult to convince us that we should throw away the public interest merely because it might be good temporary politics for us to do so?

Mr. KEFAUVER. I think the Senator from Oregon and I—particularly the Senator from Oregon—have been in a great many battles which are called ugly names, and that——

Mr. SYMINGTON. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I will yield in just a moment. We have become accustomed to doing what we believe is in the public interest, to save the Government from steamroller tactics wherever it is necessary. I am very happy to be standing here fighting along with the Senator from Oregon, because I think that of all the previous giveaways he has mention, this is the most mammoth, the one which will reverberate the worst against the sponsors of it.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. KEFAUVER. I yield for a question.

Mr. MORSE. Is the Senator from Tennessee convinced that if the debate on the communications satellite bill continues long enough, more and more people in the United States will come to understand the position of the present minority which is opposed to the bill, and will start to make their wishes known in regard to the merits and demerits of the bill?

Mr. KEFAUVER. I am sure that that will take place; it has occurred on all other such occasions.

I do not know what the mail of the Senator from Oregon shows, but my telephone calls, telegrams, and letters show that there is beginning to be a wider appreciation of the danger to come from this bill. I am certain that the information will get out to the country and that there will be a change of sentiment.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. KEFAUVER. I yield for a question.

Mr. MORSE. Would the Senator be surprised to learn that the communications I am receiving, mostly in the form of telegrams, are running 9 to 1 in support of the position of the Senator from Oregon in opposition to the bill?

Mr. KEFAUVER. I am not surprised to hear that, because that is just about the ratio of the communications I have been receiving.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. KEFAUVER. I yield for a question.

Mr. MORSE. Does the Senator understand that in a situation such as this, such statistics are not, of course, necessarily too conclusive, because we are inclined to hear, in this format, from many persons who share our point of view; nevertheless, they are symptomatic and indicative of a growing interest in the country in respect to the bill?

Mr. KEFAUVER. I agree with the Senator. I know that when a constituent observes that a Senator who is a friend of his has taken a position, he may be more inclined to send a telegram or write a letter than someone else would be. But it is indicative. I have found that one way of telling when people are really becoming concerned about something, is when they start to send lengthy handwritten letters themselves. We are getting quite a number of those, as I am sure the Senator from Oregon is, too.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. KEFAUVER. I yield for a question.

Mr. MORSE. Does the Senator agree with me that we who are in opposition to the bill are making a reasonable request when we ask that the bill be referred to the Committee on Foreign Relations for full hearings, in order that the committee may consider many of the foreign policy problems which the Senator from Tennessee has already commented upon in the course of his able, eloquent, and brilliant speech this afternoon?

Mr. KEFAUVER. Yes; I feel, as does the Senator from Oregon, that that is a reasonable request. I think every Member of the Senate should feel that he would be more enlightened about this important foreign policy matter after full hearings by the Committee on Foreign Relations and a report from that committee.

Apparently the President himself has become concerned about the question, because on July 12 he asked that a foreign policy study be made, the benefit of which, of course, we do not have. I think it is a very reasonable request and ought to be agreed to, and that hearings should be started. Then we can see where we will go from there.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. KEFAUVER. I yield for a question.

Mr. MORSE. Is the Senator from Oregon correct in his impression or understanding that there is no great need for hasty action on the bill, because there will probably be a minimum of 1½ to 2½ years before there will be any chance of really putting into operation the beginning of the program contemplated by the bill?

Mr. KEFAUVER. The Senator is entirely correct. There would be no loss in research and development by reason of the delay. The corporation could not even issue stock now because the system has not been decided upon. Many witnesses have stated that there would be nothing for the corporation to do but to sit on its hands for a year. The only reason for the creation of the corporation is the desire of the big companies to get their exemption from the antitrust laws now, while the iron is hot.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. KEFAUVER. I yield for a question.

Mr. MORSE. Does the Senator agree with me that when a program such as this, which involves many millions of dollars of the taxpayers' money, is before us, the taxpayers ought to have an opportunity to have the bill thoroughly discussed during the oncoming political campaign, especially in view of the fact that there is no need for immediate action, so far as the implementation of the bill is concerned?

Mr. KEFAUVER. I fully agree that it ought to be discussed in the political campaigns this fall. I agree that those of us who return to our States and report to our people should take the opportunity to talk about the bill and explain it. Then, either in an adjourned session this year or early in the session next January, when I believe there would be an informed public opinion and ideas would be better crystallized, I would join with the Senator from Oregon, and, if at that time public opinion had not come our way and if there were still insistence on the passage of some kind of bill, I would speak against it and vote against it, but I would not impede its passage by extra-long talk.

Mr. MORSE. Mr. President, will the Senator from Tennessee yield for another question?

Mr. KEFAUVER. I yield for a question.

Mr. MORSE. Is not the Senator from Tennessee surprised that the present majority supporters of the bill do not want to join us under the precious democratic processes in this country in taking the bill to the people for campaign discussion, prior to enacting it into law?

Mr. KEFAUVER. I hoped they would, and I was somewhat surprised that they did not join in our request. But apparently they have not done so.

Mr. MORSE. Mr. President, will the Senator from Tennessee yield for a further question?

Mr. KEFAUVER. I yield for a question.

Mr. MORSE. Does the Senator from Tennessee share my lurking suspicion that there may be among the supporters of the bill some who are suspicious that the bill might not be underwritten by the voting public if it were submitted as an issue during the campaigns, and therefore they feel that, because of whatever obligations they owe to those who want the bill passed, they had better get it passed now, because once that were done, it would be difficult to correct the wrong which we think would be done by the bill?

Mr. KEFAUVER. I think so. I believe they think that once the bill is passed, people will tend to forget about it, and will not be so much interested in this issue. But I feel, as does the Senator from Oregon, that this issue is of very great importance. The idea of a space communications satellite is romantic and difficult to conceive of. So certainly the voters are entitled to have time to consider it, and it should be discussed in the political campaigns.

I have every conviction that when there is an informed public opinion, the people of this country will not like what is being attempted under the terms of this bill.

Mr. MORSE. I thank the Senator from Tennessee.

SETTLEMENT OF STRIKE AT NUCLEAR SUBMARINE PRODUCTION PLANT

Mr. McCLELLAN. Mr. President, will the Senator from Tennessee yield to me, if it is understood that in doing so he will not lose the floor, and also that when he resumes his remarks, following this interruption, he will not be charged with having made an additional speech?

Mr. KEFAUVER. Under those conditions, I am very happy to yield to the Senator from Arkansas. This is still my first speech.

Mr. McCLELLAN. I have not kept the score.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. McCLELLAN. I thank the Senator from Tennessee for yielding.

Mr. President, I wish to make an announcement. The Senate will recall that yesterday our subcommittee sought to hold hearings on a subject which I thought possibly involved the security of the country, at least to a degree; I refer to the strike which has been in process at Groton, Conn., against the Electric Boat Co., which is in the process of constructing nuclear-powered submarines. That strike has been in progress for about 10 days; and up until tonight there will have been lost on this project 76,750 man-days of work. Heretofore, there have been two proposed settlement agreements, but both have been voted down.

Yesterday the committee held a conference regarding an incident which had occurred, and then made the information public.

I have just learned that today a vote was taken to ascertain whether the members of the union would approve a third proposed settlement which was submitted to them. I am now advised that the agreement has been accepted by the workers, by a vote of 4,775 in favor of accepting the agreement, as opposed to 1,485 against accepting it, and that the men will return to work at midnight tonight.

I know it is good news to all of us that the strike has finally been settled.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. PASTORE, from the Committee on Appropriations, with amendments:

H.R. 11151. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1963, and for other purposes (Rept. No. 1791).

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the motion of Mr. Mansfield that the Senate proceed to consider the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. MORTON. Mr. President, will the Senator from Tennessee yield, with the understanding that in yielding to me he will not lose the floor?

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KEFAUVER. I yield.

Mr. MORTON. I ask unanimous consent that the vote on the pending question be taken at 8:30 p.m.

Mr. MORSE. I object.

Mr. KEFAUVER. Mr. President, I know Members of the Senate want to hear the views of able Members of the Senate who are interested in this question. Later I shall have a great deal more to say about many aspects of it.

So, Mr. President, in ending my speech, I suggest the absence of a quorum; and I yield the floor.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 142 Leg.]

Aiken
Allott
Anderson
Bartlett
Beall
Boggs
Bottum
Burdick
Bush
Byrd, Va.
Byrd, W. Va.
Cannon
Capehart
Carlson
Case
Chavez
Church
Clark
Cooper
Cotton
Curtis
Dirksen
Dodd
Douglas
Eastland
Ellender
Engle
Ervin
Goldwater
Gore
Gruening
Hart
Hartke
Hayden
Hickenlooper
Hill
Holland
Hruska
Humphrey
Jackson
Javits
Johnston
Jordan
Keating
Kefauver
Kerr
Kuchel
Lausche
Long, Hawaii
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
McGee
McNamara
Metcalf
Miller
Morse
Morton
Moss
Mundt
Muskie
Pastore
Pell
Proxmire
Randolph
Robertson
Russell
Saltonstall
Scott
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

The PRESIDING OFFICER (Mr. Pell in the chair). A quorum is present.

Mr. MANSFIELD. Mr. President, several Senators opposing the satellite bill have expressed their apprehension over the foreign policy aspects of the bill. They have announced their intention of moving that the bill be rereferred to the Senate Foreign Relations Committee for study. Such a motion is entirely in order if the bill is before the Senate.

Unfortunately, however, the bill is not yet before us. Since last Thursday we have been engaged in parliamentary skirmishes; in producing quorums in order that the Senate leadership might exercise its traditional authority to determine the hour of meeting; and in debate, both relevant and otherwise, on the motion to take up the bill.

As a consequence, a motion to refer the bill to the Foreign Relations Committee is not in order at this time. I desire to give Senators who oppose the bill an opportunity to make this motion at a time when it would be in order.

Mr. President, I ask unanimous consent that the communications satellite bill be made the pending business; that, upon its being made the pending business, it be immediately referred to the Committee on Foreign Relations with instructions to report the bill back to the Senate not later than 12 o'clock noon on Tuesday next; and that, upon its being reported back to the Senate, it be made the pending business before the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. Mr. President, reserving the right to object, I should like to have the attention of the majority leader for a brief moment to say that I desire to call for a quorum, which will give us an opportunity for some consultation within our group. We have not had an opportunity to consult in regard to the proposal. I think the majority leader is entitled to have the composite judgment of the group. Our leader, the Senator from Tennessee [Mr. Kefauver], is off the floor temporarily. We shall do our best to get him back here as quickly as possible—certainly within a quorum call period. I ask the majority leader if he would have any objection to calling for a quorum at this point with the understanding that his unanimous-consent request will be the pending business at the conclusion thereof.

Mr. MANSFIELD. I should be delighted to yield for that purpose, with the further proviso that I do not lose my right to the floor.

Mr. MORSE. Certainly, with that proviso.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MORSE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask that the time specified in the request I made be changed to 12 o'clock noon on Friday, August 10, 1962, and that it be acted on.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. DIRKSEN. Mr. President, reserving the right to object, am I correct in my understanding that it is now proposed, first, that the bill be made the pending business?

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. Second, that the bill be referred to the Committee on Foreign Relations?

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. Third, that the bill be reported to the Senate not later than 12 o'clock noon on Friday, August 10, 1962?

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. So there would be a delay of 10 days before the bill would be reported, during which time it would remain the pending business of the Senate? Am I correct now in that estimate of the request before the Senate?

The PRESIDING OFFICER. The bill would be referred to the committee. It would not be the pending business.

Mr. DIRKSEN. Mr. President, when the bill came back to the Senate from the Committee on Foreign Relations would it be the pending business of the Senate?

The PRESIDING OFFICER. The Senator is correct.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. MANSFIELD. I yield.

Mr. AIKEN. In the event the bill should not be reported by the Foreign Relations Committee by Friday, August 10, what would be the situation? Would the bill automatically be the pending business before the Senate, in accordance with the request made by the Senator?

Mr. MANSFIELD. That would be my assumption. I have no doubt that the Committee on Foreign Relations would be diligent in its attention to the question and that the bill would be reported by noon on Friday, August 10, so that it could be made the pending business before this body at that time. This would be a direction on the part of the Senate as a whole to the Committee on Foreign Relations.

Mr. DIRKSEN. Mr. President, will the majority leader yield?

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. Mr. President, it occurs to me it would have to be assumed, notwithstanding the action of the Committee on Foreign Relations, that on Friday, August 10, the bill would be automatically considered as having been reported to the Senate.

Mr. MANSFIELD. The Senator is correct.

The PRESIDING OFFICER. The Senator is correct.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arizona will state it.

Mr. GOLDWATER. Would this mean that the Senate would not have the opportunity of acting on the bill until August 10?

Mr. MANSFIELD. The Senator is correct; but we would hope that some improvements would be made in the bill in the Committee on Foreign Relations and that the Senate could act more expeditiously once the bill was reported to the Senate. I think this is about the best way to handle the situation at this time; and I hope the Senator will understand.

Mr. GOLDWATER. The Senator understands. The Senator originally understood it was to be August 3 and not August 10.

Mr. MANSFIELD. No. The time was to be Tuesday next, which is August 7. More time was asked, but the requested extension of time was reduced by half.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. GORE. Is the junior Senator from Tennessee correct in his understanding that the majority leader has now asked unanimous consent, first, that the request to consider the bill now be agreed to; second, that the bill be immediately referred to the Committee on Foreign Relations; third, that the Committee on Foreign Relations be directed to report the bill to the Senate not later than 12 o'clock noon on Friday, August 10; and, fourth, that the bill at that time immediately become the pending business of the Senate.

Mr. MANSFIELD. The Senator is correct.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. MANSFIELD. I yield.

Mr. GORE. What is the emergency legislation which requires the Senate's attention meanwhile?

Mr. MANSFIELD. As the Senator knows, there are a number of conference reports to be considered. The conference report on the Defense Department appropriation bill and other conference reports on appropriation bills are to be considered. There is a farm bill, and other measures which have accumulated on the calendar, including the atomic energy bill and bills of that sort, and the drug bill of the Senator from Tennessee [Mr. KEFAUVER], which will be brought before the policy committee.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. MANSFIELD. I yield.

Mr. GORE. As one who has insisted perhaps too long and perhaps a little too enthusiastically that the satellite communications bill has foreign policy implications which should be considered by the Committee on Foreign Relations, and particularly so since the White House has initiated a study on the subject, I have insisted that the bill ought to be referred to the Committee on Foreign Relations. The able majority leader has agreed to that. I am authorized to speak for the group with which I am associated. We are prepared to agree to the four-point unanimous-consent request which has been submitted.

Mr. GOLDWATER. Mr. President, I object.

The PRESIDING OFFICER. The Senator from Montana has the floor.

Mr. GOLDWATER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Mr. President, will the Senator withhold his objection?

Mr. GOLDWATER. I will withhold my objection, but I am going to object to this kind of agreement.

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Nebraska will state it.

Mr. CURTIS. Should the unanimous-consent request be agreed to, would the Committee on Foreign Relations have authority to amend the bill?

The PRESIDING OFFICER. The committee would have the authority to recommend amendments to the bill.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. By the same token, the committee need not necessarily recommend amendments to the proposed legislation.

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. Mr. President, I hope that no Senator will interpose an objection to the unanimous-consent request now before this body.

I assure Senators that we have worked hard to arrive at an agreement. I can understand the feelings on the part of certain Senators on both sides of the aisle. I believe that the proposal is the best we can do at this time. Despite the fact that this is the second time the bill has been brought up, I hope that this courtesy will be extended to the leadership, so that we may come to grips with other proposed legislation, and let the Committee on Foreign Relations handle the bill at this time. If that could be done, I assure Senators that it would be deeply and personally appreciated.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. GOLDWATER. It is with great reluctance that the Senator from Arizona objects to that approach.

I had understood that the agreement would call for a report next Tuesday. In such an event I could go along with him on the request. I see no reason to reach an agreement with a group of Senators who by dilatory tactics are helping the

Russians. I see no reason why this body should back down from its responsibility. The bill has been amply displayed before committees of the House and of the Senate. The House passed the bill overwhelmingly. The Senate committees have approved it overwhelmingly. I do not know why the majority of the Senate must back down before a group of Senators who, for their own purposes, honest as they may be, wish to delay the decision.

I would be perfectly willing to go along with the decision to report the bill back next Tuesday. But if we were to delay action for 10 days with the understanding that no amendments could be offered, we would wind up in the situation in which we are today. So why fool ourselves? Let us face this handful of reactionaries who want to retard the progress of the United States for 24 hours a day.

I promise my leader, the Senator from Illinois [Mr. DIRKSEN], whose honesty I have never questioned—as has the senior Senator from Oregon [Mr. MORSE]—that I will remain here and fight 24 hours a day to force this handful of reactionaries into the mire of the background.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GOLDWATER. I am happy to yield.

Mr. MANSFIELD. Let me say to my colleagues on both sides of the aisle, as I have tried to say over the past several days, that the leadership, which includes the distinguished Senator from Illinois [Mr. DIRKSEN] and the majority leader, the Senator from Montana, must depend upon the courtesy, consideration, and tolerance of Members of this body. We have no extraordinary powers. Every Senator has as much power in his hands as we have in ours. In view of that fact, in view of the situation in which we find ourselves, we hope that a degree of lenience and tolerance will be shown so that the proposed agreement, which was entered into voluntarily by the two leaders, may be honored.

I question the motives of no Senator, whether he is for or against the bill. I doubt the intent of no Senator. I hope that the request will be given the consideration which only the Senate can bestow on the two men it has elected to be its responsible leaders.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. GOLDWATER. I have the most profound respect for the majority leader, as he well knows.

Mr. MANSFIELD. And I appreciate it.

Mr. GOLDWATER. He is an able, honest, and dedicated American. My dedication to my minority leader can never be questioned. But I have read in this morning's discussion of this subject a statement by the Senator from Oregon [Mr. MORSE], which, though I cannot quote——

Mr. MANSFIELD. Mr. President, will the Senator yield before he quotes?

Mr. GOLDWATER. The Senator from Oregon warned, that, in any event, he would do what he could to shelve the bill until after the November elections.

We have absolutely no assurance from the Senator from Oregon that if the measure is reported favorably by the Committee on Foreign Relations, he will withdraw his objection.

Before I am asked to pass on the request, I should like to have an assurance from the Senator from Oregon and from other Members of the group of reactionaries who are preventing consideration of the bill that they will not raise the same objections after the Committee on Foreign Relations has had an opportunity to discuss the question.

I remember that earlier today the Senator from Oregon [Mr. MORSE] said that not 5 days, not 10 days, not a month, but months would be required to hear the number of witnesses that the group feels should appear before the Committee on Foreign Relations. What assurance have we that after that sort of hokey-pokey of going through the Committee on Foreign Relations we would be able to act? The chairman is not even present. I cannot blame him. He is seeking reelection in Arkansas tonight—I hope unsuccessfully. As a Member of the Senate, I wish to know what the Senator from Oregon will do if and when the bill is reported favorably by the Committee on Foreign Relations. What will the Senators from Tennessee [Mr. KEFAUVER and Mr. GORE] do?

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GOLDWATER. I am happy to yield.

Mr. MANSFIELD. I point out to the Senator that the leadership has agreed to a delay of only 3 days beyond the day agreed upon. So far as the bill is concerned, when it is reported back I hope that the Senator from Arizona [Mr. GOLDWATER] and all other Senators will trust the leadership once again, this time with the hope that a greater degree of success will be achieved in the successful passage of the bill.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. GOLDWATER. I trust the leadership. I do not trust the colleagues of the leader. I am in a serious predicament.

Mr. MANSFIELD. So am I.

Mr. GOLDWATER. I should like to hear some of the leaders of the reactionary group tell us what is to happen when the Committee on Foreign Relations agrees with the other committees and says, with the Senator from Rhode Island [Mr. PASTORE], the able chairman of the subcommittee, that the bill is a good one and that we must have it. We must beat the Russians in this area. I should like to hear from some of the Senators to whom I have referred. We have nothing else to do. The Senator from Louisiana [Mr. LONG] is now on his feet. Perhaps he has some elucidation to offer on the question.

Mr. LONG OF Louisiana. Mr. President, will the Senator yield?

Mr. GOLDWATER. I am happy to yield, if I have the floor.

Mr. MANSFIELD. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. I thank my able and genial friend from Arizona, whom I very much admire. For 6 weeks I have been accused of being a Socialist. I therefore thank the Senator for making me a reactionary. I have tried to tell many people that in some respects I had some of the attributes of a conservative, although I do not claim to be one. I hope that he included me in the generality of his statement as being a reactionary.

Mr. GOLDWATER. I did not mention the Senator's name. I thought he was still in Louisiana campaigning, although I realize that that is a rather fruitless gesture down there.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLOTT. Am I correct in the assumption that the business before the Senate is the unanimous-consent request, and that objections are in order?

The PRESIDING OFFICER. The Senator is correct.

Mr. ALLOTT. Reserving the right to object, the issue today is the satellite bill. No one could have watched the Telstar last week and not realized the importance of this legislation to the country, not 1 month from now or 3 months or 5 months from now, but today. I cannot understand this situation. The bill was before us previously this year. The distinguished majority leader has mentioned this situation repeatedly. It is my purpose to support him as far as I can to enable the Senate to legislate. However, I will not sit idly by and let the Senate be stalemated by a few Senators who will not even permit legislation to come before it. Whether Senators choose to sign or not sign the cloture petition somewhere along the way is for them to determine.

I did not come to the Senate, and I was not elected to the Senate, to be a part of a frustrated, fumbling group of legislators who cannot even decide whether or not the Senate should legislate. Those are my feelings.

I should like to propose two questions to the majority leader before I decide whether or not I wish to object.

First, if no objection is raised to the distinguished majority leader's request, will the bill, in such form as it may come from the Foreign Relations Committee, be amendable, if necessary, back to its present form?

Mr. MANSFIELD. The Senator is correct; it could be amended.

Mr. ALLOTT. And amendments offered to it to put it back in its present form would not, by action of the two leaders, be laid on the table. Is that correct?

Mr. MANSFIELD. The Senator is correct.

Mr. ALLOTT. The second question is this: If we retreat—and it is a retreat—again from the small group who have decided to thwart the will of the Senate from even bringing legislation before us, have we the assurance of the majority leader and the minority leader that when the bill is reported to the Senate, no other business will become the business of the Senate until this issue has been decided?

Mr. MANSFIELD. The Senator is correct in his assumption. I give him my assurance, and I am sure that the distinguished minority leader will join me in that assurance.

Mr. ALLOTT. That being the case, upon the basis of those two assurances—first, that the bill may be amended back into its present form, if necessary, and, second, that no other business will become the business of the Senate until this question is decided no matter how we wish to decide it, I will——

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. HRUSKA. A parliamentary inquiry.

Mr. ALLOTT. I have not yielded the floor.

Mr. DIRKSEN. I do not believe the Senator has the floor.

Mr. ALLOTT. I have the floor for the purpose of objection.

Mr. HRUSKA. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. ALLOTT. I will yield if I do not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HRUSKA. If no other business is to come before the Senate after the bill is reported, my inquiry is, What will the Senate do between July 31, at 8:45 p.m., and August 10, at 12 o'clock noon?

The PRESIDING OFFICER. When the bill is sent to the committee, the Senate will do what it chooses to do in working its will and carrying on its normal business.

Mr. HRUSKA. What will that other business be?

Mr. MANSFIELD. Conference reports on appropriation bills, the Atomic Energy authorization bill—I shall have to confer with the Senator from Louisiana about the farm bill.

Mr. HRUSKA. If the farm bill is to be considered, the Senator from Nebraska will be very seriously tempted to object to the unanimous-consent request.

Mr. MANSFIELD. Will the Senator give me some leeway so that we may discuss the question at the appropriate time?

Mr. HRUSKA. I am happy to extend some leeway, but I would not give a great deal of consideration to retreating from the stand I have announced.

Mr. MANSFIELD. We will give the Senator from Nebraska every possible consideration.

Mr. HRUSKA. This is the third go-around on the communications satellite bill. We have retreated again, as the Senator from Colorado has said. I do not know what we shall be able to expect when August 10 rolls around. Perhaps we shall be asked to set it aside again, for the fourth time. If the farm bill is included in the list the Senator from Montana has mentioned, the Senator from Nebraska is constrained to say that he may be tempted to object.

Mr. ALLOTT. Mr. President, do I still have the floor?

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. ALLOTT. Does the distinguished majority leader wish me to yield to him?

Mr. MANSFIELD. No.

Mr. ALLOTT. Mr. President, upon assurances upon those two points, and much against my will, I will say, almost with a sense of shame, that I will not object, but will go along in an attempt to uphold the hand of the two leaders of the Senate. However, come another situation, this question will be resolved on this floor before adjournment.

Mr. DIRKSEN. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois.

Mr. HICKENLOOPER. Mr. President, I should like to resolve the parliamentary situation. I understand that the Senator from Arizona has objected but has withheld his objection temporarily. I should like, under that reservation to object, to say that I was astounded a moment ago when the request was changed from next Tuesday noon for the reporting of the bill, with which I reluctantly went along, to a few days later.

I think that is a very disappointing situation. So far as reference of the bill to the Committee on Foreign Relations is concerned, I see no sound reason why it should be referred to that committee. The Committee on Foreign Relations has not requested such reference. The chairman of the committee has not requested it. The committee has taken no action asking that the bill be referred to it.

I reluctantly went along, as a matter of compromise, with the proposed method of making the bill the order of business before the Senate, so that we could proceed with the business of the Senate. I calculated that the delay until Tuesday noon would be not more than about 1 day's delay beyond what would have occurred had a cloture vote taken place on next Thursday or Friday, and that there would be no appreciable delay in getting on with the business of the Senate and bringing the satellite bill up as the order of business before the Senate.

When a request is made to refer the bill to the Committee on Foreign Relations, I think it is bound to be only a means of getting the bill before the Senate as the order of business, not because there is any necessity for referring the bill to the Committee on Foreign Relations. The best of proof that I can give of that is that the Committee on Foreign Relations has not requested that the bill be referred to it, either officially or unofficially, or through the chairman of that committee.

I am very much disappointed that this change has suddenly occurred. As I have said, I reluctantly went along with the idea of reporting the bill back by Tuesday noon, but I am disappointed that there has been a further postponement, which to me can only mean further procrastination, a further dilatory operation, one which does not serve the purpose of getting on with the essential space legislation.

Mr. DIRKSEN. Mr. President, have I the floor?

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DIRKSEN. Mr. President, I yield, without losing the floor, to the distinguished majority leader.

Mr. MANSFIELD. What the Senator from Iowa has just said about his agreement to the proposed solution is absolutely correct. He reluctantly agreed to a deadline of Tuesday noon next. Unfortunately, it was not possible to agree to that particular proposal when the question was raised on the floor of the Senate. We looked around for the Senator from Iowa, but he was in his other office. We discussed the question with the distinguished minority leader and with other Senators. I have discussed it with the acting chairman of the Committee on Foreign Relations, the distinguished Senator from Alabama [Mr. SPARKMAN], who has assured me that he is ready to start hearings on Thursday and would do his best to have the committee report to the Senate before Friday, August 10. I hope that that statement will, in part, help to explain the difference which the Senator from Iowa has brought to the attention of the Senate, because what he has said in that respect is absolutely correct.

Mr. SYMINGTON. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. Mr. President, without losing my right to the floor, I yield to the Senator from Missouri.

Mr. SYMINGTON. The bill was examined very carefully by the Committee on Aeronautical and Space Sciences and was thereupon approved unanimously. It was examined carefully in the Committee on Interstate Commerce. In two committees, the bill has been approved by a very large majority—30 out of 32 Senators. Inasmuch as 30 out of 32 Senators on these two committees have approved the bill, after most extensive hearings, I ask the majority leader why it should be necessary to refer this bill to the Committee on Foreign Relations.

Mr. MANSFIELD. Several Senators who have spoken in opposition to the bill have raised the point, as I recall, that not enough control was placed in the hands of the Department of State, so far as projecting satellites into other parts of the world is concerned. I believe they have a valid point. It seems to me that this is a problem which could be solved without too much trouble and should be worthy of consideration by the Committee on Foreign Relations.

The Senator from Missouri is correct when he states that the bill was approved by two committees, and that 30 out of 32 Senators voted to report the bill.

The bill was also approved by the policy committee, which is comprised of about 15 Senators; and, as I recall, it was approved by that committee unanimously.

However, I think there are times when we should show a little tolerance and understanding. If we do, I think the results will be more beneficial all around.

Mr. SYMINGTON. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. Yes, if the Senator from Illinois will allow me to do so.

Mr. DIRKSEN. I will allow the Senator from Montana to yield to the Senator from Missouri.

Mr. SYMINGTON. As I understand it, the majority leader does not believe that either of the two committees that considered the bill were delinquent in their efforts with respect to the bill?

Mr. MANSFIELD. On the contrary; they were very diligent in their duties.

Mr. SYMINGTON. Nevertheless, as I understand it, in order to move on with the business of the Senate, the majority leader now recommends that the Senate approve this referral to the Committee on Foreign Relations, and that the bill be discussed in that committee in order to be sure ultimately it will come to the floor of the Senate. Is that correct?

Mr. MANSFIELD. I have so suggested.

Mr. SYMINGTON. I thank the able majority leader.

Mr. KERR. Mr. President, will the Senator from Illinois yield, so that I may propound a question to the majority leader?

Mr. DIRKSEN. I yield, provided I do not lose my right to the floor.

Mr. KERR. If I correctly understand the unanimous-consent request, if the request is granted, the bill is to be reported back by the Committee on Foreign Relations not later than noon a week from the coming Friday; and upon its being reported, even though it should be reported on Thursday, it would be the pending business.

Mr. MANSFIELD. That is correct; even on Tuesday.

Mr. GOLDWATER. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield, provided I do not lose my right to the floor.

Mr. GOLDWATER. Am I to understand that if the unanimous-consent request is agreed to tonight, when the measure leaves this body it will be the pending business? Is my understanding correct?

Mr. DIRKSEN. I think that is correct, although I shall refer the question to the majority leader.

Mr. GOLDWATER. Am I correct in assuming that if the request shall be agreed to, the measure when it leaves the Senate tonight will be the pending business?

Mr. MANSFIELD. It will be the pending business for the rest of the evening, but it will be referred to the Committee on Foreign Relations, and other business will be transacted until the bill is reported to the Senate a week from Friday or earlier.

Mr. GOLDWATER. Am I to understand that when the bill is reported by the committee, automatically, without any opportunity for objection, without any parliamentary intrigue, it will be the pending business?

Mr. MANSFIELD. The Senator is correct.

Mr. GOLDWATER. Will the distinguished majority leader agree that in the interim the farm bill will not be brought up?

Mr. MANSFIELD. That is a tough question. I will say to the Senator from Arizona and to the Senator from Nebraska [Mr. Hruska] that, contrary to my better judgment, I will do my best to see to it that it is not brought up.

Mr. GOLDWATER. The majority leader is the majority leader of the Senate. I repeat what I have said earlier to him. I have the most profound respect for him. I only wish he were a Republican. I could embrace him with both arms, because he is a man of integrity and honor, in spite of what the senior Senator from Oregon might say. But if he could assure us that the farm bill would not come up in the interim, a bill which, in our opinion, is most dangerous, the felicitous feeling of the Senator from Arizona toward the Senator from Montana might be expressed in a more profound way. I might withdraw my objection to the proposed action, although I think, frankly—if the Senator from Montana will yield further——

Mr. MANSFIELD. Of course.

Mr. GOLDWATER. I think it is a retreat. I think the Senate of the United States does not have to be held up, on the question of whether it will consider a measure, by a group of 14 or 15 Senators.

I think we are being made to look rather silly and foolish in the eyes of the people. I wonder about the opinion of the people who in the past 7 or 8 days have been sitting in the galleries around this Chamber, listening to us respond to the call of the roster of the Senate, but not finding many Senators in the Chamber. I well recall that the first time I came into this Chamber, I asked, "What are Senators being paid for? Almost no one is present."

Mr. President, what are we being paid for? What are we supposed to do? We are supposed to decide on legislation. Yet a willful group of Senators armed with the dilatory muscle of the rules and of their own wills is able to keep the Senate, supposedly the most august body in the world and supposedly the greatest deliberative body in the world, from even discussing legislation.

If we were discussing a bill or resolution, the situation would be different. But, Mr. President, we are only talking about whether we will discuss the bill. How in the name of good commonsense can this body stand by and watch a willful handful defeat the purposes of our country?

The tactics we have observed are dilatory tactics the like of which I have never before observed in my private life, in my business life, or in my political life.

The Senate would be much better off if it disposed of this measure. We do not have to give in to this little group; we do not have to give in to any group.

Mr. President, I will vote against invoking cloture, because I think this group—wrong as I think them to be—are entitled to their day in court. But now they have had their day in court, and they have also had our day in court. I remember the situation last Saturday when the session lasted more than 9½ hours. At that time the leader—although this morning he dissociated himself from the leadership—or the assistant leader, the Senator from Oregon [Mr. Morse], was in Utah, supposedly delivering a tirade against the Republican Party. At least I would expect him to do so, for in view of the fact that once he was a member of the Republican Party, he probably knows enough about it to deliver an educated tirade.

My only fear today was that he might want to come back. So I want to erect a sort of barrier down the middle aisle—not that I do not have great respect for him and admire him, but we do not need him on this side of the aisle.

Mr. President, I shall continue to reserve my right to object until I have heard from the rest of my brethren. I want to have assurance that the farm bill will not come up in the interim.

Mr. AIKEN. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield to the distinguished Senator from Vermont.

Mr. AIKEN. I wish to say a word about the farm bill. I realize the great apprehension that exists about it, and I realize the pronounced intention of certain forces to make a rigid compulsory controls bill out of it. However, I think the majority leader and the minority leader have gone as far as they can go in trying to assure the Senate that the farm bill would not be made the pending business prior to further consideration of the satellite bill, which we are discussing at this time.

However, I am satisfied that should the farm bill be made the pending business, action on it could not possibly be concluded before the 10th of August, if what I hear is correct; and I believe it is correct.

So I would see no object in trying to force up the farm bill prior to further consideration of the satellite bill, because action on the farm bill could not possibly be concluded before action on the satellite communications bill, unless the administration were willing to forgo its announced intention of trying to have compulsory controls slapped on every farmer in the Nation, in order to control the shortened food supply of the country. That is the situation as regards the farm bill.

Mr. TOWER. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield to the distinguished Senator from Texas.

Mr. TOWER. I do not object to the use of dilatory tactics. On many occasions I have availed myself of that right and privilege. I believe the right of unlimited debate protects the minority against precipitate and emotional tyranny by the majority. Although I am in profound disagreement with my friends on the opposite side as to this particular measure, I would certainly afford them the same rights and privileges that I assert.

But we have already spent a great deal of time on this measure, and the people of the country are laughing at us because we cannot get on with the job. So I believe we should pursue this issue until it is resolved; and if a small number of Senators oppose the passage of this bill—and I think they are small in number—those of us who are determined that it should pass can wear them out. Let us hold sessions around the clock, if necessary; but let us resolve this issue, and let us not delay further.

Mr. President, I reserve the right to object; and I fully intend to object if the distinguished Senator from Arizona does not object.

Mr. HRUSKA. Mr. President——

Mr. DIRKSEN. I yield to the distinguished Senator from Nebraska.

Mr. HRUSKA. Mr. President, I reserve the right to object; but I prefer to have the floor in my own right—with all deference to the distinguished minority leader, who farms out the floor in all generosity.

Mr. MILLER. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield to the Senator from Iowa.

Mr. MILLER. I thank the distinguished minority leader for yielding to me.

Mr. President, I should like to join my colleagues who have expressed the hope that the distinguished majority leader might see fit to make it possible for us to withhold objection to the proposed unanimous-consent agreement on the basis that the farm bill will not be brought up before the communications satellite bill is brought back.

I point out that a good many of us on this side of the aisle, at least, and I believe a few on the other side of the aisle, feel as deeply as I do about the farm bill, which passed the Senate earlier in this session, and about the amendment which may be offered, to add it to the House-passed bill. We feel as deeply about that as the vociferous minority now filibustering the communications satellite bill feel about it. I do not believe it is any secret that a possible filibuster on the farm bill has been discussed. I believe that such a possibility would be considerably lessened if the majority leader could give assurance that the farm bill will not be brought up until after the communications satellite bill is disposed of.

I thank my leader for yielding to me.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. DIRKSEN. Mr. President, under my reservation of the right to object, I yield to the distinguished Senator from Minnesota.

Mr. McCARTHY. Mr. President, I wish someone would explain to me why it is so important that action on the farm bill be delayed, inasmuch as the Senate previously passed the farm bill and voted for the adoption of a program which contained a mandatory program for both wheat and feed grains, whereas today the Senate Committee on Agriculture and Forestry is proposing a limited program with mandatory controls on wheat, but a purely voluntary program on feed grains. I know of no reason why the Senate could not be trusted to act again on a measure on which it passed several weeks ago.

When Senators say they will not object to the proposed unanimous-consent agreement if they can obtain assurance that action on the farm bill will be withheld until after action is completed by the Senate on the communications satellite bill, that seems to me to be a kind of built-in filibuster without any responsibility for it.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield to the distinguished Senator from Florida.

Mr. HOLLAND. Mr. President, I happen to agree with the Senator from Nebraska and the Senator from Iowa in their opposition to the agricultural bill; but I see no reason at all why that issue should be coupled with the present issue.

It is my feeling that the distinguished majority leader would have no serious difficulty in getting his proposed unanimous-consent agreement agreed to if he were to couple with it a provision for the taking of a final vote, at a definite time, on the communications satellite bill when it comes back from the committee.

Mr. PASTORE. But we could not do that.

Mr. HOLLAND. I hear Senators say we could not do that. But, Mr. President, if we cannot do that, probably we cannot obtain agreement to the proposed unanimous-consent agreement.

I remind the Senator from Montana that he is my leader and I shall support him in this procedural effort; and both the majority leader and the minority leader are in agreement about the proposed unanimous-consent agreement. I point out to the Senator from Montana that if we are to have another all-out fight, ending only in a cloture vote or a cloture proceeding, we might as well face up to it now.

I hope my distinguished friend will amend his unanimous-consent request to fix a date a week after the resumption of the debate, or 10 days after the resumption of the debate, or at whatever time he feels would be reasonable after resumption of the debate, for a final vote, at a certain time, on the bill. In that case, while I have no right to speak for any of our friends on this side of the aisle or on the other, I believe there would be no objection to the proposed solution. I hope that kind of solution will appeal to the reason of my distinguished majority leader. I thank him for yielding to me.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MANSFIELD. We are having enough trouble trying to go as far as we would like to go. I do not like to be a party to holding a pistol at the head of any group by trying at this particular time, before certain stipulations are agreed to, to try to enforce a time certain for ending of debate and voting on this measure. I realize the good intention of the Senator from Florida. I am fully aware of the difficulties that may be involved in the consideration of the bill. I believe that cloture may well be required at some time; but I am willing to face those problems as they arise. I would be very unwilling to take the suggestion offered in good spirit by the Senator from Florida.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. PASTORE. No Senator has been a more outspoken proponent of the legislation than I. No Senator has any lesser fear of what may happen if the bill goes to the Foreign Relations Committee. I have so much confidence that our committee has done the right thing in the provisions already inserted in the proposed legislation that I am sure that not too much change would take place if the bill should go to the Foreign Relations Committee. Be that as it may, if the Foreign Relations Committee sees fit to make changes, when the bill comes back it will be open to amendment and can be amended on the floor of the Senate.

I ask my colleagues, "What are we confronted with?" We have now had a prolonged discussion of whether this bill should be made the pending business. The proposed legislation is not the pending business. The only alternative we have to bringing this question to a vote is to invoke cloture. If we obtain a sufficient number of names on the petition—and we already have those—and file the petition, it will be 48 hours, plus one hour, before we can take a vote, which means we would not have an opportunity to vote on cloture before the end of the week.

The majority leader had suggested that the bill go over until Tuesday. By way of compromise, it was then proposed that it go over until Friday. I do not see too much of a compromise. If we are interested in the bill, I think the concession that has been made is insignificant. After all, Senators who are opposed to the bill are just as conscientious as I am in my conviction in favor of the bill. I want to extend the recognition of sincerity to members of my party who are opposing the bill. But I say to my friends on the other side of the aisle that we may be wasting our time if we are looking for a unanimous-consent agreement. The question before this body is with regard to making this bill the pending business. If we will stop talking about asking for unanimous consent, all that has to be done is to make a motion to make it the pending business, and then make another motion to refer the bill to the Foreign Relations Committee with instructions that it be sent back to the Senate in 10 days, so that the Senate can act on it.

If we are waiting for everyone to achieve his objective; namely, to try to "blackmail" us—and I use that word advisedly—as to what is to come up or is not to come up, we are wasting time. I suggest to our majority leader that, if we cannot obtain a unanimous-consent agreement within a reasonable time, the Senate should vote on the question to make it the pending business.

Mr. DIRKSEN. Mr. President, I reserve the right to object, to make certain that I have the floor; and I yield now to the distinguished Senator from California [Mr. KUCHEL].

Mr. KUCHEL. Mr. President, this kind of contemptible, ugly farce must stop sometime. Someday the U.S. Senate will have the courage to change the rules so that orderly procedure can be followed. Someday the U.S. Senate will be pushed and prodded into dealing with problems on a decent basis, rather than on the basis with which we have to deal with them tonight.

Having said that, I salute my leader and the leader of the majority. They recommend the only reasonable course that can be taken by the Senate tonight within the sphere of the rules under which the Senate operates.

I do not want to consider some of the pending legislation in a pell-mell, hurly-burly fashion, but I cannot control that situation. I do not like to come into the Chamber and have some Senators say, "I will not let you vote," but they have that right. I do not like to have Senators say, "We insist upon the Journal being read; and we are going to compel it because we have that right under the rules." They have that right. Much as I do not like it, they have that right, and I recognize that right.

My only purpose in rising is to say to my colleagues on this side of the aisle that I hope we will support our leader, and to say to my Democratic friends on the other side of the aisle that under the contemptible, ugly rules by which the Senate of the United States conducts its business, this is the only means by which we can make a little progress toward final solution of an important American problem.

I ask that the two leaders, my Republican leader and my friend across the aisle, be given unanimous-consent support in what they ask for.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to our colleague from the Lone Star State.

Mr. TOWER. Mr. President, I am impressed and moved by the eloquence and lucidity of my distinguished brother from California, but the point remains that we have no assurance that the same contemptible, ugly procedure, as he describes it, will not be followed when the bill is brought up next Friday. We have had no assurances. So why should we not get on with the job?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. DIRKSEN. Mr. President, I reserve the right to object.

Mr. HRUSKA. Mr. President, reserving the right to object——

Mr. DIRKSEN. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from Illinois reserves the right to object.

Mr. DIRKSEN. Mr. President, to paraphrase what the Apostle Paul once wrote, let your forbearance be known in the sight of all men; and if ever there was a time for forbearance, that time is now.

This is not an easy situation. At the same time, it is not a time to question the integrity or motivation of any Member of the U.S. Senate.

There have been occasions in my legislative career, in both the House and Senate, when I was the lone dissenter to what was taking place; and I look back on those occasions and think that I was right and everyone else was wrong. It brings to mind that old song back in the days of World War I, "They Were All Out of Step but Jim." As I look back, I find some comfort in those solo votes I cast.

I say to the distinguished Senator from Oregon [Mr. Morse] and the distinguished Senator from Texas [Mr. Yarborough] and both distinguished Senators from Tennessee [Mr. Kefauver and Mr. Gore] that I do not quarrel with their motivation. I do not quarrel with their use of the existing rules of the Senate to protect their position and to achieve a certain objective.

I am very unhappy that as a procedural matter the Senate should be prevented from considering the bill, regardless of what may be the outcome. For my part, I should be glad to have the bill referred to the Committee on Foreign Relations. I should be glad to put the bill into orbit, if that would help, so long as we can anchor and pinpoint a day on which we can vote on the question of passage of the bill. There may be one amendment. There may be 10 amendments. There may be 100.

I am wondering if the grand captains of those who oppose the bill, like our distinguished friend from Oregon and our distinguished friend from Tennessee, would be willing to agree upon a date when the Senate could vote upon the question of passage of the bill. What the interim business might be is of no particular concern, though I know the distress and concern of spirit of my friend from Nebraska and my friend from Arizona with respect to the farm bill.

I assume that, regardles of what may happen to the satellite—whether it is launched or not—at long last, if the President of the United States says, when the time comes to finish the business, that the Congress has not finished its business, the Congress will not go home.

I had some experience with President Eisenhower. I see the distinguished Vice President is in the Chamber. He and I used to go to the telephone, or to the White House. When the President of the United States said, "There is no further business," the Congress went home. But if the President said, "You did not finish your business," we remained. The Congress would not dare to go home if the President said that the job had not been finished.

What time will that be? I do not know. It could be the middle of September. I hope so. I am a candidate for reelection. I would like to go home and campaign a little, but my work is here, and I intend to stay here and discharge my responsibility, regardless of what happens in November.

I know that Congress will remain in session until the President of the United States says that the job has been finished, for if we fail he can summon the Congress back the next day, as everybody knows.

So let us face reality now and realize what we must do. There will be action on a farm bill, one way or another, either before the consideration of the communications satellite bill or after consideration of it. I do not know. But I wish we could pinpoint a day certain and say, "On this day we shall vote finally on the question of passage of the bill which we are now trying to make the pending business."

I had hoped that somehow we could obtain some kind of agreement.

While I am about it, let me pay tribute to the humility and forbearance of the majority leader of this body. Believe me, Mr. President, I love him. I have been in his office many times. I know what a humble character he is and how he has tried to contrive an agreement, one way or another. [Laughter.]

I say, "Laugh if you will, but he deserves not your criticism, but your plaudits; and sometimes he deserves your sympathy."

I have seen some of the articles in newspapers and magazines which undertook to demean him as the leader of the Senate.

God save the mark. I know him well. I served with him in the House of Representatives as well as in the Senate. He deserves far better. He has made an effort to harmonize 100 diverse personalities in the U.S. Senate. O great God, what an amazing and dissonant 100 personalities there are—from the orchards of Oregon and Washington, from the cotton fields of Mississippi, from the cranberry bogs of Massachusetts, from the rockbound coasts of Maine, and from the cornfields of Illinois.

What an amazing thing it is somehow to harmonize them.

What a job it is.

Mr. President, let nature take its course.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DIRKSEN. We have signed a cloture petition, and if no unanimous-consent agreement can be contrived tonight, I had hoped, and I still hope, that yet tonight the majority leader will present that cloture petition, and that on Thursday next we can vote upon it and determine for ourselves whether this is an immobilized body deserving of the discredit of the American people or whether there is enough rationality left so that we can proceed to the business which is before us.

I yield to the distinguished Senator from Oregon.

Mr. MORSE. I am glad the Senator from Illinois has yielded. I should like to join him in his commendation of the majority leader.

Mr. DIRKSEN. The Senator did not make those comments this morning, I might say.

Mr. MORSE. I am going to talk about those comments.

Mr. DIRKSEN. Yes, but the Senator said the majority leader was not his majority leader this morning.

Mr. MORSE. If the Senator wants to hear me, I shall be glad to make a statement.

Mr. DIRKSEN. I know what the record is.

Mr. MORSE. The majority leader and I got into a parliamentary hassle on the floor of the Senate yesterday. We found ourselves in complete disagreement. I thought the majority leader understood that I was seeking to explain why I was objecting to the request by the Senator from Arkansas [Mr. McClellan] for a meeting of his committee. The majority leader denied me the right, as the rules permitted him to deny me the right, to make that statement if he did not know that I was seeking to reserve the right to object. I was perfectly satisfied that he knew what I was seeking to do and therefore I resented his not permitting me to make a statement at the time.

It was perfectly clear from the statement of the majority leader this morning that he did not know what I intended to do. I said this morning, when he made that statement, that I did not believe it. I am now satisfied that he spoke the truth. Therefore, I hope that I shall always be big enough, when a man explains to me in a situation such as this, that he really did not know what I was seeking to do, to accept his statement. Therefore I extend to the majority leader my apologies for the comment I made to him this morning.

I repeat that I think the majority leader should have allowed me to explain my reasons for the position I was taking. Let us not forget what was the issue. It involved a nuclear submarine strike in Connecticut. When a Senator stands on the floor of the Senate to object to a committee meeting, being asked to be held in connection with some nuclear effort, I need not tell the Senator from Illinois the bad light it is going to put the Senator in unless he has an opportunity to explain his position. That is what I sought to do.

I later explained my position in the Congressional Record.

I wish to say that I have no intention of letting the Republican side of the aisle make political capital out of the fact that the majority leader and I had a very bitter exchange of words this morning. Therefore I have made this statement. I wish to say that I have sought to be of assistance to the majority leader and to other Senators in the past 2 hours, trying to work out an understanding which would permit us to have such a unanimous-consent agreement as the majority leader has proposed.

Let me say that the 10-day postponement suggestion which was made was not the desire, at the beginning of the meeting, of the majority of the members of our group. I think it represents a very fair compromise of our differences. I hope that the Senate will accept it, and go on to consider some emergency legislation which needs to be considered while the Foreign Relations Committee holds hearings on the satellite bill.

Let me say to Senators, we do not know what may be the outcome of the hearings before the Committee on Foreign Relations.

Those of us who think that the bill is pregnant with serious foreign relations implications believe we should have the right to send the bill to the Foreign Relations Committee and have the evidence and the testimony on its foreign relations implications brought before that committee. The majority leader, who is a member of the Foreign Relations Committee, has cooperated in agreeing that such testimony ought to be taken before the Committee on Foreign Relations.

Mr. DIRKSEN. Mr. President, may I say to the distinguished Senator from Oregon that, when all is said and done, words that are uttered in the Senate Chamber have wings. Men are sitting in the gallery. The words are indited upon paper. Within an instant they appear on the teletype. Then they cannot be withdrawn.

My friend from Oregon knows so well that this morning he renounced his own leader. It hurt me to hear him say that. Then when he said he did not believe his own leader, that was an attack upon his veracity. Mr. President, I think I could have invoked the rule, although it was not done. I think we ought to be careful and very cautious about the kind of words we utter about our colleagues in the Senate.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MORSE. In my judgment, the Senator could not have invoked the rule. I invited him to invoke the rule because I know exactly what I said. I only said in regard to that particular incident that I did not believe him because it was difficult for me to believe he did not know what I was seeking to do when the controversy over my objection to the request for consent to hold a committee meeting was on. He tells me he did not. His word is his bond, and I accept it.

Mr. DIRKSEN. But I remind my friend from Oregon that even a personal opinion with respect to the veracity of a Member still comes within the rule. I did not invoke the rule because my distinguished friend from Montana urged me not to do so.

Now I yield to the majority leader.

Mr. MANSFIELD. Mr. President, referring to what the distinguished Senator from Oregon has just said, there was no need for an apology nor was one expected. Now and again in the Senate Chamber we get a little excited. We become involved in the issue at hand. It is a rare Senator who does not on occasion lose his temper and say things that perhaps he wished he had not said. But I hold no ill will toward the Senator from Oregon. I admire him as a man of principle and courage. I hope he continues to operate in the fashion he has operated over the past 18 years, because he is an asset to the Senate. He has one of the keenest minds and one of the best intellects in this body. I hope that the things which occur now and again will be forgotten as rapidly as possible.

Mr. DIRKSEN. Mr. President, I have only one thought to offer. We have tried—and I think with consummate patience—to reach some kind of arrangement. If that fails, there are only two or three things we can do. One is to file a cloture petition. Another is to retreat on the bill. I will never retreat on the bill. At this point I shall relinquish the floor so that any Senator who has something to say may do so. I am a creature of my own party because they have selected me as the leader, and I do the best I can.

I yield the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana [Mr. Mansfield]?

Mr. HRUSKA. Mr. President, reserving the right to object, the order of business is the motion to consider the communications satellite bill. That is why we are here tonight engaged in this discussion.

The Senator from Nebraska is desirous of that bill becoming law. It is a compromise bill, to be sure, but it has considerable merit. It should be enacted into law. Most of us want it enacted. Only 15 Senators, more or less, oppose its passage. They have been dealing us a fit in the past few days. They dealt us a fit 2 or 3 weeks ago.

On many occasions the traditional courtesies have been extended to them. But since when must courtesies come from only one side and not be reciprocated by the other side, which is receiving the benefit of those courtesies? It seems to me that if in order to reach a unanimous-consent agreement concessions are extended to the side which is decidedly in the minority, there ought to be a little consideration the other way.

Some rather unpleasant words have been uttered this evening. The practice of blackmail has been suggested. Since when can efforts to resist and obstruct the passage of a communications satellite bill be excused and yet the charge of blackmail be raised because the same rules are invoked against another measure, the farm bill, which, as the Senator from Vermont has said, would put the yoke of serfdom on every farmer in the Nation? Since when are the rules of such a character that they must be utilized in only one way, and are to be reviled and called contemptible when they are utilized by someone else?

The rules of the Senate have been characterized as contemptible and ugly. Yet those rules are continued in operation only by reason of the sufferance and authority of Members of this body.

Are we constantly to give and not receive anything in return? We ought to have some assurance, it seems to me, that the will and the desire of others besides those who are interested in opposing the passage of a bill will be taken into consideration.

With that preface, I say to the majority leader that many of us are interested in the farm bill. It happens that so far the only voices that have been raised have been those on this side of the aisle. But I venture to say that in due time voices on the other side of the aisle will be raised in opposition to that legislation.

Certainly that will be true if the experience of the past several weeks is any guide.

Once again I ask the majority leader what assurances can be given to those of us who are interested in that measure as to what order of priority it will assume? It has been pointed out by my own leader that if the President says there is further business, and he insists on bringing the farm bill up, we shall have to consider the farm bill.

Mr. President, there was once a famous king by the name of Canute who sat on the beach with his throne. He said, "Let not the tide go beyond this point." Yet the tide did not heed his words. And why? Because the forces of nature do ignore the desires and preferences of a temporal ruler.

It is true that the President of the United States can keep us in session until we act on a bill, whether it is a farm bill or any other measure. But the President will not be able to say to the fields that must be plowed and seeded pretty soon, "Stay your fertility until I say when the wheat seeds may be planted and begin to germinate."

It will not happen in that way, irrespective of how much power—or authority—he possesses.

The next 10-day period may signify the difference between the passage of a farm bill which will pertain to the planting season of 1963 and one which will not. I suggest to my colleagues that there is deep concern on our part for the people who are cultivating the soil, who do not care to have their necks placed in a yoke and who do not want to sink into serfdom, such as that which has been described so eloquently on the floor of the Senate.

I should like to ask the majority leader this question. Will there be an effort on his part to resist a motion to make the business of the Senate the farm bill which has been reported by the Committee on Agriculture and Forestry?

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished Senator from Nebraska, I would undertake no action without the prior approval of the chairman of the Committee on Agriculture and Forestry, who is not in the Chamber, and who I believe is not in the city at the present time. Furthermore, there is a great deal of important business, including conference reports, appropriation bills, the atomic energy authorization bill, and so forth, which must be considered. I assure the Senator from Nebraska—and I do so with some trembling—that I will do the best I can to accede to his wish.

Mr. HRUSKA. The Senator from Nebraska is aware of the limitations of the majority leader, and no one has higher respect for the chairman of the Senate Committee on Agriculture and Forestry than I. I know he has not only personal but also official obligations and responsibilities. However, let me ask the majority leader whether he will exercise some of those very convincing and persuasive powers, of which he is possessed, along the lines suggested by the Senator from Nebraska.

Mr. MANSFIELD. The Senator from Montana will be glad to do it, but I am afraid the Senator from Nebraska gives the majority leader too much credit for persuasion, cajoling, and other things. I will do my best.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. HICKENLOOPER. I join in the apprehension about the program, which I anticipated a few hours ago. However, I said nothing about it, even though I anticipated that this very question would arise, and that an effort would be made to put the farm bill in between this action and the final action bringing up the satellite bill. I did not raise that point, but it has arisen anyway. I merely wish to observe to the Senator from Nebraska that under the well-known procedures and customs, if the voice of the majority leader is raised in serious and vigorous objection to making the farm bill the order of business until the satellite bill is disposed of, I have no doubt that that view will prevail and that the farm bill will not be made the order of business, especially if that effort is joined in by the minority leader.

It is very important that we be not hurried or curtailed in the discussion of the farm bill. I give assurance now that if this procedure, which I do not like, after unnecessarily postponing action on the satellite bill by its reference to the Foreign Relations Committee, is indulged in, there will be lengthy discussion and some rather lengthy amendments offered to the farm bill which may not be quite as germane to the farm bill, and they will be the subject of some discussion in the public interest if that bill comes up. I say to the able majority leader, because of his assurance that he will do everything he can to prevent it from coming up until after the disposition of the satellite bill, that I am sure he will prevail.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. MANSFIELD. I have given my assurance to the Senator from Nebraska during the course of our negotiations with respect to the business we are now considering. The thought of the farm bill never crossed my mind. I have heard rumors to the effect that there may be 4 or 5 days of debate on the farm bill. I assume that it would have to have clearance by the policy committee before it could be reported to the Senate. There is no policy committee meeting this week.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HRUSKA. I am happy to yield.

Mr. AIKEN. Mr. President, suspicions of Members of the Senate are not entirely groundless. I believe the RECORD will show that every Member of the Senate who is opposing the passage of the satellite bill is also in favor of strong Government controls over the farmers of this country. Perhaps, therefore, we can be pardoned a bit if a suspicion crosses our mind that the Senate might be willing to suspend action on the satellite bill for 10 days in order to help get through a bill which has even more dangerous implications for the country than the passage of the satellite bill—that is, if that bill should be amended in accordance with the announced administration desires.

That is why I said that if that situation should develop as one of the purposes of the erstwhile filibusterers, the debate would undoubtedly continue until Friday, the 10th of August. However, if such effort were not made, I would not anticipate that once the farm bill came up, it would require an inordinately great length of time to dispose of it. So far as I am concerned, it would not take very long, and then we would have to let the nature of the legislation take its course. I point out that I believe the RECORD shows that every one of the so-called filibusterers—I say so-called filibusterers—also is strongly in favor of absolute, compulsory controls over the farmers.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. MANSFIELD. I say to my friend, the distinguished senior Senator from Vermont, that to the best of my knowledge there are no grounds for such a suspicion. The farm bill was never even mentioned. It never crossed my mind. There was talk about trying to bring it up tomorrow, but that was a week ago. There is no connection that I know of.

Mr. AIKEN. Had the satellite bill pursued its normal course of legislative procedure I would not have the slightest objection to bringing the farm bill up tomorrow. Perhaps no one should have any suspicion, but along about this time of night and this time of year it is difficult to suppress all of one's suspicions.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. GOLDWATER. In order that we may offer some objective suggestions from this side, I should like to query the majority leader on this point. As I understand, his unanimous consent request is that the present satellite bill be referred to the Foreign Relations Committee, and that that committee report it to the Senate on a day certain, namely, August 10. Am I correct?

Mr. MANSFIELD. The Senator is correct.

Mr. KERR. Not later than August 10.

Mr. MANSFIELD. Not later than August 10.

Mr. GOLDWATER. Would the distinguished majority leader amend his unanimous-consent request to make August 14, which is the following Tuesday, the date on which to start voting on the bill?

Mr. MANSFIELD. If the distinguished Senator from Arizona would not press that particular point, I would be most appreciative. I feel that when next the Senate discusses the satellite communications bill, it will perhaps do so in a better frame of mind. I hope that we may come to a more reasonable agreement than has been the case up to this time.

I do not think we ought to do this so far ahead for any group, or with respect to any measure. I hope the Senator from Arizona will exercise his usual forbearance in this particular respect.

Mr. GOLDWATER. It seems to me that it is perfectly obvious to a great majority of Senators and to a great majority of the American people that we have argued this point. This is not a great issue with the American people. I believe the issue is whether we shall be the first with this idea or whether we will allow the Russians again to be first. I do not ascribe to the opponents of the bill any sympathy for our enemies. I respect their sincerity, their dedication, and their patriotism. In my limited time of service in the Senate, I have never seen an issue so clearly lopsided as this one. If the issue were put to a vote tonight, I daresay there would be 15 votes against it, and the rest of the Senate would vote in favor of it.

I can see no reason for trepidation on the part of the majority leader for setting August 14 as a date positive on which the Senate would start voting, with a limitation of debate, that could be agreed upon with the proponents and the opponents, on the amendments and the passage of the bill. But if we are to get on with the job of doing the business of the people, it seems to me that the Senate ought to get to work. Today we are engaged in a rather stupid and silly debate about whether we are even going to consider the bill.

My suggestion is a proposal that we present to the Senate, on a date positive, regardless of the action the Committee on Foreign Relations might take or not take, an opportunity to vote on the desirability of the bill.

Personally, I have great respect for the chairmen of the committees and subcommittees which held hearings on the bill. I am ready to vote. I believe in the bill. I want to support the President in this instance, as I think a majority of the Senate wishes to do. I think it is utterly ridiculous for the Senate to be held up by a willful body of Senators. I do not believe in making compromises with Senators who want to hold up this body for reasons which none of us can understand, after having listened to days of debate and reading reams of testimony on an issue on which I believe the American people are united.

I ask the majority leader again if he will amend his unanimous consent request to include that the Senate start voting on August 14. If he will, I will remove my objection.

Mr. MANSFIELD. Will the Senator forbear with me to allow me to state that once the bill has been reported by the Committee on Foreign Relations—and the committee will report the bill—I will do all in my power to secure a limitation of debate and a vote at a time certain. I think that procedure would be more equitable. I think we ought to show that much consideration to those who are opposed to the bill. I hope the Senator from Arizona will agree with me.

Mr GOLDWATER. I suggest that when this proposal was first discussed with those of us who believe in the passage of the bill, as I recall—and I may be incorrect in my recollection—next Tuesday was the date when the Committee on Foreign Relations was to have reported the bill back to the Senate. But when the proposal was made on the floor of the Senate, the date was changed to August 10.

Mr. MANSFIELD. That is correct.

Mr. GOLDWATER. If this is to be the unanimous consent to which we will agree, it seems perfectly logical to me that Saturday, Sunday, and Monday provide enough time for the doubtful Members of the Senate to study the proposed legislation and to arrive at a conclusion that they will vote either for or against the bill. I suggest that the Committee on Foreign Relations, whose chairman is now in Arkansas, will have no effect upon the vote of the Senate as it is now constituted.

I can see no reason why the majority leader should not agree to August 14, which is a Tuesday, as a time certain when the Senate will begin to vote on amendments and the passage of the bill. I am not too much concerned with the number of minutes or half hours or hours to be allocated to debate on amendments or the passage of the bill. I merely want the Senate to get on with the business of the country.

I say again that I admire the majority leader for his effort to contain the recalcitrant Members of his party who have been obstructing the business of the Senate. I am not trying to add to his burdens; I am trying to subtract from them by making it possible for the junior Senator from Arizona, at least, to withdraw his objection. I see nothing wrong with setting a date positive. That has been done time and time again.

Mr. MANSFIELD. Mr. President, will the Senator from Nebraska yield?

Mr. HRUSKA. I am happy to yield to the majority leader.

Mr. MANSFIELD. I feel the same way about the bill as does the Senator from Arizona. I should like to see it brought to a vote tonight, if possible, or next week, or even August 14. But I think we must be fair. We must consider the unusual circumstances under which the unanimous-consent request is being made. We must consider that it was initiated at the suggestion of the majority leader, in which the minority leader and other Senators concurred.

I hope, in the interest of equity and fairness, we will allow the unanimous-consent request to be agreed to as it has been presented. I assure the Senator from Arizona that once the bill has been brought to the floor of the Senate again, I will do my very best to secure a time limitation for debate.

Mr. GOLDWATER. I suggest that now is the time. The majority leader has asked that those of us who are utterly opposed to the tactics used on the floor of the Senate within the past 2 weeks yield to the very Senators who have used such tactics. I may be a queer American, but I have always believed that when one is in a fight, he fights to win. I think we are in a fight. We are in a fight with forces that are very minor, who want to delay this country's entry into the satellite communications field, whether they agree to it or not. I want to win that fight. I do not want to back up 1 foot.

If the majority leader can assure me now that he will include in his unanimous-consent request a provision that the Senate will start to vote on August 14, I will recede from my objection. But if he cannot do that, I must object, and I shall do so very reluctantly because I have great admiration for him; I respect him; I like him. I do not like to go against the leader's will.

Mr. MANSFIELD. I cannot accede to the Senator's request. I hope he will understand. I hope he will show his usual fairness, and I hope he will take the word of the leadership that we will try to obtain a limitation of debate once the bill has been reported by the committee.

Mr. GOLDWATER. Mr. President, if the Senator will yield, and to bring the question to a head, because I do not wish to labor it more, I ask unanimous consent that the unanimous consent request of the majority leader be amended to provide that August 14 be the date certain when the Senate will begin to vote on the bill, whether or not it is reported by the Committee on Foreign Relations.

Mr. MANSFIELD. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. TOWER. Mr. President, will the Senator from Nebraska yield?

Mr. HRUSKA. I yield.

Mr. TOWER. I share the esteem of the distinguished Senator from Arizona for the distinguished Senator from Montana. I should like to ask the distinguished majority leader if a time certain could be agreed upon. Is there any time that Senators on the majority leader's side of the aisle who are eager to thwart the passage of the bill might agree to?

Mr. MANSFIELD. I have not discussed that question with those Senators who are opposed to the passage of the bill at the present time. However, I feel that if the pending request is granted, when the bill is reported from the Committee on Foreign Relations they will be more understanding and more tolerant and perhaps more approachable, so far as a limitation of time for debate is concerned. I must admit that I have not discussed this question with them, so I cannot speak for them. I can only give the Senator from Texas my own personal opinion.

Mr. TOWER. I shall have to say that I also intend at the appropriate time to object to the proposed unanimous consent agreement, if some other Senator does not.

Mr. KERR. Mr. President, will the Senator from Nebraska yield?

Mr. HRUSKA. I am happy to yield to the Senator from Oklahoma.

Mr. KERR. I was impressed by what the Senator from Arizona said; namely, that in his judgment 85 Senators will vote for the bill when the opportunity is available. I believe the Senator is correct.

I hope the Senator from Texas will permit me to say what I have to say while he is in the Chamber.

I think that one of the greatest manifestations of bipartisan agreement that I have seen since I came to the Senate has been in connection with this bill. I share the views of the minority leader in his statement that the bill should be passed at the earliest possible time. I say to the Senator from Arizona and the Senator from Texas that I have never seen a greater effort made than has been made by the minority leader [Mr. DIRKSEN] and the majority leader [Mr.

MANSFIELD] to accommodate the differences that exist and to find a way to insure that the bill could be voted on.

I believe that the Senator from Texas and the Senator from Arizona, who have demonstrated that they are reasonable men, are just as anxious that the bill pass as is the Senator from Oklahoma. If it were made the pending business—which would be the case if the proposed agreement were entered into—it would then be sent to the Foreign Relations Committee, with instructions that it be returned not later than a week from Friday. That would not mean that it would have to be held in the committee until then; it is entirely possible that it would be back here next Tuesday. I know there are on the Foreign Relations Committee some Senators who think it probably would not be back here by then; but if the proposed agreement were entered into, the bill would be back here not later than a week from Friday; and as soon as it came back here—whether that was a week from Friday or before then—the bill would be the pending business.

As the Senator from Montana has said, it is entirely possible that at that time there might be less tense feelings on the part of Senators with respect to getting on with the matter of voting on the bill.

Regardless of whether the bill is made the pending business by unanimous consent or by invoking cloture and then proceeding to vote to make the bill the pending business, the bill will then be the pending business. When it becomes the pending business, it will still be subject to efforts by Senators who might want to discuss it at great length or to offer numerous amendments. If the bill were made the pending business following the invoking of cloture and an affirmative vote on the question of taking up the bill, it would be equally subject to debate and amendment; in those respects there would be no difference, regardless of which way the bill became the pending business. But we cannot proceed to vote on the bill until it becomes the pending business.

This morning there was intimation—and with such intensity that I did not think there would be a possibility that the distinguished Senator from Oregon would agree to the unanimous-consent agreement now proposed—that there would be objection; yet his considerations during the day have been such that tonight he has evidently decided—and I believe I speak correctly of what he has indicated to be his view—that he would not object to the proposed unanimous-consent agreement.

If there can be that much difference between the situation tonight and the situation this morning, is it not entirely possible or is it not even entirely probable that when the bill returns here, as it would, under the proposed agreement, as the pending business, it would then be much easier to obtain a unanimous-consent agreement in regard to limitation of debate?

As I stated a while ago, the majority leader, the distinguished Senator from Montana [Mr. MANSFIELD], and the minority leader, the distinguished Senator from Illinois [Mr. DIRKSEN]—and I wish to pay tribute to both of them; if ever I saw two statesmen at work, I have seen them at work this day—have reached a posture here very, very near to the achievement of an objective which 80 or 85 Members of the Senate desire, and which would be constructive and would be wholesome and would be making progress.

So I earnestly request and urge Senators who wish to see this bill made the pending business and wish to have us have an opportunity to bring it to a conclusion not take an action which, in my judgment, could only result in greater postponement, rather than less. I urge that degree of forbearance on their part, so as to permit the proposed unanimous-consent agreement to be entered into, believing that it might be an example, when this bill returns here, and after we have debated it for a while, and when the majority leader and the minority leader then request a limitation on debate—in short, that the example set by Members of the Senate tonight in exercising and manifesting forbearance with reference to the proposed unanimous-consent agreement might be sufficient to be persuasive to other Senators at that time to consider favorably a unanimous-consent agreement for a limitation of debate, if such a request were then made.

So I earnestly urge them to give consideration to what I believe to be the strong probability that by agreeing to the proposed request tonight, they will have participated in a successful cooperative effort to permit the Senate to come nearer to the time when it will vote on the question of the passage of this bill. I know that is their desire and their view; and I urge them to contemplate the probability that by acceding to the proposed unanimous-consent request, they will have made a contribution to the achievement of that objective, which so many of us have in mind, and also will set an example which might be persuasive when, 2 weeks or 15 days from now, a unanimous-consent agreement for limitation of debate might be before us, when offered by the distinguished majority leader and the distinguished minority leader.

Mr. HRUSKA. Mr. President, certainly the eloquence of the Senator from Oklahoma is very persuasive. But I have noted that the earnest and urgent requests have been made to Senators on this side of the aisle. Perhaps the Senator from Oklahoma should address his remarks to the 15 obstructionists, the 15 reactionaries, and ask them to agree to enter into the proposed agreement. It would be very gratifying if the Senator from Oklahoma would shift the responsibility a little.

Mr. KERR. Mr. President, will the Senator from Nebraska yield?

Mr. HRUSKA. I yield.

Mr. KERR. I assure the Senator from Nebraska that I spent all afternoon doing just that.

Mr. HRUSKA. But it was not done here.

Mr. KERR. However, I now certify to the Senator from Nebraska that that is what I did all afternoon.

Mr. HRUSKA. However, while the Senators were thus occupied, we certainly would have been favored by such information.

Mr. KERR. I spent half an hour with the Senator discussing it as earnestly and as sincerely as I ever discussed a matter with any person; and the Senator from Nebraska knows the great respect I have for him. I have demonstrated it through all the years the Senator from Nebraska has been here, in the many capacities in which we have served shoulder to shoulder, during our service on the same committee and during our other associations here; and he knows of the high regard and esteem that I have for him.

Mr. HRUSKA. Certainly the respect I have always had for the Senator from Oklahoma has always been great.

But now we are importuned to agree to a certain course of action, so that we shall avoid the painful necessity of voting on a cloture petition. But, Mr. President, we shall be faced with the necessity of undergoing the same difficulty not more than a few days after August 10, if we do what we are now asked to do. That is plain from the position taken by those who are opposing the passage of this communications satellite bill.

Again I should like to join those on this side of the aisle who repeatedly have said that they want to see this communications satellite bill enacted into law, and have said that it should become law—but not at the price of having to knuckle under to every opposing conviction we encounter in this debate. I do not believe that it is worth that price, if no other reason existed but the self-respect one should have for himself.

I yield to the Senator from Texas.

Mr. TOWER. Mr. President, I have often been compelled to reflect on my position as a result of the force and clarity of the arguments presented by the distinguished Senator from my neighboring State, the great and sovereign State of Oklahoma; but the point remains that this question has been discussed and debated at length. Let us be frank and candid. The idea of referring the bill to the Foreign Relations Committee is merely another dilatory tactic. What can it do that has not already been done? We have been given no assurances by the distinguished majority leader that we can get a time certain to begin to vote on this measure. He has said that after it is reported out of committee he will use his powers of persuasion. Yet I know he has been up virtually day and night using his powers of persuasion—and they are very great—against the small but determined band of Senators. Geoffrey Chaucer once said, "Strive not thou earthen pot to break the wall." Perhaps the rest of us are earthen pots and the gallant few are the great wall. If we cannot break it, let us roll over it. Let us wear it out. Let us stay here until the job is done. I think it could be done. I think we have talked just about as much as we can.

Therefore, I object.

Mr. MANSFIELD. Mr. President, will the Senator withhold his objection?

Mr. TOWER. I withhold my objection.

Mr. MANSFIELD. Will the Senator from Nebraska yield to me for the purpose of withdrawing my unanimous-consent request?

Mr. HRUSKA. I am happy to yield to the Senator from Montana for that purpose.

Mr. MANSFIELD. Mr. President, I withdraw my unanimous-consent request.

Mr. HRUSKA. Mr. President——

SEVERAL SENATORS. Vote! Vote!

Mr. HRUSKA. Mr. President, I believe I still have the floor.

The PRESIDING OFFICER. The Senator from Nebraska has the floor.

Mr. HRUSKA. I wonder if this is not the time when Senators who have been heard to express their objections to the passage of the communications satellite bill should be heard from, to take from the majority leader the responsibility which he has so far assumed very much by himself. The accommodations have been very much on one side, and I do not believe they should be made in that fashion.

Mr. MANSFIELD. Mr. President——

Mr. HRUSKA. Mr. President, I suggest that the Senate vote on the pending question.

Mr. KEFAUVER. Mr. President——

Mr. MANSFIELD. Mr. President——

The PRESIDING OFFICER. The Senator from Montana.

RECESS

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess until 12 o'clock tomorrow.

The motion was agreed to; and (at 10 o'clock and 12 minutes p.m.) the Senate took a recess until tomorrow, Wednesday, August 1, 1962, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate July 31 (legislative day of July 26), 1962:

U.S. DISTRICT JUDGE

E. Avery Crary, of California, to be U.S. district judge for the southern district of California, vice Ernest A. Tolin, deceased.

EXTENSIONS OF REMARKS

Grand Parlor, Native Daughters of the Golden West, Commend Work of the House Committee on Un-American Activities

EXTENSION OF REMARKS

OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1962

Mr. DOYLE. Mr. Speaker, by reason of unanimous consent heretofore granted me so to do, I call your attention to the following resolution by the Grand Parlor, Native Daughters of the Golden West, dated July 11, 1962, and my reply to them dated July 31, 1962:

GRAND PARLOR, NATIVE DAUGHTERS OF THE GOLDEN WEST,
San Francisco, Calif., July 11, 1962.

To the Honorable Members of the U.S. Congress and House of Representatives from the State of California and to the Honorable Members of the California Legislature.

DEAR SIRS: At the recent annual convention of the Native Daughters of the Golden West, a fraternal and patriotic organization of California-born women dedicated to the principles of our order—love of home, devotion to the flag of the United States, veneration of the pioneers, and an abiding faith in the existence of God—the delegates in convention assembled unanimously adopted the following resolution:

"Whereas we vow allegiance to God and country and we seek to preserve and protect the concepts of liberty and freedom that are our American heritage enjoyed in our great Nation; and

"Whereas our Government, schools, and churches being vital to this achievement: Be it

"*Resolved*, That the Native Daughters of the Golden West in convention assembled do commend the work of the House Committee on Un-American Activities and recommend its continued support, that by its constant vigilance we may live free from all subversive forces of evil seeking to weaken and destroy our foundation of freedom and institutions of learning."

Respectfully yours,
IRMA S. MURRAY,
Grand Secretary.

JULY 31, 1962.

GRAND PARLOR, NATIVE DAUGHTERS OF THE GOLDEN WEST,
San Francisco, Calif.

MY DEAR FRIENDS: Your favor dated July 11, 1962, communicated to me and other Members of the U.S. Congress from the State of California the fact that at the recent annual convention of the Native Daughters of the Golden West, the delegates in that convention assembled, unanimously adopted a resolution commending the work of the House Committee on Un-American Activities and recommended its continued support. This was truly an inspiration to me. It is especially so for three reasons, to wit:

1. I am a Native Son of the Golden West. I was born in Oakland, Calif. I was formerly a president of the Grizzly Bear Parlor at Long Beach, Calif., and, therefore, it is a privilege to hear from you as Native Daughters of the Golden West in this important matter.

2. I have been an active member of the House Un-American Activities Committee for about 15 years, and it was this committee about which you made your substantial and vigorous resolution of support.

3. I cordially and emphatically agree with every word of your very pertinent resolution.

I shall shortly ask for unanimous authority to place your resolution in the CONGRESSIONAL RECORD of the U.S. Congress, and when it does appear I am going to obtain a copy and mail it to you.

With kind regards and best wishes.

Cordially,
CLYDE DOYLE,
Member of Congress, 23d Congressional District, Los Angeles County.

(Our beloved Nation deserves the best of whatever we are.)

Black and White Show

EXTENSION OF REMARKS

OF

HON. JACK WESTLAND

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1962

Mr. WESTLAND. Mr. Speaker, one of the many things that the people of my district and the State of Washington take pride in are their dairy herds. We have many fine dairy farms, particularly in the northwest corner of the State that I represent. In quality and quantity of milk, these herds are hard to equal.

One of the reasons for these excellent herds is the constant care our dairy farmers take to improve each generation of milkers. Selection of additions to improve the herds is done when the owners attend sales such as the one scheduled at Mount Vernon, Wash., this week. This sale is a "Century 21 sale," sponsored by the Washington State Holstein Association, and offers to Holstein breeders who visit the great Seattle World's Fair the opportunity to buy the best Holstein cattle in the Pacific Northwest.

In the tradition of American dairymen and cattlemen, the sale will also offer a chance to make new friends and renew old acquaintances. Yesterday there was a salmon barbecue following the "black and white" show. The sale is scheduled for today and the annual Washington State Holstein picnic will be held tomorrow.

Mr. Speaker, I use this opportunity to tell about our great dairy herds and dairy industry, because of their importance to the Second District and the State of Washington, and because of the vital part the dairymen play in our community life.

Employment Losses Are Due to the Uncontrolled Imports of Residual Fuel Oil

EXTENSION OF REMARKS

OF

HON. JOHN P. SAYLOR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1962

Mr. SAYLOR. Mr. Speaker, with millions of unemployed in the United States seemingly accepted as a normal liability by the doctrinaires of a planned economy, and with countless others condemned to the rolls of the unemployed by the Trade Expansion Act now before the Senate, Pennsylvania's economic distress can hardly be expected to make much of a stir hereabouts. The decline and fall of my State's coal industry was evident from the moment that the State Department hierarchy adopted a policy of encouraging international oil companies to dump foreign residual oil into the fuel markets of our Atlantic seaboard without respect to its effect on American workingmen.

Pennsylvania's mines have had it. It is doubtful that they will ever return to normal operating levels unless proper cutbacks are made in the residual oil import control program.

What about the injury inflicted upon Pennsylvania's mines by foreign residual oil? Through the courtesy of Mr. Harvey Younker, vice president of District 2, United Mine Workers of America, I have received employment data which I include in the RECORD at this point:

UNITED MINE WORKERS OF AMERICA,
Ebensburg, Pa., July 17, 1962.

Hon. JOHN P. SAYLOR,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN SAYLOR: Since you have been so active in the campaign to bring the importation of residual fuel oil to this country to an absolute minimum, I thought you would be interested in the enclosed employment chart showing the reduction in the employment rolls of the mines in District No. 2, United Mine Workers of America, which we are sure is mostly due to the almost uncontrolled import of this waste material of the oil industry.

I hope you and your colleagues who are interested in saving the coal industry in central Pennsylvania will be able to make good use of the manpower information contained herewith.

Sincerely yours,
HARVEY YOUNKER,
Vice President, District No. 2.

Bituminous coal employment statistics, district No. 2, United Mine Workers of America, from Jan. 1, 1950, to Dec. 31, 1961, inclusive

County	1950	1961	Change	Approximate percentage of loss
Armstrong	2,780	1,008	−1,722	−61.9
Bedford	490	198	−292	−59.5
Blair	242	47	−195	−80.6
Bradford	7	6	−1	−14.3
Cambria	13,970	4,314	−9,656	−69.1
Cameron	38	21	−17	−44.7
Centre	763	303	−460	−60.3
Clarion	975	715	−250	−27.7
Clearfield	4,868	2,612	−2,256	−46.3
Clinton	319	136	−183	−57.3
Elk	699	192	−507	−72.8
Fayette	220	35	−185	−84.1
Fulton	20	0	−20	−100.0
Huntingdon	459	54	−405	−88.0
Indiana	5,979	2,240	−3,739	−62.5
Jefferson	1,861	691	−1,170	−63.0
Lycoming	19	34	+15	+18.1
McKean	19	3	−16	−84.1
Somerset	6,309	1,609	−4,700	−74.7
Tioga	156	86	−70	−44.9
Total	40,193	14,304	25,889	64.4

Mr. Younker's explanation for this employment loss is "which we are sure is mostly due to the almost uncontrolled import of this waste material of the oil industry."

Mr. Speaker, from those 54 million barrels of residual oil which entered U.S. markets in 1948, the intake rose to 233 million barrels last year. There is no question but that a preponderance of the 25,889 lost jobs in the coal mines of district 2 can be attributed directly to the imports. Mine after mine has closed because traditional markets were taken over by shippers promising energy at whatever price was necessary to get beneath that of coal. In addition, new plants, factories, and utilities that would otherwise have gone to coal were approached with clandestine price offers that dissuaded management from installing coal boilers. Brazen importers now allege that these consumers have not impinged upon coal customers because they could not use coal under any circumstances; yet if a sane foreign trade policy had been observed over the past years American coal would be moving into those installations and most of the 25,000 unemployed miners in district 2 would be drawing paychecks today. With them would be thousands of railroad workers and employees of other industries who depend upon coal for their livelihood.

Mr. Speaker, the befuddled thinking of policymakers in the State Department has somehow conned Members of Congress into going along year after year with their strange philosophy, on the theory that eventually—by making America the goat—they can transform a savage bear into an amiable lamb.

It has long been established that the base of this country's present foreign policy was designed and constructed by such notorious individuals as Alger Hiss, Harry Dexter White, David Niles, and others of their ilk. We hope and pray that all cellmates have been smoked from offices of authority, yet it is unfortunate that so many non-Communists who remain in policymaking positions are not, in fact, anti-Communists. It is unfortunate that so many representatives of the State Department are so unsympathetic, so disinterested toward America's workingman and his problems.

The answer is obvious: Congress, sooner or later, is going to have to reaffirm its authority in the field of foreign trade. No better start could be made than to impose a definite quota limitation—not to be exceeded regardless of the extent of State Department entreaty—as the one medium of enabling coal miners in Pennsylvania, Maryland, West Virginia, Virginia, and Kentucky to get back to the jobs that have been purloined by alien oil interests.

The National Lottery of Portugal

EXTENSION OF REMARKS
OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1962

Mr. FINO. Mr. Speaker, I would like to bring to the attention of the Members of this House the national lottery of Portugal. It provides yet another example of how the urge to gamble may be utilized on behalf of charitable organizations.

Portugal is a land of only 9 million persons, but is able to gather over $30 million from lotteries. Of this sum, roughly one-fourth is retained by the Government as profit. The bulk of this money is applied by the Government to the general budget, but over $2½ million is earmarked for charitable institutions.

The lesson to be drawn from the example of Portugal and other nations is that a national lottery can be of great benefit to a country. This is not merely a case of the ends justifying the means, for if we were not so steeped in moral hypocrisy, we would realize that a national lottery is a time-honored and tested financial device.

Mr. Speaker, a national lottery in the United States can produce over $10 billion in new revenue which can be used to reduce our high taxes and growing national debt.

Roads to (Lumber) Recovery

EXTENSION OF REMARKS
OF

HON. JULIA BUTLER HANSEN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1962

Mrs. HANSEN. Mr. Speaker, on July 26 the President announced a program designed to assist the lumber industry and improve its competitive position. The announcement followed a 45-minute meeting with Senators and Congressmen from the Northwest who formed a delegation to discuss with the President all possible means to overcome the economic hardships being suffered by the lumber industry and those dependent upon it for employment.

One of the six steps included in the President's program is the submission of a request to the Congress for additional funds for forest development and road trail programs to assure prompt harvest of allocated national forest timber.

Our national forests are a great renewable asset. The investment in forest roads is returned many times over in the form of timber sales revenue and taxes to the Federal Treasury and local governments and in the form of salaries and profits to the local economy.

Moreover, our Federal timber resources represent an opportunity to advance economic growth and create employment in underdeveloped regions.

Yet, the national forests, deprived of adequate access roads, are not able to make the maximum contribution. The shortage of timber supplies is creating a critical degree of unemployment in many areas.

It is interesting to note that the private and State lands in the State of Washington have been made generally accessible. Private enterprise has recognized that for every dollar invested in access roads, several dollars in products, water development, recreation, and taxes are returned to the community and the Nation.

The Federal lands have not yet been adequately made accessible. Leaving these lands inaccessible means that the yield, and much of this land is highly productive, is going to waste every year.

We in Congress should see that these lands are managed to full potential production just as we would if we owned them ourselves. These lands are a valuable natural resource which should be making its full contribution to the economy of the Nation.

In Washington, almost 30 percent of the acreage is federally owned. In many Western States the Federal portion is greater.

Wise stewardship dictates that these Federal lands become as productive as the State, county, and private lands that surround them. Access is one important segment of management and development. Failure to provide sufficient access funds is a failure in wise management.

The President last week announced his intention to seek an additional $10 million for Forest Service roads and trails in an effort to increase the amount of Federal timber available for the Nation's lumber industry. I will support the President's request and will support all other measures designed to improve the management of our Federal lands.

Some Difficulties With Relying on a Tax Cut Alone

EXTENSION OF REMARKS

OF

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1962

Mr. REUSS. Mr. Speaker, I include in the Record the text of my radio-TV interview, July 31, 1962, on the Westinghouse Broadcasting Co. program. "Washington Viewpoint," in which I discussed the need for a broad economic program for domestic growth and to eliminate our balance-of-payments deficit:

Washington Viewpoint

Miss Corrick. Good evening. This is Ann Corrick with Sid Davis in the House Radio-Television Gallery on Capitol Hill. Our guest on Washington Viewpoint this evening is Democratic Congressman Henry Reuss, of Wisconsin. Congressman Reuss is a member of the House Banking and Currency Committee, the Joint Congressional Economic Committee, and he is the regional vice chairman of the House Democratic study group, which is an informal group of Democrats organized to help push so-called liberal legislation through the House.

Congressman, the great debate in Washington these days is to cut or not to cut—taxes, that is. You have said that a tax cut at this time would be "politically risky and economically unsound unless it is coupled with other Government measures." Taking the first part, who would bear the greatest political risk in a tax cut?

Representative Reuss. Well, what I meant when I said politically risky was simply this. I think if the administration came forward within the next 2 or 3 days with a program that consisted of nothing but a naked tax-cut proposal, I would be very dubious indeed about the impact of this on Congress. I say this because I've talked to many many of my colleagues, and some are against a tax cut, think it will further unbalance the budget, some are for a tax cut in the lower brackets where it will help consumption, some are for a tax cut in the upper brackets where it will, so they say, stimulate investment; others want to counteract the effect of a tax cut by tightening money or by retrenching on expenditures. So that I just think that there is so great a contrariety of view that if all that is before the Congress is a tax cut, it might very well become a cropper.

Miss Corrick. For whom? For the President and the Democrats?

Representative Reuss. For the administration, yes, and the Democrats, and for almost everybody, because I think that a tax cut from an economic standpoint, has to be merely part of a total program designed to get this country moving again. And I don't think we can view it as an isolated thing.

Miss Corrick. What are some of the other measures that you believe should accompany a tax cut?

Representative Reuss. Well I think that we have to look at our markets in a very simple way as if we had suddenly arrived on this Earth from Mars, and ask ourselves, all right, where can we sell more goods and services. To be realistic, in the United States today we don't have—at least I can't see—anything like the big automobile building boom we had in the 1920's or the big homebuilding and the consumer durable home appliance selling boom of the early 1950's. So one asks, Well, where are there markets? Well, if you ask that question, you find that there are some simply stupendous markets lying around untapped, if we but had the wit to tap them. And I can suggest about three of those. For example, over ir. Western Europe they're having one of the biggest booms in history. The housewives of Germany, Italy, and France desperately want and don't have things like refrigerators and washing machines and dryers and disposal units and dishwashers, and other mechanical equipment which has become quite commonplace in the United States. At the same time that that is happening and at a time when European factories aren't geared up at all to produce this, we in America are having 5½ percent of our work force unemployed, a very laggard rate of growth, we desperately need to put idle men back to work in idle factories, and one of the ways we could do this would be to make just these consumer goods that Europeans want so much, but which they can't buy very largely as a result of the high Common Market tariff. So, instead of being lackadaisical about this, I would think that we ought to get off our haunches immediately and try to bargain down that Common Market tariff so that we can get our American consumer durables into the European Common Market. That would be one marvelous market. There are some others.

Miss Corrick. So you believe then that as things stand now, that Congress wouldn't enact a tax cut?

Representative Reuss. I wouldn't go so far as to say that. It's just that I can't say with any real certainty how Congress would react to what I call a tax cut in isolation. Congress, after all, has—let's be honest about it—reacted in a disquieting manner to the administration on the medicare bill, on the farm bill, on the Urban Affairs Department proposal. And I don't think the administration wants to encourage political liabilities here.

Miss Corrick. It would be a risk that you think the President would hate to take in this election year?

Representative Reuss. I should think so, but I don't want to overstress the politics of it. You picked up one-half of a two-part statement I made. I said it was politically risky and I thought economically unsound. I prefer to stress the latter. I think if all we do is have a tax cut, and then at the same time we allow the monetary authorities of this country—the Federal Reserve—to do what they said they would do—namely, tighten up the very money which has just been loosened up by a tax cut—then you would end up by not putting idle men to work, by not putting idle factories back to work, but simply by undergoing a great deficit in our budget, not appreciably helping the domestic economic picture, and, with a budget deficit of that size, if our economy continued to lag, I wouldn't feel a bit good about the future of the dollar abroad. I'd be afraid that some Europeans might take fright and take flight.

Miss Corrick. Sid Davis.

Mr. Davis. Congressman, in this election year some rather formidable forces are in favor of the tax cut—namely, the chamber of commerce, and the AFL–CIO. How would Congress be reluctant to pass a tax cut prior to the November elections when something like that usually is a very nice thing to have before an election?

Representative Reuss. Well, so it is always said, and I'll admit that the chamber of commerce and the AFL–CIO are thought of as tremendously large and powerful forces. However, I notice that Congressmen take quite an independent view on these things. I notice that Senator Harry Byrd, who is ordinarily alined with chamber of commerce thinking, vigorously opposes the tax cut. Never mind his reasons at the moment, but his opposition is quite clear. At the same time, a number of liberal legislators have also opposed the tax cut despite the fact that the AFL–CIO is backing it. My own position, which I'm trying to make clear, is that a carefully thought out tax cut, in conjunction with other measures, could be just the turn of the flywheel needed to get the economy going forward again. But, in my opinion, there is no good, and much harm, in just having a tax cut unaccompanied by other measures to open up some of these markets which I think we've got to open up if we're going to have the prosperity we ought to have at home and do our necessary part in world affairs.

Mr. Davis. While we're on the subject of the economy, there are two schools of thought on the economy right now. Are we headed into a recession, or are we not, in your opinion?

Representative Reuss. These are all relative things. I do not believe we are headed for a depression, and the reason I don't is because of the so-called built-in stabilizers—our progressive income tax, unemployment insurance, our social insurance and welfare programs generally, our bank deposit insurance, all of these things are sufficient, in my mind, to keep us from anything like a 1932-type depression. However, having said that, let me hasten to add that I'm not being Pollyanna about this. I've been deeply disturbed at the fact that we've had three recessions in the last 7 years, that each time we get out of the recession, we seem to stabilize unemployment at a somewhat higher level than it's been. For example, when we emerged from the 1960 recession, we got our unemployment level down from about 7 percent to the 5½ percent where it is now—5½ percent of the work force—but we don't seem to be able to do any better. We aren't improving matters, and I'm not content to sit idly by and say 5½ percent is a tolerable amount of unemployment. Similarly, our growth rate, which simply means the amount of goods and services we make each year as compared to those we made in the last year, has not been going forward nearly as much as the growth rate in Western Europe, for example, or, particularly, not nearly as much as the growth rate in Soviet Russia. And since, among other things, we're engaged in a worldwide economic struggle with Communist Russia, it seems to me that it behooves the American people to get moving.

Mr. Davis. How do the American people get moving? How do we solve these problems of periodic recession and the 5½ percent figure of unemployment? Isn't there a period where we will arrive where we will have to accept a certain percentage figure of unemployment? Why can't it be 5½ percent, with automation and everything else?

Representative Reuss. I don't think that we are compelled to that position for several reasons: One is that there is a tremendous need in America for more goods and services of a certain type. One tremendous need is the fact that 20 percent of the Americans are still very, very poor. Their family income is under $4,000, if they're a family with children, or under $2,000 a year if they're single people. And this just isn't enough to live on by modern standards. So you've got one-fifth of America that is still darn poor and impoverished. Then you've got practically all of America which is very short on certain things. Those things are mainly local public improvements, better schools, more universities, more medical schools, hospitals, adequate sewage disposal plants, adequate methods of cleaning up our air and our polluted water, parks, playgrounds, cultural institutions, art galleries, symphony halls, all the good things of life, libraries. I'm not suggesting, please don't misunderstand me, that the Federal Government is supposed to build all these things. I am saying that somewhere in America, if we put on our thinking cap, we ought to be able to satisfy these needs. And I haven't mentioned the tremendous need throughout the whole world for our goods—the need of people of Europe who can pay hard convertible cash for them. This is a market I think we ought to get into, plus the need of the underdeveloped southern half of the world—the billion and a half people who are the real have-nots, who need some help by us and the other successful wealthy countries. So I'm not prepared to say today, well, let 5 to 10 percent of the American people remain unemployed. I don't think that's necessary. Furthermore, from the standpoint of American social life, people in this country do work. This is what you do by day, and I don't think that we're prepared yet for a system in which 80 percent of the people of working ability work, and the other 20 percent are somehow supported in idleness by the other 80. I don't think that the 80 percent want that and I'm very sure that the 20 percent don't want it. They'd sooner work by the sweat of their brow and make their contribution to their country.

Miss Corrick. Congressman Reuss, one more point on this tax cut matter. President Kennedy has said that he will not make up his mind about recommending an immediate tax cut until around the middle of August after the July business figures have come in and he's had a chance to evaluate them.

Representative Reuss. I think that was a wise view on his part.

Miss Corrick. And also reportedly he's waiting for some sign from Congress that Congress would enact a tax cut if he requested it. A Republican Senator, Clifford Case, of New Jersey, said the other day that this indicates a lack of confidence on the President's part in his own ability to lead Congress. Do you think that Mr. Kennedy is demonstrating a lack of leadership on this matter?

Representative Reuss. I think Mr. Kennedy generally is demonstrating excellent leadership. On this tax question, I wish he would take to the people the kind of broad-scale economic program which I've been trying to sketch out here in our little discussion, and I think if he did that, then the role of the tax cut in such a broad program would become apparent to people and would become apparent to Congress. The proper role of a tax cut, it seems to me, is the little spinning of the flywheel needed to get the economy going again. But a tax cut by itself is not enough. We've got to open up these new markets at home and abroad that I've described. And a tax cut in and of itself is not enough to do that. So I think we've got to move on all of these fronts and if the President tabled before the American people a program designed to produce at home full employment, maximum growth, and a stable dollar without inflation, and a broad program that over the next year or two could balance our international payments and keep us from shaking and trembling over the position of the dollar overseas, I think the American people would support it. I think the American people would support that kind of a program just as they supported two great Kennedy successes—I'll mention them—the Peace Corps, where America's idealism was aroused, where people everywhere I went saw the connection between what our young people wanted to do and what our mission out in the underdeveloped world was. Another such program where the President got marvelous public support and excellent congressional support too, at least in the House, was in the trade bill. Here, I think, Americans realized that we can't crawl into a isolationist hole, that we live in a world that is very much interconnected, and that the best defense is an offense, and that we ought to come out of our corner fighting. And I think they responded very well. And taking a lead from that, I should think it would be great stuff if President Kennedy on television, by speeches, and using all the great media at his command, including radio, would get out there and sketch the kind of a program that I'm talking about.

Now I'm not suggesting that I've presented anything very new here, it's simply putting it into a new framework and relating a tax cut to that, rather than standing there transfixed by a tax cut as if it were the one and only panacea, when it isn't.

Mr. Davis. Congressman Reuss, you mentioned the President taking his case to the people, could his failure in taking his case to the people be one of the reasons for the trouble he's having here upon the Hill with Congress? Are you suggesting more fireside chats by going directly to the people to get Congress to move behind his programs?

Representative Reuss. Well, there are many reasons why, in recent weeks, at least, the administration has scored some defeats at the hands of Congress. The biggest single reason, of course, is the fact that Congress isn't really an administration-minded Congress at all, if you take the Republicans who, except for a few, oppose the President on almost everything he does, and take some of our Southern Democratic friends who are in coalition with the Republicans, you don't have an administration majority at all. You have an antiadministration majority, and the wonder of it is that President Kennedy has been able to get through what he has. I wouldn't have believed it possible. So that, I don't want to suggest that the trouble with Congress is anything other than the trouble with Congress. However, the experience with the Peace Corps and the experience with the Trade Expansion Act, and with several other measures which have aroused a good response in Congress, I think should lead one to the conclusion that where the President will evolve a program which is understandable, where he will show its connection between our world position, and our determination to keep the world at peace, and our domestic problems, and where he will take this issue to the public, then he'll win. Now maybe he won't win the first battle, but he's erected a standard to which the American people, and indeed the people of the free world, can repair and he'll just stay with it till he does win.

So, I think that kind of an economic program would have a great chance of political success. because the President could send out sparks to the American people and then these would reverberate back on Congress. That, to me, is how you get things done.

Mr. Davis. There's been some talk, though, that the President has not exerted his authority—the full powers of his office—on Congress to get things going, that he should use the stick as well as the carrot. Do you agree with that criticism?

Representative Reuss. Not really. I don't think you're going to achieve congressional success in any very marked degree by wheedling, cajoling, threatening. Oh, sure you need—any administration, Republican or Democratic—needs to maintain good liaison with Congress and smile upon its friends and give dirty looks occasionally to its foes. But by and large Congressmen aren't going to vote on the great national issues depending upon whether their back has been scratched by the administration or not. I think the way to get the big things done is to have the President, in conjunction with responsible people in Congress, work out programs, and then to have the President, as the leader of the American people, bounce those programs over the American people in a process of cross-fertilization, and then I think Congress will do what the national interest requires.

Another Salute to AP's Haslet

EXTENSION OF REMARKS

OF

HON. ED EDMONDSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1962

Mr. EDMONDSON. Mr. Speaker, yesterday our Majority Leader Carl Albert and other Members of Congress paid tribute to a man whose friendship we have come to cherish and whose journalistic ability we have long respected. Of course, I am speaking of the salute given to Charlie Haslet, who last Saturday celebrated his 38th anniversary with the Associated Press wire service.

It is a privilege for me today to add my congratulations to Charlie Haslet for his many years of outstanding contributions to public enlightenment as a member of the fourth estate.

During my years in Congress, I have had the pleasure of becoming closely acquainted with Charlie Haslet since he is the Associated Press representative for the Oklahoma, Kansas, and Missouri region. Although Charlie's reporting beat cannot match the glamour of the metropolitan police reporter, I believe Mr. Haslet's contribution to public understanding of our Government's operations is unquestionably more noteworthy.

Charlie's cool detachment in approaching a news story and his year-in and year-out consistency in reporting the real facts from Washington have earned him the respect of his journalistic colleagues and the confidence of the Members of Congress with whom he deals.

May the Associated Press be fortunate enough to have many more years of accurate stories come from the reliable typewriter of Charlie Haslet.

Eighty Years of Service

EXTENSION OF REMARKS

OF

HON. JOHN F. SHELLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1962

Mr. SHELLEY. Mr. Speaker, the year 1962 is the 80th since the founding of the Knights of Columbus, in New Haven, Conn. It was on January 16, 1862, that Father Michael J. McGivney met with nine men in New Haven to discuss the project of forming a fraternal and benevolent order that would work to foster both patriotism and religious principle among its members and as far as its influence might reach. After several meetings the name "Knights of Columbus" was decided upon, and the order, the first national fraternal organization to be incorporated in Connecticut, received its charter from the State on March 29, 1882.

From this modest beginning the order has grown, slowly at first, and then at increasing speed, until now it numbers more than a million and a quarter members in all States of the country, with representation also in Canada, Cuba, Mexico, the Philippines, Puerto Rico, and Panama. Throughout its history, the order has worked strenuously for the cultivation of the patriotic spirit among Catholics, particularly in the education of youth.

Mr. Speaker, from the beginning, the Knights of Columbus sought to preserve the stability of the homes of its members, by providing financial means to assist in the upkeep of the families and education of the children of deceased members. It early began a campaign that, through the years, has acquired increasing importance—to promote public dissemination of the truth about the faith to which they belong by forthright factual answers to calumny. The voice of the order has also been heard, frequently and consistently, in defense of the ideals of tolerance and freedom of religion. The education of American youth was an early and constant concern of the order, and many scholarships have been provided, at different academic levels, for the education of youth, always including such subjects as American history, American government, and American constitutional history. From the time of World War I the Knights of Columbus has been known for its work for the benefit of the Armed Forces, in peace and war, whether alone or in partnership with other organizations. It has also sponsored scholarships for the children of those who have given their lives in battle in the wars of the United States.

Mr. Speaker, in its westward expansion, the order first reached the Pacific coast and the State of California with the establishment, in 1902, of San Francisco Council 615. Los Angeles and then other California cities quickly set up councils, and on May 13, 1903, the California State Council was organized, in Los Angeles, this being the first State council of the Knights of Columbus west of the Rockies. Los Angeles, too, was host to the second supreme convention to be held outside the order's birthplace, New Haven—the convention of 1905. The choice of California for this convention demonstrated in dramatic fashion the intention of the order to be truly national in scope and interests, and to use its national conventions as a means of stimulating interest in the order, in one geographical region of the country after another.

In 1921 the supreme convention was again held in California, this time in San Francisco—a convention that was heralded as the best attended, best publicized, and the most productive supreme convention in the history of the order up to that time. At this memorable convention the Knights of Columbus undertook to follow up their magnificent war work of World War I with a peacetime program comparable in scope and cost. More than $7 million was devoted to projects of hospitalization and educational work for disabled and other ex-service men, for the maintenance of college scholarships for some 400 veterans, and for other projects including a continuing educational drive against extreme radicalism, and the initiation of an antituberculosis campaign. It was at this convention, too, that John H. Reddin, supreme master, fourth degree, announced the initiation of one of the most worthwhile efforts of the Knights of Columbus, the Knights of Columbus fourth degree American history movement. It was at this convention that Edward F. McSweeney, chairman of the then newly established Knights of Columbus Historical Commission, gave an address setting forth the principles that were to inspire the educational and scholarly work of this commission. The keynote of his address, as of the work since done and sponsored by the commission, is in the spirit of the quotation from Daniel Webster:

> In America, a new era commences in human affairs, distinguished by free representative government, by entire religious liberty, by improved systems of national intercourse, by a newly awakened and unconquerable spirit of free inquiry, and by a diffusion of knowledge through the community, before altogether unknown and unheard of. America, our country, fellow citizens, our own dear and native land, is inseparably connected, fast bound up, in fortune and by fate, with these great interests. If they fall, we fall with them: if they stand, it will be because we have sustained them. Let us contemplate then, this connection which binds the prosperity of others to our own; and let us manfully discharge all the duties which it imposes. If we cherish the virtues and principles of our fathers, Heaven will assist us to carry on the work of human liberty and human happiness.

Mr. McSweeney chose the occasion of the San Francisco convention to issue a ringing statement of permanent renunciation, in domestic matters, of the narrow sectional interests of New England and the Eastern States, and repudiation, in foreign relations, of exclusive attachment to European alliances and the partnership with the British Commonwealth. Mr. McSweeney expressed, for the Knights of Columbus, the broad westward vision, eminently suited to the name of Columbus, an organization in which patriotic fervor and historical scope took in the whole continental United States, and whose prophetic vision looked toward trade, friendship, and alliances with the people of those eastern lands that lie westward of our Pacific coast.

Mr. Speaker, San Francisco is also inseparably linked with the inauguration of the great tradition of humanitarian service by the Knights of Columbus, the San Francisco disaster of 1906 having inspired the members of the then small order to heroic efforts on behalf of the injured, the homeless, the orphaned, and destitute. Within a very few months, a relief fund of $100,000 had been collected, and a committee of local Knights undertook the vital task of distributing this money for the best advantage of the city and its stricken people. It is worthy of mention, for the honor of San Francisco and of the San Francisco Council of the Knights of Columbus, that within 2 years the San Francisco Knights had repaid to the supreme secretary $65,000 of the money that had been freely given for the relief of San Francisco's disaster victims.

The precedent of generous and prompt relief, set in San Francisco, was soon followed on the occasion of the floods that struck Ohio and Indiana in 1913, of the Illinois cyclone of 1917, the Corpus Christi storm of 1919, and on many another occasion of major disaster, whether within the United States or in foreign lands. Many who know nothing else of the Knights of Columbus, know it as the organization which brought immediate and generous aid when the need was the greatest.

Many Californians remember the supreme convention of 1952, held in Los Angeles. That year marked the 100th anniversary of the birth of the founder of the order, Father Michael J. McGivney, the 70th anniversary of the founding of the order itself, and the 50th anniversary of the extension of the order to the west coast, with the inauguration of San Francisco's council 615. To San Francisco, and to all Californians, who cherish the tradition of the Spanish missions that first established European culture and Christian faith on the shores of the Pacific, the view of American history taken by the Knights of Columbus is most welcome and congenial. Their emphasis is on the various streams of culture, religious and national, that entered into the makeup of America; on the explorers and missionaries, as well as the settlers; on the French, Spanish, and Dutch, as well as the English; on the south, west, and north, as well as the east. We deeply appreciate a religious patriotism that transcends the boundaries of denomination, and dissociates itself from national jealousies and selfishness. It is the measure of the quality of this organization and its work that it has received the wholehearted commendation of men of all creeds. I know that the Knights of Columbus will carry on, through the years to come, their noble tradition of devotion and service to God and country.

Mr. Chairman, I would like to bring to your attention the names of a number of individuals who are carrying on the vital work of the Knights in San Francisco. They are to be congratulated for their devoted efforts in making the Knights a viable instrument for good They are:

The Honorable Edward Molkenbuhr, P.S.D., past State deputy; the Honorable William T. Sweigert, P.S.D.; F. Everett Cahill, P.S.D.; Hon. C. Harold Caulfield; Tom O'Connor; Joseph M. Cummins; Charles F. Schroth; John F. Schroth; Charles Pons; James E. Fields; Alvin J. Lambert; Tom Dolin; Joseph J. Peterson; Paul Gysels; George B. Gillis; Mark Bentley; John P. Bacigalupi; William G. Reynolds; Fred Augustini; Cosmo Antista; John Bohach; Francis Brennan; J. Francis Shirley; Charles Gallagher; the Honorable Thomas P. White, P.S.D.; Fidel J. Martinez; Ambrose Kerwin; Thomas F. Duffy, P.S.D.; John J. Enright; Sergio A. Scarpa; Sylvester Andriano; Joseph I. McNamara; Everett B. Livermore; Joseph A. Kiernan; John A. Brucato; Harold F. Roesch; Thomas J. Melon; Emmet P. Lucey; Frank R. Pitts; John P. Figone; Maurice T. Murphy; Spencer B. Lane; Dion Holm; Paul M. Hupf; Hon. Edward M. Gaffney; Hon. Charles W. Meyers; Martin C. McDonough; Joseph Barrett; Raymond D. Williamson; Dominic Bozzanella; John F. Henning; Chris McKeon; Dr. Joseph G. Mayerle; and Raymond J. Rath.

Our Foreign Policy Needs a Thorough Inspection and Careful Analysis

EXTENSION OF REMARKS

OF

HON. JOHN P. SAYLOR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1962

Mr. SAYLOR. Mr. Speaker, the administration's contumelious attitude toward Peru is another indication that our foreign policy needs a thorough inspection and careful analysis. Perhaps a good number of our citizenry, after many years of U.S. misfortunes in foreign affairs, are resigned to international failure. Certainly no news from Washington in recent months has contained any basis of hope for improvement along the global front. Lengthy hearings were held in an attempt to determine why the State Department was allowed to call the tune so that McNamara's ban was invoked to prevent any mention of victory over communism among military personnel.

So far as I can determine, the answer was never forthcoming.

Meanwhile the United States has been a part of international episodes which we know will never be appreciated by future generations. Instead of following tradition and principle, our State Department has succumbed to the demands of enemy forces and has participated unconscionably in international intrigue that would never have been tolerated in the past. The withdrawal of American aid from the Lao Government until it accepted communism's principals as a part of its governing body was a disgraceful episode. So was our part in the attempt to strangulate the Katanga force through United Nations intervention. That issue still remains undecided, although President Kennedy demonstrated briefly his contempt for the U.N. type of law and order when he sent a special emissary to meet with Tshombe in defiance of the motley mercenaries in the big house on the East River.

In this regard, it might be suggested that the President again take individual action to prevent U Thant from carrying out his latest plans to compel the president of the Katanga Province to accede to the demands of the Congolese Central Government. The U Thant remark about the clowns in Katanga is in itself sufficient to withdraw his authority in the Congo. Past experience is irrefutable testimony that any manipulations satisfactory to the U.N. will ultimately lead to Red control of areas under dispute. This experience will, it is hoped but not expected, prompt Congress to reject attempts to take another $100 million from the U.S. taxpayers for the proposed bond purchase.

Many Americans have been interested in learning why, if the U.N. has any sympathy for free nations, it has not intervened on the side of South Vietnam in its struggle to defeat the forces of communism that have invaded that country. Why the U.N.'s failure to intervene in Goa never became a cause celebre due to the fact that no one actually expects the U.N. to assist nations that are besieged either by the Red enemy or by the so-called neutral nations.

But to get back to America and Peru. On what grounds was it suddenly decided to withdraw recognition and foreign aid? That question was put to the President at his press conference on Monday of this week. The question and his answer are inserted below:

SITUATION IN PERU

Question. Mr. President, some have criticized the administration for withholding aid from the military dictatorship which has taken over Peru, and at the same time is asking Congress for permission to give aid at your discretion to Communist dictatorships such as Yugoslavia and Poland. Do you feel free to discuss with us reasons for this distinction?

Answer. Well, at the present time the President of Peru is in prison. President Prado, who was a guest of this Government a short while ago, and who was a guest of Franklin D. Roosevelt during World War II. He is in prison. We are anxious to see a return to constitutional forms in Peru, and therefore until we know what is going to happen in Peru, we are prudent in making our judgments as to what we shall do.

We think it is in our national interest, and I think the aid we are giving in the other areas is in our national interest, because we feel that this hemisphere can only be secure and free with democratic government. We wish that were true behind the Iron Curtain, and it is to encourage a trend in that direction that we have given some assistance in the past, and advocate it now.

Now, Mr. Speaker, it appears that the President, obviously acting upon the advice of the State Department, has been entirely too hasty in imposing diplomatic and economic sanctions against the Peruvian Government. Only this week the House accepted a conference report which rebuffed an attempt to withhold American aid from Communist countries. Thus Yugoslavia and Poland, among others, remain eligible for gifts from the U.S. Treasury on the dubious theory that they will sometime, somehow break with the Soviet Union. On this hypothesis, must Peru become subjected to heavy Communist pressures before it regains recognition and dollar aid? In retrospect, it is quite possible that the chaotic conditions which led to the seizure of the Government in Lima by the military junta were in part created by the imprudent and naive way in which the U.S. Government—here and in Peru—openly backed the candidacy of Haya and the APRA Party. The present U.S. attitude toward that South American country might very well be interpreted as dissatisfaction with the election results, thus giving substance to the oft-heard charges that the United States is guilty of active interference in the government affairs of other nations.

The fact that the army organization—which so far has shown no inclination toward communism—is now in control of the Peruvian Government did not seem to be of such moment to bring retribution from the United States. Who overthrew Peron and restored democracy in Argentina? Answer: Army forces, who it will be recalled were hailed by us for their action.

If the President has made a mistake—if he has again been erroneously advised by the State Department—he should lose no time in making restitution. I voted against the foreign aid bill for many reasons. Although we have invested almost $100 billion in this program since its inception, no tangible beneficial results are on record. Under a tremendous debt burden which has already surpassed the $300 billion mark, the United States would be in no position to funnel more funds abroad even if it seemed the wise course from a diplomatic standpoint. Yet, so long as we are going to make this gratuity available for another year, then America should at least be circumspect in the handling of this tremendous fund.

Most of all, no nation should be deprived of diplomatic status with this country simply because we do not approve of the local government or its political party. How recognition can be accorded Russia, Yugoslavia, Poland, and other countries dominated by the hammer and sickle while being denied to a nation that has long dedicated itself in opposition to communism is a matter that needs better interpretation.

In conclusion, I insert in the Record the following editorial from the Evening Star, of Saturday, July 21, 1962:

Crackdown on Peru

We suppose the State Department and President Kennedy have good reason to believe that the real facts of the situation fully warrant our Government's stern reaction to the anti-Communist military junta that has seized power in Peru. At any rate, the coup has been staged in complete defiance of what appear to have been free and honest elections, and the White House has therefore felt moved to condemn it as "a serious setback" to democracy in the Americas.

More than that, in a very obvious effort to undermine the junta and hasten the restoration of constitutional civilian rule, our Government has suspended diplomatic relations with Lima and cut off all but a trickle of economic aid to the country. This can only be described an undisguised intervention in Peru's internal affairs, and nothing quite like it has ever before occurred in the relations of the United States with its neighbors to the south.

Presumably President Kennedy acted on the basis of solid information indicating that a do-nothing or noncommittal attitude on the part of Washington would play into the hands of the Castroite Communists. After all, the Reds can exploit any reverse experience by the President in connection with his hemispheric Alliance for Progress and its projected far-reaching social, economic, and political reforms—reforms not quite to the liking, apparently, of the men now in command of Peru.

Be that as it may, however, the average American layman may well take a rather reserve view of what our Government has done. Some questions suggest themselves. Why, for example, has the United States thus far refrained from cracking down on Argentina's current leaders, who have carried out essentially the same sort of coup as the one in Peru? And why should the anti-Communist junta in Lima be singled out for especially severe treatment—why should it be denied desperately needed economic asistance—at a time when the Kennedy administration has deplored congressional efforts to deny comparable aid to Red dictatorships like Poland's and Yugoslavia's?

These and kindred questions speak for themselves. Certainly, judging from all accounts, Peru's junta has far more to be said in its favor than Castro's tyranny in Havana, and it certainly is much less unattractive in many respects than Gomulka's regime in Warsaw or Tito's in Belgrade. Why, then, is it being dealt with in a peculiarly severe and discriminatory manner? Perhaps the President will clarify the matter at his globally televised Telstar news conference on Monday.

SENATE

Wednesday, August 1, 1962

(Legislative day of Thursday, July 26, 1962)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. Philip A. Hart, a Senator from the State of Michigan.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God, who art to be surely found if with all our hearts we truly seek Thee: Thou art known by those who love; Thou art seen by those whose hearts are pure; Thou art heard by those who hush earth's blatant noises, and in the quietness listen with reverent hearts.

Thou hast given us thoughts that wander off into eternity; Thou hast so made us that the glory of our life can never be beneath us. Forbid that, when radiant, human hopes are flaming in the sky, we should be blinded by the smoke of our own campfires. When great ideas whose day has come beckon us to be their servants, save us from giving ourselves to the dead past, rather than to the living present and the beckoning future.

We ask it in the ever-blessed Name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., August 1, 1962.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. Philip A. Hart, a Senator from the State of Michigan, to perform the duties of the Chair during my absence.

Carl Hayden,
President pro tempore.

Mr. HART thereupon took the chair as Acting President pro tempore.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 1, 1962, the President had approved and signed the act (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

REPORT OF THE HOUSING AND HOME FINANCE AGENCY—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Banking and Currency:

To the Congress of the United States:

Pursuant to the provisions of section 802(a) of the Housing Act of 1954, I transmit herewith for the information of the Congress the 15th Annual Report of the Housing and Home Finance Agency covering housing activities for the calendar year 1961.

John F. Kennedy.

The White House, *August 1, 1962.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 4094) to amend the act of July 15, 1955, relating to the conservation of anthracite coal resources, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 4094) to amend the act of July 15, 1955, relating to the conservation of anthracite coal resources, was read twice by its title and referred to the Committee on Interior and Insular Affairs.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. MORSE. Mr. President, reserving the right to object—and I shall not object—I think the quorum call should be withdrawn while we seek, as I understand, to work out any understanding that might possibly be worked out before the debate proceeds.

The ACTING PRESIDENT pro tempore. The Senator is not objecting to the withdrawal of the quorum call?

Mr. MORSE. No; I said I am not objecting.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the satellite bill (H.R. 11040) be made the pending business; that upon its being made the pending business it be immediately referred to the Foreign Relations Committee, with instructions to report the bill back to the Senate not later than 12 noon, Friday, August 10, 1962; and that upon its being reported back to the Senate it be made the pending business before the Senate.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. TOWER. Mr. President, reserving the right to object, I should like to ask the distinguished majority leader, if this unanimous-consent agreement is arrived at and the bill is reported back to the Senate on Friday, August 10, will it remain the pending business until the matter is concluded, and not be postponed yet a third time?

Mr. MANSFIELD. May I say to the distinguished Senator from Texas, who has been most cooperative, it is the hope of the leadership that, if the request is granted, the measure will be reported back before Friday, August 10. So far as the leadership is concerned, we are prepared to use every available means at our command to stay with this bill and bring it to a conclusion, one way or the other.

Mr. TOWER. I will rely upon the assurances of the distinguished majority leader, although I have very grave misgivings about the procedure we are following here. In my opinion, we have been delayed enough in acting on the bill. I feel that it is reprehensible to postpone action again but I have never believed that too much should be left to the arbitrary will, discretion, and whim of one Member, and I shall not object.

Mr. LONG of Louisiana. Mr. President, reserving the right to object, and only to make the record, I think the Record should show that this bill was laid aside on a previous occasion at the request of the leadership. Those of us who are opposing the bill did not want to lay it aside. We had begun our fight. From our point of view, we were prepared to continue it, but the leadership asked us to delay action, because if we had insisted, a number of laws would have expired and the Government would have been left in a difficult situation. For example, the Government would not have been able to pay its bills, because the national debt limit expired.

I am happy to accede to the request, and to know that the bill will be the pending business when it comes back. We have been willing to cooperate, but those of us who think this is a bad bill will have to insist that we have the right to debate the bill.

Mr. MANSFIELD. What the Senator has said is correct. Every individual Senator's right will be protected to the best ability of the leadership.

Mr. HRUSKA. Mr. President, reserving the right to object—and I shall not object—yesterday I said it would be possible, in the 8 legislative days intervening, to take up the farm bill and other legislation. It is my understanding that will not be the case because of certain proceedings that must be taken prior to the time when the farm bill will be taken up on the Senate floor. Is that correct?

Mr. MANSFIELD. That is correct. It has to be considered in the policy committee, because it is a major bill, and no policy committee meeting is contemplated before next Tuesday.

Mr. GOLDWATER. Mr. President, last night I objected to the procedure. After discussing the matter with the distinguished majority leader, the distinguished minority leader, and the distinguished Senator from Oklahoma [Mr. Kerr], and having received assurances from those Senators, and having been reassured on the floor this morning that the bill will be pursued to its ultimate conclusion, I shall not object.

Mr. YOUNG of North Dakota. Mr. President, reserving the right to object, I would like to inquire what schedule there will be for farm legislation. The time is fast running out for farm legislation. In order for wheat legislation to be effective for next year's crop it would have to be enacted almost immediately to provide sufficient time to give the necessary information to wheat farmers voting in the referendum to be held not later than August 31.

Mr. MANSFIELD. The Senator knows it is on the calendar. It has to be considered by the policy committee. No meeting will be had before next Tuesday. I am hoping by that time the proposal which we are considering will be back and will be the pending business.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, first, I express thanks to Senators for the courtesy shown the combined leadership on this matter. I think this is the solution of a problem which was becoming quite vexing for all of us. I am hoping this matter will be reported to the Senate before Friday noon, August 10.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there may be a morning hour and that statements during the morning hour be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask for the attention of Senators.

I ask unanimous consent that the reading of the Journal of the proceedings for the calendar days of July 27, 28, 30, and 31, 1962, be dispensed with.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, while Members of the Senate are on the floor, I should like to query the distinguished majority leader as to what bills he has in mind for action for the remainder of the week.

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished minority leader, the following bills are possibly to be considered:

The Defense appropriations conference report.

The Interior appropriations conference report.

The Treasury-Post Office conference report.

The NASA authorization conference report.

The AEC authorization bill, Calendar No. 1631, Senate bill 3392.

The AEC omnibus amendments bill, Calendar No. 1639, Senate bill 3491.

The legislative appropriation bill, Calendar No. 1748, H.R. 11151.

The West Point cadet strength bill, Calendar No. 1494, H.R. 7913.

The Trading With the Enemy Act amendments, Calendar No. 1043, Senate bill 495.

Various Merchant Marine Act amendments.

Mr. DIRKSEN. Mr. President, one other inquiry. It is my understanding that the Finance Committee has, at long last, completed action on the tax bill, and I am wondering whether or not there is some tentative understanding with respect to the consideration of the bill on the floor.

Mr. MANSFIELD. No, there is not, at this time.

Mr. KERR. Mr. President, with reference to the tax bill, I am happy to advise the distinguished Senator from Illinois and the majority leader that the bill should be ready to be considered by the Senate a week from Monday, August 13.

Mr. DIRKSEN. A week from Monday.

Mr. KERR. The bill will be reported by Saturday, August 11, which should put it before the Senate a week from Monday.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Virginia [Mr. Robertson].

Mr. ROBERTSON. Would the majority leader indicate when we might expect consideration of the farm bill?

Mr. MANSFIELD. I cannot at this time, because the bill is on the calendar. It will have to be considered by the Policy Committee and acted on in that body.

Mr. ROBERTSON. It will probably not be considered this week?

Mr. MANSFIELD. No.

Mr. ROBERTSON. Could the chairman of the subcommittee which handled two conference reports on the appropriations for the Defense Department and the Post Office Department, indicate that at 3 o'clock this afternoon, or shortly thereafter, he would like to be recognized to bring up those two conference reports?

Mr. MANSFIELD. I would hope that that would be the case. I shall do my best to be of assistance.

Mr. ROBERTSON. Then I shall notify the conferees.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business in order to take up nominations on the calendar.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. SMITH of Massachusetts (for Mr. Bible), from the Committee on the District of Columbia:

Edgar H. Bernstein, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia.

The ACTING PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the first nomination on the Executive Calendar.

ASSISTANT SECRETARY OF AGRICULTURE

The Chief Clerk read the nomination of John A. Baker, of Virginia, to be an Assistant Secretary of Agriculture.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COMMODITY CREDIT CORPORATION

The Chief Clerk read the nomination of John A. Baker, of Virginia, to be a member of the Board of Directors of the Commodity Credit Corporation.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. DISTRICT JUDGES

The Chief Clerk read sundry nominations of U.S. district judges.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations of persons to be U.S. district judges may be considered and agreed to en bloc.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana? The Chair hears none; and, without objection, the nominations are confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on Interior and Insular Affairs and the Fiscal Affairs Subcommittee of the Committee on the District of Columbia were authorized to meet during the session of the Senate today.

On request of Mr. HUMPHREY, and by unanimous consent, the Permanent Subcommittee on Investigations of the Committee on Government Operations was authorized to meet during the session of the Senate today.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following communication and letters, which were referred as indicated:

Report of U.S. Study Commission—Texas

A communication from the President of the United States, transmitting, pursuant to law, the final report of the U.S. Study Commission—Texas, dated April 1962 (with an accompanying report); to the Committee on Public Works.

Report on Property Acquisitions of Emergency Supplies and Equipment

A letter from the Assistant Secretary of Defense, reporting, pursuant to law, on property acquisitions of emergency supplies and equipment, for the quarter ended June 30, 1962; to the Committee on Armed Services.

Report on Prime Contract Awards to Small and Other Business Firms

A letter from the Assistant Secretary of Defense, Installations and Logistics, transmitting, pursuant to law, a report on prime contract awards to small and other business firms, for the period July 1961–May 1962 (with an accompanying report); to the Committee on Banking and Currency.

Perfection of Provisions of International Aviation Facilities Act

A letter from the Administrator, Federal Aviation Agency, Washington, D.C., transmitting a draft of proposed legislation to amend section 1403 of the Federal Aviation Act of 1958 to perfect certain provisions of the International Aviation Facilities Act (with an accompanying paper); to the Committee on Commerce.

Soil Conditions and Location of Underground Facilities in the Capitol Area

A letter from the Special Assistant to the Administrator, National Capital Transportation Agency, Washington, D.C., requesting permission to investigate and analyze information relating to soil conditions and location of underground facilities in the Capitol area in an effort to develop a modern rapid transit system connecting the Capitol with key sections of the National Capital region; to the Committee on the District of Columbia.

Report on Review of Maintenance of Tracked Combat Vehicles at Fort Knox, Ky., and Fort Hood, Tex.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a classified report on the review of maintenance of tracked combat vehicles at Fort Knox, Ky., and Fort Hood, Tex., Department of the Army (with an accompanying report); to the Committee on Government Operations.

Audit Report on Custodianship Functions, Office of the Treasurer of the United States

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on custodianship functions, Office of the Treasurer of the United States, Treasury Department, fiscal year 1961 (with an accompanying report); to the Committee on Government Operations.

Report on Action Taken by the Railroad Retirement Board Under Its Unemployment and Sickness Benefit Program

A letter from the Chairman, Railroad Retirement Board, Chicago, Ill., reporting, for the information of the Senate, that certain remedial action had been taken by that Board, relating to the audit report of the General Accounting Office on that Board's unemployment and sickness benefit program for the fiscal years 1959–60; to the Committee on Government Operations.

Small Projects Loan Application for Orchard City Irrigation District, Orchard City, Colo.

A letter from the Under Secretary of the Interior, transmitting, for the information of the Senate, comments of the State of California on the proposal of the Orchard City Irrigation District in Delta County, Colo., for a loan under the Small Reclamation Projects Act of 1956 (with an accompanying paper); to the Committee on Interior and Insular Affairs.

Report on Claims Paid by the Canal Zone Government

A letter from the Governor, Canal Zone Government, Balboa Heights, C.Z., transmitting, pursuant to law, a report on claims paid by that Government, for the period July 1, 1961, to June 30, 1962 (with an accompanying report); to the Committee on the Judiciary.

Suspension of Deportation of Certain Aliens

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

Amendment of Retired Federal Employees Health Benefits Act, Relating to Government Contribution for Expenses Incurred in the Administration of Such Act

A letter from the Chairman, U.S. Civil Service Commission, Washington, D.C., transmitting a draft of proposed legislation to amend the Retired Federal Employees Health Benefits Act with respect to Government contribution for expenses incurred in the administration of such act (with an accompanying paper); to the Committee on Post Office and Civil Service.

PETITIONS

Petitions were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A resolution adopted by the official board of the Central-Summerfield Methodist Church, of Baltimore, Md., favoring the adoption of a constitutional amendment to permit daily prayer and Bible reading in public schools; to the Committee on the Judiciary.

A resolution adopted by the Buffalo Citizens Committee to Observe Captive Nations Week, of Buffalo, N.Y., favoring the establishment of a Captive Nations Committee; an executive agency to promote self-determination of captive nations or the appointment of a Presidential task force on self-determination, and a Freedom Commission and Academy as a new and vigorous element of our Government; to the Committee on the Judiciary.

RECOMMENDATIONS OF PRESIDENTIAL RAILROAD COMMISSION—RESOLUTION

Mr. CARLSON. Mr. President, the Salina, Kans., Central Labor Union, AFL–CIO, adopted a resolution expressing their opposition to the recommendations of the Presidential Railroad Commission, which was filed with the President of the United States on February 28, 1962.

As this report is now a subject of general discussion, I ask unanimous consent that this resolution be printed in the RECORD, and referred to the Committee on Labor and Public Welfare.

There being no objection, the resolution was referred to the Committee on

Labor and Public Welfare, and ordered to be printed in the Record, as follows:

Whereas this meeting of the Salina Central Labor Union AFL–CIO, duly assembled, has considered the report of the Presidential Railroad Commission filed with the President of the United States on February 28, 1962; and

Whereas the Salina Central Labor Union AFL–CIO finds that the recommendations of the Eisenhower appointed Presidential Railroad Commission, if given effect, would reduce the number of jobs of railroad engineers, helpers (firemen), conductors, brakemen and switchmen by nearly half, with resultant serious impairment of safety and efficiency of railroad operations, would require more work of employees at lower rates of pay, would deprive railroad operating employees of the fruits of collective bargaining gained in many years of negotiations, and, would also by reason of abolition of existing railroad terminals in Kansas and elsewhere, destroy many railroad communities and cause the dislocation of homes of thousands of railroad workers; and

Whereas it is the sense of the delegates to the meeting that in these times any proposal producing additional unemployment, longer working hours at lower rates of pay, decimation of railroad communities in Kansas and elsewhere, as well as impairment of railroad safety, service and efficiency, is un-American, injurious to our national and local economies, contrary to established trends in labor relations, and deteriorative of the general well-being of our country, and must be condemned as such: Therefore be it

Resolved and it is hereby the decision of this body, That the report of the Presidential Railroad Commission of Februery 28, 1962, be disapproved and condemned as an unfair, inappropriate and ruinous proposal for settlement of wages and work rules disputes on the Nation's railroads; and be it further

Resolved, That existing controversies between the railroads and their employees concerning wages, rules and working conditions should be resolved in collective bargaining, without regard for recommendations of the Presidential Railroad Commission, on bases which will maintain existing jobs, and improve and enhance wages and working conditions of railroad employees; and be it further

Resolved, That a copy of this resolution shall be forwarded to the President of the United States, the Secretary of Labor, Members of the Senate and House of Representatives, the Governor of Kansas, State senators and representatives and the presidents of the rail unions involved.

Adopted this 17th day of July 1962.

C. B. Rhoads,
President.
LeRoy C. Jackman,
Secretary.

RESOLUTIONS ON RESERVE FORCES AND THE NATIONAL GUARD AND SHIPMENT OF WHEAT TO COMMUNIST CHINA

Mr. CARLSON. Mr. President, the Kansas Department of the Disabled American Veterans at its convention in Kansas City, Kans., adopted resolutions in regard to the Reserve Forces and the National Guard, also a resolution expressing opposition to the shipment of wheat to Communist China.

These resolutions are self-explanatory and I ask unanimous consent that they be printed in the Record and referred to the appropriate committee.

There being no objection, the resolutions were referred to the Committee on Armed Services, and ordered to be printed in the Record, as follows:

Whereas the Department of Defense has proposed the realinement of the components of the Reserve Forces and the National Guard, which is in conflict with the precepts of our Founding Fathers and the establishment of a State milita; and

Whereas the proposed realinement of the Reserves Forces and the National Guard reduces the overall troop strength of the Reserve Forces and the National Guard at such a time when the international situation is so critical; and

Whereas the proposed reduction of the Reserve Forces and the National Guard will eliminate four National Guard divisions, one of which is the 35th National Guard Division of the great and sovereign States of Missouri and Kansas; and

Whereas the elimination of the 35th National Guard Division will deny the United States of America and the sovereign States of Missouri and Kansas the troop strength needed for international situations or local emergencies: Therefore be it

Resolved by unanimous vote of the department of Kansas, Disabled American Veterans, in convention assembled June 9, 1962, in Kansas City, Kans., That letters be sent urging the President of the United States, the Secretary of State, the Secretary of Defense, the Kansas Senators and Congressmen, that no reduction be made in the strength of the Reserve Forces and the National Guard; and it is further

Resolved, That the elimination of the presently organized National Guard division is not justified at this time because of the international situation and because of the need of troops for local emergencies.

Dan W. Bolton,
Department Adjutant,
Disabled American Veterans.

Whereas there is a petition circulating throughout the State of Kansas for the Federal Government to change its foreign policy position and ship our surplus wheat to Communist China; and

Whereas the shipment of wheat to Communist China, or any other Communist satellite nation would be against the principles of all veterans who fought to preserve freedom and democracy and this way of life; and

Whereas the shipment of wheat to Communist China is supplying substance to those Communist forces fighting in Vietnam and Laos against free nations and is contrary to our foreign policy; and

Whereas Communist China devotes most of her economy to industrialization for military purposes and to assist with our surplus of wheat and other commodities, would be to aid Communist China to greater effort against our allies and our foreign policy; and

Whereas the shipment of wheat to the masses of China would be diverted or so doled out that the benefactors would not receive recognition for their charities; and

Whereas the disposition of our surplus should be offered to our known allies, who would appreciate our efforts and further their alliance to the democratic way of life; and

Whereas we can better serve the cause of freedom by offering to ship our surplus wheat and other commodities to any of the free nations who offer sanctuary to refugees from Communist oppression: Therefore be it

Resolved:

A. The Disabled American Veterans of Kansas oppose the shipment of wheat to Communist China; and

B. The contents of this proposal be circulated throughout the State of Kansas; and

C. The news media be informed of the Disabled American Veterans of Kansas position; and

D. The President of the United States and the Congressmen of the State of Kansas be informed of this resolution and the position of the Disabled American Veterans.

Dan Bolton,
Department Adjutant.

THE PRESENT TRANSPORTATION CRISIS—RESOLUTIONS

Mr. CARLSON. Mr. President, I have received resolutions from the Kingman, Kans., Chamber of Commerce and the Lawrence, Kans., Chamber of Commerce regarding S. 3243, which is pending in the Senate Committee on Commerce.

Transportation is vital to our State and I ask unanimous consent that these resolutions be printed in the Record, and referred to the Committee on Commerce.

There being no objection, the resolutions were referred to the Committee on Commerce, and ordered to be printed in the Record, as follows:

Whereas the Nation's railroads are vital to the economy of the Nation and a necessity in time of war; and

Whereas the shippers of the city of Kingman are desirous of having a dependable and a financially sound and growing railroad industry; and

Whereas it is universally acknowledged that there are inequities and injustices in the making of rates under present Federal law, and that the Nation's railroads are being prevented from fairly competing for available traffic and said railroads are being wrongfully penalized thereby to their great detriment; and

Whereas the members of our community are most concerned that the railroads shall continue to be owned and operated as a part of our free enterprise system, and abhor the distinct possibility of governmental ownership if the Nation does not come to grips with the present transportation crisis; and

Whereas there are now pending before the Congress of the United States two measures which will partially restore competitive equality among the various modes of transportation in the United States, to wit: S. 3243 and its counterpart H.R. 11583 and S. 3242 and its counterpart H.R. 11584 with the expectation upon enactment into law that the Nation and our community will once again be favored with a fair and equitable system of regulation and the railroads will be restored to financial health: Now, therefore, be it

Resolved, That the Chamber of Commerce of the City of Kingman, Kans., does by these presents hereby endorse and favor the enactment of S. 3243, H.R. 11583, S. 3242, and H.R. 11584 into law; be it further

Resolved, That the secretary of this organization furnish a copy of this resolution to Senators Warren G. Magnuson, Frank Carlson, James Pearson, and Representatives Oren Harris, J. Floyd Breeding, and Bob Dole.

Signed this 23d day of July 1962.

W. M. Laymon,
President.
——— ———
Secretary.

Whereas the board of directors of the Chamber of Commerce of Lawrence, Kans., in a meeting held in Lawrence, Kans., on Friday, July 20, 1962, discussed at length the transportation industry as pertains to S. 3243, H.R. 11583, and S. 3242, H.R. 11584, which are proposed laws pending in the Congress of the United States; and

Whereas the directors discussed the problem of the railroads in the United States in regard to their being able to fairly compete for available traffic; and

Whereas the members of this community are very concerned that all carriers shall continue to be owned and operated as a part of our free enterprise system and very definitely disapprove the possibility of Government ownership; and

Whereas the board discussed the problem from the standpoint that the two measures now pending in the Congress of the United States as mentioned above will partially restore competitive equality among the various modes of transportation in the United States and that this community and the country at large will gain considerable from a fair and equitable system of regulation of traffic rates: Now, therefore, be it

Resolved, That the Chamber of Commerce of the City of Lawrence, Kans., does by these presents hereby endorse and favor the enactment of Senate bill 3243 and its counterpart, H.R. 11583, and Senate bill 3242 and its counterpart, H.R. 11584, into law; and be it further

Resolved, That the Secretary of the Chamber of Commerce of Lawrence, Kans., furnish a copy of this resolution to Senator Warren G. Magnuson, Senator Frank Carlson, Senator James Pierson, and Congressman Oren Harris and Congressman Robert F. Ellsworth.

JAMES CLARK,
President, Lawrence, Kans., Chamber of Commerce.

SUPREME COURT'S SCHOOL PRAYER DECISION—PETITIONS AND RESOLUTION

Mr. KEATING. Mr. President, I present, for appropriate reference, petitions presented by the Young Americans for Freedom, of Westchester County, and Mayor Milton A. Gibbons, of the village of Tuckahoe, N.Y., and filed with me with regard to the Supreme Court's school prayer decision. I also present for appropriate reference a resolution adopted by the Common Council of the City of Yonkers, N.Y., on this same subject.

I ask unanimous consent that the the texts of the petitions and resolution be printed at this point in the RECORD.

There being no objection, the petitions and resolution were referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

PETITION OF THE YOUNG AMERICANS FOR FREEDOM OF WESTCHESTER COUNTY

We, the undersigned, protest the ruling of the Supreme Court of the United States that the recitation of the nondenominational New York State Board of Regents' authorized prayer in public schools is unconstitutional.

The wording of article I of the Bill of Rights of the Constitution of the United States reads as follows: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."

Whereas the regents' prayer is nondenominational; and

Whereas it does not purport to establish a religion and simply acknowledges the existence of God; and

Whereas the U.S. Supreme Court in effect, by its ruling, is prohibiting the free exercise of the right of our children and educators to pray in a public place; and

Whereas the right to pray is an integral part of our American heritage;

Therefore, it is our intent to make known to the Supreme Court of the United States and to the President of the United States that we cannot accept this obvious distortion of our sacred Constitution; and further, that we intend to pursue our cause until the above decision is reversed or a corrective constitutional amendment instituted.

PETITION PRESENTED BY MAYOR MILTON A. GIBBONS OF TUCKAHOE, N.Y.

We, the undersigned citizens of the United States of America, hereby call upon the President and Congress of the United States of America to proceed as rapidly as possible to amend the Constitution of the said United States of America to provide a positive and unchallengeable guarantee that every American citizen has the right to a belief in God and to practice the worship of God at such times and in such places as he may desire.

We further advocate the immediate institution of proceedings to impeach and remove those Justices of the U.S. Supreme Court whose recent decision outlawed the free practice of voluntary worship of God in the schools of the State of New York.

RESOLUTION 555

(Resolution by Common Council of the City of Yonkers)

Whereas a recent decision of the Supreme Court of the United States of America ruled against invocation of prayer in the public school system which invokes the name of God; and

Whereas in the opinion of this Common Council of the City of Yonkers, in meeting assembled, this decision violates the basic precept upon which this Nation was founded; and

Whereas if this decision is allowed to remain as a valid concept of our Government, the spiritual—and therefore integral—principles of our way of life then become meaningless and without foundation: Now, therefore, be it

Resolved, That the members of this Common Council of the City of Yonkers, representing the vastly overwhelming majority of the people of this city, does hereby petition our representatives in Washington to prepare, submit, and pass the necessary amendments to our Constitution to invalidate this current ruling of the U.S. Supreme Court; and be it further

Resolved, That copies of this resolution be sent to U.S. Senators Jacob K. Javits and Kenneth Keating, to Congressman Robert R. Barry, to Congressman Emmanuel Celler, chairman of the House Committee on the Judiciary, and to John F. Kennedy, President of the United States.

Adopted July 5, 1962.

JOHN S. MAHER, *City Clerk.*

FREEDOM FOR CAPTIVE NATIONS—RESOLUTION

Mr. JAVITS. Mr. President, I ask uanimous consent to have printed in the RECORD a resolution adopted at a meeting of Ukrainian, Hungarian, Lithuanian, Estonian and Latvian groups, held in Rochester, N.Y., favoring the encouragement of national independence movements of all subjugated people under the yoke of Russian imperialist communism.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas in accordance with the congressional resolution designating the third week of July as Captive Nations Week and the proclamation of President Kennedy proclaiming the week beginning July 15 as Captive Nations Week, the people of this country believe that: the subjugation of any nation, state or municipality under rule of dictatorship or tyranny is evil; and

Whereas the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other peoples; and

Whereas since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to security of the United States and of all the free peoples of the world; and

Whereas the imperialistic policies of Communist Russia have led through direct and indirect aggression to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and others; and

Whereas these submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their religious freedoms, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the people of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such people through appropriate means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence; Now, therefore, be it

Resolved by the Rochester representatives of the Ukrainian, Hungarian, Lithuanian, Estonian, and Latvian ethnic groups assembled on July 15, 1962, at 292 Hudson Avenue, Rochester, N.Y., That the U.S. Government encourage the national independence movements of all subjugated people under the yoke of Russian imperialist communism; that the U.S. Government help these national independence movements behind the Iron Curtain in the direction of the text of the American Declaration of Independence: "That all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness"; that the establishment of a House of Representatives Committee on the Captive Nations be enacted; that the U.S. Government investigate Russian Communist imperialism and its genocidal policies in the non-Russian countries behind the Iron Curtain.

Dated July 15, 1962.

WILLIAM ANDRUSHIN,
Ukrainian Representative.
LOUIS L. LOTE,
Hungarian Representative.
VALERIAN VITKUS,
Lithuanian Representative.
E. KERA,
Estonian Representative.
IMANTIS TIMROTS,
Latvian Representative.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ANDERSON, from the Joint Committee on Atomic Energy, without amendment:

S. 3580. A bill to amend the Atomic Energy Community Act of 1955, as amended, to provide for the disposal of federally owned properties at Los Alamos, N. Mex., and for other purposes (Rept. No. 1792).

(See reference to above bill which appears under the heading "Bills Introduced.")

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

S. 3264. A bill to authorize and direct the Secretary of the Treasury to cause the vessel *Eugenie II*, owned by J. C. Strout, of Milbridge, Maine, to be documented as a vessel of the United States with full coastwise privileges (Rept. No. 1798);

H.R. 6219. An act to permit the vessel *Gar-Ho IV* to be used in the coastwise trade (Rept. No. 1795);

H.R. 6456. An act to permit the tugs *John Roen, Jr.*, and *Steve W.* to be documented for use in the coastwise trade (Rept. No. 1794);

H.R. 7741. An act to permit the vessel *Lucky Linda* to be documented for limited use in the coastwise trade (Rept. No. 1796); and

H.R. 8168. An act to admit the oil screw tugs *Barbara, Ivalee, Lydia,* and *Alice* and the barges *Florida, DB 8, No. 220,* and *No. 235* to American registry and to permit their use in the coastwise trade while they are owned by Standard Dredging Corp., a New Jersey corporation (Rept. No. 1797).

By Mr. BARTLETT, from the Committee on Commerce, without amendment:

H.R. 11643. An act to amend sections 216 (c) and 305(b) of the Interstate Commerce Act, relating to the establishment of through routes and joint rates (Rept. No. 1799).

By Mr. KEATING, from the Committee on Commerce, without amendment:

S. 824. A bill to admit the vessels *Fort Town, Maple City,* and *Windmill Point* to American registry and to permit their use in the coastwise trade (Rept. No. 1793).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 55. A bill to authorize the esablishment of the Fort Bowie National Historic Site, in the State of Arizona, and for other purposes (Rept. No. 1800);

H.R. 10276. An act to change the name of the Petersburg National Military Park, to provide for acquisition of a portion of the Five Forks Battlefield, and for other purposes (Rept. No. 1801); and

H.R. 11405. An act to provide for the maintenance and repair of Government improvements under concession contracts entered into pursuant to the act of August 25, 1916 (39 Stat. 535), as amended, and for other purposes (Rept. No. 1802).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ANDERSON (for himself and Mr. Pastore):

S. 3580. A bill to amend the Atomic Energy Community Act of 1955, as amended, to provide for the disposal of federally owned properties at Los Alamos, N. Mex., and for other purposes; to the Joint Committee on Atomic Energy.

Subsequently, Mr. Anderson, from the Joint Committee on Atomic Energy, reported the above bill (S. 3580), without amendment, and submitted a report (No. 1792) thereon, which report was ordered to be printed, and the bill to be placed on the calendar.

By Mr. HUMPHREY:

S. 3581. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to implement the purposes for which surplus personal property may be donated; to the Committee on Government Operations.

By Mr. CAPEHART:

S. 3582. A bill for the relief of Eugenia Rallis; to the Committee on the Judiciary.

By Mr. MORTON:

S. 3583. A bill to permit tax-free purchase of domestic distilled spirits by foreign governments, certain international organizations and certain of their employees in the same way that tax and duty free purchase of imported distilled spirits is made; to the Committee on Finance.

By Mr. HARTKE (for himself and Mr. Capehart):

S. 3584. A bill to amend the Tariff Act of 1930; to the Committee on Finance.

By Mr. CARLSON:

S. 3585. A bill for the relief of Domingo Noora; to the Committee on the Judiciary.

By Mr. TALMADGE:

S. 3586. A bill to amend the Internal Revenue Code of 1954 to provide that an election to be treated as a subchapter S corporation may be valid for subsequent years although not initially effective; to the Committee on Finance.

By Mr. BYRD of West Virginia (for himself and Mr. Randolph):

S. 3587. A bill to provide for the establishment of the Coal River National Recreation Demonstration Area, in the State of West Virginia, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MANSFIELD:

S. 3588. A bill for the relief of Mr. and Mrs. Arsalus Kokidis; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 3589. A bill to authorize the Secretary of Agriculture to acquire certain lands in Wright County, Minn., and exchange them with the State of Minnesota for State-owned lands in the Superior National Forest, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. Humphrey when he introduced the above bill, which appear under a separate heading.)

By Mr. CHAVEZ (by request):

S. 3590. A bill to authorize the appropriation of adequate funds to provide for the completion of the construction of the Inter-American Highway, and for other purposes; to the Committee on Public Works.

(See the remarks of Mr. Chavez when he introduced the above bill, which appear under a separate heading.)

By Mr. WILEY:

S. 3591. A bill to amend the Tariff Act of 1930; to the Committee on Finance.

By Mr. MUSKIE (for himself, Mr. Bartlett, Mr. Chavez, Mr. Ervin, Mr. Goldwater, Mr. Hickey, Mr. McCarthy, Mr. McGee, Mr. Moss, Mr. Mundt, Mr. Murphy, Mr. Pearson, Mr. Prouty, Mr. Randolph, Mr. Tower, Mr. Williams of New Jersey, and Mr. Young of Ohio):

S. 3592. A bill to amend section 314 of the Public Health Service Act, by providing greater flexibility to States in the use of certain public health grants-in-aid, and for other purposes; to the Committee on Labor and Public Welfare.

RESOLUTIONS

UNIFICATION OF IRELAND

Mr. DODD submitted a resolution (S. Res. 368) favoring steps by the Federal Government to effect the unification of Ireland, which was referred to the Committee on Foreign Relations.

(See the above resolution printed in full when submitted by Mr. Dodd, which appears under a separate heading.)

TO PRINT AS A SENATE DOCUMENT A "REPORT ON THE IMPLEMENTATION OF THE HUMPHREY AMENDMENT"

Mr. HUMPHREY submitted a resolution (S. Res. 369) to print as a Senate document a "Report on the Implementation of the Humphrey Amendment"; which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. Humphrey, which appears under a separate heading.)

ACQUISITION AND EXCHANGE OF CERTAIN LANDS IN STATE OF MINNESOTA

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to authorize the purchase of lands in Wright County, Minn., by the U.S. Department of Agriculture for the purpose of exchanging thereof with the State of Minnesota for State lands within the boundaries of the Superior National Forest.

By way of background to the introduction of this legislation, the Minnesota State Legislature approved legislation to provide for the establishment of a State park in Wright County. The act provided:

> The commissioner of conservation is authorized to request any appropriate agency of the United States to acquire for exchange with the State such lands as the commissioner may select in sections 3, 4, 9, and 10, township 121 north, range 26 west, in Wright County, not to exceed 1,000 acres to be exchanged in the manner provided by law subject to the approval of the land exchange commission, for State lands desired by such Federal agency. Upon the conveyance of such lands in Wright County to the State pursuant to such exchange, the same shall be and hereby are withdrawn from sale, set apart, established, and dedicated as a State park to be named by the commissioner after consulting with such public officials, organizations, or citizens as he deems appropriate.

The State of Minnesota presently owns lands within the boundaries of the Superior National Forest which the State commissioner of conservation would be authorized to offer to the Department of Agriculture in exchange for the lands purchased by the Federal Government in Wright County. Such exchange, of course, would be on a value-for-value basis, the value of the lands in the national forest equaling the value of the lands in Wright County.

This exchange arrangement would be in the best interest of all parties concerned. The State of Minnesota would benefit greatly by the establishment of a State park in Wright County, and it would be in the national interest for the Federal Government to add these State-held lands within the Superior National Forest boundaries.

The exchange of such lands would be in keeping with the intent of the State legislature as spelled out in the act to which I have made reference.

I would hope, Mr. President, that favorable action will be taken on this proposal before this Congress adjourns. The funds involved are small indeed in terms of the benefits to be derived to both the State of Minnesota and the Federal Government.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3589) to authorize the Secretary of Agriculture to acquire certain lands in Wright County, Minn., and exchange them with the State of Minnesota for State-owned lands in the Superior National Forest, and for other purposes, introduced by Mr. Humphrey, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

APPROPRIATIONS FOR COMPLETION OF INTER-AMERICAN HIGHWAY

Mr. CHAVEZ. Mr. President, by request, I introduce, for appropriate reference, a bill to authorize the appropriation of adequate funds to provide for the completion of the construction of the Inter-American Highway, and for other purposes. I ask unanimous consent that a letter from the Under Secretary of Commerce requesting the proposed legislation, be printed in the Record.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the Record.

The bill (S. 3590) to authorize the appropriation of adequate funds to provide for the completion of the construction of the Inter-American Highway, and for other purposes, introduced by Mr. Chavez, by request, was received, read twice by its title, and referred to the Committee on Public Works.

The letter presented by Mr. Chavez is as follows:

Department of Commerce,
Washington, D.C., May 25, 1962.

The Honorable President of the Senate,
Washington, D.C.

Dear Mr. President: The Department of Commerce has prepared and submits herewith as a part of its legislative program for the 87th Congress, 2d session, a draft of a proposed bill to authorize the appropriation of adequate funds to provide for the completion of the construction of the Inter-American Highway, and for other purposes.

Since 1930 the United States, through the Bureau of Public Roads of this Department, has been assisting the Central American Republics and Panama in the construction of the Inter-American Highway, which extends 3,142 miles from Laredo, Tex., to Panama City. The 1,587-mile section in Mexico was completed entirely by the Mexican Government. Additional sections in each of the other countries have been completed by those countries; however, large sections have been undertaken with the assistance of the Bureau of Public Roads. This work has been done under the provisions of section 212 of title 23, United States Code, whereby two-thirds of the cost is financed by the United States on a matching basis with the cooperating countries. As of October 31, 1961, approximately $300,000 of construction funds from prior appropriations remained unobligated, and it is anticipated that this amount will be fully utilized during the fiscal year. With the expenditure of these remaining funds, the highway will be opened to an all-weather standard throughout but will require additional grading, drainage, and paving projects to bring it to the proposed standard.

The construction work to be done includes paving in Guatemala, Nicaragua, Cost Rica, and Panama; widening of substandard sections, and heavy retaining wall and revetment work through unstable mountainous terrain of Guatemala and Costa Rica; and completion of the grading, drainage, base, bridges, and paving of the Guabala-Santiago cutoff in Panama. After the conclusion of this work, the responsibility of this Department for completing the construction of the Inter-American Highway will be terminated. It is contemplated that future U.S. responsibility for protecting its investment in this highway and assuring that adequate maintenance is performed will be assumed by the Department of State.

It is estimated that $32 million will be needed to finance the U.S. share of the cost of completing the Inter-American Highway. This amount is predicated on there being postive assurance of adequate maintenance.

Some of the largest increases in the cost of completing the highway have been due to inadequacy or lack of maintenance in many of the countries affected. We believe it, therefore, to be in the best interest of the United States to participate in maintenance of the highway during the first 5 years, both in initial financial help and in providing expert technical assistance where needed in order to protect our large investment. As a practical matter, a majority of the countries concerned have been unable to maintain the completed portions of the highway, despite the existence of agreements providing for full maintenance by the countries concerned.

Participation to assure adequate maintenance can best be accomplished by the establishment of an Inter-American Highway Authority as proposed in the June 1960 report of the International Road Federation. This study report was made at the specific request of the Public Works Ministers of the Central American republics and Panama. The highway authority membership would include the United States and the Republics of Guatemala, El Salvador, Nicaragua, Honduras, Costa Rica, and Panama. The United States would contribute 50 percent of the cost of operating this authority for the first 5 years with the remaining 50 percent to be borne by each of the Central American republics in proportion to its share of the highway mileage. It is anticipated that such assistance will result in a fully stabilized highway with increasing traffic, economy, and tax revenues for the republics which will assure their assumption of the maintenance responsibility guaranteed by original agreements. The U.S. share of maintenance costs, under such an arrangement, would be financed through foreign aid funds with the program becoming a responsibility of the Department of State.

A suitable cooperative arrangement must be made under the law to insure prompt and adequate maintenance, without which the life of the completed highway will be jeopardized, and it is proposed that the $32 million authorization for completion of the highway shall not be obligated until some adequate provision for maintenance is achieved.

The Department of Commerce recommends this proposed legislation for the favorable consideration of the Congress.

We have been advised by the Bureau of the Budget that enactment of this proposed legislation would be consistent with the administration's objectives.

Sincerely yours,

Edward Gudeman,
Under Secretary of Commerce.

UNIFICATION OF IRELAND

Mr. DODD. Mr. President, since the days of Woodrow Wilson, self-determination has been a cardinal principle of American policy with respect to other nations.

We believe that any people which has the attributes of nationhood, geographical, ethnic, cultural, and historical, ought to be able to live together in unity, without outside interference, under a government of its own choosing.

More than 40 years ago, at the conclusion of the long Irish struggle for independence from Great Britain, Ireland was arbitrarily split in two by an act of the British Parliament. That division has greatly damaged the growth and development of Ireland as a whole and more and more people are coming to see that this has been to the great detriment of the people on both sides of the artificial line.

Over the decades, enlightened men of good will on both sides of the border have believed that the eventual unification of the two countries is both inevitable and desirable.

However, during much of this time the hostility and distrust prevailing between the Governments of Great Britain and the Irish Free State were not conducive to a good climate for negotiations.

Much of this open hostility has subsided over the years, and a more reasonable attitude on the problem exists now than ever before.

It is for this reason that I submit for the consideration of this body a resolution calling on the U.S. Government to use its good offices for the purpose of asking the British Government for an early resumption of negotiations leading toward the unification of all Ireland.

The ACTING PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 368) was referred to the Committee on Foreign Relations, as follows:

Whereas the principle of self-determination for all nations is and has been a major facet of the foreign policy of the United States and has been most favorably approved by the citizens of this country; and

Whereas the dismemberment of Ireland in 1920 was accomplished by an act of the British Parliament; and

Whereas the majority of the people of all Ireland have during the past forty years frequently expressed their desire for the unification of Ireland and Northern Ireland; and

Whereas the United States Government has declared that the achievement of the unity of Germany is a fundamental objective of its foreign policy and that it is endeavoring to secure this end by all peaceful means: Be it therefore

Resolved, That the United States Senate call upon the United States Government to use its good offices with the British Government to effect the unity and freedom of all Ireland in the immediate future.

TO PRINT AS A SENATE DOCUMENT A "REPORT ON THE IMPLEMENTATION OF THE HUMPHREY AMENDMENT"

Mr. HUMPHREY. Mr. President, I submit a resolution to print as a Senate document the "Report to the Congress on the Implementation of the Humphrey Amendment." I ask unanimous consent for the present consideration of the resolution.

The ACTING PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The legislative clerk read the resolution, as follows:

Resolved, That there shall be printed as a Senate document the "Report to the Congress on the Implementation of the Humphrey Amendment," prepared by the Agency for International Development, July 1962.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 369) was considered and agreed to.

PREFERENCE TO ELECTRIC CONSUMERS OF ELECTRIC ENERGY GENERATED AT FEDERAL PLANTS—AMENDMENTS

Mr. GOLDWATER. Mr. President, when I first read S. 3153, a bill to guarantee the consumers of the Pacific Northwest first call on electric energy generated at Federal plants in that region, I recognized it for what it is. It lays the groundwork for construction of a high voltage Federal transmission line from the Pacific Northwest to southern California. The line would become a leg of the planned Federal national grid while at the same time the legislation would establish by law the Pacific Northwest's first right to all of the power produced in that area. The Federal Government has invested hundreds of millions of dollars in hydroelectric powerplants and transmission lines in that region. These power facilities, financed by the taxpayers of all America, are supposed to belong to all of the people, not just the people of the Pacific Northwest. At least, that is what we are told when we are requested to appropriate tax funds from the Federal Treasury to finance them.

The people of the Northwest are getting this electric power at below cost, at least that is the only assumption one could arrive at when we are told by the Comptroller General that the Bonneville Power Administration, the Federal agency that has the responsibility for marketing the power, has been operating at a deficit each year for the last 4 years and according to its Administrator expects to lose $17 million this year.

We now have before us this S. 3153 which provides that the people of the Northwest, both those being served by entities of government and private electric companies, and the industries buying power direct from the Government, shall have first call on this power which is financed by all of the people and is said to belong to all of the people. People of the Northwest are afraid that if power generated in their region but which they cannot now use is marketed outside the region it might give preference customers outside the region a claim to power generated by the Federal Government in the Pacific Northwest. Therefore they want this legislation to assure their priority status before agreeing to the marketing of surplus power outside the area.

Now, Mr. President, if this power, financed by all of the people belongs to all of the people, why should we give the people from any single region first call on it? If that is the case and that is what we are going to consider in this legislation, then I expect the same privileges to be extended to my constituents in the State of Arizona. We have a great deal of power being generated by the Federal Government in Arizona and the State is getting a very small percentage of it. One-half of the Hoover, Parker, and Davis hydroelectric plants are situated in Arizona and Glen Canyon is entirely in the State of Arizona. If we are going to set up regional preference provisions by Federal law in one region, it is only fair to extend them to other regions.

I announced on June 29, 1962, that when S. 3153 is considered by the Senate I expected to offer an amendment that would apply the same regional preference to all major river basins of the country. After further examination, I find that establishment of power preference by major river basins offers complications in that its definition is too broad to be meaningful. For example, the Mississippi River system would have to be broken up into a number of components. The Missouri River Basin is a constituent part of the Mississippi River Basin and it in turn would have to be broken into segments. In fact, the Columbia River Basin is broken into segments in the pending legislation when you consider provisions for the State of Montana as separated from the remainder of the Columbia Basin. Further, you will recognize that the bill which the distinguished Senator from South Dakota [Mr. MUNDT] has inserted in the RECORD and announced that he intended to introduce is in conflict with the amendment submitted and accepted in committee by the distinguished Senator from Montana [Mr. MANSFIELD].

Detailed studies would have to be made in order to develop homogeneous power marketing areas which may or may not follow basin lines. It may be found necessary to adopt State lines as the only workable arrangement. The State line arrangement is readily adoptable to the State of Arizona and I am therefore submitting amendments to S. 3153 which will protect the rights of Arizona and I would suggest to my colleagues that they make a study of the situation in their States to see if they think it desirable to take similar protective action. I do not presume to tell my colleagues what their States should or should not do. However, if they do desire they can bring their States under similar protective arrangements by adding the name of their State following each instance where the State of Arizona appears in my amendments to the bill. I might say to my colleagues that the Arizona State Power Authority, a State agency created to protect the State's power interests, first called this matter to my attention. You may wish to acquaint similar agencies in your State with the situation in case you have not already done so.

I have taken this step because it seems to be the pattern that is emerging and, therefore, it behooves me to take similar action to protect the rights of my constitutents.

The ACTING PRESIDENT pro tempore. The amendments will be received, printed, and will lie on the table.

LEGISLATIVE BRANCH APPROPRIATIONS BILL, 1963—AMENDMENTS

Mr. PROXMIRE submitted amendments, intended to be proposed by him, to the bill (H.R. 11151) making appropriations for the legislative branch for the fiscal year ending June 30, 1963, and for other purposes, which were ordered to lie on the table and to be printed.

PRINTING OF REVIEW OF REPORT ON SAVANNAH HARBOR, GA. (S. DOC. NO. 115)

Mr. PASTORE. Mr. President, on behalf of the Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated June 1, 1962, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of the report on the Savannah Harbor, Ga., requested by a resolution of the Committee on Public Works, U.S. Senate, adopted December 3, 1958. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The ACTING PRESIDENT pro tempore. Without objection, it is so orderd.

PRINTING OF REVIEW OF REPORT ON WILMINGTON HARBOR, N.C. (S. DOC. NO. 114)

Mr. PASTORE. Mr. President, on behalf of the Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated June 1, 1962, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of the reports on the Wilmington Harbor, N.C., requested by a resolution of the Committee on Public Works, U.S. Senate. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRINTING OF INTERIM REPORT ON RONDOUT CREEK AND WALLKILL RIVER, N.Y. AND N.J. (S. DOC. NO. 113)

Mr. PASTORE. Mr. President, on behalf of the Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated June 12, 1962, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on an interim report on the Rondout Creek and Wallkill River, N.Y. and N.J., requested by resolutions of the Committee on Public Works, U.S. Senate, adopted September 14, 1955, and November 14, 1955. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NOTICE OF RECEIPT OF NOMINATION BY COMMITTEE ON FOREIGN RELATIONS

Mr. SPARKMAN. Mr. President, on behalf of the chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the nomination of Bernard T. Brennan, of New York, to be Deputy Administrator, Agency for International Development.

In accordance with the committee rule, the pending nomination may not be considered prior to the expiration of 6 days of its receipt in the Senate.

NOTICE OF RESUMPTION OF HEARING ON NOMINATION OF IRVING BEN COOPER TO BE U.S. DISTRICT JUDGE, SOUTHERN DISTRICT OF NEW YORK

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearings will be resumed on Tuesday, August 7, 1962, at 10:30 a.m., in room 2228, New Senate Office Building, on the nomination of Irving Ben Cooper, of New York, to be U.S. district judge for the southern district of New York.

NOTICE OF RESUMPTION OF HEARING ON NOMINATION OF THURGOOD MARSHALL TO BE U.S. CIRCUIT JUDGE, SECOND CIRCUIT

Mr. JOHNSTON. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearing will be resumed on Wednesday, August 8, 1962, at 10:30 a.m., in room 2228, New Senate Office Building, on the nomination of Thurgood Marshall, of New York, to be U.S. circuit judge, second circuit.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Record, as follows:

By Mr. BARTLETT:

Address by Senator Morse in Anchorage, Alaska, on June 7, at a dinner in tribute to Senator Gruening, together with a few of the many messages received, and an excerpt from the dinner program outlining the public service career of Senator Gruening.

By Mr. WILEY:

Address over Wisconsin radio stations, weekend of July 28, 1962, on the subject of Farm Safety Week.

HERO OF TWO NATIONS

Mr. YOUNG of Ohio. Mr. President, the entire free world was relieved to learn that Winston Churchill, one of the great men of our time, is recovering from his recent injury.

Very few individuals in history have made an imprint on their times as he has on the 20th century. The entire world is aware of his leadership, both in his native land and in the struggle of the free world against nazism, fascism, and communism. He is one of the honored few whose names themselves speak for their achievements. As a writer, a historian, an orator—one of the great masters in the use of the English language—he has also earned for himself a place among the literary giants of the English-speaking world. In fact, as the son of an American mother and an English father, he, more than any other, truly epitomizes the union between the two great English-speaking peoples.

On July 23, 1962, the Plain Dealer, a great newspaper in Ohio, and in our Nation, published an excellent article on Winston Churchill, "Hero of Two Nations," by Kay Halle. Miss Halle, personable radio and television commentator, journalist, author, and world traveler of note, is one of our country's outstanding women. During World War II, she served in an executive capacity in the Office of Strategic Services. More recently, she was appointed by President Kennedy to membership on the Advisory Committee on the Arts.

She first met Winston Churchill in 1931, when she was writing a column from London for the Cleveland News. During her stay in England, she spent many weekends at Chartwell with the Churchill family. In her article 30 years later, Miss Halle recalls those years as well as the contributions made by this outstanding figure to the present day.

In closing her article, Miss Halle recounts that we once made Lafayette an honorary American citizen, and suggests that there is no better way of inaugurating and furthering our hopes of an Atlantic union as proposed by President Kennedy a few weeks ago than by bestowing this same honor on Winston Churchill.

Mr. President, through the years he has been one of our Nation's finest friends and certainly deserves this rare compliment—something he cannot buy or acquire in any way except through the grateful generosity of the American people. I applaud this excellent suggestion and urge my colleagues to read this article and give thoughtful consideration to it.

I ask unanimous consent that this exceedingly interesting article be printed in the Record at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Plain Dealer, July 23, 1962]

Hero of Two Nations

(By Kay Halle)

Just 30 years ago I weekended with Sir Winston (then Mr.) Churchill at Chartwell, England, and heard him address words to his American guests at lunch that still burn in my memory. Raising his glass of champagne he warned, "We will hang together or we'll hang separately. Indeed there is nothing we cannot do together if we have the will."

Thereupon he sent off one of his secretaries to fetch a slip of paper upon which he carefully inscribed a design of the pound and dollar insignia intertwined. Turning to one of the guests, Jimmie Roosevelt, he said, "Pray, take this to your father, the new President. Tell him this must be the currency of the future." Startled, Jimmie took the piece of paper saying, "What do you propose to call it, sir?" "The sterling dollar," snapped the English bulldog.

"But," answered Jimmie, "What if my father preferred to call it the dollar-sterling?" Sir Winston beamed, "Don't forget," he said, "I'm half American—it's all the same."

Fourteen years later, in 1946, after World War II had forged an enforced Atlantic union, Sir Winston who was in Washington at his embassy, telephoned his son Randolph in New York to read him parts of a speech he was about to deliver in Fulton, Mo. Listening in with Randolph, I heard the great man preview in what became his historic Iron Curtain speech, his proposal that the United States and Britain enter into a "fraternal association." That the two wartime Allies hold fast to the "ultimate relationship of their military men," and agree upon a "similarity of weapons," continuing the joint use of American and British air and naval bases around the world. Years before NATO was dreamed of I often listened to Sir Winston outline his idea of an international police force.

At the same time in America a newspaper correspondent, Clarence Streit, and the great Italian anti-Fascist democrat, Count Carlo Sforza, living in exile in the United States, were just as passionately exploring in their separate ways, means of establishing an intercontinental union of democratic nations after the model of the United States. My friend Clarence Streit resigned from a promising career with the New York Times to devote his entire life to the idea of an Atlantic union. While Italy's onetime foreign minister, Count Sforza fought until his death to unite the western democracies. I spent long evenings with him in Cleveland and New York sitting at his feet listening to him warn from his long experience of the hideous alternatives if we did not permanently join forces. He liked to expound on America's industrial North trading with the agricultural South and West to their mutual profit—a model for Western Europe to follow.

All this was 16 years ago when Churchill, Streit, and Sforza were laughed off as visionaries and impractical dreamers. Since then we've had the Truman doctrine warning the Soviets there were barriers to their dreams. The Marshall plan which rescued Europe from communism into a boom. NATO which gave Europe a united shield against aggression. Now with the Common Market looming up, the visionaries, Churchill, Streit, and Sforza may have been the practical men of today.

A few months ago, almost 30 years after my first visit with Sir Winston, I returned to Chartwell and spent a day with him and Lady Churchill. Again and again he returned to his old theme of a "fraternal association" repeating that, "the British and the Americans do not war with races and governments as such. Tyranny, external and internal, is our foe whatever trappings or disguise it wears, whatever language it speaks or perverts." Then he rose and toasted, "eternal British-American amity and the good health of your splendid leader and—ours."

As I listened to him, the most indomitable embodiment of Western democracy, I remembered what he had replied to Adlai Stevenson, when he asked for a message to take back to a meeting of the English-Speaking Union he was addressing in London. "Tell them," said Sir Winston, "I am an English speaking union."

And so, since we once made France's Lafayette an honorary American citizen, what better way of inaugurating our hopes of an Atlantic union so nobly proposed by President Kennedy this Fourth of July, than by declaring Sir Winston Leonard Spencer Churchill an honorary American citizen by unanimous act of Congress?

UNIVERSITY OF WISCONSIN'S DR. CONRAD ELVEHJEM

Mr. PROXMIRE. Mr. President, the University of Wisconsin enjoys a reputation as one of the outstanding institutions of higher learning in this country. This justly earned praise is due in large measure to the high caliber of the administrators of this great school.

It has enjoyed a succession of scholars of international reknown as president. It was not easy for Dr. Conrad Elvehjem to step into this post. But the accomplishments during his tenure as president have equaled, if not overshadowed, those of his predecessors.

Under his brilliant leadership the University of Wisconsin has seen an expansion, not only of the physical plant, always an achievement, but more importantly, the preservation and expansion of the qualities of mind and spirit of its students so necessary in these crucial times, which have characterized this university as one of the greatest in the Nation.

It is with sadness and deep regret that we note the death of Dr. Elvehjem. But it is with confidence and hope that we view the future of our university, which has flourished so brilliantly under his guidance. We are certain that it will continue to flourish and to grow in significant part because of the contributions by Dr. Elvehjem.

Mr. President, I ask unanimous consent that an editorial from the Madison, Wis., Capital Times and an editorial from the Milwaukee Journal on the contributions to the University of Wisconsin by Dr. Elvehjem, be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Madison (Wis.) Capital Times]

WHERE MEN DISCUSS EDUCATION THEY WILL DISCUSS DR. ELVEHJEM

Wisconsin has lost a distinguished citizen, a devoted public servant and a brilliant scientist to that stealthy enemy of mankind—heart disease.

University President Elvebjem had his roots right here in Dane County and Wisconsin but the branches that sprung from his genius in biochemistry spread to wherever in this world man fights for a better life.

He won international fame when, in the 1930's, he isolated nicotinic acid, a discovery that led to the cure of pellagra, one of the curses of malnutrition. Wherever the problems of nutrition are studied the name of Elvehjem will be known.

His fame, like that of La Follette spreads from the soil of Dane County, where he was born. He came from the sturdy pioneer Norwegian stock that settled around McFarland.

He never traveled far from home, except in those "realms of gold" Keats talked about. But in his scholarship he traveled to every corner of the world, though his education and world famed career was achieved in the space between the campus and McFarland.

His service to society in his special field was fittingly summed up by the famed medical writer, Paul de Kruif, who said he led "the way into new efforts with vision, with perspective and with amazing ability."

He was called upon by his State to use the talents which had commanded the attention of the world in scientific research for the administrative duties that are such a burdensome part of the operation of a rapidly expanding, great university.

As chairman of the biochemistry department, dean of the famed graduate school and, finally, as president of the university he gave his State the same devoted service that he gave to mankind in his research.

Dr. Elvehjem had his critics during his administration, as others before him had, but no one ever said that his decisions in all cases were not dictated but what he saw to be the best interests of the university.

The sympathy of this community, where he spent his productive and eventful life, goes out to the splendid family he leaves behind.

In their sorrow they know that down through the years that lie ahead people who suffer from lack of food, particularly little children, will have some of their worst misery alleviated because his work lighted a new way for us all to travel.

[From the Milwaukee Journal]

CONRAD A. ELVEHJEM

The University of Wisconsin has suffered a severe loss in the death of Dr. Conrad A. Elvehjem, its president. So have the people of Wisconsin. So has the field of science.

It was as a biochemist and nutritionist that Dr. Elvehjem was most widely known and honored. His research findings in the use of niacin to cure pellagra were by themselves enough to win worldwide acclaim.

Distinction upon international distinction was heaped on him for achievements in the nutritional field. Quite as significant, he won the lasting respect and confidence of his fellow faculty members at Madison. As dean of the graduate school and then as president, since 1958, this has stood him in excellent stead.

Dr. Elvehjem tackled duties of the demanding office of university president with characteristic determination and energy. He realized the magnitude of his responsibilities. He established the reputation, in his brief term, of a strong minded, indefatigible and absolutely fair, conscientious administrator.

He faced up to great problems in connection with the rapid expansion of the university. No University of Wisconsin president has faced greater. He had to deal with vexatious, embarrassing internal eruptions involving university staff in which any decision would be severely criticized. There was never the slightest suspicion that he would substitute the easy course for what he believed to be the proper one.

Dr. Elvehjem was Wisconsin born, Wisconsin trained. The University of Wisconsin was his life. He never doubted its high destiny and his contributions to its achievement are beyond present measure.

Wisconsin will forever be in his debt.

TRIBUTE TO WALTER H. BUCK

Mr. BEALL. Mr. President, every day we read about the rights of our citizens, but all too infrequently do we hear about their obligations. It has always been my belief that one of the foremost of these obligations is the duty of each man and woman in our Nation to keep as well informed as possible about the major issues which affect the lives of themselves and their fellowmen.

One of the foremost examples of a person who recognized and consistently lived up to this obligation was Walter H. Buck, a distinguished Marylander who died this past week end. In an editorial concerning Mr. Buck's career the Baltimore Sun described him as "the very model of the engaged citizen." I can testify from personal experience that he was just this, and it was for this reason that I frequently turned to him for advice and guidance. Mr. Buck will be sorely missed, especially by those whose lives he enriched to such a great extent.

I ask unanimous consent that a copy of the Sun editorial about Mr. Buck be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WALTER H. BUCK

Walter H. Buck was the very model of the engaged citizen. Throughout an active career in private practice of the law he participated vigorously in the public life of the community. He had an invincible feeling that the citizen must be more than a bystander. A series of civic measures and reforms show his influence.

He worked for civil service in the State government. His mark was on the merit system in Baltimore City. He argued the case in which the Court of Appeals clarified the law of trade union relationships with local governments in the State of Maryland. His testimony before the assembly committees helped shape the reorganization of the Court of Appeals for new and heavier burdens.

Mr. Buck's interests were not merely local. He was a student of American constitutional history and stuck to orthodox and classical interpretations thereof. Constitutionalism itself was to him a value not to be jeopardized by expansions and extensions which, he felt, might dilute it. These views he defended out of wide reading and steady study.

It was in the reading and the study that Walter Buck showed himself most essentially. He accounted it part of his nonbystanding obligation to keep fully abreast of the latest thinking on the loftier public questions. In his seventies and eighties he carried a leisure-time reading load that would have appalled men 40 years younger. And not only did he read the new books, he cogitated on them, he wrote reviews of them and he circulated the reviews in private. A man of sharp judgment and warm friendships, Mr. Buck was at the local bar for 55 years and in every one among the Baltimoreans who count.

THE NATIONAL SPACE PROGRAM

Mr. KERR. Mr. President, a recent issue of the magazine, Aviation Week and Space Technology, was devoted to a comprehensive review of the national space program. The theme of the edition was "NASA: Spearhead to Space." The articles included in this issue were written by a group of staff writers who spent several months interviewing both NASA and industry leaders throughout the Nation.

In an editorial accompanying these articles, the editor, Mr. Robert Hotz, declares that "although NASA's space exploration program is now focused on the moon, the knowledge gained from this effort will be reflected primarily in a better life for man on earth." Mr. Hotz further states that the national space program "is a badly needed exercise in mobilizing national resources to achieve a basic national goal."

The other conclusions which this editor discusses in his editorial deserve the attention of the Senate and I ask unanimous consent to have the text of the editorial printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

NASA's Spearhead to Space

This country is now straining into space at a pace very close to the full capacity of its available resources. At the same time it has embarked on a massive program to create the basic new resources required to further accelerate the current pace during the next decade.

National Aeronautics and Space Administration is now the spearhead of the U.S. space technology program and bears the heaviest responsibility for its ultimate success, although NASA is still heavily dependent on the resources of the aerospace industry and the military services. NASA has come a long way from the fall of 1958, when it was created by an act of Congress and signed into being by President Eisenhower—just about a year after the Soviet Union's Sputnik I marked the dawn of the space age. At birth, NASA was a loose amalgamation of resources hastily gleaned from the research laboratories of the National Advisory Committee for Aeronautics, the Naval Research Laboratory's Vanguard team and the Army's Jet Propulsion Laboratory. It had an overly modest budget and little top-level governmental support for its tremendous task of trying to overtake the Soviet Union's then commanding lead in space technology.

By mid-1962 this infant of 44 months ago has already grown into a giant with technical resources, budget, and national priority commensurate with its Gargantuan task. It also has a clear goal on which to focus its major energies:

Land men on the moon and return them safely to earth before the Soviets.

Despite the highest national priority for the manned lunar landing mission, this is not the sole goal of the national space technology program nor even the essential point of why this Nation will probably devote more than $50 billion of its tax dollars to this task during the next decade. Because the requirements for the manned moon mission encompass almost every vital segment of technology that must be mastered by any sound space program, it provides an ideal focal point for this vast effort along with the essential stimulus of a clear-cut goal and tangible achievement. It also is the first point in the history of space exploration where it is technically possible for this country to overtake the Soviets and beat them to this goal.

Although NASA's space exploration program is now focused on the moon, the knowledge gained from this effort will be reflected primarily in a better life for man on earth.

What can the U.S. citizen who is supporting NASA's effort with his tax dollar eventually expect from his investment in space technology?

First, it is providing a badly needed exercise in mobilizing national resources to achieve a basic national goal. This is a capability the United States has demonstrated previously only under the stress of a shooting war. But with the basic change in international conflict wrought by the thermonuclear threat, this direction of a nation's specialized resources to express an essential national purpose should not, and indeed cannot, await the obvious stimulus of armed conflict. Organization and successful operation of a national space program will be a significant exercise of the leadership and flexibility required for survival as an entity in the modern world.

Second, it will explore a basic new scientific frontier that will produce a vast reservoir of new knowledge and technology that will have a profound and revolutionary impact on our economy, in much the same manner that the furious pace of research and development during the Second World War spawned the giant new industries that have sparked our economy through its amazing postwar growth.

Third, it can provide an expression of national vigor and vitality measuring this Nation's capability for international leadership at a time when this is sorely needed. From its inception, NASA has heavily emphasized the openness of its scientific program and diligently worked with scientists of all nations, not only in sharing the knowledge gleaned from its own experiments, but assisting them to organize their own space research experiments and pursue their own specialized lines of study. Despite the initial, universally acknowledged leadership of the Soviet Union in space, NASA's open-minded international cooperation program, in contrast to the U.S.S.R.'s medieval secrecy regarding its own technology, has already made a significant impact on the minds of the international scientific community. Nobody who attended the recent Cospar sessions in Washington could miss the growing significance of this aspect of NASA's program.

It is a sad historic fact that the Soviet Union led the world into the space age with Sputnik I and that this country truly organized its own space technology program only under the tremendous international pressure generated by the Soviets' initial successes. At the time NASA was organized, few knowledgeable persons in this country or anywhere else would have bet that the U.S. flag had anything but the tiniest chance of being hand-carried to the moon before the hammer and sickle.

Now we believe that this country has a better than even chance to win this laurel, and even if it does not, it can certainly become preeminent across the whole broad spectrum of space technology as long as the present scope and quality of its program continues to receive the current measure of public and governmental support.

President Kennedy established the manned lunar landing mission as the goal of a vastly expanded space technology program in May 1961, little more than a year ago. Since then NASA has moved with a speed, vigor and imagination not usually found in Government to organize, expand and enlist the necessary technical and industrial support to achieve the Apollo goal.

In mid-1962 it is possible to perceive the full pattern of these changes, the problems they present and the challenges they offer to science, industry and education. This is why Aviation Week and Space Technology picked this particular time to assign a special editorial task force to a 3-month study of the new NASA pattern and its portent for the aerospace industry, which is presented in this issue. Virtually all of the new NASA pattern is now complete and the outline of its major future problems clearly visible. The only piece still missing is the decision on which technical approach will get top priority as the major spearhead through space to the moon—lunar rendezvous or earth orbital rendezvous. Even this decision should be made before the end of July.

NASA has made remarkable progress in gearing its operations to the accelerated pace and expanded goals of the Apollo program, but it still faces many major problems in the years just ahead. These include:

Personnel: NASA is successful in attracting recent college graduates with the bait of opportunity to complete advanced degrees while working on the latest technologies. It has also attracted some good men from industry with the lure of directing major new programs, but it is having trouble in getting the large quantity of experienced engineers and scientists in the ranges where industry salaries are much higher and NASA job challenges are not overriding considerations. NASA already has gone to industry to fill two key requirements originally scheduled for in-house capability in the Bellcomm systems planning contract and the General Electric Apollo systems integration and quality control contract.

Technical gaps: Major technical gaps must be filled in various areas of the space technology spectrum such as high-speed reentry, orbital rendezvous, bioastronautics, radiation patterns, etc., before the full firm foundation for Apollo can be built. NASA faces the problems of filling these major technical gaps at the same time it is designing hardware for the lunar mission.

Military interface: Few of the knotty problems of organizing and operating an effective NASA-military interface have been tackled yet, although increasing emphasis is being given to this area. Still unresolved is how much the military requirements in space will influence NASA's research and development programs and how much military support NASA can expect for its future efforts.

Public and congressional support: Congress has supported the $3.7 billion NASA budget for fiscal 1963 with an unprecedented unanimous vote in the House. Overwhelming endorsement of this budget is also expected later this month from the Senate. But as NASA programs progress, funding requirements inevitably will rise considerably above early estimates and it is likely that the agency will have to ask Congress for support in the $6 billion area for future years or face a significant reduction in its program operations. To get sustained support over the next decade from both Congress and the taxpaying public at this level will require both an unchallengeably superior performance by NASA, and a thorough understanding of its operations and achievements by the public.

For industry, the expanding NASA program offers new markets and presents many new challenges. It will require managements alert to the rapidly shifting tides of technology and technical capabilities to exploit them in a highly competitive environment. It will present managements with new ground rules in procurement, proprietary rights and profits and it will present industrial technology with new standards of reliability, design, and production.

In looking over space technology in the summer of 1962, after visiting most of the NASA research, development and test centers and many of the great industrial complexes that support them, it appears that an ineffable spirit in stirring in the land. It is attracting the mentally adventurous and youthfully bold to this exploration of the universe in much the same spirit with which the ships of the late 15th century mariners were crewed to explore the western oceans.

Like these ancient European mariners, who never achieved their goal of a shortcut to the Orient but opened the Americas instead, the space explorers of this generation may find their real achievements in areas that cannot be seen from this point in time on the earth's crust beneath its atmospheric sheath.

Robert Hotz.

FARM BILL

Mr. COOPER. Mr. President, the Senate Committee on Agriculture and Forestry met Wednesday to consider H.R. 12391, the temporary farm bill passed by the House of Representatives after it had defeated the administration farm bill.

It was moved in the committee that the bill passed by the Senate on May 25, which included the administration's compulsory feed-grain-control program, and the wheat-certificate plan, both adopted on the floor of the Senate, be substituted for the House bill.

I then moved to substitute for the House bill the farm bill originally recommended to the Senate on April 27 by the Senate Committee on Agriculture, rather than the administration program passed by the Senate—and my motion succeeded by a vote of 9 to 8. The chief effect of my motion was to strike out the compulsory feed-grain-control program. Later, on the motion of the junior Senator from Minnesota [Mr. McCarthy], the new wheat-certificate plan was included by a vote of 10 to 7.

I understand that the administration will attempt to add the mandatory feed-grain program of quotas and penalties for corn, sorghum, and barley to the bill when it comes before the Senate. If it does, it will deliberately choose to have no farm bill, and fail to act on any part of the farm problem. For it should know that the Senate Committee on Agriculture, after full consideration, refused to accept this program—and it is my judgment that it was this feed-grain-control program which brought about the defeat of the administration bill in the House.

The question of imposing rigid controls on all farmers growing feed grains is an important issue which cannot be lightly passed over by the administration. It is not the simple measure the administration contends.

First. The administration's corn and feed-grain proposal involves the right of farmers to grow their own feed. If it becomes law, some farmers would not be permitted to grow feed grains for their own livestock and poultry.

Second. The compulsory feed-grain program could lead eventually to livestock and dairy controls—to full control of farming, which is evidently what the administration desires.

Third. It could upset farm operating plans and practices of livestock and poultry producers and general farmers, and restrain the diversification and "balanced farming" which has been a steady goal of better family farming.

Fourth. It is unfair to ask farmers to make such radical changes in farm practice without giving them a chance to understand the control proposal before voting on it. Whatever may be done in the future about a feed-grain program, the Congress ought not to approve this year a vast program of permanent, strict controls on corn—the Nation's largest crop, universally grown—and on other feed grains, without providing farmers at least a year's time to study the immediate restrictions and the extent of the commitment to a future of controls.

Feed-grain surpluses sound large, and are a problem. But supplies of feed grains amount to less than 6 month's use, and drought or flood could endanger the Nation's supply.

The administration would do well to work this year to get the wheat surplus under control. The wheat surplus amounts to more than a full year's production, valued at over $2.5 billion. It is the main problem, and one on which the Congress can act this year—after years of continuing surpluses, and of costs which tend to discredit all farm programs.

I want to see a farm bill adopted this year. Farmers and the public deserve step-by-step solution and improvement of the farm problem. This is the year to act on wheat. Perhaps in the next year we can work out a better feed-grain plan, noncompulsory in character.

The insistence of the administration on including a compulsory feed-grain program—against the considered decision of the Senate Agriculture Committee, and of the House, and without giving the Nation's farmers an opportunity to study its consequences—is another example of the administration's grasp for power.

I hope the Senate will sustain the farm bill recommended by the committee. And I hope the administration will make a realistic effort to deal with the major and most persistent problem—wheat—and will not for the sake of demonstrating overweening power, throw away its chance to make a major advance this year in dealing with the farm problem.

DEVELOPMENT OF THE OIL MULCH PROCESS

Mr. McGEE. Mr. President, it is no secret that the West is short of water and long on oil. In fact this situation applies to several other oil-producing areas in the world. The problem, of course, is, What can be done about it? For years the scientists have been devising new wonderful uses for petroleum. But it would have been a foolhardy person who would have suggested spreading oil on the often dry croplands of the West.

Yet, this is precisely what has been done and with amazing results. The oil is used, not as plant nourishment, but as a mulch—a ground cover that keeps needed moisture in the soil and improves germination and growth rates. On the other side of the coin—in areas with too much water and subsequent leaching and erosion—the oil mulch holds the soil in place and thus improves the chances of getting a good crop.

The Lamp, the magazine of the Standard Oil Co. of New Jersey, has among an excellent array of articles in its summer 1962 edition a story of the development of the oil mulch process. This story is just one example of the work done by the American oil companies to promote progress in a vital industry. I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Another Farm Job for Oil

A few years ago Dr. Henry J. Hibshman, a chemical engineer with Esso Research & Engineering Co., was sent abroad on an unusual mission. His assignment was to look for new ways in which oil products could be used by the people of developing nations in their struggle against poverty and hunger.

In Paris and Rome, agricultural officials of the United Nations told him of various experiments in progress to increase the productivity of arid soils. As a result of these conversations, an idea took form in Hibshman's mind—to cap the watersheds in regions of insufficient rainfall with water-resisting materials derived from oil. Such rain as did fall would then run off and add moisture to the adjoining land.

Experiments were started in 1958 in small test areas in the West and Southwest, but the results were disappointing. It was decided not to pursue the experiments. From this apparent failure, however, a great success has grown.

As Dr. Hibshman and his colleagues studied the waterproofed areas they noticed two interesting phenomena. Underneath its protective cover, the soil had retained a considerable amount of moisture, and although nothing had been planted there, a remarkably fine stand of weeds had grown right through the petroleum coating. In effect, the weeds had enjoyed the protection of a mulch. (This is any covering, such as straw or leaves, that gardeners spread on the ground to help retain warmth and moisture in the soil.)

It now occurred to the Esso scientists to experiment with oil-based mulch. In 1959 a team headed by R. A. Louis sowed grass seed on abandoned Colorado rangeland that had been stripped of its vegetation by overgrazing. Then they covered the seeds with a very thin petroleum emulsion. The range grass not only sprang up through the mulch but it headed into seeds the first season—something the staff of the State agricultural school had never known to happen before. Clearly, the new oil-based mulch could help to restore grassland. But would it work with crops?

The first experiments with the new mulch on seedbeds were made by Esso Research on small plots at Linden, N.J., in 1959. Seedlings of various kinds grew without difficulty right through the thin strips coated with the emulsion. Furthermore, the emulsion clung tightly to the soil during the growing season, absorbing heat from the sun and preventing the escape of moisture. After about 3 months, the particles of mulch began to mingle with the soil, a process hastened by cultivation. Eventually the particles are oxidized by bacteria and act as a soil conditioner by making the ground more porous.

After the success of these small-scale plantings, Esso Research perfected its formula for mulch and enlisted the cooperation of various institutions and farmers for larger scale tests. The U.S. Department of Agriculture and the experiment stations of Cornell University, Pennsylvania State University, Rutgers University, South Dakota State College, Colorado State University, and the University of Arizona were among those that helped, in 1961, with large-scale plantings of crops under Esso's mulch both in the humid East and the semiarid West.

The results have been remarkable. In the first place, crops planted under the mulch matured much sooner than otherwise—a tremendous economic advantage for the grower. In Arizona, for example, the early cantaloupe crop grown under this mulch was worth as much as $500 an acre more than a conventionally raised crop. The average value of all the melon crops grown with the use of the new technique last summer was $271 per acre above normal—many times the cost of the materials used.

The plants generally came up in thicker and more uniform stands. Yield increases ranged from some 20 percent in cotton to 37 percent in squash and 58 percent in onions. Yields of wheat about doubled. Excellent results were also obtained with peas, beans, watermelons, lettuce, radishes, sugarbeets and corn. Cotton raisers, it is expected, will find that the more uniform stands grown under the mulch will make easier the use of mechanical pickers.

Meanwhile, the experiments on range grass are being continued, and work with lawn grasses is also in progress to find out if the new mulch can help homeowners with steep banks or sloping lawns. Wherever it is used, the mulch is of value in soil conservation, slowing down or preventing erosion by both wind and water.

Application of the petroleum emulsion to a seedbed, in strips from three to eight inches wide, is easy and usually quite inexpensive. On small plots, the liquid can be sprayed on by hand. On commercial farms, a simple spraying device can be attached to the type of mechanical seed planter most farmers use.

At first, the chief use of this new product may well be in the United States, where the money value of farm crops is high It seems likely, however, that it will spread rather rapidly. Experiments have already been started abroad. Last summer, tomatoes and potatoes were grown under the mulch in Libya and Tunisia and required less than half as much irrigation water as usual. Since a difference in rainfall as small as 1 inch per year can mean the difference between a productive and a nonproductive region, the use of this mulch can greatly increase the potential of the world's 5 billion arid acres.

New agricultural uses for petroleum products may fit into long-range plans of the Food and Agriculture Organization of the United Nations to restore and expand agriculture in the Mediterranean basin. The mulch has possibilities elsewhere as well. Because the soil beneath the film of emulsion has been found to be on the average some 10° warmer than uncovered soil, the mulch can be helpful in growing crops in cold climates or wherever else early production is desired. In some places, a second or third crop within 1 year may become possible. The mulch may also be useful in regions of too much rainfall. In monsoon countries, for example, coating the seedbed would seal in moisture at the same time that it protected the soil against the lashing of continual rains, which leach, or wash out, the nutrients in the ground.

Further tests are underway on a wide variety of crops, both in this country and abroad. And, as with all new preparations to be applied to food crops, the properties of this mulch are being reviewed by the U.S. Food and Drug Administration.

Active marketing will not begin until after these various commercial demonstrations and tests are completed. Meanwhile, however, training courses have been held for representatives of Jersey's affiliated companies, to explain uses of this new oil product. More than 15 representatives of foreign affiliates attended one course held in the United States, and a still larger number, representing chiefly European affiliates, attended a seminar in Rome.

How quickly, and to what extent, this discovery can be put to work in different parts of the world will depend on many local circumstances. However, the prospects seem bright for this latest and so far least tried of the many ways in which the farmer uses oil in the war against hunger.

THE ROLE OF FORMER SENATOR O'MAHONEY IN STRENGTHENING THE ECONOMY OF WYOMING

Mr. McGEE. Mr. President, last week I introduced into the RECORD an article from the Green River Star announcing the opening of a new trona plant. This week that same newspaper published an editorial which pointed out that much of the credit for the establishment of that plant should go to a man noted for foresight and wisdom who for many years was a Member of this body. That man, of course, is Joseph C. O'Mahoney.

Too often we are prone to credit achievements to those active in their fulfillment without noticing those who worked long and hard to pave the way for success. I think it very fitting that the Green River Star recognized the tremendous role that Senator O'Mahoney played in strengthening the economy of his State. I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TRONA—AND A GENTLEMAN BACK IN WASHINGTON

There's a grand gentleman back in Washington, D.C., sitting there in retirement. But he must smile in satisfaction at times when he reads or hears about each development in trona out here at Green River. And the Stauffer plant dedication Friday can only give him added satisfaction—not because it was Stauffer but because it is further justification of his faith that trona would bring development and a measure of prosperity to our area. That gentlemen is Joseph J. O'Mahoney—private secretary to Governors, Assistant Postmaster General, friend and adviser to Presidents, the U.S. Senator who was "Mr. Wyoming" in Washington.

Twenty years ago, when Green River was seeking location of an arms plant in this town, the Senator told us not to get in a hurry—that we had a more permanent industry in prospect that would come after the war ended—an industry that would stay on in peace. He told some of us that in his opinion the substance found by the Hay oil test out west of town would became important, that it was trona.

Then the end of the war came and Bob Pike came along with his idea for refining and utilization of trona. Joe O'Mahoney reiterated his faith and secured Federal funds, which were matched by the Union Pacific Railroad, in exploring and developing trona. He helped interest industry in the deposits.

So, step by step, large company by large company—first Westvaco and Food Machinery, now Stauffer, and, if rumors come true, other international companies—the predictions of the gentleman in Washington are coming true. He is entitled to his smile of satisfaction—and to our thanks.

FEDERAL MILK MARKETING PROGRAM

Mr. HART. Mr. President, the official publication of the Michigan Milk Producers Association, the Michigan Milk Messenger, asked me recently for my views on a dairy program. I would like at this point in the RECORD to insert the reply I made as well as an editorial which Glenn Lake, president of the Michigan Milk Producers and of the National Milk Producers Association, has written on this subject, as published in the July issue of the Messenger. It is a forthright statement from one who is recognized nationally as a knowledgeable leader in this area.

In addition, Mr. President, the board of directors of the Michigan Milk Producers Association has passed unanimously a resolution expressing support for the Federal milk marketing program. I ask unanimous consent that a copy of their letter containing the text of this resolution be inserted in the RECORD at this point in my remarks.

There being no objection, the various items were ordered to be printed in the RECORD, as follows:

THE PRO'S ON DAIRY MARKETING

The final chapter for farm legislation has not been written for 1962. But it is clear that whatever action is taken in the feed grain and wheat programs, there will be no significant program for dairy products.

In 1961, President Kennedy and Secretary Freeman proposed to the Congress enabling legislation to permit farm commodity groups to develop their own programs. These programs would then have been submitted to farm producers in a referendum. This approach was rejected on the argument from many sides that it was the responsibility of Congress to write specific programs.

This year the administration sent to the Congress detailed commodity programs for feed grains, dairy products, and wheat. But the argument now goes that the farmers, under these proposals, would not have sufficient choice.

SURPLUSES ARE SERIOUS

But under the current support program, dairy surpluses are becoming a serious problem—a problem that I am painfully conscious of as a member of the Senate Committee on Agriculture.

There is a real danger that the dairy farmer's enemies will use these mounting surpluses as an emotional weapon to stir up support for legislation that would be detrimental to the industry for years to come.

Let's look at the facts today:

At the beginning of this marketing year—April 1, 1962—the Commodity Credit Corporation held close to 300 million pounds of surplus butter. The Department of Agriculture says there are no outlets in sight. It is expected that purchases of surplus butter during the current year will again be close to 450 million pounds, much of which will be added to that already in storage. Purchases of cheddar cheese and dry milk are also at high levels. But the butter surplus stands out because of the cost of storing it and the difficulty of finding domestic or foreign outlets through which it can be used.

TOO MUCH MILK

The cost of the dairy price support program rose to nearly $600 million last year. Even with the lower price support level now in effect it is not expected that the cost of the dairy price supports will decline very much.

The cause of the dairy problem can be described very simply as being too much milk, together with unfortunate public apprehension based in many instances on misinformation regarding such factors as cholesterol and radioactive fallout. Farmers are producing about 10 percent more milk than consumers are willing to buy at present prices. But in terms of finding a solution to this problem, the answers are not so simple. Every proposal for changes in the dairy program which has been brought before Congress in recent years has suffered the same fate. Those appearing before congressional hearings representing different groups of dairy farmers can usually find something wrong with each approach, but cannot agree on what the dairy farmers would find acceptable. Even though dairying is nationwide in scope and every dairy farmer's price is directly or indirectly hinged to the price-support program, we have not found the proper combination which will gain the support of the differing segments of the dairy economy and bring about a solution.

TIME RUNNING OUT

The big question which faces dairy farmers today is whether or not they will have a hand in writing a new dairy program. The lack of agreement among dairy farmers and the difficulty the dairy organizations have in coming up with more acceptable program suggestions leaves Members of Congress with some doubt on this question.

Time is running out under the present dairy price-support legislation. On the one hand, it is not possible to do an adequate job of supporting dairy farm income under this program without running into difficult problems in finding uses for surplus dairy products.

On the other hand, even with minimum price supports, program expenditures are running at a level which nonfarm area Members of Congress find difficult to justify to their constituents. Dairy farmers should have an interest in developing a program which will do a more adequate job of maintaining dairy farm income.

ECONOMIC SUICIDE

(By Glenn Lake)

If we choose the supply-demand route, that is, no program of any kind—we must be ready to take an 80 cents to $1 cut in milk prices. That would probably balance supply and demand after awhile, but for the short run at least, such a program would border on economic suicide for dairy farmers, forcing many out of business.

Production control programs administered through co-ops are voluntary by nature. Their practicality might be questioned since they would place a premium on being a nonmember. Producers could escape controls simply by becoming nonmembers.

Properly enforced Government production controls as proposed in recent months could undoubtedly balance supply with demand. But if such programs were to sustain or improve net farm income, they must be accompanied by an increase in the price of milk. Such an increase has not been proposed or assured in any legislation thus far advanced.

CAN'T HAVE EVERYTHING

No matter what kind of program we might eventually have, we cannot have lower food costs to the consumer, lower Government costs, and better farm income all at the same time. Legislation suggested up to this point has emphasized the first two of these points, but has not provided for any improvement in dairy farmers' net income.

Regardless of how we may feel about the present unpleasant situation or the choices open to us, we cannot close our eyes and hope the problem will go away. It won't.

The administration's farm policies are aimed at controlling production and cutting costs of the dairy program in one way or another. We would be naive to think we are not going to have more Government in the dairy industry. It is up to us to see that we have the kind of program that is sound and will benefit our industry.

For that reason and because a decision on Government programs is still before us, I urge you to express your sentiments by filling out the questionnaire in this issue of the Messenger. It is an informal survey, but if enough members take the time to fill it out, it could give us a valuable guide in forming our own policies. The survey will not serve this purpose, however, if only those who feel very strongly on the subject take the time to respond. We would like to hear from every member.

MICHIGAN MILK PRODUCERS
ASSOCIATION,
Detroit, Mich., July 24, 1962.

Hon. PHILIP A. HART,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HART: Recently there have been certain incidents, reports made, court decisions, including one by the U.S. Supreme Court, which have set the stage for much public discussion and criticism of the Federal order milk marketing program. It is not our intention to argue the intent of those making reports, nor question the validity of court decisions in this letter, but we are concerned about the effect of unfactual and misconstrued publicity on this valuable program.

In an expression of support of this program, the Board of Directors of the Michigan Milk Producers Association voted unanimously in favor of the following resolution and directed me to send a copy to you.

"The Federal milk marketing order program, authorized by the Agricultural Marketing Agreement Act of 1937, as amended, has been very useful in giving stability to the dairy industry for more than 20 years, a period during which the entire dairy industry has been undergoing revolutionary changes.

"Marketing orders have been used extensively in Michigan. Currently there are four such orders in effect in the State and nearly all of the fluid milk sold in the State is regulated by one of these orders. The net effect of these orders has been to enhance the economic welfare of dairy farmers and thus the total economy of the State.

"Recently there have been unwarranted attacks on this very valuable program, as well as adverse decisions by the courts on certain of its features.

"The board of directors of Michigan Milk Producers Association strongly endorses the Federal milk order program and in light of these court decisions, urges the U.S. Department of Agriculture to adopt practices and policies necessary to continue to safeguard the classified price system and to maintain and improve the effectiveness of the program for dairy farmers. We pledge the support and cooperation of our organization toward this end."

We sincerely appreciate your past cooperation on the many issues of mutual concern.

Sincerely yours,

GLENN LAKE,
President.

DEVELOPMENT OF EXECUTIVES FOR MASS MARKETING INDUSTRY

Mr. HART. Mr. President, Michigan State University will soon celebrate the 12th anniversary of its program to develop executives for the mass marketing industry.

This has been a remarkably successful program, the first of its kind in the Nation. It provided the first formal training ground for the food industry's executives.

Many of its alumni are foreign students who have taken back to their native lands the know-how in the management of that American phenomenon, the supermarket.

The school is under the direction of Dr. Edward M. Barnet, who has enlisted an impressive roster of business leaders to aid him in setting policy and deciding curriculum.

Manufacturers and suppliers have not only sent their employees to study here, they have also donated substantial scholarships. This program has, in fact, proven so successful that many other colleges in the Nation are following suit.

We are proud of Michigan State's leadership in this field. We hope other institutions will continue to study—and benefit from—Michigan State's experience.

SLEEPING BEAR DUNES NATIONAL LAKESHORE, MICH.

Mr. HART. Mr. President, as many Senators know, Senator MCNAMARA and I recently submitted a revised bill for the creation of a Sleeping Bear Dunes National Lakeshore in northern Michigan.

The new bill contains a number of features to protect the value and enjoyment of private property within the boundaries of the proposed Lakeshore.

A number of Michigan newspapers have commented editorially on the second bill and I ask unanimous consent that four of these editorials be printed in the RECORD at this point in my remarks, together with one editorial which describes with remarkable feeling "this charming region," "not only a region of rare beauty, but of scientific importance."

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Manistee News-Advocate, July 10, 1962]

LET SLEEPING DUNES LIE

The insertion of some sorely needed changes, plus the soothing therapy of passing time have apparently resulted in production of a Sleeping Bear Dunes proposal for the Grand Traverse area that is somewhat palatable to business leaders and property owners who but months ago were in all but a lynching mood.

At a recent news conference called by Senator PHILIP HART, sponsor of the original S. 2153, the most recalcitrant of local residents were reported as admitting to a change of heart toward the proposal in view of changes promised for the forthcoming revision. Both Senator HART and Senator PATRICK MCNAMARA have promised no wholesale condemnation of property in the area involved. Senator HART indicated that inland lake areas where no condemnation will be permitted will be set up, areas wherein the Secretary of the Interior can obtain land only by voluntary sale by the owner. Moreover, it is contended that the forthcoming bill will permit property owners in those areas to sell to private parties or to will their property to their children.

Should the Government acquire some land in those areas, Senator HART said, it cannot legally undertake any development for 25 years. A dwelling constructed before July 1, 1961, even outside the lakeshore residential area, could not be condemned providing it is in an area that is adequately zoned, Senator HART said.

Local citizens were also assured that the bill, expected to be proposed very soon will permit hunting and fishing under State law, permit commercial land uses within the park under zoning, specify that most members of the Lakeshore Advisory Committee be local and Michigan residents, give priority to hardship cases and set up public use areas in a manner that will not diminish the value of improved residential property.

While local persons interested were reportedly in accord with the proposal as it allegedly will be made, delegates to the recent annual convention of the Michigan United Conservation Clubs withheld formal approval for the proposition until such a time as they may judge the bill itself. They did, however, adopt a resolution favoring the establishment of national recreation areas generally, an action similar to that taken earlier in June by the Michigan Conservation Commission.

Little progress toward compromise in the matter of establishment of the Sleeping Bear

Dune Recreation Area could be expected during that period when Federal agencies appeared unyielding in their determination to create the area by arbitrary fiat; and local residents and businessmen involved were perhaps equally stiffnecked in their determination that basic rights were involved and could not be so overridden.

As usually happens in such cases, arguments generate more heat than light, and the resulting debate precludes either side realizing that perhaps in some areas there is already agreement. And in the heat of the fray there grows the added need for face saving, particularly when political figures become involved. Thus it was in the Traverse area, where political names involved became briefly anathema, and something had to be devised to bridge that difficulty.

The new Sleeping Bear Dunes proposal should do the trick. It should heal many wounds and make for sweetness and light in northwestern Michigan, a happy ending for area resident and politician alike.—F.C.

[From Muskegon Chronicle, June 26, 1962]

Revised Dunes Bill

When the Michigan United Conservation Clubs held their annual meeting a year ago, the members were choosing up sides in regard to Senator Philip Hart's proposal for turning the Sleeping Bear Dunes Area in Leelanau and Benzie Counties into a Federal park.

It was an extremely controversial issue all through the State.

When the Michigan United Conservation Clubs held its 1962 annual meeting last weekend, at Traverse City, its members heard an entirely new proposal for the Sleeping Bear Dunes recreation project. Senator Hart was there to present it in person.

After the discussion the Michigan United Conservation Clubs delegates endorsed the proposal in principle and seemed amazed that the original bill had been "so successfully revised to meet the major objections which were so furiously discussed last summer and fall."

Details of the bill remain to be revealed, as far as the rest of us are concerned. The important point at the moment is that apparently a much more satisfactory version has been worked out. If so, this is a great tribute to the democratic process.

Last year's criticism had its effect. Out of all the controversy has come a new draft which, on first impact, has made a good impression on many of the same people who were vehemently against the original version.

So, we get back to the point repeated by this newspaper on several occasions a year ago: Almost everybody is in favor of the further development of the Sleeping Bear Dunes Area as a State and National attraction. It was just a question of finding a sensible format that would invite new growth and at the same time be fair to property owners in the region.

Such a combination now seems on its way to fulfillment. At least that was the impression at the Michigan United Conservation Clubs meeting. There may be "bugs" in the new bill, too. If so, they can be resolved by the same democratic methods that have worked well on this issue in the past 12 months.

[From the Roscommon North Woods Call, Dec. 15, 1961]

As Valuable as a Rembrandt

The for's and against's the creation of a Sleeping Bear Dunes National Seashore Recreation Area in Michigan are engaging in one of the toughest battles involving a natural resource that the State has witnessed in a long time. Yet the resident battlers are not unique in the United States. An equally hot fight is on in Kansas where the Department of the Interior's National Park Service is in a similar "donneybrook" as a result of its proposed Prairie National Park.

There in the land where herds of buffalo and antelope once roamed thousands of miles of lush prairie grass, the Dust Bowl took its toll, families lost their shirts, and land once again back on the Federal tax roll has slowly recovered to a semblance of its former greatness. To a goodly number of nature lovers the vast rolling sea of green has a grandeur equal to that of high mountains, lake-studded valleys, or shorelines echoing to the crash of waves. It stands as a monument to the pioneer days more durable and moving than the cowboy ballad "Oh, Bury Me Not on the Lone Prairie," which is just about all that's left as far as the general public is concerned.

Interior Secretary Stewart Udall received short shift when he visited the proposed 60,000-acre area in northeast Kansas recently. Sheep ranchers were up in arms at the proposal, making the Sleeping Bear Dunes fracas look like a pink tea in comparison. And so it goes with every proposal to safeguard historic or unusual natural resource areas from the ravages of commercialization so that they may be enjoyed by the public as small islands of the grandeur that was once the United States.

Recently art history was made in New York when the Metropolitan Museum of Art paid a cool $2,300,000 for Rembrandt's Aristotle Contemplating the Bust of Homer. Museums get a pat on the back when they acquire masterpieces of the old school. And no price is too high for such a rare item. Yet few Americans have yet reached the age of appreciation to classify land, that typifies the virgin splendor of their own country, as museum worth. And once gone the land cannot be brought back from Coney Island honkeytonks or cutover, eroded acres to the beauty it once possessed.

In the December 16, 1953, issue of the North Woods Call appeared an oldtimer story in which George Phillips, of Johannesburg, recalled when he was a youth of 24 in 1898. He laid off work so he could spend 3 days walking through 16 miles of virgin pine, the last remaining stretch between Gladwin and West Branch. He wanted to see the last of the big pine before "they started cutting." He said, "I knew I'd never have another chance to see that much virgin timber again." And he never did. Today a township-sized stand of virgin pine would be a Michigan tourist council's dream.

The Sleeping Bear Dunes Area has been described by some opponents to the national shoreline proposal as another heap of sand; the geological formations of interest to no one other than geologists; its size as a flagrant land grab by a "socialistic" government disregarding the rights of the people. But despite the numerous and unfortunate errors committed by the National Parks Service in its original proposal, its ineptitude in not consulting more Michigan residents in the area and practicing public relations, the Service has chosen a portion of high esthetic and recreational value, with tremendous potentials for enjoyment by hundreds of thousands of visitors in the years ahead. And with those visitors will come economic gains for the businessmen nearby. Sleeping Bear Dunes and Prairie National Park are as valuable as a Rembrandt in Metropolitan Museum.

[From the Ann Arbor News, July 17, 1962]

New Try on Dunes Park

Secretary of the Interior Stewart L. Udall has done Michigan's Senator Philip A. Hart, Democrat, a considerable favor by remaining quiet enough to keep his name and ideas out of the State's newspapers for a few months. This has permitted a cooling off of the feelings stirred up a year ago by Udall's inept handling of a proposal endorsed by Hart for a Sleeping Bear Dunes National Recreation Area near Traverse City.

Hart has now introduced a new park bill, considerably different from the one bearing his name last year, which was drafted by the Interior Department. It should eliminate the reasonable fears of the Glen Arbor Citizens Council, which last year bitterly opposed all suggestions for a Federal park on the shoreline of Leelanau and Benzie Counties.

The new bill calls for a 77,000-acre park, about the same size as envisioned in the original bill. This was a particularly sore point with the area's property owners, because Udall made statements throughout last summer and fall which sounded as if he were planning to add considerably more land than necessary to preserve the dunes area.

If Udall maintains silence on this point, it should be possible to persuade area property owners and Congress that the new bill's other provisions would permit setting aside needed parkland in a manner fair to all.

The Interior Secretary's power to condemn land for Federal park use, much resented as described in the rather vaguely written 1961 bill, would be suspended in certain situations and areas:

When local zoning laws maintain private property in accordance with national park objectives;

Within 2,700 acres of residential land around three inland lakes in the proposed park area;

When property owners agree, without zoning ordinances, to use their land in accordance with park objectives. Most existing land uses, including farms, orchards, and resorts, are specifically protected in the new bill.

Homeowners would be free to stay 25 years even if they agreed to sell eventually to the Government.

These provisions don't come close to giving Udall the degree of power over land use he seemed to be seeking last year. But they should answer the reasonable demands of the Glen Arbor Citizens Council.

Some local residents may feel that suspension of the Government's condemnation power in 2,700 acres would unreasonably limit their plans and needs. Hart's new bill would create an advisory commission with power to raise this figure to as much as 3,500 acres if this seemed necessary for boundary adjustments and hardship cases.

It is entirely likely that some will argue that this is not enough, that the Interior Department should not have power to condemn any land for park use. Ove F. Jensen, leader of the citizens council, last fall seemed determined to kill any proposal for a national park, no matter what its provisions.

Hart appears to have gone a long way in trying to draw a reasonable line between the just claims of local residents and the equally important public need for more park space easily accessible from midwestern cities. He has provided a great deal of time for interested persons to discuss his new bill; Senate hearings on it won't be held until sometime in 1963.

Unless Interior Department officials go out of their way to antagonize property owners in the dunes area, those who recognize the need for a balance between private rights and public requirements may be able to work out a sound compromise based on the new bill.

[From the Grand Rapids Press, June 17, 1962]

Boost for Sleeping Bear

The Hart-McNamara bill proposing the creation of a Federal Sleeping Bear Dunes Recreation Area in the "Little Finger" section of Michigan is no longer being pushed in this session of Congress, pending revisions of the original draft. But Senator Hart has promised that it will be revived in the new Congress beginning in 1963.

Regardless of the outcome of this controversy, the bill has served to draw attention to this region as never before. And the lull in the great debate is providing an opportunity for many to see firsthand just what all the shouting is about.

Undoubtedly there are many thousands in Michigan who never have visited the Sleeping Bear area. It is off the superhighway routes and must be reached either by M22 (the Manitou Trail) north from Manistee and Frankfort, or by M72 west from Traverse City. Since all Michigan residents are involved directly or indirectly in the issues over this park plan, they may well seek to familiarize themselves with the area either by weekend jaunts or on more extended vacations in the northwest corner of Michigan's lower peninsula. It would be time well spent as an educational as well as a recreational project.

The Sleeping Bear area is not only a region of rare beauty, but of scientific importance. For nautral history here goes back 50,000 years to the great glacial periods, the story of which is nowhere better etched than in the moraines and lakes and shore formations of this region. Sleeping Bear Dune is itself a marvel of nature, a moving mountain of sand that continues to alter the contours of the land and to reveal mysteries of the past, covered and uncovered by the drifting soil. Here is a place where almost everyone can become at least an amateur naturalist. In 77,000 surrounding acres Federal geologists have found a great variety of biological specimens covering various stages of natural development from glacial times to the present.

Just to drive around Glen Lake to witness the varying colors of the waters in response to atmospheric changes is to see a phenomenon that has given this body of water ranking with the most beautiful to be found in the entire land. And there are other lakes in the region—Crystal, Platte, Little Traverse, and Lake Leelanau, to name a few—which are literally footprints of the great glaciers left for modern pleasure.

The entire Benzie and Leelanau County region is free from the tawdry trappings of excessive commercialism.

Visitors from other sections of Michigan ought to sample this charming region. They should "feel" its atmosphere as well as see it. They should note the State park and access sites. Only then will they really understand all that is involved in the Sleeping Bear issue. And if there is pleasure in this understanding it is a double gain.

LEGAL INTERNSHIP PROGRAM

Mr. HART. Mr. President, Georgetown University has pioneered in a legal internship program to train young lawyers to defend the poor in criminal cases.

Just recently, the first certificates in trial advocacy were awarded eight students. President Kennedy commented on this program as follows:

> Professor Shadoan and Associate Dean Pye are to be congratulated for their supervision of the interns in this vital activity. The interns themselves deserve the gratitude of all of us for their competent and courageous representation of those unable to afford counsel.

Attorney General Robert Kennedy added that the program "cannot receive too great a commendation."

I fully agree, Mr. President. Moreover, I have two reasons to be especially proud of the program. First of all, I am a Georgetown graduate myself. Secondly, I note that two of the students receiving certificates—Phillip A. Hubbard and Patrick A. MacDonald—are from Detroit.

These young men are already marked for their sense of dedication. I expect we will be hearing more from them.

GREEK-AMERICAN PROGRESSIVE ASSOCIATION BANQUET

Mr. WILEY. Mr. President, recently I had the pleasure of speaking at the national convention banquet of the Greek-American Progressive Association held in Washington, D.C. It was a fine banquet and social event with Archbishop Iakovos, primate of the Greek Orthodox Church in North and South America, Ambassador Alexander Matsas and Congressman John Brademas speaking brilliantly on matters of national and international importance.

While sitting next to Archbishop Iakovos, who also serves as one of the six world presidents of the World Council of Churches, we discussed the great growth of the Eastern—Greek—Orthodox Church in this country and its recognition as a major religious faith in our country. I recall very well that it was not until 1955 that the Armed Forces changed the regulations to permit Eastern Orthodox servicemen to identify themselves in the Armed Force records as Eastern Orthodox. The archbishop thanked me for my humble efforts in that respect, for it is consistent with the American tradition of equality in religion.

We also discussed the growth of his church in my area of Wisconsin where Bishop Meletios, who served so well in the New England area, has been appointed to serve as bishop of the Central States, known as district 2, with headquarters in Chicago.

I listened to the national president of GAPA review the organization's activities in the civic, charitable, and public affairs life of each community and throughout the country and the pledge of the organization to extend its efforts in even greater degrees.

It brought to my mind the fine convention and banquet of AHEPA, the American Hellenic Educational Progressive Association, several years ago in Wisconsin where I had the privilege to thank the Americans of Hellenic heritage for the many contributions to America as good American citizens.

Mr. President, this is what makes America great. The freedoms and the privileges granted by America to all peoples who come here, who in turn dedicate themselves to the service of God, country, and family.

I ask unanimous consent that my address which appears in the Record of July 27, 1962, pages 14948–14950, be inserted at this point in the Record.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Excerpts of Address by Hon. Alexander Wiley, Senior Republican, U.S. Senate Foreign Relations Committee, Before the Greek-American Progressive Association, Shoreham Hotel, Washington, D.C., July 26, 1962

Members of Greek-American Progressive Association, fellow Americans, I am happy to be with you.

Significantly, the name of your organization—the Greek-American Progressive Association—reflects the spirit and goal of U.S. policy—that is, better understanding and relations—and greater cooperation for progress—between the United States and Greece, as well as other nations.

Within our country—and in accordance with our national traditions—your program, too, commendably contributes—not just in spirit, but in action—to our national progress by supporting civic, educational, philanthropic, and similar activities in your respective communities; promoting the social, ethical, intellectual interests of your members—to enable better fulfillment of the responsibilities of citizenship; disseminating Greek-American culture for enrichment of our way of life; and other worthy programs.

Significantly—through these and other efforts—you are imprinting Greek culture upon the mosaic of U.S. life—mirroring the ways, thinking and traditions of immigrants from many lands.

CONTRIBUTION OF GREEK CULTURE TO U.S. LIFE

Of Greek descent, you have a special responsibility—more directly than the rest of us—to a great, magnificent heritage of ancient Greece.

Down through the centuries, the traditions of Greek political-philosophical culture have lived—and shaped the affairs of humanity—from ancient to modern times.

In the United States—a relatively young country—we, from our youth, recall the familiar names of—

Socrates, the influential teacher of philosophy, emphasizing the love of reason and of moderation in philosophical life; Plato, remembered for the philosophical concept that ideas are true knowledge and above material things. During his lifetime, he possessed the unswerving faith in the capacity of the human mind to attain absolute truth and to use this truth in the rational direction of human life and affairs. Democritus, too, during 460 to 430 B.C.—developed the concept that all substances consist of atoms—a theory which now—over 2,000 years later serves as the foundation for the great, revolutionary nuclear age.

From ancient Greece, also, the world has inherited fundamental ideas and ideals of democracy—many of which now serve as high principles of our Constitution and of our political life; styles of architecture; our language, also—particularly in many of its derivatives—reflects the enduring impact of the Greek language; as well as many other philosophical, material, and spiritual concepts that have become indelibly imprinted—generation after generation—in human life and world progress.

During World War II, again, the spark and spirit of ancient Sparta burst into patriotic flames anew, as Greek soldiers bought—with their lives and the destruction of their homeland—precious time for the allies in the struggle against fascism. Valiantly fighting—often with little more than bare and bloody hands, but indomitable spirits—they heroically drove Mussolini's Fascist forces back into the sea.

CHALLENGE OF NUCLEAR AGE

Of such a heritage, you can be justly proud.

Pride in the past, however—great though it may have been—is not enough.

In the nuclear-space age—faced with great, complex challenges on global fronts—we, now, must ask ourselves: What is our contribution to world history? To human progress? To peace?

In our time, can we—you and I—make contributions of significance and stature comparable to those of ancient Greece?

Or, will we, individually, find some "lame excuse" for a "free ride" upon the greatness—yes, upon the sacrifices—of those who have gone before us?

From time immemorial, there have been—with the recurring cycles of change and progress—new challenges to the mind, imagination and spirit of man.

In our increasingly complex world, this is more true now than in the past.

The creators of gunpowder, of the airplane, of the automobile, would be wide eyed in amazement if now they could witness the explosion of nuclear bombs, the supersonic speeds of jetplanes and rocket-powered X-15's manned air-spacecraft, man's orbiting of outer space, man's trajecting spacecraft toward the moon, and other planets of the universe.

Of a more earthly nature, the human race—despite thousands of years of existence—still has not been successful in finding a workable formula of man's right relationship to man. Generation after generation, humanity undergoes great fiery trials or strife and controversy and, indeed, a succession of wars that increasingly threaten to annihilate a portion—or all—of the human race.

There remain also the age-old human foes: of poverty, disease, illiteracy, hate, and prejudice which, if resolved, would immeasurably benefit mankind.

As in the times of Plato and Socrates, then, each generation—past, present, and future—possesses an opportunity for, yes, a challenge to greatness.

Upon the foundation of the past, now, we—each of us, within the limitation of our God-given abilities, talents, and imaginations—need to extend the horizons of our understanding, perceptions, and perspectives to encourage the space age challenges until it hurts; evaluate the forces and influences of our time; and then determine how we—with our minds, hearts, spirits, and, above all, the sweat of our brow—can make our unique contribution toward shaping the future.

GREECE: OUTPOST OF FREEDOM

Significantly, your ancestral homeland of Greece once again is making a contribution to history.

Under the dark overshadow of the Communist world, Greece stands Gibraltar-like as an outpost of freedom.

As comembers of the North Atlantic Treaty Organization, we—two nations with great democratic traditions—stand shoulder to shoulder in combating communism.

On the global horizon, fortunately, there are signs appearing that: the upsurge of communism—particularly its military outspreading—may well have reached its apex and now be on the decline; the free-world perimeter has hardened to make even "chipping" aggression more difficult for the Communists; the Reds are finding it increasingly difficult to implant troublemaking machinery even in new, less-developed areas of the world; and the Communist system itself—in existence long enough to prove, or disprove its workability—is in trouble—experiencing serious deficiencies, even in meeting fundamental needs of its controlled people and nations—for example, the agricultural failure in the Soviet Union and Red China.

Relatively successful in holding back the tide of communism militarily, NATO—together with other allies—now rightly in turning more effort toward political-economic cooperation to meet the need of member nations.

Upon such a foundation, there is—I believe—also a next step of Western policy which would call for:

1. A greater shift from defensive-type thinking and policies to more creative, dynamic, nonmilitary counteroffensives—economically, politically and ideologically.

2. A willingness to stand face to face to the Communists and strongly say: "There are certain fundamental rights of humanity—including self-determination and freedom—to be respected, protected, and preserved for posterity. For these, we will give our all. Contrary to your policies, we do not 'want to bury you'; rather, we want your grandchildren to live under freedom—not because it is our way, but because it is the human, right way."

As of now, the free world possesses:

(a) The jet-missile-nuclear-space-military power (barring any advantage-giving breakthrough by the Communists)—to serve as a deterrent to aggression;

(b) The agriculture and industrial productivity to outproduce the Communists; and

(c) The ideas and ideals that will—if the majority of humanity is to be served—ultimately provide the foundation for world progress and peace.

CHANGING FACE OF EUROPE

We as a people, and a free-world leader; and you, as Americans of Greek descent—many of whom travel periodically back and forth to your ancestral homeland—can contribute much to a new era of progress.

How? In the following ways:

Support of realistic policies and programs for greater Greek-American and other kinds of international cooperation for progress and peace; and sharing with the Old World the ideas and ideals which have made this a great country.

In Western Europe today, there is a great economic revolution:

The Common Market—in which Greece is awaiting ratification as an associate member—for example, stands as a mighty and growing economic community that will (a) better serve the citizens of Europe and (b) increasingly provide assistance and technical know-how to promote peace elsewhere in the world.

The success of European economic cooperation also represents a thorn in the side of Mr. Khrushchev. How? By creating an unfavorable picture of progress in free Europe, as contrasted to the lack of, or minimal, progress in Communist-dominated nations.

This improved economic condition will not only offer greater resistance to penetrations of communism, but also help to support the necessarily strong military defensive against Red aggression.

UNITED STATES-EUROPEAN INTERCHANGES

Historically, the United States, as a young Republic, has adopted—and benefited from—many of the cultures and traditions of the Old World.

In the years just ahead we will witness, however, an ever-greater reversal of this trend than has occurred in the past.

Among the features of U.S. modernism—here taken for granted—that will be appearing more and more in European life (some now being enjoyed among the elite) are: more home television, including Eurovision, and global vision resulting from such projects as the U.S. Telstar; the supermarket, with its great variety of fresh, preserved, and frozen foods; more electrical home appliances; improved housing; better plumbing and water services; more electricity to "light up life" in Western Europe; and other advancements to improve standards of material living.

As in the past, however, we here will continue to enjoy and be enriched by the customs, cultures, and traditions as well as new political, economic, scientific, philosophical discoveries and revelations emerging from the new Europe, and, yes, from your fatherland of Greece.

TELSTAR—SATELLITE OF PEACE

To further improve international exchanges, we now—almost daily—watch the revolutionary miracle of intercontinental television through Telstar.

The successful transmission of voice and picture from space marks a new triumph of the U.S. space program.

Miraculously, our scientific genius has found a way of "talking through" such an orbiting "star" to people around the globe. This represents human utilization of the great realm of outer space upon which the ancient Greeks thought, wrote, and philosophized about laws of the universe.

For the future we, and the people of the world, can look forward to greater accomplishments in space for radio, television, telephone communications, more accurate weather reporting; and ultimately, perhaps, for transportation, travel, and other practical programs.

By Telstar-type successes for peaceful use of space, the U.S. effort will, I believe, far outshine the Communist space feats. Why? Fundamentally, because these represent an effort to serve—not continually attempt to threaten and destroy—humanity.

The Telstar project then—in addition to being a highly significant scientific achievement—will be a forerunner of more satellite "missions of peace"—to promote by exchange of ideas, information, culture, TV people-to-people contacts and greater cooperation and understanding among the nations of the world.

Obviously, the Communists are disturbed by the great global acclaim. To attempt to detract attention, they are declaring a new series of tests of nuclear bombs.

In the minds of the people of the world, and in the judgment of history, however, a succession of Telstar-type successes will prove, I believe, far more significant to humanity. In reality, the global impact of such efforts to utilize space for peaceful purposes may, indeed, make the Soviet 100-megaton bombs—despite being dangerous to the world health and peace—sound like firecrackers by comparison.

CONCLUSION

With a future bright with promise for greater miracles, even though realistically also beset with serious problems, I believe that we, citizens of this great melting pot of nationalities of the world—by dedication to the highest ideas and ideals; by encouraging greater cooperation among and thereby enriching the life of all nationalities of our land; by carrying forward humanity-serving programs, many of which have been commendably supported by you individually and by your organization—in our time, may make contributions of comparable significance to—if different in kind from—the best past traditions of this country and ancient Greece.

THE FEDERAL RANGE

Mr. ANDERSON. Mr. President, on July 21 Secretary of Agriculture Freeman and Secretary of the Interior Udall transmitted to the Congress the two part results of "A Trial Program of Public Land Range Appraisal."

This excellent forward step in conservation has as its genesis the spadework done in late 1960 by the Senator from Montana [Mr. Metcalf] and the Senator from Oregon [Mr. Morse]. They were joined by some 40 House and Senate Members who saw the need that exists and the challenge for conservation.

It came into being because the Senator from Arizona [Mr. Hayden] and the Senator from Georgia [Mr. Russell] exerted the necessary followthrough in the Committee on Appropriations.

I have reviewed the reports submitted to the Congress and they are excellent.

In addition, I have sent copies out to a number of national groups that I thought might be interested. If I have overlooked someone it was not intentional.

We have 242 million acres of Federal rangeland in the Nation. There is a great deal of conservation work needed on them. One of the great voids is the lack of an adequate inventory. While it is true that we have so much to do that we could profitably accelerate this conservation work even without a plan and an appraisal, the effectiveness and soundness of the investment would be measurably advanced by making such a resource appraisal. One of the purposes of my remarks today is to cite the reports that have been made so that their availability may be more widely known.

CAMPING OUT

Mr. JAVITS. Mr. President, vacation time today means the country and escape from the city's sidewalks for many New York youngsters, thanks to the New York Herald Tribune's Fresh Air Fund, though their parents could not afford to send them away for such a holiday. This summer a new camp, Camp Hayden, has been made available as the result of a campaign conducted by the fund, located on the Sharpe Reservation in East Fishkill, N.Y. It was dedicated on June 22, and I ask unanimous consent to print in the Record excerpts of remarks by Gov. Nelson A. Rockefeller of New York, and by Frederick H. Lewis, executive director of the Herald Tribune Fresh Air Fund, on the occasion of this dedication.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Excerpts From Remarks of Gov. Nelson A. Rockefeller at Dedication of Camp Hayden, Herald Tribune Fresh Air Fund, East Fishkill, N.Y., June 22, 1962

It is my pleasant duty here today to dedicate this truly magnificent Camp Hayden, named in honor of the late Charles Hayden, the New York philanthropist who did so much for boys from the sidewalks of New York. Next Wednesday, the first 1962 delegations of youngsters from Manhattan, Brooklyn, the Bronx, Queens, and Staten Island will arrive in these hills. They will be happy youngsters—happy at the sheer joy of being able to run in the wind, to see the vistas from Pawnee Rock, and to bed down at night with a glimpse of the stars. They will have the time of their lives.

The poet, James Masefield, once wrote that, "The days that make us happy make us wise." It is good for a boy or girl, clambering around on rocks in the woods, to stand stock still at the sight of a deer. It is good for them to peer up at night and for the first time see the Big Dipper or the Milky Way. It is good for their souls; it is good for them as citizens. They will take memories away with them from Camp Hayden and the other camps here, they will find here both health and happiness. These pictures of happiness, to which they can turn in memory in times of stress, are the right of every boy and girl in the land.

There is something else here in Camp Hayden which holds a lesson for all of us, even beyond the important health and happiness of children. It is a working demonstration of the great good that private venture and voluntary giving can accomplish. Here is a wonderful laboratory of democracy. Here is a private venture, in the American tradition, without subsidy of government, creating by public contributions a magnificent playground for children. Almost $2,500,000 has been contributed to build this camping center—and another $1 million is still needed to complete it.

The young people, whose laughter will echo in these hills next week, will be Protestant, Catholic, Jewish—and even some Moslems. They will be white and Negro, Puerto Rican and Chinese. Some of the children will be handicapped, badly handicapped, but they will play and laugh with the nonhandicapped as part of the wonderful program of the fresh air fund.

In the days when I had more time than as Governor of New York, I was vice president of the fresh air fund, so I can speak with some authority about the work of the fund. I know of no single idea which has brought more sheer happiness to more people, both adults and children, than the Herald Tribune Fresh Air Fund. The plan has prospered not alone in the United States, but under one name or another, all over the globe.

I most warmly congratulate all who have made this camp possible—and I dedicate it to the use of boys whose lives will be changed for the better by their experiences here.

A Prediction That Came True

(Remarks of Frederick H. Lewis at dedication of Camp Hayden, Sharpe Reservation, East Fishkill, N.Y., June 22, 1962)

In fresh air fund camping we strive to match our goals with tangible results. I think you might like to know what can be done for a boy here at Camp Hayden. There are six values that we hope will touch every camper to some degree before he leaves. I think I can pinpoint these by using the letters in the word Hayden itself—appropriately enough because they were important also to the late Charles Hayden.

The first letter in Hayden is H, and it stands for heart. Most boys who come to Hayden are needy, not just economically but emotionally. Their counselors' concern and affection is the first many of them have ever received from an adult. When counselors spend their days off from strenuous duty here to visit their former campers in their New York City tenement homes, that is heart. The extra effort and expense involved in building and operating this camp on a small group basis is evidence of heart, of deep respect and concern for the individual.

Next is aspiration. When a nation, or a community, or even an individual gives up trying, that is the beginning of the end. We can't permit permanent slums or permanent slum dwellers to exist in America. We want America always to remain a land of opportunity. For everyone who really tries, there is usually a way out, and up. This is the spirit that Camp Hayden fosters among its campers.

The Y in Hayden, naturally, is for youth. Here the groundwork for future citizenship is laid. Here life-long attitudes toward society are formed. Here the ways of democratic living are learned. At Camp Hayden, youth's energies and imagination are guided toward useful adulthood by college-age counselors who themselves are imbued with the hope and confidence and idealism of youth.

The D in Hayden is for decency. Boys at Hayden are inspired to treat everyone as an equal whatever his national origin, his religious faith, his racial background, or his personality and talents. Of course, not every boy is on the same level of achievement. But here each is given the freedom to achieve the best of which he is capable. To be fundamentally decent toward others is the real essence of the democratic process. This we believe at Hayden and throughout the fresh air fund.

E is for enthusiasm, without which, as Ralph Waldo Emerson once said, nothing great was ever accomplished. It was enthusiasm that started the fresh air fund 85 years ago, that has sustained it ever since, that brought this great reservation into being, that brings us here today. It is the enthusiasm of staff and counselors that seeps into the beaten, apathetic youngsters who come here, and transforms them magically into laughing, shouting, happy boys.

The N in Hayden stands for nature, the central program interest in all fresh air fund camping. In city living contact with the natural world is always in short supply. Even parks and museums cannot furnish a daily life close to the soil. Outdoor living at a nature-oriented camp cannot make up in two short weeks for all the limitations of urban existence, but it can excite new interests, open windows on new vistas. As he discovers trees and rocks and stars, flowers and ferns, and creatures that dwell in the water and in the woods, a boy also begins to discover the wonderful world we live in, and the challenge and promise it holds for every human being.

Here, in these six values, are some of the reasons for Sharpe Reservation. We will not let these 3,000 acres join what Stewart Alsop, in the current Saturday Evening Post, says America is becoming: "a garish, tasteless, messy junk heap." We have proceeded slowly, carefully over the past 10 years. We still have a great distance to go in completing Sharpe Reservation. It is wonderful to be able to announce to you that we have today come a step further. Mrs. Henry McSweeney, of New Rochelle, who is here with us in this dining hall, is making a gift of $25,000 to build a living unit known as a children's house, at the new Hidden Valley camp.

When Governor Dewey dedicated our first lake on July 25, 1953, and when Camp Hayden was but a gleam in the eye, he predicted for Sharpe Reservation a bright future of great usefulness. Thanks to the many people who have shared in translating the gleam into reality, we are today marking a milestone in the fulfillment of that prediction.

"CAST A GIANT SHADOW"—BY COL. DAVID (MICKEY) MARCUS

Mr. JAVITS. Mr. President, Col. David "Mickey" Marcus was thrust into greatness and immortality by the extraordinary turn of history which linked his name with Israel. His biography, "Cast a Giant Shadow," which will soon be published, provides a fitting memorial to this son of immigrant parents, who as a graduate of West Point, a great soldier, a holder of the Distinguished Service Medal, and, at the time of his death, commander of the Haganah forces that broke the siege of Jerusalem, epitomized so much of the American dream and the kinship between the United States and Israel. In this history of both these nations he will always hold a hero's place.

I ask unanimous consent that there be printed in the RECORD a letter on this subject dated August 1, 1962, which is being sent to the members of the class of 1924, U.S. Military Academy, and other friends of "Mickey" Marcus by Brig. Gen. Charles G. Stevenson, the adjutant general of New York and vice chief of staff to the Governor.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ALBANY, N.Y., *August 1, 1962.*

To the Members of the Class of 1924, U.S. Military Academy, and Other Friends of "Mickey" Marcus:

On August 3, 1962, Doubleday & Co., Inc., will publish a biography of the late Col. David "Mickey" Marcus, class of 1924, U.S. Military Academy, written by Ted Berkman, of New York City Entitled "Cast a Giant Shadow," the book will include 16 pages of photographs.

Mickey had a fascinating life, and Ted Berkman has put the whole story together in a truly distinguished biography. By flashbacks from Mick's climactic days in Israel, Ted has covered Mickey's birth on Manhattan's lower East Side, his boyhood days in Brooklyn, his years at West Point—including his famous bout with "Jazz" Harmony (1923) in the indoor meet of 1922, his spectacular career as Mayor LaGuardia's deputy commissioner and commissioner of correction of New York City, and his active military career in World War II: as staff judge advocate, 27th Infantry Division, New York National Guard; in the Civil Affairs Division of the War Department; parachuting into Normandy in the first days of the 1944 invasion; and his service on General Clay's staff in Germany after the surrender. Mickey's extraordinary contributions toward the building of the Army of Israel in 1947–48 and his part in its battles, especially those on the road to Jerusalem, are told vividly and with the skill of a military historian. Finally there is the story of Mick's tragic death on June 11, 1948, only a few hours before the armistice between Israel and the Arab countries went into effect.

The book opens and closes with a poignant description of Mickey's burial in the West Point Cemetery on July 1, 1948, 24 years to the day after he entered West Point as a plebe.

I think you will be struck by the keen insight with which Mr. Berkman has captured the essence of the real Mickey Marcus which baffled and eluded many of us. The author has brought out, uniquely and with great sensitivity, the influences that motivated Mickey and brought him to his rendezvous with destiny and death on the road to Jerusalem. One of the leading influences was West Point. The author has written in relatively few words one of the finest tributes to the spirit of West Point that I have ever read.

I heartily recommend this book to classmates, other West Pointers and to all those who knew Mickey Marcus or who have heard or want to learn about this great American.

CHARLES G. STEVENSON,
Brigadier General, New York Army National Guard; the Adjutant General of New York and Vice Chief of Staff to the Governor.

MIGRATORY LABOR

Mr. WILLIAMS of New Jersey. Mr. President, the migratory farmworker problem has existed for nearly 30 years as a shocking reminder of our failure as a nation to grant these unfortunate citizens the equality of opportunity which most of us have come to take for granted. Fortunately, however, their plight over the years has not gone entirely unnoticed among our citizenry. Various religious, charitable, and social organizations have made invaluable contributions of their time, energy, and money in effectively developing and operating programs for the amelioration of migratory farmworker problems.

A Quaker organization, the American Friends Service Committee, for example, has conducted an experimental program of self-help for migratory farmworkers in Tulare County, Calif., since October 1960. This year, an expansion of the Quaker's program has been made possible with the assistance of the Ford Foundation.

The purpose of this program is to replace crew leaders with the more reliable system of the labor cooperative. Under traditional practices not only in California, but also in all areas using migrant labor generally, the crew leader, in most instances, is responsible for supplying farmers with the workers they need. The crew leader also acts as the worker's accountant. Because of the unreliability of many crew leaders, however, the farmer frequently lacks the workers he needs in the numbers and at the times he needs them. The farmworker, on the other hand, is often without work, sometimes stranded on the road or left dependent upon a local welfare agency. The cooperative would accept the responsibility of supplying farm labor to Tulare County farmers, collecting wages for the worker, paying him, and making his social security payments.

Mr. President, an excellent account of this program appeared in a New York Times article on July 22 entitled "Ford Fund Will Aid Quaker Migrant Project." In pointing out the benefits of labor cooperatives to farmers and farmworkers, the article explains this organization's commendable program to improve the lot of the migrant worker and to educate others about the desperate need for such improvement. I therefore ask unanimous consent that the New York Times article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FORD FUND WILL AID QUAKER MIGRANT PROJECT—FRIENDS ARE HOPING TO EXPAND LABOR COOPERATIVES FOR IMPROVING WORKERS' LOT

VISALIA, CALIF., July 21.—The Quakers are getting Ford Foundation help in an experimental program of selfhelp for migratory farmworkers.

The program involves setting up labor cooperatives for the farmworkers to supplant the traditional relationship between migrant agricultural workers and the labor contractors, who generally furnish labor for the farmers.

The American Friends Service Committee started the program in this Tulare County agricultural center on October 1, 1960. The hope was to organize workers into work units of 25 to 30, then have them negotiate employment, pay, and conditions with farmers.

"We are in direct competition with the labor contractors," said Russell Curtiss, who has worked almost alone here for 2 years to build the program.

But on the record it would not appear the labor contractors have felt much pinch. Agricultural employment in Tulare County has a seasonal low of 3,000, but ranges up to 20,000 in the peak season.

The cooperative, incorporated as the Sequoia Farm Labor Association, has just 95 members from this potential. Not all these are active.

TO QUADRUPLE BUDGET

This year the total Friends Committee budget for the program is $8,300. Of this, $6,000 came from the Rosenberg Foundation. But next year the budget will be $32,300. The Ford Foundation has given $20,000, with another $20,000 that must be matched with outside funds.

"We have $11,000 of it matched now," said Stephen Theirman, executive secretary of the committee's San Francisco office.

The matching gifts have come from urban dwellers, said Mr. Theirman. He said, "The program seems to get more support from people remote to it, but who have an awareness of the problem. We had hoped for support from the farmers, but we haven't had it."

The additional funds will be used to hire two field representatives, who will attempt to recruit the more capable farm laborers into the cooperative; and to an employment representative who will try to line up work for them to do.

The economics of farm labor is packed with subtle nuances in California's highly developed agriculture. There are a few simple elements: Vast amounts of hand labor are required; large numbers of people with slight education or skill are employed, many of them Spanish speaking; the farmers have found it convenient to contract the jobs to labor contractors who provide the labor and pay it off; wages are low and the workers must move with the harvest.

WOULD REPLACE CONTRACTOR

Into this the Friends hoped to bring the cooperative idea. The cooperative would replace the labor contractor, who is paid a fee of 12 to 20 percent, depending on the crop involved since this has a bearing on the availability of labor, of the total price of the contract. This payment is made by the farmer.

The contractor also collects the wages for the workers and then pays them himself. It is his duty to make social security payments for them.

They get no unemployment compensation, since employers of agricultural workers are exempted from laws requiring it.

In April and May 1962, the cooperative collected $11,889 in wages for its members, and in contractor's fees for providing the labor. Of this, $10,755 was paid back in wages, and the rest used to pay expenses.

The Friends program has had little support from farmers here, and initially it was opposed. There seemed to be concern that the cooperatives were labor unions in disguise, and the farmers have fought efforts to organize farmworkers.

Nor has the program had support from the workers themselves. Even the president of the cooperative, Frank Fierro, has never worked in the crews sent out from the cooperative. He has a year-round job on a farm. When it was announced that he was the cooperative president 2 years ago, he was discharged from a job he had held for 10 years.

Of the original group of 25 members, only 12 remain. There are seven directors who meet twice a month. Currently, with a slackening in the crop work, the cooperative has no jobs for its members.

When they have work, the cooperative owns a bus to haul them to it, and it makes payments into the State Unemployment Compensation Fund in their behalf from the jobs it handles for them.

Thus the members may draw as much as $25 to $30 a week for 26 weeks of unemployment if they qualify by working 6 months and earning $600.

Mr. Curtiss said that except for those in Hawaii and a few near Riverside, Calif., no other agricultural workers in the United States are eligible for unemployment benefits.

This is one of the strongest talking points for recruiting members, said Ralph Nunez, 23 years old, a Spanish-speaking native of Brawley, Calif., who first worked in the crops when he was 13.

Mr. Nunez has been hired as a field representative as the first evidence of the new expansion plans for the cooperative program.

TAX REFORM

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed in the Record at this point as a part of my remarks a statement describing the action taken today by the Committee on Finance with regard to House bill 10650, the tax bill.

There being no objection, the statement was ordered to be printed in the Record, as follows:

The Committee on Finance agreed to the following amendments to H.R. 10650:

1. A new section would be added to provide that an election by a small business corporation to have its income taxed directly to its shareholders (under subch. S of the Internal Revenue Code) would be validated back to 1958, rather than 1960 as provided by Public Law 86–376 by providing that a husband and wife in a community property State would be treated as one shareholder for purposes of subchapter S.

2. As a complete substitute for the prudent-man rule previously approved by the committee to deal with entertainment expense account abuses, an alternative test was added to the directly related requirement of the House bill to provide that entertainment expenses may be deducted to the extent that such expenses are "directly associated with" the active conduct of a trade or business. This alternative test, sponsored jointly by Senators Smathers and Long, is intended to relieve the harshness of the House provision, as reflected in the report of the House Committee on Ways and Means, by recognizing the business association of goodwill entertaining. The business lunch exception of the House bill previously deleted by the committee was restored.

3. The grossup provision of the House bill (relating to the computation of the foreign tax credit) previously deleted by the committee was restored, but was limited to dividends received from corporations which are not "less developed country corporations." Generally, this is a corporation which derives at least 80 percent of its income from sources within less developed countries.

4. An amendment was added to provide that no country which has been designated a "less developed country" would lose that status until 30 days have elapsed after the President notifies the Congress that the country no longer is a "less developed country."

5. A new section was added to the bill to provide retroactive qualification for a union-negotiated pension plan. The plan is the Local Union 435 of International Hod Carriers Building & Common Laborers Union of America.

6. A provision was added to the bill under which "gross income from mining" for purposes of the 50 percent limitation on depletion allowances is to be increased by the amount of gain from the disposition of depreciable personal property which is treated as ordinary income under section 14 of the House bill.

7. An amendment was made to the mutual saving banks and savings and loan provision under which new domestic building and loan associations would be permitted to set aside in a bad debt reserve 5 percent of qualifying real property loan instead of 3 percent as under the House bill. This new rule would apply only with respect to the first $4 million of such loans and would cease to apply after 10 years from the date of incorporation.

8. An amendment was added to the definition of a "concentrated risk" company in the provision dealing with mutual fire and casualty insurance companies by reducing the qualifying percentages from 50 to 40 percent. This will permit a slightly greater amount to be set aside in the protection against loss account.

9. A new section was added to the bill to provide that losses incurred in 1953 and 1954 by a street railway company in converting from streetcar to bus service will be deductible.

10. With respect to the new provision added to the bill to provide for a deduction of expenses of clearing land to make it suitable for farming the committee made the limitations $5,000 or 25 percent of net income whichever is the lesser. Under the earlier committee decision the 25 percent limitation referred to gross income.

The bill as amended was approved and ordered reported favorably to the Senate by Saturday (midnight) August 11. It is hopeful that copies of the bill as amended and the committee report can be printed by the Printing Office that weekend and be available in the document room on Monday, August 13.

RESIGNATION OF GEN. JAMES M. GAVIN, AMBASSADOR TO FRANCE

Mr. SCOTT. Mr. President, this morning I read in the New York Times an article which was just as unwelcome a bit of news as the announcement of General Norstad's resignation last week. This article reports the coming resignation of Gen. James M. Gavin from his post as our Ambassador to France. To lose the services of such highly qualified and dedicated men as the Generals Norstad and Gavin within the short period of several weeks is indeed a great misfortune for our country. In view of the fact that both these men were advocates of a strong NATO alliance, and of greater cooperation with the French position, their resignations take on even more serious meaning. At a time when unflinching resolution by the United States, and indeed by the whole Western World, is an unqualified imperative, I look upon the coming absence of these two men with some foreboding.

As further commentary on General Gavin's resignation, I would like to bring to the attention of this body the editorial written by C. L. Sulzberger in the New York Times on August 1, 1962. Mr. President, I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Plain Language From Truthful James

(By C. L. Sulzberger)

Brussels, July 31.—It will now be announced that General Gavin is resigning as Ambassador to France and it will also be stated his departure has nothing to do with policy. Technically this is true, but anyone swearing it is the whole truth might fairly be charged with perjury.

One part of the story is that Gavin never expected to remain in Paris more than approximately 2 years from his arrival in 1961. He is not rich and the job is costly. Despite special allotments from State Department funds he has lost money. Furthermore, it is difficult for a man of modest means to educate his children and maintain himself in the rat race of mortgages and business while temporarily abroad.

The General probably never intended to remain in France much beyond the spring of 1963, but it is also probable he never originally intended to retire now. The decision, made in May, was taken so that his daughters could start a full school year at home in September. But the timing of that decision was encouraged by wholly unrelated factors.

The other side of the story has to do with policy. When Gavin was originally appointed there was a good deal of criticism including, I may admit, mild demurrers in this column. The General did not speak French, had no previous diplomatic experience and came as a novice to many aspects of a complex job. The French themselves made private, acid observations.

President Kennedy was clearly irked by this and bridled when it was suggested another choice might have proved more effective. Indeed, not many months ago, he referred to General Gavin as the best American envoy to Paris since Franklin—with due respect, an exaggerated claim.

Despite initial skepticism, the French soon realized that Gavin was a levelheaded, effective Ambassador. When he departs he will leave behind friends and admirers who, starting with General de Gaulle, believe he has done a helpful job. One may add that this is an opinion shared by many of Gavin's colleagues.

HOSTILITY IN WASHINGTON

Nevertheless, despite apparent Presidential support, Gavin has been a target for Washington daggers from the start. The State Department has been largely hostile and even members of the White House entourage have thrown transatlantic knives at his back. Nor has Mr. Kennedy always emphasized his confidence in public.

The real argument concerns U.S. policy toward France. Gavin took his time in assessing the situation, but ultimately he concluded that Washington's refusal to give De Gaulle nuclear aid or even listen to his arguments was harming our own position and future NATO solidarity.

Certainly Gavin had no advance prejudices and. if anything, might have been inclined to share that military opinion which, for purely American strategic reasons, advises against helping De Gaulle. But it is evident he also saw that an unyielding attitude on a question regarded as essential by the French could not help but split our partnership.

It seems the general reported accordingly to Washington. However, the administration had different ideas—a not unusual occurrence, as other ambassadors have found elsewhere at other times. Gavin expressed his ideas plainly but they were overruled. He accepted this decision like a good soldier, but the attractions of regular life at home perhaps began to seem more urgent.

A new Ambassador will soon be assigned—probably the eminent, esteemed, and expert Mr. Bohlen. But this does not necessarily mean a policy change should be expected. In the beginning, Gavin's successor may echo Washington's viewpoint with more enthusiasm than the general has recently been able to muster.

But the task of an envoy is to size up a situation in terms of reality, not in terms of preconceived official bias. And the reality of the French situation dictates a less obdurate Washington approach—a fact, indeed, already inferentially implied in the softening of our attitude during recent weeks.

Had the administration hoped to change the tenor of reports from Paris, it should have done more than hint an ambassadorial resignation would now be acceptable. It should also have replaced his entire diplomatic staff. For if the plain language from truthful James M. Gavin has been viewed as unwelcome, it has represented the opinion of every professional in our Embassy.

THE MILITARY COUP IN PERU

Mr. GOLDWATER. Mr. President, the action of the President in his open condemnation of the recent military coup in Peru is having adverse effects for our Nation in the Latin countries. I hope to live to see the day when we have in the executive branch of our Government people who really understand the nature of the Latin people, their political and economic problems, and display a sincere interest in their welfare and their future.

It must be learned that we cannot impose our system of government on others either by force or by threat.

We must learn also to be careful whom we befriend in the Latin countries. Certainly Haya de la Torre is not one to whom we should extend the hand of help. He is a proved Socialist, a fellow traveler of Communists, and an opportunist.

An article by the eminent foreign editor of the Arizona Republic and an editorial in the same paper both dealing with the mistakes in the Peruvian incident should be read by my colleagues, and I ask that they be printed at this point in my remarks.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the Arizona Republic, July 22, 1962]

OUR MAN (?) IN PERU

When the Peruvian armed forces deposed President Manuel Prado y Ugarteche Wednesday, a State Department spokesman said, "We must deplore this military coup d'etat which has overthrown the constitutional government of Peru." So the administration suspended diplomatic relations with Peru, which is the next thing to breaking off relations completely. And President Kennedy cut off all economic and military aid to Peru. We think this is a sort of intervention that could be extremely dangerous to the United States.

If the end result of these actions was to express American displeasure with military revolts, one could not argue strenuously with it. But the fact of the matter is that the State Department apparently is determined that Dr. Victor Raul Haya de la Torre shall become President of Peru. He was the top candidate in the June 10 national elections, but did not fill a constitutional requirement of winning 30 percent of the votes. Before Congress could declare Haya President, the military junta proclaimed the election was fraudulent, annulled the vote, and announced it would rule until next June, when it would hold new elections. This did not please the State Department, which took strong action against the Peruvian junta on the grounds of "democracy." Only a few weeks ago, it should be recalled, after a similar military coup in Argentina, the United States decided to recognize the new government. Apparently it places more emphasis on "democratic processes" in Peru than in Argentina.

What sort of man is Haya de la Torre, for whom the United States has gone to such lengths? He is an opportunist who has wielded political power through an organization called APRA, which stands for the American Political Revolutionary Alliance. When Haya organized APRA in 1930, Peru had not had a political murder since 1871. In the next 18 years, some 20 assassinations were traced to APRA. They included the publishers of two of Peru's leading newspapers. In 1945, Haya de la Torre launched a revolution that didn't come off, and took refuge in the Colombian Embassy. The Government called him a criminal, but Edward G. Miller, Assistant Secretary of State said he was "a man of international prestige." Exactly what sort of prestige was described by Eugene C. Pulliam, publisher of the Arizona Republic, in a series of articles he wrote after visiting Peru in 1950. Mr. Pulliam quoted a Lima publisher as saying: "This is the same Haya de la Torre who visited Hitler at the height of his prewar power.

"He is the same Haya who later was a guest of the Kremlin in Moscow. He is the same Haya who was invited to the United States to address colleges and universities with the open approval, if not the outright sponsorship of your State Department. This invitation came at a time when Alger Hiss was a powerful figure in your State Department. The U.S. State Department has coddled many Red leaders in Peru and other South American countries, and only stopped when your troubles with Russia became acute."

But even our current troubles with Russia apparently are not sufficient to dissuade the State Department from seeking to pave the way to power for a man who is a proved Socialist, a fellow traveler of both Communists and Fascists, and above all, a political gangster and opportunist. If this is the sort of man the administration is determined to help in South America, then the Alliance for Progress is doomed before it even gets started.

KENNEDY'S INTERVENTION IN PERU AFFAIRS CRITICIZED

(By Michael Padev)

WASHINGTON.—Two foreign policy developments last week can be described as particularly disturbing: The worsening of United States-Peru relations and the decision of the U.S. Government to back another United Nations military action in the Congo.

Let us examine these developments in detail:

UNITED STATES-PERU RELATIONS

White House spokesmen are very proud that the Kennedy administration has taken "swift retaliation measures" against the new Peruvian military government.

As it is known, the leaders of the Peruvian military forces organized a coup last Wednesday, overthrew the government of President Manuel Prado and established a government of their own, headed by a military junta led by the commander in chief of the army.

The Kennedy administration maintains that the Peruvian armed forces have not come to power by democratic means, and for this reason Peru is not entitled to any American assistance. The Kennedy administration also has suspended diplomatic relations with Peru.

This, I submit, is an incredible development. It reveals, once again, the very naive, inexperienced and amateurish approach which the New Frontier has toward foreign problems.

Military coups are not, of course, particularly democratic, in Peru or in any other country.

The Arizona Republic is, as a matter of principle, against military coups and against any military intervention in civilian political affairs. We strongly believe that the American republican system of government, which is a civilian form of government based on democratic elections, is the best form of government.

But the United States does not run the world, and the American system of government, excellent as it is, cannot be imposed by force or pressure, on any other nation.

In Latin America in particular, military coups are more or less accepted methods of government changes, and in many occasions the Latin American armed forces have saved their respective countries from internal chaos, dictatorship and civil war.

Who are we to know what's best for the people of Peru?

Why should we suppose that President Kennedy and the New Frontier VIP's understand Peruvian internal affairs better than the leaders of the Peruvian armed forces?

Our readers will recollect that the Turkish Army organized a coup in Turkey in 1960. It overthrew the government headed by Adanan Menderes and organized a military junta regime.

The Eisenhower administration, at that time, very wisely kept its hands clean of Turkish internal developments, and relations between the United States and Turkey remained undisturbed and friendly.

This is the correct, in fact the only, way to deal with military coups or any other internal developments in friendly states.

The United States cannot and should not take any responsibility for the internal policies of foreign governments. Our sole interest should be confined to their foreign policy.

If the leaders of the Peruvian armed forces want to remain America's friends and allies, as they say they do, it is not our business to lecture them on virtues of democracy, especially when, at the same time, the Kennedy administration presses for large-scale U.S. economic assistance to Communist dictators like Wladyslaw Gomulka of Poland, and Josip Broz Tito of Yugoslavia.

The Congo crisis—Government spokesmen have explained to newsmen in Washington that the Kennedy administration favors "strong economic pressures" against Katanga in order to bring about, "by peaceful means," the unification of the Congo.

The European press has revealed what these "economic pressures" are to be.

They involve the closing down, by United Nations armies, of the frontiers between Katanga and Rhodesia. This will be done in order to cut off Katanga's trade with the outside world, which now passes through Rhodesia.

But this amounts to an economic blockade established by the force of arms. According to international law such an economic blockade is an act of war. The New Frontier leadership, which is proud to have so many learned professors in its ranks, should consult a textbook on international law on the matter.

The United Nations also plans to occupy, again by force, all the offices, mines, firms, and installations of Katanga's leading mining concerns and industrial enterprises.

This will be done with the object of compelling those firms to pay taxes to the United Nations-appointed Leopoldville government, instead of to the democratically elected, constitutional government of Katanga.

This would also be an act of war, and an act of brutal, aggressive war, against a country which only wants to live in peace and friendship with the United Nations and the West.

J. H. (DUTCH) KINDELBERGER

Mr. SYMINGTON. Mr. President, one of the world's greatest pioneers of aviation has just left us.

Everyone who knew Dutch Kindelberger was saddened by the news of his death.

This American patriot was one of the true pioneers of modern aviation. Members of that industry, the new space industry, along with his countless number of devoted friends, will miss him deeply.

I ask unanimous consent that an editorial from the Kansas City Star of July 30, entitled "J. H. (Dutch) Kindelberger", be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

J. H. (DUTCH) KINDELBERGER

Big, dynamic James H. (Dutch) Kindelberger helped make U.S. industrial history as the head of North American Aviation, Inc. He built from scratch this giant of the aerospace industry. Dutch Kindelberger was a production and organizing genius and a supersalesman. But his extraordinary vision was even more impressive. A Kansas Citian who has known most of the country's top industrialists over several decades has said of Kindelberger: "I have never met anyone with greater drive or imagination."

Mr. Kindelberger had the courage of his quick decisions. He made such a decision in 1940 after an airplane ride over the Fairfax airport in Kansas City, Kans. The site looked good to him both from the air and on the ground. Given a choice of several Midwestern cities for a Government-sponsored plant, Mr. Kindelberger chose Kansas City. He said that he liked its central location and its many aircraft schools able to turn out trained workers.

During the military buildup before Pearl Harbor and throughout World War II, Dutch Kindelberger was a regular visitor to the Kansas City plant. He chose executives whom he trusted and let them run the operation here. His own headquarters was in Los Angeles, but he was ever the man in motion. Kansas City business leaders came to know the booming voice, easy wisecracks, and sometimes explosive reactions of the hard-driving chief of North American.

His plant here is believed to have produced more World War II medium bombers than any other production center in the world. Figures tell part of the story—a peak force of 27,982 employees and an output of 6,698 B–25 Mitchell bombers plus parts for the equivalent of 947 more planes. After the war the North American facilities became the B.-O.-P. plant of General Motors. A permanent salute to the wartime man in charge was made by the naming of Kindelberger Road in the Fairfax district.

America's entry into the space age must have brought tremendous joy and excitement to Mr. Kindelberger, who has died in Los Angeles at the age of 67. Always ahead of his times, he was delighted to win the contracts for such projects as the record-smashing X–15 rocket plane, the largest space engine in the free world, the F–1, and the Nation's first moonship, the Apollo. The vision of Dutch Kindelberger will continue to soar in spacecraft out among the stars.

DETERIORATION OF THE MERCHANT MARINE

Mr. MAGNUSON. Mr. President, much of this country's wealth, manpower, and energies are being expended exclusively to deter the Soviet bloc from attaining its avowed goal of conquest of this Nation and the free world.

We have spent hundreds of billions of dollars in just the last few years for the upkeep and outfitting of our Armed Forces because of this threat to our security. And countless other billions must be added to this figure for such things as our space programs, military assistance, and foreign aid—all of which are directly connected with our efforts to counter the advance of communism.

Further evidence of the magnitude of the Soviet threat is the fiscal 1963 Defense budget which calls for the expenditure of $48 billion by our Armed Forces.

As we all recognize, we are locked in hand-to-hand and mind-to-mind struggles with an unrelenting, deadly adversary who is waiting to exploit whatever weakness or deficiency we expose to him.

Mr. President, we have such a weakness. Our merchant marine has deteriorated to such an alarming level that high officials in our Navy Department have stated on two separate occasions this year that our merchant fleet is incapable of fulfilling our wartime requirements.

In fact, this country's wartime sea transport requirements could not be adequately met even if the U.S.-flag fleet were supplemented by American-owned, foreign-flag shipping. This fact was emphasized in a recent assessment of our shipping capabilities and wartime requirements by Vice Adm. John Sylvester, U.S. Navy, Deputy Chief of Naval Operations.

Similar warnings were issued by Assistant Secretary of the Navy Kenneth E. BeLieu on May 22 on this year. Secretary BeLieu pointed out that over 80 percent of our deep sea dry cargo ships were built nearly 20 years ago. He further indicated that the replacement program must be greatly accelerated to forestall block obsolescence.

I have before me, Mr. President, further evidence that this country can no longer afford to be indifferent to the rapid deterioration of our merchant marine now taking place.

This is an article prefaced "Will Russia Bury Us at Sea?" and headed by the title "U.S.S.R.'s Big Fleet Expansion—Prelude to Economic Showdown or War." It appeared in the June 15 issue of Marine Engineering/Log, an authoritative, technical journal serving the maritime field.

The article—the results of many months of exhaustive research by Walter E. Oates, editor—reveals that Russia is midway through its current 7-year plan which will provide it with a merchant fleet in 1965 which is double the size of the one it had in 1960. It points out that the Communist Party Congress, which met in Moscow earlier this year, decreed that this crash shipbuilding program be continued right through 1980. It set target goals of a fleet in 1970 three times the size of the 1960 fleet. Its 1980 fleet is to be five to six times the 1960 level.

Also pointed out in the article is the fact that the U.S.S.R. had 226 merchant ships of 2,086,000 deadweight tons building or on order as of January 1, 1962. In contrast, the United States had only 65 ships of 1,084,000 deadweight tons building at that time.

Mr. President, these are only a few highlights of this comprehensive article which presents striking contrasts in the high priority Russia has assigned to its maritime buildup and the lethargy and disinterest that prevail in our attitudes here at home.

As my esteemed colleagues know, I often have expressed the belief that this Nation cannot afford to let its seapower deteriorate if it is to insure its military and economic integrity. And my references to seapower have always been in the classic sense, that is, strong naval forces, a modern merchant marine commensurate in size to this country's worldwide military, economic, and trade commitments, and an active shipbuilding and repair industry.

Our indifference to the sad state of our maritime capability and the continued contraction of our shipbuilding industry is particularly puzzling to me. Because of the standoff that exists between the United States and U.S.S.R. in nuclear weapons, this country has embarked upon a program to build up our conventional warfare capability.

Certainly our merchant marine, and attendant shipbuilding and repair facilities, would play a paramount role in any conventional war forced upon us. But we would not suspect it from the fiscal 1963 budget outlined for the Maritime Administration. This budget provides funds for the construction of only 9 freighters—although carryover funds may permit a total of 18 to be ordered.

In view of the serious deficiencies of our merchant fleet, a program of 30 to 40 ships per year would be more appropriate. This I have advocated many times.

Because the Russian maritime buildup has very serious implications to this country's future security, I believe my colleagues should read the article in its entirety. I hope that all Members have an opportunity to do so.

AUTHORIZATION FOR APPROPRIATIONS TO NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—CONFERENCE REPORT

Mr. KERR. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11737) to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes. I ask unanimous consent for the present consideration of the report.

The ACTING PRESIDENT pro tempore. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 30, 1962, pp. 14960–14962, Congressional Record.)

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. KERR. Mr. President, the differences between the bill as passed by the House and the bill as passed by the Senate were limited; in fact, they were very small, percentagewise. In the conference the differences were unanimously resolved on a basis more nearly comparable to the language in the bill as passed by the Senate than by the House. I hope that the conference report will be agreed to.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Could the Senator state for the record what was the final authorization figure arrived at by the conferees?

Mr. KERR. The final conference agreement is $3,744,115,250. It was a few million dollars less than had been passed by the Senate.

Mr. PROXMIRE. I did not hear the Senator. How much less?

Mr. KERR. A few million dollars less than as passed by the Senate. Actually the amount was $5,400,000 under the original Senate bill.

Mr. PROXMIRE. So the authorization bill would increase the authorization for NASA by approximately $2 billion over the authorization for fiscal year 1962. Is that correct? Roughly, it would go from $1.7 billion to about $3.7 billion.

Mr. KERR. Yes; for fiscal 1962 the amount was $1,784,300,000. For fiscal 1963 the figure is $3,744,115,250.

Mr. PROXMIRE. I thank the Senator. Later I will discuss what an immense increase this represents and its serious consequences especially on our short supply of scientific manpower.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

Mr. KERR. Mr. President, I move to reconsider the action by which the conference report was agreed to.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

AUTHORIZATION OF APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1631, the Atomic Energy Commission authorization bill.

The ACTING PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The Legislative Clerk. A bill (S. 3392) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Joint Committee on Atomic Energy, with amendments, on page 1, line 7, after the word "of", to strike out "$160,415,000" and insert "$159,415,000"; and on page 4, line 2, to strike out "$10,000,000" and insert "$9,000,000", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Sec. 101. Plant or Facility Acquisition or Construction.—There is hereby authorized to be appropriated to the Atomic Energy Commission in accordance with the provisions of section 261a(1) of the Atomic Energy Act of 1954, as amended, the sum of $159,415,000 for acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, as follows:

(a) Special Nuclear Materials.—

Project 63–a–1, modifications to production and supporting installations, $5,000,000.

Project 63–a–2, modifications to facilities for conversion of UNH to UF, $1,450,000.

Project 63–a–3, radioactive waste disposal facilities, Hanford, Washington, $3,700,000.

(b) Special Nuclear Materials.—

Project 63–b–1, consolidated service facility, Hanford, Washington, $955,000.

Project 63–b–2, additional high level waste storage tanks, Savannah River, South Carolina, $6,000,000.

Project 63–b–3, health physics headquarters addition, Savannah River, South Carolina, $1,000,000.

Project 63–b–4, emergency duty personnel shelters, various sites, $4,000,000.

(c) Atomic Weapons.—

Project 63–c–1, weapons production, development, and test installations, $10,000,000.

Project 63–c–2, addition to special metallurgical facility, Mound Laboratory, Miamisburg, Ohio, $540,000.

Project 63–c–3, production plant addition, Mound Laboratory, Miamisburg, Ohio, $300,000.

Project 63–c–4, hydraulic centrifuge installation, Sandia Base, New Mexico, $700,000.

Project 63–c–5, specialized plant additions and modifications, phase II, Oak Ridge, Tennessee, $2,200,000.

Project 63–c–6, pulsed power research facility, Lawrence Radiation Laboratory, California, $1,950,000.

Project 63–c–7, gamma irradiation facility, Sandia Base, New Mexico, $650,000.

Project 63–c–8, dynamic test complex, Lawrence Radiation Laboratory, California, $265,000.

Project 63–c–9, nondestructive test facility, Oak Ridge, Tennessee, $510,000.

Project 63–c–10, processing facilities, Rocky Flats, Colorado, $3,000,000.

(d) Atomic Weapons.—

Project 63–d–1, terminal facilities—115 kilovolt power line, Los Alamos Scientific Laboratory, New Mexico, $1,950,000.

Project 63–d–2, environmental control facilities, phase III, Kansas City, Missouri, $1,200,000.

Project 63–d–3, engineering building addition, Lawrence Radiation Laboratory, California, $4,000,000.

Project 63–d–4, model shop addition (Sandia), Livermore, California, $820,000.

Project 63–d–5, engineering model shop, Kansas City, Missouri, $1,000,000.

Project 63–d–6, improvement of United States Highway 95—Las Vegas, Nevada, to the Nevada test site, $9,000,000.

(e) Reactor Development.—

Project 63–e–1, housing for lithium cooled reactor experiment, $5,000,000.

Project 63–e–2, modifications to reactors, $5,000,000.

Project 63–e–3, organic reactor project, $20,000,000.

Project 63–e–4, research and development test plants for Project Rover, $10,000,000.

Project 63–e–5, modifications and additions, CANEL, Middletown, Connecticut, $1,400,000.

(f) Reactor Development.—

Project 63–f–1, cafeteria, Argonne National Laboratory, Illinois, $1,500,000.

(g) Physical Research.—

Project 63–g–1, accelerator improvements, Lawrence Radiation Laboratory, California, $750,000.

Project 63–g–2, accelerator improvements, Cambridge and Princeton accelerators, $800,000.

Project 63–g–3, accelerator improvements, Argonne National Laboratory, Illinois, $500,000.

Project 63–g–4, accelerator and reactor additions and modifications, Brookhaven National Laboratory, New York, $2,250,000.

(h) Physical Research.—

Project 63–h–1, low level radiochemistry laboratory, Hanford, Washington, $1,200,000.

Project 63–h–2, inorganic materials laboratory, Lawrence Radiation Laboratory, California, $2,500,000.

Project 63–h–3, corporation yard, Lawrence Radiation Laboratory, California, $1,500,000.

Project 63–h–4, mathematics and computer building, Argonne National Laboratory, Illinois, $2,300,000.

Project 63–h–5, building addition for physics and mathematics, Brookhaven National Laboratory, New York, $5,000,000.

Project 63–h–6, water treatment plant, Brookhaven National Laboratory, New York, $1,000,000.

(i) Biology and Medicine.—

Project 63–i–1, biological research laboratory additions, Oak Ridge National Laboratory, Tennessee, $930,000.

(j) Isotopes Developments.—

Project 63–j–1, isotopes technology laboratory, Oak Ridge National Laboratory, Tennessee, $390,000.

Project 63–j–2, marine products development irradiator, $600,000.

Project 63–j–3, two mobile irradiators, $700,000.

(k) Community.—

Project 63–k–1, White Rock Elementary School, Los Alamos, New Mexico, $600,000.

Project 63–k–2, real estate development, Los Alamos, New Mexico, $600,000.

Project 63–k–3, additional water well, Los Alamos, New Mexico, $165,000.

(l) General Plant Projects.—$34,540,000.

Sec. 102. Limitations.—(a) The Commission is authorized to start any project set forth in subsections 101 (a), (c), (e), and (g), only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

(b) The Commission is authorized to start any project set forth in subsections 101 (b), (d), (f), (h), (i), (j), and (k), only if the currently estimated cost of that project does not exceed by more than 10 per centum the estimated cost set forth for that project.

(c) The Commission is authorized to start a project under subsection 101(l) only if it is in accordance with the following:

1. For community operations, the maximum currently estimated cost of any project shall be $100,000 and the maximum currently estimated cost of any building included in such project shall be $10,000.

2. For all other programs, the maximum currently estimated cost of any project shall be $500,000 and the maximum currently estimated cost of any building included in such a project shall be $100,000.

3. The total cost of all projects undertaken under subsection 101(l) shall not exceed the estimated cost set forth in that subsection by more than 10 per centum.

Sec. 103. Advance Planning and Design.—There are hereby authorized to be appropriated funds for advance planning, construction design, and architectural services, in connection with projects which are not otherwise authorized by law, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

Sec. 104. Restoration or Replacement.—There are hereby authorized to be appropriated funds necessary to restore or to replace plants or facilities destroyed or otherwise seriously damaged, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

Sec. 105. Currently Available Funds.—In addition to the sums authorized to be appropriated to the Atomic Energy Commission by section 101 of this Act, there are hereby authorized to be appropriated to the Atomic Energy Commission to accomplish the purposes of this Act such sums of money as may be currently available to the Atomic Energy Commission.

Sec. 106. Substitutions.—Funds authorized to be appropriated or otherwise made available by this Act may be used to start any other new project for which an estimate was not included in this Act if it be a substitute for a project or portion of a project authorized in subsections 101 (a), (b), (c), and (d) and the estimated cost thereof is within the limit of cost of the project for which substitution is to be made, and the Commission certifies that—

(a) the project is essential to the common defense and security;

(b) the new project is required by changes in weapon characteristics or weapon logistic operations; and

(c) it is unable to enter into a contract with any person, including a licensee, on terms satisfactory to the Commission to furnish from a privately owned plant or facility the product or services to be provided in the new project.

Sec. 107. Amendment of Prior Year Acts.—(a) Section 101 of Public Law 86–50 is amended by striking therefrom the figure "$165,400,000" and substituting therefor the figure "$172,900,000".

(b) Section 101(g) of Public Law 86–50 is amended by striking therefrom "Project 60–g–3, transuranium laboratory, Oak Ridge National Laboratory, Tennessee, $1,200,000" and substituting therefor "Project 60–g–3, transuranium processing plant, Oak Ridge National Laboratory, Tennessee, $8,700,000".

(c) Section 101 of Public Law 87–315 is amended as follows: (1) by striking therefrom the figure "$3,000,000" for project 62–a–5, additional reactor confinement, Savannah River, South Carolina, and substituting therefor the figure "$12,000,000"; (2) by striking therefrom the figure "$7,500,000" for project 62–c–1, weapons production, development, and test installations, and substituting therefor the figure "$15,000,000"; (3) by striking therefrom the figure "$1,000,000" for project 62–i–3, controlled environment laboratory, Brookhaven National Laboratory, New York, and substituting therefor the figure "$1,800,000"; and (4) by striking therefrom the figure "$700,000" for project 62–i–4, animal bioradiological laboratory, Lawrence Radiation Laboratory, California, and substituting therefor the figure "$980,000".

(d) Section 101 of Public Law 85–590 is amended by striking therefrom the figure "$386,679,000" and substituting therefor the figure "$436,879,000".

Sec. 108. Rescissions.—(a) Public Law 86–50, as amended, is further amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

Project 60–e–14, experimental low-temperature process heat reactor, $4,000,000.

(b) Section 111 of Public Law 86–50 is rescinded.

Sec. 109. Cooperation With European Atomic Energy Community.—There is hereby authorized to be appropriated to the Atomic Energy Commission, in accordance with the provisions of section 261a(2) of the Atomic Energy Act of 1954, as amended, the sum of $5,000,000, in addition to the sum of $10,000,000 previously authorized, which shall be available for carrying out the purposes of section 3 of Public Law 85–846, providing for cooperation with the European Atomic Energy Community.

Sec. 110. Cooperative Power Reactor Demonstration Program.—(a) Section 111 of Public Law 85–162, as amended, is further amended by striking out the date "June 30, 1962" in clause (3) of subsection (a) and inserting in lieu thereof the date "June 30, 1963".

(b) There is hereby authorized to be appropriated to the Atomic Energy Commission the sum of $3,000,000 to be available, in addition to the funds heretofore authorized, for carrying out the Commission's power reactor demonstration program in accordance with the terms and conditions provided in sections 110 and 112 of Public Law 86–50.

(c) Funds authorized and appropriated to the Commission and authorized waivers of the Commission's use charges, available for the third round of the Commission's power reactor demonstration program, shall also be available to the Commission for use in a supplemental program of third round cooperative arrangements in accordance with the criteria heretofore submitted to the Joint Committee on Atomic Energy and in accordance with the provisions of subsections 111 (b) and (f) of Public Law 85–162. Under any such arrangements the Commission may furnish funds for design assistance without regard to the provisions of section 169 of the Atomic Energy Act of 1954. No funds or waiver of use charges made available by this section shall be available for projects heretofore approved under the power reactor demonstration program or for other nuclear power projects already under construction.

(d) Funds authorized and appropriated to the Commission and authorized waivers of the Commission's use charges, available in support of unsolicited proposals from the utility industry to construct nuclear powerplants, shall also be available to the Commission for use in a cooperative arrangement with any person or persons for participation in a nuclear reactor project to generate electricity, process heat, or both. Any such arrangement shall be entered into in accordance with the criteria for the third round of the Commission's power reactor demonstration program, including the provisions of section 111(b) of Public Law 85–162: *Provided, however*, That under any such arrangement, the Commission may furnish funds for design assistance without regard to the provisions of section 169 of the Atomic Energy Act of 1954.

Sec. 111. Organic Reactor Project.—(a) The Commission is authorized to enter into cooperative arrangements with any person or persons for participation in the development, design, construction, and operation of an organic reactor authorized under project 63–e–3 of section 101(e) of this Act, and the utilization of the steam generated by the reactor plant. Under such arrangements—

(1) the Commission is authorized to obtain the participation of such person or persons to the fullest extent consistent with the Commission's direction of the project and ownership of the reactor:

(2) the reactor plant may be constructed upon a site provided by a participating party with or without compensation;

(3) the reactor plant shall be operated by, or under contract with, the Commission, for such period of time as the Commission determines to be advisable for research and development purposes and for such additional period as the Commission may determine to be necessary in the best interest of the Government. Upon the expiration of such period, the Commission may offer the reactor plant and its appurtenances for sale to a participating party or parties at a price to reflect appropriate depreciation, but not to include construction costs assignable to research and development, or the Commission may dismantle the reactor plant and its appurtenances;

(4) the Commission may sell steam to a participating party at rates based upon the present cost of, or the projected cost of, comparable steam from a plan using conventional fuels at the reactor location; and

(5) any steam sold shall be used for industrial, manufacturing, or other commercial purposes, including the generation of electric power for use by a participating party, or for research and development related thereto, but shall not be used for the generation of electric power for sale by a participating party. The participating party or parties shall provide facilities required for such utilization of the steam generated by the nuclear plant.

(b) Before the Commission enters into any arrangement or amendment thereto under the authority of subsection (a) of this section, the basis for the arrangement or amendment thereto which the Commission proposes to execute (including the name of the proposed participating party or parties with whom the arrangement is to be made, a general description of the proposed powerplant, the estimated amount of cost to be incurred by the Commission and by the participating parties, and the general features of the proposed arrangement or amendment) shall be submitted to the Joint Committee, and a period of forty-five days shall elapse while Congress is in session (in computing such forty-five days, there shall be excluded the days on which either House is not in session because of adjournment for more than three days): *Provided, however*, That the Joint Committee, after having received the basis for a proposed arrangement or amendment thereto, may by resolution in writing waive the conditions of, or all of any portion of, such forty-five-day period: *Provided further*, That such arrangement or amendment shall be entered into in accordance with the basis for arrangement or amendment submitted as provided herein: *And provided further*, That no basis for arrangement need be resubmitted to the Joint Committee for the sole reason that the estimated amount of the cost to be incurred by the Commission exceeds the estimated cost previously submitted to the Joint Committee by not more than 15 per centum.

(c) In the event no satisfactory proposal for a cooperative arrangement is received, the Commission may, if the project is still deemed desirable, proceed with design, construction, and operation of such a reactor plant at a Commission installation. The electric energy generated shall be used by the Commission in connection with the operation of such installation and the provisions of section 112 of Public Law 86–50 shall be applicable to this project.

TRIBUTES TO LEADERS AND OTHER SENATORS

Mr. KERR. Mr. President, I wish to especially commend the majority leader and the minority leader for the unanimous-consent agreement which has been worked out and which has been agreed to.

The Senator from Oklahoma has been in this body nearly 14 years. The statesmanship displayed by both our leaders, the Senator from Illinois [Mr. DIRKSEN] and the Senator from Montana [Mr. MANSFIELD], was of the highest order that the Senator from Oklahoma has seen in all the years he has been in the Senate.

I wish to commend also Members of the Senate. The distinguished group of Senators who have been opposing the bill and the distinguished group of Senators who last night felt it would not be best for the unanimous-consent agreement to be entered into at that time deserve commendation for their continued forbearance and cooperation, and the high order of recognition of their responsibility as well as their opportunity to be of service to their country and to the Senate.

Mr. President, I cannot adequately express my appreciation for the kindliness, the forbearance, the patience, and the wisdom of our great majority leader and for the cooperation, understanding, and statesmanship of the minority leader who worked together so well to bring about the result which has in the past few minutes been attained.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KERR. I will yield to the Senator in a minute.

I also wish to express my deep appreciation of and high respect for the distinguished Senator from Rhode Island [Mr. PASTORE]. He was most effective in his efforts, in the cooperation which he gave, and the contribution which he made.

The same is true, Mr. President, of the distinguished Senator from Minnesota [Mr. HUMPHREY], the majority whip.

I also appreciate the contribution made by the distinguished Senator from California [Mr. KUCHEL].

Frankly, I did not agree with the manner in which he arrived at his conclusion or the statements he made in leading up to his recommendation that the unanimous-consent agreement be accepted, but I have often thought, Mr. President, it is the objective we seek, the end we reach, rather than the road we travel which determines our position, our attitude and the degree to which we have devoted and dedicated ourselves to our objectives. My regard for the Senator is so high and my regard for his objective so great that I also wish to express my appreciation to him.

I now yield to the Senator from Oregon.

Mr. MORSE. Mr. President, I should like to supplement the remarks made by the Senator from Oklahoma [Mr. KERR] by saying that I think the Senator from Tennessee [Mr. KEFAUVER] is deserving of the high commendations of our group and I think of the Senate for the leadership which he gave in connection with the arrangement which has been worked out. As chairman of the Subcommittee on Antimonopoly he has rendered a magnificent service. He has spearheaded the position of those of us who find the bill unacceptable. In my judgment, were it not for his leadership yesterday afternoon, we would probably not be in what I think is the desirable position that the Senate is now in as the bill goes to the Committee on Foreign Relations.

I also wish to commend the junior Senator from Tennessee [Mr. GORE], who was asked to carry our proposal to the majority leader, for his wisdom in our consultations. That was not an easy arrangement to make within our group, for there were some among us who did not want to enter into an agreement. I did not share that point of view. There were some of us who did not want an agreement unless there could be at least 3 weeks—one suggested 4 weeks—devoted to hearings before the Foreign Relations Committee. I did not share that point of view. It seemed to me that a reasonable compromise of our differences was to ask that the Committee on Foreign Relations be given an opportunity to conduct hearings for 10 days. We happen to think that that is of vital importance, because we believe we should have an opportunity to bring out at the hearings some of the foreign relations aspects and implications of the bill. We ask only for an opportunity to make a record in those hearings. We shall attempt to establish the premises for which we have been contending in the debate. We think the bill deserves modification in the light of its foreign relations implications. Then it is for the Senate to decide, after debate, what its course of action shall be.

In my judgment, the senior Senator from Tennessee [Mr. KEFAUVER] made a noble and magnificent effort as our leader in the negotiations. He was ably assisted by the junior Senator from Tennessee [Mr. GORE].

To the majority leader, the Senator from Montana [Mr. MANSFIELD], and to the Senator from Oklahoma [Mr. KERR], I wish to say that I think we have demonstrated again the strength of the democratic legislative process in a democracy. In the interest of the public good, we hammered out our differences on the anvil of conscionable compromise.

Mr. ALLOTT and **Mr. DOUGLAS** addressed the Chair.

Mr. KERR. Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Colorado.

Mr. ALLOTT. Mr. President, in the light of what occurred in the Senate last night, I should like to continue the thoughts I expressed at that time, because I do not think they should be dropped.

A moment ago the senior Senator from Oregon spoke of the events which have occurred as an outstanding example of hammering out the processes of democracy. What has occurred is as far away from that as anyone could imagine. The issue brought to the Senate is a question that the Senate will have to face at some time in the near future. I have been one of those who have repeatedly opposed the further modification of rule XXII. The trouble lies not in the rules, but in the willingness or unwillingness of Senators to assert their rights and measure up to their responsibilities under the rules.

In the initial instance, the signatures of only 16 Senators upon a cloture motion are needed to enforce cloture. Then 1 hour after the Senate convenes 2 days later, the Senate votes. The rule does not require the vote of 66⅔ percent of the elected Senators to impose cloture. The votes of only two-thirds of those present and voting are necessary in order to enforce cloture.

The question before the Senate today and forever is, Does each individual Senator have the will individually to add his name to the list of names of other Senators who will vote for cloture in a given case? The trouble is that the cloture procedure has too long been associated with the civil rights question. Repeatedly I have been identified with support of civil rights legislation. Since cloture has been so long associated with the civil rights question, consideration of the use of rule XXII immediately becomes involved in an emotional issue.

I think it is pathetic, lamentable, and deplorable when the U.S. Senate sits here, as it has done for weeks, and particularly during the past week, without exercising the will to say, "We will back the majority leader and make the bill the business of the Senate." If the bill then becomes the business of the Senate, each individual Senator must decide for himself at what point in the debate he should say that the public of the United States has had an opportunity to be completely aware of all the facets and facts regarding the question, and to let other Senators know what their wishes are with respect to proposed legislation. But that is a decision that every Senator must reach himself. No fancy words, no after-hours lovefests, and no morning-hour lovefests telling how great and wonderful Senators are will ever avoid the basic responsibility of each Senator to come to the floor of the Senate and decide whether or not there has been sufficient debate, explanation, and education to enable Senators to decide whether a question should be brought to a vote.

Extended and unlimited debate is not intended for the purpose of avoiding a vote. Extended debate is merely to insure that minorities and minority opinions will not be foreclosed. I do not believe that two-thirds of the Senators present and voting will ever foreclose by cloture the senior Senator from Colorado or any other Senator until he has had ample time and opportunity to explain his position to the Senate and to the people of the United States.

So, Mr. President, I say that the question is not even the satellite bill—and I see my friend the distinguished Senator from Rhode Island on the floor—which I regard as one of the most important legislative proposals we have had before us, but that the even more important question is the question of determining individually and collectively whether we can legislate. I say that the history of the last few weeks with respect to the satellite bill has been no credit to the Senate. We must decide whether or not we can in fact make these democratic processes work in the Senate. We can if we have the courage to work our will. If we do not have the courage to work our will, we cannot make them work.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield to the Senator from Rhode Island.

Mr. PASTORE. I agree with my friend the Senator from Colorado. The spectacle which we have witnessed during the passed 2 weeks reflects little credit upon this august body. I do think, however, that the fault does not lie so much with the filibuster, made possible by the Senate rules but rather with the reluctance of a majority of Senators to invoke cloture, which is also an element of the Senate rules. We have tried to invoke cloture several times. There has always been a difference of opinion as to whether two-thirds of those elected or two-thirds of those present and voting should be the deciding number; or whether we should have made the number three-fifths of those present and voting, or whether we should make it a bare majority.

I do not believe the magic lies in the figure. I quite agree with my friend from Colorado that the answer lies in the actual willingness of the Members of this body to bring this sort of thing to a halt. It has been my experience that cloture has not been invoked because there are some Members in the Senate who under no circumstances will sign a cloture petition and will never vote for cloture. In the current instance I wondered whether there would be a sufficient number of Senators who would vote for cloture. From my calculations the result was in doubt.

I say again that we have the rule, but what we need, really, is the will. I believe that if the Senate wants to vote it can get a vote, provided two-thirds of those present and voting stand up and show that the time has come to cut out the nonsense and proceed to vote.

Mr. ALLOTT. I thank the distinguished Senator from Rhode Island. He has said in a very vigorous way exactly what I have been discussing, the question whether we have the will. It is not the magic of numbers, the number it takes to invoke cloture. It is whether we are willing in this body to exercise our will individually and collectively to make this body function.

REVISION OF RULE XXII OF THE STANDING RULES OF THE SENATE

Mr. DOUGLAS. Mr. President, it is the intention of some of us, as soon as the next Congress convenes, to propose a change in rule XXII, which now protects the filibuster and which in so doing also protects violations of civil and constitutional rights.

Such proposals have been advanced in the Senate for many years. The Senator from Illinois has proposed for years that a majority of the Senators elected and sworn shall have the power to limit debate after 15 days of debate, and that thereafter each Senator shall be restricted to 1 hour, and that this 15-day limitation plus 1 hour for each Senator may apply both on the motion to take up a measure and on actual action on the bill itself.

The proposal which many of us have made, therefore, provides that at least 4 weeks of debate—in all probability 6 weeks or more—will be available.

SENATE SHOULD HAVE ULTIMATE RIGHT TO VOTE

Our group has always believed in extended discussion, but it has also believed in the right of the majority ultimately to work its will. That is what we believe in.

While I have not taken much part in the discussion on the satellite bill during the last few days, I believe a great deal of the discussion was very helpful in calling the attention of the Senate and of the country to some of the technical issues involved and some of the problems with respect to financial control. The questions, which I have evolved, have been designed to throw light upon these issues.

DOUBLE STANDARD APPLIED TO LIBERALS

I believe it ill-behooves those who have always in the past refused to change rule XXII, and who have always voted against cloture in civil rights matters, even when cloture was sought to be invoked only after weeks of debate, to denounce other Senators for proceeding to discuss a matter for approximately a week.

I believe in majority rule. I believe that an overwhelming majority—if not all—of those who have been engaged in extended discussion during the past days also believe in majority rule.

I well remember how highly placed Senators in past sessions have compared majority rule with Hitlerism, and have openly stated their belief in minority rule and in the power of the minority to prevent action. I do not subscribe to that doctrine and I hope that neither the Senate nor the country will subscribe to it.

We who believe in the ultimate power of the majority to act also believe in full and free discussion. We have noticed that when any measures which would affect the interests of the people are being discussed, these same defenders of the present provision in the rule in the field of civil rights will attack those who at least are trying to defend the interests of the great mass of American people, and accuse them of filibustering, because extended discussion is being engaged in.

DISCUSSION HAS SERVED PUBLIC INTEREST

Let me say that such extended discussion on the floor of the Senate has frequently served to protect the people of the United States. I well remember in 1950 when the present senior Senator from Oklahoma [Mr. KERR] was trying to jam through the Senate the gas bill, which would have taken from the American people the right to regulate the price of gas as it entered interstate pipelines. The Senator from Illinois, after studying the issue, felt it was his duty to discuss this issue thoroughly.

In the beginning it was said that there would not be more than 18 votes on our side. As the discussion progressed, and as it became apparent that the passage of the bill would involve an added toll of nearly $600 million a year from the American consumers, we began to get more votes. When the final rollcall came, instead of 18, we had 38 votes.

DEBATE BROUGHT PRESIDENTIAL VETOES

Popular agitation on the issue continued, so that President Truman vetoed that bill.

Then there were subsequent efforts to get the same bill through Congress, and a good deal of pressure was applied, a part of which was exposed by our late colleague, Senator Case, of South Dakota, when he pointed out that he had been offered what he considered to be a bribe of $2,500 to vote for the bill in the Senate.

As a result of that discussion, the bill was vetoed again.

Although regulation by the Federal Power Commission has been inadequate, those fights have saved the American people hundreds of millions of dollars, and possibly billions of dollars.

DEBATE SAVED BILLIONS FOR THE PUBLIC

I well remember another measure, and the attempt by much the same group to transfer Federal ownership of offshore oil to a handful of big oil companies. I remember how the Senator from Alabama [Mr. HILL] stood on the floor for about a month arguing that bill on its merits. I spoke for 3 days on the bill. While I did so, I was being constantly interrupted and was charged with filibustering by some of those who would maintain the filibuster in connection with civil rights to defeat any measure to improve the conditions of the Negro and Mexican-American citizen of this country.

We lost that battle apparently; but we did not really lose it, because although we were defeated on the final vote, during the process of discussion those who were trying to take all the offshore oil for the big companies had to back up. We drove them off the floor of the Senate when they proposed not merely to take the oil up to 3 miles—in the case of Texas 3 leagues—offshore but when they proposed to take the oil of the entire

Continental Shelf. I well remember when the ostensible sponsor of the bill fled from the floor of the Senate rather than to face the charges which we were making. He came back in the afternoon and withdrew the claim to the oil of the Continental Shelf.

Now, by a strange turn of events, it has been discovered that the major portion of the oil and gas lies outside the 3-mile limit and indeed lies outside the 3-league limit, and instead lies on the Continental Shelf; and royalties are being paid to the Federal Government to the tune of several hundred million dollars a year.

Here was a fight by a few Members of the Senate, who were denounced by a majority of the Senate, denounced by the newspapers of the country, and denounced by the leadership of the Senate. Nevertheless, by insisting that the issue be brought before the country, that small group of Senators saved billions of dollars for the citizens of the United States.

TEST OF SINCERITY IS WHO SUPPORTS CHANGE IN RULE XXII

We who believe in ultimate majority rule give evidence of our faith and belief in it by seeking a modification of rule XXII. We shall be back next January, and then we hope to get a yea-and-nay vote; and when the roll is called, we will find who are the real friends of majority rule in the Senate and who are its opponents.

Many of the irate cries which have been uttered during the past days will perhaps be shown up for what they are worth. Perhaps this experience may have taught some of the people who are not emotionally interested in the question of civil rights that the present rules of the Senate permit legislation on other matters than civil rights to be tied up also.

QUESTIONS ABOUT SATELLITE BILL SHOULD BE ANSWERED

I think the RECORD will bear out my statement that I have taken a very minor part in the discussion on the satellite bill. It certainly cannot be said that I have filibustered this bill. I asked some technical questions of the Senator from Tennessee [Mr. GORE], who answered them in a very able fashion, because I thought those facts needed to be stated and made a matter of public record. We may get more definitive answers when the discussion resumes. I had intended today to ask questions concerning the control of the corporation which is proposed to be set up: Whether it is to be a public-private corporation, as has been asserted, or in fact a private corporation. Who will control it? Who will elect 12 of the 15 directors? These are vital issues. I think they should be discussed.

I think that when the Senate resumes its discussion of the bill—and I should like to see the discussion of it resumed—not only should we deal with the technical problems involved in both a high orbit system and a low orbit system and with any international aspects, but also we should consider the nature of the corporation which is proposed to be set up. Then constructive suggestions may be made and the discussion may proceed.

RULES ARE FOR ALL SENATORS, NOT FOR JUST A FEW

Mr. President, I wish to emphasize this point. Some Members of the Senate think that the right to filibuster is exclusively the property of those who are opposed to civil rights, and that when others engage in extended discussion, they should be immediately shut off. I believe the rules of the Senate should be changed. I did not take part in any extended fashion in the discussion of the satellite bill, but I cannot blame Members of the Senate who see the present rules twisted and turned and taken advantage of by a minority of Senators, and they decide to use some of the same tactics. I cannot blame them, and I do not believe public opinion can blame them.

We live in a real world, and we operate in a tough legislative body. I think it was Machiavelli who said that the unarmed prophets have always perished, and only the armed prophets survive. I have been reluctantly driven to the conclusion that only those who are tough on and off the floor of the Senate survive in the Senate. It has taken me a long time to come to that conclusion. It goes contrary to every religious belief which I should like to hold. But I have concluded that the rulers of the Senate do not respect one who turns the other cheek and who yields constantly. Those who turn the other cheek get it slapped again and again and again. I intend to keep on turning the other cheek for a considerable period of time. I am not saying that I will cease to turn the other cheek. But I cannot blame Senators who, after 15 or 20 years of experience, decide that they are not going to turn the other cheek again. I cannot blame them if, swayed by strong convictions, they believe that they should use every advantage afforded by the rules of the Senate in behalf of the public interest that others use in opposition to civil rights and the public interest.

I hope that this statement may impress certain doubting Thomases who never care about civil rights, who are not interested in the oppression which is heaped upon 20 million of our citizens, and who sit by pharisaically, and allow it to continue. I hope they may see that in the interest of prudence it would be desirable to modify rule XXII and to permit a vote after 4 to 6 weeks of debate.

SENATE SHOULD CHANGE ITS RULES

I think we must change rule XXII. I think we must change the rule concerning the amendment of the Journal. I remember that when I was in the hospital at Bethesda in 1946 the distinguished senior Senator from New Mexico [Mr. CHAVEZ] brought up a civil rights bill, and the device that was used to defeat that bill by our southern friends was to demand the reading of the Journal and then to insist that the prayer of the Chaplain be included. The debate on that question went on for 10 days. To me, it seemed sacrilegious.

One can hardly blame the Senator from Oregon [Mr. MORSE], who was then a Member of the Senate, and who saw with his own eyes what happened, if, for a day, he used the same measure. The Senator from Florida said we had outgrown the device of amending the Journal. There is no surety that we have outgrown it. The rule permitting the amendment of the Journal still exists. Not until we have modified that rule can we be certain that such a practice will not be followed again. We know that in the past every advantage has been taken of the rules. We know that Senators who are opposed to civil rights are skilled parliamentarians. They are delightful colleagues, but when it comes to this point, they are ready to use every device. I hope we can change rule XXII and also the rule governing the reading of the Journal.

There are many other rules of the Senate which the Senator from Pennsylvania [Mr. CLARK], for example, is seeking to have modified. One of them is the rule of relevancy. A number of other modifications or changes would enable the Senate to be a more effective legislative body.

BRING FORWARD CLARK PROPOSALS

The proposals of the Senator from Pennsylvania have been referred to the Committee on Rules and Administration, and there they have been buried. If Senators desire to have the Senate adopt a more businesslike procedure, let them bring the Clark amendments out of the Committee on Rules and Administration. If the leadership of the Senate wants to improve the procedure of the Senate, let it bring out those proposals to change the rules. I will stay here until Christmas—I am perfectly ready to stay here until Christmas—to deal with this issue and to improve our procedures.

So I suggest that these problems be considered before we work ourselves up into a lather of fictitious, hypocritical indignation.

Mr. GORE. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield to the Senator from Tennessee.

Mr. GORE. Mr. President——

Mr. SPARKMAN. Mr. President, will the Senator from Illinois yield?

Mr. HOLLAND. Mr. President——

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Illinois yield; and if so, to whom?

Mr. DOUGLAS. I yield first to the Senator from Tennessee.

Mr. GORE. From the remarks of the distinguished senior Senator from Illinois, can we correctly conclude that he thinks there might be some Member who could hardly wait to use cloture in behalf of a special vested interest, although he would never think of using it in the protection of a civil right?

Mr. DOUGLAS. Yes, I think we are operating under a dual standard of ethics and procedures, under which the opponents of civil rights use every device in the rules to prevent the taking of action on the civil rights measures, and are then applauded by Senators in high position for using them, whereas those who try to protect the general interest have every obstacle thrown in their way and expose themselves to denunciation by the leadership, the press, and all the rest.

Mr. SPARKMAN. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I am glad to yield to the Senator from Alabama, with whom I differ in regard to civil rights questions; but who I believe is a very fine public servant, with whom I have had very fine associations during my 14 years here.

Mr. SPARKMAN. I appreciate the comment of the Senator from Illinois.

I do not wish to participate in this particular discussion, but I thought the Senator from Illinois, as well as other Senators, would be interested in knowing that we plan to begin work on the satellite communications system bill in the Foreign Relations Committee tomorrow afternoon, at 2:30.

Mr. DOUGLAS. Good.

Mr. SPARKMAN. I have consulted with the majority leader, the Senator from Montana [Mr. MANSFIELD], the Senator from Tennessee [Mr. GORE], and the Senator from Oregon [Mr. MORSE], and we have decided that tomorrow afternoon at 2:30 the Foreign Relations Committee will meet in executive session, in order to lay out the plans. In the meantime we are alerting the various agencies which are interested in this proposal, and are notifying them to be ready to begin with the hearings on Friday morning; and we intend to proceed expeditiously.

I understand that the chairman of the committee will be back in Washington the first of next week, and I am sure he will be of the same mind; namely, that we shall proceed as expeditiously as possible to report the bill to the Senate just as soon as we can.

Mr. DOUGLAS. I am very glad to hear the Senator from Alabama say that.

Mr. JAVITS. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. JAVITS. First, I should like to say to the Senator from Illinois that he knows my very great respect for him and for his activities in the civil rights field and in connection with changing rule XXII—with all of which I have had an opportunity to associate myself with him ever since I have been a Member of the Senate.

Mr. DOUGLAS. Yes—and very effectively, too.

Mr. JAVITS. And if the people return me to the Senate, I shall be happy to have an opportunity to continue to join the Senator from Illinois in these endeavors in 1963.

I think there has been a serious misconception which has had an effect on our procedures; namely, that civil rights measures are of a different kind, and that different rules and standards should apply in connection with them.

Mr. DOUGLAS. It is precisely against that idea that I have been speaking. I have been appealing for a change.

Mr. JAVITS. Exactly so, and I should like to identify myself with that part of the argument of the Senator from Illinois.

I wish to point out that if the Senate once gets into the habit of avoiding a particular issue as one with which it does not wish to come to grips when there is extended debate, then that procedure will extend into every other field.

As was complained earlier today by the Senator from Colorado and the Senator from Rhode Island, once we do not use the tools we have to close debate and bring a matter to a vote—regardless of what may be the reason for refusing to use the tools available to us—in this case, of course, the civil rights reason—they die and fail because of disuse; and, as has been demonstrated, then they are no longer available, even when there is an overwhelming desire among the great majority to use them and when the national interest indicates that they should be used.

I join the Senator from Illinois in making the point that, somehow or other, many Members take a different attitude toward civil rights measures, as compared with others—perhaps because of the position taken by powerful Senators who have been Members of this body for a long time, or perhaps because of their deep views on the social questions involved.

I wish to say—and I know the Senator from Illinois feels exactly as I do—that we will use every precedent which was established here in connection with the debate on taking up the satellite communications system bill to buttress our arguments either in favor of changing the rules or in favor of invoking cloture in connection with the consideration of civil rights measures.

I repeat that the day when the Senate invokes cloture on a civil rights measure will be the day when the Senate will strike from itself the shackles which now enable a minority to run the business of the Senate, and therefore to run the business of the country.

Mr. DOUGLAS. I thank the Senator from New York, with whom I am in general agreement.

LIBERALS SHOULD DISARM UNILATERALLY

There is, however, one possible implication which I believe needs to be dealt with: I know the Senator from New York is not advocating unilateral disarmament in the Senate. I think I am a peace-loving man, but I do not believe in unilateral military disarmament; I do not believe that the United States should be disarmed, but that the Soviet Union should be armed. If we disarm, disarmament should be mutual and multilateral. But I think a great many persons are advocating that they should be armed—I refer to the opponents of civil rights measures who are arguing that they should be armed with every weapon in the rule book—but that if anyone else uses the same Senate rules, he should be reproved and disarmed.

As I have said, I do not think I can be accused of having engaged in extended debate, but references have been made to some Senators who have engaged in extended debate. I wish to say that the country can well understand that these Members, whose endurance has been tried beyond all reason, should wish to use these weapons for themselves. When Peter took up the sword, Jesus said that those who live by the sword shall perish by the sword; and that is true.

So it is that Senators who use tactics on the floor of the Senate which they think to their advantage—interminable debate, not in order to elucidate the issues but in order to prevent the taking of a vote—cannot complain if they receive the same treatment.

I wish to say that the protection which has been accorded to filibusters and those who practice it against civil rights measures during the last few years is beginning to breed a feeling of indignation. I think it ill becomes labeling Senators to denounce those who practice extended debate in defense of what they believe to be the rights of the American people, but to heap with compliments and rewards those who use worse tactics in an attempt to defeat civil rights measures.

Mr. JAVITS. Mr. President, will the Senator from Illinois yield very briefly again?

Mr. DOUGLAS. I yield.

Mr. JAVITS. I should like to say that I could not agree more with the Senator from Illinois. Certainly there must be mutuality. If the rules are in effect, we shall use them as well as anyone else will. That is why the key fight in connection with the entire civil rights issue relates to rule XXII.

Mr. DOUGLAS. That is correct.

Mr. JAVITS. The Senator from Illinois has never recommended, and I have never joined in recommending, other than a rule which will permit very extended debate.

Mr. DOUGLAS. Yes, we favor permitting at least 3 to 5 weeks of debate, and possibly 6 to 7 weeks of debate.

Mr. JAVITS. Therefore, all Senators, whatever may be the side they take on a given issue, will have full opportunity to make use of the rules.

Hence, the Senator's point, in which I completely join, that the key to the civil rights struggle—so clearly evidenced by the developments during the last few days—is a change in the rules; and I believe we shall proceed to that struggle in January much better armed than ever before.

Mr. DOUGLAS. I think that is true. The Senator from Oregon [Mr. MORSE], the Senator from Tennessee [Mr. GORE], and their associates carried on the discussion for only 4 days before they were bitterly denounced. The health-care bill was up for a long period of time, but there was no denunciation of those who were opposing that bill. As a matter of fact, they had the support of a bare majority.

Mr. KEATING. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. KEATING. As the Senator from Illinois knows, he and I have stood shoulder to shoulder in the effort to change rule XXII.

Mr. DOUGLAS. That is correct.

Mr. KEATING. We feel, and I believe that the American people also feel, that there should come a time when a majority of the Senate can work its will.

Mr. DOUGLAS. That is correct.

Mr. KEATING. The American people cannot understand why such exhibitions go on here—exhibitions of the sort we have witnessed during the last 2 days, or exhibitions of the sort that have occurred over and over again during the debates on civil rights measures.

I also agree completely with the Senator from Illinois that no criticism should be voiced against those who use the existing rules of the Senate as they have done. Certainly such criticism should not come from those who always have been unwilling to vote to close debate on civil rights measures; those Senators cannot very well say with any degree of forcefulness that debate on this measure should be stopped.

Here is perhaps where I part company with my distinguished friend, the Senator from Illinois. It seems to me that one of the lessons to have been gained in the last 2 weeks or so of debate is that there is a crying need for a change in rule XXII. We have constantly said that the time would come when the filibuster rule would work to operate against our national security and our national interests. In my judgment, that is exactly what has happened here. The satellite bill is an important bill from the standpoint of national prestige and the future security of the United States. It is important to get on with it. We cannot afford to wait. We must enact the bill before next year, when the International Telecommunications Conference will take place, in order to give our country a position of leadership in negotiating with the Soviet Union.

The fact is—and I think this is not a closed secret; it is an open secret—that we shall be faced with another filibuster come a week from Friday. We shall be back where we started, except the bill will be the pending business. We are going to be confronted with exactly the same situation that we had last week.

I surmise that the reason that the tactics changed and the move was made by way of unanimous consent rather than a petition for cloture was that the votes for cloture were not present. It must have been pretty clear to the leadership that it could not invoke cloture. If the same thing develops a week from Friday, and if there are not enough votes for cloture to be invoked after reasonable debate—and none of us who favor changing the rule would want to stop reasonable debate, we shall be faced with a serious situation.

I express the hope that, if we cannot invoke it on the first vote, we will stick to the consideration of the bill and try again, and, if necessary, again, to invoke cloture. I have not spoken on the bill, although I am a member of the Commerce Committee, and I know many foreign policy questions were discussed fully in that committee. I would like to see the Senate move directly to consideration of the bill and I did not wish to extend the debate at this point. However, I am not worried about amendments; perhaps some amendments might be good. I am prepared to trust the judgment of a majority of my colleagues on these points. But I am afraid that if we do not enact some similar type of legislation, we will perpetuate a monopoly. A.T. & T. has put Telstar into orbit, and nothing will stop A.T. & T. from going ahead. This bill provides that other carriers could participate. This bill is to prevent a monopoly. Unless we act on the bill, we shall indeed have demonstrated—and now I am going back to the side of my friend from Illinois—to every Member of the Senate that we must change these rules in order to get on with the Nation's business.

Mr. DOUGLAS. I appreciate the remarks of the Senator from New York. I hope the country and the Senate will give us support next January. But I am afraid we will run up against the same obstacles and objections. While I am ready to go very far, I do not think anybody in the Senate can be expected to engage in unilateral disarmament; to have some Senators disarm themselves, but at the same time to allow the opponents of civil rights measures every right under the sun.

NEED FOR ACTION ON NOMINATION OF THURGOOD MARSHALL TO BE A U.S. JUDGE

Mr. KEATING. Mr. President, will the Senator yield for one more comment?

Mr. DOUGLAS. Yes.

Mr. KEATING. One of the regrettable results of this filibuster was the cancellation of a scheduled hearing on the nomination of Judge Thurgood Marshall due to objections to the subcommittee's meeting. I had indicated that, unless the subcommittee proceeded by the first of August, which is today, I would feel it necessary in the full committee to move to discharge the subcommittee from further consideration of the nomination.

In all fairness, I do not believe that the subcommittee was at fault in canceling this particular hearing in view of the floor situation. However, this situation demonstrates the hazards to confirmation posed by the unreasonable delay to date in completing this subcommittee's work.

This morning I have been in touch with the Judiciary Committee. I have been assured that an early date will be set for further hearings on this nomination, but as of this moment no new date has been announced.

It is my sincere hope that between now and a week from Friday, when we may get into another interminable floor debate and instances where committees cannot meet, we shall be able to act on the nomination of this distinguished lawyer and jurist. As much as lies within my power as a member of the committee, I shall insist that this be done.

Mr. JAVITS. Mr. President, will the Senator yield briefly on the same matter?

Mr. DOUGLAS. I yield.

Mr. JAVITS. First, I wish to say I am deeply gratified by my colleague's diligence. I think it is a fine augury that he is on the committee looking after the nomination of Thurgood Marshall, directly and personally.

To complete the picture, I should like to state my pledge that, somehow or other, the Senate will have an opportunity to vote on this nomination before we go home. I know my colleague will move heaven and earth in the committee, but, beyond that, it will also be pursued. I do not say that necessarily I will do it. Perhaps my colleague may. Perhaps others will. Nevertheless, I think the record should be complete that those of us who are for the nomination will not stand by and see Thurgood Marshall relieved of his duties on the bench because the Senate has not acted before it adjourns.

I express what I know is the feeling of the whole State toward my colleague for the fine and diligent work he has been doing on the committee in order to bring about a proper conclusion to this very vexing problem.

Mr. KEATING. I thank my colleague.

THE SITUATION IN ALBANY, GA.

Mr. DOUGLAS. Mr. President, while we are on the subject of civil rights, may I say a group of 10 Senators have been meeting, both yesterday and today, concerning the situation in Albany, Ga., 5 from the Republican side of the aisle, and 5 from the Democratic side of the aisle. They have authorized me to make this public statement, and the body of this statement is being wired to the leaders of the Albany, Ga., movement. I would like to make it a part of the Record. The text of the statement is as follows:

> We, like millions of other Americans, are deeply concerned about the serious situation at Albany, Ga., where many hundreds of arrests of Negroes have been made for peaceful protests to secure basic constitutional rights. Accordingly, we have conferred with Assistant Attorney General Burke Marshall to urge that all possible steps be taken on behalf of those arrested. We have asked that investigation be conducted into any offenses against the persons of those involved. We shall continue to cooperate on a bipartisan basis in order to insure that every effort is made on the part of the Federal Government to secure the rights of Negroes in Albany, Ga., under the Constitution.

It is signed by five Senators on the Republican side: Jacob K. Javits, of New York; Clifford P. Case, of New Jersey; Kenneth B. Keating, of New York; Thomas H. Kuchel, of California; Hugh Scott, of Pennsylvania.

On the Democratic side: Paul H. Douglas, of Illinois; Joseph S. Clark, of Pennsylvania; Philip A. Hart, of Michigan; Hubert H. Humphrey, of Minnesota; Pat McNamara, of Michigan.

Mr. JAVITS. Mr. President, will the Senator yield at that point?

Mr. DOUGLAS. I yield.

Mr. JAVITS. I wish to say that this situation, to which we have addressed ourselves, is very serious. It bears out the tradition of bipartisanship which has always obtained in this field. I have the very distinct feeling that all of us feel the Federal Government has a place in the struggle which is going on and which could get very much worse. It should be our common purpose, in this very wonderful way in which we have always proceeded in the civil rights field, to see that the majesty and dignity of the Federal Government is interposed so that people may exercise their constitutional rights free of vexations and interference.

This is no disrespect to any community or to any State, but merely asserts the fundamental, basic rights of U.S. citizens.

I am very grateful to my colleague.

Mr. DOUGLAS. Mr. President, I yield the floor.

CORRECTION OF ERROR IN ENROLLMENT OF THE WORK-HOURS ACT OF 1962

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate may proceed to the immediate consideration of House Concurrent Resolution 506, to correct an error in the enrollment of H.R. 10786, the so-called Work-Hours Act of 1962.

The PRESIDING OFFICER. The concurrent resolution will be read for the information of the Senate.

The legislative clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives, in the enrollment of the bill (H.R. 10786) to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the United States, for any territory, or for the District of Columbia, and for other purposes, is authorized and directed to make the following change, viz: On page 11, line 3, of the House engrossed bill, strike out "June 18, 1912" and insert "June 19, 1912".

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The concurrent resolution is open to amendment.

If there be no amendment to be proposed, the question is on agreeing to the concurrent resolution.

The resolution (H. Con. Res. 506) was agreed to.

ARTICLE BY SENATOR HARRISON A. WILLIAMS, JR., ON THE BITTER HARVEST OF POVERTY AND NEGLECT OF MIGRATORY WORKERS

Mr. HUMPHREY. Mr. President, our distinguished colleague from New Jersey [Mr. Williams] has written an article entitled "Migratory Workers Must Not Continue To Reap Their Harvest of Poverty and Neglect," which has been published in the August 1962 edition of the Retail Clerks Advocate. I bring this to the attention of my colleagues and to the attention of the American people generally for two reasons.

First, it is a most complete, a most reasonable, and a most concise explanation of the reasons why we must enact laws to protect these deprived American citizens. The article is a tribute to its author as well as an eloquent plea on behalf of our impoverished migratory farmworkers.

Second, I think it is particularly noteworthy because of the magazine in which it appeared, the magazine of the Retail Clerks International Association, AFL–CIO, a union exclusively devoted to the welfare of retail store employees. It is a wonderful demonstration of humanity that those who sell foodstuffs and fibers are mindful of the misfortunes of the workers who pick them and are eager to see such misfortune eliminated. It is gratifying indeed to view this evidence of really enlightened union leadership. I think the publication of this article proves that our unions in general are deeply concerned with the larger problems our country faces; certainly it proves that they are sympathetic to and concerned about the plight of migratory farmworkers, and are strongly in favor of efforts to help them.

I have heard the Senator from New Jersey [Mr. Williams] say—and I fully share his opinion—that migratory workers, politically powerless, unorganized, depressed economically and socially, must depend upon their organized brethren to win for them the rights they deserve. Historically, there always has been the closest connection and good feeling between rural and urban workers. So, as a tribute to its author and as a tribute to the enlightenment of our American unions, and of the Retail Clerks International Association in particular, I ask unanimous consent that this excellent article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Migratory Workers Must Not Continue To Reap Their Bitter Harvest of Poverty and Neglect

(By Harrison A. Williams, Jr., U.S. Senator from New Jersey)

Each year, beginning in the early spring, the migratory farmworker and his family travel northward helping to plant, cultivate, and harvest our crops. Together they migrate from Florida to New York, from Texas through the Midwest, and from California to Washington performing essential field tasks for which no complete substitute for the human hand and eye has yet been devised. When they end their migration in the fall, the migratory farmworker and his family have reaped a harvest which has long made us the best fed, most productive nation in the world. But for themselves, they have reaped a harvest of poverty, illiteracy, and disease.

They are our most helpless workers, completely outside the ring of protection guaranteed most wage earners since the thirties. They have no guaranteed minimum wage, no protection against inhuman hours, no guarantee of overtime in their workweek, and no Federal right to bargain collectively. Their children are not adequately protected by child labor laws. Farmworkers do not receive unemployment compensation; too few of them are protected by workmen's compensation laws.

In the United States today approximately 2 million of our citizens are involved in the treadmill of poverty, illiteracy, and insecurity which dominate the life of the domestic agricultural migrant.

The migratory farmworker's income is the lowest in the Nation. In 1959, his average income for both farm and nonfarm work was a mere $911, and his average length of employment was under 150 days.

The most educationally deprived group in the Nation today are the migratory farmworkers and their children.

A serious problem exists also in regard to the migrant worker's housing, which rarely meets minimal standards of sanitation and comfort. Disease, sometimes reaching epidemic proportions, invades the migrants to a degree almost unknown among the general population.

The very nature of his work makes it difficult for the migratory farmworker to satisfy voting requirements. Moreover, the voice of those who do enjoy voting privileges has not been sufficiently strong to prevent their interests from being slighted in law.

The current effort to enact remedial migratory labor legislation was initiated by the Senate Subcommittee on Migratory Labor, established in August of 1959 by the Senate Committee on Labor and Public Welfare. With the help and cooperation of the Kennedy administration, the subcommittee has formulated a series of practical legislative proposals to lessen the most crucial problems of migratory farmworkers and their families.

Among these proposals, 11 in number, are bills providing an agricultural minimum wage, collective bargaining rights, prohibitions against child labor in agriculture outside school hours, and a more efficient and stable farm labor force. Other legislative subjects are better housing for farmworkers, Federal registration of the crew leader, and the establishment of a National Advisory Council on Migratory Labor.

The plight of the migratory farmworker is, in actual fact, the product of an indifferent, complacent society whose attitude, unlike the farmer's, can be neither condoned or justified. To many Americans, it would seem, the migratory farmworker and his family represent an undesirable element of our society to be shunned and ignored as much as possible. This widespread attitude, coupled with the farm employer's natural tendency to obtain his labor at the lowest possible cost and to oppose Government or other efforts which interfere with this objective, have worked hand in hand to keep our migratory workers in a deplorable state of poverty.

In a philosophical sense, there has been a failure of one of the most fundamental principles of American democracy—equality of opportunity—which has never really been available to the Nation's migratory farmworkers. Indeed, the denial of this principle to these citizens might be regarded as an actual repudiation by some Americans of the idea of equal opportunity. Curative measures should have as their guiding spirit the need to bring democracy to this part of our society. The positive acts to bring the needed measures into effect will depend upon each of us as individuals. Only by our creation of positive public opinion can we influence the forces opposing reform.

TRIBUTE TO MAJORITY LEADER

Mr. KEATING. Mr. President, there are two very brief comments I wish to make with regard to the handling of the satellite communications bill.

First, let me say that when our majority leader was under some personal attack there were scores of us who wished to stand up right at that moment and tell of our very high regard for him, for his integrity, for his patience and for his honorable dealings with us. We felt it undesirable at that time to take the time of the Senate to do so. But I can assure the Senator from Montana that he had our full support for his efforts to bring this filibuster to an end and our sincere admiration for his forbearance. I did not wish to have this occasion pass without making reference to the high regard in which we hold his attitudes throughout this debate.

Second, Mr. President, the President of the United States will have a fine opportunity this afternoon at his press conference—and if he does not do it then he should do it, in my judgment, before the bill returns to the Senate—to clear up the point which has been made over and over again, that the bill is not the President's bill, that it is a bill altered in substantial respects from the one which the President sent to the Congress and that there is opposition to the bill within the administration. The bill has been altered somewhat, but I feel confident it still has the support of the President of the United States. I hope that in his press conference today a question will be directed to the President which will give him an opportunity to reiterate that in forceful terms.

Mr. COOPER. Mr. President, I wish to associate myself with the remarks made by the distinguished junior Senator from New York in respect to the majority leader. He was correct in saying that many of us would have liked to make statements about the majority leader, but as the Senator said, we thought perhaps it was not appropriate for us to take part in the controversy occurring on the majority side.

I wish to say also I think all of us on this side have held the majority leader in the highest respect and we have the highest regard for his integrity, honesty, and fair dealing.

PROPOSED REVISION OF RULE XXII OF THE STANDING RULES OF THE SENATE

Mr. HOLLAND. Mr. President, I am sorry that the distinguished Senator from Illinois [Mr. Douglas] has seen fit to leave the Chamber. I hope that he will soon return. The Senator made two references to me during the course of his recent remarks. He must have known that I intended to reply thereto, so I hope that he will return to hear what I have to say.

In the first place, with reference to a modification of the rules, it is thoroughly within the rights of the Senator from Illinois or of any other Senator to seek a modification of rule XXII. I make no criticism or even comment with reference to that right and that intention as expressed by the Senator from Illinois.

I hope the Senator will be completely unsuccessful in the efforts of which he has given notice, which he says will take place at the beginning of the next Congress. The reason why I hope so is that I think rule XXII is a necessary part of our democratic process. When there is an issue of sufficiently vital importance to a great area of the Nation that it runs to the question of order or disorder among our people, that it runs to the question of recognition of the rights of States, that it runs to the question of recognition of traditions as old as the areas which are affected, that it runs to matters of such importance that Senators representing their States are willing to stand on the floor of the Senate literally until they fall rather than to see those things done which they know will bring on disorder, chaos, and all kinds of bitterness and conflict among their people, I want Senators to continue to have that right.

Without seeking to quote in full, I merely remind the Senate that no less an expert on the system under which we live than Mr. Walter Lippmann has on more than one occasion said that he thinks it is necessary for us to remember always that on matters of such vital importance to great areas of our Nation there must be a system which prevents coercive rule by bare majority, and that this is a fixed part of our American system.

Mr. President, when a matter runs to the question of life or death; and that is how serious it is in a part of our Nation which is inhabited by 50 million people or more—when it runs to the matter of orderly, friendly, and harmonious living between peoples who live literally in adjoining lots, many of them on the same farms, some as owners and some as tenants; when it runs to the matter of the continuation of peaceful relations in a vast part of our Nation; it is important that there be a safeguard against the imposition of the will of the bare majority over the will of the people of a great area of our Nation, larger than most other nations on the earth and with a population greater than the population of most other nations.

Mr. President, that is beside the point in my comments at this time, because I wish to say that I join the junior Senator from New York [Mr. Keating] in his feeling that cloture should have been invoked in the instant matter, the question of proceeding to consider the satellite communications bill. I believe it could have been invoked in the instant matter. I know of many Senators who do not customarily vote for cloture who were prepared to vote for cloture in this matter, of whom the senior Senator from Florida happens to be one.

I think that, rather than subject ourselves to the recurring threat and almost certain event of another filibuster to come, beginning Friday a week, we should have gone ahead, faced up squarely as men to this situation, and invoked the cloture rule, as to the making of the order of business of the Senate the question of considering the satellite communications bill. There have been some references made—and they are not true—to the effect that the group that has opposed some of the so-called civil rights actions has been more tenderly treated by the leadership than was the group of Senators who oppose the satellite communications bill. Without laboring that point, I merely wish the Record to recite again what is true in respect to the bringing up of the literacy test bill only a few weeks ago. That bill was brought up without prior notice, by making a bill of negligible importance the order of business. The bill had no relation to civil rights. Then the announcement was thereafter made that a civil rights measure, the proposed literacy bill, which had not cleared a committee or even a subcommittee, would be offered as an amendment to that particular vehicle.

That procedure contrasts rather vividly with the procedure in the instant case. The debate on this last issue, up to now—and I believe it has occupied either 9 or 10 days—has had to do solely with the question of whether we will agree to a motion to make the satellite communications bill the order of business in the Senate. We have not yet reached the stage which the leadership took, without notice, in making an innocuous bill the pending business as a vehicle for a civil rights amendment in the matter of the literacy test debate.

I have no criticism to make of anyone in connection with that bill. I am merely calling attention to the fact that instead of being more tenderly treated by the leadership, those who were prepared to defend against the so-called civil rights measure were much more drastically treated than the objectors in the recent matter. There is no truth whatever to any implication or any charge that the group of Senators who objected to that so-called civil rights matter were given some special consideration. That does not happen to be true.

The Senator from Illinois criticized the senior Senator from Florida for having said, in the course of the recent debate, that he regretted that for the first time in his 16 years of service in the Senate it has been found desirable by Senators to debate the question of the approval of the Journal and to offer amendments to the Journal. The Senator from Florida made that statement. The statement is true. That device had not been resorted to in these 16 years. The Senator from Florida meant what he said when he remarked that he hoped the Senate had outgrown that kind of childish handling of the dilatory proceeding which we speak of as the filibuster. The Senator from Florida has participated in several long drawn out debates, and he has always imposed upon himself the rule of germaneness. Anyone who wishes with any degree of fairness to read what has been said, not only by the Senator from Florida but by his associates in those debates, will find that we did impose upon ourselves the rule of germaneness, and did not indulge in the simple time-wasting procedure which is indulged in when Senators proceed to object to the approval of the Journal and then through long hours, and even days, to propose amendments to the Journal.

That is a procedure which the Senator from Florida thinks reflects no credit upon either the Senate or upon anyone concerned, and he regrets that that course was followed in the particular debate we have just had.

The Senator from Florida has no criticism at all of those who debated against the satellite communications bill. That was their privilege. The Senator from

Florida was ready to vote to close off that debate and to make the satellite communications bill the pending business. But he certainly has no criticism whatever of any Senator who felt seriously enough about the question that he debated against the taking up of that bill. I only regret that Senators did not confine themselves to a discussion of the merits or demerits of that bill as they saw it, rather than to waste the time of the Senate by going into the question of the approval of the Journal and the offering of amendments thereto.

Mr. President, on the question of cloture, I think we will be confronted with that question again when the bill comes back to the floor. I hope that the leadership will be firmer and have more iron in its soul when we reach that stage in the debate, if such proves to be the case, because these are difficult times. The Senate and our country is subjected to very real criticism from our own people and from our neighbors and friends all around the earth when, with the tremendous success that the Telstar has proved to be, astonishing many of our own people and millions of our friends, we find ourselves tied up in a lengthy debate as to whether we will take up a bill which would proceed to organize in an effective way this great and successful effort. It is not a wartime effort, but is an effort designed to bring people closer together, and to improve communications among the nations, so that man may learn to better understand his fellow men and to live together with others in greater peace and in less confusion than we find on earth at the present time.

I think it is a sad commentary upon our way of doing things when we find it impossible to pass a bill recommended by the President; a bill that has passed the appropriate committee in the House with practically no dissent; a bill which has passed the House of Representatives with only a handful of votes in opposition; a bill which has been referred to two large standing committees in the Senate, and has been reported out of one of the committees, the Committee on Aeronautical and Space Sciences, by a unanimous vote of 15 members, and has been reported out of the other committee, the Committee on Commerce, by a vote of 15 out of 17 members. When we come to the stage that we are not even willing to proceed to organize this magnificent success which is the product of American genius and ingenuity and is the demonstration of the ability of American private industry to act with government under our system, which has the admiration of the world, I think we make ourselves appear ridiculous. I think that is the conclusion which every Senator who has participated in the recent lengthy discussion will reach as he gets closer back home and hears the acid comment of his people.

The second thing my distinguished friend, the Senator from Illinois [Mr. DOUGLAS], had to say about the Senator from Florida was said by implication. It was not correctly said. For that reason I am particularly sorry the Senator from Illinois has left the Senate Chamber. In the debate on the tidelands bill, as he stated the author of that bill, when it appeared that there was great objection to the passage of the bill in its larger form, going out to the Continental Shelf, absented himself from the Senate and then returned to agree that the more modest measure extending only out to the State lines had to be followed, and that there had to be passed a bill which would protect the Federal Government in its right to control the development of the Outer Continental Shelf.

He also said that, strange to relate, more oil and gas had been found in the Outer Continental Shelf than within the State limits. That fact was well known during the debate. It was reported by the Government geologists and other geologists. It was contained in the reports which were before the Senate at that time. It was referred to repeatedly at that time in the course of the debate. Anyone who claims that there was any unexpected development arising out of the fact that the Outer Continental Shelf proved a source of much more gas and oil than the inner shelf, which lies within the State lines, has forgotten what transpired at that time, because the printed reports of the committee and the printed hearings and records and reports of the Government geologists and other geologists showed so clearly at that time that the principal deposits were in the Outer Continental Shelf.

To pursue the matter one stage further, the distinguished Senator from Illinois gave the impression that the Senator from Florida had at some stage favored going out to the Continental Shelf. That just does not happen to be the case. The Senator from Florida had always taken the position that the tidelands bill should provide for going out only to the State boundaries. When the bill came up, first, that is, under the leadership of the Senator from Florida—and the first time it came to the floor was during the 82d Congress—there was also introduced a bill by one of the Senators from Texas, who was trying to carry out the request of his own legislature, which would have carried the tidelands provision out to the Continental Shelf. That bill was opposed by a substitute offered by the Senator from Florida, which extended the effect of the tidelands bill, insofar as States were concerned, only out to the State boundaries.

The record of the 82d Congress will show clearly that yea-and-nay votes were taken upon that matter, and that the suggestion of the Senator from Florida prevailed; that instead of going out to the Continental Shelf, the bill offered by the Senator from Florida was passed, and its provision reached out only to the State limits.

The debate will show that the Senator from Florida at that time in that debate stated that he felt the Federal Government and no one else was entitled to claim the Outer Continental Shelf, and that legislation should be passed to enable the Federal Government to provide for the development of that Outer Continental Shelf.

Not only is that the undisputed fact, but it is also the fact that in the 83d Congress, when the matter came up again, the Senator from Florida introduced a bill, which was finally passed and became law, and it, too, extended State ownership only to the State limits. Another bill was introduced by another Senator, and referred to the Committee on Interior and Insular Affairs, which would have carried the boundary well out farther. The committee did not consider favorably that bill. Instead, the committee reported the bill offered by the senior Senator from Florida and others, and that bill ultimately became law.

Therefore, anyone who suggests, either by implication or directly, that the Senator from Florida ever favored anything other than recognizing State proprietary ownership out to State lines only is either unfamiliar with the facts or he has forgotten those facts or he is indulging in a figment of vivid imagination. The fact is that the Senator from Florida advocated and supported the clarification of Federal control and development of those resources between the State boundaries and the Continental Shelf.

So much for that.

Let me remind the Senator from Illinois—and again I am sorry that he is not on the floor—that numerous Senators who sought to prevent the passage of that bill, offered by the Senator from Florida, stood on the floor of the Senate and with great assurance stated that the act would be unconstitutional and that it would be so held by the Court; further that it was an act of futility for the Senate and for the Congress to pass that bill.

The matter is history now, but history shows that the Supreme Court very quickly approved the act, which was offered under the authorship of the Senator from Florida and other Senators; that the Court likewise in a later decision approved a subsequent claim by the States of Florida and Texas carrying their rights in the Gulf of Mexico out three leagues, rather than 3 miles from their shores, and that it approved that position by a unanimous vote, except for one dissent. Those who care to read the decision will find that as to the Florida decision the dissenting Justice based his opinion not on any constitutional ground but based it simply on what he thought was inadequate reference in the legislation to the extension of the Florida line out three leagues from our coast.

The fact of the matter is that the Senator from Florida has never questioned the right of any Senator to indulge in unlimited debate on any matter on which he holds a deep conviction. However, the Senator from Florida felt and he feels now, and states for the record that there is a very great difference between cases. The Senator from Florida feels that the indulging in debate of that kind, and taking so much time of the Senate, and perhaps even defeating the will of the Senate, may be approved only in those cases which run to such vital values in the life of our country or great areas of it as to justify the

Senators from a great group of States in speaking and standing literally until they fall.

I have one more comment with reference to the statement of the Senator from Illinois—and again I am sorry that he has not yet returned to the floor—and that is that the Senator from Illinois wants to require everyone to agree with him on the subject of civil rights, as to what constitutes civil rights. He feels that certain things should be done under that banner. He has a right to his own convictions in it. Unfortunately, he does not recognize that others have the right to their convictions as to what should be done in connection with civil rights. I have not heard that the Senator from Illinois has ever taken a position in behalf of civil rights which was hurtful to him in any political way.

When the Senator from Florida voted to eliminate the poll tax from all Florida elections, when he was a State senator in the Florida Senate, it certainly was not a highly popular course of action. The Senator from Florida gave little attention to the fact that such was not a popular course of action. When the Senator from Florida came to the Senate, believing as he does that all American citizens, otherwise qualified, should have the right to vote for their President and Vice President and Senators and Representatives, introduced, nearly 14 years ago, a constitutional amendment to abolish the poll tax as the requirement for voting for Federal officials. He has stuck to that objective year after year in the effort to have that measure considered in the Senate. The Senate took it up 2 years ago and passed it. It was not taken up in the House. Due to the cooperation of leadership on both sides, for which I am grateful, the Senate took it up again this year, and passed it by an overwhelming vote.

As to whether it will be passed in the House or whether the measure will languish there again, the Senator from Florida does not know. Certainly the abolition of the poll tax as a requirement to vote in Federal elections is a meaningful approach to the civil rights question. But the Senator from Illinois seems to feel that anyone who will not go the mile further with him, and support the measures which he feels are also required by a proper civil rights attitude is not practicing any sort of conviction or conscientious approach to the civil rights question.

The Senator from Florida believes he knows as much about this problem as does the Senator from Illinois. He believes he has done as much for bringing about practical results, if not more, than has the Senator from Illinois. He does not yield to the Senator from Illinois in any respect as to conviction in this field.

But he thinks the Senator from Illinois has tried to bound from the valley up to the mountain peak by one jump, and that he disagrees with everyone else who feels that man just is not made in such a way as to be able to take that great leap all at one time. The Senator from Florida hopes that the Senator from Illinois will develop a greater attitude of tolerance and a lesser attitude of self-righteousness in this field, because it is getting to be a little bit wearisome to be reproached by the Senator from Illinois, when the Senator from Florida well knows that the things which he has advanced, which he has already mentioned, brought some political repercussions in his own State, and have differed with the convictions of some of the people in his own State; and he has not for a moment felt otherwise and has not for a moment feared to take positions which he thought were sound in this field.

Again, I regret that the Senator from Illinois still absents himself from the Chamber.

In closing, I simply wish to say that it seems to me that the Senator from Illinois not only has a faulty memory about the things which he has sought to recall about the tidelands bill; not only has he a vivid imagination as to what happened in that field; not only has he a very great feeling of self-contentment amounting to self-righteousness as to the propriety of his stands in the field of civil rights as being the only ones that are measurable as being anything like what they should be; but that he is not practicing, in this matter, the fairness toward his colleagues which he customarily practices toward everyone else.

The Senator from Florida simply says that, so far as he is concerned, he is willing at any time to put up his position in this field as against that of the Senator from Illinois, and that he hopes the Senate will have a chance to divide the men from the boys on the question of cloture before we finish with this measure. The Senator from Florida is sorry that cloture was not attempted last night, or a predicate established for it today, because he is ready today to move ahead with it. He believes that Senators simply have to regard each other as doing what, in their conviction, is the right thing to do; otherwise, the Senate becomes merely a forum for bitter forensics rather than for sound, reasonable debate and persuasion, each with the other based always on mutual respect.

The Senator from Florida is deeply interested in the success of the satellite bill. I think it is necessary for us to proceed in organizing our efforts. I think it is necessary for the great majority in the Senate, headed so ably by the distinguished Senator from Rhode Island [Mr. PASTORE], who is now in the Chamber, to proceed with all possible speed to the passage of the bill, with such amendments in it as may appeal to the majority of the Senate; so that we may show to the rest of the world and to our own people that not only do our scientists and our engineers have the genius, the know-how, and the vast ability to do things which would have been regarded proper subjects for a Jules Verne to write about a few years ago, but that we also have the commonsense and ability to get together and organize that effort and to proceed with it in a successful way, continuing to harness together private enterprise and Government in an effort which has so far proved so satisfactory and successful, and in which we have earned the admiration of the world. Yet here we are standing supinely, appearing to indicate that we cannot even agree on how we should organize to continue with that highly successful effort.

I hope we may be rescued in the shortest possible time from the very sorry spectacle which we are making now in the eyes of our own people and in the eyes of the world. I hope that Senators will rally behind the Senator from Rhode Island [Mr. PASTORE]; behind the two leaders, the majority leader and the minority leader; and the two whips, the majority whip and the minority whip; the chairmen of the committees which reported the measure; and the 30 Senators who, after diligent research in the hearings, have reported the bill with their approval; and that we will get on with the business of capitalizing upon a great success which means much to the Nation in its competition with the Soviet world, and which I think we are allowing to drift away from us by our inaction, our interminable delays, and our inability to get things done by sensible debate and action in the Senate.

ARMS CONTROL AND DISARMAMENT

Mr. HUMPHREY. Mr. President, some time ago in addressing the Senate on the subject of the U.S. arms control and disarmament efforts, I said that I would try to keep the Senate relatively well informed as to the developments at the conference of 18 nations on disarmament in Geneva, Switzerland. I am happy to note that the conference has been resumed after its recess and that at this very moment our Government is reexamining some of the positions it had advanced in the conference from March until June.

The other day, in the Senate, I urged upon our Government that we propose at the conference a ban on the testing of nuclear weapons in the atmosphere, underwater, and in outer space. I also urged that we press forward to seek some agreement toward preventing war by miscalculation, or what we call accidental war. I further urged that we seek to negotiate an agreement at the conference and within the United Nations to provide for cooperation between the United States, the Soviet Union, and other countries in the peaceful research of outer space; in other words, to make outer space a laboratory rather than a battlefield.

The recent nuclear tests on our part and on the part of the Soviet Union have revealed some rather important developments in terms of the detection of nuclear weapons explosions. Those details are being carefully studied today, as they have been during the past weeks, by the agencies of this Government which are responsible for our national security.

The President of the United States has been in conference two or three times in the past week with the Secretary of State, the Secretary of Defense, the

President's science adviser, the Chairman of the Atomic Energy Commission, the Director of the Central Intelligence Agency, and others, and, indeed, the Director of the U.S. Arms Control and Disarmament Agency.

The conferences to which I have referred have been called for the purpose of evaluating the results of recent nuclear tests and the results of those tests so far as they apply to methods of detection. The purpose of the evaluation is to discover or to ascertain whether we can alter or modify or change in any way the proposals we have advanced at the 18-nation Disarmament Conference at Geneva, proposals presented in April of this year. Without arriving at a valued judgment on that question, I have only said we ought to proceed with caution; we ought to try to ascertain, first, whether there is any inaction on the part of the Soviet Union to negotiate in good faith; and we surely ought to bring to the attention of the world as forcefully as we can the urgent necessity of arriving at an agreement to prohibit further nuclear tests in the atmosphere.

I emphasize this subject because it is now quite well accepted in scientific circles that the manufacture of nuclear weapons is well within the means of a number of countries, particularly if they could test the weapons.

It is my hope that it will be possible to stop the nuclear testing in the atmosphere at this time, so as to prevent a proliferation or a spreading of nuclear weapons.

Mr. President, I ask unanimous consent to have printed at this point in the Record a report of the U.S. Arms Control and Disarmament Agency, giving a summary of developments at the 18-nation Committee on Disarmament from March 14 to June 15, 1962.

There being no objection, the report was ordered to be printed in the Record, as follows:

U.S. Arms Control and Disarmament Agency—Summary of Developments at the Conference of the 18-Nation Committee on Disarmament, March 14–June 15, 1962

Up to now, there has been no substantial progress toward agreement at the 18-Nation Disarmament Conference on any arms control or disarmament measures.

Progress, however, cannot be expected to come quickly in this field because the distrust on both sides is very deep. Yet, the awesome nature of modern armaments is such that the United States must continue to press for the greater security that could come to all nations from effectively verified arms control and disarmament agreements. Although more and more resources are directed toward improving armaments, nations are, on balance, enjoying less and less security.

The United States remains hopeful that in time other nations, including the Soviet Union, will come to see that an unrestrained arms race poses a greater threat to their security than disarmament under effective control. Moreover, there are various measures short of disarmament which may be negotiable in the not-too-distant future. These include agreements to limit the danger of war by accident, miscalculation, or failure of communication; to prevent the spread of nuclear weapons; and to ban nuclear weapon tests.

The 18-nation Committee is the best forum for disarmament negotiations which has been utilized since World War II. The eight new members, chosen to represent geographical areas of the world not represented by the NATO and Warsaw Pact Powers, are making a responsible contribution to the deliberations. Moreover, as cochairman of the Conference, the United States and Soviet representatives have full opportunity to meet together to exchange views and conduct negotiations under circumstances in which polemics serve no useful purpose.

The Conference has provided the United States with an unusual opportunity to communicate its views to the other nations present, and to demonstrate its own sincere desire for meaningful disarmament agreement. In the United Nations debates and in speeches elsewhere, the Soviets have sometimes used disarmament as a propaganda weapon against the United States. Because the time for debate was limited, or the forum not conducive to probing analysis, the Soviet approach has not always been successfully revealed in its true light.

In this Conference, however, adequate opportunity is provided for full analysis and debate. As a result, the Soviet participation has often been revealed as superficial and propagandistic. In contrast, U.S. participation has been constructive and conscientious, as illustrated by the U.S. disarmament plan submitted on April 18, 1962—the most detailed and comprehensive plan put forward by any country at a disarmament conference.

Even if no agreement is reached in the near future, the Conference offers useful opportunities to advance U.S. interests by communicating our point of view to other nations, by demonstrating that disarmament is a complicated task which cannot be achieved by sweeping and propagandistic proposals, by establishing the common interests of all nations in turning down the arms race, and by defining the issues properly so that practical steps can be taken toward their resolution. The subject of arms control and disarmament is so urgent and important a subject that continuing international discussion of it is inevitable and the United States believes that the negotiations at Geneva offer one of the best available methods of prevailing upon the Soviet Union to accept its responsibility to heed the conscience and aspirations of the world community for genuine peace and security through safeguarded disarmament agreements.

A detailed summary of the first 3 months of negotiations is set forth below.

GENESIS OF THE CONFERENCE

Following the walkout on June 27, 1960, of the Soviet Union and its 4 allies from the Geneva 10-nation Disarmament Conference (made up of representatives from the United States, the United Kingdom, France, Italy, Canada, the U.S.S.R., Bulgaria, Czechoslovakia, Poland, and Rumania), the United States actively pursued efforts to resume negotiations on disarmament in the firm belief that it was one of the most pressing unresolved matters in the international field.

However, although efforts were made during the remainder of 1960 and early in 1961—particularly at the 15th United Nations General Assembly session—to renew negotiations, little headway was evident until June 1961, when bilateral discussions between the United States and the U.S.S.R. began in Washington, D.C. These discussions, which were later continued in Moscow and New York were undertaken to achieve two objectives; agreement on the composition of a new disarmament committee; and establishment of a framework of principles which could goven the resumption of negotiations on disarmament.

On September 20, 1961, the United States and the U.S.S.R. agreed on a joint statement of principles to guide future negotiations. The statement, in setting forth general and complete disarmament as a goal recognized both the need for international peacekeeping machinery to accompany advances toward achieving general and complete disarmament and the possibility of deciding upon and carrying out initial disarmament measures even before agreement on an entire disarmament program. The necessity for adequate control was also recognized, although the U.S.S.R. refused to accept the U.S. position that verification procedures should apply not only to forces and armaments disbanded or destroyed but also to the agreed levels of retained forces and armaments.

Agreement on the composition of a negotiating forum followed on December 13, when the United States and U.S.S.R. agreed to invite to the membership of the former 10-nation Committee on Disarmament Brazil, Burma, Ethiopia, India, Mexico, Nigeria, Sweden, and the United Arab Republic.

These two agreements were welcomed by the 16th session of the United Nations General Assembly, which called upon the committee to undertake negotiations "as a matter of utmost urgency" and to report back to the United Nations Disarmament Commission by June 1, 1962.

In response to this, the 18-nation Committee began its sessions in Geneva on March 14, 1962.

THE STRUCTURE OF THE CONFERENCE

The structure of this Conference is unique when viewed in the light of previous post World War II disarmament conferences. To expedite the vast and complex task before it the Conference established three separate forums.

Plenary meetings of the Conference are confined to efforts aimed at resolving the primary task of developing a treaty on general and complete disarmament. To deal with certain individual measures which need not await agreement on a total disarmament program and which might serve to lessen international tensions, the Conference created a Committee of the Whole.

Finally, to provide for a continuation of negotiations on the controlled cessation of nuclear weapon testing, the Conference established a subcommittee, consisting of the three nuclear powers—the United States, United Kingdom, and U.S.S.R. These three nations had been engaged in negotiations on this matter since 1958.

The Conference has also devised two other innovations. First, it designated the United States and U.S.S.R. as permanent cochairmen of the Conference—this in addition to rotation of the chair on a daily basis among all members of the Committee—to provide continuity in the work of the Conference. And, second, to permit such free-ranging discussions as might be desired on some or a number of specific problems, the Conference instituted the procedure of informal sessions when deemed useful. This, in effect, permits all delegates to discuss matters on an off-the-record basis, since no verbatim records of these sessions are maintained.

Although the plenary, the Committee of the Whole, and the Test Ban Subcommittee are the only forums thus far established by the 18-nation Committee, it is possible that as the Conference proceeds, additional subcommittees may be established to facilitate its work as discussions become more detailed and specific disarmament measures are explored in greater depth.

BASIC DOCUMENTS AND PROPOSALS BEFORE THE CONFERENCE

The plenary meetings of the Conference have been centered on two basic documents:

The U.S. "Outline of Basic Provisions of a Treaty on General and Complete Disarmament in a Peaceful World," and the Soviet

Union's "Treaty on General and Complete Disarmament Under Strict International Control." Although both documents are similar in that they propose a three-stage program for the reduction and eventual elimination of national military establishments, there is a considerable difference in the approach of the two plans toward this objective.

The U.S. program is designed to permit the nations of the world to stop the arms race at an agreed time, to freeze the military situation as it then appears, and then to shrink military establishments to zero. The aim in this would be to keep the relative military positions of the parties as closely as possible to what they were at the beginning by cutting all armaments and armed forces by approximately one-third of the initial size in each of the program's three stages. At the same time, it emphasizes the development of peacekeeping machinery to insure that, as national arms are scaled down and eventually eliminated, international peace and security will be fully and fairly safeguarded.

The Soviet Union's program, on the other hand, in its three stages, places its emphasis on reducing selected categories of armaments in the claim that the threat or danger of nuclear war is directly linked to the presence of those categories of armaments in national arsenals. It seeks the elimination of all nuclear weapons carriers in the first stage and the total elimination of nuclear weapons during the second stage. Reductions of other arms and armed forces are to take place during each of the three stages to assure their total elimination by the end of stage three. The Soviet plan also advocates reliance upon a strengthened United Nations to keep the peace during and after the disarmament process.

In the plenary sessions, the delegations are attempting to meld these two plans into one treaty which would be the product of the Conference. Although no substantive differences have yet been overcome, the Conference has worked out an almost fully agreed initial draft preamble to the treaty. At present, it is engaged in a similar effort to draft common language setting forth the treaty's general introductory provisions.

As concerns the disarmament measures per se, a number of the plenary sessions have been devoted to an exposition by the Western and Soviet bloc members of the merits of the United States and U.S.S.R. programs. As these discussions have proceeded, certain major differences have come clearly to the foreground. And it is these differences that the Conference will have to resolve if it is to proceed to draft provisions for the first and then subsequent stages of the treaty.

Key among these is the matter of a 100-percent cut in nuclear delivery vehicles as proposed in the first stage of the Soviet plan as opposed to the 30-percent cut in this and other armaments as proposed in the first stage of the U.S. program. The United States believes that total elimination of delivery vehicles in the first stage is not only impractical because of the difficulties of control and implementation but would also cause a grave strategic imbalance in the world, which the more gradual across-the-board reductions of the American plan would avoid. Moreover, although the Soviet bloc nations believe the elimination of delivery vehicles would virtually overcome the threat of nuclear war, the Western nations consider that this threat will continue to exist under the Soviet program since, unlike the U.S. program, no provision is made in the first stage in the field of actual nuclear disarmament.

The time period for the carrying out of disarmament measures also looms as a problem. The U.S. program has not fixed an overall time period for the implementation of general and complete disarmament in the belief that this can only be determined when certain unknown factors—transition period between stages, implementation of verification arrangements, etc., become clear. The United States has set a 6-year time period for the first two stages, however, but has emphasized that this is an estimate and that in fact the completion of these two stages could take longer or, indeed, a shorter period of time. The Soviet plan, on the other hand, sets a 4-year time period for completion of the total program roughly allotting 15 months for the carrying out of the measures in each of its three stages. While the Soviet bloc nations believe the U.S. time period is too long, the Western nations feel the 4-year period is too short a time to implement such a far-reaching program in view of the great international changes which will accompany such disarmament as well as the vast technical problems involved.

A further point of difference is the important matter of control or verification. In the view of the Western nations, the Soviet position of control over disarmament would forego the essential need to know, in addition to what has been destroyed, whether levels are being adhered to and also whether any weapons have been secretly hidden. The Soviet bloc nations claim that this is control over armaments and would mean Western espionage inside the U.S.S.R. The Western nations feel this attitude reflects an unwillingness on the part of the Soviet Union and the other bloc nations to recognize that reasonable controls are necessary in the absence of confidence between East and West that each side will honestly fulfill its disarmament obligations.

Finally, there is the question of peacekeeping machinery. Both plans make some provision for this but in the U.S. plan the emphasis and obligations in this area are considerably greater than in the Soviet plan. This stems from a different philosophy on the part of East and West. The Western nations believe that disarmament by and of itself will not usher in a peaceful world and, therefore, as national armaments are scaled down international institutions, including a United Nations peace force, must be gradually strengthened to insure the security of all nations. The Soviet bloc nations contend that disarmament and peace are synonymous and, therefore, the United Nations along with a peace force consisting of only national contingents operating under a three-bloc type command and used only if no permanent member of the Security Council vetoes its employment will suffice.

The Committee of the Whole has before it proposals for the consideration of the following items: the cessation of war propaganda; cutoff of production of fissionable materials for use in weapons; reduction of the risks of war by surprise attack, miscalculation or failure of communications; measures to insure that outer space will be used for peaceful purposes only; establishment of nuclear free zones; measures to prevent further dissemination of nuclear weapons, and conclusion of a nonaggression pact between the NATO countries and the countries of the Warsaw Treaty.

Discussions within the Committee have been centered on the cessation of war propaganda. The cochairmen were asked to consider the proposal for a declaration against war propaganda. Negotiations between them lasted 6 weeks, and culminated in an agreed text, approved by both governments. This was presented jointly by the United States and U.S.S.R. to the Committee of the Whole on May 25, where it was unanimously approved by the Committee and referred to the plenary for "definitive action." When the Conference met May 29 to take final action on the declaration, the Soviet Union submitted amendments to the text it had fully approved as binding on its Government 4 days earlier which completely changed the character of the agreed-upon declaration. Among other things, the Soviet amendments called for enactment of laws making any form of war propaganda a criminal offense, a provision which the United States had rejected previously as contrary to freedom of speech and the press guaranteed by the American Constitution. The United States declared the Soviet amendments to be unacceptable, and in view of their abrupt about-face stated that it would not be fruitful to reopen negotiations on war propaganda at this time.

The United States and the other Western nations have urged that the Committee take up as its next item one of the proposed measures which would involve at least some degree of disarmament or a reduction of the risk of war, such as cut-off of the production of fissionable materials for use in weapons, measures to reduce the risk of war by surprise attack, miscalculation or failure of communications, or measures to prevent the placing into orbit of weapons of mass destruction.

The Soviet Union insisted on Committee consideration of a second item it favors; namely, measures to prevent the further dissemination of nuclear weapons. The United States suggested, in a compromise move, that consideration be given concurrently to its item of reducing the possibility of war by surprise attack, miscalculation or failure of communications and the Soviet item on the establishment of nuclear free zones in various parts of the globe. The Soviet Union did not accept this proposition and sought to block discussion of any item advanced by the West. The discussion in the Committee then pressed for a proposal submitted by the United Arab Republic which would leave to the Committee the determination of priority items after the Committee had heard the views of both the United States and U.S.S.R. as to why each favored discussion of their respective items. The Soviet Union's acceptance of this procedure, which permits discussion of new topics within the Committee, was welcomed by the United States, for it believes that agreement on one or some of the items it has requested be considered could lead to an early reduction of the present levels of international tension, thereby paving the way for broader agreements in the disarmament field. It has led to discussion within the Committee both on measures to reduce the possibility of war by accident and measures to prevent the further spread of nuclear weapons.

THE SUBCOMMITTEE ON A TREATY FOR THE DISCONTINUANCE OF NUCLEAR WEAPON TESTS HAS BEEN CONCERNED WITH THREE PROPOSALS

At the subcommittee's initial session, the three nuclear powers focused their attention on the United States-United Kingdom position as set forth in their April 18, 1961, treaty, and the Soviet proposal of November 28, 1961. In essence the United States-United Kingdom draft treaty called for the establishment of an international system of internationally built and operated control posts, an international system of inspection—including the right of conducting a limited number of onsite inspections of unidentified events—and an international control commission to supervise verification arrangements which were to be aimed at insuring the cessation of all nuclear weapon tests in all environments. The Soviet proposal called for the exclusive use of existing national detection equipment to police a test ban in the atmosphere, underwater, and in outer space with an unpoliced moratorium on underground tests pending the development of a control system for general and complete disarmament.

Given the wide gap between the two sides on this matter, the eight new delegations, in an effort to avoid the impasse which threatened to develop in the three-power subcommittee, submitted, on April 16, 1962, a joint memorandum containing ideas and suggestions which they commended to the United States, United Kingdom, and U.S.S.R. for consideration. The memorandum suggested "establishing by agreement a system for continuous observation and effective control on a purely scientific and nonpolitical basis," and outlined in broad terms the principles on which such a system should be based.

Shortly after its introduction, the Soviet Union, interpreting these principles in such a manner as to make them appear similar to its November 28 proposal, formally announced that it had accepted the memorandum as a new basis for negotiation. The United States and United Kingdom also accepted the memorandum as a basis for negotiation, but make it clear that in so doing they were not prepared to consider it as the exclusive basis for negotiation. As the United States understands the document, the eight cosponsors suggested reliances both on national detection networks and on new stations to be joined together in one international agreed system. This system would be subject to supervision by the new international commission. Such a commission would be responsible for assessing the nature of suspicious events (which might be nuclear explosions) and also for obliging parties to the treaty to permit onsite inspections in those cases where this was deemed essential.

Although the memorandum was introduced in an effort to make further progress toward a controlled test ban, the Soviet Union, by demanding that it be accepted as a basis for negotiation within the narrow limits of its interpretation (total reliance on national detection systems, an almost powerless international scientific commission, and inspection by invitation of the suspect country only) has blocked for the moment any opportunity for joint three-power exploration of the memorandum's provisions.

The 18-nation Conference has completed 13 weeks of intensive deliberations. For the most part, the discussions during this period have been conducted in a businesslike manner. There is no doubt that the constructive contributions being made by the eight new nations in these deliberations have had a positive effect in creating and, in general, sustaining this desirable attitude.

On May 31, 1962, the cochairmen, at the request of the Conference, transmitted an interim progress report to the United Nations, covering the period from March 14 to June 1, 1962.

The Conference then agreed to recess from June 15 to July 16, 1962, in response to the desires of some of the delegations to have time for reflection and consultation with their governments.

It is clear that when the Conference resumes its deliberations and moves further into the substantive aspects of the disarmament problem, it will be faced with great difficulties. In all three areas; i.e., general and complete disarmament, individual measures, and the nuclear-testing question, major differences exist between the positions of the allied and the Communist nations. This means that if the Conference is to achieve even a limited degree of success, a genuine spirit of cooperation coupled with a sustained and honest search for fair and practical solutions will be required. The United States, for its part, remains determined to contribute to the work of the Conference in just this manner.

AUTHORIZATION OF APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the morning hour, as provided in the unanimous-consent agreement, has now expired. The Chair lays before the Senate the pending business, which is S. 3392.

The Senate resumed the consideration of the bill (S. 3392) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

ARMS CONTROL AND DISARMAMENT

Mr. PROXMIRE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. I wish to warmly commend the Senator from Minnesota. He has given the Senate and the country vital leadership in this area, and nothing is more important than the subject he is discussing—peace. Furthermore, the Senator from Minnesota has proceeded with great wisdom, great care, and a realistic appraisal and understanding of what is involved and I stress the realism.

Under these circumstances, when the scientists are indicating to us, as I understand that some are, that we may be able to detect almost any test in Russian territory without having our inspection officials stationed there, there is a temptation to say, "Then let us suggest to the Russians that we shall not insist on stationing our inspectors on Russian territory"—because I understand that has been the stumbling block in preventing the conclusion of a nuclear test ban agreement. At least this is the ostensible objection proposed by the Russians.

I have been following the remarks of the Senator from Minnesota over the past few days, and I have noticed that he has been extremely careful in saying that we should make sure that the Russians really wish to negotiate.

Mr. HUMPHREY. That is correct.

Mr. PROXMIRE. And that we must also be very careful in dealing with the matter of possibly reducing the number of inspectors to be stationed on Russian territory.

Mr. HUMPHREY. That is correct.

Mr. PROXMIRE. And also that we must be very careful that we have the benefit of the most competent scientific advice and have adequate scientific assurance that it will thus be possible to detect such tests, and that under no circumstances should we forgo having our inspection teams able to visit Russian territory.

Mr. HUMPHREY. Yes, because onsite teams are a necessity.

Mr. PROXMIRE. I thank the Senator from Minnesota. Certainly this is a most important subject, and he is entirely correct when he says that the "nuclear club" is growing in membership. The New York Times has stated that in a few years 23 nations will be able to manufacture their own nuclear weapons. So it is obvious that this is a most urgent matter.

I warmly commend the Senator from Minnesota, for he has been almost alone, among those in high positions in our Government, in his attitude toward this subject. I wish to say that his attitude has my complete support, and I believe he is doing a very great service for the country, because I am sure that I am correct in detecting on the part of too many of our top officials in our country opposition to any kind of nuclear-test-ban agreement under any circumstances. That is most unfortunate, for it could lead to poisoning of the atmosphere, and possibly to a nuclear war.

Certainly we should do everything we possibly can do while protecting our freedom, to achieve a nuclear-test-ban agreement. The distinguished Senator from Minnesota deserves great credit for leading the crucial fight for peace with freedom.

Mr. HUMPHREY. I thank the Senator from Wisconsin, and I appreciate very much his valued support.

Mr. President, certainly this matter must be handled with great caution and prudence. We must not err in our judgment. We must recognize that we are negotiating with a nation—the Soviet Union—that has displayed every form of trickery, deceit, delay, and obstruction; and we must also recognize that any proposal we advance will be subject to scrutiny not only by the Soviet Union, but, more important, by all nations friendly to us and all nations which proclaim they are neutral or nonalined.

Therefore, I am not urging that we table a new proposal, as such; but, rather, I urge that we express our sincere willingness to reexamine proposals which have been presented on prior occasions, and reexamine our previous proposals in the light of the new scientific developments. If the new scientific developments prove that we can make adjustments or modifications, then we should do so in good faith.

But I do not think we should be submitting proposals at the conference table merely in order to see whether we can get the Soviets to agree. In submitting any proposal, we must make sure that our national interests are fully protected.

I am happy to say that I believe this is the thinking of the Secretary of State and the Secretary of Defense, and I am confident that it is the attitude of the President of the United States.

I bring this matter to the attention of the Senate because it is now a subject of the highest consideration in the councils of our Government.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JAVITS. I should like to join the Senator from Wisconsin in expressing our appreciation—and also the appreciation of all the country, I know—of the care the Senator from Minnesota has lavished on this matter.

I wish to state that I, too, have been very much disturbed by the fact that, apparently, Senators on this side of the aisle have not participated as much as they could in the discussion of these disarmament questions. For some months I have been trying to qualify myself, so that I might be of some aid in connection with this effort—while paying the greatest respect, as the Senator from Wisconsin has so eloquently done, to the Senator from Minnesota.

Whatever may be said about the Senator's advanced and forward-looking views, I find him hardheaded on this subject; and I consider it a great honor and privilege to be able to join in the position he takes on the disarmament efforts and on research in this field. Certainly we should ascertain where we should take risks and where we should not.

All of this work has been of great value to the Nation; and I assure the Senator from Minnesota that if the people of New York send me back to the Senate, I shall do my best to be a useful ally in these historic efforts, because some day the Senate will have to approve treaties so grave in their consequences as completely to overshadow anything else that has ever been done in this Chamber.

Mr. HUMPHREY. I thank the Senator from New York. Surely he is entirely correct.

ADVISORY OPINION OF THE INTERNATIONAL COURT OF JUSTICE

Mr. HUMPHREY. Mr. President, on July 20 the International Court of Justice rendered an opinion of far-reaching importance and significance. The decision rendered on that date was in the form of an advisory opinion upholding the right of the United Nations to enforce the collection of assessments for peacekeeping operations in the same manner as the collection of regular administrative budgetary assessments. Furthermore, the substantial 9-to-5 majority in support of the decision on this question provides a strong mandate and measure of confidence for the United Nations efforts to maintain peace in areas of the world where it has been threatened.

All of us are familiar, of course, with the decisive role played by the United Nations in stopping aggression in Korea. When the North Korean army attacked in 1950, it was the prompt action of the United Nations that effectively halted and rolled back the Communist aggression in that area, thereby serving warning on the part of all of the nations of the world, not just the United States alone, that such aggression would not be tolerated.

In a similar manner, to pacify a dangerous situation, and thus forestall and prevent Soviet intervention of either a direct or an indirect nature, the United Nations in 1956 established the Emergency Force to prevent an outbreak of hostilities in the Middle East; and, in 1960, established the United Nations Force for the Congo, to prevent a complete breakdown of order that would have led to anarchy and chaos in central Africa. Furthermore, in a most significant and historic move, it was decided that if the United Nations action was to be truly international and collective in fact, as well as in name, the costs of the two peacekeeping missions should be shared as widely as possible, rather than be assumed primarily by a single member of the organization.

There were, however, certain members of the United Nations—most notably, the members of the Soviet bloc—who had their own peculiar reasons for opposing vigorous efforts to establish peaceful settlements of a lasting nature in these areas. The Communist bloc sought to disrupt these vital efforts, and to discredit the United Nations as a whole, by refusing to pay their share of the assessments, on the ground of a legal technicality that peacekeeping assessments did not fall under the same regulations—those of article 17 of the United Nations Charter—that govern the collection of regular budgetary assessments. The United Nations thus found it necessary to ask for an advisory opinion on this legal question; and the World Court has rendered its decision in favor of the United Nations.

This is a most important and noteworthy development, in that it affirms the right of the United Nations to intervene to maintain peace and order, and thus to prevent the development of chaotic and inflammatory situations in which communism breeds situations which could lead to a world conflict of disastrous proportions. Moreover, it affirms the vital right of the United Nations to find means of financing these operations, thus enabling the United Nations to be a really meaningful organization in the effort to build a safe and peaceful world. I therefore ask unanimous consent to have printed in the RECORD an article from the New York Times of July 21, containing the text of the World Court opinion, as well as an editorial from the Washington Post of July 25, entitled "Enhanced Prestige," which ably explains the great significance of the decision.

There being no objection, the article and the editorial were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 21, 1962]

TEXT OF SUMMARY OF WORLD COURT'S OPINION ON U.N.

On July 20, 1962, the International Court of Justice delivered an advisory opinion on the question of certain expenses of the United Nations (art. 17, par. 2 of the charter), which had been put to it in accordance with a resolution adopted by the General Assembly on December 20, 1961.

By 9 votes to 5 the Court declared that the expenditures authorized in certain General Assembly resolutions enumerated in the request for opinion, relating to the United Nations operations in the Congo and in the Middle East undertaken in pursuance of Security Council and General Assembly resolutions likewise enumerated in the request, were "expenses of the organization" within the meaning of article 17, paragraph 2 of the charter of the United Nations.

Judges Sir Percy Spender, Sir Gerald Fitzmaurice and [Gaetano] Morelli appended to the opinion of the Court statements of their separate opinions. President [Bohdan] Winiarski and Judges [Jules] Basdevant, [Lucio] Moreno Quintana, [Vladimir M.] Koretsky and [José Luis] Bustamante y Rivero apppended to the opinion of the Court statements of their dissenting opinions.

DEADLINE WAS SET

The President of the Court, in pursuance of article 66, paragraph 2 of the statute, having considered that the states members of the United Nations were likely to be able to furnish information on the question, fixed February 20, 1962, as the time limit within which the Court would be prepared to receive written statements from them. The following members of the United Nations submitted statements, notes or letters setting forth their views: Australia, Bulgaria, the Byelorussian Soviet Socialist Republic, Canada, Czechoslovakia, Denmark, France, Ireland, Italy, Japan, the Netherlands, Portugal, Rumania, South Africa, Spain, the Ukranian Soviet Socialist Republic, the Soviet Union, Britain, the United States and Upper Volta. At hearings held from May 14 to 21, the Court heard oral statements by the representatives of Canada, the Netherlands, Italy, Britain, Norway, Australia, Ireland, the Soviet Union, and the United States.

In its opinion, the Court first recalled that it had been argued that the Court should refuse to give an opinion, the question put to it being of a political nature, and declared that it could not attribute a political character to a request which invited it to undertake an essentially judicial task, namely the interpretation of a treaty provision.

PREVIOUS INSTANCES CITED

In this connection the Court recalled the principles previously stated by the Permanent Court of International Justice in the advisory opinion concerning the status of Eastern Carelia and by the present Court in the advisory opinions concerning the interpretation of peace treaties with Bulgaria, Hungary and Rumania (first phase) and judgments of the administrative tribunal of the ILO International Labor Organization) upon complaints made against UNESCO (United Nations Educational, Scientific and Cultural Organization), and found no compelling reason "why it should not give the advisory opinion which the General Assembly had requested of it."

The Court then examined the view that it should take into consideration the rejection of a French amendment to the request for advisory opinion. The amendment would have asked the Court to give an opinion on the question whether the expenditures related to the indicated operations had been "decided on in conformity with the provisions of the charter."

On this point the Court observed that the rejection of the French amendment did not constitute a directive to the Court to exclude from its consideration the question whether certain expenditures were "decided on in conformity wtih the charter," if the Court found such consideration appropriate. Nor could the Court agree that the rejection of the French amendment had any bearing upon the question whether the General Assembly had sought to preclude the Court from interpreting article 17 in the light of other articles of the charter, that is, in the whole context of the treaty.

Turning then to the question which had been posed, the Court found that it involved an interpretation of article 17, paragraph 2, of the charter, and that the first question was that of identifying what are "the expenses of the organization."

The text of article 17, paragraph 2, referred to "the expenses of the organization" without any further explicit definition. The interpretation of the word "expenses" had been linked with the word "budget" in paragraph 1 of that article and it had been contended that in both cases the qualifying adjective "regular" or "administrative" should be understood to be implied. According to the Court this would be possible only if such qualification must necessarily be implied from the provisions of the charter considered as a whole.

Concerning the word "budget" in paragraph 1 of article 17, the Court found that the distinction between "administrative budgets" and "operational budgets" had not been absent from the minds of the drafters of the charter since it was provided in paragraph 3 of the same article that the General Assembly "shall examine the administrative budgets" of the specialized agencies.

If the drafters had intended that paragraph 1 should be limited to the administrative budget of the United Nations organization itself, the word "administrative" would have been in paragraph 3. Actually, the practice of the organization had been from the outset to include in the budget items which would not fall within any of the definitions of "administrative budget" which had been advanced. The General Assembly had consistently included in the annual budget resolutions provision for "unforeseen and extraordinary expenses" arising in relation to the "maintenance of peace and security."

EARLIER ADOPTIONS

Every year from 1947 through 1959 the resolutions on these unforeseen and extraordinary expenses have been adopted without a dissenting vote, except for 1952, 1953, and 1954, owing to the fact that in those years the resolutions included the specification of a controversial item—United Nations Korean war decorations.

Finally, in 1961, the report of the working group of 15 on the examination of the administrative and budgetary procedures of the United Nations had recorded the adoption without opposition of a statement that "investigations and observation operations undertaken by the organization to prevent possible aggression should be financed as part of the regular budget of the United Nations."

Taking these facts into consideration, the Court concluded that there was no justification for reading into the text of article 17, paragraph 1, any limiting or qualifying word before the word "budget."

Turning to paragraph 2 of article 17, the Court observed that, on its face, the term "expenses of the organization" meant all the expenses and not just certain types of expenses which might be referred to as "regular expenses." Finding that an examination of other parts of the Charter showed the variety of expenses which must inevitably be included within the "expenses of the organization," the Court did not perceive any basis for challenging the legality of the settled practice of including such expenses in the budgetary amounts which the General Assembly apportioned among the members in accordance with the authority which was given to it by article 17, paragraph 2.

Passing then to the consideration of article 17 from the standpoint of its place in the general structure and scheme of the charter, the Court found that the general purposes of that article were the vesting of control over the finances of the organization and the levying of apportioned amounts of the expenses of the organization.

Replying to the argument that expenses resulting from operations for the maintenance of international peace and security were not "expenses of the organization" within the meaning of article 17, paragraph 2 of the charter, inasmuch as they feel to be dealt with exclusively by the Security Council, and more especially through agreements negotiated in accordance with article 43 of the charter, the Court found that under article 24 the responsibility of the Security Council in the matter was "primary," not exclusive.

The charter made it abundantly clear that the General Assembly was also to be concerned with international peace and security. Under paragraph 2 of the article 17, the General Assembly was given the power to apportion the expenses among the members, which created the obligation of each to bear that part of the expenses which was apportioned to it.

When those expenses included expenditures for the maintenance of peace and security, which were not otherwise provided for, it was the General Assembly which had the authority to apportion the latter amounts among the members. None of the provisions determining the respective functions and powers of the Security Council and the General Assembly supported the view that such distribution excluded from the powers of the General Assembly the power to provide for the financing of measures designed to maintain peace and security.

Replying to the argument that with regard to the maintenance of international peace and security the budgetary authority of the General Assembly is limited by article 11, paragraph 2, under which "any such question (relating to the maintenance of international peace and security) on which action is necessary shall be referred to the Security Council by the General Assembly either before or after discussion," the Court considered that the action referred to in that provision was coercive or enforcement action.

"ACTION" INTERPRETED

In this context, the word "action" must mean such action as was solely within the province of the Security Council; namely, that indicated by the title of chapter 7 of the charter: "Action with respect to threats of the peace, breaches of the peace, and acts of aggression."

If the interpretation of the word "action" in article 11, paragraph 2, were that the General Assembly could make recommendations only of a general character affecting peace and security in the abstract, and not in relation to specific cases, the paragraph would not have provided that the General Assembly might make recommendations on questions brought before it by States or by the Security Council. Accordingly, the last sentence of article 11, paragraph 2, had no application where the necessary action was not enforcement action.

The Court found therefore that the argument drawn from article 11, paragraph 2 to limit the budgetary authority of the General Assembly in respect of the maintenance of international peace and security was unfounded.

The Court then turned to the examination of the argument drawn from article 43 of the charter, which provides that members shall negotiate agreements with the Security Council on its initiative, for the purpose of maintaining international peace and security. The argument was that such agreements were intended to include specifications concerning the allocation of costs of such enforcement actions as might be taken by direction of the Security Council and that it was only the Security Council which had the authority to arrange for meeting such costs.

After stating that article 43 was not applicable, the Court added that even if it were applicable, the Court could not accept such an interpretation of its text for the following reasons.

A member state would be entitled, during the negotiation of such agreements to insist, and the Security Council would be entitled to agree, that some part of the expense should be borne by the organization. In that case such expenses would form part of the expenses of the organization and would fail to be appostioned by the General Assembly under article 17. Moreover, it followed from article 50 of the charter that the Security Council might determine that an overburdened state was entitled to some financial assistance.

Such financial assistance, if afforded by the organization, as it might be, would clearly constitute part of the "expenses of the organization." Furthermore, the Court considered that it could not be said that the charter had left the Security Council impotent in the face of an emergency situation when agreements under article 43 had not been concluded.

It must lie within the power of the Security Council to police a situation. Even costs of actions which the Security Council was authorized to take therefore constituted "expenses of the organization within the meaning of article 17, paragraph 2."

EXPENDITURES STUDIED

Having considered the general problem of the interpretation of article 17, paragraph 2, in the light of the general structure of the charter and of the respective functions of the General Assembly and the Security Council, with a view to determining the meaning of the phrase "the expenses of the organization," the Court proceeded to examine the expenditures enumerated in the request for the advisory opinion.

It agreed that such expenditures must be tested by their relationship to the purposes of the United Nations in the sense that if an expenditure were made for a purpose which was not one of the purposes of the United Nations, it could not be considered an "expense of the organization." When the organization took action which warranted the assertion that it was appropriate for the fulfillment of one of the purposes of the United Nations set forth in article 1 of the charter, the presumption was that such action was not ultra vires (beyond the power) of the organization.

If the action were taken by the wrong organ, it was irregular, but this would not necessarily mean that the Secretary General inexpense incurred was not an expense of the organization. Both national and international law contemplated cases in which the body corporate or politic might be bound by an ultra vires act of an agent.

As the United Nations Charter included no procedure for determining the validity of the acts of the organs of the United Nations, each organ must, in the first place at least, determine its own jurisdiction. If the Security Council adopted a resolution purportedly for the maintenance of international peace and security and if, in accordance with such resolution, the Secretary General incurred financial obligations, those amounts must be presumed to constitute "expenses of the organization."

OPINION RECALLED

Recalling its opinion concerning effects of awards of compensation made by the United Nations Administrative Tribunal, the Court declared that obligations of the organization might be incurred by the Secretary General acting on the authority of the Security Council or of the General Assembly, and that the General Assembly "has no alternative but to honor these engagements."

The reasoning, applied to the resolutions mentioned in the request for the advisory opinion, might suffice as a basis for the opinion of the Court. The Court went on, however, to examine separately the expenditures relating to the United Nations Emergency

Force in the Middle East (UNEF) and those relating to the United Nations operations in the Congo (UNOC).

As regards UNEF, the Court recalled that it was to be set up with the consent of the nations concerned, which dismissed the notion that it constituted measures of enforcement. On the other hand, it was apparent that the UNEF operations were undertaken to fulfill a prime purpose of the United Nations, that is, to promote and maintain a peaceful settlement of the situation. The Secretary General had therefore properly exercised the authority given him to incur financial obligations. The expenses provided for by such obligations must be considered "expenses of the organization."

Replying to the argument that the General Assembly never, either directly or indirectly, regarded the expenses of UNEF as "expenses of the organization within the meaning of article 17, paragraph 2 of the charter," the Court stated that it could not agree with this interpretation. Analyzing the resolutions relating to the financing of UNEF, the Court found that the establishment of a special account did not necessarily mean that the funds in it were not to be derived from contribution of members as apportioned by the General Assembly.

ORGANIZATION EXPENSES

The resolutions on this matter, which had been adopted by the requisite two-thirds majority, must have rested upon the conclusion that the expenses of UNEF were "expenses of the organization" since otherwise the General Assembly would have had no authority to decide that they "shall be borne by the United Nations" or to apportion them among the members.

The Court found therefore that, from year to year, the expenses of UNEF had been treated by the General Assembly as expenses of the organization within the meaning of article 17, paragraph 2.

Turning next to the operations in the Congo, the Court recalled that they had been initially authorized by the Security Council in the resolution of July 14, 1960, which had been adopted without a dissenting vote. The resolution, in the light of the appeal from the Government of the Congo, the report of the Secretary General and the debate in the Security Council, had clearly been adopted with a view to maintaining international peace and security.

Reviewing the resolutions and reports of the Secretary General relating to these operations, the Court found that in the light of such a record of reiterated consideration, confirmation, approval and ratification by the Security Council and by the General Assembly of the actions of the Secretary General, it was impossible to reach the conclusion that the operations in the Congo usurped or impinged upon the prerogatives conferred by the charter on the Security Council.

These operations did not involve "preventive or enforcement measures" against any state under chapter 7 and therefore did not constitute "action" as that term was used in article 11. The financial obligations which the Secretary General had incurred, in accordance with the clear and reiterated authority of both the Security Council and the General Assembly, constituted obligations of the organization for which the General Assembly was entitled to make provision under the authority of article 17, paragraph 2 of the charter.

ASSEMBLY ACTION CITED

In relation to the financing of the operations in the Congo, the Court, recalling the General Assembly resolutions contemplating the apportionment of the expenses in accordance with the scale of assessment for the regular budget, concluded therefrom that the General Assembly had twice decided that even though certain expenses were "extraordinary" and "essentially different" from those under the "regular budget" they were nonetheless "expenses of the organization" to be apportioned in accordance with the power granted to the General Assembly by article 17, paragraph 2.

Having thus pointed out on one hand that the text of article 17, paragraph 2 of the charter could lead to the conclusion that the expenses of the organization were the amounts paid out to defray the costs of carrying out the purposes of the organization, and on the other hand that the examination of the resolutions authorizing the expenditures referred to in the request for the advisory opinion had led to the finding that they had been incurred with that end in view and having also analyzed and found unfounded the arguments which had been advanced against the conclusion that the expenditures in question should be considered as expenses of the organization within the meaning of article 17, paragraph 2 of the Charter of the United Nations, the Court arrived at the conclusion that the question submitted to it by the General Assembly must be answered in the affirmative.

[From the Washington Post, July 25, 1962]

ENHANCED PRESTIGE

One consequence of the last week's important decision by the International Court of Justice should be an enhancement of confidence in that tribunal. The Court was not unanimous in its conclusion that all members of the United Nations are obligated to contribute their share of the expenses of the peacekeeping operations in the Congo and the Gaza strip, but the 9-to-5 vote placed a substantial majority behind an informed and forward-looking concept of the U.N. Charter.

Some of the judges in the majority felt that it was not necessary for the Court to pass upon the validity of the United Nations' Congo and Middle East resolutions. One felt that the language of the majority view was too sweeping. Only five judges—Recardo J. Alfaro of Panama, Abdel Hamid Badawi of the United Arab Republic, V. K. Wellington Koo of Nationalist China, Kotaro Tanaka of Japan and Philip C. Jessup of the United States—supported the decision in its entirety. Nevertheless, the outcome was a decisive declaration of the basic principle that outlays for carrying out the U.N.'s limited mandates in the Congo and Gaza are expenses of the organization which all member nations should share.

On the whole we think the Court handled a difficult and divisive question well, considering the conflicting policies of the countries represented in its membership and the varying backgrounds of the judges. The soundness of its decision, despite the expression of many independent views, should hasten the day when the United States and other countries are willing to accept the compulsory jurisdiction of the Court in the adjudication of international disputes.

It is a reproach to the United States that the Connally amendment to this country's ratification of the World Court statute still keeps the United States in a position to decide for itself whether individual disputes in which it is involved will be allowed to go to the Court. The result is to give all other countries a comparable escape valve and dangerously to reduce the number of cases that can be carried to the Court. The decision on U.N. finances should help to reactivate the drive for abolition of the Connally amendment.

Mr. HUMPHREY. Mr. President, I am sure my colleagues recall that this advisory opinion of the International Court of Justice was of great concern at the time the Senate debated the United Nations bond issue. The valuable and helpful opinion the International Court has rendered is a source of gratification and of reassurance to me. I hope it will strengthen the efforts of the Government of the United States to support the United Nations, and also will be of assistance in connection with the taking of final action in both the House and the Senate on the matter of our financial contributions to the peacekeeping operations of the United Nations.

Mr. President, the matter of the financing of the United Nations should engage the attention of the Senate Foreign Relations Committee and also the attention of the appropriate agencies of the executive branch of our Government. We cannot continue with the ad hoc, interim, temporary, emergency type of financing. We need to get down to some solid terms relating to the financial contributions by the member nations.

THE COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM BILL

Mr. HUMPHREY. Mr. President, the Senator from Illinois [Mr. DOUGLAS], the Senator from Florida [Mr. HOLLAND], and other Senators have today commented upon the situation which now prevails in the Senate in connection with the satellite communications proposed legislation.

I wish to say that I cheer and herald the work done by the majority leader [Mr. MANSFIELD] in connection with getting the satellite communications bill before the Senate under the unanimous-consent agreement which was reached this morning. This agreement means that when the Foreign Relations Committee reports the bill to the Senate, the bill will then be the pending business of the Senate.

In other words, we have gone beyond the stage of the argument on taking up the measure. We have determined that the proposal will be discussed on its merits. We have bypassed the procedural impasse that was confronting us. We have taken the commendable step; namely, to refer the bill to the Foreign Relations Committee for further examination, and, if need be, amendment.

The referral was made with the proviso that it must be returned to the Senate not later than August 10. My colleagues will recall that last week the Senator from Oregon [Mr. MORSE], in his discussion of the proposed legislation, indicated that it might be wise to send it to the Foreign Relations Committee. At that time the senior Senator from Minnesota stated there was merit in the suggestion, provided the Foreign Relations Committee did not act as a burial ground for the bill. If the purpose was to reexamine the proposal, or to amend it, or to give it more consideration in terms of its international implications, then I thought that purpose was meritorious and deserved support. I am pleased that the opponents of the communications satellite bill exercised good judgment and displayed a spirit of accommodation, so that we were able to arrive at an agreement to expedite action on this bill.

An examination of the satellite communications bill by the Foreign Relations Committee can be constructive and helpful. I suggest that the Secretary of State be our witness; I am hopeful the officials who will be called will be the top officials. For instance, the U.S. Ambassador to the United Nations, Mr. Stevenson, surely should be called in. Dean Rusk, Secretary of State, surely should be called in. Possibly the Secretary of Defense. Surely, the Chairman of the Federal Communications Commission should testify. These are men we need to hear from. I am sure that when we have heard from them, doubts will be resolved and there will be increased support for the legislation.

I have never said that the proposal which is before us, H.R. 11040, or the Senate bill, S. 2814, was without need of amendment. There may well be a need for further public control and public regulation of the proposed corporation. There may well be a need for a larger number of members on the Board of Directors to be appointed by the President. We may need to examine into the ownership of ground stations. There are several areas of the proposed legislation which may require amendment.

It is the view of the Senator from Minnesota that, when the bill comes back to the Senate, we should examine these amendments with great care. I am hopeful that Senators will propose amendments which they feel require the greatest amount of debate for early consideration. It is in the national interest to complete our work on this legislation and to be exceedingly careful to protect the public interest.

SENATE RULES

Mr. HUMPHREY. Mr. President, I have heard considerable comment today about the rules of the Senate. I wish to associate myself with the comments of the Senator from Illinois [Mr. DOUGLAS], the Senators from New York [Mr. JAVITS and Mr. KEATING], and other Senators who have spoken about the necessity of modernizing the rules of this body. I said to the press the other day that if there was one Senator who would come out of this discussion looking fairly good, it would be the Senator from Pennsylvania [Mr. CLARK], who has recommended a number of rule changes designed to modernize and improve the rules of the Senate.

The Senator from Pennsylvania has spent many hours, days, and weeks of his time in examining the rules of the Senate, with but one objective; namely, to improve those rules, to make them responsive and responsible, and to see to it that the rules do not unduly delay the deliberative and legislative processes of this assembly.

I, for one, wish to commend the Senator from Pennsylvania for his diligence, for his untiring efforts. I regret that he has not had very much help. I am quite confident he can feel good about the rule change he proposed relating to the Journal, because if we ever saw a demonstration of how a rule stands in the way of sound legislative procedure, we found it in the rule which relates to the reading of the Journal, amendment of the Journal, and what can be done under that rule.

I am going to join with my colleagues, and some with whom I have had differences in recent days on the communications satellite bill, to work for improvement of the rules. Then there are some of my colleagues who are opposed to the communications satellite bill who will not be so enthusiastic about changing the rule. But, that is how it works. It is how this body operates. We are individuals. We are permitted to make our own choice.

I feel the present rule on filibuster has demonstrated its inadequacy. We should modify that rule.

Next January it will be my privilege and responsibility to join with some of my colleagues in an effort to change the Senate rules so as to bring about the possibility of majority rule on cloture.

The Senator from Illinois [Mr. DOUGLAS], the Senators from New York [Mr. JAVITS and Mr. KEATING], the Senator from Pennsylvania [Mr. CLARK], and other Senators have been in the forefront of that fight, as have been the Senator from California [Mr. KUCHEL] and I. In fact, in the last two sessions of Congress the Senator from California and I jointly sponsored, in a bipartisan manner, a proposed change in the rules of the Senate relating to the termination and closing off of debate. So there is no difference between us in the Senate insofar as the so-called liberal bloc is concerned when it comes to these rule changes. I would like to feel that I am a member in good standing in that honorable group. In the days to come we shall unite our forces, for there is a real need to strengthen and modernize the rules so we can conduct the business of the Senate.

I salute the efforts which have been made by my colleagues to bring about important rule changes and modifications. I would only say to Senators who may disagree on the communications satellite legislation that men of good will and good judgment can have honest disagreements. Those of us who support the basic features of the communications satellite bill are not the tools of any special interests. We are not the lackeys of any particular group.

I found my reassurance in the basic purpose of this legislation—not on every item or title, but in its basic purposes—in the fact that the legislation was proposed by the President of the United States, is supported by his Secretary of State, supported by the Director of the Budget, Mr. David Bell, is supported by the Secretary of Commerce, and supported by one of the truly great liberal and courageous officials of this Government, the Chairman of the Federal Communications Commission, Mr. Minow. He has shown his independence and proven beyond doubt that he is no tool of special interests.

It would be much better for the Senate to discuss the bill on the basis of what it will do for our national security, what it will do for science and technology, in terms of cooperation between Government and industry, rather than to engage in a name-calling, rhetorical demonstration. This is not a situation where one side is for the vested interests and one side is for the public.

The fact of the matter is that both sides are for the public. There is an honest difference of opinion as to how best to serve the public. But, the public interest is the objective.

I say to my colleagues who have differed in regard to the proposed legislation, it is my hope that we can get together, when the bill is before the Committee on Foreign Relations, and agree to some amendments which may be needed to improve the bill, and thereby reconcile our differences. It seems to me it would be in the national interest to do so.

As I said before, I am prepared to do exactly that. My colleagues may recall that the other day in the debate I said that we could not settle the question of referral of this bill to the Committee on Foreign Relations by arguing on the floor of the Senate. I thought we ought to get together in a conference to discuss the problem. I am happy to say that is exactly what we did yesterday. There were a number of conferences.

We owe a great deal to the opponents of the communications satellite bill for their cooperation. It was an act of accommodation and responsibility on the part of those who oppose the measure to agree to the unanimous-consent agreement to send the bill to the Committee on Foreign Relations, to be reported by a time and date certain.

I thank every Senator involved—the Senator from Oregon [Mr. MORSE], the senior Senator from Tennessee [Mr. KEFAUVER], the junior Senator from Tennessee [Mr. GORE]; and my colleagues now in the Chamber, the Senator from North Dakota [Mr. BURDICK], the Senator from Texas [Mr. YARBOROUGH], and other Senators. We owe all of them a great deal for their willingness to work out the problem.

By the same token, we owe the majority leader a great debt for his perseverance, his patience, his tolerance, and his willingness to sit down and negotiate an agreement despite the acrimonious words which were uttered, regrettably, yesterday. The Senate has reestablished its dignity and its reputation as a great deliberative body. Our responsibility is in the words of the prophet Isaiah, "Come now, let us reason together." We can do this now.

Mr. PASTORE. Mr. President, in the calmness of this day's beginning the Senate has accepted the same unanimous-consent agreement that it so hotly rejected at the end of a frustrating day.

I commend the good sense of the Senate and especially the good temper and good judgment of the leadership.

The Senator from Montana [Mr. MANSFIELD] has been most considerate, conscientious, and concerned that every individual Member have his oratorical moment and then defer decision to this time of cooler, calmer verdict.

The minority leadership has been equally efficient, equally agreeable.

As the Senator in charge on the floor on the communications satellite bill, I have had occasion to participate in discussion with those who opposed it. They are most sincere and have gone to great pains to prepare their case. I disagree with their views; but I defend their right to ventilate their views and the right of all of us to educate each other.

Our colloquies have been spirited but I feel the spirit has been good and with an honest purpose of elucidation.

To me their major problem has been to distinguish between the commercial and diplomatic aspects of international negotiations. Our carriers, whether by air, water, rail, or cable, have traditionally transacted their international business negotiations with their counterparts while matters of international policy have traditionally been handled by the State Department.

There is no reason why it should be any different with the satellite. It is not different. We feel that the testimony of the several hearings supported by specific statements from those in authority fully establishes that.

But the floor debate has not satisfied the opponents.

We know there are no sinister international implications, no assumption of State Department authority and prerogatives by a private corporation. But the opponents would be better satisfied to have the record made within the precincts of the Committee on Foreign Relations.

The time element is now in the hands of that committee to report not later than August 10. The committee can report at an earlier date they may find proper. Then we shall proceed with the ghost of any sinister involvement in foreign affairs effectively dismissed.

I compliment all who have participated in debate on the bill itself and in the discussions as to procedure. Somehow, it seems to me, our temporary differences have brought us all closer together.

In this agreement, we have taken a forward step.

ORDER OF BUSINESS

Several Senators addressed the Chair.

Mr. PASTORE. Mr. President, I would hope that Senators would have some consideration for those who have been here such a long time waiting for an opportunity to give statements on the bill before the Senate. I am perfectly willing to yield to my friend the Senator from New York [Mr. JAVITS], before asking for a quorum call. I wonder if the Senator from Virginia [Mr. ROBERTSON] wishes to speak at length. I have been in the Chamber for 2 hours. I wish to make a short statement explaining the pending bill.

Mr. ROBERTSON. There was a statement this morning about the conference reports.

Mr. PASTORE. I do not mind being courteous, but I do not understand why the Senator from Rhode Island should be required to sit in the Chamber for 2 or 3 hours while other Senators come in intermittently and speak.

Mr. ROBERTSON. Mr. President, will the Senator yield to me?

Mr. PASTORE. I yield to the Senator from Virginia.

Mr. ROBERTSON. This morning I asked the majority leader if it would be appropriate for me to call up two very important conference reports. One relates to the Treasury-Post Office Departments appropriation bill, and one relates to the Defense Department appropriation bill, the latter of which involves some $48 billion.

Mr. PASTORE. I realize that. I thought the Senator suggested he would be ready about 3 o'clock. If the Senator will give me an opportunity to speak, I shall be through by 3 o'clock.

Mr. ROBERTSON. I could not object to that.

Mr. JAVITS. Mr. President, will the Senator yield to me for 5 minutes?

Mr. PASTORE. I am perfectly willing to yield to the Senator from New York with the understanding that I shall not lose my right to the floor.

The PRESIDING OFFICER. Without objection, the Senator from Rhode Island yields to the Senator from New York with the understanding he does not lose his right to the floor.

Mr. JAVITS. Mr. President, if I may have the attention of my colleague from Rhode Island, the Senator from Hawaii [Mr. LONG] has brief remarks which will require only a few minutes, and has asked if I could yield to him. Would the Senator object to my doing so?

Mr. PASTORE. It is agreeable to me, on the condition that I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I yield to my colleague from Hawaii.

THE SUPREME COURT DECISION ON SCHOOL PRAYERS

Mr. LONG of Hawaii. Mr. President, there has been great interest throughout the country in the recent prayer decision of the U.S. Supreme Court. It remained for the oldest of Hawaii's daily newspapers, the Honolulu Advertiser, in its 107th year to devote an entire editorial page to the questions which have been raised. I believe the paper has successfully endeavored to place the Court's action in proper perspective. The Advertiser editorial of July 23 takes an optimistic viewpoint; it points out that the Court decision, rather than weakening religion in our country, most probably will serve to strengthen it.

The editorial points out what is obviously true: the decision does not forbid the use of traditional expressions and references to God: it will not in any way eliminate the use in public schools of the phrase "In God we trust" or of historical documents such as the Mayflower compact, which begins with the phrase "In the name of God"; the Declaration of Independence, which refers to "the laws of nature and nature's God"; or the Gettysburg Address which refers to "this Nation, under God."

Because I believe the Honolulu Advertiser has performed an important public service in bringing together some pertinent material on this subject, I ask unanimous consent that the editorial entitled "The Prayer Decision"; excerpts from both the majority decision and the dissent, entitled "Here's What the Court Said"; statements from leaders in the Protestant, Catholic, Buddhist, and Jewish religions entitled "Here's What Local Clergy Say"; and excerpts from editorials in newspapers throughout the country entitled "Here's What Editors Across the Nation Say" be printed at this point in the RECORD.

There being no objection, the editorial and excerpts were ordered to be printed in the RECORD, as follows:

THE PRAYER DECISION

The Original Thirteen Colonies were settled primarily by men seeking the freedom of religion denied to them in the Old World.

The heritage of those men, handed down through the Declaration of Independence, the Revolutionary War, and the Constitution of the United States, has made this a religious Nation.

Even those among us who profess to no organized religion adhere to principles which are in themselves the essence of religion. The doctrine that man is inviolate, dignified, sacred, and that the state exists to serve these qualities in him, is not only the foundation of our Government, it also is the foundation of religious faith.

It is understandable, then, that what to many seemed at first glance an antireligious act, the U.S. Supreme Court decision holding an officially sponsored school prayer unconstitutional, should have provoked a nationwide debate.

The reasoning of the Court, the views of leading Honolulu clergymen, and a sampling of newspaper opinion from across the country are reprinted in the adjoining columns. It will be noted the prayer itself is inoffensive to any sect, totally nonsectarian.

Opinion on the Court decision breaks down roughly into two schools:

One holds the Court had no choice but to uphold the constitutional separation of church and state.

The other, in which there seems to be a large element of misunderstanding concerning what the Court actually said, argues the decision went too far, that in the absence of compulsion it was ridiculous to raise the specter of an established, state-sponsored religion.

This school asks whether schoolchildren are now to be forbidden to recite the Pledge of Allegiance, which contains the words "under God," and whether "In God we trust" must come off our coins.

This is our view of the Court decision:

The Court was asked to decide by parents who challenged the right of New York State to sponsor an officially sanctioned prayer. The Court did not on its own barge into this delicate area.

Once the question was before it, the Court was presented with a clear-cut constitutional issue and had no alternative but to affirm the separation of church and State.

Doubtless it is a long distance from a prayer such as this to a State religion, but the point is that, however rudimentary, the ingredients of unconstitutionality existed.

Secondly, the decision does not go nearly so far as critics contend. Justice Black specifically said in his decision:

"There is, of course, nothing in the decision reached here that is inconsistent with the fact that schoolchildren and others are officially encouraged to express love for our country by reciting historical documents, such as the Declaration of Independence, which contain references to the Deity or by singing officially composed anthems which contain the composer's professions of faith in a Supreme Being, or with the fact that there are many manifestations in our public life of belief in God."

As Publisher John Knight, of Knight newspapers, has pointed out, the decision holds only that no branch of government can "order" the recital of any official prayer without violating the first amendment.

The Court simply reemphasized that in this country church and state are separate. It was not, as some have charged, "promoting atheism." The decision was in no sense a disavowal of religion.

Even among those who have mixed feelings about the decision is the thought that perhaps it will have the beneficial result of calling to the attention of parents and churches that theirs is the responsibility for religious instruction.

Yet this is not to say there are no grounds for unease. A danger is that extremists who have long sought to ban such things as Christmas pageants in the public schools will be encouraged to renew the attack.

If they do, they will have no more grounds for citing the decision than do those who deplore it as a step toward atheism.

It will be important, consequently, for all concerned to understand and to keep in mind just what the Court decided—and what it did not decide.

One final point relates to a move that commenced almost immediately after the decision—the drive for a constitutional amendment to nullify the ruling.

Many Supreme Court decisions in our history have been unpopular at the time they were made. It is probably in the nature of things that this should be so.

But probably no group in American life takes its responsibility any more seriously than do the Justices of the U.S. Supreme Court. They are mindful of their historic role, mindful that over the years the Court's decisions represent one of the finest, most enduring monuments to individual liberty that man has ever erected.

This is not to argue that individual Justices are infallible or that a given Court decision must be accepted as sacred writ. But the record of the years attests to the majesty of the Court's work—and we do not believe the present Court has suddenly abandoned the great tradition.

Yet there seems to be an almost reflex tendency these days to search for ways to make an end run around the Court. The conduct of Southern State governments in the face of the segregation decision is one example.

Certainly a given Court decision can be erroneous or bad. Time has seen the Court reverse itself on a number of occasions.

But impetuous carpentry with the Constitution is to be deplored. If it gets to be a habit the inevitable result would be a weakening of that great safeguard.

We simply repeat what to us is the basic point in this matter: the Supreme Court has merely reaffirmed the constitutional provision for church-state separation, it has done no more and could have done no less.

HERE'S WHAT THE COURT SAID

(Following are excerpts from the majority opinion of Justice Black and the dissent of Justice Stewart in the Supreme Court decision on the regents' prayer in New York:)

Justice Black. The petitioners contend, among other things, that the State laws requiring or permitting use of the regents' prayer must be struck down as violation of the establishment clause because that prayer was composed of a governmental program to further religious beliefs.

We agree with that contention since we think that the constitutional prohibition against laws respecting an establishment of religion must at least mean that in this country it is no part of the business of Government to compose official prayers for any group of the American people to recite as part of a religious program carried on by Government.

It is a matter of history that this very practice of establishing governmentally composed prayers for religious services was one of the reasons which caused many of our early colonists to leave England and seek religious freedom in America.

By the time of the adoption of the Constitution, our history shows that there was a widespread awareness among many Americans of the dangers of a union of church and state.

The first amendment was added to the Constitution to stand as a guarantee that neither the power nor the prestige of the Federal Government would be used to control, support or influence the kinds of prayer the American people can say.

Under that amendment's prohibition against governmental establishment of religion, as reinforced by the provisions of the 14th amendment, government in this country, be it State or Federal, is without power to prescribe by law any particular form of prayer which is to be used as an official prayer in carrying on any program of govermentally sponsored religious activity.

Neither the fact that the prayer may be denominationally neutral, nor the fact that its observance on the part of the students is voluntary can serve to free it from the limitations of the establishment clause, as it might from the free exercise clause, of the first amendment, both of which are operative against the States by virtue of the 14th amendment * * *.

The history of governmentally established religion, both in England and in this country, showed that whenever government had allied itself with one particular form of religion, the inevitable result had been that it had incurred the hatred, disrespect and even contempt of those who held contrary beliefs.

That same history showed that many people had lost their respect for any religion that had relied upon the support of government to spread its faith.

The establishment clause thus stands as an expression of principle on the part of the founders of our Constitution that religion is too personal, too sacred, too holy, to permit its "unhallowed perversion" by a civil magistrate.

Another purpose of the establishment clause rested upon an awareness of the historical fact that governmentally established religions and religious persecutions go hand in hand.

It was in large part to get completely away from this sort of systematic religious persecution that the founders brought into being our Nation, our Constitution, and our Bill of Rights with its prohibition against any governmental establishment of religion.

And there were men of this same faith in the power of prayer who led the fight for adoption of our Constitution and also for our Bill of Rights with the very guarantees of religious freedom that forbid the sort of activity which New York has attempted.

It is neither sacrilegious nor antireligious to say that each separate government in this country should stay out of the business of writing or sanctioning official prayers and leave that purely religious function to the people themselves and to those the people choose to look to for religious guidance.

Justice Stewart. With all respect, I think the Court has misapplied a great constitutional principle. I cannot see how an "official religion" is established by letting those who want to say a prayer say it.

For we deal here not with the establishment of a state church, which would, of course, be constitutionally impermissible, but with whether schoolchildren who want to begin their day by joining in prayer must be prohibited from doing so.

At the opening of each day's session of this Court we stand, while one of our officials invokes the protection of God.

Since the days of John Marshall our crier has said, "God save the United States and this honorable Court." Both the Senate and the House open their daily sessions with prayer.

In 1954 Congress added a phrase to the Pledge of Allegiance to the flag so that it now contains the words "one nation under God, indivisible, with liberty and justice for all."

In 1952 Congress enacted legislation calling upon the President each year to proclaim a national day of prayer. Since 1865 the words "In God we trust" have been impressed on our coins.

I do not believe that this Court, or the Congress, or the President has by the actions and practices I have mentioned established an "official religion" in violation of the Constitution.

And I do not believe the State of New York has done so in this case.

What each has done has been to recognize and to follow the deeply entrenched and highly cherished spiritual traditions of our Nation—traditions which come down to us from those who almost 200 years ago avowed their "firm reliance on the divine providence" when they proclaimed the freedom and independence of this brave new world.

HERE'S WHAT LOCAL CLERGY SAY

PROTESTANT

(By Seido Ogawa, executive director, Honolulu Council of Churches)

Two basic and tradition-hallowed concerns are involved in the Supreme Court's decision. One is the importance of the separation principle. The other is the importance of religion in American life. Both are unique products of our national experience. Equally unique is the way in which these two concerns have been held in check and balance.

The Court's decision undermines the necessary balance. In pursuing the separation principle to its logical conclusion the Court has failed to affirm the religious framework and foundation of our national life. It applies the intent of the first amendment but fails to relate that intent to the proposition that ours is a nation under God.

The decision has the net effect of saying that the state is a nonreligious entity which is not only an abstraction in a government of people but a denial of the character of American culture. The decision overreaches religious neutrality to the point where it is in danger of encouraging secularism as the official philosophy of the state.

The impact which the decision has made indicates that there are profound dimensions to what has been said and what has not been said.

CATHOLIC

(By Rev. Daniel J. Dever, superintendent of Catholic school, diocese of Honolulu)

Another court at another time might have decided quite differently in the New York Regents' Prayer case. The spirit of a people changes.

Certainly, we have come a long way from that era when it could be said: "Reilgion, morality and knowledge being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged."

Now we face the prospect of having the Constitution used as an instrument to sterilize public life of every religious manifestation. In the wake of this Court's decision we can expect more confusion about religion's place in the public schools, and even a certain hostility toward religion's claim to an essential relationship with education.

Speaking for the Court in the majority opinion in the McCollum case (1948) Justice Douglas said: "But we find no constitutional requirement which makes it necessary for Government to be hostile to religion and to throw its weight against efforts to widen the effective scope of religion's influence."

If this is to be so, extraordinary prudence will be needed in the use of the regents' prayer case as a precedent.

For whatever the literal implications of the first amendment, the Government must not be maneuvered into working against its own highest and best interests—the fostering of religion and public morality.

BUDDHIST

(By Mineo Yamagata, executive secretary, Young Buddhist Association of Honolulu)

The Buddhist child finds himself in an awkward position in any school prayer situation, whether it is a prayer set forth by a New York school board, or whether it is one made up in home-room devotions here in Hawaii.

The difficulty is that no matter how liberal the prayer, it will use the term "God," or the equivalent, and it will have a distinctly Judaic-Christian flavor. The Buddhist child cannot honestly enter into such a devotion without weakening his own Buddhist distinctiveness.

"God" as the "Almighty Creator" simply does not have a place in Buddhism, and amateur students of comparative religion who persist in saying, "It's all the same God under different names," just don't know what they are talking about.

Therefore, we believe that the thinking Buddhist applauds the Supreme Court decision and looks forward to the elimination of home-room prayers in Hawaii schools.

JEWISH

(By Rabbi Roy Rosenberg, Temple Emanu-El)

The Supreme Court's decision regarding prayer in the public schools is the culmination of a long line of decisions throughout the country that have eliminated or curtailed a variety of religious practices in the public schools.

In view of the large body of legal precedent that had accumulated, I do not see how the Court could have decided any other way. Criticism of the Court's decision has often been rooted in either ignorance or bigotry, or both.

I am, however, very much in favor of a constitutional amendment that will wipe away all of the confusion that has been generated, and which will permit on a sound and legal basis devotional exercises of a nonsectarian character in the public schools.

We must steer clear of any religious indoctrination in the public schools, but devotional exercises that inspire and elevate the mind should have a place in education.

If our children start the day with a pledge of allegiance to our flag and country, then they should also have an opportunity, if they and their parents desire, to pledge themselves as well to the God who is above men and nations.

The children of nonbelievers should have the right to be excused if their parents wish, but such readings as the Psalms and the Lord's Prayer, which voice the sentiments of all the major religions, should not be denied their rightful place in education.

They are to be preferred, I think, to the regents' prayer in New York, which was the subject of the Court's ruling.

HERE'S WHAT EDITORS ACROSS THE NATION SAY

New York Times: "Nothing could be more divisive in this country than to mingle religion and government in the sensitive setting of the public schools, and under circumstances regarded by the minorities as coercive. Our history counsels against that course, and the Supreme Court has wisely turned us from it."

New York World-Telegram & Sun: "The Supreme Court's decision can simply be taken as notice to parents and the clergy that it is their job, not the schools', to instill reverent attitudes and habits in children.

"But is mention of God to be divorced from all temporal matters with which the Government has any connection? The Court will have a long, hot, bitter time trying to answer."

New York Mirror: "Now that the U.S. Supreme Court has legislated against God, it has achieved the finality of its power and might. Mr. Justice Black wrote a decision which will ever be a disgrace to the United States."

New York Post: "The High Court did not, as some foolish men are saying, vote to abolish God. It voted to affirm the proposition that prayer in a free society is a private affair. It is."

Washington Post: "An act of liberation. Frees schoolchildren from what was in effect forced participation by rote in an act of worship which ought to be individual, wholly voluntary, and devout. A prescribed prayer, however nondenominational it may be, is a form of enforced orthodoxy and is therefore an inescapable enemy to religious liberty."

Washington Star: "Had any child been required to recite the prayer, the Court would have had every reason to forbid it. But this was not the case. Those who did not wish to participate were not required to be present when the prayer was recited. Thus, the real effect of the Court's ruling is to prohibit children who might wish to do so from reciting the prayer. And this in the name of freedom of religion."

Philadelphia Inquirer: "Instead of advancing the case of secularism and atheism in the schools, the decision may, in fact, have a contrary effect in stimulating in children and parents alike a concern for this country's spiritual heritage."

Baltimore Sun: "Most people will argue that religion is a man's private concern, but many will also wonder whether in making the hairline decision the Court did not show an excess of caution."

Miami Herald: "In its strict construction of the Constitution, the Court evaded the point that religious devotion, wherever it may be performed voluntarily, is not an establishment of religion. Opinion is in this respect so literal as to be absurd."

Denver Post: "Could be a blessing for religion * * * if it forces parents to accept the fact that it is their responsibility to provide religious instruction to their children and not the responsibility of the State."

Dallas News: "The Supreme Court has gone beyond the letter and spirit of the Constitution."

Houston Chronicle: "We fail to see how a short, nonobligatory devotional at the beginning of the schoolday in New York violates the Constitution."

Los Angeles Herald-Express: "Pressure is mounting for passage of an amendment to the Constitution which would make the legality of such prayers unquestionable. We urge every reader * * * to write their Senators and ask them to support such an amendment."

San Francisco Chronicle: "This simple decision banning an uninspired prayer can have far-reaching secondary effects. It casts doubt on the legality of simple American ceremonies that have been carried on unquestioned for generations. There are, for example, Christmas pageants and carols in our schools. We are stuck with the decision, so let us be of good cheer—and may God bless us all."

THE BERLIN SITUATION

Mr. JAVITS. Mr. President, while our country is occupied with concerns about the domestic economy, and the world stage is preempted by events in Laos, Vietnam, Formosa, the Congo, and Algeria, the focal point of tension between the East and West remains Berlin. The Soviet Union should be given no conceivable opportunity to miscalculate the seriousness and determination of the intentions of the United States on Berlin, which I am convinced are fully backed by the people. It is a basic element of Soviet Russian policy to strike at places of relative quiet where the guardians have become inured to the routine of harassment. It is therefore essential that the monotony of the watch does not make us forget and that some new crisis or some new move does not find us unprepared. Neither should the Kremlin be deceived. We must make them see that American public opinion is on guard, and for this reason I feel that leaders in our Nation should restate our commitment and our intentions with regard to Berlin. It is therefore critically essential that we do not forget this so we may not be confounded by some new crisis or new move there on the part of the Soviet Union.

The key to the critical importance of Berlin is contained in the Soviet Union's note on Berlin released as recently as July 16, which rejected the U.S. Government's suggestion that there be Four-Power talks on Berlin. The Soviet note was epitomized by the charge that "the American occupation authorities in West Berlin, as well as the U.S. Government, as seen from its note, directly encourage and support the organization of hostile sorties from West Berlin," presumably into East Berlin, and, the reiteration by the Soviet Government of its conviction "that it is necessary to normalize without delay the situation in West Berlin on the basis of a German peaceful settlement"—undoubtedly meaning the threat again of concluding a peace treaty with East Germany which Chairman Khrushchev has held over the head of the free world now since 1959 and before.

The recent Rusk-Gromyko conversations in Geneva have done nothing to dispel the acute tension which remains over the Berlin situation. It appears to be the focal point of the Soviet Union's determination to oust the three Western Allies from any position in Berlin and particularly to force their military presence out of Berlin so that complete control over access to the city by land, water and air can be vested in the East German Communist government. Under these circumstances there is nothing which has changed—but the grave danger is that there may be misunderstanding about our determination to stand firm.

It is vital therefore to understand clearly that the basic precept of American policy in Berlin was stated by the President in his state of the Union message on January 11, 1962. I hope very much that the Kremlin will make no miscalculation on that score. In my view that remains the attitude of the American people.

The President said:

> The threat to the brave city of Berlin remains. In these last 6 months the Allies have made it unmistakably clear that our presence in Berlin, our free access thereto, and the freedom of 2 million West Berliners would not be surrendered either to force or through appeasement—that to maintain those rights and obligations, we are prepared to talk, when appropriate, and to fight, if necessary. Every member of NATO stands with us in a common commitment to preserve this symbol of freeman's will to remain free.
>
> I cannot now predict the course of future negotiations over Berlin. I can only say that we are sparing no honorable effort to find a peaceful and mutually acceptable resolution of this problem. I believe such a resolution can be found, and with it an improvement in our relations with the Soviet Union, if only the leaders in the Kremlin will recognize the basic rights and interests involved, and the interest of all mankind in peace.

Let us also remember clearly that by a special report to the Nation on the Berlin crisis on July 25, 1961, the President called for additional appropriations for the Armed Forces, an increase in the Army's authorized strength, and an increase in the active duty strength of the Navy and Air Force. And that all of these requests were promptly and fully implemented by the Congress, thereby showing the backing of the American people for our Berlin policy.

The lesson of the Berlin wall has not been lost on the United States. It showed the grim seriousness of the Soviet fear of free Berlin, and the lengths to which the Kremlin would go to bottle up the city and suffocate it if possible—and it also showed Berlin's critical value in the struggle for freedom. The people of West Berlin are standing firm in their determination to carry on—we must do the same.

Accordingly, I think it is proper now when the situation seems less intensely heated, to make clear to the leaders of the Kremlin on the part of as many leaders of American opinion as possible, that we are thoroughly committed to remain in Berlin as long as it takes to fulfill the solemn assurances of freedom for the people of West Berlin, and, that we understand only too well the grave consequences to the Western alliance and the free world if we were to weaken in our position. Much can be done in honorable accommodation to the existing situation of a divided Germany and divided Berlin, but one of these things is not withdrawal or the placing in jeopardy of the freedom of West Berlin.

No agreement is better than a bad agreement. There is nothing so fatal about having no agreement on Berlin. Much can be done in honorable accommodation to the existing situation of a divided Germany and a divided Berlin, but one of those things is not withdrawal or the placing in jeopardy of the freedom of the people of West Berlin, to whom we have pledged freedom—a pledge, in my view, we fully intend to keep at whatever cost.

I thank my colleague for his courtesy.

VISIT TO THE SENATE BY PARLIAMENTARIANS OF THE REPUBLIC OF THE CONGO (LÉOPOLDVILLE)

Mr. GORE. Mr. President, today in the Congo there is great progress being achieved, even though it is with travail and over many obstacles. Today the second and third ranking officials of those brave new people are guests in the Senate.

At a time when it seemed to some of us, from afar, that the future course of the Congo might teeter in the balance—though that may not have been true—a tower of strength for the cause of freedom, a champion of independence, a source of vast consolation and trust was a distinguished chief of his tribe who is now the President of the Federal Senate of the Republic of the Congo of Léopoldville, who is in this Chamber, the Honorable Victor M. E. Koumorico.

Accompanying him is another friend of freedom, the Vice President of the Federal Senate of the Republic of the Congo, of Léopoldville, the Honorable Armand Dieumi.

(As their names were called the distinguished visitors rose in their places in the rear of the Chamber to the left of the center aisle, and were greeted with applause, Senators rising.)

Mr. GORE. Mr. President, accompanying these visitors are Mr. Joseph Pongo, Counselor, Embassy of the Republic of the Congo; Mr. Albert Bukasa, Deputy Secretary General of the Senate, Republic of the Congo; Mr. Charles Whitehouse and Mr. Frank Carlucci, State Department Desk for the Republic of the Congo; and Mr. Henry Lunau, Project Officer, Governmental Affairs Institute.

The PRESIDING OFFICER. On behalf of the Senate, the Chair welcomes with great pleasure the President and Vice President of the Federal Senate of the Republic of the Congo to the United States Senate.

Mr. PASTORE. As the acting majority leader, I wish to express to our distinguished visitors a hearty welcome on behalf of the Senate. We hope that their visit to our great country will be a pleasant and fruitful one.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. JAVITS. I, too, on behalf of Senators on this side of the aisle, greet our guests. Our guests, who are parliamentarians, will understand that we have a majority and a minority. On behalf of Senators on the Republican side of the aisle, I join in welcoming them. I assure them of the great expectations and the great promise which we feel in our hearts for this new and very brave and bold effort to make a great nation. We feel very definitely that it will be successful. We welcome you here in a spirit of cooperation and brotherhood which we know you seek.

Mr. GORE. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair so that Senators may greet our guests.

There being no objection (at 2 o'clock and 31 minutes p.m.) the Senate took a recess subject to the call of the Chair.

At 2 o'clock and 33 minutes p.m. the Senate reassembled on being called to order by the Presiding Officer (Mr. PELL in the chair).

AUTHORIZATION OF APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

The Senate resumed the consideration of the bill (S. 3392) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum, with the understanding that the distinguished Senator from Rhode Island [Mr. PASTORE] will not lose his right to the floor.

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator yield for that purpose and with that understanding?

Mr. PASTORE. I yield for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. PASTORE. Mr. President, S. 3392 authorizes funds for plant and facility acquisition and construction for the Atomic Energy Commission during fiscal year 1963. There are 12 sections in the bill.

Section 101 authorizes the appropriation of $159,415,000 for a total of 46 line item projects in the following categories: Special nuclear materials, atomic weapons, reactor development, physical research, biology and medicine, and communities.

Also included in this section is a provision concerning general plant projects authorizing a total of $34,540,000 for miscellaneous minor construction and modification items.

The $159,415,000 proposed to be authorized in section 101 of this bill compares with $226,440,000 authorized in fiscal year 1962 and $211,576,000 authorized in fiscal year 1961.

Each line item project as well as each section of the bill has been thoroughly reviewed by the Joint Committee in 7 days of hearings during April and May.

The Joint Committee adopted amendments to reduce by $1 million the total amount authorized in section 101 for project 63-d-6, improvement of U.S. Highway 95 from Las Vegas, Nev., to the Nevada test site. The committee received extensive testimony on this project and believes that it is necessary to improve this highway because of the increased traffic due to accelerated activities at the Nevada test site resulting from resumption of underground weapons tests and our nuclear rocket program, called Project Rover. However, the Joint Committee believed that some contribution should be made by the State of Nevada. The State has now agreed to contribute 10.03 percent of the total project cost—the same percentage it contributes under the Federal highway program—and the Joint Committee is now satisfied that the project should go forward on that basis.

Some of the major projects in section 101 are as follows: $20 million for an organic reactor project which will both advance the technology on this promising concept, and also help demonstrate the use of a reactor to produce both electricity and process heat; $10 million for a research and development test plant for Project Rover, to develop a nuclear propelled rocket for use in long-range space exploration; and $10 million for modifications to weapons plants and facilities.

In summary, section 101 contains the necessary projects to advance both the military and peaceful uses of atomic energy.

Sections 102 through 106 of the bill contain standard provisions on limitations, advance planning and design, restoration or replacement, currently available funds, and substitutions. These provisions are identical, or similar to, corresponding sections in previous AEC authorization acts.

Section 107 of the bill amends several prior year AEC authorization acts to reflect changes and increases in the costs of certain projects.

Section 108 of the bill amends Public Law 86-50, the AEC Authorization Act for fiscal year 1960, by rescinding authorization for an experimental low temperature process heat reactor. Inasmuch as other arrangements for process heat reactors are contemplated under this bill, AEC proposed recision of the prior project.

Section 109 of the bill authorizes the appropriation of $5 million to the Atomic Energy Commission, in addition to the sum of $10 million previously authorized, for the purpose of carrying out the joint research and development program with the European Atomic Energy Community. All of these funds will be expended on contracts with U.S. firms, and the money will be spent in this country. The information developed will be exchanged with the European Community, in return for other research and development work being done by Euratom.

Section 110 of the bill pertains to the cooperative power reactor demonstration program. Subsection (a) extends the date for approving projects under the third round of the program from June 30, 1962 to June 30, 1963. Subsection (b) authorizes the appropriation of an additional $3 million for the purpose of carrying out the power reactor demonstration program. This, in addition to the $7 million authorized last year, makes available a total of $10 million for the cooperative program, if the corresponding appropriations are provided. Subsection (c) provides authority for a supplemental program of cooperative arrangements under which the AEC may furnish funds for design assistance without regard to section 169 of the Atomic Energy Act, the "no subsidies" provision of the act. This authority is intended to stimulate construction of large nuclear powerplants of at least 400,000 kilowatts by private industry.

In connection with subsection 110(c), the Atomic Energy Commission has suggested that the word "generally" be inserted after the word "arrangements" on page 11, line 6. The purpose of this suggestion is to avoid a literal interpretation of section 110(c), which might result in construing the criteria for the supplementing program as a series of literal specifications. As chairman of the Subcommittee on Legislation which held hearings on this proposal, I can state that this was not the intention of the Joint Committee and that the criteria were meant, as stated in the committee report, to be only guidelines for the new program. With this understanding, I do not believe that any amendment to section 110(c) is required.

Subsection (d) authorizes funds for use in a cooperative arrangement in a nuclear reactor project to generate electricity, process heat, or both, and provides that the Commission may furnish funds for design assistance without regard to the provisions of section 169 of the Atomic Energy Act.

Section 111 concerns the organic reactor project authorized by section 101 of the bill. Subsection (a) authorizes arrangements under which the Commission may sell steam to a participating party but not to be used for the generation of electric power for sale by such party. Subsection (b) provides for review by the Joint Committee on Atomic Energy of the basis of any such cooperative arrangement, as is customary in the cooperative atomic power program. Subsection (c) provides that in the event no satisfactory proposal for a cooperative arrangement is received, the Commission may proceed with design, construction, and operation of such a reactor plant at a Commission installation. In such event, the electric energy generated shall be used by the Commission in connection with the operation of such installation. The provisions of section 112 of Public Law 86-50, permitting interchange of steam, shall be applicable to this project.

Mr. President, S. 3392 was reported by the Joint Committee on Atomic Energy without dissent and there is nothing controversial about any of the projects and provisions.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. PROXMIRE. I should like to ask the Senator about two items in the bill which, according to the committee report, exceed the budget estimates. I am reading from the report at page 2, the second paragraph, under the heading "Summary of Bill."

> The Joint Committee included in this bill all projects requested by the Commission and added two projects as follows: 63-j-2, marine products development irradiator, $600,000; and 63-j-3, two mobile irradiators, $700,000.

In explanation of this statement, I read on page 5 of the report that:

> The Bureau of the Budget submitted a letter indicating that the original funding level had been decreased because of higher priorities assigned to the nuclear space programs.

This was rejected by the committee, and the committee indicates that the Bureau of the Budget did not consult competent scientists, and that the committee felt that the projects should be initiated even though it exceeded the budget request.

My question is, What priorities does the Bureau of the Budget set up, and is there any attempt on the part of the committee to explore these priorities or challenge them, or just what happens when they decide to exceed the budget request in this respect? Is it simply that they felt that they would like to exceed the budget request in this respect?

Mr. PASTORE. That is true. Certain requests are made by the Atomic Energy Commission, and they are sent to the administration. These requests are analyzed, and they have their reasons for limiting the Atomic Energy Commission within certain restrictions and within a certain amount of money. Then, of course, we hold exhaustive hearings in the joint committee, and after extensive consideration we agree we ought to undertake this project on our own initiative, which does not amount to much money, anyway. There was a time when a decision was made to more or less relax or lower the activity on one of these irradiation projects. It was through the stimulus which was given by our committee that led to a very substantial and wonderful development with relation to irradiation of food, particularly in respect to bacon.

That is one of the things our committee has always prided itself on. We are very careful and anxious to stay within the limits of the budget, but here, as in other instances, when we found it necessary in the public interest to exceed that budget request, we, by joint and bipartisan action decided to undertake this project.

Mr. PROXMIRE. The policy of the committee is that on rare occasions it is felt that the priorities are not sound and are not based on a careful examination of the evidence and the more careful scrutiny by the committee persuades the committee that they should exceed the amount of the estimate, and that was the situation here. Is that correct?

Mr. PASTORE. While it has nothing to do with this particular bill, it was through other action and careful consideration on the part of the Joint Committee on Atomic Energy that we actually came to the building of nuclear submarines and also hydrogen bombs. It was the impetus and the drive that came from the Joint Committee, when there might have been, sometimes, relaxation or indifference on the part of the administration, that we went forward, with the help of many other people, and accomplished these great programs. That has been the attitude throughout.

Mr. PROXMIRE. The following paragraph indicates that the Joint Committee also increase by $1 million the amount for project 63-G-4, accelerator and reactor additions and modifications, Brookhaven National Laboratory. In explanation of this, I find in the report, on page 11, a statement approving this amount, as follows:

> The Joint Committee has restored the full $2,250,000 originally requested by AEC for project 63-g-4 in order that improvement of these important research facilities may proceed without delay. The testimony indicated that a net savings to the Government would result by proceeding with all these modifications in fiscal year 1963, rather than part in fiscal year 1963 and part in fiscal year 1964.

Was this item stipulated to? Was there any dispute as to the saving?

Mr. PASTORE. The Joint Committee considered that question thoroughly. The Senator from Rhode Island played an active part in connection with that item. The question arose at the Brookhaven Laboratory. They submitted a list of priorities. Because a certain amount of money was allocated for that particular activity at Brookhaven, it was necessary to deduct $1 million which would have been used for construction. We decided that if the work had to be done later, anyway, and probably after the cost had gone up, it would be better not to wait until next year; why not do it now?

Mr. PROXMIRE. I thank the Senator from Rhode Island.

Mr. KEATING. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. KEATING. I commend the distinguished Senator from Rhode Island and his fine committee on the workmanlike and fair consideration they gave to the excellent bill which is now before the Senate.

With respect to the question just raised by the distinguished Senator from Wisconsin [Mr. PROXMIRE], I believe the Senator from Rhode Island and his committee showed eminently good judgment in raising the figure with reference to the Brookhaven National Laboratory, because, as the Senator from Rhode Island has pointed out, if the additional $1 million were not granted at this time, the effect would simply have been to defer necessary and important work at Brookhaven, in which, in this field, we cannot move too fast. Therefore, I commend the Senator for the excellent judgment which he and his committee displayed with respect to that item.

Mr. PASTORE. I thank the Senator from New York. Now I yield to the Senator from Washington.

Mr. JACKSON. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

Mr. JACKSON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with and that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT TO S. 3392 OFFERED BY MR. JACKSON

On page 15, after line 5, it is proposed to add the following new section:

"SEC. 112. The Commission is authorized to enter into arrangements with non-Federal entities in accordance with the basis for arrangements described in Program Justification Data No. 63-1000, for the construction and operation of electric energy generating and transmission facilities at the Hanford New Production Reactor and under any such arrangements energy produced shall be delivered and disposed of in accordance with the basis for arrangements described in said Program Justification Data No. 63-1000: *Provided*, That all expenses of modifications of the Hanford New Production Reactor made at the request of the non-Federal entities, and all expenses of constructing and operating such electric energy generating and transmission facilities shall be borne by the non-Federal entities: *Provided further*, That the Commission shall not conclude any contract for the sale of steam to a non-Federal entity unless the Commission determines that such entity has first offered 50 per centum participation in the arrangements described in Program Justification Data No. 63-1000 to privately owned organizations on a nondiscriminatory basis: *And provided further*, That no Federal agency may acquire the generating facilities from the non-Federal entity without prior congressional authorization and in the event of such authorization the generating facilities shall be acquired subject to contracts then in existence for disposition of the electrical energy produced by the facilities.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Washington yield for that purpose?

Mr. DIRKSEN. Mr. President, the Senator from Washington lost the floor when he offered the amendment.

Mr. JACKSON. The Senator from Rhode Island had the floor and had yielded to me.

Mr. PASTORE. The Senator from Washington asked unanimous consent that I yield to him for the purpose of offering his amendment. But I have no objection to the request for a quorum call. I suggest that the Senator from Illinois ask unanimous consent that I may yield to him for a quorum call, without my losing the floor.

Mr. DIRKSEN. Is the Senator agreeable to that?

Mr. PASTORE. Yes.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that there be a quorum call, without the distinguished Senator from Rhode Island losing the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, this amendment has been approved by the Joint Committee on Atomic Energy. The purpose of the amendment is to provide specific congressional authorization for certain arrangements under which the Washington Public Power Supply System, a group of 16 utilities districts in the State of Washington, will construct and operate electric generating facilities, at their own expense, at the Hanford new production reactor.

The facilities that the utility group in the Pacific Northwest propose to build would have a generating capacity of over 800,000 kilowatts, which would provide the means to firm up nearly 1 million kilowatts of power on the Bonneville system. This they propose to do without the expenditure of one additional dollar by the Federal Government. In addition, the Government would be paid for the steam which will be produced in the process of making plutonium, which would otherwise be wasted.

On July 17, 1962, the other body rejected the same amendment and voted instead to prohibit the Atomic Energy Commission from entering into any arrangements for the use of the valuable byproduct steam from the NPR. It will be recalled that last year the other body rejected a proposal for Federal construction and operation of NPR electric generating facilities which had been approved by the Senate. It also rejected a compromise proposal which would have at least permitted the use of a portion of this valuable energy in connection with the Government's installation at Hanford, Wash.

Mr. President, the action of the other body may have solved the question of whether the Federal Government would construct and operate these electric generating facilities. It did not, however, solve the problem of how to provide needed electric power to the Pacific Northwest and prevent waste of this byproduct steam.

I emphasize that every effort has been made to bring before the Congress the facts in connection with the arrangements previously made.

Since the need for electric power still continued to exist, only one channel remained open to the people of the Pacific Northwest—a channel in the finest tradition of local initiative to meet local needs.

Sixteen utility districts in the State of Washington, comprising the Washington Public Power Supply System have offered to build and operate the electric generating facilities at the NPR at their own expense. In order to accomplish this objective they propose to bond themselves to the extent of $130 million in order to raise the necessary funds. They did not ask for a single dollar of Federal money. On the contrary, they proposed to pay for the otherwise wasted NPR steam in accordance with a table of payments approved by the Federal Power Commission. These payments could run up to $125 million over a possible 24-year dual purpose period of operation. They propose to market the NPR energy under power exchange agreements with the Bonneville Power Administration.

Lawyers from both the Atomic Energy Commission and the Bonneville Power Administration reviewed these arrangements and concluded that their agencies had the necessary authority to proceed. A full discussion of these arrangements was presented before the appropriate House Appropriations Subcommittee. However, on July 6, 1962, the Comptroller General ruled that the Atomic Energy Commission could not enter into these contracts without further specific congressional authorization—an opinion with which the Chairman of the Joint Committee and I, among others, disagree.

In order to learn more about these arrangements, the Joint Committee on Atomic Energy held hearings to review these matters in great detail with witnesses representing all of the contracting parties. After 2 days of extensive hearings, the Joint Committee was convinced that these arrangements were sound and would bring great benefits to the Government. On this basis the committee voted to introduce amendments specifically authorizing the contracts.

I wish to assure the Senate that the Joint Committee's review was searching and thorough. We brought to bear the extensive background of the Joint Committee in authorizing complex contracts in the atomic energy field.

I want to emphasize that every effort has been made to bring the facts of these arrangements before the Congress. First, as I mentioned, they were brought before the House Appropriations Subcommittee. Then, after the GAO ruling on Friday, July 6, the Joint Committee promptly held hearings on July 10 and 11 and reported out committee amendments authorizing the AEC to enter into agreements to carry out the project. These amendments were placed in the CONGRESSIONAL RECORD of Friday, July 13, at pages 13508–13512.

A Joint Committee print was published containing all the basic documents and materials on this matter, including the contracts themselves, the amendments, the "program justification data," and an analysis of the amendments.

The Washington Public Power Supply System proposal will result in significant benefits to the Government—a direct financial return to the U.S. Treasury, flexibility in national defense planning, and a stimulus to the economy of the Pacific Northwest and the Nation:

First. The estimated income to AEC from the sale of steam over various periods of reactor operation is as follows: 10 years, $31 million; 15 years, $60 million; and 24 years, $125 million.

This schedule is based on dual-purpose—plutonium and steam—operation of the reactor. We cannot predict the exact period of time for which plutonium for weapons will be needed, but it is highly probable that such operation will continue for 10 years and, unless an effective disarmament agreement is signed with the Soviets, the operation could continue for many more years.

Remember, this steam will be made as byproduct whether it is sold or wasted. Here is a chance, without any risk to the taxpayers, to recover better than 60 percent of the total cost of the Hanford new production reactor.

Second. The arrangements will permit the Bonneville Power Administration to firm up and sell large quantities of nonfirm power which otherwise would be wasted. It will meet a need for additional firm power to supply publicly and privately owned utilities, cooperatives, and industries in the Pacific Northwest. It will result in more economic operation of the entire Columbia River power system.

This proposal is completely divorced from the public-private power controversy. The Senate should know that, under the terms of the Joint Committee amendments, up to 50 percent of this energy must be offered to private utilities on a nondiscriminatory basis, without being subject to any preference or pullback provisions in any law.

Third. This arrangement will also serve an important national defense purpose. In the event the United States no longer needs plutonium for nuclear weapons, or enters into a disarmament agreement, the new production reactor will be operated by Washington Public Power Supply System for electric power only. If international circumstances should later require resumption of plutonium production for weapons purposes, this can be accomplished in the new production reactor in just a matter of a few days. This would save at least 2 years' time and an estimated $4 million in startup costs.

One of the fears most expressed in both Houses of the Congress is that the Federal Government is getting too big and that before long it will be involved in every phase of the economy. Those who express these fears also bemoan the fact that the people are rapidly forgetting how to "do for themselves."

Here we have 16 local utilities that are willing to bond themselves heavily in order to meet their growing requirements for power. They ask nothing from the Federal Government except the opportunity to purchase an otherwise wasted national resource.

Because these arrangements make so much good sense, I urge the Senate to support the Joint Committee amendments. This proposal is a sound venture both technically and economically. It will be a dramatic example of the military use of atomic energy harnessed for peaceful purposes; it will contribute to the economic welfare of the Pacific Northwest and the Nation and it promises the return of up to $125 million to the Treasury of the United States without any risk to the American taxpayer.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a brief explanation of the amendment.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

EXPLANATION OF COMMITTEE AMENDMENT

The first clause of the amendment specifically authorizes the AEC to enter into arrangements for the sale of byproduct steam in connection with provision of generating facilities at NPR. The first proviso requires that all expenses of building and operating the electric generating facilities and modifying the reactor will be paid for by the non-Federal group.

The second proviso requires that at least 50 percent participation in these arrangements would have to be offered to private utilities on a nondiscriminatory basis. The final proviso requires that contracts with these private organizations will remain inviolate even in the unlikely event that the Federal Government should acquire the generating facilities after subsequent congressional authorization.

Mr. SCOTT. Mr. President, I rise to ask about the difference between the House bill dealing with this subject and the Senate bill. I understand that the Senator from Washington secured the adoption in the committee of the amendment he has now proposed here, but that that occurred after the committee had reported the bill. Am I correct as to the chronology?

Mr. JACKSON. That is correct.

Mr. SCOTT. Will the Senator from Washington state how this amendment differs from the House amendment, which I believe was known as the Van Zandt amendment?

Mr. JACKSON. The Van Zandt amendment was offered as a substitute for the amendment now before the Senate. The Van Zandt amendment prohibits any authorization for the Atomic Energy Commission to enter into an arrangement of any kind, with any entity, for the purpose of the generation of electric power from the facilities at the Hanford new production reactor.

I shall read the amendment to the Senator from Pennsylvania.

Mr. SCOTT. I shall be glad to have that done.

Mr. JACKSON. The amendment reads as follows:

SEC. 112. The Commission is not authorized to enter into any arrangements for the construction or operation of electric generating and transmission facilities at the Hanford new production reactor.

That was offered as a substitute. So the House did not vote directly on the amendment which now is before the Senate.

Mr. SCOTT. But the Van Zandt amendment did become a part of the House bill which was sent to the Senate, did it not?

Mr. JACKSON. It was adopted by the House, yes.

Mr. SCOTT. I understand that the Senator from Washington now proposes to have the energy produced at the Hanford project made available to public power users as well as private power users. Is that correct?

Mr. JACKSON. To be exact, the amendment would authorize the sale of the byproduct steam, which would be made available by reason of the construction of the new reactor at Hanford. The contract would be between the Atomic Energy Commission and the Washington Public Power Supply System. They, in turn, would be directed to sell up to one-half of the output to private utilities, on a long-term contractual basis. Incidentally, that has rarely been done before.

Mr. SCOTT. The Senator from Washington states that they would be directed to sell up to one-half?

Mr. JACKSON. They are directed to offer it to the private utilities of the area.

Mr. SCOTT. But if they offered it under terms not acceptable to the private utilities, would not it be conceivable that all the steam would be used in public power projects?

Mr. JACKSON. No. The amendment requires that it be offered on a nondiscriminatory basis and on a long-term contract basis. So the private utilities would have all the rights and all the benefits which by law go to public bodies.

I shall be happy to read the specific language of that part of the amendment:

> *Provided further,* That the Commission shall not conclude any contract for the sale of steam to a non-Federal entity unless the Commissioner—

Meaning the Atomic Energy Commission—

> determines that such entity has first offered 50 percent participation in the arrangements described in Program Justification Data No. 63-1000 to privately owned organizations on a nondiscriminatory basis:

This means that the so-called preference clauses which may be applicable under section 44 of the Atomic Energy Act and the Bonneville Act would not be applicable to this situation. In other words, this language makes clear that it is an exception.

Mr. SCOTT. As I understand, the intent of the House, as expressed in its bill, was to prohibit the use of the steam by Government power; and the intent of the amendment offered by the distinguished Senator from Washington is to open the door to the use of at least one-half of the steam through public power sources; is that correct?

Mr. JACKSON. May I read the House amendment again?

Mr. SCOTT. Yes.

Mr. JACKSON [reading]:

> The Commission is not authorized to enter into any arrangements for the construction or operation of electric generating and transmission facilities at the Hanford new production reactor.

As I interpret the language, the Commission would not be authorized to enter into a contract with a private utility, if it wanted to buy power, so the amendment runs to the prohibition against any purchase by anyone of the excess steam which will be otherwise wasted.

If this proposal should be enacted, the Government would receive, over a period of 25 years, $125 million for the byproduct steam which otherwise would be dumped down the river.

Mr. SCOTT. The purpose of the House, then, was to confine the use of the Hanford project to the contemplated purposes of military development?

Mr. JACKSON. No; the contemplated purposes of the Hanford project will be found in the fact that it is the first reactor built in this country that had the dual purpose capability. It is authorized as a convertible reactor. Even if this amendment were not adopted and nothing were done on it, the reactor has been designed and is being built so it will be convertible to produce electric power. In other words, it is the built-in features that make it readily susceptible for that purpose.

Mr. SCOTT. And it is that convertible feature which, if the Senator's amendment is adopted, would open the door to the use of energy by public power authorities?

Mr. JACKSON. Well, this makes it possible, of course, for both public and private companies to join equally in the use of the power.

I emphasize further the fact, which I think the Senator may not be aware of, that this undertaking, which is making it available to produce power, will give to this facility, and therefore to our Government, great flexibility should we enter into an arms control agreement to limit the production of nuclear weapons.

In this connection, it is well to mention that, should we shut down our plutonium production reactors, it would take 18 months to 2 years to start them up again since they are all single-purpose reactors. But if the NPR is made to operate as a dual purpose reactor, we will have our technicians, talent, and know-how on the job. It will be producing power. Then we can start up in a matter of hours and without great cost to get the cores lined up to produce plutonium for weapons, in the event the arms control arrangements do not work out.

This would be a very important consideration should we ever enter into an arms control agreement. What I am saying in this instance is that we will, by the very act of making it convertible to power and to produce power, make the project flexible. It will have an immediate standby capability to go into immediate plutonium production for weapons purposes.

Mr. SCOTT. What concerns me further is that we in Pennsylvania are suffering from increasing unemployment in our coal mines. We have been seeking every means possible to increase the use of our natural resource as a fuel and energy producer. It seems to me here is Government money which would, if the Senator's amendment is adopted, be used further to minimize the capacity of Pennsylvania coal producers to produce and compete. Since we have so much unemployment in our State, I would be very sorry to see such a thing occur.

Mr. JACKSON. I appreciate the Senator's concern. I hasten to point out that the largest single user of coal in the Northwest is the Hanford project.

Mr. SCOTT. And I know where it gets its coal.

Mr. JACKSON. Some of it comes from the State of Washington, but generally from Utah and that area.

The second point I would like to make is that the first nuclear powerplant to produce energy was built on a coalbed in Pennsylvania.

Mr. SCOTT. Shippingport.

Mr. JACKSON. I refer to the Shippingport reactor. With that in mind, I think there is unnecessary concern about the coal situation.

The sole question before the Senate, it seems to me, is, Are we going to permit the waste of the heat which will be dumped into the Columbia River? We have a chance to get back, over a period of 25 years, as pure velvet to the Treasury, $125 million without the expenditure of a single Federal dollar. There is not a single word in this amendment that makes possible the expenditure of a single Federal dollar in the construction of the generating and transmission facilities at the NPR by the Washington public.

Mr. SCOTT. This is an authorization measure.

Mr. JACKSON. No appropriation is involved.

Mr. SCOTT. The Senator is quite sure we will not be asked to appropriate money later to further the use of public power?

Mr. JACKSON. If the Senator will look at the amendment, there is not a single dollar requested to support the authorization, now or hereafter.

Mr. SCOTT. I thank the Senator. I am glad to yield the floor.

Mr. JACKSON. I yield now to the distinguished minority leader.

Mr. DIRKSEN. Mr. President, it has occurred to me that the end problem here is the disposition of the power that is produced by low-pressure steam. As I understand, the power so generated will be delivered to Bonneville for distribution. That will be done under a contract whereby private utilities will receive 50 percent of the power and the other 50 percent can be distributed otherwise.

Mr. JACKSON. That is correct.

Mr. DIRKSEN. I understand also that 50 percent is available for distribution without the usual priorities.

Mr. JACKSON. The preference and priority clause; the Senator is correct.

Mr. MAGNUSON. May I add, under a longtime contract.

Mr. DIRKSEN. I understand a comparable provision was defeated in the House of Representatives. I have not had time to examine the RECORD. I am, incidentally, the newest member of the committee. I was just assigned to the committee yesterday, and I have not had time to take up my duties in the committee. I have not examined the House language that was defeated and what the reason was for the defeat, or whether it was a very substantial defeat.

Mr. JACKSON. First of all, the vote did not occur on the amendment now before the Senate. The vote came, under the parliamentary situation, on the substitute offered by the distinguished gentleman from Pennsylvania [Mr. VAN ZANDT], and the amendment was adopted by a vote of 232 to 163. We hope we can get it to conference, and if someone has a better proposition to meet the objections of the private utilities, whatever they may have been, they will have that opportunity.

I assure the Senator, and I am sure this is the view of those on the Joint Committee without regard to party, that we are anxious that the facility be utilized, and that the wasted heat that is now being dumped or will be dumped may be utilized to produce power.

Mr. DIRKSEN. What was the vote in the committee?

Mr. JACKSON. There was one dissenting vote in the committee.

Mr. DIRKSEN. To the proposal now before the Senate?

Mr. JACKSON. To the proposal now before the Senate there was one dissenting vote. That was by the Senator from Tennessee [Mr. Gore], and he advised me informally that he has no objection to the amendment now.

ELECTRIC GENERATING FACILITIES AT THE HANFORD NEW PRODUCTION REACTOR

Mr. DIRKSEN. Mr. President, on behalf of the distinguished Senator from Utah [Mr. Bennett] I ask unanimous consent to have printed in the Record at this point a statement prepared by him dealing with the construction of electric generating facilities at the Hanford New Production Reactor.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Senator Bennett

HANFORD BOONDOGGLE—ANOTHER TRAVESTY IN PUBLIC POWER

As a member of the Joint Committee on Atomic Energy, I support the AEC authorization bills, S. 3392 and H.R. 11974 as reported by the Joint Committee. However, I am opposed to any amendment to authorize construction of electric generating facilities at the Hanford New Production Reactor.

On July 17 the House of Representatives considered this bill and, after full debate, declined to authorize generating facilities at the Hanford NPR. Instead, by a rollcall vote of 232 to 163, the House adopted the following substitute amendment offered by Congressman Van Zandt:

"Sec. 112. The Commission is not authorized to enter into any arrangements for the construction or operation of electric generating and transmission facilities at the Hanford New Production Reactor."

A FUTILE GESTURE

I believe the House action was sound and that the Senate should take similar action for the following reasons:

First, in view of the decisive action by the House, I believe that it would be a futile gesture for the Senate to adopt a contrary amendment to authorize arrangements for generating facilities at the Hanford reactor. Last year the Senate voted to authorize construction of these generating facilities, but the House three times was equally firm in its position opposing the project. In the long run, after two unsuccessful conference reports, the House position prevailed.

In view of the firm stand taken by the House again this year, I can see little to be gained by pursuing this question further, especially in view of the many other important legislative matters still to be considered by the Senate before adjournment.

COAL INDUSTRY UNANIMOUSLY OPPOSED

Secondly, I believe that we have ample supplies of coal available so that such a large Government-owned reactor project is unnecessary. I would like to quote briefly from a telegram which I have received from the National Coal Association here in Washington, D.C.:

"All elements of the bituminous coal industry are opposed to the proposed amendment to H.R. 11974 which would authorize the construction of generating facilities at Hanford NPR. * * * We believe that the project would be uneconomical and not in the public interest."

The coal industry has, in my opinion, always taken a fair position concerning the development of atomic power. The coal industry has not opposed Government funds for research and development, but has taken a strong stand against unnecessary Federal ownership of reactors to produce electricity. In this case the NPR will, of course, be owned by the AEC. The generating facilities, under the proposal, would be owned by the Washington Public Power Supply System (WPPSS), an organization of 16 public power groups.

ANOTHER PUBLIC POWER GRAB

The third reason why I oppose authorization of generating facilities at the Hanford reactor is that it represents an unnecessary extension of the Federal Government into the atomic power field. The Bonneville Power Administration will be the real party in interest. The proposed contractual arrangements include a provision that the Bonneville Administrator may terminate the arrangement at any time prior to commencement of commercial operations if the project appears economically unpromising. In such event, the Federal Government will be obligated to reimburse the public power group for all of its costs and expenditures. In addition, the arrangements include an option by Bonneville to purchase, which would permit the Federal Government to acquire the generating facilities as well as the reactor itself. Although congressional authorization would be required, this still leaves the door open for Federal ownership of the facilities. Finally, the marketing arrangements between Bonneville and the public power group will be used as the security for the sale of the $130 million bonds by the public power groups.

Thus, the Bonneville Power Administration is the real party in interest which must assume large risks under the proposed arrangements. There is the possibility that the Federal Government and the taxpayers will be asked to salvage this project if further difficulties should develop.

Operation of this large reactor by the Federal Government, in cooperation with the public power groups, would create a dangerous precedent for the future.

EXPENSIVE POWER DEVELOPMENT WOULD DELAY PROJECT

Finally, I oppose arrangements to authorize generating facilities at Hanford because of the record of cost increases and delays associated with this reactor. This bill includes, in section 107(d), a $50 million increase in authorization because of increased costs in the Hanford reactor. Most of these costs are directly attributable to the problems of trying to produce steam from this reactor. A minimum of another $25 million will be necessary to add a sixth loop to the reactor to make this steam usable.

The plutonium from this reactor is needed for our weapons program. I believe that we should proceed as rapidly as possible with construction of the reactor to produce plutonium. We should forget once and for all the expensive, unworkable proposal that we should also try to produce electricity from this reactor.

In summary, this idea was rejected three times by the House last year and once again this year by a decisive vote. I hope the Senate will not waste further time and effort on this controversial and uneconomic project.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. JACKSON. I yield to my colleague.

Mr. MAGNUSON. I want to associate myself with the remarks of my colleague from Washington, but I wanted to say to the Senator from Pennsylvania that I appreciate the problem of unemployment and the need for the use of the full potential of the great natural resource of his State.

I know I speak for myself and I am sure I speak for the other Senator from Washington. We should be glad to join in an effort to continue that with which we have experimented as to the use of coal. I think this will be the answer. This project, away out in the Far West, surely would not affect the use or lack of use of the great coal resources of Pennsylvania.

Mr. SCOTT. I assure the Senator that we should be glad to ship coal anywhere. We do not regard Washington State as too far away by any means. I understand the people there are not using Pennsylvania coal.

Mr. MAGNUSON. We have large coal fields in the State of Washington which are not being used. There is a pocket in the Cle Elum district similar to those in West Virginia and in Pennsylvania, in which there are literally millions of tons of coal. Because of hydropower, that is not being used.

We are proceeding in the endeavor to have a steamplant, independent of the Government, to result from the sale of bonds. What we seek to do is to use the power which will be going to waste, in the hope that some 800,000 kilowatts can be used and that we may not have to do some things we would have to call upon Congress for to meet the full power requirements of the area.

This problem is also complicated by the fact that we are having some difficulties with the Canadian treaty, which would have provided us water storage and more firm power. This would add to it.

We are hopeful that we can develop all our natural resources. The demand for power, strangely enough, in the Senator's State as well as in my State and pretty nearly every place in the United States, keeps going up by leaps and bounds. There is a great demand for cheap power.

I am hopeful that the experiment with atomic energy, coupled with the experiments in Pennsylvania, will result in doing a great deal to produce more energy and to produce more jobs.

I should like to add one more thought. The Administrator of the Bonneville Power Administration testified not only one time but three or four times before the subcommittee of the Appropriations Committee in which hearings are held regarding the Bonneville Power Administration and the funds it uses to operate. He said that they have no intention of asking Congress for any money for the transmission line there, because the transmission lines are already in existence. This proposal would merely connect them up. Costs would be minimal, as I understand the testimony of the experts from the Bonneville Power Administration, for a transmission line should this proposal be accepted. Connections can be made right away.

We are hopeful that we can save money in the long run, by getting this money back to the Government.

Mr. SCOTT. Mr. President, as the Senator knows, the distinguished Member of the other body, Representative Van Zandt, of Pennsylvania, has made a very strong and strenuous effort to make sure that whatever may be done may not further increase unemployment in Pennsylvania, and will not operate as a blow to our valuable industry in the natural resource on which the welfare of so many of our people depends. I therefore express the hope that whatever happens in the conference will be satisfactory to the Members on the House side, who share the concern of Representative Van Zandt.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. HRUSKA. How will the construction of generating facilities be financed by the Washington public power entity?

Mr. JACKSON. That will be done by the sale of bonds.

Mr. HRUSKA. A public issue of bonds?

Mr. JACKSON. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PASTORE. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (S. 3392) was ordered to a third reading and was read the third time.

Mr. PASTORE. Mr. President, I move that the Senate proceed to the consideration of the comparable bill passed by the House, H.R. 11974.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The Legislative Clerk. A bill (H.R. 11974) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. PASTORE. Mr. President, I move to strike out all after the enacting clause and to insert in lieu thereof the language contained in S. 3392, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

The motion was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 11974) was read the third time, and passed.

The PRESIDING OFFICER. Without objection, S. 3392 will be indefinitely postponed.

Mr. PASTORE. Mr. President, I move that the Senate insist upon its amendment, request a conference with the House of Representatives, and that the Presiding Officer appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Pastore, Mr. Gore, Mr. Jackson, Mr. Hickenlooper, and Mr. Aiken conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1963, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 17, 19, 56, 63, and 68 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 2, 3, 5, 6, 13, and 52 to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

TREASURY AND POST OFFICE DEPARTMENTS, AND EXECUTIVE OFFICES APPROPRIATION BILL, 1963—CONFERENCE REPORT

Mr. ROBERTSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10526) making appropriations for the Treasury and Post Office Departments, the Executive Offices of the President, and certain independent agencies for the fiscal year ending June 30, 1963, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 25, 1962, p. 14732, Congressional Record.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. ROBERTSON. Mr. President, I wish to make a relatively brief statement on the conference action on H.R. 10526, the Post Office and Treasury Departments appropriation bill for fiscal year 1963.

The conference report contains a total of $5,489,781,000. This is $28.1 million over the House bill, $36.7 million under the Senate bill, $176.9 million over 1962, but $85,605,000 under the estimate.

For the Treasury Department, the conference bill contains $970,385,000, an increase of $41,195,000 over 1962. The amount allowed is $35,958,000 under the estimate. Contained in this total is $486 million for the Internal Revenue Service. This is $34 million over 1962; $6 million over the House allowance and should provide for a total of 60,022 average positions, an increase of approximately 1,093 employees over the 1,697 provided in the House bill for a total increase of approximately 2,790 average positions over fiscal 1962. This is $6 million and 941 average positions less than the Senate bill provided, but was all to which the House conferees would agree.

The conferees agreed that none of the funds appropriated for the Internal Revenue Service, salaries and expenses, should be transferred to the Social Security Administration for reimbursement for costs of issuing taxpayer account numbers.

I ask unanimous consent that there be printed at the conclusion of my remarks a letter from Mr. Caplin, Commissioner, Internal Revenue Service, explaining the need for additional employees covered by the budget request.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Treasury Department,
Internal Revenue Service,
Washington, D.C., July 20, 1962.

Hon. A. Willis Robertson,
Chairman, Treasury and Post Office Subcommittee, Committee on Appropriations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: During our conversation on July 18 you asked for extra copies of some supplementary material covering the Service's fiscal year 1963 budget request, which I sent to you on April 5.

This material, which is enclosed, covers, in part I, the Internal Revenue Service response to major issues raised by the House Appropriations Committee following its consideration of our 1963 budget request; and, in part II, some major sources of revenue loss caused by the Service's limited resources.

For 1963 we asked for $513 million, which included funds for the appointment of about 4,500 additional employees, including 355 temporaries. The House allowed $480 million, which would have enabled us to increase our staff by only 1,700 people. The Senate, however, voted for an appropriation of $492 million, which would have given us funds for approximately 3,700 new employees.

Secretary Dillon's and my own testimony before Chairman Gary's and your own subcommittees, supplemented by the enclosed material, shows rather convincingly, I believe, that the budget for the Revenue Service presented to Congress this year was thoughtfully worked out and is realistic and even tight. We asked for no more funds than we could effectively use to preserve and promote the integrity of our Federal tax system through strengthened administration.

The estimates for 1963 are, of course, based on existing legislation and are likely to prove inadequate if the Congress rejects the President's recommendation for withholding on interest and dividends and provides instead for wider use of information returns (Form 1099) to close the reporting gap for these income sources. As you know, we are able with our present manpower, to match and follow up on only a fraction of the 100 million information returns we are now receiving each year. If the Senate Finance Committee proposal to require information returns on interest and dividend payments of $10 or more is enacted, it could raise substantially the number of information returns received. Obviously, any material narrowing of the interest and dividend reporting gap through the increased use of information returns, as contrasted to withholding, would require substantial additions to our manpower.

I earnestly hope that the Senate position on our budget will prevail. While I have a keen appreciation for the need to keep appropriations within sound limits, I believe we can both agree that a strong Revenue Service is essential to a strong fiscal system. The funds we ask for 1963, and my determination to use them on the most productive efforts we can devise to strengthen the administration of our tax laws, will do much to give us that kind of a Revenue Service.

With kind regards.

Sincerely,

Mort Caplin,
Commissioner.

Part I—Major Issues Raised Incident to the Internal Revenue Service, Fiscal 1963 Budget

Issue 1: It has been asserted that in the past few years the estimated enforcement dollar yield has decreased from 20 to 1 to 6 to 1.

Comment:

1. The ratio of total enforcement dollars to total budget has consistently run between 6.9 and 8.5 for the last 10 years.

2. Ratios higher than this have been stated by the Service in the past but they related to a comparison of the salary costs of enforcement officers to enforcement dollars rather than to total budget. In fact, much higher ratios are possible. For example, the average of grade 13 revenue agents' production from corporate examinations is about 80 times their salary.

Issue 2: Because of the alleged operation of "diminishing returns," new agents cannot pay their way in additional enforcement dollars.

Comment:

1. Studies of new agents hired in 1960 and 1961 show that in the first year after training their production averaged approximately 10 times their salary.

Issue 3: In spite of the addition of 3,000 personnel in 1961, the Service increased its enforcement tax take by only $1 million.

Comment:

1. The increase in 1961 was, in fact, about 2,200, of which only 780 were examining officers.

2. The $1 million of additional tax assessed in 1961 does not represent the work performed by the additional 780 examining officers in 1961. Actually, in 1961, there was $71 million more of additional tax recommended than in 1960. Because of the delays inherent in the appellate and judicial processes, there is a lag between recommended tax increase and the assessment of those taxes.

Issue 4: The Service made 511,000 additional audits in 1961 but collected only $1 million additional tax.

Comment:

1. The 511,000 additional audits produced $71 million of additional tax recommended. Here again, the increase in number of examinations should be related to additional tax recommended and not to additional tax assessed.

Issue 5: Despite an increase of 4,000 employees in 1962, the additional assessments for the first 6 months of that year are $119 million less than for the same period of 1961.

Comment:

1. Of the 4,000 increase in 1962, only approximately 1,700 were examining officers.

2. Here again, the correct measurement of current year productivity is additional tax recommended rather than additional assessments. On this basis, the real decrease is $53 million rather than $119 million.

3. Owing to the increase in new examining officers there was a substantial increase in training time and in supervisory time. These two increases are valued at about $80 million and more than account for the $53 million decrease in additional tax recommended.

4. There are two other factors contributing to the decline in fiscal 1962: (a) More than 14,000 man-days of agent time were spent on the organized crime drive; (b) audit work in process increased by 260,000 returns and this effort will be reflected in additional tax in later years.

Issue 6: The ADP program ought to allow for a decrease in personnel rather than the substantial increases involved in the long-range plan.

Comment:

1. In the future ADP may well allow a decrease in some categories of personnel. However, its initial impact will be to generate enforcement leads which will actually increase the need for field followup and hence personnel.

2. In addition, the electronic equipment allows us to perform certain operations (such as the individual delinquency check and prevalidation of credits) which are today gone largely by default.

Issue 7: The Service is squandering its manpower and not producing additional tax dollars commensurate with the additional staff authorized.

Comment:

1. Total tax collections must be the measurement of Revenue Service efficiency rather than enforcement tax dollars.

2. Total tax collections in 1961 increased $2.6 billion over 1960. We recognize that there are other factors at work contributing to the increase, however, it shows the basic soundness of our tax system is being maintained.

3. We are developing a means for measuring the overall effectiveness of the Service to augment the historical method of measuring enforcement tax dollars.

4. Optimum total tax collection must be the objective, not merely more tax from direct enforcement. For example, public interest would be better served by total tax receipts of $100 billion, including $1 billion from direct enforcement rather than receipt of $95 billion including $5 billion from direct enforcement.

5. For this reason, the Service is taking the following positive steps to optimize total receipts:

(a) Increase taxpayer assistance.
(b) Increase independent conferees.
(c) Increase training of enforcement personnel.
(d) Improve quality of examinations.
(e) Improve supervision.
(f) Continue emphasis on Attorney General's organized crime drive.
(g) Increase operational efficiency by elimination of unnecessary overhead.

Part II—Major Sources of Revenue Loss

There are many areas of serious noncompliance and inadequate enforcement which cannot now be effectively combated with presently available manpower. The situation in which we find ourselves is somewhat like a man fighting brush fires. If he concentrates on putting out the fire in one spot he finds a new fire breaking out and raging in another spot. These sources of revenue loss, like the fire, can only be brought under control if more manpower is made available across the board. While our new ADP system will provide assistance in further identifying areas of noncompliance, it will not collect the tax. To collect the tax due—but currently not paid—will simply require more people.

Some of the major areas of noncompliance and incomplete enforcement on which additional personnel would concentrate are identified below.

Underreporting of income: For 1959, the latest year for which tax return data have been tabulated, it is estimated that $27.9 billion of income received by individuals was not accounted for on tax returns. After subtracting $3.5 billion, as the amount of such income received by individuals not required to file returns, an estimate of $24.4 billion is obtained as the total reportable income not accounted for on tax returns. The breakdown of this unreported income, by source of income, is as follows:

[In billions of dollars]

Total income not reported on tax returns	27.9
Less: Income received by individuals not required to file tax returns	3.5
Equals: Total reportable income not accounted for on tax returns	24.4
Dividends	.9
Interest	2.0
Annuities and pensions	.6
Business and farm profit	12.0
Wages and salaries	6.5
Other income	1.6

A rough overall estimate of the revenue loss from the failure to report the $24.4 billion is at least $4 billion. The revenue effects of this underreporting have been estimated for some of the categories of income, but not for all. The failures to report dividend and interest income were estimated to have reduced revenue by $289 and $522 million, respectively, or a total of $811 million at the 1959 income levels. Similar estimates are not available for the other areas.

Underreported dividends and interest: If withholding of tax at source on dividends and interest is enacted into law, the income reporting and revenue gaps in these areas will be reduced substantially. Nevertheless, withholding alone will not completely eliminate underreporting. First, certain types of interest, mainly that paid by individuals and that received from foreign sources, will not be subject to withholding. Further, some of the dividend and interest income subject to withholding, but taxable at an effective rate of more than 20 percent, will be underreported by the recipient taxpayers. Application of audit manpower will be needed to expose such pockets of noncompliance and to perform the necessary followup work on "leads" generated through the withholding process and the application of the automatic data processing.

Business and farm profit gap: Almost half of the overall income reporting gap is estimated to be the result of underreporting of business and farm profit. About $5 billion of the gap is attributable to underreporting by farmers and $7 billion is estimated as the amount of business profit underreported by nonfarm businesses. Improved compliance can be achieved directly only through greater enforcement effort, primarily in the audit and collection areas. Only indirect help can be afforded by ADP here; personal contacts with the businessman or farmer is generally necessary to bring out all the facts correctly and establish the tax liability precisely.

Excessive claims for travel and entertainment expenses: Underreporting of profits may come about from overstatement of expenses, of course, as well as from the understatement of gross receipts. One well-publicized example of this is the underreporting of business profit as a result of overstatement of travel and entertainment expenses. Some idea of the extent of over-claiming of travel and entertainment expenses may be obtained from a tabulation the Service has made of the results of routine audit of returns with business income for the final quarters of the calendar years 1960 and 1961. These figures show that over 20 percent of the travel and entertainment expenses claimed on returns of sole proprietors was disallowed on audit; the amount disallowed averaged nearly $500. On corporate returns nearly 10 percent of travel and entertainment expenses claimed were disallowed, and the amount disallowed averaged about $900 per return.

It should be emphasized that the above data relate only to the results of regular audit examinations; the returns examined were not selected for investigation because of any indications that they had unusually high potential for additional tax attributable to overstatement of expenses. The Service, of course, is able to audit only a fraction of all returns involving business income; hence, we can only speculate as to the total amount of tax now being lost annually in consequence of over-claiming entertainment and travel expenses.

Increase in itemization of deductions: Each year since its inception, in 1944, there has been a decrease in the rate at which the standard deduction has been used by individuals in computing their tax. Correspondingly, there has been an increase in the rate at which taxpayers are itemizing their personal deductions. For 1950, deductions were itemized on nearly 20 percent of all individual returns filed; for 1959, deductions were itemized on 37.3 percent of all individual income tax returns filed. Based on the rate of growth evidenced during the 10-year period, it seems safe to assume that today about 40 percent of individual income-tax payers itemize their deductions. Thus, the continuing increase in the rate of itemization, which shows no sign of leveling off means a growing area in which evasion of tax can be averted only by careful scrutiny and verification of each return individually. Merely to maintain our present levels of coverage of returns in this area will entail additional manpower.

Delinquent account: The number of delinquent accounts outstanding and the amount of delinquency represented by these accounts continues to be disturbingly large. During 1961, over 2.9 million notices, 500,000 more than for the previous year, were issued to taxpayers regarding past due taxes, aggregating $1.5 billion. Also about the same number of delinquent accounts were closed out in 1961, bringing in over $1.4 billion in revenue.

Despite a concentration of effort to reduce the backlog of delinquent accounts, the number on hand at the end of 1961 increased over the inventory level at the end of 1960. On June 30, 1961, there were over 960,000 delinquent accounts on hand, representing over $1 billion in taxes due.

As of February 1962, the taxpayer delinquent account notices issued during 1962 are running 7 percent ahead of the number issued in the comparable period of last year. A continued increase in the number of new delinquent accounts is expected, based on normal growth and expanded enforcement efforts in both the audit and delinquent returns areas. In order to insure timely collection of back taxes due and to prevent any further increase in the backlog of delinquent accounts, additional manpower will need to be applied to this activity.

Delinquent returns: During recent years the amount of manpower assigned to canvassing for delinquent returns has been very inadequate in relation to the size of the delinquency problem. As between delinquent accounts on the one hand and delinquent returns on the other, it has been the Service policy to give preferential attention to collecting the delinquent accounts. In other words, we have stressed the collection of the dollars on our books, rather than passing over that task in order to get about the same number of dollars on our books via the delinquent return route, since these latter dollars would require still additional manpower to enforce their collection.

Whenever and wherever it has been possible to do canvassing work, the results have been highly productive, indicating the widespread and serious nature of the delinquency problem. During 1961, nearly 970,000 delinquent returns were secured, yielding tax and penalties of over $159 million, or an average yield per return of $164. Nevertheless, at the end of 1961, the backlog of taxpayer delinquency leads reached over 700,000, or about 300,000 above the inventory level at the end of 1960.

An area compliance survey was undertaken during 1960 to provide management with a more accurate yardstick for identifying the nature and measuring the extent of delinquency in the filing of tax returns required to be filed by business taxpayers for 1959. About 200 survey areas, scattered throughout the United States, were selected on a random sample basis without regard to the delinquency that might exist in these areas.

The results of this survey showed that American nonfarm business fails by a considerable margin to file all tax returns required by Federal law. Approximately one-tenth of all business units contacted in the survey were delinquent for at least one type of tax.

Our recent experience in Fordyce, Ark., which has probably been overexposed in the newspapers, is indicative of the productivity of delinquent investigations. There, an investigation of leads on 409 taxpayers yielded 303 delinquent returns of all kinds. This is symptomatic of the pockets of delinquency that can be flushed out when manpower is available for assignment to saturation investigations of communities comparatively isolated from large metropolitan centers.

Such a high rate of noncompliance is alarming, but we soon hope to improve our enforcement effort in this area by effectively utilizing our ADP system for this purpose. However, in the end, we will need more people to do field followup work on the leads developed, and thus bring in the delinquent returns.

Incomplete verification of credits: Although not an example of noncompliance as such, but rather a factor which leads to noncompliance, is our present failure to perform complete verification of credit items entered on individual income tax returns. We are able to verify only a small percentage of credits claimed for income tax withheld from wages and salaries and for payments made on declaration of estimated tax.

On 1959 returns, individual income-tax payers claimed as credits against their tax liability nearly $31 billion for tax withheld from wages and salaries, and almost $9 billion for payments on declaration of estimated tax. In total, this represents nearly 90 percent of the $45 billion of individual income tax collections.

To safeguard the revenue, and to avoid any slippage in compliance, verification of credits should be extended to cover all returns. The extent of the hazard entailed by merely accepting the unverified claims of taxpayers for nearly $40 billion is altogether apparent.

Mr. ROBERTSON. For the acquisition, construction, and improvement item in the Coast Guard, there is included $33,330,000 instead of $25 million proposed by the House and $39 million as proposed by the Senate. The increase of $8.3 million over the House allowance will provide for the replacement of one patrol craft at $4,250,000, replacement of one coastal tender at $3 million, and replacement of three harbor tugs at a total cost of $1,080,000. Some of the vessels to be replaced have been in service since the prohibition era and are now obsolete, antiquated, and long overdue in being replaced. For the Bureau of Customs, there is included $64,775,000. This is an increase of $1,450,000 over 1962 and represents 160 additional man-years of employment over 1962.

For the Secret Service, salaries and expenses, the conference allows $5,475,000. This sum is $375,000 under the estimate and $175,000 over the House allowance. The additional sum is to be used for the hiring of additional personnel for suppressing the continued increase in counterfeiting and for investigating check and bond forgeries.

For the Post Office Department, the bill appropriates $4,504,100,000, an increase of $135,600,000 over 1962 and represents a reduction of $49,594,000 in the estimates. The sum allowed should provide for a moderate increase in mail volume, some new facilities, and additional vehicles and equipment. The amount allowed is $10.5 million over the House figure and $24 million under the Senate bill.

The House allowance for the "Operations" and "Transportation" items of the Post Office Department was based on a 2.9-percent increase in mail volume in fiscal year 1963 over fiscal year 1962. The Senate increases of $13,500,000 and $9 million respectively in these two items were based on a 3.9-percent increase in mail volume. Since the House was adamant on this issue, the Senate conferees reluctantly yielded but expressed the fear that the cut in the budget estimates insisted upon by the House would have to be restored by a supplemental request after next January. In this connection, it is pertinent to note, in view of recent charges, the manner in which the Senate committee has increased bills sent to it by the House. During the past 10 years, the House has approved supplemental bills increasing appropriations for the Post Office Department in the sum of $868,182,000. During the 10-year period, the total of the appropriation bills for the Post Office Department passed by the Senate has been $472,625,000 under the budget estimates submitted to the Congress.

For the Executive Office of the President, the conference bill provides $11,637,000, an increase of $144,000 over 1962. The amount allowed is $27,000 under the estimate which was applied to the Bureau of the Budget.

For title IV, funds appropriated to the President, the conference bill contains $1,200,000, the same as the estimate request.

For title V, independent agencies, the conference bill contains $2,459,000, an increase of $134,000 over 1962 and $26,000 under the estimate.

I ask unanimous consent that a table showing the 1962 appropriations, the 1963 budget estimates, the House and Senate action, and conference action on the bill be printed at this point in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

Departments of Treasury, Post Office, and Executive Office appropriation bill, 1963, H.R. 10526

TITLE I—TREASURY DEPARTMENT

Appropriation title	Appropriations, 1962	Estimates, 1963	House bill	Senate bill	Conference allowance
Office of the Secretary, salaries and expenses	$4,100,000	$4,660,000	$4,480,000	$4,540,000	$4,510,000
Bureau of Accounts:					
Salaries and expenses	3,772,000	3,836,000	3,800,000	3,800,000	3,800,000
Salaries and expenses, Division of Disbursement	25,700,000	26,975,000	26,500,000	26,500,000	26,500,000
Total, Bureau of Accounts	29,472,000	30,813,000	30,300,000	30,300,000	30,300,000
Bureau of Customs	[1] 63,325,000	66,000,000	64,600,000	65,300,000	64,775,000
Bureau of Engraving and Printing, air conditioning of buildings		300,000	300,000	300,000	300,000
Bureau of the Mint	6,250,000	6,680,000	6,480,000	6,480,000	6,480,000
Bureau of Narcotics	4,462,000	4,580,000	4,580,000	4,580,000	4,580,000
Bureau of the Public Debt	48,000,000	48,000,000	47,750,000	47,750,000	47,750,000
U.S. Coast Guard:					
Operating expenses	212,000,000	220,000,000	217,500,000	220,000,000	220,000,000
Acquisition, construction, and improvements	39,000,000	39,000,000	25,000,000	39,000,000	33,330,000
Retired pay	31,350,000	32,700,000	32,000,000	32,700,000	32,350,000
Reserve training	16,000,000	16,500,000	16,500,000	16,500,000	16,500,000
Total, U.S. Coast Guard	298,350,000	308,200,000	291,000,000	308,200,000	302,180,000
Internal Revenue Service	452,000,000	513,000,000	480,000,000	492,000,000	486,000,000
Office of the Treasurer	16,925,000	16,675,000	16,450,000	16,450,000	16,450,000
U.S. Secret Service:					
Salaries and expenses	[2] 4,800,000	5,850,000	5,300,000	5,650,000	5,475,000
Salaries and expenses, White House Police	1,148,000	1,216,000	1,216,000	1,216,000	1,216,000
Salaries and expenses, Guard Force	358,000	369,000	369,000	369,000	369,000
Total, U.S. Secret Service	6,306,000	7,435,000	6,885,000	7,235,000	7,060,000
Fund for payment of losses in shipment		(525,000)	(525,000)	(525,000)	(525,000)
Limitation on administrative expenses, RFC	(35,000)	(..........)	(..........)		
Total, title I, Treasury Department	929,190,000	1,006,343,000	925,825,000	983,135,000	970,385,000

TITLE II—POST OFFICE DEPARTMENT

Appropriation title	Appropriations, 1962	Estimates, 1963	House bill	Senate bill	Conference allowance
Payment for public services	($62,700,000)	($247,800,000)	(..........)		
Administration, regional operation and research [3]	82,000,000	[3] 91,194,000			
Administration and regional operation			$75,600,000	$75,600,000	$75,600,000
Research, development, and engineering			10,000,000	12,000,000	12,000,000
Operations	3,434,000,000	3,562,000,000	3,535,000,000	3,548,500,000	3,535,000,000
Transportation	590,000,000	601,500,000	590,000,000	599,000,000	594,500,000
Facilities	152,500,000	177,000,000	167,000,000	173,000,000	167,000,000
Plant and equipment	110,000,000	122,000,000	116,000,000	120,000,000	120,000,000
Total, title II, Post Office Department	4,368,500,000	4,553,694,000	4,493,600,000	4,528,100,000	4,504,100,000

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT

Appropriation title	Appropriations, 1962	Estimates, 1963	House bill	Senate bill	Conference allowance
Compensation of the President	$150,000	$150,000	$150,000	$150,000	$150,000
The White House Office	2,495,000	2,545,000	2,545,000	2,545,000	2,545,000
Special projects	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Executive Mansion Grounds	[4] 693,000	658,000	658,000	658,000	658,000
Bureau of the Budget	5,517,000	5,677,000	5,600,000	5,677,000	5,650,000
Council of Economic Advisers	[5] 584,000	584,000	584,000	584,000	584,000
National Security Council	554,000	550,000	550,000	550,000	550,000
Total, title III, Executive Office of the President	11,493,000	11,664,000	11,587,000	11,664,000	11,637,000

TITLE IV—FUNDS APPROPRIATED TO THE PRESIDENT

Appropriation title	Appropriations, 1962	Estimates, 1963	House bill	Senate bill	Conference allowance
Emergency fund for the President	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Expenses of management improvement	350,000	200,000	200,000	200,000	200,000
Total, title IV, funds appropriated to the President	1,350,000	1,200,000	1,200,000	1,200,000	1,200,000

TITLE V—INDEPENDENT AGENCIES

Appropriation title	Appropriations, 1962	Estimates, 1963	House bill	Senate bill	Conference allowance
Tax Court of the United States	$1,750,000	$1,784,000	$1,784,000	$1,784,000	$1,784,000
Advisory Commission on Intergovernmental Relations	375,000	375,000	375,000	375,000	375,000
President's Advisory Committee on Labor-Management Policy	200,000	326,000	300,000	300,000	300,000
Total, title V, independent agencies	2,325,000	2,485,000	2,459,000	2,459,000	2,459,000
Grand total, titles I, II, III, IV, and V	5,312,858,000	5,575,386,000	5,461,671,000	5,526,558,000	5,489,781,000

[1] Includes supplemental appropriation of $675,000 (Public Law 87-332).
[2] Excludes supplemental request of $210,000 contained in H. Doc. 333.
[3] In lieu of this item, the Committee established two new appropriation items (immediately following) and considered the budget request under the new items.
[4] Includes supplemental appropriation of $165,000 (Public Law 87-332).
[5] Includes supplemental appropriation of $170,000 (Public Law 87-332).

Mr. ROBERTSON. Mr. President, I thank the conferees on the part of the Senate for their fine cooperation and help in an amicable conference. We arrived at an agreement on a reasonably satisfactory report. The amount agreed upon is below the amount provided by the Senate bill, but we hope it will be adequate to operate the two great departments of Government involved. All the conferees on the Senate side were very helpful and the staff was helpful. Needless to say, I hope the Senate will be willing to accept the conference report without question.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. MONRONEY. I compliment the chairman on the way he handled the conference and preserved the essential parts of the bill.

I should like to mention particularly the proposed improvement and modernization of equipment money to handle the mail, contained in the "Facilities" item of the Post Office Department, which is provided for in the amount agreed to in the Senate figure of $120 million.

We have been sitting for weeks hearing testimony on a bill that would increase postal rates. Every witness has insisted upon modernization of Post Office equipment. The witnesses have called for laborsaving devices and other mechanical means that would facilitate the work of the Department. I consider that feature of the report one of the wisest investments in the conference report.

Mr. ROBERTSON. I appreciate the compliment of my friend. I agree with him that we insisted in the conference upon the increase in that item in the Senate provision. Undoubtedly the proposed equipment would reduce expenses and improve the quality of the service of the Post Office Department.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from South Carolina.

Mr. JOHNSTON. As one of the conferees I commend the chairman for his leadership in the conference and also his work on the bill in the committee when it was being prepared to be brought before the Senate prior to our going to conference. The Senator from Virginia rendered a distinguished service, and he should be commended. At all times we tried to preserve the vital provisions in the bill, and the chairman fought for provisions which would make the postal service a better service. Modernization is needed in the Post Office Department. As chairman of the Committee on Post Office and Civil Service the subject is brought to my attention every day. Due to the cold war we have hesitated going into that field, much as I feel we should have gone into it.

We are only now beginning to go into that field in an attempt to modernize the Post Office from top to bottom to as great an extent as possible. At the same time we realize that the Post Office Department is a large organization, and we cannot bring about modernization in 1 day or 1 year. Many years will be required to reach the goal we wish to achieve.

I commend the chairman for the work he did in the conference and on the committee.

Mr. ROBERTSON. I thank the distinguished Senator from South Carolina. No Member of the Senate is more familiar with the operations of the Post Office Department than is the Senator from South Carolina. For many years he served as chairman of the great Committee on Post Office and Civil Service.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the distinguished Senator from Nebraska.

Mr. HRUSKA. I join the Senator from Oklahoma [Mr. MONRONEY] and the Senator from South Carolina [Mr. JOHNSTON] in their commendation of the chairman of the Subcommittee on Appropriations for the Treasury and Post Office Departments. Comment has already been made with respect to the Post Office Department funds so well preserved as a result of the conference.

While the results were not as complete as we had hoped for on the item of "Acquisition, construction, and improvements" for the U.S. Coast Guard, some progress was made. I point out again that the increase over the House allowance provided for the replacement of one patrol craft at $4¼ million, the replacement of one coastal tender at $3 million, and the replacement of three harbor tugs at a total of $1,080,000. A great deal of progress has been made. However, in each instance the new equipment was for the replacement of very obsolete equipment. In one instance the equipment was as much as 35 or 40 years of age, and replacement had been long overdue. While more of the equipment could have been replaced with great economy, resulting in vast improvement of the service of the Coast Guard, nevertheless, as I have said, there has been a good deal of improvement, and some progress has been made. We look forward to more progress next year.

Mr. ROBERTSON. I agree with my friend from Nebraska. The Coast Guard is a great organization. We feel it has not received quite the consideration to which it was entitled. On the other hand, there has been some misunderstanding or lack of full agreement regarding the vessel replacement program and the ultimate mission and role of the Coast Guard. These have not been fully developed and agreed upon and have held up the construction program for vessels, until it could be determined what are the missions of the Coast Guard. As my friend has said, we admire what the Coast Guard does. We believe that we can go forward in the future with its proper development.

Mr. HRUSKA. There is in progress a study as to the missions and responsibilities of the Coast Guard. We hope to have the results of that study by January next, so that we may proceed in a new light.

Mr. ROBERTSON. Yes.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. CARLSON. I do not wish this opportunity to pass without commending the distinguished chairman of the Subcommittee on Post Office and Treasury Appropriations. He has rendered a real service. He has spent a great deal of time studying the problems of the Post Office Department. I do not know of anyone who has more knowledge of these problems than the Senator from Virginia, except possibly the chairman of the Committee on Post Office and Civil Service, the Senator from South Carolina [Mr. JOHNSTON]. I therefore wish to commend the chairman of the subcommittee on these appropriations, the Senator from Virginia [Mr. ROBERTSON], and the other members of the subcommittee.

In dealing with the Post Office Department, we are dealing with one of the agencies of Government which is probably the closest to our people. I again commend the chairman, and I hope that the conference report will be unanimously adopted.

Mr. ROBERTSON. I thank the Senator from Kansas. I ask that the Chair state the question.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. ROBERTSON. Mr. President, I suggest the absence of a quorum, in order that notice may be given that we will take up the next conference report, which is on the Defense appropriation bill.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1963—CONFERENCE REPORT

Mr. ROBERTSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 26, 1962, p. 14829, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. ROBERTSON. Mr. President, in handling the largest peacetime appropriation bill which this body has ever acted upon, I wish to report that we held a most harmonious, and I think successful conference with the House. Such conflicting views as there were, we discussed calmly and amicably considering each fully and making adjustments on a fair basis throughout.

The conference agreement on H.R. 11289, the Department of Defense appropriation bill for fiscal year 1963, contains a total of $48,136,247,000. This is an amount $292,974,000 under the total of $48,429,221,000 as passed by the Senate and a total of $296,756,000 over the amount of $47,839,491,000 as passed by the House. It is $229,247,000 over the budget estimate of $47,907 million.

I wish to point out that were it not for the action taken by the Department of Defense on certain funding items in its formulation of the budget this year, the conference report submitted to the Senate would be well below the budget estimate, as described below.

It will be recalled that for fiscal year 1962 the Congress provided $514.5 million solely for the procurement of long-range bombers. These funds the Department of Defense did not utilize. Instead, for fiscal year 1963, the Department requested that the restriction on the utilization of these funds should no longer apply and they be utilized to finance the fiscal year 1963 aircraft procurement program. However, the House, instead of permitting the utilization of these funds, recommended their rescission and a new appropriation of a like amount. The Senate approved this, which resulted in an increase of $514.5 million over the budget. Thus, if the Department had requested new funding for the programs requested, the conference report before you today would be approximately $285 million below the budget. I wish to emphasize this because of the misleading impression one would receive if the full story were not properly considered. It should also be remembered that the Congress provided $400 million for the development of the RS-70 weapon system last year, of which the Department utilized only $220 million. In its budget for fiscal year 1963, the Department applied the remaining $180 million to other programs for which it would otherwise have been required to request funds and thus increase the budget estimates. Had this $180 million been available for the development of the RS-70 weapon system, and a like amount included in the budget for other programs, the increase over the budget would have been reduced by that amount, thus further reducing the appropriation below the budget estimate. The conference, however, has provided a total of $362.6 million for the development of the RS-70 weapon system. It is an amount of $191.6 million above the budget estimate, and will provide for the initiation of three additional aircraft and their engines in addition to the three aircraft previously financed.

In providing a total of $362.6 million for the further development of the RS-70 weapon system, the conference committee was not unmindful of testimony by General LeMay and others which indicated that a total of $491 million might be utilized for this purpose. This was the amount proposed by the Senate. The conference committee agreed—and it so stated in the conference report—that transfers through and from the emergency fund of the Department of Defense should be used to fund the development of other components of the RS-70 weapon system if technological breakthroughs in these subsystems are achieved.

In other action, the conference committee agreed in essence to the mandatory language provided by the Senate for the Army Reserve components. In connection with these actions and to assist in obtaining the objective of the Congress, it was agreed that the Secretary of Defense should apply the following provisions to the Army Reserve Forces:

First. All units maintain at least 90 percent MOS qualified personnel, which they have recently been required to do.

Second. The Reserve components apply the same recruiting standards as the Active Army.

Third. No units be permitted to exceed the authorized strength except those specifically authorized excess strengths to accommodate reservists on drill pay status who have been displaced by the realinement.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter to me from the Secretary of Defense, dated July 20, 1962, outlining his proposal in relation to maintaining an end strength of the National Guard and Reserve of 700,000, to which the conference agreed.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, D.C., July 20, 1962.

HON. A. WILLIS ROBERTSON,
Acting Chairman, Subcommittee on Department of Defense, Committee on Appropriations, U.S. Senate.

DEAR MR. CHAIRMAN: I understand that the conferees on the Department of Defense appropriation bill for fiscal year 1963 will soon be able to reconcile the difference in the Senate and House versions in this connection, it was called to my attention that in explaining to the Senate the need for mandatory language on the Army Guard and Reserve you said:

"At times, it has been necessary to place in the law mandatory language precluding the possibility of planned reductions. At other times, as a result of understandings with the executive branch, this has not been necessary. For fiscal year 1963, thus far, no such understanding or assurance has been given. Therefore, the committee has no choice but to provide in the bill mandatory language which, for fiscal year 1963, will compel the Department to program its Reserve forces so as to achieve an end strength in the Army Reserve of 300,000 and the Army National Guard of 400,000."

Unfortunately, we have been unable to give this assurance to the Congress this year for two reasons:

1. A comprehensive and thorough review of Army Reserve component requirements indicates that 700,000 on drill pay status is considerably in excess of our needs, which are computed at 642,000.

2. A thorough review of all the factors involved convinces us that a 700,000 drill pay strength cannot in any event be achieved in fiscal year 1963 on an orderly and efficient basis.

In our appearances before your committee, I and other Defense Department witnesses presented in considerable detail the reasons why we concluded 700,000 reservists on drill pay status were not required under current military plans. It might be useful, however to summarize them briefly here.

1. Current contingency war plans call for a total of 43 divisions. Since 16 divisions are provided in the Active Army, only 27 divisions are required in the reserve components, compared with the present structure of 37 divisions. However, we also have a requirement for additional high priority brigades. Accordingly, we are proposing to realine 8 Reserve divisions into 8 priority brigades giving us a total of 11 in the Reserve components. This will still leave 29 Reserve divisions or 2 more than are actually required.

2. Although modifications have been made from time to time in the nondivisional portion of the reserve component structure, no comprehensive unit-by-unit analysis of requirements under current war plans has been made for some years. The completion of such an analysis earlier this year clearly indicated the need to eliminate certain units and add other units to the structure.

3. The present world situation and the Berlin crisis last year have convincingly demonstrated the need for a highly ready force within the Army Reserve components. The principle of priorities in the Reserve Forces has been well established for a long time, but it has been followed more in theory than in practice. Accordingly, we plan to establish within the Army Reserve components a priority force consisting of 6 divisions and 11 brigades, plus their supporting forces, together with those units required to round out the Active Army, the onsite air defense battalions, and the required training and operational base units. These forces will be more highly manned and will be provided with more and better equipment and more technicians than the remaining forces in the Army Reserve component structure.

4. The number of reservists required to be maintained on drill pay status in support of this plan totals about 642,000 compared with the 700,000 mandated in the Senate bill. In this connection, it should be borne in mind that the 700,000 figure is purely an historical accident and is not related to any of our current military plans. As you no doubt recall, this figure was established by Secretary Wilson in December 1956, as an interim step in the so-called national Reserve plan of 1954–55. The changing world situation led the previous administration to completely abandon that plan in 1957 and to propose a flat 10-percent cut in the 700,000 drill pay strength beginning with the fiscal year 1959 budget, which was presented to the Congress in January 1958. From that time to the present there has been no direct connection between the Army Reserve component drill pay strength and the military requirement. Whether or not you agree with the 642,000 figure drill pay strength we are proposing, I believe you would agree that sooner or later the structure and drill pay strength of the Army Reserve components must be directly related to our current war plans.

Now, I would like to briefly restate the reasons why we are convinced that the 700,000 strength cannot be achieved in fiscal year 1963, in any event, without resorting to wasteful and inefficient practices.

1. There is no way of knowing how many of the 75,000 Army National Guard and Reserve personnel ordered to active duty last fall, and who had been receiving drill pay, will choose to resume their peacetime training when they return to civilian life. The obligation of many of these individuals will have expired by that time.

2. The initial group of 6-month trainees will be completing its 5½ years of obligated service during fiscal year 1963 and many of these reservists will not choose to continue in the program. We presently estimate that about 260,000 men, or more than one-third of the present drill pay strength, will leave the Army Reserve components.

3. To support a level of 642,000 on drill pay status, the Army has had to plan the largest 6-month training program in history, 139,000 trainees—25 percent higher than the number programed for fiscal year 1962 to support a planned paid drill strength of 700,000. An attempt to rebuild to the 700,000 level during fiscal year 1963 would require an input of almost 200,000 6-month trainees, not far from double the level planned for fiscal year 1962—assuming this number would be available. This would require an additional 6,000 Active Army personnel to serve as trainers—skilled personnel badly needed for other duties.

4. Although the Regular Army, as a general rule, has not accepted category IV enlistees since January 1, 1959, such personnel are being accepted in the Guard and Reserve simply to keep up the numbers. Additional category IV personnel would undoubtedly have to be accepted to reach the mandated strength, with unfortunate consequences for the quality of Reserve units.

5. As pointed out in a recent GAO report, a large percentage of reservists on drill pay status have been misassigned in the past in order to meet the strength goals. We are determined to prevent such abuses.

6. Available data indicate that an increasing number of reservists are being discharged because of inability or unwillingness to attend regularly the weekly drill.

For all of these reasons, it would be a serious mistake to arbitrarily fix the drill pay strength at 700,000 for fiscal year 1963.

Nevertheless, we are concerned, as you are, with the impact of the proposed realinement on the individuals and communities involved. We recognize that there are many devoted, conscientious reservists on the rolls today and we would certainly not want to lose any of them. We also recognize that a substantial investment has been made in Reserve component facilities around the country and we certainly don't want to waste these resources. Finally, we recognize the special needs of the various States and we should insure that no State would be deprived of an adequate National Guard complement under its own control.

All of these factors were taken into account in working out the details of the plan. For example, in preparing the troop list the Army established the following ground rules:

1. All Reserve component units now on active duty would be retained in the structure as currently organized or reorganized into another type unit.

2. No company-size unit would be withdrawn from any community unless another unit was available within 35 miles. This criterion was adopted in order to insure that men in every part of the country would be afforded an opportunity for participation in the Army Reserve program.

3. The reduction would be assessed as equitably as possible among the individual States, recognizing their need for military forces under their own control. As a result, although 1,700 obsolete or surplus units are to be eliminated, 1,000 new units are to be added and the net loss of units in being will be held to about 700—only about 8 percent of the 8,800 units in the current structure. Moreover, by splitting some of the units, only 42 communities which now have Army National Guard units would be left without a National Guard or a Reserve unit under the new plan, and only 16 armories out of a total of 2,428 will be left vacant.

Of the 42 communities without units, 16 would be less than 5 miles away from another Reserve component unit, an additional 10 within 10 miles and the remaining 16 within 25 miles of another unit. Thus, all of the individuals in these 42 communities would still have the opportunity to participate in the Army Reserve components. Moreover, the Defense Department is prepared to authorize overstrength in some units if necessary to assure that all qualified reservists now on drill pay status can continue in that status until normal attrition brings the units back to proper strength.

Although we are fully satisfied that 642,000 men on drill pay status are all that are needed to support our current military plans, we do recognize that fiscal year 1963 will be a period of unusual change and that a somewhat higher strength may be required to ease the transition from the present structure to the one required. To assist in attaining this objective, we would be willing, in lieu of the mandatory language in the Senate bill, to authorize and program a drill pay strength of 400,000 for the Army National Guard and 300,000 for the Army Reserve in fiscal year 1963, subject only to the following provisions:

1. All units maintain at least 90 percent MOS qualified personnel, which they have recently been required to do.

2. The Reserve components apply the same recruiting standards as the Active Army.

3. No units be permitted to exceed the authorized strength except those specifically authorized excess strengths to accommodate reservists on drill pay status who have been displaced by the realinement.

Sincerely,

ROBERT S. MCNAMARA.

Mr. ROBERTSON. Mr. President, in regard to the indirect cost of research grants, the conference provided that these indirect costs shall not exceed 20 percent of the direct costs. The House had provided 15 percent and the Senate had stricken the provision entirely with the express intent of working out a uniform policy for all such indirect costs of research grants in conferences.

In regard to the allocation of funds for repair, alteration, and conversion of naval vessels, the conference agreed that at least 35 percent should be available for such work in privately owned shipyards. A further provision was added that if it was determined by the Secretary of Defense to be inconsistent with the public interest based on urgency of requirement to have such vessels repaired, altered, or converted as required above, such may then be done in Navy or private shipyards as he may direct.

During the conference it was agreed to restore $1.9 million of the $6.8 million reduction that was made by the House for shipyard modernization in the "Other Procurement, Navy" appropriation. It was further agreed that the $1.9 million would all be used in connection with the Polaris program.

It should also be noted that, as in past years, Congress, in recognizing its constitutional responsibility to provide for the common defense, has provided increases for a number of programs and items, such as additional funds for the RS–70 weapon system $191,600,000, already discussed; additional funds to provide for an end strength of 400,000 for the Army National Guard, and 300,000 for the Army Reserve, $58,800,000; additional funds for the Air Force's Dyna-Soar space vehicle program, $42 million; additional funds to provide for a more economical rate of production of Navy training planes, $16,970,000; additional funds for the development and procurement of the Mark 46 torpedo, $11,500,000; and additional funds to strengthen the Naval Reserve program, $1,800,000.

A number of adjustments were made in other items in the bill. They are cited in the conference report, and I shall be glad to answer any questions Senators may have about them. I believe I have discussed the major items of interest.

It is the consensus that the bill before the Senate will provide a strong defense for our country in the year ahead.

Mr. SALTONSTALL. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. As the senior member of the committee on this side of the aisle, I congratulate the acting chairman of our subcommittee, the distinguished Senator from Virginia, upon his work in settling the problem of the differences between the branches on the Department of Defense appropriation bill, which he has just discussed. He acted as chairman, and we worked out the problems under his leadership quickly, and, as a whole, satisfactorily. The chairman of our subcommittee, the distinguished senior Senator from New Mexico [Mr. CHAVEZ], was present and assisted the acting chairman in this work.

There are several areas of this report about which I wish to comment briefly. The controversy concerning the National Guard and the Reserve was worked out satisfactorily. The National Guard is to be built up to an end level of 400,000 men and the Army Reserve to an end level of 300,000. We know how much these forces have been relied upon in the past and throughout our military history. We want them inducted, trained, and maintained in accordance with the same standards of the Active Army. I am convinced that we must have a well-equipped and well-trained National Guard and Army Reserve. To do this, we must have a modern structure of units so placed geographically that we can usefully tap the vast manpower sources of this country and at the same time train them in units comparable to the Regular Establishment so that they can be of assistance to the Regular Establishment in time of need.

That was a problem which was worked out very carefully in the Senate language which was approved by the Secretary of the Army and agreed to by the National Guard and Reserve.

On the differences between the branches with relation to the RS–70 program, the conference report provides enough money to produce three additional experimental units. I believe this is a step forward and a step in advance of what the House provided in its bill. It is a fair compromise, it is practical, and it can be worked out.

Much time has been devoted to the division of ship repair, alteration and conversion work between private and public shipyards. The conference language, which I understand is agreeable to the Navy Department, is highly satisfactory. Here the responsibility for varying the 65-35 percent ratio is given to the Secretary of Defense and in the public interest he can change this ratio if in his opinion it is necessary to do so.

Finally, I wish to mention briefly my concern over the "indirect costs" on research grants. Up to this year in the Defense Department, there were no limitations placed on these indirect costs. The House put on a 15-percent limitation. It was my earnest belief that the Department of Defense could have revised budget circular A-21 to establish better guidelines. Then the participants could have had an opportunity to adjust to the accounting requirements of the Defense Department. When the bill came before the House, an effort was made to establish a 30-percent limitation and this was defeated. The House conferees were guided by this vote and insisted that they would not permit an indirect cost of over 20 percent. I personally believe that some limitation of indirect costs may be ultimately wise, but I think that the universities and research groups should be permitted an opportunity to work out their own guidelines more gradually than we have now permitted them to do. I therefore believe that it should be either higher than 20 percent, or with an escalator clause in the discretion of the Secretary of Defense of up to 25 percent. But many of my Senate colleagues felt there was too great a disparity in overhead costs and when the House conferees submitted the 20-percent limitation, they finally agreed to it. Because of my belief that 20 percent was not an adequate allowance for this fiscal year, I signed the report with the exception of this amount.

This bill represents an appropriation of almost $50 billion, more than half of the entire national budget. It is a staggering sum but we must keep in mind how essential it is to maintain a strong defense posture adequate to insure our national security. I hope and believe that this bill meets that requirement.

Mr. President, I conclude by commending the Senator from Virginia for his work in the committee hearings, which he conducted most expeditiously and upon the groundwork we laid with our bill, so that the conference report arranged with the House, with whom there were differences, was accomplished more quickly and more satisfactorily, with one exception, than I have seen in some years.

Mr. ROBERTSON. Mr. President, I thank the distinguished Senator from Massachusetts for his complimentary reference to me and also for his outstanding contribution to the work of the subcommittee, in the full committee, on the floor of the Senate, and in conference.

Also, I wish to thank each of the Senate conferees. Every one of them was present and participated in the discussions which helped to bring about what we hope is the satisfactory conference report which is now before the Senate. I also wish to thank the staff of the committee.

The Senator from Massachusetts is exactly correct in saying that while we made a modification of the 65-percent limitation upon repair work in public yards, we still have a satisfactory arrangement. It is true that 35 percent of the work will be allocated to private yards; but in the event of an emergency, and whenever the national interest so dictates, the Secretary of Defense—and he would have to pass on the question in any event; the President would not have the time to look into it—may have the work done in public yards. I think all the representatives of public yards can feel that their interests have been properly safeguarded.

As for the 20-percent limitation upon the overhead costs of research work, the Senate conferees—with no limitation voted by the Senate—proposed a larger figure, but the House conferees would not accept it. The House had voted for 15 percent. The House conferees agreed to 20 percent, but would not agree to any more than that. So the Senate conferees accepted it, hoping that these fine institutions, which in the past have been allocating more than 20 percent to overhead, would find some bookkeeping or other way to adjust themselves to this limitation.

Mr. SALTONSTALL. Mr. President, will the Senator from Virginia yield?

The PRESIDING OFFICER (Mr. METCALF in the chair). Does the Senator from Virginia yield to the Senator from Massachusetts?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. I think the Senator from Virginia will agree that some of them were way out of line, running up to 72 percent. Other universities had allowed only as little as 28 percent. I doubt that any of them allowed less than that.

The point is to get them more in line. But my objection to the bill this year is that it would make them do it too quickly. I do not feel that these universities are seeking these grants as much as some Senators think they are. But we know that much of the research work must be done in the universities, and thus we must make it possible for them to allocate these costs in a reasonable way, so that if they have endowment funds or gifts from private individuals—as many of the universities and colleges do—the Government should not require them to use funds from the gifts they receive or from the endowments they have, to be used for all of their purposes, in order to pay the indirect costs of this work done for our Government.

Mr. ROBERTSON. Mr. President, I am in sympathy and accord with that view.

Mr. STENNIS. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield to the Senator from Mississippi, who not only is an active member of the committee which authorizes these appropriations, but also is an active member of the committee which passes on the bills appropriating these funds.

Mr. SALTONSTALL. And he is also one of the best informed members.

Mr. ROBERTSON. Yes, indeed.

Mr. STENNIS. I thank the Senator.

Mr. President, I wish to join the Senator from Massachusetts in thanking the chairman of the subcommittee for his long and faithful service, in which he was always joined by the Senator from Massachusetts [Mr. SALTONSTALL] in working on this bill, which I believe is the largest peacetime appropriation ever to be made by the Congress, and is almost as large as the larger ones during World War II.

One of the few times when I disagreed with the Senator from Massachusetts on a serious point was when I disagreed in connection with the wonderful fight he made in connection with these contracts—which do present quite a problem to our universities. I think the Senator from Massachusetts came out quite well in the conference, and I think some adjustment was made, too, at his insistence, in connection with the beginning of the operations at this level. I trust that the provision included will work out satisfactorily.

I wish to direct attention to this important provision, which was included by the Senate, and to a great extent prevailed in the conference; I refer to the provision in regard to the National Guard problem—a matter which has been of concern to all of us. I know that the Senator from Virginia and the Senator from Massachusetts were very much interested in the amendment adopted by the Senate; and, in fact, they were highly instrumental in putting it together.

I wish the Senator from Virginia would comment on the amendment as it finally emerged from the conference.

Mr. ROBERTSON. We felt that we had fully safeguarded the position which in recent years had been taken by the Senate—namely, that we value the National Guard and the Reserves; we think they have rendered outstanding service in all our recent wars; and we want them to be maintained at the end strength of 400,000 for the National Guard and 300,000 for the Reserves.

The House voted for the $58 million-plus necessary for that purpose, but did not include the mandatory language.

The Secretary of Defense testified before us that he did not regard a 700,000 end strength as necessary, and he left us under the impression that, if he had what in the mountains of Virginia is called "his druthers," he would cut them down. We therefore included mandatory language so that he would have to maintain that end strength.

Thereafter he wrote me a letter in which he, in substance, said, "I would agree to that, on three conditions: First, the Reserve components must not, when we realine, exceed their authorized strength, except under specific conditions; second, they must use the same recruiting standards that the Active Army uses; and third, they must maintain at least 90 percent MOS qualified personnel, which they have been required to have in recent years."

Mr. STENNIS. The same as the National Guard has now?

Mr. ROBERTSON. That is correct. So we said that was satisfactory.

On July 27 the budget officer, Mr. Hitch, wrote me this letter:

THE EFFECT OF THE ACTION OF THE CONFEREES ON THE ARMY RESERVE REORGANIZATION AND REALINEMENT PROGRAM

The action of the conferees with respect to the paid drill strength of the Guard and Reserve is neutral with respect to the reorganization and realinement plan. The reorganization of units proposed by the Army was not dictated by a desire to achieve a reduced end strength. As a result, the provision of more men than the Army requested does not change the unit structure

> or the military need on which it was based. The additional strength can be authorized by increasing the manning levels in the units in the new structure.

That is the valid point we want to make. They could be realined with regard to geographical conditions and conditions of the past, but the end strength must be maintained.

I continue to read from the letter:

> The language in the new legislation relating specifically to reorganization is as follows—"*Provided further*, That insofar as practical in any reorganization or realinement for the purpose of modernization the number and geographical location of existing units will be maintained."

We put that provision in the bill.

Then Mr. Hitch states, in the letter:

> This is an accurate statement of the principles under which the reorganization program was prepared in the first place, as Army witnesses testified before the Senate Appropriations Committee when queried by Senator SALTONSTALL about this specific language on May 24, 1962. The testimony appears at page 1805 of your hearings.

Well, Mr. President, that may be true; but our confidence that this would be done was not wholly unqualified, so we included the mandatory provision. Mr. Hitch states that, when we included the mandatory provision, we merely insisted on what they intended to do. Therefore, everyone should be happy.

Mr. STENNIS. Yes.

In adopting those requirements, did not we understand that we are merely adopting the requirements now in existence?

Mr. ROBERTSON. That is correct.

Mr. STENNIS. And as now followed by the National Guard with respect to its units?

Mr. ROBERTSON. Well, for the most part. There may have been certain cases in which they fell below those standards.

Mr. STENNIS. But the money is available, and the size of the Reserve is specified; and does not this provide that when the Guard has the men available, they get the unit?

Mr. ROBERTSON. Yes; but they must maintain the standard of recruiting.

Mr. STENNIS. But it is correct to say that if they have the men available under this standard of recruiting, they get the unit, and it will be in operation?

Mr. ROBERTSON. Yes. Under this realinement plan, the units may be a little larger than they presently are, but they are not eliminated.

Mr. STENNIS. So they get to maintain the unit; is that correct?

Mr. ROBERTSON. That is correct.

Mr. SALTONSTALL. They get the unit that will make them of the most help under the new arrangements of the Regular Army, as opposed to the old units. In other words, as the Senator from Virginia has said, the unit may be slightly different, but it will be a unit of the modern style which will be most helpful.

Mr STENNIS. In other words, the standards would do away with obsolescence or becoming out of date or unserviceable?

Mr. SALTONSTALL. That is correct.

Mr. STENNIS. I thank the Senator from Virginia.

Mr. ROBERTSON. I thank the Senator. He was a very valuable member in preparing this bill and also in conference. I appreciate the compliment he paid the chairman of the subcommittee.

I yield to the distinguished Senator from Wisconsin [Mr. PROXMIRE].

Mr. PROXMIRE. Did I correctly understand the Senator to say that this was the largest peacetime appropriation bill of any kind in the history of our country?

Mr. ROBERTSON. That is correct. The Senator from Virginia reluctantly admits it. He has always stood for economy, but he has never been willing to put a price tag on the security of our country.

Mr. PROXMIRE. The full amount is $48,136,247,000?

Mr. ROBERTSON. That is correct. It would have been under the budget but for a little finagling, I call it, in trying to take credit for last year's appropriation and not putting up the money this year. If they had not tried to do that, we would be under the budget.

Mr. PROXMIRE. Anyway, of the $229 million by which it exceeds the budget—I am sure the Senator is right; he always is—$191 million of it is the amount involved in the RS–70. That is, the conference report, as I calculate it, goes $191 million over the budget request in providing funds that the Secretary of Defense, the President of the United States, and all the Joint Chiefs of Staff except the Chief of the Air Force said they did not need and did not want. Is that correct?

Mr. ROBERTSON. That is correct; and if he does not spend it and we wind up without a long-range bomber, they cannot put the blame on the Senate or the House. We provided the money in the bill, but we did not compel them to spend it. We think it is desirable to preserve our lead in long-range bombers.

We knew there will be no long-range bomber production after September, when the production of the B–52 will end. We know the B–47 is wearing out. We know the B–58 never had any range. We know that if we keep up the constant alert, with the long-range bombers circling and circling, they are all going to wear out. We thought it was not prudent to give up this means of protecting our Nation, and, if I may say so, staying the hand of a possible aggressor, who, if we got into a push-button war, might decide he would push his button unexpectedly, and we might be knocked out of existence. But we have a defense so long as we have the Polaris submarines underseas, whose location is unknown to an enemy and since one of these Polaris missiles can blow up any city in the world, and so long as we have long-range bombers dispersed around the world which can get into the air even when a missile has landed, because they can go in less than 5 minutes. We will get 25 minutes' notice if the missiles come. Even if they push a button in the middle of the night, we will know when they start. It is the greatest protection we can have against an unprovoked attack. But the Department does not have to spend the money if it does not want to. If the situation ever comes that our Nation suffers because of a decision by the Defense Department that we will put all our eggs in one basket and will depend on the long-range missiles, and that decision turns out to be a poor one, they will not be able to put the blame on Congress.

Mr. PROXMIRE. Is it not a fact that the Secretary of Defense is not putting all his eggs in one basket, and, in fact, is going to have well over 600 B–52's and B–58's through the decade of the 1960's? He is an expert on industrial production, having had experience as president of one of the biggest industrial organizations in the country. He has assured the Senate he can restart production of the B–52, if necessary, at minimal cost, and in a relatively brief time. Even if the B–70 should work out and exceed the wildest dreams of its proponents, it is not a bomber. In fact, based on what Secretary McNamara said, it is doubtful if it can be used as a bomber. It is primarily a reconnaissance-strike plane, and, in the judgment of the Secretary of Defense, the problems involved in making the RS–70 either an effective reconnaissance or a workable strike plane are still immense, and to spend more rapidly would be foolish.

At any rate, the Secretary of Defense indicated to us, if we would stick by the budget, we would be able to proceed with all reasonable speed toward the development of the RS–70.

Mr. ROBERTSON. The Secretary of Defense is a very able man. We gave due credit to his brilliant mind, to his efficiency, to his desire to economize, and to the success he had in manufacturing automobiles; but when it came to the question of military strategy, we preferred to take the advice of military men, and their advice was to go ahead with the bomber program.

With all due deference, I disagree with the Senator that the RS–70 will not be a bomber. It will be a bomber. It will also be a reconnaissance plane. The "S" in RS–70 means "strike." The "R" means "reconnaissance." It will fly about 70,000 feet up, which is beyond the range of antiaircraft batteries, although not guided missiles. It will travel at three times the speed of sound. It will go to any country in the world and back again without being refueled, and it can get over there in a couple of hours.

Mr. PROXMIRE. I understand it has many advantages, but, at the same time, the Secretary of Defense argues that at the present time it is doubtful whether it can be armed with missiles, at least missiles like the Hound Dog and Skybolt.

Mr. ROBERTSON. He should listen to some of the scientists. I will not say they are all "whiz kids," but if he listens to some of them, the opinion may be different. He does not have to spend the money, but he has the responsibility for not spending it.

Mr. PROXMIRE. The real difference between what the conference did and what was requested by the administration and requested by all the Defense Department men except the Air Force, which, of course, has a vested interest, is whether or not to build an additional number of prototype planes. Is that not correct?

Mr. ROBERTSON. We added three.

Mr. PROXMIRE. The committee added three.

Mr. ROBERTSON. Yes.

Mr. PROXMIRE. The additional cost is about $139 million for those three?

Mr. ROBERTSON. Here is a brief summary: The budget estimate was $171 million. The House allowed $223.9 million, which is an increase of $52.9 million over the budget. The Senate allowed $491 million, which is $267.1 million over the budget. The conference allowed $362.6 million, which was $128,400,000 less than the Senate allowance.

Mr. PROXMIRE. This means, because of the agreement in conference, it will be possible to build three more prototypes than would have been possible if the House language had been agreed to. Is that correct?

Mr. ROBERTSON. But not all the equipment. It takes in the hull of the flying ship and the engine, but the whole weapons system is not included. From the military standpoint, we had the report of our experts which is more optimistic than we anticipated. The report of the civilian experts has not been received, but we believe they are going to concur; and if they do, we will be 1 year ahead in the finest plane, both for reconnaissance and long-range bombing, that the world has ever dreamed of.

Mr. PROXMIRE. This is not for the first, second, and third prototype; it will be for the fourth, fifth, and sixth. Is that correct?

Mr. ROBERTSON. Yes.

Mr. PROXMIRE. The cost of the prototypes will be $46 million for each plane, if the cost is allocated evenly for each plane.

Mr. ROBERTSON. I cannot break down the figures because they include not only three additional aircraft but also development of the weapon system.

Mr. PROXMIRE. I think it amounts to $46 million for each plane.

Mr. ROBERTSON. I will not challenge the statement. Neither will I agree.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. I wish to say on that point to my friend from Wisconsin, the amount we agreed to in the conference would provide for three more prototypes of the RS–70, but it would also allow money enough to stimulate continued research and continued development of the equipment which would go into all of the aircraft. So one cannot say that each of these planes would cost whatever was the figure the Senator used, one-sixth of the total amount. The money would be provided for the prototype to go forward, but also for the equipment, which would be used in all of the planes when they become operational. All of that equipment is to be developed.

As the Senator from Virginia has said, this would accelerate research and development by at least a year. New discoveries are being made all of the time. Some of this money, and perhaps all of it, will be used.

What appealed to me is that under article I, section 8, of the Constitution it is our responsibility to decide. It is stated:

> The Congress shall have Power To * * * provide for the common Defence and general Welfare of the United States.

What we tried to do was to exercise that responsibility. When there is a difference of opinion in the executive branch as to what may be necessary for the common defense, the argument made appealed to me this year with regard to the RS–70 and in past years with regard to the B–52, that we should provide the funds we believe are necessary for national defense, leaving it to the responsibility of the Executive as to whether he wishes to use them all or not.

Mr. ROBERTSON. I invite the attention of the Senator from Wisconsin, as I said in my preliminary statement, to the fact that there may be a breakthrough on the weapons system which will make this a complete weapon, as we hope and believe it will be.

The Senator will find on lines 14 and 15 of page 38 of the bill a provision that $150 million may be transferred from other appropriations, and there is also an emergency fund of $150 million, all of which could be used to expedite this weapons system if that is the proper thing to do.

Mr. PROXMIRE. I recognize that. There is no question that the Senator from Virginia and other Senators who serve on the subcommittee are extraordinarily able. They are very conscientious. I think it is most fortunate that they are men who are deeply concerned about economy. I know they would not recommend this if they were not convinced it is essential.

Nevertheless, this Senator feels very strongly that there is a tendency to regard any amount of spending in the defense area, no matter how huge or freely justified, as inviolate. It is a "sacred cow," very difficult to challenge and very difficult to discuss rationally.

I feel that when we have a recommendation by an enormously competent Secretary of Defense, backed up by the President of the United States and supported by all the Joint Chiefs of Staff except the people who have a vested interest in the area, that at least there ought to be some question as to moving ahead in this way and there ought to be some reluctance on the part of the Congress in spending money which in its good judgment may be wasted.

I thank the Senator from Virginia.

Mr. ROBERTSON. The President has indicated that he is going to appoint as his next Chairman of the Joint Chiefs of Staff a very brilliant Army general, who is not an Air Force man. He is not a pilot, but he is a brilliant man. He will have a great deal to say from the standpoint of military science and tactics, after he evaluates all of these reports, as to whether we should go ahead with this program or not.

The Senator from Wisconsin should have assurance that General Taylor is one of the most able of the men who have served for a long time. I am glad he has been called back to active duty. He will evaluate all the testimony without any predilections toward building up the Air Force. He will have his "say so" as to whether the money should be impounded or spent.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to my colleague from Colorado, who is a member of the subcommittee and has been very helpful in preparing the bill, although he was not one of the conferees.

Mr. ALLOTT. Mr. President, I thank the distinguished Senator from Virginia for yielding to me. I wish to add a comment or two about the RS–70.

I think the distinguished Senator from Massachusetts put his finger on the important point. Congress has a responsibility to provide for the common defense. We heard many witnesses for many weeks on this question. It is true that the distinguished Secretary of Defense was opposed to putting a lot of money into the RS–70. I have the greatest of admiration for the Secretary of Defense, and no one who sits and listens to him in a committee hearing can fail to be impressed by his calculating machine mind and his ability to amass great amounts of figures and produce them upon a moment's notice without even reference to notes.

However, I think all of us must also consider that this does not necessarily mean the Secretary of Defense is an authority upon strategic warfare. I do not claim to be such myself. In this whole area we were discussing I think it is significant that although the Secretary of Defense and his research head, Dr. Brown, took that point of view it was a point of view which was not shared by the military men. I presume that General LeMay, who developed the Strategic Air Force and who has been in the Air Force practically all his life, has learned something in the course of the years about strategic warfare.

I must say, frankly, it was confusing to me to have the military men throttled by the Secretary of Defense in their frank appraisals and frank opinions, which we found to be so time and time again. We found it true not only with respect to the RS–70 but also with respect to other items.

As a Senator, I tried to determine this question on the basis of an evaluation of the welfare of this country. I do not think the Senator from Wisconsin would call the Senator from Colorado a "free spender." I tried to evaluate it upon that basis. I tried to evaluate it upon the basis of the needs of the country.

I tell the distinguished Senator from Wisconsin that there were people who testified that the RS–70, with the scientific equipment we have today, is ready to go ahead into complete development and production. The cost about which the distinguished Senator from Wisconsin spoke is of course the development cost.

This was the best the committee could do. I think we tried to balance off the opinion of the military experts against the budget of the United States and against the figures of the distinguished Secretary of Defense. As I say, I respect the calculating mind of the Secretary of Defense, but I am not so sure he is as good an authority on strategic warfare as are certain military people in the Government.

I also wish to mention that I am very happy with the outcome with regard to the Reserve and the National Guard, as is the distinguished Senator from Virginia. This is a question which took a lot of our attention and a lot of our effort. We ran again into the conflict between the opinion of the Secretary of Defense and the opinion of the military men.

Those of us who were at all active in the years of 1940, 1941, and 1942 can never forget the debt we owe to the National Guard and to the Reserve for the mere fact that we had them and that they were capable and trained at that time. I for one was very happy to support this item.

I wish to comment very briefly about the point made by the Senator from Massachusetts on the indirect costs of research. My personal feeling on this question, after listening to all the testimony—I have received letter from and written letters to many university people since this problem came up—is that some of them are being "jobbed" pretty badly upon their costs on these research programs. Also, I think the Department of Defense really can provide guidelines, if it will, more steadfast than have been provided. If the Department will put its foot down and come up with something positive, guidelines can be provided which will take into consideration the indirect costs of the research projects as well as the direct costs, and we will not then find one institution with indirect costs running as high as 78 percent and another with indirect costs running around 28 percent. That is perhaps the best we can do at the present time. But there is no question that some of them are running way behind and some of them are getting more or less of a free ride.

Lastly, may I say that this year is the first I have served as a member of the subcommittee of which the able Senator from Virginia is the chairman. I wish to compliment the distinguished chairman, who took over the chairmanship of the subcommittee this year. He made a fine record. While I did not take part in the conference committee itself, the way in which the committee meetings were pushed constantly and the effort to get the evaluation and consensus from the people who were most qualified to testify in the particular areas in which they had knowledge, largely led to the final decision at which the subcommittee and then the committee itself arrived. The Senator from Virginia indeed acted with a strong hand and a kind of leadership which represented the very best and highest tradition of the Senate.

Mr. ROBERTSON. Mr. President, I deeply appreciate the fine tribute which the distinguished Senator from Colorado has paid to me. I commend him for his faithful attendance at the meetings of the subcommittee. We were all very busy, but the subcommittee took testimony which resulted in between 1,800 and 2,000 printed pages of transcript. The hearings ran for weeks. At the same time we tried to concentrate on essential items. When witnesses appeared before the committee, with all due deference, we did not let them wander around about inconsequential things. As has been said, we kept the pressure on and got through.

I share the views of the Senator about the importance of the RS-70. I hope it will be a successful program. If it is, it will be a wonderful achievement.

Mr. ALLOTT. Mr. President, will the Senator yield for one further statement?

Mr. ROBERTSON. I yield.

Mr. ALLOTT. Does the Senator share my feeling that with the production of the B-58 stopped completely and production of the B-52 completed at the moment, if we now stop producing manned bombers or reconnaissance vehicles, whatever we may call them, in 5 years we will be back so far in that area it will take us years to catch up? In other words, although we might not even have an immediate need for such craft—I feel we do—it is an area in which we cannot afford to neglect moving ahead if we are going to keep ahead of the rest of the people of the world.

Mr. ROBERTSON. We had two B-52 plants. The last of those will be closed in September. If we have to open production again, it will be very expensive to do so, and will invole a great deal of delay. To get the workers trained, produce new dies and everything else necessary, would be a big undertaking, if we had to open up those plants for production again.

I hope that the RS-70 will be pushed, and will be satisfactory.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. PROXMIRE. It is only fair to Secretary of Defense McNamara to say that the restart problem was studied with the greatest care. He found the labor supply was available. He found it would be possible to restart production at a relatively modest cost. He computed the time very carefully. He wrote me a letter in response to a letter from me indicating that all of those points were taken into the most careful consideration.

I think the Senator from Virginia will concede that in that particular area of industry—mobilization and starting an assembly line—certainly the Secretary of Defense is an outstanding expert and a very responsible man.

Mr. ROBERTSON. Yes. I am merely a mountaineer when it comes to assemblying an airplane factory. The Secretary of Defense could do better along that line than I could. However, I do not think it would be easy or an inexpensive undertaking, with all due deference to his superior knowledge.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. I wish to say something that perhaps has not been brought out thoroughly. The day of the manned bomber or manned airplane is not over. We cannot rely on missiles. We must keep moving forward with our manned airplane and its development as much as we have in the past. The RS-70 is the best thing we know of to move ahead with at the present time.

Furthermore, when we develop the RS-70, ultimately it will be possible to help put it into commercial use as well as military use, and that represents the great cost of development and research work in the Government today, so far as manned airplanes are concerned.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the distinguished Senator from New York.

Mr. KEATING. First, I wish to join with those who cast encomiums on the distinguished chairman of the committee and all members of his committee for the herculean task which they undertook and the results which have been achieved in handling what has been described in the Senate as the largest peacetime defense bill in all our history.

Along with the distinguished Senator from Massachusetts [Mr. SALTONSTALL] and the distinguished Senator from Colorado [Mr. ALLOTT] I am concerned over the problem that has developed regarding the allocation of the indirect cost of Government research when that research is performed by universities. As I understand, the conference report would allow every university to charge up to 20 percent of the indirect cost of research to the Government. The House apparently had approved a ceiling of 15 percent, and on the floor of the House the Members had rejected an amendment providing for 30 percent.

Yet, the other body a few days ago passed another appropriation bill which set a ceiling of 25 percent on research grants by the agencies covered in the bill then under consideration. It seems to me patently absurd to set different ceilings on research grants by different agencies.

In its Circular A-21, which was originally prepared under the Eisenhower administration and then was strongly reaffirmed by President Kennedy, the Bureau of the Budget indicates its opposition to the setting of any arbitrary percentage limit on indirect costs. For example, some projects—those requiring heavy use of electricity or heating equipment—have high indirect costs, whereas more theoretical projects have much lower indirect costs.

I say to the Senator that this has been a troublesome subject. I am not at this point criticizing the compromise reached by the conferees, which I am sure was the best that could be done under the circumstances but I am preparing a resolution, which I hope the distinguished Senator from Virginia will welcome, which would attempt to settle the situation in some way. Perhaps the resolution is wrong. Perhaps it should instruct the Appropriations Committee. But it provides, as seems to me proper, an instruction to the Committee on Government Operations to study the whole problem of indirect costs, and consider whether any fixed percentage is wise and, if so, to lay down some guidelines for all Government agencies and congressional committees.

Obviously it would be unwise to deal with the subject on an agency-by-agency basis without any regard to consistency or to any fixed policy for the Government as a whole, and it would be very much more sound to have some committee study the problem and see whether we can come up with something more definite, so that instead of engaging in a hit-and-miss method of fixing 15 percent here, 20 percent there, 25 percent somewhere else, and the 30 percent, which has been indicated to me by several universities in the State of New York to be an appropriate figure, or whatever the figure is.

I should like to comment on one other subject in the conference report.

That is in no respect a reflection on this particular report, because all the reports are similar. It seems to me that conference reports coming to the Senate, particularly from the Appropriations Committee, are designed to prevent the membership from knowing what has happened at the conference. There is nothing in the conference report on this bill, for instance, on the very important subject that was discussed quite fully when the bill was before us in the Senate; namely, the question of distribution of the work between Navy yards and private yards. My understanding of what was done in conference—and I can only be enlightened by the distinguished Senator from Virginia, because there is nothing in the printed report that points this out, as nearly as I can make out—is that the conferees agreed to vest the authority about varying from the 35 percent and 65 percent language in the Secretary of Defense, rather than in the President; secondly, that they kept in the bill the important language written into the bill in the Senate, that exceptions could be made not only on the grounds of national security, but also on the grounds of public interest.

I should like to ask my distinguished friend from Virginia whether he could enlighten us as to what happened.

Mr. ROBERTSON. The chairman of the conferees wishes to point out, first, that the House prints the conference reports. We do not print them.

Mr. KEATING. I appreciate that fact.

Mr. ROBERTSON. In the second place, the items that are in disagreement are published in the CONGRESSIONAL RECORD. If the Senator will turn to the RECORD of July 26, at page 14840, in the House proceedings, he will find:

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

"Senate amendment No. 30. On page 58, line 10, insert:

" 'SEC. 540. Of the funds made available in this Act for repair, alteration, and conversion of naval vessels, 65 per centum shall be available for such repair, alteration, and conversion in Navy shipyards, and 35 per centum shall be available for such repair, alteration, and conversion in privately owned shipyards: *Provided*, That if determined by the President to be inconsistent with the public interest based on urgency of requirement, capability, and economy of performance to have such vessels repaired, altered, or converted as required above, such work may be done in Navy or private shipyards as he may direct.' "

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

"Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 30 and concur therein with an amendment, as follows: In lieu of the matter proposed, insert the following:

" 'SEC. 541. Of the funds made available in this Act for repair, alteration, and conversion of naval vessels at least 35 per centum shall be available for such repair, alteration, and conversion in privately owned shipyards; *Provided*, That if determined by the Secretary of Defense to be inconsistent with the public interest based on urgency of requirement to have such vessels repaired, altered, or converted as required above, such work may be done in Navy or private shipyards as he may direct.' "

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

Mr. KEATING. I was in no way critical of the distinguished Senator from Virginia, but only of the procedural difficulty here.

Mr. ROBERTSON. The record was made in the House, and appears in the CONGRESSIONAL RECORD. The House prints the report, and they put the items in disagreement in the CONGRESSIONAL RECORD. That is the reason why the reference was not in the report. When I made my statement this afternoon, at the beginning of my remarks, I said what we had done in this connection, and I mentioned specifically the compromise that we had agreed upon, that the Secretary of Defense will make the decision, instead of the President, and there are certain changes in the language, still referring to the national interest based on urgency of requirement. If the urgency existed he could exceed in the public yards the 65 percent limitation which was carried in the House bill. I said that I discussed that with Members who represented public yards, and I know my friend is thinking, of course, of the great yard at Brooklyn. The interests of the public yards had been fully taken care of.

Mr. KEATING. The distinguished Senator from Virginia has read my mind. He is quite right; that is what I was thinking about. I appreciate his explanation. I still contend—and this is an admonition to our brethren at the other end of the Capitol—it would be helpful, when an important item like this is under consideration if there were some way of getting the information from one document. The CONGRESSIONAL RECORD should be read by all of us line by line every day, but the fact is we do not have the time to do it. I am very appreciative of the explanation.

Mr. ROBERTSON. Under the rules the items that are reported in disagreement must be taken up separately in the House. That gets them into the RECORD. After we adopt the conference report, I will ask that the Senate concur in the items that were in technical disagreement, and which were agreed upon in conference. That will follow the adoption of the conference report.

I wanted to say a word about the comment of my distinguished friend from New York about the limitation of 20 percent on the overhead on research. This does not apply to contracts. They can charge anything they please. When they enter a contract they have to deliver the goods. We found instances where on grants the overhead went to 78 percent of the direct cost. These research grants were not supposed to be disguised Federal aid for higher education.

Mr. KEATING. That was not Harvard or Cornell or the University of Rochester, I am sure.

Mr. ROBERTSON. Well, it was not the University of Virginia, I will say. In any event, we found that the National Institutes of Health permit up to 15 percent. That is covered by a separate subcommittee. We found that the National Science Foundation had 22 percent. That was a separate committee. The House put in 15 percent. After arguing it out—and we spent as much time on this item as on any item in the bill—we finally agreed on 20 percent, with the understanding that there should be, as the Senator has agreed, a study made to see if we could agree on what would be a proper figure in order to make it uniform. Now we have the National Institutes of Health with 15 percent, the National Science Foundation with 20 percent, and military defense research with 20 percent.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. KEATING. Does the Senator agree with me or disagree with me—I am groping now—that the appropriate place for that study would be the Government Operations Committee?

Mr. ROBERTSON. Possibly so. It should be some committee which has general jurisdiction. I do not believe it should be made by any specific appropriation subcommittee, but rather by some committee which has jurisdiction. Of course, the Committee on Armed Services authorizes all that we appropriate for defense. They could make the study for defense, and let the others come in from other committees.

Mr. KEATING. But NASA, of course, does not come under that committee. There are others. I thought it should be made by some neutral committee.

Mr. ROBERTSON. By some neutral committee. That would definitely be in line. They should start this as soon as they can, so that it will be ready before we have to act on the next appropriation.

Mr. CASE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. CASE. I, too, thank the Senator from Virginia for the usual splendid work he has done in regard to this appropriation bill and I join in the commendation of my colleagues to the Senator for that service.

I wish to say a word about the matter that has been under discussion between the Senator from Virginia and the Senator from New York in regard to the limitation on indirect costs in connection with research grants. I, too, have had protests from responsible educational institutions, and they have been extremely vigorous. They have complained that, quite contrary to these contracts being an indirect grant to institutions of higher education, they will involve, if the allowance for indirect costs is limited to 15, or even to 20 percent, a forced contribution by these institutions to the Federal Government.

I am pleased by the statement of the chairman of the subcommittee that he is in agreement with the Senator from New York in supporting a study of this whole subject, so that we may arrive at a fair and uniform policy. I should like to ask the Senator from New York if I may join as a cosponsor of the resolution when he has prepared it.

Mr. ROBERTSON. Dr. Smyth, of Princeton, the great school in New Jersey——

Mr. CASE. Which has a very high regard for the Senator from Virginia.

Mr. ROBERTSON. I thank the Senator. Dr. Smyth presented very clear testimony that 15 percent was entirely too small. The same is true of Dr. Longenecker, of Louisiana. We took 15 percent out. Until we got the conference, we did not know what we could put in. We tried to put in more than we got. We took 20 percent as all we could get.

Mr. CASE. I understand where the sympathies of the Senator from Virginia lie and what his purpose is. I know that he has done his best. I am particularly glad that he is in favor of the kind of study the Senator from New York has proposed.

Mr. ROBERTSON. I appreciate the kind remarks of the Senator.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 11289, which was read as follows:

> *Resolved,* That the House recede from its disagreement to the amendments of the Senate numbered 2, 5, and 6 to the bill (H.R. 11289) entitled "An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes," and concur therein.
>
> *Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 1, and concur therein with an amendment, as follows: In lieu of the matter proposed insert ": *Provided,* That the Army Reserve will be programed to attain an end strength of three hundred thousand for fiscal year 1963."
>
> *Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 30, and concur therein with an amendment, as follows: In lieu of the matter proposed insert the following:
>
> "SEC. 541. Of the funds made available in this Act for repair, alteration, and conversion of naval vessels, at least 35 per centum shall be available for such repair, alteration, and conversion in privately owned shipyards: *Provided,* That if determined by the Secretary of Defense to be inconsistent with the public interest based on urgency of requirement to have such vessels repaired, altered, or converted as required above, such work may be done in Navy or private shipyards as he may direct."

Mr. ROBERTSON. Mr. President, I move that the Senate concur in the amendments of the House to Senate amendments numbered 1 and 30.

The motion was agreed to.

Mr. ROBERTSON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a tabulation setting forth the appropriation for fiscal 1962, the budget estimate for fiscal 1963, the House allowance, the Senate allowance, and the conference committee allowance on each appropriation in the Department of Defense Appropriation Act for fiscal 1963.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Department of Defense, 1963—Summary of appropriations

Title	Budget estimates	Passed House	Passed Senate	Conference action	Conference action compared with—		
					Budget estimate	House	Senate
Title I—Military personnel	$13,050,200,000	$12,901,890,000	$12,912,764,000	$12,903,690,000	−$146,510,000	+$1,800,000	−$9,074,000
Title II—Operation and maintenance	11,568,800,000	11,551,473,000	11,571,739,000	11,563,889,000	−4,911,000	+12,416,000	−7,850,000
Title III—Procurement	16,445,000,000	16,525,770,000	16,768,260,000	16,647,110,000	+202,110,000	+121,340,000	−121,150,000
Title IV—Research, development, test, and evaluation	6,843,000,000	6,860,358,000	7,176,458,000	7,021,558,000	+178,558,000	+161,200,000	−154,900,000
Total, titles I, II, III, and IV	47,907,000,000	47,839,491,000	48,429,221,000	48,136,247,000	+229,247,000	+296,756,000	−292,974,000
Distribution of appropriations by organizational component:							
Army	11,654,000,000	11,546,567,000	11,616,067,000	11,574,067,000	−79,933,000	+27,500,000	−42,000,000
Navy	15,269,900,000	15,081,570,000	15,171,434,000	15,127,810,000	−142,090,000	+46,240,000	−43,624,000
Air Force	18,926,500,000	19,177,634,000	19,502,934,000	19,390,584,000	+464,084,000	+212,950,000	−202,350,000
Defense agencies	2,056,600,000	2,033,720,000	2,048,786,000	2,043,786,000	−12,814,000	+10,066,000	−5,000,000
Total, Department of Defense	47,907,000,000	47,839,491,000	48,429,221,000	48,136,247,000	+229,247,000	+296,756,000	−292,974,000

TITLE I—MILITARY PERSONNEL

Item	Budget estimates	Passed House	Passed Senate	Conference action	Conference action compared with—		
					Budget estimate	House	Senate
Military personnel, Army	[1] $3,733,000,000	[1] $3,643,300,000	[1] $3,643,300,000	[1] $3,643,300,000	−$89,700,000	----------	----------
Military personnel, Navy	[2] 2,764,700,000	[2] 2,734,700,000	[2] 2,734,700,000	[2] 2,734,700,000	−30,000,000	----------	----------
Military personnel, Marine Corps	671,300,000	661,200,000	661,200,000	661,200,000	−10,100,000	----------	----------
Military personnel, Air Force	[3] 4,184,000,000	[3] 4,117,690,000	[3] 4,117,690,000	[3] 4,117,690,000	−66,310,000	----------	----------
Reserve personnel, Army	[4] 214,700,000	239,200,000	239,200,000	239,200,000	+24,500,000	----------	----------
Reserve personnel, Navy	83,800,000	83,800,000	87,974,000	85,600,000	+1,800,000	+$1,800,000	−$2,374,000
Reserve personnel, Marine Corps	28,100,000	28,100,000	28,100,000	28,100,000	----------	----------	----------
Reserve personnel, Air Force	50,100,000	50,100,000	56,800,000	50,100,000	----------	----------	−6,700,000
National Guard personnel, Army	[5] 238,500,000	261,800,000	261,800,000	261,800,000	+23,300,000	----------	----------
National Guard personnel, Air Force	53,000,000	53,000,000	53,000,000	53,000,000	----------	----------	----------
Retired pay, Defense	1,029,000,000	1,029,000,000	1,029,000,000	1,029,000,000	----------	----------	----------
Total, title I, military personnel	13,050,200,000	12,901,890,000	12,912,764,000	12,903,690,000	−146,510,000	+1,800,000	−9,074,000

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[1] In addition, $350,000,000 to be derived by transfer.

[2] In addition, $25,000,000 to be derived by transfer.

[3] In addition, $70,000,000 to be derived by transfer.

[4] Reflects decrease of $6,900,000 in H. Doc. 377.

[5] Includes increase of $6,900,000 in H. Doc. 377.

Department of Defense, 1963—Summary of appropriations—Continued

TITLE II—OPERATION AND MAINTENANCE

Item	Budget estimates	Passed House	Passed Senate	Conference action	Conference action compared with— Budget estimate	Conference action compared with— House	Conference action compared with— Senate
Operation and maintenance, Army	$3,402,000,000		$3,411,845,000	$3,408,345,000	+$6,345,000	+$3,408,345,000	−$3,500,000
Operation, Army		$3,128,345,000				−3,128,345,000	
Maintenance of real property facilities, Army		275,000,000				−275,000,000	
Operation and maintenance, Navy	2,840,000,000		2,837,142,000	2,836,292,000	−3,708,000	+2,836,292,000	−850,000
Operation, Navy		2,671,916,000				−2,671,916,000	
Maintenance of real property facilities, Navy		163,526,000				−163,526,000	
Operation and maintenance, Marine Corps	191,000,000		193,000,000	192,500,000	+1,500,000	+192,500,000	−500,000
Operation, Marine Corps		170,682,000				−170,682,000	
Maintenance of real property facilities, Marine Corps		21,318,000				−21,318,000	
Marine Corps stock fund	[6]	[6]	[6]	[6]			
Operation and maintenance, Air Force	4,371,000,000		4,368,644,000	4,365,644,000	−5,356,000	+4,365,644,000	−3,000,000
Operation, Air Force		4,095,444,000				−4,095,444,000	
Maintenance of real property facilities, Air Force		269,200,000				−269,200,000	
Operation and maintenance, Defense agencies	354,145,000		350,331,000	350,331,000	−3,814,000	+350,331,000	
Operation, Defense agencies		332,048,000				−332,048,000	
Maintenance of real property facilities, Defense agencies		13,217,000				−13,217,000	
Operation and maintenance, Army National Guard	174,400,000		174,400,000	174,400,000		+174,400,000	
Operation, Army National Guard		171,800,000				−171,800,000	
Maintenance of real property facilities, Army National Guard		2,600,000				−2,600,000	
Operation and maintenance, Air National Guard	194,400,000		194,400,000	194,400,000		+194,400,000	
Operation, Air National Guard		192,800,000				−192,800,000	
Maintenance of real property facilities, Air National Guard		1,600,000				−1,600,000	
National Board for the Promotion of Rifle Practice, Army	500,000	622,000	622,000	622,000	+122,000		
Operation and maintenance, Alaska Communication System, Army	6,900,000		6,900,000	6,900,000		+6,900,000	
Operation, Alaska Communication System, Army		6,395,000				−6,395,000	
Maintenance of real property facilities, Alaska Communication System, Army		505,000				−505,000	
Salaries and expenses, Secretary of Defense							
Claims, Defense	19,000,000	19,000,000	19,000,000	19,000,000			
Contingencies, Defense	15,000,000	15,000,000	15,000,000	15,000,000			
Salaries and expenses, Court of Military Appeals, Defense	455,000	455,000	455,000	455,000			
Total, title II, operation and maintenance	11,568,800,000	11,551,473,000	11,571,739,000	11,563,889,000	−4,911,000	+12,416,000	−7,850,000
TITLE III—PROCUREMENT							
Procurement of equipment and missiles, Army	$2,555,000,000	$2,500,000,000	$2,555,000,000	$2,520,000,000	−$35,000,000	+$20,000,000	−$35,000,000
Procurement of aircraft and missiles, Navy	[7] 3,065,000,000	[7] 3,007,970,000	[7] 3,057,160,000	[7] 3,034,660,000	−30,340,000	+26,690,000	−22,500,000
Shipbuilding and conversion, Navy	2,982,000,000	[8] 2,907,200,000	[8] 2,929,200,000	[8] 2,919,200,000	−62,800,000	+12,000,000	−10,000,000
Other procurement, Navy	912,000,000	901,700,000	908,500,000	903,600,000	−8,400,000	+1,900,000	−4,900,000
Procurement, Marine Corps	258,000,000	256,000,000	256,000,000	256,000,000	−2,000,000		
Aircraft procurement, Air Force	[9] 3,135,000,000	3,507,900,000	3,604,900,000	3,562,400,000	+427,400,000	+54,500,000	−42,500,000
Missile procurement, Air Force	2,500,000,000	2,459,000,000	2,459,000,000	2,459,000,000	−41,000,000		
Other procurement, Air Force	1,000,000,000	950,000,000	962,500,000	956,250,000	−43,750,000	+6,250,000	−6,250,000
Airlift modernization, Air Force	(10)	(10)	(10)	(10)			
Procurement, Defense agencies	38,000,000	36,000,000	36,000,000	36,000,000	−2,000,000		
Total, title III, procurement	16,445,000,000	16,525,770,000	16,768,260,000	16,647,110,000	+202,110,000	+121,340,000	−121,150,000
TITLE IV—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION							
Research, development, test, and evaluation, Army	$1,329,000,000	$1,317,000,000	$1,323,000,000	$1,319,500,000	−$9,500,000	+$2,500,000	−$3,500,000
Research, development, test, and evaluation, Navy	1,474,000,000	1,473,458,000	1,478,458,000	1,475,958,000	+1,958,000	+2,500,000	−2,500,000
Research, development, test, and evaluation, Air Force	[11] 3,439,000,000	[11] 3,480,900,000	[11] 3,776,000,000	[11] 3,632,100,000	+193,100,000	+151,200,000	−143,900,000
Research, development, test, and evaluation, Defense agencies	451,000,000	439,000,000	449,000,000	444,000,000	−7,000,000	+5,000,000	−5,000,000
Emergency fund, Defense	[12] 150,000,000	[12] 150,000,000	[12] 150,000,000	[12] 150,000,000			
Salaries and expenses, Advanced Research Projects Agency, Department of Defense	(13)	(13)	(13)	(13)			
Total, title IV, research, development, test, and evaluation	6,843,000,000	6,860,358,000	7,176,458,000	7,021,558,000	+178,558,000	+161,200,000	−154,900,000
Total, titles I, II, III, and IV	47,907,000,000	47,830,491,000	48,429,221,000	48,136,247,000	+229,247,000	+296,756,000	−292,974,000

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[6] Language providing $15,000,000 by transfer from Navy stock fund.

[7] In addition, $165,000,000 to be derived by transfer from "Aircraft and related procurement, Navy."

[8] In addition $20,000,000 to be derived by transfer from the Navy industrial fund.

[9] In addition reappropriation of $514,500,000.

[10] Appropriation now combined with "Aircraft procurement, Air Force."

[11] Includes $747,300,000 for activities previously carried under Air Force procurement accounts.

[12] In addition, $150,000,000 to be derived by transfer from other appropriations available for obligation in the respective fiscal year.

[13] Appropriation now combined with "Research, development, test, and evaluation, Defense agencies."

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1963—CONFERENCE REPORT

Mr. HAYDEN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. METCALF in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see page 14955 of the CONGRESSIONAL RECORD of July 30, 1962.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HAYDEN. Mr. President, as this bill passed the Senate it provided for appropriations totaling $922,560,820 for the agencies and bureaus of the Department of the Interior, exclusive of the Bureau of Reclamation and power marketing agencies, and the various related agencies, including the U.S. Forest Service.

The conference committee bill provides appropriations totaling $885,362,000 for the programs and activities of these agencies. This total is under the budget estimates of $932,674,000 by $47,312,000; over the House bill of $868,595,000 by $16,767,000; and under the Senate bill of $922,560,820 by $37,198,820.

Mr. SALTONSTALL. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. SALTONSTALL. The distinguished senior Senator from South Dakota [Mr. MUNDT], the senior member of the subcommittee on this side of the aisle, asked to be notified when the conference report on this appropriation bill was taken up. I have had him notified; I do not know whether he desires to come to the Chamber or not. If the Senator would be willing to delay the adoption of the conference report for a few minutes, I will be able to ascertain whether the Senator from South Dakota desires to be present.

Mr. PROXMIRE. Mr. President, will the Senator from Arizona yield to me? I should like to ask him a few questions.

Mr. HAYDEN. I yield.

ADDITION TO FOREST PRODUCTS LABORATORY WINS APPROVAL

Mr. PROXMIRE. I understand that the committee of conference included a $200,000 appropriation to begin an addition to the Forest Products Laboratory at Madison, Wis.

Mr. HAYDEN. For the beginning of the construction; yes.

Mr. PROXMIRE. I think that was a very wise decision, and I am delighted by it. This project has been strongly favored by the Forest Service for a number of years. The Forest Service believes it is essential if there is to be effective research in forest products. The forest products laboratory has made a magnificent record. Actually, the developments which have flowed from forest products research have been so great that, according to one calculation I have seen, the Federal Government has received in return something like $71 in tax revenues for each $1 spent in research.

Mr. HAYDEN. There is no question that the laboratory renders valuable service to the Forest Service and to the country as a whole.

Mr. PROXMIRE. I am grateful to the Senator from Arizona for standing firmly by the Senate's position and being successful in securing this appropriation of $200,000. It will mean much not only in the field of forest research generally but specifically to the people of Wisconsin, and especially of Madison, where the Forest Products Laboratory is located. I thank the Senator from Arizona.

Mr. ALLOTT. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. ALLOTT. What action was taken with respect to the implementation of the borrowing authority to continue the helium program, for which, the Senator will recall, the House provided $6 million and the Senate provided $20 million? This is a most important program designed to stop the depletion of a great natural resource which this country will probably be lacking in about 1980, unless something is done to correct the condition.

Mr. HAYDEN. This subject was given publicity by the Washington Star and other newspapers. The reason why the Senate receded—as a matter of fact, offered to recede—is that the Assistant Director of the Bureau of Mines for the Development of Helium Properties, in a memorandum prepared on July 23, 1962, for the Director of the Division of Budget and Finance, Department of the Interior, stated:

> The financial integrity of the program would be reasonably assured if additional borrowing authority in the amount of $6 million should be provided.

Because the Director made this statement after having appealed the $14 million reduction made by the House, the Senate conferees had no ground on which to insist on the Senate figure. The evidence was all the other way.

Mr. ALLOTT. It may be said that the Department of the Interior reversed its ground, much like a halfback on a muddy field.

Mr. HAYDEN. Exactly so.

Mr. ALLOTT. Does the Senator from Arizona know of this matter, of which I was informed today, and of which I do not have knowledge of the facts: That the General Accounting Office has raised questions with respect to the contracts which have been let to date under the helium program. One example I heard raised was that the contracts do not contain a renegotiation figure. As I understand, the General Accounting Office plans to submit a report on this question in the fall. Has the Senator heard that?

Mr. HAYDEN. I have heard a rumor to that effect; I know nothing definite about it.

Mr. ALLOTT. I am very much interested in this subject, having written the helium bill originally. In order that the matter can be cleared up, would the Senator from Arizona be willing to communicate with the General Accounting Office, to see if there can be an acceleration of the report, so that we may clear the decks for this important program and determine exactly where we stand?

Mr. HAYDEN. I believe that that would be entirely proper to do, and I shall be glad to do it.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 10802, which was read as follows:

> IN THE HOUSE OF REPRESENTATIVES, U.S.,
> *July 30, 1962.*
>
> *Resolved,* That the House agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10802) entitled "An Act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes."
>
> *Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 9, and concur therein with an amendment, as follows: In lieu of the matter proposed, insert: "Secretary, except that tribal funds derived from appropriations in satisfaction of awards of the Indian Claims Commission and the Court of Claims shall not be further appropriated until a report of the purposes for which the funds are to be used has been submitted to the Senate and House Committees on Interior and Insular Affairs and those purposes either have been approved by resolution of each of said committees or have not been disapproved by resolution of either of said committees within sixty calendar days from the date the report is submitted, not counting days on which either House is not in session because of an adjournment of more than three calendar days to a day certain:".

Mr. HAYDEN. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 9.

The motion was agreed to.

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a tabulation setting forth the appropriation for the current year, the budget estimate, the House allowance, the Senate allowance, and the conference allowance for each appropriation in the bill.

There being no objection, the tabulation was ordered to be printed in the RECORD.

Department of the Interior and related agencies appropriation bill, fiscal year, 1963

Item	Appropriations, 1962 (to date)	Budget estimates, 1963	House allowance	Senate allowance	Conference allowance
TITLE I—DEPARTMENT OF THE INTERIOR					
PUBLIC LAND MANAGEMENT					
BUREAU OF LAND MANAGEMENT					
Management of lands and resources	[1] $33,750,000	[2] $43,252,000	$39,375,000	$43,022,200	$41,510,200
Construction	850,000	[3] 1,300,000	1,000,000	1,000,000	1,000,000
Oregon and California grant lands (*indefinite appropriation of receipts*)	(7,750,000)	(7,750,000)	(7,750,000)	(7,750,000)	(7,750,000)
Range improvements (*indefinite appropriation of receipts*)	(740,000)	(1,045,000)	(1,045,000)	(1,045,000)	(1,045,000)
Total, Bureau of Land Management	34,600,000	[4] 44,552,000	40,375,000	44,022,200	42,510,200
BUREAU OF INDIAN AFFAIRS					
Education and welfare services	[5] 71,750,000	82,827,000	81,000,000	82,827,000	81,300,000
Resources management	29,075,000	34,417,000	34,300,000	34,677,000	34,300,000
Revolving fund for loans	[6] 4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Construction	39,561,000	54,765,000	52,000,000	55,550,000	53,775,000
Road construction (liquidation of contract authorization)	16,000,000	17,000,000	16,000,000	17,000,000	16,000,000
General administrative expenses	3,967,000	4,372,000	4,000,000	4,350,000	4,000,000
Liquidation of Klamath and Menominee Agencies	31,000				
Total, Bureau of Indian Affairs, exclusive of tribal funds	164,384,000	197,381,000	191,300,000	198,404,000	193,375,000
Tribal funds (not included in totals of this tabulation)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
NATIONAL PARK SERVICE					
Management and protection	[7] 21,811,500	27,240,000	25,425,000	26,034,320	25,525,000
Maintenance and rehabilitation of physical facilities	17,869,000	20,000,000	20,000,000	20,000,000	20,000,000
Construction	[8] 36,726,000	44,000,000	40,000,000	44,526,000	40,775,500
Construction (liquidation of contract authorization)	30,000,000	30,000,000	29,000,000	29,000,000	29,000,000
General administrative expenses	1,581,000	2,100,000	1,900,000	1,964,000	1,964,000
Total, National Park Service	107,987,500	123,340,000	116,325,000	121,524,320	117,264,500
OFFICE OF TERRITORIES					
Administration of territories	[9] 10,334,000	[10] 15,478,000	13,768,000	13,768,000	13,768,000
Trust Territories of the Pacific Islands	[11] 6,304,000	10,000,000	6,600,000	6,600,000	6,600,000
Alaska public works	(12)				
Total, Office of Territories	16,638,000	25,478,000	20,368,000	20,368,000	20,368,000
Total, Public Land Management	323,609,500	390,751,000	368,368,000	384,318,520	373,517,700
MINERAL RESOURCES					
GEOLOGICAL SURVEY					
Surveys, investigations, and research	[13] 49,820,000	59,900,000	56,100,000	56,900,000	56,100,000
BUREAU OF MINES					
Conservation and development of mineral resources	24,800,000	[14] 27,000,000	26,550,000	26,887,000	26,675,000
Health and safety	7,200,000	[14] 8,158,000	8,158,000	8,158,000	8,158,000
Construction	835,000	1,000,000	425,000	425,000	425,000
General administrative expenses	1,290,000	1,333,000	1,333,000	1,333,000	1,333,000
Development and operation of helium properties (*borrowing authorization*)	(10,000,000)	(20,000,000)	(6,000,000)	(20,000,000)	(6,000,000)
Total, Bureau of Mines	34,125,000	37,491,000	36,466,000	36,803,000	36,591,000
OFFICE OF COAL RESEARCH					
Salaries and expenses	1,000,000	2,000,000	2,000,000	3,450,000	3,450,000
OFFICE OF MINERALS EXPLORATION					
Salaries and expenses	750,000	1,000,000	750,000	875,000	750,000
Lead and zinc stabilization program		4,900,000	2,450,000	2,450,000	2,450,000
Total, Office of Minerals Exploration	750,000	5,900,000	3,200,000	3,325,000	3,200,000
OFFICE OF OIL AND GAS					
Salaries and expenses	531,000	[15] 731,000	531,000	531,000	531,000
OFFICE OF MINERALS MOBILIZATION					
Salaries and expenses		[16] 180,000			
Total, mineral resources	86,226,000	106,202,000	98,297,000	101,009,000	99,872,000
FISH AND WILDLIFE SERVICE					
OFFICE OF THE COMMISSIONER OF FISH AND WILDLIFE					
Salaries and expenses	364,000	364,000	364,000	364,000	364,000
BUREAU OF COMMERCIAL FISHERIES					
Management and investigations of resources	[17] 12,550,000	15,213,000	14,600,000	15,981,500	15,225,000
Management and investigations of resources (special foreign currency program)	300,000	300,000	300,000	300,000	300,000
Construction	7,561,000	8,414,000	7,900,000	8,473,000	8,473,000
Construction of fishing vessels	750,000	750,000	750,000	750,000	750,000
General administrative expenses	482,000	616,000	600,000	600,000	600,000
Administration of Pribilof Islands (*indefinite appropriation of receipts*)	(1,981,000)	(1,998,000)	(1,998,000)	(1,998,000)	(1,998,000)
Limitation on administrative expenses, fisheries loan fund	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Total, Bureau of Commercial Fisheries	21,643,000	25,293,000	24,150,000	26,104,500	25,348,000
BUREAU OF SPORT FISHERIES AND WILDLIFE					
Management and investigations of resources	23,315,650	[18] 26,572,000	26,500,000	27,436,000	27,112,000
Construction	5,257,500	4,086,000	4,900,000	8,033,800	6,922,300
Migratory bird conservation account		7,000,000	7,000,000	7,000,000	7,000,000
General administrative expenses	1,071,000	1,331,000	1,250,000	1,331,000	1,250,000
Total, Bureau of Sport Fisheries and Wildlife	29,644,150	38,989,000	39,650,000	43,800,800	42,284,300
Total, Fish and Wildlife Service	51,651,150	64,646,000	64,164,000	70,269,300	67,996,300

See footnotes at end of table.

Department of the Interior and related agencies appropriation bill, fiscal year, 1963—Continued

Item	Appropriations, 1962 (to date)	Budget estimates, 1963	House allowance	Senate allowance	Conference allowance
TITLE I—DEPARTMENT OF THE INTERIOR—Continued					
FISH AND WILDLIFE SERVICE—Continued					
OFFICE OF SALINE WATER					
Salaries and expenses	[19] $5,255,000	$7,700,000	$7,600,000	$7,700,000	$7,600,000
Operation and maintenance		[20] 2,085,000	2,000,000	2,085,000	2,000,000
Construction, operation, and maintenance	4,550,000				
Total, Office of Saline Water	9,805,000	9,785,000	9,600,000	9,785,000	9,600,000
OFFICE OF THE SOLICITOR					
Salaries and expenses	3,492,000	3,747,000	3,600,000	3,747,000	3,675,000
OFFICE OF THE SECRETARY					
Salaries and expenses	[21] 3,385,000	[22] 3,568,000	3,350,000	3,340,000	3,350,000
Total, definite appropriations	478,168,650	578,699,000	547,379,000	572,468,820	558,011,000
Total, indefinite appropriations of receipts	10,471,000	10,793,000	10,793,000	10,793,000	10,793,000
Total, borrowing authorizations	10,000,000	20,000,000	6,000,000	20,000,000	6,000,000
Total, title I, Department of the Interior	498,639,650	609,492,000	564,172,000	603,261,820	574,804,000
TITLE II—RELATED AGENCIES					
DEPARTMENT OF AGRICULTURE					
FOREST SERVICE					
Forest protection and utilization:					
Forest land management	128,000,000	140,740,000	138,400,000	141,045,000	139,400,000
Forest research	26,368,000	23,150,000	22,975,000	25,865,000	24,835,000
State and private forestry cooperation	15,800,000	15,800,000	15,800,000	16,405,000	15,830,000
Total, forest protection and utilization	170,168,000	179,690,000	177,175,000	183,315,000	180,065,000
Forest roads and trails (liquidation of contract authorization)	35,000,000	37,500,000	37,500,000	37,500,000	37,500,000
Access roads	2,000,000	2,000,000		6,000,000	2,000,000
Acquisition of lands for national forests:					
Superior National Forest	250,000	2,000,000	2,000,000	2,000,000	2,000,000
Special acts (*indefinite appropriation of receipts*)	(10,000)	(10,000)	(10,000)	(30,000)	(30,000)
Cooperative range improvements (*indefinite appropriation of receipts*)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)
Assistance to States for tree planting	1,000,000	1,000,000	1,000,000	1,500,000	1,000,000
Total, definite appropriations	208,418,000	222,190,000	217,675,000	230,315,000	222,565,000
Total, indefinite appropriations	710,000	710,000	710,000	730,000	730,000
Total, Forest Service, Department of Agriculture	209,128,000	222,900,000	218,385,000	231,045,000	223,295,000
FEDERAL COAL MINE SAFETY BOARD OF REVIEW					
Salaries and expenses	70,000	70,000	70,000	70,000	70,000
COMMISSION OF FINE ARTS					
Salaries and expenses	70,000	80,000	70,000	80,000	80,000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
PUBLIC HEALTH SERVICE					
Indian health activities	53,010,000	55,834,000	55,284,000	57,000,000	55,834,000
Construction of Indian health activities	8,285,000	9,220,000	8,320,000	9,335,000	9,335,000
Total, Public Health Service	61,295,000	65,054,000	63,604,000	66,335,000	65,169,000
INDIAN CLAIMS COMMISSION					
Salaries and expenses	280,000	295,000	290,000	290,000	290,000
NATIONAL CAPITAL PLANNING COMMISSION					
Salaries and expenses	525,000	625,000	625,000	625,000	625,000
Salaries and expenses, open space study, National Capital region		65,000			
Land acquisition, National Capital park, parkway, and playground system	500,000	1,300,000	100,000	100,000	100,000
Total, National Capital Planning Commission	1,025,000	1,990,000	725,000	725,000	725,000
NATIONAL CAPITAL TRANSPORTATION AGENCY					
Salaries and expenses	[23] 960,000	4,450,000	3,350,000	2,825,000	3,000,000
Land acquisition and construction	[24] 1,000,000	2,000,000	400,000	400,000	400,000
Total, National Capital Transportation Agency	1,960,000	6,450,000	3,750,000	3,225,000	3,400,000
OUTDOOR RECREATION RESOURCES REVIEW COMMISSION					
Salaries and expenses	550,000				
SMITHSONIAN INSTITUTION					
Salaries and expenses	9,125,000	11,354,000	10,900,000	10,900,000	10,900,000
Additions to the Natural History Building	4,336,000				
Remodeling of Civil Service Commission Building	400,000	5,400,000			
Construction and improvements, National Zoological Park		950,000	1,275,000	1,275,000	1,275,000
Salaries and expenses, National Gallery of Art	1,932,000	2,054,000	2,054,000	2,054,000	2,054,000
Total, Smithsonian Institution	15,793,000	19,758,000	14,229,000	14,229,000	14,229,000
TRANSITIONAL GRANTS TO ALASKA					
Grants	6,000,000	3,000,000	3,000,000	3,000,000	3,000,000
CIVIL WAR CENTENNIAL COMMISSION					
Expenses	100,000	100,000	100,000	100,000	100,000
Total, definite appropriations	295,561,000	318,987,000	303,513,000	318,369,000	309,628,000
Total, indefinite appropriations	710,000	710,000	710,000	730,000	730,000
Total, title II, related agencies	296,271,000	319,697,000	304,223,000	319,099,000	310,358,000

See footnotes at end of table.

Department of the Interior and related agencies appropriation bill, fiscal year, 1963—Continued

Item	Appropriations, 1962 (to date)	Budget estimates, 1963	House allowance	Senate allowance	Conference allowance
TITLE III—VIRGIN ISLANDS CORPORATION					
Contributions	(25)	$185,000			
Revolving fund	$881,000	3,300,000	$200,000	$200,000	$200,000
Limitation of administrative expenses, Virgin Islands Corporation	(180,000)	(200,000)	(180,000)	(180,000)	(180,000)
Total, title III, Virgin Islands Corporation	881,000	3,485,000	200,000	200,000	200,000
Grand total:					
Definite appropriations	774,610,650	901,171,000	851,092,000	891,037,820	868,839,000
Indefinite appropriation of receipts	11,181,000	11,503,000	11,503,000	11,523,000	11,523,000
Borrowing authorizations	10,000,000	20,000,000	6,000,000	20,000,000	6,000,000
Total	795,791,650	932,674,000	868,595,000	922,560,820	885,362,000

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[1] Includes $1,250,000 appropriated in the Supplemental Appropriation Act, 1962.

[2] Includes $1,700,000 in S. Doc. 88.

[3] Includes $300,000 in S. Doc. 88.

[4] Includes $2,000,000 in S. Doc. 88.

[5] Includes $750,000 appropriated in the Supplemental Appropriation Act, 1962.

[6] Appropriated in the Supplemental Appropriation Act, 1962.

[7] Includes $25,000 appropriated in the Supplemental Appropriation Act, 1962.

[8] Includes $2,250,000 appropriated in the Supplemental Appropriation Act, 1962.

[9] Includes $4,500,000 appropriated in the Supplemental Appropriation Act, 1962.

[10] Includes budget amendment of $2,579,000 for American Samoa in H. Doc. No. 334.

[11] Includes $200,000 appropriated in the Supplemental Appropriation Act, 1962.

[12] Act continues available $108,000 of prior appropriations.

[13] Includes $100,000 appropriated in the Supplemental Appropriation Act, 1962.

[14] Reflects transfer in the estimates of $267,000 from "Conservation and development of mineral resources" to "Health and safety."

[15] Includes $200,000 for activities previously carried under "Civil defense and defense mobilization functions of Federal agencies," Office of Emergency Planning.

[16] Amount previously carried under "Civil defense and defense mobilization functions of Federal agencies," Office of Emergency Planning.

[17] Includes $400,000 appropriated in the Supplemental Appropriation Act, 1962.

[18] Includes $35,000 for an activity previously carried under "Grain for migratory waterfowl."

[19] Includes $3,500,000 appropriated in the Supplemental Appropriation Act, 1962.

[20] For activities previously carried under "Construction, operation, and maintenance, Office of Saline Water."

[21] Includes $200,000 appropriated in the Supplemental Appropriation Act, 1962.

[22] Includes $106,500 for activities previously carried under "Civil defense and defense mobilization functions of Federal agencies," Office of Emergency Planning.

[23] Includes $85,000 appropriated in the Supplemental Appropriation Act, 1962.

[24] Appropriated in the Supplemental Appropriation Act, 1962.

[25] Appropriation language provides for a grant to the Corporation of $669,000 to be derived by transfer from internal revenue collections appropriated to the Virgin Islands government.

LEGISLATIVE APPROPRIATIONS, 1963

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1748, H.R. 11151, and that it be made the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H.R. 11151) making appropriations for the legislative branch for the fiscal year ending June 30, 1963, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, will the majority leader yield?

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. I should like to inquire of the distinguished majority leader what the program will be for the rest of the day and tomorrow?

Mr. MANSFIELD. No action will be taken on the legislative appropriation bill tonight; it will be the pending business.

It is hoped that when the Senate finishes with this measure tomorrow, it will be possible to proceed to the consideration of Calendar No. 1494, H.R. 7913, to amend title 10, United States Code, to bring the number of cadets at the U.S. Military Academy and the U.S. Air Force Academy up to full strength; and possibly Calendar No. 1590, S. 1108, authorizing the conveyance of certain property in the city of San Diego to the regents of the University of California.

I hope also that at the appropriate time the 12 bills, reported from the Commerce Committee, having to do with the merchant marine will be considered.

I announce to the Senate, with the concurrence of the distinguished minority leader and the distinguished Senator from Colorado [Mr. ALLOTT], that on Monday the Senate will take up Calendar No. 1701, Senate bill 284, the Fryingpan authorization bill.

Mr. ALLOTT. Mr. President, let me say to the distinguished majority leader that we shall be happy to have that bill taken up on Monday, and I appreciate very much the Senator's consideration.

ORDER FOR ADJOURNMENT UNTIL TOMORROW, AT NOON

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until tomorrow, at 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

NO. 1 ROADBLOCK TO ECONOMY: THE FAT SACRED COWS

Mr. PROXMIRE. Mr. President, a few minutes ago the Senate acted on the largest peacetime appropriation in the history of our Nation, and one of the largest appropriations the country has ever made either in peacetime or in wartime—the $48 billion defense appropriation bill. If we add to it the $1.3 billion included in the military construction bill and the $3.7 billion in the space authorization bill, we find that $53 billion of appropriations are involved in the three bills.

If we also recognize that we have no control whatsoever over approximately $10 billion which must be used to service the national debt—for the Congress has no possible ability to reduce that amount, inasmuch as the interest on the national debt must be paid in any event—and if we likewise recognize that, in addition, there are billions of dollars in contractual obligations to veterans, it should become apparent that the action taken today by the Senate, together with action which is almost sure to be taken in the near future, involves approximately three-fourths of all the spending under the control of Congress.

I call this situation to the attention of the Senate at this late hour because I feel very strongly that, unfortunately, Congress has permitted the greatest areas of expenditures to become "sacred cows," and has refused to consider the possibility of making substantial reductions in spending in these areas.

DEFENSE SPENDING SHOULD BE SCRUTINIZED, TOO

Like all other Senators, I feel that we must have a fully adequate Defense Establishment, and I recognize its great cost. But I also feel that we are not fulfilling our responsibilities if we do not question the amount of spending in this area, where the spending is the greatest, and if we do not consider alternative possibilities which would enable us to reduce this amount of spending.

Mr. President, earlier today the distinguished Senator from Minnesota [Mr. HUMPHREY], our majority whip, raised what has become almost a lone voice in the Congress when he spoke in favor of our being aggressively insistent on trying to achieve a treaty as the first step toward arms control and arms limitation. Anyone who really believes that we should cut back spending in our Government must recognize that reduced spending must begin here. Unless we can achieve realistic arms limitation, and thus begin to put under control and limit the immense increase in spending that has occurred year after year in the defense area, there will be no possibility of any significant reduction in taxes, and this immense burden on the American people will continue ad infinitum.

A little later in my remarks I shall comment on the suggestions which have been made in regard to the proposed tax cut. I shall discuss that situation in connection with the action the Senate has taken today, because many Members of the Senate who are advocating a tax cut are also insisting that we must continue to spend $90 or $95 billion a year; and in advocating a tax cut at a time when we are greatly increasing our spending, they are advocating an increased deficit and an increased national debt.

MAN-TO-MOON SPENDING SOAKS UP SCIENTISTS

Mr. **PROXMIRE**. Mr. President, first, I wish to call attention to the fact that about 4½ hours ago, when the Senate agreed to the NASA authorization conference report, that action in effect increased the authorization for research in space—because almost all of that money is used for that purpose—from $1.7 billion to $3.7 billion, an increase of more than $2,000 million, or $2 billion. This is by far the largest percentage increase which any agency of our Government is likely to receive this year, and this increase is not in a defense program. The space research, space construction, and space spending which pertain to our defense are included in our Defense budget—in the bill the Senate acted on a few minutes ago. But this $3.7 billion item is related almost entirely to our man-to-the-moon project. A large amount of Federal funds for research is also included in the Defense bill the Senate passed. However, as I have said, a huge part of the $3.7 billion in the space budget is for research and development.

This morning one of the Nation's outstanding columnists, James Reston, wrote an article from which I wish to quote. The article, which was published in the New York Times, comments on this situation as follows:

> For example, Dr. Jerome B. Wiesner, President Kennedy's Director of the Office of Science and Technology, told the Congress today that the U.S. Government will put more money into research and development this fiscal year than it spent "in the entire interval from the American Revolution through and including World War II."

Mr. Reston proceeds to point out the profound economic and scientific impact involved in this spending; but he wisely also indicates something which I discussed on the floor of the Senate when the NASA authorization bill was before us for amendment. He writes:

> THE IMPONDERABLES
>
> Meanwhile, Dr. Wiesner is worried about a number of important related questions. The Government is responsible for these research and development programs but is having trouble keeping enough competent scientists in Government service to do the job. How can the Government compete with the much larger financial rewards being made available in nonprofit organizations like the Rand Corp., Aerospace, and others? How are scientists working part time for the Government as consultants and part time for private industry on Government contracts to avoid violating the conflict-of-interest laws?
>
> Yet even these difficult questions only begin to touch on the much broader imponderables raised by these vast expenditures of money. So much money is available for applied science contracts that some educators are afraid basic research is being shortchanged, and that science in general is beginning to overwhelm the humanities in many universities.
>
> Again, there is such a scurry in the developing field of military technology that other nonmilitary scientific fields such as metallurgy and oceanography may not be developed as much as they could.
>
> For example, is the emphasis on military technology the best way to use science to increase the economic growth of the Nation? The experts differ on this. In fact, they differ on almost all the questions raised here, for they are all caught up in a revolution almost beyond imagination, let alone control.

Mr. President, that is why I submitted an amendment to the space authorization bill providing for a study, by a presidentially appointed committee, of the great impact of this research spending on scientific manpower in this country. I hope that someday soon the Senate will approve the creation of such a commission, because there is no question that these vast appropriations for research are having a devastating impact on scientific education and on other fields of research, and may adversely influence many defense fields, because some leading scientists who are working on the man-to-the-moon project might otherwise be working on vital defense contracts.

In addition, the New York Times has published an article reporting on Dr. Wiesner's appearance yesterday as a leading scientist representing the President—the President's science adviser.

I ask unanimous consent that the article by James Reston and the article reporting on Dr. Wiesner's appearance before one of the congressional committees be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE SCIENTIFIC REVOLUTION IN AMERICA

(By James Reston)

WASHINGTON, July 31.—The political news in the world today seems repetitious and even stale, but the economic and scientific news is startlingly different and exciting.

For example, Dr. Jerome B. Wiesner, President Kennedy's Director of the Office of Science and Technology, told the Congress today that the U.S. Government will put more money into research and development this fiscal year than it spent "in the entire interval from the American Revolution through and including World War II."

Thus, while the politicians and diplomats are talking endlessly about the same issues—"standing firm" in Berlin, "no disarmament without inspection" in Geneva, "fiscal responsibility" versus "creeping socialism" at home—the scientists are rapidly changing the face of the Nation and raising wholly new relationships between Government and industry, Government and the universities, and even between one section of the country and another.

RISE AND FALL

A few hard facts may at least indicate the torrent of change being produced by the current scientific revolution:

1. This fiscal year the Government will put $12.3 billion into research and development—twice as much for this purpose as all of industry, universities and private foundations combined.

2. In the military field alone, this has already produced a transformation in the kind of weapons and other materials being produced for the Government. In the last year of the Korean war (fiscal year 1953), tanks, other vehicles, weapons and ammunition, plus production, and other commercial types of equipment and hardware constituted 50 percent of the military hard goods delivered. This fiscal year they will amount to only 12.4 percent of the total prime contracts.

3. This shift in weapons from wheeled goods to missiles and electronics has produced dramatic shifts in the areas of the country where the new contracts are going. For example, the Middle Atlantic States of New York, Pennsylvania and New Jersey have dropped from 25.1 percent of the prime contracts to 19.9 percent in the last 8 years, while the East North Central States of Ohio, Indiana, Illinois, Michigan, and Wisconsin have gone down from 27.4 percent to 11.8, and the Pacific and Mountain States have gone up since fiscal 1953 from 18.6 percent to 32.6.

It is in the contracts for research, development, testing, and evaluation, however, that this geographical shift is most important, for prime contracts tend to follow research and development contracts. Thus, in fiscal 1961, the Defense Department's contracts in this field were allocated as follows: California, 41.3 percent; New York, 12.2; Massachusetts, 5.8; Washington, 4.9; Colorado, 4.9; New Jersey, 3.8; Pennsylvania, 3.7; Maryland, 3.3; Utah, 3; Florida, 2.5; Ohio, 2.3; Connecticut, 2.

Roswell L. Gilpatric, the Deputy Secretary of Defense, has been the prime mover in getting these facts released and analyzed, and their significance is profound. Is one area of the Nation to bound forward while others with fewer financial and educational resources decline? Are contracts to go to the lowest bidder without any reference to areas with large numbers of skilled but unemployed workers?

These are questions that are already agitating Governors and mayors, Senators and Congressmen. The battle for contracts is getting savage. Gov. John B. Swainson, of Michigan, was in to see President Kennedy about it the other day, and no wonder. His State had 10.5 percent of the prime military contracts in World War II, and only 2.7 percent of a smaller total in fiscal 1961.

THE IMPONDERABLES

Meanwhile, Dr. Wiesner is worried about a number of important related questions. The Government is responsible for these research and development programs but is having trouble keeping enough competent scientists in Government service to do the job. How can the Government compete with the much larger financial rewards being made available in nonprofit organizations like the Rand Corp., Aerospace, and others? How are scientists working part time for the Government as consultants and part time for private industry on Government contracts to avoid violating the conflict-of-interest laws?

Yet even these difficult questions only begin to touch on the much broader imponderables raised by these vast expenditures of money. So much money is available for applied science contracts that some educators are afraid basic research is being shortchanged, and that science in general is beginning to overwhelm the humanities in many universities.

Again, there is such a scurry in the developing field of military technology that other nonmilitary scientific fields such as metallurgy and oceanography may not be developed as much as they could.

For example, is the emphasis on military technology the best way to use science to increase the economic growth of the Nation? The experts differ on this. In fact, they differ on almost all the questions raised here, for they are all caught up in a revolution almost beyond imagination, let alone control.

Wiesner Presses Scientists' Raises—He Cites Research Needs, Outlines Research Needs

Washington, July 31.—Dr. Jerome B. Wiesner, the President's science adviser, took his first trip to Capitol Hill today and laid before Congress the scientific problems, ranging from pay to conflict of interest, confronting the executive branch.

Of all the problems, the one that loomed largest in Dr. Wiesner's mind was how the Government was to provide better management and supervision over its growing research and development programs.

He suggested that the main reason "so many of our [research] programs go badly" was the lack of competent scientific managers within the Government. He warned that the situation would continue to deteriorate unless Congress raised the salary of top Government executives, including scientists.

Dr. Wiesner's testimony before a House Government Operations subcommittee represented his first appearance before a congressional committee in his new capacity as Director of the Office of Science and Technology.

One of the principal reasons for establishing the new office was to permit the President's science adviser to appear before Congress and to provide it with some guidance on the scientific policies and programs of the executive branch.

He discussed the importance of research in the economic growth of the Nation, the growth of the nonprofit institutions spawned by the Government, the impact of Government research contracts upon universities, the conflict-of-interest problem confronting private scientists who are called in as Government consultants.

He also expressed fear that, in the emphasis upon military and space research, the Nation might be draining away research resources from other fields, and thus preventing American industry from competing with other nations in new technological markets. One "danger sign" of this development that he cited was that the first all-transistor television set was produced in Japan, rather than by an American industry.

LATEST SENATE ACTION ON COMMUNICATIONS SATELLITE IS GRATIFYING AND JUSTIFIES THOSE WHO OPPOSED HASTY ACTION

Mr. GRUENING. Mr. President, I rise today to congratulate the leadership and those who opposed hasty action on this supremely important communications satellite legislation for demonstrating so effectively that there will be time taken to bring back to this Chamber the best possible bill.

Referral of H.R. 11040 to the Senate Committee on Foreign Relations for study is a necessary first step, I believe, as do those of my colleagues who have, as I have, urged it. Negotiations with other governments, particularly with totalitarian regimes, are tough. Such negotiations can best be made by our State Department, and not as H.R. 11040 provides—by a private corporation. It is therefore proper that the Committee on Foreign Relations have this opportunity to consider H.R. 11040 and its important international aspects.

When I spoke at length on various aspects of the bill on June 21, 1962, I pointed to the curious wording of the bill which would have the State Department required to participate in negotiations with a foreign nation only upon the request of a private corporation.

I said that the bill, as written, would delegate the President's power to negotiate with foreign governments to a private corporation "without any safeguards except that the corporation must tell the Department of State of its actions." And nowhere in the bill would the private corporation be required to negotiate in keeping with, and not contrary to, this nation's foreign policy considerations.

I asked: "Would we set up this private corporation as a 'super' Department of State to judge whether its negotiations helped or hindered our foreign policy?"

It seemed appropriate, at that time, to note that three distinguished members of the Senate Foreign Relations Committee actively opposed passage of the legislation as it came before the Senate.

Let me read two paragraphs from my remarks of June 21 in full:

> It is my opinion, Mr. President, that we already have too many diverse Federal agencies operating in foreign countries. We cannot, and we should not, delegate the conduct of our foreign policy to a private agency which would not even be under the control of the Department of State.
>
> I strongly urge that this bill be referred to the Senate Foreign Relations Committee so that we may have the benefit of the views of all the members of that committee and any recommendations as to how a private corporation could be placed in charge of the operation of the communication satellite and agreements negotiated with foreign powers without jeopardizing the conduct of our foreign relations.

Mr. President, I am glad to see that this had been done. I understand that the Committee on Foreign Relations will be meeting in executive session tomorrow afternoon to consider what shall be its course of action. I commend the Senate Foreign Relations Committee for this prompt action.

If the committee should find it possible to call in additional witnesses, I hope it will explore fully any ambiguities of legislative language and any indecisive testimony given earlier by witnesses who appeared before other committees.

Perhaps it will be feasible to call on other witnesses who have not had an opportunity to comment on this legislation, which will apply not only to a city, a State, or a nation, but to the universe. We do not deal with a simple matter. We deal with the most sensational, most epochmaking developments in the history of mankind.

So I look forward to the day when this body once again will have before it legislation relating to a worldwide communications satellite system. And I am confident that we will discover that these relatively few days of debate just passed will have paved the way for consideration of improved legislation.

No bill is so perfectly conceived that it cannot be improved.

I have watched with interest the growing interest of the American people in this communications satellite bill. As we who sought less precipitate action have discussed our reasons for so doing, so have men and women throughout the country come to realize that this legislation is of the utmost importance.

Intended or not, the bill, as written, did not advance the cause of our excellent free enterprise system. Rather, it created a monopoly. I believe in free enterprise. One of its essential ingredients is competition. H.R. 11040, in its present form, eliminates competition.

I believe there is need today to combine the best of Government and free enterprise.

I welcome legislation making possible a communications satellite bill, but I do want any such bill to contain safeguards permitting the U.S. Government to deal effectively and efficiently with the multitude of obstacles it must meet and master.

Therefore, I applaud vigorously the wisdom of the leadership in effecting a solution to a problem which at times seemed impenetrable.

Mr. President, I should, at this time, like to insert several communications I have received from citizens living in various parts of our country, applauding the efforts of the men who have sought, successfully, to have this legislation receive proper consideration. They reveal that the public is beginning to be heard. Many more have been received.

I ask unanimous consent that the full text of these messages be reprinted in the Record at this time.

There being no objection, the communications were ordered to be printed in the Record, as follows:

Albuquerque, N. Mex., *July 30, 1962.*

Senator Ernest Gruening,
Senate Office Building,
Washington, D.C.:

Members of machinest union represented by you ask you vote to table satellite communication bill for present congressional session. This request approved during Western States Conference of Machinests in Albuquerque, N. Mex., July 28, 1962.

Copy of resolution will be sent to your office.

Joseph Denton,
Secretary, Western States Conference of Machinists.

Amalgamated Meat Cutters and Butcher Workmen of North America,
Chicago, Ill., July 31, 1962.

Hon. Ernest Gruening,
U.S. Senate, Washington, D.C.

Dear Senator Gruening: We want to congratulate you on your efforts against the satellite giveaway bill. We fully agree with you that the bill should not pass. We are also concerned that the majority leadership is making such intensive efforts against your filibuster when it was so comparatively inactive against the filibuster which defeated the voting bill.

The executive officers of our union have sent the enclosed telegrams concerning the satellite bill and the cloture move. The first telegram went to the Senate majority leader and assistant leader, Senators Mansfield and Humphrey. The second went to 43 other Senators who, as far as we know, have not actively supported your stand so far.

Sincerely yours,

Leon B. Schachter,
International Vice President.
Arnold Mayer,
Legislative Representative.

Telegrams Sent by Amalgamated Meat Cutters and Butcher Workmen (AFL–CIO), Concerning Satellite Bill

The following telegram was sent to Senate Majority Leader Mike Mansfield and Senate Assistant Majority Leader Hubert H. Humphrey:

"We are extremely concerned about Senate majority leadership's intensive efforts to crack down on liberals' filibuster concerning satellite giveaway when so little efforts were exerted against 3-week filibuster which defeated civil rights bill to provide voting opportunities to all citizens.

"We consider satellite bill extremely poor piece of legislation which should not pass. But even more important, we oppose application of double standards on filibuster.

"As long as filibuster or present rules exist, liberals should use them just as civil rights opponents do. Unilateral disarmament on legislation is as ridiculous as in international affairs.

"On behalf of our 350,000 members, we suggest that leadership drop Smathers' cloture move and drop satellite giveaway bill. We further suggest that leadership make all-out effort at earliest possible date to amend rule 22 to curb filibusters impartially by any and all groups in the Senate."

Thomas J. Lloyd,
President.
Patrick E. Gorman,
Secretary-Treasurer.

The following telegram was sent to 43 other Senators:

"We sincerely hope Senate will not apply cloture to liberals' filibuster on satellite giveaway bill when it failed to cut off 3-week filibuster on bill providing voting opportunity for all citizens. On behalf of our 350,000 members, we urge you to oppose Smathers' cloture petition and satellite giveaway bill. If Senate wishes to prevent filibusters, it should do so impartially against all groups of Senators by amending rule 22."

Thomas J. Lloyd,
President.
Patrick E. Gorman,
Secretary-Treasurer.

Chicago, Ill., *July 31, 1962.*

Senator Ernest Gruening,
Washington, D.C.:

Regarding your position on H.R. 11040 I am heartily in agreement with you until the small businessmen are assured that the American Telephone & Telegraph Co. will not extend its monopoly and will agree to abiding by the intent of the consent decree which it signed a few years ago. I believe this bill should not be passed. If I can be of any assistance, please advise me.

R. A. Clark, Jr.,
President, Communication Equipment & Engineering Co.

Washington, D.C., *July 30, 1962.*

Senator Ernest Gruening,
New Senate Office Building,
Washington, D.C.:

As national representative for telephone cooperatives we wish to congratulate you on your opposition to the space satellite bill. This legislation would create another huge communications monopoly to the detriment of hundreds of independent telephone systems.

James L. Bass,
President, National Telephone Cooperative Association.

Mount Vernon, N.Y., *July 26, 1962.*

Senator Ernest Gruening,
Washington, D.C.

Dear Senator: A.T. & T., press, and financial interests pressuring for immediate passage of bill H.R. 11040. A.T. & T. flagrantly violating 1956 consent judgment. Our industry complaints to Justice Department about below the belt unfair competition and enforcement of consent decree fruitless. Justice apparently afraid to tackle this giant and force them into line. How do you suppose any Government agency could control A.T. & T. under provision of H.R. 11040? At least vote to investigate this giant monopoly. Documented proof of all statements available. Take a second look Senator before you vote.

Clarence A. McKee,
National President, Private Communications Association, Inc.

WHY DO THEY DO EVERYTHING BUT THE RIGHT THING, WHICH IS TO INCREASE OUR DOMESTIC GOLD PRODUCTION?

Mr. GRUENING. Mr. President, President Kennedy and Secretary Dillon have taken steps which I am advised are designed to stop the counterfeiting of gold coins and to put an end to the restriking of certain gold coins dated prior to 1933 by certain nations.

The President's Executive Order No. 11037 of July 20, 1962, ends gold coin imports or holdings overseas by U.S. citizens after January 1, 1963. This means that residents of this Nation can no longer buy U.S. or foreign gold coins abroad unless the citizen is a collector of rare coins and has a license which confirms that he is a collector. Such action, I am told, will protect coin collectors, eliminating any possibility that they fall prey to unscrupulous persons who would attempt to sell them counterfeit coins.

Such action, I am advised, also will make it impossible for a Member of the U.S. Congress to ask a Department of the Treasury spokesman, "Why is it possible to purchase gold coins abroad and not in the United States?"

Once again, Mr. President, I am astonished at the remarkable ability of the executive department to do in the gold situation everything but the right thing, which would provide the necessary action to keep our gold mining industry strong and our gold miners employed; the proper action to bolster our gold reserves by making possible a subsidy for the mining of newly mined domestic gold.

Obviously, I do not condone counterfeiting, nor do I condone the hoarding of gold in oversea caches. Such practices are criminal and illegal in the first instance, and regrettable in the second. They should be halted. The action of the President in this matter is commendable but it does not help our domestic gold industry which is fast becoming a part of our history.

How much do gold coins cost the buyer? Earlier last month I checked with stores in Washington, D.C., where rare gold coins are sold. I found that a $20 gold piece could be purchased for $47 or $49 or $65. If the buyer wanted the coin mounted as a piece of jewelry, the price would be more. While I was checking gold coin prices, I regretted not having a cache of $4 and $3 gold pieces. The $4 piece is rare and may bring $1,000. The $3 gold piece sells for $200. Again, let me point out that this pricing is only a sampling, and in no sense can be considered the established pricing. Undoubtedly, it is possible to find a different price scale in other cities or elsewhere in Washington, D.C.

The New York Times carried a story on the Presidential Executive order. The White House was quoted as having said:

> The action had been taken to prevent large-scale counterfeiting and restriking of rare gold coins in Europe, Argentina and India.

In the same paragraph the author of the story writes:

> A Treasury official acknowledged that a "fringe benefit" would be to prevent the outflow of dollars.

Coin dealers in New York City were not joyful. Their comments ranged from a feeling that the order was a forerunner of another order increasing the price of gold to the conviction that the Government is up to something.

The general feeling was not one of confidence, I regret to report.

Mr. President, I ask unanimous consent that the full text of the New York Times article be reprinted in the Record at this point in my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

Kennedy Bars Gold-Coin Imports or Holdings Abroad After January 1—Acts To Curb Counterfeiting, but White House Says Move Will Also Help Reduce Outflow of Dollars

(By Richard P. Hunt)

President Kennedy signed an Executive order yesterday to prohibit Americans from importing gold coins or holding them abroad after next January 1, except in unusual cases.

The White House said the action had been taken to prevent large-scale counterfeiting and restriking of rare gold coins in Europe, Argentina, and India. But a Treasury official acknowledged that a "fringe benefit" would be to prevent the outflow of dollars.

Coin dealers here reacted with a mixture of hostility and suspicion. One foresaw increased public speculation about a devaluation of the dollar; another feared that gold coins in private collections would be seized.

The dealers seemed to agree that speculators trying to make a quick buck were likely to bid up the price for U.S. gold coins sold as collectors' items.

Under the President's order, Americans may continue to hold genuine rare gold coins in the United States and they will have until the end of this year to dispose of or import genuine rare gold coins that they now hold abroad.

After January 1 imports of gold coins will be permitted only in exceptional cases.

Leland Howard, head of the Treasury's gold and silver bureau, said the main purpose of the order was to strike at counterfeiting. But he said there was also a possibility that some Americans were hoarding gold coins as a hedge against dollar devaluation.

It has been illegal since January 1961 for Americans to hold gold in bars abroad. But the prohibition has not applied to coins, and some coin dealers have been advertising gold coins with the argument that the United States eventually would raise the price it pays for gold, now $35 an ounce.

Despite rumors about an increase in the price of gold, which would be tantamount to a devaluation of the dollar, informed financial observers believe the Kennedy administration meant what it said when it promised there would be no devaluation.

But coin dealers here were not convinced yesterday.

Herbert Voit, head of the coin department at the Perera Co., currency and coin dealers at 10 Broadway, said:

"I have a high suspicion the Government is up to something. Otherwise they wouldn't have bothered with this."

Mr. Voit added that he doubted the President's order would be effective.

"If people have gold, I don't think Mr. Kennedy would be able to get that information out of them," he said.

Benjamin Stack, a partner in Stack's, a coin collectors' shop at 123 West 57th Street, said he believed the Presidential order was "the forerunner of an order increasing the price of gold."

But he added that the order "should have no effect on a person who is a serious collector" of gold coins.

John J. Ford of the New Netherlands Coin Co., 1 West 57th Street, said the order would raise the price of gold coins in the United States because foreign sources of the coins would be cut off.

In Cleveland, the Associated Press reported, coin dealers at a convention of collectors were warned that customs agents had been seizing collections of gold coins minted since 1933.

Mr. Howard confirmed a report that customs agents of San Antonio, Tex., had seized $5,000 worth of gold coins from dealers and collectors on July 12, on the ground that they had been smuggled in from Mexico.

He said that coins minted after 1933 were illegal to hold and subject to seizure unless they had been officially pronounced to be rare coins. The standards of rarity are set by the Smithsonian Institution, he said.

Mr. GRUENING. Mr. President, I was glad to learn from the story that a fringe benefit might help our balance-of-payments problem, but I detected nowhere a concern over the plight of domestic gold miners, although Secretary of the Treasury Dillon did indicate a concern in his testimony before a subcommittee of the other body earlier this month.

In response to direct questioning Secretary Dillon replied:

> We certainly would like to see more gold produced if there were any way to produce it without giving the appearance of having two prices for gold.
>
> It is very clear that the world monetary authorities, the central bankers, the private bankers everywhere in the world, would think that was a first step toward a change in the price of gold, which would be a devaluation of the dollar.

Later, the Secretary said:

> So I said, if we could find a way to have more gold it would be fine. There might be some differences of opinion as to the volume of gold that could be produced in the United States even with such a subsidy because the record of 1933 or 1934, whenever the price went up, at that time it was not indicated that that was very large.

Mr. President, I believe this is the first time, to my knowledge, that Secretary of the Treasury Dillon has been so responsive in questioning and has shown that he is aware of the gold mining problem. I am encouraged that his unspoken concern has at long last been voiced.

I cannot be as enthusiastic over his concern with what the world monetary authorities might think of this Nation should gold miners be given a subsidy for newly mined domestic gold, as is proposed in Senate Joint Resolution 44, introduced by the junior Senator from California, Mr. Engle, and cosponsored by his colleague, Senator Kuchel, by the senior Senator from Idaho, Mr. Church, by the late Senator Francis Case, of South Dakota, and by me.

Stimulated by this new-found evidence of interest on the part of the Secretary of the Treasury in greater domestic gold production, a group of seven Senators, all concerned with this need, wrote Secretary Dillon suggesting to him that, if he could not support the legislative proposal of a subsidy contained in Senate Joint Resolution 44, he should come up with a better solution. This letter followed the request of Senator JOHN A. CARROLL, chairman of the Subcommittee on Minerals and Mining of the Committee on Interior and Insular Affairs, made at the close of the hearing on Senate Joint Resolution 44 on June 8, that the Treasury Department present an alternative to the gold subsidy proposal if that were still found unacceptable.

Senator CARROLL's request concluded the hearing, after the following comments by Senator CHURCH and by me:

> Senator CHURCH. Mr. Chairman, I just want to say that I think the useful function of the hearing today is in defining the exact area of disagreement between the members of the committee and the Treasury Department.
>
> Mr. ROOSA. Indeed, yes.
>
> Senator CHURCH. With respect to the psychological impact that an incentive payment might have upon world markets and the value of the dollar.
>
> But I think that the hearing equally shows that if we are to make some progress on behalf of the mining industry, and pursue the feeling that I think is shared by the majority of the members of this committee, that we have either got to go over or under or around the Treasury Department, and with all deference to the members of the Treasury Department, I think we must explore those possibilities, because that is a part of our legislative function.
>
> Senator GRUENING. And I would like to suggest that the Treasury Department help us in this exploration.
>
> I agree with Senator ANDERSON that it is rather discouraging that every suggestion is met with a negative reply. Surely there must be some way in which an industry of this kind, restricted uniquely in ways that no other industry is in our free enterprise system, can be allowed to exist.
>
> After all, the Treasury Department has not merely the monetary function but has other vital functions having to do with our whole economy and the prosperity and progress of our people.
>
> It seems to me that when you folks return to your offices in the Treasury as a result of this hearing, though your minds may not have been changed in the slightest degree as to this particular procedure, which is the only one as yet suggested, that there are practical other ways of making gold mining possible and adding thereby to our dwindling gold reserves.
>
> I venture to suggest the possibility of writing into this very act a provision that the price shall not be changed, so that at the same time there would be offered the hope of a subsidy or some other form of relief, we state specifically that this has no bearing on the monetary aspect of gold.
>
> I hope that you will take that idea back, think it over, and come up with something else very soon, because it is very late, and within a year or two all our mines will be closed, and once closed, reopening them will be very difficult.
>
> Senator CARROLL. I might suggest that we request an answer from Treasury within 30 days.
>
> Senator GRUENING. I think that is quite soon, but I agree with that direction.

The letter to Secretary Dillon was as follows:

U.S. SENATE,
Washington, D.C., July 25, 1962.

Hon. C. DOUGLAS DILLON,
Secretary of the Treasury,
Washington, D.C.

DEAR MR. SECRETARY: We read with interest your testimony on the subject of gold before the Subcommittee on Foreign Relations of the House Appropriations Committee on July 2, 1962.

We note particularly your statement, "We certainly would like to see more gold produced if there were any way to produce it without giving the appearance of having two prices for gold." We note also that you concurred in the statement made by Congressman RHODES that it would be good to have more gold in supply.

As you know, we have pending in the Congress a bill to increase the domestic production of gold. This bill recognizes the difficulty that would occur if we gave the appearance of having two prices for gold. The bill specifically provides that the Treasury price of gold shall not be changed. It then provides for a subsidy, which would vary from $1 to $35, to encourage the production of gold. The bill thus recognizes that one mine can get into production at $45 while another might take $50, $60, etc. It would therefore, be very clear that the purpose of the legislation is to increase our gold supply and not to change the world price of gold—or to set two prices for gold.

This matter has been given long study in the Congress, and we think that the approach embodied in the pending legislation (S.J. Res. 44) is the only practical way to get the job done and avoid the pitfalls referred to in your testimony.

In the light of your statement that you would like to see more gold produced, we think that you ought to either support our suggestion or come up with a better one.

Best personal regards.

Sincerely yours,

CLAIR ENGLE.
ERNEST GRUENING.
J. J. HICKEY.
FRANK CHURCH.
THOMAS KUCHEL.
KARL MUNDT.
E. L. (BOB) BARTLETT.

It is substantially more than 30 days since Senator CARROLL's June 8 request. We hope that our "followup" letter to Secretary Dillon will bring an early constructive answer.

Mr. President, I ask unanimous consent that the text of the President's Executive order and the amending regulations regarding gold be inserted in the RECORD at this point.

There being no objection, the order and regulations were ordered to be printed in the RECORD, as follows:

[From the Federal Register, Tuesday, July 24, 1962]

EXECUTIVE ORDER 11037: AMENDMENT OF SECTION 12 OF EXECUTIVE ORDER NO. 6260 OF AUGUST 28, 1933, AS AMENDED

By virtue of the authority vested in me by Section 5(b) of the Act of October 6, 1917, as amended, 12 U.S.C. 95a, and in view of the continued existence of the national emergency proclaimed by Proclamation No. 2914 of December 16, 1950, I, John F. Kennedy, President of the United States of America, do hereby further amend Executive Order No. 6260, as amended, as follows:

1. Section 12 is amended to read as follows:

"12. Except under license issued therefor pursuant to the provisions of this order, no person subject to the jurisdiction of the United States shall, after the effective date of this section, acquire, hold in his possession, earmark, or retain any interest, legal or equitable, in any gold coin, gold certificates, or gold bullion, situated outside of the United States or any securities issued by any person holding, as a substantial part of his assets, gold as a store of value or as, or in lieu of, money and not for a specific and customary industrial, professional or artistic use. The Secretary of the Treasury, subject to such other regulations as he may prescribe, is authorized to issue licenses permitting the acquisition and holding by persons subject to the jurisdiction of the United States of gold bullion situated outside of the United States which the Secretary or such agency as he may designate is satisfied is required for legitimate and customary use in the industry, profession, or art in which such person is regularly engaged."

2. Notwithstanding the provisions of Section 1 of this Order, the Secretary of the Treasury is authorized to issue licenses permitting, until January 1, 1963, the holding and disposition or importation of gold coins having a recognized special value to collectors of rare and unusual coin situated outside of the United States which were acquired by persons subject to the jurisdiction of the United States prior to the effective date of this amendment and are owned by such persons on such date.

This amendment shall become effective upon filing for publication with the Office of the Federal Register.

JOHN F. KENNEDY.

THE WHITE HOUSE, *July 20, 1962.*

[F.R. Doc. 62-7266; Filed, July 20, 1962; 1:32 p.m.]

[From the Federal Register, Tuesday, July 24, 1962]

TITLE 31—MONEY AND FINANCE: TREASURY

CHAPTER I—MONETARY OFFICES, DEPARTMENT OF THE TREASURY

Part 54—Gold regulations

Prohibition on Holding Rare Gold Coins Abroad by U.S. Nationals and the Importation of Such Coins

The texts of §§ 54.14 and 54.20, as amended, and § 54.82 as added, are set forth below. These amendments prohibit the acquisition and possession by persons subject to the jurisdiction of the United States of any rare gold coins situated outside the United States, abrogating an exemption for such rare gold coins which has heretofore existed with respect to general prohibitions on the holding of gold and gold coins abroad by United States nationals. The amendments also prohibit the importation of any rare gold coins except pursuant to Treasury license, or for sale to the mints subject to the applicable Regulations governing purchases of gold by the mints

Persons who acquired rare gold coins prior to the effective date of these amendments and who own them on such date are afforded until January 1, 1963, either to dispose of them by sale to any person who is not prohibited by the Regulations from acquiring them or to import them for holding in the United States as authorized by § 54.20 of the regulations.

The issuance of these amendments without notice, public procedure, or postponement of the effective date is deemed necessary in order to carry out the requirements and purposes of Executive Order 11037 of July 20, 1962. Accordingly, these amendments are made without notice or public procedure thereon because such procedures are deemed to be impracticable and contrary to the public interest. They are effective upon filing with the Office of the Federal Register.

(Sec. 54.1 to sec. 54.82 issued under sec. 5(b), 40 Stat. 415, as amended, secs. 3, 8, 9, 11, 48 Stat. 340, 341, 342; 12 U.S.C. 95a, 31 U.S.C. 442, 733, 734, 822b, E.O. 6260, August 28 1933, as amended by E.O. 10896, November 29, 1960, E.O. 18905, January 14, 1961, and E.O. 11037, July 20, 1962; E.O. 6359, October 25, 1933; E.O. 9193, as amended, 7 F.R. 5305; 3 CFR 1948 Cum. Supp.; E.O. 10289, 16 F.R. 9499, 3 CFR 1951 Supp.)

Section 54.14 is amended to read:

"§ 54.14 Gold situated outside of the United States.

"(a) Gold in any form situated outside of the United States may be acquired, held, transported, melted or treated, or earmarked by or on behalf of persons subject to the jurisdiction of the United States only to the extent permitted by licenses relating to the legitimate and customary use of gold in industry, profession, or art issued under § 54.25; *Provided, however,* The provisions of §§ 54.16, 54.17, and 54.19, relating to fabricated gold, metals containing gold and gold in its natural state, respectively, shall be applicable to the acquisition, holding and transportation of gold in such forms outside of the United States by or on behalf of persons subject to the jurisdiction of the United States.

"(b) The acquisition, holding, transportation, importing and exporting, by persons subject to the jurisdiction of the United States, of securities issued by any person holding, as a substantial part of his assets, gold as a store of value or as, or in lieu of, money and not for a specific and customary industrial, professional or artistic use, is prohibited."

Section 54.20 is amended to read:

"§ 54.20 Rare coin.

"(a) Gold coin of recognized special value to collectors of rare and unusual coin may be acquired, held, and transported within the United States without the necessity of holding a license therefor. Such coin may be imported, however, only as authorized by this section or §§ 54.28 to 54.30, 54.34, 54.40, or licenses issued thereunder, and exported only in accordance with the provisions of § 54.25.

"(b) Gold coin made prior to April 5, 1933, is considered to be of recognized special value to collectors of rare and unusual coin.

"(c) Gold coin made subsequent to April 5, 1933, is presumed not to be of recognized special value to collectors of rare and unusual coin.

"(d) The Director, Office of Domestic Gold and Silver Operations, may in exceptional cases issue or cause to be issued licenses or other authorizations permitting the importing of gold coin of recognized special value to collectors of rare and unusual coin."

Section 54.82 is added.

"§ 54.82 Temporary authorizations applicable to rare gold coin situated outside of the United States.

"Notwithstanding the provisions of §§ 54.14, 54.20 or of any other section of the regulations in this part, commencing with the filing of this section with the Office of the Federal Register and until January 1, 1963, rare gold coins as defined in § 54.20 situated outside of the United States which were acquired by any person subject to the jurisdiction of the United States prior to the filing of this section with the Office of the Federal Register and are owned by such person on that date may be held, transported, earmarked, and disposed of to persons not prohibited from acquiring such gold coins under the regulations in this part or imported by or on behalf of such owner without the necessity of obtaining a Treasury Department gold license: *Provided*, That, except as permitted by § 54.40, no gold coins imported into the United States shall be permitted to enter pursuant to the authorization contained in this section until the person importing such coins shall have satisfied the collector of customs at the port of entry that such coins are of recognized special value to collectors of rare and unusual coin and that they were acquired by such person prior to the filing of this section with the Office of the Federal Register and owned by him on such date."

[SEAL] DOUGLAS DILLON,
Secretary of the Treasury.

[F.R. Doc. 62-7312; filed, July 23, 1962, 10:49 a.m.]

SENATE COMMITTEE FARM BILL MERITS APPROVAL

Mr. **PROXMIRE**. Mr. President, a little later in the year the Senate will consider the farm bill for the second time. The bill has been before the Senate once and has been acted upon once. When the bill was previously before the Senate, the Senate saw fit to reverse the action of the Agriculture Committee and attach a mandatory feed grain provision. The House rejected the mandatory provision and sent back a bill which many regard as damaging to the farmer because it would cut farm income sharply.

However, it did provide for a continuation of the voluntary feed grain provision which the administration urged last year, and which was adopted last year.

Now the Senate Committee on Agriculture and Forestry has again reported a farm bill to the Senate. I believe the Kennedy administration should approve and support this bill, and recognize it as the soundest and best bill that can be enacted at this time. All the main provisions have been supported by the administration, this year or last year.

There are five titles in the bill, and in four the administration's recommendations this year are carried out to a very large extent. In the fifth title, relating to feed grains, it is true that the administration's recommendation for mandatory feed grain controls was not adopted by the Senate Agriculture Committee; but in place of it, the proposal which was recommended last year by the administration—the Kennedy recommendation, not the Benson recommendation—for voluntary retirement of feed grain acreage was adopted. That provision was written into the bill, and we provided for a 1-year renewal of the program.

I earnestly hope Senators will give careful consideration to the bill as it was reported from the Senate Agriculture and Forestry Committee.

Mr. **GRUENING**. Mr. President, will the Senator yield for a question?

Mr. **PROXMIRE**. I yield to the Senator from Alaska.

Mr. **GRUENING**. I gather that the Senator from Wisconsin favors the Senate version now reported and ready for action by the Senate.

Mr. **PROXMIRE**. The Senator from Alaska is correct.

Mr. **GRUENING**. The opinion of the Senator from Wisconsin will have great weight with me, because he is extremely knowledgeable in the field of agriculture. He comes from a predominantly agricultural State. His views on most agricultural questions have always been sympathetic. I am glad to have his recommendations with regard to the bill. I propose to follow them.

Mr. PROXMIRE. I thank the Senator. I am deeply appreciative of his support. It means a great deal to me.

I point out that if this bill is adopted in the form in which it left the Senate Agriculture Committee, there is every propect that there will be a farm bill this year. On the other hand, if the administration insists on forcing a vote on a mandatory feed grain proposal, there is every prospect that there will be no farm bill this year at all.

I say that with emphasis, because it is apparent—there is virtually a commitment from the chairman of the House Agriculture Committee—that if the Senate should send over a mandatory feed-grain provision, the House would not agree to conference, and there would be no bill.

So if the Congress wants to have a farm bill this year, it seems necessary to accept the bill as it came from the Senate Committee on Agriculture and Forestry.

I emphasize that for the first time since I became a member of the Committee on Agriculture and Forestry—and I have been a member for several years now—the Republican members of the committee are unanimously against an administration proposal. While I suppose there are some Republicans in Congress who are extremely partisan on every issue, there are a number of Republican members of the Agriculture Committee who have never been partisan in the area of agriculture. Furthermore, they are very knowledgeable. They have specialized in this field. Their advice should be recognized as logical and appropriate. At least one Republican member of the Agriculture Committee has never voted against a farm bill, and is very desirous of having a farm bill passed this year, because he knows what chaos and devastation would result if no bill were enacted.

In this case, the Senate Republicans on the Agriculture Committee voted unanimously for the voluntary approach, for a reenactment for 1 year of the voluntary feed grain provision.

In view of the fact that we cannot have a bipartisan bill of any kind this year unless we accept the voluntary feed grain provision, which is now the only one really in controversy, I earnestly hope the administration, the Secretary of Agriculture, and the President of the United States will give careful and thoughtful consideration to accepting the bill as it was reported from the Senate Committee on Agriculture and Forestry.

GRUENING SUPPORT SIGNIFICANT

The statement which was made by the Senator from Alaska is extremely significant. The vote on the Ellender amendment, which was the decision made as to either going on a voluntary feed grain proposal or a mandatory feed grain proposal, was very close. Other Senators might join the Senator from Alaska, whose previous position was for mandatory controls and whose position now, on the basis of what he has said, is for voluntary controls. If two or three other Senators should join the Senator from Alaska, it would be possible for us to pass a voluntary feed grains provision and thus enact a farm bill this year.

I have argued frequently in the past in reference to the farm bill. I intend to do so in the future, before the farm bill comes before the Senate.

Tonight I merely emphasize that what I suggest is the practical approach. It is an approach which I think the administration can take with great honor and satisfaction. As I say, this is the administration's bill. Four of the five titles are theirs. The fifth title is a title which they recommended in 1961.

The voluntary retirement program is working. It is reducing the cost of the farm programs. According to the Secretary of Agriculture, it reduced the cost $500 million last year. It is working even better this year, which was a surprise to some. Compliance is better. Participation is better. In view of the fact that the program reduced the surplus in feed grains much more substantially than expected, in the best growing weather in recent history, it seems to me that the program is proving itself. It is popular with farmers. It is increasing farm income. It is workable. It is practicable.

Under these circumstances, Mr. President, I hope the mandatory approach will not be pressed.

HUGE RECENT AID TO RED DICTATOR TITO

Mr. PROXMIRE. Mr. President, I wish to speak quite briefly on another matter: the conference report on the foreign aid bill, agreed to by the Senate a couple of weeks ago.

One element in that conference report which was most in dispute between the Senate and the House was the item for aid to Communist countries.

The real impact of that difference was on the question of aid to Yugoslavia, because we had given no economic loan aid to Poland before, and we had planned, in that particular bill, to provide $10 million of aid to Yugoslavia.

As the bill left the Senate that $10 million was stricken out. As the bill came back from conference, the $10 million was to be permitted. There was no other really substantial change.

As the bill left the Senate it had been modified on the basis of a leadership amendment to permit Public Law 480 aid to go to Communist countries. During the course of consideration of the conference report it was said by the Senator in charge of the conference report that we had not given much aid to Yugoslavia anyway, and therefore it was not a matter of great concern.

The U.S. News & World Report has published a very excellent article as to who receives aid from the United States. One of the most striking aspects of the table which has been supplied shows that, of all the countries in Western Europe, only Spain receives more economic aid than Yugoslavia. This Communist dictatorship receives more economic aid than France, West Germany, the United Kingdom, and all the others combined.

In a comparison with regard to the Near East, Yugoslavia received three times as much economic aid as Greece, far more than Iran, nearly three times as much as Israel, more than twice as much as Jordan, and substantially more than Turkey.

When we compare the aid given to Yugoslavia with that given to the countries of Latin America, Yugoslavia, under a Communist dictatorship received more economic aid, on the basis of the analysis by U.S. News & World Report, than the combined total aid we give to Bolivia, Colombia, Ecuador, Haiti, Panama, Peru, Uruguay, and Venezuela.

The table shows that only a handful of countries received more economic aid, in the most recent year for which figures are available, than Yugoslavia received. In view of the conduct of Tito at the Belgrade conference, in view of the fact that he has made it clear that Yugoslavia is not only a dictatorship but also a Communist dictatorship, and that he believes in international communism and will fight with Khrushchev and against us for international communism, I hope the very able officials in the State Department—and they are both able and conscientious, and as firmly opposed to communism and as eager to extend freedom throughout the world as any Senator—will recognize that under these circumstances it makes no sense whatsoever to prop up and to improve the economy of Yugoslavia, when the economy of Yugoslavia is used by a Communist dictator to undermine the United States throughout the world.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the table to which I have referred.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Who gets aid from the United States in the fiscal year ended June 30, 1961

[In millions of dollars]

	Military aid	Economic aid	Total
Western Europe	570	535	1,105
Denmark	44	0	44
France	30	37	67
West Germany	16	27	43
Italy	173	68	241
Spain	66	186	252
United Kingdom	31	15	46
Yugoslavia	0	162	162
Others	210	40	250
Eastern Europe (Poland)	0	142	142
Near East	286	692	978
Greece	65	54	119
Iran	65	96	161
Israel	0	65	65
Jordan	3	68	71
Turkey	136	158	294
United Arab Republic	0	181	181
Others	17	70	87
Africa	21	246	267
Congo	0	22	22
Ethiopia	12	11	23
Libya	1	37	38
Morocco	0	53	53
Tunisia	0	73	73
Others	8	50	58
South Asia	0	965	965
Afghanistan	0	26	26
India	0	615	615
Pakistan	0	292	292
Others	0	32	32

Who gets aid from the United States in the fiscal year ended June 30, 1961—Continued

[In millions of dollars]

	Military aid	Economic aid	Total
Far East and Pacific	714	1,024	1,738
Formosa	162	164	326
Indonesia	0	82	82
Japan	101	78	179
Korea	252	301	553
Laos	47	40	87
Philippines	35	57	92
Thailand	26	36	62
Vietnam	52	193	245
Others	39	73	112
Latin America	98	540	638
Argentina	9	59	68
Bolivia	0	14	14
Brazil	36	196	232
Chile	13	62	75
Colombia	14	28	42
Ecuador	9	9	18
Guatemala	1	20	21
Haiti	0	15	15
Mexico	0	49	49
Panama	0	13	13
Peru [1]	12	17	29
Uruguay	3	12	15
Venezuela	1	14	15
Others	0	32	32
Total U.S. aid to rest of world [2]	1,722	4,389	6,111

[1] On July 19 United States cut off virtually all aid to Peru, following a takeover there by a military dictatorship.

[2] Includes $33,000,000 military aid and $245,000,000 economic aid not reported for individual countries, or going to international organizations.

TAX CUT NOT THE ANSWER

Mr. PROXMIRE. Mr. President, I should like to speak on one other subject; namely, the proposed tax cut.

This morning in the Washington Post and Times Herald the Gallup poll reported on popular reaction to the proposal for a tax cut. The question which was asked the people throughout the country was this:

> Would you favor or oppose a cut in Federal income taxes at this time, if a cut meant that the Government would go further in debt?

This is a somewhat loaded question, to emphasize the fact that the country would go further in debt, and not to say that a cut might reduce unemployment, for example. There might have been a different response, if the question had been asked in that form.

But the question is completely honest. I think it should be clear that if we should provide a tax cut the effect would be that the country would go further in debt. Even if we do not cut taxes now, there will be a deficit of over $4 billion in the administrative budget for the present fiscal year.

I ask unanimous consent that the results of the Gallup poll be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CUT IN TAXES OPPOSED IF IT RAISES U.S. DEBT

(By George Gallup)

PRINCETON, N.J.—In the Nation's present frame of mind, any tax cut that adds to the Federal Government's current debt is going to be unpopular with a lot of Americans.

Nearly three out of four persons say they would oppose any tax cut if it meant that the Government would have to go further in the red to grant it.

Even among those who think the taxes they pay today are too high (nearly half of the public), a majority opposes any tax relief that would put the Government further in debt.

In probing the public's thinking on a tax cut—already a political hot potato—Gallup poll interviewers first asked the public how they felt about present taxes:

"Do you consider the amount of Federal income tax which you have to pay as too high, about right, or too low?"

Results across the Nation:

	Percent
Too high	47
About right	45
Too low	1
No opinion	7

Interviewers next asked:

"Would you favor or oppose a cut in Federal income taxes at this time, if a cut meant that the Government would go further in debt?"

The vote nationwide:

	Percent
Favor	19
Oppose	72
No opinion	9

Among those persons who—on the first question—complain that the tax they pay now is too high, the views on a tax cut are as follows:

	Percent
Favor	31
Oppose	61
No opinion	8

Opposition to a tax cut which would increase the Federal debt cuts across partisan lines—big majorities of Republicans, Democrats, and Independents say they would be against such a move:

[In percent]

	Republican	Democrat	Independent
Favor	15	18	26
Oppose	78	73	65
No opinion	7	9	9

Mr. PROXMIRE. Mr. President, the answers given to the question were very interesting. Those in favor of a tax cut, in response to this particular question, totaled 19 percent. Those opposing a tax cut totaled 72 percent. In other words, the opposition to the tax cut was 4 to 1.

It was found that among Republicans there were 78 percent opposing to 15 percent favoring. Among Democrats there were 73 percent opposing to 18 percent favoring. The Independents were more in favor of a tax cut than the members of the Republican or Democratic Parties. The Independents, however, were opposed to a tax cut by 65 percent against and 26 percent in favor.

This does not mean that we should not cut taxes, because we all know that the public is often wrong. If we are to serve well as U.S. Senators it seems to me we should have the courage and the good sense to oppose the public when in our view the public is wrong. Economics is a very technical field. It requires a degree of trained understanding to arrive at an intelligent conclusion with respect to a tax cut. It is true that many people do not have that kind of background.

In spite of all of these things, Mr. President, I feel that there is a very real amount of solid commonsense behind opposition to a tax cut that would put us further into debt. I say that because the only economist in the U.S. Senate, the Senator from Illinois [Mr. DOUGLAS], opposes a tax cut at this time. He has done so not on the basis of any political consideration, but on the basis of analysis of the facts and a recognition of the circumstances at this time. When we are not in a recession, when we have enjoyed in the immediately preceding year an increase in gross national product of $40 billion, when many indicators are favorable, although some are unfavorable, to have a tax cut now, when the budget is unbalanced, could hardly be justified.

I say this not alone on the basis of prudent budgetary policy, as a businessman or householder might apply it, but also on the basis of national compensatory fiscal policy, because compensatory fiscal policy suggests that a nation should deliberately run a deficit and cut taxes when there is a recession or a depression or when there is a clear tendency to move into a recession or a depression, and that when the country is enjoying relative prosperity the Nation should stand firm for a policy of maintaining taxes and balancing the budget or running a surplus and reducing the national debt.

Mr. President, one of the Nation's great banking institutions has warned that a tax cut might not do much for the economy.

Indeed, in 1926, 1929, and 1948 tax cuts were followed by recessions or depressions.

I ask unanimous consent that an article from the Washington Star on the reaction of Chase Manhattan to a tax cut be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAX CUTTING COULD BE GREAT DISAPPOINTMENT, BANK REVIEW WARNS

(By Donald B. Hadley)

Amid the exceedingly loud chorus for a tax cut to encourage business, the Chase Manhattan Bank's current business review warns that a quick tax cut could prove to be a great disappointment.

In view of the pervasive character of basic problems now confronting the Nation, a reliance on a quick tax cut which did little to restore confidence and encourage investment might fail to provide more than a fleeting stimulus to the economy, the review declares.

"If so, it could complicate the more basic task of breaking the United States out of the pattern of low-investment, slow-growth, heavy Federal deficits, and balance-of-payments problems, which have characterized recent years," it adds.

"What is wanted is a realistic and well-rounded approach, which will bring the truly great potential strength of America to bear against challenges of the times.

"Such an approach might well involve tax reductions. But it would go far beyond mere tax cutting, and would call for a new sense of discipline and national purpose in achieving a balanced budget, spurring investment and real economic advance and assuring full confidence in the integrity of the dollar."

The bank review listed these basic economic problems which it said are important to remember in appraising tax-cutting proposals:

"Restore the vital element of confidence, so that the current trend toward an economic slowdown can be reversed.

"Achieve a higher rate of business capital investment, which calls for a removal of the squeeze on profits.

"Avoid inflation, which requires responsible budgetary and monetary policies plus greater restraint on the wage front.

"Right the imbalance in our international payments, which can be best accomplished by policies designed to strengthen our competitive position in world markets."

ALTERNATIVES TO REDUCE UNEMPLOYMENT

Mr. PROXMIRE. Mr. President, I recognize that we face a very serious economic problem in regard to unemployment. The unemployment figures announced today are virtually unchanged. They have stayed disturbingly high, at the rate of 5½ percent, for some time.

This is a very serious situation. However, to try to attack this problem and all other economic problems with a tax cut in a period of relative prosperity seems to me to be irresponsible.

There are other ways to attack the problem. One way would be to provide an earlier retirement age for people under social security. We have taken steps such as this in the past. It could be done with a minimum cost under social security, or at no cost, by permitting people to retire at the age of 60 and to receive a smaller benefit if they do retire at such an age.

I have had petitions from thousands of people in Wisconsin. I have talked to many people at the plant gates—and I have gone to many of them in Wisconsin in recent months—who have said that this is one thing they want. They want an opportunity to retire when they can still enjoy their years of retirement.

It will open up jobs in industry.

Mr. President, if there is one area of unemployment which is most tragic and most costly, it is the fact that we have young people who drop out of high school at the age of 16 or before they have graduated from high school. They are untrained, unskilled, and can offer very little to an employer. They seek a job and cannot get one. Statistics show that approximately 20 percent of such young people are out of work. They constitute one-third of our total unemployed.

Furthermore, President Conant in his fine book has shown that in some areas as many as 70 or 80 percent of those young people cannot find jobs.

The President can use his influence. The Office of Education can use its influence. As Senators, we should use influence in all our States to try to persuade State legislators to adopt the policy of raising the age at which people can legally quit school from 16, as it is in my State, to 17. If we can do that throughout the country, that action alone would go a long ways toward reducing unemployment. It would reduce unemployment by well over a million.

The unemployment from which we are suffering is not cyclical unemployment. It is not because we are in the trough of a depression. That is the kind of unemployment which can be dealt with through a tax cut. But the unemployment of which I speak is long-term unemployment. If we are going to handle it we should think of solutions in terms of earlier retirement and limiting dropouts from school. If we would limit dropouts from school, we could couple that action with a vigorous training program to be sure that when young people leave high school, they are capable of obtaining a job. We know of situations in which there are more skilled jobs available than we have people to fill them, but we have more unskilled people than there is need for unskilled workers.

TAX CUTS WON'T DO JOB

I wish to make two more points in connection with the proposed tax cut. One has been made by a distinguished economist, Mr. Kenyon Poole, professor of economics at Northwestern University. In his article, Mr. Poole indicates that fiscal policy is too inflexible to make much more of a contribution to stabilization than it already has in recent years.

Mr. Poole stated—

> The conclusion from this discussion of the three major fiscal proposals is that fiscal policy is too inflexible to make much more of a contribution to the staving off of recessions that has been the case in recent cyclical experience.

Mr. Poole also points out that existing fiscal policy, which depends to a very large extent on the automatic built-in stabilizers, has performed very well in the recent stabilization difficulties.

Indeed, in the 1959 recession, we had a deficit of over $12 billion. That deficit contributed greatly to our getting out of the recession, because the Government was taking in less money than it was paying out. When income is diminished, taxes are diminished. That is one principle which is automatic. We do not have to rely on unsteady, uncertain, or inaccurate forecasts.

Mr. Poole has pointed out that the best way to accomplish stabilization in the economy is to improve the built-in stabilizers and to make permanent and more adequate our unemployment compensation program.

Mr. Poole also writes, that the existing signals that can be used to indicate the need for discretionary tax cuts are very inadequate. This is unfortunate since such trustworthy signals are a necessity for the effective operation of discretionary fiscal policy.

I do think anyone who has read the reports on the testimony in the past few days to the Committee on Ways and Means must appreciate this. The top economists disagree on the economic outlook. Industrialists disagree. Labor economists disagree among themselves as to what the indicators show. Anyone who could look into a crystal ball and be right only a little more than half the time would be a very rich man, because he could clean up in the stock market. We cannot do that. It is not given us to have foresight.

I recall very well that a year and a half ago the stock market was 25 to 30 percent above what it is now. Every competent investment adviser said that certain stocks were a good buy. While they were high in terms of a price-earnings ratio, nevertheless, in terms of growth of our country, they would be a good investment.

How wrong they were.

Professor Poole pointed out that we cannot rely on that. He said:

> A prerequisite for more effective action is that agreement be reached ahead of time on the nature and magnitude of remedial fiscal measures. This requires agreement on the signals to be used to indicate that a recession is underway and on the interpretation on these signals. This is a major obstacle to timely introduction of fiscal measures to avert recession, and it seems evident that monetary policy must expect to be left with responsibility for taking the initiative in combating unwanted deviations from stable full employment until these have assumed magnitudes great enough to generate sentiment for discretionary fiscal action.

I ask unanimous consent that an article by Mr. Kenyon E. Poole entitled "The Role of Federal Fiscal Policy in the 1957–60 Business Cycle," published in the Journal of Finance, issue of March 1962, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ROLE OF FEDERAL FISCAL POLICY IN THE 1957–60 BUSINESS CYCLE

(By Kenyon E. Poole, professor of economics, Northwestern University)

(This paper is a revised and shortened version of one written while the author was attached to the Government Finance Section, Board of Governors of the Federal Reserve System, during the summer of 1960, and is an outgrowth of a more extensive research project made possible by a Ford Foundation Faculty Research Fellowship. The writer is grateful for the opportunity for numerous discussions with specialists at the Board on various aspects of the problem, but special mention should be made of the welcome help received from Peter Keir and Charles Yager, of the Government Finance Section. The views expressed are the author's alone and do not necessarily represent those of the Ford Foundation or of the Board of Governors of the Federal Reserve System or its research staff.)

I. INTRODUCTION

This paper has a twofold purpose. The first is to evaluate the impact of Federal expenditure and tax policies during the 1957–60 recession and recovery. The second is to explore the possible effect that alternative expenditure and tax policies might have had on economic stability during this period. The paper tries to answer two questions: What were the shortcomings of fiscal policy during the 1957–60 recession and recovery? To what extent might it be possible to remove these shortcomings in the future and therefore increase the effectiveness of fiscal measures as a countercyclical force?

The analysis of 1957–60 fiscal policy will be carried out in part II. It will be argued that the major shortcoming of this policy was the timing of discretionary expenditure measures. To a large extent, these discretionary measures were either not taken until the recession trough had been reached or, if they were taken before the trough, produced the great bulk of their effects after the trough. Relatively little scope appears to exist for increasing the built-in flexibility of the fiscal system, which, indeed, turned in a fairly good performance. The long leadtime between the enactment of discretionary fiscal measures and their impact on public and private spending, however, poses a difficult problem in the effective use of the fiscal system as an instrument for combating recession.

Part III of the paper attempts to assess three different approaches that have been urged as solutions to this problem of the long leadtime of discretionary expenditures. These approaches are (1) the enactment of legislation to increase built-in tax and expenditure flexibility as much as possible (consistent with other objectives of budgetary policy); (2) a single massive tax reduction or a series of tax reductions geared to an index of economic activity; and (3) flexible public spending programs. It will be argued that in relatively moderate recessions, of the type experienced since World War II, the second approach stands relatively little chance of adoption, at least on any significant scale. The first, and especially the third, approaches can probably be made to contribute something more than they have. But the greatest possibility for improving the effectiveness of countercyclical fiscal policy appears to lie in creating a more extensive and flexible system of unemployment benefits.

II. AN EVALUATION OF FISCAL EXPERIENCE, 1957–60

The assessment of fiscal experience over the 1957–60 period will involve the following major steps. The first step will be to trace the course of the Federal deficit in the income and product accounts and to relate this deficit to the cycle itself. Inferences must then be drawn concerning the economic impact of the deficit, and of the relative movements in the expenditures and tax receipts that generated the deficit, upon the cycle. The second step will be to analyze the effect of any discretionary changes in tax rates and/or expenditures, whether the changes were introduced for their countercyclical effect or not. The third step will be to analyze the effect on economic stability of the Federal Government guarantee and support programs. Even when no Government contracts are awarded and no public works or transfer expenditures are involved, the level of private spending is affected by the knowledge that an agency of the Government guarantees certain classes of private mortgages. Moreover, when expenditure of Government funds is actually involved, as when Government loans at below market interest rates are made directly for urban renewal, the impact on private spending is not proportionately related to the size of the subsidy.

(a) The behavior of the deficit in the income and product accounts: In the determination of the impact of fiscal policy, the income and product account budget is more relevant than the cash account budget. Although no single type of budget can provide a complete picture of direct and indirect effects (including incentive effects) of Government deficits and surpluses, a strong case can be made that the income and product budget does a better job than the cash budget. The reason is that the factors that determine the behavior of the income and product account are also those that influence economic behavior to the greatest degree. During the downswing of each business cycle, a deficit in the income and product account tends to appear more quickly than a deficit in the cash account. This is primarily because accrued corporate tax liabilities, which are a function of current profits, turn down before actual corporate tax receipts, which are a function of profits earned before the downturn. But it is the anticipation that cash taxpayments will soon fall that is most likely to dampen any decrease in corporate spending induced by decreasing profits. Similarly, the effect of business recovery on accrued corporate tax liabilities and therefore on the income and product account shows up earlier than the effect of business recovery on actual corporate tax receipts and therefore on the cash account. Again, however, it is the anticipation that cash taxpayments will soon rise that is most likely to dampen any increase in corporate spending induced by increasing profits.

Table 1 indicates that Federal taxes and expenditures developed in such a way during the 1957–60 episode that a substantial deficit on income and product account appeared quickly in the recession. The table also indicates that the deficit persisted long after the recovery phase of the cycle was underway. (The 1957 business-cycle peak is dated by the National Bureau of Economic Research as falling in July, and the trough occurred in April 1958.)

TABLE 1.—*Surplus or deficit (−) on income and product account*

[In billions of dollars, annual rates, seasonally adjusted]

1957				1958				1959				1960	
1	2	3	4	1	2	3	4	1	2	3	4	1	2
4.3	1.8	2.6	−0.9	−8.1	−10.9	−10.6	−8.2	−2.7	0.5	−2.5	−2.4	6.5	4.5

Source: Survey of Current Business, July each year, table 22.

On the downswing side, the ideal, apart from seasonal factors, would have been for a budgetary surplus at the 1957 peak to turn into a significant deficit as soon as it became clear that a recession was setting in. But, while signs of recession appeared at the beginning of the fourth quarter of 1957, the deficit for this quarter reached only $0.9 billion. The deficit did not increase greatly until the first quarter of 1958, when sharp decreases in accrued corporate taxes and sharp increases in unemployment insurance payments occurred. The problem here is that the earliest signs of recession do not necessarily coincide with decreases in the income-expenditure bases of the major Federal taxes or with the level of unemployment and therefore the level of unemployment insurance payments. The danger signs are found in a downward revision of investment plans, a rise in stocks of inventories, and falling employment in some sectors (for example, durable-goods manufacturing) offset by rising employment elsewhere (trade, service, and government). Personal income and therefore personal income tax receipts may continue to rise during the early phase of the recession or, indeed, throughout the entire recession, if it is a relatively minor one. It appears that we simply cannot expect too much from automatic responses of tax receipts and transfer expenditures in the first 2 or 3 months of a downturn.

Those who believe that a budget deficit ought to taper off quite rapidly, once an upswing gets underway, may feel critical of the behavior of the income and product account deficit in the 1958–59 upswing, while others will approve it.[1] The deficit remained high into the fourth quarter of 1958, though it then quickly declined early in 1959 after a moderate fall in the previous quarter. A surplus appeared in the second quarter, partly in response to quickened business activity in connection with the anticipated steel strike. On the advent of the strike, corporate profits tax liabilities declined again, and the income and product accounts showed a deficit in each of the last two quarters of 1959.

(b) The behavior of receipts in the income and product accounts: The built-in flexibility of the Federal budget as a whole reflects, of course, that of the particular tax and expenditure components. Table 2 shows developments in the major categories of Federal Government receipts on income and product account in the 1957–60 cycle.

TABLE 2.—*Federal Government receipts on income and product account*

[In billions of dollars, seasonally adjusted annual rates]

Year and quarter		Personal tax and nontax receipts	Corporate profits tax accruals	Indirect business tax and nontax accruals	Contributions for social insurance
1957	1	37.0	21.2	12.3	12.2
	2	37.4	20.2	12.3	12.2
	3	37.6	20.2	12.3	12.4
	4	37.4	18.1	12.0	12.2
1958	1	36.2	15.3	11.7	12.2
	2	36.3	16.1	12.0	12.1
	3	37.1	18.1	11.7	12.5
	4	37.4	21.0	12.1	12.6
1959	1	39.0	21.7	12.6	14.3
	2	40.1	24.1	12.8	14.8
	3	40.0	21.1	13.1	14.8
	4	40.2	20.9	13.3	14.8
1960,	1	42.6	22.5	13.6	17.2

Source: Survey of Current Business, July 1960, table 22.

On the receipts side, as one would expect, the corporate income tax displayed by far the greatest built-in flexibility. As has already been indicated, changes in corporate profits tax receipts were largely responsible for the rapid rise in the deficit on seasonally adjusted income and product account to a peak in the second quarter of 1958. Similarly, corporate profits tax receipts responded quickly to the upswing after the trough had been passed. The close conformity of profits to the cycle means that a profits tax, on an accrued basis, helps to concentrate the deficit around the trough of the cycle. The behavior of corporate profits taxes in the latter part of 1958 is especially noteworthy, in view of the feeling that the Federal deficit may have been eliminated too slowly in the upswing. At $21 billion in the fourth quarter of 1958, they were back at the peak reached in the first quarter of 1957.

The personal income tax, despite its progressive rate structure, showed relatively little built-in flexibility. The reason was, of course, the small decline in taxable personal income in the 1957–58 recession. Between the third quarter of 1957 and the first quarter of 1958, wage and salary disbursements declined (seasonally adjusted annual rates) by $6.2 billion. The decline in wage and salary disbursements in manufacturing was $5.3 billion and in distributive trades, $1 billion. But there was a rise of $0.7 billion in service industries and of $0.6 billion in Government disbursements. Business and professional income declined by $1.4 billion, while farm income rose by $2.4 billion. The total of personal income from rentals, dividends, and interest remained unchanged.[2]

The relative stability in incomes subject to the income tax in this recession was due to three major factors, two of which are characteristic of postwar recessions. These are (1) a larger proportion of the labor force was now engaged in types of production that were comparatively insensitive to cyclical movements; (2) a number of important economic variables tended to move on up, or at least not to decline significantly, during the relatively short and mild recessions characteristic of the postwar period; and (3) there was a sharp rise in farm income.

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[1] Although no one doubts that the immediate appearance of a budgetary deficit on the advent of recession is a very desirable development, it is not so clear that it is equally advantageous for the deficit to taper off as quickly after the trough has been passed. The reason is that, once recession is underway, there is no doubt that assistance is needed from the Federal budget, whereas in the upswing it is never quite clear just when and how rapidly the contribution of the Government should be tapered off. This is a problem that we have to live with in a mixed economy.

[2] "Survey of Current Business," July 1960, table 4.

With respect to the first of these points, not only are the increasingly important service and distributive trades relatively insensitive to minor (and perhaps major) recessions, but, throughout all industry, an increasing proportion of the labor force is on a salary basis and thus not subject to short time in recession. With respect to the second, important cases in point are rents, dividends, and interest. Employment at the State and local government level is another. Moreover, the continued rise in wage rates operated as an offset to shortened workweeks. The rise in farm income was fortuitous and was a considerable help in this particular recession episode. Bumper crops and increased price support aid were responsible for the rise in farm income.

Indirect business taxes (primarily excise taxes) showed a high degree of conformity with the cycle, but, because of the relative stability in disposable personal income, the fluctuations in receipts were not very great. Social insurance taxes likewise varied relatively little throughout 1958. In response to increased rates and coverage, however, they rose sharply in the first quarter of 1959. Therefore, they contributed significantly to the decline in the deficit on income and product account that occurred at that time. As in the case of the personal income tax, the small contribution to built-in flexibility made by excise tax receipts was due to the stability in personal income. But in this case the stability was further enhanced by the rise in Government transfer payments during the downswing. However, largely owing to the decline in purchases of durable consumers' goods, indirect business tax accruals fell off in percentage terms slightly more between the third quarter of 1957 and the first quarter of 1958 than did personal tax and nontax receipts (by 4.9 and 3.7 percent, respectively).

(c) The behavior of expenditures in the income and product accounts: Federal Government expenditures on the income and product account rose significantly from the third quarter of 1957 to the first quarter of 1958 (seasonally adjusted) and thus made an important contribution to the built-in flexibility of the budget during the downswing. However, throughout 1958 expenditures likewise rose substantially. This was due largely to expansion of spending programs that were independent of the business cycle rather than to perverse built-in flexibility of spending. Table 3 presents the relevant data.

TABLE 3.—*Federal Government expenditures on income and product account*

[In billions of dollars, seasonally adjusted annual rates]

Year and quarter		Total	Purchases of goods and services	Transfer payments	Grants to State and local governments
1957	1	78.3	49.5	14.7	4.1
	2	80.3	50.0	16.1	3.8
	3	79.9	50.0	16.0	4.2
	4	80.6	49.4	17.2	4.2
1958	1	83.5	50.6	18.3	4.8
	2	87.4	51.8	20.4	5.4
	3	90.0	53.7	21.0	5.6
	4	91.4	54.3	20.6	6.0
1959	1	90.1	53.2	20.2	5.6
	2	91.1	53.9	20.4	6.6
	3	91.6	54.1	20.5	6.7
	4	92.0	52.9	21.4	6.5
1960, 1		90.5	51.8	21.2	6.1

Source: Survey of Current Business, July 1961, table 22.

Federal purchases of goods and services were mildly countercyclical in the first two quarters of 1958, after having declined insignificantly in the last quarter of 1957. They continued to rise, however, throughout 1958, reaching a peak in the fourth quarter. Since spending by the private sector was recovering sharply after the spring, it might appear that this was not a good example of countercyclical fiscal policy. On the other hand, it could be argued in retrospect that, in this respect at least, Federal purchases proved to be quite well adapted to countering the cycle; for, in view of the difficulty encountered in reestablishing full employment, the continued rise throughout 1958 may well have been what the economy needed. The major countercyclical contribution on the expenditures side, however, was made by unemployment benefit payments. The increase in such payments, which occurred in the last quarter of 1957 and the first quarter of 1958, contributed substantially to the rapid appearance of the deficit on income and product account. It is true that the biggest single rise was in the second quarter of 1958, after the trough; but, since unemployment, seasonally adjusted, reached a peak of over 7 percent of the civilian labor force during that quarter, it cannot be said that the aim was poor. Nevertheless, the dating (June 1958) of the enactment of the extension of weeks of eligibility was such as to fail to take maximum advantage of the downswing phase to permit an automatic increase in deficit spending as quickly as possible in early 1958.

(d) The effect of discretionary fiscal measures on the income and product accounts: The following general statements can be made with respect to the timing of discretionary fiscal measures: [3]

1. Very little discretionary countercyclical action was timed so as to exert an effect prior to the trough. That which was so timed included acceleration of repair on Federal buildings, procurement of agency supplies, and increased tax refunds by $700 million made during early 1958 as compared with a similar period in the preceding year. There was also a speedup in Export-Import Bank loans and an acceleration in Federal public works construction projects, part of which had some impact prior to the trough.

2. The economy did benefit during the downswing phase from discretionary action that was not countercyclical in intent. The most important was the rise in social security benefits incident to broader coverage. There was an offset, of course, in the form of increased social security taxes. On the other hand, an important noncountercyclical action which worked the wrong way was the sudden curtailment of defense expenditures and procurement policies to avoid going over the debt limit in the summer of 1957.

3. According to estimates by the Bureau of the Budget, the budgetary impact of discretionary antirecession actions taken in fiscal 1958 (that is, before or around the trough) was very small, at about one-fifteenth of the impact that these measures exerted in fiscal 1959.[4] This is illustrated with respect to two of the most important countercyclical measures—the temporary extended unemployment compensation and FNMA special-assistance purchases of mortgages on homes costing $13,500 or less. With respect to unemployment compensation, close to 90 percent of the impact was felt after the trough was passed, the FNMA mortgage purchases under the special program, of which there were none in fiscal 1958, spread over to the extent of nearly one-third into fiscal 1960. Furthermore, the Federal aid highway program had somewhat more than half its impact in fiscal 1960.

4. It is impossible to determine the countercyclical intent of some programs ostensibly unconnected with the objective of stabilization. Indeed, one of the most important measures ordinarily regarded as countercyclical—namely, unemployment benefit extension—would probably have been on the agenda if no one had ever heard of countercyclical fiscal policy. Political pressure would have risen for the relief of the unemployed. On the other hand, it is possible to underestimate the countercyclical content of some measures entirely unconnected with stabilization; for, to the extent that they cause a rise in income and employment, they reduce the need for the adoption of other stabilizing programs.

5. There are certain technical reasons for less than ideal adaptation of surpluses and deficits to the contour of the cycle. These have to be faced in any cyclical episode. Thus the delay of a month or two between administration requests for legislation and congressional enactment in some cases prevented action from being taken prior to the reaching of the trough. Again, discretionary administrative and legislative actions are less adapted to a short cycle than to a long one, since the rapid attainment of the trough restricts scope for action. Moreover, the impact of loan and capital assistance programs on private spending cannot be closely estimated in advance.

6. Finally, under a philosophy of attacking the recession via a collection of measures (mortgage purchase, acceleration of procurement, highway, and public building construction, etc.), the details of legislation and the technical circumstances of widely differing programs insure that delays will occur, that the lags will be differential, and that consequently a sudden, massive impact on spending cannot be achieved. Yet, aside from a huge bonus to consumers, there is no way in which the latter can be accomplished, and postwar recessions have not been due to declines in consumer spending.

Special comments are called for with respect to defense spending. None of the three types of budget (conventional, cash, income and product account) takes into consideration defense obligations as contrasted with defense spending. The importance of obligations lies in the fact that, prior to the disbursement of cash, changes in obligations produce changes in spending by contractors. Actual spending on defense rose in the first two quarters of 1957 and dropped substantially in the fourth quarter, and the increases in the first two quarters of 1958 were small. Seasonally adjusted, at annual rates, defense spending rose from $43.7 billion in the first quarter of 1957 to $45 billion by the third quarter, declining again to $44 billion in the last quarter of the year. It had risen by only another $0.9 billion by the third quarter of 1958, to $44.9 billion. Thus defense spending was procyclical.

Defense orders for hard goods, on the other hand, the decline in which evidently contributed to a softening of private demand in the third quarter of 1957, rose sharply and continuously through the last quarter of 1957 and the first two quarters of 1958, as table 4 shows. During this period, therefore, defense obligations contributed substantially toward stimulating orders in the private sector, as well as to business optimism. This relatively good countercyclical performance was primarily attributable, however, to objectives other than economic stabilization. The lack of relation to countercyclical policy is revealed by the sharp rise in the last quarter of 1958, as well as by the rise from the lower first-quarter figure in the second quarter of 1959.

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[3] It is assumed here that the optimum is achieved when the peak of the deficit matches the trough of the cycle. The question of the optimum shape of the deficit is a complex one, however, and is beyond the scope of the present paper.

[4] "Federal Fiscal Behavior during the Recession of 1957–58," Bureau of the Budget, staff report, Jan. 13, 1961.

TABLE 4.—*Defense obligations for hard goods*

[In billions of dollars]

Calendar quarter	1957	1958	1959	1960
1	3.9	5.1	4.5	3.2
2	3.9	6.7	5.7	--------
3	2.3	2.6	2.6	--------
4	4.2	5.3	3.4	--------

Source: Department of Defense, Monthly Report on Status of Funds (FAD-390).

The Federal aid highway program likewise needs special comment because of the distinction between obligations and payments. Legislation requested to permit larger allocations to the States was enacted in April 1958, and both obligations and Federal cash payments to the States, which in the first quarter had been at virtually the same level as in the first quarter of 1957, were substantially larger in the second and third quarters of 1958 than in the corresponding quarters of 1957. According to the 1959 "Economic Report of the President" (p. 42), during the 6 months following April 1958 contracts negotiated by the States were 80 percent above the amount obligated during the same period in 1957, and Federal payments to the States, at $1¼ billion, were likewise 80 percent above the figure for the corresponding period in 1957. Under this program, then, a substantial lift was given to the economy, once the trough was passed, though not before; and during the second and third quarters of 1958 most of this effect took the form of assurance to private contractors that could go ahead with the placing of orders.

(e) The effect of Federal credit programs: The stimulative effects of Federal mortgage guarantees and favorable interest-rate provisions, as well as those exerted through the removal of FHA and VA interest ceilings, have no definite relation to the amount of Government spending involved. These programs had considerable importance in the 1957–58 episode, but the rise in housing starts, which played its part in mitigating the recession, was due to a complex of causes. A number of events combined to heighten the elasticity of response of residential building to the decline in the mortgage rate. An important factor was the reduction that had occurred in residential construction during the preceding years. The deficiency created in housing had become great enough that a vigorous response to interest-rate reduction and FNMA mortgage purchase operations was to be expected.

Initial steps to stimulate housing construction occurred as early as August 1957, when minimum downpayments on FHA-insured loans were reduced. Once the recession got underway, a number of administrative measures were adopted to enhance the contribution of building construction to economic recovery. In December 1957 over $175 million was released for mortgage purchase by FNMA and for urban renewal. Several other steps to facilitate borrowing for residential construction were taken during the winter and spring.[5] Some of these involved subsidies by the Federal Government, and others did not. Lifting of the ceiling on interest rates on VA and FHA guaranteed loans and military housing encouraged private money to flow into this type of residential construction. Under the FNMA special assistance plan inaugurated in April 1958 for the purchase of mortgages up to $13,500, the requirement that mortgages be purchased at par brought the cost below that of private financing. The consequence was that, by mid-September, most of the $1 billion authorized had been committed. But this represented a considerable amount of substitution of public for private lending, so that the effects of the program on new construction were less than would appear at first sight. However, some part of this displaced private mortgage credit was presumably shifted to other private sectors of the economy (e.g., into corporate bonds), increasing credit availability, lowering interest rates, and encouraging spending in these other sectors.

Other Federal credit programs, outside the housing area, involved approvals by the Small Business Administration, which amounted during the first half of 1958 to $33 million more than during the corresponding period in 1957. Furthermore, the Export-Import Bank contributed loan authorizations for financing domestic economic activity in the first half of 1958 in an amount $250 million larger than during the first half of 1957.[6]

Federal credit programs produce spending effects in the private sector which bear no definite relation to the amounts involved in the Federal budget. Consequently, despite their potentially great importance when the elasticity of response of private spending happens to be high, not much more can be done than to describe them. The private spending which they affect is conditioned by many other economic determinants as well. It is not possible, except in unusual circumstances, to isolate the effects of the programs.

III. POSSIBILITIES OF IMPROVING THE TIMING OF THE IMPACT OF FISCAL POLICIES

We have seen that on several grounds there was room for improvement in the timing of the contribution of the Federal budget toward alleviating the 1957–58 cycle. Although a substantial deficit on income and product account appeared in the first quarter of 1958, attributable primarily to the decline in corporate profits and the rise in unemployment benefits, neither personal income tax nor Federal excises showed much built-in flexibility. Moreover, the deficit persisted far into the upswing. This would have been undesirable if unemployment had been much less than the amount actually registered during the second half of 1958. Some countercyclical discretionary fiscal measures taken prior to the trough made a small contribution to higher spending, but the major contribution derived from the decision to broaden social security coverage, an objective that was unrelated to countercyclical fiscal policy. Defense spending was actually procyclical, though defense orders (and thus private investment spending stimulated by them) behaved countercyclically. Federal aid to highway spending began to exert a significant impact after the trough was passed.

In this section we consider the possibilities for improvement of countercyclical fiscal policy. Three kinds of steps have been recommended to improve the timing of the deficit: (1) Greater reliance might be placed on built-in stabilizers, by enacting prior legislation designed to increase the tax and spending responses to changes in gross national product; (2) a single massive tax reduction might be made as soon as it was clear that a recession was underway. Alternatively, the tax reduction might be geared automatically to movements in some economic index—say, employment or gross national product; (3) Federal spending programs might be evolved which not only would have a rapid impact but which would be more easily reversible, once the economic need for them has passed.

(a) Increasing built-in flexibility: On the whole, there does not seem to be much promise in the approach via increased built-in tax flexibility. In the downswing the quickest and most productive automatic contribution to the deficit is made by the volatile response of the corporation income tax to changes in national spending and profits. The responsiveness of this tax could, to be sure, be improved through the enactment of more liberal loss carrybacks, which would have the effect of putting a tax subsidy in the hands of those corporations whose current losses exceeded their power to offset them against past profits. The effect of this procedure on actual spending by these corporations is, however, somewhat doubtful; and this illustrates the contention that it is not necessarily the size of the deficit that is important for stimulation of spending. The injection of purchasing power has to be made at some definite point, and the extent of the reaction of the recipient may be of dominating importance.

A significant increase in the response of individual income tax receipts to changes in gross national product could be achieved by subdividing the lowest tax bracket—a step that is often recommended on equity grounds as well. Another route that has been suggested for increasing built-in flexibility is the elimination of a large part of the erosion that has occurred with respect to the personal income tax base through continual increases in the number of exemptions and deductions. The impact on the progression of the rate structure would be difficult to predict, since erosion occurs at all income levels and results from a very wide variety of provisions introduced to favor one group or another. It is also true that exemptions and concessions to the taxpayer which have resulted in the wearing-away of the income tax base are difficult to eliminate, and in any case it is virtually impossible to remove them in such a way, or on such a scale, that any substantial contribution would be made to increasing built-in flexibility. For example, in the absence of the marital deduction and exemptions for children, a large number of families not now subject to income tax would become so. In that event a decline in employment and wage payments would sharply reduce their income tax liability, a development that does not occur if they are not in the first taxable bracket even when fully employed. No one would seriously suggest this, however, as a route to increased personal income tax flexibility.

Unemployment benefits provide built-in flexibility on the spending side. In the 1957–58 recession they were a powerful factor contributing to increased Federal Government payments into the income stream. Unemployment benefits could be made more generous. The difficulty is, however, that if unemployment relief is to operate automatically, the more generous benefits must be in effect at all times, in periods of prosperity and recession alike; and the assessment of any social benefits from increased built-in fiscal flexibility in recession has to be weighed against the adverse social effects on the lessening of the incentive to work.

(b) Tax-rate reductions: The massive tax cut as a means of accelerating the rate of private spending during recession has never been seriously considered by Congress, and experience to date does not provide much basis for believing that it soon will be. Nevertheless, it was strongly advocated in the spring of 1958 by Senator DOUGLAS, as well as by many academic economists, and is worth considering here. Such a tax cut might be discretionary, decided upon after due consideration by an economic advisory body making recommendations to Congress. On the other hand, it might be automatic, in response to movements in an economic indicator like unemployment, gross national product, investment in plant and equipment or inventories, or some other index of economic activity. A suggestion of this sort keeps cropping up in England, where it has often been suggested that social security tax rates ought to be cut when a rise in unemployment above a given level signals the advent of recession. In this country it has been suggested that firms should be allowed to take accelerated depreciation in recession, the thought being that this would place them in a more liquid position and would thus stimulate them to increase investment. The assumption here is that the elasticity of investment in terms of changes in after-tax business income is high enough to counteract the discouragement to investment that occurs during a recession. Moreover, it assumes that it is desirable to try to accelerate investment, irrespective of the causes of the downswing, among which may be (as was the case in 1957) a previous period of investment in plant and equipment that involved some excess capacity even at high levels of gross national product.

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[5] These are summarized in the "Economic Report of the President" for January 1959, p. 38.

[6] Ibid., p. 42.

The only kind of tax cut that was seriously advocated in the spring of 1958 was a reduction in the withholding tax. The suggested alternatives were a lump-sum return of some part of the withholding taxes paid during the preceding 6 months or a year and a reduction in current withholding tax rates for a predetermined period of time. The major advantage of this kind of tax reduction is that a massive deficit could be quickly created, though, of course, the deficit would appear much more rapidly under the lump-sum proposal. The deficit would have to be financed through sales of Government securities, and, if this were done without driving up interest rates, there would be no encroachment on private spending by way of competition for the available supply of savings. There would be no guarantee, however, that firms would respond to any resulting increase in consumer spending by building up inventories, much less by expanding plant and equipment. However, the more massive the tax cut, the better the prospects of initiating recovery from the side of consumer spending. But this statement is meaningful only if the expectations created by the tax cut are great enough to reverse the pessimism that brought on the recession itself. In other words, a minimum program is necessary to get any results at all; and there is no accurate way of knowing how large the cut must be to make certain of getting any results. It is only limited consolation to know that beyond this point the more aggressive the program, the greater is likely to be the rise in investment-spending response to the rise in consumer spending based on the increase in after-tax personal income.

Presumably, the consumption effects of a lump-sum tax forgiveness would differ from those of a reduction in current withholding rates. One would suppose that the former would be more conducive to the encouragement of increased purchases of durable consumers' goods. On the other hand, the use of installment credit might make taxpayers as ready to use the increased after-tax income to purchase durable consumers' goods under the latter as under the former plan. Much would depend on how consumers had been disposing of their income during the preceding period of prosperity. The period prior to the 1957 downturn was characterized by high purchases of consumer durables. Consequently, it is not certain that merely to increase take-home pay would have resulted in a striking increase in durable-goods purchases. On the other hand, firms had optimistically built ahead of prospective demand during the 1955–57 period. Therefore, it is probable that the correct tax remission policy would have been to stimulate consumption rather than to forgive business taxes.

The primary source of doubt on the effectiveness of a withholding tax cut is outlined in the foregoing remarks. This device does not directly stimulate business demand, and its effects might conceivably be weak if it were introduced as a lump-sum rebate prior to or about the trough, before much progress had been made in reducing recession-induced liquidity preference on the part of business firms. The current withholding plan, on the other hand, avoids this difficulty, because its effects develop along with gradual decline in excess liquidity and rising demand in the upswing. But, by the same token, the stimulus is not concentrated at an early stage of recovery, which is what is required if tax remission is to have a pronounced timing advantage over public works.

In the spring of 1958, advocates of a quick and massive withholding tax reduction made much of the important monetary and spending effects that would result from the rapid achievement of a large deficit by this route. We cannot be sure, however, that this expectation would have materialized. The preceding boom in consumer durables may have created a satiety of demand that would have vitiated a policy of increasing spending by lifting the after-tax income of the mass of consumers. Nevertheless, as matters looked at the time, the balance of the economic argument was surely in favor of taking the step; for there is no doubt that a substantial proportion, at least, of the addition to after-tax income would have been spent on consumer services and durable and nondurable consumers' goods. This would have helped to redress any previous imbalance between consumption and output capacity resulting from the overoptimism of business firms during 1956–57. One is left with the uneasy feeling, however, that, to the extent that the downturn was the result of such imbalance, a temporary, fiscally induced rise in individuals' capacity to spend would have been merely in the nature of a palliative. What assurance would there be that firms would not again go off on a spree of investment? One might even ask why they should be bailed out of the consequences of their foolishness.

This stricture is irrelevant, however, if the sole object of the move is to get out of recession. It is probably right to ignore the causes of a recession, once we are in it. Nevertheless, if the philosophy of the depression tax cut were to be permanently accepted, we ought in future recessions to treat the causes and cure of recession as a package. What would be the consequence, for example, of responding to a series of recessions caused by overinvestment by stimulating mass consumption through cuts in the withholding tax rate? By implication, producers of durable consumers' goods would be gradually driving the economy in the direction of production and consumption of these goods. During the recession, the existence of unemployed labor and productive capacity means, of course, that there is no cost to society. But it should be borne in mind that, in the assumed case, firms have accelerated investment in capacity to produce consumers' goods in the (implied) expectation that the Government will use fiscal measures to correct any resulting excess capacity. Thus producers may be usurping the sovereignty of the consumer to an even greater extent than they do through mass advertising campaigns. There may be no social objection to this, but the implications should be under stood and explicitly accepted before the massive cut in withholding tax rates is accepted as the standard antirecession device.

The question of equity should perhaps be ignored in a consideration of means of obviating the really serious inequities stemming from mass unemployment. At any rate, from an equity standpoint a lump-sum subsidy to every individual or family is far superior to tax remission. Under the lump-sum withholding tax remission plan a man out of work during any part of the preceding 6 months would receive a smaller (or no) tax subsidy. Under the current withholding reduction plan, only those having a job and actually subject to at least the first-bracket rate would benefit. Of course, modifications could be made to circumvent these difficulties. But the neatest way to do it would be to grant a universal subsidy. This should be subject to income tax, in order to minimize subsidies to those with high incomes and, indeed, to those who had not suffered from the recession through unemployment. In order to bolster particular sagging sectors of the economy, the subsidy might be tied to specific types of personal spending. But this verges on full-scale economic planning, and it might be better, if we went that far, to plan production and consumption in the first place.

Although the problem of reversibility does not seem to be serious in a withholding tax remission plan equipped with a termination date (in contrast with public works projects, which are not easy to cancel, once initiated), some concern may be expressed on the political infighting that might gradually result from the acceptance of the principle. It is easy to believe that extensive lobbying would develop among different classes of taxpayers to increase their participation in the advantages. This might result in abandonment of the mass tax cut concentrated in one area, in favor of a nondescript mixture of tax cuts benefiting all sorts of economic groups. The effectiveness of the plan would certainly be reduced if this occurred.

Finally, the strategic timing of a tax cut depends on the existence of an efficient mechanism to bring it about. We do not ordinarily have such a mechanism in this country. Congress makes the decision, and, although an excellent record of timely tax action was established in the war emergency during the summer of 1950, there is little reason to think that an equally good record could be made during a period when there is a division of opinion on how serious a recession actually is. It is possible that Congress might be induced to give an executive agency (like the Council of Economic Advisers) the power to raise or lower withholding rates by, say, a maximum of 50 percent. This device has been ardently supported by some economists, although, as noted below, there are serious obstacles conforming its adoption.

(c) Flexible spending programs: The third possibility for discretionary countercyclical action is to concentrate on Government spending to create the deficit. To do this it would be necessary to find means to discover public works projects that could be more quickly halted than those which had traditionally been used or proposed for this purpose. Technically it should be possible to establish a shelf of public works projects that could be turned on and off—projects that are regarded as of no urgency whatever but are fine to turn to when private demand for resources temporarily falls off. The difficulty lies in public impatience if there is a real desire for these public works (for example, road networks, marinas, forest planting, and whatnot) and in public apathy if they are obviously work-creating rather than want-satisfying. This is the kind of thing that is most easily done in a dictatorship, where what the public happens to want is of little importance. A possible alternative, however, would be to work up a collection of projects of varying duration. This would permit "reversibility" through decisions on renewal of short- and medium-term projects. Thus any particular project would be carried to completion, and "reversibility" and flexibility would be achieved by varying the composition of starts.[7]

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[7] For example, a schedule of priorities for repair and enlargement of public buildings might be kept on file, and the rate at which these were introduced could be made to depend inversely on an index of private economic activity. Reforestation is another example of a project that can be accelerated or slowed down.

The best possibility on the spending side in a free enterprise economy seems to lie in a more extensive system of unemployment benefits and/or a mass subsidy. The latter is too remote from present political reality to bear serious consideration. The former is a real possibility, and an advantage would have been gained had more and earlier use been made of it in the spring of 1958. As stated earlier, there is a major difficulty associated with this approach. The longer the duration of unemployment benefits and the higher their level, the less the urge to find or accept another job. So here again, some subtle form of coercion, if not compulsion, would be needed to get people back to work. The conclusion seems to be justified that if we want a more effective fiscal policy for economic stability than we have at present, we must be prepared to accept a comparably increased measure of economic control from the center. This is an ideological question that has to be fought out unless we are so fortunate in the future as to be subject only to very mild recessions.

Two further points remain for consideration in connection with discretionary tax cuts and changes in public spending programs. They concern the possibility of achieving timely action. The first is the question of signals, and the second is that of obtaining congressional action.

It has often been urged that fiscal action be taken in response to movements in employment or some other economic indicator. The idea is that when unemployment rises above a certain percentage of the labor force, a tax cut (or other fiscal measure) be put in motion and left in force until the situation has returned to "normal." If unemployment nevertheless continues on up, a further preordained fiscal step might be taken and so on. The advantage is alleged to be that "nothing is touched by human hands"—there is no scope for failure of human judgment. There may, however, be worse problems than those caused by the necessity for public officials to make decisions. These problems consist of the errors that may—and certainly will—occur if countercyclical fiscal measures are introduced automatically in response to movements in any single economic indicator. Some series roughly coincide with the business cycle. Others lead it, and others lag behind it. But the lags and leads are not the same from cycle to cycle. There is debate over which is the best lead series for purposes of prediction. Since the causes of the fluctuation are not usually fully understood in advance of the fact, the use of any particular indicator is likely to involve a margin of error.

Even if Congress were to permit an executive agency, like the Council of Economic Advisers, to raise or lower withholding or other tax rates or to alter spending programs in response to movements in an index, circumstances might soon develop in which the agency would come in for political attacks. It is inconceivable that it could operate in an economic and political vacuum. Serious question might be raised as to the probable survival powers of such an agency. But, in any case, it is hard to believe that Congress would surrender such an important segment of its powers in the first place. Moreover, there would be considerable political risk to the President in accepting this responsibility. This risk is spread if the legislature retains the power over tax rates and spending programs. Moreover, if Congress were to yield enough of the power to permit effective action, in terms of its quantitative impact, it would at the same time be relinquishing powers which it has always jealously guarded.

On the other hand, retention of the power by Congress itself insures a delay that can cause excessive distortion in the time shape of Government spending and private spending induced by tax-rate reductions with respect to the cycle. The bulk of congressional discretionary action in the 1957–58 episode came at, or after, the trough. Part of the reason for this was that the executive branch did not request legislation until the late winter. Although Congress acted quite quickly in this episode, delays of 4 to 6 weeks did occur, and such delays can be important in a minor recession. By the same token, however, in a really serious recession the delays would be less powerful in skewing the deficit.

The conclusion from this discussion of the three major fiscal proposals is that fiscal policy is too inflexible to make much more of a contribution to staving off recession than has been the case in recent cyclical experience. Nevertheless, that contribution has been far from insignificant, and it has undoubtedly accounted in substantial measure for the relative mildness of postwar cycles. A prerequisite for more effective action is that agreement be reached ahead of time on the nature and magnitude of remedial fiscal measures. This requires agreement on the signals to be used to indicate that a recession is underway and on the interpretation of these signals. This is a major obstacle to timely introduction of fiscal measures to avert recession, and it seems evident that monetary policy must expect to be left with the responsibility for taking the initiative in combating unwanted deviations from stable, full employment until these have assumed magnitudes great enough to generate sentiment for discretionary countercyclical fiscal action.

IV. CONCLUSIONS

This paper has attempted to gage the present effectiveness of fiscal measures as a countercyclical device on the basis of experience in the 1957–60 cycle. A second task has been to consider the ways in which the experience might be improved in future recessions and upswings. It was found that relatively little scope existed for increasing the built-in flexibility of the tax system but that the behavior of corporate profits tax liability already contributed substantially to the countercyclical impact of Federal tax receipts. On the spending side the liberalization of unemployment benefits could further increase built-in fiscal flexibility, particularly if permanent legislation were enacted prior to a recession.

Discretionary fiscal measures were largely restricted to the expenditure side. Although their impact was felt relatively late in the recession and into the upswing, changes in spending programs unrelated to stabilization objectives contributed to recovery. On the other hand, the debt-limit provision had caused a curtailment of defense expenditures in August 1957, thus contributing to the recession in the first place. It was concluded that discretionary countercyclical measures are particularly adapted to longer and deeper recessions than those which we encountered in the postwar period and that differential lags are inevitable in the complex of tax and spending decisions that must be made if the full potentialities of the fiscal system are to be utilized. Of three often proposed devices to improve the timing of countercyclical fiscal devices, ad hoc tax reductions offer the greatest possibilities, but they appear difficult to enact on an adequate scale. Greater attention to planning public spending programs would probably be more acceptable politically, though they are a cumbersome device.

BALANCE OF PAYMENTS NO ALIBI FOR HIGH INTEREST RATES

Mr. PROXMIRE. Mr. President, there is one final point I wish to make with reference to the proposed tax cut, and that is as follows:

The only justification that can be advanced for the present high rates of interest prevailing in the United States today is that they are necessary in order to deal with the balance of payments problem. The greatest paradox, the strangest economic contradiction that has confronted us in a long time, is that at the very time when one expert after another is calling for a tax cut to stimulate and expand the economy, the money managers in our economy, the Federal Reserve Board, are acting to increase interest rates.

Mr. President, this is ridiculous. It means we are moving our two great instruments of national economic policy in opposite directions.

The Federal Reserve Board increased the rates in June. They increased them in the month of July. Free reserves are dropping. It is harder to borrow money. The credit brakes have been put on. Some top bankers are frank about it. Some have argued that we should run a deficit, have a tax cut, and have high interest rates at the same time. They say we should take that action because we have a serious problem in respect to the unfavorable balance of payments. One of the reasons we have the problem is because of the exodus of capital. Capital leaves our country and goes abroad. It is argued that interest rates are higher abroad than they are in our country, and that is the reason for the exodus. Those who make that statement have not studied interest rates in the last 5 or 6 months, because in some countries those interest rates are lower than they are in this country, and in all countries they are falling.

The rates are falling in European countries in spite of the fact that they have far more inflationary problems than we have in this country. In virtually every European country prices have risen more rapidly than they have here. In almost every European country there is no unemployment. There is a labor shortage. In spite of those conditions, short-term rates are lower in Germany. In other countries rates are falling; in our country they are rising.

In addition, the Joint Economic Committee has yet to obtain one study which indicates that low or lower rates of interest are as crucial to the balance-of-payment problem as some would have us believe. As a member of the Joint Economic Committee I have repeatedly asked for some documentation of the assertion that interest rates have to be kept high for this reason. Even Chairman Martin has suggested that differentials in the rate of interest are not crucial for our balance-of-payment problem. He told the Joint Economic Committee in February that—

> By and large such differences as did develop in 1961 between money rates here and abroad do not appear to have been a primary determinant of capital movements either from or to the United States.

He recently reaffirmed this position before a Joint Economic Committee hearing. This position is typical of the commentary that has been made available to the Joint Economic Committee. Most of it tends to deemphasize the role of interest rate differentials in explaining our balance-of-payment difficulties.

A recent article in the Journal of Finance is another case in point. In this article, Mr. Gemmill of the research staff at the Board of Governors of the Federal Reserve System, concludes:

> Our examination of the practices of foreign countries has shown no evidence the official reserves are shifted from dollar assets to gold (or vice versa) in response to short-term variations in interest rates.

While private funds do shift, they are not large relative to other component parts of the balance of payments.

Incidentally, the Gemmill article, which is an outstandingly fine article states:

> While this sum is not negligible, it is small in relation to recent changes in major components of the U.S. balance of payments. For example, the improvement in the current account of the U.S. balance of payments from the 1959 average to the second half of 1960 was more than $5 billion at an annual rate. Similarly, in the last half of 1960 the net outflow on unrecorded transactions and U.S. short-term capital was at an annual rate close to $7 billion.

Mr. President, this is an extremely competent analysis of the real impact of interest rates on the international balance of payments. It is written by an outstanding economist of the Federal Reserve Board. He certainly has no ax to grind on the side of low interest rates. I believe that at a time when the Federal Reserve Board is pursuing a high interest policy, when it is selling Federal bonds, and when the Chairman of the Federal Reserve Board states that if there is a tax cut he will act to soak up every dollar that is put into the economy by selling Federal bonds so that whatever steam is generated will be taken out of the tax cut, under those circumstances this article of Mr. Gemmill should be given the most careful consideration. I therefore ask unanimous consent that the article may be printed in the RECORD at this point.

There being no objection, the article were ordered to be printed in the RECORD, as follows:

INTEREST RATES AND FOREIGN DOLLAR BALANCES

(By Robert F. Gemmill, Board of Governors of the Federal Reserve System)

INTRODUCTION AND CONCLUSIONS

Large U.S. balance-of-payments deficits since 1957 have led to substantial increases in foreign liquid-dollar holdings and to a decline of about one-fourth in the U.S. gold stock. These developments have stimulated discussion of the extent to which financial policy, and especially monetary policy, in this country might be influenced by the international reserve position of the dollar. Obviously, a country that acts as an international reserve center and in this role accumulates a large volume of outstanding short-term liabilities to foreigners must take care to insure that doubts do not arise concerning the stability of its currency. Even though a country maintains a high degree of financial stability, however, questions can be raised regarding the effect on its reserve position of countercyclical financial policies. Such policies may contribute to the outflow of domestic capital and thereby worsen the country's payments position. In addition, however, concern has been expressed that antirecessionary policies involving low interest rates might put pressure on the reserve position of the United States by bringing about a conversion of foreign-held dollar balances into gold.[1] In this paper, we shall examine the latter problem, attempting to assess the extent to which past behavior of foreign-held balances affords a basis for such concern.

The actual U.S. balance-of-payments deficits since 1957, which have stimulated discussion of the reserve position of the United States, have reflected major developments in U.S. international transactions on both current and capital account. The proportion of these deficits that has taken the form of net foreign gold purchases has reflected the overall payments surplus of major foreign countries, the proportions of their payments surpluses, in the form of additions to official reserves, and the extent to which they hold reserves in gold.[2] The general conclusion of this paper is that those movements in foreign holdings between gold and dollar assets in recent years which could be attributed to interest-rate changes account for only a very small fraction of total foreign dollar holdings. The main findings upon which this conclusion is based are as follows:

1. There is no basis either on theoretical grounds or in available statistical materials for believing that foreign official institutions adjust their reserve holdings between gold and liquid-dollar assets in response to short-term or cyclical movements in interest rates. This finding is not inconsistent with evidence that such institutions do alter to some extent the composition of their holdings of liquid-dollar assets as changes occur in yields on these assets.

2. There is reason to believe that some foreign private liquid-dollar holdings are drawn down when yields on liquid-dollar assets are substantially lower than yields obtainable in other international money markets and rise when the yield advantages on short-term investments in other money markets disappears.

Foreign private dollar holdings (excluding those of Canada) rose about $1 billion between mid-1958 and early 1960 and had declined by a somewhat smaller amount by early 1961. During these years, U.S. interest rates moved from a cyclical trough to a peak and then receded to a substantially lower level. These fluctuations in foreign private holdings are greater than the movements which may be attributed to international interest-rate differentials, since other factors are known to have contributed to the changes in foreign holdings.

3. A transfer of foreign private holdings from the United States to European money markets results in some increased foreign purchases of gold from the United States. However, the gold purchases may be expected to be smaller than the volume of funds transferred, unless all funds were moved to foreign countries that take all reserve gains in gold. Such was apparently not the case in 1960 and 1961.

THE PROBLEM

A country's financial policies affect its reserves primarily through impact on its balance-of-payments position. Monetary and fiscal measures can influence payments on current account through their effect on overall levels of economic activity and on prices and competitive behavior. Moreover, they can influence payments on capital account through changes in the terms of payment in international transactions (so-called leads and lags), in other movements of domestic short-term capital, and in flows of domestic and foreign long-term capital.

However, financial policies can also affect the reserve position of a country acting as an international reserve center if they lead to shifts between foreign short-term claims and gold. The reserve (or liquidity) position of such a country is most conveniently measured by the ratio of its holdings of international means of payment (gold, in the case of the United States) to its short-term liabilities to foreigners.[3] Shifts in foreign holdings between short-term claims and gold affect that ratio, whether or not there is any change in the aggregate of foreign short-term claims and gold and hence any surplus or deficit (as customarily defined) in the balance of payments of the reserve currency country.

This paper is concerned with the effect which movements of foreign short-term capital might be expected to have on the reserve position of the United States, given a specific overall balance-of-payments surplus or deficit. If shifts of foreign short-term capital were likely to be large, the international aspects of U.S. financial policies could not be judged solely on the basis of existing and prospective balance-of-payments developments, including movements of U.S. capital and changes in unrecorded transactions. Instead, any proposed changes in these policies would have to take into account the additional consequences that such potential shifts would be likely to have on the U.S. reserve position.

If cyclical changes in interest rates are likely to produce significant fluctuations in the gold stock of a reserve currency country, over and above those fluctuations resulting from balance-of-payments developments, that country may be more restricted in the extent to which it can permit fluctuations in its balance of payments. It may thus be more restricted in the extent to which it employs flexible financial policies as countercyclical measures.

If possible shifts of foreign short-term funds were felt to be a substantial constraint on the financial policies of a reserve currency country, the country might find that the resulting disadvantages outweighed the advantages of being a reserve center. In fact, this argument has already been applied to the position of the United States. Triffin, for example, in making a case for the establishment of the International Monetary Fund as the principal international reserve center, maintains that, by this change, "we would * * * have consolidated in the hands of the Fund a large portion of highly volatile foreign funds, whose sudden and unpredictable outflow might otherwise unleash, at any time, an unbearable drain on our gold reserves. Most of all, we should have shed thereby the straightjacket which the need to prevent such an outflow would impose upon monetary management and interest rates in this country.[4] "

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[1] See, for example, Robert Triffin, "Gold and the Dollar Crisis" (New Haven: Yale University Press, 1960), p. 9: "Our huge gold losses of last year [1958] were due in part to such a repatriation of foreign capital at a time when interest rates had fallen here well below the rates available in Europe. They have been slowed down this year [1959] by an extremely sharp rise of interest rates in this country, prompted by our domestic concern about creeping inflation. In this case, external and internal interest rates policy criteria happily coincided, but they may diverge tomorrow. If and when we feel reassured about our internal price and cost trends we may wish to ease credit and lower interest rates in order to spur our laggard rate of economic growth in comparison not only with Russia, but with Europe as well. We may then be caught, however, exactly as the British were in the 1920's between these legitimate and essential policy objectives and the need to retain short-term funds here in order to avoid excessive gold losses."

[2] See articles on gold and dollar flows in the Federal Reserve Bulletin, March 1959, 1960, and 1961.

[3] R. Gemmill, "Notes on the Measurement of International Liquidity," Journal of Finance, March 1960, pp. 53–61.

Empirical evidence on the extent to which foreign short-term dollar assets may have been shifted in response to interest-rate movements can best be examined separately for foreign official and foreign private holdings.

FOREIGN OFFICIAL DOLLAR HOLDINGS

There is no evidence that any major foreign country has changed the relative proportion of gold in its official reserves in response to short-term or cyclical changes in interest rates. After comparing changes in the composition of reserves of foreign countries with changes in U.S. interest rates, we shall indicate why, on theoretical grounds, there is no basis for expecting changes in the holdings of foreign official institutions to correspond to interest-rate movements.

It would be most appropriate for our purpose to examine shifts in a country's reserve holdings between gold and liquid-dollar assets. However, most countries do not publish data on dollar holdings separately, and therefore data on foreign-exchange holdings will be substituted. Since holdings of foreign exchange other than dollars have been extremely small, the conclusions would not differ significantly if official dollar holdings were used.[5]

The relative proportions of gold and foreign-exchange assets can, of course, vary as a result of changes in either form of reserve holding; many countries have kept gold reserves constant over long periods of time and permitted moderate changes in payments positions to be reflected in variations in exchange reserves. We shall examine only those instances in which gold holdings were changed between the end of 1956 and the end of 1960. In this period, there were wide fluctuations in U.S. interest rates, and a country that regularly shifted even a part of its reserves between gold and dollars in response to changes in yields on dollar investments would presumably have made changes in gold holdings.

Twenty-six foreign countries changed their gold reserves by $10 million or more between the end of 1956 and the end of 1960, excluding changes resulting from gold subscription payments to the International Monetary Fund. We consider, first, the 18 countries that increased gold reserves, dividing them into groups according to the pattern of changes in reserves. A number of foreign countries purchased substantial amounts of gold in the fourth quarter of 1960 when speculative demand for gold led to the establishment of a premium price in the London gold market. We shall regard these purchases as precautionary in nature rather than as shifts in the composition of reserves in repsonse to the lower level of U.S. moneymarket rates compared with those in the first half of the year.

(a) Four countries (Belgium, the Netherlands, Switzerland, and the United Kingdom) have traditionally kept practically all reserves in gold, and the gains in gold reserves of these four countries have thus paralleled overall reserve gains, aside from some lags in periods of rapid increases in reserves.

(b) Three countries (Australia, Iraq, and Lebanon) do not maintain significant reserves in dollars. Parenthetically, both Iraq and Lebanon added to gold reserves in late 1960.

(c) Eleven countries have added both to gold and to dollar holdings at times during the period.

Five countries (Austria, Colombia, Greece, Italy, and Portugal) have increased their gold reserves both in years of high and in years of low U.S. interest rates, and all except Colombia (which experienced large fluctuations in total reserves) have steadily increased the proportion of total reserves held in gold. Increases in gold reserves of Austria and Portugal occurred primarily in 1958 and 1959; U.S. interest rates were relatively low in 1958 and high the following year. Italy increased its gold reserves throughout the period, while Greek gold purchases were concentrated principally at the end of 1960.

Three countries (Indonesia, Peru, and Spain) decreased gold holdings as total reserves declined from 1956 to 1958, and increased gold holdings again after total reserves rose. Peru added to its gold reserves in the fourth quarter of 1959 when yields on dollar assets were at a peak, and all three countries substantially increased gold reserves in the last quarter of 1960. In fact, the rise in Spanish gold reserves in the second half of the year was almost equal to the rise in total reserves.

Variations in the proportion of gold to total reserves for the three remaining countries, France, Germany, and Japan, are shown in chart 1 [not printed in RECORD]. The decline in the gold proportion of French reserves that began in mid-1958 resulted from a sharp improvement in total reserves that more than offset substantial rebuilding of French gold reserves. The marked drop in holdings of convertible currencies at the end of 1959 resulted partly from large gold purchases and partly from slower additions to total reserves in consequence of special debt repayments. In 1960 French reserve gains were taken entirely in gold.

The proportion of gold in German reserves increased steadily through 1957. In 1958 and 1959 it fluctuated primarily as a result of variation in official German dollar holdings. In 1959, when total German reserves declined, the reduction was in dollar holdings. The sharp decline in the gold proportion which began in the fourth quarter of 1959 and continued through the period of declining rates in 1960 reflected additions of almost $2.5 billion to German reserves in the form of dollar assets. If, during this rise in reserves, Germany had continued to keep two-thirds of its reserves in gold, the additional demand for monetary gold would have been about $1.5 billion.

The gold proportion of Japanese reserves increased from 1957 to 1959 but declined thereafter, as gold holdings remained constant while total reserves continued to rise. Press reports indicate that Japan postponed implementation of a long-range policy of increasing its gold proportion in order to avoid contributing to instability in the international financial system.[6]

In summary, most of these eleven countries increased gold holdings at times of high as well as of low yields on dollar assets. Germany and Japan added large amounts to their dollar reserves in 1960, but there is no indication that yields (which declined during the year) were a factor in these decisions. Changes in gold reserves of a few countries appear to have resulted from large fluctuations in total reserves.

Eight countries experienced overall declines in gold reserves. The gold proportion of Canadian reserves has declined since the end of 1957; up to mid-1959 the decline resulted from a rise in dollar holdings, and after that time it stemmed mainly from a fall in gold reserves. Six countries (Argentina, Cuba, Egypt, Mexico, and Venezuela, plus the Union of South Africa, which does not maintain substantial reserves in dollars) reduced gold reserves, as total reserves declined in consequence of balance-of-payments deficits. Argentina and Mexico have added again to gold reserves as their total reserves were rebuilt. Swedish gold reserves declined by one-fourth in 1957 and early 1958 but remained stable thereafter. This decline, which is not explained in the annual reports of the Riksbank, could represent an increased long-term preference for dollar assets but could not reflect a policy of cyclical variation in composition of reserves.

In conclusion, data on changes in reserves for these 26 countries show no evidence of shifts in the composition of reserves in response to changes in yields on dollar assets.

Furthermore, on theoretical grounds one would not expect central banks and other official institutions that hold international reserves generally to base such major policy decisions as those affecting composition of reserves on considerations of short-run profitability. Short-run fluctuations in the composition of reserve holdings, which resulted from weighing the return on investments against the potential gain through holding gold, would be recognized as constituting speculation on a change in the price of gold and, as such, would be highly disruptive of both internal and international financial transactions.[7] Shifts in reserve holdings between gold and dollars on the basis of short-run profitability could thus contribute directly to instability in international financial relations and make increasingly difficult the achievement of basic domestic objectives of the central banks.

Gold purchases by some foreign central banks in the fourth quarter of 1960 undoubtedly did not contribute to the stability of the international financial system. However, if we assume that these purchases were precautionary, it is highly doubtful that they would have been smaller if yields on dollar assets had been maintained at, say, 1959 levels.

Shifts of central bank funds among various types of dollar assets do not involve the dangers associated with implied speculation, and such shifts frequently occur with changes in the relative yields on these assets; however, even movements of this type are small relative to the total volume of official dollar holdings.

FOREIGN PRIVATE DOLLAR HOLDINGS

While there is no evidence that foreign official institutions adjust their gold holdings in accordance with changes in yields, shifts of funds among international money markets by banks and other private investors could lead to changes in foreign gold holdings, over and above the changes that might be associated with a particular payments surplus in deficit on the part of a reserve currency country. For example, a shift of funds might cause a substitution of gold holding (by official institutions) for liquid-dollar holdings (by banks and other private investors). This result would occur if private investors sold dollar exchange for another currency and if neither the commercial banking system nor the central bank of that country added correspondingly to its dollar holdings;[8] under these conditions, initial acquisition of the dollar exchange by the central bank would be followed by a purchase of gold and (assuming that this transaction added to net foreign purchases from the United States) to a corresponding reduction in the U.S. gold stock.

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[4] Triffin, op. cit., p. 12.

[5] Official foreign-exchange holdings of the European countries for which exchange holdings were used consist mainly of dollar assets but include some sterling holdings. These latter holdings are relatively small, however. Official sterling holdings of all OEEC countries at the end of 1957 were $360 million (see "International Financial Statistics," June 1960, p. 260), while official dollar holdings were in excess of 10 times this amount (see Federal Reserve Bulletin, March 1959, chart on p. 247).

[6] See the London Times, Mar. 4, p. 11.

[7] In determining a long-run policy with respect to the composition of reserves, a central bank will, of course, have to consider both yields on foreign-exchange assets and the possibility of a change in the price of gold, along with a wide range of other factors. A long-run policy on amounts or relative proportions of gold and foreign exchange in reserves carries no presumption as to timing of a possible change in the price of gold (whether or not such a consideration is given appreciable weight in the formulation of the policy), and such a policy, therefore, does not imply an open element of speculation.

Since some European central banks traditionally hold their reserves in gold and most others take part of their reserve gains in gold, any large net movement of private funds from the United States to other major financial markets (except Canada) would probably lead to a reduction in the U.S. gold stock, although the extent of the reduction would be strongly influenced by the particular markets to which funds moved. Shifts of funds to or from Canada would be reflected primarily in pressure on the Canadian exchange rate, since the Bank of Canada changes its reserves little and permits transfers of funds to affect the exchange rate.

We shall examine fluctuations in foreign private dollar holdings in order to estimate the extent to which variations in these holdings appear attributable to interest-rate movements or differentials. Analysis of changes in the holdings of different geographical areas would assist in identifying movements that might have been associated with the transfer of funds between the United States and European money markets, but data are available separately only for Canada.

The present study will be limited to examination of fluctuations in aggregate non-Canadian private holdings for two reasons. First, private dollar holdings of European countries probably account for three-fifths of total private holdings (excluding Canada), and these European funds are generally thought to be more likely to be shifted to European money markets than are Canadian funds. Second, the influence of balance-of-payments developments is likely to be much greater in the case of Canada and thus the changes attributable to interest-rate changes much less discernible than for other countries. While developments in the U.S. balance of payments may have an influence on the volume of private, as well as official, dollar holdings of foreign countries, private Canadian dollar holdings appear likely to reflect changes in the Canadian balance of payments much more directly. The Bank of Canada's policy of maintaining its reserves relatively stable has the result that a Canadian payments surplus or deficit leads immediately to a change in Canadian holdings of foreign exchange (almost exclusively U.S. dollars) or in foreign short-term claims on Canada.

To facilitate examination of the fluctuations in non-Canadian holdings, we have computed deviations of the holdings from a straight-line trend fitted to the data by the method of least squares. The results are compared in chart 2 [not printed in RECORD] both with yields on U.S. Treasury bills and with the yield differential between United States and United Kingdom Treasury bills, after allowing for the cost of covering the foreign-exchange risk. We have also computed a second set of deviations from a trend line adjusted to minimize variations resulting from purely statistical factors. These deviations appear as the dotted line in the chart.[9]

As shown in chart 2 [not printed in RECORD], both private holdings (measured as deviations from trend) and interest rates have exhibited cyclical fluctuations, with changes in private holdings generally lagging behind those in interest rates. On the whole, variations in foreign private holdings appear to have corresponded more closely to changes in the absolute yield on U.S. Treasury bills than to changes in the covered differential between United States and United Kingdom bills. This fact suggests that fluctuations in foreign private holdings may have occurred in response to changes in conditions in the U.S. market relative to those in a number of foreign money markets, rather than solely in response to changes between New York and London. This conclusion is in accord with other evidence; the reports of the Bundesbank indicate that German bank funds were repatriated from abroad in mid-1960 following increased monetary restraint in that country.

However, it is also clear that factors other than interest-rate movements affected foreign private dollar holdings during the periods in the last half of 1960; for example, speculative capital movements undoubtedly contributed to the decline in foreign private dollar holdings. Thus one should not expect to find an exceptionally close relationship between movements in an aggregate of foreign private holdings and a single interest rate or rate differential. On the whole, there seems to be sufficient correspondence between movements in rates and foreign private holdings to provide support for the thesis that interest-rate movements (or factors producing these movements) have affected such holdings.[10]

The extent of the influence of interest-rate movements or other money-market developments cannot be estimated with accuracy, but the amplitude of the fluctuations in the deviations of foreign private holdings from trend can assist in supplying some indication. As shown in chart 2 [not printed], the amplitude of fluctuations during the period 1958–60 has been one of the magnitude of $0.3 billion to $0.5 billion, depending on the series used. These figures suggest that foreign private holdings might decrease by amounts ranging from $0.6 billion to $1 billion from a peak associated with high U.S. interest rates to a trough associated with low rates.

The actual decline in foreign holdings (as distinct from the changes in deviations from trend) which began in mid-1960 continued early in 1961 (not shown on the chart) and, through February, totaled $0.8 billion. However, a substantial portion of the decline could have been accounted for by speculative movements of funds connected with possible changes in foreign-exchange rates, and the entire decrease clearly cannot be attributable to changes in relative money-market conditions.

Correspondingly, a part of the $1 billion increase in foreign private dollar holdings that occurred from late 1958 to early 1960 represented increased working balances following the establishment of convertibility by major European countries. The opportunities for employing such working balances profitably have been substantially enlarged by the development of the Eurodollar market.[11] A European bank accepting deposits denominated in U.S. dollars (Eurodollars) would have a U.S. dollar asset as a counterpart to its dollar liability, and a part of the rise in foreign bank holdings of dollars in 1959 undoubtedly represented such dollar assets. European banks attracted Eurodollar deposits by paying interest (often in excess of rates payable on time deposits in U.S. banks), and they have used the deposit claims on U.S. banks which were thus acquired for various types of financing, especially foreign trade. So long as attractive opportunities exist for employing Eurodollar funds for dollar financing, these funds are relatively unlikely to be shifted abroad in response to changes in money-market rates.

Thus less than $1 billion of the fluctuations between peak and trough in foreign private dollar holdings can be attributed to interest-rate movements. This figure, as an outside limit, may be compared with total foreign private dollar holdings (excluding Canada) of $6 billion at the 1960 peak. A shift abroad of up to one-sixth of foreign private dollar holdings would lead to an increased demand for monetary gold by foreign central banks of somewhat less than the amount of funds shifted, unless the funds moved to those countries that take all reserve gains in gold, and this apparently was not the case in 1960. The gold outflow associated with such a shift might therefore be quite small, relative to total foreign private holdings. If the movements of funds were recognized as the result of cyclical changes in interest rates and were thought likely to be reversed in a short time, there might even be no conversion of newly accruing dollars into gold by foreign central banks.

CONCLUSION

Our examination of the practices of foreign countries has shown no evidence that official reserves are shifted from dollar assets to gold (or vice versa) in response to short-term variations in interest rates. Some foreign private funds are undoubtedly shifted from dollars to other currencies in response to international interest-rate differentials, and such movements can probably be expected to lead to increased demand for monetary gold by foreign central banks. Recent experience indicates that the volume of foreign private funds shifted abroad could be expected to be less than $1 billion.

While this sum is not negligible, it is small in relation to recent changes in major components of the U.S. balance of payments. For example, the improvement in the current account of the U.S. balance of payments from the 1959 average to the second half of 1960 was more than $5 billion at an annual rate. Similarly, in the last half of 1960 the net outflow on unrecorded transactions and U.S. short-term capital was at an annual rate close to $7 billion.

In the light of these relative magnitudes, we may conclude that, so long as confidence in the U.S. dollar as a reserve currency remains undisturbed, major changes in the international reserve position of the United States are likely to result only from shifts in the balance of payments on current account or in capital movements that are reflected in changes in the U.S. payments surplus or deficit. The U.S. payments position therefore appears to represent an adequate guide to the external or international consequences of domestic financial policies. Moreover, the role of the United States as an international reserve center does not, at least at present, appear to impose significant restrictions on the range of domestic financial policies which this country is able to pursue. Effective arguments may exist for some of the recently proposed reforms to the international financial system, but the sensitivity of foreign-held dollar assets to international interest-rate movements does not appear to be among them.

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[8] Or to holdings of the currency of another country, where the banking system was willing to increase its dollar holdings.

[9] In the third quarter of 1956 and again in the second quarter of 1957, certain dollar holdings previously reported as privately owned were included with official holdings (see Federal Reserve Bulletin, September 1957, p. 1096). The overstatement of private holdings in published Federal Reserve figures from the end of 1955 to mid-1957 has been corrected by using estimates of the International Monetary Fund. These estimates may be derived from data on U.S. short-term liabilities to foreign official institutions published in "International Financial Statistics," June 1958, p. 242.

[10] A coefficient of correlation of about 0.8 was obtained from a correlation of U.S. Treasury bill rates (as the independent variable) with adjusted deviations from trend of foreign private holdings lagged one-quarter of a year. Calculations involving other series produced smaller coefficients.

[11] See Alan Holmes and Fred Klopstock, "The Market for Dollar Deposits in Europe," Monthly Review, Federal Reserve Bank of New York, November 1960.

Mr. PROXMIRE. Mr. President, there is another article to which I should like to call attention. It appears in the publication of the Federal Reserve Bank of New York, in their monthly review of July 1962. The article is entitled "Short-Term Capital Movements and the U.S. Balance of Payments." I quote from the article one of the concluding paragraphs, as follows:

BALANCE-OF-PAYMENTS EFFECTS

Viewed as isolated transactions, movements of U.S. short-term capital worsen the country's balance-of-payments position when the funds flow out and improve it when they return. But when short-term capital movements are considered in their relationship to other transactions in the balance of payments, the problem of their net effects becomes more complicated. The availability of credit is as much a factor in the competitiveness of our exports as prices or design. Credits extended to foreign purchasers of U.S. exports yield a net gain to our balance of payments, not only when they produce interest income, but also when they finance exports that would not have otherwise been made. The balance-of-payments gains, however, are not realized until the credits are repaid, whereas if the exports had been sold for cash the gains would have been immediate. Furthermore, the benefits to this country's balance of payments may be offset by a rapid growth of new credit extensions.

I offer this statement because it may be that in the hearings before our Joint Economic Committee, which will start next week, some statistics may be offered to indicate that the investment of short-term capital has increased. It has increased because our trade has increased.

Mr. President, I apologize for taking the time of the Senate at this late hour, but I go into this subject because I do believe, unless someone speaks out against this Niagara Falls of commentary in the press arguing that we should have higher interest rates and reduced taxes, this is the policy we will follow. It is the policy we may be about to follow, and it is the policy which is being advocated by responsible top officials in New York and in Washington. I believe that they should justify it. They have not done so. I have been pleading with my colleagues in the Senate to dispute my position on the floor of the Senate on this issue. I have asked for a debate on this for weeks, but no Senator has seen fit to dispute me on this. Since the Senate is the Nation's greatest forum of debate, I hope that they will decide to do so in the near future.

I ask unanimous consent that the article entitled "Short-term Capital Movements and the U.S. Balance of Payments" be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHORT-TERM CAPITAL MOVEMENTS AND THE U.S. BALANCE OF PAYMENTS [1]

Since the principal European currencies became externally convertible at the end of 1958, short-term capital flows have come to exert a major impact on the U.S balance of payments. In 1960 and 1961, the recorded outflows of stort-term U.S. funds soared to unprecedentedly high totals and contributed, respectively, from one-third to over one-half of our large balance-of-payments deficits of those 2 years. In addition, unrecorded short-term capital outflows are believed to have been exceptionally large in both years.

Short-term capital transactions are among the least understood items in our balance-of-payments accounts. A common misconception, for example, is to think of short-term capital as merely a stock of footloose money, hopping from country to country only because relative interest rates vary or in search of gains from exchange rate speculation. Some short-term capital transactions clearly conform to that description, but most of the U.S. short-term capital outflow in our balance of payments is related to the financing of international trade and to the need of foreign banks, businesses, and even foreign governments for funds to meet their immediate payments requirements. And while interest rates and, at times, uncertainty over exchange rates are important in influencing the volume and direction of such short-term capital flows, many other factors also play a role.

As recorded in U.S. balance-of-payments statements, short-term capital movements are shown as net flows of U.S. capital to or from foreign countries and net flows of foreign-owned capital to or from this country. Movements of U.S.-owned capital are measured by changes in short-term claims of U.S. residents on foreigners, while movements of foreign-owned short-term capital are measured by changes in foreign-owned deposits and short-term securities held in U.S. banks and by changes in other types of U.S. short-term liabilities to foreigners. Net outflows of U.S. capital tend to add to the aggregate liquid dollar holdings of nonresidents in U.S. banks. Changes in these holdings are considered "settlement" items in the U.S. balance of payments and, hence, any rise in these holdings contributes to an increase in our payments deficit. (The deficit or surplus as a whole is commonly measured by changes in foreign holdings of liquid balances in the United States, together with changes in the gold and convertible currency holdings of our monetary authorities.) The additional claims on foreigners that arise as U.S. short-term capital flows out, on the other hand, are not treated as an offset to this country's balance-of-payments deficit but are regarded as one of its causes.

This article describes in broad terms the various types of private short-term capital flows between the United States and other countries, investigates the factors influencing these flows, and reviews their recent behavior. Although the article's main emphasis is on the movement of U.S. capital, much of the discussion is also relevant to shifts of private foreign-owned funds to and from this country. It is worth noting, however, that such shifts do not affect our balance-of-payments deficit directly, inasmuch as ordinarily they are offset by opposite changes in holdings of foreign monetary authorities. The factors influencing these official holdings are not discussed here. Since these holdings are part of the monetary reserves of other countries, they are in a different category from privately owned short-term capital and therefore respond to different forces. Official institutions may, for example, use their dollar holdings to purchase gold from the United States, a choice that is not available to other dollar holders.

REPORTING OF SHORT-TERM CAPITAL MOVEMENTS

Because of the need for a practical criterion of measurement, short-term capital is defined in the balance-of-payments statistics as that capital which is held in the form of assets (including bank deposits) with an original maturity of not more than 1 year. Neither the owner's intention nor the actual duration of the holdings affect this definition. Consequently, a number of capital transactions that are classified as short-term may actually be akin to long-term transactions because they are regularly renewed at maturity. It is not infrequent, for instance, for maturing short-term bank loans to be extended or replaced by new loans. On the other hand, marketable securities maturing in more than a year may serve as a medium for short-term investments. Similarly, a portion of the capital flows between parent companies and their foreign subsidiaries may in fact be no more than short-term financing, but in the existing statistics such flows are all counted as direct investment, a form of long-term capital movements. For these and other reasons, the accepted definition of short-term capital is not ideal from a conceptual point of view. Its adoption was determined by the need for a criterion that is statistically manageable. Even so, the task of gathering the necessary data is difficult, and the burdens on the reporting banks and businesses are large.

The statistics on private short-term capital movements are derived from monthly and quarterly reports filed by U.S. banking institutions and other businesses with the Federal Reserve banks of their districts under regulations established by the Treasury Department. The reporting firms provide a breakdown of their outstanding claims on, and liabilities to, foreigners by major categories and by more than 50 foreign countries and geographical areas. The reports for banking institutions also include the foreign claims and liabilities held by them on behalf of their domestic customers. The data that are collected are published in consolidated form in the Federal Reserve Bulletin and the Treasury Bulletin. The quarter-to-quarter changes in the reported claims on, and liabilities to, foreigners—adjusted for certain other transactions—constitute the short-term capital movements incorporated by the Department of Commerce in its balance-of-payments statistics. The table on page 96 presents a summary of the changes in the outstanding amounts of U.S. short-term claims on foreigners in recent years.

This reporting system, although comprehensive in conception, does not catch all short-term capital movements. It is widely believed, for example, that the substantial shift of "errors and omissions" in the balance-of-payments accounts from net receipts in the period prior to 1960 to net payments in 1960 and 1961 reflects an increase in unrecorded short-term capital outflows. This would not be surprising, in view of the freer convertibility recently achieved by the principal foreign currencies. Various factors may be responsible for the incompleteness of the reporting. One conspicuous source of omission is that no reports are collected from individuals. Moreover, firms with foreign claims or liabilities below prescribed levels are exempted from filing.[2] It is also possible that some institutions fail to file because of ignorance of the requirements, although the extensive publicity given to the reports in recent years has broadened the coverage of the reporting system substantially.

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[1] George H. Bossy and Haskell P. Wald had primary responsibility for the preparation of this article.

In contrast to the U.S. long-term and overall international investment position, in which this country is a substantial net creditor, its recorded short-term capital position is that of a net debtor; this country's short-term liabilities to foreigners exceeded its short-term claims on them by $17 billion at the end of 1961. This short-term debtor position results from the combination of the wide use of the dollar as an international currency and the U.S. payments deficits of recent years. Foreign central banks and governments hold substantial portions of their official reserves in the form of dollar assets which, because of the need for liquidity, are almost entirely composed of deposits, U.S. Government securities, and bankers' acceptances. In addition, foreign commercial banks and corporations hold sizable working balances in the United States, since they settle in dollars not only their transactions with this country but frequently also transactions with third countries.

TYPES OF SHORT-TERM CAPITAL MOVEMENTS

The short-term capital movements reflected in the U.S. balance of payments are the net result of many individual transactions made for different purposes and responding in varying degrees to economic forces. When analyzing such a complex aggregate, it is useful to attempt to classify the transactions according to the major purposes and motives for which they are undertaken.

In very broad terms, two classes of private short-term capital movements can be distinguished. First, there are those initiated primarily by the recipients of the funds and related to their specific current needs—such as, for instance, the financing of their import needs. The major portion of the outstanding short-term claims of the United States on foreigners arose out of such needs, particularly out of needs for financing international trade. To the extent that new credit extensions exceed or fall short of repayments, the differences are recorded as capital flows in our balance-of-payments statistics. Secondly, there are those short-term capital movements that are mainly initiated by investors, in order to obtain a higher interest rate or tax savings or perhaps to gain from an anticipated change in exchange rates.

Some financing of international trade by U.S. banks and businesses covers trade among third countries, but most of it covers U.S. exports and is related to borrowers' needs. Trade financing is mainly undertaken through bankers' acceptances, bank loans to foreigners, sight and time drafts, and open-book credits. Such financing is reflected in various items in the accompanying table; in bank-reported loans to foreigners, collections outstanding (i.e., bills on foreigners held by banks for collection), and "other" bank-reported dollar claims (largely acceptance financing). The short-term claims reported by nonfinancial concerns also reflect export credit as well as short-term balances held abroad for business or other reasons.

Movements of U.S. short-term capital, 1957 to 1st quarter, 1962

[In millions of dollars; (–) denotes outflow, (+) denotes inflow]

Type of movement	1957	1958	1959	1960	1961	1962, 1st quarter
Reported by banks, total	–253	–343	–81	–991	–1,086	–172
Dollar claims, total	–256	–293	–61	–729	–980	–289
Loans to banks and official institutions	–45	–213	–8	+33	–199	–194
Loans to others	+27	–125	–32	–22	–136	–32
Collections outstanding	+17	+2	–95	–89	–89	–38
Other [1]	–255	+43	+74	–651	–556	–25
Foreign currency claims, total	+3	–50	–20	–262	–106	+117
Deposits	–1	–49	–22	–39	–143	+83
Other	+4	–1	+1	–223	+38	+34
Reported by nonfinancial concerns, total	–31	+57	+15	[2]–425	–476	(3)
Dollar claims	–23	+69	–37	–253	–443	(3)
Foreign currency claims	–8	–12	+52	[2]–172	–32	(3)
Total U.S. short-term capital [4]	–284	–286	–66	[2]–1,416	–1,562	(3)

[1] Represents principally bankers' acceptances.
[2] Excludes $370 million held pending direct investment.
[3] Not available.
[4] Does not include Department of Commerce adjustments to a balance-of-payments basis.

NOTE.—Because of rounding, figures do not necessarily add to totals.
Source: U.S. Department of the Treasury.

The available statistics do not distinguish between foreign borrowing in this country that is directly tied to trade financing and foreign borrowing for more general purposes. The latter category, however, is probably large and would include many conventional bank loans as well as dollar exchange acceptances—i.e., acceptances that are drawn for the express purpose of creating dollar exchange and which do not arise from any specific trade transaction. Such borrowing will often be for temporary foreign exchange needs in countries that are subject to wide swings in export earnings.

Finally, there are the various other types of capital movements which fall in the second broad category identified above—that of transactions largely initiated by the investors. These arise mainly, but not exclusively, out of transactions induced by international interest rate differentials or exchange rate speculation. The opportunities for such transactions were greatly expanded with the reestablishment of external convertibility of the major European currencies at the end of 1958. Since then, interest arbitrage transactions—between the United States and foreign countries as well as among foreign countries—have occasionally reached substantial amounts. These consist of the investment abroad of liquid balances to take advantage of higher interest rates than those prevailing in the home market. The interest arbitrager, unless he is confident of being able to avoid an exchange loss when he decides to repatriate his capital, ordinarily will cover the exchange risk associated with his transaction by buying back his own currency in the forward exchange market. The forward "hedge" in this so-called covered interest arbitrage normally involves a cost that reduces, and could eliminate, the uncovered interest arbitrage incentive. On the other hand, the forward hedge might actually offer an additional incentive to engage in arbitrage operations. Indeed, if the forward exchange rate premium on the currency of a low-interest-rate country is large enough, this could even induce a flow of covered capital from a high-interest-rate to the low-interest-rate country, because the interest loss would then be more than offset by the exchange rate profit.

The specific interest rate relationships that induce investors to move short-term funds abroad are not readily identifiable, but they obviously are not restricted to the interest rates on Treasury bills alone. A few countries now have money markets of significant size, where numerous short-term instruments—Treasury bills, time deposit facilities, various types of commercial paper, and in some cases local government obligations—are available for investment. In addition, the Euro-dollar market, in which European as well as Canadian banks take an active part, is widely used for interest arbitrage operations.[3] There is thus a broad international constellation of interest rates and forward exchange discounts and premiums which influence the potential arbitrager.

Interest arbitrage operations of U.S. corporations have become more common in recent years, though the number of companies engaged in these transactions has remained relatively small. Partly because the availability and liquidity of foreign short-term securities are generally less than in this country, most U.S. corporations have been reluctant to engage in interest arbitrage.

Speculative capital flows occur when a change in the exchange rate of one or another currency is anticipated. These flows may include outright purchases of the currency that is expected to appreciate or sales of the currency that is expected to depreciate, but they also take the form of so-called "leads and lags," which involve the acceleration or deferment of payments or receipts. When a currency is under speculative attack, commercial interests will try to postpone payments in that currency because, in the event of a devaluation, the cost in terms of their own currency would be reduced. Furthermore, the residents of the country with the weak currency will attempt to pay more rapidly or even to prepay debts in foreign currencies, while trying to prolong the maturity of their claims in foreign currencies by renewing loans or letting credits accumulate. The net result will be a reduction in the country's receipts from abroad and an increase in the net outflow of short-term capital. If, on the other hand, the speculation is motivated by the expectation of an exchange rate appreciation, the "leads and lags" will of course shift in favor of the strong currency.

INFLUENCE OF DEMAND, SUPPLY, AND COST FACTORS

The determinants of short-term capital movements may be analyzed from the standpoint of the borrowers or the lenders, in terms of demand or supply factors. In some cases, demand factors are predominant and the borrowers are much more the active agents, in the sense that they actually initiate the transactions. In other cases the initiative may largely rest with the suppliers of funds, and the lenders may actively seek to lend or invest abroad, with or without active participation by the borrowers or the sellers of credit instruments. Similarly, interest rates, which are a cost to the borrower and income to the lender, may exert a determining influence on some transactions and hardly any influence on others.

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[2] Banking institutions are exempted from filing a report for a particular month if their month-end claims on (or liabilities to) foreigners average less than $500,000 in the 6-month period ending with the reporting date. Nonfinancial institutions are exempted from filing for a particular quarter if their claims on (or liabilities to) foreigners at the end of that quarter and of the preceding one average less than $100,000.

[3] See Alan R. Holmes and Fred H. Klopstock, "The Market for Dollar Deposits in Europe," Monthly Review, November 1960, pp. 197–202.

For most types of capital transfers that are in the nature of "accommodating" finance, the impetus for the transactions is more likely to come from the borrowers than from the lenders. Each borrower must weigh his financial needs against the cost of the loan, while each lender must decide whether making the loan would be more advantageous than alternative uses of his funds. If the borrower's needs are compelling and if he does not have access to other sources of funds, he will be inclined to pay whatever interest rates the market requires. The lender will meet the loan demand if he is in a relatively liquid position and rates the borrower as a good credit risk. But, if the lender is short of funds, he will tighten his lending terms and perhaps scale down the amount he will be willing to provide. In all these respects, international lending is essentially the same as domestic lending.

Nevertheless, there are also some important differences between international and domestic short-term lending, apart from the obvious intrusion of foreign exchange considerations in the former. In the first place, the needs of foreign borrowers for capital are determined by developments in their respective countries and are largely unrelated to internal developments in the supplying country. This means that the total loan demand from abroad is unlikely to follow definite cyclical patterns of the sort that characterize domestic financing. Some countries will experience balance-of-payments strains, while others are in a comfortable payments position; internal growth rates or the behavior of prices will often vary markedly from country to country. For these reasons, foreign borrowers' demands tend to be sporadic and difficult to anticipate in advance.

Secondly, foreigners' decisions as to where and how much to borrow are influenced by international differences in interest rates as well as by the relative availability of loanable funds in different centers. These differences are determined by the prevailing monetary policies in the respective countries. Generally speaking, a country where monetary conditions are easy will attract foreign borrowers away from countries where monetary conditions are tight. It is true, however, that many foreign borrowers have close and long established business relationships with lenders in only one country and, therefore, prefer not to shop around to find the country where interest rates are lowest. Furthermore, the position of the United States as an international financial center is, in many ways, unique. Not only do U.S. financial markets permit borrowing on a scale not possible elsewhere, but foreigners also have complete freedom of access, which is not always the case in financial centers abroad.

Thirdly, some forms of international capital movements are independent of the borrowers' needs. Covered interest arbitrage transactions, described above, are one example; the initiative for such investments rests almost entirely with the supplier of capital. Their volume will depend, not only on the interest rate spreads and the price of foreign exchange cover, but also on the availability of liquid funds in the lending country. Speculative capital transactions are an example of capital movements which may be initiated by lenders as well as by borrowers.

The strength of the various causal influences bearing on short-term capital movements fluctuates widely over time. The 1955–57 spurt of our exports, for example, was paralleled by marked increases in acceptance of financing and in bank lending, as well as by some growth in collection items and commercial credits to foreigners. The extension of new export financing in that period exceeded the repayment of maturing claims. The subsequent decline of exports was accompanied by reductions in several types of claims, but not in bank lending which experienced another large rise in 1958 because of easy monetary conditions here and strong credit demands from abroad.

The resumption of export gains after mid-1959 carried all types of short-term lending to foreigners to new high levels. However, the 1960–62 increases in claims, particularly in bankers' acceptances, were more than in proportion to the export rise, partly because of the huge borrowing by Japan as a consequence of that country's balance-of-payments difficulties and its decision to liberalize the restrictions on external borrowing by its residents. Furthermore, sizable interest arbitrage outflows occurred in the second half of 1960, when the business downturn in the United States led to relatively low interest rates compared with rates in other industrial countries that were still experiencing boom conditions. As these outflows contributed to a substantial worsening of our payments position, the continued stability of the dollar itself came to be questioned in some quarters; the weakened confidence in the dollar in late 1960 led to speculative outflows in addition to the transfers that were motivated by higher rates of return abroad. Early in 1961, on the other hand, speculation against the dollar ceased, as the speculators became aware of the determination and ability of the U.S. monetary authorities to defend the dollar. Meanwhile, however, foreign requirements for short-term financing—especially by Japan and several Latin American countries—rose sharply. While the outflow of short-term U.S. capital was slightly larger in 1961 than in 1960, the rate of outflow thus far this year seems to be running somewhat lower than in the comparable year-earlier period.

BALANCE-OF-PAYMENTS EFFECTS

Viewed as isolated transactions, movements of U.S. short-term capital worsen the country's balance-of-payments position when the funds flow out and improve it when they return. But when short-term capital movements are considered in their relationship to other transactions in the balance of payments, the problem of their net effects becomes more complicated. The availability of credit is as much a factor in the competitiveness of our exports as prices or design. Credits extended to foreign purchasers of U.S. exports yield a net gain to our balance of payments, not only when they produce interest income, but also when they finance exports that would not have otherwise been made. The balance-of-payments gains, however, are not realized until the credits are repaid, whereas if the exports had been sold for cash the gains would have been immediate. Furthermore, the benefits to this country's balance of payments may be offset by a rapid growth of new credit extensions.

Short-term capital movements, however, should not be judged by their balance-of-payments effects alone. While they have at times been a vehicle for speculation, they normally serve constructive purposes. The credit facilities provided by U.S. banks and exporters to countries short of capital have helped to sustain the flow of international trade and therefore have been of great benefit to the growth of the world economy. Consequently, the United States, as the world's leading financial center, must make every effort to maintain an appropriate position as a supplier of short-term funds. The measures taken to reduce our balance-of-payments deficit promise to assist in achieving this objective.

The reestablishment of external convertibility by major European countries, by facilitating the international flow of funds, has contributed to the increased efficiency of the international financial mechanism. At the same time, however, convertibility has given rise to sudden and occasionally disruptive shifts of international reserves and thus has added to the tasks of international monetary management. In the face of these new problems, major steps have been taken over the past 2 years to strengthen the international monetary system through the expanded resources made available to the International Monetary Fund, through closer cooperation among central banks and governments, through expanded operations to stabilize the exchange markets, and through the new Organization for Economic Cooperation and Development. At the individual country level, efforts are being made to design policy measures which will more effectively serve both internal and external requirements. Among the latter requirements is the clear need to encourage active participation in the provision of international capital, including short-term funds, by more countries with ample monetary reserves and fundamentally strong currencies. The hallmark of an efficiently functioning international financial system is its ability to channel short-term and long-term capital to those countries where it will contribute most effectively to promoting international monetary stability and accelerating economic growth.

LIMITATION ON WHAT GOVERNMENT CAN DO

Mr. PROXMIRE. Mr. President, there is one other article, written by one of the ablest members of the administration, Mr. Robert V. Roosa, who is Assistant Secretary of the Treasury for Monetary Affairs. The article is entitled "Reconciling Internal and External Financial Policies." I should like to read one short paragraph from Mr. Roosa's article, in which he says:

> To proceed further, at a vigorous rate of economic expansion, while cutting away entirely the basic deficit in the balance of payments, depends, among other things, on a change in the pattern of investment behavior. In this, Government's role is to provide the stimulus, through depreciation reform, and to do all it can to create an environment within which the needed financing requirements will be met. That is why, in today's conditions, a balanced Federal budget is necessary. From there on, in keeping with the nature of our kind of economic system, the rest is up to labor, to management, and the spirit of creative enterprise.

Mr. President, I believe that Mr. Roosa is right. The fact is that the Government can do a certain amount and can be very helpful so far as our economy is concerned. However, on the basis of our past experience, if we permit it to do more than stabilize our economy, we are inviting trouble. Our reliance must be primarily on labor and management and on a spirit of creative enterprise, as Mr. Roosa points out.

I ask unanimous consent that the article may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RECONCILING INTERNAL AND EXTERNAL FINANCIAL POLICIES[1]

(By the Honorable Robert V. Roosa, Under Secretary of the Treasury for Monetary Affairs)

When a former teacher who has long since strayed from the classroom finds himself appearing before such a group of professional economists as these meetings bring together, there is only one thing he ought to do: ask questions. What I have to say today is, in fact, just one long series of questions. But, since I have never been able to stay in good voice on a succession of rising inflections, I am going to say a number of things in a positive, perhaps provocative manner, hopeful that you will understand that a spirit of flexible inquiry and not a hardened Government policy lies behind them.

My own particular concern is with the financial side of things—fiscal policy, debt management, monetary policy, foreign exchange. Though my questions, in reviewing the possibilities for reconciling internal and external policies, may not stay wholly within the bounds of the financial area, I will hope to be excused from the obligation, which anyone approaching this subject should accept, of describing in some detail the overriding importance of wage and price policy, the great significance of trade and commercial policy, and the real relevance, too, of public and private influences on the competitive structure of business organization. The President restated the Government's position on these crucial aspects of our economic performance, both domestic and foreign, in addresses earlier this month. He is now preparing a series of messages, reviewing the start that has been made and the specific measures to be proposed or taken next year, not only to cope with the problems now upon us, but also to provide a sturdier base for our longer run internal and external requirements. My attempt today will consequently—and I think you will agree, appropriately—center on some financial aspects of our central economic problem—the aspects with which I have been more intimately involved.

I

My starting point, in that spirit, is then to assert several propositions:

The U.S. economy cannot, for as far ahead as anyone can usefully plan, be insulated from the consequences—the "discipline," if you will—of its balance of payments.

Moreover, the United States must continue, for as far ahead as anyone can see, to provide the principal reserve currency for the monetary system of the world—a duty which involves special responsibilities, as well as conveying special opportunities.

At the same time, the United States, as the prototype of democratic capitalism, intends to pursue policies, both governmentally and throughout the private sector, which promote the functioning of a market economy, in which flexible prices (reflecting the forces of supply and demand) guide the composition of output, the allocation of capital, and the distribution of employment opportunities—within a framework of reasonable price stability overall.

And the United States is also determined to grow at a rate large enough to assure steadily rising per capita real income and maximum employment, while also supporting the military structure and the economic-aid commitments appropriate to the leading member of the Western alliance.

My own thesis is that all these commitments can be met; that they need not, as some would have it, be mutually contradictory; but that with determined effort they can become instead, in the current position of the United States, mutually reinforcing. To be sure, balance-of-payments disciplines can be interpreted to mean—and in some circumstances may appropriately mean—severe restraint upon, or outright constriction of, the pace of national economic activity. They often mean just that, for example, when demand inflation is running strong, when price increases must be halted if exports are to be sold, and when internal demand must be reduced if imports are to be brought in line with the real export potential. In those conditions, a temporary interruption of internal expansion may be unavoidable if external equilibrium is to be restored.

There are also times when a balance-of-payments discipline calls for scaling back, or limiting, the external commitments of Government. As the President and others have explained, that is being done to the limit permitted by national security; and a number of ways are being found to offset or avoid a balance-of-payments impact from military outlays and economic aid.

But what most needs stressing, it seems to me, is that the disciplines do not always call for the same prescription. Deficits are fever signals which may arise from temporary distress or chronic disorder or something in between. It is always necessary, at the least, to distinguish between shorter run factors influencing the total balance-of-payments deficit and the underlying factors influencing what some of us call the basic deficit—a deficit in the trade, services, and long-term capital items. Much of the most purely financial part of the total deficit is in short-term capital movements, not included in the more fundamental factors of the basic balance of payments. I shall have more to say on short-term capital movements later. I want to begin, though, by focusing on an entirely different meaning of the balance-of-payments disciplines, a meaning which seems to me to fit the present conditions of the United States and leads into the heart of our basic deficit problem.

In short, and without the qualifying phrases that should be inserted if this were a scholarly formulation, the underlying balance-of-payments problem that has been confronting the United States is mainly, for lack of a better word, environmental. The implications for us of any balance-of-payments disciplines point mainly toward needed adaptation to a change and changing environment. We have emerged during these past 3 or 4 years into a new world of comparative freedom for the movement of goods, in which most of the leading industrial countries have built up reasonably adequate monetary reserves and have made their own currencies freely convertible into dollars on current account, at fixed rates of exchange. But the momentum generated, both here and abroad, during the long drive back toward sustainable equilibrium for the others has helped to bring about a new kind of imbalance.

The United States has found itself marginally dependent on a steady absorption of dollars by a world whose marginal needs have shifted to other things. Many of the other industrial countries, having long restrained consumption for the sake of rebuilding and improving their productive capacity, are continuing to invest at rates which are closing, and in some cases reversing, the gap of comparative advantage that the United States formerly enjoyed in most manufactured products. The United States, meanwhile, has allowed its own rate of domestic investment in productive capacity to decline, despite its still considerable volume of savings. These are the environmental changes that have been brought into clearer focus by the magnitude and behavior of our balance-of-payments deficits since 1958.

Where, against this background, do the disciplines point now? So far as the domestic policies of the other industrial countries are concerned, a pull is already apparent toward greater consumption. On their side, the demand needed to help restore international equilibrium by drawing in more of our exports is already strong and likely to grow. It will be promoted further if the Common Market prospers through lessening its own protectionism (not only with respect to imports but also as to the export of capital). It will be further advanced if the expansion plans of the underdeveloped parts of the world are supported by all the developed world. On our side the question is large. Can we, in world markets that should become increasingly free, compete effectively in quality, price, and merchandising skill? So far as the monetary arrangements which link together the domestic monetary systems of the individual countries are concerned, the question is whether the nations friendly to us can, as a group and barring military and political considerations, join in multilateralizing some of the responsibilities that have up to now been carried by the two reserve currencies alone—the dollar and the pound sterling. It should be important to all countries to continue developing the innovations of the past 2 years in international financial relations, in order to adapt modern monetary arrangements so that they can suitably nourish trade, minimize disruptive speculation, assist the orderly flow of productive capital, and still provide for effective control over monetary developments within each country in keeping with the economic objectives of each.

II

The most striking aspect, to me, of the needs for restructuring the American economy that are revealed by our continuing balance-of-payments deficit is that they are, in present circumstances, so nearly identical with the needs that we would be trying to meet if we had a completely closed economy. In terms of the fundamentals, as I see them in the current context, there is no irreconcilable conflict between the restoration of a sustainable equilibrium in our basic balance of payments and the promotion of greater and more lasting growth in the domestic economy. The one sure way to reestablish strength in the balance of payments is to increase this country's ability to compete, and this can best be done by spurring additional investment in efficient productive capacity. That is the same objective that can best assure an upward shift in our growth trend.

The primary need, for both external balance and internal growth, is an upward shift in the rate of investment—the investment that can raise productivity, lower costs, develop new products, and, more generally, give a new thrust to the competitive potential of American business. That is the way to make possible an increase in the share of American goods in foreign markets, particularly those of the other industrialized (and now mainly "surplus") countries. It is also the most nearly certain way to increase the rate of growth at home and thereby support in real terms our aims for expanding employment and raising incomes.

The intensified private investment will also, in time, have the same (or a greater) multiplied effect on total spending in the economy and thus upon further inducements toward additional investment, as might have been claimed for Government deficits. The difference is that the initial expenditure will have been upon productive capacity more directly related to the joint needs of improving this country's competitive position abroad while promoting a higher growth rate at home.

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[1] This paper was presented at a joint luncheon meeting of the American Finance Association and the American Economic Association in New York on Dec. 28, 1961. The program was under the chairmanship of Arthur Weimer, Indiana University.

There are, of course, many conditions required to bring about the sort of change in the parameters of the investment function to which I am referring here. No doubt, new structural problems would be created if the change came about abruptly. But, however the change is brought about, there are certain to be significant roles for fiscal policy, for monetary policy, for debt management, and for the interrelations among all three. Some of these have begun to emerge during the past year and have been translated into policy.

Perhaps the first and clearest implication relates to the use that can be made of the great latent influence inherent in the sheer size and diversity of the present Federal tax structure. If, within the complex of tax burdens, a way can be found to encourage new productive investment as such—and the proposed investment-tax credit would indeed be one such way—that should offer great promise as an effective primer, to help generate the greater push out into new investment frontiers. Depreciation reform of other kinds, such as the updating of equipment schedules, is, of course, another important part of any governmental share in this effort.

In addition to its potential as an initiating influence, fiscal policy can also help in making available the funds needed to finance the necessary investment; for the significance of deficits, or balance, or surpluses in the Federal Government's accounts is that the available supply of savings and credit will either be partly absorbed by Government, left entirely for the use of an expanding private sector, or augmented by the funds released through a repayment of Government debt. Just which of these phases of fiscal policy is appropriate at a given time depends on the stage of the business cycle. But when recovery is broadly accomplished and the economy is expanding at a reasonable rate, it would seem necessary that the Federal budget should be at least in balance if the aim of public policy is to give primary emphasis to promoting creative, constructive new investment. Any losses of revenue from the investment credit, for example, would have to be made up from other sources. Otherwise, a continuing Federal deficit would drain away from the capital markets a part of the supply of available savings that could, and should in present circumstances, be flowing into expanding investment in the private sector. That is what the President was underlining when he said, in speakng before the National Association of Manufacturers here in New York earlier this month:

"I recognize that your efforts will be governed in part by the kind of atmosphere the Government can help to create. That is why we intend to submit our balanced budget. The Government must not be demanding more from the savings of the country, nor draining more from the available supplies of credit, when the national interest demands a priority for productive, creative investment—not only to spur our growth at home but to make sure that we can sell, and sell effectively, in markets abroad."

The maintenance of that kind of fiscal control carries with it implications for monetary policy as well, if it is to fill a coordinate role. And one of the profound lessons of the 1959–60 recovery experience, emphasized by the accompanying outward drains of gold and dollars, is that monetary and fiscal policy must jointly share responsibility toward the capital markets, if an overall influence appropriate to the needs of internal stability is to be achieved. During that episode—although concern over a steel strike, wage-cost increases, creeping inflation, and other factors were also of great importance—the fiscal position was one of very large deficit. It was almost twice as large as that of the current fiscal year, and it carried over for some time into the recovery period. The heavy Federal borrowings were competing in the capital markets with expanding private borrowing that had reached record proportions. When the Federal deficit position was corrected, the change came quite abruptly, swinging over to a moderate surplus within a few months. Meanwhile, the efforts of monetary policy, aiming to offset the inflationary consequences of the earlier deficit, actually carried over from that phase into the later phase of fiscal restraint. Interest rates rose sharply, complications developed for debt management, and a chain reaction of troublesome consequences spread through the savings and investment process.

Attempting to learn from that experience we have tried during the past year—admittedly through a rather loose fit of successive approximations—to find a new balance between monetary and fiscal policy. By adapting fiscal policy somewhat more closely to the timing and intensity of the recession, it has been possible to reduce the burden that public policy on other occasions has placed on monetary action. Accordingly, this has been the first recovery since flexible monetary policy was restored in which bank credit has continued readily available well into the expansion period. In consequence, longer term interest rates this time have shown little tendency to rise, and the conventional expectation that credit must tighten whenever business recovery gains momentum has been confounded. And it may not be a mere coincidence that the volume of new market flotations, municipal and corporate, has been strikingly greater than through the comparable months of the three preceding recoveries.

This experience suggests that a change in the balance of emphasis between fiscal and monetary policy may work to lessen the amplitude of cyclical swings in interest rates, downward and upward, that have been associated with the contracyclical policies of Government in the past. With inflationary expectations less prevalent and the financial markets better attuned to relatively small changes in rates, it is possible that the desired range of financial responses can be evoked, to help moderate the cycle, without the unsettling effects on institutional savings arrangements that the sharp uprush of interest rates in 1959–60 had begun to produce.

But what about the shorter-run balance-of-payments effects? Granting that the mix of fiscal and monetary policy can be improved, in order to further the expansion of domestic investment, to help in moderating some of the factors that aggravate cyclical fluctuations, and to limit the disruptive aspects of unduly abrupt or large interest-rate changes—and that all this will be helpful eventually in restoring and maintaining balance-of-payments equilibrium—what happens to capital movements in the meantime? May not outward flows be intensified, thereby adding to the balance-of-payments deficit, with the result that apparent deterioration will precipitate further outflows?

That is, to be sure, an area of considerable risk or potential danger. Yet there is much here that can be done, too. We reject out of hand any resort to exchange controls. To take a step of that kind would be to confess, and assure, the failure of our aims for growth, trade, and a stable currency system based on the certainty of dollar convertibility at the present fixed price.

So far as movements of long-term capital are concerned, there are important differences, as all of you are well aware, between portfolio and direct investment. The net outflow of portfolio investment has never been decisively large, in relation to our balance, partly because American purchases of foreign securities have not greatly exceeded foreign purchases of securities here. The possibility of substantial net movements by American investors into foreign fixed-interest obligations or equities will continue important, however, as long as surplus countries maintain controls on the outward flow of funds from their own capital markets. When the surplus countries in Europe become more flexibly adapted to their role as creditors, the flow of portfolio funds toward an expanding, vigorous American economy should override any minor or temporary differentials in long-term rates of interest and largely counterbalance the outflow of American funds for investments of a similar nature. Meanwhile, should a substantial net outflow develop from the United States, there are offsets available. Other governments can be encouraged to prepay long-term debts owed to us. Where appropriate, we can place some of our own Government debt with them. Significant moves of both kinds have occurred during the past year.

As for direct investment, provision of a tax credit for investment in the United States would help to offset any inducement to invest abroad the funds obtained by borrowing relatively cheaply in the United States. There is much to be said, too, for removing any special tax advantages which induce investment abroad rather than at home and which defer the repatriation of income earned by subsidiaries located in the developed countries. In addition, the so-called tax-haven absues also permit other artificial, truly noncompetitive inducements to direct investment abroad. To eliminate these abuses and the special tax advantages, so far as practicable, would still leave in effect the present tax stimulus to direct investment in the underdeveloped countries. That, one would think, should be encouraged, for its effect can be, and should be, to introduce these countries (more effectively than governmental economic aid is able to do) to the performance of productive capitalism.

While changes along these lines may be slow in coming or in exerting their effects, there is relatively little likelihood of any short-run acceleration of direct investment on a scale large enough to have a material additional influence on our balance-of-payments deficit. Of course, if wages here were to advance sharply and outrun productivity gains, or if the efforts to accomplish depreciation reform should be frustrated, or if the projected trade program should fail and a real wall of duties were to rise up around Europe, or if the combination of measures geared to eliminating our present deficit over the next 2 years should not be pursued with effective determination, the climate could change completely. I do not want to imply any basis for complacency on other fronts. But the part of the problem I am particularly addressing today is the critical area of short-term capital movements.

There are broadly three categories of influences that could give rise to outflows of short-term capital of serious magnitude: (1) a foreign loss of confidence in our capacity to fulfill our economic objectives and to maintain the free convertibility of the dollar into gold at our fixed price; (2) marked interest-rate differentials, giving rise to increased foreign commercial borrowing here and to interest "arbitrage" and "hot-money" flows; and (3) unsettling international events, causing a flight from the dollar or from several major currencies simultaneously.

As for the first, that is in our hands. The trend of foreign confidence has been upward since early in the year. If we perform on the commitments which have given us this initial "vote of confidence," there should be no problem on this score. As for the second, a rise in commercial borrowing has indeed been a factor of considerable importance through most of the past year, and exporter credits (at least to American firms) are likely to go on rising. But these are the kinds of swings in external financial requirements for which the use of our monetary reserves is intended; once they level off or decline, the outflow will return with the repayments. These, then, once recognized, need give no cause for deep concern. As for the flow of funds into short-term instruments in other markets, several possibilities for reconciling our internal operations with our external requirements have emerged during the past year. It is to these and to the third—the effects of international political incidents or waves of doubt concerning the values of other currencies—that I want to devote the remainder of my time here today.

III

What about the balance-of-payments deficit we have now—a deficit that has, while much reduced from the 3 preceding years, been steadily rising again (after deducting the helpful, but nonsustaining, effect of debt prepayments) with each successive quarterly report through 1961? Does this not merely exemplify the fact that, however successful our longrun approach, we will always be living in a succession of short runs, in which there will be a conflict between what is right at home and what is needed for our external position? That our exposed position as banker for the world leaves us continually vulnerable?

To the extent that we succeed in reaching and maintaining the "basic" balance to which I referred earlier, there is no question that we shall be able to deal from strength in meeting these strains. I cannot emphasize too strongly, though, that there is much yet to be done—and much that, I trust, will be done—to reach that result. We need more competitive exports, more use of the new export financing facilities, greater access to foreign markets, closer relating of economic aid to our own production, greater offsetting purchases here by the countries in which our military disbursements are large, and a vast variety of other measures already underway, inside and outside government, in order to cope with these current pressures. In the current quarter, though with clear signs of improvement showing through, the figures for the total balance-of-payments deficit should be expected to become somewhat larger. Partly for cyclical reasons, the underlying surge of improvement has not yet been able to make the figures solidly better.

But others have outlined, and will again, that range of needs and prospects more fully than I can attempt here. I want to turn now to several financial measures (some domestic, others international) which, while relevant to the present problems, are even more important for their possible role in averting or offsetting monetary strains through the succession of short runs that will, of course, be our lot in the years ahead.

One of the most conspicuous of the governmental efforts to reconcile the shorter run needs of external improvement with the basic need to promote domestic recovery and expansion, during the year just completed, lay in the area of monetary and fiscal policy which we were discussing a moment ago. Perhaps more precisely, this effort lay in the zone of interrelations between monetary policy and debt management. It was rather widely characterized as "Operation Nudge" or an attempt to "raise short rates and lower long rates." That was at best a cryptic, shorthand label for a very complex process. There was never any thought that interest rates, either short or long, could or should be predetermined or established in any other way than through the action of market forces. But there was a forthright recognition that what the fiscal and monetary authorities do and expectations in the market concerning their needs and intentions must necessarily be significant elements inside the market process. Consequently, to the extent feasible, indications were given as to the direction in which the influence of official actions would be working—though where they might come out, after interaction with all other factors of supply and demand, would still be a market-determined result.

Once the approximate shape of the Treasury's borrowing requirements became clear, every opportunity was taken to insure the consistency of the independent actions of monetary policy and of debt management. A balance-of-payments criterion was kept continually in view; for the "short-rate—long-rate" slogan, if it served any purpose at all, did indeed seem to help popularize recognition of the need (toward which Federal Reserve policy had already been directed through much of 1960) to avert the previous pattern of recession-induced plummeting of short-term market rates, while also keeping credit at least as amply available for domestic needs as in times past. The aim was to use governmental influence, where practicable, to keep money-market rates within an indifference range, in relation to the rates obtainable abroad, after taking account of the costs of forward cover.

An important role was also played in this effort by the readiness of foreign monetary authorities to take into account, in determining their own policies, the desirability of closing any gap between their interest rates and ours. At times it proved feasible, as well as desirable in their own domestic circumstances, for them to exert downward pressure on their own short-term rates. There was general recognition, too, that sensitive "hot money" is not a comfortable holding in the monetary reserves of any country. Partly for that reason, it also proved practicable at times for the United States and foreign authorities to carry out coordinated operations in the spot or forward exchange markets for the purpose of restraining speculative flows. Such operations, although often only of a pilot character, were gratifyingly effective. The opportunities for working out these cooperative arrangements rose through the regular consultative facilities provided by the monthly meetings of the Bank for International Settlements and the frequent meetings held within the newly established Organization for Economic Cooperation and Development.

The end result of these various efforts, so far as our own domestic money market was concerned, was the unprecedented continuation of a ready availability of money throughout the recession and recovery period, with ample additions flowing into bank reserve, while the 91-day Treasury bill rate (to take an example) edged gradually upward on a zigzag path between 2¼ and 2¾ percent. The declines of short-money rates to and below 1 percent—which had occurred in the previous recessions and had contributed in 1958 to the early stimulation of speculation and attention to the possibilities of interest arbitrage—were this time completely avoided.

Debt operations were of some aid, as well; in this attempt to deter outflows while stimulating new flows within the economy. Over the course of 1961 the Treasury's debt operations resulted in a net increase of about $4 billion in outstanding Treasury bills and about $10 billion in total debt maturing under 1 year—rises which ranged during the year between 10 and 15 percent of the outstanding amounts in these shorter term areas. At the same time, other outstanding debt was so redistributed that the average maturity of the total marketable debt at the yearend was almost identical with that at the beginning of the year. The other side, from the debt-management point of view, was the desirability of accomplishing the appropriate debt lengthening—both to offset the increase in under 1-year issues and to overcome the inexorable influence of the calendar in shortening the life of the over 1-year debt by 1 full year every year—without complicating the effort to help assure an ample availability of funds for all forms and all maturities of private investment requirements. The answer, at least for the conditions then prevailing, was found largely through reliance upon the technique of advance refunding which had been successfully introduced in 1960, both in the middle market (in the so-called "junior" form) and in the longer market (the "senior" advance refunding).

There will be continuing need for experimental development of the mixture between fiscal, monetary, and debt-management policies and methods, to find ways in the future to limit any interest-rate stimulus to outward capital flows. The recent Federal Reserve action permitting commercial banks to pay higher interest rates to their depositors is another step of the same exploratory nature. It should also be of help in holding or attracting foreign time deposits.

Even though I feel confident that effective solutions, appropriate to the changes in market conditions and in economic activity, will be found in the months and years ahead, I do want to stress, most resoundingly, that neither steps such as these nor other forms of international cooperation to which I shall refer shortly can ever offset the force of a serious run on the dollar created by a loss of foreign confidence in our economic strength or our banking capabilities. Nor can such measures shore up indefinitely the consequences of a continuing deficit in the "basic" elements of our balance of payments.

So long as our performance at home is impressive, however, in the way that we ourselves would want it to be, then an outer defense of various financial arrangements should be capable of providing, from short run to short run, the necessary protective framework within which we can continue to perform the role of the principal reserve currency—so important to the world at large and so crucial to the fulfillment of our own objectives of libertarian economic expansion.

One essential part of these outer perimeter defenses consists of understandings among the central banks, primarily at the start among the leading industrial countries but also gradually, no doubt, among various congeries of some of them and some of the less developed countries. The essence of any such arrangements is flexibility, informality, a spirit of mutual cooperation, and the establishment of trust in financial leadership. There are no formulas. Progress comes with patience, time, familiarity, and experience. The past 2 years, and particularly the last, have produced more tangible gains of this kind than had been possible at any time since the general convertibility of currencies disappeared in the 1930's.

Perhaps the most notable case was the initial cushioning provided early in the year by a number of the central banks whose governors meet each month at the Bank for International Settlements in Basle. When funds began to move out of the United Kingdom after the currency appreciations of Germany and the Netherlands in March, the various central banks receiving the outflow arranged, quite informally, to lend back to the British the bulk of the funds which they were losing, thereby avoiding the possible threat of a currency crisis.

What happened thereafter illustrated the need for another part of the network of defenses. For the central banks could not finance these cushioning operations indefinitely out of their own resources. More lasting multilateral arrangements were needed, standing behind the central banks and capable, among other things, of taking over most of these credits after the initial episode had subsided. Such a shifting of credits would make it possible to provide for the further orderly resolution of any remaining, and possibly deeper, strains. In the case in question, the United Kingdom in August arranged with the International Monetary Fund for a $2 billion credit (of which $1½ billion was drawn immediately, in nine currencies, with the U.S. share just under one-third.) The United Kingdom Government was thus able to strengthen its own reserves and the Bank of England enabled to pay off the cushioning credits. When a new potential currency crisis was in the making, on the outbreak of the Berlin disturbances later in August, further repercussions on the pound sterling were scarcely noticeable. Actually, British reserves began to mount rapidly, and by the yearend more than one quarter of the drawing had already been repaid to the International Monetary Fund.

Meanwhile, the various currency shifts over the past year—many of them taking the form of dollars, the preferred reserve currency—had begun to build up in the banks of some countries larger holdings of dollars than they could ordinarily carry. In these circumstances, various means were found to help regularize the holdings through actions taken in the foreign-exchange markets. One type of operation consisted of increasing the facilities for forward cover. In some cases, the other government or central bank undertook a major part of the transactions for its own account; in others, the foreign central banks acted as agents for the U.S. Treasury. (All operations were carried out, of course, in behalf of the Treasury by its fiscal agent, the Federal Reserve Bank of New York.) Needed supplies of foreign currencies were obtained as a byproduct of intergovernmental debt prepayments, through outright purchases in some special circumstances, and through placement abroad of U.S. Government debt denominated in foreign currencies. Moreover, arrangements were made to place the entire proceeds of the United Kingdom drawing of dollars from the International Monetary Fund, as well as some other accruals, in special nonmarketable dollar obligations. Through these and other transactions in the spot and forward currency markets, a number of ways were developed for enlarging the network of financial defenses capable of providing short-run assistance not only to the dollar but to the functioning of the world's monetary system.

Few of these innovations could have been carried through, however, if it had not been for the almost continuous consultation on problems of mutual concern that the jet age has made possible. Through frequent visits to New York and Washington by the leading financial officials of most other countries, large and small; through the continuing exchanges of views and information made possible through the work of the International Monetary Fund and other international financial organizations; through the monthly journeys now regularly made by our central bankers to the meetings of the Bank for International Settlements; and through the equally frequent travel by Government delegations to those meetings within the new Organization for Economic Cooperation and Development that are devoted mainly to potential problems and disturbances in the balance of payments of the leading industrial countries among its membership, a new kind of international financial cooperation has emerged. This, to me, is much more promising for the future than any of the grandiose proposals for a new supersovereignty in international monetary management—proposals that have attracted so much attention in the public prints, paradoxically, at the same time that these solid, if unspectacular, developments in real cooperation among sovereign governments were quietly taking place.

The experience of the past year, both in observing the behavior of the financial markets and in the negotiation of many new kinds of arrangements with the financial officials of many countries, has convinced me that the road of steady progress is that toward a growing multilateralization of the responsibility for the conduct of the world's monetary system. However important the dollar may be, the time is passing when other leading countries can, consciously or unconsciously, treat their dependence upon it as all privilege and no responsibility. The recognition of that underlying pattern of development probably accounts, more than anything else, for the ready interest shown by these same leading industrial countries over this past year in working out the arrangements for a massive increase in the resources available to the International Monetary Fund, on a standby basis. Preliminary announcement of these arrangements was made after a meeting of finance ministers and other leading financial officials in Paris 2 weeks ago. Additional details will be made public shortly.

It was the apparent conclusion of the ministers that the presently visible need is not for more international liquidity but for smoother arrangements to assure the ready shiftability of existing liquidity among the monetary reserves of the various countries of the free world. This, they recognize and accept, involves a greater use of other currencies, alongside the dollar, in coping with any potential strains affecting the performance of the monetary system as a whole.

In working toward the fundamental correction of the U.S. own balance of payments and in building a stronger financial buttress for the world monetary system which centers on the dollar, this has been an eventful year. Great issues have been advanced. To pare down the basic deficit in our balance of payments, a host of measures, some lasting, some temporary, have been introduced. Substantial improvement, year to year, has already been accomplished, while the economy was enjoying a rapid and broadly based recovery with general price stability.

To proceed further, at a vigorous rate of economic expansion, while cutting away entirely the basic deficit in the balance of payments, depends, among other things, on a change in the pattern of investment behavior. In this, government's role is to provide the stimulus, through depreciation reform, and to do all it can to create an environment within which the needed financing requirements will be met. That is why, in today's conditions, a balanced Federal budget is necessary. From there on, in keeping with the nature of our kind of economic system, the rest is up to labor, to management, and the spirit of creative enterprise.

In serving as the world's banker, the most important progress, too, will flow from the achievement of equilibrium in the basic balance-of-payments accounts. Much has been done, even more can be done, toward broadening and strengthening the entire monetary system which centers on the dollar.

My own judgment is that avenues have now been opened for a productive marriage between our internal and external financial policies. There is not, or need not be, an irreconcilable conflict between them.

LEGISLATIVE APPROPRIATION BILL, 1963

Mr. PROXMIRE. Mr. President, I submit three amendments which I intend to offer to the legislative appropriation bill, which I understand is the pending business before the Senate.

The PRESIDING OFFICER. The amendments will be received and printed and will lie on the table.

ADJOURNMENT

Mr. PROXMIRE. If there is no further business to come before the Senate, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow, in accordance with the previous order.

The motion was agreed to; and (at 5 o'clock and 46 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Thursday, August 2, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate (legislative day of July 26), 1962:

AGENCY FOR INTERNATIONAL DEVELOPMENT

Bernard T. Brennan, of New York, to be Deputy Administrator for Administration, Agency for International Development.

BUREAU OF CUSTOMS

Raymond F. Hufft, of Louisiana, to be collector of customs for customs collection district No. 20, with headquarters at New Orleans, La.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Charles J. Jennings, Ohatchee, Ala., in place of C. R. Propst, deceased.

ARIZONA

John A. Dinser, Saint Michaels, Ariz., in place of W. G. Humbert, retired.

ARKANSAS

Orba G. Feilley, Sherrill, Ark., in place of Maud Jackson, retired.

CALIFORNIA

Perry W. Martin, Lompoc, Calif., in place of H. N. Martin, retired.

Edythe E. Engebretsen, Mineral, Calif., in place of C. A. Beresford, retired.

Russell E. Jacobson, Newbury Park, Calif., in place of F. M. Hampton, retired.

Ella G. Weeks, Olivehurst, Calif., in place of W. R. Jones, resigned.

Julian Grembla, Santa Fe Springs, Calif. Office established September 1, 1958.

James E. Rice, Wheatland, Calif., in place of H. J. Gross, retired.

Gerald H. Conrad, Yreka, Calif., in place of D. J. Spurlock, deceased.

CONNECTICUT

Stanley L. Zaprzalka, Seymour, Conn., in place of A. H. Forst, retired.

FLORIDA

David W. Newell, Jr., High Springs, Fla., in place of B. H. Rawls, retired.

Warren C. Harden, Sopchoppy, Fla., in place of O. M. Ashmore, retired.

Oliver W. Hartwell, West Palm Beach, Fla., in place of R. L. McLester, retired.

GEORGIA

Ruth T. Hill, Sasser, Ga., in place of F. M. W. Brim, retired.

HAWAII

Yasuko T. Sakaida, Kualapuu, Hawaii, in place of R. M. Shimizu, deceased.

ILLINOIS

Orville E. Van Brocklin, Caledonia, Ill., in place of M. A. Ralston, retired.

Maynard R. Koltz, Capron, Ill., in place of M. M. Boyd, removed.

Jack L. Brandt, Geneva, Ill., in place of A. N. Modaff, resigned.

George J. Hobart, Lyons, Ill., in place of J. A. Krecek, deceased.

Haven W. Hammond, Martinsville, Ill., in place of Clem Wiser, retired.

Vincent E. Stephenson, Pittsfield, Ill., in place of A. B. Caughlan, retired.

Wendell L. Smith, Sandwich, Ill., in place of J. R. Montgomery, retired.

G. Clark Ewing, Sheldon, Ill., in place of W. G. McEwan, deceased.

William E. Morgan, Tennessee, Ill., in place of B. P. Hodges, retired.

Elmer W. Heuerman, Teutopolis, Ill., in place of C. W. Thoele, retired.

INDIANA

Robert A. Becker, Argos, Ind., in place of N. D. Thompson, retired.

Charles E. Sullenger, Freelandville, Ind., in place of W. J. Ritterskamp, retired.

Cleon G. Doty, Greenwood, Ind., in place of Raymond McClain, retired.

Robert O. Highfill, La Fontaine, Ind., in place of R. S. Roberts, retired.

Virgil S. Patterson, Matthews, Ind., in place of Bertha Dorton, retired.

Elmer H. Ham, Jr., Nineveh, Ind., in place of L. C. Ramey, removed.

Everett W. Smith, North Webster, Ind., in place of R. A. Richwine, retired.

John V. Pelchat, Notre Dame, Ind., in place of J. G. Fahey, transferred.

Samuel S. Hollon, Oakland City, Ind., in place of T. J. Lemasters, retired.

IOWA

Bill L. Beach, Sharpsburg, Iowa, in place of E. C. Long, deceased.

Vivian B. Ravnsborg, Turin, Iowa, in place of M. E. Petersen, retired.

Lawrence V. Benda, Waterville, Iowa, in place of M. A. Slattery, retired.

KANSAS

Daryl J. Lorenz, Altamont, Kans., in place of T. M. Tolmes, transferred.

Ferdinand A. Boling, Clyde, Kans., in place of J. G. Donahoe, transferred.

Charles R. Oakleaf, Mound Valley, Kans., in place of O. J. Canny, retired.

John R. Younkman, North Newton, Kans., in place of A. C. Linscheid, retired.

G. Max Conzelman, Republic, Kans., in place of M. J. Gardner, retired.

Lowell D. Harris, Waverly, Kans., in place of G. P. Nutt, retired.

KENTUCKY

Leland Bonar, Foster, Ky., in place of L. D. Boseke, retired.

William R. Reynolds, Gravel Switch, Ky., in place of J. M. Lane, removed.

Edward F. Robinson, Langley, Ky., in place of Frank May, retired.

Joseph E. Thompson, Loretto, Ky., in place of M. H. Buckler, retired.

Sister Marlene Young, Nerinx, Ky., in place of Sister M. S. Sollar, retired.

LOUISIANA

Jessie C. Slade, Baskin, La., in place of McEnry Jones, transferred.

Aline P. Smith, Haughton, La., in place of W. P. Lawrence, deceased.

MAINE

Arnold Brewer, Jr., Boothbay Harbor, Maine, in place of E. H. Foss, retired.

Norman L. Ware, Lincoln Center, Maine, in place of H. L. Annis, retired.

MARYLAND

Erma M. Pickens, Fork, Md., in place of V. M. Gordon, removed.

Charles R. Taylor, Riderwood, Md., in place of A. R. Rogers, deceased.

MICHIGAN

Clair L. Hill, Burlington, Mich., in place of L. C. Clark, retired.

Laurence W. Jackson, Jr., Clare, Mich., in place of Francis Jackson, retired.

Richard C. Crowner, Clawson, Mich., in place of C. M. Demerly, retired.

Albert P. Chyz, Highland, Mich., in place of M. M. Parks, retired.

Richard A. Stevens, Marine City, Mich., in place of A. G. Rochon, removed.

Kenneth H. Johnson, Orleans, Mich., in place of E. M. Face, retired.

Robert W. Hafeman, Wallace, Mich., in place of O. E. Melchoir, deceased.

MINNESOTA

David R. Steinley, Alexandria, Minn., in place of H. W. Long, deceased.

Roger W. Giles, Ivanhoe, Minn., in place of J. L. Gilson, retired.

Wendell E. Morrison, Kasota, Minn., in place of J. O. Barklow, resigned.

Neil T. Garvin, Le Sueur, Minn., in place of E. W. Ipsen, retired.

David J. Jacobs, Loretto, Minn., in place of R. A. Dickey, retired.

William F. Albrecht, Nassau, Minn., in place of H. E. Grube, deceased.

George M. Wellnitz, Odessa, Minn., in place of A. C. Wahoske, retired.

Thorvald C. Jensen, Ruthton, Minn., in place of J. C. Christensen, deceased.

Patrick N. O'Boyle, Saint Paul Park, Minn., in place of M. L. O'Boyle, resigned.

Alvin J. Grandstrand, Viking, Minn., in place of V. J. Hjelle, transferred.

MISSISSIPPI

Thomas D. Neely, Braxton, Miss., in place of Ola Chandler, resigned.

Faulk O. Smith, Leakesville, Miss., in place of Florence Churchwell, retired.

Mildred C. Quin, Liberty, Miss., in place of W. P. Young, deceased.

James H. Breazeale, Ovett, Miss., in place of M. B. Bounds, retired.

Bennie Jones, Pickens, Miss., in place of H. R. Varnado, retired.

Ernestine H. Pentecost, Ridgeland, Miss., in place of B. D. Battley, resigned.

MISSOURI

Curt J. Meinz, Altenburg, Mo., in place of A. W. Mueller, retired.

Bernie M. Crawford, Hermann, Mo., in place of W. W. Bruens, retired.

Shrader L. Mitchell, Holliday, Mo., in place of E. L. Glascock, retired.

MONTANA

Grace M. Coulston, Bainville, Mont., in place of A. C. Coulston, deceased.

Idell F. Moore, Ledger, Mont., in place of F. L. Hall, retired.

Philip E. Brovold, Rudyard, Mont., in place of R. P. Petersen, retired.

NEBRASKA

Mildred D. Fuhrer, Naper, Nebr., in place of L. H. Anderson, deceased.

Carroll L. Falk, Wilcox, Nebr., in place of J. W. Brawner, retired.

NEVADA

Laura W. Bell, Boulder City, Nev., in place of M. W. Wagner, deceased.

NEW HAMPSHIRE

Roger E. Hebert, Hooksett, N.H., in place of D. P. St. Germain, deceased.

G. Gardiner MacLeay, Jr., Meriden, N.H., in place of W. D. Jones, retired.

Joseph E. Caouette, Rollinsford, N.H., in place of P. J. Duffy, retired.

NEW JERSEY

John W. Wright, Cape May Court House, N.J., in place of G. W. Douglass, deceased.

Joseph J. Stahley, East Brunswick, N.J. Office established April 1, 1959.

NEW YORK

Welland L. Hitchcock, Bainbridge, N.Y., in place of H. L. Payne, retired.

James A. Mulholland, Delmar, N.Y., in place of A. I. Ryan, retired.

Dominick D. Formisano, Gardiner, N.Y., in place of P. G. Donahue, removed.

Howard D. Holland, Hadley, N.Y., in place of V. B. Hawk, retired.

Rodney N. Lockwood, Hinsdale, N.Y., in place of E. S. Baxter, deceased.

Arthur H. Withall, Ulster Park, N.Y., in place of C. H. Schoonmaker, retired.

Louis P. Kriss, West Islip, N.Y. Office established September 15, 1958.

NORTH CAROLINA

Joseph W. Mason, Jr., Atlantic, N.C., in place of B. T. Nelson, resigned.

G. Byron Rose, Clinton, N.C., in place of J. B. Darden, resigned.

J. Ivey Bridgers, Conway, N.C., in place of R. J. White, retired.

John B. Stroud, Ellenboro, N.C., in place of W. C. Stockton, resigned.

Mary L. Mann, Grifton, N.C., in place of V. N. Scarborough, retired.

R. Fain Hambright, Grover, N.C., in place of B. F. Bird, retired.

Louise R. Clayton, Hillsboro, N.C., in place of T. E. Bivins, resigned.

William B. Jenkins, Hookerton, N.C., in place of J. P. Seymour, removed.

Maude G. Peeler, Misenheimer, N.C., in place of C. A. Dry, resigned.

Theodore L. Ware, Jr., Mount Holly, N.C., in place of J. W. Nantz, Sr., resigned.

Edward M. Ingram, Robbinsville, N.C., in place of W. G. Carver, removed.

W. Herman Francis, Waynesville, N.C., in place of J. H. Howell, retired.

NORTH DAKOTA

Martha I. Trautman, Cleveland, N. Dak., in place of E. H. McDougall, retired.

Lorraine I. Gilbertson, Dunn Center, N. Dak., in place of O. R. Whitaker, transferred.

Raymond L. McNally, Lisbon, N. Dak., in place of J. E. Jones, retired.

Mildred V. Rudolph, Wolford, N. Dak., in place of A. J. Shaw, retired.

OHIO

Frederick N. Hertel, Jr., Antwerp, Ohio, in place of M. E. Bakle, retired.

Joseph V. Wayman, Jefferson, Ohio, in place of E. P. Wise, retired.

Mabel M. Bendetta, Malvern, Ohio, in place of H. H. Hart, retired.

Arch L. Brinker, New Waterford, Ohio, in place of L. T. Williams, retired.

Merrill L. Rowe, Portsmouth, Ohio, in place of F. E. Smith, resigned.

Kathryn S. Kerns, Urbana, Ohio, in place of P. H. Gifford, deceased.

OKLAHOMA

Deryl D. Milford, Byars, Okla., in place of D. E. Jones, transferred.

W. Leon Little, Hinton, Okla., in place of Paul Hampton, resigned.

Adron M. Burkhalter, Mountain View, Okla., in place of Blanche Zoellner, retired.

Wilfred H. Listen, Spencer, Okla., in place of H. F. Legg, retired.

OREGON

Richard A. King, Forest Grove, Oreg., in place of H. T. Smith, retired.

Chester T. French, Waldport, Oreg., in place of H. W. Goff, deceased.

PENNSYLVANIA

James N. Nicols, Dravosburg, Pa., in place of F. A. Meehan, retired.

Robert J. Bandel, Eightyfour, Pa., in place of W. E. Zediker, retired.

George T. Steinberger, Fairfield, Pa., in place of J. W. Beach, resigned.

Charles W. Pentz, Gettysburg, Pa., in place of L. E. Oyler, deceased.

Leonard R. Santore, Greensboro, Pa., in place of W. L. Huggins, retired.

Willard K. Allison, Jr., Hickory, Pa., in place of W. K. Allison, retired.

James J. McLaughlin, Holmes, Pa., in place of N. G. Landenberger, retired.

Frank Crea, Kingsley, Pa., in place of W. A. Tiffany, retired.

William D. Lauver, McAlisterville, Pa., in place of L. I. Leister, retired.

Jay F. Pollock, Mount Union, Pa., in place of R. E. Bell, retired.

Robert J. Lees, North Apollo, Pa., in place of D. E. Held, retired.

Vincent E. Schields, Shohola, Pa., in place of Ralph McKean, deceased.

Norman A. Serena, Summit Hill, Pa., in place of M. V. McFadden, retired.

Roger V. Courtwright, Wind Ridge, Pa., in place of G. H. Wright, retired.

RHODE ISLAND

Pasquale D. Frisella, Wakefield, R.I., in place of E. W. Belknap, deceased.

SOUTH CAROLINA

Selvern E. Moore, Jr., Barnwell, S.C., in place of J. B. Baxley, deceased.

Hoyt McMillan, Conway, S.C., in place of H. G. Cushman, retired.

Armond K. Price, Gilbert, S.C., in place of M. Y. Sease, retired.

TENNESSEE

William C. Herndon, Jr., Camden, Tenn., in place of J. M. Fry, deceased.

Virginia P. Spurlin, Riceville, Tenn., in place of W. H. Higginbotham, retired.

John E. Griffith, South Pittsburg, Tenn., in place of Lois McReynolds, retired.

TEXAS

Thomas H. Journeay, Angleton, Tex., in place of J. A. Armstrong, resigned.

Burton L. Kirtley, Jr., Graham, Tex., in place of W. E. Simpson, removed.

Lloyd F. Hurt, Kingsbury, Tex., in place of R. D. White, resigned.

T. A. Henson, Littlefield, Tex., in place of C. A. Joplin, deceased.

Jerry W. Canaday, Lone Star, Tex., in place of A. C. Mestayer, resigned.

William L. Brinkley, Mount Enterprise, Tex., in place of J. M. Green, retired.

Mary V. Polk, Pharr, Tex., in place of M. A. Hogan, retired.

Clarence E. Garrett, Pittsburg, Tex., in place of G. H. Holman, resigned.

Cliffogene V. Witt, Rising Star, Tex., in place of C. L. Smith, retired.

Terrell W. Brewer, Rosenberg, Tex., in place of L. O. Senkel, transferred.

John R. Hodgkins, Sanderson, Tex., in place of Clyde Griffith, retired.

UTAH

Thomas D. A. Smith, Circleville, Utah, in place of G. F. Gottfredson, resigned.

VIRGINIA

Mary F. Bowling, Bishop, Va., in place of E. K. Harman, resigned.

Walter E. Harmon, Boissevain, Va., in place of H. E. Love, retired.

Anne W. Diggs, Cobbs Creek, Va., in place of V. B. Williams, retired.

George W. Leigh, Drewryville, Va., in place of F. E. Pope, retired.

Samuel A. Johnson, Jr., Narrows, Va., in place of C. W. Brown, transferred.

H. Clayton Davis, Pearisburg, Va., in place of A. D. Gerberich, retired.

Robert W. MacAdoo, Pulaski, Va., in place of E. P. Whitman, retired.

James A. Mullin, Warsaw, Va., in place of R. C. Sanders, transferred.

Louise S. Buckley, White Post, Va., in place of J. B. Glasscock, deceased.

WASHINGTON

Harold S. Long, Kent, Wash., in place of M. O. Nelsen, retired.

Alta W. Graham, Langley, Wash., in place of E. C. Atkinson, retired.

Floyd V. Hausken, Toppenish, Wash., in place of P. D. Wilson, retired.

WEST VIRGINIA

Howard B. Faulkner, Bluefield, W. Va., in place of A. G. Porterfield, resigned.

Rosemary E. Earley, Boomer, W. Va., in place of E. O. Drake, resigned.

C. Clark Wolfe, Glenville, W. Va., in place of M. E. Whiting, retired.

Dallas E. Walker, Mason, W. Va., in place of D. R. Yeager, retired.

Harold L. Welker, Romney, W. Va., in place of C. J. Powell, retired.

Joseph V. Canfield, Saint Albans, W. Va., in place of R. C. May, retired.

WISCONSIN

Marold A. Johnson, Somerset, Wis., in place of W. H. Shay, retired.

Byron T. Adams, Wisconsin Rapids, Wis., in place of M. F. Gaulke, retired.

U.S. AIR FORCE ACADEMY

The following persons for appointment as permanent professors of the U.S. Air Force Academy, under the provisions of section 9333(b), title 10, United States Code:

Roger R. Bate, 62498A.
George V. Fagan, AO1580916.

IN THE AIR FORCE

The following person for reappointment to the active list of the Regular Air Force, in the grade indicated, from the temporary disability retired list, under the provisions of section 1211, title 10, United States Code:

To be major

William J. Kontur, 13290A.

The following persons for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be prescribed by the Secretary of the Air Force:

To be majors USAF (Medical)

Harold W. Dietz, AO3001470.
Joseph A. Hertell, AO2238726.

To be major, USAF (Dental)

Donald W. Dickson

To be captains, USAF (Medical)

John W. Axline, AO3074754.
Calvin J. Collins, AO3090425.
Russell R. Conley, AO3089849.
Alan B. Cooper, AO3044305.
Warren L. Early, AO2272159.
Raymond E. Gills, AO3089912.
Godofredo M. Herzog, AO3089197.
George E. Kandel, AO3075093.
Lydell C. Kiplin, AO3075091.
Cecil L. Minton, AO3092793.
Donald H. Pearson, AO3114621.
Leroy W. Rhein, AO5501010.
John L. Wanamaker, AO3111180.
Cecil E. White, AO3092802.
Clarence K. Whiteside, Jr., AO3092945.

To be captains, USAF (Dental)

James D. Browning, AO3043579.
Thomas W. Charron, AO1852376.
Earl W. Davis, AO3088757.
Guy W. Fenex, AO3045452.
Robert S. Garner, AO3090862.
Lyle G. Grosz, AO3090198.
Ralph L. Lambert, AO3078557.
Alfred D. Leinweber, AO3092499.
Roland M. Meffert, AO3001262.
Joseph M. Powell, AO3088774.
Donald C. Turner

To be captains, USAF (Judge Advocate)

Robert L. Frasier, AO2235592.
Gary B. Reimer, AO3055293.

To be captain, USAF (Nurse)

Phyllis J. Weaver, AN1858535.

To be first lieutenants, USAF (Dental)

Daniel J. Krenzel, AO3111352.
Donald L. Steed, AO3112563.

To be first lieutenants, USAF (Judge Advocate)

Floyd Cole, Jr., AO3118125.
Arnold H. Pollock, AO3029582.
Eugene Simonalle, AO3118114.
Vernon L. Steerman, AO3120981.
Douglas L. Williams, AO3102754.

To be first lieutenants, USAF (Nurse)

Lucile A. Bianchi, AN2244166.
Mary E. Boyd, AN3079387.
Mary H. Clark, AN2242077.
Charlotte R. Cook, AN3091171.
Patsy D. Dotter, AN3078597.
Bobbie S. Frye, AN3090971.
Juanita Garza, AN3075536.
Florence L. Jones, AN3044591.
Mary C. McCann, AN3089074.
Betsy L. Ross, AN3076735.
Margaret A. Ryan, AN3089601.
Earl C. Whittemore, Jr., AN3044558.

To be first lieutenant, USAF (Medical Specialist)

Hannah S. Margolis, AM3075364.

To be second lieutenants, USAF (Nurse)

Beatrice J. Buksa, AN3110848.
Alvin W. Smith, Jr., AN3111811.

The following persons for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

To be majors

Thomas L. Crull, AO1998855.
Glendon K. Dunaway, AO2073943.
Edwin K. Jones, AO2066675.
Jacob Kratt, Jr., AO2033374.
Sammy V. C. Snider, AO693170.

To be captains

Ronald L. Allaire, AO3022612.
Thomas C. Birkhead, AO2226289.
Wilson S. Decker, AO3022493.
Chester R. Golka, AO3039650.
James W. Ingeman, Jr., AO937515.
Robert A. Maiden, AO3035232.
Clarence T. May, AO1866081.
William H. McMurray, AO1908937.
Walter L. Rudd, AO1912247.
John C. Shinn, Jr., AO3004559.
Harold T. Stubbs, AO1908771.
Carmine A. Vito, AO2226880.

To be first lieutenants

Billy J. Brown, AO3052473.
Charles E. Carlbom, AO3071946.
Wayne A. Carr, AO3008917.
Jack E. Herzik, AO3074271.
Joseph J. Hoder, AO3093275.
Gary C. Prickett, AO3065082.
Ronald K. Shepler, AO3072986.

To be second lieutenants

Distinguished Aviation Cadet Graduate
Peter H. Chapman II, AO3122709.

Distinguished Officer Training School Graduates

David W. Clark, AO3122219.
Richard L. Emberlin, AO3122223.
Charles E. Franklin, AO3121486.
Jon E. Freckleton, AO3121487.
Donald W. Gober, AO3122127.
Charles H. Haberstich, AO3122129.
Roger A. Hickman, AO3122130.
David D. Holt, AO3121546.
Louis A. Kun, AO3121594.
John W. Lewis, AO3120839.
Robert M. Lloyd, AO3121613.
Donald E. Lumpkin, AO3121618.
Robert M. McHargue, AO3121647.
Anthoney Meeker, AO3121649.
Edwin C. Payne, AO3121689.
James L. Radloff, AO3122242.
David A. Richardson, AO3121707.
Paul L. Roberson, AO3122145.
Ellsworth P. Scales III, AO3121726.
Eugene W. Shade, AO3122148.
Larry W. Slessler, AO3122035.
Kenneth E. Staggs, AO3122045.
James R. Stewart, AO3122154.
Ronald Thompson, AO3122066.
Stanley J. Underdal, AO3122204.
Alexander L. Valentine, Jr., AO3122205.
Joe E. Ventura, AO3122248.
Robert N. Virden, AO3122157.
Lawrence G. Zamponi, AO3122257.

Subject to medical qualification and subject to designation as distinguished military graduates, the following distinguished military students of the Air Force Reserve Officers' Training Corps for appointment in the

Regular Air Force, in the grade of second lieutenant, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

Edward W. Allis
Lawrence B. Anderson
David W. Anderton
Keith W. Balcom
John F. Baldwin
Bruce G. Barrett
Neil R. Bearce, Jr.
James A. Bell
Horace E. Benedict
Roy F. Birkhead
David C. Blevins
Donald M. Bohler
Douglas R. Blount
Donald A. Brooks
Paul H. Burbage III
Robert C. Christensen
Ray G. Collins III
William T. Cooper
Jan G. Cummings
Larry A. Darda
Leslie A. Dean
Joseph P. Dellinger
David L. Dibell
Roger W. Dixon
Matthew W. Donavin III
Anton J. Dorr
Noel H. Duncan
Lester B. Durham
Hunter D. Echols
Richard J. Flaherty
Theodore P. Foster, Jr.
Benard W. Gann
Frank O. Garrity, Jr.
Arthur E. Greiner
Kenneth J. Gurry
Lawrence J. Hagen
Edwin L. Hamilton
Jay W. Hamilton
George W. Hanks
Robert C. Hansen
Larry E. Harvey
Robert E. Hawkins
Richard S. Heaton
Lee C. Hitchcock
William B. Huey
Robert S. Ingram
Douglas W. Jamieson
Joseph R. Johnson
Walter S. Kirimitsu
William S. Koopman
Leon A. Kranz
Loel J. Labberton
John M. Lind
Darrell L. Lucas
Erving W. Mantey
Thomas L. Marek
Samuel P. Mitchell, Jr.
William J. Morgan
Fred L. Morton
James E. Muehleisen
Leon J. Murphey
Robert L. Newton
Ronald B. Owens
Charles M. Ozment
Arthur P. Petty III
Milton B. Porter
Donald A. Richardson
William J. Ritchie
Harold L. Rogler
David Sanchez
Thomas F. Schammel
William H. Sibley
Jon J. Silvernail
Albert R. Sinclair
Ronald V. Smith
David E. Sundstrom
Warren N. Suzuki
Ronald C. Talcott
Jerry M. Terry
James G. Thomas
Preston J. Thornbrough
Joel M. Upton
Paul L. Vanston
Donald D. Warrick
Arthur J. Wilson III
Richard L. Wilson
Alan E. Yabui
Frederick A. Zehrer III
Robert K. Zimmerman

CONFIRMATIONS

Executive nominations confirmed by the Senate August 1 (legislative day of July 26), 1962:

DEPARTMENT OF AGRICULTURE

John A. Baker, of Virginia, to be an Assistant Secretary of Agriculture.

COMMODITY CREDIT CORPORATION

John A. Baker, of Virginia, to be a member of the Board of Directors of the Commodity Credit Corporation.

U.S. DISTRICT JUDGES

Harold R. Tyler, Jr., of New York, to be U.S. district judge for the southern district of New York.

Mitchell H. Cohen, of New Jersey, to be U.S. district judge for the district of New Jersey.

Allen E. Barrow, of Oklahoma, to be U.S. district judge for the northern district of Oklahoma.

WITHDRAWAL

Executive nomination withdrawn from the Senate August 1 (legislative day of July 26), 1962:

POSTMASTER

The nomination sent to the Senate on January 22, 1962, of Glenn M. Mattison to be postmaster at Amberg in the State of Wisconsin.

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 1, 1962

The House met at 12 o'clock noon.

Dr. Waights G. Henry, Jr., D.D., president, La Grange College, La Grange, Ga., offered the following prayer:

Proverbs 14: 34: *Righteousness exalteth a nation, but sin is a reproach to any people.*

We bow our heads in reverence before Thee, our Heavenly Father, to acknowledge that Thou alone of all in our universe art worthy of our souls' adoration. We confess that our deviation is more apparent than our devotion. We beg Thy forgiveness and ask for enlightenment and direction.

Thy hand of blessing through the centuries has rested upon those nations that love Thee. All nations stand under the judgment of Thy righteousness. Make us worthy to petition Thy benedictions upon our beloved country.

Grant that on this day these men assembled may perform their sacred tasks with vital courage, holy wisdom, and under the sense of divine surveillance. Give unto us all those rich rewards that come to those who love and obey Thee. In Christ's holy name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on July 31, 1962, the President approved and signed a bill and a joint resolution of the House of the following titles:

H.R. 10618. An act granting the consent of Congress to the southern interstate nuclear compact, and for related purposes; and

H.J. Res. 839. Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes.

WATERSHED PROTECTION AND FLOOD PREVENTION

The SPEAKER laid before the House the following communication, which was read and, together with the accompanying papers, referred to the Committee on Appropriations:

JULY 27, 1962.

Hon. JOHN MCCORMACK,
The Speaker,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture has today considered the work plans transmitted to you by executive communication and referred to this committee and unanimously approved each of such plans. The work plans involved are:

Executive communication No. 2060: Kentucky; Little Kentucky.

Executive communication No. 2060: Hawaii; Puukapu.

Executive communication No. 2060: Illinois; Scattering Fork.

Executive communication No. 1899: Georgia; Rocky Comfort Creek.

Executive communication No. 1899: Missouri; South Fork Blackwater River.

Executive communication No. 2288: Florida; South Sumter.

Executive communication No. 2288: Michigan; North Branch Mill Creek.

Executive communication No. 2288: Texas; Kent Creek.

Executive communication No. 2288: Ohio; Dick's Creek-Little Muddy Creek.

Sincerely yours,
HAROLD D. COOLEY,
Chairman.

INDEPENDENT OFFICES APPROPRIATION BILL, 1963

The SPEAKER. The unfinished business is the question on the passage of the bill, H.R. 12711.

The Clerk read the title of the bill.

The SPEAKER. The question is on the passage of the bill.

The question was taken.

Mr. HALL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 368, nays 12, not voting 55, as follows:

[Roll No. 184]

YEAS—368

Abbitt
Abernethy
Adair
Addabbo
Albert
Alexander
Andersen, Minn.
Anderson, Ill.
Andrews
Anfuso
Arends
Ashbrook
Ashley
Ashmore
Aspinall
Auchincloss
Avery
Bailey
Baker
Baldwin
Barrett
Barry
Bass, Tenn.
Bates
Becker
Beckworth
Belcher
Bell
Bennett, Fla.
Bennett, Mich.
Berry
Betts
Blatnik
Boland
Bolling
Bonner
Bow
Boykin
Brademas
Bray
Breeding
Bromwell
Brooks, Tex.
Broomfield
Brown
Broyhill
Burke, Ky.
Burke, Mass.
Burleson
Byrne, Pa.
Byrnes, Wis.
Cahill
Cannon
Carey
Casey
Cederberg
Celler
Chamberlain
Chelf
Chenoweth
Chiperfield
Church
Clancy
Clark
Cohelan
Collier
Colmer
Conte
Cook
Cooley
Corbett
Corman
Cramer
Cunningham
Curtin
Daddario
Dague
Daniels
Davis, James C.
Davis, John W.
Dawson
Delaney
Dent
Denton
Derounian
Derwinski
Devine
Diggs
Dole
Dominick
Donohue
Dorn
Dowdy
Downing
Doyle
Dulski
Durno
Dwyer
Edmondson
Elliott
Ellsworth
Everett
Fallon
Farbstein
Fascell
Feighan
Fenton
Finnegan
Fino
Fisher
Flood
Flynt
Fogarty
Ford
Forrester
Fountain
Frelinghuysen
Friedel
Fulton
Gallagher
Garmatz
Gary
Gathings
Gavin
Giaimo
Glenn
Goodling
Grant
Gray
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Gross
Gubser
Hagan, Ga.
Hagen, Calif.
Haley
Halleck
Halpern
Hansen
Harding
Hardy
Harrison, Va.
Harrison, Wyo.
Harsha
Harvey, Ind.
Harvey, Mich.
Hays
Healey
Hechler
Hemphill
Henderson
Herlong
Hoeven
Hoffman, Ill.
Holifield

Holland
Horan
Hosmer
Huddleston
Hull
Inouye
Jarman
Jennings
Jensen
Joelson
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jonas
Jones, Ala.
Jones, Mo.
Judd
Karsten
Kastenmeier
Kearns
Kee
Keith
Kelly
Keogh
Kilgore
King, Calif.
King, N.Y.
Kirwan
Kitchin
Kluczynski
Knox
Kornegay
Kowalski
Kunkel
Kyl
Laird
Landrum
Lane
Langen
Lankford
Latta
Lennon
Libonati
Lindsay
Lipscomb
McCulloch
McDonough
McDowell
McFall
McIntire
McMillan
Macdonald
MacGregor
Mack
Madden
Magnuson
Mahon
Mailliard
Marshall
Martin, Mass.
Martin, Nebr.
Mathias
Matthews
May
Meader
Miller, Clem
Miller, N.Y.
Milliken
Mills
Minshall
Monagan
Montoya
Moore
Moorehead, Ohio
Moorhead, Pa.
Morgan
Morris
Morrison
Morse
Mosher
Moss
Multer
Murphy
Murray
Natcher
Nelsen
Nix
Norblad
Norrell
Nygaard
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen
O'Neill
Osmers
Ostertag
Passman
Patman
Pelly
Perkins
Pfost
Philbin
Pike
Pillion
Pirnie
Poage
Poff
Powell
Price
Purcell
Quie
Randall
Reece
Reifel
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Riley
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Rosenthal
Rostenkowski
Roudebush
Roush
Rousselot
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. George
Santangelo
Saylor
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Scott
Scranton
Selden
Shelley
Sheppard
Shipley
Shriver
Sibal
Sikes
Siler
Sisk
Slack
Smith, Calif.
Smith, Iowa
Smith, Va.
Spence
Springer
Stafford
Staggers
Steed
Stephens
Stratton
Stubblefield
Sullivan
Taylor
Teague, Calif.
Teague, Tex.
Thomas
Thompson, N.J.
Thomson, Wis.
Toll
Tollefson
Trimble
Tuck
Tupper
Udall, Morris K.
Ullman
Vanik
Van Pelt
Van Zandt
Vinson
Waggonner
Wallhauser
Walter
Watts
Weaver
Weis
Westland
Whalley
Wharton
Whitener
Whitten
Wickersham
Widnall
Williams
Willis
Wilson, Calif.
Wilson, Ind.
Wright
Young
Younger
Zablocki
Zelenko

NAYS—12

Alger
Beermann
Bruce
Curtis, Mo.
Gonzalez
Goodell
Hall
Hiestand
Johansen
Michel
Ray
Utt

NOT VOTING—55

Alford
Ayres
Baring
Bass, N.H.
Battin
Blitch
Boggs
Bolton
Brewster
Buckley
Coad
Curtis, Mass.
Davis, Tenn.
Dingell
Dooley
Evins
Findley
Frazier
Garland
Gilbert
Granahan
Harris
Hébert
Hoffman, Mich.
Ichord, Mo.
Karth
Kilburn
King, Utah
Lesinski
Loser
McSween
McVey
Mason
Merrow
Miller, George P.
Moeller
Moulder
Nedzi
Peterson
Pilcher
Pucinski
Rains
St. Germain
Saund
Scherer
Seely-Brown
Short
Smith, Miss.
Taber
Thompson, La.
Thompson, Tex.
Thornberry
Winstead
Yates

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Ayres.
Mr. Boggs with Mr. Merrow.
Mr. Peterson with Mr. Kilburn.
Mr. Buckley with Mrs. Bolton.
Mr. Thompson of Texas with Mr. Findley.
Mr. Loser with Mr. Seely-Brown.
Mr. Davis of Tennessee with Mr. Battin.
Mr. Gilbert with Mr. McVey.
Mr. Frazier with Mr. Short.
Mr. Pucinski with Mr. Dooley.
Mr. Rains with Mr. Curtis of Missouri.
Mr. Brewster with Mr. Mason.
Mr. Evins with Mr. Bass of New Hampshire.
Mr. Nedzi with Mr. Scherer.
Mr. George P. Miller with Mr. Taber.
Mr. St. Germain with Mr. Hoffman of Michigan.
Mrs. Granahan with Mr. Garland.

Mr. ALGER changed his vote from "yea" to "nay."

Messrs. COLLIER and LAIRD changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

UPPER DIVISION OF THE BAKER FEDERAL RECLAMATION PROJECT, OREGON

The SPEAKER. The further unfinished business is the question of the passage of the bill, H.R. 575.

The Clerk read the title of the bill.

The SPEAKER. The question is on the passage of the bill.

Mr. HOSMER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 200, nays 182, not voting 53, as follows:

[Roll No. 185]

YEAS—200

Addabbo
Albert
Andrews
Ashley
Aspinall
Bailey
Baker
Baldwin
Barrett
Bass, Tenn.
Bennett, Fla.
Bennett, Mich.
Blatnik
Boland
Bolling
Bonner
Boykin
Brademas
Breeding
Brewster
Brooks, Tex.
Burke, Ky.
Burke, Mass.
Byrne, Pa.
Carey
Celler
Chelf
Chenoweth
Clark
Cohelan
Cook
Cooley
Corman
Daddario
Daniels
Davis, John W.
Dawson
Delaney
Dent
Denton
Diggs
Donohue
Downing
Doyle
Dulski
Edmondson
Elliott
Everett
Fallon
Farbstein
Fascell
Finnegan
Fisher
Flood
Flynt
Fogarty
Forrester
Friedel
Gallagher
Garmatz
Giaimo
Gonzalez
Grant
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gubser
Hagan, Ga.
Hagen, Calif.
Halpern
Hansen
Harding
Hardy
Harrison, Va.
Hays
Healey
Hechler
Holifield
Holland
Horan
Huddleston
Hull
Inouye
Jarman
Jennings
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jones, Ala.
Karsten
Kastenmeier
Kearns
Kee
Kelly
Keogh
Kilgore
King, Calif.
Kluczynski
Kowalski
Landrum
Lane
Lankford
Libonati
McDowell
McFall
McMillan
Macdonald
Mack
Madden
Magnuson
Mahon
Marshall
Mathias
Matthews
May
Miller, Clem
Mills
Montoya
Moorhead, Pa.
Morgan
Morris
Morrison
Moss
Multer
Murphy
Murray
Natcher
Nix
Norblad
Norrell
Nygaard
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Patman
Perkins
Pfost
Philbin
Poage
Powell
Price
Randall
Reifel
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Rivers, Alaska
Roberts, Ala.
Roberts, Tex.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Rosenthal
Rostenkowski
Roush
Rutherford
Ryan, Mich.
Ryan, N.Y.
Santangelo
Selden
Shelley
Sheppard
Shipley
Sikes
Sisk
Slack
Smith, Miss.
Smith, Va.
Spence
Staggers
Steed
Stephens
Stratton
Stubblefield
Sullivan
Teague, Tex.
Thomas
Thompson, N.J.
Toll
Tollefson
Trimble
Udall, Morris K.
Ullman
Vinson
Walter
Watts
Weaver
Wickersham
Willis
Wright
Young
Zablocki
Zelenko

NAYS—182

Abbitt
Abernethy
Adair
Alexander
Alger
Andersen, Minn.
Anderson, Ill.
Arends
Ashbrook
Ashmore
Auchincloss
Avery
Barry
Bates
Becker
Beckworth
Beermann
Belcher
Bell
Berry
Betts
Bow
Bray
Bromwell
Broomfield
Brown
Broyhill
Bruce
Burleson
Byrnes, Wis.
Cahill
Cannon
Casey
Cederberg
Chamberlain
Chiperfield
Church
Clancy
Collier
Colmer
Conte
Corbett
Cramer
Cunningham
Curtin
Curtis, Mo.
Dague
Davis, James C.
Derounian
Derwinski
Devine
Dole
Dominick
Dorn
Dowdy
Durno
Dwyer
Ellsworth
Feighan
Fenton
Fino
Ford
Fountain
Frelinghuysen
Fulton
Gary
Gathings
Gavin
Glenn
Goodell
Goodling
Griffin
Gross
Haley
Hall
Halleck
Harrison, Wyo.
Harsha
Harvey, Ind.
Harvey, Mich.
Hemphill
Henderson
Herlong
Hiestand
Hoeven
Hoffman, Ill.
Hosmer
Jensen
Joelson
Johansen
Jonas
Jones, Mo.
Judd
Keith
King, N.Y.
Kitchin
Knox
Kornegay
Kunkel
Kyl
Laird
Langen
Latta
Lennon
Lindsay
Lipscomb
McCulloch
McDonough
McIntire
MacGregor
Mailliard
Martin, Mass.
Martin, Nebr.
Meader
Michel
Miller, N.Y.
Milliken
Minshall
Moeller
Monagan
Moore
Moorehead, Ohio
Morse
Mosher
Nelsen
O'Konski
Osmers
Ostertag
Passman
Pelly
Pike
Pillion
Pirnie
Poff
Purcell
Quie
Ray
Reece
Riehlman
Riley
Rivers, S.C.
Robison
Roudebush
Rousselot
St. George
Saylor
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Scott
Scranton
Shriver
Sibal
Siler
Smith, Calif.
Smith, Iowa
Springer
Stafford
Taylor
Teague, Calif.
Thomson, Wis.
Tuck
Tupper
Utt
Vanik
Van Pelt
Van Zandt
Waggonner
Wallhauser
Weis
Westland
Whalley
Wharton
Whitener
Whitten
Widnall
Williams
Wilson, Calif.
Wilson, Ind.
Younger

NOT VOTING—53

Alford
Anfuso
Ayres
Baring
Bass, N.H.
Battin
Blitch
Boggs
Bolton
Buckley
Coad
Curtis, Mass.
Davis, Tenn.
Dingell
Dooley
Evins
Findley
Frazier
Garland
Gilbert
Granahan
Harris
Hébert
Hoffman, Mich.
Ichord, Mo.
Karth
Kilburn
King, Utah
Kirwan
Lesinski
Loser
McSween
McVey
Mason
Merrow
Miller, George P.
Moulder
Nedzi
Peterson
Pilcher
Pucinski
Rains
St. Germain
Saund
Scherer
Seely-Brown
Short
Taber
Thompson, La.
Thompson, Tex.
Thornberry
Winstead
Yates

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Taber against.
Mr. Boggs for, with Mr. Hoffman of Michigan against.
Mr. Thompson of Texas for, with Mr. Findley against.
Mr. Gilbert for, with Mrs. Bolton against.
Mr. Buckley for, with Mr. Curtis of Massachusetts against.
Mr. Loser for, with Mr. Ayres against.
Mr. Davis of Tennessee for, with Mr. Dooley against.
Mr. Frazier for, with Mr. Garland against.
Mr. Peterson for, with Mr. Scherer against.
Mr. St. Germain for, with Mr. Mason against.
Mr. George P. Miller for, with Mr. Kilburn against.
Mr. Dingell for, with Mr. Bass of New Hampshire against.
Mr. Kirwan for, with Mr. Merrow against.
Mr. Nedzi for, with Mr. Seely-Brown against.
Mr. Lesinski for, with Mr. McVey against.
Mr. Anfuso for, with Mr. Winstead against.
Mr. Pucinski for, with Mr. Alford against.

Until further notice:

Mrs. Granahan with Mr. Battin.
Mr. Coad with Mr. Short.

Mr. FULTON changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SPOKANE VALLEY PROJECT

The SPEAKER. The next unfinished business is the vote on the passage of the bill (S. 2008) to amend the act of September 16, 1959 (73 Stat. 561; 43 U.S.C. 615a), relating to the construction, operation, and maintenance of the Spokane Valley project.

The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

The title of the bill was amended to read: "An Act to amend the Act of September 16, 1959 (73 Stat. 561; 43 U.S.C. 615s), relating to the construction, operation, and maintenance of the Spokane Valley project."

FIFTEENTH ANNUAL REPORT OF HOUSING AND HOME FINANCE AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Banking and Currency:

To the Congress of the United States:

Pursuant to the provisions of section 802(a) of the Housing Act of 1954, I transmit herewith for the information of the Congress the 15th Annual Report of the Housing and Home Finance Agency covering housing activities for the calendar year 1961.

JOHN F. KENNEDY.

THE WHITE HOUSE, *August 1, 1962.*

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL, 1963

Mr. FOGARTY. Mr. Speaker, I call up the conference report on the bill (H.R. 10904) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1963, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2100)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10904) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 9, 16, 25, 49, 51, 54, and 55.

That the House recede from its disagreement to the amendments of the Senate numbered 10, 14, 15, 18, 20, 21, 22, 24, 29, 30, 31, 32, 33, 34, 35, 36, 39, 40, 50, 53, 57, 58, 59, 61, 64, and 66; and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$70,000,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,344,500"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,048,500"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$893,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,261,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "expenses of primary and secondary schooling of dependents, in foreign countries, of Public Health Service commissioned officers stationed in foreign countries, in amounts not to exceed an average of $285 per student, when it is determined by the Secretary that the schools available in the locality are unable to provide adequately for the education of such dependents, and for the transportation of such dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,993,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,250,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,250,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,122,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$24,707,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$159,826,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$155,742,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$143,599,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$147,398,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$21,199,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree

to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$103,388,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$66,142,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$83,506,000"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "Sec. 203. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount for indirect expenses in connection with such project in excess of 20 per centum of the direct costs."

An the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "204"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,973,000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"Sec. 904. None of the funds contained in this Act for 'Juvenile delinquency and youth offenses' shall be paid, for the purpose of conducting or assisting in conducting a research or demonstration project, to any person or organization registered with the Clerk of the House and the Secretary of the Senate under the Regulation of Lobbying Act."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 3, 5, 6, 13, 17, 19, 52, 56, 63, and 68.

John E. Fogarty,
Winfield K. Denton,
Clarence Cannon,
Melvin R. Laird (except as to action on amendments 41 through 48)
Managers on the Part of the House.

Lister Hill,
Richard B. Russell,
Warren G. Magnuson,
John C. Stennis,
John O. Pastore,
Milton R. Young,
Norris Cotton,
Margaret Chase Smith,
Gordon Allott,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1963, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—DEPARTMENT OF LABOR

Manpower development and training activities

Amendment No. 1—Appropriates $70,000,000 instead of $75,000,000 as proposed by the Senate.

Welfare and pension plan reports activities

Amendment No. 2—Reported in disagreement. A motion will be offered in the House to agree to the Senate amendment with an amendment to appropriate $1,500,000 instead of $1,532,000 as proposed by the Senate and to add the language "to be transferred to Salaries and expenses, Bureau of Labor Standards."

Bureau of Employment Security

Amendment No. 3—Reported in disagreement. A motion will be offered in the House to appropriate $400,000,000 for grants to States instead of $350,000,000 as proposed by the House and $405,000,000 as proposed by the Senate. The Department reports that $20,590,000 of the Senate allowance is required to meet increased State salaries, while only $7,200,000 of the 1962 appropriation was budgeted for the same purpose. The committee of conference questions the need for this large an increase.

Amendment No. 4—Strikes language proposed by the Senate.

Amendments Nos. 5 and 6—Reported in disagreement.

Amendment No. 7—Appropriates $1,344,500 for "Compliance Activities, Mexican Farm Labor Program" instead of $1,640,000 as proposed by the House and $1,049,000 as proposed by the Senate.

Amendment No. 8—Appropriates $2,048,500 for "Salaries and Expenses, Mexican Farm Labor Program" instead of $2,178,000 as proposed by the House and $1,919,000 as proposed by the Senate.

Bureau of Labor Standards

Amendment No. 9—Restores language proposed by the House and stricken by the Senate.

Amendment No. 10—Appropriates $3,244,000 as proposed by the Senate instead of $3,800,000 as proposed by the House.

Women's Bureau

Amendment No. 11—Appropriates $893,000 for salaries and expenses instead of $718,000 as proposed by the House and $968,000 as proposed by the Senate.

Office of the Solicitor

Amendment No. 12—Appropriates $4,261,000 for salaries and expenses instead of $4,181,000 as proposed by the House and $4,281,000 as proposed by the Senate.

Office of the Secretary

Amendment No. 13—Reported in disagreement. A motion will be made in the House to recede from disagreement to the Senate amendment and agree to the same with an amendment which will appropriate $2,026,000 instead of $1,905,000 as proposed by the House and $2,066,000 as proposed by the Senate and will authorize the use of funds for commissions or boards to resolve labor-management disputes. If this motion is agreed to, it will have the following effect: Appropriate no funds for a departmental archives and a historian as proposed by the House instead of $20,000 as proposed by the Senate; appropriate $80,000 for celebration of the Department's 50th anniversary instead of $109,000 as proposed by the House and $50,000 as proposed by the Senate; and appropriate $150,000 for activities involved in resolving labor-management disputes including expenses of commissions or boards instead of nothing as proposed by the House and $200,000 as proposed by the Senate.

Amendment No. 14—Strikes language proposed by the House.

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education

Amendment No. 15—Appropriates $34,716,000 for "Promotion and further development of vocational education" as proposed by the Senate instead of $34,672,000 as proposed by the House.

Amendment No. 16—Strikes appropriation of $15,707,000 for "Payments to School Districts, fiscal year 1962" proposed by the Senate.

Amendment No. 17—Reported in disagreement.

Amendment No. 18—Provides authority to make advance loans and payments under Title II of the National Defense Education Act for the first quarter of the next succeeding fiscal year at any time after March 31 of the current year as proposed by the Senate instead of any time after May 31 as proposed by the House.

Amendment No. 19—Reported in disagreement.

Amendment No. 20—Appropriates $12,300,000 for salaries and expenses as proposed by the Senate instead of $12,250,000 as proposed by the House.

Office of Vocational Rehabilitation

Amendment No. 21—Appropriates $25,500,000 for "Research and training" as proposed by the Senate instead of $24,500,000 as proposed by the House.

Amendment No. 22—Appropriates $2,000,000 for "Research and training (special foreign currency program)" as proposed by the Senate instead of $1,500,000 as proposed by the House.

Public Health Service

Amendment No. 23—Strikes language proposed by the Senate and restores language proposed by the House and stricken by the Senate amended to change the term "Public Health Service personnel" to "Public Health Service commissioned officers."

Amendment No. 24—Appropriates $33,200,000 for "Buildings and facilities" as proposed by the Senate instead of $31,000,000 as proposed by the House.

Amendment No. 25—Appropriates $10,062,000 for "Communicable Disease Activities" as proposed by the House instead of $10,662,000 as proposed by the Senate.

Amendments Nos. 26, 27, and 28—Appropriate $6,993,000 for "Control of Tuberculosis" instead of $6,493,000 as proposed by the House and $7,493,000 as proposed by the Senate; and provide that $1,250,000 of the appropriation shall be available for project grants to States instead of $1,000,000 provided by the House and $1,500,000 as provided by the Senate; and provide that $3,250,000 of the appropriation shall be available for formula grants to States instead of $3,000,000 provided by the House and $3,500,000 as provided by the Senate.

Amendment No. 29—Appropriates $8,000,000 for "Control of Venereal Diseases" as proposed by the Senate instead of $7,000,000 as proposed by the House.

Amendment No. 30—Appropriates $3,006,000 for "Dental Services and Resources" as proposed by the Senate instead of $2,506,000 as proposed by the House.

Amendments Nos. 31–35—Appropriate $226,220,000 for "Hospital Construction Activities" as proposed by the Senate instead of $188,572,000 as proposed by the House and provide the following earmarking of funds under the appropriation: $150,000,000 for grants or loans for hospitals and related facilities pursuant to Part C as proposed by the Senate instead of $125,000,000 as proposed by the House; $4,200,000 for the purposes authorized in section 636 as proposed by the Senate instead of $1,800,000 as proposed by the House; $70,000,000 for grants or loans for facilities pursuant to Part G as proposed by the Senate instead of $60,000,000 as proposed by the House; and $20,000,000 for nursing homes as proposed by the Senate instead of $10,000,000 as proposed by the House.

Amendment No. 36—Appropriates $8,536,000 for "Milk, Food, Interstate, and Community Sanitation" as proposed by the Senate instead of $7,502,000 as proposed by the House.

Amendment No. 37—Appropriates $4,122,000 for "Occupational Health" instead of $4,022,000 as proposed by the House and $4,542,000 as proposed by the Senate.

Amendment No. 38—Appropriates $24,707,000 for "Water Supply and Water Pollution Control" instead of $24,607,000 as proposed by the House and $25,407,000 as proposed by the Senate.

Amendment No. 39—Deletes language proposed by the House making $2,657,000 of the appropriation "Hospitals and Medical Care" available for carrying out the Dependents' Medical Care Act.

Amendment No. 40—Appropriates $47,602,000 for "Hospitals and Medical Care" as proposed by the Senate instead of $50,259,000 as proposed by the House.

Amendment No. 41—Appropriates $159,826,000 for "General Research and Services, National Institutes of Health" instead of $155,826,000 as proposed by the House and $161,826,000 as proposed by the Senate.

Amendment No. 42—Appropriates $155,742,000 for "National Cancer Institute" instead of $150,409,000 as proposed by the House and $158,409,000 as proposed by the Senate.

Amendment No. 43—Appropriates $143,599,000 for "Mental Health Activities" instead of $133,599,000 as proposed by the House and $148,599,000 as proposed by the Senate.

Amendment No. 44—Appropriates $147,398,000 for "National Heart Institute" instead of $143,398,000 as proposed by the House and $149,398,000 as proposed by the Senate.

Amendment No. 45—Appropriates $21,199,000 for "National Institute of Dental Research" instead of $19,199,000 as proposed by the House and $22,199,000 as proposed by the Senate.

Amendment No. 46—Appropriates $103,388,000 for "Arthritis and Metabolic Disease Activities" instead of $98,721,000 as proposed by the House and $105,721,000 as proposed by the Senate.

Amendment No. 47—Appropriates $66,142,000 for "Allergy and Infectious Disease Activities" instead of $62,142,000 as proposed by the House and $68,142,000 as proposed by the Senate.

Amendment No. 48—Appropriates $83,506,000 for "Neurology and Blindness Activities" instead of $77,506,000 as proposed by the House and $86,506,000 as proposed by the Senate.

Amendment No. 49—Restores language proposed by the House and stricken by the Senate with regard to the National Library of Medicine.

Amendment No. 50—Inserts language proposed by the Senate.

Amendment No. 51—Strikes language proposed by the Senate to extend the availability of certain construction funds.

Social Security Administration

Amendment No. 52—Reported in disagreement.

Amendment No. 53—Inserts language proposed by the Senate.

Amendment No. 54—Deletes appropriation of $1,500,000 for "Grants for Training of Public Welfare Personnel" proposed by the Senate.

Amendment No. 55—Deletes appropriation of $1,800,000 for "Research and Training (Special Foreign Currency Program)" proposed by the Senate.

Amendment No. 56—Reported in disagreement.

Special institutions

Amendment No. 57—Appropriates $739,000 for "American Printing House for the Blind" as proposed by the Senate instead of $718,000 as proposed by the House. The committee of conference is agreed that the increase over the amount proposed by the House shall be used only for educational materials.

Amendment No. 58—Appropriates $1,458,000 for "Salaries and Expenses, Gallaudet College" as proposed by the Senate instead of $1,410,000 as proposed by the House.

Amendment No. 59—Appropriates $1,065,000 for "Construction, Gallaudet College" as proposed by the Senate instead of $355,000 as proposed by the House. The committee of conference was agreed that the amount appropriated is to complete construction and equipment of the Arts Building.

General provisions

Amendment No. 60—Restores language proposed by the House and stricken by the Senate, amended to provide a 20 percent limitation on funds which may be expended for indirect costs of research projects instead of 15 percent. The committee of conference desires that the Department carefully review the expenses incurred under research grants with a view to allowing no more than the actual expenses for indirect costs in cases where such indirect costs amount to less than 20 percent of the direct costs.

Amendment No. 61—Strikes language proposed by the House.

Amendment No. 62—Changes section number.

Amendment No. 63—Reported in disagreement.

TITLE VI—FEDERAL MEDIATION AND CONCILIATION SERVICE

Amendment No. 64—Provides per diem rate of $100 for temporary employment of arbitrators, conciliators and mediators as proposed by the Senate instead of $75 as proposed by the House.

Amendment No. 65—Appropriates $4,973,000 instead of $4,923,000 as proposed by the House and $5,023,000 as proposed by the Senate.

TITLE IX—GENERAL PROVISIONS

Amendment No. 66—Inserts language proposed by the Senate.

Amendment No. 67—Restores language proposed by the House and stricken by the Senate with an amendment to provide that it shall apply only to funds made available for "Juvenile Delinquency and Youth Offenses."

Amendment No. 68—Reported in disagreement.

JOHN E. FOGARTY,
WINFIELD K. DENTON,
CLARENCE CANNON,
MELVIN R. LAIRD (except as
to action on amendments
41 through 48),
Managers on the Part of the House.

Mr. FOGARTY. Mr. Speaker, the conference agreement results in a bill carrying appropriations which total $5,334,609,500. This is, in round figures, $46 million less than the bill passed by the Senate and it is almost $52 million less than the President's budget request. The conference agreement results in appropriations totaling $163 million more than was originally approved by the House. However, after the House acted, the President submitted budget amendments to the Senate which totaled over $100 million. The main item contained in these budget amendments was $100 million for the new manpower, development, and training program. In view of the indicated feeling of the House when this legislation was before it, I feel sure that the House would have allowed at least a major portion of this request had it come before us. Also, in accordance with a general agreement reached in the conference on the defense appropriation bill, the conferees agreed on a 20-percent allowance for overhead on research projects instead of the 15-percent originally allowed by the House. This will result in several million dollars additional expenditures in 1963 which was taken into consideration when we settled the National Institutes of Health items.

Thus Mr. Speaker, when you take into consideration the two factors of budget requests submitted to the Senate after the House acted and the adjustment in the indirect cost allowances, the actual agreement represents roughly an even split between what we passed in this House and what was approved by the other body.

The following table sets forth the pertinent summary statistics concerning action on this bill from the budget submission to the current stage:

Item	Budget estimates	Passed House	Passed Senate	Conference action	Conference action compared with—		
					Budget estimate	House	Senate
Department of Labor	$374, 081, 100	$264, 326, 000	$340, 222, 000	$335, 150, 500	−$38, 930, 600	+$70, 824, 500	−$5, 071, 500
Department of Health, Education, and Welfare	4, 985, 100, 000	4, 879, 380, 000	5, 013, 554, 000	4, 972, 327, 000	−12, 773, 000	+92, 947, 000	−41, 227, 000
Related agencies	27, 182, 000	27, 082, 000	27, 182, 000	27, 132, 000	−50, 000	+50, 000	−50, 000
Total	5, 386, 363, 100	5, 170, 788, 000	5, 380, 958, 000	5, 334, 609, 500	−51, 753, 600	+163, 821, 500	−46, 348, 500

Mr. Speaker, I would like to comment on the report of the Senate Committee on Appropriations dealing with separation of unemployment insurance and employment service activities in the larger cities. This report states:

The committee is concerned with the mounting cost of the employment security program, and in the interest of economy and efficiency it is essential that administration of the unemployment compensation and employment services be directed and coordinated, geared to local conditions, at all levels.

> Separation of the services would greatly increase administrative costs and should under no conditions be thrust upon State officials. Separation would result in less exposure of claimants to job openings, and through less effective application of the work test, cause the payment of benefits to claimants neither seeking work nor willing to work.

Let me deal first with the matter of the rising costs of the employment security program. It is true that the cost of this program has increased, and I believe logically so. There are several contributing factors: First, the increase in population and the size of the work force; second, the growing complexity of labor market problems; third, the recent addition of badly needed new services to workers and employers; fourth, the statutory extension of unemployment insurance; and fifth, the increase in State salaries and in the price of goods and services generally.

Now, I am sure my colleagues are well aware that any discussion of cost means nothing unless it is related to value received. So let us take a look at what we are receiving in value for the increasing cost of administering the employment security program.

Soon after his inauguration, President Kennedy requested, and the Congress provided, additional funds for the purpose of expanding and improving the Employment Service. As a result of these directives and actions from the President and the Congress, State agencies have expanded their services and reorganized their staff in the larger cities so that today we have the most efficient network of public employment offices in history.

Public employment offices in the Federal-State system found six and a half million nonfarm jobs for American workers during the fiscal year ending June 30, an increase of 16 percent over the corresponding 1961 fiscal period and the highest 12-month total since the ending of the Korean war in 1953.

The cost of employment security has also been increased by the addition of new programs such as the Temporary Extended Unemployment Compensation Act approved by Congress. In fiscal year 1962 grants-to-States appropriations for the administration of that program totaled some $13.3 million. I should also point to the programs for unemployment compensation for ex-servicemen and Federal employees. In 1963, it is estimated that $6.8 million will be required for State administration of these two programs. The number of workers covered by unemployment insurance will have increased 34 percent between 1951 and 1963. It now protects almost 42½ million American workers. Can we continue to expand these programs and make benefits available to millions of additional workers and not expect costs to rise proportionately?

Certainly the cost of employment security programs is increasing. In an expanding economy with steadily expanding responsibilities, can we logically expect it to do otherwise?

But the point is that for these increased costs, we are getting full measure in terms of value to the national economy and the accomplishments of these expanding programs.

Now I should like to discuss the issue of separation itself. It should be explained here that in the larger cities, the Bureau of Employment Security is recommending that separate local office facilities be established for the handling of unemployment compensation claims and for employment service and job placement activities. I can attest from personal knowledge that in the case of my own State of Rhode Island, in the city of Providence, where the two services have been separated, that the change has improved both programs.

There is a tendency on the part of the public and of employers who see the flood of claimants for unemployment compensation descending on public employment offices to categorize those offices as "unemployment offices," as places where one goes to receive compensation, not as places to go to seek a new job or employment assistance. In the case of the larger metropolitan areas, the volume of claimants and job applicants makes the physical separation of the two activities desirable.

In the smaller cities—those of less than 200,000—where the volume of claimants and jobseekers is not so great, physical separation is not desirable from the point of view of efficient operations.

Mr. Speaker, a serious question has been raised in connection with this bill regarding regulations the Secretary of Labor has established for the Mexican farm labor program. I think the record should be set straight on this matter.

The Mexican farm labor importation program, a wartime emergency measure which has been extended and expanded during peacetime, has raised, and is raising, serious moral, economic, and social questions, as well as principles of public policy.

This is a program which depends for its existence on poverty and unemployment in the Republic of Mexico, and has a tendency to increase poverty and unemployment at home. As it is presently operating, it has been denounced by religious leaders of all faiths, and has been criticized by responsible citizens from all walks of life. For 10 years, distinguished citizens of the United States, both Republican and Democrat, have pushed for reform of Public Law 78. During the first session of this Congress, for the first time in history, the Congress adopted a few significant reforms, despite the opposition of bracero users and their organizations.

Today, these growers and their organizations are attempting to nullify the effect of one of the amendments which was enacted. This amendment which prohibits the employment of Mexican nationals in year-round jobs would have the effect of opening up new job opportunities for underemployed domestic farmworkers. The workers who have become accustomed to have the U.S. Government do their recruiting for them, both in the United States and in Mexico, are succeeding in convincing the U.S. Congress that the amendment which was enacted into law does not really mean what it says.

These growers want to have their cake and eat it too, and they do not seem to care if some of the most depressed workers in the U.S. labor force are hurt because of their actions.

What does the amendment provide? It provides that Mexican workers may be employed only in "temporary or seasonal occupations, except in specific cases when found by the Secretary of Labor necessary to avoid undue hardship." This amendment uses the exact language that was proposed by the administration. Congress in its conference report on H.R. 2010—Public Law 78 as amended—stated as follows:

> The purpose of the program is to supplement the domestic labor force in peak periods, such as at harvest time, when crops may be lost through a lack of sufficient workers. It is not intended to provide Mexican workers for year-round jobs that which might well be filled by domestic workers.

The importance of this provision was underlined by President Kennedy when he signed the bill with this comment:

> The adverse effect of the Mexican farm labor program as it has operated in recent years on the wage and employment conditions of domestic workers is clear, and is cumulative in impact. We cannot afford to disregard it. We do not condone it. Therefore I sign this bill with the assurance that the Secretary of Labor will, by every means at his disposal, use the authority vested in him under the law to prescribe the standards and to make determinations essential for the protection of the wages and working conditions of domestic agricultural workers.

Under these mandates from the President and the Congress, the Secretary of Labor began a series of consultations with all interested parties by holding a public hearing in Washington, D.C., on December 8, 1961. At that hearing, all interested parties, including Members of Congress were given an opportunity to present their views on the Labor Department's proposals for implementing the new legislation. The hearing was followed by numerous other meetings and consultations with representatives of farm employers and workers and with Members of Congress. It was not until March 21 of this year, and then only after very serious and intensive consideration of the interests of all parties concerned, that the Secretary of Labor issued procedures to implement the seasonal and temporary provision. I remind you that these procedures or regulations were not only in order, they were demanded by the law itself, and were in direct response to the express wishes of the Congress.

The procedures at issue here simply provide that jobs which last longer than 210 days in more than 35 weeks in a calendar year cannot be said to be temporary or seasonal jobs, and thus cannot be filled with Mexican workers except in specific cases when necessary to avoid undue hardship. This procedure appears to me to be correctly in line with the language of the law and with the intent of Congress as expressed in the conference report.

Now certainly, 210 days in 35 weeks—more than 8 months a year—could scarcely qualify as temporary employment under long-established practices and precedents. Take for example, the international agreement between the Mexican Government and ours which limits the period during which Mexican nationals can be employed in the United States to 6 months, although 15 percent of the total workers recruited can be extended for an additional 3 months. In other words, from the point of view of both Governments, temporary and seasonal work is set at 6 months. And this is the basic standard which should be applied. In addition, the Bureau of the Census has defined seasonal agricultural employment as lasting less than 150 days. The Department of Agriculture uses a similar formula in reporting on hired farmworkers. Those working fewer than 150 days in the year are classified as seasonal, and workers employed 150 to 249 days are classified as regular workers.

So by all existing and established standards, the 210-day limitation imposed by the Secretary of Labor certainly is a most liberal interpretation of seasonal employment. It is clear to me that any grower or group of growers who are in a position to offer employment throughout the year should offer it to domestic workers. Most of these year-round jobs could be filled with domestic workers if reasonable wages and working conditions were offered. But to permit the employment of Mexican workers for longer than the 210 days set forth by the Secretary of Labor would be to circumvent the express wishes and intent of the Congress and the requirements of the law itself.

In its report the Senate Appropriations Committee states:

> It is concerned with the effect of the 210-day limitation on employment of Mexican nationals in some areas of the United States where there is a year-long growing season and lack of domestic labor.

The committee says it is informed that—and I read:

> The application of this limitation to an individual farmer may have the effect of denying him necessary labor to grow and harvest a portion of his crops.

It is impossible for the Secretary of Labor to certify a real shortage of labor unless growers are forced to institute intensive recruitment programs to obtain domestic labor. But if growers are assured of a year-round supply of Mexican labor, there is no reason for them to institute such programs—and the Labor Department's ability to make shortage certifications is nullified.

Furthermore, the seasonal and temporary amendment contains a clause which provides the Secretary of Labor with the authority and responsibility to make exceptions to these restrictions in specific cases when necessary to avoid undue hardship. Thus, if a grower makes positive and tangible attempts to recruit domestic labor without success, the Secretary of Labor can and will make an exception to the rule and see to it that the grower is provided with sufficient labor to harvest his crop.

What are the growers afraid of? Perhaps they are afraid that if this amendment were administered strictly, the growers would suddenly discover that there is adequate labor available right here in the United States if and when the workers are offered reasonable wages and working conditions.

It is the position of the Department of Labor that Mexican and other foreign workers should be employed only during those periods of peak activity where, after intensive recruitment efforts have been made, it is apparent that there is a real shortage of domestic labor.

The protection of our American farmworkers has been and must continue to be of major concern to the Congress. We have provided a measure of protection in H.R. 2010. At the same time, we have given assurances to farm employers that in peak periods, such as at harvest time, they will not be denied the use of Mexican farmworkers if there are not sufficient American workers available.

I believe the Secretary of Labor should be commended for the regulations he has established. I further believe strongly that if he were to go beyond the 210 days in 35 weeks limitation, such action would undermine the intent of the law.

Mr. Speaker, I now yield 10 minutes to my distinguished friend and minority leader, the gentleman from Wisconsin [Mr. Laird], to discuss the conference report.

Mr. LAIRD. Mr. Speaker, I appreciate very much the chairman of our subcommittee, the gentleman from Rhode Island [Mr. Fogarty], yielding to me for the purpose of discussing certain sections of this conference report which I could not agree with in conference.

Mr. Speaker, when this bill left the House of Representatives there was included in it $60.4 million more than the President had asked for, for the National Institutes of Health. The President had asked in his budget estimates for $780 million to carry on the activities of the National Institutes of Health for fiscal year 1963. When the House acted on this bill we gave to the National Institutes of Health authority to expend an amount equal to their unexpended balances of 1962, which were estimated at that time to be $60.4 million, in addition to the amount that was recommended in the President's budget. When this bill went to the other body there was added $120.4 million above the President's budget.

Mr. Speaker, it is important, I think, for every Member of the House to realize today that the amount of money which Congress made available to the National Institutes of Health in fiscal year 1962 was $738,355,000. Of this appropriation there was lapsed on June 30 of this year, $73 million. The National Institutes of Health could not spend this $73 million, although every effort was made to expend this money in fiscal year 1962.

Mr. Speaker, what are the problems? I have been and am now a promoter and a supporter of the work of the National Institutes of Health. It is because of my support for a sound and progressive NIH program that I take the floor of this House today to plead with my colleagues not to appropriate more than the House Appropriations Committee's recommendation. My position is supported by Dr. Shannon, Director of NIH; by Dr. Luther Terry, Surgeon General of the U.S. Public Health Service; by the Secretary of the Department of Health, Education, and Welfare; and by the President of the United States.

The major problem facing the National Institutes of Health is not a question of money. The main problems which the National Institutes of Health must cope with today are: No. 1, a problem of facilities, and No. 2, a problem of personnel. The most crying need, according to the testimony taken in the House, was a question of facilities with which to carry on this research work throughout the United States at the present budget level. The second most pressing problem was the problem of personnel. What is happening at the National Institutes of Health in their intramural program and their extramural program at the present time? NIH is losing some of the best investigators in its intramural at the National Institutes of Health to other research organizations throughout the United States because of the problems of paying capable investigators the amount that they should be paid to carry on this most important work. Every day we are losing investigators at the National Institutes of Health. It is not a question of the funding level established in this bill. It is a question of the pay limitations for Federal scientific personnel. As a result the level of research being carried on by the National Institutes of Health is being downgraded. Merely adding the amount of money that the Senate has approved in this bill does not solve this problem.

Mr. Speaker, I have here in my hand a report which was made by a committee of the House of Representatives—the Committee on Government Operations—which I hope each Member of this House has had an opportunity to study. This is a very far-reaching report covering an investigation made by this House committee of the activities at the National Institutes of Health.

Recommendations were made by the Government Operations Committee last year, some of last year's recommendations which are reiterated in this report this year. This report clearly shows to every Member of the House of Representatives that the growth in this activity has not been the kind of growth that brings about the best type of progress in medical research. Just look at this growth figure. In 1955 this Congress appropriated $81,298,000 to the National Institutes of Health. As I stated earlier, last year we appropriated $738,355,000. The President in his budget estimate this year recommends $780,400,000. The increased program level from 1955 to 1963, 8 years, is $799 million, or an increase of nearly 11 times in the funding for NIH. And what has resulted is covered most adequately in this report.

These are fine, outstanding programs that are being carried on by the National Institutes of Health, but simply adding more millions than the people in charge of the program want will not help this program—it will in the long run hurt the program. Facilities and retention of key personnel are the needs of this program. My motion to recommit does not in any way affect facilities or the personnel problem.

The position of the President of the United States as of this week is the same as it was when he submitted the budget to us earlier in the year. I quote from a statement of the President's Director of the Budget, Mr. Bell, incorporated in a letter:

> Taking all factors into account the estimates contained in the President's budget for 1963 continue to represent his judgment of the funds needed to provide for a sound and an effective rate of increase in the programs of the National Institutes of Health.

Mr. Speaker, I intend to offer a motion to recommit this conference report. This motion to recommit will deal with amendments 41 through 48. These are the amendments of the Senate adding funds to the National Institutes of Health over and above the amount made available in the House-passed bill, and that amount provides an increase of $102 million over last year.

The conference report as it comes back to you provides for a funding level of the NIH program of $880 million in the fiscal year 1963 rather than the $780 million recommended in the President's budget or the $840 million approved in the House-passed bill. The conference report provides $40 million more than was placed in this bill as it passed the House of Representatives. I hope I will have the support of the House on this motion to recommit, particularly when an important committee of this House, Republicans and Democrats alike, on the Government Operations Committee, unanimously agreed in this report, House Report No. 1958, 87th Congress, 2d session, that this program needs to be tightened.

Mr. Speaker, I include at this point a table putting forth the appropriation history of NIH:

Appropriation history—National Institutes of Health

[Thousands of dollars]

Amendment No.	Appropriation title	1955	1956	1957	1958	1959	1960	1961	1962	Estimate, 1963	House	Senate	Conference
41	General research and services, National Institutes of Health: Obligational cash	$4,675.0	$5,929	$12,122	$14,026	$28,974	$45,994	$83,900	$127,637	$147,826	$155,826	$161,826	$159,826
42	National Cancer Institute: Obligational cash	21,737.0	24,978	48,432	56,402	75,268	91,257	111,000	142,836	139,109	150,409	158,409	155,742
43	Mental health activities: Obligational cash	14,147.5	18,001	35,197	39,217	52,419	68,090	100,900	108,876	126,899	133,599	148,599	143,599
44	National Heart Institute: Obligational cash	16,668.0	18,898	33,396	35,936	45,613	62,237	86,900	132,912	126,898	143,398	149,398	147,398
45	National Institute of Dental Research: Obligational cash	1,990.0	2,176	6,026	6,430	7,420	10,019	15,500	17,340	17,199	19,199	22,199	21,199
46	Arthritis and metabolic disease activities: Obligational cash	8,270.0	10,840	15,885	20,385	31,215	46,862	61,200	81,831	91,921	98,721	105,721	103,388
47	Allergy and infectious disease activities: Obligational cash	6,180.0	7,775	13,299	17,400	24,071	34,054	44,000	56,091	59,342	62,142	68,142	66,142
48	Neurology and blindness activities: Obligational cash	7,600.5	9,861	18,650	21,387	29,403	41,487	56,600	70,812	71,206	77,506	86,506	83,506
	Total, obligational cash	81,268.0	98,458	183,007	211,183	294,383	400,000	[1] 560,000	[2] 738,335	780,400	840,800	900,800	880,800

[1] Includes funds for construction of mental health-neurology research facility.

[2] Includes funds for plans and specifications for a gerontological research facility; and renovations and alterations, modernization, and planning and construction at the Rocky Mountain Laboratory, Hamilton, Mont.

Mr. BECKWORTH. Mr. Speaker, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Texas.

Mr. BECKWORTH. Mr. Speaker, I am very interested in what the gentleman said about the fact that the National Institutes of Health is losing the type of investigators it needs to retain.

Mr. LAIRD. I have a whole list here of investigators they have lost in the last few years. This is not a question of the funding level, because the National Institutes of Health this last year returned to the Federal Treasury funds which they could not expend in the amount of over $73 million.

Mr. BECKWORTH. My inquiry is this. What does the gentleman suggest be done in order to retain these investigators?

Mr. LAIRD. This is something we cannot do in this conference report nor by the Committee on Appropriations. But I believe that this is a matter which needs correction by the Committee on Post Office and Civil Service so that these scientific investigators are not lost to the Government, so that our program is not downgraded as it is being downgraded today.

Mr. FOGARTY. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. FOUNTAIN].

Mr. FOUNTAIN. Mr. Speaker, I want to thank the distinguished gentleman from Rhode Island for giving me 5 minutes, although I hope he will extend me additional time. It is very difficult to deal adequately with this complex subject in such a brief period.

First of all, let me say that I have always supported the full amount of appropriations recommended to this House for public health activities and for the National Institutes of Health. I do not recall ever having voted to cut these funds. So it is with reluctance that I stand here today urging the Members of this House, for reasons which I shall explain, to oppose the motion of the gentleman from Rhode Island that we accept the report of the managers on the part of the House and Senate, and to support instead the motion which the gentleman from Wisconsin will make for recommittal.

I have no personal satisfaction in taking this position because I am as interested in health research as any Member of this House. I know what research has accomplished. And I want to commend the gentleman from Rhode Island and those who have worked with him over the years in providing sufficient appropriations to permit the adequate support of health research.

I could not in good conscience, however, sit here in silence and carry out my responsibilities as a Member of this House and as chairman of a subcommittee of the Committee on Government Operations which unanimously adopted a report on this subject, particularly in view of the findings of our committee that the National Institutes of Health does not have adequate management controls to enable it to spend grant funds efficiently and economically.

Our committee has prepared and submitted to the House two reports, one last year and the other this year. The conclusions in these reports are supported not only by the committee's independent investigations but, in substance, by the testimony of the officials of NIH themselves.

I want to emphasize, as the Committee on Government Operations did in its recent report on NIH's administrative deficiencies—House Report No. 1958—that I fully subscribe to the principle of allowing scientific investigators the greatest possible freedom in carrying out their research. My remarks today should not be construed as intending any restrictions on the conditions essential for productive scientific research. What we must achieve is a harmonizing of freedom for the investigator with responsibility to the public in the expenditure of Government funds. It is NIH's obligation to develop adequate policies and procedures for assuring that grant funds are prudently spent for their intended purposes.

Mr. Speaker, I urge the House to support the motion of the gentleman from Wisconsin when it is offered, to recommit to the committee on conference amendments Nos. 41–48 in the conference report accompanying H.R. 10904 with instructions that the House-approved amounts be maintained. These amendments would provide appropriations for the National Institutes of Health far in excess of the extremely generous amounts which the House has approved.

Mr. Speaker, for 5 years now we have engaged in the unusual proceedings in which the House increases the President's appropriation request for NIH, only to have the Senate add greatly to this increase, after which the recommendations of the conference committee are customarily set close to the higher Senate figures.

This year is no exception. The President recommended $780.4 million, the House voted $840.8 million, the Senate voted $900.8 million, and the conference now recommends $880.8 million, or two-thirds of the total amount added by the Senate. In addition, $50 million was requested and allowed by both the House and Senate for health research facilities grants.

Mr. Speaker, congressional stimulation of these programs may have been necessary and justified in the past, but today the situation is completely different. The President, who is surely liberal in these matters and has demonstrated a deep personal interest in health research, made provision in the 1963 NIH budget for an increase of more than $62 million over last year's appropriation, and approximately $136 million over the amount NIH actually spent in 1962. The President's budget recommendations represent an increase of almost 20 percent above NIH's 1962 expenditures.

This would constitute a challenging rate of growth for even the best-managed organization. NIH grant management, however, has been found to be unsatisfactory.

Few public programs have expanded as rapidly and with as little critical examination as NIH's. I would remind my colleagues that between 1950 and 1962, appropriations for NIH have increased by approximately 15 times, from a level of around $50 million in 1950 to well over $700 million last year. Appropriations for research and training grants to nongovernmental scientists alone have increased by more than 26 times during this period.

The SPEAKER. The time of the gentleman has expired.

Mr. FOGARTY. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Speaker, I rise in support of the motion to recommit.

Mr. FOUNTAIN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am glad to yield to the gentleman from North Carolina to make a few additional observations and take this time to commend his committee for the work they did. I have read those reports as a member of this subcommittee and I think the gentleman's comments are very apropos.

Mr. FOUNTAIN. Mr. Speaker, I thank my colleague very much.

Mr. Speaker, the Committee on Government Operations in a unanimous report issued on June 30—House Report No. 1958—found serious deficiencies in the management of the National Institutes of Health. The committee has made an intensive study during the past 3 years of the administration of the NIH grant programs. Although serious management weaknesses were brought to the agency's attention in April 1961—House Report No. 321—very little effective action has yet been taken by NIH to correct these shortcomings which it has acknowledged do exist.

The investigations made by the Committee on Government Operations have demonstrated that the NIH grant programs are not being administered in an efficient and economical manner. To increase the appropriation for these programs in the absence of effective management can only result in greater waste and inefficiency. I believe it would be a serious mistake, and a disservice to the cause of medical research and to the taxpaying public, if these appropriations were increased beyond the amount approved by the House before the agency has strengthened its capability for the efficient and economical administration of these programs.

Our committee has found that NIH has no effective machinery for a normal, businesslike review of the budget requests of grant applicants. As a consequence, NIH allows its grantees, on the average, 95 percent of the dollars they request and in a great many cases 100 percent. Moreover, NIH's policies and procedures provide no safeguard against waste, extravagance, and duplication in the expenditure of grant funds for such purposes as the purchase of equipment and foreign travel.

NIH agreed more than a year ago that its scientific advisers do not have the qualifications and the time to perform the budget review function, and that it would set up the proper machinery and procedures for meaningful budget review and control—but practically nothing has been done to date to accomplish this.

Mr. Speaker, there would be no real question of NIH's ability to support all present commitments, plus new meritorious projects, with the budget increase recommended by the President if the agency were to make proper use of the funds that are now spent unnecessarily as a result of inadequate review procedures. NIH could support many, many additional projects from its present funds through prudent management. Despite this, the House has already added $60.4 million to the President's liberal request. Shall we now add still another $40 million as proposed by the conference committee?

I say to my colleagues that we must put an end to this contest in which each House tries to outdo the other in increasing the NIH appropriations. Today is a most opportune time to act. The President is against these appropriation excesses; the Committee on Government Operations has found serious management deficiencies which the agency acknowledges exist but does not hasten to correct; and it is doubtful that sentiment in the other body supports the extra amounts recommended by the conference committee. You will recall that an amendment to reduce the NIH appropriation to the House level did not carry in the Senate by the close margin of 36 to 41.

Last Wednesday I placed in the CONGRESSIONAL RECORD a letter which I received from the Director of the Bureau of the Budget in which Mr. Bell stated:

> The estimates contained in the President's budget for 1963 continue to represent his judgment of the funds needed to sustain the forward movement in the very important programs of the National Institutes of Health.

We are confronted here with a situation where the President sticks by his earlier figures, where $26.9 million could not be spent out of the 1962 appropriations even after $46.6 million was held in reserve by the Secretary of Health, Education, and Welfare, where a committee of the House has found serious deficiencies in the management of the agency's grant programs, and where the House has already added $60.4 million more than the President believes wise. Shall we now be so foolhardy as to vote an additional $40 million under these circumstances?

Today we are concerned about a huge budget—unbalanced as well—increasing appropriations in a variety of important areas, and the need to reduce taxes. Here we have a chance to effect savings without in any way impairing the ability of NIH to continue to carry on its otherwise good work. If we do not do so, in my opinion, we will be taking a dangerously unwise position.

I hope the Members of this body will support the recommittal motion of the gentleman from Wisconsin.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I will yield to the gentleman, but before doing so may I take just a second to again commend the gentleman for his efforts, and to say that before my time expires, and I have but a minute left, we would like to hear what the proposal is on this motion to recommit. I yield to the gentleman from Wisconsin.

Mr. LAIRD. We only have a minute left to present the motion to recommit.

This motion to recommit only affects amendments 41 through 48. If this motion to recommit is carried the amount of funds available to NIH will be the same as the House allowed, $60,400,000 above the amount recommended by President Kennedy. It will, however, be $40 million below the amount recommended by the conference committee.

This particular motion to recommit will still allow for an increase in the NIH program for fiscal year 1963, in the amount of $173 million as compared with last year's, being increased to expenditures. This is the greatest increase in the history of our medical research program, although $780 million was appropriated, it was only possible for NIH to spend $707 million in fiscal year 1962. My motion will permit a program level of $840 million for fiscal year 1963. Although I may not have a majority of the House in support of this motion today, I assure the House that time will prove that my action is in the best interest of the National Institutes of Health and its programs.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. MOORE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. MOORE. Mr. Speaker, in talking with the chairman of the Subcommittee on the Appropriation Bill of the Department of Health, Education, and Welfare, I have learned that the conferees have stricken from the bill all reference to the Ohio River Basin study which the Senate had included in the bill together with an amount of $500,000 for the setting up of this water quality control study.

I am advised that the conferees did increase the House sums by $100,000. The House having heretofore included $193,000 for the Columbia River Basin and no funds for the Ohio River Basin project.

Even with the addition of the $100,000, the conferees used no language to refer to the Ohio River Basin project even though the overall House appropriation was increased by $100,000. I am terribly disturbed that the conferees would strike out this worthwhile project and even while agreeing to add $100,000 to that section of the bill, it still made no reference to this much-needed Ohio River Basin project.

I have today directed a letter to Gordon McCallum of the Public Health Service asking for that agency of the Government to advise me whether or not they consider this $100,000 increase over the House figure to be sufficient to undertake a beginning on the Ohio River Basin project. Failure of the conferees to mention the Ohio River Basin puts no obligation upon the Public Health Service to spend these additional funds for that project. While I am greatly disturbed by the action of the conferees, I am only hopeful that the Public Health Service will consider this increase as being made available to them to start the Ohio River Basin project.

Mr. AVERY. Mr. Speaker, I regret the gentleman from Rhode Island [Mr. FOGARTY], did not agree that the full hour for approving the conference report should be used to discuss all of the items in the bill and the accompanying conference report. There is an appropriation item in this bill about which I would like to have questioned the chairman of the subcommittee or some other member.

It has come to my attention from several universities and colleges over the Nation that the Department of Labor may be attempting to preempt the function and responsibility of placing college graduates in a position of gainful employment. Mr. Speaker, the college placement bureaus on the campuses of this Nation have been concerned about suitable positions for the graduates of their particular institutions for many years. They have a trained professional staff and in addition to the technical knowledge this staff possesses, they have the further opportunity of personal observations and faculty reports on the aptitude and the predominant characteristics of many of their graduates. This personal interest in the graduate is a relationship that is entirely unknown to a State employment service or any other agency directly or indirectly under the Department of Labor of the Federal Government.

It appears that the interest of the Department of Labor to intervene in this field has been considerably accelerated since the passing of the Manpower Training Act of 1962. It certainly was not my understanding, nor does the legislative history of this act suggest, that it was anticipated by the Congress that Government personnel under this agency would be concerned with college graduates. The legislative history is abundantly clear that the primary function of this newly created agency is to retrain displaced workers for skills that hold promise for future employment. With the daily reminder that the unemployed still number over 4 million, it appears that there is among the unemployed a sufficient amount of work to entirely occupy the personnel in the retraining agency of the Department of Labor. I would hope that this agency would contain their effort to retraining the displaced and unemployed men and women of the Nation and would cease to intervene, except upon invitation, into the functions that have been historically so well handled by the individual college or university administration. Functions and services might be made available to the college bureaus by the employment service, but they should not seek to project its service into this jurisdiction.

I would hope the Department of Labor would reconsider its policy position in regard to this matter. Mr. Speaker, I am including a paragraph that is taken from a directive from the Department of Labor in regard to this effort which I interpret as an extension of influence:

> Students' interest may be attracted by publicity in college papers or on bulletin boards. News of successful placements is usually the greatest single means for insuring continuing student cooperation. Graduates confronted with a multiplicity of job opportunities frequently appreciate an opportunity to talk the situation over with an employment service representative who has a broad view of the labor market.

In conclusion, Mr. Speaker, I would like to state that I think the final test on the success of college placement bureaus would be an inquiry to the large employers that have used this service for many years. I understand such a survey has been conducted and the response was overwhelming to the point that these employers would much prefer to deal directly with the college or university and not be restricted by the encumbrances that are always inherent under Federal Government jurisdiction.

Mr. FOGARTY. Mr. Speaker, as agreed to in conference, the bill provides $880,800,000 for the National Institutes of Health. This is $40 million more than the amount in the House bill but it is $20 million less than the appropriation as passed by the Senate.

It is always difficult to arrive at the most effective and most prudent level for the appropriations for these vitally important programs. The transcripts of the thorough and exhaustive hearings held by the appropriation committees of both houses constitute a well-documented and authoritative assessment by highly competent and well-informed witnesses of the immediate needs of medical research. The cost of the research and training programs which, in the opinion of those outstanding experts, are necessary if this country is to take full advantage of current research opportunities and train an adequate number of men and women to meet our future research and highly specialized patient-care needs, totalled more than $1.1 billion. This is not a blue-sky figure but the sum of rational estimates by conservative physicians and scientists of the level of support required to do only those things that urgently need doing and on which work could begin immediately if the necessary funds were available.

The original budget requests of the several Institutes to the Director of NIH—representing the professional judgment of the staff both on program needs and on the program levels that could be successfully implemented—also totaled more than $1 billion.

I hope that all of the Members of the House have taken time to study the transcripts of the hearings so that they will have seen for themselves not only the detailed testimony describing specific needs for which the administration's budget made no, or only insufficient, allowance but also the impressive accounts of the tremendous achievements of American medical research in recent years as the result of the progressive increases in support which the Congress has made available.

The amount on which the conference has agreed not only falls quite far short of these professional assessments but is also nearly $5 million less than the trimmed-down estimate of $885.3 million which NIH formally submitted to the Department of Health, Education, and Welfare. This request represents the most conservative professional judgment of those responsible for the highly successful NIH programs about the funding level needed to maintain the momentum and high quality of their achievements.

Moreover, the NIH estimate was based on program plans that made no provision for the urgent and vital need for substantial increases in the support of professional training programs.

As Members of the House will recall, the Appropriations Committee, in its report on the 1962 appropriation bill, instructed NIH to submit a comprehensive report on the estimated national requirements for medical research manpower in 1970 and the projected output necessary to meet this requirement. The report was not completed until this spring. The urgent training needs outlined in it were, therefore, not reflected in the $885 million request which the Department submitted to the Bureau of the Budget and no provision for meeting these increased needs was made in the budget estimates submitted to the Congress.

This comprehensive manpower report should be carefully studied by everyone interested in maintaining this country's vigorous and highly successful medical research effort. It shows that the Nation will need 80,000 highly qualified investigators in the medical and related sciences by 1970. In 1960 we had about 40,000 trained professionals doing research in these sciences. We must therefore double our research manpower in the 10 years from 1960 to 1970.

To reach this goal—and allowing for deaths, retirements, and loss of personnel to other activities—we must add about 5,000 trained professional investigators a year. During the years 1954–60 we increased our medical research manpower from 19,000 to 40,000—or by an average of only 3,500 investigators a year. In other words, the average annual output of our training programs must now be increased by 40 percent.

This increase must be achieved in the face of two new factors which make it more difficult to attract suitable men and women to medical research. Many scientists trained during the war in other, but related fields, have during recent years been attracted to the rapidly expanding field of medical and biological research. This reservoir of highly skilled manpower has now been exhausted and medical research must henceforth depend on training its own investigators. The second factor is that the competition for trained young people with a deep research interest is becoming increasingly severe. New areas of science such as space exploration, nuclear and solid-state physics—the branch of physics which gave us transistors and made it possible to construct highly complex electronic equipment in miniature and durable form—oceanography, the atmospheric sciences, the environmental sciences, and other fields all offer exciting research opportunities that appeal to young people anxious to make a contribution to the advancement of man's mastery over his environment.

If the advancement of man's defenses against the dread diseases is to hold its own and make further advances, we must provide the incentives and the opportunities for young people to choose and prepare themselves for a research career in the medical and other biological sciences.

The dramatic advance of medical research during the past decade has presented scientists with increasingly complex problems which demand broad knowledge of many fields of science. Our future need is not merely for more biomedical scientists but for investigators with a wider competence. In much clinical research, physics is now as important as physiology. Modern problems in biochemistry, microbiology, genetics and the behavioral sciences require training of extraordinary breadth and depth. To meet these needs new training programs, that cut across the traditional compartments of science, must be developed. We must make it possible, by means of fellowships and other training support, for young investigators to spend a number of years in advanced training and in gaining experience in the complex modern techniques of medical research.

It takes years to train a competent research scientist. Expansion of the training programs must be started at once if a substantial increase in the number available in 1970 is to be achieved. If increases in the appropriations are delayed until next year, a major expansion of fellowships and training programs cannot take place until the 1964–65 academic year—when the decade during which we must double our research manpower is already nearly half over.

The bill, as now reported, will enable NIH to take significant steps, within its existing training and fellowship programs, toward meeting our long-term manpower needs in health research and for providing training in especially critical fields where shortages of qualified personnel now have a direct and tragic impact on the health and welfare of our people.

Competent outside witnesses testified that if better anesthetic procedures were generally available, a substantial number of the 30,000 to 40,000 anesthetic and surgical deaths that occur each year might be prevented. They are not available because we now have less than half the number of well-trained anesthesiologists that are needed. If there were enough to go around, it might also be possible to shorten the length of recovery from operations and thus restore an estimated 20 million man-days and $480 million in earnings to the economy.

This country has only about 1,000 neurological specialists but urgently needs at least 3,000. The program for training general practitioners in the diagnosis and treatment of mental illnesses must be greatly expanded if we are to bring the benefits of research that has already been done to those who desperately need it.

Many Members of Congress have from time to time expressed concern over the frequent lag between the achievement of research results and the general use of this new information by practicing physicians in the diagnosis, treatment, or prevention of disease.

The increase in the NIH appropriation will provide additional funds for the special programs designed to help bridge this gap. There are, for example, many new techniques for the prevention and treatment of a number of diseases which are now not available to many people who could benefit from them. It is estimated that half of the 1,300,000 people in the United States who probably have the increased eye tension that can lead to glaucoma do not know that they have a condition that can result in blindness. Thousands of lives are lost each year because cancer victims did not have the early diagnosis tests that are now available for some types of cancer. Many victims of coronary attacks can be saved if all physicians and emergency health personnel were trained to give the closed-chest massage which, if promptly applied, can often restore the normal heartbeat.

It is false economy and a grave disservice to the American people to spend Federal funds for the support of research without, at the same time, doing everything possible to make the practical results of this research quickly and easily available to all the people who can benefit from them.

The increase agreed to in conference will also make available funds for planning grants, on a matching basis, to assist the States to develop comprehensive mental health plans. Such planning grants were recommended by the Joint Commission on Mental Illness and Health. They have the strong endorsement of the National Governors' Conference on Mental Health. The President, in his special health message to the Congress on February 27, endorsed the Joint Commission report and referred specifically to the need for "still further Federal, State, and local cooperation and assistance."

It is particularly important that these grants be made available during the current fiscal year because many State legislative sessions occur in 1963. If the planning grants are delayed, substantive legislative action to implement the plans will, in many States, have to wait until 1965.

Some Members of the House may question whether NIH can effectively use the substantial increases provided by the bill in view of the fact that the Institutes had a total of about $27 million of their available funds in unobligated balances at the end of fiscal 1962.

NIH's inability to use all its funds was due to factors beyond its control. The Congress did not pass the appropriation bill until the first week in September. The President did not sign the bill until the end of September. NIH did not get its first quarter's apportionment until November. In December, the Bureau of the Budget imposed a $60 million administrative reserve on NIH.

This delay and this arbitrary cut made it impossible for NIH to plan and implement programs at the levels the Congress intended. The situation was further confused when the Bureau of the Budget released $14 million of the reserves at the end of March when it was too late to program this sum effectively for obligation before the end of the fiscal year.

Even with this belated addition of $14 million, the $27 million in unobligated funds represents only 3.9 percent of the funds available to NIH which is only a slightly higher percentage than in the 3 previous years. In 1959, unobligated balances were 3.1 percent; in each of the years 1960 and 1961 they were 2.4 percent. In 1958, when the unexpended balances for the previous year were 7.3 percent, the Congress saw in this fact no reason for withholding a substantial increase in the appropriation.

Unobligated balances of the order of 3 or 4 percent are not evidence of excessive funds but of prudent management. The eight separate Institutes appropriations are each allocated to a large number of separate programs. The amount of many grant decisions made near the end of the fiscal year are unpredictable. Even relatively small balances remaining in so many different accounts must add up to a considerable total.

Another factor, during this past year, was that one of the new Research Career Award programs got off to a slow start. NIH encountered a number of problems in developing the policies, conditions of award, and administrative guidelines for this program which required extensive and time-consuming consultations with the medical schools. All of the problems were successfully resolved but not until the year was so well advanced that it was not possible to obligate funds prudently to the extent that had been thought desirable early in the year.

A more important factor, however, was the restriction on programing imposed by earmarking and budget allocations. The extra funds in some programs were offset by insufficient funds for others.

Approved but unfunded fellowship applications totaled $3.6 million. Nearly $15 million more could have been effectively used for training grants—$10 million by the National Institute for Mental Health alone.

Funds available to the Arthritis and Allergy Institutes for the clinical centers programs were seriously inadequate.

Almost all of the Institutes had approved project applications of great merit which they could not fund.

The coexistence of surpluses and shortages of funds illustrates the undesirability of earmarking funds for specific programs before it can be clearly seen where the greatest needs will lie.

It is, of course, necessary and proper that the Congress should indicate to which programs or activities it wants the NIH to give special emphasis or attention. Dollar earmarking by program can, however, interfere with the full and most effective utilization of the funds appropriated. The wishes of the Congress for special program effort can be satisfactorily met by giving the Institutes specific directions, but without tying their hands by earmarking funds, and then reviewing their actual expenditures in detail during the next appropriation hearing to determine whether these wishes were met to the extent feasible and prudent.

While the increase in the NIH appropriation will provide urgently needed additional funds for the training and fellowship programs and for hastening the application of research results to the care of patients, the House conferees have not agreed to any earmarking of funds.

The question has been raised on the floor of the House whether it is desirable to increase the appropriation for NIH in view of the defects in administration of the research grant programs to which the report of the Committee on Government Operations has drawn attention.

Let me say, quite frankly, that I have been much disturbed by this report. The Congress—and, indeed, the taxpayers of this country—owe a debt of gratitude to the gentleman from North Carolina who is the chairman of the subcommittee which conducted the investigation of the NIH extramural programs and to his distinguished colleagues, from both sides of the aisle, on this subcommittee.

The Appropriations Subcommittee is, of course, also deeply concerned to insure that these large and important programs are well managed and closely supervised and that the public funds provided by the Congress are scrupulously devoted to the purposes for which they are intended. The committee has always kept an eye on the management of all the NIH programs and I have discussed the administrative problems and deficiencies in some detail with the Director of NIH and with members of his staff. They, too, are sincerely concerned by the evidences of abuses which the Committee on Government Operations has uncovered.

There is no doubt that a thorough reexamination of the grants management policies and the institution of more effective administrative procedures is necessary. The Surgeon General of the Public Health Service and the Director of the National Institutes of Health have readily acknowledged this. They are seeing to it that suitable steps are taken to remedy existing deficiencies and to carry out, in the best manner possible, the recommendations of the Committee on Government Operations.

An interbureau committee of the Public Health Service, appointed by the Surgeon General, has completed a review of the grants administration process and has proposed a large number of changes. Some of these have already been put into effect. I should like to mention a few of the steps that are being taken.

The actual needs of investigators with research grants awarded for more than 1 year will be reviewed annually by the staff and the amount to be paid under the grant for the next year will be renegotiated within the ceiling figure set by the Council when the award was first made. The previous practice was to pay the amount requested by the grantee, within the limit set by the Council, less any unexpended balance from the previous year in excess of $5,000.

Applications for large long-term grants will, in addition to the normal scientific review, be examined by special committees including experts in accounting and management to review the administrative arrangements for the proposed research program.

All approved research grant applications falling in the lowest 10 percent of the priority ratings are now receiving individual review by the Advisory Councils. These are research proposals that have already been judged scientifically sound and worthy of support by the scientific review panels but which were considered less urgent—though not necessarily less good or less desirable—than the other applications than being considered. The special review procedure insures that the Advisory Councils will specifically consider, in the light of the relationship of the proposed project to the research goals of the Institute, whether the award can safely be withheld or whether steps should be taken to make certain that the award is made. Under the previous practice low priority grants, like other grants, were individually considered by the whole Council at its regular meeting only if separate action was requested by a Council member or by the staff. This was often done but was not routine. It is now mandatory for all low-priority grants.

Site visits will be made in connection with every grant application for $50,000 or more a year from a new grantee to examine, on the spot, facilities, equipment, institutional arrangements and administrative procedures. Under the previous practice site visits were made only in connection with applications, regardless of amount, for which the study section felt it did not have adequate information.

Purchases of equipment costing $2,500 or more, not previously itemized on grant applications, will require specific staff approval.

Expenditures for foreign travel, not previously itemized on grant application and approved, now also requires prior NIH staff approval.

Other administrative changes designed to forestall abuses and insure the most effective use of public funds are being worked out in cooperation with representatives of the educational and research institutions.

In this connection, I should like to remind the House that the organization whose grants the Committee on Government Operations has audited and whose expenditures of grant funds it has very properly criticized was a commercial firm engaged in research for profit.

Less than 3 percent of the NIH grants have, in the past, been made to profit-making corporations. The Director of NIH has frankly admitted that it was a mistake to use the grant mechanism—instead of a more rigid contract—to finance research done by profitmaking organizations. The Surgeon General has now ordered that no grants will in the future be made to commercial firms.

Among the abuses found by the committee were the use of NIH grant funds for finance capital for a new corporation; to purchase office equipment and furnishings; to pay corporation rent, moving expenses, and remodeling costs; and to pay salaries for time spent by corporate officers at directors and stockholders meetings and for an employee at the company's Washington office. These are not the type of expenditures likely to be incurred by an investigator in a medical school, a university, a research hospital, or a nonprofit research institution—which comprise 98 percent of the NIH grantees. Restrictions to prevent such unwarranted expenditures must be imposed on those who might be tempted to make them but NIH is being properly careful that they are not so broadly designed or applied as to impair the freedom of bona fide scientists in our educational institutions.

NIH now supports nearly 15,000 active research projects involving 11,000 investigators in 1,500 institutions. Inevitably, there will be some unjustified expenditures. Most of these will result from different judgments as to what is proper and prudent. But in any large body of people there will be some who misuse the trust placed in them. It is important that NIH guard against both misjudgments and misfeasance. But it is no less important that NIH avoid any actions which will in any way impede the work of the vast majority of our scientists whose dedication and probity no one can question.

Medical research is not a commodity that can be purchased but an activity that must be supported. Despite the great progress that has been made in medicine in recent years, the biological sciences are in a much more primitive stage of development than the physical sciences. The basic causes of many common diseases—from cancer to dental cavities—are not clearly understood. Many treatments must still be discovered by trial and error, or, like penicillin, by accident.

Biomedical research is by its nature exploratory. More progress is made by following unexpected leads than by following predetermined paths. If medical research is to be productive, the investigator must be free to change the direction and manner of his work as opportunity offers. For this reason NIH has firmly adhered to the policy of leaving the investigator free to proceed as he thinks best and has, therefore, permitted the greatest possible flexibility in the expenditure of grant funds.

In doing so, NIH has, however, not taken sufficient care to insure that the grantee institution adequately exercised its responsibility for the proper administration of grant funds. NIH is now making a major effort to provide an organized, codified body of policy and procedure to guide institutions in their administration of funds made available through research and training grants. NIH has held a series of regional meetings with the deans and administrative personnel of all medical and dental schools in the Nation to clarify the responsibility of these institutions for administration of Federal grants and to assist them in the development of adequate mechanisms for this purpose.

The Association of American Medical Colleges and the American Council on Education are cooperating with NIH in furthering the development of sound institutional administration of Federal grant funds.

The national medical research program is a magnificent cooperative effort on the part of the Federal Government and the educational and research institutions of the United States. It can continue to succeed only if the institutions themselves play a major role in its management. The Federal Government must depend on the integrity, the sense of responsibility, the dedication to the public interest that mark our universities and research institutions.

I am confident that the administrative deficiencies which the Committee on Government Operations has criticized are being fully corrected. I know that the responsible officials of NIH, despite their embarrassment and chagrin, are sincerely grateful to the committee for having drawn attention to faults that need correcting and for its helpful recommendations. I also know that the Director of NIH appreciates the confidence which the gentleman from North Carolina has expressed in the substantive merit of the NIH programs.

No one familiar with the dramatic change in the pace and scope of medical research in this country during the past few years can doubt that the great progress that has been made in dealing with the major causes of death and disability is attributable to the programs of the National Institutes of Health.

The record is, indeed, impressive. There have been major advances on almost every front. Some diseases have been practically eliminated by highly effective preventive techniques, diagnoses have been sharpened, and treatment of almost all major diseases has been vastly improved.

One of the most dramatic instances of the virtual elimination of a disease was the result of the discovery, in the course of a cooperative research project supported by NIH, that a form of blindness—known as retrolental fibroplasia—common among premature infants was due to the administration of too much oxygen. As the result of this discovery, the number of these tragic cases dropped from nearly 2,000 a year to less than two dozen. At least 13,000 children born during the past 7 years have good eyesight today, thanks to this one research finding.

The success of the Salk vaccine and the still newer oral polio vaccines, which were licensed during the past year, is well known. This success is about to be matched by the development of effective measles vaccines which are now in the final stage of testing. Measles has actually caused more deaths in the United States than polio. In many underdeveloped countries it is a major cause of death among young children. These new vaccines will not only save the lives of many children but will prevent such dreadful aftereffects of measles as mental retardation and deafness.

The so-called broad-spectrum antibiotics have provided dramatically effective treatments for a host of infectious diseases ranging from scarlet fever to boils. One of the newest members of this group is staphcillin which, for the first time, provides an effective means for combating the dreaded staphylococcus infections.

The pace of research has been so great that most of the drugs in use today for the treatment of major diseases were completely unknown 10 or 15 years ago. Tuberculosis sanatoriums are being closed all over the country because this disease can now be so effectively treated by specific drugs and antibiotics. Hypertension, a number of neurological diseases—including epilepsy—and many forms of mental illness can be controlled as the result of recent drug research. A welcome discovery of the past year was a drug which will prevent the migraine headaches that now disable thousands of people for short periods of time.

Drug therapy for cancer, which could only be hoped for 15 years ago, is beginning to make a dent in the mortality figures for certain types of cancer. For one form of cancer in women a particular drug actually provides a positive cure in a high percentage of cases. New drugs substantially prolong the comfortable and useful life of many cancer victims.

Newly developed techniques for massaging the heart without the necessity of opening the chest and electrical devices for restarting or artificially maintaining the heartbeat are saving many victims of coronary attacks.

The tremors and rigidity of Parkinson's disease, which used to be known as shaking palsy, can be eliminated by a delicate but relatively simple brain operation using a new localized freezing technique.

Important progress is being made in the development of artificial organs. During the past year it became possible for artificial kidneys to take over the function of the irremediably damaged kidneys of several patients otherwise doomed to die. The device, developed with NIH grant support, is still experimental and the treatment—involving periodic purification of body fluids by the artificial kidney—costs about $10,000 a year for each patient. Facilities are now so limited that a committee has the heart-rending task of selecting the few, from the hundreds of applicants, who can be given this lifesaving treatment. Can any argument be advanced for withholding funds for the additional research needed to perfect the treatment and reduce its cost so that it can be made available to the tens of thousands of persons who now die each year from diseases of the kidney? Must these funds be diverted from other research which may ultimately save other lives?

There has been remarkable progress, during the past few years, in the understanding of a number of metabolic and blood diseases—including several conditions usually fatal to children—which for decades have baffled physicians. These diseases—such as sickle cell anemia, galactosemia, and phenylketonuria, or PKU—have now been traced to inherited defects in the composition of the blood, in the body's supply of enzymes or in other aspects of its ability to handle certain foods. These discoveries have made it possible not only to save the lives of many infants but to prevent such permanent damage as mental retardation by taking prompt countermeasures some of which simply consist of a diet that completely avoids the chemical substances that the body cannot handle.

Ingenious techniques have also been developed for the use of radioactive isotopes for the diagnosis and treatment of various thyroid diseases.

Hormones are being used, with greater knowledge and better success, to make it possible for women with a history of spontaneous abortions to bear and give birth to healthy children.

Steroid hormones, an important group of natural chemical compounds found in the body, such as ACTH and cortisone, have been found to be effective in the treatment of a long list of diseases including rheumatoid arthritis and related diseases, adrenal insufficiency and some leukemias.

The new oral antidiabetic drugs have made it possible for more than a third of the diabetics in this country to control this disease by taking pills instead of using a hypodermic needle to inject insulin.

New drugs have been found both to treat gout and to prevent the acute attacks.

What may well prove to be one of the most important achievements in medical research is the discovery by two NIH scientists, during the past year, of the chemical means by which hereditary characteristics are transmitted from parents to children. This is a very great step toward making it possible for medical scientists to prevent or control hereditary physical and mental defects. The possible consequences of this development strain the imagination.

The Nation can be proud of the two NIH scientists—Dr. Nirenberg and Dr. Matthaei—who did this work. And the Congress can also be proud of the fact that practically all of the other scientists in this country whose research in genetic chemistry during the past several years is recognized as having led up to this major breakthrough have been recipients of NIH support and have had full freedom to use this support to pursue scientific opportunities as they arose in their work.

Mr. Speaker, I hope the House will adopt this conference report and turn down the motion to recommit. If this motion to recommit should be carried we will go back to conference and the bill will be opened to reconsideration of everything we have agreed on, including hospital construction, aid for school construction in federally impacted areas; it opens up the entire bill. From a parliamentary angle it is impossible to confine the conference to the few items the gentleman from Wisconsin mentioned.

I am not finding fault with the gentleman from Wisconsin but I think that the Institutes of Health can effectively spend more money than we are allowing them here. I agree with the gentleman from Wisconsin that they have shortages of personnel and facilities. As he knows, part of the increase over the budget will be used for their training program to increase the number of trained people in these fields, and now for the first time we are spending $50 million in grants for the construction of research facilities during 1963. I think we should be spending $100 million. But that is not within the authority of the Appropriations Committee, because we gave every dime the basic legislation allows in this regard.

I think the gentleman from North Carolina [Mr. FOUNTAIN] is one of the hardest working Members we have in the House. I read his report of a year ago and I read fully the one he made this year. I am convinced that many of the problems he discussed need the attention of Congress, and when we hold hearings on next year's budget we will go into all of these charges that have been made by the Fountain committee, not just with the National Institutes of Health and its able director, Dr. James Shannon, but with the new Secretary of Health, Education, and Welfare and with Dr. Luther Terry who is doing such an excellent job as Surgeon General.

With all the good that has been accomplished in the past 16 years by the National Institutes of Health, I would hate now to see that progress halted, as I think it would halt if we should adopt the motion to recommit to be offered by the gentleman from Wisconsin [Mr. LAIRD] for whom I have a deep respect. It was another Wisconsin Congressman, Mr. Frank Keefe, chairman of the committee in 1947 and 1948 who led the fight for increased appropriations for every institute that was enacted into law at that time. I served my apprenticeship under Frank Keefe. I think he was one of the greatest men in this House as far as trying to get the Federal Government to do something in the field of medical research is concerned. If he were here today, he would be standing up here saying that we are not spending enough in this field.

In view of all of the advantages that have been gotten out of this program, the lives that have been saved in the past 15 or 16 years, and the disabilities that have been prevented by this research under the continuous leadership of the Congress in providing for them more adequately than proposed by the executive branch of the Government—when those things are taken into consideration, I do not see how anyone could vote against this sort of an approach.

We had a full and free discussion of the bill when it was before the House. Everybody had an opportunity to speak then and to offer amendments and points of order. We have never gone to the Committee on Rules for a rule waiving points of order. I said at that time I did not think we were going to spend enough money in 1963. There are so many needs in the field of training and in the field of research today that affect every household in this country. If you vote against this bill to continue advancing the research program of the Institutes of Health as we are proposing today, it will affect every household in the country.

A million people are going to die this year because of some form of heart disease, 260,000 or 270,000 people are going to die because of some form of cancer, about 20 million people in the country are now suffering from neurological diseases of one form or another, about 10 or 12 million people in the country are suffering from arthritis and rheumatism, and 2 or 3 million of them have been bedridden for years.

To slow down the progress we have made over the past 15 years would be tragic and the small amount of money involved in this bill will save the taxpayers of the country a great deal more money in the long run. Just to take one example—4 or 5 years ago we voted for a $50,000 item over the Bureau of the Budget request at that time to try to find out what causes blindness in many prematurely born babies. In a year they came back with the answer, as a result of which it is estimated that blindness has been prevented for 13,000 babies born during the past 5 years because of this discovery.

The best statistics we have reflect that that expenditure of $50,000 in that field alone has saved the taxpayers in the past 5 or 6 years about $800 million.

Mr. Speaker, we can go down Institute after Institute and talk about the extension of life expectancy of human beings in the past 7 or 8 years, the lives that have been saved through new drugs, new techniques, new methods, and the disabilities that have been prevented because of the leadership of the Federal Government in the field of medical research.

Mr. Speaker, I believe it would be a terrible mistake to vote for the motion to recommit, not just because of these things I have mentioned, but also because if we do it opens up the entire bill.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. LAIRD. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. LAIRD. I am opposed to the conference report as it is presently drawn, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. LAIRD moves to recommit the conference report on H.R. 10904 to the committee on conference with instructions to the managers on the part of the House to insist on disagreement to Senate amendments Nos. 41 to 48, inclusive.

Mr. FOGARTY. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 173, nays 214, not voting 48, as follows:

[Roll No. 186]

YEAS—173

Adair
Alexander
Alger
Andersen, Minn.
Anderson, Ill.
Arends
Ashbrook
Auchincloss
Avery
Bailey
Baker
Barry
Bates
Becker
Beermann
Belcher
Bell
Bennett, Mich.
Berry
Betts
Bow
Bray
Bromwell
Brown
Bruce
Burleson
Byrnes, Wis.
Cahill
Casey
Cederberg
Chamberlain
Chenoweth
Chiperfield
Church
Clancy
Collier
Colmer
Conte
Cooley
Cramer
Cunningham
Curtin
Curtis, Mo.
Dague
Derounian
Derwinski
Devine
Dole
Dominick
Dorn
Dowdy
Downing
Durno
Dwyer
Ellsworth
Everett
Fenton
Findley
Fisher
Ford
Fountain
Frelinghuysen
Gary
Gathings
Glenn
Goodell
Goodling
Griffin
Gross
Haley
Hall
Halleck
Hardy
Harrison, Va.
Harrison, Wyo.
Harsha
Harvey, Ind.
Harvey, Mich.
Henderson
Hiestand
Hoeven
Hoffman, Ill.
Horan
Hosmer
Jennings
Johansen
Jonas
Jones, Mo.
Keith
Kilgore
King, N.Y.
Kitchin
Knox
Kornegay
Kunkel
Kyl
Laird
Langen
Latta
Lennon
Lipscomb
McCulloch
McDonough
McIntire
MacGregor
Martin, Nebr.
Matthews
May
Meader
Michel
Miller, N.Y.
Milliken
Minshall
Moeller
Moore
Moorehead, Ohio
Mosher
Murray
Nelsen
Norblad
Nygaard
O'Konski
Osmers
Ostertag
Pelly
Pillion
Pirnie

Poff
Purcell
Quie
Ray
Reece
Reifel
Rhodes, Ariz.
Riehlman
Robison
Rogers, Tex.
Roudebush
Rousselot
St. George
Schadeberg
Schenck
Schweiker
Schwengel
Scott
Short
Shriver
Siler
Smith, Calif.
Smith, Iowa
Smith, Va.
Springer
Stephens
Taylor
Teague, Calif.
Thomson, Wis.
Tollefson
Tuck
Udall, Morris K.
Utt
Van Pelt
Waggonner
Wallhauser
Weaver
Weis
Westland
Wharton
Whitener
Williams
Wilson, Calif.
Wilson, Ind.
Wright
Younger

NAYS—214

Abbitt
Abernethy
Addabbo
Albert
Andrews
Anfuso
Ashley
Ashmore
Aspinall
Baldwin
Barrett
Bass, Tenn.
Beckworth
Bennett, Fla.
Blatnik
Boland
Bolling
Bonner
Boykin
Brademas
Breeding
Brewster
Brooks, Tex.
Broomfield
Broyhill
Buckley
Burke, Ky.
Burke, Mass.
Byrne, Pa.
Cannon
Carey
Celler
Chelf
Clark
Cohelan
Cook
Corbett
Corman
Daddario
Daniels
Davis, James C.
Davis, John W.
Dawson
Delaney
Dent
Denton
Diggs
Donohue
Dulski
Edmondson
Elliott
Fallon
Farbstein
Fascell
Feighan
Finnegan
Fino
Flood
Flynt
Fogarty
Forrester
Friedel
Fulton
Gallagher
Garmatz
Gavin
Giaimo
Gilbert
Gonzalez
Grant
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gubser
Hagan, Ga.
Hagen, Calif.
Halpern
Hansen
Harding
Hays
Healey
Hechler
Hemphill
Herlong
Holifield
Holland
Huddleston
Hull
Inouye
Jarman
Jensen
Joelson
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jones, Ala.
Judd
Karsten
Kastenmeier
Kearns
Kee
Kelly
Keogh
King, Calif.
Kirwan
Kluczynski
Kowalski
Landurm
Lane
Lankford
Libonati
Lindsay
McDowell
McFall
Macdonald
Mack
Madden
Magnuson
Mahon
Mailliard
Marshall
Martin, Mass.
Mathias
Miller, Clem
Mills
Monagan
Montoya
Moorhead, Pa.
Morgan
Morris
Morrison
Morse
Moss
Multer
Murphy
Natcher
Nix
Norrell
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Passman
Patman
Perkins
Pfost
Philbin
Pike
Poage
Powell
Price
Pucinski
Randall
Reuss
Rhodes, Pa.
Riley
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Roosevelt
Rosenthal
Rostenkowski
Roush
Rutherford
Ryan, Mich.
Ryan, N.Y.
Santangelo
Saylor
Schneebeli
Scranton
Selden
Shelley
Sheppard
Shipley
Sibal
Sikes
Sisk
Slack
Smith, Miss.
Spence
Stafford
Staggers
Steed
Stratton
Stubblefield
Sullivan
Teague, Tex.
Thomas
Thompson, N.J.
Toll
Trimble
Tupper
Ullman
Vanik
Van Zandt
Vinson
Walter
Watts
Whalley
Whitten
Wickersham
Widnall
Willis
Young
Zablocki
Zelenko

NOT VOTING—48

Alford
Ayres
Baring
Bass, N.H.
Battin
Blitch
Boggs
Bolton
Coad
Curtis, Mass.
Davis, Tenn.
Dingell
Dooley
Doyle
Evins
Frazier
Garland
Granahan
Harris
Hébert
Hoffman, Mich.
Ichord, Mo.
Karth
Kilburn
King, Utah
Lesinski
Loser
McMillan
McSween
McVey
Mason
Merrow
Miller, George P.
Moulder
Nedzi
Peterson
Pilcher
Rains
St. Germain
Saund
Scherer
Seely-Brown
Taber
Thompson, La.
Thompson, Tex.
Thornberry
Winstead
Yates

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Taber for, with Mr. Hébert against.

Mr. Hoffman of Michigan for, with Mr. Boggs against.

Mr. Dooley for, with Mrs. Granahan against.

Mr. Garland for, with Mr. Thompson of Texas against.

Mrs. Bolton for, with Mr. Davis of Tennessee against.

Mr. Kilburn for, with Mr. Frazier against.

Mr. Ayres for, with Mr. Loser against.

Mr. McVey for, with Mr. Dingell against.

Mr. Scherer for, with Mr. George P. Miller against.

Mr. Mason for, with Mr. Peterson against.

Mr. Bass of New Hampshire for, with Mr. Yates against.

Mr. Merrow for, with Mr. Lesinski against.

Until further notice:

Mr. Doyle with Mr. Battin.

Mr. Nedzi with Mr. Seely-Brown.

Mr. Rains with Mr. Curtis of Massachusetts.

Messrs. DOWNING, BAILEY, and ALGER changed their vote from "nay" to "yea."

Mr. KEARNS changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the conference report.

Mr. SPRINGER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 350, nays 35, not voting 50, as follows:

[Roll No. 187]

YEAS—350

Abernethy
Adair
Addabbo
Albert
Alexander
Andersen, Minn.
Andrews
Anfuso
Arends
Ashley
Ashmore
Aspinall
Auchincloss
Avery
Bailey
Baker
Baldwin
Barrett
Barry
Bass, Tenn.
Bates
Becker
Beckworth
Belcher
Bell
Bennett, Fla.
Bennett, Mich.
Berry
Betts
Blatnik
Boland
Bolling
Bonner
Bow
Boykin
Brademas
Bray
Brewster
Brooks, Tex.
Broomfield
Brown
Broyhill
Bruce
Buckley
Burke, Ky.
Burke, Mass.
Burleson
Byrne, Pa.
Cahill
Cannon
Carey
Casey
Cederberg
Celler
Chamberlain
Chelf
Chenoweth
Chiperfield
Clancy
Clark
Cohelan
Conte
Cook
Cooley
Corbett
Corman
Cramer
Cunningham
Curtin
Daddario
Dague
Daniels
Davis, James C.
Davis, John W.
Dawson
Delaney
Dent
Denton
Derounian
Derwinski
Diggs
Dole
Dominick
Donohue
Dowdy
Downing
Doyle
Dulski
Durno
Dwyer
Edmondson
Elliott
Ellsworth
Everett
Fallon
Farbstein
Fascell
Feighan
Fenton
Findley
Finnegan
Fino
Fisher
Flood
Flynt
Fogarty
Ford
Forrester
Fountain
Frelinghuysen
Friedel
Fulton
Gallagher
Garmatz
Gary
Gavin
Giaimo
Gilbert
Gonzales
Goodling
Grant
Gray
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Gubser
Hagan, Ga.
Hagen, Calif.
Haley
Hall
Halleck
Halpern
Hansen
Harding
Hardy
Harrison, Va.
Harrison, Wyo.
Harsha
Harvey, Ind.
Harvey, Mich.
Hays
Healey
Hechler
Hemphill
Henderson
Herlong
Hoeven
Holland
Horan
Hosmer
Huddleston
Hull
Inouye
Jarman
Jennings
Jensen
Joelson
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jones, Ala.
Jones, Mo.
Judd
Karsten
Kastenmeier
Kearns
Kee
Keith
Kelly
Keogh
Kilgore
King, Calif.
King, N.Y.
Kirwan
Kitchin
Kluczynski
Knox
Kornegay
Kowalski
Kunkel
Landrum
Lane
Langen
Lankford
Latta
Lennon
Libonati
Lindsay
McCulloch
McDonough
McDowell
McFall
McIntire
McMillan
Macdonald
MacGregor
Mack
Madden
Magnuson
Mahon
Mailliard
Marshall
Martin, Mass.
Mathias
Matthews
May
Meader
Miller, Clem
Miller, N.Y.
Milliken
Mills
Moeller
Monagan
Montoya
Moore
Moorehead, Ohio
Moorhead, Pa.
Morgan
Morris
Morrison
Morse
Mosher
Moss
Multer
Murphy
Murray
Natcher
Nelsen
Nix
Norblad
Norrell
Nygaard
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen
O'Neill
Osmers
Ostertag
Passman
Patman
Pelly
Perkins
Pfost
Philbin
Pike
Pillion
Pirnie
Poff
Powell
Price
Pucinski
Purcell
Quie
Randall
Reece
Reifel
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Riley
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Roosevelt
Rosenthal
Rostenkowski
Roudebush
Roush
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. George
St. Germain
Santangelo
Saylor
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Scott
Scranton
Selden
Shelley
Sheppard
Shipley
Short
Shriver
Sibal
Sikes
Siler
Sisk
Slack
Smith, Iowa
Smith, Miss.
Spence
Springer
Stafford
Staggers
Steed
Stephens
Stratton
Stubblefield
Sullivan
Taylor
Teague, Calif.
Teague, Tex.
Thomas
Thompson, N.J.
Thomson, Wis.
Toll
Tollefson
Trimble
Tupper
Udall, Morris K.
Ullman
Vanik
Van Zandt
Vinson
Wallhauser
Walter
Watts
Weaver
Weis
Westland
Whalley
Wharton
Whitener
Whitten
Wickersham
Widnall
Williams
Willis
Wilson, Calif.
Wilson, Ind.
Wright
Young
Younger
Zablocki
Zelenko

NAYS—35

Abbitt
Alger
Anderson, Ill.
Ashbrook
Beermann
Bromwell
Byrnes, Wis.
Church
Collier
Colmer
Curtis, Mo.
Devine
Dorn
Gathings
Goodell
Gross
Hiestand
Hoffman, Ill.
Johansen
Jonas
Kyl
Laird
Lipscomb
Martin, Nebr.
Michel
Minshall
Ray
Rogers, Tex.
Rousselot
Smith, Calif.
Smith, Va.
Tuck
Utt
Van Pelt
Waggonner

NOT VOTING—50

Alford
Ayres
Baring
Bass, N.H.
Battin
Blitch
Boggs
Bolton
Breeding
Coad
Curtis, Mass.
Davis, Tenn.
Dingell
Dooley
Evins
Frazier
Garland
Glenn
Granahan
Harris
Hébert
Hoffman, Mich.
Holifield
Ichord, Mo.
Karth
Kilburn
King, Utah
Lesinski
Loser
McSween
McVey
Mason
Merrow

Miller,
George P.
Moulder
Nedzi
Peterson
Pilcher
Poage
Rains
Reuss
Saund
Scherer
Seely-Brown
Taber
Thompson, La.
Thompson, Tex.
Thornberry
Winstead
Yates

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Ayres.
Mr. Boggs with Mr. Scherer.
Mr. Davis of Tennesee with Mr. McVey.
Mr. Loser with Mr. Glenn.
Mr. Frazier with Mr. Battin.
Mr. George P. Miller with Mr. Dooley.
Mr. Nedzi with Mr. Seely-Brown.
Mr. Rains with Mrs. Bolton.
Mr. Holifield with Mr. Bass of New Hampshire.
Mr. Baring with Mr. Kilburn.
Mr. Peterson with Mr. Taber.
Mr. Evins with Mr. Merrow.
Mrs. Granahan with Mr. Curtis of Massachusetts.
Mr. Dingell with Mr. Garland.
Mr. Coad with Mr. Mason.
Mr. Thompson of Texas with Mr. Hoffman of Michigan.

Mr. O'KONSKI changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. ALBERT). The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: Page 3, line 12, insert:

"WELFARE AND PENSION PLAN REPORTS ACTIVITIES

"For expenses necessary for performing the functions vested in the Secretary by the Welfare and Pension Plans Disclosure Act, as amended (72 Stat. 997; 76 Stat. 35), $1,532,000."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and concur therein with an amendment, as follows: Strike out "$1,532,000" and insert in lieu thereof, the following: "$1,300,000, to be transferred to 'Salaries and expenses, Bureau of Labor Standards'."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will read the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 3: Page 5, line 14, strike out "not more than $350,000,000" and insert "$405,000,000".

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 3 and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted, insert the following: "$400,000,000".

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. GROSS. Is the gentleman from Rhode Island going to explain any of these amendments?

The SPEAKER pro tempore. That is within the discretion of the gentleman.

Mr. GROSS. A further parliamentary inquiry. Does not the gentleman have an hour on each of these amendments?

The SPEAKER pro tempore. The gentleman has if he desires to use it.

Mr. GROSS. I think the House ought to know something about these amendments.

Mr. FOGARTY. The gentleman from Rhode Island is not going to use any time, I will say to the gentleman from Iowa.

The SPEAKER pro tempore. The question is on the motion.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5; Page 5, line 20, insert: ", and of which $15,000,000 shall be available only to the extent necessary to meet increased costs of administration resulting from changes in a State law or increases in the number of claims filed and claims paid or increased salary costs resulting from changes in State salary compensation plans embracing employees of the State generally over those upon which the State's basic grant (or the allocation for the District of Columbia) was based:".

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 5 and concur therein with an amendment, as follows: At the end thereof, add the following: ", which increased costs of administration cannot be provided for by normal budgetary adjustments:".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 6: On page 6, line 19, insert: ": *Provided further*, That notwithstanding section 901(c)(1)(A) of the Social Security Act, the limitation on the amount authorized to be made available for the fiscal year ending June 30, 1963, for the purposes specified in such section 901(c)(1)(A) is hereby increased to $405,000,000."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 6 and concur therein an amendment, as follows: Strike out "$405,000,000", and insert in lieu thereof: "$400,000,000".

Mr. GROSS. Mr. Speaker, will the gentleman explain this amendment?

Mr. FOGARTY. Mr. Speaker, this is a reduction of $5 million in the amount granted to the States for administering the unemployment compensation and employment services programs. The House passed the bill at $350 million, which was the authorized amount. The Senate made it $405 million and amended the authorization accordingly.

Mr. GROSS. That increased it how much?

Mr. FOGARTY. Fifty-five million dollars.

Mr. GROSS. That is about par for the course.

Mr. FOGARTY. This is paid from the Unemployment Trust Fund and goes back to the States to be used by the States—not a dime out of the Federal Treasury.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Rhode Island.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 13: Page 13, line 16, strike out "$1,905,000" and insert "including expenses of commissions or boards to resolve labor-management disputes, $2,066,000,".

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 13 and concur therein with an amendment, as follows: Strike out "$2,066,000", and insert in lieu thereof: "$2,026,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 17: Page 16, line 24, insert "For an additional amount for 'Assistance for School Construction', fiscal year 1962, $7,092,000."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 17 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 19: Page 19, line 9, insert:

"SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

"For purchase of foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, for necessary expenses of the Office of Education, as authorized by law, $400,000, to remain available until expended: *Provided*, That this appropriation shall be available, in addition to other appropriations to such agency, for the purchase of the foregoing currencies."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 19 and concur therein.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Rhode Island.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 52: On page 37, strike out "only to the extent necessary to process claims workloads not anticipated in the budget estimates and after maximum absorption of the costs of such claims workload within the existing limitation has been achieved", and insert the following: "only to the extent necessary to process workloads not anticipated in the budget estimates."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 52 and concur therein with an amendment as follows: Strike out the matter inserted, and restore the matter stricken out, amended to read as follows: "only to the extent necessary to process workloads not anticipated in the budget estimates and after maximum absorption of the costs of such workload within the existing limitation has been achieved".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 56: On page 41, line 8, insert the following: ": *Provided*, That not to exceed $11,000 shall be available to pay preparation costs for a meeting of the International Social Security Association."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 56 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 63: Page 47, line 21, after the comma, insert the following: "the Bureau of Prisons, Department of Justice,".

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 63 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 68: Page 51, line 23, insert the following:

"SEC. 904. The Secretary of Labor and the Secretary of Health, Education, and Welfare are each authorized to make available not to exceed $5,000 from funds available for salaries and expenses under titles I and II, respectively, for entertainment, not otherwise provided for, of officials, visiting scientists, and other experts of other countries."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 68 and concur therein.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FOGARTY. Yes, I yield to the gentleman from Iowa.

Mr. GROSS. Will the gentleman explain this amendment?

Mr. FOGARTY. Well, in the House bill we have these items in two places in the bill. The Senate took them out and put them in one place. The dollar amount is the same.

Mr. GROSS. Is this an increase from $1,000 to $5,000 for entertainment?

Mr. FOGARTY. That is right. That is for the Department of Health, Education, and Welfare. The one for the Secretary of Labor was not changed from the House amount.

Mr. GROSS. And that is in conformance with the fact that you have jumped this bill $164 million more than the President asked for?

Mr. FOGARTY. And less than, I think, ought to be appropriated in some instances.

Mr. GROSS. And, so, an increase of $4,000 is needed for entertainment to take care of the spending of $164 million above the President's budget? That is about right, is it not?

Mr. FOGARTY. To a certain extent.

Mr. GROSS. Well, that is par for the spending course, too.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Rhode Island that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that all Members be permitted to revise and extend their remarks on the conference report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11737) entitled "An act to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes."

The message also announced that the Vice President, pursuant to Public Law 703, 83d Congress, had appointed the Senator from Illinois [Mr. DIRKSEN] a member of the Joint Committee on Atomic Energy, vice the Senator from Idaho [Mr. Dworshak], deceased.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. Evidently a quorum is not present.

Mr. TRIMBLE. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 188]

Alford
Ashley
Ashmore
Auchincloss
Ayres
Baring
Bass, N.H.
Battin
Blatnik
Blitch
Boggs
Bolton
Bonner
Brewster
Coad
Curtis, Mass.
Davis, Tenn.
Diggs
Dingell
Dooley
Evins
Frazier
Garland
Granahan
Harris
Harrison, Va.
Hébert
Hoffman, Mich.
Holifield
Ichord, Mo.
Johnson, Wis.
Jones, Ala.
Karth
Kearns
Kilburn
King, Utah
Lankford
Lesinski
Loser
McMillan
McSween
McVey
Mason
Merrow
Miller, George P.
Moulder
Nedzi
Norrell
Peterson
Powell
Rains
Roberts, Tex.
St. Germain
Saund
Scherer
Seely-Brown
Shelley
Smith, Calif.
Smith, Miss.
Taber
Thompson, La.
Thompson, Tex.
Thornberry
Winstead
Yates
Zelenko

The SPEAKER pro tempore. Three hundred and fifty-six Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING FOREIGN SERVICE BUILDINGS ACT

Mr. TRIMBLE, from the Committee on Rules, filed the following privileged resolution (H. Res. 741, Rept. No. 2114), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11880) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AWARDS UNDER PHILIPPINE REHABILITATION ACT

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 738 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11721) to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946, and to authorize the appropriation of $73,000,000 for that purpose. After general debate, which shall be confined to the bill, and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

ANNOUNCEMENT

Mr. BREEDING. Mr. Speaker, on rollcall No. 187 I was detained on official business and was not present at the rollcall. Had I been here, I would have voted "yea."

AWARDS UNDER THE PHILIPPINE REHABILITATION ACT

Mr. TRIMBLE. Mr. Speaker, I yield myself such time as I may consume, after which I yield 30 minutes to the gentlewoman from New York [Mrs. St. George].

Mr. Speaker, this resolution makes in order, as you heard the Clerk read, consideration of H.R. 11721. The resolution provides for an open rule with 3 hours general debate on what is known as the Philippine War Damages Act, which we have had up here for consideration on the floor once before. I believe all are familiar with the details except perhaps as to an amendment or two.

I know of no objection to the rule itself, and I reserve the balance of my time.

Mrs. ST. GEORGE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution, House Resolution 738, makes in order consideration of the bill H.R. 11721 authorizing payment of the balance of awards for war damage compensation made by the Philippine War Damages Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946, and authorizes an appropriation of $73 million.

Mr. Speaker, this bill or practically an identical bill came before the House for consideration on May 8. It was defeated at that time by a vote of 201 to 171. What we are doing here today, it seems to me, is we have gone up the hill and now we are going down again. I do not believe there is any serious opposition to the rule itself.

I would like, however, to call attention to two things. First of all, it seems to me that the only question before us is, Do we actually owe this money? That is the first consideration. The second is, Is it a commitment of the U.S. Government? If those two questions can be answered in the affirmative, then, of course, we should pass this bill. Those of us who voted the other way, the 201 Members, did not feel that that was the case.

After that vote was taken I received a letter containing a copy of a resolution introduced by a Congressman in the Philippine House of Representatives. I am not the only Member who received this. I imagine it was sent to almost every Member of the House. The letter was written by Mr. Antonio V. Raquiza. In the beginning of this letter he says:

> While our people were in the grip of bitter disappointment and the Philippine Congress bristled in heated denunciation, I remained sober and calm in the belief that what happened is a blessing in disguise.

In the resolution which he introduced in the Congress of the Philippines he also had this to say:

> This would confirm the belief, which has been little appreciated here up to now, that many of those who rejected the first bill did so because of lack of sympathy toward the Philippine people. On the contrary, it now appears they wished to assure that it was the country as a whole and not just a few large claimants who would benefit from the payments.

I think these things which were considered before at some length are still worthy of our consideration, Mr. Speaker. As I said before, I think that the rule is not going to suffer and no one is going to vote against that. We are going to make in order the consideration of this bill. But I think the 201 Members who voted against it should again look back on the arguments for and against and should take into some consideration the remarks of this gentleman who is a Member of the Philippine Congress.

Mr. Speaker, I reserve the balance of my time.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. Barry].

Mr. BARRY. Mr. Speaker, the main objective of the opponents of the original bill was to come back into the session today with something that would be for the benefit of all the people of the Philippine Islands rather than a certain few people in the Philippine Islands. After considerable research in the intervening time when the last bill was before the House, I have satisfied myself that there may be a certain moral obligation insofar as the administration is concerned, but not because of any reason stated thus far on the floor of the House of Representatives. I have come to this conclusion because of some research which I have done and which I shall bring out during the course of the debate on the bill today.

Mr. Speaker, I found that there were discussions between the executive in the last administration and the Philippine Government. A document was handed by this Government to the Philippine Government, and I will make known the contents of that document during the course of the general debate.

Mr. Speaker, I would like to say that in order to carry out generally the premise on which my original statement was made—a moment ago—I will propose three amendments to this bill, all of which I hope will be for one primary purpose; namely, that we benefit all the people of the Philippine Islands to the maximum extent we possibly can. I shall not offer—and I want everyone to know this—a motion to recommit. I believe we should not leave the House of Representatives this evening and do anything that would impair or hurt our foreign policy any more than it has already been hurt by the action we necessarily had to take, using our conscience as our guide, when we last voted on this measure.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. BARRY. Yes; I would be happy to yield to the distinguished minority leader.

Mr. HALLECK. Mr. Speaker, I just want to say that when the bill was before us previously, I voted for it and I thought it ought to be passed then. Some changes have been made. Just how effective or how far reaching they are, I do not know. But I want it on the record at this early stage in the proceedings that as far as I am concerned I expect to vote for this bill as reported by the committee, and I trust it will be passed today without further delay.

Mrs. ST. GEORGE. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. Gross].

CONFERENCE REPORT ON THE BILL MAKING APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES, FISCAL YEAR 1963

Mr. GROSS. Mr. Speaker, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, it is a strange commentary on the procedure in the House of Representatives when a bill involving $164 million more than the free-spending President of the United States requested for the Department of Health, Education, and Welfare comes to the House floor and the chairman of the subcommittee handling that appropriation limits the time before the adoption of the report—when the debate is vital and when the explanations are vital, to 30 minutes when, as a matter of fact, he had a full hour to devote to debate and explanation of why a staggering $164 million was added.

The gentleman from Wisconsin [Mr. Laird] was limited to 10 minutes. The chairman of a subcommittee of the Government Operations Committee, Mr. Fountain, of North Carolina, whose committee investigated the operations of the National Institutes of Health, was yielded only 5 minutes in which to present an excellent statement of his painstaking investigation, and had to get a few minutes of additional time through a second party. The chairman of the subcommittee, the gentleman from Rhode Island [Mr. Fogarty] refused to yield for questions concerning this bill which I say——

Mr. FOGARTY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I am happy to yield to the gentleman if he can explain why he took only 30 minutes on this vital conference report.

Mr. FOGARTY. I yielded to any person who asked me to yield.

Mr. GROSS. I stood on this floor for nearly 5 minutes and asked the gentleman to yield to me and he moved the previous question. The gentleman from Wisconsin was also asking the gentleman from Rhode Island to yield and he moved the previous question.

Mr. FOGARTY. The gentleman from Iowa knows the rules better than I do. I do not know what he is crying about now.

Mr. GROSS. The gentleman knows what I am crying about, if he wants to call it that.

Mr. FOGARTY. I have never refused to yield to anyone. If the gentleman asked me to yield, I did not hear him.

Mr. GROSS. I was standing and asked the gentleman to yield several times, as did the gentleman from Wisconsin [Mr. Laird].

Mr. FOGARTY. I believe I yielded to the gentleman from Wisconsin.

Mr. GROSS. No, the gentleman from Rhode Island did not yield to the gentleman from Wisconsin, as he concluded his final remarks. The gentleman from Rhode Island immediately moved the previous question.

Mr. FOGARTY. If I did not yield to the gentleman from Wisconsin, it was because I did not hear him asking me to yield.

Mr. GROSS. The gentleman will admit that there was half an hour, 29 minutes, to be exact, of unconsumed time on a bill that exceeded even the President's liberal budget request by nearly $164 million—and the gentleman well knows that $164 million above the Kennedy budget is not peanuts. It carried $100 million above the budget figure for NIH, or approximately that figure.

Mr. FOGARTY. That is right.

Mr. GROSS. So we were not dealing with peanuts. The gentleman could have taken an hour on this bill, and I hope he was not afraid there would be some arguments made that might have changed some minds on adoption of the conference report.

Mr. FOGARTY. No; I think you got as many votes as you could get. I was surprised that you got as many as you did. When the issue is brought up in the coming campaign, the vote is going to be on the motion to recommit, whether you are for health research or not.

Mr. GROSS. Mr. Speaker, I do not yield further. I do not think that the $100 million increase for NIH is going to prevent all of the casualties from heart attacks or any other one affliction.

During the subcommittee hearings this year, the gentleman from Rhode Island asked Dr. Shannon in effect—mind you, I cannot quote his exact words now—if he could not use $60 million more. Dr. Shannon, the Director of NIH, tried two or three times, as I recall the hearings, to tell the gentleman from Rhode Island [Mr. Fogarty] that with the increase in the President's budget he could live within it; that there would be no slowing of the forward movement of the health programs because of the increase in the budget; that he did not really need the additional $60 million that was being offered.

Mr. FOGARTY. That is not quite right, but it comes almost in that area.

Mr. GROSS. I am glad to hear the gentleman say it is approximately correct.

Mr. FOGARTY. I went further than that. You are treating me kindly. I went much further than that.

The SPEAKER. The time of the gentleman from Iowa [Mr. Gross] has expired.

Mr. TRIMBLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Oklahoma [Mr. Albert].

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to proceed out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, I think I speak the sentiments of every Member of the House when I say that there is no Member of this body whose reputation for fairness and thoroughness is greater or more deserved than that of our distinguished colleague who presides over the subcommittee in question.

And, Mr. Speaker, I think no person in the history of this House, with the possible exception of the late distinguished gentleman from Wisconsin, Mr. Keefe, has done as much in the field of public health as the gentleman from Rhode Island [Mr. Fogarty].

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Iowa.

Mr. GROSS. Just exactly what does that have to do with the circumscription of debate on the bill?

Mr. ALBERT. The gentleman had control of the time.

Mr. GROSS. Of course he did, and he used that control to shut off debate.

Mr. ALBERT. I think personally the gentleman used the time in a manner that brought out all of the issues. The gentleman has indicated here that the gentleman from Rhode Island may have been trying to push the conference report through without sufficient debate. That is the inference I caught. I am merely saying that the distinguished gentleman from Rhode Island is fair, he is thorough, and he has made a contribution to public health and to the welfare of this country second to no other Member.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, in view of the 30 minutes that the gentleman from Rhode Island saved, I now make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 189]

Alford
Andersen, Minn.
Anfuso
Ashmore
Ayres
Bailey
Baring
Bass, N.H.
Battin
Blatnik
Blitch
Boggs
Bolton
Boykin
Broomfield
Buckley
Celler
Coad
Curtis, Mass.
Davis, Tenn.
Diggs
Dingell
Dooley
Evins
Frazier
Garland
Gavin
Granahan
Harris
Hébert
Hoffman, Mich.
Ichord, Mo.
Karth
Kilburn
King, Utah
Kirwan
Kluczynski
Lesinski
Loser
McSween
McVey
Mason
Merrow
Miller, George P.
Morrison
Moulder
Nedzi
Norrell
O'Neill
Peterson
Pilcher
Powell
Rains
Riley
Saund
Scherer
Seely-Brown
Smith, Miss.
Springer
Taber
Thompson, La.
Thompson, Tex.
Thornberry
Winstead
Yates

The SPEAKER. On this rollcall 370 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AWARDS UNDER PHILIPPINE REHABILITATION ACT

Mr. TRIMBLE. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. Fulton) there were—ayes 192, noes 3.

So the resolution was agreed to.

Mr. ZABLOCKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11721) to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946, and to authorize the appropriation of $73 million for that purpose.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11721, with Mr. Hull in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ZABLOCKI. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, H.R. 11721, the bill being considered at the present time, authorizes the Foreign Claims Settlement Commission to complete payment on claims of individual Philippine citizens, certain former citizens, and corporations for damages to their property in the Philippines during World War II.

Immediately after the war the Congress determined that it was vitally necessary to assist the Philippine economy.

An amount was appropriated which proved to be insufficient to satisfy the claims.

Earlier in this session of Congress a bill corresponding to H.R. 11721, H.R. 8617, was adversely acted upon by the House of Representatives on May 9.

Immediately after the vote on H.R. 8617, a number of Members approached me suggesting that I reintroduce the bill. They felt, as I did, that there was considerable misunderstanding about the provisions of this legislation. Some Members were under the impression that the legislation was designed to authorize the filing of new Philippine war damage claims. Others, apparently, were under the impression the bill was intended to provide a windfall to a select group of large corporations.

The fact is that H.R. 8617, just like the bill now before us, H.R. 11712, dealt exclusively with the final settlement of claims approved under the Philippine Rehabilitation Act of 1946. The legislation before us simply authorizes the payment of the outstanding balance on some 86,000 claims which were adjudicated and approved after World War II by an authorized agency of the U.S. Government.

There are important differences, however, between the bill which was adversely acted upon and the one we have before us today. First, the bill before us requires proof from all claimants before any payment can be made under the authority provided in this bill, that such claimants have invested or will invest a sum equal to the value of their war damage award in the rehabilitation and economic development of the Philippines.

The bill assures that funds paid to satisfy claims approved under the Philippine Rehabilitation Act of 1946, including the final payment authorized in this bill, have been or will be spent in such a way as to benefit the Philippine economy.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to my colleague.

Mr. BECKER. How are you going to force anyone who claims that he has money coming to him to spend the money for building or rehabilitation under this legislation?

Mr. ZABLOCKI. Under the legislation, the Foreign Claims Settlement Commission will have to have proof that either the money was already invested in the rehabilitation of the Philippines or that it will be so invested. If there should be any doubt, then the Foreign Claims Settlement Commission, even before making any payment—and this matter has to be wound up within 2 years and 6 months after the enactment of this bill—can demand proof that the mony will be properly invested.

Mr. BECKER. Will the gentleman yield for one other question which came up the last time the bill was up? I think one of the greatest confusions that existed in our minds on May 8 when we debated this bill was, Who made the commitment? Who is responsible if a commitment was made by the U.S. Government that we would pay any additional moneys beyond—what was it, $473 million that had already been paid to the Philippines? Where was this additional commitment made and how was it made?

Mr. ZABLOCKI. The commitment was made over a period of years beginning with the time when President Roosevelt requested that Congress authorize payment of war damages to the Philippines, and when the legislation was enacted by Congress. At that time, the 25-percent reduction of the amount of the awards was agreed upon, and it was then understood that we would pay 75 percent of the awards approved by the U.S. Philippine War Damage Commission.

Furthermore, when the amount to be appropriated was being determined, there were Members who felt $400 million was insufficient and that $500 million would be necessary to cover the situation. The history of the legislation clearly indicates the intent that if the amount originally provided turned out to be insufficient, the Congress in the future would make available such additional amount as may be necessary to meet the obligations. However, the Korean war intervened and, of course, the payment of the balance of the awards was deferred.

Mr. BECKER. The gentleman is saying then that the legislation committing the $500 million indicated in the legislation that this would not be the sum total but that there would be possible additional claims?

Mr. ZABLOCKI. It was made very clear that if the amount of funds authorized and appropriated were insufficient, then future appropriations would be made.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Minnesota, who was a member of the committee which reported the original legislation on this subject.

Mr. JUDD. Perhaps this is a good place to get the story on the record on this point to answer the question of the gentleman from New York [Mr. BECKER]. It was the Congress that made the commitment, because it passed the law. The whole plan of the act was to authorize payment up to 75 percent of the awards determined by the War Damage Commission. At the outset, claims in an amount of almost $1,250 million were submitted. How could anybody know then what the adjudicated awards would be? It was estimated the claims would be cut down to between $500 million and $600 million, and that turned out to be extraordinarily accurate because the amount finally awarded was approximately $540 million. In the old Committee on Insular Affairs, of which I was at that time a member along with the gentleman from California [Mr. GEORGE P. MILLER], I proposed that we authorize $500 million. Another Member offered an amendment to make it $600 million, arguing that if the entire amount should not be needed, the balance would go back to the Treasury. The committee finally decided to authorize $400 million initially.

This is made clear in the CONGRESSIONAL RECORD of the debate on the bill in April of 1946. During the debate I said:

> I doubt that $400 million will ultimately be enough and I want the record to show that fact. We in the committee recognize that we may have to increase the amount somewhat. We were conservative in our estimate. We said, "Let us authorize this amount now until we see how things go. If another $100 million or even $200 million is eventually needed to put the Philippines back on a sound basis, I am sure we will do it."

The $400 million appropriated initially ran out when we had paid 52½ percent of the awards instead of the full 75 percent planned. This bill is to authorize payment of the remaining 22½ percent due the claimants. At the time everybody, I think, both here and in the Philippines, understood we were committing ourselves to pay up to 75 percent of the amounts to be awarded by the War Damage Commission.

Mr. ZABLOCKI. I want to thank the gentleman from Minnesota for making that very clear explanation of the legislative history of this measure. As the gentleman from Minnesota has pointed out, the claims filed amounted to over $1.25 billion.

I would like to point out further that the Commission handling the claims disallowed 91,000 claims. The Commission approved only those claims that were valid and proper.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Ohio.

Mr. HAYS. The gentleman knows I opposed this legislation before, and I will say that this bill has been improved mainly through the addition of the amendment which requires some proof that these people are not getting a windfall. We heard the gentleman talk about a windfall, and my contention before was that it was windfall if they did not have to show or did not have to use it in the rehabilitation of the Philippines, or show that they had used it; in other words, if someone received payment who had not used it in that way, in my opinion, it was a windfall. That is what the argument about windfall was.

Mr. ZABLOCKI. That is true.

Mr. HAYS. Mr. Chairman, will the gentleman yield further?

Mr. ZABLOCKI. I yield.

Mr. HAYS. I do not think there is any doubt of the fact that these people, as I said in debate before, must have records which they can show to prove what their damages were, and I do not think we are asking too much to have record proof of their loss.

I would like to point out another thing about these commitments. I worked on this bill here and I think it is an improvement over the other bill. I want to see that the record is clear and not muddy about the facts. I do not agree that any previous Congress can commit a succeeding Congress to pay anything. So when you are talking about the commitments I think it is only fair to say to the gentleman from Minnesota that there may have been an implied commitment which the Philippines could have understood, but legally no Congress can commit a future Congress to do anything.

If you are willing to put it on that basis, then I am willing to admit that there was an implied commitment, but I am not willing to say that there was a commitment made because I do not believe that could be legally possible.

Mr. JUDD. Mr. Chairman, will the gentleman yield so that I may comment on the statement of the gentleman from Ohio?

Mr. ZABLOCKI. I yield to the gentleman from Minnesota.

Mr. JUDD. I want it made completely clear that there never existed a legal commitment and I am sure I have never suggested there was a legal or binding commitment. As the gentleman from Ohio has said, one Congress has no power to commit another. That is obvious.

The thing I want to emphasize is that while there was no legal commitment, I think we accepted a moral obligation—probably that is a more accurate word than commitment. We ourselves in the Congress understood that it was a moral obligation, the newspapers so understood it, and the Filipinos so understood it. I think we still have a moral obligation; but we do not have any legal obligation. That is perfectly clear.

Mr. HAYS. I think in the interest of accuracy, in previous debate I said that the requirement which would make us feel an obligation was for them to show that they had invested this money or were going to.

Now that is in the bill, but I would not want the debate on this matter to go by without at least saying, in view of the antics and actions of the President of the Philippines, that he did not make it any easier for some of us who wanted to vote for it if certain safeguards were in to vote for this bill. I hope there is no commitment, implied, moral, or otherwise by which through the passage of this bill the House of Representatives is saying to the Philippines or to any other country, "All you have to do is to put a gun at our head and you can get whatever you want from the Treasury." I think the action of the President of the Philippines was reprehensible and if I do vote for this bill, I would vote for it not because of what he did but in spite of what he did.

Mr. ZABLOCKI. I assure the gentleman I brought this bill up for exactly the same reason, not because of what the President of the Philippines said or failed to say, but because of the moral obligation we had to pay the balances that are due.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentlewoman from New York.

Mrs. KELLY. I feel this would be straightened out if we would say in this bill as in the previous bill that the authority rests in the Secretary of the Treasury to pay the claims involved in this bill. Therefore, we would be more sure that the qualifications under this bill would be carried out, if it were in the hands of the Secretary of the Treasury.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Illinois.

Mr. COLLIER. I want to clarify an impression or misimpression I got from the colloquy between the gentleman from Wisconsin and the gentleman from New York that I have not been able to clear up in my own mind. As I understand it, there must be assurance that the funds they receive will be reinvested in the Philippines; is that correct?

Mr. ZABLOCKI. Or have been reinvested.

Mr. COLLIER. Have been or will be.

Mr. ZABLOCKI. Or will be.

Mr. COLLIER. Assuming that there is a promise or whatever medium is used to get the assurance there will be a reinvestment and if there is, in fact, a default on the part of the firm or individual who fails to reinvest again, what recourse do we have to get reimbursement of those funds which are not reinvested but wherein there has been a promise to reinvest?

Mr. ZABLOCKI. I think I can clarify that by pointing out that such firms would come under the "will be reinvested" provision in the bill. It will be up to the Foreign Claims Settlement Commission to prepare regulations and take the necessary steps to see that congressional intent is carried out. The Commission will have to be assured that the money will be invested to the full amount of the award.

Mr. COLLIER. The gentleman has still not answered my question. My question is this: What recourse can be taken in spite of the explanation I have had?

Mr. ZABLOCKI. Final payment will not be made, I am certain, until investment has been proven. There are two and a half years in which a claimant will have time to offer proof and final payment will not be made until he offers such proof or shows such proof.

Mr. COLLIER. As I understand it, the moneys then will be withheld if there is not established proof of reinvestment and such reinvestment as is not made within two and a half years then is foreclosed; is that correct?

Mr. ZABLOCKI. That would be my impression.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I would be delighted to yield to the gentleman from Florida.

Mr. HALEY. Inasmuch as the gentleman on the other side of the aisle, the gentleman from Minnesota [Mr. JUDD], just a little while ago said this was a moral commitment—and let us say it is—could the gentleman speaking now tell me how much foreign aid and economic aid this Nation has given to the Philippines since this so-called moral commitment was made?

Mr. ZABLOCKI. The Philippine Islands have received economic aid in the amount of approximately $1,285 million since World War II.

Mr. HALEY. If the gentleman will yield further, my figures, I might say to the gentleman, show approximately $1,735 million. If the Philippine Government felt that these people should be reimbursed, instead of waiting 20 years later for us to pick up the tab, why did it not do something to reimburse these people out of the $1 billion and so many odd hundreds of millions of dollars which we have paid to them over there?

Mr. ZABLOCKI. I think the gentleman has brought up a very pertinent question. This bill is not foreign aid or economic aid to the Philippines as such. This is a bill to settle the balance that is due to individual claimants under the Philippine Rehabilitation Act of 1946.

Mr. HALEY. Mr. Chairman, will the gentleman yield further?

Mr. ZABLOCKI. I yield further, but briefly.

Mr. HALEY. If we are going to do this for the Philippines, why do we not go to all the other battlefields of the world and do the same thing? I think the Philippine people should realize this fact: Had we not gone into the Philippine Islands, they would all be speaking Japanese today.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I shall be glad to yield to the gentleman from Iowa.

Mr. GROSS. Will the gentleman indulge me the reading of three short paragraphs from the Manila Bulletin? I do not want to take the gentleman's time if he does not have the time in which to yield.

Mr. ZABLOCKI. I yield for that purpose.

Mr. GROSS. The Manila Bulletin of May 21, 1962, says this:

> There is reason to think that Democrat Representative CLEMENT J. ZABLOCKI, annual sponsor of the annually failing war damage bill, was just trying to get some free publicity by attacking President Macapagal's statement that he might go to the United States if the bill would be passed.
>
> He has accused the President of putting a dollar tag on his state visit. Idealistic politico. What national leader does not carry a dollar tag when he visits the world's richest nation?
>
> ZABLOCKI, being sponsor of the bill, should be the last man to suddenly become idealistic and say such things. Maybe he is scrounging around for another excuse just in case the bill is killed again. Or maybe he wants free lunches from Filipino lobbyists to be perpetuated.

If the gentleman will permit me, I think that is both a slander and an injustice upon the gentleman from Wisconsin. I do not think the gentleman deserves any such treatment as that from the Manila Bulletin——

Mr. ZABLOCKI. Or any other paper.

Mr. GROSS. Or any other paper. But I think it does very well represent the "gun to the head" climate in which this $73 million is demanded from the taxpayers of the United States.

Mr. ZABLOCKI. I want to thank the gentleman from Iowa [Mr. GROSS] for bringing that article to the attention of the House. Regardless of what the Manila Bulletin or any other newspaper from that country, or what some newspapers in this country may say is the reason for my support of this bill, I support it for reasons of principle. I believe that this unpaid balance is an irritant that cannot be ignored or pushed aside. We cannot put it in a drawer and hide it. We have to meet this problem and enact this legislation. I am supporting it because it is in our national interest. If I were thin skinned, I suppose that after that article appeared, and after some other criticisms I received from the Philippines—I would have dropped my hands and said, "To Hades with everything." But I want to assure the gentleman that I am just as concerned about the need to pass this legislation now as I was prior to the attack upon me.

Mr. Chairman, if I may return to my statement.

There are two major differences between H.R. 11721 and prior legislation on this subject.

First. H.R. 11721 requires proof from the claimants, before any payment can be made under the authority provided in this bill, that such claimants have invested, or will invest, a sum equal to the value of their war damage awards, in the rehabilitation and economic development of the Philippines.

This condition was embodied in section 104(c) of the original Philippine Rehabilitation Act of 1946. H.R. 11721 makes it applicable to the payment of the outstanding balance of awards made under that law.

This particular requirement was incorporated in H.R. 11721 in order to meet the objections voiced on the floor of the House to prior legislation on this subject. Some Members argued that the prior bill did not insist on a direct relationship between the payment of war damage compensation and the rehabilitation of the Philippine economy.

This objection has been met in H.R. 11721. The bill assures that funds paid to satisfy claims approved under the Philippine Rehabilitation Act of 1946—including the final payment authorized in H.R. 11721—have been or will be spent in such a way as to benefit the Philippine economy.

Only the very small claimants—those who will receive payments of less than ₱25,000—or approximately $6,400—are exempt from the above requirement on the theory that they have already reinvested the full value of their awards in the rehabilitation of their business property.

Second. A change which appears in section 2 of H.R. 11721 reduces the period of time available to the Foreign Claims Settlement Commission to wind up its affairs under this legislation. That period is reduced from 3 years and 60 days to 2 years and 60 days.

This provision was also incorporated in H.R. 11721 to meet specific objections voiced by Members of Congress to the earlier legislation.

REASONS FOR THIS LEGISLATION

Mr. Chairman, I am certain that I need not take up too much of the committee's time in repeating all of the reasons which argue for the enactment of H.R. 11721.

I want to briefly review the history and the facts:

First. The Philippines—which were our ward at the time—suffered extensive damage during World War II. A good part of this damage was inflicted by our own Armed Forces in the process of our offensive in the Pacific theater.

Second. Our Government pledged to help the Filipinos repair that damage. This promise was made by our President during the war, and ratified by Congress through the enactment of the Philippine Rehabilitation Act of 1946.

Third. Under the authority of the Philippine Rehabilitation Act of 1946, 1¼ million war damage claims were filed by the Filipinos with the U.S. Philippine War Damage Commission. These claims had a claimed value of $1.25 billion.

Fourth. The Commission screened these claims. It disallowed 91,000 of them entirely. It approved a portion of the claimed amount on others. All together, the awards approved by the Commission—and based on a prewar evaluation of the war damaged properties—amounted to less than $600 million, somewhat less than one-half of the amount claimed.

Fifth. Under the terms of the Philippine Rehabilitation Act of 1946, all claim awards were reduced by 25 percent of the amount over $500. The original legislation indicated that we were going to pay the remaining 75 percent of the approved awards.

Sixth. To meet this obligation, Congress appropriated $400 million. This amount was distributed to the claimants. The Filipinos whose claim awards amounted to $500 or less, were paid in full. The remainder received 52½ percent—of the 75 percent authorized by law—of their awards over the first $500. Then the money ran out. And the Korean conflict prevented further appropriations.

Seventh. There are approximately 86,000 claimants in the Philippines who feel that they are entitled to receive the remaining 22½ percent of their war damage awards. The discharge of this obligation will involve—at the maximum—$73 million.

Eight. H.R. 11721 provides for the payment of these outstanding balances of awards approved by the U.S. Philippine War Damage Commission under the authority of the 1946 law. No new claims can be filed under this legislation. It simply provides for the discharge of an obligation—a moral obligation, if you wish—which has been outstanding for more than a decade. This is the sole, and the entire, purpose of this legislation.

Mr. Chairman, I would like to make one more point:

Proposals have been advanced that we pay the $73 million involved in this legislation directly to the Philippine Government. In that way, some people argue, we will save ourselves a lot of work, avoid any so-called windfalls to Philippine claimants, and make certain that the money is used to further the rehabilitation and economic development of the Philippine Republic.

This is a spurious argument. We are not dealing here with the issue of economic aid to the Philippines. We are dealing with war damage claims of private individuals who have or will have to reinvest in the rehabilitation and economic development of the Philippines. These claims we have promised to honor some 15 years ago.

I feel that it is incumbent upon us to discharge that debt. We will not discharge it by handing over $73 million to the Philippine Government. We can only discharge it by paying the claimants directly. We have the records—and the claimants are expecting payment. The good faith of the United States is at stake.

I earnestly hope, therefore, that the committee will vote to approve H.R. 11721.

Mr. ANFUSO. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. ANFUSO. Mr. Chairman, I wish to congratulate the gentleman from Wisconsin for his great interest in this problem and for his ever trying to promote better relations between the United States and other countries. I think this Congress made a serious mistake by not passing the bill the last time we had it before us. I sincerely hope we will pass it today.

Mr. Chairman, I rise in support of H.R. 11721, the bill to amend the Philippine Rehabilitation Act of 1946.

I would like to state that I have studied the merits of this legislative proposal and its effect upon the international relations of the Government of the United States. While it is perhaps technically true that the United States is under no legal obligation to provide further war damage payments in the Philippines, I am convinced that a payment in settlement of this claim would be of great assistance to the United States in maintaining its foreign policy objectives.

You will recall that during the span of years since the Philippines attained independence in 1946 there have been a long series of discussions and negotiations with respect to the final settlement of various types and categories of claims between that Government and the Government of the United States. These discussions culminated in 1960 at which time the Philippine Government agreed to settle its obligation under the Romulo-Snyder agreement with the payment of $20 million. That payment to the United States was made on April 10, 1961.

The proposal before the House for consideration today represents the other side of the coin. I think that the Government of the United States would be remiss and derelict in its duties and obligations if it were to fail to enact this bill.

Accordingly, I consider it most desirable, both in the interest of our relations with the Philippine Government and the good will of the individual claimants who suffered war damage in the devastation of their country at the hands as much of our own Armed Forces as those of the Japanese in retaking it from them.

But, Mr. Chairman, I have an additional reason for rising in support of H.R. 11721, and that is this. I have followed the operations of the Foreign Claims Settlement Commission since its inception in 1954. I know personally, and have great confidence in the present membership of the Commission whose Chairman is the Honorable Edward D. Re.

This Commission has no relationship to the Philippine War Damage Commission which originally administered the Philippine Rehabilitation Act of 1946, except as we may affix such a relationship by the amendment before us today. Over the course of the past 12 years the Foreign Claims Settlement Commission and its predecessors, the War Claims Commission and the International Claims Commission, have processed well in excess of 600,000 claims of U.S. nationals against foreign governments and in that process has disbursed approximately $300 million derived from foreign governments with the exception of an item of $8 million which was provided by the United States to compensate members of our Armed Forces who were held as prisoners of war by the North Koreans and Communist Chinese during the Korean conflict. Moreover, practically all of the operating expenses of the Commission have also been derived from sums provided in one manner or another by foreign governments. I think it is highly commendable that we are able to look at the vast structure of our Government and to find one agency which has operated at little or no cost to the U.S. taxpayer.

Mr. Chairman, the Foreign Claims Settlement Commission, under the able chairmanship of Dr. Edward D. Re, who has earned an enviable reputation among international lawyers and diplomats, is an efficient and effective arm of the Government. I am confident that this program will be administered in a manner that will reflect the greatest credit and good will to the United States.

I think it is incumbent upon us today to demonstrate our good will to our allies in the Philippines by the enactment of H.R. 11721.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Mr. Chairman, at the time this legislation was before the House I offered an amendment to strike out on line 11, page 2 of the original bill the word "not" so that it read:

> Amounts paid under this Act shall be subject to the provisions of section 104(c) of the Philippine Rehabilitation Act.

Do I understand that that is corrected in this bill to the extent that section 104(c) will be applicable with respect to all payments in amounts over ₱25,000?

Mr. ZABLOCKI. That is correct.

Mr. JOHANSEN. Can the gentleman answer this one question: Procedurewise what will that addition involve?

Mr. ZABLOCKI. Procedurewise it will exempt those claimants who have payment of ₱25,000 or less coming, which is equivalent to $6,250 in American money, from showing any proof of investment. The reason for that is that it is presumed that the small claimants have already reinvested the full amount of their awards in the economy of the Philippines.

Mr. JOHANSEN. And conversely those claims over ₱25,000 would have to show proof of such investment?

Mr. ZABLOCKI. In each and every instance; and no payment would be made until such proof was furnished.

Mr. JOHANSEN. I will say that I think that is a major improvement in the bill.

Mr. MACDONALD. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Massachusetts.

Mr. MACDONALD. Mr. Chairman, the Manila Times, in an editorial dated May 23, 1962, stated that it may yet turn out that the rejection of H.R. 8617 was a "blessing in disguise."

It is my belief that H.R. 11721, the revised Philippine war damage legislation, will prove to be much more beneficial to the people of the Philippines than H.R. 8617. I voted against H.R. 8617 not because of lack of sympathy and respect toward the Philippine people but rather because this legislation had nothing to do with Philippine rehabilitation. The original Philippine Rehabilitation Act of 1946 required that claimants show proof that they had invested a sum equal to the amount they were to be paid in the repair or rebuilding of their damaged property. Where the rebuilding, replacement, or repair could not be done, the act requires that sums equal to or greater than the amount awarded have been reinvested, or that the amount of the payment to be made will be reinvested in the rehabilitation and economic development of the Philippines. H.R. 8617 waived this requirement, except for claimants who were not residents of the Philippines. H.R. 11271 amends H.R. 8617 to read that—

> All payments under this act in amounts over 25,000 pesos or equivalent value in dollars shall be subject to the provisions of section 104(c) of the Philippine Rehabilitation Act of 1946.

Thus, while under H.R. 8617, substantial parts of the $73 million could have gone to large claimants who had not contributed to the economic rehabilitation or development of the country beyond the amounts they were given out of the $400 million of the 1946 act. For example, suppose that a Philippine businessman had a claim of $100,500 approved by the Philippine War Damage Commission. Under the terms of the 1946 act the amount to be paid on claims over $500 was reduced by 25 percent. He received the $500 immediately, and was owed $75,000. The $400 million was distributed on a pro rata basis, and about 52.5 percent of claims above $500 were paid. Therefore the claimant got approximately $52,500—plus his original $500 if he could prove that he had put at least $52,500 into the repair, rebuilding, or replacement of his property. Assuming that he was able to prove this. Under H.R. 8617 he would have been eligible to receive the $22,500—in order to get his full $75,000—without being required to show proof of having previously invested an equal sum in the rehabilitation or development of the Philippine economy. H.R. 11271 requires him to show such proof.

The second significant change in the provisions of this legislation prevents the Foreign Claims Settlement Commission from being tied up indefinitely in taking action on the private claims. H.R. 11271 puts a definite termination date on the handling of these claims. H.R. 8617 has said—in section 2—that—

> The Commission shall complete its determination with respect to applications filed under this act not later than 2 years after the last date on which applications may be filed.

H.R. 11271 says that—

> The Commission shall complete its determination and take final action with respect to applications filed under this act not later than 1 year after the last date on which applications may be filed.

I therefore am pleased to support this much improved bill and offer my congratulations to its authors on the Foreign Affairs Committee.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. SANTANGELO. Mr. Chairman, I rise in support of H.R. 11721.

Mr. Chairman, it has been said many times over in this very Chamber that our allies and friends in the Philippines constitute one of the great and last bastions against communism on the far side of the Pacific. When we view what is taking place in southeast Asia at the present moment it seems strange for the U.S. Government to take an untoward step in defeating the amendment under consideration and thereby alienating the friendship of a people who over the years have been so close to our hearts. The Philippines constitutes a nation which we have nurtured and brought into being. Her sons stood with us shoulder to shoulder throughout the rigors and deprivations of World War II. They constituted the one spark of hope in the Pacific theater during the dark days of that war.

As I view the history of the Philippine Rehabilitation Act of 1946 and the processes that have led to the consideration of the amendment before us today, I am convinced that the U.S. Government does indeed have a moral obligation, at the very least, to make this final payment.

Now I am familiar with the original transaction of this proposal in the 86th Congress which was designed to provide a lump-sum payment directly to the Government of the Philippines. I think that the Committee on Foreign Affairs is eminently correct in requiring the administration of this bill by an agency of the U.S. Government. And I think it also fair to point out to my colleagues that the Foreign Claims Settlement Commission, the designated agency, operating under statutory time limitations imposed on it by the Congress, has always met its deadlines and has never sought extensions.

Moreover, Mr. Chairman, I am well acquainted with Dr. Edward D. Re, Chairman of the Foreign Claims Settlement Commission and one of the country's leading experts in international law and relations. Since his appointment last year by President Kennedy he has done much to increase the effective operation of the Foreign Claims Settlement Commission. I know that this agency, which has established a most noteworthy record of administering such legislation in the past, will perform this task under his direction with the utmost efficiency, speed, and credit to this country. In so doing, Mr. Chairman, I know it will carry out to the letter the spirit of this much-needed legislation. Mr. Chairman, we owe it to ourselves to live up to this obligation.

Mr. JUDD. Mr. Chairman, I yield myself 10 minutes, and I shall take more time if there are Members who wish to ask questions.

Mr. Chairman, the background of this legislation has been covered previously. There are several questions we need to consider. First, should we make any payment whatsoever? The answer to that, it seems to me, is, yes. I believe we have a moral obligation to pay the unpaid remainder of these adjudicated claims. As has been said, there is no legal commitment, but the Congress at the time it passed the Philippine Rehabilitation Act in 1946 understood that it was an obligation, as the record makes clear. The Truman administration understood it that way. The Eisenhower administration understood it that way. Perhaps the best statement of it is this short letter from former President Eisenhower himself, written after the House had acted adversely on the original bill, before the revisions in the bill before us today. He wrote from Gettysburg on May 22 after he had read that there had been some question in the debate as to what he thought ought to be our country's position. He wrote:

Hon. Walter Judd,
House of Representatives,
Washington, D.C.

Dear Walter: I understand that some question has been raised as to my views on the so-called Philippine war claims bill. I send you this note so that you can make my position known if this should become necessary.

Pursuant to legislation passed by the Congress in 1946, it appears quite clear that this Nation has an unpaid obligation of approximately $73 million to the Filipinos. During my administration it was my conviction that the Philippine Government should settle its own obligations to our country under the Romulo-Snyder agreement. I likewise believed that the United States should meet its own obligations under the 1946 law.

The Philippines have paid their debt. I think we should promptly meet our own longstanding obligation, under such terms as the Congress in its wisdom may determine. I do not recall any additional details respecting these particular war damage claims.

With warm regard.
Sincerely,
Dwight D. Eisenhower.

That states clearly and forcefully the sum and substance of the reason why from a moral standpoint we ought to fulfill this longstanding obligation. Maybe we should not have given the Filipinos and the Americans who had suffered war damage in the Philippines reason to believe that we intended to give them up to 75 percent of the sums awarded them by our own War Damage Commission; but the fact is we did give them reason to believe that. However late it is, we ought to carry through on what was almost universally understood at that time as the purpose and the intention of the Congress of the United States.

Another reason why we should make these payments is the practical consideration. It will bring substantial benefits to our closest friend and ally in Asia, and equally substantial benefits to ourselves and our position in that part of the world. The Philippine Government has had some hard sledding for several reasons that we do not need to enumerate today. It now has a new administration which is trying to do a lot of things that we previously urged without much success. It has devalued the peso to a realistic figure, which has done a great deal to dry up the black marget and some of the existing irregular practices. This has permitted abolition of exchange controls without runaway inflation. It is endeavoring to free the Philippine economy on a sound basis lifting various governmental restrictions on economic activity, along lines our Government has recommended for some time. It badly needs the shot in the arm which this bill would give to the people and to the economy. The Government and people have been shaken somewhat by the failure of our country to carry through what is regarded as an obligation on our part. I believe it is in America's interest, very strongly in our interest, to pass this bill today.

When you think of the aid we have given to neutrals, one neutral up to $800 million a year, and when you think of the aid we debated here last week or the week before, aid which has gone to countries under Communist control and which conceivably can be used against ourselves some day, surely it would be shortsighted and unwise for us to fail to provide for a tested ally what is a very small amount proportionately. It will be of great benefit to the Philippines, and it will wipe out the misunderstanding or irritation or feeling that the United States has not quite come through that may or does still linger in the Philippine mind. Because of both the rightness and the wisdom of this legislation, we ought to pass it today.

The bill with the new safeguards against diversion of the payments to any other purpose than economic developments is an improvement over the former bill. I had prepared an amendment at that time to do essentially the same thing, as my colloquy then with the gentleman from Ohio [Mr. Hays] indicated. Unfortunately there was no opportunity then to offer the amendment.

Under the revised bill, there is a minimum of opportunity for any claimant who receives a final payment under this bill to use it for any other purpose than helping the economic development of the Philippines.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I am happy to yield to my friend, the gentleman from Ohio.

Mr. BOW. The gentleman has said that the moral obligation, which has been referred to here by everyone who speaks, is contained in the Philippine Rehabilitation Act of 1946. I call attention to page 26 of the committee report, section 105 of the Rehabilitation Act of 1946. My question to the gentleman is this. Is there not there some moral obligation to the people of the United States? I read section (b):

(b) Any money or bullion received by the United States from the Japanese Government or the Japanese people by way of reparations or indemnity on account of war losses in the Philippines—

(1) shall be covered into the Treasury of the United States until the value of said money or bullion so covered into the Treasury is equal to the sum of the amounts appropriated for the payment of compensation under this title and the amounts appropriated for carrying out the purposes of title III of this Act.

I will say to the gentleman, that is an indication that these funds appropriated, $400 million, would be in the form of reparations from the Japanese Government and that is where the funds actually should have come from for this payment.

May I call the gentleman's attention to the second paragraph which reads:

(2) when the amounts covered into the Treasury under clause (1) are equal to the amounts so appropriated, the excess over the amounts so appropriated shall be used, first, to satisfy in full the balance unpaid of any approved claims.

It seems to me, there is a moral obligation that this was to be reparations, and we recognized it and hoped that this $400 million would be covered by reparations from the Japanese Government, and then we provided a moral obligation that if those reparations were over $400 million, that was to be paid into the Treasury and to repay us for the American contribution and at that time we would pay the unpaid balance of claims, out of the excess of reparations payments over the $400 million.

It seems to me, on reading this act that this is the only moral obligation, that it was to be paid out of reparations paid in by the Japanese.

My question to the gentleman is—how much money was paid into the fund in the Treasury by way of reparations and indemnities on account of war losses in the Philippines by the Japanese Government?

Mr. JUDD. I do not think any money has been received by the United States from the Japanese Government or the Japanese people by way of reparations or indemnity for war losses in the Philippines. At the time the Rehabilitation Act was passed in 1946, nobody knew when there would be a treaty of peace with Japan or what its terms would be. The committee was merely seeking in advance to assign for war damage in the Philippines, any reparations that it might some day receive from Japan on that account. The treaty of peace with Japan was signed in 1951. As I recall, it had no provision for payment by Japan of indemnity or reparations to the United States for damages Japan had inflicted on the Philippines. It did agree to negotiate directly with the Philippines and other governments in southeast Asia which had suffered damages in the war with Japan. In its negotiations with the Philippine Government, Japan agreed to pay $500 million in capital goods to the Philippines. It has also paid $20 million in the form of processed goods shipped from Japan, and $30 million in the form of services and installations, the repair of harbors, ocean transportation, and things of that sort. Japan has thus furnished the Philippines directly a total of $550 million in what might be called reparations or indemnity. But, to the best of my knowledge, no money or bullion has been received by the United States from the Japanese Government in reparations for damages to the Philippines.

Mr. BOW. Will the gentleman yield further?

Mr. JUDD. Certainly.

Mr. BOW. Will the gentleman agree with me that there is a moral obligation to the American people when the Congress enacted the law which provides that when the amounts covered into the Treasury under clause 1 are equal to the amounts so appropriated the excess shall be used to pay the unpaid balance? There is nothing in this act which says that we are to pay the unpaid balance out of further appropriations, but rather to repay the unpaid balance from reparations that we get from Japan. This has not happened. So we have no moral obligation to the people of the Philippines in that regard. But I think then that there is a moral obligation to the people of the United States to comply with this and since it did not come into the Treasury in the form of reparations, we have no obligation to make any further payment.

Mr. JUDD. I cannot agree that because we did not recover any reparations for that purpose from the Japanese, we therefore, should default on what I regard as the obligation we assumed to the Philippines.

If the treaty had required the Japanese to pay us reparations because of their damage to the Philippines, the law provided that such money would be used for rehabilitation payments to the Filipinos. We did not get any such reparations from the Japanese. I feel that we ought to do what I believe it is right for us to do even though we did not get reparations from the Japanese.

Incidentally, subsection (a) of the section 106 from which the gentleman read states:

> All money heretofore or hereinafter appropriated under authority of this title shall remain available until April 30, 1951.

This indicates that the Congress expected to appropriate more if the initial appropriation proved inadequate to—

> satisfy in full the balance unpaid of any approved claims.

This bill today is for the purpose of belatedly satisfying in full the approved claims.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. CRAMER. In reading the report this question comes to my mind, and that is, apparently the Commission had completed its work in 1951 and filed a list of claims not acknowledged and paid. That was in existence at that time. Further, that this matter remained inactive until 1959 when it was given consideration.

I read from the minority views, page 36, from Secretary Dillon's letter of March 3, 1960:

> Moreover in view of the time which has elapsed since the original claims were approved, and since the U.S. Philippine War Damage Commission went out of existence on March 31, 1951, it is not considered practicable for the U.S. Government to assume any responsibility for the payment of the balance of approved individual private property claims.

Here we have the bill before us in 1962. Can the gentleman indicate why this period of time ensued and comment on Secretary Dillon's letter?

Mr. JUDD. May I first quote another portion of Secretary Dillon's letter:

> Additional war damage payments are therefore looked on by the Filipinos as the fulfillment of a moral obligation, already recognized by our Congress, to provide assistance because of war damage sustained in the defense of the interests of the United States and the Philippines. The Philippine Government and people sincerely feel that the failure of the United States to appropriate additional war damage compensation has defeated a legitimate expectation of assistance from the United States to a firm ally which was severely damaged in the mutual war effort. The Department of State considers that settlement of this claim would remove any basis for the Philippine belief that the United States has not fulfilled its promises to the Philippines.

Thus, he said it seemed too late to make payments now for rebuilding, replacement, or repair of war-damaged private property, as the original legislation contemplated as its first objective. It would be impracticable to insist on such a use, but additional payments should be made to fulfill an obligation and should be used in a manner which would further the economic development of the Philippines, the second objective stipulated in the act. It is too late now for rehabilitation; it is not too late for economic development.

Mr. CRAMER. Would the gentleman comment on the expiration of time? And if this is a moral obligation, why was it not acted on sooner? The War Claims Commission made its awards in 1951, and we are not acting on it until 1962.

Mr. JUDD. The first reason was that at the time the money ran out in 1951, we had been plunged into a war in Korea and our attention was properly diverted elsewhere. Then there was the question of a debt owed to us by the Philippines, under the so-called Romulo-Snyder agreement referred to in the letter from former President Eisenhower. This was a loan of $24 million made to the Philippines in 1950 when Mr. Snyder was Secretary of the Treasury. The status of this loan was unsettled. For a time it was in the Philippine courts. During those years our Government felt, as the President wrote, that our payment of our obligation should be related to their payment of their obligation. The issue was decided by the Philippine courts and the debt settled in April 1961. The new administration then approved this bill, on which the chairman of the Subcommittee on the Far East, the gentleman from Wisconsin [Mr. ZABLOCKI], and I had been trying to get action for several years.

Another reason for delay, I may say to the gentleman, is that, as he will recall, last year there was a question about the legality of importation of several million dollars worth of tobacco shipped from the United States to the Philippines. There was opposition, or at least hesitancy about taking up this bill until that matter was cleared up.

The Government of the Philippines referred it to their supreme court and the new President, Mr. Macapagal, said that if the supreme court of the Philippines decided the American tobacco was there legally, he would accept it. That is what the supreme court decided. So that irritant has been removed. It was one regrettable delay after another. The Filipinos have discharged their obligations. I hope today we will discharge ours and eliminate what in the minds of many people is a reflection upon the United States.

Mr. CRAMER. The gentleman is saying that assuming a moral obligation existed during this length of time, the fact it was not settled is also partly the responsibility of the Philippines and the $24 million obligation does justify the period of time involved. How is answered the question, then, is it practicable now to make reparation after this lapse of time?

Mr. JUDD. I think it is practicable. Both the Eisenhower and the Kennedy administrations—or the State Department under them—believe it is practicable and desirable. Those of us who have worked in this field a long time believe it is practicable. In fact, while we know there will be difficulties, we think this is the most practicable way to discharge this obligation in order to bring the best results within the Philippines and the best results for ourselves.

Mr. CRAMER. Is it going to have the effect of actually providing reparation to the businesses and individuals involved who suffered the damage?

Mr. JUDD. Yes, all payments go directly to them. Under this bill not a single claim will be reopened, not one will be readjudicated, no new ones will be received. Whoever comes in and can show the Commission that he is the legitimate holder of a claim with 22½ percent still due or is the legitimate heir or has acquired that claim in the ordinary course of business with acquisition of all the assets of a business firm, will get a check for the unpaid balance. There is no re-examination of claims, just the payment of the unpaid 22½ percent to make it up to the 75 percent originally authorized. If the amount due him is more than 25,000 pesos, he must show to the satisfaction of the Commission that the "payment shall be reinvested in such manner as will further the rehabilitation or economic development of the Philippines."

Mr. CRAMER. I thank the gentleman.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I wonder if the gentleman from Minnesota would reject the suggestion that perhaps there is a moral to be gained from this experience with respect to the definiteness with which we do make commitments, particularly with respect to the matter of the Executive or his agents making commitments, such as the commitment that was made by Secretary Dillon involving $20 billion of foreign aid to Latin America, particularly with respect to such precedents as apparently have been set with the use of the President's contingency fund to aid the U.N., with an offsetting writeoff of the obligations of some Communist countries? In other words, do we not have some lessons to learn?

Mr. JUDD. Yes. But I do not think the point the gentleman has made regarding those commitments applies to this situation. I am in hearty agreement with what he says about the executive branch making unauthorized commitments which the Congress is then expected to fulfill. But this was an act passed by the U.S. Congress itself, not a commitment by the Executive. It was passed in April 1946. The war was over only 6 months. Many of our boys still were not home. The emotions of the war period still prevailed. There was warm gratitude, and properly and understandably so, in the hearts of the American people that no matter how badly they had suffered, the Filipinos had been steadfast and had fought valiantly side by side with our men. They had saved the lives of hundreds of American soldiers and civilians by hiding and protecting them for 4 years so they were never captured by the Japanese. There was a close understanding between the two peoples. We in the United States wanted to do this to help a sorely stricken friend and to carry on the partnership of the United States and the Philippines forged in peace and in war. There are some lessons to be drawn, indeed.

Mr. JOHANSEN. Unfortunately, a part of them was on an iffy basis, and that is where we got into trouble.

Mr. JUDD. The only if in this case was whether there would be money enough. We did not appropriate quite enough money at the start for reasons which are plain.

Mr. CURTIS of Missouri. First, I would like to comment that I do believe the Filipinos were fighting for their own independence.

Mr. JUDD. Certainly.

Mr. CURTIS of Missouri. And not just for America.

Mr. JUDD. No; and I did not suggest that. We too were fighting for ourselves, and not just for them.

Mr. CURTIS of Missouri. Second, I want to say this: I have a deep sympathy for these people. I was in the Philippines at the end of the war and I have the honor of wearing the Philippine liberation ribbon. But this is a very sticky thing. I certainly do not like some of the comments that were placed in this report from the President of the Philippines and some of the comments from some of our other good friends in the Philippines. I think this whole thing needs a little more thorough consideration.

Here is what I am specifically concerned about: The point was made in the minority views that this was to rehabilitate the Philippine economy and only incidentally using this method of compensating individuals. If that is so, then relate that to the facts. I wonder if this is true. I am reading from page 39 of the report:

> Total U.S. economic assistance to the Philippines since 1946 has been $773 million, of which $273 million was from ICA since 1951.

A great deal of these were grants. If this is so, the figure would go away beyond any $73 million which we are talking about here. That certainly looks away beyond any amount of compensation, even if there were a legal or moral obligation.

I wonder if the gentleman would comment on that?

Mr. JUDD. The difference is this: The Philippine rehabilitation bill, when it was passed, was based on a belief that the quickest and best way to get broad economic recovery and development underway in the Philippines was to provide payments to something over 1 million people who could demonstrate they had suffered the loss of a work animal or a little home or store or a plow or on up to a factory.

Mr. CURTIS of Missouri. That sounds like a good idea.

Mr. JUDD. This was the philosophy of it. The payments were made to individuals and firms, and there is a $73 million still due on those payments.

The ICA operates government-to-government, as the gentleman knows.

Mr. CURTIS of Missouri. I think there were many small people involved, and I understand all those small claims were taken care of. However, the $73 million represents those claims above a certain amount?

Mr. JUDD. That is right, above $500.

Mr. CURTIS of Missouri. The other thing which concerns me is this: On page 35 of the report containing the minority views there is the following statement:

> They were not payments of legal war damage claims such as arise when our Army found it necessary to seize property and was obligated later to give compensation. Those types of claims have been handled separately from this legislation.

How much did we pay in the way of these legal war damage claims? How much was paid under that procedure to the Philippine Islands?

Mr. JUDD. You mean when we took over property by eminent domain or other legal measures as contrasted with war damage?

Mr. CURTIS of Missouri. Yes; we took over quite a bit of property over there. Does anyone have any idea how much that would amount to? Perhaps that can be supplied for the Record.

Mr. JUDD. I am sorry, but I do not have that figure available at the moment. I will endeavor to secure it for the Record.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentlewoman from New York.

Mrs. KELLY. Since the war, the following amounts have been paid as compensation to persons who suffered injury, privation, or property loss in the Philippines during World War II: $400 million under title I of the Philippine Rehabilitation Act of 1946; $120 million under other provisions of that Act for the rehabilitation of public facilities; and approximately $39 million under the War Claims Act of 1948, as amended, which last amount came from the War Claims Fund.

In addition, of course, $73 million remains to be paid as the final installment to claimants who received awards under the Philippine Rehabilitation Act of 1946.

This is the $73 million involved in H.R. 11721 before us today.

Mr. JUDD. Mr. Chairman, I yield back the balance of my time.

Mr. ZABLOCKI. Mr. Chairman, I yield as much time as he may consume to the gentleman from California [Mr. Shelley].

Mr. SHELLEY. Mr. Chairman, I rise in support of this bill. I think it is a correction of a situation which has existed for just a little too long. Because of the defeat of the bill when it was before us previously, I think a sort of strained relationship between this Nation and the new nation resulted; a strained relationship created with a country that is now our anchor in one of the most critical spots in the world today, southeast Asia.

Mr. Chairman, I do not know how many Members of the House have had the privilege of visiting the Philippines. My first visit there was away back in 1923. I suppose I have been there about 16 or 18 times in my life.

Mr. Chairman, I have a great regard for the Philippine people. I know of their keen appreciation of the viable principles of a democratic nation. I have a high regard for the friendship and respect which they have for the United States and our concepts of democracy. I think that we do have a moral obligation to enact this legislation. I think the gentleman from Minnesota, Dr. Judd, put his finger on it when he said it was delayed inadvertently by the outbreak of the Korean war, because there were quite a few bills in just about at that time, and there was a conviction to work it out and pay this unpaid balance at the most opportune time.

Since then things have dragged out. I sincerely hope the House will pass this bill overwhelmingly and show these fine believers in democracy that we believe in them, that we are with them and want to keep them on our side in these precarious times.

Mr. Chairman, I strongly urge that the Members of the House of Representatives give decisive passage to H.R. 11721, the Philippine war damage claims bill. This is a bill to repay a debt which we owe to the people of the Philippines, and it has been to our discredit that we have not discharged this obligation sooner.

When the enemy began their attack in December 1941, the Philippines was only a few years away from reaching independence. For this reason, and because the Filipinos had a deep emotional commitment to their bonds with the United States, the country was a constant headache to the enemy high command. Not only did Filipinos lend major support to the delaying action on Bataan, but they also constantly harassed the enemy troops in the islands, thus neutralizing the effectiveness of thousands of the best enemy forces. During the devastating liberation campaign, Filipino resistance fighters worked very closely with the advancing Americans and thereby helped considerably to shorten the war in that area. Although it is very hard to measure such factors precisely, there can be no doubt that without the gallant Filipino assistance to the war, thousands more Americans would have lost their lives.

During World War II President Roosevelt and other prominent Americans committed the United States to lend aid to the postwar rebuilding of the islands. With a view toward fulfilling this pledge the U.S. Congress passed on April 30, 1946, the Philippine Rehabilitation Act. The purpose of this bill was to encourage rehabilitation through promising compensation, up to 75 percent of the property value, to individuals and organizations who reestablished their damaged property. We appropriated $400 million for this purpose. The $400 million paid off all of the claims under $500 and the first $500 of bigger claims, but it was not able to reach the promised 75 percent of claims above $500. Instead, the level was only 52.5 percent, leaving the remaining 22.5 percent to be handled by a later appropriation. H.R. 11721 is designed solely to provide the $73 million which is required to pay that 22.5 percent. It should also be pointed out that $73 million is the maximum that will be needed; funds which are left over will revert to the U.S. Treasury.

The bill before us today is an amended version of H.R. 8617, the Philippine war claims bill which was defeated by a narrow majority in this body in May 1962. H.R. 11721 differs from its predecessor in one important respect, a strengthening amendment requiring further proof of previous investment. It was assumed under H.R. 8617 that the claimants had previously reinvested in the economy of the Philippines the remaining 22.5 percent. This seemed sensible, since the claimants had had to show proof of reinvestment of 52.5 percent in order to win their award in the first instance. In the new bill, however, proof of having reinvested the entire 75 percent is required.

Mr. Chairman, the partnership which existed between our two peoples during the war has remained sturdy to this day, and the Philippines is now our most powerful ally in southeast Asia, where we are united in our determination to resist the encroachments of Sino-Soviet aggression.

Because it is so clearly in our interest to retain the close spirit of cooperation which binds our two nations, we must be particularly careful not to endanger that friendship through some legislative oversight. I believe that the May vote against the Philippine war claims bill was a blunder on our part, and I am thankful that we are being given this opportunity today to reverse this action. This matter is of very deep concern to the people of the Philippines, for they feel that we are backing out on a debt which is due to them. We must be foolish in the extreme if we quibbled our way out of this money we owe to the Philippines, for the consequences of such an action would be to sour the close friendship between our nations and to jeopardize the security of American interests in Asia.

Mr. Chairman, there can be no doubt that this is a just debt, and if our national honor means anything to us, I believe that we ought to live up to our responsibilities and see that this obligation is discharged as soon as possible.

Mr. JUDD. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. ADAIR], a member of the Committee on Foreign Affairs.

Mr. ADAIR. Mr. Chairman, I shall address my remarks at this time particularly to those of us who on the occasion of the last vote had doubt about the propriety and the wisdom of this legislation. In the time that has elapsed since that vote we have had additional opportunity to study this legislation and the reasons why it ought to be passed, and also to look at the negative aspects of the bill. For several reasons I would urge the Members of the House today to adopt, by an overwhelming vote, this bill.

In the first place, there are certain changes in the bill before us today from the bill which was before us previously. Now it is true that those changes are not of the greatest magnitude, but I do think they accomplish some worthwhile objectives. First of all, they do move in the direction of seeing that these claims, if paid, will go toward the continued revitalization of the Philippine economy, that the money will be used in that country and not dissipated elsewhere.

Also, the time during which this settlement can and must be made, and accordingly during which its maximum effects will be felt, has been shortened. This assures that this matter, which has dragged on for so long a time, will soon be concluded.

A second reason why we should want to reconsider our position is the one which has been previously referred to as our moral obligation. Because previous speakers have devoted themselves to this point I shall not labor it. But we have had time to ask ourselves the question, do we really have a moral obligation to make this repayment? And I think most of us have found that the answer would be yes.

We are fond of saying that we would like to see in the Philippines a showplace of democracy in Asia. The enactment of this legislation would contribute to that effort. It would contribute toward the ability of the Republic of the Philippines to make of itself such a show place of democracy.

Thirdly, we have had an opportunity to observe the attitudes generally of the new administration in the Philippines. We have seen what the ideas and the ideals are of President Macapagal. We have seen what he is trying to do for his country and his people. We have observed, as has been pointed out, that the Romulo-Snyder agreement, although prior to the present administration of the Philippines, has been implemented and carried out. So I think it can be said that in enacting this legislation we will be contributing toward a stable, pro-American, pro-freedom government in the Philippines. For these reasons, Mr. Chairman, I urge that the legislation before us today be adopted.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Tennessee.

Mr. BAKER. Mr. Chairman, I, too, voted against this bill previously. I feel that the bill should be enacted. I shall vote for it today and I associate myself with the gentleman from Indiana in the reasons he so ably presented.

Mr. ADAIR. I thank the gentleman.

Mr. JUDD. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I rise in support of H.R. 11721. I feel this bill is fully justified. We made a commitment years ago to pay these claims to those persons and firms in the Philippines who suffered war damage in World War II. These persons risked their lives and their property in our defense. I hope this bill passes by an overwhelming margin.

Mr. JUDD. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, I take the floor today in order to speak in behalf of the Philippine war damage bill. It is important that this bill pass. In my view the House committed a grave error when it defeated the war damage bill on May 9 of this year, and I said so at the time.

That defeat, Mr. Chairman, was an unnecessary defeat. It demonstrated, once again, the inadequacy of the liaison and the relations between the State Department and the Congress. The State Department has an obligation to see to it that Members are apprised in advance of the facts surrounding bills that affect international relation. The Department did not meet that obligation. I do not lay the blame solely on the State Department. The Congress is at fault too. We do not appropriate sufficient funds to enable the Department to have an adequately staffed congressional liaison office and public information office.

This bill authorizes the Foreign Claims Settlement Commission to complete payment on approved claims of individual Philippine and American citizens for damage done to their property during World War II. There are adequate safeguards in the bill to prevent submission of new claims, to prevent duplicate payments, and to limit legal fees. It also requires that all claimants receiving amounts over 25,000 pesos—approximately $6,200—prove that such amounts have been invested in the rehabilitation of the Philippine economy.

The Philippines, in April 1961, settled its obligation to the United States, under the Romulo-Snyder agreement of 1950, with the payment of $20 million to the United States. The Philippines fully anticipated that having settled its obligation, Congress would act favorably on war claims legislation in 1961. I do not have to remind my colleagues that there was considerable disappointment in the Philippines when Congress adjourned last year with no action taken on the war damage claims bill.

With the passage by the Congress of the Philippine Rehabilitation Act of 1946 the United States accepted a self-assumed but unescapable moral commitment to provide compensation for war damage to the property of Philippine and American individuals and corporations.

Mr. Chairman, it is too late and too serious to defeat this bill. The work of three administrations should not be undone by any such overhasty action on our part. I hope, Mr. Chairman, that the House will support the bill.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as she may desire to the gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY. Mr. Chairman, I take this opportunity to compliment our colleague from Wisconsin [Mr. ZABLOCKI] for giving to us the opportunity to reconsider H.R. 11721, a bill to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission. I must emphasize that he was encouraged in this renewed effort by many—particularly the leadership of the House of Representatives and our colleague, the gentleman from California, GEORGE P. MILLER. We are all familiar with the background of this legislation. Therefore, we know the purpose of the legislation.

PURPOSE OF LEGISLATION

This bill provides for the payment of the unpaid balance of claims approved under the Philippine Rehabilitation Act of 1946, which was reported from the former Committee on Insular Affairs. Approximately $389 million has already been paid on these claims; this bill provides for the payment of the approximately $73 million remaining unpaid balance. This would be considered as full and final satisfaction of the payments under the Philippine Rehabilitation Act. No new claims are allowed. Only those claimants who were granted awards under the original legislation and meet the criteria of sections 1 and 5(a) of this bill will receive payment of the balances due them under the original awards.

LEGISLATION WILL BE ADMINISTERED BY FOREIGN CLAIMS SETTLEMENT COMMISSION

The legislation will be administered by the Foreign Claims Settlement Commission, which will receive applications, and determine that the applicant is the original claimant or his successor in interest, and determine the amount remaining unpaid on the original award. The amount so determined will be certified to the Secretary of the Treasury.

Payments authorized under this act shall be made in U.S. dollars or in Philippine pesos at the option of the Secretary of the Treasury. If paid in pesos, the payments shall be made at the free market rate of exchange. The use of this rate is required by equity if the United States is to pay near the true value of the outstanding claims. The use of the 2-to-1 rate which was in effect at the time when the claims were adjudicated is inappropriate because the peso has depreciated faster than the dollar. If the old rate were used in paying pesos, the United States would be taking advantage of the recent currency devaluation in the Philippines at the expense of the claimants. The claimants would then receive only one-half of the purchasing power to which they are entitled.

The original Rehabilitation Act of 1946 did not specifically provide for payment in pesos. As a result of the conditions in the Philippines it was more desirable to pay all claims in pesos at that time. The committee decided to place discretion in the Secretary of the Treasury for payment in dollars or pesos.

The discretionary authority which the bill proposes to give the Secretary of the Treasury, to pay the claims in U.S. dollars or in Philippine pesos, will not increase or decrease the amount of dollars authorized to be appropriated. It will not result in inequitable treatment of different claimants.

It would enable the Secretary of the Treasury to avoid complications involved both in a multiple exchange rate system and in exchange rate changes which cannot be accurately forecast at the moment. It would also strengthen his hand in negotiations with the Philippine Government.

The administration of this law will be in the hands of a most capable gentleman who is Dr. Edward D. Re, Chairman of Foreign Claims Settlement Commission. Fortunately for all of us he comes from New York—in fact, from Brooklyn.

Mr. Chairman, the following is the biography of Dr. Edward D. Re, Chairman, Foreign Claims Settlement Commission. To our colleague, the gentleman from New York, Hon. ALFRED E. SANTANGELO, we owe much for his sponsorship of Mr. Re as Chairman of the Commission:

Dr. Re was born in Italy on October 14, 1920. A graduate of P.S. 176 and New Utrecht High School of Brooklyn, N.Y., he received his bachelor of science degree cum laude from St. John's University School of Commerce in 1941. He received his bachelor of laws degree summa cum laude from St. John's University School of Law in 1943, and in that year was admitted to the New York Bar. He is also admitted to practice before the U.S. Supreme Court, the U.S. Court of Appeals (Second Circuit), the U.S. District Court (Southern and Eastern Districts of New York), the U.S. Tax Court, the U.S. Court of Military Appeals, and various administrative agencies. In 1950 he received the degree of doctor of juridical science from New York University and in 1960 was awarded the honorary degree of doctor of pedagogy by the University of Aquila, Italy. He was appointed to the faculty of St. John's University School of Law in 1947, and was made a full professor in 1951.

In 1956, Dr. Re was appointed a special hearing officer for the Department of Justice by the Attorney General of the United States. In that year, he was the recipient of the distinguished service award of the Brooklyn Junior Chamber of Commerce. He was appointed to the Board of Higher Education of the City of New York by Mayor Robert F. Wagner on March 25, 1958. In 1960 he was tendered the Order of Merit by the Republic of Italy. In the 1960 national elections he served the New York State electoral college as an elector of the President and Vice President of the United States.

Dr. Re has served on various committees of the American Bar Association, New York State Bar Association, Association of the Bar of the City of New York, New York County Lawyers Association, and Brooklyn Bar Association. From 1949 to 1956 he served as chairman of the Comparative Procedure and Practice Committee of the American Bar Association Section of International and Comparative Law, and is presently divisional vice chairman of the Comparative Law Division of the Section of International and Comparative Law. He has also served as chairman of the Administrative Law Committee of the New York County Lawyers Association and chairman of the Comparative Law Committee of the Association of American Law Schools. On July 21 of this year, he was elected a member of the American Law Institute.

Pursuant to the provisions of section 464 of the Civil Practice Act of New York, he has been appointed referee by consent in cases involving the nationalization of property by the Governments of Hungary, Czechoslovakia, and China.

Dr. Re is the author of the following books: "Foreign Confiscations in Anglo-American Law" (1951); "Brief Writing and Oral Argument" (1951); "Cases and Materials on International Law" (with Lester B. Orfield of the Indiana Law School, 1955); "Selected Essays on Equity" (1955); and "Cases and Materials on Equity" (with the late Prof. Zechariah Chafee, Jr., of the Harvard Law School, 1958).

His many contributions to the fields of international and comparative law include the following articles: "International Law and the United Nations" (1947); "The Nationalization of Foreign Owned Property" (1952); "Nationalization and the Investment of Capital Abroad" (1953); "L'Enseignement du droit international et du droit compare et les relations internationales" (1955); "The NATO Status of Forces Agreement and International Law" (1955); "Les Systèmes de Common Law" in "Le Regime Matrimonial Legal Dans Les Legislations Contemporaines" (1957); and "The Roman Contribution to the Common Law" (1961).

During the Second World War, he served in the U.S. Air Force from 1943 to 1947, and is currently in the Active Reserve, U.S. Air Force, Office of the Judge Advocate General.

He and his wife, the former Margaret Ann Corcoran, also a member of the New York bar, are the parents of nine children.

I want to bring your attention to a few paragraphs in the report which emphasize restrictions on payments of the claims:

All payments under H.R. 11721 in amounts over ₱25,000 (approximately $6,400) will be subject to the provisions of section 104(c) of the Philippine Rehabilitation Act of 1946. Section 104(c) of the Philippine Rehabilitation Act of 1946 requires substantiating evidence from claimants that the lost or damaged property on which the claim is based has been or will be rebuilt, replaced, or repaired. Where the rebuilding, replacement, or repair could not be done, the section requires that sums equal to or greater than the amount awarded have been reinvested, or that the amount of the payment to be made will be reinvested in the rehabilitation and economic development of the Philippines. Small claimants, the unpaid balance of whose awards is under ₱25,000, would be exempt from this requirement, on the theory that such reinvestment has already occurred. However, under section 5 of H.R. 11721, all claimants residing outside the Republic of the Philippines, regardless of the amount of their awards, will have to prove that they have invested an amount equal to the value of their awards in the rehabilitation and economic development of the Philippines before they will be permitted to receive any payment under this bill.

After all approved claims have been paid up to the maximum permitted, the balance of the appropriation shall revert to the U.S.

Treasury. Payment shall not be made under this act on any claim filed under the Philippine Rehabilitation Act of 1946 or under this act which was acquired from a predecessor in interest by purchase, except where such purchase was in the ordinary course of business in connection with the acquisition of all assets of a business firm.

I hope action today will be a reversal of the action taken by the House on May 9. The medium did much to change the opinions of those who opposed this legislation and I insert here several editorials:

[From the Washington Daily News, May 10, 1962]

A DISMAYING VOTE

The United States defaults a debt of honor by action of the House yesterday in killing a bill to authorize payment of the remaining $73 million in Philippines war damage claims.

The sum is the balance of what we legally owe the Philippines by virtue of a 1946 act of Congress. The total amount of property claims which Congress decided were justified was not fully appropriated at the time.

In the course of lengthy debate on the bill it was argued that too many big Philippine firms would be the beneficiaries, and that our No. 1 Asian ally already had received $1.6 billion in economic assistance and military aid. But this was a promise we made under previous legislation and every U.S. President since Harry Truman has included the $73 million in the annual budget, only to have Congress renege on the payup.

The bill's sponsor, Representative CLEMENT ZABLOCKI (Democrat, of Michigan), said he was "dismayed and distressed" at the surprise vote of 171 to 201 yesterday. We share his sentiment, and can only hope the Filipinos are not going to be any less our friends than they have been in the past. More now than at any time since the war it is essential that we stand together in the face of new Asian troubles—in a relationship that cannot be measured in dollars and cents.

[From the Washington Post, May 14, 1962]

REBUFF TO OUR FRIENDS

The House of Representatives was suffering from the political jitters when it rejected the Philippines war damage bill. The justice of payments by this country to compensate the Filipino people for damages caused by American military forces in driving the Japanese out of the islands in World War II was fully recognized by Congress in passing the Philippine Rehabilitation Act in 1946. The question at issue in the House was the appropriation of $73 million to complete the payment of these claims. To reject the final payment after the claims have been established comes close to being an act of bad faith.

[From the New York Times, May 11, 1962]

MISTREATING THE PHILIPPINES

House defeat of a bill to authorize payment of the remaining Philippines war damage claims was a foolish and indefensible act.

This is money the United States has owed the Philippines for more than a decade.

Compensation for property damaged in the Philippines by American forces during World War II (when the islands were American territory) was sanctioned by act of Congress in 1946. The amount later appropriated did not cover all approved claims, and year after year Congress has failed, as the House did on Wednesday, to vote funds to pay the remaining $73 million due despite pleas of the State Department and Presidents Truman, Eisenhower, and Kennedy.

The Republic of the Philippines is one of our stanchest and most important allies; its people and governments have been consistently friends of the United States. Filipinos are justifiably dismayed and angered by this repudiation of an acknowledged debt. The House vote denies to the Philippines funds that had been counted on to bolster efforts of the progressive new Macapagal administration to spur the Philippine economy.

Emanuel Palaez, Philippines Vice President and Foreign Secretary, characterized the House action as evidence that "the United States treats her friends more shabbily than those who are not for her" and said, "One has to blackmail Americans to get anything from them." Unhappily many in the Philippines and people in other countries will agree with him.

The Senate has not acted on the war claims bill. It must, and the House must, reverse itself on this unwise, unjust vote.

Mr. Chairman, seldom in modern warfare has a country been so completely devastated as was the Philippines at the time of liberation from Japanese occupation in 1945.

Its cities were in ruins. Manila, the capital, was a smoking heap of rubble, without food, water, and transportation.

The physical damage was almost entirely inflicted during the closing phases of combat. It was a combination of vengeful demolition by the Japanese and the inevitable havoc of combat as the American forces attacked by land, sea, and air.

The aftermath of the war produced the problems of postwar survival and rehabilitation for the Filipino people. Total estimates of all losses of physical property in the Philippines was placed at over $1 billion based on 1944 values. Full restoration for property losses in the Philippines was promised by the United States. As a result, the Philippine Rehabilitation Act of 1946 appropriated $400 million to pay the claimants in the Philippines who suffered property losses.

As President Roosevelt signed the act establishing the Philippine War Damage Commission on June 29, 1944, he declared:

> Our character as a nation will be judged for years to come by the human understanding and the physical efficiency with which we help in the immense task of rehabilitating the Philippines.

The original appropriation was found to be insufficient to pay 100 percent of each claim approved. An arbitrary decision was made to pay each claimant 75 percent or his claim. Even with this 25-percent reduction, a balance of $73 million remains outstanding on the unpaid balances.

Intervening events and delays in Congress have served only to emphasize the firm conviction that the balances left unpaid through our failure in the past to authorize sufficient funds for this purpose should be paid without further delay. The passing of time has not impaired the morality of our obligation to complete the payments which we undertook by law to discharge.

The bill we are considering today has numerous safeguards to prevent submission of new claims, to prevent duplication of payments, and to limit legal fees which may be charged claimants for assistance in processing claims. If the $73 million is appropriated, the Philippines is already on notice that no further request relating to war damage compensation will be considered.

The Philippine Government in 1961 discharged its obligations to the United States under the Romulo-Snyder agreement by the payment of the sum of $20 million. As a result of this payment, the Philippines have every right to expect the United States to fulfill its obligations.

The Philippine soldiers fought side by side with the Americans at Bataan, Corregidor, and elsewhere, when the chips were down. The sacrifices the Filipinos made in the defense of democracy must never be forgotten.

The United States must not forget than an economically strong Philippines gives the free world another friendly nation which will continue to remain in the democratic fold. A more powerful, a more strongly established and economic Philippines means more allied strength to combat the threat of communism. The Republic of the Philippines is of major importance to the United States economically, militarily, and politically. The United States needs the Philippines as much as the Philippines needs the United States.

I am in favor of this bill and urge immediate action on the long overdue pledge to be fulfilled.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. DANIELS].

Mr. DANIELS. Mr. Chairman, today H.R. 11712, a bill providing for the payment of the balance of awards due under the Philippine Rehabilitation Act of 1946, is being reconsidered. The reason for this reconsideration is obvious. The House wishes to restore the honor of the U.S. Government. Less than 3 months ago, on May 9, we considered H.R. 8617, a similar bill which was defeated. At that time most of the Members of the House voted against the measure because of awards to large corporations, including a brewery and a racetrack firm. However, all the awards have been held to be justified by the Reparation Commission.

Fortunately the democratic system allows for self-analysis, criticism, and the process through which a mistake may be remedied. And the mistake made by this body on May 9 will be remedied today.

During World War II the Philippines suffered severe damages inflicted not only by the Japanese, but by American bombing planes prior to and subsequent to landings by Japanese forces during retreat. As a result of the war, the Philippines found themselves, in 1945, without funds. To alleviate this situation, the 79th Congress approved the Philippine Rehabilitation Act of 1946, which created the Philippine War Damage Commission and authorized the expenditure of $400 million to pay war damage claims approved by the Commission. The Commission was to examine claims for loss and damage, make payment in full on all property damage awards up to $500, and make payment up to 75 percent of the awards in excess of $500. All claim awards of $500 or less have been paid, but awards in excess of that amount have only been paid to the extent of 52½ percent of the award. H.R. 11721 would make possible the payment of the remaining 22½ percent of the award still outstanding under each such claim.

The opponents to H.R. 11721 use various arguments all of which are invalid, most of which are irrelevant, and some of which are self-contradictory. Some opponents argue that we should never have promised to aid the Philippines, for we had already aided them by liberating them from the Japanese. But the point under consideration is not whether we should have promised aid. The point is that we did promise aid and consequently should fulfill our commitment. Others argue that the claims involved in this legislation are not war damage claims, but what is actually involved is aid for the rehabilitation of a wartorn country. First, it is difficult for me to separate the payment of war damage claims from the overall rehabilitation of a country, for the former will inevitably affect the latter. Secondly, it is untrue that war damage claims are not involved in this legislation, and a careful study of the facts would not result in such a conclusion. It is a fact that although 223 corporations are on the list of claimants, there are some 86,000 individual claimants. It would prove unfair and unwise to deny payment to these many thousands of individuals because a couple of hundred corporations are on the list. Let me also say that although I am apprehensive to note that all these corporations receive war damage awards, the fact of the matter is that these enterprises qualified for such awards by contributing themselves to the economic rehabilitation of the Philippines. Some Members oppose H.R. 11721 because it supposedly will rehabilitate the Philippines. They then say that the Philippine economy is too shattered to be rehabilitated, and in the same breath recommend that the United States support development projects in agriculture and industry related to the specific needs of the Philippine economy rather than additional war damage payments to individuals. A more confused argument could not be advanced.

I know today that we will adhere to the American tradition of fairplay by passing H.R. 11721, and I hope by our action that we will show the Filipinos we are as much their friends today in time of peace as we were 20 years ago in time of war.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may desire to the chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN].

Mr. MORGAN. Mr. Chairman, I rise in support of H.R. 11721 and urge its approval by an overwhelming majority of the House.

There appear to be two major questions concerning this bill: The first is a question as to whether or not the United States owes the $73 million which is authorized, and the second is whether or not the money will be paid to people who neither need it nor deserve it.

Let me say a word about the nature of the claims which are involved. These claims do not represent claims of the Philippine Government against the United States for money that we owe the Philippines as a result of events which occurred during World War II.

The United States has already provided substantial compensation to the Philippine Government for various types of damage done during the war for which we might be regarded as having some responsibility.

These are claims of individuals and corporations that own property in the Philippines which was damaged during the war and which arise because after the war was over, the U.S. Government said to these individuals and corporations: If you will go ahead and repair the damage to your property as quickly as possible, the United States will undertake to reimburse you for the investment you make in repairing war damage.

The underlying idea was to get the economy of the Philippines rolling again as quickly as possible, and I believe most people concede that the effort has been successful.

The Government of the Philippines did not have responsibility for handling or evaluating these claims. The U.S. Government established a Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of 1946. This Commission, made up of Americans, went to the Philippines, opened its offices and invited the people who had suffered war damage to submit their claims for consideration and adjudication. Many thousands of these claims were submitted and $389 million has been paid against them. All small claims of less than $500 have already been paid. There was not enough money to go around, however, and this bill would make it possible to pay the remaining 22.5 percent which is due on those claims which are larger than $500.

The point I want to emphasize is the fact that the people of the Philippines were invited by the U.S. Government to submit to a U.S. Government agency claims which were adjudicated by the United States. This whole procedure involved a commitment to pay these claims after their adjudication.

We did not say to the people of the Philippines: Submit your claims and we will then decide what to do about them.

We did not say, "Submit your claims and we will pay a certain percentage of them."

We said, "Submit your claims and the United States will pay, after a fair evaluation, what it determines to be due on them."

The payment of these claims has been too long delayed, but I believe that no one will argue that the obligation to pay these claims is less valid because we have owed the money for a good many years.

Let me say just a word about the sort of people who will receive the money which this bill authorizes. There has been a lot of talk to the effect that the purpose of this bill is to pay off large corporations, including a brewery. Let me urge every Member of the House to examine the table on page 12 of the committee report. That table clearly indicates that over half of the money authorized is expected to go to 85,952 individuals whose claims are less than $25,000. The table also indicates that there are 83 claims which exceed $100,000 and that approximately one-third of the money will go to these large claimants provided they can show that they have invested an amount equal to their claims in the reconstruction of their property.

A vote against this bill will not do great harm to the large claimants. Many of them have prospered in the years since the war, and it is probable that in terms of their financial situation today, they do not need the money. I should remind you, however, that the primary purpose of the Philippine Rehabilitation Act was to encourage the reconstruction of the economy of the country so that people could get jobs and earn a living.

None of the large corporations will be able to collect a cent of the money authorized in this bill unless it is able to demonstrate that it did invest an equivalent amount in reconstruction in the Philippines. Undoubtedly the fact that these corporations believed that a substantial payment in U.S. funds could be expected was an important consideration in their pushing ahead with reconstruction. The fact that many of these corporations have been successful since the war should be commended rather than penalized.

The important point, however, is not the 287 individuals and corporations with claims which exceed $25,000, but the 85,000 individuals with claims of less than $25,000. These people constitute an important segment of the population of the Philippines. Whether or not we meet our obligations to these people will make a lot of difference to them financially.

More important, however, is the fact that if we do not live up to our commitments to them, their attitude toward the United States will inevitably be affected. We need the confidence and the respect of these 85,000 claimants. This is the vital issue which every Member should keep in mind when he votes on this bill.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. GIAIMO].

Mr. GIAIMO. Mr. Chairman, I rise in support of H.R. 11721.

The prompt passage of this bill is in the interests of our long and close friendship with the people of the Philippine Islands who fought and died with our men in the Pacific, who have been our stanchest allies, and who presently constitute one of the strongest outposts of democracy in the far Pacific.

In 1946, we undertook to rehabilitate the Philippine economy by compensating our close friends for the extensive damage and destruction wreaked on them by World War II. Mr. Chairman, we left that job half done. The purpose of the present bill would be to complete the task—and to do so in the swiftest, most efficient, and most complete way possible.

One proposal from the last Congress would have given a lump sum payment directly to the Philippine Government. This proposal was rejected for various good reasons. Congress properly concluded, and in this the Committee on Foreign Affairs has agreed, that the best way to fulfill the purpose of the bill was to have it administered by an agency of the U.S. Government presently equipped to do the work properly.

The Foreign Claims Settlement Commission of the United States has all the necessary machinery and experience to finish the job promptly, economically, and with the greatest possible advantage to this country and to the Philippines. The Commission has handled many programs similar to this one in the past—it was actually organized for the express purpose of administering such legislation. This Commission has a long record of experience in getting things done—and getting them done on time.

Mr. Chairman, let us not leave this job undone any longer. And, for our own interest and for that of the Philippines, let us do it properly.

Mr. ZABLOCKI. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, as an old Spanish War veteran I am most happy at the peaceful ending that seems to have come to this period of misunderstanding.

I know there is none among my colleagues who does not have a sense of deep appreciation and warm friendship toward the Philippines and the people of the Philippines. I know there is none among my colleagues who does not remember that the Philippines came to us in the period of the Spanish-American War, and that following that our young men and young women went to the Philippines as teachers, that for years we worked with the Philippines and, with our help and their determination, they prepared themselves for independence, which freely and cheerfully we gave to them under no pressure save the wishes of the Philippine people and our faith in their ability to build in the far Pacific a fortress of democracy in the working out of their destiny.

We look back at the time when over $2 billion of property was destroyed, much of it by our own artillery, when the Philippines were standing with us in our time of need as we have stood with them in their time of youth and growth.

I know that in the vote some time ago there could have been no thought in the mind of anyone of showing lack of appreciation and affection for the Philippines and its people. I think that confusion has been removed.

Also, Mr. Chairman, perhaps some of the Filipinos spoke in confusion over what this body had done, perhaps in anger. We all do that. Something happens—we do not like it because we may not understand and are confused—and we speak out in indignation and in anger. I hope, Mr. Chairman, having dissolved our own confusion and reached this happy ending, we will forget and forgive all across the board and not hold it against our stout friend, the great President of the Republic of the Philippines, that he, also confused by what had happened here, spoke in indignation, perhaps in anger. We are acting today from the impulse of our hearts, which always have been attuned to the heartbeats of the people of the Philippines, not because of any gun at our heads.

So I hope that in passing this bill, we will end this period of misunderstanding and that from this Chamber we will send to the President of the Philippines and to all the people of the Philippines a renewed pledge of our undying friendship. I voted for the measure the first time. I am again voting for it.

Mr. Chairman, I yield back the remainder of my time.

Mr. JUDD. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. BROOMFIELD], a member of the committee.

Mr. BROOMFIELD. Mr. Chairman, for the second time this year, we are considering the payment of the remainder of the Philippine war claims.

To many of us in the House Foreign Affairs Committee, we wish that there would have been no necessity for this second trip.

We wish that the House would have passed this bill earlier this year, and that we could now be considering other business.

But such is not the case.

The original bill was defeated, and I believe one of the reasons for the defeat earlier this year was that many of us on the House Foreign Affairs Committee considered the case in favor of this proposed legislation so self-evident that perhaps we were not diligent enough in making sure that all Members of the House were aware of the rightness of this proposal.

If there was a lack of understanding of the reasons for this bill; if there was a lack of communication between the members of our committee and the rest of the Members of the House on this issue, we sincerely hope that there is understanding by the Members of the House of our reasons for favorably reporting this bill to the floor.

We hope that this time we will succeed, and that each Member of the House will join in this effort to settle a debt owed to a friend of many years.

What we have before us, in essence, is a matter of principle; principle spelled with an "le." We have an opportunity to honor this obligation.

Some Members of the House have protested, on a great many occasions, the failure of some nations to pay their debts to us.

These protests are most certainly justified. There are far too many nations which look upon Uncle Sam as a generous relative whose bag of goodies is boundless, and whose generosity far outweighs his commonsense.

But these protests ring a bit hollow in my ears when, on the one hand, we protest against those who do not honor their obligations, while on the other hand we ourselves fail to honor our own obligations to a nation which we helped create, which has the same ideals, the same goals, the same strong stand against Communist infiltration as we have.

We will have diluted our protests, and the essential rightness of our protests, by such actions. We will, in essence, be saying to the world, "Don't do as we do, do as we say."

It would seem to the world, and to ourselves for that matter, that we were attempting to wriggle out of a debt simply because we thought we could get away with it.

Now the "i" dotters and the comma studiers perhaps may argue that we have a legal loophole through which we can squirm if we so desire.

Perhaps these gentlemen are right. Perhaps an alibi can be found for not honoring this debt.

But it seems to me that it would be very difficult for many of us who deal with the people of the Philippines to look them in the face and honestly say that our Government has treated them fairly.

An examination of the RECORD during the debate, at the time the original Philippine war claims bill was passed, should leave little doubt in anyone's mind that these claims were to be paid. Nor is there any question that the intent of Congress, at the time of passage of the original bill, was to pay this money to the claimants if the original appropriation proved to be insufficient.

What we are offered today is an opportunity to settle this question of claims once and for all.

What we are paying for was the privilege of burning, bombing, and shelling the homes, the shops, the plants of Filipinos.

To be sure, this wholesale destruction was necessary. To be sure, dollars or pesos won't restore the limbs of those who lost them, nor the lives of those who gave them up, in this struggle for the Philippines.

But we can at least make restitution to those who have just claims. We can at least pay these bills which we admitted years ago we owed. We can at least settle up with the 86,000 individuals, firms, and organizations to which we did damage.

Now, there are those, I am sure, who will rise up in wrath at the prospect of settling up the claim of a brewery. I can even imagine a toast by some as they raise their glasses and proclaim: "Billions for subsidies, but not one cent for breweries."

However, I would like to point out to my colleagues that this particular brewery engaged in other activities besides the manufacture of "poor man's champagne."

This brewery also makes bread. It manufactures yeast for bread. It has dairies and pasteurizes milk. Its products are no more confined to beer than the Great Atlantic & Pacific Tea Co. deals only in tea.

How much money do we owe to these 86,000 claimants? We are not sure. We know that the amount is something less than the $73 million asked for in this bill we have before us.

The reason we cannot say for sure is because processing of these claims will not take place until after this legislation is passed, as there are no funds available for this processing at this time. We do know that a portion of these claims have been paid in full, while others have received partial payment. Also, we know that if this bill is passed, any amounts over and above the claims will be returned to the Federal Treasury.

Further, the committee made two key changes in the bill, as it was presented earlier this year, to strengthen it and to assure that these claims will not be permitted to drag out for a period of years.

The first of these changes requires the great bulk of the claimants to provide proof that funds, at least equal in amount to the claim, have been invested, or will be invested, in the rehabilitation and economic growth of the Philippines. The only exception to this provision will be small claimants whose totals are less than about $6,200, which comprises about 25,000 of the 86,000 claimants.

The second major change limits the time available to the Foreign Claims Settlement Commission to make final settlement of these claims. Some Members of Congress expressed the view that these settlements might drag out for decades and that, following Parkinson's law, we would have a growing bureaucracy to contend with in the future. We have stated in this bill that the Foreign Claims Settlement Commission must wind up its business on these claims within 2 years and 60 days after enactment into law of this bill.

This, I think, will guard against making these claim settlements a lifetime career for some Federal employees and also will assure prompt payment to claimants.

I would like to emphasize that this bill is not a "handout" to soothe the ruffled feelings of a neutral nation, or to attempt to buy its loyalty with dollars.

Despite the anger with which our first rejection of the war claims was met in the Philippines, I feel certain that the people of the Philippines will remain our steadfast friends. They simply will not trust us as much as they have in the past, and I think rightly so, if we should reject this bill a second time.

But I see no reason for rejection. We owe payment of these debts, which have been outstanding for so many years, as much to ourselves as we do to the Philippines. The Government of the Philippines has issued no ultimatums that if we fail to pay this debt they will swing to the Communist camp. They have not threatened economic reprisals against our businessmen. They have worked in the spirit of liberty, with justice, in their dealings with us. The least we can do is to give them justice in return, to treat this nation, which is our godchild, on equal terms.

Last year, the Government of the Philippines agreed to pay to our Federal Government the sum of $20 million, under the terms of the Romulo-Snyder agreement, a bill owed to us for funds we advanced to meet the payroll of the Philippine Army and its guerrilla forces which were of such valuable help to our own forces during World War II.

The Philippines, after settling up its debt to us, thought that the last obstacle had been removed to prompt payment by our Government of the money owed its citizens.

After living up to its end of the bargain, I think the people of the Philippines can be excused if they are a bit disillusioned with us and our failure to make good on our part of the bargain.

We have a chance here today to restore confidence in our Nation by approval of this bill. We are not buying friendship by approval of this bill. We simply are meeting an obligation, paying a debt to individuals to whom we owe money.

If the bombings, the shellings, the destruction had taken place in Washington, in Atlanta, in Detroit, Los Angeles, or Seattle, there would be no question of settlement. Because of the valiant stand of Americans and Filipinos alike, at Corregidor and Manila, there were no bombings in the United States during World War II. If it had not been for the delaying action, the rearguard action of the Filipino Scouts, the Americans, and the civilian guerrilla forces in the Philippines, we might have had to consider a west coast war claims bill, or an east coast war claims bill. However, I do not think Congress would have taken such a long time in approving it.

I urge my colleagues to vote in favor of this bill, to meet our obligation and to further solidify our friendship with a valiant ally.

Mr. JUDD. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. Kyl].

Mr. KYL. Mr. Chairman, I would like to thank the gentleman from Michigan [Mr. Broomfield] for the assistance he has rendered me relative to foreign affairs. I have frequently relied on this assistance because he has studied these matters so diligently and so thoroughly. His interpretation has been sound, his contribution is indeed large and worth while.

Mr. MONAGAN. Mr. Chairman, I support H.R. 11721.

May I begin by complimenting the distinguished minority leader for his announced position of support in this regard. Although his position is not free from difficulty from a political or partisan point of view; nevertheless, I believe that he has done what is in the best interest of the United States.

If anyone wants substantial authority for the need for this legislation, may I call attention to the letter which appears on page 90 of the hearings in which it is stated that prompt action on the Zablocki bill "cannot fail to help both the Philippines and our own beloved country." This letter is signed "Douglas MacArthur."

The important point in connection with this legislation is not the legalistic one as to whether or not we have an obligation upon which suit could be brought. The important point is that our failure is considered by the Filipinos to be a breach of faith.

Since this frame of mind is a fact and not a theory, it is vital for the cause of good relations between our countries that this feeling should be eliminated.

Criticism has been voiced of the payments which are proposed to be made to certain corporations in the Philippines. While it is true that there are such payments, it should be noted that there are also payments to the Philippine National Red Cross, the international committee of the YMCA, the Philippine Women's Education Association and the Hospital de San Juan de Dios.

In addition, it should be remembered that the Philippine people are our friends whose friendship has been demonstrated to us in time of war and it is difficult for me to see why people should object that we are doing for them what is essentially the same thing that we did for our enemies, Japan and West Germany.

I should like to close by quoting from a letter from a friend who is a close student of Philippine affairs and has lived in the Philippine Islands.

He says:

> Obviously, the Philippines has been an extremely good ally in the past. In contemporary world politics we are not only anxious to maintain extremely good relationships with the Philippines, but we are also interested in the strategic role of the Philippines in southeast Asia. We also wish to retain the Philippines as a close friend to serve as a shining example of America's beneficent colonialism in a world where ex-colonies are rarely friendly with their ex-master for long.
>
> A much more immediate political element is also involved regarding the Macapagal administration. Macapagal, against extremely strong opposition, has been bending over backward for a period of 5 years to sell the idea of America's importance in the future of the Philippines and the need for far closer Philippine-American relationships. Macapagal has been particularly active in opposing the narrow chauvinistic nationalism which frequently spilled over into anti-Americanism. Here was a man who politically gave his all to publicly defend the United States and to promote closer Philippine-American relations. The psychological shock of the supplementary war damage rejection was a major trauma for him and subjected him to intense riducule by those who said America would better serve her former enemies than her friends. He was also ridiculed by his erstwhile colleagues who said this was an indication of American disinterest toward the Philippines.

My correspondent also went on to point out that the $70-odd million involved in this bill might be distributed to private individuals and corporations, but that it would serve to bolster the difficult foreign exchange position of the Philippines. This is an important consideration.

For these reasons, Mr. Chairman, I support this legislation and I hope that the House will give its support to the amended version which we are considering today.

Mr. TEAGUE of Texas. Mr. Chairman, I am voting for this bill because I believe that it is a moral obligation of our U.S. Government. I was absent from the floor when this bill was voted on before because of official business; but if I had been here, I would have voted for that bill.

There were three men that I have known from the Philippines since coming to the Congress, for whom I have had much respect and admiration and enjoyed knowing. The first was the Honorable Mike Elizolde, the then Ambassador from the Philippines. The second was his successor, the Honorable Carlos Romulo. The third was a man that I believe we miss more than any other man in that part of the world, and that was the Honorable Ramon Magsaysay, President of the Philippines.

I am much disturbed and disappointed in things that have happened in the Philippines since this bill was last debated. The action of the present President and the changing of their recognized date of independence, in my opinion was both childish and ridiculous. I want it clearly understood that I am voting for this bill in spite of these actions, and not because of these actions. I believe my voting record in the Congress and my actions in the Congress in behalf of the people of the Philippines will prove that I have had a very warm feeling for them. I do believe that the Philippine Government should have shown more patience and understanding on this issue.

Mr. ADDABBO. Mr. Chairman, on May 9, 1962, I voted against H.R. 8617, a bill similar to H.R. 11721 which we are now considering. I voted against the original bill, H.R. 8617, because the provisions of said bill did not, in my opinion, adequately and properly provide for the payment of this money for and in the rehabilitation of the Philippines.

Under the present bill, H.R. 11721, there is specific provision that the moneys are used or were used in the actual rehabilitation program in the Philippines. In the present bill, as a condition for payment of the claims, it is required that the whole of such payments shall be reinvested in such manner as will further the rehabilitation or economic development of the Philippines.

Though it would appear that the moneys are to be paid in a great part to corporations, a large part of the appropriation herein will be paid to individuals who suffered damage in the defense and liberation of the Philippines. I believe that the payment of these war claims is not only warranted as a moral obligation but now, under the present legislation, H.R. 11721, will go to the grassroots benefit of the people of the Philippines.

I sincerely hope that those who voted against H.R. 8617 will now reconsider, in view of the modifications in the present bill, and that this legislation, H.R. 11721, be approved.

Mr. CLANCY. Mr. Chairman, I rise in support of H.R. 11721 and urge that this legislation be adopted. When H.R. 8617, which would have authorized $73 million for payments to Philippine citizens and corporations of unpaid balances of World War II damage awards made under the Philippine Rehabilitation Act of 1956, came to a vote in this House on May 9 of this year I, along with a majority of my colleagues, voted against the measure. With very few colleagues by my side I rose in support of an amendment offered by the gentleman from New York [Mr. BARRY] which provided for the authorization of a payment not to exceed $73 million to the Government of the Republic of the Philippines, as distinguished from payments to corporations and individuals, in full satisfaction and final settlement of all claims. Payment to individuals would have been left to the Philippine Government. It appeared to me that not only would this amendment simplify administration of the payments, but it would better satisfy the initial purpose of the act; namely, to rehabilitate the Philippines, not to repay individuals. Payment of the sum directly to the Philippine Government was, in my judgment, the best means of continuing and strengthening the economic recovery already achieved since the devastation of the war. The Barry amendment was rejected.

We have the greatest admiration and friendship for the people of the Philippines, one of our stanchest and most valued allies. We have great interest in seeing that the country as a whole is benefited.

I am therefore pleased that the new bill before us today meets and overcomes the major objection to H.R. 8617, and I can now lend my wholehearted support to the proposal. By requiring a reexamination of all claims over 25,000 pesos—or equivalent value in dollars—and substantiating evidence that sums equal to or exceeding the amount awarded have been or will be reinvested to further the rehabilitation and economic development of the Philippines, the revised bill will fulfill the intent of the Philippine Rehabilitation Act. We should avail ourselves of this opportunity to discharge a longstanding obligation and thereby restore the faith of the Philippine people, as well as people of many other lands, in the pledged word of the United States.

Mr. BOLAND. Mr. Chairman, I rise in support of H.R. 11721.

I have always been in favor of the proposal incorporated in this resolution. Had I been here on May 9, 1962, when a similar proposition was considered by this House, I would have voted for it. Attendance at a funeral of a friend back in my district prevented my presence in the Congress on that date and my inability to vote favorably on the bill. I am glad that I have this opportunity today to state my position on this matter and to emphatically approve and vote for it.

Mr. Chairman, this bill authorizes the Foreign Claims Settlement Commission to complete payment on approved claims of individual Philippine and American citizens and corporations for damage to their private property in the Philippines during World War II. All claims under $500 have already been paid in full. The $73 million that could be paid under this bill represents the balance—22.5 percent—between the 52.5 percent already paid on approved claims exceeding $500, and the 75 percent authorized to be paid by the Philippine Rehabilitation Act of 1946 but for which insufficient funds were appropriated. Approximately 88,000 claimants are involved.

This bill contains safeguards to prevent submission of new claims, to prevent duplicate payments and to limit the legal fees which may be charged claimants for assistance in processing claims. It also modifies H.R. 8617, defeated in May 1962, to require that all claimants receiving amounts over ₱25,000—approximately $6,200—prove that such amounts have been invested in the rehabilitation of the Philippine economy. The Philippines is aware that with the passage of this bill, no further war damage claims will be considered.

The Philippines, in April 1961, settled its obligation to the United States—under the Romulo-Snyder agreement of 1950—with the payment of $20 million. The Philippines fully anticipated that, having settled its obligation, Congress would act favorably on war claims legislation in 1961. There was considerable disappointment in the Philippines when Congress adjourned last year with no action taken on the war damage claims.

Mr. Chairman, with the passage by the Congress of the Philippine Rehabilitation Act of 1946, the United States accepted a self-assumed but unescapable moral commitment to provide compensation to Philippine and American individuals and corporations who suffered property losses as a consequence of World War II action in the Philippines. This commitment was part and parcel of the epicmaking legislative acts passed by the 78th and 79th Congress which laid the foundation for and gave expression to Philippine independence. The Department of State recognizes this commitment. It has been acknowledged by President Kennedy who has repeated his wholehearted support for Philippine war damage legislation on several occasions. It is also strongly felt in the Philippines.

Mr. ALBERT. Mr. Chairman, I want to join with the strong bipartisan support that exists here in the House for enactment of H.R. 11721, the Philippine war damage bill. I believe this measure satisfies and closes out a longstanding obligation by this country to a loyal and stalwart ally in the cold war as well as in World War II. It will remove a serious impediment to our good relations with that essential friend in the Far East and serve our security far beyond the immediate funds involved.

I want to take a moment to restate the background and reason for this legislation.

In 1946, when the 79th Congress passed the Philippine Rehabilitation Act—as Public Law 370—it approved this legislation the same day it approved the Philippine Trade Act of 1946 as Public Law 371. While the Trade Act granted the United States a preferential position in the Philippines, the Philippine Rehabilitation Act authorized payment to the Philippines for war damage to public property and to private property owned by Philippine and American citizens and corporations.

As the Congress will recall, the Philippines, during the Bataan and Corregidor campaigns, in the period of Japanese occupation and at the time of liberation, had suffered tremendous physical destruction of property. Both the cities and the countryside had been laid waste. It was estimated that Cebu City, the second largest in the Philippines, was 90 percent destroyed. The sugar industry lay in ruins—in fact it took it 10 years to return to the level of prewar production. Then General Eisenhower, visiting Manila, described it as "the worst damaged city in the world with the possible exception of Warsaw."

Operating under the authority of the Philippine Rehabilitation Act of 1946, the U.S. Philippine War Damage Commission set about screening and approving claims and making rehabilitation payments from 1947 through early 1951. When the Commission went out of existence in the latter year, it had expended the funds provided by the Congress but had not met all private claims to the extent permitted under the Philippine Rehabilitation Act, that is, 75 percent of approved claims over $500. All claims under $500 were paid in full; claims over $500 were paid to the extent of 52.5 percent of the approved amounts.

The $73 million that would be authorized under H.R. 11721 represents the balance—22.5 percent—between the 52.5 percent already paid and the 75 percent authorized under the 1946 legislation.

It had been foreseen by the Congress that the appropriations made in 1946 might be inadequate to meet approved war damage claims. In the 1946 hearings, the gentleman from Minnesota [Mr. JUDD] asked that the record show that the sums then appropriated might be insufficient and that additional funds might be required. It was made evident that the Congress considered it had a moral obligation to assist the Filipinos, as they gained their independence, to rebuild the destruction of the war.

The present war damage bill—H.R. 11721—fulfills this longstanding commitment. It authorizes the Foreign Claims Settlement Commission to complete the payment on approved claims of individual Philippine and American citizens and corporations. It contains safeguards to prevent the filing of new claims, to prevent duplicate payments and to limit the legal fees which might be charged claimants for assistance in processing claims. It also requires that claimants receiving over ₱25,000—approximately $6,200—prove that like amounts have been invested in the rehabilitation of the Philippines. The bill would, therefore, serve to strengthen the Philippine economy. The Philippines has been informed that with the passage of this bill, no further war claims will be considered.

The Filipinos feel deeply about this bill, and were stunned by the Congress rejection of an earlier version last May. They regard it as a moral commitment on the part of the United States. President Kennedy and the Department of State fully share this view. Passage of H.R. 11721 would honor this commitment and do much to clear the air in our relations with the Philippines.

The suggestion has been made by some that payment should be made to the Philippine Government rather than to private claimants. But the settlement now before this House is what Philippine officials seek. If the claims are not disposed of, as proposed in this bill, the claimants whose property was wrecked in the war will remain as sources of irritation to disturb relations between the two countries.

The last time this measure was debated here, some of the individual claimants under this bill were specifically referred to. I think it is worth emphasizing that all of these claims have been carefully and fully adjudicated and found to be valid. The various claimants operated under Philippine law; and their property was destroyed or seriously damaged by the war. When both United States and Philippine law have been met, hope that this suffices for the purposes of discussion here.

The responsibility of the Congress in the field of foreign policy is sometimes a difficult and delicate task to carry out within the context of debate in which this branch of our Government finally reaches decisions. In the light of the Philippines longstanding importance to us and the background of the present legislation, I believe that support of this measure on behalf of our own national interest is eminently clear. The critical question, is whether the Philippine war damage bill is in our own national interest. I believe it most assuredly is and hope it will have the support of the Members of this House.

Mr. SCHADEBERG. Mr. Chairman, I rise in support of the bill, H.R. 11721, that support being based solely on the merits of the bill. I want to make it perfectly clear that my affirmative vote, as compared to my opposition to the previous bill, in no way is related to the decision of the President of the Philippines to delay his scheduled visit to the United States. I voted against this legislation the last time it was before the House for action. I want it clearly understood that I have changed my position and will vote for this measure because changes in the legislation give assurances that the money has been or will be invested in the Philippines to strengthen the economy.

I wish to reemphasize that my support of the bill is not linked in any way to the action of the President of the Philippines in his implied reprimand of the U.S. House of Representatives by the cancellation of his planned visit. It is unfortunate that he has chosen to indicate his displeasure at the manner in which this House handled the matter of the Philippine war damage claims issue. It certainly has made it difficult for some of us to change our vote, because we do not ever want the United States to be placed in the position of having its actions interpreted as reactions to threats by either friend or foe.

It is my hope that in his wisdom the President of the Philippines will allow enough time to expire between the signing of this bill and his visit to the United States to give evidence to the world that he does not consider this action by the Congress as meek submission to his demands.

Mr. COOLEY. Mr. Chairman, I am delighted that it now appears that we are, even at this late date, discharging our moral obligation to our friends the Filipinos who suffered so severely at a time when the altars of freedom were threatened throughout the world. During those cruel days our countrymen bled and died fighting for freedom beside the brave men of the Philippines.

The complete rehabilitation of the Philippines will take many years and a tremendous amount of money. The Filipinos are a proud people. They are devoted and dedicated to the cause of freedom. We gave them their independence, and they have proven themselves worthy of this trust. They are sophisticated in the arts of good government, but most important of all they are our friends. Independence Day—July 4th—means a lot both to the people of America and to the people of the Philippines. But when the Philippines became independent, the Philippine people were striving to pull themselves up from the ashes and devastation of war by their own bootstraps. My fond hope is that no dark shadows will ever again be cast upon the friendship which today exists between the peoples of our two great nations.

Mr. RYAN of New York. Mr. Chairman, for the second time in the last 3 months I urge support for a bill to provide $73 million in payment of the balance of the war damage awards due to the Philippines. On May 9, 1962, this body defeated H.R. 8617, a bill designed to achieve this purpose. Today we have an opportunity to correct this mistake by passing H.R. 11721. This is a bill which seeks to discharge a debt which the Filipinos have been waiting patiently to see repaid for over 10 years. They have in good faith gone ahead and reestablished their homes and shops and factories, and they have been counting on us to complete our promise to compensate them. Over half of the $73 million to be authorized will go to some 86,000 individuals and organizations who will each receive less than $25,000. These smaller claimants will be the major beneficiaries of the legislation. Those who receive payment under H.R. 11721 will not be new claimants, for the bill does not permit the opening of any new claims. Rather, they will be those who suffered property damage during the war, who have rebuilt that property, who had the legitimacy of their claims authenticated by the Philippine War Damage Commission during its period of operation between 1946 and 1951, and who have already received partial payment on their claims.

Mr. Chairman, we have been intimately involved in the affairs of the Philippines since 1898. Although it was a colonial possession up to 1946, no rancor divided our peoples; and we were in fact closely united by firm bonds of good will and mutual understanding. One evidence of these ties was our passage of the Tydings-McDuffie Act of 1934, which pledged us to give independence to the islands after 10 years.

When World War II began, we were unable to prevent the Japanese from invading the Philippines. But during the Japanese occupation of the islands, we wanted the Filipinos to know that we were with them in spirit. We therefore reaffirmed our promises of independence and also stated that we would aid in the rehabilitation of the economy in the postwar period. For example, on August 13, 1943, President Roosevelt asserted to the people of the Philippines:

> You will soon be redeemed from the Japanese yoke and you will be assisted in the full repair of the ravages caused by the war.

The Filipinos resisted the Japanese because they loved their country and wanted it to be independent. They also wanted to be free to continue their mutually agreeable relations with the United States.

The Filipinos fought bravely with Americans at Bataan and on Corregidor, retreated into the hills and tied down thousands of Japanese troops with their fierce guerrilla resistance. Then they welcomed the American-led liberation campaign, which laid waste to their cities and brought death and devastation to thousands.

The Philippines sustained enormous damages and loss of life in the war. The U.S. Congress was quick to send relief to the ravaged Filipino economy through the passage of the Philippine Rehabilitation Act of April 30, 1946. By this act we created the Philippine War Damage Commission and appropriated $400 million to be used to help defray the cost of rebuilding property that had been lost during the war. The drafters of the 1946 bill had no way of knowing what the amount of just claims would be. The $400 million figure was considered nothing more than a sum which would get the payment of the claims started. It was recognized that the Congress might have to appropriate additional funds.

The $400 million was used first to pay all claims under $500 and the first $500 of larger claims. Once that had been taken care of, the rest of the funds were used to pay the larger claims on a pro rata basis. The intention of the bill had been to pay 75 percent of that part of each claim above the initial $500. But the $400 million only went far enough to pay 52.5 percent of the claims above $500. Thus, a further authorization became necessary. The bill before us has only one purpose: that is to bring the level of payment up 22.5 percent, from 52.5 percent to the 75 percent promised under the 1946 legislation.

The 1946 bill required not only that the claimants show proof of having had property destroyed but also instructed the Philippine War Damage Commission to obtain proof that the claimants had already reinvested in the repair or reconstruction of their property a sum equal to that which they were to receive from the Commission. This insured that the money we paid out compensated claimants for real efforts they had made to rehabilitate the Philippine economy.

What is involved in this bill is the payment of sums which we promised to speed the redevelopment of the Philippines. These efforts were in large part successful. But this does not mean that we have no more obligation.

The reaction to the defeat of H.R. 8617 was immediate and highly critical. Prominent Americans were quick to deplore the House action. Newspaper opinion throughout the country was nearly unanimous in condemning it. And the vigorous and pro-American President of the Philippines, Diosdado Macapagal, had no alternative but to cancel his scheduled goodwill trip to the United States. The Foreign Minister and Vice President of the country, Emanuel Palaez, commented:

> The United States treats her friends more shabbily than those who are not for her.

Mr. Chairman, our relations with the Philippines have been needlessly impaired and are in a state of suspension, depending in some measure on what we do here today. If we pass H.R. 11721, it is likely that our relations can be returned to firm footing. I strongly urge support for H.R. 11721.

Mr. ZABLOCKI. Mr. Chairman, I yield back the balance of my time.

Mr. JUDD. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Foreign Claims Settlement Commission (hereafter in this Act referred to as the "Commission") shall provide, out of funds appropriated pursuant to this Act, for the payment of the unpaid balance of awards heretofore made by the Philippine War Damage Commission under title I of the Philippine Rehabilitation Act of 1946. No payment shall be made under this Act to any person, or to his successors in interest, on account of any award unless payment was made on such award under the Philippine Rehabilitation Act of 1946, and the maximum amount paid under this Act, when added to amounts paid under the Philippine Rehabilitation Act of 1946 and section 7 of the War Claims Act of 1948 on account of any claim shall not exceed the aggregate amount of claims approved in favor of such claimant after reduction under the last proviso of section 102(a) of the Philippine Rehabilitation Act of 1946. All payments under this Act in amounts over 25,000 pesos or equivalent value in dollars shall be subject to the provisions of section 104(c) of the Philippine Rehabilitation Act of 1946.

SEC. 2. Within sixty days after the enactment of this Act, or of legislation appropriating for administration expenses incurred in carrying out this Act, whichever is later, the Commission shall prescribe and publish in the Federal Register and give appropriate publicity in the Republic of the Philippines concerning the period, not in excess of twelve additional months, within which application must be filed under this Act. The Commission shall complete its determination and take final action with respect to applications filed under this Act not later than one year after the last date on which applications may be filed.

SEC. 3. The Commission shall give maximum publicity in the Republic of the Philippines to the provisions of this Act, and through utilization of the records of the former Philippine War Damage Commission shall attempt to notify individual claimants of their right to file applications for payment under this Act, by mailing notice thereof to the last known address of such claimants as shown by such records.

SEC. 4. The Commission shall notify all applicants of the approval or denial of their applications and, if approved, shall notify such applicants of the amount for which such applications are approved. Any applicant whose application is denied, or is approved for less than the amount of such application, shall be entitled, under such regulations as the Commission may prescribe, to a hearing before the Commission or its representative with respect to such application. Upon such hearing, the Commission may affirm, modify, or reverse its former action with respect to such application, including a denial or reduction in the amount of award theretofore approved. All findings of the Commission concerning the persons to whom compensation pursuant to this Act is payable, and the amounts thereof, shall be conclusive and not be reviewable by any court.

SEC. 5. (a) Each award made under this Act shall be certified to the Secretary of the Treasury in terms of United States currency on the basis of the rate of exchange (that is, P/2 equals $1) which was applied in the Philippine Rehabilitation Act of 1946, for payment out of sums appropriated pursuant to section 8 of this Act. Such payments shall be made in accordance with such regulations as the Secretary of the Treasury may prescribe. Payments authorized under this Act shall be made in United States dollars or in Philippine pesos at the option of the Secretary of the Treasury; however, notwithstanding the last sentence of the first section of this Act, payment shall not be made outside of the Republic of the Philippines to any claimant residing outside the Republic of the Philippines unless he establishes to the satisfaction of the Commission that since the date of the loss or damage on account of which the original award was made he has heretofore invested in such manner as furthered the rehabilitation or economic development of the Philippines an amount not less than the claims approved in his favor after reduction under the last proviso of section 102(a) of the Philippine Rehabilitation Act of 1946. After all approved claims have been paid up to the maximum permitted, the balance of the appropriation shall revert to the United States Treasury. Payment shall not be made under this Act on any claim filed under the Philippine Rehabilitation Act of 1946 or under this Act which was acquired from a predecessor in interest by purchase, except where such purchase was in the ordinary course of business in connection with the acquisition of all assets of a business firm.

(b) Such of the records of the Philippine War Damage Commission as the Foreign Claims Settlement Commission may deem necessary for carrying out its functions under this Act shall be transferred to the Foreign Claims Settlement Commission.

SEC. 6. The total remuneration on account of services rendered or to be rendered to or on behalf of any applicant in connection with any application filed under this Act shall not exceed 5 per centum of the amount paid by the Commission on account of such application. Any agreement to the contrary shall be unlawful and void. Whoever, subject to the jurisdiction of the United States, violates this section shall be fined not more than $5,000 or imprisoned for not more than one year, or both. Where any payment is made in violation of this section, the Commission shall take such action as may be appropriate to recover the same.

SEC. 7. For the purposes of carrying out this Act, the following provisions of the International Claims Settlement Act of 1949 shall, to the extent not inconsistent with this Act, be applicable in the administration of this Act: Subsections (c), (d), (e), and (i) of section 4; subsections (d) and (e) of section 7; and subsection (c) of section 7 except that with respect to applicants not subject to the jurisdiction of the United States, references in such subsection (c) to the Comptroller General of the United States shall be deemed to refer to the Secretary of the Treasury.

SEC. 8. There is authorized to be appropriated not more than $73,000,000 to make payments on awards certified pursuant to this Act, plus such additional sums as may be necessary for the administrative expenses of the Commission and of the Secretary of the Treasury in carrying out this Act.

Mr. ZABLOCKI (during the reading of the bill). Mr. Chairman, the Clerk has just read the new sections of the bill. The remainder of the bill is identical to the bill that was considered by the House on a previous occasion, and, therefore, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The **CHAIRMAN.** Without objection, it is so ordered.

There was no objection.

Mr. BARRY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARRY: On page 2, line 11, after "1946" strike the period and insert ": *Provided*, That no payment in excess of $50,000 shall be made under this Act to any one claimant."

Mr. BARRY. Mr. Chairman, I think it is obvious why I offer this amendment. This amendment would have the effect of lowering the cost by $18,971,000. There are 154 claimants who would receive $26,691,000. If you set the maximum at $50,000 for each of these claims that would consume $7,700,000, meaning a net saving of $18,971,000. One can say, if this is a claim bill, why should we hit the people who have large claims—they have just as much right as someone who has a smaller claim? But, I submit to you, if you examine the report and the 1946 Rehabilitation Act, which is quoted on page 34 of the committee report before you, the bill is not a private claims measure to reimburse individuals or organizations for damage incurred in the war. The primary function is to assist and encourage rehabilitation and rebuilding of the economy and social structure of the Nation.

I would like to say one more thing in regard to the moral obligation that has been expounded here so prolifically this afternoon. The gentleman from Minnesota made his statement from the floor about an additional $100 million, but the chairman of the Committee on Insular Affairs at that time during the debate, Chairman Bell, of Missouri, said:

> My view is that this is purely a bill to rehabilitate the economic situation in the Philippines, and I consistently refuse to support any of the amendments which are proposed which look to the rehabilitation of the individual except where their rehabilitation was purely incidental to the rehabilitation of the economy of the islands.

I do not believe that my amendment will in any measure defeat the original purpose for which this bill was enacted and it is a substantial saving. It would just by fiat knock out many of the objections that have been raised before.

I have before me a local Philippine paper, the Philippine Bulletin of May 16, 1962. It goes on to recite names of those who would benefit by this bill. Here is one for 333,000 pesos. Divide that by 4 to get the amount in dollars. The Philippine-American Drug Co., 332,000 pesos; a gold mining company, 440,000 pesos. Listen to this one, Bengue Consolidated Mining Co., 2,248,000 pesos. This list is two columns long and each name is set down for large amounts.

I submit that this is a chance to keep faith with the original intent of the bill and at the same time not hurt the people who really suffered the most in the Philippine economy by hurting those who had claims for less than $50,000—and even these people here listed would get $50,000.

Mr. Chairman, I will take no more time on this amendment because I have a couple of others I wish to offer.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there are two reasons that should be stated here why the amendment should be defeated. First, the amendment is not germane to this bill. The bill we are now dealing with does not provide economic assistance to the Philippines; it is, rather, a bill to pay adjudicated claims. This is a matter that should have been proposed to the committee when it considered the Foreign Assistance Act.

Secondly, what the amendment does is to call for a complete readjudication of claims already determined, because the ceiling level suggested in the amendment would in effect say the claim was valid but not valid in its entirety. This amendment would call for a complete readjudication of claims that have already been adjudicated. I, therefore, urge that the amendment be voted down.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am opposed to this bill just as much now as I was when it came up for consideration and was defeated in the House in May of this year.

Where is it proposed to get the $73 million? The U.S. Treasury is busted, and borrowing billions of dollars. Moreover, there is neither a legal nor a moral obligation to pay this money.

The gentleman from Minnesota [Mr. JUDD] talks about devaluation of the peso; how about the 55 percent devaluation of the U.S. dollar? Who is going to come to our rescue when the dollar is further devalued and becomes worthless?

The gentleman from Minnesota [Mr. JUDD] also referred to the billions of American dollars that have been spewed out all over the world as justification for ladling out $73 million that we do not owe these people.

I wonder who has been in the forefront of dishing out $100 billion in so-called foreign aid through the years if it has not been the gentleman from Minnesota [Mr. JUDD]?

I do not like this bill for another reason. The President of the Philippines in the Manila Bulletin of May 19, 1962, gives us one more chance. The headline says "One More Chance—D.M. [Macapagal] Would Visit United States if Claims Were Approved."

Then there is the following:

> President Macapagal said yesterday he would go ahead with his state visit to the United States if the new $73 million Philippine war damage bill were passed by the U.S. Congress before its adjournment this year.

This is gun-to-the-head, blackmail tactics. I do not know whether he still proposes to come to the United States before this Congress adjourns if this bill is approved, but I promise you, that if he comes under the circumstances set forth in this newspaper story, I for one will not be present on the House floor for I do not yield to blackmail. I suppose that if he does come, the Army, Marine, or the Air Force Band, perhaps all three, will be turned out to weclome him with that old tune entitled "Sentimental Journey."

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Florida.

Mr. HALEY. If it takes $73 million to get the President of the Philippines over here to pay us a visit, probably that is one of the cheapest visits we have had. I notice that prior to these other give-away programs that the people we have brought in who are going to be on the receiving have cost us billions of dollars. So I think probably we are getting off cheap at $73 million.

Mr. GROSS. I will say to my good friend from Florida that I find nothing cheap about $73 million that we do not owe as in this case.

Mr. HALEY. I did not say it was cheap. I think it is a very high price, but I call the gentleman's attention to the fact this would be one of the cheapest visits we have had so far. I am opposed to all of them. Let them stay home. I do not want to see them.

Mr. GROSS. I heartily agree with the gentleman from Florida in that statement.

Mr. PUCINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was among those who on May 9 voted against the original version of this bill. In so doing, I stated at the time that the original bill could have been improved and the money which was to be given to the recipients of these funds could have been more wisely spent for the assistance of the Philippine people and improvement of their economy.

An editorial which appears on page 9 of the committee report on the revised bill which we are considering here today and which I quote here, an editorial from the Washington Daily News of May 16, 1962, states:

> It is quick good news that "more than a score" of the Congressmen who voted against the Philippines war damage claims bill, in an unfortunate moment last week, have now changed their minds.
>
> This is the reassurance from Representative CLEMENT ZABLOCKI, Democrat, of Wisconsin, who sponsored the measure. Representative ZABLOCKI is chairman of the House Foreign Affairs Committee's Subcommittee on the Far East.
>
> These erstwhile opponents of the bill—which would have settled $73 million worth of American I O U's long outstanding to the Filipinos—now regret their action, they told Representative ZABLOCKI.

I want the record to show that I certainly am not one of those referred to in the editorial as regretting his action.

I have no regret about the manner in which I cast my vote on May 9. In voting against the original proposal on May 9, I honestly, sincerely, and firmly believed the $73 million could be better spent in the Philippines. This editorial states better than anything I might say today perhaps why I have changed my position and am today supporting the revised proposal to pay our debt to the Philippines.

The editorial states:

> The newly introduced House bill incidentally carries an amendment requiring all payments in excess of 25,000 pesos (about $6,500) be reinvested for economic rehabilitation of the Philippines. This should dispose of any misgivings that some of the larger firms with sizable claims were getting an inexcusable "handout." And it still benefits the thousands of small claimants concerned who have waited so long for the United States to make good on its word.
>
> Not the slightest justification now remains for opposing this legislation—so let's get on with it.

Mr. Chairman, I agree with this last statement in the Washington Daily News editorial. The point that I want to make here is this: I certainly would not want anyone to get the impression from this editorial that when I cast my vote in opposition to the bill on May 9, that I had regretted my action or had some misunderstanding about what was provided in the proposal. On the contrary, I knew what I was doing then and I know what I am doing now. I opposed the legislation on May 9 because in its original form, this legislation would have provided a windfall of $73 million to a relatively small group of Philippine companies with absolutely no requirement that the money must be used to help the people and the economy of one of our best wartime allies. I now support it in its revised form because I sincerely believe that this $73 million is going to help the people of the Philippines, and that is the intent of this legislation in the first and last instance. It is sheer nonsense to suggest, as many editorial writers did when we defeated the original proposal on May 9, that this constituted a repudiation of our traditional friendship for the people of the Philippines. No one in this Congress questions the great debt of gratitude we all owe these fine people for their heroic assistance in World War II under the most difficult conditions. The thousands of American soldiers who served in the Philippines can attest to this. But the fact remains that there was no assurance in the original proposal that the people of the Philippines would benefit from the war-damage payments. The revised proposal before us today does indeed spell out such an assurance and for this reason I am happy to support the bill today. This bill now clearly provides that these American payments for war damages must be reinvested in the Philippines. This provision, therefore, means the people of this brave nation will receive maximum benefits from this legislation.

I believe the committee has today presented us with a much better bill; a bill which I believe will strengthen the economy of the Philippines and in this way, strengthen the fibers of freedom and democracy in this Pacific nation.

I urge approval of the revised bill before us today.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BARRY].

The question was taken; and on a division (demanded by Mr. BARRY) there were—ayes 13, noes 80.

So the amendment was rejected.

Mr. BURLESON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe it was Robert Benchley who said that when he felt the urge to exercise he just laid down until the urge passed.

As Members may possibly have observed I am not prone to take the floor on every occasion afforded. When I feel the urge to drop a few words of wisdom I usually try to get away until the urge has passed.

In all probability my good friend, the gentleman from Wisconsin [Mr. ZABLOCKI], has an idea that I am never for anything. But I am supporting this measure, and wholeheartedly. I think it is tremendously important we pass this bill. It seems to me the details become rather academic at this point. I do not think anyone can accuse me of throwing the taxpayers' dollars around loosely. But I just do not think we can afford now to reject this proposition.

The obligation or the understanding—moral or otherwise—is something that perhaps we can rationalize among ourselves. But the reaction of the Philippine people and President Macapagal to our recent action, of which I was a part, incidentally should not have surprised us. It was a natural thing. Permit me to say to my colleagues who supported the foreign aid bill recently passed by this House, if they can support handing out aid to India, to Yugoslavia and to many other nations around the world whose friendships are very doubtful, it seems to me that this by comparison is modest but important. We can depend on these friends in the Philippines. They have stood with us and proved a loyalty unlike many to whom millions, yes, billions has been given without assurances or obligation of any kind. They have not threatened to go Communist. This blackmail club has been hanging over our heads and continues to hang over our heads every day. We yield to it and all nations of the world are well aware of it.

Why, this sum of $73 million compared to the $4.6 billion foreign aid bill recently voted is no comparision at all. There is not a one of us here who could tell anyone else exactly what these billions are for and how they are to be spent. Oh yes, there are pages and pages of explanations but real answers are not there and never will be until about three-fourths of it is cut out.

In this debate perhaps the fact we can have an understanding of the meaning of $73 million but little comprehension of sums in the billions. Time after time I have observed here that seemingly it is less difficult to pass measures involving millions and billions than those totaling thousands or hundred of thousands.

I hope Mr. Chairman that when the Foreign Aid Appropriation bill reaches this floor the mood and judgment of this House is to drastically reduce it or support the reductions already recommended by the committee. Then I hope that next year those of us who may be here will resolve now and give notice to executive branch that this foreign spending is going to be cut far below what it is now and has been for many years. I so pledge my best efforts and hope for more success than we have had in the past. Certainly I am not one who believes we can afford the smugness and comfort of isolation from the rest of the world. I would like to support foreign aid but the scope and philosophy of these efforts, now and in the past dozen years or so, are wholly unjustified and unreasonable.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I am happy to yield to the gentleman from Iowa.

Mr. GROSS. That is why some of us would like to see the authorizing foreign aid bill that comes out of the Foreign Affairs Committee, of which committee the gentleman is a member, come out with few line items in it so that we may know what we are voting on; and we cannot find out.

Mr. BURLESON. I agree with the gentleman fully. That has been my contention in the committee and elsewhere for many years. I shall not argue the point with the gentleman at all. But now we are talking about an obligation to the Philippine people. I again use the word "obligation." It was their understanding and I think we may assume it was the understanding of most of the American people that we carry out our word. It is entirely possible the Congress was too liberal in this matter in 1946 and subsequently. Nevertheless the obligation was created and honor is involved.

Mr. CHIPERFIELD. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I am happy to yield to the gentleman from Illinois.

Mr. CHIPERFIELD. Mr. Chairman, I am in accord with the views the gentleman from Texas has just stated. I voted against this bill the last time. I am going to support the bill today in its present form.

Mr. BURLESON. I thank the gentleman.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I am glad to yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I should like to commend the gentleman for a very fine statement that puts this matter in its proper perspective. Whatever any individual's reactions may be about imprudent statements that may have been made by some spokesman for the people, the important thing to remember is that the Philippine people are a brave people, a proud people, a sensitive people; and perhaps the best friends that the United States of America has in the Pacific today. I think that they, as a people, are entitled to have this obligation honored and honored fully by the United States of America.

Mr. BURLESON. I thank the gentleman for that statement. It should be added that there were many moderate voices in the Philippines. A number of responsible officials, although expressing disappointment to some degree, also expressed understanding. They spoke of friendship, loyalty, and support of mutual interests in that vast Pacific area. And this is the fundamental issue. The Philippines is our anchor in that part of the world. Some other nations nearby are costing us billions of dollars and they are anchors too but the anchor, in my humble opinion, is around the neck of the American taxpayer. This is true in many places around this uneasy world.

Mr. Chairman, I repeat, that as opposed as I have been to these dubious efforts of influencing friendships with dollars, it is my belief we must honor this commitment to people who have proved to be our friends.

Mr. BARRY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Barry: On page 5, line 11, after the word "exceed" strike out the numeral "5" and insert in lieu thereof the numeral "2".

Mr. BARRY. Mr. Chairman, this will cut down the expense of processing the getting of funds by any of these claimants, from 5 to 2 percent. The reason is this. On the settlement sheet which was presumably given to the claimant when he got his last check, it said, "amount to be paid," and the dollar amount was named there. In view of that, there should not be any spadework necessary, the processing of papers, the proving of claims, and so forth. Therefore, a greater benefit will accrue to the people of the Philippine Islands, and the ultimate beneficiaries if we limit the amount that could be taken away from them by some kind of an operation under which they may assign over their claims to someone else to pick up the money. It is too simple a procedure, if you are a claimant under the old bill, to send in your name, your claim number, and get your 22½ percent. I do not think we should have a 5-percent limitation for someone to take from the people of the Philippine Islands, to perform this act. The work has been done to process the claim, and presumably paid for. So I submit this amendment is to make certain that the people of the Philippine Islands, who we intend shall get this money, actually get it.

Mr. O'HARA of Illinois. Mr. Chairman, I rise in opposition to the amendment. It so happens that the limitation of 5 percent was on my motion when the bill reached our full committee. That I believe is the limitation on services in connection with pension matters. While I am a lawyer and am familiar with the facts that justify contingent fees of 25 percent and higher, I do not believe the service percentage in prosecuting claims that are paid from the Federal Treasury should be in excess of the 5 percent. In the case of small claims, where there is much work involved and the amount recovered very small, it may bring a return unprofitably to the lawyer. But in claims running into big figures anything in excess of 5 percent would bring a payment in dollars and cents for legal services that would be hard to defend. If I recall correctly, in some Indian claims legal fees have run as high as $1 million. Such is hard for the American people, to whom a million dollars is still a lot of money, to digest as palatable food. This bill is clean as a whistle as far as legal windfalls are concerned because of the 5-percent limitation voted unanimously by our committee. It is possible that this is a factor with a few persons in the Philippines who are in disagreement with the great majority of the Philippine people and are condemning this bill. It well may be that in some instances the motivation may be a dislike of the 5-percent limitation.

The **CHAIRMAN.** The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rather vigorously opposed this legislation when it was before the House before. It was an unfortunate reaction in the Philippines. There has been a lot of talk here about misunderstanding in the House of Representatives. I do not believe there was as much misunderstanding here as there was in the Philippines.

I opposed it at that time because the old piece of legislation, which we defeated, exempted the payments under the act from the provisions of section 104(c) of the Philippines Rehabilitation Act of 1946. This exemption has now been removed. Anyone who gets a substantial payment under this act must now show either that he used the money in the rehabilitation of the Philippines or that he will use it for that purpose. That is why I opposed the bill before, because without that it could be windfall legislation, it could have been that some big claimant had used the money which he had gotten before, which he had to show that he did use it for that purpose, but the remainder, running in some instances into the millions of pesos, he could have gotten and done whatever he wanted to with it. Now he is required to bring out his books and show that he expended the amount he did get and will expend this amount in rehabilitation. Because that provision is in there I can find it possible, as I told the Speaker a few days after the other bill was defeated, that I would have supported it if this language had been in the previous bill.

There has been a lot of talk about our courageous allies in the Philippines, and I subscribe to it. There has been a lot of talk that whatever we did here we would not alienate the friends we had in the Philippines. I do not know whether they were alienated or not. In my judgment, the President of the Philippines did not show himself to be a very steadfast friend of ours when we turned him down, not because we have anything against the Filipinos, but I think a majority of the votes was because a lot of people were afraid it could be windfall legislation, and it could have been without this language in it.

I understand if this bill passes the President of the Philippines will come to the United States and reschedule his visit. I suppose that will prove he is a courageous man, especially if he has courage in the face of what he said and did about it when he comes to ask for more money, which I am sure he will.

I am not mincing words about it, and I do not think we should mince words. I think he acted in a manner which makes it very difficult for any of the 201 of us who voted against this bill—not because we were against the Philippines but because we are against windfall legislation. I say again, as I said earlier in the debate, if this bill passes this afternoon—and I am going to vote for it and I predict it will pass—it will pass in spite of the action of the President of the Philippines.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I voted against this legislation on the last occasion, and with mixed feelings I intend to vote against it this time. I would like to address two remarks to the House and to the American people.

If the President of the Philippines felt that a threat or a tantrum was the way to get this thing passed, there is nobody to blame for it but the Congress and the American people themselves. We have succumbed to these tactics from our enemies. I do not happen to approve of them when they come from our friends. But let the responsibility be clearly understood as lying at our own door and we are still yielding to these tactics in inexcusable fashion with respect to enemies of the United States.

I offer one other bit of generalization for the reflection of this House, that it is folly in one nation to expect disinterested favors from another nation. I did not say that—President George Washington said it.

Mr. Chairman, I yield back the balance of my time.

Mr. BARRY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Barry: Strike all after the enacting clause and insert in lieu thereof the following: "That there is hereby authorized to be paid by the Government of the United States to the Government of the Republic of the Philippines a sum not to exceed $73,000,000 in full satisfaction and final settlement of all awards for war damage compensation made by the Philippine War Damage Commission under the terms of title I of the Philippine Rehabilitation Act of 1946 (60 Stat. 128). The payment provided for under the preceding sentence shall be considered in all respects a development grant under title II of chapter 2 of the Act for International Development of 1961, and shall be administered in the same manner as other assistance furnished under that title.

"Sec. 2. There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, to carry out the first section of this Act, the amount of $73,000,000."

Mr. BARRY (during the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with, and I will, of course, explain the amendment.

The **CHAIRMAN.** Without objection, it is so ordered.

There was no objection.

Mr. BARRY. Mr. Chairman, the amendment I have offered here follows generally along the line of the proposal of the Eisenhower administration in 1960 to settle this problem. I will read to you from Secretary of the Treasury Anderson's letter of June 14, 1960:

> The Treasury Department strongly prefers S. 3238 [which is Senator FULBRIGHT's bill], the bill recommended to the Congress by the executive branch. This would authorize a payment of not to exceed $73 million to the Republic of the Philippines in full satisfaction and final settlement of all awards made under the earlier legislation.

Mr. Chairman, I would like to say my bill differs slightly from that because my bill puts it under the AID agency to be dispensed under the rules of our grant-aid program and our Foreign Assistance Act. There is a great deal of support for this in the Philippines. I can tell you that the Manila Times has called the initial defeat of the original bill a blessing in disguise. I quote from the Manila Times directly as follows:

> The initial defeat may be a blessing in disguise.

They say further:

> This would confirm the belief, which has been little appreciated here up to now, that many of those who rejected the first bill did so not because of lack of sympathy toward the Filipino people. On the contrary, it now appears, they wished to assure that it was the country as a whole and not just a few large claimants who would benefit from the payments.

Not only is the Manila Times interested in the passage of the legislation, as I have presented it to you now, but here is a member of the Philippine Congress, and you may all have heard from him as well:

> Under the bill [the claim bill] without my amendment in this case, Zuleta, who is the Governor of Ilioli, will receive 69,000 pesos.

And he represents, as they say in this letter—this member of the Philippine Congress represents the sugar interests who are wallowing in wealth.

> I believe, however, that the legion of sugar barons who have private claims, like former Speaker José Yulo, in the amount of 68,318 pesos; Senator Ledesma, 85,316 pesos, and former Secretary Alfredo Montelibano, 57,130 pesos—

And he lists five others—

> are willing to see their claims go to the Filipino people instead of being given to the millionaires of the sugar bloc.

I cite this to you to show that there is real sentiment in the House of Representatives and the Senate of the Philippines for the amendment that I am suggesting to you now.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield.

Mr. GROSS. Are the brewery and the racetracks still claimants under this bill?

Mr. BARRY. I am obliged to say that they are. I would like to get some of these stricken out, but I will say this in regard to one large claimant with whom my family has had a direct connection going back for 50 years, that this concern is not willing to accept this money. They are going to turn it over to some project in the Philippine Islands, because they are embarrassed to receive it. This is a fact. I am not naming the corporation, but I assure you it is one with which a member of my family has been identified for many years.

Mr. GALLAGHER. If the claim has been adjudicated they could still refuse to accept it.

Mr. BARRY. I agreed not to take my 15 minutes during general debate and to explain this amendment at this time will be impossible if I yield for too many questions during the 5 minutes allotted me now.

I have a letter from a man who is the technical adviser to the Office of the President, President García. He says:

> The defeat of the bill, however, is a blessing in disguise.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. BARRY was allowed to proceed for 5 additional minutes.)

Mr. BARRY. What does he say we should spend this money for? He says we should spend this money for the rehabilitation of the most mosquito-infested city of Manila.

Two, the completion of the construction of the capitol building.

Three, the reconstruction of the municipal buildings, which are hardly fit for human habitation.

Four, the reconstruction of public schools which are not sufficient to keep up with the rising birth rate, and

Five—and this is the most important—completing the construction of low-cost housing projects to accommodate the low-salaried employees and fight the squalor problem.

To think they have a squalor problem in the Philippine after we have poured $1,675 million into the islands. They could well use this $75 million to fight the squalor problem.

This is a direct challenge to our aid program. It should be a challenge for us to see that there is no squalor problem in the Philippines, and my bill would go a long way, as this Member of Congress says, and I read:

> The passage of your amendment would eliminate murder, kidnaping, robbery, which are mainly caused by the extreme poverty in the squalor section of the capital of the Philippine Islands.

And here is a letter from the chairman of the board of the Methodist Church:

> By giving the $73 million to our Government at its own disposal there is serious doubt such fund would actually benefit those who need it most.

And that is why my bill calls for the $73 million to be dispensed under the AID Agency which would insure that the money would go for the benefit of all the people of the Philippines.

I have a letter from a management consultant firm in New York City, signed by Bernard Gladieux, who spent a year and a half as technical adviser on the Philippines on behalf of the U.S. Government on fiscal policy.

He says:

> I believe you are wholly right in insisting that these war claim funds be so allocated as to help advance the Philippine economy rather than simply become another windfall to the few. I hope your amendment is accepted by both the House and Senate.

I would like to quote from a letter from the leading lawyer in the Philippine Islands. This man himself sits on the board of directors of companies or personally has claims valued at 80 million pesos or $20 million. He deplores the passage of this bill in its present form. He gives a long legalistic letter which I cannot possibly read to you now.

Let me give you a few objections beyond the objections that have been named so far.

Many individual claimants are dead. Many of the estates are closed and their heirs have scattered. Many are no longer in the Philippines and their address is unknown. Many corporations, partnerships, and associations are dissolved, liquidated, wound up. The corporate existence has expired by operation of the law.

I would like to conclude by saying that in my research on this bill there is no moral obligation whatsoever, arising out of the debate in 1946, for us to make the payment now. However, in the course of my search for facts I have located a communique between our State Department and the Philippine Government dated August 5, 1959. I will not read it all.

> With respect to Philippine claims for additional war damage compensation under the Philippine War Damage Act, the executive branch of the U.S. Government will at the next regular session of the Congress, and in connection with the legislative program for the fiscal year 1961, request appropriate legislation enabling settlement of this matter on the basis of $73 million, which amount reflects the statutory maximum of unpaid private claims according to the report of the War Damage Claims Commission for settlement directly with the Philippine Government and the U.S. Government will consider itself completely divested of all responsibility for the payment of individual private claims.

I quote this in conclusion because there is no doubt that there is a moral obligation of the administration to press for this legislation by virtue of the communique handed to the Philippine Government by the Executive. But there is no moral obligation under our constitutional system for us in Congress to be bound by the Executive of one administration or of any administration who will go out and say, we will give away the taxpayers' money.

That is our constitutional responsibility as a Congress.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. BARRY].

Mr. Chairman, I merely rise to point out that the gentleman's proposal was thoroughly considered by the subcommittee of the Committee on Foreign Affairs, by the full Committee on Foreign Affairs and by the House of Representatives the last time this legislation was considered.

It was rejected emphatically on each of the those occasions.

Mr. Chairman, I am sure we fully understand what the gentleman from New York intends to do. But this is not the aid program. If the gentleman wants to increase the amount of economic aid to the Philippines, he should do that within the framework of the Foreign Assistance Act.

There is one more point I want to address myself to: the question that has been raised about the administration's stand on this issue—whether we should pay the claimants or give a lump-sum payment to the Philippine Government.

That question has been answered fully and clearly in a letter signed by Secretary of State Dean Rusk, and addressed to the Speaker of the House. I want to read that letter into the Record:

August 1, 1962.

Hon. John W. McCormack,
Speaker of the House of Representatives.

Dear Mr. Speaker: I am gratified that the House of Representatives is today to act on the Philippine war damage bill (H.R. 11721) introduced by Mr. Zablocki.

The Department of State strongly supports this bill for several reasons:

1. The Department considers that the United States, under the language and intent of the Philippine Rehabilitation Act of 1946 (Public Law 370) and by the intention of Congress as indicated in the hearings on Public Law 370, has a self-assumed, moral commitment to the Philippines to complete payment on Philippine war damages to the extent authorized in the original legislation.

2. H.R. 11721 follows closely the method of payment prescribed by the original legislation, that is, payment directly to the individual claimants; it provides safeguards to assure that the claimants will receive compensation in accordance with the determination of the U.S. War Damage Commission; it eliminates the possibility of duplicate payments, and thus promises to return a substantial sum to the U.S. Treasury.

3. Passage of H.R. 11721 will redeem our pledges to the Philippines and thus remove a major source of misunderstanding in our relations with a courageous nation with which we have had a long and uniquely close association.

The Department recommends the 87th Congress, in the spirit of those earlier Congresses meeting in the darkest days of World War II, recall the heroism and sacrificies of the Philippines in our common cause, and give favorable consideration to this bill.

Sincerely yours,

Dean Rusk.

Mr. Chairman, I ask for the defeat of the amendment proposed by the gentleman from New York.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. Barry].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Hull, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11721) to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946, and to authorize the appropriation of $73 million for that purpose, pursuant to House Resolution 738, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. Gross) there were—ayes 194, noes 35.

Mr. GROSS. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

So the bill was passed.

A motion to reconsider was laid on the table.

Mr. WALLHAUSER. Mr. Speaker, I voted in favor of H.R. 11721 and I am pleased that the House passed this bill that would discharge a moral obligation under the terms of the Philippine Rehabilitation Act of April 30, 1946.

The previous legislation, H.R. 8617, could well have provided an unjustified windfall and might not have accomplished the purpose for which it was intended.

H.R. 11721, on the other hand, overcomes this objection and requires that the beneficiaries must give proof that they already have or intend to use it in the rehabilitation of the Philippines. This is the heart of the problem.

We are fortunate to have the friendship of the people of the Philippines, who supported us so valiantly in the recent world conflict and this action on the part of the House will convey to them, in some small measure, our feeling of friendship and an example of our adherence to right moral principles.

GENERAL LEAVE TO EXTEND

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to extend their remarks on the bill H.R. 11721.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 506. Concurrent resolution to correct an error in the enrollment of H.R. 10786, the so-called Work Hours Act of 1962.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10526) entitled "An act making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies for the fiscal year ending June 30, 1963, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10802) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to Senate amendment numbered 9 to the above-entitled bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11289) entitled "An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to Senate amendments numbered 1 and 30 to the above entitled bill.

PROGRAM FOR THE BALANCE OF THIS WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I ask for this time in order to inquire of the majority leader concerning the program for the balance of the week.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The only legislative business left for the balance of the week of which I have any knowledge at this time are some privileged resolutions from the Committee on House Administration. Tomorrow we expect to announce the program for next week and to ask to adjourn over until Monday.

Mr. ARENDS. I thank the gentleman from Oklahoma.

CAPTIVE NATIONS WEEK

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DULSKI. Mr. Speaker, the ceremonies attending Captive Nations Week, as proclaimed by the President of the United States and by the mayor of the city of Buffalo, N.Y., were concluded in our city with an appropriate program on Sunday, July 22, 1962.

Our observance was hailed by both the National Committee To Observe Captive Nations Week and the Assembly of Captive European Nations as being one of the most outstanding and effective throughout the country. The events of the week received wide coverage and publicity through our two daily newspapers, and our local radio and television stations.

The evening program, which was held in Buffalo's beautiful Delaware Park at the Albright Knox Art Gallery, commenced with a rendition of "The Star-Spangled Banner."

The Honorable Chester Kowal, mayor of Buffalo, delivered the principal address, which follows:

BUFFALO: CITY OF UNIFIED NEIGHBORS

Mr. Chairman, reverend members of the clergy, officers and members of all the organizations which have worked so hard to make our third annual observance of Captive Nations Week such a grand success, candidates for the crown of Miss Captive Nations, ladies and gentlemen, my fellow Americans, this festival of nations, which it is my privilege to open, will bring to a close our week-long program of events through which the people of our city have registered their concern for and unity with all the people held captive behind the imperial Russian Curtain. With the opening of our observance 1 week ago today, the flags of nine captive nations were mounted at McKinley Monument. There they have flown every day of the week, side by side with the Stars and Stripes, as a moving symbol of the unifying force of freedom—and as a herald of our conviction that the spirit of national independence will triumph over imperial communism. As free people we are committed to that objective. As free people we will do what must be done to win that objective. That is our destiny as a free people and we shall not fail to keep that happy appointment with the future.

Every generation of Americans has been called to rally to the cause of liberty—our most precious heritage. The despoilers of liberty, like the darkness of night, rear their heads in every generation—to challenge man's God-given right to be free. That experience underscores the nature of liberty and reminds us that only those who are prepared to sacrifice for, to fight for, and, if need be, to die for their liberties are able to long enjoy their blessings. This generation of Americans finds no exception to that harsh lesson of history. The challenge we face today pits the forces of human freedom against the forces of organized tyranny in a struggle that allows no escape, no quarter, no weakness, no compromise.

Imperial Russian communism has declared total war against the United States and every other nation on the face of the earth. The leader of this conspiracy has publicly declared that he will "bury us." By this he means to destroy everything that gives life and meaning to our American way of life. He means to replace our free way of life with a system of despotism that feeds on terror and human corruption. That is exactly what the Communists are trying to do in all the captive non-Russian nations—bury them in a sea of despotism.

The cold war in which we are engaged is the twilight zone of the burial conflict. It denies all the traditions of classical warfare. Military power stands at the rear of tactical thrusts by political, economic, diplomatic, and propaganda cadres—all calculated to divide us, to confuse us, to weaken us, to demoralize us, to frighten us, and finally to bury us. It is in this twilight zone that the decision will be made as to which of the two contending forces gets buried—human freedom or imperial Russian communism. That is the nature of the war declared against us.

The question before every American is, What can we do to win this cold war and avoid a hot war?

Our distinguished speaker at the civic luncheon on Wednesday past, the Honorable WILLIAM W. SCRANTON, Congressman from the 10th District of Pennsylvania, offered this wise advice. I quote, "Khrushchev boasts that he will bury us. Every bit of strength we give to the captive nations is a spade of dirt to bury him." We agree with this timely observation. We too believe that the strongest deterrent to a hot war and the best hope for a just and lasting peace arises from the aspirations for freedom and national independence held by the people in all the captive nations.

There are many ways we can strengthen the role of the freedom-loving people in the captive nations. The week-long observance held in Buffalo, through which we give evidence of our unity with them, is but one way. We must keep this spirit alive for the remaining 51 weeks of the year.

The Congress should establish a special Committee on Captive Nations, as called for in pending House Resolution 211. Such a committee would provide undeniable evidence that our concern for the people in the captive nations is a year-round obligation.

We need a Presidential task force on self-determination, made up of public spirited citizens who are dedicated to the principles of self-government and the independence of nations, large and small. The only lasting peace we can hope for is one that derives its consent from the peoples concerned. This consent by the people cannot be expressed unless they are self-governing. Self-determination, therefore, is a primary condition among the nations of the world before we can have peace worthy of the name. I urge President Kennedy to appoint such a task force on self-determination at the earliest possible date.

We must learn to make better use of the United Nations, to expose the truth about imperial Russian communism and to espouse the right of all people to self-government. The United Nations is a political forum, no more and no less, and it is time we began to use it to promote the ideals of human freedom.

Our Government should adopt a policy of "Russia for the Russians," just as it has adopted a policy of "Africa for the Africans." In plain English, we should back the slogan of "Ruskies Go Home," which enjoys universal popularity in all the captive nations. Such a policy would assure our proven allies behind the Russian curtain that we had fully awakened to the challenge of the cold war.

In closing I want to thank the members of the Citizens Committee To Observe Captive Nations Week for their outstanding work. A word of special thanks is due the Kiwanis Club for a great civic luncheon. The press, television, and radio have all been most helpful in promoting this worthy cause. Buffalo can take justifiable pride in being the leader in this great movement. What we have done together this week demonstrates that we are the city of good neighbors—yes, we are the city of unified neighbors in freedom's cause.

Thank you.

Miss Olha Shepelavey was crowned as Miss Captive Nations of Buffalo for 1962. A Ukrainian by birth, she was nominated by organizations of that ethnic segment in our community to compete in a field of seven candidates for the title who represented the following captive nations: Croatia, Estonia, Latvia, Lithuania, Macedonia, Poland, and Ukraine.

Miss Zdenka J. Gredel, the Miss Croatia entry, and Miss Sarmite Juberts, Miss Latvia, were designated runners-up.

The Buffalo Civic Orchestra, led by the renowned conductor and violin concertmaster, Jan Pawel Wolanek, provided selective music entitled "Concert of Nations."

On July 15, it was my privilege to deliver the keynote address at the opening of the Captive Nations Week observance in our city. As one who knows of the plight of the people living in satellite countries, it is my every hope that House Resolution 211 will be speedily adopted by Congress so that these people and the world will be made aware of our deep concern for them—not only this week but every week of the year.

Mr. Speaker, during the third annual Captive Nations Week observance in Buffalo, N.Y., my colleague, the gentleman from Pennsylvania, the Honorable WILLIAM W. SCRANTON, was the recipient of the third annual Freedoms Award. Upon the invitation of the Buffalo Kiwanis Club, the gentleman from Pennsylvania, Congressman SCRANTON, addressed the July 18 luncheon meeting, and urged the creation of a Special House Committee on Captive Nations. He said that such an agency is a "strong arm which is not being used in the ideological war against communism."

The gentleman from Pennsylvania, Congressman SCRANTON, a charter member of the National Captive Nations Committee, said Americans are not doing nearly enough to combat Russian propaganda.

He continued:

I wonder if you appreciate what a powerful weapon Captive Nations Week puts in the hands of free mankind. Each year the observances have grown in strength and impact.

Speeches made here and in many other parts of the United States and statements made in Congress all remind Americans that millions of people, once free, are now under the domination of the international Communist conspiracy.

Freedom does not exist in a vacuum and our own liberties remain in jeopardy when people elsewhere are deprived of their right to choose their own governments, are prevented from worshiping in the churches and temples of their choice, are forbidden even to choose what kind of work they will do.

But our words carry far beyond our shores. They reach people in Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Bulgaria, mainland China, and other subjugated nations. We assure them that we know of their plight and are awaiting the day when they shall rejoin the family of free nations.

The gentleman from Pennsylvania, Congressman SCRANTON, in a second recommendation, asked that the United States reaffirm its opposition to the admission of Red China to the United Nations. He also urged that the Voice of America expand its broadcasts to the non-Russian peoples inside the Soviet Union.

The gentleman from Pennsylvania said:

We must have, absolutely, a firm policy in resisting every pressure they [the Communists] undertake. Mr. Khrushchev said he will bury us. Every aid we give the people of the captive nations is a spadeful of earth to bury him.

We, in Buffalo, were happy to have Congressman SCRANTON join us in our observance of Captive Nations Week.

H.R. 8900—A BILL TO AUTHORIZE FEDERAL AID FOR NEEDED EXPANSION OF ACADEMIC FACILITIES

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER**. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, H.R. 8900, a bill to authorize Federal aid for needed expansion of academic facilities, is now in conference. There appeared in the August 1 edition of the Washington Post a letter to the editor which, it seems to me, gives an accurate account of the number of colleges—tax supported and private, church related and nonchurch related. It reads as follows:

> In his column of July 17, Drew Pearson states that the Education Committees of Congress are debating "whether grants or loans should be given to religious institutions; i.e., colleges and universities, the great majority of them Catholic." This is simply not true. The great majority of church-affiliated colleges are not Catholic but rather Protestant. According to the 1961–62 Educational Directory of the Department of Health, Education, and Welfare, there are 807 religious colleges in the United States, of which 475 are Protestant, 308 Catholic, and 24 are divided among 6 other denominations.
>
> One could perhaps ignore this error were it not for Mr. Pearson's completely distorted treatment of the Federal college-aid bills. Nowhere in his column is there the slightest indication that the bills would aid all 2,040 American colleges (721 public colleges, 512 private nonreligious colleges, and 807 religious colleges). Instead, the column is concerned only with the subject of "Federal aid to Catholic colleges," leaving the reader with the false impression that the bills are solely for the benefit of Catholic schools. In every paragraph we find such misleading phrases as "tax money paid by Protestants would go to Catholic institutions" and "outright grants to Catholic colleges."
>
> Why are the 308 Catholic colleges singled out for special treatment by Mr. Pearson while the other 499 religious colleges are completely ignored? Does Mr. Pearson object to Catholic colleges sharing on an equal and nondiscriminatory basis with other American colleges? Does the Constitution really say Federal aid cannot be given to 308 Catholic colleges but such aid may be given to 475 Protestant colleges?
>
> Mr. Pearson also distorts the Hill-Burton Act, which he describes as a bill that "has extended many millions of dollars to Catholic hospitals." Here again Catholic participation in a bill is deliberately singled out to create the false impression that the bill is solely for the benefit of Catholic institutions. Actually, the Hill-Burton Act provides Federal assistance for the construction of public and other nonprofit hospitals filling a community need. Under this act over $300 million has been granted for construction of Jewish, Protestant, and Catholic hospitals and additional hundreds of millions of dollars have gone to publicly owned hospitals.
>
> JAMES A. MILLER.
>
> BELAIR-BOWIE, MD.

DANGER IN ALBANY, GA.

The **SPEAKER**. Under previous order of the House, the gentleman from New York [Mr. RYAN] is recognized for 30 minutes.

Mr. RYAN of New York. Mr. Speaker, I bring a frightening warning from the Reverend Martin Luther King and Dr. William G. Anderson, the Reverend Wyatt Tee Walker, and other Negro leaders in Albany, Ga., a warning which I have found with my own eyes to be dangerously true.

In Dr. King's words:

> Albany, Ga., may explode into another Little Rock.

Dr. King pointed out to me last night in his jail cell, which he shares with the Reverend Ralph D. Abernathy, that the explosion can come at any minute unless action is taken to protect the rights of American citizens in an American city.

Every one of us and every American must be shocked by what has happened and is happening this very minute in Albany. Interstate bus facilities continue to be segregated. City officials refuse even to discuss steps toward equal rights. The courts have delayed in acting on the arrests of some 700 Americans.

American citizens have been jailed under color of law for exercising their constitutional rights. Police brutality is openly reported and easily discovered. Men and women—an expectant mother with a child in her arms—have been beaten. Americans are held in jail for days—one of them for more than a week—without even being arraigned in clear violation of their constitutional right to a speedy trial. Men and women are held in adjacent cells without privacy. A jail cell is crammed with teenagers.

I asked 12-year-old James Moore what he was doing when he was arrested.

He said:

> I was praying at city hall.

We have reached a new time in America when we arrest children for praying.

The need for action in Albany has never been more evident. Decency, our belief in America, in the Constitution, in the equality of men, in justice, all demand immediate action. Our stature as a democracy, our position as a leader of the free world require action. The law itself requires action.

The Justice Department, the Interstate Commerce Commission, and this Congress must act.

Yesterday, at the invitation of the Congress of Racial Equality and the Southern Christian Leadership Conference, I visited Albany where, in the words of the invitation, "American citizens are being jailed and beaten for exercising their constitutional rights."

Julius W. Hobson, southeastern regional representative of CORE, said in his invitation letter:

> We feel it is of the utmost importance that you, as a Member of Congress who is deeply interested in equality for all citizens, visit Albany to get a firsthand picture of the situation. If you can make the trip, we will be most appreciative.

What I saw in Albany should both inspire and frighten every American.

At a mass meeting in the Mount Zion Church last night Negro citizens of Albany overflowed the church to express their desire to continue the battle for their rights. They proclaim that freedom is on the march. Their enthusiasm, their indomitable will in the face of brutality and oppression, and their continued restraint are amazing.

I talked with leaders of the Albany movement, the Southern Christian Leadership Conference and CORE in Albany. Reverend King, who is president of the Southern Christian Leadership Conference, Rev. Wyatt Tee Walker, executive director of the leadership conference, Rev. Bernard Lee, special assistant to Reverend Walker, Rev. Ralph D. Abernathy, Rev. Andrew Young, administrator, citizenship education program, leadership conference, Dr. William G. Anderson, and other leaders have shown fantastic determination, leadership, and organization. They are ready, as General Grant said about 100 years ago, "to fight it out on this line if it takes all summer."

In his cell—calm, quiet, unafraid but heartsick at the brutalities of Albany—Dr. King emphasized over and over that the situation is very tense and that the Albany opponents of civil rights are waging a furious yet highly sophisticated resistance. The city officials simply claim that there is not any segregation in Albany, Ga., although all you have to do to learn the truth is walk down any street.

The fact is that the situation in Albany may explode into violence.

The situation has been developing for many months. The conflicts began shortly after the Interstate Commerce Commission's new regulations banning segregation in interstate transportation terminals went into effect. Since then Negroes have been fighting for civil rights—the right to get a soft drink in a public restaurant, the right to use an unsegregated interstate bus facility, the right to use the public library, the right to send their children to an integrated school. The city commission has refused even to talk with Negro leaders.

Yesterday about 40 Negroes were arrested in prayer demonstrations at city hall and the public library. About 300 people have been jailed since July 10. Because the Albany jail is overflowing, prisoners have been taken to jails in other cities—Camilla, Americus, Newton.

Conditions in the Albany jail are intolerable. The cells are packed. Women are in cells adjacent to men without privacy. In one cell I found 12 teenagers. Three men were jammed in another cell that measures 7 feet long, 7 feet wide and 7 feet high. They had not been permitted to make any outgoing telephone calls. No hearing date had been set for them. They had not been arraigned before a judge. One of them was Marvin Rich, of New York, field coordinator of CORE. Another was Floyd Gardner. He had been held in clear violation of his constitutional rights for 8 days.

Nearby, William Hansen was suffering in a cell, his broken jaw stitched and wired. When he was arrested, the police threw him in with drunks, announced he was one of the freedom riders, and a prompt beating followed.

I was told how Mrs. Marion King, the expectant wife of Slater King, one of the leaders of the Southern Christian Leadership Conference, as she carried her 3-year-old baby in her arms, was knocked down and kicked by two police officers at the Camilla jail.

The press has reported how C. B. King, Esq., an attorney, was viciously caned by D. C. Campbell, the sheriff of Dougherty County who is theoretically in office to enforce the laws of the land.

Despite the persecution and brutality, the Albany movement, founded and led by Dr. William G. Anderson, will continue the fight for civil rights, for the movement and its aims are embedded in the deepest needs and rights of the Negro people of Albany. A few days ago the Albany movement issued this declaration:

> There is no truce and we band ourselves together to do whatever must be done to deliver the death knell once and for all to the system of segregation in the city of Albany, Ga., with the earnest hope that the example we set here shall spread across the South.

Mr. Speaker, I include the text of the Albany manifesto at this point in the RECORD.

ALBANY MANIFESTO

> The Albany movement totally rejects the response of the city of Albany toward its requests as transmitted through Chief of Police Laurie Pritchett. We have discovered over the last 6 months that it is the intention of the city fathers to maintain the system of segregation throughout the community regardless of the constitutional rights and just demands of the Negro community.
>
> We have learned through bitter experiences that Chief Pritchett has not the power to keep or make the decisions for which he is purportedly responsible. We submit a long history of doubletalk, unkept promises, subtle intimidation and lack of integrity as it relates to the just resolution of our grievances against the system of segregation as it exists in our city.
>
> Whereas we insist it is our right under the Constitution and the Bill of Rights to peacefully protest our grievances, and whereas no Negro can exercise that right without provoking arrest and conviction, be it therefore resolved that we shall never bargain away our first amendment privilege to so peacefully protest; and
>
> Whereas there remain more than 700 cases presently pending on the docket of the recorder's court since December of last year which have not yet been adjudicated, we demand under the 6th amendment as interpreted through the 14th amendment be granted a fair and speedy trial at once or be summarily discharged from prosecution; and
>
> Whereas there continues only intermittent compliance with the ICC ruling which became effective as of November 1, 1961 at the city bus terminal, we do further resolve that we petition the Attorney General of the United States to initiate immediately a suit pursuant to Federal court injunctive order to restrain public officials or private interest from interference with the use of all such facilities; and
>
> Whereas desegregation is the order of the day and with the support of the Constitution, the Supreme Court of the United States, the climate of world opinion, the moral order and the laws of God, we resolve to address all of our energies to the removal of every vestige of segregation from our midst; and
>
> Whereas Christian nonviolence has demonstrated its power in application, technique, and discipline, we resolve that the instruments with which we work shall be those alone consistent with nonviolent principles; and
>
> Whereas the inspiration and support afforded to the Albany movement by Dr. Martin Luther King, Dr. Ralph D. Abernathy, the Southern Christian Leadership Conference, Student Nonviolent Coordinating Committee, National Association for the Advancement of Colored People and other individuals and organizations similarly dedicated, we do resolve to make it clear, publicly and privately that they are here by invitation and we heartily welcome their presence; and
>
> Whereas in some quarters of the community, State, and Nation there are spurious reports of a truce, we do resolve for all to know that there is no truce and we band ourselves together to do whatever must be done to deliver the death knell once and for all to the system of segregation in the city of Albany, Ga., with the earnest hope that the example we set here shall spread across the South.

Mr. Speaker, the time for action is now. If the situation is allowed to drift and deteriorate, we may well have, as Dr. King warns, another Little Rock.

There are immediate steps which the executive branch may take.

The FBI has been investigating well-reported instances of police brutality. Even the names of police officers are known. But as Dr. King asked in his jail cell, how much investigating is necessary before the Department of Justice can seek indictments before a Federal grand jury?

From my observations I believe that what has happened in Albany warrants immediate action by the Justice Department under sections 241 and 242 of title 18 of the United States Code.

Section 241 provides that it is a criminal offense for two or more persons to conspire "to injure, oppress, threaten, or intimidate any citizen in the free exercise or enjoyment of any rights or privilege secured to him by the Constitution or laws of the United States, or because of his having so exercised the same."

Section 242 provides that it is a criminal offense for anyone "under color of any law, statute, ordinance, regulation, or custom," to willfully subject "any inhabitant of any State, territory, or district to the deprivation of any rights, privileges, or immunities secured or protected by the Constitution or laws of the United States."

I also believe that the situation in Albany warrants immediate action by the Interstate Commerce Commission to enforce its regulations banning segregation in interstate bus facilities. That is what the regulations are for—to be enforced. That is why I testified for them before the ICC last year. Presumably, that is why the ICC adopted the regulations—to enforce them.

Under the regulations the ICC can issue an order to the interstate carriers ordering them to cease and desist from using the bus station in Albany. In addition, the ICC can bring civil and criminal suits against an interstate carrier if the carrier violates these regulations.

The Albany situation, like other civil rights conflicts, also makes more evident the need for real civil rights legislation. I believe that passage of H.R. 7143, to make the Civil Rights Commission permanent and give it real power, would go a long way toward really guaranteeing civil rights to all Americans. If the bill had been enacted, the Civil Rights Commission would be working effectively in Albany, Ga., right now.

If we are to avoid another Little Rock, another major civil rights tragedy, the Justice Department must act now to enforce the law. The Interstate Commerce Commission must act now to enforce its regulations. And I believe that we in Congress must look toward passage of real civil rights legislation.

Democracy is on trial in Albany, Ga., and I call upon the Government and Congress to come to its defense.

Mr. HECHLER. Mr. Speaker, will the gentleman yield?

Mr. RYAN of New York. I yield to the gentleman from West Virginia.

Mr. HECHLER. I should like to observe that the President at his news conference said:

> The United States is willing to sit down in Geneva to try to settle great international issues with Russia and other countries, and the leaders of the Albany government ought to be willing to sit down with Negroes demanding fuller rights.

Mr. RYAN of New York. I thank the gentleman for his contribution, and I agree it is past time that the officials sat down with the leaders of the Albany movement.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. RYAN of New York. I yield to the gentleman from New York.

Mr. STRATTON. I want to join with my colleague, the gentleman from New York [Mr. RYAN], in his appeal for action to end the disgraceful situation which confronts this Nation and the world in Albany, Ga., today. I want to commend the gentleman from New York for the fight he is making. I want to commend him for taking time today to bring this message to the House. I am sorry there are not more Members here to hear it, because there is no message, it seems to me, that could be of greater bearing to our Nation and the future of our Nation than the report he is giving of the situation that apparently exists in Albany, Ga., in this home of democracy and this land of the free.

Mr. Speaker, I would certainly agree with the gentleman from New York that action must be taken. Certainly, we would hope that this problem in Georgia could be settled by men of good will sitting down across the table with one another. But, I think what has happened today has made it perfectly clear, particularly when the events the gentleman from New York just referred to are occurring in Georgia—has made it perfectly clear that this kind of good will does not exist there and, apparently, will not exist for some time. I think in this instance we have to look for leadership from the Government of the United States. I fear it is time that we have some leadership both from the executive branch of the Government and from the Congress of the United States. I feel that we in the United States certainly cannot pose as champions of democracy when these situations exist as they do exist in Albany, Ga., and elsewhere in our Nation.

Mr. Speaker, I want to commend the gentleman from New York and join with him in the fight he is making.

Mr. RYAN of New York. Mr. Speaker, I thank the gentleman for his very pertinent observations on this critical situation.

Mr. HOFFMAN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. RYAN of New York. I yield to the gentleman.

Mr. HOFFMAN of Illinois. And would you also add there an item that in Washington, D.C., white girls be free to go to their church and pray and be free to walk down the streets of Washington?

Mr. RYAN of New York. I do not quite see the relevance of the gentleman's statement.

Mr. HOFFMAN of Illinois. You have talked about colored people walking down the street.

Mr. RYAN of New York. I cannot yield further to the gentleman. I am sorry.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. RYAN of New York. I yield.

Mr. STRATTON. I would like to add just a word to what the gentleman from New York has said in connection with the situation that exists at Albany, Ga. I was somewhat disturbed to read in the press this morning that apparently one of the reasons for the unwillingness of some of the merchants and leading businessmen in Albany to sit down and work out some peaceful solution of this problem stems from the reported fact that they are doing so well economically that they do not feel that they need to make these concessions. The reason, of course, for their economic prosperity, as I understand, is very largely due to the expenditure of substantial sums in connection with the U.S. defense program. I would certainly feel that there ought to be some way in addition to some of the suggestions the gentleman has made that the prestige and power of the U.S. Government could be brought to bear in this situation through this indirect method of defense contributions to this particular area.

If our defense funds are creating a situation which impedes the adoption of true democracy rather than the reverse, then this is a very serious development indeed, and I think it ought to be carefully looked into by members of the Defense Department.

Mr. RYAN of New York. The gentleman's suggestion is a good one.

Mr. FORRESTER. Mr. Speaker, will the gentleman yield?

Mr. RYAN of New York. I yield to the gentleman from Georgia.

Mr. FORRESTER. Did the gentleman make his trip down to Albany, Ga., at his own instance or at the instance of some organization or person?

Mr. RYAN of New York. I said earlier in my remarks I was invited by the Congress of Racial Equality and the Southern Christian Leadership Conference to see at firsthand the situation in the city of Albany, Ga.

Mr. FORRESTER. The gentleman did go to Albany, as a matter of fact, did he not?

Mr. RYAN of New York. That is correct.

Mr. FORRESTER. Tell the membership of this House how you were treated down there.

Mr. RYAN of New York. I certainly was treated at all times with respect. I was permitted to see the prisoners. I did see the prisoners and reported on my findings.

Mr. FORRESTER. As a matter of fact, the gentleman knew that those people were so cultured and so patient down there that they were tolerating a trespasser, is that not true?

Mr. RYAN of New York. I will not concede I was a trespasser. I was there as a representative of the people of my district who are deeply concerned with this situation, people who have been outraged by developing conditions.

Mr. FORRESTER. Let me ask the gentleman this question: Is the gentleman concerned about the civil rights of white folks?

Mr. RYAN of New York. I do not think there is anything in what I have said or anything in any of the bills I have introduced that distinguishes the civil rights of one individual as opposed to another. I think it is important in this country, and I think the gentleman will agree, that all citizens be treated equally because they are equal under the Constitution and the laws.

Mr. FORRESTER. Let me say to the gentleman in my familiarity with his record and the legislation he has introduced, there has never been anything that was for the benefit of the white race. Has the gentleman taken any step whatsoever in reference to the fine white woman who was stabbed within a block and a half of this Capitol 2 weeks ago?

Mr. RYAN of New York. I do not think it makes any difference what the color of the woman was.

Mr. FORRESTER. The gentleman did not do anything about that?

Mr. RYAN of New York. If an act of violence takes place, it certainly is a matter which should concern all of us.

Mr. FORRESTER. Let me ask the gentleman, Is he acquainted with the courts down in Georgia?

Mr. RYAN of New York. I am acquainted with the judicial system of the United States, and I am acquainted with the Constitution of the United States. I feel that people who have been jailed and incarcerated are entitled to prompt arraignments, speedy trials, and disposition of their cases. According to all reports, that has not been the case.

Mr. FORRESTER. Let me ask the gentleman, Is he attorney for those people? Do you know whether arraignment has been denied to them—has been demanded and has been denied?

Mr. RYAN of New York. I do not believe responsible citizens told me something that was not true.

Mr. FORRESTER. I am asking the gentleman, do you know? I am not asking what he was told. The gentleman is a lawyer.

Mr. RYAN of New York. I am reporting to you and to this House that there are American citizens languishing in that jail in Albany who have not been arraigned, whose cases have not been heard. One person I spoke with last night had been in that jail for 8 days and had not been permitted to make a telephone call. He has not been brought before a magistrate or a justice of the peace.

Mr. FORRESTER. This is a terrible crime?

Mr. RYAN of New York. I believe it is.

Mr. FORRESTER. That he cannot get a telephone at some opportune time when he wants it?

Mr. RYAN of New York. I believe to incarcerate an individual for exercising his rights, demonstrating peaceably, and to deny him the elementary right to contacts with the outside world is a crime.

Mr. FORRESTER. Let me ask the gentleman this. Has the gentleman ever been in Albany, Ga., before?

Mr. RYAN of New York. This was the first occasion.

Mr. FORRESTER. How long was the gentleman there?

Mr. RYAN of New York. I was there between 6 and 8 hours.

Mr. FORRESTER. The gentleman really had a lot of time in which to find out something about the truth, did not the gentleman?

Mr. RYAN of New York. I certainly did. The facts are so evident that in a lot less time than that one could become very familiar with the outrageous situation.

Mr. FORRESTER. Does the gentleman say that the courts down in Georgia do not function and does the gentleman want to tell me that those people are remedyless and cannot get into court?

Mr. RYAN of New York. A person under arrest should have an elementary right to a prompt arraignment in order to know the charges and to a hearing and to have a trial date set.

Mr. FORRESTER. In other words, the gentleman went down there simply because he understood some people were in jail and he wanted to see that their rights for arraignment were enforced? Is that what the gentleman went down there for?

Mr. RYAN of New York. Not at all. I think the whole world has a right to know about the denial of civil rights of American citizens. Civil liberties are being flagrantly abused. I think this is something that should be known.

Mr. FORRESTER. Let me ask the gentleman this, and I want the gentleman from New York to listen to me, now. Is the gentleman familiar with the war record of the people down in the State of Georgia and at Albany, Ga., in particular in World War II, Korea, and so forth? Is the gentleman familiar with those records?

Mr. RYAN of New York. I think that we have a right to be proud of the war record of every American who wore a uniform honorably in the service of his country, whether he comes from Albany, Ga., or Albany, N.Y.

Mr. FORRESTER. But have not the people in Albany, Ga., one of the finest records for patriotism in this country?

Mr. RYAN of New York. I do not think patriotism is the issue before us. I have not made it an issue. I think there are patriotic Americans in every city, hamlet, village, and every crossroads in this country, or we would not have the strength which we have today. I think many who served in the Armed Forces and who fought and lived side by side with men of different backgrounds and origins returned with a better understanding of what human values and relationships should be.

Mr. STRATTON. Mr. Speaker, will the gentleman yield.

Mr. RYAN of New York. I yield to the gentleman from New York.

Mr. STRATTON. Would not the gentleman agree—while we all recognize the contribution of Albany, Ga., and many other sections of our country, both North and South, to the prosecution of the great war—that today we are engaged in another war? This is an ideological war, a war to determine whether we in this country really mean what we say when we talk about democracy and civil rights, or whether they are going to put our record as against our protestants up against the alluring propaganda of communism. Would not the gentleman agree with me, as well as the gentleman from Georgia [Mr. Forrester], that today the job we have to do is to demonstrate in Albany, Ga., and in Schenectady, N.Y., and in New York City when we say that men are equal we mean it, and if a man or a woman cannot get a Coca-Cola in a restaurant or a drugstore or a seat on a bus, this is a situation that demonstrates that we in America have not won the fight for the democracy that we profess? This problem has been faced, and faced successfully, in Alabama and in other areas of our country.

I think the point that the gentleman from New York is making, if I may say to my good friend, the gentleman from Georgia [Mr. Forrester], is that what we have got to do is to use the prestige of this Federal Government if we cannot get peaceful cooperation from the local authorities to see that men and women, regardless of their color, are afforded simple, ordinary, equal rights in any section of our Nation.

Mr. RYAN of New York. I think the gentleman is correct. As I said earlier, democracy is literally on trial at that city in the State of Georgia.

Mr. FORRESTER. Mr. Speaker, will the gentleman yield?

Mr. RYAN of New York. I yield to the gentleman from Georgia.

Mr. FORRESTER. I say that the gentleman does not want to talk about war records, because we have as great a war record in that section of the country as any place in the country. If the gentleman has one, the gentleman cannot deny it. It is a fact, and it is just a little disturbing to me to hear a Member of this Congress get up on the floor of the House and advocate that there be taken away from a certain section of this country military installations which go right down to the very heart of the protection of this country and what it stands for.

Mr. RYAN of New York. I think what was advocated was that every branch of the Federal Government use all the powers at its disposal to see that the rights of all citizens are protected. And I say this as a combat veteran who spent considerable time in the South Pacific during World War II.

Mr. FLYNT. Mr. Speaker, will the gentleman yield?

Mr. RYAN of New York. I yield to the gentleman from Georgia.

Mr. FLYNT. Mr. Speaker, I regret very much that the gentleman has taken this time to make an attack upon the very fine people of a very fine city in the State which I have the honor to represent. I know these people down there. I know the chief of police, who I think everyone who has followed this will agree is one of the outstanding law-enforcement officials not only of our part of the country but of the entire United States. He is recognized as a man who has kept his head, who has done his sworn duty to preserve law and order as best he can in a city which is torn with strife and is in turmoil through no fault of the people who live there.

I regret also most sincerely that the gentleman from New York saw fit to describe himself as an expert on a city which by his own statement he visited for a matter of 6 to 8 hours. I know that in my own place I would not attempt to make a flying-squadron-type trip into his great city and State of New York and set myself up as a judge, a prosecutor, and a jury to pass upon the merits of a case about which I knew as little as I could know if I had no more than 6 to 8 hours in which to study it.

I do not know that some of the statements the gentleman has made are misleading. I know the gentleman did not intend them to be misleading, but from what I know of the law-enforcement officials, the honorable and distinguished mayor, Asa D. Kelly, Jr., mayor of the city of Albany, they were misleading although I am sure unwittingly so, on the part of the gentleman from New York. Some of the allegations and charges which we have heard here today do not conform entirely to the facts as they exist. I do not question and I would not question the right of the gentleman or any Member of this body to make any statement that he saw fit to make, but I could not sit idly by and fail to call the attention of the membership of this House to the fact that there have been, certainly, misleading statements which have been made, and I regret very much the gentleman saw fit to make this attack upon my State.

The SPEAKER. The time of the gentleman from New York [Mr. Ryan] has expired.

Mr. RYAN of New York. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN of New York. Mr. Speaker, in reply to the gentleman, I can only say that I have reported the facts and circumstances as I found them.

Mr. ROSENTHAL. Mr. Speaker, will the gentleman yield?

Mr. RYAN of New York. I yield to the gentleman from New York.

Mr. ROSENTHAL. Can my colleague from Georgia tell me whether or not it is true, as the gentleman from New York has reported, that people have been incarcerated for a period of 7 or 8 days without being arraigned?

Mr. FLYNT. Mr. Speaker, will the gentleman yield to me to make a reply?

Mr. RYAN of New York. I yield to the gentleman.

Mr. FLYNT. From what I know of the law-enforcement establishment on the level of the U.S. District Court for the Middle District of Georgia; from what I know of the superior court and the court of Dougherty County, the city court and the recorder's court of the city of Albany, I am quite certain that if application for a bond had been made that application would have been granted. I am certain—of course, I have not been down there during the last few days—but I am certain that the laws of the State of Georgia and the laws of the United States of America are enforced as well in the city of Albany, Ga., as they are in any place north, south, east, or west.

The SPEAKER. The time of the gentleman from New York [Mr. Ryan] has again expired.

THE EDUCATION OF MIGRANT CHILDREN

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the gentleman from Montana [Mr. Olsen] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. OLSEN. Mr. Speaker, for many years there has been a growing concern in our Nation concerning the lack of educational opportunities for the children of agricultural migrant workers. It has long been the accepted and traditional philosophy in American education that every child shall have an equal opportunity for education commensurate with his interests and abilities. The concept of this great American dream, which is the inherent right and hope of every child, should not be denied to thousands of migratory children. And yet, studies have shown that the school achievement of these children is usually below the fourth grade level. Reports from several States indicated that more than half of the migrant children are retarded 1 to 4 years.

While there has been increased publicity, an awakened interest, and commendable efforts made for the improvement of educational opportunities for the disadvantaged children of migrant agricultural workers in our Nation, much still remains to be done.

It is difficult for us who are interested in all the children in our Nation to realize that a particular group of American children are still being denied the opportunity to receive the bare minimum of education necessary to participate effectively in our society today.

Migrant children enter school late, their attendance is poor, their progress is slow, they drop out early; consequently, their rate of illiteracy is high.

The 1960 census reports indicated that approximately 8 percent of our population age 25 or over are defined as functionally illiterate; that is, they have received less than a fifth-grade education. The agricultural migrants make up a significant part of this pool of illiterates. Many of the unemployed migrants are moving into the slums of our large cities where they are swelling the relief and welfare rolls. Because of lack of education, they are unprepared for urban jobs. They are part of this group which Dr. James B. Conant described as "social dynamite."

Most migrant children are retarded in school because of migrancy itself and all its related socioeconomic disadvantages—poverty, ill health, inadequate housing, lack of proper food and clothing, lack of attitude and education of parents, lack of health and welfare services, and insufficient funds of some school districts to provide school facilities for migrant children.

Studies have shown that many of these migrant children leave their home-base States in the South in April and do not attend school during the time they are on the trip north, or until they arrive back at the home base in late October.

It is estimated that migrant workers are concentrated in 31 States which employ 4,000 or more domestic migrants each year. School authorities are often perplexed by seasonal impacts of large groups of migratory children who enter their school districts late, and who should be enrolled in their schools. With overstrained school budgets it has been difficult to provide classrooms, teachers, desks, and other instructional materials. Because the number of migrant children who enter their communities varies from year to year, it is difficult for school officials to anticipate the additional burden that will be placed on their school budgets. Lack of financial support to enable school districts to provide for migrant children often makes them an unacceptable burden. The community is not always ready to accept these children and to assume the cost of increased school facilities for migrants who may only be in the community for a short period of time.

In a recent survey made by the U.S. Office of Education of seven States concerning the State programs for the education of migrant children, it was reported that in some States 50 percent of the migrant children who lived in the State during the time school was in session were not enrolled in school.

One of the recommended solutions to improve the educational program for migrant children is to organize small classes at the beginning of the school year so that the children can be integrated in the regular school program when they arrive. This, however, becomes a financial burden on the school districts.

When migrant children do not bring records from previous schools attended, it becomes a problem for the teacher to determine the level of academic achievement of each child and the grade in which he should be placed. It is recommended that there be interschool and interstate agreements on the necessary information to be supplied and on the methods of sending school transfer records from school to school.

There is a need for further research and planning in many areas of education for migrant children including the development of interschool and interstate agreements; improved curriculums to meet the needs of these children; development of short units of study, aptitude, achievement, and intelligence tests for Spanish-speaking children; and other similar studies.

While several States have made excellent progress in their educational programs for migratory children, it is impossible for a few States to solve this problem alone. These children must have an opportunity for education in each community and State they enter or they become retarded, confused, and frustrated. Retardation is one of the major causes for school dropouts. For example, it is difficult to expect a 16-year-old boy to enter the fourth grade.

There is definite need for a sound and continuous program of education in each community through which these children travel, if we are going to provide them with an equal opportunity for education.

As the States are responsible for the free, public education of all school age children, this legislation is intended to assist the States to improve their programs for the education of migrant children. Recent studies have shown that there is a need for planning at the State level. The problems concerning the organization and administration of educational opportunities for migratory children have been recognized by several States which have enacted necessary legislation to assist these children. The States of California, Colorado, New Jersey, New York, Ohio, Oregon, and Pennsylvania provide financial assistance to school districts for the operation of summer schools.

Many local school districts are still faced with the problems of providing school housing, textbooks, instructional materials; and avoiding overcrowded classrooms and half-day sessions. The lack of educational opportunities for migrant children has many social and economic implications which should be the concern of all local, State, and Federal agencies of our Government, as well as the concern of every American citizen. Reports indicate that the quality and quantity of schooling received by these children is far below the national standards as compared to that received by other children. This condition is a serious indictment against our society and our national program of education in America.

Because migrant parents have very little, if any, education, they very often do not understand the importance of an education for their children. Because their wages are insufficient to provide the bare necessities of life for themselves and their children, they need the income of their children to help sustain the family. They fail to understand the educational requirements needed in our modern society. Many migrants do not make any effort to enroll their children in school. They have very little knowledge of health, welfare, safety, nutrition, and citizenship. Studies have shown that parents who have attended school have a greater tendency to want their children to receive an education.

If there ever was a cause or a reason for Federal funds for education, it is for a program of education of children of agricultural migrant workers. The problem of agricultural migratory workers is interstate in nature, involving the transportation of human beings across State boundary lines to live and work in other communities. The principle of State and Federal support is reasonable and just when one school district must provide educational facilities for children from other school districts and States.

The money which will be made available under Senate bill 1124 would enable States to obtain much-needed information about migrants which could be shared by other States as a basis for planning better school programs.

The Senate bill would provide Federal assistance, as follows:

Title I—Payments to State educational agencies to help defray the cost of educating migratory children during the regular school session.

Title II—Grants of $300,000 annually for each of 5 years to State educational agencies or institutions of higher learning for summer schools for migratory children.

Title III—Grants of $250,000 annually for each of 5 years for State and interstate planning and coordination of programs concerning educational problems of migratory children.

Title IV—Grants of $200,000 a year for 5 years to State educational agencies to defray operating costs of pilot projects for programs of fundamental, practical education for adult migratory workers.

GIRL SCOUT 50TH ANNIVERSARY ROUNDUP

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. DINGELL. Mr. Speaker, pursuant to permission granted I insert in the RECORD a tribute to the Girl Scouts on their 50th anniversary roundup birthday dinner on July 24, 1962, at Button Bay, Burlington, Vt. This was sent to me by one of my constituents, Miss Lena G. Doll.

GIRL SCOUT 50TH ANNIVERSARY ROUNDUP

I am glad I am a Girl Scout
  In my native U.S.A.,
I am glad for all the Girl Guides
  In other lands today.

I am glad that Juliette Low
  Had the foresight and the verve
To bring from England to us here
  The Scout idea, born to thrive.

To give to every girl a chance
To live a life of broader view
Than all the girls of former years
Ever dreamed, or thought, or knew.

To live life in its full meaning
With the privilege to serve,
To be prepared for any task,
From high purpose not to swerve.

To put into work the ornament
That lightens e'en the most arduous task,
Imprints its meaning in the heart,
Lifts it above the commonplace.

'Tis on that level Girl Scouts thrive,
To further reaches Girl Scouts strive,
They strive to win; but win or lose,
The striving wins, the Girl Scout knows.

So I am glad I am a Girl Scout
I like the purpose and the plan,
We learn the grace of serving,
We gladly help our fellowman.

THE KENNEDY ADMINISTRATION

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. STAGGERS] may extend his remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. STAGGERS. Mr. Speaker, emerging from a narrow and tortuous lane, the bewildered and exasperated traveler looks out on a broad highway. Not a single highway, it is, in fact, the divergence point of numerous highways. The traffic on all of them is crowded, and the speed is terrific. To add to the confusion, the signposts tell us little. Every single one of them bears the legend: "To the Promised Land."

It is the United States halting nervously before the entrance to the space era of the 20th century.

It is strange that the United States should stand in such awe of the 20th century. We do not claim to have invented everything, but surely we have done our share in inventing the 20th century. This holds for ideas as well as for gadgets. We own a sort of copyright on the idea that when governments do not serve the people, people should replace the government. We perfected ideas of mass production and mass distribution well in advance of other societies. As for gadgets, our trademark is on so many of them that it is not worth while to make a list.

Yet it is a curious fact that the 20th century has never been popular in this country. The country lane on which we have been traveling for so many years, though rough and crooked, is in retrospect very pleasant. It is shady with leisure, and we had the road more or less to ourselves. Little danger of collision. Many of us would like to turn around and go back.

Is there room here to turn around? Unfortunately, no. We are committed. Dare we, then, venture out on that dangerous highway where everybody is hurtling along at demoniac speed, and with little or no certainty as to where they are going?

It depends on our vehicle—and on the driver.

There is absolutely no doubt that we have the best built car on the road. It is powered by a half-trillion-dollar economy. Nothing more powerful was ever built. It is geared for speed. It could show its taillights to any vehicle on the roads or on the drawing boards. It carries highly imaginative built-in safety devices—social security legislation, bank deposit insurance, public checks on industry and Government alike. Its controls are connected to the operator's seat by extensive and reliable systems of communication and transportation. Our car is serviced by the most expert technicians of all time. Not a single part of its complex mechanism is inferior to the best their skill and ingenuity can provide. And every day they are adding gadgets to improve its serviceability and dependability.

We have got the car, all right. So how about the man in the driver's seat?

Many anxious questions confront the operator of a new and important venture, particularly so when the venture is a life-and-death matter, as this one is. The questions may delay his start until he can supply reasonably assuring answers.

First, has he the experience? The answer is that nobody, absolutely nobody, has any experience in operating such a powerful and complex piece of machinery for the purposes we must use that machinery. New foreign and domestic policies quite unlike anything man has ever known before are needed to keep our place in a swiftly changing world and to stamp our influence on a developing civilization. Old practices of trade relations, of reciprocal responsibilities and obligations between the governed and the governors, of attitudes toward peace and war, are as out of date as a T-model Ford. Almost anybody could manipulate a T-model, but experience in that hardly qualifies one for a speed car.

The proper answer lies in a man's understanding of the mechanism of his instrument, of its potentialities and its appropriate uses. Few, if any, Americans have a clearer grasp of the movement of history in the United States than our President. No one has stated more exactly the purposes for which we propose to use our military and economic and social powers. Foreign governments are impressed; few of them doubt that he means what he says; and those who doubt are restrained by a nagging fear that disregard would court disaster.

Next question: Has our driver the requisite skill?

Skill lies in a judicious combination of cool judgment, accurate estimate of opportunities, quick perception, and smooth reaction. A characteristic of the present administration is absence of fumbling. One emergency after another, domestic or foreign, has confronted the President. Reaction, swift, and positive, has met each one. Perhaps reaction has been too swift for some. They are not used to such a pace. Like a panicky backseat driver, some have cried out in alarm at narrow escapes from disaster. But we have not stood still in the middle of the road to be run over, and so far there have been no collisions.

Grudging acknowledgment of this assessment of the President's skill is attested by foreign—and domestic—attitude toward decisions. Decisions are criticized and protested, from New York to Paris to Moscow to Peiping to Elisabethville to Buenos Aires. The nature of the protests constitute a tacit admission of the President's skill and courage. They are not open defiances. Everybody except Mao looks today on nuclear conflict as unthinkable. In consequence, there has been a curious disappearance of fear of full-scale war from public consciousness. The United States may be opposed, but it is not safe to push the opposition to the limit.

Another very important question is: Does the President know where he is going? Where and what is the Promised Land? How do we get there?

The President has described his goal with an exact particularity. It is a world from which hunger, misery, disease, ignorance, and oppression have been banished. It is not the New Jerusalem. Differences and discord still remain. But it is a possible world because knowledge and technology combine to make it so. It remains only for governments to adjust their differences and serve the needs of all people.

The road to the goal is not marked with clear and unequivocal signposts. It must be selected with intuitive sense of direction. This is not so difficult as it may seem. The way to order and peace is not toward disorder and confusion. It is written that the world was originally created out of chaos. But nobody since has duplicated the feat. The self-deceit of communism is that it can create a stable state out of turmoil and destruction. The reign of law is made possible only by the enactment of just laws followed by a due respect to those laws.

Confidence is a vital factor in success. A man's confidence in himself grows out of an inner integrity of motive and purpose. It was said of R. L. Stevenson that "no man had less of the ignoble itch for merely personal success." A President who persistently injects the public interest into every policy decision must be credited with a no less high-minded character. Such a confidence in himself seeps gradually, though sometimes slowly, into public consciousness. We are infected with it, we know not how nor when, sometimes against our will. That the President is accorded such confidence is attested by his personal popularity at home and abroad. Everywhere he goes, he is greeted with crowds wildly eager to see and perhaps to touch a living symbol of this Nation's power and goodwill. Mrs. Kennedy, with her charm, her intelligence, and her instinctive ability to do and say the right thing, effectually brings into sharp focus the image of a government responsive to human needs. A foreign visitor to the White House, as reported by a local newspaper, put the idea clearly: "It is alive. People live in it." The Kennedys are undoubtedly of and for the people, and people are beginning to believe in the President, perhaps in spite of themselves. There is, too, a growing awareness that an inexorable force is driving us on toward the ends which he points out. Destiny is on the move, and the instrument of destiny is the United States and its leaders.

Move out on the highway, Mr. Driver. We have a deep-lying trust in your courage, your skill, and your integrity.

ELEPHANT ON THE MOVE

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, the London Economist, which is renowned for its astute analyses of the political scene here and abroad, carries an American Survey piece in the July 21 issue, "Elephant on the Move," which deserves to be brought to the attention of my collegues. I am particularly impressed that this article concurs with my own thoughts on the staffing of committees in the Congress where the present imbalance works not only to the disadvantage of the minority but of the American voters who support the minority views. In the 1960 election, all of us became aware of the razor-thin edge the majority has in numerical strength. Adequate staff personnel to develop minority viewpoints on major issues is essential in our system of checks and balances. The Economist article follows:

ELEPHANT ON THE MOVE

WASHINGTON, D.C.—This week's events in Congress will encourage the efforts which are being made to get the elephantine Republican Party moving again. The mahouts include young Harvard men, like those who helped President Kennedy to explore his New Frontier; but these have the approval of General Eisenhower. The Republicans have launched two organizations, the all-Republican conference and the National Republican Citizens' Committee with General Eisenhower at its head. The task of the former is to generate favorable publicity and of the latter to produce enthusiasm, ideas, funds, and perhaps even fresh faces.

The American political idiom tends to Eatanswill hyperbole. President Kennedy called some businessmen SOB's, so the Republicans are now proud to call themselves Sons of Business. Since this is what most Republicans are, the gesture is not quite on a par with the defiance of the Nazis by Gentiles in occupied countries who wore the Star of David. Nevertheless, it is suggested that the Republicans are bravely throwing down the gage of battle to a President who has dynastic ambitions and who may strangle both freedom and business if he goes unchecked. Recently General Eisenhower has emerged in the forefront of the struggle. He may well go down in American political history as the man who, before he was elected President, viewed the prospect with forebodings; who, while he was President, developed what seemed to be distaste for the office; but who, after ceasing to be President, appeared to regret the law that forbade him to take another whack at it. He has been taking whacks at his successor instead, saying that Mr. Kennedy is thrashing aimlessly about and meddling nervously with the economy.

But when General Eisenhower adds that as a consequence the country is uncertain, fearful, and ill at ease, this vague echo of Sir Walter Scott overlooks some of the factors in the situation. Voters are notoriously coy and hard to please but, according to the public opinion polls, President Kennedy is still very popular. While this personal glamour may not rub off on his policies, the Republicans' self-identification with business may not be the best way to assure that their policies will be well received either. The Republicans continue openly to envy the Democratic Party's success with the masses. In former times the Democrats won the northern cities by exchanging boxes of groceries for votes and by putting coal in the cellars of the deserving, franchised poor. Today President Kennedy and some other leaders of the Democratic Party are millionaires; so are several of the current crop of would-be presidential candidates in the Republican Party. The difference, as one writer admired by General Eisenhower has expressed it, is that the Democratic millionaires contrive to appear like wealthy Wat Tylers. And they have style, which the Republicans are conscious that they themselves lack.

In their present search for style, some of the youthful reformers who are trying to get the Republican Party on to the offensive have stunned the old guard by employing what sounds suspiciously like the language which has come to be associated with the brighter brains of the New Frontier. They declare that, if the Republicans are going to move, it will have to be by autokinesis. They have annoyed the hero of the reactionary wing of the party, Senator GOLDWATER, by dubbing him an eccentric who deliberately denies political realities and by calling his supporters knee-jerk conservatives. At the same time, however, this group accuses less inflexible Republicans of succumbing to metooism and scornfully dismisses them as mere reshapers of Democratic proposals. The young reformers admire the British Conservative Party and tend to contrast its snatching of 10 years of office from the jaws of defeat with the performance of the Republican Party in managing to snatch defeat from the jaws of victory.

They also admire the British political habit, under which the opposition forms a shadow cabinet and engages in research to find flaws in Government bills and to produce alternative legislative proposals. They grumble that in America the Republican opposition is denied its due share in the staffing of the all-important congressional committee; it is hopelessly outnumbered in this respect—about 30 to 1 in the House of Representatives and about 16 to 1 in the Senate. The doughty but hitherto lone fighter on this issue has been Mr. TOM CURTIS in the House of Representatives, but now the Republican National Committee is demanding that the opposition should be entitled to name up to 40 percent of the staff of each congressional committee.

Some, though probably not all, of these ideas have the support of General Eisenhower as well as of the wing of the Republican Party which is eastern and urban and urbane and internationalist. But there is, of course, sharp dissent from Senator GOLDWATER. Perhaps more important, most of the proposals are disliked by those who have hitherto been responsible for framing the party's policies as well as for projecting its public image and who therefore regard an attempt to provide a new look as being subversive as well as divisive. Mr. HALLECK, the Republican leader in the House of Representatives, says that there would be no need for changes if only all Republicans developed the unity of purpose that Republican Congressmen habitually display. Senator DIRKSEN, the leader in the other House, probably agrees. But this is not the view of Republicans like Governor Rockefeller, of New York, who feel that the proper business of the party of business is to put forward proposals of its own, not just to oppose the administration. And there are businessmen who find the Goldwater blend of rigid economic orthodoxy, States rights and some xenophobia, with its corollary of appeals to the prejudices of suburbanites, southerners, and crude anti-Communists, too raw for their more sophisticated political tastes. Such men wish the Republican Party's emblem to continue to be the elephant, but not the bull elephant, and they do not wish it to become a dinosaur or pterodactyl.

The new look may not prevail. It has certainly not yet become generally accepted party policy; at present this consists of little more than bland generalities about the virtues of a free competitive economy and about America being the greatest Nation on earth. Even if it does prevail, a joint Rockefeller-Goldwater Republican candidacy in the 1964 presidential election would not be altogether impossible. The general rule of both the American parties is to include everyone and to exclude nobody, so that there can be an Eastland as well as a Kennedy in the Democratic Party and a Goldwater as well as a Rockefeller in the Republican Party. Some clue to the future may be provided, however, by the elections next November. Forward-looking Republicans speculate that, if the party does well then and if the new look gets some of the credit, the platform in 1964 may include a strong Republican bid for Negro votes in the South as well as the North, instead of an attempt to "trade Lincoln" for southern white support.

There is even talk of capturing the House of Representatives in November, but this seems somewhat fanciful, even if Mr. Kennedy has become more vulnerable than he was. The Republicans have been in control of Congress for only 4 of the past 30 years. They won 28 seats (and lost 6) in 1960 but 27 of those which they won were traditional Republican seats before 1956 (most of them were lost in the debacle of 1958). Mr. Richard Nixon has pointed out that among the State Governors the Republicans are outnumbered 3 to 1, in the Senate by about 2 to 1 and in the House of Representatives 3 to 2. In the Senate 20 Republicans have been put out by the voters in the past decade, thus reducing the number of Republican Senators to 36 and making it a practical impossibility for the Republicans to capture a majority in the Senate this year, when 38 Senate seats will be up for election. It is this dismal past showing that has given the Republicans the inferiority complex that some of them are now trying so hard to shake off.

President Kennedy appears to have lost command of Congress even though the Democrats have thumping majorities in both Houses; in the Senate this week 21 Democrats joined 31 Republicans to defeat his plan for helping old people to meet their hospital bills. When he indicated recently that he thought his problem would be solved if the voters returned more Democrats to Congress, a Republican asked derisively, 'How many does he need?" But if the President is blocked by Democratic representatives from the Solid South and elsewhere who are in no hurry to reach the New Frontier, most of the Republicans in Congress also feel that their seats are safe and they are therefore similarly disinclined to heed their own party's need for new, vigorous policies. The real roadblock is a coalition of ultraconservatives from both parties and the Republicans who are anxious to move may find themselves as frustrated as President Kennedy and by the same cause. One well-informed American has called this situation a crisis of institutions and no early resolution of it seems likely.

COMMITTEE STAFFING

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. Schwengel] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, my colleagues and I have been gratified by the great amount of public support we have had in our effort to secure more minority staff members on congressional committees.

The press from New York to California has taken up the cudgel and has supported our contention that the present imbalance hampers the operation of our system of government with its built-in checks and balances.

Especially noteworthy is the fine series of articles which appeared in the Los Angeles Times, one of the country's largest and most respected newspapers. The fact that this paper would run a series of five articles on 5 days on the subject of committee staffing is in itself evidence of the great concern which is being felt around the country.

I commend the Los Angeles Times and its able bureau chief, Robert Hartmann, for this excellent series. I feel that all of them should appear in the Record and I include them as a part of my remarks:

[From the Los Angeles Times, June 13, 1962]

The Kings of Congress: Committee Chairmen

(By Robert T. Hartmann)

The firing of its lone Republican staff member by the House Intergovernmental Relations Subcommittee last week, for admittedly leaking a document concerning the Billie Sol Estes case to a news reporter, raises some intriguing questions.

What was not brought out very generally in news reports of the firing of Robert Manuel, a Washington attorney, was that he only recently was added to the all-Democratic staff after anguished protests by Republicans that they are without adequate representation at the working levels of many congressional committees.

The public knows that the House of Representatives is presently divided with a majority of 263 Democrats to 174 Republicans. The committees and subcommittees of the House, which is where the real political infighting of legislation and investigation takes place, also are made up of members of both parties.

The ratio of Republicans and Democrats on these bodies varies, and reflects only roughly the proportion of seats each party has in the House. In general, the minority members number slightly more than half the majority.

However, since each house of Congress makes its own rules under very broad constitutional guidelines, formidable precedent makes the chairman of any committee virtually omnipotent. As long as he commands a majority of even one member he is absolute.

Among his prerogatives is complete control of the committee staff, which is answerable only to him.

Naturally the staff, particularly in those committees whose work is primarily investigating and exposing, is the first to know what is going on.

Normally the chairman hears it next. He may take only the other majority members into his confidence or air it before the whole committee.

He may confer with the ranking minority members but nothing in the book says he has to.

Much depends upon the personalities involved (and these are fixed, usually, by the caprice of seniority of service) and whether the matter at hand is politically explosive or not.

But you can sum it all up by saying that, whichever party is in control of Congress, the minority has a few privileges but almost no rights.

Our Federal legislature operates (with rare exceptions) by inexorable mathematics. One less than a tie is no vote at all, one more is as good as unanimity.

When the Estes scandal first began to smolder, Republican National Chairman William E. Miller, himself a New York Congressman since 1950 (during which he has been a majority member only 2 years) forecast that the American public never would get to the bottom of a major political scandal while the Democrats controlled every branch of the Federal Government.

This, of course, was patent political talk—a wry reversal of the 1960 Democratic campaign theme that 6 years of divided Government in Washington was enough. But the GOP chairman did have a point—barbed though it was.

The investigative arm of the executive branch is primarily the FBI, under the command of the President's brother, among whose admirable traits nobody has ever mentioned nonpartisanship.

The various executive agencies, such as the Department of Agriculture, have limited facilities to investigate their own internal operations and obviously they have been busy on the Estes case.

The Congress has its own way of getting facts, theoretically in pursuit of legislative remedies but often a practical political end in itself. These are its investigating committees, with professional investigating staffs.

They operate independently of the executive branch except as the glue of party loyalty binds them together.

How are the staffs of congressional committees apportioned? Do minority members have the same staff assistance, and early access to the same privileged information, as the majority? Can a fair probe of alleged irregularities be expected, as President Kennedy said in rebuttal to GOP charges, because Republican members sit on all these committees?

The answer is both interesting and complex, and will require some further columns.

[From the Los Angeles Times, June 15, 1962]

Loopholes in Committee Reforms

(By Robert T. Hartmann)

At the end of World War II, when the Hoover Commission and President Truman were focusing attention on long overdue reforms to modernize the executive branch of the Federal Government, Congress took a critical peek in the mirror itself.

The result of this rare moment of introspection was the LaFollette-Monroney bill which was eventually enacted, as the Legislative Reorganization Act of 1948.

Most of the oratory at the time concerned whether or not Congressmen should vote themselves a pay increase and a liberal pension—they did—but of a deeper significance were the joint committee's recommendations on Senate and House committees, and their staffs.

In Wednesday's column I promised further facts to test the validity of Republican National Chairman William E. Miller's warning that the American public may never know the truth about the Billie Sol Estes case because all the investigating arms of the Federal Government, both executive and legislative, are under Democratic domination.

The firing of Robert Manuel, only Republican on the staff of the Fountain subcommittee which is currently probing the Estes scandal for the House, spotlighted the question anew.

The reorganization plan was passed 16 years ago over the opposition of most of the 79th Congress' entrenched elders, including such giants as the late Speaker Rayburn, Senators Connally (Democrat, Texas), McKellar (Democrat, Tennessee), and McClellan (Democrat, Arkansas), who will head the full-dress Estes investigation in the Senate.

It eliminated and combined the 33 standing committees of the Senate into 15. The 48 House committees were cut to 19.

The numerical size of each was fixed (this has undergone some alteration, the latest being Rayburn's semisuccessful "packing" of the House Rules Committee at the outset of the Kennedy administration), but the ratio of majority and minority members was left for each subsequent Congress to determine.

The 1946 act also attempted to revamp the age-old patronage method of supplying committee staffs; it provided for "professional" as well as "clerical" assistants to be selected "on a permanent basis without regard to political affiliations and solely on the basis of fitness to perform the duties of the office."

One director, four professional and six clerical staff members were allowed each standing committee (except House Appropriations, for which Chairman Cannon, Democrat, of Missouri, won an unlimited exemption) and their salaries were standardized; they were solemnly exempted from anything but committee duties, and prudently prohibited from accepting any job with the executive branch for 1 year after leaving Congress' employ.

But alas, politicians will be politicians. The lasting results of these high-minded reforms have been mixed.

As enacted, the 1946 committee staff rules were invariably qualified with such milewide loopholes as this: "And such staff members shall be assigned to the chairman and ranking minority member of such committee as the committee may deem advisable. Each such committee is further authorized to terminate the services by a majority vote of the committee of any such professional staff member as it may see fit."

In short, the majority rules, and the committee chairman—as the ranking majority member in seniority—for most practical purposes runs the staff as he pleases. Practice varies.

The House Armed Services Committee, of which Representative Carl Vinson, Democrat, of Georgia, is the longtime chairman, has stuck faithfully to the nonpolitical and professional concept and the director and chief counsel of its 11-man staff were hired during a Republican Congress and happen to be Republicans.

House Foreign Affairs has a similarly professional 13-member staff equally acceptable to its majority and minority members. Seven of the 11 professional aids to the House Interior and Insular Affairs Committee, including 2 of the top people, are personally of GOP persuasion.

The chief counsel and one other staff member of the House Post Office and Civil Service Committee are Republicans, and much of the committee's work is bipartisan in nature.

But, on the other side of the coin, Republican National Chairman Miller's alarms about partisan political domination of the investigative process in congressional staffs take on considerable credence. This will be explored in a subsequent column.

[From the Los Angeles Times, June 20, 1962]

COMMITTEES: GOP SQUEEZED OUT

(Robert T. Hartmann)

Last September, in the dog days of the Washington summer and the waning session of Congress, the Reverend ADAM CLAYTON POWELL, Democrat, of New York, chairman of the House Committee on Education and Labor, wrote a short and unsweet letter to the ranking minority member, Representative CARROLL KEARNS, Republican, of Pennsylvania.

It said, in effect, that the two office rooms assigned to the minority staff since 1947 were a waste of space, sorely needed by the majority, and gave the GOP 2 weeks' notice to vacate one of them.

"If you feel that the new room is too small for you, then I will have to drop members from your payroll so that the room will be of size sufficient to handle your staff," the Harlem Congressman blandly concluded.

KEARNS furiously informed the Congress that POWELL's notorious concern for minority rights was somewhat limited in scope; that the Democratic majority had 40 staff employees while the Republican minority had exactly 4.

Those four, other Republicans related, were double the quota of two allowed the GOP minority on this key investigative committee until POWELL promised to increase their representation in return for KEARNS' support of a whopping $633,000 committee budget for the coming year.

The upshot of the bitter feud was that KEARNS kept his two rooms but lost his two additional staff members as soon as the funds won House approval. At present, according to a GOP survey, POWELL has 47 committee employees assigned to the majority and 2 to the minority.

In two previous columns, exploring the allegation of Republican National Chairman WILLIAM E. MILLER, Republican, of New York, and others that the full story of the Estes case (or any other current scandal) may never be told while Democrats control both executive and legislative investigations of the Federal Government, I pointed out that (1) on congressional committees the majority is all powerful and (2) committee probes are about as partisan as their potent chairmen.

Despite recurrent reform efforts, only a handful of committees maintain a professional staff chosen without regard to party affiliation and limited to the 12 employees prescribed by the 1946 rules. Since most committees have proliferated into numerous specialized subcommittees—about which the law is silent—staffs can grow as big as the chairman can get the money for.

POWELL's 49-member staff may be the most patently political, but the numbers champ is Representative WILLIAM L. DAWSON (Democrat, Illinois), who has 92 people on his Government Operations Committee's (and its subcommittees') payroll.

The longtime boss of Chicago's Negro wards permits the 11-man Republican minority on this key investigating committee to be served by 3 members of this 92-member staff.

When the Intergovernmental Relations Subcommittee undertook to probe Billie Sol Estes' deals involving Department of Agriculture officials, a public protest by House minority leader HALLECK (Republican, Indiana) forced the temporary hiring of a Republican counsel, Robert Manuel. (He was promptly fired for leaking information to a Republican newspaper but may soon be replaced by another GOP committee aid.)

Government Operations in some ways is the most politically powerful of House committees. It can investigate any agency of the executive branch and frequently does.

The Fountain subcommittee asked and got $400,000 to look into the Estes case ahead of the upcoming Senate hearings.

Other examples of political "packing" of committee staffs cited by Republican minority members include:

House Agriculture: 10 Democrats, 1 Republican.

House Appropriations: 70 Democrats, 6 Republicans.

House Banking and Currency: 9 Democrats, 2 Republicans.

House District of Columbia: 9 Democrats, 2 Republicans.

House Judiciary: 18 Democrats, 2 Republicans.

House Merchant Marine and Fisheries: 10 Democrats, 1 Republican.

House Science and Astronautics: 17 Democrats, no Republicans.

House Select Small Business: 21 Democrats, 1 Republican.

Counting all its investigators, the House Un-American Activities Committee staff now totals 53. The top 14 positions, however, are evenly divided among Democrats and Republicans, and the staff operates on a professional basis.

With this exception, it will be noted, the most oversized and most lopsidedly Democratic staffs are among the key investigative and politically sensitive committees of the House of Representatives.

We will have a look at the Senate committee setup in a subsequent column.

[From the Los Angeles Times, June 22, 1962]

PARTISAN POLITICS IN THE SENATE

(By Robert T. Hartmann)

The Senate, where most of the "great debates" and sensational investigative hearings of the Congress are held, is by no means less partisan than the House of Representatives. It only seems to be.

Ask any Senator who he is and he probably will answer: "I am an American, a Senator of the United States, and a Democrat (or Republican)." This is more than forensic flourish. Being 1 of 100 senatorial voices permits more individuality than being 1 of 437 Members of the House, and Senate politicking is often done on the basis of personal relationships rather than strict party discipline.

Senators make a fetish of their "fairness" and of putting "country above party" and sometimes they do. But when it comes to staffing their all-powerful standing committees, they are no better than their colleagues in the House and in some ways worse.

We have discussed this imbalance between majority and minority staff employees in the House in several previous columns. Chairman ADAM CLAYTON POWELL's House Labor and Education Committee, for instance, has 47 people working for the Democrats and 2 taking care of the Republican members.

The key Government Operations Committee staff payroll is split 89 to 3.

But on the Senate side, the Judiciary Committee (which passes on all Federal judgeships) is about as one-sided as the Kennedy administration's appointments when it comes to staff: 146 aids assist the majority and 11 are assigned to the minority.

Some other Senate examples of committee staff allegiance are:

Aeronautics and Science: 11 to 1; Agriculture: 6 to 1; Appropriations: 33 to 3; Armed Services: 25 to 1; Banking and Currency: 17 to 3; Commerce: 27 to 3.

District of Columbia: 7 to 1; Finance: 5 to 1; Foreign Relations: 28 to zero; Interior: 17 to 1; Labor and Welfare: 28 to 4; Post Office and Civil Service: 10 to 1; Public Works: 11 to 2; Small Business: 18 to 1; Special Committee on Aging: 19 to 1.

It is only fair to say that the totals provided by Republican sources, of 462 staff members responsible to the Democratic chairmen of Senate committees versus 39 appointed by and answerable to the ranking minority members, probably reflects more partisanship than actual practice.

For example, the Senate Foreign Relations Committee is about to open the first great debate of the current campaign season, demanded by Minority Leader DIRKSEN, Republican, of Illinois, into the revised national security policy paper prepared at President Kennedy's order by State Department planner, Walt W. Rostow.

The GOP clearly sees the specter of appeasement in New Frontier foreign policy trends and this should be a hot one.

But the 28-member staff of this key committee, while technically answerable to Chairman FULBRIGHT, Democrat, of Arkansas, who is as partisan a liberal Democrat as they come, operates on a professional basis which is generally satisfactory to the Republican minority members.

Under both Democratic and GOP administrations and control of the Senate, this committee makes a point of demonstrating the basic solidarity of the country beyond the water's edge, though sometimes this trumpet sounds uncertainly.

Senator JOHN MCCLELLAN, another Arkansas Democrat who heads the potent permanent investigations subcommittee and its parent Senate Government Operations Committee, has been widely praised for his judicial conduct of public hearings and his fairness to minority Senators. Next week he starts probing the Kennedy administration's first major scandal, the Billie Sol Estes case.

The McClellan committee staff has 44 employees assigned to the Democratic majority and 4 to the Republican minority. It was in this context that Republican National Chairman MILLER recently charged that the public may never learn the full truth about political skulduggeries so long as both legislative and executive investigations are under Democratic control. On this basis he urged Republicans to fight hard to take over the House of Representatives this fall.

The Democrats replied that the minority is duly represented on all committees of Congress and that the probe would be pushed without fear or favor. This, only time will tell.

Meanwhile, however, several Republican Senators and Representatives have attempted to do something about the imbalance of staff assistance on key committees. They have run into a stone wall of solid Democratic opposition, as will be detailed in the final column of this series.

[From the Los Angeles Times, June 27, 1962]

DEMOCRATS HOLD LINE ON COMMITTEE STAFFS

(By Robert T. Hartmann)

The ratio of Democrats to Republicans in the House of Representatives is 263 to 174.

The ratio of Democrats to Republicans in the Senate is 64 to 35.

Roughly reduced, the Democratic majority which controls Congress and supplies the almost omnipotent chairmen of its key committees—where the real legislating and investigating occurs—runs from 3 to 2 to about 2 to 1. That is the way history and the voters decided it.

The same proportions of majority and minority members will be found on most congressional committees. As President Kennedy, an alumnus of both Houses, quickly noted when the question of fair investigations was raised, Republicans are duly represented.

But the spadework is done by committee staffs. All the evidence, damning or otherwise, is first dug up by them. And on these staffs, as detailed in four previous columns, the ratio is somewhat different.

In the House, there are 531 committee staff employees responsible to the Democratic majority and 45 who answer to the Republicans.

In the Senate, which prides itself on statesmanship above partisanship, committee staffs are divided 462 for the Democrats and 39 for the Republicans.

This is almost 12 to 1.

Totals and averages never tell the whole story. On a few House and Senate committees a strict professionalism surrounds the staffs. Nobody asks the personal political allegiance of such staff members, or cares.

This is fortunately true in the national security fields or foreign affairs and military matters. But it depends primarily on the character of the respective chairman, chosen by the inviolate seniority system.

Why does the Republican minority put up with such a disparity? First, since Congress operates by majority rule, it has no choice. Second, ranking Republican members in too many cases are content to settle for special favors and prerequisites of their own at the expense of the general GOP interest.

The Democratic chairmen "take care" of them in full assurance they will receive the same consideration should they ever slip into the minority spot.

Not all of the minority members have kept silent.

Senator Carl Curtis (Republican of Nebraska) has been waging a one-man war on the subject, with about as much success as most one-man wars have.

Last February he introduced an amendment authorizing 1 minority staff assistant to be hired for every 10 majority employees on any Senate committee where this was desired by the minority. He also proposed that at least one minority staff member receive the same pay as the top majority aid.

Since the Senate and its committees are divided roughly 2 to 1, a 10-to-1 staff split seems not unreasonable.

After a lot of sanctimonious oratory, however, Curtis' plan was defeated 55 to 30, on a straight party line vote. Not one Democrat was for it. Not one Republican voted against it.

Senate majority leader Mansfield made clear his opposition to any concession in these words:

"For many years Senators have operated on a very cooperative basis. There has been a feeling of mutual trust in the committees between Republicans and Democrats. When the Republicans have been in the minority, they have been taken care of; I think that when the Democrats have been in the minority, they have been taken care of, too."

No such sanctimonious sweetness and light has been heard in the House, but efforts by Republicans to get a fair shake on committee staffing have gotten just about as far.

Representatives Schwengel, Republican, of Iowa; Curtis, Republican, of Missouri; Cramer, Republican, of Florida; Lindsay, Republican, of New York; and Alger, Republican, of Texas, have pushed plans in the House to allow the minority, whether it be Republican or Democratic, a fixed legal right to a certain proportion of committee employees. Schwengel suggested 40 percent.

None has gotten to first base.

The real limitation on committee staffing is the amount of money each chairman can obtain for his annual operations. Since, in this respect, each House of Congress is a law unto itself, the real power here is vested in two little-known committees: House Administration and Senate Rules and Administration.

These committees consider the budgets for all the others, and their own staffs—not hitherto reported here—are divided 3 to 1 in the House and 10 to 1 in the Senate.

To sum up the findings of my five columns in this subject, the effectiveness of the Republican minority in this Congress is circumscribed by the lopsidedness of committee staffing to a dangerous degree. It would be just as bad if the injustice were reversed.

Amendments and resolutions introduced by GOP Senators and Representatives to ameliorate this imbalance, however, are mere gestures to attract some public attention to the situation. There is small hope that the Democratic majority ever will voluntarily consent to any of them. Politics simply is not that sporting.

INCREASED NUMBER OF FEDERAL EMPLOYEES

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. Bow] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BOW. Mr. Speaker, the latest report of the Joint Committee on Reduction of Nonessential Federal Expenditures became available to us today, and I am shocked to learn that 34,921 employees have been added to the Federal payroll in June.

This is a continuation of a trend that began in February of 1961 and shows no signs of tapering off. There have been sizable increases in 9 of the past 12 months, and I hasten to point out that this has no relationship to our defense problems. The increase in June included 31,267 employees in civilian agencies of the Government and only 3,654 in the military agencies.

In reading this report, I recalled that the President was severely critical of large Federal payrolls during the campaign of 1960.

For example, in Indianapolis on October 4, 1960, he deplored what he called the extravagance of the Eisenhower administration and charged that "the number of Federal employees has grown."

In New York on October 12, the then Senator from Massachusetts complained that the Eisenhower administration "has expanded the Federal payroll to an all-time high."

And, speaking in Roanoke on November 4, he asserted that the Eisenhower administration "added 106,000 new Federal employees," a statement that he considered to be reason enough for changing the leadership of the country.

Mr. Speaker, in truth and in fact the Eisenhower administration during 8 years in office cut the Federal payroll by 201,987 persons. Much of this cut was made shortly after the Eisenhower administration took office, and for the last 4 years of that administration the Federal payroll was virtually stabilized. Mr. Eisenhower found 2,554,824 Federal employees in January of 1953 when he was inaugurated. He left office with only 2,352,837.

Now that figure has grown to 2,496,455. The candidate who used an erroneous figure to show an increase of 106,000 in 8 years, and deplored such extravagance, has become the President who actually increased the Federal payroll by 143,618 in the short space of 17 months, and if we granted all of the requests in his latest and most extravagant budget, he would add another 41,945 in the next few months.

Mr. Kennedy is doing on a grand scale the very thing for which he incorrectly criticized his predecessor.

All of my figures are from the records of the Joint Committee, an institution for which all of us should be grateful. The senior Senator from Virginia is doing a splendid job as chairman of this committee. In a government as huge and extravagant as this one, it is a good thing to have someone who can keep honest figures.

TRIBUTE TO THE HONORABLE CLARE E. HOFFMAN

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. Harvey] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HARVEY of Michigan. Mr. Speaker, I am happy and privileged to join belatedly, but with no less sincerity, with many of my colleagues in paying tribute to a great American, the gentleman from Michigan, Clare Hoffman. I regret that I was unable to take part in the special order of business on Friday, July 20, 1962, but it was necessary for me to be out of the city because of the death of my father-in-law in Detroit, Mich.

Since then, I have had an opportunity to review the Congressional Record of that day and to read the many wonderful words that his colleagues have said about Clare. Needless to say, it is difficult now to add to those words which have already been expressed by so many Members, extolling Clare for the diligent and dedicated manner in which he served his district and his fellow man for 26 years here in the House.

In light of his announced retirement, I consider myself even more fortunate to have had an opportunity to meet him, to visit with him and, more important, to watch and learn from his often unpredictable, but so effective work on the floor of the House. As a freshman Member of this great body, I appreciated very much the many helpful suggestions that Clare gave to me during my first year here in Congress. There is certainly no dispute from either side of the aisle that Clare's parliamentary skill and knowledge is unsurpassed. I learned from him many of the intricacies involved in the proper working procedure of this body. But I also plainly saw a true exhibition of devotion and dedication to strong personal principles. Certainly, not everyone always agreed with the gentleman from Michigan, Clare Hoffman, but no one has or ever will question his integrity. He is a fighter, an uncrowned champion in bettering the ways of all mankind and in defending and promoting our constitutional form of government. I am only sorry that my association with CLARE here in the House has been much too brief as far as I am concerned, for I shall miss the opportunity to work with him.

I would like to join my colleagues from Michigan in wishing CLARE many years of good health, good fortune, and a happy retirement, all of which are so richly deserved.

A POLITICAL THEORY OF FOREIGN AID

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, there needs to be a thoroughgoing public discussion of the theory, if any, behind our foreign aid programs.

During the debate on the recent mutual security authorization bill, I tried to stress in some detail a point I have tried to make for years; the lack of theory in our foreign aid programs exemplified by our failure to relate trade with aid, lending with grants, offshore procurement and disposal of surplus Government stocks, be they agricultural products, military surplus or what, with the individual country's other economic endeavors, private foreign investment with Government investment, and so forth.

We do not even have criteria by which we test what our programs are doing. Our programs seem to be reacting merely to whatever international communism is doing or said to be doing.

The so-called Marshall plan had a specific objective; having a specific objective there was basis for determining the specific programs which went to make it up. Also and quite important having a specific objective there was a point of termination, when the objective had been fulfilled.

What we are doing today seems to be a hand-to-mouth operation.

I am placing in the RECORD an article by Dr. Hans Morgenthau, of the University of Chicago, entitled "A Political Theory of Foreign Aid," which appears in the June 1962 Political Science Review published by the American Political Science Association. This article should stimulate some thinking on the subject.

I find myself shocked by the tone of realism which pervades the article, so much so that I am tempted to call it cynicism and to take issue with it. However, this is the work of an objective student whom I am certain shares the basic ideals that motivate most of us. Certainly to lay the groundwork for a less cynical world we must face up to the realities even if they shock us.

I do believe we can establish a sensible theory for our foreign aid policy that is both realistic and idealistic. Dr. Morgenthau's essay will contribute greatly toward establishing a little more realism in an area where sentimentality of the most cloying sort predominates.

A Political Theory of Foreign Aid [1]

(By Hans Morgenthau)

Of the seeming and real innovations which the modern age has introduced into the practice of foreign policy, none has proven more baffling to both understanding and action than foreign aid. The very assumption that foreign aid is an instrument of foreign policy is a subject of controversy. For, on the one hand, the opinion is widely held that foreign aid is an end in itself, carrying its own justification, both transcending, and independent of, foreign policy. In this view, foreign aid is the fulfillment of an obligation of the few rich nations toward the many poor ones. On the other hand, many see no justification for a policy of foreign aid at all. They look at it as a gigantic boondoggle, a wasteful and indefensible operation which serves neither the interests of the United States nor those of the recipient nations.

The public debate on foreign aid has contributed little to understanding. In the spring of every year the Nation engages in such a debate, carried on almost exclusively in terms of the amount of money to be spent for purposes of foreign aid rather than of the substantive purposes which a policy of foreign aid is supposed to serve. The administration tries, as it were, to sell a certain amount of foreign aid to Congress, and Congress refuses to buy that amount. Congress generally appropriates about 10 percent less than what the administration has requested, and the administration spends what is appropriated as it sees fit within the general categories authorized. Only when glaring abuses and inefficiencies are uncovered, as for instance in our foreign aid to Laos, is the question of the substance of our foreign aid policy raised in public, and even then it is put in the negative terms of remedying the abuses and inefficiencies rather than in the positive terms of the purposes our foreign aid policy may be supposed to advance and the kinds of measures best calculated to serve these aims.

It is in fact pointless even to raise the question whether the United States ought to have a policy of foreign aid—as much so as to ask whether the United States ought to have a foreign political or military policy. For the United States has interests abroad which cannot be secured by military means and for the support of which the traditional methods of diplomacy are only in part appropriate. If foreign aid is not available they will not be supported at all.

The question, what kind of policy of foreign aid we ought to have, can then not be evaded. As it has developed in recent years, the kind we have is fundamentally weak. It has been conceived as a self-sufficient technical enterprise, covering a multitude of disparate objectives and activities, responding haphazardly to all sorts of demands, sound and unsound, unrelated or only by accident related to the political purposes of our foreign policy. The United States, in short, has been in the business of foreign aid for more than two decades, but it has yet to develop an intelligible theory of foreign aid that could provide standards of judgment for both the supporters and opponents of a particular measure.

I. SIX TYPES OF FOREIGN AID

The first prerequisite for the development of a viable foreign aid policy is the recognition of the diversity of policies that go by that name. Six such can be distinguished which have only one thing in common—the transfer of money, goods and services from one nation to another. They are humanitarian foreign aid, subsistence foreign aid, military foreign aid, bribery, prestige foreign aid, and foreign aid for economic development.

Of these distinct types, only humanitarian foreign aid is per se nonpolitical. The aid which governments have traditionally extended to nations which are victims of natural disasters, such as floods, famines, and epidemics falls in that category. So do the services, especially in the fields of medicine and agriculture, which private organizations, such as churches and foundations, have traditionally provided in Asia, Africa, and Latin America.

While humanitarian aid is per se nonpolitical, it can indeed perform a political function when it operates with a political context. The foreign aid that private organizations provide will be attributed for better or worse to their respective governments insofar as humanitarian aid emanating from a foreign country is recognized by the recipient country or its inhabitants to perform a political function. Thus the agricultural aid which the Rockefeller Foundation has provided for many years to certain Latin American countries is likely to take on under contemporary conditions a political function which it did not perform previously. The same has from the beginning been true of the work the Ford Foundation has been doing in India. By the same token, humanitarian aid extended by a government may have political effects.

Subsistence foreign aid is extended to governments, such as those of Jordan and Niger, which do not command the resources to maintain minimal public services. The giving nation makes up the deficit in the budget of the recipient nation. Subsistence foreign aid is akin to the humanitarian type in that it seeks to prevent the breakdown of order and the disintegration of organized society. But it also performs the political function of maintaining the status quo, without, however, as a rule, increasing its viability. Where a political alternative to a nonviable regime may exist, subsistence foreign aid diminishes the chances of its materializing.

Bribes proffered by one government to another for political advantage were until the beginning of the 19th century an integral part of the armory of diplomacy. No statesman hesitated to acknowledge the general practice of giving and accepting bribes, however anxious he might be to hide a particular transaction. Thus it was proper and common for a Government to pay the foreign minister or ambassador of another country a pension, that is, a bribe. Lord Robert Cecil, the Minister of Elizabeth, received one from Spain. Sir Henry Wotton, British Ambassador to Venice in the 17th century, accepted one from Savoy while applying for one from Spain. The documents which the French revolutionary government published in 1793 show that France subsidized Austrian statesmen between 1757 and 1769 to the tune of 82,652,479 livres, the Austrian Chancellor Kaunitz receiving 100,000.

The Prussian Ambassador in Paris summed up well the main rule of this game when he reported to his government in 1802: "Experience has taught everybody who is here on diplomatic business that one ought never to give anything before the deal is definitely closed, but it has only proved that the allurement of gain will often work wonders." It is worthy of note that the first appropriation act adopted by the first Congress of the United States in 1789 included a modest contingent fund for such purposes.

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[1] This paper was prepared for the Public Affairs Conference Center, University of Chicago, and will appear in a volume of essays on foreign aid to be published by Rand McNally & Co. in 1962.

Much of what goes by the name of foreign aid today is in the nature of bribes. The transfer of money and services from one government to another performs here the function of a price paid for political services rendered or to be rendered. These bribes differ from the traditional ones exemplified above in two respects: they are justified primarily in terms of foreign aid for economic development, and money and services are transferred through elaborate machinery fashioned for genuine economic aid. In consequence, these bribes are a less effective means for the purpose of purchasing political favors than were the traditional ones.

The compulsion of substituting for the traditional businesslike transmission of bribes the pretense and elaborate machinery of foreign aid for economic development results from a climate of opinion which accepts as universally valid the proposition that the highly developed industrial nations have an obligation to transfer money and services to underdeveloped nations for the purpose of economic development. Thus, aside from humanitarian and military foreign aid, the only kind of transfer of money and services which seems to be legitimate is one ostensibly made for the purpose of economic development. Economic development has become an ideology by which the transfer of money and services from one government to another in peacetime is rationalized and justified.

The present climate of opinion embraces another assumption as universally valid: that economic development can actually be promoted through such transfers of money and services. Thus economic development as an ideology requires machinery that makes plausible the postulated efficacy of the transfer for the stated purpose of economic development. In contrast to most political ideologies, which operate only on the verbal level and whose effects remain within the realm of ideas, this political ideology, in order to be plausible, requires an elaborate administrative apparatus serving as an instrument for a policy of make-believe. The government of nation A, trying to buy political advantage from the government of nation B for, say, the price of $20 million, must not only pretend, but also act out in elaborate fashion, the pretense, that what it is actually doing is giving aid for economic development to the government of nation B.

This practice of giving bribes as though they were contributions to economic development inevitably creates, in the giver and the recipient, expectations which are bound to be disappointed. Old-fashioned bribery was a relatively straightforward transaction; services were to be rendered at a price, and both sides knew what to expect. Bribery disguised as foreign aid for economic development makes of giver and recipient actors in a play which in the end they may no longer be able to distinguish from reality. In consequence, both may come to expect results in terms of economic development which in the nature of things may not be forthcoming. Thus both are likely to be disappointed, the giver blaming the recipient for his inefficiency and the recipient accusing the giver of stinginess and asking for more. The ideology, if taken for reality, gets in the way of the original purpose of the transaction, and neither side believes that it has received what it is entitled to.

For the past decade, military aid took the lion's share of the foreign aid programs of the United States. A shift in favor of nonmilitary aid occurred during the 1961 session when Congress appropriated somewhat over $2 billion for military aid, while the total voted for all the other foreign aid programs ran in excess of $3 billion. To the latter amount must be added the equivalent of approximately $1 billion in foreign currencies, the proceeds of the sale of agricultural commodities abroad, to be used for economic grants and loans to purchasing governments.

Foreign aid for military purposes is a traditional way by which nations buttress their alliances. Rome used to receive tribute from its allies for the military protections it provided. The 17th and 18th centuries are the classic period of military subsidies, by which nations, and especially Great Britain, endeavored to increase the military strength of their allies. Glancing through the treaties of alliance of that period, one is struck by the meticulous precision with which obligations to furnish troops, equipment, logistic support, food, money, and the like were defined. The loans which France extended to Russia after the conclusion of the alliance between the two nations in 1894 fall in the same category. This traditional military aid can be understood as a division of labor between two allies who pool their resources, one supplying money, materiel, and training, the other providing primarily manpower.

In contrast to traditional practice, military aid today is extended not only to allies but also to certain uncommitted nations. The military aid the United States has been giving to Yugoslavia is a case in point. The purpose is here not so much military as political. It seeks political advantage in exchange for military aid. It obligates by implication, the recipient toward the giver. The latter expects the former to abstain from a political course which might put in jeopardy the continuation of military aid. Military aid is here really in the nature of a bribe.

What appears as military aid may also be actually in the nature of prestige aid, to be discussed below. The provision of jet fighters and other modern weapons for certain underdeveloped nations can obviously perform no genuine military function. It increases the prestige of the recipient nation both at home and abroad. Being in the possession of some of the more spectacular instruments of modern warfare, a nation can at least enjoy the illusion of having become a modern military power.

As bribery appears today in the guise of aid for economic development, so does aid for economic development appear in the guise of military assistance. In the session of 1961, for instance, Congress appropriated $425 million for economic aid to strategic areas, and it is likely that in the total appropriations of over $2 billion for military aid other items of economic aid are hidden. This mode of operation results from the reluctance of Congress to vote large amounts for economic aid in contrast to its readiness to vote virtually any amount requested for military purposes. Yet the purposes of aid for economic development are likely to suffer when they are disguised as military assistance, as we saw the purposes of bribery suffer when disguised as aid for economic development. The military context within which such aid is bound to operate, even though its direct administration be in the hands of the civilian authorities, is likely to deflect aid from its genuine purposes. More particularly, it strengthens the ever-present tendency to subordinate the requirements of aid for economic development to military considerations.

Prestige aid has in common with modern bribes the fact that its true purpose, too, is concealed by the ostensible purpose of economic development or military aid. The unprofitable or idle steel mill, the highway without traffic and leading nowhere, the airline operating with foreign personnel and at a loss but under the flag of the recipient country—all ostensibly serve the purposes of economic development and under different circumstances might do so. Actually, however, they perform no positive economic function. They owe their existence to the penchant, prevalent in many underdeveloped nations, for what might be called conspicuous industrialisation, spectacular symbols of, and monuments to, industrial advancement rather than investments satisfying any objective economic needs of the country.

This tendency sheds an illuminating light upon the nature of what is generally referred to as the revolution of rising expectations. We are inclined to assume that the urgent desire to improve one's lot by means of modern technology and industry is a well-nigh universal trend in Asia, Africa, and Latin America. Actually, however, this trend is universal only in the sense that virtually all underdeveloped nations want to appear as having achieved industrialization, while only a fraction of the population, and frequently only small elite groups within it, seek the social and economic benefits of industrialization and are willing to take the measures necessary to achieve them. For many of the underdeveloped nations the steel mill, the highway, the airline, the modern weapons, perform a function that is not primarily economic or military, but psychological and political. They are sought as the outward show of modernity and power. They perform a function similar to that which the cathedral performed for the medieval city and the feudal castle or the monarch's palace for the absolute state. Nehru is reported to have said, when he showed Chou-En-Lai a new dam: "It is in these temples that I worship." And the more underdeveloped and less viable a nation is, the greater is likely to be its urge to prove to itself and to the world through the results of prestige aid that it, too, has arrived in the mid-20th century.

The advantage for the giver of prestige aid is threefold. He may receive a specific political advantage in return for the aid, very much like the advantage received for a bribe. Also, the spectacular character of prestige aid establishes a patent relationship between the generosity of the giver and the increased prestige of the recipient. The giver's prestige is enhanced, as it were, by the increase of the recipient's prestige. Finally, prestige aid comes relatively cheap. A limited commitment of resources in the form of a spectacular but economically useless symbol of modernity may bring disproportionate political dividends.

The giver of foreign aid is therefore well advised to distinguish between prestige aid and aid for economic development, though both are justified by the prospective recipient in terms of genuine economic development. The prospective giver, if unaware of the distinction, is likely to fall into one of two errors. By mistaking prestige aid for aid for economic development, he may waste human and material resources in support of the latter when the purpose of prestige aid could have been achieved much more simply and cheaply. Or else he may reject out of hand a request for prestige aid because he cannot justify it in terms of economic development, and may thereby forgo available political advantages. The classic example of this error is the American rejection of the Afghan request for the paving of the streets of Kabul as economically unsound. The Soviet Union, pursuing a politically oriented policy of foreign aid, did pave the streets of Kabul.

II. FOREIGN AID FOR ECONOMIC DEVELOPMENT IN PARTICULAR

None of the types of foreign aid discussed thus far poses theoretical questions of great magnitude; rather they raise issues for practical manipulation which can be successfully met by commonsense tested by experience. Foreign aid for economic development has been the primary area for theoretical analysis and speculation, and these have been primarily of an economic nature. Economic thought, true to its prevailing academic tradition, tends to look at foreign aid as though it were a self-sufficient technical enterprise to be achieved with the instruments, and judged by the standards, of pure economics. And since Western economic development, from the first industrial revolution onward, has been due to the formation of capital and the accumulation of technical knowledge, we have tended to assume that these two factors would by themselves provide the impetus for the economic development of the underdeveloped nations of Asia, Africa, and Latin America. This tendency has been powerfully supported by the spectacular success of the Marshall plan, the political origins and motivations of which were easily forgotten in its justification as a strictly economic measure for the provision of capital and technological know-how. Yet it is not always recognized that this success was made possible only by the fact that, in contrast to the underdeveloped nations of Asia, Africa, and Latin America, the recipients of Marshall aid were among the leading industrial nations of the world, whose economic systems were but temporarily in disarray.

The popular mind, on the other hand, and, through it, much of the practice of foreign aid have proceeded from certain unexamined assumptions, no less doubtful for being deeply embedded in the American folklore of politics. Thus the popular mind has established correlations between the infusion of capital and technology into a primitive society and its economic development, between economic development and social stability, between social stability and democratic institutions, between democratic institutions and a peaceful foreign policy. However attractive and reassuring these correlations may sound to American ears, they are borne out neither by the experiences we have had with our policies of foreign aid nor by general historic experience.

The first of these assumptions implies that underdevelopment is at least primarily the result of lack of capital and technological know-how. Underdevelopment is regarded as a kind of accident or at worst as a kind of deficiency disease, which can be taken care of through subcutaneous injections of the missing ingredients. Yet a nation may suffer from deficiencies, some natural and insuperable, others social and remediable, which no amount of capital and technological know-how supplied from the outside can cure. The poverty of natural resources may be such as to make economic development impossible. Nations such as Jordan and Somalia are in all likelihood permanently incapable of economic development for that reason. Many of the nations which are the perennial recipients of subsistence aid are likely to fall in the same category.

A nation may also suffer from human deficiencies which preclude economic development. As there are individuals whose qualities of character and level of intelligence make it impossible for them to take advantage of economic opportunities, so are there nations similarly handicapped. To put it bluntly: as there are bums and beggars, so are there bum and beggar nations. They may be the recipients of charity, but short of a miraculous transformation of their collective intelligence and character, what they receive from the outside is not likely to be used for economic development.

Other nations are presently deficient in the specific qualities of character and intelligence that go into the making of a modern economic system, even though their general or inherent capabilities qualify them potentially for the necessary transformation sometime in the future. They are, to use a rough analogy, in a medieval stage of cultural development, still awaiting the equivalent of the moral and intellectual revolutions which in the 16th and 17th centuries created the cultural preconditions for the economic development of the West. Yet we tend to take the existence of these preconditions for granted, forgetting that without the secularization and rationalization of Western thought and society the industrialization of the West would not have been possible.

A civilization, such as the Burmese, which deprecates success in this world because it stands in the way of success in the other world, puts a cultural obstacle in the path of industrial development, which foreign aid by itself cannot overcome. Saving, that is, the preservation of capital or goods for investment or future use, has become so integral a part of our economic thought and action that it is hard for us to realize that there are hundreds of millions of people in the underdeveloped areas of the world who are oblivious of this mode of operation, indispensable to economic development. We have come to consider the productive enterprise as a continuum in the betterment of which the individual owner or manager has a personal stake.

Yet in many underdeveloped areas the productive enterprise is regarded primarily as an object for financial exploitation, to be discarded when it has performed its function of bringing the temporary owner the largest financial return in the shortest possible time. Foreign aid poured into such a precapitalistic and even prerational mold is less likely to transform the mold than to be forced by it, in ways hardly predictable in advance, into channels serving the interests of a precapitalistic of prerational society.

The economic interests which tend to prevent foreign aid from being used for economic development are typically identified with the ruling groups in underdeveloped societies, which derive their political power in good measure from the economic status quo. The ownership and control of arable land, in particular, is in many of the underdeveloped societies the foundation of political power. Land reform and industrialization are in consequence an attack upon the political status quo. In the measure that they succeed, they are bound to affect drastically the distribution of economic and political power alike. Yet the beneficiaries of both the economic and political status quo are the typical recipients of foreign aid given for the purpose of changing the status quo. To ask them to use foreign aid for this purpose is to require a readiness for self-sacrifice and a sense of social responsibility which few ruling groups have shown throughout history. Foreign aid proffered under such circumstances is likely to fail in its ostensible purpose and, performing the function of a bribe to the ruling group, to strengthen the economic and political status quo. It is more likely to accentuate unsolved social and political problems than to bring them closer to solution. A team of efficiency experts and public accountants might well have improved the operations of the Al Capone gang; yet by doing so, it would have aggravated the social and political evils which the operations of that gang brought forth.

Given this likely resistance of the ruling group to economic development, foreign aid requires drastic political change as a necessary condition for its success. Foreign aid must go hand in hand with political change, either voluntarily induced from within or brought about through pressure from without. The latter alternative faces the giving nation with a dilemma. On the one hand, to give foreign aid for economic development without stipulating conditions that maximize the chances for success will surely maximize the chances for failure. On the other hand, to give aid "with strings" arouses xenophobic suspicions and nationalistic resentments, to be exploited both by the defenders of the status quo and the promoters of Communist revolution.

Furthermore, once one has decided to bring about political change in opposition to the ruling group, one must identify some alternative group as the instrument of political change. Sometimes, the only choice is among alternative groups which are equally unattractive. Sometimes, and not infrequently, the absence of any available alternative group leaves only the choice between creating one or doing nothing.

Finally, the promotion of drastic social change on the part of the giving nation may create the indispensable condition for economic development, but it also conjures up the specter of uncontrollable revolution. In many of the underdeveloped nations peace and order are maintained only through the ruthless use of the monopoly of force by the ruling group. Determined and skillful foreign intervention may find little difficulty in weakening or even removing altogether the power of the ruling group. It is not so easy to finish what has thereby been started. While the interventionist nation may be able to control events up to the point of instigating drastic reform and revolution, it may well prove unable to control the course of the revolution itself. More particularly, a democratic nation, such as the United States, is greatly handicapped in competing with Communists in the control of a revolution. The revolution may start, as it did in Cuba, under the democratic auspices of unorganized masses dedicated to social reform and supported by the United States, and may in the course of its development be taken over by the highly organized and disciplined Communist minority, the only organized and disciplined revolutionary group on the scene.

Successful foreign aid for economic development may have similarly unsettling political results. Economic development, especially by way of industrialization, is bound to disrupt the social fabric of the underdeveloped nation.

By creating an urban industrial proletariat, it loosens and destroys the social nexus of family, village and tribe, in which the individual had found himself secure. And it will not be able, at least not soon, to provide a substitute for this lost social world. The vacuum so created will be filled by social unrest and political agitation. Furthermore, it is not the downtrodden peoples living in a static world of unrelieved misery who are likely protagonists of revolution, but rather those groups that have begun to rise in the social and economic scale have not enough to satisfy their aroused expectations. Thus, economic development is bound to disturb not only the economic status quo but, through it, the political status quo as well. If the change is drastic enough, the social and political effects of economic development may well bring about a prerevolutionary or revolutionary situation. And while the United States may have started the revolutionary process, it will again be uncertain under whose auspices it will be ended.

The United States faces a number of formidable handicaps in trying to control social and political change in the underdevelopment nations either as a prerequisite for, or a result of, foreign aid for economic development. First of all, as a Western capitalistic nation, the United States is a conservative power both domestically and internationally, and must appear particularly so to the underdeveloped nations. Both in its civilization and its social and economic structure, it belongs to that complex of nations which until recently were able to hold Africa, Latin America, and the outlying areas of Asia in a condition of colonial or semicolonial dependency. It has military alliances with these nations, and while it has generally shunned and even opposed outright colonial policies, it has actively and successfully participated in the semicolonial exploitation of backward nations. Thus the resentment against the former colonial powers attaches also, to it and its policies of foreign aid are frequently suspect, as serving in disguise the traditional ends of colonialism.

Furthermore, the United States, by dint of its pluralistic political philosophy and social system, cannot bring to the backward nations of the world a simple message of salvation, supported first by dedicated and disciplined revolutionary minorities, and then by totalitarian control. In the nature of things, the advantage lies here with the Communist powers. They are, as it were, specialists in exploiting a revolutionary situation, which is bound to cause us embarrassment. For while the Communists are able to direct a revolution into the desired channels through their use of a disciplined minority, we, even if we are convinced that revolution is inevitable and therefore do not oppose it, tend to look on it with misgivings since we cannot control the direction it will take.

The Communist powers have still another advantage over the United States in that, at least on the surface, their problems and achievements are more meaningful to the underdeveloped nations than ours. The Soviet Union has achieved, and Communist China attempts to achieve, what the more enlightened underdeveloped nations seek: a drastic increase in national output through rapid industrialization. The Communist powers use totalitarian control as their instrument and Communist doctrine as rationalization. Seeking the same results, the underdeveloped nations cannot help being attracted by the methods which brought about these results elsewhere. In contrast, the slow process, stretching over centuries, through which the nations of the West achieved a high standard of living through industrialization must appeal much less to them. That appeal is further lessened by the economic processes of the free market and the political processes of liberal democracy through which in large measure Western industrialization was achieved. For these processes require a degree of moral restraint and economic and political sophistication which are largely absent in the underdeveloped nations. The simple and crude methods of totalitarianism must appear to them much more congenial.

Thus we arrive at the disconcerting conclusion that successful foreign aid for economic development can be counterproductive if the social and political goal of the giving nation is the recipient's social and political stability. In some cases at least, the failure of American aid for economic development may have been a blessing in disguise in that it did not disturb a stable status quo whose continuance was in our interest. Such aid, intended for economic development, actually performs the function either of a bribe or of prestige aid. Here again, however, these functions are likely to be impaired by disappointed expectations of economic development on the part of the giving and the recipient nation.

It is equally a moot question whether successful foreign aid for economic development is conducive to the development of democratic institutions and practices. Without stopping here to examine the complexities of the relationship between democracy and economic development, it is enough to observe, as recent history has made clear, that no necessary casual relationship exists between the two. The most impressive example is the Soviet Union. Its rapid economic development has gone hand in hand with totalitarian government, and a case could well be made for the proposition that the former would have been impossible without the latter. It is more likely than not that where the intellectual and moral preconditions for economic development are lacking in the population at large and are present only in a small elite, as is true in many of the underdeveloped nations, the imposition of the will of that small minority upon the majority of the population is a prerequisite not only for the start of economic development but also for sustained economic growth.

As concerns the promotion of a peaceful foreign policy, economic development is likely to be counterproductive if a political incentive for a belligerent foreign policy is present. The contrary conclusion derives from the popular, yet totally unfounded assumption that poor nations make war on rich nations for economic advantage and that rich nations are by definition peaceful because they have what they want. In truth, of course, most wars have been fought not for economic but political advantage, and, particularly under modern technological conditions, only economically advanced nations are capable of waging modern war. We did not consider the Soviet Union a military threat as long as it was economically underdeveloped; it became one when its economic development had transformed it into a modern industrial power. Similarly, Communist China today, except to its immediate neighbors, is only a potential military threat by virtue of its economic potential, both likely to be activated by economic development.

Foreign aid for economic development, then, has a very much smaller range of potentially successful operation than is generally believed. Its success depends in good measure not so much upon its soundness in strictly economic terms as upon intellectual, moral, and political preconditions, which are not susceptible to economic manipulation, if they are susceptible to manipulation from the outside at all. Furthermore, the political results of successful foreign aid for economic development may be either unpredictable or counterproductive in terms of the political goals of the giving nation. In any event, they are in large measure uncontrollable. Foreign aid proffered and accepted for purposes of economic development may turn out to be something different from what it was intended to be, unless it is oriented toward the political conditions within which it must operate. Most likely, it will turn out to be a bribe or prestige aid, or else a total waste. To do too much may here be as great a risk as to do too litte, and masterly inactivity may sometimes be the better part of wisdom.

III. CONCLUSIONS FOR POLICY

The major conclusions for policy to be drawn from this analysis are three: the requirement of identifying each concrete situation in the light of the six different types of foreign aid and of choosing the quantity and quality of foreign aid appropriate to the situation; the requirement of attuning, within the same concrete situation, different types of foreign aid to each other in view of the overall goals of foreign policy; and the requirement of dealing with foreign aid as an integral part of political policy.

The task of identifying concrete situations with the type of foreign aid appropriate to them is a task for country and area experts to perform. Can country A not survive without foreign aid? Is its government likely to exchange political advantages for economic favors? Would our military interests be served by the strengthening of this nation's military forces? Does this country provide the noneconomic preconditions for economic development to be supported by foreign aid? Are our political interests likely to be served by giving this nation foreign aid for purposes of prestige? Can a case be made for foreign aid in order to alleviate human suffering? What kind and quantity of foreign aid is necessary and sufficient to achieve the desired result?

To answer these questions correctly demands first of all a thorough and intimate knowledge and understanding of the total situation in a particular country. But it also requires political and economic judgment of a very high order, applied to two distinct issues. It is necessary to anticipate the receptivity of the country to different kinds of foreign aid and their effects upon it. When this analysis has been made, it is then necessary to select from a great number of possible measures of foreign aid those which are most appropriate to the situation and hence most likely to succeed.

In most cases, however, the task is not that simple. Typically, an underdeveloped country will present a number of situations indicating the need for different types of foreign aid simultaneously. One type given without regard for its potential effects upon another type risks getting in the way of the latter. One of the most conspicuous weaknesses of our past foreign aid policies has been the disregard of the effect different types of foreign aid have upon each other. Bribes given to the ruling group, for instance, are bound to strengthen the political and economic status quo. Military aid is bound to have an impact upon the distribution of political power within the receiving country; it can also have a deleterious effect upon the economic system, for instance, by increasing inflationary pressures. Similarly, the effect of subsistence foreign aid is bound to be the support of the status quo in all its aspects. Insofar as the giving nation desires these effects or can afford to be indifferent to them they obviously do not matter in terms of its overall objectives. But insofar as the giving nation has embarked upon a policy of foreign aid for economic development which requires changes in the political and economic status quo, the other types of foreign aid policies are counterproductive in terms of economic development; for they strengthen the very factors which stand in its way.

This problem is particularly acute in the relations between prestige aid and aid for economic development. The giving nation may seek quick political results and use prestige aid for that purpose; yet it may also have an interest in the economic development of the recipient country, the benefits of which are likely to appear only in the more distant future. Prestige aid is at best only by accident favorable to economic development; it may be irrelevant to it, or it may actually impede it.

What kind of foreign aid is the giving country to choose? If it chooses a combination of both it should take care to choose an innocuous kind of prestige aid and to promote economic development the benefits of which are not too long in coming. Afghanistan is the classic example of this dilemma. The Soviet Union, by paving the streets of Kabul, chose a kind of prestige aid that is irrelevant to economic development. The United States, by building a hydroelectric dam in a remote part of the country, chose economic development, the very existence of which is unknown to most Afghans and the benefits of which will not appear for years to come.

It follows, then, from the very political orientation of foreign aid that its effect upon the prestige of the giving nation must always be in the minds of the formulators and executors of foreign aid policies. Foreign aid for economic development, in particular, which benefits the recipient country immediately and patently is a more potent political weapon than aid promising benefits that are obscure and lie far in the future. Furthermore, the political effects of foreign aid are lost if its foreign source is not obvious to the recipients. For it is not aid as such or its beneficial results that creates political loyalties on the part of the recipient, but the positive relationship that the mind of the recipient establishes between the aid and its beneficial results, on the one hand, and the political philosophy, the political system, and the political objectives of the giver, on the other. That is to say, if the recipient continues to disapprove of the political philosophy, system, and objectives of the giver, despite the aid he has received, the political effects of the aid are lost. The same is true if he remains unconvinced that the aid received is but a natural, if not inevitable, manifestation of the political philosophy, system, and objectives of the giver. Foreign aid remains politically ineffectual—at least for the short term—as long as the recipient says either: "Aid is good, but the politics of the giver are bad"; or, "Aid is good, but the politics of the giver—good, bad, or indifferent—have nothing to do with it." In order to be able to establish psychological relationship between giver and recipient, the procedures through which aid is given, and the subject matter to which it is applied, must lend themselves to the creation of a connection between the aid and the politics of the giver which reflects credit upon the latter.

The problem of foreign aid is insoluble if it is considered as a self-sufficient technical enterprise of a primarily economic nature. It is soluble only if it is considered an integral part of the political policies of the giving country—which must be devised in view of the political conditions, and for its effects upon the political situation, in the receiving country. In this respect, a policy of foreign aid is no different from diplomatic or military policy or propaganda. They are all weapons in the political armory of the nation.

As military policy is too important a matter to be left ultimately to the generals, so is foreign aid too important a matter to be left in the end to the economists. The expertise of the economist must analyze certain facts, devise certain means, and perform certain functions of manipulation for foreign aid. Yet the formulation and overall execution of foreign aid policy is a political function. It is the province of the political expert.

It follows from the political nature of foreign aid that it is not a science but an art. That art requires by way of mental predisposition a political sensitivity to the interrelationship among the facts, present and future, and ends and means. The requirements by way of mental activity are twofold. The first is a discriminating judgment of facts, ends and means and their effects upon each other. However, an analysis of the situation in the recipient country and, more particularly, its projection into the future and the conclusions from the analysis in terms of policy can only in part be arrived at through rational deduction from ascertainable facts. When all the available facts have been ascertained, duly analyzed, and conclusions drawn from them, the final judgments and decisions can be derived only from subtle and sophisticated hunches. The best the formulator and executor of a policy of foreign aid can do is to maximize the chances that his hunches turn out to be right. Here as elsewhere in the formulation and conduct of foreign policy, the intuition of the statesman, more than the knowledge of the expert, will carry the day.

WILMINGTON, DEL., DOCTORS GIVE THALIDOMIDE TO THEIR PATIENTS

The **SPEAKER**. Under previous order of the House, the gentleman from Delaware [Mr. McDowell] is recognized for 10 minutes.

Mr. **McDOWELL**. Mr. Speaker, the Wilmington, Del., Evening Journal of July 31, 1962, reported on page 1 that 14 Wilmington-area doctors received the new and dangerous drug thalidomide, and gave it to their patients.

Fortunately, none of the drug was given to pregnant women.

This was a most fortunate circumstance.

Two inspectors from the Philadelphia district office of the U.S. Food and Drug Administration are making a check on this situation.

The Wilmington, Del., Evening Journal of July 31, 1962, also carried an Associated Press dispatch which reported:

> New York City authorities have disclosed that an armless, legless baby was born July 21 to a Queens housewife who took the drug thalidomide.
>
> The child lived less than an hour. It was the city's first reported death involving thalidomide.
>
> The American Medical Association began intensive research into the drug and its effects.
>
> The Food and Drug Administration said thalidomide pills had been distributed by doctors in 39 States and the District of Columbia, but none had been sold commercially.

Are we in the Congress to stand complacently by and not do everything we can to correct the inadequacies in the law, in the regulations, and in policy which has permitted a condition to come about which is causing death to some children and others to be born crippled and deformed both in body and in mind?

What is particularly revolting to me is that drug companies are now using the public as guinea pigs.

According to the Associated Press report which I have quoted from, thalidomide pills have been distributed by doctors in 39 States and the District of Columbia. None of these pills were sold commercially.

Why should a doctor be permitted to give away to his innocent and unsuspecting patients free samples of new drugs, drugs, furthermore, which are unproven, or which lack approval of the proper Federal and State officials?

I intend to keep asking questions on this matter until I get satisfactory answers.

We have State and Federal regulatory bodies, and we have laws, all concerned with the licensing and regulation of drugs.

Who or what, then, is to blame for the tragic developments in the case of this new and horrible drug, thalidomide?

Why should a physician, or anyone else, for that matter, hand out such a deadly drug as thalidomide?

How can a drug company distribute throughout the country samples of such a horrible drug?

How many more such dangerous drug products are there on the market?

These are some of the questions for which I shall seek prompt and satisfactory answers.

I include as part of my remarks the Associated Press articles which appeared in the Wilmington, Del., Evening Journal of July 31, 1962, to which I have referred:

[From the Wilmington (Del.) Evening Journal, July 31, 1962]

INSPECTORS FIND NO PILLS LEFT HERE

Federal inspectors continued on the trail of thalidomide pills here today. Their search yesterday revealed no cases of pregnant women receiving the drug, blamed for infant deformities.

The two inspectors from the Philadelphia district office of the U.S. Food and Drug Administration still had to contact 5 of the 14 Wilmington area doctors known to have received the drug.

They reported that none of the nine doctors contacted yesterday had any of the pills still on hand, and none had given them to pregnant women.

The search turned up one case in which a woman received the pills before pregnancy. She later gave birth to a normal child, according to Herbert W. Ayres, Deputy FDA Director at Philadelphia.

Thalidomide has been blamed for deformities in babies born to European women who took it in early stages of pregnancy.

The two inspectors, Jan Larsen and Russell Abel, expect to contact the remaining five doctors today.

Ayres said yesterday his men have reached 44 of 163 doctors in eastern Pennsylvania, southern New Jersey and Delaware who received the drug. He said they found no cases in which it caused abnormal births.

The drug, used extensively in Germany, was recalled last April at the request of the FDA by its U.S. distributor, the William S. Merrell Co. of Cincinnati.

[From the Wilmington (Del.) Evening Journal, July 31, 1962]

THALIDOMIDE BLAMED IN DEATH OF NEW YORK BABY

New York City authorities have disclosed that an armless, legless baby was born July 21 to a Queens housewife who took the drug thalidomide.

The child lived less than an hour. It was the city's first reported death involving thalidomide.

Meanwhile the Arizona television star who took the drug, lost a court battle for a legal abortion.

The American Medical Association began intensive research into the drug and its effects.

A congressional hearing was scheduled for tomorrow to inquire into what one Senator called serious communication weaknesses concerning the drug's suspected crippling power.

The Food and Drug Administration said thalidomide pills had been distributed by doctors in 39 States and the District of Columbia, but none had been sold commercially.

In one of those States, the New York City Health Department said a 37-year-old Queens woman, who reportedly took 90 thalidomide pills before and during pregnancy, gave birth July 21 to a deformed baby which lived only about 40 minutes.

"The tragic case in Queens highlights the hazard of the pills," said the acting city health commissioner, Dr. George James.

In Phoenix, Ariz., Superior Court Judge Yale McFate dismissed a suit by television personality Sherri Finkbine, who sought to legalize the abortion she had planned.

"Miss Sherri," star of a Phoenix TV kiddie show, took thalidomide, which has been blamed for malformation of thousands of new-born infants, mostly in Europe. Mrs. Finkbine and her husband said they didn't want to risk such a birth.

The couple said today they would go elsewhere—to "a more favorable legal climate"—to seek an abortion. They said they had not yet decided where to go.

Arizona law prohibits abortion unless the prospective mother's life is endangered by childbirth. Judge McFate's decision means that the Finkbines, their doctor and their hospital have no guarantee against prosecution if they go ahead with the previously planned abortion in that State.

The judge noted that Arizona law concerning abortion was not challenged in Mrs. Finkbine's suit. He said she sought only to have the court determine that a miscarriage was necessary to save her life.

McFate added that the suit contained no controversy and therefore his court had no jurisdiction in the matter.

In New York, the acting health commissioner said the woman whose deformed baby died had taken thalidomide on the advice of a Park Avenue psychiatrist, Dr. Richard H. Hoffman.

James added that Hoffman prescribed the drug for 50 patients, and that at least a dozen other physicians in the city had administered thalidomide to 200 other New Yorkers.

With the exception of the unidentified Queens woman, James said, "so far none of the patients we have found were pregnant during medication."

Hoffman said he had ordered the thalidomide from a pharmacy in Germany and gave it to the Queens woman as a sedative.

"Her pregnancy (it was her first) was not anticipated," the psychiatrist said. "She was addicted to barbiturates. I prescribed thalidomide because I wanted to get her off them (the sleep-inducing barbiturate pills)."

Hoffman said he found the drug worked effectively as a sedative except in pregnant women. When he learned the Queens woman was pregnant, he said, he stopped administering the drug, produced under the trade name of Contagen. He explained further:

"By that time, the news had come from Germany about the dangers of Contagen's thalidomide base. I learned about it when I tried to reorder the drug from my German suppliers."

In Chicago, the American Medical Association said it assigned its council on drugs to do the research on thalidomide. The drug has been under clinical evaluation since 1956, the AMA said, but it hopes the council's study will provide information on congenital malformations and that "appropriate measures will be developed to safeguard our population."

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, chairman of the Senate Government Operations Subcommittee that will open hearings on thalidomide, made the comment on "serious communication weaknesses."

HUMPHREY said witnesses will include Dr. Frances Kelsey. The Food and Drug Administration physician blocked commercial distribution of thalidomide in this country after being alerted to its potential danger by what the Senator called her "chance reading" of a British medical journal article.

In England, where Parliament recently turned down a bid to legalize abortion for mothers who had taken thalidomide, Health Minister Enoch Powell was accused in the House of Commons of moving too slowly in withdrawing the drug from the British market.

"Is it not a grave dereliction of duty by the Minister that he did not take note of the steep rise in the number of abnormal births observed, not only in this country but abroad?" asked House Member Maurice Edelman.

Despite the criticism, Powell told the House he refuses to provide Government compensation to mothers of babies deformed by the drug. The British Health Service, however, pays for artificial limbs for crippled babies and for their special training where possible.

In Ottawa, Canadian Parliament Member Stanley Knowles asserted he will demand that the Government pay all medical expenses of babies born deformed as a result of thalidomide. More than 40 such Canadian babies have been born, he said.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. MCDOWELL (at the request of Mr. EDMONDSON), for 10 minutes, today, and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FOGARTY, his remarks today on the conference report on H.R. 10904 and to include a table.

Mr. LAIRD, his remarks today on the conference report on H.R. 10904, and to include certain charts, graphs, and extraneous matter.

Mr. PHILBIN.

Mr. ROOSEVELT and to include extraneous matter.

(The following Members (at the request of Mr. HOFFMAN of Illinois) and to include extraneous matter:)

Mr. MICHEL.

Mr. FINO.

Mrs. ST. GEORGE.

Mr. WALLHAUSER.

(The following Members (at the request of Mr. EDMONDSON) and to include extraneous matter:)

Mr. MULTER.

Mr. POWELL.

Mr. CELLER.

Mr. MCDOWELL.

Mr. GONZALEZ.

Mr. HARDING.

ADJOURNMENT

Mr. EDMONDSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 17 minutes p.m.) the House adjourned until tomorrow, Thursday, August 2, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of title XXIV, executive communications were taken from the Speaker's table and referred as follows:

2358. A communication from the President of the United States, transmitting the final report of the U.S. Study Commission-Texas, pursuant to section 209(c) of the Act approved August 28, 1958, as amended by the act approved September 8, 1959 (H. Doc. No. 494); to the Committee on Public Works and ordered to be printed with illustrations.

2359. A letter from the Administrator, Federal Aviation Agency, transmitting a draft of a proposed bill entitled "A bill to amend section 1403 of the Federal Aviation Act of 1958 to perfect certain provisions of the International Aviation Facilities Act"; to the Committee on Interstate and Foreign Commerce.

2360. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

2361. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order suspending deportation in the case of Leonard Costa, A-4823954, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

2362. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 20, 1962, submitting a report, together with accompanying papers and an illustration, on an interim hurricane survey of Freeport and vicinity, Texas, authorized by Public Law 71, 84th Congress, approved June 15, 1955 (H. Doc. No. 495); to the Committee on Public Works and ordered to be printed with one illustration.

2363. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 20, 1962, submitting a report, together with accompanying papers and an illustration on the Great Lakes Harbor Study-Interim Report on Kenosha Harbor, Wis., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956, April 30, 1957, and June 27, 1956. It is in final response to a resolution of the Committee on Public Works, House of Representatives, adopted July 31, 1957, also (H. Doc. No. 496); to the Committee on Public Works and ordered to be printed with one illustration.

2364. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, Department of the Army, dated June 21, 1962, submitting a report, together with accompanying papers and illustrations on a survey of Redwood Creek, Humboldt County, Calif., authorized by the Flood Control Act, approved September 3, 1954 (H. Doc. No. 497); to the Committee on Public Works and ordered to be printed with two illustrations.

2365. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 19, 1962, submitting a report, together with accompanying papers and illustrations, on an interim report on the Arkansas River at Dodge City, Kans., and vicinity, requested by a resolution of the Committee on Flood Control, House of Representatives, adopted July 2, 1943 (H. Doc. No. 498); to the Committee on Public Works and ordered to be printed with two illustrations.

2366. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, Department of the Army, dated May 31, 1962, submitting a report, together with accompanying papers and an illustration, on a review of the reports on the Swinomish Channel, Wash., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1957, and February 20, 1951 (H. Doc. No. 499); to the

Committee on Public Works and ordered to be printed with one illustration.

2367. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, Department of the Army, dated June 22, 1962, submitting a report, together with accompanying papers and an illustration, on a review of the report on Searsport Harbor, Maine, requested by a resolution of the Committee on Public Works, House of Representatives, adopted June 3, 1959 (H. Doc. No. 500); to the Committee on Public Works and ordered to be printed with one illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLATNIK: Committee on Public Works. H.R. 5604. A bill to amend the acts of May 21, 1926, and January 25, 1927, relating to the construction of certain bridges across the Delaware River, so as to authorize the use of certain funds acquired by the owners of such bridges for purposes not directly related to the maintenance and operation of such bridges and their approaches; without amendment (Rept. No. 2101). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H.R. 9459. A bill to amend section 2733 of title 10, United States Code, to authorize the Secretaries of the military departments to settle certain claims in the amount of $10,000 or less; without amendment (Rept. No. 2102). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS of Alabama: Committee on Interstate and Foreign Commerce. H.R. 1341. A bill to require passenger-carrying motor vehicles purchased for use by the Federal Government to meet certain safety standards; without amendment (Rept. No. 2112). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Joint Committee on Atomic Energy. H.R. 12718. A bill to amend the Atomic Energy Community Act of 1955, as amended, to provide for the disposal of federally owned properties at Los Alamos, N. Mex., and for other purposes; without amendment (Rept. No. 2113). Referred to the Committee of the Whole House on the State of the Union.

Mr. MADDEN: Committee on Rules. House Resolution 741. Resolution for consideration of H.R. 11880. A bill to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes; without amendment (Rept. No. 2114). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H.R. 12539. A bill for the relief of Leslie O. Cox and other employees of the Federal Aviation Agency; with amendment (Rept. No. 2103). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 9590. A bill for the relief of Lt. Col. Edward Hirsch; with amendment (Rept. No. 2104). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 9473. A bill for the relief of Kenneth F. Miller; without amendment (Rept. No. 2105). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 9128. A bill for the relief of Sgt. Ernest I. Aguilar; with amendment (Rept. No. 2106). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. House Resolution 739. Resolution providing for sending the bill (H.R. 10031) for the relief of the John V. Boland Construction Co., together with accompanying papers, to the Court of Claims; without amendment (Rept. No. 2107). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 1681. A bill for the relief of Gabriel Chehebar, his wife, Marcelle Levy Chehebar, and their minor children, Albert, Zakia, Zaki, Jacques, and Joseph Chehebar; with amendment (Rept. No. 2108). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 9775. A bill for the relief of Nihat Ali Ucuncu; with amendment (Rept. No. 2109). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 10160. A bill for the relief of Mrs. A. R. Lendian; with amendment (Rept. No. 2110). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 11866. A bill for the relief of Kim Chung Shin (Mary Rathbun); without amendment (Rept. No. 2111). Referred to the Committee of the Whole House.

Mr. COOLEY: Committee on Agriculture. H.R. 9914. A bill for the relief of San-Man Inn of Manning, Inc.; with amendment (Rept. No. 2115). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Illinois:

H.R. 12745. A bill to amend the Internal Revenue Code of 1954 to exempt all-channel television receiving sets from the manufacturer's excise tax; to the Committee on Ways and Means.

By Mr. DERWINSKI:

H.R. 12746. A bill to amend title 13, United States Code, to preserve the confidential nature of copies of information filed with the Bureau of the Census on a confidential basis; to the Committee on Post Office and Civil Service.

By Mr. O'BRIEN of New York:

H.R. 12747. A bill to provide for furthering the economic development of the Virgin Islands through the transfer and conveyance to the Government of the Virgin Islands of certain property under the cognizance of the Department of the Interior, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SCRANTON:

H.R. 12748. A bill to amend the Area Redevelopment Act to permit the repayment of assistance furnished from State and local sources concurrently with the repayment of Federal assistance in certain cases; to the Committee on Banking and Currency.

By Mr. WILLIAMS:

H.R. 12749. A bill to create the National Capital Airports Corporation, to provide for the operation of the federally owned civil airports in the District of Columbia or its vicinity by the Corporation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BENNETT of Florida:

H.R. 12750. A bill to grant authority to the Federal courts to deny bail to defendants in certain criminal cases involving crimes affecting the national security; to the Committee on the Judiciary.

By Mr. BUCKLEY:

H.R. 12751. A bill to authorize the improvement of Flushing Bay and Creek, N.Y., for navigation; to the Committee on Public Works.

By Mr. CLARK:

H.R. 12752. A bill to authorize modification of local participation in flood control projects; to the Committee on Public Works.

By Mr. SHELLEY:

H.R. 12753. A bill to amend the Internal Revenue Code of 1954 to provide that amounts received as certain awards under the Japanese-American Evacuation Claims Act of 1948, as amended, shall not be included in gross income; to the Committee on Ways and Means.

By Mr. MARSHALL:

H. Res. 740. Resolution to replace the 11 stars above the Speaker's desk in the Hall of the House with national motto, "In God We Trust"; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL, by request:

H.R. 12754. A bill for the relief of Ioannis Muntzalias; to the Committee on the Judiciary.

By Mr. MILLER of New York:

H.R. 12755. A bill for the relief of Lucio Marinucci; to the Committee on the Judiciary.

H.R. 12756. A bill for the relief of the family of Capt. William B. Clifford; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 12757. A bill to exempt from taxation certain real property in the District of Columbia; to the Committee on the District of Columbia.

By Mr. RHODES of Pennsylvania:

H.R. 12758. A bill for the relief of Dr. Marcelo A. Manubay and his wife, Eugenia B. Manubay; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

397. By the SPEAKER: Petition of the chairman, resolutions committee, General Federation of Women's Clubs, Washington, D.C., relative to urging every clubwoman in each State federation to work actively for a constitutional amendment which will allow nondenominational religious observance in all American institutions receiving public or private revenues if participation therein is not made compulsory; to the Committee on the Judiciary.

398. Also, petition of Clarence J. Schu, supreme secretary, Knights of St. John, Evansville, Ind., relative to requesting an amendment to the Constitution which will clearly define the status of religion in relation to Government in our country; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Glaser and Workman: Future Leaders in Congress

EXTENSION OF REMARKS

OF

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1962

Mr. MICHEL. Mr. Speaker, Kurt Glaser and Bill Workman will be carrying the Republican banner in the 24th Congressional District of Illinois and in the U.S. Senate race in South Carolina respectively in the elections this fall. In reviewing the backgrounds of the aforementioned, it was obvious that the Republican Party is most fortunate to have men of their caliber who have decided to make it their business to do whatever is possible to maintain the traditions of our great Republic.

It is interesting to note that Mr. Glaser received has A.B., M.A., and Ph. D. degrees in government and economics at Harvard.

In addition, Mr. Glaser has worked as a salesman and as a management analyst for Records Engineering, Inc., since 1952. He has conducted a research and consulting business, supplementing his other activities.

As a professional staff member of U.S. military government and later the State Department in Germany, Mr. Glaser acquired detailed knowledge of European politics. He has negotiated with officials in both Communist and friendly governments. After leaving Government service in 1950, Mr. Glaser returned to Europe briefly in 1954 as an investigator for the House Committee on Communist Aggression—Karsten committee.

Mr. Glaser has worked as a news writer and researcher in Germany and in Washington, D.C. He has supervised research on policy conducted by the Governmental Affairs Institute in Washington under Department of the Army subcontract. In March 1962 he was coordinator of an international conference held by the Foundation for Foreign Affairs, Chicago, and the Herder Institute of Germany on Berlin and the Future of Eastern Europe.

From 1956 to 1959, Mr. Glaser taught history and government to American Armed Forces in Europe with the University of Maryland. Since 1959 he has been with Southern Illinois University at Alton, where he is now associate professor of government.

Mr. Speaker, William D. Workman, Jr., is a native South Carolinian, having been born in Greenwood, on August 10, 1914, and reared in Greenville.

Bill attended the public schools of Greenville, and was graduated from Greenville High School in 1931. He was graduated from The Citadel in 1935, after making a distinguished record in academic, military, athletic, and extracurricular activities. During the 1935–36 school year, he worked in Washington, D.C., and attended the George Washington University Law School at night.

In 1936, Bill entered newspaper work as a reporter on the Charleston News and Courier. He lived in Charleston from 1936 until January of 1941, when he was called to active duty as a reserve officer. While in Charleston, he worked both as a newspaperman and as manager of radio station WTMA, then owned by the Charleston newspapers.

He served for 5 years in the Army during World War II, with duty in the United States, England, north Africa, and the Pacific. He has retained his military Reserve status since 1935, and currently is a colonel in the Army Reserve.

At the end of World War II, he established a news and courier bureau in Columbia, and began an extended career as a capital correspondent, covering government, politics, and other significant aspects of South Carolina life. He later became correspondent also for the Greenville News. He has written principally for the Charleston and Greenville papers, although serving other publications on occasion. He has been the South Carolina correspondent for Southern School News since 1954, and for many years represented Newsweek magazine in this State. He has been a news commentator for radio stations in Charleston and Greenville, in addition to regular appearances on WIS and WIS–TV in Columbia.

Bill Workman's book, "The Case for the South," was hailed at its 1960 publication as a definitive statement of the southern position on States rights, constitutional government and racial integrity. He also participated in the writing of three other books during the 1957–60 period: "This Is the South," "With All Deliberate Speed," and "Southern School Progress and Problems."

Beginning in June of 1960, he began a three-times-weekly column for the Hall Syndicate of New York City. The column is published in a number of newspapers throughout the South and East.

Bill Workman's writings have brought him the Distinguished Service Award of the Southern Association of Science and Industry in 1955; a special citation and letter of commendation from the South Carolina Forest Industries Committee in 1956; and a certificate of achievement from the Chief of Civil Affairs, Military Government, U.S. Army, 1956.

He is married to the former Rhea Thomas, of Walterboro. She is a Winthrop graduate, and has obtained her master's and Ph. D. degrees from the University of South Carolina. Mrs. Workman has been a teacher for many years in South Carolina schools, and she is currently an associate professor of English at Columbia College, a South Carolina Methodist Church college. The Workmans are charter members of Trenholm Road Methodist Church, and Bill is a member of the official board.

The Workmans have two children. Bill III is a 1961 graduate of The Citadel, and is currently doing teaching and graduate work at the University of South Carolina. Their daughter, Dee, is a sophomore at Columbia College.

Bill Workman was officially nominated by the South Carolina Republican Party at its March 17, 1962, State convention as its official candidate in the November general election for the U.S. Senate seat now held by Senator OLIN D. JOHNSTON.

Bill Workman is a stanch conservative and a dedicated South Carolinian, southerner, and American.

Mr. Speaker, the qualifications of Mr. Glaser and Mr. Workman have not gone unnoticed by the press throughout the country. To point up this fact I include at this time an editorial from the Charleston, S.C., News and Courier, dated July 21, 1962. The article follows:

LEADERS FOR CONGRESS

In the person of W. D. Workman the South Carolina Republican Party has chosen a quality candidate as the standard bearer for the State's conservatives. But this is not the only State where the GOP is finding the best kind of new political blood for the fall campaign.

Typical of the able, outspoken Republican candidates of 1962 is Prof. Kurt Glaser, candidate for Congress in the 24th District of Illinois. Indeed this candidacy exposes as an untruth the silly charge that conservatives are anti-intellectual. Professor Glaser is a scholar of international note. His recent history of Czechoslovakia is considered the outstanding work on that subject.

But Professor Glaser is a scholar who is thoroughly grounded in the political and economic traditions of this country. He is an articulate anti-Communist and defender of national sovereignty. He is one of that brave band of scholars that has battled the orthodoxies of liberalism. His campaign platform includes opposition to the U.N. bonds. If elected, he promises to seek membership on the House Committee on Un-American Activities.

The Workmans and the Glasers of America are a promise of better days to come in the United States. But they need all-out support from their fellow conservatives.

The National Lottery of Paraguay

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1962

Mr. FINO. Mr. Speaker, I would like to point out to the Members of this House the national lottery of a nation that makes the gambling urge work for the benefit of health and social welfare—Paraguay.

Paraguay is a small and impoverished nation of less than 2 million people. Revenue sources are few and far between, but public needs are great. Luckily, Paraguay is smart enough to take advantage of a national lottery. Gross receipts in 1961 came to almost a million dollars, and the profit to the Government was earmarked for the mother-child care plan of the Ministry of Health and Social Welfare.

Paraguay is not an affluent nation, but they make what they have go a long way. It is most unfortunate that we in the United States have not yet seen to it that we receive the benefits of a national lottery.

Mr. Speaker, if we took advantage of a national lottery in the United States we could raise over $10 billion a year in added income which could be used for tax relief and reduction of our national debt.

The Davis-Bacon Act and Its Administration

EXTENSION OF REMARKS

OF

HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1962

Mr. ROOSEVELT. Mr. Speaker, as you know the Special Subcommittee on Labor, of which I am chairman, has been holding hearings on the Davis-Bacon Act and its administration.

There has been no full-scale congressional review of the Davis-Bacon Act since it was enacted into law in 1931.

The hearings are now coming to a close. Thirty-eight witnesses have testified and 15 statements have been filed by persons who did not testify.

The subcommittee has provided an opportunity to all who wished to testify whether or not they were critical of the Davis-Bacon Act and its administration. I wish to insert at this point in my remarks a letter which I recently sent to one of our witnesses, Mrs. Bessie Slautterback, who was interested in a small housing project for the elderly. The letter indicates that not only did the subcommittee welcome testimony from representatives of large labor organizations, construction, and aircraft industries, but from interested individual citizens as well.

As a result of Mrs. Slautterback's testimony, the Solicitor of Labor, in his recent testimony before our subcommittee, acknowledged that the interpretations and procedures of his office could be improved. I wish to submit the pertinent excerpts from the Solicitor's testimony:

Mr. DONAHUE. Now, I personally, Mr. Chairman, took the time to read her testimony in detail, to look into the matter in detail, and I have satisfied myself that the Department of Labor stopped somewhere short of where it should have in its efforts to ascertain the proper prevailing rates in her case, and I have every sympathy for the position in which she was placed.

I believe that we did not fully carry the burden and the responsibility of moving forward to find out what the rates were when Mrs. Slautterback suggested to us that housing and residential wage rates in Fremont were at a different and lower scale from those which were determined.

If at any time Mrs. Slautterback would desire to make a reapplication to the Department of Labor, we will assure her, and I will assure the chairman personally, that the wages in Fremont, Mich., will receive a very careful survey in order to find out what are the true facts concerning residential and housing rates in that area.

From Mrs. Slautterback's testimony the subcommittee received a better appreciation of various problems relating to the Davis-Bacon Act and its administration. She and individuals like her are to be commended for exercising their privilege as citizens in helping to improve our laws.

JULY 31, 1962.

Mrs. BESSIE B. SLAUTTERBACK,
Executive Secretary, Fremont Foundation, Fremont, Mich.

DEAR MRS. SLAUTTERBACK: I want personally to thank you for your assistance to the Special Subcommittee on Labor in bringing certain matters to its attention.

As a result of your efforts in testifying before our subcommittee during the hearings on the administration of the Davis-Bacon Act, the subcommittee will study ways to eliminate such problems as you brought out in your testimony.

Because of your interest in this matter I am enclosing a copy of the testimony of the Solicitor of Labor relating to the Fremont Foundation.

It is only through the individual efforts of citizens such as you that laws are improved. I know I speak on behalf of the members of the subcommittee when I compliment you on your coming forward to provide the subcommittee with your experience with the Davis-Bacon Act.

Thank you again for your assistance.

Yours sincerely,

JAMES ROOSEVELT,
Chairman.

National Foundation for Neuromuscular Diseases

EXTENSION OF REMARKS

OF

HON. GEORGE M. WALLHAUSER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1962

Mr. WALLHAUSER. Mr. Speaker, "A Force for the Forgotten" is the rallying cry of the National Foundation for Neuromuscular Diseases, Inc.

A few days ago I had the privilege of attending a gathering of the Essex County chapter of this eleemosynary organization, and observed there firsthand that there is truly a force in action for the forgotten sufferers of neuromuscular diseases.

The Essex County chapter is in existence for one major purpose—to help wipe out neuromuscular diseases—which run the gamut from muscular dystrophy, multiple sclerosis, muscular atrophy to little-known but also fatal diseases like myasthenia gravis.

Seventy percent of any money that the Essex County chapter raises goes to the national organization who invests it in research programs at places like the Children's Hospital Center in Boston, Rutgers-New Brunswick, Oxford University in England, Cornell University Medical College, and so on.

The remaining 30 percent of the funds that the Essex County chapter raise go to afflicted patients.

I have observed the work of this fine organization, and the relief they have brought to the agonized and afflicted patients. I urge all, who wish to help mankind, to contribute generously to this cause in hopes that someday neuromuscular diseases and the terrible aftermath of those who are forgotten may be eradicated.

Statement in Support of H.R. 11625, to Bring the District of Columbia Under the Impacted Areas Program

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1962

Mr. MULTER. Mr. Speaker, the following is a statement that I presented to the House Education and Labor Subcommittee on General Education in support of my bill H.R. 11625, to bring the District of Columbia under the impacted areas program, on July 24, 1962:

Mr. Chairman, I very much appreciate the opportunity to present to this committee this statement in support of my bill, H.R. 11625, to bring the District of Columbia under the provisions of the impacted areas law.

At the present time Public Law 874, which provides financial assistance for educational agencies in areas affected by Federal activities, includes under its eligibility clause every governmental jurisdiction in the United States—including the Virgin Islands, Guam, and Puerto Rico—except the District of Columbia.

It is hard to realize why this is so when we consider that Washington is certainly one of the most federally impacted areas that one can find.

The District of Columbia Congress of Parents and Teachers has noted that 30 percent of the District's school children are a result of Federal impaction. This means that out of an elementary and secondary school population of nearly 115,000 approximately 34,650 are children of Federal employees living in the District. In every case where Federal funds are contributed as a result of Federal impaction, the percentage of impaction is less than that of Washington, with one exception.

There is no question that the District badly needs these funds. They have always needed additional funds for schools and they will continue to need additional funds for schools. There is no question, of course, that even with home rule the District will require a Federal contribution because the large proportion of its land is owned by the Federal Government.

I believe that we must bring the District under the impacted areas program. Its inhabitants are justly entitled to these funds, and it is time to amend the law so that they will receive them. Therefore, I strongly urge that this committee report out this bill at the earliest opportunity. It is estimated that under present school enrollment, the District would be eligible for a payment of $104 for each of the children of Federal employees living in the city. This amount, during the current year, would be about $3.6 million. I might point out that this $3.6 million is slightly more than the remaining balance of the authorized appropriation for the District of Columbia of $32 million. As we all know, Congress has appropriated only $30 million of this authorized amount.

Thank you.

Farm Safety Week

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Wednesday, August 1, 1962

Mr. WILEY. Mr. President, the Nation has observed Farm Safety Week, July 22–28. Generally, the Nation is surging forward toward ever-better living for our people. Unfortunately, however, we are also crashing toward ever-greater tolls of accidents, damage to property, and, yes, to human life.

In a weekend broadcast over Wisconsin radio stations, I was privileged to discuss some ideas which—if adopted—would, I believe, reduce the tragic toll of accidents.

I ask unanimous consent to have the address printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

WILEY URGES MORE EFFECTIVE SAFETY PROGRAM

Friends, the Nation has just observed Farm Safety Week, July 22–28.

For rural—as all America—safety should be a byword: On the farm, in the home, on the roadways, everywhere people work, play, and live.

As a nation, surging forward toward ever-better living for our people, we are also crashing toward ever-greater tolls of accidents, damage to property, and, yes, to human life.

Annually, the National Safety Council estimates the loss of life at about 91,500 resulting from car accidents, drownings, falls, fires, and other causes. The property losses of over $14½ billion exceed U.S. annual expenditures for private education and research; religious and welfare activities; and other constructive purposes.

Now, what can be done?

SAFETY AROUND THE FARM

Briefly, now, let's look at the need for safety in working around the farm. To prevent accidents, there is a need for:

Greater care in operating tractors and other machinery ;

Good judgment in handling farm animals;

Cautious use of chemicals for weedkilling and other purposes; and

Skillful use of electrical tools, and other safety measures.

SAFETY IN THE HOME

In the home, the following things should be done:

Extreme care in guarding limb and life of all members of the family;

Care in handling firearms;

Careful use and storage of medicines, insecticides, and other chemicals (particularly in keeping them out of the reach of youngsters);

Caution in utilizing electrical or heating systems; and

Be sure that ladders, stairways, and similar things that may cause dangerous falls are in good shape.

CAUTION ON THE HIGHWAYS

Now, what about on the highways?

In operating any kind of vehicle—car, tractor, bicycle, or any other conveyance—there is a great need to observe the two "C's": carefulness and courtesy.

Among other things, this means:

Careful observance of caution, directional, and speed signs;

Courtesy to other drivers;

Watchfulness for pedestrians; and

If farm vehicles, such as tractors, are used on the roadways, great care is necessary in having them properly equipped with front lights, and rear lights or reflectors in case of after-dark travel.

All cars should be kept in tiptop shape—including good lights and brakes. Also, all drivers should assure that they are mentally alert. As the old adage says, the most dangerous part of a vehicle—car or tractor—can be a careless "nut" behind a steering wheel.

To help promote greater safety, our Nation is constructing and attempting to control traffic by safer superhighways, realistic speed limits, safer curve-grading and directional and caution signs. In addition, States and local communities are making greater efforts to enact and enforce measures to promote greater safety on rural and farm-to-city roads—as well as other roadways.

CONCLUSION

In Wisconsin and across the country, splendid efforts by radio, television, newspapers, government, farm, or fraternal and other groups, and many other civically oriented individuals and organizations, have been made to create a greater safety consciousness among our citizens. This is a most commendable public service.

However, greater safety is a target not just for a week, but all year round.

The watchwords should be: "Work safely, play safely, live safely." If we all do this, thousands of folks will enjoy longer, happier lives.

Views on the School-Prayer Decision

EXTENSION OF REMARKS

OF

HON. KATHARINE ST. GEORGE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1962

Mrs. ST. GEORGE. Mr. Speaker, the following letters from my friend, Judge Henry Hirschberg, of Newburgh, are of interest at this time.

Judge Hirschberg in his letter to me points out that I do not agree with his thinking on the first amendment or on the Supreme Court's recent decision. The judge does me the honor of saying that while he disagrees with me on this matter he respects my opinion. May I say that I reciprocate this sentiment 100 percent.

Mr. Speaker, I also include a part of my reply to Judge Hirschberg's letter:

NEWBURGH, N.Y., *July 27, 1962.*

Hon. KATHARINE ST. GEORGE,
Representative in Congress,
Washington, D.C.

DEAR MRS. ST. GEORGE: You and I agree on so many things that I assume we can differ with reference to the recent so-called prayer decision of the Supreme Court of the United States with mutual respect as to each other's position.

I noted from the papers that you intend to introduce a proposed constitutional amendment and when and if that occurs I would be interested in having a copy.

Being interested I started cutting out and reading all of the various comments of the Members of Congress and their constituents published in the CONGRESSIONAL RECORD. When I realized from said reading how widespread and almost universal among your associates was (1) complete lack of knowledge with reference to the organization of our Government and the establishment of its Constitution, and, (2) apparently very little knowledge with reference to the history and evolution of Christianity, I became naturally depressed and threw the accumulated pages in the wastebasket.

Possibly, however, that a little light may burn in the Record, I am enclosing two of my letters with the expressed hope that you may stick them and this letter into the Record, of course accompanied by a statement upon your part that you disapprove completely of the sentiments expressed.

In 1797 the U.S. Government entered into a treaty with Tripoli and a paragraph in the text of said treaty read as follows:

"The Government of the United States of America is not in any sense founded upon the Christian religion."

That treaty was confirmed by the Senate.

Jefferson, as pointed out, was an unbeliever in Christianity and what was in his day called a Deist, and I believe he went so far as to refuse to issue a thanks proclamation.

Those things, of course, are in the past and now apparently the question of amending the Constitution is under consideration.

I note from the Record, page 13598, that one of your fellow representatives, Hon. J. FLOYD BREEDING, has introduced such an amendment as far back as February 17, 1961. The first section states that the Nation devoutly recognizes the authority and law of Jesus Christ, and so forth. The second and third sections seem to attempt to destroy any authority given the Government by the first section by stating it shall not be interpreted as establishing any particular ecclesiastical organization or destroying the right of free speech, and that Congress shall have the power to provide different and suitable form of oath or affirmation for us citizens without the law.

The thought that occurs to me is the following: If the state should be granted the power to recognize and enforce any particular religion, then it has the power and authority to do the opposite and declare against any and all religions as the Russian Government has done. I think once you put in the Constitution a recognition of any religion you are going to open the door for every other religion and every free thinker, atheist, or agnostic societies trying to get their particular position in the Constitution. Personally, of course, it probably makes very little difference because no matter what our Constitution may say about this subject matter and no matter what the Russian Government may say, the individuals are not going to change their viewpoint and are going to govern their lives with supreme indifference to the constitutional provision or any law that is passed.

In conclusion, however, I would suggest that any of your associates in Congress who desire knowledge with reference to the present position of advanced scholarship in connection with religion might buy and study the following works. (1) "Ancient Medieval and Modern Christianity," by Charles Guignebert, who was for 31 years lecturer at the Sorbonne on the history of Christianity. Also a book by the same professor entitled

"Jesus" and another entitled "The Jewish World in the Time of Jesus." I would also recommend for study a work entitled "Origins of Christianity," by Frederick C. Conybeare, M.A.

These books are published by University Books, Inc., New Hyde Park, N.Y. I have no commission for their sale.

So far as the legal proposition is concerned and the amending of our Constitution and the reason for not changing it, I can only recommend that most of your associates arrange to take some course in the subject of our constitutional history and the record of what has happened in past history when church and state have been united, such course to be either under the guidance of some competent teacher or by an adequate course of reading.

With best wishes for you and for the continuing survival of our Republic, I am

Yours very truly,

HENRY HIRSCHBERG.

HIRSCHBERG FAVORS COURT DECISIONS

Here is another note in favor of the recent U.S. Supreme Court discussion on the New York school prayer.

The Founding Fathers of our Government established a purely secular government, perhaps the first in human history.

They did not rely upon or place in the Constitution any god, goddess, or religious sanction. Their reason was the long previous history of intolerance and persecution by any religious sect when it had obtained power and the role of government.

May our Government continue entirely secular. May the various other present nonsecular expressions on our coins, in our pledge to the flag, etc., be eliminated.

In conclusion, I think President Kennedy has in his recent press conference made one of the best comments on the situation; namely, that this prayer business and religion is the private affair of the citizens in the home, church, etc., and no business of the Government.

HENRY HIRSCHBERG.

NEWBURGH.

HIRSCHBERG CITES PLEDGE CHANGE AS MOVE TOWARD CHURCH, STATE

TO THE EDITOR:

Regarding the letter of Mrs. Rhuback on the U.S. Supreme Court school prayer decision:

If she is to be appalled, it should be not at me, but at those who drew and adopted our Constitution creating a completely secular government.

The reason they adopted such a Constitution was to protect minority opinion groups, including atheistic, agnostic and unbelievers. The majority needs no constitutional protection.

The fact that the Founding Fathers sang hymns, that the poets used the word "God," does not make our present constitutional Government a religious government. I assume the majority were Protestant Christians; and, anyway, logic is not one of mankind's strong points.

Incidentally, deism was also a widespread belief at that time. It was a denial of the truth of the Christian and Jewish faiths and of revelation, but a belief in some God or power, creator of the universe and provable by a study of nature. Thomas Paine was of that faith (see his Age of Reason, purchasable from Thomas Paine Foundation, Inc., 370 West 35th Street, New York City).

Some historians claim Jefferson was a deist and used the term "God" in that sense in the Declaration of Independence.

This subject is too extensive to be covered in any letter. If the believers in the majority religion desire a religious government, their method should be by constitutional amendment. Indirectly, however, they are having much success.

Take, for instance, the so-called "Pledge to the Flag." They have made that a religious pledge which no self-respecting unbeliever, atheist, or agnostic can now take or join in.

The danger of a union of religion and state is shown in the Dreyfus case, where in France certain religious and political powers joined to save the religious criminals by "framing" the Jew, Dreyfus. After the exposure, France separated church and state.

I respect Mrs. Rhuback and her fair and frank expression of opinion and intend no personal criticism. It would be better if we expressed our real views more often on this important subject.

HENRY HIRSCHBERG.

NEWBURGH.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 31, 1962.

Hon. HENRY HIRSCHBERG,
Newburgh, N.Y.

DEAR JUDGE HIRSCHBERG: Thank you for your good letter of July 27. You are quite right in taking for granted my respect for your opinion. As you know, I have always admired your great legal knowledge and talents.

On June 29, I introduced House Joint Resolution 790, a copy of which I enclose as per your request. You will note that this resolution has nothing to do with religion and that the word is not even mentioned.

I will admit, however, that the introduction of this amendment was prompted by the recent Supreme Court decision. In discussing this matter in my newsletter I made the following statement: "A great deal of indignation has been aroused by the Supreme Court decision on the question of prayer in the public schools. The prayer in question is a very simple nonsectarian petition to the Almighty and it seems as though even an atheist would not object to it. Again the Warren court seems to be making mountains of legal sophistry over the first amendment to the Constitution: 'Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof * * *.' Of course, this in no way establishes a religion because it is nonsectarian. The fact is that it seems more as though it were 'prohibiting the free exercise thereof.' The amendment I have introduced is simple and reads as follows: 'The Congress shall have power, by resolution passed by two-thirds of each House of Congress, to override any decision of the Supreme Court of the United States.' The reasoning behind it is that the three branches of Government are coequal and that if the Congress can override a Presidential veto, thereby curbing the Executive, there is no reason why they should not also have the power to curb the Supreme Court."

Independence Day of Dahomey

EXTENSION OF REMARKS
OF

HON. ADAM C. POWELL

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 1, 1962

Mr. POWELL. Mr. Speaker, we take this opportunity to send warm felicitations to His Excellency the President of the Republic of Dahomey, Hubert Maga; and His Excellency the Ambassador of Dahomey to the United States, Louis Ignacio Pinto, on the occasion of the second anniversary of Dahomey's independence.

A narrow land between Togo and Nigeria on the west coast of Africa became the independent republic of Dahomey on August 1, 1960. Roughly the size of our State of Pennsylvania, Dahomey is one-fifth as large as France and is the smallest of the now independent countries of former French West Africa. But its size is no gage of its importance, for its current history is an interesting document of African political development and inter-African relations, while its past history is a colorful tale of regal rivalry and intense warfare.

Dahomey's earliest history seems to date to the 12th and 13th centuries. Internal rivalries and migrations resulted in the establishment of several chieftaincies, but by the 17th century one kingdom, Dahomey, had become all powerful with smaller principalities tributary to it. The 18th century marked the arrival of European traders, and by the 19th century Dahomey had become a French protectorate.

Then in the mid-20th century began the process which culminated in the reassertion of Dahomey's independence, this time as a modern democratic state in a world community. In 1946 Dahomey became an oversea territory of the French Union. In 1952 the first territorial assembly was elected. In 1956 universal suffrage was initiated. In 1958 Dahomey voted to adopt the new constitution of the French Union and became a self-governing member of the French community. The final stage of political evolution was Dahomey's proclamation of independence on August 1, 1960, and its admission soon afterwards under French sponsorship to the United Nations.

In the field of inter-African cooperation Dahomey has also played a not insignificant role, for along with the Ivory Coast, Upper Volta, and Niger, it is a member of the Conseil de l'Entente, a cooperative venture unique among the former French west African territories. The four states have adopted similar constitutions. They have set up a customs union and a solidarity fund for financial assistance. They have decided to coordinate development plans and policies in the fields of labor legislation, public administration, taxation, transportation, communications, and public works. The success of the Conseil is confirmed by the very real amount of cooperation already achieved among the four member states.

On a larger inter-African scale Dahomey has become a member of the Brazzaville group of French-speaking African states which adopted a charter of union in September 1961 providing for coordination of foreign policy, for the creation of committees aimed at harmonization of economic and fiscal policies, and for mutual defense. The Brazzaville group has very wisely recognized the principle of noninterference in each others affairs while nonetheless working toward real coordination on matters of mutual interest.

Finally, on a worldwide scale, Dahomey is a respected member of the United Nations. It is a peace-loving state dedicated to strengthening the world organization as man's best hope in a divided world. Dahomey is a most welcome addition to the community of nations—a democratic state whose constitution is based on the principle of popular sovereignty, a creative supporter of African unity, a useful member of the United Nations. On this second anniversary of independence we commend the Government and people of Dahomey for the accomplishments of the past 2 years and wish them every success in the future.

A Salute to the Marriner Wood Merrill Family

EXTENSION OF REMARKS

OF

HON. RALPH R. HARDING

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1962

Mr. HARDING. Mr. Speaker, this is the time of the year that many of our western pioneer families are holding their annual family reunion.

A few weeks ago my own Harding family held their reunion at Brigham City, Utah. I was unable to attend the reunion due to the fact that Congress is still in session. However, Hardings from throughout Utah and Idaho and other Western States met to pay tribute to George Harding who made the long trek west by covered wagon and settled at Willard, Utah.

I further understand that the descendants of one of the greatest of western pioneers, Marriner Wood Merrill, will be gathering together this weekend to commemorate his life and works. Although this family will meet in Richmond, Utah, the city he helped found and build, we in Idaho, with many of his descendants among us, look to his life as an example of one man's great devotion to his God and his fellow man.

One of his choicest descendants was my mission mother, Mrs. Annie Merrill Elsworth. I can honestly say that next to my own mother and wife, any achievement or accomplishment that I have been able to make thus far in life has been influenced by this great and good lady who, with her devoted husband, J. Orval Elsworth, presided over the Central States Mission when I was laboring there. I am especially grateful for the descendants of Marriner Wood Merrill.

Marriner W. Merrill migrated from eastern Canada where he was born, to Utah, in 1853—a scant 6 years after Brigham Young's famous arrival in the Salt Lake Valley. Even so, he had some difficulty in locating a 100-acre tract of land. When the territorial surveyor and Governor Young had agreed on the piece of land he should have, he then shared his good fortune by dividing the land in three equal parts, one for his father-in-law, one for a poor Danish brother, and the third for himself.

As his consideration for his fellow men controlled, so did his ability to help them develop. Today, his descendants can remember with pride large farming and dairy operations, the creamery, condensed milk factory, flour mill, railroad, mercantile and other pioneer enterprises which he successfully launched. He encouraged and directed the building of many church structures including the Richmond Tabernacle. And, in addition to all this, Marriner W. Merrill was a leader in public affairs, serving two terms in the Utah Territorial Legislature, and being a trustee of both the Utah State Agricultural College and of the Brigham Young College at Logan.

Not having had the advantage of formal education himself, Mr. Merrill provided diligently for the education of his children, to the end that many of his some 2,000 descendants have distinguished themselves in all phases of American life: church, education, public service, medicine, law, science, and other professions, business, and farming. Many of his family have been or are now listed in "Who's Who in America."

As I humbly regard the accomplishments of this great westerner, I cannot help observe that first and last he was an active member and a leader in his church. At one time, as the result of extraordinary kindness to his fellow men at a moment of great hardship, he was promised that neither he nor his children, nor his children's children, would want for bread. His descendants testify that the following years brought many poor harvests but nonetheless, the promise was realized then as in years of prosperity.

I salute the Marriner Wood Merrill family with the hope that the examples of his life will continue to be a controlling influence on their lives and on the communities in which they labor.

Who Keeps the Nickels?

EXTENSION OF REMARKS

OF

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1962

Mr. GONZALEZ. Mr. Speaker, this world of ours sometimes takes on a sort of Alice in Wonderland appearance and I find there are few better places to observe this fact than right here in this Congress.

Perhaps it is to be expected that with ideas from as many quarters as we have represented here there should develop from our synthesis of these some rather weird and misshapen public policies. But I venture that few policies have been hammered together in such odd, contradictory form as the space communication satellite bill which passed recently from this House.

Alice saw nothing like it in her dreamworld wonderland. Apparently the Senate has never seen anything like it. Little wonder that it is laboring with such difficulty trying to find some means to lay hold of this bill.

But it is well for our country and for the reputation of this Congress that the Senate is looking before it touches. Were the Senate to do otherwise and perhaps lend its approval to the bill, as did the House, the American people might well ask what kind of dreamworld we have here.

Because the Senate has held up a cautionary hand, we have time in which to consider the conflicts embedded in this bill. There are several.

The basic conflict is one of trying to pay obeisance to the symbols and forms of private enterprise despite the uniqueness of purpose the satellite system has in serving our whole national interest and policy. What I mean is that the bill itself fully recognizes that the system must serve our own national objectives and contribute to world peace and understanding but then it seeks to pour these worthy objectives into a vessel of commercialism. It wants to rig these objectives so profit can be gained from working toward these ends.

One does not have to look beyond the terms of the bill itself to see that its authors were not quite sure that the promotion of peace and profit are always compatible.

Consider for a moment how the bill details for many pages all the responsibilities a variety of Federal offices, from the President down, are required to assume to insure that the private corporation to be created performs its appointed tasks.

The President must aid in development and foster the execution of this commercial system. He must continuously review both the development and operation of the system; he must coordinate all activities of Government agencies in this field; he must exercise supervision of relationships of the corporation with other governments; he must insure arrangements for foreign participation; he must take all necessary steps to insure availability of the system; he must exercise authority to protect the electromagnetic spectrum.

Now, with the President given mandates to "aid," to "foster," to "review," to "coordinate," to "supervise," to "insure," to "take all necessary steps" and to "exercise authority" over the corporation, one is tempted to ask, "What is the corporation responsible for doing?" What verbs are left to describe its functions.

But, wait, despite the bill's charges to the President, it is still not satisfied that our national objectives and the cause of world peace and understanding can be turned over to the corporation. There are further guarantees to be erected.

The National Aeronautics and Space Administration must get into the act and "advise," "coordinate," "furnish," "consult" on things ranging from research and launchings to a catchall "other services."

But the bill does not stop yet. There are more chores for the Government to do for this corporation. The Federal Communications Commission must "prescribe" the bookkeeping system, must "approve the technical operations," must "grant" a license for construction, must "insure" the technical compatibility of the system, and then must "insure" that this monopoly does not destroy effective competition or result in discrimination.

As though all of these were not enough, there is yet one other Federal department with a stake in this system: The Secretary of State can move in to require commercial communications to a particular foreign point.

After detailing all the functions of the President and others and adding three Presidentially appointed members of the board of directors, one would think the bill had done enough to get us an operational communication satellite system. And, actually it has. But it is at this point that the bill says "now let us do all this in the name of good old private enterprise."

Private enterprise indeed. With all the governmental involvement required in this system, why do we delude ourselves by thinking there is any enterprise left for private persons. The bill erects a superstructure of governmental responsibilities and then calls in "private enterprise." For what purpose?

The only purpose I can see is to permit private persons to profit from something government must and should do. The function of the private corporation is to fill the role of the organ grinder's monkey which appeals to the crowd.

It is important, however, that the American people understand that in this case the monkey is going to keep the nickels he collects. And this is what I think some Members of the Senate are trying now to tell the people.

Purple Heart Day

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 1, 1962

Mr. PHILBIN. Mr. Speaker, I would like to present my views on Purple Heart Day, dedicated to gallant American heroes, who, in various wars of our great Nation shed their blood to perpetuate our liberties.

The awarding of the Purple Heart is of greatest significance. It was originated 180 years ago by the Father of our Country, the immortal Gen. George Washington, to honor the brave, devoted men who fought with him in the Revolutionary War for outstanding dedication and supreme sacrifice in battle.

In 1932 this honored award was revived by President Hoover and that great fighting soldier, Gen. Douglas MacArthur, and is accorded only to our wounded or dead veterans of the wars. The deep color of the Purple Heart decoration was once described by ancients as being as valuable as gold or jewels, fitting to the lofty stature of fighting men.

The award has been granted to very many of our hallowed war dead, those who died of wounds and those who, though wounded, yet lived in honor and glory. Nearly all of those possessing the Congressional Medal of Honor are holders of the Purple Heart Award, and there are 293 living Americans, 46 of whom served in World War I, who hold these treasured decorations. More than half of the 644 Medal of Honor winners of World War II and the Korean conflict received posthumous awards acknowledging their great sacrifices and their willingness to bleed or die for love and loyalty of country.

Not all heroic veterans of our wars were awarded this prized decoration, because in innumerable cases many gallant heroes fell in mortal combat or made other heroic sacrifices far beyond the call of duty only to live to tell of it. These are the unsung heroes who, while undecorated, live, like the great Washington, in the hearts of our countrymen.

The Purple Heart has been bestowed upon our heroes regardless of their national origin, regardless of their racial derivation, regardless of their religious faith.

It has been a decoration sparingly bestowed upon those who, to the knowledge of their commanding officers and comrades, spilled their blood while fighting for the cause of freedom.

It is most appropriate that a special day has been set aside to honor the gallant and the free who prized liberty so much that they were willing to die or bleed for it.

The sacrifices of these men and all our American heroes who paid the supreme price upon the sacred altar of American patriotism are permanently and deeply inscribed in the glorious annals of our country and in the grateful memory of the American people of every generation.

It is well for us, as representatives of the people, to remember to keep in our minds and in our hearts the noble, unselfish sacrifices of these men. It will be well for us to resolve again and again by voice and by vote in this great body to give practical effect to the national gratitude and our own gratitude to these heroes and their dear ones by making certain that the great programs which Congress has developed for their proper care will ever continue to be guarded, strengthened, and projected to do justice to all those who have served our Nation so loyally.

The cause of their dependents and their dear ones must also be our cause, because this Nation, if it endures through the ages, may the good Lord grant, it could never adequately pay its debt of gratitude to the heroes of the Purple Heart and their families.

Congress will continue for all time to recognize the Purple Heart and fellow comrades of every American war who gave or offered their all to sustain American liberty.

We have a solemn obligation never to forget these men but always to remember their devotion and loyalty in terms of wholehearted generosity and profound humane consideration for those, who by their heroic individual and collective sacrifice, have made security and ordered liberty possible in our day.

Mr. Speaker, in fitting recognition of the great sacrifices made by the heroes of all wars going back to the War of Independence when the first Purple Heart award was made, I recently introduced legislation, now before the Committee on the Judiciary, calling upon the President to proclaim August 7 of each year as Purple Heart Day.

I ask unanimous consent that the text of my bill, House Joint Resolution 836, be printed in the RECORD.

The text follows:

To authorize the President to proclaim the 7th day of August of each year as Purple Heart Day.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue annually a proclamation designating the 7th day of August of each year as Purple Heart Day in commemoration of the deeds of those who have been awarded the Purple Heart, an award first made by George Washington on August 7, 1782, and calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

Let the Right Hand Know What the Left Hand Knows

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 1, 1962

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my statement before the House Committee on Post Office and Civil Service, on Tuesday, July 31, 1962, in opposition to bills H.R. 10205, H.R. 10344, H.R. 10347, H.R. 10441, H.R. 10569, and H.R. 12323, which would prevent law-enforcement agencies from obtaining copies of census reports retained by reporting companies. My statement follows:

These bills espouse the philosophy of "what you don't know won't hurt you." Ignorance, we are told, if not bliss, is preferable to disclosure of business statistics to law-enforcement agencies. Today when free access to information is more important than ever before, it is disturbing indeed to find the Congress being asked to enact a law to promote ignorance on the part of its own Government.

These bills are designed to keep agencies of the Government, directed by the Congress to enforce laws within their jurisdiction, ignorant of data necessary for such enforcement, merely because a copy of such data is in the possession of another agency of the same Government.

An ignorant executive agency is expected to achieve a high degree of performance. Freedom of information is to be denied to Government agencies because such information might disclose a violation of law.

The Supreme Court is to be rebuffed for holding that relevant data in the possession of a corporate defendant in an antitrust suit can be used by a Government agency to prove the violation.

Congress has the duty, I believe, to enact legislation to promote interagency exchange of information rather than legislation promoting secret closets of information in every agency. Very recently the headline of a story in the New York Times was: "ICC Withholds Data on Rail Loan." From whom was this agency withholding information? From the General Accounting Office.

The bills before this committee are designed to nullify the recent decision by the Supreme Court in *St. Regis Paper Co.* v. *United States* (363 U.S. 203 (1961)). The Court there held that the Federal Trade Commission could compel the production by a company of its file copies of its census reports.

These bills would gravely prejudice the effective enforcement of the antitrust laws. This is particularly true of monopoly cases under section 2 of the Sherman Act and merger cases under the Celler-Kefauver Act. The St. Regis case, incidentally, involves a number of merger acquisitions.

In monopoly cases and in merger cases the question of the market, and the relative positions of the defendants and others in that market, are crucial. The determination of these intricate economic factors is difficult at best. The Government's figures are challenged at every step by the defense. Census data furnishes the most readily available and widely acceptable figures upon which such crucial determinations may be made. The published data are often inadequate. This may be becaues the line of commerce involved is included in the published figures as part of a larger classification or because it is necessary to know, as a measure of concentration, the position of the four largest and the eight largest companies in an industry and the position of the particular defendant or defendants in that context.

Whatever may be said of the policy of the Bureau of Census, operating under its particular laws, to keep the original returns secret, the Supreme Court has held in the St. Regis case that no such policy obtains with respect to copies of the returns to Census which are retained by reporting companies. Significantly, original income tax returns, as well as the taxpayer's copy, are available to Government agencies enforcing our laws.

In a recent speech before the Senate, Senator HUMPHREY said: "Secrecy is an enemy of democracy * * *. The trouble with secrecy is that it begets more secrecy." These bills illustrate the truth of Senator HUMPHREY's wise words. These bills would extend the secrecy of information in a Government agency's files to secrecy of information in the files of a corporation.

As a general rule, information in the files of one agency of the Government should be available to other agencies of the executive branch in the enforcement of the laws. The administration of justice should not be reduced to the level of a game of blind man's buff, played between different departments of the same Government.

If the Bureau of the Census has in its files information relevant to a violation of the antitrust laws, it seems to me as a general proposition that such information should be available to the Department of Justice and the Federal Trade Commission—the agencies charged with antitrust enforcement.

It would be more appropriate, therefore, to repeal the secrecy presently accorded the original census returns in the possession of the Bureau of the Census than to extend the shroud of secrecy to file copies of the census returns retained by the reporting companies.

I say this, because it seems to me that secrecy should be the exception and not the rule, certainly with respect to business statistics in the possession of Government agencies.

Judge Learned Hand remarked in *United States* v. *Coplon*, 2 Cir. 185 F. 2d 289 at p. 638: "* * * there may be evidence—'state secrets'—to divulge which will imperil 'national security'; and which the Government cannot, and should not be, required to divulge. Salus rei publicae suprema lex."

But even this ultimate privilege, founded on the "supreme law" of national self-preservation "is not to be lightly invoked," by the executive branch of the Government, as the Supreme Court held in *United States* v. *Reynolds* (345 U.S. at p. 7).

If this ultimate privilege may be interposed only as a last resort at the expense of the administration of justice, I fail to see any comparable urgent necessity for enveloping in secrecy business statistics needed for the enforcement of our laws.

Two main arguments are made for nondisclosure. First, it is said that census reports of statistical data are made on a voluntary basis, and knowledge that copies are subject to disclosure would deter companies from reporting voluntarily. Secondly, it is said that companies might not furnish accurate information if compelled to give such information with knowledge that some other agency might make use of it.

As to the first argument, Congress has imposed a legal duty to make such reports by imposing penalties for failure to furnish information to the Bureau of the Census (see 13 U.S.C. 224, 226). If the taxpayer's copy of his compulsory income tax return is subject to disclosure, I fail to see why a company's file copy of its compulsory census return should be privileged from disclosure.

The second argument—that companies would deliberately falsify their census returns—would put reputable businessmen in the class of criminals and racketeers, busily engaged in falsifying records. I refuse to accept any such conception of businessmen as a class.

Furthermore, the census statutes provide penalties for false or misleading statements, and other penal statutes also stand as a deterrence. These provisions should insure the accuracy of census returns, as they do income-tax returns.

Indeed, it seems to me that statistical data subject to the observation of more than one Government agency is more likely to be accurate and reliable than data not subjected to such observation. One may be able to fool one agency all of the time much more readily than several agencies with additional information in hand.

This argument—that compulsory census returns will be less reliable if subject to disclosure—flies in the face of daily experience in our courts. Until the advent of these bills, I never heard it suggested that documentary evidence was less reliable because it was subject to disclosure by subpena.

If the courts were to adopt the novel argument here for the first time asserted and mistrust documentary evidence merely because it was subject to subpena, I daresay the administration of justice would suffer with a vengeance. By the same token, I see no reason to suppose that compulsory business statistics will be less reliable because subject to disclosure. To conceal them in a veil of secrecy would cause a comparable breakdown in antitrust enforcement.

The statement filed with this subcommittee by the Department of Commerce is a model of inconsistency. On the one hand, the attempt is made to impress the subcommittee with the assertion that the Bureau of the Census is the "factfinder for the Nation," and is such by virtue of collecting information from business companies. On the other hand, the Commerce statement asserts that Census figures are not reliable because much of them are based upon "estimates" of business companies.

The subcommittee is told in the same statement that confidentiality insures that the companies will send statistical information without any delay caused by legal review. I suggest that a little delay by a company for more complete review might well improve the accuracy of the statistics compiled by Census.

It should be our objective to protect the innocent and to expose the wrongdoer. Secrecy of information may bring about a result contrary to right and justice. A recent decision provides a striking case in point. In *Klein* v. *American Luggage Works, Inc.* (D. Del. 1962) (CCH Trade Cases, par. 70355), excise tax returns proved indispensable in demonstrating the error in plausible but fallacious economic evidence. Had these excise tax returns been immune from disclosure a miscarriage of justice might well have resulted.[1]

This argument of secrecy has an additional air of unreality. There is nothing inherently confidential about business statistics, and when legitimate business secrets are at stake, existing law provides ample means for their protection from disclosure to competitors. Even in a private lawsuit, a court may compel disclosure of relevant confidential business data under appropriate safeguards where disclosure is essential to a proper determination of the case. By the same token, business statistics, even if confidential, should be similarly subject to disclosure, likewise under appropriate safeguards, where needed by the Government for the due enforcement of the law. These bills would make it difficult or impossible for the Government enforcement agencies to procure the most reliable form of business data.

These bills would have the further extraordinary effect of discouraging cooperation by law-abiding companies, otherwise willing to cooperate with the Government. I am reliably informed both by the Federal Trade Commission and by the Antitrust Division of the Department of Justice that generally companies contacted have been willing to make such returns available. Their willingness often extends to informing the Bureau of the Census that they would have no objection to such agencies looking at their original census returns in the possession of the Bureau. Surely such wholly desirable coöperation should be encouraged.

What are the alternatives?

Agencies of the Government would have to spend an enormous amount of time, at substantial cost to the taxpayers and substantial drain upon their own appropriations, if they must make their own economic survey of an industry. They may not have the expertise of the Census Bureau, born of long experience with that industry. Moreover, on the basis of past experience a "homegrown" industry survey by an antitrust agency is subject to attack as incomplete, or inaccurate, or not the best evidence, and it may be excluded from evidence on such grounds.

Further, the Government might have no alternative, where such material is not available in the course of an investigation, to filing suit without the necessary facts in hand, if a probable violation of the antitrust laws is to be remedied.

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[1] In the court's opinion, Judge Wright stated:

"During cross-examination of plaintiff's expert accounting witness, counsel for Wanamaker called attention to Klein's Federal excise tax returns for the same years, which indicate the dollar volumes of gross sales of all brands of luggage marketed. These figures are tabulated in the margin to facilitate comparison. In the face of Klein's testimony that he sold American luggage at a profit, it is readily apparent that the two sets of figures are hopelessly irreconcilable. If anything, they infer plaintiff consistently sold American luggage below cost. Nor may resort be had to the gross sales reflected in the tax return for computation of profits derived from sales of American luggage. Assuming the accuracy of these figures, they fail to show what portion of the gross sales in each year were derived from American luggage products. The record is thus devoid of any reliable evidence of Klein's profits from the sale of American luggage in the years prior to the refusal to deal."

Once a suit has been filed, a company may be required to reconstruct all over again the figures embodied in its census return. In that event, the company would either use the figures from its return or go through a painful, lengthy, and expensive process of reconstructing those figures. The difficulty of such reconstruction on the part of the company, or on the part of the Government attempting to make a survey of its own,[2] becomes magnified where, as often happens, market statistical data for more than a single year are required. The sheer delay thus entailed would often frustrate enforcement of the antitrust laws where enforcement is most urgently needed.

I am informed that attempts by the antitrust agencies to secure equivalent data are often unsatisfactory because such equivalent data is often compiled on a different basis from the industrywide census universe figures. In such cases, defendants, as well as the Government, may face the arduous, if not impossible task of reconciling the defendant's equivalent figures with the census universe. In such a comparison, the parties and the court become inextricably enmeshed in a morass of disputed statistics.

In many instances, moreover, the data compiled by Census is simply not available from other sources, so that antitrust enforcement becomes, not tortuous, but impossible.

Obviously, a company under suspicion of an antitrust violation will not make an all-out effort to cooperate with the Government if it is guilty. The St. Regis case itself is one long history of frustrating attempts by the FTC to obtain information from St. Regis dating back to 1956, and the end is not yet in sight.

Two of these bills—H.R. 10344 and H.R. 10441—prohibit agencies other than the Department of Commerce from obtaining by compulsory process copies of census reports retained by "respondents."

One bill—H.R. 10205—immunizes not only copies of reports but copies of "any such information" from legal process and prohibits its use in a judicial or administrative proceeding. This would not only preclude use of a copy of such report, even though voluntarily given; it might also be construed to prevent antitrust and other agencies from having similar information reconstructed.

Two bills—H.R. 10569 and H.R. 12323—prevent the use of census reports and information as evidence or for any other purpose unless consented to. Worse, they seem to forbid even a reconstruction of necessary information. This would not only repeal the St. Regis case but would repeal pro tanto the discovery procedure of the Federal Rules of Civil Procedure.

Of course, once it becomes well known that there is no way to compel disclosure of such reports and information, voluntary disclosure will be greatly lessened.

These bills are symptomatic of a dangerous climate of secrecy among Government agencies. Among the worst offenders, I am told, are the Bureau of the Census, the Bureau of Mines and the Bureau of the Budget. Census, I am reliably informed, in addition to refusing to give antitrust agencies individual statistics, has refused information even as to the names or the number of companies it has used to construct total industry figures. Even despite the consent of the reporting company, Census has refused to allow representatives of antitrust agencies to examine the company's reports in Washington.

My files contain many examples of this "don't inform" attitude on the part of Government agencies. I attach as an appendix to this statement a glaring example of the sort of run-around whereby the Census Bureau obstructs the enforcement of the antitrust laws and fastens Herculean labors on antitrust agencies and defendants alike.

In view of the recalcitrance of the Bureau of the Census to furnish information to other agencies, I think it only fair to point out that the Secretary of Commerce sought and obtained statutory authority to call upon other Government agencies to furnish information for Census work (13 U.S.C. 6).

To sum up, as a matter of commonsense I fail to see why information which has been obtained at considerable expense by one agency of the Government should not be made available to other agencies of the Government in the enforcement of our laws, except in cases of national security.

The right of the people to know what their Government knows is indispensable to that informed public opinion which alone can make our democracy work.

As chairman of the Antitrust Subcommittee of the Committee on the Judiciary I have had my share of frustrating experiences, attempting unsuccessfully to obtain from uncooperative Government agencies information to which the people and their elected representatives in Congress were legitimately entitled.[3]

We pay a high price for ignorance. We can indulge a bureaucratic desire for secrecy only at the expense of a less enlightened electorate, less effective enforcement of our laws, and prodigal waste of the taxpayers' money. As a rule, I believe Macy's should tell Gimbel's, for Congress may justly complain where one agency lavishes the taxpayers' money for something readily available from another agency.

It is as wrong today for the Census Bureau to withhold business statistics from the Department of Justice and the Federal Trade Commission as it was wrong, in 1959, for the Department of Justice to withhold relevant documents from the Antitrust Subcommittee.

These bills promote an abuse of secrecy. Secrecy so abused in this instance is a threat to our free enterprise system—a system whose freedom depends upon the ability of our Government to enforce the antitrust laws.

Accordingly, I earnestly urge that these bills be rejected. Indeed, I suggest that this distinguished committee might well consider lifting the shroud of secrecy from original census returns centrally located in the files of the Census Bureau right here in Washington. Thereby we could at once effect a substantial saving of public funds and foster effective administration of the laws.

APPENDIX[4]

On January 19, 1962, the X company made formal request of the Bureau of the Census for duplicate certified photostatic copies of MC-20C reports filed with the Bureau in connection with the 1954 and 1958 Census of Manufacturers, and of the MC-20C Reports filed by companies which had been acquired by X since 1954.

By letter of January 31, 1962, the Bureau of the Census outlined certain procedures to be followed in determining whether the reports filed by subsequently acquired companies would be made available to the parent corporation. It further advised that the estimated cost for searching its records and preparing copies was $500. From the general tenor of this letter, there was no indication that the Bureau would refuse to comply with the company's request for copies. However, on February 2, the Bureau wrote a brief letter to X, stating that it was the policy of the Census Bureau not to make copies of original company returns available to survey respondents except when it was administratively determined that such action was necessary to the efficient conduct of the statistical program of the Bureau. It further stated that certain statements in the company's letter of January 19 were not necessarily consistent with such policy.

On February 19, the X company renewed its request, stating that it intended to use the form in its own interest and for its own purposes. The company also stated that without such schedules, the company would suffer irreparable harm since it was virtually impossible to reconstruct and reproduce the information from its own files.

On March 5, the Bureau replied that it had reexamined the situation but had concluded that the policy outlined in its letter of February 7 should stand. The letter continued by outlining the difficulties which would be involved in conducting a search of its records and concluded by expressing regret for the difficulties which confronted the company as the result of its decision.

In an effort to obtain information substantially similar to that contained in the reports, a Commission attorney and an accountant visited the offices of the X company in Chicago to assure themselves that copies of the reports were not available and to discuss other means of securing the desired information. Officials agreed to and did make available the X company's departmental annual reports for each processing plant for the years in question as a means of reconstructing the data contained on the missing forms. These departmental reports, however, do not reflect the detail that is asked for on the census forms so that it is impossible to reconstruct the data in the same detail as was originally filed by the numerous processing plant managers. Consequently, the acceptance of this material either by respondent or by the hearing examiner is questionable.

This refusal by the Bureau of the Census to provide X company with copies of its own reports has materially increased the burden of counsel in support of the complaint and may in the end jeopardize, by invalidation of the industry survey, the entire lawsuit. The additional cost burden to the Commission can only be measured as of certain dates but will increase materially as the case progresses. The increment to manpower cost over and above the normal cost incurred has already amounted to several thousand dollars and applying the same criteria to cases of the present and future, the additional manpower costs could well cost the Commission very substantial sums of money in excess of the normal expenditures for such actions.

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[2] These difficulties include identifying the firms to be surveyed, obtaining Bureau of the Budget approval for proposed questionnaires, obtaining answers from reluctant respondents, and correlating and presenting the data in a manner admissible in court. To undertake such a survey in a preliminary investigation, with no process available to compel answers, would be virtually impossible.

[3] See, e.g., *U.S.* v. *Tobin,* 195 F. Supp. 588, rev'd, D.C. Cir., — F. 2d — (June 7, 1962). The Antitrust Subcommittee's report on "The Consent Decree Program of the Department of Justice" (1959) states (pp. XI, XIII):

"Early in the course of the committee's study it became apparent that wholehearted cooperation would not be forthcoming from the Department of Justice. * * *

"The uncooperative attitude displayed by the Department of Justice throughout this investigation hampered the committee in its work. * * *

"Faced with the intransigent attitude of the Department, the committee turned to, and obtained from, affected private parties the type of specific information that the committee needed. Defendants subject to the provisions of certain consent decrees were requested to supply documents which had been withheld by the Department of Justice. The committee recognizes that these requests were burdensome, but, in view of the Department's position, it had no alternative. It is clear that most of the necessary information was readily available in the files in the Department of Justice, one centralized location. The committee, however, was required to search out corporations all over the country and, at great trouble and expense to these companies, obtain documents in a piecemeal fashion. The committee regrets that the circumstances required it to impose these hardships in order to complete its investigation."

[4] I have deleted the name of the company.

Tribute to Senator Gruening

EXTENSION OF REMARKS

OF

HON. E. L. BARTLETT

OF ALASKA

IN THE SENATE OF THE UNITED STATES

Wednesday, August 1, 1962

Mr. BARTLETT. Mr. President, on June 2 last in Alaska's largest city friends of Senator Ernest Gruening gathered at a dinner to do him honor. It was a heart-warming occasion, and the tributes paid were as strong and as vigorous and as sincere as the man himself. The address of Senator Wayne Morse led the many tributes, both written and verbal.

I ask unanimous consent that the Anchorage speech of Oregon's senior Senator be printed in the Record, as well as a few of the many messages received, together with the capsule account, reproduced from the dinner program, of an outstanding public service career.

There being no objection, the address and other items were ordered to be printed in the Record, as follows:

ADDRESS OF SENATOR WAYNE MORSE

Stanley McCutcheon, Ernest Gruening, all you wonderful friends of Ernest Gruening, you have paid me a great honor and great compliment by inviting me to come here tonight and join you in paying homage and honor to this great American statesman, Ernest Gruening.

I want to say that Stanley McCutcheon flattered me far beyond any possibility of relating what he said to prove I am a friend of Alaska, but there were many of us in the Congress of the United States who joined in battling for the right of Alaska to cease being an American colony and proceed to be an American State. And for all those that helped in that great cause in behalf of you I express here tonight on this public record our thanks and deep appreciation. There were many of us. But, let me say that Alaska in my judgment would not be a State tonight if it were not for the man that we honor and his colleague, Bob Bartlett, who now also is in the Senate and at that time was your Delegate to the Congress and many, many here in Alaska who gave us the facts and the information that we needed to prove our case.

I well remember, Stanley, when I came here in 1949 as chairman of the subcommittee of the Armed Services Committee of the Senate and we traveled throughout Alaska up to Nome. And we went back and made our report. It is true that in that report I used the phrase that Alaska was a colony and that America should not join the colonial powers by maintaining colonies and we ought to give Alaska not only her independence but we ought to see to it that Alaska became the 49th State of the Union. And you proved how right we were in that battle. But I turn now to the dedicated purpose of this great meeting, as we come here to rededicate our friendship with Ernest Gruening. I want to refer to him as a statesman in what I consider to be the true sense of the word. You ask me what I mean by a statesman. I'll tell you what I mean. You give me a man of courage. You give me a man of unquestioned integrity. You give me a man who understands that the purpose of this Republic of ours as our constitutional fathers laid down when they gave birth to this Republic is to promote the general welfare of the people of this country. You give me a man dedicated to the welfare of the people and the fighting heart to battle for them and I'll give you a statesman, and I give you tonight Ernest Gruening as a personification, of my definition of a statesman.

I come to you tonight—and he can close his ears while I speak about him personally because I know him to be a modest man—I come to you tonight to tell you of some of my observations of this man's statesmanship. When I was a very young man Ernest Gruening was a great journalist in this country who was a source of inspiration to me. His liberal writing—when I refer to "liberal" I want you to know that I always put the word "constitutional" before liberalism—Ernest Gruening is a great constitutional liberal. What do I mean by a constitutional liberal? A constitutional liberal seeks to translate into legislation the two fundamental guarantees of the Constitution, namely the guarantee of economic freedom of choice for the individual, made possible—and made possible only—through a private enterprise economy on the great human rights guarantees of the Constitution epitomized principally in the 14th and 15th amendments and the Bill of Rights of the Constitution. A constitutional liberal seeks to translate into legislation those great guarantees. And Ernest Gruening in every activity that is performed throughout his great life and statesmanship as an editor, as a Governor of Alaska now as a U.S. Senator has performed as a constitutional liberal should perform. But I want to stress this above all else that I may say about Ernest's life. He is on the threshold of a greater service than any service he has yet rendered the American people. His Senate career is really just beginning. He's completed the pledgeship. He's been a freshman for 3½ years. Now Ernest Gruening moves into the inner sanctum, so to speak, with great power in the Senate, with great respect in the Senate.

I want to say that in my judgment Alaska couldn't afford not to have the service of Ernest Gruening in the Senate of the United States for the next 6 years, and it's up to you, the people of Alaska, to see to it that we're not deprived of the leadership of Ernest Gruening.

I want to talk about some of the contributions that he's already made. I want to point out to you what I consider to be some of this legislative philosophy that is vital to Alaska and vital to the Nation. But probably as a preface to commenting on that, I ought to lay down this basic tenet of political philosophy of mine. I happen to believe it's the basic tenet of all constitutional liberals. You will see immediately that I'm Burkian, that I do not think anyone has ever improved upon that basic philosophy of Edmund Burke enunciated in 1774 when he discussed the primary obligation of an elected representative of the free people in any parliamentary body. In essence, what Burke said was that those who have the trust given to a parliamentarian is to follow where the facts lead, testing those facts against the question, "What do these facts show the public interest to be in respect to this issue?"

And I submit to you that if you'll study the legislative record, the record of this statesman also as a Governor, the record of this statesman in every public position that he's held, you will find that Ernest Gruening always asks the question, "What are the facts about this issue and what do these facts show the public interest to be?" And once he's decided on his answer to that question, Ernest Gruening's answer is automatic, as it should be. For here is a man that puts the public interest as after all the determining factor in his own action.

All I'm saying really is it not true that the constitutional liberal recognizes that after all the only value that counts when all is said and done is the human value.

For I think the second tenet I would stress tonight as I honor Ernest Gruening is to point out to you that as representatives in the Congress of the United States we sit there to promote human value. For the only wealth Alaska has, the only wealth Oregon has, the only wealth the United States has happens to be the wealth of our people. Human values are what count and this system of economic freedom of ours is designed to promote human value.

The third tenet, I think, of political philosophy I would present here tonight in honoring Ernest Gruening is to have you refresh your memory that there would be no political freedom unless there is first economic freedom of choice of the individual. Take a look at your knowledge of history for a moment. Show me any society, will you, in which the people do not have economic freedom of choice for the individual but do have political freedom of choice. You can't recall one, for no such society has ever existed.

Some way, somehow, we've got to get the American people to recognize whenever they're confronted with any one of these great issues that trouble us to never forget that our economic freedom of choice is basic to our political freedom of choice. Do you ever stop to realize that after all our basic struggle with the British Crown was not in the first instance a political struggle but an economic struggle? Our colonial fathers insisted on the right to be economically free. You give me a political seedbed of economic freedom and I'll give you a political seedbed in which political freedom will automatically sprout and grow.

Now I want to take this tenet and apply it to American foreign policy because there sits in front of me here tonight the man we honor who has become already one of the leaders in the Senate in the whole field of foreign policy and when all is said and done the one issue that pales all the others into insignificance is the issue of foreign policy. What we do in foreign policy in the next 10 to 20 years will determine whether or not you and I leave a heritage of freedom to our grandchildren. Note my time bracket. I am not talking about great-grandchildren—I'm talking about a time bracket that involves our grandchildren. Unless the cause of freedom is won in that time bracket, there will be no heritage of freedom left for our grandchildren. That's why foreign policy pales all the others into insignificance and here is one of the best scholars, one of the best informed men in the whole Congress of the United States in this field of foreign policy.

If Bob Bartlett were here tonight and Congressman Rivers were here tonight, both of them would support what I have just said, for we look to Ernest Gruening for leadership in the field of foreign policy. I happen to be chairman of the Subcommittee on Latin America and I want to say that the writings of Ernest Gruening have been a source of education and inspiration to me for many, many years. I referred to his writings when I was a young man and he was editor of The Nation. I want to call your attention to the great book that he wrote on Mexico that is still a standard reference book for my Committee on Latin America. You'd be surprised the number of times each year that we go back to a point raised by Ernest Gruening in that book.

You know the various positions that he's held in regard to Latin America since. You know the appointment, as is brought out in the biographical material in your program tonight, of Franklin Roosevelt who looked to him for leadership also in respect to American foreign policy in Latin America. The Roosevelt good neighbor policy was a policy based upon the advice that Roosevelt got from Ernest Gruening. I can testify here tonight that my Committee on Latin America consults with him frequently regarding Latin American problems. More recently, he has served as one of our Senate delegates for interparliamentary conference with Mexico, both last year and again just last month.

So I say to the people in Alaska, if you will only appreciate the importance of this general issue problem of foreign policy, you'll not deny the future generations of American boys and girls the services of this great American in the Senate of the United States during the next 6 years because it's vital to that issue.

There's about to open in the Senate of the United States, in fact just this next week, a great historic debate on American foreign aid. Our Ernest Gruening has made perfectly clear that he recognizes that we have to assume our share of responsibility of helping underdeveloped countries, that we have to assume our share of responsibility in seeing that this seedbed of economic freedom is cultivated so that we can develop great strength in the plants of political freedom in the underdeveloped areas of the world, but he also recognizes, and I want to stress this point because I have been battering away on this point now as a member of the Foreign Relations Committee for a good many years, that the greatest defense weapon the United States has, important as all our nuclear weapons are, the greatest defense weapon the United States has happens to be our own economy. And unless we keep that economy strong, we're going to weaken, in my judgment, our sphere of influence around the world, and we're going to make ourselves susceptible to successful attack against us.

All Ernest Gruening has been doing in these debates of the last 3 years on foreign policy in relation to foreign aid is to present the facts. And he pointed out what we have done in the underdeveloped countries in developing roads and schools and dams, what we have done in pouring into those countries the resources of America, pointing out, for example, that the national debt of the United States now has become greater than the debt of all these countries, including our allies and the underdeveloped countries that we've aided. Why? Because you and I, the taxpayers of the United States, paid off their debts while our debt has mounted.

And so Ernest Gruening has said the time has come for us to look at the balance sheet: We're going to continue to be of reasonable assistance to them but we've got roads to build. We have natural resources to develop. We have schools to build. We have our own economy to strengthen; and I have pledged to him on the floor of the Senate, I pledge to him in Anchorage, Alaska, tonight, that I'll stand shoulder to shoulder with him as we seek to strengthen and improve, Ernest, this foreign aid bill this next week in the Senate of the United States.

Now, may I say in closing because, let me point out that the flicking of those lights means that my time is about up because we're on television, you really didn't need me in view of this program that you have here tonight because this program sets out the salient facts about the statesmanship of this great American; then when you turn to the back of the program and you read those wonderful commendations he deserves from great leaders of our country starting with the courageous and great President of the United States and the Vice President, what more could one say. But in closing I want to say this. I've given you my definition of a statesman. I now want to say I shall forever be grateful of the fact that Ernest Gruening is my friend. Thank you very much.

The White House,
June 1, 1962.

I am delighted to send a word of greeting to all of you gathering to honor Senator Ernest Gruening this Saturday. During his long term as Governor of the Territory of Alaska and as a U.S. Senator Ernest Gruening has served Alaska and the Nation well. His work on the Interior and Insular Affairs, Public Works, and Government Operations Committees is diligent and constructive. You have sent to Washington an articulate spokesman for our 49th State. His whole career has been characterized by extraordinary vigor and vision.

To Ernest Gruening, to his colleague, Bob Bartlett, and to all Alaska Democrats I send cordial regards and warmest wishes.

John F. Kennedy.

Hon. Ernest Gruening,
Care of Senator Gruening's Testimonial Dinner, Elks Hall, Anchorage, Alaska.

Dear Senator: I appreciate most highly the invitation to join in a testimonial dinner, honoring you for the distinguished service you have given the Territory and the State of Alaska, 14 years as Governor and 4 years as U.S. Senator.

I am as sorry as I can be that I will not be able to be with you because you are too far away for me to make the trip at that time.

I wish to extend congratulations to you on this honor and I certainly wish I could be present for this occasion. Kindest regards to you and I sincerely hope that everything will continue to work out with you as it should.

Sincerely yours,

Harry Truman.

May 31, 1962.

Mrs. Helen M. Fisher,
Democratic National Committee Woman for Alaska:

The high regard in which you hold Senator Ernest Gruening in Alaska is echoed here in the hallowed Halls and Chamber of the U.S. Capitol. In the Senate we value his advice highly and are proud to have his friendship. Please extend my personal congratulations to him.

Sincerely,

Lyndon B. Johnson.

State of Michigan,
Office of the Governor,
Lansing, May 18, 1962.

Senator Ernest Gruening,
U.S. Senator,
Anchorage, Alaska.

Dear Senator Gruening: It is a real pleasure to join with your many friends in paying tribute for your many years of devoted service to your beloved Alaska.

For 14 years you gave outstanding service as Governor of the Territory of Alaska and with the achieving of statehood, you continued your service as a distinguished Senator from our 49th State.

Your devotion to the progress and development of Alaska merits for you a lasting place in the history of that territory and State.

Senator Wayne Morse speaks for all of us as he pays tribute to your outstanding public career.

May your work in the interest of an even greater Alaska meet with the same success as your efforts in the past.

With sincere best wishes.

Sincerely yours,

John B. Swainson, *Governor.*

John Alcantra,
Special Assistant to the Governor,
Department of Revenue:

Twenty-one years ago, as a freshman member of the Alaska Territorial Legislature, I first met Ernest Gruening, who was then in his freshman year as Governor of Alaska. That first encounter was a memorable one for me. I was confident that in Ernest Gruening Alaska had a brilliant, courageous Governor with a keen sense of public interest and dynamic ideas for furthering the growth and development of Alaska. But I could not foresee—and I suspect no one else at that time could either—the tremendous impact this man would have on our territory and ultimately our State. Rarely does one man influence the course of history, but in Ernest Gruening Alaska has met such a man and has become a far better place from the encounter. Words can scarcely express my admiration for him. Likewise, it is difficult for Alaska to begin to repay the debt it owes him for what he has accomplished during two decades of dedicated service. My fondest wishes are with you tonight, Ernest, tempered only by the regret of Neva and I that we cannot be with you to extend them in person.

Your friend,

Bill Egan,
Governor of Alaska.

Hon. Ernest Gruening,
Senator Gruening Testimonial Dinner,
Elks Hall, Anchorage, Alaska:

I would like to take this means to join with our colleague, Senator Wayne Morse, and the other distinguished guests and friends who are honoring you on this occasion, in sending my personal greetings and best wishes to you. You have been a strong right arm in the Senate. Your conscientious attention to duty, and the needs of your State, our country, and our party have been outstanding and the effectiveness of your efforts has been a tribute to your career in the U.S. Senate.

Sincerely,

Mike Mansfield,
Majority Leader, U.S. Senate.

Senator Ernest Gruening,
Testimonial Dinner,
Elks Hall, Anchorage, Alaska:

I wish I could join many of your friends Saturday night to honor and salute you. You are truly one of the outstanding statesmen of our time. I know of no one with a more impressive record and productive career. Your experience and wisdom have served your State and the country magnificently. We need you. We respect you. We look forward to your continued contributions to the Senate and the Nation.

Senator Hubert H. Humphrey.

U.S. Senate,
May 16, 1962.

Mr. Stanley J. McCutcheon,
Gruening Campaign Chairman,
Anchorage, Alaska.

Dear Mr. McCutcheon: I have known Governor Gruening during his period of service as one of Alaska's great Governors and have worked closely with him as a colleague in the U.S. Senate. We also serve on two committees together. I can say that the people of Alaska are fortunate in having a man who is such an able and effective advocate to represent them. I am happy to join in sending congratulations and all good wishes on this important occasion.

Sincerely yours,

Henry M. Jackson,
U.S. Senator.

Democratic Senatorial
Campaign Committee,
Washington, D.C., May 29, 1962.

Hon. Ernest Gruening,
Elks Hall,
Anchorage, Alaska.

Dear Ernest: I regret I will be unable to make the long trip to Anchorage. I had hoped to find some way to join your many other friends in paying tribute to your long, able, and faithful service to the people of your State and our Nation. I enjoy a deep sense of pride knowing I am serving in the Senate along side such a distinguished and dedicated public servant as yourself.

As a new State, Alaska can well be proud of the record you have achieved over the years as Territorial Governor and now as a member of the U.S. Senate's Interior Committee, the Committee on Government Operations, and the Committee on Public Works—all vital to the progress of your State.

My best wishes and the best wishes of my wife, Martha, are with you and Mrs. Gruening tonight.

Sincerely,

Vance Hartke,
U. S. Senator.

U.S. Senate,
Washington, D.C., May 22, 1962.

Mr. Stanley J. McCutcheon,
Chairman, Senator Ernest Gruening Testimonial Dinner, Anchorage, Alaska.

Dear Chairman: I am happy to learn that the Alaskan admirers of the Honorable Ernest Gruening plan a testimonial dinner in his honor at Anchorage on June 2.

Regretfully, circumstances prevent me from joining with the Senator's friends on the soil that he loves so deeply and serves so faithfully; but I would like to register my sentiments of esteem for my good friend and colleague.

It seemed most appropriate that with the admission of Alaska to statehood that Ernest Gruening should come to Washington as her Senator. He had been the arduous and able advocate of whose pleas and persistence there came this recognition of our great frontier territory.

A lifetime of many skills and talents found their flower in his dedication to Alaska through a score of years. Eloquent, energetic, informed—genial to win friends—dynamic to win causes—he holds Alaska as the land of his heart's desire and its gains are his goals. Quick to defend—loyal to protect—Ernest Gruening has helped to make Alaska a meaningful partner of all the States and a front line bulwark in our country's world responsibilities.

I extend my felicitations to all who honor themselves in honoring him.

Most sincerely yours,

John O. Pastore,
U. S. Senator.

U.S. Senate,
Washington, D.C., June 2, 1962.

Mr. Stanley J. McCutcheon,
Chairman, Gruening Testimonial Dinner Committee, Anchorage, Alaska:

As a citizen of Maine, I have more than a passing interest in the State of Alaska. Both of our States are noted for cold winters and warm-hearted people.

I have long valued my association with your two good Senators, Bob Bartlett and Ernest Gruening. Tonight, I am pleased to extend particular greetings to Senator Gruening.

You know, better than I, his record of devoted service to your State and the gallant role he played in bringing Alaska to statehood. I like to think that part of his ability in achieving success, under difficult circumstances, stems from his career as a liberal and progressive newspaper publisher in the State of Maine. There is hardly a day that passes when I do not wish that he were still publishing a paper in Maine, but I must confess that whatever advantages there might be in that situation, they are more than balanced by his contribution to Alaska and the Nation, as your Senator.

I congratulate you on your good luck in having him as a citizen of Alaska, and on your good sense in electing him the U.S. Senate.

Edmund S. Muskie,
U.S. Senator.

U.S. Senate,
Washington, D.C., May 22, 1962.

Mr. Stanley J. McCutcheon,
Chairman, Gruening Testimonial Dinner Committee, Anchorage, Alaska:

My Dear Friends: Alaska is rightfully proud of Ernest Gruening. He serves the Senate with honorable distinction and his work reflects credit to the great State of Alaska. I join his legion of friends in honoring him for his distinguished service, and I congratulate Ernest Gruening upon the high place of respect and affection he holds in the hearts of his friends everywhere.

Sincerely yours,

Ralph W. Yarborough,
U.S. Senator.

Hon. Ernest Gruening,
Care of Chairman Stanley J. McCutcheon, Elks Hall, Anchorage:

Your able leadership, and dedicated scholarly service to your great State commends the admiration of your colleagues in the Senate. I join your friends in paying tribute for one has done so much.

Ralph W. Yarborough,
U.S. Senator.

Mrs. E. A. Fischer,
Chairman, Senator Ernest Gruening Testimonial Dinner, Anchorage, Alaska:

Please extend fond good wishes to Ernest Gruening, a colleague whose friendship and counsel I have cherished for many years. We in the Senate have a debt to the people of Alaska for giving us the benefit of his talents and wisdom. Best regards.

Maurine B. Neuberger,
U.S. Senator.

Gruening Testimonial Dinner Committee,
Anchorage, Alaska:

Senator Ernest Gruening is one of the finest friends and ablest supports of the rural electrification program on the U.S. Senate. We are happy to join with all of you in doing him this great honor. I personally wish for him many more years of successful service in the interest of his country.

Clyde T. Ellis,
General Manager, National Rural Electric Cooperative Association, Washington, D.C.

Charlo, Mont., *May 19, 1962.*

Mrs. Helen M. Fischer,
Cochairman, Gruening Testimonial Dinner Committee, Anchorage, Alaska.

Dear Helen: It would be a real pleasure to attend a testimonial dinner for Senator Gruening. I wish I could.

I shall never forget his courtesy in writing me at length about his book, "The Public Pays," when I, a plain stranger, not holding any party office at the time, inquired about it. Nor shall I ever forget the courteous, fair, and skillful manner in which he conducted the hearing in Missoula on Senator Murray's Knowles bill. I wish he could return right now to advise us. The issue has come up and is being fought with relentless bitterness by Montana Power Co.

You will understand, because you are so busy in your own State, why it is impossible for me to leave mine. Nor can Rae and I contribute to your campaign as we would like to because our resources are being strained to the limit on Montana's own campaigns.

Will you give Senator Gruening our warmest greetings? We wish him well in November and in his endeavors during his next term in the Senate.

Sincerely,

Francis Logan.

Tribute to Senator Ernest Gruening

In 1957, 87 Boy Scouts and leaders from Alaska, attended the national jamboree at Valley Forge, Pa.

They departed from Anchorage by train to Whittier and from there boarded an Army transport the MSTS *Frederick Funston* for Seattle.

The boys and leaders boarded a chartered Great Northern Railway train from Seattle. Their trip covered Chicago, Detroit, Niagara Falls, New York, and Valley Forge. The boys were at the jamboree for 7 days during which time they were required to cook their own meals.

At the close of the jamboree, the boys and leaders proceeded to Washington, D.C., and were met by the Alaska delegation under the Tennessee plan, Senator and Mrs. Ernest Gruening, Congressman Ralph J. Rivers, and Gov. William A. Egan. The Scouts were escorted to their hotel by the delegates. Senator Bartlett was out of town and was unable to meet the group. Senator and Mrs. Ernest Gruening invited all 87 Scouts and leaders out to their home for dinner the next day.

Upon arriving at the Senator's home, the Scouts were ushered to the back yard and served all the broiled hamburgers, hot dogs, assorted flavors of cold drinks, mountains of potato salad, pickles, olives, and relishes. After eating their own cooking for 7 days at the jamboree and several unsatisfactory meals en route, this meal was outstanding.

Senator and Mrs. Gruening had their television set carried out to the lawn for the Scouts' enjoyment. Some of the boys had never watched television before. In fact, one Eskimo boy, Allen Alowa, from Savoonga, Alaska, had never seen a tree, cow, horse, train, car, or bus. I might add that of all the different things Allen saw, the thing he wanted most to take back to Savoonga was a cow. He really liked the milk he drank. It was noticed that all extra milk the boys in his patrol did not want was consumed by Allen.

During the evening, Senator Gruening was asked to say a few words to the Scouts. He went to great length to inform the Scouts as to his purpose of being in Washington fighting for statehood and how important it was for Alaska to win that fight. It was most inspiring and was received by the Scouts with a great deal of enthusiasm.

I can honestly say that the inspiration received from Senator Gruening's reception made the burden of responsibility for the return trip to Alaska much easier for the Scouts and their leaders. From the many comments by the Scouts and leaders, it was the most enjoyable highlight of the entire 30 days.

I should like to add that Senator Gruening has accepted the nomination and has been elected to serve as vice president of the Western Alaska Council, Boy Scouts of America for the Scout year April 1962 to April 1963.

Robert Risley,
Jamboree Scout Leader, Council Commissioner, Western Alaska Council, Boy Scouts of America.

In his vigor and strength, ERNEST GRUENING will continue to give all that one life can give to one State. He needs no eulogy from me, or from any other man. He has written his own history and written it boldly.

E. L. "BOB" BARTLETT,
U.S. Senator.

[From the dinner program]

ALL HISTORY BEGINS WITH A MINORITY OF ONE

In the beginning there was Alaska. The vibrant history of this great land, when traced back through the years, begins to emerge following the life of one man representing his Emperor. Then another statesman representing his nation fought for the purchase of the land. Another lonely man on a nameless stream found gold, and somewhere in the passage of time a fisherman marked a page in history by taking salmon from the land to send to the market places of the Nation.

In 1935 another man came. His name: ERNEST GRUENING.

Within the pages of "Who's Who in America" can be found the name of ERNEST GRUENING followed by a long paragraph of honors and achievements. The first four words of this biographical listing read: "Government official, editor, author."

To know ERNEST GRUENING is to know the history of Alaska over the past three decades. As the 49th member of the United States, the State of Alaska owes a great share of its partnership in the Nation to this man with the accolade "The Original Minority of One."

Born in New York, the son of an internationally acclaimed physician, he graduated from Harvard University as a doctor. He elected as a chosen career the field of journalism and served the fourth estate in various editorships on Boston Traveler, Boston Journal, and the New York Evening Post, climaxing his journalistic career as the crusading editor of the Nation, a New York magazine.

For more than 35 years ERNEST GRUENING has been a contemporary and associate of our Nation's greatest leaders, but it was President Franklin D. Roosevelt who launched him into the field of public service and administration by naming him as advisor to the Inter-American Conference of Latin American Affairs in 1933. This was followed by appointment as the first Director of the Division of Territories and Island Possessions in the Department of the Interior.

In 1939 President Roosevelt appointed him Governor of Alaska, and he was twice reappointed; the last time by President Harry Truman.

He was to wait and fight for another generation. It was not until he was the Alaska-Tennessee plan Senator from the Territory were the pages of Alaska history inked with the sovereign and majestic word "statehood."

During the long and hard fought years before statehood it was he who said, "To develop this great, raw and vast land we must harvest the power of one of the world's greatest rivers—the legendary and powerful Yukon."

It was Governor GRUENING who said, "The destiny of Alaska will never be set until the equality of statehood is achieved," and to back his belief he appointed the first statehood committee. As Governor he argued for and built Alaska's airfields to meet the needs of a dawning air age. Expansion of major power plant facilities at Eklutna were authorized under his administration and full-scale hydroelectric power came to Alaska. And, if the pages of history could be rewritten, the city of Palmer, Alaska, should rightly be called Grueningburg, because it was he who first reported to President Roosevelt that the Matanuska Valley had a future in the field of agriculture.

And so the ledger is thusly written: Statesman, Senator, Governor, public servant, author, journalist, editor, historian, father and grandfather, Phi Beta Kappa, friend and adviser, but always the record will read: Alaskan U.S. Senator ERNEST GRUENING.

During the past 2 years—a short span in a man's total lifetime—Senator GRUENING has fought for equality of Alaska on all fronts; hydroelectric power development; foreign trade, expansion of air, highway, and ocean trade routes; the defense preparedness of Alaska, and the recognition of our strategic role in the global affairs of tomorrow's world, but in the words of a poet, perhaps the best biography was written:

"You cannot choose your battlefield,
The gods do that for you,
But you can plant a standard
Where a standard never flew."

Delaware Is an Ideal Location for Defense and Other Industries

EXTENSION OF REMARKS
OF

HON. HARRIS B. McDOWELL, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1962

Mr. McDOWELL. Mr. Speaker, the business community in Delaware—leaders of the large corporations and owners of the hundreds of small businesses in the First State—linking efforts with Delaware's State officials, its congressional delegation, and organized labor, can, with the united support of all of its citizens, play a major role in stimulating and raising the economic level of Delaware and Delawareans.

This step is vitally necessary, since the Defense Department, in carrying out recommendations of the Eisenhower administration, has declared several Delaware military installations, including the Lenape Ordnance Modification Center at Newark, Del.—a plant which used the output of scores of factories in many States—excess to the defense needs of the United States.

The deactivation of these military installations and production facilities in Delaware has adversely affected the State's economy and has created difficult problems for Delaware in maintaining high employment for the State's expanding population. The loss of millions of dollars in defense contracts has meant necessarily the loss of thousands of jobs for Delawareans.

It is clear that a new and concentrated drive must be made now by Delaware's political and industrial leaders to bring to the attention of the Federal Government, President Kennedy, and to industry in general that Delaware is an ideal location for industries which could concentrate on the manufacture of essential components of the new weapons of defense and of space exploration.

Delaware possesses an exceptional pool of highly skilled technicians and an excellent labor force, abundant water supplies, cheap transportation and power, and corporate hospitality, and tax economy.

The New York Times, in its Delaware supplement of May 7, 1961, pointed out that:

> Tax economy is, of course, one of the most attractive features of all. There is no corporation income tax in Delaware for companies not doing business in Delaware. There is no taxation upon shares of stock held by nonresidents and no inheritance tax upon nonresident holders. The organization and annual franchise taxes are comparatively low, being based upon authorized capital and not upon income. There is no State stamp tax on stock issues or transfers and the constitution of the State guarantees continuance of the exemption from taxation of shares of capital stock of a Delaware corporation held by persons and corporations outside the State. Clearly, a warm Delaware welcome awaits the young corporation and its stockholders seeking a friendly tax climate.

I include as part of my remarks an editorial published in the Delaware State News, Dover, Del., July 26, 1962, entitled "The Time To Act Is Now" which enlarges on my remarks. I commend this editorial to the attention of my colleagues.

THE TIME TO ACT IS NOW

(By Congressman HARRIS B. McDOWELL, JR., U.S. Representative-at-Large, Delaware)

The business community in Delaware—leaders of the large corporations and owners of the hundreds of small businesses in the First State—linking its efforts with political leaders in Congress and in the State, organized labor, and citizens as well, can play a major role in stimulating and raising the economic level of Delaware and Delawareans. The time to act is now.

In the last 18 months, the Defense Department has declared several Delaware military installations, including the Lenape Ordnance Modification Center at Newark, Del., excess to the defense needs of the United States. The deactivation of these various military installations and production facilities in Delaware has adversely affected the State's economy and has created difficult problems for Delaware in maintaining high employment for the State's expanding population.

The Secretary of Defense recently published an interesting analysis which pointed to the changing patterns of defense procurement. This study clearly reveals the vast changes which have taken place in the past 20 years, both in the nature of items purchased by the Department of Defense, and in the States and regions where prime contracts have been placed—and displaced. While the Secretary's report is limited to a picture of military prime contracts, which are generally placed with the manufacturing giants, it is known that about half of all hard goods prime contract funds are subcontracted to other suppliers, many of which are part of the country's 4.5 million small businesses.

The most dramatic geographic adjustments of the past 10 years are found in the heavy prime contract losses of States in the Northeast and Middle Atlantic areas and in the large net gains of West Coast and Mountain States. It is difficult to translate dollar prime contract awards into employment figures, but it is plainly evident that the drop in annual prime awards in Delaware from $541 million during the Korean conflict (1951–53) to $71 million in fiscal 1961 has had a depressing economic impact on the Delaware economy. Under any translation, the loss of millions per year in defense contracts has meant the loss of thousands of jobs for Delawareans.

The rapid rise in missiles and electronics is reflected in the 1962 defense contracts.

The Department of Defense has shown a strong tendency to concentrate these contracts in California and with suppliers located along the coastal strip from Boston to Washington, D.C., as well as in certain Mountain and Southern States. Certainly, Delaware is situated in the main stream of this great research and development effort but unfortunately, the Defense Department has been inclined, by and large, to ignore the First State where defense contracts are concerned.

It is my strong feeling that Delaware's industrial leaders, those representing large corporations and those representing small businesses, should seriously consider entering the new and expanding field of defense procurement. The First State possesses an exceptional pool of highly skilled technicians and an excellent labor force, abundant water supplies, cheap transportation and power and corporate hospitality. The spacecraft and other missile systems launched from Cape Canaveral, Fla., are the products of men and machines located in several large States along the eastern seaboard. In the intermediate fabrication of these missile and space systems, Delaware is in an ideal location for industries which could concentrate on the manufacture of specific components which are essential to the proper functioning of these systems. To this end, a new and concentrated drive must be made now by Delaware's political and industrial leaders. It is high time that the factors favoring Delaware for a part in the country's defense effort be forcefully called to the attention of high defense officials in Washington.

There is no question that local initiative in Delaware, which seeks not only defense business, but domestic and foreign markets as well, must direct itself vigorously to the exacting needs of the so-called space age. Communities which fail to energize and mobilize their institutions to adjust to this new age cannot reasonably anticipate playing a major role in our domestic economy and foreign markets.

Several weeks ago, I wrote to Administrator John Horne of the Small Business Administration urging him to consider establishing a small branch office in Delaware so that small business concerns in the State could receive immediate counsel on their financial, management, production, and distribution problems and to assist Delaware firms in obtaining a fair share of contracts and orders for both supplies and services used by the Federal Government. The Small Business Administration could also be effective in fostering the entry of small business in the foreign trade field, a field largely neglected by small firms in the past. Moreover, the Area Redevelopment Act of 1961 which was enacted to encourage new industry to establish, and existing industry to expand, should be examined and perhaps implemented by the appropriate State agencies, both in the industrial areas of the State which have high unemployment and in underdeveloped rural and nonurban areas which require a better balance of industry and agriculture. The resources and technical assistance which are available to other communities in the Nation must be open to Delawareans to enable them to plan their economic development intelligently and to explore methods of expanding their industrial resources.

I will continue to vigorously work for all programs, including a fair share of defense contracts, which will advance the industrial development of the Diamond State.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 2, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

From the Gospel according to St. Mark, which has been aptly called the Gospel of the Multitude—Mark 6: 34: *And Jesus seeing much people was moved with compassion toward them.*

Almighty God, we humbly acknowledge that we sometimes feel that never before has humanity faced problems which are so great in number and intensity and we wonder if our highest wisdom will ever find a satisfactory solution.

Help us to believe that in Thine eternal love Thou art always looking upon mankind's temporal needs and immortal longings with deep concern and infinite compassion.

Gird us with that quality and quantity of faith which is of such large proportions that we shall be constrained and compelled to hold on and carry on with ever-increasing tenacity and ever-enlarging hope.

May we stand in the sublime tradition of those whose hearts go out in a tide of pity toward the forlorn and fearful, lifting them unto a new life that is radiant with lofty aims and aspirations.

Hear us in the name of our blessed Lord who went about doing good. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11974. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PASTORE, Mr. GORE, Mr. JACKSON, Mr. HICKENLOOPER, and Mr. AIKEN to be the conferees on the part of the Senate.

COMMITTEE ON VETERANS' AFFAIRS

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs may have until midnight tonight to file reports on all bills that were reported this morning.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

REINSTATEMENT OF NATIONAL SERVICE LIFE INSURANCE

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, I wish to make an announcement which I think will be of interest to Members concerning the action of the Committee on Veterans' Affairs this morning.

There was unanimously reported out of our committee this morning the bill H.R. 12333, which will permit veterans who served between October 8, 1940, and December 31, 1956, inclusive, to obtain national service life insurance on a permanent-plan basis. No term policies will be issued and the insurance will be nonparticipating—no dividends. The service connected will be entitled to obtain a special type of policy regardless of the degree of their disability. It is hoped that this action will encourage the Finance Committee of the other body to report favorably the compensation bill, H.R. 10743, at an executive session of that committee scheduled for Friday, August 3. The bill H.R. 12333 is scheduled for debate on the floor of the House on Monday, August 6, under suspension of the rules.

PERSONAL ANNOUNCEMENT

Mr. REUSS. Mr. Speaker, on rollcall No. 187 I was absent. Had I been present I would have voted "yea." I ask unanimous consent that this statement appear in the RECORD.

The SPEAKER. It will appear in the gentleman's statement.

THE VIENNA DECLARATION ON COOPERATION FOR DEVELOPMENT

Mr. REUSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, there was convened in July 1962, in Salzburg and Vienna, Austria, a Conference on International Cooperation and Partnership devoted to the problem of raising the standard of living in the newly developed countries. The Conference, in which I had the honor of participating, was sponsored by the Theodor Korner Foundation for the Promotion of Sciences and Arts, and was participated in by delegates from 33 countries. At the conclusion of the Conference the declaration was presented to the President of Austria, Dr. Adolf Scharf at the Hofburg in Vienna.

The Conference was chaired by Dr. Bruno Kreisky, Foreign Minister of

Austria. Among the participants were Sir Charles Darwin and the Right Honorable Earl of Listowel, of Great Britain; Prof. P. C. Mahalanobis, Director of the Indian Statistical Institute in Calcutta and a member of the Indian Economic Planning Commission; Asoka Mehta, member of the Praja Party of Bombay; B. K. Nehru, Ambassador of India to the United States; Dr. Alva Myrdal, of Sweden.

Among the U.S. participants were Paul Hoffman; Prof. Morroe Berger, director of Near Eastern studies for Princeton University; Prof. Eric Waldman, head of the Political Science Department of Marquette University; and Wallace J. Campbell, of Nationwide Insurance, Columbus, Ohio.

Among the other delegates were the Minister of Planning and Finance of Tunisia, the former Prime Minister of Uganda, dean of the faculty of the National College of Thailand, the Director General of African Affairs in the office of the President of Ghana, a member of the research staff of the Japan Development Bank in Tokyo, and a professor of economic policy and international relations at Hitotsubashi University in Tokyo, the president of the Bank for Cooperatives in Turkey.

The South American countries represented were Argentina, Colombia, Venezuela, and Peru. From Africa were delegates from Ghana, Kenya, Mali, Morocco, Nigeria, Senegal, Tanganyika, Tunisia, and Uganda.

The text of the declaration follows:

Preamble

1. We, the citizens of many countries, rich and poor, have gathered together to consider what we regard, next to the maintenance of peace, and very much related to it, as the most urgent problem of our times. That problem is the one posed by the continuance in the second half of the 20th century, of conditions of poverty, misery, disease and degradation for two-thirds of the human race. Not more than one-third of the men and women of this world can be said to be adequately fed, clothed, housed, and educated. And while the income of this fortunate third of humanity continue to increase, the underdeveloped world continues to stagnate, thus widening rapidly the already large gap that exists between the rich nations and the poor nations.

2. We regard the continuation of this state of affairs as immoral. The kind of inequality that exists between nations would never be permitted within the frontiers of a modern progressive nation-state; for the human conscience no longer tolerates the provision of luxuries for a few when the many are deprived of necessities. This inequality is avoided within the nation-state by continuous transfers of wealth from the rich to the poor individual and from the rich areas to the poorer ones. The world has become too small for fellow-feeling between man and man to stop at political frontiers.

3. The economic consequences of this international maldistribution of wealth are as harmful to the rich nations as to the poor. International trade is as largely restricted to commerce between the developed nations; the underdeveloped nations have little part in it because they do not have the goods to sell in exchange for the commodities they so desperately need to buy. An increase in the production, and therefore in the purchasing power, of the 2 billion people in the underdeveloped countries would open up vast new horizons of international trade for the benefit no less of the rich nations than of the poor.

4. Politically, the increasing contrast between the rich and the poor is capable internationally of having the same disastrous consequences that inequality within nations has had among those who were not alert enough to check its growth in time. It is not the part of wisdom to allow conditions to continue, which, if not remedied, cannot but end in the destruction of the world order as we know it—in war, civil strife, and chaos.

5. There are enough resources in the world today—and these resources are annually augmented—to wipe off poverty from the face of the earth. We believe that it is the inescapable obligation of the whole of humanity, whether rich or poor to cooperate in this task. The primary responsibility for development must rest on the people of the underdeveloped countries themselves. It is their obligation to strain every nerve, to make every sacrifice, to draw out from their own meager resources, human and material, whatever may be required for the accomplishment of this task. Underdeveloped countries must plan and organize development; they must face the undoubtedly painful task of changing the structure of society wherever it stands in the way of progress; they must determinedly remove the vested interests which stand in the path of advancement; they must insure that their scarce resources are not wasted in high consumption or unwise investment and they should pay adequate attention to the consequences of a rapid rise in population.

6. It is however beyond doubt that the resources of the underdeveloped countries, whether in men or money, are insufficient to produce an effective rate of growth. We consider it the obligation of the developed countries to aid this task of development by providing to their less fortunate brothers the resources they lack.

7. The resources required for the creation of wealth are the tools of production and the knowledge to put them to use. The tools can be provided, firstly by enabling the underdeveloped countries freely to sell their goods, by removing the barriers that are now placed in their way in the markets of the developed countries. They have, secondly, to be provided by rapidly increasing programs of capital assistance so that noncommercial capital transfers reach the minimum level of 1 percent of the total combined national incomes of the developed countries. The knowledge can be provided by increasing substantially the programs of technical assistance.

8. We recommend that the governments of all nations pledge to each other that they will, during the United Nations development decade, do whatever they can, to develop the underdeveloped parts of the world so that humanity may be rid of the age-old but now totally unnecessary curse of poverty.

I. PROBLEMS OF DEVELOPMENT

The poverty of the peoples of Asia, Africa, and Latin America is the central problem of our times. Partly as the heritage of colonial exploitation, partly as the byproduct of increased population, partly because of the poverty of capital and education, the standard of living of families in developing countries is tragically low—only a tiny fraction of that of families in the rich countries.

What is worse, the gap has been progressively widening.

For every reason—political, economic, and moral—the challenge presented by this gap should be met by a partnership to extend prosperity to all peoples. But as yet the world—particularly the more fortunate peoples—is only dimly aware of what is needed to meet this challenge.

The partnership between the have and the have-nots must be sought in expanding trade in order to enable the developing countries to earn their own way as far and as soon as possible; in increased aid by the advanced nations—in goods, in capital, and in shared skills and in the determination by the developing countries to create modern societies characterized by vastly expanded agricultural and industrial production, and above all by social justice.

II. TRADE

To enable the developing countries to acquire the capital for their development, they must be allowed (1) to export the largest possible volume of goods, (2) under terms which yield them the largest possible income.

Barriers to trade on the part of the advanced nations now prevent realizing this first objective. Indeed, economic alliances, customs unions, common markets, and similar regional organizations, though desirable in their essential concept, could impair unity if they raised walls against products of the developing countries or discriminate in favor of the products of one developing country at the expense of another.

Moreover, the instability of prices of many raw materials and agricultural products of underdeveloped countries has created a steady deterioration in the terms of trade. The poor countries are hurt, and the rich countries get richer.

Accordingly, we call for the adoption of the following principles:

1. The developed countries must progressively lower their tariffs—tariffs, quotas, taxes—against the products of developing countries. This liberalization should include not only traditional agricultural and raw materials but, increasingly, manufactured goods. The liberalization must be brought about by individual developed nations, by customs unions, and by the industrialized nations as a whole.

2. The developed countries must assume responsibility for protecting the traditional exports of underdeveloped countries from the consequences of violent price fluctuations. Commodity agreements aimed at stabilizing income or prices need to be expanded. An international insurance fund, which would adequately compensate against harmful price fluctuations and permit the planning of production for full consumption, should be established.

3. The developing countries must be allowed to depart from the principles of free trade for a time sufficient for them to develop needed industries including those in aid of agriculture. Regional organizations can serve a useful purpose by recommending plans for locating new industries where they will permit the most effective use of labor and materials.

4. The advanced countries must pursue vigorous policies of full employment, maximum growth, and stable currencies, not only for their own benefit but in order to provide the widest possible market for the goods of developing countries.

III. AID

The needs of the developing countries for foreign capital over and above export earnings are enormous for the period until they can grow by themselves. Our goal is the fastest possible self-sustaining growth.

The developed nations should jointly agree to the goal of providing to the underdeveloped world a minimum of 1 percent of their gross national product in public loans, grants, and technical assistance (as distinct from public or private capital investments or credits on commercial terms). Because this will still do little to close the gap between the rich and the poor, we hope that it may be supplemented by resources released by progressive disarmament.

The aid programs of the developed nations are complicated by the balance-of-payments difficulties confronting some of them.

Those of the developed countries which have accumulated large monetary reserves must provide substantial credits. Furthermore, these must be on terms which permit them to be spent in countries whose balance-of-payments difficulties make it easier to supply goods than credits.

To encourage private investment in underdeveloped countries on terms that are fair, we recommend new arrangements whereby the receiving country guarantees against political risks, in return for the gradual transfer of the investment from the investing countries within a specified time limit.

Economic assistance from the developed countries should include grants, particularly for technical assistance, surveys, and education; long-term, low-interest loans, repayable in local currency, for the economic infrastructure, such as ports; and "harder" loans, as from the World Bank. To the greatest extent aid should be channeled through the United Nations.

More imaginative arrangements for channeling surplus foods through to hungry people, such as school lunch programs or work projects, should be expanded.

Technical assistance missions give a constructive opportunity for one less-developed country to help another.

No political condition should be attached to aid. But the developing country must frame a coherent plan, drawing on the cooperative effort of all social groups, to raise incomes and make them more equal, to increase the literacy rate, and to improve its system of taxation and land tenure.

IV. ARMAMENT COSTS AS AN OBSTACLE TO DEVELOPMENT ASSISTANCE

Even partial disarmament could bring a tremendous lift to worldwide standards of living by releasing material resources.

Plans for a wise and equitable utilization of possible savings from disarmament should be made immediately.

Additional gains from disarmament are: (1) A political climate conducive to international cooperation; (2) the release of high-quality human resources—scientists, administrators, and gifted young people.

V. STRUCTURAL REFORMS IN DEVELOPING COUNTRIES

1. For rapid economic, social, and cultural development it is essential to utilize for productive purposes in the most effective way the available human and natural resources for the benefit of all the people of the country.

2. It is necessary to create favorable conditions by continually improving opportunities and by promoting equality of opportunities for education and productive work and removing all obstacles based on caste, custom, color, creed, language, or regional, economic or legal restrictions which may hamper the fullest productive utilization of all resources, by the people, for all the people.

3. It is also necessary to promote the growth of the scientific outlook and of scientific research in its widest sense to supply the concept of objective validity based on relevant data and correct reasoning as the guiding principle in making decisions. This is the heart of the problem of modernization.

4. We therefore recommend the adoption and speedy implementation of a long-range comprehensive policy of planning for national development based on essential reforms in agriculture, education, fiscal policy and social-economic and political institutions in accordance with the principles enunciated above.

5. Information, ideas, advice, economic aid, and technical and scientific assistance from outside are essential and are urgently needed, but the principal effort for development must come from the people themselves. The encouragement and the promotion of voluntary, democratic, nongovernmental agencies for social, economic, and cultural development should be an integral part of national planning in addition to direct governmental efforts. Foreign aid should be purposeful and efficiently directed to promote modernization and the growth of democratic institutions.

6. Land reform is needed in many regions in order to avoid the inability of the farmer to invest in their work for lack of land, while other land remains totally or partially unused because of absentee ownership. In any case, land reforms should be implemented on the double basis of social justice and economic efficiency and usury and sharecropping should be regarded as obstacles to progress in agriculture.

7. The cooperative movement is of vital importance in the transformation of the economic, educational, and social structure of developing countries, particularly countries moving from subsistence to market economies and as a unique, practical, and indispensable channel through which the people can help themselves. In a mixed economy private enterprise would play a useful part and adequate credit should be made available to independent businessmen to enable them to compete with larger establishments.

It is recommended that legally and eventually constitutional measures should be taken in order to encourage and develop the cooperative movement. It is also recommended that part of the foreign aid program be channeled through cooperative institutions directly to the people through their free genuine credit unions and other cooperative associations which are controlled and administered by their members. Where these cooperative associations do not exist or are in need of further development, it is recommended that some foreign aid funds be used to encourage their creation and development.

8. It is necessary to insure that workers can secure an adequate share of the fruits of their labor in accordance with the principles of equity and social justice. Every effort should be made to insure freedom of association and to encourage trade union movements directed to increasing production, technical training, and improvements, social advance and rapid national development.

9. It is necessary to direct attention to the importance of demographic problems in relation to economic development and national planning.

VI. EDUCATIONAL AND CULTURAL RELATIONS

1. There is urgent need to establish a nationwide system of education with the widest possible base at the primary stage suited to the needs of the country and within its financial resources. While we believe that the standards of university education in the developing countries should be maintained and improved, we urge that immediate and greater emphasis should be placed on training in public administration, technical education, and on the teaching of skilled trades with a view to the successful implementation of development plans. In order to facilitate this task, we recommend that more support should be given to technical colleges and commercial schools, and for the provision of scholarships for technical training overseas.

2. There is also urgent need of establishing and supporting national and regional scientific and technological institutions to promote facilities for advanced studies and research for the people of the developing countries, with the active collaboration of scientists and technologists from advanced countries who would come to work in such institutions for suitable periods. The aim must be to create a sufficiently large community of professional scientists to facilitate free interchange of ideas and experience, to provide the stimulus of objective scientific criticism, and to promote the growth of the spirit of science and the modernization of society.

3. We recommend that all national development plans should include an account of social and cultural conditions in the developing country preparing the program, as well as indicating its economic requirements and proposals for meeting them.

4. We recommend that the public in the developed countries should be made aware of the character, the needs and the cultural heritage of the developing countries by the widest possible use of educational and cultural agencies, that is exchange of teachers and lectures, translations of classical and modern publications by African, Asian and Latin American authors, by founding of institutes for African, Asian, and Latin American studies, exhibitions of art and other local products and by means of all the channels of publicity. At the same time educational efforts should be undertaken in the developing countries to create a climate of cooperation.

In particular, efforts should be made to strengthen international understanding and peaceful cooperation, based on objective and truthful information about peoples of different regions of the world.

5. In order to promote partnership in cultural cooperation between developed and developing countries, we recommend the mutual adoption of towns, schools, youth organizations, cooperatives, and other nongovernmental organizations by corresponding institutions.

6. We recommend that all technicians, voluntary workers, and other persons from developed countries proceeding to work in developing countries should undergo a course of study about the social conditions, cultural backgrounds and history of the country to which they are sent. And care should be taken to select personnel capable of quick adaptation to local conditions.

7. We are fully aware of the role of education in bringing about economic and social development. In particular, programs in the field of adult education for the promotion of literacy, vocational training and health instruction should be extended. We recommend organizations and governments to support to their utmost the work of UNESCO in the sphere of planning and improving education at all levels.

8. We recommend that the developed countries utilize the idealism of their youth in their assistance programs to the developing countries both through governmental and privately sponsored programs. The eventual possibility of multilateral enterprises of this type, perhaps under the auspices of the United Nations, should be ascertained, because of the greater impact of multilateral undertakings.

THE ANTITRUST CIVIL PROCESS ACT

Mr. WHITENER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WHITENER. Mr. Speaker, since consideration of the conference report on S. 167 I have received from the Association of the Bar of the City of New York the report of the committee on trade regulation of that association dealing with the Antitrust Civil Process Act. This report appears in volume 1, Bulletin No. 3, dated July 1962, issued by that association.

This report supports the position taken by the House in rejecting the conference report which had eliminated the so-called MacGregor amendment. It further points out additional objections to the legislation as contained in the conference report.

It is well established that I have consistently felt that S. 167 is not desirable legislation. If it should come back to the floor again on a new conference report, I am hoping that the Members of the House will seriously study the legislation and that in their study they will consider not only the objections that some of us have expressed, but will also take into account those expressed by the Committee on Trade Regulation of the Association of the Bar of the City of New York.

A REPORT ON S. 167, 87TH CONGRESS, 2D SESSION, ANTITRUST CIVIL PROCESS ACT

(By the Committee on Trade Regulation)

We understand that S. 167 has been passed by the Senate and, with some amendments, by the House, and that at a joint conference on May 28, 1962, the following two changes were made in the House bill by a vote of 6–4:

Section 3(a) of the bill, as passed by the House, defined the authority of the Department of Justice in making a civil investigative demand as extending only to persons "under investigation." The conference report struck out the words "under investigation."

Section 4(c) of the bill, as passed by the House, limited to duly authorized representatives of the Department of Justice examination of documents obtained by the Department pursuant to a civil investigative demand. The conference report added the words "or the Federal Trade Commission" to this section, thereby making such documents available for examination by duly authorized representatives of the Federal Trade Commission.

1. Elimination of the words "under investigation" by the conference report indicates that a bill not including these words is intended to authorize the Department of Justice to use the demand to call for production of documents by companies not "under investigation" for an alleged civil antitrust violation or indeed not even suspected of violation. This highlights a substantive point which was not commented on by this committee in its June 21, 1961, report on S. 167 to the Antitrust Subcommittee (Subcommittee No. 5) of the House Committee on the Judiciary. Upon consideration of this point, we recommend retention of the words "under investigation" in section 3(a) of the bill.

We start with the basic premise that, under our system of government, private files should not be subject to the call of the Executive unless there is an overriding public necessity, and then only with appropriate safeguards. While the civil investigative demand is a considerable extension of the power of the Executive, the need for such a process against suspected violators to assist in effective enforcement of the antitrust laws has been well documented. However, need has not been demonstrated to require companies that are not suspected of violation to search for and produce from their files "a class or classes of documentary materials" in the course of a precomplaint investigation of some other company or companies.

Under these circumstances, account should be taken of the burden in terms of time, cost and inconvenience to business operations which would be imposed upon those not suspected of violation in being required to respond to, or indeed to take court action against, civil investigative demands addressed to them. Also to be taken into account is the fact that the Department of Justice has other means of obtaining information from those not party to the investigation, including detailed public data, voluntary disclosure, and the pretrial procedures under the Federal Rules of Civil Procedure when its complaint has been articulated and defined.

The balance of all these factors, in our judgment, is against application of the civil investigative demand to those not "under investigation." We believe inclusion of the words "under investigation" will properly require the Department to use the demand advisedly and discriminatingly only against those actually suspected of violation, while at the same time permitting it to utilize the already existing procedures for obtaining information from persons who are not the subject of its particular civil antitrust investigation and against whom it does not intend to proceed.

2. By the second change in the bill as passed by the House, the conference report would authorize the Federal Trade Commission to have access to documents received by the Department of Justice pursuant to a civil investigative demand. This is unnecessary, because the Federal Trade Commission in the performance of its duties and for purposes of its own proceedings already has independent authority to require companies to submit documents directly to it. It is also undesirable, because giving the Federal Trade Commission unrestricted access to documents submitted to the Department of Justice would have the result that if the Federal Trade Commission uses the documents for other purposes, then, despite the provisions in section 3(b)(1) of the bill,[1] the company supplying the documents would not know the possible charges against it.

We also note that existing law, section 8 of the Federal Trade Commission Act, provides that, when directed by the President, the Department of Justice shall furnish the Federal Trade Commission documents in the possession of the Department relating to any corporation subject to the Federal Trade Commission Act. We therefore suggest that if it is desired to carry section 8 of the Federal Trade Commission Act, with its reservation as to Presidential direction, over into the present bill, the words "or pursuant to section 8 of the Federal Trade Commission Act" should be substituted for the words "or the Federal Trade Commission."

Respectfully submitted.

Committee on Trade Regulation of the Association of the Bar of the City of New York; Roy H. Steyer, Acting Chairman; Albert C. Bickford, George H. Cain, J. Kenneth Campbell, Joseph V. Heffernan, John Howley, David Ingraham, Edward F. Johnson, Maximilian W. Kempner, John J. Scott, Frank A. F. Severance, Nelson F. Taylor, Allan Trumbull, and Edward Wolfe.

KICKBACK FROM PATRONAGE JOBHOLDERS

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Speaker, I was quite shocked, to say the least, when I picked up the July 27, 1962, issue of the Rockford (Ill.) Morning Star and read on the front page the following statement of Mr. Frank E. Wolfe, an electrician at the Dixon State School, Dixon, Ill.:

> I've been a Democrat since the days of Al Smith. I'm an electrician by trade and a good one. I don't think I have to pay to keep my job. This is nothing but an out-and-out shakedown.
>
> But I'm not going to pay one cent on this deal. I've fought shakedowns all my life. They're no good for the party and pretty soon the money gets top heavy that way.
>
> I know they'll get me for not going along. But all I've got to lose is a job. I'm not going to lose my self-respect.

Mr. Speaker, this was the fighting statement made by an honest man, who, along with other employees holding patronage jobs at the Dixon State School or with the State highway department, refuse to be blackmailed by Mr. E. M. Sullivan, Democratic chairman of Lee County in my district. Mr. Sullivan has ordered all patronage jobholders in the county to contribute 2 percent of their salaries to the party under threat of losing their jobs.

Mr. Speaker, title 18, United States Code, section 600, reads as follows:

> Whoever, directly or indirectly, promises any employment, position, work, compensation, or any other benefit, provided or made possible in whole or in part by an act of Congress, to any person as consideration, favor, or reward for any political activity or for the support or opposition to any candidate for any political party in any election, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

In addition, Mr. Speaker, the Dixon State School has been the regular recipient of Federal research grants and more Federal funds will be going to the school in the near future for use in a mental health survey.

Therefore, it is obvious, or should be, to even the most flagrant wardheeler, that the actions of Mr. Sullivan in connection with the employees of the school, clearly fall within the purview of title 18, United States Code, section 600.

I call on my colleagues on both sides of the aisle to protect Mr. Wolfe from such abuse and urge the Department of Justice to proceed with vigor an investigation, and prosecution, under a law which plainly and unmistakably prohibits such activities.

According to the article, Mr. Sullivan acknowledged there is a long list of State job applicants and that some replacements might be made in the patronage jobs.

Mr. Wolfe was quoted in the paper as saying:

> I don't like someone to point a gun at me.

Mr. Speaker, it is obvious that Mr. Sullivan has put the gun to Mr. Wolfe's head—now we can wait and see if Bobby Kennedy will pull the trigger.

EDWARD J. ZENGER

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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[1] Sec. 3(b)(1) requires that each civil investigative demand shall "state the nature of the conduct constituting the alleged antitrust violation which is under investigation and the provision of law applicable thereto. * * *"

The **SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. **DULSKI.** Mr. Speaker, this week the county of Erie, in New York State, will lose the services of a great champion for veterans rights. He is Edward J. Zenger, of Buffalo, N.Y., who retired on July 31 as director of the Erie County Veterans Service Agency for the last 31 years.

Mr. Zenger is a veteran of World War I, and took up his work in behalf of veterans almost as soon as the ink dried on the signing of the armistice following the First World War. As every veteran who has sought aid and advice from Mr. Zenger will attest, he has given of his time unselfishly, unstintedly, without thought of personal reward.

Although he is retiring at the mandatory age of 70, Mr. Zenger does not plan to sever his service to fellow veterans. He intends to continue doing what he can for the cause of veterans by remaining active in a number of organizations to which he belongs such as the American Legion, the International Veterans Association, and others.

In the past Mr. Zenger has held numerous positions in veterans organizations, including commander of Troop I, Post 665, American Legion—of which he is now a life member—county legion service officer for 31 years; president of the Post Commander Club of Erie County, president of the County Veterans Service Officers Association of New York State, and department director of service and rehabilitation for the Marine Corps League.

Mr. Zenger is still chairman of Troop I Post's Burial Benefit Fund, treasurer of the International Veterans Association, and department rehabilitation director for the Marine Corps League.

Mr. Zenger tells a very interesting story about the day he looked up from his desk to find a deranged veteran standing over him with a loaded gun. This man accused Mr. Zenger of being responsible for his commitment to a mental hospital. Mr. Zenger carefully explained the procedure and told him that such committal could only be accomplished by the signed request of the nearest relative or by court order. When the veteran demanded to know who had signed the papers, Mr. Zenger disclaimed all knowledge of who was involved and, fortunately for him, the veteran left without using his gun.

The Erie County Veterans Service Agency has mushroomed from four employees in 1931, when he took charge, to its present complement of 22. Its growth and the service this office has rendered over this period is a tribute to Mr. Zenger, its director during these years. His wise counsel and understanding guidance in this capacity will be missed by many of the veterans in Erie County. I know I echo the feelings of our entire community in wishing him and his gracious wife many years of happiness.

ATOMIC TEST-BAN TREATY

Mr. **HOSMER.** Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from California?

There was no objection.

Mr. **HOSMER.** Mr. Speaker, the decision of the administration yesterday, by the President, to change the terms of an atomic test-ban treaty is a political one. It indicates a willingness to lower the prospects of detection of nuclear cheating. The technical facts of the matter will not justify a change in position and, therefore, it amounts to deception of the American public. It accepts the eight neutral nations' idea that cheaters will be expected to furnish information by which their own cheating can be detected.

As to inspection, it is a variation of the inadequate eight neutral nations' proposal made April 16 by which test ban cheaters would be expected to and relied upon to help supply the data needed to detect and locate their own cheating.

As to inspection, it implies a United States retreat from its demand for adequate and meaningful inspection which would, in fact, impose on cheaters a reasonable risk of getting caught. It fails to emphatically reject illusory inspection procedures which are too few in number and too cursory to verify cheating.

The deliberate vagueness of the President's statement is excused by inferring it gives the United States leeway to negotiate at Geneva. However, this same vagueness hides from the U.S. public just what is in the President's mind and denies Americans the opportunity to determine just how far the administration intends to go in caving-in and surrendering to Soviet demands for a one-sided treaty upon which it could cheat and gain overwhelming surprise nuclear weapons superiority while the United States and other free world nations bask in a false feeling of security.

The new position could well amount to no more than a blueprint for piecemeal surrender to Soviet demands not only on the test ban issue, but later on the Berlin issue and ultimately on the fatal issue of Soviet world domination.

ADDITIONAL COPIES OF HEARINGS OF DENT COMMITTEE

Mr. **HAYS.** Mr. Speaker, by direction of the Committee on House Administration I call up House Concurrent Resolution 500 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

> *Resolved by the House of Representatives (the Senate concurring)*, That there be printed for the use of the Committee on Education and Labor one thousand additional copies each of parts 2, 3, 6, and 7 of the hearings held by that committee on the impact of imports and exports on employment.

Mr. **GROSS.** Mr. Speaker, will the gentleman yield?

Mr. **HAYS.** I yield.

Mr. **GROSS.** Does this authorize the printing of additional copies of the Dent subcommittee investigations on imports and exports?

Mr. **HAYS.** It authorizes the printing of certain parts of that report, specifically, parts 2, 3, 6, and 7.

Mr. **GROSS.** But it is a product of the Dent subcommittee?

Mr. **HAYS.** Yes, it is the Dent subcommittee.

The **SPEAKER.** The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT OF JOINT COMMITTEE ON ARRANGEMENTS TO COMMEMORATE THE 100TH ANNIVERSARY OF THE FIRST INAUGURAL OF ABRAHAM LINCOLN

Mr. **HAYS.** Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 503 and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

> *Resolved by the House of Representatives (the Senate concurring)*, That there shall be printed as a House document the report of the Joint Committee on Arrangements To Commemorate the One-hundredth Anniversary of the First Inaugural of Abraham Lincoln and that said report may include such illustrations as the joint committee may include. The preparation of material for printing and the selection of an appropriate binding shall be under the supervision of the subcommittee of the joint committee on arrangements for the commemorative ceremony, and said chairman shall cause to be printed seven thousand five hundred copies so as to furnish ten copies to the Vice President, each Senator, each Representative, and the Resident Commission from Puerto Rico; and the remainder be equally distributed by the joint committee through its chairman to the various organized groups, associations, and such people who assisted the joint committee in the preparation and development of the program.

Mr. **GROSS.** Mr. Speaker, will the gentleman yield?

Mr. **HAYS.** I yield to the gentleman from Iowa.

Mr. **GROSS.** Does this involve any additional expenditure or will the costs for printing be paid for out of funds already appropriated to the Commission? There is a Commission already in existence in connection with this 100th anniversary.

Mr. **HAYS.** I may say to the gentleman this will involve additional funds in the amount of $7,382.62 which will be paid by the House of Representatives. This will be printed as a House document.

Mr. **GROSS.** Could not these funds have been taken from the Commission that is in existence and for which a substantial appropriation has been made?

Mr. **HAYS.** Under the printing law I do not think that would have been possible. I may say to the gentleman that this resolution was introduced by a colleague of the gentleman from Iowa.

Mr. **GROSS.** I understand perfectly well where the resolution comes from.

but I would hope that this printing could be paid for out of funds already made available.

Mr. HAYS. I had hoped so, too, but this is being printed as a House document, and that would not be possible.

Mr. GROSS. I thank the gentleman.

The SPEAKER. The question is on the House concurrent resolution.

The House concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

U.S. DEFENSE POLICIES IN 1961

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 720 and ask for its immediate consideration.

The Clerk read the resoltuion, as follows:

Resolved, That the document entitled "United States Defense Policies in 1961", by Charles H. Donnelly, Library of Congress, be printed as a House document.

The resolution was agreed to, and a motion to reconsider was laid on the table.

THE CONGRESSIONAL RECORD

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 497.

The Clerk read the House concurrent resolution, as follows:

Whereas the Congressional Record is established as substantially a verbatim report of proceedings of both Houses of the Congress; and

Whereas Congress is the staging area for the discussion and resolution of the major national issues confronting the United States; and

Whereas this "national dialog" reaches a climax in the passage or the defeat of legislation; and

Whereas thousands among the leaders of our country in both public and private stations depend upon the Congressional Record for details of these dialogs: Therefore be it

Resolved, That the Joint Committee on Printing, which is assigned control and supervision of the Record under sections 181 and 182 of chapter 6, title 44, United States Code, conduct a study of the Congressional Record with a view to improving its format, index, typography, organization of materials, and other aspects relevant to such a study; and be it further

Resolved, That the Joint Committee on Printing, if it deems it provident, shall call upon experts in the communications media and possibly public spirited citizens, such as civic leaders, Government officials, and scholars, to sit as an advisory committee in order to render such help as may be needed; and be it further

Resolved, That the Joint Committee on Printing shall, if it deems it advisable, be empowered to incur whatever expenditures are necessary to the proper carrying out of this study, but that in no event shall the sum exceed the amount of $50,000; and be it further

Resolved, That the joint committee shall report its findings to the Congress within one year after date of passage of this concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to know what prompts this resolution. Is there something wrong with the present CONGRESSIONAL RECORD that needs to be remedied, or what is the story?

Mr. HAYS. May I say to the gentleman there is a bill before the committee introduced by the gentleman from Missouri [Mr. JONES] which would limit the amount of extraneous matter in the Appendix of the RECORD. Presumably the gentleman from Missouri [Mr. JONES] will be heard under this resolution. The gentlewoman from Oregon [Mrs. GREEN], who introduced the bill, testified before the committee that it was difficult—and I think the gentleman will agree—to find things in the daily RECORD. She has proposed that a study be made of an indexing system which would enable Members and other people using the RECORD to quickly find things that went on during the proceedings of the Congress on any given day.

Personally, as a member of the Joint Committee on Printing, I do not think the joint committee will spend $50,000, or any substantial part thereof. I think whatever hearings are had by the staff of the committee—and the experts who may be called will presumably be from the Government Printing Office and, perhaps, some publication company experts in indexing—but in any case the cost in my opinion under this would be negligible and next to nothing.

Mr. GROSS. I am glad to have the gentleman's assurance, or shall I say the mutual hope that this will not cost $50,000.

Mr. HAYS. Well, I think I can go further than a mutual hope, and assure the gentleman that it will not cost anything like that. I am a member, as I say, of the committee, and my colleague, the gentleman from Ohio [Mr. SCHENCK], is a member of the committee. I would be glad to yield to my colleague, the gentleman from Ohio [Mr. SCHENCK], if the gentleman would like to say something about what the gentleman thinks about this matter.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Yes; I yield to the gentleman from Ohio.

Mr. SCHENCK. I would like to say to our colleague, the gentleman from Ohio [Mr. HAYS], that I am in very definite agreement with my colleague in assuring the Members of the House that there will not be any substantial expenditure of funds in this study. There has been considerable urging upon the part of a number of Members about the CONGRESSIONAL RECORD being more readable or an easier read document, perhaps by changing the size of the type or by changing the style of the type in some way, in addition to the indexing to which my colleague referred.

Mr. Speaker, this is a matter for the study of the joint committee. I am certain it will not cost anything like the amount provided for in this bill.

Mr. GROSS. Can the gentleman from Ohio [Mr. HAYS] tell me what is meant by these two words that are quoted in the resolution, "national dialog"? What is the meaning of "national dialog"?

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. HAYS. I presume that means the dialog that is now taking place between the gentleman from Iowa and myself. That is a part of the "national dialog."

Mr. GROSS. Mr. Speaker, I have never before heard it so described.

Mr. HAYS. That is another way of saying "what is said on the floor," calling it a national dialog.

Mr. GROSS. I thank the gentleman for the gentleman's explanation.

Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. SCHENCK. Mr. Speaker, further reserving the right to object, and I shall not object, may I suggest that perhaps a better term for "national dialog" would be "colloquy" on the floor. May I also inquire of my colleague, the gentleman from Ohio [Mr. HAYS] if the gentleman intends to make the letter from the Public Printer part of the RECORD which explains the position of the Public Printer on this matter?

Mr. HAYS. If the gentleman will yield, yes. I ask unanimous consent, Mr. Speaker, to include the letter which we have received from the Public Printer at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The letter referred to follows:

U.S. GOVERNMENT PRINTING OFFICE,
Washington, D.C., July 16, 1962.

Hon. OMAR BURLESON,
Chairman, Committee on House Administration, U.S. House of Representatives, Washington, D.C.

DEAR MR. BURLESON: I have no objection to House Concurrent Resolution 497, to provide for a study of the CONGRESSIONAL RECORD with a view to improving its format, index, typography, organization of materials, and other aspects. It would be possible to produce the CONGRESSIONAL RECORD in a manner that would eliminate some of the present objections, but there are many factors which would be involved and numerous far-reaching changes in its preparation, organization, and production which would be necessary to bring about the desired improvements.

Some of the corrective measures that would have to be taken lie without the purview and authority of the Government Printing Office: The Office's capacity and facilities are now taxed to the utmost to produce the increasingly larger issues of the RECORD.

Any change made in the organization of the RECORD or any proposals to change its format or type size, to add an index, change the method of binding, or alter the present physical limitations of the RECORD would seriously affect this Office. For example, to increase the type size from 7½ to 9 point would increase the bulk of issues by approximately 50 percent. If this or other similar changes were called for, the Office would require additional presses and other complementary equipment. The Public Printer must be kept in the picture throughout the entire study lest the Government Printing Office be confronted with an assignment that it would be incapable of carrying out.

One of the factors that ought to receive consideration by the study group is the matter now printed in the Appendix. If the rules of the Record could be changed to eliminate this material—which makes up almost one-third of the average issue—it would provide more margin for manipulating the organization and content of the proceedings.

In the course of this study considerable thought should be given to the possibility of automation in the original typing to be used in conjunction with the typesetting operation, which is the most costly and time-consuming part of the production of the Record.

The foregoing are some of the matters that must be considered. The obstacles are not insurmountable, but they are intricate and difficult, and would involve changes in the current preparation, organization, and production of the Record at almost every step.

Our Night Planning-Production Manager has offered his comments on the proposed study. Some of them are a repetition of what I have already said, but his views, inasmuch as he directly supervises all the Record production operations, are informative and should have value to your committee.

His statement follows:

"The Record format has never been considered a model of typographical excellence. Arrangement and typography are designed to permit overnight production of the vast and varied amount of material that is submitted for publication. Good magazines spend more time copy fitting than we have for total production. Daily newspapers use as much of any article or story as they need to fill a given space; we cannot condense or eliminate. The publishers of nearly all other publications can plan their size; the Record has 537 authors, each with equal right to include what he wishes. When night sessions are held, copy is received quite late and there is no method of planning what has not yet been seen.

"To use a larger size of type would add to the number of pages and be very costly in new equipment. An index, to be of more value than the present Digest, requires time to compile and set; we have too little time now. A change of page size would involve stereotype equipment and presses that we do not have. Any change in binding—and this is one of the improvements desired—would involve the purchase or manufacture of equipment to process, without wire stitching, a large number of copies in a very short time.

"There is some possibility that a committee, such as the concurrent resolution proposes, could accomplish some reduction in the bulk of the Record. If it could be reduced to a verbatim report of the proceedings, with only the insertion of such material as is pertinent thereto, the reduction in size would enable the Office to spend a little more time on makeup, arrangement, and possibly binding. Some thought could be given to a larger size type. It should be recommended that if the resolution is approved, the Public Printer should be represented on the committee to insure that any improvements that would add to production time would be accompanied by restrictions on the part of the Congress that would limit the size and number of insertions of extraneous matter."

I will be glad to furnish any additional information that you may desire.

Very truly yours,

James L. Harrison,
Public Printer.

Mr. SCHENCK. Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

SIXTEENTH ANNUAL REPORT COVERING U.S. PARTICIPATION IN THE UNITED NATIONS IN 1961—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 501)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with illustrations, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

Pursuant to the provisions of the United Nations Participation Act, I transmit herewith the 16th annual report covering U.S. participation in the United Nations in 1961.

In the course of that year the United Nations faced and surmounted several crises; dealt with a heavy parliamentary agenda; administered expanding programs in the economic and social field; and took several steps of potentially great significance for the future peace and prosperity of the world.

A detailed record of these events and accomplishments is set forth in the body of this report, but in transmitting it to the Congress I should like to call attention to three matters of compelling importance which the United Nations faced in 1961.

First was the administrative crisis at United Nations Headquarters. This arose when the Soviet Union sought to replace an impartial Secretariat with a three-headed directorate—representing the Communist bloc and the so-called capitalist and neutralist groups of nations—each with a veto. This attempt to destroy the executive capacity of the United Nations, following the untimely death of the late Secretary General Dag Hammarskjold, was rejected decisively. In the unanimous election of U Thant to fill Mr. Hammarskjold's unexpired term, the full integrity of the office of the Secretary General was preserved.

Second was the operational crisis for the United Nations peacekeeping force in the Congo. By the end of the year, the secession of Orientale Province had been brought to an end, fighting in Katanga was replaced by a cease-fire, and the dissidents in Katanga had agreed to negotiate for reintegration of that Province with the rest of the Congo.

Third was the financial crisis. This was brought on mainly by the refusal or inability of some members to pay their share of the cost of peacekeeping operations in the Congo and the Middle East. In the course of the year the General Assembly adopted a three-point plan to meet immediate peacekeeping costs, collect arrearages, and provide adequate funds until a more permanent method can be devised for financing future peacekeeping operations.

Despite the dangers and strains of these crises, the United Nations in 1961 took three steps which I believe will be of great future significance to the world's security and well-being.

First. The United Nations created the 18-Nation Disarmament Committee agreed upon by the United States and the Soviet Union as a forum for renewed disarmament negotiations which began this spring in Geneva. In presenting to the General Assembly the U.S. proposals for general and complete disarmament in a peaceful world, the U.S. delegation made clear that steps toward disarmament must be matched, at each stage, by steps toward improving the peacekeeping machinery of the United Nations. It is this essential linkage which will make disarmament a practical proposition whenever nations can agree on the necessary goals and safeguards. Every improvement in the machinery of peace will make it easier for us, with confidence, ultimately to begin dismantling the machinery of war. Whatever obstacles and disappointments may lie ahead, the world must some day travel the road to disarmament. For, in the nuclear age, armaments no longer offer fundamental security to any nation.

Second. The United Nations also laid the groundwork in 1961 for a U.N. decade of development to help speed progress toward the economic and social goals of the newly emerging nations. The launching of a world food program and the decision to hold an international conference on the application of science and technology to the less developed world are only initial steps. The United States intends to propose further measures to focus the resources of the United Nations on this 10-year drive against economic want and social injustice.

Third. Finally, the United Nations, in 1961, turned in earnest to the critical search for international cooperation in the exploration of outer space. Within the framework of the newly created U.N. Committee on Peaceful Uses of Outer Space, discussions were underway at the end of the year looking toward international cooperation in outer space, including cooperation between the United States and the Soviet Union in the development of communications and weather programs.

These were major constructive moves of the United Nations in 1961: To work toward the replacement of the machinery of war with the institutions of peace; to help guide the newly developing nations toward modernization; and to seek international cooperation in the exploration of outer space for the benefit of all. The United States played a major role in initiating these progressive steps in the United Nations. They served the foreign policy interest of this country; and they were wholly compatible with the mutually reinforcing policies which we have pursued through the institutions of the North Atlantic community, through regional organizations, and through diplomatic channels.

Meanwhile, the United Nations continued to play vigorously two indispensable continuing roles. It kept the peace in the Middle East and the Congo, and it continued to be absorbed in the often difficult transfer of dependent areas to nationhood.

Finally, it cannot be said too often that the Charter of the United Nations expresses well the basic precepts and standards of conduct that guide our own society. These precepts and standards are not destroyed because this nation or that, consistently or occasionally, violates them. The indestructible principles of the charter exert a gravitational pull which adds strength to every aspect of our worldwide diplomacy. The United Nations, under that charter, provides a framework within which we can pursue the highest goal of American foreign policy: a world community of independent nations living together in free association and at peace with each other.

JOHN F. KENNEDY.

THE WHITE HOUSE, *August 2, 1962.*

LEGISLATIVE PROGRAM FOR THE WEEK OF AUGUST 6, 1962

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I asked for this time in order to inquire of the majority leader if he will advise us concerning the program for next week.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Oklahoma.

Mr. ALBERT. This is the program for next week:

Monday is Consent Calendar day.

There are 12 suspensions.

First. H.R. 7796: National banks, real estate and construction loans;

Second. S. 1771: Foreign branches, Federal Reserve System;

Third. S. 1005: Federal Reserve branch banks, building construction;

Fourth. H.R. 12355: Indians, Choctaw Tribe property;

Fifth. H.R. 12333: Veterans national service life insurance;

Sixth. H.R. 10857: Vocational rehabilitation for certain blind veterans;

Seventh. H.R. 7600: Amend title 38, United States Code, relating to awards;

Eighth. H.R. 9922: Hospital and medical care to peacetime veterans;

Ninth. H.R. 4055: Science, monetary award medals;

Tenth. H.R. 12688: Authorize forestry research;

Eleventh. H.R. 9728: Increased appropriation, Cooperative Forest Management Act; and

Twelfth. S. 3064: Forests, national survey.

The above bills may not necessarily be called in the order in which they are listed.

On Tuesday there are primaries in Kansas, Michigan, and Missouri, and the appropriate unanimous-consent request will be made when I have completed announcing the program.

Tuesday is Private Calendar day.

There are five bills from the Committee on the District of Columbia which the distinguished chairman of the committee would like to call up on Tuesday. At the end of the announcement of the program I will ask unanimous consent that that be in order. These bills are:

First. H.R. 11019: Limited Partnership Act;

Second. H.R. 12675: Formation of partnerships;

Third. H.R. 11018: Amend the act concerning minors;

Fourth. H.R. 8737: Amend Traffic Act, collisions, motor vehicles; and

Fifth. H.R. 12708: Increase jurisdiction municipal court, civil actions.

Also on Tuesday, H.R. 11880, Foreign Service, building program funds, will be called up.

For Wednesday and the balance of the week:

First. H.R. 8845: Obstructions of investigations;

Second. H.R. 7283: Amend War Claims Act of 1948;

Third. H.R. 3460: Amend Trading With the Enemy Act; and

Fourth. S. 2135; Delegate certain functions, Security Exchange Commission.

I make the usual reservation that conference reports may be brought up at any time and any further program may be announced later.

If the gentleman will yield further, may I say that we have finished the legislative program for this week. In view of that, Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. GROSS. Reserving the right to object, Mr. Speaker, I wonder if the gentleman this week could give us any indication of when we might adjourn sine die and give the taxpayers a little relief.

Mr. ALBERT. If the gentleman will yield, I would like to be able to give the gentleman that information, but the gentleman knows, first of all, that the matter of adjournment does not rest solely within the jurisdiction of one body of the Congress.

Mr. GROSS. I know that.

Mr. ALBERT. For that reason, I am not able to supply the gentleman that information. I will be glad to do so when I have the appropriate assurances from all quarters concerned.

Mr. GROSS. There is such a word as "guesstimate" used around here.

Mr. ALBERT. I believe the gentleman is better equipped at that than I.

Mr. GROSS. I doubt that.

Mr. BROWN. If the gentleman will yield, may I inquire of the majority leader as to when the military construction bill will be scheduled?

Mr. ALBERT. It is my judgment although I have not been able to see the distinguished chairman of that subcommittee today, that it would be up within a matter of not over a week after next. I feel quite positive it will be up not later than a week after next.

Mr. BROWN. Can the gentleman give us any information as to two other important appropriation bills—one dealing with foreign aid funds and the other, of course, dealing with public works.

Mr. ALBERT. I am not able to supply that information at this time.

Mr. BROWN. I am asking these questions in an endeavor to be of help to my very learned friend from Iowa who is seemingly very much interested in returning to the broad lands of his native State of Iowa.

Mr. ARENDS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER. Is there objection to the request that when the House adjourns today, it adjourn to meet on Monday next?

There was no objection.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman.

POSTPONING ROLLCALL VOTES FROM MONDAY AND TUESDAY TO WEDNESDAY NEXT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that any rollcall votes except those on procedural matters and rules, in order on Monday or Tuesday may go over until Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DISPENSING WITH BUSINESS IN ORDER UNDER CALENDAR WEDNESDAY RULE ON WEDNESDAY NEXT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

COMMITTEE ON DISTRICT OF COLUMBIA

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that it may be in order for the Committee on the District of Columbia to call up certain bills on Tuesday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight tonight to file certain reports.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

UNFAIR ATTACKS ON PRESIDENT KENNEDY

Mr. RHODES of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RHODES of Pennsylvania. Mr. Speaker, the White House is occupied today by an able and dedicated President with a keen understanding of foreign and domestic affairs. He has worked diligently for the program which he advocated in his election campaign. His interest in progressive and humanitarian legislation and his efforts to stimulate the economy and fight unemployment have made him a target for many unscrupulous and unfair attacks. This is to be expected as all good Presidents have taken such abuse when they give priority to human rights and public needs.

In recent months, spokesmen for ultraconservative interests have become especially critical of President Kennedy and his administration. While some leaders of large corporations agree with the President on many issues, many top corporation executives and big business bureaucrats have become increasingly caustic in their opposition to President Kennedy and his progressive program.

Joined with syndicated columnists and conservative propagandists, they are engaged in a massive campaign to fool and deceive the people. They claim that the President is antibusiness, that he has dictatorial aspirations, that he is undermining our civil liberties, that he is asking for unprecedented powers from the Congress, and that he is subverting our national heritage by initiating Federal action to meet compelling national problems.

These myths are now being perpetuated in great profusion throughout the land. They are charges which must be openly and frankly debated.

I take the floor today, Mr. Speaker, to provide rebuttal to these charges which I believe to be erroneous, misleading, and ultimately inimical to the best interests of the Nation. The President is not antibusiness and he does not have dictatorial aspirations. His legislative requests do not ask for any radical or unprecedented discretionary powers and our civil liberties are not in danger.

It is my belief, Mr. Speaker, that when the actions of the Kennedy administration are placed in their historical context, they represent only one step further in the fulfillment and realization of the great ideal which our forebears set in motion almost 200 years ago.

I believe that the time has come to look beneath the smokescreen of lies and half-truths. I think that it is time for the mythology of the past to be placed under the magnifying glass of reality.

Let us look first at the "antibusiness" argument.

Republican leaders and their allies in the press and business are trying to convince our people that the Kennedy administration is antibusiness. They claim that the President is out to harass, control, or wreck the business community. Nothing could be further from the truth.

President Kennedy and those of us who support him in the Congress all know the importance of a sound business economy to the Nation's welfare and prosperity. The truth is that much has been done to help the Nation's business since the Kennedy administration came to power.

Last year President Kennedy proposed a special investment tax credit to encourage our industries to invest in new plant and equipment. Greater investment would increase productivity, reduce costs, and make American goods more competitive in world markets. When this measure was passed by the House of Representatives, it had my support.

To complement the tax credit the President last year directed the Treasury to revise the tax depreciation rules. Such revision as recently announced should give our businessmen more flexibility and provide up-to-date guidelines for charging off depreciation assets. Both the tax credit and new depreciation rules would give American businessmen a tax cut of more than $2.5 billion.

The President has also done all in his power to prevent costly strikes and work stoppages. It has held the line on prices and living costs better than any postwar administration. In the coming months, President Kennedy is expected to ask for a cut in the corporate income tax rate. This is not the record of an antibusiness administration.

I, too, Mr. Speaker, have been labeled "antibusiness" by some members of the business community in my district; mainly, I suppose, because of my support for progressive and liberal legislation. It is difficult for me to understand how anyone who votes for better social security, better schools, college loan scholarships, and decent housing can be called antibusiness.

These programs which I favor actually stimulate the economy and help all our people. They mean jobs for the unemployed, increased consumer spending power, and higher sales and profits for our businessmen.

In my 14 years in Congress, I have always gone out of my way to help the business community in meeting any problems that they may have had with the Federal Government. I have done everything that I could to assist in securing small business loans and defense contracts for our local industries.

The truth is, Mr. Speaker, that the antibusiness label is a smokescreen by which reactionary interests hope to turn the people against the President and his liberal program. To end the antibusiness campaign, President Kennedy would have to become antisocial security, antijobless benefits, antipublic housing, antibetter educational opportunities for our young people.

Antibusiness has become another scare word in the Republican propaganda arsenal. It takes its place beside such deceptive terms as "wasteful spending," "fiscal irresponsibility," "regimentation," and "dictatorship." All are part of a well-financed campaign to turn back the clock on social progress. It is part of an effort to block the President's program to provide greater opportunities for the average citizen to improve his living standards, his chances for better jobs, educational opportunities, and retirement benefits.

If the past is any indication of the present, however, our people will not be fooled by the same old program of "no new ideas—no new starts," no matter what new wrappings Madison Avenue hucksters devise.

Now, let us turn to another favorite Republican cliche—that the President is asking for wild and radical authority which will take away the traditional legislative powers of the Congress. Only recently, one of former President Eisenhower's top advisers made this very charge in a nationwide television broadcast. Let us look at the record.

When President Kennedy took office last January, the Nation was in the midst of its third Eisenhower recession. Five and a half million Americans were looking for jobs. Industries were operating at 50 to 80 percent of capacity. Farm incomes were disastrously low.

To provide for a speedy recovery and guard against recessions of the future, the President set forth a bold economic program. Let us look at the President's own words, however, and see what he is really asking for. Let us see how much freedom from congressional control the President is seeking.

Among other things, President Kennedy has asked for the following:

> Presidential standby authority, subject to congressional veto, to adjust personal income taxes downward within a specified range and time—specified by Congress—to slow down an economic decline before it has dragged us all down.—State of the Union address, January 11, 1962.
>
> Presidential standby authority, upon a given rise in the rate of unemployment—specified by Congress—to accelerate Federal or federally aided capital improvement programs.—State of the Union address, January 11, 1962.
>
> A permanent strengthening of our unemployment compensation system to maintain for our fellow citizens—who are—searching for a job and cannot find it, their purchasing power and their living standards without constant resort, as we have seen in recent years by Congress and the administrations, to temporary supplements.—State of the Union address, January 12, 1962.

This request entails no Presidential discretion at all. If Congress made all the changes the President requested in this field, he would not be able to tamper with or change the new rates or regulations in any way.

Through these and other messages from the President we see no grab for power. No attempt can be seen to usurp the powers of Congress. There are no requests for dictatorial or unrestrained power.

In fact, through his legislative requests, his messages, and public statements, President Kennedy is fulfilling his constitutional obligation as set forth in article II, section 3:

> He [the President] shall from time to time give to Congress information on the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient.

None of President Kennedy's proposals are either unprecedented or irresponsible. They do ask the Congress, in some instances, to pass legislation that goes into effect upon the happening of some future event described by Congress, or to vest the Executive with some discretion regarding the application of a certain law.

Such requests are not new. As far back as 1809 the Congress acted in such a manner when it gave the President discretion to suspend the Non-Intercourse Act whenever in his judgment certain events took place. Throughout the whole 19th century legislation following this precedent was enacted.

In almost every administration, Congress has given some discretionary powers to the Executive. During the New Deal much discretionary legislation was passed. To cite one example, the Secretary of Agriculture, under the Agricultural Marketing Agreement Act of 1937, was authorized to set the prices of certain agricultural products, including milk, with the end in view of restoring to the American farmers their purchasing power to what it had been during a previous base period.

During the Eisenhower administration, the President was vested with discretionary powers for dealing with the problem of Chinese Communist aggression against the offshore islands of Formosa. In all discretionary legislation, it must be remembered that Congress always holds the ultimate power. If the Executive does not work the will of the Congress through his discretionary powers, the Congress may take them away. In regard to President Kennedy's tax cutting proposal, the Congress always maintains a veto power. In regard to the public works program, the Congress alone sets the conditions when such programs may be set into operation. New powers given to the President in the field of trade last for only 5 years. And, perhaps most important of all, Congress may always withhold appropriations from any program or any part of the executive branch.

Aside from this, every legislative request of the President has been presented before the Congress in an orderly and traditional manner. There has been no crisis legislation. There have been no ultimatums or fait accomplis. Each piece of legislation has been placed before the Members of Congress for their consideration, amendment, and, ultimately, their acceptance or rejection.

As a Member of the Congress, I have great confidence in my colleagues on both sides of the aisle. I know how jealously they regard their historic rights and prerogatives. None of us would abdicate our law-making responsibilties or privileges. The President may be asking for some discretionary powers, but he is not asking for freedom from congressional control or an abdication of the legislative process by the Congress.

Now, let us look at the recent steel controversy. President Kennedy is accused of aspiring to be a dictator. It is said that he is out to abolish our civil liberties.

I find it interesting to note that those who cry so loudly about the loss of liberty are the first and loudest to criticize and muzzle our President when he exercises his own God-given right of free speech.

The President did nothing illegal during the steel controversy. If he had, the best lawyers in the Nation would be facing him across the bar of the Supreme Court as representatives of the American steel industry.

The President did state his feelings in a very strong manner. He did announce that the monopolistic aspects of the industrywide price hike were being thoroughly investigated. But the steel manufacturers did not have to reduce their prices.

What the President's critics forget is that the President has a solemn obligation under the Full Employment Act of 1946 to maintain price stability. Would those who talk of respect for law and order have the President forget about this legal obligation?

Unlike his predecessor, Mr. Kennedy is a strong President. In being so, he is the heir of Thomas Jefferson, Andrew Jackson, Abraham Lincoln, Theodore Roosevelt, Woodrow Wilson, Franklin Roosevelt, and Harry Truman.

All of these men provided strong and forceful leadership in the field of legislation. All of them were charged during their administrations with having autocratic aspirations and desiring to end the people's civil liberties.

Republicans who criticize President Kennedy for what they claim is a grab for power, or for threatening to curb civil liberties, would do well to review the Presidency of the man they point to as the founder of their party. The indisputable fact of history is that Lincoln often with no legal authority and occasionally with slim legal authority—exercised Presidential power on a scale never surpassed in American history.

On this point, I urge the Republican critics of President Kennedy to read the cases of ex parte Merryman, wherein Lincoln ignored an order of the Chief Justice of the Supreme Court, and ex parte Milligan in which the Supreme Court held that Lincoln had no authority to try civilians by court-martial in nonmilitary areas, and the dissenting opinion in the Prize cases, wherein four of the Supreme Court held the President in effect declared war without even consulting Congress. It can be said of Lincoln that he claimed that the Constitution by implication gave him, the President, almost unlimited power over the lives, liberty, and property of the citizens of this country.

I say this about Lincoln not in criticism, for I believe Lincoln was one of our great Presidents. I say this about Lincoln only because it shows that President Kennedy's exercise of Presidential power in comparison is mild—and indeed restrained within the limits of the legal authority granted to him as Chief Executive.

But before passing from Lincoln to the present, I must give the Republican Party credit for consistency. The Republican Party dislikes strong Presidents now, and it disliked strong Presidents a hundred years ago, even when that strong President was one of their own party. No stronger criticism and abuse has ever been leveled against a President than that leveled by the Republican Party of a hundred years ago against Lincoln. And if any present-day Republican doubts the veracity of this statement, I refer them to the Wade-Davis Manifesto, which can be found in any compilation of documents from American history.

Incidentally, the next strong President the Republican Party produced was Theodore Roosevelt. He was so well liked by his party that he had to form a third party to seek election to a second term of office.

The charges being made against President Kennedy today are not new. There have always been those who would prefer to see Presidential power replaced by unrestrained and wanton private power. Strong Presidents who have placed public welfare above private gain and privilege have always been targets for criticism from the possessors of private power.

The truth is that our freedoms ring more brightly today than they ever have. That so many people can so freely and so boldly criticize our President serves to maintain the conviction that men in America are still free to speak their mind and criticize their Government. To say that Mr. Kennedy's press releases are biased, tells us more about the biases of the critics than they do about the President. Because some individuals in the Republican Party or in the press or the business community do not agree with everything that comes out of Washington does not necessarily make those things biased, false, unconstitutional, or un-American.

I will close, Mr. Speaker, with some final words about the false contention that our Founding Fathers never intended the Federal Government to act in a positive or affirmative manner. Such statements have a basis neither in fact nor logic. The very nature of the State implies the concept of welfare or positive action. Whatever the form or purpose of the State—be it democratic or totalitarian, republican or monarchial, Communist or Fascist, capitalist or collectivist—there must be a sufficiently strong feeling throughout the community that its welfare is served by the instrumentalities of government or else it cannot survive.

Certainly our Founding Fathers did not fight a great war and labor through an arduous constitutional convention to found a government that would do nothing. Let us never forget the historic statement of purpose found in the preamble of our Constitution:

> We the People of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessing of liberty, do ordain and establish this Constitution for the United States of America.

Our great progress and genius is not that of a people and their government who did nothing. Our freedom and our welfare have been expanded by great Presidents and legislators who acted boldly and positively to meet the changing needs of time. Thomas Jefferson acted extremely bold when he doubled the size of the United States through the Louisiana Purchase. President Lincoln acted boldly when he secured free land for those who moved West and established our national system of land-grant colleges.

President Franklin Roosevelt acted positively when he fought for and received a Federal deposit insurance program which today allows our people to rest assured that their savings will never be wiped out in a serious depression. President Eisenhower acted positively when he created the Department of Health, Education, and Welfare to help look after and care for the needs of our people.

Today the Nation is faced with unprecedented national and international problems—problems which will not be solved by doing nothing. To be sure, 17th- and 18th-century ideas will not do the job, just as 17th- and 18th-century technology will not get us to the moon.

As Abraham Lincoln so well observed:

> The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew and act anew. We must disenthrall ourselves.

I can sympathize, Mr. Speaker, with those who find it difficult and uncomfortable to live in the 20th century. I can understand their fear of democracy and their fear of an informed people.

But the Nation cannot afford to remain inert while these fears and difficulties of adjusting to the problems of a new age prevail among the critics of the President. We must more forward.

In his final address to the American people, Franklin Roosevelt said:

> The only limit to our realization of tomorrow is our doubts of today. Let us move forward with strong and active faith.

Mr. Speaker, President Kennedy is providing the leadership we need to make our realization of tomorrow become reality. Let us join him in moving forward to the challenges that lie before us.

TO HELP THOSE WAITING IN ITALY FOR VISAS TO JOIN THEIR FAMILIES IN THE UNITED STATES

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 5 minutes.

Mr. LANE. Mr. Speaker, all of us are the products of immigrant forefathers. Hundreds of thousands of Americans go abroad in a year on a sentimental journey to visit distant relatives and ancestral homes in the old country.

We have a special understanding and sympathy, unique among the nations of the world, for those in other countries whose greatest ambition in life is to become citizens of the United States. Our sincere desire to help them reach this goal is blocked by the outdated laws that control immigration.

"But you cannot open the doors to everyone who wants to come to the United States" some people say. "There would be neither jobs nor homes for them. If tens of millions of people streamed into the United States in a given year, the confusion and chaos would be indescribable. Everyone would suffer." Even first-generation Americans realize that there must be some control over immigration.

If the general public knew more about the Immigration and Nationality Act, however, they would insist upon a major overhaul and modernization of its provisions. Their opposition would concentrate on the quota system, a formula that was devised 40 years ago to give preferential consideration and encouragement to immigrants from some countries, while practically closing the door to people in other countries who have their hearts set on coming to the United States.

The quota system was artificially contrived and unfair when it was adopted, and it is more so today because the United States and the rest of the world are far different than they were in the early 1920's.

Furthermore, the quotas for some countries are never filled, but the quotas for others are oversubscribed, with long lines of applicants waiting and hoping for a chance to move up and become eligible for a permanent visa. And yet, no effort is made to transfer unused quotas to the credit of oversubscribed quotas.

With the exception of emergency legislation after World War II, to make room for limited numbers of displaced persons and refugees, our immigration laws have remained rigid and unrealistic. An effort was made to remedy the forced separation of close relatives, but this became a victim of statistics and timetables.

The 1959 amendment provided for the nonquota admission of fourth-preference applicants who were registered on consular waiting lists prior to December 31, 1953, and for whom petitions were approved by the Attorney General. This law expired in March 1962.

There were 170,000 registered applicants of various nationality groups—Italians, Greeks, Spaniards, Chinese, Portuguese, and other nationalities, including their spouses and their children—who saw their hopes and plans wrecked by the automatic death of a law. We could not blame them for feeling betrayed when their petitions were accepted, then mired down in redtape that delayed the issuance of visas until it was too late.

There is a large Italo-American population in Massachusetts. Some of them have come to me with hurt in their eyes. "We can't understand why the Government would do this to us. We had made all arrangements, filled out all the necessary papers to clear the way for our parents—or brothers, sisters, sons, or daughters—to become reunited with us. We had been told that everything was in order. Then came the long wait and now the disappointment of learning that it was all for nothing. We are still separated. Why does the law build up our hopes only to destroy them?"

It is not enough to reassure them; to counsel patience. If we are to keep faith with our promise to reunite as many of these families as is humanly possible we must enact a liberal law to solve this problem. We can help some of them now.

For an interim remedy, until the Immigration and Nationality Act can be carefully and thoroughly revised and brought up to date, I have introduced a bill to move up the cutoff date of registrants by 1 year.

It provides that any alien who is registered on a consular waiting list under a priority date earlier than December 31, 1954, and is eligible for a quota immigrant status on the basis of a petition approved by the Attorney General prior to January 1, 1962, and the spouse and children of such alien, shall be held to be nonquota immigrants and if otherwise admissible shall be issued nonquota immigrant visas.

Immigrants created and developed our Nation. Their hunger for freedom has found a fulfillment here that has not as yet been equaled in any other part of the world.

Our people's regard for humanity, their faith in the worth of every individual, is nourished by the varied racial and cultural contributions that come to us in the person of immigrants who are welcomed to our open society.

By helping aliens to join the family circle of their close relatives in the United States, we shall strengthen our Nation with the love and gratitude of those who are reunited in freedom.

RIOTS AT LORTON REFORMATORY

The SPEAKER. Under previous order of the House, the gentleman from South Carolina [Mr. RIVERS] is recognized for 15 minutes.

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include newspaper clippings from the Washington papers.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS of South Carolina. Mr. Speaker, even the most naive person alive must have known the Black Muslims would instigate and foment a violent riot at the Lorton Youth Center when they were officially recognized as a "religious group."

A large part of the responsibility for this outrageous spectacle, staged in deliberate defiance of lawful authority at the youth center on Tuesday, must be shared by District Court Judge Burnita Shelton Matthews.

Last month Judge Matthews, in a ruling designed to guarantee even further kid-glove treatment of hardened criminals of today, decided that the rights of these coddled thugs had been denied since they were not permitted to hold so-called religious services as Black Muslims.

Judge Matthews, speaking for the U.S. District Court for the District of Columbia, ruled that the Black Muslims represented an established religion. Therefore, prison officials were directed to acknowledge this group as the 28th official religion available to the Lorton inmates.

Mr. Speaker, I cannot comprehend how anyone can truthfully believe the Black Muslims to be a religious sect.

The spiritual leader of the Black Muslims is Elijah Muhammad. He describes himself as the messenger of Allah and such description is accepted by his followers. In his writings, he portrays the white race as a race of total evil—a race of devils, murderers, thieves, robbers, scientists at tricks, world snoopers, meddlers, and liars. He declares that to survive, negroes and whites must be separated. He advocates the establishment of a separate black state. In short, if this philosophy reflects a religious belief, then nazism and communism should be similarly recognized as religions.

Religious? May God forbid use of the word in conjunction with the Muslims.

Dedication? They are dedicated not to God, but to murder, naked violence, hatred, mugging, and yoking.

This is not a religion as we use the word, Mr. Speaker, but an ideology, whose members enjoy a propensity for degeneration, for degrading acts against civilization.

Mr. Speaker, if I had my way, I would toss these hardened, vicious members of an outerfringe element of society right in solitary confinement.

The do-gooders, the bleeding hearts would wail and gnash their teeth, but if such a sect as this is continually granted its so-called rights at the expense of decent society, then the day will soon arrive when civilization truly is a sidewalk jungle, with only the very strong and very brave venturing forth from their homes during the day.

Mr. Speaker, I have today introduced a resolution in the Congress to direct the House Committee on Un-American Activities to delve into the terrible ideology behind the Black Muslim sect.

I am confident the committee will find it a subversive organization.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I would like to inform the gentleman that the Committee on Un-American Activities has made a preliminary investigation of the question of whether or not that committee has jurisdiction to investigate this matter. If the committee has the authority under the law and is charged with the responsibility, it will conduct a very intensive investigation.

The committee has received many complaints about the Muslims and demands that it investigate the movement.

It has obtained evidence that members of this organization are employed by Government agencies, including, in at least a few instances, sensitive security agencies, and that they also are employed by contractors engaged in classified work for the Government.

Claude Lightfoot, a vice chairman of the Communist Party and a member of its national committee, national executive committee, and national board, has recently called upon all Communists in this country to work for a united-front type of operation with the Muslims. Lightfoot hopes that the Muslims will direct their fire against the "reactionary ruling class" in this country.

> Communists of the United States—

Lightfoot went on to say—

> are dutybound to go among our Muslim brothers and to help light an understanding among them. We will help to enlist [them] in the great battle for freedom [sic] in the United States.

Aside from the issue of ties between the Black Muslims and Communist Party, it appears to be clear that on the simple basis of what the Muslims teach, they are subversive of our form of government and pose a growing danger to our internal security.

Although the Muslims preach against the use of narcotics, it is a fact that a number of the organization's top leaders have police records for narcotics addiction.

It also is a matter of deep concern that the Muslims are operating schools in various parts of the country in which the children of sect members are indoctrinated with the Muslim principles of violence and hatred.

Mr. RIVERS of South Carolina. I would like to thank the gentleman from Pennsylvania; and, anticipating that action, I have today introduced a resolution giving you exactly that authority and a direction from the House of Representatives. That resolution was introduced a minute ago.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I regret very much that my good friend from South Carolina saw fit to inject Judge Matthews into this discussion. Evidently he does not know Judge Matthews. For his information, Judge Matthews is a gracious lady, an eminent lawyer, and honest in every respect. Her integrity has never been questioned, and I can assure my good friend that her decisions are not based on political considerations, but rather, on the law in the case as she believes it to be.

I am not familiar with the opinion to which the gentleman addresses himself, but I can say that Judge Matthews ruled the way she did because she believed it to be the correct and proper legal ruling. No doubt it may be in line with the rulings of the higher courts. But I would be more inclined to place the blame on the several rulings of the Supreme Court which have laid the predicate for this type of thing of which the gentleman complains, and rightly so.

Mr. RIVERS of South Carolina. I do not question what the gentleman says about Judge Matthews, and I positively do not deny what he says of the Supreme Court, but Judge Matthews, speaking for the U.S. District Court for the District of Columbia, ruled that the Black Muslims represented an established religion; therefore, prison officials were directed to acknowledge this group as the 28th official religion available to the Lorton inmates.

Do you remember a few days ago a former colleague, Sam Yorty, came from Los Angeles to Washington and went to see the Attorney General of the United States and asked him for God's sake to investigate this sect, that they were creating riots, and yoking, and had violently attacked the police of Los Angeles, Calif. In short, raised the plain devil and did everything that goes along with that out in Los Angeles in a wave of anarchy and violence. These are dangerous people.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. Mr. Speaker, with the exception of the references that the gentleman made which might have reflected on the character and ability of Judge Matthews, and which references were made, I am sure, in good faith but with lack of acquaintance with Judge Matthews, her background, character, and qualifications, I certainly subscribe to everything else that the gentleman has said about the Black Muslim outfit.

I hope that the resolution which the gentleman from South Carolina [Mr. RIVERS] has introduced will be considered favorably, and soon.

Mr. RIVERS of South Carolina. I thank the gentleman very much.

Mr. WILLIAMS. Not only are the so-called Black Muslims using religion as a cloak to conceal their despicable aims and activities, but religion is also being used as a false front by other racketeers such as Martin Luther King and those who associate themselves with him, in an attempt to promote a political and social point of view which is entirely unrelated to religion.

Mr. RIVERS of South Carolina. I certainly accept what the gentleman from Mississippi has said. But I must insist that Judge Matthews is naive, she made a bad decision, and I insist that she must accept the responsibility regardless of her sweetness, regardless of her distinguished background, regardless of anything. Judge Matthews is responsible for what happened down at Lorton Penitentiary.

You know, we had a judge in South Carolina who got brainwashed one time, and may God have mercy on his miserable soul.

Mr. WILLIAMS. In that I must agree, insofar as that judge is concerned. Let me assure the gentleman, that Judge Matthews is not a Judge Waring. Unlike him, she is a person of honor and a most competent lawyer. I might disagree with her ruling, but I certainly would not question her judicial integrity.

Mr. RIVERS of South Carolina. I will not permit my affection for the gentleman from Mississippi to change my opinion of this decision.

I think the world of the gentleman from Mississippi when he is right, but I will not follow even my wife when she is wrong. Judge Matthews may be as pure as the driven snow from a convent roof, but her Black Muslim decision is not sound. The gentleman from Mississippi and I go together 99 percent of the time.

But can one imagine what would happen if the gentleman from Mississippi, JOHN BELL WILLIAMS, and the gentleman from South Carolina, MENDEL RIVERS—and we will even take the gentleman from Florida, BILLY MATTHEWS for good measure—created a sect known as the "White Muslims"? Can one imagine what would happen if we had the White Muslims in America? They would put us in jail so fast it would make your head swim if we even advocated such a thing in the name of white supremacy.

Can you imagine what would happen? This thing is terribly dangerous and it is designed and dedicated to disorder and anarchy, and everything that is evil. You read these newspapers which I am putting in the RECORD. They are getting worse and worse, and God help you if you are caught on the street after night. They conduct schools in hatred or something of that sort. They are out to get rid of you. You would be sagacious indeed if you would look out for yourselves.

Mr. Speaker, let us start with the House Un-American Activities Committee before it is too late. Some do-gooders pooh-pooh some of these organizations as being harmless and a lot of people have said that it cannot happen here. It will happen here. It is happening here.

Mr. Speaker, the newspaper articles to which I have referred follow:

[From the Evening Star, Aug. 1, 1962]

LORTON GUARD SITUATION VIEWED AS EXPLOSIVE

A chronic shortage of guards at the District penal institutions in Lorton, Va., could lead at any time to another outburst of violence such as the riot staged yesterday by 30 inmates at the youth center, Donald Clemmer, Department of Corrections Director, said today.

Calling the situation explosive, Mr. Clemmer said he has persistently sought increases in his guard force in annual District budgets since taking over the Corrections Department shortly after World War II.

"When the disturbance broke out yesterday," Mr. Clemmer said, "I had just 26 guards to handle the 280 inmates in the center. And six of the guards were on tower duty. It would require 30 to 35 guards to supervise that many prisoners adequately."

CHAPLAIN IS STRUCK

He said Commissioner John B. Duncan has asked for a special report on the disturbance attributed to 15 inmates belonging to the Black Muslim sect—a Negro religious group that is actively antiwhite and seeks complete separation of Negroes and Caucasians.

Prisoners involved in the riot broke 50 or 60 windows with sticks and mop handles they found on the grounds when the disturbance started shortly after noon. Damage was estimated at $1,000 to $1,200.

One unidentified prisoner struck the Catholic chaplain, the Reverend Donald Sheehy, on the head with an ax handle. Father Sheehy was not seriously injured by the glancing blow.

Mr. Clemmer said an early-morning check today indicated the inmates spent a quiet night. He said the trouble appears to be over for now.

WILL BE PUNISHED

Inmates of the youth center, whose ages range from 18 to about 22, are serving time for what Mr. Clemmer described as serious crimes such as armed robbery and parole violation.

As the inmates began storming around the grounds, Mr. Clemmer said, he called in the other two shifts of guards. In addition, the Metropolitan Police Civil Disturbance Unit, equipped with helmets, gas masks and riot guns, hurried to the scene but was not used.

Prisoners who took part in the riot definitely will be punished, Mr. Clemmer said. He will confer with his aids to determine just what punishment to administer.

The riot was finally broken up when Mr. Clemmer met several of the rioters' demands.

"I gave in to their demands," Mr. Clemmer said, "because they were an angry mob and there could have been trouble and bloodshed."

The demands granted them were:

1. That the 27 members of the sect be permitted to live together in a dormitory.
2. That pork no longer be cooked with vegetables. The sect does not eat pork.
3. That the intensive treatment unit be discontinued because the rioters were against the confinement.

Mr. Clemmer said he agreed to end the psychotherapy experiment which was objected to by the prisoners because it involvéd close confinement. "I was skeptical about it anyway," he added.

PARADE WITH STICKS

The riot started spontaneously around noon near the messhall when 15 inmates began parading around the grounds with sticks in their hands, Mr. Clemmer said.

They were all members of the religious group, but they were soon joined by 15 other inmates.

Capt. Fulton C. Rogers, acting superintendent, sent guards to control the men, but they were repulsed. The rioters continued to parade and began smashing windows.

Mr. Clemmer said the men then tried to break into the canteen for cigarettes and candy, but failed. They then went to the kitchen in search of knives, but the knife cabinets were locked. They overturned equipment in the kitchen and left.

CALLED TO SCENE

Mr. Clemmer was called to the scene from one of the neighboring reformatories about 1 p.m. and was told of the riot.

He talked to the men, but said they were in such a violent mood that he could not understand their shouted reasons for rioting.

Lucas X. Brown, a minister of the religious sect, was called to the prison and talked to the men. Later the rioters agreed to have five of their members meet with the prison officials.

During the riot, none of the prisoners escaped or attempted to flee.

[From the Washington (D.C.) Post, Aug. 1, 1962]

PRISONERS' RIOT QUELLED AT LORTON—OUTBREAK IS LED BY BLACK MUSLIM; CHAPLAIN SLUGGED

(By Everard Munsey and Wendell P. Bradley)

Black Muslim prisoners supported by other inmates at the Lorton Youth Center staged a protest march yesterday that erupted into an uncontrolled window-smashing riot. About 40 inmates were involved, authorities said.

The fierce but brief outbreak, first in Corrections Head Donald Clemmer's 17-year experience as director, began in humid, overcast weather shortly after noon.

It ended 45 minutes later when Clemmer began conferring with five leaders of the riot, and agreed to several of their requests.

Clemmer said the only inmate to be injured in the demonstration was a man who smashed a window with his fist and required 10 stitches in his hand and arm.

The center, one of four District institutions near Lorton, Va., 16 miles south of the District, is for inmates from 18 to 26. Most of them have been convicted of thefts and similar crimes.

The 300 inmates of the center, a campus-like institution of 38 acres dedicated in 1960, had returned from morning work details, had eaten and were quietly awaiting the call to afternoon duties.

Suddenly, said Clemmer, a group of a few inmates, their average age about 20, moved from one of the five dormitories. They carried broom and mop handles. Within moments, the group grew to 15.

They set up an uneven line of march on the lawn of the administrative building, brandishing the sticks as well as a pickax and ax-handle and shouting unintelligibly as guards gathered, Clemmer said.

Thirty or so employees, none of them carrying firearms, played a dangerous game of ring-around-the-rosy with the shouting inmates in an effort to contain them in a small area.

Meanwhile, from vantage points in red brick towers in view of the marchers, guards, armed with machine guns, rifles and pistols, trained weapons on the increasingly agitated inmates, who by then numbered 30 or 40, Clemmer said.

The guards were unable to contain the marchers, who broke wildly from the lawn to nearby dormitories, a school, the canteen and a kitchen, Clemmer told reporters.

The rioters shattered windows in a classroom and in the dormitories as they roamed through the buildings, said Clemmer. In a kitchen, they tore at a locked drawer containing knives but were unable to get at them, he said. They dumped over a potato peeler and other equipment, while other rioters tried to raid the canteen where cigarettes and other small items are kept.

Clemmer estimated damage at $1,500 although other observers said the total might go higher.

During the melee, a Roman Catholic chaplain, the Reverend Donald Sheehy, sought to quiet the men. One rioter hit him on the head with a pickax, Clemmer said. He said the priest was not injured seriously.

After 45 minutes, Clemmer said, the original group of employees, joined by 10 others from the nearby reformatories and workhouse, were able to herd the rampaging men to an area near the administration building.

When Clemmer, Acting Superintendent Fulton C. Rogers and other officials arrived, the rioters "were in a bellicose mood, waving the sticks and yelling loudly," Clemmer said.

LEADERS CONFER

Clemmer said he urged them to return to their dormitories, but there was a shout of "we are willing to die right here." The men finally agreed to go back to their dormitories while their leaders conferred with Clemmer.

For another 45 minutes, five ringleaders, three of them Black Muslims, conferred with Clemmer and his aids, Clemmer said.

"The entire conversation was tinctured with the Black Muslim ideology," said Clemmer. The Black Muslims are a militant, Negro, antiwhite cult.

Meanwhile, outside the 12-foot-high double chain-link fence topped by 3 feet of barbed wire, a small army of guards stood by.

About 30 to 40 guards armed with pickax handles were supported by men with rifles and shotguns. Also nearby was a Lorton Reformatory armored car containing men armed with tear gas and a firetruck. A Metropolitan Police riot squad and K–9 dogs also had been dispatched.

"I pointed out to the five that they were in violation of the law," Clemmer said. At first, he said, the Black Muslims talked "about Babylon in an allegorical way" and that there was talk of 400 years of slavery.

Clemmer said the Black Muslim complaints which apparently triggered the riot involved at least five points.

OBJECT TO PORK

The ringleaders, he said, complained that pork was used in cooking vegetables in violation of Black Muslim bans on the eating of pork. Clemmer said he agreed to cook i vegetables without pork fat.

The five also complained against a new intensive therapy unit "which we are conducting as an experiment," said Clemmer. He said the group opposed being kept inside under the plan and "I've been skeptical of it and agreed to dispense with it."

Clemmer said he also agreed to change the hours of the Black Muslim church service, but pointed out that the hours had been set to accommodate the Black Muslim minister.

Clemmer said he also agreed that the Black Muslims, of whom there are about 27 among the inmates, can live together at least "for the present."

Clemmer declined to act on their protest that "two or three officers had picked on them because they were Muslim," he said.

Clemmer said that in return for his agreement, "they have promised to behave themselves" and would not ask for further concessions.

The inmate representatives asked about punishment, and Clemmer said he told them there definitely would be punishment, but that he had not decided what it would be.

"I feel we are very lucky in having avoided a vast riot with bloodshed and very extensive damage," Clemmer told reporters after his 45-minute talk with the prisoner representatives.

He said he felt his aids at the scene when the riot broke out were wise in not using force immediately. A show of force, guards feared, might have spread the uproar to other inmates.

Shortly after the riot was brought under control, a Black Muslim minister, Lucius X. Brown, who said he preached at 1519 Fourth Street NW., arrived.

He said Clemmer had summoned him and that he advised the inmates "they should not cause trouble; that the teaching of Islam proscribes trouble and violence. I hold them if they cause trouble, they would not be really Muslims."

The minister said he thought that a white inmate had told "some untruths" about being beaten by five Negro prisoners and they were punished unjustly. Clemmer said that five inmates had been confined pending an investigation of a reported beating.

The center is separate from the male reformatory with its 2,000 prisoners, mostly jailed for serious crimes; the women's reformatory with 170 inmates; and the workhouse with 1,400 prisoners.

[From the Washington, (D.C.) Post, Aug. 1, 1962]

BLACK MUSLIMS CONGREGATE IN U.S. METROPOLITAN CENTERS

(By Wallace Terry)

Ever since a former Georgia plowboy discovered the lost-found nation of Islam in North America about 30 years ago, his Black Muslim followers sporadically have run into trouble with the law.

Elijah Poole says that he became Elijah Muhammad when Allah instructed him to rescue the American Negro from his "enslavement" by Christianity and Western culture.

Through the years, Muhammad has not made his task any easier by demanding exemption from military service for his ministers, permission for Black Muslim youth to attend temple-sponsored schools and separate religious service for prison inmates converted to his faith.

The Black Muslims today number about 70,000, including some 2,000 in the District. They operate mostly in the large metropolitan areas of the North and West, where many Negroes, hard pressed by the economic and housing conditions of living, bear resentment toward whites.

Muhammad's followers want to get as far away from whites as is possible but do not champion Marcus Garvey's "back to Africa" idea. Instead, they frequently demand separate States from the Federal Government as repayment for work done by Negro slaves in building America.

Orthodox Islam has denounced the cult because it excludes white membership. Muhammad teaches that the white man is the creator and perpetrator of all evil in the world but in orthodox Islam, evil is ascribed to no particular color.

The Black Muslims also have parted company with the traditional Negro civil rights movements which look to the democratic process as a means to end discrimination and segregation.

"Why should we want to integrate with the Devil?" Muhammad asks.

The Black Muslims follow strict dietary laws, abstain from illicit sex, worship regularly and support the variety of small businesses operated by their brothers.

Several police officials have characterized them as "law abiding" and "gentlemanly." But the inflammatory nature of their anti-white doctrine has keep them under FBI surveillance.

Their ministers demand strict discipline in public and the Black Muslim is enjoined against violence unless he is attacked.

The Black Muslims cried police brutality when one of their number was killed in April during a battle with police in Los Angeles. Police were cleared of the charges, but in New York 3 years ago the Black Muslims won a $70,000 judgment against New York City in a false arrest case.

In Chicago and Detroit, Muhammad went to court and won the right for his followers to attend separate elementary schools.

He has not yet succeeded in getting his ministers exempted from military service. He and one of his sons have been jailed for refusing to register for the draft.

Besides personal contact, the mailing of temple literature to prison inmates has helped to convert large numbers. These Black Muslims find faith after they have gone to jail.

Recently the Black Muslims won the right to separate religious services at Lorton Reformatory and in Federal prisons in New York. They also have approached the courts in Michigan and Massachusetts.

[From the Washington (D.C.) Post, Aug 2, 1962]

LORTON CHIEF LAYS MUSLIM RIOT TO OUTSIDE SOURCE

(By Alfred E. Lewis)

The 26-man guard force at Lorton Youth Center was reinforced and put on overtime yesterday. Superintendent Joseph H. Havener also was called back from vacation as Donald Clemmer, Department of Corrections Director, moved to guard against further outbreaks.

A riot Tuesday at the District's youth prison, which involved a small segment of the 280 inmates, caused no personal injury, but wreaked about $1,200 damage to prison property, mostly windows and kitchen equipment.

It ended late Tuesday after Clemmer met with a committee selected by the 30 rioters and agreed to several of their demands.

But the situation continued tense yesterday, Clemmer said, as work crews of inmates and maintenance personnel cleaned up the mess and word of the riot spread to other Lorton institutions.

Early yesterday, Clemmer said, guards made a thorough search of the dormitories where prisoners sleep in the experimental penal institution, and confiscated everything that could be turned into a weapon.

In a room occupied by members of the Black Muslim sect, Clemmer said, guards found a homemade knife. Rioters were armed with pickax handles, mop handles and brooms in an outbreak which officials said was triggered by Black Muslims.

The Lorton Youth Center, which will be 2 years old in September, has an informal, campuslike atmosphere where young convicts are imprisoned apart from hardened criminals. Inmates range from 18 to 22 years of age.

There are no cells and prisoners wander singly, or in groups to and from meals and classes. Last month a bus load of the more progressive inmates was taken to Carter Barron to watch a production of "The Mikado."

Against this background, a small clique of Black Muslims, a Negro religious sect that preaches race separation and hatred of the white race, rioted Tuesday because they wanted a nonpork diet, separate sleeping area, and an end to the intensive treatment unit and experimental psychotherapy.

Clemmer agreed to these demands but yesterday he said the leaders in the riot "unquestionably will be punished."

"We'll have a disciplinary committee decide on punishment, and until then we don't want to tip our hand," he said.

Tension yesterday reportedly had spread to two other District penal institutions in Lorton, the Reformatory and the Workhouse, where the Black Muslim sect is also active.

Clemmer said the Youth Center's experimental program had worked well for 2 years, and any minor problems could be blamed on "the rambunctiousness of youth."

This latest trouble, however, appeared to have been instigated from outside Lorton, he said.

Clemmer said the rioters, in their meeting with him, talked about Babylon and 400 years of slavery.

"That kind of talk doesn't begin with them," he said. "This unrest has to originate from somewhere outside."

San Quentin and the Federal prison at Jackson, Mich., have also had trouble with Black Muslims, Clemmer said.

"Until Tuesday we were under the impression there were about 16 Muslims in the youth center," he said.

"Then we learned there were at least 40."

Many inmates with no apparent connection with the sect apparently became Black Muslims after arriving at the prison, he said, adding that he did not know how many were bona fide members of the religion which was granted permission last month to conduct religious services within the prison.

The problem of how to treat Black Muslims at the different institutions at Lorton has bothered corrections officials and courts for at least 2 years.

In May 1960, two members of the sect complained that they were being denied religious freedom by a ban on Black Muslim services. Early this year the Reverend Charles M. Whelan, legal consultant for the National Catholic Welfare Conference, said the sect fell within the first amendment's guarantee of religious freedom, though he knew of "no other religion which teaches racial hatred as part of its faith."

Last month District Gourt Judge Burnita S. Matthews ruled that the Black Muslims have a legal right to hold religious services at Lorton and shortly after, the cult became the 28th religion available to Lorton inmates.

One of the Muslims' demands—separate sleeping facilities for 27 of their members—will temporarily segregate a part of the Lorton system which desegregated its sleeping facilities in May.

COMMUNIST YOUTH FESTIVAL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Carolina [Mr. WHITENER] is recognized for 10 minutes.

Mr. WHITENER. Mr. Speaker, I am sure all of us have heard with great interest the remarks of our friend and fellow Member, the gentleman from South Carolina [Mr. RIVERS]. He has talked upon a problem in human relations which I am sure has been of interest to all of us. In asking for an opportunity to speak today I, too, would like to speak briefly upon a subject which in its nature is one of human relations and one, I think, which should be noted here in the Congress of the United States. I had hoped that others would have brought to the attention of the House their thoughts upon this important subject, but that not having been done, I have presumed upon your time today to do it myself.

In the last few days we have seen news reports from Helsinki, Finland, which indicate that the Communist World Youth Festival is falling on its face insofar as the fine young people of that little land are concerned. In a newspaper story yesterday we find these words:

> Most Finnish youth and student organizations have boycotted the congress, which opened Sunday night. The press and public also generally have ignored the festival.
>
> Only Finland's small Communist Party and its newspaper have been happy about the selection of Helsinki as the site for the congress.

This article further points out that the Government of Finland did not want to play host to the World Youth Festival, but could not say so directly for fear of offending the Soviet Union.

Mr. Speaker, I think it is significant that in this little country of Finland today young people are standing up for freedom and standing up to be counted against communism. We here in this country so often seem to become weary in well-doing in failing to commend and recognize those who fight for the freedom of the individual and who would conduct themselves openly in direct opposition to this godless ideology known as communism. I hope that as the young people in Finland and members of the press in that country stand up to be counted for the cause of freedom they will find more Americans as well as people throughout other countries who believe in freedom, rising up to commend them for their service to this cause which I believe is to the best interests of all mankind.

I have taken this time, Mr. Speaker, to say in this extemporaneous manner some of the things which have occurred to me as I have followed with great interest this peaceful, but effective, war against the Communist propaganda effort in a little country. The Finnish Government of that country itself is literally under pressure from the Soviet Union to permit the gathering of many misguided youth and many corrupt youth, most of them are not in Helsinki in the interest of those things for which this country stands and those things in which all of us should believe. We should be willing not only to give our commendation to these young people, but to say to them that we are with them, that we will help them in any way we can in exposing and opposing this Communist activity.

AMENDMENT TO THE JAPANESE-AMERICAN EVACUATION CLAIMS ACT OF 1948

Mr. KORNEGAY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. SHELLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. SHELLEY. Mr. Speaker, recently I introduced a bill to amend the Japanese-American Evacuation Claims Act, as amended, to make clear the intent of Congress that awards made under this act are not meant to be included within the purview of the term income as used in the 16th amendment and the Internal Revenue Code.

I wish to review the effect of the War Department's action in 1942. Acting under Executive Order No. 9066 the War Department ordered the removal and exclusion of more than 112,000 Japanese residents of the Western States and Alaska. Of these Japanese nearly two out of three were natural-born citizens of the United States. All were removed from their homes and farms and herded, first, to temporary camps, later, to 10 so-called relocation centers in the desert country of the West and in the delta areas of Arkansas.

This massive evacuation and the effects thereof had devastating effects both psychologically and economically. This is not a pleasant story to recount but it is essential to an understanding of the meaning and intent of Congress in enactment of the Japanese-American Claims Act. Such a retelling is the key to the amendment to this act which I have submitted for your consideration.

The evacuation order of 1942 was directed toward all west coast Japanese residents. These persons whose only crime was the unavoidable accident of birth and ancestry, were compelled to forsake their homes and abandon their businesses without being given a prior opportunity to prove their loyalty to the United States. I believe there would be few who would disagree that this was the most drastic restraint of personal liberty imposed during World War II. To my way of thinking no more blatant deprivation of the guarantee of equal protection of the laws or due process of law exists within the recent history of our Nation. This exclusion order based on ethnic identity alone, without regard to disloyal acts or utterances, is the supreme instance of invidious discrimination. The 1947 Commission on Civil Rights branded the mass evacuation of west coast Japanese as "the most striking mass interference since slavery with the right to physical freedom."

The evacuation orders gave the persons affected desperately little time in which to settle their affairs. The timetable and plan of evacuation was designed so that large economic losses were inevitable. For most of the population only 1 week elapsed between the notice of their evacuation date and their actual removal. In some cases, especially at the beginning of the evacuation program, as little as 48 hours were allowed for the sale, rental, loan, storage, or even gift of real and personal property. The entire operation was extemporaneous and inadequate. Governmental safeguards that were designed to prevent undue loss in these circumstances were somewhat tardily instituted, and were not effectively publicized among the evacuees.

Merchants had to dispose of their goods at sacrifice prices. In this setting of confusion and hysteria, many evacuees sold personal possessions for a small fraction of their value. A large number had to accept totally inadequate arrangements for protection and management of property. Valuable leasehold interests had to be abandoned. In a word all business transactions were conducted in an abnormal market—a buyers market if ever there was one.

An analysis of those dark days just prior to actual evacuation demonstrates that many individuals were ill equipped to make the necessary arrangements. The confusion was compounded by the outright criminal practices, including fraud, confidence rackets, and impersonation of police officers, practiced upon the evacuees.

At the time of registration, which preceded actual removal by 1 or 2 days, evacuees were advised that they could take only such hand baggage as they could carry with them to the assembly center. They were not permitted to take their automobiles to the reception centers.

Continued exclusion increased the losses. Examples of these losses are detailed in congressional hearings and in private publications. Private buildings wherein evacuees stored their property were broken into and vandalized. Mysterious fires destroyed vacant buildings. Personal property left with friends unaccountably disappeared. Much property stored in Government warehouses was damaged or lost. Persons entrusted with the management of realty mulcted the owners in a diversity of ways. Many tenants failed to pay rent, converted property to their own use and committed voluntary waste.

The evacuee, of course, could not return to the location of his property to negotiate, nor was he free to go to storage places to see what damage might have been committed by burglars or vandals.

During the war, at a time of high wages and full employment the people in the centers were removed from the labor market. At the centers payments of $12 to $19 per month were paid, plus small clothing allowances.

Many evacuees felt compelled to discontinue payments on life insurance programs. Some found themselves unable to make mortgage or tax payments and thereby lost substantial equities.

All the foregoing examples of tangible losses to the evacuees are directly attributable to the evacuation and continued exclusion of these persons from their homes. Unlike our fighting men and their families, who also made financial and personal sacrifices in the war, this group was given no statutory rights to ameliorate losses. These persons had to bear the losses occasioned by the evacuation in addition to the wartime deprivation they shared with the rest of the American people.

A program was inaugurated whereby volunteers in relocation centers could join the Armed Forces. Some 33,000 men and women served in the American Army. They established a record that has gone down in military history as one of the greatest records of any war. They were in the famous 442d Regimental Combat Team, the most decorated unit for its size and length of service in American military history.

This situation was aptly described by President Truman in letters to the chairman of the Judiciary Committees of the Senate and House dated July 22, 1946. He said, in part:

> It would, in my opinion, be a tragic anomaly if the United States were, on one hand, to acclaim and decorate with honors the brave Nisei troops who fought so valiantly, and at such sacrifice overseas, while on the other hand it ignored and left unredressed the very real and grievous losses which some of them together with their immediate families, have suffered as a result of Government action in the midst of the same war.

The 1948 indemnification act provides for the settlement of claims for property damage where these arose as the natural and reasonable consequences of the evacuation and exclusion program. The bill strictly limits recovery to property losses, as distinguished from claims for personal hardship, personal injury, personal inconvenience, mental suffering and other damages speculative in character.

It is essential to understand the indemnification provided for in the act was for losses borne in addition to the wartime deprivations the Japanese shared with the rest of the American people. During wartime every person suffers and sacrifices. The indemnification provided under the act was for the unique situation visited on this group of individuals by being excluded because they were members of that ethnic group.

I have just received a report from the Internal Revenue Service, wherein I am advised that apparently about 24,300 Nisei people filed claims with the Justice Department for payment under the act. Of these 24,300 claims, the Justice Department settled approximately 20,400 for $2,500 or less. These settlements were authorized by an amendment to the act in 1951 which gave the Attorney General jurisdiction to settle claims under $2,500. The report of the Service continues:

> From our standpoint, all awards under $2,500 were not subjected to selection for examination because of the lack of audit potential.
>
> We have a record of the action of our district offices in the San Francisco region which covers cases handled by Salt Lake City, Seattle, Portland, San Francisco, and Los Angeles. These districts have looked at 662 returns which involved awards under this act of over $2,500. Of the 662 returns, 64 were selected for examination. The examination of 23 cases has been completed with 13 resulting in additional tax due and 10 being accepted as filed. The remaining 41 cases which are in the process of examination involve awards, for the most part, in excess of $15,000.

Mr. Speaker, it is my understanding that there are but 100 cases pending. But the Internal Revenue Service is attempting to exact taxes for some of the settlements. If an evacuee was awarded, for example, $10,000 for a business that originally cost him $6,000, the Service contends he owes capital gains tax on $4,000. In some cases where an award was made on the basis of income lost from farm crops or nursery stock, the Service has demanded ordinary income taxes on the amount granted.

Mr. Speaker, I have read the hearings before the Judiciary Subcommittee which considered the 1948 act and the floor debate concerning this act. In my mind, it is implicit that it was the intent of Congress that awards made under the act were not meant to be treated as income for taxation purposes. Awards made under this act were intended to be treated as indemnification for specified losses and accorded treatment for tax purposes as a nontaxable governmental bounty. By way of analogy, for the same reasons that awards for personal injuries sustained by an individual are not taxable as income, so should awards made under the 1948 act be so treated.

Mr. Speaker, these remarks are not intended as any criticism of the Internal Revenue Service. The Congress did not spell out concretely whether the compensation thus accorded to the evacuees should be tax free or taxable, and the Service contends that portions of the payments made are subject to the tax. It is my firm conviction that this was not the intent of Congress, and the amendment I have submitted makes clear that payments made under the 1948 act are not to be included in gross income for tax purposes. It goes without saying that taxes on profits or capital gains issuing from the original award would be subjected to the ordinary operation of our tax laws. This amendment excepts from gross income solely the amount of the original award.

I urgently entreat the Members of the House of Representatives to accept this amendment. Although the fiscal amount involved is quite small, this gesture would be ever so meaningful to the Japanese-American community.

THE WAKE ISLAND DEAD

Mr. KORNEGAY. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. ROSTENKOWSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, it is my very great honor to introduce today, along with my colleague, the gentleman from Illinois, Congressman ED DERWINSKI, a bill to build a memorial to those who died in the defense of Wake Island.

One might well wonder why we should pause in this busy session with so many important tasks before us to consider a memorial for the dead of a war of 21 years ago. The answer is that the defense of Wake has a very special place in U.S. military history. And it has a very special place in the hearts of all who watched with great anxiety the American response to the treacherous Japanese attack in the Pacific. The surprising aspect of our tribute to the dead of Wake Island is that it has taken us so long to make it.

I do not have time here to go into the details of the defense of Wake. However, I think it is worth our time here to note a few of the more salient details.

First of all the island. It seems incredible at first thought that such an insignificant atoll should have been so important a target. Wake Island, together with Wilkes and Peake Islands, was then a lonely American outpost in the Pacific—2,000 miles west of Hawaii and 1,290 miles east of Guam. Wake Island itself is only four and a half miles long and a mile and a half wide. But I will leave the description of the island in the words of the commanding officer of the Marine Battalion:

> Wake is so small, so remote and so barren that more than 100 years of its history can be told in three sentences. It was discovered by the British in 1796, visited by the American explorer Charles Wilkes in 1841 and claimed as an American possession in 1899 by Capt. E. D. Taussig, U.S. Navy. It was worthless except as a bird sanctuary. It remained uninhabited until Pan-American Airways established a station there for refueling its transpacific clippers in 1935. Japan—and that accident of geography—changed all that. The crisis in the Pacific make Wake a valuable piece of real estate. It ceased to be merely a microscopic atoll of useless coral and scrubby brush. It became valuable as an outpost on our Sea Frontier, a link in the chain of widely separated American islands that stretched from Dutch Harbor in the Aleutians almost to the Equator. These outposts were our first line of defense. They were intended to form a screen against Japan much as blockhouses strung across the western plains formed a screen against hostile tribes in the days of our Indian wars.

The strategic importance of Wake was recognized by American military planners, and defense preparations were underway under the command of Maj.—later Col.—James R. S. Devereaux. However, the defenses were woefully inadequate to meet the massive Japanese attack which began on December 8.

The astonishing fact about the battle of Wake is that the defense held out as long as it did. The Marine defense battalion was not expected to hold the island against an all-out attack. It was sent to the island with a limited mission to repel a minor raid. Although the area to be defended was small, the coastline was extensive—equal in length to half the distance between Washington and Baltimore. To defend that area would have been difficult even if the defense battalion had not been short of men and equipment.

However, all-out attack did come. Beginning on Monday morning on December 8 the Japanese began their attack and continued it unrelentlessly until the garrison surrendered on December 23. On the morning of December 8, 27 bombers came in behind a rain squall and strafed the entire airstrip. Seven of the U.S. planes were destroyed on the ground and many men caught without shelter were wounded or killed. Only five planes were left to the marine squadron, and two of those were damaged. With those five planes and the remaining military and civilian personnel the defense of Wake continued for 15 more days.

There were many instances of individual heroism. Many more incredible acts of just plain endurance. To single out any one individual here for special praise would be an injustice to the devotion to duty of the rest.

The purpose of the bill is to commemorate those who died in the defense of Wake. It is high time we honored the dead with the dignity which they deserve. There was not time during the grim days and nights of battle to do so. To illustrate, I would like to quote another passage from the account of the defense of Wake by the commanding Marine officer, Colonel Devereux. Colonel Devereux in writing of the mass burial service following the fifth Japanese air raid on December 12:

> We buried our dead that night. As men were killed, the bodies had been put in the reefer at Camp 2. Bomb shelters for the living had to take precedence over graves for the dead. Now, we buried them in a common grave in the darkness to hide our casualties from any Jap patrol plane that might fly over.
>
> We had no chaplain. The services were read by a civilian, a Mormon lay preacher. I don't remember his name, but I remember he had a long beard and went around from one place to another during attacks passing out his religious pamphlets. A serene man who gave his pamphlets but never pressed his cause.
>
> Commander Cunningham, Mr. Teters, and I were there with the burial party. So was the father of one of the civilian dead. Four marines from the nearest machinegun emplacement formed a firing squad. The grave was camouflaged before morning.
>
> One grave was apart from the others. It was in the middle of Barninger's battery position. It held the body of the first man of the 1st Marine Defense Battalion killed in action. In the air attack of December 9, a bomb had landed on the tip of his foxhole, killing him instantly. All they could do was make his foxhole his grave.
>
> They made a small mound and put some chunks of coral on it. They didn't have a book with the burial service in it, but they gathered around the grave. The lieutenant said they would say the Lord's Prayer for his soul. They repeated the prayer after the lieutenant. Some said the Catholic version, some said the Protestant version, and some only moved their lips when they came to parts they weren't sure about. They then went back to work.

Although a reburial service was held in 1953 in Hawaii, there is at the present time no fitting memorial to honor the hard-pressed defenders.

During the 16 days of resistance, casualties were high among the defenders. The official list put out by the Marine Corps gives the grim totals. Of the defenders, 51 marines and sailors lost their lives, and 70 civilians were killed in action. In all, 171 military men and civilians were killed or wounded in action. Many of those who survived to surrender to the Japanese died under the brutal conditions of Japanese prisons.

The stubborn defense of Wake cost the Japanese approximately 820 men killed in action, and a total of 1,153 men killed or wounded in action. The staggering Japanese losses compared to our own, and the length of time it took the powerful Japanese force to subdue Wake made it a Pyrrhic victory.

The defense of Wake gave heart to all who were concerned with the survival of the civilized world during those black days of December 1941. Recognition was swift in coming from the White House. On January 5, 1942, the President of the United States, Franklin D. Roosevelt, made the following citation of the defense battalion:

> The courageous conduct of the officers and men of these units, who defended Wake Island against an overwhelming superiority of enemy air, sea, and land attacks from December 8 to 22, 1941, has been noted with admiration by their fellow countrymen and the civilized world, and will not be forgotten so long as gallantry and heroism are respected and honored. These units are commended for their devotion to duty and splendid conduct at their battle stations under most adverse conditions. With limited defensive means against attacks in great force, they manned their shore installations and flew their aircraft so well that five enemy warships were either sunk or severely damaged, and many hostile planes shot down, and an unknown number of land troops destroyed.

It is now time to give a lasting memorial to those gallant defenders.

CARTER L. BURGESS

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. Ford] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FORD. Mr. Speaker, recently, one of our Nation's most distinguished industrial leaders and one who has made lasting contributions to our national security, was honored by the U.S. Air Force. I refer to the Honorable Carter L. Burgess, former Assistant Secretary of Defense for Manpower and Reserve, and currently the widely respected president of the American Machine & Foundry Co.

Mr. Burgess was presented the rarely awarded U.S. Air Force Ballistic Systems Division Commander's Award for outstanding service.

I take this occasion to bring this matter to the attention of Members of the House, many of whom, I am sure, share my deep admiration for the effective manner in which Carter Burgess performed his duties as Assistant Secretary of Defense. His tenure of office was marked by a most cordial relationship with Members of Congress who appreciated his executive ability, his managerial skill, and his constant awareness of the human factor as the major feature of our Defense Establishment.

As Assistant Secretary of Defense, Mr. Burgess took the initiative and, largely through his efforts, the Nation and our military personnel were the beneficiaries of historically important legislative measures: the Career Incentive Act of 1958 and much needed Reserve legislation. The Career Incentive Act, the first major overhaul of military pay scales in many years, was a lasting contribution to the welfare of our military personnel and their families, and it proved, additionally, to be a sound investment in terms of national defense. This is because it helped retain experienced and skilled personnel at a time when there was an ever-increasing exodus of these much needed individuals from our armed services.

In addition, Mr. Burgess was also largely responsible for the provisions of the Armed Forces Reserve legislation. This, too, was a major contribution to our defense structure.

These are some, but certainly not all, of the many worthwhile and lasting contributions Mr. Carter Burgess made as Assistant Secretary of Defense.

It is, therefore, with genuine pleasure that I invite attention to the well-deserved award which the Air Force Ballistic Systems Division commander has presented to Mr. Burgess. It underlines the fact that Mr. Burgess continues, as president of AMF, the rare qualities of leadership which we came to appreciate when he was Assistant Secretary of Defense. In particular, it is noteworthy that the citation accompanying the award referred to Mr. Burgess' hard work and his insistence upon high standards for everything from safety and training to program cost control.

I am confident that Members of the House join with me in extending to the Honorable Carter L. Burgess our most sincere congratulations upon his receiving this award in recognition of his effectiveness in helping make the Titan weapon system a meaningful element of our Nation's deterrent capability.

The full text of the press release concerning the award follows:

> Washington, July 6.—Carter L. Burgess, president of American Machine & Foundry Co., returned today to the Pentagon where he was Assistant Secretary of Defense for Manpower from 1954 to 1957 to receive the U.S. Air Force Ballistic Systems Division Commander's Award for outstanding service to the division.
>
> The award was presented to Mr. Burgess by Lt. Gen. Thomas P. Gerrity, newly appointed Air Force Deputy Chief of Staff for Systems and Logistics. Before his new assignment, General Gerrity had been since April 1961 commander of the Air Force Systems Command's Ballistic Systems Division at Inglewood, Calif. At the presentation today from Inglewood was Col. John McCoy, director of the Titan weapon systems program.
>
> American Machine & Foundry Co. is an associate contractor in the Titan I program responsible for the design and construction of the ICBM's launching system.

The citation which accompanied the commander's award commended the AMF president for "outstanding service to the Ballistic Systems Division, U.S. Air Force, from October 1961 to May 1962."

"During this period," the citation continues, "Mr. Burgess took personal charge of his company's responsibilities in developing and installing the launcher system for the Titan ICBM weapon system. Exercising a degree of leadership and management control that served as an inspiration to both his own personnel and to those of other contractors, Mr. Burgess redirected AMF's efforts to achieve many significant improvements in his company's discharge of Titan program responsibilities.

"Mr. Burgess gave attention to all aspects of this multimillion-dollar effort, setting new and more stringent standards for everything from safety and training to program cost control. His ability to instill a sense of urgency in his personnel was outstanding. His willingness to work side by side with his men at all hours, in any location, under any condition, was demonstrated on many occasions. These things Mr. Burgess did in his personal effort to insure that the Titan weapon system was introduced into our Nation's deterrent inventory at the earliest possible date.

"His personal dedication and exemplary performance reflect great credit upon himself and upon the industry-Air Force team."

A TRIBUTE TO WISCONSIN'S 32D DIVISION

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. BYRNES] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, as members of Wisconsin's 32d Division now prepare to return to civilian life after almost a year of active duty in the service of their country, I rise to pay tribute to the officers and men of this magnificent division.

We Americans indeed owe a great debt to these men and their families and to the men and families of other units who served during the callup which began during the Berlin crisis of 1961.

It is true—and we thank God for it—that these men did not engage in actual combat. Yet, their sacrifice—in terms of family dislocation, interruption of careers and financial loss—was great. Overwhelmingly, they served without complaint, in well-disciplined obedience to the order of their Commander in Chief, ready to do their duty as soldiers, sailors, and airmen should they be called upon for the defense of freedom.

Wisconsin and its citizens are particularly proud of the record and conduct of its own division—the Red Arrow Division—whose men sprang to arms from every corner of the State when the order went out for its mobilization. The 32d Division has a proud combat record. In the tradition of Wisconsin fighting men of the famed Iron Brigade during the Civil War, it has fought with distinction and honor in both World War I and World War II. Its long casualty lists in those wars tell the story of the bravery and valor of its men better than words. The record of the 32d during its recent period of service is in keeping with the highest traditions of this famed division.

To the men of the 32d Division, and to all those Reservists and National Guardsmen who interrupted their lives to serve the Nation in her hour of need, I wish to express my personal appreciation, as a citizen, for a job well done. I know I speak for every Member of this body and indeed for every citizen of the land in wishing them well as they resume their peaceful pursuits.

EVEN PROMINENT CUBAN REFUGEES SUPPORT CRAMER RESOLUTION OPPOSING PAYMENT OF RANSOM FOR PRISONERS TO COMMUNIST CASTRO

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. CRAMER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CRAMER. Mr. Speaker, as sponsor of House Concurrent Resolution 459 and House Concurrent Resolution 479, opposing the flow of 62 million American dollars to Communist Castro as ransom for prisoners, and as author of the amendment to the foreign aid authorization bill which would have prevented this flow of dollars to aid the Communist cause in Cuba, which amendment was narrowly defeated on the House floor, I think it is significant to add to this RECORD a letter received from a very prominent Cuban refugee, Dr. Elpidio Garcia, former prosecutor for the Government before the Supreme Court of Cuba—and Attorney General—in which he joins with me in opposing this ransom deal.

It appears obvious that even many of the Cuban exiles support my resolution on the basis that our paramount consideration should be not to give any additional aid and comfort to Communist Castro, as this $62 million ransom proposal would do, regardless of what the justification for making such payments may be, including the ransom of prisoners.

Dr. Garcia's letter follows:

MIAMI, FLA., *June 13, 1962.*

DEAR MR. CRAMER: The person having the honor to write to you is a Cuban who has been living in exile in this free and great country, America, for 3½ years, during which time the Communist evil has taken possession of his country.

I served my country for many years in public office, in various capacities—for 29 years prior to that fateful day, January 10, 1959, when the deceiving and evil Marxism set itself up as master of Cuba's destiny, I belonged to the third branch of government, the judiciary. I entered upon [my judicial career] while still young, against rigorous opposition, and held in that very special career service every office—from the most modest or inferior to the practically most distinguished, the position of attorney general of the Republic, which means, the chief supreme of the entire attorney general's office and, at the same time, prosecutor for the Government before the supreme court of the nation. I held the latter position when our democracy went on the rocks and our Republic foundered in the dangerous and deep waters of the Caribbean.

During that long and tormented period of our existence (1959–62), only the charity, nobility, and lofty concept which the great American people have of freedom and democracy have made it possible for Cubans of my ideology and class even to survive.

A little over a year ago, a group of my fellow citizens, pledging their lives to their duty and their country, devoted themselves to the glorious task of reconquering their freedom and independence. The successful outcome of that valiant effort was prevented by reasons which are known to everybody. We are unable to render any other offering or tribute to the unselfishness and sacrifice of our captive brothers than our grief and self-denial as we see them imprisoned, but we cannot diminish the magnitude of their glory or of their service to the country by buying their freedom—the freedom of the unfortunate hostages in the hands of the wretch who seized them—or of the highwayman who imprisoned them—nor can we offer their hopes for freedom anything else but our unswerving determination to reconquer their freedom, even if it should cost us our lives.

Thank you very much, Mr. CRAMER, for the dignified, reasonable, and courageous bill presented by you to both the House and the Senate, which I have had the good fortune of reading and which preserves the dignity of our prisoners, the honor of our fellow citizens, and the decorum of our brothers. Grateful Cuba will know how to thank you for your noble and honorable initiative. May the Lord grant the Cubans success in the final battle for our freedom, with the aid, cooperation, and stimulus of our invincible brothers, the Americans.

Sincerely yours,

[EX-]PROSECUTOR FOR THE GOVERNMENT BEFORE THE SUPREME COURT OF CUBA [AND ATTORNEY GENERAL].

STATEMENT OF RETIRED LETTER CARRIER DEMONSTRATES EVILS OF INFLATION

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. RIEHLMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, I would like to include in the RECORD a statement submitted to the House Post Office and Civil Service Committee by Mr. Edward T. Blackstone, a retired letter carrier who lives in Syracuse, N.Y. Mr. Blackstone, who is 90 years old, offered his statement in support of H.R. 6855.

If you want to read a concise summary of what inflation means to a retired person on a fixed income, just take the few moments necessary to go over Mr. Blackstone's statement.

Too many people in public life give nothing but lipservice to the ravages of inflation. I imagine it would rank pretty high on the list of subjects about which large quantities of unfavorable remarks have been read into the RECORD. Nevertheless, the Government has proceeded to pile up inflationary deficits about 80 percent of the time in the last three decades. Substantial blame for this must rest right here at our own doorstep and yet I have no doubt that the Congress is a prime source for many of the unfavorable comments and oaths concerning the evils of inflation. People like Mr. Blackstone, unable to ride out the inflationary spiral, are the victims of this inconsistency.

Inflation robs the elderly, the poor, the retired, people on fixed income, and people who put money aside to send their children to school and to provide a home for themselves or security for their old age. Inflation is an out-and-out thief, and if you want one shining example of the manner in which it pilfers hard-earned dollars from those who can least afford it just have a look at the following statement:

STATEMENT OF EDWARD T. BLACKSTONE

My name is Edward T. Blackstone, of Syracuse, N.Y. I am making this statement in support of H.R. 6855, the Morrison bill. I am a member of the National Association of Retired Civil Employees, Chapter 200, Syracuse, N.Y.

I will be 90 years old this coming January 6. I entered the postal service, as a letter carrier, in 1915. I served continuously until 1938, when I retired on account of the age limit, 65. I have been retired 24½ years. The most pay I ever got was $2,100 a year; 86⅔ cents an hour. You bought your own uniform; even paid for the number on your cap.

Upon retirement my annuity was $72.22 monthly. My present annuity is $140 monthly. I am very grateful and appreciative to the Congress for past annuity increases, totaling slightly less than 100 percent. However, this substantial increase, has failed to keep pace with the sustained, postwar, inflationary increase in the cost of living, as it especially affects retirees. I am not talking about statistics; I am not a statistician. I have been told that statistics may be used for many purposes. I am talking about my own everyday experiences. I know that my standard of living has definitely worsened since the beginning of the postwar inflation.

My original annuity of $72.22 monthly was quite small by present-day standards, but in 1938 and the postwar years it bought me a tolerable living, permitted me to maintain my dignity as an individual, and to enjoy my retirement years. In 1938, the dollar was worth 100 cents. A "canny," thrifty shopper could really stretch it quite a bit. A good house rented for $30 monthly. My real estate taxes in 1938 were slightly more than $50; for 1962 they are very close to $300. Five dollars bought a week's groceries for a couple and without stinting. Today, the 1938 $5 grocery basket costs $15 and more. Drugs, medical bills, and hospital costs were correspondingly low. In 1938, you could see a good movie for 35 cents; today movie admissions are $1 or more. A union haircut was 50 cents, or even less; today it is $1.50 to $2. In 1938, a thrifty shopper could buy a good suit and overcoat for $20 or even less. I am sorry, Mr. Chairman, but I do not know what the cost of good clothing is today. You see, I have not had a new overcoat in 20 years. I have not had a new suit or new pair of shoes in 20 years. On my postwar annuities I have not been able to buy new clothing. I think I have been lucky in inheriting the clothing of my older contemporary friends who have passed on, and others. Some of my friends do not know how acceptable were some of the things they "happened" to let fall into my lap.

And now let's go back and see what you can do on a $140 a month annuity. First thing you must do is to "learn to go without." I have learned it well. I have had to reduce the "quality" of my food. I have had to let my house run down; who can afford the present-day fantastic costs of maintenance? I have had to wear castoff secondhand clothing. I have not been to a movie in so long, I have forgotten the last time. It is many, many years since I have indulged in any form of paid commercial entertainment. I have not been over 5 miles away from my home but four times in 15 years and three of those trips did not cost me a cent. And this isn't because I am unable to travel. There, the Lord has been very good to me.

The truth is, Mr. Chairman, that at today's highly inflated prices a couple cannot live on an annuity of $140 monthly.

I wonder sometimes how I live. Fortunately, I have a small amount of additional income that enables me to exist, that's all. Like the great majority of elderly citizens, I am beset with illness and the extraordinary high costs of medical and hospital care. I have a blind wife, totally blind. She is also a cripple. She cannot walk. In 1961 my medical and hospital bills exceeded my annuity. My gross medical and hospital bills were $3,300, reduced by insurance to $2,033. My annuity of course was $1,680. I had to dig up the balance of $2,033 from sadly depleted savings and inheritances. Oh, yes, my wife has just been admitted to the hospital with a broken ankle, and so the medical and hospital merry-go-round starts all over for me.

Mr. Chairman, there are no more savings. There are no more inheritances. My one fear, my constant dread, is the possibility that I may have to wind up on relief and welfare, a fancy name for pauper. All my life I have taken pride in my Yankee independence and self-reliance and that of my pioneer American ancestors before me. I served my Government loyally and faithfully for 23 years, "no strikes," "no overtime." I looked forward to my retirement days as pleasant days of contentment but it has turned out to be a nightmare of frustration, hardship, and privation. Paupers on relief (giving due allowance to their free medical and hospital care) are better off than hundreds and thousands of Federal annuitants are.

Mr. Chairman, we do not ask for charity. We are not asking for governmental handouts. All that we ask for is fairplay and justice. I respectfully submit that Congress has the moral responsibility to make us whole in our annuities, to restore to us the full purchasing value of our annuity dollars for which we paid in sound 100-cent dollars. We do not ask to share the general improvement in the prosperity enjoyed by the employed population. All that we ask is that you restore us to our postwar condition. Only the Morrison bill, H.R. 6855, comes approximately close to giving the pre-1956 retiree justice. We ask you to report out favorably H.R. 6855 in its entirety. Finally, we respectfully ask this committee that when they get down to deep thinking they do not lightly pass us by.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. LANE, for 5 minutes, today.

Mr. RIVERS of South Carolina, for 15 minutes, today.

Mr. WHITENER, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. O'KONSKI in two instances.

Mr. GRIFFIN.

(The following Member (at the request of Mr. HOFFMAN of Illinois) and to include extraneous matter:)

Mr. FINO.

(The following Members (at the request of Mr. KORNEGAY) and to include extraneous matter:)

Mr. ROSENTHAL.

Mr. POWELL.

Mr. WRIGHT.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 10526. An act making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies for the fiscal year ending June 30, 1963, and for other purposes;

H.R. 10786. An act to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the United States, for any territory, or for the District of Columbia, and for other purposes;

H.R. 10802. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes;

H.R. 11289. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes; and

H.R. 11737. An act to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on August 1, 1962, present to the President, for his approval, bills of the House of the following titles:

H.R. 3788. An act to provide for the transfer of the U.S. vessel *Alaska* to the State of California for the use and benefit of the department of fish and game of such State; and

H.R. 7336. An act to promote the production of oysters by propagation of disease-resistant strains, and for other purposes.

ADJOURNMENT

Mr. KORNEGAY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 57 minutes p.m.),

under its previous order, the House adjourned until Monday, August 6, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2368. A letter from the Chairman, Railroad Retirement Board, relative to executive communication No. 736, dated March 29, 1961, relating to an audit by the Comptroller General; to the Committee on Government Operations.

2369. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered under the authority contained in section 13(b) of the act as well as a list of the persons involved, pursuant to section 13(c) of the act of September 11, 1957; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 500. Concurrent resolution authorizing the printing of additional copies of parts 2, 3, 6, and 7 of the hearings held before the Committee on Education and Labor on the impact of imports and exports; without amendment (Rept. No. 2116). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 503. Concurrent resolution to authorize the printing as a House document the report of the Joint Committee on Arrangements To Commemorate the 100th Anniversary of the 1st Inaugural of Abraham Lincoln; without amendment (Rept. No. 2117). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 720. Resolution authorizing the printing of "U.S. Defense Policies in 1961" as a House document; without amendment (Rept. No. 2118). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 497. Concurrent resolution authorizing the Joint Committee on Printing to conduct a study of the CONGRESSIONAL RECORD with a view to improving its format, index, typography, and so forth; without amendment (Rept. No. 2119). Ordered to be printed.

Mr. WALTER: Committee on Un-American Activities. H.R. 12082. A bill to amend the Internal Security Act of 1950; without amendment (Rept. No. 2120). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 297. A bill to amend title 38 of the United States Code to prohibit the award of contracts by the United States to certain persons; with amendment (Rept. No. 2121). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 6190. A bill to amend title 38 of the United States Code to provide for the payment to veterans of an amount equal to the cost of repairing or replacing certain prosthetic and other appliances damaged or destroyed as a result of certain accidents; with amendment (Rept. No. 2122). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 7600. A bill to amend title 38, United States Code, to revise the effective date provisions relating to awards, and for other purposes; with amendment (Rept. No. 2123). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 8517. A bill to grant emergency officer's retirement benefits to certain persons who did not qualify therefor because their applications were not submitted before May 25, 1929; with amendment (Rept. No. 2124). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 9737. A bill to amend section 641 of title 38, United States Code, to provide that deductions shall not be made from Federal payments to a State home because of amounts collected from the estates of deceased veterans and used for recreational or other purposes not required by State laws; without amendment (Rept. No. 2125). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 9747. A bill to amend section 514 of the Soldiers and Sailors Civil Relief Act of 1940 to provide that where personal property taxes may not be imposed upon property of a serviceman located in a State, such taxes may not be imposed upon such property after he is transferred out of such State; with amendment (Rept. No. 2126). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 9922. A bill to amend title 38, United States Code, to authorize the furnishing of hospital and medical care (including outpatient treatment) to peacetime veterans suffering from noncompensable service-connected disabilities; without amendment (Rept. No. 2127). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 11100. A bill to amend chapter 11 of title 38, United States Code, to authorize special consideration for certain disabled veterans suffering blindness or bilateral kidney involvement; without amendment (Rept. No. 2128). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 8737. A bill to amend section 10 of the District of Columbia Traffic Act, 1925, as amended, so as to require reports of collisions in which motor vehicles are involved; with amendment (Rept. No. 2129). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 9962. A bill to amend title 38, United States Code, to provide an extension of the period within which certain educational programs must be begun and completed in the case of persons called to active duty during the Berlin crisis; with amendment (Rept. No. 2130). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 10857. A bill to amend chapter 31 of title 38, United States Code, to provide vocational rehabilitation for certain blinded veterans; with amendment (Rept. No. 2131). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 11018. A bill to amend the act concerning gifts to minors in the District of Columbia; with amendment (Rept. No. 2132). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 12333. A bill to amend title 38, United States Code, to permit, for 1 year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance; with amendment (Rept. No. 2133). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 11019. A bill to provide that the Uniform Limited Partnership Act shall apply in the District of Columbia; with amendment (Rept. No. 2134). Referred to the House Calendar.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 12675. A bill to provide for the formation of partnerships in the District of Columbia and to make uniform the law with respect thereto; without amendment (Rept. No. 2135). Referred to the House Calendar.

Mr. FASCELL: Committee on Foreign Affairs. Senate Joint Resolution 132. Joint resolution extending recognition to the International Exposition for Southern California in the year 1966 and authorizing the President to issue a proclamation calling upon the several States of the Union and foreign countries to take part in the exposition; without amendment (Rept. No. 2136). Referred to the House Calendar.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 12708. A bill to increase the jurisdiction of the municipal court for the District of Columbia in civil actions, to change the names of the court, and for other purposes; without amendment (Rept. No. 2137). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROSTENKOWSKI:

H.R. 12759. A bill to provide for the erection of a memorial at Wake Island in honor of American servicemen who were killed in the Battle of Wake Island; to the Committee on Foreign Affairs.

By Mr. DERWINSKI:

H.R. 12760. A bill to provide for the erection of a memorial at Wake Island in honor of American servicemen who were killed in the Battle of Wake Island; to the Committee on Foreign Affairs.

By Mr. JOHNSON of California:

H.R. 12761. A bill to provide relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McMILLAN (by request):

H.R. 12762. A bill to amend the District of Columbia Unemployment Compensation Act, as amended; to the Committee on the District of Columbia.

By Mr. MAILLIARD:

H.R. 12763. A bill to provide, for purposes of income taxes under the Internal Revenue Codes, that awards received under the Japanese-American Evacuation Claims Act of 1948 shall not be included in gross income; to the Committee on Ways and Means.

By Mr. OLSEN:

H.R. 12764. A bill to authorize the Secretary of Commerce to establish and carry out a program to promote the flow of domestically produced lumber in commerce; to the Committee on Agriculture.

By Mr. ROSENTHAL:

H.R. 12765. A bill to amend the Federal Aviation Act of 1958 in order to provide for research to determine criteria and means for abating objectionable aircraft noise; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas (by request):

H.R. 12766. A bill to remove the time limitation for applications by disabled veterans for assistance toward the purchase of automobiles or other conveyances; to the Committee on Veterans' Affairs.

By Mr. MOORE:

H.J. Res. 842. Joint resolution proposing an amendment to the Constitution of the United States permitting nonsectarian religious observances founded upon the recognition of God in public schools or other public places, if participation therein is voluntary; to the Committee on the Judiciary.

By Mr. COOLEY:

H. Res. 742. Resolution authorizing the printing of the proceedings incident to the presentation of a portrait of the late Hon. Hampton P. Fulmer to the Committee on Agriculture; to the Committee on House Administration.

By Mr. RIVERS of South Carolina:

H. Res. 743. Resolution to authorize the Committee on Un-American Activities to conduct an investigation and study of the society known as the Nation of Islam (also known as the Black Muslims); to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. KELLY:

H.R. 12767. A bill for the relief of Celes W. White; to the Committee on the Judiciary.

By Mr. HARRISON of Virginia:

H.R. 12768. A bill to confer jurisdiction on the Court of Claims to entertain, hear, and determine a motion for a new trial on the claim of Robert Alexander; to the Committee on the Judiciary.

By Mr. McDOWELL:

H.J. Res. 843. Joint resolution to provide that a gold medal be coined and presented to Dr. Frances O. Kelsey by the President in honor of her distinguished service to mankind by withholding approval of the horror-drug thalidomide which has caused thousands of babies to be born deformed; to the Committee on Banking and Currency.

PETITIONS, ETC.

Under clause 1 of rule XXII:

399. Mr. TEAGUE of Texas presented a petition of the Cleburne Chamber of Commerce, Cleburne, Tex., petitioning consideration of their resolution with reference to endorsing the enactment of S. 3243, H.R. 11583, S. 3242 and H.R. 11584, which was referred to the Committee on Interstate and Foreign Commerce.

SENATE

THURSDAY, AUGUST 2, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou whose dwelling place is the light of setting suns, the round ocean, the living air, the blue sky, and in the mind of man which is the temple of Thy glory: Shine into our darkness, we pray, by the light of Thy truth; correct the dismal errors of our judgments and the false perspective of our prejudices by the wisdom Thou dost wait to give liberally to all who ask of Thee, and who with pure hearts wait for Thy will and Thy word.

Inspire and guide with the spirit of understanding Thy servants who minister in this Chamber, the few among the many, in a great and crucial day lifted by their fellows to high pedestals of power and influence. May their words and counsel, so laden with possibilities to raise to higher levels this stricken generation, add mightily to the world's store of good will and be for the healing of the nations.

We ask it in the Name that is above every name. Amen.

THE JOURNAL

On request of Mr. Mansfield, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 1, 1962, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT ON U.S. PARTICIPATION IN THE UNITED NATIONS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 501)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Foreign Relations:

To the Congress of the United States:

Pursuant to the provisions of the United Nations Participation Act, I transmit herewith the 16th annual report covering U.S. participation in the United Nations in 1961.

In the course of that year the United Nations faced and surmounted several crises; dealt with a heavy parliamentary agenda; administered expanding programs in the economic and social field; and took several steps of potentially great significance for the future peace and prosperity of the world.

A detailed record of these events and accomplishments is set forth in the body of this report, but in transmitting it to the Congress I should like to call attention to three matters of compelling importance which the United Nations faced in 1961.

First was the administrative crisis at United Nations Headquarters. This arose when the Soviet Union sought to replace an impartial Secretariat with a three-headed directorate—representing the Communist bloc and the so-called capitalist and neutralist groups of nations—each with a veto. This attempt to destroy the executive capacity of the United Nations, following the untimely death of the late Secretary General Dag Hammarskjold, was rejected decisively. In the unanimous election of U Thant to fill Mr. Hammarskjold's unexpired term, the full integrity of the office of the Secretary General was preserved.

Second was the operational crisis for the United Nations peacekeeping force in the Congo. By the end of the year, the secession of Orientale Province had been brought to an end, fighting in Katanga was replaced by a cease-fire, and the dissidents in Katanga had agreed to negotiate for reintegration of that Province with the rest of the Congo.

Third was the financial crisis. This was brought on mainly by the refusal or inability of some members to pay their share of the cost of peacekeeping operations in the Congo and the Middle East. In the course of the year the General Assembly adopted a three-point plan to meet immediate peacekeeping costs, collect arrearages, and provide adequate funds until a more permanent method can be devised for financing future peacekeeping operations.

Despite the dangers and strains of these crises, the United Nations in 1961 took three steps which I believe will be of great future significance to the world's security and well-being.

1. The United Nations created the 18-Nation Disarmament Committee agreed upon by the United States and the Soviet Union as a forum for renewed disarmament negotiations which began this spring in Geneva. In presenting to the General Assembly the U.S. proposals for general and complete disarmament in a peaceful world, the U.S. delegation made clear that steps toward disarmament must be matched, at each stage, by steps toward improving the peacekeeping machinery of the United Nations. It is this essential linkage which will make disarmament a practical proposition whenever nations can agree on the necessary goals and safeguards. Every improvement in the machinery of peace will make it easier for us, with confidence, ultimately to begin dismantling the machinery of war. Whatever obstacles and disappointments may lie ahead, the world must some day travel the road to disarmament. For, in the nuclear age, armaments no longer offer fundamental security to any nation.

2. The United Nations also laid the groundwork in 1961 for a U.N. decade of development to help speed progress toward the economic and social goals of the newly emerging nations. The launching of a world food program and the decision to hold an international conference on the application of science and technology to the less developed world are only initial steps. The United States intends to propose further measures to focus the resources of the United Nations on this 10-year drive against economic want and social injustice.

3. Finally, the United Nations, in 1961, turned in earnest to the critical search for international cooperation in the exploration of outer space. Within the framework of the newly created U.N. Committee on Peaceful Uses of Outer Space, discussions were underway at the end of the year looking toward international cooperation in outer space, including cooperation between the United States and the Soviet Union in the development of communications and weather programs.

These were major constructive moves of the United Nations in 1961: To work toward the replacement of the machinery of war with the institutions of peace; to help guide the newly developing nations toward modernization; and to seek international cooperation in the exploration of outer space for the benefit of all. The United States played a major role in initiating these progressive steps in the United Nations. They served the foreign policy interest of this country; and they were wholly compatible with the mutually reinforcing policies which we have pursued through the institutions of the North Atlantic community, through regional organizations, and through diplomatic channels.

Meanwhile, the United Nations continued to play vigorously two indispensable continuing roles. It kept the peace in the Middle East and the Congo, and it continued to be absorbed in the often difficult transfer of dependent areas to nationhood.

Finally, it cannot be said too often that the Charter of the United Nations expresses well the basic precepts and standards of conduct that guide our own society. These precepts and standards are not destroyed because this nation or that, consistently or occasionally, violates them. The indestructible principles of the Charter exert a gravitational pull which adds strength to every aspect of our worldwide diplomacy. The United Nations, under that Charter, provides a framework within which we can pursue the highest goal of American foreign policy—a world community of independent nations living together in free association and at peace with each other.

JOHN F. KENNEDY.

THE WHITE HOUSE, *August 2, 1962.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 2008) to amend the act of September 16, 1959 (73 Stat. 561, 43 U.S.C. 615a), relating to the construction, operation, and maintenance of the Spokane Valley project, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 575. An act to authorize the Secretary of the Interior to construct, operate, and maintain the upper division of the Baker Federal reclamation project, Oregon, and for other purposes;

H.R. 11721. An act to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946, and to authorize the appropriation of $73 million for that purpose; and

H.R. 12711. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1963, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H.R. 10526. An act making appropriations for the Treasury and Post Office Departments, and Executive Office of the President, and certain independent agencies for the fiscal year ending June 30, 1963, and for other purposes;

H.R. 10786. An act to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the United States, for any territory, or for the District of Columbia, and for other purposes;

H.R. 10802. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes;

H.R. 11289. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes; and

H.R. 11737. An act to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 575. An act to authorize the Secretary of the Interior to construct, operate, and maintain the upper division of the Baker Federal reclamation project, Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 11721. An act to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946, and to authorize the appropriation of $73 million for that purpose; to the Committee on Foreign Relations.

H.R. 12711. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1963, and for other purposes; to the Committee on Appropriations.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. SMATHERS, and by unanimous consent, the Permanent Subcommittee on Investigations of the Committee on Government Operations was authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Norbert A. Schlei, of California, to be an Assistant Attorney General.

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service:

Thirty-nine postmaster nominations.

The VICE PRESIDENT. If there be no further reports of committees, the nomination on the Executive Calendar will be stated.

PUBLIC UTILITIES COMMISSION OF THE DISTRICT OF COLUMBIA

The Chief Clerk read the nomination of Edgar H. Bernstein, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia for a term of 3 years expiring June 30, 1965.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

MEXICO'S SOCIAL REVOLUTION

Mr. MANSFIELD. Mr. President, this month will mark the first anniversary of the Alliance for Progress. One of the basic planks in the Alliance is a program of making land available to peasants, so they may become self-supporting, and self-respecting members of society.

It is not easy for those who control the land in most of the nations to the south of us to recognize that this course offers a far better alternative than the distribution of land by revolution. Therefore, when one of the great Latin American nations voluntarily and enthusiastically parcels out vast holdings of land, it is a significant development for the entire hemisphere.

The recent decision of the Mexican Government to make millions of acres of land available to small farmers not only helps fulfill the noble aims of the Mexican Revolution, but also makes a real contribution to the Alliance for Progress. Our great neighbors to the south have long been among the leaders in the fight for economic and social justice. As signers of the Declaration of Punta del Este, they lend much prestige to the Alliance for Progress each time they move forward to carry out the goals embodied in that declaration. It is to their credit that they crown glowing words with constructive action.

Mr. President, tribute was paid recently, in a New York Times editorial, to Mexico and its President, Adolfo Lopez Mateos, with special reference to land reform. I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MEXICO'S REVOLUTION

Mexico's social revolution started in 1910 and in some ways it still continues. The recent news that the Government is going to parcel out several million more acres of land to small farmers is in the direct line of the revolution.

That upheaval did not commence as a jacquerie, or peasant uprising, but it became one because the nation's economy was overwhelmingly agricultural and its population proportionately rural. Yet less than 3 percent of the Mexican people owned land and most of that was in the hands of the immensely wealthy. Hence the major objective of the revolution, imposed by the fiery peasant leader Emiliano Zapata, became agrarian reform. The long years of bloodshed and travail, and of conflict with the United States, have happily gone into history, but the ideals of the revolution still inspire the leaders of Mexico.

So it was that in his very first state of the union message on September 1, 1959, President López Mateos promised to continue Mexico's agrarian reform policies. He has honored that promise. No President since Lázaro Cárdenas (1934–40) has done so much to distribute land, raise farming incomes, and increase crops.

This does not mean that Mexican farmers are all living well. There are still great numbers of peasants in dire poverty and many who can live only by going to the United States for seasonal work every year.

There is a constant struggle to prevent a throwback to the latifundism that was one of the major causes of the revolution. But the feudalism that existed before the revolution has gone, surely forever. Mexico transformed her social structure, a triumph but with a price terribly high. Such a transformation is the goal of the Alliance for Progress in Latin America, but with the fervent hope that it will be accomplished by peaceful, evolutionary processes and not by the violence and tragedy of the Mexican and Cuban revolutions.

FAMILY SERVICE MARKS PASSING OF MONTANA PIONEER

Mr. MANSFIELD. Mr. President, on May 26, 1962, children and grandchildren of Mattie Welsh, widow of Joseph Welsh, met at the Johnson & Jenkins Funeral Home in Washington to mark and to mourn her death, which occurred on Tuesday, May 22, ending a long and richly full life. Born Mattie Byers, 78 years ago, on April 30, 1884, in Winston-Salem, N.C., she began a fascinating life of adventure when, at the age of 8, she left the well-established community in North Carolina for the western wilderness of Montana. When Mattie Byers' parents died, the child became the ward of her great-aunt, Mattie K. Castner, who, with her husband, was a Montana pioneer; and the young girl from North Carolina absorbed the pioneering spirit of her guardian and embraced life as a great adventure.

After her marriage 62 years ago to an east European immigrant, John Novotny, the young wife helped her husband to establish homesteads in Cascade County, Mont. Later they moved to Great Falls, Mont., where they lived most of their married life and where they reared a family of nine children, seven of whom survive.

Mattie Welsh was an enthusiastic traveler, and as her children and their children and grandchildren made their ways to other parts of this country, she welcomed their decisions as a call to new adventure. Through her visits to them in California, Nebraska, New Jersey, and Washington, D.C., as well as to the North Carolina scene of her earliest childhood, she came to be at home throughout this Nation, and she is no stranger to the soil in which she is resting now.

There is an African proverb which says that the mother whose children bury her has died a happy death. However, Mattie Welsh's happiness consists not only of the loving descendants who survive her, but also of the challenge of the great new adventure to which she has gone.

APPOINTMENT BY THE VICE PRESIDENT

The VICE PRESIDENT. The Chair appoints the Senator from Kansas [Mr. CARLSON] as a member of the committee on the part of the Senate to attend the ceremonies to be conducted at Roanoke Island, N.C., during the week of August 12–18, 1962, vice the Senator from New Hampshire [Mr. COTTON].

STUDY OF FEASIBILITY OF NAVIGATION ON KAW RIVER, KANS.—RESOLUTION

Mr. CARLSON. Mr. President, the Kansas Farmers Union at a meeting of its board of directors on July 21 at Topeka, Kans., adopted a resolution urging Congress to consider an appropriation for the Army Engineers to study the feasibility of navigation on the Kaw River between Kansas City and Topeka.

I ask unanimous consent that the resolution be printed in the RECORD, and referred to the Public Works Committee.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

RESOLUTION BY KANSAS FARMERS UNION BOARD OF DIRECTORS

Whereas the board which represents farming interests in every section of the State, believes the Kaw River is one of the State's greatest resources; and

Whereas the Government is spending millions abroad helping other countries plan for the future; and

Whereas it is time the development of the Kaw River Basin with its tremendous potential receives proper attention; and

Whereas the big flood control reservoirs constructed and to be constructed on the tributaries of the Kaw could bring vast water impoundments from Kanopolis, Tuttle Creek, Kirwin, Wilson, Milford, and Perry Reservoirs in Kansas and Harlan on the Republican River in Nebraska could make it possible to maintain a navigable channel on the Kaw River; and

Whereas the Kansas farmers understand and appreciate the importance of river traffic, through their farmer-owned Farmers Union Cooperative Marketing Association in Kansas City with barge facilities at their terminal elevator in Fairfax, Kansas City, Kans., shipped over 100 barges or about 3 million bushels of wheat via the Missouri River to New Orleans by July 4, 1962, and as many bushels were waiting available barges for further shipments; and

Whereas there are many large industries, such as grain terminals located on the river at the present time that could supply tonnage for a bargeline operation: Now, therefore, be it

Resolved, That the board of directors of the Kansas Farmers Union in session this 21st day of July 1962, indicate by this document their moral support and calling upon their representatives in Washington to ask the next session of Congress to consider an appropriation for the Army Engineers to study the feasibility of navigation on the Kaw River between Kansas City and Topeka; and be it further

Resolved, That civic leaders be called upon in Kansas to begin an organized effort to push for river channel development which would bring a more rapid industrialization to the Kaw Valley; and be it further

Resolved, That we inform the Congressmen and Senators from the State of Kansas by forwarding a copy of this resolution to them in Washington, D.C.

MARTIN J. BYRNE,
President.

Attest:

DAVID E. KARNOWSKI,
Secretary-Treasurer.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, without amendment:

S. 3235. A bill to facilitate the work of the Forest Service, and for other purposes (Rept. No. 1803); and

S. 3574. A bill to extend the International Wheat Agreement Act of 1949 (Rept. No. 1804).

By Mr. McCARTHY, from the Committee on Agriculture and Forestry, with amendments:

H.R. 8520. An act to amend the Soil Conservation and Domestic Allotment Act, as amended, to add a new subsection to section 16 to limit financial and technical assistance for drainage of certain wet lands (Rept. No. 1805).

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL PERSONNEL AND PAY—REPORT OF A COMMITTEE

Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal employment and pay for the month of June 1962.

The June 1962 personnel report by the Joint Committee on Reduction of Nonessential Federal Expenditures records the yearend level of Federal civilian employment.

As chairman of the committee, it is my duty to invite the attention of the Congress and the public to the fact that numerous records are broken:

1. JUNE EMPLOYMENT

Civilian employment in the Federal Government during June 1962 was increased by 34,921. This was the largest monthly increase in 10 years—since June 1952—with the exception of March 1960 when 181,783 temporary employees were added to take the 1960 census.

2. YEAREND EMPLOYMENT

Fiscal yearend Federal civilian employment in June 1962 totaled 2,496,455, an increase of 77,351 over the level of June 1961. This was the highest yearend figure in 10 years. The yearend figure has not been this high since June 1952 which represented the Korean war yearend peak. The 1952 figure was 2,596,800; and from that high point the yearend total dropped to 2,367,000 in June 1959. It has climbed steadily in each of the past 3 years.

3. CIVILIAN AGENCY EMPLOYMENT

Employment in Federal civilian agencies—as distinguished from civilian employment in the military departments—increased during the month of June 1962 by 31,267. The yearend employment by Federal civilian agencies stood at a total of 1,426,849. This was the highest civilian agency employment in 10 years; the yearend total in 1952 was 1,259,590; the net increase over 10 years was 167,259. In the same 10-year period civilian employment in the military departments was decreased by 267,566 from 1,337,172 in June 1952 to 1,069,606 in June 1962.

4. CIVILIAN EMPLOYMENT PAYROLL

The Federal payroll for civilian employment in fiscal year 1962—ended June 30—will exceed $14 billion. This will be an alltime record. The highest payroll during World War II—when civilian employment rose to more than 3.5 million—totaled approximately $8 billion. Due to varying pay periods the payroll figures are reported a month late. The figures for June 1962 are not yet in. For the 11 months of the past fiscal year July 1961–May 1962, the actual payroll totaled $13.1 billion. The payroll for June was approximately $1.2 billion. The total would be approximately $14¼ billion.

In accordance with the practice of several years' standing, I ask unanimous consent to have the report printed in the RECORD, together with a statement by

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, JUNE AND MAY 1962, AND PAY, MAY AND APRIL 1962

PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for June 1962 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In June, numbered—	In May, numbered—	Increase (+) or decrease (−)	In May, was—	In April, was—	Increase (+) or decrease (−)
Total[1]	2,496,455	2,461,534	+34,921	$1,259,014	$1,154,495	+$104,519
Agencies exclusive of Department of Defense	1,426,849	1,395,582	+31,267	695,855	639,802	+56,053
Department of Defense	1,069,606	1,065,952	+3,654	563,159	514,693	+48,466
Inside the United States	2,335,973	2,295,639	+40,334			
Outside the United States	160,482	165,895	−5,413			
Industrial employment	577,031	570,363	+6,668			
Foreign nationals	171,109	171,171	−62	27,098	[2] 26,074	+1,024

[1] Exclusive of foreign nationals shown in the last line of this summary.

[2] Revised on basis of later information.

Table I breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside the United States by agencies.

Table III breaks down the above employment figures to show the number outside the United States by agencies.

Table IV breaks down the above employment figures to show the number in industrial-type activities by agencies.

Table V shows foreign nationals by agencies not included in tables I, II, III, and IV.

TABLE I.—*Consolidated table of Federal personnel inside and outside the United States employed by the executive agencies during June 1962, and comparison with May 1962, and pay for May 1962, and comparison with April 1962*

Department or agency	Personnel				Pay (in thousands)			
	June	May	Increase	Decrease	May	April	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	110,529	98,554	11,975		$47,453	$42,235	$5,218	
Commerce	31,432	29,802	1,630		18,346	16,945	1,401	
Health, Education, and Welfare	77,244	74,733	2,511		37,452	35,675	1,777	
Interior	63,366	58,508	4,858		32,461	28,885	3,576	
Justice	32,056	31,169	887		20,642	18,565	2,077	
Labor	8,953	8,412	541		4,975	4,581	394	
Post Office	588,477	583,658	4,819		263,940	243,253	20,687	
State [1] [2]	40,190	39,757	433		19,030	18,258	772	
Treasury	83,036	83,990		954	48,754	45,375	3,379	

See footnotes at end of table.

TABLE I.—*Consolidated table of Federal personnel inside and outside the United States employed by the executive agencies during June 1962 and comparison with May 1962, and pay for May 1962, and comparison with April 1962*—Continued

Department or agency	Personnel				Pay (in thousands)			
	June	May	Increase	Decrease	May	April	Increase	Decrease
Executive Office of the President:								
White House Office	467	452	15		$260	$245	$15	
Bureau of the Budget	497	456	41		398	368	30	
Council of Economic Advisers	56	47	9		38	36	2	
Executive Mansion and Grounds	77	74	3		44	39	5	
National Aeronautics and Space Council	23	22	1		20	16	4	
National Security Council	44	45		1	33	30	3	
Office of Emergency Planning	513	496	17		404	377	27	
President's Commission on Campaign Costs	3	6		3	4	6		$2
Independent agencies:								
Advisory Commission on Intergovernmental Relations	39	56		17	24	20	4	
American Battle Monuments Commission	443	439	4		89	80	9	
Atomic Energy Commission	6,863	6,807	56		5,054	4,623	431	
Board of Governors of the Federal Reserve System	599	599			400	365	35	
Civil Aeronautics Board	836	806	30		607	557	50	
Civil Service Commission	4,123	3,981	142		2,492	2,247	245	
Civil War Centennial Commission	5	5			4	5		1
Commission of Fine Arts	6	6			5	5		
Commission on Civil Rights	100	82	18		45	40	5	
Delaware River Basin Commission	2	2			2	1	1	
Export-Import Bank of Washington	273	262	11		185	164	21	
Farm Credit Administration	236	238		2	173	160	13	
Federal Aviation Agency	44,411	43,854	557		27,786	27,066	720	
Federal Coal Mine Safety Board of Review	7	7			5	4	1	
Federal Communications Commission	1,511	1,399	112		960	870	90	
Federal Deposit Insurance Corporation	1,254	1,248	6		810	744	66	
Federal Home Loan Bank Board	1,175	1,152	23		766	693	73	
Federal Maritime Commission	188	158	30		118	110	8	
Federal Mediation and Conciliation Service	383	379	4		324	290	34	
Federal Power Commission	988	911	77		698	589	109	
Federal Trade Commission	1,126	1,061	65		751	670	81	
Foreign Claims Settlement Commission	70	64	6		48	46	2	
General Accounting Office	4,758	4,624	134		3,021	2,734	287	
General Services Administration	31,522	31,029	493		15,380	13,974	1,406	
Government Printing Office	6,929	6,906	23		4,171	3,775	396	
Housing and Home Finance Agency	13,469	13,060	409		8,223	7,481	742	
Indian Claims Commission	20	20			19	19		
Interstate Commerce Commission	2,442	2,378	64		1,633	1,485	148	
James Madison Memorial Commission	1	1			1	1		
National Aeronautics and Space Administration	23,690	21,785	1,905		15,878	14,838	1,040	
National Capital Housing Authority	426	430		4	199	176	23	
National Capital Planning Commission	56	55	1		37	34	3	
National Capital Transportation Agency	93	75	18		57	55	2	
National Gallery of Art	326	324	2		$148	$125	$23	
National Labor Relations Board	1,941	1,870	71		1,300	1,186	114	
National Mediation Board	117	117			134	106	28	
National Science Foundation	900	846	54		545	486	59	
Outdoor Recreation Resources Review Commission	9	14		5	18	19		1
Panama Canal	14,509	14,495	14		5,383	4,705	678	
President's Committee on Equal Employment Opportunity	47	47			32	28	4	
Railroad Retirement Board	2,129	2,061	68		1,157	1,057	100	
Renegotiation Board	194	189	5		159	150	9	
St. Lawrence Seaway Development Corporation	168	166	2		103	117		14
Securities and Exchange Commission	1,336	1,274	62		864	788	76	
Selective Service System	6,805	6,865		60	2,239	2,030	209	
Small Business Administration	3,181	3,097	84		1,974	1,778	196	
Smithsonian Institution	1,416	1,258	158		645	569	76	
Soldiers' Home	1,040	1,028	12		359	330	29	
South Carolina, Georgia, Alabama, and Florida Water Study Commission	60	58	2		45	43	2	
Subversive Activities Control Board	27	27			23	22	1	
Tariff Commission	279	271	8		199	182	17	
Tax Court of the United States	150	148	2		115	110	5	
Tennessee Valley Authority	18,660	18,614	46		11,760	10,812	948	
Texas Water Study Commission	17	18.		1	8	9		1
U.S. Arms Control and Disarmament Agency	99	81	18		71	63	8	
U.S. Information Agency	11,145	11,034	111		4,824	4,365	459	
Veterans' Administration	176,562	176,524	38		79,319	71,694	7,625	
Virgin Islands Corporation	725	1,096		371	212	218		6
Total, excluding Department of Defense	1,426,849	1,395,582	32,685	1,418	695,855	639,802	56,078	25
Net increase, excluding Department of Defense			31,267				56,053	
Department of Defense:								
Office of the Secretary of Defense	1,921	1,785	136		1,430	1,304	126	
Department of the Army	303,857	301,456	2,401		197,833	181,667	16,166	
Department of the Navy	348,058	346,307	1,751		193,505	176,935	16,570	
Department of the Air Force	306,196	307,818		1,622	160,518	146,431	14,087	
Defense Atomic Support Agency	2,082	2,076	6		1,056	953	103	
Defense Communications Agency	163	138	25		100	79	21	
Defense Intelligence Agency	212	200	12		134	112	22	
Defense Supply Agency	15,769	14,877	892		7,612	6,350	1,262	
Office of Civil Defense	1,215	1,159	56		867	780	87	
U.S. Court of Military Appeals	39	40		1	33	30	3	
Interdepartmental activities	38	39		1	22	24		2
International military activities	56	57		1	49	28	21	
Total, Department of Defense	1,069,606	1,065,952	5,279	1,625	563,159	514,693	48,468	2
Net increase, Department of Defense			3,654				48,466	
Grand total, including Department of Defense [3]	2,496,455	2,461,534	37,964	3,043	1,259,014	1,154,495	104,546	27
Net increase, including Department of Defense			34,921				104,519	

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[1] June figure includes 15,495 employees of the Agency for International Development as compared with 15,484 in May and their pay. These AID figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The June figure includes 3,778 of these trust fund employees and the May figure includes 3,796.

[2] June figure includes 793 employees of the Peace Corps as compared with 608 in May and their pay.

[3] Exclusive of personnel and pay of the Central Intelligence Agency and the National Security Agency.

TABLE II.—*Federal personnel inside the United States employed by the executive agencies during June 1962, and comparison with May 1962*

Department or agency	June	May	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	109, 358	97, 406	11, 952	--------
Commerce	30, 793	29, 189	1, 604	--------
Health, Education, and Welfare	76, 720	74, 223	2, 497	--------
Interior	62, 861	57, 991	4, 870	--------
Justice	31, 715	30, 835	880	--------
Labor	8, 862	8, 315	547	--------
Post Office	587, 045	582, 242	4, 803	--------
State [1] [2]	10, 478	10, 206	272	--------
Treasury	82, 433	83, 374	--------	941
Executive Office of the President:				
White House Office	467	452	15	--------
Bureau of the Budget	497	456	41	--------
Council of Economic Advisers	56	47	9	--------
Executive Mansion and Grounds	77	74	3	--------
National Aeronautics and Space Council	23	22	1	--------
National Security Council	44	45	--------	1
Office of Emergency Planning	513	496	17	--------
President's Commission on Campaign Costs	3	6	--------	3
Independent agencies:				
Advisory Commission on Intergovernmental Relations	39	56	--------	17
American Battle Monuments Commission	8	10	--------	2
Atomic Energy Commission	6, 831	6, 774	57	--------
Board of Governors of the Federal Reserve System	599	599	--------	--------
Civil Aeronautics Board	835	805	30	--------
Civil Service Commission	4, 119	3, 977	142	--------
Civil War Centennial Commission	5	5	--------	--------
Commission of Fine Arts	6	6	--------	--------
Commission on Civil Rights	100	82	18	--------
Delaware River Basin Commission	2	2	--------	--------
Export-Import Bank of Washington	273	262	11	--------
Farm Credit Administration	236	238	--------	2
Federal Aviation Agency	43, 442	42, 864	578	--------
Federal Coal Mine Safety Board of Review	7	7	--------	--------
Federal Communications Commission	1, 508	1, 396	112	--------
Federal Deposit Insurance Corporation	1, 252	1, 246	6	--------
Federal Home Loan Bank Board	1, 175	1, 152	23	--------
Federal Maritime Commission	188	158	30	--------
Federal Mediation and Conciliation Service	383	379	4	--------
Federal Power Commission	988	911	77	--------
Federal Trade Commission	1, 126	1, 061	65	--------
Foreign Claims Settlement Commission	66	60	6	--------
General Accounting Office	4, 680	4, 553	127	--------
General Services Administration	31, 512	31, 024	488	--------
Government Printing Office	6, 929	6, 906	23	--------
Housing and Home Finance Agency	13, 291	12, 886	405	--------
Indian Claims Commission	20	20	--------	--------
Interstate Commerce Commission	2, 442	2, 378	64	--------
James Madison Memorial Commission	1	1	--------	--------
National Aeronautics and Space Administration	23, 678	21, 773	1, 905	--------
National Capital Housing Authority	426	430	--------	4
Independent agencies—Continued				
National Capital Planning Commission	56	55	1	--------
National Capital Transportation Agency	93	75	18	--------
National Gallery of Art	326	324	2	--------
National Labor Relations Board	1, 908	1, 837	71	--------
National Mediation Board	117	117	--------	--------
National Science Foundation	890	836	54	--------
Outdoor Recreation Resources Review Commission	9	14	--------	5
Panama Canal	165	168	--------	3
President's Commission on Equal Employment Opportunity	47	47	--------	--------
Railroad Retirement Board	2, 129	2, 061	68	--------
Renegotiation Board	194	189	5	--------
St. Lawrence Seaway Development Corporation	168	166	2	--------
Securities and Exchange Commission	1, 336	1, 274	62	--------
Selective Service System	6, 648	6, 708	--------	60
Small Business Administration	3, 135	3, 053	82	--------
Smithsonian Institution	1, 403	1, 246	157	--------
Soldiers' Home	1, 040	1, 028	12	--------
South Carolina, Georgia, Alabama, and Florida Water Study Commission	60	58	2	--------
Subversive Activities Control Board	27	27	--------	--------
Tariff Commission	279	271	8	--------
Tax Court of the United States	150	148	2	--------
Tennessee Valley Authority	18, 654	18, 608	46	--------
Texas Water Study Commission	17	18	--------	1
U.S. Arms Control and Disarmament Agency	99	81	18	--------
U.S. Information Agency	3, 069	2, 992	77	--------
Veterans' Administration	175, 531	175, 498	33	--------
Total, excluding Department of Defense	1, 365, 662	1, 334, 299	32, 402	1, 039
Net increase, excluding Department of Defense	--------	--------	31, 363	
Department of Defense:				
Office of the Secretary of Defense	1, 874	1, 739	135	--------
Department of the Army	344, 223	399, 044	5, 179	--------
Department of the Navy	324, 737	322, 694	2, 043	--------
Department of the Air Force	279, 929	279, 303	626	--------
Defense Atomic Support Agency	2, 082	2, 076	6	--------
Defense Communications Agency	156	131	25	--------
Defense Intelligence Agency	212	200	12	--------
Defense Supply Agency	15, 769	14, 877	892	--------
Office of Civil Defense	1, 215	1, 159	56	--------
U.S. Court of Military Appeals	39	40	--------	1
Interdepartmental Activities	37	38	--------	1
International Military Activities	38	39	--------	1
Total, Department of Defense	970, 311	961, 340	8, 974	3
Net increase, Department of Defense	--------	--------	8, 971	
Grand total, including Department of Defense	2, 335, 973	2, 295, 639	41, 376	1, 042
Net increase, including Department of Defense	--------	--------	40, 334	

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[1] June figure includes 2,701 employees of the Agency for International Development as compared with 2,581 in May.

[2] June figure includes 614 employees of the Peace Corps as compared with 542 in May.

TABLE III.—*Federal personnel outside the United States employed by the executive agencies during June 1962, and comparison with May 1962*

Department or agency	June	May	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1, 171	1, 148	23	--------
Commerce	639	613	26	--------
Health, Education, and Welfare	524	510	14	--------
Interior	505	517	--------	12
Justice	341	334	7	--------
Labor	91	97	--------	6
Post Office	1, 432	1, 416	16	--------
State [1] [2]	29, 712	29, 551	161	--------
Treasury	603	616	--------	13
Independent agencies:				
American Battle Monuments Commission	435	429	6	--------
Atomic Energy Commission	32	33	--------	1
Civil Aeronautics Board	1	1	--------	--------
Civil Service Commission	4	4	--------	--------
Federal Aviation Agency	969	990	--------	21
Federal Communications Commission	3	3	--------	--------
Federal Deposit Insurance Corporation	2	2	--------	--------
Foreign Claims Settlement Commission	4	4	--------	--------
General Accounting Office	78	71	7	--------
General Services Administration	10	5	5	--------
Housing and Home Finance Agency	178	174	4	--------
National Aeronautics and Space Administration	12	12	--------	--------
National Labor Relations Board	33	33	--------	--------
National Science Foundation	10	10	--------	--------
Panama Canal	14, 344	14, 327	17	--------
Selective Service System	157	157	--------	--------
Independent agencies—Continued				
Small Business Administration	46	44	2	--------
Smithsonian Institution	13	12	1	--------
Tennessee Valley Authority	6	6	--------	--------
U.S. Information Agency	8, 076	8, 042	34	--------
Veterans' Administration	1, 031	1, 026	5	--------
Virgin Islands Corporation	725	1, 096	--------	371
Total, excluding Department of Defense	61, 187	61, 283	328	424
Net decrease, excluding Department of Defense	--------	--------		96
Department of Defense:				
Office of the Secretary of Defense	47	46	1	--------
Department of the Army	49, 634	52, 412	--------	2, 778
Department of the Navy	23, 321	23, 613	--------	292
Department of the Air Force	26, 267	28, 515	--------	2, 248
Defense Communications Agency	7	7	--------	--------
Interdepartmental activities	1	1	--------	--------
International military activities	18	18	--------	--------
Total, Department of Defense	99, 295	104, 612	1	5, 318
Net decrease, Department of Defense	--------	--------		5,317
Grand total, including Department of Defense	160, 482	165, 895	329	5, 742
Net increase, including Department of Defense	--------	--------	5,413	

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[1] June figure includes 12,794 employees of the Agency for International Development as compared with 12,903 in May. These AID figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The June figure includes 3,778 of these trust fund employees and the May figure includes 3,796.

[2] June figure includes 120 employees of the Peace Corps as compared with 66 in May.

TABLE IV.—*Industrial employees of the Federal Government inside and outside the United States employed by the executive agencies during June 1962, and comparison with May 1962*

Department or agency	June	May	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	3,837	3,778	59	
Commerce	5,882	5,697	185	
Interior	8,607	8,338	269	
Post Office	258	255	3	
Treasury	5,103	5,175		72
Independent agencies:				
Atomic Energy Commission	268	250	18	
Federal Aviation Agency	2,346	1,898	448	
General Services Administration	1,835	1,808	27	
Government Printing Office	6,929	6,906	23	
National Aeronautics and Space Administration	23,690	21,785	1,905	
Panama Canal	7,376	7,379		3
St. Lawrence Seaway Development Corporation	134	129	5	
Tennessee Valley Authority	15,630	15,637		7
Virgin Islands Corporation	725	1,096		371
Total, excluding Department of Defense	82,620	80,131	2,942	453
Net increase, excluding Department of Defense			2,480	
Department of Defense:				
Department of the Army:				
Inside the United States	[1] 143,700	[2] 141,561	2,139	
Outside the United States	[1] 4,260	[2] 4,505		245
Department of the Navy:				
Inside the United States	203,787	202,054	1,733	
Outside the United States	449	454		5
Department of the Air Force:				
Inside the United States	138,894	138,618	276	
Outside the United States	1,456	1,482		26
Defense Supply Agency:				
Inside the United States	1,865	1,558	307	
Total, Department of Defense	494,411	490,232	4,455	276
Net increase, Department of Defense			4,179	
Grand total, including Department of Defense	577,031	570,363	7,397	729
Net increase, including Department of Defense			6,668	

[1] Subject to revision. [2] Revised on basis of later information.

TABLE V.—*Foreign nationals working under U.S. agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of June 1962, and comparison with May 1962*

Country	Total		Army		Navy		Air Force		National Aeronautics and Space Administration	
	June	May	June	May	June	May	June	May	June	May
Australia	1	1							1	1
Canada	35	34					35	34		
Crete	59	49					59	49		
England	3,351	3,576			91	88	3,260	3,488		
France	22,475	22,354	18,654	18,692	11	11	3,810	3,651		
Germany	80,686	80,925	67,732	67,927	84	85	12,870	12,913		
Greece	262	270					262	270		
Greenland	133	134					133	134		
Japan	54,676	54,361	19,304	19,174	15,312	15,268	20,060	19,919		
Korea	6,208	6,221	6,208	6,221						
Morocco	2,574	2,598			764	768	1,810	1,830		
Netherlands	52	52					52	52		
Trinidad	597	596			597	596				
Total	171,109	171,171	111,898	112,014	16,859	16,816	42,351	42,340	1	1

STATEMENT BY SENATOR BYRD OF VIRGINIA

THE MONTH OF JUNE 1962

Civilian employees

Executive agencies of the Federal Government reported civilian employment in the month of June totaling 2,496,455. This was a net increase of 34,921 as compared with employment reported in the preceding month of May.

Civilian employment reported by the executive agencies of the Federal Government, by month in fiscal year 1962, which began July 1, 1961, follows:

Month	Employment	Increase	Decrease
1961—July	2,435,804	16,700	
August	2,445,078	9,274	
September	2,427,216		17,862
October	2,429,691	2,475	
November	2,437,709	8,018	
December	2,430,998		6,711
1962—January	2,428,691		2,307
February	2,436,725	8,034	
March	2,441,800	5,075	
April	2,453,952	12,152	
May	2,461,534	7,582	
June	2,496,455	34,921	

Total Federal employment in civilian agencies for the month of June was 1,426,849, an increase of 31,267 as compared with the May total of 1,395,582. Total civilian employment in the military agencies in June was 1,069,606, an increase of 3,654 as compared with 1,065,952 in May.

Civilian agencies reporting larger increases were Agriculture Department with 11,975, Interior Department with 4,858, Post Office Department with 4,819, Department of Health, Education, and Welfare with 2,511, National Aeronautics and Space Administration with 1,905, Department of Commerce with 1,630, and Department of Justice with 887. The largest decrease was reported by Treasury Department with 954. Agriculture, Interior, and Treasury Department changes were largely seasonal.

In the Department of Defense increases in civilian employment were reported by the Department of the Army with 2,401, Department of the Navy with 1,751, and Defense Supply Agency with 892. The largest decrease was reported by the Department of the Air Force with 1,622.

Inside the United States civilian employment increased 40,334, and outside the United States civilian employment decreased 5,413. Industrial employment by Federal agencies in June totaled 577,031, an increase of 6,668.

These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Nonessential Federal Expenditures.

Foreign nationals

The total of 2,496,455 civilian employees certified to the committee by Federal agencies in their regular monthly personnel reports includes some foreign nationals employed in U.S. Government activities abroad, but in addition to these there were 171,109 foreign nationals working for U.S. agencies during June who were not counted in the usual personnel reports. The number in May was 171,171. A breakdown of this employment for June follows:

Foreign nationals

Country	Total	Army	Navy	Air Force	NASA
Australia	1				1
Canada	35			35	
Crete	59			59	
England	3,351		91	3,260	
France	22,475	18,654	11	3,810	
Germany	80,686	67,732	84	12,870	
Greece	262			262	
Greenland	133			133	
Japan	54,676	19,304	15,312	20,060	
Korea	6,208	6,208			
Morocco	2,574		764	1,810	
Netherlands	52			52	
Trinidad	597		597		
Total	171,109	111,898	16,859	42,351	1

SUMMARY FOR FISCAL YEAR 1962, ENDED JUNE 30, 1962

There was a net increase of 77,351 in civilian employment by executive branch agencies of the Federal Government during fiscal year 1962 which ended June 30, 1962. The total at the end of the year was 2,496,455 as compared with 2,419,104 in June 1961.

Civilian and military agencies

There was an increase during the year of 50,240 in employment by civilian agencies of the Government, and an increase of 27,111 in civilian employment by military agencies. Employment by civilian agencies at the year-end totaled 1,426,849 as compared with 1,376,609 a year ago. Civilian employment by military agencies totaled 1,069,606 as compared with 1,042,495 in June of 1961.

Inside and outside the United States

There was an increase of 75,916 in employment within the United States by Federal executive agencies, and an increase of 1,435 in employment outside the United States. Employment inside the United States as of June 30, 1962, totaled 2,335,973 as compared with 2,260,057 a year ago. Employment outside the United States as of June 30, 1962, totaled 160,482 as compared with 159,047 a year ago.

Employment for the year is summarized as follows:

Federal civilian employment, June 1961–June 1962

	June 1961	June 1962	Increase or decrease
Total	2,419,104	2,496,455	+77,351
Civilian agencies	1,376,609	1,426,849	+50,240
Military agencies	1,042,495	1,069,606	+27,111
Inside the United States	2,260,057	2,335,973	+75,916
Outside the United States	159,047	160,482	+1,435

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. BUSH:

S. 3593. A bill to amend the Internal Revenue Code of 1954 so as to exempt from the retailers excise taxes imposed on jewelry and related items silver-plated hollowware sold for use in the trade or business of the purchaser; to the Committee on Finance.

(See the remarks of Mr. BUSH when he introduced the above bill, which appear under a separate heading.)

By Mr. CLARK:

S. 3594. A bill for the relief of Athanasios D. Tsigas; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 3595. A bill for the relief of Aleksandra Elerts; to the Committee on the Judiciary.

By Mr. MORSE:

S. 3596. A bill to amend the District of Columbia Unemployment Compensation Act, as amended; to the Committee on the District of Columbia.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. LONG of Louisiana:

S. 3597. A bill to amend title 38, United States Code, to permit, for 1 year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance; to the Committee on Finance.

AMENDMENT OF INTERNAL REVENUE CODE, TO EXEMPT RETAILERS FROM EXCISE TAXES IMPOSED ON CERTAIN SILVER-PLATED HOLLOWWARE

Mr. BUSH. Mr. President, I introduce a bill to amend the Internal Revenue Code of 1954 so as to exempt from the retailers excise tax imposed on jewelry and related items silver-plated hollowware sold for use in the trade or business of the purchaser, and ask that it be referred to the Committee on Finance.

Mr. President, the substance of the bill has previously been submitted to the Committee on Finance in the form of an amendment. It has now been introduced as a bill in order that it may be referred to the appropriate departments of the executive branch for official comment.

I ask unanimous consent that a letter I have sent to the chairman of the Finance Committee, in which the justification for the proposed amendment to the Internal Revenue Code is outlined, may be printed in the RECORD following these remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 3593) to amend the Internal Revenue Code of 1954 so as to exempt from the retailers excise taxes imposed on jewelry and related items silver-plated hollowware sold for use in the trade or business of the purchaser, introduced by Mr. BUSH, was received, read twice by its title, and referred to the Committee on Finance.

The letter presented by Mr. BUSH is as follows:

JUNE 18, 1962.

Hon. HARRY F. BYRD,
Chairman, Finance Committee,
U.S. Senate, Washington, D.C.

DEAR SENATOR BYRD: My attention has been called to the fact that section 4001 of the Internal Revenue Code of 1954 provides a significant and an increasingly decisive competitive advantage to certain U.S. industries at the expense of and to the serious hardship of another U.S. industry which manufactures and sells like products for the same end use. I seek to correct this inequity which I am sure was not intended when the Internal Revenue Code of 1954 was enacted.

Under section 4001, hotels, hospitals, schools, restaurants, etc., are required to pay an excise tax of 10 percent on the purchase price of food serving items, if such items are silver plated, even though they are essential to the adequate, proper, and sanitary serving of food in the respective establishments and not for resale. The tax is not applicable when the same items, for the identical end uses, are made of stainless steel, bimetals, china, glass, etc.

Obviously, this gives manufacturers of stainless steel, bimetal, china, and glass institutional ware a very substantial competitive advantage. This advantage is now being aggressively exploited to the serious detriment of manufacturers of silver-plated institutional ware.

Section 4001 provides for the payment of an excise tax of 10 percent on sales of certain items at retail of which silver-plated hollowware is one. It was originally designed as a tax on so-called luxuries. Certainly, necessary food-serving equipment, as described and for the uses specified, cannot be considered a luxury. Retail sales have been interpreted to mean all sales in the United States to the final purchaser. Thus, U.S. manufacturers and jobbers are required to collect the tax when selling silver-plated institutional ware to hotels, hospitals, schools, restaurants, etc.

It is significant to note the excise tax on silverplated institutional ware can be avoided. Because of the manner in which the tax is collected, it does not apply to sales by foreign manufacturers of silver-plated food-serving items billed direct from foreign countries to hotels, hospitals, and other institutions in the United States. Foreign manufacturers have been quick to recognize the advantage which accrues to them when this fact is added to their acknowledged price advantage and are vigorously exploiting it.

The result of all this is that U.S. manufacturers of silverplated institutional ware are unable to compete on like and equitable terms with other U.S. manufacturers serving the same market. Yet no such obstacle faces foreign manufacturers of silverplated institutional ware.

To correct these obvious inequities and to insure fair and equitable competitive conditions within U.S. industries, I respectfully request that the Finance Committee approve the attached as an amendment to an appropriate House bill.

The revenue involved is slight, but it will be lost in any event. If the status quo is permitted to continue, tax-free domestic and foreign institutional ware will rapidly replace the taxable institutional ware described, with progressive losses of revenue. Passage of the amendment may anticipate these losses by a short period, but the action is more than justified in the interest of fairness to a traditional U.S. industry. Present annual sales of silverplated institutional ware on which the 10 percent excise tax applies are estimated at $2 million.

With respect, I am.
Sincerely yours,
PRESCOTT BUSH.

AMENDMENT OF DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT

Mr. MORSE. Mr. President, during this session of the 87th Congress, Congress amended the District of Columbia Unemployment Compensation Act extensively. One of the amendments which was adopted by Congress made nonprofit, educational, literary, and scientific institutions subject to the District of Columbia Unemployment Compensation Act. These institutions had not previously been covered under the act.

Under the terms of the District of Columbia Unemployment Compensation Act, all newly covered employers must pay the maximum rate of 2.7 percent on the first $3,000 of salary of each employee for a period of 3 years, after which they are eligible for a reduced tax rate computed under the experience rating provision of the law.

It is estimated that George Washington University will be required to pay more than $1 million in unemployment compensation taxes to the District of Columbia before it qualifies for a reduced rating under the present statute. The cost to Georgetown University is estimated to be approximately the same amount. There are many other universities and schools which will pay lesser amounts than I just mentioned but nevertheless a very significant amount of unemployment tax. In all cases, the amount of the tax will have to be ascertained from increased tuition and other charges to students. This new provision of the law will also place a very heavy burden on the cost of operating hospitals in the District of Columbia which, in turn, will result in increased fees charged to patients.

I have been advised that very few unemployment compensation claims would be filed by academic staffs of the universities and other schools. I am also informed that the turnover among maintenance and other hospital employees would qualify employers of such personnel for reduced rates. For example, Doctors Hospital, a privately owned facility which has been covered under the act for many years, currently pays the minimum unemployment compensation rate—one-tenth of 1 percent.

Representatives of these newly covered employers seek through this bill to have the District of Columbia Unemployment Compensation Act further amended to permit them to qualify for experience ratings after 1 year rather than 3 years, now required by the law. This bill proposes an amendment to do this and nothing else.

It should be pointed out that after the first year, these institutions would have their tax rate computed annually just as any other qualified employer and could receive a lower tax rate if their experience justifies it.

I am informed that many of the States have reduced the qualifying period to 1 year so there is nothing really unique or untested in this proposal.

I am told that this matter has been discussed thoroughly by business organizations, the Washington Metropolitan Board of Trade, and that the business community recommends its enactment. The president of the Washington Central Labor Council, AFL–CIO, has stated that he does not oppose the bill. The District of Columbia Unemployment Compensation Board has considered this matter and also favors the bill. I do not know of any opposition from any element of the community to the passage of the bill.

Mr. President, I sincerely hope that hearings on the bill can be held and the bill reported favorably to the Senate within the next few weeks.

I ask unanimous consent that the bill be printed at the conclusion of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3596) to amend the District of Columbia Unemployment Compensation Act, as amended, introduced by Mr. MORSE, was received, read twice by its title, referred to the Committee on the District of Columbia, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3(c)(4)(1) of the District of Columbia Unemployment Compensation Act, approved August 28, 1935 (49 Stat. 946), as amended (sec. 46–301, D.C. Code), is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided,* That for the calendar year 1963, and for each calendar year thereafter, an employer who became subject to this Act by virtue of the amendment of section 1(b)(5)(G) of this Act by the Act of March 30, 1962, and who has not been subject to this Act for a sufficient period to meet this requirement, may qualify for a rate less than the standard rate if his account could have been charged with benefit payments throughout a lesser period but, in no event, less than the twelve consecutive calendar months ending on the computation date (as herein defined) for that calendar year."

(b) Section 3(c)(5) of such Act is amended by adding at the end thereof the following:

"The Board shall compute rates for the second six months of 1963 for all employers first acquiring the necessary twelve months benefit experience under section 3(c)(4)(1) on the computation date June 30, 1963. Such rates shall be based upon such employer's experience in the payment of contributions and benefits charged against his account through June 30, 1963, prior to the crediting of his account with trust fund interest. All employers issued a rate for the second six months of 1963, under this subsection, shall have a computation date of September 30, 1963, for the calendar year 1964."

(c) Section 3(c)(9)(b) of such Act is amended by striking out the semicolon at the end thereof and inserting in lieu thereof a colon and the following: "*Provided,* That for an employer whose account could have been charged with benefit payments throughout at least twelve but less than thirty-six consecutive calendar months ending on the computation date, the term 'average annual payroll' means the total amount of wages for employment paid by him during the twelve-month period ending ninety days prior to the computation date;".

CHANGE OF REFERENCE

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that the Committee on Finance be discharged from further consideration of the bill H.R. 9561, to establish offices of the Veterans' Administration in Europe, and to authorize the furnishing abroad of hospital and medical care for service-connected disabilities, and that the bill be appropriately referred. I believe the Parliamentarian will agree that this bill is appropriately under the jurisdiction of the Senate Committee on Labor and Public Welfare.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

PRINTING OF REVIEW OF REPORT ON CARVERS HARBOR, VINALHAVEN, MAINE (S. DOC. NO. 118)

Mr. HUMPHREY. Mr. President, on behalf of the Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated June 22, 1962, from the Chief of Engineers, Department of the Army, together with accompanying papers and an illustration, on a review of the reports on Carvers Harbor, Vinalhaven, Maine, requested by a resolution of the Committee on Public Works, U.S. Senate. I ask unanimous consent that the report be printed as a Senate document, with an illustration, and referred to the Committee on Public Works.

The VICE PRESIDENT. Without objection, it is so ordered.

PRINTING OF REVIEW OF REPORT ON RIO GRANDE AND TRIBUTARIES AT LAS CRUCES, N. MEX. (S. DOC. NO. 117)

Mr. HUMPHREY. Mr. President, on behalf of the Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated June 7, 1962, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of the report on the Rio Grande and tributaries at Las Cruces, N. Mex., requested by a resolution of the Committee on Public Works, U.S. Senate. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The VICE PRESIDENT. Without objection, it is so ordered.

PRINTING OF REVIEW OF REPORT ON GILA RIVER AND TRIBUTARIES DOWNSTREAM FROM PAINTED ROCK RESERVOIR, ARIZ. (S. DOC. NO. 116)

Mr. HUMPHREY. Mr. President, on behalf of the Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated June 6, 1962, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of the report on the Gila River and Tributaries downstream from Painted Rock Reservoir, Ariz., requested by a resolution of the Committee on Public Works, U.S. Senate, adopted August 30, 1954. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF RAILWAY LABOR ACT RELATING TO BOARDS TO RESOLVE JURISDICTIONAL DISPUTES IN AIR TRANSPORTATION INDUSTRY—AMENDMENTS

Mr. LAUSCHE. Mr. President, on July 12, 1962, the Senator from Oklahoma [Mr. MONRONEY], on behalf of himself and Senators RANDOLPH, MORTON, and SMITH of Massachusetts, introduced a bill, S. 3540, which would amend the Railway Labor Act so as to authorize the President to establish boards to resolve jurisdictional disputes in the air transportation industry. The bill was referred to the Committee on Labor and Public Welfare where it is now pending.

While I am in complete agreement with the general objective of this legislation which is to endeavor to resolve the jurisdictional problems that have beset the airline industry for several years, I am today introducing two amendments to this bill which I believe would more fully accomplish this objective.

My first amendment would provide that when a strike or a threat of a strike occurs in the operation of an airline, on a finding by the National Mediation Board that the labor dispute involves jurisdictional matters, the National Mediation Board shall forthwith notify the President and, thereupon the President may submit such dispute or disputes to the National Mediation Board for disposition, rather than for the President to submit such a dispute to a Jurisdictional Disputes Board which would be established by the Monroney bill. S. 3540 presently provides for an ad hoc Jurisdictional Disputes Board appointed by the President who apparently may appoint any person he desires to serve on the Jurisdictional Disputes Board. Presumably new people could be appointed each time a strike or a threat of a strike involving jurisdictional matters occurs in the operation of an airline.

I believe my amendment is an improvement over the original version because the National Mediation Board is a permanent Board which, over the years, would establish a body of precedent to aid in disposing of issues of this kind. The National Mediation Board has had vast experience in dealing with matters involving controversial labor issues and is better equipped to handle jurisdictional disputes of this nature than a newly created Board whose members would not be required by law to possess any special competency.

The Monroney bill would empower and direct the National Mediation Board to take jurisdiction over any and all carriers by air and any and all labor organizations necessary to effect a settlement of a dispute insofar as it comprises subject matters described in clause (2) of subsection (2) and issues related thereto, and shall make a final determination thereof.

My second amendment would strike the words "and issues related thereto" and substitute the words "including the issues arising from such determination." The purpose of this change is to make it completely clear that the National Mediation Board may assume jurisdiction only over those issues arising directly from the jurisdictional dispute. It appears to me that the original wording is so broad that it would permit the inclusion of issues not arising directly from the jurisdictional strike. This would result in extending the concept of compulsory arbitration far beyond the mere disposition of a jurisdictional dispute. I am convinced that free compulsory arbitration, even where it must be used as a final resort, should be confined to as narrow a scope as possible.

The adoption of my second amendment, in my opinion, would resemble closely the approach used in settling jurisdictional disputes under the Taft-Hartley Act.

The VICE PRESIDENT. The amendments will be received, printed, and referred to the Committee on Labor and Public Welfare.

REVENUE ACT OF 1962—AMENDMENT

Mr. ENGLE submitted an amendment, intended to be proposed by him, to the bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

TRADE AGREEMENTS ACT OF 1962—AMENDMENTS

Mr. BUSH. Mr. President, I submit amendments to House bill 11970, the proposed Trade Expansion Act of 1962. I ask that the amendments be referred to the Finance Committee.

The amendments are being submitted by me, on behalf of myself, the Senator from Colorado [Mr. ALLOTT], the Senator from Utah [Mr. BENNETT], the Senator from Indiana [Mr. CAPEHART], the Senator from Wyoming [Mr. HICKEY], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from South Carolina [Mr. THURMOND], and the Senator from Texas [Mr. TOWER].

Mr. President, these amendments represent an integrated, cohesive set of changes which preserve the main outlines of the bill, while providing clear-cut guidelines for the President's use of the new authority, necessary safeguards for the domestic economy, and improved negotiating techniques to strengthen the bargaining position of the United States for the benefit of our export industries.

The amendments reflect some of the conclusions reached by the Joint Economic Committee following hearings conducted last fall by the Subcommittee on Foreign Economic Policy. These include, most importantly, that the Common Market countries owe the rest of the free world a unilateral reduction in trade barriers, and that they should remove their present quotas and other discriminations against the products of Japan.

They also reflect my own conviction that this country's historic policy of avoiding serious injury to domestic industries and the workers they employ should be maintained. This policy, first enunciated by Franklin D. Roosevelt and Cordell Hull, was continued in principle by both the Truman and the Eisenhower administrations. The present administration's proposal to abandon the no-injury policy should be decisively rejected by the Senate.

Additionally, the amendments provide for continuation and strengthening of the principles of reciprocity and selectivity which have characterized our trade laws.

I ask unanimous consent to have printed at this point in the RECORD the following:

First, the text of the amendments, with an identifying number preceding each individual amendment.

Second, a memorandum in explanation of the amendments, and an amendment-by-amendment description.

Third, the text of House bill 11970 as it would be affected by these amendments, with the matter proposed to be deleted set forth in black brackets, and the matter proposed to be inserted set forth in italic.

I ask unanimous consent that the amendments lie on the table until the close of business on Monday, August 6, so that other Senators may have an opportunity to join in sponsoring the amendments, if they so desire.

The VICE PRESIDENT. The amendments will be received, printed, and referred to the Committee on Finance; and, without objection, the matters submitted will be printed in the RECORD; and the amendments will lie on the desk, as requested by the Senator from Connecticut.

The matters submitted by Mr. BUSH are as follows:

EXHIBIT 1

AMENDMENTS INTENDED TO BE PROPOSED BY MR. BUSH, IN BEHALF OF HIMSELF AND OTHER SENATORS, TO THE BILL (H.R. 11970) TO PROMOTE THE GENERAL WELFARE, FOREIGN POLICY, AND SECURITY OF THE UNITED STATES THROUGH INTERNATIONAL TRADE AGREEMENTS AND THROUGH ADJUSTMENT ASSISTANCE TO DOMESTIC INDUSTRY, AGRICULTURE, AND LABOR, AND FOR OTHER PURPOSES

[1] On page 2, line 20, strike out "any of the" and insert in lieu thereof "the first purpose together with any of the other".

[2] On page 3, strike out lines 14 through 20.

[3a] On page 4, line 6, before the period insert the following: ", and that the United States accounted for 25 percent or more of such value".

[3b] On page 4, line 19, before the period insert ", and modifications thereof".

[3c] On page 4, beginning with "Such" in line 22, strike out all through line 2, on page 5, and insert in lieu thereof the following: "Such modification by the Tariff Commission shall be made (i) for the purpose of correction (in which event it must be made before the date on which the first list of articles specifying this section is furnished by the President to the Tariff Commission pursuant to section 221), or (ii) for the purpose of excluding articles on which the Commission finds in its investigation under section 221(b) that a reduction in duties below the limit specified in section 201(b)(1) would cause or threaten serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles."

[3d] On page 5, line 18, strike out "in use" and insert in lieu thereof "made public".

[3e] On page 5, line 22, strike out "and".

[3f] On page 6, line 2, strike out the period and insert in lieu thereof ", and".

[3g] On page 6, between lines 2 and 3, insert the following:

"(iii) for which payment is not made nor undertaken to be made in the currency of the exporting nation on a commercial basis."

[3h] On page 6, line 14, strike out the period and insert in lieu thereof the following: ", and make them public."

[4] On page 6, line 18, strike out the period and substitute in lieu thereof the following: ", or to any article as to which the Tariff Commission finds in its investigation under section 221(b) that a reduction in duties below the limit specified in section 201(b)(1) would cause or threaten serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles."

[5a] On page 7, line 11, strike out "and".

[5b] On page 7, between lines 11 and 12, insert the following:

"(3) such article is not directly competitive with an article produced in significant quantities in the United States; and".

[5c] On page 7, line 12, strike out "(3)" and insert "(4)".

[5d] On page 8, line 12, strike out "and".

[5e] On page 8, line 14, after the comma insert "and".

[5f] On page 8, between lines 14 and 15, insert the following:

"(3) whether or not such article is directly competitive with an article produced in significant quantities in the United States,".

[6] On page 9, strike out lines 5 through 11, and insert in lieu thereof the following:

"(b)(1) Upon receipt of such list, the Commission shall make an investigation and report to the President its findings with respect to each such article as to—

"(A) the limit to which such modification or continuance may be extended without causing or threatening serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles; and

"(B) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles, the minimum increases in duties or additional import restrictions required.

Such report shall be made by the Commission to the President not later than six months after the receipt of such a list by the Commission.

"(2) If in the course of any such investigation the Commission shall determine that a modification of duties or other import restrictions, or the continuance of existing customs or excise treatment, applicable to any imported article would likely result in (A) a significant decline in the share of the domestic market supplied by domestic products in relation to a representative base period (taking into account a decline in order bookings of domestic industries producing articles requiring a long lead time in production), and (B) either—

"(i) a significant decline in the net earnings of the domestic industry producing such products, or

"(ii) a decline in employment, a loss of wages due to shortened work periods, or a decline in wage rates in such domestic industry,

the Commission shall make a finding that such modification of duties and other import restrictions, or continuance of existing customs or excise treatment, cannot be made without causing or threatening serious injury to the domestic industry producing like or directly competitive articles.

"(3) In the course of any investigation pursuant to this section the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings."

[7] On page 10, line 9, after "for" insert ", or grant a concession consisting of,".

[8] On page 10, line 23, strike out "or 351".

[9] On page 11, beginning with the word "During" in line 9, strike out all through line 10, and insert in lieu thereof the following: "The President shall also reserve".

[10] On page 12, line 9, strike out "advice" and insert in lieu thereof "findings".

[11a] On page 12, between lines 11 and 12, insert the following:

"SEC. 226. ESSENTIAL CONDITIONS FOR GRANTING CONCESSIONS

"(a) The President shall not proclaim any modification of existing duties or other import restrictions, or a continuance of existing customs or excise treatment of any article covered by a trade agreement entered into under this Act, unless he finds as a fact that the countries of the European Economic Community which are parties to such agreement and would by the terms of such agreement receive the benefit of such modifications or continuance have, except as otherwise permitted by the terms of such agreement, committed themselves to admit like articles exported from the United States on terms and conditions no less favorable than those which would be applicable to their exports of such articles when imported into the United States if the President were to proclaim the modification or continuance provided for in such foreign trade agreement.

[11b] "(b) In the course of negotiating a trade agreement, the President shall not make an offer, or grant in whole or in part a request, for the modification or continuance of duty-free or excise treatment with respect to any article, unless the country or instrumentality to which such offer is made, or which requests the modification or continuance, is the principal supplier of such article in world export trade (not including the exports of the United States) as shown by the value of the exports of such article by such country or instrumentality in relation to the total world export value of such article (excluding the value of United States exports) during the most recent two-year period preceding the negotiations for which data is available.

[11c] "(c) The President shall not proclaim any modification of existing duties or other import restrictions, or a continuance of existing customs or excise treatment of any article covered by a trade agreement unless he finds as a fact that the foreign countries which are parties to such agreement and would by the terms of such agreement receive the benefit of such modification or continuance have committed themselves to admit like articles exported from countries other than the United States and other than those countries referred to in section 231 free from quantitative and other nontariff restrictions and subject to duties and other charges no greater than those which would be applicable to such articles when imported into the United States if the President were to proclaim the modification or continuance provided for in such trade agreement."

[11d] On page 12, line 12, strike out "226" and insert in lieu thereof "227".

[12] On page 12, strike out lines 15 through 18 and substitute in lieu thereof the following: "this title, together with a statement accurately identifying any article with respect to which the limits or minimum requirements found and reported by the Tariff Commission under sections 221 (b) and 408 (c) are not complied with, and stating his reasons for the action taken with respect to each such article."

[13a] On page 16, line 14, strike out "and chapter 4 of title III".

[13b] On page 16, lines 15 and 16, strike out the words "a Cabinet officer selected by the President" and insert in lieu thereof "the Secretary of Commerce".

[14] On page 17, line 10, strike out "unjustifiable".

[15] On page 18, between lines 13 and 14, insert the following:

"SEC. 244. PARTICIPATION BY INDUSTRY, AGRICULTURE, AND LABOR IN NEGOTIATIONS.

"It is hereby declared to be the sense of the Congress that the President, during the course of negotiating any trade agreement, should seek information and advice with respect to each distinct and homogeneous grouping of articles which is the subject of negotiations from the representatives of the domestic industry, agricultural sector, and labor producing the like or directly competitive articles.

[16a] On page 18, line 23, strike out "unjustifiable."

[16b] On page 19, line 14, strike out "unlimited."

[16c] On page 19, line 19, strike out "unjustifiably."

[16d] On page 19, lines 20 and 21, strike out ", to the extent that such action is consistent with the purposes of section 102."

[16e] On page 20, line 5, strike out "unjustifiable."

[17a] On page 22, between lines 14 and 15, insert the following:

"(c) The President shall, at the end of the period specified in any trade agreement, terminate, by appropriate modification of the proclamation which made it effective, any concession granted by the United States to the European Economic Community under the authority of section 211, if he determines, under the criteria of that section, with reference to the most recent two-year period for which data is available, either (1) that the United States exports did not account for at least 25 percent of the aggregated world export value of the articles in the category covered by the concession, or (2) that the United States and the European Economic Community together did not account for 80 percent or more of such value during such period.

[17b] "(d) Whenever any foreign country, party to a trade agreement entered into under this Act, suspends, withdraws, or otherwise abrogates a commitment referred to in subsection (a) or (c) of section 226, in violation of the provisions of trade agreements, the President shall forthwith notify such country of the intention of the United States to terminate the concession or concessions granted by the United States in reliance on such commitment. If the foreign country after such notification fails promptly to restore the commitment into full force and effect, the President shall forthwith terminate such concession or concessions by appropriate modification of the proclamation which made it or them effective."

[18] On page 26, line 6, strike out "6, 7."

[19] On page 26, strike out lines 12 through 19.

[20] On page 27, strike out lines 7 through 10, and insert in lieu thereof the following:

"(a)(1) Petitions by domestic industries for import adjustment shall be filed with the Tariff Commission under section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364); and petitions by firms or groups of workers for determinations of eligibility to apply for adjustment assistance may be filed with the Tariff Commission under subsection (c) of this section. In".

[21] On page 28, strike out lines 2 through 4, and insert in lieu thereof the following: "a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under trade agreements, an article is being imported into the United States in such increased quantities, either actual or relative, as to cause, or threaten to cause, serious".

[22] On page 28, strike out lines 8 through 11, and insert in lieu thereof the following: "the Tariff Commission shall be governed by section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364)."

[23a] On page 28, beginning with ", in" in line 20, strike out all through line 22, and insert in lieu thereof the following: "determine whether, as a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under".

[23b] On page 28, line 25, strike out "as to cause", and insert in lieu thereof ", either actual or relative, as to cause".

[24] On page 29, beginning with "In" in line 1, strike out all through line 6.

[25a] On page 29, beginning with ", in" in line 9, strike out all through line 11, and insert in lieu thereof the following: "determine whether, as a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under".

[25b] On page 29, strike out line 15, and insert in lieu thereof the following: "In such increased quantities, either actual or relative, as to cause, or threaten to cause,".

[26] On page 30, between lines 12 and 13, insert the following:

"(f) Subsection (b) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364 (b)), is amended by adding at the end thereof the following new sentence: 'The Commission shall find that increased imports have caused or threaten serious injury to the domestic industry producing like or directly competitive products when the evidence received during its investigation and hearings establishes that there has occurred (1) a significant decline in the share of the domestic market supplied by domestic products in comparison with the share so supplied during a representative base period (taking into account a decline in order bookings of domestic industries producing articles requiring a long lead time in production), and (2) either (i) a significant decline in the net earnings of the domestic industry producing such products, or (ii) a decline in employment, a loss of wages due to shortened work periods, or a decline in wage rates in such domestic industry.' "

[27] On page 30, line 13, strike out "(f)" and insert in lieu thereof "(g)".

[28a] On page 31, strike out lines 12 through 25, and insert in lieu thereof the following:

"(a) After receiving a report from the Tariff Commission containing an affirmative finding under section 301(b) with respect to any industry, the President shall take action or report as specified in section 7(c) of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364 (c)).

"(b) No proclamation pursuant to subsection (a) shall be made—

"(1) increasing any rate of duty to a rate more than 50 percent above the rate existing on July 1, 1934, or

"(2) in the case of an article not subject to duty, imposing a duty in excess of 50 percent ad valorem.

For purposes of paragraph (1), the term 'existing on July 1, 1934' has the meaning assigned to such term by paragraph (5) of section 256."

[28b] On page 32, strike out lines 1 through 20, and insert in lieu thereof the following:

"(c) Paragraph (2)(B) of subsection (c) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364(c)(2)(B)), is amended by striking out the word 'two-thirds' and inserting in lieu thereof the word 'majority'."

[29a] On page 32, line 21, strike out "(c)" and insert "(d)".

[29b] On page 33, line 1, strike out "(d)" and insert "(e)".

[30] On page 33, line 1, strike out "(b) or (c)" and insert in lieu thereof "(d)".

[31] On page 33, line 5, strike out "(e)" and insert "(f)".

[32] On page 33, line 9, strike out "(2) or in subsection (b)(2) of this section".

[33] On page 33, beginning with "Within" in line 19, strike out all through line 10 on page 49, and insert in lieu thereof the following:

"(b) Promptly upon receipt of such application the Secretary of Commerce shall designate the community in which each affected plant of the affected firm is located as a "redevelopment area" under the Area Redevelopment Act (P. L. 87–27) for the purpose of making available to such firm the benefits of such Act, and notwithstanding any provision of such Act to the contrary, the Secretary is authorized and shall accord on a priority basis to the affected firm and its affected workers such benefits provided in such Act as the Secretary shall determine to be appropriate for the sound economic redevelopment of the affected establishment and workers."

[34] On page 49, beginning with line 12, strike out all through line 16, on page 73, and insert in lieu thereof the following:

"SEC. 321. CERTIFICATION OF ADJUSTMENT PROPOSALS.

"(a) A group of workers certified under section 302 as eligible to apply for adjustment assistance may, at any time within two years after the date of such certification, file an application with the Secretary of Labor for adjustment assistance under this chapter.

"(b) Promptly upon receipt of such application the Secretary of Labor shall make available on a priority basis to unemployed or underemployed workers in such group the benefits provided in the Manpower Development and Training Act of 1962."

At the end of the bill insert the following new sections:

[35] "SEC. 406. FINDINGS OF FACT REQUIRED FOR PRESIDENTIAL DETERMINATIONS.

"Any determinations of the President under sections 201(a), 211(a), 211(b), 211(c), 212, 213(a), 213(b), 232(a), 232(b), 254, 256(7), or 302(a) shall be based upon findings of fact by the President that the conditions or principles specified in each such section exist or are applicable as shown by the record of the investigation made incidental to such determination.

[36] "SEC. 407. PUBLICATION OF REPORTS.

"The reports and other documents described in sections 213(c), 242(b)(3), and 301(g) shall be made public by the President or at his direction as soon as practicable after the purposes for which they are specified in this Act have been accomplished.

[37] "SEC. 408. FOSTERING INCREASED EMPLOYMENT IN GROWTH INDUSTRIES.

"(a) Taking note of the persistent high levels of unemployment existing in the United States and the necessity for encouraging and protecting the growth of new domestic industries and domestic industries whose operations have been characterized by sustained growth in employment, plant investment, and production as a means of reducing unemployment and providing jobs for the Nation's growing labor force, the Congress declares it to be the policy of the United States that no reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession proclaimed under section 350 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1351), or under section 201 of this Act, shall be permitted to continue in effect when the product on which the concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, as to cause or threaten serious impairment of the rate of growth of such industries producing the like or directly competitive products. No action shall be taken pursuant to section 201 of this Act to decrease the duty on any imported article or to bind any existing customs treatment, if such action would cause or threaten serious impairment of the rate of growth of such domestic industries producing the like or directly competitive products.

"(b) The President, as soon as practicable, shall take such action as may be necesary to bring trade agreements heretofore entered into under section 350 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1351), into conformity with the policy established in subsection (a) of this section.

"(c) In any investigation conducted pursuant to section 221 (b) of this Act, the Tariff Commission shall, in addition to the findings required by such section, report to the President its findings with respect to the limit to which modification of duties and other import restrictions, or continuance of existing customs and excise treatment, may be made with reference to imported articles in order to carry out the purpose of this Act without causing or threatening serious impairment of the rate of growth of such domestic industries, described in subsection (a) of this section, which produce the like or directly competitive articles.

"(d)(1) The first paragraph of subsecton (a) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364(a)), is amended by changing the period at the end of the paragraph to a comma and adding the following: 'or to cause or threaten serious impairment of the rate of growth of a new domestic industry or a domestic industry whose operations have been characterized by sustained growth in employment, plant investment, and production, which produces the like or directly competitive products.'

"(2) The first sentence of the third paragraph of subsection (a) of such section is amended (A) by inserting after 'directly competitive products,' the following: 'or to cause or threaten serious impairment of the rate of growth of a new domestic industry or a domestic industry whose operations have been characterized by a sustained growth in employment, plant investment, and production, which produces the like or directly competitive products,'; and (B) by striking out the period at the end of such sentence and inserting in lieu thereof the following: 'or impairment.'

"(3) The first sentence of paragraph (1) of subsection (c) of such section is amended by inserting after the words 'serious injury to' the following: 'or serious impairment of the rate of growth of'."

EXHIBIT 2

MEMORANDUM IN EXPLANATION OF PROPOSED AMENDMENTS TO H.R. 11970

As a group these amendments are designed to accomplish the following:

1. Basic negotiating principles: To insure that the broad new authority delegated to the President will actually be used so as to conform to principles which now, as in the past, have been desired by Congress but have not always been achieved in actual practice.

(a) True reciprocity, in which U.S. exports will be assured equivalent customs treatment to that accorded foreign imports by the United States (amendments 11a; 16a, b, c, d, e, 17b).

(b) Actual value received, in which U.S. concessions on each article will be negotiated with the principal supplier of that article in the world export trade. This will reform a practice in which concessions have often been granted in the past to countries which are not in the strongest competitive position in world trade on the articles covered by the concessions, with the result that the strongest competitors get the prime benefit of the concessions, under our most-favored-nation rule, without making a reciprocal concession to the United States for this increased access to U.S. markets (amendment 11b).

(c) Equal treatment of Japan and all other countries parties to the trade agreement by beneficiaries of our concessions, by requiring recipients of U.S. concessions on particular goods to admit such goods from Asia, Latin America, and Africa with liberality equivalent to that accorded by the United States. This will prevent European countries, for example, from continuing to exclude low-cost goods from Asia by quotas, licenses, and other restrictive measures, with consequent diversion of Europe's reasonable share of such goods into the U.S. market. This is a reform badly needed, if the effect of concessions granted to Europe, when extended to Asiatic countries under our most-favored-nation rule, is not to channel Asia's goods exclusively into the U.S. market (amendments 11c, 17b).

(d) Maintaining the integrity of concessions to the Common Market, in which eliminations and reductions of duty on particular categories of goods, based upon the condition that the United States and the European Economic Community countries supply 80 percent of world export value of such goods, will be withdrawn at the end of the 3-year term of United States-European Economic Community trade agreements if the trade of other countries, which receive the benefit of such concessions under the most-favored-nation rule, has increased to such an extent that the United States and the European Economic Community no longer account for 80 percent of world export value of such goods (amendment 17a).

2. Constitutional principles: To insure that the delegation to the President of unprecedented power over customs duties contained in the bill is subject to the minimum constitutional requirements of (1) a clear statement of principles to guide the President in the use of such power; (2) the necessity for findings of fact by the President that in each case in which he proposes to use the delegated power the circumstances actually meet the principles specified by the Congress; and (3) the publication of reports setting forth the facts pertinent to each use of delegated power, and the President's finding of fact based thereon:

(a) Clarification or completion of the statement of principles which are to guide the President's use of the trade agreement power, in which—

(1) the expansion of U.S. exports is made an essential purpose which must be met in each and every use of the power (amendments 1; 2; 3a; 11a; 16 b, c, and d).

(2) the necessity for U.S. commercial exports to be a significant factor in world trade in categories subjected to elimination of duty in United States-European Economic Community trade agreement negotiations is made clear (amendments 3 a and b).

(3) the use of the delegated powers so as to avoid causing serious injury to domestic industries, agriculture, and workers is required (amendments 3c; 4; 5 b and f; 6; 7; 9; 10; 12; 18; 20; 22; 28a; 33; 34).

(4) the minimum acceptable basis for an exchange of concessions with foreign countries is specified by the Congress (amendments 11 a, b, c; 16 a, b, c, d).

(b) Making more definite the obligation of the President to base his use of the delegated power upon findings of fact that the purposes and principles specified by Congress have been satisfied (amendments 1; 3c; 4; 6; 7; 10; 11 a, c; 12; 35).

(c) Making more definite the requirement for public hearings at which interested parties shall have the right to be heard on matters which the Congress makes prerequisite for the executive in using the trade agreement powers (amendments 6; 22).

(d) Requiring reports of investigations and findings of matters pertinent to the exercise of the trade agreements authority to be made public (amendments 3 b, d, h; 12; 22; 36).

3. Safeguard principles: To restore to the bill the traditional principle of a selective reduction of tariffs which will avoid causing or threatening serious injury to domestic industries, agriculture, and workers. (This principle has been at the heart of trade agreement policy from the beginning, and Congress has developed and emphasized it in the three extensions in the 1950's.)

(a) Replace the Tariff Commission's prenegotiation advice to the President of economic effects of proposed eliminations or reductions of duty, with the present peril point procedure under which the Commission finds the extent to which duties can be reduced without causing or threatening serious injury (amendments 3c; 4; 6).

(b) Replace the bill's post-trade agreement procedure of a Tariff Commission inquiry to determine whether solely as a result of a concession imports of an article have idled plants, made firms unable to operate at a profit, and thrown workers out of jobs throughout the entire industry, with the present escape clause procedure under which the Commission finds whether imports due in part to past concessions are causing or threatening serious injury to the segment of the industry directly engaged in the production of the like or competitive articles (amendments 18; 20; 21; 22; 23 a and b; 24; 26 a and b; and 28a).

(c) Improve administration of the peril point and escape clause procedures by specifying criteria of injury which shall require an affirmative finding by the Tariff Commission; and liberalize the restrictive provision of the present law and the bill for congressional approval of Tariff Commission findings rejected by the President (amendment 6, ¶ 2; 26; 28b).

(d) Prevent impairment of growth industries, with their employment-creating potential, by excessive imports by enlarging the criteria of the peril point and escape clause procedures to provide the President with findings of these possibilities (amendment 37).

4. Administrative reform: To keep the execution of the trade agreements program in the hands of persons knowledgeable in domestic commerce in order to reform the State Department's orientation of the program as a nonreciprocal adjunct to our foreign aid programs (amendments 1, 13b, 15).

5. Conform adjustment assistance for firms and workers to the remedies in present law so as to avoid creating federal standards of unemployment assistance, inequities as between classes of unemployed workers and distressed firms, and the use of worker/firm adjustment assistance as an alternative to tariff adjustment for industries and workers seriously injured by imports (amendments 23a; 25a; 28b; 30; 32; 33; 34).

AMENDMENT-BY-AMENDMENT DESCRIPTION

1. Since four separate purposes are specified in section 102 of the bill, only the first of which is directed to expansion of our exports, the presence of the words "any of" in section 201 would permit the Executive to reduce or eliminate U.S. duties without specific regard to seeking an expansion of U.S. exports. This amendment would prevent such a use of the powers in the bill. An expansion of U.S. exports would have to be included as one of the purposes guiding the President in entering into any trade agreement which granted duty changes to other countries.

2. The power in section 202 to transfer products to the free list on the sole test that their existing duty protection is 5 percent or less, was asked because administration spokesmen believed the rates to "have little or no economic significance" so that they could be eliminated "as a matter of convenience of administration." (Hearings, Ways and Means Committee, p. 32.) The Ways and Means Committee disagreed, stating in its report:

> "It is not your committee's intention, in recommending the grant of this authority, to minimize the significance of rates of duty at this level" (H. Rept. No. 1818, p. 16).

Since the premise for this power was rejected, the section itself should have been stricken from the bill by the committee. (Such articles would, of course, remain subject to the other duty reduction or elimination provisions of the bill.)

3a. Under the 80 percent test specified in section 211 of the bill, U.S. duties could be eliminated even though the United States accounted for only a negligible part of the 80 percent. The theory of section 211 is that on certain products the United States and the European Economic Community are each foremost suppliers so that duty elimination as between these two entities would not principally benefit Japan or other countries. But if the United States is not a significant factor in world trade on a particular group of articles falling in the 80-percent category, it may be because we are noncompetitive vis-a-vis EEC. Therefore, an elimination of duties on such a category would not benefit our exports. In the debate in the House on H.R. 11970, Chairman Mills of the Ways and Means Committee was asked about a requirement that 25 percent of the 80 percent be accounted for by the United States. He admitted an argument could be made for it, and said this matter could be studied by the Senate (Congressional Record, June 28, 1962, p. 11996). The Ways and Means report stated that the committee expected the categories under the 80-percent test to be "to a very large extent * * * those in which the United States exports more than it imports" (H. Rept. No. 1818, 87th Cong., p. 15).

The amendment suggested here—the requirement that the U.S. supply at least 25 percent of the 80 percent world export value—is not as exacting as the committee statement, yet it would provide certainty, which the bill does not, that categories negotiated under the 80-percent test be those in which U.S. exports are of some significance.

3b. The bill properly provides for the Tariff Commission to make public its determinations of articles falling within the categories specified by the President for use in EEC negotiations. The bill also permits the Commission to modify such determinations (and these proposals would permit further modification to delete articles competitive with products of industries which would be seriously injured by elimination of duties). Obviously the modifications should be made as public as the initial determinations. That is the purpose of this amendment.

3c. The purpose of section 211(b) is to limit the effort of eliminations of duty in United States-European Economic Community negotiations to those specific articles determined by the Tariff Commission to be included in the categories selected by the President. In line with other amendments proposed, which would restore the basic principle of avoiding serious injury to domestic industry, this amendment would require the Commission to modify its initial determination of articles included in EEC negotiating categories so as to remove specific articles on which it finds that elimination of duties would cause or threaten serious injury to domestic industry, agriculture, or workers producing the like or competitive articles.

3d. The public interest in trade agreement preparations and in the findings requisite to use of trade agreement authority is quite evident from the many provisions for public hearings, notice, and the like. The 80 percent statistical determination provided for in section 211 is of key importance to the power of the President to eliminate duties in negotiations with the EEC. Therefore, it is consistent with the spirit of the bill to make readily available to the public basic facts upon which these determinations depend. The public cannot know what trade statistics the Department of Commerce has in use so as to form its own judgment of exposure of products to the authority of section 211. It could do so if the Department were required to make such statistics public. (Of course, it now publishes U.S. export statistics, but not the more limited foreign statistics.) This amendment is directed to this end.

3 e, f, and g. These amendments would require the elimination from export value for purposes of the 80 percent test of articles donated, sold for counterpart funds, or purchased for dollars with foreign aid funds. Since these exports have no independent commercial significance, they should not be included in data used to determine the commercially important categories in which the United States-European Economic Community trade is so significant that mutual tariff elimination would be expected to contribute to the exports of the affected industries of these two entities. These amendments respond to these realities.

3h. The Tariff Commission's finding as to the essential facts for a determination of the categories meeting the 80 percent test, and, hence, subject to duty elimination, is of obvious interest to the business community, as well as agriculture and labor. These facts are not policy, and their publication would not inhibit the President's freedom of action in subsequent negotiations. Hence, this amendment would require them to be made public by the Commission when it sends them to the President.

4. This amendment would remove absolutely from the authority to eliminate duties entirely or to exceed a 50 percent cut in duties in European Economic Community negotiations those articles as to which the Tariff Commission finds that such duty change would cause or threaten serious injury to the domestic industry producing the like or competitive articles. In reductions in duty not exceeding 50 percent, the President would retain the right he now holds of going beyond the "peril point" found by the Commission, by explaining to the Congress why he did so. The power to exceed a 50 percent cut, and to eliminate duties entirely, is unprecedented in U.S. trade agreement history. Under total elimination of duties, the probability of injury to an industry sensitive to import competition would appear to be certain and definite. The Commission's findings that such injury would occur should, therefore, be controlling, and this amendment would make them so by requiring such articles to be removed from the scope of the duty elimination authority.

5 a, b, c, d, e, f. The unstated premise of section 213 of the bill providing for mutual elimination of duties by the United States and European Economic Community on tropical commodities is that any import restrictions which exist are likely to be unnecessary to safeguard home production since both areas are in the temperate climes. Overlooked, however, is the possibility that species of fiber, lumber, tree nuts, vegetable oil, and the like produced in the tropics are directly competitive with other species produced in temperate climes. It would be consistent with the premise of this section of the bill to exclude from its duty-elimination power any commodities which the Tariff Commission finds are, in fact, directly competitive with articles produced in the United States. These amendments so provide. (Such articles would, of course remain subject to the general 50 percent reduction in duty provision of the bill.)

6. This amendment deletes the bill's substitute for the peril point procedure, and reinstates the procedure in present law. Since 1951 the Tariff Commission has been required to determine the extent to which the duty on articles proposed for tariff negotiations could be reduced without causing or threatening serious injury to American industries, farmers, and workers. In lieu of this procedure, the bill would simply call for the President to be advised by the Tariff Commission of the economic effect of reductions or eliminations of duty.

The definition of "industry" under which the Commission now considers the impact of imports on that part of the operations of the firms producing articles competitive with the imported articles, would be repealed by the bill. The Commission would have to consider the effect of imports on the overall operations of the firms in the industry, regardless of whether they are multiproduct or multiplant producers. Further, instead of determining whether increased imports due in whole or in part to proposed concessions would cause or threaten serious injury, the Commission would be limited to considering whether imports resulting solely from the concessions possible under the bill would cause "idling of productive facilities, inability to operate at a profit, and unemployment or underemployment" (H. Rept. No. 1818, p. 5).

These changes called for by the bill would, in combination, effectively prevent the Commission from warning in advance of negotiations against injurious changes in duty. Total disaster attributable solely to a duty change will rarely be foreseen. The peril point procedure was a guardrail to prevent disaster. Amendment 6 will carry that procedure on as an essential safeguard.

Paragraph (2) of amendment 6 would provide the Tariff Commission with a clear-cut set of criteria under which findings of probable import injury would be mandatory. The purpose of specifying these criteria is to remove an area of doubt or debate from the Commission's peril point deliberations, and thus facilitate its administration of the peril point procedure. The criteria will also provide more certainty to the business, agricultural, and labor communities enabling them to evaluate more readily the position of their products vis-a-vis imports, and to prepare for participation in peril point public hearings aided by a clearer understanding of controlling areas of proof.

7. This is a perfecting amendment to close a loophole in the provision of the bill which intends that the President be supplied with the informed findings of the Tariff Commission as to the foreseeable consequences of reductions or eliminations of duty before he agrees to grant concessions to any foreign country. Concessions result not only from U.S. offers, but also from the requests of other countries. By stating the one but not the other, the bill permits the President to agree to concessions so requested before he has the Commission's advice. This amendment would correct that situation.

8. Other amendments propose elimination of the great majority of the adjustment assistance provisions of the bill, including section 351. Deletion of the reference to that section in section 225(a)(1) is therefore appropriate.

9. This amendment would correct an apparent anomaly in the bill. The bill gives the President authority for 5 years to reduce and eliminate duties via trade agreement actions. Section 225 specifies that certain items are to be reserved from the negotiations. But subsection (b) would require reservation of articles, where reduced duties are found by the Tariff Commission to be injuring domestic industries, to be so reserved only during the first 4 years of the 5-year period in which the President can act. No reason was given in the House for this 1-year hiatus. If reservation of such articles is a valid principle, and it is, it should apply throughout the 5-year period in which the President could negotiate agreements. This amendment would so require.

10. This amendment would strengthen the bill from the constitutional aspect by changing the Tariff Commission's role in prenegotiation activity from one of advice to that of factfinding. The Commission is a factfinding agency with expertise in the tariff and trade area. Constitutionally there must be a procedure wherein it is established as a matter of fact that particular actions the President proposes to take in using the delegated power meet the policy guidelines specified by Cougress in the legislation. Mere advice will not do this, but findings of fact will; hence the amendment.

11a, 11b, and 11c. These amendments specify three cardinal principles of trade agreement negotiation which are designed to strengthen the position of the United States in securing value received for the concessions which it grants in such negotiations.

First (11a), we will not grant more favorable treatment to imports from EEC countries than they are willing to grant our exports (subject, however, to the right of other countries to invoke in proper circumstances provisions of trade agreements pertaining to balance-of-payments difficulties, infant industries, and the escape clause to correct serious injury to a home industry).

Second (11b), we will negotiate new concessions with the principal supplier of the goods covered by the concession. Under most-favored-nation rule, this will tend to insure that the effect on our markets can be most accurately judged in such negotiations and, particularly, that the United States can secure payment by reciprocal concessions from the chief beneficiary of our concessions.

Third (11c), we will not open up our market more widely to all countries, under our most-favored-nation rule, by granting a particular concession to a country desiring the same unless that country admits the goods in question with equal freedom from all other countries which would receive the benefit of our concessions. This will make it unnecessary for the United States to absorb an excessive portion of Asiatic goods resulting from the more favorable tariff treatment granted by the United States where Europe refuses to admit such low-cost goods on equal terms.

11d. Clerical change.

12. Under present law the President must report his reasons to Congress whenever he reduces a tariff below the peril point found by the Tariff Commission (i.e., below the level to which duties can be reduced without causing or threatening serious injury to the domestic industry, agriculture or workers). The bill eliminates both peril point findings and the related duty for informing Congress when the peril point is exceeded. Amendment 6 restores the peril point procedure, and this amendment 12 reinstates the President's duty to report to Congress whenever he exceeds the limit on duty changes which the Commission finds under the policies set forth in the legislation.

13 a and b. The bill provides for an interagency committee similar to the Trade Policy Committee created by Executive Order No. 10741. The Secretary of Commerce is chairman of that committee. The President advised the Ways and Means Committee that he intends to retain the Secretary of Commerce as chairman (H. Rept. No. 1818, p. 19). Yet the bill would permit some other

Cabinet officer to be named as chairman. In keeping with the statement of Chairman MILLS during debate in the House that "It is not the intention of your committee * * * that the State Department run this show" (CONGRESSIONAL RECORD June 28, 1962, p. 11998), amendment 13b specifies that the Secretary of Commerce is to be the chairman of the interagency trade organization. Since amendment 34 strikes chapter 4 of title III from the bill, the reference to that chapter in the description of the functions of the interagency trade organization is deleted by amendment 13a.

14. This amendment, in harmony with amendments 16a through 16e, makes it clear that the entire procedure for giving business, agriculture, and labor organizations the right to be heard on restrictions placed by other countries on U.S. exports which violate trade agreement commitments of such nations shall not be qualified by administrative discretion. Hence, this amendment requires the interagency trade organization to advise the President of the results of such a hearing without regard to whether the restrictive practices which violate our trade agreement rights are, in the opinion of the organization, justifiable or not.

15. In 1958 the Ways and Means Committee amended the trade agreements law to specify that during the course of negotiating a trade agreement the President "should seek information and advice with respect to such agreement from representatives of industry, agriculture, and labor." The committee's report emphasized that "competent, representative, and diversified opinion" should thus be provided "in all major negotiations" stressing that the "advice of such informed persons representative of industry, agriculture, and labor" should be of "great benefit in assuring the adoption of sound positions by the United States" (H. Rept. No. 1761, 85th Cong., p. 6).

State Department Press Release No. 642 of November 15, 1960, announced that there would be 12 public advisers at Geneva and a substantial number of private citizens available at Washington as consultants on questions arising in the course of the Geneva negotiations. Apparently with the change in administrations in early 1961 this program was not fully executed. White House press release of March 9, 1962, sets forth a statement by 8 of the 12 so-called public advisers to the U.S. delegation to the Geneva Tariff Conference. It consisted primarily of an endorsement of the administration's trade bill. The membership included representatives of only three industries, coal, lumber, and aluminum. They were obviously not competent to provide information and advice on the chemicals, machinery, electrical goods, glassware, autos, scientific instruments, clocks, metal manufactures, wines, books, sundries, etc., on which the United States granted concessions.

This amendment makes it clear that information and advice pertaining to their products is to be sought during the course of negotiations from representatives of each particular sector of industry, agriculture, or labor whose products are placed into negotiations. This conforms to the original intent of the 1958 provision, and to commonsense. If the Congress means what it says, that the President should seek advice from industry during the course of negotiating a trade agreement so as to arrive at sound positions, it is obviously necessary that the advice be sought from industry sources with specific knowledge of the products being negotiated. The amendment is directed to this end.

16a, b, c, d, and e. Present law has two provisions which require and give the President the means for action to counteract discrimination by foreign countries of U.S. exports; namely, sections 338 and 350(a)(5) of the Tariff Act of 1930, as amended. Both have been a dead letter in the law as they have rarely, if ever, been invoked. H.R. 11970 repeals one of them, section 350(a)(5).

Discriminations and nontariff restrictions against U.S. exports are widely practiced. The printed hearings report of the Ways and Means Committee contains a tabulation and listing of those imposed by the Common Market countries, prepared by the executive department, occupying 117 pages. A narrative description of such restrictions practiced in these and other foreign countries against U.S. exports occupies 66 additional pages of the printed hearings. The Ways and Means Committee adopted an amendment to the bill which requires the President to act to secure the elimination of such restrictions without granting new tariff concessions in doing so. He is directed (as in present law) to withdraw the benefit of past concessions from offending countries. The interagency trade organization is required to hear persons with complaints about such restrictions.

To a great extent this provision, section 252, parallels existing law. Unfortunately, the executive department, which has rarely acted to counter discriminations against our trade, was unwilling to accept the amendment without qualifying words which would leave the matter of action entirely to the discretion of the interagency trade organization, or the President. These amendments, 16a through 16e, are directed to striking out these qualifying words and phrases so that the section sets forth clearly and unmistakably the intention that we do not tolerate nullification of our trade agreement rights by beneficiaries of our concessions.

17a. This amendment is keyed to the exceptional nature of the authority to eliminate duties in negotiation with the European Economic Community under section 211 of the bill. This power exists only if the United States and the European Economic Community account for 80 percent of world trade in the categories under consideration. If that factual prerequisite does not exist, the power does not. So, too, if the factual basis of the authority ceases to exist after the power is used to grant concessions to the EEC, the concessions should be terminated at the first terminal point specified in the agreement. The amendment so provides.

17b. Under proposed amendments 11a and 11c, the United States would grant particular concessions only if the recipient made a commitment to admit (1) U.S. exports and (2) exports from other countries (such as Japan and India) on terms no less liberal than the United States was agreeing to admit such goods under the concession and the most-favored-nation rule. Since the commitment is a prerequisite to the grant of a U.S. concession, the violation of the commitment should be the occasion for withdrawing the concession. The amendment provides for this.

18. One of the basic purposes of the proposed group of amendments is to restore the traditional safeguards which Congress has enacted into law during the three extensions of the trade agreements program during the 1950's. In harmony with this purpose, amendment 18 deletes the references in H.R. 11970 which would repeal the present escape-clause procedure, and the statement of policy which complements it.

19. This amendment deletes a provision of the bill which would have converted pending escape-clause actions into investigations under the new and weaker criteria of the bill. Since these proposed amendments reinstate the existing escape clause, the carryover provision of the bill is unnecessary. Hence, it is deleted by this amendment.

20. This amendment provides that domestic industries shall apply for tariff adjustment under the existing escape-clause procedure (sec. 7 of the Trade Agreements Extension Act of 1951, as amended), while firms and workers are permitted, as under the bill, to apply for special adjustment assistance under the procedures set out in title III of the bill (which would be considerably revised by other proposed amendments, discussed hereafter).

21. The bill seriously weakens the escape clause by requiring the increased imports of an article which cause injury to result solely from the concession granted on that article. This will result from the omission from the bill of the words "in part" now in the law. This action is inconsistent with the Ways and Means Committee's statement in 1958 that the Tariff Commission "is warranted in considering that, when increased imports of a product on which a concession has been granted cause serious injury, there is sufficient evidence that the level of the existing duty reflecting the concession contributes, in part at least, to such increased imports." Those views were valid in 1958 and are valid today. This amendment restores the words "in part" in harmony with the existing law.

The present law recognizes that an increase of imports relative to domestic production of an article may seriously injure an industry. This was added to the law by the Senate Finance Committee in 1955. In a recession if production drops, imports may remain at a constant and high level and thus injure the domestic industry. The bill eliminates the relative increase of imports as an actionable factor. This amendment would restore that feature of present law to the bill.

22. This amendment strikes the new criteria of injury set forth in the bill and directs the Tariff Commission in lieu thereof to proceed under the provisions of the escape clause criteria of present law. Present law focuses the Commission's investigation on the particular segment of the industry, and the particular part of the operation of the firms in the industry, directly involved in producing the articles in question. Under the language of the bill, and the committee's remarks on the subject in its report (H. Rept. No. 1818, p. 23), the Commission must consider the effect of imports of a particular article on the overall operations of the establishment in the industry.

It is unlikely that imports of one article could have the effect which the bill sets out as the test for relief, of bringing the multiproduct, multiestablishment firms of an industry producing the article to the condition where there is idling of productive facilities, inability to operate at a profit, and unemployment or underemployment of workers throughout the entire industry, viewed in its broadest sense. The committee's report, by requiring this combination of events, which collectively are the hallmark of bankruptcy and economic disaster (far beyond "serious injury"), to be the principal test (H. Rept. No. 1818, p. 38), foreordains that findings of "injury" will be few and far between.

23 a, b; and 25 a, b. The bill would require the Tariff Commission in the course of an investigation of serious injury to an industry to determine whether serious injury is being caused to individual firms or groups of workers. These amendments separate these latter procedures so that the Commission will make a determination of injury to firms or groups of workers only when they have petitioned the Commission to do so, and not as part of an industry case.

These amendments have the effect of providing that in investigations of import injury to firms and groups of workers, increased imports which result in part from trade agreement concessions, and which are either actually or relatively an increase, permit an affirmative finding by the Tariff Commission. These changes are consistent with amendment 21 pertaining to investigations of injury to domestic industries, which in turn are in accord with present law.

24. The bill specifies that the severe criteria of injury which it proposes for industry escape clause use shall also be used in determining import injury to firms. This amendment deletes these new factors, so that the words "serious injury" which remain would be construed in the light of the factors contained in the present escape clause law, reinstated to this bill by amendments 18, 20, and 22.

26 and 6 (par. (2)). There is widespread dissatisfaction with the quality of administration which the escape clause has received. The law itself is sound in concept, but reform in administration is needed at both the Presidential and Tariff Commission level. The former is addressed by amendment 28, discussed later. The latter can be accomplished by specifying in the law with particularity the indicia of injury which when present in a case require a finding of serious injury. Amendment 26 specifies the combination of events which identify serious import injury.

Since the peril point and escape clause are based on the prospective and retrospective determination of the same ultimate fact, serious injury from imports, the amendment described above to the escape clause is also appropriate for the peril point procedure. Amendment 6 (par. (2)) accomplishes this, as previously explained in the discussion of that amendment.

27. Clerical change.

28a and 28b. Amendment 28a requires the President in an industry case to proceed under the existing escape clause law and eliminates adjustment assistance to individual firms and groups of workers as alternatives to action to regulate imports in cases in which the Tariff Commission finds a domestic industry to have been seriously injured by increased imports. These amendments give the President the choice of approving the Commission's recommendations for import adjustment by withdrawing tariff concessions or imposing quotas, or, of taking no action and explaining to Congress so that it may place the Tariff Commission's recommendations into effect on its own responsibility if it chooses to do so.

Under present law Congress may put in force a Tariff Commission recommendation for withdrawal of tariff concessions or imposition of import quotas by a two-thirds vote of each House within 60 days of a Presidential turndown. The procedure specified gives the resolution introduced privileged status so that it may be brought to the floor of each House for a vote if the cognizant committees fail to act promptly. The bill would change the procedure by (1) requiring the approval of a constitutional majority of each House, and (2) discarding the privileged status of the resolution. Amendment 28b would change the vote to a majority of the yeas and nays (less than a constitutional majority) and retain the privileged status of the resolution so committee inaction could not frustrate letting the Members of each House work their will on the recommended import adjustment. This strengthens congressional oversight of Presidential action and is consistent with the constitutional responsibility of the Congress under article I, section 8.

29 a and b; 31. Clerical changes.

30 and 32. These amendments are needed to make these sections consistent with the earlier amendments of the adjustment assistance provisions of the bill which emphasize that the remedy for individual firms and groups of workers is separate and distinct from, and not connected with or dependent upon determinations of injury to industries.

33. This amendment eliminates the requirement for an adjustment proposal by a firm certified for adjustment assistance, provides for priority assistance under the existing Area Redevelopment Act, and eliminates the special loans and tax relief offered by the bill. It is the purpose of this amendment to make the benefits of the Area Redevelopment Act available to a firm injured by imports under circumstances where the industry of which the firm is a part had not been affected to the extent required for a finding of injury under the escape clause. Such a firm might be located in an area not otherwise eligible for the benefits provided in the Area Redevelopment Act. This amendment would allow the Secretary of Commerce, upon a finding of injury to the firm by the Tariff Commission and certification of the case to the Secretary by the President, to treat the location of the firm's affected plant or plants as a redevelopment area for the purpose of making that firm eligible for assistance under that act.

34. This amendment eliminates the special Federal standards of unemployment compensation (both as to duration and amount) offered by the bill to workers displaced by imports. It provides a simple procedure by which groups of workers certified by the President after a Tariff Commission finding of import injury to the group, may apply to the Secretary of Labor for priority consideration of the benefits offered by the existing Manpower Development and Training Act.

35. This amendment strengthens the bill from a constitutional point of view by requiring the key determinations of the President putting into use the delegated authority to be based on findings of fact that the the conditions specified by the Congress for such use have been met. It is not unreasonable to require the President's findings to rest upon evidence contained in the record of the investigation which precedes his actions. The amendment so provides.

36. This amendment completes the requirements for publication of reports and findings specified by the bill as prerequisites for Presidential action. The requirement for publication traditionally improves the quality of the record and the findings, and in itself strengthens the possibility that the delegated power will be used within the limits intended by Congress.

37. The United States has a high level of structural unemployment and a lagging rate of growth. If the unprecedented duty eliminations and reductions authorized by the bill are used in such a manner as to stimulate excessive imports of manufactured articles when the effect is to harm the rate of growth of those U.S. industries with an above-average rate of growth or growth potential, the economy could be harmed out of all proportion to the volume of imports itself. Accordingly, this amendmnet adds concepts to the peril point and escape clause remedies which will (a) inform the President whenever tariff reductions would impair or have impaired the rate of growth of innovating, employment-creating industries, and (2) empower him to reserve the products of those industries from negotiations if impairment would occur and to withdraw past concessions if impairment has already occurred.

EXHIBIT 3

[87th Cong., 2d sess.]

H.R. 11970

[Omit the part in black brackets and insert the part printed in italic]

An act to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE AND PURPOSES

SEC. 101. SHORT TITLE.

This Act may be cited as the "Trade Expansion Act of 1962".

SEC. 102. STATEMENT OF PURPOSES.

The purposes of this Act are, through trade agreements affording mutual benefits—

(1) to stimulate the economic growth of the United States and maintain and enlarge foreign markets for the products of United States agriculture, industry, mining, and commerce;

(2) to strengthen economic relations with foreign countries through the development of open and nondiscriminatory trading in the free world;

(3) to assist in the progress of countries in the earlier stages of economic development; and

(4) to prevent Communist economic penetration.

TITLE II—TRADE AGREEMENTS

Chapter 1—General authority

SEC. 201. BASIC AUTHORITY FOR TRADE AGREEMENTS.

(a) Whenever the President determines that any existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that [any of the] *the first purpose together with any of the other* purposes stated in section 102 will be promoted thereby, the President may—

(1) after June 30, 1962, and before July 1, 1967, enter into trade agreements with foreign countries or instrumentalities thereof; and

(2) proclaim such modification or continuance of any existing duty or other import restriction, such continuance of existing duty-free or excise treatment, or such additional import restrictions, as he determines to be required or appropriate to carry out any such trade agreement.

(b) Except as otherwise provided in this title, no proclamation pursuant to subsection (a) shall be made—

(1) decreasing any rate of duty to a rate below 50 percent of the rate existing on July 1, 1962; or

(2) increasing any rate of duty to (or imposing) a rate more than 50 percent above the rate existing on July 1, 1934.

[SEC. 202. LOW-RATE ARTICLES.

[Section 201(b)(1) shall not apply in the case of any article for which the rate of duty existing on July 1, 1962, is not more than 5 percent ad valorem (or ad valorem equivalent). In the case of an article subject to more than one rate of duty, the preceding sentence shall be applied by taking into account the aggregate of such rates.]

Chapter 2—Special provisions concerning European Economic Community

SEC. 211. IN GENERAL.

(a) In the case of any trade agreement with the European Economic Community, section 201(b)(1) shall not apply to articles in any category if, before entering into such trade agreement, the President determines with respect to such category that the United States and all countries of the European Economic Community together accounted for 80 percent or more of the aggregated world export value of all the articles in such category *and that the United States accounted for 25 percent or more of such value.*

(b) For purposes of subsection (a)—

(1) As soon as practicable after the date of the enactment of this Act, the President shall—

(A) after taking into account the availability of trade statistics, select a system of comprehensive classification of articles by category, and

(B) make public his selection of such system.

(2) As soon as practicable after the President has selected a system pursuant to paragraph (1), the Tariff Commission shall—

(A) determine the articles falling within each category of such system, and

(B) make public its determinations *and modifications thereof.*

The determination of the Tariff Commission as to the articles included in any category may be modified only by the Tariff Commission. [Such modification by the Tariff Commission may be made only for the purpose of correction, and may be made only before the date on which the first list of articles specifying this section is furnished by the President to the Tariff Commission pursuant to section 221.] *Such modification by the Tariff Commission shall be made* (i) *for the purpose of correction* (*in which event it must be made before the date on which the first list of articles specifying this section is furnished by the President to the Tariff Commission pursuant to section 221*), or (ii) *for the purpose of excluding articles on which the Commission finds in its investigation under section 221*(b) *that a reduction in duties below the limit specified in section 201*(b)(*1*) *would cause or threaten serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles.*

(c) For the purpose of making a determination under subsection (a) with respect to any category—

(1) The determination of the countries of the European Economic Community shall be made as of the date of the request under subsection (d).

(2) The President shall determine "aggregated world export value" with respect to any category of articles—

(A) on the basis of a period which he determines to be representative for such category, which period shall be included in the most recent 5-year period before the date of the request under subsection (d) for which statistics are available and shall contain at least 2 one-year periods,

(B) on the basis of the dollar value of exports as shown by trade statistics [in use] *made public* by the Department of Commerce, and

(C) by excluding exports—

(i) from any country of the European Economic Community to another such country, [and]

(ii) to or from any country or area which, at any time during the representative period, was denied trade agreement benefits under section 231 or under section 5 of the Trade Agreements Extension Act of 1951[.], *and*

(*iii*) *for which payment is not made nor undertaken to be made in the currency of the exporting nation on a commercial basis.*

(d) Before the President makes a determination under subsection (a) with respect to any category, the Tariff Commission shall (upon request of the President) make findings as to—

(1) the representative period for such category,

(2) the aggregated world export value of the articles falling within such category, and

(3) the percentage of the aggregated world export value of such articles accounted for by the United States and the countries of the European Economic Community,

and shall advise the President of such findings, *and make them public.*

(e) The exception to section 201(b)(1) provided by subsection (a) shall not apply to any article referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959, *or to any article as to which the Tariff Commission finds in its investigation under section 221*(b) *that a reduction in duties below the limit specified in section 201*(b)(*1*) *would cause or threaten serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles.*

Sec. 212. Agricultural Commodities.

In the case of any trade agreement with the European Economic Community, section 201(b)(1) shall not apply to any article referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959, if before entering into such agreement the President determines that such agreement will tend to assure the maintenance or expansion of United States exports of the like article.

Sec. 213. Tropical Agricultural and Forestry Commodities.

(a) Section 2101(b)(1) shall not apply to any article if, before entering into the trade agreement covering such article, the President determines that—

(1) such article is a tropical agricultural or forestry commodity;

(2) the like article is not produced in significant quantities in the United States; [and]

(*3*) *such article is not directly competitive with an article produced in significant quantities in the United States; and*

[3](*4*) the European Economic Community has made a commitment with respect to duties or other import restrictions which is likely to assure access for such article to the markets of the European Economic Community which—

(A) is comparable to the access which such article will have to the markets of the United States, and

(B) will be afforded substantially without differential treatment as among free world countries of origin.

(b) For purposes of subsection (a), a "tropical agricultural or forestry commodity" is an agricultural or forestry commodity with respect to which the President determines that more than one-half of the world production is in the area of the world between 20 degrees north latitude and 20 degrees south latitude.

(c) Before the President makes a determination under subsection (a) with respect to any article, the Tariff Commission shall (upon request of the President) make findings as to—

(1) whether or not such article is an agricultural or forestry commodity more than one-half of the world production of which is in the area of the world between 20 degrees north latitude and 20 degrees south latitude, [and]

(2) whether or not the like article is produced in significant quantities in the United States, *and*

(*3*) *whether or not such article is directly competitive with an article produced in significant quantity in the United States,*

and shall advise the President of such findings.

Chapter 3—Requirements concerning negotiations

Sec. 221. Tariff Commission Advice.

(a) In connection with any proposed trade agreement under this title, the President shall from time to time publish and furnish the Tariff Commission with lists of articles which may be considered for modification or continuance of United States duties or other import restrictions, or continuance of United States duty-free or excise treatment. In the case of any article with respect to which consideration may be given to reducing the rate of duty below the 50 percent limitation contained in section 201(b)(1), the list shall specify the section or sections of this title pursuant to which such consideration may be given.

[(b) Within 6 months after receipt of such a list, the Tariff Commission shall advise the President with respect to each article of its judgment as to the probable economic effect of modifications of duties or other import restrictions on industries producing like or directly competitive articles. In the course of preparing such advice, the Tariff Commission shall, after reasonable notice, hold public hearings.]

(*b*) (*1*) *Upon receipt of such list, the Commission shall make an investigation and report to the President its findings with respect to each such article as to—*

(*A*) *the limit to which such modification or continuance may be extended without causing or threatening serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles; and*

(*B*) *if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles, the minimum increases in duties or additional import restrictions required.*

Such report shall be made by the Commission to the President not later than 6 months after the receipt of such a list by the Commission.

(2) *If in the course of any such investigation the Commission shall determine that a modification of duties or other import restrictions, or the continuance of existing customs or excise treatment, applicable to any imported article would likely result in* (*A*) *a significant decline in the share of the domestic market supplied by domestic products in relation to a representative base period* (*taking into account a decline in order bookings of domestic industries producing articles requiring a long leadtime in production*), *and* (*B*) *either—*

(*i*) *a significant decline in the net earnings of the domestic industry producing such products, or*

(*ii*) *a decline in employment, a loss of wages due to shortened work periods, or a decline in wage rates in such domestic industry,*

the Commission shall make a finding that such modification of duties and other import restrictions, or continuance of existing customs or excise treatment, cannot be made without causing or threatening serious injury to the domestic industry producing like or directly competitive articles.

(*3*) *In the course of any investigation pursuant to this section the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings.*

Sec. 222. Advice From Departments.

Before any trade agreement is entered into under this title, the President shall seek information and advice with respect to such agreement from the Departments of Agriculture, Commerce, Defense, Interior, Labor, State, and Treasury, and from such other sources as he may deem appropriate.

Sec. 223. Public Hearings.

In connection with any proposed trade agreement under this title, the President shall afford an opportunity for any interested person to present his views concerning any article on a list published pursuant to section 221, any article which should be so listed, any concession which should be sought by the United States, or any other matter relevant to such proposed trade agreement. For this purpose, the President shall designate an agency or an interagency committee which shall, after reasonable notice, hold public hearings, shall prescribe regulations governing the conduct of such hearings, and shall furnish the President with a summary of such hearings.

Sec. 224. Prerequisite for Offers.

The President may make an offer for, *or grant a concession consisting of,* the modification or continuance of any duty or other import restriction, or continuance of duty-free or excise treatment, with respect to any article only after he has received advice concerning such article from the Tariff Commission under section 221(b), or after the expiration of the relevant 6-month period provided for in that section, whichever first occurs, and only after the President has received a summary of the hearings at which an opportunity to be heard with respect to such article has been afforded under section 223.

Sec. 225. Reservation of Articles From Negotiations.

(a) While there is in effect with respect to any article any action taken under—

(1) section 232, [or 351,]

(2) section 2(b) of the Act entitled "An Act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954 (19 U.S.C., sec. 1352a), or

(3) section 7 of the Trade Agreements Extension Act of 1951 (19 U.S.C., sec. 1364), the President shall reserve such article from negotiations under this title for the reduction of any duty or other import restriction or the elimination of any duty.

(b) [During the 4-year period which begins on the date of the enactment of this Act, the President shall reserve] *The President shall also reserve* an article (other than an article which, on the date of the enactment of this Act, was described in subsection (a)(3)) from negotiation under this title for the reduction of any duty or other import restriction or the elimination of any duty where—

(1) pursuant to section 7 of the Trade Agreements Extension Act of 1951 (or pursuant to a comparable Executive Order), the Tariff Commission found by a majority of the Commissioners voting that such article was being imported in such increased quantities as to cause or threaten serious injury to an industry,

(2) such article is included in a list furnished to the Tariff Commission pursuant to section 221 (and has not been included in a prior list so furnished), and

(3) upon request on behalf of the industry, made not later than 60 days after the date of the publication of such list, the Tariff Commission finds and advises the President that economic conditions in such industry have not substantially improved since the date of the report of the finding referred to in paragraph (1).

(c) In addition to the articles described by subsections (a) and (b), the President shall also so reserve any other article which he determines to be appropriate, taking into consideration the *findings* of the Tariff Commission under section 221(b), any advice furnished to him under section 222, and the summary furnished to him under section 223.

Sec. 226. Essential Conditions for Granting Concessions.

(a) The President shall not proclaim any modification of existing duties or other important restrictions, or a continuance of existing customs or excise treatment of any article covered by a trade agreement entered into under this Act, unless he finds as a fact that the countries of the European Economic Community which are parties to such agreement and would by the terms of such agreement receive the benefits of such modifications or continuance have, except as otherwise permitted by the terms of such agreement, committed themselves to admit like articles exported from the United States on terms and conditions no less favorable than those which would be applicable to their exports of such articles when imported into the United States if the President were to proclaim the modification or continuance provided for in such foreign trade agreement.

(b) In the course of negotiating a trade agreement, the President shall not make an offer, or grant in whole or in part a request, for the modification or continuance of duty-free or excise treatment with respect to any article, unless the country or instrumentality to which such offer is made, or which requests the modification or continuance, is the principal supplier of such articles in world export trade (not including the exports of the United States) as shown by the value of the exports of such article by such country or instrumentality in relation to the total world export value of such article (excluding the value of United States exports) during the most recent two-year period preceding the negotiations for which data is available.

(c) The President shall not proclaim any modification of existing duties or other import restrictions, or a continuance of existing customs or excise treatment of any article covered by a trade agreement, unless he finds as a fact that the foreign countries which are parties to such agreement and would by the terms of such agreement receive the benefit of such modification or continuance have committed themselves to admit like articles exported from countries other than the United States and other than those countries referred to in section 231 free from quantitative and other nontariff restrictions and subject to duties and other charges no greater than those which would be applicable to such articles when imported into the United States if the President were to proclaim the modification or continuance provided for in such trade agreement.

Sec. [226.] *227.* Transmission of Agreements to Congress.

The President shall transmit promptly to each House of Congress a copy of each trade agreement entered into under [this title, together with a statement, in the light of the advice of the Tariff Commision under section 221(b) and of other relevant considerations, of his reasons for entering into the agreement.] *this title, together with a statement accurately identifying any article with respect to which the limits or minimum requirements found and reported by the Tariff Commission under sections 221(b) and 408(c) are not complied with, and stating his reasons for the action taken with respect to each such article.*

Chapter 4—National security

Sec. 231. Products of Communist Countries or Areas.

The President shall, as soon as practicable, suspend, withdraw, or prevent the application of the reduction, elimination, or continuance of any existing duty or other import restriction, or the continuance of any existing duty-free or excise treatment, proclaimed in carry out any trade agreement under this title or under section 350 of the Tariff Act of 1930, to products, whether imported directly or indirectly, of any country or area dominated or controlled by Communism.

Sec. 232. Safeguarding National Security.

(a) No action shall be taken pursuant to section 201 (a) or pursuant to section 350 of the Tariff Act of 1930 to decrease or eliminate the duty or other import restriction on any article if the President determines that such reduction or elimination would threaten to impair the national security.

(b) Upon request of the head of any department or agency, upon application of an interested party, or upon his own motion, the Director of the Office of Emergency Planning (hereinafter in this section referred to as the "Director") shall immediately make an appropriate investigation, in the course of which he shall seek information and advice from other appropriate departments and agencies, to determine the effects on the national security of imports of the article which is the subject of such request, application, or motion. If, as a result of such investigation, the Director is of the opinion that the said article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall promptly so advise the President, and, unless the President determines that the article is not being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security as set forth in this section, he shall take such action, and for such time, as he deems necessary to adjust the imports of such article and its derivatives so that such imports will not so threaten to impair the national security.

(c) For the purposes of this section, the Director and the President shall, in the light of the requirements of national security and without excluding other relevant factors, give consideration to domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services including the investment, exploration, and development necessary to assure such growth, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements. In the administration of this section, the Director and the President shall further recognize the close relation of the economic welfare of the Nation to our national security, and shall take into consideration the impact of foreign competition on the economic welfare of individual domestic industries; and any substantial unemployment, decrease in revenues of government, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive imports shall be considered, without excluding other factors, in determining whether such weakening of our internal economy may impair the national security.

(d) A report shall be made and published upon the disposition of each request, application, or motion under subsection (b). The Director shall publish procedural regulations to give effect to the authority conferred on him by subsection (b).

Chapter 5—Administrative provisions

Sec. 241. Special Representative for Trade Negotiations.

(a) The President shall appoint, by and with the advice and consent of the Senate, a Special Representative for Trade Negotiations, who shall be the chief representative of the United States for each negotiation under this title and for such other negotiations as in the President's judgment require that the Special Representative be the chief representative of the United States. The Special Representative for Trade Negotiations shall hold office at the pleasure of the President, shall be entitled to receive the same compensation and allowances as a chief of mission, shall have the rank of ambassador extraordinary and plenipotentiary, and shall be an ex-officio member of the organization established pursuant to section 242(a).

(b) The Special Representative for Trade Negotiations shall, in the performance of his functions under subsection (a), seek information and advice with respect to each negotiation from representatives of industry, agriculture, and labor, and from such agencies of the United States as he deems appropriate.

Sec. 242. Interagency Trade Organization.

(a) The President shall establish an interagency organization to assist him in carrying out the functions vested in him by this title [and chapter 4 of title III]. Such organization shall have as its chairman [a Cabinet officer selected by the President] *the Secretary of Commerce*, and shall be composed of the heads of such departments and of such other officers as the President shall designate. It shall meet periodically at such times and with respect to such matters as the President or the chairman of the organization shall direct. The organization may invite the participation in its activities of any agency not represented in the organization when matters of interest to such agency are under consideration.

(b) In assisting the President, the organization shall—

(1) make recommendations to the President on basic policy issues arising in the administration of the trade agreements program,

(2) make recommendations to the President as to what action, if any, he should take on reports with respect to tariff adjustment submitted to him by the Tariff Commission under section 301(e),

(3) advise the President of the results of hearings concerning [unjustifiable] foreign import restrictions held pursuant to section 252(c), and recommend appropriate action with respect thereto, and

(4) perform such other functions with respect to the trade agreements program as the President may from time to time designate.

(c) The organization shall, to the maximum extent practicable, draw upon the resources of the agencies represented in the organization, as well as such other agencies as it may determine, including the Tariff Commission. In addition, the President may establish by regulation such procedures and committees as he may determine to be necessary to enable the organization to provide for the conduct of hearings pursuant to section 252(c), and for the carrying out of other functions assigned to the organization pursuant to this section.

Sec. 243. Congressional Delegates to Negotiations.

Before each negotiation under this title, the President shall, upon the recommendation of the Speaker of the House of Representatives, select two members (not of the same political party) of the Committee on Ways and Means, and shall, upon the recommendation of the Speaker of the House of Representatives, select two members (not of the same political party) of the Committee on Finance, who shall be accredited as members of the United States delegation to such negotiation.

Sec. 244. Participation by Industry, Agriculture, and Labor in Negotiations.

It is hereby declared to be the sense of the Congress that the President, during the course of negotiating any trade agreement, should seek information and advice with respect to each distinct and homogenous grouping of articles which is the subject of negotiations from the representatives of the domestic industry, agricultural sector, and labor producing the like or directly competitive articles.

Chapter 6—General provisions

Sec. 251. Most-Favored-Nation Principle.

Except as otherwise provided in this title, any duty or other import restriction or duty-free treatment proclaimed in carrying out any trade agreement under this title or section 350 of the Tariff Act of 1930 shall apply to products of all foreign countries, whether imported directly or indirectly.

Sec. 252. Foreign Import Restrictions.

(a) Whether [unjustifiable] foreign import restrictions impair the value of tariff commitments made to the United States, oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis, the President shall—

(1) take all appropriate and feasible steps within his power to eliminate such restrictions, and

(2) refrain from negotiating the reduction or elimination of any United States import restriction under section 201(a) in order to obtain the reduction or elimination of any such restrictions.

(b) Whenever a foreign country or instrumentality the products of which receive benefits of trade agreement concessions made by the United States—

(1) maintains nontariff trade restrictions, including [unlimited] variable import fees, which substantially burden United States commerce in a manner inconsistent with provisions of trade agreements, or

(2) engages in discriminatory or other acts (including tolerance of international cartels) or policies [unjustifiably] restricting United States commerce,

the President shall, [to the extent that such action is consistent with the purposes of section 102—]

(A) suspend, withdraw, or prevent the application of benefits of trade agreements concessions to products of such country or instrumentality, or

(B) refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country or instrumentality.

(c) The President shall provide an opportunity for the presentation of views concerning [unjustifiable] foreign import restrictions maintained against United States commerce. Upon request by any interested person, the President shall, through the organization established pursuant to section 242(a), provide for appropriate public hearings with respect to such restrictions after reasonable notice and provide for the issuance of regulations concerning the conduct of such hearings.

Sec. 253. Staging Requirements.

(a) Except as otherwise provided in this section and in section 254, the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement under this title shall not exceed the aggregate reduction which would have been in effect on such day if—

(1) one-fifth of the total reduction under such agreement for such article had taken effect on the date of the first proclamation pursuant to section 201(a) to carry out such trade agreement, and

(2) the remaining four-fifths of such total reduction had taken effect in four equal installments at 1-year intervals after the date referred to in paragraph (1).

(b) Subsection (a) shall not apply to any article with respect to which the President has made a determination under section 213(a).

(c) In the case of an article the rate of duty on which has been or is to be reduced pursuant to a prior trade agreement, no reduction shall take effect pursuant to a trade agreement entered into under section 201(a) before the expiration of 1 year after the taking effect of the final reduction pursuant to such prior agreement.

(d) If any part of a reduction takes effect, then any time thereafter during which such part of the reduction is not in effect by reason of legislation of the United States or action thereunder shall be excluded in determining—

(1) the 1-year intervals referred to in subsection (a)(2), and

(2) the expiration of the 1 year referred to in subsection (c).

Sec. 254. Rounding Authority

If the President determines that such action will simplify the computation of the amount of duty imposed with respect to an article, he may exceed the limitation provided by section 201(b)(1) or 253 by not more than whichever of the following is lesser:

(1) the difference between the limitation and the next lower whole number, or

(2) one-half of 1 percent ad valorem or an amount the ad valorem equivalent of which is one-half of 1 percent.

Sec. 255. Termination.

(a) Every trade agreement entered into under this title shall be subject to termination or withdrawal, upon due notice, at the end of a period specified in the agreement. Such period shall be not more than 3 years from the date on which the agreement becomes effective. If the agreement is not terminated or withdrawn from at the end of the period so specified, it shall be subject to termination or withdrawal thereafter upon not more than 6 months' notice.

(b) The President may at any time terminate, in whole or in part, any proclamation made under this title.

(c) The President shall, at the end of the period specified in any trade agreement, terminate, by appropriate modifications of the proclamation which made it effective, any concessions granted by the United States to the European Economic Community under the authority of section 211, if he determines, under the criteria of that section, with reference to the most recent two-year period for which data is available, either (1) that the United States exports did not account for at least 25 percent of the aggregated world export value of the articles in the category covered by the concession or (2) that the United States and the European Economic Community together did not account for 80 percent or more of such value during such period.

(d) Whenever any foreign country, party to a trade agreement entered into under this Act, suspends, withdraws, or otherwise abrogates a commitment referred to in subsection (a) or (c) of section 226, in violation of the provisions of trade agreements, the President shall forthwith notify such country of the intention of the United States to terminate the concession or concessions granted by the United States in reliance on such commitment. If the foreign country after such notification fails promptly to restore the commitment into full force and effect, the President shall forthwith terminate such concession or concessions by appropriate modification of the proclamation which made it or them effective.

Sec. 256. Definitions.

For purposes of this title—

(1) The term "European Economic Community" means the instrumentality known by such name or any successor thereto.

(2) The countries of the European Economic Community as of any date shall be those countries which on such date are agreed to achieve a common external tariff through the European Economic Community.

(3) The term "agreement with the European Economic Community" means an agreemen to which the United States and all countries of the European Economic Community (determined as of the date such agreement is entered into) are parties. For purposes of the preceding sentence, each country for which the European Economic Community signs an agreement shall be treated as a party to such agreement.

(4) The term "existing on July 1, 1962", as applied to a rate of duty, refers to the lowest nonpreferential rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date or (if lower) the lowest nonpreferential rate to which the

United States is committed on such date and which may be proclaimed under section 350 of the Tariff Act of 1930.

(5) The term "existing on July 1, 1934", as applied to a rate of duty, refers to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date.

(6) The term "existing" without the specification of any date, when used with respect to any matter relating to entering into, or any proclamation to carry out, a trade agreement, means existing on the day on which such trade agreement is entered into.

(7) The term "ad valorem equivalent" means the ad valorem equivalent of a specific rate or, in the case of a combination of rates including a specific rate, the sum of the ad valorem equivalent of the specific rate and of the ad valorem rate. The ad valorem equivalent shall be determined by the President on the basis of the value of imports of the article concerned during a period determined by him to be representative. In determining the value of imports, the President shall utilize, to the maximum extent practicable, the standards of valuation contained in section 402 or 402a of the Tariff Act of 1930 (19 U.S.C., sec. 1401a or 1402) applicable to the article concerned during such representative period.

SEC. 257. RELATION TO OTHER LAWS.

(a) The first sentence of subsection (b) of section 350 of the Tariff Act of 1930 is amended by striking out "this section" each place it appears and inserting in lieu thereof "this section or the Trade Expansion Act of 1962". The second sentence of such subsection (b) is amended by striking out "this Act" and inserting in lieu thereof "this Act or the Trade Expansion Act of 1962". The third sentence of such subsection (b) is amended by striking out "1955," in paragraph (2) and inserting in lieu thereof "1955, and before July 1, 1962," and by adding at the end thereof the following new paragraph:

"(3) In order to carry out a foreign trade agreement entered into after June 30, 1962, and before July 1, 1967, below the lowest rate permissible by applying title II of the Trade Expansion Act of 1962 to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on July 1, 1962, with respect to such product."

(b) Subsections (a) (5) and (e) of section 350 of the Tariff Act of 1930 are repealed.

(c) For purposes only of entering into trade agreemnts pursuant to the notices of intention to negotiate published in the Federal Register of May 28, 1960, and the Federal Register of November 23, 1960, the period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930 is hereby extended from the close of June 30, 1962, until the close of December 31, 1962.

(d) The second and third sentences of section 2(a) of the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, as amended (19 U.S.C., sec. 1352(a)), are each amended by striking out "this Act" and inserting in lieu thereof "this Act or the Trade Expansion Act of 1962".

(e) (1) Sections 5 [6, 7] and 8(a) of the Trade Agreements Extension Act of 1951 are repealed.

(2) Action taken by the President under section 5 of such Act and in effect on the date of the enactment of this Act shall be considered as having been taken by the President under section 231.

[(3) Any investigation by the Tariff Commission under section 7 of such Act which is in progress on the date of the enactment of this Act shall be continued under section 301 as if the application by the interested party were a petition under such section for tariff adjustment under section 351. For purposes of section 301(f), such petition shall be treated as having been filed on the date of the enactment of this Act.]

(f) Section 2 of the Act entitled "An Act to extend the authortiy of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954, is repealed. Any action (including any investigation begun) under such section 2 before the date of the enactment of this Act shall be considered as having been taken or begun under section 232.

TITLE III—TARIFF ADJUSTMENT AND OTHER ADJUSTMENT ASSISTANCE

Chapter 1—Eligibility for assistance

SEC. 301. TARIFF COMMISSION INVESTIGATIONS AND REPORTS.

(a)(1) [Petitions for tariff adjustment under section 351 or for determinations of eligibility to apply for adjustment assistance under chapter 2 or 3 may be filed with the Tariff Commission by firms, groups of workers, or industries.] *Petitions by domestic industries for import adjustment shall be filed with the Tariff Commission under section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364); and petitions by firms or groups of workers for determinations of eligibility to apply for adjustment assistance may be filed with the Tariff Commission under subsection (c) of this section.* In the case of a firm, such petition may be filed by the firm or its representative. In the case of a group of workers, such petition may be filed by the workers or by their certified or recognized union or other duly authorized representative. In the case of an industry, such petition may be filed by a trade association, firm, certified or recognized union, or other representative.

(2) Whenever a petition is filed under this subsection, the Tariff Commission shall transmit a copy thereof to the Secretary of Commerce.

(b)(1) Upon the request of the President, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon the filing of a petition under subsection (a)(1), the Tariff Commission shall promptly make an investigation to determine whether, as [a result of concessions granted under trade agreements, an article is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious] *a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under trade agreements, an article is being imported into the United States in such increased quantities, either actual or relative, as to cause, or threaten to cause, serious* injury to the domestic industry producing an article which is like or directly competitive with the imported article.

(2) In making its determination under paragraph (1), [the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a profit, and unemployment or underemployment.] *the Tariff Commission shall be governed by section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364).*

(3) No investigation for the purpose of paragraph (1) shall be made, upon petition filed under subsection (a)(1), with respect to the same subject matter as a previous investigation under paragraph (1), unless one year has elapsed since the Tariff Commission made its report to the President of the results of such previous investigation.

(c)(1) In the case of a petition by a firm for a determination of eligibility to apply for adjustment assistance under chapter 2, the Tariff Commission shall, [in addition to making an industry determination under subsection (b), determine whether, as a result of concessions granted under] *determine whether, as a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under* trade agreements, an article like or directly competitive with an article produced by the firm is being imported into the United States in such increased quantities [as to cause] , *either actual or relative, as to cause* or threaten to cause, serious injury to such firm. [In making its determination under this paragraph, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities of the firm, inability of the firm to operate at a profit, and unemployment or underemployment in the firm.]

(2) In the case of a petition by a group of workers for a determination of eligibility to apply for adjustment assistance under chapter 3, the Tariff Commission shall [, in addition to making an industry detremination under subsection (b), determine whether, as a result of concessions granted under] *determine whether, as a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under* trade agreements, an article like or directly competitive with an article produced by such workers' firm, or an appropriate subdivision thereof, is being imported into the United States [in such increased quantities as to cause, or threaten to cause,] *in such increased quantities, either actual or relative, as to cause, or threaten to cause,* unemployment or underemployment of a significant number or proportion of the workers of such firm or subdivision.

(3) The Tariff Commission may provide that, during a period beginning not earlier than 30 days after the publication of notice of hearings with respect to an industry and ending not later than the date of the report of the Tariff Commission with respect thereto under subsection (f)(2), no petition may be filed under subssection (a)(1) by a firm or group of workers in such industry with respect to the same imported article and the same domestic article.

(d) In the course of any investigation under this section, the Tariff Commission shall, after reasonable notice, hold public hearings and shall afford interested parties opportunity to be present, to produce evidence, and to be heard at such hearings.

(e) Should the Tariff Commission find with respect to any article, as the result of its investigation, the serious injury or threat thereof described in subsection (b), it shall find the amount of the increase in, or imposition of, any duty or other import restriction on such article which is necessary to prevent or remedy such injury and shall include such finding in its report to the President.

(f) Subsection (b) *of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364*(b)*), is amended by adding at the end thereof the following new sentence: "The Commission shall find that increased imports have caused or threaten serious injury to the domestic industry producing like or directly competitive products when the evidence received during its investigation and hearings establishes that there has occurred (1) a significant decline in the share of the domestic market supplied by domestic products in comparison with the share so supplied during a representative base period (taking into account a decline in order bookings of domestic industries producing articles requiring a long lead time in production), and (2) either (i) a significant decline in the net earnings of the domestic industry producing such products, or (ii) a decline in employment, a loss of wages due to shortened work periods, or a decline in wage rates in such domestic industry."*

[g](1) The Tariff Commission shall report to the President the results of each investigation under this section and include in each report any dissenting or separate views. The Tariff Commission shall furnish to the President a transcript of the hearings and any briefs which may have been submitted in connection with each investigation.

(2) The report of the Tariff Commission of its determination under subsection (b) shall be made at the earliest practicable time, but not later than 120 days after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be), unless the President extends such time for an additional period, which shall not exceed 30 days. Upon making such report to the President, the Tariff Commission shall promptly make public such report, and shall cause a summary thereof to be published in the Federal Register.

(3) The report of the Tariff Commission of its determination under subsection (c) (1) or (c)(2) with respect to any firm or group of workers shall be made at the earliest practicable time, but not later than 60 days after the date on which the petition is filed.

Sec. 302. Presidential Action After Tariff Commission Determination.

[(a) After receiving a report from the Tariff Commission containing an affirmative finding under section 301(b) with respect to any industry, the President may—

[(1) provide tariff adjustment for such industry pursuant to section 351,

[(2) provide, with respect to such industry, that its firms may request the Secretary of Commerce for certifications of eligibility to apply for adjustment assistance under chapter 2,

[(3) provide, with respect to such industry, that its workers may request the Secretary of Labor for certifications of eligibility to apply for adjustment assistance under chapter 3, or

[(4) take any combination of such actions.]

(a) After receiving a report from the Tariff Commission containing an affirmative finding under section 301(b) with respect to any industry, the President shall take action or report as specified in section 7(c) of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C. sec. 1364(c)).

(b) No proclamation pursuant to subsection (a) shall be made—

(1) increasing any rate of duty to a rate more than 50 percent above the rate existing on July 1, 1934, or

(2) in the case of an article not subject to duty, imposing a duty in excess of 50 percent ad valorem.

For purposes of paragraph (1), the term "existing on July 1, 1934" has the meaning assigned to such term by paragraph (5) of section 256.

[(b)(1) The Secretary of Commerce shall certify, as eligible to apply for adjustment assistance under chapter 2, any firm in an industry with respect to which the President has acted under subsection (a)(2), upon a showing by such firm to the satisfaction of the Secretary of Commerce that the increased imports (which the Tariff Commission has determined to result from concessions granted under trade agreements) have caused serious injury or threat thereof to such firm.

[(2) The Secretary of Labor shall certify, as eligible to apply for adjustment assistance under chapter 3, any group of workers in an industry with respect to which the President has acted under subsection (a)(3), upon a showing by such group of workers to the satisfaction of the Secretary of Labor that the increased imports (which the Tariff Commission has determined to result from concessions granted under trade agreements) have caused or threatened to cause unemployment or underemployment of a significant number or proportion of workers of such workers' firm or subdivision thereof.]

(c) Paragraph (2)(B) of subsection (c) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364 (c)(2)(B)), is amended by striking out the word "two-thirds" and inserting in lieu thereof the word "majority".

[(c)]*(d)* After receiving a report from the Tariff Commission containing an affirmative finding under section 301(c) with respect to any firm or group of workers, the President may certify that such firm or group of workers is eligible to apply for adjustment assistance.

[(d)]*(e)* Any certification under subsection [(b) or (c)] *(d)* that a group of workers is eligible to apply for adjustment assistance shall specify the date on which the unemployment or underemployment began or threatens to begin.

[(e)] *(f)* When the President determines, with respect to any certification of the eligibility of a group of workers, that separations from the firm or subdivision thereof are no longer attributable to the conditions specified in section 301(c) [(2) or in subsection (b)(2) of this section], he shall terminate the effect of such certification. Such termination shall apply only with respect to separations occurring after the termination date specified by the President.

Chapter 2—Assistance to firms

Sec. 311. Certification of Adjustment Proposals.

(a) A firm certified under section 302 as eligible to apply for adjustment assistance may, at any time within two years after the date of such certification, file an application with the Secretary of Commerce for adjustment assistance under this chapter. [Within a reasonable time after filing its application, the firm shall present a proposal for its economic adjustment.

[(b) Adjustment assistance under this chapter consists of technical assistance, financial assistance, and tax assistance, which may be furnished singly or in combination. Except as provided in subsection (c), no adjustment assistance shall be provided to a firm under this chapter until its adjustment proposal shall have been certified by the Secretary of Commerce—

[(1) to be reasonably calculated materially to contribute to the economic adjustment of the firm,

[(2) to give adequate consideration to the interests of the workers of such firm adversely affected by actions taken in carrying out trade agreements, and

[(3) to demonstrate that the firm will make all reasonable efforts to use its own resources for economic development.

[(c) In order to assist a firm which has applied for adjustment assistance under this chapter in preparing a sound adjustment proposal, the Secretary of Commerce may furnish technical aessistance to such firm prior to certification of its adjustment proposal.

[(d) Any certification made pursuant to this section shall remain in force only for such period as the Secretary of Commerce may prescribe.

[Sec. 312. Use of Existing Agencies.

[(a) The Secretary of Commerce shall refer each certified adjustment proposal to such agency or agencies as he determines to be appropriate to furnish the technical and financial assistance necessary to carry out such proposal.

[(b) Upon receipt of a certified adjustment proposal, each agency concerned shall promptly—

[(1) examine the aspects of the proposal relevant to its functions, and

[(2) notify the Secretary of Commerce of its determination as to the technical and financial assistance it is prepared to furnish to carry out the proposal.

[(c) Whenever and to the extent that any agency to which an adjustment proposal has been referred notifies the Secretary of Commerce of its determination not to furnish technical or financial assistance, and if the Secretary of Commerce determines that such assistance is necessary to carry out the adjustment proposal, he may furnish adjustment assistance under sections 313 and 314 to the firm concerned.

[(d) There are hereby authorized to be appropriated to the Secretary of Commerce such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to firms, which sums are authorized to be appropriated to remain available until expended.

[Sec. 313. Technical Assistance.

[(a) Upon compliance with section 312 (c), the Secretary of Commerce may provide to a firm, on such terms and conditions as he determines to be appropriate, such technical assistance as in his judgment will materially contribute to the economic adjustment of the firm.

[(b) To the maximum extent practicable, the Secretary of Commerce shall furnish technical assistance under this section and section 311(c) through existing agencies, and otherwise through private individuals, firms, or institutions.

[(c) The Secretary of Commerce shall require a firm receiving technical assistance under this section or section 311(c) to share the cost thereof to the extent he determines to be appropriate.

[Sec. 314. Financial Assistance.

[(a) Upon compliance with section 312 (c), the Secretary of Commerce may provide to a firm, on such terms and conditions as he determines to be appropriate, such financial assistance in the form of guarantees of loans, agreements for deferred participations in loans, or loans, as in his judgment will materially contribute to the economic adjustment of the firm. The assumption of an outstanding indebtedness of the firm, with or without recourse, shall be considered to be the making of a loan for purposes of this section.

[(b) Guarantees, agreements for deferred participations, or loans shall be made under this section only for the purpose of making funds available to the firm—

[(1) for acquisition, construction, installation, modernization, development, conversion, or expansion of land, plant, buildings, equipment, facilities, or machinery, or

[(2) in cases determined by the Secretary of Commerce to be exceptional, to supply working capital.

[(c) To the maximum extent practicable, the Secretary of Commerce shall furnish financial assistance under this section through agencies furnishing financial assistance under other law.

[Sec. 315. Conditions for Financial Assistance.

[(a) No loan shall be guaranteed and no agreement for deferred participation in a loan shall be made by the Secretary of Commerce in an amount which exceeds 90 percent of that portion of the loan made for purposes specified in section 314(b).

[(b)(1) Any loan made or deferred participation taken up by the Secretary of Commerce shall bear interest at a rate not less than the greater of—

[(A) 4 percent per annum, or

[(B) a rate determined by the Secretary of the Treasury for the year in which the loan is made or the agreement for such deferred participation is entered into.

[(2) The Secretary of the Treasury shall determine annually the rate referred to in paragraph (1)(B), taking into consideration the current average market yields on outstanding interest-bearing marketable public debt obligations of the United States of maturities comparable to those of the loans outstanding under section 314.

[(c) Guarantees or agreements for deferred participation shall be made by the Secretary of Commerce only with respect to loans bearing interest at a rate which he determines to be reasonable. In no event shall the guaranteed portion of any loan, or the portion covered by an agreement for deferred participation, bear interest at a rate more than 1 percent per annum above the rate prescribed by subsection (b) (determined when the guarantee is made or the agreement is entered into), unless the Secretary of Commerce shall determine that special circumstances justify a higher rate, in which case such portion of the loan shall bear interest at a rate not more than 2 percent per annum above such prescribed rate.

[(d) The Secretary of Commerce shall make no loan or guarantee having a maturity in excess of 25 years, including renewals and extensions, and shall make no agreement for deferred participation in a loan which has a maturity in excess of 25 years, including renewals and extensions. Such limitation on maturities shall not, however, apply to—

[(1) securities or obligations received by the Secretary of Commerce as claimant in bankruptcy or equitable reorganization, or as creditor in other proceedings attendant upon insolvency of the obligor, or

[(2) an extension or renewal for an additional period not exceeding 10 years, if the Secretary of Commerce determines that such extension or renewal is reasonably necessary for the orderly liquidation of the loan.

[(e) No financial assistance shall be provided under section 314 unless the Secretary of Commerce determines that such assistance is not otherwise available to the firm, from sources other than the United States, on reasonable terms, and that there is reasonable assurance of repayment by the borrower.

[(f) The Secretary of Commerce shall maintain operating reserves with respect to anticipated claims under guarantees and under agreements for deferred participation made under section 314. Such reserves shall be considered to constitute obligations for purposes of section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C., sec. 200).

[Sec. 316. Administration of Financial Assistance.

[(a) In making and administering guarantees, agreements for deferred participation, and loans under section 314, the Secretary of Commerce may—

[(1) require security for any such guarantee, agreement, or loan, and enforce, waive, or subordinate such security;

[(2) assign or sell at public or private sale, or otherwise dispose of, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with such guarantees, agreements, or loans, and collect, compromise, and obtain deficiency judgments with respect to all obligations assigned to or held by him in connection with such guarantees, agreements, or loans until such time as such obligations may be referred to the Attorney General for suit or collection;

[(3) renovate, improve, modernize, complete, insure, rent, sell, or otherwise deal with, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to or otherwise acquired by him in connection with such guarantees, agreements, or loans;

[(4) acquire, hold, transfer, release, or convey any real or personal property or any interest therein whenever deemed necessary or appropriate, and execute all legal documents for such purposes; and

[(5) exercise all such other powers and take all such other acts as may be necessary or incidental to the carrying out of functions pursuant to section 314.

[(b) Any mortgage acquired as security under subsection (a) shall be recorded under applicable State law.

[Sec. 317. Tax Assistance.

[(a) If—

[(1) to carry out an adjustment proposal of a firm certified pursuant to section 311, such firm applies for tax assistance under this section within 24 months after the close of a taxable year and alleges in such application that it has sustained a net operating loss for such taxable year,

[(2) the Secretary of Commerce determines that any such alleged loss for such taxable year arose predominantly out of the carrying on of a trade or business which was seriously injured, during such year, by the increased imports which the Tariff Commission has determined to result from concessions granted under trade agreements, and

[(3) the Secretary of Commerce determines that tax assistance under this section will materially contribute to the economic adjustment of the firm,

then the Secretary of Commerce shall certify such determinations with respect to such firm for such taxable year. No determination or certification under this subsection shall constitute a determination of the existence or amount of any net operating loss for purposes of section 172 of the Internal Revenue Code of 1954.

[(b) Subsection (b) of section 172 of the Internal Revenue Code of 1954 (relating to net operating loss carrybacks and carryovers) is amended to read as follows:

["(b) Net Operating Loss Carrybacks and Carryovers.—

["(1) Years to which loss may be carried.—A net operating loss for any taxable year ending after December 31, 1957, shall be—

["(A) except as provided in subparagraph (B), a net operating loss carryback to each of the 3 taxable years preceding the taxable year of such loss,

["(B) in the case of a taxpayer with respect to a taxable year ending on or after December 31, 1962, for which a certification has been issued under section 317 of the Trade Expansion Act of 1962, a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss, and

["(C) a net operating loss carryover to each of the 5 taxable years following the taxable year of such loss.

["(2) Amount of carrybacks and carryovers.—Except as provided in subsection (i), the entire amount of the net operating loss for any taxable year (hereinafter in this section referred to as the 'loss year') shall be carried to the earliest of the taxable years to which (by reason of paragraph (1)) such loss may be carried. The portion of such loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable income for each of the prior taxable years to which such loss may be carried. For purposes of the preceding sentence, the taxable income for any such prior taxable year shall be computed—

["(A) with the modifications specified in subsection (d) other than paragraphs (1), (4), and (6) thereof; and

["(B) by determining the amount of the net operating loss deduction without regard to the net operating loss for the loss year or for any taxable year thereafter,

and the taxable income so computed shall not be considered to be less than zero.

["(3) Special Rules.—

["(A) Paragraph (1)(B) shall apply only if—

["(i) there has been filed, at such time and in such manner as may be prescribed by the Secretary or his delegate, a notice of filing of the application under section 317 of the Trade Expansion Act of 1962 for tax assistance, and, after its issuance, a copy of the certification under such section, and

["(ii) the taxpayer consents in writing to the assessment, within such period as may be agreed upon with the Secretary or his delegate, of any deficiency for any year to the extent attributable to the disallowance of a deduction previously allowed with respect to such net operating loss, even though at the time of filing such consent the assessment of such deficiency would otherwise be prevented by the operation of any law or rule of law.

["(B) In the case of—

["(i) a partnership and its partners, or

["(ii) an electing small business corporation under subchapter S and its shareholders,

paragraph (1)(B) shall apply as determined under regulations prescribed by the Secretary or his delegate. Such paragraph shall apply to a net operating loss of a partner or such a shareholder only if it arose predominantly from losses in respect of which certifications under section 317 of the Trade Expansion Act of 1962 were filed under this section."

[(c) Subsection (h) of section 6501 of the Internal Revenue Code of 1954 (relating to limitations on assessment and collection in the case of net operating loss carrybacks) is amended by inserting before the period: ", or within 18 months after the date on which the taxpayer files in accordance with section 172(b)(3) a copy of the certification (with respect to such taxable year) issued under section 317 of the Trade Expansion Act of 1962, whichever is later".

[(d) Section 6511(d)(2)(A) of the Internal Revenue Code of 1954 (relating to special period of limitation on credit or refund with respect to net operating loss carrybacks) is amended to read as follows:

["(A) Period of limitation.—If the claim for credit or refund relates to an overpayment attributable to a net operating loss carryback, in lieu of the 3-year period of limitation prescribed in subsection (a), the period shall be that period which ends with the expiration of the 15th day of the 40th month (or the 39th month, in the case of a corporation) following the end of the taxable year of the net operating loss which results in such carryback or the period prescribed in subsection (c) in respect of such taxable year, whichever expires later; except that—

["(i) with respect to an overpayment attributable to a net operating loss carryback to any year on account of a certification issued to the taxpayer under section 317 of the Trade Expansion Act of 1962, the period shall not expire before the expiration of the sixth month following the month in which such certification is issued to the taxpayer, and

["(ii) with respect to an overpayment attributable to the creation of, or an increase in, a net operating loss carryback as a result of the elimination of excessive profits by a renegotiation (as defined in section 1481(a)(1)(A)) the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later.

In the case of such a claim, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in subsection (b)(2) or (c), whichever is applicable, to the extent of the amount of the overpayment attributable to such carryback."

[Sec. 318. Protective Provisions.

[(a) Each recipient of adjustment assistance under section 313, 314, or 317 shall keep records which fully disclose the amount and disposition by such recipient of the proceeds if any, of such adjustment assistance, and which will facilitate an effective audit. The recipient shall also keep such other records as the Secretary of Commerce may prescribe.

[(b) The Secretary of Commerce and the Comptroller General of the United States shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient pertaining to adjustment assistance under sections 313, 314, and 317.

[(c) No adjustment assistance shall be extended under section 313, 314, or 317 to any firm unless the owners, partners, or officers certify to the Secretary of Commerce—

[(1) the names of any attorneys, agents, and other persons engaged by or on behalf of the firm for the purpose of expediting applications for such adjustment assistance, and

[(2) the fees paid or to be paid to any such person.

[(d) No financial assistance shall be provided to any firm under section 314 unless the owners, partners, or officers shall execute an agreement binding them and the firm for a period of 2 years after such financial assistance is provided, to refrain from employing, tendering any office or employment to, or retaining for professional services any person who, on the date such assistance or any part thereof was provided, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee occupying a position or engaging in activities which the Secretary of Commerce shall have determined involve discretion with respect to the provision of such financial assistance.

[Sec. 319. Penalties.

[Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of the Secretary of Commerce under this chapter, or for the purpose of obtaining money, property, or anything of value under this chapter, shall be fined not more than $5,000 or imprisoned for not more than two years, or both.

[Sec. 320. Suits.

[In providing technical and financial assistance under sections 313 and 314, the Secretary of Commerce may sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against him or his property. Nothing in this section shall be construed to except the activities pursuant to sections 313 and 314 from the application of sections 507(b) and 2679 of title 28 of the United States Code, and of section 367 of the Revised Statutes (5 U.S.C., sec 316).]

(b) *Promptly upon receipt of such application the Secretary of Commerce shall designate the community in which each affected plant of the affected firm is located as a "redevelopment area" under the Area Redevelopment Act (Public Law 87–27), for the purpose of making available to such firm the benefits of such Act, and notwithstanding any provision of such Act to the contrary, the Secretary is authorized and shall accord on a priority basis to the affected firm and its affected workers such benefits provided in such Act as the Secretary shall determine to be appropriate for the sound economic redevelopment of the affected establishment and workers.*

[*Chapter 3—Assistance to workers*

[Sec. 321. Authority.

[The Secretary of Labor shall determine whether applicants are entitled to receive assistance under this chapter and shall pay or provide such assistance to applicants who are so entitled.

[Subchapter A—Trade Readjustment Allowances

[Sec. 322. Qualifying Requirements.

[(a) Payment of a trade readjustment allowance shall be made to an adversely affected worker who applies for such allowance for any week of unemployment which begins after the 30th day after the date of the enactment of this Act and after the date determined under section 302(d), subject to the requirements of subsections (b) and (c).

[(b) Total or partial separation shall have occurred—

[(1) after the date of the enactment of this Act, and after the date determined under section 302(d), and

[(2) before the expiration of the 2-year period beginning on the day on which the most recent determination under section 302(d) was made, and before the termination date (if any) specified under section 302(e).

[(c) Such worker shall have had—

[(1) in the 156 weeks immediately preceding such total or partial separation, at least 78 weeks of employment at wages of $15 or more a week, and

[(2) in the 52 weeks immediately preceding such total or partial separation, at least 26 weeks of employment at wages of $15 or more a week in a firm or firms with respect to which a determination of unemployment or underemployment under section 302 has been made, or

if data with respect to weeks of employment are not available, equivalent amounts of employment computed under regulations prescribed by the Secretary of Labor.

[Sec. 323. Weekly Amounts.

[(a) Subject to the other provisions of this section, the trade readjustment allowance payable to an adversely affected worker for a week of unemployment shall be an amount equal to 65 percent of his average weekly wage or to 65 percent of the average weekly manufacturing wage, whichever is less, reduced by 50 percent of the amount of his remuneration for services performed during such week.

[(b) Any adversely affected worker who is entitled to trade readjustment allowances and who is undergoing training approved by the Secretary of Labor, including on-the-job training, shall receive for each week in which he is undergoing any such training, a trade readjustment allowance in an amount (computed for such week) equal to the amount computed under subsection (a) or (if greater) the amount of any weekly allowance for such training to which he would be entitled under any other Federal law for the training of workers, if he applied for such allowance. Such trade readjustment allowance shall be paid in lieu of any training allowance to which the worker would be entitled under such other Federal law.

[(c)(1) The amount payable to an adversely affected worker under subsection (a) for any week shall be reduced by any amount of unemployment insurance to which he is entitled with respect to such week (or would be entitled but for this chapter or any action taken by such worker under this chapter), whether or not he has filed a claim for such insurance.

[(2) The amount payable to an adversely affected worker under subsection (b) for any week shall be reduced by any amount of unemployment insurance which he has received or is seeking with respect to such week; but, if the appropriate State or Federal agency finally determines that the worker was not entitled to unemployment insurance with respect to such week, the reduction shall not apply with respect to such week.

[(d) If unemployment insurance, or a training allowance under the Manpower Development and Training Act of 1962 or the Area Redevelopment Act, is payable to an adversely affected worker for any week of unemployment with respect to which he would be entitled (determined without regard to subsection (c) or (e) or to any disqualification under section 327) to a trade readjustment allowance if he applied for such allowance, each such week shall be deducted from the total number of weeks of trade readjustment allowance otherwise payable to him under section 324(a) when he applies for a trade readjustment allowance and is determined to be entitled to such allowance. If the unemployment insurance or the training allowance payable to such worker for any week of unemployment is less than the amount of the trade readjustment allowance to which he would be entitled if he applied for such allowance, he shall receive, when he applies for a trade readjustment allowance and is determined to be entitled to such allowance, a trade readjustment allowance for such week equal to such difference.

[(e) Whenever, with respect to any week of unemployment, the total amount payable to an adversely affected worker as remuneration for services performed during such week, as unemployment insurance, as a training allowance referred to in subsection (d), and as a trade readjustment allowance would exceed 75 percent of his average weekly wage, his trade readjustment allowance for such week shall be reduced by the amount of such excess.

[(f) The amount of any weekly payment to be made under this section which is not a whole dollar amount shall be rounded upward to the next higher whole dollar amount.

[(g) If unemployment insurance is paid under a State law to an adversely affected worker for a week during which he is undergoing training approved by the Secretary of Labor, the State agency making such payment shall be reimbursed from funds appropriated pursuant to section 337, to the extent that such payment does not exceed the trade readjustment allowance which such worker would have received if he had applied for such allowance and had not received the State payment. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency and such amount shall then be placed in the Unemployment Trust Fund to the credit of the State's account.

[Sec. 324. Time Limitations on Trade Readjustment Allowances.

[(a) Payment of trade readjustment allowances shall not be made to an adversely affected worker for more than 52 weeks, except that, in accordance with regulations prescribed by the Secretary of Labor—

[(1) such payments may be made for not more than 26 additional weeks to an adversely affected worker to assist him to complete training approved by the Secretary of Labor, or

[(2) such payments shall be made for not more than 13 additional weeks to an adversely affected worker who had reached his 60th birthday on or before the date of total or partial separation.

[(b) Except for a payment made for an additional week specified in subsection (a), a trade readjustment allowance shall not be paid for a week of unemployment beginning more than 2 years after the beginning of the appropriate week. A trade readjustment allowance shall not be paid for any additional week specified in subsection (a) if such week begins more than 3 years after the beginning of the appropriate week. The appropriate week for a totally separated worker is the week of his most recent total separation. The appropriate week for a partially separated worker is the week in respect of which he first receives a trade readjustment allowance following his most recent partial separation.

[SEC. 325. APPLICATION OF STATE LAWS.

[Except where inconsistent with the provision of this chapter and subject to such regulations as the Secretary of Labor may prescribe, the availability and disqualification provisions of the State law—

[(1) under which an adversely affected worker is entitled to unemployment insurance (whether or not he has filed a claim for such insurance), or

[(2) if he is not so entitled to unemployment insurance, of the State in which he was totally or partially separated,

shall apply to any such worker who files a claim for trade readjustment allowances. The State law so determined with respect to a separation of a worker shall remain applicable, for purposes of the preceding sentence, with respect to such separation until such worker becomes entitled to unemployment insurance under another State law (whether or not he has filed a claim for such insurance).

[Subchapter B—Training

[SEC. 326. IN GENERAL.

[(a) To assure that the readjustment of adversely affected workers shall occur as quickly and effectively as possible, with minimum reliance upon trade readjustment allowances under this chapter, every effort shall be made to prepare each such worker for full employment in accordance with his capabilities and prospective employment opportunities. To this end, and subject to this chapter, adversely affected workers shall be afforded, where appropriate, the testing, counseling, training, and placement services provided for under any Federal law. Such workers may also be afforded supplemental assistance necessary to defray transportation and subsistence expenses for separate maintenance when such training is provided in facilities which are not within commuting distance of their regular place of residence. The Secretary of Labor in defraying such subsistence expenses shall not afford any individual an allowance exceeding $5 a day; nor shall the Secretary authorize any transportation expense exceeding the rate of 10 cents per mile.

[(b) To the extent practicable, before adversely affected workers are referred to training, the Secretary of Labor shall consult with such workers' firm and their certified or recognized union or other duly authorized representative and develop a worker retraining plan which provides for training such workers to meet the manpower needs of such firm, in order to preserve or restore the employment relationship between the workers and the firm.

[SEC. 327. DISQUALIFICATION FOR REFUSAL OF TRAINING, ETC.

[Any adversely affected worker who, without good cause, refuses to accept or continue, or fails to make satisfactory progress in, suitable training to which he has been referred by the Secretary of Labor shall not thereafter be entitled to trade readjustment allowances until he enters or resumes training to which he has been so referred.

[Subchapter C—Relocation allowances

[SEC. 328. RELOCATION ALLOWANCES AFFORDED.

[Any adversely affected worker who is the head of a family as defined in regulations prescribed by the Secretary of Labor and who has been totally separated may file an application for a reloaction allowance, subject to the terms and conditions of this subchapter.

[SEC. 329. QUALIFYING REQUIREMENTS.

[(a) A relocation allowance may be granted only to assist an adversely affected worker in relocating within the United States and only if the Secretary of Labor determines that such worker cannot reasonably be expected to secure suitable employment in the commuting area in which he resides and that such worker—

[(1) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which he wishes to relocate, or

[(2) has obtained a bona fide offer of such employment.

[(b) A relocation allowance shall not be granted to such worker unless—

[(1) for the week in which the application for such allowance is filed, he is entitled (determined without regard to section 323 (c) and (e)) to a trade readjustment allowance or would be so entitled (determined without regard to whether he filed application therefor) but for the fact that he has obtained the employment referred to in subsection (a)(1), and

[(2) such relocation occurs within a reasonable period after the filing of such application or (in the case of a worker who has been referred to training by the Secretary of Labor) within a reasonable period after the conclusion of such training.

[SEC. 330. RELOCATION ALLOWANCE DEFINED.

[For purposes of this subchapter, the term "relocation allowance" means—

[(1) the reasonable and necessary expenses, as specified in regulations prescribed by the Secretary of Labor, incurred in transporting a worker and his family and their household effects, and

[(2) a lump sum equivalent to two and one-half times the average weekly manufacturing wage.

[*Subchapter D—General provisions*

[SEC. 331. AGREEMENTS WITH STATES.

[(a) The Secretary of Labor is authorized on behalf of the United States to enter into an agreement with any State, or with any State agency. Under such an agreement, the State agency (1) as agent of the United States, will receive applications for, and will provide, assistance on the basis provided in this chapter, (2) where appropriate, will afford adversely affected workers who apply for assistance under this chapter testing, counseling, referral to training, and placement services, and (3) will otherwise cooperate with the Secretary of Labor and with other State and Federal agencies in providing assistance under this chapter.

[(b) Each agreement under this subchapter shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

[(c) Each agreement under this subchapter shall provide that unemployment insurance otherwise payable to any adversely affected worker will not be denied or reduced for any week by reason of any right to allowances under this chapter.

[SEC. 332. PAYMENTS TO STATES.

[(a) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State which has entered into an agreement under section 331 the sums necessary to enable such State as agent of the United States to make payments of allowances provided for by this chapter. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds for carrying out the purposes of this chapter.

[(b) All money paid a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this subchapter, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this section may be made.

[(c) Any agreement under this subchapter may require any officer or employee of the State certifying payments or disbursing funds under the agreement, or otherwise participating in the performance of the agreement, to give a surety bond to the United States in such amount as the Secretary of Labor may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this chapter.

[SEC. 333. LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS.

[(a) No person designated by the Secretary of Labor, or designated pursuant to an agreement under this subchapter, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this chapter.

[(b) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this chapter if it was based upon a voucher signed by a certifying officer designated as provided in subsection (a).

[SEC. 334. RECOVERY OF OVERPAYMENTS.

[(a) If a State agency or the Secretary of Labor, or a court of competent jurisdiction finds that any person—

(1) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed or caused another to fail to disclose a material fact; and

[(2) as a result of such action has received any payment of allowances under this chapter to which he was not entitled,

such person shall be liable to repay such amount to the State agency or the Secretary of Labor, as the case may be, or either may recover such amount by deductions from any allowance payable to such person under this chapter. Any such finding by a State agency or the Secretary of Labor may be made only after an opportunity for a fair hearing.

[(b) Any amount repaid to a State agency under this section shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary of Labor under this section shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

[SEC. 335. PENALTIES.

[Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment or assistance authorized to be furnished under this chapter or pursuant to an agreement under section 331 shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

[SEC. 336. REVIEW.

[Except as may be provided in regulations prescribed by the Secretary of Labor to carry out his functions under this chapter, determinations under this chapter as to the entitlement of individuals for adjustment assistance shall be final and conclusive for all purposes and not subject to review by any court or any other officer. To the maximum extent practicable and consistent with the purposes of this chapter, such regulations shall provide that such determinations by a State agency will be subject to review in the same manner and to the same extent as determinations under the State law.

[SEC. 337. AUTHORIZATION OF APPROPRIATIONS.

[There are hereby authorized to be appropriated to the Secretary of Labor such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to workers, which sums are authorized to be appropriated to remain available until expended.

[SEC. 338. DEFINITIONS.

[For purposes of this chapter—

[(1) The term "adversely affected employment" means employment in a firm or appropriate subdivision of a firm, if workers of such firm or subdivision are eligible to apply for adjustment assistance under this chapter.

[(2) The term "adversely affected worker" means an individual who, because of lack of work in an adversely affected employment—

[(A) has been totally or partially separated from such employment, or

[(B) has been totally separated from employment with the firm in a subdivision of which such adversely affected employment exists.

[(3) The term "average weekly manufacturing wage" means the national gross average weekly earnings of production workers in manufacturing industries for the latest calendar year (as officially published annually by the Bureau of Labor Statistics of the Department of Labor) most recently published before the period for which the assistance under this chapter is furnished.

[(4) The term "average weekly wage" means one-thirteenth of the total wages paid to an individual in the high quarter. For purposes of this computation, the high quarter shall be that quarter in which the individual's total wages were highest among the first four of the last five completed calendar quarters immediately before the quarter in which occurs the week with respect to which the computation is made. Such week shall be the week in which total separation occurred, or, in cases where partial separation is claimed, an appropriate week, as defined in regulations prescribed by the Secretary of Labor.

[(5) The term "average weekly hours" means the average hours worked by the individual (excluding overtime) in the employment from which he has been or claims to have been separated in the fifty-two weeks (excluding weeks during which the individual was sick or on vacation) preceding the week specified in the last sentence of paragraph (4).

[(6) The term "partial separation" means, with respect to an individual who has not been totally separated, that he has had his hours of work reduced to 80 percent or less of his average weekly hours in adversely affected employment and his wages reduced to 75 percent or less of his average weekly wage in such adversely affected employment.

[(7) The term "remuneration" means wages and net earnings derived from services performed as a self-employed individual.

[(8) The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico; and the term "United States" when used in the geographical sense includes such Commonwealth.

[(9) The term "State agency" means the agency of the State which administers the State law.

[(10) The term "State law" means the unemployment insurance law of the State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954.

[(11) The term "total separation" means the layoff or severance of an individual from employment with a firm in which, or in a subdivision of which, adversely affected employment exists.

[(12) The term "unemployment insurance" means the unemployment insurance payable to an individual under any State law or Federal unemployment insurance law, including title XV of the Social Security Act, the Railroad Unemployment Insurance Act, and the Temporary Extended Unemployment Compensation Act of 1961.

[(13) The term "week" means a week as defined in the applicable State law.

[(14) The term "week of unemployment" means with respect to an individual any week for which his remuneration for services performed during such week is less than 75 percent of his average weekly wage and in which, because of lack of work—

[(A) if he has been totally separated, he worked less than the full-time week (excluding overtime) in his current occupation, or

[(B) if he has been partially separated, he worked 80 percent or less of his average weekly hours.

[*Chapter 4—Tariff adjustment*

[SEC. 351. AUTHORITY.

[(a)(1) After receiving an affirmative finding of the Tariff Commission under section 301(b) with respect to an industry, the President may proclaim such increase in, or imposition of, any duty or other import restriction on the article causing or threatening to cause serious injury to such industry as he determines to be necessary to prevent or remedy serious injury to such industry.

[(2) If the President does not, within 60 days after the date on which he receives such affirmative finding, proclaim the increase in, or imposition of, any duty or other import restriction on such article found and reported by the Tariff Commission pursuant to section 301(e)—

[(A) he shall immediately submit a report to the House of Representatives and to the Senate stating why he has not proclaimed such increase or imposition, and

[(B) such increase or imposition shall take effect (as provided in paragraph (3)) upon the adoption by both Houses of the Congress (within the 60-day period following the date on which the report referred to in subparagraph (A) is submitted to the House of Representatives and the Senate), by the yeas and nays by the affirmative vote of a majority of the authorized membership of each House, of a concurrent resolution stating in effect that the Senate and House of Representatives approve the increase in, or imposition of, any duty or other import restriction on the article found and reported by the Tariff Commission.

For purposes of subparagraph (B), in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die. The report referred to in subparagraph (A) shall be delivered to both Houses of the Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House of Representatives is not in session and to the Secretary of the Senate if the Senate is not in session.

[(3) In any case in which the contingency set forth in paragraph (2)(B) occurs, the President shall (within 15 days after the adoption of such resolution) proclaim the increase in, or imposition of, any duty or other import restriction on the article which was found and reported by the Tariff Commission pursuant to section 301(e).

[(4) The President may, within 60 days after the date on which he receives an affirmative finding of the Tariff Commission under section 301(b) with respect to an industry, request additional information from the Tariff Commission. The Tariff Commission shall, as soon as practicable but in no event more than 120 days after the date on which it receives the President's request, furnish additional information with respect to such industry in a supplemental report. For purposes of paragraph (2), the date on which the President receives such supplemental report shall be treated as the date on which the President received the affirmative finding of the Tariff Commission with respect to such industry.

[(b) No proclamation pursuant to subsection (a) shall be made—

[(1) increasing any rate of duty to a rate more than 50 percent above the rate existing on July 1, 1934, or

[(2) in the case of an article not subject to duty, imposing a duty in excess of 50 percent ad valorem.

For purposes of paragraph (1), the term "existing on July 1, 1934" has the meaning assigned to such term by paragraph (5) of section 256.

[(c)(1) Any increase in, or imposition of, any duty or other import restriction proclaimed pursuant to this section or section 7 of the Trade Agreements Extension Act of 1951—

[(A) may be reduced or terminated by the President when he determines, after taking into account the advice received from the Tariff Commission under subsection (d)(2) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such reduction or termination is in the national interest, and

[(B) unless extended under paragraph (2), shall terminate not later than the close of the date which is 4 years after the effective date of the initial proclamation or the date of the enactment of this Act, whichever date is the later.

[(2) Any increase in, or imposition of, any duty or other import restriction proclaimed pursuant to this section or pursuant to section 7 of the Trade Agreements Extension Act of 1951 may be extended in whole or in part by the President for such periods (not in excess of 4 years at any one time) as he may designate if he determines, after taking into account the advice received from the Tariff Commission under subsection (d)(3) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such extension is in the national interest.

[(d)(1) So long as any increase in, or imposition of, any duty or other import restriction pursuant to this section or pursuant to section 7 of the Trade Agreements Extension Act of 1951 remains in effect the Tariff Commission shall keep under review developments with respect to the industry concerned, and shall make periodic reports to the President concerning such developments.

[(2) Upon request of the President, the Tariff Commission shall advise the President of its judgment as to the probable economic effect on the industry concerned of the reduction or termination of the increase in, or imposition of, any duty or other import restriction pursuant to this section or section 7 of the Trade Agreements Extension Act of 1951.

[(3) Upon petition on behalf of the industry concerned, filed with the Tariff Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date any increase or imposition referred to in paragraph (1) or (2) of subsection (c) is to terminate by reason of the expiration of the 4-year period prescribed in paragraph (1) or an extension thereof under paragraph (2), the Tariff Commission shall advise the President of its judgment as to the probable economic effect on such industry of such termination.

[(4) In advising the President under this subsection as to the probable economic effect on the industry concerned, the Tariff

Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a profit, and unemployment or underemployment.

[(5) Advice by the Tariff Commission under this subsection shall be given on the basis of an investigation during the course of which the Tariff Commission shall hold a hearing at which interested persons shall be given a reasonable opportunity to be present, to produce evidence, and to be heard.

[(e) The President, as soon as practicable, shall take such action as he determines to be necessary to bring trade agreements entered into under section 350 of the Tariff Act of 1930 into conformity with the provisions of this section. No trade agreement shall be entered into under section 201(a) unless such agreement permits action in conformity with the provisions of this section.

[*Chapter 5—Advisory Board*

[SEC. 361. ADJUSTMENT ASSISTANCE ADVISORY BOARD

[(a) There is hereby created the Adjustment Assistance Advisory Board, which shall consist of the Secretary of Commerce, as Chairman, and the Secretaries of the Treasury, Agriculture, Labor, Interior, and Health, Education, and Welfare, the Administrator of the Small Business Administration, and such other officers as the President deems appropriate. Each member of the Board may designate an officer of his agency to act for him as a member of the Board. The Chairman may from time to time invite the participation of officers of other agencies of the executive branch.

[(b) At the request of the President, the Board shall advise him and the agencies furnishing adjustment assistance pursuant to chapters 2 and 3 on the development of coordinated programs for such assistance, giving full consideration to ways of preserving and restoring the employment relationship of firms and workers where possible, consistent with sound economic adjustment.

[(c) The Chairman may appoint for any industry an industry committee composed of members representing employers, workers, and the public, for the purpose of advising the Board. Members of any such committee shall, while attending meetings, be entitled to receive compensation and reimbursement as provided in section 401(3). The provisions of section 1003 of the National Defense Education Act of 1958 (20 U.S.C. 582) shall apply to members of such committee.]

Sec. 321. Certification of Adjustment Proposals.

(a) A group of workers certified under section 302 as eligible to apply for adjustment assistance may, at any time within two years after the date of such certification, file an application with the Secretary of Labor for adjustment assistance under this chapter.

(b) Promptly upon receipt of such application the Secretary of Labor shall make available on a priority basis to unemployed or underemployed workers in such group the benefits provided in the Manpower Development and Training Act of 1962.

TITLE IV—GENERAL PROVISIONS

SEC. 401. AUTHORITIES.

The head of any agency performing functions under this Act may—

(1) authorize the head of any other agency to perform any of such functions;

(2) prescribe such rules and regulations as may be necessary to perform such functions; and

(3) to the extent necessary to perform such functions, procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such services shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5). Any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $16 per diem in lieu of subsistence and other expenses.

SEC. 402. REPORTS.

(a) The President shall submit to the Congress an annual report on the trade agreements program and on tariff adjustment and other adjustment assistance under this Act. Such report shall include information regarding new negotiations, changes made in duties and other import restrictions of the United States, reciprocal concessions obtained, changes in trade agreements in order to effectuate more fully the purposes of the trade agreements program (including the incorporation therein of escape clauses), the results of action taken to obtain removal of foreign trade restrictions (including discriminatory restrictions) against United States exports, remaining restrictions, and the measures available to seek their removal in accordance with the purposes of this Act, and other information relating to the trade agreements program and to the agreements entered into thereunder.

(b) The Tariff Commission shall submit to the Congress, at least once a year, a factual report on the operation of the trade agreements program.

SEC. 403. TARIFF COMMISSION.

(a) In order to expedite the performance of its functions under this Act, the Tariff Commission may conduct preliminary investigations, determine the scope and manner of its proceedings, and consolidate proceedings before it.

(b) In performing its functions under this Act, the Tariff Commission may exercise any authority granted to it under any other Act.

(c) The Tariff Commission shall at all times keep informed concerning the operation and effect of provisions relating to duties or other import restrictions of the United States contained in trade agreements entered into under the trade agreements program.

SEC. 404 SEPARABILITY.

If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act, and of the application of such provision to other circumstances or persons, shall not be affected thereby.

SEC. 405. DEFINITIONS.

For purposes of this Act—

(1) The term "agency" includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or established of the United States.

(2) The term "duty or other import restriction" includes (A) the rate and form of an import duty, and (B) a limitation, prohibition, charge, and exaction other than duty, imposed on importation or imposed for the regulation of imports.

(3) The term "firm" includes an individual proprietorship, partnership, joint venture, association, corporation (including a development corporation), business trust, cooperative, trustees in bankruptcy, and receivers under decree of any court. A firm, together with any predecessor, successor, or affiliated firm controlled or substantially beneficially owned by substantially the same persons, may be considered a single firm where necessary to prevent unjustifiable benefits.

(4) An imported article is "directly competitive with" a domestic article at an earlier or later stage of processing, and a domestic article is "directly competitive with" an imported article at an earlier or later stage of processing, if the importation of the imported article has an economic effect on producers of the domestic article comparable to the effect of importation of articles in the same stage of processing as the domestic article. For purposes of this paragraph, the unprocessed article is at an earlier stage of processing.

(5) A product of a country is an article which is the growth, produce, or manufacture of such country.

(6) The term "modification", as applied to any duty or other import restriction, includes the elimination of any duty.

Sec. 406. Findings of Fact Required for Presidential Determinations.

Any determinations of the President under sections 201 (a), 211(a) 211(b), 211(c), 212, 213(a), 213(b), 232(a), 232(b), 254, 256(7), or 302(a) shall be based upon findings of fact by the President that the conditions or principles specified in each such section exist or are applicable as shown by the record of the investigation made incidental to such determination.

Sec. 407. Publication of Reports.

The reports and other documents described in sections 213(c), 242(b)(3), and 301(g) shall be made public by the President or at his direction as soon as practicable after the purposes for which they are specified in this Act have been accomplished.

Sec. 408. Fostering Increased Employment in Growth Industries.

(a) Taking note of the persistent high levels of unemployment existing in the United States and the necessity for encouraging and protecting the growth of new domestic industries and domestic industries whose operations have been characterized by sustained growth in employment, plant investment, and production as a means of reducing unemployment and providing jobs for the Nation's growing labor force, the Congress declares it to be the policy of the United States that no reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession proclaimed under section 350 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1351), or under section 201 of this Act, shall be permitted to continue in effect when the product on which the concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, as to cause or threaten serious impairment of the rate of growth of such industries producing the like or directly competitive products. No action shall be taken pursuant to section 201 of this Act to decrease the duty on any imported article or to bind any existing customs treatment, if such action would cause or threaten serious impairment of the rate of growth of such domestic industries producing the like or directly competitive products.

(b) The President, as soon as practicable, shall take such action as may be necessary to bring trade agreements heretofore entered into under section 350 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1351), into conformity with the policy established in subsection (a) of this section.

(c) In any investigation conducted pursuant to section 221(b) of this Act, the Tariff Commission shall, in addition to the findings required by such section, report to the President its findings with respect to the limit to which modification of duties and other import restrictions, or continuance of existing customs and excise treatment, may be made with reference to imported articles in order to carry out the purpose of this Act without causing or threatening serious impairment of the rate of growth of such do-

mestic industries, described in subsection (a) of this section, which produce the like or directly competitive articles.

(d) (1) The first paragraph of subsection (a) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364(a)), is amended by changing the period at the end of the paragraph to a comma and adding the following: "or to cause or threaten serious impairment of the rate of growth of a new domestic industry or a domestic industry whose operations have been characterized by sustained growth in employment, plant investment, and production, which produces the like or directly competitive products.".

(2) The first sentence of the third paragraph of subsection (a) of such section is amended (A) by inserting after "directly competitive products," the following: "or to cause or threaten serious impairment of the rate of growth of a new domestic industry or a domestic industry whose operations have been characterized by a sustained growth in employment, plant investment, and production, which produces the like or directly competitive products,"; and (B) by striking out the period at the end of such sentence and inserting in lieu thereof the following: "or impairment.".

(3) The first sentence of paragraph (1) of subsection (c) of such section is amended by inserting after the words "serious injury to" the following: "or serious impairment of the rate of growth of".

Mr. CAPEHART. Mr. President, I am a sponsor of the amendments to the trade bill introduced today in behalf of a bipartisan group by the Senator from Connecticut [Mr. Bush] for three reasons.

First, I believe that the bill as it comes to the Senate, though imaginative in many respects, is an incomplete document. It concentrates on the delegation of new and unprecedented power to the President for the reduction or elimination of duties. It neglects to accompany this new power with clear-cut guidelines and adequate safeguards which will insure a balanced administration of the new trade program. America's leadership in the world will last only so long as our economic strength is superior to that of any other area of the world. It is our responsibility to see that powers delegated to the Executive which by their nature alter the factors of competition between foreign and domestic products are used in accordance with principles calculated to maintain our Nation's preeminent economic strength. These amendments, without distorting the main outlines of the power delegated to the President, have this effect. They specify clearly the terms and conditions under which the power is to be used. They provide workable safeguards to prevent injury to business, farming, mining, commercial fisheries, and our workers as well as speedily to correct injury should it occur notwithstanding these precautions.

Second, I believe that the administration's objective of fostering an increase in our exports to assist in the solution of our balance-of-payments difficulties can be more realistically attained if the Congress itself specifies indispensable conditions for the use of the new power which will give hardheaded trading an opportunity to play its part in future trade agreement negotiations. These amendments contain three cardinal principles to guide our negotiators. Together they will make it possible for the United States to secure value received for each concession granted to foreign countries, and to move quickly in the direction of securing treatment for our exports equivalent to that which we extend to the products of other countries.

Third, I believe it is of great importance that the people of the United States be enabled to know at all times the factual basis upon which our Government makes tariff changes and takes other actions in the foreign trade area. Many of us are concerned with reestablishing confidence in the business community and the actions taken by the Government in the economic area. The business community must understand the rules under which tariff changes are made and it must have confidence in the integrity of the factfinding procedures on which tariff changes are to be based. These amendments improve the procedures in H.R. 11970 by requiring actions of the President to be based upon findings of fact drawn from a public record made in investigations in which businessmen, farmers, and workers have the right to be present and to be heard.

Mr. President, while these amendments will benefit Indiana as they will benefit every other State of the Union, my sponsorship of the amendments is not based exclusively upon my concern for business, farming, and employment conditions in the State of Indiana. These amendments are geared to the interests of the total national economy and of all our industrial, farming, mining, and fishery workers.

At the same time, the citizens of Indiana can look hopefully to these amendments in the light of the established import-export trends in the products of industries where employment is especially sensitive to import competition. During the period 1954–60 the imports of products of these industries increased by more than $2.3 billion, while exports of the products of these industries increased less than $300 million. Indiana lost roughly 30,000 jobs in those industries. Indiana has suffered a serious loss of employment in agriculture and in many of the industries which have contributed in the past to the economy of our State. If the power which would be conferred upon the President by H.R. 11970 is not used with prudence and wisdom, these disturbing trends will be accelerated to the detriment of Indiana and of the Nation. The amendments introduced today are designed to supply the realistic information upon which wise decisions can and must be made.

Mr. MUSKIE (for himself, Mr. Bartlett, Mr. Chavez, Mr. Cotton, Mr. Dodd, Mr. Murphy, Mr. Pastore, Mr. Pell, and Mr. Wiley) submitted an amendment, intended to be proposed by them, jointly, to House bill 11970, supra, which was referred to the Committee on Finance and ordered to be printed.

FEDERAL ELECTIONS VOTING RIGHTS ACT OF 1962—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of July 27, 1962, the names of Senators Neuberger, Pastore, Smith of Massachusetts, Carroll, Bush, and Cannon were added as additional cosponsors of the bill (S. 3576) to protect the rights of citizens to vote in Federal elections, and to facilitate prompt judicial review of alleged denials of such rights, by requiring that literacy tests given as a qualification for voting in Federal elections be in writing and meet certain other requirements, and for other purposes, introduced by Mr. Dodd (for himself and other Senators) on July 27, 1962.

NOTICE OF HEARINGS ON NOMINATIONS OF STANLEY A. WEIGEL AND CHARLES H. CARR TO BE U.S. DISTRICT JUDGES, NORTHERN AND SOUTHERN DISTRICTS OF CALIFORNIA

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearings have been scheduled for Thursday, August 9, 1962, at 10:30 a.m., in room 2228 New Senate Office Building, on the following nominations:

Stanley A. Weigel, of California, to be U.S. district judge, northern district of California, vice Louis E. Goodman, deceased.

Charles H. Carr, of California, to be U.S. district judge, southern district of California, a new position.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. Johnston], the Senator from Nebraska [Mr. Hruska], and myself, as chairman.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Record, as follows:

By Mr. SMATHERS:

Address delivered by Senator Ellender, of Louisiana, before National Waterways Conference, on July 24, 1962, at Mayflower Hotel, Washington, D.C.

THE NATION'S FISCAL SITUATION

Mr. WILEY. Mr. President, judging from the mail which comes from the hinterland, there appears to be among our citizens considerable worry about several issues. Of course, one is the question of peace or war. The second one which seems to be troubling many of our people is how far communism will go. When we realize that in the last few years a billion human beings have been taken into the Communist orbit, certainly our people have some reason to worry, especially when we also realize the impact which that development is having on the nations of South America and nations elsewhere.

But the third thing that is troubling many of our people is the economic condition of our country. There is no question that it presents many problems.

At this time I shall not attempt to analyze this situation; but I point out that today there was sent to me an editorial entitled "Just Imagine" from the Amherst New Era-Progress for July 19. The editorial deals with the issue of the economic solidarity of this country.

I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

JUST IMAGINE

Imagine that your salary is $8,200 a year—and you are almost $30,000 in debt.

Last year your debt increased by $390.

This year you are adding at least $700 to your indebtedness.

Your friends are warning you that you can't continue to pile up additional debt—that this is the road to financial ruin.

So you and your wife talk it over and decide to draw up a budget for next year.

But instead of reducing expenditures—or even holding them at their present level—you decide that you will spend $340 more next year than this year.

You reach this decision on the assumption—there is nothing definite—that you will receive a salary increase next year; therefore you plan to spend it.

Nearly everyone will agree that a family handling its finances on this basis is headed for serious trouble.

Yet, add seven ciphers to these figures—and you have the exact fiscal situation of the Government under the Kennedy administration.

UNITED STATES-MEXICO CONTROVERSY OVER CHAMIZAL AREA AT EL PASO, TEX.

Mr. HAYDEN. Mr. President, I hold in my hand two very informative editorials, written by the editor of the Arizona Daily Star, relating to the controversy between the United States and the Republic of Mexico with respect to the Chamizal area in the city of El Paso, Tex.

What that able editor has written deserves consideration by all Senators, particularly those who are members of the Committee on Foreign Relations. The facts presented should serve as a basis for that committee to make formal inquiry of the Department of State as to what is being done to promptly implement a pledge made to a nation that will continue, as in the past, to be a close neighbor in whose welfare the American people have an abiding interest.

Mr. President, I ask unanimous consent to have these two editorials printed at this point in the CONGRESSIONAL RECORD, as part of my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Arizona Daily Star, Tucson, Ariz., July 22, 1962]

THE CHAMIZAL DISPUTE

(By William R. Mathews)

President Kennedy unwittingly revived an old foreign policy headache when, during his visit to Mexico City, he expressed to President Lopez Mateos a sympathetic interest in the old Chamizal international border case at El Paso. It is embarrassing, because it involves an instance where the United States agreed to arbitrate a dispute with Mexico over some 600 acres of land, and, when the arbiter decided to give Mexico some 400 acres, rejected the validity of the award.

The case originated in 1895, when Pedro Ignacio Garcia, a native of Mexico, presented his claim to the disputed land to the International Boundary Commission. The land is now known as the Chamizal Tract, and lies between the downtown area of El Paso and the Rio Grande. There is general agreement that sometime between 1852, when the Treaty of Guadalupe Hidalgo was signed, and 1895, when Garcia first presented his claim officially, this area was created by a change in the bed of the Rio Grande. What was on the south side in Mexico was shifted to the north side.

In 1905 some Yankees took note of the disputed land, and organized the Chamizal Land Co. and the Chamizal Title Co. These companies were incorporated in Maine and New York respectively. They initiated a land-selling campaign; but, as they did, squatters moved in. Numerous cases went to court and thus created a legal mess. Because of pressures the International Boundary Commission had to get busy. In 1910 this official commission of Mexicans and Americans agreed to arbitrate. Eugene Lafleur, a Canadian professor of international law, was chosen jointly by the American member, Gen. Anson Mills, and the Mexican member, Sr. Fernando Beltran y Puga, to be the arbiter.

The text of the question to be arbitrated, which was agreed to by both sides, read as follows:

"The United States of America and the United States of Mexico desire to terminate, in accordance with the various treaties and conferences now existing between the two countries, and in accordance with principles of international law, the differences that have arisen between the two governments as to the international title of the Chamizal Tract.

"The Commission shall decide solely and exclusively as to whether the international title to the Chamizal Tract is in the United States or Mexico. The decision of the Commission, whether rendered unanimously or by a majority vote of the Commissioners, shall be final and conclusive upon both governments and without appeal."

The Canadian arbiter made his decision in 1911. He decided that that portion of the land that had been accumulated by the flow of the Rio Grande from 1852 to 1865, should be awarded to the United States, while the balance of the land accumulated since 1865 should be awarded to Mexico. He decided that the accumulation that came after 1865 had come suddenly by a big flood in the midst of which the Rio Grande changed its bed, and left on the north side of the river what had been Mexican land.

The American Commissioner contended that the change was made by gradual normal erosion, and did not come suddenly. International law, **so the story goes**, recognizes that where international boundaries are rivers, the boundary remains in the middle of the stream, when the changes have been by slow erosion and accumulation. When made suddenly, the international boundary remains static. The Canadian arbiter declared in effect that the big flood at El Paso in 1864 changed the bed of the river suddenly. Therefore, he decided that the middle of the bed of the river as it was situated before the flood should remain as the international boundary.

All American Presidents and Secretaries of State since that 1911 decision have stood pat in rejection of the arbiter's decision. They have done it for two reasons. The first is that the bed of the river of 1864 cannot be found or determined. The second is that the arbiter went beyond his agreed-upon authority in dividing the land between the two countries; that he was empowered only to "decide solely and exclusively as to whether the international title to the Chamizal Tract is in the United States or Mexico."

For 50 years this dispute has slumbered, until Mexican President Adolfo Lopez Mateos used the occasion of President Kennedy's visit to revive it. Evidently President Kennedy was caught unawares. Instead of giving a firm, polite rejection, he expressed a sympathetic interest. That was hailed by one Mexican newspaper as a "surrender," while others spoke enthusiastically about the President's spontaneous sympathy.

He is caught in a most embarrassing position. If he turns a deaf ear to future pleas by Mexico, he will continue the record of the United States of America, a champion of arbitration, of refusing to abide by an arbiter's decision on a relatively small matter. That would make a worldwide issue. If he chooses to abide by the arbiter's decision, he will win an enthusiastic approval throughout the world, by establishing such an important precedent. However, he will have offended the great State of Texas by "giving away" some of its territory. He will be in a sure-enough doghouse at home.

If he tries to justify a refusal by citing the old reasons of the arbiter exceeding his authority, and the arbiter's actions in setting an international boundary that cannot be found, he will do tremendous harm to the whole doctrine of arbitration of international disputes. He will weaken American influence abroad.

When any arbiter in any dispute, particularly when the subject is set forth as concisely as it was in this case, finds that neither party has title to all of the tract of land, he, as a matter of duty, should report what he has found. To plead that he has exceeded his authority scarcely stands up in this case.

The arbitration agreement contained the following. "The decision of the Commission, whether rendered unanimously or by a majority vote of the Commissioners, shall be final and conclusive upon both governments without appeal."

What an embarrassing political stew the revival of this old issue makes. The champion of settlement of international dispute by peaceful means, the United States of America, has made a record of welshing on an arbitration award that went against it.

What is it going to do now?

At stake are some 400 acres of the original 630, inhabited today by 8,000 American people and the site of many businesses. This acreage shifted from the south side of the Rio Grande, where it was under the acknowledged sovereignty of Mexico, to the north side during the years subsequent to 1852, when the Treaty of Guadalupe Hidalgo was signed. Its possession as a legitimate part of the United States was not challenged untill 1895.

The arbitration award of 1911 was put to sleep by the nationwide spread of the Mexican revolution at that time. For years Mexico was in the throes of its great social and political revolution. In 1930, Mexico suggested that the United States take the arbitration award to the World Court. Washington refused. In 1937, 1944, and 1954, Mexico made attempts to resolve the dispute. All of these were rejected by Washington. At various times the Presidents of the two nations met at various places on the international boundary to exchange friendly greetings.

This delay raises the question of the failure of the Mexican Government to pursue the implementation of the arbitration award. It should have carried it to the World Court, at least in the 1930's. The doctrine of squatters' rights has a definite legal recognition that could apply.

Another question arises as to whether any President of the United States can alienate a parcel of land which has become an integral part of an American city for at least 98 years without the consent of Congress.

This whole matter should have wide, but calm and friendly, discussion. At stake is what can and cannot be done politically by arbitration in the field of international disputes. It is time that the American people learn what the consequences can be.

[From the Arizona Daily Star, Tucson, Ariz., July 29, 1962]

Time To Implement the Chamizal Award

(By William R. Mathews)

The initiative that some influential people in El Paso have taken in speaking out clearly on that old matter of the stymied Chamizal arbitration case, involving the United States and Mexico, expresses a welcome hope that should be encouraged by both Americans and Mexicans.

The El Pasoans agree that everything reasonable should be done to respect the arbiter's decision. The moral force of respecting that decision will reverberate far beyond the United States and Mexico. As matters stand today in Washington, our Government rejects the arbiter's decision on highly questionable grounds. That our Government has done this for more than 50 years, stands as an indictment of our professed willingness to settle international disputes by peaceful means.

It is time that the American people and people everywhere knew more about this frozen attitude of our Government. Certainly it comes as a shock to the Arizona Daily Star that our governments in Washington since 1911, one after the other, have feared to tackle this unpleasant task. If the word of America is to command respect, when it pleads its anxiety to settle international disputes by peaceful means, the time has come to bring an end to such evasion.

The El Pasoans have set up a speculative plan that involves the task of digging a new channel for the Rio Grande and moving the river north, so that 400-odd acres can be returned to Mexico, in general conformity with the arbiter's award. This plan would not move the river as far to the north as the arbiter's award might specify, but the El Pasoans plan to give other contiguous land to make up the difference.

There are other matters that have to be taken into consideration. For instance, several thousand people, mostly of Mexican heritage, live in this area, and many own their own homes. As a matter of fair dealing, they should be allowed to express themselves in a plebiscite as to whether they want to remain in what will be Mexico, or seek new homes in El Paso.

A fairly large school has its site within the arbiter's award. The El Pasoans would like to keep it in the United States, but make up its acreage in land lying outside the arbiter's award, but immediately contiguous.

The new artificial channel for the river will have to have high and broad levees on both sides to protect both El Paso and Juarez from floods. The plan calls for the building of a three-lane highway on each levee, which would bring many motor tourists to the actual dividing line between the two countries and the two cities. It could be a big boon to both El Paso and Juarez.

However, the most important aspect of this matter is the example a prompt settlement would set, of two countries ironing out a long-standing difference in a friendly manner. Success in this case certainly would reverberate throughout Latin America, if not the world. It might well eliminate from Mexican schoolbooks the story that is now taught all Mexican children of how the United States for 50 years has refused to abide by an international arbiter's award, and thus keeps territory that belongs to Mexico.

Now that the El Pasoans have started the ball rolling, it will be interesting to see what Washington and Mexico City think about this sincere attempt to make arbitration of international disputes a working reality.

THE PROPOSED TAX CUT

Mr. BUSH. Mr. President, I call the attention of the Members of Congress to a letter addressed to Representative Wright Patman by the Republican members of the Joint Economic Committee, of which Mr. Patman is chairman.

Today we hear much discussion about the state of the economy, its alleged sluggishness, resultant unemployment, and the consequent desirability of a quick tax cut, in the face of the huge deficit for the fiscal year 1962, and with another one in prospect for the fiscal year 1963.

Therefore, Mr. President, it seems to us that a better and wiser public understanding of the issues involved can be obtained by the holding of open hearings on the state of the national economy.

During these hearings responsible witnesses may state for the record their views and recommendations, including specifically their views about a quick tax cut.

The distinguished senior Senator from Illinois [Mr. Douglas], a member of our committee, has recalled a famous military command in stating his opposition to a quick tax cut. "Don't fire," he says, "until you see the whites of their eyes." I take it he means that, in his view, recession is not upon us. Indeed, I personally observe that indexes of economic health are improving, as we continue to set new high records in gross national product, national income, and other indexes.

Under these conditions, some of our gravest problems may be seriously aggravated by a quick tax cut, to wit:

First. Latent inflation:

Second. Sagging Federal credit, with a consequent worsening of the balance-of-payments problem; and

Third. Further despair among our own citizens that this administration will ever face up to the real problems confronting the economy.

These involve its spiritual health. The spirit is flagging and troubled.

Perhaps these open hearings will reveal some of the steps that might well be taken to restore confidence in the hearts and minds of those in positions of responsibility.

They do not need a shot in the arm. They need healing that will restore faith in our Government needed to impel a great forward movement in the modernization and expansion of American commerce and industry.

I ask unanimous consent that the letter to which I have referred, addressed to Mr. Patman, be inserted in the Record at this point in my remarks.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Congress of the United States,
Joint Economic Committee,
Washington, D.C.

Hon. Wright Patman,
Chairman, Joint Economic Committee,
Washington, D.C.

Dear Mr. Chairman: Concern over the state of the economy has mounted in recent months as the recovery from the 1960-61 recession has begun to level off. Some economists believe that we face another recession late this year or early in 1963. In addition to fears of another recession following close on the heels of the last one, there is some opinion that our economy is not growing at a sufficiently rapid rate and that we may be in a period of what has been called "high-level stagnation."

One prescription being offered as a cure for our economic ills is an immediate tax cut. The House Ways and Means Committee even now is holding private hearings to study the state of our economy and the need, if any, for an immediate tax cut.

While we recognize and respect the legislative jurisdiction of the Ways and Means Committee over taxation, we believe nevertheless, that the basic issues involved are broadly economic in nature since they involve the proper role of fiscal and monetary policy in the present economic environment. The Joint Economic Committee, through open hearings, could make an important contribution to the clarification and public understanding of these issues.

Therefore, we strongly urge that you schedule hearings by the full Joint Economic Committee on the state of the economy as soon as possible. Such hearings must be open. Not only does the public have the right to know about the health of the economy, but, equally important, it has a need to know. Only a full and frank open discussion of the issues will lead to that broad public understanding and support on which sound economic policies depend.

Very truly yours,

Thomas B. Curtis.
Clarence E. Kilburn.
William B. Widnall.
Prescott Bush.
John Marshall Butler.
Jacob K. Javits.

Mr. BUSH. Mr. President, also following these remarks, I ask unanimous consent that two editorials from the Wall Street Journal be printed in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

The Debt Neurosis

According to spokesmen for the administration, anyone who worries about our Federal debt is a little neurotic. After all, it is argued, the Government's I O U's have expanded by only 8 percent since 1945, while private debt has soared 305 percent.

We find no merit in such efforts at reassurance. For one thing, if you push back that base year to, say, 1941, the private figure stays about the same while the Government's zooms to over 500 percent. And that does not prove any more than the first comparison, for it includes years when the Government was financing a war.

So let's stop playing games with statistics and consider only the role of the debt in our current economy. Viewed in this way, it seems to us the debt should drive even the Federal economic planners a little neurotic.

One reason is the very magnitude of the debt management task. Each year the Treasury must pay off more than a quarter of its

$300 billion debt, either by putting up cash or by trading new securities for old. Thousands of Government workers, who otherwise might be more productively employed, are engaged in this immense operation.

The money to meet the annual obligations, of course, is raised chiefly by borrowing more; in only 6 of the past 32 years has there been a Treasury surplus to provide any help. Thus the Government must go into the market and compete with private borrowers. And this causes piercing headaches for the planners.

At present, the administration would like to encourage borrowing by business to step up capital spending and help get the economy moving again. But if the Treasury itself borrows by selling long-term bonds, it may push up borrowing costs for business—and perhaps discourage some company spending programs. So the Treasury has been relying increasingly on short-term issues, such as 90-day bills.

Yet this violates a cardinal principle of sound debt management, which is that the Treasury should try to lengthen the average maturity of its debt. As it is, the Government is complicating its own problems, for the more it leans on short-term securities, the more of its debt that comes due every year. And this tactic also may be storing up more serious trouble.

The biggest buyers of short-term Treasury securities are the commercial banks. In the hands of the banks, these securities can be the basis for an explosive inflation, something the planners at least say they want to avoid. For if the banks sell the securities to the Federal Reserve System they add to their reserves, setting the stage for a multiple expansion of the money supply.

Bankers and businessmen abroad are aware of this danger. Their fears about the future of America's dollar have helped to speed the flow of our gold from our shores. How high can the debt rise before foreigners, convinced of our fiscal irresponsibility, lose all confidence in the dollar?

A rising debt also will add further to the Treasury's interest costs, which already are not to be lightly dismissed. In the current fiscal year, they're expected to reach $9.4 billion, more than the Government will spend on anything else but defense. Even now, 1 of each 10 tax dollars goes to pay the upkeep on old debt. How high do interest costs have to go before even the planners realize the foolishness of even more heavily mortgaging the future to pay for the present and the past?

In short the debt, far from being a neutral or minor matter, is a burden pressing on the whole economy, complicating and distorting everything for Government, industry and the people generally. In such circumstances, it's a sorry performance when Government officials seek, for political purposes, to minimize its importance while they busily boost it as fast as they can.

That way lies financial madness. And as more people see through these statistical tricks, it may not turn out to be very sane politics either.

The Reluctant Lawmakers

A good many Members of Congress are taking a more realistic view of tax cutting than some of the administration's own economic advisers. To put it mildly, the lawmakers are not enthusiastic about the idea.

Today the House Ways and Means Committee begins a study of the economy to see if it thinks there is any excuse at all for tax cuts. And that is only one sign of the reluctance.

As Mr. Novak recently reported in this newspaper, there is considerable skepticism on Capitol Hill that reducing taxes would even be the political boon it is cracked up to be. Interestingly enough, Congressmen believe that many voters worry about the irresponsibility of lowering levies without cutting spending, and thus adding to the Government's deficits and debt. They should indeed worry about it.

Moreover, there is a certain amount of political fear, apparently shared by the White House, that it would not be good if the administration should propose tax cuts at this session and Congress, for one reason or another, should fail to go along. This would be advertising to the country and the world the administration's concern about the economy, but to no avail.

Such a prospect would probably be enhanced if tax cuts were tacked onto the administration's current tax-revision proposals, which have already undergone major surgery in the Senate Finance Committee. The same goes for an attempt to combine tax cuts with other so-called loophole-closing devices in the hope of losing less revenue. In general it would seem that the more complicated the administration makes its proposals, whether they come this year or next, the worse the outlook for speedy passage.

Then, too, a number of lawmakers question the whole economic theory behind tax cuts. The theory, of course, is that the reductions would stimulate the economy, and some economists have it worked out to a very fine point indeed. For example, they argue that each dollar released by tax cuts is multiplied about two and a half times in its effect on total spending.

Like some of the Members of Congress, we have our doubts. There is no visible lack of purchasing power today, and tax cuts of the dimensions under speculation—on the order of $6 billion altogether for both corporations and individuals—might have scant effect.

Spread out, those billions do not look so large, especially under the withholding system. As one Senator observed, "To make the wage earners feel it, we'd just about have to bankrupt the Treasury."

Consequently, some people are talking about doing practically that. They are suggesting tax cuts totaling as much as $15 billion. And they are right to the extent that the Nation does need relief of such dimensions; they are wrong in proposing to provide it via bankruptcy.

For there is no question whatsoever but that taxes should be reduced. It is an obvious economic drag for the Government to go on year after year taking 52 cents out of every dollar a company earns. It is a disgrace when personal taxes reach a point where a man no longer is interested in improving his salary position, and that is the case for many in the middle and higher brackets. Whether people would spend or save any gains from tax cuts, there is no justification for such oppressive rates, which dig progressively deeper, the more a man or a company makes.

But the important thing is that tax cuts should be made on the basis of reductions in Federal spending, so as not to add to the flood of Government red ink. Even liberal Democrats in Congress are saying as much, not because they are liberals but because they are politicians and figure that the people will not take kindly to still deeper deficits.

We think the administration should pay attention to the tax-cut reluctance in Congress. The lawmakers may not be considered sophisticated by the deficit advocates, but they sometimes display good political and economic sense.

FEDERAL SUBSIDIES FOR MASS TRANSPORTATION SYSTEMS

Mr. LAUSCHE. Mr. President, in accord with the trend of the times, the Congress is considering a $600 million subsidy to local publicly owned and operated mass transportation systems. The basis for the proposal is the often repeated cry that without Federal aid these local transportation systems cannot survive. The unjustified position is taken that the only solution to the problem lies through grants from the Federal Government.

Assumption is made that the Federal Government's fiscal position is strong and rich and, therefore, subsidies can be piled one onto the other.

There are communities in the country which are trying to solve their own problems; they are trying to find the causes for their difficulties and to remove them. They are not coming to the Federal Government asking for doles, recognizing that on the Federal level we have had deficit operations in 26 out of the last 32 years; that the buying power of the dollar has fallen to 46 cents; that our foreign short-term creditors are drawing upon our gold reserves, refusing to take our currency to such a point that all persons versed with the acuteness of the problem are becoming alarmed.

A refreshing, encouraging, and stimulating bit of news comes out of Zanesville, Ohio.

I have a letter addressed to me by the Zanesville Chamber of Commerce, dated July 24, 1962, describing the efforts of that community in taking over a transportation system through contributions in the buying of stock by the general citizenry. In this letter, among other things, it is written, "First of all, those of us opposing this subsidy agreed we did not want the city in the bus business—let alone do we want to ask the Federal Government for subsidy."

The letter goes on to state that they started a campaign to sell stock in the company that would operate the transportation company:

> We received excellent publicity through radio, TV, and the newspapers. As a result, in 10 days 856 people purchased stock in the amount of $34,250, which allowed us to purchase the buses outright and leave a balance for operating expenses.

The purchasers of the stock consisted of bus drivers, businessmen, and other citizens.

The people of Zanesville are not rich; they are in an area where unemployment problems have been severe. At one time ceramics was their principal industry, but it has vanished considerably because of foreign imports. These citizens of Zanesville decided, in the true American way, that they will solve their own problem and that they would not go to the Federal Government for help. It is a bright story, and well worthy of being repeated on the Senate floor.

There is current talk of an across-the-board tax cut. I want a tax cut, but in my opinion it cannot be had unless we first have a reduction and not an increase in expenditures.

A good way to begin would be to defeat the proposal that we subsidize the local publicly owned and operated transportation systems.

We have been listening to protracted arguments favoring the socialization of the satellite communications system.

The subsidization of local publicly owned transportation systems means ultimately the socialization of all our local transportation systems.

I am opposed to this antidemocratic policy.

NO. 1 ECONOMIC INJUSTICE IN AMERICA: LOW FARM INCOME

Mr. PROXMIRE. Mr. President, I have said before, and I repeat this morning, that the No. 1 economic injustice in America is in farm income. We recognize that farmers work long hours, take a very great risk, make substantial investments, and have enormously increased their efficiency during the last few years, much more than any other segment of the economy. The fact that their income is so low is a disgrace.

Recently the Milwaukee Journal reported that the farm income share of the national economy was down again. It is now down to 4.1 percent of national income. The article points out that in 1961 farm income was 4.1 percent of the national total. This compared with an average of 5.3 percent in the fifties, 7.4 percent in the forties, 7.37 percent in the thirties, and 7.5 percent in 1932.

The highest percentage enjoyed by farmers since 1929 was 11 percent, in 1935.

These figures show once again, Mr. President, that farmers, per capita, are getting less than half the amount people off the farm are getting.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the article from the Milwaukee Journal to which I have referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARM INCOME SHARE SHOWN DOWN TO 4.1 PERCENT

WASHINGTON, D.C.—Farm income as a share of national income has dropped to nearly half that which prevailed in the farm depression period of the thirties.

An Agriculture Department income report showed that in 1961, farm income was 4.1 percent of the national total. This compared with an average of 5.3 percent in the 1950's, 7.4 percent in the 1940's, 7.37 percent in the 1930's and 7.5 percent in 1932.

The highest percentage enjoyed by farmers since 1929 was 11 percent in 1935.

VOLUNTARY FEED GRAIN RETIREMENT A SUCCESS

Mr. PROXMIRE. Mr. President, on a different but related subject, the Wall Street Journal this morning reported on the significant success of the administration's emergency feed grain proposal, which the Senate Agriculture Committee again has recommended be extended. I think this would be the wise solution which the Congress should adopt when the farm bill comes before us.

The article in the Wall Street Journal reads in part as follows:

> The mountains of feed grains held by Uncle Sam and private interests are melting faster than expected, the Agriculture Department reported.
>
> Supplies of corn, grain sorghums, oats, and barley are expected to total about 210.9 million tons on October 1, down from 226 million tons a year earlier. Last April, the Department predicted there would be little change in the size of the glut. Feed grains are fed mostly to livestock and poultry.

This means the feed grain surplus has been reduced by over 15 million tons, in the best growing year in recent history.

Mr. President, the big decision which the Senate will have to make in regard to the farm bill when it comes before the Senate is whether to support the mandatory proposal for feed grains or the voluntary retirement proposal—which the Kennedy administration supported a year ago, which the administration persuaded the Senate to adopt last spring, and which is working very well. The Secretary of Agriculture states that this first reduction in the surplus in almost a decade is due chiefly to the voluntary acreage cutting feed grain program, which the Secretary himself proposed.

I think this is another good reason why we should give the farm bill, which, as it left the Senate Committee on Agriculture and Forestry, provided for a voluntary retirement program, the most careful consideration. The Republican members of the committee unanimously supported that position, and a number of us who are Democrats feel that this would be the wise, effective and prudent farm legislation for this year.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the article from the Wall Street Journal to which I have referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FEED GRAIN SURPLUS WILL DECLINE THIS YEAR, FARM AGENCY PREDICTS

WASHINGTON.—The mountains of feed grains held by Uncle Sam and private interests are melting faster than expected, the Agriculture Department reported.

Supplies of corn, grain sorghums, oats, and barley are expected to total about 201.9 million tons on October 1, down from 226 million tons a year earlier. Last April, the Department predicted there would be little change in the size of the glut. Feed grains are fed mostly to livestock and poultry.

Reduced production, heavy domestic consumption and record exports account for the decline, officials said. The supply includes 1962 production estimated at 137.4 million tons, down from 140.6 million tons last year; carryover stocks of 73 million tons, down from 83 million tons in 1961, and imports of 500,000 tons, unchanged from last year.

Domestic consumption of the four grains in the year ending September 30 is placed at 136.3 million tons, up from 133.2 million tons a year earlier; exports are placed at 16.5 million tons, up from 12.7 million tons in the previous year.

When last calculated on May 31, the Government's investment in surplus feed grains totaled about $2.7 billion, down $700 million from the year-earlier total. Most of the decline is in corn stocks. A July 1 count showed the Government held 1.7 billion bushels of corn, 350 million bushels less than a year earlier.

The feed grain surplus, one of the most troublesome and expensive to care for, had increased every year since 1952 and last year reached a record 85 million tons. The Kennedy administration claims this first reduction in almost a decade is due chiefly to the voluntary acreage-cutting feed grain program which Agriculture Secretary Freeman shepherded through Congress early last year and which was extended to 1962 crops.

TITO HELPS RED CHINA

Mr. PROXMIRE. Mr. President, recently the Milwaukee Sentinel carried an article written by Victor Riesel which reported on the increased dependence of Yugoslavia on the Soviet Union and on Red China. In the course of the article some very interesting facts were disclosed:

> On June 28, a Communist Chinese delegation in Belgrade signed a $6 million trade agreement with the Yugoslav Government. When the Belgrade government officially announced this it reported an agreement with the Chinese Peoples Republic.
>
> That is Mao Tse-tung's Peiping government. That is the enemy. If we're not fighting the Communist Chinese now in South Vietnam, then we're sending those helicopters out to shadowbox with smoke columns. Obviously Marshal Tito is aiding our enemy. With what?
>
> The Belgrade-Peiping agreement calls for Yugoslavia to send aluminum and copper products, seamless tubes, cellulose, chemicals, polyvinyl chloride, tools, cables, tractors, as well as consumer goods. If most of these goods are not potential war material, Tito is Czar Nicholas in disguise.
>
> All this has been going on since March 25, 1960. A new agreement is signed each year. This means Tito has been sending Peiping millions of dollars worth of vital equipment while we have been lending him millions.

Once again, Mr. President, I wish to say that I have the greatest of respect and admiration for the people who serve in the State Department. I think they are doing an excellent job. I think, with respect to aid to Tito, they have failed to recognize the facts; that by providing support to Yugoslavia we are assisting Tito and helping communism—helping a virulent, militant, international communism.

Mr. President, I ask unanimous consent that the article from the Milwaukee Sentinel may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YUGOSLAVS LEAN HEAVILY ON THE SINO-SOVIET BLOC

ATHENS.—I drove north into the mountains toward Yugoslavia. I heard the tales of Tito. I learned how he shut his border so whole divisions of the 60,000 man underground Communist guerrilla army could not hit our Greek allies and then hide in Yugoslavia as the Chinese Communist armies did in North Korea when they took sanctuary behind the Yalu River.

But that was 14 years ago.

We have shown our gratitude with over $2 billion worth of aid to Belgrade.

Now Marshal Tito (Broz) is 70 and all over Europe there is more evidence that his second echelon leadership, which really is running his government, is running it more and more toward the Sino-Soviet bloc.

When I pointed this out in the past the Yugoslavs protested officially. They want no criticism. They say they want no strings. That's stuff for the diplomats. But not for newsmen.

Why should Belgrade go uncriticized in Congress or in dispatches such as these, when, for example, they supply Communist China with strategic materials on credit while taking aid from us.

On June 28, a Communist Chinese delegation in Belgrade signed a $6 million trade agreement with the Yugoslav Government. When the Belgrade Government officially announced this it reported an agreement with the "Chinese Peoples Republic."

That is Mao Tse-tung's Peiping government. That is the enemy. If we are not fighting the Communist Chinese now in South Vietnam, then we are sending those helicopters out to shadowbox with smoke columns. Obviously Marshal Tito is aiding our enemy. With what?

The Belgrade-Peiping agreement calls for Yugoslavia to send aluminum and copper products, seamless tubes, cellulose, chemicals, polyvinyl chloride, tools, cables, tractors, as well as consumer goods. If most of these goods are not potential war material, Tito is Czar Nicholas in disguise.

In return for these valuable, and much needed, supplies, Yugoslavia will receive soybeans, soya oil, talc, asbestos, sheep casings, goatskin, folk handicraft products, silk and cotton goods. Without these, I presume, life in Belgrade would grow mighty drab.

Tito and his people must really want those sheep casings and silk. Otherwise why give all that vital material to the Communist Chinese? There are also those goatskins. Can you imagine what life would be like in Yugoslavia without goatskin? Or could it be that Marshal Tito wants to make life easier for Mao, master of Marxist guerrilla warfare?

All this has been going on since March 25, 1960. A new agreement is signed each year. This means Tito has been sending Peiping millions of dollars worth of vital equipment while we have been lending him millions.

As for Tito and Khrushchev, the record shows that when U.S.S.R. Foreign Minister Gromyko left Belgrade April 21, the Yugoslav foreign ministry issued an official communique saying that its Government and Moscow would draw closer together on "political, cultural, economic, and other fields."

This political embrace of Gromyko—known in all informed circles as an almost obsessed hater of the United States—came on the very same day we "sold" Yugoslavia on the easiest credit terms more than $45 million worth of our surplus foods.

Observers also report that the Yugoslavs are attempting to turn the new unions of Africa against us and our labor leaders—especially in Algeria.

If we owe Tito gratitude, we have paid our debt. Now, it seems to me, he owes us something. Not much for our billions of dollars without strings. Not much, but at least let him not fraternize with our enemies, who also happen to be the enemies of humanity and the master builders of massive walled-in concentration camps.

WHY UGANDA?

Mr. YOUNG of Ohio. Mr. President, in one country alone—the emerging African nation of Uganda, with a population of approximately 6 million, some 160 young men and women, recently graduated from colleges and universities in the United States, are being sent for 3 years to serve as teachers to the African natives. This is in connection with a State Department program being conducted in cooperation with Columbia University.

May I make it clear that I offer no criticism, whatever, of these fine young men and women accepting this offer to teach in a foreign nation. This must have seemed an exciting opportunity for them. It must have seemed to them, also, an opportunity to further the cause of peace in this grim period, and, in addition, there were the elements of glamor and adventure in becoming a part of such a program.

On the other hand, these are 160 young men and women, recent graduates of some of our finest institutions of higher learning, who it could be said are among the cream of the crop of our new teachers. Members of boards of education and administrators of our colleges and universities in all 50 States have been and are experiencing great difficulty in staffing their school systems and institutions with young teachers who have the same high qualifications as these young men and women. At the same time—and I wish to emphasize my strong criticism of this—we are now sending these young people into this one region of Africa, Uganda. I take a very dim view of this.

Mr. President, this is only 1 of perhaps 100 such places to which our young people may be assigned as teachers by State Department officials. Undoubtedly, there will soon be other such projects. I am wondering why officials of the State Department do not give more consideration to the fact that our own people need the finest and best educated of our young college graduates to render real and needful service in the United States.

We established the Peace Corps in part to perform the same service that this program is attempting to perform. To date officials of the Peace Corps have done an outstanding job in fulfilling this vital function.

As the Peace Corps enters its second year, it becomes evident that service to mankind without thought of personal gain is still one of man's noblest endeavors. At the end of this year, some 5,000 Americans will be serving in 38 countries. The Communists have tried to discredit this project as being a manifestation of American imperialism. This is a hollow claim, and it is best disproved by the fact that every nation in which the Peace Corps has operated has asked for additional contingents. The Peace Corps has shown what is best in the human heart and mind. It has demonstrated the constructive spirit of a free people.

There is no need for duplication of effort in this area, which can only result in waste of talent, time, and taxpayers' money. Officials of the State Department should leave this task to those who have proved they best know how to perform it successfully—officials of the Peace Corps.

Mr. President, I criticize the officials of our State Department responsible for this project, undertaken in one country, which could be duplicated in many countries unless we call for a halt.

Many problems confronting our country could surely be better handled if more of these splendidly educated college graduates were given places of responsibility in our school systems, in Government and in private industry. The quality of teaching could and should be improved in many sections of our own country before we induce these young people to teach abroad. Let us give this important matter our first consideration, instead of sending some of our best talent to other nations.

STATE REGULATION OF COMMUNITY ANTENNA SYSTEMS CHALLENGED

Mr. KEATING. Mr. President, the last decade has witnessed a tremendous growth in the number of community antenna systems serving the people of our Nation. It is now estimated that over 3½ million Americans are benefiting from these systems. Most of these people live outside of urban areas in places where community antennas are needed for satisfactory television reception.

An interesting and difficult problem has arisen to the extent to which these systems are to be subject to State and local regulation. The broadcasting industry, as we all know, is subject only to Federal regulation and we can all appreciate the chaos which would result if every locality could impose its own regulations on radio and television transmission. The community antenna industry has taken the position that similar burdens would affect their operations if they had to submit to local regulation.

I would like to call the attention of the Senate to a dispute of this nature which has arisen between the TelePrompTer Corp., whose home office is in New York, and the city of Salinas, Calif., which has attempted through a city ordinance to regulate every phase of the CATV business and its relations with the broadcasting industry. I therefore ask unanimous consent to have printed at this point in the Record a press release and letter on this issue.

There being no objection, the press release and letter were ordered to be printed in the Record, as follows:

TelePrompTer Calls Salinas, Calif., CATV Franchise Ordinance Unconstitutional; Withdraws Application

TelePrompTer Corp. announced today that it is withdrawing as an applicant for a community antenna television system franchise at Salinas, Calif., because the city proposes regulations that exceed its constitutional authority.

TelePrompTer, one of several applicants for the franchise, notified city manager Thomas G. Dunne that it believes a franchise ordinance adopted by the city council usurps authority belonging only to the Federal Government.

Irving B. Kahn, president of TelePrompTer Corp., said his company believes the ordinance "cannot escape challenge in the State and Federal courts" and would be detrimental to the citizens of Salinas.

"If the city council today can regulate CATV," he said, "it can by the same token tomorrow regulate the broadcasting industry."

Kahn pointed out that "authorities are clear that Congress has fully occupied the field of radio and television" and that individual States and municipalities "cannot step in to fill in what they believe is a gap in regulation."

Local regulations, he said, should be confined to imposing reasonable conditions governing use of streets and alleys and, when State laws permit, reasonable use or franchise taxes.

"However, the ordinance of the city of Salinas goes far beyond this," he said, "and regulates every phase of the CATV business and its relations with the broadcasting industry."

Kahn recalled that Representative Oren Harris, Democrat, of Arkansas, chairman of the Interstate and Foreign Commerce Committee of the House of Representatives, had reaffirmed the exclusive Federal control of radio and television as recently as June 19 in a speech before the National Community Television Association.

Harris advocated court challenges, if necessary, of divergent and conflicting local regulations and warned:

"The temptation is great, of course, when vying with each other to obtain a local franchise, to accept such stipulation in order to win the coveted franchise. However, such restriction may plague you as an industry in the future."

Kahn said that TelePrompTer Corp., which operates 15 CATV systems and is one of the largest group owners of such properties, had decided "reluctantly" that it did not wish to be an applicant "at the price of total surrender and submission to an unconstitutional attempt at regulation of the CATV industry."

TELEPROMPTER CORP.,
New York, N.Y., July 11, 1962.

Mr. THOMAS G. DUNNE,
City Manager, City Hall,
Salinas, Calif.

DEAR MR. DUNNE: TelePrompTer Corp., after a thorough study of the ordinance of the city of Salinas pertaining to the control of community antenna television systems through a detailed franchise, has reached the conclusion reluctantly, but in the best interests of its stockholders, the CATV industry and the public, that it should not lend its support to this unconstitutional attempt by a subdivision of a State to legislate in a field which has been fully occupied by the Federal Government.

There is no question that municipal or State authorities, acting under the State constitution or general laws, may impose reasonable conditions governing the use of streets and alleys under its police powers. They may, when State laws permit them to do so, impose reasonable use or franchise taxes. However, the ordinance of the city of Salinas goes far beyond this and regulates every phase of the CATV business and its relations with the broadcasting industry. The authorities are clear that Congress has fully occupied the field of radio and television and that if Congress in its wisdom has not provided for regulation with respect to some aspects of it, the States cannot step in to fill in what they believe is a gap in regulation.

On this score, Representative OREN HARRIS, Democrat, of Arkansas, the chairman of the Interstate and Foreign Commerce Committee of the U.S. House of Representatives, stated in a speech at the Shoreham Hotel on June 19, 1962:

"The Federal Government controls the whole field of radio and television as provided in the Communications Act of 1934. This exclusive Federal control was upheld by the Supreme Court in 1940 in the case of *Federal Communications Commission* v. *Pottsville Broadcasting Company*. However, while CATV is an adjutant of television, the Congress has granted jurisdiction to the FCC over CATV systems only with respect to the use of radio waves."

The committee which Representative HARRIS chairs is the sole committee of the House of Representatives which has jurisdiction over communications. Chairman HARRIS unquestionably had franchise ordinances such as that in Salinas in mind when he said:

"Some cities or counties seem to be attempting to regulate television through insistence upon nonduplication agreements involving broad areas, such as grade A contours, etc. I thought this danger had been averted by a decision on June 4, 1959, by the U.S. District Court, District of Minnesota, First Division, enjoining a city in Minnesota from attempting to impose a nonduplication agreement upon a CATV system. I would expect that CATV operators will not permit a host of divergent and conflicting local regulations to spring up. The pertinent court decisions in these matters should be brought to the attention of the local authorities and their jurisdiction should be challenged in the courts, if necessary."

"The temptation is great, of course, when vying with each other to obtain a local franchise, to accept such stipulation in order to win the coveted franchise. However, such restriction may plague you as an industry in the future."

We bow to Chairman HARRIS' expertise in this matter and no longer wish to be an applicant for a license at the price of total surrender and submission to an unconstitutional attempt at regulation of the CATV industry, regulation that the Congress of the United States has not found to be in the public interest.

In fact, we find it hard to believe that the city council will persist in attempting to enforce an ordinance which obviously cannot escape challenge in the State and Federal courts, and which will be disruptive of sound business practices to the detriment of the citizens of Salinas. If the city council today can regulate CATV, it can by the same token tomorrow regulate the broadcasting industry.

The decision to withdraw our franchise application has been made with sincere regret. Should the city council elect to restate its control ordinance on a more reasonable basis within constitutional bounds we would be most interested in submitting a new proposal to offer Salinas the same type of outstanding CATV service we now provide other communities throughout the United States.

Very truly yours,

IRVING B. KAHN,
President.

JAMES H. KINDELBERGER, "MR. NORTH AMERICAN"

Mr. ENGLE. Mr. President, when James H. Kindelberger died last Friday, this country lost one of the great giants in the aerospace industry.

The story of Dutch Kindelberger's life has a Horatio Alger flavor. He left high school in his second year for a $5-a-week job. At the time of his death he was chairman of the board of North American Aviation. In the years in between this self-made man had developed into an aviation engineer and inventor of extraordinary talent and an executive of such dimension that he earned the reputation as his industry's first mass producer.

An excellent article on Mr. Kindelberger appeared in the New York Times on July 28. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JAMES H. KINDELBERGER, 67, DIES—LED NORTH AMERICAN AVIATION—ENGINEER GUIDED COMPANY OF 75 TO GIANT THAT MAKES MISSILES AND X-15

PACIFIC PALISADES, CALIF., July 27.—James H. Kindelberger, a leading aircraft manufacturer, died today at the age of 67. His death was attributed to a congestive heart attack.

Mr. Kindelberger was board chairman of North American Aviation, Inc., which he had helped expand into a giant in the industry.

He leaves a daughter, Mrs. Joan Kindelberger Graham, and three grandchildren.

KNOWN AS DUTCH

Under big, bluff Dutch Kindelberger, as he was known, North American Aviation turned out 14 percent of the military aircraft that the Government bought in World War II.

It was in North American's twin-engined B-25 Mitchell bomber that Gen. James Doolittle led a carrier-based attack on Tokyo, the first allied blow at the Japanese mainland.

Besides the B-25, Mr. Kindelberger's company produced the famous P-51 Mustang fighter, which saw service on most combat fronts.

The F-86 Sabre and its later sister, also Kindelberger products, cleaned out the Chinese Communists in Korea's "Mig Alley."

In 1948 Mr. Kindelberger became board chairman of North American, once a holding company for such organizations as Sperry Gyroscope, Eastern Air Lines, and Transcontinental and Western Air.

He began his association with the company in 1934 as a director, and by the next year he was its president.

NATIVE OF WEST VIRGINIA

Mr. Kindelberger was born in Wheeling, W. Va., on May 8, 1895. He left high school after his second year for a $5-a-week job with the National Tube Co.

In 1916, he passed the entrance examinations for the Carnegie Institute of Technology, where he spent 1 year working for his tuition. Forty years later, the institute gave him an honorary degree.

During most of World War I, Mr. Kindelberger was an Army Signal Corps lieutenant serving as a flight instructor at Park Field in Memphis, Tenn.

A month after the armistice he took a job in Glenn L. Martin's Cleveland aircraft plant and became assistant chief engineer. His superior was Donald W. Douglas, who later resigned to found the Douglas Aircraft Co.

Eventually Mr. Kindelberger followed Mr. Douglas and supervised the engineering of the DC-1 and DC-2, the first Douglas passenger planes.

"No rabbit was ever pulled out of a hat unless it had been carefully placed there in advance," the 6-foot, 200-pound executive once said. This sort of stress on planning led to Mr. Kindelberger's reputation in the industry as its first mass producer.

He introduced methods to break complex operations into simple ones and improved labor conditions by granting annual bonuses to employees.

Most recently, Mr. Kindelberger's company built the needle-nosed X-15 experimental rocket plane, and engines for the Thor and Atlas missiles.

An inertial guidance system similar to the ones in some missiles, was developed by his concern to guide the first nuclear submarine, the *Nautilus*, 1,830 miles under the polar ice cap.

In 1960, Mr. Kindelberger virtually retired. He stayed on as chairman to watch his company post sales of $1,200,000,000 last year, second only to those of General Dynamics.

North American grew under his leadership from a plant in Maryland with 75 employees to a giant of 6 divisions and 85,000 persons with headquarters in Los Angeles.

Mr. Kindelberger received the National Aeronautic Association's 1953 Collier Trophy from President Dwight D. Eisenhower for developing the land-based F-100 Super Sabre fighter plane.

KETTLEDRUM VOICE

In his kettledrum voice, Mr. Kindelberger once said, "In this business, once we get to know what we are doing, we know that the thing is obsolete."

By 1953, North American had begun to investigate nuclear power. An atomic generator was designed to study the production of electrical power for industrial and domestic use.

The holder of several aviation patents, Mr. Kindelberger received a patent in 1954 for a camera with flash apparatus that could be used with one hand.

In 1950, Mr. Kindelberger was elected president of the Institute of Aeronautical Sciences in New York. He was also the first president and then a director of the Aircraft Production Council, a governor of the National Air Council and a member of the Guggenheim Award Foundation.

Mr. Kindelberger married Thelma B. Knarr in 1919 and Helen L. Allen in 1946. Both marriages ended in divorce.

LEADERS FROM TWO GREAT UNIVERSITIES, TEXAS AND CALIFORNIA, WRITE OF FUTURE

Mr. YARBOROUGH. Mr. President, on July 22, 1962, the Houston Chronicle, Houston, Tex., published articles by two distinguished educators on the problems facing colleges and universities.

I ask unanimous consent to place in the body of the RECORD these two thoughtful articles, by Harry Ransom, chancellor of the University of Texas, and by Eugene Burdick, professor of political science of the University of California, and a coauthor of "The Ugly American." These articles by two spokesmen for two of the greatest universities in America show that the leaders of our higher educational institutions are thinking of the future as well as the past and the present.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

Higher Education: The Two Elephants of Texas, California

THE TEXAS ELEPHANT

(By Harry H. Ransom, chancellor, University of Texas)

Earlier preoccupation with size (which has been modified lately by sound judgments of quality more than it has been embarrassed by the big new statehood of Alaska) still leaves Texans room for considering the educational problem as large, very large. Inspired by fact—the physical realm of the State, the number of Texas educational institutions, the student population which must be expected in the decades of the seventies and eighties, the varied and constantly expanding demands of a new society for systematic teaching and experimental research—a symbol of higher education drawn from natural history would have to be quite an animal. Probably an elephant.

John Q. Saxe might have been reporting an educational conference when he wrote:

> "It was six men of Indostan,
> To learning much inclined,
> Who went to see the Elephant."

As for the interpreters of Texas education, they are much more numerous than the men of Indostan. Unlike these men, they are fortunately not blind. Yet any merely partial view of education is a kind of blindness, and blindness is not one whit worse than unwillingness to take into consideration more than a small part of any great problem.

In Texas, just now, much energy, expertness, and sincerity are being addressed to the whole educational elephant, and in turn this lively—indeed, almost wistful—desire to see the whole picture has brought out innumerable small counterviews: "Side like a wall, tusk like a spear, trunk like a snake, knee like a tree," and so on.

In any such confusion of images, educational or otherwise, one cannot rely merely upon the statistical sciences or even upon the very newest theories and "gadgets" of education. One must revert, constantly revert, to certain ancient qualities in the human community. One such quality is an open honesty which breeds frankness and complete realism. Another is that sense of mutual interest and universal ideal suggested in the well-worn but still usable phrase "men of good will."

Wide approach

We must avoid limiting our approach to that of a single man of Indostan (let us say the teacher mainly devoted to expounding history or the research man interested in only one twig of his branch of science or the alumnus intent on endowment balances and football scores or the citizen hopefully demanding that his section of the economy be supported). Four general points of view toward education will suffice:

1. Those of the student.
2. Those of the professor.
3. Those of the administration (both local and statewide).
4. Those of the mixed citizenry alumnus, taxpayer, parent, and the oncoming citizen whose perspective is still mainly that of the constantly renewable future, a future which most of us will never come to know.

Nothing about the elephantine problem of Texas education is so big and tough as the problem of the student. Unluckily, we cannot paraphrase Abraham Lincoln's famous mot about the poor: "God must love them because there are so many of them." It is a natural but not unavoidable result of great educational size that effective attention to the student population proceeds in a sort of inverse ratio. To say this is not to say that large institutions must treat students less well, or educate them less well than small colleges. It is to assert, however, that expenditures—in time, energy, talent, and money—will increase more than arithmetically, according to the size of student groups to be educated.

No matter how nicely we address this problem of the education of student, by mass and by the individual, we depend upon the faculty.

There has always been the double obligation of college admissions, for example. Our problems of selection of students during the 1970's and 1980's will not be more difficult than the heartbreaking process that went on in the 1920's, 1930's, and 1940's at the desks of deans who had to eliminate unnumbered students who had already undertaken work for which they were still unprepared.

Of the newer problems of administration, enough emphasis has been placed on two cardinal points, the need of cooperation among educational institutions and the need of considering education as a continuing process in which colleges participate with high schools. A still newer point is that Texas must now face an increasingly serious competition from the rest of the world. This competition is both healthy and profitable so long as it is a competition toward eminence. It can become extremely costly, and indeed fatal, if it ever reaches the point where educational opportunity outside Texas is so far superior to that within the State that young Texans decide to leave the Southwest for good.

HONESTY REQUIRED

It is not treason against the educational establishment to admit, and to decry the fact, that since the Middle Ages there have been innumerable instances of educational waste of money. Educational trusteeship requires absolutely honest fulfillment of trust and absolutely honest expenditures of funds. If it should ever require an institution to proceed on a policy of making profits or amassing balances, the chief purpose of the university will be perverted. The university's main product is minds, its only real profits are ideas. The educational waste, that is, the unforgivable sin, is waste of intellect.

Our aim cannot be realized in a muddled conglomeration of school clusters or dollar balances. It can be realized only when we pursue resolutely and unselfishly a simple but neglected notion. The past belonged to those who gave us this society, this system, and many of the materials of our education. This present, for what we make of it, belongs to us. The future, toward which we must now shape the Texas educational system, belongs to students who will inherit it. We have no political or moral right to rob them of that heritage.

THE CALIFORNIA ELEPHANT

(By Eugene Burdick, professor of political science, University of California, and coauthor of "The Ugly American" from the New York Times magazine)

It seems clear that the fate of nations is to a considerable extent going to depend on their schools. The incredible intricacy of modern government, national security, the imperatives of pure science, all call for an increasing percentage of persons possessed of that uncertain and ambiguous thing called higher education.

It is also clear that most of this education will have to be supplied by State universities and colleges. The private universities cannot, at this point, escape the familiar limitations of rising costs, insufficient funds, and enormous pressure for admission. Most of them will, quite sensibly, settle for limited enrollment. This means that the pressure on the State universities and colleges will rise. If these institutions are not able to meet the demands put upon them we will face a situation which may be fairly termed catastrophic.

On the face of it, the University of California at Berkeley should not work. It is just too much—of everything. It is Midas-rich, dinosaur-big, ceaselessly engaged in a fantastic variety of tasks and a center of constant controversy.

There are 51,656 students on U.C.'s seven campuses, making it the largest State university in the country. And it is growing. According to a master plan worked out recently, the university will have to enlarge its present classroom space and campus areas within the next 12 years to meet an expected enrollment of 119,000 in 1975.

This army of students is served by 43,000 professors, instructors, teaching assistants, research personnel, administrative assistants, clerks, cooks, and miscellaneous employees. The university owns 28,000 acres of land (cared for by 185 gardeners and assistants, and has 75 million square feet of roofed-over space. It operates a fleet of 1,600 automobiles. Its students break or make away with 350,000 test tubes in a year, and about 18,000 gallons of alcohol are consumed each year—purely for laboratory purposes.

The university's income from all sources in 1961 was cosmic by academic measurements: $406 million.

It has a huge endowment—larger than those of most private universities and probably the largest of any State university.

In some especially difficult fields, classes of only half a dozen students are common. Any professor is allowed to limit the size of his classes. Each student has an adviser and although his records of achievement are tabulated and delivered with an I.B.M. flourish to the professor's study, the relationship between the two is often as warm and toughminded as that existing between an Oxford don and one of his "commoners."

These are some of the elements that emerge clearly in an assessment of how California achieved its excellence in education:

1. A commitment by the citizenry to higher education. Higher education is almost a passion among Californians. Indeed, it is one of the things that bind together the residents of this State which still lacks the sense of community and tradition that some other States possess. Its people may move about more, drink more, commit suicide more often than people elsewhere. But on the question of higher education they are exemplary. They willingly pay high taxes for education, flock to the campuses for recitals and lectures and debates and are fiercely proud of their university's reputation.

2. The university is legally a "public trust" and its autonomy is embedded in the bedrock of the State constitution.

The fact that the regents are solely responsible for the organization and administration of the university grants it a kind of independence that is almost politically inviolate.

3. The regents are nonpartisan, dedicated, hardworking. They are appointed for 16-year terms by the Governor and by any standard they are "strong" men and "strong" women. Although in private life they are often in economic or political competition, when assembled as regents they become a united body fiercely proud of its independence. The regents are not infallible, but they are responsible.

4. The faculty is self-governing. It is sovereign in two crucial areas—educational policy and the selection of professors. The ability to select colleagues is, perhaps, the more important. Teachers are usually attracted by stimulating colleagues rather than by high salaries. The California faculty quite literally tries to get the best qualified person in the world to fill each opening.

5. The university realized early that it could not carry the entire burden of higher education in the State. The University of California is only a part of the higher education system and does not by any means educate everybody in California. The "public sector" of the system consists of 63 junior colleges (now more commonly called community colleges, supported by a combination of local and State taxes) and 15 State colleges, which are supported by year-to-year appropriations from the legislature and which, until recently, were controlled by the State board of education.

There are also the private universities. Some, such as the University of Southern California, Mills, and St. Mary's, started slow and poor, but have picked up both quality and students. Some, such as Stanford, are at the edge of real brilliance. California Institute of Technology is brilliant.

The State colleges went into politics at the State capital with a zest, began talking of giving the doctorate degree in several fields and developing full-blown research facilities. It was the kind of situation that could have led to political and academic civil war. For a time feelings ran high and there were abundant signs of impending battle.

At this point Clark Kerr, the new president of the university; Roy Simpson, State superintendent of schools, and Gov. Pat Brown struck a compromise. They asked Arthur G. Coons, president of Occidental College in Los Angeles, to make a survey of California's system of higher education. There had been countless reports on this area before, but Coons' survey was different; it was acted upon. The signs of warfare disappeared.

According to the survey, higher education in California will look something like this in 1970. Some 80 percent of the State's college students (about 1.5 million of them) will be enrolled in junior colleges. The State colleges will draw their students from the top one-third of high school graduates. These institutions will be administered by a board of trustees, currently of very high quality but also politically vulnerable because it does not have the autonomy enjoyed by the university. The State colleges will be able to give the doctorate, in collaboration with the university. The university will draw on the top 12½ percent of high school graduates.

All this will, of course, be expensive. California will spend $242 million this year on public education and the figure will go higher. Education accounts for more than 40 percent of the entire State budget. New buildings alone will cost $80 million next year.

Anything so expensive will inevitably be politically sensitive. There is abundant evidence, however, that California has learned one of the hardest lessons of history: That intellectual excellence is of more value in a society than any combination of machines, technology, natural resources, and ideology.

TREATMENT OF RUSSIAN JEWS BY THE COMMUNIST GOVERNMENT

Mr. CAPEHART. Mr. President, in the last few years we have become accustomed to hearing periodic reports of a thaw in the Soviet Union. No doubt changes have been, and possibly are, taking place. But if we want to test the depth and genuineness of these reports, we might profitably examine the current treatment of Russian Jews by the Communist government.

Throughout the history of civilization, the attitudes of the prevailing power toward the Jewish minority have often been indicators of the whole nature of governments. If the Jews were treated equally with the rest of the citizens of that country, no better and no worse; if they were given the basic rights necessary for survival both physically and spiritually; if they were treated, in other words, as human beings; then the general nature of the government was civilized. But if the policy toward the exposed Jewish minority was sinister—if it were singled out for discriminatory action—then any attempts by that government to appear as otherwise humane and honorable were a mere facade and utterly unconvincing.

Last winter there took place the arrest, trial, and conviction of Gedelia R. Pechersky, the religious lay leader of the Jewish community of Leningrad. Shortly afterward followed government action against the lay leaders of five other Jewish congregations, and the closing of synagogues in a dozen other Russian cities. Then, in early spring, came the reports of the difficulties that Communist authorities were placing in the way of Jews desirous of obtaining Matzohs, or unleavened wafers, which they need for the proper observance of their passover holiday. And now we have been hearing of the prominence given to Jewish names in the lists of those executed for economic crimes.

When this community of 3 million Jews, the remnants of that proud, vibrant, and creative European Jewry so horribly decimated by Hitler, is harassed and attacked, by means both subtle and unsubtle, in an attempt to destroy its very identity, it should be proof enough that the so-called changes for the better in the Soviet system are more fanciful than real.

The recent appointment of a Russian Jew to a high post in government does not change the situation at all. What the civilized world is looking for is fact, not propaganda. One Jewish engineer receiving a promotion does not compensate for the strange decline of Jewish enrollment in Soviet universities from 13 to 4 percent.

The Soviets would do better to print and distribute the first Hebrew Bible in Russia since 1917 than appoint a Jew to the chairmanship of the state planning committee.

The death penalty meted out for so-called economic crimes is an especially subtle and pernicious way of harassing the Jews of Russia. In general, capital punishment for this kind of crime is brutal, for it is completely disparate with the nature of the offense. When it is obviously directed against one group more than others, it is doubly wrong.

When one reads the letter of a Soviet jurist to the New York Times of July 20, 1962, in which he attempts to justify that policy, one is more convinced than ever that this is being used as a weapon against those who displease the ruling circles. He points out that the death penalty for economic crimes is reserved for "specially aggravating circumstances."

Is it not queer that so large a number of people with Jewish-sounding names commit these crimes under "specially aggravating circumstances?"

Is it perhaps their Jewishness that is "aggravating" and that merits for them "special" treatment, especially in the government-owned provincial press and radio—which have not failed to give expression to open anti-Semitism at these occasions?

The Soviet jurist ends his letter by declaring that according to the U.S.S.R. Constitution, Socialist property is sacred and inviolable. We ought to remind him and his government that by the ordinary standards of civilized men and women, human life transcends the value of any property, no matter how "sacred and inviolable" political dogma declares it to be.

The policy of the Soviet Government seems to be based on this fallacious reasoning: since most Jews feel special bonds of brotherhood for each other, these must be political in nature, and therefore imply a special political loyalty to Zionism and the State of Israel, and thus a Jew is automatically a poor security risk and disloyal citizen.

What the Russian authorities fail to realize is the deep religious quality of the Jewish bonds, and the nonpolitical nature of these associations. Many of the most pious and devout religious Jews have been and are ardently anti-Zionist. The press in recent weeks offers ample evidence of very religious Jews throughout the world who are opposed to the State of Israel on religious grounds, and who have gone to all lengths to articulate and express this opposition in practice.

There is nothing paradoxical about this. It means simply that the Jewish religion is not a political one, and does not impose political doctrines or obligations upon its communicants. Individual Jews throughout the ages have entertained all kinds of economic theories and been of all sorts of political persuasion. But when they crossed the threshold of the synagogue, all these differences in doctrine disappeared, they became irrelevant, because the synagogue is not a forum, a platform, or an exchange. It is purely a House of Worship. Jewish law expressly forbids it to be desecrated by such mundane matters as political discussions or economic transactions. The Russian authorities should bear this in mind, and abandon their scurrilous canard of presenting the synagogue as anything but a house of the spirit.

Jews are heir to a religious and culture tradition that goes back some 3,500 years. During this time they have made some of the greatest contributions to human society. Nevertheless, or perhaps because of this, they have been persecuted in every climate and age. They have been the victims of every kind of ruthless oppression. Usually, they had no one to look to for help and encouragement except their faith and their own brethren. Despite all the cruelty perpetrated against them, their religion proclaims it a principle of their faith that they are to be loyal citizens of whatever country they find themselves in. The nature of this closeness Jews feel for each other is thus part history, part religion, part culture, part mutual suffering. It is essentially the kind of concern and sympathy any two human beings feel for each other just because they are human beings; except that it is more so, more intense, more charged with shared experiences of centuries past.

One of the things of which the Russian Communists have always boasted is the provision in their constitution outlawing anti-Semitism and declaring it a crime. On its face, this is a positive step in the right direction, but in the light of fact we must ask that Soviet practice live up to Soviet theory. If they are not to make a tragic farce of one of their finest achievements, they must desist from their recent anti-Jewish measures, whether direct or subtle, aimed at both the Jewish people and the Jewish faith. A continuation of their present policy is, in effect, a reversion to one of the ugliest features of czarist prerevolutionary Russian society.

Jews have achieved great distinction in American Government and in the general cultural and scientific life of our country. They have contributed creative leadership to France and England and many other countries. Their civic and political loyalties were given uncompromisingly to the countries they served. It has been the experience of the Western world that the special feelings of comradeship Jews feel towards each other never conflicted with these loyalties to their countries. The Soviets, too, have had Jews who contributed to their nation in the army, in science, in economics, and in other spheres. We ought to say to the Soviet Government that its xenophobic and unfounded suspicions of Jews will not benefit their country in the long run. Rather, our experience has taught us that Jews are usually grateful, and that if they are treated equally with anyone else, they will reciprocate in loyalty to their land and society.

If the Soviet authorities would understand and appreciate this point, they would allow the Jewish minority behind the Iron Curtain to live in peace and receive the rights to which they are entitled. They would be allowed to have their own schools. They would be permitted a much freer exercise of their religion, something which has now been granted to other faiths in the U.S.S.R. They would be permitted to organize a national association of their religious congregations, as other sects have, so that they might keep their old synagogues in repair and perhaps build new ones. They would be allowed to manufacture religious articles such as prayer shawls and phylacteries, and print and distribute religious literature, and teach Hebrew, their holy tongue, to their children. They would revive the solitary Jewish seminary which was opened in 1957, for a relatively short period, with a grand total of 20 students, and which has all along given the impression of being more a showpiece than a real school.

When the Soviets will have begun to do some of these things, they will be more convincing in their assertions that they are undergoing a genuine change to a more humanitarian government and open society. Until such a time, we have no choice but to regard the so-called changes as mere maneuvers and not something substantial.

CAPTIONED FILMS FOR THE DEAF

Mr. PELL. Mr. President, last September the Senator from Maine [Mr. MUSKIE] and I introduced S. 2511, which would provide for an increased program of captioned films for the deaf, research in the use of captioned films as educational media for the deaf, and for training professional personnel in the proper use of captioned films. Mr. FOGARTY has sponsored a companion bill in the House of Representatives.

I am honored to state that the most distinguished chairman of the Labor and Public Welfare Committee, the senior Senator from Alabama, has appointed me chairman of a special subcommittee to hold hearings on this bill. Those hearings will be held on Tuesday, August 7, at 10 a.m., in room 4230. Senator MUSKIE will testify at that time, and I hereby extend a cordial invitation to other Senators who have a particular interest in this legislation to appear or to submit statements for inclusion in the RECORD.

Mr. President, I believe that S. 2511 is most important; and I am, indeed, pleased that we will soon be taking action on it.

The present captioned film program, which S. 2511 would expand to meet current needs, is well described in an article by Mr. John A. Gough, Chief of the Captioned Films for the Deaf Section of the Office of Education, which appeared in the January–February edition of School Life for February 1962. I ask unanimous consent that this most informative presentation by Mr. Gough be placed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAPTIONED FILMS FOR THE DEAF

(By John A. Gough)

Sit before your television screen for 5 minutes with the picture on and the sound off. Five minutes is not a long period of time—not long compared with a lifetime of silence—but long enough to give you some idea of what the wordless picture world of the deaf is like.

A picture is worth a thousand words, goes the old saying, but the truth is that pictures without words are imperfect media of communication. You before your silent television screen can imagine how grateful you would be for captions were you never to have sound again. With this in mind, you can understand why the Office of Education receives such warm and enthusiastic letters from the deaf about the films it lends through the captioned-films-for-the-deaf program.

"Captioned films are a big help in opening another world to the deaf," writes Dewey Deer, president of the Washington State Association of the Deaf. A member of the Silent Recreation Club of Hollywood, Calif., exclaims, "Everybody just loves your movies. Keep sending them." To older deaf persons, who once, in the days of silent films, regarded the "movies" as a favorite form of relaxation and entertainment, seeing captioned films is like finding a long-lost friend. The Union League for the Deaf in New York City reports that an 80-year-old man said, "It was the most" after he saw the underwater picture "Silent World."

Captioning films for the deaf—that is, superimposing captions on motion pictures—began as a project about 10 years ago at the American School for the Deaf in West Hartford, Conn. As a struggling pioneer philanthropy, the West Hartford project could reach only a small audience, mostly students in State schools for the deaf. But encouragement from this group had much to do with Congress' passing a law in 1958 (Public Law 85–905) to set up a loan service of captioned films for the deaf. The purpose of the program is to help the deaf overcome their social and cultural isolation, much as the blind are helped by the books-for-the-blind program. (See School Life, September 1961.)

Public Law 85–905 authorizes the Department of Health, Education, and Welfare (which has assigned the function to the Office of Education) to acquire films by purchase, lease, or gift and to provide for their captioning and distribution through State schools and other agencies for showing without charge to groups of eight or more deaf persons. For this purpose the Office may accept gifts, contributions, and voluntary and uncompensated service from individuals and organizations.

The Office program began with five Walt Disney films, the gift of the president of Captioned Films, Inc. It now has 150 prints of 50 films. Some of the 50 are adventure yarns (such as "Treasure Island"); some are comedies (such as "Fuller Brush Girl"); some are historical (such as "Abe Lincoln in Illinois"); and some are purely educational (such as "Beaver Valley"). Many films are booked 2 years ahead, and more than 600 groups have registered to receive them. In 1960 more than 90,000 deaf persons saw these films—in schools, churches, hospitals, homes for the aged, and speech centers.

Congress raised the appropriation for the program for fiscal year 1962 by $65,000 (bringing the appropriation to the full $250,000 authorized by the law). With this additional fund the Office has begun to caption purely educational films and has selected several science films. Teachers in schools for the deaf from New York to California are writing titles for these films.

Although teachers of the deaf see great possibilities in captioned films as a means of breaking the language barrier which severely limits the scholastic attainment of most deaf children, they know that the type of film which can help the deaf child to learn is not necessarily didactic. Reading, one of the basic language arts, is the very heart of the education of the deaf. Thus, viewing and reading a captioned film—whether it is a Laurel and Hardy comedy or a serious documentary—becomes a learning experience for the deaf child.

Recently, Robert Baughman, principal of the vocational department of the Kentucky School for the Deaf, wrote to the Office to suggest captioning of a short film on hockey. The film had been shown at his school without captions following a full-length motion picture. Mr. Baughman pointed out that with captions the film "would have been an excellent lesson in Canadian geography and on the terms associated with hockey."

Those who knows little about deafness have difficulty in appreciating the dual nature of the handicap which deafness imposes when it occurs in infancy or early childhood. The person with normal hearing can hardly understand the nature of a world without sound. He can close his eyes and imagine the world of the blind, but he cannot so easily cut off sound. To be sure, he may have experienced the difficulty of talking through a heavy glass door, been trapped in the maze of an amusement park, lost in a deep, silent woods, or wakeful in the quiet night, but he can never know the silence a deaf child knows, who has been deprived of all sound and, without its stimulation, been utterly bereft of language; this is the aspect of deafness that defies description and baffles the understanding of the normal person.

Baffling though the language problems of the deaf are to the normal person, they are not nearly so baffling as the deprivation itself is to the person who must live with it and overcome it. The little deaf child does not know his own name—does not know that he has a name. The world passing before him leaves great gaps in his understanding. He knows no names for even the commonest objects; he has no words to express his desires, feelings, hopes, urgent necessities. He faces one of the most insuperable of all educational barriers—that of learning language without any basic language on which to build and without the natural means of acquiring this basic tool, namely, hearing.

What, then, remains to pierce this barrier? The eye, plus, in some instances, a tiny remnant of hearing. But, as I have said, pictures at best are imperfect media of communication. You at your silent television set know this. Now you have some insight into why captioned motion pictures are so helpful in the education of the deaf. With captions films can provide the all-important verbalization the deaf person so desperately needs to apply to his experiences.

The extent to which captioned films will be used to teach the deaf remains largely a matter of speculation and future development. A bill before Congress (S. 2511) will, if it becomes law, authorize the development of new films, research on the problems of the deaf, and the training of teachers in the special techniques of teaching by film.

Meanwhile, members of more than 600 groups in 48 States (2 States are not participating) are undergoing new experiences that are often surprising and exciting. Whether considered as educational or merely entertaining, captioned films are a tremendous hit with the deaf of the United States; and the enthusiasm of the users is evidence that the Federal program authorized by Congress is attaining its purpose: "To provide through these films enriched educational and cultural experiences through which deaf persons can be brought into better touch with the realities of their environment" and "to provide a wholesome and rewarding experience which deaf persons may share together."

INTERVIEW WITH SENATOR MUNDT ON TELEVISION PROGRAM "WASHINGTON CONVERSATION"

Mr. HICKENLOOPER. Mr. President, on July 29, 1962, the Senator from South Dakota [Mr. Mundt] was interviewed by Paul Niven on the program "Washington Conversation" over the CBS television network.

Because the interview brought out a number of historical recitations, I think it is rather important that it be placed in the Record. I therefore ask unanimous consent that it may be printed in the Record at this point in my remarks.

There being no objection, the text of the interview was ordered to be printed in the Record, as follows:

Washington Conversation

Guest: The Honorable Karl E. Mundt, U.S. Senate (Republican of South Dakota).

Host: Paul Niven.

Producer: Michael J. Marlow.

PROCEEDINGS

Announcer. Join us now for a Washington Conversation with the one-time college teacher of speech, who is widely known as a congressional investigator—Senator Karl E. Mundt, Republican of South Dakota.

The CBS Television Network presents "Washington Conversation," an attempt to sketch in some of the details of this man, Karl E. Mundt. A former Member of the House of Representatives for 10 years, and currently in his third Senate term, Senator Mundt has often been in the headlines—for his work on the committee that turned up the pumpkin papers in the Alger Hiss case, for his work as onetime chairman of the Army-McCarthy hearings, for his work on the Labor Rackets Committee, and currently for his part as the ranking Republican member on the committee looking into the affairs of Billie Sol Estes and the Agriculture Department.

Today we invite you to meet this man in a way you have rarely seen him before—U.S. Senator Karl E. Mundt.

Your host for this informal, unrehearsed "Washington Conversation," live from our studio conference room, is CBS News Correspondent Paul Niven. Mr. Niven.

Mr. Niven. Senator Mundt, you are famous for many things in politics, but one aspect of your career which is not generally known is your vice presidency of the Poetry League of South Dakota.

How long have you had that, and do you get kidded about it very much?

Senator Mundt. I haven't had it very long. That is, I didn't have it very long. I was vice president of the South Dakota Poetry Society at the time we were organizing it, and stayed on for about 2 years. But by the time I got into politics, of course there were other things more demanding, and I haven't been associated with it except as a member of the association for, oh, I guess, 20, 22 years.

Mr. Niven. Do you write poetry, or did you ever?

Senator Mundt. Yes; one of the thrills I got as a young man was writing a poem one time that got in Braithwaite's Anthology. But I haven't written any poetry for quite a while.

Mr. Niven. You sold books as a young man, and, I think, the same line of books that Senator Dirksen sold, didn't you?

Senator Mundt. Yes; I did. We called them the People's Home Library. I sold mine down in Indiana, and he sold his out West, I believe, part of the time in South Dakota—because they always assigned you from someplace on your college campus to someplace far away.

And I enjoyed that work, Paul.

Actually, I think that the summer I spent selling books down in Butler County, Ind., I have said many times I think I learned more than I did in any single year at college, because this was a business of knocking on the doors, meeting the people; usually you confronted some Hoosier farmer who had on his fence a sign "Agents keep out" or "Beware of the dog," and you could always sell those fellows if you got in because they had put those up because they didn't have any sales resistance—I discovered that after a few weeks.

But it was an enjoyable summer, and a profitable one. I made about—just about $1,000 net in the 3 months or so.

Mr. Niven. That was pretty good in those days.

Senator Mundt. It was pretty good money—in those days, it helped a lot with a college education.

Mr. Niven. I think—I suppose after you have been around asking people door to door to buy books, it makes it easier to ask them for their votes when you go out and campaign.

Senator Mundt. Yes. I didn't have that in mind at the time, but actually it is an experience, which I think in anything you do—the business of meeting people, one at a time, trying to sell them a book and win their confidence and convey an idea—after all, this is life. And it certainly is political life, campaign life, as you point out.

Mr. Niven. It occurred to me, in reading about your early life, Senator, that your background is almost identical with that of Senator Hubert Humphrey. You were both born in small towns in South Dakota; both your fathers were smalltown merchants; and you went into education, took a couple of degrees, and into politics.

Yet you ended up on directly opposite sides of the political fence.

Senator Mundt. I think I would have to attribute that to the fact that he showed the poor judgment to move to Minnesota after a while. I stayed in South Dakota.

Mr. Niven. How did you become interested in politics?

Senator Mundt. Well, I always was interested in politics as an observer. I presume you are asking the question how I became interested in running for office.

In a way, I got kicked into politics.

I was at that time, in 1934 and 1932 and—1932 and 1934 and 1936, those 3 years, but especially 1932 and 1934—I had a sort of a dual career. I was engaged in business with my father, in an investment and farm management business out in South Dakota, my home town of Madison; and teaching part-time at the college—general real estate—Teachers College.

I also held in those days a completely nonpay, honorary job as a member of the State game and fish commission, which had three Republicans and three Democrats. We served without pay. But it did direct the development of the pheasant population and the development of conservation in the State. And I had been State president of the Izaak Walton League and was very much interested in that.

So I was engaged in those three activities.

Then one night a farmer—well, a Congressman at that time, Congressman Royal C. Johnson—by the way, the man from South Dakota who served in the House of Representatives 18 years, longer than any other

South Dakota Congressman has served—called me up. I had only met him a couple of times.

He said "Karl, will you go out and give a political speech for me?"

I said, "Royal, I have never given a political speech in my life."

He said, "So what? You've been talking at high school commencements and at Izaak Walton League meetings and chambers of commerce. Give your same old speech, but at the end of it just say 'Vote for Royal Johnson.'"

So I said, "All right, I'll try it."

I went down to Elk Point, S. Dak., and gave this political speech, and got heckled, and this was a lot of fun, because I had never been heckled at a commencement address—it was kind of challenging.

I told Mrs. Mundt on the way back "This is for me, I like this. This is interesting."

But the next couple of days, the president of the college called me up and said, "Look, the board of regents are run by the Democrats, we have a Democratic Governor now, and they've heard about this speech. You can't go out and give speeches and teach at the college."

Well, I said, "I can't understand that. I just teach at the college half time. My afternoons belong to me. My evenings belong to me. I'm a businessman in the afternoon. I'm just a free citizen in the evening. And I've signed up for two or three more speeches."

And I gave them—and finally they threatened to kick me off the college campus, and take away my contract if I kept on teaching and kept on giving political speeches.

Mr. Niven. It was rather a violation of academic freedom, wasn't it?

Senator Mundt. Yes. And it was not so much talked about in those days. But I resented it, as anybody would under those circumstances.

Finally, it got to a showdown point. They had a meeting with the board of regents. And the press began to find out about it. It began to be kicked around in the news columns.

Finally, I went to the president of the college and I said, "Let me ask you just one favor. I have taught here good and faithfully, coached your debate teams for, lo, these many years. And you tell me the board of regents is going to kick me out if I keep on talking politically, and I'm going to keep on talking politically.

"Just one favor. Will you convey to them my request that whenever they fire me—and I don't object to that—they fire me in the morning."

He said, "Why in the morning?"

I said, "Because the best radio time"—we didn't have TV in those days—"the best radio time is the market time, the news time at noon. And I have arranged to hire me a little piece of radio time for noon. And the noon that they fire me I am going on the air and talk about how the Democrats have circumvented academic freedom and free speech in South Dakota."

Mr. Niven. This was more than a request—this was a threat, wasn't it?

Senator Mundt. Well, it was——

Mr. Niven. A counterthreat.

Senator Mundt. A counterthreat. So he said, "You wouldn't do that, would you, Karl?"

I said, "I've already made the arrangements to get the money to buy the time."

So he did convey the idea. And they thought it was a serious threat. And it was. So they didn't fire me, but they didn't hire me. So I taught for 2 years without a contract. Each fall, when they would come up for the orientation course of the faculty, the president would say, "Well come on up, Karl, now."

I said, "I haven't got a contract."

He said, "I know that, but you haven't any replacement."

I said, "I'll teach a month, but my enthusiasm for teaching is going to wane if I don't get a check at the end of the month."

So they paid me. And as a consequence—2 years later, a lot of the people in politics came to me and said, "Karl, won't you run for something. We need a candidate. We've been after you." And ultimately, as a result, I announced for Congress in 1936 and ran and got beat. And the day I announced, I went to the president, the night before, and said, "Now, I realize that I am now a politican, now running. It might be embarrassing to you. So I resign, at the pleasure of the board of regents."

What happened? They kept me on for 3 months after that and wouldn't let me quit—even after I was a candidate for office.

Mr. Niven. In 1938 you were elected to the House——

Senator Mundt. Two years later.

Mr. Niven. And very soon you began to play a leading role in investigations. Was this by accident, or did you ask for assignment to the House Un-American Activities Committee?

Senator Mundt. No—I was interested in that, Paul, and I asked for it, because I had heard a lot about Martin Dies before I came down here.

Two or three summers before I came down here, Mrs. Mundt and I had gone up to Denver, Colo.; I was serving as program director for the Rocky Mountain Writers Conference which was being held in Indian Springs Colony, and later was held at the University of Colorado at Boulder.

While I was there, I met for my first time a Communist, several Communists. They seemed to be very interesting people. They seemed to be nice people. But they were Communists.

Mr. Niven. Avowed American Communists.

Senator Mundt. Avowed American Communists—open.

And so one night they said: We were going to go to Elitch Gardens, actually, to go to a show there, summer theater.

We had invited these people—didn't know much about them, at the colony. We liked them socially. And at that time I didn't know they were Communists, but they were a different kind of people than the kind of people I had been talking to in South Dakota.

They said, "We can't go—we've got an important meeting."

So I took a real long shot and I said, "What are you doing, going to a Communist meeting?"

They said, "Yes."

I said, "Take me along."

They said, "Take you along—with your Kiwanis button on, with your Masonic ring on? You—a Republican? They'd throw you out."

I said, "Look, I'll take off all this identification and jewelry. I won't say a word. I would just like to know what a Communist meeting is like."

So I sat in at a Communist cell meeting.

It started about 8 o'clock. It was an indoctrination course that lasted until 2 or 2:30 in the morning.

And I was simply frightened out of my shoes at what I heard, assuming that these fellows were serious about their plan. And I subscribed to some of the available literature so I could read it. And they kept sending it to me. Actually, they kept—I subscribed for 1 year, and they kept sending it to me until I had been on the Dies committee for 2 years, and then they began to discover they were feeding it to the enemy.

So as a result of that background, having heard about that, having become disturbed about it, knowing that this was serious business, at least in the minds of some people—when I got down here, I put in, as you say, for membership on the House Committee on Un-American Activities under Martin Dies and got appointed and started serving.

Mr. Niven. You decided, long before many of your colleagues, that Alger Hiss' confessions of innocence should not be believed.

What persuaded you?

Senator Mundt. Well, two things.

In the first place, having had this experience of sitting in at a Communist cell meeting and knowing how these fellows operated through duplicity, I was perhaps a little bit more allergic to some of the indications than the average Member of Congress.

The second thing—and I can tell this now—and this is rather interesting, because it pays tribute to a great American. After we had worked on this for a long time, and we began—there had been a lot of different reports and a lot of different rumors as to when did the committee finally decide that Hiss was the guilty fellow instead of Chambers.

Looking at the two, it wasn't clear. Alger Hiss was a very presentable, talented, capable young man, and you couldn't tell by looking at Whittaker Chambers much about his background.

So for a long time the committee knew that somebody was lying, and we had to find out who.

A friend of mine down in the State Department, pretty high up—and I have never told this before, in public—his name is Jack Purifoy, well known in this town, a great American from South Carolina—came to me one afternoon very troubled. And he said, "Karl, I don't know what to do. I'm torn between loyalty and duty."

I said, "What do you mean by that?"

He said, "Frankly, all I owe, all I am I owe, in this town, to Dean Acheson, now Secretary of State. He picked me up, got me started when I was an elevator boy in the House of Representatives, got me in the State Department, kind of nursed me along. And I don't want to do him a disservice. And still, I'm a good American. And I know that what you are saying and insinuating about Alger Hiss is true, because I have access to the security files in the State Department which President Truman has denied to you. Now, what do I do?"

I said, "Well, this is something for you to decide, Jack."

He said, "Would it be helpful to you if you could see those security files?"

I said, "We have been trying to for a long time, but the White House doesn't want us to have access to them," one of these constant arguments between the executive privilege and congressional committees.

He said, "If you will promise me two things—that you would never reveal how you found out, and two, that you would not use it to do damage to Dean Acheson, I'll arrange for you to see them."

I said, "It would not—I like Dean Acheson. I'm not fighting Dean Acheson. We are curious about Alger Hiss. And the second promise, I certainly will promise that as long as you and I are alive, nobody will ever get this out of my mind."

The only reason I tell it now—Jack Purifoy a few years later was killed in a sports car, in an accident overseas, as you recall.

Anyhow, he came up to my office one night, about 1 o'clock with this dossier. We spent 2 or 3 hours going over it. The evidence was there. There wasn't any question in the world but what Hiss was involved with these Communist activities and Communist agents.

So after examining it, I said, "Now, take this back, Jack. We are never going to refer to it. But this has been a tremendous help, because we know the truth is there. Ultimately we will find a way to prove it. And it gives us the confidence and the encouragement and determination to go ahead."

Mr. Niven. Was this before or after Dick Nixon made up his mind?

Senator Mundt. This was before. This was before the time—because Dick Nixon was convinced a little later, after we got into the actual hearings and the guff about the prothonotary warbler and the confrontation and the meeting up in the hotel—the Commodore Hotel in New York City. This is before that. This is the time we were determining whether or not really to go into a full-scale investigation.

Mr. Niven. Senator, your part in the McCarthy hearings and the McCarthy era was so great that we cannot go into all the details of it. But I would like to ask you one question.

Do you agree with those who say that while some of McCarthy's methods may have been wrong, he was sincere?

Senator Mundt. Yes. If you talk in terms of Joe McCarthy being a sincere opponent of communism, there is no question about that. And he was sincerely trying to do something about it. And I also agree, and told him many times, that, of course, some of his methods seemed to me were wrong. But it is pretty hard, I might add—I suspect my methods were wrong in a way when I looked at those things at midnight in my office. But when you are out killing rattlesnakes in a State like South Dakota for example, where we have some in the prairie country, you don't spend too much time looking at the rulebooks and the Marquis of Queensbury rules to find out what is the appropriate way to fight a rattlesnake. And a Communist is a rattlesnake as far as the freedoms and security of the people are concerned.

So while his methods were wrong, he was dedicating them to the eradication of a pretty serious situation in America.

Mr. Niven. You don't agree at all, then, with his critics who said that he wasn't really interested in communism but merely used the issue to advance his career.

Senator Mundt. No—put on that basis, I would not agree.

Mr. Niven. Well, now, sir, you are in the center of the Billie Sol Estes investigation, and the Washington Post this morning says that a House subcommittee is sitting on the hottest political testimony yet given in the Estes case, testimony involving eight Members of Congress; and it says that some of these Members have been seen importuning the subcommittee chairman, begging him not to divulge the testimony because it would affect their reelection campaigns.

I wonder if your inquiries into the Estes case have——

Senator Mundt. No. I can say this, Paul—that our inquiry in the Estes case has not come across the trail of any other Members of Congress other than those whose names have already appeared in the press. And that would indicate that the House committee may have come across something which involves others. If that is true—we know nothing about it at this stage.

Mr. Niven. You don't know of any evidence which has been buried so far to protect Members of Congress.

Senator Mundt. No, sir; and there will be none buried in the committee on which I serve. John McClellan and I, at the very beginning, agreed—and we have been on a lot of investigating committees together, through a lot of turmoil together—he served at my right-hand side when I was chairman of the Army-McCarthy hearings. So we went through that baptismal of fire together, too.

Now, we started out at the very beginning—we are not going to persecute anybody, we are not going to protect anybody, we are going to let the chips fall where they may. And while I certainly hope that no Democrat or no Republican Member of the House or the Senate is guilty of any wrongdoing, if we find it, we will expose it.

Mr. Niven. This is probably fairly poignant personally when a colleague of years standing and a good friend comes to you and says, "Please suppress this because it will hurt me."

Senator Mundt. I have never had it happen. I can conceive that it might happen. If what you report from the Washington Post is true, maybe it will happen on Monday. But I have never yet had a colleague of mine come to me on an investigating committee and say, "Keep this under cover because it would hurt me." He would know to begin with that this would only intensify my efforts to expose it. We believe in these investigations that there is no immunity that should be attributed to a Member of the Senate or the House. We are all citizens together, we are all bound by the same rules of ethics, and private citizens or public citizens, the Department of Agriculture official or Member of Congress should live by the same rules.

Mr. Niven. How long do you expect these probes into Mr. Estes' affairs to continue?

Senator Mundt. They are going to last quite a while, because we have got at least 22 or 23 witnesses that we know of now, that we are still going to interrogate as far as the present phase of our investigation, which deals mostly with the cotton allocations. Ultimately we are going to have to go to the grain storage operations as well, and perhaps into various other aspects, such as the house-building aspects, and other aspects of Estes' activities.

So we have got a long row of stumps ahead of us.

Mr. Niven. Will it be a campaign issue?

Senator Mundt. Anything you take up here, Paul, is a campaign issue. In a way it will be—depending upon the disposition—remember, we don't have a national campaign; we have a guerrilla war this time, congressional campaigns.

In the country districts, I suspect the Republicans are going to make considerable of the fact that there have been these breakdowns in the Department of Agriculture. And I suspect that whatever political activity there is, what gain there is, will naturally derive to the Republicans because this is happening under a Democratic administration and of Billie Sol Estes was a very heavy contributor to the Democratic national campaign and to the party.

But our committee certainly is not going to play this politically at all.

Mr. Niven. Senator, back in 1951 and 1952 you considered at length and in detail and strongly advocated an alliance and eventually a merger between the Republican Party and the southern Democrats. So you still favor such an alliance or merger?

Senator Mundt. Yes—although we did not advocate it exactly in those terms, Paul.

What we were thinking about then and what I still think merits considerable thought is a realinement of political thinking in this country.

Because really what you have in this country today are four political parties—going along under the labels of two.

You have got to the so-called modern liberal, that I refer to as a 20th-century tory, because they want to grab more and more power and place it in the hands of the Central Government. I don't think it is liberalism at all. But you have the so-called modern liberal.

Then you have the traditional liberal, the fellow who believes in doing things for people and helping people, but not by concentrating power in Washington, but by expanding their personal opportunities.

Then you have what you call the progressive conservative—which is what I call myself. I believe in using conservative methods, the procedures of the Constitution in the past, to progress to newer heights.

And then you have what I would call the traditional conservative, the fellow who just sort of feels that Government has done about as much as it should, gone about as far as it can.

Now, in those four, it seems to me, if you break them down into two political parties—because you find that the so-called traditional liberal and progressive conservative work together. And in the main these will be recruited from the areas of the South and the rural areas of the North, which I think could get together in one political party with one set of concepts; and the urbanized areas of the North and the so-called liberals get together as another.

Mr. Niven. Do you think the Republican Party can gain support in the South without losing it in the North?

Senator Mundt. Yes; I think it is getting easier for us, the Republicans, now to get support in the South without losing it in the North than it has become for the Democrats who, in their efforts to keep their northern so-called liberal—what I called 20th-century tory—for them to continue to do these things and hold the South is getting increasingly difficult, as the polls are clearly indicating.

Mr. Niven. Thank you very much, Senator Mundt.

Announcer. Our guest has been Senator Karl E. Mundt, Republican of South Dakota.

He was interviewed by CBS News Correspondent Paul Niven.

Mr. PASTORE. Mr. President, is there further morning business?

The PRESIDING OFFICER (Mr. Lausche in the chair). Is there further morning business? If not, morning business is closed.

LEGISLATIVE APPROPRIATIONS, 1963

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 11151) making appropriations for the legislative branch for the fiscal year ending June 30, 1963, and for other purposes.

Mr. PASTORE. Mr. President, the legislative appropriation bill, which is the pending business before the Senate, recommends appropriations in the amount of $146,690,690. This is an increase of $32,956,800 over the bill as it passed the House of Representatives.

The bulk of this increase, $29,601,160, is the appropriation for fiscal year 1963 for the U.S. Senate. By tradition, the House does not include the items in the bill for the Senate.

Under the Architect of the Capitol, there is an increase over the House bill in the amount of $2,235,000, which is the sum needed by the Architect to operate the two Senate Office Buildings and the subway system.

The committee has adopted an amendment proposing an appropriation of $37,500 under the Architect of the Capitol for restoration of the Old Senate and Old Supreme Court Chambers. The purpose of this appropriation is described in detail on page 10 of the committee report, and the Senators' attention is directed to pages 41 through 103 of the Senate hearings on this bill, which contain many impressive illustrations and a complete report on the Old Chambers.

For the Library of Congress, the committee has included the additional sum of $976,350 under "Salaries and expenses." Twenty thousand eight hundred and fifty dollars of this amount is for the financing of a new Children's Book Section in the Library, which it is expected will result in a more effective utilization of the superior collection of children's books and periodicals now deposited in the Library. The balance of the increase of $955,500 is for renovation and maintenance costs for Library space at the Naval Weapons Plant. The Library of Congress is working in very cramped quarters. The Congress has recognized this for the past 2 years by providing funds to rent commercial space.

The Library, however, has been unable to find the necessary space. The General Services Administration has offered suitable space at the Naval Weapons Plant provided the Library reimburses General Services Administration for the cost of the necessary alterations. The committee recommends this appropriation because the investment for alterations will be amortized within 6 years through the savings resulting from the use of federally owned facilities as compared with commercial rental space. After the new building is completed for the Library, which is presently under consideration, this space will be available for another Government agency.

I referred earlier to the increase in the bill for the Senate. The amount recommended for fiscal year 1963 is $800,820 in excess of the appropriations for fiscal year 1962. A large part of this increase, $746,000, is for the additional clerk provided for each Senator and the Vice President in the second supplemental appropriation bill, 1962.

Mr. President, that question has already been decided. We are now proposing to provide the money for the action the Senate has already taken by way of the second supplemental appropriation bill, which was signed into law on July 25, and for the increase allowed the Senators from the States of New York and Virginia as a result of the population expansion in those States, as provided by law.

The committee recommends the adoption of a longevity compensation plan for those general Senate employees who serve all senatorial offices and the public, whereby these employees will receive nominal increases periodically.

The Committee plan provides automatic increases in compensation after each 5-year period of continuous service, but not to exceed four such periodic increases for most regular employees under the offices of the Secretary of the Senate, the Sergeant at Arms, the secretaries to the majority and minority, and the Official Reporters of the Senate. The longevity provision will not apply to employees of Senators or committees and it will not alter the existing financial structure for clerk-hire of Senators and committees.

Under the longevity proposal, an employee whose basic compensation is less than $1,800, exclusive of any additions received under the longevity provision, will receive periodic basic increases of $120—currently a gross increase of $235—and those whose basic compensation is $1,800 or above will receive periodic basic increases of $180—currently a gross increase ranging from $316 to $364.

But in any case in which an employee has been employed for more than 5 years, of course, he can receive only the first step. He must then wait another 5 years for the second step.

At the end of 20 years' continuous service, an employee will receive his fourth and last periodic increase. In no case shall the longevity provision authorize a total amount of compensation in excess of a maximum or ceiling prescribed by law for Senate employees.

The longevity provision becomes effective on September 1, 1962, and only continuous service performed subsequent to August 31, 1957—the immediate previous 5-year period—shall be credited, as I have already explained.

It is estimated that the first-year cost of the program will be in the neighborhood of $60,000 for all employees who are within the purview of the provision.

The salaries of most of the employees covered by this provision can only be increased in one of the appropriation acts. This places the officers of the Senate and the committee in the difficult position of having to consider numerous requests for adjustments annually.

At this juncture let me say that we have received a number of requests from Senators and other people who are interested in other employees who serve the Senate. All deserve a great amount of consideration, and the requests should be given great weight. But the committee felt that at this time it should deny all such requests. That is precisely what we have done. In many instances, the requests are justifiable and reasonable, based on length of service. However, favorable action in one instance may result in the creation of inequities for other employees.

The committee believes that with the adoption of this longevity plan the employees will have something to look toward and that it will greatly reduce the number of requests for individual promotions.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc; that the bill, as so amended, be considered as original text for the purpose of further amendment; and that no points of order against legislation in an appropriation bill be waived.

The **PRESIDING OFFICER**. Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

At the top of page 2, insert a new heading "Senate".

On page 2, after line 1, to insert:

"COMPENSATION OF THE VICE PRESIDENT AND SENATORS, MILEAGE OF THE PRESIDENT OF THE SENATE AND SENATORS, AND EXPENSE ALLOWANCES OF THE VICE PRESIDENT AND LEADERS OF THE SENATE

"Compensation of the Vice President and Senators

"For compensation of the Vice President and Senators of the United States, $2,471,140."

On page 2, after line 8, to insert:

"MILEAGE OF PRESIDENT OF THE SENATE AND OF SENATORS

"For mileage of the President of the Senate and of Senators, $58,370."

On page 2, after line 12, to insert:

"EXPENSE ALLOWANCES OF THE VICE PRESIDENT, AND MAJORITY AND MINORITY LEADERS

"For expense allowance of the Vice President, $10,000; Majority Leader of the Senate, $2,000; and Minority Leader of the Senate, $2,000; in all, $14,000."

On page 2, after line 17, to insert:

"SALARIES, OFFICERS AND EMPLOYEES

"For compensation of officers, employees, clerks to Senators, and others as authorized by law, including agency contributions and longevity compensation as authorized, which shall be paid from this appropriation without regard to the below limitations, as follows:

"OFFICE OF THE VICE PRESIDENT

"For clerical assistance to the Vice President, at rates of compensation to be fixed by him in basic multiples of $5 per month, $127,645."

On page 3, after line 4, to insert:

"CHAPLAIN

"Chaplain of the Senate, $8,810."

On page 3, after line 6, to insert:

"OFFICE OF THE SECRETARY

"For office of the Secretary, $720,460: *Provided,* That effective July 1, 1962, the Secretary may appoint and fix the compensation of a second assistant parliamentarian at not to exceed $5,700 basic per annum."

On page 3, after line 11, to insert:

"COMMITTEE EMPLOYEES

"For professional and clerical assistance to standing committees, and the Select Committee on Small Business, $2,551,200."

On page 3, after line 15, to insert:

"CONFERENCE COMMITTEES

"For clerical assistance to the Conference of the Majority, at rates of compensation to be fixed by the chairman of said committee, $77,325."

On page 3, after line 19, to insert:

"For clerical assistance to the Conference of the Minority, at rates of compensation to be fixed by the chairman of said committee, $77,325."

At the top of page 4, to insert:

"ADMINISTRATIVE AND CLERICAL ASSISTANCE TO SENATORS

"For administrative and clerical assistants and messenger service for Senators, $12,676,275."

On page 4, after line 4, to insert:

"OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

"For office of Sergeant at Arms and Doorkeeper, $2,522,780: *Provided,* That effective July 1, 1962, the Sergeant at Arms may employ a chief messenger at $2,460 basic per annum, and a truck driver at $2,700 basic per annum."

On page 4, after line 10, to insert:

"OFFICES OF THE SECRETARIES FOR THE MAJORITY AND THE MINORITY

"For the offices of the Secretary for the Majority and the Secretary for the Minority, $126,350."

On page 4, after line 14, to insert:

"OFFICES OF THE MAJORITY AND MINORTY WHIPS

"For four clerical assistants, two for the Majority Whip and two for the Minority Whip, at rates of compensation to be fixed in basic multiples of $60 per annum by the respective Whips, $14,170 each; in all, $28,340."

On page 4, after line 19, to insert:

"OFFICIAL REPORTERS OF DEBATES

"For office of the Official Reporters of Debates, $214,990."

On page 4, after line 21, to insert:

"OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

"For salaries and expenses of the Office of the Legislative Counsel of the Senate, $232,240."

At the top of page 5, to insert:

"CONTINGENT EXPENSES OF THE SENATE

"Legislative reorganization

"For salaries and expenses, legislative reorganization, $125,940."

On page 5, after line 4, to insert:

"SENATE POLICY COMMITTEES

"For salaries and expenses of the Majority Policy Committee and the Minority Policy Committee, $163,975 for each such committee; in all, $327,950."

On page 5, after line 8, to insert:

"JOINT ECONOMIC COMMITTEE

"For salaries and expenses of the Joint Economic Committee, $250,000."

On page 5, after line 11, to insert:

"JOINT COMMITTEE ON ATOMIC ENERGY

"For salaries and expenses of the Joint Committee on Atomic Energy, $294,010."

On page 5, after line 14, to insert:

"JOINT COMMITTEE ON PRINTING

"For salaries and expenses of the Joint Committee on Printing, $114,125; for expenses of compiling, preparing, and indexing the Congressional Directory, $1,600; in all, $115,725."

On page 5, after line 19, to insert:

"AUTOMOBILES AND MAINTENANCE

"For purchase, exchange, driving, maintenance, and operation of four automobiles, one for the Vice President, one for the President Pro Tempore, one for the Majority Leader, and one for the Minority Leader, $36,000."

At the top of page 6, to insert:

"FURNITURE

"For service and materials in cleaning and repairing furniture, and for the purchase of furniture, $31,190, and an additional amount for furniture, fiscal year 1962, $8,340: *Provided*, That the furniture purchased is not available from other agencies of the Government."

On page 6, after line 6, to insert:

"INQUIRIES AND INVESTIGATIONS

"For expenses of inquiries and investigations ordered by the Senate or conducted pursuant to section 134(a) of Public Law 601, Seventy-ninth Congress, including $380,000 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution Numbered 193, agreed to October 14, 1943, $3,797,210."

On page 6, after line 14, to insert:

"FOLDING DOCUMENTS

"For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $1.90 per hour per person, $34,295."

On page 6, after line 18, to insert:

"MAIL TRANSPORTATION

"For maintaining, exchanging, and equipping motor vehicles for carrying the mails and for official use of the offices of the Secretary and Sergeant at Arms, $16,560."

At the top of page 7, to insert:

"MISCELLANEOUS ITEMS

"For miscellaneous items, exclusive of labor, $2,390,565, including $85,000 for payment to the Architect of the Capitol in accordance with section 4 of Public Law 87-82, approved July 6, 1961."

On page 7, after line 5, to insert:

"POSTAGE STAMPS

"For postage stamps for the offices of the Secretaries for the Majority and Minority, $140; and for airmail and special-delivery stamps for office of the Secretary, $160; office of the Sergeant at Arms, $125; Senators and the President of the Senate, as authorized by law, $55,550; in all, $55,975."

On page 7, after line 12, to insert:

"STATIONERY (REVOLVING FUND)

"For stationery for Senators and the President of the Senate, $181,800; and for stationery for committees and officers of the Senate, $13,200; in all, $195,000, to remain available until expended."

On page 7, after line 17, to insert:

"COMMUNICATIONS

"For an amount for communications which may be expended interchangeably for payment, in accordance with such limitations and restrictions as may be prescribed by the Committee on Rules and Administration, of charges on official telegrams and long-distance telephone calls made by or on behalf of Senators or the President of the Senate, such telephone calls to be in addition to those authorized by the provisions of the Legislative Branch Appropriation Act, 1947 (60 Stat. 392; 2 U.S.C. 46c, 46d, 46e), as amended, and the First Deficiency Appropriation Act, 1949 (63 Stat. 77; 2 U.S.C. 46d-1), $15,150."

On page 12, line 15, after "$150,000", to insert "of which such amount as may be necessary may be transferred to the appropriation under such heading for the fiscal year 1962".

On page 19, after line 5, to insert:

"JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

"For an amount to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry out the duties imposed upon it by section 601 of the Revenue Act of 1941 (55 Stat. 726), to remain available during the existence of the committee, $26,790, to be disbursed by the Secretary of the Senate."

On page 22, after line 11, to insert:

"RESTORATION OF OLD SENATE CHAMBER AND OLD SUPREME COURT CHAMBER IN THE CAPITOL

"To enable the Architect of the Capitol to prepare working drawings, specifications, and estimates of cost for restoration of the Old Senate Chamber on the principal floor of the Capitol and the Old Supreme Court Chamber on the ground floor of the Capitol substantially to the condition in which these chambers existed and were furnished when last occupied in 1859 and 1860, respectively, by the United States Senate and the United States Supreme Court, $37,500."

On page 23, after line 5, to insert:

"SENATE OFFICE BUILDINGS

"For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment, and for labor and material incident thereto, and repairs thereof; for purchase of waterproof wearing apparel, and for personal and other services; including eight female attendants in charge of ladies' retiring rooms at $1,800 each; for the care and operation of the Senate Office Buildings, including the subway and subway transportation systems connecting the Senate Office Buildings with the Capitol; uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); to be expended under the control and supervision of the Architect of the Capitol; in all $2,235,000."

On page 26, line 20, after the word "clothing", to strike out "rental of buildings in the District of Columbia and, if found advantageous to the United States by the Librarian of Congress, without regard to section 3709 of the Revised Statutes, as amended;" ; on page 27, line 1, after the word "Board", to strike out "$8,930,000" and insert "$9,906,350"; and in line 4, after the numerals "1963", to insert a colon and "*Provided further*, That not to exceed $1,100,000 shall be available for reimbursement to the General Services Administration for alterations including air conditioning, of space to be occupied by the Libary of Congress in the Naval Weapons Plant."

On page 29, line 12, after the word "expended", to strike out "$678,000" and insert "$758,000", and in line 13, after the word "which", to strike out "$630,000" and insert "$710,000".

On page 33, after line 10, to insert a new section, as follows:

"SEC. 105. No part of any amount appropriated in this Act shall be available to finance, under authority of section 4167(a) of title 39, United States Code, the mailing and delivering of mail matter sent through the mails with a simplified form of address under the franking privilege by any Member or Member-elect of Congress to postal patrons, including those patrons on rural or star routes."

On page 33, after line 17, to insert a new section, as follows:

"SEC. 106. (a) This section shall apply to—

"(1) Each employee of the Senate whose compensation is paid from the appropriation for Salaries, Officers and Employees under the heading 'Office of the Secretary', except the Assistant to the Majority, and the Assistant to the Minority.

"(2) Each employee of the Senate whose compensation is paid from such appropriation under the heading 'Office of Sergeant at Arms and Doorkeeper', except employees designated on the rolls as 'special employees'.

"(3) Each employee of the Senate whose compensation is paid from such appropriation under the heading 'Official Reporters of Debates'.

"(4) Each employee of the Senate whose compensation is paid from such appropriation under the heading 'Offices of the Secretaries for the Majority and the Minority'.

"(5) Each employee of the Senate authorized by Senate resolution to be appointed by the Secretary or Sergeant at Arms, except employees designated on the rolls as 'special employees'.

"(6) Telephone operators, including the chief operator and assistant chief operators, on the United States Capitol telephone exchange.

"(7) Members of the Capitol Police.

"(b) An employee to whom this section applies shall be paid during any period of continuous service as such an employee additional basic compensation (hereinafter referred to as 'longevity compensation') at the rate of $120 per annum if at the time of such payment the annual rate of basic compensation (exclusive of longevity compensation) of the position in which employed is less than $1,800, or $180 per annum if at such time such rate is $1,800 or more, for each five years of service performed as such an employee during such period. No employee shall receive more than four such increases upon the basis of any period of continuous service, and nothing in this section shall be construed to authorize the payment to any employee of total compensation, including longevity compensation, in excess of the maximum amount prescribed by law for Senate employees generally. In computing length of continuous service for the purposes of this section only service performed subsequent to August 31, 1957, shall be credited, and in the case of employees of the Official Reporters of Debates of the Senate there shall be credited any service as such an employee performed during the period beginning on September 1, 1957, and ending on June 30, 1960, whether or not compensated from the appropriation referred to in subsection (a). Continuity of service for the purpose of this subsection shall not be deemed to be broken by separations from service of not more than thirty days or by the performance of service as an employee, other than an employee subject to the provisions of this section, whose compensation is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives, but such separations and service shall not be credited for the purposes of this section. Longevity compensation under this section shall be payable on and after the first day of the first month following completion of the five-year period upon which such compensation is based.

"(c) The Act of February 13, 1945 (Public Law 2, 79th Cong.; 2 U.S.C. 60i) is repealed, and no longevity increase payable under authority of such Act prior to the effective date of this section shall be payable on or after such date.

"(d) Section 105 of the Legislative Branch Appropriation Act, 1959 (Public Law 85–570) is repealed. Any member of the Capitol Police who prior to the effective date of this section completed service entitling him to be paid at a rate specified in such section 105 shall be entitled, so long as he continues to serve without break in service of more than thirty days as a member of the Capitol Police, to continue to be paid at such rate and, in addition, to receive any longevity increases for which he may become qualified under subsection (b) of this section, except that while receiving compensation at a rate specified in such section 105 (1) no such member shall receive more than three longevity increases under subsection (b) based upon any period of continuous service, and (2) in computing length of service for the purpose of such longevity increases, only service performed subsequent to the date on which such member began receiving compensation at a rate prescribed by such section 105 shall be counted.

"(e) This section shall become effective on September 1, 1962."

Mr. PROXMIRE. Mr. President, I call up my amendments identified as "8–1–62—B."

The PRESIDING OFFICER. The clerk will state the amendments.

The LEGISLATIVE CLERK. On page 5, line 7, strike out "$163,975" and insert in lieu thereof "$133,975".

On page 5, line 8, strike out "$327,950" and insert in lieu thereof "$267,950".

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator desire to have his amendments considered en bloc?

Mr. PROXMIRE. Yes; I ask that my amendments identified as "8–1–62—B" be considered en bloc.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

POLICY COMMITTEE SPENDING HIKE TOTALLY UNJUSTIFIED

Mr. PROXMIRE. What the amendments would do would be to eliminate the increase provided for the policy committees. Last year the Senate policy committees received an appropriation of $267,000. The bill provides for an increase of $60,000. It does so in spite of the fact that as far as I have been able to ascertain, a large part of that amount was not spent last year by the policy committees.

When the Senate policy committees were established in 1947, the first appropriation was $15,000. Gradually the policy committees have had larger and larger increases. In 1948 their budget was $41,000; in 1950, $43,000; by 1956 the appropriation was $95,000; and in 1959 it was $111,000. In 1960 there was an enormous increase, to $248,000. This year we are asked to increase the amount to $327,000 for the Senate policy committees.

WHAT DO POLICY COMMITTEES DO?

For years I have been trying to find out what the policy committees do. I have gone into some exploring to some of its legislative history, and so forth. I must say that I am quite disappointed.

Congress has made only one effort in recent years to create a law that would provide a framework within which the policies of our parties could be determined. Extremely exhaustive and thorough hearings were held by the Joint Committee on the Organization of Congress some 13 years ago. The legislative history of the law setting up policy committees that emerged from these hearings is a little complicated, because the bill introduced following the original committee report and which set up policy committees in both Houses of Congress was defeated in the House after having passed the Senate. After this rejection of policy committees in both Houses, policy committees for both parties were set up in the Senate.

But, Madam President, it is a simple truth that there is no visible similarity whatsoever between the purposes of the policy committee as set forth in the committee report on which the idea of policy committees was originally conceived and what the Democratic policy committee appears to be doing.

I am going to read the preamble to the specific recommendations that proposed the creation of policy committees in the report of the Joint Committee on the Reorganization of Congress on March 4, 1946:

> Strong recommendations were made for formal expression within the Congress of the main policies of the majority and minority parties. These recommendations called for some mechanism which could bring about more party accountability for policies and pledges announced and made in the national platform of the major political parties * * * only through the expression of the will of the people by their support of political parties on the basis of their platform pledges can the majority will be determined.

So a prime purpose of the policy committee according to the committee report was to serve as a mechanism for translating platform promises into law.

The report goes on to point out the role of the party caucuses within Congress to serve as an intermediate agency between the people who vote Republican or Democratic and the Republican or Democratic policy committees.

It then recommends that the policy committee—

First. Formulate the overall legislative policy of the two parties.

Second. Meet frequently to consider its role in expediting consideration and passage of matters pledged to the people by their party.

Third. On issues where party policy is involved the decisions of these policy committees would be formally announced in proceedings of Congress, and formal records would be kept of such decisions. No member of either party would be required to follow such announced party policy except as he chose to do so. Each member would be free to vote as he saw fit, but the record of his action would be available to the public as a means of holding both the party and the individual accountable.

Fourth. Membership on all policy committees would automatically expire at the close of each Congress.

Mr. President, there is no evidence that a single one of these recommendations has been followed even in part by the Democratic policy committee and there is ample evidence that all of them have been ignored.

Of course under the law the Senate policy committees can operate exactly as they see fit. They have no legal, and of course they have no moral obligation to follow the recommendations of the committee report I have quoted. This is because the Senate policy committees were set up after the original bill was defeated. I am sure the wise and experienced men on the policy committee are acting in complete accordance with their own excellent judgment—and I mean this sincerely—on how they can best serve their party and country. But it cannot be denied, Mr. President, that the great preponderance of testimony before the committee that recommended the establishment of policy committees in the first place, the recommendations of the committee itself in its report and virtually all the visible and evident thinking that has been done on this matter supports a policy committee that would establish and—what is just as important—communicate to all party Senators—the party's policies.

Mr. President, the reason why I raise this objection at this time is that we can see, on the basis of the history of these appropriations, that we are now appropriating 20 times as much as was originally appropriated by Congress only 15 years ago. These committees serve none of the functions for which they were set up—none of them. We are asked to increase the amount, this time, by another $60,000 and to raise the total amount from $267,000 to $327,000.

Mr. President, a distinguished political scientist, Prof. Hugh Bone, of the University of Washington, has made a conscientious investigation of the policy committees. He made it in June of 1956, but his findings are still largely valid. In the course of his findings he stated:

> Nowhere have the Democrats set down the functions for their policy committee.
>
> In talking with Senators and their assistants one finds, some Senators find the committees, particularly the Democratic committees, do very little, while others purport to see a few real achievements. This is because of the absence of standards for judging what the committees are supposed to do and can do.
>
> The conclusion is inescapable that the policy committees are misnamed. They have never been policy bodies in the sense of considering and investigating alternatives of public policy, and they have never put

> forth an overall congressional party program. The committees do not assume leadership in drawing up a general legislative program but consider certain proposals on an ad hoc basis as they arise or are due for consideration on the floor. Some important policies receive little or no discussion in the committee, and only rarely have committees labeled their decisions as party policies.

This is the heart of the Bone finding. Professor Bone states:

> On Capitol Hill the usefulness and accomplishments of the policy committees are recognized in three fields: Service and research—

The Democratic policy committee staff does this for the majority leader not individual Senators—

> education—

Since the Democratic policy committee as such does not communicate with other Democratic Senators except in providing vote cards after rollcall votes on the Senate floor, this function is limited—

> and legislative scheduling.

In this respect Bone finds:

> Scheduling in the real sense of the word involves discussion of strategy, decision as to sequence and consideration of timing. Neither policy committee as a committee, appears to have gone into these matters with any degree of regularity.
>
> Policy committee sessions are meetings of some of the men of power in the Senate at which political strategy, policy, program, and adverse other matters are discussed.

Meetings of the Democratic policy committee are private. No reports of any kind are made to other Democratic Senators.

EXPLANATION CALLED FOR

Mr. President, on the basis of the record, it seems to me that if these committees are to ask for an increase of $60,000, which is a 20-percent increase in the appropriations, there should be an explanation, or we ought to know something about it, or there ought to be something in the hearings, or there ought to be something in the report.

But there is no explanation in either the hearings or the report for this substantial increase.

Yesterday the Senate passed the largest peacetime appropriations bill in the history of the Nation—more than $48 billion. Other substantial appropriation bills were passed. Almost all represented huge increases over previous years.

If there is to be any opportunity for real economy in the Government, there is no question that we must start now with ourselves in the legislative branch. It is true that $60,000 is not $48 billion. It is true that $60,000 is relatively small, relatively modest; but we must set an example. How in the world can we expect officials in the Armed Forces and all the other Government agencies to practice economy if Congress is so extravagant with itself, if Congress refuses to reveal to its own Members the reason for the enormous increase in its appropriations?

I hope that the leadership on both sides will explain why it is necessary to have this big increase, and will justify it. I hope they will tell us why it is that the policy committees do not conform with the basic legislation, because they seem to provide virtually no information or assistance to most Senators. How can the leadership justify an appropriation 20 times greater than the original appropriation 15 years ago?

Mr. DIRKSEN. The item as it pertains to the policy staff on the Republican side is necessary. I hope the Senate will reject the amendments of the Senator from Wisconsin. Never has the minority had the benefit of so much excellent and scholarly work from its policy staff as it has now. The staff has been completely reorganized. It has been given new leadership. The results of the staff work are available to every Member on the minority side. The staff has developed monographs; it has done work on the Appropriations Committee. In a way, I am sorry that the amount is not a little larger, so that even more work might be done.

The staff has been refined, and now has some excellent members.

When the distinguished Senator from Wisconsin talks about the huge appropriation bills, I remind him that the very purpose of the increases sought in this bill is to enable more analytical work to be done on appropriation bills and on policy matters.

Mr. PROXMIRE. Mr. President, will the Senator from Illinois yield at that point?

Mr. DIRKSEN. I yield.

Mr. PROXMIRE. I think the Senator from Illinois has an excellent point. I have always felt that Senate committees should be well staffed. I for one would warmly support any request for a more adequate staff for the minority on standing committees. But the policy committees, which are supposed to work on party policy, belong to the parties. It is not at all clear to me what they do, and I have been as diligent as any other Senator in challenging them to tell what they do. So it is hard to justify this increase.

If the Senator is asking for a more adequate staff of experts on the Appropriations Committee, in order to have more effective research performed, I think that would be excellent. But that is not a justification for increasing the staffs of the Republican and Democratic policy committees.

Mr. DIRKSEN. Mr. President, I have written to the chairman of every standing committee of the Senate and also to every ranking Member on our side. I have sought to ascertain whether they would cooperate with representatives of the Library of Congress to make a staff study. That study is at present underway, and the staff which is conducting the work has taken up quarters in the room of the Committee on Rules and Administration in the Old Senate Office Building. It is anticipated that it will be possible for them to make a report on this subject sometime in January. It may be some time thereafter before we can act on it. But we will need this staff; and in lieu of other facilities in that field, the policy staff is somehow filling that deficiency and is doing excellent work.

Obviously, I cannot speak for the situation on the majority side; I do not know about it. But I do know that the minority policy staff sits with the minority policy committee at every one of its luncheons, every Tuesday, or whenever it is held; and we work with them almost every week. Those meetings are attended by every minority Member when he is in town. So there is a close integration between our policy committee staff and the members of the minority party. This is one of the most useful, vital arrangements of which I have any knowledge. For that reason, we have sought to get even more than the $30,000 allowed; but we were finally content to accept $30,000, and obviously it was necessary to provide a similar amount for the majority policy committee.

Mr. PASTORE. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. PASTORE. Precisely on that point, especially with reference to the argument made by the distinguished Senator from Wisconsin, we of the Democratic policy committee returned $63,952.52 of last year's appropriation. That does not mean that we have been extremely frugal and that the Republicans have been extravagant; not at all. As the Senator from Illinois has pointed out, the minority must rely more on its staff because it does not have a comparable number of staff members on the various committees. We on the majority side are perhaps better staffed in that regard and therefore do not have to rely to the same extent upon our policy committee. But it is true that once funds are provided to one side, they must also be provided to the other side.

I hope that both the majority and the minority will watch this situation very closely. At best, this is a thankless job. It is not easy for a Member of the Senate who comes in contact with other Members of the Senate, especially when he is pressed by his own majority leader or the minority leader, to stand up and say, "No." It is not pleasant to do that; but it must be done from time to time.

I trust that both the majority leader and the minority leader will watch the policy committee appropriations and the conference committee appropriations very carefully, and will exercise all possible restraint in the future not to ask for additional money.

Mr. DIRKSEN. I think I may say that the director of our policy committee staff is very careful about the expenditure of public funds. He is most careful in the selection of personnel, to make certain that those who are selected have a given talent for the job that has to be done. If the decision were left to me, the amount would be substantially larger. I think that the amount which is now requested is very modest, indeed. Therefore, I hope the amendments will be rejected and that the distinguished Senator from Wisconsin will not press them.

Mr. PROXMIRE. Mr. President, will the Senator yield to answer further questions?

Mr. DIRKSEN. I yield.

Mr. PROXMIRE. Why is there a request for this increase when in the most recent year for which the information is available, fiscal 1961, some $44,000 was left over?

Mr. DIRKSEN. We have revamped our policy committee staffs since that time.

Mr. PROXMIRE. Last year the appropriation was $133,975 for each committee.

Mr. DIRKSEN. Yes. With the death of Senator Bridges and the election of a new chairman of our policy committee, the staff work was increased, and new arrangements have been made. The staff is functioning exceedingly well. That is probably the reason why the money was returned.

Mr. PROXMIRE. Now I should like to ask the acting majority leader, the distinguished Senator from Rhode Island, why it is necessary to have this increase at a time when there was a lapse of $44,000 out of a smaller appropriation?

Mr. PASTORE. For the simple reason, to give the best explanation I can, that many Senators felt last year that they should have additional clerks. They barraged me with requests. It was not easy for the Senator from Rhode Island to accede to the requests, because he, at least, is one Senator who does not use all his allotment. Fundamentally, I did not need extra clerks. But many other Senators did. After all, one cannot begin to dissect the problem in that way. If an amount is given to one Senator, provision must be made for all. Then each Senator must find it within his own conscience, in serving his constituents, in serving the Nation, in serving the taxpayers, not to employ anyone unless such employment is absolutely essential, and to return unused money to the Treasury.

The same argument applies in this instance. We make a line appropriation. We split it between the two committees. Last year we returned $63,952. I hope that if the Democratic policy committee does not need the $30,000 next year, they will return $94,000. But we cannot give to one party without giving to the other. All I say is: Let conscience be their guide; let restraint prevail; let the taxpayers profit; let the money be returned if it is not needed.

Mr. PROXMIRE. I should like to ask the Senator from Rhode Island if it is not true that salaries last year were $160,000, in the aggregate, which would be less than half of this appropriation? Apparently there is a great deal more than salaries of staffs involved in this appropriation. There must be a number of other expenses. What are they? What is involved?

Mr. DIRKSEN. Most of ours is transportation.

Incidentally, to keep the RECORD straight, I think only $6,200 was returned last year by the minority policy committee; at least, so I am advised by the staff of the Appropriations Committee.

Mr. PROXMIRE. Can the Senator from Rhode Island answer the question?

Mr. PASTORE. I am not prepared to give the detailed background, because I did not anticipate this question. But I shall have the answer inserted in the RECORD. The Democratic policy committee does not belong to me any more than it does to the Senator from Wisconsin. If he wishes me to obtain that information from the Democratic policy committee, I will obtain it and will have it placed in the RECORD.

Mr. PROXMIRE. The reason why I asked for the information is that this item is above the budget.

Mr. PASTORE. Well, the legislative budget is somewhat different. Our budget officer is the disbursing officer, who now is standing in the rear of the Chamber, and whose office is just a short way down the corridor outside this Chamber. He takes last year's budget and works from it.

We take all the requests and analyze them and digest them as best we can, and try to impress upon those involved—many of whom have been here longer than I—the necessity of keeping it within reasonable limits.

Mr. PROXMIRE. I hesitate to press for the adoption of this amendment, because I have the greatest admiration and respect for the Senator from Rhode Island, and I recognize the spot he is in. He believes deeply in economy, and in the past he has made a great fight for economy. So there is nothing personal at all in my request. Nevertheless, it seems to me that we should have an explanation for the well over $100,000 of proposed spending that will not be used for salaries. What will it be used for? The Senator knows that no Senator has taken advantage of it.

Mr. PASTORE. I am not saying that the Senator from Wisconsin is not entitled to the information. He should have it, and I will see that it is provided. I will go to the policy committee for it, just as he is at liberty to do. He, himself, could get the figures and could have them printed in the RECORD.

In conclusion, I wish to say that I have been in public life ever since 1934, but never have I had a more grueling job to do than one I have had in serving as chairman of this subcommittee.

Mr. PASTORE subsequently submitted the following statement:

SENATE POLICY COMMITTEE EXPENDITURES, FISCAL YEAR 1962

Salaries	$189,454.15
Other expenditures	11,217.88
Total	200,672.03
Returned to Treasury	67,277.97
Total appropriated fiscal year 1962	267,950.00

Mr. PROXMIRE. Madam President—

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The Senator from Wisconsin.

Mr. LAUSCHE. Madam President—

Mr. PROXMIRE. Madam President, I ask unanimous consent that at this time I may yield to the Senator from Ohio, without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. Madam President, I recognize that the Senator from Rhode Island is entirely sincere and is burdened with a task which should not be placed upon any one man. However, I wish to give corroboration to the statement made by the Senator from Wisconsin. We cannot talk about economy in other branches of the Government unless we economize in the Senate, over which we have the greatest power.

At this point I wish to refer to five articles written by Mr. Worth Bingham, of Ohio, and published in the Louisville Courier-Journal. In the first of the series of five articles he wrote as follows:

> The most stunning figure in the 1,171-page Federal budget is the cost of keeping a Congressman in Washington.

He states that it is $235,000 a year. He has accumulated a great number of figures. I can challenge many of them, and I am challenging the correctness of many of them. But basically he is telling the truth.

I read further from the article:

> Overall congressional costs since 1953 have risen six times as fast as the rest of the Federal budget. From $60,849,000 a decade ago, they have risen to $147 million for the 1963 fiscal year.

I do not need another clerk in my office; I do not need another employee. The money now available to me is more than I have spent, and that is also true of the Senator from Rhode Island.

Mr. PASTORE. That is correct; I return money to the disbursing officer.

Mr. LAUSCHE. Yes. For example, I have been allowed $9,000 for telegrams, in 1 year. I spent only $200.

Mr. PASTORE. I think I spent even less.

Mr. LAUSCHE. That illustrates the extravagance of our budget. Why should I spend $9,000 for telegrams, per year? The allowance of that money is an incentive to spend it.

Furthermore, I have been allowed for long-distance telephone calls far in excess of what I need.

All the things of this sort that we do lead in the direction of extravagant spending, rather than in the direction of putting a damper upon the zest to spend.

Mr. PASTORE. Madam President, if the Senator will yield at this point, let me say that the important thing to emphasize is that, after all, I am only the chairman of the Appropriations Subcommittee. I do not govern the authorizations, in many instances.

We are now barraged by resolutions approved by the Committee on Rules and Administration. We have denied a request to make certain renovations in the old tunnel. Our committee denied that.

There was a request for the installation of certain lights in the Old Senate Office Building. We denied that, too; but the Rules Committee approved it.

From time to time we receive many requests for funds for investigation subcommittees, and many of those subcommittees have been established. One of them now has 30 employees. In fact, there are now so many of them, and their total number of employees is so great, that at times it is extremely difficult for a Senator to reach his chair on the floor of the Senate.

I point out that this is not a responsibility of the Senator from Rhode Island alone. The answer must lie in the exercise of the conscience of each Member of the Senate.

Mr. PROXMIRE. But my question is, what does the policy committee do, that calls for the expenditure of this increased amount of money? No explanation has been placed in the RECORD. I realize that the policy committee holds meetings on Tuesday afternoons; but I know of nothing that would require the expenditure of $267,000 or $327,000. Just what does the policy committee do?

Mr. PASTORE. The policy committees analyze proposed legislation, and do many, many other things. However, after I have been here only 12 years, I hope I am not asked to answer for the developments which have occurred over the last century.

I do not know the reason why the policy committees ever came into being. But they were in being when I became chairman of the subcommittee. If they have to be investigated, perhaps that can be done. I, myself, do not think it necessary. But, after all, those who are on the policy committees—the leadership on both sides—can answer the Senator from Wisconsin, who even has the right and privilege, himself, to find out exactly what they do.

Mr. PROXMIRE. I tried to find out. In 1959, I made a detailed speech on this subject. The Senator from Rhode Island may recall that.

Mr. PASTORE. How does the Senator from Wisconsin expect me to find out, if he cannot?

Mr. PROXMIRE. Well, Madam President, the fact is that the Senator from Rhode Island is managing the bill and is responsible for it. I realize that we cannot expect him to find out everything. But nowhere—not in the committee report, not in the hearings—is there available information to justify this $60,000 increase. So why should we vote for it?

Mr. PASTORE. Has the Senator from Wisconsin ever gone to the majority leader to find out what the function of the policy committee is?

Mr. PROXMIRE. No, I have not.

Mr. PASTORE. Well, I suggest that the Senator from Wisconsin do so.

Mr. PROXMIRE. I had no idea that there would be such an increase. This appropriation bill was available only yesterday. I waived the right to have a period of 3 days elapse between the time when the bill was available and the time when it was taken up by the Senate. The majority leader asked me if I would be willing to have the bill brought up today, and I agreed.

Mr. PASTORE. Perhaps I misunderstood. I thought the Senator from Wisconsin was asking me to find out about the $267,000, not the $30,000.

Mr. PROXMIRE. No; I was asking the Senator from Rhode Island to give us a justification for the $60,000—or the two $30,000 items.

Mr. PASTORE. I shall explain it very simply. I was approached by the majority leader and the minority leader, especially by the minority leader, who already has explained the matter this morning. The minority leader told the Senator from Rhode Island—and the Senator from Rhode Island passed the information along to the subcommittee and to the full committee—that because of the death of the late Senator Bridges, of New Hampshire, and after he had been succeeded on the policy committee by the Senator from Iowa [Mr. HICKENLOOPER], there had been a certain reorganization of the policy committee, and as a result it was absolutely necessary for them to have $30,000 more.

That is the only answer I can give to the Senator. I put the matter before the subcommittee, I put the matter before the full committee, and now I am putting the matter before the Senate of the United States.

Mr. PROXMIRE. May I ask the Senator from Rhode Island this question? There was no such need in regard to the Democratic policy committee, was there?

Mr. PASTORE. Not exactly, and I would hope the Democratic policy committee would return the money.

Mr. WILLIAMS of Delaware. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I appreciate the position of the Senator from Rhode Island. He has done an excellent job, in trying to hold down expenses. I do not question either his sincerity, or that of the minority leader.

I regret that in this instance I must disagree with them. On several appropriation bills relating to various departments we have offered amendments at least trying to roll the expenditures back to last year's budget. We have been trying to impress on the executive departments that they should not exceed last year's expenditures and not go over last year's budget. The only way to hold down the costs is to cut down individual items.

I recognize that this is only a $60,000 item, but, as the Senator from Wisconsin has pointed out, it is the principle involved, that is important. The two parties have gone on record as wanting to keep the agencies' expenditures down. If we cannot do it in our own expenditures, we cannot expect other agencies to do it.

We should set the example and then they will have more respect for our arguments.

I think the amendment of the Senator from Wisconsin should be adopted and will support it.

With respect to those Senators who have advocated it—and I respect them—I agree the two policy committees have done constructive work, and I hope that work will continue. I am willing to finance them to the extent that they have been financed in the past, but I am not in favor of a 20-percent increase in their budget. At a time when we are trying to roll back expenditures for the agencies downtown, at a time when it is imperative that we do roll back these expenditures to at least last year's level, the very least we can do is to control our own budget. Let us not put ourselves in the embarrassing position where we are asking every other agency of Government to roll its expenditures back to last year's level, while increasing our own expenditures. There is proposed here a 15- or 20-percent increase in this item. If we allow it, we put ourselves in a position where our effectiveness in trying to roll back any appropriations for the agencies is gone.

With respect to the overall allowances for Members of the Senate mentioned by the Senator from Ohio, it is true that some revision is long overdue. But I think one point should be made clear, and that is that when this allowance is not spent in the administration of a Senator's office the unused portion does not accrue to the Senator. The unexpended balances revert to the Treasury. The writer of the series of articles to which the Senator from Ohio referred did not make that point clear.

The fact is that when the money is not used, it reverts to the Treasury, and does not come to the individual Senator. That point should be emphasized, because sometimes the inference is given in a different direction. The writer of those particular articles to which the Senator from Ohio referred made such an inference. Yesterday I sent Mr. Bingham, the author of those articles, an open letter taking exception to his deliberate distortion of the facts. By using half truths he completely distorted the true picture. But that has nothing to do with the pending amendment. The amendment of the Senator from Wisconsin should be passed and I shall support it.

Mr. PROXMIRE. I thank the Senator. He has hit the essence of this problem, and that is that, above all, Congress should set an example. I am not one of those who does not believe Congress can spend money wisely. I believe in appropriately staffing the committees. I believe staff members should be utilized. I believe they are fine, competent people, and contribute greatly. My point is, if we are going to appropriate money, we ought to know where it is going. We ought to know where it is going and be able to justify it. There is no justification for this item. Furthermore, they do not spend the money which has been provided in the past. In fiscal year 1961 $224,000 was expended. $268,000 was appropriated. $44,000 lapsed.

The figures for fiscal 1962 are not available, but I understand the chairman to say that something like $62,000 was left over.

Why, under those circumstances, should we appropriate an additional $60,000 for this year? Why should we appropriate $327,000 when we do not know what the functions will be, when almost half of this amount will go for something which cannot be explained? It is not for salaries. It apparently has something to do with travel. From where to where? This work is supposed to be transacted in Washington, D.C. Any investigating committee has a special authorization.

Mr. PASTORE. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. PASTORE. The psychological effect of that effort would be tragic. Why should we have to give $30,000 to one committee when we do not give it to the others on an even basis? The result will be that each committee will be encouraged to spend to the maximum. If the matter is left to the consciences of the committees to return the money if they do not spend it, we will have a better chance to cut down on the expenditures. If one committee is allowed $100,000 a year and an other committee is allowed $150,000 a year, and one committee is getting $100,000 because it has not spent the money, next year it will spend $150,000.

Mr. PROXMIRE. The only justification we have is that when the distinguished former Senator from New Hampshire, Mr. Bridges, died, he was replaced by the distinguished Senator from Iowa [Mr. HICKENLOOPER]. The Republicans say they have had a reorganization in their policy committee, and because they have reorganized, they are going to need substantially more money. Because they need more, our policy committee will get a higher amount, as the Senator from Rhode Island has said.

It is beyond me to understand what they need it for. I would certainly vote to provide more minority staff for committees. I think that is only right and just. But unless the Republicans want to use their policy committee staff for partisan purposes, to elect Republicans, I cannot understand what the money would be used for. The justification has not been shown. The Senator from Iowa is a fine Senator, but we have not had an explanation of how it is going to be used. Furthermore, an able Republican has supported my amendment and has said we should not appropriate the increase. The Senator from Delaware [Mr. WILLIAMS] is certainly one of the ablest Members in the Senate.

Mr. PASTORE. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. PASTORE. The Senator from Wisconsin is making an excellent record. I hope he will not press his amendment as this time. As I have said, he has interposed and recorded his objections. I hope in the future more restraint will be exercised, especially by the leadership on both sides. I think the Senator from Wisconsin has made a fine record. I commend the lecture he is delivering and I hope it will serve a good purpose. But I trust he will not press his amendment under the circumstances. The minority has already suggested they wanted more money than this amount. They are willing to take $30,000. I feel if the Senator stops here, he will have accomplished his purpose.

Mr. PROXMIRE. I would like to have an explanation of this item.

Mr. SALTONSTALL. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. SALTONSTALL. I have received some figures over the telephone since I came to the floor. The Republican policy and conference committees last year spent in salaries $167,602.12, and the expenses were $10,062.78. Their total appropriation was $181,300, and they returned the difference, which I assume amounted to $3,634.20.

As the Senator from Rhode Island has said and as the Senator from Illinois has said, this year we have revamped, to a certain degree, the policy committee. It meant there had to be several new research workers at very considerable salaries.

Mr. PROXMIRE. May I ask the Senator what "revamp" means? What would the researchers do?

Mr. SALTONSTALL. The researchers do work for any Senator who asks for any specific report on any specific subject. They also provide certain information for all Republican Senators.

Mr. PROXMIRE. I invite the attention of the Senator from Massachusetts to the fact that we have provided a generous increase to all Senators, Republican as well as Democratic, for clerk hire. Each Senator could hire another clerk. Some Senators have spoken on this floor indicating they are not even using all of their clerk-hire money. If a Senator needs additional assistance, each Senator has $100,000 or $120,000 or $140,000, depending upon the size of his State, to hire additional staff. Why should a Senator have to go to a policy committee to ask for research? Furthermore, the Senators have access to the staff on the committees, and of course to the Legislative Reference Service.

Mr. SALTONSTALL. There are certain broad general questions of interest to all Republicans. We get a certain amount of reports.

I say to the Senator from Wisconsin that in one capacity or another I have served on the policy committee on the Republican side since I have been a Member of this body, for 18 years. I have seen it work under the late Senator Taft. I have seen it work under the late Senator Bridges. I saw it work originally, I think, under the late Senator Vandenberg.

We meet, as the Senator from Illinois [Mr. DIRKSEN] has said, at luncheons once a week. That procedure was organized about 3 years ago. It has worked out very satisfactorily. Most Republicans come to those luncheons.

I have been a minority whip and also a majority whip. I have served as whip in this body for a number of years. A number of years ago, Mr. Clements, who was then the majority whip on the Democratic side, came to me and said that he needed a new man to help him. He said he could not get that additional man unless I went along and asked for one for the minority side. He explained why he needed the assistance. That was provided for both parties.

As the Senator from Rhode Island has said so well, we cannot give to one policy group something we would not give to the other group, since they are on both sides of the aisle and working for the common purpose of legislation.

This year we were asked by the minority leader—and the majority leader consented and went along—for an additional $50,000 for each of these two committees. The Senator from Rhode Island [Mr. PASTORE] and I, with the help of other members of the subcommittee but mostly by ourselves, I would say, took the responsibility for working it out, to cut the figure down to $30,000 each.

We cannot ask for $30,000 for the Republicans and not permit the Democratic side to have the same amount. That will not work. It would not work over the years.

The Democratic group turned back a certain amount of money, as the Senator from Rhode Island [Mr. PASTORE] has stated. The Republican group turned back a smaller amount of money than the Democratic group.

This year, under the Senator from Iowa [Mr. HICKENLOOPER], we have built up a number of "new faces," one might say, research workers who are men who have had very considerable experience in that work, in Government and in business. We hope in that way to get help in regard to proposed legislation.

I think the proposed trade legislation which is to come before the Senate will be the most complex problem we have faced for a long time. The same is true of the proposed tax legislation.

As an individual Senator, I can go to the Library of Congress and get a certain amount of help. I can get a certain amount of help from my own office. I do so. I can supplement that information with information from the policy committee, which is available to all Republicans, if I ask for it.

The Senator has mentioned help from the staff on the committees. I have stated to the minority leader that, with respect to the two committees on which I am the senior Republican member today, we do not need any more help than we have. We have enough help in the Appropriations Committee and we have enough help in the Armed Services Committee which are conducted on a very nonpartisan basis.

In the Appropriations Committee there are assistants who attend the meetings and report directly to the Republican who happens to be the senior member of the subcommittee. That has been working very well.

I note that the minority leader [Mr. DIRKSEN] is now in the Chamber. We need a certain amount of information which is semipolitical, one might say—some of it very partisan—which should be distributed among all the Republicans, so that we have all the information among the Republicans on our side. That information is accumulated by our staff workers on the Republican policy committee from Members of the House of Representatives, from newsletters of individual Senators, and in other ways, to be made available to all of us.

Today, with the complex proposed tax legislation to come before us and the complex reciprocal trade legislation to come before us, we need information. Those are two of the most complicated bills I have ever tried to understand since I have been in this body. We need help in addition to the help from the Congressional Library, the Republican policy committee, or committee staff members, in addition to each Senator's own staff. That is the reason for the request.

Mr. PROXMIRE. I want to say that the Senator from Massachusetts is very reasonable and fair. He certainly is not a partisan in any sense.

The facts are that we are asked to increase the appropriation for the policy committees, although the Democratic policy committee has not asked for it and has indicated it probably will not use the money. Why is it asked? It is because the Republican policy committee says it needs more money. At the present time the committees get equal amounts.

Mr. SALTONSTALL. That is correct.

Mr. PROXMIRE. The Democrats say they will not use even the amount they have had. The Republicans say they will use more.

The Republicans have only half as many Senators as the Democrats have, approximately. This will mean that the Republicans will be using the policy committee for an entirely different purpose from that for which the policy committee is used by the Democratic Party. That is their right.

I think the Senator from Massachusetts was very frank when he said that some of the research work and assistance to Republican Senators would be semipolitical and some of it even strongly partisan. I am sure the Senator is completely correct.

I can see no reason, if more staff is needed, in order to understand these very complex and difficult problems which we face—and perhaps we do need more—why that staff should not go to the Library of Congress.

Mr. SALTONSTALL. The Senators will not get partisan information from the Library of Congress.

Mr. PROXMIRE. The Senator should get that from the Republican campaign committee or the Republican National Committee, so that Republicans can pay, contribute to elect Republicans instead of Democrats. That is where the information ought to come from, and not from the policy committee paid for by the taxpayer under these circumstances.

TAXPAYERS HELP ELECT REPUBLICANS

What we are asked to do is to increase taxes and to impose a bigger burden on the taxpayers, so that Republican incumbents can be elected to office. We Democratic incumbents are very tolerant of the Republican incumbents. But we would be indicating, I would say, on the basis of this colloquy, "All right; go ahead and use the policy committee for partisan purposes. Use it to try to elect Republican incumbents."

That is simply wrong. It does not make sense. It is illogical to me as a Democrat and as a taxpayer. I cannot see justifying this kind of an increase when it is very evident, from the accurate, modest, and honest statement by the Senator from Massachusetts, that the money is to be used for partisan political elective purposes.

Mr. SALTONSTALL. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. SALTONSTALL. There has been put into my hand, by the secretary for the minority a document entitled "Functions of the U.S. Senate Republican Policy Committee and Works of Its Staff," prepared in January 1959.

In view of the discussion with the Senator from Wisconsin, as to the functions of the policy committee, the operations of the policy committee, and the operations of the staff of the policy committee on the Republican side, I should like to have this summary printed in the Record at this point, and I ask unanimous consent that that be done.

Mr. PROXMIRE. Madam President, I yield for that purpose.

There being no objection, the document was ordered to be printed in the Record, as follows:

Functions of the U.S. Senate Republican Policy Committee and Work of Its Staff

FUNCTIONS OF THE POLICY COMMITTEE

The functions of the policy committee as set forth in the Republican conference rules, as amended to January 11, 1955, are:

"The policy committee shall consider the legislative program in the Senate and the question whether any party policy is involved, shall prepare and present recommendations for action by the conference, and advise all Senators on legislative matters which they desire to present to the policy committee."

OPERATIONS OF THE POLICY COMMITTEE

Under the broad rule setting forth its functions, the policy committee performs the following classes of operations:

1. Considers the list of measures (legislative program) to be scheduled for floor operation.
2. Considers questions of parliamentary procedure.
3. Canvasses measures pending before standing committees.
4. Cooperates with the President and the White House staff through designated committee members.
5. Cooperates with the House Republican leadership.
6. Advises on the undertaking of committee investigations.
7. Considers questions which arise out of Presidential nominations.
8. Invites or receives individual Senators on their request to come before the policy committees for discussion of matters of interest to particular Senators, and of national or party importance.
9. Attempts to reconcile divergent views among Senators on legislative measures with the object of attaining party unity.
10. Initiates inquiries and studies on legislative matters to advance the national welfare, to implement the party platform, and to strengthen Republican leadership.
11. Recommends the calling of the whole Republican conference for the purpose of considering matters of national and party importance.
12. Prepares and issues statements on matters involving policy committee interests, actions, and responsibilities.

OPERATIONS OF THE STAFF OF THE POLICY COMMITTEE

The staff of the policy committee serves both the policy committee and the conference. It also serves the Republican calendar committee. It assists in the above operations as directed, and performs research, report, and writing services for Republicans as a group and individually on matters of legislative and party importance. The staff works to strengthen the Republican position on matters of national concern and to unify Republican action wherever possible.

More particularly, the staff engages in the following classes of work:

1. Administrative work: The secretary and staff director attends to the usual administrative duties, minutes, etc., involved in the meetings of the committee.

2. Special assignments: The secretary and staff director and the staff perform any special assignment requested of them by the committees or by individual members of the committee and conference.

3. Bill drafts: The staff assists in drafting bills when requested by the committee and for any Republican Senator when the subject matter is of confidential nature or if party interests are involved.

4. Legislative analysis: The staff maintains a legislative record and analysis service capable of advising Senators on the status of any bill or resolution in either House of Congress. Short or extended interpretive analyses of bills are made on request. Legislative histories of major bills also are prepared on request.

The staff prepares an explanatory statement, called a synopsis of each vote and distributes a printed voting record.

5. Examination of bills on Senate calendar: The legal staff of our office collaborates with the Republican calendar committee in examining bills on the Senate calendar, giving particular emphasis to their legal, economic, policy, and political implications.

6. Spot research: The staff is prepared to render spot research (quick mobilization of data pertaining to legislative or party matters) on request of any Republican Senator.

7. Extended research: The staff conducts research on important legislative problems whenever time and facilities permit and circulates reports to all Republican Senators.

(Note.—Research assignments relate to matters of party policy and importance involved in Senate operations. General research for individual Senator's use for speeches and reports to constituents cannot be undertaken with the limited staff facilities available.)

8. Sources of information: The staff maintains contacts with as many sources of data as possible. These include congressional committees, the White House and subordinate Government agencies, private individuals and organizations, and other sources of information on current problems. The staff maintains clipping and data files on current matters.

9. Speeches, reports, and press releases: When requested the staff will assist in outlining and drafting speeches, reports, and other material on questions involving important legislation and party policy.

(Note.—Staff personnel and facilities are not large enough to permit the writing of material needed to fill general speaking engagements.)

10. Senate Republican Memo: The staff issues a weekly memorandum entitled, "Senate Republican Memo," which is distributed primarily to Republican Senators. The Senate Republican Memo presents factual data in support of the Republican record and it explains and documents the Republican position on many major issues. The items in the memo are intended for use by Republican Senators in speeches, radio and television discussions, press releases, newsletters, and mailings to constituents.

11. Interviews with persons interested in legislation: On request of Senators, the staff will interview individuals and organizations having an interest in legislation and will report the findings to Senators requesting this service. In many cases this permits the Senator to remain in the background.

12. Republican record and performance: At the close of each session of Congress, the staff prepares a detailed report on the Republican record and performance.

Mr. PROXMIRE. Madam President, I ask for a vote on my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

Mr. LAUSCHE. Madam President, I shall support the amendment of the Senator from Wisconsin. I shall do so because in examining the funds which have been allocated to my office for each of the years since I became a Member of the Senate in 1957, I am bound to conclude that the allocations are extravagant, not considered, and constitute an inducement to spend extravagantly.

What I have said probably has no direct application to the amendment now pending before the Senate. But what applies to my office applies generally to all the allocations that are made on the floor of the Senate.

I do not wish to convey to my Ohio constituents the impression that I am not my brother's keeper. I do not wish to be in the position of having to say to them, "I can tell you about my office, but I cannot tell you about the other offices in the Senate." I shall have something to say on the question whenever it comes before the Senate.

Our principal objective should be to set an example on the floor of the Senate as to how we are to spend the taxpayers' money. If we are extravagant in spending money for ourselves, what response can be expected from any department of the Government to the plea that there shall be frugality? The time has come when a complete study should be made of expenditures by the Congress. I shall support the amendment.

Mr. WILLIAMS of Delaware. Madam President, I join the Senator from Ohio in urging adoption of the amendment. I have great respect for the work of the policy committee. It is doing an excellent job. But as one member of the party who receives reports, I shall have much more respect for a report coming from the policy committee pointing out how we can cut the budget of some department of Government downtown if the same committee which is submitting the report demonstrates its own ability to live within its budget. I do not see any reason why we should increase the budget above the budget of last year. I shall support the amendment.

Mr. DIRKSEN. Madam President, I offered an amendment to the HEW appropriation bill to eliminate 5,193 new jobs. I used the staff of the Appropriations Committee to obtain facts. I used very generously the staff of our policy committee to run down all the necessary data. A task of that kind cannot be accomplished unless there is staff help. The subject involved millions of dollars. Yet somehow or another the amendment fell on deaf ears in this Chamber, and received 30 votes, I believe. If Senators wish to economize, I suggest that they first obtain the facts, because there is nothing so stubborn and obstinate as a fact. That is the reason we need staffing. I trust that the amendment will be rejected.

Mr. LAUSCHE. Madam President, I support the Senator from Illinois [Mr. DIRKSEN]. I think it would be most appropriate at this time to point out that in the past year 77,000 new employees have been placed on the Federal payroll. Seventy-seven thousand at approximately $5,000 apiece, represents $385 million.

Where are we going? When will taxpayers refuse to stand for that type of spending?

Mr. DIRKSEN. Madam President, if we can get a few more employees on Capitol Hill, and then get some support on the floor of the Senate, we will start cutting down that payroll.

Mr. WILLIAMS of Delaware. Madam President, who has the floor?

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

Mr. PROXMIRE. Madam President, I yield the floor.

Mr. WILLIAMS of Delaware. Madam President, the statement that 77,000 employees were added to the Federal payroll last year was correct information up to yesterday. The report yesterday from the Joint Committee on Nonessential Expenditures showed that during the month of June 35,000 additional employees were added to the 77,000, and that during the past 30 days, in the month of July, employees at the Capitol were being added at the rate of 1,500 a day. So I think it is time for us to stop.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. PROXMIRE].

The amendment was rejected.

MILITARY AID TO LATIN AMERICA IS DEFEATING THE ALIANZA PARA EL PROGRESO

Mr. GRUENING. Mr. President, I was greatly disturbed to read in a special dispatch to the New York Times from Juan de Onis in Lima, Peru, that military hardware supplied by the United States was used by the military forces in Peru to take over from the civilian rulers of that country. Many of the military officers commanding that coup were trained here under our military assistance program. The dispatch states in part:

> The U.S. military assistance program in Peru provided the Sherman tank that rammed through the iron gates of the Pizarro Palace when President Manuel Prado y Ugarteche was deposed and taken prisoner Wednesday.
>
> The officer who carried out the capture of the palace, Col. Gonzalo Briceno, was trained at the Ranger School of Fort Benning, Ga. After his instruction, he returned to Peru to develop a crack antiguerrilla commando unit that was a showpiece of the U.S. military mission here.
>
> A son of former Navy Minister Guillermo Tirado Lamb, who spearheaded the armed forces resistance to accepting the results of last month's presidential elections, was graduated from the U.S. Naval Academy in June.
>
> Hundreds of Peruvian officers of the armed forces who form part of the military junta that has taken control of Peru have autographed photographs of the U.S. counterparts or of the U.S. Caribbean-area commanders, with whom they are on a first name basis.

I ask unanimous consent that the entire article be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. GRUENING. Last week, in commenting on the unhappy events transpiring in Peru, I complimented President Kennedy on the prompt action taken to withhold foreign aid funds from Peru until that Government was stabilized. I recommend at that time that our Government take a second look at our Alliance for Progress programs in such countries as Argentina and Brazil whose Governments have likewise given evidence of instability, where there is no certainty that the rulers of today will be there tomorrow, and consequently no assurance that commitments made today will be honored tomorrow—and withhold further economic aid to those countries until their governments are stabilized.

I commend the President again for holding firm with respect to Peru and ask unanimous consent that the President's comments on this topic at his press conference on July 24, 1962, be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. GRUENING. Mr. President, the military coup in Peru gives us good reason to review our military assistance program for Latin America: why it was instituted; is it fulfilling its purpose? What, if any, safeguards are imposed on it? Should it continue?

Although during the twenties and thirties the United States sent military missions to Latin America, it was not until the passage of the Mutual Security Act of 1951 that military assistance was authorized and sent.

The original purpose of U.S. military aid was to strengthen the defense of this hemisphere by encouraging the Latin American nations to participate in their own defense against outside aggression.

The Mutual Security Act of 1951, in authorizing military assistance to Latin America stated that "military assistance may be furnished to the other American Republics only in accordance with defense plans which require the recipient nations to participate in missions important to the defense of the Western Hemisphere."

The question of the use of our military aid for the recipient nation's internal security was the subject of congressional concern during the consideration of the Mutual Security Act of 1958. That act required the President to review annually a Latin American recipient's participation in a hemispheric defense plan to determine whether military assistance from the United States was necessary to enable that participation. The act also stated that internal security requirements of the countries concerned would not "normally" be the basis for extending military aid.

In 1959, the word "normally" in this restriction was eliminated. The conference report on the Mutual Security Act of 1959 stated:

> The elimination of the word "normally" from the sentence providing that internal

security requirements shall not "normally" be the basis for military assistance programs in Latin America makes it clear that it is the intent of the committee of conference that internal security requirements shall not, in the absence of a Presidential exception, be the basis for furnishing military assistance to Latin America. Rather it is the intent of the committee of conference that such military assistance as is furnished shall be in accordance with hemisphere defense planning and should be in furtherance of hemisphere missions.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. GRUENING. I yield with pleasure to the distinguished chairman of the Subcommittee on Latin American Affairs of the Foreign Relations Committee.

Mr. MORSE. I wish to assure the Senator that the legislative history he has just recounted is correct, because it pertains to the Morse amendment in connection with military aid to Latin America. For some years in the Foreign Relations Committee I had been pressing for action which would make crystal clear that aid was not to be given to Latin American countries for internal security purposes but for purposes of hemispheric defense. There was adopted within the Foreign Relations Committee my amendment, with the qualification that only if the President of the United States, in some specific instance, could show that it was in the interest also of our welfare that an exception be made, could any exception be made. I shall have more to say about the brilliant speech the Senator from Alaska is making. I have read his speech. I sit here with great interest as chairman of the Subcommittee on Latin American Affairs to listen to it. In due course of time, either today or at a later date, I intend to express my views in regard to a good many points he is bringing up.

However, let me say here and now that the Senator from Alaska is performing a great service to the Senate and to the country in pointing out some of these problems that are arising in connection with military aid to Latin America. We had better keep in mind also that there are nations in Latin America whose foreign ministers and ambassadors have made clear to some of us in the Foreign Relations Committee that they are greatly alarmed about American military aid to Latin America which can be used under the guise of internal security purposes by military juntas to break democratic regimes in Latin America.

I recognize the great threat of communism in Latin America. We must keep democratic administrations strong. However, we must also have greater assurance in some of these countries that our military aid is not going to be used by a military clique in a given country to overthrow a democratic regime. We could not aid communism more than to follow that course of action, because if we permit American arms shipped into Latin America to be used to keep down freedom, all we will do will be to hasten a Communist takeover.

Mr. GRUENING. I thank the Senator. He could not be more right. As I proceed I will point out that contrary to the strict mandate in the Mutual Security Act of 1959, large defense funds have not gone to hemispheric defense, but to so-called internal security which has proved to be internal insecurity.

Under the law, then, U.S. military aid to Latin America was limited strictly to hemisphere defense plans.

It is obvious that the genesis of the program of military assistance to Latin American countries was the defense of the Western Hemisphere from outside aggression.

Various reasons were advanced in support of extending military assistance to Latin America.

Those advocating the program pointed to the fact that during World War II the United States had to station more than 100,000 Army, Navy, and Air Force personnel in Latin America. Therefore, they urged that Latin Americans should be assisted to build up their own forces for participation in hemisphere defense in order to relieve us of the responsibility in the event of another conflict.

It was argued that military aid must be provided by the United States in order to promote standardization of Latin American arms and equipment. It was predicted that if the United States did not provide the necessary arms, the Latin American countries would go elsewhere to obtain equipment, resulting in a conglomeration of armaments, ships, and planes which would greatly complicate both training and logistics and invite the danger of military missions to Latin America from other countries.

It was further argued that modernization through military assistance of Latin America's fighting forces would enable the Latin American countries to discard their old equipment and reduce the overall size of their forces.

Another argument advanced for instituting a program of military assistance to Latin America was that in many countries the military exert a dominant role so that contacts among United States and Latin American officers and men would result in the U.S. officers and men being able to shape the Latin American attitude toward and support of democratic institutions, ideas, and ideals.

How have these arguments for U.S. military assistance stood up in practice?

The claim that the United States would be relieved of a share of responsibility for the defense of the Western Hemisphere from outside aggression has proven unrealistic. It is based on World War II concepts of military warfare.

The hard fact is that such strategy is obsolete in today's world. In the unhappy event of a world conflict, the Western Hemisphere will be defended by intercontinental weapons wielded by the United States. The feeble, obsolescent equipment which the Latin American nations possess can play no meaningful role in modern intercontinental warfare.

Moreover, the tragic events in Cuba since the military program was initiated show conclusively that the enemy works through subversion, pulling the strings of his puppets within the nation being subverted.

The military assistance which we have provided Latin America does not save the taxpayers of the United States from the burden of providing for an adequate defensive missile system.

What of the claim that association with U.S. military personnel teaches their Latin American counterparts the role and mission of the military in a democratic, constitutional government?

Mr. MORSE. Mr. President, will the Senator yield?

Mr. GRUENING. I yield with pleasure to the Senator from Oregon.

Mr. MORSE. Does the Senator recall that up to a few years ago, the foreign governments to which we sent our military missions contributed to the cost of sending missions there by providing them with housing and other prerequisites, and in some instances paid part of their pay? Is the Senator aware of that?

Mr. GRUENING. Yes.

Mr. MORSE. Does the Senator agree with the Senator from Oregon that such an arrangement as that is simply intolerable, because it welcomes developing a liaison between the American military and foreign military and increases the danger, as we found, of a U.S. military mission abroad developing foreign policy attitudes not always consistent with the foreign policy of our own State Department?

Mr. GRUENING. Regrettably, that has been the case.

Mr. MORSE. Is the Senator aware of the fact that a diversity often develops between the attitude of our military abroad in regard to relationships with foreign countries and the policy of our State Department which our embassies are obligated to carry out?

Mr. GRUENING. That is correct.

Mr. MORSE. Is the Senator aware that at least some of us who are members of the Committee on Foreign Relations, as we carried out our work on that committee abroad, became very much concerned about the development of an attitude on the part of the Pentagon, through our military missions abroad, that seemed to us to be supporting undemocratic and nondemocratic regimes abroad, rather than keeping faith with what the American people understood was the foreign policy of the United States, expressed through the Department of State?

Mr. GRUENING. Unfortunately, we have supported dictators in many parts of the world, and still continue to support some of them. That is a very deplorable situation, in my view.

Mr. MORSE. Does the Senator agree with me that in many instances when we were supporting dictators abroad, that action was met with great favor in the Pentagon, but our State Department officials very often recognized that it was a most dangerous and questionable course of action so far as American foreign policy was concerned?

Mr. GRUENING. Yet, unfortunately, the practice continues.

Mr. MORSE. Going back to the matter of foreign governments contributing to the salaries, housing, and perquisites of American military personnel abroad, on so-called U.S. military missions, is the

Senator aware that some years ago I proposed in the Committee on Foreign Relations another amendment, which is now a part of the law, which put a stop to foreign governments making financial contributions to American officers abroad, whether the contributions were in the form of a part of the pay or housing or so-called representation funds, which was one of the interesting financial gimmicks used by foreign governments to funnel into American military personnel abroad financial resources? And is the Senator aware that my amendment, which was aimed at putting a stop to any financial support or contribution by foreign governments to U.S. foreign military missions abroad, was adopted by Congress and is now a part of the law?

Mr. GRUENING. I fear, however, that the fine purpose of the Senator's amendment has been offset by our now paying the cost to achieve even greater dangers than the ones we sought to avert.

Mr. MORSE. I am not sure that that is the only way the amendment is being circumvented, because yesterday, in a session of the Committee on Foreign Relations, there was a discussion of this subject in connection with a Latin American problem. I have today called upon the Secretary of State to submit to me a detailed memorandum covering every U.S. military mission in Latin America, providing me with the facts as to how each of those U.S. missions, is being financed and to what extent, if any, any Latin American country is making any contribution, directly or indirectly, to a U.S. military mission in Latin America. I want the facts.

But I heard enough yesterday to support other rumors that have been presented to me, coming out of Latin America, which caused me to want to know directly from the Secretary of State whether the Morse amendment is being literally lived up to or whether the Morse amendment is in any way being circumvented.

I am making very clear to the State Department that if my amendment is in any way being circumvented, I want the Secretary of State up here on the Hill to answer the question: Why?

I hope the report I will get from the Secretary of State will bear out a finding that that law is being assiduously followed to the letter; and if it is not, the fault is not with the State Department, for I have complete confidence in the State Department in carrying out U.S. foreign policy. I merely wish to find out, with clarity, whether it is true that there is any interference with the administration of the U.S. foreign policy abroad by any U.S. military mission abroad. I am becoming so much concerned about the representations which are being made to us from people in Latin America that I think we had better find out exactly how the U.S. military missions are operating in Latin America and how they are being financed.

Mr. GRUENING. I thank the Senator from Oregon.

Mr. MORSE subsequently said: Mr. President, will the Senator yield, with the understanding that this colloquy and the Senator's fine speech shall be printed in the RECORD with the earlier colloquy between the Senator from Alaska and the Senator from Oregon, when we were talking about U.S. military missions in Latin America?

Mr. GRUENING. I yield.

Mr. MORSE. The Senator will recall that I was talking about provisions of the law, the Foreign Assistance Act of 1961, section 625 thereof, subsection (h), which set forth the Morse amendment that became a part of the law, and that I pressed for in the Foreign Relations Committee, in regard to which I have asked the Secretary of State today for a very detailed report of the operation of the law in each Latin American country. It reads as follows:

> Notwithstanding any other provision of law, officers and employees of the U.S. Government performing functions under this act shall not accept from any foreign country any compensation or other benefits. Arrangements may be made by the President with such countries for reimbursement to the U.S. Government or other sharing of the cost of performing such function.

But it must be a government to government negotiation, and must not be a government to U.S. military personnel abroad, which of course created the great evil of which we spoke just a few minutes ago.

We have a right to know whether or not this law is being completely complied with or whether there are any exceptions to it, as we gathered yesterday, in our executive session, might be the case.

Again I want to say I think the Senator from Alaska, in pointing out these military operations of the United States in Latin America, both in respect to military aid and in respect to military missions functioning there, is performing a great service for the people of this country.

Mr. GRUENING. Mr. President, what of the claim that association with U.S. military personnel teaches their Latin American counterparts the role and mission of the military in a democratic, constitutional government?

Here is how Roy R. Rubottom, Assistant Secretary of State for Inter-American Affairs, testified before the Foreign Relations Committee on the Mutual Security Act of 1960:

> During this period of extensive U.S. military relations with Latin American countries, there has been a notable increase in the number of constitutional regimes in the area. In the majority of countries in which democratic governments have replaced dictatorial regimes, the local military has presided during the difficult period of transition immediately preceding the establishment of orderly, constitutional government.
>
> In such countries, the local military is continuing to support the new government and to provide it with that degree of security from antidemocratic acts of subversion and violence which is prerequisite to the functioning of the democratic process.
>
> These developments in constitutional democracy in Latin America tend to refute the allegation that our military program has impeded the growth of free political institutions in the area.
>
> U.S. military personnel assigned to Latin America scrupulously adhere to the policy of nonintervention which underlies all U.S. foreign aid activities.
>
> Nevertheless, as United States and Latin American military personnel are brought into close professional association through our military programs, whether in MAAG's, military schools, training missions or the Inter-American Defense Board, they gain not only a better understanding of the problems of hemispheric defense, but also a deeper appreciation of the democratic ideals which we and Latin American nations share in freedom from Soviet domination.
>
> As a result of these contacts, we believe that there is increasing emulation in Latin American military circles of the nonpolitical role played by the U.S. soldier in our national life.

After more than 10 years of U.S. military aid to Latin America, recent events have demonstrated beyond peradventure that in many of the countries U.S. influence in inculcating an ideology of civilian authority over the military is not a reality in the reaction of the Latin American army, navy, and air force officers and men to events in their own countries.

Most of the Latin American military leaders will continue to react to power struggles in their own countries in accordance with their own estimates of the situation, their own ambitions, their vested privileges, and their own heritage. Where military professionalism has really taken root in Latin America, the military's new concept of its role has developed from circumstances within the framework of their own institutions, not from the minute and transitory influence encountered in rubbing shoulders with U.S. military people.

Consider the case of Peru. Three of the four military commanders who staged the Peruvian coup had tours of duty in the United States, one graduating from the Command and General Staff School at Fort Leavenworth and another from the U.S. Armored Tank School at Fort Knox, as well as the CGS at Leavenworth. Four of the present 13-man military cabinet were even given the Legion of Merit by the United States.

Mr. President, I ask unanimous consent that the names of these officers, together with their citations, be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. GRUENING. Mr. President, let us consider just one of these citations for a moment in detail. Maj. Gen. Nicolas Lindley Lopez, commander of the Peruvian army, participated with fellow military officers in the overthrow of Peru's civilian government. Eight and one-half months before, he was awarded the Legion of Merit by Secretary of Defense McNamara. Maj. Gen. Lindley Lopez attended the Command and General Staff School at Fort Leavenworth during 1946 and 1947. He also visited Fort Bragg, Fort Sill, Fort Bliss, and Fort Benning in November 1961. Secretary McNamara's citation to the Peruvian general reads, in part, as follows:

> His outstanding professional competence, consistent support of democratic principles, and sincere and imaginative cooperation with military representatives of the Department of the Army have produced important and effective military results in the creation of a Western Hemisphere defense program. His support of common democratic principles

> and objectives has reflected great credit not only upon himself but also upon the army of the Republic of Peru, and has enhanced the cordial and friendly relations which prevail between the United States and Peru.

Democracy, Mr. President, does not rub off by commingling of individuals or by grants of military assistance.

Nor is Peru unique in this respect. Among other military officers who have rubbed elbows with U.S. officers to no avail are the infamous "Ramfis" Trujillo, of the Dominican Republic; Gen. Anastasio "Tachito" Somoza, of Nicaragua; and Colombia's Gen. Rojas Pinilla, who developed from a brilliant officer into a tyrannical dictator and superb stealer of his public funds.

What of the claims that military assistance would lead to standardization, discourage the tendency to buy military equipment from third countries, and through modernization, lead to an overall reduction in armed forces?

From a compilation of statistics published in London by the "Army, Air Force, and Naval Air Statistical Record," I have gathered together a listing of the armaments possessed by the various armed forces in Latin America. I ask unanimous consent that the list be printed in the RECORD at the conclusion of my remarks.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 4.)

Mr. **GRUENING**. Mr. President, this list discloses that much obsolete armament is in the arsenals of many of the Latin American countries, and that this lessens their military effectiveness, while still necessitating a huge expenditure of funds for maintenance and repair.

The list also shows that weapons have, in fact, been acquired from other nations, vitiating the argument that the grant of military assistance would lead to standardization of weapons of U.S. manufacture in the Western Hemisphere.

Consider the case of Peru. I single out Peru as an example only because that nation is in the spotlight of the news these days, and our arms have contributed to the prestige and power of the Peruvian military.

Efforts to standardize equipment and persuade Peru to limit its purchases to items essential to hemisphere defense have been futile. The Peruvian Air Force, for example, has a mixed bag of United States, British, Canadian, and French planes. Many of the planes are no longer operable, because parts are not obtainable.

We made available to the Peruvian Air Force 12 F-86's, the planes which proved to be excellent fighters in Korea. I am told that before delivery, some of the planes were modified slightly, to reduce their speed, so as to make for easier control in landing. The Peruvians insisted that the planes be remodified to their original extremely fast and tricky configuration. In the first month, sadly, three of the planes cracked up.

Seeking high-powered planes, the Peruvian Air Force turned to Britain, to purchase a squadron of 16 British Hawker Hunters, jets which are even faster than F-86's.

The Peruvians also bought eight British Canberra jet bombers, which, I understand, are already obsolete. I mention the Canberra purchase because there is an interesting sidelight to that story. When the Ecuadorans, with whom the Peruvians have a violent border dispute, heard of the Peruvian deal, they rushed to buy six Canberras from the British. I understand that within days after delivery, they cracked up two on the ground in Quito. These planes cost about $1.4 million each.

Thus, not only have efforts to modernize, standardize, and reduce forces failed, but the military aid program has had some disastrous results not intended by its advocates.

For a number of reasons, it is quite appropriate to refer to Ecuador at this point and in the context of my remarks on the dangers of continued military assistance to Latin America. In the first place, both Ecuador and Peru, neighbors, have long been in an arms race. In the second place, the Government of both nations are controlled by the military. And, finally, it is an illustration of how the arms race can affect the economic aid program.

Ecuador has received from the United States $21,700,000 in military aid. It has also received $39 million in economic aid. There is in our country at present a delegation from Ecuador seeking additional aid to bail out its shaky economic structure. While continuing to spend money to purchase more arms, in order to keep up with arms purchases by Peru, Ecuador comes to the United States to have us make its budget whole.

The National Observer recently published a thoughtful article on this subject. Part of it was as follows:

> The Malecon, the riverside drive in Guayaquil, Ecuador, is one of the filthiest streets in Christendom. The gutters are full of rotting orange peels, and the sidewalks are littered with fish heads. During the day it crawls with beggars, fruit vendors, drunks, sellers of contraband, and half-naked stevedores loading cargo from riverboats to the army of ancient trucks that jam the piers. At night it crawls with rats.
>
> Yet the native of Guayaquil hardly notice the rats. They have other things to worry about. The current mayor, for instance, has three times had to flee for his life from city employees on strike for overdue wages. The previous mayor bowed out to the tune of stones showering through the windows of city hall. And the mayor-elect, who will take office on August 10, arrived in Washington last Monday seeking an immediate $4 million loan to stave off civic collapse.
>
> Accompanying the mayor, Assad Bucaram, was President Carlos Arosemena Munroy and a host of other Ecuadoran officials.
>
> Why can't they get the money in Ecuador? What about the Banco Descuento, which collects (due to liens) most of the city's real estate taxes, beer and tobacco taxes, and pier and wharf fees? The city's parks are mortgaged to the bank. So, according to the present mayor, is city hall itself.
>
> There is, then, money in Ecuador; anyone who doubts it has only to walk through the upper class residential sections of Guayaquil or Quito. For that matter, there's enough money in the Banco Descuento alone to get Guayaquil very safely out of the crisis zone.
>
> But the bank is getting leery of financing corrupt city administrations. It has made one loan after another, each one supposedly to get the city back on its feet, yet the situation keeps getting worse.
>
> The problem has three main roots:
>
> Lax enforcement and widespread corruption have made a farce of municipal tax collections.
>
> The city government has borrowed so much money, and got itself into such a maelstrom of compounding interest, that each year a larger percentage of its income goes to pay back debts.
>
> The city is so corrupt, so conditioned to poverty, and so ridden with thieves and gougers in every walk of public and private life, that the handful of honest men trying to deal with the problem simply don't know where to begin.

This article points up a "first" for foreign aid, so far as I know. Here we have a mayor of a foreign city coming to negotiate a loan to bail out the finances of his city. We are accustomed in this country to welcoming to our Nation's Capital heads of state who come seeking "bail-out" funds for the whole nation. To my knowledge, this is the first visit also from a mayor of a city to seek financial succor. If this trend ever gets down to the township level, we shall be overwhelmed.

Mr. President, I ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, in full, the article entitled "Latin Close-Up: Why Ecuador Is Seeking U.S. Aid," published in the National Observer of July 30, 1962.

The **PRESIDING OFFICER**. Without objection, the article may be printed as requested.

(See exhibit 5.)

Mr. **GRUENING**. Mr. President, can we rely upon the promises of President Carlos Arosemena Munroy any more than we could have relied upon the promises of the Valesco government, last fall? Let us not be precipitate in our aid to Ecuador. Let us wait until the Government has been stabilized and until we can be certain that the self-help measures of the Alliance for Progress have a chance of being carried out.

It has become painfully clear that hemisphere defense considerations play a minor role in the determination of what equipment the Latin Americans acquire.

One nation will acquire some hardware only because a neighboring country has similar equipment. I have already mentioned Ecuador's attempt to keep pace with Peru's air strength. Argentina rushed to buy an aircraft carrier after Brazil bought one from England. Similarly, Ecuador protested long and loud, in 1958, when it became apparent that the U.S. Congress was considering providing one of our excess destroyers to Peru. Finally in 1959, despite the Pentagon's judgment that Ecuador did not need a destroyer to fulfill its role in hemisphere defense, and despite the State Department's concern that the upkeep of the ship would strain Ecuador's hard-pressed treasury, we bowed to the political considerations, and furnished Ecuador the destroyer.

Frequently, the questions of prestige vis-a-vis another branch of the military forces within the same country is the determining factor. When a navy gets a destroyer, the air force wants supersonic jets.

The military assistance program also has had a bad psychological impact upon our relations with Latin America. Military aid and training grants to dictatorial governments in Latin America have done the United States much harm. Despite clear provisions of the Mutual Security Act that aid would not be used for internal security purposes, a number of Latin American tyrants, when hard pressed, did not hesitate to use against their own people U.S. grants of military hardware. No matter how long and hard we protest our innocence and good intentions, such acts have helped identify the United States, in Latin American public opinion, with the maintenance of dictatorships.

Another question which troubles me deeply is where the funds come from for the purchase of weapons from other nations.

All of the Latin American countries suffer from severe shortages of capital and foreign exchange. Under the Alliance for Progress, the United States has agreed to provide $1 billion a year in order to spur Latin American economic and social development. Ironically, it is estimated that the Latin American countries spend about $1 billion a year for the purchase of military materiel and its maintenance.

Mr. MORSE. Mr. President, will the Senator from Alaska yield for a question?

Mr. GRUENING. I yield.

Mr. MORSE. The point the Senator from Alaska is making—about the supply of military aid to a friendly government of the moment, only to have that military aid used sometime later, when the government turns tyrannical against its own people, for the purpose of perpetuating a tyrannical, dictatorial government in power—can very well be illustrated, can it not, in connection with our record of military aid to Cuba?

Mr. GRUENING. That is correct.

Mr. MORSE. Does the Senator recall that when Batista was in power, we supplied Batista with a great deal of military aid, and that became such an issue in our country that in January 1958, my Subcommittee on Latin America had public hearings in regard to the problem, and we finally elicited from the State Department the admission, from the witness stand, that Batista could not remain in power without American military aid? Does the Senator recall that?

Mr. GRUENING. I do.

Mr. MORSE. Does the Senator recall that was in January 1958, and about the middle of March 1958, our Government announced it was not going to supply any more military aid to Batista? Does the Senator recall that?

Mr. GRUENING. I do.

Mr. MORSE. The Senator will take note with me, I am sure, that it was not so long afterward that Batista fell, bearing out the testimony of the State Department that he could not remain in power without military aid.

But that is not the end of the story, as the Senator knows. There was hope that Castro would be democratically inclined. If there was ever a man who had a chance to really establish a democratic regime in Cuba, it was Castro. Of course, he completely doublecrossed us as a country.

However, it is true, is it not, that because we had hoped, and we were really taken in by the Castro professings, we proceeded to supply a considerable quantity of arms to Castro?

Mr. GRUENING. I am afraid that is true, unfortunately, but it points out the lesson I am trying to emphasize, that the sending of arms to Latin America has proved to be disastrous, that it plays no part in hemispheric defense, for which it is allegedly intended.

Mr. MORSE. That is why it is so important that the Senator from Alaska give the Senate this lesson this afternoon.

If he will permit this comment, I wish to say that one of the sad ironies about our Cuban relations is that when Castro came into power, and, of course, seized the military equipment we had supplied Batista, and when the most unfortunate incident known as the Bay of Pigs was staged, Castro used the fighter planes we had supplied Batista to knock out of the air in a very few hours after the beginning of that unfortunate escapade, the B–36 bombers the exiles had as their air weapon in their attempt to execute that invasion of Cuba.

That incident illustrates the point, of course, that we just never know, in Latin America, how military aid is going to be used, when it is going to be used to strengthen democracy, and when it is going to fall into the hands of a dictator in order to beat down freedom in some Latin American country.

As I said in an earlier colloquy with the Senator, whenever that happens, let us not fool ourselves on the price we pay, because when American arms are used to beat down freedom in Latin America as a result of their falling into the hands of a native military group trying to stage a coup, we play into the hands of the Communist cause, because that is grist for the lying propaganda mills of the Communists.

Mr. GRUENING. Where, Mr. President, did the millions Peru spent to purchase unnecessary British Canberra jet bombers come from? Is the American taxpayer indirectly paying for the purchase in England of British Canberra jets?

I am concerned, Mr. President, that indirectly through our economic aid, just as much as through our military aid, to Latin America we are enabling those nations to step up their arms race.

Take the case of Argentina.

Here is another case of a civilian government having been overthrown by a military junta.

Last Saturday's New York Times carried a story of a $500 million loan to Argentina, $200 million of it from the United States. The same day's Washington Post and Times Herald reported that Argentina's cattlemen were receiving tax cuts and Government cash subsidies.

Yet the case of Argentina parallels that of Peru.

In both Peru and Argentina, the military overrode and nullified the result of a nationwide election.

In both Peru and Argentina, the military seized the President and imprisoned him.

If there is a distinction between these two actions of these two military coup d'etat, the Argentine case was worse, for in Peru President Prado was finishing his term whereas in Argentina President Frondizi has not.

In Peru President Prado, shortly to be ex-President Prado, has been released; in Argentina President Frondizi—the rightful President of Argentina—is a prisoner of the military on Martin Garcia Island. In his place the Argentine military have installed their own creature, José Guido, in the Presidential office.

So why the difference in our treatment of Argentina and Peru? In the case of Peru we rightly suspend our financial aid. In the case of Argentina we continue to pour it in.

Such inconsistency does not help our purpose to have the Alianza para el Progreso operate successfully. I am talking only about economic aid. I am not talking about withdrawal of recognition which I do not approve in either case.

I ask unanimous consent that these two news stories be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 6.)

Mr. GRUENING. Mr. President, whose money is being used to give the cattlemen of Argentina a tax cut? I am afraid American tax dollars are being used. As stated by the press, the half billion dollar loan to Argentina will be used to bail out Argentina from a fiscal crisis.

> It will be used in Argentina to meet short-term obligations, bolster her currency and foreign payments, and maintain essential programs, including housing—

So says the Times' news story.

The list of arms which I have asked to be printed at the conclusion of my remarks indicates that Argentina has been obtaining planes from Britain, Italy, Canada, and Germany. This, in addition to the $4.9 million received from us in military assistance. It seems clear to me, Mr. President, that part of Argentina's financial woes stems from her arms buying, and the costly maintenance which follows.

It is clear that excessive arms buying in Latin America is a drain on the region's meager national resources and an obstacle to economic development. In more ways than one it is a definite impediment to the successful functioning of the Alianza para el Progreso.

If the Latin American governments feel they must sacrifice their precious, meager resources for the maintenance of oversized and obsolete military establishments, I say—let them. But let us not contribute to their folly from our own hard-pressed Treasury, and our own mounting debt and our unfavorable balance of payments.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. GRUENING. I yield.

Mr. MORSE. What does the Senator have to say about the argument we hear from the Pentagon always, no matter what administration is in power, that if we do not make these military goods available to the Latin American countries they will get them somewhere else; that if we do not sell the goods to them they will get them from England, from France, from Czechoslovakia, from Russia or from some other country in the world; and that, therefore, we had better sell them the goods and have at least that much control over the nature of the military hardware, and thus create at least a market for spare parts and repairs?

Mr. GRUENING. I think the answer is to be found in a solution which we have never been willing to use; that is, so long as we are pouring millions of dollars in economic aid to these countries we have a right to exact certain reciprocal conditions from them. These were the things predicated by President Kennedy when he launched the Alianza para el Progreso. It was said that we would give help if these countries would make certain social and economic reforms. In very few cases have they done so. One of those social and economic reforms would be not to squander their substance on an arms race.

That would be the answer I would give.

Mr. President, in the 10 years since the inception of the Latin American military assistance program, we have provided over one-half billion dollars in military assistance to Latin American governments.

I ask unanimous consent that tables prepared by the AID program be printed at the conclusion of my remarks showing how much was given or loaned to Latin American countries since fiscal year 1952 for both economic and military assistance. I am asking that both tables be printed, Mr. President, because in some countries there is a disturbing contrast in the amount of economic aid given or loaned and the amount of military assistance given or loaned.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 7.)

Mr. GRUENING. It is interesting to note, Mr. President, that when the program of military assistance to Latin America was first instituted in 1952, total military aid that year totaled only $200,000. It has climbed—indeed soared—steadily since that time.

The figures for the intervening years are:

Latin America military aid

Fiscal year:	
1952	$200,000
1953	11,200,000
1954	34,500,000
1955	31,800,000
1956	30,400,000
1957	43,900,000
1958	47,900,000
1959	54,000,000
1960	53,700,000
1961	91,600,000

I am informed that it is expected that $63.6 million will be the total of the military assistance to all Latin American countries in the 1962 fiscal year. For the new fiscal year, the United States is budgeting an additional $84 million in military aid.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. GRUENING. I yield with the understanding that I shall not lose my right to the floor.

Mr. PROXMIRE. I congratulate the distinguished Senator from Alaska. I think he is making a very excellent, timely, and badly needed speech.

I have wondered for a long time how the United States could possibly justify the giving of military assistance to South American countries. Those countries are not going to fight the Russians. Those countries are not going to fight the Chinese. They will not be invaded by Khrushchev or by Mao.

I suppose one could say in some cases they might provide defense against Castro. Castro occupies an island country. If this country, which has the greatest Navy and the greatest Air Force in the world, cannot control the seas around Cuba, we are a lot weaker than I think, compared to a little island country with 6 million people.

Under these circumstances it seems to me that military aid to Latin America is not only a waste of money but also, as the Senator is so well stating—I think his logic is devastating—it will provide for an inevitable arms race among people whose economies are already impoverished. It would be a very dangerous as well as a very foolish policy to follow.

Is it not true that if we give substantial aid to one friendly country, judging on the basis of all our experience, we shall have to match that aid to another country?

Mr. GRUENING. That has been the invariable experience.

We will be heaping Pelion upon Ossa.

Each time one country gets military aid its neighbor wants more. That is what we should understand.

Mr. PROXMIRE. The Senator is stating very well how military aid has increased year after year. The trend line is steadily up, in spite of the fact that experience shows we cannot possibly justify it.

I am delighted and very grateful to the Senator from Oregon, who is of course the expert in the Senate on Latin America. The Senator is the chairman of the Subcommittee on Latin American Affairs of the Committee on Foreign Relations. I am grateful to him for speaking out as forcefully as he has in support of the Senator from Alaska.

I should like to hear those Senators who disagree with this position make their case. I have never heard it made.

Mr. GRUENING. I thank the Senator from Wisconsin. I wish to say that the record is not without warnings delivered on this floor that the program of military aid to Latin America must be carefully watched.

On May 12, 1957, the distinguished senior Senator from Minnesota, our able majority whip [Mr. HUMPHREY], in his capacity as chairman of the Subcommittee on Disarmament of the Senate Committee on Foreign Relations, warned:

> The executive branch must be careful that military aid sent to Latin American nations does not promote an arms race. Nor should military aid detract from important programs of economic development and technical assistance. What we give to one nation for hemispheric defense may provoke demands by another for an equal amount of aid. The danger is particularly acute since little appears to have been done to integrate the defense functions of the separate countries. If greater attention were given the coordination of military policy and functions, it might result in a decrease in the amount Latin American nations need to supply their individual establishments. Such a step might also lessen the possibility for arms competition among the several countries and, in turn, might enable more energy and resources to be channeled into constructive measures to increase living standards and develop Latin American economies.

From Latin America came words of caution also. Perhaps the most eloquent exposition was that of Eduardo Santos, a former President of Colombia and then in exile from the military dictatorship of Rojas Pinilla. Dr. Santos said:

> Against whom are we Latin Americans arming ourselves? Why are our countries ruining themselves with costly armaments which they will never be able to use * * *? We have no reason for fighting one another; We have only reasons for drawing close to each other and living together fraternally. * * * And do we have, perhaps, a military role to play in the great international conflicts? Never. In this era of the atomic bomb with these incredibly costly armaments, with technical systems backed by billions, why are our poor countries continuing to ruin themselves with armaments which at a time of international conflict would represent absolutely nothing? Then we shall be creating armies which are insignificant in international affairs, but devastating to the internal economy of each country. Each country is being occupied by its own army.

José Figueres, while President of Costa Rica, said:

> We don't want any military support. We don't want any army. In case of aggression, our army is our moral standing and our faith in the Inter-American Treaty of Reciprocal Assistance. The two times that we have been invaded our citizens have turned immediately into soldiers to defend democracy while the machinery of the Rio Treaty was set into motion. Any assistance we receive, we want to be directed toward education and economic development.

The principle expressed by President Figueres has applied not only for a long time in Costa Rica, but in practice as well as in theory. Costa Rica has no standing army, no military throwing its weight around at election time. It is no mere coincidence that Costa Rica happens to be the purest democracy in Latin America.

I visited Costa Rica last January as a member of the Public Works Committee of the Senate to inspect the Inter-American Highway, a project largely financed by the United States. I was deeply impressed with the salutary and different atmosphere that prevails in Costa Rica. The Costa Ricans are in every sense the freest, most democratic people in Latin

America. They have set a shining example, not merely for their sister Latin American States, but one that should provide the United States with a guideline for action.

Costa Rica carried its leadership in this field to the Organization of American States. In March 1958, Costa Rica's able and distinguished Ambassador to the United States, Dr. Gonzalo Facio—who is again his country's emissary—proposed a plan for control of armaments in Latin America. It was shelved by the same forces that perpetuate militarism in Latin America, with the disastrous consequences I am here discussing.

At that time the Washington Daily News, edited by John T. O'Rourke, who is deeply knowledgeable regarding Latin American affairs, wrote an appreciative editorial on this subject entitled "You Can't Keep a Good Idea Down." I ask unanimous consent that this editorial be printed at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. PELL in the chair). Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 8.)

Mr. GRUENING. The United States and Latin America would have been much better off if 10 years ago we had adopted in our foreign aid program the ideas advanced by these two distinguished Costa Ricans.

Mr. President, a reexamination of U.S. military assistance to Latin America is sorely overdue. None of the goals of the program have been achieved—not hemisphere defense; not standardization; not modernization, not a reduction in forces; not even that much-to-be-desired byproduct, indoctrination of the military in their role in a modern democracy. Instead, we have witnessed some tragic results.

I am convinced that the evils of the military assistance program in Latin America far outweigh whatever benefits we hoped to achieve when first the program was started.

I call for an end to this unsuitable and fruitless venture. I am suggesting to the Senate Committee on Appropriations that its AID appropriations bill for fiscal year 1963 shall contain a prohibition against the expenditure of any funds appropriated for military assistance to Latin America either directly or indirectly through bailout payments to take the place of funds spent unnecessarily on armaments.

Mr. President, I yield the floor.

Exhibit 1

[From the New York Times, July 21, 1962]

The Puzzle in Peru: Junta, After U.S. Amity and Aid, Is Shocked by Response Over Coup

(By Juan de Onis)

Lima, Peru, July 20.—The U.S. military assistance program to Peru provided the Sherman tank that rammed through the iron gates of the Pizarro Palace when President Manuel Prado y Ugarteche was deposed and taken prisoner Wednesday.

The officer, who carried out the capture of the palace, Col. Gonzalo Briceno, was trained at the Ranger School of Fort Benning, Ga. After his instruction, he returned to Peru to develop a crack antiguerrilla commando unit that was a showpiece of the U.S. military mission here.

A son of former Navy Minister Guillermo Tirado Lamb, who spearheaded the armed forces' resistance to accepting the results of last month's presidential elections, was graduated from the U.S. Naval Academy in June.

When the coup d'etat took place, Mrs. James Loeb, wife of the U.S. Ambassador, was on a Peruvian Navy gunboat in the Amazon region. The boat had been provided by Admiral Tirado to carry a string quartet, in which Mrs. Loeb plays viola, on a concert tour of riverfront communities.

Hundreds of Peruvian officers and enlisted men of the three services have attended the specialized training schools maintained by the Pentagon in the Panama Canal Zone.

The three commanding officers of the armed forces who form part of the military junta that has taken control of Peru have autographed photographs of their U.S. counterparts or of the U.S. Caribbean-area commanders, with whom they are on a first-name basis.

Of all the Latin American military establishments, there was probably none that had higher marks in the U.S. book than Peru's in the period after Fidel Castro had seized power in Cuba.

GREAT STRIDES TAKEN

With the help of the mutual security program which began here in 1952, and the U.S. missions to the 3 services, involving more than 40 officers and men, the Peruvian military made great strides.

The progress involved the modernization of equipment, anti-Communist indoctrination, the development of antiguerrilla forces and the adoption of economically productive programs such as roadbuilding and the vocational training of recruits.

Because of the record of friendship and aid, the swift reaction of the Kennedy administration to the overthrow of President Prado has come as something of a shock to the Peruvian military leaders. The White House severed relations with Peru and suspended all U.S. assistance except for certain humanitarian programs.

The surprise over these stern steps was evident despite the fact that the military leaders had been warned repeatedly by Ambassador Loeb and the U.S. military attachés that military interference in the Peruvian elections would produce severe consequences.

The leaders of the armed forces here do not feel that they have done anything wrong. On the contrary, they say that ineptitude and duplicity of the politicians, including President Prado, had produced a situation in the presidential succession in which their interference was a "moral duty."

CONVINCED OF FRAUD

There is little doubt, even among the critics of the coup, that the military leaders were convinced that a fraud was perpetrated in the June 10 elections and that President Prado had participated in political manipulations to bring to power the American Popular Revolutionary Alliance (Apra Party) and its presidential candidate, Dr. Victor Raul Haya de la Torre.

The military gave repeated evidence that they were willing to accept any solution arrived at by the politicians that would have resolved the inconclusive presidential vote by excluding Dr. Haya de la Torre.

The Apra leader won the most popular votes in the seven-man election but failed to capture the constitutionally required one-third of the total. Congress was to meet July 28 to select a President to succeed Dr. Prado.

The military coup had no single leaders, although the most powerful figure in the junta is considered to be Gen. Nicolás Lindley López, commander in chief of the army. The 54-year-old general, whose father emigrated here from England, is a spit-and-polish career officer who has never been involved in politics, although he was a military aid to President José Luis Bustamante y Rivero from 1946 to 1948.

GENERAL A PURITAN

General Lindley neither drinks nor smokes and objects to others doing so. He is described by associates as a "puritan who would have made a fine general under Cromwell." He is known to hold certain ideas of social reform that are common among the younger Peruvian officers, but he believes that this is a job for a civilian government.

The general favored the candidacy of Fernando Belaunde Terry, the presidential candidate of the Popular Action Party, who placed second in the election. But when political negotiations between Dr. Haya de la Torre and Señor Belaunde fell through, General Lindley worked for the coup.

He was reported to have believed that an agreement between Dr. Haya de la Torre and Gen. Manuel A. Odria, the third major candidate, to support General Odria for President was "morally intolerable." The agreement was announced the day before the coup. General Odria became President in 1948 through a military coup, and during the 8 years he was in office he outlawed the Apra Party.

The Apra Party today is a moderate anti-Communist Party with a leadership that has given luster to its democratic image by 6 years of participation in the Government of President Prado, which was basically conservative. But this cooperation has not wiped out long-standing military resentments toward the party or the suspicion that Apra is basically antimilitary.

MISTRUST OF APRA

In the two major services—the Army and Navy—there is a mistrust of the Apra Party that it is difficult for an outside observer to appreciate fully. The military conserve these memories stubbornly.

In the early days of the party, when Apra was a leftist revolutionary movement, it clashed head on with the armed forces in an uprising in Trujillo in 1932 when a group of army officers was killed. Several thousand Apra followers were shot by firing squads.

In 1948 the Apra Party participated in another abortive uprising, in which the naval base of Callao was briefly seized. Enlisted men and civilians organized by the party rose against their officers. This subversion of naval discipline has never been forgotten by Admiral Tirado.

There is an almost desperate lack of communication between the Apra leaders and the military commanders.

Observers here believe that a bridge of understanding, or at least of tolerance, between the party and the Peruvian armed forces must be established if Peru is to enter a perod of full representative democracy.

Exhibit 2

[From the Washington Post, July 24, 1962]

Situation in Peru

Question. Mr. President, some have criticized the administration for withholding aid from the military dictatorship which has taken over Peru, and at the same time is asking Congress for permission to give aid at your discretion to Communist dictatorships such as Yugoslavia and Poland. Do you feel free to discuss with us reasons for this distinction?

Answer. Well, at the present time the President of Peru is in prison. President Prado, who was a guest of this Government a short while ago, and who was a guest of Franklin D. Roosevelt during World War II. He is in prison. We are anxious to see a return to constitutional forms in Peru, and therefore until we know what is going to happen in Peru, we are prudent in making our judgments as to what we shall do.

We think it is in our national interest, and I think the aid we are giving in the other areas is in our national interest, because we feel that this hemisphere can only be secure and free with democratic government. We wish that were true behind the Iron Curtain, and it is to encourage a trend in that direction that we have given some assistance in the past, and advocate it now.

Exhibit 3

The Library of Congress,
Legislative Reference Service,
Washington, D.C., July 26, 1962.

To: Hon. Ernest Gruening.
(Attention of Mr. Herbert Beaser).
From: Foreign Affairs Division.
Subject: Peruvian Military Cabinet.

The following lists the members of the Peruvian Cabinet as of July 26, 1962. The asterisks denote those who have been awarded the Legion of Merit.

MEMBERS OF THE JUNTA

*Rear Adm. Juan Francisco Torres-Matos (commanding officer of navy): Minister of Navy. In April 1960, visited United States for 2 weeks as official guest of U.S. Chief of Naval Operations and at that time awarded U.S. Legion of Merit.

Lt. Gen. Ricardo Perez Godoy (called junta head at first. Now calling himself constitutional president). Has never been to the United States. Was President of the Armed Forces Joint Command.

*Maj. Gen. Nicolas Lindley Lopez (commanding general of the army): Minister of the Army and Prime Minister as of July 25. Attended the General Command and Staff School at Fort Leavenworth 1946–47. Also visited Fort Bragg, Fort Sill, Fort Bliss, Fort Benning in November 1961. Granted U.S. Legion of Merit for "exceptionally meritorious conduct in the performance of outstanding service to the United States and the objectives of democracy." In United States from February 12, 1960, to November 1961, while commander of armed forces.

Maj. Gen. Pedro Vargas Prada (commanding officer of air force): Minister of Air Force. Graduate of U.S. Armored Tank School at Fort Knox and U.S. Command and General Staff School at Leavenworth.

OTHERS

Vice Adm. Luis Edgardo Llosa G.P.: Prime Minister until July 25. Completed 8-week course of study at U.S. Fleet Sonar School in Key West. Naval attaché in Washington in 1957, and again from 1959–61.

*Brig. Gen. Juan Bossio Collas: Minister of Government and Police. Received U.S. Legion of Merit in 1960. Formerly commander of Military Instruction Center in Lima.

Maj. Gen. Jose Gagliarde Schiaffino: Minister of Labor. Former director of operations, air force. Assigned to mission, 1946–48, in Corpus Christi, Tex.

Maj. Gen. Jesus Melgar Escuti: Minister of Agriculture. Former commander of air force base in Las Palmas. Trained at Randolph Field, Tex., 1942–43.

Vice Adm. Franklin Pease Olivara: Minister of Education. Former commander of a general naval squadron. Temporary duty with Peruvian Embassy in Washington, November 1958 to December 1959.

Gen. Victor Solano Castro: Minister of Health. Former Surgeon General and director of Central Military Hospital.

*Brig. Gen. Maximo Verastegui Izurieta: Minister of Development. Student at Fort Belvoir and Fort Riley, 1948–49. Military attaché, Washington, 1956–57; Deputy Director of Staff of the Inter-American Defense Board, Washington, 1957–58. U.S. Legion of Merit in 1958.

*Brig. Gen. Juan Orrego Aguinaz: Minister of Justice. U.S. Legion of Merit, 1961.

Brig. Gen. Augusto Valdez Oviedo: Finance Minister. No information.

Rosita Rieck Bennett,
Analyst in Latin American Affairs.

Citation To Accompany the Award of the Legion of Merit (Degree of Commander) to Rear Adm. Juan Francisco Torres Matos, Peruvian Navy

For exceptionally meritorious conduct in the performance of outstanding services from June 1958 to April 1960 as Commander General of the Navy of Peru. Exercising a high degree of initiative and diplomacy, Adm. Torres Matos has cooperated wholeheartedly with representatives of the United States on all occasions. Through his sound judgment, marked professional ability, and consistent efforts toward increasing the capability and potential of the Peruvian Navy in the interests of Western Hemispheric defense and solidarity, he has contributed materially to the strengthening of the bonds of friendship and cooperation existing between Peru and the United States.

Thomas S. Gates.

April 19, 1960.

The President of the United States of America, authorized by act of Congress, July 20, 1942, has awarded the Legion of Merit, Degree of Officer, to Brig. Gen. Juan Bossio Collas, Army of Peru, for exceptionally meritorious conduct in the performance of outstanding services:

Brig. Gen. Juan Bossio Collas, Chief, Second Department, Peruvian Army General Staff, has distinguished himself by exceptionally meritorious conduct in the performance of outstanding services. During the period February 1958 to September 1960, General Bossio has performed the duties of his important assignment with consistently high professional competence and outstanding qualities of leadership. His sincerity and honesty in relations with representatives of U.S. Armed Forces have produced significant and effective military results which have strengthened friendship and mutual confidence between the armed forces of Peru and the United States. General Bossio has uncompromisingly demonstrated a firm adherence to the principles of hemispheric solidarity and his dedication to common objectives of American Republics. His actions have reflected great credit upon himself and upon the military service of his country.

Thomas S. Gates.

September 21, 1960.

The President of the United States of America, authorized by act of Congress, July 20, 1942, has awarded the Legion of Merit, Degree of Commander, to Maj. Gen. Nicolas Lindley Lopez, Army of the Republic of Peru, for exceptionally meritorious conduct in the performance of outstanding services:

Maj. Gen. Nicolas Lindley Lopez has distinguished himself by exceptionally meritorious conduct in the performance of outstanding services during the period August 1960 until November 1961, as Commanding General of the Army of the Republic of Peru. His outstanding professional competence, consistent support of democratic principles, and sincere and imaginative cooperation with military representatives of the Department of the Army have produced important and effective military results in the creation of a Western Hemispheric defense program. General Lindley has shown himself to be an able and forceful leader, having introduced modern procedures, methods, policies, and doctrines to the Army of Peru, the ultimate effect of which has been to enhance the capability of the Army of Peru to support a joint defense effort by the free nations of the Western Hemisphere. His support of common democratic principles and objectives has reflected great credit not only upon himself but also upon the Army of the Republic of Peru, and has enhanced the cordial and friendly relations which prevail between the United States and Peru.

Robert S. McNamara.

October 31, 1961.

The President of the United States of America, authorized by act of Congress, July 20, 1942, has awarded the Legion of Merit, Degree of Officer, to Col. Maximo Verastegui Izurieta, Peruvian Army, for exceptionally meritorious conduct in the performance of outstanding services:

Colonel Verastegui distinguished himself by exceptionally meritorious conduct in the performance of outstanding services as the Peruvian military attaché to the United States during the period February 1956 to February 1957. His firm adherence to the principles of democracy and his effective cooperation with representatives of the Armed Forces of the United States have contributed toward furthering the traditional spirit of mutual confidence and respect which characterizes the relationship between Peru and the United States of America. Colonel Verastegui has combined his intense devotion to duty and remarkable professional competency with his sincere friendship for the United States to render highly valuable service to his country and to the Western Hemisphere. The meritorious manner in which he has carried out the important duties assigned to him reflects great credit on himself and on the military service of his country.

Exhibit 4

Armaments in Latin America

ARGENTINA

Fighters/interdicters: 28 North American F–86F Sabre; 40 Gloster Meteor F4, Britain; few Fiat G 46 (FB), Italy.

Bombers/patrollers: 60 FMA 24 Calquin, Argentine Republic; 15 Avro Lancaster 1, Canada; 30 Avro Lincoln, Canada.

Helicopters: Bell 47; Sikorsky S–51; Sikorsky S–55.

Transports: 8 Douglas C–47; 8 Douglas C–54; H. Percival Prince, Britain; 15 Bristol 170, Britain; 48 DH Dove, Britain; 24 Vickers Viking Airspeed Consul, Britain; 1 Aero Commander (VIP); Beech T–34A Mentor; FMA LA–35, Argentine Republic; 4 Aero 45; 12 DC–3 civil airline use; 7 DC–4 civil airline use; 2 DH (c) Beaver (Antarctic), Britain.

Trainers/support: 80 FMA DL 22–24 (T–6), Argentine Republic; 100 Hunting Prentice, Britain; 30 Beech At–11 Kansan; Stearman PT–17; Vultee BT–13A Valiant; Fockewolf FW–44J, Germany; Stieglitz (AT); 15 Beech T–34A Mentor; 10 Gloster Meteor 7, Britain; N. American T–28.

Bombers/patrollers on order: five Sud 1221 Djinn, France; one Sud Allouette, France.

Trainers/support on order: 90 Beech T–34A Mentor, FMA built T–34A, 48 FMA built M–S Paris.

Navy planes.

Fighters/strike: 20 Grumman F9F–5 Panther, 10 Chance Vought F4U–5, 62 Chance Vought F4U–5/5N.

Bombers/patrollers: eight Lockheed P2V–5 Neptune, Convair PBY–5A Catalina, Martin PBM–5 Mariner.

Transports/support: Grumman Goose; Douglas C–39; Douglas C–54; Stearman PT–17; Vultee BT–13A; Beech AT–11 Kansan; 4 Nord Norecrin (naval police), France; 30 North American SNJ–5C; Vickers Walrus, Britain; 2 DH Beavers (operated by Antarctic Institute of Argentina).

Helicopters: Bell 47 (H–13), three Sikorsky HRS–1 (S–55).

BOLIVIA

Fighters/interdicters: eight North American F–51D Mustang (ex-Uruguay); few Republic F–47D Thunderbolt; two Lockheed P–38 Lightning; four Chance Vought F4U–4.

Bombers/patrollers: eight Boeing B–17G Fortress, six North American B–25J Mitchell.

Transports: two Douglas DC–3; one Douglas C–47 Dakota; seven Beech C–45 Expediter, one Northrop YC–125B Raider; one Lockheed 10A Electra.

Trainers/support: 2 Beech AT–11 Kansan; 20 North American AT–6 Texan; 15 Boeing BT–17 Kaydet; 18 North American SNJ–6B; 8 Vultee BT–13 Valiant.

BRAZIL

Fighters/interdicters: 60 Gloster Meteor 8, Britain; Republic F–47D Thunderbolt; North American F–51 Mustang; 26 Lockheed F–80; 2 Western Dragonfly, Britain.

Bombers/patrollers: 2 Boeing B–29 Superfortress, North American B–25 Mitchell, 28 Douglas B–26 Invader, 20 North American B–25J Mitchell.

Helicopters: 14 Sikorsky H–19–D (MSA); 10 Hiller 360 (ASR); 4 Sikorsky S–51 (ASR); 5 Bell H–13; 3 Bell 47J; 2 Western Widgeon, Britain; 12 Bell 47G–2 Trooper.

Transports: Beech C–45 Expediter; Curtiss C–46 Commando; Douglas C–47 Dakota; Douglas C–54; Lockheed C–60 Lodestar; 12 Fairchild C–82 Packet; 10 Beech Super 18; 2 Vickers Viscount (VIP), Britain; 30 Morane Paris, France; Convair Canso; Beech Bonanza; 6 Avro 74 8–2, Canada; 6C–119.

Trainers/support: 90 Fokker (Rio) S. 11 (BT), Netherlands; 4 Lockheed T–33 (MSA); Beech At–11 Kansan; Stinson PT–19 Reliant; 50 North American T–6G Texas; 10 Gloster Meteor T7, Britain; 1 Boeing TB–29; Stearman PT–17; 20 Nord Norecrins in civil service, France; 10 Paulistintha 56B, Italy.

Navy planes.

Bombers/patrollers: Convair PBY–5A Catalina, 14 Lockheed P2V–5 Nep (MSA), 13 Grumman S2F–1 Tracker (MAP).

Transports/support: 10 Boeing B–17 (ASR); Grumman JRF–5 (ASR); 14 Grumman SA–16A (MSA); 4 Kawasaki 47s Navy, Japan; 6 Sikorsky HSS–1N (MAP); 3 Western Whirlwind 1, Britain.

CHILE

Fighters/interdicters: Republic F–47D Thunderbolt.

Bombers/patrollers: 32 Douglas B–26 Invader, Convair PBY–5A Catalina, Lockheed P2V Neptune.

Transports: 8 Douglas C–47; 8 DH Beaver, Canada; 8 DHC Otter (2 Antarctica), Canada; 5 Beech L–23B Seminole.

Trainers/support: 60 FNA Chincol, Chile; few Jet Chincol, Chile; 45 Beech T–34.

Other types: Boeing B–17G Fortress (ASR) 3 Cessna 180, 2 Beech T–34.

Helicopters: 4 Bell H–13D (ASR), 4 Sikorsky HRS–1, few Hiller 12E.

Navy planes.

Transport/support: 3 Douglas C–47, 3 Grumann SA–16 Albatross, C. Vought OS2V–1 Kingfighter.

Trainers: 6 Beech D18s (AT).

COSTA RICA

Fighters/interdicters: 4 North American F–51 Mustang.

CUBA

Fighters/interdicters: 60 Mig-17 Fresco, U.S.S.R.; 15 Hawker Sea Fury (5 left), Britain; few Mig-19 Farmer Planner, U.S.S.R.

Anti-Castro air arm: 8 North American F–51D, 12 B–26 Invader.

Bombers/patrollers: 5 Douglas B–26 Invader.

Transports: Douglas C–47 Dakota; Beech C–45; 3 DH L–20A Beaver, Canada; 4 Il–14 Coach.

Trainers/support: 30 Mig-15 UTI, U.S.S.R.; 4 Lockheed T–33A (2 left); Beech Bonanza; Vultee BT–13 Valiant; Boeing BT–17 Kaydet; North American T–6 Texas; Piper Tri-pacer, 10 North American T–28A; 10 North American F–51D.

Helicopters; 1 Bell 47 G–2 Trooper; 4 Bell 47J; 2 Western Whirlwind, Britain; 4 Mil Mi–4, U.S.S.R.

Navy planes.

Bombers/patrollers: 6 Convair PBY–5A Catalina.

Transports/support: 10 Grumman Goose.

DOMINICAN REPUBLIC

Fighters/interdicters: 35 DH Vampire (ex-RCAF), Britain; 30 North American F–51D Mustang; 15 Republic F–47 Thunderbolt.

Bombers/patrollers: North American B–25 Mitchell; DH Mosquito 6, Britain; Convair PBY–5A Catalina.

Transports: Curtiss C–46 Commando, Beech C–45 Expediter, Aero L–26 Commander, DHC L–20 Beaver.

Helicopters: Few Bell 47.

Trainers/support: Beech T–11 Kansan, Vultee BT–13A Valiant, Boeing PT–17 Kaydet, North American T–6 Texan.

Other types: Cessna 170; Boeing B–17 Fortress (ASR); Bristol Beaufighter 10, Canada.

ECUADOR (AND GALAPAGOS ISLAND)

Fighters/interdicters: 16 Gloster Meteor PR 9, Britain; Republic F–47.

Bombers/patrollers: 6 English Electric Canberra B6, Britain.

Transports: Douglas C–47 Dakota, Beech C–45 Expediter.

Trainers/support: Fairchild PT–19 Cornell, North American AT–6 Texan.

EL SALVADOR

Fighters/interdicters: Goodyear FC–1D, 6 Chance Vought F4U–5 Corsair.

Transports: 4 Douglas C–47.

Trainers/support: 10 Beech T–11 Kansan, Fairchild T–19 Cornell, 10 North American T–6 Texan, few Vultee BT–13A Valiant, 3 Beech T–34A Mentor.

GUATEMALA

Fighters/interdicters: Republic F–47 Thunderbolt, North American F–51 Mustang.

Transports: Douglas C–47 Dakota.

Trainers/support: North American T–6 Texan, Vultee BT–13 Valiant, Beech T–11 Kansan, Stearman PT–17.

Other types: Hiller 360.

HAITI

Fighters/interdicters: North American 51–D Mustang.

Transports: 1 Boeing 307 (VIP), 2 Beech C–45 Expediter, 3 Cessna C–78, few Douglas C–47.

Trainers/support: 1 Beech T–11 Kansan, 3 Stearman PT–17, 3 Fairchild T–19 Cornell, 2 North American T–6 Texan, 3 Vultee BT–13A Valiant.

Other types: Piper L–4A.

HONDURAS

Fighters/interdicters: Lockheed P–38 Lightning, Bell P–63 Kingcobra, Republic F–47 Thunderbolt, North American F–51 Mustang.

Transports: Douglas C–47 Dakota, Beech C–45 Expediter.

Trainers/support:

Vultee BT–13A Valiant, Stearman PT–17, North American T–6 Texan, Beech AT–11 Kansan.

MEXICO

Fighters/interdicters: 34 DH Vampire 52, Canada; 6 Republic F–47D Thunderbolt.

Bombers/patrollers: 2 Douglas A–24 Dauntless, North American B–25 Mitchell.

Transports: Beech C–45 Expediter; Douglas C–47 Dakota; few Helio Courier; 2 Fokker F–27 (VIP), Netherlands.

Trainers/support: 30 Lockheed T–33; Beech AT–11 Kansan; Beech AT–7/F2; Fairchild PT–19; Stearman PT–17; Vultee BT–13A Valiant; 15 North American AT–6 Texan; 2 DH Vampire T–55, Canada; 30 North American T–28A; few Beech T–34.

Helicopters: 1 Hiller E4 (VIP), 3 Hiller 12E.

Navy planes.

Bombers/patrollers: Convair PBY–5A Catalina.

Transports/support, other types: Stinson L–5E; Sikorsky VS20–1 Kingfisher (reconnaissance); Grumman J2F–6.

Helicopters: 6 Sikorsky S–55 Checkasaw; 4 Bell 47; 2 Sud Djinn, France.

NICARAGUA

Fighters/interdicters: Republic F–47 Thunderbolt; 25 North American F–51 Mustang.

Bombers/patrollers: Few Boeing B–29.

Transports: Douglas C–47; Beech C–45.

Trainers/support: North American T–6 Texan; Fairchild PT–19 Cornell; Vultee PT–13A Valiant.

Other types: Few Lockheed P–38.

PARAGUAY

Bombers/patrollers: Convair PBY–5A Catalina.

Transports: Beech C–45 Expediter; 2 Douglas C–47.

Transports on order: FMA built Paris, France.

Trainers/support: Stearman PT–17, North American T–6 Texan, Fairchild PT–19 Cornell.

Other types: 6 Piper L4A.

Navy planes.

Helicopters: 4 Bell 47.

URUGUAY

Fighters/interdicters: 1 squadron Lockheed F–80, few North American F–51D.

Bombers/patrollers: 1 squadron North American B–25J Mitchell.

Transports: Few Douglas C–47; 6 Curtiss C–46; 1 DH (C) L–20 Beaver, Canada.

Trainers/support: 6 Lockheed T–33Q; 12 DH Chipmunk, Canada; Fairchild PT–26 Cornell; Beech T–11B Kansan; North American T–6 Texan.

Navy planes.

Fighter/strike: 6 Grumman F6F–5 Hellcat.

Bombers/patrollers: 8 Grumman TBM–1C Avenger; few Martin PBM–5.

Transports/support: C. Vought OS2U–3 Kingfisher, Australia; North American SNJ–4; Fairchild PT–23A; Fairchild PT–26–A; Grumman J4F–1.

VENEZUELA

Fighters/interdicters: 22 North American F–86F Sabre, Republic F–47 Thunderbolt, 22 DH Venom F–4, 20 DH Vampire FB 3/5.

Bombers/patrollers: North American B–25J Mitchell; six English Electric Canberra B–24, Britain; eight English Electric Canberra B–8, Britain.

Transports: Douglas C–47 Dakota; 9 Beech D–18's; Vickers Sea Otter, Britain; Douglas C–54; few Helio Courier; 18 Fairchild C–123B Provider; Beech T–11 Kansas; 1 DH Vampire T–55; North American T–6 Texan; 14 Beech T–34 Mentor; 2 English Electric Canberra T–4, Britain; on order, 5 Vampire T–55's.

Other types: Grumman SA–16 Albatross; one MS Paris.

Helicopters: Sikorsky S–61; two Bell 47G; one Sud Alouette II, France; on order, six Sikorsky S–56.

EXHIBIT 5

[From the National Observer, July 30, 1962]

LATIN CLOSEUP: WHY ECUADOR IS SEEKING U.S. AID—CORRUPTION LEAVES MAJOR CITY DEEP IN MISERY; WHO GETS THE TAXES?

(By Hunter S. Thompson)

The Malecon, the riverside drive in Guayaquil, Ecuador, is one of the filthiest streets in Christendom. The gutters are full of rotting orange peels, and the sidewalks are littered with fish heads. During the day it crawls with beggars, fruit vendors, drunks, sellers of contraband, and half-naked stevedores loading cargo from riverboats to the army of ancient trucks that jam the piers. At night it crawls with rats.

Yet the natives of Guayaquil hardly notice the rats. They have other things to worry about. The current mayor, for instance, has three times had to flee for his life from city employees on strike for overdue wages. The previous mayor bowed out to the tune of stones showering through the windows of city hall. And the mayor-elect, who will take office on August 10, arrived in Washington last Monday seeking an immediate $4 million loan to stave off civic collapse.

Accompanying the mayor, Assad Bucaram, was President Carlos Arosemena Munroy and a host of other Ecuadoran officials. The President, heading the delegation, met Monday and Tuesday with President Kennedy. He is asking for an immediate $16 million—$4 million for Guayaquil to refinance its municipal debt, the remainder as a budget-support loan for the National Government.

This is in addition to an $8 million loan which the United States granted Ecuador last December, immediately following the revolution that toppled the government of Jose Velasco Ibarra in protest against high taxes. Last year, too, Ecuador drew about $7 million from the International Monetary Fund.

A CITY BESET BY STRIKES, UNREST

Guayaquil, Ecuador's most populous and commercially active city, is almost a microcosm of the problems which beset Latin America—problems which the Alliance for Progress is designed to solve, and yet which stand in the way of that aid program.

Guayaquil's sewage system, for instance, is going to pieces. Municipal employees are angry at not being paid. The Banco Descuento (the Discount Bank), which holds mortgages on vast amounts of city property and has liens against two-thirds of its income, is beginning to worry that payment will never be made. Thus Guayaquil is beset by strikes, demonstrations, and a general unrest that is kept well stirred by an industrious band of Communist agitators.

Another big problem is a constant influx of poverty-stricken peasants from other parts of the country. More than half the city's 485,000 persons live in the Barrios Suburbanos, a mushrooming shacktown slum so foul that most visitors can't understand that people are moving there by choice.

The shacks are made of split bamboo, built on stilts above a swamp that is flooded all winter. Most families get their water out of 55-gallon drums, hauled out by truck and placed at intervals along the dusty tracks that serve as streets. Beyond the city limits the drums are sold for 3 sucres each—about 15 cents.

DEBT SNARLS CITY GOVERNMENT

The city government is hopelessly fouled in debt. The figures are truly staggering. The total debt is 377 million sucres, roughly $18 million. Guayaquil's annual income is 100 million sucres. Of that, 64 million goes for repayment of various debts, interest fees, and service charges.

This leaves the city some 36 million to work with, not quite $2 million, and municipal salaries are twice that much. So the following things happen: (1) city employees go on strike, seize city hall, and threaten to kill the mayor if he doesn't pay salaries; (2) the national government, out of desperation, chips in a few million sucres as a partial payment to keep the strikers pacified; (3) municipal debts go unpaid, national assets dwindle, Guayaquil gets a mad-dog reputation that scares off foreign capital, and local Communists laugh like hyenas while things go from bad to worse.

Last week, in the crisis' latest development, the city employees' union threatened to strike again on August 15 if employees aren't paid by then.

HELP NEEDED IMMEDIATELY

Eventually—and inevitably—comes a request to Washington for an emergency loan. No one knows, of course, whether Ecuador will get the funds it's now after. But as a Guayaquil banker puts it, "The situation requires money at once. We can't get it in Ecuador, and if it doesn't come from the States it will have to come from somewhere else—Germany, Italy, Japan, it doesn't matter."

Why can't they get the money in Ecuador? What about the Banco Descuento, which collects (due to liens) most of the city's real estate taxes, beer and tobacco taxes, and pier and wharf fees? The city's parks are mortgaged to the bank. So, according to the present mayor, is city hall itself.

There is, then, money in Ecuador; anyone who doubts it has only to walk through the upper class residential sections of Guayaquil or Quito. For that matter, there's enough money in the Banco Descuento alone to get Guayaquil very safely out of the crisis zone.

But the bank is getting leery of financing corrupt city administrations. It has made one loan after another, each one supposedly to get the city back on its feet, yet the situation keeps getting worse.

The problem has three main roots:

Lax enforcement and widespread corruption have made a farce of municipal tax collections.

The city government has borrowed so much money, and got itself into such a maelstrom of compounding interest, that each year a larger percentage of its income goes to pay back debts.

The city is so corrupt, so conditioned to poverty, and so ridden with thieves and gougers in every walk of public and private life that the handful of honest men trying to deal with the problem simply don't know where to begin.

All three of these causes boil down in one way or another to corruption. Corruption is a tradition in Guayaquil. Take the case of Pedro Menendez, the last mayor, who fled to the United States after being driven out of office during a riot in which 20 people were killed.

Mr. Menendez, who is now back in town and walking the streets with immunity, was inaugurated into a $5 million debt, hastily borrowed $8 million more, and somehow managed in 16 months to triple the debt he had inherited.

Yet Mr. Menendez is often defended in curbside conversations. "He paved a lot of streets," the citizens will say. "And he put a lot of dirt fill in the Barrios Suburbanos." But what you don't hear in curbside conversations is that he also had a financial interest in the construction companies that performed these services. His successor, appointed by the State Council, found 20 sucres—or 95 cents—in the city's cash bank account.

THE QUESTION OF TAX COLLECTION

Tax collections are no less corrupt and haphazard. One wealthy gentleman explains the situation this way: "Let's say you owe a million sucres—that means you pay 200,000 in taxes and 50,000 to the tax collector." Thus a 1,000,000-sucre tax debt is settled for 250,000—and the city which supposedly pays the bank with income derived from taxes, comes that much closer to defaulting once again.

The question of taxes and their collection is at the base of every proposed solution to the city's financial problems. It also is a primary concern of the Alliance for Progress, and Mr. Bucaram has already taken some tentative steps to cope with it. With his backing, the city has levied a 20-centavo tax on every bottle of beer sold in Guayaquil, and 6 centavos on every soft drink.

Still, this is just a drop in the bucket. At the moment, the Guayaquil problem hinges on two things: Whether or not a loan will come through—from somewhere—and what Mr. Bucaram will do when he takes office. As usual, the situation is politically threatening: It was the same kind of mounting tension that led to the ouster of Menendes and the collapse of the Velasco government last fall.

EXHIBIT 6

[From the New York Times, July 28, 1962]

ARGENTINA GETS $500 MILLION AID—U.S. SHARE $200 MILLION—CREDITS GIVEN IN CRISIS

(By Brendan M. Jones)

Credits of $500 million to Argentina from United States and world institutions were announced yesterday by Dr. Alvaro C. Alsogaray, Argentine Minister of Economics.

The U.S. share of these credits will total about $200 million, according to an announcement by the State Department.

The total is one of the largest to be provided to a Latin American country for a so-called bailout in a fiscal crisis. It will be used on Argentina to meet short-term obligations, bolster her currency and foreign payments, and maintain essential programs, including urgently needed housing.

Dr. Alsogaray announced the credit at a news conference at the Overseas Press Club, 54 West 40th Street. Earlier he met in Washington with President Kennedy and other top administration officials.

Negotiations, he said, had required 8 days. They included meetings with officials of the International Monetary Fund, the International Bank for Reconstruction and Development, the U.S. Treasury Department, the Inter-American Bank, the Export-Import Bank, Alliance for Progress and private banks in New York, Philadelphia and San Francisco.

All, he noted, were participating in the credit.

"As of this moment," Dr. Alsogaray said, "Argentina will be able to count on about $500 million until the end of the current year, plus an amount not yet determined coming from the postponement and consolidation of debts that we are trying to renegotiate here and in Europe.

"Besides this, Argentina can count on adequate financing for new, specific development projects."

Dr. Alsogaray said the "technical details" of the emergency credits had not been completed, but would be announced later. He added that the financing just completed was not for new projects, but entirely to help Argentina meet immediate needs.

The Economics Minister noted that a main purpose of the credit would be to establish confidence in the Argentine peso and eventually to stabilize its foreign-exchange value.

FRONDIZI REGIME BLAMED

Argentina's financial difficulties, which Dr. Alsogaray said had both political and economic causes, have been steadily worsening. He blamed them largely on excessive short-term borrowings and forced economic expansion by the regime of President Arturo Frondizi.

The Frondizi government was overthrown in a coup by the armed forces last May after a resurgent Peronista party had polled 25 percent of the votes in the March elections.

Dr. Alsogaray declared that the ouster of Dr. Frondizi's regime had followed what was recognized in Argentina as normal and orderly procedure.

A root cause of the ouster, he said, was the action of Dr. Frondizi's government in trying to make political alliance with Peronist elements.

Dr. Alsogaray remarked that this policy was the same as if the Allied command had negotiated peace with Nazi leaders after the defeat of Germany.

TROUBLE GREW IN APRIL

Argentina's economic troubles began piling up in April. The peso dropped sharply, losing more than half its value in about 2 months before recently becoming more firm under the effects of controls. Government reserves were quickly depleted after short-term debts were met.

Salaries to government employees have fallen behind by 1 to 2 months. Plant shutdowns and stoppage of private credits and payments have recently been growing.

Living costs in the year ended last June 30 rose by 26.6 percent.

Dr. Alsogaray emphasized that every effort would be made to halt inflation, and he declared that none of the new credits would go to incurring new debts.

[From the Washington Post, July 28, 1962]

ARGENTINA CATTLEMEN GET CASH AID

BUENOS AIRES, July 27.—Tax cuts were ordered and government cash subsidies announced today as part of a program to save 8 million head of cattle from death by thirst and drought-stricken ranchers from ruin.

Argentina's 6-month drought is turning the cattle-raising pampas into parched wasteland. Cattlemen, rather than see their stock die from lack of water and forage, are sending them to slaughter by the thousands at any price.

The new government measures consist of tax cuts and exemptions for drought-stricken ranchers and 50 million pesos worth of subsidies to cattlemen who must sacrifice their stocks.

A railway strike, which had hampered a government-aid program to ship 3,500 carloads of fodder to stricken areas, ended today. The 220,000 members of the railwaymen's union gave in to government pleas to save the cattle and called off a 3-day-old strike of protest against tardy salary payments.

EXHIBIT 7

Latin America, total

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	274.6	70.6	197.0	219.2	105.8	410.1	62.5	325.5	342.8	642.4	377.0	621.0	380.4	981.7	5,006.1
Grants	73.4	26.2	27.7	17.4	25.1	21.3	42.8	76.6	131.1	117.1	113.3	101.9	177.5	156.7	1,103.0
Loans	201.2	44.4	169.3	201.8	80.7	388.8	19.7	248.9	211.7	525.3	263.7	519.1	202.9	825.0	3,903.1
Mutual security economic program, total					18.5	17.7	26.8	41.0	71.9	80.9	87.6	123.2	104.8	256.3	823.4
International Cooperation Administration					18.5	17.7	26.8	41.0	71.9	78.9	67.1	62.9	73.5	121.3	574.2
Technical cooperation/development grants					18.5	17.7	22.4	27.7	27.7	29.7	32.4	38.6	42.4	65.5	314.8
Other							4.4	13.3	44.2	49.1	34.7	24.4	31.1	55.8	259.4
Development Loan Fund											8.5	57.3	28.6	133.3	227.7
Other mutual security program, economic										2.0	12.0	3.0	2.7	1.6	21.5
Other economic assistance	274.6	70.6	197.0	219.2	87.3	392.4	35.7	284.5	270.9	561.5	289.4	497.8	275.6	725.4	4,182.7
Public Law 480:															
Title I, planned for grants and loans								13.8	86.5	136.2	28.8	34.1	57.4	119.4	476.5
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development														14.0	14.0
104e, loans to private industry										1.6	11.0	11.3	19.4	1.7	45.3
104g, loans to governments								13.8	86.5	134.6	17.8	22.8	38.0	103.7	417.2
(Total sales agreements)								(22.7)	(117.5)	(161.1)	(40.8)	(45.4)	(77.5)	(143.4)	(608.5)
Title II, emergency relief								20.2	6.6	11.4	.7			.2	39.2
Title III, voluntary relief agencies					.1		.8	8.2	17.4	14.3	34.0	27.1	18.3	28.1	148.5
Export-Import Bank long-term loans	175.6	44.4	169.3	201.8	80.3	373.8	19.6	234.8	124.7	369.7	214.1	427.7	113.4	575.8	3,125.2
Other U.S. economic programs	99.0	26.2	27.7	17.4	6.9	18.6	15.3	7.5	35.7	29.9	11.8	8.9	86.5	1.9	393.3
Military, total					.2	11.2	34.5	31.8	30.4	43.9	47.9	54.0	53.7	91.6	479.4
Grants					.2	11.2	34.5	31.8	23.5	37.2	45.6	40.0	42.6	79.4	410.6
Loans									6.9	6.7	2.3	14.0	11.1	12.2	68.8
Mutual security military program (charged to appropriation)					.2	11.2	34.5	31.8	30.4	33.8	47.9	45.5	43.4	57.2	416.1
(From excess stocks)						(58.2)	(5.8)	(10.1)	(2.6)	(9.7)	(20.0)	(3.5)	(5.2)	(6.3)	(129.8)
Other military assistance										10.1		8.5	10.3	34.4	63.3
Total, economic and military	274.6	70.6	197.0	219.2	106.0	421.3	97.0	357.3	373.2	686.3	424.9	675.0	434.1	1,073.3	5,485.5
Mutual security program					18.7	28.9	61.3	72.8	102.3	114.7	135.5	168.7	148.2	313.5	1,239.5
Other assistance	274.6	70.6	197.0	219.2	87.3	392.4	35.7	284.5	270.9	571.6	289.4	506.3	285.9	759.8	4,246.0

MUTUAL SECURITY PROGRAM EXPENDITURES

	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	Total
Mutual security program expenditures, total					9.5	31.4	50.8	57.2	84.3	98.2	111.3	131.2	137.9	175.0	[1] 888.9
Economic, total					9.3	20.2	16.3	25.4	53.9	64.4	63.4	85.7	94.5	117.7	553.0
International Cooperation Administration					9.3	20.2	16.3	25.4	53.9	62.9	61.4	69.6	66.7	96.8	[1] 484.7
Development Loan Fund												3.1	25.4	18.3	16.8
Other mutual security program economic										1.5	2.0	13.0	2.4	2.7	21.5
Military					.2	11.2	34.5	31.8	30.4	33.8	47.9	45.5	43.4	57.2	335.9

[1] Includes $2.2 million not distributed by fiscal year.

Argentina

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946-48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	0.2		96.5	5.0				62.3	16.1	97.8	0.1	174.7	0.8	68.9	522.6
Grants									.1		.1	.4	.8	.9	2.6
Loans	.2		96.5	5.0				62.3	16.0	97.8		174.3		68.0	520.0
Mutual security economic program, total									.1		.1	25.2	.8	6.9	33.3
International Cooperation Administration									.1		.1	.4	.8	.9	2.5
Technical cooperation/development grants											.1	.4	.8	.9	2.4
Other									.1						.1
Development Loan Fund												24.8		6.0	30.8
Other mutual security program, economic															
Other economic assistance	.2		96.5	5.0				62.3	16.0	97.8		149.5		62.0	489.3
Public Law 480:															
Title I, planned for grants and loans								2.3	16.0			24.7			42.9
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104c, loans to private industry												8.2			8.2
104g, loans to governments								2.3	16.0			16.5			34.7
(Total sales agreements)								(5.8)	(23.6)			(33.0)			(62.3)
Title II, emergency relief															
Title III, voluntary relief agencies															
Export-Import Bank long-term loans	.2		96.5	5.0				60.0		97.8		124.8		62.0	446.3
Other U.S. economic programs															.1
Military, total													.1	10.7	15.4
Grants													.1	8.4	9.5
Loans														2.3	5.9
Mutual security military program (charged to appropriation)													.1	2.8	7.5
(From excess stocks)														(.3)	(.4)
Other military assistance														7.9	7.9
Total, economic and military	.2		96.5	5.0				62.3	16.1	97.8	.1	174.7	.9	79.6	538.0
Mutual security program									.1		.1	25.2	.9	9.7	40.8
Other assistance	.2		96.5	5.0				62.3	16.0	97.8		149.5		69.9	497.2

MUTUAL SECURITY PROGRAM EXPENDITURES

	1946-48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	Total
Mutual security program expenditures, total										0.1	(*)	0.2	17.6	10.8	28.7
Economic, total										.1	(*)	.2	17.5	8.0	25.8
International Cooperation Administration										.1	(*)	.2	.3	.5	1.1
Development Loan Fund													17.2	7.4	24.6
Other mutual security program, economic															
Military													.1	2.8	2.9

Bolivia

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946-48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	4.2	0.7	16.5	0.5	1.5	1.3	18.2	31.7	28.1	27.3	22.4	24.9	15.0	30.8	220.7
Grants	1.2	.4	.5	.5	1.5	1.3	15.8	27.0	28.1	27.3	22.4	20.9	15.0	21.0	180.5
Loans	3.0	.3	16.0				2.4	4.7				4.0		9.8	40.2
Mutual security economic program, total					1.5	1.3	7.5	11.0	25.4	23.3	22.4	24.5	14.8	27.9	157.2
International Cooperation Administration					1.5	1.3	7.5	11.0	25.4	23.3	22.4	20.5	14.8	24.1	149.3
Technical cooperation/development grants					1.5	1.3	3.1	2.5	2.5	3.3	2.8	3.3	1.7	1.6	22.2
Other							4.4	8.5	22.9	20.0	19.7	17.2	13.1	22.5	127.0
Development Loan Fund												4.0		3.8	7.8
Other mutual security program, economic															.2

Bolivia—Continued

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS—Continued
[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic total—Continued															
Other economic assistance	4.2	0.7	16.5	0.5			10.7	20.7	2.7	4.0		0.4	0.2	2.9	63.5
Public law 480:															
Title I, planned for grants and loans														2.5	2.5
104c, Grants for common defense															
104d, Grants from triangular transfer															
104e, Grants for economic developments															
104e, loans to private industry															
104g, loans to governments														2.5	2.5
(Total sales agreements)														(3.3)	(3.3)
Title II, emergency relief								14.6		2.8					17.4
Title III, voluntary relief agencies							.3	1.4	2.7	1.2		.4	.2	.4	6.6
Export-Import Bank long-term loans	3.0	.3	16.0				2.4	4.7							26.4
Other U.S. economic programs [1]	1.2	.4	.5	.5			8.0								10.6
Military, total											.1	.3		.4	2.2
Grants											.1	.3		.4	2.2
Loans															
Mutual security military program (charged to appropriation)											.1	.3		.4	2.2
(From excess stocks)													(.1)		(.1)
Other military assistance															
Total, economic and military	4.2	.7	16.5	.5	1.5	1.3	18.2	31.7	28.1	27.3	22.5	25.2	15.0	31.2	222.9
Mutual security program					1.5	1.3	7.5	11.0	25.4	23.3	22.5	24.8	14.8	28.3	159.4
Other assistance	4.2	.7	16.5	.5			10.7	20.7	2.7	4.0		.4	.2	2.9	63.5

MUTUAL SECURITY PROGRAM EXPENDITURES

	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	Total
Mutual security program expenditures, total					0.6	1.3	5.1	5.1	17.2	24.9	24.6	21.9	17.6	14.8	133.1
Economic, total					.6	1.3	5.1	5.1	17.2	24.9	24.5	21.6	17.6	14.4	132.3
International cooperation administration					.6	1.3	5.1	5.1	17.2	24.9	24.5	20.8	16.0	14.0	129.5
Development Loan Fund												.8	1.6	.2	2.6
Other MSP economic														.2	.2
Military											.1	.3		.4	.8

[1] Includes 8 million Public Law 216 famine relief.

Brazil

U.S. FOREIGN ASSISTANCE, OBLIGATIONS AND LOAN AUTHORIZATIONS
[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	73.9	10.4	15.3	27.2	59.1	381.2	4.5	56.3	95.7	324.4	26.8	135.5	19.9	[1] 304.4	1,535.7
Grants	3.6	.8	.8	1.2	2.6	3.2	2.5	5.5	9.0	6.4	9.1	11.4	13.4	24.7	95.2
Loans	70.3	9.6	14.5	26.0	56.5	378.0	2.0	50.8	86.7	318.0	17.7	124.1	6.5	279.7	1,440.5
Mutual security economic program, total					2.6	3.2	2.5	3.0	3.6	4.5	5.5	8.9	11.3	7.5	53.5
International Cooperation Administration					2.6	3.2	2.5	3.0	3.6	4.5	5.5	8.4	11.6	7.5	53.3
Technical cooperation/development grants					2.6	3.2	2.5	3.0	3.6	4.5	5.5	8.2	10.8	7.5	50.9
Other												.2	.7		2.4
Development Loan Fund												.5	−.3		.2
Other mutual security program, economic															
Other economic assistance	73.9	10.4	15.3	27.2	56.5	378.0	2.0	53.3	92.1	319.9	21.3	126.6	8.6	296.9	1,482.2
Public Law 480:															
Title I, planned for grants and loans									30.2	117.9				88.8	236.9
104c, grants for common defense															
104d, grants from triangular trans															
104e, grants for economic development														14.0	14.0
104e, loans to private industry															
104g, loans to governments									30.2	117.9				74.8	222.9
(Total sales agreements)									(39.7)	(138.7)				(104.5)	(282.9)
Title II, emergency relief															
Title III, voluntary relief agencies								2.5	5.4	1.9	3.6	3.0	1.8	3.2	21.4
Export-Import Bank long-term loans	54.0	9.6	14.5	26.0	56.5	363.0	1.9	50.5	56.0	193.5	17.7	123.6	6.8	[1] 204.9	1,178.4
Other U.S. economic programs [2]	19.9	.8	.8	1.2		15.0	.1	.3	.5	6.6					45.5

[1] Does not include refinancings of $304,800,000.

[2] Includes $22,500,000 surplus property credits and $16,300,000 defense mobilization development

Brazil—Continued

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS—Continued

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Military, total						3.0	17.6	12.7	7.7	18.4	18.2	20.2	26.4	23.9	175.5
Grants						3.0	17.6	12.7	7.7	18.4	18.2	20.2	26.4	23.9	175.5
Loans															
Mutual security military program: (charged to appropriations)						3.0	17.6	12.7	7.7	8.3	18.2	11.7	18.2	23.9	148.7
(from excess stocks)						(52.8)	(5.0)	(2.2)	(.6)	(.1)	(2.8)	(.7)	(2.3)	(1.3)	(70.9)
Other military assistance										10.1		8.5	8.2		26.8
Total economic and military	73.9	10.4	15.3	27.2	59.1	384.2	22.1	69.0	103.4	342.8	45.0	155.7	46.3	328.3	1,711.2
Mutual security program					2.6	6.2	20.1	15.7	11.3	12.8	23.7	20.6	29.5	31.4	202.2
Other assistance	73.9	10.4	15.3	27.2	56.5	378.0	2.0	53.3	92.1	330.0	21.3	135.1	16.8	296.9	1,509.0

MUTUAL SECURITY PROGRAM EXPENDITURES

	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	Total
Mutual security program expenditures, total					1.0	6.0	19.3	14.8	10.7	12.7	22.6	18.7	25.7	32.7	164.2
Economic, total					1.0	3.0	1.7	2.1	3.0	4.4	4.4	7.0	7.5	8.8	42.9
International Cooperation Administration					1.0	3.0	1.7	2.1	3.0	4.4	4.4	6.9	7.4	8.8	42.7
Development Loan Fund												.1	.1		.2
Other mutual security program economic															
Military						3.0	17.6	12.7	7.7	8.3	18.2	11.7	18.2	23.9	121.3

Chile

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	50.9	21.7	28.2	2.2	12.2	1.3	1.4	6.2	29.4	40.4	42.8	44.5	44.5	138.7	463.7
Grants	4.0	.4	.3	.4	1.1	1.3	1.4	2.3	2.4	3.6	17.8	15.2	14.9	30.2	94.2
Loans	46.9	21.3	27.9	1.8	11.1			3.9	27.0	36.8	25.0	29.3	29.6	108.5	369.5
Mutual security economic program, total					1.1	1.3	1.4	2.1	2.2	3.3	12.8	3.2	18.9	31.2	76.3
International Cooperation Administration					1.1	1.3	1.4	2.1	2.2	3.3	2.8	2.9	7.9	23.0	46.9
Technical cooperation/development grants					1.1	1.3	1.4	2.1	2.2	2.5	2.8	2.9	3.1	23.0	41.2
Other										.8			4.8		5.7
Development Loan Fund												.3	10.5	8.2	19.0
Other mutual security program, economic											10.0		.5		10.5
Other economic assistance	50.9	21.7	28.2	2.2	11.1			4.1	27.2	37.1	30.0	41.3	25.6	107.5	387.4
Public Law 480: Title I, planned for grants and loans								3.9	27.0				2.2	23.3	56.6
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104e, loans to private industry													.8	.1	.9
104g, loans to governments								3.9	27.0				1.4	23.2	55.7
(Total sales agreements)								(4.9)	(33.9)				(3.1)	(29.2)	(71.2)
Title II, emergency relief															
Title III, voluntary relief agencies								.2	.2	1.1	15.0	12.3	6.5	7.1	42.5
Export-Import Bank long-term loans	46.9	21.3	27.9	1.8	11.1					36.0	15.0	29.0	16.9	77.0	283.1
Other U.S. economic programs	4.0	.4	.3	.4										.1	5.2
Military, total						1.3	6.7	4.0	2.6	2.7	6.7	5.4	2.7	9.0	53.6
Grants						1.3	6.7	4.0	2.6	2.7	6.7	5.4	2.7	9.0	53.6
Loans															
Mutual security military program (charged to appropriation)						1.3	6.7	4.0	2.6	2.7	6.7	5.4	2.7	4.0	48.6
(From excess stocks)						(2.6)	(.1)	(2.7)	(.2)	(2.7)	(5.2)	(.9)	(1.6)	(.8)	(19.1)
Other military assistance														5.0	5.0
Total, economic and military	50.9	21.7	28.2	2.2	12.2	2.6	8.1	10.2	32.0	43.1	49.5	49.9	47.2	147.7	517.3
Mutual security program					1.1	2.6	8.1	6.1	4.8	6.0	19.5	8.6	21.6	35.2	124.9
Other assistance	50.9	21.7	28.2	2.2	11.1			4.1	27.2	37.1	30.0	41.3	25.6	112.5	392.4

Chile—Continued

MUTUAL SECURITY PROGRAM EXPENDITURES

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Mutual security program expenditures, total					0.3	3.0	7.2	5.4	4.5	4.5	8.8	18.0	6.2	19.6	77.5
Economic, total					.3	1.7	.5	1.4	1.9	1.8	2.1	12.6	3.5	15.6	41.4
International Cooperation Administration					.3	1.7	.5	1.4	1.9	1.8	2.1	2.6	3.5	15.1	30.9
Development Loan Fund															
Other mutual security program, economic												10.0		.5	10.5
Military						1.3	6.7	4.0	2.6	2.7	6.7	5.4	2.7	4.0	36.1

Colombia

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	14.8	3.8	2.5	2.4	3.3	5.5	1.4	4.5	11.5	17.5	97.6	6.2	29.1	89.9	289.4
Grants	1.0	.2	.3	.3	.7	1.0	1.4	2.3	4.5	4.1	9.2	6.2	4.9	8.3	43.6
Loans	13.8	3.6	2.2	2.1	2.6	4.5		2.2	7.0	13.4	88.4		24.2	81.6	245.8
Mutual security economic program, total					.7	1.0	1.2	1.4	1.3	1.2	1.8	2.0	2.4	28.2	40.5
International Cooperation Administration					.7	1.0	1.2	1.4	1.3	1.2	1.8	2.0	2.4	3.2	15.5
Technical cooperation/development grants					.7	1.0	1.2	1.4	1.3	1.2	1.8	2.0	2.4	3.2	15.3
Other															.2
Development Loan Fund														25.0	25.0
Other mutual security program economic															
Other economic assistance	14.8	3.8	2.5	2.4	2.6	4.5	.2	3.1	10.2	16.3	95.8	4.2	26.7	61.7	248.9
Public Law 480: Title I, planned for grants and loans								2.2	6.8	13.4	4.7		23.7		51.0
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104e, loans to private industry										1.6	1.6		7.9		11.3
104g, loans to governments								2.2	6.8	11.8	3.1		15.8		39.7
(Total sales agreements)								(4.5)	(11.4)	(15.5)	(6.4)		(31.6)		(69.5)
Title II, emergency relief															
Title III, voluntary relief agencies							.2	.9	3.2	2.9	7.4	4.2	2.5	4.9	26.1
Export-Import Bank long-term loans	13.0	3.6	2.2	2.1	2.6	4.5			.2		83.7		.5	56.5	169.0
Other U.S. economic programs	1.8	.2	.3	.3										.2	2.8
Military, total						3.4	2.5	3.7	2.4	2.3	2.6	2.5	2.7	11.2	37.8
Grants						3.4	2.5	3.7	2.4	2.3	2.6	2.5	2.7	11.2	37.8
Loans															
Mutual security military program: (charged to appropriation)						3.4	2.5	3.7	2.4	2.3	2.6	2.5	2.7	3.2	29.8
(From excess stocks)						(1.1)		(2.4)	(.2)	(1.4)	(3.1)		(.3)	(.2)	(9.1)
Other military assistance														8.0	8.0
Total, economic and military	14.8	3.8	2.5	2.4	3.3	8.9	3.9	8.2	13.9	19.8	100.2	8.7	31.8	101.1	327.2
Mutual security program					.7	4.4	3.7	5.1	3.7	3.5	4.4	4.5	5.1	31.4	70.3
Other assistance	14.8	3.8	2.5	2.4	2.6	4.5	.2	3.1	10.2	16.3	95.8	4.2	26.7	69.7	256.9

MUTUAL SECURITY PROGRAM EXPENDITURES

	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	Total
Mutual security program expenditures, total					0.4	4.5	3.1	4.6	3.5	3.4	4.5	4.4	4.6	5.9	38.7
Economic, total					.4	1.1	.6	.9	1.1	1.1	1.9	1.9	1.9	2.7	13.4
International Cooperation Administration					.4	1.1	.6	.9	1.1	1.1	1.9	1.9	1.9	2.7	13.4
Development Loan Fund															
Other mutual security program, economic															
Military						3.4	2.5	3.7	2.4	2.3	2.6	2.5	2.7	3.2	25.3

Costa Rica

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946-48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	2.6	0.1	0.4	0.7	2.2	2.5	1.9	5.3	20.7	11.3	2.7	8.2	10.5	10.1	78.7
Grants	2.6	.1	.4	.7	2.2	2.5	1.9	2.0	11.2	9.1	2.7	2.9	7.5	1.5	46.8
Loans								3.3	9.5	2.2		5.3	3.0	8.6	31.9
Mutual security economic program, total					1.3	.8	.7	.9	.9	3.0	1.1	1.4	1.3	10.0	20.8
International Cooperation Administration					1.3	.8	.7	.9	.9	3.0	1.1	1.1	1.3	1.4	12.0
Technical cooperation/development grants					1.3	.8	.7	.9	.9	1.0	1.1	1.1	1.3	1.4	9.9
Other										2.0			.1		2.1
Development Loan Fund												.3		8.6	8.9
Other mutual security program, economic															
Other economic assistance	2.6	.1	.4	.7	.9	1.7	1.2	4.4	19.8	8.3	1.6	6.8	9.2	.1	57.9
Public Law 480:															
Title I, planned for grants and loans															
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104e, loans to private industry															
104g, loans to governments															
(Total sales agreements)															
Title II, emergency relief									.2						.2
Title III, voluntary relief agencies									.1	.4	.3	.1			.8
Export-Import Bank long-term loans								3.3	9.5	.2		5.0	3.0		21.0
Other U.S. economic programs [1]	2.6	.1	.4	.7	.9	1.7	1.2	1.1	10.0	7.7	1.3	1.7	6.2	.1	35.9
Military, total														.1	.1
Grants														.1	.1
Loans															
Mutual security military program (charged to appropriation)														.1	.1
(From excess stocks)															
Other military assistance															
Total, economic and military	2.6	.1	.4	.7	2.2	2.5	1.9	5.3	20.7	11.3	2.7	8.2	10.5	10.2	78.8
Mutual security program					1.3	.8	.7	.9	.9	3.0	1.1	1.4	1.3	10.1	20.9
Other assistance	2.6	.1	.4	.7	.9	1.7	1.2	4.4	19.8	8.3	1.6	6.8	9.2	.1	57.9

MUTUAL SECURITY PROGRAM EXPENDITURES

	1946-48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	Total
Mutual security program expenditures, total					0.9	1.1	0.5	0.7	0.9	0.7	1.0	1.1	1.5	1.7	10.0
Economic, total					.9	1.1	.5	.7	.9	.7	1.0	1.1	1.5	1.6	9.9
International Cooperation Administration					.9	1.1	.5	.7	.9	.7	1.0	1.0	1.3	1.6	9.6
Development Loan Fund												.1	.2		.3
Other mutual security program, economic															
Military														.1	.1

[1] Includes $33,600,000 for inter-American highways.

Cuba

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946-48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	0.3			12.1	0.1	0.2	8.2	0.5	1.7	0.6	16.8	0.4	0.9		41.4
Grants	.3			.1	.1	.2	.2	.5	.5	.6	.5	.4	.9		3.9
Loans				12.0			8.0		1.2		16.3				37.5
Mutual security economic program, total					.1	.2	.2	.5	.5	.6	.5	.4	.3		2.8
International Cooperation Administration					.1	.2	.2	.5	.5	.6	.5	.4	.3		2.8
Technical cooperation/development grants					.1	.2	.2	.5	.5	.6	.5	.4	.3		2.8
Other															
Development Loan Fund															
Other mutual security program, economic															

Cuba—Continued

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS—Continued

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Other economic assistance	0.3			12.1			8.0		1.2		16.3		0.6		38.6
Public Law 480:															
Title I, planned for grants and loans															
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104e, loans to private industry															
104g, loans to governments															
(Total sales agreements)															
Title II, emergency relief															
Title III, voluntary relief agencies													.6		.6
Export-Import Bank long-term loans				12.0			8.0		1.2		16.3				37.5
Other U.S. economic programs	.3			.1											.5
Military, total						.4	1.1	1.6	1.7	2.0	3.0	.4	.2	.1	10.5
Grants						.4	1.1	1.6	1.7	2.0	3.0	.4	.2	.1	10.5
Loans															
Mutual security military program (charged to appropriations)						.4	1.1	1.6	1.7	2.0	3.0	.4	.2	.1	10.5
(From excess stocks)								(.1)	(.1)	(3.5)	(1.6)	(.1)	(.1)		(5.5)
Other military assistance															
Total, economic and military	.3			12.1	.1	.6	9.3	2.1	3.4	2.6	19.8	.8	1.1	.1	51.9
Mutual security program					.1	.6	1.3	2.1	2.2	2.6	3.5	.8	.5	.1	13.3
Other assistance	.3			12.1			8.0		1.2		16.3		.6		38.6

MUTUAL SECURITY PROGRAM EXPENDITURES

Mutual security program expenditures, total					0.1	0.6	1.2	1.9	2.1	2.5	3.5	0.8	0.5	0.2	13.3
Economic, total					.1	.2	.1	.3	.4	.5	.5	.4	.3	.1	2.8
International Cooperation Administration					.1	.2	.1	.3	.4	.5	.5	.4	.3	.1	2.8
Development Loan Fund															
Other mutual security program, economic															
Military						.4	1.1	1.6	1.7	2.0	3.0	.4	.2	.1	10.5

Dominican Republic

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	0.5			0.1	0.2	0.3	0.2	0.3	0.3	0.2	0.2	0.2	0.3	0.1	2.7
Grants	.5			.1	.2	.3	.2	.3	.3	.2	.2	.2	.3	.1	2.7
Loans															
Mutual security economic program, total					.2	.3	.2	.3	.3	.2	.2	.2	.3	.1	2.1
International Cooperation Administration					.2	.3	.2	.3	.3	.2	.2	.2	.3	.1	2.1
Technical cooperation/development grants					.2	.3	.2	.3	.3	.2	.2	.2	.3	.1	2.1
Other															
Development Loan Fund															
Other mutual security program, economic															

Dominican Republic—Continued

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS—Continued

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Other economic assistance	0.5			0.1											0.6
Public Law 480:															
Title I, planned for grants and loans															
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104e, loans to private industry															
104g, loans to governments															
(Total sales agreements)															
Title II, emergency relief															
Title III, voluntary relief agencies															
Export-Import Bank long-term loans															
Other U.S. economic programs	.5			.1											.6
Military, total								1.9	1.2	1.2	.9	.7	.2		6.1
Grants								1.9	1.2	1.2	.9	.7	.2		6.1
Loans															
Mutual security military program (charged to appropriation)								1.9	1.2	1.2	.9	.7	.2		6.1
(From excess stocks)								(.3)	(.2)	(.3)	(.8)	(.3)			(1.9)
Other military assistance															
Total, economic and military	.5			.1	.2	.3	.2	2.2	1.5	1.4	1.1	.9	.5	.1	8.8
Mutual security program					.2	.3	.2	2.2	1.5	1.4	1.1	.9	.5	.1	8.2
Other assistance	.5			.1											.6

MUTUAL SECURITY PROGRAM EXPENDITURES

	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	Total
Mutual security program expenditures, total					0.2	0.3	0.2	2.1	1.5	1.4	1.0	0.9	0.5	0.1	8.2
Economic, total					.2	.3	.2	.2	.3	.2	.1	.2	.3	.1	2.1
International Cooperation Administration					.2	.3	.2	.2	.3	.2	.1	.2	.3	.1	2.1
Development Loan Fund															
Other mutual security program economic															
Military								1.9	1.2	1.2	.9	.7	.2		6.1

Ecuador

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	5.4	.8	7.7	.7	2.4	1.0	7.2	4.3	5.3	6.9	5.9	7.5	9.3	13.3	77.5
Grants	1.4	.5	.6	.7	1.4	1.0	1.3	1.6	1.9	2.0	2.4	2.8	3.1	3.8	24.3
Loans	4.0	.3	7.1		1.0		5.9	2.7	3.4	4.9	3.5	4.7	6.2	9.5	53.2
Mutual security economic program, total					1.4	1.0	1.3	1.4	1.7	3.8	4.2	6.7	8.1	9.6	39.0
International Cooperation Administration					1.4	1.0	1.3	1.4	1.7	3.8	4.2	2.0	2.8	2.8	22.3
Technical cooperation/development grants					1.4	1.0	1.3	1.4	1.7	1.8	1.9	2.0	2.4	2.8	17.6
Other										2.0	2.3		.4		4.7
Development Loan Fund												4.7	5.3	6.7	16.7
Other mutual security program, economic															

Ecuador—Continued

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS—Continued

[Millions of dollars]

	U.S. fiscal years														Total
	1946-48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total—Continued															
Other economic assistance	5.4	0.8	7.7	0.7	1.0		5.9	2.9	3.6	3.1	1.7	0.8	1.2	3.7	38.5
Public Law 480:															
Title I, planned for grants and loans									2.5	2.4	1.2			2.4	8.5
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104e, loans to private industry											.4			.8	1.3
104g, loans to governments									2.5	2.4	.8			1.6	7.2
(Total sales agreements)									(3.4)	(3.3)	(1.7)			(3.2)	(11.6)
Title II, emergency relief															
Title III, voluntary relief agencies								.2	.2	.2	.5	.8	.3	.9	3.1
Export-Import Bank long-term loans	3.5	.3	7.1		1.0		5.9	2.7	.9	.5			.9	.4	23.2
Other U.S. economic programs	1.9	.5	.6	.7											3.7
Military, total					.1	.9	2.3	1.8	1.8	1.7	2.5	1.6	2.5	5.5	23.0
Grants					.1	.9	2.3	1.8	1.8	1.7	2.5	1.6	2.5	5.5	23.0
Loans															
Mutual security military program (charged to appropriations)					.1	.9	2.3	1.8	1.8	1.7	2.5	1.6	2.5	2.0	19.5
(From excess stocks)						(1.1)		(.1)	(.2)	(.2)	(1.2)	(.3)	(.3)	(.3)	(4.1)
Other military assistance														3.5	3.5
Total, economic and military	5.4	.8	7.7	.7	2.5	1.9	9.5	6.1	7.1	8.6	8.4	9.1	11.8	18.8	100.5
Mutual security program					1.5	1.9	3.6	3.2	3.5	5.5	6.7	8.3	10.6	11.6	58.5
Other assistance	5.4	.8	7.7	.7	1.0		5.9	2.9	3.6	3.1	1.7	.8	1.2	7.2	42.0

MUTUAL SECURITY PROGRAM EXPENDITURES

Mutual security program expenditures, total					0.8	2.2	3.0	3.0	3.6	3.3	4.5	4.6	8.3	8.8	42.0
Economic, total					.7	1.3	.7	1.2	1.8	1.6	2.0	3.0	5.8	6.8	24.8
International Cooperation Administration					.7	1.3	.7	1.2	1.8	1.6	2.0	3.0	3.7	3.4	19.3
Development Loan Fund													2.1	3.4	5.5
Other mutual security program, economic															
Military					.1	.9	2.3	1.8	1.8	1.7	2.5	1.6	2.5	2.0	17.2

El Salvador

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946-48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	1.1	0.2	0.3	0.2	0.5	0.7	0.6	0.8	1.1	1.7	1.1	1.1	1.0	6.7	16.5
Grants	1.1	.2	.3	.2	.5	.7	.6	.8	1.1	1.7	1.1	1.1	1.0	1.4	11.2
Loans														5.3	5.3
Mutual security economic program, total					.5	.7	.5	.8	.9	1.1	1.0	1.0	1.0	2.9	9.9
International Cooperation Administration					.5	.7	.5	.8	.9	1.1	1.0	1.0	1.0	1.3	8.3
Technical cooperation/development grants					.5	.7	.5	.8	.9	1.1	1.0	1.0	1.0	1.3	8.3
Other															
Development Loan Fund														1.6	1.6
Other mutual security program, economic															

El Salvador—Continued

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS—Continued

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total—Continued Other economic assistance	1.1	0.2	0.3	0.2			0.1		0.2	0.6	0.1	0.1		3.8	6.6
Public Law 480: Title I, planned for grants and loans															
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104e loans to private industry															
104g, loans to governments															
(Total sales agreements)															
Title II, emergency relief															
Title III, voluntary relief agencies									.2	.6	.1	.1		.1	1.1
Export-Import Bank long-term loans														3.7	3.7
Other U.S. economic programs	1.1	.2	.3	.2			.1								1.8
Military, total														.2	.3
Grants														.2	.3
Loans															
Mutual security military program (charged to appropriation)														.2	.3
(From excess stocks)															
Other military assistance															
Total, economic and military	1.1	.2	.3	.2	.5	.7	.6	.8	1.1	1.7	1.1	1.1	1.0	6.9	16.8
Mutual security program					.5	.7	.5	.8	.9	1.1	1.0	1.0	1.0	3.1	10.2
Other assistance	1.1	.2	.3	.2			.1		.2	.6	.1	.1		3.8	6.6

MUTUAL SECURITY PROGRAM EXPENDITURES

Mutual security program expenditures, total					0.3	0.7	0.5	0.7	0.9	0.9	0.9	0.8	0.8	1.1	7.6
Economic, total					.3	.7	.5	.7	.9	.9	.9	.8	.8	.9	7.4
International Cooperation Administration					.3	.7	.5	.7	.9	.9	.9	.8	.8	.9	7.4
Development Loan Fund															
Other mutual security program, economic															
Military														.2	.2

Guatemala

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	3.5	2.9	1.7	0.7	1.1	0.2	0.2	10.2	34.4	19.1	17.5	12.3	12.3	31.9	148.6
Grants	3.5	2.9	1.7	.7	1.1	.2	.2	10.2	33.2	19.1	17.5	6.9	3.8	13.9	115.5
Loans									1.2			5.4	8.5	18.0	33.1
Mutual security economic program, total					.2	.2	.2	5.6	18.2	17.5	12.6	8.4	6.3	21.0	91.0
International Cooperation Administration					.2	.2	.2	5.6	18.2	17.5	12.6	3.0	6.3	13.5	78.1
Technical cooperation/development grants					.2	.2	.2	1.9	2.0	2.2	2.3	2.9	2.8	3.5	17.9
Other								3.7	16.2	15.3	10.3	.1	3.	10.0	60.2
Development Loan Fund												5.4		7.5	12.9
Other mutual security program, economic															

Guatemala—Continued

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS—Continued

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total—Continued Other economic assistance	3.5	2.9	1.7	0.7	0.9			4.6	16.2	1.6	4.9	3.9	6.0	10.9	57.6
Public Law 480:															
Title I, planned for grants and loans															
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104e, loans to private industry															
104g, loans to governments															
(Total sales agreements)															
Title II, emergency relief								2.8	.5						3.2
Title III, voluntary relief agencies								.3		.3	.2	.4	.3	.4	1.9
Export-Import Bank long-term loans									1.2				5.0	10.5	16.7
Other U.S. economic programs [1]	3.5	2.9	1.7	.7	.9			1.5	14.5	1.3	4.7	3.5	.7		35.8
Military, total									.4	.3	.1		.2	.4	1.7
Grants									.3	.3	.1		.2	.4	1.6
Loans									.1						.1
Mutual security military program (charged to appropriation)									.4	.3	.1		.2	.4	1.7
(From excess stocks)														(.1)	(.1)
Other military assistance															
Total economic and military	3.5	2.9	1.7	.7	1.1	.2	.2	10.2	34.8	19.4	17.6	12.3	12.5	32.3	150.3
Mutual security program					.2	.2	.2	5.6	18.6	17.8	12.7	8.4	6.5	21.4	92.7
Other assistance	3.5	2.9	1.7	.7	.9			4.6	16.2	1.6	4.9	3.9	6.0	10.9	57.6

MUTUAL SECURITY PROGRAM EXPENDITURES

	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	Total
Mutual security program expenditures, total					0.2	0.2	0.2	3.3	12.1	12.8	11.1	8.4	9.3	16.6	74.1
Economic, total					.2	.2	.2	3.3	11.7	12.5	11.0	8.4	9.1	16.2	72.7
International Cooperation Administration					.2	.2	.2	3.3	11.7	12.5	11.0	8.4	8.7	16.2	72.3
Development Loan Fund													.4		.4
Other mutual security program, economic															
Military									.4	.3	.1		.2	.4	1.4

[1] Includes $32,900,000 for inter-American highways.

Haiti

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	1.4	4.4	0.5	10.6	0.8	0.6	1.0	12.5	11.0	3.1	4.1	12.7	12.1	11.8	86.8
Grants	1.2	.4	.5	.6	.7	.6	1.0	5.5	7.0	3.1	4.1	8.4	8.8	14.6	56.6
Loans	.2	4.0		10.0	.1			7.0	4.0			4.3	3.3	−2.8	30.2
Mutual security economic program, total					.7	.6	1.0	2.3	6.4	2.1	3.6	11.4	11.0	10.7	49.9
International cooperation administration					.7	.6	1.0	2.3	6.4	2.1	3.6	7.1	7.7	13.5	45.1
Technical cooperation/development grants					.7	.6	1.0	1.2	1.4	1.1	1.6	1.6	2.2	2.0	13.0
Other								1.1	5.0	1.0	2.0	5.5	5.5	11.5	32.0
Development Loan Fund												4.3	3.3	−2.8	4.9
Other mutual security program, economic															

Haiti—Continued

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS—Continued

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total—Continued															
Other economic assistance	1.4	4.4	0.5	10.6	0.1			10.2	4.6	1.0	0.5	1.3	2.1	1.1	36.9
Public Law 480:															
Title I, planned for grants and loans															
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104e, loans to private industry															
104g, loans to governments															
(Total sales agreements)															
Title II, emergency relief								2.7		.8					3.5
Title III, voluntary relief agencies								.5	.6	.2	.5	1.3	1.1	1.1	5.4
Export-Import Bank long-term loans		4.0		10.0				7.0	4.0						25.0
Other U.S. economic programs	1.4	.4	.5	.6	.1										3.0
Military, total									.6	.7	.1		1.5	.6	4.0
Grants									.6	.7	.1		1.5	.6	4.0
Loans															
Mutual security military program: (charged to appropriation)									.6	.7	.1		.4	.6	2.9
(From excess stocks)									(.1)						(.2)
Other military assistance													1.1		1.1
Total economic and military	1.4	4.4	.5	10.6	.8	.6	1.0	12.5	11.6	3.8	4.2	12.7	13.6	12.4	90.8
Mutual security program					.7	.6	1.0	2.3	7.0	2.8	3.7	11.4	11.4	11.3	52.8
Other assistance	1.4	4.4	.5	10.6	.1			10.2	4.6	1.0	.5	1.3	2.2	1.1	38.0

MUTUAL SECURITY PROGRAM EXPENDITURES

	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	Total
Mutual security program expenditures, total					0.4	0.7	1.0	1.6	5.0	4.0	2.4	8.0	7.8	12.7	43.6
Economic, total					.4	.7	1.0	1.6	4.4	3.3	2.3	8.0	7.4	12.1	41.2
International cooperation administration					.4	.7	1.0	1.6	4.4	3.3	2.3	8.0	7.0	10.3	39.0
Development Loan Fund													.4	1.8	2.2
Other mutual security program, economic															
Military									.6	.7	.1		.4	.6	2.4

Honduras

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	1.2	0.2	0.1	0.2	0.8	0.7	1.1	1.9	2.7	8.2	9.1	5.1	4.3	5.5	40.3
Grants	1.1	.2	.1	.2	.8	.7	1.1	1.9	2.7	3.6	3.0	4.3	1.5	2.5	23.9
Loans	.1									4.6	6.1	.8	2.8	2.0	16.4
Mutual security economic program, total					.7	.7	1.1	1.2	1.2	4.3	7.1	2.5	4.5	5.2	27.5
International cooperation administration					.7	.7	1.1	1.2	1.2	4.3	2.1	2.5	1.7	5.2	19.7
Technical cooperation/development grants					.7	.7	1.1	1.2	1.2	1.3	1.6	1.9	1.7	1.7	12.3
Other										3.0	.4	.6		3.5	7.4
Development Loan Fund											5.0		2.8		7.8
Other mutual security program															

Honduras—Continued

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS—Continued

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total—Continued Other economic assistance	1.2	0.2	0.1	0.2	0.1			0.7	1.5	3.9	2.0	2.6	−0.2	0.3	12.8
Public Law 480: Title I, planned for grants and loans															
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104e, loans to private industry															
104g, loans to governments															
(Total sales agreements)															
Title II, emergency relief								.2							.2
Title III, voluntary relief agencies					.1			.5	.1	.7	.5	.2	.2	.3	2.7
Export-Import Bank long-term loans										1.6	1.1	.8			3.5
Other U.S. economic programs [1]	1.2	.2	.1	.2					1.4	1.6	.4	1.6	.4		6.4
Military, total							.2	.2	.1	.1		.1	.1	.3	1.2
Grants							.2	.2	.1	.1		.1	.1	.3	1.2
Loans															
Mutual security military program (charged to appropriation)							.2	.2	.1	.1		.1	.1	.3	1.2
(From excess stocks)															(.1)
Other military assistance															
Total economic and military	1.2	.2	.1	.2	.8	.7	1.3	2.1	2.8	8.3	9.1	5.2	4.4	5.8	41.5
Mutual security program					.7	.7	1.3	1.4	1.3	4.4	7.1	2.6	4.6	5.5	28.7
Other assistance	1.2	.2	.1	.2	.1			.7	1.5	3.9	2.0	2.6	.2	.3	12.8

MUTUAL SECURITY PROGRAM EXPENDITURES

Mutual security program expenditures, total					0.5	0.8	0.8	0.9	1.2	1.3	1.3	3.7	4.1	3.8	18.4
Economic, total					.5	.8	.6	.7	1.1	1.2	1.3	3.6	4.0	3.5	17.3
International Cooperation Administration					.5	.8	.6	.7	1.1	1.2	1.3	3.6	3.0	2.3	15.1
Development Loan Fund													1.0	1.2	2.2
Other mutual security program, economic															
Military							.2	.2	.1	.1		.1	.1	.3	1.1

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[1] Includes $5,500,000 for inter-American highways.

Mexico

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	95.3	19.3	20.0	130.1	9.3	7.9	7.6	5.1	51.2	23.0	65.2	111.0	48.3	32.2	624.3
Grants	42.6	17.8	20.0	8.2	5.0	1.6	6.2	2.2	1.1	1.5	1.7	1.9	2.0	4.4	115.0
Loans	52.7	1.5		121.9	4.3	6.3	1.4	2.9	50.1	21.5	63.5	109.1	46.3	27.8	509.3
Mutual security economic program, total					.7	.7	1.4	1.4	.7	.9	.6	.7	.7	1.2	7.9
International Cooperation Administration					.7	.7	1.4	1.4	.7	.9	.6	.7	.7	1.2	7.9
Technical cooperation/development grants					.7	.7	1.4	1.4	.7	.9	.6	.7	.7	1.2	7.9
Other															
Development Loan Fund															
Other mutual security program, economic															

Mexico—Continued

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS—Continued

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total—Continued Other economic assistance	95.3	19.3	20.0	130.1	8.6	7.2	6.2	3.7	50.5	22.1	64.6	110.3	47.6	31.0	616.4
Public Law 480:															
Title I, planned for grants and loans											17.7				17.7
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104e, loans to private industry											7.1				7.1
104g, loans to governments											10.6				10.6
(Total sales agreements)											(25.2)				(25.2)
Title II, emergency relief										.2					.2
Title III, voluntary relief agencies									.4	.4	1.1	1.2	1.3	3.2	7.6
Export-Import Bank long-term loans	52.7	1.5		121.9	4.0	6.3	1.4	2.9	50.1	21.5	45.8	109.1	46.3	27.8	491.3
Other U.S. economic programs [1]	42.6	17.8	20.0	8.2	4.6	.9	4.8	.8							99.6
Military, total												.5	2.7	.4	5.8
Grants														.1	.4
Loans												.5	2.7	.3	5.4
Mutual security military program (charged to appropriations)												.5	2.7	.4	5.8
(From excess stocks)															
Other military assistance															
Total, economic and military	95.3	19.3	20.0	130.1	9.3	7.9	7.6	5.1	51.2	23.0	65.2	111.5	51.0	32.6	630.1
Mutual security program					.7	.7	1.4	1.4	.7	.9	.6	1.2	3.4	1.6	13.7
Other assistance	95.3	19.3	20.0	130.1	8.6	7.2	6.2	3.7	50.5	22.1	64.6	110.3	47.6	31.0	616.4

MUTUAL SECURITY PROGRAM EXPENDITURES

	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	Total
Mutual security program expenditures, total					0.5	0.8	0.4	0.9	0.8	1.1	0.7	1.1	3.4	1.5	10.5
Economic, total					.5	.8	.4	.9	.8	1.1	.7	.6	.7	.6	6.9
International Cooperation Administration					.5	.8	.4	.9	.8	1.1	.7	.6	.7	.6	6.9
Development Loan Fund															
Other mutual security program, economic															
Military												.5	2.7	.4	3.6

[1] Includes $93,800,000 for eradication of foot and mouth disease.

Nicaragua

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	3.9	0.4	0.4	1.3	0.8	0.9	1.2	3.6	2.6	6.2	3.6	4.5	11.6	11.9	52.3
Grants	3.9	.4	.4	.7	.8	.9	1.2	3.6	2.6	4.2	3.6	3.4	1.1	2.8	29.0
Loans				.6						2.0		1.1	10.5	9.1	23.3
Mutual security economic program, total					.6	.6	.5	.9	.8	.7	.9	1.9	3.6	8.3	18.3
International Cooperation Administration					.6	.6	.5	.9	.8	.7	.9	1.3	1.1	1.2	8.1
Technical cooperation/development grants					.6	.6	.5	.9	.8	.7	.9	1.0	1.1	1.2	7.7
Other												.4			.4
Development Loan Fund												.6	2.5	7.1	10.2
Other mutual security program, economic															

Nicaragua—Continued

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS—Continued

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total—Continued															
Other economic assistance	3.9	0.4	0.4	1.3	0.2	0.3	0.7	2.7	1.8	5.5	2.7	2.6	8.0	3.6	34.0
Public Law 480:															
Title I, planned for grants and loans															
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104e, loans to private industry															
104g, loans to governments															
(Total sales agreements)															
Title II, emergency relief															
Title III, voluntary relief agencies														.2	.2
Export-Import Bank long-term loans				.6						2.0		.5	8.0	2.0	13.1
Other U.S. economic programs [1]	3.9	.4	.4	.7	.2	.3	.7	2.7	1.8	3.5	2.7	2.1		1.4	20.7
Military, total							.2	.3	.1	.2	.2	.1	.2	.6	2.1
Grants							.2	.3	.1	.2	.2	.1	.2	.6	2.1
Loans															
Mutual security military program (charged to appropriation)							.2	.3	.1	.2	.2	.1	.2	.6	2.1
(From excess stocks)														(.1)	(.1)
Other military assistance															
Total, economic and military	3.9	.4	.4	1.3	.8	.9	1.4	3.9	2.7	6.4	3.8	4.6	11.8	12.5	54.4
Mutual security program					.6	.6	.7	1.2	.9	.9	1.1	2.0	3.8	8.9	20.4
Other assistance	3.9	.4	.4	1.3	.2	.3	.7	2.7	1.8	5.5	2.7	2.6	8.0	3.6	34.0

MUTUAL SECURITY PROGRAM EXPENDITURES

Mutual security program expenditures, total					0.4	0.6	0.8	0.9	0.9	0.8	0.9	1.0	1.3	2.5	10.0
Economic, total					.4	.6	.6	.6	.8	.6	.7	.9	1.1	1.9	8.1
International Cooperation Administration					.4	.6	.6	.6	.8	.6	.7	.9	1.1	1.4	7.6
Development Loan Fund														.5	.5
Other mutual security program, economic															
Military							.2	.3	.1	.2	.2	.1	.2	.6	1.9

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[1] Includes $20,100,000 for inter-American highways.

Panama

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	0.6	2.3	0.2	0.9	3.0	1.5	1.6	2.9	9.8	26.7	5.5	2.0	2.0	16.2	74.8
Grants	.6	.3	.2	.4	1.5	1.5	1.6	2.9	9.8	11.8	5.5	2.0	1.7	3.4	42.8
Loans		2.0		.5	1.5					14.9			.3	12.8	32.0
Mutual security economic program, total					1.3	.8	1.1	1.4	1.1	3.0	1.4	1.5	1.6	15.7	28.6
International Cooperation Administration					1.3	.8	1.1	1.4	1.1	3.0	1.4	1.5	1.6	7.0	20.8
Technical cooperation/development grants					1.3	.8	1.1	1.4	1.1	1.0	1.4	1.5	1.6	2.9	13.8
Other										2.0				5.0	7.0
Development Loan Fund														7.8	7.8
Other mutual security program, economic															

Panama—Continued

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS—Continued

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total—Continued															
Other economic assistance	0.6	2.3	0.2	0.9	1.7	0.7	0.5	1.5	8.7	23.7	4.1	0.5	0.4	0.5	46.2
Public Law 480:															
Title I, planned for grants and loans															
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104e, loans to private industry															
104g, loans to governments															
(Total sales agreements)															
Title II, emergency relief															
Title III, voluntary relief agencies							.1	.4	1.2	1.6	1.4	.5	.1	.4	5.7
Export-Import Bank long-term loans		2.0		.5	1.5					12.9			.3		17.2
Other U.S. economic programs	.6	.3	.2	.4	.2	.7	.4	1.1	7.5	9.2	2.7			.1	23.3
Military, total														.1	.1
Grants														.1	.1
Loans															
Mutual security military program (charge to appropriation)														.1	.1
(From excess stocks)															
Other military assistance															
Total economic and military	.6	2.3	.2	.9	3.0	1.5	1.6	2.9	9.8	26.7	5.5	2.0	2.0	16.3	74.9
Mutual security program					1.3	.8	1.1	1.4	1.1	3.0	1.4	1.5	1.6	15.8	28.7
Other assistance	.6	2.3	.2	.9	1.7	.7	.5	1.5	8.7	23.7	4.1	.5	.4	.5	76.2

MUTUAL SECURITY PROGRAM EXPENDITURES

Mutual security program expenditures, total					0.3	1.4	0.9	1.0	1.2	1.2	1.1	1.6	1.7	8.0	18.4
Economic, total					.3	1.4	.9	1.0	1.2	1.2	1.1	1.6	1.7	7.9	18.3
International Cooperation Administration					.3	1.4	.9	1.0	1.2	1.2	1.1	1.6	1.7	7.9	18.3
Development Loan Fund															
Other mutual security program, economic															
Military														.1	.1

Paraguay

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	1.2	0.4	0.5	0.7	1.6	0.8	1.2	9.7	4.0	2.8	6.6	5.7	4.2	10.8	40.9
Grants	1.2	.4	.5	.7	1.6	.8	1.2	2.0	1.9	1.7	1.8	2.1	2.9	3.0	21.5
Loans								7.7	2.1	1.1	4.8	3.6	1.3	7.8	28.4
Mutual security economic program, total					1.6	.8	1.2	1.8	1.8	2.5	5.1	5.4	2.4	9.7	31.8
International Cooperation Administration					1.6	.8	1.2	1.8	1.8	2.5	1.6	1.8	2.4	1.9	17.0
Technical cooperation/development grants					1.6	.8	1.2	1.8	1.8	1.5	1.6	1.8	2.0	1.9	15.5
Other										1.0			.5		1.5
Development Loan Fund											3.5	3.6		7.8	14.9
Other mutual security program, economic															

Paraguay—Continued

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS—Continued

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total—Continued Other economic assistance	1.2	0.4	0.5	0.7				7.9	2.2	0.3	1.5	0.3	1.8	1.1	18.1
Public Law 480: Title I, planned for grants and loans									2.1						2.1
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104e, loans to private industry															
104g, loans to governments									2.1						2.1
(Total sales agreements)									(2.9)						(2.9)
Title II, emergency relief															
Title III, voluntary relief agencies								.2	.1	.2	.2	.3	.5	1.1	2.7
Export-Import Bank long-term loans								7.7		.1	1.3		1.3		10.4
Other U.S. economic programs	1.2	.4	.5	.7											2.9
Military, total											.1	.2	.1	.2	.6
Grants														.2	.2
Loans											.1	.2	.1		.4
Mutual security military program (charged to appropriation)											.1	.2	.1	.2	.6
(From excess stocks)														(.2)	(.2)
Other military assistance															
Total, economic and military	1.2	.4	.5	.7	1.6	.8	1.2	9.7	4.0	2.8	6.7	5.9	4.3	11.0	50.5
Mutual security program					1.6	.8	1.2	1.8	1.8	2.5	5.2	5.6	2.5	9.9	32.4
Other assistance	1.2	.4	.5	.7				7.9	2.2	.3	1.5	.3	1.8	1.1	18.1

MUTUAL SECURITY PROGRAM EXPENDITURES

	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	Total
Mutual security program expenditures, total					0.6	1.5	0.8	1.2	1.6	1.7	1.8	3.8	5.0	3.8	21.9
Economic, total					.6	1.5	.8	1.2	1.6	1.7	1.7	3.6	4.9	3.6	21.3
International Cooperation Administration					.6	1.5	.8	1.2	1.6	1.7	1.7	1.6	2.4	2.3	15.5
Development Loan Fund												2.0	2.5	1.3	5.8
Other mutual security program, economic															
Military											.1	.2	.1	.2	.6

Peru

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	7.5	0.9	0.9	20.6	2.4	1.7	2.6	104.7	13.0	15.9	18.9	38.7	25.4	59.1	311.7
Grants	2.0	.9	.9	1.3	1.8	1.7	2.6	3.3	9.5	11.3	5.4	3.8	4.4	6.6	54.9
Loans	5.5			19.3	.6			101.4	3.5	4.6	13.5	34.9	21.0	52.5	256.8
Mutual security economic program, total					1.8	1.7	2.4	2.4	2.8	4.6	2.7	2.8	7.4	29.2	57.2
International Cooperation Administration					1.8	1.7	2.4	2.4	2.8	4.6	2.7	2.8	2.9	3.2	26.7
Technical cooperation/development grants					1.8	1.7	2.4	2.4	2.8	2.6	2.7	2.8	2.9	3.2	24.7
Other										2.0					2.0
Development Loan Fund													4.5	26.0	30.5
Other mutual security program, economic															

Peru—Continued

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS—Continued

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total—Continued															
Other economic assistance	7.5	0.9	0.9	20.6	0.6		0.2	102.3	10.2	11.3	16.2	35.9	18.0	29.9	254.5
Public Law 480:															
Title I, planned for grants and loans								5.4	1.9	2.5	5.2		8.4		23.4
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104e, loans to private industry											1.9		3.0		4.9
104g, loans to governments								5.4	1.9	2.5	3.3		5.4		18.5
Total sales agreements								(7.5)	(2.7)	(3.6)	(7.5)		(12.0)		(33.2)
Title II, emergency relief									5.7	7.6	.7			.2	14.1
Title III, voluntary relief agencies							.2	.9	1.0	1.1	2.0	1.0	1.5	3.2	11.0
Export-Import Bank long-term loans				19.3	.6			96.0	1.6	.1	8.3	34.9	8.1	26.5	195.4
Other U.S. economic programs	7.5	.9	.9	1.3											10.6
Military total					.1	2.2	3.5	3.6	9.1	10.1	7.4	4.1	3.5	14.4	64.4
Grants					.1	2.2	3.5	3.6	2.3	3.4	5.2	4.1	3.5	14.4	48.7
Loans									6.8	6.7	2.2				15.7
Mutual security military program (charged to appropriation)					.1	2.2	3.5	3.6	9.1	10.1	7.4	4.1	2.5	4.4	53.4
(From excess stocks)						(.6)	(.7)	(2.3)	(.4)	(.3)	(3.2)	(.5)	(.3)	(2.2)	(12.0)
Other military assistance													1.0	10.0	11.0
Total economic and military	7.5	.9	.9	20.6	2.5	3.9	6.1	108.3	22.1	26.0	26.3	42.8	28.9	73.5	376.1
Mutual security program					1.9	3.9	5.9	6.0	11.9	14.7	10.1	6.9	9.9	33.6	110.6
Other assistance	7.5	.9	.9	20.6	.6		.2	102.3	10.2	11.3	16.2	35.9	19.0	39.9	265.5

MUTUAL SECURITY PROGRAM EXPENDITURES

	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	Total
Mutual security program expenditures, total					1.1	4.1	4.7	5.4	12.1	12.8	10.1	8.6	5.8	6.8	71.4
Economic, total					1.0	1.9	1.2	1.8	3.0	2.7	2.7	4.5	3.3	2.4	24.4
International Cooperation Administration					1.0	1.9	1.2	1.8	3.0	2.7	2.7	4.5	3.3	2.4	24.4
Development Loan Fund															
Other mutual security program, economic															
Military					.1	2.2	3.5	3.6	9.1	10.1	7.4	4.1	2.5	4.4	47.0

Uruguay

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	2.7	0.1	0.1	2.8	0.4	0.2	0.2	0.4	0.2	0.3	0.2	18.4	23.4	2.8	51.9
Grants	.5	.1	.1	.2	.4	.2	.2	.4	.2	.3	.2	.2	.3	.4	3.4
Loans	2.2			2.6								18.2	23.1	2.4	48.5
Mutual security economic program, total					.4	.2	.2	.4	.2	.3	.2	9.0	.1	.1	10.7
International Cooperation Administration					.4	.2	.2	.4	.2	.3	.2	.2	.1	.1	1.0
Technical cooperation/development grants					.4	.2	.2	.4	.2	.3	.2	.1	.1	.1	1.7
Other												.1			.2
Development Loan Fund												8.8			8.8
Other mutual security program, economic															

Uruguay—Continued

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS—Continued

[Millions of dollars]

	U.S. fiscal years														Total
	1946-48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total—Continued															
Other economic assistance	2.7	0.1	0.1	2.8								9.4	23.3	2.7	41.2
Public Law 480:															
Title I, planned for grants and loans												9.4	23.1	2.4	34.9
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104e, loans to private industry												3.1	7.7	.8	11.6
104g, loans to governments												6.3	15.4	1.6	23.3
(Total sales agreements)												(12.4)	(30.8)	(3.2)	(46.4)
Title II, emergency relief															
Title III, voluntary relief agencies													.2	.3	.5
Export-Import Bank long-term loans				2.6											2.6
Other U.S. economic programs	2.7	.1	.1	.2											3.2
Military, total							.4	1.6	2.5	3.7	5.5	4.0	1.4	2.9	27.3
Grants							.4	1.6	2.5	3.7	5.5	4.0	1.4	2.9	27.3
Loans															
Mutual security military program (charged to appropriation)							.4	1.6	2.5	3.7	5.5	4.0	1.4	2.9	27.3
(From excess stocks)									(.6)	(1.2)	(2.1)	(.7)	(.2)	(.5)	(5.8)
Other military assistance															
Total economic and military	2.7	.1	.1	2.8	.4	.2	.6	2.0	2.7	4.0	5.7	22.4	24.8	5.7	79.2
Mutual security program					.4	.2	.6	2.0	2.7	4.0	5.7	13.0	1.5	3.0	38.0
Other assistance	2.7	.1	.1	2.8								9.4	23.3	2.7	41.2

MUTUAL SECURITY PROGRAM EXPENDITURES

	1946-48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	Total
Mutual security program expenditures, total					0.2	0.3	0.5	1.8	2.7	3.9	5.7	4.1	1.6	5.5	26.3
Economic, total					.2	.3	.1	.2	.2	.2	.2	.1	.2	2.6	4.3
International Cooperation Administration					0.2	0.3	0.1	0.2	0.2	0.2	.2	.1	.2	.1	1.8
Development Loan Fund														2.5	2.5
Other mutual security program, economic															
Military							.4	1.6	2.5	3.7	5.5	4.0	1.4	2.9	22.0

Venezuela

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946-48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total	3.3	2.0	5.2	0.2	3.1	0.1	0.1	0.2	0.2	3.6	0.2	0.1	16.4	119.6	154.2
Grants	1.0	.2	.1	.2	.1	.1	.1	.2	.2	.1	.2	.1	.1	.2	2.8
Loans	2.3	1.8	5.1		3.0					3.5			16.3	119.4	151.4
Mutual security economic program, total					.1	.1	.1	.2	.2	.1	.2	.1	.1	15.2	16.3
International Cooperation Administration					.1	.1	.1	.2	.2	.1	.2	.1	.1	.2	1.3
Technical cooperation/development grants					.1	.1	.1	.2	.2	.1	.2	.1	.1	.2	1.3
Other															
Development Loan Fund														15.0	15.0
Other mutual security program, economic															

Venezuela—Continued

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS—Continued

[Millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total—Continued															
Other economic assistance	3.3	2.0	5.2	0.2	3.0					3.5			16.3	104.4	137.9
Public Law 480:															
Title I, planned for grants and loans															
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104e, loans to private industry															
104g, loans to governments															
(Total sales agreements)															
Title II, emergency relief															
Title III, voluntary relief agencies															
Export-Import Bank long-term loans	2.3	1.8	5.1		3.0					3.5			16.3	104.4	136.4
Other U.S. economic programs	1.0	.2	.1	.2											1.5
Military, total												13.3	8.8	9.6	41.5
Grants															.1
Loans												13.3	8.3	9.6	41.4
Mutual security military program (charged to appropriation)												13.3	8.3	9.6	41.5
(From excess stocks)														(.3)	(.3)
Other military assistance															
Total economic and military	3.8	2.0	5.2	.2	3.1	.1	.1	.2	.2	3.6	.2	13.4	24.7	129.2	195.7
Mutual security program					.1	.1	.1	.2	.2	.1	.2	13.4	8.4	24.8	57.8
Other assistance	3.8	2.0	5.2	.2	3.0					3.5			16.3	104.4	137.9

MUTUAL SECURITY PROGRAM EXPENDITURES

	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	Total
Mutual security program expenditures, total					0.1	0.1	0.1	0.2	0.1	0.1	0.1	13.4	8.4	9.7	32.5
Economic, total					.1	.1	.1	.2	.1	.1	.1	.1	.1	.1	1.3
International Cooperation Administration					.1	.1	.1	.2	.1	.1	.1	.1	.1	.1	1.3
Development Loan Fund															
Other mutual security program, economic															
Military												13.3	8.3	9.6	31.2

Jamaica

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[In millions of dollars]

	U.S. fiscal years														Total
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total									1.3	1.0	1.0	0.9	1.0	1.5	6.6
Grants									1.3	1.0	1.0	.9	1.0	1.5	6.6
Loans															
Mutual security economic program, total									.1	.2	.2	.3	.4	1.0	2.1
International Cooperation Administration									.1	.2	.2	.3	.4	1.0	2.1
Technical cooperation/development grants									.1	.2	.2	.3	.4	.4	1.5
Other														.6	.6
Development Loan Fund															
Other mutual security program, economic															

Jamaica—Continued

U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS—Continued

[Millions of dollars]

	U.S. fiscal years														Total
	1946-48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total—Continued															
Other economic assistance									1.2	0.8	0.8	0.6	0.6	0.5	4.6
Public Law 480:															
Title I, planned for grants and loans															
104c, grants for common defense															
104d, grants from triangular transfer															
104e, grants for economic development															
104e, loans to private industry															
104g, loans to governments															
(Total sales agreement)															
Title II, emergency relief															
Title III, voluntary relief agencies									1.2	.8	.8	.6	.6	.5	4.6
Export-Import Bank long-term loans															
Other U.S. economic programs															
MUTUAL SECURITY PROGRAM EXPENDITURES															
Mutual security program economic expenditures, total									0.1	0.1	0.2	0.2	0.3	0.3	1.2
International Cooperation Administration									.1	.1	.2	.2	.3	.3	1.2
Development Loan Fund															
Other mutual security program economic															

EXHIBIT 8

[From the Washington Daily News]

AN APPRECIATION OF THE AMBASSADOR FROM COSTA RICA: YOU CAN'T KEEP A GOOD IDEA DOWN

Good ideas have a life of their own. Once uttered, a good idea seems to take on its own mysterious vitality, quite apart from that of the man who originally gave it voice.

So that, once a good idea gets into the general consciousness, you can kill it here, only to find it cropping up there, stronger than ever.

We are reminded of this as the personable young Ambassador from Costa Rica, Gonzalo J. Facio, leaves his post here for his homeland to resume his newspaper work. He departs next Sunday.

He has been in Washington only 2 years or so, but the future may show that in that brief time he started something that may contribute more to the peaceful well being of the South American community of nations than has the work of many other better known diplomats who have spent their whole lives in equivalent posts.

Ambassador Facio began looking at the expenditures which many South American nations make for arms sold to them under the mutual defense agreements. The United States sells these arms at a fraction of the cost to U.S. taxpayers but, nevertheless, for underdeveloped economics, the burden is heavy. Indeed it is a real impediment because it absorbs funds which could otherwise be used on all sorts of constructive things.

Since the mutual defense agreements were negotiated, vast changes have occurred in military technique. In an age of the intercontinental missile and hydrogen warheads, cannons and battle cruisers become just so much expensive curios, insofar as hemisphere defense is concerned.

Ambassador Facio says that if various arms have potential value, then keep them. But he makes the point that if they are obsolete and useless, the money spent for them would defend the hemisphere against communism and Communist ideology better, if it were spent on projects conducive to general social progress and prosperity.

Few would disagree with that. But after all, it was just talk, and it failed to disturb the hemisphere's hierarchies of generals, admirals, colonels, politicians, diplomats, and arms negotiators who have operated pretty much outside the public consciousness.

But then Ambassador Facio cheerfully startled everyone by proposing to the Council of the Organization of American States (to which he also has been Ambassador) that it act under the terms of its charter which affirms the principles of collective security. He suggested that OAS use its good offices to have the whole hemisphere's military defense purchases reexamined. That tore it.

His startled fellow diplomats quickly torpedoed his idea, and apparently sank it.

A certain other Ambassador, who has been at OAS so long that his friends say he thinks he owns it, said that Sr. Facio's proposal was a sinister maneuver by the United States to disarm South America. He knew better, of course; he simply did not care how low he stooped to conquer a good idea.

Well, the idea is still floating around, and damn the torpedoes.

We predict that now that it is buzzing around the world, the idea never will be stuffed back into the Pandora's box where some diplomats like to hide disturbing notions.

Ambassador Facio's proposal has been printed, to our knowledge, in many publications in the United States, Mexico, Jamaica, and other countries.

Sooner or later, enough men of good purpose will agree that it is sound and should be acted on. Then a new agreement will be worked out in terms of present day military actualities.

When that happens, hundreds of new projects from Tierra del Fuego to the Rio Grande will become financially possible and millions of citizens will benefit from them.

Perhaps most of those beneficiaries never will have heard of Senor Facio.

But many here in Washington will remember him, and will honor the practical idealism that guided him during his tour of duty as an Ambassador to the OAS and to the United States.

LEGISLATIVE APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 11151) making appropriations for the legislative branch for the fiscal year ending June 30, 1963, and for other purposes.

Mr. PASTORE obtained the floor.

Mr. PASTORE. Mr. President, I yield to the Senator from Wisconsin.

FUNDS FOR MAJORITY AND MINORITY CONFERENCE UP 60 PERCENT

Mr. PROXMIRE. Mr. President, I have two other amendments, but in view of the fate of the last amendment, I shall not call them up. However, I do wish to make a point which I think must be made; namely, that this year we are increasing the appropriation for the majority and minority conference from $47,000 to $77,000 each, an increase of more than 60 percent.

I have been in the Senate for 5 years, and each year I have been trying to obtain meetings of the Democratic conference so that it can perform some useful function. I concede that the majority leader has done a good job this year in giving us briefings at regular intervals. But it is very difficult for me to understand why these brief, informal meetings should need so substantial an amount of money, in view of the fact that $327,950 has just been approved by the Senate for the policy committees.

The Democratic conference holds meetings three or four times a year. I attend those meetings. There are one or two paid staff members. The proposed increase is very substantial, and one that this Senator finds extremely hard to justify. The Republicans have the same increase as the Democrats, although, of course, the Republicans represent about half as many Senators. Nevertheless, in view of the obvious disposition of my colleagues, I shall not press that particular amendment.

However, I wish to ask the Senator from Rhode Island some questions, if he will yield for that purpose.

Mr. PASTORE. I yield.

LINCOLN CONTINENTALS FOR "MAIL TRANSPORTATION"

Mr. PROXMIRE. I want to read from the most recent report of the Secretary of the Senate with regard to the purchase of Lincoln Continental cars for "mail transportation." I wonder whose automobiles these are and for what purpose they are used?

According to the report of the Secretary, these are Lincoln Continental four-door sedans, which cost $6,744.

There was a series of these cars purchased: two on March 28, 1961; one April 7, one April 17, and two April 24. They were Lincoln Continentals, very luxurious and beautiful limousines, and one Mercury Monterey. It is difficult for this Senator to determine who is using them and for what purpose. They are listed under "Mail transportation." While I agree that the Senate mail should be treated with dignity, I doubt very much whether it is necessary for the mail to travel in Lincoln Continentals.

Mr. PASTORE. The Senator from Rhode Island does not desire to be placed in the position of justifying anyone except himself riding around in a Lincoln sedan. I do not have one. I do not have that privilege. But it is a practice that has prevailed for some time. The appropriation which I think the Senator is discussig concerns activities that were authorized sometime before the Senator from Rhode Island became chairman of the subcommittee. I do not have the information at my disposal at the present time, but I shall be glad to have it printed in the RECORD. I have no personal knowledge on the subject.

Mr. PROXMIRE. Five Lincolns and a Mercury are listed. The Mercury cost $4,173. That was also obviously a luxurious automobile.

Mr. PASTORE. The Senator from Rhode Island understands that there are certain individuals in the Senate who, because of the positions they occupy, through the years have been granted, with the permission of this body, the right to use certain automobiles which are not of a very economical type. But the Senator from Rhode Island has nothing to do with that. It is the will of the Senate, and we are now following the practice of the past.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that an extract from most recent report of the Secretary of the Senate be printed in the RECORD at this point.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

EXTRACT FROM REPORT OF THE SECRETARY OF THE SENATE FROM JULY 1, 1960, TO JUNE 30, 1961

Autos purchased under the "Mail transportation" appropriation for fiscal 1961

March 28, 1961, to Ford Motor Co. for Dec. 20, 1960, purchase of 1961 Lincoln Continental 4-door sedan furnished the Senate:	
Cost	$6, 714. 15
Discount trade-in	5, 964. 15
Apparent cost	750. 00

To Ford Motor Co. for December 28, 1960, for purchase of 1961 Lincoln Continental 4-door sedan furnished the Senate, cost again totals $750, as above.

April 7, 1961, to Ford Motor Co. for December 30, 1960, purchase of 1961 Lincoln Continental 4-door sedan furnished the Senate, cost again totals $750, as above.

April 17, 1961, to Ford Motor Co., for January 12, 1961, for purchase of 1961, Lincoln Continental 4-door sedan furnished the Senate, cost again totals $750, as above.

April 24, 1961, to Ford Motor Co., for January 3, 1961, purchase of 1961 Lincoln Continental 4-door sedan furnished the Senate, cost again totals $750, as above.

To Ford Motor Co. for Jan. 19, 1961, purchase of 1961 Mercury Monterey 4-door sedan furnished the Senate:	
Cost	$, 714. 15
Trade-in	3, 573. 15
Apparent cost	600. 00

Nothing reported purchased out of fiscal 1961 funds for any mail transportation.

GASOLINE FURNISHED FOR "MAIL TRANSPORTATION" LISTED IN REPORT OF SECRETARY OF SENATE FOR FISCAL YEAR 1961

Esso Extra gasoline furnished by Esso Standard Oil Co. 18.4 cents per gallon (later 19.4 cents)

	Gallons	Cost	Plus excise tax, at 4 cents
May 16-27	1, 340	$246. 56	$53. 60
June 8-21	1, 697	312. 25	67. 88
July 6-19	1, 420	268. 78	56. 80
Aug. 9-17	1, 470	285. 18	58. 80
Sept. 2-16	1, 460	283. 24	58. 40
Oct. 4-26	1, 550	300. 70	62. 00
Nov. 21-Dec. 19	2, 145	416. 13	85. 80
Jan. 6-23	2, 190	424. 86	87. 60
Feb. 8-Mar. 2	2, 470	479. 18	98. 80
Mar. 8-21	1, 441	279. 55	57. 64
Mar. 30-Apr. 26	2, 480	481. 12	99. 20
May 9-24	1, 700	329. 80	68. 00
Total	21, 363	4, 107. 35	854. 52

NOTE.—Official cars and gasoline of Vice President, majority and minority leaders and whips, and President pro tempore, appear under separate headings.

Mr. PROXMIRE. Mr. President, the cars to which reference is made are not the limousines allocated to the majority leader, the minority leader, the assistant majority leader, the assistant minority leader, or the limousine allocated to the President pro tempore.

Mr. PASTORE. These are officials connected with the Senate, such as the Sergeant at Arms. Is that what the Senator means?

Mr. PROXMIRE. I am asking.

Mr. PASTORE. That is what the item is. The cars are provided for the Sergeant at Arms, the Secretary of the Senate, the secretary to the majority, and the secretary to the minority.

Mr. PROXMIRE. Mr. President, in addition, the report of the Secretary of the Senate shows that a very large amount of gasoline was used. I do not refer to gasoline used by the Vice President, official trucks, the majority and minority leaders, or any of the other Senate leaders.

The total is 21,363 gallons, costing $4,107, plus tax. On the basis of my calculations the gasoline would cover 100 trips across the country, coast to coast. I am wondering who used that gasoline and for what purpose. I repeat that it is not for any of the top elected officials of the Senate. There are separate disbursements and separate vouchers for that purpose.

Mr. PASTORE. I will have a statement prepared and placed in the RECORD.

The statement is as follows:

The figure of 21,363 gallons of gasoline represents the total purchases of gasoline for the Senate garage pump during the entire year. This gasoline is mainly used to furnish gasoline necessary for operation of the various official passenger automobiles authorized in this appropriation and other vehicles such as mail trucks, service department heavy trucks, and janitor department trucks.

In addition gasoline is supplied from this source on a reimbursable basis (reimbursable from the other appropriations authorized for vehicles) to the Vice President, President pro tempore, and majority and minority leaders.

Mr. PROXMIRE. There are separate vouchers for the gasoline that is used by the Vice President and the majority leader and the minority leader, and so forth.

Mr. PASTORE. This is something the Senator from Rhode Island could not anticipate. I hope the Senator from Wisconsin realizes that the chairman of the Subcommittee on Appropriations for the legislative branch does not go into the details of how many gallons of gasoline are used by certain individuals. If that subject has become important, or if there is any implication that there has been an unlawful use of gasoline, I hope the Senator will be specific. I would be the first to be interested in that, and I promise the Senator that an exhaustive investigation would be conducted.

Beyond that I cannot answer the question categorically. If the Senator will put his question specifically, I will get the facts. The committee never went into the question of who was using what gasoline. I have every confidence in the President of the Senate and the majority leader and minority leader that they use the gasoline to which they are entitled.

WHO USES THESE CARS?

Mr. PROXMIRE. I believe this is aside and apart from all that. There are six luxurious and expensive limousines involved, which are not used by any Senator, which are authorized by the Senate to be used by other individuals. I should like to know what individuals use these automobiles, five Lincolns and one Mercury; also what persons use this very large amount of gasoline; if they did use it, whether reimbursement was made in the form of personal reimbursement out of their own pocket, from their own income, or whether it was another gratuity or another element of income in addition to the very generous salaries which they receive.

Mr. PASTORE. The Senator from Wisconsin is interested, and I am interested also. We will put the facts in the RECORD.

The information is as follows:

One Lincoln is assigned to the Secretary of the Senate, one to the financial clerk, one to the Sergeant at Arms, one to the secretary of the majority, and one to the secretary of the minority. The Mercury is assigned to the Deputy Sergeant at Arms.

Mr. PROXMIRE. I thank the Senator. I wish to say that this has not been a pleasant or easy task for the Senator from Rhode Island. The Senator has done a good job. I do think it is desirable to know the answers to these questions, and to have the facts and the information in the RECORD on this subject. There was no explanation given in the hearings, and there was no explanation contained in the report for these huge increases for the conference committees or for the policy committees. No explanation at all was given.

In view of the fact that the policy committees, as I pointed out, received $15,000 when they were first established and now get this tremendous 20-fold increase to $327,000, and still do not perform any of the functions they were supposed to perform when they were established, I felt that we ought to have an explanation for these very big increases, since it is all for ourselves.

Mr. PASTORE. I wish to say again that I have been in public life since 1934, and I know of no more thankless job than the privilege of handling the legislative appropriation bill. I wish to say to my good friend from Wisconsin that I extend to him an invitation as of this afternoon, at 16 minutes to 3, on this 2d day of August 1962, to come before our subcommittee next year, if I happen to be chairman of that subcommittee, and ask all the questions he wants to ask to his heart's content; and I will welcome him there. I say that with no impertinence. I respectfully extend to him an invitation to come before our subcommittee and interrogate all our witnesses on the matter of gasoline or on any other items in which he is interested.

I hope that, with all the work we have to do, we have not reached the point, with the integrity and the sense of duty that must dwell in the heart and conscience of every Member of this Senate, that it is necessary for the Senator from Rhode Island to ask Senators to keep a score on the gasoline they use on official business. I hope we have not reached that point.

Mr. PROXMIRE. I wish to say to the Senator from Rhode Island that these cars are not the cars for the distinguished Senators who are the Senate leaders.

Mr. PASTORE. They are a part of the officialdom of the Senate.

Mr. PROXMIRE. We have a responsibility to the country to be as thoughtful and prudent and careful about the money we spend on close friends and associates, or on Senate employees, as we are with other money. This may be a small amount, and certainly it is not the kind of issue that is involved in Defense Department appropriations or in foreign aid appropriations. However, we should get the full facts and details in the RECORD on these expenditures.

Mr. PASTORE. I hope the Senator from Wisconsin, who is a very dear friend of mine, and for whom I have a tremendous amount of admiration, will accept my invitation to come before our subcommittee.

Mr. PROXMIRE. I merely wish to conclude by saying that while I shall be happy to come before the committee, it was not until the appropriation bill was reported day before yesterday that I had any knowledge or any notion that there would be an additional appropriation for the policy committees and for the conferences of the two parties. It was only then that I drafted amendments, and I waived my right to the 3-day rule.

Mr. PASTORE. I thank the Senator.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. DOUGLAS. I hope my good friend from Rhode Island will not be irritated by the question I should like to ask him, which I shall ask in good faith. I know that this is a hard job which he is asked to perform. We appreciate it to the full.

Some months ago I read a report from the Architect of the Capitol that it was planned to put an underground garage in front of the Capitol at a cost of approximately $42 million, or at a cost per car of around $22,000 each. I wrote to various cities which have underground garages, and I found that the average cost of parking space per car in the garages of those cities was approximately $2,000 to $4,000. Therefore, the report of the Architect gave a figure of approximately 5 to 10 times as high as that which has been experienced in any city in the country. I should like to inquire of my friend from Rhode Island if there is any authorization or any initial appropriation in the bill which could later be used as a precedent for building such an underground garage.

Mr. PASTORE. I say most emphatically to the Senator from Illinois that the answer is "No," and, to use the vernacular, they will get $42 million for an underground garage over my dead body.

Mr. DOUGLAS. I thank the Senator. This is a very necessary assurance.

Mr. MANSFIELD. As soon as the Senator from Illinois had made that statement some months ago, in my capacity as majority leader and chairman of the Committee on Rules and Administration I undertook certain inquiries. I found nothing whatever to justify such a request. I gave notice then that if anything of that nature was to be considered I wanted to be notified, because I did not believe it, nor did I want it to be done.

Mr. DOUGLAS. I thank the Senator. However, it is true that such a statement was made by the Architect, is it not?

Mr. MANSFIELD. Not that I know of.

Mr. DOUGLAS. For the sake of the record, I will provide for the RECORD the report of the Architect of the Capitol plus other pertinent data.

A POINT OF PERSONAL PRIVILEGE

Mr. DOUGLAS subsequently said: Mr. President, I take the floor on a matter of personal privilege. I wish to discuss a subject which came up earlier in the afternoon, during the consideration of the appropriation bill for the legislative branch of the Government. At that time I asked certain questions about an underground garage which I stated had been proposed by the Architect of the Capitol. Some question was raised as to whether such a statement had ever been made by the Architect. I inquired:

> However, it is true, is it not, that such a statement was made by the Architect?

The majority leader replied:

> Not that I know of.

I then said:

> For the sake of the record, I will provide for the RECORD the report of the Architect of the Capitol plus other pertinent data.

Mr. President, this is an important matter, because the issue has been obscured by the Architect of the Capitol, and good Senators like the majority leader and certain other Members of this body may have obtained an erroneous idea of the facts.

Late in February of this year I obtained information that the Architect of the Capitol, in plans which he had submitted in 1957, had a program for building not only a new, a third House Office Building; not merely a new Senate Office Building; not merely the tunnel; not merely the extension of the east front; but also an extension of the west front and the construction of an underground garage, presumably in front of the Capitol, beneath the Capitol plaza, and with appropriate connecting tunnels.

I stated that according to the plans of the Architect of the Capitol as outlined, the estimated cost in 1957 of the proposed 1,900-car garage was $41.9 million, or a cost of $22,089 per car, and that the Architect of the Capitol had also presented plans that this could be reduced to 1,100 cars, at a cost of $33.7 million, but that that would mean a very great increase in the cost per car—an increase from $22,089 to $30,661 per car, as compared with the actual cost for a number of underground garages in various parts of the country, including the city of Chicago; and in that speech I cited figures for those in Boston and elsewhere, and indicated that the average figure was between $2,000 and $4,000 per car.

After I made my speech, the Office of the Architect of the Capitol tried to change their story, and suggested that they had never taken the garage proposal too seriously; and the Washington Star published an editorial to the same effect—that the Senator from Illinois was simply dreaming up something which never had really been intended.

Mr. President, today I have conferred with Mr. James McCartney, of the Chicago Daily News, who is ready to be put under oath in connection with this matter, if that is required, and to testify that after my speech of March 1 and after I complained about the garage, the Architect's Office tried to change their story; and he also states—and is ready to be interviewed under oath—that he had interviewed them prior to March 1, and that a few days before I made my speech the Architect's Office stated to him that the 1957 plan was the long-range plan for the Capitol, including the plans for the garage; and, in addition, they furnished him with a copy of their report; and I now hold in my hand a copy of the report, and I wish to read to the Senate some passages from it.

It is entitled "Report of the Architect of the Capitol on Preliminary Plans and Estimates of Cost for the Extension of the U.S. Capitol, August 1957."

First, there is a covering letter, signed by J. George Stewart, Architect of the Capitol. The letter is addressed to the then Speaker of the House of Representatives, the Honorable Sam Rayburn.

On page 1 of the letter, the authorization for the project is given, as follows:

> I respectfully submit, herewith, "Report of the Architect of the Capitol on Preliminary Plans and Estimates of Cost for the Extension of the U.S. Capitol," authorized by Public Laws 242 and 406, 84th Congress.

Mr. President, this authorization is in such broad terms that the Commission—to be composed of the President of the Senate, the Speaker of the House of Representatives, the minority leader of the Senate, the minority leader of the House of Representatives, and the Architect of the Capitol—can propose virtually anything for the Capitol. They may—"provide for the extension, reconstruction, and replacement of the central portion of the U.S. Capitol in substantial accordance with scheme B of the architectural plan submitted by a joint commission of Congress reported to the Congress on March 3, 1905—House Document No. 385, 58th Congress—but with such modifications and additions, including provisions for restaurant facilities, and such other facilities in the Capitol Grounds, together with utilities, equipment, approaches, and other appurtenant or necessary items, as may be approved by said Commission."

In other words, this is a blanket authorization, so that the Commission may approve any set of plans; and this satisfies the legislative requirements.

Under that plan, beginning on page 20, item 4 provides:

> 4. Four-level underground garage, providing parking accommodations for approximately 1,900 automobiles, to be constructed under the east plaza; also, vehicular tunnels providing entrance and exit to the garage from the north, south, and west, $41,970,000.

Mr. President, I ask unanimous consent that the pertinent portions of pages 20 and 21 of the report be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the excerpts from the report were ordered to be printed in the RECORD, as follows:

> 4. Four-level underground garage, providing parking accommodations for approximately 1,900 automobiles—to be constructed under the east plaza; also, vehicular tunnels providing entrance and exit to the garage from the north, south, and west, $41,970,000.
>
> The serious problem of insufficient parking space and inadequate service facilities can best be solved by taking advantage of space underground. The Architects recommend that the present use of the Capitol plaza as a parking lot, which mars the beauty of the eastern approach, be discontinued and that the plaza be replaced with landscaping suitable to the grandeur of the building.
>
> There is an urgent need for adequate and modern service facilities. For more than 75 years, the Capitol has depended on two small sidewalk lifts at the east front of the Capitol for the conveyance of supplies, materials, and equipment into the building. The continued use of these service facilities is unsatisfactory from the standpoint of adequacy and efficiency.
>
> It is recommended that a four-level underground garage, providing parking accommodations for approximately 1,900 cars be constructed under the east plaza. It is also recommended that vehicular tunnels be provided, affording entry and exist to the garage from the north, south, and west.
>
> With respect to the vehicular tunnels, it is proposed that a two-lane, one-way traffic tunnel enter the garage from the southwest to the second level down on the south end and exit to the northwest on the north end; that a two-lane, two-way traffic tunnel enter from D Street NE., under Delaware Avenue, to the north end of the third level down; and that a two-lane, two-way traffic tunnel, originating at D Street SE., under New Jersey Avenue SE., enter the garage at the south end of the third level down.
>
> All three tunnels would serve as entrances and exits for automobiles of Members of Congress and their employees. Visitors' automobiles and taxi traffic would be restricted to the west tunnel, and service traffic would be restricted to the north and south tunnels.
>
> If it should be desired by the Commission to provide an entrance and exit to the garage from the east, a two-lane, two-way tunnel can be constructed under East Capitol Street, entering the east end of the garage on the first level down, at an additional cost of $6 million.
>
> Construction of this garage will not only eliminate parking on the Plaza and in other areas of the old Capitol Grounds, but will eliminate the sidewalk lifts and provide in lieu thereof adequate modern and efficient underground service facilities.
>
> Should it be desired not to construct the easterly portion of the garage, reducing parking accommodations from 1,900 to 1,100 cars, the estimated cost of the garage would be reduced by $8,243,000—or from $41,970,000 to $33,727,000.

Mr. DOUGLAS. So, Mr. President, there can be no question; and if the authenticity of this document is questioned, I shall ask the Parliamentarian or the clerk of the Senate to check this document and see whether it is authentic.

On page 37 of this document there also appears a performance schedule. It reads in part as follows:

PART III, SEC. 1.—*Proposed schedule for staging of construction work, east and west sides of Capitol*

	Propose to let contract	Propose to complete work
Underground garage:		
Relocation of utilities	April 1958	November 1958.
Excavation and foundation	November 1958	November 1959.
Structure (4 levels)	December 1959	May 1961.
Vehicular tunnels:		
North and south tunnels	April 1958	April 1959.
West tunnel	May 1960	May 1961.

On page 38 and also on page 39, there are references to the work schedule for the underground garage and the dollar amounts.

I ask unanimous consent that excerpts from pages 38 and 39 be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

PART III, SEC. 2.—*Proposed schedule of obligations, construction work, east and west sides of Capitol*

Obligations	Fiscal year—				
	1958	1959	1960	1961	1962
Underground garage:					
Relocation of utilities	$800,000				
Excavation and foundation		$7,500,000			
Structure (4 levels)			$20,930,000		
Vehicular tunnels:					
North and south tunnels	9,290,000				
West tunnel			3,450,000		

PART III, SEC. 2.—*Proposed schedule of expenditures, construction work, east and west sides of Capitol*

	Fiscal year—						
	1958	1959	1960	1961	1962	1963	Total
Underground garage:							
Relocation of utilities	$300,000	$500,000					$800,000
Excavation and foundation		3,000,000	$4,500,000				7,500,000
Structure (4 levels)			6,900,000	$14,030,000			20,930,000
Vehicular tunnels:							
North and south tunnels	3,000,000	6,290,000					9,290,000
West tunnel				3,450,000			3,450,000

Mr. DOUGLAS. Mr. President, when I made my speech on March 1, denouncing this project, the first move of the Architect of the Capitol was, as I have said, to deny that they intended to do it, although I hold the document in my hand, and although Mr. McCartney, of the Chicago Daily News, had interviewed them a few days before, and they said they intended to go ahead with the project.

This afternoon, eminent Members of the Senate, including eminent members of the Legislative Appropriations Subcommittee of the Senate Appropriations Committee, denied that they knew anything about the project; and although no such charge was made, and probably none was intended, yet a casual reader of the CONGRESSIONAL RECORD could easily conclude that the integrity of the Senator from Illinois in making the statement was impugned, although the Senator from Massachusetts [Mr. SALTONSTALL] did say that he remembered reading the statement.

Mr. President, I wish to emphasize the fact that no further authorization is needed. This blanket authorization of 1955 will permit the work to go ahead, provided an appropriation is made.

As a matter of fact, I never knew the authorization had gone through. It was one of the matters which apparently went through when there were very few Senators on the floor of the Senate. Yet it opens the way; and no further authorization, as such, is needed.

Mr. MORSE. Mr. President, will the Senator from Illinois yield for a question?

Mr. DOUGLAS. I yield.

Mr. MORSE. However, will it be necessary for the Appropriations Committee to bring to the Senate an appropriation bill with funds specifically earmarked for this project?

Mr. DOUGLAS. I think so, although some work has been done in the past without specific authorization.

Mr. MORSE. That is exactly what bothers me and that is why I asked the question. It seems to me that we must get some kind of a stop order put through, in order to guarantee to us that the Appropriations Committee will see to it that no funds can be made available under this 1955 authorization unless the Appropriations Committee specifically approves the expenditure of funds, in the amount of x dollars, for this underground garage.

I think the Senator from Illinois is performing a great service. I simply do not know whether the appropriations could be handled in such a way that the Architect of the Capitol could proceed to spend the money without our now specifically approving the dollar amounts for these specific purposes.

Has the Senator from Illinois any advice to give me in regard to that point? I think those figures have been carefully gone into. I was grateful for the assurance of the Senator from Rhode Island [Mr. PASTORE] that he would try to prevent such appropriations; but it is possible the "hidden ball" trick could get by him.

Mr. DOUGLAS. This much I think can be stated: When the terminal in the Capitol Building was built in the tunnel, part of the money, I think it will be seen, was for the underpinning of the garage. So there is a foot in the door.

As I have said, I delivered my speech on the 1st of March. A denial was entered, according to the ready-to-be-sworn-to statement by Mr. McCartney, by the Capitol Architect a few days later.

But on March 14 the newspaper Roll Call, which circulates around the Capitol, reported a speech by the Assistant Capitol Architect, Mario E. Campioli. Notice the heading, "Envision New Capitol Building—Present Building Would Be Museum." I read:

> Congress may in the future wish to build a more modern, streamlined Capitol Building east of the present one, Assistant Capitol Architect Mario E. Campioli said Monday.

This was published on Wednesday, the 14th of March. Monday would be March 12.

In late February it was said that the construction of a garage was contemplated. I made my speech. Then it was denied that a garage was to be built. A few days later, the Assistant Architect said "they are not only going to build a garage; they are going to build a whole new Capitol."

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MORSE. Does the Senator agree with me that it might be best if we gave official notice to the Architect and the Assistant Architect of the Capitol that the present national debt of the United States is, in round numbers, $300 billion?

Mr. DOUGLAS. That would be a very healthy reminder.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. KEATING. It sounds to me as though it is dangerous for a Senator to make a speech. After this speech, what does the Senator anticipate may be announced?

Mr. DOUGLAS. I notice there was no appropriation in the current bill for a garage.

Mr. KEATING. Or a new Capitol.

Mr. DOUGLAS. Or a new Capitol.

Mr. KEATING. We hope there will not be a bigger one after this speech.

Mr. DOUGLAS. I now quote from Roll Call:

> The present Capitol, with its legend of participation in U.S. history, would become "a ceremonial structure, a museum, a building of interest," he said. Tourists would be able to photograph the imposing dome and ramble through the old Capitol while lawmakers carried out the business of the legislative branch, unimpeded, in a new, more functional structure elsewhere.
>
> Campioli said there was no present plan to build such a new Capitol, but that Congress had directed the Capitol Architect to plan for the future.

I never knew we had directed the Capitol Architect to plan for the future by constructing a new Capitol. I do not think anyone else did.

I continue reading:

> The possibility of a new Capitol is one of many ideas the Architect must consider in visualizing potential needs of Congress, he said.
>
> The Architect revealed the Capitol plan in a talk before the Capitol Hill Restoration Society, a group of area homeowners who have been at odds with Congress over expansion plans. His presentation was cool and unruffled despite the statement of one society member that "we are apparently on a collision course."

The Architect has proceeded in a very cool and unruffled manner, spending $200 million of the public's money for additions in recent years.

I continue reading from Roll Call:

> One proposal, Campioli explained, was for a "taking area" to be declared in a large area east of the present Capitol. Legislation would be passed putting property owners in the area on notice that Congress might take their land at any time in the future.
>
> Legislation has already been introduced by Senators CARL HAYDEN (Arizona) and the late Styles Bridges (New Hampshire) to establish such an area bounded by Northwest E Street from First to 11th Streets and East Capitol Street bounded by E, First, 11th, and East Capitol Streets NE. Legislation is contemplated for a similar taking area on the House side of East Capitol Street.
>
> Society members, some speaking in British or Boston accents of Capitol Hill residential area vintage, declared such a move would hurt real estate values and development in the marked area.
>
> Many of the members reside in the path of the potential expansion. About 75 Congressmen also live there, one of the few residential areas close to the Capitol.
>
> Campioli revealed that a recent survey of the area had shown 1,870 substandard dwelling units in the contemplated area. He said the Congress might desire that 59 buildings be condemned now for structural-hazard reasons.
>
> Elimination of the unsafe buildings would allow the erection of suitable homes, he said.
>
> Campioli added that the eastern end of the taking area might be a good place for a new Capitol if a future Congress deems one desirable.
>
> Asked by a society member whether there was any coordination in expansion plans between the Architect and the National Capitol Planning Commission, Campioli replied that when the Commission was considering its recently revealed "Year 2000 Plan," it asked him to explain the future needs of Congress.
>
> Campioli said he told William E. Findley, director of the Commission, that if Congress took a view "as foresighted as that of Washington and L'Enfant (the designer of the city) the idea of an 11th Street border is conservative." He said he told Findley it was possible Congress should plan to expand as far east as the Anacostia River. Findley replied he could not favor this, Campioli said.

One might ask, "On what meat do these, the architects, feed that they have become so mad?"

Continuing:

> Campioli explained that the legislative branch originally had 35 acres, not counting what is now the west mall. Through expansion for buildings and other needs it now owns 169 acres, he said.
>
> With expected population increase in the United States, Congress might expand vastly by the year 2000. A potential solution to legislators' space needs might be to add east and west wings to the Capitol, but this would be unwieldy, he said.

He might mean north and south wings. I do not know.

I continue with the article:

> Pointing to the cost of congressional expansion, society members said if a third Library of Congress is built adjacent to the present one the District of Columbia would

suffer a tax loss of $500,000. Adding a similar amount to be removed by construction of a Madison Memorial, they said the District would have to start asking Congress for $1 million a year more than it does now just for that slight expansion.

They also said the "substandard dwelling" study did not take into account that there are numerous restored and valuable homes in the proposed taking area.

Notice these next two paragraphs and the date—March 14—giving the account of a speech on Monday, March 12, 1962, 11 days after I made my speech, and 10 days after they denied they intended to carry out the program which I had said they planned to do on March 1.

Campioli also discussed such proposed ideas as an extension of the west front of the Capitol—

Which has been the design of this Commission for a long time—

and a four-level garage under the structure. An entrance ramp for visitors' parking would enter under the west of the Capitol and leave at the east.

Eventually, he said, underground tunnels might connect all Capitol Hill buildings as well as accommodate major streets such as Independence Avenue.

Mr. President, I wished to introduce this material into the Record to show that the Senator from Illinois does not talk "through his hat" on these questions. The Senator from Illinois is quoting from official plans of the Architect of the Capitol. In my judgment, the Architect of the Capitol has already gone too far.

Under the comity which prevails, we cannot question the plans or funds for the third House Office Building, although I think that is going to be both an architectural monstrosity and a sinkhole for the taxpayers' money.

I did try to question the new Senate Office Building. I tried to question the tunnel, because the subway was constructed so as to stop 100 feet from the Capitol building, and then it was necessary to ask for some $2 million more to complete it.

I submit that these people have grandiose ideas. Paraphrasing Hamlet, I will say "there is something rotten in the State of Denmark," that permits these plans to be pushed forward and for them to go through with such ease.

I hope we finally will stop the garage. I hope that the idea of scrapping the present beautiful Capitol and constructing a new Capitol near the Anacostia River may be squelched. But make no mistake about it, the Architect is a very determined man and somewhere, somehow, he has a tremendous amount of influence. He may not know much about architecture—in fact, he knows very little about architecture, because he was a landscape gardener and not an architect. He was appointed by President Eisenhower. He is not appointed by the Congress, but somehow he seems to have a good deal of backing on Capitol Hill.

I hope that the Senator from Illinois will not be denounced as one who is trying to interfere with the dignity of the U.S. Senate or as one who is questioning the good faith of his colleagues. It is always a very unpopular position when a Senator stands in the Senate Chamber and questions expenditures for the legislative branch or those involved in any other appropriation bill. That is a very unpopular procedure. However, it is not our money we authorize to be spent. It is the taxpayers' money. We are the stewards of that money. We should see that it is expended with thrift, and not be carried away by delusions of grandeur.

Mr. President, I ask unanimous consent to have printed in the Record a statement I prepared for delivery to the Senate on March 1, 1962.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Should the New Capitol Garage Be Built

(Statement by Senator Paul H. Douglas)

I have had a number of inquiries about the underground garage which the Architect of the Capitol has proposed to be built under the East Front of the Capitol. Some of the inquiries have questioned what certainly appear to be the excessive costs of such a garage.

In August of 1957, there was a report by the Architect of the Capitol on the plans and estimates of cost of various pieces of construction to take place at the Capitol. Among these were estimates for a four-level underground garage to provide parking accommodations for approximately 1,900 automobiles. This was to be constructed under the East Plaza and three vehicular tunnels were to provide entrances and exits to the garage from the north, south, and west. The estimated cost in 1957 was $41,970,000, or a cost of $22,089 per car.

WE SHOULD EXAMINE PROPOSAL BEFORE CONGRESS IS CALLED ON TO ACT

Many of the major projects in the 1957 report have already been carried out. However, two major ones—the construction of an underground garage and the extension of the West Front—have not yet been started, nor have funds yet been appropriated for these projects. But as about $2 million was spent for underpinnings of the proposed garage at the time the terminal for the subway from the new Senate Office Building to the Capitol was built, I believe that we should go into the garage matter before we are presented with a request for appropriations.

Because of this, and because of some of the facts I have gathered about the Grant Park Garage in Chicago, built underground on the lake front, I believe that a most serious question should be raised about whether this project is worth the cost.

At Grant Park in Chicago, the underground garage provides space for 2,359 cars, or 459 more spaces than would be provided under the Capitol East Front. It was completed in 1954 at a total cost of $7.9 million, or a cost of $3,349 per car, as opposed to the estimated $22,089 per car for the Capitol garage.

COMPARATIVE COSTS—GRANT PARK AND CAPITOL GARAGES

I include a table giving the comparative information of these two garages at this point:

	Proposed Capitol garage	Existing Grant Park garage
Underground levels.	4	3(2 plus mezzanine).
Number of cars	1,900	2,359.
Cost	$41,970,000 (1957 estimate).	$7,900,000 (1954).
Cost per car	$22,089	$3,349.

May I point out certain additional facts. In the Architect of the Capitol's report, it is noted that if the size of the Capitol garage were reduced to hold only 1,100 cars, it could be built for $33,727,000, or $8.2 million less. However, this so-called reduction in cost would be more apparent than real, for the cost per car would then increase from $22,089 to $30,661.

When my staff inquired of the Architect of the Capitol's office about the proposed cost of the garage, a question arose as to what the cost would be today, or 5 years after the estimate of $41,970,000 was made. The estimate given is that the cost would rise at the rate of about 2½ percent a year, so that the estimated cost in 1962 would be at least 12½ percent greater than in 1957. Hence, the present cost would be over $47 million, or a cost of over $24,700 per car.

As a result of these figures, several questions arise in my mind. The first question is: Is it worth spending this much money for parking for Senators, their employees, and some of the public? Would not this be called a "parking palace?" Secondly, if the garage is to be built, couldn't this cost be reduced, and what accounts for the very, very high estimate?

SHOULD IT BE BUILT AT ALL?

On the first issue, I question, and I think the Congress should question, whether this garage should be built at all. This seems to be a very great public expenditure for parking. I notice, for example, that the new Alexandria, Va., hospital, which is probably the most modern hospital in the country, cost only $3.75 million, including equipment, to provide beds for 258 adults and infants. Using the 1957 estimates, we could build 13 such new hospitals for the amount which we would spend for the new garage alone.

Would it not be of greater public benefit to erect hospitals for sick people at a cost of $1,453 per bed than to construct a garage at a cost of $22,089 per car?

I note that this garage would cost twice as much as is in next year's budget under the Health, Education, and Welfare Department for funds to be spent for chronic diseases and the health of the aged. It is almost twice as much as will be spent by HEW next year for community health.

Next year's budget for the Department of Health, Education, and Welfare includes only $8.8 million for control of air pollution, or one-fifth to one-sixth the cost of the garage. The same budget includes only $20.5 million for water-pollution control, which is less than one-half the cost of the garage. And the cost of the garage is over one-quarter of the amount of our entire estimated expenditure for USIA programs for next year. Therefore, Mr. President, I question very much whether such an expenditure is necessary at all.

REASONS GIVEN FOR HIGH COSTS

My staff has asked the Architect's Office why the cost of this garage should be so high. To be fair to them, I think I should give their reasons:

1. It is a four-level underground garage. However, as we have seen, the Grant Park Garage is a three-level garage but built at a cost of only one-seventh as much per car as the proposed Capitol Garage.

2. It is said that the walls, for various reasons, will be very thick.

3. It is claimed that there is a problem of waterproofing and that a mechanical dewatering system will be needed during the construction to save the trees on the Capitol's East Plaza. I may also point out here that the Grant Park Garage in Chicago was built on land which adjoins Lake Michigan and, in my judgment, the water problem is as great, if not greater than, the construction of an underground garage at a hill here at the Capitol.

4. It is said that the construction might have to be done in stages.

5. It is said that the tunnels and the ramps would be both longer and wider than might ordinarily be the case. However, the

cost of a proposed fourth entrance tunnel for the Capitol Garage entering from East Capitol Street is given in the Architect's report at $6 million. This is almost the amount of the total cost of the Grant Park Garage, which itself has two underground entrances and two underground exits.

SHOULD WE NOT CALL A HALT NOW?

In view of the past expenditures for the New Senate Office Building, for the tunnel leading from the New and Old Senate Office Buildings to the Capitol, the extension of the east front of the Capitol, and the third House Office Building, it seems to this Senator that the time for the Congress to call a halt on new expenditures by the Architect of the Capitol is at hand—including expenditures of $22,089 per car for an underground parking lot, and for further vast expenditures to extend the west front of the Capitol.

Mr. SALTONSTALL. Mr. President, sitting with the Senator from Rhode Island in these hearings, I can say that the subject of the underground garage never came up. I have the same feeling the Senator from Rhode Island and the Senator from Montana have on that subject. I am confident it will not arise in the near future.

Mr. DOUGLAS. I welcome that assurance. However, I wish to say that this statement is in print. I have it in my office. I did not think I would be challenged about it, and I felt it was something that needed to be gone into.

Mr. MANSFIELD. The Senator was not challenged. The Senator from Montana was asked a question. The Senator from Montana answered it to the effect that, so far as he was concerned, he had never seen a statement of that sort and had never heard a statement of that kind. When the Senator from Illinois made his speech, I looked into it.

Mr. SALTONSTALL. I think I read the same statement to which the Senator from Illinois refers. As one Member of the Senate I thought it was just "baloney," if I may use that word.

Mr. DOUGLAS. Then the Senator read the statement I referred to?

Mr. SALTONSTALL. Yes.

Mr. DOUGLAS. He knows, then, that I was not fabricating the statement.

Mr. MANSFIELD. No one has ever said so.

Mr. PASTORE. No one has said so. What the Senator from Rhode Island said was that he does not care who made what statement. They will get the $42 million for an underground garage over my dead body. I cannot say it any stronger than that.

Mr. DOUGLAS. I am very glad. Sometimes improvements which are authorized for the Capitol go through with greater speed than the velocity of light. I hope I have not stirred up the Senator from Mississippi on this question; but I remember that we suddenly found we were faced with the extension of the east front of the Capitol, and in some fashion it went through. I tried to watch the calendar carefully, but it happened so fast that, lo and behold, the extension was made, and the bill was pretty heavy.

Mr. PASTORE. Mr. President, I yield to the Senator from Mississippi.

Mr. STENNIS. First, I wish to reply to the Senator from Illinois. It was my privilege to have handled the legislative appropriation bill at the time the front of the Capitol was extended. I remember the Senator's very earnest and sincere opposition to it, as well as to the installation of the extra elevators in the Senate lobby and the subway train from the Capitol to the new Senate Office Building. They cost a good deal of money; but who would want to remove the little train? Who would want to take out the extra elevators? Who would want to remove the other improvements which have been made to the Capitol? Who would want to take them away?

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. DOUGLAS. Once those things are done, they cannot be taken out. The time to stop them is before they are begun.

Mr. STENNIS. My point is that they have justified themselves. We hear more favorable comments about them from tourists than about any other single thing about the Capitol.

But that is not the purpose of my remarks. I strongly commend and thank the chairman of the Subcommittee on Legislative Appropriations, the distinguished Senator from Rhode Island [Mr. Pastore], for the outstanding work he has done on the bill after months of work and vexation. I make that statement because I traveled that same path before him.

I know how hard he has worked on the bill. I commend him for the way in which he has handled the appropriation which I trust and believe will lead to the actual restoration of the Old Senate Chamber. I believe that under his guidance it can be made into one of the outstanding shrines in the city of Washington.

We have the Lincoln Memorial, and it is well that we have it. We have the Jefferson Memorial, and it is well that we have it. We have other memorials, also. But I believe that the old Senate Chamber is an outstanding shrine. The legislative branch of the Government has contributed much to the history, the heritage, and strength of our Nation. Let a place be set aside as a memorial. There is already one to commemorate the old House of Representatives; but let us have another one. Let a place be set aside that will be a shrine, dedicated, first, to the Nation, and then to the legislative branch of the Government.

I understand that the Old Senate Chamber contains some of the most masterful architecture that is to be found anywhere in the Nation. It is now obscured. The flooring is covered over. The Chamber now contains furniture which does not belong there and does not go with the room.

Pages 68, 69, 70, 71, 72, 73, as well as other pages of the hearings, contain graphic illustrations of some of the scenes in the Old Senate Chamber during the memorable debates which were connected with milestones of our Nation's history. I cite those pages of the hearings for the information of persons who might be interested in reading them.

Also, on page 10 of the committee report itself, beginning near the bottom of the page, are three paragraphs with reference to the restoration of the Old Senate Chamber and Supreme Court chamber, which is really on the first floor.

Mr. President, I ask unanimous consent that that part of the committee report be printed at this point in the Record.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

RESTORATION OF OLD SENATE CHAMBER AND OLD SUPREME COURT CHAMBER IN THE CAPITOL

The committee recommends an initial appropriation of $37,500 for the preparation of working drawings, specifications, and estimates of cost for restoration of the Old Senate Chamber on the principal floor of the Capitol and the old Supreme Court chamber on the ground floor of the Capitol substantially to the condition in which these chambers existed and were furnished when last occupied in 1859 and 1860, respectively, by the U.S. Senate and the U.S. Supreme Court.

First floor Chamber: This room is in the first section of the Capitol completed and is located east of the central north-south corridor. It formed the lower portion of a former two-story room used 1800–1808 as the Senate Chamber. As a one-story structure, substantially in its present form, it was used as the Supreme Court chamber 1810–1814 and after the fire of 1814, 1819–1860, and as the law library 1860–1950.

Principal floor Chamber: This room is located directly over the first floor Chamber. A part of it formed the upper portion of the lower room 1800–1808. In its present form, it was used as the Senate Chamber 1810–1814 and 1819–1859, and as the Supreme Court chamber 1860–1935.

These rooms are in the first section of the Capitol to be completed and occupied when the Nation was in its infancy.

The proposed restoration will become one of the most outstanding and worthy ever accomplished in the country, both from a historical and architectural viewpoint. It is a work that will be appreciated by all who visit the Capitol as well as those who labor here. By this work, there will be brought to life the halls where Clay, Webster, Calhoun, and other notable figures in our history delivered their famed addresses and engaged in decisive debate; where Thomas Jefferson was twice inaugurated as President of the United States; and where the Supreme Court of the United States reached decisions that shaped the future of the Nation.

The committee is advised that restoration of these historical shrines will bring to view again some of the finest examples of early interior Federal architecture.

The committee calls attention to the complete report on this matter, together with many impressive illustrations, which appears in the hearings, pages 41 to 103, inclusive.

Mr. STENNIS. Mr. President, the bill provides a modest sum of money, at the suggestion of the Senator from Rhode Island [Mr. Pastore], to lay the groundwork and pay for the planning for the true restoration of the Old Senate Chamber and Old Supreme Court Chamber. I believe this can be done and still provide space which can be put to a very useful purpose, particularly with reference to the holding of conferences between Senate and House committees on some of the major appropriation bills. Perhaps a glass door could be installed in such a way that tourists might view the room. Many hundreds of thousands of people, particularly young people, pass through that corridor every year. Such an installation would provide an excellent opportunity for them to view the entire Chamber.

I have prepared a statement on the preservation of the Old Senate Chambers, as patriotic shrines. I ask unanimous consent that it may be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR STENNIS

OLD SENATE CHAMBERS PRESERVED AS PATRIOTIC SHRINES

I shall speak briefly on a subject upon which I have great interest and upon which I am sure all Members of Congress have considerable interest—both here and in the House of Representatives—and especially the people of this great country will have great interest.

Restoration of the Old Senate Chamber would serve an existing need in that it would be a patriotic shrine to the legislative branch of the Government.

We have the Washington Monument, the Lincoln and Jefferson Memorials—all timely and well deserved indeed—but these magnificent structures represent the executive branch of the Government.

I think we should have shrines here in our Nation's Capital that would represent the legislative branch of our Government.

One of the most attractive on Capitol Hill now is the Old Chamber of the House of Representatives, now a part of Statuary Hall, seen or visited by literally millions of citizens every year.

I would restore the Old Senate Chamber so that the other part of the legislative branch could be viewed by these same millions of visitors—visitors who would be inspirationally uplifted and emotionally and intellectually educated by such a great treasure of antiquity and architecture and history.

Hundreds of thousands of visitors flock to Washington every year to see the U.S. Senate in action, and to visit the white marble U.S. Supreme Court Building, among many other sights.

But what these visitors do not see is the concealed beauty of the Old Supreme Court Chamber and the Old Senate Chamber where these two branches of the Government met 100 years ago. They have become isolated rooms in this great Capitol Building—veiled from the American people who now more than ever before in our history need the inspirational and educational values these two Chambers can offer.

There is not a child in America who has not read about Daniel Webster, Henry Clay, John C. Calhoun, and Sam Houston—and these same children visit Washington every year by the hundreds of thousands. We can see them on any given day here in the Nation's Capital—rain, snow, or shine—lined up outside the buildings erected as historical monuments to the great achievements of the past.

What would be more educational and inspirational than to have these same young visitors walk into the Chamber restored in the condition where Webster, Clay, and Calhoun made their famous speeches and declarations.

This would be emphasizing the affirmative part of our system of government.

Noted jurists such as John Marshall and many others occupied seats on the bench of the Old Supreme Court Chamber.

In that earlier Court there sat great jurists who handed down great decisions which have affected the course of nations and of human events.

This heritage of the Capitol and the legislative branch has long been abused and neglected.

The time is now to begin paying more attention to this irreplaceable asset of our heritage and history.

When we discuss the restoration of these two Chambers, there is one thing that continues to impress me—and that is the lack of interest in emphasizing the affirmative part of our system of government. We must speak up, admire, praise, and be proud of the basis of our concept of government.

The Preparedness Investigating Subcommittee, of which I have the honor of being chairman, recently concluded over 4 months of hearings on the military cold war education and speech review policies—the troop education and information program of our men in the armed services and the place of seminars in the indoctrination program of these troops. Many hours of testimony taken during these months centered upon the training and education of our young military inductees and enlistees about the dangers of the Communist doctrine and the Communist concept in order that these young men be better equipped to face and defeat any Communist aggression.

Our military services take the time for this training but we have neglected far too long the principles as expounded by those men who sat with honor in the two Chambers which I hope this Congress will restore to their original splendor and grace.

The restoration of these Chambers can again point to the historical importance of our legislative branch of Government. The sum of money to be expended to bring about full restoration is far less consequential than the inspirational lift such a restoration will give to each of its visitors as they get at least a glimpse of our great heritage as reflected by these Chambers. The inspiration, the beauty, the tradition, and everything else that goes to make a great America would be right there in front of them as they pass through these halls. I think it would make a lasting impression upon the minds of these visitors.

Only a few weeks ago, July 4, 1962, marked the 186th anniversary of this Nation's independence. It also marked the 186th continuous year in which this Nation has concentrated much of its effort on growing and expanding and conquering all the problems inherent in a new nation as it grows to meet internal and external challenges.

Now, it appears, we have arrived at a point in time as a nation and as a people in which we must make every effort to preserve those places which have met the struggles of the past so that those who come after us may never forget what they did here.

Those who follow us can find new courage, new resolve, new inspiration as they visit these historical Chambers—not merely mementoes of the past and buildings of bricks and mortar of today—but shrines built to commemorate the great achievements of the past.

We should never be in so much a hurry to rush forward that we forget to look back at where we have been. For only as we know where we have been can we chart a true course for the future.

I am happy to say that a rather intensive search for material and information concerning the two Chambers has been carried on since the fall of 1960. This search has given the Architect of the Capitol sufficient information with regard to the furnishings of these rooms in order to reproduce them and to satisfactorily restore the Chambers to the period when last occupied by the Senate and the Court in 1859 and 1869, respectively.

I should like at this point to insert a brief history of the occupancy of these two rooms in the Old Senate Wing of the Capitol Building which are of great historical and architectural interest:

First floor Chamber: This room is in the first section of the Capitol completed and is located east of the central north-south corridor. It formed the lower portion of a former two-story room used 1800–08 as the Senate Chamber. As a one-story structure, substantially in its present form, it was used as the Supreme Court Chamber 1810–14 and after the fire of 1814, 1819–60, and as the Law Library 1860–1950.

The principal floor Chamber: This room is located directly over the first floor Chamber. A part of it formed the upper portion of the lower room, 1800–08. In its present form, it was used as the Senate Chamber, 1810–14 and 1819–59, and as the Supreme Court Chamber, 1860–1935.

Thus, both rooms to a certain degree have served as the Senate and the Supreme Court Chambers at definite times during our history.

I will conclude by saying that restoration of these rooms will have a wonderful impression on the educational values and inspirational qualities of all citizens of our country, both young and old.

Mr. STENNIS. Again I commend the chairman of the subcommittee [Mr. PASTORE] for his excellent leadership in this restoration.

Mr. PROXMIRE. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. PROXMIRE. I wish to join the Senator from Mississippi in his statement about the restoration of the Old Chambers. This appropriation has been thoroughly justified and is for a clearly worthy purpose. The Senator from Mississippi, the Architect of the Capitol, and other persons appeared before the subcommittee and made a strong case for the appropriation.

I think this will be an excellent restoration. This room certainly should be restored and preserved. I commend the Senator from Mississippi for making the excellent fight he made for this appropriation.

EAST FRONT STILL WITH US

I should like to join the Senator from Illinois in his comment with respect to the cost of the east front. The cost of this project is still with us. The bill before us provides for 13 additional positions plus 10 new elevator operators, due to the extension of the east front. The cost of the additional elevator operators alone will be $19,000 during the coming year and that will increase as years go by.

So the east front, against which the Senator from Illinois made such a strong fight, in which the Senator from Wisconsin joined him briefly, is still with us. It was passed so fast that the Senator from Illinois and the Senator from Wisconsin could not see it. The same thing happened in the House. I think the Senator from Illinois is absolutely correct in his statement that the cost of the construction of the east front makes it the most expensive building in the history of America, in terms of cost per cubic foot. The Senator from Illinois was absolutely correct in opposing it. The cost is still with us.

Mr. PASTORE. Mr. President, may I remind my friend, with all respect, of the time element. I hope I may have his cooperation so that we may have the third reading of the bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 11151) was read the third time, and passed.

Mr. PASTORE. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the presiding officer (Mr. PELL in the chair) appointed Mr. PASTORE, Mr. CHAVEZ, Mr. MONRONEY, Mr. HUMPHREY, Mr. HAYDEN, Mr. SALTONSTALL, Mr. YOUNG of North Dakota, and Mr. KUCHEL conferees on the part of the Senate.

ANTI-SEMITIC ACTIVITIES IN ARGENTINA

Mr. JAVITS. Mr. President, I wish to call attention to a situation that has developed in Latin America which is of grave concern to many people in the United States, one to which the President has now addressed himself. The reports in the press bear out the increasing number of manifestations of anti-Semitism in Argentina and also, to some extent, in Uruguay. The number of incidents involving attacks on individuals has risen considerably since the Eichmann trial, and several semicovert small groups described as ultranationalists are apparently responsible for a campaign of terror.

I have written to the Secretary of State, stressing the critical urgency of the problem. My letter is dated July 27, 1962. I ask unanimous consent that it be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 27, 1962.

Hon. DEAN RUSK,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: A number of disturbing reports have come to my attention regarding an increase in anti-Semitism in the Argentine, including violent attacks on individuals. There is a Jewish community in that country of more than half a million persons, many of them second and third generation Argentines, and they face an increasingly tragic situation unless corrective steps are taken. The consequences would undoubtedly affect all the countries on this side of the ocean if the situation is allowed to deteriorate. A fresh report has just come in of a similar situation in Uruguay.

I would appreciate your attention to this problem and a report from our Embassies in Buenos Aires and Montevideo.

Warm regards.

Sincerely,

JACOB K. JAVITS,
U.S. Senator.

Mr. JAVITS. Mr. President, the President of the United States responded in his press conference of yesterday and gave clear evidence of the interest of our Nation that no such antihumanitarian or antimoral activities should take place anywhere in the world, certainly not in this hemisphere.

I am satisfied that these ultranationalist groups who are responsible for these activities do not represent public sentiment, either in Argentina or in Uruguay. The press, the people, and the governments of those countries deplore these incidents and manifestations, including also, incidentally, a part of them which are irresponsible accusations of communism, accusations which confuse, bedevil, and handicap the fight against communism, but which, nevertheless, are a part of the technique of this type of anti-Semitism, but the calls voiced in the press for strong government action have not met with the desired response, and this is a major reason for disquiet in the large Jewish community of Argentina, and also in the large Jewish community of Uruguay. Let us remember that Argentina has about 500,000 Jewish people, and that the other millions of people in that country will also be affected by any such events there, as experience throughout the centuries has shown. Reassuring words by high government officials have not been followed by action, and the charge against the police of foot dragging appears to be substantiated by popular outcry. The unsettled political situation in the country is undoubtedly a contributing factor. Nonetheless, it is inconceivable that the great people of Argentina would tolerate any such situation in their own country for so large a body of Argentines as the Jewish community there.

The United States has expressed its deep concern, which is based on our long history of moral leadership in protesting persecution and injustice, and recently expressed itself strongly on the prosecution of Jews and other religious groups in the Soviet Union. There has been ample precedent in our history for such action by the United States. At the turn of the century we protested vigorously against the persecution of Jews in Russia and Rumania. And certainly the United States, when aroused, showed great revulsion to the Nazi anti-Semitism. At other times we have intervened on behalf of persecuted Armenians, Greeks, Cubans, and other peoples.

In the Argentine situation, Ambassador Robert McClintock in Buenos Aires has expressed our concern to members of the Argentine Cabinet; and the Argentine Ambassador, Roberto T. Alemann, in Washington has also been informed of the gravity with which we view these developments.

I am gratified to observe that our Government is watching the situation very carefully.

Mr. President, I make these remarks in order to call the situation to the attention of the American people, who also wish to watch the situation closely; and, Mr. President, sensitive as we are to Communist manifestations anywhere in the American States, I express the view that the serious damage and danger can thus come to the fabric of unity and democracy in the entire Western Hemisphere; and the security and peace of the entire Western Hemisphere are also subjected to an extremely dangerous threat—and perhaps its danger is to be equated with that of communism—by these manifestations of anti-Semitism. So I hope that governmental authorities in Argentina will be extremely vigilant and will bestir themselves in order to deal promptly and properly with that situation.

We have every feeling, from reading the articles in the press—and I ask unanimous consent that reports on this matter from the New York Times and the New York Herald Tribune be printed in the RECORD in connection with my remarks—that these organized ultranationalist groups, said to be composed mainly of high school students and teenagers, would be readily responsive to vigorous action by the police forces of Argentina. As one American and one Senator, I express the hope and the expectation that such action will now be forthcoming.

Mr. President, I ask unanimous consent that the articles to which I have referred be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, July 30, 1962]

PUTTING THE FINGER ON THE CENTER OF NAZI DANGER IN LATIN AMERICA

(By John Molleson)

Argentina has emerged at the world's worst center of overt anti-Semitism, Jewish sources said yesterday.

There is evidence that the Argentina police are doing little, if anything, to prevent the spread of incidents—including torture, beatings and shootings—which have caused concern in Jewish communities in many nations, and have aroused anxiety, fear and protest among the 700,000 Jews in Latin America.

With 400,000 Jews, Buenos Aires is the second largest Jewish community in the world.

The Argentine Jewish community, with a total population of 500,000, is slightly more than 100 years old. During the century, the Argentine Jews became well integrated "Latinos" and prospered, economically and culturally, in an atmosphere of official cordiality and popular acceptance.

Even the government of the overthrown dictator, Juan Peron, though friendly to Nazis, was not anti-Semitic, the sources said. The Argentine people never showed or expressed hatred of the Jews, although a latent antagonism was beneath the surface.

But since the first of the year, there have been 40 recorded instances of anti-Semitic violence.

The sources attributed these incidents, in part, to be political and economic instability of Argentina since the deposition in the spring of President Arturo Frondizi.

Argentina always has a tendency to lean to the right in moments of crisis, they said, and a few extreme nationalists have entrenched themselves in some key police and internal security posts. These men, it is said, equate anticommunism with anti-Semitism.

GROUP NAMED TACUARA

As in Nazi Germany, one of the aims of the nationalists has been to indoctrinate young people with a hatred of the Jews. A group called Tacuara—named for the lances used by gauchos in the wars of independence—is composed mainly of 2,000 boys and young men 16 to 23 years old. It is believed to be supported by the Nazi element in Argentine Army.

A suspected member of Tacuara is Capt. Horacio Enrique Green, a naval officer, who is chief of the federal police, the sources said. Captain Green dismissed as fabrications the charges that two Jewish youths were assaulted and branded with swastikas on June 24 and June 28. Up to now, despite the numerous anti-Semitic attacks, not one arrest has been made.

But on July 4 Interior Minister Carlos Androgue denounced the violence in a nationwide radio-television address and promised that the government would be "inflexible in punishing those who promote and maintain an atmosphere of violence." Two days later police raided Tacuara's headquarters.

At the same time, Silvano Santander, leader of one of the top parties, Union Civica Radical del Pueblo, pointed to the fact that Captain Green still held his job despite his disagreement with the Interior Minister. Under these conditions, the promise to punish anti-Semitic violence could not be fulfilled, Mr. Santander said.

Anti-Jewish attacks in Argentina and Uruguay Saturday prompted Rabbi David E. Hill, president of the National Council of Young Israel, to demand that the United States invoke economic sanctions against those countries.

He suggested that American technical assistance be withdrawn if those governments "fail to abide by international law and to eliminate those ruthless outrages which are beginning to assume the pattern of genocide."

Label A. Katz, of New Orleans, president of the 470,000-member B'nai B'rith, Jewish service organization, expressed his "serious concern" about the situation of Jews in Buenos Aires and Montevideo.

[From the New York Times, Aug. 2, 1962]

Argentina Is Told of U.S. Concern On Anti-Semitism

Washington, August 1.—The State Department has notified the Argentine Government of its "concern" over recent anti-Semitic incidents in that country.

Officials in the Department have held "informal" discussions on the matter with senior Argentine officials here and in Buenos Aires within the last few weeks.

A Department spokesman said today that the most recent discussions were held last week with Alvaro C. Alsogaray, Argentine Minister of the Economy, who was here for discussions on United States aid to Argentina.

MOSCOSO TO RAISE QUESTION

Teodoro Moscoso, coordinator of the Alliance for Progress aid program to Latin America, said today he also planned to take the question up with Senor Alsogaray in the near future.

Mr. Moscoso made his statement after Representative Seymour Halpern, Republican, of Queens, released an exchange of letters with Mr. Moscoso on the subject.

In a letter June 27, Mr. Halpern expressed "alarm and dismay" at reports from Buenos Aires that the Argentine Government has been indifferent to demands by Jewish citizens for police protection.

Mr. Moscoso's reply, dated July 26, said the Embassy in Buenos Aires had reported that the Argentine Government pledged to suppress anti-Semitic activity.

"The Embassy reported that this feeling is shared by the Minister of the Interior, who is responsible for all of the police forces in Argentina," Mr. Moscoso said.

"The embassy further advised it would thus appear that the Argentine authorities are aware of the incidents and have decided to take strong measures to cope with the perpetrators."

Mr. Moscoso said the Embassy also reported that "the Argentine people seem horrified by the incidents."

State Department officials emphasized today that since no U.S. citizens were involved in the Argentine incidents the Government could not issue a formal protest.

They said the discussions of the matter with Argentine officials were "informal conversations pointing out our general concern at these reports and asking to be kept informed on the steps we understand the Argentine Government is already taking."

Benefit to Reds Seen

(By Edward C. Burks)

Buenos Aires, August 1.—Jewish leaders here say the Communists are reaping the most benefit from a recent upsurge of anti-Semitic violence in Argentina, although neo-Nazi groups are regarded as the instigators.

Both the neo-Nazis and the Communists have shown a desire to wreck Argentina's capitalist system and democratic institutions to pave the way for an extreme form of government, Jewish spokesmen say.

The newspaper El Mundo has compiled a list of 27 major anti-Semitic incidents in the first half of this year. Included were the desecration of Jewish buildings, the throwing of gasoline bombs, machinegun attacks and assaults.

One incident that attracted wide attention was an attack on a 19-year-old Jewish girl. She testified that hoodlums speaking Nazi slogans carved a swastika on her breast. The incident led to a protest strike by the Jewish community.

The Jews were indignant over what they believed was an attempt by the police to cast doubt on the girl's veracity. A Jewish organization had the girl examined by two non-Jewish physicians, who reported that there was every indication that her story was true.

Last week the girl, Graciela Narcisa Sirota, was attacked again. She was kicked by a youth who ran off with her notebook. It was returned later with insulting messages scrawled on it.

There is also a sustained anti-Jewish poster and leaflet campaign by anti-Communist groups. The campaign calls Jews and Jewish organizations the agents of international communism who have faked the attacks to draw attention from scandals involving Jewish businessmen.

Responsible members of Argentina's Jewish community of more than 400,000 insist that there is more to the anti-Semitic campaign than assaults and swastika daubings by young thugs. They see it as an obviously controlled and carefully directed drive, but confess that they cannot identify its leaders.

Jews declare that anti-Semitism here is not a general social problem outside of these controlled campaigns.

Jewish leaders say it is not surprising that some of the attacks against them are couched in extremely anti-Communist language. The effect is still the same, they argue, in that only Communists and other extremists can expect to gain if these violently anti-Semitic organizations continue their policies.

Jewish sources contend that the anti-Semitic campaign to large extent is a smokescreen for assaulting the country's institutions and to create a climate of chaos. They assert that the Tacuara group, a Nazi type of organization noted for involvement in physical clashes, never battles with the Communists.

They suggest, without proof, that part of international Communist strategy is to encourage ultranationalist groups like Tacuara.

According to Jewish leaders, police investigations never disturb the centers where the attacks are instigated. They say the members of Tacuara, who are mostly of high school and college age, enjoy immunity from arrest because of connections with high officials in the police and the military.

The weekly Jewish newspaper Mundo Israelita recently reported an interview with Alberto Escurra Uriburu, 24-year-old chief of the organization, and Jose Baxter, 21, another leader, in Tacuara's office. The reporter found the leaders and their colleagues using the Nazi salute.

ANTI-SEMITISM DENIED

The leaders were quoted as having said their organization was not anti-Semitic but was against any Argentine citizen in the service of a foreign state. They believe that most Jews here are Zionists and therefore support a double nationality.

They said that Adolf Eichmann, who was hanged in Israel about 2 months ago for responsibility in the deaths of millions of Jews in World War II, did his duty as a German soldier and died for crimes of which he was not guilty.

While denying any planned anti-Semitic campaigns, the two Tacuara leaders conceded that there had been clashes. Provocation and aggression have taken place on both sides, they said, but added that if Jewish provocations had been greater there would have been far more violence.

Other organizations that have recently conducted sharp poster campaigns against Jews include the Nationalist Restoration Guard, the Argentine Nationalist Federation, the Anti-Soviet Front, the Shield Organization and the Anti-Communist Intrenchment.

These organizations have commented sharply on scandals involving prominent Jewish businessmen such as José Mazar Barnett, who was charged with fraud while president of the Bank of the Nation. He has sought asylum in Uruguay.

THE MEANING OF THE THALIDOMIDE DANGER

Mr. JAVITS. Mr. President, in view of the interest of the Nation in the dread danger from the drug thalidomide which has largely been avoided here, thanks to the heroic vigilence of Dr. Kelsey, of the Federal Food and Drug Administration, I am reporting to the Senate on the situation as I see it, following yesterday's open hearing before the Subcommittee on Reorganization and International Operations, of the Committee on Government Operations, chaired by the Senator from Minnesota [Mr. Humphrey], of which I am a member.

It is clear that there is a great need for coordination, between the different departments of our Government and between our own and foreign governments, of information derived from experiments with new drugs, and for a digest, for ready reference, of available technical information from all sources. Chairman Humphrey has sharply emphasized this need.

Also, we must carefully consider the President's proposal for legislation to enable the Government to remove from the market a drug found to be dangerous after the Federal Food and Drug Administration has permitted its sale. It should be remembered, however, that the sale of thalidomide has not been permitted by the FDA.

The most critical need, which has been dramatically illustrated by the thalidomide case, is for regulation of the experimental use of new drugs on humans before an application has been submitted to the FDA for permission to market the drugs commercially. The law and regulations governing this stage are much too loose. Nothing prevents subjecting a patient to the experimental use of a new drug; for all practical purposes, a patient is a human guinea pig, since his consent is not required before such drugs are administered to him, and the only restraint is that of medical ethics under State law or codes of practice. In addition, although present regulations limit experimental use to the medium of doctors classed as "experts," for practical purposes there is no adequate criterion as to who is an expert, and the only control which the FDA exercises is that it may later refuse to accept evidence from such "experts" in connection with granting an application to permit a drug to be commercially marketed.

It is, of course, most important that experimentation with new drugs and vaccines not be frustrated or unduly hampered, for these experiments have produced the very drugs, such as Salk vaccine, cortisone, and penicillin, to mention only a few, which have cured dread diseases and have extended life. But I am convinced that more effective Government regulations are entirely practical in order to save us from the tragic consequences which the thalidomide case has so vividly emphasized.

Mr. President, I call attention to the fact that there is pending before us Senate bill 1552, Calendar No. 1793, to amend and supplement the antitrust laws with respect to the manufacture and distribution of drugs, and for other purposes; this is the bill introduced by the Senator from Tennessee [Mr. KEFAUVER], which has now been reported from the Committee on the Judiciary. This bill will give us an opportunity to tighten up the law insofar as the activities in this field are concerned. We shall have that opportunity as a result of the bill itself, together with perhaps various amendments which may be added to it. I did not favor a number of the provisions which were originally included in the Kefauver bill; but I believe the bill now reported is much better and still can be tightened up considerably, based upon our experience with the thalidomide case.

In conclusion, Mr. President, I wish to say that the Senator from Minnesota [Mr. HUMPHREY], the chairman of the subcommittee, has assured us that the subcommittee will proceed with its investigation; and, of course, a great deal more will be learned. But interest in this subject is so great that it is desirable to be kept abreast of developments. Also in the subcommittee we have been privileged again to testify to the high courage and professional skill which Dr. Kelsey exhibited, and which have earned her the thanks of the Nation.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL, 1963—CONFERENCE REPORT

Mr. HILL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1963, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read, for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of August 1, 1962, pp. 15281–15282, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HILL. Mr. President, the conference agreement on the bill provides total appropriations of $5,334,609,500, a reduction of $51,753,600 from the budget estimate, a reduction of $46,348,500 from the amounts allowed by the Senate, and an increase of $163,821,500 over the amounts allowed by the House, which did not consider supplemental estimates totaling $101,532,100 transmitted to the Senate after the House has acted upon the bill.

The amount of the bill as it passed the Senate was a net increase, over the amount of the bill as it passed the House, of $210,170,000. The major increases were those for the manpower development and training activities, $75 million, for the National Institutes of Health, $60 million, for grants to States for hospital construction, $37,648,000, and the additional amounts for the federally impacted school areas, fiscal year 1962, $22,799,000.

For the manpower development and training activities the committee of conference agreed on an allowance of $70 million, a reduction of $5 millon from the Senate allowance.

For the National Institutes of Health, the conferees agreed on a total allowance of $880,800,000, an increase of $40 million over the amounts allowed by the House, and a decrease of $20 million from the amounts allowed by the Senate.

The conferees also agreed to an allowance for the indirect costs of research not to exceed 20 percent of the direct costs, in lieu of the 15 percent contained in the last five appropriation acts for the Department of Health, Education, and Welfare.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. SALTONSTALL. I commend the Senator for getting a better percentage for indirect costs. I do not think it is high enough, as the Senator knows, and I do not think he thinks it is high enough, but it is better than 15 percent and fairer than it was. I hope that we can get it to 25 percent another year.

Mr. HILL. I thank the Senator. No one did more or contributed more to getting the 20 percent than did the Senator from Massachusetts.

Mr. SALTONSTALL. I appreciate those kind remarks, but it was under the leadership of the Senator from Alabama that it was done.

Mr. HILL. It was a pleasure to work with the Senator from Massachusetts on the matter.

For the hospital construction program the managers on the part of the House accepted the Senate amendments providing the full amounts authorized for parts C and G, $150 and $70 million, respectively, $4.2 million for section 636, and $2,048,000 for the Federal administrative expenses of the program.

The House managers accepted the Senate amendment proposing $7,092,000 for assistance for school construction, fiscal year 1962, to provide sufficient funds to pay full entitlements for that year under Public Law 815.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from Florida.

Mr. HOLLAND. I wish to commend and congratulate the distinguished Senator for getting that item in. As the Senate will recall, the Senate committee had placed that item in the second supplemental appropriation bill. We had insisted rather strongly upon its inclusion in the conference report on that bill. The conferees on the other side, while willing to agree to the $15 million-plus which was in the bill for impacted schools, insofar as operations were concerned for 1962, were not willing to agree to this item. Now the Senator has secured their agreement to this item.

It is a fact for which I warmly commend him, for I cannot see how it is any less related to the responsibility of the Nation to help provide rooms for added pupils who come into local areas because of their families being stationed there, let us say at an air base, or military post, or otherwise, than it is for the operation of those schools.

I cannot see a distinction between the two as a reason for Federal participation, particularly when there is Federal legislation requiring and fixing the amount of Federal participation with regard to both.

So I think the Senator, in getting approval of this item, accomplished something that is fair, and something that shows Congress is willing to stand by its commitment in paying for a part of the additional facilities that are required in the defense impacted areas.

I warmly commend the Senator.

Mr. HILL. I thank the Senator. The record will show no one has been more interested and more active in securing these funds than has the distinguished Senator from Florida.

Mr. HOLLAND. I thank the distinguished Senator from Alabama.

Mr. HILL. As the distinguished Senator from Florida pointed out, the House managers accepted the Senate amendment proposing $7,092,000 for assistance for school construction.

The other Senate amendment for $15,707,000 for payments to school districts, fiscal year 1962, under Public Law 874, was unnecessary as it developed, since it was included in the Second Supplemental Appropriation Act, 1962, Public Law 87-545, enacted after adoption of the Senate amendment.

The distinguished Senator from Florida was chairman of the subcommittee that considered the second supplemental appropriation bill, and was the spokesman in the conference on that bill, which included the $15,707,000.

Mr. President, I move that the conference report be agreed to.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. HILL. I yield to the distinguished Senator from California.

Mr. KUCHEL. I want to make this congratulation bipartisan. I associate myself with what the distinguished Senator from Florida has said. The distinguished Senator from Alabama [Mr. HILL] and the members of the conference did a constructive job when they were able to have the conference committee comply with the law of the land with respect to impacted school districts. I merely wanted to demonstrate that the elation on the vindication of that measure is bipartisan in nature.

Mr. HILL. I want to associate the distinguished Senator from California with what I said about the distinguished Senator from Florida in his support, and activities, in behalf of securing these funds.

Mr. KUCHEL. I thank the Senator.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. HOLLAND. It is no unusual thing, though it may be considered so by people who do not know that it is not unusual, for the States of California and Florida to be found standing together, particularly when it comes to matters of the Government's discharging the national responsibilities which are involved and which involve the faith and credit of this Nation. I fully expected the Senator from California to take that position, and wish to associate myself with him in this matter.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. It was my understanding, from the presentation of the Senator from Alabama, that the conferees adopted close to the full amount provided by the Senate for hospital construction; is that correct?

Mr. HILL. The House conferees accepted the full amount provided in the bill as passed by the Senate.

Mr. PROXMIRE. As this Senator recalls, the House amount was somewhat above the budget estimate, and the approved amount is $50 million above the budget estimate with regard to hospital construction; is that correct?

Mr. HILL. That is correct.

Mr. PROXMIRE. With regard to impacted areas, does the Senator say the figure arrived at was closer to the Senate figure than the House figure?

Mr. HILL. The figure arrived at was the Senate figure, $7,092,000. That was the amount in disagreement. It was to provide funds to pay full entitlements for school construction under Public Law 815. The House accepted the full amount of $7,092,000.

Mr. PROXMIRE. That is about $50 million over the budget estimate?

Mr. HILL. No; this was for fiscal year 1962. The funds for fiscal year 1963 were not in conference because there was no disagreement between the Senate and the House.

Mr. PROXMIRE. I see.

Mr. HILL. The only funds in disagreement so far as this item is concerned were in the amount of $7,092,000, to provide sufficient funds to pay full entitlements under the law for fiscal year 1962.

Mr. PROXMIRE. With regard to the National Institutes of Health, the administration requested an increase of $134 million, and the House requested a $60 million additional increase. The Senate provided for a $120 million additional increase.

As I understand, the conference settled for a $100 million increase over what the administration increase was, or approximately a $234 million increase over the amount spent last year for the Institutes of Health, although there lapsed an amount of $72 million which they could not spend.

Mr. HILL. The appropriation for 1962 was $738,335,000, the estimated obligations for the year amount to $665 million, so that the conference agreement is approximately $215 million over the amount obligated in 1962.

Mr. PROXMIRE. It is also my understanding that there was a vote on the conference report in the House and that by a relatively close margin of 173 to 214 yesterday, the conference report passed; but I observed that there was a very emphatic disagreement and that a very substantial minority voted against the conference report. In reading the debate, it appears the reason for that was that they felt in certain respects it was extravagant and exceeded the budget estimates.

I wish to say here is at least one Senator who is still deeply concerned about providing more than the President of the United States said was necessary and desirable in an area as to which the President is both expert and sympathetic.

While I have the greatest of admiration for the Senator from Alabama, and I recognize his tremendous ability in this area and the wonderful fight which he has made for health funds throughout the years, still I wish to go on record as expressing a deep concern for the habit of the Senate of appropriating such large amounts, and for the habit of conferees of agreeing to exceed the amount of appropriations requested by so much, thus forcing more money on the administration than it says it can economically and prudently use.

Mr. HILL. I do not think the administration has said it could not fruitfully or economically use the funds.

The administration submits budget estimates with reference to the funds for health, exactly as it submits budget estimates with reference to all the many different items in regard to funds in the various appropriations bills. Then it is a matter for the Members of Congress, as the direct and chose constitutional representatives of the people, to make a determination as to what funds shall be provided.

Mr. PROXMIRE. I understand that, but the fact is that the administration last year had to restrain the National Institutes of Health, by limiting the amount of money they could spend, because in the judgment of the administration it could not be justified from an economical standpoint.

Furthermore, during the past 2 days the Senate has appropriated billions and billions of dollars—more than $50 billion—and in several instances has provided far more than the President of the United States requested. Yesterday we had before us the biggest peacetime appropriation in the history of this country, $48 billion for national defense. On the so-called manned bombers, the RS–70, again the Senate disregarded the advice of the Secretary of Defense and of the President of the United States and allowed hundreds of millions of dollars more than they requested.

Today we are asked to provide far more than the President has requested on these health and welfare proposals.

It seems to me if Senators wish to talk about economy, if they mean what they say, they should act and vote accordingly. Some people criticize the Kennedy administration for being wasteful. Then, certainly, the Congress of the United States is not setting a very good example for showing it really appreciates economy when it insists that the administration accept funds greater in amount than the administration requested Congress to appropriate.

Mr. HILL. I will say to the distinguished Senator from Wisconsin that the bill would provide some $51,753,600 less than the President's budget estimates called for.

Mr. PROXMIRE. Oh, yes.

Mr. HILL. The Congress, in regard to this bill and in regard to the Defense Department appropriation bill, is meeting its constitutional responsibilities. It is the primary responsibility of the Congress to determine what funds shall be provided. The truth is that under the Constitution of the United States not $1 can be appropriated out of the Treasury of the United States except and alone by the Congress of the United States. Therefore, in saying that these funds should be provided the Congress will have met and carried out its duties and responsibilities under the Constitution.

With reference to the bill before the Senate, the Congress makes a cut of some $51,753,000 under the President's budget estimates.

Mr. PROXMIRE. I say to the Senator from Alabama that the reason there would be a cut of $51 million under the President's budget is that there would be a cut of some $75 million or more out of the amount which ought to go to the Social Security Administration, which should be provided to permit actuarial soundness for social security under the military credit provisions, and a cut of another $150 million from welfare payments due the States. That is the way the Senate would reduce the amount below the President's budget estimates.

In certain very definite areas—including hospital construction, aid to impacted school districts, and the National

Institutes of Health—Congress is asked to go far above the President's budget estimates, in the aggregate of over $200 million, in the conference report.

Mr. HILL. Congress exercises its best judgment, meets its responsibilities, and carries out its obligations when it makes these determinations. In some instances Congress reduces budget estimates, in other instances Congress raises budget estimates, thus carrying out its responsibilities and meetings its duties and obligations under the Constitution.

The final answer is that there has been recommended a cut of some $51,753,600 under the President's budget estimates.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HILL. I yield to the distinguished Senator from Florida.

Mr. HOLLAND. I do not wish to comment on several of the statements made by my distinguished friend from Wisconsin, because, as my votes have shown, I have agreed with him on some previous occasions. However, with reference to the aid to impacted schools, I do not want the RECORD to indicate wastefulness has been the procedure. To the contrary, the specific amounts to be allowed both in the second supplemental appropriation bill for operations during 1962 and in the instant conference report for facilities construction during fiscal year 1962 are precisely the amounts testified to by the Office of Education, headed by the Commissioner of Education, as the amounts owed by the Federal Government under the two authorization acts, to be paid from the Federal Government to the various impacted school districts.

I hope that the distinguished Senator from Wisconsin will not leave any inference in his remarks that any waste appears or that there has been any swelling of the amount owed to the schools because, to the contrary, as I am sure the distinguished Senator from Alabama will agree, the amounts did not come out of a hat somewhere and did not result from the imagination of the Appropriations Committee but came from the testimony offered by the Federal administrators, as the precise amounts owed by the Federal Government to the various impacted school districts. Am I correct in that statement?

Mr. HILL. The Senator is absolutely correct. The entitlements are fixed by statute. What the committee has sought to do in regard to appropriating the funds is to meet the entitlements as they are prescribed and fixed by statute.

Mr. PROXMIRE. Mr. President, will the Senator yield on that particular point?

Mr. HOLLAND. Mr. President, if the Senator will yield to me further, the Senator refers to one law which relates to operations of impacted school districts.

Mr. HILL. To maintenance and operations.

Mr. HOLLAND. And to another law with reference to facilities. The Federal Government pays not all the added costs visited upon local schools, when a defense base or a defense factory is located, bringing a family and children into that particular district, but only a portion of the added costs. Therefore, the Federal Government is really saved money by the provision, as against the obligations it would have had if it had tried to afford separate school facilities of its own construction and operation for the children; is that correct?

Mr. HILL. The Senator is exactly correct. There would be a heavy burden upon the taxpayers and upon the Federal Government if the Federal Government adopted a program of providing separate schools for all these children. This is the more economical way to proceed, the way better to save money.

Mr. HOLLAND. And it is the way prescribed by law, prescribed by the Congress, as a responsibility of the Federal Government.

Mr. HILL. The Senator is exactly correct.

Mr. PROXMIRE. Mr. President, will the Senator from Alabama yield to me briefly, so that I may reply to the Senator from Florida?

Mr. HILL. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. The position of the Senator from Wisconsin is that the Senate, the House, and the conference committee wish to provide about $50 million more than the Bureau of the Budget requested, more than the Department of Education, under instructions, I suppose, from the administration, requested.

The difference results from the fact that the budget estimate was based on an 81 percent entitlement. The Senate arrived at a 100 percent entitlement. It is my understanding, after having talked with representatives of the Department of Education, that the men in the field told them that we could justify 81 percent entitlement and not 100 percent entitlement. The real impact of having the Government installations in local areas, I am told, is not 100 percent but is about 81 percent.

On the basis of this advice, I supported the administration's original request. It is true that subsequently the head of the Office of Education indicated that he had a different individual viewpoint. That is true.

Nevertheless, the President of the United States, the Secretary of the Department of Health, Education, and Welfare, and the Bureau of the Budget have arrived, on the basis of their best judgment, at a figure of 81 percent entitlement as being the most fair figure. What we are asked to do is to provide additional money, to more than compensate communities for the addition of children to their school districts. What it would mean is that communities which do not have Federal installations would be required under these circumstances to pay more income taxes, and those communities which do have Federal installations would be compensated more than they should be compensated, on the basis of the judgment of the President of the United States, of the Director of the Bureau of the Budget, and of the Secretary of Health, Education, and Welfare, as well as on the basis of the final testimony given by the Office of Education.

The reason Congress does this is because it is a juicy political handout. Senators can go back to their States and talk about how much they got for various communities in their State. But the administration is emphatic in saying that this additional $50 million simply cannot be justified.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HILL. I yield to the distinguished Senator from Florida.

Mr. HOLLAND. I am sure that the distinguished Senator from Wisconsin thinks he is correct in the statement he has made.

He is correct in stating that the recommendation would have been 81 percent of the amount to which the Federal Government was committed. He is not correct in stating that it would have been 81 percent of the actual cost of the education of those children, because the fact is that only about 50 percent of the cost of the education of those children has been assumed by the Federal Government. So it would have been 81 percent of 50 percent, rather than the entire 50 percent, which represented the deliberate commitment of the Federal Government. I think it was a good deal from the standpoint of the Federal Government because it obviated the necessity for setting up separate schools and operating them as separate schools for children from the families involved in those impacted areas.

Mr. HILL. Mr. President, the Office of Education in the Department of Health, Education, and Welfare, and the Department itself, requested funds for the full entitlement. Then the Budget Bureau cut down the amount of those funds. The budget estimates came to us with those decreases. But the Office of Education and the Department of Health, Education, and Welfare requested funds for the full entitlements.

Mr. JAVITS. Mr. President, I call to the attention of the Senate the fact that the provision for hospital construction activities remains at the figure set by the Senate. I repeat what I tried to argue when the bill was before the Senate. I offered an amendment, which was tabled by a relatively narrow vote.

In respect to hospital construction activities, we are lending ourselves to a pattern of segregated hospitals in the United States. The Hill-Burton Act, under which these funds will be administered, has the archaic provision of the pre-1954 unanimous decision of the U.S. Supreme Court in Brown against the Board of Education, since reiterated time and again, and implemented by many courts. That decision states that separate but equal facilities violate the Constitution, that there is no such thing as facilities which are separate but equal, and that only facilities which are nonsegregated are equal facilities. Nonetheless, we are about to appropriate more than a quarter of a billion dollars of the people's money, including the money of Negroes who are being segregated in hospitals today in Southern States, as I argued previously.

The regulations of the Department of Health, Education, and Welfare to this day allow separate but equal facilities in hospital construction.

We have no assurance whatever that some part of the one-quarter of a billion dollars will not be used to perpetuate a "separate but equal" practice now declared by the U.S. Supreme Court during the past 8 years to be contrary to the law of the land.

Many people are deeply concerned about the situation in Albany, Ga. With other Senators I have addressed myself to that situation to see that the Department of Justice and our Government do everything possible to see that those people are permitted constitutional rights of petition and assembly.

As we all know, there have been literally hundreds of arrests in that area. I understand the last estimate was about 1,200.

We are all sitting on a boiling cauldron which could blow up at any moment and, indeed, has resulted in riots in a number of cities, such as Montgomery, Ala., Little Rock, Ark., and other places. Yet we are lending ourselves to the perpetuation of that very situation, which is so dangerous and so fraught with tension and difficulty, by legislating a vast sum of money to be administered under a law which has been declared unconstitutional in its application, insofar as that provision is concerned, by the U.S. Supreme Court.

I take this occasion to address a request to the President of the United States and to the Public Health Service and the Department of Health, Education, and Welfare. It seems to me that the law absolutely requires a change in the regulations. Whatever may have happened on the tabling of my amendment—which we all understand was directed toward trying to keep the subject out of an argument on an appropriation bill—I think it is the bounden duty of the Secretary of Health, Education, and Welfare, a new man who has recently come into office, the Surgeon General, and the President of the United States—to see that the regulations are changed and that no part of the one-quarter of a billion dollars shall be used to perpetuate segregation against Negroes in hospitals of a most inhumane kind.

I cannot think of any area in which it would be more offensive to segregate than in the area of hospitals. When I argued my case on the appropriation bill itself, I spoke of people who had died because they had been shunted from a hospital where they would not be accepted because only whites are accepted, or there was no room in the segregated Negro wards, and they were sent somewhere else, only to die when they got there because of lack of care.

Many heartrending things happen in our lives. Many are avoidable. It seems to me that the situation is absolutely beyond understanding.

I use a word the President used the other day in his press conference when he referred to the conference in Albany, Ga., between the Negroes and the city commissioners. It is inexplicable that we should be appropriating one-quarter of a billion dollars to lend ourselves at this time, after the decision of the Supreme Court and the bloodletting and torture which have been undergone in trying to implement the decision since that time, to a continued implementation of a statute which is completely archaic and in part unconstitutional, a statute which permits regulations that persist to this day, so that money appropriated, or any part of it, can be used for separate but equal facilities in respect of hospital construction.

If the President means what he says about seeing that the civil rights of individual Americans, regardless of color, are observed, this is one instance in which we can have another stroke of the pen. We have not had one since 1960 on housing, nothwithstanding the President's promise. Perhaps the subject upon which we are speaking is not as hot. But a stroke of the pen in the regulations of the Public Health Service would eliminate the real possibility that some of the money may be used to further, rather than to retard, segregation on grounds of color in so sensitive an area as hospitals.

I address that plea to the President in the most deliberate and advised way. I hope very much that he will heed his own words and act accordingly.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. KUCHEL. I would be recreant to my duty if I did not rise to say that I associate myself with the comments which the senior Senator from New York has made. I was one of those who supported the amendment of the senior Senator from New York. My name is on his amendment. I regret that the amendment was tabled. The U.S. Supreme Court has found that the use of moneys to construct segregated institutions is unconstitutional. I agree with the senior Senator from New York that the Secretary of Health, Education, and Welfare ought not to continue to operate under regulations which violate the supreme law of our land. They ought to be changed. I congratulate my friend.

MIGRANT LABOR

Mr. President, yesterday the chairman of the Subcommittee on Labor, Health, Education, and Welfare of the House Committee on Appropriations stated, with respect to the report of the Senate Committee on Appropriations, that in his view, the limitation on the use of Mexican farmworkers—I am speaking about Mexican citizens who are permitted to come into our country under the law of this land—to 210 days in 35 weeks was consistent with the intent of Congress and in accord with the language of the law.

Mr. President, the members of the House Committee on Agriculture who comprise the House conference committee on the extension of Public Law 78 and the distinguished chairman of the Senate Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER] have written the Secretary of Labor as to their precise intention on including in Public Law 78 the amendment limiting employment of Mexican nationals to seasonal or temporary occupations other than in cases of undue hardship. These gentlemen to whom I have alluded are members of the legislative committees which drafted the legislation. Their professed intent with respect to what that language means is highly important and ought to be highly persuasive.

The core of the issue is the language of the law. It applies to "temporary seasonal occupations." It does not apply to a grower or a worker, but does apply to a particular occupation.

The distinguished chairman of the Senate Committee on Appropriations had the letter written by the Senator from Louisiana printed in the RECORD during his remarks on this subject. There can be no mistaking the intent. It is made abundantly clear that while full year-round or longer employment was to be prohibited, the limitation was to be applied on a crop or area basis. It is not intended willy-nilly to deny farmers Mexican nationals for a period of less than a year.

Regardless of what might be said otherwise, the legislative intent has been clearly stated by these members of the legislative committees in both the Senate and House which are responsible for the legislation.

I believe that any construction less than what they have specified would be incorrect and would be a false application of the intention of Congress. Before we vote on the conference report, I should like to ask the distinguished President pro tempore of the Senate, the Senator from Arizona [Mr. HAYDEN], and chairman of the Committee on Appropriations which brings the conference report to us, whether he does not agree with the comments I have made.

Mr. HAYDEN. I do agree. I may say that the language which the Senate Committee on Appropriations placed in its report on the Labor and Health, Education, and Welfare appropriation bill does not advocate year-long employment for Mexican nationals. On the contrary, the report points out that an individual Mexican national worker, under the existing international agreement, can remain in the United States for only 6 months, but notes the exception that 15 percent of the foreign labor force may have their employment extended for a maximum period of 3 months. This language itself indicates that the committee does not intend that Mexican farmworkers may be brought to the United States for year-long employment.

The committee did express concern, however, with those cases which are quite prevalent in some parts of the United States, particularly the Southwest, where one farmer grows crops on a year-round basis. However, I know of no single crop that is grown in this manner. What occurs is that one farmer will plant as many as four different crops in a calendar year and requires supplemental labor to plant and harvest them. There is no need for this farmer to have the same braceros for the whole year.

You will recall that on the floor of the Senate I stated that there is no argument on my part or on the part of the farm employers with my statement that all available domestic farmworkers should be employed before braceros are provided to a farmer. Even those unemployed who are not farmworkers but who are willing to take jobs in agriculture should be hired before Mexican nationals are imported. I see no reason to change this position.

It has been said that this program increases poverty and unemployment at home. I cannot agree that proper administration of the Mexican Farm Labor Act, under long-established regulations, will permit any such thing since any domestic worker must be offered employment before a Mexican worker can be put to work. I know that in my own State anyone who wants to work on a farm gets a job. I will say that many domestic workers who are employed will not stay with the job. It is too arduous—literally backbreaking—for "stoop" labor is labor that most Americans will not do, but Mexicans will because the wages paid here are so far greater than they can get in their own country.

It is said that the Mexican farm labor program is for the purpose of supplementing the domestic labor force. And I cannot deny that. However, it is only commonsense to say that a nonexistent or insufficient domestic labor force requires supplementing in order for necessary farm operations to be accomplished.

I believe, however, that an examination of the so-called 210-day, 35-week regulation will show that the intent is to prevent a farmer from having foreign farmworkers for a period of longer than 30 weeks, since a day of employment in any week uses up the whole week's allowance. Actually, the regulation under Public Law 87-345 should apply to the worker and not to the farmer who employs him. On this basis the worker himself would be prevented from coming to the United States for other than seasonal work and for longer than 210 days, if that is to be defined as "seasonal."

When I mentioned this matter on the floor of the Senate on July 20, I urged that the Secretary of Labor define "undue hardship" and announce to the employers of foreign farm labor just what the conditions must be in order to experience an undue hardship and just what must be shown to the Secretary to establish eligibility for relief under the undue hardship provision.

On July 18 the Secretary of Labor wrote to me that he was concerned with any adverse effect the 210-day limitation may have on individual farmers and said that he would announce as soon as possible criteria by which undue hardship would be established. I sincerely hope that he will establish these criteria and that they will be clear and such that an employer can reasonably comply with them.

As I said in my reply to him:

> [A farmer] gambles on the weather and sells his products in a highly competitive market. There is need for a farmer to know when he plants that he will have an adequate labor supply throughout the growing and harvesting period. If this is not the case, there will be a lesser supply of agricultural commodities which will result in higher prices to consumers.

Mr. KUCHEL. Mr. President, I thank my friend, the chairman of the Committee on Appropriations. I agree with his comments.

Mr. CLARK. Mr. President, I should like to ask the distinguished Senator from Alabama whether it is not true that in the conference report he has brought back an appropriation of $70 million to implement the Manpower Development and Training Act, which the Senate and House passed earlier this year.

Mr. HILL. The Senator is correct.

Mr. CLARK. I commend the Senator from Alabama for the fine and forthright action which he and his fellow conferees took. Senators will recall that the appropriation bill passed the House before the authorization bill had passed the House and had been signed by the President. Therefore, there was no authorization in the bill for this important item, which is so vital not only to my Commonwealth but to other States, as well.

Whatever were the reasons—and we may not go into them—when the appropriation was considered, it provided for one-half the amount the President asked. With the help of the Senator from Alabama and other Senators, after rather extensive debate, the amount was raised to $75 million.

The Senator from Alabama undertook, with his colleagues on the Subcommittee on Appropriations, to do his very best to hold that figure in conference. I commend him. He said he would stand like "Horatius at the bridge," and he did. He came back with an appropriation of $70 million. My only amazement is that the Senator from Alabama did not return with the whole $75 million, because that is the way he usually works. But I commend him for his valiant efforts in support of an important piece of legislation which is vital to my State.

Mr. HILL. I thank the Senator from Pennsylvania for his kind and generous words. The House did not have this item before it. Therefore, the House members of the conference had heard no witnesses or received no testimony and had no evidence whatever concerning this item. The Senate conferees endeavored to retain the full $75 million, but were successful in coming back with $70 million. I know of the great interest which the Senator from Pennsylvania has in the $70 million item for this most worthwhile project.

Mr. CLARK. The Senator from Alabama and his colleagues rendered extraordinary service in the light of the facts presented to the Senate. I thank them for what they have done for the people of my State.

Mr. HILL. I thank the Senator from Pennsylvania for his kind and generous words.

Mr. HUMPHREY. Mr. President, I am most disappointed that the conference committee on the Labor-HEW appropriations bill rejected $1.5 million in grants to States to train public welfare workers. The budget request for this item of $3.5 million was turned down by the House and the Senate upon my request restored $1.5 million to enable the Department of Health, Education, and Welfare to grant funds to the States to train caseworkers in carrying out our welfare programs. So again—for the sixth straight year—the necessary funds to initiate this program have been denied.

The legislative authorization for this program has existed since 1956 when Congress authorized the appropriation of $5 million beginning in fiscal year 1958. The authorization was extended through 1963 in the last session of Congress, and in the Public Welfare Amendments of 1962, was made permanent. Each year, the House has failed to agree to provide the necessary funds in order to put this program into operation—and each year the number of trained caseworkers declines in relation to the number of persons on our welfare rolls. Surely, Mr. President, the House could not have been guided for reasons of economy in preventing such a program. If anything, the appropriation would have been economical in the best sense of the word—by resulting in eventual dollar savings and, most importantly, by helping to save people. Who can deny that the best way of lowering our welfare costs is not to reduce help to those who need help, but by helping people become self-sufficient? Is not the answer to many of our welfare problems the rehabilitation to a state of independence of those persons who are now relying on Government assistance for survival? Does anyone here suggest that the States and local communities can efficiently carry out welfare programs without professionally trained personnel?

There are many individuals and families now receiving public assistance who could, if they received the proper guidance and counseling, eventually manage their own affairs. The appropriation requested would have helped give the necessary training to public welfare personnel to enable them to help just such families and individuals. The amount would have been an investment, to be repaid in lower relief rolls and happier, self-sufficient individuals and families.

There is some consolation in the fact that the House has recognized a need for more trained public welfare personnel. Indeed, this is the first time that the House Committee on Appropriations, in its report on the bill, has recognized the importance of such work. Both Houses endorsed the need for the program by including it in the public welfare amendments of 1962, signed by the President only a week ago.

The objection to the appropriation bill by the House seems to have been that the program should be on a matching basis. But, Mr. President, the repeated authorizations approved by both Houses since 1956, approved a program of grants and, in the new act, contracts, without State matching.

There may be some merit in putting the program on a matching basis. But, there was no need to delay putting the program into operation under existing authorizations. If Congress intended that the States and local governments should contribute funds on a matching basis, it can amend the existing law—

as it just did. Meanwhile, a badly needed program could have been placed into action.

I am not arguing the merits of a matching fund arrangement at this time. Congress has already decided what kind of a program should be in operation initially.

Changes in the mechanics of the program can be made at almost any time while it is on its way. I am now expressing my deep regret at the lack of foresight which has once again denied the program its existence.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 10904, which was read as follows:

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 17, 19, 56, 63, and 68 to the bill (H.R. 10904) entitled "An Act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1963, and for other purposes", and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2, and concur therein with an amendment, as follows: Strike out "$1,532,000" and insert in lieu thereof, the following: "$1,300,000, to be transferred to 'Salaries and expenses, Bureau of Labor Standards'."

That the House recede from its disagreement to the amendment of the Senate numbered 3, and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted, insert the following: "$400,000,000".

That the House recede from its disagreement to the amendment of the Senate numbered 5, and concur therein with an amendment, as follows: At the end thereof, add the following: ", which increased costs of administration cannot be provided for by normal budgetary adjustments:".

That the House recede from its disagreement to the amendment of the Senate numbered 6, and concur therein with an amendment, as follows: Strike out "$405,000,000", and insert in lieu thereof: "$400,000,000".

That the House recede from its disagreement to the amendment of the Senate numbered 13, and concur therein with an amendment, as follows: Strike out "$2,066,000", and insert "$2,026,000".

That the House recede from its disagreement to the amendment of the Senate numbered 52, and concur therein with an amendment, as follows: Strike out the matter inserted, and restore the matter stricken out, amended to read as follows: "only to the extent necessary to process workloads not anticipated in the budget estimates and after maximum absorption of the costs of such workload within the existing limitation has been achieved".

Mr. HILL. Mr. President, I move that the Senate agree to the amendments of the House to the amendments of the Senate numbered 2, 3, 5, 6, 13, and 52.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama.

The motion was agreed to.

Mr. HILL. Mr. President, through an error in the Government Printing Office, the report of the House conferees as made to the House of Representatives, and as carried in House of Representatives Report No. 2100, the name of the distinguished senior Senator from North Dakota, MILTON R. YOUNG, is shown as a member of the conference. The report should have carried, instead, the name of the distinguished senior Senator from Oklahoma, MIKE MONRONEY. I desire to make that clear for the RECORD. It was an error on the part of the Government Printing Office.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a tabulation setting forth the appropriations for fiscal year 1962, the budget estimates for fiscal year 1963, the House allowance, the Senate allowance, and the conference allowance for each appropriation in the bill.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Departments of Labor, and Health, Education, and Welfare, and Related Agencies Appropriation Act, 1963, H.R. 10904

[Figures in parentheses not added in totals]

	1962 appropriation	1963 budget estimate	House allowance	Senate allowance	Conference agreement
DEPARTMENT OF LABOR					
Bureau of Labor Statistics:					
Salaries and expenses	$12,667,000	$15,207,000	$14,158,000	$14,158,000	$14,158,000
Revision of Consumer Price Index	2,100,000	1,333,000	1,333,000	1,333,000	1,333,000
Bureau of International Labor Affairs	500,000	950,000	785,000	785,000	785,000
Office of Automation and Manpower		900,000	800,000	800,000	800,000
Area redevelopment activities	14,000,000	15,041,000	11,041,000	11,041,000	11,041,000
Manpower development and training activities		100,000,000		75,000,000	70,000,000
Welfare and pension plans reports activities		1,532,000		1,532,000	1,300,000
Bureau of Apprenticeship and Training	4,976,000	5,026,000	5,026,000	5,026,000	5,026,000
Bureau of Employment Security:					
Salaries and expenses	(10,500,000)	(12,865,000)	(11,500,000)	(11,500,000)	(11,500,000)
Grants to States	(405,000,000)	(424,900,000)	(350,000,000)	(405,000,000)	(400,000,000)
Payment to the Federal extended compensation account	340,000,000				
Advances to employment security administration account	20,000,000				
Unemployment compensation for Federal employees and exservicemen	147,000,000	131,000,000	129,000,000	129,000,000	129,000,000
Mexican farm labor program:					
Compliance activities	1,149,000	1,740,000	1,640,000	1,049,000	1,344,500
Salaries and expenses (transfer from farm labor supply revolving fund)	(1,519,000)	(2,269,000)	(2,178,000)	(1,919,000)	(2,048,500)
Bureau of Veterans' Reemployment Rights	633,000	633,000	633,000	633,000	633,000
Bureau of Labor Standards	3,258,000	3,356,000	3,800,000	3,244,000	3,244,000
Bureau of Labor-Management Reports	5,775,000	5,850,000	5,675,000	5,675,000	5,675,000
Bureau of Employees' Compensation:					
Salaries and expenses	3,834,000	3,845,000	3,845,000	3,845,000	3,845,000
Transfer from longshoremen's trust fund	(55,000)	(55,800)	(55,800)	(55,800)	(55,800)
Employees' compensation claims and expenses	64,000,000	62,071,000	62,071,000	62,071,000	62,071,000
Women's Bureau	668,000	1,034,500	718,000	968,000	893,000
Wage and Hour Division	17,307,000	17,765,000	17,715,000	17,715,000	17,715,000
Office of the Solicitor	4,116,000	4,292,600	4,181,000	4,281,000	4,261,000
Transfer from unemployment trust fund		(122,000)	(122,000)	(122,000)	(122,000)
Office of the Secretary	1,796,000	2,415,000	1,905,000	2,066,000	2,026,000
Transfer from unemployment trust fund		(132,000)	(132,000)	(132,000)	(132,000)
Total, Department of Labor	643,779,000	374,081,100	264,326,000	340,222,000	335,150,500
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
Food and Drug Administration:					
Salaries and expenses	23,000,000	28,400,000	28,280,000	28,280,000	28,280,000
Certification, inspection, and other services, indefinite	(1,790,000)	(1,882,000)	(1,882,000)	(1,882,000)	(1,882,000)
Pharmacology-animal laboratory building	(1,750,000)				
Office of Education:					
Promotion and further development of vocational education	33,672,000	34,672,000	34,672,000	34,716,000	34,716,000
Further endowment of colleges of agriculture and the mechanic arts	8,194,000	11,950,000	11,950,000	11,950,000	11,950,000
Land-grant college aid, Hawaii	3,775,000				
Grants for library services	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Payments to school districts	247,000,000	232,293,000	282,322,000	282,322,000	282,322,000
Payments to school districts, fiscal year 1962				15,707,000	
Assistance for school construction	54,850,000	55,045,000	63,686,000	63,686,000	63,686,000
Fiscal year 1962				7,092,000	7,092,000
Defense educational activities	211,627,000	229,450,000	229,450,000	229,450,000	229,450,000
Expansion of teaching in education of the mentally retarded	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Expansion of teaching in education of the deaf	1,575,000	1,500,000	1,500,000	1,500,000	1,500,000
Cooperative research	5,000,000	11,000,000	6,985,000	6,985,000	6,985,000
Special foreign currency program		400,000		400,000	400,000
Salaries and expenses	11,594,000	12,741,000	12,250,000	12,300,000	12,300,000

Departments of Labor, and Health, Education, and Welfare, and Related Agencies Appropriation Act, 1963, H.R. 10904—Continued

[Figures in parentheses not added in totals]

	1962 appropriation	1963 budget estimate	House allowance	Senate allowance	Conference agreement
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—continued					
Office of Vocational Rehabilitation:					
Grants to States	$64,450,000	$72,940,000	$72,940,000	$72,940,000	$72,940,000
Research and training	20,250,000	23,900,000	24,500,000	25,500,000	25,500,000
Special foreign currency program	1,372,000	2,000,000	1,500,000	2,000,000	2,000,000
Salaries and expenses	2,325,000	2,486,000	2,486,000	2,486,000	2,486,000
Public Health Service:					
Buildings and facilities	18,230,000	27,000,000	31,000,000	33,200,000	33,200,000
Accident prevention	3,618,000	3,668,000	3,668,000	3,668,000	3,668,000
Chronic diseases and health of the aged	10,958,000	22,942,000	22,942,000	22,942,000	22,942,000
Communicable disease activities	10,000,000	10,062,000	10,062,000	10,662,000	10,062,000
Community health practice and research	24,336,000	25,776,000	25,776,000	25,776,000	25,776,000
Control of tuberculosis	6,493,000	6,493,000	6,493,000	7,493,000	6,993,000
Control of venereal diseases	6,000,000	7,000,000	7,000,000	8,000,000	8,000,000
Dental services and resources	2,500,000	2,506,000	2,506,000	3,006,000	3,006,000
Nursing services and resources	7,675,000	8,438,000	8,438,000	8,438,000	8,438,000
Hospital construction activities	211,500,000	176,220,000	188,572,000	226,220,000	226,220,000
Air pollution control	8,800,000	10,069,000	11,069,000	11,069,000	11,069,000
Milk, food, interstate and community sanitation	7,424,000	7,502,000	7,502,000	8,536,000	8,536,000
Occupational health	3,981,000	4,022,000	4,022,000	4,542,000	4,122,000
Radiological health	10,647,000	15,875,000	15,875,000	15,875,000	15,875,000
Water supply and water pollution control	20,328,000	23,607,000	24,607,000	25,407,000	24,707,000
Grants for waste treatment works construction	80,000,000	90,000,000	90,000,000	90,000,000	90,000,000
Hospitals and medical care	50,009,000	50,259,000	50,259,000	47,602,000	47,602,000
Foreign quarantine activities	6,084,000	4,292,000	5,892,000	5,892,000	5,892,000
National Institutes of Health:					
General research and services	127,637,000	147,826,000	155,826,000	161,826,000	159,826,000
National Cancer Institute	142,836,000	139,109,000	150,409,000	158,409,000	155,742,000
Mental health activities	108,876,000	126,899,000	133,599,000	148,599,000	143,599,000
National Heart Institute	132,912,000	126,898,000	143,398,000	149,398,000	147,398,000
National Institute of Dental Research	17,340,000	17,199,000	19,199,000	22,199,000	21,199,000
Arthritis and metabolic disease activities	81,831,000	91,921,000	98,721,000	105,721,000	103,388,000
Allergy and infectious disease activities	56,091,000	59,342,000	62,142,000	68,142,000	66,142,000
Neurology and blindness activities	70,812,000	71,206,000	77,506,000	86,506,000	83,506,000
Subtotal, National Institutes of Health	738,335,000	780,400,000	840,800,000	900,800,000	880,800,000
Grants for construction of cancer research facilities	5,000,000				
Hospital and medical facility research	10,000,000				
Grants for construction of health research facilities	30,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Scientific activities overseas, special foreign currency program	9,000,000	2,800,000	2,800,000	2,800,000	2,800,000
National health statistics	4,642,000	5,250,000	5,150,000	5,150,000	5,150,000
National Library of Medicine	2,066,000	3,335,000	3,335,000	3,335,000	3,335,000
Retired pay of commissioned officers, indefinite	(2,377,000)	(2,671,000)	(2,671,000)	(5,328,000)	(5,328,000)
Office of the Surgeon General	5,375,000	5,850,000	5,850,000	5,850,000	5,850,000
Total, Public Health Service	1,293,001,000	1,343,366,000	1,423,618,000	1,526,263,000	1,504,043,000
St. Elizabeths Hospital:					
Salaries and expenses	5,105,000	5,974,000	6,332,000	6,332,000	6,332,000
Buildings and facilities	575,000	8,095,000	8,095,000	8,095,000	8,095,000
Social Security Administration:					
Bureau of Old-Age and Survivors Insurance	(267,570,000)	(285,400,000)	(280,400,000)	(280,400,000)	(280,400,000)
Construction, OASI	(4,900,000)				
Reimbursement of military service credits		78,600,000			
Grants to States for public assistance	2,401,200,000	2,688,300,000	2,538,300,000	2,538,300,000	2,538,300,000
Grants for training public welfare personnel		3,500,000		1,500,000	
Assistance for repatriated U.S. nationals	764,000	875,000	467,000	467,000	467,000
Bureau of Family Services	3,442,000	4,096,000	3,585,000	3,585,000	3,585,000
Grants to States for maternal and child welfare	69,100,000	76,750,000	75,795,000	75,795,000	75,795,000
Salaries and expenses, Children's Bureau	2,668,000	2,853,000	2,853,000	2,853,000	2,853,000
Cooperative research in social security	700,000	1,900,000	1,100,000	1,100,000	1,100,000
International Social Security Association meeting		100,000			
Research and training, special foreign currency program	1,607,000	1,800,000		1,800,000	
Office of the Commissioner	590,000	711,000	711,000	711,000	711,000
Transfer from OASI trust fund	(322,000)	(418,000)	(418,000)	(418,000)	(418,000)
Freedmen's Hospital	3,736,000	3,909,000	3,909,000	3,909,000	3,909,000
American Printing House for the Blind	670,000	718,000	718,000	739,000	739,000
Salaries and expenses, Gallaudet College	1,256,000	1,410,000	1,410,000	1,458,000	1,458,000
Construction, Gallaudet College	601,000	355,000	355,000	1,065,000	1,065,000
Howard University:					
Salaries and expenses	7,007,000	7,492,000	7,492,000	7,492,000	7,492,000
Plans and specifications	461,000	86,000	86,000	86,000	86,000
Construction of buildings	4,447,000	5,531,000	5,531,000	5,531,000	5,531,000
Construction of auditorium-fine arts building, liquidation of contract authority	95,000				
Office of the Secretary	2,527,000	3,058,000	2,621,000	2,621,000	2,621,000
Transfer from OASI trust fund	(352,000)	(412,000)	(359,000)	(359,000)	(359,000)
Office of Field Administration	3,265,000	3,565,000	3,335,000	3,335,000	3,335,000
Transfers	(1,465,000)	(1,495,000)	(1,495,000)	(1,495,000)	(1,495,000)
Surplus property utilization	862,000	870,000	870,000	870,000	870,000
Office of the General Counsel	713,000	856,000	813,000	813,000	813,000
Transfers	(696,000)	(725,000)	(725,000)	(725,000)	(725,000)
Juvenile delinquency and youth offenses	8,200,000	8,500,000	5,810,000	5,810,000	5,810,000
Total direct appropriations, DHEW	4,511,526,000	4,980,547,000	4,874,827,000	5,006,344,000	4,965,117,000
Total indefinite appropriations, DHEW	4,167,000	4,553,000	4,553,000	7,210,000	7,210,000
Grant total, DHEW	4,515,693,000	4,985,100,000	4,879,380,000	5,013,554,000	4,972,327,000
RELATED AGENCIES					
National Labor Relations Board	19,980,000	20,250,000	20,250,000	20,250,000	20,250,000
National Mediation Board	1,804,000	1,904,000	1,904,000	1,904,000	1,904,000
Railroad Retirement Board:					
Salaries and expenses, trust fund	(9,740,000)	(9,640,000)	(9,640,000)	(9,640,000)	(9,640,000)
Payment to railroad unemployment insurance account	10,000,000				
Federal Mediation and Conciliation Service	4,388,000	5,023,000	4,923,000	5,023,000	4,973,000
Interstate Commission on Potomac River Basin	5,000	5,000	5,000	5,000	5,000
U.S. Soldiers' Home	(6,155,000)	(6,128,000)	(6,128,000)	(6,128,000)	(6,128,000)
Total direct appropriations in bill	5,191,491,000	5,381,810,100	5,166,235,000	5,373,748,000	5,327,399,500
Total indefinite appropriations in bill	4,167,000	4,553,000	4,553,000	7,210,000	7,210,000
Grand total	5,195,658,000	5,386,363,100	5,170,788,000	5,380,958,000	5,334,609,500

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished majority leader whether there has been any change in the plans with respect to a session tomorrow and whether he anticipates any business on which there might be yea-and-nay votes.

Mr. MANSFIELD. In response to the questions raised by my distinguished colleague, the minority leader, it is my hope that once the conference report on the HEW appropriation bill is agreed to, the Senator from Virginia [Mr. ROBERTSON] will yield for the purpose of considering items on the Legislative Calendar to which there is no objection, and which I hope will be disposed of in a matter of 5 or 10 minutes. Then it is the intention to proceed to the consideration of Calendar No. 1590, S. 1108, authorizing the conveyance of certain property in the city of San Diego to the regents of the University of California. The Senators from California and the senior Senator from Oregon have an interest in that bill. That bill would be taken up after the Senator from Virginia has concluded his remarks. It would be the intention to finish consideration of that bill tonight. If that cannot be done, consideration of it will go over until tomorrow.

The Senate will meet tomorrow. Not much in the way of business will be transacted. There will be several speeches. Some proposed legislation which will come before the Senate tomorrow might be considered to be of a minor nature.

The Senate will not meet on Saturday.

On Monday it is anticipated that the Senate will consider Calendar No. 1701, S. 284, to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado.

Also Calendar No. 1707, S. 3153, to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal plants in that region and to guarantee electric consumers in other regions reciprocal priority, and for other purposes.

On Tuesday it is anticipated that we will proceed to the consideration of Calendar No. 1639, S. 3491, to amend the Atomic Energy Act of 1954, as amended, and for other purposes.

Also Calendar No. 1494, H.R. 7913, to amend title X, United States Code, to bring the number of cadets at the U.S. Military Academy and the U.S. Air Force Academy up to full strength.

Also Calendar No. 1503, S. 3377, a bill for the relief of James M. Norman.

Also Calendar No. 1043, S. 495, to amend the Trading With the Enemy Act, as amended.

Also we may get started on the 19 bills reported from the Commerce Committee, which are pending on the calendar.

Mr. DIRKSEN. I thank the distinguished majority leader.

REPORT OF GALLUP POLL ON PROPOSED CUT IN FEDERAL TAXES

Mr. BYRD of Virginia. Mr. President, the Gallup poll of August 1, 1962, asked the people of the United States the question:

> Would you favor or oppose a cut in Federal taxes at this time if a cut meant that the Government would go further in debt?

Only 19 percent favored a tax cut on borrowed money. An overwhelming 72 percent opposed the proposition. This was a stunning reply to U.S. Chamber of Commerce President Ladd Plumley and the Harvard economists who are proposing a tax cut of $10 billion without first reducing Federal expenditures.

We had a $6.3 billion Federal deficit in the fiscal year which ended June 30. Without tax reduction, we face a new big deficit in the current year—which began July 1. There is no evidence of retrenchment, present or in prospect. The President and the Congress are responsible for the spending which is driving us into greater deficits and debt.

The Gallup poll vote of nearly 4 to 1 by the rank and file of American taxpayers in repudiation of a proposal to charge a tax cut into the public debt and pay interest on it, is not only encouraging to those who stand for fiscal stability, but it is evidence that the people of this Nation are awakened to the perils of continued deficit financing.

A national campaign for reduction of nonessential Federal expenditures at this time, in view of the attitude reflected by the poll, might have a profound effect on the President and the Congress. Waste and extravagance permeate overstaffed agencies throughout the Federal Government both in Washington and elsewhere.

While the Congress and the President have mutual responsibility for the excessive Federal spending, the President originates the budget spending policy for his administration. Despite all that some of us can do, it is extremely difficult to hold down expenditures without leadership by the Chief Executive.

In this administration the President has proposed new avenues for increased spending by the score, and he must share the responsibility with Congress for existing fiscal conditions which are driving us into greater deficits and debt, and weakening the American dollar both at home and abroad.

There are ample areas for vast reduction in nonessential Federal expenditures without impairment of any essential function of the Government. The yearend totals, revealing continuing tremendous increases in civilian employment by Federal departments and agencies, point to places where expenditure reduction could be started.

The President in his budget document, for the current fiscal year, which began July 1, indicated Federal civilian employment during the year would be increased by 46,000. This in itself would raise the Federal payroll by a quarter of a billion dollars.

Employment by Federal agencies during the year just ended was increased by 77,000, and the cost of the Federal civilian payroll increased by more than a half-billion dollars. This would be an increase in payroll costs over 2 years of upward of $1 billion.

This increase in payroll costs does not include so-called pay adjustments which the administration has proposed. A bill for these pay raises is pending before the Congress at this time.

Secretary of Commerce Luther Hodges, in May of this year, was widely quoted as saying, in effect, that all sorts of money could be saved for taxpayers if the Government would get rid of the deadwood on its payroll.

The Commerce Department, in the following month of June, increased the number of employees in its bureaus by more than 1,600. Of the 15 offices and bureaus in the Department, 14 reported increased employment for the month.

In general, civilian employment by the Federal Government in the month of June alone was increased by 34,921 to a total of 2,496,455. This was the highest yearend level of Federal employment in 10 years.

People the country over—in their own communities, and with their own eyes—almost every day, see some of the Federal waste and extravagance which should be eliminated. More of it does not generally meet the eye.

The President, himself, on January 31, said excesses in Federal stockpiles of strategic and critical materials totaled $3.4 billion, and they should be reduced to the levels of national objectives.

What has happened? Instead of reduction, the value of strategic and critical materials stockpiled by the Government increased in February, March, April, and May by approximately $42.5 million—net.

There is an administration bill now pending in the House of Representatives to provide some $900 million additional for so-called emergency public works projects. This bill has been passed by the Senate.

Federal public works already underway will require $11.5 billion for completion, and in addition other public works authorized but not yet started would cost another $12.8 billion.

Despite the fact that the U.S. Government has already spent $105 billion—gross—in foreign aid around the world since World War II, it is now proposed that another $7 billion should be spent this year. The new foreign aid appropriation bill is still to come before Congress. In addition, billions are already available in unexpended balances of prior authorizations, et cetera.

While the Federal Government is operating on deficits running to billions of dollars a year, and the debt is up to $300 billion, we find plans to spend $1,201,925 in 6 years for the study of the affectional relationship of an infant monkey and his mother.

There is no doubt that nonessential Federal expenditures run to billions of dollars a year. There is no doubt that they should be reduced; and there is no doubt that they could be reduced without impairing any essential Federal function.

If this is not done we shall continue to run deficits, and pile up debt. This will be accompanied by inflation or continuing threat of inflation. This involves the purchasing power of the dollar at home;

and it results in the withdrawal by foreigners of the gold that backs our money.

No one wants sound tax reduction more than I. Responsible tax reduction could be accomplished if we balance our budget, and reduce the debt. This would stimulate public confidence.

Under our free enterprise system, sound progress is based on confidence in the future. Balanced budgets with expenditures at a reasonable level would be the responsible basis for the kind of tax reduction all of us could support.

BENEFITS TO GUAMANIANS KILLED OR CAPTURED BY THE JAPANESE AT WAKE ISLAND

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1708, S. 2256.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2256) to amend section 5 of the War Claims Act of 1948 to provide detention and other benefits thereunder to certain Guamanians killed or captured by the Japanese at Wake Island.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement relating to the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PURPOSE

Certain Guamanians, who were nationals of the United States at the time, were a vital part of our defense of Wake Island during its invasion by the Japanese in World War II. By reason of the Guam Organic Act of 1950, Guamanians are now generally citizens of the United States; however, they are precluded from the benefits of the War Claims Act inasmuch as such benefits are limited to civilian U.S. citizens who were citizens at the time the claim arose. The proposed bill would provide the same benefits to the Guamanians as is provided under existing law for civilian U.S. citizens.

GENERAL STATEMENT

At the outbreak of World War II there were approximately 1,400 men on Wake Island, of whom 45 were Guamanian. Included in the total were service personnel, employees of U.S. Government contractors, and employees of Pan American Airways. These Guamanians took part in the defense of Wake Island, serving in labor crews, helping with transportation, and other problems. When the island fell in December of 1941, all of the men there were captured by the Japanese as prisoners of war, and at the end of hostilities in 1945 those still living were released. Of the 45 Guamanians, 33 survived, 10 were killed in the fight for Wake Island, and 2 died in prison camps.

After the end of World War II, through amendments to the War Claims Act of 1948 (sec. 5), the Congress provided compensation for all of the men captured on Wake Island with the exception of the Guamanians. The Guamanians were denied benefits because they were American nationals at the time of capture instead of U.S. citizens as defined by the act. Further, the Guam Relief Act, Public Law 224, 79th Congress, approved November 15, 1945, excluded claims not arising in Guam. Consequently, the individuals with whom this bill is concerned have not been compensated for their claims under any previous law.

As stated above, by reason of the Guam Organic Act of 1950, Guamanians are now generally citizens of the United States. Of the 45 potential claimants under this bill, 33 were American nationals at the time of internment and are now U.S. citizens. The eligible survivors of the 12 who lost their lives are now generally U.S. citizens. Consequently, awards would be made to U.S. citizens.

The committee does not believe it was the intention of Congress to omit payment to the Guamanians. Their omission came as the result of a technicality rather than intentionally. Under these circumstances, the committee feels it just and proper to provide the same benefits to such individuals as were provided for civilian U.S. citizens.

PROVISIONS OF THE BILL

The bill would amend section 5 of the War Claims Act of 1948 to provide, as under existing law, the following benefits to the Guamanian claimants: (1) Detention benefits at the rate of $60 for each month during which the beneficiaries were held captive by the Japanese; (2) disability benefits (up to a maximum of $7,500) at the rate of $25 per week for total disability arising out of such captivity; (3) death benefits generally up to a maximum of $25 per week for the widow, children, and other survivors of deceased internees; and (4) medical care for disabilities attributable to hardships suffered by beneficiaries during internment.

The Foreign Claims Settlement Commission has estimated the cost of paying these claims at $184,000. Such payments are to be made from the war claims fund, presently available.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2256) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the War Claims Act of 1948 is amended by adding at the end thereof the following new subsection:

"(h) In the case of any Guamanian killed or captured by the Imperial Japanese Government on or after December 7, 1941, at Wake Island, benefits shall be granted under subsection (a) through (f) of this section in the same manner and to the same extent as apply in the case of civilian American citizens so killed or captured. Claims for benefits under subsections (a) through (e) of this section must be filed within six months after the date of enactment of this subsection, and the time limitation applicable to any individual by subsection (f) shall not begin to run until the date of enactment of this subsection, with respect to any individual who is entitled to such benefits solely by reason of this subsection. The preceding sentence shall not be construed to affect the right of any individual to receive such benefits with respect to any period to the date of enactment of this subsection."

INVESTIGATION OF CLAIMS AS RESULT OF ARTIFICIAL RAISING OF WATER LEVEL OF LAKE ONTARIO

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1709, S. 2978.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2978) to authorize the Foreign Claims Settlement Commission of the United States to investigate the claims of citizens of the United States who suffered property damage in 1951 and 1952 as the result of the artificial raising of the water level of Lake Ontario.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, notwithstanding any other provision of law, the Foreign Claims Settlement Commission of the United States (hereinafter referred to as the "Commission") is authorized and directed to accept claims of citizens of the United States for damages caused during 1951 and 1952 by the construction and maintenance of Gut Dam in the Saint Lawrence River by the Canadian Government, and the Commission is further authorized and directed with respect to each such claim to determine the validity thereof and the amount of damages caused by Gut Dam.

SEC. 2. Within sixty days after the enactment of this Act the Commission shall give public notice by publication in the Federal Register of the time when, and the limit of time within which, claims may be filed, which limit shall not be more than twelve months after such publication.

SEC. 3. The Commission shall, as soon as practicable after all claims are determined by it, submit to the President a report and a list of claims determined to be valid, and the amount of each such claim and a list of claims determined to be invalid, for such action by the President as he may deem appropriate.

SEC. 4. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(b) The Commission is authorized and directed to utilize its existing personnel and facilities to the maximum extent practicable to carry out the provisions of this Act.

(c) Nothing herein shall be construed as authorizing the Commission to pay or certify for payment any claim filed hereunder.

SEC. 5. If the Government of Canada enters into an agreement with the Government of the United States providing for arbitration or adjudication of the claims filed under this Act, the Commission shall discontinue its investigation and determination of the claims and transfer or otherwise make available to the Secretary of State all records and documents relating to the claims or, on the request of the Secretary of State, return to claimants documents filed in support of their claims.

The amendment was agreed to.

Mr. KEATING. Mr. President, this bill will permit the Foreign Claims Settlement Commission to investigate and evaluate claims rising out of the flooding along the shores of Lake Ontario, which may have been caused by the Canadian Dam.

Mr. President, for many years, the people whose homes and property along the lakeshore was damaged have been trying to persuade the Canadian Government to submit these claims to arbitration. Under one pretext or another, the Government of Canada has refused even to allow a hearing in the matter. My bill will allow the Foreign Claims Settlement Commission to review any claims which might be filed. Although the Commission will not have the funds to pay any claims, any decision by the Commission that payment is due would, I am confident, exert strong pressure on the Canadian Government to fulfill their long standing treaty obligations in this matter. I am hopeful that Senate action on this bill will also encourage the State Department to take a more vigorous stand in pursuing the legitimate rights of these American citizens.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2978) was ordered to be engrossed for a third reading, read the third time, and passed.

AHSABET OYUNCIYAN

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1723, H.R. 3822.

The PRESIDING OFFICER (Mr. Clark in the chair). The bill will be stated by title.

The Legislative Clerk. A bill (H.R. 3822) for the relief of Ahsabet Oyunciyan.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 3822) was ordered to a third reading, read the third time, and passed.

PUBLIC SPACE USE OVER AND UNDER 10TH STREET SW., IN THE DISTRICT OF COLUMBIA

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1735, S. 3525.

The PRESIDING OFFICER. The bill will be stated by title.

The Legislative Clerk. A bill (S. 3525) to authorize the Administrator of General Services, in connection with the construction and maintenance of a Federal office building, to use the public space under and over 10th Street SW., in the District of Columbia, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the Record a statement of the purpose of the bill.

There being no objection, the statement was ordered to be printed in the Record, as follows:

PURPOSE OF THE BILL

The purpose of S. 3525 is to authorize the Administrator of General Services to use the public space over and under that portion of 10th Street SW., which is adjacent to the site for Federal Office Building No. 5 in the District of Columbia, to the extent that such use does not interfere with the use of 10th Street by the general public for travel.

GENERAL STATEMENT

On June 26, 1961, the Committee on Public Works approved Federal Office Building No. 5 for construction under the Public Buildings Act of 1959, on the basis of a revised prospectus submitted by the Administrator of General Services on December 30, 1960.

The proposed project contemplated the erection of two multistoried office buildings, with related service facilities and fallout shelter, in the Southwest Redeveolpment Area, on two sites arranged symmetrically on either side of the intersection of the proposed 10th Street Mall and Independence Avenue SW., for Department of Defense headquarters activities. The proposed sites consist of 195,800 square feet of land to be acquired from the Redevelopment Land Agency, 214,200 square feet of streets to be closed, and 7,000 square feet now owned by the Federal Government, a total of approximately 9.6 acres.

The two buildings would have a gross area of about 1,780,000 square feet, and a net area of 1,263,000 square feet. The total estimated cost is $42 million, including the cost of the site to be acquired. The proposed buildings would provide suitable permanent space for about one-fourth (7,500) of the Department's headquarters personnel not presently housed in the Pentagon and Arlington Annex (Federal Office Building No. 2).

In the design of the proposed buildings, the scheme now conceived would consist of a single main office structure six stories high, 780 feet long and 120 feet wide, parallel to Independence Avenue and spanning the proposed 10th Street Mall, raised 30 to 40 feet above the street, and two wings four stories high extending back parallel to the Mall. This unit will be supported by columns and will be erected so that there will be at least 30 to 40 feet of unobstructed clear space from 10th Street SW., to the underside of the building. This building bridge with the clearance will act as a gateway entrance to the Mall from Independence Avenue, and set off the group of Smithsonian Institution buildings as a focal point where 10th Street SW., joins Independence Avenue. Generous open landscaped spaces and promenades will be maintained at street and sidewalk levels. Parking space for automobiles would be included under the two wings.

The building bridge over 10th Street SW., would make possible the best use of the two divided sites designated for the building, resulting in a more efficient functional operation by the occupants. It would make the building a more aesthetic unit, and enhance the Mall, Independence Avenue, and the historic Smithsonian Institution headquarters building. To accommodate the same office space in two separate buildings would require very massive high structures about 11 stories high flanking the proposed Mall with ends facing Independence Avenue, and producing a long and deep-chasm effect at the Mall entrance.

The legislation was requested by the Administrator of General Services, with the approval of the Bureau of the Budget. The Commission of Fine Arts and the National Capital Planning Commission have indicated their approval of the concept of having the Federal office building span at the 10th Street Mall.

COMMITTEE VIEWS

The committee believes that design of a functional building spanning 10th Street would permit more advantageous use of the building sites, and economy in construction of the building, and would also permit more efficient use of the building by its occupants. Enactment of S. 3535 is therefore recommended.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3525) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services, in connection with the construction and maintenance of a Federal office building on the south side of Independence Avenue Southwest in the District of Columbia, is authorized to use the public space over and under that portion of Tenth Street Southwest which is adjacent to such property as has been or may be acquired by the Administrator of General Services as a site for said building. Such authority shall be exercised only to the extent that such use is not inconsistent with the use of said street by the general public for the purpose of travel.

MODIFICATION OF PROJECT FOR GLOUCESTER HARBOR, MASS.

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1736, S. 3544.

The PRESIDING OFFICER. The bill will be stated by title.

The Legislative Clerk. A bill (S. 3544) authorizing modification of the project for Gloucester Harbor, Mass.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. SMITH of Massachusetts. Mr. President, I would like to ask my colleagues today to give favorable consideration to S. 3544, to authorize modification of the project for Gloucester Harbor.

This project will provide for badly needed deepening and widening of the channels in Gloucester Harbor. It will enable the city to enlarge its fisheries, and its entire commerce by expanding the harbor to accommodate larger vessels with greater facility. It will also eliminate obstacles and enlarge navigational facilities in order to reduce expensive delays which now affect the vessels using the harbor.

Since the founding of Gloucester its fortunes have depended almost entirely upon the sea, whether by fishing or trade. It is still one of the Nation's leading fishing ports.

In recent years, however, Gloucester has been an area of high unemployment.

This bill will provide for improvements to the harbor which could help both the fisheries and the general trade of the city. It could make a substantial improvement in the city's economic situation. I ask unanimous consent to insert in the Record pertinent information concerning this bill.

There being no objection, the information was ordered to be printed in the Record, as follows:

S. 3544, authorizing modification of the navigation project for Gloucester Harbor, Mass.

The purpose of the bill is to authorize modification of the existing project for Gloucester Harbor, Mass., substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 341, 87th Congress, at an estimated Federal cost of $1,100,000.

DESCRIPTION OF PROJECT

Location: Gloucester Harbor, Mass., is located at the southern end of Cape Ann on the Atlantic Ocean, about 25 miles northeast of Boston Harbor.

Report authorized by resolutions of the Committees on Public Works of the Senate and House of Representatives adopted March 30, 1955.

Existing project: The outer harbor, about 1,000 acres in area at the 18-foot contour, contains two coves and two minor harbors. The inner harbor, in which the oceangoing commerce is conducted, consists of about 52 acres at the 18-foot contour and contains two coves: Harbor Cove and Smith Cove. Authorized improvements consist of a rubblestone breakwater 2,250 feet long from Eastern Point over Dog Bar to Cat Ledge at the ocean entrance to the outer harbor; removal of three ledges in the inner harbor and five in the outer harbor; removal of ledges and boulders and channel dredging to 15 feet near the wharves in the inner harbor; dredging Harbor Cove to a depth of 10 feet; and a connection channel 8 feet deep through Annisquam River. The last modification of the project was authorized on August 30, 1935. The project was completed in 1958, at a cost of $758,900. Expenditures for maintenance total $410,000.

Estimated cost (November 1960 price levels): Federal, all, $1,100,000.

Project economics:	
Annual charges:	
Interest	$29,600
Amortization	11,100
Maintenance	13,700
Navigation aids	600
Total annual charges	55,000
Annual benefits:	
Elimination of tidal delays	133,600
Prevention of damages	14,000
Total annual benefits	147,600

Comments of State and Federal agencies: Bureau of the Budget, no objection; Commonwealth of Massachusetts, approves; and Department of the Interior, no objection.

Benefits: Gloucester Harbor is one of the largest fishing ports in the United States. The principal industries in the area are fishing, importing of fish, boatyard and marine railway activity, and manufacturing. The entire Cape Ann area constitutes a well-developed recreational area. The normal population of 25,000 is greatly increased by summer residents. Waterborne commerce in 1959 was 185,093 tons, and 171,500 tons in 1960, of which 82 percent was fish or fish products and 10 percent was petroleum products. Import-export commerce amounted to 52,400 tons in 1959. Commercial vessels with drafts ranging up to 15 feet made 19,738 trips in the harbor in 1959.

Local interests desire deepening and widening the channels, removal of all ledges and underwater obstructions, and provision of turning basins and anchorages. They consider the recommended improvements essential for continued expansion of the fishing industry and elimination of navigation hazards to shipping. The Gloucester City Council has voted to meet the requirements of local cooperation.

The general navigation facilities at Gloucester Harbor are inadequate for the present needs for commercial shipping and commerce. The recommended improvements will provide adequate channels to reduce tidal delays for vessels having a draft of 11 feet and greater; provide safe clearances over ledge areas and rock shoals that are hazards to navigation; provide anchorage space for vessels not actually loading or unloading to eliminate congested conditions at terminals; and provide anchorage space for smaller vessels that require shelter from storms.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3544) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the modification of the existing project for Gloucester Harbor, Massachusetts, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 341, Eighty-seventh Congress, second session, at an estimated cost of $1,100,000.

Sec. 2. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

REPEAL OF PORTION OF SECOND SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION ACT, 1943

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1745, S. 3340.

The PRESIDING OFFICER. The bill will be stated by title.

The Legislative Clerk. A bill (S. 3340) to repeal a portion of the Second Supplemental National Defense Appropriation Act, 1943, approved October 26, 1942 (56 Stat. 990, 999), as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with an amendment, to strike out all after the enacting clause and insert:

That the second paragraph under the heading "Federal Works Agency, Public Buildings Administration" in the Second Supplemental National Defense Appropriation Act, 1943 (56 Stat. 990 at 999), as amended by the Act of October 26, 1949 (63 Stat. 930), is amended by striking out all beginning with "*Provided further*, That effective on the date of this enactment" down through "without exchange of funds:".

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the Record a statement of the purpose of the bill.

There being no objection, the statement was ordered to be printed in the Record, as follows:

PURPOSE

The purpose of S. 3340, as amended, is to repeal section 317 of title 40 of the United States Code, which relates generally to the purchase and installation of air-conditioning and temperature and humidity control equipment in Government-owned or leased buildings in the District of Columbia.

GENERAL STATEMENT

The Second Supplemental National Defense Appropriation Act, 1943, provided that all electric fans, water-cooling units, and air-conditioning equipment procured by a Federal activity and installed in Government owned or leased buildings in the District of Columbia and adjacent areas, operated by the Administrator of General Services, would be and remain in the custody and under control of the Administrator without exchange of funds and irrespective of the appropriations from which such items were procured or the source from which they were obtained, and existing appropriations, or unless specifically provided future appropriations, other than appropriations to the Administrator, would not be available for the purchase or installation of such equipment in the buildings.

A decision by the Comptroller General in 1949, advised that agencies requiring special equipment for temperature and humidity control because of the reaction of sensitive laboratory and electronic equipment to the weather, would have to apply to the General Services Administration for the purchase and installation of such equipment. Accordingly, the provisions of the act of October 26, 1942, were amended by Public Law 410, 81st Congress, to provide that the restrictions would not apply to ventilating and temperature and humidity control equipment for special laboratory, scientific, and research purposes, the cost of which would be borne by the Federal agency utilizing such equipment, but the installation would be subject to approval by the General Services Administration, would be subsequently maintained and operated by that agency, and remain under its custody and control without exchange of funds.

This act has been the subject of much misunderstanding between the tenant agencies and the General Services Administration, and is considered no longer needed. Regulations now require GSA approval of air-conditioning equipment in buildings operated by it and provide for the installation to be made by General Services Administration on a reimbursable basis.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3340) was ordered to be engrossed for a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN PROPERTY IN THE CITY OF SAN DIEGO, CALIF.

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1590, S. 1108, and that the bill be made the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The **Legislative Clerk**. A bill (S. 1108) authorizing the conveyance of certain property in the city of San Diego to the regents of the University of California.

The **PRESIDING OFFICER**. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with amendments.

MANN CREEK FEDERAL RECLAMATION PROJECT, IDAHO

Mr. CHURCH. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 405.

The **PRESIDING OFFICER** laid before the Senate the amendment of the House of Representatives to the bill (S. 405), to authorize the Secretary of the Interior to construct, operate, and maintain the Mann Creek Federal reclamation project, Idaho, and for other purposes, which was to strike out all after the enacting clause and insert:

That for the purposes of providing irrigation water for approximately fifty-one hundred acres, conserving and developing fish and wildlife, and providing recreational benefits, the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), is authorized to construct, operate, and maintain the facilities of the Mann Creek Federal reclamation project, Idaho. The principal works of the project shall consist of a dam and reservoir, diversion facilities from the reservoir, and drainage facilities.

Sec. 2. The base period provided in subsection (d), section 9, of the Reclamation Project Act of 1939, as amended, for repayment of the construction costs properly chargeable to any block of lands and assigned to be repaid by irrigators shall be forty years, exclusive of any development period, from the time water is first delivered to that block. Costs allocated to irrigation in excess of the amount determined by the Secretary to be within the ability of the irrigators to repay within the repayment period or periods herein specified shall be returned to the reclamation fund within such period or periods from revenues derived by the Secretary of the Interior from the disposition of power marketed through the Federal power system in southern Idaho.

Sec. 3. (a) The Secretary of the Interior is authorized, in connection with the Mann Creek project, to construct minimum basic public recreation facilities, and to acquire such lands as may be necessary for that purpose, substantially in accordance with the plan in the report of the Secretary of the Interior, but such facilities (other than those necessary to protect the project works and the visiting public) shall not be constructed until an agreement has been executed by the State of Idaho, an agency or political subdivision thereof, or an appropriate local agency or organization to assume the management and operation of the facilities. The cost of constructing such facilities shall be nonreimbursable and nonreturnable under the reclamation laws.

(b) The Secretary may make such reasonable provision in the works authorized by this Act as he finds to be required for the conservation and development of fish and wildlife in accordance with the provisions of the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661, and the following), and the portion of the construction costs allocated to these purposes, together with an appropriate share of the operation, maintenance, and replacement costs therefor, shall be nonreimbursable and nonreturnable. Before the works are transferred to an irrigation water users' organization for care, operation, and maintenance, the organization shall have agreed to operate them in such fashion, satisfactory to the Secretary, as to achieve the benefits to fish and wildlife on which the allocation of costs therefor is predicated, and to return the works to the United States for care, operation, and maintenance in the event of failure to comply with his requirements to achieve such benefits.

Sec. 4. There is hereby authorized to be appropriated for construction of the works herein authorized the sum of $3,490,000 (April 1961 prices). There are also authorized to be appropriated such sums as may be required for the operation and maintenance of said works.

Mr. CHURCH. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

AUTHORIZATION FOR JUVENILE DELINQUENCY SUBCOMMITTEE TO HOLD HEARINGS IN LOS ANGELES ON AUGUST 6 AND 7

Mr. ROBERTSON. Mr. President, on behalf of the distinguished majority leader, I ask unanimous consent that the Juvenile Delinquency Subcommittee of the Senate Committee on the Judiciary be permitted to hold hearings in Los Angeles on Monday and Tuesday, August 6 and 7.

The **PRESIDING OFFICER**. Is there objection? The Chair hears none, and it is so ordered.

HEARING ON INTER-AGENCY COORDINATION IN DRUG RESEARCH INFORMATION

Mr. HUMPHREY. Mr. President, the Senate Subcommittee on Reorganization held a hearing on Wednesday morning, August 1, at 9 a.m., on the subject of "Inter-Agency Coordination in Drug Research Information."

The focus of our hearing was on certain phases of the case history of a sleeping pill which, administered to pregnant mothers in Great Britain and Western Germany, is alleged to have caused deformations in up to 6,000 babies.

We had as witnesses:

Dr. George Larrick, Administrator of the Food and Drug Administration;

Dr. Frances O. Kelsey, the able physician-pharmacologist who was responsible for preventing the commercial introduction of the drug into the United States;

Dr. James Shannon, Director of the National Institutes of Health.

The subcommittee concentrated on phases which have received almost no attention to date in the nationwide discussion on the sleeping pill. I refer to information and communication phases.

SUBCOMMITTEE'S LONG, PRIOR STUDY

The subject of scientific medical research information has received the intensive attention of this subcommittee for several years. We have issued a series of factual reports designed to strengthen the flow of information for research purposes, for clinical application, and to the general public.

THREE QUESTIONS AT WEDNESDAY'S HEARING

Among the questions which the subcommittee discussed, in terms of this hearing, were the following:

First. Does the Food and Drug Administration have a modern, coordinated research information system on new and old drugs, including current data from United States and foreign articles, scientific papers, clinical reports, and pharmaceutical company presentations?

Second. Does the Food and Drug Administration make effective use of drug research information in other branches of the Department of Health, Education, and Welfare, and in other Government agencies?

Third. Do other units of the Department of Health, Education, and Welfare and other agencies make effective use of drug research information in the Food and Drug Administration?

AN INTERNATIONAL TRAGEDY COMPOUNDED BY INFORMATION WEAKNESSES

In the case of the sleeping pill responsible for deformities in babies, we see an international tragedy.

Preliminary evidence compiled by our subcommittee staff indicates that serious weaknesses in international communication may—and I emphasize the word "may"—have compounded the tragedy.

Effective, prompt communication is, of course, indispensable in the case of all new drugs—and, for that matter, "old" drugs.

This communication should include:

First. Articles in professional journals.

Second. Scientific papers presented at symposia and other meetings.

Third. Clinical reports.

Fourth. Pharmaceutical company presentations, including test animal and clinical data, and so forth.

It will be recalled that Dr. Kelsey was alerted to the danger of the sleeping pill by fortunate "chance reading"—and I emphasize the fact that it was "chance reading"—of an article published in the British Medical Journal.

The fact is that literally thousands of articles on drugs are appearing in hundreds of medical journals in the United States and foreign countries. For a diligent investigator to find pertinent articles by traditional methods is about as easy as locating "a needle in a haystack."

I have pointed out for years that the U.S. Government cannot afford to rely on outdated methods for acquiring, abstracting, indexing, reviewing, and disseminating all types of information. I must say, in all frankness, that for a long time I have felt somewhat like "a man crying in the wilderness," in urging better Federal and public-private information systems. Horse-and-buggy methods in handling information still prevail, unfortunately, throughout the Federal Government.

MY APPEAL OF 2 WEEKS AGO

I should like to point out that just 15 days ago, I reiterated in the Senate the need for a coordinated system of information systems throughout the Department of Health, Education, and Welfare. I urged such a system of systems between the Public Health Service, the Food and Drug Administration and other units of the Department. I stated specifically—page 13955, Congressional Record, July 18:

> Longstanding pharmaceutical information needs of the Food and Drug Administration require advanced methodology; but, ideally, such methodology should contribute to and draw from other pharmaceutical-type information centers elsewhere in the Department.

GREAT VALUE OF PHARMACEUTICALS

The subcommittee study sought to set forth the facts carefully with respect to the Federal agencies, the medical profession, and the pharmaceutical industry.

We all know the tremendous value of modern pharmaceuticals—which have had so profound an effect in improving health standards.

Now we need to help secure the best possible information systems for the handling of pharmaceutical data—whether on applications for new, experimental drugs—as in the case of this sleeping pill—or on drugs which have been approved for use.

Mr. President, I ask unanimous consent to have printed as part of my remarks the following statements.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Senator Humphrey Says History of Baby-Deforming Drug Marked by Tragic Gaps and Delays in International Communication

The subcommittee meets today to study problems of "Inter-Agency Coordination in Drug Research Information."

We are making this review because preliminary evidence indicates that there are indeed serious problems of lack of coordination and communication: (a) among agencies of the U.S. Government; and (b) between American and foreign agencies, American and foreign drug companies, American and foreign researchers and practitioners.

WHAT WE ARE AND ARE NOT STUDYING

I should like it clearly understood what this Subcommittee is not studying and what it is studying.

(a) We are not repeating studies which have been made by the Senate and House Judiciary Subcommittees as regards pharmaceutical legislation.

(b) We are studying phases which are within our particular competence and jurisdiction—namely, interagency coordination and communication—on both national and international scenes.

We have studied problems of scientific communication and coordination for 4 years. We have issued numerous reports, and these reports have led to both legislative and administrative actions.

FOCUS ON NEW, EXPERIMENTAL DRUGS

One further word as to what we are and are not studying:

It should be clearly understood that we are concentrating today on new, experimental drugs.

We are not, by and large, discussing drugs which have been approved by the Food and Drug Administration for prescription use by the medical profession.

I will add that, as a pharmacist myself, I know the great care and diligence with which the members of the pharmaceutical profession dispense drugs.

I will say, too, that the Pharmaceutical Manufacturers Association has demonstrated its deep interest in constructive responses to the type of problems which we will examine today.

OUR PROCEDURE TODAY

We are going today from the general to the specific. We are analyzing the case history of one instance. It involves an international tragedy resulting from what was believed to be a harmless sleeping pill.

The drug has reportedly been used in 13 countries. Dr. Helen Taussig, an outstanding authority, has stated, based on her on-the-scene study in West Germany, that the drug—called Contergan there—was manufactured "by the ton." By 1960 it became Germany's most popular sleeping tablet and tranquilizer.

We know of the tragic aftermath.

In the United States, a new drug application for it was received on September 12, 1960.

We are particularly interested in the chain of events which occurred thereafter—in the United States and abroad—until the date of March 8, 1962, when the American company withdrew their new drug application.

During this time supplies of the drug were apparently distributed—for experimental purposes only—to over 1,200 American physicians. Thirty-three physicians in my own State of Minnesota received experimental supplies.

SOME TENTATIVE IMPRESSIONS

I have been repeatedly asked:

"What does our preliminary study of the chronology on Thalidomide reveal? What tentative points do we wish to check in today's and subsequent testimony—either validating or refuting, whatever the facts may be?"

In response, and purely as an outline of what the hearing record may or may not ultimately confirm, let me indicate a few tentative points:

(1) It would appear that the case history of this drug is marked by tragic, avoidable gaps and delays in international communication.

(2) It would appear that, despite a strong drug regulatory system in the United States, there are serious weaknesses in information and communication on new, experimental drugs.

(3) It would appear that numberless parents in the United States escaped the heartbreak experienced in other countries—thanks to a combination of circumstances: (a) existing statutory and administrative procedures within the Food and Drug Administration; (b) the diligence, skill and conscientiousness of Dr. Frances Kelsey; (c) a certain degree of chance, luck, and sheer good fortune.

This latter disturbing circumstance bears study. The United States this time escaped by the "skin of its teeth," so to speak.

It appears clear that we need to systematize increased safeguards. We need to reduce the degree of risk (which will always be present to some extent).

We need to give Federal and private reviewers and investigators better, prompter, more reliable access to the world's medical literature—in all principal languages.

Dr. Kelsey's "chance finding" of a "letter to the editor" in one journal (out of the world's 4,000 medical journals) is hardly reassuring—so far as the future procedure is concerned.

(4) It would appear that the "right hand of the U.S. Government does not always know what the left hand is doing," and that it does not always cooperate with "that hand."

Federal agencies' management coordination, and communication of drug research information varies from "very good" to "very poor" or "nonexistent," in various instances.

CONCLUSION

The facts will, however, speak for themselves. Our aim is to get the facts, to test these or any other hypotheses with the evidence of documented findings.

In this morning's brief period before the start of the Senate session, we can, of course, do no more than touch a few highlights of the vast and complex problems referred to above.

TAX PROPOSALS

Mr. ROBERTSON. Mr. President, recently there has been a great deal of talk about an immediate cut in taxes. Some proposals for tax reform and reduction are designed principally to stimulate investment. Others are designed chiefly to stimulate consumption. Net tax reductions ranging from $7 billion to nearly double that amount are mentioned.

I believe that a tax cut of major proportions would be inappropriate at this time. It would run counter to most current economic trends which are generally favorable. It could increase the deficit already likely to occur in the Federal budget this fiscal year. It could add to the public debt outstanding, which the Treasury Department already expects to reach an all time high of $305 billion by the end of December. It could complicate our international balance of payments problem. None of these results seems necessary. Each would be unwise.

Even without a major tax cut, considerable tax relief is in prospect. Less than a month has passed since the Treasury Department authorized what, in effect, was sizable tax relief for business. Early in July, the Treasury announced a sweeping liberalization of guidelines and rules for determining depreciation on business machinery and equipment, for Federal income-tax purposes. According to Treasury estimates, business tax liabilities will be reduced by as much as $1.5 billion during the first year the new depreciation allowances are fully operative.

On July 31, the Senate Finance Committee ordered the proposed Revenue Act of 1962 favorably reported with amendments. The net effect of the bill would be to authorize another tax cut, in addition to the reduction made possible by the Treasury's new depreciation allowances. Taking all provisions into account, including a proposed 7-percent investment incentive feature, the net Federal revenue loss or tax cut resulting from the bill would come to several hundred million dollars in the first full year of operation.

Yet, despite these measures, proposals have been made for a further tax cut of many billions of dollars. In general, these proposals are based upon the assumption that, in the absence of a broad tax reduction, economic activity will decline and unemployment will rise.

No one agrees, however, why, or how much, or even whether, the economy may decline, nor do we know how far, if at all, a tax cut might go toward easing the anticipated economic situation. We should remember that tax cuts in 1926, 1929, and 1948 were succeeded by a decline, not a rise, in general economic activity.

I believe that current trends and prospects in our economy do not show any need for a major tax cut now. The economic situation, according to the latest available major indicators, remains generally favorable. The gross national product—representing the total national output of goods and services at current market prices—increased still further in the second quarter of this year, to a record annual rate of $552 billion. In June, industrial production edged up to a new high.

During the month of June, personal income rose to a new high at an annual rate of $440 billion. In July, civilian employment, at an annual rate of 67.7 million persons, was only slightly below the record level attained earlier this year. Unemployment declined in July to 5.3 percent, the lowest rate in more than 2 years.

These and a number of other major economic indicators show that in many respects we are at, or close to, record levels of prosperity. Certainly, we are not now in a recession that might justify some consideration of a tax reduction. If the recent pace of economic expansion has not been so rapid as some would like, we should remember that the last recession was the mildest of the postwar period.

Nor does the economic outlook point clearly to an imminent recession of substantial magnitude that might suggest the need for some counterbalancing fiscal action. No less an authority than the chairman of the board of the International Monetary Fund, Mr. Per Jacobsson, said earlier this month that:

> The question of the tax cut has very much to do with two problems, one, whether one has to expect a setback in business, and I do not believe there will be a setback in the coming months, I think the improvement will continue, not at the high rate that had been expected, but still at a steady rate.
>
> Secondly, some people believe there has to be a tax cut because they want a higher deficit in the budget, which, of course, is quite another question. There will be, as we know, a deficit, a fair amount already under present provisions so that some people think that this deficit is large enough to give the impetus to business that is needed in this situation.

Much the same view was expressed in an article published in the July 1962, issue of Fortune magazine. In this article, the prediction was made that economic activity will expand, and that within a year and a half we shall be at full employment. The article stated:

> The GNP will rise from its present $560 billion to around $593 billion next spring, in today's prices. * * * The logic of the expansion * * * suggests that the economy will continue to rise, to $600 billion by the end of 1963, when it would be at full employment. For all 1962, GNP will be about $564 billion, a 7 percent gain over 1961. * * * The range for 1963 would be near $600 billion.

Mr. President, neither the current economic situation nor the economic outlook over the near future, therefore, seems to justify a major tax cut now. A tax reduction, I believe, could prove to be unwise, as well as unnecessary. The Federal budget, the public debt, and the balance of international payments could all be affected unfavorably.

Even without a major tax cut, another sizable deficit in the Federal budget seems likely this year. In the fiscal year 1962, we ran a budget deficit of $6.3 billion, the third largest since World War II. For this year, the staff of the Joint Committee on Internal Revenue Taxation estimated recently that the deficit would come to about $3.8 billion.

The $3.8 billion estimate, however, was based on the assumption that postal rates would be increased by as much as the President requested earlier. Such an increase now seems unlikely. The estimate was also based on the assumption that the salaries of Federal employees would be raised no sooner and no more than the President requested in his budget message. Now, a salary increase sooner and larger than that recommended by the President seems probable. In addition, the $3.8 billion estimate did not reflect any net revenue loss which might arise from the new Treasury depreciation allowances or from the proposed Revenue Act of 1962. Actually, the budget deficit may well exceed by a substantial amount $3.8 billion. A major tax cut, of course, could expand the deficit still more.

With another budget deficit, the public debt outstanding would increase further. In March of this year, the public debt ceiling was temporarily increased by $2 billion, to a $300 billion limit. In July, the ceiling was increased even more. At that time, a temporary ceiling of $308 billion was established through next March, under the assumption that the budget would be balanced in the fiscal year 1963. To the extent that a deficit occurs, the public debt ceiling may have to be raised even higher. Only 4½ years ago, it was $275 billion.

As the public debt rises, the burden on all taxpayers of interest on the public debt accordingly increases. Interest on the public debt in the fiscal year 1962 exceeded $9.1 billion. This was the second largest nonmilitary expenditure in the entire budget. A major tax cut at this time would add to the interest burden, which already is scheduled to rise several hundred million dollars, even in the absence of tax reduction.

A major tax cut might also have unfortunate repercussions in the foreign economic field. Recently, our international balance of payments has shown further, although somewhat smaller, deficits. This deficit situation has been reflected in part by a drain upon our gold supply, and in part by a buildup in potential claims upon our gold supply.

Toward the end of July, our total gold supply was $16.2 billion, the lowest level in 23 years. Our free gold supply was much smaller. In June, Mr. Roosa, Under Secretary of the Treasury, testified before the Senate Banking and Currency Committee. He indicated then that our free gold supply—after allowance for backing against Federal notes and deposits—came to little more than $4½ billion. Potential demands for gold—in the form of claims that could be made available almost immediately against the gold supply—totaled about $21 billion. Since that time, our free gold supply has become still smaller, and potential claims against it have risen further.

Any measure that would lessen international confidence in the dollar could increase the rate at which potential claims are tendered against our free gold supply. A major tax cut could, in my opinion, tend to have this very effect. To enact a major tax cut now could impose undue strain on our financial position both at home and abroad. Both results would be unfortunate.

UNEMPLOYMENT

I see no justification, either, for authorizing a major tax cut in an effort to remedy our unemployment situation.

I have been concerned for many years about unemployment. Recently, my concern about unemployment—whether in the Nation as a whole or in my State of Virginia, where the unemployment rate is less than half the national average—has intensified. There has been an increasing tendency, I believe, to overemphasize unemployment problems at the expense of other important economic issues, including inflationary possibilities.

In the Employment Act of 1946, the Congress gave equal priority to the promotion of "maximum employment, production, and purchasing power" in its declaration of policy. This declaration stated:

> The Congress declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its needs and obligations and other essential considerations of national policy, with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power.

This declaration of congressional policy places equal emphasis on maximum employment, production, and purchasing power. Despite this fact, problems of unemployment have been unduly highlighted from time to time. This has meant that inadequate consideration has often been given to the effects that proposals to remedy unemployment might have upon the value of the dollar both at home and abroad.

Lesser unemployment at the expense of inflation would merely transfer economic hardship from one group to a much larger group. Within the past year alone, general consumer prices have risen 1.2 percent further. Lesser unemployment at the expense of lost international confidence in the dollar could be disastrous.

The Congress has taken an ambivalent attitude toward unemployment. On the one hand, a great deal of attention has been given to minimizing unemployment. On the other hand, legislation has been enacted that tends to increase unemployment.

Last year, the Congress passed and the President approved the most far-reaching minimum wage legislation ever enacted. We have yet to see the full effects of this legislation. Some wage increases will be spread over a number of years. Coverage will be widened gradually. But in the process, certain marginal workers will tend to be priced out of the market. To that extent, the legislation will increase unemployment, particularly among the least able and the most needy.

Mr. President, in considering the problem of unemployment, I believe that too much emphasis has been placed in the past upon the number of unemployed and the rate of unemployment. Too little attention has been given to the characteristics of the unemployed.

There has been much talk, for example, about setting a minimum unemployment target as a goal of national economic policy, even though the Employment Act of 1946 stresses maximum employment rather than minimum unemployment. Ordinarily, this target is arbitrarily defined as a given percentage of the civilian labor force. Seldom, however, is any mention made of how the burden of unemployment might be distributed once a given percentage target was achieved. If most unemployment consisted of jobseekers without work for only a short period of time, the target might well be higher than if most unemployment were long term.

But even in terms of numbers and rates, current unemployment is far below the record level in 1933. In that year, 12.8 million persons, representing nearly 25 percent of the civilian labor force, were reported as unemployed. In July 1962, 3,828,000 persons, or 5.3 percent of the civilian labor force, were unemployed, according to seasonally adjusted figures.

A closer look at the unemployment data and their details should help us judge what the true situation is and what remedies, if any, may be appropriate.

Unemployment data include all persons, aged 14 years and over and not in institutions, who did not work during the week that the monthly unemployment survey was made and who reported that they were looking for work. Each individual so enumerated counts as one person unemployed. This is so, no matter how well qualified the respondent may be for the job he seeks, or how seriously he looks for work. It makes no difference how often, or in what form, the respondent makes inquiries, or whether he never held a job before, or if he did, why he lost his last job.

An unemployed person is counted as fully unemployed even though he may be looking for a part time summer job or some other type of intermittent work. For instance, he may be a student attending school and looking for a job on the side. In May of last year, a special survey indicated that about 12 percent of all persons reported as unemployed at that time were, in fact, only looking for part-time work.

The unemployed also include persons not currently at work because they are in the process of moving voluntarily to a new job. In addition, they include persons waiting to be called back from a job from which they have been temporarily laid off. Persons on strike, however, are not counted as unemployed as long as they do not look for other work.

A person without a job but looking for work is counted as fully unemployed regardless of how much he may have in the bank, and regardless of what he may earn from other sources of income, such as pensions, social security, unemployment compensation, or stocks, bonds, or other investments. According to an article written by Mr. Ewan Clague, Commissioner of Labor Statistics, and published in the Monthly Labor Review for February 1962:

> We know from the annual income surveys of the Census Bureau that unemployed workers average about half the income of employed workers, but we don't know the family total nor do we have the information on a current basis.

The unemployment rate, measured in terms of income lost on account of unemployment as a proportion of income of all employed persons, would thus be lower than a rate based solely upon numbers of persons.

The current definition of unemployment used by the Bureau of Labor Statistics differs in significant ways from definitions followed in a number of other countries. Unlike the United States, not all nations count as unemployed any worker temporarily laid off his job. In the Netherlands and in Italy, for instance, workers temporarily laid off are classified as employed rather than as unemployed. In the United Kingdom, temporarily laid off workers are counted as employed as long as their employment cards are kept by the employer and not returned to the worker.

In the United States, workers temporarily laid off, and workers waiting to start new jobs within 30 days, have been counted as unemployed only during the past 5 years or so. Prior to 1957, persons waiting to be called back to work or waiting to start new jobs were classified as employed. In January 1957, the definition was changed, and these persons have since been classified as unemployed.

As Mr. Clague, Commissioner of Labor Statistics, testified before a subcommittee of the Joint Economic Committee last December:

> At the time we made this shift there were about a quarter of a million, about 250,000, who were shifted from the employed category to the unemployed.
>
> At present, we still think it is more realistic to treat them the way we now treat them, although you could treat this class of workers either way.

This small change in classification, then, had the effect of increasing reported unemployment at that time by about 250,000 persons, or by 8 percent. Since that time, reported unemployment levels have been somewhat higher than they would have been under the old definition. Trends in unemployment, of course, have been affected little, if any.

There appears to be no universal practice either, of counting as unemployed any inexperienced person looking for his first job. In the United States, some 1,089,000 persons, or 24 percent of all unemployed, were reported in June of this year to be looking for work for the first time. But several countries including Germany and Sweden, exclude inexperienced jobseekers from official unemployment totals. Their statistics generally reflect only experienced workers registered at employment exchanges.

Reported employment, then, may vary greatly depending upon the definition of unemployment used. Our figures would be considerably lower, for example, if they included only experienced workers, without counting married women and single persons under 20 years of age. Mr. Clague, Commissioner of Labor Statistics, indicated in the article published in the Monthly Labor Review for February 1962:

> We recently calculated that if the unemployment rate for November 1961 were based only on experienced workers aged 18 to 64, excluding all married women and single persons under 20, it would be 1 percentage point less than the total rate, that is, 4.6 percent instead of 5.6 percent.

As currently reported, unemployment data in the United States reflect only net changes from period to period in the level of unemployment. They show, for example, that unemployment declined from 3,917,000 persons in June of this year to 3,828,000 in July, and that the seasonally adjusted annual rate of unemployment declined from 5.5 percent in June to 5.3 percent in July.

The unemployment data, however, do not indicate how many persons who worked in June became unemployed in July. They do not show how many persons who were in school in June first began looking for work in July. Nor do they show how many unemployed persons in June remained unemployed in July.

Equal significance thus tends to be given to each change of 1,000 in the number of unemployed. This is so whether the change may consist of unemployed persons who worked the previous month, or of unemployed persons who were not in the labor force the previous month, or of unemployed persons who were out of work the preceding month.

For these reasons, it seems inappropriate to justify any major tax cut or any major new Federal spending program on the fact that unemployment, however counted, rises over a period of time to reach any arbitrarily defined level. That feature, of course, is a central provision of the $1.5 billion Standby Public Works Act—S. 2965—recently passed by the Senate, and the $394 million Area Redevelopment Act—Public Law 87-27—enacted last year.

A large share of unemployment consists of persons who have been looking for jobs only over a short time. In most months, between 40 and 50 percent of all unemployed persons report that they have looked for jobs for fewer than 5 weeks. As much as one-half of all unemployment, in other words, may represent workers on seasonal layoff, new labor market entrants such as school graduates, and job changers.

By including teenagers, both unemployment numbers and rates are considerably higher than they might otherwise be. Teenagers generally have a higher unemployment rate than other age groups. That is so primarily because many of them are looking for their first job or are moving from one job to another. In June, teenagers, who represent about 11 percent of the entire civilian labor force, accounted for 33 percent of all unemployed persons.

Another aspect of the unemployment problem concerns persons without work over a longer period of time. In July, so-called long-term unemployment, with a duration of 15 weeks or longer, included 921,000 persons, or nearly one-fourth of all unemployed. The number of long-term unemployed was over two-fifths smaller than a year earlier.

We often think of the long-term unemployed as consisting of the same individuals who are without jobs for considerable periods of time. Actually, the Bureau of Labor Statistics reports that there is a considerable turnover among the long-term unemployed. During a typical month in the second quarter of 1962, for example, an average of 25 percent of the long-term unemployed found jobs within 30 days.

In discussing the subject of unemployment, most attention has been given to the supply side of the picture as represented by the number and characteristics of unemployed persons. At least until recently, little consideration has been given to the demand for labor. In that connection, much more needs to be known about the types and locations of job vacancies. This information would indicate more clearly the extent of the unemployment problem, and what, if anything, needs to be done.

The importance of labor demand as well as labor supply is reflected in a recommendation in the report of the Commission on Money and Credit. In this report, which was published last year, the statement was made that—

> The Commission believes that an appropriate target for low-level unemployment to use as a guide for monetary, credit, and fiscal measures is one somewhere near the point where the number of unfilled vacancies is about the same as the number of unemployed.

More information about job vacancies could help to reveal how close we are now to what the Commission believes to be an appropriate target for low-level unemployment.

Recent trends in unemployment, however defined and however interpreted, do not appear to justify the tax cut at this time, in my opinion. We now have a number of substantial Federal programs directed toward solving the unemployment problem, or toward alleviating the individual burden of unemployment. To mention only a few, there are the Manpower Development and Training Act of 1962, the Area Redevelopment Act of 1961, and employment security programs, including the U.S. Employment Service, unemployment compensation, and others. More than $4 billion was paid out by the Federal Government in the fiscal year 1962 toward unemployment compensation programs alone.

Mr. President, for the reasons that I have mentioned above, I shall oppose any attempt to reduce taxes unnecessarily further at this time. While I do not believe that this is the appropriate time to reduce taxes, I shall, of course, continue to view the unemployment problem with concern. For the individuals involved, unemployment—particularly of a long-term and persistent nature—is a serious matter. For others—such as persons looking for summer part-time employment or for temporary work—the burden of unemployment may be less severe. Whatever the case, the unemployment problem deserves continuous study and close attention.

As for the tax situation, the administration has announced that early next year it will submit a proposal for a major reform of our tax system. At that time, the Congress may judge whether or not a major reform may be necessary. Until that time, I believe that it would be unwise to act prematurely now to reduce taxes either through an across-the-board reduction or through a minor reform based upon the exigencies of the moment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

EUROPEAN COMMON MARKET VARIABLE IMPORT FEES ON FARM PRODUCTS

Mr. HRUSKA. Mr. President, on Monday of this week the six European Common Market nations dealt a disastrous blow to American agriculture.

They abolished tariffs, import quotas, and minimum price regulations on imports of grain, poultry, eggs, and pork received from the outside world.

But at the same time there was put into effect on these same farm imports a single but highly effective control—the variable import levy, sometimes called the variable import fee.

This new levy or fee is fixed at a level designed to bring the price of imports up to the level of the domestic price of the importing country, plus just a little more in order that the community grown farm products of Common Market countries will benefit by a preference. At no time will any of the named farm imports be cheaper than domestically produced farm stuffs.

Thus the result will be that farm imports will be allowed to furnish the current shortage or deficit in needed supply of given farm produce, but always at a price just a little higher than the price support of that product within the importing country.

An intricate system of market reporting will be perfected to furnish daily information on world prices to enable constant levy adjustment, as frequently as will be necessary to accomplish the price differential described.

The initial plan went into effect Monday midnight last effective on grain, poultry, eggs, and pork. However, within the next year there will be added rice, beef, and dairy products.

The price differential is bad enough. It is forbidding to a point of virtual impossibility for other countries to compete. However, another feature which would complete the virtual impossibility of competition would be the uncertainty and unpredictability of the amount of import levy or fee. It can be increased summarily, without advance notice of any kind. This could be done overnight, while a ship with foreign cargo is at sea en route from an American port to Europe, for example, and after it has passed a point of no return.

Thus it is even more restrictive than a tariff which is more or less stable and durable in point of time.

The variable import fee system on farm products is highly protectionist, and with a vengeance. Further, it is a nontariff restriction on farm imports which cannot be reached readily by an adjustment of tariffs such as envisioned in the popular concept of the pending trade bill.

Mr. President, the background for the step taken last Monday by European Common Market nations was pretty well laid last January in the Brussels Trade Conference when the U.S. delegation, headed by Agriculture Under Secretary Charles Murphy, in order to obtain agreements on manufactured goods agreed to postpone indefinitely agreements on agricultural products. This left the Common Market nations free to bring about the impact of the variable import fee system. The betrayal of agricultural interests last January thus has become complete.

The threat to American agriculture thus posed is incalculable. It is now possible for Common Market countries to erect, literally overnight and subject to daily change, restrictions against American farm imports—imports which last year accounted for a third of the $3.5 billion in goods shipped from America to Common Market nations. In the same period, farm products accounted for only a tenth of the $2.1 billion imported by the United States from those countries.

At a time when the Congress of the United States is spurred by the President to enact legislation allowing freer trade, when our military and political alliances with free Europe require strength as never before in peacetime, and when the Common Market nations themselves are proclaiming the praises of reduced trade restrictions, it is cruelly ironic that almost the first victim of the European Economic Community should be American agriculture.

This problem was foreseen by Representative Burr P. Harrison, of Virginia, when he won from the administration grudging acceptance of his amendment to the trade bill in the House. This amendment, aimed specifically at the variable import fee system, allows the President to apply sanctions against such protectionist countries.

But Mr. Harrison's hard-won victory is somewhat hollow because the administration managed to have it watered down by providing that the President need not apply the sanctions if he found that concessions were necessary to strengthen economic and political relations with the Common Market. In other words, he has discretionary power to make tariff concessions to Common Market nations notwithstanding their imposition of nontariff restrictions against their accepting U.S. farm imports.

This administration's enchantment with concessions is well known. All the President would have to do is wrinkle his brow or scratch his head to reach a finding that relations with the Common Market were more important than American agriculture.

In its noisy enthusiasm for more powers for the President, this administration has turned its back on the farmer while the Common Market countries are beginning a 7-year period of tearing down tariff walls among themselves but building new nontariff barriers against U.S. imports. Nor is any comfort to be taken from the utterance of Secretary of Agriculture Freeman who earlier this year told an Omaha press conference that American farm products would be "highly competitive" with Common Market countries because support prices of products within those countries "are generally substantially higher than ours."

Surely Mr. Freeman must know that the very purpose of the variable levies is to bring the price of imports, no matter how low, up to the domestic price in the importing country.

Disturbing as is the new "subject to change without notice" levy against agricultural imports, there is ahead a situation infinitely more grave.

Within the next year, rice, beef, and dairy products will be added to the list of products subject to the variable single levy. In my State, cash receipts from cattle alone account for about half the total cash farm receipts, and far more than the cash receipts of all grain produced in Nebraska. As the late Senator Francis Case, of South Dakota, put it in one of his last speeches on this floor, "Livestock is our big cash crop."

Equally worrisome is the fact that as the price supports for homegrown crops rises in the Common Market nations, ever-increasing production will be stimulated, destroying the market for American output. In the same kind of unending spiral which characterizes inflation, increased—although uneconomic—higher production would require still higher protection walls.

Mr. President, this week's action by the European Economic Community is viewed with extreme gravity not alone by Nebraska farmers, not alone by those interested in the economic well-being of American agriculture, and certainly not only by those of one political party. It is a matter of deepest concern to those involved with the broad spectrum of foreign policy considerations, our balance-of-payments position, our unity with our Allies.

I would recall to the Senate the words of the distinguished chairman of our Foreign Relations Committee, Senator Fulbright, of some weeks ago—Congressional Record for May 23, 1962, page 8982:

> The obvious effect of these Common Market restrictions will be to exclude U.S. exports and to preempt unto the Common Market countries themselves as much of the market as they choose—despite the competitive position of our products or the uneconomic nature of their domestic production. The Common Market by these proposals intends to exclude competition and create a captive market, rather than expand trade. This is not trade liberalization, it is trade strangulation.
>
> The consequences of this agricultural policy are grave and far reaching. This approach endangers the spirit of western unity which we have encouraged as the goal of the Common Market. If such policies are looked upon by the EEC as legitimate instruments of international trade to be used against our competitive agricultural products, the fabric of western unity will suffer. It is only logical to assume that demands will grow for retaliation against EEC products that are competitive in our market. The Germans would, I am sure, be outraged if we imposed a system of variable levies on their Volkswagens.
>
> Our agricultural export markets are vital to the national economy as well as to farmers. These exports are a source of dollars which are an important factor in ameliorating our balance-of-payment difficulties. The agricultural products on which the EEC wants to keep us at a permanent disadvantage make up about $400 million in trade with these nations. If these exports are cut off, as they could be under the proposed policy, our balance-of-payments problem will become even more difficult. There is no assurance that these or other exclusionary measures may not be employed against other U.S. exports. If such unilateral action, in violation of the spirit of GATT, can be taken with impunity against these farm products it can also be used against other products.
>
> The issue involved here is one of principle and a reasonable and fair solution must be reached if our relationship with the Common Market is to grow and flourish.
>
> The loss of agricultural exports which may result if the Common Market agricultural proposals are imposed on our agricultural products will weaken our ability to carry the heavy financial burden which the United States now assumes in the effort to protect and strengthen the free world.
>
> The barriers proposed by the Common Market would destroy the competitive position our farm products have gained through efficiency. They are the antithesis of freer trade and can only operate to create frictions within the free world.

Mr. President, among those who have misgivings about the President's trade bill there are some who feel that it is well that the Common Market nations took this step now, before the Senate has completed its consideration of the trade bill. They say that it is a blessing in disguise. I must observe, Mr. President, that the disguise is perfect.

Mr. President, the time is at hand, if not past, when we must make unmistakably clear to the six members of the European Economic Community that our support is based on freer trade among nations of good will, not on opportunistic discrimination against a nation in large measure responsible for the current economic health of the member countries.

In my judgment, the Congress should make the same thing unmistakably clear to the administration and in the law.

Mr. President, I ask unanimous consent that Edwin L. Dale's news account of the Common Market nations' action imposing variable fees on farm imports, as it appears in the New York Times of July 30, 1962, be printed in the Congressional Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

Trade Bloc Opens Its Tariff Gates—Common Market Tries New Product Exchange System Based on a Single Levy

(By Edwin L. Dale, Jr.)

Brussels, Belgium, July 30.—Customs officers in the six European Common Market countries put into effect last midnight a radically new system of handling trade in farm products. Over the years ahead millions of farmers and traders inside and outside of Europe will almost surely feel the effects.

Probably the greatest crumbling of trade barriers in history took place at the stroke of 12. For grains, poultry, eggs, and pork, import quotas, minimum price regulations, and tariffs disappeared. In their place, the customs officers began to apply only a single control—a so-called "levy" that will be variable.

NO LEVY ON SOME ITEMS

The change applies not only to trade among the Common Market countries but also to imports from the outside world. The new levies can in some cases be changed daily, fixed at a level designed to bring the price of imports, no matter how low, up to the domestic price in the importing country.

Over the next 7 years, the levy on internal trade within the community will disappear as price levels are gradually brought together, but it will remain for products from the outside.

Most controls also disappeared for fruits and vegetables at midnight, although tariffs will remain. There is no levy on these products.

The new system is complex, a point readily admitted in a news conference Friday by Sicco Mansholdt of the Netherlands, the Common Market commissioner in charge of agriculture. About 80 regulations have been required to put it into effect, and there will be many more, when, within the next year, rice, beef, and dairy products are added.

But Mr. Mansholdt added that the 80 regulations "are not many when you consider that there are several hundred in effect in the individual member states."

An elaborate system of market reporting will feed daily information to the commission here on the state of world prices.

The levy can be varied within 24 hours in such a way as to make sure imported grains or other products are not cheaper than domestically produced products. There will be a small preference under the system for community grown products.

There can be and is debate on whether the new system is dangerously "protectionist" from the point of view of outsiders, such as the United States. But two points seem clear.

NO MORE PROTECTION

First, it is certainly no more protectionist, and probably much less so, than the systems it replaces. This is true above all because quantitative import controls have been abolished.

Second, the fate of outsiders, as much under the old system as under the new, depends on how much production there is in the Common Market of France, Italy, West Germany, the Netherlands, Belgium, and Luxembourg. The community is now a large net importer of farm products. It will continue to be so unless production rises faster than demand, and that would have been broadly the case under the old system as well.

Community production will vary according to technology, organization of the structure of farming, and possibly most important, price.

Internal price policy has not yet been fixed, but it is quite possible that in France, in particular, any sizable increase over current price levels could bring forth a large increase in production. Yet France generally has the lowest prices in the community, and every "averaging" process could only mean an increase in French prices.

This possibility, not the levy system itself, is viewed by most expert observers as the true danger to outsiders inherent in the new Common Market farm policy. But the one certainty is uncertainty; no one can foresee all the future ramifications of what is by any test a profound change.

In the case of nonfarm products, all quota restrictions have already been abolished and tariffs have been reduced by 50 percent on trade among the members. Tariffs will be eliminated by 1970 at the latest, possibly sooner.

A common tariff on the goods of nonmembers, broadly an average of the former national tariffs, is one-third in place, with the next third scheduled to start July 1, 1963. The new variable system is applicable only to farm products.

THE OBSERVANCE OF U.S. COAST GUARD'S 172D ANNIVERSARY

Mr. PELL. Mr. President, on Saturday, August 4, the U.S. Coast Guard, one of the five Armed Forces of the United States and foremost agency for maritime safety will be a spry 172 years old.

For more than 172 years the U.S. Coast Guard has been going about its humane business of protecting life and property at sea and of enforcing Federal maritime laws. Our oldest, continuous, seagoing armed force, the Coast Guard occupies a most unusual position in our Defense Establishment. In time of peace, under the Treasury Department it performs the functions noted previously. During war, or on direction of the President, it goes into immediate action, under the Navy, as one of our fighting forces. But in war and peace, the Coast Guard remains an armed force at all times.

The Coast Guard's historical past goes back all the way to 1790 when Alexander Hamilton, first Secretary of the Treasury, asked for and obtained congressional authority to procure "10 boats" for the collection of revenues and for the prevention of smuggling. From this small force, known as the Revenue Cutter Service, has grown today's Coast Guard.

But the years between 1790 and the present time were crowded with activity for this highly versatile and widely ranging service. Between the date of its founding and 1798, it served as our only armed force afloat.

During the undeclared war with France in 1798, the Coast Guard played a very prominent part and engaged in a number of stirring actions with French vessels. Since then it has taken part in every major conflict in which our country has been involved. Nine cutters, averaging 125 tons, armed with 6 to 10 light guns, with crews of 15 to 30 men, fought in the War of 1812. Soon after, the hard-working cutters went into action against piracy in the Gulf of Mexico and helped stamp it out. Coast Guard men and cutters participated in the war with the Seminole Indians in 1836 and in the Mexican War of 1846.

In the Civil War, the Coast Guard fought alongside the Navy. The Coast Guard cutter *McCulloch* was present at the Battle of Manila Bay in 1898 when Admiral Dewey won a great victory over the Spanish fleet. World Wars I and II also saw active Coast Guard participation.

The Second World War brought many new responsibilities to the Coast Guard. Port security, antisubmarine patrol, convoy escort, beach patrol, participation in amphibious landings, and the manning of troop transports, cargo ships, landing craft and many other types of vessels were added to its traditional activities. In their own vessels or in Army or Navy craft, Coast Guard officers and men saw action in every major theater of war. They took part in all the large amphibious operations from Guadalcanal to Omaha Beach in Normandy. More than 1,900 coastguardsmen died in World War II.

Along with its wartime assignments, the service continued to carry out its traditional functions of protecting life and property at sea and the enforcement of Federal maritime laws. This increased activity placed a heavy strain on Coast Guard personnel.

Because the Coast Guard has shown a remarkable capacity to assimilate new functions and to carry them out effectively, the scope of its duties has grown steadily over the years. In many respects, this growth has paralleled our country's military and economic progress.

The Coast Guard acquired its present name on January 28, 1915, under an act of Congress combining the then Revenue Cutter Service with the Lifesaving Service. On July 1, 1939, the Lighthouse Service of the Department of Commerce was added to this organization. In 1942, the Bureau of Marine Inspection was transferred temporarily to the Coast Guard, the transfer being made permanent in 1946. Through its antecedents, therefore, the Coast Guard is one of the oldest organizations under the Federal Government.

The Coast Guard also maintains a service academy near New London, Conn., to train officer personnel in the conduct of its farflung operations. Constructed at a cost of more than $2 million, the Academy was moved to its present home in 1932. Facilities were expanded at equal cost just before World War II.

During their stay at the Academy, cadets receive an intensive course of instruction which includes navigation, engineering, communications, seamanship, ordnance, government, English, and advanced mathematics. Upon graduation, cadets are awarded a bachelor of science degree and a commission as ensign in the U.S. Coast Guard. Entrance to the Academy is limited to a highly selected group of young men capable of meeting rigid physical, mental, and moral standards. A nationwide competitive examination to determine appointments is held in the latter part of February each year in over 100 cities.

In looking back on service accomplishments for the past fiscal year Adm. Edwin J. Roland, Commandant of the Coast Guard has pointed out that Coast Guard operations in 1962 centered around the traditional peacetime objective of maintaining maritime safety and order. During the year, further progress was made in replacing remaining 83-foot wooden patrol boats with 82-foot steel boats of a new design. Military personnel totaled 31,511 in 1962, while authorized civilian employees in 1962 totaled 4,894.

Assistance rendered during the year was as follows: assistance calls answered 34,575; value of property involved—including cargo—$1,570,938,650; mileage disabled vessels towed 132,294; number of vessels towed—more than 12,500; lives saved or persons rescued from peril 2,317. Marine casualties reported and investigated during the year totaled 3,050, in which 120 persons lost their lives. The Coast Guard completed 4,218 inspections of merchant vessels with a gross tonnage of 8,532,734 tons; made drydock examinations of 5,731 vessels with a total tonnage of 13,413,450 tons; conducted 25,107 miscellaneous inspections; and reviewed plans for 35,915 vessels.

As of June 30, 1962, there were 40,891 aids to navigation maintained by the Coast Guard in the United States and other areas. They included 68 loran stations; 191 radiobeacons; 6,639 daybeacons; 10,659 lights—including 27 lightships—567 fog signals—except sound buoys—and a total of 22,835 lighted and unlighted buoys. Four ocean stations were maintained by the Coast Guard in the North Atlantic and two in the Pacific throughout the year. They provided search and rescue, communications and air navigation facilities and meteorological services along heavily traveled ocean routes.

Ice conditions in 1962 were of less than average severity, and the Coast Guard continued its oceanographic work and aerial reconnaissance.

The Coast Guard's larger ships included 181 cutters and buoy tenders of various types. The number of fixed- and rotary-wing aircraft in operation totaled 134. Coast Guard Reserve strength was 4,467 officers and 26,881 enlisted personnel.

The Coast Guard Auxiliary, a nonmilitary organization of volunteers, was active in approximately 575 communities in the promotion of safety and efficiency in the operation of small boats. Its 21,576 members gave instruction courses to 117,000 persons, examined 130,000 motorboats, patrolled 1,297 regattas, responded to 4,889 calls for assistance, and saved 233 lives.

During 1962, the Atlantic Merchant Vessel Reporting System—AMVERS—initiated in 1958, assisted materially in expediting the Coast Guard's search and rescue work.

Not only will the Coast Guard be a spry 172 years old on August 4, but it is also blazing new frontiers in the useful application of science's newest inventions for the benefit of mankind.

One of the most significant of recent developments has been in the field of oceanography. With the realization that the key to man's future may well lie in the depths of the ocean, the Coast Guard has greatly expanded the scope and effectiveness of its oceanography program. Its work in this area received official recognition in October 1961, when President Kennedy signed legislation confirming the Coast Guard's traditional interest in this field, dating from 1867.

As part of the Coast Guard's revitalized oceanography program, its ocean station vessels in the Atlantic and Pacific are now being equipped with the most advanced oceanographic instruments. At the same time, similar studies are being made in connection with the International Ice Patrol which has been operated by the Coast Guard since 1913.

During this year's patrol, the Coast Guard is operating three specially designed buoys. Serving as floating electronic laboratories, the buoys are in the Labrador Current near the eastern slope of the Grand Banks, Newfoundland. They record intensity, strength, direction, and volume of the current, as well as water temperatures, wind velocities, and the heat output of the southward-flowing current. With this information the Coast Guard will be able to approximate the production and distribution of icebergs within the coming season. For the United States and for the world generally, the new oceanography program represents the start of a new era in probing the secrets of the sea.

Traditionally concerned with maintaining an effective aids-to-navigation system, the Coast Guard is making important progress in furthering the safety of transoceanic travel. Its efforts in this area are not restricted to waterborne transportation, but extend also to the vast ocean of the air.

At present, the Coast Guard is cooperating with the Federal Aviation Agency and private industry in Project Accordion, which offers existing possibilities for the future of transoceanic air travel. The study will feature a new navigation system for transatlantic jetliners, utilizing the recently developed doppler radar. If successful, the new system could solve the ever-increasing air traffic problem over the North Atlantic.

In its continuing search for better navigation aids, the Coast Guard is experimenting with atomic energy. In December 1961, it launched the world's first atomic buoy in the waters of Curtis Bay, Md. Powered by a strontium-90 thermoelectric system, the established 10-year life of the power system will permit remote aids to function for long periods without recharging. This constructive use of the atom will greatly simplify the Coast Guard's job of maintaining its many remote lights, lighthouses, buoys, and beacons.

Recently, the Coast Guard has put into experimental operation a new electronic navigation aid known as Ratan which stands for radar and television aid to navigation. Now undergoing testing at the Coast Guard's Sandy Hook, N.J., base, the system represents the first application of radar and television principles to the solution of navigation problems in congested waterways.

Under the new system, a radar image is projected by a high-definition, shore-based radar. This picture is then transmitted by ultra-high-frequency signals for television reception aboard vessels. Utilizing an ordinary TV receiver, a mariner may interpret the picture on his television screen to maintain a continuous fix on his own position as well as on the movements of vessels in his vicinity. For small boatmen and for larger vessels Ratan could provide an increasing margin of safety.

The Coast Guard's famed loran system has been further developed into a system known as loran-C. This advanced loran system provides mariners with more precise position fixes than is possible with the older equipment. It also offers the most accurate time measurement factor which has yet been evolved.

I would like to point out that the Coast Guard's peaceful use of the atom has not been restricted to buoys. For the past several years, the service has been closely associated with the planning, construction, and testing of the world's first nuclear merchant ship, the *Savannah*. Because of its longstanding concern with maritime safety, the Coast Guard has been given the responsibility for developing safety standards for the nuclear plant for this new giant of the ocean.

But not all of the Coast Guard's achievements have been technical. It has also played an important part in furthering international understanding. Through its technical assistance program, it has helped to train personnel of many nations in techniques of maritime safety and law enforcement. Last year, 173 trainees of 35 governments took part in the program. Governments included were Liberia, Lebanon, Thailand, Indonesia, Turkey, Norway, Republic of Korea, Colombia, Taiwan, Honduras, Vietnam, Afghanistan, Tunisia, Iran, Venezuela, Argentina, Costa Rica, Ceylon, Peru, Greece, Japan, United Kingdom, Denmark, Israel, Spain, Portugal, Brazil, Egypt, Nicaragua, Iran, El Salvador, Pakistan, and Haiti.

Let it again be noted that, in the field of search and rescue, this small service of approximately 31,511 officers and men has been giving the American taxpayer an excellent return on his dollar. This fiscal year, it saved 2,317 persons and answered 34,575 assistance calls involving a property value of $1,570,938,650.

All of these activities have been carried on along with such other major tasks as maritime law enforcement, merchant marine inspection, port security, and cooperation with the Navy in the Arctic and Antarctic. The Coast Guard, obviously, is a very busy service, and the chances are that it will be even busier in the years ahead.

ORDER OF BUSINESS

Mr. CLARK obtained the floor.

Mr. HUMPHREY and Mr. WILLIAMS of Delaware addressed the Chair.

Mr. CLARK. Mr. President, I am happy to yield to my friend from Minnesota for 5 minutes, with the understanding that I shall not lose my right to the floor, and I ask unanimous consent that I may do so. After that I shall be glad to yield to the Senator from Delaware for 2 minutes, with the same understanding.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, I thank the Senator.

TIME FOR A TAX CUT IS NOW

Mr. HUMPHREY. Mr. President, the Senator from Virginia [Mr. ROBERTSON] has expressed his point of view in opposition to a tax cut this year or, as it is said, a tax cut now.

In the past week, while the Senate was in its parliamentary difficulties, I prepared a statement which I had hoped to present to the Senate entitled "Time for a Tax Cut Is Now."

My views on this question are quite well known. I sincerely believe that a tax cut for both corporations and individuals would have a very helpful effect upon the American economy. As I stated in the Senate a few weeks ago, I am not advocating immediate tax cuts out of fear of any imminent business decline or recession. While the economic indicators are admittedly mixed, as the President said in his recent press conference, our economy is basically strong and healthy.

What I am doing is recommending a tax cut to put the economy into high gear and to utilize unused plant capacity, to modernize the American industrial plant, and to absorb unemployment.

The fact is that tax cuts, particularly when they are large enough and are timely, have a continuing stimulating effect upon the economy and provide revenues with which a government can balance its budget. The simple truth is that a recession which could come upon us would cost the Government of the country billions of dollars. A tax cut would not cost the country money. The amounts of funds released by a tax cut would go back into the private sector of our economy and would be invested or expended, thereby stimulating economic enterprise or the economic machinery, which in turn would bring additional revenues into the Government.

Mr. President, I ask unanimous consent that the text of my statement released last Monday be printed at this point in my remarks, along with certain editorials and articles.

There being no objection, the statement, editorials, and articles were ordered to be printed in the Record, as follows:

Time for a Tax Cut Is Now

(Statement by Senator Hubert H. Humphrey)

As one who has for several weeks advocated that this Congress reduce personal and corporate taxes, it is heartening to see the growing consensus of opinion in favor of such proposal.

Groups and individuals representing a wide range on the political and economic spectrums might very well be in disagreement on the details of a Federal tax cut, but there is near unanimity of opinion that a tax cut is needed and needed now.

For one of the few times that I can recall the U.S. Chamber of Commerce and the AFL-CIO are in agreement on a major domestic issue in favoring action by the Congress this session to lessen the tax burden for purposes of promoting the country's economic growth. It is significant that these two groups which speak for the bulk of the Nation's businessmen and organized workers both agree that the present tax structure is acting as a drag on the economy, holding us back from realizing full productive potential and full utilization of our work force. And it is especially significant that an organization such as the chamber of commerce which has always looked upon unbalanced budgets with apprehension, nevertheless, feels that tax cuts are needed even if its immediate effect will be to increase the deficit.

I am heartened that ever-increasing numbers of professional economists and business analysts are advocating tax cuts at this time.

This week the well-known investment analyst Harold B. Dorsey reported: "Early last week at a meeting of 25 practicing economists there was a near unanimity of opinion that the advantages to the economy of an immediate reduction in income tax rates far outweigh the disadvantages."

As I stated in the Senate a few weeks ago, I am not advocating immediate tax cuts out of fear of an imminent business decline or recession. While the economic indicators are admittedly mixed, as the President said at his Monday press conference, our economy is basically strong and healthy.

But we cannot be satisfied with a good economy when it is possible and indeed vital that we maintain an excellent economy.

To those who ask, "Can we afford a tax cut at this time?" my reply is, "Can we afford not to cut taxes at this time?"

First of all, we must recognize that while we have had a business recovery it has not been as great as most observers predicted. And many economic experts now feel that we are reaching a premature economic plateau and a possible downturn in the economy. This, I submit, we cannot afford.

Let us look at the postwar record of unemployment. The level of unemployment has risen following each of the recessions that we have experienced in this period. After the 1948-49 recession, the jobless rate stood at 2.6 percent of the work force. After the 1953-54 recession it was 4.2 percent. After the 1957-58 recession it was 5.1 percent. Following the 1959-60 decline the jobless rate has never fallen below 5.4 percent.

The meaning of these figures is not difficult to see. Our economy simply has not been operating at the rate of growth necessary to maintain full employment—a policy which the Congress adhered to with the passage of the Full Employment Act of 1946.

There is no doubt that another downturn in the economy will bring with it even higher permanent jobless levels—which means a growing gap between actual and potential expenditures for goods and services. It has been estimated by the Council of Economic Advisers that our failure to utilize fully our economic capacity in the past 10 years has resulted in a loss of more than $175 billion in goods and services. This figures out to almost $1,000 for each and every American man, woman, and child.

Can we afford this increasing rate of unemployment? Can we afford plants operating at undercapacity? Can we afford to operate our economy at less than full horsepower? I maintain that we cannot. We cannot be the leader of the Western democracies, provide adequately for our Nation's defenses, give the necessary assistance that so many smaller and less affluent nations require in order to develop their economies and remain free from Communist aggression, provide for the growing public needs in our own country, and raise the living standards of our own people with an economy operating at only partial capacity.

This is the heart of the argument which I and others have been making for a tax cut this year.

I would like now to comment on some of the arguments that have been presented against a tax cut at this time.

TIMING

First, it is argued by some that in the absence of an economic decline a tax cut is not in order. As I have already stated earlier in my remarks, admittedly there are many favorable economic indicators and the country is by and large prosperous. But the evidence is growing that the recovery is topping out earlier and at a lower plateau level than we had expected. If we are to give the economy the boost it needs to reach greater heights and to take up the slack in employment the time to do it is now and not to wait until there is a decline and unemployment starts to snowball. It is better and less costly to act now to prevent a decline than to hold back until there is a slump. Tax cuts now will result immediately in increased consumer spending and a resulting increase in business investments in plants and equipment. This increase in investments will in turn bring more employment, more spendable income and consumer demands and greater and greater revenue to the Government.

If we wait until a recession is upon us before instituting tax cuts, we then face an arduous and more costly uphill battle to achieve recovery.

DEFICIT BUDGET

Another major argument against a tax cut is that it will increase our budget deficit. A tax cut now would of course for a short time result in less revenue to the Treasury Department. But we must go a step further in considering this point.

With a tax cut there will be increased spending, demand for goods and services, and more investment in plants and equipment to meet this demand. An increased rate of spending means that the national income subject to taxation will also rise. Tax revenue will increase as the economic health of the country improves.

As a matter of fact, it is quite probable that with a sufficient rise in consumption and increased investment, brought about by a sizable enough tax reduction, total revenues will be higher than at the present time.

In this connection, I call attention to an interesting article which appeared in the Washington Post of July 6 which notes that in Austria taxes have been reduced four times in the past decade and yet government revenue has increased by 153 percent, from $743 million in 1952 to $1,880 million last year. I ask unanimous consent that this article be inserted in the Record at the conclusion of my remarks.

If we really want to achieve balanced Federal budgets, we must institute tax rates which will encourage the economy to expand, bring about full employment, and utilization of our productive machinery. If we do not reduce taxes, it is a virtual certainty that we will face deficits of ever greater proportions.

CONFIDENCE IMPAIRED

It has also been argued by some that a tax cut at this time might well impair confidence in the economy which in turn would further an economic decline.

Frankly, I find no merit in this objection.

As a matter of fact, if anything is going to destroy confidence in the economy, it is going to be these ever-rising plateaus of unemployment which I have earlier discussed, and the growing loss in goods and services caused by undercapacity operations.

We do know that a tax cut of sizable enough proportions will bring about an immediate increase in consumer spending. We know from past experience that most all consumers when they acquire additional dollars will increase their purchases. At the present time consumers are spending 92 to 93 percent of their disposable incomes, and there is no reason to believe that increased consumer dollars which would result from a tax cut would not in very short order be placed in circulation for purchases of goods and services, thereby giving the economy an immediate stimulus.

With increased sales and resulting increase in production, it is difficult for me to really believe that the business community's faith in the economy would be shaken by a tax cut. As a matter of fact, the boost that such a tax cut would give to the economy would instill a greater degree of confidence in the economy on the part of the American businessmen.

I might also add in regard to this question of confidence, that in view of the chamber of commerce's strong advocacy of an immediate and sizable tax reduction, it seems quite apparent that the vast majority of American businessmen do not believe it would threaten economic confidence.

THE EFFECTS OF TAX CUTS

In considering tax reductions, Mr. President, there are two major considerations we should bear in mind.

First of all, in order to have any real effect on the economy tax cuts must be of significant size. Small tax reductions will not have a great enough impact on the economy to give it the boost it needs because while they would bring about some increase in consumption spending, the increased demand for goods and services would not be large enough to create a need for greater investment in plants and equipment. What we need is a tax cut large enough to increase consumption to such an extent that new investment in plants and equipment will be induced.

Experts differ on the amount of a tax cut that would be necessary to achieve this objective, but estimates that I have received from reliable economists indicate not less than $7 billion is required.

Now, what would a tax cut of, let us say $7 billion a year mean in terms of increases in spending for goods and services?

Economists tell me that a tax cut of this size—assuming that economic activity remains at its present level—would result in an increase in our gross national product of roughly 2½ times the amount of the tax reduction. In other words on a $7 billion annual tax cut we should realize an increase in the gross national product of approximately $18 billion a year.

The second major point to consider along with the size of the tax cuts is its timing. And this is of crucial importance. In order for a tax cut, even one of sizable proportions, to have the maximum effect in increasing the gross national product it should occur before and not after a recession.

Once the economy is in a decline with increasing idle productive capacity even though there is an increase in consumer spending as a result of tax reductions, it will not be necessary to increase investment in order to meet the rising demand.

To take maximum advantage of a tax cut, therefore, the time to make it is before the economy falters, and not after. This is why I maintain that Congress this year act on a tax cut, and not postpone it until a rainy day when it will be too late to realize its maximum effects on promoting a healthy economy.

I have taken the time today to make this argument for immediate action on tax reductions because I feel it is of such crucial importance. The growing consensus of opinion that we need a tax cut and we need it now, is most heartening to me.

I am pleased to see that the House Ways and Means Committee under the able chairmanship of Representative Wilbur Mills, is presently holding hearings on the state of the economy and receiving testimony from many of our outstanding economists and business analysts. I believe that these hearings will serve a most important purpose and I am hopeful that the committee members will be convinced as to the need this year to act on tax reduction.

[From the Washington Post, July 23, 1962]

THE CASE FOR AN IMMEDIATE TAX REDUCTION

(By Harold B. Dorsey)

Practicing business analysts and investment managers are looking forward with intense interest to the outcome of possible legislation to reduce corporate and personal income tax rates this year because it will influence the outlook for business activity, earnings and employment.

It is now becoming quite clear that the recovery trend in business has topped out and that some of the broad measurements are quite likely to go into at least a moderate downward trend. Most of the recent business measurements show improvement over the relatively low level of a year earlier. That improvement seems to distract attention from the more significant month-to-month trends.

For example, much is made of the fact that the daily average of new car sales by the auto dealers in the month of June showed a 13-percent gain over a year earlier. However, it is much more significant to the business analyst that these June sales declined 7 percent from May where as in all of the preceding 6 years June sales were at least a little higher than May.

Personal income in June was barely higher than the May figure, which has been revised downward. Hours worked per week by factory workers declined in both May and June. The sensitive industrial commodity price index, another leading indicator, still behaves negatively. The total of all types of retail sales in June receded 2 percent from May which was 1 percent lower than the April recovery high.

New orders received by the durable goods manufacturers in June declined for the fifth consecutive month. For the past 4 months new orders have been below shipments, naturally causing a decline in the backlog of unfilled orders which are now relatively low. There is a close correlation between these shipments and the durable-goods sector of the FRB index of production. It now appears almost certain that the rate of shipments will have to decline to the pace of new orders. My analysis of these figures strongly suggests that the FRB index, which stood at a record high of 118 in June, will decline several points by the end of the year.

Among other things, the negative behavior of the foregoing figures and other economic material threatens a decline in taxable income. Such a decline naturally implies a reduction in Federal tax receipts and an increase in the deficit. This prospect, I believe, is germane to the current discussions about reducing the income tax rates.

From the viewpoint of the business analyst, the tax matter presents two alternatives: (1) If the corporate and personal income tax rates are not reduced this year, there will probably be a decrease in taxable income (and Government tax receipts) with no beneficial offsets, but with threat that the negative forces may work into an unfavorable spiral; or (2) if these tax rates are reduced promptly and become effective this year, the downward trend in taxable income will at least be considerably less, the economy would benefit fundamentally from the counterinflationary effect of lower tax costs, and there would be much less danger that the negative forces would go into a negative spiral. The contrast between these two alternatives—in terms of business activity, earnings, and employment—is quite sharp.

Early last week at a meeting of 25 practicing economists there was a near unanimity of opinion that the advantages to the economy of an immediate reduction in income tax rates far outweigh the disadvantages. The incident demonstrated the significance which practicing business analysts are forced to attach to this tax matter. There is no thought among these men that a tax cut would launch the economy into another great inflationary expansion phase. If they believed that inflation pressures would result from the move, they would not favor it.

Some investment managers are appraising the situation somewhat similarly. Profit margins of business are not particularly good, even though business activity has been at near-record levels recently. Any loss of activity would further squeeze these margins and earnings, unless there is some relief in the form of lower taxes.

[From the Washington Post, Friday, July 6, 1962]

AUSTRIAN TAX CUTS BOOST REVENUE—RECEIPTS RISE 153 PERCENT IN LAST DECADE

(By Frank C. Porter, staff reporter)

President Kennedy's proposal for cutting taxes early next year has revived an old debate.

Can tax cuts, by stimulating overall economic activity, actually increase government revenues?

The Austrian Finance Ministry answers with a resounding yes.

The prosperous Alpine nation has lowered taxes four times since 1954 (the fourth reduction went into effect last week). And yet government revenues have soared 153 percent in the past decade, from $743 million in 1952 to $1.88 billion last year.

After the first cut, in 1954, revenues jumped $117.8 million, according to the Austrian Information Service. Revenues rose $93.1 million following another cut the next year. A third reduction led to a gain of $26.1 million in 1958.

The demand for technical and academic skills has grown so rapidly since World War II that the fear has been expressed in some quarters that the noncollege graduate will gradually be squeezed out of the labor force.

To this thesis, Hugh P. Donaghue files a vigorous dissent.

Donaghue is president of Datatrol, Inc., a Washington firm of data processing consultants. Like others in the computer services field, Datatrol finds itself handicapped by a critical lack of qualified programers, the technicians who set up a series of instructions through which a computer solves a problem or performs a task.

Donaghue points out that some of the best programers have only a high school education and as the use of computers becomes more standardized, the amount of academic knowledge required of a programer becomes less.

"It simply isn't true that computers will 'take over' as so many people believe," Donaghue says. "The fact is that they are right now making more jobs available for high school graduates who are interested in problem-solving and logic."

Sales management has coined a new term in its discussion of "The Rise of the Middle-Wealthies."

The middle-wealthies, whom the magazine defines as those families with an income of $10,000 and up, scarcely existed as an economic class a decade ago. The 1950 census showed a mere 1.2 million families and unrelated individuals who qualified. But Sales Management's 1962 Survey of Buying Power shows just short of 9 million households earning more than $10,000 today.

The magazine hails the middle-wealthies as "a ripe new mass market for a broad range of products." Presently they are gobbling up such frilly items, says Sales Management, as electric toothbrushes, backyard swimming pools, automatic can openers, luxury compact cars, hi-fi sets and import beers.

The middle-wealthies represent only 16.4 percent of the Nation's households but they bring home 43.4 percent of all net cash income.

At the lower end of the scale, the 73 percent of the Nation's households which make less than $7,000 a year account for only 42 percent of the total net cash income.

[From the New York Times]

THE TAX-CUT DEBATE

Whatever the economic indicators for July reveal, they will make disappointing reading for the Kennedy administration. The President's economic report for 1962 had predicted a strong and widespread rise in business activity because last year's recovery set the stage for growth.

In the first half, it said, the Nation can "expect vigorous expansion in production and incomes, with gross national product increasing to a range of $565 to $570 billion in the second quarter, employment continuing to rise, and the unemployment rate falling further."

In the second half Mr. Kennedy looked forward to a rise in business spending that would "help maintain the momentum of progress toward full employment—and toward future growth."

These great expectations have not been realized. Gross national product in the second quarter amounted to $552 billion, far below the administration's goal. Moreover, both employment and unemployment have remained relatively stable for the past few months, while the administration's hopes for rising business profits and a big boost in capital investment have also dimmed.

The July figures may show some improvement. But the giant strides that Mr. Kennedy had foreseen are not likely to take place. New orders for durable goods have been declining for several months; housing starts, which rose in May, fell sharply in June; the length of the average industrial workweek, which reflects business activity, has been dropping since May. In view of these weak spots, the best that can be hoped for is a moderate advance.

By the administration's own reckoning, this will not be good enough. The economy is not actually receding, but the goal of a $570 billion gross national product in 1962, described by Mr. Kennedy as "a gain we need to achieve," is now beyond reach.

Within the next 2 weeks the administration will be deciding whether to press for new measures to stimulate activity or to hold off until next year. A good many authorities, liberal and conservative, think that with the economy still climbing, even at a snail's pace, it would be a mistake to take any action. Senator Paul Douglas suggests that the White House hold off a tax cut until it can see "the whites of the eyes of a recession."

There are real risks in waiting until a recession is in fact a reality. For by that time the automatic stabilizers are likely to produce a huge budget deficit, as they did following the 1958 recession. A tax cut then might have to be much bigger than one made now, and would almost certainly lead to charges of fiscal irresponsibility.

Preventive action seems much more sensible. It would involve a smaller tax cut than one taken in the throes of a recession. And if it is combined with fiscal discipline to keep Government spending under control, the deficit should be both minimal and temporary. Mr. Kennedy's problem is not merely to avoid a recession. It is to set the stage for the kind of vigorous expansion that he had promised.

[From the Washington Post, July 28, 1962]

Tax Cuts and Deficits

A cut in income taxes is often opposed on the grounds that it will result in budgetary deficits. But those who level this charge in the name of fiscal responsibility overlook the crucial nexus between Federal revenues and the level of economic activity. At this time a sufficiently large tax cut will result in a smaller deficit than those which will be incurred at prevailing tax rates.

The logic which underlies this apparent paradox is not difficult to grasp. At a given level of tax rates, Federal revenues vary directly with the level of economic activity. A $1 change in the level of gross national product increases or decreases the volume of Government revenues by approximately 30 cents. It then follows that a tax cut now, which would stimulate consumption and investment, will generate higher Government revenues and hence produce smaller deficits during the next 2 or 3 years. The deficit for the fiscal year 1963 will probably not be lower than $5 billion, given the present tax rates, the budgeted level of expenditures, and the lackluster performance of the economy. A tax cut now would further unbalance the budget in the first year, but a rising level of Government receipts would soon push the budget into balance. The choice is one of a larger deficit now which will rapidly disappear, or a series of substantial deficits.

During the 1957–58 recession the rate of economic activity, as measured by quarterly estimates of GNP, declined by more than $20 billion, and as a result deficits of nearly $15 billion were incurred in 1957 and 1958. Had a tax cut been instituted in the autum of 1957, the combined deficits would have been much smaller and the losses incurred as a result of unemployment and excess plant capacity substantially reduced.

The moral of the 1957–58 episode is perfectly clear. Inaction in the face of impending danger results in the vast waste of economic resources and larger fiscal deficits. There is little to be lost and much to be gained by a recourse to preventive medicine at the earliest possible date.

[From the Wall Street Journal, July 31, 1962]

Former Top Eisenhower Economist Backs Long-Term Tax Cut, but Not a Quick One

Washington.—Arthur F. Burns, a top economic adviser in the first half of the Eisenhower administration, told congressional tax writers he believes there is a pressing need for long-term tax reduction at this time but opposes any quick tax cut on an emergency basis.

Mr. Burns, testifying at closed-door House Ways and Means Committee hearings aimed at evaluating the need for immediate tax reduction, asserted there is no emergency and no real danger of a severe recession if Congress fails to lower taxes.

Chairman Mills, Democrat, of Arkansas, is trying to keep the committee hearings on the state of the economy as secret as possible to give witnesses a greater sense of freedom in expressing their views. Following the committee's directions, Mr. Burns snapped "no comment" when he emerged from the committee room after prolonged questioning. However, it was learned, his testimony in no way diminished the committee majority's reluctance to cut taxes now, and in fact may have bolstered it a bit.

DECISION HINGING ON HEARINGS

Although his economic advisers believe tax reduction is desirable this year to stimulate a sluggish economy, President Kennedy probably won't send any tax cut measure to Congress unless he has assurances of support from Representative Mills and his powerful committee, the place where all tax legislation is supposed to originate. Thus, the current committee sessions on the state of the economy may be of critical importance in determining the President's decision about whether to ask for a tax cut next month.

It is understood Mr. Mills' questioning of witnesses yesterday appeared aimed at inducing them to say that immediate tax reduction isn't an absolute economic imperative, buttressing the widespread impression on Capitol Hill that the Ways and Means chairman is less than enthusiastic about slashing taxes this year. However, the enigmatic Mr. Mills sometimes slants his questions in a way that doesn't necessarily disclose his own views.

Mr. Burns, who was chairman of former President Eisenhower's Council of Economic Advisers from 1953 through 1956 and currently is with the National Bureau of Economic Research, told the committee the economy needs as soon as possible a permanent revision of the tax structure, including a drop in corporate and personal income tax rates.

Congress wouldn't have the time to pass any such sweeping tax reform measure this year, however, and Mr. Kennedy isn't expected to submit one. Instead, any tax cut proposal probably would be a temporary measure calling for a 1-year cut across-the-board in personal and corporate rates.

Mr. Burns' stated opposition to such a quick tax cut is particularly significant because he was among the Republicans who unsuccessfully urged that the Eisenhower administration propose tax cuts in the 1958 recession. His aversion to such a step now seems to reflect his view that no similar slump is imminent. His assessment: The economy is basically sound though possibly headed for a period of leveling off.

This view may have some influence on the Ways and Means Committee. Before the current hearings started, several members declared they would become converts to tax reduction only if they could be shown that an immediate tax cut was not only desirable but necessary to stave off a recession.

TAX CREDIT FOR NEW INVESTMENT

In advocating a general long-term tax reduction as soon as possible, Mr. Burns told the committee that businessmen will make needed new investments in plant and equipment only if they are convinced it will be profitable. It is understood the former Eisenhower adviser hinted he would support as a last resort the Kennedy administration's proposed tax credit for new business investment, an innovation contained in the limited tax revision bill that has passed the House and is pending in the Senate Finance Committee. However, he declared that the investment credit wouldn't be nearly as effective in stimulating investment as its sponsors claim, because the business community lacks confidence in it.

Earlier, George Meany, president of the AFL–CIO, reiterated organized labor's view that the economy badly needs the stimulus of a quick tax cut. But Mr. Meany repeated his past contentions that the tax reduction should be limited to lower and middle income brackets in order to spur consumption, with no tax relief for upper income brackets and no drop in corporate tax rates. The labor leader's testimony added to the likelihood of a congressional battle over what form the tax reduction should take if Mr. Kennedy does call for it.

The committee's questioning of witnesses in the first 3 days of hearings has been so intensive that the sessions, originally scheduled to end next Monday, probably will last at least through the middle of next week. Under the revised schedule, the last of the non-Government witnesses will be heard next Monday; they will be followed by top Kennedy administration officials and Chairman Martin of the Federal Reserve Board.

Today's witnesses will include Raymond J. Saulnier, who replaced Mr. Burns as Chairman of the Council of Economic Advisers for the balance of the Eisenhower administration and currently is an economics professor at Columbia University.

Representative Curtis of Missouri and the five other Republicans on the Senate-House Economic Committee urged Representative Patman, Democrat of Texas, the committee chairman, to call immediate public hearings on the state of the economy as a supplement to the Ways and Means Committee's closed-door sessions.

"What is needed now is an open forum," Mr. Curtis, a member of both the Ways and Means and Economic Committees, declared in a House speech.

Although the Economic Committee is not only a study group and cannot initiate legislation, its hearings have occasionally influenced congressional decisions. Mr. Curtis believes the committee can inquire into all facets of the economy, including Government monetary and fiscal policies, while the Ways and Means Committee is limited to the question of tax relief.

PRESIDENT KENNEDY'S ANSWERS TO BRAZILIAN STUDENTS

Mr. HUMPRHEY. Mr. President, earlier this week a group of Brazilian students, accompanied by the Brazilian Ambassador, had an unusual opportunity: They met face to face with President Kennedy and questioned him frankly about such issues as socialism and alleged American warmongering. The President's answers, in my opinion, set an example of directness, lucidity, and faith in the greatness of the United States. It is never easy to comment satisfactorily on the points raised by people who may have been reared upon doctrines essentially alien to the American experience. I have met many foreign students myself; although their questions are always stimulating, they have never failed to bring up problems which all too often we Americans would like to sweep under the rug. In such cases I have always found it wise to admit our mistakes while emphasizing our progress in almost every branch of human endeavor.

One of the questions asked President Kennedy on July 31 could fairly be described as provocatory; it amounted to an accusation that the United States was girding for war in a manner reminiscent of Nazi Germany prior to World

War II. It is a sad commentary on our image abroad if someone could seriously ask this sort of question of the President of the United States. His reply was an admirable combination of restraint, firmness, and sincere dedication to the cause of world peace. The same was true of the President's answer to one student's honest question as to how socialization of the means of production in Brazil would be looked upon by the U.S. Government. As the President rightly indicated, the United States does not seek to dictate economic philosophies to its neighbors, although we stand up strongly for basic political and civil rights; essentially we feel that free enterprise with a minimum of Government interference has dramatically outperformed the state-owned and state-strangled economies of the Communist camp.

Mr. President, I ask unanimous consent that a verbatim transcript of President Kennedy's exchange with the Brazilian students, which in my mind should be a state paper as an important historical document, may be printed in the RECORD at this point, along with an editorial from the Washington Post and Times-Herald of August 2.

There being no objection, the transcript and editorial were ordered to be printed in the RECORD, as follows:

KENNEDY EXCHANGE WITH BRAZIL STUDENTS

President KENNEDY. Ambassador [Roberto de Oliveira Campos of Brazil], we are delighted to welcome all of you to the White House and most especially to the United States.

I have been reading about your trip and I have also been reading about some of your views of our country. I am very glad that you have a chance to travel through the United States to talk to the people who live here, to make some judgment of our institutions, where we have been and where we are going.

Rather than making a speech to you this morning, I would be glad to answer any questions that you might have for a couple of minutes about this country or about our policies.

Do any of you have any questions about the United States?

ENVOY IMPRESSED

Question. Mr. President, I would like to say to you that this contact that I have had the opportunity to have with your country and your people here in this highly developed country have left a profound impression at least on my spirit.

I should also like to express the shock that I felt when we realized or saw clearly the situation of underdevelopment in which we are living in our country. In view of this, I should like to ask you, Mr. President, what would be the reaction of the U.S. Government in the event we were to socialize the means of production in our country as a way to more effectively wage the battle against underdevelopment?

President KENNEDY. I think that the decision of your country as to the means of providing progress is your decision, and if by socialization you mean ownership of the means of production or of the basic industries, that is a judgment which you must make.

What we are opposed to is a denial of civil liberties, a denial of opportunities for people to assemble, to have their press, to make a free choice of what kind of government they want.

For example, Great Britain in 1945 chose a Socialist party which nationalized some of the means of production. Other countries with whom the United States has had friendly relations have made that kind of choice themselves.

U.S. PREFERENCE CITED

We prefer the competitive market economy here. We believe that by free competition we can satisfy the needs of our people best. Every country must make its own choice. But whatever choice Brazil makes, free choice, of course, is their decision. These phrases about socialization are used rather loosely. What we stand for is a free choice; the means of making an alternate choice if that choice should prove unwise. So it is our belief that through a system of freedom we can best achieve the satisfaction of the desires of the people.

I notice that some of you felt that this country, from a story I saw in the paper a couple of days ago, was dominated by business. That will come as a great shock and a source of pleasure to the business community here in the United States.

We regard business, labor, the farmers, the general public interest as preeminent.

You may decide that or you may decide on another course of action. We would accept that as long as it represented a free choice. What we are against is tyranny.

I noticed in the paper the other day a story about some of you expressing your views about the United States, and it seemed to me many of the points you are making about this country are almost 50 years old; that the view that you have of Western Europe and the United States and its economic, political, and social developments are really views that are pre-World War I.

You ought to take a good look at the extraordinary progress that has been made in the Common Market, the rate of economic growth, what we have been able to do in this country and also contrast that with the rather obvious failures stretching all the way from the Berlin wall, all the way to China, in the fields of agriculture, organization, civil liberties and all the rest.

I think that those of you who are students, particularly those of you who may be somewhat attracted by Marxist dogmas and philosophies, should take a look at this country, the relationship between the Government and the citizen, between the various groups in our society, the extraordinary progress of Europe in the last 10 years, and the failures behind the Iron Curtain before making a judgment of what is needed in your country or any other underdeveloped country is a revolution, a class struggle, or a denial of liberty, and all the rest. What you get is a denial of liberty, the class struggle, the rifle squads, and it seems to me you get no commensurate economic progress.

Question. Mr. President, I should like to submit a request to you at this moment. In the course of our travels in the United States, we have had the opportunity to observe this country, especially the fact that the Government of your country and its people have difficulties and problems to face.

As an example, the bill that you submitted to Congress for approval for aid to senior citizens of your country which was rejected by Congress during this session was indeed a bill highly worthy of the democracy that prevails in this country. So that during the course of our trip here, we have had the opportunity to see that, whereas before our concept was that the United States was a country that had no problems, we see indeed that the United States has many problems to face.

VISIT TO NORTHEAST URGED

I should like to request of you, Mr. President, namely, that when you visit our country in November, I should hope that you will come into contact with people at all levels, from all walks of life, especially in the northeastern sector of our country where the people are living in a calamitous situation and that you come into close contact with the people so that you will be able to gain firsthand knowledge of the situation which afflicts our people living there.

Answer. I will. We will go, if it is agreeable to the government, to the northeast.

Question. Mr. President, how do you reconcile the fact that in spite of all the talk of peace that you say that your country advocates, apparently the youth of this country, at least, is being prepared for war through all types of aggressive war propaganda through all the mass media—radio, television, and newspapers?

For instance, last Sunday on television we saw 2 to 3 hours of military programs. It would seem in this country instead of orienting the conscience of the people toward peace, it seems that you are orienting them in a way that reminds us of the way of Germany; the militaristic Germany of Hitler.

Answer. I think that we have made it very clear that there is not going to be any winner of the next war. No one who is a rational man can possibly desire to see hostilities break out, particularly between major powers which are equipped with nuclear weapons. So your view of the United States in this regard is really inaccurate.

We certainly desire peace. I am not aware of any action which the United States has taken since the end of the second war which has not been in the direction of securing peace.

We have not been guilty of aggression against our neighbors. We occupy no territories. Any troops of the United States which may be stationed abroad are there at the request of the country in order to participate in their defense. The United States believes in national sovereignty, national independence, individual security and liberty, and that is the objective of our policy.

PEACE EFFORTS MENTIONED

Now we are at Geneva taking part in a disarmament conference. We will accept and have sought for a number of years a nuclear test ban. We have sought a program of general disarmament with inspection. We have been unable to secure the agreement of the Soviet Union, but we shall keep at it. So whatever the television may have been on Sunday—and I was not observing it—I can tell you this is a very peaceful country, and that anyone who desires war these days is insane.

We arm to protect our security, but I can assure you that the United States will not be guilty of aggression but, of course, it will meet its commitments to people and to countries.

In any case, I want to express our thanks, and welcome you here.

We have a new Cabinet official who is going to be the Secretary of Health, Education, and Welfare whom we have to swear in. Perhaps you could just stay and watch the ceremonies if you have a minute. I hope all of you will come and see us when we come to Brazil.

Ambassador CAMPOS. Mr. President, the students wish to express their appreciation for the welcome you gave them and for the welcome they have received in this country.

President KENNEDY. Thank you very much.

[From the Washington Post, Aug. 2, 1962]

KEEPING THE PEACE

There is a disposition among pacifists to behave as though they held a patent on peace. Perhaps this lay behind the question put to President Kennedy in the garden of the White House on Tuesday by a Brazilian student, Jose Kehele, who wanted to know how the President could reconcile "the fact that in spite of all the talk of peace that you say your country advocates, apparently the youth of this country is being prepared for war through all types of aggressive war propaganda."

One may fairly say that the youth of this country is being prepared for the possibility of war—not by propaganda but by training and by development of weapons calculated to enable them to retaliate devastatingly against aggression. There is nothing about this preparation which is irreconcilable with a genuine desire to avoid war—a desire quite as sincere as the desire of those who seek peace through picketing and placards and through the advocacy of disarmament.

When two nations have conflicting aims, peace may be best preserved between them through a balance of power. If one becomes overwhelmingly stronger than the other, it is likely to seek realization of its aims through aggressive measures which provoke the other to armed resistance. Power is needed to contain power. And until conflicting national aims can be reconciled or adjusted through statesmanship, perhaps the best hope of peace lives in the maintenance of an equilibrium in which, as the President put it to his young interrogator, "No rational man could possibly desire war."

This is at least a rational theory. It is a theory by which the United States has lived for a long time and a theory which no President, sworn to protect and defend the Constitution, is likely to abandon. Anyone has a right, of course, to question or to challenge it. But the challenge will not be made persuasive by imputing warlike motives to those who honestly believe that the greatest danger of war lies in weakness.

The question put to the President by young Senor Kehele was not in itself an improper one, although his comparison of the United States with Hitler Germany was neither just nor courteous. However, it must have taken courage to ask the question. But the best companion of courage is generosity. We hope that Mr. Kehele will come to understand what we know to be the truth—that the purpose of American strength is to keep the peace.

THE DUTCH-INDONESIAN ACCORD ON WEST NEW GUINEA

Mr. HUMPHREY. Mr. President, I wish to congratulate both the Netherlands and Indonesia for the accord reached between the two countries on the decade-long issue of West Irian. I also wish to congratulate Ambassador Ellsworth Bunker for the success of his mission as a special moderator for United Nations Secretary General U Thant.

Although the agreements still are preliminary, pending the approval of the Dutch Cabinet and Parliament and the Indonesian Government, the international implications of the accord, which I hope will be carried out scrupulously, are a remarkable precedent for the peaceful settlement of colonial issues.

Both the Netherlands and Indonesia are close friends of the United States. Therefore, a restoration of relations, which have been broken for over a decade, will benefit not only the Netherlands and Indonesia but will have favorable repercussions on the United States and the Western World as a whole.

The United States certainly wishes to see peace and stability maintained in southeast Asia, and elsewhere in the free world. Indonesia, the strategic island republic in southeast Asia, has had to face tremendous domestic problems ever since the proclamation of her independence in 1945, which the United States rightly supported. Two of the major problems, the rebellion of the late 1950's and the nagging West Irian issue, have now been solved. Indonesia will have more time to concentrate on her economic buildup, the implementation of her 8-year plan, monetary stabilization and the settlement of numerous other domestic problems.

A stable, viable, and independent Indonesia, though following a nonalined foreign policy, will be advantageous to the United States and the free world as a whole in the context of world politics.

An economically unstable Indonesia would only aid the fortunes of the already strong Communist Party in Indonesia, the largest Communist Party outside the Soviet Union and Red China, which hews rigidly to the hard, belligerent Communist line as laid down in Peiping.

Cooperation between the Netherlands and Indonesia, the keystone of which is the present accord on New Guinea, will indeed have a favorable effect throughout southeast Asia. It is a happy coincidence that the West Irian settlement coincides with the Malaysia Federation agreement reached in London yesterday, July 31. I cannot praise too highly the foresight and statesmanship of Her Majesty's government in giving evidence once again of Britain's enlightened approach to colonial problems. Wisdom and mutual regard are truly the cement of the British Commonwealth, the unique international association of our time.

Finally, Mr. President, the United Nations deserves credit for the serious effort taken to solve the Dutch-Indonesian dispute. I extend best wishes for success to the U.N. administrators who will administer West Irian for the next few months prior to the transfer of their responsibilities to Indonesia.

Mr. President, the settlement of the Dutch-Indonesian crisis has given Indonesia a long-delayed opportunity to come to grips with her grave economic problems. At long last the main energies of Djakarta can be focused upon successful completion of the Indonesian 8-year plans for economic development—plans which offer the hope of progress and a better life for the large populations of Java, Sumatra, and the other Indonesian islands.

It is a happy coincidence, Mr. President, that an American study of the Indonesian economic situation, including proposals for a revised U.S. assistance program, has just been released to the public. This so-called Humphrey report—compiled by Prof. Don Humphrey, of the Fletcher School of Law and Diplomacy; Mr. Walter Salant, of the Brookings Institution; Mr. David Burgess of AID, and others—is the fruit of President Kennedy's promise to Indonesian President Sukarno last year that a team of experts would study the Indonesian development plan and come up with appropriate recommendations. In February 1962 the report was circulated privately among U.S. Government agencies; now it is in the public domain.

The authors of the study are frank to admit that it has one drawback; it deals with the Indonesian economic situation as it was some months ago; it does not take account of the fiscal chaos resulting from the recent flareup of the West Irian crisis and other factors, such as a serious drought. Unfortunately, Indonesia is saddled with what amounts to runaway inflation. One American dollar buys about 1,000 Indonesian rupiah on the black market today, whereas the normal rate is 45 to 1. Consumer goods are in short supply, while industrial production is down to some 40 to 50 percent of capacity. On the heels of the West Irian settlement, the demobilization of thousands of conscripts will impose a heavy strain on the Indonesian economy.

For these reasons, I feel that it may well be necessary to combine ordinary U.S. economic assistance with stabilization measures designed to give the Indonesian economy a breathing spell. The United States should back the recent stabilization recommendations of the International Monetary Fund while continuing to contribute to long-term Indonesian development. In line with the recommendations of the study-team report, the United States should help build up the infrastructure of the Indonesian economy—transport, light industry, and so forth—which in turn will provide the basis for heavy capital investment in the future.

Indonesia, Mr. President, is fortunate in possessing more than the rudiments of a modern industrial society. Less developed than some, she is nevertheless able to plan her development with excellent chances for success. Having solved what was potentially the most dangerous of the issues separating her from the developed West, Indonesia should encounter no hindrances to peaceful, steady progress in the years ahead. This promise can be fulfilled if moderate, consistent, and wise policies are carried out on all sides.

Mr. President, I ask unanimous consent that a summary of the report relating to the preliminary agreement may be printed in the Record at this point, along with certain editorials and articles commenting upon the negotiations which led to the agreement and settlement.

There being no objection, the summary, editorials, and articles were ordered to be printed in the Record, as follows:

June 1962.

His Excellency Dr. Sukarno,
President of the Republic of Indonesia.

Dear President Sukarno: On behalf of President Kennedy, I have the honor of transmitting from the Government of the United States of America to the Republic of Indonesia a report of the U.S. economic survey team entitled, "Indonesia: Perspectives and Proposals for U.S. Economic Aid."

During the month of August 1961, the team visited Indonesia at the request of President Kennedy for the primary purpose of reviewing the 8-year plan and making specific recommendations regarding future economic assistance to your country. The membership of the team included three professional economists, a professional historian, and two from the staff of the U.S. Agency for International Development. The members were independent of the U.S. Government, though their recommendations were made to President Kennedy, the Secretary of State, the Administrator of the Agency for International Development, and heads of other Government bodies concerned with the assistance program of the United States abroad.

The team's report is now under active review by the Secretary of State, the Administrator of the Agency for International Development, and senior officials of the U.S. Government. Some of the principles and priorities recommended by the team have already been incorporated into the proposed program of the Agency for International Development for Indonesia which has been submitted to the U.S. Congress.

While in this report there are specific dollar recommendations regarding the future AID programs, that fact does not commit the U.S. Government to provide the specified amounts.

On behalf of my Government, I would suggest that your Government review the team's report and evaluate the team's recommendations. Then, in the common interest of advancing the economic development of Indonesia, our Governments can better cooperate in formulating a program which will be in the interest of both countries.

Sincerely yours,

HOWARD P. JONES,
Ambassador.

FOREWORD

April 24, 1961, the day President Sukarno visited President Kennedy in Washington, marked a new departure in the relations between Indonesia and the United States. After a full and frank discussion between the two Presidents of many problems bearing on these relations, President Kennedy inquired about Indonesia's 8-year development plan. President Sukarno and his advisers sketched the highlights of the plan. President Kennedy then offered to send a team of American economists to Indonesia to study the plan and, in cooperation with the Indonesian Government, to make recommendations to the U.S. Government as to how it could best help Indonesian development. This offer, which was mentioned in the communique issued by the two Presidents the following day, was accepted. Early in July the team was chosen, with the undersigned as members, and was given the following general terms of reference:

"1. To analyze the 8-year development plan of Indonesia;

"2. To learn how the Indonesian Government hopes to put this plan into effect, particularly in regard to its local resources and the contemplated volume of economic support from abroad;

"3. To determine the areas of the Indonesian economy in which U.S. aid should be concentrated;

"4. To recommend the ways in which the United States could be of assistance to Indonesia, particularly in regard to the execution of its 8-year plan;

"5. To analyze in broad terms the general economic assistance program of the United States in Indonesia and, within the context of the team's conclusions, to make recommendations about future U.S. aid programs in Indonesia."

We assembled in Washington on July 26 and were briefed for 4 days by officials of the departments and agencies of the U.S. Government concerned with Indonesia. We arrived in Indonesia on August 6 and departed on August 30. During this period of 24 days we met with almost all the Ministers of the Inner Cabinet, with many other Central Government officials, as well as with some members of the University of Indonesia and business communities and some citizens of other countries. (A list of Indonesian officials with whom we had formal official meetings appears in appendix A.) Some members of the team visited central and northern Sumatra. Others visited Bandung, Bogor, Bekasi, Djatiluhur, Jogjakarta, Surabaja, and Gresik in Java. Unfortunately, the time was too limited to permit other visits outside Djakarta.

Our analysis and conclusions are presented in this report. Although our terms of reference refer only to economic problems, we have also devoted attention in the report to political and other questions that do not fall within a narrow definition of "economic." We have done so because the stage of a country's economic progress and the priorities of its economic development cannot be accurately analyzed or appraised without analysis of the polity and the society in which the economy operates. The distinction between "economic" and other matters does not exist in nature. It is an artificial one that man has devised to overcome the limitations of his intellectual grasp.

We have also sought to supplement information about the current state of the Indonesian economy with whatever information we could gather that would help us evaluate its direction and rate of change. A motion picture that shows which way a country is moving is at least as important as a snapshot that shows where it is at one moment. The effort to evaluate change added greatly to our task, for change cannot be detected from only one observation. Observations over a period of time are needed. They are available for some relevant facts in the form of statistics and we have, of course, used statistical data where they are available. But, aside from the fact that some types of statistics available in other countries are not available in Indonesia or are not regarded as reliable, there is the difficulty that many factors for which change is most important to appraise are not measurable, at least by any methods yet devised. The lack of data bearing on these questions—one which we hope the new Agency for International Development will seek to make good—forced us to interrogate Indonesians and others, both inside and outside Indonesia, and to read as intensively as possible in an effort to supplement our observations of how things are now with the observations of others about how the same things were several years ago.

The time we had for both direct observation and supplementary study was far too short to do full justice to Indonesia. We were able to learn a great deal more about the country and its economy, however, than one might suppose would be possible in so short a period. This we attribute to the splendid cooperation given us by all ministries and individuals of the Government and by others. We found the Indonesian officials to be most generous with their time, frank in discussion, willing to be asked hard questions, and generally willing to give candid answers. Indeed we found them eager to hear the team's opinions and, where we had formulated opinions, we in turn expressed them with equal candor. Our efforts were also greatly aided by the assistance generously but tactfully and unobtrusively given us by Ambassador Howard Jones and the Embassy staff and by Director Raymond Allen and the staff of the U.S. operations mission. They helped us greatly in our work.

We were moved not only by their cooperation in connection with substantive matters but by the warmth and cordiality of our Indonesian hosts in providing housing and in other matters of daily living. Supplementary facilities provided by the Embassy and USOM eliminated many difficulties that would otherwise have made our task harder. We are grateful for the many kindnesses shown us in Indonesia. We also appreciate greatly the opportunity to have an instructive, stimulating, and enjoyable experience, and to make some contribution to the economic development of a country in less fortunate economic circumstances than our own and whose future is of great concern to ours.

To summarize our conclusions briefly, we can say that we found Indonesia still in the early stages of economic development but moving in the right direction. We believe that the native ability of her people and her rich natural resources make the outlook for progress in economic development promising, once the preconditions of self-sustaining growth are developed. In the metaphor that has become familiar in discussions of economic development, we conclude that Indonesia is not yet ready for the takeoff into self-sustained growth; the plane has only been brought out of the hangar. But this is the necessary first step. We predict that when the Indonesian economy does take off, it will fly high and fast.

Although all members of the team shared in the writing of this report, Walter Salant had the prime responsibility for coordinating and editing all of the chapters. He devoted full time to the painstaking task for an extended period of time.

We six were members of the team:

Don D. Humphrey, William L. Clayton professor of international economic relations, Fletcher School of Law and Diplomacy, Tufts University, leader of the team.

Walter S. Salant, senior member, economic research staff, the Brookings Institution, deputy leader of the team.

David S. Burgess, Acting Director, Office of Indonesian-Burma Affairs, Bureau for Far East, Agency for International Development.

Allan M. Cartter, professor of economics and dean of the Graduate School of Arts and Sciences, Duke University.

Allan B. Cole, professor of Far Eastern history, Fletcher School of Law and Diplomacy, Tufts University.

Robert S. Smith, Acting Chief, Planning Division, Bureau for Far East, Agency for International Development.

CHAPTER I

Summary

The appointment of a six-member economic survey team to Indonesia grew out of discussions between President Kennedy and President Sukarno in Washington last spring, as indicated in the communique issued jointly on April 25, 1961. The team was instructed: (1) To analyze the new 8-year development plan of Indonesia; (2) to learn how the Indonesian Government hopes to put this plan into effect, particularly in regard to its local resources and the contemplated volume of economic support from abroad; (3) to determine the areas of the Indonesian economy in which U.S. aid should be concentrated; (4) to recommend the ways in which the United States could be of assistance to Indonesia, particularly in regard to the execution of its 8-year plan; (5) to analyze in broad terms the general economic assistance program of the United States in Indonesia and, within the context of the team's conclusions, to make recommendations about future U.S. aid programs in Indonesia.

The team was intensively briefed in Washington by officials of the departments and agencies of the U.S. Government concerned with Indonesia, spent 4 weeks in Indonesia, and has written its report in the months since its return. During the period in Indonesia we met with almost all of the Cabinet Ministers and members of their senior staffs, with many other Central Government officials and with officials in provincial government offices, with members of the university and business communities (both Indonesian and foreign nationals), and with members of other embassies. Members of the team visited central and northern Sumatra, and traveled widely on the island of Java. The courtesies extended to us, the degree of cooperation from the Foreign Office and the various ministries, the willingness of high Government officials to talk frankly of problems, weaknesses, plans and proposals, and the general warmth of our reception appeared to augur well for future United States-Indonesia relations.

POLITICAL, SOCIAL, AND ECONOMIC BACKGROUND (CHAPTER II)

The transition from a colony to a nation involved major costs, particularly in the economic sphere. Nationhood was achieved only 12 years ago, preceded by 7 years first of Japanese military occupation and then of struggle for independence from the Dutch. The expulsion of Dutch nationals in 1957-58, the removal from village localities in 1959-60 of the Chinese who were not Indonesian citizens, and internal rebellion beginning in 1958 have taken their toll. The parallel might be drawn between Indonesia today and the young United States of America in its first decade of independence, particularly in terms of the revival of separatist tendencies when the war for independence had been won, and the conflict between the desires for strong regional and strong central authority. When one also considers that Indonesia began its independent status with a populace much less experienced in political and economic affairs and less well educated, a land mass far in excess of the Original Thirteen American Colonies, and a total population 25 times as great, a dozen years does not seem excessive to find a workable method of government.

The young nation of Indonesia bears the hopeful motto on its official crest: "Unity in Diversity." Diversity is seen in the persistence of strong regionalism, the cultural leavening of successive Buddhist, Hindu, Muslim, and Christian influences, and the great variety of native languages and dialects. Unity is strengthened by the ethnic predominance of the Malayan stock, the rapid acceptance of Indonesian as a national language, and the shared experiences of the struggle for independence.

Preliminary census returns indicate that Indonesia's population is approximately 96 million, making it the fifth largest nation in the world (behind China, India, the U.S.S.R., and the United States of America, and just ahead of Japan and Pakistan). From its administrative center in Java, one of the most densely populated islands in the world, the Government of Indonesia controls the activities of the other large islands of Sumatra, Kalimantan (Borneo), and Sulawesi (Celebes), as well as of the thousands of smaller islands which make up the archipelago.

During the first 9 years of independence, political instability characterized the Indonesian Government. With 45 political parties, government was always by coalition, and 12 cabinets fell between 1949 and 1958. Following the rebellion of provincial military groups, the Constitution of 1945, with its more centralized form of government, was reinstated by decree and elections were suspended. The elected Parliament was dissolved and replaced by a Parliament appointed by the President to include representation from regional and functional groups. Most of the political parties, including two of the major ones, were banned, and steps were taken to create a national front organization.

The return to the 1945 constitution has resulted in a measure of stability; with less turnover in Cabinet posts, Ministers have had an opportunity to gain greater experience in their jobs and to provide for more consistency in policy.

Because of historical experience, many Indonesians tend to associate capitalism with social injustice, exploitation and colonialism. Their own conception of freedom, however, leads them to reject repression and forced collectivization. They have sought to apply traditional village principles of cooperation and mutual assistance to national life in developing their own pragmatic brand of socialism (or "guided economy").

Indonesia's attitude toward the West has been deeply affected by the failure to settle the issue of West Irian (West New Guinea) with the Dutch. As a part of the former Netherlands East Indies, West Irian was claimed by Indonesia, upon the transfer of sovereignty, as an integral part of its territory. In their 1949 roundtable agreements, the Dutch and the Indonesian Governments agreed to settle its future status by further negotiation within a year. The failure to achieve agreement led to the nationalization of Dutch interests in 1957 and finally to the break in diplomatic relations in 1960. Indonesia claims that its sovereignty is incomplete without West Irian.

Socially and economically, Indonesia is still essentially a peasant agricultural economy. Concentration of landownership in the hands of a small minority, however, is not the major curse in Indonesia that it is in much of Asia. Perhaps 70 percent of the population lives in rural areas and exhibits little concern for long-range economic development or international crises. Literacy has been raised from under 10 percent at the time of independence to over 50 percent today. Perhaps the most remarkable achievement has been the fourfold increase in primary school enrollment and the fifteenfold expansion in secondary school attendance since 1950. University education has similarly expanded so that today almost 1 out of 100 persons of college age attends, as contrasted with only 1 out of 2,500 10 years ago. U.S. aid has been instrumental in expanding higher education, both by providing advisers and faculty members in Indonesia and by training Indonesians in American universities; this expansion of higher education has been greatly facilitated by the adoption of English as the second language for students in the secondary schools. The whole field of education and vocational training, and training in administrative and managerial responsibility, had been very much neglected by the Dutch. The substantial effort of Indonesia to remedy this situation since independence is now beginning to pay dividends in the availability of young skilled artisans and professionally educated civil servants.

Indonesia has always been relatively self-sufficient in food production, although it has imported an average of approximately 8 percent of the rice it has consumed in the last 5 years. Large tracts of arable land, a tropical climate and year-round rainfall provide excellent conditions for intensive agricultural cultivation. The climate is temperate and constant, making rural housing needs minimal. In this sense Indonesia is a country which can afford to experiment, for the basic necessities of food, housing and clothing are not as difficult to obtain as in more rigorous climes. The roughly 2½ percent annual rate of increase in population, however, does create pressures, and efforts to encourage outward migration from Java and Madura (where there are almost 1,200 persons per square mile) to the Outer Islands have had limited results.

There is evidence of economic progress in a number of areas, and signs of deterioration in others. Since before World War II, output of estate agriculture has declined, mineral production (other than oil) has diminished, and Indonesia has been living on accumulated capital by failing to maintain the tangible assets of some sectors of the economy. On the other hand, transportation has improved from the low point of 1957-58, internal security has been restored in most regions, output of some manufacturing industries has risen, and new building and construction is in evidence in the larger cities.

In summary, Indonesia is still in a very early stage of economic development, but there is a growing awareness in high government circles of needs and priorities and a growing sense of commitment to policies to promote development. We believe that this fact, combined with the native ability of her people and the presence of rich natural resources, make the outlook for economic progress promising in Indonesia. Certain preconditions of self-sustaining growth are only now in the process of development, so that in the familiar metaphor of growth we feel that Indonesia is not yet ready for the takeoff but has only recently left the hangar. However, location, climate, human, and natural resources are such that when the plane does take off it has the potential to fly high and fast.

THE CURRENT STATE OF THE ECONOMY (CHAPTER III)

The political decision to oust Dutch nationals in 1957 left Indonesia with a poorly staffed agricultural and industrial administration. Indonesians could take over some day-to-day operations, but were poorly prepared to take over others. With limited leadership provided by inexperience and unstable ministries in Djakarta in 1958, with uncertain policies and ineffective administration increasing the difficulties in securing foreign exchange allocations for raw material and spare parts imports, and with the rebellion unsettling the Government and the economies of the islands, production suffered. The experience gained in the last few years and the reestablishment of internal security give some hope for improvement in the period immediately ahead.

Rice production in 1960 was about 30 percent above the 1935-39 average. This increase resulted from a rise in acreage rather than in yields. The recent increases of about 4 percent per year, however, are well below the annual 9-percent increases implied by the target set for the 8-year plan. The development of Government-sponsored "paddy centers" has not been altogether successful so far, partly because of distributional bottlenecks, and partly because of Government price policies and management difficulties. Rice imports have cost the Government about $100 million a year, and the rice subsidy for military and civil servants has added considerably to the expense.

Rubber production, normally accounting for a third to a half of export earnings, has suffered from insufficient replanting, owing first to the dislocations of the war years, then to postwar uncertainties, and more recently to administrative and planning defects. As a result, Indonesia has been eating into her capital investment in rubber. Today close to half of all rubber trees are over 35 years of age, the normal age for cutting down and replanting. Consequently, production is bound to decline sharply in the future, particularly on the small holdings. World rubber prices have declined recently, and it is likely that they will decline further as stereo-regular synthetic rubbers increasingly enter the world market. Replanting with high-yielding stock is therefore urgently needed if Indonesia rubber is to continue to compete in world markets.

Transportation facilities, other than air, have noticeably deteriorated since independence. Paved roads in many areas have not been maintained, despite the added demands on road travel for both persons and produce. The railroads are in a serious state of disrepair. There was almost no capital investment in this field from the early 1930's until 1949, and today over half the locomotives and almost two-thirds of the rolling stock are over 40 years old.

Prior to 1958 two-thirds of the sea tonnage was foreign-owned, and the eviction of the Dutch in that year deprived Indonesia of most of its fleet and merchant marine staff. Although the tonnage was replaced within 2 years, the merchant marine has not regained its former level of efficiency. Inexperienced management and inadequate port facilities have hampered interisland and international sea transportation, to the detriment of the economy as a whole.

Although air transportation has developed moderately well since the departure of KLM equipment and staff, Indonesia's commercial air fleet is inadequate for domestic needs and interisland travel is also restricted by inadequate ground fields and facilities.

In mid-1961, manufacturing production, which depends greatly on imported materials, was at its highest level since 1957, largely because of the temporary easing of import restrictions. Raw material and capital goods imports in the first half of 1961 were almost double the rate for the previous 2 years, and unused capacity in existing plants was noticeably diminished, although it remained substantial. The current balance-of-payments crisis will probably reverse this gain.

Mineral production other than petroleum has been disappointing in recent years. Wartime destruction, neglect of old mines, the shortage of skilled workers, and managers, inadequate maintenance, and shortages of spare parts, and antiquated machinery are the basic causes of reduced output. The production of tin, bauxite, and coal is down about one-third from its level of a decade ago, and quotas granted by the International Tin Agreement have been unfilled. The new 8-year plan calls for expanding mineral production.

In all countries government policy plays a vital role in creating an appropriate atmosphere for economic development. The burden on government is particularly great in a directed economy such as Indonesia's, where much of industry is state-owned, and great reliance is placed on direct controls, such as those over internal prices and foreign trade. Unfortunately, the role that prices can play in a planned economy has not been fully exploited by the Indonesian Government. Many commodities in short supply are underpriced, while taxes are levied on exports.

An experiment is now being made to encourage exports through the payment of disparity prices (i.e., higher than the foreign price converted to rupiah at the official rate of exchange) to private producers who sell their goods to the Government for export. Also, the products of some state enterprises have been priced so as to obtain a surplus for reinvestment in development projects. The extension of this principal to such sectors as railroads, buses, electric power, and the recognition that low prices encourage less urgent demands would promote economic development. Thus, there have been some tentative signs that more rational price policy is being learned by experience.

Protected by a moderately favorable balance of payments in past years when rubber prices were high, and failing to recognize that much of her capital stock was being consumed through insufficient replacement, and maintenance, Indonesian officials have not regarded inflation as a serious barrier to economic development. They have not recognized the degree to which it has diverted production from exports to domestic consumption and has increased the demand for imports.

A "free list" for nonessential imported consumer goods at a high rate of exchange (200 rupiah to $1) was established in mid-1960. This and other relaxations of import restrictions did halt the price spiral by increasing the flow of goods into the country, bringing hoarded goods onto the market, and mopping up considerable excess spending power. Coming at the same time as a sharp fall in rubber prices, however, they did so at the cost of seriously draining foreign exchange reserves. An export drive was begun in mid-1961, and a few months later, as the balance-of-payments situation become increasingly serious, a moratorium was declared on new projects with heavy import requirements, and restrictions on imports had to be tightened again.

Concurrently with the easing of import restrictions in 1960, added pressures were applied to improve tax revenues. A substantial increase in revenues resulted, although some of the improvement—collection of back taxes and tax penalties imposed on traders—was of a one-time nature.

While the team does not think that the Government should pursue fiscal and monetary policies so stringent as to produce price stability at the cost of seriously restricting production, it appears that the Government has been too little concerned with the adverse effect on growth of a rapid rate of inflation. There is now a growing recognition of the problem, however, and the current balance-of-payments crisis is illustrating and highlighting the difficulties.

With a large part of the economy under direct or indirect government control, efficiency in making and in executing decisions is critically necessary. At present there is considerable duplication of function and excessive complexity of organization in the government. This is particularly noticeable in the area of economic planning, where the responsibilities for planning and execution of the 8-year plan are not clearly delineated. A number of proposals for simplifying the decisionmaking process have been submitted, and a choice among them is pending.

The government bureaucracy is seriously underpaid, which accentuates the need for supplementing incomes by one means or another. Some public employees hold two jobs to supplement earnings. In any economy where government plays so vital a role as it does in Indonesia, the temptations for corruption are great. Corruption does not now appear to be serious enough to impede appreciably the course of economic development, although in such an economy there is an ever-present danger that it may become an acute problem in the future. Its main impact at present is to sap the energy and disfigure the image of a government that is undertaking the serious task of development. Efforts are being made by the government to reduce corruption, however. In addition to intensified anticorruption activities on the part of the public prosecutors, a committee on government operations, responsible only to the President, has the power, when it finds real evidence of corruption, to bring pressure for corrective action on administrators at any level. Although the committee has no power to prosecute, it has substantial influence and moral authority.

In summary of current conditions, we feel that while there are many deficiencies in the way the economy and the Government operate, there is evidence of and promise for further economic development. The restoration of internal security, largely completed in the summer of 1961, is a propitious sign. If the West Irian issue is soon settled, the great drain of military expenditures on the budget may be considerably reduced. We sensed a new willingness on the part of the Indonesians to be self-critical and to examine their own shortcomings. There is an increasing tendency to seek pragmatic rather than ideological solutions.

Perhaps one of the most favorable signs is the presence of a growing number of well-trained personnel who show an awareness of the magnitude of Indonesia's economic problems and exhibit a desire for resolute action.

THE INDONESIAN 8-YEAR NATIONAL DEVELOPMENT PLAN (CHAPTER IV)

Indonesia's first attempt at planning, the economy urgency program in 1951, was not very successful, chiefly because of inexperience. The 1956 5-year plan was a marked improvement.

The new 8-year plan is by far the most ambitious, having taken a year of preparation by the National Planning Council in cooperation with various government ministries. In general outline, the plan is divided into two separate parts. "A" projects, of which there are 335 costing 240 billion rupiah (plus 39 provisional additions), are intended to contribute directly to national economic development. "B" projects, classified in eight major categories, are designed to earn sufficient rupiah and foreign exchange to finance the A projects.

The distribution of A projects by category is as follows:

	In billions of rupiah	As percent of total
Cultural	1.6	0.6
Educational	16.3	6.8
Research	2.6	1.1
Public welfare	6.2	2.6
Government	3.6	1.5
Food	25.1	10.5
Clothing	28.9	12.0
Industry	52.0	21.7
Health	2.2	.9
Transport and communications	60.2	25.1
Finance and tourism	11.3	4.7
Special project (military)	30.0	12.5
Total	240.0	100.0

Of the 240 billion rupiah expenditure, 133 billion are planned expenditures of rupiah and 77 billion ($1.7 billion) are in foreign exchange. (The distribution between local and foreign currencies of the remaining 30 billion, representing the "special project" for the military, is unknown.) If it is assumed that three-quarters of the special project is in foreign exchange, total foreign exchange requirements are $2.2 billion.

The strategy of the plan is to concentrate during the first 3 years on achieving self-sufficiency in food, a substantial measure of self-sufficiency in textile production, making preparations for later major capital projects, and refining the plan. In the latter 5 years, emphasis shifts to industrial plants—e.g., steel, aluminum, and petrochemicals. The plan also includes an expansion of educational facilities at the secondary and higher levels, and a number of cultural projects.

The B projects are expected to produce nearly 120 billion rupiah in domestic currency and nearly $2.5 billion in foreign exchange (compared with the $2.2 billion assumed foreign exchange requirements of A projects). Of the $2.5 billion expected foreign exchange revenues, over $1.9 billion is expected to come from export of oil and the portion of new oil company investment that is spent in Indonesia. These B project revenues are gross revenues, however. Since it is not known what expenses will be required to earn them, the net revenue from B projects is unknown. On the least favorable assumptions as to these expenses, the planned gross foreign exchange revenue would yield a net revenue that falls short of planned requirements by over $1.1 billion (an average of about $140 million a year). On the most favorable assumptions as to expenses, however, the net foreign exchange yield would exceed the foreign exchange costs of the A projects.

The inclusion of cultural projects in the plan, the emphasis on consumption in its early years, and the reluctance to increase taxation are sometimes regarded as inconsistent with a serious effort at economic development. We note that the plan is intended to promote "overall," not merely economic development. We think, moreover, that a sense of nationhood and loyalty to and faith in the institutions of a new country, which these features of the plan are intended to promote, may be essential to attaining political and social preconditions even of economic development.

The best use of a nation's resources depends partly on its objectives, about which economics has nothing to say. To carry out these objectives, however, requires using economic resources and making rational choices, which do involve economic questions. Our principal concern about the plan arises from doubt that the true economic costs of the projects have been correctly assessed and that the priorities implied in the time scheduling of projects are rational. An effort has been made to evaluate the capital costs of projects but apparently none has been made to evaluate their future operating and maintenance costs, the alternative uses to which the resources might have been put and the possibilities of accomplishing their purposes with use of fewer resources. The goal of self-sufficiency in rice and clothing, and, more specifically, the proposal for a vertically integrated rayon complex, illustrate some of the economic issues involved in correctly evaluating costs and allocating resources.

Indonesia's capacity to absorb capital for new projects is severely limited, mainly by lack of adequate skilled personnel—managers and supervisors, technicians, and skilled labor. To its credit, the Government recognizes the need to improve technical and managerial skills and is acting to remedy them. Officials agreed or suggested that U.S. aid in financing capital projects should be accompanied by technical personnel that will supervise operations and maintenance and will stay long enough to teach these functions to Indonesians.

The fact that Indonesia's capacity to absorb capital is limited implies that activities which increase it deserve highest priority. It also implies that investment, rather than being kept within the limits of present absorptive capacity, should be pressed to or slightly beyond its limits for only in that way can the experience necessary to expand absorptive capacity be acquired.

Another problem is the timing of proposed expenditures for all projects combined. A well scheduled plan should contemplate a growth in the aggregate of domestic expenditure to correspond with the expected growth in total resources and in capacity to absorb capital. The Indonesian Government has not made a time schedule of expenditures for the A projects in the plan, beyond President Sukarno's decree that, in the first year, expenditures on these projects should be one-eighth of the planned 8-year total. The team has estimated the time schedule implied by the proposed dates of initiation and completion of projects, however. These dates imply a sharp absolute decline of both domestic and foreign expenditures between the first 4 and the last 4 years of the plan, mainly because of the concentration in the first 4 years of expenditure on projects in the food, clothing, and finance categories. This pattern of decline is not consistent with good scheduling. If the first half of the plan is feasible, the second half is not sufficiently ambitious, and if the second half is of the appropriate order, the first half is unattainable.

The time scheduling of B projects, as well as that of A projects, appears to deserve attention, for much of the net foreign exchange revenues from B projects will be required to finance A projects before they can be earned. In any revision of the plan, the timing of B projects should also be reviewed.

Another timing problem is raised by the decree that all A projects should be completed by the end of the 8-year period. Such a policy implies, however, that no work on A projects would be in progress when the plan ends. This is undesirable; there should be no break in development expenditures merely because the present plan gives way to its successor. Such a policy also interferes with rational scheduling of projects within the 8-year period. It requires that all projects requiring more than a year to complete be initiated before the end of the seventh year, that all requiring more than 2 years be initiated before the end of the sixth year, and so on. This alone may limit the possibilities of rational scheduling. Furthermore, it may introduce a positive bias toward scheduling in the reverse of a rational order, because the projects that take long to construct have longer periods during which they yield no return. They are therefore more costly in the first part of their lives than projects that can be completed more quickly, so that it is preferable, other things being equal, to start them later, when the economy can better afford their high early cost.

Fortunately, however, there is time to reconsider questions of scheduling, and it is a good sign that officials realize that the plan needs continual review and perhaps substantial revision.

The plan is optimistic, both about what can be executed in the 8-year period and about the financial resources that can be obtained. The rice production target for 1968 calls for production increases averaging about 9 percent a year. With recent annual increases of only 2 to 4 percent and the paddy center program working unsatisfactorily, this target appears unattainable. Expectations of foreign exchange revenue from B projects, especially of $750 million from the portion of foreign oil company investments that the companies convert into rupiah and of $1,180 million from the Government's share of increases in oil exports, also seem overoptimistic. Some foreign exchange resources that would be made available by the plan, however, apparently have not been taken into account. Any shortfall of revenues from B projects will probably be matched or exceeded by a shortfall in the rate of which A projects can be initiated, so financing would probably keep pace with execution, even if both fall short of what is proposed.

In appraising the demands that the plan will make on Indonesia's economic resources, the planners appear to have taken into account only the capital costs of the projects. They have apparently left out of account the imports and domestic resources required to operate the projects, both those that the projects require for their own use and those that are required by other domestic enterprises that supply the projects, directly and indirectly. They have also left out of account the demands on foreign and domestic resources that will arise from the increases in demand for consumer and investment goods that will be generated by the capital expenditures made under the plan. An expanding economy requires growing inventories, especially inventories of goods in process. These additions to inventories use economic resources and have to be financed out of current saving, just as do other forms of investment. The resources required for this purpose may constitute a substantial fraction of domestic saving. Failure to take this use of resources into account, which is a common one in planning, leads to underestimation of inflationary pressure and pressure on the balance of payments.

These defects in the planning process could be remedied by an increase of economic sophistication in the planning process.

Indonesian officials, with a few exceptions, feel that efforts to prevent inflation would conflict with development and that development is an objective of higher priority. They also feel that the problem of inflation will be less severe than in the past because the development plan will increase output and thereby help keep prices down, and because, now that the rebellion has ended, military expenditures can be stabilized.

The team thinks that this view underestimates the adverse effect of inflation on development. Although its adverse domestic effects are not as serious as in more monetized economies, inflation has diverted resources from production for exports to production for domestic consumption, has diverted goods from producing to hoarding, has expanded the demand for imports, and will create difficulties in meeting the rupiah costs of projects. The effort to deal with it by direct controls, moreover, absorbs much of the energies of skilled administrators and policy makers, diverts foreign exchange to the black market, thereby depriving the Government of control of a scarce resource, and increases the incentives for and rewards of graft and corruption.

The team also believes that Indonesian officials are overestimating the price-restraining effects of output increases. Because such increases are accompanied by equal increases of money income, which cause increases of demand, they do not cut excess demand by the amount of the increases in output but by only a fraction of that amount.

Indonesia has been living on its capital by failing to maintain inventories, to keep capital equipment in repair, and to replace overage rubber trees. The highest priority should be given to bringing utilization of existing plant and equipment to its full potential capacity. The team believes that Indonesia would progress faster by postponing new capital projects that do not serve this end directly or indirectly.

Maintenance of capital and efficient operation in general is not merely a matter of improving technical and managerial skills in individual plants, a need which is well recognized. It also requires improved general planning and especially management of foreign exchange to assure sufficient allocations for spare parts and materials. It must be recognized that any economy, irrespective of its social organization, is limited by certain constraints. Capital must be maintained, inventory expansion absorbs resources; increases of current output give rise to other indirect demands for imports and current production; and inflation increases the demand for imports and diverts resources from exports to domestic uses, and from production to hoarding.

We consider the 8-year plan a big step forward. It is more than a mere list of desired projects. An effort was made to match expenditures and the means of financing them. The need for review and reappraisal is recognized. Its most important aspect, one that outweighs its deficiencies is that is was formulated, and has behind it the full authority of the Government. President Sukarno's assumption of personal responsibility for the plan is a new element in the situation. The attention of officials has been focused on development. They have been doing serious thinking about their problems and that is an important first step toward solving them. According to observers of the Indonesian scene, there has not been before such concern for economic progress.

OBJECTIVES AND CRITERIA OF UNITED STATES AID (CHAPTER V)

The above description and analysis lead us to certain conclusions about the objectives and character of aid to Indonesia that need to be stated before we present our recommendations for aid. The team believes that the primary objectives of U.S. policy toward Indonesia should be (1) to help Indonesia gain the strength to maintain its independence; (2) to help it become a politically viable nation; and (3) to assist Indonesia in developing an expanding and self-supporting economy.

These objectives, and the belief that aid can help attain them, rest on a number of premises. The first is that Indonesia's ability and willingness to maintain her national independence is of great present and future importance to the United States. With a large population, occupying a vast archipelago, with its western islands in sight of the Southeast Asia mainland, its northernmost point only a few hundred miles from the Philippines, and its southeastern islands close to Australia, the future of Indonesia will certainly have a major influence on all of southeast Asia and the South Pacific. Her economic potential—over an extended time horizon—can be translated into greater actual strength then that of other countries with poor resources.

The second premise of our recommendations is that Indonesia has not only the willingness but a strong desire to maintain her national independence.

In the third place, we believe that the potentiality for strengthening Indonesia's ability to maintain her independence through foreign assistance is substantial. This ability will depend on her internal strength and on the loyalty of the people to their government and institutions. The Government is trying hard to build up a national identity, both through economic development and through other less tangible means; it is significant that the 8-year plan is called the national overall development plan, and not simply a plan for economic development. Aid of the appropriate kind can help develop this internal strength.

This leads in turn to our fourth premise; that aid should be designed to give effective long-term support to Indonesia's development. It takes time to develop internal strength.

In terms of the self-help criteria of foreign aid, the identification of high priority development objectives, the recognition of the need to mobilize resources, and the formulation of the new 8-year plan are evidence of progress. The extension of primary, secondary and technical education and the concern with improving transportation are also evidences of the attempt to mobilize the resources of the whole population. In fact, the great effort in the field of education over the last 10 years is strongly favorable evidence of the desire to improve the level of skills of the people and of effective performance. We interpret the criterion of reducing dependence on external resources as strengthening the ability to service foreign loans and equity investment, since development generally calls for increasing, not reducing, the use of foreign resources. Over the years Indonesia has not managed its foreign resources well. However, it realizes the need to manage them better. It also has a program to increase its exports, and its development plan emphasizes reduced dependence on imports of foods and textiles.

Efforts to tap the energies of the people are being made by a number of means. The energies of private enterprise have not been sufficiently tapped, but private enterprise continues to exist alongside state enterprises in manufacturing and the distributive trades. Legislation to establish a new Development Bank for Private Enterprise is pending, and certain limited portions of the 8-year plan are designated for private enterprise.

Our analysis suggests some of the characteristics of desirable U.S. aid. First, since longrun influence of aid is likely to be greater the more fundamentally it is related to the promotion of Indonesian national objectives, we should be willing to support these objectives. Our aid programs, therefore, should place major emphasis on helping Indonesia build a strong and independent nation.

Second, the United States should accept the Indonesian view that her overall national development requires some increase in consumption in the first 3 years of the plan.

Third, since the most severe limitation on Indonesia's capacity to absorb capital is deficiency in skills and experience, our aid for any given project should include all necessary training of personnel and should otherwise be comprehensive enough to assure that the project can be successfully operated by Indonesian personnel after it is completed. We should encourage investment to or slightly beyond the limits of existing absorptive capacity, recognizing that mistakes may be made but that they are an inevitable accompaniment of the increased experience necessary to expand Indonesia's economic capabilities.

Finally, we should not support projects that are so technically advanced that they cannot be run with even reasonable efficiency and do not contribute to Indonesia's total national development.

Our recommendations are designed to carry out these principles.

RECOMMENDED NEW AID PROGRAMS
(CHAPTER VI)

The new aid programs we recommend involve total foreign exchange costs which we estimate at between $325 and $390 million. In most cases, these costs cover a 5-year period. Of the total, we recommend that programs involving $125 to $155 million be financed multinationally. The remainder, ranging from nearly $200 million to nearly $235 million, would be financed by the United States through the grants and loans that are described below. (The costs of the 12 recommended new programs are summarized in table I-1.)

TABLE I-1.—*Proposals of economic survey team for new U.S. dollar expenditures in Indonesia*

Recommendation number	Proposed program	Duration of program (years)	Amount (million dollars)
	GRANTS		
1	Education		30.0-40.0
	Fellowships for graduate study	5	10.0
	American faculty for Indonesian universities	5	9.0-12.0
	Technical and vocational training, including Army program	5	5.0- 7.0
	Research institutes of Council of Sciences	5	4.0- 8.0
	Smaller educational projects	5	2.0- 3.0
2	Transportation		6.6
	Roads	5	.9
	Railroads	5	2.0
	Sea	5	2.7
	Air	5	1.0
6, 9, 10	Resource surveys, including tin and coal	3	2.1- 3.1
7	Food production and distribution	3	3.0
11	Statistical services		(1)
12	Regional research center	8	[2] 10.0
	Total, grants		51.7-62.7

Recommendation number	Proposed program	Duration of program (years)	Amount (million dollars)
	LOANS		
2	Transportation		40.2
	Roads	5	6.2
	Railroads	5	19.0
	Sea	5	5.0
	Air	5	10.0
3	Spare parts and machine shops	3	[3] 25.0-30.0
4	Inventory replenishment	1½-2	[4] 20.0
5	Acceleration of rubber replanting	8	(5)
6	Tin	3	12.5
8	Capital for light industry	3	30.0-50.0
9	Energy		18.0
	Electric power	4	15.0
	Coal	2	3.0
	Total loans		145.7-170.7
	Total grants		51.7-62.7
	Total grants and loans		197.4-233.4

(1) Proposed for U.N. financing at total cost of $1,000,000.

[2] U.S. share of proposed multinational financing. See ch. VI.

[3] U.S. share of proposed multinational financing. See ch. VI.

[4] U.S. share of proposed multinational financing, excluding sales of surplus commodities.

(5) Proposed for financing by International Bank for Reconstruction and Development. Cost roughly estimated at $45,000,000.

These programs are recommended as additions to the existing grant programs of about $17 million for the fiscal year 1962 that we recommend be continued. (See chapter VII for our recommendations regarding existing grant programs.) The average annual cost of the programs financed by the United States would be $56 to $63 million in the first 5 years, excluding aid under Public Law 480 and assuming that AID grants would be continued at the rate we have recommended for the fiscal year 1962. This is approximately 3 times the $20 million annual average of economic aid in the past 5 years, again excluding aid under Public Law 480.

1. Education and training: $30 to $40 million (grants).

No expenditure in an underdeveloped economy pays larger dividends than investment in human capital. Aid to education and training is also one of the activities which the United States can provide most successfully, particularly aid to higher education. We recommend an expansion of fellowship aid for graduate study in the United States, estimated at $10 million over 5 years. Continued aid in providing American professors to support new or strengthened university faculties is recommended, costing $9 to $12 million. The great need for technical and vocational training is recognized by the Indonesian Government, and its development plan calls for a large expansion in facilities. Aid of $5 to $7 million, chiefly for technical equipment and teacher training, is recommended to support both the Ministry of Education and the army's program of training soldiers for return to civilian life; $4 to $8 million is recommended to aid the Council of Sciences in creating seven new scientific institutes. An additional $2 to $3 million is envisaged for smaller primary and secondary school projects, particularly the further development of English language training, including aid for publication of English language textbooks.

2. Transportation: $46.8 million ($6.6 million grants, $40.2 million loans).

One of the basic prerequisites for economic development is improvement of transportation; this is particularly necessary in a country like Indonesia, with its thousands of islands. American survey teams have recently completed studies of both land and sea transportation (including port facilities). Our recommendations take account of their proposals, with due allowance for the fact that some types of equipment and aid are best provided by other countries. Our recommended aid is divided approximately as follows: Roads, $7 million; railroads, $21 million; sea, $8 million; and air, $11 million.

3. Spare parts and machine shops: $50 to $60 million (loans), one-half to be the U.S. contribution.

In Indonesia, as in most developing economies, excess industrial capacity coexists with great shortages of industrial products. Two of the critical reasons are the shortage of skilled maintenance and repair personnel and the inadequate supplies of spare parts. These problems cannot be solved overnight, and we are aware of the difficulties to be surmounted in successfully attacking them. However, improvements will yield the greatest immediate return of any investment in Indonesia, and thus make a major effort worth the cost and energy expended. We propose the establishment of spare parts depots under trained American technical supervision, beginning with a few selected industries. Attached to these central depots would be machine shops (some mobile units) for making unavailable parts, and performing the vital function of training skilled machinists and mechanics. We believe the successful operation of a few major depots would have an important beneficial effect on attitudes toward maintenance and on the development of improved maintenance services throughout industry, and would focus attention on the critical need to provide for adequate procurement of spare parts.

4. Replenishment of inventories: $75 to $100 million (loan), U.S. contribution to be $20 million, excluding sales of surplus commodities.

Another critical factor limiting output from existing industrial plants is the chronic shortage of raw materials. Insufficient financial reserves on the part of both public and some private enterprises, the inability of any large group of private importers and middlemen willing and able to maintain adequate inventories to function effectively, and the erratic management of foreign exchange all contribute to this problem. The shortcomings of sea, port, and land transportation facilities further aggravate the problem of getting orders to factories with much regularity. We recommend multinational financing by many of the suppliers of Indonesia's raw materials to finance the building and maintenance of adequate inventories of vital material imports. Training in the management of inventories and appropriate controls in order to maintain them will be essential to minimize the harmful effect on production of variations in the balance of payments and foreign currency reserves and to attain the basic objectives of this program. The market improvement in production during the brief period in 1960–61 when import restrictions were eased is evidence of the high yield of such an inventory program.

5. Acceleration of rubber replanting: $45 million (loan), recommended for financing through IBRD.

Indonesia depends on rubber for approximately one-third to one-half of export earnings, and the decline in her comeptitive position in the world rubber market makes the maintenance of rubber production critical. Successive problems have left Indonesia with a dangerously high proportion of overage trees and declining output. Replanting and new planting have been insufficient to maintain the number of trees, much less to make up for two decades of underplanting. A vigorous program of cutting down overage trees and replanting with new high-yielding stock is required. Replanting, however, involves an immediate loss as the old, low-yielding trees are replaced with new ones, which produce nothing for 5 to 7 years. We recommend, therefore, that Indonesia be helped in securing a long-term loan to compensate for the temporary loss of approximately $39 million of rubber earnings during the period of accelerated replanting, and to purchase necessary equipment and materials, supplemented by some technical assistance. We estimate that export earnings will decrease by approximately $39 million due to this program over an 8-year period. We feel that this is a productive loan, and should be "bankable." We suggest that it be financed by the International Bank for Reconstruction and Development.

6. Increase of tin production: Up to $100,000 grant and up to $12.5 million loan.

We recommend aid for surveys of certain existing tin mines with a view toward rehabilitation, and of another site that offers mining possibilities, financing such surveys by development grants. Indonesia has been unable to fill her international tin quota in recent years, and has thus failed to realize a significant amount of potential export earnings. If the survey warrants it, a loan is recommended for the reopening and improvement of existing tin mines and the opening of others in Bangka and Belitung.

7. Improvement of food production and distribution: $3 million (grant).

Indonesia now spends approximately $100 million a year on rice imports, and her population is growing at a rate of about 2.5 percent annually. Thus, increasing rice production is of paramount importance. We recommend the continuation of U.S. aid to agriculture, concentrating on technical assistance to improve high-yield seed production and distribution, fertilizer distribution, and control of pests and plant diseases. This, we believe, is an adequate program for U.S. participation, supplementing our continuing agricultural education program. Support of additional facilities for fertilizer production would be useful but should be postponed.

8. Capital for light industry: $30 to $50 million (loan).

Shortages of fixed capital have restricted the growth of light industry, party because such projects are not as dramatic as heavy-industry projects and therefore do not always get sufficient Government attention, and partly because about 85 percent of this sector is privately owned and operated. We recommend that a loan of $30 to $50 million be made to provide foreign capital for light industries. Part of this sum should be lent to the state development bank; the use of the remainder should await the establishment of the proposed private development bank. The United States and Indonesian Governments should work out procedures to insure the best use of funds to speed the development of private and public enterprises in light industry. Direct foreign aid (public or private) to private industry is not favored by the Indonesian Government; however, foreign funds lent through one of the Indonesian development banks, we have been assured, would be welcome. Since the aid is institution building, this would seem to be an appropriate means of U.S. assistance.

9. Energy: $18 million (loan).

Indonesia is expending her electric power facilities, a prerequisite for further industrial growth. The team believes the United States can be of most assistance in improving the long-term efficiency of distribution of power. We recommend $15 million to aid in developing interconnecting regional grids on Java in order to make better use of the existing and proposed additional power capacity.

In order to help the Indonesian Government develop the Bukit Asam coal mine, the team recommends a grant to finance a survey of this mine. If the survey confirms that the output of this mine can be effectively expanded, the team recommends a loan of up to $3 million to finance technical services and equipment.

10. Other resource surveys: $2 to $3 million (grant).

In addition to tin and coal, above, other mineral and forest resource surveys are essential to adequate planning for development. We recommend that favorable consideration be given to requests where U.S. participation is appropriate.

11. Statistical services: $1 million (grant) recommended for financing by the United Nations.

Economic planning is severely restricted by the absence of adequate data on population, manpower, production, trade, national income, etc. One million dollars has been requested from the United Nations Special Fund for training personnel and improving data collection in economic and social statistics. If the United Nations does not act favorably on Indonesia's request, the United States should initiate other multinational support for it.

12. Regional center for technological research: $10 million (grant) as United States share of multinational financing.

Students of economic development have become increasingly aware of the need for research to develop technical methods that are more appropriate to developing nations, where labor is plentiful and capital scarce. The techniques of the Western nations are appropriate to their own environment, where the relative proportions of labor and capital are very different, and Western technicians find it difficult to think in terms of any other environment.

We recommend the establishment of a research center, preferably in Bandung (already a scientific center, and unusually blessed with temperate climate and a certain symbolic significance in Asia), with an international staff of technicians. In such a center, technicians from developing countries could learn from each other as well as from technicians accustomed to the ways of the more technologically advanced countries. Such a center in Indonesia could service a wide region, or might be one of a number of related centers in various countries in Asia. We feel such a project could be one of the most successful demonstrations of American friendship and interest. It should not be considered aid to Indonesia specifically, however, since it is designed to benefit other countries as well.

Deferred proposals for assistance

The team has considered many other proposed projects but refrains from recommending them on the ground that they seem either premature or of questionable desirability.

Expansion of fertilizer production is highly desirable, but three large projects (one U.S. supported) are underway and further expansion should await the successful operation of these facilities and solution of distributional problems.

Aid to provide additional ships for the maritime fleet is not now recommended because existing ships are not now being fully utilized, and trained masters and crews are lacking.

Indonesia's transmigration program for moving people from Java to other islands has not worked with much success. Although such movement is highly desirable, we believe that improvements in transportation and in economic conditions in the other islands will, over the course of time stimulate spontaneous movement. In any event, the program is largely dependent upon internal financing and organization, and should not receive a high priority in our foreign aid.

An American firm is now making preliminary surveys and plans for an integrated rayon complex. We have misgivings about this project, first because experts regard the present proposal as not suited to Indonesia's resources, and the cost of alternative proposals is not known; second, because the manufacture of rayon from timber to yarn is too complex a process to be a good next step in the present state of Indonesia's industrial skills; and third, because an integrated project involves high capital costs and would be a poor use of scarce capital, compared to alternative uses. A revised proposal, however, will deserve careful consideration and study.

Indonesia desires aid in construction of petrochemical plants, but we feel that plans are too vague at this time to permit us to judge its need and practicality.

We see no strong reasons for suggesting U.S. participation in areas where other nations are better suited or where satisfactory arrangements are already in prospect. We believe that our goal should be to encourage economic development, even if it is financed from a variety of sources, in the belief that a prosperous and developing nation will have the best chance of maintaining independence.

THE PRESENT U.S. TECHNICAL AID PROGRAM (CHAPTER VII)

The team was requested to review the present program of the U.S. Operations Missions (USOM), which administers the AID portion of our aid.

CONCLUDING REMARKS (CHAPTER VIII)

We recommend a program of aid to Indonesia designed to help develop the preconditions for self-sustained growth in the light of the longtime perspective that we regard as appropriate to Indonesia's development problem. Although we have not recommended any large capital projects at this time, continuing review may bring to light industrial projects which the United States should consider for support. As Indonesia makes further headway the United States should be prepared to expand its initial commitments. There are hopeful signs of rising competence in Government agencies, and U.S. support at this time may be a means of strengthening this trend.

We recognize however that, at best, management of the economy can improve only slowly. At the beginning of Indonesia's 8-year development plan, is the time for the United States to decide to use all possible means of strengthening Indonesia's economy. The team is strongly of the opinion that an expanded program in Indonesia is well worth undertaking in the interest of America's longrun goal of a free world.

[From the Washington Post, Aug. 2, 1962]

NEW GUINEA COMPROMISE

The preliminary agreement between Indonesia and the Netherlands on the future of West New Guinea gives promise of removing one of the most serious threats of peace in southeast Asia. Both countries are to be commended for accepting a reasonable compromise after hostilities on a limited scale had been underway for some months. Although the settlement is yet to be specifically approved by President Sukarno in Indonesia and by the Dutch Parliament, it is so obviously advantageous to both countries and to the world at large that the outlook for final liquidation of the dispute appears to be good.

Indonesia was especially interested in acquiring administrative control over the territory at an early date. The agreement fixes May 1 for the beginning of this transition. Since administrative responsibility over West New Guinea is first to be transferred from the Netherlands to the United Nations and then from the United Nations to Indonesia, this is probably the earliest date at which an orderly transfer could be effected. Indonesia will then have a maximum of 6 years of control before the promised plebiscite is held to determine the wishes of the Papuan inhabitants as to their future.

It has long been evident that the Dutch were chiefly interested in an orderly withdrawal from West New Guinea without loss of face and with assurance that the people would be permitted to vote on their future status. The current agreement seems to satisfy these requirements. We hope that the final document will spell out the role of the U.N. in Indonesia. It is said that some U.N. officials will remain in the territory during the 6-year period before the plebiscite and that the U.N. will be in charge of or supervise the voting. Apparently the U.N. will have a direct responsibility to see that the Papuans have a real choice between joining Indonesia, attaining independence, and returning to Dutch control.

Much credit for the outcome goes to Acting Secretary General U Thant of the United Nations and to his able representative, Ellsworth Bunker, U.S. diplomat who brought the two sides together and who proposed the formula on which the final compromise was based. Mr. Bunker employed just the right combination of initiative and patience to soften the hostility on both sides and to make both realize that a peaceful settlement is greatly to their advantage. His good work in this instance is an example of the enormous value of friendly mediation at a time when the peace of an area, or of the world, is gravely threatened.

[From the New York Times, Aug. 1, 1962]

INDONESIA AGREES TO U.S. PLAN TO END NEW GUINEA FIGHT

WASHINGTON, July 31.—Indonesian and Dutch negotiators have reached agreement on a formula that will give Indonesia administrative control over Netherlands New Guinea next May 1.

Accord on all essential points for the transfer of the territory's administration from the Netherlands to the United Nations and then to Indonesia was reported by diplomats today. The agreement must be ratified by both Governments.

Indonesia has promised to conduct no later than 1969 a plebiscite under United Nations supervision to let the 700,000 Papuan inhabitants of the colony choose between annexation to Indonesia and independence.

TALKS WILL CONTINUE

Talks to settle technical and financial details of the agreement will continue here in the coming weeks, but the chief negotiators will fly home tomorrow to report the results. The accord requires the approval of President Sukarno and his government and of the Dutch Cabinet and Parliament, which will have to be called into special session.

Diplomatic sources estimated that it would take a month before the agreement could be signed at the United Nations. The pact would then have to be accepted by the General Assembly, which meets September 18.

In essence, the agreement marks the acceptance of a formula devised by Ellsworth Bunker, a retired U.S. diplomat. Mr. Bunker acted as a mediator on behalf of U Thant, the Acting Secretary General of the United Nations.

In Mr. Bunker's formula, however, United Nations control over the territory would have lasted a full year. By the end of the second year the territory would have been under Indonesian administration. President Sukarno, though he had accepted the Bunker plan "in principle," recently demanded full control of the territory by next January 1.

Mr. Bunker's plan did not specify the number of years that Indonesia would be allowed to control the region before the plebiscite. Dutch agreement to final date was held up pending detailed assurances that the vote would be a "valid exercise" of choice.

What provisions were made for a free vote is not yet known. Apparently some of the United Nations officials who will manage the territory for about 7 months from this fall until May 1, 1963, will remain in New Guinea until the election. United Nations personnel will assist and participate in the plebiscite.

The final formula meets the main objectives of both sides. The Indonesians wanted control over the region for a number of years to build up a following and make their case for Indonesian sovereignty in New Guinea. The Dutch wanted to avoid yielding the territory directly to Indonesia and to make good their promise of self-determination for the largely primitive Papuan population.

Other "essential" points are thought to have involved a more precise definition of the United Nations role in Netherlands New Guinea. The accord also was thought to have included rules for the behavior of Indonesian soldiers who have been parachuted into Netherlands New Guinea in recent months.

DISPUTANTS TO SHARE COSTS

Indonesia and the Netherlands agreed to share the costs of the transfer of administration and of the plebiscite. Through negotiations at a later stage, they are expected to resume normal diplomatic relations.

Indonesia's claim to Netherlands New Guinea derives from its claim to all the territories that formed a part of the Dutch East Indies until 1949. In recognizing Indonesia's independence the Dutch had agreed to discuss the status of New Guinea with Djakarta at a later stage.

The current negotiations began at a secret site near Washington last March, after President Sukarno had threatened to seize Netherlands New Guinea by force. Some fighting went on in Netherlands New Guinea while the negotiations were being carried out.

Both sides accepted the Bunker proposals as the basis of a settlement last month. The frequently interrupted talks entered their most hopeful stage July 19. Foreign Minister Subandrio, of Indonesia, traveled to Washington to bargain with Dr. Jan H. van Roijen, the Dutch Ambassador to the United States.

Last Saturday, the talks were on the point of collapse over the nature and length of the United Nations stewardship. President Kennedy, Mr. Bunker, and Mr. Thant applied their influence to keep the talks going.

UNITED STATES EAGER TO AVOID WAR

Eagerness to avoid a war over the issue has been the United States main concern. An outbreak of fighting would have forced Washington to provide at least some transit rights to the Dutch Army.

The ferrying of Dutch troops to New Guinea for large-scale fighting would have confronted the United States with a request for refueling rights at air bases in Alaska and Hawaii and for the right to sail naval vessels through the Panama Canal.

Recent Dutch reinforcements were sent by a much longer route through Curacao and Tahiti. The granting of transit rights to an ally, even for defensive purposes, officials felt, would have made the United States a party to a dispute it was trying to mediate.

Officials here also feared that any warfare would have strengthened the influence in Jakarta of Indonesia's Communist Party and of the Soviet Union. The Soviet Union has supplied Jakarta with more than $1 billion worth of military equipment in the last few years.

[From the New York Times, Aug. 1, 1962]

U THANT OPTIMISTIC

UNITED NATIONS, N.Y., July 31.—A spokesman said tonight that Mr. Thant was "optimistic" about the final outcome of the official negotiations on the status of Netherlands New Guinea. The spokesman said that the negotiations would be held under the auspices of the Acting Secretary General about the middle of August.

According to the spokesman, Mr. Thant was "gratified" over "the preliminary agreement" regarding "the transfer of authority."

The statement was issued after Foreign Minister Subandrio reported the outcome of the negotiations in Washington to the Acting Secretary General. Mr. Subandrio said later that "a preliminary understanding" had been reached. If things went well, he said, he hoped that formal negotiations would be held in New York in mid-August.

August 17 is Indonesian independence day. A reliable source predicted that President Sukarno would attempt to have the agreement signed August 17.

[From the Washington Post, Aug. 1, 1962]

NETHERLANDS, INDONESIA AGREE TO END WEST NEW GUINEA FIGHT

(By Warren Unna)

The Netherlands and Indonesia have reached a preliminary agreement on a peaceful settlement of their long festering dispute over West New Guinea, Acting U.N. Secretary General U Thant announced last night at the United Nations.

The agreement, and the end of the threat of a serious war between the two nations, granted Indonesia her desire to take over administration of West New Guinea from the Dutch and the Netherlands her desire to give West New Guinea's 700,000 Papuans a chance to decide someday on their own whom they want to belong to.

The agreement also marked a personal triumph for Ellsworth Bunker, former U.S. Ambassador to India. Bunker served as special moderator for U Thant in the dispute.

PERSUADED RIVALS TO TALK

Bunker first persuaded Indonesia and the Netherlands to sit down and talk things out last March; watched them quickly disperse and step up military skirmishes against each other; and then got them back into the serious negotiations which began July 12 and finally reached an amicable climax yesterday.

The agreement, the outgrowth of a formula originally proposed by Bunker, provides that—

U.N. administrators, perhaps 80 to 100, will begin replacing the Dutch as soon as the agreement is formally signed.

Indonesian administrators will begin replacing those from the United Nations next May 1.

In 1969, the Indonesians, under tight U.N. supervision, will give West New Guinea's Papuan population a plebiscite in which they will be allowed to decide whether they want to stay with the Netherlands, join Indonesia, or become independent.

The agreement also paves the way for a resumption of the long-broken diplomatic relations between Indonesia and the Netherlands and for the working out of future currency problems, credits, and outside financial assistance to a territory which now sops up some $30 million a year in Dutch administrative funds.

INDONESIA FIRST TO AGREE

Under the original Bunker formula, there was to be a 12-month transition from Dutch to U.N. administration; a 12-month transition from U.N. to Indonesian administration; and a plebiscite within a reasonable time—perhaps 5 to 10 years.

The Indonesians agreed to the Bunker formula when it was first put forth last March. The Dutch, thwarted by domestic political opposition, didn't come around until last month. Then Indonesia raised the ante and demanded that the Indonesian flag be hoisted over West New Guiena "by the time the cock crows next January 1."

The Dutch then compromised on the length of the transition periods while the Indonesians comprised on their original demand that the U.N. role—both as transition administrators and plebiscite supervisors—be only a symbolic one.

Indonesian Foreign Minister Subandrio, who took part in the final sessions at their hideaway site on a Middleburg, Va., estate, flew up to the United Nations headquarters yesterday afternoon for a talk with U Thant and then departed for Djakarta to report back to Indonesian President Sukarno.

Netherlands Ambassador to the United States J. H. van Roijen conferred with Secretary of State Dean Rusk yesterday afternoon and is preparing to fly back to the Netherlands today to brief his government.

SIGNING IN 2 WEEKS

Van Roijen and Indonesian Ambassador to the Soviet Union, Adam Malik, his country's chief negotiator in the discussions, are expected to get together again to work out financial and technical details before Subandrio returns to the United Nations for the formal signing, perhaps in another 2 weeks.

For Indonesia, the ousting of the Dutch from West New Guinea brings a victory to President Sukarno, who had used the issue as a rallying cry as his country struggled with its many political and economic difficulties.

For the Netherlands, the settlement brings a chance to resume profitable economic relations, with their old East Indies colony, and perhaps compensation for the estimated $1 billion in Dutch assets which Sukarno's government has seized.

For the United States and the United Nations, the settlement avoids a military skirmish which might eventually have drawn in both the United States and the Soviet Union.

[From the New York Times, Aug. 1, 1962]

AT THE CALL OF PRESIDENTS—ELLSWORTH BUNKER

Ellsworth Bunker was a businessman in the sugar industry before he found himself plunged by President Harry S. Truman in 1951 into the job of U.S. Ambassador to Argentina.

"When the President asks you to do something, you say 'yes,'" he observed at the time. He added that he had long been interested in Latin America—and that he "might be able to do something useful" for his country there.

Yesterday there were reports that Mr. Bunker had been able to do something useful for the United Nations as well as the United States. A formula he devised led to agreement between the Netherlands and Indonesia on the future of Netherlands New Guinea, which Indonesia claims and which Djakarta has threatened to wrest from the Dutch by force.

Ambassador Bunker has been hoping for more than 10 years to retire to his 60-acre dairy farm in Putney, Vt. He had had a year there to "get my batteries restored" when President Kennedy and U Thant, Acting Secretary General of the United Nations, called on him last March to use his good offices in the New Guinea dispute.

None of his diplomatic assignments has been easy. When he arrived in Argentina, Gen. D. Peron was still in power as dictator. "Peronistas were always trying to provoke Americans into saying or doing something they could denounce as Yankee imperialism," Mr. Bunker later recalled.

MASTERFUL INACTION

He developed a policy that he termed "masterful inaction"—it was officially correct, but it did nothing to indicate U.S. approval of General Peron. One talk Mr. Bunker gave at the University of Cordoba was entitled: "Democracy in the United States: A Way of Life That has Endured." He made no direct comparison; that was left to the audience.

He mastered the Spanish language, traveled outside Buenos Aires, and never turned down an invitation to a function where he might meet Argentines. He even suffered through concerts by child musical prodigies.

He took the same approach when he was Ambassador to Italy in 1952 and 1953. Although he was a lifelong Democrat, Mr. Bunker was assigned by President Dwight D. Eisenhower's Republican administration to be Ambassador to India from 1957 to 1961.

"One of the things I liked about India," he mused some time ago, "was that you could call on the Minister of External Affairs in a short-sleeved bush shirt and nobody cared."

When he arrived in India, the Indians had been irked by U.S. military aid to Pakistan and what they felt was light economic help to India. When he left, American aid had risen to a total of $3,800 million, and the Indian Express said his work had prepared the ground for a closer relationship with the United States.

Six feet two inches tall, Mr. Bunker has thin features, an aquiline nose and keen blue eyes that were weakened by an attack of typhoid fever during schooldays. He has worn glasses ever since. He is 68 years old and was born in Yonkers May 11, 1894.

A Foreign Service officer who worked under him in Argentina said: "He is the sort of person for whom you never have to draw a blueprint or explain anything more than once. He has a remarkable memory for facts."

A secretary once observed: "He's very sweet about the first bad mistake. And even the second. But the third one—brother, you've had it."

GRADUATE OF YALE

Mr. Bunker was graduated from Yale in 1916, where he majored in history and economics. He then joined the National Sugar Refining Co., an enterprise his father had helped to found. He started on the docks, unloading sugar, became assistant superintendent on the night shift and then was elevated to president in 1940 and board chairman in 1948.

He was president of the American National Red Cross from 1954 to 1956, between his diplomatic assignments. Last month he was elected director of the new Lambert International Corp.

He was a U.S. delegate to the United Nations General Assembly in 1956. This year he was named to the U.S. National Commission for the United Nations Educational, Scientific, and Cultural Organization.

Mr. Bunker is married to the former Harriet Allen Butler, whom he has known since their childhood days in the private Halsted School in Yonkers. They have three children and six grandchildren. Mr. Bunker enjoys reading, especially novels by Joseph Conrad, and the theater.

[From the New York Times, Aug. 1, 1962]

ACCORD REACHED ON MALAY UNION

(By Lawrence Fellows)

LONDON, July 31.—Britain announced tonight that agreement had been reached on the establishment of a Federation of Malaysia. It will embrace Malaya and all that remains of the British Empire in Southeast Asia.

Besides Malaya, the federation will consist of Singapore, Sarawak, Brunei, and North Borneo. The federation will extend in a 1,600-mile arc around the South China Sea from the border of Thailand to the Philippine Archipelago.

The documents of agreement were signed in a brief ceremony tonight by Prime Minister Macmillan of Britain and Tunku Abdul Rahman, the Prime Minister of Malaya.

Britain negotiated the agreement on behalf of all the parties but Malaya, which is an independent member of the Commonwealth.

SINGAPORE SELF-GOVERNING

Singapore, at the southern tip of the Malay Peninsula, is a semicolonial territory in that it is self-governing except for defense and external affairs other than trade and cultured relations.

The Sultanate of Brunei, one of the three North Borneo territories, is a British protectorate. Sarawak and North Borneo, the other two, are British colonies.

Little interest was shown in London in the suggestion made last Friday by President Diosdado Macapagal of the Philippines that the federation plan be dropped in favor of a looser confederation that would include the Philippines.

While no official comment was available here, it was believed President Macapagal would be told his proposal could not be considered at this stage, but that it might be discussed after the federation is in being.

Neither the schedule for establishing the Federation of Malaya nor any of the precise terms of the agreement were made public tonight. These, it was said, will be given in the House of Commons tomorrow by Duncan Sandys, Britain's Secretary of State for Commonwealth Relations and Colonial Secretary.

It was understood, however, that the agreement provided that the federation would be in operation in a year. This had been the goal of Tunku Abdul Rahman, the most outspoken advocate of the federation plan.

It was also reported that guarantees have been written into the agreement giving Britain continuing unrestricted use of her army, naval and air bases in the 20 square miles of Singapore.

As a member of the Southeast Asia Treaty Organization (SEATO), Britain is committed to collective action with the United States and other members of that organization in the event of Communist aggression southeast Asia.

Without the assurance of full control over the Singapore bases, the treaty organization's only foothold on the southeast Asian mainland would have been in Thailand. Malaya is not a member of SEATO.

Another part of the agreement, it was reported, provides an explicit guarantee of the rights of the minority ethnic groups in the projected federation's population of 10 million.

The Chinese and Indians in the population have been suspicious of greater Malayan control.

Tunku Abdul Rahman, who has been in London since July 16 to attend the final stages of negotiation, proposed the larger federation on May 27, 1961, when discussions between Malaya and Britain were centered on a merger of Malaya and Singapore.

Malaya has 3,500,000 Malayans, 2,500,000 Chinese and 850,000 Indians. Singapore has 1,125,000 Chinese and 200,000 Malayans.

The Malayan leader was said to be concerned about the large proportion of Chinese that would be in the union if it included only Malaya and Singapore.

His fears were said to be based on the steady growth of communism in Singapore and on the prospect that Chinese chauvinism would advance this trend further.

In the three border territories that he proposed be added to the union, only a quarter of the 1,125,000 inhabitants are Chinese.

The Malayan Prime Minister has agreed to the continued existence of the Singapore Legislature. To insure Singapore against Malaya domination. Lee Kuan Yew, Prime Minister of Singapore, was also promised that Singapore could continue to administer its own education and labor policies.

Singapore would also have 15 seats in the Federal House of Representatives, one-eighth of the total. Singapore will have about one-sixth of the population of the federation.

Malaya has been an independent member of the Commonwealth since 1957, when Britain yielded her jurisdiction over the Malaya States and the settlements of Penang and Malacca, which then became states of the Federation of Malaya.

ORDER OF BUSINESS

Mr. CLARK. Mr. President, I ask unanimous consent that I may yield to the Senator from Delaware [Mr. WILLIAMS] for not in excess of 2 minutes, with the understanding that I shall not lose my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

PROHIBITION OF FRANKING PRIVILEGE ON SO-CALLED JUNK MAIL

Mr. WILLIAMS of Delaware. Mr. President, I wish to express my appreciation to the members of the Committee on Appropriations for having included in the legislative appropriation bill section 105, in which is incorporated the text of an amendment which I had offered earlier the purpose of which was to prevent any further use of the franking privilege by Members of Congress to distribute the so-called junk mail.

Congress by law has refused the business world this privilege. Unfortunately in the closing days of the session last year the House included a provision in one of the appropriation bills which gave to the Members of Congress unlimited use of this franking privilege for junk mail. The House after approving this provision adjourned, therefore the Senate had to accept it.

This year the amendment repealing this privilege has been incorporated as a part of the legislative branch appropriation bill. I am confident that the conferees will stand by the amendment. However, should this appropriation bill be held up by the House until the closing hours with the thought that they could again force the Senate to yield on this amendment, I remind them that this time the amendment is attached to the legislative pay bill.

Last year the amendment was attached to the independent offices appropriations bill, therefore the Senate could not adjourn without approving the conference report.

This time, however, failure to approve the legislative appropriations bill would merely tie up the salaries of the Congress and its employees.

Mr. KEATING. Mr. President, will the Senator from Pennsylvania yield to me for the purpose of commenting upon the same subject, briefly?

Mr. CLARK. Yes, with the same understanding; that I shall not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. Mr. President, I take this opportunity to congratulate the distinguished Senator from Delaware on his tenacity in getting the amendment into the bill and then sticking with it. As we who work with the distinguished Senator have learned, when he takes the bit in his teeth, he keeps it there until his objective is accomplished.

The Congress holds the purse strings of this Nation. The Congress, therefore, has a very real and direct responsibility not to abuse the prerogatives of this power. We owe it to ourselves and to the Nation to set an example of efficient and economic operation. Above all, we owe it to the Nation to be honest and completely above board in the manner of our expenditures.

Particularly in the matter of the congressional franking privilege, it is important that we not abuse the right to reply to mail from our constituents under a congressional frank. I do not approve of the use of the frank for broadside assaults on all boxholders, persons on star routes, or others whose name and address is not known. I firmly believe that mail should be specifically addressed to the recipient and that to send mail that is not so addressed is not part of the duties and responsibilities of the Congress.

Mr. President, this year the Congress is considering legislation to increase postal rates on all users throughout the country. The increase, as proposed by the administration, will hit many users very hard, particularly some of our finest magazines and periodical publications. I do not think it is appropriate for the Congress on the one hand to raise rates to the extent that it may put these magazines or some of them out of business by punitive postal rates and on the other hand to increase free congressional dissemination of information. That might be called unfair competition between the Congress and the press.

It is the business of the Members of the Senate to respond to correspondence from their constituents and for this use the congressional frank is certainly in order. For those of us who receive thousands of letters each week it would be financially impossible to pay the costs of reply postage otherwise. In corresponding and in the mailing of information to persons who have requested it, the Congress is fulfilling its proper responsibilities. We should not go beyond this in sending miscellaneous and often unwanted information to persons whose names and addresses are not even known to us. I congratulate the Senate Appropriations Committee for banning such abuse of the mails and of the taxpayers' money and urge them to stand fast on this point when the bill is in conference.

Mr. WILLIAMS of Delaware. I thank the Senator. I am confident that they will. I join him in emphasizing that the frank is an essential part of maintaining a congressional office. It is necessary that we use the frank for the purpose of answering bona fide mail we receive from our constituents. That mail is supposed to be answered. It was never intended, however, that Members of Congress should propagandize their constituents with boxholder mail in their own States or throughout the Nation. Unless this is repealed if one happened to be running for the presidency, there is nothing to prevent a Member of Congress from broadcasting mail throughout the entire country at the taxpayers' expense.

This possibility of such abuse must be checked before it gets out of hand.

As I have pointed out on previous occasions, in the absence of the amendment a definite advantage would be given to a Member of Congress running for reelection. I am glad that the Committee on Appropriations has included the amendment and I ask unanimous consent that section 105 be printed at this point in my remarks. This is the section which embraces my amendment.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

> SEC. 105. No part of any amount appropriated in this Act shall be available to finance, under authority of section 4167(a) of title 39, United States Code, the mailing and delivering of mail matter sent through the mails with a simplified form of address under the franking privilege by any Member or Member-elect of Congress to postal patrons, including those patrons on rural or star routes.

EXPENDITURES BY MEMBERS OF CONGRESS

Mr. WILLIAMS of Delaware. Often times the printing of a half truth can be even more misleading than a lie. Recently a series of articles was written by Mr. Worth Bingham, of the Courier-Journal, Louisville, Ky., in which Mr. Worth took exception to some of the expenditures of Members of Congress. I, too, have often been critical of some of the expenditures by the legislative branch and will continue to be so. However, I think criticism should be factual and specific. What Mr. Bingham failed to point out was that these allowances to operate an office do not accrue to a Member if the funds are not actually spent in the official conduct of his office.

Mr. Bingham was well aware of that fact when he wrote his articles but for some unexplained reason he omitted this from his story. By distortion and by casting unfair inferences he destroyed what could have been a constructive article.

He failed to explain that the unused portion of any allowance reverts to the Treasury as unexpended funds.

Mr. Bingham visited my office, as have other members of the press. I made available to him personally all the information he requested, and many of the figures which he used in his articles were obtained from my office. But what he failed to do was to point out that a substantial part of the funds was not used. By quoting only a part of the facts he gave the reading public a completely distorted picture.

For example in his article he stated:

> SALARY OF $22,500 JUST A START ON LAWMAKER'S INCOME
>
> On the face of it, he earns $22,500 a year. But that's not all of it. If you count the compensation a Congressman or a Senator gets in the form of expense allowances, the total comes to well over $40,000 a year.

Mr. Bingham knew that this was not true, yet he proceeded to enumerate various expense allowances totaling $16,894, and instead of referring to the items as allowances for actual expenditures, he referred to them as additional compensation.

I had furnished Mr. Bingham the itemized breakdown, both of these allowances as well as expenditures of my offices, but what he failed to include in history was that part of the report which showed that of the $16,894, allowances enumerated I spent only $891.56 during the year 1961, and the remainder, in its entirety, was never withdrawn from the Treasury.

In offering a rebuttal to Mr. Bingham's articles I want to make it clear I am not claiming that there have not been abuses, nor am I defending such abuse when found. But when charges are made they should be specific and factual and not just blanket indict a group by inferences that can be drawn from the printing of half truths.

Mr. President, I ask unanimous consent that my letter to Mr. Bingham be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
WASHINGTON, D.C.,
August 1, 1962.

Mr. WORTH BINGHAM,
Washington Correspondent, the Courier-Journal, Washington, D.C.

DEAR MR. BINGHAM: I have read the series of six articles on the expenses of Congress as written by you and as copyrighted by your father's newspaper, The Courier-Journal, Louisville, Ky. These articles in turn appeared in a series of newspapers throughout the country.

The purpose of this letter is to point out some of the glaring errors in your report—errors for which there is no excuse since you had the facts readily available when you wrote the story. I fully recognize that Congress is subject to criticism for its laxity in controlling some of its expenditures, and some of your criticism is justified. On occasions I too have criticized Congress and have cited specific examples of inefficiencies, and I will do so again should the occasion arise.

I was very much disappointed, however, by the manner in which some of the statistics used in your articles were distorted to create an erroneous impression. There is no excuse for these errors. I opened the records of my office for your examination, and therefore I know that you had the correct information in your possession; but in writing your story you used only a part of this information and thus, by quoting half-truths completely distorted the picture. You omitted from your story that part of the report which clearly showed that these allowances, which you described as additional compensation, are available only when used in the official conduct of a Senatorial office and that under no circumstances do they accrue to the benefit of the Member. For example, you headlined your article as follows:

"SALARY OF $22,500 JUST A START OF LAWMAKER'S INCOME

"On the face of it, he earns $22,500 a year. But that's not all of it. If you count the compensation a Congressman or a Senator gets in the form of expense allowances, the total comes to well over $40,000 a year."

You then proceeded to enumerate various items totaling $16,894, but instead of referring to these items as "allowances for actual expenditures," you referred to them as additional "compensation." Thus, you created the impression that these items were used to bring our compensation to over $40,000. I list below the various items which made up this $16,894 as they appeared in your articles along with the actual amount used in each instance in the administration of my office:

	Allowance per year	Used
Tax-free expense allowance (error)	$3,000	0
Office rental back in State	1,200	0
Expenses of office back in State	600	$53.26
Telephone calls originating or terminating outside Washington	1,800	0
8,000 free telephone minutes which you valued at $4,000	4,000	285.70
Telegrams	3,944	25.35
Special delivery and airmail stamps	550	3.50
Stationery allowance	1,800	523.75
Total	16,894	891.56

I shall now comment on each specific item and show how these figures were distorted.

You said:

"Besides his $22,500 salary a Congressman receives a $3,000 annual income tax deduction for living expenses in Washington."

That is not true. A Member of Congress does not receive 1 penny in addition to his salary to cover his living expenses in Washington. The living expenses of a Member of Congress in Washington are paid by him out of his $22,500 salary. Prior to 1955 there was a $2,500 tax-free nonaccountable expense allowance for Members of Congress, but, as I explained to you, on February 28, 1955, this provision was repealed by a law which I sponsored. As a result of this law, which has been in effect since 1955, the expense accounts of Members of Congress are now subject to the same rules as are the expense accounts for all businessmen and newspaper reporters such as yourself, except that in the case of congressional Members there is an overall limitation that even when itemized they cannot exceed $3,000. But, in the case of Members of Congress, these expenses would be deductions from and not additions to the salary, as you indicated.

Continuing you said:

"In addition, for renting office space in his home State he receives $1,200 a year, plus $600 for home-office expenses."

A Member of Congress does not receive either of these allowances. In both instances these allowances are to pay the office rental and expenses only when actually used. Furthermore, when it is used it is paid direct to the lessor and does not under any circumstances come into the possession of the Member. I told you that personally I had not used any of this rental allowance since I have not kept an office open back in the State. Members of Congress from the more populous or more distant States may need this allowance, but under any circumstance it is grossly inaccurate for you to give the impression that a Member receives this amount as compensation.

In another place in your article you stated:

"A Senator is allowed 1,440 free long-distance telephone calls a year from Washington, an additional $1,800 worth of calls originating and terminating outside the Capital.

"For a Kentuckian, that would be worth about $4,000, based on an average of 50 cents a minute."

Both these items, the $1,800 and the $4,000 figure, were used in the tabulation which you presented to show that the total additional compensation of a Member of Congress brings his annual income up to the $40,000 figure. Yet I had made available to you records which showed that the total cost of all official long-distance telephone calls from my office during fiscal year 1961 was only $338.96. There is no reason why this information should not have been included in your article rather than merely the overall maximum figures, which were used in a manner to create the impression that they represented added income. Furthermore, you were fully aware of the fact that this money is paid out of the Federal Treasury only as the bills are submitted by the telephone company. Under no circumstances does any part of it accrue to a Member of Congress.

To continue quoting from your article, you said:

"The only way of finding out what this telegram allowance amounts to is to ask a Senator to get the information from the Sergeant at Arms. Senator JOHN J. WILLIAMS, Republican, of Delaware, had a telegram allowance of $3,944 for 1961, undoubtedly the minimum, since Delaware is the second smallest State in the Union and one of the closest to Washington."

I gave you this $3,944 figure, but at the same time I gave you a report which showed that I only used $25.35 of this amount in 1961. There was no excuse for your not having included this information in your tabulation instead of giving the impression that the whole amount represented additional income to the Member of Congress.

Continuing, you said:

"He gets a yearly $1,800 'stationery allowance,' which he can use to buy letterheads, or not spend at all and merely stick in his bank account."

That statement is just as false as it would be to say that you have a legal right to chisel on your expense account. I made available to you records from my office which showed that during the year 1961, of this $1,800 allowance I only used $523.75. Not only did I show you the 1961 report but I also showed you the records for the preceding 10-year period. In the preceding 10-year period I had returned to the Treasury $10,226.03 as unused stationery allowances. Not 1 cent of that unused allowance was available for my own personal use, and had I stuck this in my bank account as you indicated could be done I would have been just as guilty as you would be if you padded your expense account.

I cite another error in your article:

"Senators receive $500 a year for airmail and special delivery stamps."

Again you are in error. A Senator does not "receive" this money. Actually this allowance is $550 a year rather than $500, but a Senator does not receive this allowance unless he can show that it has been used for sending out official mail, and you were well aware of that fact. In fiscal year 1961 I only used $3.50 for special delivery and airmail postage. The remaining $546.50 of this $550 allowance for 1961 was never touched, nor was it withdrawn from the Treasury. It lapsed at the end of the fiscal year along with all the other items enumerated above as unused expenditure allowances. With Delaware so close to Washington I use very few airmail or special delivery stamps. A Senator from a more heavily populated and distant State may well need the full allowance, but when it is not needed it is not used.

This procedure was explained very carefully to you, and all my records were opened for your inspection. There is no excuse for your having printed only a part of the story.

From the corrections that I have cited I have shown that of the $16,894 which your article tabulated as "additional compensation" which a Senator receives, in my particular office I had used only $891.56 during the fiscal year 1961. The remainder was never withdrawn from the Treasury, and you were aware of that fact at the time you wrote your articles.

I quote further from these articles:

"There is no way of estimating how much a legislator saves (and thus adds to his income) by using the subsidized facilities at his disposal on Capitol Hill.

"In the course of a day, he can park his car free.

"He gets $2,500 worth of electric typewriters, robotypers, addressing machines, and mimeograph machines."

The Government furnishes a typewriter for each stenographer and secretary in the office. A secretary would not be of much use if she did not have a typewriter, but here again these machines are not the property of the Member of Congress. The General Services Administration keeps an inventory of every typewriter or any other type of equipment (by serial number) that is placed in any Senator's office, and this machinery is charged to the use of that congressional office. When a Senator leaves office this equipment is inventoried, and he is held accountable for every typewriter or machine which has been charged to his office, and if it is not accounted for he is personally liable.

As to your further statement that "in the course of a day, he can park his car free," just how silly can you get. There are no parking meters around the Nation's Capitol.

Now that I have commented on some of the glaring omissions and errors in your recent articles and taken exception to the manner in which you distorted the picture by using only half-truths, I shall add that there were several items in your stories which did raise valid points for criticism of expenditures by Members of Congress. And I emphasize again that as I take exception to the interpretation which you placed upon some of your statistics I most certainly do not want my criticism to be interpreted as saying that all the expenditures by the legislative branch are above criticism. On many occasions in the past—and no doubt on occasions in the future—I, too, have been critical of what I consider to be unnecessary expenditures by either the legislative or the executive branch. But criticism should be constructive, and when statistics are used to explain a point they should be used accurately and not distorted.

As evidence that I have never tried to give a blanket endorsement to all that is done by the legislative branch I call your attention to certain previous actions which I have taken to correct what I considered to be abuses:

1. In 1955 I introduced the bill which was later enacted into law repealing both the $2,500 tax-free expense allowance for Members of Congress and the $40,000 nonaccountable tax-free allowance for the President.

2. I was the author of the bill which was passed 2 years ago wherein all Members of Congress when taking official trips at the taxpayers' expense, whether using American dollars or counterpart funds, are required to render an itemized accounting of their expenditures, and this itemized account must be published in the CONGRESSIONAL RECORD.

3. I was the author of the law which prohibits the American merchant marine from extending free or subsidized transportation to any public official (including Members of Congress).

4. I sponsored the legislation which prohibited Members of Congress from using the franking privilege to send out unaddressed mail to their constituents (the so-called junk mail). Unfortunately during the closing days of the session last year the House was successful in getting this earlier enacted proposal repealed; however, the Senate Appropriations Committee again this week has approved my amendment to the 1963 legislative appropriation bill, repealing once again this junk mail privilege for Members of Congress. I am confident that this provision will be enacted into law before we go home. The use by Members of Congress of this "junk mail privilege" was one of the points which you criticized in your articles, and on that point we are in agreement.

5. I have always been a strong supporter of the proposal that the salaries of staff members of Senators and Congressmen be made public, and even prior to the official publication of these reports the salary information as well as a breakdown of all other expenses of my office was always available to anyone who requested the information.

I raise these points to show that while I take exception to the inferences drawn in your recent series of articles I am not trying to claim that there has been no abuse of some of these expense allowances by some Members; but I will state that in my opinion those abuses are the exceptions rather than the rule, and while any abuse should be criticized when discovered a blanket indictment against any group is never justified.

I review this record to show you why I so strongly resent the inferences in your articles that every Member of Congress is a crook and that he is chiseling on his expense account to the tune of $15,000 to $20,000 a year. As one who in the past has had occasion to criticize wrongdoings, both in the legislative and in the executive branches, I have always tried to be careful that I did not present a blanket indictment against any group. I am convinced that the overwhelming percentage of the American people—whether they be in Government, out of Government, Members of Congress, or members of the press—are conscientious individuals, trying to do their duty as they see it.

The Courier-Journal, of Louisville, Ky., which copyrighted your articles, has over the years built up an enviable reputation in the newspaper world. Your own father has contributed much to this record. By assigning you as its Washington representative, the Courier-Journal has extended to you a great opportunity. You should take every advantage of it but not abuse this opportunity.

Recognizing your youth and inexperience in the newspaper profession I temper my criticism of your recent articles with the friendly advice that in the future you can best take advantage of this opportunity by trying to live up to the high ethical standards of the profession of which you are now a member.

Yours sincerely,

JOHN J. WILLIAMS.

P.S.—A copy of this letter is being sent to each newspaper which carried your original stories.

THE RULES OF THE SENATE

Mr. CLARK. Mr. President, now that the tensions arising from the filibuster of the space satellite bill have temporarily relaxed, I hope the Senate will take a long, hard look at our rules, our customs, our traditions, and our procedures which made the filibuster possible, and which, should it be resumed on August 10, will probably succeed.

I thank my good friends the Senator from Illinois [Mr. DOUGLAS] and the Senator from Minnesota [Mr. HUMPHREY] for the kind words they said about my efforts in the past to get the Senate to face realistically its obsolete and unworkable rules.

The able minority whip, the Senator from California [Mr. KUCHEL], had some pungent, terse, and, to my way of thinking, accurate words from the California frontier to say about those rules. I hope my colleagues will take his comments to heart.

I should like to say a word about the bill which has now temporarily gone to the Committee on Foreign Relations for further study. In my opinion, that bill should never have been brought up. I hope eventually it will either be set aside or defeated. The reason the bill should not have been brought up is that there is no urgency whatsoever about its passage. Despite what has been said on the floor of the Senate, there is absolutely no need to create a private corporation for profit before the International Conference meets in Geneva next year in order to enable the U.S. Government to be properly represented at that conference. Russia will be represented, and she will not be represented by private corporations for profit. Our State Department has adequately represented this country at many another such conference. I see no reason why our representation at that international meeting would be aided in the slightest by the creation in the meanwhile of a private corporation for profit.

So I say again that there is no urgency for the passage of the bill, but there is great urgency about many other bills now pending or about to appear on our calendar. Included among them are the farm bill, the space authorization bill, the youth opportunities bill, the tax bill, and soon the trade bill. There is the emergency public works employment bill, which I believe will be passed in the House next week, and in which the people of my Commonwealth have a deep interest. There is the postal pay bill, the postal rate bill, and the mass transit bill, in which the people of Pennsylvania, at both ends of our State, in Philadelphia and in Pittsburgh, are vitally interested.

Appropriation bills are also piling up. Conference reports are awaiting action. I hope we shall be able to come back from conference in the foreseeable future with a good compromise on the higher education bill. Yet all these matters of importance to the Nation and to our national well-being and security were set aside day after day while the Senate discussed a bill in which I claim very few Senators are keenly interested, and which could perfectly well be postponed until next year.

It is true that the bill was reported from two standing Senate committees by large majorities. It is true that the Democratic policy committee unanimously recommended that it be called up for appropriate action.

I have been in the Senate long enough to know that in many instances a few powerful Senators are able through their seniority on committees, through the influence they have on their colleagues, and through their character, if you will, to persuade a large group of Senators who do not really know much about the issue involved, and care little about it, to vote to support a bill from committee and to pledge themselves to vote for it on the floor.

I say again, in my opinion, there is a minority of the Senate which is really seriously and deeply interested in seeing that this particular space satellite bill be enacted.

What we were doing for the last week or 10 days, I suggest, while the filibuster progressed and it was impossible for hour after hour after hour to get a quorum and we argued about the Journal and its amendment and we refused to permit committees to sit while the Senate was in session, so that we held up the whole legislative machinery day after day, was to engage in an exercise of political futility.

The stubborn opposition of Senators determined that the bill shall not pass met head on the stubborn determination of the leadership on both sides of the aisle, and what might be called the Senate "establishment," to force the bill through. I can think of no better analogy than two groups of knights in armor charging down the field with lances set, determined to unhorse each other, and not quite able to do so.

Such a hassle over prestige, to shift to a modern idiom, throws a monkeywrench into the whole machinery of government. The normal reaction of the citizen can only be "What we got in Congress? Some kind of nuts?" That is the question that was asked in an editorial in a leading newspaper in my State the other day.

This silly impasse between two groups in the Senate indicates anew how the procedures of the Congress, which make it possible for a few men to obstruct and defeat action, can bring the whole congressional machinery into disrepute.

Referring to another unhappy controversy in Congress of recent origin, the Pittsburgh Post Gazette in an editorial entitled "Congress' Weakness" had this to say:

> The silly impasse between House and Senate appropriations committees indicates anew how the internal workings of Congress, which centers the power to obstruct in the hands of a few men unanswerable to nation or party or anyone except their own constituency, can bring the whole congressional machinery into disrepute. This is not "checks and balances" in government. It is a display of political feudalism.

Few matters could have tended to bring the Senate into greater disrepute with the people of the Nation than the ridiculous argument over the reading of the Senate Journal and amendments thereto, which occurred last week. There has not been for many years the slightest necessity for the Senate to keep a Journal, much less require that it be read every day in the absence of unanimous consent to dispense with its reading.

Clearly, the obvious remedy is to require the reading of the Journal only if a majority of the Senate shall so determine on a vote taken without debate once the motion to read has been made.

Actually, the CONGRESSIONAL RECORD should have its face lifted and we should recognize the RECORD as the official record of the happenings in Congress. Resolutions to accomplish these results are presently pending, but so far they have fallen on sterile ground indeed in the Committee on Rules and Administration.

I hope that the majority leader, who is the chairman of the Committee on Rules and Administration, will decide that a little fertilizer could be put on the field between now and the first of the year, and the committee be charged with responsibility for determining to what extent, if at all, the rules of the Senate should be changed; and that the committee will report to the Senate at least some, if not all, of those important and drastic changes which in my opinion a majority of the Senate is slowly but surely coming to the conclusion must be made.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to my dear friend from Illinois. I wish to thank him in person for the kind words he said about me on the floor of the Senate the other day in connection with the proposed changes in the rules.

Mr. DOUGLAS. I wish to commend the Senator from Pennsylvania for the devoted work which he has done on this subject of the Senate rules. I think he makes a very good point that the Journal is, in a sense, a vestigial remain.

Mr. CLARK. It is a vermiform appendix which needs an operation.

Mr. DOUGLAS. The CONGRESSIONAL RECORD can be accepted as the official record of the proceedings in the Senate.

The Senator knows from his study of the proceedings in the Senate that the anticivil rights Senators tried to use the pretext of amending the Journal in 1946 to defeat civil rights legislation, does he not?

Mr. CLARK. I have been told that by my friend from Illinois. I am sure it is true. The Senator from Florida [Mr. HOLLAND] made a speech on the floor of the Senate the other day, in which he did not agree with the Senator from Illinois, but I am content to take the recollection of my friend from Illinois, because I believe it is accurate.

Mr. DOUGLAS. The move that was made in 1946 was to amend the Journal to include the prayer of the Chaplain. The debate was carried on in this fashion for many days, and finally, in fatigue, civil rights legislation was laid aside.

Mr. CLARK. I am glad to take the recollection of the Senator from Illinois. I suggest that the argument at that time was even more ridiculous than the arguments of last week, and a great deal longer. Perhaps slowly but surely, by erosion, we are getting around to where we are somewhat ashamed of ourselves to spend so much time on so foolish a matter, and in bringing the Senate into disrepute with the country.

Mr. DOUGLAS. I thank the Senator for yielding to me.

Mr. CLARK. The reading of the Journal is only one of many ways in which our procedures in the Senate tie us to an outmoded past. I have had occasion, several times, to list a bill of particulars in this regard. I have suggested nine changes in the Senate rules, each intended to expedite action and to permit a majority of the Senate to work its will after reasonable debate without undue delay. They have to do with the following subjects:

First. Selection of Senate conferees whose views represent in conference the position of the Senate, rather than appointing as conferees, on the basis of seniority, opponents of the Senate decision, as is frequently now the case.

This is a salutary change. I believe it will be needed before the year is out. It has been needed in every year that I have been in the Senate. It is true that under the precedents of the Senate a Senator can force the deletion from the conference list of Senators whose votes have not been in accord with the majority view of the Senate on the floor. This is a thankless task, requiring on many occasions Senators of junior stature, if they are to do their duty as they see it, to oppose sending to conference senior Members of the Senate who, perhaps rightly and perhaps not, resent the suggestion that they cannot properly represent a client in whose case they do not believe.

Second. Providing that under certain circumstances the debate must be germane. My speech today would be a violation of the rule which I advocate. I am speaking while the pending business is a bill relating, I believe, to Federal, county, and city lands in San Diego, Calif. Frankly, I do not think I should be allowed to speak on the subject I am discussing. It occurs to me that there is plenty of time for Senators to sound off on any subject they may choose when there is no business pending before the Senate which should be accomplished.

When I composed this speech, I thought I would be making a germane speech in connection with the space satellite bill; but after the speech was prepared, the space satellite bill was referred to the Committee on Foreign Relations. It seems to me to be wise to make this speech today. No Senator is objecting to my doing so; he could not do so, even under the rules. Even as a matter of courtesy, Senators do not seem to care. The able Senator from Virginia [Mr. ROBERTSON] just finished a most interesting speech on a question involving the monetary and fiscal policies of the Federal Government. It had very little to do with the San Diego measure.

I had some statistics compiled on germaneness to the debate when the communications satellite bill was first before the Senate from June 15 through June 21. Of the total number of columns in the RECORD during the debate, excluding insertions—and there were 469 such columns—249 columns were germane, 220 columns were nongermane. Computing those columns at 3 minutes to a column, as I have done in the past—and I believe this is a reasonably accurate estimate of how long it takes a Senator to speak a piece which occupies one column in the RECORD—there were 12 hours and 27 minutes of germane debate and 11 hours of nongermane debate. Converted into percentages, germane debate was 53.1 percent; nongermane debate, 46.9 percent.

I ask unanimous consent that this tabulation of statistics, including the daily breakdown of the debate and a list showing the space covered in nongermane debate during the period from June 15 through June 21, be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FIGURES ON GERMANENESS OF DEBATE—JUNE 15 THROUGH JUNE 21

Germane—Debate on commercial communications satellite system; total columns (excluding insertions), 469. Germane, 249. Nongermane, 220.

Total time (figured at 3 minutes per column), 23 hours, 27 minutes. Germane, 12 hours, 27 minutes. Nongermane, 11 hours.

Percentage: Germane, 53.1 percent; nongermane, 46.9 percent.

DAILY BREAKDOWN OF DEBATE—COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

Germane

June 15, 44 columns, 2 hours 12 minutes (adjourned 6:13 p.m.).

June 18, 38 columns, 1 hour 54 minutes (adjourned 5:49 p.m.).

June 19, 93½ columns, 4 hours 40 minutes (adjourned 7:18 p.m.).

June 20, 32½ columns, 1 hour, 37 minutes (adjourned 8:03 p.m.).

June 21, 41½ columns, 2 hours, 4 minutes (adjourned 7:19 p.m.).

Nongermane

June 15, 45 columns, 2 hours 15 minutes.
June 18, 33 columns, 1 hour 39 minutes.
June 19, 18 columns, 54 minutes.
June 20, 66⅔ columns, 3 hours 20 minutes.
June 21, 57½ columns, 2 hours 52 minutes.

SUBJECTS COVERED IN NONGERMANE DEBATE—JUNE 15 THROUGH JUNE 21

	Columns
Meredith Willson, Mason City, Iowa, and "The Music Man"	½
Aid to Communist Countries	65
Damascus, Oreg., the Biggest Little City in the U.S.A	1
Rostow on U.S. Strategy	3
Pending TWA Strike	1
Eulogy: Lyle Watts of Oregon	⅓
Tribute: John S. Knight	½
Tribute: H. W. (Bill) Brawley	3
Contributions of the Employees of Nationwide Mutual Insurance Co. to the Advancement of the Alliance for Progress	1
Free Press	2
Defense Department—Research and Development	5
Civil Defense Appropriations	4½
The Golden Eagle and Gold Reserves	2
Foreign Policy:	
Latin American	18½
Southeast Asia	½
Middle East	4⅔
The President and the Economy (Yale commencement speech)	1
East Texas Oil Investigations	1½
Saving Bird Species From Extinction	¼
Legislative Delay	3
Red China Food Shortage	3¼
Project Mohole Contract	3
Football Recruiting at West Point	1⅓
Disposal of National Stockpile Materials	16
Debt Limit Lobbying	2¼
Hospital Insurance	9
Federal Aid to Education	3
Settlement of Labor Disputes	8½
Announcement of Rusk Tour of European Capitals	½
College Interns	1
United States-Belgium Cooperation on Atomic Energy	⅔
High Interest Rates	1⅔
Peaceful Use of Atomic Energy	⅔
Legislative Program	3⅓
Amendment: Federal Reserve Act	2
Extension: Defense Production Act	3
FHA Insurance	4
Authority for Construction of Military Installations	24⅔
Routing Business	15

Mr. CLARK. Mr. President, several Senators who fulminated against the antispace satellite bill bloc were among those who engaged in the most nongermane debate during that period. Yet they later objected because we were not prepared to get on with the bill and let it be called up on motion and promptly come to a debate on the merits. So I say that, with appropriate exceptions, the leadership should be permitted to move at any time, that henceforth, and until the Senate should order otherwise, all debate must be germane. This would unquestionably expedite action in Congress, particularly during the hectic closing days when "must" legislation is cluttering the calendar.

Mr. DOUGLAS. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. DOUGLAS. Is it not true that the House has had a more sensible procedure in this respect than has the Senate, in that the House generally sets aside what is known as the 5 o'clock hour, when speeches not connected with specific legislation may be made?

Mr. CLARK. The Senator from Illinois is quite correct. That applies not only to the House of Representatives; I am sure the Senator from Illinois will agree with me that some such rule is in effect in practically every other civilized legislative body in the world. I have made a little study of this subject; and I make the statement, without much fear of contradiction, that, with the possible exception of the Legislature of Sweden, there is no parliamentary body in the civilized world which does not require debate to be germane or which does not provide a rule under which debate can be required to be germane under certain circumstances. In Sweden there is a custom, although not a rule, whereby the leader of the parliamentary majority can, by making a certain statement to the other members of the parliamentary body, enforce, as a matter of custom, germane debate. Filibusters are unknown in the Legislature of Sweden.

Mr. DOUGLAS. Is it not true that in the early days of the U.S. Senate the Presiding Officer could call a speaker to order if he indulged in nongermane debate?

Mr. CLARK. I believe that to be true. I do not recall when that custom was abandoned.

Mr. DOUGLAS. I am not quite certain, but I think it was John Randolph who broke the custom because frequently, when he was in one of his moods, he indulged in debate very far from the issue.

Mr. CLARK. I thank the Senator from Illinois.

The third rule which I have proposed for some time is one which would permit all committees to meet while the Senate is in session, unless a majority of the Senate should deny permission for the committees to meet. I consider this to be a most important rule change. I believe that some Senators do not know that on the opening day of every new session of Congress for a number of years the leadership has requested unanimous consent that the Committee on Appropriations may meet on any day during the session, whether the Senate was in session or not.

I serve notice now that if that motion is made next January, and if I am back in the Senate—which at the moment is a matter of some doubt—I shall refuse to give that unanimous consent. I see no reason whatever why one committee, no matter how important it may be, should be singled out from all other committees and be permitted to meet when the Senate is in session.

The Committee on Appropriations is a large committee. My recollection is that it is comprised of 23 Members. The purpose of not allowing committees to meet while the Senate is in session is so that Senators may come to the floor and listen to the debate. Yet the members of the Committee on Appropriations are among the most powerful and most respected Members of this body. It seems to me that if any Senators are to be asked to come to the Chamber and listen to the debate in order to give their wise counsel to the less senior Members of this body, they should be the members of the Committee on Appropriations.

A week or so ago, without a quorum call, the majority leader asked unanimous consent that the Committee on Finance be permitted to meet while the Senate was in session during the remainder of this session of Congress. There is not the slightest doubt that it is of vital importance that the Committee on Finance should continue to meet day and night for the remainder of this session, for there is backed up in that committee more important "must" legislation than in any other committee of the Senate. Yet why single out the Committee on Appropriations and the Committee on Finance? They include many of our most respected senior Senators, including the able senior Senator from Illinois, who, I know, has been in the dilemma of trying to ride two horses; of having to sit in the Committee on Finance, and to be one of the very few members of that committee who are trying, to the best of their ability, to support the President of the United States in his fiscal policy. At the same time he feels an obligation to his constituents and himself to come to the floor of the Senate and participate in the debate and make his views known to other Senators before the votes are taken.

I wonder why the Committee on Banking and Currency, on which I serve, as does also the Senator from Illinois, and the Committee on Labor and Public Welfare, on which the present Presiding Officer of the Senate [Mr. BURDICK] serves with me, and a host of other committees which have equally important legislative duties, should be refused permission to meet while the Senate is in session, thus holding back Senate action on important proposed legislation which should be brought before the Senate and passed before the adjournment.

As an example, I cite the mass transportation bill, with respect to which the Banking and Currency Committee was unable to meet while the recent filibuster was in progress. The committee is going to try to meet tomorrow. The bill is almost ready to be brought to the floor of the Senate. Yet the committee is not allowed to meet when one Senator objects. How silly can we get, Mr. President; and how silly is the argument that the reason for preventing our committees from meeting while the Senate is in session, except by unanimous consent, is so that Senators will come to the floor and listen to the debate.

The other day I came to the floor while the Senator from Tennessee [Mr. KEFAUVER] was making one of the principal arguments against the satellite communications systems bill. When I came to the floor, five Senators were present. Then the Senator from Tennessee asked for a live quorum, and he got a live quorum. But when the presence of a quorum was announced, 15 minutes after I came to the floor, only three Senators—one of them the Presiding Officer—were then on the floor.

So, Mr. President, let us not deceive ourselves. Such a rule impedes the taking of appropriate and necessary action by the Senate. It impedes Senate consideration of important and necessary proposed legislation. Certainly, this is a silly rule, for it enables only one Senator to prevent any Senate committee—except the Appropriations Committee, and even then, one Senator could, at the beginning of a session, object, and thus prevent that committee, too, from meeting during the Senate sessions; and at this time it prevents all other Senate committees, except the Finance Committee, from meeting during the remainder of this session—from meeting while the Senate is in session.

Mr. President, as the session wears on, it becomes more and more important that the daily sessions begin at an early hour—at 10 a.m. or perhaps 9 a.m.—in order that the necessary business may be transacted. Yet this standing rule prevents Senate committees from meeting while the Senate is in session, except by unanimous consent. I say Mr. President, with all the strength at my command, that this rule must be changed.

I think one of the worst things a Senator can ever do is to begin to take himself seriously; and I say—really in jest—that a Roman senator—Cato the Elder, I think—who went to Carthage as Roman ambassador after the Second Punic War, observed what the Carthaginians were doing in terms of a military buildup—hoping to reverse the results of the Second Punic War. When Cato returned to the Roman senate, day after day he said, "Delenda est Carthago—Carthage must be destroyed."

Mr. President, his name was Cato. Today, CLARK says the Senate rules must be changed; and I shall continue to say that as long as I have the strength to do it and as long as I am a Member of the Senate.

Mr. DOUGLAS. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. DOUGLAS. Has the Senator from Pennsylvania ever visited Tunis?

Mr. CLARK. I passed through there briefly, and I have seen some of the ruins.

Mr. DOUGLAS. Outside Tunis are the ruins of Carthage. Carthage was destroyed so completely that scarcely one stone remained on another.

Mr. CLARK. That is true.

Mr. DOUGLAS. Cato said Carthage must be destroyed, and Carthage was destroyed.

May we hope that a few centuries from now a visitor to Washington may find the rules of the Senate changed, and no longer in existence in the form in which they hamper the Senate today.

Mr. CLARK. I certainly hope so. I hope all Senators—even though the only ones now on the floor, in addition to the Presiding Officer [Mr. BURDICK], are the Senator from Illinois and myself—will join in helping make this change in the Senate rules. If the necessary changes are not made in the Senate rules, the importance of the Senate will steadily decline, until finally the situation in the Senate may become comparable to that which existed in the Roman Senate when its decline had progressed to so great an extent that finally, in the days of the Roman Emperor Caligula, it was suggested that it might be well to have a horse as a senator. I hope our Senate never reaches such an unhappy situation.

The fourth change in the Senate rules which I propose is a relatively minor one, although I hope that my speech today emphasizes its desirability. That change is the elimination of unnecessary delay and long sessions of the Senate by permitting long-winded senatorial speeches, such as the present one, to be inserted in the CONGRESSIONAL RECORD in normal-size print, regardless of whether delivered in full or not. Such a change would eliminate a hypocrisy of the present practice with which all Senators are familiar.

Mr. President, I am glad the Senator from Illinois is in the Chamber at this time, because I believe that he and I are not in complete accord in regard to the fifth change which I believe should be made in the Senate rules, and which I hope will be made. I know he is not on my side in regard to this proposal, not because he does not agree that it is badly needed, but merely because, being more pragmatic and more practical than I, he does not believe such a change is within the realm of the practical possibilities. However, my fifth proposed change in the Senate rules is one which will permit the Senate to return to the late 18th century and early 19th century practice in the Senate of permitting debate to be terminated through moving the previous question; whereupon, by majority vote and, with appropriate safeguards to assure that the minority point of view was adequately presented, debate could be terminated and the matter before the Senate would be brought to a vote after reasonable discussion of the issues.

Mr. President, in the past I have joined the Senator from Illinois in supporting his proposed amendment to rule XXII—an amendment which would permit majority cloture after, I believe, 15 days of full debate, and then 100 hours of further debate, it that were required. I suggest to the Senator from Illinois that during the remainder of this session and during the recess—which we hope will be long, but which we fear will be short—he give some thought to whether, at least as an initial bargaining position, we should attempt to have reinstated the previous-question rule, which worked perfectly adequately from 1790 to 1809; and if we had to fall back to majority cloture, we could do so.

I pointed out that in the last week or 10 days during the filibuster on the space communications satellite bill, we did not even reach the point of invoking cloture in connection with the motion to have the Senate take up the bill. If an attempt to invoke cloture on that motion had been pressed and if the attempt had succeeded, then—and this would be true even under a rule change which permitted majority cloture—the Senate would have had to have 15 more days of debate, and by that time it would have been Labor Day.

So I suggest to the Senator from Illinois that such a rule would be too loose, because the Senate would certainly become tired before that period was over, and there would be almost irresistible pressure to lay aside the motion to take up the bill, and to proceed to other measures. In such case, I am sure, the result would be to kill the civil-rights bills.

Mr. PROXMIRE. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. PROXMIRE. Will the Senator from Pennsylvania explain how the rule which applied in 1809 operated to limit debate?

Mr. CLARK. Yes; and I hope the Senator from Illinois [Mr. DOUGLAS], who is a better authority on this subject than I, will check on what I now state.

In the British Parliament, since the very early days, it has been possible for the leadership or for any other Member of the House of Commons—although usually, in accordance with the custom there, it would be done by the leader—when he believes the debate has continued for an adequate time, and that all points of view have been thoroughly expressed, and that further debate would merely be for purposes of delay, to address the Speaker and move the previous question. Of course, the previous question would be the question or measure pending at that time before the House of Commons. The procedure then is for the motion for the previous question to be put to a vote, without debate. If the motion for the previous question is adopted, then the principal matter before the House of Commons is immediately voted on, without further debate, and thus its consideration is terminated.

This British Parliament procedure carried over into the procedure in the U.S. Senate in the early days of our Republic. It was invoked four times between 1789 and 1809. Then it was abandoned. For almost 30 years thereafter there was not a filibuster; but then filibusters began to occur; and in the 1840's, efforts to reinstate the procedure of the previous question were made, but never were successful.

Now we find that, unlike practically every other legislative body in the free world, including the U.S. House of Representatives, it is impossible to terminate debate in the U.S. Senate by moving the previous question.

Mr. PROXMIRE. As the Senator explains it, first the previous question is moved, usually by the leader. Secondly, after he moves the previous question, there is a majority vote. So there is not, as in some parliamentary bodies where anyone can call for the previous question, a vote automatically. There is this check on it.

Would the Senator approve the 1789–1801 practice, or would he modify it further by requiring greater than a majority to sustain the leadership?

Mr. CLARK. I think I would write into the new rules safeguards which would not permit the leadership to move the previous question until a certain number of days of debate had taken place.

Mr. PROXMIRE. That sounds very reasonable. I thank the Senator.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Illinois, who has greater knowledge of this subject than I, and who will correct me if I have misstated the facts.

Mr. DOUGLAS. Not at all. The Senator from Pennsylvania is aware, is he not, that Jefferson's Manual, paragraph 734, and subdivisions thereof, specifically provides for the moving of the previous question so that the main question may be put?

Mr. CLARK. Yes, I am; and I think the Senator from Wisconsin should have heard that statement, which he probably did not.

I invite the attention of the Senator from Wisconsin to the fact that reference to the previous question is in Jefferson's Manual.

Mr. DOUGLAS. Is it not true that the procedure of moving the previous question is followed in the House of Representatives?

Mr. CLARK. Yes; and in the legislatures of practically all the 50 States.

Mr. DOUGLAS. That is correct, including the legislatures of all the Southern States.

Mr. CLARK. Yes, indeed; and there was much fun over that the last time the question was up. Practically all the Southern States have provision for the previous question. I use the word "fun" without any derogation of the Senator from Mississippi [Mr. STENNIS] whom I see on the floor.

Mr. PROXMIRE. If the Senator will yield, the Senator from Pennsylvania would provide an additional protection, which is that additional time would have to elapse before the leadership could invoke the previous question. Is that correct?

Mr. CLARK. I think that would be wise in light of the experience that the Senator from Wisconsin and I have had in our brief time in the Senate.

Mr. PROXMIRE. I think so.

Mr. CLARK. The sixth change would be the elimination of the requirement that the Journal shall be read unless unanimous consent is given to dispense with the reading. I have already discussed that.

My seventh rule change deals with reforming the procedures during the morning hours. Actually, this is a rather more technical amendment than others. Those procedures are so totally at variance with the Senate rules, it seems to me, that we ought to write into the rules a provision that no speech shall be more than 3 minutes, and eliminate the archaic procedures called for during the morning hour, if any Senator calls for the regular order, as I have had occasion to do once or twice to bring out how silly and unworkable the morning hour procedure is. This would be a tightening of the ship to make our rules conform with our procedure.

Mr. PROXMIRE. Mr. President, will the Senator yield briefly for a comment on what he has been discussing?

Mr. CLARK. I am happy to yield.

Mr. PROXMIRE. I commend the Senator from Pennsylvania for leading the fight for revision and reform of the rules. He has been at it a long time. In the past few days I think the country has been aroused, as perhaps it has not been for a long time, about how archaic and outmoded our Senate rules are.

The Milwaukee Journal carried an editorial in the last few days in which it deplored what was happening in the Senate. I think everywhere in the country there is a growing recognition that the rules in 20th century America, when there are so many complex and difficult bills before us, and such heavy responsibility, cannot be allowed to continue in their present form.

The Senator from Pennsylvania has studied this subject with great care and has a series of specific recommendations with respect to some of which I may differ with him a little. He is performing an extremely valuable service and deserves the thanks of the country as well as of the Senate.

Mr. CLARK. I thank the Senator for his usually kind words.

My eighth proposed change is to impose a time limitation of 3 hours for any one Senator to hold the floor.

As a lawyer who has had his share of cases in the appellate courts, I am convinced that any argument in support of any bill can adequately be made in 3 hours, and usually can be made much better in 1 hour. I would not change the rule that Senators are entitled to speak twice on any bill pending before the Senate. That would give a Senator 6 hours. But I suggest that never, since I have been in the Senate, has a speech of more than 3 hours been made except for the purpose of delay and as a part of a filibuster.

I suggest this as a salutary rule which would still give ample latitude to any Senator to develop any subject as fully as he might see fit.

My ninth suggestion for changing the rules is to provide a bill of rights for each of the Senate committees, so that a simple majority of the committee could convene meetings, could call up business, and could terminate debate by moving the previous question.

We know full well—I am sure my friend from Illinois will support me in this statement—that in the Judiciary Committee for years it has been impossible to bring any civil rights bill to the floor because the procedures of that committee, and a number of other factors, including the membership of the committee itself, prevent any possibility of such action. I have encountered this situation in other cases in committees on which I serve.

It will be said that each committee should write its own rules, but the trouble is that committees are not prepared to draw their rules if, as is so often the case, a bipartisan membership is interested in preventing legislation from being acted on and reported.

Another important needed reform in Senate practice has occurred to me since I offered my proposal for rule changes. The Senate should adopt a resolution stating that the President of the United States is entitled to have a vote on the merits of any major proposal for legislation which he sends to the Senate. Such a resolution would require that any standing legislative committee of the Senate should report, after appropriate hearings, and with such amendments as the committee might recommend, the report to be either favorable or unfavorable as a majority of the committee might determine, any major legislation recommended by the President in time for the Senate as a whole to act on the measure if it chose to do so before adjournment. Such a reform would clearly be in the interests both of party discipline and fair consideration of legislation which the Executive desired and which, in my opinion, the Constitution intended that he should have the right to have brought to a vote after appropriate committee consideration.

We have difficulty enough with our system of checks and balances in the division of power between the executive, the legislative, and the judiciary—a separation of powers which has been abandoned by most of the other parliamentary governments of the world—but we compound our difficulty in that regard when we say the Executive, whose duty it is to recommend and to enforce the laws when they are adopted, cannot even get the measures which he recommends to a vote on their merits in the legislative body.

Most of the measures which I have suggested were referred last year to the Subcommitee on Rules of the Committee on Rules and Administration. Universally they met with adverse recommendations. Perhaps the current debate will cause my colleagues on that subcommittee to change their minds. I hope so. No other legislative body in the civilized world tolerates the procedural nonsense which is a part of our daily life in the Senate of the United States.

Why, then, do we cling to these outmoded procedures? I suggest it is a combination of inertia and a determination of a minority of the Senate, less than one-fifth in number, to prevent meaningful action on measures they fear might injure the economics or the social mores of their States.

Usually the subject is civil rights. Sometimes, however, obstruction, tacit or expressed, is due to the fear of the less populated States that they will be overrun in matters in which they have a concern by a majority of the Senators from the more densely populated States. Sometimes it is an issue such as the price of silver. Sometimes the question is the price of sugarbeets.

Now, in the last couple of weeks, a most unlikely bloc of supporters of President Kennedy with no geographical orientation has demonstrated that others can play the same game even when the President, at least for the public record, is on the other side.

I wish to say a word about the Senate establishment, which pressed for action on the space satellite bill. Some think that the Senate is a club. It has been said that the Senate is the most exclusive club in the world. In my brief 5½ years here, I have found no such club. But, just as there is an establishment in England moving down from the royal family through the sources of political, economic, and social power; just as there is an establishment in the Catholic Church centering in the papacy in Rome, so there is an establishment of sorts in the Senate. Its membership includes the majority and minority leadership as well as the chairmen and ranking minority members of standing committees.

Some Senators, I hope, have had the rare privilege of reading that marvelous, tongue-in-cheek article entitled "The American Establishment," written by Richard H. Rovere, one of our best political commentators.

For those who have not read it, I commend it. I think, in view of the criticism made by Mr. Bingham and others of abuses in the CONGRESSIONAL RECORD, I shall not ask to have it printed in the RECORD as a part of my remarks, but I wish to quote the definition of "establishment" which Mr. Richard Rovere endorses, which first appeared in the News and Courier of Charleston, S.C., on October 18, 1961:

> To understand the United States today, it is necessary to know something about the establishment. Most citizens don't realize it exists. Yet the establishment makes its influence felt from the President's Cabinet to the professional life of a young college teacher who wants to obtain a foundation grant for research. It affects the Nation's policies in almost every area.

Again I commend this article, which appeared in the May 1962, issue of Esquire, because Mr. Rovere has some rather curious ideas as to who belongs to the establishment and who does not. He says usually the President of the United States belongs, but when he does not, the Vice President belongs. The Vice President and the President never both belong. He thinks Martin Luther King is a member of the establishment, and Henry Luce is not. Who am I to say whether Mr. Rovere is correct or not? All I can say is that the article makes hilarious reading.

Mr. President, the establishment can always prevent legislation from being enacted. Its powers are more than ample in that regard. During the past few days a new truth is slowly becoming clear: A small group of Senators, none of whom belong to the establishment, can, nonetheless, defeat the establishment when its purpose is negative, that is, to prevent the enactment of legislation. This is because the establishment lives by the rules of the Senate; and the rules of the Senate can be used by a very small group to immobilize this body, whether they belong to the establishment or not.

While I am at this, Mr. President, I ask unanimous consent to have printed in the RECORD a most interesting article entitled "The Democratic Gulf," which appeared in the Washington Post and Times Herald on July 21, 1962, written by Roscoe Drummond. This shows on a tabulated basis how frequently each Democratic Senator who is a member of the establishment has opposed measures strongly urged on the Senate by the President of the United States. I found it interesting reading.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DEMOCRATIC GULF—KENNEDY AND PARTY IN CONGRESS ARE FAR APART

(By Roscoe Drummond)

The Senate defeat of the medical care bill points up the excruciating difficulty President Kennedy is having with his own party in Congress. It is causing the White House increasing alarm.

Major administration bills are being lost. When the administration wins, as in the case of the new debt ceiling, it comes with such a narrow margin that the loss of a mere handful of seats in the fall election would be a major administration calamity.

Often an administration victory, such as the recent House approval of authority to give aid to Yugoslavia and Poland, is simply the reversal of a previous administration setback.

The Kennedy honeymoon endured just one session of Congress. The evidence of the widening gulf between the President and the Democratic Party in Congress is no longer in dispute.

The point I want to examine is not what is happening—that is obvious—but where the trouble is coming from.

Mr. Kennedy's own theory, which he expounded again and again to the voters during the campaign, was that since the country already had a Democratic Congress, all that was needed to resolve a legislative deadlock was a Democratic President so the two could work cooperatively together.

Reality has disproved theory. The Democratic Congress and the President have, much of the time, worked uncooperatively apart.

The question that arises is: where has been the source of much of the congressional Democratic resistance to the President? To find the answer it seems reasonable to look at the record of Mr. Kennedy's senior Democratic partners, the most powerful men on Capitol Hill.

The nearest thing to the board of directors of the Democratic Party in the Senate are the chairmen of the Senate committees.

There are 16 Senate standing committees. There are 16 Democratic chairmen.

Over a 5-month period of this session of Congress, on 59 recorded votes affecting administration-sponsored proposals, these 16 Democratic chairmen voted collectively 255 times against the President.

The box score is as follows:

[Chairman, committee, times voting against President]

Robert Kerr, of Oklahoma; Space	10
Allen Ellender, of Louisiana; Agriculture	20
Carl Hayden, of Arizona; Appropriations	10
Richard Russell, of Georgia, Armed Services	24
W. Robertson, of Virginia; Banking and Currency	33
Warren Magnuson, of Washington; Commerce	5
Alan Bible, of Nevada; District of Columbia	7
Harry Byrd, of Virginia; Finance	32
W. Fulbright, of Arkansas; Foreign Relations	10

John McClellan, of Arkansas; Government Operations	29
Clinton Anderson, of New Mexico; Interior	13
James Eastland, of Mississippi; Judiciary	31
Lister Hill, of Alabama; Labor and Public Welfare	6
O. Johnston, of South Carolina; Post Office and Civil Service	11
Dennis Chavez, of New Mexico; Public Works	6
M. Mansfield, of Montana; majority leader	8
Totals	255

> Ten of these 16 Democratic chairmen and 11 other Democrats voted against the White House to defeat the medical care bill tied to social security.
>
> It is true that most of these powerful Democratic chairmen are from southern or border States. But that does not make them any the less a source of difficulty for the President.
>
> It simply points up the deep division within the Democratic Party and that the election of Mr. Kennedy has not produced the kind of working relationship with a Democratic President he said it would.
>
> What effect will this record have on the coming elections? One cannot be sure. But the fact is that the only time a party in control of both Congress and the White House increased its seats in an off-year election—in 1934—was when a Democratic Congress had been an active ally of a Democratic President, not a substantial opponent.

Mr. CLARK. I repeat, Mr. President, that Senate procedures for the last week or more I think prove beyond much doubt that a determined minority of Senators can prevent the passage of any bill.

I would hope the establishment would profit from this experience and devote itself to a revision of the rules of the Senate so that when the 88th Congress convenes next January this body will be able to meet its responsibilities to the country and to the free world.

It is interesting to note one thing about these two groups, the establishment and the antisatellite bill bloc, which despite the reference of the space satellite bill to the Foreign Relations Committee, still confront each other in stubborn conflict: The bloc opposing the bill has the law on its side, the establishment is, for the moment, like a lesser tribe, in Kipling's phrase, acting outside the law. Apparently it decided it did not presently have the two-thirds majority necessary to impose cloture. So its only hope was to wear down, by persuasion and perhaps physical exhaustion, the members of the bloc, until it could impose by these extralegal procedures what it could not accomplish by following the Senate rules and ordinary human courtesy.

I commend the majority leader for his decision not to work around the clock. This would have been an effort to break the filibuster by physicial exhaustion. I was present on two occasions when that was tried. I hope it will never occur again. All it does is to make the Senate look even more ridiculous in the eyes of the civilized world than a filibuster without going around the clock does. As we learned on those two occasions, the tactics do not work, anyway.

I have had occasion to remark before that John C. Calhoun's "Doctrine of the Concurrent Majority" has been enshrined in the present rules of the Senate.

That doctrine was that if any substantial group in the Senate—economic, social, political, or geographic, but a group which acted together—was not willing to support legislation, that legislation should not be passed. In my opinion, John Calhoun and those who supported the doctrine of the concurrent majority brought on the Civil War by their action. Those who opposed the doctrine of the concurrent majority won the Civil War, but the doctrine of the concurrent majority is still the rule in the Senate of the United States. I think it is time that rule was changed.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. DOUGLAS. Does the Senator from Pennsylvania remember that an eminent political commentator and political writer has referred to the U.S. Senate as "the South's revenge for Appomattox"?

Mr. CLARK. I do, indeed. I think that commentator in that regard was quite correct, although, frankly, I am not particularly enamored with his book. The book, written by the well known commentator Mr. William White, was called "Citadel."

No measure can pass the Senate unless the overwhelming majority of the Senate, perhaps 90 percent of its Members, are prepared to have the matter come to a vote on the merits. It is now apparent that less than 10 Senators have immobilized this body for the better part of 10 days. I suspect that, if they were determined enough, five Senators would have been enough.

Efforts have been made to create a climate in the Senate to the effect that the members of the bloc are behaving in an irresponsible and unethical manner. But this, I suggest, is not because of their opposition to the present bill or their full utilization of the powers given to each individual under the Senate rules. It is due to the fact that the members of the bloc are not members of the establishment. Nobody raised the question of propriety or ethics or stubborn action against the national interest when filibusters were being conducted against the constitutional rights of American citizens to vote, to go to the public schools, to exercise, without discrimination by reason of race, creed, or color, the privileges and immunities of citizens of the United States. But when the matter before us is whether an unwise bill dealing with outer space should pass in its present form, suddenly these ethical questions are raised on the floor of this Chamber.

I have long thought that the Senate needed a psychologist. I am beginning to believe we need a psychiatrist as well.

That this controversy has brought the Senate into disrepute with the country, indeed, with the whole civilized world, few can deny. Newspapers, political commentators, government officials all over the world have brought our behavior to the attention of anyone willing to read or listen. And nobody thinks our behavior is either rational or amusing.

Reference was made a few moments ago by the Senator from Delaware [Mr. WILLIAMS] to a series of articles written by the fine son of my dear friend, Barry Bingham, editor—and now, I believe, also the publisher—of the Louisville Courier-Journal. I have those articles with me but I could not put them into the CONGRESSIONAL RECORD without violating the rules of the Senate, because they reflect adversely on membership in the Senate. So I will not do so. But I should like to read the titles. They are as follows:

The first, which appeared on July 23, is entitled "Our Costly Congress."

The second, which appeared on July 24, is entitled "Legislators' Income Like Iceberg. Only Part of It Shows on the Surface."

The third, which appeared on the following day, is entitled, "Congressmen Even Get the Benefit of a Cut-Rate Printing Business."

The fourth is entitled "Abuse of the CONGRESSIONAL RECORD Rises to Monumental Heights."

The fifth is entitled "Offices Being Built for the House Promise To Be the World's Costliest."

Mr. President, an excellent editorial entitled "Saturday Night in the Senate," appeared in the Philadelphia Inquirer on the 30th of July. I ask unanimous consent that it may be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SATURDAY NIGHT IN THE SENATE

> It would be funny if it weren't our own Government.
>
> The Senate has at least a dozen important pieces of legislation to act upon, any or all of which will require debate and consideration of some length, and it spends more than 10 hours of a midsummer Saturday—well into the cool of the evening—to get 6 minutes' worth of work done.
>
> Besides the amusing spectacle of Democratic liberals earnestly employing the filibuster-and-delay tactics of their arch foes, the Democratic reactionaries, we have the unedifying evidence that administration control of the upper House is coming apart at the seams.
>
> The unusual Saturday session was scheduled in an effort by the leadership to break up the opposition to the communications satellite bill.
>
> But you would think there would be enough discipline and/or management among the Senators in favor of the administration's bill to come to meeting to further its progress—or at least vote a recess.
>
> Instead, they sent helicopters racing over the face of the Nation—clear to New England and out to the NS *Savannah* at sea, to round up a quorum—not once, but twice. The first one promptly wandered away before a vote was called and Senator MAURINE NEUBERGER, spokesman-of-the-day for the talkathon, was sharp enough to note the fact and use it.
>
> We pay each of these wandering gentry $22,500 a year plus expenses and expenses and expenses.

Mr. CLARK. I shall read the first and last sentences:

> It would be funny if it weren't our own Government.
>
> We pay each of these wandering gentry $22,500 a year plus expenses and expenses and expenses.

Somewhat more learned commentators have been equally adverse. Among them is the highly respected head of the Washington-New York Times bureau, Mr. James Reston. I should like to paraphrase the column he wrote under date of July 20, 1962, entitled "The White House Surveys the Wreckage." After discussing the difficulties which the administration faced as a result of the defeat of the health care under social security he pointed out that congressional procedures could be corrected easily enough in the next session of Congress to meet the urgent problems of a rapidly changing society.

This requires great innovation and flexibility, but the Congress is organized and largely controlled by committee chairmen who are not as eager to change the status quo as to preserve it.

The Congress is not only an equal power and jealous of its independence and power, but it has not held its power in the hands of the majority but parceled it out to a handful of men, any one of whom is capable of blocking or postponing decisions by the majority. Also, the workload in Congress, plus the jet airplane and the superhighway, which bring constituents to the Capital in droves, have put the individual Congressman more than ever in the hands of the powerful committee chairman.

In this situation, the President's main hope of getting the innovations he wants lies not in persuading the Congress, but in persuading the people.

I suggest it lies even more so in persuading the Congress to change its rules and procedures.

Mr. Reston wrote another provocative column under date of July 25, entitled "Kennedy and Capitol Hill: An Institutional Crisis."

Mr. President, I ask unanimous consent that the column may be printed at this point in my remarks.

There being no objection, the column was ordered to be printed in the Record, as follows:

Washington—Kennedy and Capitol Hill: An Institutional Crisis

(By James Reston)

Washington, July 24.—The crisis in the relations between President Kennedy and the Congress is more serious than either side has been willing to admit in public. It is not a personal or even partisan crisis so much as it is an institutional crisis, and it is not likely to vanish merely by adding a few more Democrats to the already sizable Democratic majority.

What has happened is that, on legislation that changes the social and economic patterns at home, the original roles of the President and the Congress have reversed. It is no longer the Congress that proposes and the President who vetoes legislation but the other way around.

Lord Macaulay observed over 100 years ago that the trouble with our Constitution was that "it was all sail and no anchor," and President Kennedy, an old Macaulay admirer, used the same simile this week in saying that the issue in the autumn election was whether the American people wanted "to anchor down or to sail."

But in times of rapid and even revolutionary change such as these, the problem is that the President usually wants to sail and the Congress wants to anchor. And the worst of it is that the voters tend to try to settle the issue blithely by voting for both a President who sails and a Congress that anchors.

THE BASIC CONFLICT

There is a deep duality in the American voter. He thinks nothing of voting for both Kennedy and Barry Goldwater, or Eisenhower and Hubert Humphrey at the same time. Maybe it's his way of distrusting everybody by playing the anchor off against the sail, which is fine in calm weather but hell in a storm.

The President's formula for progress on the home front, pronounced in that celestial news conference yesterday, was to elect 5 or 10 more Democrats to the House in November and a couple more to the Senate. But even if this happened, which is unlikely in nonpresidential elections when the low-income Democrats tend to stay home, would he be happy?

Probably not. For the Congress, as now organized, or disorganized, is designed to defend rather than to change the status quo, to curb venturesome Presidents rather than to row for them, to think locally on social and economic questions rather than nationally.

The politics that pay for a Congressman, in terms of reelection and advancement, are local politics. He may be elected as a Kennedy man, but the conservative chairmen of the Appropriations and Rules Committees and the big contributors in his district can do more to advance his ambitions in Congress than Kennedy.

Senator Jennings Randolph, of West Virginia, was a Kennedy man in the 1960 election, but his personal relations with Senator Kerr, of Oklahoma, were widely believed here to have been strong enough to persuade him to cast the decisive vote against Kennedy's medical care bill in the Senate.

CONFLICTS OF INTEREST

The Congress, therefore, is not a company of disinterested men sitting around brooding solely on the national interest. It never was and probably never will be. A Congressman's life is one vast tangle of conflicts of interest: National versus local, and sometimes even national or local versus personal, and these conflicts are increasing rather than decreasing.

As the Government gets deeper into the national economy, with a $50 billion defense budget alone, the scramble for defense contracts becomes increasingly savage, and the pressures on Congressmen to help get contracts—which in term often produce campaign contributions—add to the perplexities about how to vote and even how to act.

Meanwhile the Congress, which is so alert to conflicts of interest and the need for modernization in the executive branch of the Government, is more riddled with conflicts of interest, more dominated by individual power and whim and more out of date than any branch in Washington.

It is a great system for calm waters or for drifting or even sticking in the mud, but for stormy days it is a menace, and unless the conflict-of-interest problem is faced, it could easily become a scandal.

At any rate, Congress will not be cured by the addition of a few more Democrats. It doesn't need a transfusion but an operation.

Mr. CLARK. The next sentence in the article states:

> Probably not. For the Congress, as now organized, or disorganized, is designed to defend rather than to change the status quo, to curb venturesome Presidents rather than to row for them, to think locally on social and economic questions rather than nationally.

Of course, the normal perhaps, human perhaps, reaction of individual Members of Congress is aided and abetted by the rules and procedures under which we operate. Speaking of the system under which we operate, Mr. Reston, speaking of the procedures, concluded:

> It is a great system for calm waters or for drifting or even sticking in the mud, but for stormy days it is a menace, and unless the conflict-of-interest problem is faced, it could easily become a scandal.
>
> At any rate, Congress will not be cured by the addition of a few more Democrats. It doesn't need a transfusion but an operation.

Finally, I ask unanimous consent that a brilliant newscast and comment entitled "Is Congress Out of Date," by the well-known commentator, Howard K. Smith, be printed at this point in my remarks.

There being no objection, the newscast was ordered to be printed in the Record, as follows:

Is Congress Out of Date?

(By Howard K. Smith)

Good evening. We call your attention tonight to the state of the U.S. Congress, sometimes called the keystone in the arch of American Government. Congress has been in session now for nearly 5 months, which is a respectable length of time. The pressures on it to stop work and go home are strong because this is an election year and five-sixths of the Members of Congress have to run for reelection. But, though in session for a long time and itching now to finish, Congress this year has passed not a single piece of major legislation so far. The President said the other day that he is contemplating listing bills according to urgent priority in order to get at least some of them considered before Congress does go home.

In the past, some sessions of Congress have been called do-nothing or do-little Congresses. One of the Members now, Congressman H. R. Gross, of Iowa, labels this one the "goof-off" Congress:

Mr. Gross. I would say that it is a goof-off Congress. It is the worst Congress, of course, do-nothing Congress, in my 14 years in Washington. We have such a thing as the T. & T. Club—the out-on-Thursday, back-on-Tuesday Club—this is one of the reasons. There may be some hidden reasons that I know nothing about but it seems that for the benefit of certain people we must adjourn Congress on Thursday afternoon and either schedule noncontroversial legislation on Monday, or put the votes over until Tuesday, which gives them the opportunity to operate on the Thursday-to-Tuesday basis. This is to accommodate, I say, principally to accommodate Members on the eastern seaboard and contiguous areas who can get home, in a short period of time. Some of them to carry on business; some of them to carry on their political campaigning.

Mr. Smith. Congress has always been more criticized than the other branches of Government. The famous British student of government, James Bryce, wrote in the last century, "Americans are specially fond of running down their Congressmen." Our pictorial commentators, the cartoonists, have always taken a cynical view of Congress that they do not hold toward other branches.

In 1889, Joseph Keppler, creator of the character Uncle Sam, sketched this commentary suggesting that the real bosses of the Senate were the big moneyed trusts. In this century, Senator George Norris, or Nebraska, expressed the same thought about our system of checks and balances saying "the politicians get the checks, and the special interests have the balances."

Humor is heavily alloyed with cynicism in modern-day cartoons of Senators like Dogpatch's celebrated envoy to Washington—Senator Jack S. Phogbound, in Al Capp's "Li'l Abner."

The same qualities of hypocrisy and opportunism show just below the surface humor in Senator Snort drawn for the Field Enterprises by George Lichty.

And in round little Senator Caucus, drawn by Pete Wyma for the General Features Corp.

This rather low view of Congress has become so standard that there is a tendency to shrug off the implied criticisms as unavoidable and unimportant. In fact, I am going to argue tonight that it is very important and this reputation can be avoided. There have been periods when Congress was truly the keystone of our Government, well attuned to the people and creative in legislation. Just one example—in 1910 Congress became the inspiration and the leader of the Nation, when the so-called insurgents came to Washington determined to take up where Teddy Roosevelt left off:

Robert "Fighting Bob" La Follette, of Wisconsin, who beat the mighty railroads and the political bosses in his home State first.

Jonathan Dolliver, of Iowa, who said of President Taft, "he is an amiable man completely surrounded by men who know what they want," and proceeded to attack the influence of those men.

George Norris, of Nebraska, who broke the near dictatorial powers of Speaker Cannon, of the House.

And William E. Borah, of Idaho, who authored or guided through the Senate some of the most needed legislation of the times.

By contrast it is hard to think of many really creative acts of legislation by Congress in recent years. It is hard to think of an occasion on which Congress stirred the hearts of Americans by word or by action as the executive branch often does, and the Supreme Court has done on at least two historic occasions in recent years.

I suggest to you that Congress' reputation today is not good and that, despite a number of exceptional individuals, it deserves its reputation. It is not attuned to the people. It is more and more negative and dilatory rather than creative and responsive. Its ethics are much lower than those of either branch of the Government.

An acute present-day writer on the Congress, George Galloway, has said, "Representative government has broken down or disappeared in other countries. Here in the United States it remains on trial. Its survival may well depend upon its ability to cope quickly and adequately with the difficult problems of a dangerous world."

Congress is not coping quickly or adequately. What that is so, in a moment, after this word from Nationwide Insurance.

Just before his death a decade ago, Senator Kenneth Wherry, of Nebraska, said, "Congress still labors under antiquated machinery and processes. The creaking machinery of Congress is so inadequate for modern times that free representative government itself is endangered."

Just one example to support that statement: To help it draft legislation, Congress has a staff of 28 lawyers and a budget of $200,000. By contrast, a single 1 of the 10 executive departments—the Department of Agriculture—has 207 lawyers and a budget of $2,400,000 to draft legislation. We could cite many, many more examples of inadequate facilities causing Congress to lose its creative functions to the executive.

For one other disability of Congress to fulfill its functions, it is hard to blame Congress. That is, complex modern times has multiplied the workload, especially of Senators.

An outstanding Senator, Prescott Bush, of Connecticut, announced recently he was quitting politics because of the increasing workload:

Senator Bush. It requires a great deal of simple old-fashioned homework and when my evening is free—that is, I don't have to go to a dinner here in Washington, or some meeting up in Connecticut—I take my briefcase home full of work and I'll spend 2 or 3 hours, frequently, trying to catch up on the reading and the reports of committees, the things that people send me to read that are appropriate to legislation that's pending here. If one didn't do anything else but tend to the homework that goes with his job and tend to the duties of his job as a Senator in Washington, he'd have a very good full-time job, I can assure you. So, that if you add the burdens of the call of the State to this, you'd see that the work of a Senator, for most States I would say is very strenuous.

Mr. Smith. Hubert Humphrey, of Minnesota, probably the most articulate of all Senators, tells of the growing duties of the Senate. He describes a typical Tuesday:

Senator Humphrey. The congressional leaders meet with the President every Tuesday morning for our legislative breakfast. This means that I arrive at the White House at around 8:30. Our breakfast starts at 8:45. We finish that breakfast anywhere from 9:30 to 10. Then, following that, of course, is the regular little press conference. I then return to my office where I have committee meetings. The mornings are used for committee meetings in the Senate. Sometimes I find, and you try to solve this one, three committee meetings going on at the same time in three different buildings in three different parts of the Capitol, on three different subjects, and I am on all three committees. So, you have to be nimble of foot as well as of mind around here sometimes. But you select them, which committee you think is the more important, and you send a staff member, if you possibly can, to one of the others, or drop in on it. Then at noon, generally, one, two or three luncheon groups, and I generally find little time to eat at noon. I frequently just call on the luncheon groups because many times they are constituents. Then as the majority whip, I have to be on the Senate floor. So, I do a good deal of my officework right off the Senate floor in the whip's office off the Senate gallery. I have many visitors that come in during the day that send in their card to the Senate and want to see me. I go out to see them. During the afternoon, I will frequently have conferences with executive officers relating to problems of my constituents or problems on legislation. It is entirely probable that Senator Mansfield, the majority leader, will hold a, what we call, a policy meeting on the same day where the policy committee of the Democratic Party meets. And then later on in the afternoon, I attempt to answer telephone calls and, by the way, I average about 35, 40, 50 long-distance telephone calls every day. And I keep those slips in my pocket, if I have not been able to answer them at my desk, and catch them as I go along. I work late in my office on correspondence and have meetings at 5 to 7 o'clock—try to catch as many people as I can at that time. And then, sometimes during the day, there will be a dinner that we go to. I used to think that these dinners were fun, and I guess they can be, and sometimes they are, but really and truly, after a long day, you sometimes wonder if it might not be better if you just went home and didn't go to the dinner.

Mr. Smith. Well, now, you are a member of three very important committees. Is it possible for a Senator to be an expert on as many things as he's expected to be an expert on? Can you master all of the subject matter?

Senator Humphrey. I cannot. And when I used to teach political science, we had an axiom or statement. We said, "Experts should be on tap and not on top." I am not an expert. I hope to be a legislator and, in a sense, a policymaker, that is, to at least help shape and mold the policy of this country, as one Senator. But my activities are many in the Senate, and I must be interested in all of these activities. Of course, you have special areas of interest. For example, I have taken a very keen interest in the field of international cooperation in medical research and scientific research. A keen interest in the problems of disarmament and arms control. But I serve and have served on the Committee on Agriculture and Forestry, I have to know about these agriculture problems. The State I represent is deeply involved in agriculture. Agricultural economics is the very life of our society in Minnesota. I must be interested in the field of foreign policy. I am a chairman of a subcommittee and second ranking member on the full committee. And, of course, foreign policy is one of the most vital areas of our entire governmental activity. I am a member of the Senate Appropriations Committee. And that puts you across the board in everything. In fact, the defense budget is one that we work with the Interior, Labor, Public Welfare, and Education. I serve on the Senate Committee on Government Operations, which is an overall committee relating to the efficiency of the governmental structure, and I serve on a Senate Committee on Small Business. Now, any man that can be an expert in all of those fields is too good to be a U.S. Senator. Or anything else I think, on this earth. So what I try to do is to have a good staff that works with me. We schedule our efforts as best as we can to be well informed. I have specialists on my staff for each of these activities and others. And then I try to have a good working knowledge of these areas of endeavor. This takes time. I read all the time. When I come to work I read, when I go home I read, and I travel on the airplane. I don't have a chance to read books any more, Mr. Smith. I just read pamphlets and documents and confidential, secret, restricted documents, until they run out of my ears.

Mr. Smith. What about the increasing burden you have of nonlegislative activities?

Senator Humphrey. I spend at least 50 percent of my time on nonlegislative functions. And this is, I won't say it is a burden, it just takes a lot of time. The volume of mail. Mail. Well, it is just unbelievable. The mail pours in—I am not talking about pressure mail—I have had for example, on withholding, dividends and interest, this tax issue—I would say 15,000, 16,000 or more letters, and they all have to be answered and we work out policy statements and enclosures, but we answer every letter. Now, we have to use electric typewriters, robot typists. It is a big job just sorting the mail. I have a person in my office who spends all day long just opening mail—not answering it—just opening it, just sorting it.

I run a sort of a junior post office. Our mail will average, at the end of a session, over a thousand letters a day. And, in the beginning it will run, three, four, five hundred letters a day. I have a dictaphone wherever I go, or one of these soundscribers whatever you call them. I have one in my home in Minnesota, in the hotel room when I travel. I have a portable that I carry with me. I have one at my home here in Chevy Chase. I have one in every office here in the Capitol, and I don't waste very many minutes of my time. I work on that correspondence. And telephones. When I came here, we used to have two telephone lines and one private. We now have 10 lines and 2, so-called, private lines. And the only way you can get into my office is through the private line. I have to have a line just to call in—there just isn't any room on the board. Now, you figure that out for me, will you? I like it, don't misunderstand me. This is the kind of life I enjoy.

Mr. Smith. That was Senator Humphrey, of Minnesota, on the workload a Senator carries. The growing burden is a drag on

Congress achievement. But other factors are a greater drag.

In theory, Congress is representative of all America. But, in fact, it badly distorts the Nation's interests and needs.

The Senate was constructed to be distorted. With two Senators from each State regardless of its population—there are eight mountain States containing only 3 percent of the American people—which have equal voting power in the Senate with the eight most populous States containing over 50 percent of the Nation's population. It is very hard for such a body to be interested in the problems of all the people.

The House, however, misrepresents the Nation rather more. The State legislatures, which draw up electoral districts where Representatives run for election, are dominated by rural interests. So, they draw up congressional districts that will favor those interests. As a result the one-third of our Nation living in rural areas has a much stronger voice in the House than the two-thirds who live in urban areas.

But more serious than the underrepresentation of the Nation's majority in the House as a whole, is the gross distortion of power in control of the congressional committees.

The growing quantity and increasingly technical nature of legislation has caused committees of Congress to be more important than the whole House itself. In the year 1890, Speaker Thomas Reed said, "This House is no longer a deliberative body," and he was right. Bills are shaped and changed or made or killed in committee before they ever reach the floor of either House.

The chairmen of committees are chosen primarily by seniority. Legislators from one-party States or from conservative rural areas have greater security of tenure than those from populous two-party States. They accumulate seniority more easily and thereby win dominating positions on committees.

For example, there are 16 mighty committees in the Senate. The chairmen of nine of them, a majority of them, are Senators from Southern States of mainly rural interests, who are particularly out of tune with the times on rights. All the other Senate committees are headed by Senators from the Southwest and the West. Not one chairman comes from the populous States of the East, of the Middle West, or from California.

This, although the populations of two States—California and New York—almost equal the total population of all the other States shaded on this map.

This cartoon, drawn for Fortune magazine by Ronald Searle, shows the committee situation in the House of Representatives. President Kennedy is shown at the throttle of the New Frontier Express. Leading committee chairmen are at the switches able to halt legislation. The chief ones are Congressman WILBUR MILLS, of Arkansas, head of the mighty Ways and Means Committee, and Congressman HOWARD SMITH, of Virginia, head of the still mightier Rules Committee. Of the nine key committeemen shown here, six are from the South. SMITH of Virginia, MILLS, of Arkansas, PASSMAN, of Louisiana, MAHON, of Texas, VINSON, of Georgia, and HARRIS, of Arkansas. Only one, POWELL, of New York, is from a populous community.

The U.S. Congress is a captive body, a captive of interests attuned to the needs and concerns of neither a majority of our people nor of our time in history. It is geared to be negative. A legislator who wants to achieve something positive has to run a whole gantlet of obstacles. A legislator who wants to prevent action has a wealth of opportunities.

President Eisenhower's Commission on Goals for Mid-Twentieth Century America said: "If Congress is to be an active partner in an active Government, it must sooner or later move to reduce the power of its obstructionists." Congress has not done so. Obstruction rather than creation is now its characteristic.

There is one other serious blot on Congress. That is its ethics. Congress investigates everybody. But nobody investigates Congress. It is not permitted.

Nepotism—putting wives or relatives on the payroll—is common and open. One out of five Congressmen has a relative on the payroll, some at the top salary of $16,000. Some of the relatives do not turn up at the offices where they are supposed to work.

Hasten reapportionment, so the House will be more representative of the majority of the people and no longer tied to a social makeup that no longer exists.

Have Federal grants to pay most election expenses, so that politicians won't be sensitive to special interests who are always at hand to offer campaign contributions for favors done.

It could foster the growth of the two-party system, so every politician will have to fight for his job, and seniority would not accumulate in one small section of the Nation.

You could make chairmanships of committees rotate. The list can still be according to seniority. But rotation would prevent any one man establishing a tyranny.

And, finally, a radical reform: Have one Chamber instead of two, and thereby eliminate the time-costing haggling between the two Houses. There would still be far more than enough means of delaying legislation. The one Chamber's Members could be more numerous so the committee load on each would not be so great. And the terms of their office should be 4 or 6 years so they won't be, as Congressmen now are, always running for office.

If Congress took strong action to improve itself, it would find a receptive public. For politicians' line of work can still capture the public imagination.

The U.S. Senate, for example, can still be very dramatic. One episode that has caught imaginations on a movie screen is the picture "Advise and Consent." In it, Peter Lawford and Charles Laughton as Senators clash in a movie version of a debate on the Senate floor:

Mr. LAWFORD. Does the senior Senator from South Carolina think he knows more than the President about what or who is needed, in these perilous times, in the Office of the Secretary of State?

Mr. LAUGHTON. Yes, Senator. I daresay that even one so young and green as the junior Senator from Rhode Island would have chosen another man. Wouldn't you Senator, truthfully?

Mr. LAWFORD. The Senator assumes an entire ability of knowledge which denotes a closed mind, and an aged crust of prejudice. [Laughter.]

Mr. LAUGHTON. Really, Mr. President, we have here an example of the commotion this man Leffingwell can arouse. Able, sensitive, young Senators, taught courtesy at their mother's knees, turn upon their elders and offend them, because of their passions, over this disturbing man, Robert A. Leffingwell. I beseech, Senators, to contemplate the spectacle we are making of ourselves. Why? What is causing this bitterness of division in our party? Leffingwell. Who is disrupting the cordial flow of legislative interchange? Leffingwell. Who is turning this Senate into a cockpit of angry emotion? Leffingwell. I abominate this man Leffingwell. He is an evil man. He will pursue a policy of appeasement. He will weaken the moral fiber of our great Nation. He will bring destruction to our traditions and I beg the Senators reject him. Reject him. [Applause.]

Mr. SMITH. Several times on this weekly report we have stressed the urgent need in our time for much better teachers, and for much better scientists. But for whatever may be said in derogation of them, the single most important necessity of the time is—good politicians. They have got to improve their institution. For as President Eisenhower said in an entirely different context—we need them.

Good night.

Mr. CLARK. That program was participated in by Representative GROSS, the Senator from Connecticut [Mr. BUSH], and the Senator from Minnesota [Mr. HUMPHREY]. I particularly call the attention of Senators to the last portion of the program in which Mr. Smith points out:

> In theory, Congress is representative of all America. But, in fact, it badly distorts the Nation's interests and needs.
>
> The Senate was constructed to be distorted. With 2 Senators from each State regardless of its population—there are 8 mountain States containing only 3 percent of the American people—which have equal voting power in the Senate with the 8 most populous States containing over 50 percent of the Nation's population. It is very hard for such a body to be interested in the problems of all the people.

He then referred to the gross distortion of power and control of the congressional committees, the fact that the committees, because of technical progress in the world, and therefore the need for more technical legislation, has caused the committees of Congress to be more important than the Congress itself. He referred to the 16 mighty committees in the Senate. He pointed out:

> The chairmen of nine of them, a majority of them, are Senators from Southern States of mainly rural interests, who are particularly out of tune with the times on rights. All the other Senate committees are headed by Senators from the Southwest and the West. Not one chairman comes from the populous States of the East, of the Middle West, or from California. This, although the populations of two States—California and New York—almost equal the total population of all the other States shaded on this map.

He had a map before him when he was doing his telecast. He continued:

> The U.S. Congress is a captive body, a captive of interests attuned to the needs and concerns of neither a majority of our people nor of our time in history. It is geared to be negative. A legislator who wants to achive something positive has to run a whole gantlet of obstacles. A legislator who wants to prevent action has a wealth of opportunities.

He quotes from the report of President Eisenhower's Commission on Goals for Mid-20th Century America, in which it was stated:

> If Congress is to be an active partner in an active government, it must sooner or later move to reduce the power of its obstructionists.

Then he says that Congress has not done so, and states further that obstruction rather than creation is now its characteristic.

I have offered these comments from qualified observers, not with any particular pleasure. I love this body. I think it can become what it once was, the greatest legislative body in the free world. I hope it will again. I hope to come back to the Senate to help it do so.

I say again that the rules of the Senate must be changed, and so must our traditions and customs and procedures, or we will be confronting a constitutional crisis in which the legislative branch of our Federal Government will be unable to measure up to the challenge of our time.

I hope that this most recent evidence of our inability to act when a majority is ready for action, humilating though it must be to every Senator and to those who love this institution—and I believe they all do—will in the end serve a salutary purpose. It may serve to wake up enough of us to enable the Senate next January to modernize its rules and procedures, and thus permit the Senate once again to play its part in the constitutional structure of American government, and therefore our part as a leader in the free world.

Let us make no mistake. Congress in general, and the Senate in particular, is failing in its obligation to serve the American people. Our unwillingness to modernize and update our procedures is injuring our ability to perform our duty.

At this point I ask unanimous consent that an excellent editorial entitled "Modernizing Congress: I," published in the Washington Post of July 29 of this year, and an editorial entitled " 'Twas Ever Thus: Congress in 1889," which is the heading over a reprint of an editorial originally published in the Washington Post of April 8, 1889, be printed in the RECORD at this point in my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 29, 1962]

MODERNIZING CONGRESS—I

President Kennedy's difficulties with Congress are clearly easier to diagnose than to cure. The new Democratic leadership on Capitol Hill is patently less effective than the old Texas team of Speaker Rayburn and Senator JOHNSON. The deep fissure in the Democratic Party presents a thwarting obstacle to the White House. Certainly the lack of two-party competition in many districts is a pervasive institutional problem because it vests more seniority and power with legislators who are outside the stream of national political thinking.

Yet, in confronting this situation, surely something more than handwringing is in order. Not since 1946, when the La Follette-Monroney Legislative Reorganization Act was passed, has Congress taken up in a systematic way the matter of basic procedural reform. Hasn't the time come again for a determined campaign to modernize the rules of Congress?

Concerning the abuse of legislative power, American history moves in cycles. A half century ago, there was an outcry against the tyranny of the Speaker, and Congressman George Norris led the successful drive to strip "Czar" Cannon of his arbitrary powers over the House. This is emphatically not the problem now; rather, we are in a period reminiscent of the 1880's when representative government was threatened by the multiple despotism of committee chairmen.

"I know not how better to describe our form of government in a single phrase," Woodrow Wilson wrote in 1885, "than by calling it a government by the chairmen of the standing committees of Congress." The shoe still pinches. Any reappraisal of legislative rules must begin with a consideration of the committees that do the real work of Congress.

The chairmen rise through the inexorable workings of the seniority system, and this is an arrangement that temporal powers can never be expected to alter. What can be changed are the rules in both Chambers that can make a committee chairman a minor divinity in his kingdom. What is needed is a bill of rights for the committee members to prevent a handful of arrogant chairmen from imposing their own parochial prejudice on a majority.

In the House, for example, each committee adopts its own rules at the beginning of each Congress, and there is marked variation from domain to domain. Some committees, like Appropriations, are principalities in which the chairman presides with mace and scepter; there are not even printed committee rules. Others, like Interior and Insular Affairs, show a decent respect for mere members and subject the chairman to the relative restraint of majority wishes and the orderly procedure of printed rules.

The time seems past ripe for a concerted campaign to make democracy prevail within its principal American citadel by formulating a model set of committee rules. Each member should have the ability to call a vote—a prerogative more usually lodged with the sovereign chairman. Meetings should be regularly scheduled and not held at the caprice of the chairman. The chairman should not have the unchallenged power to stuff a bill in his hip pocket rather than submit it to a subcommittee.

Finally, to temper the effects of the seniority system, there might well be a mandatory retirement age for committee chairmen. The Constitution sets minimum ages for Members of the Senate and House; Congress could as appropriately set maximum ages for its committee chairmen. These are some of the elements that might be considered in a bill of rights for Congress itself. As it stands, the House in particular "is a complete travesty on representative government, upon popular government, and upon government by the majority." Henry Cabot Lodge, writing in 1889, went on to remark caustically:

"The people of this country are, as it seems to me, thoroughly tired of the stagnation of business and the general inaction of Congress. They are disgusted to see year after year go by and great measures affecting the business and political interests of the country accumulate at the doors of Congress and never reach the stage of action.

"They have also waked up to the fact that this impotence and stagnation are due to the preposterous fabric known as the rules of the House, and they are prepared to support heartily that party and those leaders who will break down these rules and allow the current of legislation to flow in its natural channel and at its proper rate."

[From the Washington Post, July 29, 1962]

'TWAS EVER THUS: CONGRESS IN 1889

(Editorial in the Washington Post, Apr. 8, 1889)

In the Declaration of Independence is the following often forgotten statement of human rights:

"Mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But, when a long train of abuses and usurpations, pursuing invariably the same Object, evinces a design to reduce them under absolute Depotism, it is their right, it is their duty, to throw off such Government, and to provide new Guards for their future security."

The people of the United States should renew their devotion to this fundamental principle of liberty by a declaration of independence from the un-Democratic, un-Republican and un-American rules of the House of Representatives which have subjected that body to a petty committee of dictators.

This assertion may seem severe, nevertheless it is a literal and disgraceful fact. Under these rules the 325 would-be representatives of the people are practically the subjects of a committee of five, known as the Committee on Rules, and a few chronic objectors. These dictators wield a power quite as tyrannical and obnoxious as that of the Czar of Russia, and far more odious for the reason that it is flaunted under the dome of republican institutions.

They comprise a legislative trust contrasted with which all other existing monopolies, and trusts pale in insignificance.

Under this peculiar system but a small percentage of the pending business is disposed of notwithstanding the people pay in salaries to their 325 Representatives, $3,250,000 during each Congress, and millions more in expenses, for attending to the necessary legislation of the country. Meritorious bills are unconsidered, honest debts left unpaid, and petitions from the people treated with indifference and disrespect.

The blockade arises from the fact that the 325 Representatives have, by adopting complicated and arbitrary rules, wrongfully delegated the powers confered upon them by the people to a committee of five, which small minority, in turn, becomes intoxicated with power and self-importance, and treats with contempt the great majority that foolishly clothed them with dictatorial power.

Having thus bound themselves in a network of redtape the struggles of the members to regain their freedom, and to secure a chance to perform their constitutional duties, are most pitiable. They degrade themselves by begging of the few arrogant objectors the privilege of a hearing on matters of importance to their respective districts and, what is worse, they are usually refused. In this respect they wrong and humiliate their constituents.

The astonishing feature of this ridiculous performance is that the 325 Members do not, as a matter of self-respect, throw off the yoke which they have placed around their own necks.

To prove that our indictment is not too severe, and that we speak by the card, the Post invites the attention of the people to expressions used in the Century Magazine for March, in an article on the "Rules of the House of Representatives," by Hon. Thomas B. Reed, a member of the Committee on Rules of the 50th Congress, and, therefore, a competent authority on this subject. He said:

"To such a pass has this obstructive policy come that all sensible men advise their constituents to do business with the United States with the same care that should be used with any individual whose antecedents show him to be adverse to paying except under compulsion.

"A species of straitjacket, which, though voluntarily imposed, is as great a proof of unsound mind as if some asylum had ordered it.

"If the majority of the House of Representatives—each man selected from at least 30,000 voters—cannot be trusted, who can?"

This is indeed an astonishing state of affairs, which demands the immediate attention of the American people, and of their representatives in the 51st Congress. Rules which trifle with the rights and liberties of the people are a disgrace. As a new Congress is free to enact its own rules of action, the proper time to reestablish republican government is at the beginning of the coming December session.

Mr. CLARK. Mr. President, I believe the Washington Post has well summarized a large part of what I have been trying to say.

What, then, should we do to remedy the situation? We cannot meet it this year. We had our opportunity at the opening sessions of the 87th Congress, and we fumbled the ball. We had another opportunity last summer when the leadership motioned up a change in rule XXII, the cloture rule. Again we fumbled the ball. The Committee on Rules and Administration had a final opportunity when, at long last, it passed adversely on all of my proposed rules changes except one quite insignificant one. Again the proponents of the status quo were in a large majority. Again, I suggest, we fumbled a fine opportunity for appropriate action.

We cannot deal with the rules problem this year, first, because it is too late and, second, because there is not yet a majority willing to take the action which is required.

In conclusion, in my opinion, three actions are needed:

First. A drastic change in the rules of the Senate along the lines I have indicated.

Second. A drastic change in the senatorial seniority system. This change should be directed toward the reconstitution of Senate committees so that the chairman and a majority—and a large majority—of all Democratic members on each committee should be known as supporters of the President of the United States in the legislative areas with which the committee deals.

I have dealt with this matter earlier in my speech.

Third. This is a part of the second suggested change. An increase in party discipline, so as to assure that the program of the President can be brought, with all deliberate speed, to a vote on the floor of the Senate. I am told that many Englishmen feel that party discipline in Great Britain is far greater than it should be. There is less opportunity for voicing individual views by Members of the House of Commons. There is a greater reluctance to speak up against the leadership. It is thought that on occasion retribution is visited on "back bench" Members who do not go along with the leadership. If Great Britain has gone too far in the matter of party discipline, I believe we have not gone far enough. I believe if we were to adopt as the sense of the Senate the resolution which I earlier proposed, that the President of the United States should be entitled to have a vote in the Senate on the merits of every bill which he strongly recommends, it would bring us a requisite amount of party discipline without the danger which afflicts the too strong party discipline in Great Britain.

This resolution would not prevent a legislative committee from reporting adversely or from reporting in truncated and amended form any proposal of the President of the United States, but it would give the duly elected representatives of the 50 States an opportunity to pass on or amend or turn down or adopt that which the Chief Executive and Commander in Chief of our Armed Forces had recommended.

This, I believe, would be wholly in accord both with our system of checks and balances and with our constitutional system, which I do not believe ever contemplated that a few men of great power should be able to prevent the elected representatives of the people from passing on measures which the President of the United States had recommended.

So much for the future. What can we do to resolve the present controversy between equally stubborn men when the bill comes back from the Foreign Relations Committee on August 10?

One can hope that when it comes back it will come back with amendments, and that those who have heretofore opposed them will believe them to be desirable. One can hope that the very persuasive power of members of this bloc will be able on the floor of the Senate to persuade a majority of their colleagues to make such changes as will bring the bill into accord with what they believe to be the public interest.

While one can hope, one must also realistically doubt. If the bill comes back in a not particularly changed form from the way it is now, and if a new period of extended debate and, indeed, a filibuster, should ensue, I hope that in the light of the experience we have had heretofore with the literacy test bill, that the leadership will follow the identical procedure, which would be, first, to make a a motion to table the bill. If that motion fails, the second step should be to vote on a cloture petition. If cloture is invoked, the bill can in due course be passed with perhaps a week or 10 days of further delay, or perhaps even a greater delay.

If cloture fails, I hope the leadership will take the third step and withdraw the bill, just as it withdrew the literacy test bill, until at least a majority of the Senate are anxious to pass on the legislation or until two-thirds of the Members of the Senate are prepared to impose colture.

This is the wise course the leadership followed with the literacy test bill when it was apparent that a vote on the merits could not be obtained. Let us, at least for the next 10 days, devote ourselves to the pressing business of the country and the Congress, business which prevents us, in good conscience, from adjourning until we have disposed of it. Let us lay our plans now for a revision of our rules, our customs, our traditions, and our procedures at the opening of the 88th Congress next January.

Mr. MORSE. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. MORSE. I think the procedure which the Senator from Pennsylvania has just outlined is unanswerably a sound proposal for handling the very difficult problem which confronts the Senate in the closing weeks of the session with respect to the satellite bill. I would add only one other suggestion, if the Senator will permit me to do so: If the leadership follows the procedure which the Senator from Pennsylvania has so wisely suggested, I hope that, come January, we will come to grips with rule XXII, for that, after all, is in the background of the whole problem; and that in January 1963, we will come to grips with rule XXII in respect to any of the various proposals which have been made for the modification of rule XXII. We have the Douglas proposal; we have the Morse proposal; we have the Clark proposal; we have, in one form or another, the proposal of my late colleague from Oregon, Dick Neuberger, and the proposal of our former colleague, Herbert Lehman.

But why do we not face the problem? We will not solve the problem of unlimited debate in the Senate until we adopt a workable rule XXII. I am one of those—and there are differences among us—who take the position that so long as rule XXII is on the books, it is available to all of us. It is the only rule we have in connection with a question of prolonged debate. We have the right—and I think in the instance of the satellite bill the duty—to apply the rule. But I have always stood for a modification of rule XXII.

It may be recalled that the other day I offered the leadership a proposal that the Senate lay aside the satellite bill long enough to take up the Morse antifilibuster resolution. The leadership did not like that proposal. Let them take up the Douglas proposal or the Clark proposal.

Mr. CLARK. We might even consider reinstating the motion on the previous question.

Mr. MORSE. If it becomes necessary, I will make the offer again before we adjourn this year. But I hope the leadership will follow the wise suggestion of the procedure just made by the Senator from Pennsylvania; and then, come January, we will discuss rule XXII and get a good rule XXII. Do not forget that any one of the proposals that have been made for the modification of rule XXII would, if adopted, protect the minority against a steamroller. That is all I have ever asked for. I am opposed to a filibuster that seeks to prevent a vote from ever occurring on an issue. I have always said so.

However, I do not believe that any leadership, toward the end of any session, can expect us to let it put through without full debate a measure that is of vital concern to the welfare of the American people It will be remembered that on the atomic energy issue in 1954 there was prolonged debate. Amendment after amendment was added to that bill. I am hoping and praying—and I am praying—that the satellite bill will be disposed of by the acceptance of some very much needed amendments which will protect the American people from monopolistic control. I think the satellite bill in its present form will have a most devastating effect on the public interest if it is not changed. But assuming that we do not get that kind of cooperation at this session of Congress, I hope the leadership will at least let the bill go over until November, after the election, and after the American people have spoken on the question.

But I am directing my major comment to the subject of rule XXII, in which the Senator from Pennsylvania [Mr. CLARK] and the Senator from Illinois [Mr. DOUGLAS] are as much interested as is the Senator from Oregon. I think until we come to grips with that rule, we shall have a repetition of the whole subject of Senators exercising their rights under rule XXII, because it is the only rule there is for the protection of rights that we seek to protect.

Mr. CLARK. Mr. President, I thank the Senator from Oregon for his helpful comments. I am in substantial accord with his views, although I believe many other rules of the Senate need amendment in addition to rule XXII.

I am about to yield the floor. Before doing so, I ask unanimous consent to have printed at the conclusion of my remarks a memorandum prepared for me by the Library of Congress Legislative Reference Service, entitled "Changes in Senate Committee Chairmanships at opening of 63d Congress (1913)." I call attention to the fact that when the New Freedom swept in behind President Woodrow Wilson, the chairman of every single Senate committee was removed, and Senators having no more seniority than 2 years were made chairman of the important Senate committees, whose legislative recommendations were necessary to put through the program of President Wilson.

I ask unanimous consent, also, that House Concurrent Resolution 18 of the 79th Congress, 1st session, which eventually resulted in the creation of the Joint Committee on the Organization of the Congress, which recommended changes in Senate and House procedures and rules in 1946, and in which our able colleague, the distinguished junior Senator from Oklahoma [Mr. MONRONEY], played so important a part, may be printed at the conclusion of my remarks, as a possible device to which we might one day turn to accomplish some of the reforms which I hope can be accomplished next January, but which I fear may not be accomplished.

There being no objection, the memorandum and concurrent resolution were ordered to be printed in the RECORD, as follows:

CHANGES IN SENATE COMMITTEE CHAIRMANSHIPS AT OPENING OF 63D CONGRESS (1913)

(By the Library of Congress, Legislative Reference Service)

In the 3d session of the 62d Congress (1912–13) the political classification of the Senate was 49 Republicans, 43 Democrats, 2 Progressives, and 2 vacancies. In the 1st session of the 63d Congress (1913) the Senate was composed of 51 Democrats, 44 Republicans, and 1 Progressive. As a result of the change in party control of the Senate from Republican to Democratic hands, there was a general redistribution of committee chairmanships and a reconstitution of committee memberships in the Senate. These changes, which had been worked out by the respective party steering committees, were embodied in a resolution which the Senate approved on March 15, 1913. (Senate Journal, 63d Cong., special session, pp. 311–314.)

At the opening of the 63d Congress the Senate had 72 standing committees. Many of them were minor, inactive committees which were destined to be abolished in the reorganization of 1921 when the list was reduced at a single stroke to 34. At the most, not more than 20 of the 72 Senate standing committees of that day were major, active ones. One of them, Banking and Currency, was created in 1913.

According to contemporary accounts, the progressive wing of the Democratic Party in the Senate was in full control of the party caucus. Senator John W. Kern, of Indiana, who had entered the Senate on March 4, 1911, became caucus chairman, head of the new Democratic steering committee, and floor leader of the Senate, having been chosen as a progressive in close touch with the Wilson administration, in place of the conservative Senator Martin, of Virginia, who had been the Democratic floor leader in the 62d Congress.

Kern's first act was to appoint the members of the Democratic steering committee, five of whose nine members were freshmen Senators and seven of whom were liberals. The members of the committee were: Martin, of Virginia, conservative; Clarke, of Arkansas, conservative; Chamberlain, of Oregon, liberal; Owen, of Oklahoma, liberal; O'Gorman, of New York, liberal; Smith, of Georgia, liberal; Lea, of Tennessee, liberal; Thomas, of Colorado, liberal; Kern, of Indiana (chairman), liberal.

Analysis of the assignment of committee chairmanships in the Senate at the outset of the 63d Congress shows that there were 32 instances[1] in which the seniority custom was followed in selecting committee chairmen, when allowance is made for the operation of the one-committee-chairmanship-per-Senator custom and for deaths and resignations. These 32 cases are listed below, together with the political category (liberal or conservative) in which the members were classified by contemporary opinion.[2]

Agriculture and Forestry: Gore, liberal.
Appropriations: Martin, conservative.
Audit and Control: Williams, conservative.
Census: Chilton, conservative.
Claims: Bryan, liberal.
Coast Defenses: Martine, liberal.
Corporations Organized in District of Columbia: La Follette, liberal.
District of Columbia: Smith of Maryland, conservative.
Finance: Simmons, conservative.
Fisheries: Thornton, conservative.
Foreign Relations: Bacon, conservative.
Immigration: Smith of South Carolina, liberal.
Indian Affairs: Stone, conservative.
Interoceanic Canals: O'Gorman, liberal.
Interstate Commerce: Newlands, liberal.
Irrigation and Reclamation: Myers, liberal.
Judiciary: Culberson, conservative.
Manufactures: Reed, liberal.
Military Affairs: Johnston, conservative.
Naval Affairs: Tillman, conservative.
Pensions: Shively, liberal.
Philippines: Hitchcock, liberal.
Post Office and Post Roads: Bankhead, conservative.
Printing: Fletcher, conservative.
Privileges and Elections: Kern, liberal.
Public Buildings and Grounds: Swanson, conservative.
Public Lands: Chamberlain, liberal.
Revolutionary Claims: Bradley, conservative.
Rules: Overman, conservative.
Standards, Weights, and Measures: Clapp, liberal.
Transportation Routes to Seaboard: McCumber, conservative.
University of United States: Dillingham, conservative.

Analysis further shows that there were 40 instances in which the seniority custom was not followed in choosing Senate committee chairmen at the opening of the 63d Congress. These 40 cases are listed below, together with their political classification:[1]

Accommodations for Library of Congress: Penrose, conservative.
Canadian Relations: Shields, liberal.
Civil Service and Retrenchment: Pomerene, liberal.
Coast and Insular Survey: Saulsbury, liberal.
Commerce: Clarke of Arkansas, conservative.
Conservation of National Resources: Smith of Arizona, liberal.
Disposition of Executive Papers: Page, conservative.
Education and Labor: Smith of Georgia, liberal.
Engrossed Bills: Warren, conservative.
Enrolled Bills: Hollis, liberal.
Examine Civil Service: Smith of Michigan, conservative.
Expenditures in Agriculture Department: Sheppard, liberal.
Expenditures in Commerce and Labor Department: Thompson, liberal.
Expenditures in Interior Department: Smoot, conservative.
Expenditures in Justice Department: Sutherland, conservative.
Expenditures in Navy Department: Hughes, liberal.
Expenditures in Post Office Department: Vardaman, liberal.
Expenditures in State Department: Lewis, liberal.
Expenditures in Treasury Department: Robinson, liberal.
Expenditures in War Department: Poindexter, liberal.
Five Civilized Tribes: Nelson, conservative.
Forest Reservations and Game Protection: Lane, liberal.
Geological Survey: Clark of Wyoming, conservative.
Indian Depredations: Borah, liberal.
Industrial Expositions: Ashurst, liberal.
Investigate Trespassers on Indian Lands: Stephenson, conservative.
Revision of the Laws: Johnston, conservative.
Library: Lea, liberal.
Mines and Mining: Walsh, liberal.
Mississippi River and Tributaries: Cummins, liberal.
National Banks: Johnson, liberal.
Pacific Islands and Puerto Rico: Shafroth, liberal.
Pacific Railroad: Brandegee, conservative.
Patents: James, liberal.
Private Land Claims: Lodge, conservative.
Public Health and National Quarantine: Ransdell, liberal.
Railroads: Perkins, conservative.
Territories: Pittman, liberal.
Transportation and Sale of Meat Products: Du Pont, conservative.
Woman Suffrage: Thomas, liberal.

It is interesting to note that, of the 72 standing committees of the Senate at that time, the chairmanships of 21 of them in the Democratic 63d Senate were given to Republicans. The following Senate committees were chaired by Republicans or Republican Progressives in the 63d Congress:

Additional Accommodations for Library of Congress.
Corporations Organized in the District of Columbia.
Disposition of Useless Executive Papers.
Engrossed Bills.
Examination of the Civil Service.
Expenditures in the Interior Department.
Expenditures in the Department of Justice.
Expenditures in the War Department.
Five Civilized Tribes of Indians.
Geological Survey.
Indian Depredations.
Investigate Trespassers on Indian Lands.
Mississippi River and its Tributaries.
Pacific Railroads.
Private Land Claims.
Railroads.
Revolutionary Claims.
Standards, Weights, and Measures.
Transportation Routes to the Seaboard.
Transportation and Sale of Meat Products.
University of the United States.

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[1] Source: Senate Journal, Apr. 27, 1911, pp. 41–42; Mar. 15, 1913, pp. 311–14.

[2] Allowing for the operation of the one-committee-chairmanship-per-Senator custom and for deaths and resignations.

With 72 standing committees, 51 Democrats, and the one-chairmanship-per-Senator rule, it was obviously necessary to share the chairmanships with the minority party. (The Committee on Revision of the Laws was classified as a joint committee without a chairman.)

Of the 72 Senate committees in 1913, 39 were chaired by Liberals and 33 were chaired by Conservatives, according to contemporary classifications. Of the 20 most important committees, 10 were chaired by Liberals and 10 by Conservatives.

Classification of chairmanships of 20 major Senate committees in 63d Congress follows:

Agriculture and Forestry: Gore, of Oklahoma, liberal.

Banking and Currency: Owen, of Oklahoma, liberal.

Civil Service and Retrenchment: Pomerene, of Ohio, liberal.

Education and Labor: Smith, of Georgia, liberal.

Immigration: Smith, of South Carolina, liberal.

Interstate Commerce: Newlands, of Nevada, liberal.

Irrigation and Reclamation: Myers, of Montana, liberal.

Mines and Mining: Walsh, of Montana, liberal.

Privileges and Elections: Kern, of Indiana, liberal.

Public Lands: Chamberlain, of Oregon, liberal.

Appropriations: Martin, of Washington, conservative.

Finance: Simmons, of North Carolina, conservative.

Fisheries: Thornton, of Louisiana, conservative.

Foreign Relations: Bacon, of Georgia, conservative.

Judiciary: Culberson, of Texas, conservative.

Military Affairs: Johnston, of Alabama, conservative.

Naval Affairs: Tillman, of South Carolina, conservative.

Post Offices and Post Roads: Bankhead, of Alabama, conservative.

Public Buildings and Grounds: Swanson, of Virginia, conservative.

Rules: Overman, of North Carolina, conservative.

Agriculture and Forestry: Gore (Oklahoma), liberal.

Banking and Currency: Owen (Oklahoma), liberal.

Civil Service and Retrenchment: Pomerene (Ohio), liberal.

Education and Labor: Smith (Georgia), liberal.

Immigration: Smith (South Carolina), liberal.

Interstate Commerce: Newlands (Nevada), liberal.

Irrigation and Reclamation: Myers (Montana), liberal.

Mines and Mining: Walsh (Montana), liberal.

Privileges and Elections: Kern (Indiana), liberal.

Public Lands: Chamberlain (Oregon), liberal.

The operation of the one-committee-chairmanship-per-Senator custom caused several departures from the seniority custom. Thus, Bankhead was in line for the chairmanships of Agriculture and Forestry, Education and Labor, and Post Offices and Post Roads; but received only the latter. Bacon was in line for the chairmanships of Foreign Relations, Judiciary, Rules, and Expenditures in the Post Office Department; but received only the chairmanship of Foreign Relations. Tillman was the ranking Democrat in the 62d Congress on Appropriations, Canadian Relations, Five Civilized Tribes, Forest Reservations, Interstate Commerce, Mines and Mining, and Naval Affairs; but became chairman only of Naval Affairs.

The following major departures from the seniority custom may also be noted. Gore became chairman of Agriculture and Forestry rather than the ranking Bankhead who became chairman of Post Offices and Post Roads. Martin became chairman of Appropriations rather than the ranking Tillman because of the latter's advanced age and poor health, but Tillman became chairman of Naval Affairs. Pomerene, a freshman Senator, became chairman of Civil Service and Retrenchment rather than the ranking Clarke who became chairman of Commerce. Thornton, a freshman Senator, became chairman of Fisheries rather than the ranking Overman who became chairman of Rules. Smith of South Carolina, a first termer, became chairman of Immigration rather than the ranking Gore who became chairman of Agriculture and Forestry. And Myers of Montana, a freshman Senator, became chairman of Irrigation and Reclamation rather than the ranking Newlands who became chairman of Interstate Commerce.

CHANGES IN MAJOR SENATE COMMITTEE MEMBERSHIPS AT OPENING OF 63D CONGRESS (1913)

Agricultural and Forestry

The Democratic members of this committee, who were Members of both the 62d and 63d Congresses, retained their rank on the committee in the 63d Congress, except for Bankhead who was in line for the chairmanship, but was not assigned to the committee in the 63d Congress. Of the nine Democratic members of this committee in the 63d Congress, the top four were classified as liberals and the bottom five were newcomers.

Appropriations

The Democratic composition of this committee was considerably reshuffled in the 63d Congress. Tillman, of South Carolina, who had been its ranking minority member in the 62d Congress, dropped down to ninth place on the Democratic side in the 63d Congress, presumably because the steering committee believed that the burden of chairing this committee was too heavy for a man of his advanced age and poor health. He was assigned instead to the chairmanship of Naval Affairs (Cf. Haynes, "The U.S. Senate," vol. 1, p. 301.)

Martin, of Virginia, who ranked fourth on the Democratic side of this committee in the 62d Congress, became its chairman in the 63d Congress, perhaps as a consolation prize for his loss of the floor leadership. Culberson, of Texas, was dropped from third place to the bottom spot on the majority side. Overman, of North Carolina, moved up from fifth to second place. Owen, of Oklahoma, moved up from sixth to third place. And Smith, of Maryland, moved up from the foot of the committee to fourth place. The resulting Democratic lineup on Appropriations in the 63d Congress was five conservatives, four liberals, and one unclassified.

Education and Labor

Bankhead, ranking Democrat on this committee in the 62d Congress, was not assigned to the committee in the 63d Congress. Hoke Smith (Georgia), who had not been a member of the committee in the 62d Congress, became its chairman in the 63d. The other Democratic members of this committee in the 62d Congress, who remained in the Senate in the 63d, retained their rank on the committee. The resulting Democratic lineup was four liberals, one conservative, and one not classified.

Finance

Simmons (North Carolina), ranking Democrat on this committee in the 62d, became its chairman in the 63d. The other Democratic members of the committee in the 62d retained their rank on the committee in the 63d, except Kern (Indiana), who gave up his seat on Finance to become floor leader. The resulting Democratic lineup on the committee in the 63d Congress was four liberals, three conservatives, and three not classified.

Foreign Relations

Bacon (Georgia), ranking minority member in the 62d, became chairman of this committee in the 63d. The other Democratic members of the committee in the 62d retained their rank on the committee in the 63d, and four other Democrats, who had not served on the committee in the 62d, were added at the bottom on the Democratic side: Williams (Mississippi), a conservative; Swanson (Virginia), a conservative; Pomerene (Ohio), a liberal; and Smith (Arizona), not classified. The resulting Democratic lineup on the committee in the 63d Congress was five liberals, four conservatives, and one not classified.

Interstate Commerce

Tillman (South Carolina) was ranking Democratic member of this committee in the 62d Congress, but was not assigned to it in the 63d. Foster (Louisiana), No. 2 Democrat on the committee in the 62d, was not a member of the 63d Senate. Newlands (Nevada), 3d Democrat on the committee in the 62d, became its chairman in the 63d. Clarke (Arkansas), 4th Democrat on the committee in the 62d, was not assigned to it in the 63d. Gore (Oklahoma), 5th Democrat on the committee in the 62d, moved down to last place on the majority side of the committee in the 63d Congress. Watson (West Virginia), 6th Democratic member of the committee in the 62d, was not a member of the 63d Senate. Pomerene (Ohio) moved up from the foot of the committee in the 62d to 3d spot on the majority side in the 63d. And six Democrats were added to the committee in the 63d Congress: Smith (South Carolina), Myers (Montana), Robinson (Arkansas), Saulsbury (Delaware), Thompson (Kansas), and Lewis (Illinois). As thus reconstituted, this committee was dominated by liberals on the Democratic side in the 63d Congress.

Judiciary

Bacon (Georgia) who was the ranking Democrat on this committee in the 62d Congress, dropped to the foot of the table on the majority side in the 63d Congress. Culberson (Texas), No. 2 Democrat on the committee in the 62d Congress, became committee chairman in the 63d. The 1st four Democrats who followed him in the 63d retained the same relative rank on the committee they had had in the 62d Congress. Four other Democrats were added to the committee in the 63d Congress who had not been members of it in the 62d. As thus reconstituted in the 63d, this committee was composed on the majority side of five conservatives, three liberals, and two unclassified members.

Military Affairs

The Democratic membership of this committee was reshuffled in the 63d Congress. Chamberlain (Oregon), who occupied fourth place on the Democratic side of the committee in the 62d Congress, became its chairman in the 63d Congress after Johnston (Alabama) died on August 8, 1913. Foster (Louisiana), a member of the committee in the 62d, was not a member of the 63d Senate. Clarke (Arkansas) dropped from third place on the committee in the 62d Congress to last place in the 63d. Hitchcock (Nebraska) moved up from fifth to second place. Williams (Mississippi) left the committee in the 63d. And Lea (Tennessee) moved up from the bottom of the table to third place on the majority side. As thus reconstituted, a majority of the Democrats on this committee in the 63d Congress were classified as liberals, including the top three members.

Naval Affairs

The Democratic lineup on this committee in the 62d Congress continued into the 63d, with Tillman (South Carolina) the ranking Democratic member in the 62d, becoming chairman in the 63d. The only demotion in committee rank among the Democrats was Smith (Maryland) who dropped from second place in the 62d to last place in the 63d. Of its eight Democratic members in the 63d Congress, five were listed as conservatives, and three as liberals. The top three Democrats were all classified as conservatives.

Post Offices and Post Roads

The seven Democratic members of this committee in the 62d Congress became the seven majority members in the 63d in the same order of rank. Two Democrats were added to complete the majority quota on the committee. Bankhead became chairman and, of the nine Democrats on the committee in the 63d, five were classified as liberals and four as conservatives.

Privileges and Elections

The two ranking Democrats on this committee in the 62d Congress: Paynter (Kentucky) and Johnston (Alabama), were not Members of the 63d Senate after Johnston died in August 1913. Fletcher (Florida), the third Democrat, was not assigned to this committee in the 63d Congress. The fourth Democrat, Kern (Indiana), became committee chairman in the 63d. He was followed in both Congresses by the same two Democrats: Lea (Tennessee) and Pomerene (Ohio). Six Democrats were added to the committee in the 63d Congress. Of the resulting nine Democrats on the committee in the 63d Congress, six were classified as liberals, one as a conservative, and two were unclassified.

Public Buildings and Grounds

On this committee Culberson (Texas) was the ranking Democrat in the 62d Congress, but appeared at the bottom of the list in the 63d. Swanson (Virginia) moved up from second place in the 62d Congress to the chairmanship in the 63d. Owen (Oklahoma), third-ranking Democrat on the committee in the 62d, was not assigned to it in the 63d. Watson (West Virginia), fourth Democrat on the committee in the 62d, was not a Member of the 63d Senate. The other three Democrats on the committee in the 62d Congress moved up in order to the second, third, and fourth spots on the Democratic side of the committee in the 63d Congress. Four other Democrats were added below them in the 63d. As thus reconstituted, the Democratic members of the committee in the 63d Congress included three liberals, two conservatives, and three unclassified members.

Public Lands

Myers (Montana), 4th Democrat on this committee in the 62d Congress, moved up to the chairmanship in the 63d Congress after Chamberlain (Oregon), who was named chairman at the outset, resigned the chairmanship of Public Lands to become chairman of Military Affairs after Johnston (Alabama) died in August 1913. Newlands (Nevada), ranking minority member in the 62d, was not assigned to Public Lands in the 63d. Nor was Thornton (Louisiana), third Democrat on the committee in the 62d, assigned to it in the 63d. Smith (Arizona), who sat at the foot of the table in the 62d Congress, moved up to No. 2 spot in the 63d. Six other Democrats, not former members of the committee, were assigned to it in the 63d. The effect of these changes was to give the committee this Democratic complexion: two liberals, six new Members of the Senate not yet classified, and one unknown.

Rules

The Rules Committee in the 63d Congress had only two Democratic members: Bacon (Georgia) and Overman (North Carolina). In the 63d Congress Overman became chairman of Rules and Bacon dropped down to the foot of the table. Four Democrats: Kern (Indiana), O'Gorman (New York), Williams (Mississippi), and Lea (Tennessee) were added on the majority side of Rules in the 63d. As a result of these changes, Rules in the 63d Congress had four liberal and two conservative Democrats.

CHANGES IN SENATE RULES

The changes in the organization of the Senate that took place in March 1913, including the extensive reshuffling of committee chairmanships and memberships and the numerous departures from the traditional seniority practice, led to widespread reports in the press and in the periodical literature of the period that the Senate had revised its rules regulating the selection and conduct of committee chairmen. Thus, for example, the "American Review of Reviews," edited by Albert Shaw, informed its readers in its issue for April 1913, that: "Even more significant than the personal changes which bring a new set of men into control of a body so recently managed by the extreme conservatives of both parties, are the changes in the rules" (p. 393). Such reports were erroneous, however, for the Senate Journal for the 1st session of the 63d Congress records no such revision of the rules of the Senate. The so-called seniority rule as it relates to committee assignments in the Senate has always been a matter of party practice and is unknown to the standing rules of the Senate.

CHANGES IN THE ORGANIZATION OF THE DEMOCRATIC LEADERSHIP IN THE SENATE AT THE OPENING OF THE 63D CONGRESS

As noted above, at the opening of the 63d Congress Senator John W. Kern, of Indiana, who had been a Member of the Senate for only 2 years, was chosen chairman of the Democratic caucus, chairman of its steering committee, and floor leader. Kern was a progressive Democrat who had been the vice presidential nominee with Bryan in 1908. His first move was to reorganize the Democratic steering committee in the manner described above.

In his biography of Kern, published 5 years later, Claude G. Bowers wrote:

"Thus the election of Senator Kern to the leadership of the majority at the beginning of the first Wilson administration, with all that followed * * * marked a revolutionary change in the U.S. Senate, broke down the fetish of the seniority rule, smashed superannuated precedents and traditions, made difficult if not impossible the domination of the body by a small coterie of men entrenched in powerful chairmanships, and did more toward the democratization of the Senate than had been done in half a century."

While there is a large element of truth in Bowers' evaluation of Senator Kern's leadership during the first Wilson administration, the sweeping changes that were effected in committee chairmanships and assignments were the result, not of any actual amendments of the standing rules of the Senate, but the resolute and resourceful leadership of the Democratic Party in that Chamber.

H. CON. RES. 18—79TH CONGRESS 1ST SESSION

Resolved by the House of Representatives (the Senate concurring), That there is hereby established a Joint Committee on the Organization of the Congress (hereinafter referred to as the committee) to be composed of six Members of the Senate (not more than three of whom shall be members of the majority party) to be appointed by the President of the Senate, and six Members of the House of Representatives (not more than three of whom shall be members of the majority party) to be appointed by the Speaker of the House of Representatives. The committee shall select a chairman and a vice chairman from among its members. No recommendation shall be made by the committee except upon a majority vote of the Members representing each House, taken separately.

SEC. 2. The committee shall make a full and complete study of the organization and operation of the Congress of the United States and shall recommend improvements in such organization and operation with a view toward strengthening the Congress, simplifying its operations, improving its relationships with other branches of the United States Government, and enabling it better to meet its responsibilities under the Constitution. This study shall include, but shall not be limited to, the organization and operation of each House of the Congress; the relationship between the two Houses; the relationships between the Congress and other branches of the Government; the employment and remuneration of officers and employees of the respective Houses and officers and employees of the committees and Members of Congress; and the structure of, and the relationships between, the various standing, special, and select committees of the Congress: *Provided*, That nothing in this concurrent resolution shall be construed to authorize the committee to make any recommendations with respect to the rules, parliamentary procedure, practices, and/or precedents of either House, or the consideration of any matter on the floor of either House: *Provided further*, That the language employed herein shall not prohibit the committee from studying and recommending the consolidations and reorganization of committees.

SEC. 3. (a) The committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Seventy-ninth Congress, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

(b) The committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties.

(c) The expenses of the committee, which shall not exceed $15,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers signed by the chairman.

(d) The committee shall report from time to time to the Senate and the House of Representatives the results of its study, together with its recommendations, the first report being made not later than April 1, 1945. If the Senate, the House of Representatives, or both, are in recess or have adjourned, the report shall be made to the Secretary of the Senate or the Clerk of the House of Representatives, or both, as the case may be. All reports and findings of the committee shall, when received, be referred to the Committee on Rules of the Senate and the appropriate committees of the House.

Passed the House of Representatives January 18, 1945.

Attest:

SOUTH TRIMBLE,
Clerk.

Passed the Senate amended February 12, 1945.

Attest:

LESLIE L. BIFFLE,
Secretary.

House agrees to Senate amendments February 19, 1945.

Attest:

SOUTH TRIMBLE,
Clerk.

Mr. DOUGLAS. Mr. President, I most heartily approve of the general purport of the recommendations of the Senator from Pennsylvania, although perhaps in one or two instances I differ slightly with him. I hope his speech will be considered both by the Senate and the press and also by the country as a whole.

EASTERN AIRLINES AND THE AIRLINE STRIKE

Mr. MORSE. Mr. President, in my statement to the Senate of July 25 on the airline strike, I reported a successful conclusion to the efforts of the Secretary of Labor to end the emergency in airline transportation. It was at that time that I reported that the Pan American World Airways and the Flight Engineers had accepted the Secretary's proposal in settlement of all issues in their long and difficult dispute.

Eastern Air Lines had been offered precisely the same proposal which Pan Am and the other airlines had accepted, but Eastern refused to go along with the pattern in the industry and rejected the proposal.

The term of the Secretary's proposal which Eastern said was unacceptable to it involved the crew complement and crew assignment provision. The formula proposed by the Secretary was accepted by the other lines and was taken directly from the report of the Presidential Commission headed by Professor Feinsinger. The Feinsinger report in turn corresponded to the Taylor award in the Pan Am-Pilots' arbitration and to the recommendations of all of the numerous Presidential emergency boards which have dealt with this subject over the past year.

Eastern had agreed to this formula earlier in the summer and it came as a distinct surprise to find that at this late and critical point in the dispute, it should change its mind and reject the proposal.

Those of us who have been following the dispute recognize that the crew complement and job assignment formula lies at the heart of all of the recommendations, and awards which have been made by the various Presidential commissions in this case, and it was the principal and decisive factor in developing a proposal which finally terminated the dispute as far as the Flight Engineers are concerned and as far as the other airlines except Eastern are concerned.

I should like to insert into the RECORD a letter which I received a few days ago from Mr. R. A. Brown, president of the Flight Engineers International Association on the latest phase of this case and a letter which I have today addressed to the Administrator of the FAA, dealing with further aspects of this precise problem. I ask unanimous consent that the text of these two letters appear in the RECORD at this point in my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 31, 1962.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SIR: This letter is to appraise you of the current status of the Eastern Air Line-Flight Engineer dispute.

Meetings were held during the week of July 23 under the auspices of the U.S. Department of Labor. These meetings consisted largely of sessions between the company and the Air Line Pilots' Association. There were no meetings between any of the parties and the Flight Engineers, although we were requested by Secretary of Labor Goldberg to be available.

On Friday, July 27, we were informed by the carrier that they desired to see us alone (without Government representation) and a meeting was arranged for 6 p.m. However, at approximately 5 p.m., an Eastern representative called the Flight Engineers and informed them that they wished to cancel the meeting and that they were returning to Miami to meet with the pilots. The bargaining in this dispute has developed to the point where Eastern Air Lines has abdicated its responsibility to negotiate exclusively with the bargaining agent (FEIA) over matters related to the Flight Engineers and are dealing only with the pilots. Eastern has taken the position that any agreement between it and the Flight Engineers must have the approval of the Air Line Pilots' Association even though other airlines such as Pan American have concluded similar agreements. In effect, the Flight Engineers now find themselves negotiating with the Air Line Pilots' Association through the company.

As of this writing there has been no attempt by any party to arrange further negotiating sessions.

As you know, we have accepted the Secretary's proposal; however, Eastern has demurred, claiming that this proposal did not meet with the approval of the Air Line Pilots' Association.

We would like to emphasize that Eastern Airlines' Flight Engineers stand ready to meet with the company in order to work out an agreement based upon the proposal made by the Secretary of Labor on July 23, 1962. We would hope that a negotiating session could be arranged within the next 24 hours where any special problems that Eastern Airlines might have in relation to the Secretary's proposal could be worked out.

We would also like to bring to your attention certain strikebreaking activities which are now being carried out on Eastern Airlines. Some weeks ago Eastern Airlines applied to the Federal Aviation Agency for a revision to their FAA-approved flight engineer training program. We have been informed by FAA Administrator Najeeb Halaby that the changes requested by Eastern were such as to more easily facilitate the certification and use of copilots as flight engineers on Eastern. Shortly thereafter, Eastern Airlines stated that they had called in some 80 copilots for purposes of providing them flight engineer training. These men have now received approximately 24 hours of ground school and are currently being issued flight engineer certificates conditioned upon FAA's approval of the new training program. This activity is continuing on Eastern Airlines—apparently with the anticipation by Eastern that this program will eventually be approved. The technical justification for Eastern Airlines' application for a revision of their training program is that with the ground school that the copilots have already received as copilots, they need only an additional 24 hours of instruction.

Sincerely,

R. A. BROWN,
President.

AUGUST 2, 1962.

Hon. NAJEEB E. HALABY,
Administrator, Federal Aviation Agency,
Washington, D.C.

DEAR MR. HALABY: I have enclosed a copy of a self-explanatory letter addressed to me by Mr. R. A. Brown of the Flight Engineers International Association, describing the most recent developments in the Eastern Airlines situation with which you are familiar.

As you know, the Secretary of Labor recently developed a formula for the settlement of the airline disputes which was acceptable to the Flight Engineers and to all of the airlines except Eastern. My knowledge of these negotiations is enhanced by the fact that at the request of the administration I participated in a number of steps which ultimately produced this accord. Eastern, however, rejected the proposal on the ground of unacceptability of the crew complement and job priority provisions which formed the principal components of the Secretary's approval. As you must also know, the crew complement and job priority principle reflected in the Secretary's proposal was taken directly from the Feinsinger report which in turn corresponded to the Taylor award in the Pan Am-ALPA arbitration and to the recommendations of the five Presidential emergency boards dealing with the case. Eastern itself had agreed to the crew complement and job priority provisions later incorporated into the Goldberg proposal only a short time ago, but now, at the critical point in its negotiations, it reversed its position and rejected the proposal because apparently the Eastern pilots found it to be unacceptable.

I think it fair to say that the crew complement and job priority formula formed the cornerstone of all of the recommendations and awards to which I have referred and was the key by which this troublesome and difficult dispute of such long standing was finally terminated on a basis acceptable to all parties save Eastern.

Although Eastern withdrew from its earlier acceptance of this aspect of the Goldberg proposal and thus deadlocked the negotiations, I am not aware that it has pending any proposal of its own on the subject of crew complement and job priority at this time.

Mr. Brown's letter indicates that Eastern recently applied to FAA for a revision of its FAA-approved flight engineer training program in order to expedite the qualification of its pilots as flight engineers. Under the modified program, as I understand it, the training time normally required under existing procedures would be drastically compressed to permit the pilots to begin to function as flight engineers after a short period of training.

The letter also points out that there are approximately eighty copilots now being trained under the modified program and that many of these men have received conditional flight-engineer certificates to become effective upon approval of the Eastern application for the shortened course. Would you be good enough to supply me with a report on the application, of the nature and effect of the relief requested, and of its status.

I should appreciate having this information at your earliest convenience.

In writing to you, I do not intend to imply in any sense that there is any concern on my part, or on the part of anyone else, that the FAA may allow itself to be drawn into the Eastern dispute in any manner.

I need not express my unqualified confidence that the FAA, like other branches of the executive establishment, such as the Department of Labor in its many operations, including the U.S. Employment Service, will not tolerate the misuse of its processes or procedures in any program to break a lawful strike.

With every best wish.

Sincerely,

WAYNE MORSE.

Mr. MORSE. Mr. President, these letters show that at this turn in the course of this long dispute, Eastern is preparing to train its copilots to take the flight engineers' jobs and has asked for special consideration by the FAA to permit it to do this.

Eastern's solution to the dispute therefore appears to be quite different from that proposed by the Secretary of Labor and accepted by all other parties. Eastern simply will break the strike and will replace the strikers with pilots thus settling the whole matter.

To accomplish this, it is apparently asking the cooperation of the FAA.

At this point it might be noted that it has been the continuous policy of the executive branch to refuse to allow itself to be drawn into any program to break a lawful strike.

This is a harsh course which Eastern is following, and I again urge it to reconsider its approach and to dispose of these issues in the usual channels of collective bargaining as required by the Railway Labor Act. I urge it to accept the Secretary's proposal and to end this painful strike.

THE TRADE EXPANSION ACT OF 1962—AMENDMENT

Mr. MUSKIE. Mr. President, I submit, for appropriate reference, an amendment to H.R. 11970, the Trade Expansion Act of 1962. I do so on behalf of myself, the distinguished Senator from Alaska [Mr. BARTLETT], the distinguished Senator from New Mexico [Mr. CHAVEZ], the distinguished Senators from New Hampshire [Mr. COTTON and Mr. MURPHY], the distinguished Senator from Connecticut [Mr. DODD], the distinguished Senators from Rhode Island [Mr. PASTORE and Mr. PELL], and the distinguished Senator from Wisconsin [Mr. WILEY].

I ask unanimous consent that this amendment remain at the desk through Friday, August 10, to give other Senators an opportunity to join me in cosponsoring the proposal.

The PRESIDING OFFICER. The amendment will be received, printed, and referred to the Committee on Finance; without objection, the amendment will lie on the desk as requested by the Senator from Maine.

Mr. MUSKIE. Mr. President, I offer this amendment as a constructive effort to provide improved protection for those industries faced with disruptive increases in imports from low-wage industries in foreign countries, without frustrating the basic intent of the trade expansion program. Briefly, my amendment would give the President the authority to negotiate special agreements with low-wage countries to allow such countries an orderly share of our domestic market, without destroying our own industry because of the unfair advantage enjoyed by those foreign industries paying substandard wages. This will carry out the intent of S. 1735, the Orderly Marketing Act, which I introduced last year.

I ask unanimous consent that my amendment may be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 2, between lines 13 and 14, insert the following:

"(5) to establish orderly marketing negotiating procedures which will offer nations in which wages or working standards are significantly lower than in the United States a fair share in the growth or change in the domestic consumption in such manner as will also prevent unfair competitive advantage over United States manufacturers or producers."

On page 3, between lines 20 and 21, insert the following:

"SEC. 203. Special authority for imports from nations with low wages or working standards.

"In the case of trade with any nation or nations in which wages, including fringe benefits, and working standards with respect to manufacturing industries are substantially lower than such wages, including fringe benefits, and working standards in the United States, the Tariff Commission shall, upon request of the President, or upon its own motion, or upon application of an interested party, conduct a public hearing and investigation to determine whether or not as to any article or articles imported into the United States from such nation or nations there exists a differential between domestic and foreign costs of production which is due primarily to such lower wages, including fringe benefits, and working standards and which gives foreign manufacturers and producers of such article or articles an unfair competitive advantage over domestic manufacturers or producers of like or competitive articles such as to cause or threaten substantial injury to such domestic manufacturers or producers in the United States market. If the Tariff Commission shall, as a result of such investigation, find that injury is so caused or threatened, the President may, pursuant to section 201(a), negotiate with such nation or nations and proclaim such import restrictions as are appropriate to provide such foreign competition and domestic manufacturers or producers with an opportunity for a fair share in the growth or change in the domestic market for such article or articles. Agreements negotiated under this section may be without regard to the provisions of section 251 or Title III."

Mr. MUSKIE. Mr. President, I am not opposed to expanded trade. I come from a State with a rich heritage in foreign trade. I know that our Nation must trade if it is to grow, and we cannot export to other nations unless we buy from them. But I am not willing to ignore the fact that a number of domestic industries—particularly those requiring large labor inputs—are faced with a tremendous volume of imports from countries which have reached a high level of mechanization, without a corresponding increase in the wages paid to their workers.

The State of Maine, for example, has several kinds of manufacturing enterprises in this category, including shoes and leather footwear, woodworking, and textiles. The cotton textile industry has benefited from an import agreement negotiated between our country and 19 others at Geneva. The authority for the cotton textile negotiations is found under the Agriculture Act. There is no specific authority for such negotiations in the existing Trade Agreements Act, or in the legislation proposed by the President or as passed by the House of Representatives.

The whole thrust of the proposed trade bill is to expand trade opportunities, particularly between the United States and the Common Market. It assumes that we are talking about roughly comparable, mature industrial economies. It assumes that in such a trade expansion program, desirable as it may be, there are bound to be injuries to certain segments of our own economy. And so, it provides for certain protections, including the escape clause proceedings and adjustment assistance.

Both of these provisions are good, but they do not have a direct or sufficiently immediate relationship to the sudden flood of imports which threaten to engulf certain of our domestic industries.

What these industries need is prompt, and realistic relief. They need breathing space, a time in which to adjust to changing competitive conditions. This would be true in any case, but in the case of those industries where increased efficiency, added capital investment, and improved marketing are not sufficient to overcome the wide differential in wages between domestic and foreign manufacturers, they are entitled to special consideration.

Within our own Nation we have made it illegal to transport goods across State lines when such goods are manufactured under low wages and substandard working conditions. The Treaty of Rome, which formed the foundation for the Common Market, recognized that true free trade between the Common Market countries could not be achieved until the separate nations had reached a certain parity in wages. We cannot enforce Fair Labor Standards Act on other nations, but we can insist on reasonable safeguards for our workers who must compete with workers in other nations receiving abnormally low wages and working under substandard conditions.

Today, Mr. President, Mr. Harold Toor, treasurer of the National Shoe Manufacturers Association, testified before the Senate Committee on Finance. He represents an important American industry which has been threatened by imports, and which is feeling the pinch of rapidly expanding imports from low-wage countries. Now, frankly, I would not have been surprised if the shoe industry had taken a rigidly protectionist attitude on the trade bill. To their credit, they have not. They have come out for expanded trade, in a rational framework. This amendment is one part of the framework they support. It is a reasonable request, which I hope will receive the favorable action of this body.

Mr. Toor's presentation provides such an excellent outline of the general trade problem confronting such industries, and underscores the need of my amendment so forcefully, I ask unanimous consent that it be printed in the Record at this point.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

TESTIMONY OF HAROLD O. TOOR FOR THE U.S. SHOE MANUFACTURING INDUSTRY BEFORE THE SENATE FINANCE COMMITTEE, AUGUST 1, 1962

My name is Harold O. Toor. I am treasurer of the National Shoe Manufacturers Association, president of the H. O. Toor Shoe Corp., and chairman of the board of the Freeman Shoe Corp. I am representing the National Shoe Manufacturers Association, the New England Shoe & Leather Association, and the St. Louis Shoe Manufacturers Association, which together include over 500 manufacturers producing at least 90 percent of all the footwear made in the United States.

INDUSTRY LOCATION AND PLACE IN THE ECONOMY

The leather shoe manufacturing industry is an essential industry whose products were rationed in World War II. It is made up of approximately 850 companies with over 1,300 factories in counties represented by 262 congressional districts in 38 States. These factories are in over 650 communities. In many cases, they provide the major economic support of the community. In certain States, for example, such as Maine, New Hampshire, and Massachusetts, shoe manufacturing, according to the three-digit Standard Industrial Classification of Manufacturing for 1959, was the largest manufacturing industry employer; in Missouri it was the second largest; and in Wisconsin and Pennsylvania it was the 11th.

We generate a payroll in the United States, if we include suppliers of materials, equipment, and machinery, at somewhere between 350,000 and 400,000 employees. In certain cases where our manufacturers have opened new factories, the community has estimated that a 500-person payroll affects the economic welfare of 1,500 to 2,000 people. On the basis of this assumption, the activities of shoe manufacturing in the United States affect the economic welfare of a million to a million and a half citizens. The shoe industry is vitally important to hundreds of small communities throughout the Nation.

A HIGHLY COMPETITIVE INDUSTRY

The shoe manufacturing industry is one of the most competitive in the Nation. Concentration in shoe manufacturing in the United States is minimal. The first 4 companies, according to the Census Bureau, in 1961 produced 23.4 percent and the first 50 companies, 51.6 percent of total output. In 1939, the first 4 produced 23.3 percent and the top 50 produced 51.3 percent, or about the same as today. The shoe industry remains for the most part in the hands of the small entrepreneur or businessman.

Exit and entry in the shoe manufacturing industry is relatively easy. Buildings and machinery may be leased, and production undertaken with a relatively small amount of capital as compared with the investment required to enter manufacturing industry generally. Conditions in the industry are relatively fluid: Over the last 11 years 603 factories have ceased operation, while around 445 factories have begun shoe manufacturing.

An index of the intensive competition prevailing in shoe manufacturing is provided by the Department of Commerce figures for avarage factory value of all shoes produced. The average factory value was only $3.80 per pair in 1961, as compared with $3.44 in 1950. This rather amazing picture is confirmed at retail where over 58 percent of the women's shoes sell at $6 a pair, or below; over 60 percent of all men's shoes at $10, or below; and over 72 percent of all children's shoes at or below $6 a pair.

The intense conflict prevailing in shoe manufacturing is further illustrated by the fact that of the approximately 850 companies in the industry, around a third report losses to the Internal Revenue Service each year. The earnings of the entire industry average about 2 percent on sales, after taxes; the middle 50 percent of the companies, from 0.9 to 2.7 percent.

SHOE MANUFACTURING INDUSTRY RECOGNIZES THE NECESSITY OF TRADE WITH NATIONS

The shoe manufacturing industry of the United States recognizes the necessity of a policy and program of trade expansion as a national objective. We endorsed and supported the proposed Orderly Marketing Act of 1961, under which foreign manufacturers would share in the growth of our domestic market.

We would like to support the proposed trade expansion bill, H.R. 11970. We have grave doubts, however, that we can survive as a healthy industry under this legislation unless there is an improved safeguard for businesses such as ours which face increasingly severe competition from imports.

RAPID GROWTH OF FOOTWEAR IMPORTS POSES AN INCREASING THREAT TO THE SHOE MANUFACTURING INDUSTRY

The table below reveals that over the past decade under the Trade Agreements Act our markets have been opened to footwear products of the world and a steady expansion has taken place in imports of footwear.

U.S. foreign trade in footwear (other than rubber footwear and slipper socks), 1951–62

Year	U.S. domestic production	Imports		Exports	
		Million pairs	Million dollars	Million pairs	Million dollars
1962 (6 months)	323.9	33.4	40.5	1.4	4.3
1961 (6 months)	304.3	16.3	26.9	1.5	4.3
1961	599.8	36.8	59.8	3.0	9.0
1960	598.4	26.6	53.3	3.2	9.4
1959	638.2	22.3	44.4	3.5	11.4
1958	587.1	23.6	32.9	4.2	13.4
1957	597.6	11.0	22.2	4.4	13.9
1956	591.8	10.0	18.5	4.5	14.1
1955	585.4	7.8	13.6	4.6	14.4
1954	530.4	5.6	10.4	4.7	14.6
1953	532.0	6.9	12.7	5.2	16.2
1952	533.2	5.3	11.1	4.8	15.3
1951	481.9	5.4	11.0	4.2	14.0
Percent change, 1961 over 1957	+0.36	+234.5	+169.4	−31.8	−35.3
Percent change, 1962 (6 months) over 1961 (6 months)	+6.4	+105.5	+50.5	−6.7	(1)

[1] No change.

Since 1960 imports have expanded at an increasingly rapid rate. For the first 6 months of 1962 they have more than doubled. At the present time, imports are running at the rate of 10.3 percent of U.S. production. If the gain continues for the year, which is likely, imports will exceed 70 million pairs in 1962. If the gain in imports in 1963 is 50 percent, and in 1964 and 1965 only 25 percent, at the end of 1965 we shall be importing over 160 million pairs, or 24.6 percent of an estimated 1965 output of 650 million pairs. In summary, we shall have exported in the first half of the sixties practically all of our potential growth.

IMPORTS THREATEN EMPLOYMENT IN SHOE MANUFACTURING

This flood of imports will have a marked effect on actual and potential employment in shoe manufacturing. It is not surprising that the president of the AFL-CIO mentioned in his presentation before this committee the problems of shoeworkers arising from the great increase in imports.

On the average each 3,500 production workers in the shoe industry working a 35–40 hour week, 50 weeks a year, produces about 10 million pairs of shoes a year. This output in turn provides employment for another estimated 1,200 workers in the supplying trades. A total of 4,700 workers, therefore, are provided with job opportunities in the manufacture of each 10 million pairs of shoes.

This would mean that in 1961 at least 16,000 employment opportunities were lost in the leather shoe and supplying industries through imports. If imports reach 160 million pairs by the end of 1965, then another 58,000 employment opportunities will have been sacrificed in the leather shoe and supplying industries. The support the shoe and allied payrolls give in hundreds of small communities through the Nation may well mean that directly or indirectly, a total of anywhere from 75,000 to 100,000 additional people may be affected by this trend.

This flood of imports not only reduces employment opportunities for shoe workers, but it forces shoe manufacturers to make arrangements of one type or another in foreign countries to produce shoes or shoe parts. A few manufacturers, thoroughly discouraged by the import flood, are investing in facilities abroad or making other arrangements so that they may import footwear or parts and thus remain competitive. Unless some action is taken to adjust imports to an orderly growth, this movement will grow apace, and we shall see dozens of factories moved from this country to Europe. What will happen to the workers in the small towns of Maine, Pennsylvania, Arkansas, and Missouri? It is the height of sophistry to assume that the adjustment provision of this bill will take care of all these people.

The employment data that I have cited clearly indicate that at present reduced tariff rates, imports of footwear have essentially free entry into the United States. Further encouragement to imports is not needed. There is positive evidence that at existing duty rates—5 percent and 10 percent through 20 percent—the United States has made a substantial contribution to the objective of trade expansion in footwear.

In contrast, our export trade in footwear has not shared in this expansion, principally because of higher costs here but also because of restrictions of one type or another in foreign countries.

SHOE MACHINERY AND MANUFACTURING METHODS SIMILAR THROUGHOUT TRADING NATIONS

The question may be asked: How can foreign shoe manufacturers make such substantial inroads in U.S. markets if the domestic shoe industry is modern, has built at least 80 new plants with over 3½ million square feet of space since 1950, is keenly competitive, alert to changes in markets, and possesses an excess capacity of at least 100 million pairs per year? The answer is clear. Differences between wage rates in the United States and shoe exporting countries are responsible for the growth of imports.

Shoe manufacturing in other countries is similar in character to our own. It is relatively easy to enter, and there are hundreds of factories to supply the domestic market as well as foreign demand. Because shoes are a necessity, shoe factories in these countries were among the first to be reconstructed following the war. Many of these plants were rebuilt or modernized, with U.S. aid.[1] Shoe manufacturing is an assembling operation, and shoe machinery is of a relatively simple nature to assist hand operators in stitching, cutting, trimming, folding, smoothing, and so forth. Machinery and technology are universal, and today no one industrial country enjoys any substantial advantages over the other in machinery and methods.

At the same time, it should be made clear that in general the productivity of American shoe factories may on the average be as much as 25 percent greater than in factories abroad although the productivity of a few of the larger factories in England, Italy, and Japan may approximate that of American factories producing a comparable type of footwear. Our productivity, however, cannot offset the substantial price advantage which exists today in favor of foreign shoe manufacturers.

WIDE DIFFERENCES IN WAGE RATES ALONE RESPONSIBLE FOR FLOOD OF IMPORTS

Wages in shoe manufacturing abroad range from a half to even a fifth of wages in the United States as the following table will reveal:

Foreign versus U.S. average hourly earnings and fringe benefits in the leather footwear industry

Country	Hourly earnings	Fringe benefits (percent)	Total labor costs
United Kingdom	$0.870	12.0	$0.974
France	.626	45.0–50.0	.939
Switzerland	.750	15.0	.863
West Germany	.638	30.0	.829
Belgium	.510	35.0	.689
Netherlands	.440	30.0	.572
Italy	.221	75.0–80.0	.451
Japan	.276	15.0	.317
United States	1.630	19.4	1.946

NOTES

Fringe benefit percentages are estimated by the U.S. Department of Labor. Period covered for each country is as follows: France, October 1961; Switzerland, October 1960; West Germany, May 1961; Belgium, April 1961; Netherlands, May–June 1959; Italy, June 1960; Japan, calendar 1960; and U.S. hourly earnings and fringe benefits, May 1961.

United Kingdom: "Clothing and footwear" category, adult males, 21 and over. France: "Hides and leather" category, skilled males, in Paris zone, the highest paid region in the country. Switzerland: Male workers. Italy: Average hourly earnings and fringes in a related industry, "Leather and leather products," are as follows: $0.219, 75 to 80 percent, $0.574. Japan: "Leather and leather products."

Sources: U.S. Department of Labor; British Ministry of Labor Gazette; NSMA (U.S. fringe benefits).

Differences in wage rates here and abroad result in such price differences between foreign and domestic footwear that foreign producers may land shoes in this country at prices 15 to 25 percent lower than for equivalent items produced in the United States. In other words, this is the result of lower priced labor in foreign countries competing against higher priced labor in America. While some footwear designs from foreign countries have won for themselves an accepted place in the American shoe market because of design alone, in the great majority of cases foreign footwear has earned its place in the U.S. economy solely because of differences in price. By far the greater part of the imports today are styled in America and made in Europe or Japan for the U.S. market.

It is easy to show in an example how important these differences in prices between foreign and domestic footwear become in the highly competitive footwear industry. About 175 million pairs of women's shoes sell at $2.98, $3.98, $4.98, and $5.98 a pair through the great mass shoe distributors of America. These retailers provide consumers with amazing values in shoes. They are, however, in intensive competition with each other for a greater share of the market. They, as well as shoe manufacturers, face a rising trend of costs. The cost squeeze requires them to search continuously for ways and means to increase markon in order to widen profit margins. In a $3.98 shoe, for example, as costs inch up, the retailer is forced to shorten his markon or move from the $3.98 to the $4.98 bracket. As there is a price elasticity in the demand for footwear, the retailer realizes that a move to a higher bracket may curtail his market or place him at a disadvantage against strong competition, or both.

If, however, he can purchase these shoes abroad wholesale at important savings, then he can maintain his $3.98 bracket and at the same time increase his markon to meet heavier expenses. There is every encouragement, therefore, to buying more from lower wage countries to hold the price line and increase markon. In a few cases, manufacturers of shoes who have been suppliers to large distributive outlets or who own distributive outlets, have been forced to curtail certain domestic production and open up factories abroad, simply because they could not meet import competition and supply their customers, whether wholesale or retail, with shoes at the right price.

It is clear, too, from these comments why the shoe manufacturing industry is vitally concerned in maintaining even its present scale of low tariffs. Any reductions, for example, in the present duty of 20 percent on women's cement shoes would inevitably accelerate the growth rate of imports of these types in the United States from still other countries. Some countries now very easily jump the hurdle of our tariffs. However, as these tariffs become lower, other runners will also be able to jump over them.

SHOE TARIFFS ALREADY THE LOWEST OF ANY TRADING NATION

Shoe tariffs in the United States are the lowest of any important trading country in the world, as the next table will show. In the United States, too, there are no excise taxes or other restrictions which must be taken into consideration in calculating the final level of costs in certain countries.

Foreign duty-tax rates on U.S. footwear versus actual 1960 duty paid on footwear imported into United States

Country	Duty, percent rate [1]	Other taxes [2] (percent)	Net duty plus taxes (percent)	U.S. duty, percent paid [3]
Common Market:				
Belgium	16.0–21.6	12	30.0–36.0	6.7
France	16.0–22.3	25.0+2.0	48.0–53.0	11.4
West Germany	12.5–16.0	6.0	19.0–23.0	8.6
Italy	[4] 18.0	5.8	24.8	13.8
Netherlands	16.0–21.6	5.0	22–0–27.0	16.6
Luxembourg	16.0–21.6	4.0	21.0–26.0	(5)
Japan	20.0–30.0	20.0	40.0–50.0	18.8
Hong Kong	(6)	(6)	----------	16.3
United Kingdom	(7)	5.0	11.5–36.5	7.2
Canada	[8] 27½	11.0	41.5	9.7
All countries	(5)	(5)	(5)	12.6

NOTES

[1] Based on cost, insurance, and freight or landed cost values, except for Canada.

[2] Applied to duty paid value. This results in net duty plus taxes being greater than mere addition of duty plus tax rates.

[3] Based on 1960 footwear imports, f.o.b. shipping point values. Duty actually paid.

[4] Maximum of 720 lire duty per pair.

[5] Not available.

[6] Free port.

[7] 3 shillings per pair or 10 to 30 percent, whichever is higher.

[8] Applied to U.S. market value or invoice, whichever is higher.

Source: NSMA, based on customs schedules and reports from U.S. embassies, U.S. Department of Agriculture.

LITTLE RECIPROCITY IN PAST NEGOTIATIONS

This comparison of tariff schedules of the United States and foreign countries indicates further that there has been little reciprocity in previous trade negotiations. This may have been all very well during the reconstruction stage of European and Japanese industry. It throws the trading picture completely out of balance today when the same technology and equipment are used in foreign countries as in the United States, and these countries have the additional advantage of cheap labor.

In judging the various levels of tariffs and the question of reciprocity, moreover, we must not forget that some of our Common Market friends have not been as generous as our negotiators. They have been discriminating against Japan and under GATT have refused most-favored-nation treatment to Japan because of low wage rates in that country. They do not hesitate to provide protection for their manufacturers against imports from low-wage countries. These Common Market countries recognize what it means to compete with a low-wage country in the world's market.

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[1] In most cases the export demand is more important for foreign countries than it is for U.S. producers.

Italy, for example, exported about 42 percent of leather footwear production of 59,710,000 [a] pairs produced in 1961, or around 25 million pairs. Of this 25 million,[b] approximately 15 million go to the Common Market countries and 10,940,542 [a] to the United States, or about 18 percent of her total output.

The United Kingdom, out of a total production of 161,120,000 [a] pairs in 1961 exported 7.3 [b] million pairs, with 1,607,691 [a] million pairs coming to the United States.

France exported about 11 million [a] pairs of shoes out of a production of 96,600,000 [a] million pairs in 1961. Few come to America; 9 million pairs.[a]

[a] U.S. Department of Commerce.

[b] Organization for Economic Cooperation & Development, France.

We believe at this stage of world industrial development that the United States must insist in its negotiations on real reciprocity. Business Week has commented on this point as follows: "It is essential, however, that we treat this matter from the start on a business basis. The postwar period of European weakness is over. We are now dealing with commercial equals from whom we have every right to expect a quid pro quo—if not some credit for one-sided concessions we have made in the past. Our new trade policy should be shaped—and used—accordingly. Even if we assume that this authority to wipe out certain tariffs would be an advantage in getting Europe to bargain, some limits and safeguards need to be put on it. For example, the administration should not be free to reduce U.S. tariffs to zero on several broad product categories while EEC in return cuts its common tariff 20 percent overall. From the statistics, such a swap might appear to be to our benefit. But chances are that the Europeans would gain more. The absence of tariffs in the United States, even on a limited number of categories, would enable them to penetrate our markets more deeply than we could theirs, as long as they retained a tariff wall."

RECOMMENDATIONS

We recognize that Congress may pass a trade expansion program. We urge, therefore, the inclusion of certain safeguards for domestic industry in the final form of this trade legislation.

1. We strongly endorse the principle embodied in the proposal which Senator MUSKIE will introduce in the Senate and urge the trade bill be amended to provide for the establishment of negotiating procedures for orderly marketing which will offer a nation in which wages are significantly lower than in the United States a fair share in the growth or change in domestic consumption in such manner as will also prevent unfair competitive advantage over manufacturers and producers in the United States.

2. We also recommend that the Tariff Commission should, under section 221 of the proposed bill, after holding hearings, be directed to report to the President in advance of negotiation the level of duty or import restriction on any article or articles below which domestic producers of such articles would suffer serious injury from importation. The President should inform Congress where reductions are made in tariff duties or restrictions below such levels.

In conclusion: The American shoe industry asks this simple consideration—a fair competitive chance of survival as an industry paying the world's highest shoeworkers' wages.

Mr. MUSKIE. We are talking here, Mr. President, about an industry which is important to hundreds of small communities throughout the Nation. It is made up of approximately 850 companies with over 1,350 plants in over 550 small towns and cities, as well as in the major metropolitan areas of Boston, New York, St. Louis, Philadelphia, Pittsburgh, Chicago, Milwaukee, Cincinnati, Newark, Jersey City, San Francisco, Oakland, Los Angeles, Providence, Baltimore, and Seattle. These towns and cities are within over 260 congressional districts in 38 States. Plants are also located in Puerto Rico.

I have here a report listing the towns and cities with shoe manufacturing plants in 37 States. It reports employment data for shoe manufacturing and related industries for 27 States for which such information was available. Total employment for the shoe industry and related industries is estimated at between 350,000 and 400,000 employees.

I ask unanimous consent that this report be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MUSKIE. Mr. President, the trade bill we enact this year will be of tremendous importance, not only in its immediate impact on our economy, but also in the direction it establishes for the whole course of our future trade policy. I believe any rational trade policy must include specific tools for dealing with imports from low-wage countries. The trade bill, as of today, does not include such authority. My amendment would provide it.

To those Members of the Senate who wish to expand trade and provide reasonable protection to domestic industries I commend this amendment. It will not shut the door to imports; it will give foreign manufacturers an opportunity to share in the growth of the American market on an equitable basis. At the same time domestic manufacturers will know that they have a remedy against unfair competition, and the President will have a flexible tool in dealing with troublesome import problems from those areas of the world where wages and working conditions have not kept pace with industrialization.

I urge my colleagues to give serious consideration to cosponsorship of this amendment. I hope it will be adopted.

EXHIBIT 1

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF MASSACHUSETTS

State total

Footwear, nonrubber	40, 076
Rubber footwear	6, 616
Leather, tanning	8, 037
Leather, cut stock	7, 817
Shoe machinery and other suppliers	11, 364
Grand total	73, 892

Location of shoe manufacturing plants

North Adams, Orange, Sturbridge, Athol, Brookfield, East Brookfield, Fitchburg, Marlboro, Milford, Oxford, Spencer, Ware, Webster, Worcester, Holliston, Hudson, Lowell, Natick, Amesbury, Beverly, Danvers, Georgetown, Haverhill, Marblehead, Merrimac, Methuen, Newburyport, Rowley, Salem, Salisbury, Chelsea, Lawrence, Lynn, Peabody, Everett, Stoneham, Wakefield, North Reading, Bridgewater, Middleboro, New Bedford, Rockland, Sagamore, Whitman, Boston, Cambridge, Sommerville, Braintree, Brockton, East Weymouth, Randolph, South Weymouth, Stoughton, East Taunton, Millis, and Norfolk.

Source: Employment figures (1959) for all States in this report for footwear, leather tanning, cut stock are from "County Business Patterns"; U.S. Departments of Commerce; Health, Education, and Welfare; U.S. Government Printing Office, Washington, D.C., 1961. Shoe machinery and other suppliers' employment figures (1962) are from National Shoe Manufacturers Association, New York, N.Y., 1962. Plant locations are from "American Shoemaking Directory," Shoe Trades Publishing Co., Boston, Mass., 1961.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF NEW YORK

State total

Footwear, nonrubber	24, 946
Leather, tanning	4, 640
Leather, cut stock	2, 565
Shoe machinery and other suppliers	7, 001
Grand total	39, 152

Location of shoe manufacturing plants

Babylon (West) Long Island (Long Island); L.I.C. Queens (Long Island City); Astoria, Long Island; Brooklyn, N.Y.; New York City, Ossining, Middletown, Port Jervis, Saugerties, Hoosick Falls, Mooers, Amsterdam, Gloversville, Johnstown, St. Johnsville, Bombay, Brushton, Malone, Moira, Saranac, Dolgeville, Little Falls, Syracuse, Auburn, Norwich, Binghamton, Endicott, Johnson City, Oswego, Rochester, Batavia, and Dansville.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF MISSOURI

State total

Footwear, nonrubber	28, 867
Leather, cut stock	2, 968
Shoe machinery and other suppliers	1, 022
Grand total	32, 857

Location of shoe manufacturing plants

St. Louis, Odessa, Warrenburg, Windsor, Brookfield, Hamilton, Aurora, Eldorado Springs, Mansfield, Marionville, Monett, Mountain Grove, Neosho, Sarcoxie, Belle, Cabool, Cuba, Desloge, De Sota, Dixon, Farmington, Fredericktown, Houston, Potosi, Richland, Rolla, Salem, West Plains, Willow Springs, Bland, Hannibal, Hermann, Jonesburg, Kirksville, Mexico, Owensville, Pacific, Palmyra, St. Clair, Sullivan, Trenton, Union, Washington, Advance, Bernie, Cape Girardeau, Caruthersville, Chaffee, Charleston, Dexter, Jackson, Lutesville, Perryville, Poplar Bluff, Sikeston, Boonville, Eldon, Jefferson City, Marshall, Sedalia, Slater, Sweet Springs, Tipton, and Versailles.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF PENNSYLVANIA

State total

Footwear, nonrubber	23, 225
Rubber footwear	803
Leather tanning	3, 813
Leather, cut stock	1, 117
Shoe machinery and other suppliers	279
Grand total	29, 237

Location of shoe manufacturing plants

Philadelphia, Collingdale, Allentown, Coopersburg, Macungie, Akron, Columbia, Denver, Elizabethtown, Ephrata, Lancaster, Lititz, Marietta, Maytown, Mount Joy, Archbald, Forest City, Honesdale, Mildred, Montrose, Scranton, South Montrose, Dunmore, Tunkhannock, Catawissa, Hazleton, Mocanaqua, Nanticoke, Wilkes-Barre, Auburn, Cresonna, Milton, Mount Carmel, Orwigsburg, Schuylkill, Shamokin, Souderton, Bernville, Boyertown, Kutztown, Reading, Stroudsburg, Annville, Elizabethville, Halifax, Harrisburg, Lebanon, Middletown, Millersburg, Myerstown, Palmyra, Richland, Sayre, Williamsport, Beaver Springs, Bedford, Milroy, Mount Union, Somerset, Carlisle, Dillsburg, East Berlin, Fairfield, Gettysburg, Hanover, Littlestown, McSherrystown, New Cumberland, New Oxford, Newsville, Wellsville, Altoona, Martinsburg, Hastings, Oil City, Meadville, and Pittsburgh.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF MAINE

State total

Footwear, nonrubber	20, 775
Leather, tanning	1, 336
Leather, cut stock	1, 011
Shoe machinery and other suppliers	713
Grand total	23, 835

Location of shoe manufacturing plants

Biddeford, Brunswick, Freeport, Harrison, Kennebunk, Norway, Portland, Saco, Sanford, Scarborough, South Berwick, Springvale, Westbrook, Yarmouth, Auburn, Belfast, Farmington, Gardiner, Hallowell, Harmony, Lewiston, Livermore Falls, Norridgewock, North Jay, Pittsfield, Richmond, Skowhegan, Wilton, Bangor, Dexter, Hampden, Houlton, Kenduskeag, Old Town, Orono, and South Brewer.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF NEW HAMPSHIRE

State total

Footwear, nonrubber	17, 895
Leather, tanning	1, 637
Leather, cut stock	1, 627
Shoe machinery and other suppliers	925
Grand total	22, 084

Location of shoe manufacturing plants

Deerfield, Derry, Dover, East Rochester, Epping, Exeter, Farmington, Goffstown, Gonic, Intervale, Keene, Laconia, Newmarket, Pittsfield, Portsmouth, Raymond, Rochester, Seabrook, Somersworth, Fitzwilliam, Lisbon, Littleton, Manchester, Nashua, and Newport.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF WISCONSIN

State total

Footwear, nonrubber	9, 653
Leather, tanning	4, 270
Leather, cut stock	218
Shoe machinery and other suppliers	124
Grand total	14, 265

Location of shoe manufacturing plants

Beloit, Berlin, Edgerton, Beaver Dam, Fox Lake, Jefferson, Lake Mills, Limira, Oconomowoc, Portage, Stoughton, Waterloo, Watertown, La Crosse, Milwaukee, Belgium, Campbellsport, Cedar Grove, New Holstein, Oshkosh, Ripon, Sheboygan, Thiensville, Waupun, Antigo, Marshfield, Princeton, Wausau, Oconto, Pulaski, Sturgeon Bay, Valders, Wrightstown, Chippewa Falls, Hawkins, Merrill, Rib Lake, and Webster.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF TENNESSEE

State total

Footwear, nonrubber	9, 960
Leather, tanning	700
Leather, cut stock	606
Shoe machinery and other suppliers	760
Grand total	12, 026

Location of shoe manufacturing plants

Greenville, Baxter, Cookeville, Cowan, Lebanon, Lewisburg, McMinnville, Tullahoma, Nashville, Ashland City, Centerville, Clarksville, Erin, Franklin, Gallatin, Hohenwald, Pulaski, Springfield, Waynesboro, Camden, Lexington, Savannah, Selmer, Dresden, Dyer, Humboldt, Martin, and Union City.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF OHIO

State total

Footwear, nonrubber	9, 254
Leather, tanning	1, 105
Leather, cut stock	208
Shoe machinery and other suppliers	1, 358
Grand total	11, 925

Location of shoe manufacturing plants

Cincinnati, Harrison, Chillicothe, Greenfield, Higginsport, Portsmouth, Ripley, Washington Court House, Lancaster, Logan, Nelsonville, and Columbus.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF NEW JERSEY

State total

Footwear, nonrubber	1, 840
Leather, tanning	2, 778
Leather, cut stock	-----
Shoe machinery and other suppliers	478
Grand total	5, 096

Location of shoe manufacturing plants

New Brunswick, Burlington, Mount Holly, Perth Amboy, East Paterson, Garfield, Hackensack, Paterson, North Bergen, Union City, Newark, and Jersey City.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF VIRGINIA

State total

Footwear, nonrubber	3, 651
Leather, tanning	541
Leather, cut stock	118
Shoe machinery and other suppliers	391
Grand total	4, 701

Location of shoe manufacturing plants

Chase City, Farmville, Victoria, Halifax, Lynchburg, and Fredericksburg.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF ARKANSAS

State total

Footwear, nonrubber	3, 907
Shoe machinery and other suppliers	81
Grand total	3, 988

Location of shoe manufacturing plants

Corning, Harrisburg, Jonesboro, Leachville, Osceola, Paragould, Piggott, Wynne, Batesville, Newport, Pocahontas, Searcy, Clarksville, Conway, Little Rock, Russellville, De Witt, and Stuttgart.

NUMBER OF EMPLOYERS IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF CALIFORNIA

State total

Footwear, nonrubber	2, 810
Leather, tanning	624
Leather, cut stock	204
Shoe machinery and other suppliers	17
Grand total	3, 655

Location of shoe manufacturing plants

Santa Monica, Compton, Gardena, El Monte, Los Angeles, Monterey Park, Pasadena, Canoga Park, North Hollywood, South Pasadena, Rosemead, Whittier, Pomona, Chino, Ontario, Fullerton, Garden Grove, Santa Rosa, San Francisco, Oakland, San Carlos, and Fresno.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF MISSISSIPPI

State total

Footwear, nonrubber, 1,787.

Location of shoe manufacturing plants

Ackerman, Booneville, Fulton, Iuka, and Ripley.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF NEW MEXICO

State total

Footwear, nonrubber, 109.

Location of shoe manufacturing plants

Clovis, Santa Fe, and Taos.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF TEXAS

State total

Footwear, nonrubber	1, 955
Leather, tanning	115
Shoe machinery and other suppliers	7
Grand total	2, 077

Location of shoe manufacturing plants

Denison, Garland, College Station, Huntsville, Houston, Temple, Fort Worth, Henrietta, Nocona, Wichita Falls, Raymondville, Mercedes, El Paso, Abilene, Amarillo, Big Spring, Lubbock, San Antonio, Brownwood, Lampasas, and San Angelo.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF KENTUCKY

State total

Footwear, nonrubber	1, 896

Location of shoe manufacturing plants

Hopkinsville, Paducah, Maysville, Vanceburg, Danville, and Frankford.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF RHODE ISLAND

State total

Rubber footwear	1, 658
Leather, cut stock	235
Shoe machinery and other suppliers	392
Grand total	2, 285

Location of shoe manufacturing plants

Bristol, Pawtucket, and Providence.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF MICHIGAN

State total

Footwear, nonrubber	990
Leather, tanning	1, 012
Shoe machinery and other suppliers	4
Grand total	2, 006

Location of shoe manufacturing plants

Coldwater, Holland, Rockford, Flint, Greenville, Ithaca, and Big Rapids.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF ILLINOIS

State total

Footwear, nonrubber	11, 977
Leather, tanning	2, 340
Leather, cut stock	312
Shoe machinery and other suppliers	26
Grand total	14, 655

Location of shoe manufacturing plants

Chicago, Quincy, Zion, Dixon, Pontiac, Casey, Greenup, Paris, Robinson, Springfield, Charleston, Decatur, Mattoon, Sullivan, Vandalia, Carlyle, Flora, Litchfield, Mount Vernon, Olney, Salem, Belleville, Highland, New Athens, Anna, Evansville, Murphysboro, Pittsfield, Steeleville, and South Beloit.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATES OF DELAWARE AND MINNESOTA

State total (Delaware)

Leather tanning, 1,413.

State total (Minnesota)

Footwear, nonrubber, 1,105.

Delaware, no shoe manufacturing plants.

Location of shoe manufacturing plants, Minnesota

Red Wing, Winona, Stillwater, St. Paul, Minneapolis, and Duluth.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN OTHER STATES

Footwear, nonrubber, not available for States listed: Iowa, Kansas, Maryland, Nebraska, North Carolina, Oregon, Washington, West Virginia and Hawaii.

Location of shoe manufacturing plants—Maryland

Baltimore, Belcamp, Westminster, Laurel, Emmitsburg, Hagerstown, and Thurmont.

Nebraska

Omaha and Columbus.

North Carolina

Asheboro, Winston-Salem, Burlington, Mount Gilead, Granite Quarry, Shelby, Cherokee, and Waynesville.

Oregon

Scappoose, Portland, and Rouge River.

West Virginia

Huntington.

Washington

Seattle, Centralia, and Spokane.

Hawaii

Honolulu.

Iowa

Davenport, Fort Madison, Keokuk, and Grinnell.

Kansas

Leavenworth and Olathe.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF CONNECTICUT

State total

Footwear, nonrubber	1,932
Leather, tanning	205
Shoe machinery and other supplies	633
Grand total	2,770

Location of shoe manufacturing plants

Hartford, Jewett City, Middletown, North Grosvenordale, Norwich, Bridgeport, East Norwalk, Norwalk, Shelton, South Norwalk, and Naugatuck.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF GEORGIA

State total

Footwear, nonrubber	2,603
Shoe machinery and other supplies	144
Grand total	2,747

Location of shoe manufacturing plants

Metter, Buena Vista, Carrollton, Atlanta, Marietta, Waycross, Blackshear, Flowery Branch, and Lawrenceville.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF INDIANA

State total

Footwear, nonrubber	1,644
Leather, tanning	247
Shoe machinery and other supplies	733
Grand total	2,624

Location of shoe manufacturing plants

Michigan City, Mishawaka, Vincennes, Crothersville, Freetown, French Lick, Madison, Medora, Osgood, Seymour, Vevay, and Winchester.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN OTHER STATES

Footwear, nonrubber; employment figures not available.

Location of shoe manufacturing plants

Colorado: Denver, Grand Junction.

Alabama: Luverne, Uniontown, and Huntsville.

Arizona: Gilbert, Phoenix, Nogales, and Tucson.

Florida: Gulfport, Chipley, Hialeah, Miami, and Hollywood.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN OTHER STATES

State total (Puerto Rico)

Footwear, nonrubber	2,082
Leather, tanning	230
Shoe machinery and other suppliers	125
Grand total	2,437

State total (Vermont)

Leather tanning	216
Shoe machinery and other suppliers	750
Grand total	966

Location of plants not available.

ADJOURNMENT

Mr. MUSKIE. Mr. President, if there is no further business to come before the Senate at this time, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 34 minutes p.m.) the Senate adjourned until tomorrow, Friday, August 3, 1962, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate August 2, 1962:

PUBLIC UTILITIES COMMISSION OF THE DISTRICT OF COLUMBIA

Edgar H. Bernstein, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia for a term of 3 years expiring June 30, 1965.

EXTENSIONS OF REMARKS

Our Crazy Foreign Giveaway Program

EXTENSION OF REMARKS

OF

HON. ALVIN E. O'KONSKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1962

Mr. O'KONSKI. Mr. Speaker, many words have been used to describe our crazy foreign giveaway program. About the most accurate description is that it be called Operation Rathole. Unfortunately, the damage this program is doing to us as a nation is not being publicized. Few people realize how many billions of dollars of our money has gone down this "rathole." If the people knew they would become more concerned.

No program has demoralized the whole world more than this program. No program has resulted in hardship and disaster to many of our areas as has this program. We have bled our people with taxes to a breaking point. Our industrial growth is dwarfed because of taxes. The rank and file of our people have little left after taxes to eke out a living. We have almost a thousand communities in our Nation called depressed areas while the money in taxes from these communities builds industry in foreign lands. We have over 5 million unemployed in our Nation while our jobs are being transferred overseas to people who burn down our embassies and spit at our Nation's leaders and call us vile names.

Even the Communists get their share of billions of these dollars while our own people are taxed to death. Just about one-fourth of our billions under this program winds up in Communists' hands. Yet, we are spending almost $50 billion to defend ourselves against communism. When one really knows how the foreign aid program works, you wonder if we are really trying to help the Communists or stop them.

Do you want to take over a country for the Communists? If you do, just apply for foreign aid. Castro did it that way. The money and guns he used to take over Cuba he got from our foreign giveaway program. He got far more than he needed. We paid the cost of the Communist take over in Cuba.

Do you want to serve Khrushchev in the United Nations, among the neutrals, and all over the world? If you do, apply for foreign aid. Tito did and still does just that. He got over $3 billion from our foreign giveaway program. Whenever Khrushchev needs a friend, Tito always speaks up for him, be it the Hungarian massacre or excusing Khrushchev for violating the nuclear testing moratorium.

Do you want to buy a wife or several wives? If you do, move to Africa and apply for foreign aid. To soothe the leaders our foreign-aid money has actually been used for that purpose.

Do you want air-conditioned Cadillacs for your harem? If you do, move to the Middle East and apply for foreign aid. This has happened in nations receiving money from our foreign giveaway program.

Do you want to stash away millions in a Swiss bank so that you can be secure for the rest of your life? If you do, move to South America, take over a country and apply for foreign aid. Even if you last a few days as ruler, from our foreign aid program you can stash away millions in a Swiss bank under a number so that no one will ever find out. About half the money we gave South America under this crazy program has wound up in a Swiss bank.

Do you want to sleep in an $18,000 gold-plated bed? If you do, move to Africa and apply for foreign aid. This has happened in one of the new African nations, now friendly with Khrushchev. There is no limit to the demoralization that this foreign giveaway program has inspired.

Do you want to buy $700 million of jet planes from Russia? If you do, go to India and apply for foreign aid. Nehru is getting more than $800 million in the current foreign aid program. At the same time he is negotiating the purchase of $700 million of jetplanes from Russia. This way our money winds up in Khrushchev's hands so that he can get bigger and stronger and make us dance to his music.

Do you want to go to the United Nations and ridicule and insult the United States? Then move to Cuba, Yugoslavia, or any Communist nation and our country will foot the bill. Yes, our Nation has paid the delinquent dues of many Communist nations. We even paid the expenses of Castro's chickens—human and fowl—at that sorry exhibition when he and Khrushchev embraced each other.

I could go on but what's the use. I shall merely point out how we have drained our people of money for a program of the biggest giveaway of all times. Maybe this will help awaken the conscience of our people when they learn the extent of this waste of money.

As a nation, our growth industrially and economically is behind that of every industrial nation on earth. We are way on the bottom in this respect. Even little countries like Denmark and Belgium have surpassed our annual growth. How can we grow when taxes drain our gold and earnings so that there is nothing left to grow with? No wonder we have 5 million unemployed and almost a thousand depressed communities. Our Government has spent 10 times more for industrial development and jobs in foreign lands than it has spent at home for the past 16 years.

We are only 5 percent of the population of the world. Yet we try to carry the whole world on our backs. Our Government owes twice as much as all the nations of the world put together. Yet the giveaway goes on and on.

SUMMARY OF U.S. GIVEAWAY

In order that the people might know here is a list of the biggest and grandest giveaway in the entire history of all mankind:

TOTAL MILITARY, ECONOMIC, AND NONMUTUAL SECURITY

Afghanistan, $275,600,000; Argentina, $1,027,300,000; Austria, $1,618,300,000.

Belgium-Luxembourg $2,166,700,000; Berlin $143,900,000; Bolivia, $286,400,000; Brazil, $3,193,400,000; British Guiana, $2,60,000; British Honduras, $2,600,000; Burma, $138,900,000.

Cambodia, $298,000,000; Cameroon, $2,400,000; CENTO, $25,000,000; Ceylon, $124,100,000; Chad, $100,000; Chile $904,700,000; China (Republic of), $4,789,600,000; China (Communist) $500,000,000; Columbia, $576,100,000; Congo (Brazzaville), $100,000; Congo (Léopoldville), $24,100,000; Costa Rica, $136,700,000; Cuba, $90,500,000; Cyprus, $19,000,000.

Dahomey, $4,200,000; Denmark, $887,400,000; Dominican Republic, $9,400,000.

Ecuador, $139,000,000; El Salvador, $23,400,000; Ethiopia, $228,400,000; France, $11,397,300,000.

Gabon, $100,000; Germany $7,576,900,000; Ghana, $28,700,000; Greece, $3,943,200,000; Guatemala, $207,900,000; Guinea, $5,700,000.

Haiti, $127,700,000; Honduras, $54,300,000.

Iceland, $78,800,000; India, $5,208,300,000; Indochina, $1,535,200,000; Indonesia, $976,100,000; Iraq, $69,900,000; Iran, $1,340,700,000; Ireland, $146,200,000; Israel, $1,211,400,000; Italy, $7,466,800,000; Ivory Coast, $2,100,000.

Jamaica, $11,200,000; Japan, $6,146,800,000; Jordan, $349,500,000.

Kenya $9,500,000; Korea, $6,143 million.

Laos, $372,700,000; Lebanon, $110,500,000; Liberia, $199,200,000; Libya, $243,600,000.

Malagasy, $500,000; Malaya, $24,400,000; Mali, Republic of, $3,100,000; Mauritania, $1,700,000; Mexico, $1,246,500,000; Morocco, $395,500,000.

Nepal, $64,800,000; Netherlands, $2,687,400,000; Nicaragua, $98,400,000; Niger, $2 million; Nigeria, $19,800,000; Norway, $1,159,700,000.

Other British territories, $1,110,000; other French possessions $6 million; other Portuguese possessions, $25,300,000.

Pakistan, $1,982,100,000; Panama, $121,100,000; Paraguay, $68,600,000; Peru, $630,600,000; Philippines, $2,683,700,000; Poland, $967,900,000; Portugal, $436,800,000.

Regional African countries, $22,300,000; regional European, $2,641,500,000; regional Far East, $427,800,000; regional Latin American, $240,500,000; regional south Asia, $773,500,000; Rhodesia and Nyasaland, $55,700,000.

Saudi Arabia, $65,800,000; Senegal, $3,600,000; Sierra Leone, $1,300,000; Somali Republic, $13,400,000; Soviet Union, $500 million; Spain, $2,195,600,000; Sudan, $51,200,000; Surinam, $3,400,000; Sweden, $110 million; Syria, $100 million.

Tanganyika, $6,300,000; Thailand, $676,800,000; Togo, $2,700,000; Tunisia, $372 million; Turkey, $3,741,400,000.

Uganda, $1,200,000; United Arab Republic, $684,300,000; United Kingdom, $12,528,300,000; Upper Volta, $2 million; Uruguay, $120,400,000.

Venezuela, $333,600,000; Vietnam, $2,214,200,000.

West Indies, $12,600,000.

Yemen, $25,900,000; Yugoslavia, $3,290,300,000.

Total $122,000,000,000.

And there is $8 billion in the pipeline now being dished out which brings the giveaway close to $130 billion. Even the Soviet Union has not been neglected since 1946 in this greatest giveaway of all time. Note this is after the war since 1946. But remember we gave Russia $13 billion during the war on which she has not paid back one dime. There is $13 billion due us on loans we made during World War I and World War II. Russia will not even sit down and talk about the money due.—Total due $26 billion.

UNITED STATES CONTRIBUTES TO WORLD BANKS

Besides our crazy giveaway program, to play the part of a real Santa Claus, the United States has participated in the establishment of seven world banks. By a world bank is meant that the United States puts in the money and the other countries and the people of other countries can borrow. In other words we put up the money and the others borrow from it.

To give an idea of the extent of U.S. money involved in the seven world banks, here is the list in order that the people might know.

U.S. CONTRIBUTIONS TO WORLD BANKS

	U.S. contribution
Export-Import Bank	$1,000,000,000
International Bank for Reconstruction and Development	635,000,000
International Monetary Fund	4,125,000,000
International Finance Corporation	35,168,000
International Development Association	320,300,000
Inter-American Development Bank	450,000,000
Inter-American Social Progress Fund	394,000,000
Total	6,959,468,000

By way of summary, since 1946, the end of World War II, the United States of America has given away more than $137 billion. If it were not for our building up Communist Russia the way we have, this amount would pay all the expenses of the U.S. Government for almost 5 years. We have spent on an average of $23,500,000 per day for our foreign giveaway program. Every day that has passed since 1946, $23,500,000 of our money has gone into "Operation Rathole."

I NEVER VOTED FOR THIS GIVEAWAY PROGRAM

The people should also know that I have been one of the very few Members of Congress who has never voted for this greatest and grandest giveaway of all time. In fact, if it hadn't been for a strong minority including myself, this program would have cost the taxpayers an additional $20 billion. This is the amount of money that I and a strong minority in Congress have saved the taxpayers of America. By our constant exposure of the waste in this program, this strong minority, including myself, has been able to cut the requests for our foreign aid applicants. The bright spot is that the people back home must be awakening because just a few weeks ago there were 169 votes against this grandest giveaway. This is a far cry from 18 Congressmen, including myself, who voted against it from 1946 to 1950.

I predict that if the American people learn the facts, this waste of taxpayers money will be ended in the next session of Congress. It's up to the people—they alone can end it. Lenin, Stalin, and Khrushchev said, "The United States will spend itself into destruction. We will make them pay our bills." Look at the 1,000 depressed communities in our land and it makes one shudder.

CAN WE AFFORD IT?

We can afford it. As explained above, half the problem can be solved by an honest tax-reduction program. One-fourth can be solved by increasing social security and retirement benefits. More can be solved by increasing the limits the retired can earn. The balance can be solved by the State buying nonprofit or private insurance for the aged as is done in Colorado for those who cannot afford it. No one in our Nation should be a pauper or give up his last possession such as house and self-respect to get medicare.

With loss of tax revenue from tax deduction and Federal grants to States, it will total about one and a half billion dollars ($1,500,000,000). I say deduct this one and a half billion from our crazy foreign aid giveaway program. We cannot afford not to do it. If we do this, the actual cost to the taxpayers will be nothing. It will be spent for the good of our own people—not our enemies.

Not Stalemate, Not Containment, but Victory

EXTENSION OF REMARKS

OF

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1962

Mr. WRIGHT. Mr. Speaker, on July 27 I had the privilege of speaking at the State convention of the American Legion, meeting in Austin, Tex.

To this group I attempted to present a statement of our purpose, our progress and our problems in the cold war.

Because of a number of requests I have received for copies of this statement, I am including a copy here for printing in the CONGRESSIONAL RECORD:

NOT STALEMATE, NOT CONTAINMENT, BUT VICTORY

(Remarks of Hon. JIM WRIGHT, State Convention, American Legion July 27, 1962)

There could be no greater honor than to speak today to this organization born of war but dedicated to peace.

My father was present in the American Expeditionary Force in France when the American Legion was born.

In the years between the wars, when it was stylish in some quarters to debunk our effort in that conflict and popular for women to say, "I did not raise my boy to be a soldier", more than once did I hear my mother reply:

"Neither did I, but I surely didn't raise my boy to be a slacker."

Today I would honor their memory, as jointly we honor the memories of those by whose sacrifice we have come to this hour.

World War I was fought by brave men with Springfield rifles and fixed bayonets in the slimy trenches of France.

World War II was fought with M-1's flamethrowers and 500-pound bombs all over the globe—in steamy jungles, blazing deserts, forbidding seas—and in the eerie blue nothingness on the fringe of the stratosphere.

Today we are engaged in what has been called a cold war. It is being fought as no other war ever was. Its offensive weapons are words, ideas and dollars. Their objective is to capture not merely territory but the hearts and minds of men.

In this conflict, our costly arsenal of military hardware plays only the defensive role of a holding tactic. Losses and gains are measured in terms of ideological offensives, economic growth rates, and political stability.

This war has been in progress for 15 years. It may last for another decade or another generation. But have no doubt that it is every bit as final and every bit as historically significant as any war that was ever waged. Upon its outcome will hang the fate of our children, and of generations yet unborn the world over. And the prize at stake is no less than the freedom of man.

Since nothing we do as a government or as a people can be considered apart from its effect upon this one overpowering central issue of our time, today I want to bring to you as one Member of the Congress of the United States a frank and candid appraisal of our purpose, of our progress, and of our problems.

I. OUR PURPOSE

At the very outset, I think we need to define our national purpose in this titanic worldwide ideological competition. Let us not mince words about our aim but declare it in the clearest possible terms.

Let the word go out that we have but one goal. It is not stalemate. It is not containment. It is not passive coexistence. Our national goal is nothing less than the ultimate and final triumph of freedom.

Just as Mr. Khrushchev was wholly candid with us in stating his aim and expectation that our grandchildren would live under communism, let us be equally candid with him in stating our hope and intent that his grandchildren and those of his people may someday know the blessings of freedom * * * to walk in the world without hatred or fear, to speak their own minds without terror, to shudder not at the knock on the door, nor cringe at the sight of police.

The Russian Premier has thrown down the challenge for a duel to the death between our political systems, by every means short of the weapons of war which he knows could destroy the human race. He believes in the inevitability of his philosophy. And so we accept the challenge, true to our past and with faith in our future.

We know that we could not long survive as an isolated island of freedom with only 5 percent of the world's population if we were surrounded by hostile forces bent upon our burial. We have seen that a potential aggressor can never be satisfied with half, or even 95 percent, a loaf. We know that the cells of cancer if merely left alone will spread.

And so we launch our own offensive. We seek to hold none in subjection, but we ask the aid of all who love their own liberty and wish to be masters of their own houses. For we cannot do it alone.

And these are our clear purposes: First, to strengthen freedom by weapon and will where it exists in the world and make it more secure from attack and subversion; next, to win the wavering and uncommitted more firmly to its side; and finally to pierce the Iron Curtain with infectious truth, that the menace of communism with its cruel repressions may disappear from the earth and oppress man no more.

This cannot be done in a day, nor in a year, nor in a decade, but it will be done because it must. Just as this Nation in Lincoln's time could not exist half slave and half free, this shrunken world of rapid change and awesome weaponry, in which we stand today less than 40 minutes by missile from Vladivostok, cannot indefinitely exist half slave and half free.

There may be those who would say that such a statement is too provocative. Lest we be accused of saber rattling, let us make it abundantly clear that what we brandish is not a saber but a torch. Ours is not the closed fist of threat, but the open hand of promise.

We shall never force freedom upon any unwilling person or nation by power of arms, for freedom forced is not freedom. To any who honestly doubt, if any there be, let us reiterate plainly that we shall never strike the first blow of sneak aggression. Were we to do so, we would cease to be America; and it would profit us naught if we should gain the whole world and lose our own soul.

But let any potential aggressor know that in our U.S.-based Strategic Air Command and in the 200 forward bases of NATO, the free world has the never-sleeping capacity to destroy him and his warmaking potential utterly and within minutes if he should be so foolish as to attack us—and knowing this, let him stay his hand.

We are spending 63 cents out of every Federal tax dollar this Nation collects to make sure that our arms are sufficient beyond doubt, for only then, as President Kennedy so well said, "can we be certain beyond doubt that they will never be employed."

Thus far, it has cost $1.2 billion to develop the Nike-Zeus which last week intercepted and destroyed an ICBM in midocean. Its mission is not to destroy but to save human life. It is worth the price, and worth many times more if, because we have it, we never have to use it.

We know that military might alone will never win the cold war. We do these things because we would rather spend dollars than lives. We carry the sword in order that we may carry the word.

And this is the ultimate weapon with which we shall win the final victory—the word, the word of truth, backed by the deeds of truth—on the promise of Him who said "Ye shall know the truth and the truth shall make you free."

This is our purpose. And this is our policy. And this is our program.

II. OUR PROGRESS

Now, what of our progress toward this goal?

In the political and economic offensive which launched this cold war, we started out behind. We did not realize, in fact, what ruthless competition had been thrust upon us until the struggle was already well along.

During the first 2 years after Germany surrendered in World War II, Russia took over 9 countries with a total of 100 million people by economic and military pressures and through rigged elections supervised by the Red army. These are the captive nations, imprisoned today behind a barrier which seeks to shut out contact with the rest of the world.

We discovered too late that the agrarian reformers in China were not simple peasants, wanting a better life for their people, but hardened Communists, intent on overpowering all of Asia.

We awakened to the European threat only when Greece and Turkey were on the verge of falling before military onslaught and Italy tottered beneath political bombardment. We made some mistakes, let's not deny it. But let's not magnify our every error and minimize our own successes. For that would be selling America short. And we have in truth made some measurable progress.

Since those days, a striking change has taken place. Since NATO was organized 14 years ago, not a single inch of European soil has fallen to the Soviet. Look back and mark the changes of these 14 years, and we shall see that freedom in Europe has more than held its own, a direct result of our policies applied in the nick of time.

As the war ended, Europe lay in ruins, stalked by the specter of ravaging hunger, ruinous inflation and political turmoil * * * weary with war, devoid of hope, torn by mutual suspicion, lacking the economic foundation on which to rebuild * * * an overripe plum almost ready to fall.

In France and Italy, the strongest single political parties in the first postwar years were the Communists. In the 1948 elections, Italy almost slipped into the trap whose steel jaws were sprung open to receive them.

Then came the Marshall plan, the Greek and Turkish aid plan, NATO, the Benelux Pact, the Coal and Steel Community, and now the Common Market.

Look at Western Europe today—a modern miracle of economic rebirth. United as never before, prosperous beyond its fondest expectation, its Communist Parties steadily dwindling in numbers and influence. Western Europe has emerged as the third great center of power in the world * * * committed today as never before to the cause of freedom.

Not many of us realize it, but the last trickle of our economic aid money to the democracies of Western Europe ended 4 years ago. Today France, West Germany and England are not receiving foreign aid, but giving it—giving it to the underdeveloped countries of the world. A little-known fact is that West Germany today devotes just as big a percentage of its gross national product to economic aid as we do.

A few weeks ago, Italy repaid $180 million of Marshall plan loans. Early this month, De Gaulle and Adenauer, whose two countries twice in this century have been locked in mortal combat, conferred together in Paris about the future of freedom. Last month, in the Italian elections, the Communist Party took the worst political defeat it has suffered in that country since the war.

Or look elsewhere in the world. This month in Japan, the elections strengthened the hand of the pro-American Prime Minister who opposes communism.

In Bolivia, where we had been apprehensive of the outcome, the election results were better than we had dared to hope.

The Organization of American States, meeting this year in Punta del Este, voted unanimous condemnation of Castro. Just a few days ago, the Presidents of Costa Rica and Venezuela, two countries about which we had serious doubts only a few years back, jointly agreed to impose additional sanctions against Cuba.

None of these things could have brought much joy to the moon-faced man who sits in the Kremlin, especially coming as they have on top of the humiliation he suffered in the eyes of the world when we forced him to back down on his blustery ultimatum to throw us out of Berlin.

We all remember his threat. The Soviet Union was going to conclude a peace treaty with the puppet state of East Germany, and the Western Powers would be forced out of Berlin by January 1.

We all remember, too, the way the United States responded to the challenge. We sent a battle group to reinforce our garrison in Berlin. Vice President LYNDON JOHNSON flew to the beleaguered city, and as Germans stood in the street with tears streaming down their cheeks, he promised them that America would defend their city, the forward bastion of freedom, with our lives, our fortunes, our sacred honor.

At home we increased our Army by 125,000 men, our Navy by 29,000 and our Air Force by 63,000. We doubled and tripled our draft calls. We called up some of our Reserve and National Guard units—including Texas own 49th Armored Division * * * and Khrushchev backed down from his rash ultimatum. How humiliating this must have been for the brash masters of the Kremlin in the eyes of all the world.

How humiliating it must have been, too, that they had to build the Berlin wall in the first place to keep their enslaved people from fleeing to the island of freedom that is West Berlin.

For these captive peoples had sampled the Communist utopia and were voting against it * * * voting the only way they were permitted to vote—with their feet. With their feet they strode in ever-increasing numbers across the border to freedom until finally the stream of refugees grew so large the Communists were forced to erect a hideous gray wall to halt the flow.

Ugly as it is, this wall speaks eloquently of our progress in the cold war. For passengers do not abandon a seaworthy ship, nor citizens a just and prosperous homeland.

Almost everywhere we look, we see a similar exodus of refugees wherever the Reds rule. Nearly 2,000 Cubans flee Castro's rule each week. In Hungary, Red China, Czechoslovakia, Poland, Rumania, North Korea, North Vietnam, and Tibet, wherever the border is not securely sealed, the verdict is being made and the flow continues.

This is a crack in their armor, and the wavering nations are beginning to ask: "If communism were worth while, why do so many people want out?"

III. OUR PROBLEMS

So this is where we stand today. We have made some progress. There are signs of unrest behind the wall which separates the slave world from the free. Food shortages and growing dissatisfaction beset the satellites.

But it would be a grave mistake to conclude that the tide had turned in such a decisive way as to permit our relaxation. For the outcome is far from resolved.

The Russian leaders are still firmly convinced that they ride the wave of the future. Theirs is the self-assurance of men who have no doubt that communism is destined to supplant capitalism just as capitalism replaced feudalism.

They have made enormous strides technologically. In only 40 years they have come from an adult literacy rate of less than 30 percent to better than 90 percent today.

They have shown extremely impressive growth in heavy industry. While they cannot even begin to match us in consumer goods, and do not try, their people have never known a comfortable life, and the leadership is free to concentrate more and more of the national effort upon those things on which it places a premium. This is how a nation which rode oxcarts one generation ago could be the first in space 5 years ago and can today send rockets to the moon.

They spend almost twice the percentage of their national income on their military as we spend on ours. They spend at least 10 times as much on worldwide propaganda to spread hate slogans against our country and to portray us falsely as imperialists as we spend to tell the truth.

Russia, in fact spends more on jamming equipment just to prevent the Voice of America broadcasts from being heard in Eastern Europe than we invest in the entire worldwide effort. And this betrays their weakness.

They are deathly afraid of the free interchange of ideas.

Yet the amounts of money they devote to this global effort portray both their weakness and their strength. There has been a lot of loose talk about Russia spending us into bankruptcy. Yet economically we are far better able to sustain the prolonged effort than they.

With only one-fourth our per capita product and less than one-fourth our per capita income, the average Russian family pays proportionately about four times as heavy a tax as the typical American family, and has only a fraction of the buying power left after taxes with which to generate an economy. If any nations are being spent into bankruptcy, they would be Russia and Red China.

The difference is that their people do not know it. You never hear of the Russian populace crying for a tax cut * * * or a Russian steel mill demanding increased prices * * * or of workers in the Russian missile plants threatening to strike for higher wages.

Another advantage they possess is that of initiative and surprise. Look back over the past 10 years and repeat the geographic names that shattered our repose and punctuate the pages of recent history. Formosa, Suez, Lebanon, Tibet, Quemoy, Berlin. And now Vietnam, Laos, the Indian border.

It is a deliberate war of nerves in which their objective is painfully clear. They hope that our nerve will crack, our resolve will weaken, that we will lose faith in our own policy and purposes, fall to quarreling among ourselves, and withdraw from the continuing contest.

There was a time when international diplomacy could be played slowly and deliberately like a game of chess. Today it has the tempo of table tennis.

We have speeded up our reaction time in the military by unification. We need to do the same in our diplomacy.

We need to get our diplomacy out of the drawing rooms and into the streets and country roads—for that is where the people are.

We need to contrive our economic aid in such a way that it gets to the people themselves, and not just to governments. In most of Latin America, the average people are still mired in the futility of a 20th-century feudalism. The vast, preponderant majority have no land, no money, no source of credit, no hope. This is what gave rise to Castro. Change of one sort or another is inevitable, and soon. They believe in the Alliance for Progress. It has captured their imaginations. But if we don't make it reach the grassroots, we will be in trouble in our own backyard.

To see the problem in its total prospective, just take a look at who will populate tomorrow's world. There are 940 million people on earth between the ages of 5 and 20—the coming generation. Take a cross section of 100, and here is where they live: 56 in Asia, 15 in Western Europe, 9 in Africa, 8 in Latin America, 6 in the Soviet Union, and only 4 in the United States.

The great preponderance of them live in lands which are today awakening from a long slumber, stirring and stretching and reaching out for self-expression. Most of these people have never seen a doctor, never had enough to eat, never been able to read or write. But they know that there is a better way, and they are determined to get it—by the Russian route or by ours. This, in a nutshell, is our problem.

Having said something about our purpose, our progress, and our problem, I should like to say a very few words about our prospects.

I am convinced that we shall win this cold war. For there is in all men everywhere an innate desire for freedom which, if given the chance, will come to the fore.

We shall not win it by growing weary of the fray. We shall not win it by listening to the shrill voices of division, becoming suspicious of our neighbors, and dissipating our energies fighting one another.

We shall win it by being true to our own best traditions.

President Kennedy said: "Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe, in order to assure the survival and success of liberty."

May we leave no doubt in our words or our deeds that we stand together, that the United States of America and its Congress, its total resources and its 180 million people stand behind him in that pledge.

Aircraft Noise

EXTENSION OF REMARKS
OF

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 2, 1962

Mr. ROSENTHAL. Mr. Speaker, I am today introducing a bill that would require the Federal Aviation Agency to conduct or support scientific research into problems associated with aircraft noise.

The problem of aircraft noise, especially the unearthly racket often produced by jet-type engines, is a continuously serious one in the district I have the honor to represent. Many of my constituents live in the immediate vicinity of La Guardia Airport. The volume of air traffic through this airport is so great that the noise level frequently approaches the unbearable at many residential locations.

Now I am aware that there is a definite relationship between the flight pattern followed by the aircraft and the noise level that results. I recognize also that the primary consideration in determining the flight pattern is safety, and I agree that safety should be the paramount consideration at all times. It is for this reason, for example, that I recently insisted that the Federal Aviation Agency and the New York Port Authority investigate complaints of helicopters flying in and out of LaGuardia Airport at altitudes reported to be unsafe and dangerous to residents in the vicinity.

But I have come to the conclusion that aircraft can be constructed so that they are less noisy and they can be operated in flight patterns that are both safe and relatively quiet. However, at the public hearings held by the Federal Aviation Agency at La Guardia Airport and elsewhere, and in the course of private conferences with officials of the Agency, it has become apparent, to me at least, that FAA simply does not assign a sufficiently high priority to the problem of what I would term "racket research."

Only today the FAA announced that it is allocating $3,500,000 for extensions to certain runways at La Guardia Airport. These improvements will make it possible for La Guardia to handle heavier aircraft, and perhaps jets as well. While we welcome FAA's interest in improving and maintaining La Guardia, we recognize also that today's action makes it likely that the racket around La Guardia Airport will in all likelihood increase in the coming years, rather than diminish.

Therefore, Mr. Speaker, I propose that Congress make it plain to the FAA that this problem—which the FAA itself admits affects "thousands of families in hundreds of communities"—should be given a higher priority in the FAA research program. The FAA contends that legislation of this type is unnecessary, that it already possesses ample power to conduct research into aircraft noise and that it is in fact presently conducting and supporting a variety of research on this problem.

However, it seems to me that the Federal Aviation Agency is perhaps not best qualified to judge which legislation is necessary and which unnecessary. Those Members of Congress who, like myself, have received numerous valid complaints from sleepless citizens, might perhaps have a better opinion of the desirability of legislation such as I am proposing. Certainly, it is of significance that the U.S. Conference of Mayors believes that a bill such as I have introduced should be enacted because, in the words of its spokesman, "we believe it will clarify the authority of the Federal Aviation Agency to continue and expand its research for the solution of noise abatement."

I submit, Mr. Speaker, that the Members of Congress and the mayors of our large cities are perhaps in a better position to judge the effectiveness and scope of the FAA's racket research than the Agency itself. I therefore commend my bill to the attention of my colleagues and urge their support in bringing about its enactment.

The National Lottery of Norway

EXTENSION OF REMARKS
OF

HON. PAUL A. FINO

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 2, 1962

Mr. FINO. Mr. Speaker, I would like to tell the Members of this House about the national lottery of Norway. In addition to the lottery, Norway also benefits from semiofficial football pools, which I would like to mention.

In 1961, the gross receipts of the national lottery came to over $16 million. The Government is obliged to pay out about two-thirds of the gross receipts in prizes, so that the Government's net profit in 1961 was over $5 million.

Norway's football pools are controlled by the Government. They are operated by a semipublic company. The football pools are not an end in themselves but a means for benefiting science and sport.

Interestingly enough, the football pools are supervised by the Norwegian Ministry of Education and Church Affairs. In Norway, it is recognized that the best way to control gambling is to admit its existence and seek to channel it. Are we too firmly in the clutches of hypocrites to escape the same realization?

Mr. Speaker, if we could only wipe out hypocrisy we could raise over $10 billion a year in new income to our Treasury which could help bring tax relief to our wage earners and start reducing our ever-growing national debt.

Independence Day of Niger

EXTENSION OF REMARKS
OF

HON. ADAM C. POWELL

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 2, 1962

Mr. POWELL. Mr. Speaker, we take this opportunity to send warm felicitations to His Excelleny the President of the Republic of Niger, Hamani Diori; and His Excellency the Nigerian Ambassador to the United States, Issoutou Saidou Djermakoye, on the occasion of the second anniversary of Niger's independence.

On August 3 we celebrate the second anniversary of the independence of Niger, a country south of the Sahara Desert which has been known to history since Roman times. Many peoples have lived in Niger during the past thousand years, forming great empires and kingdoms in a territory which extends from present-day Nigeria to the new state of Algeria. In the 17th century the Djerma migrated to Niger from the north, to mention only one of the illustrious tribes which successively inhabited the region. In the 19th century Europeans arrived on the scene, and the French civil administration was established in the 1890's. The combination of many different peoples who inhabit Niger is typical of the newly independent nations of Africa. The new nation is striving to preserve the identity of its peoples within the framework of a modern democratic state.

The final process leading to Niger independence started on September 28, 1958, when the peoples of Niger voted in favor of the constitution which offered it a choice of statuses. The political representatives of Niger chose to become a state in the French community, under the leadership of Mr. Hamani Diori. After the French community was transformed into a contractual association in 1960, the leaders of Niger signed agreements with the French Republic providing for its unconditional international sovereignty, and on August 3, 1960, the Republic of Niger proclaimed its independence. Niger took its place in the United Nations on September 20, 1960.

During the last 2 years this immense country in the heart of the African Continent has been striving hard to achieve political unity and national consciousness, to strengthen in its diverse peoples the idea of nationhood and a sense of common destiny. At the same time, spectacular progress has been made in social and cultural development. Elementary education has been made available to an increasing number of children who never before enjoyed the benefits of school. Medical facilities are being expanded, the battle against famine and malnutrition is pursued with vigor, and special attention is devoted to the agriculture and stockraising from which 94 percent of the people of Niger derive their income. Thus the difficult problems of industrialization are gradually being overcome.

The Republic of Niger is demonstrating to the world how a colonial administration can be succeeded by a modern democratic state. The Constitution of Niger reaffirms the Republic's attachment to the principle of democracy, human rights, and civil liberties. We in the United States welcomed the establishment of independence in Niger and we congratulate the young Republic on the second anniversary of its independence.

National High School Orchestra To Perform at White House

EXTENSION OF REMARKS

OF

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1962

Mr. GRIFFIN. Mr. Speaker, with considerable pride, I rise to advise my colleagues about a cultural invasion of Washington scheduled for next Monday, August 6, which has been launched from Interlochen, Mich., in the congressional district I represent.

At the invitation of the First Lady, Mrs. Kennedy, Dr. Joseph E. Maddy is bringing the National High School Symphony Orchestra and a ballet corps from the world-famous National Music Camp to perform a concert from the White House lawn.

Many Americans are already aware of the fact that the National Music Camp, at Interlochen, founded and developed by Dr. Maddy, is a unique educational institution. Michigan's great Senator, Arthur Vandenberg once described it as "the greatest center of youth culture in the world."

The group that will perform Monday morning at 10:30 is not just an ordinary orchestra. This is a complete symphony orchestra of 102 high school students from 24 States and 2 foreign countries. They represent but a small fraction of the cultural explosion of some 2,000 high school students from all over the United States and the world who flock to Interlochen, in northern Michigan, each summer to study music and fine arts at this great music camp.

Anyone who has assumed that the Midwest is a vast cultural wasteland has not been to Interlochen. The National Music Camp, at Interlochen, is strictly an American institution, built by Midwest-American ingenuity and ideals yet, its strong influence is being felt all over the world.

Dr. Joseph E. Maddy started the National Music Camp 35 years ago—in 1928. He began with a borrowed shoestring of $15,000 and only 115 students. With little more than a dream—and his shoestring—he has built the camp into the world's largest music school, a $5 million institution which spreads over acres and occupies 400 buildings—to accommodate more than 2,000 students each summer.

More recently, Dr. Maddy has added at Interlochen a year-round boarding school to provide appropriate training for talented young musicians, artists, actors, and dancers, right along with a college preparatory high school course. The Interlochen Arts Academy, as it is called, will open its doors on September 10, and it promises to become one of the Nation's foremost centers for leadership training in the arts.

Dr. Maddy began his musical career as a violin player in Wellington, Kans., at the age of 5. When he was 9, he played the piccolo in the Wellington Boys' Band. From there he went on to the Wichita College of Music, the Minneapolis Symphony Orthestra, and then into music education.

Dr. Maddy organized the first high school symphony orchestra in Richmond, Ind., in 1924. He started the symphony orchestra movement in our public schools. Dr. Maddy organized the first national high school symphony orchestra—composed of youngsters from all over the United States—in 1926, and another in 1927. Finally, in 1928, he located his camp at Interlochen as a summer home for his national high school orchestras. In time, the National Music Camp became affiliated with the University of Michigan, and Dr. Maddy served as professor of music at the university.

Dr. Joseph E. Maddy has probably done more to stimulate the cultural training of the youth of our country than any other one man. He is largely responsible for the instrumental class teaching methods in use today which have developed thousands and thousands of young musicians. In fact, no other man is more directly responsible for the fact that 1,400 symphony orchestras are now organized in this country—more than in any other nation in the world.

Dr. Maddy refers to his young musicians as world missionaries of peace, and he is right. Former Interlochen campers now hold first-chair places not only in the major symphony orchestras of our own country but in other countries as well. The conductor of the Munich Youth Symphony was a former student at Interlochen, and the conductor of the Vienna Youth Symphony attended the camp. Interlochen's musical organizations are heard each week over nearly 100 network stations in this country as well as on Voice of America worldwide network.

Someday soon Dr. Maddy hopes to be able to take his national high school symphony orchestra on a tour of countries behind the Iron Curtain. Such an orchestra of talented youngsters, speaking the universal language of music, would serve as an impressive force for peace and understanding.

Van Cliburn, who has been acclaimed by music critics as the world's greatest concert pianist, has paid the National Music Camp the tribute of returning for two successive seasons to play a benefit concert, turning over all proceeds to the camp for scholarships. He has referred to Interlochen as the country's Cape Canaveral for Musicians.

I am proud to have this cultural center located in my congressional district. On behalf of the camp, and Dr. Maddy, I am pleased to extend to my colleagues in the Congress an invitation to come soon to Interlochen and visit this great institution.

Is There a Need for Medicare for the Aged?

EXTENSION OF REMARKS

OF

HON. ALVIN E. O'KONSKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1962

Mr. O'KONSKI. Mr. Speaker, medicare for the aged has been of grave concern to me in all of my years in Congress. Truthfully, it has been uppermost in my work, my thoughts and my wishes. When I first came to Congress in 1943 my efforts succeeded in getting allotments from the Government for parents of sons and daughters in service. There were thousands of such cases. From these cases I learned of the sad condition facing many aged mothers and fathers and about their inability to afford proper medical care because of lack of money. Way back then I wondered what would happen to these mothers and fathers when these allotment checks stopped coming.

Whenever I toured the highways and byways of northern Wisconsin, the elderly were always among the first in the community to meet me. I have been in hundreds of their homes by invitation. They would talk over with me their problems. They would particularly mention how difficult it was for them financially whenever serious sickness struck them and they needed medicine, a doctor or a hospital bed. They worried about how they could hang on to their last possession—their home. Two out of every three of these elderly people had no income outside of social security or old age pension. These are the people who really made our Nation great. When I left their homes, I wondered why this should be in a Nation that plays Santa Claus to the rest of the world.

I know from seeing that many present State laws for help for the aged are old fashioned and just plain heartless. Nobody likes to be classed as a pauper. Yet, many of our State laws—Wisconsin has about the worst—compel the aged to become paupers before they can get an old-age pension or money for medicare. Yes, in a country that dishes out billions of so-called foreign aid to every Hottentot in the world our own aged must become paupers before they can get financial help. I have hundreds of cases in my files from the elderly which read something like this:

> DEAR CONGRESSMAN O'KONSKI: We are elderly people. We have a jalopy worth

> about $200. We have a home worth about $2,000. We have a garden for ourselves. This is all we have.
>
> My wife is ill and needs an operation. The doctor bill and hospital bill will be about $400. We applied for aid but they told us that unless we sell the jalopy and give up our home we cannot get any help.

Tragically, this is the law in about one-third of the States. We compel them to give up their last possessions—a home and a jalopy—before they can get financial assistance for medicare. To get medicare help the aged must become paupers in these States. Thus, they lose their last possessions; namely, their home, their dignity and their self-respect. Why should this be in a nation that gave away more than $130 billion in the last 17 years to bums, politicians, and plain grafters all over the world? Yes, even Communists all over the world got many of these billions of dollars. Just a few days ago Congress passed a foreign aid bill that provides money for Communists.

From personal experience I know of the need of medicare for the aged. My wife and I did not inherit any money. The fact is we had to pay the medicare bills of our mothers and fathers. We were lucky that we were able to do so. But as I paid those bills I often wondered what happened to mothers and fathers whose children had a hard time taking care of themselves and their own young children. So I know from personal experience how rough the cost of medicare for the aged is, not only on the elderly but on their children who themselves are having a rough time of making things go with taxes being what they are.

The average aged couple who retire find that the first operation, doctor and hospitals usually use up their savings. The second operation, doctor and hospital, usually uses up their insurance. The third operation, doctor, and hospital, usually uses up their home, their pride and their dignity, and they are wiped out completely and become wards of charity from then on. Medicare is expensive and the better it gets the more expensive it gets. Something must be done and done at once to meet these medicare costs for our aged people.

This country of ours which plays Santa Claus to the world is the only modern country in the world that does not have a complete plan of medicare for the aged. In fact our country has given billions of dollars to help other countries finance a medicare plan for the aged. Yet, our own country is backward in providing for our own aged. Is this not ridiculous? Yet it is the truth, sad as it seems.

In 1947 I gave my first speeches in Congress advocating a system of financing a medicare plan for the aged. That is 15 years ago. The Milwaukee newspapers labeled me as a socialist, a fanatic, a dreamer, and a rabble rouser. Today, every Congressman, and Senator and the President realize that something must be done. In the last 2 years, more than 50 bills have been introduced in the House and Senate to bring medicare to the aged. This is a far cry from 15 years ago. Yes, it took 15 years for the Nation to wake up to the fact that there is a "must be done" on the problem of medicare for the aged. And, it will be done if the people separate the sheep from the goats—namely, those who really want medicare for the aged—from those who want to use the aged as a political football year after year.

WHAT ABOUT THE KING-ANDERSON BILL?

The most discussed plan has been the King-Anderson bill. This is the bill most publicized and the most discussed. Let us examine the King-Anderson bill.

Who would be covered? All those over 65 who are under social security; all those over 65 who are under railroad retirement.

These are the only people who would be covered by the King-Anderson bill. The King-Anderson bill would not help one iota where the help is needed most.

There are about 4 million over 65 who are in the worst financial shape who are not under social security or railroad retirement. These are the people who are the worst off of any people. Their only misfortune is that they were born too soon. None of these people would be covered by the King-Anderson bill. I feel that those over 65, not under social security or railroad retirement who are the worst off of any aged people should be included in whatever medicare plan that is passed.

WHAT BENEFITS WOULD THE KING-ANDERSON BILL PROVIDE?

First, up to 90 days of inpatient hospitalization. The patient, however, would be required to pay $10 for each of the first 9 days of hospitalization, or a maximum of $90. If patient stays in hospital only 1 day he must pay the minimum of $20 dollars.

Second, up to 120 days of nursing home service, after hospitalization, but not without it. You must spend some time in a hospital before you get nursing care. No provision for supervision by doctor, dentist, or physician for such nursing care.

Third, up to 240 home health service visits per year—by other than physicians or doctor or dentist.

Fourth, outpatient hospital diagnostic services. The patient would be required to pay the first $20 of costs for each diagnosis without the privilege of selecting the doctors, physicians, or dentists who would perform such diagnosis.

Although billed as a medical care program this bill would not cover the costs of doctors' services whether at home, in an office, or a hospital, nor would it cover surgical or dental fees, or medicines used outside a hospital.

These are the only benefits that would be available under the King-Anderson bill. That is all. There are no other benefits in the bill whatever and anyone who says otherwise is deceiving the people. Doctors, dentists, surgeons, physicians' costs are not covered by the King-Anderson bill. Not one penny of King-Anderson money would be available for a doctor, dentist, surgeon, or physician. The patient would have to pay that, every penny of it. If the patient did not have the money the King-Anderson bill would not help him with these bills one iota.

Not one penny of King-Anderson bill money would be available for medicine and drugs outside of the hospital. Medicine and drugs used at home are not covered by this bill. The only medicine and drugs that would be paid for under this bill are the medicine and drugs used while you are in the hospital. After you leave the hospital you pay for medicine and drugs yourself under this bill.

To give you an idea of just what the King-Anderson bill would do for the aged, let us take an average elderly person. Based on the best figures available, here is what today's average medicare costs are for the aged each year and how much the King-Anderson bill would pay.

	Average each year	King-Anderson bill would pay
The average elderly person spends each year for—		
Physicians	$75	0
Hospital care	65	$40
Medicine	50	0
Dental	15	0
Diagnostic and other	20	0
Total	225	40

From a study of these figures one can see that the average elderly person over 65 who spends about $225 a year for medicare would be reimbursed by the King-Anderson bill to the tune of about $40. That is all. Even in the most catastrophic cases where there is a year-round patient and in need of medicare the year around under the King-Anderson bill only about 25 percent of the costs would be reimbursed by the King-Anderson bill. People who have studied the bill found it disappointing. Several who first wrote me thought that all their medicare costs would be taken care of. They were disappointed when I sent them a copy of the bill with proper explanation. It is interesting to note that those who actually studied the bill all wrote me that they were disappointed in the bill after hearing so much about what it would do. The King-Anderson is not a medicare bill at all. It is merely a partial hospital bill and nothing more.

WHO WOULD PAY THE COST OF MEDICARE UNDER THE KING-ANDERSON BILL?

Under this bill there would be a half-cent increase in railroad retirement and social security taxes. That is one-fourth of a cent payroll tax would be paid by the employee and one-fourth of a cent payroll tax would be paid by the employer.

Under the King-Anderson bill, 90 percent of the almost $2 billion needed would be paid by the working people of our country. Ninety percent of this $2 billion would be paid by those whose salaries are below $10,000 a year. The poorest people would pay the lion's share. The rich would escape completely. The following people would not pay a dime in taxes for this program under the King-Anderson bill:

One. Those who inherit fortunes.

Two. Those who clip coupons and live on big, fat dividends.

Three. Those who make thousands in tax-exempt Government bonds.

Four. Three million Federal Government employees including Congressmen and Senators, Cabinet members and other high paying officers.

Five. Those who make millions on the stock market.

Six. Speculators and manipulators.

Seven. Those who make fortunes on appreciation of holdings and hundreds of thousands of others, most able to pay.

In short, only the poorest people of our country would be taxed. The richest people would go scot free. Only those workers under social security and railroad retirement would be taxed for this program. Everyone else gets by for free.

WHAT WOULD TAXES BE LIKE

Here is what the taxes on the working people would be like if the King-Anderson bill were to become law:

If the King-Anderson is enacted

[$5,200 earnings base]

Year	Total rate per employee	Tax paid by employee	Tax paid by employer	Total tax per employee
	Percent			
1962	6¾	$175. 50	$175. 50	$351
1963	7¾	201. 50	201. 50	403
1966	8¾	227. 50	227. 50	455
1968	9¾	253. 50	253. 50	507

In an interview published recently in U.S. News & World Report, Secretary Ribicoff was quoted as follows:

> Under the tax schedule of the present Social Security Act you will get up to 9¼ percent from the employer and the employee combined in 1968. You add to this one-half of 1 percent for medical care for the aging under social security, and you've about hit the top of 10 percent. I don't think people will go for more than 10 percent.

The railroad retirement tax would be increased on the working people from 14½ to 15 percent—7½ percent to be paid by the worker and 7½ percent to be paid by the employer.

Few people realize that social security tax and railroad retirement taxes are the most undemocratic taxes in America. A workingman with four children who earns $4,000 a year pays no Federal income tax. Under the King-Anderson bill, this same workingman in 1968 will be paying $190 as his share of social security taxes. The social security tax would be levied upon the first $5,200 of worker's earnings. The social security tax allows no deductions or exemptions. Social security taxes in 1968 for a workingman will be far more than his income taxes. A workingman making $5,200 a year will pay the same amount of social security taxes, namely $253.50, as a Ford, a Rockefeller, or a millionaire making a million dollars a year. The social security tax is a tax on those least able to pay and a bonanza for those most able to pay. Yet, the King-Anderson bill would load the cost of medicare on the backs of these same working people in order that the rich and those who inherit fortunes can "steal home" free again.

MEDICARE SHOULD BE PAID BY ALL

Medicare for the aged is a national problem, a problem of all the people. Medicare for the aged to me is as important as national defense or education. Yet, we do not tax just the working people to pay for national defense or education. Of course not. We tax everybody for these purposes and tax them on a real democratic basis—the ability to pay. Medicare for the aged should be put on the same basis and not forced on the backs of just the working people of our country.

SOCIAL SECURITY SHOULD BE PRESERVED FOR RETIREMENT ONLY

There is a serious question if the social security program can be harnessed with medicare. Just for the inadequate retirement benefits under present social security program, the social security taxes by 1968 will reach 9¼ percent of wages earned. Yet, everyone who wants to be honest about it knows that there must be increases in social security benefits to keep up with the cost of living. Present minimum social security benefits of $40 per month are ridiculous. Who can retire on $40 a month? Yes, many wives, survivors and dependents are getting even less than $40 a month. Some social security checks are so small they are hardly worth the cost of issuance and cashing.

There is no question whatever that benefits under social security should and must be increased to really make it a retirement program. To be anywhere near adequate social security benefits should be raised to $75 a month minimum. If we look ahead we also know that soon social security retirement eligibility with full benefits will be reduced to 62 years for men and 60 years for women. Also, we must realize that disability benefits under social security are too strict. One must be almost three-quarters dead and call the undertaker before you qualify for social security disability benefits under the present law.

Just these improvements under social security retirement will mean increased social security taxes. In the near future to make social security a really and truly retirement program, these things must and will be done. To accomplish this social security taxes just for retirement purposes are going to be raised to 10 percent of wages earned. This is the maximum tax that social security can stand. Every expert agrees that if social security taxes exceed 10 percent the system is in danger of breaking down completely and will meet with strong resistance from workers under social security system.

The truth is that our social security system must be preserved for retirement purposes only. If we saddle the social security program with medicare and other things we are endangering the whole retirement system. If we leave politics out and really examine our conscience these are truths that are so clear that only the stubborn and selfish politician will deny.

MEDICARE MUST BE FINANCED OUTSIDE SOCIAL SECURITY

Medicare, therefore, must be financed separately from our social security program. It can be done and it must be done. Only the stubborn and selfish politicians will deny this. And if reasonable people whose true interest is medicare and not selfish politics will demand honest effort in this direction, this can be accomplished without delay. Under all considerations, it should not take longer than next spring of 1963 to adopt an honest, all-coverage plan of medicare for our elderly citizens.

And we can do it, for the most part, by reducing taxes and not increasing taxes. Everyone is now talking about tax reduction. There is no question but what there will be a program of tax reduction. There is no better time to consider medicare than now. Tax reduction and medicare for the aged can be accomplished in the same bill. And it will be adopted if the people get busy and demand it. Now is the time for you who really believe in honest medicare—not politics—to hit and hit hard.

MEDICARE FOR THE AGED MUST BE ACCOMPLISHED IN SEVERAL WAYS

Here are just a few of the ways it can be accomplished:

First, give tax exemption to sons and daughters for every dollar they spend for medicine, hospital, nurses, dental care, or doctors for their parents. Right now I have in my files more than a hundred cases where the Internal Revenue Service is denying tax exemption to sons and daughters who paid medicare bills for their parents and demanding additional taxpayments. Under present law, unless a son or daughter provides at least 51 percent of the living costs of a parent they cannot deduct such payments as deductions. If a son or daughter pays a parent's doctor bill or a hospital bill of $400, they cannot deduct this for tax purposes unless they prove they contributed at least 51 percent to the support of that parent. Therefore, if that parent gets an old-age pension or social security check of $40 a month, the son or daughter must pay income taxes on the $400 they pay on the parent's medicare bills. While we are now in the process of reducing taxes a change in the law giving sons and daughters a tax reduction for every dollar they spend for medicare for their parents; it will go a long way in helping aged parents in getting help for medical expenses. There are many sons and daughters who want to help their parents. The least the Government can do is to give these people proper tax deduction for these payments. Presently these sons and daughters are harassed by the taxmen for helping their parents. That is the injustice in the present law.

Second, why not permit aged parents to deduct cost of hospital and medical insurance from their tax due the Federal Government? Under present law it can be used as a deduction on income. Why not change the law to give a deduction from income taxes due? This will go a long way in enabling the aged to pay for their own hospital and medical insurance. This can be done in the present tax reduction bill now being considered.

Third, why not permit sons and daughters to deduct cost of hospital and medical insurance for their parents from their tax due the Federal Government? Under present law, they cannot even deduct it from their income unless they contribute at least 51 percent to the support of their parents. Why not change the law to give a tax deduction from income taxes due to all children who buy a hospital and medical insurance policy for their parents? Any son or daughter worth his or her salt would rather buy a good medical and hospital insurance policy for their parents than give it to Uncle Sam who fritters money all over the world like a drunken sailor. This can be done in the present tax reduction bill now being considered.

Fourth, there are too many shyster insurance companies in existence that should not be in existence. I have several score cases in my files where aged people carried a hospital and medical insurance policy for years. Then when they reach 65 and need it most these companies raise the rates beyond reason hoping the policy will be dropped and if not dropped, these insurance companies cancel the policy. These insurance companies should be closed for the good of all the people. The Federal Government should take a hand in this and weed out these insurance companies who are in business not to serve the public but only to make money. Any insurance company in business that insures only people who they think a safe risk medically should not be permitted to bamboozle the aged people.

Fifth, why limit aged people to earning only $1,200 a year above social security or other retirement benefits. Some of these aged people could and want to earn more so that they can pay for their own medical and hospital expenses. If we would raise the limit to $1,800 for single people and $2,400 for a married couple, there would be a great number of aged people who could and want very much to pay their own way. There is no reason under the sun why these limits should not be raised to enable these aged people to earn more. It is sheer foolishness for the Government to limit the income of the aged to a point where they cannot afford to pay their own way. There is no reason under the sun why these limits should not be raised to enable these aged people to earn more. It is sheer foolishness for the Government to limit the income of the aged to a point where they cannot afford to pay for their own medicare. It just does not make sense.

Sixth, present minimum social security benefits are not adequate. Who can live on $40 a month minimum? Many elderly wives and widows receive even less. In fact so much less that it is hardly worthwhile. These low payments are a sad reflection on our social security system. Minimum social security benefits should be near $75 a month. If this were done, many of the elderly would be glad to pay for medicare and most of all they could afford to pay for their own insurance. If we made a truly adequate retirement plan out of our social security system and railroad retirement system it would go a long way in enabling many of our elderly to buy medical insurance and meet the costs of medicare. We are going to have to raise these minimum benefits eventually—why not do it now to help the aged. This would have an immediate and instant effect in enabling the elderly to meet the costs of medicare. These benefits could be immediate and direct without setting up another bureaucracy.

Seventh, all States should repeal the pauper law or what they call the lien law. Wisconsin has about the worst law of this kind on its books. This is a hangover from the poor farm days. Congress should withhold every dollar of aid from any State until they repeal these vicious and Judas regulations. I am glad that Congress has started in this direction. In 1960 Congress passed a law giving additional millions to States for medicare for the aged. Wisconsin could get many millions of dollars from the Federal Government to help aged people with medicare. But Wisconsin would have to repeal its vicious lien law in order to get this money. If Wisconsin would repeal its lien law—or pauper law—Wisconsin could get 55 percent of every dollar they spend for medicare for the aged as a free grant from the Federal Government. The State of Wisconsin has done nothing to get these Federal grants. Millions of dollars are waiting in Washington for Wisconsin. But Wisconsin fiddles and faddles while the State officers shed crocodile tears for the aged.

Eighth, many States have liberalized minimum standards so that aged people need not become paupers to get medicare financing. Some States permit the aged to keep a $7,000 home; another $2,500 in personal possessions such as furniture and a car; a $1,000 insurance policy for burial purposes; and an income of $1,200 per year if single and $1,800 a year if married and still get State help for medicare. This is a humane pattern that more and more States are switching to. Every State in the Union should work in this direction. If Wisconsin does this, the Federal Government stands ready to pay 55 percent of the cost of such a program. That money has been available in Washington, D.C., since September 1960. But the State of Wisconsin has not lifted a finger in this direction. People of Wisconsin better do something about this and the sooner the better.

Ninth, the State of Colorado has a medicare system for the aged that has worked wonders. The State insures those aged who cannot afford medical and hospital insurance. This insurance covers, medicine, hospital, doctors and nurses and dental expenses. The State of Colorado insures with a nonprofit insurance company. The entire cost of the insurance is paid by the State. Under this program 53 percent of the money spent is a grant from the Federal Government. Wisconsin can and should do the same. If Colorado can do it, Wisconsin can if the citizens demand that it be done. Wisconsin used to be a progressive State. Wisconsin usually took the lead in humane treatment of all her people. But the past few years Wisconsin has been on the tail end of progressive laws. Colorado gets 53 percent of the cost from Washington. Wisconsin can get 55 percent of the cost from Washington. Colorado pays an old-age pension of $100 per month to all over 65 who need it.

Tenth, why tax retirement benefits, annuities, and pensions the way we do? Present Federal tax laws are so high that aged people must pay income taxes on retirement benefits, annuities, and pensions. After these taxes there is little left for the aged to live on let alone pay medical bills. Why not permit the aged a tax exemption on pensions, annuities, and retirement benefits of $2,000 if single and $3,000 if married beginning with age 65. If we did that many millions of our aged would be left with enough money to buy real medicare insurance and pay the rest of their medicare expenses. Why not do this in the tax reduction bill now being considered?

NO REASON FOR DELAY

There is no reason in existence why every aged person who needs medical or hospital insurance should not be provided with that insurance if they are not in a position to finance it. And they should not give up their last possessions such as a home, a jalopy or their meager life insurance to get it. Since September 1960 the Federal Government has been ready to foot 55 percent of the cost of such a program for Wisconsin. The leaders of some States who shout loud and long about the needs of the aged have done nothing about it. It is time they did something besides talk.

IT'S A SIN TO DECEIVE THE AGED

But the thing to remember most is this: it is a sin and a shame to mislead aged people to believe that if the King-Anderson bill is passed all of their troubles are over and all their medicine, doctors, hospital, nurses and dental bills will be paid. It is the worst kind of deceit preying upon the miseries of the aged. It is deceit that is not worthy of men in public office. Because it just is not true. At best the King-Anderson bill would pay only 25 percent of the hospital expenses of the most catastrophic cases—and not one penny for home medicine or doctor's or dental services. And even for these meager benefits the King-Anderson bill would not cover in any way the 4 million elderly who need help the most. Their sin is they were born too soon to get under social security or railroad retirement.

Medicare for the aged must be approached from all sides as outlined above. Any politician who stubbornly says you take the King-Anderson bill or you get nothing is putting politics first and the welfare of the aged last. Any politician who is not willing to change the King-Anderson bill so that all aged people are covered is playing politics and has no real concern for the aged. Any politician who is not willing to change the King-Anderson bill so that all people pay taxes for the program, not just those under social security and railroad retirement, is thinking of politics—not the aged. Any politician who does not want the King-Anderson bill changed so that doctor bills and medicine will be paid, not just part of the hospital bill, is likewise thinking more of deceiving the aged rather than helping them.

Why should just working people be taxed to pay for 90 percent of the cost of medicare? How about the rich? Is it not their responsibility too? Any politician who is not willing to compromise in order to get all the aged covered, in order to get wider benefits, in order to get those who can afford taxes to pay taxes to support the program is really not interested in medicare. Such people are interested only in creating a political issue, a political football, so that they can prey upon the miseries of the aged because there are 20 million of them and that is a lot of votes. Their hearts would be broken if a real plan of medicare for the aged really became law. What would there be to talk about in the coming election?

I say medicare for the aged is a must. It is long overdue. I have been advocating such since 1947. I want medicare for the aged. I do not want the politics behind it. No one single plan or bill is going to do the job and do it right. It must be achieved by a combination of plans as I outlined above. If the people stop being fooled and insist that the job be done, it will be done. Make no mistake about that.

Address by Senator Allen J. Ellender, of Louisiana, Before National Waterways Conference

EXTENSION OF REMARKS

OF

HON. GEORGE A. SMATHERS

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Thursday, August 2, 1962

Mr. SMATHERS. Mr. President, on July 24 I had the extreme pleasure of being present when the able and distinguished senior Senator from Louisiana [Mr. ELLENDER] delivered an excellent address at the second annual meeting of the National Waterways Conference relating to the effects of a proposed user charge on inland waterways.

Since I believe that the penetrating analysis of Senator ELLENDER's address merits the consideration of all of us, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR ALLEN J. ELLENDER, OF LOUISIANA, BEFORE NATIONAL WATERWAYS CONFERENCE, TUESDAY, JULY 24, 1962, AT MAYFLOWER HOTEL, WASHINGTON, D.C.

Mr. Chairman, gentlemen, I am delighted to address the National Waterways Conference, for I know your organization shares my dedication to the promotion of efficient and economical water transportation, and the necessary public works which that promotion calls for.

Before moving on to my main topic, which will be the question of waterway user charges in the form of a fuel tax, let me express my appreciation of the effective work accomplished by your predecessor. That small, informal group was ever alert to the danger of any serious proposal to impose some form of service charge or toll on the Nation's waterways. Because that nucleus organization was already in being, the National Waterways Conference as we know it today is able to be effective in its current program of educating the public, and the Government, on the evil effects of waterway tolls.

As all of you know, my home State of Louisiana can be said to be a product of the Mississippi River. Our productive delta land—a great part of the State itself—is the accumulation of soil from Ohio, Indiana, Tennessee, Wisconsin—in fact, almost every State between the Appalachians and the Rockies has given some of its best topsoil to make what is now Louisiana. But we Louisianians are a generous people, and for the last 25 years I have been working to keep that land upriver where it belongs. I can only hope my efforts are appreciated, but I fear that sometimes they are not.

Be that as it may, the fate of Louisiana and of its Queen City, New Orleans, have always been bound closely to the Mississippi River. Even today, when people from other sections of the country think of New Orleans, they think of the river; when they think of the river, they think of New Orleans. Indeed, many Yankees are often surprised to find that New Orleans is not the only city in the State, and that people who live in Louisiana do not necessarily either live in New Orleans or have webfeet.

But to return to my main topic, it may interest you to know that a form of user tax or toll, was in no small way responsible for the Louisiana Purchase, back in 1803. Even then, the Mississippi was the main highway of the Nation, and even then Mr. Jefferson realized that whoever controlled New Orleans controlled the river and a great part of the American destiny.

You may recall that both the Spanish and French Governments had talked of taxing the boatloads of merchandise—mostly corn, in one form or another—that floated down from Tennessee and Kentucky. At one time, the French did attempt to collect such a user tax, which caused a small war to break out. It was about this time that Jefferson began negotiations for the purchase of New Orleans, and when Napoleon offered to throw in the whole of Louisiana, the bargain was simply too good to be passed up.

I do not know how many miles of navigable waterway that purchase gave the Nation, but today we have more than 22,200 miles of inland waterway, without counting the Great Lakes. Since 1824, about 85 percent of those water routes have been improved and maintained by the Corps of Engineers, and they are in constant use in carrying commercial freight.

An outstanding example of industrial expansion resulting from this network of navigable waterways is found in the lower Mississippi Valley, where a vast complex of petrochemical plants has developed in the area from Baton Rouge to New Orleans. Another example is the spectacular growth of industry in the Ohio River Valley, where since 1950 more than $17 billion have been invested in new industrial developments. Such growth was largely the result, of course, of the presence of the waterways. These few examples show, therefore, that modern waterways give rise to industrial development which in turn creates traffic for all modes of transportation.

A recent report by the corps revealed that intercity freight transportation is expected to double between now and 1980, and to reach four times what it is now by the year 2000. This increase will require enlargement of capacity of railway systems, additional pipelines, increases in truck transportation, and further improvement and extension of the inland waterway system. Improvement and enlargement of existing waterways will undoubtedly be needed if the increase in traffic is to be handled in the most efficient way.

THREEFOLD WATERWAYS PROBLEM

This current review of our navigation facilities clearly shows the need of appropriating adequate funds to reestablish the original concept of knitting the Nation together through a system of waterways. Today, however, the problem is threefold: (1) We must develop new arteries of waterborne transportation; (2) we must redevelop obsolete waterways; and (3) we must properly maintain existing works.

My record in the Congress, in support of the free use of our waterways, as well as in support of adequate appropriations for water resource projects, speaks for itself. I believe it is a fairly good record.

USER CHARGE ON WATERWAYS

For the past 6 or 8 years, as you know, the waterway operators have been faced with the threat of tolls or of a destructive user charge on the waterways. I have consistently been in the forefront of those who oppose tolls or user charges in any form. Two years ago the Democratic nominee for President, John F. Kennedy, took a forthright position in opposition to tolls. His statement at that time included the following:

"The national interest demands adherence to established national policy for waterways maintenance and improvement, a continuing responsibility of the Federal Government. We must reject all proposals such as those of the Department of Commerce and the Bureau of the Budget."

This was a very positive statement. And he continued:

"* * * for imposition of burdens upon the use of the waterways—including tolls, toll equivalent taxes, and the so-called user charges—which would destroy the values of investments heretofore made in such facilities.

"Such restrictive policies could not fail to increase the Nation's transportation cost burden and to deprive shippers of the advantages and economies of low-cost water transportation of basic commodities as an important element of a coordinated national transportation system."

I supported that position then, and I support it now.

In his early days as President, his concern for the decline in the common carrier inland waterway traffic was clearly expressed in his message to the Congress on regulatory commissions in April of 1961. The President at that time stated in part:

"The Transportation Act of 1940 sought, so far as surface transportation was concerned, to describe as a goal a national policy that would give each method of transportation its appropriate role in our economy. It is disturbing, however, to note that, for example, our common carrier inland waterway traffic, our Great Lakes traffic, our intracoastal and coastal traffic, have been withering away at a pace far more rapid than appears desirable, in the light of the low-cost nature of this method of transportation and its potential role in the event of war."

In view of these statements I was surprised at the change in the President's attitude as reflected in his budget message for fiscal year 1963, at which time he proposed, in discussing tax reforms to be recommended for the consideration of Congress:

"To extend the principle of user charges to inland waterways, a tax of 2 cents per gallon should be applied to all fuels used in transportation on these waterways, effective January 1, 1963."

Until April 5, when the President submitted his message on transportation to the Congress, it was not too clear exactly what he had in mind.

In the meantime, on January 30, 1962, I addressed the Wabash Valley Association in Lafayette, Ind. It was expected that I would comment on the President's proposal for a fuel tax on waterways. At that time, I made the following statement:

"The President's program contemplates extending to the waterways a fuel tax now imposed on the use of highways and airways. So long as this is a general tax on fuels, the amount of the tax is reasonable and it is equitably apportioned among the various modes of transportation. I think it would be unrealistic for the waterway operators to take the position that they and they alone should be excluded from the general application of a fuels tax.

"If, on the other hand, when the details of the President's recommendations are made public we find that coastal ports, the Great Lakes, and pleasure craft are excluded from the tax, we are faced with a different situation. The gas tax would then become a toll on our inland waterways in the form of a user charge. This would destroy our time-honored principle of toll-free waterways. At this point, regardless of the amount, [illegible] will oppose the measure in principle."

I was criticized by some of the navigation interests for the statement I made in Lafayette, but I desired to make my position clear.

The proponents of water transportation could hardly expect their friends in Congress to secure an exemption for them from a general tax on fuels for the purpose of raising revenue. At that time it was inconceivable to me that the President would actually recommend a toll in the form of a user charge.

In a period of 2 short years, what occurred to induce him to reverse himself completely? I have never received an answer to that question.

RECOMMENDED TOLL WOULD BE UNCONSTITUTIONAL

Let us now consider what was actually recommended in the President's message on transportation. In the section on inland waterways he stated:

"Also in the interest of equality of treatment and opportunity, the principle of user charges should be extended to the inland waterways. A tax of 2 cents per gallon should be applied to all fuels in transportation on the waterways."

In other words, this was a toll in the form of a user charge which would be limited to commercial transportation and would exclude recreational use of the waterways. The President went on to state that the new tax should include an exemption similar to the current exemption from taxation accorded to gasoline and ship supplies for vessels employed in the fisheries, foreign trade or trade between the Atlantic and Pacific ports of the United States, or between the United States and any of its possessions. Vessels in domestic trade using facilities and routes similar to those engaged in foreign trade and vessels in coastal trade which are too large to use the intracoastal waterways should also be exempt. In other words, the exemption would also apply to all shipping on the Great Lakes.

When we pause to reflect on the implications of the President's recommendations we find that there are not only some rather weird conclusions to be drawn, but that they contravene, first, the covenants of the Northwest Ordinance, approved on July 13, 1787, which proclaimed the freedom of our inland waterways, in these words:

"The navigable waters leading into the Mississippi and St. Lawrence and the carrying places between the same, shall be common highways, and forever free, as well as to the inhabitants of said territory as to citizens of the United States, and those of other States that may be admitted into the Confederacy, without any tax, impost or duty therefor."

The first part of that ordinance deals with certain administrative matters; the second part, articles I through VI, are by virtue of section 14 established as a solemn compact:

"It is hereby ordained and declared by the authority aforesaid, that the following articles shall be considered as articles of compact between the original States and the people and States in the said territory, and forever remain unalterable except by common consent."

Here was the cornerstone of our waterway policy.

Second, the President's recommendations violate the organic acts of the various territories, and the acts of Congress admitting the various States to the Union, which contained declarations that the navigable waters should be common highways and forever free (Louisiana, Minnesota, Missouri, California, Oregon, Ohio, Mississippi, Wisconsin, and Alabama).

Third, the President's recommendations violate the Constitution itself. The restrictions in section 9 of article I of the Constitution, for instance, declare that "No tax or duty shall be laid on articles exported from any State." Further, that "No preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another."

How would the President's proposal be applied on the Mississippi River? Take, for instance, an oil refinery located on the river in the general vicinity of New Orleans. A barge loaded at the refinery and proceeding up the Mississippi River and Ohio River would have to pay a tax on the fuel it used; however, if that same barge were dispatched in the opposite direction, down the Mississippi, through the gulf, and across to, say, Tampa, there would be no tax on the fuel used.

The unconstitutional implications of the proposed user charge are further exemplified by the fact that the export of grains from the upper Mississippi Valley through New Orleans is in direct competition with the movement of grain through Duluth and Chicago via the St. Lawrence Seaway. Prior to the opening of the seaway in 1959 the lake ports shipped very little grain for export to oversea destinations, as most of this movement was out of New Orleans. In just three seasons the tonnage through the St. Lawrence grew to well over half the New Orleans export tonnage. It is obvious that tolls imposed on the inland waterways which carry that grain to New Orleans but exclude the Great Lakes would handicap New Orleans very seriously in its competition for this tonnage.

In its impact on domestic commerce the President's proposal would be essentially the same in its economic effect as a system of internal tariff barriers which the Constitution specifically forbids.

I suppose we have an equally incongruous situation when you consider the major ports along the Texas coast. For instance, foreign ships or large coastal vessels utilizing 50 miles of the deep-draft portion of the Intracoastal Waterway in entering the port of Houston would not have to pay a tax on the fuel they use; however, a shallow-draft barge traversing this same portion of the waterway in operating on the intracoastal canal would have to pay a fuels tax on the fuel it utilizes.

WHY EXCLUDE THE GREAT LAKES OR COASTAL HARBORS?

The present proposal is submitted as a user charge—if such be the real intent, what possible justification can there be for excluding the Great Lakes?

We are currently completing a major project for the connecting channels of the Great Lakes at a cost of some $110 million to provide 27-foot channels comparable to the depth of the St. Lawrence Seaway. In order to utilize these channels to the 27-foot depth, substantially all of the major ports of the Great Lakes will have to be deepened.

So far we have received the price tag for only a few of these; namely, the 18 projects authorized in the 1960 authorization act at an estimated cost of $77 million. Since that time the Board of Engineers has acted favorably on a report recommending the improvement of 17 other harbors at an estimated cost of $75 million. Presumably, authorization for these harbors will be included in the next omnibus authorization bill. Reports on three additional harbors are under study at the present time, so it is apparent that the Federal Government will expend in excess of $260 million in order that the connecting channels and major Great Lakes ports may accommodate the larger vessels that utilize the St. Lawrence Seaway.

Again I ask, can there be any justification for excluding the Great Lakes and coastal harbors from the proposed fuels tax?

Nor can I see any sound reason for imposing tolls on waterways and excluding harbors. The former are used exclusively by American commerce and industry which pay taxes and return benefits to the general economy of the country. On the other hand, coastal harbors are used to a large extent by foreign ships which, aside from nominal port charges, pay no taxes to the United States.

TOLL WOULD BE BACKWARD STEP

The proposed imposition of a toll in the form of a user charge would be a backward step, especially serious at this time of heightened international competition of our industry for the markets of the free world. We must recognize as a fact that the European Common Market is booming. The cost of labor in many countries in Europe is roughly one-third of the cost in this country. Those countries have plants of modern design built with our assistance under the foreign aid program, many of which are located on the waterways of the Old World to take advantage of low-cost water transportation. I need not tell you that we as a Nation must do all we can to meet the ever-increasing competition from foreign manufacturers. Make no mistake about it, transportation costs are a part of any selling price, and to the degree that American industry is assisted in its competition for business, to that degree we assist in providing jobs for the American people and taxes for the Government. That this is a practical problem facing us today is best illustrated by the following headline in the financial section of the New York Times of Wednesday, July 18, 1962:

"Imports of Steel Advance Sharply—May Level Is Highest in More Than 2 Years; Reduced Prices Noted; Western European Groups Planning Brussels Plant."

When you consider some of the implications of the proposed user charge, it is no wonder that the House Committee on Ways and Means decided not to consider the proposal during this session of the Congress. In my opinion, it was a sound decision to make at this session and I sincerely hope that the committee will be consistent and will arrive at the same conclusion in the next and in succeeding sessions of the Congress.

It is important that you do not consider this action of the Committee on Ways and Means as a victory, or as a signal to relax your campaign against this measure. Actually, it is an opportunity for you to inform yourselves, the rank and file of the people in your area, and your Congressmen further of the evils of this proposal.

You can depend upon those of us in Congress who have previously fought for the principle of free waterways to continue the fight. I must caution you that a final victory is dependent upon the extent to which this and other similar organizations can arouse the general public to the inherent dangers involved in the abandonment of the principle of the free use of our waterways. It is important for both management and labor to be alert to the great economic disadvantage which will accrue to industry in the heartland of our country, in contrast to the coastal areas and the Great Lakes.

Again let me say that it was a pleasure to speak to you, and to tell you that I expect to continue my efforts to assist you in every way possible.

SENATE

Friday, August 3, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal God and Father of all men, as in these glorious days we stand knee deep in the loveliness of the summertime, we thank Thee for every sacrament of beauty of which our enraptured senses drink, in all the wonder of petaled bushes aflame with Thee. May the glory of the earth which showeth Thy handiwork be but a parable of the things that are excellent, blooming in our quickened lives.

In all this holiness of beauty, lead us, we pray Thee, to the beauty of holiness. Lift us out of the bondage of fear and hate into Thy new day, whose dawning now gilds the sky, when, in a better order of human society, pity and laughter will return to the common ways of man and peace—even Thy peace—will breathe Thy benediction upon our strife-weary world.

We pray in Thy holy name. Amen.

THE JOURNAL

On request of Mr. Mansfield, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 2, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 497. Concurrent resolution authorizing the Joint Committee on Printing to conduct a study of the Congressional Record with a view to improving its format, index, typography, and so forth;

H. Con. Res. 500. Concurrent resolution authorizing the printing of additional copies of parts 2, 3, 6, and 7 of the hearings held before the Committee on Education and Labor on the impact of imports and exports; and

H. Con. Res. 503. Concurrent resolution to authorize the printing as a House document the report of the Joint Committee on Arrangements To Commemorate the 100th Anniversary of the First Inaugural of Abraham Lincoln.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following concurrent resolutions were severally referred to the Committee on Rules and Administration:

H. Con. Res. 497. Concurrent resolution authorizing the Joint Committee on Printing to conduct a study of the Congressional Record with a view to improving its format, index, typography, and so forth:

"Whereas the Congressional Record is established as substantially a verbatim report of proceedings of both Houses of the Congress; and

"Whereas Congress is the staging area for the discussion and resolution of the major national issues confronting the United States; and

"Whereas this 'national dialog' reaches a climax in the passage or the defeat of legislation; and

"Whereas thousands among the leaders of our country in both public and private stations depend upon the Congressional Record for details of these dialogs: Therefore be it

"*Resolved*, That the Joint Committee on Printing, which is assigned control and supervision of the Record under sections 181 and 182 of chapter 6, title 44, United States Code, conduct a study of the Congressional Record with a view to improving its format, index, typography, organization of materials, and other aspects relevant to such a study; and be it further

"*Resolved*, That the Joint Committee on Printing, if it deems it provident, shall call upon experts in the communications media and possibly public spirited citizens, such as civic leaders, Government officials, and scholars, to sit as an advisory committee in order to render such help as may be needed; and be it further

"*Resolved*, That the Joint Committee on Printing shall, if it deems it advisable, be empowered to incur whatever expenditures are necessary to the proper carrying out of this study, but that in no event shall the sum exceed the amount of $50,000; and be it further

"*Resolved*, That the Joint Committee shall report its findings to the Congress within one year after date of passage of this concurrent resolution."

H. Con. Res. 500. Concurrent resolution authorizing the printing of additional copies of parts 2, 3, 6, and 7 of the hearings held before the Committee on Education and Labor on the impact of imports and exports:

"*Resolved by the House of Representatives (the Senate concurring)*, That there be printed for the use of the Committee on Education and Labor one thousand additional copies each of parts 2, 3, 6, and 7 of the hearings held by that committee on the impact of imports and exports on employment."

H. Con. Res. 503. Concurrent resolution to authorize the printing as a House document the report of the Joint Committee on Arrangements To Commemorate the 100th Anniversary of the First Inaugural of Abraham Lincoln:

"*Resolved by the House of Representatives (the Senate concurring)*, That there shall be printed as a House document the report of the Joint Committee on Arrangements To Commemorate the One Hundredth Anniversary of the First Inaugural of Abraham Lincoln and that said report may include such illustrations as the joint committee may include. The preparation of material for printing and the selection of an appropriate binding shall be under the supervision of the subcommitee of the joint committee on arrangements for the commemorative ceremony, and said chairman shall cause to be printed seven thousand five hundred copies so as to furnish ten copies to the Vice President, each Senator, each Representative, and the Resident Commissioner from Puerto Rico; and the remainder be equally distributed by the joint committee through its chairman to the various organized groups, associations, and such people who assisted the joint committee in the preparation and development of the program."

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. Mansfield, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance:

Henry L. Giordano, of Maryland, to be Commissioner of Narcotics;

Howard A. Dawson, Jr., of Maryland, to be judge of the Tax Court of the United States;

Austin Hoyt, of Colorado, to be judge of the Tax Court of the United States; and

Raymond F. Hufft, of Louisiana, to be collector of customs for customs collection district No. 20, with headquarters at New Orleans, La.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

ASSISTANT ATTORNEY GENERAL

The Chief Clerk read the nomination of Norbert A. Schlei, of California, to be an Assistant Attorney General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. Mansfield, and by unanimous consent, the permanent Subcommittee on Investigation of the Committee on Government Operations was authorized to meet during the session of the Senate today.

EXEMPTION OF CERTAIN CARRIERS FROM MINIMUM RATE REGULATION IN TRANSPORTATION OF CERTAIN COMMODITIES—RESOLUTION

Mr. CARLSON. Mr. President, I have received a resolution from the Atchison, Kans., Chamber of Commerce, regarding Senate bill 3243, to exempt certain carriers from the minimum rate regulation in the transportation of certain commodities, which is pending before the Committee on Commerce.

Transportation is vital to our State, and I ask unanimous consent that the resolution be printed in the Record, and referred to the Committee on Commerce.

There being no objection, the resolution was referred to the Committee on Commerce, as follows:

> Whereas the shippers of the city of Atchison are desirous of having a dependable and a financially sound and growing transportation industry; and
>
> Whereas the members of our community are firmly committed to the principle that transportation shall continue to be owned and operated as a part of our free enterprise system; and
>
> Whereas, the members of our community believe that a strong national transportation system can best be promoted under the free play of competitive forces, and cooperation between forms of transportation, rather than by the compulsion of governmental regulation; and
>
> Whereas there is now pending before the Congress of the United States measures which will partially restore competitive equality among the various modes of transportation: Now, therefore, it is hereby
>
> *Resolved,* That the Chamber of Commerce of the City of Atchison, Kans., does by these presents hereby endorse and favor the enactment of S. 3243, H.R. 11583 and H.R. 11584 into law; be it further
>
> *Resolved,* That the secretary of this organization furnish a copy of this resolution to Senators Warren G. Magnuson, Frank Carlson, James Pearson, and Congressmen Oren Harris and William H. Avery.
>
> C. B. McDonald,
> *President.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance, without amendment:

H.R. 5139. An act for the relief of Helena M. Grover (Rept. No. 1824);

H.R. 10743. An act to amend title 38, United States Code, to provide increases in rates of disability compensation, and for other purposes (Rept. No. 1806); and

H.R. 11400. An act to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing (Rept. No. 1808).

By Mr. BYRD of Virginia, from the Committee on Finance, with an amendment:

H.R. 10928. An act to transfer casein or lactarene to the free list of the Tariff Act of 1930 (Rept. No. 1821).

By Mr. BYRD of Virginia, from the Committee on Finance, with amendments:

S. 3597. A bill to amend title 38, United States Code, to permit, for 1 year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance (Rept. No. 1807);

H.R. 6413. An act to extend to fishermen the same treatment accorded farmers in relation to estimated income tax (Rept. No. 1819); and

H.R. 10852. An act to continue for a temporary period the existing suspension of duties on certain classifications of spun silk yarn (Rept. No. 1820).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 892. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Arbuckle reclamation project, Oklahoma, and for other purposes (Rept. No. 1809);

S. 3117. A bill to promote the coordination and development of effective Federal and State programs relating to outdoor recreation, and to provide financial assistance to the States for outdoor recreation planning, and for other purposes (Rept. No. 1825); and

H.R. 10566. An act to provide for the withdrawal and orderly disposition of mineral interests in certain public lands in Pima County, Ariz. (Rept. No. 1810).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with an amendment:

H.R. 8134. An act to authorize the sale of the mineral estate in certain lands (Rept. No. 1811).

By Mr. MOSS, from the Committee on Interior and Insular Affairs, with amendments:

S. 1878. A bill to add certain lands to the Wasatch National Forest, Utah, and for other purposes (Rept. No. 1823).

By Mr. HARTKE, from the Committee on the District of Columbia, without amendment:

S. 3013. A bill to amend the act of July 2, 1940, as amended, relating to the recording of liens on motor vehicles and trailers registered in the District of Columbia, so as to eliminate the requirement that an alphabetical file of such liens be maintained (Rept. No. 1815).

By Mr. HARTKE, from the Committee on the District of Columbia, with an amendment:

S. 3317. A bill to amend provisions of law relating to personal property coming into the custody of the property clerk, Metropolitan Police Department, and for other purposes (Rept. No. 1816); and

S. 3322. A bill to increase the jurisdiction of the municipal court for the District of Columbia in civil actions, to change the name of the court, and for other purposes (Rept. No. 1812).

By Mr. HARTKE, from the Committee on the District of Columbia, with amendments:

S. 3010. A bill to amend the act entitled "An act to provide for commitments to, maintenance in, and discharges from, the District Training School, and for other purposes," approved March 3, 1925, as amended (Rept. No. 1814); and

S. 3146. A bill to amend the act concerning gifts to minors in the District of Columbia (Rept. No. 1813).

By Mr. BEALL, from the Committee on the District of Columbia, without amendment:

H.R. 12547. An act to amend the act of August 7, 1946, relating to the District of Columbia hospital center, to extend the time during which appropriations may be made for the purposes of that act (Rept. No. 1817).

By Mr. SMITH of Massachusetts, from the Committee on the District of Columbia, without amendment:

S. 3313. A bill to authorize an increase in the borrowing authority for the general fund of the District of Columbia (Rept. No. 1818).

By Mr. MORSE, from the Committee on the District of Columbia, without amendment:

S. 3314. A bill to amend the District of Columbia Public School Food Services Act (Rept. No. 1822).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KEFAUVER:

S. 3598. A bill for the relief of James C. Hung and his wife, Sufenne Hung; and

S. 3599. A bill for the relief of Claude Flavian Braganza; to the Committee on the Judiciary.

By Mr. HART:

S. 3600. A bill for the relief of Chao Hua-Hsin; to the Committee on the Judiciary.

By Mr. JOHNSTON:

S. 3601. A bill to establish a basic policy for the determination of statutory salaries and the annual review of the adequacy of the major statutory pay systems of the Federal Government; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. Johnston when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (by request):

S. 3602. A bill to amend clause (2)(G) of subsection 309(c) of the Communications Act of 1934, as amended, by granting the Federal Communications Commission additional authority to grant special temporary authorizations for 60 days for certain nonbroadcast operations; and

S. 3603. A bill to amend section 1403 of the Federal Aviation Act of 1958 to perfect certain provisions of the International Aviation Facilities Act; to the Committee on Commerce.

(See the remarks of Mr. Magnuson when he introduced the above bills, which appear under separate headings.)

By Mr. LONG of Missouri:

S. 3604. A bill for the relief of Mrs. Doris Wai Kam Yee; and

S. 3605. A bill for the relief of Berta I. E. Mann; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 3606. A bill to amend the Antidumping Act; to the Committee on Finance.

(See the remarks of Mr. Humphrey when he introduced the above bill, which appear under a separate heading.)

By Mr. JACKSON (by request):

S. 3607. A bill to provide for the withdrawal and reservation for the use of the Department of the Air Force of certain public lands of the United States at Cuddeback Lake Air Force Range, Calif., for defense purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. Jackson when he introduced the above bill, which appear under a separate heading.)

By Mrs. SMITH of Maine:

S. 3608. A bill authorizing modification of the project for Carvers Harbor, Vinalhaven, Maine; to the Committee on Public Works.

By Mr. STENNIS (for himself, Mr. EASTLAND, and Mr. AIKEN):

S. 3609. A bill to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. STENNIS when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (for himself, Mr. SMITH of Massachusetts, and Mr. BARTLETT):

S. 3610. A bill to authorize the Secretary of the Interior to construct two modern stern ramp trawlers to be used for research, and for other purposes; and

S. 3611. A bill to amend the act of June 12, 1960, for the correction of inequities in the construction of fishing vessels, and for other purposes; to the Committee on Commerce.

By Mr. DODD:

S.J. Res. 212. Joint resolution to designate September 13 of each year as Commodore John Barry Day; to the Committee on the Judiciary.

RESOLUTION

SPECIAL COMMITTEE ON RESIDENCE REQUIREMENTS FOR VOTING

Mr. McCARTHY submitted the following resolution (S. Res. 370); which was referred to the Committee on Rules and Administration:

Resolved, That (a) there is hereby created a special committee of the Senate to be known as the Special Committee on Residence Requirements for Voting, which shall consist of nine Members of the Senate to be appointed by the President of the Senate as soon as practicable after the date of adoption of this resolution. The President of the Senate shall designate one such Senator as chairman of the committee. Six members of the committee shall be appointed from the majority party and three members from the minority party.

(b) Vacancies in the membership of the committee shall not affect the authority of the remaining members to execute the functions of the committee, and shall be filled in the same manner as original appointments thereto are made.

(c) A majority of the members of the committee shall constitute a quorum thereof for the transaction of business, except that the committee may fix a lesser number as a quorum for the purpose of taking sworn testimony. The committee shall adopt rules of procedure not inconsistent with the rules of the Senate governing standing committees of the Senate.

(d) No legislative measure shall be referred to the committee, and it shall have no authority to report any such measure to the Senate.

SEC. 2. It shall be the duty of the committee to make a full and complete study and investigation with respect to the extent to which State and local residence requirements affect the right of citizens of the United States to vote in Federal elections. At the earliest practicable date, but not later than nine months after its establishment, the committee shall transmit to the Senate a report of its study and investigation together with its recommendations for any legislative or other measures which it considers to be required to prevent the deprivation of citizens of the United States of their right to vote in Federal elections through the application of such requirements.

SEC. 3. The committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Senate, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable.

SEC. 4. (a) The committee shall have power to employ and fix the compensation of such officers, experts, and employees as it deems necessary in the performance of its duty, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1949 for comparable duties. The committee is authorized to utilize the services, information, facilities, and personnel of the various departments and agencies of the Government to the extent that such services, information, facilities, and personnel, in the opinion of the heads of such departments and agencies, can be furnished without undue interference with the performance of the work and duties of such departments and agencies. The committee is authorized to procure, by contract or otherwise, the services of public or private organizations or institutions.

(b) Upon request made by the members of the committee selected from the minority party, the committee shall appoint one assistant or consultant designated by such members. No assistant or consultant appointed by the committee may receive compensation at an annual gross rate which exceeds by more than $1,400 the annual gross rate of compensation of any individual so designated by the minority members of the committee.

SEC. 5. The expenses of the committee, in an amount not to exceed $100,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SEC. 6. The committee shall cease to exist at 12:00 post meridian, January 31, 1963.

POLICY FOR DETERMINATION OF STATUTORY SALARIES OF FEDERAL EMPLOYEES

Mr. JOHNSTON. Mr. President, the bill I am introducing is designed to provide a systematic method of reviewing each year the civilian statutory pay systems in the Federal Government so that Congress may receive from the President his recommendations in this important field.

More specifically, the bill provides for creation of an unsalaried Committee on Federal Pay not to exceed seven members appointed by the President, representing the public, the executive branch, employee organizations, and such other members as the President may designate.

Its annual review of the pay structure would be governed by these principles: Equal pay for substantially equal work; distinctions in pay based upon complexity and difficulty of work and quality of work performance; responsiveness of Federal pay rates with reasonable promptness to various factors contributing to our country's economic progress; and maintenance of Federal salaries on levels comparable with those in private industry for equivalent types of work.

The basic purpose of the proposed legislation is to insure regular, periodic consideration of the need for general adjustments or necessary improvements in the salary systems.

Two fundamental points should be made clear. The bill does not dilute in any way the authority presently possessed by Congress to fix rates of pay for Federal classified and postal and other groups of employees. It does not disturb the existing system of establishing pay schedules for wage board employees for comparable work on a locality basis.

The proposal will enable Congress to have the benefit of a systematic examination of the Federal pay structure each year, and in that way facilitate its work in this important field. Where justified, salary adjustments can be approved by Congress before the pay problem of our Federal workers becomes a staggering one in terms of the billions of dollars required to make necessary adjustments.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3601) to establish a basic policy for the determination of statutory salaries and the annual review of the adequacy of the major statutory pay systems of the Federal Government, introduced by Mr. JOHNSTON, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

AMENDMENT OF CLAUSE (2)(G) OF SUBSECTION 309(c) OF COMMUNICATIONS ACT OF 1934

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend clause (2)(G) of subsection 309(c) of the Communications Act of 1934, as amended, by granting the Federal Communications Commission additional authority to grant special temporary authorizations for 60 days for certain nonbroadcast operations. I ask unanimous consent to have printed in the RECORD a letter from the Chairman of the Federal Communications Commission, requesting the proposed legislation, together with an explanatory statement.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter and explanatory statement will be printed in the RECORD.

The bill (S. 3602) to amend clause (2)(G) of subsection 309(c) of the Communications Act of 1934, as amended, by granting the Federal Communications Commission additional authority to grant special temporary authorizations for 60 days for certain nonbroadcast operations, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

The letter and explanatory statement presented by Mr. MAGNUSON are as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., May 31, 1962.

The VICE PRESIDENT,
U.S. Senate, Washington, D.C.

DEAR MR. VICE PRESIDENT: The Commission has adopted as a part of its legislative pro-

gram for the 2d session of the 87th Congress a proposal to amend section 309(c)(2)(G) of the Communications Act of 1934 to permit the Federal Communications Commission to grant special temporary authorizations for periods of 60 days in certain cases (47 U.S.C. 309(c)(2)(G)).

The Commission's draft bill to accomplish the foregoing objective was submitted to the Bureau of the Budget for its consideration. We have now been advised by that Bureau that from the standpoint of the administration's program there would be no objection to the presentation of the draft bill to the Congress for its consideration. Accordingly, there are enclosed six copies of our draft bill and explanatory statement on this subject.

The consideration by the Senate of the proposed amendment to the Communications Act of 1934 would be greatly appreciated. The Commission would be most happy to furnish any additional information that may be desired by the Senate or by the committee to which this proposal is referred.

Sincerely yours,

Newton N. Minow,
Chairman.

Explanation of Proposed Amendment to the Communications Act To Permit the Federal Communications Commission To Grant Special Temporary Authorizations for Periods of 60 Days in Certain Cases (47 U.S.C. 309(c)(2)(G))

Paragraph (2)(G) of subsection (c) of section 309 of the Communications Act of 1934, as amended (47 U.S.C. 309(c)(2)(G), now exempts from the public notice and 30-day waiting period requirements of subsection 309(b) those applications for "a special temporary authorization for nonbroadcast operation not to exceed 30 days where no application for regular operation is contemplated to be filed or pending the filing of an application for such regular operation, or".

The Commission believes that this subsection should be amended to permit it to grant special temporary authorizations (STA) for 60 days in those cases where the application for the STA is filed pending the filing of an application for regular operation. We are not suggesting any changes in the 30-day limitation on those STA's in cases not contemplating a subsequent application for regular operation.

The purpose of paragraph (2)(G) of subsection 309(c) is to permit short-term radio operation in the nonbroadcast field without the delay of a 30-day waiting period (as provided in subsection 309(b)) after the issuance of public notice by the Commission of the acceptance for filing of such application. The Commission has found that this purpose is frustrated by the 30-day limitation on STA's in those cases where the short-term operation relates to a radio system for which an application for regular operation is filed later. In those cases, the provisions of subsection 309(b) are applicable and a 30-day waiting period is required before the Commission can act on the application for regular operation. As a result, there is a hiatus between the expiration of the STA and the Commission's grant of the application for regular operation. During the period of the hiatus, the applicant would be unlicensed and would, as a consequence, be unable to operate his radio. This defeats the purpose for which Congress made special provision for granting special temporary authorizations. Moreover, it does not appear that the Commission has authority to remedy this statutory defect by renewing the STA until it can grant the application for regular operation.

The Commission believes that this deficiency in the statutory scheme can be corrected by its proposed amendment. Therefore, we recommend that paragraph (2)(G) of subsection 309(c) be amended to give us this additional authority.

PERFECTION OF CERTAIN PROVISIONS OF INTERNATIONAL AVIATION FACILITIES ACT

Mr. MAGNUSON. Mr. President, by request, I introduce for appropriate reference, a bill to amend section 1403 of the Federal Aviation Act of 1958 to perfect certain provisions of the International Aviation Facilities Act. I ask unanimous consent that a letter from the Administrator of the Federal Aviation Agency, requesting the proposed legislation, be printed in the Record.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the Record.

The bill (S. 3603) to amend section 1403 of the Federal Aviation Act of 1958 to perfect certain provisions of the International Aviation Facilities Act, introduced by Mr. Magnuson, by request, was received, read twice by its title, and referred to the Committee on Commerce.

The letter presented by Mr. Magnuson is as follows:

Federal Aviation Agency,
Washington, D.C., July 31, 1962.

Hon. Lyndon B. Johnson,
President of the Senate,
U.S. Senate, Washington, D.C.

Dear Mr. President: Enclosed herewith is a draft of a bill "to amend section 1403 of the Federal Aviation Act of 1958 to perfect certain provisions of the International Aviation Facilities Act."

This proposal is a part of the Federal Aviation Agency legislative program for 1962 and it is recommended that it be enacted by the Congress.

This proposal is in the nature of technical amendments to the International Aviation Facilities Act, designed to make the terms of reference in such act consistent with the provisions of the Federal Aviation Act.

It would appear that at the time of enactment of section 1403 of the Federal Aviation Act, 72 Stat. 808, a section containing amendments of a perfecting nature to make the terms of reference in the International Aviation Facilities consistent with the provisions of the newly enacted Federal Aviation Act, certain obsolete references in the International Aviation Facilities Act to the Civil Aeronautics Act of 1938 were overlooked and thus are perpetuated in the language of that act. Since subsection 1401(b) of the Federal Aviation Act, 72 Stat. 806, repealed the Civil Aeronautics Act of 1938, references to that act in the International Aviation Facilities Act are no longer appropriate.

For this reason this proposal would amend section 1403 of the Federal Aviation Act of 1958 by (a) substituting in section 3 of the International Aviation Facilities Act (49 U.S.C. 1152) the phrase "in section 101 of the Federal Aviation Act of 1958," and (b) substituting in section 5 of such act (49 U.S.C. 1154) the phrase "Federal Aviation Act of 1958" for the phrase "Civil Aeronautics Act of 1938."

The Bureau of the Budget has advised that there is no objection from the standpoint of the administration's program to the submission of this proposed legislation to the Congress.

Sincerely,

N. E. Halaby,
Administrator.

AMENDMENT OF ANTIDUMPING ACT

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to amend the Antidumping Act.

One of the principal purposes of the Trade Expansion Act of 1962, set forth in section 102(2) of H.R. 11970, is "development of open and nondiscriminatory trading in the free world." One form of discrimination in world trade—price discrimination leading to competitive injury—was recognized and condemned in the United States as early as 1921, when Congress enacted the Antidumping Act. Since then other nations have enacted comparable measures and, of course, the 1947 General Agreement on Tariffs and Trade expressly endorses member country action against injurious dumping.

Under our law, sales of imported products in the United States at prices below their foreign prices result in imposition of a special dumping duty if such sales injure the competitive domestic industry. This special dumping duty amounts only to the price differential—the price discrimination—involved and thus the act protects against only injurious price cutting and nothing else.

Administration of the act is in two steps: price differentials are investigated by Treasury which, if it finds differentials, then refers cases to the Tariff Commission to determine whether resulting competitive injury has occurred. Unlike the Tariff Commission, which must reach a decision within a statutory 3-month deadline, Treasury presently has no time limit within which to ascertain and price differentials.

Recent experience under the act demonstrates that Treasury's investigations consume inordinate amounts of time—far longer than the 90 days within which the Senate Finance Committee in 1954 stated it believed Treasury would thereafter act. These delays severely disrupt international trade and this bill therefore would require Treasury to make its decisions no later than 6 months after complaint is made. Six months is comparable to the time period within which the Tariff Commission now reaches decisions in escape clause cases and is believed to be wholly reasonable. If this period is considered too short in a particular case, provision is made therefor, upon report by the Secretary of the Treasury to the Senate Committee on Finance and the House Committee on Ways and Means.

In addition, this bill would require that foreign producers selling to the United States cost-justify quantity discounts in the same manner that domestic producers must justify such discounts under the Robinson-Patman Act. As presently administered by Treasury, foreign producers have escaped the burden imposed on the competitive domestic industry. In the interest of fairness, the Antidumping Act—essentially the international equivalent of the Robinson-Patman Act—shoud not permit this inequity.

Finally, this bill would remove any possibility of interpreting the Antidumping Act to allow the interposition of dummy intermediaries to mask what would otherwise constitute dumping prices. The possibility of such a loophole has only recently come to light and should be foreclosed promptly.

These three amendments to the Antidumping Act are all designed to insure effectuation of the intent of Congress in enacting and in subsequently amending that act. This bill is consistent with and, in view of more recent developments, goes beyond legislation introduced and widely supported in the House earlier in this session and not yet considered by the Committee on Ways and Means. It goes far to implement the purpose of the Trade Expansion Act and should be enacted therewith.

In view of the interest and concern that has been indicated by Members of the Senate in the present inadequacies of the Antidumping Act, I ask unanimous consent that this bill remain at the desk through August 8 so that any colleagues desiring to do so may join in sponsoring this measure, and that the bill be printed in the Record.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the Record, and will lie on the desk as requested by the Senator from Minnesota.

The bill (S. 3606) to amend the Antidumping Act, introduced by Mr. Humphrey, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the Record, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 201(a) of the Antidumping Act, 1921 (19 U.S.C. sec. 160(a)), is amended by inserting between the first and second sentences the following new sentence: "The Secretary shall make such determination, or shall make a determination that the merchandise involved is not being and is not likely to be sold in the United States or elsewhere at less than its fair value, at the earliest practicable time after the date on which the question of dumping is first raised by or presented to him or any person to whom authority under this section has been delegated or, on the basis of the then existing record, not later than six months after such date, unless, within the said six months, he shall have submitted a report to the chairman of the Committee on Ways and Means of the House of Representatives and to the chairman of the Committee on Finance of the Senate stating the reasons why a longer period is required within which to reach such determination, and the estimated extent of such longer period."

Sec. 2. (a) Section 202(b)(1) of the Antidumping Act, 1921 (19 U.S.C. sec. 161(b)(1)), is amended by striking out "the fact that" and inserting in lieu thereof "differences in the cost of manufacture, sale, or delivery resulting from the fact that."

(b) Section 202(c)(1) of such Act is amended by striking out "the fact that" and inserting in lieu thereof "differences in the cost of manufacture, sale, or delivery resulting from the fact that."

Sec. 3. (a) Section 202(a) of the Antidumping Act, 1921 (19 U.S.C. sec. 161(a)), is amended by inserting after the word "if" and before the word "the", in the phrase "if the purchase price or exporter's sales price is less than ——," the word "either" and by striking "a special dumping duty in an amount equal to such difference," and inserting in lieu thereof of "a special dumping duty in an amount equal to such difference: *Provided,* That if both the purchase price and the exporter's sales price are less than the foreign market value (or, in the absence of such value, than the constructed value), such special dumping duty shall be in an amount equal to the greater difference."

(b) Section 204 of such Act is amended by striking "(2) the amount of the commissions, if any, for selling in the United States" and inserting in lieu thereof "(2) the amount of the commissions and profits, if any, for selling in or to the United States".

Sec. 4. (a) Except as provided in subsection (b), the amendments made by this Act shall apply with respect to all merchandise as to which no appraisement report has been made on or before the date of the enactment of this Act: *Provided,* That with respect to such merchandise as to which, on or before such date, the question of dumping shall have been raised by or presented to the Secretary of the Treasury or any person to whom authority under section 201 of the Antidumping Act, 1921, has been delegated, the Secretary shall determine within six months from the date of the enactment of this Act whether the merchandise is being, or is likely to be, sold in the United States or elsewhere at less than its fair value.

(b) The amendments made by this Act shall not apply with respect to any merchandise which—

(1) was exported from the country of exportation before the date of the enactment of this Act, and

(2) is subject to a finding under the Antidumping Act, 1921, which (A) is outstanding on the date of the enactment of this Act, or (B) was revoked on or before the date of the enactment of this Act but is still applicable to such merchandise.

WITHDRAWAL OF CERTAIN LANDS AT CUDDEBACK LAKE AIR FORCE RANGE, CALIF.

Mr. JACKSON. Mr. President, by request, I introduce, for appropriate reference, a bill to provide for the withdrawal and reservation for the use of the Department of the Air Force of certain public lands of the United States at Cuddeback Lake Air Force Range, Calif., for defense purposes. I ask unanimous consent that a letter from the Assistant Secretary of the Air Force, requesting the proposed legislation, be printed in the Record.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the Record.

The bill (S. 3607) to provide for the withdrawal and reservation for the use of the Department of the Air Force of certain public lands of the United States at Cuddeback Lake Air Force Range, Calif., for defense purposes, introduced by Mr. Jackson, by request, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The letter presented by Mr. Jackson is as follows:

Department of the Air Force,
Washington, July 17, 1962.

Hon. Lyndon B. Johnson,
President of the Senate.

Dear Mr. President: There is forwarded herewith a draft of legislation to provide for the withdrawal and reservation for the Department of the Air Force of certain public lands for the United States at Cuddeback Lake Air Force Range, Calif., for defense purposes.

This proposal is pursuant to the provisions of Public Law 85–337 and is part of the Department of Defense legislative program for 1962. The Bureau of the Budget advises that, from the standpoint of the administration's program, there is no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Air Force has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

This proposed legislation would withdraw and reserve certain lands located in San Bernardino County, Calif., and described in the attached draft. It would withdraw this land from all forms of appropriations, including the restriction and the operation of the mining and mineral leasing laws, and disposals of materials under the act of July 31, 1947, as amended (61 Stat. 681; 30 U.S.C. 601–604). An application for the withdrawal and reservation of the lands, comprising approximately 7,546 acres, from the public domain has been submitted to the Department of Interior.

The lands involved are open desert lands covered by a sparse growth of desert vegetation. There are no springs or water resources within or available to the area which is proposed to be withdrawn.

The Departments of the Army and Navy have ranges in the Southwest; however, those ranges do not have the capability of supporting the bombing and gunnery activity that is presently conducted on the Cuddeback Range. These ranges are extensively used for tank and artillery practice by the Army and for air-to-air and air-to-ground activities by the Navy and cannot adequately accommodate the requirements of the Air Force mission. The Nellis Air Force Range in Nevada and the Luke-Williams Air Force Range in Arizona are 160 and 230 miles, respectively, from George Air Force Base and are located beyond the economical limit for a fighter base bombing range. In addition to the foregoing reasons, the Air Force has been using the Cuddeback Range since 1956, and it would cost approximately $350,000 to duplicate present buildings, targets, and scoring facilities plus an additional estimated $21,000 per mile for road construction to any new site. Also the latter two named ranges are almost completely saturated and could not accept the additional 50,000 range sorties per year presently conducted on Cuddeback Range.

COST AND BUDGET DATA

As the land area involved is currently in use by the Air Force, there will be no increase in the budgetary requirements of the Department of Defense.

Sincerely,

Joseph S. Imirie,
Assistant Secretary of the Air Force.

Proposed Withdrawal of Public Lands at Cuddeback Lake Air Force Range, Calif.

The following information is pursuant to section 3 of H.R. 8783:

1. Name of requesting agency is the Department of the Air Force.

2. The agency having administrative jurisdiction over the land together with a statement concerning current or previous uses including withdrawal, reservations, restrictions, leases, dispositions or appropriations made or pending;

(a) The Department of Interior has administrative jurisdiction.

(b) The area covered by the proposed withdrawal has been used as a weapons range since 1956 and continued use of the range for this purpose is required.

(c) The Department of the Air Force made application for the withdrawal and reservation of the area to the Department of Interior on October 21, 1954. This application was supplemented by letter dated October 28, 1959, pursuant to Public Law 85–337, and on January 25, 1960, a Notice of the Proposed Withdrawal and Reservation was published in the Federal Register.

(d) Prior to the current Air Force use of this area as a bombing range, the land was used for grazing. The three grazing leases covering 7,546 acres were extinguished in 1955 at a cost of $2,910.

In addition to the 7,546 acres covered in the proposed withdrawal, the range includes 38 acres, located in the southwest corner, which was acquired in fee in 1955 at a cost of $950. Air Force interest in the 38-acre tract excludes mineral rights; however, these mineral rights were subordinated to exclude exploring, developing, or extracting minerals. The Air Force has the unrestricted use of the surface of the land.

3. Purpose for which area is proposed to be used: The land is required and is presently used as a weapons range on which low and high level bombing, strafing, and simulated weapons delivery tactics are accomplished. The project is not classified.

4. Location and description of area involved: This land is located in the northwestern part of San Bernardino County, Calif., approximately 43 miles north of George Air Force Base. The area is described as follows: Approximately 7,546 acres, more or less, within the Cuddeback Lake Air Force Range, San Bernardino County, Calif., and more fully described as follows: Sections, 5, 6, 7, 8, 17, 18, 20, 29, 30, 31 (except the south half of lot 2 in the southwest quarter of section 31), and 32, township 30 south, range 43 east, Mount Diablo Meridian, San Bernardino County, Calif., a total of 7,546 acres, more or less.

There are no excepted private or public tracts within the exterior boundary of the area.

5. The period of use: The period during which the proposed withdrawal, reservation or restriction will continue in effect is 10 years with an option to renew for an additional 5 years.

6. Whether, and if so to what extent, the proposed use will affect operation of the public land laws and laws and regulations relating to:

(a) Mineral resources: Mineral rights have been temporarily suspended since 1955. There are no known minerals of commercial value in this area—66 mineral claims that were filed have been invalidated by the Bureau of Land Management (33 in January of 1961 and 33 in August of 1961). As of now there are no validated mining claims or other interests of record existing on the public domain area.

(b) Timber and other material resources: There is no timber on the land. The proposed use would not affect other material resources.

(c) Grazing resources: The grazing potential is limited and dependent upon seasonal rainfall. There were three leases in effect when a right of entry was granted by the Department of Interior pending withdrawal of the range from public domain. These leases covering the 7,546 acres afore described were extinguished in 1955.

(d) Fish and wildlife resources: The wildlife on and adjacent to the range consists of Gambel quail, Chukar partridge, doves, jackrabbits and other desert birds, animals, and reptiles. During open season considerable hunting activity is engaged in on areas adjacent to the range. Hunting on the range is not permitted at the present time. However, joint use of the range is currently being negotiated with the California Fish and Game Department to permit the State to develop wildlife conservation measures and to possibly permit weekend and scheduled seasonal hunting on the range. As there is no water area within the range, fishing is not involved.

(e) Water resources: There is no water covering any part of the area and no spring is known to exist.

(f) Scenic, wilderness, recreation and other values: The scenic value is that of the open desert with sparse desert plants. Joint use of the area will be limited for safety reasons. It has little recreational or other value.

7. Whether the proposed use will result in contamination of any or all of the area covered by the application and, if so, whether such contamination will be permanent or temporary. As there will be no chemical, radioactive or fragmentation devices used, the lands will not be contaminated except for unexploded miniature spotting charges. The majority of the bombs to be dropped are practice weapons. These practice bombs will be equipped with a miniature spotting charge containing black powder to assist the range personnel and air crews in bomb scoring. The range will be decontaminated periodically. The using command has personnel assigned to do this decontamination on a scheduled basis.

8. Effect of withdrawal, reservation or restriction of State water rights: None, as indicated above, there is no water covering any part of the area and no spring is known to exist. Any water which may be used will be from drilled wells and used for potable purposes only. The laws of the State of California do not require an application for such use of water.

9. Whether the use of any nonpublic lands within the exterior boundaries of the area has been or will be acquired and, if so, the basis thereof. As there is no nonpublic land within the exterior boundaries of the range no such acquisition is required.

ASSISTANCE TO STATES IN CARRYING ON PROGRAM OF FORESTRY RESEARCH

Mr. STENNIS. Mr. President, heretofore, during this session, I introduced on behalf of myself, the senior Senator from Mississippi [Mr. EASTLAND], and the Senator from Vermont [Mr. AIKEN], a bill to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes.

A similar bill was introduced in the other body by Representative MCINTIRE. That bill has already been considered by the House committee, and a clean bill rewritten and reported to the House. The revised bill has my support.

Mr. President, for myself, the senior Senator from Mississippi [Mr. EASTLAND], and the senior Senator from Vermont [Mr. AIKEN], I introduce a bill identical to the bill reported in the House of Representatives.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3609) to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes, introduced by Mr. STENNIS (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

DESIGNATION OF COMMODORE JOHN BARRY DAY

Mr. DODD. Mr. President, in the history of the U.S. Navy, few officers were more brilliant, more resourceful, more patriotic than John Barry.

Born in Ireland in 1745, he went to sea as a young boy, as was the custom in his day. At the age of 15 he came to Philadelphia, which he called home for the rest of a life devoted almost entirely to the American Navy.

At the outbreak of the Revolutionary War, he immediately offered his services to his country. As commander of the brig *Lexington*, he captured the British tender *Edward* on April 17, 1776. In that same year he was, by resolution of Congress, placed seventh on the list of captains, and placed in command of the *Effingham*. With four small boats, he isolated a British schooner from a superior enemy naval force in the lower Delaware, at the same time capturing a number of transports and substantial supplies intended for the British Army, without the loss of a man.

In 1781, in command of the *Alliance*, he boarded and captured the British vessels *Atalanta* and *Trepassy*, and the next year carried the Marquis de Lafayette to France, continuing the capture of enemy vessels during the crossing.

In 1794, he was placed in command of the *United States*, the flagship of six frigates built to deal with Algerine pirates, and in 1798 was put in command of the American ships in the West Indies during the hostilities with France.

John Barry, born to poor Irish parents at a time when famine and strife beset that island, thus became an American naval hero second only to John Paul Jones.

It is fitting therefore that September 13, the birthday of Commodore Barry, be remembered by the American people as an important date in our long and illustrious history. I consequently introduce a joint resolution for appropriate reference, and I ask unanimous consent that this joint resolution be printed at this point in the RECORD.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 212) to designate September 13 of each year as Commodore John Barry Day, introduced by Mr. DODD, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue annually a Proclamation designating the 13th of September of each year as Commodore John Barry Day in commemoration of the life and service of Commodore John Barry, Father of the American Navy and calling on the people of the United States to observe such day with appropriate ceremonies and exercises.

FOOD AND AGRICULTURE ACT OF 1962—AMENDMENT

Mr. ROBERTSON. Mr. President, I send to the desk, for consideration when the Senate again considers H.R. 12391, the Food and Agriculture Act of 1962, an amendment to be proposed to that bill. The amendment was in the House version of the bill, and it provides that for 1964 the support price for feed grains shall be 80 percent of the market price for the previous 3 years.

All of us know that the program on a voluntary basis is not working and is very expensive.

In my opinion, Congress will not write into the law the original Senate bill. If that be true, I hope that when the Senate votes again on the farm bill, it will accept the provision which is in the House bill, but was eliminated—for reasons which I do not understand—from the bill which was reported by the Senate committee, when it adopted the voluntary provision.

Mr. President, we have spent over $3 billion in an unwise effort to subsidize the producers of feed grains. Our farmers do not want the strict regimentation that would be involved in the Senate bill, and that is the reason why the House refused to accept it.

My information is that, even though we may send it back to them again, they will not accept it. So it is very important, if we are to control this matter beyond the present year, when the support price is 65 percent for corn—and that brings it to $1.04, which makes it profitable to raise corn and sell it to the Government—we are going to have tremendous surpluses, at great expense to the taxpayers which we cannot justify.

The VICE PRESIDENT. The amendment will be received, printed, and will lie on the table.

Mr. ROBERTSON. Mr. President, I ask unanimous consent to have printed at this point a further statement concerning the technical effect of the amendment which I send to the desk.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ROBERTSON

This proposed amendment to H.R. 12391 if adopted by the Senate would restore to the bill an important provision which was included in the bill as passed by the House. The amendment deals with the price support level for corn for 1964 and subsequent crops. It does not affect the price support level for the 1963 special feed grain program provided for in this bill.

In the Agricultural Act of 1958 it was provided that, beginning with the 1959 crop, price support would be made available to producers for each crop of corn at 90 percent of the average price received by farmers during the 3 preceding calendar years, but with a proviso to the effect that the support price level would be not less than 65 percent of the parity price for corn. The operation of that provision of law has been interrupted by the special 1962 feed grain program and, if the pending bill becomes law, will be interrupted for the 1963 crop of corn.

My amendment would, as proposed in the House-passed bill, strike out the 90-percent figure and insert 80 percent and strike out of the law the 65-percent floor. The Department of Agriculture indicates that it is estimated that this would result in the 1964 crop of corn being supported at approximately 52 percent of the parity price therefor or at about 84 cents per bushel.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. COOPER:

Two statements by himself concerning tax reduction and the need for reduction of Federal expenditures.

NOMINATION OF THURGOOD MARSHALL TO U.S. COURT OF APPEALS

Mr. DODD. Mr. President, I rise to express my great disappointment and deep concern at the delay in confirmation of the nomination of the Honorable Thurgood Marshall to be a member of the U.S. Court of Appeals—Second Circuit. The failure of the Committee on the Judiciary to act on this appointment is, frankly, unpardonable.

Judge Marshall was nominated on September 23, 1961, and since last October has been serving under a recess appointment. He was renominated on January 15, 1962; but so far the Senate has neither given nor refused to give its advice and consent. There can be no justification for this procrastination on a matter of such importance.

The State of Connecticut falls within the jurisdiction of the court on which Judge Marshall is serving. I am sure I speak for the overwhelming majority of my constitutents when I declare my complete confidence in the merit of this appointment and in Judge Marshall's ability to meet, with outstanding legal skill and great human wisdom, the challenge of the position.

I must deplore the dilatory manner in which this nomination has been handled. Such behavior in the Senate does not detract from the stature of the nominee. It only reflects upon the Senate itself, and especially upon the Senators responsible for the unnecessary delay in coming to a decision.

It is my understanding that, although previously scheduled hearings have been canceled, the subcommittee will meet on August 8 to consider the Marshall nomination. Under no circumstances should there be any additional postponements.

We should have immediate action on Judge Marshall's nomination. Should there be valid reasons for disapproving the appointment, let them be made known. Otherwise, let us put an end to this disreputable treatment of a distinguished American.

If a decision is not promptly reached in the Judiciary Committee, I shall be compelled to make every effort to obtain the discharge of the committee from the further consideration of the nomination and immediate consideration of the nomination by the full Senate. I sincerely hope such drastic steps will not prove necessary.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. DODD. Yes, I am happy to yield to my distinguished and beloved friend.

Mr. KEFAUVER. As a member of the full Judiciary Committee, but not a member of the subcommittee in charge of this nomination, I have not followed the subcommittee's hearings. But I believe that, in fairness, the hearings should be completed expeditiously and the nomination should come before the full Judiciary Committee, and it should have an opportunity to act on it, and then the Senate as a whole should have an opportunity to act on the nomination of Thurgood Marshall.

Mr. DODD. Mr. President, I am very happy that the great Senator from Tennessee has made that statement. It is characteristic of him; and of course he knows, from what I have said, that I agree completely with him.

OPPORTUNITY FOR YOUTH

Mr. YOUNG of Ohio. Mr. President, I earnestly believe that in the closing weeks of this session the Senate should certainly legislate in order to give additional opportunities to our underprivileged youth.

Our Nation is immensely rich in the raw materials which have enabled us to become the foremost Nation of the world. Over the years, legislation has repeatedly been enacted to protect and conserve these vital natural resources—our land, our farms, our rivers and lakes, and our forests.

From these we have derived the means by which we have achieved the highest standard of living in the world. However, the true wealth of our country is in our most basic human resource—the boys and girls who tomorrow will follow us as the trustees of our natural wealth.

It is our duty not only to preserve these resources for them, but also to protect and aid our youth so that they can wisely preserve this inheritance and pass it on to future generations in an even better state than that in which they received it.

One way in which this can be done is by a program which will give firsthand knowledge and love for our forests, streams, and wildlife to young people who might otherwise never know them.

On the calendar of business at the present time is a bill to authorize the establishment of a Youth Conservation Corps for young men from 16 to 21 years of age. Its purpose is to provide healthful outdoor training and employment for young men and to advance the conservation and development of our natural resources and recreational areas. By 1965, the enrollment would be 150,000 youths annually.

Mr. President, the author of this bill, the distinguished assistant majority leader [Mr. HUMPHREY], is to be commended for his tireless efforts to make the Youth Conservation Corps a reality. During the previous administration, the Senate passed similar legislation, but it failed to pass the House of Representatives. Today, this concept has the support of President Kennedy and the administration; and I hope that the bill, S. 404, reported by the Labor and Public

Welfare Committee, will be enacted before this Congress adjourns.

We accommodate our surplus in agriculture. We subsidize certain vital industries. Certainly, we should legislate to conserve our youth.

Boys who drop out of school and cannot find jobs find it all too easy to end up in trouble—not only for themselves, but also for society. Every day the newspapers report an appalling waste of young lives. The crowded dockets of juvenile courts further demonstrate this waste.

It is estimated that by 1965 there will be almost half a million unemployed young men between the ages of 16 and 20. The jobless rate for this age group is more than twice the national average. Recently, an official of the Ohio State Employment Service in Cleveland reported that 8,000 inquiries he made for jobs for high school graduates resulted in the discovery of only 175 openings. The number of persons under 21 years of age is growing, while jobs are scarcer. The high school graduate or dropout is in competition with the older, more experienced worker who also is seeking a job.

The VICE PRESIDENT. Under the 3-minute limitation, the time available to the Senator from Ohio has expired.

Without objection, the Senator from Ohio may proceed for an additional 3 minutes.

Mr. YOUNG of Ohio. I thank the Chair.

Mr. President, these statistics add up to trouble—a shocking waste of our youth and a scandalous waste of taxpayers' money in efforts to correct the ill effects to society which result from this situation. At the same time, our natural resources are sorely in need of attention. Eroded land, fire-ravaged forests, muddied and polluted streams, and neglected recreational facilities mock the tourist brochures. The amount of work to be done in restoring our natural resources staggers the imagination. It must be done sooner or later. The longer it is put off, the more expensive it will become.

For example, only one-third of the Nation's farmlands are protected by soil-conservation measures; 50 million acres of forest land need replanting, and another 275 million need improvement; two-thirds of our western grazing lands suffer from erosion.

We must not tolerate this tragic waste of both human and natural resources. The Civilian Conservation Corps of the 1930's gives us the blueprint for what is needed today. As Congressman at large for Ohio, I supported that great national experiment. It was one of the most successful projects of the New Deal era, acclaimed by both political parties. Brains and raw muscle, willing and enthusiastic, became available, almost overnight, for the work of forest fire prevention, erosion control, new outdoor recreational facilities, and earth dam reservoirs. Hundreds of thousands of youths were physically and mentally rehabilitated by reason of the outdoor activities of the CCC. Today, many of them are scattered throughout the leadership of American industry, government, and education—testimony to the social values of this great experiment.

A giant step toward the prevention of delinquency and the improvement of physical fitness, as well as the physical improvement of the Nation, will be accomplished if the bill providing for a Youth Conservation Corps is passed by us.

This proposed Youth Conservation Corps will be smaller and more flexible than the CCC. It is designed to meet the needs of today. For thousands of boys in city slums, this will be the only chance for living and working in the open, their only chance to enrich the land and strengthen their lives. It will provide a new sense of purpose for young men growing up in a society in which the opportunity for creative accomplishment is becoming rarer each year. Most of all, it will constructively channel the restless energies which today are leading thousands of underprivileged boys in the direction of delinquency, violence, and self-destruction.

Mr. President, this meritorious proposal will bring untold dividends to our Nation. Many will be tangible, in the form of protected and preserved natural resources. The greatest dividend will be the conservation and enrichment of our youth.

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Is there further business in the morning hour?

MARKETING OF DRUGS

Mr. KEFAUVER. Mr. President, the President in his press conference the other day pointed out the urgency of legislation to prevent near disasters such as occurred with reference to the drug, thalidomide. The distinguished Senator from Minnesota, chairman of a subcommittee of the Committee on Government Operations, has just held informative hearings pointing up the urgency of doing something about such problems, so that unsafe drugs will not get on the market, so that the Food and Drug Administration will have better controls over testing, and so that tests will be made on animals larger than mice and more resembling man before a drug is distributed to physicians for testing.

As we all know, there is pending on the calendar Senate bill 1552, which was reported by the full Committee on the Judiciary. Some provisions were weakened and some were eliminated from the bill, as reported by the Antitrust and Monopoly Subcommittee. Nonetheless, both the Judiciary Committee bill and the Harris bill contain some improvements over the present law. However, in order to come up to the criteria set out in the President's letter to the Senator from Mississippi [Mr. EASTLAND], of April 10, 1962, supporting the bill of the Antitrust and Monopoly Subcommittee, and the criteria set out in the President's press conference, the bill will need amendments.

About most of those amendments there should be little controversy. They are described in the individual views of Senators CARROLL, DODD, HART, LONG of Missouri, and myself on S. 1552, which as I said, is on the calendar.

I know that the Senator from Minnesota [Mr. HUMPHREY] is particularly interested in an amendment making clear and precise the protection of the public against drugs which caused a near disaster, like thalidomide. We are all interested in that objective.

I want to commend the President, the Senator from Minnesota [Mr. HUMPHREY], and others who are interested in getting corrective legislation for the protection of the health of the people of the Nation to correct serious abuses in the prescription drug field passed as soon as possible.

The experience with thalidomide only points up the problem in a very dramatic way. Other drugs have not been sufficiently tested. Many drugs have been put on the market and then withdrawn when it was found they were causing serious, sometimes fatal, side effects.

The individual views contained in the report on Senate bill 1552, beginning at page 43, contain a list of some of those drugs. I think the public would be interested in knowing about some of them. Unlike thalidomide, which by a series of fortuitous events, was kept off the market, these products did reach the market and then, after the American people had served as guinea pigs, had to be withdrawn.

For example, Mer-29, put out by William S. Merrell, caused cataracts, and was taken off the market.

Catron, put out by Lakeside as a potent tranquilizer, caused Parkinsonianism.

Marsilid, put out by Hoffmann La-Roche as a psychic energizer, caused jaundice.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KEFAUVER. I ask unanimous consent that I may proceed for 1 more minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEFAUVER. Chloromycetin, which is a trade name for the drug chloramphenicol, put out by Parke, Davis is the drug of choice for a few diseases, such as Rocky Mountain spotted fever, but it causes aplastic anemia resulting in death in a significant number of cases. The required warning, which was not followed by the company, has been recently strengthened following hearings by the Antitrust Subcommittee.

All of these abuses would be corrected by S. 1552, if strengthened by the amendments which are discussed in the individual views, and an amendment dealing directly with animal testing. This latter amendment the Senator from Minnesota [Mr. HUMPHREY] will discuss later, and he has shown fine leadership on it. If so strengthened, the bill would meet most of the objectives called for by the President in his letter of April 10.

I know we have been tied up in the Senate for some time, and the policy committee has not met on the bill, but I hope and feel that the measure will be given consideration for early action by the Senate and the House of Representatives.

The amendments proposed by the majority members of the Antitrust Subcommittee are the results of a 2½-year investigation of the vital prescription drug industry.

The tragedy involving thalidomide, horrible though it is, has served the useful purpose of dramatizing some of the abuses in the drug industry and has underscored the urgent need for laws to insure that drugs like thalidomide never get to the American public.

I am glad that the President has pointed up the urgency of this matter. I wholeheartedly agree with him that the Congress should act at once.

The Harris bill, like the Senate Judiciary bill, would require several amendments in order to deal effectively with the thalidomide situation and other serious problems revealed by the drug investigation. We have these amendments prepared for introduction in the Senate when S. 1552 is called up.

In view of the President's plea for speedy congressional action, let me again point out that S. 1552 is pending on the Senate Calendar, and let me urge the Senate leadership to bring up this bill immediately.

If we do nothing—or if we do not write effective legislation—everyone in this country, expectant mothers included, will be courting tragedy with every trip to the medicine chest.

NASSAU COUNTY AMERICAN LEGION RESOLUTION ON SUPREME COURT PRAYER DECISION

Mr. KEATING. Mr. President, I present, for appropriate reference, a resolution adopted by the Nassau County Committee of the Nassau County American Legion, Department of New York, with regard to the Supreme Court's school prayer decision.

I ask unanimous consent that the text of the resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

NASSAU COUNTY AMERICAN LEGION RESOLUTION, JULY 27, 1962

The Nassau County Committee of the Nassau County American Legion, Department of New York, hereby approves and adopts the following resolution:

"Whereas the American Legion is dedicated to God and country and by its preamble is committed to defend and uphold the Constitution of the United States, to maintain law and order and to promote peace and good will; and

"Whereas the American Legion proudly numbers among its members veterans of every religious faith; and

"Whereas Nassau County American Legion believes that the recent decision of the Supreme Court in the so-called 'Regent's Prayer Case' has been widely misunderstood and misinterpreted; and

"Whereas said decision has created a state of alarm, anxiety and uncertainty among our citizens which militates against the unity and tranquility of our Nation at a most perilous time in its history; and

"Whereas it is incumbent upon all citizens and upon every branch of government, in a spirit of good will and with all possible speed, to resolve the issues created by said decision: Now, therefore, be it

"*Resolved*, That the decision of the Supreme Court is the 'law of the land' and must be complied with; that all citizens study not only this decision but the Constitution it interprets; and be it further

"*Resolved*, That it is the position of the Nassau County American Legion that the law of the 'Regent's Prayer Case' is merely that a State violates the 1st amendment when it (1) writes a prayer (2) sponsors, promulgates and puts the stamp of authority upon that prayer throughout the public school system and (3) authorizes a teacher officially to lead the pupils in the recitation of that prayer and, be it further resolved that it is the position of the Nassau County American Legion that the Supreme Court did no more than to declare that a State may not constitutionally establish the above procedure; and be it further

"*Resolved*, That it is the position of the Nassau County American Legion, therefore, that neither the Constitution of the United States nor the decision of the Supreme Court in the 'Regent's Prayer Case' prohibits our public school children, on their own initiative and voluntarily, praying together a prayer acknowledging our faith in and dependance upon almighty God of their own or their parent's choosing albeit while in school and under the mere technical control and supervision of a teacher; and be it further

"*Resolved*, That it is the position of the Nassau County American Legion that the foregoing alternative method complies with the first part of the amendment which says 'Congress shall make no law respecting an establishment of religion,' and, at the same time, gives full effect to and protects the rights of our children under the second part of the amendment which says 'nor prohibiting the free exercise thereof'; and be it further

"*Resolved*, That this resolution be widely promulgated for the information and guidance of all citizens and divisions of our Federal and State Governments concerned herewith to the end that the right of our children freely to exercise religion while in school under the foregoing method might be implemented without delay in the public schools of the State of New York."

ROTC PROGRAMS

Mr. KEATING. Mr. President, the requirements of national defense necessitate the maintenance of adequate ROTC facilities at our colleges and universities. Faced with ever-increasing student enrollment, many of our institutions, both public and private, are finding it more and more difficult adequately to meet this need.

Because the ROTC is in effect a part of our overall defense program, and because of the pressures of enrollment in our colleges, the executive committee of the Association of NROTC colleges has recently adopted a resolution calling for the endorsement by Congress of Federal financial support for the establishment of an expansion program and the development of physical facilities for ROTC instruction at both private and State universities and colleges.

Mr. President, I ask unanimous consent to have included in the RECORD at this point the resolution adopted by the executive committee of the Association of NROTC colleges, forwarded to me with the endorsement of the University of Rochester.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the requirements of national defense necessitate the maintenance of adequate ROTC facilities in training at universities throughout the United States; and

Whereas the increasing pressure of student enrollment taxes the resources of private and public institutions to meet the demands made upon them to provide adequate facilities for officer training: Therefore, be it

Resolved, That the Senators and Representatives from States in which ROTC facilities exist be requested to actively advocate and support legislation directed toward complete Federal financial support of the establishment expansion program and development of physical facilities for ROTC instruction at private and State universities and colleges in order that the essential training of military officers may be adequately and efficiently advanced; and be it further

Resolved, That copies of this resolution be forwarded to the Members of the Senate and House of Representatives concerned and to the Chairman of the ROTC Advisory Committees of the Department of Army and Air Force; and

Whereas it appears that legislation providing for ROTC facilities has been shelved: be it further

Resolved, That the Department of the Navy be requested to push for action on the part of the Department of Defense in behalf of such appropriations.

THE SOVIET OIL OFFENSIVE

Mr. KEATING. Mr. President, as we all know, the United States is now engaged in a cold war economic rivalry with the Soviet Union. This rivalry involves many factors, and includes both maintaining and increasing the economic strength of the Western bloc of nations, and promoting the economic development of the emerging nations. One part of this struggle involves competition in such crucial items as oil. No one needs to be reminded of the great economic and strategic importance of oil and oil products. It is vital that the free world should sustain its dominant position in this market, and that it use these oil products and the revenues therefrom to develop the economies of the countries in which the oil is found.

Recently there has been increased competition in this field from Soviet oil interests. They are slowly wedging their way into markets ordinarily controlled by Western oil companies, and are receiving contracts for oil prospecting and refining in countries where similar Western concerns are already well established. This competition is politically motivated on the part of the Soviet Union, which sets prices without regard to costs in order to undermine private enterprise.

Mr. President, testimony just yesterday before the Finance Committee on the trade expansion bill pointed up the dangers of the Russian oil offensive. There is a real need for Government cognizance of the threat and for official action.

For that reason, it is a matter of gravest concern to me that a vital report, prepared by the National Petroleum Council and the Interior Department, has been completely blocked by a conflict of interest dispute that has developed between the Justice Department and the Interior Department. Although officials of the Interior Department have publicly denied any holdup, it is common knowledge on the part of all concerned that, unless the Justice Department will revise its present unrealistic attitude toward advisory bodies, this study will be held up for months and appropriate Government policymaking or action will be delayed accordingly.

Mr. President, it is amazing to me that the Government is still choking over its own bureaucratic procedures and has not been able to enunciate a firm statement either of fact or of policy, in spite of the numerous indications of awakening public anxiety.

An excellent study of the problem recently appeared in an article in the Reporter magazine by Dr. Leon Herman of the Library of Congress. As Dr. Herman demonstrates, the Soviets are not in the oil business for economic motives but in a deliberate attempt "to get some of the leaders of the developing nations committed to an active struggle against the West."

Mr. President, I ask unanimous consent to include Dr. Herman's articles following my remarks in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

The Soviet Oil Offensive

(By Leon M. Herman)

The determined Soviet drive to crash the exclusive international petroleum club, now underway in many parts of the world, has all the characteristics of an enterprise designed to achieve far-reaching foreign policy objectives. Over the past few years this campaign has become more ambitious as it has proceeded to gather momentum. Whether we like it or not, there is more here than meets the eye.

To begin with, the amount of oil actually exported by the Soviet Union to date has been relatively small, no more than about 3 percent of total world exports. Yet the effect of these modest shipments has been anything but peripheral. They have left their mark most tellingly on the prevailing price level and, as a consequence, on the annual earnings of the big oil companies. Furthermore, the world oil market into which the Soviets entered in force in the late 1950's was manifestly "soft," depressed by excessive supplies. Still, the Soviet oil trust seems to have had considerable success in expanding its marketing operations. The volume of its exports of crude oil outside the Soviet bloc increased more than sixfold between 1955 and 1960, from 3 to 19 million metric tons.

From their recent encounters in the world market, the Western oil-exporting firms have learned the bitter lesson that the Soviet oil trust is no ordinary competitor. As part of a large state trading monopoly, it is a commercial organization with a difference. It seems to be able to increase its sales, for example, in a "soft" market, one in which supply is outrunning demand. Moreover, it can sell without necessarily making a profit. Under the terms of its charter, the oil trust has to show a profit on its activities as a whole, but not necessarily in all markets and not on all transactions. There are times and markets in which the state agency can engage in deficit operations for as long as it may consider necessary. Whatever may be the state of its balance sheet in the meantime, there are no stockholders to demand an accounting.

As a practical matter, too, the marketing position of the Soviet oil trust is highly favorable. In its own backyard, it has a secure market extending over the entire territory of the Soviet bloc. In this market the Soviet export agency sells roughly half of its oil surplus. Owing to the nature of this market, furthermore, the Soviet Union enjoys all the old-fashioned advantages of a monopoly producer and seller.

(The Soviet Union accounts for 90 percent of all the oil produced in the bloc.) In the first place, this vast marketing area is, by definition, its own proper Socialist preserve, off limits for the Western oil firms. Secondly, in the absence of competition, the Soviet oil trust is able to raise its prices in the captive market as a kind of insurance against the hazard of financial loss in the competitive parts of the market.

According to the findings of a recent U.S. oil mission to Russia, the Soviet Union sells its crude oil to the satellite countries at $2.82 per barrel and distillery products at $5.40 per barrel. Customers outside the bloc get a discount. They pay $1.75 and $2.44 per barrel, respectively, for these two categories of petroleum bought from the Soviet Union.

By virtue of these attractive marketing devices, the Soviet oil trust has been able to expand its sales outside the bloc in short order. Soviet oil has already achieved a commanding position in a number of markets, most of them small, such as Iceland, Finland, Afghanistan, Egypt, Greece, and Cuba. On the basis of these successes, the Soviet oil-export trust has raised its sights toward bigger and better markets. Some notable results have already been achieved in three major oil-consuming countries, namely Japan, Italy, and West Germany. In 1960, these three countries accounted for 35 percent of total Soviet crude-oil exports. In the same year, Italy emerged as Russia's largest customer, taking nearly 4 million tons of crude oil.

MOSCOW'S LOSS LEADER

The tactic of price cutting has paid off in volume sales. Invariably, where the price was cut most deeply the flow of exports followed suit. In Italy, for example, the Soviet Union has sold its crude oil at the price of $1 a barrel, f.o.b. a Black Sea port. According to testimony recently presented by a spokesman of the U.S. oil industry to the Joint Economic Committee of Congress, this is equivalent to 75 cents a barrel for Middle East oil shipped from a Persian Gulf port. Such a price would not even cover the taxes and royalties the oil companies have to pay to the governments of the countries where the oil is extracted on concession terms.

As a result of this concentrated drive, Soviet oil is now supplying 9 percent of Western European demand, and western companies fear the increasing flow will reach 11 percent by 1965. The Soviet official in charge of petroleum exports has intensified their concern by setting his target for Europe still higher. According to E. Gurov, manager of Soiuznefteksport, the oil export trust, his agency intends to "recapture its former position" in the European oil market, which he placed at 19 percent of all sales.

In one market after another, western firms find themselves hard pressed by the piratical pricing tactics and other aggressive commercial devices in the arsenal of the Soviet monopoly trading system. But there is plenty of evidence that selling oil is not seen as an end in itself by the Russian manipulators. To be sure, the oil export trust, like any other trading agency of the Soviet Government, is always on the lookout for large and dependable sources of foreign exchange.

As viewed from the Kremlin, however, petroleum is not just another commodity. It is a unique natural resource capable of stirring strong national emotions. And the big western oil companies are not just commercial firms, but the symbol of western wealth and power. As such, they are representative at once of the economic strength and the political vulnerability of the western position in the less develop regions of the world.

Because their activities in the oil-rich but economically poor countries help to bring a taste of the fruits of modern productivity into these countries, the Soviet Government feels its own revolutionary aims threatened. Furthermore, because the western oil companies are symbolic of the contrast between the poor and the rich countries, the Soviet leaders are strongly tempted to do what they can to incite resentment against them. By doing so, they hope eventually to erode the economic position of the companies at the production end, and they assume that the forces of economic nationalism are working in their favor. An article in the Soviet journal, International Affairs (July 1960), expresses Russia's great expectations, particularly in the Middle East:

"It should be borne in mind that oil concessions represent the foundation of the entire edifice of western political influence in the [less developed] world, of all military bases and aggressive blocs. If this foundation cracks, the entire edifice may begin to totter and then come tumbling down."

Incitement alone is not enough. For years, until quite recently, Soviet spokesmen have been using all possible occasions to urge the less developed oil-rich countries to nationalize their oil industries and to drive out the foreign interests and technicians. What finally induced them to go beyond mere incitement was the fact that the verbal appeals had failed to alter the practical situation.

Within the past 2 to 3 years, the Soviet leadership has shifted to a policy of encouraging economic nationalism in the sphere of petroleum. To that end, it has made available its own considerable capability in the petroleum industry, ranging from geological surveys to the construction of pipelines and tankers. When Soviet agents promise to train native personnel in the skills of the oil industry, the offer is both plausible and enormously appealing. The political dividends are expected to be fabulously high.

SOIUZNEFTEKSPORT GOES NATIVE

The appeal, however, seems to find a strong response in many quarters regardless of the stage of economic maturity or political sophistication of the developing country involved. This may be seen from the record to date. The countries that have accepted Soviet offers of economic assistance in petroleum range all the way from semi-nomadic Afghanistan on Russia's southern border to Argentina in our own hemisphere. In all instances, the offer is specifically tailored to fit the local situation, based on close knowledge of the circumstances in each country surrounding the magic goal of "building a national oil industry." In this kind of local garb, the offer becomes well-nigh irresistible.

In Afghanistan, for example, the emphasis is on prospecting. Under a contract with the Soviet Union, the local authorities have received a team of Soviet geologists who are prospecting for oil in the northern regions of the country. By the terms of this contract, Russia has pledged itself to help develop a modern oil industry. In two other oil-deficient countries, Ethiopia and Pakistan, the Soviet Union has contracted to carry out a program of prospecting. These programs are to be carried out by Soviet geologists, equipment, and financial credits.

In a country like Egypt the program is distinctly more ambitious. There the stress is on building a domestic oil-processing industry consisting of five refineries and some related installations. Again, the Soviet Union provides the technicians, the equipment, and the credit. When these projects are completed, according to the official Soviet press, "Egypt will be wholly independent of foreign interests as far as its requirements for oil products are concerned."

In India, by all odds a prime target, the Soviet Union has committed itself not only to prospecting for oil and gas but to refinery construction as well. For many months now, Soviet geologists have been prospecting over an area of more than 50,000 square miles. Some deposits of oil and natural gas in commercial quantities have already been found. The two refineries now under construction, one at Nunmati and another at Barauni, will be capable of producing nearly 3 million tons of finished products a year. The first of these two new refineries began operation on January 1. Since then, a contract for a third refinery, to be covered by a Soviet credit valued at $21 million, was reported signed on February 12.

In the Western Hemisphere, three countries are involved in one kind of arrangements or another. The State Oil Company of Argentina has accepted a Soviet credit of $100 million to cover the cost of oilfield equipment to be supplied by the Soviet Union. More recently, one of the Soviet agencies for technical assistance, Tiazhpromeksport, signed an agreement to design and build a gas-and-shale plant for the Brazilian firm CIRB. In this industry, the Soviet Union claims to have technical experience as a result of developing its own shale production near Tallinn, Estonia. And according to a news dispatch from Santiago, Chile, dated February 22, 1962, the Finance Minister of that country reports that Russia has agreed to study the possibility of building an oil refinery in Chile.

Even in a country like Iraq, which is anything but a have-not nation in petroleum, the Soviet Union has recently succeeded in getting a foot in the door. On April 4, 1960, it signed a contract to conduct seismic research for oil deposits over an area of 400 square miles. The soundings are to be taken in a region adjacent to the fields now covered by a Western oil concession. To Soviet officialdom, this arrangement is a major breakthrough, installing their own operation alongside the established oil interests they are so anxious to discredit and ultimately to displace.

But there is another side to this apparent success. The economic interest of the Soviet Union has recently come into direct conflict with that of the oil-exporting countries of the less developed regions. In Europe in particular, the increased flow of Soviet petroleum has taken place at the expense of oil from the Middle East. The serious concern of the Arab countries on this score is unmistakable. They are not convinced by Soviet assurances that the market is big enough to absorb all present and future supplies. This is one of the stubborn facts of commercial life that cannot be swept under the rug of "friendship and the common cause of anti-imperialism." It is reasonable to assume that overt signs of a clash of interests in oil marketing will constrain Moscow to counteract this evidence with a show of financial and technical support under the slogan of "helping the former colonial peoples to build a national oil industry."

It is extremely important that we consider this particular form of economic collaboration between the Soviet Union and the emerging nations with all the seriousness it deserves. What has motivated the less developed nations to accept collaboration? What is the nature of the discontent that has impelled them to seek assistance from a new and untried source at a time when most of them have longstanding agreements, in production or distribution, with the experienced oil companies of the West?

With respect to oil production, more than any other economic activity, the answers should not be hard to find. Both the countries that are now exploiting oil deposits and others that merely hope to strike oil are understandably concerned that this resource should be so employed as to provide not only current income but economic progress as well. To them, a good commercial arrangement no longer seems to be enough. They want to see some visual proof that this essential resource is also helping to advance their own technical competence, their economic self-reliance. The fact that they are responding to Soviet blandishments in this sphere is a warning. At the very least, it should help to sharpen our awareness that there is a strong feeling among these sensitive nations that their economic partners from the West, whose skill and enterprise have helped to raise their current material wealth, have not displayed enough imagination or devoted enough effort to the all-important job of supporting their aspirations for economic self-reliance.

It is easy to demonstrate with facts and figures that the Soviet Union is long on the means of incitement and short on the kind of resources that are needed to displace the West in the economic life of the less developed countries. This is as true in the case of petroleum as it is in any other phase of the economic rivalry against the West.

However, it is important to remember that this onslaught against the West does not depend for its success on the ability of the Soviet Union and its allies to match the economic wherewithal of the older nations. The strategists in charge of this operation on behalf of Moscow are basing their plans on a calculus which assumes that the economic nationalism of the emerging countries is working on their side. Accordingly, they are deploying their resources in such a way as to condition the political climate in the less developed nations, by injecting along with their practical support strong doses of resentment, envy, and hatred against the Western monopolists and anyone associated with them. For their purposes, all that has to be accomplished is to get some of the leaders of the developing nations committed to an active struggle against the West. Once this is accomplished, all normal economic considerations are expected to fly out of the window.

FIRST WORLD CONFERENCE ON NATIONAL PARKS

Mr. METCALF. Mr. President, I am pleased to report to the Senate that the First World Conference on National Parks, held in Seattle, Wash., June 30–July 7, was attended by 167 official delegates from 71 countries. Africa was represented by some 20 countries, Latin America by 15. Asia and Europe were well represented, and there was strong representation from Canada, Australia, and New Zealand. In addition to the foreign representation, more than 200 invited delegates and observers were present from practically every State. Members of Congress, natural resources administrators, and conservationists and other park supporters were among those in attendance from the United States.

This historic meeting was an outstanding success, and the Congress has every reason to be proud of its action earlier this year, which authorized the Department of the Interior to become a participant in the World Conference on National Parks. As a result of our action, the conference was sponsored by the International Union for the Conservation of Nature and Natural Resources with cosponsorship of UNESCO and FAO in association with the National Park Service and the Natural Resources Council of America.

More than half of the Conference program was open to floor discussion in order to give all those in attendance an opportunity to comment on park matters, seek advice, and to provide information on the many topics that were under consideration. Simultaneous interpretation in French, Spanish, and English was provided for all presentations and remarks. The conferees also had a special tour of the Mount Rainier National Park prior to the meeting. Many also visited the Olympic and Yellowstone National Parks after its close.

U.S. delegates report that while it is clear that this country leads the world with the first national park, Yellowstone, in 1872, and it is the acknowledged leader in national park planning and management, several countries have truly outstanding park programs.

The Conference adopted 28 recommendations. Many of them will be helpful guides to the officials of the newer countries around the world as well as to our more progressive park executives in this country.

I ask unanimous consent that the following recommendations be printed in the CONGRESSIONAL RECORD as a part of my remarks.

There being no objection, the recommendations of the First World Conference on National Parks were ordered to be printed in the RECORD as follows:

RECOMMENDATIONS ADOPTED BY THE FIRST WORLD CONFERENCE ON NATIONAL PARKS, SEATTLE, WASH., JUNE 30–JULY 7, 1962

RECOMMENDATION NO. 1

Whereas the preservation of natural areas for parks and reserves is inseparable from the conservation of wildlife and its habitat, the First World Conference on National Parks supports the World Wildlife Charter; endorses the efforts being undertaken in various countries of the world to implement the purpose and objectives of the charter; and welcomes the establishment of the world wildlife fund.

RECOMMENDATION NO. 2

Whereas this Conference has learned with satisfaction of plans for an international biological program, and of the recognition thus given by international science to problems created by man's impact upon natural communities of living organisms, the First World Conference on National Parks recommends that IUCN work closely with the IBP to bring into existence a series of natural reserves providing permanent examples of the many diverse types of habitats, both natural and seminatural, so as to preserve them permanently for world science.

RECOMMENDATION NO. 3

Whereas there is an urgent need to constitute on a world scale a systematic collection of type habitats, as varied and representative as possible, which could be permanently protected and so serve as standards for the future, and believes that the appropriate status for these type habitats where possible should be that of strict nature reserves, the First World Conference on National Parks recommends that: (1) A working group be set up within IUCN to study this project with a view to establishing for each main bioclimatic region a preliminary list of the most representative habitats, which should be included in an official world list; and

(2) This project be brought to the attention of the scientific authorities responsible for the establishment of the international biological program, and in particular to the International Union of Biological Sciences and UNESCO, so that examples of such habitats may be selected and legally established at an early date.

RECOMMENDATION NO. 4

Whereas the draft recommendation concerning the safeguarding of the beauty and character of landscapes and sites which the Director General of UNESCO intends to submit to its forthcoming General Conference; and

Whereas as stated in this recommendation, the beauty and character of landscapes and sites are necessary to the life of man, provides a powerful physical, moral, and regenerative spiritual influence, and contribute to the artistic and cultural life of peoples, the First World Conference on National Parks (a) notes with great satisfaction the UNESCO draft recommendation, (b) underlines the importance of national parks and equivalent reserves for this purpose, and (c) recommends that participants in the First World Conference on National Parks urge their respective countries to support the adoption and implementation of the UNESCO recommendation.

RECOMMENDATION NO. 5

Whereas proper interpretation of the features and values of national parks and equivalent reserves is an integral and important part of adequate park programs and can contribute materially to a nation's total educational effort, the First World Conference on National Parks draws the attention of participating governments to the importance of developing national park interpretive or presentation services as integral parts of conservation education programs, with attention to persons of all ages, and recommends that the Education Commission of IUCN stress the importance of international regional education committees as a means of providing both counsel and materials needed in developing conservation education programs in all countries.

RECOMMENDATION NO. 6

Whereas National Parks and equivalent reserves afford exceptional opportunities for research in undisturbed biotopes, the First World Conference on National Parks recommends that such research be carefully planned and coordinated on an interdisciplinary basis and be correlated between institutions and agencies on a national, and where necessary, on an international scale.

RECOMMENDATION NO. 7

Whereas few of the world's parks are large enough to be in fact self-regulatory ecological units but are more likely to be ecological islands subject to direct or indirect modification by activities and conditions in the surrounding areas; and

Whereas management based on scientific research is not only desirable but often essential to maintain some biotic communities or to achieve a desired successional stage in these communities in accordance with the conservation plan of a national park or equivalent area, the First World Conference on National Parks believes that the need for management, the feasibility of management methods, and the evaluation of results must be based upon current and continuing scientific research; that both research and management should be undertaken only by qualified personnel; and that research, management planning and execution must take into account, and if necessary regulate, the human uses for which the park is intended.

RECOMMENDATION NO. 8

Whereas there are inherent in national parks and equivalent reserves ethical and esthetic values which must always remain separate from political expediencies; and

Whereas continuity of purpose is necessary to protect such values, the First World Conference on National Parks recommends that, wherever appropriate, the executive administration and control of national parks and equivalent reserves be vested in a statutory organization charged with the duty of permanent trusteeship.

RECOMMENDATION NO. 9

Whereas it is recognized that in densely populated countries national parks of considerable size do not exist and cannot be set aside because of the existing shortage of land, the First World Conference on National Parks acknowledges the efforts being made in such countries by creating nature reserves, landscape reserves, natural areas, and other substitute areas, and commends such efforts in view of their valuable potentialities in areas where the creation of extensive national parks is not practicable.

RECOMMENDATION NO. 10

Whereas many sanctuaries and reserves throughout the world are owned outright by non-Government institutions and by private individuals but are nevertheless dedicated in perpetuity to the conservation of wildlife and of natural resources, and whereas it is desirable to increase the number and diversity of such areas, and to contribute to their long range stability and management, the First World Conference on National Parks recommends that such areas, provided they are secured to their basic purposes by irrevocable deeds of trust and are controlled and administered by representative boards of trustees, shall be considered to be as important as statutory National Government-owned parks and equivalent reserves; and it further recommends that such individuals and institutions who have already taken such action are to be commended for their activities and that others are urged to do likewise.

RECOMMENDATION NO. 11

Whereas national parks are important nature reserves, the First World Conference on National Parks recommends that structures such as dams and reservoirs for hydroelectric and other purposes which would be in any way prejudicial to the purposes of a park should not be allowed in a national park, and that buildings and other tourist facilities should, wherever possible, be made available outside of the parks, in order to preserve those values for which the parks were established.

RECOMMENDATION NO. 12

Whereas the present and future preservation, development, and appropriate use of national parks, equivalent areas, and park systems are all vital to the economic and cultural progress of the countries of the world and to the welfare and enjoyment of people everywhere; and

Whereas the planning of new and existing parks and the proper mnagement and preservation of areas which together make up a comprehensive system of parks and nature reserves are essential to this objective, the First World Conference on National Parks recommends that IUCN study the need to establish a Committee on Park Planning (this planning to include nature reserves, scientific areas, prehistoric, historic, and cultural sites, wildlife sanctuaries, outdoor recreation areas, and other natural areas) for the purpose of assisting countries to develop programs with emphasis upon:

1. An advisory service available to all countries to aid in the planning of parks and park systems, and

2. A research program for collecting park planning data, for conducting studies on the development and use of parks and park systems, and for other activities relating to the purposes, policies, and practices of park planning.

RECOMMENDATION NO. 13

Whereas present economic development involving renewable natural resources is proceeding at a very fast rate, particularly in young emerging nations using bilateral or international aid funds or on national budgets; and

Whereas too much emphasis is now laid on immediate financial returns frequently with little or no consideration for real long-term economic values such as water and soil conservation and recreational, cultural, and scientific values, the First World Conference on National Parks recommends to governments of developing and advanced countries and to international organizations that they (a) include in their national or aid development programs specific conservation measures such as the creation and development of national parks and equivalent reserves, (b) include conservation specialists in all technical teams planning, appraising, or executing national or aid development projects and (c) seek advice of international bodies specialized in conservation such as IUCN.

RECOMMENDATION NO. 14

Whereas the human population of the world is increasing at a rapid rate and renewable natural resources are being depleted, often by irrational exploitation, the First World Conference on National Parks recommends that all governments, particularly recipients and donors in bilateral technical aid programs, and all international organizations and agencies rendering or executing technical aid, give fuller regard than has hitherto been given to conservation principles and practices in their programs, especially the protection of forests and other habitats, with their native animals.

RECOMMENDATION NO. 15

Whereas it is recognized that the oceans and their teeming life are subject to the same dangers of human interference and destruction as the land, that the sea and land are ecologically interdependent and indivisible, that population pressures will cause man to turn increasingly to the sea, and especially to the underwater scene, for recreation and spiritual refreshment, and that the preservation of unspoiled marine habitat is urgently needed for ethical and esthetic reasons, for the protection of rare species, for the replenishment of stocks of valuable food species, and for the provision of undisturbed areas for scientific research, the First World Conference on National Parks invites the governments of all those countries having marine frontiers, and other appropriate agencies, to examine as a matter of urgency the possibility of creating marine parks or reserves to defend underwater areas of special significance from all forms of human interference, and further recommends the extension of existing national parks and equivalent reserves with shorelines, into the water to the 10-fathom depth or the territorial limit or some other appropriate off-shore boundary.

RECOMMENDATION NO. 16

Whereas concern has been expressed for the future of the life and environment of the Antarctic, the First World Conference on National Parks, sponsored by IUCN, UNESCO, and FAO, notes with appreciation the current international cooperation of the Antarctic Treaty Powers in matters of conservation, but recommends the adoption of more positive measures to prevent the exploitation of the marine life of this habitat on which the entire Antarctic ecosystem depends.

RECOMMENDATION NO. 17

Whereas the unique wildlife of the Galapagos Islands is of the highest scientific and historical interest to the whole world; and

Whereas the Charles Darwin Foundation, with the assistance of UNESCO and other agencies, has established an important research station on the island of Santa Cruz for the use of scientists of all nations, the First World Conference on National Parks warmly congratulates the Government of the Republic of Ecuador for the legal and administrative measures already taken to create nature reserves in the islands, and affirms its belief that the cooperation of the Ecuadoran authorities, with the conservationists of all nations, will succeed in preserving the Galapagos Islands and their wildlife in perpetuity for the inspiration of all mankind.

RECOMMENDATION NO. 18

Whereas it is of worldwide significance that the national parks of the Congo (Leopoldville) should be preserved intact not only for their great scientific, cultural, and recreational value, but also as outstanding examples of areas with high biological productivity, the First World Conference on National Parks herewith expresses its great satisfaction that the national parks of the Congo have been maintained in spite of the difficult circumstances that have existed during the past 2 years.

RECOMMENDATION NO. 19

Whereas several African delegates to this conference have expressed the need for training in wildlife management and its relation to land use, the First World Conference on National Parks applauds the work accomplished in the field of wildlife management; endorses the several proposals for wildlife management schools in Africa and elsewhere; and calls upon the nations of the world to provide assistance, both technical and financial, for the furtherance of such training programs throughout the world as soon as possible.

RECOMMENDATION NO. 20

Whereas independence came to Rwanda and Burundi at the time the First World Conference on National Parks was convened, the First World Conference on National Parks extends the new nations every good wish, including success with the conservations of their inherited natural resources, and further draws attention to two of Rwanda's natural riches, namely the Kagera National Park and the volcanoes of the Albert National Park, and expresses the hope that these strict nature reserves retain their status and that the Governments of Congo and Rwanda cooperate in the administration of their respective portions of the Albert National Park.

RECOMMENDATION NO. 21

The First World Conference on National Parks warmly applauds the steps which have been and are being taken by the Government of Fiji and the Fiji Society to create a national park on the island of Taveuni and a nature reserve on the island of Kadavu and to extend the existing nature reserve on Mount Victoria.

RECOMMENDATION NO. 22

The First World Conference on National Parks recommends that for every kind of animal or plant threatened with extinction an appropriate area of natural habitat be provided in a national park, wildlife refuge, wilderness area, or equivalent reserve to maintain an adequate breeding population, and takes the view that any species so threatened which is not accorded such official sanctuary proclaims the failure of the Government concerned to recognize its responsibility to future generations of mankind.

RECOMMENDATION NO. 23

The First World Conference on National Parks recommends the early examination by IUCN of a project to create within the natural range of certain gravely threatened species—rhinoceroses, orang-utan, Arabian oryx, caribou, and others—one or more special reserves into which individual animals can be moved so as to promote increased reproduction of the species, and further invites the governments concerned and other appropriate agencies to give sympathetic consideration to the project.

RECOMMENDATION NO. 24

Whereas the best available estimates indicate that the total world populations of the five species of rhinoceroses approximate the following numbers: Black Rhino, 11,000 to 13,500; White Rhino, 2,500 to 3,000; Great Indian Rhino, 600; Sumatran Rhino, 100 to 150; and Javen Rhino, 24 to 50; and

Whereas many of these animals exist in small isolated pockets; and

Whereas all five species are threatened by the erroneous belief in the magical properties of rhino horn and the consequent killing to meet these demands, the First World Conference on National Parks warmly welcomes and endorses the proposed world campaign for rhinoceroses sponsored by the World Wildlife Fund and the Fauna Preservation Society in cooperation with the Survival Service Commission of IUCN, and recommends that the governments of the nations concerned consider the establishment of additional parks or reserves to incorporate areas in which rhinoceroses still survive.

RECOMMENDATION NO. 25

Whereas three of the most remarkable mammals of the South American Andes are threatened with extinction, and are so cataloged, due to the rapid and extensive destruction of their forest habitat; the First World Conference on National Parks recommends that those Andean countries which have them within their boundaries establish, wherever possible, parks or reserves to preserve these mammals; namely, Mountain tapir (Tapirus pinchaque); Spectacled bear (Tremarctos ornatus); and Pudu deer (Pudu pudu and P. mephistophiles).

RECOMMENDATION NO. 26

The First World Conference on National Parks recommends to the Pan American countries which have not done so, the immediate ratification and implementation of the Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere (Washington, D.C., 1940), and the formation of a Latin American Committee of IUCN which shall work in close liaison with existing international bodies.

RECOMMENDATION NO. 27

Whereas the centennial of the establishment of Yellowstone Park in the United States occurs in 1972; and

Whereas the establishment of Yellowstone Park was the first such park in the world and created widespread response throughout the world, the First World Conference on National Parks recommends that this centennial be celebrated by publicizing the occasion, especially with appropriate publications in the various countries urging the formation and development of national parks, and by a conference to be held in Yellowstone Park and attended by representatives of all countries.

RECOMMENDATION No. 28

The First World Conference on National Parks expresses its appreciation of arrangements for holding the conference with the aid of the facilities extended by the Seattle World's Fair, as well as the generous hospitality of many individuals and organizations in the Seattle area.

S O S: SAVE OUR STREAMS

Mr. METCALF. Mr. President, a letter to me from the publisher of the Salt Water Sportsman, Mr. Henry Lyman, of Boston, Mass., tells a tragic but hopeful story. It is a story of water and of fish, of wildlife and birds. It is the story of polluted water caused from neglect in the past, and of hopes to make that water clean again, to restore what nature created and to give to future generations a refuge from urban life in the beauties of nature. It is the story of efforts to restore Neponset River Reservation being thwarted by construction of route 95 in Massachusetts, and of construction turning into destruction.

My bill, S. 2767, introduced on January 30, 1962, would make it necessary to consider possible damage to natural resources and wildlife before undertaking construction of a Federal highway.

Mr. President, I ask unanimous consent to insert in the RECORD, excerpts from Mr. Lyman's letter of July 18, 1962.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

> Let me make it clear at the outset that the Neponset River in its present condition has little to recommend it from the recreational water use point of view. Heavily polluted where it flows through the towns of Norwood, Canton, Westwood, and Milton, it oozes its slow way through a marsh that was formerly known as the Fowl Meadows because of the numbers of waterfowl found there.
>
> Plans have been drawn by the metropolitan district commission to deepen the river channel and to straighten it in some areas. This will have the effect of speeding up the current flow. In addition, industrial pollution * * * is gradually being lessened. * * * The river is fed by various unpolluted streams in this area, some of which are now stocked with trout by the Massachusetts Division of Fish and Game.
>
> Present plans for construction of route 95 call for a limited access expressway running in a northerly direction toward Boston. These plans at the moment terminate at route 128. * * * The marsh area south of route 128 is zoned for industry * * * is privately owned and is undeveloped. Wildlife * * * is found in this valley despite the effects of the polluted river. * * * Marsh birds of all kinds and most of the marsh flora and fauna common to * * * New England * * * are * * * found throughout the Neponset Valley.
>
> The line of route 95 * * * would destroy most of this marsh habitat. An alternate route * * * which would not only save the marsh, but would also be more economical to construct, has been disregarded by the highway engineers.
>
> * * * The importance of the Neponset River Reservation * * * cannot be overemphasized. * * * It is easily reached by a large number of people from the metropolitan area. The metropolitan district commission * * * had plans for improvement of the area in coordination with the river channel work. Now that the highway is aimed through the center of the reservation, such improvement is impossible.

> * * * Any action taken on your bill (S. 2767) may be too late to save the Neponset River Reservation but it certainly will prevent such destruction of public lands in the future.

AUTHORITY FOR "MAIL COVERS"

Mr. LONG of Missouri. Mr. President, recently it came to my attention that the Post Office Department has available to law enforcement officials an espionage procedure which may be used to interfere with the privacy of the American people. This procedure is commonly referred to as a "mail cover" and consists of recording the name and address of the sender, the place and date of postmarking, the class of mail and any other exterior data on all mail going to a certain address or addressee.

Several weeks ago, I sent a letter to the Postmaster General requesting a report on this practice. I asked him to cite the statutory authority for conducting mail covers. Mr. Louis J. Doyle, General Counsel of the Post Office Department responding for the Postmaster General, readily conceded there is no statute specifically dealing with mail covers. Instead, the Department relies on the fact that the practice dates back at least to 1893. Section 462 of the Postal Laws and Regulations, 1893, provided instructions to postmasters concerning mail covers. Further, it is the Department's position that mail covers may be carried out under the general authority of the Postmaster General. To quote from Mr. Doyle's letter:

> Aside from custom and usage, we believe paragraphs (1) and (5) of present section 501 of title 39, United States Code, which authorize the Postmaster General to prescribe the rules and regulations he deems necessary to accomplish the objectives of title 39, United States Code, and to execute all laws relating to the Department, confer authority to issue the pertinent regulations authorizing mail covers.

In the Postal Policy Act of 1958, Congress set out as one of its findings that "the Postal Establishment was created to unite more closely the American people, to promote the general welfare, and to advance the national economy."

Historically, there has existed a very special relationship between the Post Office and the American people. In 1877, the Supreme Court of the United States held that a letter while in the mails is entitled to the same protection as a person's papers in his home. Thus, a search warrant which satisfies the requirements of the fourth amendment must be obtained to open a letter in the mail.

Part 113 of the Postal Manual provides—and I read:

> Sealed first-class mail while in the custody of the Post Office Department is accorded absolute secrecy. No persons in the postal service, except those employed for that purpose in the dead-mail offices, may break or permit the breaking of the seal of any matter mailed as first-class mail without a legal warrant, even though it may contain criminal or otherwise unmailable matter, or furnish evidence of the commission of a crime.

It is the effect of mail covers on this special relationship that deeply concerns me. Should the Post Office Department without specific congressional authority handle a letter for a purpose completely unrelated to its job of delivering the mail? The Post Office Department states categorically that the mail is not delayed and is delivered to the recipient at the same time it would have been delivered irrespective of the institution of a cover. However, a Senate subcommittee report filed in 1954 based on an investigation of a mail cover placed on a Member of the Senate said in part:

> D. H. Stephens, Chief Inspector for the Post Office Department, testified that never are the contents of the mail inspected and further that the mail must not be delayed or withheld as a result of the cover. Nevertheless, it is obvious to your committee that some delay in the mail is unavoidable if the request for coverage is complied with.

The use of mail covers is another instance where the full power of the Government is brought to bear on the individual. Information is obtained about the individual which is none of the Government's business. It reminds one of the tactics used in a police state where the government wants to know who is corresponding with whom. A mail cover also appears to be in conflict with the principles of section 1702 of title 18, United States Code, which makes it a crime to take a letter out of a post office or from a letter carrier with design to pry into the business or secrets of another.

Postmasters are authorized by postal regulations to institute mail covers on the request of officers of the law to aid in the apprehension of fugitives from justice and on the request of postal inspectors. Mail covers are used in investigating mail frauds, use of the mails for pornography, and income tax violations in addition to locating fugitives.

When used for investigative purposes, the privacy of the individual can be invaded by the Government on mere suspicion alone. It should be noted that the person whose privacy is affected is not the one who placed the information on the envelope but the one who receives the letter. Therefore, he in no way has waived his right to be left alone. in fact, he may have in no way invited the intermeddling of the Government.

When the cover is used to locate a fugitive, the individual whose privacy is affected is usually only someone close to the fugitive and may not be suspected in the least of any wrongful act. This smacks clearly of guilt by association, a concept completely foreign to American justice.

While mail covers may not run afoul of the Bill of Rights, they certainly come close, and, in my opinion, are repugnant to our free society.

Mr. Doyle in his letter stated:

> I believe that we should make it clear to you that mail covers are infrequent and are used only where there is good reason to believe that they may be instrumental in the solution of a crime.

However, he goes on to say later:

> You have inquired as to the number of such covers in existence as well as the total of such covers conducted in 1961 and in 1960. I regret that we do not have records which would enable us to respond to your inquiry. However, I have instituted a current inquiry which indicates that the total number of such covers runs between 500 and 750.

This latter comment would certainly lead one to question the control which is indicated by the first comment.

The letter from Mr. Doyle attempts to uphold the legality of mail covers based on two Federal court decisions. The first, U.S. against Costello, decided by the Court of Appeals for the Second Circuit, is claimed to uphold explicitly the legality of mail covers. Actually, the decision held that mail covers do not violate sections 1701, 1702, and 1703 of title 18. The second decision, U.S. against Schwartz, held that postal regulations are not violated when information obtained from a mail cover is turned over to the Justice Department.

Therefore, neither of these decisions meet directly the question of the basic legality of the practice.

It is my hope that the Post Office Department will completely reevaluate this matter. If they find mail covers absolutely necessary to law enforcement, then enforceable regulations should be put into effect to limit their use and assure control. The present system is completely unsatisfactory. If the Department fails to act, it will be necessary, in my opinion, for the Congress to provide appropriate procedures.

Mr. President, I ask unanimous consent to insert at this point in the RECORD my letter to the Postmaster General and the reply I received from the General Counsel of the Post Office Department. Also, I ask unanimous consent to insert the present postal regulations which are related to this matter.

There being no objection, the letters and regulations were ordered to be printed in the RECORD, as follows:

JUNE 14, 1962.

Hon. J. EDWARD DAY,
The Postmaster General,
Washington, D.C.

DEAR GENERAL DAY: It has come to my attention that the Post Office Department conducts a practice to help law enforcement officers commonly referred to as mail covers.

In my opinion, this practice constitutes a violation of the individual rights of the American people as it involves a seizure though only momentary from the normal course of the mail. Also, I do not see how such covers constitute a necessary operation in the proper handling of the mail.

Would appreciate a report as soon as possible specifying the statutory authority relied on by the Post Office Department to conduct such mail covers. Also would appreciate the inclusion of any and all rules and regulations promulgated by the Department with respect to this matter. In addition, I would appreciate receiving a report concerning the number of such covers presently in existence as well as the total number of such covers conducted in 1961 and in 1960.

Kindest regards.

Sincerely,

EDWARD V. LONG,
U.S. Senator.

Post Office Department,
Office of the General Counsel,
Washington, D.C., July 17, 1962.
Hon. Edward V. Long,
U.S. Senate, Washington, D.C.

Dear Senator Long: The Postmaster General has asked me to reply to your letter of June 14, 1962, relating to mail covers. You indicate that it is your opinion that this practice constitutes a violation of individual rights, and you ask for the statutory authority relied upon by the Department in this connection.

As you know, a mail cover simply consists of noting the name and address of the sender, the place and date of postmarking, and the class of mail. Mail is not delayed and the contents of first-class matter are not examined. Only the material appearing openly on the wrapper is noted. Since the sender is in noway obligated to place on the outside his name and address, and since he does so with the full knowledge that this may well be read by anyone having possession of the mail, it is difficult to understand in what respect his rights have been violated. Indeed, he places this material on the outside of the envelope with the intention of its being read by postal authorities—at least for certain purposes—and with the knowledge that it may be read by others.

There is no statute specifically dealing with mail covers, but the practice dates back at least to 1893. Section 462 of the Postal Laws and Regulations, 1893, provided in pertinent part:

"Postmasters may, however, when the same can be done without interference with the regular business of the post office, furnish to officers of the law, to aid them in discovering a fugitive from justice, information concerning the postmarks and addresses of letters, but must not delay or refuse their delivery to the persons addressed."

In a case decided in 1833, involving a situation in which the action was neither authorized by nor prohibited by a specific statute, but was based upon custom and usage, the Supreme Court of the United States stated in pertinent part:

"It is insisted, that as there was no law which authorized the appointment of the defendant, his services can constitute no legal claim for compensation, * * *. That usage, without law, * * * can never lay the foundation of a legal claim, * * *. A practical knowledge of the action of any one of the great departments of the Government, must convince every persons, that, the head of a department, in the distribution of its duties and responsibilities, is often compelled to exercise his discretion. He is limited in the exercise of his powers by the law; but it does not follow, that he must show statutory provision for everything he does. No government could be administered on such principles. To attempt to regulate, by law, the minute movements of every part of the complicated machinery of government, would evince a most unpardonable ignorance on the subject. Whilst the great outlines of its movements may be marked out, and limitations imposed on the exercise of its powers, there are numberless things which must be done, that can neither be anticipated nor defined and which are essential to the proper action of the Government. Hence, of necessity, usages have been established in every department of the Government, which have become a kind of common law, and regulate the rights and duties of those who act within their respective limits. * * * Usage cannot alter the law, but it is evidence of the construction given to it; * * *." (*United States* v. *Macdaniel*, 7 Pet. (U.S.) 1, at pp. 14 and 15; 32 U.S. 1, at pp. 9 and 10.)

Aside from custom and usage, we believe paragraphs (1) and (5) of present section 501 of title 39, U.S. Code, which authorize the Postmaster General to prescribe the rules and regulations he deems necessary to accomplish the objectives of title 39, U.S. Code, and to execute all laws relating to the Department, confer authority to issue the pertinent regulations authorizing mail covers. Those regulations are presently contained in sections 311.7 and 831.44 of the Postal Manual. See also section 311.6 of the Postal Manual. These regulations are reproduced on attachment "A."

The legality of mail covers was explicitly upheld by the U.S. Court of Appeals for the Second Circuit in *U.S.* v. *Costello*, 255 Fed. (2d) 876, decided May 20, 1958. See also *U.S.* v. *Schwartz*, 283 Fed. (2d) 107, decided October 6, 1960, in which the U.S. Court of Appeals for the Third Circuit held that mail covers were authorized by the postal regulations. The Supreme Court of the United States has never directly passed upon the question. However, it did deny certiorari in *Costello*, 357 U.S. 937 and in *Schwartz*, 364 U.S. 942. Further, in the case of *Ex parte Jackson*, 96 U.S. 727, in which it was established that sealed letters were protected by the fourth amendment, the Supreme Court strongly indicated it would be proper to examine the outside of sealed letters and to take cognizance of what appears thereon.

As you are aware, this Department is concerned with the enforcement and execution of certain laws. Section 1718 of title 18, U.S. Code, makes nonmailable any matter containing libelous, scurrilous, defamatory, etc. matter on the outside wrappers or envelopes. Any matter containing obscene matter on the outside covers is made nonmailable by section 1463 of title 18, U.S. Code. This Department is also charged with the responsibility of preventing the circulation through the mails of obscene, lottery and fraudulent material, even though such facts may not appear on the outside of the envelope. See sections 4005 and 4006 of title 39, U.S. Code.

The use of such covers has been of considerable assistance to the Federal Bureau of Investigation. Fugitive felons often communicate with their relatives and, by use of a mail cover, the search may be narrowed either to a return address or to a particular locality. In one recent case a mail cover was successful in bringing about the deportation of a dangerous murderer from a foreign country to which he had fled. It has also been useful from time to time in connection with espionage and subversion. In addition, it has been used to locate and identify victims who can testify in cases involving use of the mails to promote a fraud or sell obscene material, but who might not otherwise be known. In one recent case a mail cover resulted in locating a warehouse of a publishing company producing obscene literature and in turning over to local authorities $90,000 worth of obscene publications.

I believe that we should make it clear to you that mail covers are infrequent and are used only where there is good reason to believe that they may be instrumental in the solution of a crime. We will institute mail covers upon the proper request of the Federal Bureau of Investigation or, occasionally, at the request of State or local law enforcement officials. We believe, as a matter of comity, that the Federal Government should cooperate with such State and local law enforcement officials to the extent permitted by law, but we institute mail covers only in those instances where a crime has been committed and there is reason to believe that the mail cover would be useful in its solution.

You have inquired as to the number of such covers in existence as well as the total of such covers conducted in 1961 and in 1960. I regret that we do not have records which would enable us to respond to your inquiry. However, I have instituted a current inquiry which indicates that the total number of such covers runs between 500 and 750. You will see, therefore, that when compared with the vast volume of mail delivered daily to millions of recipients the number is small indeed.

It has been suggested by some that the institution of covers results in delay in the delivery of the mail. This is not true. I can say categorically that mail is delivered to the recipient at the same time it would have been delivered irrespective of the institution of a cover.

I hope this letter is helpful to you and that it will serve to allay some of the misinformation, as well as misgivings, which occasionally surround this practice. I particularly want to reemphasize that no inquiry is made as to contents and that the only information acquired is that which is openly, and voluntarily, put upon the envelope by the sender or by postal officials in the course of business.

Sincerely yours,
Louis J. Doyle,
General Counsel.

Exerpt From Postal Regulations

311.6. Mail matter: Furnish information concerning mail or mailing permits to postal inspectors and to the sender, the addressee, or the authorized representative of either on proper identification. Do not give such information to others. See 123.5 and part 312 regarding correction of mailing lists.

311.7. Concerning fugitives: Furnish to officers of the law, on proper identification, information regarding the addresses, return cards, or postmarks on mail to aid in the apprehension of fugitives from justice. Report the action immediately to the postal inspector in charge.

831.44. Mail cover: Requests by postal inspectors in charge and postal inspectors for information regarding the addresses, return cards, or postmarks on mail must be treated in strict confidence and complied with carefully and accurately. In obtaining the information, do not delay delivery of the mail. (See 311.6 and 311.7.)

MUCH NEEDED AID FOR SMALL BUSINESS THROUGH IGA FOOD STORES

Mr. WILEY. Mr. President, for over 28 years it has been my privilege to watch the development of that segment of our national economy known as little business. We, as Members of this honorable body, the Senate of the United States, have an exceptional vantage point for observing the plight, the problems, and the progress of the small independent. And many of us do much more than merely observe; we take active interest in seeing that the little man enjoys all the advantages that our great Republic offers.

One of the biggest problems faced by independent grocers, for example, has been the matter of financing. The grocer with unquestioned ability, with the sort of aggressiveness that responds to challenge, with a potential for service that is far greater than his facilities afford—such a grocer traditionally has been condemned to frustration, because he has never had an opportunity of financing a bigger, better store—in a more competitive location. Now, at last, the small independent grocer can finance his future—and the news is so significant to our national economy, that I regard it as well worth the telling to this body, the U.S. Senate. In fact, I regard it as my duty to submit this as a further evidence that the American way is still operating—that there is still an opportunity for the individual conducting a commercial enterprise to compete successfully against the huge corporations which might seem to overwhelm him.

For the little fellow is the biggest business in our economy—once he unites in common purpose. Don R. Grimes, as president of the Independent Grocers' Alliance, the IGA, as it is familiarly known, supplies living proof of this truth. A generation ago there was no such alliance. There were only scattered, unorganized independents—and huge, corporate chains. Today, Don R. Grimes heads a voluntary food store chain that is the world's largest. It comprises over 5,000 independent grocery stores, in 46 States and in 8 Canadian provinces.

As this organization grew in size, it grew in service, service supplied by the wholesaler to the retail grocer, and in turn by the retailer to the public he served. As the general public began to appreciate the cleanliness, the brightness, the convenience, the packaging, the higher quality, and the lower prices, the IGA grew in size and scope. And the grocers composing it grew—individually—in size and service. Yet there was always the stone wall: financing.

But now, through the aggressive leadership of IGA, even that stone wall has been breached. Now the independent can grow to any limit his ability dictates, and note this: still stay independent. The little fellow can grow big without losing his identity; and without giving up his individuality by becoming an employee of a huge corporation. Now he can grow, for it is traditional with the small individual enterprise that profits are "plowed back into the business" to form a sounder, solider, broader based enterprise.

Out in Wisconsin, where the corner grocer, like the crossroads cheese factory is symbolic of the independence we cherish so highly, we find this news particularly stimulating. Now a grocer has no limitations to growth, except his own abilities and efforts.

This plan permits a grocer of proved ability to invest as little as $22,500. He gets a new supermarket of 6,440 square feet, all superbly equipped, scientifically planned, completely stocked; it has the parking space so necessary to the modern food mart. Most important, it is located on a site chosen only after exhaustive market and traffic study by experts in those fields. No longer need the independent watch the big chains step in and take a site he would like to have but could never before afford.

So, for a $22,500 investment, the small independent can turn the key in the door of such a store. He also has: a working capital sufficient to conduct his business, a stated personal weekly income, life insurance on himself through the duration of the transaction, all the services of merchandising, mass buying, advertising, publicity, promotion already associated with the IGA—and in 5 years, the business is his. It is his without obligation and the profits are all his own. All he has to do is to maintain 50 percent of the conservatively rated sales volume potential.

But this is not the full story, nor does it disclose the full significance of the program. For this plan is expandable. At any time, the grocer may increase the size of his store—the stores are planned so that such increase can be made quickly, easily, economically. Truly, there is no limit to the growth of the independent.

Under the leadership of Don R. Grimes, president of the IGA, whose offices are at 131 South Wabash Avenue, Chicago, Ill., this plan is now ready. It has proven highly successful during a 5-year trial period. It already has helped men break through the final barrier that has always hemmed in the independent grocer: financing.

Here, I submit, is a worthy model for other industries to follow. It is our American democracy working at its highest potential. It gives the lie to the charge that democracy is on the downgrade, that the day of the rugged individualist is over. It gives new hope to the little fellow in his struggle with the corporation. It gives new hope to all of us—to all of us who believe in the unshakeable permanence of our American principles.

SPACE COMMUNICATIONS EXPERIMENT INDICATES NEED FOR NEW STUDY

Mr. YARBOROUGH. Mr. President, since the taxpayers of America have already spent billions of dollars on research making it possible to put communications satellites into space, it would be a grave mistake to transfer the product of this research into the coffers of a monopoly private corporation.

Even now, research is continuing under Government contract to advance worldwide communications by television, radio, wireless telegraph, and telephone.

In Los Angeles, Calif., the Hughes Aircraft Co. is working on synchronous high-altitude communication satellites where reportedly three alone can relay more than one television program around the clock. These three satellites would be 22,300 miles above the earth, and if successful, would make the low-level Telstar system obsolete even before it was installed.

In my opinion, this kind of research is still another reason why the space communications program should remain under Government ownership and guidance, at least for this experimental stage, because at this point it is not known what competing industry will develop the best system.

The potential for improved world relations and peace is so great that certainly the American taxpayer is entitled to the best system, and a continuing voice in the direction our space communications efforts take us.

It is far too early in the new frontier of space communications to give away the product of tax-financed research to domination by a private monopoly which would run it solely for private gain.

An infant requires close attention and years of guidance before it is put out into the world on its own. The infant of space communications should not be abandoned on the doorstep of a monopoly, where its true parent, the taxpayer, will forever mourn its loss.

I ask unanimous consent to have printed in the body of the RECORD the following article from the Washington Post of Friday, August 3, 1962, captioned "Hughes Firm Planning 'Parked' TV Satellite."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HUGHES FIRM PLANNING "PARKED" TV SATELLITES

(By Marvin Miles)

LOS ANGELES, AUGUST 2.—Synchronous communication satellites that can relay one or more television programs the clock around are being developed under Government contract by Hughes Aircraft Co. here.

The high-altitude orbiters, called advanced syncoms, will permit 24-hour-a-day telecasting. Only three syncoms could blanket the earth, whereas 40 to 50 satellites of the Telstar type would be required for the same purpose, Hughes scientists said.

The company reported some time ago it was developing three smaller communication satellites under Project Syncom for the National Aeronautics and Space Administration.

Hughes is also working on the advanced syncom for NASA, developing subsystems and an engineering structural model to determine the final design for a commercial system.

The smaller syncoms, weighing 72 pounds each, will be launched early next year as experimental models and will operate only a single two-way voice channel.

Advanced syncoms, according to Allen B. Puckett, Hughes vice president and head of the aerospace group, will weigh approximately 500 pounds and probably will carry four radio signal repeaters.

Each could provide up to 300 two-way telephone channels or one TV channel. Hence the 5-foot orbiters will be able to relay 1,200 phone calls simultaneously, or four TV programs, or combinations such as 600 phone calls and two telecasts.

Both syncom types will be orbited at an altitude of 22,300 miles where their speed will be the same as that of the earth's rotation. Thus they will be stationary in relation to a point on earth and will appear to hang motionless.

A single syncom over the Atlantic would be sufficient to link four continents—North America, Europe, South America and Africa.

ARTICLE ON CHRISTIAN LIVING SHOWS HUMANITARIAN INSIGHT OF SENATOR JENNINGS RANDOLPH

Mr. YARBOROUGH. Mr. President, on Wednesdays when the Senate is in session, I attend a Senate prayer group breakfast with a number of my colleagues, including the distinguished Senator JENNINGS RANDOLPH, Democrat, of Randolph County, W. Va.

Senator RANDOLPH, one of the most accomplished orators in the Senate has long been a leader in religious, civic, and educational fields, as well as in politics and government. I have been acquainted with him for about 5 years and cherish his friendship.

A former newspaper editor, author of several books, former professor in two different colleges and universities, former dean of a school of business administration, and now a trustee of an institution of higher learning, it is not strange that JENNINGS RANDOLPH is an outstanding advocate of better educational opportunities for all the youth of America.

Senator RANDOLPH recently had published in the Sabbath Recorder an article on Christian living, which will be of particular interest to Members of the House and Senate because of his thoughtful and searching study and comments. This article gives an insight into the philosophy and humanitarianism of JENNINGS RANDOLPH.

I ask unanimous consent to have printed in the body of the RECORD an article captioned "How Can Committed Christian Living Impel Me To Take Vital Constructive Action in Today's Troubled World?" by Senator JENNINGS RANDOLPH from the Sabbath Recorder of February 1962.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW CAN COMMITTED CHRISTIAN LIVING IMPEL ME TO TAKE VITAL CONSTRUCTIVE ACTION IN TODAY'S TROUBLED WORLD?

(By Hon. JENNINGS RANDOLPH)

ARTICLE 1

"Each for the other and both for God."

Those words, inscribed by my mother in the Bible she gave me as a graduation gift strengthened the meaning which the book had earlier for me. In this brief entreaty she crystallized in my thinking its two most basic teachings—the brotherhood of man and the fatherhood of God. The Bible has supplied this understanding since I first came to it in my youth.

The day my mother penned those beautiful and reassuring words was a memorable one.

I recall when the certain guidance in the Bible heightened my consciousness of life and the application of the scriptures to living. It was unfolded, when reading the proverbs as a young man, in the truth of the passage—

"Pleasant words are as an honeycomb, sweet of the soul, and health to the bones" (Prov. 16: 24).

I believe this and attempt to apply it in my life. We should search out the worthwhile qualities in our fellow citizens, rather than play the role of detractor and faultfinder. This does not imply a surrender of one's values to mere flattery, nor deny the existence of injustice that must be redressed. The truth of these thoughts has been confirmed many times during my service in Congress.

At 12 noon, when the U.S. Senate meets in regular session, the doors leading onto the floor and into the galleries are closed—all talking and motion ceases and a hushed quietness settles over the Chamber and in the galleries.

At this moment, the rostrum of the U.S. Senate becomes a national altar of prayer to God, as the Vice President announces: "The Senate will be in order and the Chaplain will offer prayer." All the sessions of Congress are opened by prayer. We are inspired and encouraged to find strength and understanding for the day before we become preoccupied with pressing public business.

The 537 Members of the Senate and the House of Representatives, with the exception of 5 (2 in the Senate and 3 in the House) have publicly announced their religious affiliation as follows:

Religious affiliations of Members of 87th Congress (summary as of Mar. 22, 1961)

	Senate	House	Total
Protestant:			
General	4	19	23
Apostolic Christian	0	1	1
Baptist	13	48	61
Central Schwenkfelder	0	1	1
Christian Church	0	3	3
Christian Scientist	0	4	4
Church of Christ	0	5	5
Congregational Christian	7	18	25
Cumberland Presbyterian	0	1	1
Disciples of Christ	2	8	10
Episcopal	13	53	66
Evangelical and Reformed Church	0	2	2
Evangelical Free	0	2	2
Evangelical and United Brethren	0	1	1
Latter-day Saints (Mormons)	3	3	6
Latter-day Saints (Reorganized)	1	0	1
Lutheran	4	17	21
Methodist	19	77	96
Presbyterian	11	60	71
Reformed Church in America	1	0	1
Seventh-Day Baptist	1	0	1
Society of Friends	1	1	2
Unitarian	5	4	9
United Presbyterian	0	1	1
Protestant, total	85	329	414
Roman Catholic	12	88	100
Jewish Congregation	1	11	12
Sikh	0	1	1
Not given	2	3	5
Vacancies	0	5	5

Source: Library of Congress, Legislative Reference Service from Congressional Quarterly No. 14, Apr. 7, 1961.

These Members of many faiths deepen their conviction often by using the Prayer Room in the Capitol.

Members of Congress meet weekly when it is in session in Senate and House prayer breakfast groups. One of their own Members leads, the Scriptures are read, there is discussion, sharing of problems and prayer. The searchlight of God's word is turned on motives and activities. These groups have been meeting without intermission for 18 years.

Probably the most forceful and direct way to take constructive action in today's world is by sponsoring and supporting purposeful and humanitarian legislation in the national interest and for the public good.

The theologian, Dietrich Bonhoeffer, executed in a concentration camp, expressed the Christian objectives which we in the Congress are trying to achieve by enacting laws which are meaningful.

The hungry man needs bread, and the homeless man needs a roof; the dispossessed need justice, and the lonely need fellowship; the undisciplined need order, and the slave needs freedom.

To allow the hungry man to remain hungry would be blasphemy against God and one's neighbor, for what is nearest to God is precisely the need of one's neighbor.

It is for the love of Christ, which belongs as much to the hungry man as to myself, that I share my bread with him and that I share my dwelling with the homeless.

If the hungry man does not attain to faith, then the guilt falls on those who refused him bread.

Justice for the dispossessed; order for the undisciplined; freedom for the oppressed; surely these are motives which we as a democratic and peaceful nation are morally obligated to support. The challenge is urgent.

I was privileged to sponsor and support the measure which established our Disarmament Agency for World Peace and Security and seeks to give impetus to the goals for a world which is free from the scourge of war and the dangers and burdens of armaments.

Dag Hammarskjold worked tirelessly and courageously for this ideal. His mission was in part—as he wrote to a friend shortly before his death—in response to the need for a "* * * deep sense for the spiritual basis—and responsibility—" of the United Nations.

At such times as now, when the United Nations is riven by the disruptive tactics of the Soviet Union it is difficult for us to maintain the vision of this spiritual ideal to which Hammarskjold was so fully committed. Yet, we must, if we are to avert the unparalleled disaster of nuclear war, maintain the vision of what the U.N. must become—an effective agency for bringing the rule of law into international affairs.

As a member of the Senate Special Committee on Aging, I am particularly concerned with programs to aid our senior citizens by providing medical care based on the social security system and other desirable measures to assist them in obtaining suitable housing and to remain or become valued, appreciated members of our society.

My strong personal support of legislation to assist the handicapped has been constant.

There are many ethical and vital problems facing Congress. Of enduring significance is that of preserving inviolate the wall of separation between church and state. There are many areas in which this wall may be breached—at local, State, and Federal levels—though the one in which the most pressure is currently being generated is that involving Federal assistance to education.

The clearest expression of the intent of Madison, who authored the first amendment, and of the other founders of the Constitution who adopted it, was offered by one of America's distinguished jurists, Jeremiah S. Black, in his essay, "Religious Liberty."

"The manifest object of the men who framed the institutions of this country, was to have a state without religion, and a church without politics—that is to say, they meant that one should never be used as an engine for any purpose of the other. Our fathers seem to have been perfectly sincere in their belief that the members of the church would be more patriotic, and the citizens of the state more religious, by keeping their respective functions entirely separate. For that reason they built up a wall of complete and perfect partition between the two."

In Mark 5:19, we find the admonition: "Go home to your friends and tell them how much the Lord has done for you, and how He has had mercy on you." Many opportunities are provided to us to "Go home to * * * friends and tell them * * *" through speaking and counseling in our official capacity as representatives of our States. I am conscious of this personal responsibility.

SUMMER CAMP FOR IOWA'S CRIPPLED CHILDREN—THEY DONATED THEIR ABILITIES TO HELP KIDS WITH DISABILITIES

Mr. MILLER. Mr. President, when it comes to doing good works and helping the unfortunate, the notion has become all too prevalent that government is "George," the only one to let do it. This attitude can have an adverse effect on the spirit of charity, which we like to think is a hallmark of the American people.

Of course, many good works are done privately, as opposed to those done by government. But private charity has tended to be overshadowed by official programs of public charity.

An excellent example of what I mean by private good works is Camp Sunnyside for Crippled Children and Adults, which was opened in my State of Iowa this summer. Iowa crippled children and adults now enjoy a summer camp because Iowans, particularly Iowa labor union members gave their time, skill, and money.

In so doing, these volunteers not only provided a social agency of incalculable value to Iowa, they demonstrated anew that the public can meet the challenge of social needs without leaving it to be done by government. It is difficult to say which is the greater monument—the camp itself or the demonstration of nongovernmental good works which it represents.

The details of the services donated by these volunteers are set forth in an article published in the summer issue of the Iowan magazine. It is an inspiring story of doing good, in the finest sense of that maligned phrase. I salute the volunteers cited in the article.

Mr. President, I ask unanimous consent that the Iowan's report on their good works be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

They Donated Their Abilities To Help Kids With Disabilities

(Today Iowa crippled children enjoy a summer camp because Iowans, particularly Iowa unions, gave not only money, but time.)

With the opening of Camp Sunnyside for Crippled Children and Adults this summer, the 3,000 men and women who voluntarily donated over 18,000 hours of labor to complete its construction north of Des Moines, will have a permanent record of their efforts.

Conceived and planned by the Iowa Society for Crippled Children and Adults (the Easter Seal Society) several years ago, the camp received its first big boost with the financial pledges of $75,000 for a main lodge by the Veterans of Foreign Wars of Iowa and $15,000 for a health and therapy lodge by the Elks Clubs of Iowa. But it took the skill, knowledge, experience, and determination of volunteers from all the crafts organized under the Iowa Federation of Labor, AFL–CIO, and contacted through the State Building and Construction Trades Council to accomplish the dream of a camp designed exclusively to provide handicapped children and young adults opportunity to enjoy the benefits of a program which otherwise would have been denied them.

A recent accounting of the workers who gave up their leisure time, some traveling many miles to work on the project, showed 25 classifications in the building trades, representing approximately 75 organized union locals in the State. These included asbestos workers, bricklayers, carpenters, concrete masons, cement finishers, electrical workers, glaziers, iron workers, laborers, operating engineers, painters, pipe layers, roofers, sheet metal workers, plumbers and steamfitters, teamsters, tile setters helpers, municipal workers, State and municipal workers, over the road and city transfer, upholsterers, industrial unions, contractors, tree men, and economy forms supervisors. They came from across the State—Ottumwa, Dubuque, Cedar Falls, Waterloo, Cedar Rapids, Sioux City, Mason City, Des Moines, Ames, Fort Dodge, Davenport, Marshalltown, Council Bluffs, Burlington, Muscatine—traveling at their own expense to spend at least one weekend and most of them for two or three weekends.

Their intense interest is exemplified by one work crew from Fort Dodge who planned to send 10 plumbers and steamfitters for a weekend but arrived with only 9. Their spokesman explained that the absentee was detained by something very important and would be unable to make the trip. However, he continued "this fellow felt so bad about having to go back on his promise, that he asked me to give you this." It was a check for a plumber's wages for a day to make up for his absence.

Another volunteer crew of plumbers who were running the last 200 feet of clay pipe ran into quicksand which called for special equipment. Since it was Sunday, it was impossible to get the equipment before Monday when the volunteers would be gone. After discussions with the president of the Iowa State Pipe Trades, it was decided to hire the work completed which would spoil the 100-percent donation record of that trade. A short time after the work was finished, a check covering the full amount involved in that particular job was sent by the State Pipe Trades Association which kept their donation record intact.

The number of hours donated by the various locals ranges from several hours to several thousand hours depending on the need for their services. Setting the pace has been local 33 of the Des Moines plumbers and steamfitters which has donated nearly 3,000 hours of labor. Another outstanding number of hours, over 2,000, has been donated by local 234, Des Moines operating engineers. Carpenters representing several locals spent 2,752 hours on the project, and electrical workers throughout the State donated over 1,160 hours. Industrial unions provided 1,355 hours of labor while the State's plumbers and steamfitters spent almost 5,300 hours on the camp.

In addition to their labor, these volunteers were also able to help obtain a great number of donated materials, tools, and even equipment. Besides that, organized labor pledged $80,000 in cash plus more donated labor for the construction of a large, heated swimming pool. Measuring 50 by 70 feet and adjacent to the main lodge, the pool has a special area 25 by 25 feet which will be 1 foot in depth for use by the severely handicapped.

In spite of a snowy winter, a crew of operating engineers working with equipment furnished by a group of excavating contractors, hauled 40,000 cubic yards of dirt in January in the excavation of the 3-acre artificial lake. With good weather it is expected that the lake will be ready for boating and fishing this season.

Reaping the benefits from all this dedicated effort will be an estimated 500 handicapped persons who will attend camp this summer. According to the camp director, Rolfe Karlsson, Camp Sunnyside's second season will get underway June 24 with a 2-week period for youngsters aged 8 to 11. There will again be five camping periods divided among the various age groups, children, teenagers, and adults. Many of these will be able to attend only because of contributions by organizations and individuals throughout Iowa.

Each cabin at Sunnyside will accommodate 16 to 20 youngsters which brings approximately 100 campers at a time during each camping period. For each four children there is a special counselor assigned. Therapists, nurses, and specially trained personnel will be on hand at all times to provide for the special needs of these youngsters. With the assistance of counselors, program directors, craft directors, nature study leaders, and waterfront directors, the handicapped campers will take hikes and excursion trips, go horseback riding, boating, and fishing. Instruction in ceramic tile, leather and woodworking, clay modeling, stone cutting, painting, photography, block printing, and even ham radio operation will open up new hobbies for them. Other camp activities include nature study, cookouts, all kinds of table games, swimming, and such unusual events as wheelchair square dancing, and the staging of a carnival, complete with sideshows and games.

In addition to the recreation and relaxation, the camp gives youngsters a chance to overcome the feeling of "aloneness" and being "left out." Many receive therapy treatments which are often unavailable in their homes or towns.

Camp Sunnyside is constructed with all the latest conveniences for the crippled including ground-level entrances, wide doors, low windows, indoor ramps which add to the safety and comfort of the campers.

The camp is located on a beautifully wooded 37-acre tract abounding with native birds and small animals and many varieties of Iowa plants, grasses and flowers. These not only add to the beauty of the camp but provide a natural setting for classes in nature study.

Clarence Yarn of Des Moines donated 10 acres of natural woodland which established the location of the camp in Polk County. The society purchased an additional 10 acres from Polk County and leased another 17 acres on a long-term lease at $1 a year.

WE MUST LEARN FROM MISTAKES

Mr. ALLOTT. Mr. President, recently a settlement was reached in Laos which, in effect, leaves the fate of that country in the hands of the three ruling Princes. One of them, Prince Souvanna Phouma was a recent visitor in this country and is now in Tokyo for talks with the Japanese Government regarding economic assistance.

We have all shared the deep concern over the problems facing that country and have carefully watched the developments arising there. Some dispatches at least, give reason to believe that the Geneva agreement may ultimately achieve less than we would have hoped. Richard Starnes has been covering the situation in Laos for some considerable time, from a vantage point, directly on the scene. In his dispatch dated July 28 he says that: "In numbed disbelief one learns that W. Averell Harriman, Assistant Secretary of State for Far Eastern Affairs, has returned from Geneva proclaiming that the agreement on Laos is a 'good' one—one that will work if Khrushchev keeps his word, as Mr. Harriman says he believes he will. Thus another fable is added to the dangerous mythology that is the foundation for much of what passes for American policy in southeast Asia."

There is no question of the seriousness of the situation in all of southeast Asia. I wonder whether the Geneva agreement will ultimately come to be no more than a Pyrrhic victory. It cannot come to that. I trust that the often criticized State Department has not, again, merited the displeasure of the American people. These two dispatches from Laos by Mr. Starnes certainly raise the question. I ask unanimous consent to insert them into the Record at this point.

There being no objection, the dispatches were ordered to be printed in the RECORD, as follows:

We Must Learn From Mistakes

(By Richard Starnes)

VIENTIANE, July 24.—Good losermanship has never been a tradition of American arms and it's a quality notably missing among U.S. personnel here in Endsville on the Mekong River.

The United States—to borrow a phrase from the late Gen. "Vinegar Joe" Stilwell—has taken a hell of a licking in Laos.

True, it was a licking once removed—in that our military people were involved only in training and advisory roles. But it was a resounding and humiliating defeat nonetheless.

The Royal Lao Army was trained, organized, paid and equipped (reequipped), advised, and wetnursed by our best military brains. But every time it came to the payoff the royal army turned out to have the same raw instinct for battle as "Fainting Phil" Scott, the celebrated horizontal heavyweight of years ago.

Apart from the affront to American pride, which always holds that one Yank soldier is worth a dozen or so of any other troops, our painful lesson in Laos is important for two big reasons:

First is that it gives substance to Communist radio Hanoi's scornful "paper tiger" propaganda directed against the United States. What happened here wasn't a remotely fair test of American fighting prowess, but it's too much to expect the unsophisticated southeast Asian peasants to understand this.

Second, it's terribly important because the sad truth is that the United States (if it isn't to file a quitclaim to the whole Indochinese peninsula) must employ native troops or be resigned to committing large U.S. forces here.

For these reasons the post mortem that is now being conducted on the corpse of our military policy here is motivated by more than morbid curiosity. Unless we can learn from our mistakes here, the same disaster could as well befall us in South Vietnam and, when its turn comes, Thailand.

One of the men most deeply concerned with learning why we failed here is Maj. Gen. R. H. Tucker, who heads the U.S. military advisory group in Laos. Tucker is candid, blunt, and forthright.

He took command here just before the final rout of the tame Royal Lao Army by numerically inferior Communist forces, so his appraisals are not likely to be colored by any considerations of personal prestige.

Basically his position is that the U.S. Army advisers here did a "marvelous" job—in the circumstances. Of course, if a marvelous job fails to accomplish the mission, the inference is that the mission itself was impossible.

"If we had only been dealing with a 'manana' attitude on the part of these people it wouldn't have been so difficult," he told me. "But in this country it isn't 'tomorrow.' It's next year, or even never. There's just no ability, no understanding of the need of planning for the future."

To begin with, much of the military hardware we poured into Laos simply remained in warehouses. One reason for this was the lack of a supply organization.

Another was the royal army bosses' sure knowledge that once it was passed on to the troops they'd never regain possession of it.

Safely stored in a warehouse, the equipment was theirs and was, so to speak, insurance against a sudden attack of good sense by the Americans—an event that undoubtedly would have meant a cutoff of all military aid.

"To give an example of their concept of logistics," Tucker continued, "after one battle I asked their headman what he would need to get ready to fight again. He said 'Seven thousand of everything.' "

We tried to lift these people from primitive feudalism into the 20th century—and failed.

Unless we learn from our failures here, the prospects of saving what's left of southeast Asia are profoundly gloomy.

A Sense of Foreboding

(By Richard Starnes)

VIENTIANE, LAOS, July 28.—A departing visitor, assuming he is neither blind nor deaf, cannot help but leave this strange, ominous little noncountry with a profound sense of foreboding for the future of Western man in southeast Asia.

Crossing the broad, turgid Mekong River, at this time of year almost blood-red with the tons of topsoil seasonal rains have swept into it, one feels he is traveling not through space but through time—that he is leaving behind an area where somehow evolution stopped with feudalism, that he is trying desperately to regain a foothold in the 20th century.

This is a land of myths and devils, of evil spirits and demonology. But it is with a sudden shock that one realizes that there is a Western mythology surrounding Laos (and the rest of southeast Asia) that is no less grounded in superstition and foolishness than the folkways of these primitive people.

In numbered disbelief one learns that W. Averell Harriman, Assistant Secretary of State for Far Eastern Affairs, has returned from Geneva proclaiming that the agreement on Laos is a "good" one—one that will work if Khrushchev keeps his word, as Mr. Harriman says he believes he will. Thus another fable is added to the dangerous mythology that is the foundation for much of what passes for American policy in southeast Asia.

The Geneva agreement on Laos is of the same sorry lineage as the accord establishing (and, mark well, "policing" with an international control commission) the boundary between North and South Vietnam. To believe, as Mr. Harriman says he believes, that the Geneva agreement is good and has a chance of working, one must ignore the history of Communist conquest in Indochina, and one must forsake all logic as well.

To believe the Communist world means to keep the peace in a neutral Laos, one must first believe Communist policy has undergone a sharp and total reversal since the disgraceful rout of the U.S.-backed Royal Lao Army at Nam Tha in May. This was the final disaster for the West in Laos, the ultimate proof of the bankruptcy of our policy, and it was a Communist victory as decisive as Dienbienphu.

Now our State Department's licensed soothsayers ask us to believe (indeed, blandly assert that they themselves believe) the Communists are going to abandon the fruits of their victory, that having perhaps fatally breached our defenses in southeast Asia they are suddenly going to pack up and go home and permit the three clown princes to misrule in peace.

This bit of mythology would be difficult for any sane man to believe, even in the face of compelling evidence. Lacking any evidence (other than the wholly unsupported fable that somehow Russia now wants a truly neutral Laos, which it clearly did not want as recently as May), the myth Mr. Harriman brings home from Geneva is incredible nonsense.

It is easy enough to demolish this bit of mythology, but it is not so easy to understand why American policymakers who must know better are so busily trying to sell it.

Are the political consequences of the loss of all southeast Asia (a possibility Americans must begin to adjust to) so grim that truth and reality must be cast aside and some cynical dementia substituted? It is not difficult to fool the American people over the short term, but it is historically impossible to fool them indefinitely. What myths will be hastily fabricated when the current folklore of Laos is exposed for the tawdry patchwork of falsehood that it is.

Is all this artful stagecraft being done so that 6 months or a year hence, when Laos is an overtly Communist state, when South Vietnam can no longer be saved, when Thailand may herself have begun the dance of death, that our State Department can point to this place in the past and say, "Who could have foreseen this? We had every reason to believe the Geneva agreement on Laos would work."

If indeed this is the rationale for the happy talk we now hear regarding Laos, then we are confronted with a historical conspiracy containing the seeds of unbounded mischief. For the truth is that the Geneva Pact on Laos is not a good agreement, that it can't and won't work, that it may well mark the turning point at which all southeast Asia was lost to the free world.

Mr. ALLOTT. Mr. President, adding a further disquieting note is a dispatch from Tokyo. Prince Souvanna Phouma was asked about the presence of 10,000 North Vietnamese troops in Laos. Assistant Secretary of State Harriman allegedly declared that this number was in the country. This morning's New York Times carries an article on this subject, describing the situation.

We must continue to watch the progress in this area of the world very closely.

I ask unanimous consent to insert this article in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Lao Chief Tacitly Admits Red Vietnam Aid—Hints He Has Been Assured on Troops' Withdrawal—Souvanna Phouma in Tokyo, Hails U.S. Example

TOKYO, August 2.—Prince Souvanna Phouma, Premier of neutral Laos, tacitly acknowledged today the presence of North Vietnamese Communists in his country.

The Lao Premier, who has been holding talks on economic aid with Japanese officials, was asked at a news conference here to comment on a statement by Assistant Secretary of State W. Averell Harriman that the North Vietnamese had had 10,000 men in Laos. The leftist Pathet Lao, now represented in the neutral government, had denied that the North Vietnamese entered Laos to help them.

Prince Souvanna Phouma said that "according to contacts I have had with the North Vietnamese Government I am convinced that the 75-day period laid down in the Geneva agreement on Laos for the withdrawal of foreign troops would be respected."

U.S. EXAMPLE HAILED

"I am very glad that the United States has given an example in withdrawing its troops and hope that this example will be followed by others," he added.

It was not clear whether the Premier was alluding to the withdrawal of U.S. Marines from Thailand or Washington's plans to recall U.S. military advisers in Laos.

The Prince also made it clear that he did not think any plan to rotate control of the Lao Army among the leftwing, neutralist and rightwing elements of the government could last long.

"Our intention is to arrive as soon as possible at the unification of the three forces into one single army," he said. "Then we shall proceed with demobilization suitable to our needs. This unification and partial demobilization will be completed within a year.

RELATIONS QUESTION STUDIED

Prince Souvanna Phouma, who arrived here yesterday after talks in Washington with President Kennedy, said his government was still studying the question whether it could have diplomatic relations with South Korea as well as North Korea, North Vietnam as well as South Vietnam and Communist China as well as Nationalist China.

But he said that the acceptance of the credentials of the Nationalist Chinese Ambassador was carried out under the previous rightist government and would have to be reviewed.

After talks with Premier Hayato Ikeda and other Japanese officials, the Lao Premier left Tokyo by plane for Hong Kong.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

CONVEYANCE OF CERTAIN PROPERTY IN THE CITY OF SAN DIEGO, CALIF.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1108) authorizing the conveyance of certain property in the city of San Diego to the regents of the University of California.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate resumed the consideration of the bill, which had been reported from the Committee on Armed Services, with amendments, on page 2, at the beginning of line 20, to strike out "for a period of twenty years after the date of such conveyance for educational purposes; (b) if at any time during that period" and insert "so long as the property conveyed shall be used for educational purposes; (b) if at any time"; on page 3, line 6, after the word "therefor.", to insert "Such deed of conveyance shall be subject to such other conditions as the Secretary of the Navy may deem appropriate to protect the interests of the United States."; and, in line 19, after the word "conditions", to strike out "established in section 3" and insert "prescribed in the first sentence of section 3"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Navy, or his designee, is authorized and directed when he determines that the following described land at Camp Matthews, California, is available for conveyance to the regents of the University of California for educational and related purposes, to convey said land, together with all improvements and appurtenances, to the regents of the University of California by quitclaim deed without monetary consideration therefor but upon the conditions set forth in this Act.

SEC. 2. The property to be conveyed comprising approximately 544 acres of land is more particularly described as follows: The easterly half of pueblo lot 1300; all of pueblo lot 1309; all of pueblo lot 1310; all of that portion of pueblo lot 1311 lying easterly of Pacific Highway and southerly of Miramar Road; all that portion of pueblo lot 1314 lying southerly of Miramar Road; all that portion of pueblo lot 1315 lying southerly of Miramar Road; all that portion of the westerly half of pueblo lot 1316 lying southerly of Miramar Road; said pueblo lands being according to the map thereof made by James Pascoe of 1870, a certified copy of which is filed as miscellaneous map numbered 36 in the office of the county recorder of San Diego County, California; excepting therefrom any property previously conveyed to the State of California or the city of San Diego for highway purposes.

SEC. 3. The deed of conveyance executed pursuant to this Act shall include the conditions that (a) such property shall be held by the regents of the University of California so long as the property conveyed shall be used for educational purposes; (b) if at any time the Secretary of the Navy determines, upon advice received from the Secretary of Health, Education, and Welfare, that the property so conveyed, is not held for such purposes, title thereto shall immediately revert to the United States; and (c) in the event of any such reversion, title to all improvements made thereon by the regents of the University of California during its occupancy shall vest in the United States without payment of compensation therefor. Such deed of conveyance shall be subject to such other conditions as the Secretary of the Navy may deem appropriate to protect the interests of the United States.

SEC. 4. The regents of the University of California may exchange portions of the property described in section 2 for other adjacent lands of approximately equal value in order to develop such property boundaries as may be best suited for the purposes of the University of California.

SEC. 5. Section 3 shall be applicable in all respects to any land received by the regents of the University of California under the exchange provisions authorized in section 4, and any land conveyed by the regents of the University of California pursuant to such exchange shall be received by the grantee thereof free and clear of the conditions prescribed in the first sentence of section 3.

ORDER OF BUSINESS

Mr. DODD obtained the floor.

Mr. KEATING. Mr. President, will the distinguished Senator from Connecticut yield to me briefly with the understanding that he shall not thereby lose his right to the floor?

Mr. DODD. Mr. President, I shall be most happy to yield to my friend with the understanding that I shall not lose my right to the floor.

Mr. KEATING. I appreciate that very much.

The PRESIDING OFFICER. Without objection, the Senator from Connecticut yields to the Senator from New York.

NOMINATION OF JUDGE THURGOOD MARSHALL

Mr. KEATING. Mr. President, a subcommittee of the Senate Committee on the Judiciary has scheduled a hearing next week on the nomination of Judge Thurgood Marshall.

The hearing is scheduled for 10:30 a.m. on Wednesday, August 8.

This will be the third hearing on this nomination, even though not a single witness has appeared in opposition to confirmation of the nomination of Judge Marshall. At the last hearing, the subcommittee was advised by committee counsel that a maximum of 2 or 3 hours was required to complete his questioning of the nominee. However, the chairman of the subcommittee indicated that he could not estimate how long the questioning would go on.

Judge Marshall was first nominated to the U.S. Court of Appeals on September 23, 1961. When the Senate adjourned shortly after that without action on the nomination, Judge Marshall was given a recess appointment by the President, and his nomination was again submitted to the Senate on January 15, 1962. He actually has been sitting as a Federal judge for more than 9 months.

It would be shocking if the Senate adjourned without confirming the nomination of Judge Marshall. No one familiar with his record can doubt his superb legal ability. Nothing has been presented at any of the subcommittee's hearings raising any question as to his character or judicial temperament. He record of actual service on the court already has won him the high praise of the chief judge.

Under these circumstances, there is no justification for the delay which has already occurred in acting on this nomination or for any further delay in acting on it. Whatever the intentions of the chairman of the subcommittee or the leadership, it is apparent that the longer we wait before completing action, the more vulnerable the nomination will be to any stalling tactics which may be tried. At the end of the sessions, as we all know, even the best laid plans and agreements—if there are any in this case—can go awry. I do not intend to permit this nomination of this distinguished New Yorker to be placed in such jeopardy.

Yesterday, after the date was set for the hearing, I made an effort to make certain that the next subcommittee hearing, scheduled for August 8 at 10:30 a.m., would be the last, and that a report would be made by the subcommittee upon the conclusion of that session. I secured the consent of the leadership on both sides of the aisle, who were very cooperative, to a proposed unanimous consent agreement which would have permitted the subcommittee to continue its hearing beyond noon on next Wednesday even if the Senate were in session. This would have enabled the subcommittee to meet for the maximum of 2 to 3 hours which counsel estimated was necessary to complete the record.

After obtaining the agreement of the leadership, the unanimous consent agreement was discussed with the chairman of the subcommittee. I regret to report that the chairman objected to the proposed request and indicated that he would not sit past noon on Wednesday. It was then suggested that the subcommittee meet at 9 a.m. on Wednesday, which would allow sufficient time under the counsel's estimate. This request also was turned down.

Now, since the action to permit the subcommittee to sit can only be taken by unanimous consent, even though the chairman of the subcommittee is not at the moment in the Chamber, I shall of course not propose a unanimous consent request, in the light of his statement.

These events of yesterday, considered in the light of the previous delay on the nomination, make it evident that there is no intention of completing action on this nomination on next Wednesday. Indeed, in view of the months of stalling with which this nomination has been confronted, I do not consider it out of order to question whether there is any intention to report this nomination at any time. I have been hopefully looking for some evidence that, after a reasonable period of inquiry, action would be forthcoming. But nothing has happened to justify the slightest optimism on this score.

I indicated earlier that I would move to discharge the subcommittee if it did not proceed with action on this nomination by August 1. Thereafter, a hearing was scheduled on August 1. This hearing was canceled because of objection to a unamimous consent request that the subcommittee be allowed to sit on August 1 while the Senate was in session. At the time the request was made it was assumed that the Senate would meet early on August 1, as it had been doing generally during the filibuster on the space satellite communications bill. As it turned out, the Senate did not convene until noon on August 1, but no effort was made to reschedule the hearing on that date.

Because the cancellation of the August 1 meeting was in no way the fault of the subcommittee, I indicated that I would wait until after the August 8 hearing, next Wednesday, before pursuing my discharge motion in the Committee on the Judiciary. In the light of the discussion with the chairman of the subcommittee yesterday, I wish to say, with utter frankness, that I shall feel it necessary to pursue my motion to discharge the subcommittee if it has not completed action on the nomination before the next meeting of the Committee on the Judiciary after August 8.

I serve notice that at the first meeting of the Committee on the Judiciary after August 8, if action on the nomination has not occurred, I shall ask for recognition for the purpose of moving to discharge the subcommittee from further consideration of this nomination and having it reported favorably to the Senate. I am confident that a substantial majority of the committee would support the nominee if given the opportunity to vote. I am equally confident that the Senate would vote to confirm overwhelmingly if given the opportunity to vote.

Furthermore, I have seen the staff memorandum which will be the basis for further questioning of the nominee if his hearings are prolonged, and I can say without reservation that there is nothing in the memorandum which would affect any Member's decision as to whether or not to support the nominee. Indeed I would have no objection, if the chairman of the subcommittee so desires, to having the staff memorandum included in its entirety in the record of the subcommittee's hearings in the event that questioning is not concluded at its August 8 hearing. The memorandum is a shotgun attack against the nominee which is loaded, however, with blank cartridges.

I am not naive enough to believe that it will be an easy matter to obtain recognition for my motion in the full committee and to have it brought to a vote. The same stalling tactics which have been used in the subcommittee can be used in the full committee. At the same time, I expect the cooperation of many members of the full committee and a determined effort to bring this matter to a head must be tried.

If it becomes obvious that the full committee will not be allowed to dispose of the matter, then the only recourse we will have will be to move in the Senate that the Committee on the Judiciary be discharged from further consideration of the nomination.

While, as a member of the committee I would take this step with extreme reluctance, I refuse to stand by helplessly and permit this nomination to die. I believe in orderly procedure, but I do not consider the dilatory proceedings on this nomination to date an example of orderly procedure. There is ample precedent for a motion to discharge a committee from further consideration of a nomination and such a motion is expressly provided for in the rules of the Senate. Certainly, there will be every justification for invoking these rules and precedents in this case if that is the only way of giving the Senate an opportunity to express its will on this nomination.

I wish to express to my distinguished friend from Connecticut my deep appreciation for allowing me to intrude on his time. I shall necessarily be off the floor of the Senate during part of his address. I have read the address. It shows a great, deep study of the problem which the Senator will discuss. We all know that he speaks from a depth of sincerity on this or any other subject to which he addresses himself. I shall listen to as much of his address as possible. We owe him the gratitude of the Senate for having made the deep study which he has on the subject of the Congo and giving us the benefit of his enlightened views.

Mr. DODD. Mr. President, I appreciate the kind remarks of the distinguished Senator from New York, who is my dear friend as well. I was happy to yield to him. Before I came to the Chamber I had discussed the subject of the confirmation of the nomination of Thurgood Marshall with the Senator from New York and the plight of the nomination in the Committee on the Judiciary. I wish him to know that I share his views. I think it is an outrageous situation, and I shall support him in any effort he makes on the question at the time he undertakes such an effort.

Mr. KEATING. Mr. President, will the Senator yield further?

Mr. DODD. I yield.

Mr. KEATING. I thank the Senator for his statement. I know the views which the Senator entertains about Judge Marshall and his being named to the court in whose jurisdiction the State of Connecticut falls. I am confident that we will have the complete support of the Senator in our efforts to get the nomination confirmed.

Mr. DODD. Indeed, the Senator will have my support.

THE CONGO CRISIS AND THE NEED FOR CONCILIATION

Mr. DODD. Mr. President, in the conduct of foreign policy, it sometimes happens that policies which have been conceived with care and soul searching and the best of intentions, demonstrate their futility at the point of implementation. When this happens, our policy can pursue one of two courses.

It can persist along the course whose futility has been demonstrated; or it can seek a new approach, while frankly explaining the alteration of course to the American people. The American people do not expect infallibility. They are, I am sure, wise enough to understand that, in the complex conduct of foreign policy, flexibility and alterations of course are sometimes essential.

Mr. President, I believe that the time has come for such an alteration of course in the conduct of our Congo policy. I believe that, unless we face up to this fact frankly, we court disaster in this strategic area of the world.

When I last spoke about the Congo situation in the Senate on January 25, I purposely limited my remarks. I said that I felt that a frank and detailed presentation might have an adverse effect on the delicately poised political situation in the Congo and on the critical discussions then in process between the Central Government and the Government of Katanga. I pointed out that, for the same reason, I had taken the stand that the hearings then in process under the separate auspices of the Senate Subcommittee on Internal Security and the Subcommittee on African Affairs of the Foreign Relations Committee, should be held in executive session.

Despite my own grave misgivings about our policy in the Congo, I believed that, so long as bloodshed was avoided, this policy should be given an opportunity to prove itself. Although I made no public statement, I communicated at length on several occasions with the Department of State to ask clarification on certain points and to express misgivings on other points.

But since our policy is now clearly at an impasse, and since we seem to be headed in the direction of another round of bloodletting, I feel that the time has now come to speak out and to tell the American people the incredible story of how and where our Congo policy went off the tracks. I plan to tell this story in some detail, because it is only thus that it can be properly understood.

In the Congo situation to date, we have sought to use the U.N. not as an essential vehicle of our foreign policy, which it is, but as a substitute for a foreign policy of our own, which it is not. We have supported the dangerous precedent of using military forces under U.N. command for the purpose of bringing about the reunification of the Congo or, to be more exact, for the purpose of forcing the submission of the Province of Katanga to the Central Government in Léopoldville.

Our Congo policy has been a product of the utopian tendency to regard the U.N. as a kind of neutral and benevolent international organism, which by its nature, seeks to compromise conflicting national interests in a manner that best benefits the international community. This utopian concept of the U.N. has led us, in a number of situations, to submit passively to the will of the massive Afro-Asian bloc.

In reality, the U.N. is an organization with no policy of its own; its policy in any given situation is something that emerges from a contest between contending interests. If, in concert with our allies, we fight hard for our own point of view, and if we do our utmost to mobilize support for it, then the action taken by the U.N. may serve to promote our national interests and the interests of freedom. But if we show less determination than the Afro-Asian and Soviet blocs, if we show ourselves willing to compromise on our principles, the U.N. may pursue a course that runs counter to our interests and undermines the cause of freedom.

We cannot expect our point of view to prevail in every situation. But to a very large degree it depends on the great nations of the free world whether the U.N., in any given situation, serves as a force for good or for evil.

It should now be clear to all that the U.N. policy in the Congo is not paying off. The consequences of this policy, in fact, run completely counter to our stated objective in the Congo.

We seek unity in the Congo. But, with force and threats of force as our chief instruments, no formula has yet been found for regulating the relationship between Katanga and the Central Government. For that matter, it is generally admitted today that the authority of the Central Government barely exists outside Léopoldville.

We seek to encourage the forces of moderation. But our policy has thus far only served to encourage the extremists in the Central Government who desire nothing less than the total submission of Katanga; while, on the other side, it has only served to inflame the spirit of nationalism among the peoples of Katanga and to harden their resistance.

We seek economic stability for the Congo. But the Congo, outside Katanga, is still spiraling down and down and down in the direction of total economic choas. Industries are not operating; revenues are not being collected; unemployment is massive; the budget is more than twice as great as the Government's anticipated income; and the corruption and inefficiency of the Léopoldville government have now become an international scandal.

We have committed ourselves to the maintenance of peace and the avoidance of civil war as prime objectives in the Congo. But there has in recent weeks been talk in the press of the possibility that the U.N. will take military action against Katanga, or else will support an invasion of Katanga by the National Congolese Army, or alternatively, will seek broad economic sanctions against Katanga.

I do not believe there is a single person in the Department of State who relishes the prospect of another round of military action against Katanga or of committing the U.N. forces to the support of the Léopoldville government in a civil war with Katanga. They know that U.N. military action in Katanga has thus far achieved no positive results. They know that, in consequence of these actions, many European technicians and businessmen have left Katanga. They know how undisciplined and how untrustworthy the National Congolese Army is, and of the terrible atrocities perpetrated by certain units of this army at Kindu and Xongola and Albertville and other points.

Civil war between Léopoldville and Katanga would not be a simple civil war, but a civil war superimposed on a tribal war and a U.N. war. Such a war might conceivably destroy whatever vestige of order still remains in the Congo, and turn the country over, first to chaos, and then to communism.

But, in the face of all these things, those in charge of our Congo policy are, according to the press, so frustrated by the stubborn refusal of the Congo situation to respond to their ministration, that they are now thinking in terms of an all-out military action to crush Tshombe and Katanga, or else of economic sanctions—which might very well lead to military action.

I submit, Mr. President, that in the case of the Congo it is the diagnosis and the treatment that have been at fault rather than the patient. If we cannot find the candor to face up to this fact, if we persist in the treatment that has thus far only aggravated the condition, then we may very well wind up by killing the patient.

Mr. President, in order to understand what is happening today in the Congo, and where we have gone wrong, it is necessary to go back to the beginning and examine the sequence of events since July 1960, when the Congo received its independence.

COMMUNIST OBJECTIVES AND COMMUNIST STRATEGY IN THE CONGO

In evaluating the Congo crisis, there are three basic background facts that should always be kept in mind.

The first fact is that the free world and the Communist world are playing for enormously high economic stakes in the Congo.

Control of Katanga would place the Soviets in a position to completely dominate the world's greatest complex of mineral resources.

Katanga is enormously rich in its own right. It provides 8 percent of the world's copper, 70 percent of the world's cobalt, 80 percent of the world's germanium—from which transistors are made—and large quantities of other precious minerals. But beyond this, it is the heartland of the vast mineral wealth of the African Continent.

Most of this mineral wealth is contained in one large oval cluster, about 500 miles in width and 800 miles in depth. Within the perimeter of this oval, in addition to the mineral wealth of Katanga, there are the diamond mines of South Africa and Rhodesia, the gold mines of South Africa, bauxite, asbestos, manganese, platinum, chromium, iron, and many other minerals.

The second basic fact is that the Congo is also the center of what might be described as a belt of political vulnerability stretching across the southern portion of the African Continent. If political vulnerability were indicated by shadings, Portuguese Angola on the west of the Congo, Northern Rhodesia on the south, and Portuguese Mozambique on the east, would have to be depicted in dark gray. The establishment of a Communist regime in the Congo would enable the Kremlin to take over all of the countries within this band of political vulnerability, and this with very little effort or delay.

Once this were done, the Kremlin would have bases on both the Atlantic Ocean and the Indian Ocean. Having bisected the African Continent, it would then be in a position to push north and to push south, to complete its conquest of the African Continent.

The Congo, therefore, is the key to the control of the African Continent, economically, politically, and militarily. This is basic fact No. 2.

Basic fact No. 3 has to do with the strategy of political conquest which the Kremlin has designed for this portion of Africa. This strategy is incredibly simple, incredibly cruel, and has proved itself incredibly effective. It seeks to drive out the white people by violence and terror, thus creating a vacuum which only the Communists can fill. Indeed, I am informed that the Communists are offering large sums of cash to African nationalist leaders for "delivered" acts of violence against whites.

There is no large Communist Party in the Congo, as there is in Italy or in Indonesia, or other countries. In terms of formal membership, the Communist Party in the Congo may appear to be nothing to worry about. But the Communists do not need a mass party to take over in a backward country like the Congo, where there is no coherent or sophisticated political opposition, where primitive passions can easily be inflamed, and where a single agitator, with little schooling, can produce a fantastic amount of disorganization and chaos.

To the extent that the Congo is held together economically, it is dependent on the core of white technicians who work in its mines, its plantations and its industries, to the white teachers who staff its schools and universities, to the white doctors who will have to staff its hospitals for many years to come, to the missionaries who have done so much to bring peace and order and civilization to the Congo. A single incident, however, is sufficient to persuade thousands of white people to leave the Congo, taking with them their families and a critical portion of the fabric of order and civilization.

Before the massacre of the 13 Italian airmen at Kindu last November, there were approximately 1,000 white technicians in the city, most of them associated with Kindu's great river port facilities. After the massacre, I was told, only 50 of these white technicians remained.

Such is the terrible price of the violence fanned by Lumumba and the agents of Moscow.

THE CONGO GETS ITS INDEPENDENCE

The Congo got its independence on June 30, 1960. On July 6, 1960, as if at a given signal, soldiers throughout the Congo mutinied against their white officers, and berserk demonstrators rampaged through the residential areas of Congolese cities in a national orgy of murder, mayhem, rape, and pillaging. Even medical doctors and missionaries, who had lived on the friendliest of terms with native communities in the bush, found themselves attacked by savage bands of drunken natives.

Instead of attempting to restrain his countrymen and restore order, Patrice Lumumba, as Prime Minister, fanned the flames and incited his people with demagogic appeals to black racism. He placed himself completely behind the mutiny of the soldiers and rewarded them by promoting each man at least one rank and by establishing the highest rate of pay in the world for the Congolese Army, a rate of pay, in fact, that is more than twice that of the American GI.

The reaction to the July events was a mass flight of Belgian technicians, administrators, and medical men. For more than a week, Sabena Airlines diverted its entire fleet to the Congo to remove the terrified refugees.

To protect Belgian lives and property, the Belgian Government sent several units of paratroops back to the Congo. It was at this point that Lumumba appealed to the U.N., requesting the urgent dispatch of U.N. military assistance to protect the Congo against Belgian military intervention. Meeting on the night of July 13 and 14, the Security Council adopted a Tunisian resolution calling upon Belgium to withdraw its troops from the Congo and authorizing the Secretary General to provide such military assistance as might be necessary until the Congolese security forces were in a position to fully meet their tasks. The first troops of the U.N. force arrived in the Congo 2 days later. And this was the beginning of the U.N. Congo army which today numbers some 15,000 men.

Meanwhile, on July 11, President Tshombe had proclaimed Katanga an independent country, after moving resolutely to put down a mutiny among the troops stationed in Elisabethville and to restore public order in the Province. In explaining his action, President Tshombe pointed to the disorders that were rampant throughout the northern Congo. "I am seceding from chaos," he said.

The United Nations did not recognize Katanga's secession. On the other hand, Secretary General Dag Hammarskjold refused Lumumba's demand for U.N. intervention and took the stand that the U.N. force could not become a party to internal conflicts in the Congo. Dr. Ralph Bunche, U.N. representative in the Congo during the first 2 months, announced on August 4, after speaking to Tshombe, that the entry of U.N. troops into Katanga had been suspended.

In the free world, the Katanga secession met with a mixed reaction. The general desire was to see the Congo both free and united. But with the rest of the Congo in the grip of violence and anarchy, with the Lumumbaists running berserk, with Communist influence at the danger point, there were many people who felt that there was much to be said for the Katanga secession; and there were many more, I know, who felt that judgment on the action should be suspended until we knew where the rest of the Congo was heading.

During the months of July and August, Soviet and Czechoslovak and other Communist bloc technicians poured into the Congo by the hundreds. At the height, there were some 600 of these experts in Léopoldville, attached to the Communist embassies. Western intelligence agencies were also able to trace the influx of fantastic sums of Communist money. Communist arms and trucks and planes began to arrive, most of them through Stanleyville.

It seemed as though nothing could save the Congo.

We have been told repeatedly over the past year that the U.N. saved the Congo from communism. The U.N. did no such thing. The Congo was saved by the courageous action of two men, President Tshombe of Katanga, and Colonel Mobutu. As Colonel Mobutu—now General Mobutu—told me personally when I was in the Congo last November, the U.N., under Rajeshwar Dayal, did everything in its power to undercut his position and to impede his operations against Lumumba and the Lumumbaists. Indeed, Dayal, until the very end of his term, refused to recognize the legality of the new government. These are facts.

Recognizing Tshombe as an archenemy, Lumumba attempted to invade Katanga in the month of August. He suffered a disastrous and humiliating defeat, which weakened his hold on the government and facilitated his overthrow.

In mid-September, 1960, Colonel Mobutu overthrew the government of Lumumba, ordered the Communist embassies and technicians out of the Congo, and set up the so-called College of High Commissioners, consisting of young university graduates, to administer the country on an interim basis.

But the damage wrought by Lumumba before he was overthrown was so great that, even given the most favorable developments, it will take years and conceivably decades for the Congo to recover. The fabric of social order in a primitive country like the Congo, once it is shattered, is about as difficult to put together again as Humpty Dumpty's fragile shell.

When I was in the Congo last November, I was told that the Congolese National Army had remained in a state of chronic mutiny and banditry ever since the uprising of July 6, 1960. The condition of the army has not improved in recent months. Instead of being a source of security, the army remains the chief source of insecurity in the country. There are possibly several thousand soldiers in the army who may be considered reasonably disciplined. The rest of the 25,000 men, while receiving their pay, are terrorizing the populace and defying every effort to bring them under control. To my mind, there has probably never been a more preposterous situation. On the one hand, the American taxpayer is being called upon to subsidize an army of bandits and mutineers whose GI's get paid at the fantastic rate of more than $180 per month, compared with $85 per month for the American GI. On the other hand, the American taxpayer is being called upon to pay the lion's share of the bill for a U.N. army whose prime function, in the Congo north of Katanga has been to defend the Congolese people against their own army. It is high time that an end was called to this nonsense.

When Ambassador Clare H. Timberlake arrived in the Congo in early July 1960, it was immediately apparent to him that the restoration of discipline in the Congolese Army took precedence over everything else, and he made repeated representations to this effect. A disciplined army would contribute to social and political stability. An undisciplined army was bound to make an already chaotic situation every more chaotic.

The U.N. might have brought the situation under control when it first came into the Congo had it acted resolutely and immediately to disarm the mutineers, disband the worst units, and restore order in the others. But the U.N. could not make up its mind that it had the authority to take such action; and, under the regime of Rajeshwar Dayal, who became U.N. director for the Congo on August 20, 1960, the U.N. seemed to be far more interested in supporting Lumumba and undermining Mobutu than it was in restoring discipline in the Congo Army.

The result was that nothing was done.

Today, no one has a solution for this situation. Among the people with whom I spoke, there was agreement that the mutineers are beyond retraining; it was also agreed that the 5,000 or 6,000 U.N. troops thinly scattered through the vast area of the Congo outside Katanga, cannot possibly undertake to disarm these soldiers turned bandits.

In any country which has only recently emerged from the jungle, the maintenance of order is the beginning of everything. In the absence of order and effective government, the once-rich Belgian Congo has become an economic wasteland. The production of staple crops like cotton and rice has fallen to one-third and one-fourth of preindependence level. In the city of Léopoldville almost half the labor force is out of work. Government revenues are not being collected. Even with the massive subsidies from the U.N., from Belgium, and from the United States, the Congo Government stands on the brink of insolvency and breakdown.

For much of this mess in the Congo, Patrice Lumumba and his racist and Muscovite cohorts are to blame. But frankness demands that at least a portion of the blame be assessed against the ineptness of a U.N. policy that has made the forced submission of Katanga its prime objective rather than the restoration of order in the rest of the Congo.

THE QUESTION OF CONGOLESE UNITY

We have talked about unity in the Congo. But the word "unity" can have many meanings.

When the Kremlin talks of unity, it means unity under Soviet control.

When Nehru and Krishna Menon speak of unity, they mean unity that corresponds with their neutralist philosophy and serves their own interests.

Left to themselves, the people of the Congo would have a concept of unity that corresponds neither to the Soviet concept nor to the Indian.

As for ourselves, I hope that when we speak of unity, we mean the kind of unity that is freely acceptable to the peoples of the Congo, with no foreign intervention or a minimum of such intervention, limited to friendly assistance and advice.

What has happened since the first part of last year can be understood only in the light of the conflict between these differing concepts of Congolese unity.

Left to themselves, or given a decent minimum of encouragement and assistance, I earnestly believe that the Congolese leaders could have achieved an agreement on reunification that would have been acceptable to all sides. Indeed I believe that the Congolese leaders were several times on the verge of achieving such unity when their efforts were scuttled by the Afro-Asian extremists in the United Nations, who wished to see unity on their terms only.

The overthrow of Lumumba encouraged the Congolese leaders, in Katanga and Kasai, as well as in Léopoldville, to think again in terms of national unity. They were further encouraged to think of unity because of the threat posed by Antoine Gizenga's rival government, which had been established in Stanleyville in mid-November with Soviet bloc support, and because of their grave dissatisfaction with United Nations policy under Dayal.

THE TANANARIVE CONFERENCE

On March 6, 1961, on the prime initiative of President Tshombe, a conference of Congolese leaders convened at Tananarive, the capital of Madagascar, or Malagasay, as it is now known. Only Gizenga, among the top-ranking leaders was absent. The conference terminated in an agreement—the so-called Tananarive Agreement—proposing a loose confederation of states, under the presidency of Mr. Kasavubu. There was to be a council of states composed of President Kasavubu and the heads of the member states; and there was to be an executive coordinating body, appointed by the member governments, to carry out the council's decisions. The agreement was signed by Kasavubu, Tshombe, Kalonji, and other leaders.

I know there are some who say that the Tananarive Agreement, had it been implemented, would have paved the way to the Balkanization of the Congo, with secessionist states springing up all over the place. But there are others who believe that the 2-page document was couched in such vague and general language that it could have been interpreted in a dozen different ways, for better or for worse.

For my own part, I feel that the Tananarive Agreement had unique possibilities precisely because it was achieved voluntarily, and on the basis of Congolese initiative. I believe that had we taken the Tananarive Agreement as a starting point, and had we used our influence in a friendly way, to urge tightening up where we felt it needed tightening up, Tananarive might have led to a viable and enduring arrangement.

Tananarive was bitterly attacked by the Afro-Asian extremists and by the Communists. They attacked with particular virulence Tananarive's proposal to bypass or ignore the Lumumbaist-dominated Parliament. But I have reason to believe that there were in our Department of State those who looked upon Tananarive with an open mind, who felt that we should accept it as a point of departure, rather than reject it out of hand. In this connection, I should like to quote a passage from the New York Herald Tribune of April 6, 1960:

> Prime Minister Jawaharlal Nehru feels that the United States and other Western Powers have accepted too willingly the decisions of the Congolese leaders at the Malagasay conference, which, in the Indian view, are invalid unless they are ratified by a meeting of the Congolese Assembly. And from Delhi a meeting of that assembly looks as far off as ever.

This was a period of bustling and mysterious activity on the question of the Congo. The Congolese Government had publicly and repeatedly demanded the recall of Dayal as chief United Nations representative. On April 4, 1961, for example, the New York Times reported:

> Last Tuesday, Mario Cardoso, Congolese representative at the United Nations, charged that a solution of the Congo problem had been prevented by what he termed the refusal of Mr. Dayal to consult with officials of President Kasavubu's regime.

It was no secret, either, that the relations between Ambassador Timberlake and Rajeshwar Dayal had been embittered from the beginning. Ambassador Timberlake is a man who believes profoundly in the United Nations, and he was one of the first to urge that the U.N. be brought into the Congo. But he felt that the U.N., in many respects, had failed to perform its essential functions, and that Dayal had perverted the intent of the U.N.'s intervention in supporting Lumumba and undercutting Mobutu.

The public record indicates that Prime Minister Nehru and his foreign policy adviser, Krishna Menon, bitterly resisted the demands that Dayal be recalled. In dealing with this matter, the New York Times said in the article of April 4, 1961, from which I have already quoted:

> Prime Minister Jawaharlal Nehru warned today that activities to oust Rajeshwar Dayal, the Indian who heads the United Nations mission in the Congo, could have "some effect on the maintenance of our forces there."

It is to be noted that in making this statement, Nehru was, in effect, threatening blackmail; he was saying that if Dayal were not retained, the Indian forces serving the U.N. might be recalled. Since India appeared to be the only major source of Afro-Asian troops for the Congo operation, the recall of these troops would have had a crippling effect on the entire military operation in the Congo.

THE COQUILHATVILLE CONFERENCE

On April 24, shortly after Prime Minister Nehru made the statements I have quoted—and I ask that this sequence be carefully noted—the Congolese political leaders convened at Coquilhatville, for the purpose of pursuing the discussions initiated at Tananarive in March.

What had happened in the interim period, I, of course, do not know. But it is clear that President Kasavubu, Foreign Minister Bomboko, and the other Léopoldville conferees had, for some reason, decided that the loose confederation to which they had agreed at Tananarive was no longer adequate. In addition, they had decided in favor of reconvening the Lumumbaist-dominated Parliament, which the Tananarive agreement had proposed to bypass. President Tshombe was imprisoned for 6 weeks, until he accepted the terms of a new agreement, calling for a more centralized form of government and for the reconvening of Parliament.

On May 13, President Kasavubu announced that Parliament would be reconvened in July. Nehru's basic demand had now been met.

On May 25, Rajeshwar Dayal's resignation as U.N. Congo representative was announced by the U.N.

THE RECALL OF TIMBERLAKE

In the June 5, 1961, issue, Newsweek's "Periscope," reporting on the resignation of Dayal, stated that Dayal's chief critics, United States Ambassador Timberlake and British Ambassador Ian Scott, would be recalled within several weeks, as a sequel to Nehru's acceptance of Dayal's resignation.

What happened then? In early June, without any explanation, other than the questionable explanation that he needed a rest, Ambassador Timberlake was recalled. His recall, in my opinion, marked the turning point in our Congo policy. It marked a victory for those officials and advisers in the Department of State who attach transcendent importance in the conduct of our foreign policy to the task of pleasing Nehru. Since Nehru believes in coalition governments with pro-Communist elements in Laos, the Congo, and other points, these advisers apparently also believe in the viability of such governments.

The recall of Timberlake raises many questions.

Here was an outstanding State Department officer, with a record of more than 30 years of service in many countries, an Ambassador who was worshipped by his staff and who commanded the admiration and affection of every American correspondent in the Congo, an Ambassador who had not hesitated to stand up to the U.N. representative when he felt that this representative was violating the intent of the U.N. or failing to carry out this intent. After spending 11 months in the Congo, he has mastered the incredible intricacies of its politics, and had reached the point of maximum utility. And yet, for some mysterious reason it was decided to recall this Ambassador without any explanation—and to recall him so hurriedly that no replacement was available to take over at the point of his recall. Ambassador Gullion, who replaced Ambassador Timberlake, did not arrive in the Congo until early September, 3 months after Timberlake's departure.

Ambassador Timberlake's unceremonious recall was all the more perplexing because it coincided with one of the most critical periods in the history of the Congo. At the Coquilhatville Conference it had been decided that the Congolese Parliament would be reconvened at the University of Louvanium in Léopoldville toward the end of July. To this Parliament, with its heavily Lumumbaist majority, was to be entrusted the task of electing the future government of the Congo.

There was a serious danger that the Louvanium Conference might result in the election of a government headed by Gizenga or some other pro-Communist. It was obviously in our interests to use our influence—with propriety, but nevertheless with energy—to help assure the election of a middle-of-the-road government. Our interest at least demanded that during the critical weeks preceding the Louvanium Conference, we have on the spot a senior political officer of superior ability, possessing an intimate knowledge of the Congo situation. But the fact is that during this entire critical period our Embassy remained without an Ambassador.

The State Department is a complex organization, and I do not pretend to know who in the Department was responsible for Ambassador Timberlake's recall. But from the sequence of events, it would almost appear that whoever was responsible was so determined to get Ambassador Timberlake out of the country before the Louvanium Conference, that they were untroubled over the prospect of leaving the Embassy without an Ambassador.

I want to repeat to the Senators that the recall of Ambassador Timberlake raises a most serious question. As I have pointed out, Newsweek's "Periscope," several weeks in advance of Ambassador Timberlake's recall, forecast that he would be recalled as a sequel to the recall of Dayal. In short, it appears to have been a horse swap.

I cannot state with certainty that the Newsweek account was accurate. But I can state with certainty that it is believed to be accurate by many American correspondents who have followed the Congo situation closely. Indeed, one of the most universally respected political editors in this country told me that he would stake his personal reputation on the fact that Timberlake was horse swapped for Dayal. I can also state with certainty that, despite many inquiries, I have thus far not heard any other explanation of the Timberlake recall which makes sense.

As my final observation on the Timberlake matter, I find it disturbing that this senior and respected officer, upon his recall from the Congo, was assigned to an obscure position as State Department representative to the Air University at Maxwell Air Force Base, Montgomery, Ala.

Perhaps it was all a matter of coincidence. Perhaps it was also a matter of coincidence that Mr. Jerome Lavallee, the U.N. adviser to the Office of Central African Affairs, who had originally been assigned the task of maintaining friendly relations with the Katanga representative in this country, was transferred to the Commerce Department.

Perhaps it is also a matter of coincidence that within the past few days, Mr. Lewis Hoffacker, the American Consul in Elisabethville, has been transferred to another post. Mr. Hoffacker had performed the incredible diplomatic feat of maintaining a friendly relationship with Tshombe, while faithfully representing a State Department policy which Tshombe felt opposed him at every point. Indeed, at the present time, Hoffacker is probably the only member of the American Foreign Service who commands Tshombe's personal respect and for whom he has feelings of friendship.

I am constrained to ask whether this is the reason why this outstanding consular officer, after less than 10 months in Elisabethville, has been transferred to another post.

THE CONFLICTING OBJECTIVES AT LOUVANIUM

I am not revealing any secrets when I say that during the period preceding the Louvanium Conference, and even during the Conference itself, there was considerable jockeying for influence by the U.N., by ourselves, by the Afro-Asians, and by Soviet agents. Indeed, anyone who has knowledge of such things would take it for granted that the interested nations and agencies did not sit on the sidelines, in a condition of complete neutrality and passivity, waiting to see what kind of government the Congolese Parliament would elect.

As I see it, the positions of the interested parties in the period preceding the Louvanium Conference were approximately as follows:

The Soviets were aiming for a Moscow-oriented government under Gizenga as Prime Minister, as their first choice. As a second choice, they were willing to consider a coalition in which the pro-Soviet and neutralist elements were "properly" represented.

Nehru and the Afro-Asian extremists were aiming for an Adoula-Gizenga coalition—and they might even have been willing to go along with a Gizenga-Adoula coalition, that is, a coalition with Gizenga in the No. 1 spot, had such a thing come into being. To Krishna Menon, I am certain, the emergence of such a government would have been a cause for delight. The one variant all the Afro-Asian extremists would have found completely unacceptable was a moderate pro-Western coalition centered around the personalities of Adoula and Tshombe.

The U.N. representatives, whose position and philosophy require that they attempt to satisfy all sides—the Communist bloc, the Afro-Asians, and the West—favored the creation of an across-the-board coalition containing pro-Communist elements, neutralists, moderates, conservatives, and some pro-Western elements. In short, they favored an Adoula-Gizenga coalition, and in this sense their policy ran parallel to that of Nehru and the Afro-Asian extremists.

The position of the State Department was somewhat more complicated. An Adoula-Gizenga coalition was acceptable to it, although I know there were members of the Department who had grave reservations about the viability of such a coalition. On the other hand, a government with Gizenga in the No. 1 position was completely unacceptable; if it appeared that the only choice was between a Gizenga government and an Adoula-Tshombe coalition, then despite the sensitivities of the Nehru bloc, the preference of everyone in the Department was clearly for the latter variant.

THE STRUELENS MISSION

At this point, we come to another part of the untold story of the Congo.

The fact is that, for several days' time, when there appeared to be a serious possibility that Gizenga would emerge the victor at the Louvanium Conference, the State Department seemed to be veering in the direction of an Adoula-Tshombe government. It made strenuous efforts to persuade President Tshombe to send his Parliamentarians to Louvanium and it even asked Mr. Michel Struelens, director of the Katanga Information Service in New York, to leave for the Congo on several hours' notice in an effort to effect an agreement with President Tshombe.

The State Department has on several occasions denied that Mr. Struelens went on a mission for it. These denials are evidence of how seriously the responsible heads of the Department can sometimes be misled by faulty information from their subordinates. I should like to tell the story of the Struelens mission briefly because I consider the Struelens mission to be another turning point in the evolution of our Congo policy.

On July 28, 1961, Mr. Struelens visited the Department of State in the company of Jean-Marie Pwetto, Vice President of the Katanga Parliament, Mr. Henri Kambolo, President of the Konakat Party, and Mr. Thomas Tshombe, brother of the President.

Mr. Struelens had enjoyed a friendly and cooperative relationship with the Department since he arrived here in October 1960. He and his party were received by Mr. Vance, director of the Central African desk, and Mr. Jerome Lavallee, United Nations adviser to the Office of Central African Affairs. Mr. Vance and Mr. Lavallee stated that they had just received news indicating that the Lumumbaists enjoyed a dangerous degree of influence in the Parliament and they were seriously concerned over the possibility that Gizenga would be elected

Prime Minister. They stated that it was extremely important to have the Katanga Parliamentarians go to Léopoldville in order to prevent a Gizenga majority.

In this connection it is interesting to note that the New York Times, on July 27—that is, the day before Mr. Struelens' conference with the State Department—carried a dispatch from its Congo correspondent, Henry Tanner, which stated that, in the election of officers of the Chamber of Deputies:

> The followers of Antoine Gizenga, head of the Soviet-backed Congo regime in Stanleyville, won an impressive victory yesterday. * * * The extent of the victory by the Gizenga forces came as a surprise to Congolese political observers here. It caused speculation that Mr. Gizenga might have a better chance than was commonly expected to become Premier of a national coalition government.

Mr. Vance suggested that Struelens, together with his three Katangan visitors, try to work out the text of an agreement between the Department of State and President Tshombe that would make possible the immediate dispatch of Katanga Parliamentarians to Léopoldville. Mr. Struelens dictated the text of the suggested agreement to Mr. Lavallee in French. In essence, it covered the following points:

First. Tshombe would send the Katanga Parliamentarians to the Louvanium Conference forthwith.

Second. The Department of State would undertake to assure United Nations protection for the Katanga delegation.

Third. With the participation of Katanga in the Louvanium Conference assured, the United States would not take a stand prejudicial to Katanga in the further political discussions that were bound to ensue.

Fourth. The State Department would issue a statement commending President Tshombe for his decision to participate in the Louvanium Conference.

The text of the agreement was sent upstairs to a higher office, where it received approval. Whereupon, using Mr. Lavallee's telephone, and with Mr. Lavallee standing beside him and checking the text as he read it, Mr. Struelens dictated the proposed agreement to his secretary in New York for immediate transmission to President Tshombe via telex. The State Department representatives had a call put through to Dr. Ralph Bunche of the United Nations; and before Mr. Struelens' departure that afternoon they were able to assure him that the U.N. would guarantee the safety of the Katanga Parliamentarians in Léopoldville.

On the morning of July 31, Mr. Struelens received a call from Mr. Lavallee. Mr. Lavallee told him that the State Department had not yet received a reply to the telex of July 28, and that time was running out. He asked Mr. Struelens whether he could leave that afternoon for the Congo in an effort to persuade President Tshombe to accept the agreement and to dispatch his Parliamentarians to the Louvanium Conference.

Mr. Struelens agreed to go, and he left that afternoon by Air France. He paid for the roundtrip ticket out of the funds of the Katanga Information Service.

Stopping at Brazzaville, capital of the former French Congo, Mr. Struelens had a meeting with Mr. Wilton W. Blancke, the American Ambassador, and with Mr. Robert Eisenberg, deputy director of the Office of Central African Affairs, who happened to be in Brazzaville at the time because he was returning from a conference in Lagos. That afternoon, Mr. Struelens left Brazzaville in the company of Mr. Eisenberg and flew directly to Elisabethville, the capital of Katanga.

I want to point out that at the time Mr. Eisenberg and Mr. Struelens arrived in Elisabethville, Tshombe had his Parliamentarians already assembled and ready to leave for Léopoldville as soon as a decision was made.

Mr. Struelens met several times with President Tshombe and arranged for several meetings between President Tshombe and Mr. Eisenberg, who was accompanied by William C. Camp, American consul in Elisabethville.

> Each time I saw President Tshombe in advance—

Said Mr. Struelens—

> I asked him to drop any other matter. I told him that he had to see these gentlemen first, and he did this.

Finally, on August 3, President Tshombe accepted the proposed agreement without reservation.

But that afternoon the radio brought the news that the Louvanium Conference had elected a Government with Cyrille Adoula as Prime Minister and Antoine Gizenga as Vice Premier.

President Tshombe had since charged that this coalition was a product of a desperate effort by the U.N. to head off the prospect of an Adoula-Tshombe coalition. I believe there is something to this charge, since the U.N. Secretariat could not help but be sensitive to the fact that an Adoula-Tshombe coalition would have been bitterly opposed not only by the Communist nations, but by Nehru and Sukarno and other Afro-Asian leaders. I believe it is a matter of record, too, that Mr. Linner has accepted personal credit for persuading Gizenga to enter into a coalition with Adoula in the No. 2 slot.

At the moment that the formation of the Adoula-Gizenga coalition was announced, both Mr. Struelens and Mr. Eisenberg believed that the agreement with Tshombe still could and should be acted on. It was agreed that Mr. Struelens, despite the personal danger to himself, should leave immediately for Léopoldville for the purpose of discussing the situation with Mr. Linner. Mr. Eisenberg gave Mr. Struelens a letter to Ambassador Blancke; Ambassador Blancke, when Mr. Struelens arrived in Brazzaville, put through a telephone call to the American Embassy in Léopoldville; and a few hours later, Mr. Struelens was met at the Léopoldville end of the Congo ferry by two members of the Embassy staff who got him past the river guards by pretending that he was an American consular officer.

Struelens was then driven in the Embassy car to U.N. headquarters, where he met with Mr. Linner. He told Mr. Linner that President Tshombe wished to meet with Prime Minister Adoula promptly in an effort to settle their differences, but that the meeting would have to be set up in some other place than Léopoldville. He said that President Tshombe could not agree to Léopoldville because of his imprisonment by the Léopoldville authorities at the time of the Coquilhatville Conference.

To this, Mr. Linner replied that the meeting would have to take place in Léopoldville, and he confirmed this with a telephone call to Prime Minister Adoula in Mr. Struelens' presence.

When Mr. Struelens returned to the United States, he was thanked by the State Department for the job he had done. According to Mr. Struelens, however, the State Department officials now took the stand that Tshombe would have to bow to the accomplished fact of the Adoula-Gizenga government, and that if he did not bow, force would have to be used against him.

It would appear that the State Department performed this drastic about-turn because it felt that it no longer needed Tshombe to offset the threat of a Gizenga takeover in Léopoldville. An Adoula-Gizenga coalition was acceptable to us. It was highly acceptable to Nehru and the Afro-Asians. It was highly acceptable to Moscow. Everyone was happy.

Since I am primarily concerned today with what happened in the Congo, I do not wish to go into the lamentable story of how the State Department, after thus using Mr. Struelens, 2 months later revoked his visa, and of the pointless and unjust vendetta it conducted against him. This is a separate story and it will, I believe, be told to the American people in due course, I hope very soon.

THE CONSEQUENCES OF LOUVANIUM

There is still a tendency in official circles to defend the Louvanium Conference as a great triumph for American policy. It was no such thing. On the contrary, if it was a triumph for anyone, it was a triumph for Nehru and Krishna Menon and the anti-Western neutralists. And the Communist press for the period indicates that the Communists at least regarded it as a step in the right direction.

We must accept the situation that exists today as a starting point for any future efforts. The Louvanian Conference cannot be completely undone, and I do not propose that we attempt the impossible task of turning the political clock back to the situation that existed prior to Louvanium. But I think it is important to be honest with ourselves in evaluating its consequences.

It was not a triumph for the free world when Adoula and Gizenga traveled together to the Belgrade Conference and voted for all of the malicious anti-Western resolutions adopted by the conference.

It was not a triumph for Western policy when Prime Minister Adoula, in deference to the desires of his government, invited the Soviet bloc to reopen their

Embassies in the Congo—the very Embassies, I wish to point out, that had almost succeeded in converting the Congo into a Soviet satellite 1 year previously.

It was not a victory for the free world when, just before the September action in Katanga, the Adoula government appointed Egide Bochely-Davidson, one of the most notorious pro-Communists in the Congo, as Administrator for Katanga. Let me state at this point, that while there are some politicians in the Congo about whose political views doubt exists, I have yet to meet a single person who will challenge the statement that Bochely-Davidson is one of the most confirmed and dangerous leftists in the Congo. Had the September military action succeeded in overthrowing the government of President Tshombe, and had Bochely-Davidson, backed by U.N. bayonets, been installed in power as Administrator for Katanga, the great mineral wealth of Katanga might today be a Soviet asset.

Nor was it a victory for the free world when the Louvanium Conference, in its attempts to satisfy everyone, established a cabinet of 44 members, of whom the great majority had neither competence nor integrity nor the most elementary experience. No one has spoken more eloquently about this situation than Prime Minister Adoula, when he addressed Parliament on June 14, on the subject of the corruption and inefficiency of his government. The New York Times quoted Prime Minister Adoula as saying:

> That if the government was corrupt, unwieldy and incompetent, it was the fault of the Parliament that had forced the government on him.
>
> "Every one of you wanted to become a minister," he said. "To satisfy these ambitions we have been forced to constitute a government of dishonest and incapable persons, chosen by you or by every political party."

To Prime Minister Adoula's credit, he has taken energetic measures to reduce and reorganize his cabinet, even though in doing so he has risked the survival of his government.

THE SEPTEMBER ACTION

Now we come to another untold portion of the Congo story—the true story of the September military action. It has been told in Europe. But, for some strange reason, it has not yet been told in this country.

The United Nations and the Department of State at the time defended the military action against the Government of Katanga in September as a matter of principle, necessity, and conformity with the U.N. resolution of February 21, 1961, which called for the removal of mercenaries and foreign advisers from Katanga. But there is now conclusive evidence that the September action was not ordered by U.N. headquarters and was, in fact, repudiated by Dag Hammarskjold.

The so-called September action was preceded on the early morning of August 28 by a surprise action directed against the 500 white officers and NCO's then openly serving with the Katangese armed forces. As a result of this operation, which was officially known as "Operation Decapitation," the majority of the non-Katangese military personnel were apprehended and deported.

I think it of interest, in this connection, that this action violated the terms of the plan for the replacement of European personnel in the Katanga gendarmerie drawn up by the Norwegian chief of U.N. intelligence, Col. Bjorn Egge, only several months prior to "Operation Decapitation." The Egge plan, as it became known, was reported to have had the approval of Secretary General Hammarskjold, Foreign Minister Spaak, and the Department of State. I want to quote from the text of this plan:

> The time phasing of the removal of personnel must be considered carefully in order to secure full control over troops in the period of transition. A decrease in discipline could lead to unrest and disorder in Katanga and would be contrary to the spirit of the resolution of February 21, 1961.

But apparently after the Louvanium Conference, somehow, somewhere, it was decided that the European officers and NCO's had to be removed from the Katangese armed forces forthwith, and not in stages, even at the risk of creating the kind of indiscipline against which Colonel Egge had warned.

On the early morning of September 13, the U.N. forces in Elizabethville moved to seize the post office, the radio station, and a number of other key points. That morning, Dr. Conor Cruise O'Brien, the head of the U.N. mission there, went on the air and announced to the world that the Katanga secession had ended. According to the New York Times, Dr. Conor Cruise O'Brien told the press:

> The U.N. motive in complying with the request was to avoid the alternative—invasion of nothern Katanga by Central Government troops and a prolonged civil war.

Commenting on the situation editorially, the New York Times said on September 16:

> In Korea, the United Nations went to war to check outright aggression. In Katanga it seeks to avert civil war by removing a potential belligerent, and not the one threatening to attack.

The bloody fighting which erupted lasted for more than a week and resulted in many hundreds of casualties.

When I first rose in the Senate to criticize the U.N.'s action in Katanga, it was not yet clear whether the action had been taken with the approval of the Security Council and the Department of State. But on September 15, the State Department issued a statement supporting and justifying the U.N. action.

How the September action came about, however, has been described with amazing frankness by Dr. Conor Cruise O'Brien, at the time chief U.N. representative in Katanga, in two articles written for the London Sunday Observer in December 1961, subsequent to his separation from the U.N. I would like to quote several paragraphs from Dr. O'Brien's account:

> On September 10, Mr. Mahmoud Khiari and Mr. Vladimir Fabry arrived in Elisabethville with instructions for General Raja, commander of U.N. Forces in Katanga, and for myself. Mr. Khiari, a Tunisian, was nominally head of U.N. civilian operations in the Congo, but Dr. Linner had entrusted, or relinquished, to him great authority in the political field, in which he had shown enormous ability. He was mainly responsible for the successful meeting of the Congolese parliament, for the Adoula-Gizenga rapprochement, and for the emergence of a well-balanced Central Government.
>
> Mr. Khiari gave us our instructions in the drawing room of Les Roches, my residence in Elisabethville. Those present at the main meeting at which the instructions were given included, as well as General Raja and myself, and Mr. Khiari and Mr. Fabry, Col. Jonas Waern, the Swedish officer commanding South Katanga; Col. Bjorn Egge, the Norwegian intelligence officer; and my deputy, Michel Tombelaine.
>
> The instructions were as follows: to take over the post office, the radio studio and the transmitter; to raid the Sureté and Ministry of Information offices; to arrest any European official found there, and seize their files; and to arrest Godefroid Munongo, the Minister of the Interior; Jean-Baptiste Kibwe, Vice President and Minister of Finance, and Evariste Kimba, so-called Foreign Minister. Tshombe also was to be arrested, if absolutely necessary. Mr. Fabry, who was then legal adviser to the ONUC at Léopoldville, and who was to die in the crash at Ndola, produced from his briefcase mandats d'amener—roughly equivalent to warrants for arrest—for Tshombe, Munongo, and the others. These warrants bore the seal of the Central Government.
>
> When I went to Léopoldville, several weeks after the close of hostilities, I found to my bewilderment that neither General MacKeown nor Mr. Linner knew of the instructions I had received. In New York I found that neither Dr. Bunche nor General Rikhye—the military adviser—knew about them either. Dr. Bunche believes that Mr. Hammarskjold did not know about them at all.

In his first article, Dr. O'Brien recounted certain details indicating a major alienation between himself and Mr. Hammarskjold over the September action. Dr. O'Brien spoke of "the thunderous cloud of disapproval which I knew was over me in Mr. Hammarskjold's mind." And when Dr. O'Brien proposed that he accompany Hammarskjold to Ndola for the meeting with President Tshombe, "the answer came back, polite and cool. The Secretary General proposed to deal with this matter outside the framework of the ONUC. There was no need, therefore, for the representative in Elizabethville to join the flight to Ndola."

What emerges from all of this is that the military action of the U.N. in Katanga in September 1961 was the product of neither principle nor necessity; it was the product rather, of incredible recklessness, or irresponsibility, or worse.

It is my understanding that Mr. Khiari has denied that he gave Conor Cruise O'Brien any such instructions as he described in his article. But whether one believes O'Brien on this point or Khiari does not alter the situation one iota. The hard fact still remains that the September action was not ordered by Dag Hammarskjold or Ralph Bunche or General Rikhye or any one else at top level in the U.N.; that this sweeping attempt to overthrow the government of Katanga and impose a U.N.-sponsored directorate was renounced by Hammarskjold immediately on his arrival in the Congo; and that Dag Hammarskjold lost his life in attempting to repair the damage wrought by Conor Cruise O'Brien, and his deputy, Michel Tombelaine, and conceivably by Mahmoud Khiari. And the fact must also be faced that, in defending the September action, the State Department was indulging in a misguided effort to protect the U.N. from what might have been a highly damaging disclosure.

I would ask my colleagues, further, to ponder the significance of the fact that, of the two men primarily responsible for the September action, one man, Michel Tombelaine, was known to our intelligence community as a pro-Communist; while the other man, Dr. Conor Cruise O'Brien, has recently been entrusted by Kwame Nkrumah, the most Stalinoid of all the so-called neutralist leaders, with the task of shaping the minds of Ghanaian students as vice chancellor of the University of Ghana.

The September action inflamed passions on every side and probably made the December action inevitable.

Among the peoples of Katanga, the action produced a sense of unity founded on common action against alien forces. Having fought this action to a standstill, and having achieved an agreement which was widely interpreted as a victory over the U.N., the government of Katanga was probably less disposed to compromise than it had been previously. And the voices of the outright secessionists became louder.

The U.N. forces in Katanga, having been humiliated in the first round of battle, itched for a second go, to reestablish their prestige and authority.

The Léopoldville government and the Nehru-Nkrumah faction in the U.N., having seen the U.N. forces depart from Hammarskjold's assurance that they would not be used ot settle internal conflicts, began to clamor for more military action against Katanga.

THE FAILURES OF THE U.N. IN THE CONGO

In the Congo, more than one American commenator has made the observation that the United States was footing the bill for the operation but that U.N. policy, in effect, was being determined by Nehru. To be more precise, it was being determined by Nehru's guiding genius in the field of foreign affairs, Mr. Krishna Menon, who has, in my opinion, justly come to be regarded as the personification of cryptocommunism.

Certainly Nehru has enjoyed tremendous leverage in the Congo situation by virtue of the fact that India has supplied the bulk of the troops for the operation. And it can be taken for granted, too, that Rajeshwar Dayal, in the apparently arbitrary manner in which he directed U.N. policy in the Congo, was acting under instructions from the Nehru government.

The Nehru-Krishna Menon influence has been the source of the many weaknesses of U.N. policy in the Congo. If we are to make the U.N. a more effective instrument than it is today, I believe we must discuss these weaknesses frankly rather than denying their existence or sweeping them under the rug, as some of those who hold that the U.N. can do no wrong would have us do.

I shall mention only a few of these errors and weaknesses, all of which can be documented.

First. There was the fact that the U.N., despite the urgings of Ambassador Timberlake, did not take the necessary measures immediately after the general mutiny of July 6, 1960, to reestablish discipline in the Congolese Army.

Second. There was its failure to prevent civil war, when the forces of Patrice Lumumba invaded the provinces of Kasai and Katanga in August 1960. These invasions resulted in the massacre of many thousands of tribesmen.

Third. There was the refusal of the U.N. to recognize the legitimacy of the Kasavubu-Mobutu government and its failure to prevent the establishment of the rival government of Antoine Gizenga in Stanleyville.

Fourth. There was its failure, or at least partial failure, to prevent the influx of Communist bloc arms to Stanleyville via the United Arab Republic.

Fifth. There was the flagrant intervention of the U.N. forces to prevent the expulsion of the Ghanaian Embassy when the government of President Kasavubu unearthed evidence that this Embassy was supporting the restoration of Patrice Lumumba. I would point out here that the U.N. forces were in the Congo only by the invitation of the government and that, in moving to expel the Ghanaian Embassy, the Congo Government was exercising its sovereign right.

Sixth. Forgetting about the origins of their presence in the Congo, the U.N. in March of 1961 rejected the pleas of President Kasavubu and President Tshombe and other leaders that the projected dispatch of Indian troops to the Congo be called off because of the traditional hostility of the African peoples for the Indians.

Seventh. There was the incredible blunder of the September action in Katanga, which indicates, at the very least, the need for serious improvements in the mechanism and structure of command within the U.N.

Eighth. There was the artificial establishment of the Baluba refugee camp in Elizabethville by Dr. Conor Cruise O'Brien and his deputy, Michel Tombelaine in the month of August 1961, just before the September action. Missionaries, newspapermen, and other people in Katanga with whom I discussed the problem, all told me that the camp made no sense at all, and that O'Brien and Tombelaine had panicked the Balubas into seeking refuge in the camp so that they could use the situation as a club over President Tshombe's head. It is a tribute to Mr. Gardiner, the present U.N. representative in the Congo, that he has taken energetic measures to liquidate the O'Brien-Tombelaine refugee camp.

Ninth. There was the terrifying precedent which the U.N. established in arresting and deporting European civilians in the Congo without due process or appeal of any kind. Many of those who were thus summarily deported had lived in Katanga most of their lives; they had their homes, their families, their businesses, and personal roots there. But at the point where Conor Cruise O'Brien or Michel Tombelaine decided that a European was a mercenary or political adviser, his fate was sealed.

There was no hearing of any kind before these cruel deportations took place. And there was no habeas corpus. There was no right of appeal to a reviewing body. And finally, because the U.N. is the U.N., and because there is no legal precedent for a suit for redress against it, there was absolutely no way in which its victims could seek redress for the grave personal and material harm they had suffered at the U.N.'s hands.

I have been deeply disturbed to see an organization that is supposed to be founded on respect for the rights of man conducting itself in a manner which so gravely violates the rights of the individual. And I have even been more disturbed to see this phase of U.N. policy in the Congo either applauded or ignored by people who would spare no effort to assure that an accused person in this country is accorded the full protection of the law or to assist an individual seeking redress against the state.

I say that if we close our eyes to such transgressions against the rights of man, we are not assisting the U.N.; we are paving the way to its ultimate destruction. I note here that the Belgian branch of the International League for the Rights of Man, an organization which enjoys consultative status with the U.N., has taken up the cases of a number of Belgian civilians who claim that they were wrongfully expelled from the Congo, and is exploring the entire question of the right of redress against the United Nations.

In summarizing these failures of the U.N. in the Congo I do not mean to imply that the U.N. has no role in the Congo or that its entire record in the Congo is a negative one. The U.N. has a place in the Congo, and, despite its shortcomings, it has done much good in helping to maintain order and social services in the northern Congo. But how well its presence there serves the Congolese peoples and the larger cause of freedom depends on the policy it pursues; and the policy it pursues in turn, depends on how vigorously we defend our principles and fight for our point of view and rally political support within the U.N.

If I have found so much to criticize in the U.N.'s policy in the Congo, it is because, for all practical purposes, this policy has been the policy of Nehru and Krishna Menon, and because we have accepted this policy and made it our own.

THE DECEMBER ACTION

The U.N. has charged that the Katanga government was responsible for the fighting that occurred in December of 1961; and the Katanga government has charged that the U.N. was responsible.

According to the U.N. version, their forces went into action only after the Katanga gendarmerie had severely beaten two senior U.N. officials, abducted and killed several U.N. soldiers, and erected a roadblock on the road to the airport. The U.N. said that it considered the roadblock, which was erected on December 1, an intolerable interference with its freedom of movement. On December 4, the U.N. succeeded in clearing the roadblock after a brief but bloody battle with the Katanga gendarmerie unit stationed there. This was the signal for an all-out war that lasted until December 19, when the U.N. units succeeded in taking over the heart of Elisabethville.

The Katanga government has charged that the U.N. action was premeditated and that it was the intended product of the Security Council resolution of November 24. There is no question but that the November 24 resolution was interpreted by the world press as a green light for all-out military action against Katanga; and, in the light of this, the government and people of Katanga can hardly be blamed if they placed the same construction on the U.N. resolution.

I want to point out in this connection that the Security Council resolution of November 24 had originally been opposed by Ambassador Stevenson because it was directed exclusively against Katanga and said nothing about the problem of Gizenga and Stanleyville or of secessionism elsewhere in the Congo. Ambassador Stevenson, indeed, endeavored to amend the resolution so that it would be directed equally against all secessionist activity in the Congo. But when this amendment was vetoed by the Soviets, Ambassador Stevenson, after asking for a recess, returned to the Security Council and voted for the original Afro-Asian resolution which he had previously described as unsatisfactory. According to press accounts, he explained his actions with the words that he could not send Bomboko home emptyhanded.

This, incidentally, is a prime example of what I meant when I spoke of submitting passively to the will of the Afro-Asian bloc in the U.N. rather than fighting militantly for our own position.

In Léopoldville on the night of Sunday, November 26, Mr. Sture Linner, the chief U.N. representative, assured me categorically that the U.N. was not planning another military action against Katanga. If this was so, then the U.N. erred seriously in not giving this assurance publicly; because a public declaration was the one thing that might have allayed the tension and anxiety of the people of Katanga.

The December fighting did not produce as many casualties as the military action of September. But there was far more destruction in terms of physical damage to private property, to hospitals and other public institutions, and to industrial and business establishments. The damage in Elisabethville was particularly heavy. For weeks after the fighting was over the city remained without electricity or water. According to newspaper accounts, an odor of death and putrefaction hung over the city like a pall.

On-the-spot observers agreed that the use of mortars as primary weapons by the U.N. forces resulted in much indiscriminate killing and damage. It was also agreed that the U.N. forces had in several cases shelled and strafed clearly marked hospitals and had been guilty of atrocities against individual residents, both white and Congolese.

The charge has been made that the stories of U.N. atrocities which appeared in the American and European press were a product of Tshombe propaganda. I do not see why anyone should be at all surprised that atrocities did occur, given the tenseness of the situation, the bitterness on both sides, and the primitive nature of the Ghurkas, Ethiopians, and other units serving with the U.N. forces in Katanga. The fact that such atrocities did take place was confirmed by Smith Hempstone, liberal correspondent of the New York Post, Chicago Daily News; by the entire European medical corps in Elisabethville in a joint statement; and by Lord Russell, of Liverpool, one of Britain's most distinguished jurists, who served on the International War Crimes Tribunal at Nuremberg, and who conducted a detailed on-the-spot investigation into the charges of U.N. atrocities.

The December fighting, like the September action, resulted in the total isolation of the United States from its Western allies on the question of the Congo. On December 14, for example, the Baltimore Sun carried a dispatch headed "United States and NATO Disagree on Congo Policy." This dispatch said:

> The United States appears to be isolated from all 14 NATO Allies tonight in its support for U.N. military action in Katanga.

When Britain formally appealed to the United Nations for an immediate ceasefire in Katanga on December 13, the Department of State supported the U.N. in the position that the Katanga action could not be terminated until the U.N. had achieved its military objectives.

Those responsible for advising the administration on Congo policy were apparently so convinced of the rightness of their course that our virtually total isolation from the opinions of our allies did not cause them to pause or reconsider. Nor did our Congo policy advisers appear to be disturbed by the incongruity of a situation in which Moscow, New Delhi, and Washington were joined in applause of a U.N. action, which was opposed by London, Paris, and Brussels.

In my opinion, in the protracted argument as to who was responsible for the December action, we lost sight of fundamentals and concerned ourselves with the effects rather than with causes. The fighting of last December erupted in part because of provocative actions by both sides, in part because of the Security Council resolution of November 21. But the single most important contributing factor was the presence in Katanga of a U.N. army of 8,000 men. This force was doing nothing to maintain public order. It was obviously in Katanga for purposes of political pressure. And it was regarded by the people of Katanga as an alien invading or occupation force.

Such a situation is bound to produce tensions and incidents. Attempting to assess the blame for each individual incident would be a task as meaningless as it is impossible. The one sure way to avoid incidents and to avoid further bloodshed would be to eliminate the source of the tensions; to reduce the U.N. units in Katanga to the point where they no longer can be regarded as an army of occupation.

THE KITONA AGREEMENT

The December action resulted in the Kitona Agreement of December 21 which was hailed at the time as a vindication of the U.N.'s action and of our entire policy in the Congo.

Under the terms of this agreement, President Tshombe accepted the application of the so-called loi fondamentale of May 1960; recognized President Kasavubu as chief of state; recognized the indivisible unity of the Republic of the Congo; recognized the authority of the Central Government over all parts of the Republic; and agreed to place the Katanga gendarmerie under the authority of the President of the Republic.

Speaking about the Kitona Agreement at the time, I stated that it could serve as a starting point for an agreement that would have validity and durability because it was based on the voluntary assent of both sides. On the other hand, I warned that if this agreement, imposed by military action were interpreted as a document of unconditional surrender, if it were interpreted as a "Carthaginian peace" intended to lead, step by step, to the total destruction of those who had signed under duress, then the consequences would be disastrous.

I said that such an unconditional surrender could only be enforced if we were prepared to keep a U.N. army of occupation in Katanga for a period of decades. Since this is clearly impossible, we had no alternative, as I saw it, but to take Kitona as a starting point, and, using all our powers of suasion with both sides, strive for a formula for the unification of the Congo that reflected a genuine mutuality of interests.

What was called for, in short, was a supreme effort at conciliation, by the United States, by the other Western Powers, and by the United Nations.

THE FAILURE OF DIPLOMACY

It is an elementary rule of diplomacy as well as of human relations, that, where there are two sides to be conciliated, those who are attempting to conciliate must display tact and restraint and, above all, friendship to both sides.

There is a tendency now to damn Tshombe and the Katanga government because the 7 months that have elapsed since Kitona have produced no final agreement for the reunification of Katanga with the Congo. I am prepared to concede that at certain points in the negotiations, Tshombe has shown himself stubborn; and it is clear to everyone who has followed events in the Congo that, in the absence of an agreement, the situation has deteriorated seriously. But I believe that if this critical situation has refused to respond to our ministrations, it is because there has been a total failure of diplomacy in our relations with Tshombe, which has vitiated the efforts made to bring the two sides together. Indeed, I believe that the story of our relations with President Tshombe since the September military action of last year might very well be captioned "How To Lose Friends and Antagonize People."

The State Department has said on numerous occasions that it bears no malice toward Tshombe and that it believes that he has an important role to play in a unified Congo. These words are all to the good. But despite these words, during the period in question there has not been a single concrete manifestation of friendliness toward Tshombe by higher officials in the Department of State. Instead, Tshombe has been the target of abuse and threats and ridicule, and of actions he could only interpret as unfriendly.

Our relations with Tshombe over the past year seemed to be governed by an unwritten rule that no ranking American official was to visit him or have personal contact with him.

Ambassador Timberlake, when he was in the Congo, visited Tshombe in Elisabethville, and spent 2 whole days in discussions with him. The discussions were sometimes sharp in tone, but Tshombe and Timberlake parted company on the friendliest terms.

Ralph Bunche, as first U.N. representative in the Congo, also visited Tshombe in Elisabethville.

Ambassador Gullion, however, whose prime task in the Congo is to effect a reconciliation of Tshombe with Adoula, has to this day never visited Elisabethville. His personal relations with President Tshombe are indeed so embittered that I fear he lacks the personal leverage essential to a serious effort at conciliation.

Assistant Secretary of State G. Mennen Williams, during the course of his two trips to the Congo, visited minor cities, such as Stanleyville and Coquilhatville—but he studiously avoided Elisabethville.

Dr. Sture Linner, the previous chief of the U.N. operation in the Congo, also never visited Elisabethville after his appointment.

And when President Tshombe, on three separate occasions applied for a visa to visit the United States, he was on each occasion refused. When he asked to be permitted to come to the United States while Prime Minister Adoula was here, so that he might discuss with him, this, too, was refused.

I want to point out to my colleagues that Dag Hammarskjold, as Secretary General of the United Nations, did not consider himself too big to be willing to meet Tshombe in Ndola, in an effort to put an end to the tragic September action in Katanga. He undertook this trip, indeed, despite the opposition of some of his subordinates, such as Dr. Conor Cruise O'Brien, who spoke of the Secretary General's action as a "journey to Canossa." I would point out, too, that the present U.N. representative in the Congo, Mr. Robert Gardiner, has traveled to Elisabethville several times for discussions with Tshombe, and has, in fact, succeeded in establishing with him a personal friendship that is one of the few positive elements in the present situation.

But the State Department has remained rigid and unbending, apparently on the theory that Tshombe should be treated as some kind of political untouchable until he signs the desired agreement.

Surely no effort at conciliation in all history has ever been conducted in quite this manner.

The aloofness of the State Department to Tshombe by itself would be bad enough. But the situation has been further aggravated by repeated threats of U.N. military action against Katanga, by abusive statements issued by U.N. press officers, and by U Thant's historic contribution to diplomacy in the Congo when he recently described the Katanga leaders as "clowns."

Given this background, who can blame Tshombe and the other leaders of Katanga for feeling embittered? Who can blame them if their attitude has stiffened and if they have shown themselves less tractable in the recent negotiations?

I say in all frankness that I have considered several of President Tshombe's remarks about the State Department and U.S. capitalism most regrettable. But who can blame Tshombe if he has sometimes lost his temper and said rash things? I would point out that Prime Minister Adoula has said rash things with far less provocation or no provocation at all. I would point out that Prime Minister Adoula voted for a lot of rash anti-Western statements at the Belgrade Conference, and that he made the wild charge that Western imperialists were somehow responsible for the death of Hammarskjold. I cannot accept a standard of judgment which forgives Adoula all his rash statements and rash actions, but holds Tshombe fully accountable, in perpetuity, for every intemperate statement he has made in moments of stress, and with considerable provocation.

Madam President (Mrs. NEUBERGER in the chair), we are dealing with human beings, not with robots, and not with clowns. I think that all of those who have had contact with Tshombe will agree that he is a man of rare intelligence and considerable personal warmth. He is, in short, a man who responds affirmatively to friendship when it is offered. But by the same token, he is also a man who responds negatively to hostility or aloofness or abuse.

Tshombe has publicly charged that when Ambassador Gullion came to escort him from Ndola to Kitona, Gullion at one point replied to his remonstrations with the warning: "Beggars can't be choosers." I have also heard from an allied source that when an allied diplomat pleaded with Gullion to "go easy on Tshombe," Gullion replied with the very same words: "Beggars can't be choosers." Whether or not Ambassador Gullion actually employed these words, I believe that they aptly describe our attitude toward Tshombe for a period of at least several months after the Kitona agreement.

THE "LOI FONDAMENTALE"

During the first few months, the Adoula government, apparently speaking with our encouragement, insisted on nothing less than an absolute adherence to the loi fondamentale, as prescribed by the first clause of the Kitona agreement. When Tshombe came to Léopoldville for his first round of discussions with Prime Minister Adoula in March of this year, one of Adoula's spokesmen told the press:

> If Tshombe is prepared to accept the loi fondamentale, there is nothing to discuss. If he is not prepared to accept it, there is nothing to discuss.

I should like to say a few words on the subject of the loi fondamentale, because it has done so much to bedevil the negotiations and to poison relations.

The loi fondamentale was drafted by the Belgian Government as a provisional constitution for the Congo, to remain in effect only until the Congolese Parliament had had an opportunity to adopt a constitution of its own. In this interim period it provided for a highly centralized form of government.

However, I know of no one who today believes in the possibility of a highly centralized government, at least in the early stages, for a sprawling, heterogeneous, loosely knit country such as the Congo. In such a country, at least for some time to come, a loose federation of member states or provinces is the only conceivable basis for the maintenance of unity. Centralization is something the Congo will have to grow into.

This, essentially, was the position taken by the U.N. Congo Conciliation Commission in its report of March 21, 1961, which specifically rejected the loi fondamentale as unsuitable for the Congo. And I believe the wisdom of this position is recognized by the State Department, by our allies, and by a great majority of the political leaders in the Congo.

It is true that, from the outset of negotiations, Léopoldville has talked about a new constitution based on a large measure of state or regional autonomy. If they truly intended to go through with such a constitution, then the insistence on the loi fondamentale made absolutely no sense. The only point to this insistence, as I see it, was the apparent determination of some of the Léopoldville leaders to force Tshombe to "eat crow."

Beyond the pointless insistence on the loi fondamentale, the attitude of Prime Minister Adoula and of the Léopoldville authorities during the first round of negotiations left much to be desired. Prime Minister Adoula pointedly and insultingly absented himself from Léopoldville on the day when Tshombe arrived. After several weeks of negotiations, he announced that he was taking off for an indefinite rest, leaving Tshombe to twiddle his thumbs at U.N. headquarters. And when President Tshombe sought to return to Elisabethville, in accordance with the guarantee that had been given him by the United Nations and the central government, the central government units, on higher orders, refused to permit his plane to take off until, after more than 12 hours' delay, the U.N. cleared the runway with a show of force.

I have received the impression that in the second round of negotiations which terminated on June 21, Prime Minister Adoula and his colleagues were more moderate and less insistent on the so-called loi fondamentale. I have also received the impression, from a distance, that on certain points President Tshombe's position seems to have hardened. All accounts are agreed that a kind of impasse seemed to have developed between the two leaders.

THE POINTS OF IMPASSE

It is in the interests of Katanga, it is in the interests of the Congo as a whole, and it is in the interests of the entire free world that a way be found to break the present impasse. I believe that it can be broken, because I believe that both Tshombe and Adoula really do want to get together.

I had this impression when I was in the Congo; and I still retain this impression today, despite the sometimes discouraging political fencing that has gone on between the two leaders.

I would not be prepared to say that everyone around Tshombe desires unity. I have heard it said, and it may be true, that there are members of his cabinet who will be satisfied with nothing less than complete secession. But from a day and a half of conversations with Tshombe, I am convinced that he is wise enough to realize that if the rest of the Congo ever went under, and if the Kremlin established operational bases in Léopoldville and Stanleyville, an independent Katanga could not long survive. He is wise enough and moderate enough in his views to realize that, ultimately, the fate of Katanga is bound up inextricably with the fate of the Congo.

I do not underestimate the difficulties that stand in the way of a solution.

Personal attitudes have hardened on both sides as negotiations have gone on, week after week, with little to show for them.

The attitude of the Katangese leaders had hardened particularly—and for this, I believe the U.N.'s repeated threats of military action against Katanga, the cheap abuse of Katanga and the Katangese leaders by U.N. officials up to the rank of Secretary General U Thant, and our consistent unfriendliness and total lack of contact or rapport with Tshombe, are largely to blame.

But, to a far greater degree than is commonly realized, I believe that the present impasse is due to the ineptness and corruption of the Léopoldville government; its complete failure, even with the massive assistance it is receiving from the United States, from Belgium, and from the U.N., to establish economic order; its fiscal insolvency; its lack of control over its own army; its lack of political control over the greater part of what is supposed to be the territory of the Léopoldville government; and, in general, the bickering and division and lack of authority that characterize the central government.

As I have pointed out previously, Prime Minister Adoula, whose personal integrity no one questions, has had occasion himself to castigate his own parliament for saddling him with an unwieldy, inept, and corrupt cabinet.

The scale of economic, fiscal, and political chaos in the northern Congo is almost incredible, even by African standards. Despite the help of nearly 3,000 Belgian and U.N. technicians and advisers, despite $86 million in U.S. aid over a 2-year period, and despite more than $200 million in grants and loans from Belgium and from the World Bank, the railroads are not running in most of the Congo, two-thirds of the nation's trucks are reported idle for lack of spare parts, and many of the roads have become impassable. Exports have fallen off 75 percent from preindependence level. Some reports say that one-third of the labor force in Léopoldville is unemployed; other reports have it that one-half the labor force is unemployed.

A major source of revenue for the government should be the export of gems and industrial diamonds from the south Kasai fields. The Washington Post of June 21, 1962, reported that of about 17 million carats of industrial diamonds produced by south Kasai over the year ending June 1962, only 125,000 came into the legal market. According to this article, the balance was disposed of by smugglers. The United Nations estimates that these smugglers have netted about $36.5 million, while the government collected the tax on a mere $814,000 worth of diamonds. In addition, it was estimated that some $10 million worth of gem stones had been smuggled out of the country, without tax. In commenting on this situation, the Washington Post article said:

> Congolese imports cost $120 million yearly, of which half is an American subsidy. Checking smuggling would raise currency earnings by more than 80 percent and economize on U.S. import aid in the same proportion.

The budget approved by the Léopoldville government in mid-June called for $382 million in expenditures. Against this figure, its estimate of revenues—and I believe it is generally conceded that this estimate is optimistic—was $150 million. This leaves an estimated deficit of $232 million for 1962.

The outrageous demands of the political parties which compose the Léopoldville government have forced Prime Minister Adoula to maintain a vastly inflated civil service. The total failure to date of the U.N. and of the Léopoldville authorities to find any solution for the problem of the Congo's bandit army, has, in addition, saddled the Adoula government with an exceedingly onerous and unjustified outlay. The base pay of the 25,000-man army, which consists for the most part of mutineers and bandits, is, as I have pointed out previously, the highest in the world—$180 per month. Between them, the army and the civil service eat up 80 percent of the annual budget.

There has been a whole series of rifts and crises within the government. President Kasavubu and other members of the government are reported to have demanded the resignation of Foreign Minister Bomboko, on grounds of grave personal scandal. Prime Minister Adoula has succeeded in retaining Bomboko, according to these reports, only by offering major concessions to Kasavubu's powerful Abako Party.

There was another crisis over the parliamentary decision to neutralize the city of Léopoldville along the lines of the District of Columbia. According to the Washington Post of July 1, 1962, President Kasavubu and the Abako Party called upon the people of the capital to ignore the independence celebrations, in protest against that decision.

In a lengthy article in the Washington Post on July 7, Russell Howe had the following to say about the diminishing authority of the Adoula government:

> Adoula's own political position is weakening. His writ runs strong in the capital, uncertainly in Equator and Léopoldville Provinces, only nominally in Kasai and Eastern Provinces, barely at all in Kivu. Katanga of course is in open rebellion.
>
> Business confidence continues to sink, and many of the Belgians who flocked back to Léopoldville last year are now cutting their losses and setting their sights on Brussels or South Africa. The 16,000 European population of Léopoldville is falling by more than 100 monthly.

Within recent weeks, Prime Minister Adoula has taken energetic measures to improve the situation. The Washington Post reported on July 12 that he had fired more than half of his ministerial team including three top members of the cabinet. Out of 43 ministers and secretaries of state, he kept only 14. To these he added 13 new names, making a government of 28 instead of 44 members.

In relating all these facts, I do not mean to imply that all is disorder in the Léopoldville Congo, while all is order and integrity in Katanga. The Katanga government, like every new government, anywhere in the world—and I am afraid that these phenomena are not altogether confined to new governments—has its quota of ineptness and corruption. But as the scholarly Methodist missionary, the Reverend James Brouwer wrote to me last year:

> To be sure it is far from being a perfect government. But you are not going to get a better government in any newly independent African country for many years to come, and you may get far worse.

The one thing even Tshombe's bitterest critic cannot take away from him is the fact that he has succeeded in maintaining a very large degree of order, he has kept race relations on an even keel, he has kept his people working, he has increased his exports, and he has, by and large, efficiently administered his government. And he has done these things despite almost incredible difficulties—despite the early troubles with the northern Balubas, despite the harassments of the United Nations and the two United Nations military actions, and despite the enervating conflict with the U.N. Secretariat and the Department of State and the Central Government.

In contrast with the fragmentation and lack of authority in the rest of the Congo, Tshombe has been able to extend and consolidate his authority in Katanga.

Critics of Tshombe are fond of pointing out that his party, the Konakat Party, received only a minority of the votes in the elections held under Belgian auspices prior to independence. But they do not challenge the basic fact that he was able to put together a coalition of parties which gave him a majority in Parliament and, therefore, gave him the government.

All of this, however, was a long time ago. There is no question in the mind of anyone who has spent time in Katanga that Tshombe's influence and prestige have grown enormously over the intervening 2 years. It was never true, as some of the critics pretended, that all of the Balubas, who constitute more than 40 percent of Katanga's population, were anti-Tshombe. Even at the time of the September military action, as the newspapers reported, there were many Baluba chieftains and even great chiefs who fought alongside Tshombe's forces. When I was in Katanga at the end of November of last year, missionaries with whom I discussed the matter told me that, according to their estimate, Tshombe had at least one-third of the Balubas behind him.

According to two Methodist missionaries with whom I have recently discussed the situation, the Reverend Howard Brinton and the Reverend Paul M. Alexander, Tshombe today has overwhelming popular support. In southern Katanga where the economic wealth is concentrated, this support is near unanimous. But among the northern Balubas, too, there has been a dramatic shift toward Tshombe's side, so that chieftains who were previously loyal to Jason Sendwe and the Balubakat Party are now openly pro-Tshombe. In part, this shift is due to the understandable resentment on the part of all the natives of Katanga against the army of foreigners which has invaded their territory.

I am convinced that to a very large degree the obvious hardening in the attitude of the Katangese leaders in recent months has been due to their concern over the growing economic and political chaos in the northern Congo and the self-confidence that stems from the knowledge that they have been operating a viable government, maintaining a prosperous economy and consolidating their authority among their own peoples. This is an aspect of the impasse for which, I must confess, there is no easy solution.

I can understand the position of the Central Government when it says that there can be no serious national unity, even a unity based on a loose federation, without an integrated currency and without the integration of the armed forces of the member states under a single national command. Unquestionably this is the ideal that we must strive for.

But I can also understand the position of the Katangese leaders when they say that the integration of the Katangese currency with the currency of the Congo Republic would today make no sense; that it would not save the Congolese currency from disaster; and that it might, on the contrary, destroy Katanga as a source of possible economic and financial support by undermining the Katangese currency and fiscal system.

This is a most complex problem, as I have pointed out, and it would be presumptuous to suggest a solution without the most detailed information. It is, however, conceivable to me that the Katangese may moderate their stand if we and our Western allies are prepared to give them an ironclad assurance of our determination to restore economic order in the Congo and of our willingness to underwrite the Congolese currency and to take whatever measures may be necessary to prevent its collapse.

I also believe that the Katangese leaders have an argument with much validity when they say that it will not serve the Congolese peoples if they, today, dissolve the relatively well-disciplined Katangese army into the horrendously undisciplined mass of the National Congolese Army. Their resistance on this point may require the concession of a carefully phased operation, rather than overnight integration.

There is another element to the impasse between Tshombe and Adoula, which probably began as a byproduct effect, but which has now achieved the status of a cause.

Immediately after their arrival in Léopoldville, the Katangese parliamentary deputies voted rather consistently with the Adoula government against its critics in the Parliament. In the past few months, however, they have, on several issues, voted with the opposition and against Adoula.

The opposition is a mixed crew. It includes some of the Balubakat deputies and other deputies who do not have any precisely defined ideology, one way or the other. But it also includes people like Christophe Gbenye, the former Minister of the Interior and until recently Vice Premier, whom I have had occasion to criticize in previous statements; and it includes followers of Lumumba whose attitude toward communism and the Soviets bears no relationship to the attitude of Tshombe.

The fact that the Tshombe deputies have voted the same way as the Lumumbaists on one issue or even on several issues, by itself, certainly does not prove that Tshombe has gone over to the side of the Soviets or that he is playing a serious game of footsie with them, as State Department spokesmen have implied. How strained this logic is becomes apparent when it is recalled that, on at least several issues in the United Nations—including the issue of the Congo—we have voted with the Communist bloc and against our allies.

Indeed, I can understand the attitude of the Tshombe deputies in voting against the motion to deprive Vice Premier Gizenga of his parliamentary immunity. I am positive Tshombe has no sympathy for Gizenga or Gizenga's politics. But the worst criminal is entitled to due process. From the standpoint of legal procedure, the arrest of Gizenga before he had been deprived of parliamentary immunity and before he had been indicted on any charges raises very grave questions. Tshombe cannot be blamed for believing that if such arbitrary legal procedures were given the status of a precedent, no provincial leader could feel certain about his personal security in visiting the territory of the Central Government.

I cannot understand the double standard which some people in the State Department apply to Adoula on the one hand and to Tshombe on the other hand.

If Adoula goes to Belgrade with Gizenga and votes for all the anti-Western resolutions, if he accepts Gizenga as Vice Premier, appoints Gbenye Minister of the Interior, and appoints the notorious leftist Bochely-Davidson Administrator for Katanga, these things are ignored or are accepted as matters of necessity. But if the Tshombe deputies vote once or twice alongside the Gbenye deputies, this is construed as proof of some sinister plot with Moscow, or at least as proof of a total lack of principle on the part of Tshombe.

If Adoula's Foreign Minister Justin Bomboko only 1 month ago threatens to invoke Soviet military assistance to subdue Katanga, Adoula assures the West that this is not the foreign policy of his government and the matter is forgotten. But if Tshombe's Minister of the Interior Godefroid Munungo, in Tshombe's absence, threatens to turn to the Soviet bloc if the United States persists in its unfriendly attitude, and if Tshombe promptly and firmly repudiates his subordinate, 1 year later the incident is still used as proof of Tshombe's political unreliability.

I believe that, if we want to get anywhere in the Congo, we have to be prepared to make some allowances for both sides. Adoula and the people around him have had far more frequent contacts, and far more significant contacts, with Congolese in the pro-Soviet orbit than have Tshombe and his followers. But knowing the facts I have here listed about Adoula, I still consider him one of the best of the available political elements in the Congo, and I favor supporting him and collaborating with him. I do not think it is too much to ask reciprocal tolerance toward Tshombe's side from Adoula's supporters in the State Department.

While I do not believe that there is any evidence of a hard trend or confirmed understanding between the Katanga Parliamentarians and the Lumumbaists, I must state in all frankness that I find several events of recent months disturbing. I find it disturbing, in the first place, because temporary accommodations with Communists and pro-Communists are always dangerous.

I find it disturbing in the second place, because, as I have stated, I am convinced that Prime Minister Adoula remains the best and ablest leader on the political scene. If Adoula falls, no one knows who will take over. But I think virtually everyone who is familiar with the situation agrees that it would result in a change for the worse; it might even bring a much more Moscow-oriented government. For this reason, I have the gravest misgivings about any action which might contribute to the toppling of the Adoula government.

IS THERE A WAY OUT OF THE IMPASSE?

When I was in Léopoldville, one of the senior members of the Embassy staff stated that he found the situation so vexatious and difficult that there were times when he paced the floor for most of the night, trying to think of which way to turn the following day.

There is no easy way out in the Congo—and there may be no way out at all. But I feel that the history I have recorded here points to certain things that should not be done and indicates certain courses of action which may still be open to us.

We must not permit ourselves, out of impatience and frustration, to be maneuvered into another military action against Katanga. This we must avoid at all costs, because there is no course that could more certainly destroy the Congo.

Needless to say, there is nothing the Soviets would applaud more than another military action, because the Soviets wish to see the Tshombe government destroyed and the European experts and technicians driven out of Katanga.

I am convinced that there is no one in our State Department whose intentions vis-a-vis Tshombe parallel those of the Soviets. They do not wish to see Tshombe destroyed; at the worst, our own partisans of war in Katanga simply wish to cut Tshombe down a notch or two. The game they are playing, however, is an exceedingly risky one, because military actions, once they are initiated, cannot be controlled with precision. If they initiate another action, they may find that it goes much further than they have intended; they may find it winding up with Tshombe dead or supplanted by Katangese extremists, and most of the European personnel out of Katanga. And if Tshombe were ever eliminated from the scene, I can assure you that we will find no substitute leader of comparable wisdom and moderation and understanding of world affairs.

We must choose between two alternatives: force and conciliation.

If we choose force, then let us have no illusions about the dangers or the cost. At the worst, the use of force to crush Katanga may very well destroy the Congo. At the best, it will require maintaining a U.N. army of occupation in Katanga for many years to come.

If we are not prepared to maintain a U.N. army of occupation in Katanga for the next decade or more, then we must turn toward conciliation as the only realistic alternative. There is no third alternative. These are the two choices before us.

Since I reject the policy of force as dangerous and futile, I believe that the U.N. operation in the Congo must be completely reoriented.

We must abandon the disastrous negative diplomacy that has characterized our recent relations with Tshombe; and, while pressing our point of view, we must offer him our hand in friendship.

I believe that if we all concentrate our efforts and our assistance programs on the reestablishment of order in the Léopoldville Congo rather than on the military subjugation of Katanga, we will in the long run best be serving the ultimate cause of the unity of the Congo.

There are too many soldiers in the Congo—too many U.N. soldiers, too many soldiers of the National Congolese Army, too many Katangan soldiers. If we are to make conciliation and economic rehabilitation our chief objectives, it is essential that all three forces be substantially reduced.

I would point out that the 8,000-man U.N. army of occupation in Katanga alone is costing almost $70 million a year—a figure, incidentally, almost double the $40 million revenue which the Katanga government receives from the Union Miniere's operation.

I believe that the U.N. forces in Katanga should be cut back to one-half of their present size, in return for comparable reductions in strength by the National Congolese Army and the Katanga armed forces.

In this first phase, the U.N. forces withdrawn from Katanga should be kept on a standby basis in the northern Congo while the least disciplined units of the National Congolese Army are being disarmed and disbanded.

In the second phase, when the task of disarming and disbanding these units has been completed and when a measure of order has been restored, I believe the U.N. forces should be drastically reduced in size with a view to a rapid phasing out of the entire United Nations military operation in the Congo.

There are several instruments we can use in attempting to bring both sides together.

Prime Minister Adoula, in a conciliatory statement issued on Monday of this week, indicated that he was willing to agree to a loose federation, in which the Central Government controlled foreign affairs, defense, customs, and currency, while the member states controlled their own internal security and remained free to make their own economic arrangements. With these important concessions from the side of Adoula, I believe that it may now be possible to conciliate between the contending factions, and somehow compromise the still outstanding differences.

As a military operation in the Congo is reduced in size, I would like to propose that, in concert with our NATO allies, we work out a program of economic assistance and development covering the whole of the Congo and designed, among other things, to promote a tighter economic integration of its sprawling territory.

But, above all, in seeking a successful consummation of the Adoula-Tshombe negotiations, we must strive to substitute friendship for force as the essential instrument of suasion. Who can blame Tshombe when he says:

> I cannot negotiate with a Ghurka knife on one side of my throat and a Malayan knife on the other.

The substitution of friendship for force and threats of force is all the more imperative because, in the light of Prime Minister Adoula's offer of concessions to Tshombe and Tshombe's affirmative response to Adoula's proposal, a negotiated settlement now appears more probable than ever.

If we are prepared to thus reorient our course, I am confident that peace and prosperity can be brought back to the Congo, and that the Congolese peoples can take their rightful place in the community of free men and free nations.

Madam President, I have only ventured to speak at such length because of the critical importance I attach to the issue of the Congo.

We have learned from Czechoslovakia and Korea and Vietnam and Laos that we cannot remain indifferent to what is happening in strange and faraway countries, that in the world of today no country can remain an island unto itself.

What is happening in the Congo today affects the security and the future of the American people in many ways.

The Congo's great mineral wealth, so long as it remains at the disposal of the free world, can be an incalculable boon to mankind. But if it were ever to fall into the economic arsenal of international communism, this great mineral wealth would become a potent weapon for the destruction of freedom.

The Congo is of the greatest strategic significance to the free world. Its position in the heart of Africa, and at the center of the band of political vulnerability to which I have previously referred, makes it the key to the control of Africa. And if the free world were to lose Africa, on top of its already very serious losses in Europe and Asia, the balance would be so heavily tipped against us that our very survival would be called into question.

The Congo also has many-sided implications for the conduct of our foreign policy. Here, within a single capsule, you can find three major phenomena that have plagued our foreign policy in recent years. First, there is the tendency to rely excessively on the United Nations—to use it as a substitute for a national foreign policy or as an excuse for having no foreign policy of our own. Second, there is the excessive deference to that fallen idol of liberalism, Jawaharlal Nehru, and his neutralist companions. Third, there is the tendency to believe that the conflict with communism can be frozen, or that communism can most effectively be resisted by setting up coalition governments with the Communists. It is not surprising that these three phenomena should coexist within the single capsule of the Congo, because these phenomena are organically interrelated; indeed, they constitute a kind of trinity of the philosophy of conciliation with the Communist world.

It is in the light of these considerations, Madam President, that I would urge my colleagues and urge the American people to study the problem of the Congo with all their earnestness. What I have said here constitutes the thinking of one man who has sought to find the thread of truth in the tangled pattern of the Congo. If I have criticized certain aspects of our policy in the Congo, I have done so without rancor. And if I have urged a fresh approach to the problems of the Congo, I have done so in the belief that honest criticism can only be helpful, and in the hope that certain of the remarks I have here made will help to give Congress and the American people a clearer understanding of the complexities of the Congo situation.

It is my fervent hope, Madam President, that my remarks will be received in this spirit.

Madam President, I ask unanimous consent to have printed at this point in the Record several newspaper articles which touch upon and document the problems I have been discussing.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the New York Herald Tribune, April 6, 1961]

U.N. Warned by Nehru on Congo Trend

(By Rowle Knox)

New Delhi, April 5.—India has expressed its concern to United Nations Secretary Dag Hammarskjold at the way things are shaping in the Belgian Congo Republic.

Prime Minister Jawaharlal Nehru feels that the United States and other Western powers have accepted too willingly the decisions of the Congolese leaders at the Malagasy conference, which, in the Indian view, are invalid unless they are ratified by a meeting of the Congolese Assembly. And from Delhi a meeting of that assembly looks as far off as ever.

Mr. Nehru's statement to Parliament that if Rajeshwar Dayal does not return to his Congo post as Mr. Hammarskjold's personal representative, India may have to reconsider the use of its troops there, is the public threat that backs the Indian message to Mr. Hammarskjold.

Mr. Nehru's belief that the removal of Mr. Dayal "would inevitably militate against the implementation of the United Nations Security Council resolution" of February 21 means that he was not at all sure that other countries share India's interpretation of the resolution. It authorized the use of force as a last resort to prevent civil war in the Congo.

Though Mr. Dayal is now assigned to the United Nations—as Indian officials here are quick to explain—it is clear that Mr. Nehru expects him to work for the execution of the U.N. resolution as New Delhi sees it.

About 2,300 More Troops

United Nations, N.Y., April 5.—United Nations sources said today that about 2,300 Indian troops for the Congo Command will arrive in Tanganyika this weekend to be airlifted in U.S. planes to the Congo.

U.S. planes will carry the troops and supplies from Dar-es Salaam to Kamina, the former major Belgian air base in the Congo. It was estimated that 33 sorties, involving flights of 3 to 4 hours, would be required to transport the troops.

[From the New York Times, Apr. 4, 1961]

Nehru Warns U.N. on Ousting Dayal

(By Paul Grimes)

New Delhi, India, April 3.—Prime Minister Jawaharlal Nehru warned today that activities to oust Rajeshwar Dayal, the Indian who heads the United Nations mission in the Congo, could have "some effect on the maintenance of our forces there."

The Prime Minister gave his approval, however, to the use of force by the Indian troops if deemed necessary by the United Nations command. But he declared:

"If we feel that they are not being properly utilized as we intended them to be, it is for us to reconsider what to do. But I hope that will not happen."

[From the New York Times, Apr. 4, 1961]

U.N. Completing Airlift

Kamina, the Congo, April 3.—The United Nations was completing the airlift of nearly 1,000 Indian troops to this big military base in Katanga Province today in defiance of a warning by President Moise Tshombe that the move could mean war.

The commander of the soldiers, who are Gurkhas, declared one bullet fired at his men would mean prompt retaliation with "many heads lost."

[From the New York Times, Apr. 4, 1961]

Dayal Attacked by Congolese

United Nations, N.Y., April 3.—Mr. Dayal has been under almost continual attack by members of the Congolese Central Government, who have called repeatedly for his replacement.

Last Tuesday, for example, Mario Cardoso, Congolese representative at the United Nations, charged that a solution of the Congo problem had been prevented by what he termed the refusal of Mr. Dayal to consult with officials of President Kasavubu's regime.

[From Newsweek, June 5, 1961]

Léopoldville.—Now that India's Rajeshwar Dayal has been forced out of his post as top U.N. official in the Congo, look for a general diplomatic shuffle. Dayal's principal critics, Ambassadors Clare Timberlake of the United States and Ian Scott of Great Britain, also are due to leave. Timberlake is returning to Washington on home leave and then will get another embassy.

[From the Washington Post, May 25, 1962]

Congo Heading for Showdown

(By Russell Howe)

Léopoldville, May 24.—Despite the absence of fanfare, the current talks here between Congolese Premier Cyrille Adoula and Katanga President Moise Tshombe are regarded as the most crucial yet held to solve the Katanga crisis.

The talks which began this week, have got off to a bad start, with both sides badtempered and reluctant to make serious concessions.

Diplomatic and high United Nations sources have probably never been more doubtful of the chances of reunifying the Congo peacefully.

Diplomatic circles believe Premier Adoula cannot much longer survive the slow erosion of his prestige caused by his failure to deal with Katanaga. Adoula calculates that he must conquer or collapse, it is said. If Adoula falls, his successor is likely to be someone like Cleophas Kamitatu, more radical both in methods and ideology.

Politically battered, Adoula now also faces a new payments crisis.

Foreign exchange reserves today skidded to $4 million—enough for 3 weeks of imports under new superausterity measures.

Western and U.N. representatives and the African ambassadors here are urging Adoula to prove beyond all possible genuine international doubt his reasonableness and patience in negotiations with Tshombe.

But sources here say that if Tshombe refuses to compromise or signs an agreement and reneges, Adoula would probably attack Katanga, using his embryonic European-crewed air force, which he has refused to exchange for an all-Congolese air force under U.N. instructors.

If Adoula takes military action, U.N. support would at first be limited to such police work as protecting civilian populations and controlling airfields. But U.N. officers assume that U.N. forces would be drawn into the fray on the government side if civil war broke out.

Katangese Army roadblocks in Elisabethville indicate that Tshombe, who has acquired new weapons and officers in recent months, is planning to challenge the U.N. to "round three" in Katanga soon.

The present talks also probably represent the furthest the United States can go toward encouraging negotiations. Ambassador Edmund Gullion is still plugging for a peaceful solution, but he recognizes that Adoula cannot use kid gloves on Tshombe much longer.

The Communist embassies are playing a discreet waiting game, convinced that governmental disintegration is just around the corner. They are telling Congolese leaders that the United States and its wholly owned subsidiary, the U.N. Congo operation, are really on Tshombe's side.

U.N. circles say that if Tshombe again challenges the international force, its units will not stop fighting anywhere short of the Rhodesian frontier.

Tshombe is worried but not desperate. While he spins out the palaver, his aides are trying to firm up the present loose parliamentary alliance with the supporters of leftist Antoine Gizenga.

It is reasoned that he may have wider long-term ambitions such as the conquest of copper rich Northern Rhodesia, due for independence about 1964. Or Tshombe might try for a separate eastern Congo—Oriental, Kivu, and Katanga Provinces—with a common bond in the Ki-Swahili Lingua Franca. This line has been used in conversations with the Gizengists.

Tshombe's present domain of Katanga is dangerously small and his present rail outlets through Portuguese Africa might be cut by Rhodesian nationalist leaders or the Anglolan rebels in return for Congolese arms aid or by the U.N. itself.

In official American eyes, one of the most disturbing and unaccountable features of the Congolese crisis remains the failure of Britain, Belgium, and France to give Adoula their full backing and exert pressure on the rebels' backers. The power of colonial business lobbies in these countries seems disproportionate, in the American official view.

[From the Christian Science Monitor, June 14, 1962]

Tshombe Calls Adoula Too Adamant

Léopoldville, Congo.—Moise Tshombe, Katangan leader, charged Tuesday that the Congolese Central Government apparently is unwilling to make concessions to his breakaway province "because they are confident that the United Nations will help them take Katanga by force."

Mr. Tshombe, now negotiating with Congolese Premier Cyrille Adoula on Katanga's reintegration with the rest of the nation, made his accusation at a reception which also heard some strongly anti-American remarks by Mr. Tshombe and his entourage.

Robert Gardiner, host at the informal gathering and U.N. Congo chief, appeared pessimistic about the 3-week-old negotiations in talking to reporters.

"If the Congolese aren't ready for us to help them along, then there's no reason why we shouldn't pull out of the Congo," he told newsmen, according to the Associated Press.

Katangan Finance Minister Jean Baptiste Kibwe declared: "If I became Prime Minister, the first thing I would do would be to chase all Americans from the Congo."

Mr. Tshombe and other members of his delegation attacked the United States, charging that the United States had instigated and materially supported U.N. military action against Katanga last year.

Katanga Public Works Minister Gabriel Kitenge declared: "At least the Communists do not throw bombs on us like the Americans."

One Katangan argued that the United States is preventing a solution of the Congo crisis through "constant interference" and would back the U.N. to "reduce" the mineral-rich province by force as attempted last year when bitter U.N.-Katanga fighting flared in the provincial capital of Elisabethville.

He declared Katanga alone could easily stand up against all of the Congo. "We are warriors * * * in fact, we could conquer the whole Congo in 1 month."

Mr. Kibwe maintained that Katanga had nothing to gain from joining the Congo—"they need Katanga but Katanga does not need the Congo."

Mr. Tshombe, answering reporters' questions, said Mr. Adoula and his side still insisted on integrating Katanga on the basis of the nation's fundamental law. "Let us remember," he said, "that this law was imposed on us by the Belgians" (the former colonial power here).

He said Katanga's delegation had come here "prepared to give up certain sovereign rights, but we want to keep internal control." Mr. Tshombe said the Adoula government was unwilling to make concessions to Katanga's viewpoint, adding: "They are negotiating with the conviction that if the talks fail, the United Nations will pass a resolution to integrate Katanga by force."

For instance, Mr. Tshombe said, Katanga is unwilling to sacrifice its independent currency to the inflated Congolese franc. "We can help the Congo better by keeping our own money intact," he added.

The monetary problem is under discussion in the Adoula-Tshombe talks to end the province's secession, which dates almost from the start of the Congo's independence from Belgium in 1960.

In a recent unity move the two delegations agreed to set up a commission to define measures for integrating the Katanga gendarmerie with the Central Government Army.

Mr. Tshombe declared at the reception that this commission or any other such pro-unity panel will have no executive powers and "will be purely technical and consulative."

[From the Washington Post, July 1, 1962]

Kasavubu Hints Action on Katanga Secession

Léopoldville, Congo, June 30.—President Joseph Kasavubu said today the Congo may have to seek new ways of solving Katanga's secession.

In a speech marking the second anniversary of the Congo's independence, the President said: "We desire the return of Katanga in peace. At the moment when we could have expected concrete results from the talks between M. Adoula and M. Tshombe, the latter broke them off.

"Faced with this new development, the Government will have to consider a new course of action."

Kasavubu has been known in the past for his conciliatory attitude toward Katanga and its secessionist leader, Moise Tshombe, while a firmer line has been taken by Prime Minister Cyrille Adoula.

Kasavubu reviewed a march-past of several thousand Congolese troops during today's celebrations.

A new Garde Republicaine in powder blue uniforms and white fezzes decorated with red plumes drew applause from the crowd.

Observers noted that Kasavubu—whose car was escorted for the first time by outriders on new American motorcycles—had trouble getting out of his vehicle, and used a walking stick to mount the reviewing stand. Congolese sources said he was suffering from a blood clot in his leg.

Later he failed to appear at a diplomatic reception he gave at his residence.

The crowd lining the streets for the parade appeared thinner than last year and applause generally was feeble.

Kasavubu's powerful Abako Party Friday night called on the people of the capital to ignore the independence celebrations in protest against a parliamentary decision this weekend to neutralize the city along the lines of the District of Columbia.

The Abako sees in this an attempt to weaken its political power, since its followers—the Bas-Congo tribe—are in a majority in Léopoldville.

[From the New York Times, July 1, 1962]

Congo Talks Fail, State Calm on Second Anniversary but Still Faces Katanga Problem

(By David Halberstam)

Usumbura, Burundi, June 30.—There is an old and honored Congo folk tale about a frog and a scorpion that goes like this:

There was a large pond and the scorpion, which could not swim very well, wanted to get across, so it asked the frog, a fine and graceful swimmer, for a ride. The frog thought about it and said, "No I don't think I'd better do that—you'll kill me with your tail and I'll die."

"Don't be silly," said the scorpion, "why should I do that? You're a fine Congolese brother, besides which, if you die I'll drown, too."

The frog thought again and acknowledged that the scorpion made a lot of sense. The scorpion got on the frog's back and off they went. Halfway across the pond the scorpion stung the frog. As they both started to sink into the slime, the frog asked: "Why did you do that, old buddy? Now both of us will drown." The scorpion nodded wisely and said: "Well, that's the Congo."

TALE WITH FEELING

The man who tells this story with particular feeling is Robert K. A. Gardiner, a Ghanaian charged as United Nations chief in the Congo, with the fantastic task of putting the Congo back together and making it work. He told the story the other day at a social gathering designed to bring together President Moise Tshombe of Katanga and Premier Cyrille Adoula of the Central Congo Government. President Tshombe showed up, charming and ebullient as ever but Premier Adoula never appeared. Apparently he was talking to his Parliament about a budget. Mr. Gardiner was not very happy about his absence.

That luncheon looks in retrospect like a high point in the Tshombe-Adoula talks. This week the talks, which began in mid-March, seeking to end Katanga's secession, ended in a traditional Congolese rupture. M. Tshombe went off to Elisabethville—to be out of Léopoldville when the Congo's independence is celebrated and to be in Elisabethville to celebrate the second anniversary of Katanga's independence on July 11—pointing out that he had signed nothing. Mr. Adoula watched him go and said that this was the definitive proof that there was no peaceful way to deal with him.

Mr. Adoula said the United Nations had got him into the talks, and the United Nations could now get him out and end the secession by force.

The Congo thus approaches the anniversary of her second independence this weekend with a veneer of calm and flimsy stability in the cities, but with two major and interlocking problems—Katanga and the unwieldy and always dangerous Congolese Army—still unsettled. It is a bitter lesson of 2 years that bad soldiers led by ill-trained soldiers do not become good soldiers. Similarly it is a bitter lesson that the longer a secession exists de facto, the more difficult it is to end, the more likely the secessionists are to want to hold on to their own country, and the greater the sense of nationalism throughout the secessionist province.

Six months after the agreement at Kitona that settled the Katanga secession on paper and three and a half months after the torturous Adoula-Tshombe talks began, the issue of Katanga is still unresolved. There is still a separate army in the province, one still needs a visa from the local government to enter and the Katangese have finished the second printing on their own money.

There are peripheral issues impeding the talks, of course—money, transportation, communications, and so on—but the basic and persistent issue is this: the deep and intense desire of the Katanga government to remain an independent nation, recognized as such, and the equally deep and intense desire of the Léopoldville government to end the secession, to have the rich copper mines to bolster its fractured economy and to achieve that almost mystical result, national unity.

It is not really the men who are terribly important any more. Behind Mr. Adoula there are many Congolese who are even more strongly committed to the idea of crushing Elisabethville; behind Mr. Tshombe there are ministers even more unyielding in their feelings about Léopoldville. Once again the outlook is grim.

For the Léopoldville government it is relatively simple. Mr. Adoula will turn to the United Nations, but should there be any hesitation there he will be shopping around for new friends. They will not be hard to find.

For the Katangese it is a bit more complicated. Mr. Tshombe would like to avoid another round of fighting in his city, particularly one that, if his army should be unsuccessful, might land him in jail. Thus he may attempt another session of prolonged talks, feeling strongly, as he has said, that the Congolese Government is unyielding in the talks because it feels it can always call on the United Nations for aid.

For the United Nations, and also the United States, the Congo will once again become deeply divisive. Once again the issue will cut to the core of the discord within the United Nations (angry but weak African nations, disdainful but powerful European ones) and once again endanger the relationship between the United States and its allies.

HEART OF CONFLICT

Nothing cuts to the heart of the conflicting ambitions of U.S. policy—support for its allies and yet tangible support for new African aspirations—than the Katanga secession. Perhaps nothing since the Suez conflict has divided the United States from its allies as much as its support and part in the last United Nations action in the Congo. Similarly, nothing may have gained more for the United States on the African Continent than this role.

"Until December in Katanga we always thought of you as just another imperialist nation," the Nigerian Ambassador to the Congo told an American recently, "but now we see you as something else."

The Africans and Asians seeking a radical solution in the United Nations will have the support and the enthusiastic encouragement of the Eastern bloc, for this is the kind of African situation the Russians like best. Their own policy is muddled and uncertain, and on the few occasions when they have taken a positive role their fingers have been badly burned. They are at their best in the role of the man who goes to the auction with no intention to buy but with every intention of raising the price for the ultimate buyer.

[From the New York Times, July 4, 1962]

U.N. Group Hears of Congo Threat—Drastic Measures Urged To Expel Mercenaries

(By Sam Pope Brewer)

United Nations, N.Y., July 3.—Justin Bomboko, the Foreign Minister of the Congo, spent all day today in conferences with United Nations officials and Asian and African delegates on the new crisis caused by the collapse of talks to end the secession of Katanga Province.

Talks in Léopoldville between Premier Cyrille Adoula of the Congo and President Moise Tshombe of Katanga were broken off last Tuesday.

Mr. Bomboko told a meeting of the powerful Asian-African group this afternoon that the United Nations must take drastic measures if the remaining foreign mercenaries were to be expelled and the unity of the Congo restored.

As he left the meeting, Mr. Bomboko said that he favored a peaceful solution to the Congo problem, but that some people might want war. Apparently he was alluding to the Katanga government.

The Acting Secretary General, U Thant, was understood to have arranged Mr. Bomboko's talks on the eve of Mr. Thant's departure tomorrow for a 16-day European tour. A delegate who has been in close touch with developments said Mr. Thant wanted to have an Asian-African consensus in mind when he talked with European leaders, including Prime Minister Macmillan and President de Gaulle.

Mr. Thant will visit Switzerland, Norway, Ireland, and France and speak at the summer meeting of the Economic and Social Council in Geneva before returning here July 20.

Mr. Bomboko, who arrived last night, had a breakfast meeting today with the chief United Nations representative in the Congo, Robert K. A. Gardiner, who also arrived yesterday.

Mr. Bomboko also had a 90-minute conference at headquarters here with Mr. Thant. He was accompanied by his Minister for Internal Affairs, Cleophas Kamitatu. Also present at the meeting was Dr. Ralph J. Bunche, Under Secretary for Special Political Affairs.

During the afternoon, Mr. Bomboko conferred with 52-member African-Asian group and then had another meeting with Mr. Thant.

The whole range of Congo problems was discussed, Mr. Bomboko said. The Congolese official said he considered that the Security Council had given the Secretary General adequate powers to settle the Katanga question and that he did not believe further action by the Council was necessary.

Mr. Thant told his 19-nation advisory committee on the Congo last Friday that he might have to ask for a meeting of the Security Council to review the situation and "consider the advisability of clarifying and strengthening existing mandates and providing certain new ones."

A member of the committee said later that Mr. Thant considered it important to end the secession of Katanga before successive delays by Mr. Tshombe allowed him to confirm his independence by a sort of squatters' rights.

Plans by Mr. Tshombe to hold celebrations in his capital, Elisabethville, July 11, to mark the second anniversary of Katanga's secession from the Congo were said to be of special concern to Mr. Thant.

Besides the danger of disorders, the celebration would emphasize the secession movement that the United Nations has been trying to end.

The Congo Advisory Committee is composed of delegates from Canada, Ceylon, Ethiopia, Ghana, Guinea, India, Indonesia, Ireland, Liberia, Malaya, Mali, Morocco, Nigeria, Pakistan, Senegal, the Sudan, Sweden, Tunisia, and the United Arab Republic. They are the countries that have contributed contingents to the United Nations Forces in the Congo.

[From Time magazine, July 6, 1962]

CONGO AFTER 2 YEARS

Trumpets blared and drums rattled as the proud procession moved down Léopoldville's broad Boulevard Albert I to celebrate the Congo's second anniversary of independence. President Joseph Kasavubu and Premier Cyrille Adoula took the salute from the black soldiers of the new Garde Républicaine, who were decked out in powder-blue uniforms with black lace trimming and red feathered hats. Along the route, 20,000 Congolese added their cheers to the festive occasion.

The panoply was welcome relief from the drabness of life in the Congo today. Six months after the end of the bloody fighting between the U.N. forces and Katanga, the new nation lies exhausted in the equatorial sun, a battered giant unable to make productive use of the freedom its black leaders fought so hard to win. Even with the help of nearly 3,000 Belgian and U.N. technicians and advisers and $86 million of U.S. financial aid, the railroads are not running in most of the Congo, two-thirds of the nation's trucks are idle for lack of spare parts, and the roads are almost impassable.

PAPER SOLACE

The result is that some areas of the vast Congo interior are at a virtual standstill; last year coffee and cotton exports yielded only fractions of their normal revenue, and much of the big palm-oil output is lost to smugglers. Unemployed workers upcountry now flock to Léopoldville, where 100,000 of the normal 300,000 labor force are already out of work. Organized gangs, ignoring the barred windows and the bright floodlights around homes of the well to do, creep up at night to saw off the bars and steal what they can. The U.N. is bringing 64 judges from abroad to build a judiciary system for the country. One of the first judges to arrive lost his briefcase to a thief on his first day in town.

Except for locally made beer and cigarettes, Leo's shops are virtually empty of consumer goods, and prices for the items still available have soared. No end to inflation is in sight, since Adoula's Central Government simply prints more and more paper money to make up for its hideous deficits (April revenue: $14 million; April expenditure: $36 million).

Soft-spoken Premier Adoula, by far the ablest of the Congo's leaders, is as exasperated as anyone else at this state of affairs, but he is hamstrung by Léopoldville's nightmarish political mess, which forces him to spend 80 percent of his budget on salaries for civil servants and the 25,000-man army, which is vastly overpaid ($180 base pay per month for privates) to keep it loyal. To retain the support of the myriad political factions, he has 41 men in his Cabinet, perhaps the world's biggest.

LOST FUNDS

Adoula must also cope with widespread corruption among his highest ranking officials. In recent weeks, two Congolese ambassadors in major world capitals have "lost" a total of some $50,000 in Embassy funds, have advised Léopoldville that the money just vanished. It is widely believed that some Cabinet Ministers have secreted large sums of Government money in bank accounts in Europe. Last week, when the Congolese Parliament tried to censure Foreign Minister Justin Bomboko for allegedly doing just that, Bomoboko surrounded the legislature with gendarmes, produced his own list of foreign money transfers, got the investigation called off.

There is a huge smuggling trade in illicit (and mainly industrial) diamonds from the big South Kasai fields. Millions of dollars are lost by the Government in this way alone: of some 17 million carats produced in South Kasai during the past year, only about 124,000 carats came onto the market legally.

Even with these handicaps, Adoula can boast some progress toward stability. Some Belgian technicians and businessmen are returning; many intend to stay for only a short period, but others have even brought their wives and children back, and a few black nannies are again seen in the parks with their white charges. Adoula has deposed and jailed the worst regional extremists, notably erratic Antoine Gizenga, who almost made Eastern Province a Communist preserve last year, and zany "King" Albert Kalonji of South Kasai. But Adoula still has not rid himself of the biggest headache of all, stubborn President Moise Tshombe of Katanga Province, who has a firm grip on the Congo's copper-rich southeast corner and refuses to share its $50 million annual revenue with the rest of the nation.

GAINING REPOSE

For months, Adoula and Tshombe have been negotiating bitterly in Léopoldville on schemes intended to bring Katanga back into the Congo. U.N. officials have pleaded, cajoled, and threatened the two sides to find common ground for a deal. Wearily, Adoula offered repeated concessions, such as a revised constitution to give Katanga greater local autonomy in a federal Congo. But Tshombe wanted all or nothing: virtual independence for Katanga, his own gendarmery, and a corps of foreign mercenaries to run it. While he still would not agree to divvy up the copper profits with the Central Government, Tshombe announced a $2 million gift to the Congo, "to ease the catastrophic position and especially aid the poor and unemployed."

In the latest 6-week round of talks, the only thing Tshombe would agree on was formation of four advisory committees to discuss specific ways to reunify Katanga with the Congo in the military, economic, monetary, and communications fields. With that, Tshombe declared he was tired and wanted to stop talking. "I am going home to gain repose," he declared, as he and his entourage headed for the plane back to Elisabethville.

Shocked and bitter, Central Government Premier Adoula gestured toward the broad Congo waters outside his window as he told newsmen, "Gentlemen, 6 weeks of patient negotiations have just gone down the river."

HINTS OF FORCE

In Elisabethville, Tshombe blithely made plans to celebrate Katanga's own independence day—July 11, marking the date in 1960 when the province seceded. The U.N.'s Congo chief, patient Robert Gardiner, is increasingly exasperated at the deadlock, has dropped strong hints that his units will put down Tshombe and take over Katanga by force if the wily Moise breaks off negotiations entirely. In Manhattan the U.N.'s Acting Secretary General U Thant declared that his Congo commanders "have been told to be very much on the alert."

The U.N. may or may not be able to accomplish it, but sooner or later, the preposterous, protracted Adoula-Tshombe deadlock will have to be broken. The inert Congo giant cannot be allowed to lie there indefinitely.

[From the Washington Post, July 7, 1962]

SEEKS ANGLO-FRENCH BACKING—U THANT IS SPENDING WINDUP IN CONGO

(By Russell Howe)

LÉOPOLDVILLE, CONGO, July 6.—The current London-Paris trip by U Thant, the United Nations Secretary General, is designed to rally French and British cooperation in the Congo, beginning with the speedy reintegration of secessionist Katanga Province.

Informed sources here say U Thant was delighted with the invitation from French President Charles de Gaulle, whose opinions in the past have been a liability to the United Nations. U Thant will also visit Geneva, but has so far refused to see Katanga's President, Moise Tshombe there.

Tshombe's uncooperative approach to the Léopoldville talks with Congo Premier Cyrille Adoula has cost him some of the foreign support won by his active public relations machine. U Thant hopes that Tshombe's star has waned enough in London and Paris to insure Anglo-French support for any U.N. military action in Katanga.

If fighting starts, U Thant wants unanimity in the U.N. Security Council for mandate his troops can work with, one insuring that the "third round" between U.N. and Katangese forces leads to knockout.

NEW EFFORT SCHEDULED

U.N. Congo Chief Robert Gardiner, Congolese Foreign Minister Justin Bomboko, and Interior Minister Cleophas Kamitatu are in New York for discussions with U.N. officials and delegations about the failure of the Adoula-Tshombe talks.

When he returns, Gardiner will try to bring the two men together again. Senior U.N. sources hold out little hope of a real agreement, but the U.N. seeks to show that if the "third round" takes place it will not be for want of trying for a peaceful solution.

Tshombe has announced second independence anniversary celebrations for Katanga next Wednesday. He has also appointed some names to joint Central Government-Katanga commissions on finance, economy, transport, and military integration.

This apparent good-will move appears to be merely a public relations device because Tshombe has refused to sign the commission's mandate. "But Gardiner will take Tshombe's gesture at its face value and see whether integration can start from the branches instead of the roots," a source close to Gardiner says.

Tshombe and his finance minister, Jean-Baptiste Kibwe, have been in Salisbury for talks with their friend, Premier Sir Roy Welensky of the Central African Federation. Evariste Kimba, the Katangese foreign minister, is in Geneva hoping to see U Thant.

ADVISER MAKES STUDY

U Thant's chief military adviser, Brig. Indar Jit Rikhye of India, is here to review the military situation. The U.N. has about 17,000 troops, more than half of them in Katanga. Some countries, including Nigeria, are anxious to reduce or withdraw their forces.

Contrary to Belgian news reports, there has been no buildup of the U.N. force in Elisabethville; new Ethiopian arrivals are replacements for departing Congo veterans.

The U.N. bond issue only covers Congo costs up to March next year. U Thant hopes by then to be able to phase down the military operation considerably.

Fighting in Katanga may begin with a Congolese "police" operation. Joseph Mobutu, who plans to disband 3,000 of his 15,000 Central Government soldiers, believes that the remaining 12,000, including more than 300 officers, trained in Europe, could tackle Tshombe's 11,000-man army. But responsible military observers are skeptical.

In reserve would be Gen. Victor Lundula's 7,000-man force, officered by self-promoted leaders of the 1960 mutiny. The autonomous 2,000-man South Kasai force, which has some Belgian-trained officers, might rally to Mobutu.

Adoula's own political position is weakening. His writ runs strong in the capital, uncertainly in Equator and Léopoldville Provinces, only nominally in Kasai and eastern provinces, barely at all in Kivu. Katanga of course is in open rebellion.

EUROPEANS LEAVING

Business confidence continues to sink, and many of the Belgians who flocked back to Léopoldville last year are now cutting their losses and setting their sights on Brussels or South Africa. The 16,000 European population of Léopoldville is falling by more than 100 monthly.

Adoula is fighting to get legal amendments through Parliament to permit adoption of a constitution without consulting the provincial assemblies or giving them a constitution of their own. His aim is to weld the Cabinet parties into a single movement and, under a constitution of his choice, stage a general election.

But Adoula knows that South Katanga is the crux (Parliament is about to make loyal North Katanga a separate Province). If Tshombe is not dealt with, the government could be overthrown by a groundswell in Parliament, where the left is restless.

This knowledge pushes Adoula toward a military solution. He knows Gardiner, an African himself, would have less compunction than his predecessors about employing U.N. forces to help the government crush Katangese dissidence.

Western and African Embassies here would regret Adoula's fall. But with hopes of a negotiated end to the Katanga conflict seemingly more remote than ever, the Premier's political fate may well lie in the fumbling hands of the Congolese soldier or may depend on London and Paris reactions to U Thant's mission.

[From the New York Times, July 8, 1962]

FIRM CONGO ACTION IS VOWED BY THANT—CALLS FOR DEBATE BY COUNCIL ON CRISIS OVER KATANGA

LONDON, July 7.—U Thant served notice today of a firm new United Nations bid for a final settlement of the Congo crisis involving secessionist Katanga Province and the Central Government of Léopoldville.

The Acting Secretary General of the United Nations said at a news conference that he wanted the Security Council to debate the worsening situation in the next month or two and perhaps give him fresh orders.

He also announced that the stalled Dutch-Indonesian negotiations on the future of Netherlands New Guinea were being resumed next week.

Mr. Thant attempted to allay British concern that the United Nations might resort to force.

"It has never been my intention—and never will be my intention—to use any military initiative," he said.

AUTHORITY FOR DEFENSE

But, if attacked, United Nations forces will have his authority to retaliate in self-defense, he added grimly.

The Burmese statesman said he expected to have about $165 million to carry the United Nations operations in the Congo through to December—or to next February with economics. About $95 million will come from the United States if Congress gives approval next week to President Kennedy's plans for the purchase of United Nations bonds. The rest will come from 40 other member-states.

[From the Washington Post, July 8, 1962]

U THANT WEIGHS NEXT U.N. STEPS IN CONGO

(By Arthur Gavshon)

LONDON, July 7.—U Thant, Secretary General of the United Nations, served notice today of a firm, new U.N. bid for a final settlement of the Congo crisis involving secessionist Katanga Province and the Central Government at Léopoldville.

He told a news conference he wants the Security Council to debate the worsening situation in the next month or two and perhaps give him fresh orders.

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But, if attacked, U.N. Forces will have authority to retaliate in self-defense, he added.

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U Thant outlined two key elements of his approach toward a solution:

He is trying to get the giant Union Minière combine to divert some of its huge mining revenues in Katanga to the central Léopoldville government. Union Minière, dominated by Belgian and British interests, has not paid a cent to Léopoldville since the Congo became a state 2 years ago. This was in breach of the 1960 independence agreement, U Thant said. Belgium and Britain have promised to consider ways of securing "a more just and equitable distribution of revenues in the Congo," he added.

He is planning to strengthen the U.N. guard over certain Union Minière installations in Katanga because followers of independent-minded President Moise Tshombe of Katanga have threatened to blow them up. Leaders of breakaway Katanga Province evidently figure the threat of sabotage will induce the mining combine to go on paying them rather than Premier Cyrille Adoula's government.

U Thant, ending a 3-day stay as part of a European tour, also announced U.N. readiness to help the big powers carry out any Berlin settlement they may reach. But any transfer of U.N. institutions to the divided city, and any U.N. role in a settlement, must depend on prior agreement by the Big Four occupying powers—the United States, Britain, France, and Russia.

He disclosed also that Indonesia and Holland have responded to his appeal for a resumption of negotiations to settle the West New Guinea dispute.

Indonesian and Dutch envoys early next week will travel to the United States, he said, to discuss again at a meeting place outside Washington a compromise plan drawn up by American diplomat Ellsworth Bunker.

U Thant flew on to Geneva later in the day to attend a meeting of the U.N. Economic and Social Council. In the next few weeks he is due to visit Oslo, Paris, Helsinki, Warsaw, Prague, and Moscow, where he will discuss not only problems relating to the Congo and U.N. financing but also next fall's slated election by the Assembly of a permanent Secretary General. He is expected to offer himself for the post.

[From the Washington Post, July 12, 1962]

ADOULA BOLSTERS HIS POSITION, FIRES HALF MINISTERIAL TEAM

(By Russell Howe)

LÉOPOLDVILLE, Congo, July 11.—Coalition Premier Cyrille Adoula moved today to consolidate his weakened position by firing more than half his ministerial team, including three top Cabinet critics.

Out of 43 Ministers and Secretaries of State he kept only 14; there are 13 new names. Including Adoula himself, the Government now numbers 28 instead of 43 persons.

Adoula's continued uncertainty about his position is reflected in his decision not to face a parliamentary confidence vote on the composition of the new Cabinet, after saying last night that he would.

Fired were:

Vice Premier Christophe Gbenye, leader of the late Patrice Lumumba's National Congolese Movement, the largest single party.

Vice Premier Jean Bolikango, leader of the Puna Party of Congo Valley moderates.

Information Minister and former Premier Joseph Ileo, rather inept conservative who is replaced by Michel Colin of the moderate Abako Party.

Finance Minister Arthur Pinzi, who was reportedly dismissed for incompetence, not for political reasons. He is replaced by a fellow member of the Abako, Emmanuel Bamba.

FAVORED GIZENGA RELEASE

Gbenye and Bolikango favored releasing former Vice Premier Antoine Gizenga, former president of the African Solidarity Party and the country's best-known Marxist. Now interned on an Atlantic island, Gizenga is due to go on trial for rebellion.

The trial has been delayed by the absence of suitable judges and the unwillingness of Belgium to comply with a request for two senior magistrates. Belgian Foreign Minister Paul-Henri Spaak believes the case is too political for Belgian judges to touch.

The firing of Gbenye and Bolikango makes it fairly sure that Gizenga will in fact face trial. Although the political heir to Lumumba, Gbenye is regarded by Western Embassies as a man of reason and he has been invited to the United States.

The reshuffle strengthens the position of solidarity Party President Cleophas Kamitatu, Minister of the Interior, who emerges as the country's most powerful figure on the radical side. He wants party rival Gizenga out of the way.

ELECTION AIM SEEN

It also strengthens the impression that Adoula is preparing for a general election and that he wants to forge an all-party Adoula movement grouping present parties or sections of parties. It appears that he is doing this by firing critics and rewarding loyal group leaders. The bias in the new Cabinet appears slightly more moderate than that of the former one.

Observers believe the downgrading of Gbenye will split his party into pro-Gbenye and pro-Adoula factions. Surprise is being expressed at the omission from the new Cabinet of Charles Badjoko, who occupies Lumumba's Stanleyville seat in Parliament and is regarded as the up-and-coming leader of the moderates in Lumumba's old party.

The party has only two ministries and two secretaryships of State in the new list, and no well-known names are among the four.

There is now only one vice premier instead of three—North Katanga Leader Jason Sendwe, leader of the Balubakat Party.

BOMBOKO REMAINS

The ouster of Foreign Minister Justin Bomboko, which Western Embassies were expecting with mixed feelings, has not taken place. Bomboko has been a member of all Congolese Governments since self-government was introduced in 1960.

Bomboko is opposed by the Abako Party, which appears to have agreed to tolerate him in return for more Abako representation in the Cabinet.

Two interesting new appointments are Jerome Anany as Defense Minister and Leon Delvaux as Public Works Minister. Anany, a moderate, takes on a portfolio that Adoula has so far jealously kept for himself. Delcaux, a mulatto, is regarded as the most forceful member of the right-wing section of the lower house.

[From the New York Times, July 19, 1962]

WEST MAY FORCE END OF CONGO RIFT—UNITED STATES SAID TO FAVOR ECONOMIC PRESSURE ON TSHOMBE—WILLIAMS IN BRUSSELS

WASHINGTON, July 18.—The United States and some of its allies were reported today to be evolving a program of economic pressures to compel President Moise Tshombe of secessionist Katanga Province to accept federation with the central Congo Government.

The administration was aware of the danger that Katanga might react to such pressure by staging a military attack on United Nations forces, particularly if President Tshombe had reason to believe that his position continued to enjoy support in some quarters in Europe.

High-level negotiations being conducted by the United States are aimed at forming a united front on the Katanga question, thus depriving Mr. Tshombe of any important backing.

BELGIAN SUPPORT FORESEEN

G. Mennen Williams, Assistant Secretary of State for African Affairs, is in Brussels for 2 days of talks with Belgian officials to determine the extent of their readiness to apply what would amount to sanctions against Katanga if the province refused to accept the next in a series of proposals for unity from the Congo Government.

Officials here believed that the Belgian Foreign Minister, Paul-Henri Spaak, was prepared to support fully any policy of pressuring Katanga into agreeing to a union with the Central Government and thereby ending the 2-year-old dispute.

* * * * *

[From the New York Times, July 19, 1962]

LISBON HEARS OF ATTACK PLAN

LISBON, PORTUGAL, July 18.—European diplomatic circles here have received reports indicating that plans have been prepared in the United Nations Secretariat for a military operation to crush the regime of President Moise Tshombe of Katanga.

According to these reports, the U.S. State Department has recently given the United Nations approval of a military effort to integrate Kantanga by force into the central Congo Government.

The U.S. official chiefly responsible for the policy of seeking to bring Mr. Tshombe to heel through force is said here to be Harlan Cleveland, U.S. Assistant Secretary of State for International Organization affairs.

Another U.S. Assistant Secretary of State, G. Mennen Williams, who is responsible for African affairs, went to Brussels from London today to seek the Belgian Government's support for an anti-Katanga operation. Mr. Williams is viewed in diplomatic quarters here as a close ally of Mr. Cleveland in an effort to end Katanga's secession by any means.

The attack plan was understood to have been disclosed during a recent visit paid to Britain by U Thant, Acting Secretary General of the United Nations. British Government circles are said to have been extremely hostile to the idea.

The reports here indicate that the attack is being planned in a three-phase operation:

First, to seal off the borders of southern Rhodesia and Portuguese Angola to prevent an alleged "infiltration of mercenaries"; second, to seal off key internal economic facilities including Union Minière installations; third, to counter as a "provocation" the anticipated violent reaction of the Katangese gendarmerie and civilian population.

[From the New York Times, July 19, 1962]

BRITISH OPPOSE FORCE

LONDON, July 18.—Diplomatic sources said today that Britain remained unalterably opposed to any new military operation in the Congo aimed at ending the secession of Katanga Province.

An official said that while integration remained vital for the Congo, the exercise of military measures was no solution. Such conflict would lead only to the economic destruction of Katanga and of the Congo, he said.

It was understood that when Acting Secretary General Thant conferred here with British leaders 2 weeks ago, he referred to a "military solution" as one means out of the vexing stalemate.

The suggestion of new military operations had "terrified" the Earl of Home, British Foreign Secretary, it was said. Lord Home was said to have told the United Nations chief in the strongest terms that such a policy would be disastrous.

British officials believe that the only solution to the Katanga problem lies in an eventual compromise between President Tshombe and Premier Adoula.

One official said: "Tshombe will have to give up a share of the Union Minière's income, possibly 50 percent, for a share of the Central Government's operations."

[From the New York Times, July 19, 1962]

WILLIAMS CONFERS IN BRUSSELS

BRUSSELS, BELGIUM, July 18.—G. Mennen Williams, U.S. Assistant Secretary of State for African Affairs, conferred with Belgian officials today about the Congo.

Mr. Williams, who arrived from London, is making a quick trip around European countries concerned with African affairs. He also has visited Paris and Bonn and will go to Rome tomorrow.

It seems likely that Mr. Williams heard an expression of two opinions much discussed here.

One is that the Congo's financial problems cannot be solved at a single stroke by recovering for the Central Government the revenue from Union Minière du Haut Katanga that now goes to Kantanga Province.

Belgian political and business figures feel that officials of the United Nations and some American officials are putting too much stress on the problem of the mining company's taxes to the exclusion of the greater problem of Congo Government expenses.

The other point is that financial and technical aid will have only limited value until order is established in regions where the Government has little authority.

[From the New York Times, July 19, 1962]

GARDINER VISITS KATANGA

(By David Halberstam)

ELISABETHVILLE, THE CONGO, July 18.—Robert K. A. Gardiner, the United Nations chief in the Congo, arrived today for talks with President Moise Tshombe of separatist Katanga.

Yesterday a throng of angry Katangese women stormed a United Nations roadblock in a 3-hour anti-United Nations demonstration in which three Katangese were killed, allegedly by United Nations personnel. About 14 persons, 9 of them from the United Nations force were injured.

(United Nations sources in New York charged Tuesday that the incident and the casualties had been staged.)

Some sources said that Mr. Gardiner, a Ghanaian, was likely to give Mr. Tshombe a warning that unless progress was soon made toward unification of the Congo the pressure in the United Nations in New York toward the use of force was likely to increase.

The city was calm today.

DEAD TERMED HEROES

Mr. Tshombe termed the three persons killed in the riots "heroes of Katanga and martyrs of liberty." There will be a service for them tomorrow. One was said by the Katangese to have been bayoneted.

The United Nations force continued to disclaim responsibility for the deaths. A United Nations spokesman said the force, made up of Indian troops, fired only into the air. United Nations officials said that an investigation had been begun.

At the roadblock, the United Nations moved up another company of Rajputana Rifles. The Indians also have strung barbed wire and several armored cars have been moved up.

Mr. Gardiner was accompanied by Gen. Kebede Gebre, an Ethiopian, who is the commander of the United Nations Congo force. Mr. Gardiner's visit was welcomed by Katangese, both white and black. There has been a considerable campaign here against the local United Nations chief, Jean Back. According to official Katangese statements, he is responsible for all the present difficulties.

[From the New York Times, July 22, 1962]

WHITE ADVISERS IN KATANGA SAY THEIR ROLE IN REGIME DECLINES—BLACKS NOW MAKE THE KEY DECISIONS, OFFICIALS ASSERT—GOVERNMENT SAID TO PRESSURE UNION MINIÈRE

(By David Halberstam)

ELISABETHVILLE, THE CONGO, July 19.—African officials in secessionist Katanga Province are increasingly asserting themselves in dealings with their many white advisers, according to Belgian and other consular officials here.

These officials insist that while Katanga might once have been described fairly as a "white man's country," the Africans now make the essential decisions.

This picture of Katanga, which broke from the Republic of Congo 2 years ago, is at odds with its reputation elsewhere in Africa. To other Africans Katanga still is dominated by whites.

"All the so-called political advisers here keep coming to me and complaining that the Africans no longer listen to their advice and that you can't talk to the Africans any more," said one Western consul here.

NO UNION MINIÈRE PAWN

Consular officials assert that while many people feel that the Katangese Government is the pawn of Union Minière du Haut-Katanga, the international mining enterprise with vast interests here, the reverse, if anything, is true.

"At the time of independence it was hard to tell who pushed who into the succession," one consul said. "But now the Katangese are afraid that Union Minière is going to work some deal with the United Nations and make an arrangement with Léopoldville.

"So the Katangese started putting considerable pressure on the Union Minière, letting them know that they had better not switch to Léopoldville without permission of this Government here."

Most observers here feel that this Africanization was inevitable over a 2-year period. Some Belgians say it was accelerated nearly a year ago by the United Nations when it rounded up most of the Belgian officers still serving with the Katangese forces.

USE MORE INITIATIVE

"The Africans became afraid at that point that the United Nations would take away all their advisers and that they would be unprepared to make their own decisions," one Belgian here said. "So they started using their own initiative."

He added that the September and December military clashes gave the Katangese far more self-confidence. In September hostilities erupted when the United Nations sought to disarm white mercenaries in the Katanga forces after riots and attacks on United Nations soldiers. The December clash resulted from United Nations action after Katangese troops seized 11 members of the United Nations mission in Elisabethville.

After the United Nations roundup of Belgian officers, President Moise Tshombe said he could never replace his young African officers with the former white officers even if he wanted to. The Africans would mutiny, he said.

More recently Col. Roger Faulques, a former French officer who was the unofficial Katangese military chief, was discharged from the Katangese forces, largely, according to sources, because of friction with the African commanding general, Norbert Muke.

APPROVES OF ADVISERS

Mr. Tshombe believes that whites should be called in for advice as long as there are no Katangese who equal their technical efficiency.

"On anything touching on politics in the economic field," an economic adviser said, "I always give them several alternatives, not just one." He added, "If you give them one choice and it turns out to be wrong then you will not be around here very long."

"It gets harder to be an adviser here all the time. They are getting more and more sensitive," this official said. "The President trusts me and so far they have needed me and I have stayed strictly out of politics—or as much as it is possible. But if it weren't for the President himself I think I would have been shipped out of here some time ago."

[From the New York Times, July 22, 1962]

TSHOMBE BRIDLES AT THANT REMARKS—KATANGA LEADER OBJECTS TO INSULT BY U.N. CHIEF

(By David Halberstam)

ELISABETHVILLE, THE CONGO, July 21.—President Moise Tshombe of Katanga Province reacted sharply today to U Thant's remark the he and his government were "a bunch of clowns."

Mr. Tshombe termed the remark by Mr. Thant, Acting Secretary General of the United Nations, an insult and denied the charge.

"Just yesterday Mr. Gardiner, a high U.N. official, proposed to me that I become Vice President of the Congo—me, the clown," Mr. Tshombe said.

Robert K. A. Gardiner of Ghana is the United Nations chief in the Congo.

Mr. Thant's remark was made at a news conference in Helsinki, Finland yesterday. The United Nations chief called Mr. Tshombe and other Katangese officials "unstable" and criticized them for not negotiating with the Central Congolese Government.

"I don't know what I can do with such a bunch of clowns," he added.

U.N. APPOINTMENT PRAISED

Mr. Tshombe welcomed however, the appointment of Elind Wambu Mathu of Kenya as the United Nations' special representative in Katanga. Mr. Mathu replaces Jean Back of France.

"The nomination of Mathu will be much welcomed by the Katangese population," Mr. Tshombe said. "As an African he will understand our problem better than others before him such as Dr. Conor Cruist O'Brien of Ireland and Back, even though he is a servant of the United Nations."

M. Back, who remains deputy United Nations chief in the Congo, left today for Léopoldville, the Congolese capital. The U.N. said the change was made so that M. Back could be in Léopoldville in the absence of Mr. Gardiner, who is leaving tomorrow for consultations at United Nations headquarters in New York.

The United Nations said M. Back, who has been subjected to bitter political and personal criticism in Katanga, would continue to work on questions concerning the secessionist province.

Mr. Mathu is the sixth United Nations special representative in Katanga in 9 months. The frequent changes in its top personnel are one of the United Nations major problems here.

SECESSION IS ISSUE

The United Nations mission in the Congo is under a Security Council mandate to seek the country's unity. Katanga declared itself independent soon after the Congo gained its independence here in 1960. Taxes on mining operations in the province, which previously was one of the Congo's main sources of income, have since gone to Katanga.

In a news conference last night, Mr. Tshombe attacked the U.S. State Department and President Kennedy for the U.S. threat Thursday to use "all possible measures" short of military action to end the Katanga secession. He criticized Mr. Kennedy "because we are to him only Africans, Negroes can be reduced by force."

"If the State Department continues its stupidities in Africa, all Africans will join together to make a bloc against the Americans," he said.

He also charged that Premier Cyrille Adoula of the central regime lacked the support of the Congolese people and the chamber of deputies. Mr. Adoula cannot control his home province of Equator and cannot extend his authority to Kivu, Eastern, and Kasai Provinces, he said.

"Why the people boo him," Mr. Tshombe asserted. "If they ever booed me I would understand what it means and I would resign immediately."

This attack on the central government was considered significant, as it was his first public statement since a visit by Mr. Gardiner earlier this week. Mr. Gardiner is believed to have attempted to find out whether the Katangese Government really wanted to integrate with the central government.

Mr. Tshombe said he wanted to negotiate with Mr. Adoula but added, "I cannot do this with a Ghurkha knife on one side of my throat and a Malayan knife on the other." The reference was to the nationality of United Nations forces in Katanga.

Mr. Tshombe agreed to discuss unity with Mr. Adoula after clashes between United Nations and Katangese troops last December, but a series of talks between them broke down June 26.

Mr. KEATING. Madam President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator yield?

Mr. DODD. I am happy to yield to my distinguished colleague from New York.

Mr. KEATING. Madam President, our distinguished colleague from Connecticut has performed a great service for us and for the Nation in his extremely thorough and careful analysis of the events in the Congo and in Katanga in the past 2 years.

Although he makes no charges against individuals, he does document a tendency on the part of our own Government to support the Congo policies of India's Defense Minister, Khrishna Menon, and a tendency to use threats and force rather than conciliation in dealing with Katanga Premier Tshombe.

Madam President, what concerns me very deeply in the treatment of the Congo situation from the very start has been the double standard that has been applied in defining what self-determination shall be and who shall be allowed to practice it. In the Congo—and, I may add, also in Indonesia and elsewhere in the world—the United States has more and more taken the line of immediate expediency and less and less a clear and reasoned position. We know very well what the Communists have done to render the concept of self-determination completely meaningless within their territories. For the Communists, there can be only one kind of self-determination by the proletariat—and they define the proletariat simply as those people who would choose a Communist form of government. Even though they represent a small minority in any country, for the Communists their will, and their will alone, represents self-determination.

For many of the newly independent nations, self-determination means something else—it means the right to oppose, to massacre, drive out, and to expropriate the property of all Europeans. It also means the right to take over any other neighboring people who are weak enough to let themselves be conquered. In fact, to put the matter in its bluntest terms, colonialism in many areas is defined purely in terms of color and race—if white men rule white men, as in the Soviet satellites, it is not colonialism. If black men rule black men, it is not colonialism, even though in both cases, different nationalities or tribes of people may be wholly deprived of any say in their own government and may be brutally exploited in their political and economic rights.

Madam President, let me hereby register in the strongest terms my opposition to these distorted concepts, originally fathered by the Soviet Union. If self-determination be measured by these adulterated Communist standards, it will ultimately emerge as deformed and crippled as those unfortunate infants whose mothers took thalidomide.

In the Congo the United States has come perilously close to adopting this distorted view. From the start, we have wholly disowned the idea that the people of Katanga, black or white, could be permitted to choose their own destiny. We have reviled in the strongest language their efforts to do so. The Secretary-General of the U.N. has, in one of the most unfortunate statements ever made by a world leader, referred to Premier Tshombe and his advisers as a bunch of clowns.

Let me make it perfectly clear that I am not advocating independence for Katanga. For political and economic reasons I think it would be very much in the long-term interests of Katanga and of the Congo to form a loose confederation in which Katanga's interests and those of other provinces and tribes would be protected. I believe the United States should use the peaceful tools at its command to urge that confederation and to seek the realization of the proposals made earlier this week by Congolese Premier Cyrille Adoula, when he asked the U.N. to draft a constitution permitting provincial self-rule. I believe we have learned from our own Civil War that disunity is weakness. But at the same time, the principle is clear that the people of Katanga are as much entitled to run their own affairs as the people of any other African area. They have the right to self-determination and self-expression as much as the members of the other provinces of the Congo.

Madam President, if our Government would keep more firmly in mind the fact that self-determination refers not only to the independence from domination by Europeans but also independence from any alien tribes or peoples, we would be in a much better position to undertake the difficult role ahead in the Congo. Our influence would be greater. Our policies would be more consistent. And our objectivity would in the long run be more effective than continued parroting of Soviet semantics. As the Senator from Connecticut has pointed out, conciliation, not force, should be the basis of our approach. An understanding and appreciation of the rights of all the people in the Congo and Katanga would serve is in much better stead at this point than the continuing one-sided and deformed outlook we have adopted with regard to self-determination in the Congo.

Madam President, I repeat my gratitude and admiration for the deep study which the distinguished Senator from Connecticut has given to the problem. There might be a sentence here and there in his remarks with which I would not find myself in complete agreement, but in general and overall he has approached the problem from a calm and dispassionate point of view, and has given us, indeed, a great deal to think about in the study of which he has given us the benefit.

Mr. THURMOND. Madam President, will the Senator yield?

Mr. DODD. I should be very happy to yield the floor, since I must catch an airplane to Connecticut. However, I yield to the Senator from South Carolina.

Mr. THURMOND. Madam President, the Senator from Connecticut has performed a most valuable service to the country, and particularly to his fellow Senators, by providing for us this comprehensive and revealing analysis of the Congo situation. His remarks have confirmed what many of us, I am sure, have suspected, but have been unable to verify. I am particularly pleased that it is the Senator from Connecticut who made this analysis, for we have been confronted with conflicting reports on the Congo situation, and from experience I have learned to place great reliance on the accuracy of the reports on various oversea matters which the Senator from Connecticut makes from time to time.

This analysis of the Congo situation is particularly timely. As the Senator from Connecticut has stated, it is our obligation and duty to study this matter as our ultimate survival may depend on our understanding the situation. Unfortunately, neither official nor unofficial sources of information on the Congo, as has been the case with respect to other critical foreign situations, can be wholly relied on for accuracy. It seems incredible that we should not be able to rely on our own State Department for accurate information on foreign matters, but repeated instances have illustrated that reliance placed on information from the State Department is not well grounded. The Senate is indebted to the Senator from Connecticut for his painstaking and exhaustive study of the Congo.

I have listened carefully to the address of the Senator from Connecticut, and I am of the opinion that he has been most restrained in stating his conclusions. I would like to take the liberty of listing, and wholeheartedly endorsing, several principal inferences I gathered from the Senator's scholarly address, although I might paraphrase these points somewhat more bluntly than has the Senator from Connecticut.

First. The United States must stop filling the vacuum left by an absence of U.S. policy with whatever happens to be the U.N. policy for the moment;

Second. The United States should adopt a foreign policy that protects and advances its own interests, and then seek to bring the U.N. policy into accord with U.S. policy, rather than submitting passively to U.N. policies dictated by the Afro-Asia bloc and/or the Communist;

Third. That those members of the State Department who are so enamored with hero worship of neutralist Nehru and his Red-favoring, dog-wagging tail, Menon, should either disabuse themselves of this infatuation or be dismissed;

Fourth. That the United States should send someone to the Congo as ambassador who can think, speak, and act objectively and responsibly, and thereby advance both harmony and the interest of the United States and the free world; and

Fifth. That our own State Department should be made to understand that the Senate of the United States will no longer tolerate evasions and misrepresentations of facts in response to its inquiries.

Madam President, I would again like to congratulate the Senator from Connecticut on the splendid service he has rendered his country and the cause of freedom today.

Mr. DODD. I am grateful to the distinguished Senator from South Carolina for his generous remarks.

Madam President, I yield the floor.

Mr. WILLIAMS of Delaware obtained the floor.

Mr. HUMPHREY. Madam President, will the Senator from Delaware yield to me before the Senator from Connecticut leaves, so that I may make a brief statement of only 1 minute?

Mr. WILLIAMS of Delaware. I yield briefly to the Senator from Minnesota.

Mr. HUMPHREY. Madam President, since I know the Senator from Connecticut must leave, in a spirit of fairness I wish to inform the Senator that it will be my intention later in the day to make some comment relating to certain portions of the Senator's address.

Mr. DODD. I should like very much to hear the Senator from Minnesota. I know I shall miss a worthwhile address by not being present.

Mr. HUMPHREY. It is my intention to make a statement on Monday next relative to policy in the Congo. I feel that Senators owe it to one another, when there are differences, to inform one another about when such statements will be made. I have high regard for the Senator from Connecticut. I know he has spoken with great sincerity. We have some differences of view on the subject.

Mr. DODD. I am sure the Senator from Minnesota knows my great respect and, indeed, my affection for him. I know of no man, either in the Senate or in private life for whom I have greater admiration than I have for the Senator from Minnesota. I am sorry I cannot remain. I should like to hear what he has to say. I shall read with great care his remarks in the RECORD. I shall then perhaps reload my guns and return.

WINDFALL PROFITS FROM SUGAR IMPORTATIONS

Mr. WILLIAMS of Delaware. Madam President, today I wish to discuss a $663,854 windfall which accrued to the sugar importers as the result of the President's failure to sign the Sugar Act extension bill until July 14, or 2 weeks after the old law had lapsed.

The Sugar Act expired June 30, 1962, and Congress was under pressure to see that the 1962 Sugar Act extension was enacted and on the President's desk for his signature prior to this expiration date. The conferees had reached an agreement on Friday, June 29. The House of Representatives held a special Saturday session in order to approve this conference report on the thirtieth. The leadership of the Senate was standing by ready to have a similar Saturday session to expedite the approval of this conference report; however, the leadership of the Senate and the Senate Finance Committee were advised that with the conferees having reached an agreement on the bill which was acceptable to the administration and with the House scheduled to approve it on Saturday there was no necessity for a Saturday session of the Senate provided that the bill would be approved early Monday and put on the President's desk on that date.

With that clear understanding from the executive branch, the Senate approved the conference report on Monday, and it was sent to the President on that same day. For some unexplained reason, however, this bill, upon which there had been placed so much emphasis as to its urgency, was pigeonholed at the White House and was not signed by the President until nearly 2 weeks later on July 14.

Recognizing the danger of such a delay in that it would extend a golden opportunity to certain importers to make tremendous windfall profits, I called for a complete report on all imports during this period. While we had been given assurance that during the lapse of this law the Government could fully protect itself by refusing admission of the sugar, I could not understand this argument. I saw nothing to prevent these windfall profits.

I have just received this report which I shall later place in the RECORD. This report shows that based upon the Department's own computation during this 2-week lapse of the law, the importers had a field day. They harvested a windfall profit totaling $663,854 on the 58,075 tons that were rushed in during this interval.

I shall incorporate in the RECORD this report which gives a complete breakdown showing the country of origin, the name of the importer, the port of entry, the tonnage involved, and the total windfall profits on each shipment.

From this report it will be noted that the country of origin is in many instances not a producer of sugar. Canada, the United Kingdom, Belgium, and so forth, are not producers, nor do they have any quota. It is therefore reasonable to assume that sugar which was brought into this country from them during the 2-week interval represented sugar which the exporters had in turn purchased in the world market. It has been strongly suggested that some of this sugar which was dumped into the United States during this 2-week interval was Cuban sugar.

It should be pointed out that while in computing these windfall profits they are shown as accruing to the importer, there is a possibility that the importer did not keep all of this easy money but may have divided it with the refineries or others involved in the transaction. But in any event the windfall profit was there and all they had to do was to divide it up. The American consumers and the taxpayers were the losers.

Some explanation should be forthcoming as to why this law was allowed to lapse, especially in view of the great urgency which had been placed upon congressional action prior to June 30.

I now list these windfall profits. The American Sugar Refining Co. brought in approximately 23,000 tons through the ports of Boston and New Orleans upon which a total windfall profit of $152,409.60 was reaped.

The H. H. Pike & Co. brought in a series of shipments through the ports of New York, Buffalo, Champlain, Niagara Falls, and Rouses Point upon which total windfall profits of $102,720 were realized.

The M. Golodetz & Co. brought in a series of shipments through the ports of Baltimore, New York, and New Orleans upon which windfall profits of $134,010.80 were reaped.

The Godchaux Sugar Co. brought in four shipments through the port of New Orleans with a windfall profit of $92,174.40.

Christman & Co. brought in four shipments through the ports of Philadelphia and New York upon which were picked up $86,688 in windfall profits.

Olavarria & Co. brought in two shipments during this period, one through the port of Buffalo and one through Detroit, upon which $56,256 in windfall profits were picked up.

Farr, Whitlock Dixon & Co. brought in over 5,000 tons through the port of Boston upon which were picked up windfall profits of $28,267.20.

The J. Aron & Co. unloaded a shipment through the port of New Orleans upon which windfall profits of $9,984 were picked up.

Various other small importers picked up windfall profits of $1,344.

This brought the grand total of the windfall which fell to the importers and their friends to $663,854, all of which resulted from an unnecessary and thus far unexplained delay on the part of the White House in signing the bill.

The basis of these windfall profits arises from the fact that the importation of sugar in the United States operates under a protected market condition. The price of sugar in our domestic market is maintained at a level substantially higher than the world price of sugar.

Both under the previous law and under the 1962 extension of the Sugar Act importers can bring sugar which has been purchased at the world market into this country only after they have paid as a special tax representing the differential between the world price and the fixed price in the U.S. domestic markets.

During the 2 weeks in which these shipments were dumped into the country, as the result of there being no law in effect, the importers did not have to pay this differential tax. Had the law been in effect, there would have been an import tax of $48 per ton.

In computing the windfall profits which accrued to these companies this $48 figure was used in all instances except in the cases of where the sugar came from a country which under the 1962 act would have had a quota. Had the law been in effect these countries could have imported the sugar with the payment of only 10 percent of this $48 tax, or $4.80 per ton. These factors were taken into consideration in the computation of the windfall profits; therefore, the $663,864 figure which I present here today represents the amount of the windfall profits resulting from the neglect of the White House in signing the bill. These windfall profits to the importers and their friends were at the direct expense of the American consumer and taxpayers.

Any argument by the administration that some of these windfall profits may have been passed on to the consumers through the generosity of those harvesting them is merely wishful thinking.

I ask at this point unanimous consent to have printed in the RECORD a breakdown of these imports by company, country of origin, port of entry, and the dollar amount of the extra profits.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Sugar released from customs control during lapse of quota provisions of Sugar Act, July 1–13, 1962

QUANTITIES IN CUSTOMS CUSTODY OR AT PORT OF UNLADING ON JUNE 30, 1962

Country of origin	Importer or person who received sugar	Port of entry	Date released	Quantity of short tons raw value	Import fee at global rate or applicable quota rate: Cents per pound	Import fee at global rate or applicable quota rate: Total amount
Canada	Christman & Co.	Philadelphia	July 2	32	2.40	$1,536.00
Do.	Olavarria & Co.	Buffalo	do.	48	2.40	2,304.00
Belgium	Christman & Co.	New York	do.	307	2.40	14,736.00
Do.	M. Golodetz & Co.	Baltimore	do.	91	.34	618.80
Do.	do.	do.	do.	493	2.40	23,664.00
Netherlands	Christman & Co.	New York	do.	1,074	2.40	51,552.00
Do.	do.	Philadelphia	do.	393	2.40	18,864.00
Do.	M. Golodetz & Co.	New York	do.	802	2.40	38,496.00
United Kingdom	do.	New Orleans	do.	1,484	2.40	71,232.00
Hong Kong	Various	San Francisco.	July 1–13.	15	2.40	720.00
Do.	do.	New York	do.	12	2.40	576.00
West Germany	Lansen-Naeve Co.	do.	July 11	1	2.40	48.00
Brazil	Godchaux Sugar Co.	New Orleans	July 2	1,143	.24	5,486.40
Colombia	J. Aron & Co.	do.	July 3	2,080	.24	9,984.00
Dominican Republic	Godchaux Sugar Co.	do.	July 2	5,090	.24	24,432.00
Haiti	do.	do.	July 5	3,051	.24	14,644.80
Subtotal				16,116		278,894.00

QUANTITIES IMPORTED SUBSEQUENT TO JUNE 30, 1962

Country of origin	Importer or person who received sugar	Port of entry	Date released	Quantity of short tons raw value	Import fee at global rate or applicable quota rate: Cents per pound	Import fee at global rate or applicable quota rate: Total amount
Peru	Godchaux Sugar Co.	New Orleans	July 2	9,919	0.24	$47,611.20
Dominican Republic	American Sugar Refiners	Boston	July 9	10,586	.24	50,812.80
Do.	Farr, Whitlock Dixon & Co.	do.	July 10	5,889	.24	28,267.20
French West Indies	American Sugar Refiners	New Orleans	July 12	11,316	.24	54,316.80
Do.	American Sugar Co.	do.	do.	985	2.40	47,280.00
Canada	Olavarria & Co.	Detroit	July 1–13.	1,124	2.40	53,952.00
Do.	H. H. Pike & Co.	New York	do.	257	2.40	12,336.00
Do.	do.	Buffalo	do.	171	2.40	8,208.00
Do.	do.	Champlain	do.	1,434	2.40	68,832.00
Do.	do.	Niagara Falls	do.	171	2.40	8,208.00
Do.	do.	Rouses Point	do.	107	2.40	5,136.00
Subtotal				41,959		384,960.00
Total				58,075		663,854.00

AT THE CROSSROADS IN THE CONGO

Mr. MOSS. Madam President, I listened with great interest to the remarks of the Senator from Connecticut concerning Tshombe and Katanga. However, unlike the Senator from New York and the Senator from South Carolina, I do not agree with many parts of the analysis. I commend the Senator from Connecticut for his scholarly observations, but I believe that there are many points that deserve different emphasis. I should like to address myself briefly to the subject that he discussed.

All the evidence points to the conclusion that we are at the crossroads with respect to the incredibly complex situation in the Congo. I deliberately choose this phrase rather than say that the situation is now critical. For the rejoinder to the latter term would, of course, be the question, When is the Congo not in a period of crisis? My point is that we are in a special period—and undoubtedly a relatively brief one—when the storm clouds are moving in rapidly but while there is still an opportunity to dispel them.

I say in all seriousness that this may well be the last chance that will be offered the leaders of the Congo to avoid chaos and for ourselves as well to help hold back chaos there, and the certain penetration of that vast area in the heart of Africa by Communists and Soviet agents.

A little noticed but immensely important development has just taken place in Léopoldville. In the days since Mr. Tshombe interrupted his talks with Prime Minister Adoula and returned to Elisabethville, Mr. Adoula has made a wholesale change in the Cabinet of the Central Government. In bolstering the forces of moderation, he has aroused substantial opposition in the Congo Parliament, Mr. Adoula and his Ministers are under violent attack as being too pro-American. And among the attackers are found the supporters of both Mr. Tshombe and the deposed Gizenga.

Adoula's new Cabinet is a remarkably clear demonstration of his basically moderate outlook. There is not a single known extremist politician in the list of eight new Ministers and three state secretaries. In fact, nine of these gentlemen are clearly identifiable as noted moderates and conservatives.

Why is this development so important? Because this Government surely is the most responsible and most moderate one that could be created in the Congo under present as well as foreseeable circumstances. It is just such a government which could best negotiate an agreement to bring the Province of Katanga back into the fold. Mr. Adoula has placed himself in jeopardy in an effort to create an atmosphere of moderation which could encourage speedy accommodation between the Republic of the Congo and its secessionist elements. Now, if ever, there has been created an opportunity to put the past behind to relinquish feelings of suspicion and resentment, and to make immediate arrangements for the creation of a reunified Congo.

But how has Mr. Tshombe responded to this opportunity? By celebrating the second anniversary of Katanga's secession from the Republic of the Congo with an independence day military parade of 2,500 Katangese troops, despite promises to United Nations officials that such numbers would not be involved. By permitting 10,000 women and children to hurl sticks, stones, and abuse at United Nations soldiers, Tshombe's government put the lives of hapless civilians in danger. Apparently this was a cynical attempt to goad the U.N. soldiers into becoming involved in a massacre. Happily, the discipline of those troops prevented a disaster.

These are developments that have hit the headlines. However, there are even more important but scarcely noticed trends since the beginning of this year which give much cause for concern about the attitude and behavior of Mr. Tshombe.

The fact is that since Tshombe's Conakat Party supporters resumed their seats in the Léopoldville Parliament in January, they have voted with the Gizenga faction against the Adoula government on virtually every major issue. In the key election of March 6 for the President and officers of the Chamber of Representatives, the Conakat deputies voted for the Gizengist candidates. In the election of the Secretary General of the Chamber on April 7, Tshombe's party backed the candidate of the Gizenga wing of the African Solidarity Party and the Gbenye wing of the old Lumumba party. In the past month, the alliance between the Conakat deputies and the Gbenye supporters was employed to introduce a motion of censure against the pro-Western Foreign Minister, Justin Bomboko. Finally, just a few days ago, Tshombe's deputies again joined with the extremists to contribute to the 44 votes in the chamber opposing Adoula's new and moderate cabinet. Also, Mr. Tshombe's parliamentary leader subsequently gave a joint press conference with members of the pro-Gizenga element, including Gizenga's former Ambassador to Communist China, in order to call for Adoula's resignation.

If further evidence is required of this tacit Tshombe-Gizenga alliance, let it be noted that Tshombe's youth group on March 14 publicly demanded Gizenga's release from detention. Perhaps the American public has forgotten that Mr. Gizenga—claiming to be Lumumba's heir—tried to create a secessionist state in the Congo's eastern province with Soviet bloc assistance.

I must say that the alliance of Tshombe and Gizenga supporters against the pro-Western Adoula government comes as no great surprise to one who has never accepted what the noted columnist, Marguerite Higgins, has called the Tshombe myth. I have always felt that the contest in the Congo must be regarded primarily as one between moderates and extremists: between those trying to build a nation under incredibly difficult circumstances, and those ready to sacrifice the popular welfare to the pursuit of personal power.

In attempting to examine the disturbing situation in that distraught country, I think my text could be a sentence written by New York Times correspondent, David Halberstam, reporting from Elisabethville on July 15. Mr. Halberstam—who, incidentally, has done a superb job of covering developments in the Congo—wrote as follows about Mr. Tshombe:

> He has been convinced by advisers that American public opinion backs him and his cause and that President Kennedy and Ambassador Edmond A. Gullion stand almost alone in opposing him.

If Tshombe has in fact been thus advised, I wish to assure him that this information is dead wrong. I am convinced that the overwhelming majority of the American people and their representatives support President Kennedy in the policy that he and former President Eisenhower have pursued in seeking to return law and order to the Congo and maintain the viability of that nation, as a nation, for its own sake and so as to avoid a pit of bloody anarchy that the Communists and Soviets can exploit in the center of Africa.

At the same time, I consider it true to say that most of our officials believe that Mr. Tshombe can still make a valuable contribution to the future of the Congo. It is clear that he is a capable political leader.

Obviously, then, Mr. Tshombe has been badly advised on important matters, and there is little question that he has both good and bad people around him. In the latter category there are at least two high officials in his government who have been revealed as antiwhite racists willing to stir up the mob to violence at every opportunity.

Presumably it is the advice of such people which has caused Tshombe several times to accuse American capitalists of trying to do him in. For example, he told the Katanga Assembly that—

> The State Department is under the thumb of voracious financiers who will not rest as long as the Congo is not a colony under their economic domination and as long as Katanga copper is not eliminated from world competition.

Again, a year ago this month, the Katangese women's group controlled by Tshombe's political party feigned astonishment in a letter that—

> A man like Kennedy, who calls himself a Christian and a Catholic, would play the game of unscrupulous financiers.

Mr. Tshombe ought to be told that this is the kind of nonsense which they write in Moscow.

Mr. President, it has been stated that not enough effort has been devoted to giving Mr. Tshombe personal reassurances and contacts with high-level officials of the United Nations and Western governments. It is conveniently forgotten that President Kennedy personally replied to Tshombe's appeal for help last December in arranging a truce with the United Nations force, which easily could have overwhelmed Katanga at that time had it wished to do so. It is forgotten, too, that Ambassador Gullion, at our President's request, personally escorted Mr. Tshombe to Kitona and stayed with him for a number of days. It is easily overlooked, too, that the United Nations assured his safety and departure when he returned to Léopoldville for negotiations this last spring.

What seems to be totally ignored is how difficult Tshombe makes it for anyone trying to meditate between him and the central government. For example, there is wide agreement that Special U.N. Representative Robert Gardiner has performed admirably in this task. Yet a few days ago Tshombe's own journal in Elisabethville quoted him as follows:

> I believe that the high U.N. command has lost confidence in Gardiner, who is an African like us and who does not want to see Negro blood spilled. The game of the U.N. is to use men without scruples who can carry out plans regardless of the consequence to the civil population. The life of a Negro is of less importance in the eyes of Mr. Kennedy and his State Department who pay for the U.N. The political motivation of the U.S. President is more important than the lives of individuals, especially Africans.

That is the irresponsible statement of a man who tries the patience of even those here who may have wanted to help him.

Similarly, if the Katangese Government expects understanding in this country, it would do well to reconsider its refusal last month to allow the opening of a USIS cultural center there. Apparently, Tshombe's government fears dissemination of the truth about the United States. It is worth noting that we do not, on our side, prevent weekly broadcasts by the so-called Katanga Information Service on a New York radio station.

Mr. President, there is no need to continue listing such items. I do not want to believe that they are representative of what Mr. Tshombe really thinks. For, if I do so, I would have to conclude that the leader of Katanga is a crafty, conscienceless opportunist who cares far more for his personal position than for the lives and fortunes of the Congolese people. I must prefer to believe that Mr. Tshombe has been accepting bad advice.

In conclusion, Mr. President, indirectly I want to offer Mr. Tshombe some good advice. I want to emphasize again the opportunity that now exists—and which may disappear within a matter of weeks or even days—for Tshombe to meet moderation with moderation.

Prime Minister Adoula has just elaborated a set of constitutional principles which provide a most reasonable basis for the settlement of the Katanga problem. The federal constitution which he has asked the U.N. to help his government in drawing up would parallel our own—giving certain designated powers to the Federal Government but reserving to the member states all powers not expressly given to the Federal Government. The Central Government would exercise powers in the fields of national defense, foreign affairs, customs, money, exchange control, fiscal policy, interstate and foreign commerce, citizenship and immigration and posts and telegraphs.

Mr. Tshombe has expressed satisfaction with this proposal. Let him for once back up his words with deeds. Now is the time for him to abandon secession and join with his brothers in building a strong and prosperous united Congo. Unless he can, in this late hour, behave like the statesman which we believe he can be, only the jackals that follow closely behind chaos, will profit from the situation in that troubled land.

Mr. **HUMPHREY.** Mr. President, will the Senator from Utah yield?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Utah yield to the Senator from Minnesota?

Mr. **MOSS.** I yield.

Mr. **HUMPHREY.** I compliment the Senator from Utah for his splendid remarks in reference to the Congo situation. I am very much disturbed by some of the statements which have been made today by the Senator from Connecticut [Mr. DODD] and the Senator from New York [Mr. KEATING] in relation to our foreign policy as it affects the Congo.

The U.S. Government has pursued a policy of strengthening, stabilizing, and aiding the Central Government in the Congo, because this is the only policy that can keep that part of the world out of Communist hands.

The Adoula government, as the Senator from Utah has so ably pointed out, has successfully, thus far, fought off the so-called Lumumba elements, which were pro-Communist, and the Gizenga elements, which are pro-Communist. Premier Adoula's cabinet is made up of moderates and is a cabinet which has sought to chart a course of independence and freedom for the Congo.

It is most unfortunate and regrettable that Mr. Tshombe's deputies, who serve in the Congolese Parliament, have been doing everything possible to topple or overthrow the established Adoula government. Also, it should be noted that those deputies have worked with anti-democratic, pro-Communist forces in an effort to embarrass the Adoula government.

One does not need to praise Mr. Adoula in order to speak forthrightly and, I hope, forcefully and accurately about the policy of the U.S. Government. I do not say that everything this Government has done in reference to the Congo has been perfect, because the situation in the Congo at times has been so uncertain, so confused, so filled with violence and disorder, that it has been very difficult to know what to do.

But the United States has rightly supported the Central Government. We have rightly supported the activities of the United Nations in the Congo. It is a fact that without the support of the United States and the United Nations in the Congo, there would have been civil war. It is a fact that the area known as the Congo would have been in leftist hands or Communist or pro-Communist hands.

I think Mr. Tshombe needs to be told that the American people and the Government of the American people are not in sympathy with his activities. I am speaking of the duly elected Government of the United States, a Government which has the support of the American people. The President of the United States is in charge of our foreign policy. One of the central aspects of the foreign policy of the United States has been our Congo policy. This Government has made a determined effort to prevent the spread of revolution, violence, and disorder in Africa. It is a known fact that the Kremlin has had its eyes on Africa for decades and that since 1960, in particular, the Kremlin has had as its primary aim the subversion of the African Continent, and following Communist subversion the taking over of the government and the domination of vast areas of Africa.

The policy of the United States has been an attempt to find ways of reconciliation, to promote a more workable system of parliamentary government.

We have sought to support the United Nations in its activities to preserve the peace. We have done this through financial outlays. Other nations have done it through their manpower.

I have the feeling that the new attack upon the Adoula government and upon our own Congo policy is related to our activities in the United Nations. We still have the United Nations bond issue to pass during this session of Congress. One of the reasons for favoring the United Nations bond issue as a means of helping finance the peacekeeping operations of the United Nations is the importance of the United Nations peacekeeping operations in the Congo. If that bond issue is not passed by our Congress, the United Nations cannot continue its activities in Africa, and particularly in the Congo. If the United Nations is withdrawn from the Congo, then—mark my words, Mr. President—there will be wholesale slaughter.

In recent days the Central Government, the Adoula government, has offered a new constitution for the Congo, one providing for a good deal of autonomy for provinces such as Katanga. There is real hope that this new proposal can lead to a substantial degree of reconciliation. But I do not think reconciliation will be made any easier if groups and individuals in the United States support the principle of secession.

What this situation really boils down to is that the province of Katanga is rich in mineral resources which provide a great deal of the revenue which is needed for the operation of the Central Government of the Congo. If the province of Katanga can secede as either an independent state or nation or if Katanga can drive such a tough bargain that its revenues will not go to the Central Government, then the Central Government of the Congo will be forever weak and incapable of giving any kind of responsible government to this vast area in Africa.

So, Mr. President, I feel that the remarks of the Senator from Utah are timely, and I desire to associate myself with them.

Let me point out some of the misunderstandings and lack of accurate reporting that seem to color some of the thinking and the comments about the Congo and, in particular, about our policy there. I wish to comment on some points I noticed in the speech delivered today by the Senator from Connecticut [Mr. DODD]. One of the reasons why I asked the Senator from Delaware to yield to me, some time ago, was so that I could inform the Senator from Connecticut that I had some disagreement with some of his comments. This is only common courtesy among Senators; if one is about to speak about one of his colleagues and his remarks, I believe he should be notified.

It is my intention next week to speak about this matter and to review it in a prepared speech. But I do not have it ready now. Today, I am making only informal remarks about developments in this area of the world.

I noticed, for example, that in his speech the Senator from Connecticut [Mr. DODD] said:

> I want to repeat to the Senators that the recall of Ambassador Timberlake raises a most serious question. As I have pointed out, Newsweek Periscope, several weeks in advance of Ambassador Timberlake's recall, forecast that he would be recalled as a sequel to the recall of Dayal. In short, it appears to have been a horse swap.

What does that mean, Mr. President? It means that an accusation has been leveled against the State Department and against this Government that it recalled one of our able Ambassadors—Ambassador Timberlake—on the basis that the United Nations representative in the Congo, an Indian national, Mr. Rajeshwar Dayal, would likewise be recalled—in other words, that a "deal" was made.

But, Mr. President, what are the facts?

Well, Mr. President, they are not to be found in Newsweek Periscope. Newsweek happens to be a weekly magazine which gives a good deal of news; but it does not have access to the files of the State Department—I hope. It so happens that Ambassador Timberlake had been in that area for 4 years, without any home leave; and he wanted to come home. He was exhausted, for he had undertaken unbelievably heavy responsibilities. He, himself, chose the date of his departure; he was not ordered back. He chose to leave because the daughter of one of his best friends, a man who had been killed in an automobile accident, was getting married. Ambassador Timberlake had acted for years as unofficial guardian of this young lady, so he had a natural and wholly understandable desire to be present at her wedding.

So Ambassador Timberlake left. But because he happened to leave and to return home—at his own request, and on his own volition—at about the same time when the United Nations representative, Mr. Dayal, was taken out of the Congo, someone says there was a deal. But, Mr. President, as I have said, such an assertion is nonsense.

In the interval before our new Ambassador arrived in the Congo, our chargé there, the man in command of our Embassy, was Mr. Godley, one of the most capable officers in our Foreign Service. He was very effective in assisting moderate forces to prepare for the parliamentary session. The Department of State frankly, openly, and unqualifiedly denies the charge or allegation that any deal was made or that there was any connection between the removal of the United Nations representative, Mr. Dayal, and the return of the U.S. Ambassador, Mr. Timberlake. In fact, today Mr. Timberlake is in the State Department, working openly with the Under Secretary of State for Political Affairs, Mr. McGhee, who is in overall charge of the Congo policy; and Mr. Timberlake works closely with the Congo task force in the State Department. It may be hard to understand his previous assignment to Maxwell Air Force Base, but now his talents are being used as they should be. The Senator from Connecticut [Mr. DODD] failed to mention this important point. So no discredit was cast upon Mr. Timberlake, who stood his ground, and who may have had some differences of opinion with others there. After all, the situation in the Congo is about as fluid as mercury; and one never knows, from day to day, what will happen there. The Congo was never prepared for self-government. But independence was granted it; and the Congo was a happy hunting ground—or perhaps I should use the word "unhappy"—for the forces of disorder and for the most extreme forces of leftism and communism.

The miracle is that today the Congo is not a Communist satellite. The miracle is that today the Congo has a government that is friendly to freedom and independence and is jealous of its own national sovereignty. Let us remember that the same government booted out, lock, stock, and barrel, the Communists who used their diplomatic privileges to agitate against the legally constituted Congolese Government in Léopoldville.

I do not understand why there is such vast interest in the United States over the province of Katanga—so much so, Mr. President, that today a full-page advertisement appears in the Washington Post and other papers, and states in substance, "Get the United Nations out of the Congo. Leave the Congo alone to us. Defeat the U.N. Bond Issue in the House of Representatives."

I wish to say that when Mr. Tshombe picks his friends a little better, I shall be more interested in leaving it to him. But so long as Mr. Tshombe is going to walk arm in arm with the Communists, and is going to sleep in the same bed with the forces of Lumumba, and is going to fool around with Gizengists, all of whom are the opponents of free government in the Congo, I do not think the United Nations should leave the Congo.

Let us remember that the Soviet Union does not want the United Nations to remain in the Congo or anywhere else to preserve the peace. The Soviet Union wants disorder, and wants to see this part of Africa—the heart of Africa—in utter turmoil, because if there is enough turmoil, through this kind of boiling up of social forces, the hammer and sickle of communism will rise to the top.

What amazes me is how people who have fought communism all their lives can all at once get sucked into a situation where they want to kick out the very force—namely, the United Nations—that stands there as the one force to prevent the takeover by communism. Communism comes after disorder, violence, chaos, confusion. Mark my words, if the forces of the United Nations are withdrawn, chaos will follow, and out of chaos will come a Gizenga, or someone even more leftist or more of a Communist, for the real Gizenga is finished as a political force.

The critics of our Congo policy have attacked the United Nations and the Secretary General of the United Nations. They even say the Secretary General of the United Nations is determined to use force in the Congo without any further consultation.

Apparently the critics of our Congo policy have an insight into the mind of the Secretary General of the United Nations that goes beyond human understanding. The record is crystal clear that the U.N. forces in the Congo have used force only in self-defense, and they were ordered to use force in self-defense, and this Government asked them to use force in self-defense, and the Soviet Union did not want them there.

I repeat, the Soviet Union has never accepted the idea of a U.N. presence in the Congo.

I repeat: Mr. Tshombe, from Katanga is acting perhaps out of desperation. I do not know. I do not know what his motives are. I do not know what his reasons are. But this I do know: He walks arm in arm on every road in the Congo with every known enemy of the United States. He is walking arm in arm with followers of the late Patrice Lumumba. He is walking with followers of others who are our enemies, and Tshombe's deputies in the Parliament are doing everything they can to wreck the parliamentary structure.

The Senator from Minnesota will be heard to speak in more definite and precise terms on the policy of the Government, because this is an attack upon a fundamental policy of the Government of the United States, and of John F. Kennedy, President of the United States. The President has given personal attention to this matter. Secretary of State Rusk has given personal attention to it. Under Secretary of State George Ball last December gave one of the most brilliant expositions of U.S. policy toward the Congo that I have ever heard. This question has high priority in the Government of the United States, which I think is to the credit of the President and of the Secretary of State. I think it is to the credit of Assistant Secretary Williams. I think it is to the credit of Mr. Gullion, our Ambassador in the Congo. They have, through the cooperation of other peace-loving nations, been able to keep this part of the world from falling like a rotten apple into the hands of the Communists.

The struggle for freedom takes place in Africa as much as it is taking place in Asia, South America, and even here. One of the things that disturbs me is the recklessness of the charges being made.

The Senator from Arizona [Mr. GOLDWATER] made a speech the other day, and I spoke to the Senator from Arizona about it today, so I do not speak without his being notified. I heard him say on the Senate floor, with reference to Peru—which speech appears in the RECORD of Wednesday, August 1—that the leader of the Aprista Party in Peru, commonly known as APRA Party, was a Socialist and a fellow traveler of the Communists.

I was shocked. The one political party in Peru in which every one of its candidates has declared himself openly against Castro, against the Fidelistas, against the Communists, has been the APRA Party. Every other candidate has either been silent or has embraced them, including even the conservative candidate, Odria, a former dictator, or former president. I make no adverse comments against General Odria as an individual. I wish he or some duly constituted officer or political leader could have been elected President of Peru. I do not choose sides. I only say when Mr. Belaunde, one of the top three candidates, was on a radio program like our "Meet the Press," and a Peruvian journalist asked him, "Are you anti-Communist? Do you oppose the Communists? Are you against the Communists?" he said, "I am against no one." "Are you against Castro?" "No, not against Castro. I am against no one."

Yet every single candidate of the ARPA Party took an oath to fight communism. They fought them in the streets, in the universities, in the trade unions. They fought them everywhere, and they backed the very man who is in Paris an exile, the great statesman, the hero-patriot of Peru, President Prado, who was the guest of the President of the United States less than a year ago here in Washington, D.C.

President Prado, of Peru, was the first Latin American statesman to come to our aid after Pearl Harbor. President Prado was the first to stand up against Cuba and Castro; and he was the first to break relations with him. President Prado fought communism everywhere.

Yet let me read what the Senator from Arizona said:

> We must learn also to be careful who we befriend in the Latin countries. Certainly Haya de La Torre—

Who was APRA's presidential candidate in Peru—

> is not one to whom we should extend the hand of help. He is a proved Socialist, a fellow traveler of Communists, and an opportunist.

He may be an opportunist. I do not know the man. I never met the man. He may once have been a Marxist. That I do not know. I will accept the Senator's word for it. But there are teachers in great Catholic universities who are former Communists, but who learned their errors and who stand up today as the fighters against this vicious form of tyranny.

There have been numerous other Americans who have broken with the Communist Party and who now stand up as towers of strength against this evil and monstrous force. They are praised by the FBI. They are praised by every sort of good men. But here is a man, head of the party in Peru, who took the fight to the streets, who took the fight to the universities, whose followers fought the Communists, who, as a candidate in every one of the congressional campaigns, said, "We are against Castro. We are against communism. We are against Khrushchev. We fight against every one of them."

Yet now they are attacked by the anti-Communists in our midst. Why? Why is it? Because Mr. Haya de la Torre and the APRA Party liberals believed in certain reforms. They did not believe in Communists running trade unions. They believed in effective trade unions, where there could be bargaining for better wages. That kind of person is looked upon as a radical, as a dangerous man.

In my opinion, that kind of party and person is one of the few hopes in some parts of the world for the maintenance of freedom.

The same thing in the Congo. When men become desperate, they search for any kind of support. I have never had the privilege of meeting Mr. Tshombe. I understand he is a personable, attractive, intelligent man. I deeply regret that differences have cropped up between us.

I think Mr. Tshombe is being led to believe that there is a great force of public opinion in this country and elsewhere which would put him in as Prime Minister or which would permit the secession of his province from the Congo. More than that, Mr. President, I think that this is a part of a continuing attack upon our State Department, which has plenty of trouble dealing with Mr. Khrushchev, much less dealing with Mr. Tshombe. I think this is part of a continuing attack upon the United Nations.

I wondered when the attack would be resumed. Let the word be out that there is one Senator in this body who is going to stand up for our participation in the United Nations. There are others. The

Senator from Utah [Mr. MOSS] has already demonstrated his willingness to do so.

The vast majority of the American people want our participation in the United Nations. The vast majority of the American people want a United Nations police force. The vast majority of the American people are a lot more intelligent than some of their analysts and critics. The vast majority of the American pepole do not want to see the Congo or any other part of Africa stirred up, ending up in confusion, turmoil, violence, and disruption.

Most of the American people would not know Mr. Adoula from Mr. Tshombe if they were to see the two of them together. What is more, very few Members of Congress would.

But we do know that there has been a determined effort now for nearly 2 years on the part of Mr. Tshombe and his followers either to take over the Congo or to break away. In recent months, I repeat, this effort has lent itself to some strange alliances and to some very strange happenings.

I thank my friend from Utah, who has been so patient with me. I repeat, I hope he will be with me next week.

I intend to address myself to this subject. I did once before.

I remember when the Senator from Idaho [Mr. CHURCH], the Senator from Tennessee [Mr. GORE], and I held the floor of the Senate one afternoon speaking on this subject, answering point by point the charges then made that most of the officials of the Adoula government were Communist sympathizers or leftists. That was a crazy charge. It was dropped after we exposed it as being utter nonsense—not only utter nonsense, but also incredible nonsense. No one talked about that again. That charge was dropped.

Now we have something new to face. The new line is, "Get the United Nations out of the Congo and the boys will work it all out." This is like saying, "Get the police force out of a violent, angry, crime-ridden city and leave it to the mobs."

We are not about ready to do that.

I support the President of the United States; I am on his team in the Senate. I support his domestic policy. I support his foreign policy. I support his Congo policy.

I think President Kennedy will be known in the days ahead, as he is now, not only for what he has done for the Nation at home, but also, and more importantly, for what he has done abroad, because he has had insight, he has had courage, and he has had vision. He has not let all of the hobgoblins and the ghosts, all the rumors and the allegations, detour him from a straight course. He can depend upon the Senator from Minnesota to back him in his efforts to strengthen the United Nations, to give a sense of firmness and direction to our foreign policy. He can also depend upon the Senator from Minnesota to defend his work on the floor of the Senate.

I thank the Senator.

Mr. MOSS. Mr. President, I thank my friend from Minnesota for his eloquent and vigorous defense of the foreign policy of this Government. Certainly it should be defended when questions are raised such as those raised today.

Mr. President, I yield the floor.

FRYINGPAN-ARKANSAS PROJECT, COLORADO

Mr. MANSFIELD. Mr. President, I have discussed with the minority whip, the distinguished Senator from California [Mr. KUCHEL], and with my colleague from California on this side [Mr. ENGLE], as well as with the Senator from Oregon [Mr. MORSE], the matter to which I am about to refer. I wish to have the unfinished business, Calendar No. 1590, S. 1108, authorizing the conveyance of certain property in the city of San Diego to the regents of the University of California, temporarily laid aside, so that the Senate may proceed to the consideration of Calendar No. 1701, S. 284, to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado.

Mr. KUCHEL. Would the very able majority leader indicate whether subsequent to the disposition of the bill relating to the Fryingpan-Arkansas project, and the other bill, introduced by our colleague from Washington [Mr. JACKSON], it is his intention to have the Senate then return to the consideration of the bill he now proposes to lay aside temporarily?

Mr. MANSFIELD. Yes. I say to both my colleagues from California that following consideration of the bill for the Fryingpan-Arkansas project, it is the intention of the leadership to have the Senate consider Calendar No. 1707, S. 3153, to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal plants in that region and to guarantee electric consumers in other regions reciprocal priority, and for other purposes.

Subsequent to that—I would guess on Tuesday or Wednesday of next week—the Senate again will return to consideration of the bill authorizing the conveyance of certain property in the city of San Diego to the regents of the University of California.

Mr. KUCHEL. I thank the Senator.

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1701.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 284) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, in explanation for temporarily laying aside the bill authorizing the conveyance of certain property in the city of San Diego to the regents of the University of California, I wish to say that there will be more speeches this afternoon and it would be a late hour before the Senate would be able to consider the bill. Hence the desire of the leadership to lay the bill aside and to take up the bill on the Fryingpan-Arkansas project, Colorado, which, at the conclusion of morning business on Monday next, will be the unfinished business.

ORDER FOR ADJOURNMENT UNTIL MONDAY NEXT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations tonight it stand in adjournment to meet at 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEXTILE IMPORTS

Mr. THURMOND. Mr. President, leaders of the textile industry have recently announced that the Geneva agreement for the control of cotton textile imports is working very badly and that the Government is failing to achieve its announced goal of effective import limits.

When such statements are made by leaders of the industry, it appears to be appropriate to examine the provisions of the short-term cotton textile agreement, the actions taken thereunder, and the provisions of the long-term cotton textile arrangement and the actions which may possibly be taken thereunder.

I have, therefore, examined these documents and have, most regretfully, come to the conclusion that the present problems of market disruption arising on increased imports of cotton yarns and cotton textile products will not be alleviated but will rather be aggravated if the long-term cotton textile arrangement becomes effective on October 1, 1962.

The statements of spokesmen of the cotton textile industry are, indeed, supported by the Government import statistics. Imports of cotton yarn in the first half of 1962 established a record of 17,749,382 pounds. This 6-month volume of imports surpasses the record of cotton yarn imports for any entire year in the past.

Imports of cotton cloth for the 8 months commencing on the effective date of the short-term agreement, excluding imports from Japan, reached 87 percent of the fiscal 1961 base on which the short-term cotton textile arrangement was supposed to be effective in the limitation of imports for the period from October 1, 1961, to September 30, 1962. Imports from Japan which, under a bilateral agreement negotiated by our State Department, are limited to 275 million square yards for the calendar year 1962 had, by the end of May, already exceeded the expected 5-month level by 41 million square yards.

Acting under the short-term cotton textile agreements, our Government has successively initiated actions with seven or eight foreign countries to restrain and limit the imports coming into this country in excess of the level established in the short-term agreement.

But the short-term agreement expires September 30, 1962, and the excessive imports of cotton textiles, against which our Government is now taking action against various countries successively will become the base or the floor for cotton imports on October 1, 1962, if the long-term arrangement becomes effective.

This situation prompts me to present a review here of some of the steps which have been taken by Members of Congress and leaders of the industry in bringing the problems of the textile industry on imports to the attention of the administration and a further review of the actions taken by the administration in recognition of the urgent need to correct these problems.

Misconceptions concerning the effectiveness of the short-term cotton textile agreement and the long-term cotton textile arrangement have, unfortunately, been current in the industry, and, indeed, among some Members of the Congress because of exaggerated reports as to the effectiveness of the purported controls on cotton textile imports established by international trade negotiations.

We are now at a time when the Congress has before it a Trade Expansion Act which basically accepts the theory that international trade can best be governed by international trade agreements. It, therefore, is extremely important now to consider the degree to which our State Department has been effective in negotiating international trade agreements relating to cotton textile imports.

Early in 1961, a number of Members of the House of Representatives and a group of Senators with whom I was pleased to associate myself addressed communications to the President calling attention to the long continued distress of our domestic textile industry which in recent years has resulted in a tremendous liquidation of textile mills and the loss of several hundred thousand jobs in such mills.

Thereafter, the President appointed, on February 16, 1961, a committee of Cabinet members headed by Secretary of Commerce Luther H. Hodges which, in due course, made a study of the textile import problem and reported to the President. On May 2, 1962, the President announced a 7-point program for the alleviation of the serious problems of the textile industry. At that time the President stated:

> The problems of the textile industry are serious and deep rooted. They have been the subject of investigation at least as far back as 1935, when a Cabinet committee was appointed by President Roosevelt to investigate the conditions in this industry. Most recently these problems were the subject of a special study by the Interdepartmental Committee headed by Secretary of Commerce Luther H. Hodges. I believe it is time for action.
>
> It is our second largest employer. Some 2 million workers are directly affected by conditions in the industry. There are another 2 million persons employed in furnishing requirements of the industry at its present level of production. Two years ago, the Office of Defense Mobilization testified that it was one of the industries essential to our national security. It is of vital importance in peacetime and it has a direct effect upon our total economy. All the studies have shown that unemployment in textile mills strikes hardest at those communities suffering most from depressed conditions.

In the sixth point of the President's program he directed the Secretary of State to call a conference of principal textile exporting and importing countries to seek an international understanding to provide a basis for trade which would avoid undue disruption of established industries. Thereafter, Under Secretary of State George W. Ball proceeded to arrange an international trade conference restricted entirely to cotton textiles.

Members of the House and Senate addressed a further communication to the President stating the unanimous opinion of themselves and the industry that the Secretary was proceeding under an erroneous understanding of the nature of the industry and the gravity of the problem. They pointed out particularly that his plan was restricted to cotton textiles excluding wool, silk, manmade textiles and apparel and was on a basis which would increase exports of cotton textiles from Japan to the United States and would assure every country of an automatic annual increase of textile exports to the United States.

Nevertheless, the Department of State proceeded with an international conference in Geneva which, in July 1961, brought forth the short-term cotton textile arrangement which was duly ratified by the participating nations.

This agreement became effective October 1, 1961, for a period of 1 year. It provided, among other things, that in the event unrestricted imports of cotton textiles were causing, or threatening to cause, disruption of the domestic market of an importing nation, that nation might request the exporting nation to restrain "at a specified level not lower than the level prevailing for the 12-month period ending 30 June 1961" its total exports of any category of cotton textiles and further provided that, in the event no agreement was reached within 30 days, the requesting country could decline to accept imports from such exporting nation at a level higher than the level of the said 12-month period. Thus there was introduced into the control of imports of cotton textiles into the United States the base period which has come to be known as the level of fiscal 1961.

Since the short-term agreement became effective, the United States has been compelled to request restraint of exports to the United States by several nations which were exporting goods to this country in excess of the prescribed level. Such restraints on imports are, of course, effective only for the life of the short-term agreement.

As one country was restrained in its exports, it became successively necessary for the United States to apply the restraint to exports from other countries, some of which were undoubtedly increasing their exports to the United States to replace the exports of the restrained country.

The rate of these excessive imports during the term of the short-term cotton textile agreement has already ranged in various categories of cotton textile products from 10 to 1,000 percent above the prescribed level. In one or more cases countries exporting to the United States have shipped cotton textiles into the United States although the country had no record of previous shipments of the commodity which would establish the base level during fiscal 1961. For example, exports of cotton textiles from Mexico to the United States have reached approximately 150 percent of the base level and Mexico has exported to the United States 897,979 pounds of carded yarn singles for which the country had no base level.

Although the domestic industry did not propose that the 12-month period ending June 30, 1961, be established as the level to which imports could be restrained, that period was fixed in the short-term agreement and the thought has erroneously become prevalent that this base period of fiscal 1961 is also applicable to restraints on cotton textile imports under the long-term arrangement.

The international trade conference which brought forth the short-term cotton textile agreement arranged for the creation of a provisional cotton textile committee to undertake the work of establishing a long-term cotton textile arrangement. This committee concluded its negotiations on February 9, 1962.

The long-term cotton textile arrangement was announced in a press release from the White House press secretary under date of February 15, 1962. On that date, the chairman of the House textile conference group, Hon. CARL VINSON of Georgia, addressed a communication to the President in behalf of that group in which he stated:

> Although we have not yet seen the actual text of the international cotton textile arrangement concluded at Geneva on February 9, 1962, we understand that the United States will hold the level of imports of cotton textile products for a 5-year term at virtually the present level.

This communication also expressed the hope that the administration would move promptly on wool, manmade fiber, silk, and other textile fibers, and requested confirmation of the understanding of the arrangement expressed in the first paragraph of the letter which is above quoted.

The communication quoted above was, as noted therein, written without the benefit of detailed examination of the text of the long-term cotton textile arrangement but was based on reports made by representatives of the State Department.

In reply to this letter the President, under date of February 26, 1962, addressed a communication to the Honorable CARL VINSON in which he said, among other things:

> All cotton textile products are now covered by a special international agreement reached at Geneva on July 17, 1961, authorizing the limitation of imports to the level of the 12 months ending June 30, 1961. This agreement expires September 30, 1962. The long-term agreement, which was just negotiated, will continue the same level of imports, with minor adjustments, for an additional 5 years.

The impression given to the President and to the Members of Congress as stated in these communications has prevailed in the industry, but is not borne out by the provisions of the long-term cotton textile arrangement which definitely does not establish the fiscal year ended June 30, 1961, as a base period level to which total cotton textile imports into this country may be restrained.

On the contrary, it provides, in annex B, that:

> The level below which imports or exports of cotton textile products causing or threatening to cause market disruption may not be restrained under the provisions of article 3 shall be the level of actual imports or exports of such products during the 12-month period terminating 3 months preceding the month in which the request for consultation is made.

In other words, if the United States acted at the earliest possible moment under the long-term arrangement, namely, on the day on which it may become effective, October 1, 1962, then the level below which imports of cotton textiles from any country in any category could not be restrained would be the volume of such imports for the year which ended June 30, 1962. Under this formula there is no possibility that the volume of imports in the year ending June 30, 1961, may be established as the limit of such imports into the United States. This is not, as apparently represented to the President, to the Congress and to the industry, the same level of imports which is established in the short-term cotton textile agreement.

The result is that the exporting nations which have, during the period of the operation of the short-term cotton textile agreement, shipped excessive quantities of cotton textiles into the United States have established for the period ending June 30, 1962, a higher base level below which their imports may not be restrained under the long-term cotton textile arrangement.

Thus, the long-term cotton textile arrangement gives the benefit of a premium of increased allowable imports to the nations which have shipped excessive exports to the United States during the short-term cotton textile agreement.

In the foregoing discussion, October 1, 1962, has been considered as the effective date of the long-term cotton textile arrangement. It is of utmost importance now to realize that this arrangement has not yet been executed and that it will not become effective unless the participating nations ratify it before October 1, 1962, and may not become then effective.

Under the provisions of article 12, a majority of the ratifying nations at a meeting called 1 week prior to October 1, 1962, may postpone the effective date. Such postponement may be for a definite or indefinite period. A majority of the participating nations, by postponing the effective date for any reason satisfactory to them, may force renegotiation of the arrangement. Thus, if a majority of the nations are dissatisfied because of any action which may be taken on the section 22 case to impose an equalization fee to offset the cost to the U.S. mills of the differential in raw cotton costs adverse to domestic mills, on the OEP application under the national security provisions of the Trade Agreements Extension Act, on H.R. 11970, or any escape clause case, or for any other reason, they may nullify the arrangement by postponing indefinitely the effective date.

There have been some indications of reluctance on the part of some nations to ratify the long-term cotton textile arrangement. Monsieur Maurice Brasseur, Foreign Trade Minister of Belgium, in a public statement made in connection with the action of the President in restoring certain duties on glass and carpet products, has rather pointedly noted that Belgium has not ratified either the results of recent GATT negotiations or the long-term cotton textile arrangement. Various interests of Japan have been quoted in the press indicating that Japan may not ratify the long-term cotton textile arrangement if this country takes action eliminating or reducing the dual price system on cotton which establishes a differential for the benefit of foreign producers.

Even after ratification of the long-term cotton textile arrangement, any participating nation may withdraw on 60 days' notice for any reason satisfactory to itself.

After the United States has taken action, under the long-term cotton textile arrangement, to restrain exports to the United States of cotton textiles in any category from another participating nation to the level of the first 12 months of the 15 months preceding such request by the United States, the exporting nation remains unrestrained on its exports of cotton textiles in other categories. The exporting nation may thus increase the total volume of its exports of cotton textiles to the United States although restrained to a degree on exports of the commodities in one or more categories.

Restraint on the export of cotton textiles in any category by one exporting nation has no effect whatsoever on the exports of other nations shipping the same commodities to the United States. Thus, if country A is restrained in shipping its production of commodity X into the United States, then country B may ship without restraint any quantity of commodity X until the United States takes action to restrain it to the prescribed level. The result is that there is no practical control on the total volume of cotton imports into the United States.

Only by successive actions based on excessive imports in each category can the total volume of exports from any single country to the United States be restrained. Only by successive actions against every exporting country on every category can the total volume of cotton textile imports into the United States be restrained. A more impractical method of restraint would be difficult to imagine.

Even after restraint has been imposed on exports of certain cotton textile commodities by a participating nation to the United States, that nation may, after the expiration of 2 years, increase its exports to the United States in such commodities by 5 percent annually. Thus, the volume of exports which may have caused disruption of our domestic market becomes the basis after 2 years for a 5-percent annual increase in imports into the United States, notwithstanding the condition of our domestic market.

One of the avowed purposes of the State Department in entering into international trade conferences for the control of trade in cotton textiles was to secure access to European markets for Japan and less-developed nations. Many of the participating nations still maintain quotas, require licenses, and otherwise restrict or prohibit exports from Japan and less-developed nations into their markets.

In the short-term cotton textile arrangement, paragraphs E and F of article I provide that countries maintaining quantitative restrictions on cotton textile imports shall, as from January 1, 1962, significantly increase access to their markets by countries, the imports of which were restricted when the arrangement became effective. Paragraph E provides "A specific statement of the new access will be forthcoming."

No such action significantly increasing access to their markets for Japanese cotton textiles has yet been taken by European nations.

In the long-term cotton textile arrangement, article 2 provides that countries applying import restrictions to cotton textiles from other participating nations shall increase access to their markets for such cotton textiles by percentages applied to their 1962 quotas to be set forth in annex A to the arrangement.

Annex A to the long-term cotton textile arrangement as published by our Government on February 15, 1962, contains only the statement:

> The percentages in this annex will be communicated in due course.

So far as is known, such percentages of increased access to the restricted European markets have not yet been published.

It is significant that, notwithstanding the percentages by which volume of imports to such European markets may be increased over their 1962 quotas, there will, nevertheless, remain quota limitations on the total volume of imports from Japan and less-developed nations to such European markets.

The United States operates under the most-favored-nation clause and extends to Japan and, indeed, to all countries of the world except those dominated by international communism, the same rates of duty and the same freedom of access to its markets which it extends to European nations.

The exclusion of textile products from Asia by European nations increased the pressure on the United States to absorb the exportable surpluses of such low-wage countries. This is a burden which the textile industry of the United States cannot indefinitely endure and survive.

A subcommittee of the Senate Committee on Interstate and Foreign Commerce, now the Committee on Commerce, after extensive hearings and study of the textile problem, has recommended that the survival of the domestic industry depends upon the establishment of flexible quotas on textile imports. It is a serious question whether the United States can continue to avoid the establishment of quotas on imports so long as European nations maintain quotas against Asiatic textiles, even though such quotas may be increased by some percentages.

Mr. President, let me point out the situation in which the United States will find itself in the weeks from now to October 1, 1962.

First. The pending case under section 22 for the establishment of an equalization fee to remove from domestic producers the burden of the dual-price system on cotton may remain undecided, as it has remained for more than 6 months.

Second. The application to the Office of Emergency Planning under the national security provisions of the Trade Agreements Extension Act which has been pending for more than a year may remain undecided.

Both of these cases are still pending, although the President in his letter of February 26, 1962, stated that he had already requested the Tariff Commission to complete its investigation on the section 22 case and to report as soon as practical, and was requesting the Office of Emergency Planning to make its recommendation without any unnecessary delay.

Third. The U.S. Government, particularly the Members of Congress, will not know until the last week of September 1962 what nations will ratify the long-term cotton textile arrangement and whether the nations which may ratify it will, by a majority vote, determine to postpone the effective date.

Fourth. The Congress will, in this period of time, take final action on H.R. 11970.

In view of the ineffectiveness of the negotiations to control cotton textile imports by international trade agreements, there is a serious question as to the extent to which Congress should, in the Trade Expansion Act, authorize the President, acting through the State Department, to negotiate international trade agreements governing imports into the United States, without clearly established criteria, guidelines, and safeguards for American industry.

The short-term and the long-term cotton textile arrangements emphasize the need for the establishment by the Congress of a measure of control over international trade agreements, in order that the purpose and the intent of Congress may be respected and the industries and labor of this country may be safeguarded.

On August 2, a number of amendments to H.R. 11970 were submitted in the Senate by a group of Senators with whom I had the privilege of joining. These amendments would provide the guideline for trade policy, the lack of which has so often proved the undoing of American workers and industries. These amendments would accomplish the retention of the peril-point procedure and the escape-clause procedure. I commend these amendments to the careful study and consideration of Members of the Senate and to all other persons who have an interest in accomplishing an effective trade program.

Mr. President, I ask unanimous consent that a series of documents identified as exhibits, A–L, to which I have made reference, be printed in the Record at the conclusion of my remarks.

There being no objection, the documents were ordered to be printed in the Record, as follows:

Exhibit A

The American Cotton
Manufacturers Institute, Inc.,
Charlotte, N.C.,
July 25, 1962.

To ACMI Members.

Gentlemen: Official U.S. Government import statistics now show clearly that the Geneva arrangements for the control of cotton textile imports is working very badly. Furthermore, because current imports under the 1-year arrangement which ends September 30 will enter into the rolling base level for the 5-year arrangement which begins in October, it is clear that our Government must take strong and prompt action if its announced intention to effectively limit cotton products imports is to be achieved.

In recent weeks, your officers, staff, and a number of industry executives have been in virtually constant contact with policymaking officials in the White House and the executive departments concerned as well as with textile leaders in the Congress on this matter, and these activities are continuing.

LARGE EXCESS IMPORTS UNDER GENEVA ARRANGEMENT

The short-term Geneva arrangement limiting cotton textile imports covers the period October 1, 1961–September 30, 1962. Import statistics are now available on the first 8 months of the arrangement—that is, through May 31. Imports from all countries (excluding Japan, which is separately calculated) in the first 8 months of the Geneva short-term arrangement reached 91 percent of the annual base. Put another way, imports by the end of May under the arrangement were already as high as they should have been by the end of August. Clearly, therefore, the Government is failing in its objective to hold imports during the short-term arrangement year "at or about the level reached in the 12 months ending June 30, 1961," the base period for the short-term arrangement.

Imports of cotton textiles from Japan are governed by the United States-Japan bilateral arrangement for the calendar year 1962. Under this arrangement, Japan is limited to 275 million square yards for the present calendar year. By the end of May, Japan had already exceeded the expected 5-month import level by 41 million square yards. Obviously here, too, the Government is failing to achieve its announced goal of effective import limits.

Examination of the detailed import data figures shows clearly that the worst violations of the import arrangements are occurring in those categories of products like yarn and heavy fabrics where the cotton cost differential is most important.

This makes it all the more difficult to understand why the Tariff Commission decision in our section 22 case has been so long delayed. The record on this case closed in March. Imposition of the offset import fee on cotton textiles equivalent to the raw cotton export subsidy rate would cut back imports substantially and make it much easier to administer the Geneva and Japanese arrangements.

It is even more difficult to understand why the Office of Emergency Planning continues to delay a decision in our national security case, which has been pending since last October. If the Office of Emergency Planning found that the level of imports is threatening our national security—and the textile case is the most thoroughly documented ever presented under this provision of the trade agreements law—the President would immediately have the authority to impose import quotas on cotton products, without regard to the Geneva long-term arrangement, which has not yet been ratified. Furthermore, such a finding by the Office of Emergency Planning would immediately clothe the President with the power to cut back the excessive imports of woolens, manmade fiber and silk textiles, which are currently completely uncontrolled.

Meanwhile the Congress continues to grapple with the question of foreign trade policy. The scene of activity has now shifted from the House to the Senate, particularly to the Senate Finance Committee of which Senator Byrd of Virginia is chairman.

The committee began hearings on the House-approved trade expansion bill on Monday with Secretary of Commerce Luther H. Hodges as the leadoff witness.

Other Cabinet officers are among about 100 witnesses scheduled to be heard by mid-August. Under Secretary of State, George Ball, reportedly will appear on behalf of Secretary Dean Rusk.

Textile industry representatives are in Washington this week for a series of conferences with Senate leaders and executive department officials regarding the textile import situation in relation to trade legislation.

Every step open to the industry is being explored in the continuing effort to obtain a successful solution to the textile import problem.

Sincerely,

R. Dave Hall,
President.

Exhibit B

[From the Daily News Record, July 23, 1962]

New Base Levels for Imports Due in Long-Range Pact

(By Dick Gorrell)

Washington.—Existing restraints on seven countries exporting textiles to the United States and the import base levels established under the short-term international textile and apparel arrangement will be scrapped when the long-term arrangement takes effect.

Furthermore, the provisions of the long-term arrangement are such that imports in excess of the present short-term base level will build bigger import quotas under the long-term arrangement.

The arrangement sets the base at the level of imports reached during the first 12 of the 15 months preceding the date of call for restraints.

Thus, a call for restraint on the first day of the long-term arrangement (scheduled to go into effect October 1) would make the base July 1, 1961–June 30, 1962.

Twenty-two of the 64 categories in the short-term arrangement were over base level at the end of May.

These 22 categories, therefore, already have larger base levels under the long-term arrangements than they have under the short-term arrangement. The current 1-year arrangement fixed the base of imports at the level they achieved in fiscal year 1961.

The higher base level already achieved by the 22 categories are in addition to the 5-percent yearly increase built into the long-term arrangement.

The categories in excess, quantity of imports through May, and percentage of base, are:

Carded yarn, singles: 17,028,820 pounds, 196 percent.

Combed yarn, plied: 582,979 pounds, 270 percent.

Corduroy: 28,153 square yards, 168 percent.

Carded sheeting: 97,829,752 square yards, 104 percent.

Poplin and broadcloth, combed: 2,234,931 square yards, 140 percent.

Other printcloths, shirting, carded: 790,778 square yards, 532 percent.

Shirting not otherwise specified, carded: 333,480 square yards, 133 percent.

Twill and sateen, carded: 18, 872,720 square yards, 105 percent.

Pillowcases, plain, carded: 1,223,686 units, 404 percent.

Pillowcases, plain, combed: 26,830 units, 117 percent.

Towels other than dish towels: 29,011,247 units, 112 percent.

Sheets, carded: 36,351 units, 651 percent.

Braided and woven elastics: 79,621 pounds, 107 percent.

Knitshirts, except T-shirts and sweatshirts: 516,996 dozens, 125 percent.

Men's and boys' dress shirts, not knit: 363,185 dozens, 119 percent.

Men's and boys' workshirts, not knit: 16,065 dozens, 252 percent.

Raincoats, three-quarter length or over: 55,384 dozens, 104 percent.

Men's and boys' trousers, outer: 850,496 dozens, 111 percent.

Women's, misses' and children's trousers: 760,150 dozens, 181 percent.

Men's and boys' briefs and undershorts: 102,589 dozens, 147 percent.

Drawers, shorts, briefs, except men's and boys': 244,733 dozens, 1,042 percent.

Other knit or crocheted clothing: 497,185 pounds, 114 percent.

Total imports of cotton textiles and apparel through May were 91 percent of base.

Commerce Department officials say that imports have slowed down since then because of restraints imposed on seven countries—Israel, Hong Kong, Portugal, Colombia, Egypt, Spain, and Taiwan.

These seven countries accounted for about 70 percent of the 514 million square yards shipped in by all countries, excluding Japan, through May. Hong Kong alone sent in 221 million square yards to hit 109 percent of its base.

The restraints were imposed on these categories:

Carded yarn, singles (Egypt, Colombia, Taiwan, Israel, Portugal).

Carded ginghams (Hong Kong).

Combined ginghams (Portugal).

Carded sheetings (Hong Kong and Portugal).

Carded twill and sateen (Hong Kong).

Yarn-dyed fabrics, except ginghams, combed (Portugal).

Carded fabrics not otherwise specified, carded (Hong Kong).

Knitshirts, except T-shirts and sweatshirts (Hong Kong).

Sweaters and cardigans (Hong Kong).

Raincoats, three-quarter length or over (Hong Kong).

Men's and boys' briefs and undershorts (Spain).

Drawers, shorts and briefs, except men's and boys' (Spain).

These restraints will have to be renewed if they are to be effective under the long-term arrangement, and thereby hangs another problem: Restraints cannot be imposed at a moment's notice. Consultations can run up to 60 days. "Critical circumstances" such as acute market disruption can bring the time down to about 3 to 10 days.

Commerce officials, however, are concerned about the possibility that some restrained goods are poised to come flooding into the United States as soon as the long-term agreement takes effect.

Considerable time would elapse before Government officials could find out about such a surge because there is a statistical reporting lag on imports.

The lag, at the extreme, could be 4 to 8 weeks, and this is the hole in the dike through which some countries may try to pass a flood of imports.

The United States, however, can avoid such a sudden surge of imports from the base because of the 3 months' difference between the date of a call for restraints and the end of the 12-month base such a call would create.

For example, if a country had sent in 10 units each month of its 12-month base, its quota would be 120 units.

Should the country then dramatically increase its imports and send in 270 units in the next 3 months, the United States could call for restraints and exclude the 270 units from the base.

Thus, the 120-unit base would apply and the exporting country's 3 months' shipments would have filled its quota for 27 months.

EXHIBIT C

[From the Daily News Record, July 27, 1962]

COTTON YARN IMPORTS IN HALF TOP ANY YEAR—17,497,382 POUNDS COME INTO COUNTRY DURING FIRST 6 MONTHS, TOPPING 1960 12-MONTH RECORD OF 15,140,680 POUNDS—VALUE, AT $9,015,578, ALSO TOPS ANY YEAR

(By Michael Lipman)

NEW YORK.—U.S. cotton yarn imports for the first half of 1962 established a record of 17,497,382 pounds, surpassing any yearly imports in the past, according to figures compiled from Department of Commerce reports.

The latest mark eclipses the former record set in 1960 for 15, 140, 680 pounds. Last year imports fell to 13,904,620 pounds.

The volume mark comes just 1 month after a dollar value for a yearly period was established at $7,631,284, topping the 1960 record of $7,426,471.

Imports in June accounted for 2,831,535 pounds worth $1,384,294, raising the latter total for 1962 to $9,015,578.

Statistics list import totals for immediate consumption or for entry into bonded warehouses, according to two major categories: (1) Noncolored, noncombed, nonplied, and (2) bleached or dyed, single or plied, carded and combed.

The bulk of volume—1,961,277 pounds and better than half the import value in June, $881,299, came under the former category, as has been the case since imports became so prominent.

Portugal alone shipped almost 8,500,000 pounds of yarn for the first 6 months, worth $3,937,398. In the noncolored, noncombed, nonplied category, Portugal accounted for about 6.75 million pounds, worth slightly over $3 million.

Yarn imports for June 1962

	Pounds	Worth
Nonbleached, noncolored, noncombed, or nonplied:		
Mexico	100, 394	$41, 501
Colombia	426, 520	183, 349
France	156, 963	73, 701
Portugal	227, 724	106, 020
Lebanon	6, 979	2, 909
Israel	239, 419	108, 235
Taiwan	310, 000	137, 687
Egypt	493, 278	227, 897
Total	1, 916, 277	881, 299
Bleached or dyed, single and carded: Israel	7, 225	3, 786
Total	7, 225	3, 786
Bleached or dyed, single and combed:		
Colombia	7, 114	9, 408
United Kingdom	88	751
Belgium	4, 101	4, 923
France	1, 000	1, 319
Switzerland	12, 497	23, 132
Portugal	179, 405	96, 204
Greece	110, 368	61, 589
Israel	7, 885	3, 944
Egypt	211, 402	123, 717
Total	544, 260	324, 987
Bleached or dyed, plied and carded:		
Mexico	22, 872	8, 941
Colombia	1, 571	723
East Germany	19, 606	8, 132
Portugal	72, 047	30, 430
Egypt	17, 502	81, 845
Total	290, 598	130, 121
Bleached or dyed, plied and combed:		
Colombia	15, 401	9, 532
United Kingdom	3, 578	13, 641
France	124	264
Switzerland	8, 752	20, 390
Italy	320	274
Total	28, 175	44, 101
Cumulative total	2, 831, 535	1, 384, 294

EXHIBIT D

[From the Daily News Record, July 16, 1962]

THE PULSE OF THE MARKET—COTTON CLOTH IMPORTS HIT 87 PERCENT OF GENEVA QUOTAS IN 8 MONTHS

(By Sig Scheier)

NEW YORK.—U.S. imports of cotton fabrics during the first 8 months of the Geneva short-term quota agreements reached 87 percent of the total recorded during fiscal year 1961, according to figures compiled from Commerce Department reports.

Total yardage of cottons received by the United States from the nations covered by the Geneva agreement is 211.6 million yards from October 1, 1961, through May 31, 1962. This compares with 243.3 million yards imported from these nations during the base period July 1, 1960, through June 30, 1961.

These figures are exclusive of imports from Japan, which are covered in a separate agreement with the United States. Imports from Colombia, totaling 723,000 yards during the 8-month period, are also not included in the overall total because base year figures are unavailable.

Imports during May from the countries covered by the base year quotas totaled 26.3 million yards. Hong Kong continued as the leading shipper with 9.6 million yards in the latest month, followed by Taiwan with 3.7 million, Portugal with 3.5 million, and France with 2.4 million yards.

Three nations with substantial quotas have already exceeded their base year figures: Hong Kong with an excess of 76 percent to date, Portugal up 17 percent over the base and Belgium-Luxembourg up 15 percent. In addition, Yugoslavia has already exceeded its base period tenfold, but the original figure was insignificant.

The Hong Kong overfulfillment included 63.1 million yards of carded sheetings in 8 months, against 34.3 million yards during fiscal 1961. Other categories which have been heavily exceeded by that country are carded twills and sateens, with 15.2 million yards against 13.7 million base, and miscellaneous carded fabrics imports at 30.4 million against 10.5 million base.

Fabric categories exceeded thus far by Portugal are combed ginghams with 3.7 million yards, compared with 1.7 million imported in the base period; carded sheetings with 5.3 million, up from 4 million; combed yarn-dyed cloths other than ginghams, with 1.7 million against 510,000, and miscellaneous carded fabrics with 1.7 million yards, against 1 million. However, carded ginghams and other yarn-dyed cloths are substantially off from the base period, so that the rise in combed colored yarn goods mostly represents a shift from carded to combed types.

Excess shipments from Belgium and Luxembourg result in a cumulative total of 3.2 million yards of miscellaneous carded cottons, up from 1.9 million in the base period. Yugoslav shipments consisted of 262,000 yards of carded sheetings, against none in the base period, and 316,000 yards of miscellaneous carded cloths, against 55,000 base.

All figures in the accompanying table are general imports by the United States, which includes all goods received, whether for consumption here, warehousing or re-export. Other imports previously reported for May comprised only cottons for domestic consumption.

U.S. general imports of cotton fabrics, square yards, under short-term Geneva agreement

Country of origin	Fiscal 1961 quota base	May 1962	Cumulative, October 1961 to May 1962
Hong Kong	64,888,178	9,595,490	114,272,027
United Arab Republic, Egypt	26,007,235	869,272	5,624,382
India	23,450,070	1,201,821	12,403,929
France	22,321,719	2,378,778	17,507,908
Spain	19,239,646	268,628	4,619,159
Taiwan	14,817,857	3,678,571	12,004,814
Portugal	14,096,394	3,466,150	16,440,968
Pakistan	13,129,358	1,082,840	4,332,764
Republic of Korea	10,316,813	----------	1,596,459
Italy	7,189,020	569,968	4,717,471
West Germany	5,803,592	948,074	3,545,284
Switzerland	3,752,926	269,923	2,129,755
United Kingdom	3,098,041	279,267	2,141,674
Belgium and Luxembourg	3,489,847	683,167	4,015,596
Netherlands	3,234,552	540,778	2,824,947
Austria	2,053,373	252,536	1,630,536
Mexico	1,456,095	33,841	431,629
Brazil	1,323,739	2,847	135,464
Canada	1,025,622	128,959	329,046
Trinidad and Tobago	8,570,453	18,921	137,241
Yugoslavia	55,430	51,389	577,749
All others	1,035,850	6,351	135,797
Grand total	243,251,019	26,320,151	211,544,599

Exhibit E

[From the Daily News Record, July 31, 1962]

United States Asks Some Export Restraints by Mexico—Action Is Asked on Some Categories of Cotton Goods Imported Into United States—Mexico Ships 157 Percent of Base Level Before Move by Washington

(By Dick Gorrell)

Washington.—Mexico has been asked to restrain certain categories of imports to the United States, it was learned here Monday.

The Mexican Embassy confirmed the report. "There is something to it," a spokesman said.

Mexico had shipped in at least 5,667,409 square yard equivalents of cotton goods, or 157 percent of its base level under the international short-term arrangement, before the United States acted.

U.S. officials charged with administering the agreement, which millmen say is working very badly, refused to confirm or deny the report.

The Mexican Embassy would not say what categories the United States had asked to be restrained.

Mexico exports to this country 7 of the 22 categories which had exceeded base level at the end of May.

Two of these categories, carded yarn singles and carded sheetings, had reached significant levels at the end of May. Carded yarn singles imports from Mexico, for which the country has no base, had reached 897,979 pounds. Carded yarn sheetings had reached 319,740 square yards, or 78 percent of base.

Mexico is the eighth country asked to restrain imports under the short-term agreement.

Hickman Price, Jr., the Commerce Department's Assistant Secretary for Domestic Affairs and chairman of the Interagency Textile Administrative Committee, was in an interdepartmental meeting and unavailable for comment. He turned aside a reporter's attempt to question him before the session started.

Reports that France, too, had been asked to restrain her imports and that Jamaica had been warned, were not confirmed.

The French Embassy said that if the United States has plans to ask for restraints, it was unknown to Embassy officials, and it doubted the report.

An Embassy spokesman said that as a practical matter U.S. officials were watching, with both eyes the levels of imports from Hong Kong, India, Spain, Portugal, and other low-wage areas. All of the countries mentioned, except India, have been placed under restraint.

France had reached 77 percent of her base level at the end of May. France's cotton textile exports to the United States amounted to 22,238,013 square yard equivalent.

A British Embassy official said that he had heard of no U.S. action toward Jamaica, since Government officials visited the island in June.

The official, who said he had been in frequent contact with the State Department since then, was asked about the report of restraints on Mexico and France.

"Until the official list is published, one doesn't know who has been asked, one just knows that people are being asked," he said.

Washington sources said after the Jamaica visit that there was little likelihood of Jamaica being asked to restrain cotton textile imports unless the May figures showed a variance of trend. From April to May Jamaica had gone from 58 percent of its base to 67 percent. Through the first 8 months of the short-term agreement Jamaica had sent in 5,658,987 square yard equivalent.

Exhibit F

U.S. Senate,
Committee on Appropriations,
June 22, 1961.

The President,
The White House.

Mr. President: On Monday Members of Congress met with Mr. Ball and received their first information on the details of the Under Secretary of State's proposed international negotiations on certain textile products. Our feeling is unanimous that the Under Secretary is proceeding on the basis of an erroneous understanding as to the nature of the industry, and of the gravity of the textile and apparel import problem. It is the considered opinion of all of us in the Senate and House alike that Mr. Ball's program will insure the continued deterioration of the U.S. industry.

The State Department's plan has several basic defects which doom it to failure. These are (a) it pertains solely to cotton textiles, and excludes wool, silk, and manmade fiber textiles and apparel; and (b) it is built on the 1960 level of imports, except for a possible 30 percent rollback for Hong Kong; would increase Japan's exports to the United States, and assure every country an automatic annual increase in export potential of all textiles and apparel to the United States.

Your seven-point program for the textile industry, as we understood it here in the Congress, was forthright and included all of the industry's products. Mr. Ball has indicated that he considers it impossible to negotiate an international understanding on that basis. In effect, Mr. Ball has come to the conclusion that he cannot discharge the directive contained in point 6 of your May 2 announcement. We in the Congress prefer your program to the Under Secretary's.

Members of Congress in both Houses have followed carefully your public statements concerning your intentions in behalf of the textile industry. We understood you to mean that you were determined to achieve an overall solution of the industry's problems. In all candor, Mr. President, we must respectfully advise you of our considered opinion that Mr. Ball has devised a piecemeal and entirely inadequate program which is not in accord with your own pronouncements, and which can succeed only in embarassing the administration in its programs relating to trade.

If you are convinced, Mr. President, that Mr. Ball's program is the only one that can be attempted, it is our advice that it would be better to abandon the effort now. His program leads to no real solution and will only compound the injury which we in the Congress feel must be remedied. We know that this is also your objective.

Sincerely and respectfully,

John J. Sparkman, Lister Hill, Alabama; John L. McClellan, Arkansas; Prescott Bush, Connecticut; Herman E. Talmadge, Richard B. Russell, Georgia; Everett M. Dirksen, Illinois; Homer E. Capehart, Indiana; Frank Carlson, Kansas; Edmund S. Muskie, Maine; J. Glenn Beall, John Marshall Butler, Maryland; Leverett Saltonstall, Benjamin A. Smith, Jr., Massachusetts; James O. Eastland, John Stennis, Mississippi; Lee Metcalf, Montana; Styles Bridges, Norris Cotton, New Hampshire; Clifford P. Case, New Jersey, Kenneth B. Keating, New York; B. Everett Jordan, Sam J. Ervin, Jr., North Carolina; Milton R. Young, North Dakota; Hugh Scott, Pennsylvania; John O. Pastore, Claiborne Pell, Rhode Island; Strom Thurmond, Olin D. Johnston, South Carolina; Karl E. Mundt, South Dakota; George D. Aiken, Winston L. Prouty, Vermont; A. Willis Robertson, Virginia.

Exhibit G

President's Seven-Point Program of May 2, 1961

Office of the White House
Press Secretary,
The White House.

The President today announced a program of assistance to the U.S. textile industry, designed to meet a wide range of the problems it faces as a result of rapid technological change, shifts in consumer preference, and increasing international competition. The program was developed by the Cabinet Committee, headed by Secretary of Commerce Luther H. Hodges, which was formed by the President on February 16, 1961.

In announcing the program, the President said: "The problems of the textile industry are serious and deeprooted. They have been the subject of investigation at least as far back as 1935, when a Cabinet committee was appointed by President Roosevelt to investigate the conditions in this industry. Most recently these problems were the subject of a special study by the interdepartmental committee headed by Secretary of Commerce Luther H. Hodges. I believe it is time for action.

"It is our second largest employer. Some 2 million workers are directly affected by conditions in the industry. There are another 2 million persons employed in furnishing requirements of the industry at its present level of production. Two years ago, the Office of Defense Mobilization testified that it was one of the industries essential to our national security. It is of vital importance in peacetime and it has a direct effect upon our total economy. All the studies have shown that unemployment in textile mills strikes hardest at those communities suffering most from depressed conditions.

"I propose to initiate the following measures:

"First, I have directed the Department of Commerce to launch an expanded program of research, covering new products, processes and markets. This should be done in cooperation with both union and management groups.

"Second, I have asked the Treasury Department to review existing depreciation allowances on textile machinery. Revision of these allowances, together with adoption of the investment incentive credit proposals contained in my message to the Congress of April 20, 1961, should assist in the modernization of the industry.

"Third, I have directed the Small Business Association to assist the cotton textile industry to obtain the necessary financing for modernization of its equipment.

"Fourth, I have directed the Department of Agriculture to explore and make recommendations to eliminate or offset the cost to the United States mills of the adverse differential in raw cotton costs between domestic and foreign textile producers.

"Fifth, I will shortly send to the Congress a proposal to permit industries seriously injured or threatened with serious injury as a result of increased imports to be eligible for assistance from the Federal Government.

"Sixth, I have directed the Department of State to arrange for calling an early conference of the principal textile exporting and importing countries. This conference will seek an international understanding which will provide a basis for trade that will avoid undue disruption of established industries.

"Seventh, in addition to this program, an application by the textile industry for action under existing statutes, such as the escape clause or the national security provision of the Trade Agreements Extension Act, will be carefully considered on its merits.

"I believe this program will assist our textile industry to meet its basic problems, while at the same time recognizing the national interest in expansion of world trade and the successful development of less-developed nations. It takes into account the dispersion of the industry, the range of its products, and its highly competitive character. It is my hope that these measures will strengthen the industry and expand consumption of its products without disrupting international trade and without disruption of the markets of any country."

EXHIBIT H

GENERAL AGREEMENT ON TARIFFS AND TRADE—ARRANGEMENTS REGARDING INTERNATIONAL TRADE IN COTTON TEXTILES

The participating countries recognize the need to take cooperative and constructive action with a view to the development of world trade and that such action should be designed to facilitate economic expansion and in particular to promote the development of the less-developed countries by providing increasing access for their exports of manufactured products.

They take note, however, that in some countries situations have arisen which, in the view of these countries, cause or threaten to cause "disruption" of the market for cotton textiles. In using the expression "disruption" the countries concerned have in mind situations of the kind described in the "Decision of the Contracting Parties" of November 19, 1960, the relevant extract from which is annexed as appendix A to this agreement.

The participating countries desire to deal with these problems in such a way as to provide growing opportunities for exports of these products provided that the development of this trade proceeds in a reasonable and orderly manner so as to avoid disruptive effects in individual markets and on individual lines of production.

I. SHORT-TERM ARRANGEMENT

Pending a long-term solution the participating countries agree to deal with immediate problems relating to cotton textiles through international action designed, at the same time: (i) to significantly increase access to markets where imports are at present subject to restriction; (ii) to maintain orderly access to markets where restrictions are not at present maintained; and (iii) to secure from exporting countries, where necessary, a measure of restraint in their export policy so as to avoid disruptive effects in import markets.

Accordingly the participating countries agree to adopt the following short-term arrangement for the 12-month period beginning October 1, 1961.

A. A participating country, if unrestricted imports of cotton textiles are causing or threatening to cause disruption of its domestic market, may request any participating country to restrain, at a specified level not lower than the level prevailing for the 12-month period ending June 30, 1961, its total exports of any category (see appendix B) of cotton textiles causing or threatening to cause such disruption, and failing agreement within 30 days, the requesting country may decline to accept imports at a level higher than the specified level.[1] In critical circumstances, action may be taken provisionally by either country involved while the request is under discussion. Nothing in this arrangement shall prevent the negotiation of mutually acceptable bilateral arrangements on other terms.

It is intended by the participating countries that this procedure will be used sparingly, with full regard for their agreed objective of attaining and safeguarding maximum freedom of trade, and only to avoid disruption of domestic industry resulting from an abnormal increase in imports.

B. A country requested to restrain its exports to a specified level may exceed the specified level for any category by 5 percent provided that its total exports to the requesting country of the categories of products subject to restraint do not exceed the aggregate for all the categories.

C. If a requesting country determines that a shift in the pattern of imports within any category is producing undue concentration of imports of any particular item and that such concentration is causing or threatening disruption, the requesting country may, under the procedure set forth in paragraph A above, request the producing country to restrain its total exports of the said item during the 12 months beginning October 1, 1961 to a prescribed level not lower than that which prevailed during the year ending June 30, 1961.

D. Participants agree to take action to prevent circumvention or frustration of this short-term arrangement by nonparticipants, or by transshipment, or by substitution of directly competitive textiles. In particular, if the purposes of this arrangement are being frustrated or are in danger of being frustrated through the substitution of directly competitive textiles, the provisions of paragraph A above shall apply to such goods, to the extent necessary to prevent such frustration.

E. Participating countries presently maintaining quantitative restrictions on cotton textile imports shall, as from January 1, 1962, significantly increase access to their markets by countries, the imports of which are now restricted. A specific statement of the new access will be forthcoming.

F. This short-term arrangement shall be valid for a period of 12 months, beginning on October 1, 1961; however, the provisions of section E above shall enter into force not later than January 1, 1962.

G. In accordance with GATT provisions for joint consultations the parties to this arrangement shall meet as necessary to consider any problems arising out of the application of this agreement. Such consultations could, in particular, take place in the event that a country, the exports of which are under restraint as a result of action taken under paragraph A above, considers that experience shows that the level of restraint is inequitable.

II. LONG-TERM ARRANGEMENT

A. Participating countries agree to create a Provisional Cotton Textile Committee and to request the contracting parties to confirm the establishment of the Committee at the 19th session.

The Committee shall: (1) Undertake work looking toward a long-term solution to the problems in the field of cotton textiles on the basis of the guiding principles set out in the preamble to this agreement; (2) collect all useful data for this purpose; (3) at an early date, not later than April 30, 1962, make recommendations for such long-term solution.

B. The discussions and consultations to be undertaken by the Committee on the long-term problem shall be of the kind provided for by the Market Disruption Committee at the 17th session of the contracting parties. The Committee shall, as appropriate, from time to time report to this Committee and to Committee III of the Expansion of Trade Programme on progress made and on its findings.

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[1] In Canada, there is no legislation whereby imports may be limited in a precise quantitative manner as envisaged in this paragraph. The provision available for limiting imports in order to avoid injury or a threat of injury to a domestic industry is contained in section 40 A(7)(c) of the Customs Act which authorizes the application of special values for duty purposes. Those special values cannot be used to achieve a precise level of imports. Accordingly, the participating countries recognize that, should Canada find it necessary to take action to limit imports pursuant to this arrangement, it would not be in a position to insure that imports would not fall below the minimum level as defined in this paragraph.

C. The Provisional Cotton Textile Committee referred to in this article shall meet on October 9, 1961, to initiate consideration of this long-term problem.

APPENDIX A—EXTRACT FROM THE CONTRACTING PARTIES' DECISION OF NOVEMBER 19, 1960

These situations (market disruption) generally contain the following elements in combination: (i) A sharp and substantial increase or potential increase of imports of particular products from particular sources; (ii) these products are offered at prices which are substantially below those prevailing for similar goods of comparable quality in the market of the importing county (sic); (iii) there is serious damage to domestic producers or threat thereof; (iv) the price differentials referred to in paragraph (ii) above do not arise from governmental intervention in the fixing or formation of prices or from dumping practices.

In some situations other elements are also present and the enumeration above is not, therefore, intended as an exhaustive definition of market disruption.

APPENDIX B—COTTON TEXTILE CATEGORIES

List of categories and units of amount

1. Cotton yarn, carded, singles, not ornamented, etc. (pounds).
2. Cotton yarn, plied, carded, not ornamented, etc. (pounds).
3. Cotton yarn, singles, combed, not ornamented, etc. (pounds).
4. Cotton yarn, plied, combed, not ornamented, etc. (pounds).
5. Ginghams, carded yarn (square yards).
6. Ginghams, combed yarn (square yards).
7. Velveteens (square yards).
8. Corduroy (square yards).
9. Sheeting, carded yarn (square yards).
10. Sheeting, combed yarn (square yards).
11. Lawns, carded yarn (square yards).
12. Lawns, combed yarn (square yards).
13. Violes, carded yarn (square yards).
14. Violes, combed yarn (square yards).
15. Poplin and broadcloth, carded yarn (square yards).
16. Poplin and broadcloth, combed yarn (square yards).
17. Typewriter ribbon cloth (square yards).
18. Print cloth type shirting, 80 by 80 type, carded yarn (square yards).
19. Print cloth type shirting, other than 80 by 80 type, carded yarn (square yards).
20. Shirting, carded yarn (square yards).
21. Shirting, combed yarn (square yards).
22. Twill and sateen, carded yarn (square yards).
23. Twill and sateen, combed yarn (square yards).
24. Yarn-dyed fabrics, except ginghams, carded yarn (square yards).
25. Yarn-dyed fabrics, except ginghams, combed yarn (square yards).
26. Fabrics, n.e.s., carded yarn (square yards).
27. Fabrics, n.e.s., combed yarn (square yards).
28. Pillowcases, plain, carded yarn (numbers).
29. Pillowcases, plain, combed yarn (numbers).
30. Dish towels (numbers).
31. Towels, other than dish towels (numbers).
32. Handkerchiefs (dozen).
33. Table damasks and manufactures of (pounds).
34. Sheets, carded yarn (numbers).
35. Sheets, combed yarn (numbers).
36. Bedspreads (numbers).
37. Braided and woven elastics (pounds).
38. Fishing nets (pounds).
39. Gloves and mittens (dozen).
40. Hose and half hose (dozen pairs).
41. Men's and boys' all white T shirts, knit or crocheted (dozen).
42. Other T shirts (dozen).
43. Knitshirts, other than T shirts and sweatshirts (including infants') (dozen).
44. Sweaters and cardigan (dozen).
45. Men's and boys' shirts, dress, not knit or crocheted (dozen).
46. Men's and boys' shirts, sport, not knit or crocheted (dozen).
47. Men's and boys' shirts, work, not knit or crocheted (dozen).
48. Raincoats, ¾ length or over (dozen).
49. All other coats (dozen).
50. Men's and boys' trousers, slacks and shorts (outer), not knit or crocheted (dozen).
51. Women's, misses', and children's trousers, slacks, and shorts (outer), not knit or crocheted (dozen).
52. Blouses, and blouses combined with skirts, trousers, or shorts (dozen).
53. Women's, misses', children's, and infants' dresses (including nurses' and other uniform dresses), not knit or crocheted (dozen).
54. Playsuits, sunsuits, washsuits, creepers, rompers, etc. (except blouse and shorts; blouse and trousers; or blouse, shorts, and skirt sets) (dozen).
55. Dressing gowns, including bathrobes and beachrobes, lounging gowns, dusters and housecoats, not knit or crocheted (dozen).
56. Men's and boys' undershirts (not T. shirts) (dozen).
57. Men's and boys' briefs and undershorts (dozen).
58. Drawers, shorts, and briefs (except men's and boys' briefs), knit or crocheted (dozen).
59. All other underwear, not knit or crocheted (dozen).
60. Nightwear and pajamas (dozen).
61. Brassieres and other body-supporting garments (dozen).
62. Other knitted or crocheted clothing (units or pounds).
63. Other clothing, not knit or crocheted (units or pounds).
64. All other cotton-textile items (units or pounds).

To whatever extent this list of categories may present questions in the light of established listing practices of any participating country, such questions shall be resolved by consultation between the countries concerned or by the process of joint consultation referred to in paragraph G of the short-term arrangement.

EXHIBIT I

LONG-TERM COTTON TEXTILE ARRANGEMENT

THE WHITE HOUSE.

The President today released the text of the long-term cotton textile arrangement concluded at a meeting of the Cotton Textile Committee of the General Agreement on Tariffs and Trade held in Geneva, Switzerland January 29-February 9, 1962.

Nineteen nations, representing the principal cotton textile exporting and importing nations of the free world participated in drafting the arrangements.

The arrangement is for a period of 5 years beginning October 1, 1962. It is similar to an earlier agreement covering a period between October 1, 1961 and October 1, 1962 which has enabled importing countries threatened by or subjected to market disruption in any of 64 categories of cotton textiles to restrain imports to the level of fiscal year 1961.

Under the terms of the new arrangement, an importing nation threatened by or subjected to market disruption on any item or category of cotton textiles may freeze imports for 1 year to the level of the first 12 of the preceding 15 months. If this market condition persists, the freeze may be extended for yet another year. Following that, increases may be limited to 5 percent a year. In call cases the decision is made unilaterally by the importing nation.

Accompanying the agreement will be an undertaking by those nations which have maintained quantitative restraints on cotton textile imports to expand access to their markets in order to relieve pressures elsewhere.

The 6 years during which the current agreement and the proposed agreement will be in force will permit the American cotton textile industry to plan their production and to sharpen their competitive position with the confidence that foreign imports will not disrupt their activities. It marks the conclusion of another step in the seven step program announced by the President on May 2, 1961 for assistance to the American textile industry.

Both industry and labor advisers to the U.S. delegation in Geneva expressed satisfaction with the terms of the agreement. A text is attached.

LONG-TERM COTTON TEXTILE ARRANGEMENT[1]

Recognizing the need to take cooperative and constructive action with a view to the development of world trade;

Recognizing further that such action should be designed to facilitate economic expansion and promote the development of less-developed countries possessing the necessary resources, such as raw materials and technical skills, by providing larger opportunities for increasing their exchange earnings from the sale in world markets of products which they can efficiently manufacture;

Noting, however, that in some countries situations have arisen which, in the view of these countries, cause or threaten to cause "disruption" of the market for cotton textiles;

Desiring to deal with these problems in such a way as to provide growing opportunities for exports of these products, provided that the development of this trade proceeds in a reasonable and orderly manner so as to avoid disruptive effects in individual markets and on individual lines of production in both importing and exporting countries;

Determined, in carrying out these objectives, to have regard to the Declaration on Promotion of the Trade of Less-Developed Countries adopted by ministers at their meeting during the 19th session of the contracting parties in November 1961;

The participating countries have agreed as follows:

Article 1

In order to assist in the solution of the problems referred to in the preamble to this arrangement, the participating countries are of the opinion that it may be desirable to apply, during the next few years, special practical measures of international cooperation which will assist in any adjustment that may be required by changes in the pattern of world trade in cotton textiles. They recognize, however, that the measures referred to above do not affect their rights and obligations under the General Agreement on Tariffs and Trade (hereinafter referred to as the GATT). They also recognize that, since these measures are intended to deal with the special problems of cotton textiles, they are not to be considered as lending themselves to application in other fields.

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[1] The negotiation of this arrangement was concluded in Geneva on an ad referendum basis on February 9, 1962, by representatives of the following governments: Australia, Austria, Canada, Denmark, India, Japan, Norway, Pakistan, Portugal, Spain, Sweden, United Kingdom (also representing Hong Kong), United States, and the member states of European Economic Community (Belgium, France, Federal Republic of Germany, Italy, Luxembourg, and Netherlands).

Article 2

1. Those participating countries still maintaining restrictions inconsistent with the provisions of the GATT on imports of cotton textiles from other participating countries agree to relax those restrictions progressively each year with a view to their elimination as soon as possible.

2. Without prejudice to the provisions of paragraphs 2 and 3 of article 3, no participating country shall introduce new import restrictions, or intensify existing import restrictions, on cotton textiles, insofar as this would be inconsistent with its obligations under the GATT.

3. The participating countries at present applying import restrictions to cotton textiles imported from other participating countries undertake to expand access to their markets for such cotton textiles so as to reach, by the end of the period of validity of the present arrangement, for the products remaining subject to restrictions at that date, taken as a whole, a level corresponding to the quotas opened in 1962, for such products, as increased by the percentage mentioned in annex A.

Where bilateral arrangements exist, annual increases shall be determined within the framework of bilateral negotiations. It would, however, be desirable that each annual increase should correspond as closely as possible to one-fifth of the overall increase.

4. The participating countries concerned shall administer their remaining restrictions on imports of cotton textiles from participating countries in an equitable manner and with due regard to the special needs and situation of the less-developed countries.

5. Notwithstanding the provisions of paragraph 3 above, if, during the licensing period preceding the entry into force of this arrangement, a specific basic quota is nil or negligible, the quota for the succeeding licensing period will be established at a reasonable level by the participating importing country concerned in consultation with the participating exporting country or countries concerned. Such consultation would normally take place within the framework of the bilateral negotiations referred to in paragraph 3 above.

6. Participating countries shall, as far as possible, eliminate import restrictions on the importation, under a system of temporary importation for reexport after processing, of cotton textiles originating in other participating countries.

7. The participating countries shall notify the Cotton Textiles Committee as early as possible, and in any case not less than 1 month before the beginning of the licensing period, of the details of any quota or import restriction referred to in this article.

Article 3

1. If imports from a participating country or countries into another participating country of certain cotton textile products not subject to import restrictions should cause or threaten to cause disruption in the market of the importing country, that country may request the participating country or countries whose exports of such products are, in the judgment of the importing country, causing or threatening to cause market disruption, to consult with a view to removing or avoiding such disruption. In its request the importing country will, at its discretion, indicate the specific level at which it considers that exports of such products should be restrained, a level which shall not be lower than the one indicated in annex B. The request shall be accompanied by a detailed, factual statement of the reasons and justification for the request; the requesting country shall communicate the same information to the Cotton Textiles Committee at the same time.

2. In critical circumstances, where an undue concentration of imports during the period specified in paragraph 3 below would cause damage difficult to repair, the requesting participating country may, until the end of the period, take the necessary temporary measures to limit the imports referred to in paragraph 1 above from the country or countries concerned.

3. If, within a period of 60 days after the request has been received by the participating exporting country or countries, there has been no agreement either on the request for export restraint or on any alternative solution, the requesting participating country may decline to accept imports for retention from the participating country or countries referred to in paragraph 1 above of the cotton textile products causing or threatening to cause market disruption, at a level higher than that specified in annex B, in respect of the period starting on the day when the request was received by the participating exporting country.

4. In order to avoid administrative difficulties in enforcing a given level of restraint on cotton textiles subject to measures taken under this article, the participating countries agree that there should be a reasonable degree of flexibility in the administration of these measures. Where restraint is exercised for more than one product the participating countries agree that the agreed level for any one product may be exceeded by 5 percent provided that the total exports subject to restraint do not exceed the aggregate level for all products so restrained on the basis of a common unit of measurement to be determined by the participating countries concerned.

5. If participating countries have recourse to the measures envisaged in this article, they shall, in introducing such measures, seek to avoid damage to the production and marketing of the exporting country and shall cooperate with a view to agreeing on suitable procedures, particularly as regards goods which have been, or which are about to be, shipped.

6. A participating country having recourse to the provisions of this article shall keep under review the measures taken under this article with a view to their relaxation and elimination as soon as possible. It will report from time to time, and in any case once a year, to the Cotton Textiles Committee on the progress made in the relaxation or elimination of such measures. Any participating country maintaining measures under this article shall afford adequate opportunity for consultation to any participating country or countries affected by such measures.

7. Participating importing countries may report the groups or categories to be used for statistical purposes to the Cotton Textiles Committee. The participating countries agree that measures envisaged in this article should only be resorted to sparingly, and should be limited to the precise products or precise groups or categories of products causing or threatening to cause market disruption, taking full account of the agreed objectives set out in the preamble to this arrangement. Participating countries shall seek to preserve a proper measure of equity where market disruption is caused or threatened by imports from more than one participating country and when resort to the measures envisaged in this article is unavoidable.

Article 4

Nothing in this arrangement shall prevent the application of mutually acceptable arrangements on other terms not inconsistent with the basic objectives of this arrangement. The participating countries shall keep the Cotton Textiles Committee fully informed on such arrangements, or the parts thereof, which have a bearing on the operation of this arrangement.

Article 5

The participating countries shall take steps to insure, by the exchange of information, including statistics on imports and exports when requested, and by other practical means, the effective operation of this arrangement.

Article 6

The participating countries agree to avoid circumvention of this arrangement by transshipment or rerouting, substitution of directly competitive textiles and actions by nonparticipants. In particular, they agree on the following measures:

(a) Transshipment: The participating importing and exporting countries agree to collaborate with a view to preventing circumvention of this arrangement by transshipment or rerouting and to take appropriate administrative action to avoid such circumvention. In cases where a participating country has reason to believe that imports shipped to it from another participating country and purporting to have originated in that country did not originate there, it may request that country to consult with it with a view to assisting in the determination of the real origin of the goods.

(b) Substitution of directly competitive textiles: It is not the intention of the participating countries to broaden the scope of this arrangement beyond cotton textiles but, when there exists a situation or threat of market disruption in an importing country in terms of article 3, to prevent the circumvention of this arrangement by the deliberate substitution for cotton of directly competitive fibers. Accordingly, if the importing participating country concerned has reason to believe that imports of products in which this substitution has taken place have increased abnormally, that is that this substitution has taken place solely in order to circumvent the provisions of this arrangement. that country may request the exporting country concerned to investigate the matter and to consult with it with a view to reaching agreement upon measures designed to prevent such circumvention. Such request shall be accompanied by a detailed, factual statement of the reasons and justification for the request. Failing agreement in the consultation within 60 days of such request, the importing participating country may decline to accept imports of the products concerned as provided for in article 3 and, at the same time, any of the participating countries concerned may refer the matter to the Cotton Textiles Committee which shall make such recommendations to the parties concerned as may be appropriate.

(c) Nonparticipants: The participating countries agree that, if it proves necessary to resort to the measures envisaged in article 3 above, the participating importing country or countries concerned shall take steps to insure that the participating country's exports against which such measures are taken shall not be restrained more severely than the exports of any country not participating in this arrangement which are causing, or threatening to cause, market disruption. The participating importing country or countries concerned will give sympathetic consideration to any representations from participating exporting countries to the effect that this principle is not being adhered to or that the operation of this arrangement is frustrated by trade with countries not party to this arrangement. If such trade is frustrating the operation of this arrangement, the participating countries shall consider taking such action as may be consistent with their law to prevent such frustration.

Article 7

1. In view of the safeguards provided for in this arrangement the participating countries shall, as far as possible, refrain from taking measures which may have the effect of nullifying the objectives of this arrangement.

2. If a participating country finds that its interests are being seriously affected by any such measure taken by another participating country, that country may request the country applying such measure to consult with a view to remedying the situation.

3. If the participating country so requested fails to take appropriate remedial action within a reasonable length of time, the requesting participating country may refer the matter to the Cotton Textiles Committee which shall promptly discuss such matter and make such comments to the participating countries as it considers appropriate. Such comments would be taken into account should the matter subsequently be brought before the contracting parties under the procedures of article XXIII of the GATT.

Article 8

The Cotton Textiles Committee, as established by the contracting parties at their 19th session, shall be composed of representatives of the countries party to this arrangement and shall fulfill the responsibilities provided for it in this arrangement.

(a) The Committee shall meet from time to time to discharge its functions. It will undertake studies on trade in cotton textiles as the participating countries may decide. It will collect the statistical and other information necessary for the discharge of its functions and will be empowered to request the participating countries to furnish such information.

(b) Any case of divergence of view between the participating countries as to the interrpetation or application of this arrangement may be referred to the Committee for discussion.

(c) The Committee shall review the operation of this arrangement once a year and report to the contracting parties. The review during the third year shall be a major review of the arrangement in the light of its operation in the preceding years.

(d) The Committee shall meet not later than 1 year before the expiry of this arrangement, in order to consider whether the arrangement should be extended, modified or discontinued.

Article 9

For purposes of this arrangement the expression "cotton textiles" include yarns, piecegoods, madeup articles, garments, and other textile manufactured products, in which cotton represents more than 50 percent (by weight) of the fiber content, with the exception of handloom fabrics of the cottage industry.

Article 10

For the purposes of this arrangement, the term "disruption" refers to situations of the kind described in the decision of the contracting parties of November 19, 1960, the relevant extract from which is reproduced in annex C.

Article 11

1. This arrangement is open for acceptance, by signature or otherwise, to governments parties to the GATT or having provisionally acceded to that agreement, provided that if any such government maintains restrictions on the import of cotton textiles from other participating countries, that government shall, prior to its accepting this arrangement, agree with the Cotton Textiles Committee on the percentage by which it will undertake to increase the quotas other than those maintained under article XII or article XVIII of the GATT.

2. Any government which is not party to the GATT or has not acceded provisionally to the GATT may accede to this arrangement on terms to be agreed between that government and the participating countries. These terms would include a provision that any government which is not a party to the GATT must undertake, on acceding to this arrangement, not to introduce new import restrictions or intensify existing import restrictions, on cotton textiles, insofar as such action would, if that government had been a party to the GATT, be inconsistent with its obligations thereunder.

Article 12

1. This arrangement shall enter into force on October 1, 1962, subject to the provisions of paragraph 2 below.

2. The countries which have accepted this arrangement shall, upon the request of one or more of them, meet within 1 week prior to October 1, 1962, and, at that meeting, if a majority of these countries so decide, the provisions of paragraph 1 above may be modified.

Article 13

Any participating country may withdraw from this arrangement upon the expiration of 60 days from the day on which written notice of such withdrawal is received by the executive secretary of GATT.

Article 14

This arrangement shall remain in force for 5 years.

Article 15

The annexes to this arrangement constitute an integral part of this arrangement.

ANNEXES

Annex A

The percentages in this annex will be communicated in due course.

Annex B

1. (a) The level below which imports or exports of cotton textile products causing or threatening to cause market disruption may not be restrained under the provisions of article 3 shall be the level of actual imports or exports of such products during the 12-month period terminating 3 months preceding the month in which the request for consultation is made.

(b) Where a bilateral agreement on the yearly level of restraint exists between participating countries concerned covering the 12-month period referred to in paragraph (a), the level below which imports of cotton textile products causing or threatening to cause market disruption may not be restrained under the provisions of article 3 shall be the level provided for in the bilateral agreement in lieu of the level of actual imports or exports during the 12-month period referred to in paragraph (a).

Where the 12-month period referred to in paragraph (a) overlaps in part with the period covered by the bilateral agreement, the level shall be: (i) the level provided for in the bilateral agreement, or the level of actual imports or exports, whichever is higher, for the months where the period covered by the bilateral agreement and the 12-month period referred to in paragraph (a) overlap; and (ii) the level of actual imports or exports for the months where no overlap occurs.

2. Should the restraint measures remain in force for another 12-month period, the level for that period shall not be lower than the level specified for the preceding 12-month period, increased by 5 percent. In exceptional cases, where it is extremely difficult to apply the level referred to above, a percentage between 5 and 0 may be applied in the light of market conditions in the importing country and other relevant factors after consultation with the exporting country concerned.

3. Should the restraining measures remain in force for further periods, the level for each subsequent 12-month period shall not be lower than the level specified for the preceding 12-month period, increased by 5 percent.

Annex C

Extract From the Contracting Parties' Decision of November 19, 1960

These situations (market disruption) generally contain the following elements in combination: (i) A sharp and substantial increase or potential increase of imports of particular products from particular sources; (ii) these products are offered at prices which are substantially below those prevailing for similar goods of comparable quality in the market of the importing country; (iii) there is serious damage to domestic producers or threat thereof; (iv) the price differentials referred to in paragraph (ii) above do not arise from governmental intervention in the fixing or formation of prices or from dumping practices.

In some situations other elements are also present and the enumeration above is not, therefore, intended as an exhaustive definition of market disruption.

Annex D

For the purposes of applying article 9, the following list of the groups or subgroups of the S.I.T.C. is suggested. This list is illustrative and should not be considered as being exhaustive.

	SITC Rev.	BTN
I. Cotton yarns and fabrics	651.3 .4 652	55.05 .06 .07 .08 .09 58.04A
II. Cotton made-up articles and special fabrics	ex 653.7 ex 654 ex 655 ex 656 ex 657	ex 46.02 ex 58.01–03 ex 58.05–10 ex 59.01–17 ex 60–01 ex 62.01–05 ex 65.01–02
III. Cotton clothing	ex 841	ex 60.02–06 ex 61.01–11 ex 65.03–07

Annex E

Interpretative Notes

1. Ad. article 3, paragraph 3: In Canada, there is no legislation whereby imports may be limited in a precise quantative manner as envisaged in this paragraph. The provision available for limiting imports in order to avoid injury or a threat of injury to a domestic industry is contained in section

40 A(7)(c) of the Customs Act which authorizes the application of special values for duty purposes. These special values cannot be used to achieve a precise level of imports. Accordingly, the participating countries recognize that, should Canada find it necessary to take action to limit imports pursuant to this arrangement, it would not be in a position to insure that imports would not fall below the minimum level as defined in this paragraph.

2. Ad. article 9: Notwithstanding the provisions of article 9, any country which is applying a criterion based on value will be free to continue to use that criterion for the purposes of article 9.

EXHIBIT J

LETTER FROM REPRESENTATIVE CARL VINSON TO PRESIDENT KENNEDY

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., February 15, 1962.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Although we have not yet seen the actual text of the International Cotton Textile Arrangement concluded at Geneva on February 9, 1962, we understand that the United States will hold the level of imports of cotton textile products for a 5-year term at virtually the present level.

As you know, we have been gravely alarmed by the erosion of the American textile industry. We have been distressed by American workers being thrown out of their jobs as a result of the flood of foreign textile imports.

It was therefore with great pleasure, Mr. President, that we learned of your program of May 2, 1961, for assistance to the U.S. textile industry.

We now wish to take this opportunity to congratulate you upon the noteworthy step which you have taken, as part of your program, in negotiating a long-term arrangement at Geneva between the United States and the 18 other principal cotton textile countries of the free world. This is, indeed, an important move in the right direction for cotton textiles, and we would hope that the administration would now promptly move on wool, manmade fiber, silk, and other textile fibers, which are in an even worse position, but which understandably could not be dealt with on this particular occasion.

Your confirmation that our understanding of the arrangement expressed in the first paragraph above is correct would be immensely gratifying to us and would act as a great stimulus to the American textile industry in modernization and advancement as a driving and fundamental force in our national economy. Last, we sincerely hope that the operation of the long-term arrangement will be carried out in such a way that its force is not modified or diluted by administrative judgment or action.

Respectfully yours,
CARL VINSON,
Chairman, House Textile Conference Group.

EXHIBIT K

LETTER FROM PRESIDENT KENNEDY TO REPRESENTATIVE CARL VINSON

THE WHITE HOUSE,
Washington, February 26, 1962.

Hon. CARL VINSON,
House of Representatives,
Washington, D.C.

DEAR CARL: As you know, I have long shared the concern over the textile industry expressed by you and the other Congressmen who signed the letter of February 15. Every segment of our economy must prosper if we are to achieve satisfactory growth rates and satisfactory employment levels.

Nine months ago I proposed seven measures to help overcome the handicaps faced by the industry.

First, I directed the Department of Commerce to launch an expanded program of research, covering new products, processes, and markets. I understand that the National Academy of Sciences was asked by the Department of Commerce to help explore this whole broad area and to report its findings and recommendations. A labor-management committee appointed by the Secretary of Commerce is advising and assisting in the development of recommendations and a report is scheduled for completion on March 5.

Second, existing depreciation allowances on textile machinery have been revised to permit more rapid replacement and to take into account obsolescence. This action is already proving helpful in speeding modernization of textile equipment.

Third, in accordance with my direction, the Small Business Administration has made available necessary financing for modernization of textile machinery, lending over $6 million since this program was initiated.

Fourth, the Department of Agriculture submitted to me, and I transmitted to the Tariff Commission, a proposal for the imposition of an equalization fee to offset the cost to the U.S. mills of the adverse differential in raw cotton costs between domestic and foreign textile producers. The Tariff Commission has just concluded hearings upon this matter and I have already requested them to complete their investigation and report as soon as practicable.

Fifth, I have submitted to the Congress a trade expansion bill, which includes a proposal to permit plants and workers seriously injured or threatened with serious injury as a result of increased imports to receive assistance from the Federal Government. Hearings upon this legislation are scheduled to begin March 12.

Sixth, all cotton textile products are now covered by a special international agreement reached at Geneva on July 17, 1961, authorizing the limitation of imports to the level of the 12 months ending June 30, 1961. This agreement expires September 30, 1962. The long-term agreement, which was just negotiated, will continue the same level of imports, with minor adjustments, for an additional 5 years. It provides the tools with which we can prevent adverse effects upon the cotton textile industry from imports, and the tools will be used.

I concur in your evaluation of the importance of the long-term arrangement. Of course, adherence by the 19 governments involved must still be obtained, and the United States will exert every effort to obtain this adherence.

The rights of the United States under both the short-term arrangement and the long-term arrangement will be exercised in such a manner that their force will not be modified or diluted by administrative judgment or action. Representatives of the Departments involved have explained to you and others the way the arrangements will be administered and I assure you and your colleagues of my continuing interest. Under our plans for administering the arrangements the industry can plan production with complete confidence that its markets will not be disrupted by imports.

Finally, there is now pending before the Office of Emergency Planning an application by the textile industry for relief under the national security provisions of the Trade Agreements Extension Act. Consideration of this case upon its merits is being expedited and I am requesting the Office of Emergency Planning to make a recommendation to me without any unnecessary delay.

I have also requested the Departments involved to implement my program for the wool, manmade fiber, and silk divisions of the industry. Almost all of the points in the program announced on May 2, 1961, apply equally to each of these.

I appreciate very much your warm expressions of support.

Sincerely,
JOHN KENNEDY.

EXHIBIT L

LETTER FROM REPRESENTATIVE CARL VINSON TO MEMBERS OF THE TEXTILE CONFERENCE GROUP

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., February 27, 1962.

For members of the Textile Committee:

You will recall that on February 15, 1962, we addressed a letter to the President of the United States with regard to the textile industry.

I enclose the reply I have received from the President which explains every step that has been taken and will be taken insofar as the textile industry is concerned.

There is no compromise or equivocation in this reply. It is straightforward and contains every assurance that our textile industry will be adequately protected.

Let me call your attention to the last sentence of the sixth point wherein the President, in discussing the long-term agreement that is now being submitted to the 19 participating countries, states: "It provides the tools with which we can prevent adverse effects upon the cotton textile industry from imports, and the tools will be used." There is no equivocation in this phrase.

Let me also call your attention to the last sentence of the fifth paragraph of the second page, wherein the President states: "Under our plans for administering the arrangements the industry can plan production with complete confidence that its markets will not be disrupted by imports." There is no compromise or equivocation in this phrase.

And finally, let me call your attention to the last page of the President's letter, in which he states that almost all of the points in the program announced on May 2, 1961, apply equally to wool, manmade fiber, and silk divisions of the industry.

CARL VINSON,
Chairman,
House Textile Conference Group.

IMPORT QUOTAS AND EMBARGOES FOR PRESERVATION OF U.S. FISHERY RESOURCES

Mr. BARTLETT. Mr. President, following the example of the distinguished Senator from South Carolina [Mr. THURMOND], I, too, shall talk about the Trade Expansion Act; but I shall switch from the land to the sea—from cotton to fish.

For the distinguished senior Senator from Washington [Mr. MAGNUSON] and myself, I submit an amendment to H.R. 11970, the Trade Expansion Act of 1962. I ask unanimous consent that the amendment be printed and referred to the Committee on Finance. I also ask unanimous consent that the text of the amendment be printed at this point in the RECORD.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table, and without objection, the amendment will be printed in the Record.

The amendment was referred to the Committee on Finance, as follows:

On page 19, line 16, strike out "or".

On page 19, between lines 19 and 20, insert the following:

"(3) engages or tolerates its nationals to engage in practices which are in conflict with recognized conservation principles and tend to defeat efforts by the United States including the respective States to conserve or protect fishery resources, or

"(4) takes any action, contrary to the principles of international law, to harass or otherwise interfere with United States flag fishing vessels engaged in lawful activities on the high seas,".

On page 19, line 24, strike out "or" after the comma.

On page 20, line 3, strike out the period and insert ", or".

On page 20, between lines 3 and 4, insert the following:

"(C) take such action to adjust imports of products of such country or instrumentality as he deems necessary."

Mr. BARTLETT. Mr. President, this amendment is offered to section 252(b) of chapter 6, title II, that portion of the trade bill which specifies the conditions under which the President can withhold or withdraw from a particular country the benefits of trade concessions given to all countries. The amendment offers two additional circumstances under which the President may take this action, and it supplements the authority given him under the present bill by adding the power to impose import quotas and embargoes, all intended to guarantee the preservation of our fishery resources.

Mr. President, I believe that the trade bill contains some of the most outstanding recommendations to come before this Congress. In many respects it is farsighted and realistic. Its passage may be absolutely necessary if we are to survive the competition which is now ours from the rapidly expanding economies of Europe and Asia.

However, our fishery resources occupy a peculiar position in our foreign trade, as well as our domestic economy; and as a part of our new economic and foreign trade policy, we must support the very considerable efforts which have been and are being made by Federal and, particularly, State governments to conserve them. With increasing pressure on the world's stocks of fish, problems of conservation will increase over the coming years. We in the United States have participated for many years in efforts to conserve and develop these resources.

The United States is an important market for foreign fish products. Likewise, the United States is herself an important fishing Nation. Therefore, it is imperative that we not only allow trade concessions with other fishing nations, but we insist upon proper conservation of our fisheries and those international fisheries upon which we rely. The United States is the leader of the free world, and we must lead in every field, including fishery resources conservation.

In considering any trade policy we must, therefore, insure that its consequences are compatible with our conservation goals.

That is the object of the senior Senator from Washington and myself in submitting the amendment. We should not, through inadvertence or for any other reason, give trade incentives to foreign governments to violate sound conservation practices, to overfish certain areas and stocks of fish and to use fishing gear and techniques which are contrary to proper conservation; nor can we give trade incentives to those countries which permit and encourage harassment to our fishermen and their vessels.

In its present form, section 262(b) permits the President to suspend or withdraw any trade concession to a nation which engages in an action that burdens or restricts U.S. commerce. With the addition of this amendment, the President can take the same action when another country permits its citizens to engage in fishing activities which will defeat the efforts of our States and our Federal Government to conserve our fishery resources or when a foreign government allows its nationals to harass or interfere with our fishermen on the high seas while they are engaged in lawful activities. With this amendment the President can not only maintain present tariffs with regard to a specific country, which is engaging in practices which do violence to our conservation efforts, but if appropriate, he can also increase our present tariff, for example, on canned salmon and crab from 15½ percent ad valorem to 25 percent. This can be done without changing tariffs on fresh or frozen salmon and crab which may be considered an important source of supply. This amendment also gives the President flexible powers to adjust imports by any other action including the use of import quotas or embargoes.

Paragraph (c) of section 252 states that the President shall provide an opportunity for a hearing and public presentation of views on these problems. In the event a foreign country is violating principles of fishery and resources conservation, this provision, with the amendment, amply insures that any person shall have adequate opportunity to protest.

I cannot stress too strongly the necessity for the enactment of adequate measures to protect our fishing resources. It has been only within recent years that we have become fully aware of the desperate plight the industry is in.

This situation will be referred to, later this afternoon, by the chairman of the Commerce Committee, the senior Senator from Washington [Mr. Magnuson], who heads the committee which has charge of legislative matters pertaining to fisheries. It will also be referred to by the distinguished junior Senator from Massachusetts [Mr. Smith], who only a few weeks ago delivered on this floor one of the most telling and best-reasoned speeches pertaining to fisheries ever made in the Congress—a speech which excited wide attention, interest, and study among those concerned with fishing, not only in this Nation, but, indeed, so I am informed, in the entire world.

We have been at fault, in many instances, because of inertia and ignorance. However, our States, in cooperation with the Federal Government, are now embarked on sound and far-reaching fisheries conservation measures; and these efforts must be encouraged and expanded.

Japan, Canada, and the United States joined in a salmon conservation effort 10 years ago under the North Pacific Fisheries Convention. This convention may be dissolved in 1963, and all efforts made in the fields of research and conservation may be—and, in fact, would be—seriously affected by its dissolution.

U.S. salmon fishermen are prohibited by State regulations, and also by Federal regulations, from net fishing outside our territorial waters; further, they are prohibited from specific areas and from fishing altogether if it is discovered that sufficient numbers of salmon are not reaching the spawning grounds. This close regulation of our fishermen is necessary in order to sustain our salmon resource.

Canada and Russia, the latter not a member of the convention, have been in accord with us on this policy.

The Japanese, on the other hand, do not impose upon themselves conservation regulations of this type and, having few spawning streams of their own, have moved out into the high seas, particularly the Bering Sea, to take salmon contrary to sound conservation practices.

Years of careful studies and investigations have proved that extensive fishing on the high seas will eventually destroy the runs of salmon destined for spawning streams in Washington, Oregon, California, and Alaska, because there can be no separation and control by size and species, as required in a balanced fishery conservation program. An area in my own State of Alaska offers an outstanding example of what can happen to salmon runs which have been overfished on the high seas. Historically, the Bristol Bay area was known as one of the great red salmon producing areas of the world. But in the last 10 years the runs have been drastically reduced. Federal and, now, State conservation measures have been enforced during this period, but production figures reveal that these controls have not been effective; and Bristol Bay has been declared a disaster area three times in recent years. Research since 1952 has also shown that the salmon which spawn in Bristol Bay roam far west of 175° west longitude, the abstention line set by the North Pacific Fisheries Convention, east of which the Japanese cannot fish.

The Japanese, while agreeing to, and abiding by, certain restrictions imposed by the convention, have resisted application of these restrictions to their operations west of 175° west longitude; and, unfortunately, their interpretation is seriously working against the salmon conservation efforts of the United States and Canada.

The Japanese not only fish for salmon on the high seas, but also, in their operations, use nylon monofilament nets which are forbidden to U.S. fishermen. These nylon monofilament nets are injurious to the fish; they have a relatively small mesh, and allow little escapement of immature salmon. These practices have vastly reduced the catch of our fishermen in all of the Pacific Coast States.

The amendment is directed also at protecting our halibut.

Canadian and American fishermen are not permitted to fish for halibut with drag and trawl gear, because such gear takes both mature and immature halibut, seriously affecting the stocks of halibut. At the annual meeting last November of the International North Pacific Fisheries Commission, the Japanese section was asked to join in a resolution recommending to the member governments that proper restraint be exercised, and that extension or expansion of trawl operations on the halibut grounds not be permitted until research now being done on the halibut stocks is completed, including assessment of effects of trawl-fishing operations on the halibut stocks.

But, Mr. President, I regret to say that the Japanese were not willing to agree to that resolution, which was so meaningful in terms of the interests of true conservation.

These halibut stocks have been developed, maintained, and expanded by efforts of Canada and the United States since 1923. Now the Japanese not only expect to reap the benefits of these efforts, but may, by not abstaining from trawling for halibut in certain areas, destroy the resource these efforts set about to conserve.

There is no need at this time to reiterate, nor would any advantage be gained by doing so, the alarm that my colleagues and I have expressed so frequently, on the floor of the Senate and elsewhere, over the pressure—actual or threatened—on our fishing conservation efforts by the Russians in our North Pacific and Northwest Atlantic.

I believe that if the United States lowers tariffs on, or in any way negotiates to encourage increased importation of, fishery products of foreign countries, which have come into possession of those countries through practices which conflict with those of good conservation, we encourage both present practices of the latter kind and also their future expansion of them.

Moreover, the President needs, as a part of the expanding international trade program, authority to impose economic sanctions on countries which seek to interfere with or harass U.S. fishermen who are engaged in lawful pursuits on the high seas.

The United States recognizes territorial jurisdiction up to 3 marine miles offshore. We have never sought unilaterally to extend our own jurisdiction beyond the 3-mile limit, and we do not recognize purported unilateral extensions by other nations of jurisdiction beyond that distance.

But our lack of recognition of various nations' claims beyond the 3-mile limit has not been effective in preserving the rights of our fishermen. Our shrimp fishermen from Gulf Coast States and our tuna fishermen from west coast States have been fired upon, their boats seized, and fines levied upon them; and we have had no practical means for protecting them. One incident may, and often does, lead to others. So long as we do nothing to protect our fishermen, so long as we do nothing to protect their rights on the high seas, we can only expect further oppressive acts against them at the hands of foreign authorities.

The longer this type of situation is allowed to continue, the more we are placing our fishermen in jeopardy, and the worse the situation becomes. We are encouraging chaos.

The solution is not to arm our fishing vessels; it is not to send fleets of armed U.S. patrol boats to the fishing grounds; it is not to declare war.

Economic force is, today, the most sensible and effective, and the only really practical solution.

Therefore, Mr. President, the amendment which I submit would protect, I reiterate, our fishery resources and our fishermen, so as to assure that our expanded trade program moves in a direction consistent with sound fishery conservation policies.

Mr. President, I ask unanimous consent that the amendment lie on the table until the close of business on Wednesday, August 8 so that other Senators may have an opportunity to join in sponsoring the amendment, if they so desire.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, of course, I associate myself with the remarks of the Senator from Alaska as I join with him in the amendment.

It seems to me that the explosion of fisheries and the movements by other nations in the international fishing waters of the world call for us to do everything we can to take conservation measures in these particular fishing grounds.

While it is true, as the Senator from Alaska has pointed out, that we have in effect fishing agreements with some nations which provide for adequate conservation, there are many fishing grounds and many fisheries and much activity in the world today that are not subject to any such agreements. Probably more will come about voluntarily, but surely the United States, which has a deep interest in fisheries and international waters, and which is a country that practices conservation, should have authority to allow the President to do what he can to persuade and influence other nations to do the same, and, if necessary, do it through economic sanctions.

I am sure many Senators from States involved in fisheries will want to join with the Senator from Alaska and me in the amendment.

FISHERIES PROBLEMS

Mr. MAGNUSON. Mr. President, I wish to speak about two bills which the distinguished Senator from Massachusetts, the distinguished Senator from Alaska, and I will introduce, which also affects the fisheries problems touched upon by the Senator from Alaska from time to time.

I, as well as other Senators, have called attention to the shocking decline of our U.S. fisheries. This decline has taken place while the governments of other nations on both sides of the Iron Curtain have taken action to expand and modernize their own fishing fleets.

Free world nations have done this with the assistance of $115 million in American foreign aid and $182 million in counterpart funds; Communist countries by allocating substantial portions of their budgets to construction of large and efficient fishing vessels and factory ships.

Our own fishing fleets, composed of small and ancient ships equipped with long outdated gear, are disintegrating.

The distinguished Assistant Secretary of the Interior, Frank Briggs, a former Member of this body, from Missouri, made a speech the other day to a fisheries group in Baltimore. He pointed out, as I, the Senator from Massachusetts [Mr. SMITH], and the Senator from Alaska [Mr. BARTLETT], have pointed out, the disintegration and the outmoding of our fishing fleet which is leading to the decline in our fisheries. Mr. Briggs said that the average age of the large New England trawler is over 20 years, that many halibut vessels are well over 40 years old, and that those vessels are inefficient and costly to operate. What Mr. Briggs said is also true of vessels on the Pacific coast, not only the halibut fleet, but the tuna and the salmon fleets, and is true of our fishing fleets throughout the United States.

The U.S. fisheries catch each year declines while that of other nations increases. A few years ago our commercial catch was exceeded only by Japan. Today we are topped also by Soviet Russia, Communist China, and Peru.

Two of these foreign fleets, those of Soviet Russia and Japan, are fishing at our very doorstep, and with far larger, more numerous, new and better equipped ships.

Soviet and Japanese fleets are operating en masse in west coast areas once dominated by our own sturdy fishermen of Washington, Alaska, Oregon, and northern California.

A virtual armada of Soviet fishing vessels is operating at Georges Bank off Cape Cod, and in waters south of Nova Scotia between Georges Bank and the Grand Banks, for three centuries the traditional fishing preserves of New England's industrious fishermen.

On May 25, my esteemed colleague, Senator BENJAMIN A. SMITH of Massachusetts, ably and eloquently described the massive intrusion of Soviet vessels at Georges Bank, right in our own front yard so to speak.

A similar intrusion—call it an invasion if you prefer—has taken place in the Gulf of Alaska which bounds the southern coast of our 49th State, and also in the Eastern Bering Sea which laps Alaska's western shores.

On July 15 there were 61 Russian fishing vessels in the Gulf of Alaska. The fleet included three factory ships, 37 trawlers, and 21 other vessels, among them 250 to 350 foot refrigerator carriers, cargo vessels, and support ships.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BARTLETT. To the best of the Senator's knowledge, have the Russians ever fished in the Gulf of Alaska previously?

Mr. MAGNUSON. Not to my knowledge, and not to the knowledge of Alaskans. This is a new intrusion in our fishing waters similar to that which took place at Georges Bank.

Mr. BARTLETT. And, as the Senator has said, they have come down there with very large and modern fishing ships. Is that correct?

Mr. MAGNUSON. All of them are modern. I have seen pictures of one of their refrigerator ships, which was beautifully done, and had modern quarters and refrigeration and other modern machinery. They freeze many thousands of fish, freeze them, and pack them for market.

Mr. BARTLETT. Let me add, as a contribution to what the Senator is saying, that I think it is important that the country learn the facts which the Senator is now disclosing. The Russian fishing fleet off the waters of Alaska is now so large that I was advised not long ago—I think it was by a professor in the Fisheries School of the University of Washington—that the Russians have inaugurated steamship passenger service to take fishermen from Vladivostok to the fishing fleet. I think the capacity of the ship is 300. They take back men who have been on the fishing grounds a long while.

As the Senator knows, under the U.S. flag there is not a single passenger ship in the Alaska trade. Yet the Russians have one to service this fishing fleet.

Mr. MAGNUSON. That points out what we are talking about—the neglect of the whole fishing problem, as well as the maritime needs of the United States.

What is more important, 9 of the 61 ships could not be identified as to function. I think it is safe to say I know what it was. No Russian fishing boat travels without having aboard several oceanographers or sufficient equipment to chart all of the coastline of the United States and that of other countries.

Each of these ships probably is being used for that sort of scientific work, for the military know-how which the Russians seek to gain with respect to the whole world.

The Soviet fleet in Bering Sea in May of this year totaled 206 vessels of which 5 were huge factory ships, 166 trawlers, 29 refrigerated transports and the remainder tankers and tugs. Two-thirds of this fleet were operating in Bristol Bay and north of Unimak Island. Those are fine fishing grounds.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BARTLETT. Those are grounds traditionally regarded as belonging to Alaskans.

Mr. MAGNUSON. Which Americans have always fished, with conservation measures.

Some of these Soviet ships have now left this area, but the total number of foreign fishing vessels there has not diminished as Japanese fishing vessels have moved in. In mid-July there were still more than 200 foreign fishing vessels in the eastern Bering Sea—the American side, as we might call it—about equally divided between Japanese and Russian ships.

Experts in our Bureau of Commercial Fisheries estimate that the Soviet and Japanese vessels in the eastern Bering Sea, which includes Bristol Bay, this season will take 2 billion pounds of bottom fish from that area alone. They took 1 billion pounds last season. It is estimated they will take 2 billion pounds this season. I suppose it will be 3 billion pounds next season.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BARTLETT. Considering the tremendous catch of bottom fish by the Russians—and, as we know, the Japanese are very aggressively engaged in this same bottom fishing—I ask the Senator if he would agree with me that research has not proceeded to the point that it can give us an idea as to whether the fishery resource in that region can support such massive taking. These fishermen may now be fishing out everything there is, leaving nothing behind for seed.

Mr. MAGNUSON. I think we are safe in saying that they do so. I know the Japanese have done that. They have scraped the bottom without any thought of conservation, looking for the giant crab and the other fish. We have seen many instances in which female crabs have been injured and thrown back to die. We have seen many instances in which, as the Senator from Alaska knows, nets have been found floating, filled with dead fish, as the nets have gotten away.

Mr. BARTLETT. Nets made of very small mesh.

Mr. MAGNUSON. The nets are of small mesh. When the fish disintegrate and mold, thus getting out of the net, the net keeps going on and on, catching other groups of fish. When those rot, the net starts off for another catch.

Mr. BARTLETT. The American fisherman is not allowed to fish on the high seas at all with nets, is he?

Mr. MAGNUSON. He is not allowed to do so.

Mr. BARTLETT. The Japanese do so as much as 7 miles at sea. They take everything that can be scooped up from the ocean.

Mr. MAGNUSON. This emphasizes the importance of the amendment to be offered by the Senator from Alaska and myself to the trade bill.

Mr. President, the 2 billion pounds of fish taken from that area is 16 times our own catch of bottom fish along the entire Pacific coast. It is 40 percent of our total catch of all fish in all waters, salt or fresh, including North Dakota.

No estimate has yet been made of the catch by foreign ships in the Gulf of Alaska, but one Soviet refrigerated trawler there recently reported a catch of from 40 to 50 tons of ocean perch per day. In addition to bottom fish the foreign fleets in the Gulf of Alaska are taking large quantities of king crab and shrimp.

As I previously stated, the Soviet fleet in Eastern Bering Sea is not now as large as it was several months ago. Perhaps the departing vessels took aboard all the fish that could be economically handled, processed or stored aboard. But whatever the reason, the withdrawal is only temporary.

Dispatches from Russia proclaim that the Bering and Bristol Bay fleets are to be strengthened.

These dispatches announced completion of five more large ships for use in these North Pacific waters, one a mother ship displacing 17,140 tons that will carry a crew of 270 persons, one a 5,500-ton refrigerated transport, one a giant freezer trawler of 3,170 gross tons which carries a 102-man crew, and two 2,495-ton fast refrigerated vessels with modern radio-navigation equipment.

Now let us see what is happening along our Atlantic coast. The most recent report from Georges Bank listed 169 Soviet ships operating there. Four of these were huge mother ships over 500 feet in length. These include the one I told Senators I had seen in the moving picture. It looks like the *United States* or the *Queen Mary*. As I said, 4 of these were huge mother ships over 500 feet in length, 14 were king-sized stern-ramp freezer trawlers, 150 vessels were conventional trawlers and gillnetters, and one was an oceangoing tug. Close by south of Nova Scotia and between Georges Bank and the Grand Banks were 15 other Soviet fishing vessels.

Mr. SMITH of Massachusetts. Mr. President, will the Senator yield at that point?

Mr. MAGNUSON. I yield.

Mr. SMITH of Massachusetts. I think the same situation prevails on the east coast, as the Senator has mentioned with reference to the Bering Sea, since the ships come and go in what appears to be a temporary operation. The ships take their catches, then later return, but the fleets have additional fishing vessels.

Mr. MAGNUSON. The overall increase has been greater each year.

Mr. SMITH of Massachusetts. The Senator is correct.

Mr. MAGNUSON. The Soviet mother ships are refrigerated cargo vessels, floating factories and warehouses combined, which take the catch from other ships, freeze or salt and then store edible portions, and then run the remainder through reduction plants aboard ship to utilize what our fishermen would consider waste.

The Russians have at least 8 17,000-ton mother ships in operation and 11 more under construction. Under construction also are mother ships displacing 19,500 metric tons, or 21,000 tons avoirdupois. These enormous ships have stern ramps similar to factory trawlers.

The latter not only catch fish, bringing up as much as 75,000 pounds at a single haul, but fillet and freeze them on board ship. Their storage capacity per ship is approximately half a million pounds of processed fillets.

Soviet Russia has three classes of stern-ramp freezer traulers in operation, all of which have been observed on Georges Bank. These are the *Pushkin* class, 280 feet long and weighing 2,450 gross tons; the *Leskov* class, several feet longer and 2,890 tons; and the *Maiakovski* class, displacing 3,600 tons. In addition to its present fleet of *Leskov* class trawlers, Soviet Russia has 14 more on order in Polish yards.

Mr. SMITH of Massachusetts. Mr. President, will the Senator yield at that point?

Mr. MAGNUSON. I yield.

Mr. SMITH of Massachusetts. As the Senator has pointed out, many of the fishing vessels for the Russian fleet are being built in Polish yards.

Mr. MAGNUSON. That is correct.

Mr. SMITH of Massachusetts. During the past week I spoke with a friend of mine who recently returned from Copenhagen. He told me the Danish yards are also building trawlers of the latest design for the Russian fleet. At one Danish yard these vessels are being built each in 19 working days. This compares to an original requirement of 74 working days for building those ships. The yard is now constructing the ships on a full-scale production basis. It is no wonder, with new vessels such as these, that the Soviet fishing fleets are going ahead of us further and further every day.

Mr. MAGNUSON. Mr. President, what the Senator says is correct. I could go on and on with more detail of the Soviet fleet, and, of course, I could stand here all day to talk about the modernization of the Japanese fleet.

Mr. President, five ships of the giant *Maiakovski* class have been completed, but the number under construction is not known. Russia also is building 15,000-ton factory ships for canning fish at sea.

The 14 Soviet stern-ramp freezer trawlers most recently reported at Georges Bank were 3 less than had been there several weeks before. This could mean that the missing three had reached their half-million-pound storage capacity and returned home.

The Soviets are building a great number of ships for Communist China, which has now surpassed us in fishing.

The point of our discussion today, Mr. President, is to point out the contrast, and the reason for the introduction of the two measures by the distinguished Senator from Massachusetts, the distinguished Senator from Alaska, and myself.

Mr. President, I have discussed the composition of these Russian fishing fleets operating near our shores in some detail. I have done this to indicate the competition that our Pacific Northwest and New England fishermen must face in their slow, dinky, old-fashioned craft, mostly of pre-World War II vintage and with an average age of 25 years.

The United States has no mother ships, no factory ships, no stern-ramp trawlers, no refrigerated transport ships, no large fisheries vessels of any kind. No modern U.S. fishing fleet exists, nor what other nations would consider a modern fishing vessel.

The result is that foreign fishing vessels are taking over adjacent seas almost up to the 3-mile limit.

A question that confronts Congress is, What are we going to do about it?

The foreign fleets have a legal right under international law to fish where they do. We have the same right to fish these waters but because of the obsolescence of our declining fishing fleets we are simply being crowded out of our own frontyards.

Mr. President, the problem is not a regional problem. It is more than a New England problem or a Pacific Northwest problem. It is a national problem. It is an economic problem, a problem that affects employment and our Nation's welfare, and a problem that could affect our national security.

Each year the Russian fishing fleets move further south. This is the first year the Russians have fished in the Gulf of Alaska. Last year they sent only exploratory vessels there. It is the second year they have fished on Georges Bank. It is the second year they have fished in Bristol Bay and the third in Bering Sea areas just above Bristol Bay. In each case exploratory ships preceded the fishing fleets. It is a standard Soviet procedure.

My colleagues in Congress from the States of North and South Carolina may find it of interest that last month Russian exploratory ships were cruising the coastal waters of those two States, observing and evaluating offshore stocks of menhaden. If the Russians follow their usual pattern they will be fishing there a year or two from now.

Again, what can we do about it? What can Congress do about it?

As I view it, we have two alternatives. One is to let our New England and Pacific Northwest fisheries industries—and the other fisheries along our coasts that Soviet fleets ultimately will invade—wither away and die as they are commencing to do now.

This would mean abandoning an important and historic segment of our economy and the 500,000 U.S. citizens who gain their livelihood from it.

It would mean turning over to ambitious aliens the rich fisheries resources at our very doorstep, resources that as our population grows will be required to augment our protein food supply.

It would mean the potential loss of an important adjunct to our Navy in the event of a national emergency. During World War II our Navy took over a total of 285 American fishing vessels for use as minesweepers, tenders, degaussing craft, and patrol vessels. It would not find many boats in our present fishing fleets capable of such duty today. They are too old and decrepit.

In brief it would mean a bloodless surrender of a priceless heritage that has come down to us from our earliest colonial days.

I am not prepared for such a surrender, and I do not believe the Congress would countenance such surrender.

The only recourse as I see it is for the Congress to turn to the other alternative: Congressional action that will enable our fishermen to compete in some measure with the Russian and Japanese fleets in the North Pacific and the Russian fleets in the North Atlantic. This they cannot do now in the face of the massive foreign inroads on our traditional fishing grounds and the advances in construction of new foreign fishing vessels.

As my colleagues in the Senate and House are aware, the Congress in recent years has made some effort to assist our fishing industries but it has not been enough. Indeed it has been small in comparison with what other countries are doing, even young and small nations such as Israel, which is constructing 3 deepsea trawlers at a cost of $1.8 to $2.7 million each; Taiwan; Ghana, which has acquired 6 large, modern, oceangoing ships; and the Ivory Coast, with 60 new ships in the past 5 years.

Congress in 1956 established a loan fund of $13 million for financing fishing operations and for repair of vessels and gear. This is a revolving fund operation. Since the enactment loans have been authorized totaling $12,785,000. Payments on the principal as of June 30 totaled $4,840,000 and an additional $1,100,000 had been received as interest on the loans. The loans have been good loans.

In 1960 a subsidy of not to exceed one-third the cost of new construction was provided for operators in a fishery suffering injury from which escape-clause relief had been recommended by the Tariff Commission but subsequently denied, or for a fishery found by the Secretary of the Interior to be injured or threatened with injury by reason of increased imports.

For this purpose Congress appropriated $750,000 in 1961 and again in 1962, but contracts for this assistance have totaled only $560,000.

In 1960 also Public Law 86–577 provided for insuring mortgages in connection with the building or reconstruction of fishing boats. The Department of the Interior under this law has entered into insurance contracts totaling $1,327,000.

These laws have been helpful to certain segments of our fishing industry, but they have not been adequate to meet the need for large, modern vessels with the latest technological equipment and gear, ships which can process their catches and freeze them on the spot, ships which can ride out any weather.

Other free world nations have had a similar need to modernize their fishing fleets, have recognized this need and have taken concrete steps to meet it.

Great Britain, through its White Fish Authority and its herring industry board, has been and is investing millions of pounds annually in the rehabilitation of its fishing industry.

During the past 7 years the White Fish Authority has extended the equivalent of $79 million in loans and $32.9 million in grants for the purchase of new vessels, engines, and gear, and for the reconditioning of old vessels. Total assistance for this purpose during this period has been $111,900,000.

Great Britain's Herring Fishery Board has paid handsome subsidies to herring fishermen since May 1957 amounting to the equivalent of approximately $4,200,000 annually. The board buys all herring not sold for other purposes for reduction to oil and meal and, in addition, has made substantial grants for the construction of processing factories.

The fisheries industry of Canada has been the recipient of Government aid in one form or another for a number of years and with excellent results. The industry can look to the Government for a subsidy of 40 percent of the cost of new vessels, plus an interest-free loan for most of the balance, and additional help is also made available for modernization of gear. Canada's fisheries fleets now contain large and efficient vessels of most modern design and her fleet is supported by the finest research ships in this hemisphere.

Today there is scarcely a country fronting on an ocean which has not modernized or is taking steps to modernize its fishing fleet.

Recently, for example—and this is ironical—a U.S. loan of $5 million in Chile was approved by the Inter-American Development Bank. The loan will help finance a Chilean program that calls for the construction of 18 fishing vessels and the purchase of machinery and processing equipment.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BARTLETT. Does the Senator see any sense to what he has described when our fishing industry is in such a deplorable state?

Mr. MAGNUSON. I do not, particularly when we have such a study as I have presented showing what is happening all over. Surely we encourage other people to fish, but meanwhile our fleet is declining. We could not even compete with Chile. Chile is building ships with loans from us.

Mr. BARTLETT. With our money.

Mr. MAGNUSON. With our money.

Mr. BARTLETT. I recall that a few years ago exploration of the shrimp beds in western Alaska was sought. It was a time when some people thought those waters might produce 100 million pounds of shrimp, or one-quarter of all the shrimp consumed in the United States each year. There was urgent need in one particular place for a shrimp biologist. None was available because all of them had been sent abroad to help other nations — competing nations — improve their fisheries, their methods of fishing, and their methods of sending them here.

Mr. MAGNUSON. There is one other point which I failed to mention today. Despite the fact that the American consumption of fish per capita has more than tripled in the past 15 years, instead of our industry moving along and expanding three times what it was 15 years ago, to take care of our own domestic consumption, it has decreased.

Of course some of that is due to the technological advances that have been made in the processing and freezing of fish, but our fishing fleets have not taken advantage of the great progress that has been made in other areas. It seems to me that, as pointed out by the Senator from Alaska, if Government investments in fisheries are good for other countries, U.S. investments in U.S. fisheries will be good for the United States.

With this thought in mind, my distinguished colleague from Massachusetts [Mr. SMITH] and my distinguished colleague from Alaska [Mr. BARTLETT] have joined me in two bills to extend a measure of assistance to our beleaguered fisheries industries and to correct existing inequities in the construction of American fishing vessels.

One of these bills would authorize the Secretary of the Interior to construct two large, modern, stern-ramp trawlers, one for service on the west coast, one on the east coast. These trawlers would have scientific facilities suitable for use as research vessels and for the development of advanced technology for the production, preparation, processing, and preservation of fisheries products, including those from areas distant from ports and subject to severe climatic difficulties.

In other words, these would be prototype vessels for American fisheries fleets of the future.

The Secretary of the Interior would have the option of chartering these ships or operating them himself, but charters would be subject to certain conditions and stipulations.

The bill expressly requires that any disposal of fishery products caught and processed must be done with due regard to the possible impact on the domestic fisheries industry and in a manner to avoid adverse effects upon domestic prices or current market demands.

The object of the bill is to help our own fisheries industry compete against the massive foreign fishing fleets now operating off our shores.

The other bill would amend the act of June 12, 1960, to bring its subsidy provisions more in line with present shipbuilding costs, provide additional funds for this purpose remove certain restrictions on the eligibility of fishery operators to take advantage of the statute, and to extend the period covered by the act to June 30, 1972.

The 1960 act provides construction subsidies up to 33⅓ percent to segments of the industry which have suffered injury from which escape-clause relief has been recommended by the Tariff Commission but subsequently denied. This drastic limitation would be repealed and eligibility for such subsidies would be broadened.

The construction subsidy for wooden vessels would be increased from 33⅓ percent of construction costs to 35 percent, and for metal ships from 33⅓ percent to 50 percent.

Authorization for such subsidies in the aggregate would be increased from $2,500,000 annually to $12,500,000.

Why are such subsidies needed?

The reason is that construction costs of vessels in this country are much higher than in the countries which are competing most actively against us and that by statute U.S. fishing vessels must be constructed in the United States and be owned by U.S. citizens.

This is a law which dates back to almost the beginning of this Republic—in fact to 1792—and which Congress has resisted, properly, I think, every effort to change. Under these circumstances, if the fishing industry means something to America—as I am sure it does—Congress must come to its aid by strengthening the fleet, or the industry will go down the drain.

Enactment of these bills will inaugurate the revitalizing and modernization of a historic industry that is vital to our economy, and in times of peril important to our national defense.

Enactment, I am confident, will return dividends to the United States many times over the moderate expenditures contemplated and will represent a sound investment in our Nation's future.

Mr. President, I ask unanimous consent that following my remarks there be printed in the RECORD the address by Assistant Secretary of the Interior Frank P. Briggs at the National Shell Fisheries Association Convention in Baltimore, Md., on July 31.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

FISHERIES IN A CHANGING WORLD

The place of the U.S. fisheries in relation to the fisheries of the world—is an intriguing one indeed. It gives us pause to assess our position, to analyze our strengths and weaknesses, and collectively to formulate vigorous programs that will meet our problems realistically in these changing and challenging times.

When the word "oyster" is mentioned to me, I invariably recall the story told by Benjamin Franklin. When still a lad, Franklin said to his mother, "I have imbibed an acephalous molluscous." Supposing he had swallowed something poisonous his mother forced him to take a large dose of castor oil. When he got over the effects of the medicine he said, "I had eaten nothing but an oyster." Then his mother thrashed him for deceiving her. Then and there Benjamin vowed never again to use big words when little words would do. I have always tried to follow his example.

We are living today in a changing world. It is a world which in some respects seems to be growing smaller. With jet airplane transport to any part of the world available and with space travel just around the corner, one can but feel that what we do and think here in our part of the world is sure to have a profound effect upon other peoples living many thousands of miles away.

On the other hand, as we look to this changing world, we get the feeling that the world is growing larger, at least its problems are.

Consider the expanding population of the world, estimated to double within the next 40 years from 3 billion to about 6 billion souls. All of this means more mouths to feed, more bodies to clothe, more families to house, more children to educate, and more people to keep occupied in some gainful way.

With these thoughts in mind, it does seem appropriate that we reflect today on the role of fisheries in this rapidly changing world.

The fishing industry of the United States, like that of all other fishing nations in the world, is a food-producing industry. It is one of the basic industries of our country and is producing not only a valuable protein food but, in fact, as an industry, it produces jobs for people and is a source of new wealth in our national economy.

What role will the fishing industry play in the rapidly changing world of the future? Without question we face increasingly serious competition in our fisheries from great fishing nations of the world harvesting these resources on common fishing grounds.

Such areas as the Grand Banks of the northwest Atlantic and the rich tropical fishing grounds of both the Atlantic and Pacific are being fished by many nations today. In the future we can look for even greater competition on the fishing grounds.

We face competition within our own country from other protein food sources and, in a broader sense, we can expect increased competition at the marketplace from high-quality diversified fisheries products from other countries of the world.

I think we must recognize that the time is past when tariff barriers will prevent foreign fisheries products from freely sharing our markets.

Whether or not the commercial fishing industry of this country will influence the future depends upon our production of quantities of high-quality and diversified fisheries products presented attractively and distributed widely to the consuming public in every section of the United States and, in fact, in all countries of the world. This is the challenge.

When we view the U.S. fisheries alone, without respect to the rest of the world, we can see that some segments of the industry are already meeting the problems of the jet age. During this past year our fishermen took more than 5 billion pounds of fish, shellfish, and other aquatic products—about 200 million more pounds than in 1960.

The landings had an ex-vessel value to the fishermen of about $364 million—$10 million more than in the previous year.

The 1961 catch was the Nation's second largest, totaling only 2 percent below the record 5.3 billion pounds taken in 1956.

Prices were up during 1961. In December of last year they were 7.8 percent higher than in the same month of 1960. Late in the year the price of fish meal and the ex-vessel price of tuna were up substantially.

The year 1961 showed a half-pound increase in the per capita consumption of fish and fish products in the United States, the first significant rise in many years.

On the face of it this sounds good, industrywide. But is it?

The answer is: Not nearly good enough.

When you compare our progress in the fisheries during the last decade with that of other nations, it is apparent that we have been traveling at a horse-and-buggy pace while other countries have been moving with jet-age speed.

Despite a moderate increase in catch during the past decade, the United States has failed to hold its relative position as a fishing nation.

Red China, Russia, and Peru have moved ahead of the United States in volume of fish and shellfish taken, relegating us to fifth place in 1960 for the first time in history. Figures show us to be in fifth place again in 1961.

Japan, of course, is the traditional leader among fish-catching nations.

While the U.S. catch in 1961 was 9 percent more than in 1950, the combined catch of other nations was up over 100 percent.

There are many reasons why this country is lagging behind other nations in the production of fishery products. We don't, at least at this moment, have the urgent need for animal protein, in fact we have huge surpluses of some foods.

By comparison, Russia, with its faltering agricultural production, consumes nearly all her tremendous fish catch at home.

With our agricultural abundance and the American tradition of eating meat, we have not been aggressive in supplementing our food supplies with seafoods from the oceans and inland waters. We have come to rely heavily on imports for our fish products needs. A little over a decade ago our fishermen supplied nearly 80 percent of our market for both edible and inedible fishery products. Last year the percentage had shrunk to slightly better than 50 percent.

Another major problem of the fishing industry in meeting competition from foreign producers is the age and obsolescence of our fleet and the decline in the number of fishing vessels. Since World War II vessel construction in many of the fisheries has been at a virtual standstill.

The average age of the large New England trawlers is over 20 years, and there are many halibut vessels that are well over 40 years. These old vessels are inefficient and costly to operate.

In contrast to our decrepit vessels, Russia and many other nations have growing fleets of modern, efficient vessels, many of them huge factory ships utilizing the very latest in technological advances.

During the recent meetings of the International Commission for the Northwest Atlantic Fisheries in Moscow, which Director McKernan and I attended, we were privileged to see a Russian display of models of their latest types of fishing vessels. These fishing boat models were perfect replicas of the new kinds of vessels and new kinds of fishing gear which Russia is developing with great imagination and foresight. These models showed not only the great Pushkin-type factory trawler, which is being used in both the North Atlantic and North Pacific, but even showed in detail the great pump-type fishing boats used in the Caspian Sea for hilsa, a herring-like fish. Obviously, with developments like these, we must place greater emphasis on new methods for harvesting and cultivating our fish and shellfish resources if we are going to regain our place in world fish production.

As I mentioned, it is often said that the world is shrinking, meaning that distance is no longer an important factor. The oceans are shrinking as well. The world-ranging fishing fleets of Russia, Japan, and other countries have made this so.

During the past few years large concentrations of Russian fishing vessels have become a common sight on Georges Bank off the coast of New England, an area once considered pretty much of a private preserve by American fishermen.

Just a few weeks ago some employees of the Bureau of Commercial Fisheries were welcomed aboard a Russian vessel not far off the Carolina coast, the second Soviet ship sighted recently in that area. This latest Russian vessel reportedly was looking for menhaden.

Across the Nation on our other coast Japanese and Soviet fishing operations are steadily expanding in the Bering Sea.

Rich stocks of shrimp, red rockfish, cod, flatfish, pollock, and crabs have formed the basis for this industry.

It has been estimated that the combined trawl fleets of Russia and Japan took 1 billion pounds in 1960 and 2 billion pounds in 1961. It is anticipated that these foreign operations will continue to expand, and may eventually extend farther down the coast of North America. We have kept the fleets under observation so that we will know the number of vessels participating and areas fished.

The waters off Alaska probably contain a greater untapped reservoir of fish resources than any other region off the United States.

To allow these valuable resources adjacent to our coastline to be harvested by other nations seems to me to be wasteful and unwise.

I mentioned a moment ago the tremendous increase in our imports of fishery products.

Our exports, on the other hand, are very low.

We import about nine times as much fish and fish products as we export.

This means we are not only losing our domestic markets but we are lagging in the race for foreign markets as well. With passage of the President's new trade bill imminent I believe it behooves the fishing industry to take aggressive steps to regain lost markets and to seek new ones, especially among the Common Market nations.

Recently, a gentleman from New Bedford came in my office and talked with me about the possibility for developing a scallop market in Denmark and other countries of northern Europe. When I was in Europe recently, I noted that the people in these countries eat great quantities of fish; in fact, they eat a great deal more fish than we do. I have since heard that this man has in fact established an office in northern Europe and is aggressively developing markets to sell sea scallops. This is the kind of aggressive action we must have in fisheries and the kind of action which I believe will keep American fisheries strong and prosperous.

Despite our shortcomings, I am optimistic about the future. I sense an awakening in the fisheries, a feeling that the time has come to start moving again.

As the shad is a harbinger of spring, so too do a number of things herald a change for the better in the fisheries.

One such development is the way the tuna segment of the commercial fisheries industry has pulled itself up by the power block.

Not so many years ago the tuna industry was in serious economic difficulties. What saved it was the adaptation of new technologies to tuna fishing operations. The use of the power block and the conversion of bait boats to purse seiners have been the salvation of the tuna industry, and have made it competitive worldwide. This industry generally is in sound condition now and the prospects for the future apprear bright. Other segments of the commercial fishing industry could well borrow a page from the tuna fishermen's book.

While I am not unmindful of the problems you oyster growers have been having with MSX and other adversities, I believe there is cause for optimism in the oyster industry, too. Recent research findings show promise of changing the outlook for your industry back to one of promise. The development of methods for chemical predator control, and artificial culture of shellfish are progressing to the point where they will soon be available to industry.

As most of you here know, we have reached this stage only after many years of basic research. These methods would not have been possible without a rather deep understanding of the life history, physiology and ecology of oysters and their enemies, and it does take time to amass such knowledge.

A tropical Atlantic research program on the high seas will begin next year. This probably will be the most intensive examination of a large body of water ever undertaken. Extending from the lower part of the bulge of Africa all the way across the Atlantic to South America, this survey is expected to yield significant scientific knowledge about this vast area of the ocean. Many scientists believe that the tropical Atlantic Ocean is one of the richest areas in the world's ocean and can produce huge quantities of tuna and other fishes; in fact, it is very possible that further development of the fisheries in this area for the developing countries of Africa and South America may well have a major effect in raising the health standards of these people and improving our own image in these countries.

Fish and fisheries products, properly prepared, are good food anywhere.

You are aware that in a fiercely competitive situation such as we have in the world fisheries, the successful competitor must have modern tools, in addition to research findings, tools which will put him on a par with his opponents. In the fishing industry these tools are the vessels and the gear that the fisherman uses to catch the fish. As I have mentioned, many of our fishermen are woefully weak in this respect, especially as regards vessels. The cost of building fishing vessels in this country has been largely responsible. Foreign-built vessels cannot be used in the fisheries here. This places a heavy competitive handicap on our fishermen because a wooden vessel can be built in some foreign countries for a third less than it can be built in our own yards; a steel vessel for as little as half, or less.

We in the Department of the Interior are now working with staff members of the Senate Interstate and Foreign Commerce Committee and the House Merchant Marine and Fisheries Committee in an effort to arrive at some recommendations which will more nearly equalize the competitive position of our fishermen. The present Vessel Construction Differential Subsidy Act is limited in application to the New England trawl fishery. It also carries a limitation on the amount of the subsidy of one-third the cost of construction. This law has not worked completely satisfactorily to date and needs changing to more realistically meet the needs of all the fishing industry. We are hopeful that something constructive will come out of our present efforts with the two committees. Time is critical because no applications can be accepted under the present act after June 12, 1963.

When I mention an awakening in the fisheries I believe a large part of this is due to President Kennedy's vigorous support of science in general and the marine sciences in particular.

Actually oceanography has been with us for a long time but not until comparatively recently, after it had been highlighted in a number of Presidential statements, has it taken on the glamour and drive that will make it one of the important national programs in the immediate future.

The Bureau of Commercial Fisheries is playing a leading role in this interagency undertaking. Strongly accelerated programs are planned for the future with new vessels, new laboratories, and the recruitment of more outstanding scientists to carry on this important work that will be of such great benefit to the fishing industry and to the Nation.

In this broad look at the fisheries, I do not want to imply that the Federal Government can be expected to solve all problems needed to make our fishing industry better able to meet foreign competition. As I said earlier, this must be a cooperative effort involving the Federal Government, the States, and the industry.

Industry's part is very important. Without your desire to meet foreign competition effectively, all public efforts will be diluted and ineffectual.

Industry must discard old wornout practices. It must carefully review its methods and operations and eliminate outmoded and costly techniques. It must apply to its businesses all applicable new knowledge. Each segment must review the operations of other segments and adopt good ideas and practices to their own operations.

State agencies have an important part to play in the development of a stronger fishing industry. They must adequately support research into all aspects of commercial fisheries which are within the realm of State responsibility. There are many excellent State research laboratories. Scientists at those laboratories have made important contributions to knowledge of our commercial fisheries. These institutions should be given adequate funds to continue and expand their work.

The laws and regulations controlling fishing, which are under State jurisdiction, need careful and extensive review to allow new knowledge of the resources and more efficient methods to be applied. State agencies should recognize this need and recommend appropriate changes as new conditions and methods come into use.

A strong cooperative effort on the part of all organizations connected with the American fishing industry will enable us to meet the challenge of the future. The job will not be easy nor the solutions quick. But if we face our problems squarely and earnestly try to solve them together we will win.

In fact, we must win.

The world needs food. Fish and shellfish are an excellent source of animal protein, the most essential element in our diets. Feeding the exploding population of the world is becoming one of the most important problems facing humanity. Our Nation must do its share. This industry certainly must do an ever better job of harvesting, marketing, and feeding.

This changing world of ours needs this industry just as badly as this industry today needs more recognition and more support from the present fluent economy.

Mr. SMITH of Massachusetts. Mr. President, I welcome the opportunity today of sponsoring with my distinguished colleagues in the Senate, the Senator from Washington [Mr. MAGNUSON] and the Senator from Alaska [Mr. BARTLETT], these two bills to help the American fishing industry. Both Senators have for many years been in the forefront in facing the problems which confront the American fisheries.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. SMITH of Massachusetts. I yield.

Mr. MAGNUSON. I do not know how many Members of the Senate know this, but when the Senator from Massachusetts speaks about my being in the forefront on this effort, along with the Senator from Alaska, I must call attention to the fact that the Senator from Massachusetts has been in the fishing business all his life. His family was born to it. No one knows better what is happening to the fisheries in Massachusetts and in New England than does the distinguished Senator from Massachusetts. When he speaks on this subject he not only speaks for the Senator from Alaska and myself, but he speaks also from intimate knowledge of the business.

Mr. SMITH of Massachusetts. I thank the Senator from Washington for his remarks.

The key to the problems which plague our fisheries today is a lack of modern technology. And there is no area where this is more important than in vessel construction. Our fishermen do not have the new boats which they need in order to compete with their leading foreign competitors. In fact, most of our fisheries are now in such dire shape that the fishermen cannot even keep their present equipment in operation.

On both the Atlantic and Pacific coasts, fishing fleets that once made us the world's second greatest fisheries producer have now dwindled to a fraction of their former size. We have our distinguished colleague from Alaska speak so ably of the problems that face the fisheries of the Northwest Pacific. At the end of World War II, the fleet in my hometown, Gloucester, numbered over 400 boats. Now it is a quarter of that size and it is still going down. The Boston fleet has dropped in half since 1945. The number of tuna vessels operating out of San Diego has declined from 800 to 210 vessels in a decade.

The remaining vessels in these areas are often old, uncomfortable, expensive to maintain, and dangerous to work on. Insurance rates are excessively high and the working conditions are so bad that young workers will not go into the industry.

Yet, when our fishermen go out in these vessels they find themselves competing with foreign fleets using the most modern equipment available. The distinguished Senator from Washington has fully described some of the foreign fleets which are fishing on both of our coasts.

This spring, only 15 miles from the shores of Cape Cod, fishermen from my home State of Massachusetts encountered a huge Soviet fishing fleet of over

100 vessels. The Russians used modern stern-chute trawlers and huge factory ships to process their catch immediately with a minimum of waste and spoilage. Our fishermen brought their catches in over the sides of their vessels and took them back to port on ice as they and their grandfathers had been doing for over 100 years.

The Russians are not the only country using modern fishing equipment. New England fishermen now compete with a dozen or more countries in our traditional fishing grounds in the North Atlantic. Almost without exception, these fleets use equipment that is far superior to ours. Our next door neighbor, Canada, alone has built more than 300 new trawlers in recent years.

American fishermen also face this competition in the Pacific Ocean. As Senator MAGNUSON well knows—and as he has so well stated—Japanese and Soviet fleets equal to, if not better than, the ships off Cape Cod are pushing deeper and deeper into our fishing grounds in the North Pacific. Japanese fishing fleets now roam the entire Pacific Ocean and are preparing to move into the South Atlantic where, through the use of factory ships, they will be able to sell their catches directly in European markets.

Our fishermen, then, must have modern vessels in order to meet this competition from abroad and to survive economically. The bills which we are introducing today will help provide them with this equipment in two ways. First, it will give them a part of the capital they need to buy new vessels. Secondly, it will provide them with the means to test and evaluate the most advanced freezing, canning, and other processing equipment available to the industry.

The first bill will amend the Vessel Subsidy Act to permit the Government to pay up to 50 percent of the construction cost of a new steel-hulled fishing vessel and up to 35 percent for a wooden ship. It will also extend the provisions of this bill to the entire fishing industry.

If our fishermen were allowed to shop freely for new vessels, the American fishing fleet would not be in its present sorry condition. Our fishermen, however, are hampered in buying the vessels they need by a law dating back to 1792 which forbids them to land fish in this country which are taken in a foreign built boat. No other industry in the United States operates under a restriction such as this one.

We are, in effect, making the American fishermen subsidize the American boatyards by forcing them to buy their vessels here. Because of this, we should give the fishermen the full difference between the best price they can get abroad and what they must pay for a vessel built in this country.

The Vessel Subsidy Act is now limited to 33⅓ percent on steel-hulled vessels, and only 7 percent of the industry—those catching ground fish—are eligible for it. The price differential, however, between American and foreign boatyards is as high as 40 to 50 percent for these vessels. And nearly all parts of the industry, not just the ground fishermen, are hurt by the restriction on buying vessels abroad.

By raising and extending the subsidy, this bill will now give to all American fishermen the privilege of buying their vessels at rates equivalent to those they would get in a free market.

The second bill will authorize funds for the Bureau of Commercial Fisheries to build two stern-chute trawlers for testing and evaluation purposes. One will operate in the Atlantic Ocean and will carry modern freezing and storage equipment. The other will operate in the Pacific Ocean and will be equipped with processing and canning machinery.

No fishing vessels of this type have ever been built in an American shipyard. Yet, our fishermen must have equipment of this caliber if they are to keep our share of the world's markets and meet the foreign competition which faces them on all sides.

This bill will give both the American fishermen and boatyards a laboratory in which to test advanced fishing methods. Provision is made for full participation by private industry in the operation of the trawlers. This is particularly important as these vessels will serve no useful purpose unless the industry is able to put their machinery and ideas into widespread use.

These two bills will by no means solve all the problems of the American fisheries. They will, however, give the industry a base from which to begin its recovery. They will also provide Congress with an opportunity to discuss and investigate other ways of helping the fisheries in this area.

Congress cannot afford to let the American fishing industry die. The fisheries were the backbone of American commerce in our early years. They are still a billion dollar industry employing nearly one-half million people. But in their present condition, they have been unable to keep their share of the American market, much less compete outside our shores.

They need and deserve this help badly. I hope these bills will mark the beginning of a brand new program of Government and industry cooperation to revive our fisheries.

Mr. BARTLETT. Mr. President, will the Senator from Massachusetts yield?

Mr. SMITH of Massachusetts. I yield.

Mr. BARTLETT. The Senator from Washington [Mr. MAGNUSON] and the Senator from Massachusetts have just made timely, logical, hard-hitting speeches on an important subject which needs the increasing attention which I fully believe it has been receiving since the rather historic speech which the Senator from Massachusetts [Mr. SMITH] made in the Senate only a few weeks ago.

I think the words he used today ought to stand out and be carefully considered by those who have to report on the bills; namely, that U.S. fishermen are required to subsidize American boatyards, although no other industry is placed under such a restriction.

Speaking for myself, I am honored to be able to join with the Senator from Washington and the Senator from Massachusetts in sponsoring these bills.

Mr. SMITH of Massachusetts. I thank the Senator from Alaska.

Mr. MAGNUSON. Mr. President, I suggest to the Senator from Massachusetts that although the Committee on Commerce has held hearings on a number of occasions along the Pacific coast and in the Middle Atlantic area, we have not gone to the New England area in the past few years. I think it would be desirable—and I shall so recommend to the committee in a discussion of these bills—that we get some firsthand information on this subject from the area of the Senator from Massachusetts. We hope that the Senator from Massachusetts will be present to aid and guide us with his vast knowledge in the field of fisheries.

Mr. SMITH of Massachusetts. The junior Senator from Massachusetts wishes to thank the able Senator from Washington and to state that he will be most happy to work and cooperate with the Committee on Commerce in any hearings of the type the Senator has proposed.

Mr. MAGNUSON. I thank the Senator from Massachusetts.

ST. AUGUSTINE QUADRICENTENNIAL COMMISSION

Mr. BARTLETT. Mr. President, I ask that the Chair lay before the Senate a message from the House on Senate Joint Resolution 91.

The PRESIDING OFFICER (Mr. BURDICK in the chair) laid before the Senate the amendments of the House of Representatives to the joint resolution (S.J. Res. 91) to establish the St. Augustine Quadricentennial Commission, and for other purposes, which were, on page 2, line 8, strike out all after "States" down through and including "President" in line 10; on page 3, line 14, after "resolution" insert ": *Provided, however,* That no employee whose position would be subject to the Classification Act of 1949, as amended, if said Act were applicable to such position, shall be paid a salary at a rate in excess of the rate payable under said Act for positions of equivalent difficulty or responsibility. Such rates of compensation may be adopted by the Commission as may be authorized by the Classification Act of 1949, as amended, as of the same date such rates are authorized for positions subject to said Act. The Commission shall make adequate provision for administrative review of any determination to dismiss any employee"; on page 3, line 21, strike out all after "may" down through and including "agencies," in line 22, and on page 4, strike out lines 19 through 21, inclusive.

Mr. BARTLETT. Mr. President, I move that the Senate concur in the amendments of the House.

Mr. COOPER. Mr. President, I understand there is no objection to the proposal of the Senator from Alaska.

Mr. BARTLETT. That is correct.

The motion was agreed to.

ASSISTANCE TO SCHOOLS IN FEDERALLY IMPACTED AREAS

Mr. STENNIS. Mr. President, this morning I became deeply concerned when I learned that efforts are being made to turn the program for assistance to schools in federally impacted areas into a full-fledged general Federal aid to education program.

The present program of Federal aid to impacted school districts is a good program and is entirely justified. It extends Federal funds to school districts whose school population has mushroomed by reason of Federal activities in the area such as military bases and other Federal installations of a substantial nature. This is a good policy, and it is only right that the Federal Government assist in financing the construction of additional classrooms and other necessary expense required solely because of the heavy concentration of Federal workers who frequently live on military installations and do not otherwise contribute to local and State governments in paying taxes so necessary to the operation of the schools.

However, I am amazed to learn that a subcommittee of the other body is proposing that this worthwhile and justified program be extended through a requirement that only 3 percent of the schoolchildren living in the district have parents employed in work connected with the Federal Government. This is a substantial change from the present requirement that a heavily populated area must show that at least 6 percent of its schoolchildren are living in the district because of the employment of their parents in Federal work. It is obvious that a great many more school districts would qualify if the law were changed in this way. However, no one has been found yet who will even make an estimate as to how many new school districts would qualify for Federal money under the change or how much in additional appropriations would be required to finance such a program.

Most of our larger cities probably would be eligible for Federal funds under the new formula, considering the Federal employees who work in post offices, social security, small business, agricultural programs, internal revenue, Federal aviation, veterans administration, the Federal courts, marshals, attorneys, and the countless other offices of the Federal Government in most cities. In one sweep, Federal school assistance for countless millions of dollars would be extended to an untold number of additional school districts. The new formula ignores entirely the basic principle behind the present program for assistance to schools in federally impacted areas; that the parents of these children are usually not on the tax rolls of the local school districts since great numbers of them do not own their homes within the district, or perhaps are living in the area for a year or two, with their children attending the schools, before the parents purchase their homes and otherwise begin paying taxes locally for the support of the schools. The new formula embraces the children of regular Federal employees, most of whom are established residents of the school district, and perhaps have been for many years. They participate in local affairs and are taxpaying citizens of the community. They are in an entirely different category.

For a good many years, efforts have been made in Congress to enact a general bill extending Federal aid to education. I have opposed Federal aid to education. In my opinion, the Senate unfortunately approved a Federal aid to education bill. The bill which passed the Senate is now pending before a committee of the other body. I hope it will not pass.

I have opposed legislation to provide Federal aid to education because I feel that it is the responsibility and prerogative of State and local governments to establish, operate, and maintain their public schools, without any Federal encroachment. A reasonable and limited assistance program extending aid to schools which have been required to expand their plant and school program extensively because of Federal installations is one thing, but a general Federal aid to education program is quite another.

I have consistently opposed general Federal aid to education. Unfortunately, in my opinion, the Senate passed a Federal aid to education bill, which now is pending before one of the House committees. I sincerely hope that bill will not be enacted; but it seems that proponents of this legislation are proposing to use the side door, to take one step at a time, and ultimately to secure by this indirect method—a Federal aid to education program.

Mr. President, another grave point is involved. Only time will verify the true facts; but it has been estimated that new Federal programs approved by the 87th Congress thus far have increased the annual expense of the Federal Government over $15 billion. This does not include programs which are now being considered by the Congress, but which have not yet been enacted. Just yesterday, a House committee approved legislation proposing to grant pay increases in excess of $1.2 billion annually for the employees of the Federal Government. Mr. President, I refer to that measure, in particular, as an illustration of the trend. And other expensive programs are under consideration.

Earlier this year, Congress approved an increase in the national debt ceiling, authorizing a national debt of $308 billion. This is a temporary limit; but if the Congress continues to increase Federal expenditures, it will be necessary again to increase the debt ceiling.

And all this is occurring, Mr. President, at a time when leaders of industry and economists are recommending a reduction in taxes, to stimulate our economy. It just does not make sense.

As one Member of the Senate and as a member of the Senate Appropriations Committee, I serve notice now that all appropriation requests coming before our committee will be very carefully considered by me with a fine-toothed comb. Those presenting appropriation requests certainly must be prepared to justify them. In some way we must make further reductions in the mounting expenses of the Federal Government. We must change the trend toward expanding these programs. In some way we must provide ourselves with a chance to return to the idea of a balanced budget, or otherwise the mounting national debt which we shall leave to our children and to our grandchildren will be an obstacle in their path which could challenge our form of Government.

Mr. President, the move to extend the aid to schools in impacted areas should be opposed. Any proposal of that sort should be defeated, not only as an unwarranted extension of the program, but also because of the huge added annual Federal expenditures involved, which thus would be added to a budget which already is unbalanced.

Mr. President, I think the Senator from Wisconsin for yielding to me.

Mr. PROXMIRE. Mr. President, will the Senator from Mississippi yield, so that I may comment on the last point he made? I think it is extremely interesting.

Mr. STENNIS. I yield.

Mr. PROXMIRE. Is the Senator from Mississippi saying that serious consideration is being given to a proposal in the House for a vast increase in the amount of Federal aid to schools in impacted areas?

Mr. STENNIS. Yes. Today, there has been a news item in regard to that matter. Of course I do not know all the details; but such a move is a flag in the wind, indicating the many attempts to add new, vast expenses to our already heavily burdened Federal budget.

Mr. PROXMIRE. That is certainly true; and I thank the Senator from Mississippi for his comments. As one who favors—not opposes but favors—aid to education, I certainly agree wholeheartedly with the Senator from Mississippi that it would be very unwise for us to embark on such a policy—and to do so through "the side door," as the Senator from Mississippi has described it, but adding so greatly to the present amount of Federal aid extended to schools in impacted areas.

Although I think aid to impacted areas is desirable, I realize that the program can be abused. As I stated only yesterday, it is very likely that the program already has been expanded too greatly; a further expansion would cause the program to include many of our large cities—the cost to the Federal Government would be enormous, and the result would be most unfair.

So I join the Senator from Mississippi in opposing such an expansion of the program. Although he and I voted differently on the primary bill for Federal aid to education, we are wholeheartedly together in opposing such a drain on the funds of the Federal Government.

Mr. COOPER. Mr. President, will the Senator from Mississippi yield briefly to me?

The **PRESIDING OFFICER** (Mr. SMITH of Massachusetts in the chair).

Does the Senator from Mississippi yield to the Senator from Kentucky?

Mr. STENNIS. I yield.

Mr. COOPER. Mr. President, I, too, read in the press, this morning, that a House subcommittee had voted to expand this program by extending the aid to schools in districts in which only 3 percent of the schoolchildren have parents who are employed in work connected with the Federal Government, whereas the present requirement is that at least 6 percent of the children must come in that category before such Federal aid can be provided. It seems to me that such an expansion of the program would be totally in contravention of the congressional policy in regard to extending such aid. I, too, favor Federal aid to education, particularly for areas which do not have sufficient funds to provide proper education for their children. However, certainly we should not embark upon a complete departure from the policy previously decided upon.

I am frank to state that I do not know all the details in connection with the action taken by the House subcommittee; but, on the basis of what I know now, I would be opposed to it.

Mr. STENNIS. I thank the Senator from Kentucky.

Of course, Mr. President, I am not attempting to criticize in advance any Member of the House of Representatives or any committee of the House of Representatives. But certainly such an extension of the program would result in a tremendous drain on the funds of the Federal Government. Aid to impacted areas has certainly been considered by the Congress over a long period of time; and, as we know, some program of that kind is absolutely necessary. But an extension of it, particularly down to 3 percent, would result in its application to many of our large cities, with the result that the program would lose its original purpose, and would become extremely expensive; and, in addition, the original policy of the program would be contravened. So, as the Senator has said, it would be a great mistake.

Mr. President, I thank the Senator from Wisconsin for yielding to me.

OUR MILITARY AID TO LATIN AMERICA MISCHIEVOUS

Mr. PROXMIRE. Mr. President, yesterday the Senator from Alaska [Mr. GRUENING] made one of the most significant speeches I have heard for a long time on our policy in providing military assistance to South American countries. He pointed out how this program has been increasing at a rapid rate, and how it is now a substantial burden on the American taxpayers, and also is, in effect, feeding the arms race among the countries in Latin America for no really sensible purpose.

This morning I was very happy to read in the New York Times—one of the most influential newspapers in our Nation—an article written by James Reston, the head of the New York Times Washington bureau. The article very substantially supports the views expressed by the Senator from Alaska.

I should like to read part of the article written by Mr. Reston, for he states the case most succinctly:

> These expenditures have not, however, relieved the United States of its burden of defending the hemisphere. On the contrary, with the revolutionary advances in military technology, the burden remains on Washington, and most of the arms in Latin America are effective, not in defending the hemisphere from outside aggression, but merely for fighting internal wars and local political uprisings—

Of the kind which occurred recently in Peru—

> nor have most of the other goals of the military assistance program been realized. It has not produced standardization of weapons in the hemisphere: the Latin Americans have bought planes and ships wherever they could get them, often with funds causing economic hardship Washington had to try to repair.
>
> It has not modernized the armies and reduced their size in Latin America, or "democratized" the Latin American military leaders, as it was hoped it might, through bringing them to American military establishments for training. And instead of increasing the desire for a unified defense of the hemisphere, there is reason to believe that shipments of arms to one country have increased the desire for similar arms in neighboring countries, and therefore encouraged the arms race Senator HUMPHREY feared.

Mr. President, I ask unanimous consent to have the entire article written by James Reston, which was published today in the New York Times, printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THOSE MILITARY PROGRAMS IN LATIN AMERICA

(By James Reston)

WASHINGTON, August 2.—The military revolution in Peru has had at least one good result. It is forcing a reexamination of the U.S. Government's military assistance programs to the Latin-American countries.

Ironically, Fidel Castro beat back the U.S.-supported invasion of Cuba by Cuban refugees last year, not only with Communist arms, but with planes supplied by the United States to the Batista regime.

It was a U.S. Sherman tank that smashed through the iron gates of the Pizzaro Palace in Peru the other day to depose the constitutional regime of President Manuel Prado y Ugarteche. And the officer who led the attack on the palace, according to Juan de Oni of the New York Times in Lima, was Col. Gonzalo Briceno, who was trained at the U.S. Ranger school at Fort Benning, Ga.

No doubt U.S. aid has maintained order and defended democratic regimes in some Latin-American countries in the last decade, but there has been just enough of the Peru pattern to provoke a growing reaction against continued military aid to Latin America both on Capitol Hill and within the executive branch of the Kennedy administration.

REVOLT IN THE SENATE

Senator HUBERT HUMPHREY, the Democratic whip, has been warning for years that Washington's assistance programs have been encouraging an arms race in Latin America among countries that cannot maintain a decent standard of living for their people. Senator WAYNE MORSE, of Oregon, who heads the Latin-American Subcommittee of the Senate Foreign Relations Committee, has started an inquiry, not only into the military assistance program, but into the relationships between U.S. military officers and the Governments of Latin-American countries where they are stationed. And Senator ERNEST GRUENING, of Alaska, called today for "an end to this unsuitable and fruitless" program of arms assistance.

This is probably too drastic a remedy, for there is serious trouble in Venezuela and elsewhere. Also, the military in Latin America will get arms somewhere else, no matter what Washington says and no matter how much their people starve. But there is a case for review and revision, if not abolition, of the program.

When the United States had to keep 100,000 men in Latin America during the last war, it was argued that Washington should provide arms to the Latin Americans so that they could help defend the hemisphere and relieve us of this responsibility.

Since then, the United States has provided military assistance to Latin America as follows (fiscal years): 1952, $200,000; 1953, $11,200,000; 1954, $34,500,000; 1955, $31,800,000; 1956, $30,400,000; 1957, $43,900,000; 1958, $47,900,000; 1959, $54 million; 1960, $53,700,000; 1961, $91,600,000. And the sum for the current fiscal year is $63,600,000 and the plan for next, $84 million.

These expenditures have not, however, relieved the United States of its burden of defending the hemisphere. On the contrary, with the revolutionary advances in military technology, the burden remains on Washington, and most of the arms in Latin America are effective, not in defending the hemisphere from outside aggression, but merely for fighting internal wars and local political uprisings.

Nor have most of the other goals of the military assistance program been realized. It has not produced standardization of weapons in the hemisphere: The Latin Americans have bought planes and ships wherever they could get them, often with funds causing economic hardship Washington had to try to repair.

It has not modernized the armies and reduced their size in Latin America, or democratized the Latin American military leaders, as it was hoped it might, through bringing them to American military establishments for training. And instead of increasing the desire for a unified defense of the hemisphere, there is reason to believe that shipments of arms to one country has increased the desire for similar arms in neighboring countries and therefore encouraged the arms race Senator HUMPHREY feared.

BLAME UNCLE SAM

If the military revolt in Peru, then, has encouraged a review of Washington's assumptions about aid to Latin America it will be all to the good. The United States has set out to transform and democratize Latin America, which is something even the Lord hasn't been able to do in over 100 years. Every political and economic problem there under the present policy is Washington's problem, and when the military go on acting as they always have, Washington feels irritated and rejected.

Meanwhile, the whole problem of defense in the hemisphere has changed. Some of the Latin American nations can use our weapons for antisubmarine patrol, but nobody even talks about "hemispheric defense" now. It is conceded that subversion is the problem, that our arms are now intended to maintain internal order, that President Kennedy has formally authorized their use in this way. The trouble is that everybody wants to maintain "order," the bad guys as well as the good guys—both with our weapons.

PRESENT LOW INVENTORIES AN ECONOMIC BRIGHT SPOT

Mr. PROXMIRE. Mr. President, many persons have discussed the stagnation of the economy and the difficulties it has faced, particularly the serious difficulty of the high level of unemployment, which has persisted, almost without change, since February.

There was some optimism, several days ago, about the figures which were released, indicating that July unemployment is estimated, not at 5.5 percent, but at 5.3 percent. Actually, the figure is 5.34 percent; and it declined from 5.47 percent, a month ago.

As chairman of the Statistics Subcommittee of the Joint Economic Committee, I think I can say—and I think most economists would agree—that that change in unemployment is not significant; this kind of statistical shift does not add up to much. So we still have a serious and substantial unemployment problem.

Nevertheless, I wish to call the attention of the Senate to the fact that we do have some bright spots and some most encouraging elements in our economy. One is the fact that the gross national product has increased at a very substantial rate over the past year. Another is that the automobile industry is going along very well. Another is that personal income remains extremely high, and is climbing.

One of the most encouraging developments is that inventories—which in the past have been closely associated, as I shall indicate, with the depths of the recessions we have had—have greatly moderated.

While we have moved ahead economically over the past several months, inventories have not increased as they have done in nearly all cases before in a period of expansion.

The Wall Street Journal, in a recent excellent article, described this and stated in the course of the analysis:

> Economists, pondering how soon the next recession will occur and how severe it will be, detect a generally overlooked bright spot in the economy:
>
> The Nation's manufacturers are taking unusual care to keep their inventories in close balance with sales.
>
> "Companies are keeping much sharper watch on inventories in the present recovery than during past business expansions," declares Norris O. Johnson, vice president and senior economist of New York's First National City Bank.

The article continues by stating:

> The relatively trim condition of manufacturers' inventories will tend to limit the length and severity of any approaching slump, many analysts say. When recessions hit, companies are forced to readjust their stocks to a reduced level of sales. Such cutbacks have weighed heavily on general business activity during past recessions.
>
> For example, during the last recession, which occurred in 1960–61, the rate of investment in business inventories, on an annual basis, declined by $14.4 billion, economists note. That accounted for over three-quarters of the total decline of private domestic investment during the recession, from a $79.1 billion to a $60.1 billion rate.

Mr. President, recent hearings by the Joint Economic Committee on inventory accumulation showed exactly that, that a substantial proportion of the recessions that we have had, particularly in the last 10 or 12 years, could be accounted for by shifts in inventory policy on the part of industry.

This Wall Street Journal article emphasizes and underlines how true that is.

At the present time, we do not have to worry so much about that. It should be a distinctly stabilizing force in any recession.

For example, the Wall Street Journal article has a table suggesting why economists are cheered by the position of inventories. It compares the relation of manufacturing inventories and sales on June 30 with comparable data at the outsets of past recessions. The ratio is obtained by dividing 1 month's sales into inventory on hand and figures are seasonally adjusted.

On that basis, it shows that for June of this year, as compared with past periods when recessions began, the inventory-to-sales ratio is substantially better. As a matter of fact, inventories for June were only 1.72 times the June sales reported this past week. That is lower than the comparable ratio in the months that preceded any of the four recessions of the postwar period.

Incidentally, the ratio was the highest just before the most serious recession we had in recent years, which was the recession beginning in July 1957.

So this is very, very encouraging information for the economy. I think it is one of the many elements which indicate it may not be wise or necessary or desirable to have a tax cut under present circumstances.

Mr. President, I ask unanimous consent that the article to which I have been referring, written by Mr. Alfred L. Malabre, Jr., which appeared in the Wall Street Journal, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEAN INVENTORIES—INDUSTRY'S TIGHT REIN ON STOCKS WOULD EASE IMPACT OF A RECESSION—MORE CAPACITY, LEVEL PRICES, NEW COMPUTERS, HELP GEAR SUPPLIES TO SALES PACE—WHIRLPOOL'S FASTER REFLEXES

(By Alfred L. Malabre, Jr.)

Economists, pondering how soon the next recession will occur and how severe it will be, detect a generally overlooked bright spot in the economy:

The Nation's manufacturers are taking unusual care to keep their inventories in close balance with sales.

"Companies are keeping much sharper watch on inventories in the present recovery than during past business expansions," declared Norris O. Johnson, vice president and senior economist of New York's First National City Bank.

Inventories of steel consumers are now estimated roughly at 12 million tons. That's a sharp 33 percent below the 18-million-ton level of May 1960 at the threshold of the last recession.

The May 1960 level was equal to 2.17 times the amount of steel the industry produced during that month. The current level is only 1.77 times steel output in June.

Appliance makers also are watching inventories closely. At the end of June, the supply of laundry appliances, refrigerators, freezers, ranges, dishwashers, and room air conditioners in factory and distributor warehouses totaled some 3,468,000 units, or 2.8 months' supply at the June sales rate.

The May 1960 appliance supply: 3,811,000 units, or 4.1 months' stock in terms of the 1960 month's sales.

A RECESSION CUSHION

The relatively trim condition of manufacturers' inventories will tend to limit the length and severity of any approaching slump, many analysts say. When recessions hit, companies are forced to readjust their stocks to a reduced level of sales. Such cutbacks have weighed heavily on general business activity during past recessions.

For example, during the last recession, which occurred in 1960–61, the rate of investment in business inventories, on an annual basis, declined by $14.4 billion, economists note. That accounted for over three-quarters of the total decline of private domestic investment during the recession, from a $79.1 billion to a $60.1 billion rate.

Because companies are keeping closer tabs on their stocks today, however, many experts believe the rate of such inventory investment may decline no more than $7 billion or $8 billion, on an annual basis, during any immediate setback of the dimensions they foresee.

"Because of today's healthy inventory situation, the amplitude of a new recession will be substantially reduced," predicts a top economist at the National Industrial Conference Board, a nonprofit business research group.

LOW INVENTORY-SALES RATIO

The table below suggests why economists are cheered by the position of inventories. It compares the relation of manufacturing inventories and sales on June 30 with comparable data at the outsets of past recessions. Dollars are in billions. The ratio is obtained by dividing 1 month's sales into inventory on hand, and figures are seasonally adjusted.

Period	Inventory	Sales	Inventory-sales ratio
June 1962	$56.9	$33.0	1.72
May 1960	55.0	31.0	1.77
July 1957	54.1	29.0	1.87
July 1953	45.5	25.9	1.76
November 1948	32.1	18.0	1.78

As the table shows, inventories at latest report were only 1.72 times the June sales reported this week. This is lower than the comparable ratio in the months that preceded any of the four recessions of the postwar period.

The inventory-sales ratio was highest in July 1957 just before the severest of the postwar slumps. In that setback, the Nation's industrial output—a key measure of business activity—fell 14 percent. In the 1960–61 downturn, when inventories were held closer to sales, production declined only 7 percent.

A CAUTIOUS BUILDUP

The record shows that manufacturers have been slower to build up their stocks in the current expansion than during previous recoveries. The June 30 inventory level of $56.9 billion is only 6 percent above the level of February 1961, at the pit of the last recession. It's smaller than the rise in any postwar recovery and far below the 40 percent average rate of inventory buildup for the four recoveries.

There are several outstanding reasons for the present trim condition of manufacturers' inventories, analysts agree.

The sharp growth of production capacity in many industries is cited as one major factor. In June such basic industries as metals, textiles, chemicals, and petroleum were operating at only 76 percent of capacity, it is estimated. That compares with some 81 percent of capacity in these industries in use in May 1960, before the 1960–61 setback. And it's far under the 86 percent rate of July 1957 and the 93 percent rate of July 1953.

BIG CAPACITY, FAST DELIVERY

The expanded capacity to produce things enables manufacturers to deliver goods more swiftly than in earlier years. Knowing this, many customers are content to order goods as needed, without fear of long delays in delivery.

"We know we can get steel in 6 to 8 weeks, at most, so we don't worry about keeping a big supply on hand, as we once did," reports Leon Menzl, procurement administrator of American Machine & Foundry Co. "Several years ago, it often took up to 3 months to get delivery."

Joseph B. Lanterman, president of Amsted Industries, Inc., a Chicago-based steel user, adds, "Just 2 years ago, one of our subsidiaries, a large buyer of steel bars, would keep 3 to 6 months' supply of steel in the yard; today, the maximum inventory is between 45 and 60 days." The executive observes "a general trend toward faster deliveries from all types of suppliers."

Many officials note, in addition, that prices are generally more stable now than a few years ago. For this reason, companies often feel there is no need to carry large inventories as a hedge against price increases.

"With steel prices remaining level, and even declining in some cases, you can bet we're not hedging-buying against price boosts," remarks AMF's Mr. Menzl. "We once carried extra-large steel stocks because we knew prices would be going up and up."

Manufacturers are keeping a closer watch on the size of their stocks in order to hold down storage expense and other inventory costs. American Optical Co., for example, has made substantial economies by carrying trimmer inventories, a spokesman says. American Optical's $93.6 million sales last year were supported by inventories totaling only $32.1 million, he reports. Three years before, the optical equipment maker's sales of $79.3 million required inventories about equal to last year's $32.1 million.

HELP FROM COMPUTERS

The increasing use of data processing equipment for inventory control has enabled many firms to carry slimmer stocks.

Whirlpool Corp., for example, several months ago installed a Radio Corp. of America computer that gives the company's executives detailed data on inventories of 78 distributors within 24 hours. Previously, this information, in less detail, wasn't available for 4 days.

"If a sharp break in sales should come in the months ahead, our inventories will be adjusted to the new level much faster," says an official of the big appliance producer.

Clark Garrison, Jr., marketing director of International Business Machines Corp.'s data processing division, says, "Inventory control is one of the most widely-used and fastest-growing computer applications in manufacturing."

Faster, fuller information about industry-wide sales helps prevent over-stocking, many officials say. The National Electrical Manufacturers Association, for example, now gives weekly appliance industry sales reports to its member firms. In the early post-war years, NEMA issued such reports only once a month and fewer appliances were covered.

PERSISTENTLY SERIOUS UNEMPLOYMENT PROBLEM

Mr. PROXMIRE. Mr. President, on a related subject, the Secretary of Labor, Mr. Goldberg, has indicated that he is deeply concerned by the new attitude on the part of labor unions. In the past, as he has indicated, labor leaders have said they might be interested in a 35-hour week, or even a 32-hour week, but this attitude has been mainly ritualistic, just going through the motions. Now they are really serious about it.

The fact is that the rank and file of labor are fed up with unemployment. In many areas the unemployment problem is extremely difficult, and they want some answers.

Some economists theorize that a tax cut could help, but other analysts seem to think it may not be effective in reducing unemployment.

Certainly, when we recognize that we are in the 18th month of a recovery period and unemployment is still close to 5 percent of the labor force—a very high level—we can see why the rank and file and labor leaders are concerned, and should be concerned, about unemployment.

Unfortunately, top officials in Government are thinking exclusively in terms of a tax cut as a solution. Mr. Goldberg is one of the ablest men we have had in high office in a long time. Even Mr. Goldberg is putting too much emphasis on fiscal policy, tax reduction, and Government spending, and failing, as I am afraid too many people in our Government are failing, to recognize that this is a long-range type of unemployment; that we are now, on the basis of past analysis, close to the peak of a recovery period, and yet we have heavy unemployment.

If we are going to reduce unemployment, we cannot reduce it by a policy basically designed to temporarily stimulate the economy. The effort should be directed at fundamentally improving the situation.

I call to the attention of Senators who read the RECORD the fact we had very, very heavy unemployment during the 1930's. Since World War II, unemployment, while serious, has been comparably less. There are many reasons for that, but one particularly important reason is that there are 14 million people in this country over 65 years of age who are not working and who are not in need of work because most of them are receiving social security benefits.

When we adopted the social security measure, we took out of the work force those who would normally be employed, a vast majority of people over 65. I think one of the most constructive measures which this Congress has passed—and it has not been fully recognized—is reduction of the retirement age from 65 to 62. There is no question that hundreds of thousands of people will eventually leave the work force because they can retire at 62.

I suggest we give serious consideration to giving a further voluntary opportunity for people to leave the work force, if they wish to do so, at 60 instead of 62. We can do it without increasing the cost of social security. We can do it exactly as we did it when we reduced the retirement age from 65 to 62, by reducing the benefits they would receive if they retired earlier.

In my judgment, such a move would permanently help to relieve the unemployment problem, and do it on a voluntary basis, by permitting those who wished to do so to continue to work and get higher benefits.

One other type of relief I could suggest, and that is to recognize that a very, very large proportion of our unemployed are dropouts from high school. This is a great human tragedy in America. Young men and women of the age of 16 and 16½, before they can graduate leave high school. Perhaps they get an odd job for a while. Too many of them are unemployed. The former president of Harvard University, James Conant, has estimated that in some areas 50 to 70 percent of these young people are out of work.

He has also said that in communities where those young people stay in school there is relatively little unemployment of young people of that age. When there is a dovetailing of management, labor, and education authorities, so that those young people who are not interested in book learning and who are not interested in going to college can concentrate on developing skills and receiving vocational education in high school, it works out very well.

Therefore, it seems to me our Federal Government should do all it can to persuade the States to increase the age at which these young people can voluntarily leave education from 16, which is common throughout our country, to the age of 17. That one action on the part of the States throughout the country would enormously help the unemployment problem. It would greatly reduce it, not only in an obvious numerical way, by putting young people who would otherwise be idle in school, but also in a more constructive way if they could take vocational education when they did not intend to continue their education.

It would mean that when they left high school they would be able to get the kinds of jobs for which we now need people. There are many skilled jobs going begging, because there are not the people with the necessary skills to fill them.

Mr. President, I ask unanimous consent that the article from the New York Times, written by John D. Pomfret and entitled "Goldberg Fears Plea To Cut Hours," may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOLDBERG FEARS PLEA TO CUT HOURS—FORESEES STRIKES IF UNIONS PRESS FOR SHORT WEEK TO HELP MAKE MORE JOBS

(By John D. Pomfret)

WASHINGTON, August 2.—Secretary of Labor Arthur J. Goldberg fears that a continued high level of unemployment will cause unions to go after a shorter workweek in earnest.

This is the main present danger in the industrial relations field, the Secretary thinks. An intensive drive by labor for shorter hours would mean more strikes and would cause economic difficulties, he believes.

Mr. Goldberg senses a shift in labor's mood about shorter hours in recent months. Formerly, calls by union leaders for cuts in the workweek were ritualistic, but lately these appeals have taken on an air of urgency.

No one, Mr. Goldberg noted in an interview, is asserting that it is onerous to work 40 hours a week. The appeals are based on the need to reduce unemployment, not to increase free time.

MEMBERS PRESS UNIONS

The Secretary thinks that unemployment has been underestimated as a factor in determining the industrial relations climate. Unions are under pressure from their members to do something to create more jobs, he said.

But, the Secretary said, the added costs of a shorter workweek would create serious difficulties in maintaining stable prices. Thus he repeated a theme he has voiced from a number of platforms of union conventions.

"This points up the absolute necessity of bringing unemployment down to minimum levels if we are to have stability in labor relations and are to produce goods that are competitive abroad," Mr. Goldberg said.

To cut unemployment, which was 5.3 percent of the work force in July, Mr. Goldberg favors some specific measures such as area redevelopment and retraining programs. He also favors more general remedies such as a permanent tax cut, investment incentives and other steps to stimulate increased economic demand.

Mr. Goldberg believes that the general climate of industrial relations in the country is good, but that there are important industries in which the collective bargaining machinery sorely needs overhauling. These Mr. Goldberg identified as construction, maritime, airlines, and railroads.

Mr. Goldberg said that new forms of collective bargaining had to be evolved in those industries. But he said that they should not be government forms.

The kind of models he has in mind, Mr. Goldberg said, are the union-management committees to study joint problems set up in the steel industry after the strike in 1959 and the longstanding use of impartial third parties to resolve disputes in the garment industry.

"We should encourage the parties to use their own procedures," Mr. Goldberg said. "If those don't work, they should be encouraged to bring in impartial third parties."

Thus in the construction industry, it might be possible to broaden and adapt to the negotiation of labor contracts procedures already established to deal with disputes over work jurisdiction, Mr. Goldberg suggested.

TRANSPORT PROBLEM COMPLEX

The industrial relations problems of the transportation industry are difficult, the Secretary said, because they involve both jurisdictional arguments and manning controversies provoked by technological change.

The core of the airlines' labor controversy has been a dispute between two unions as to which should have jurisdiction over the third seat in the jet cockpit once crews are cut from four men to three.

Mr. Goldberg is well on the way to resolve this issue. He has achieved a settlement on Trans World Airlines and agreement on a settlement procedure on Pan American World Airways. His efforts to end a flight engineers' strike against Eastern Air Lines, which began on June 23, have so far been unsuccessful.

The principal problem on the railroads is a reduction in manpower requirements being pressed by the carriers and resisted by the unions.

An initial step to overhaul the collective bargaining system in this industry, Mr. Goldberg said, might be to try to recreate the attitude that existed on both sides in 1926 when they worked out the provisions of the Railway Labor Act, which then was passed by Congress.

FAVORS NEW MACHINERY

In the maritime industry, where labor relations have been exacerbated by a continuous jurisdictional war between unions and by controversies over manpower requirements, Mr. Goldberg thinks the key is the creation of machinery to bridge the conflict between the unions.

Significantly, Mr. Goldberg is not prone to see final solutions in new laws. He thinks that more flexibility could profitably be introduced into laws dealing with labor disputes that create emergencies. But the principal changes he would promote are those to be worked out by labor and management by collective bargaining.

Mr. Goldberg has been involved to a greater or lesser degree in trying to help resolve 31 labor disputes since he gave up his job as general counsel for the United Steelworkers of America to become Labor Secretary 18 months ago.

One of the main reasons he has been so often involved, Mr. Goldberg said, is so that President Kennedy will not have to be.

"A President is too busy and should not be burdened with these matters," Mr. Goldberg said. "Nor should he risk his prestige too often by intervening. He should use his prestige sparingly, reserving if for the critical situations."

PLEASED BY STEEL PACT

Mr. Goldberg regards the peaceful, early and noninflationary settlement last spring between the steel industry and the United Steelworkers of America as "a major achievement of this administration."

The "second guessers" who belittle the importance of President Kennedy's efforts "overlook one fact—there was a breakoff in negotiations," Mr. Goldberg said.

"Those of us who are experienced in steel know that's an ominious sign," he said. "In the absence of quick movement there would have been a buildup of propaganda. If the company had dug in at 4 or 5 cents, which was an impossible settlement for the union, the situation could very well have drifted into a strike. And at the point the breakoff occurred, the company was convinced that the union wasn't going to settle for less than 15 or 16 cents, which the company regarded as completely unreasonable."

HOUSE BILL DAIRY PLAN HAS REAL MERIT

Mr. PROXMIRE. Mr. President, I wish to speak much more briefly on a couple of other subjects.

The farm bill, as it left the House of Representatives, contained a provision for the voluntary retirement of dairy production, which would have permitted farmers to reduce production and to be paid $2.50 a hundred pounds for such reduction of production.

There is a lot of support in my State for this proposal. It has certain difficulties in regard to administration, but it also has merit.

A recent editorial in the Wisconsin Agriculturist, an outstandingly fine farm publication, warmly supports this dairy proposal. While it is not in the farm bill which came from the committee, I hope that the conferees will give serious consideration to the provision and that the plan can be given at least a trial until June of next year, to see if it works, to provide a basis for determining how we can work out appropriate dairy programs in the next session of Congress.

I ask unanimous consent that the editorial entitled "Dairy Plan Has Real Merit," may be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DAIRY PLAN HAS REAL MERIT

Any editor who writes about farm programs right now takes a long chance. The odds are that the bill now in Congress will be changed before this paper is mailed.

The present bill in the House of Representatives would extend the present feed grain and wheat programs for 1963. This seems to be the best we can hope for this year.

One section of the House bill would spell out a completely new dairy program. The program would run from October 1 this year to June 30 of next year.

Under the program producers could voluntarily cut back their milk production by 10 to 25 percent of their 1961 marketings. Government would give surplus reduction payments of up to $2.50 per hundred for this cut.

This program has real merit. It's voluntary. Each producer could decide to go along or stay out. It would save Government money. It costs the Government about $4.20 per hundred pounds of milk to buy and store surpluses.

Producers could make additional income by cooperating. Most of them would find it more profitable to cut back production for $2.50 per hundred than to produce the hundred pounds and sell it at present prices.

No one knows, of course, but our guess is that a substantial number of dairy farmers would cooperate. If they did, it would materially reduce dairy surplus.

The program is sound. It deserves a chance.

TITO FURTHER CURBS ECONOMIC FREEDOM

Mr. PROXMIRE. Mr. President, Mr. Paul Underwood, of the New York Times, has published a series of articles with respect to what is going on in Yugoslavia, and especially with respect to what has been going on since the Congress acted to approve a foreign aid bill which provided for the possibility, at least, of a $10 million development loan for Yugoslavia.

Mr. Underwood, in a recent dispatch from Belgrade, reports:

President Tito's regime is cutting down still further the tiny area in which private business is permitted to function in Communist Yugoslavia's economy.

Under new regulations, private taxis will be eliminated within a year. Private trucking and hauling will also be banned within 12 months.

Craftsmen will not be permitted to engage in general production, but will be limited to performing services. Private craftsmen, moreover, will be barred from working on building projects financed with public funds.

The article goes on to indicate that Tito is tightening the screws even further against economic freedom. I think the article well supplements previous articles I have put into the RECORD, written by Mr. Underwood, reporting from Yugoslavia, indicating that Tito was tightly limiting the area of freedom of expression, of freedom of the press in Yugoslavia.

I ask unanimous consent that the article, "Yugoslavia Widens Curbs on Private Businesses," may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YUGOSLAVIA WIDENS CURBS ON PRIVATE BUSINESSES—NEW LAWS TO BAN TAXIS AND TRUCKING CONCERNS—MOVE FOLLOWS OFFICIAL CRITICISM

(By Paul Underwood)

BELGRADE, YUGOSLAVIA, July 20.—President Tito's regime is cutting down still further the tiny area in which private business is permitted to function in Communist Yugoslavia's economy.

Under new regulations, private taxis will be eliminated within a year. Private trucking and hauling will also be banned within 12 months.

Craftsmen will not be permitted to engage in general production but will be limited to performing services. Private craftsmen, moreover, will be barred from working on building projects financed with public funds.

In addition, a new law gives authorities the right "to interfere in time to prevent negative trends in private crafts, either by tightening the conditions for the performance of craft services or by reducing the number of services they—craftsmen—are allowed to perform."

The new regulations are contained in two measures recently enacted by Parliament. One dealt with craft workshops. The other constituted a code on road transport.

The laws were approved following criticism in the official press last winter of the activities of some people in the private sector of the economy. Private craftsmen were accused of dodging taxes and trading in stolen articles. Worst of all from the Communist standpoint, they were accused of evading regulations limiting their activities and building up sizable businesses.

In Yugoslavia, as in all Communist-ruled countries, the official ideal is a completely socialized system of craft shops, with no private businesses of any kind. However, realization of this aim would require greater public investment in the craft area of the economy than the Tito regime believes worthwhile at this stage of development.

As an alternative, the regime has allowed private craftsmen to continue to function provided they employ no more than five persons. They also are subject to heavy taxes, in some cases amounting to as much as 75 percent of their income.

As of December 1959, the latest date for which official statistics are available, there were 116,000 registered private craft shops in Yugoslavia, with a total of 149,000 workers. Most of the craftsmen were engaged in repair and service work. However, a few had been successful in setting up small manufacturing businesses, making consumer goods that are in short supply.

The manufacturing group is the one the new regulations are designed to put out of business.

The move against private taxis and trucks, part of the new road transport law, gives local authorities the power to ban private operators any time they see fit within a year.

The Belgrade city administration has declared that private operators will be banned in the capital "as soon as possible" but has not yet set a date. New taxis will have to be purchased for socialized transport enterprises to take the place of the private taxis.

As of the end of last year, according to official statistics, private owners operated about 600 taxis, 3,325 trucks, and 2 buses in the whole of Yugoslavia.

More than a third of the taxis are in the capital. Most of them are ancient vehicles nearing complete breakdown. A ride in one is usually an adventure. Their departure will end another picturesque aspect of life in Belgrade.

FRANTIC PACE OF SPACE SPENDING ENDANGERS SCIENTIFIC MANPOWER

Mr. PROXMIRE. Mr. President, on July 26 I appeared before the House Committee on Science and Astronautics to protest the lack of alternatives which are available to Members of Congress who at least would like to consider the possibility of limiting the enormous increase in spending with respect to the man-on-the-moon project. We are all in favor of it. Certainly this Senator is. However, I think when we are confronted with a tremendous increase, from $1.7 billion to $3.7 billion in 1 year, we at least ought to be provided by NASA with alternatives to determine what would be the effects if we should go a little slower and should provide only a 100-percent increase, thereby saving $300 million.

There has been testimony given by competent officials of NASA that because the program is going so fast it will be necessary to spend $7 billion more on this moon project than if it went somewhat more slowly. I think the Congress cannot act intelligently unless it is given this kind of information and unless it is in a position to assess the effect of the program, particularly with respect to scientific manpower of this country.

Mr. President, I ask unanimous consent that my statement given before the House Committee on Science and Astronautics may be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILLIAM PROXMIRE BEFORE THE HOUSE COMMITTEE ON SCIENCE AND ASTRONAUTICS, JULY 26, 1962

I am appearing before this committee at my own request because I am deeply concerned about the impact of the huge increase in spending for space recently authorized by Congress, and projected future space budgets, on our Nation's other vital needs and goals. Let me emphasize at the outset that I do not question the importance of our space effort. I support it warmly. I favor the manned lunar program enthusiastically. The significant question is not whether our Nation should undertake a space program—of course, it should—but rather at what rate we should carry on such a program and what goals we should establish for our space effort, in relation to the other vital needs and goals of our Nation.

This committee and the Senate Space Committee, as well as the Appropriations subcommittees that deal with space have done an excellent job of examining the complex details of our present space programs and the National Aeronautics and Space Administration budget for 1963. I want to draw attention, however, to the long-range implications of the space effort, and the many problems that can be foreseen. These problems may be of great magnitude because, as this committee well knows, the space program's sheer size—in terms of dollars and resources, both human and material—makes it without question the largest undertaking of the U.S. Government since the total involvement of our economy and Nation in World War II.

Already the massive cost and rate of growth of our space program are putting serious strains on our Nation's scientific and defense capabilities, and on scientific education. Our entire space effort can have staggering effects on our education system, our supply of scientific manpower, our industrial defense capability, and on the American taxpayer. Comprehensive, detailed study of these effects should be undertaken immediately.

The National Aeronautics and Space Administration already is draining our limited supply of scientific and engineering personnel, thus reducing the manpower available for work in defense, industry, and education. This crucial problem of scientific manpower should be recognized now, and steps should be taken at once to solve it.

A recent article in the Washington Post entitled "Moon Aims Strain Manpower Supply," noted that NASA will need approximately 13,000 more scientists and engineers in the next few years in order to carry out its projected program. The article went on to say: "There is now danger that space program recruiters will begin to entice scientists and engineers away from other government agencies and laboratories and then from universities." Yet at the same time private industry and the universities will be demanding more scientific manpower in order to carry out their functions. The question I am asking is this: Where are all these extra scientists and engineers going to come from? From our graduating university classes? Hardly. The proportion of scientists and engineers in graduating classes has been declining for several years and the industrial and especially defense demand for these graduates has greatly increased.

To try to get an answer to this question, I wrote to Dr. Howard A. Meyerhoff, Executive Director of the Scientific Manpower Commission. He replied: "I have been working on the scientific and engineering manpower problem for nearly 10 years, and even if I apply my imagination to my knowledge, I frankly do not know where these people are (going to come) from, unless we are prepared to cut back sharply on the use of competent teachers in our institutions of learning, and on research and development in industry, and in other government agencies." And then Dr. Meyerhoff came to this conclusion: "* * * NASA's manpower requirements have not been integrated and therefore have not been seen in perspective in relation to other overall needs in education, industry, and government." This is what one competent authority has to say about how the huge expenditures for our space program are going to affect our supply of scientific manpower.

A specific aspect of our mushrooming space effort that concerns me is NASA's increasing tendency to dispense with advertised competitive bidding in the award of space procurement contracts. I recognize that certain aspects of the space program may be difficult to operate under the sound discipline of advertised competitive bidding. But this is by no means the case universally. It has been shown time and time again that competitive bidding is the most effective way to reduce costs and is the fairest to all companies concerned. Departures from this procedure should be as infrequent as possible, and should only occur when clearly and absolutely necessary.

The use of so-called competitive negotiation rather than advertised competitive bidding, wihle probably preferable to sole source procurement, nonetheless lacks both of the main virtues of formal competition. It does not allow all interested firms to compete. And it does not impose the same solid cost discipline. While I recognize the urgency with which our space program is viewed, I cannot believe that the need for speed is so great that NASA should virtually ignore competitive bidding. With all the urgency of military procurement, the Defense Department has a far better record on competitive bidding.

Procurement practices and our Nation's scientific manpower are two specific aspects of the larger general problem of viewing our space program in the context of our Nation's priorities and needs. Several eminent scientists have spoken out against placing an excessive emphasis on a space program. For example, Dr. James R. Killian, Jr., chairman of the MIT corporation, perhaps the Nation's greatest institution of scientific learning, and first science adviser to President Eisenhower said recently: "The United States must decide whether it can justify billions of dollars for man in space when its educational system is so inadequately supported." And further, he warned: "The Nation must seek to determine whether it is now proceeding too rapidly in this area and whether it can manage the present man-in-space program without weakening other important national programs, including defense."

Along the same lines, a distinguished member of the House, Congressman CHET HOLIFIELD, chairman of the Joint Atomic Energy Committee, stated on a television program last month, in speaking of our space program: "I have seen what I think (are) very worthwhile programs in applied science, which have direct benefit to the people of America, put on the shelf for the pursuit of some fantastic objective which may or may not be attained 10 or 15 years from now. And, in the meantime, the people are denied the benefits which are just around the corner."

It is plain that the massive size and rapid growth rate of our space effort are having the effect of diverting resources away from the fulfillment of other vital needs and goals which merit high national priority. The task of properly evaluating the relative priorities of these goals must be shouldered by Congress—particularly through its control of appropriations. I believe that Congress can fulfill this responsibility by more carefully evaluating the enormous expenditure increases that are programed for space, and by cutting back judiciously to bring these programs back into balance with other national priorities.

Certain specific figures may illustrate what I mean. In the hearings on the NASA budget before the House Appropriations Subcommittee, NASA officials stated that, due to the acceleration of the timetable for placing a man on the moon, the cost for the moon project was increased by $7 billion. This is a fantastic amount of money which will be spent simply to meet a somewhat earlier deadline. It is a significant part of the many tens of billions of dollars that will be spent on our space programs in the coming decade. The question that should be asked is whether each of these massive expenditures genuinely represents the best possible use for these funds, collected from American taxpayers, in the general public interest.

As I said before, I do not object to our effort to land men on the moon. Some protests against the usefulness of this undertaking have been voiced, but I reject them. Man's ambition has brought him to the brink of a great adventure in space, and our country should indeed work hard to be first with a manned lunar landing. But our space program should be kept in balance with other national goals. If huge costs are to be incurred, if billions of dollars are to be spent, we should explore the implications of this commitment in advance, with our eyes open, taking every possible step to judge the value of what we will be getting for our investment.

The significant question is not whether we should undertake a space program—of course we should—but rather at what rate such a program is carried on, and what specific goals are set for it.

I urge this committee to examine our space program carefully and set up priorities, both within the program and in relation to other national programs. I think that we must evaluate which projects in our space program ought to receive top priority and eliminate the projects which do not receive such a rating. I myself intend to offer amendments to cut back the NASA appropriation in the Senate. In view of the staggering effects which the presently projected space program could have upon education, health, scientific manpower, and even defense, I propose these four specific recommendations:

1. The committee should request NASA to make alternative proposals to show how a slower expansion of funds for the space program would affect the man-to-the-moon timetable and other NASA goals.

2. NASA should provide a justification for the timing of the lunar effort in addition to its item-by-item cost justification.

3. Procedures should be established to oversee NASA's recruiting of scientific manpower.

4. NASA should be requested to conform to competitive bidding procedures to the fullest possible extent and should clearly explain the reasons for any exception.

ADJOURNMENT

Mr. PROXMIRE. Mr. President, if there is no further business, I move, pursuant to the previous order, that the Senate stand in adjournment until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 24 minutes p.m.) the Senate adjourned, pursuant to the previous order, until Monday, August 6, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 3, 1962:

U.S. DISTRICT JUDGE

Jesse W. Curtis, Jr., of California, to be U.S. district judge for the sourthern district of California. (New position.)

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the Coast and Geodetic Survey:

To be captains

Fair J. Bryant
Charles W. Clark

To be commanders

Hubert W. Keith, Jr.
Dewey G. Rushford
Steven L. Hollis, Jr.
Hal P. Demuth

To be lieutenant commander

James P. Randall

IN THE COAST GUARD

The following-named persons to be captains in the U.S. Coast Guard.

Harold D. Seielstad
Henry P. Kniskern, Jr.
Cornelius G. Houtsma
Edward C. Allen, Jr.
Paul Pollatt
Arthur B. Engel
James A. Hyslop
Joseph Change
Benjamin D. Shoemaker, Jr.
Frederick A. Reicker
Willis A. Bruso
Raymond A. Tuttle
Charles E. Leising, Jr.
Jesse O. Thompson
Cortlandt W. Quinby
Lloyd L. Stoltz
Raymond J. Fugina
Benjamin P. Clark
Thomas R. Sargent III
Edwin B. Ing
Donald V. Reardon
Winslow H. Buxton
Robert W. Goehring
William A. McFaull
William E. Pratt
Harry L. Morgan
Vitus G. Niebergall
John D. McCubbin
Lawrence D. Connor
Ross P. Bullard
Archibald H. McComb, Jr.
James B. McCarty, Jr.
Leonard E. Penso
Orvan R. Smeder
George C. Steinman
Victor Pfeiffer
Arthur M. Vrooman
William L. Morrison
David W. Sinclair
John P. Fox
James N. Schrader
Harry F. Frazer
Julian J. Shingler
Francis J. Swan
Warner K. Thompson, Jr.
William R. Riedel
James H. McDowell
John R. Silliman
Louis B. Kendall
Jesse E. Eastman
Gorwan W. Larsen
Robert B. Scott
Charles P. McFaull
Ralph M. West
Charles E. Sharp
Gilbert Hinchcliffe
William C. Mahoney
Lynn Parker
Louis A. Grundler
Byron I. Reynolds
Robert Flockhart
Leslie G. Haverland
George W. Nantau
Emery H. Joyce
James L. Thompson
Donald G. Elliot
Newton W. Winberg
Edward J. Worrel, Jr.
Herbert J. Kelly
Frederick K. Arzt
William S. Vaughn
Edward W. Kirkpatrick
Mark L. Hocking
Clement B. Cozad
Joseph Mazzotta
Lionel H. DeSanty
Thomas N. Kelley
William R. Sayer

The following-named persons to be commanders in the U.S. Coast Guard:

Donald M. Reed
Carl L. Parrott
Frederick J. Hancox
Robert A. Adams
William M. Benkert
Robert A. Schulz
Warren E. Rast
Curtis J. Kelly
Austin F. Hubbard
William J. Zinck
Richard E. Hoover
William N. Banks
Keith Low
Daniel J. Scalabrini
Edward R. Tharp
Wilfrid N. Derby, Jr.
Alden E. Lewis
Robert T. Norris
Frank B. Carter
Frank M. Fisher, Jr.
John J. Doherty
David L. Davies, Jr.
Donald A. Caswell
Lewis F. Lovell
Edward M. F. Kirchner
Lloyd M. Logan
Albert S. Frevola
Edwin J. Brummeler
William H. Campbell
Edwin S. Radford
Andrew J. Grogard
Alfred J. Unger
John M. Nagy
Jason S. Kobler
Robert E. Foley
James D. Doyle
James E. Fleming
Harry G. Kosky
Neale O. Westfall
Edward P. Sawyer
Burton V. Weston, Jr.
Manson E. Meekins
Gordon L. Bates
Carleton W. Wahl
Walter J. Felton
Bruce H. Jensen
David Block
Harold J. McCormack
Earl B. Cooper
Rayner C. Burke
William H. Monger
Joseph E. Gould
Robert W. Smith
James P. Flessas
Robert A. Adamson
David Gershowitz
Dono W. Moore
Eric G. Grundy
Jay P. Dayton
Richard H. Hagadorn
Robert J. Carson
Hugh C. McCaffrey
Merle L. Harbourt
Edwin W. Coleman
John D. Roberts
Raymond J. Evans
Scott P. Berryman
Willis G. Partridge
William G. Blandford
Stanley G. Perret
John R. Allums
Norman E. Dion
Daniel J. Garrett
John R. Mackey

Ottis H. Abney
Curtis H. Jurgens
Allen E. Armstrong
Charles D. Budd
Howard A. Linse
Harry H. Chapin
James McMenamin
Bertrand S. Dean
Donby J. Mathieu
David W. DeFreest
Robert L. Lawlis
James W. Dodson
George D. Winstein
William W. Richter
John A. Corso
William H. St. George
Robert J. Bloxsom
Joseph W. Finnegan

The following-named persons to be lieutenant commanders in the U.S. Coast Guard:

Thomas J. Hynes
Malcolm E. Clark
Charles M. Mayes
Dan Rayacich
David P. Bates, Jr.
Rudolph E. Lenczyk
William L. Faulkenberry
Donald C. Davis
John H. Bruce
James H. MacDonald
Donald R. Vaughn
Thomas W. Powers
Archibald B. How
Herbert H. Sharpe, Jr.
Michael B. Lemly
Glenn M. Loboudger
John E. V. A. Murray
Vincent A. Bogucki
Robert A. Lee
Lloyd W. Goddu, Jr.
Donald J. McCann
Edward D. Cassidy
John B. Hayes
Robert L. Davis, Jr.
Glenn R. Taylor
Walter F. Guy
Dudley C. Goodwin, Jr.
Warren S. Petterson
William C. Wallace
Henry G. Cassel
Hardy M. Willis
Raymond M. Miller
Clarence G. Porter
Carroll T. Newman
Walton D. Alley, Jr.
Bruce H. Edwards
William A. Mayberry
Rollin T. Young
Cornelius G. Farley
Francis L. Brittan
Philip A. Hogue
Eugene Carlson, Jr.
John W. Yager
Thomas W. Wolfe
Gerard J. Perron
Elliot S. Shafer
Robert E. Ogin
Samuel R. Early
Nelson W. Allen
Roger J. Dahlby
Charles A. Haley
Everett B. Kopp
Edward P. Boyle
William M. Barney
William C. Behan
Edward F. Oliver
William L. Russon, Jr.
Edwin L. Knowles
Robert E. Wolfard
John F. Mundy, Jr.
Frank E. McLean
Roy M. Wimer
Robert F. Hornbeck
Robert H. Scarborough
Roland J. Frappier
Edward J. Geissler
Thomas L. Wakefield
John H. Hedetniemi
William C. Jefferies
John C. Parker
Edward G. Ware
Dale J. Henderson
Frederick C. Thomas
Kenneth B. Hofstra
Edward O. Wille
Robert H. Sabin
John F. O'Connell
Emmett C. McCarthy
Robert H. Werthman
Edgar W. Dorr
Joseph C. Fox, Jr.
Nathaniel F. Main
Vincent J. Mitchell
Benjamin F. Rush
Richard T. Houlette
Thomas C. Duncan, Jr.
Adam S. Zabinski
Leonard M. Unterein
Thomas H. Carter
William J. Brasier
Edwin A. Schmidt
Walter E. Johnson
Ross L. Moore

The following-named persons to be lieutenants in the U.S. Coast Guard:

Rudolph V. Cassani
Anthony A. Alloggio
John R. O'Connor
Ernest L. Murdock
Paul Nichiporuk
James E. Thompson
Eugene P. Baumann
Louis H. Mense
William P. Kozlovsky
Mark J. Millea, Jr.
Edwin L. Parker
Paul E. Schroeder
Ralph W. Judd
William T. Sheppard
James C. Morrow
James I. Doughty
Ernest J. Mayer, Jr.
Richard G. Kerr
James F. Culbertson
John M. Wilkinson
William J. Tillo
Gerald J. Budridge
Dwight T. Ramsay
Walter E. Mason, Jr.
Charles L. Clark
William F. Boucher
James L. Howard
Francis H. Nolin
Kenneth A. Long
Richard B. Wise
Alfred F. Bridgman, Jr.
George T. Seaman
John R. Kirkland
Henry Lohmann
Milton Y. Suzich
Carlton W. Swickley
Arthur E. Ladley, Jr.
Jack E. Coulter
Richard T. Brower
Raymond J. Copin
Guy W. Mizell
Clyde E. Robbins
Verne E. Cox
Robert B. Bacon
Philip J. Danahy
Joseph A. McDonough, Jr.
William C. Nolan
Clyde T. Lusk, Jr.
George H. Wagner
Billy E. Richardson
Thomas R. Tyler
Albert C. Tingley, Jr.
James A. Wilson
Norman G. Cubberly
Charles F. Hahn
John E. Moseley
William A. Publicover
Albert E. Reif, Jr.
Rex R. Morgan
Victor R. Robillard
Arnold M. Danielsen
Donald M. Thompson, Jr.
John P. Skillings
James L. Fear
James M. Fournier
Robert T. Getman
Robert R. Houvener
Henry M. Helgesen
Sidney C. Tharrington, Jr.
Norman A. Toon
Michael T. Brock
Merrill K. Wood
David B. Flanagan
Henry Haugen
David L. Green
Martin J. Kaiser
Alban Landry
Francis D. Forbes
Charles B. Glass
William N. Spence
Ira L. Krams
Kenneth W. Forslund
Irvin W. Lindemuth
James E. Ferguson
Joseph L. Coburn, Jr.
Richard Nielsen, Jr.
Richard Rounsevelle
Leon T. Dankiewicz
Robert L. Cook
Carmen J. Blondin
Bobby F. Hollingsworth
Leo Jordan
Charles A. Biondo
Howard M. Veillette
Arthur E. Gerken
Richard N. Abrahams
Charles F. McFadden
Howard B. Thorsen
Robert E. Larson
Charles A. Millradt
Jimmie D. Woods
John W. Sheedy
Charles Leddy
Edward W. Murphy
Thomas C. Lutton
John J. Dirschel, Jr.
Joseph N. Andrassy
George E. Walton
Norman R. West
William J. Bickford
Henry Suski
Richard L. Brown
Frederick F. Herzberg, Jr.
Herbert H. H. Kothe
Stephen J. Dasovich
Donald L. Gordon
Daniel B. Charter, Jr.
Robert L. Johanson
Alan D. Preed
Daniel C. Olson, Jr.
Kenneth R. Depperman
Ira E. Thompson
Ralph W. Eustis
Edward F. Lewis
Edmund J. Spillane, Jr.
John B. Jones-Bateman, Jr.
Robert H. Overton III
Kenneth D. Albritton
John M. Duke, Jr.
John R. Butler
Edward R. Baumgartner
Charles H. Leckrone
Gennaro S. Duca
Ralph W. H. Bartels
Jackson C. Arney
Robert F. Ingraham
Richard T. Hess
Walter W. McDougall

The following-named persons to be lieutenants (junior grade) in the U.S. Coast Guard:

Wiliam R. Bell
Marcus W. Lonsberry
Garet T. Bush III
Paul E. Pakos
Charles S. Loosmore
Geoffrey T. Potter
Jack C. Goldthorpe
William G. Walker
Robert R. Wells
Ronald M. Polant
Charles S. Mincks
James T. Montonye
Stephen J. T. Masse
James W. Miller II
Stanley E. Bielski
John R. Edwards
Thomas J. Cunningham
Frank J. Iarossi
David L. Pepple
John T. Howell
Gerald R. Foster
Joseph E. Vorbach
Donald L. Hoffer
Andrew H. Sims, Jr.
Roger A. Andersen
Bruce C. Skinner
Dean A. Frankenhauser
Richard H. Beiter
James W. Coste, Jr.
David R. Garner
Floyd W. White, Jr.
Ralph D. Sanford
John E. Cummings
John Deck III
Peter A. Bunch
John W. Gerometta
James L. McDonald
Thomas F. Marucci
Richard L. Andrews
Gerald W. Seelman
Harold F. Norton, Jr.
Robert E. Shenkle
William B. Hewitt
John D. Campbell
William B. Howland
Bruce A. Patterson
George E. Krietemeyer
Otto R. Kossmann
Anthony C. Beardsley
Albert J. Allison III
Robert B. Workman, Jr.
Donald L. Millroy
Robert J. Imbrie
Frank W. Olson
Gerald H. McManus
Edmond G. Case
William M. Devereaux
Ronald F. Miscavich
Peter C. F. Lauridsen, Jr.
William P. Leahy, Jr.
John E. Irwin
Edouard W. LaCroix, Jr.
Thomas N. Morrow, Jr.
Robert Reynard
Richard W. Folker
Lawrence E. Meyer
Walter S. Rich
James G. Heydenreich
Robert F. Melsheimer
Bryson S. Randolph
Ronald G. Barnes
John W. Klotz
Jason M. Bowen
Joel D. Sipes
Paul A. Welling
James E. Foels
Frank J. Ropiak, Jr.
Clarence C. Atkins, Jr.
William N. Schobert
James A. Chappell
Robert D. Brown
Stewart A. Walker
John H. Holmend III
Robert H. Thornton

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3305:

To be colonels, Medical Corps

Angen, Willard F., O23596.
Bauer, Frank L., O26430.
Campbell, Robert P., O24633.
Carbonell, Arthur J., O24626.
Cavender, Savino W., O31005.
Christianson, Charles S., O56824.
Collins, William A. Jr., O58178.
Crosby, William H. Jr., O24639.
Crozier, Dan, O26408.
Dein, Harry L., O58752.
Dunnington, William G., O61059.
Eaker, Alan B., O43146.
Eisner, David G., O30984.
Geppert, Leo J., O26406.
Hoeffler, Hugh B., O51983.
Holmes, Robert H., O85572.
Hughes, Frederic J., Jr., O26370.
Hume, Wayne S., O59422.
Jesurun, Harold M., O26439.
Kiehl, Paul V., O26397.
Lane, Thomas H., O51992.
LeGolvan, Paul C. O24634.
Moore, William S., O30992.
Opsahl, Harold E., O61057.
Orbison, James A., O26405.
Orr, Kenneth D., O31042.
Parker, Henry S., O24317.
Perlmutter, Nick, O60731.
Pickhardt, Woodrow L., O39497.
Rice, John S., O24326.
Sandifer, Samuel H., O25158.
Sargent, Carlton W., O26991.
Smith, Max L., O38853.
Smith, William S., O30968.
Smith, William T., O24341.
Sprinz, Helmuth, O30919.
Tillotson, James K., O52001.
Vita, Frank J., O59664.
Vogel, Edward H., Jr., O24321.
Vorder, Bruegge Colin F., O26958.

To be colonels, Dental Corps

Avery, S. Kingdon, O23684.
Brown, Pearson W., O23610.
Caldwell, Jack B., O22316.
Chipps, James E., O22743.
Christensen, John P., O22257.
Clapp, Stacy W., Jr., O30990.
DeGon, Kenneth C., O23676.
Evans, Pierre O., O23351.
Farrell, Clement A., O30988.
Farrell, Richard J., O25168.
Francis, Garnet P., Jr., O30876.
Goodall, Henry A., O30977.
Haskins, Harold P., O23347.
Hazard, David C., O24335.
Jessel, James R., O78074.
Moser, Ernest H., O30960.
Murphy, James M., O23609.
Orsinger, William O., O23343.
Parrot, George H., Jr., O23675.
Quarantillo, Edward P., O31002.
Rogers, Roger P., O38858.
Sexson, Julius C., O24630.
Smith, Edwin H., Jr., O24629.
Snyder, Harry G., O38854.
Talbot, Raymond J., O23608.
Tornstrom, Clifford H., O43138.
Walsh, Robert L., O23677.

To be colonels, Veterinary Corps

Batcheldor, George D., O38852.
Fechner, Walter W., O31033.

Kuhn, George A., O84813.
Lockwood, Mulford C., O38857.
McFadden, Glenn M., O31004.
Murphy, Leslie C., O31021.
Seeley, Alpheus H., O26373.
Sibert, Herbert F., O30922.
Yager, Robert H., O22761.

To be colonels, Medical Service Corps

Adams, Oscar H., O40131.
Benade, Leo E., O37433.
Blythe, Vernon E., O40133.
Boeckman, Franklin P., O31247.
Burns, John E., O31205.
Bush, Chester K., O79643.
Butchkosky, John, O83548.
Carter, James A., O31315.
Coats, James G., O31260.
Cochran, Ernest E., Jr., O31162.
Cooley, George M., O83544.
Cousins, Owen DeF., O43222.
DiFusco, Manrico P., O80276.
Doyle, John F., O40127.
Ferguson, Harry A., O31251.
Freeman, Richard R., O56189.
Frey, Clarence Van P., O40134.
Gamble, Robert H. D., O31203.
Geise, Gerald E., O43167.
Gersoni, Charles S., O56185.
Grove, Lee A., O56187.
Haase, Frederick J., O31320.
Hastings, William O., O31248.
Henderson, Clyde W., O31324.
Hunt, Albert B., O31285.
Hunt, John M., Jr., O31089.
Ingram, James L., O31201.
Irving, Glenn C., O43197.
Johnston, George W., O31184.
Jones, David W., O43631.
Kegerreis, John B., O31242.
LaCombe, James L., O31284.
Lawford, Frank K., O37395.
LeMire, Joseph A. W., O37386.
Lewis, Converse R., Jr., O43203.
Lindberg, Robert B., O43205.
McAlpine, Arthur R., O56188.
Monnen, Millard C., O37387.
Montague, Ernest K., O56890.
Morrison, Manley G., O37389.
Mudgett, Louis E., O31069.
Nagy, Ernest A., O83546.
O'Reilly, George T., O40120.
Peake, Ben F., O31168.
Pendlyshok, Charles A., O31304.
Rustigian, Barj A., O31068.
Sanders, Arvey C., O43236.
Sheridan, John W., O43156.
Steed, Oliver H., O43177.
Stillman, Frank E., Jr., O83547.
Stith, Marion C., O37385.
Strode, Alfred C., O40129.
Tatch, David, O31116.
Taylor, Emerson B., O22794.
Trenholm, John H., O37427.
Walker, Herman A., O37402.
Watson, Bascomb R., O84033.
Weir, Roy I., Jr., O38874.
Whittemore, Frederick W., Jr., O43255.
Wilkin, Wendell R., O52080.
Wilson, George H., O21007.
Zurcher, John J., 3d, O38888.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

To be colonel, Army Nurse Corps

Jensen, Emilie K., N00060.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

To be captains

Berry, David T., O73607.
Whiting, Jon K., O81761.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3298:

To be first lieutenants

Abernethy, Robert B., O89402.
Ady, Samuel J., O91544.
Alfredson, George H., O94984.
Alves, Robert G., O89912.
Anderson, Edward, Jr., O89407.
Anderson, Harold E., O88323.
Andrew, Ronald J., O89408.
Andrews, William R., O91742.
Archibald, Thomas, O91746.
Baker, Edwin J., Jr., O89410.
Barker, Robert L., O89412.
Barnett, James R., O89413.
Barrowman, Thomas J., O89414.
Barton, David C., O89176.
Bennett, John S., Jr., O90048.
Berriman, Edward T., Jr., O92618.
Bohach, John L., Jr., O92162.
Boyd, Claude D., 3d, O94913.
Braden, Richard P., O88339.
Brailsford, Marvin D., O89753.
Bratton, Vernon W., Jr., O89419.
Braun, Thomas R., O91168.
Brennan, Robert G., Jr., O89186.
Brewster, Horace B., O89422.
Brooks, Edwin C., O94570.
Brubach, Charles F., O89424.
Buchert, Kenneth D., O89426.
Buzan, Thomas G., O94999.
Cahill, Ralph D., O89428.
Caliboso, Robert M., O89430.
Camp, Billy J., O89431.
Cantarella, James J., Jr., O89433.
Cartwright, Edward L., Jr., O89435.
Casale, James E., O93032.
Caswell, Kenneth A., O91789.
Catron, George R., O85981.
Chamberlain, Craig R., O92637.
Chen, Robert, O88618.
Chichwak, William J., O89437.
Childs, Leo M., O91567.
Chunco, William R., O94742.
Clifton, Jack H., O89438.
Cline, Corwyn M., O89828.
Cloud, Leon B., O89439.
Cobel, Larry P., O89441.
Connor, George H., Jr., O89194.
Cook, William J., Jr., O89445.
Coombs, Robert M., O89444.
Corley, Thaman N., O89045.
Cottington, David C., O89447.
Crawford, Robert C., O92314.
Crocker, Donald J., O89449.
Crockett, William A., O89450.
Cromwell, George E., Jr., O89451.
Crysel, James W., O92177.
Daly, Charles F., O94286.
Davenport, William C., O91805.
Davidson, Dean A., O89456.
Davidson, James D., O89457.
Davis, Peter A., O89459.
Denney, J. Thomas H., O89891.
Devitt, John M., O89464.
Dorf, John H., O92316.
Duckworth, Charles H., O89466.
Dukes, Donald L., O86091.
Durbin, Jerome A., O89051.
Edinger, Jerry D., O89470.
Edwards, Robert R., O89471.
Elam, Fred E., O89473.
Emery, Douglas E., O95016.
Everitt, Larry E., O89478.
Falk, Richard H., O89479.
Feteroff, Robert J., O89481.
Fisher, Thomas P., O90585.
Flora, John G., O89950.
Follett, Franklin P., O95021.
Foster, Alton Le. R., Jr., O89485.
Freihube, Garry R., O94857.
Fry, Charles H., O94928.
Furno, Jimmie F., O94584.
Gatanas, Mark D., O89489.
Gergulis, John G., O92348.
Gilmore, Ralph J., Jr., O92349.
Goines, Roy L., O89491.
Goldsmith, Walter B., Jr., O89334.
Gray, Ronald E., O92656.
Gray, Ted J., O89492.
Green, Thomas G., O89493.
Greenwood, Henry V., O92657.
Griffith, Jack H., Jr., O89495.
Grones, Melvin J., O92367.
Grundborg, Kenneth D., O90011.
Hagan, William M., O89496.
Hall, Charles A., O90021.
Hall, William N., O92660.
Harris, Franklin N., O89499.
Harris, Henry L., O92385.
Harrod, Robert L., O89500.
Hawn, Darryl R., O92387.
Hayes, Ralph E., O90047.
Henriques, Richmond B., O89504.
Henry, Pierre E., O95037.
Herrington, Roscoe B. P., O92404.
Hoffman, James R., O91872.
Hofrichter, Francis P., O89508.
Holder, Henry G., O94590.
Hopkins, John R., O89510.
Howard, Jimmie B., O94309.
Hunter, Howard W., Jr., O91248.
Huntington, William L., O88750.
Huse, Warren D., O93434.
Jennings, Ivan R., O89517.
Jones, William J., Jr., O92075.
Joost, Jack S., O89519.
Jorgensen, Kermit V., O89520.
Kahn, William, O94940.
Katsuyoshi, Kenneth H., O89522.
Kelley, Jack T., O95052.
Kerr, James E., O92685.
Kieffer, George W., O92696.
Kilday, John B., O89525.
Kimura, Kenneth K., O89527.
Kinell, Carl E., O87202.
Kirk, William M., Jr., O94869.
Lacquement, Richard A., O89533.
Landry, Larry J., O89534.
Lang, Neil B., O89535.
Langdale, Daniel T., O89241.
Lazdowski, Walter P., O92702.
Lazzaro, Gerald J., O89537.
Leary, Paul E., O94314.
Lee, David W., O90292.
Lee, George B., O89089.
Lee, James G., O89538.
Lew, James R., O93052.
Liddle, Jack W., O90330.
Lillie, Warren T., O95064.
Line, Edward D., O95063.
Lowry, Robert C., O89542.
Lyell, Richard L., O92470.
Lynch, Thomas H., Jr., O90400.
Lyon, Paul W., O91914.
Markham, William E., O92725.
Marshall, Wesley B., O89102.
Martin, Robert G., O89103.
Marwitz, Carl E., O89548.
May, Billy W., O89551.
May, Karl E., O92482.
Mays, Jack M., O91922.
Mayville, William C., O89552.
McCullough, Sharpe, Jr., O89553.
McFarland, James W., O89554.
McKenzie, George R., O94109.
Mehrtens, Frederick J., Jr., O95070.
Meisel, John L., O92734.
Melton, Kenneth F., O89557.
Merrill, William B., 3d, O87853.
Miller, Wayne R., O94324.
Miner, James F., O88837.
Moore, Charles L., O92739.
Mosley, Howard R., O92100.
Motz, Aubrey, 3d, O89562.
Muery, Donald H., O89564.
Mullenix, Ronald O., O92742.
O'Connell, Thomas R., O94326.
Ostick, Charles T., O89569.
Otero, Carlos A., O89570.
Overby, Gordon J., O88868.
Parnell, William C., 3d, O95078.
Parsley, Benjamin L., O91350.
Peppers, John S., O88469.

Peterson, Humphrey LaV., Jr., O94330.
Place, Darman C., O89573.
Polk, Burley R., O95083.
Polk, John A., O89574.
Pruitt, Fleming, S., Jr., O89130.
Rabon, Jim D., O89279.
Reed, David B., 3d, O93082.
Rego, Chris F., O89583.
Reynolds, Joseph C., O90422.
Richardson, Charles W., Jr., O94952.
Rickard, Wayne R., O89585.
Riley, Donald A., O89136.
Rippetoe, Joe F., O89588.
Risley, Dannie J., O94639.
Rose, Terrol L., O89590.
Scherz, James P., O86724.
Schlaak, Thomas M., O89594.
Schooff, Maury W., O92004.
Schuetz, Terry L., O89595.
Scott, Engle W., O89598.
Scott, Hugh J., O89599.
Seiler, Robert B., O89601.
Self, Charles R., O86744.
Shaul, Charles D., O89602.
Sherman, William M., O89604.
Siebert, Edward M., O89606.
Skillings, James A., O92562.
Smith, Vernelle T., O94501.
Speedie, John C., Jr., O89612.
Stafford, Benjamin A., O89615.
Stahlman, John R., O94316.
Stang, Arthur C., 3d, O93082.
Steed, John H., O94894.
Stout, Louis E., O89618.
Stowe, Wain W., O89619.
Straight, Kaye R., O94897.
Strong, Edward M., O94350.
Sullivan, Gordon R., O92127.
Talbott, Peter B., O88505.
Tanner, Junius I., O88967.
Teska, Thomas E., O89624.
Thompson, Wesley W., Jr., O90082.
Thurgood, Leon C., O89625.
Thurston, Joe B., Jr., O91708.
Timperley, Bruce S., O89626.
Tracy, Lawrence L., O94795.
Tudor, Robert W., O95109.
Ulm, Donald S., O94149.
Van Dine, Peter W. H., O94506.
Van Eynde, Donald F., O89631.
Van Horn, James E., O93533.
Waghelstein, John D., O94902.
Walkup, Larry R., O92035.
Wallace, Richard B., Jr., O94150.
Wanasek, Robert E., O89634.
Ware, William M., O95115.
Warner, Carl L., O89635.
Webster, Grady F., O89636.
Welch, Jerry F., O90069.
Whaley, Max, O89639.
White, Walter S., Jr., O94662.
Whitlaw, Nathaniel O., Jr., O90604.
Whitley, Wade H., 2d, O89640.
Wicker, Rush R., Jr., O90605.
Wicksell, Harry H., Jr., O89641.
Willard, Hugh D., O89644.
Williams, Stanley J., O89646.
Wilson, Bruce E., O89647.
Wilson, James R., O87974.
Wolpert, Robert A., O93102.
Wolstenholme, Donald E., O93542.
Wood, William A., O92050.
Wright, Jackie V., O89649.
Yeomans, William A., O94907.
Zingle, Paul R., O89653.
Zorn, Burl A., O93105.

To be first lieutenants, Women's Army Corps

Estock, Barbara J., L602.
Morris, Sarah L., L598.

To be first lieutenants, Medical Service Corps

Baker, George D., O91546.
Coleman, Jerry B., O92300.
Fulton, Robert B., O89487.
Goodman, Dorris C., O88700.
Grider, Donald A., O89064.
Hahn, Ruediger, O95030.
Howard, Vance F., O88745.
Jones, Ronald C., O92683.
Mereness, Fenton R., Jr., O92738.
Pritchard, Bob E., O91670.
Sinnott, George W., O89608.
Wilkins, Gerald W., O89643.

To be first lieutenants, Army Nurse Corps

Clifton, Mary R., N3064.
Corbett, Mary J., N3079.
Kucha, Deloros H., N3043.
Reinpold, Rita R., N3068.

The following-named person for reappointment as a temporary brigadier general in the Army of the United States and for reappointment as colonel in the Regular Army of the United States, from the temporary disability retired list, under the provisions of title 10, United States Code, sections 1211, 3442, and 3447:

Rothschild, Jacquard H., O18077.

The following-named person for appointment in the Regular Army by transfer in the grade specified, under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, 3288, and 3290:

To be second lieutenant, Medical Service Corps

Osborne, Edward J. (Arty), O90359.

The following-named persons for appointment in the Regular Army by transfer in the grades specified, under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, and 3288:

To be captain

Kramer, Stanley H. (MSC), O89395.

To be first lieutenant

Locklear, James P. (MSC), 088792.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, 3288, 3289, 3290, 3291, 3294, and 3311:

To be major, Medical Corps

Blunt, James W., O1705079.

To be captains, Dental Corps

Ahlvin, Reno A., Jr., O5500228.
Brown, Allen W., Jr., O4056099.
Morton, Charles B., O4070685.
Saari, James T., O2284865.
Solow, Jerome J., O4025510.
Tong, Edmund Y. S., O5500537.
Webb, Derril L., O4043844.

To be captains, Medical Corps

Baker, Raymond D., O4073569.
Benincaso, Frank V., O4033644.
Clark, John D., O4037918.
DeJong, David C., O2295408.
Eisenberg, Robert S., O5707172.
Kirshman, Herbert S., O5217317.
Kistler, Henry E., Jr., O4009419.
Mologne, Lewis A., O2288740.
Schneider, Daniel J., O2291533.
Terry, Nathaniel V., O5202448.
Tisdale, Samuel A., Jr., O2273713.
Townsend, Horace D., O2295346.
Zwilling, William F., O4053510.

To be first lieutenants, Army Nurse Corps

Gilbrech, Carmen E., N902173.
McKenzie, Nancy J., N5407133.
Sinclair, Janie A., N2293573.

To be first lieutenants, Dental Corps

Cheney, Daniel K., O2304951.
Dupont, Albert A., O5004112.
Morgan, James K., O2305011.
Schwartz, Roy S., O5501788.

To be first lieutenants, Medical Corps

Fuqua, William B., O2300698.
Hano, Jessie E., O2305172.
Terrell, Dudley J., O5300192.

To be first lieutenants, Veterinary Corps

Bellamy, Albert D., O4045413.
Blanchard, Decatur D., Jr., O2225732.
Carraway, Claude W., Jr., O2305962.
Kovatch, Robert M., O2300776.

To be second lieutenants, Army Nurse Corps

Beam, Ida M., N5411401.
Brice, Betty, N5411351.
Lebel, Rita A., N5407492.
Wickman, Sally M., N5004911.

To be second lieutenant, Medical Service Corps

Johnson, Walter F., III, O5215773.

To be second lieutenant, Women's Army Corps

Perkins, Suzanne M., L2300866.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, and 3288:

To be captains

Bills, Arthur D., O4039449.
Culbertson, Roger A., O1925295.
Howell, Ernest R., O1887104.
Lampkin, George W., O1939654.
Moser, John W., O4010625.
Seeberg, Richard S., O4057491.
Stottle, Leslie J., Jr., O1881981.
Zanghi, Joseph A., O1890471.

To be first lieutenants

Baker, Mark W., III, O5204166.
Bezemek, Ludwig A., O4062194.
Boyle, James A., Jr., O5300030.
Bullard, Monte R., O5505602.
Bunting, Roger C., O5700454.
Carmichael, Roderick L., III, O5307728.
Dmytryck, Paul J., O5001497.
Dyer, Peter M., O5302986.
Fekete, Alexander J., Jr., O4069051.
Harrington, Regis A., Jr., O4057452.
Higgins, Paul J., O4065393.
Korf, Calvin L., O5307489.
Kromer, William S., O5402472.
Luna, Wilbur V., O5702895.
Manganaro, S. Joseph, O5507775.
McKie, Robert H., Jr., O4063031.
McMahon, Robert W., O5005339.
Mooney, Peter X., O5302831.
Nyfeler, George L., Jr., O5405084.
Parsons, Ralph W., O5301792.
Potts, William E., O5305011.
Raffaele. John, O4067048.
Rogers, Jerome J., O5700681.
Stengel, Charles W., Jr., O5502755.
Suszynski, Joseph F., O5305564.
Vossen, Francis C., O4074863.

To be second lieutenants

Benson, Richard D., O5704137.
Blair, Robert H., O5213421.
Boucher, Arthur G., O5005357.
Boyd, William L., O5309634.
Bradley, William A., Jr., O5306385.
Burgin, Charles M., O5405545.
Davis, Don M., O5309021.
Dorsey, James J., O5405881.
Kenney, Donald R., O5006679.
LeJeune, David W., O5409724.
MacStravic, James A., O5009463.
Mumford, Jay C., O5704705.
Pitts, Riley L., O5511070.
Purdy, John D., O4031006.
Sasai, Calvin Y., O5800205.
Schumaker, John R., O5704910.
Seavey, Richard W., O4084538.
Shafer, Harold S., O5703872.
Smith, Wade C., O5312056.
Willard, Jack T., Jr., O5211877.

The following-named distinguished military students for appointment in the Medical Service Corps, Regular Army of the United

States, in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, 3288, and 3290:

Andrew, Franklin H., Jr.
Bonine, Robert W.
Cunningham, Clyde R.
Gill, Joseph E.
McCauley, Charles L.
Murray, David B.
Skrzypek, George J.
Starke, William R.
Wilford, Dan S.
Wilford, Ned B.

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, and 3288:

Alling, Edward H.
Anderson, Sigurd W.
Andrews, Darlington F.
Anz, Allen G.
Archibald, Robert C.
Arnold, Douglas L.
Barnett, Ronald V.
Barylak, Bohdan A.
Bates, Phillip H.
Boudreaux, John S.
Bresley, Kenneth V.
Brown, Robert L.
Butler, Gary W.
Byars, Joe D.
Channon, James B.
Chaplin, Robert D., III
Childers, Phillip D.
Chirico, Carl F., Jr. O5217279
Clarke, Henry L.
Coburn, John G.
Conn, Samuel H., Jr.
Cornell, Joseph S., Jr.
Crider, Stephen B.
Danzeiser, David A.
Davies, David M.
DeGiulio, Anthony P.
Dickens, Homer Q., Jr.
Dopp, Daniel L.
Eden, Charles K.
Egan, Martin D.
Ellis, James T.
Englund, Douglas M.
Everett, John R.
Falcone, John P., Jr.
Fanning, Charles J.
Fedorochko, William, Jr.
Fitzgerald, William R.
Follis, Frederick L.
Gardner, Lloyd K.
Garnett, Thomas H., Jr.
Gilbert, Ralph W., Jr.
Gilbert, Richard S.
Gniazdowski, Francis
Gordon, Richard M.
Grant, William M., Jr.
Grasseschi, Thomas A.
Gray, Beltron E.
Grev, Ellsworth C.
Grinder, John T., Jr.
Hamer, Martin E.
Havener, Gary W.
Hess, Hunter C.
Higgins, Paul R.
Hildebrandt, John E.
Jacquet, Richard J.
Jeffress, Charles E.
Jones, Thomas A.
Jones, Wendell O.
Joyner, James L.
Juergens, William A.
Keller, Kenneth F.
Kerner, Richard C.
Knudsen, Peter K.
Ladd, Richard B.
Lawrence, William G.
Leonard, Allan L., III
Lubavs, Konstantins A.
MacMurdy, William L., Jr.
Mallard, Ernest L., Jr.
Marshall, Thomas W.
Martin, Edward P.
McCoy, James B.
McDaniel, Richard A.
McDevitt, James
McKinney, John T., Jr.
Meisheimer, Gerald A. Jr.
Miller, Jack V.
Miller, Robert B.
Mize, William F., Jr.
Moore, Bobby L.
Morgan, Walter E.
Morrison, Kenneth H.
Murray, George P.
Myers, Wayne L.
Oakley, Raymond C.
Olson, John W.
Parker, Johnny D.
Perry, Stephen O., Jr.
Peyton, Mark T.
Pippin, Carlen
Price, Thomas W.
Raley, Thomas S.
Ries, Thomas A.
Riley, Miles, Jr.
Robinson, Stephen M.
Sandow, Dennis J.
Sayler, John G.
Schram, Robert E.
Slominski, Michael H.
Smith, Jimmy T.
Smith, Robert R.
Speake, Robert C.
Spirek, Dennis G.
Standerfer, Norman R.
Staton, James H.
Sturdivant, Robert D.
Thomas, Edward M.
Vincent, Norman L.
Welch, James R. O5413356
West, Kenneth M.
Whipple, William B., Jr.
Whittington, Robert D., III
Williams, Stewart D.
Williamson, William R.
Wyatt, Robert L.
Youngblood, Lawrence J., Jr.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 3, 1962:

ASSISTANT ATTORNEY GENERAL

Norbert A. Schlei, of California, to be an Assistant Attorney General.

POSTMASTERS

HAWAII

Kenneth K. Miyahira, Kapaa.
Edward Y. Shimabukuro, Kaunakakai.
Chieko I. Shimabukuro, Papaaloa.

ILLINOIS

James E. Case, Arcola.
William B. Karstetter, Glasford.
John C. Goodman, O'Fallon.
William M. Lee, Mount Vernon.

KANSAS

Robert W. Domme, Topeka.

NEW YORK

Olive E. Westcott, Cleveland.

NORTH CAROLINA

Bessie W. Finch, Asheboro.
Thomas M. Dunn, Laurinburg.
Atlas T. White, St. Pauls.
Eunice E. Ludlum, Shallotte.

OKLAHOMA

Dwight L. Crawford, Ames.
Mildred M. Carr, Catoosa.
Frankie M. Horn, Sapulpa.

PENNSYLVANIA

Harold L. Adams, Berwick.
John P. McLaughlin, Levittown.
Francis C. Bordner, Kutztown.
David W. Mabry, Mertztown.

SOUTH CAROLINA

William C. Fortner, Easley.

TEXAS

John H. Lambert, Abernathy.
Carroll D. Brice, Bruni.
Dora G. Gilbreath, Deer Park.
Thomas H. Finger, D'Hanis.
Harold D. Miller, Earth.
Edmond F. Jackson, Honey Grove.
Thomas B. Baker, Kenedy.
Lloyd J. Kuykendall, Kopperl.
Ruby L. Hart, Nash.
Jack C. Christian, Tenaha.
Billy D. Dockery, Trenton.
Clifford E. Cummins, Windom.

UTAH

Claude E. Scovill, Orangeville.

WEST VIRGINIA

Helen M. Kessler, Benwood.
James A. McGee, Elkins.
John W. Zimmerman, Hico.
A. Leo Morgan, Ronceverte.

WISCONSIN

Robert A. Ruben, Fountain City.

EXTENSIONS OF REMARKS

Tax Reduction and the Need for Reduction of Federal Expenditures

EXTENSION OF REMARKS
OF

HON. JOHN SHERMAN COOPER

OF KENTUCKY
IN THE SENATE OF THE UNITED STATES
Friday, August 3, 1962

Mr. COOPER. Mr. President, I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD two statements I have made concerning tax reduction, and the need for reduction of Federal expenditures in this fiscal year; and to postpone proposals for new spending programs.

The first statement was made on July 1, in the course of the television and radio program "Let's Look at Congress," of Senator KENNETH B. KEATING, my distinguished Republican colleague from New York.

The second statement was made on July 9. This statement amplifies the necessity of reducing current appropriations for fiscal year ending June 30, 1963, and postponing administration requests for new spending programs.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

INTERVIEW OF HON. JOHN SHERMAN COOPER, REPUBLICAN, U.S. SENATOR FROM KENTUCKY BY SENATOR KENNETH B. KEATING, REPUBLICAN, NEW YORK, ON TELEVISION AND RADIO PROGRAM "LET'S LOOK AT CONGRESS," SUNDAY, JULY 1, 1962

Senator KEATING. This is Senator KEN KEATING welcoming you to another "Let's Look at Congress" program. My guest today is a distinguished colleague who in 1960 was voted by a poll of newsmen the ablest Republican in the Senate. He is former Ambassador to India and my dear friend, the Honorable JOHN SHERMAN COOPER, of Kentucky. JOHN, it's nice to have you here to talk to the people of New York.

Senator COOPER. KEN, I'm glad to be with you.

Senator KEATING. You have a lot of friends in New York?

Senator COOPER. Well, I like New York. I have friends there—yes.

Senator KEATING. What do you think will be the biggest campaign issue this fall?

Senator COOPER. I think the biggest campaign issue—the one that will have more influence than any other—is the state of the economy. People out of work are going to continue to wonder how long they are going to be out of work. Businessmen are going to wonder about their business. Consumers and everyone will wonder about continued high prices but generally, whether our economy is going to pick up or whether it's going to stagnate. If it stagnates, it must go down, I think.

Senator KEATING. How do you feel about a tax cut at ths time?

Senator COOPER. KEN, this is what I believe. We know there is great uncertainty in the country today. A part of that uncertainty grows out of the uncertainty of the administration about its fiscal policy. It's evident from the record that we will have had three deficits—in 1961 about $4 billion (of course, part of that might be attributed to the Eisenhower administration), a deficit in 1962 of, I think, $7 billion, and now it's agreed we'll have a deficit in 1963, unless something is done, of $4 to $5 billion.

It seems to me deficit financing has failed as a measure to spur the economy. If we must have a deficit, it is preferable to have it come about as the result of a tax cut, because a tax cut will stimulate the economy. I believe that the Congress should enact a tax cut this year. If the administration doesn't propose it, I think at least the Republican Party ought to agree on one and urge it in the Finance Committee and in the Ways and Means Committee and if they're not successful, at least off and on the floor. I remember in 1954, and you do too because you were in the Congress, that there had been deficits for 2 or 3 years. There was a deficit in 1954 anticipated of about $4 billion and yet President Eisenhower had the courage to propose a tax bill. It was a tax cut of about $7½ billion annually. I assume today that it would be $10 or $12 billion. I think that we forgot that we've had a continuing tax savings for the people since 1954 of $8 to $12 billion a year. Now what happened after the tax cut? The next year there was a slight deficit, but in the following year there was a considerable surplus. You had the largest investment then, after that tax cut, there had been since World War II, and even before World War II. I believe that if we enact a tax cut this year, that it would have that same stimulating effect.

Senator KEATING. What kind of a tax cut did you have in mind?

Senator COOPER. I would just say that it would have to be something on the order of the one we enacted in 1954. Not the same, because you had other problems then—excess profits and other matters. But I would say, to reduce the corporate tax maximum from 52 to 47 percent, and then have corresponding decreases in the tax rates of all classifications—both the corporations and to individuals. I would point out that if this should be done—assuming that there was a reduction of about $8 or $9 billion—that about $2½ to $3 billion of this would go to the corporations. The remainder would go to the individual income taxpayer. I think it would give a tremendous spur to the economy. Also, I think that it would have an effect upon confidence abroad and would tend to halt the outflow of gold. But, KEN, I think it ought to be accompanied by reductions in spending, too.

Senator KEATING. How would you go about that?

Senator COOPER. Well, that's been one of the problems up here, as you know. Some of us in the Congress—and I'm one of them—favor what are called liberal programs.

I would call them human programs. But they are based upon our ability to pay for them. I would say that, this year, to make a tax cut creditable—to give confidence to the people and abroad—that the administration should itself cut back all our programs, except defense, by a reasonable amount. If they will not do it, then I believe that the Republicans in the Congress should offer amendments to every appropriation bill, other than defense. A reasonable cutback, of say just 5 or 6 percent, wouldn't disturb any agency and it would show that you really meant business. Now a lot of people say, "well that's unscientific." But all members can't agree on every bill. Everybody could agree upon a reasonable cutback, because they know it would not hurt any agencies. So I think that is the second thing that should be done.

Senator KEATING. You travel around the country a great deal. What general reactions do you find to the President and his policies?

Senator COOPER. Well, at the beginning, and for a long time, the President has enjoyed a great deal of personal popularity. I think he does now. But, I just have to say what all of us know, and what we are talking about now—that there is this basic uncertainty about the state of the economy. I think it grows from this conflict of whether we are going to depend upon deficit spending to spur the economy; or whether we will have a tax cut and some sacrifice in spending.

Now, I'd like to make one other point. I do agree with the administration on one proposal and I don't know that I have much support from my colleagues on the Republican side. But I do support the proposal for withholding of interest and dividends, because we are losing about a billion dollars a year of unpaid taxes on dividends and interest that have been payable under law since 1913. Really, I think this is where businessmen could contribute something. I think instead of opposing this they should support it, because if they believe in fiscal integrity, I do not see how they can oppose an effort to collect a billion dollars of unpaid taxes. Now that, too, would help create confidence, would help reduce these spending proposals and expenditures; and I think it would help accomplish what I have been talking about—that is a tax cut, plus reduction of spending, to spur the economy.

Senator KEATING. Recently, you criticized what you termed the "administration's obsessive drive for power"—that is the phrase you used. Is President Kennedy acting any differently in that regard from Roosevelt, Truman, and Eisenhower?

Senator COOPER. Someone has said that when one has power there is a natural tendency to believe that your policies are right and to seek the means to achieve your ends. But I must say that President Eisenhower was very conscious of the separation of powers between the Congress and the Executive. I think he observed that very carefully. And President Roosevelt, on at least one of the most famous historical occasions, attempted to secure his aims by packing the Supreme Court. There was a tremendous outburst of resentment against it. President Truman attempted to seize the steel industry. There was an outburst against it and, of course, the Supreme Court denied him that power.

This administration has asked, again and again, for the Congress to transfer to the Executive the power to write the specifics of legislation. Now what does that mean? In the first place, we may not do the best job always, but I see no reason to believe that some people over in the administration are not subject to public criticism and debate, or can do any better job. I certainly wouldn't think so. But the basic proposition involved in this is that there is a means given under the Constitution to examine, to debate, to accept, to reject, to modify any proposal, and it seems to me if we give that up, then we have denied a very basic essential of our form of government. I am rather surprised—and it's not very good to be critical of newspapers—but some newspapers seem to believe that just because the President submits a program, there's some duty on the part of the Congress to accept it without debate or criticism. Debate and criticism—they are in my view the distinguishing factor—one of them—between a free country and a totalitarian system.

Senator KEATING. That's a very eloquent statement, JOHN.

Senator COOPER. Well, I feel this and I've always felt it.

Senator KEATING. To change the subject now for a moment, you were our U.S. Ambassador to India and you have, this last week, been critical of Mr. Nehru's proposed purchase of Mig airplanes from Russia. In your judgment, has India's unfriendly Defense Minister, Mr. Krishna Menon, any chance of becoming successor to Mr. Nehru?

Senator COOPER. Yes. Of course, I cannot try to talk about what might happen in another country but I must say that in my experience in India, I recognized that Mr. Menon was a very forceful man, that he is a very determined man and a very able man. I thought from the very beginning that he had the possibility of becoming Prime Minister of India. Now whether that is going to occur or not I don't know, but I would certainly say that it's not beyond the realm of possibility.

Senator KEATING. Do you see any decline in American support for the United Nations?

Senator COOPER. Well there's been a great debate raised on it this year, as you know. I don't think there's a decline. What I think is happening is this. Under the administration of President Eisenhower, there was a certain quietness on the part of a great many people in this country who didn't feel too kindly about the United Nations. I think because of President Eisenhower's influence and support, there wasn't much talk about it. But I believe in the last year, with certain reverses and also with dangers becoming quite apparent—in Berlin, Laos and other places—that many people have sought to find a reason for these reverses in the United Nations. I do not agree with that viewpoint, KEN.

Senator KEATING. Do you support the administration's position on Cuba and Laos?

Senator COOPER. Cuba is, to me, a matter which has passed. At the time I felt that the administration should have made a choice. One choice would have been not to support the invasion; but if it did support the invasion, then I think it was bound to support it fully. But it did not do either. So that was a failure. But it's past now, and frankly I do not see anything we can do now except to let Castro stew in his own juice. I wish we had not paid as much attention to him—give him as much importance. He is not that important. He's having great troubles and it's possible that he'll fail.

Senator KEATING. Let me ask you a political question to close the program. How do you assess Republican prospects for next November?

Senator COOPER. I believe the Republicans will win the House and I think that we can gain seats in the Senate. I cannot tell you how many, but I believe that is correct.

Senator KEATING. You are a very cultivated gentleman and still they tell us you wear red suspenders when you campaign all over Kentucky. Do you have a split personality?

Senator COOPER. Well, I suppose all of us have a split personality, in different senses. Thank you for you compliment about being cultivated, but I come from a small town and from a country community. They still call me JOHN and Judge. They are fine people. I don't wear suspenders, though. I do the same at home as I do here. But I always remember one fellow: After looking me over, after I had been up there, he just told me flatly. He said, "JOHN, you don't impress me at all."

Senator KEATING. Thank you very much Senator JOHN COOPER, of Kentucky.

STATEMENT OF HON. JOHN SHERMAN COOPER, OF KENTUCKY

I have urged that the administration recommend and the Congress enact a tax cut during this session of Congress. I am not a member of the Senate Finance Committee, but all of us in the Congress know of the uncertainty which prevails in the country about the economy, and the debate over administration policy which contributes to this uncertainty.

I renew my argument for the enactment of a tax cut during this session of the Congress for the following reasons:

1. A tax cut is needed to give the country assurance concerning the administration's fiscal policy. For this uncertainty is undoubtedly contributing to the stagnation which prevails today. Evidently, there are those in the administration who want large budget deficits—even in this time when economic factors are generally sound—claiming that they are necessary to counteract the downturn in the business cycle. I am sure that others in the administration hold the view that a tax cut, accompanied by positive efforts to reduce spending and to apply priorities among administration requests for spending, is the best means of stimulating the economy. I am sure that

the great majority of the people of this country support the latter view, and that they are frightened by the former. They believe, and I agree, that deficit spending cannot get our economy moving again.

2. A tax cut will have the effect of reducing or curing the deficits which continue to plague the Federal Government. For, spurring business activity, it would increase revenues. In 1954 a deficit of about $4 billion was anticipated. Yet, President Eisenhowever proposed a tax bill which released to taxpayers an estimated $7½ billion in the first year. In the following year there was a slight deficit, but the next year the Government achieved a considerable surplus. As a consequence of the tax cut, the country experienced the largest investment that had taken place since World War II. Taking into account the advances in gross national product and individual income since 1954, it is probable that $75 to $100 billion have been released since 1954 to corporations and individuals.

3. A tax reduction which will enable business to modernize, and which will enlarge consumer demand—if accompanied by restraints in spending—will remove the uncertainty about administration policy, and provide the confidence needed to move the economy, which is basically sound.

But I emphasize again the conditions for a tax cut which I believe are necessary to make it effective:

1. A tax cut should be accompanied by reductions in all current appropriations for fiscal year 1963, except defense spending, on the order of 5 to 6 percent. Such reduction would amount to $1 to $2 billion. Many will contend that across-the-board reductions are unscientific, but we in the Congress know that any agency of the Government, other than the Defense Department, can get along with a 5- to 6-percent reduction.

2. The administration should postpone requests that entail additional spending, unless critically essential. As an example the request for a billion-dollar raise in the pay of Federal employees could certainly be postponed for a year—until we know that it can be afforded.

3. The Congress should act upon provisions of the tax bill now before the Senate Finance Committee, which would revise justly a part of the tax structure, and provide additional revenue. I refer to revisions of taxes on mutual fire and casualty insurance companies, mutual savings banks, savings and loan associations, and co-ops.

4. I support also the revision which is designed to secure the payment (through the means of withholding 20 percent of dividends and interest) of $1 billion annually lost to the Treasury. Taxes are now withheld on wages and salaries, and means are provided in the tax bill to reduce the burdens on persons with low income. These provisions are particularly helpful to persons over 65 years of age. Business should support this proposal. I do not see how one can oppose logically a proposal to collect a billion dollars in taxes annually lost on dividends and interest, which either through inadvertence or purpose are not paid, although they have been taxable since 1913.

With international conditions of danger being what they are, there is now, and will continue to be a need for large Federal revenues. It would be irresponsible to propose a tax cut which would drastically and permanently reduce needed revenues, and which enlarge yearly deficits. But if the administration proposes a tax cut, and at the same time makes a conscientious attempt to reduce nonessential Federal expenditures, the effect will be to greatly improve economic conditions, and help correct the Government's fiscal position both nationally and internationally.

If the administration will not take the initiative, I hope very much that the Republican minority will work together for a program of tax reduction and reduction of spending.